



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Revenue Sector
for the year ended 31 March 2018**



लोकहितार्थं सत्यनिष्ठा

Dedicated to Truth in Public Interest



**Government of Uttar Pradesh
Report No. 4 of the year 2019**

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended March 2018 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 2017-18 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 2017-18 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 17 paragraphs relating to State Excise, Tax on Sales, Trade, etc., Taxes on Vehicles, Goods and Passenger, Stamp and Registration Fees and Mining Receipts including one paragraph on “**Preparedness for transition to Goods and Services Tax**”. The total financial implication of the Audit findings is ₹ 195.88 crore of this the concerned Department accepted audit observations amounting to ₹ 140.34 crore. Some of the major findings are mentioned below:

Chapter-I: General

Total receipts of the Government of Uttar Pradesh for the year 2017-18 were ₹ 2,78,775.45 crore, of which, ₹ 1,17,187.86 crore (42.04 *per cent*) constituted the State’s own receipts. Government of India contributed ₹ 1,61,587.59 crore (57.96 *per cent*), comprising State’s share of divisible Union taxes of ₹ 1,20,939.14 crore (43.38 *per cent* of total receipts) and grants-in-aid of ₹ 40,648.45 crore (14.58 *per cent* of total receipts). The State’s own tax revenues and the State’s share in central taxes increased from 2013-14 to 2017-18.

Wide variations between the budget estimates approved by the Finance Department and the actual revenues were noticed in Audit. The reasons for such wide variations could not be assessed as the Finance Department did not produce the budget files to Audit despite requests at that point of time.

(Paragraph 1.2)

The arrears of revenue as on 31 March 2018 on Tax on Sales, Trade, etc., Stamps and Registration Fees, Taxes on Vehicles, Goods and Passengers, State Excise, Entertainment Tax and Mining Receipts amounted to ₹ 22,564.66 crore, of which ₹ 10,581.96 crore was outstanding for more than five years.

Audit recommends that the Departments should create a centralised database of outstanding arrears and introduce a mechanism to monitor the progress of arrears on a periodic basis. The reasons for accumulation of arrears should also be analysed and mechanisms/procedures developed to prevent any further accumulation of arrears.

(Paragraph 1.3)

Chapter-II: State Excise

The Department failed to act on the recommendation made by the Public Accounts Committee for timely deposit of Basic License Fee and License Fee on settlement of shops. The Department did not initiate any action for cancellation of settlement, and forfeiture of basic license fee/license fee (₹ 28.35 crore) and security (₹ 30.50 crore) totalling to ₹ 58.85 crore, in contravention to the rules.

Audit recommends that the Department should ensure adherence to the provisions of the Act/Rules and the recommendation made by the Public

Accounts Committee, to safeguard the financial interests of the State. The Department should adopt a transparent bidding system and devise a mechanism to settle licenses of liquor shops in case the highest bidder fails to comply with allotment conditions.

(Paragraph 2.3)

Non-issue of Beer bar license for retail sale of bottled Beer led to loss of revenue of ₹ 2.36 crore in respect of 119 licensees.

(Paragraph 2.4)

The license fee of model shops was not fixed as per the norms prescribed in the Excise Policy resulting in short levy of license fee of ₹ 1.36 crore.

(Paragraph 2.5)

Chapter-III: Tax on Sales, Trade etc.

Assessing Authorities accepted the tax rates on sale of goods worth ₹ 148.62 crore as mentioned by the dealers in tax returns without verifying the rates applicable on such goods as per the schedules. Thus, tax amounting to ₹ 12.36 crore was short/not levied.

Audit recommends that the Commercial Tax Department should consider instituting enquiry from vigilance angle in cases where typographic errors have been stated as reasons for application of incorrect rate of tax.

(Paragraphs 3.3)

Assessing Authorities allowed the irregular exemption of ₹ 2.80 crore on stock transfer of ₹ 55.97 crore as the dealer failed to submit the required declaration Form 'F' along with the proof of dispatch.

Audit recommends that the Commercial Tax Department should carefully examine all such cases where such exemptions are being allowed by the Assessing Authorities.

(Paragraphs 3.4.1)

The dealers had purchased goods valued at ₹ 6.81 crore which were not covered under the Registration Certificate at concessional rates of tax against the declaration in form 'C'. This fact was not scrutinised at the time of assessment and a penalty of ₹ 1.05 crore was not imposed.

Audit recommends that the Commercial Tax Department may ensure that while assessment orders are being passed, the Registration Certificates and utilization certificates, where such concession are being considered by the Assessing Authorities, should be carefully examined.

(Paragraphs 3.4.2)

The dealers had wrongly claimed Input Tax Credit amounting to ₹ 64.88 lakh which was irregularly allowed by the Assessing Authorities. This resulted in non-reversal of Input Tax Credit alongwith interest totalling ₹ 1.01 crore.

Audit recommends that the Commercial Tax Department should carefully examine and verify the transections where Input Tax Credit are being claimed by the dealers and benefit of Input Tax Credit are being allowed by the Assessing Authorities.

(Paragraphs 3.5.1)

The Assessing Authorities had not reversed the Input Tax Credit alongwith interest of ₹ 1.40 crore claimed by the dealers in respect of those goods which were sold by the dealers at a price lower than the purchase price.

Audit recommends that the Commercial Tax Department should carefully examine and verify the cases where Input Tax Credit are being claimed by the dealer.

(Paragraphs 3.5.2)

The Assessing Authorities had not reversed the Input Tax Credit alongwith interest of ₹ 2.20 crore claimed by the dealers in respect of goods which were taxable at lower rates than that claimed by the dealers.

Audit recommends that the Commercial Tax Department should ensure periodic and randomised reviews of all Input Tax Credit claims to ensure that Input Tax Credit is being claimed as per prescribed rates.

(Paragraphs 3.5.3)

On cross verification undertaken by the Department, Input Tax Credit amounting to ₹ 1.94 crore claimed by the dealers was found false. Though it was reversed by the Assessing Authorities, penalty amounting to ₹ 9.71 crore was not imposed against the defaulters.

Audit recommends that the Commercial Tax Department should carefully examine and verify the cases where Input Tax Credit is being claimed falsely or fraudulently by the dealer.

(Paragraphs 3.5.4)

The dealers had deposited the admitted tax of ₹ 5.56 crore with delay, on which interest was chargeable. However, the same was not charged at the time of assessment resulting in non-levy of interest amounting to ₹ 2.56 crore.

Audit recommends that the Commercial Tax Department should carefully calculate the interest amount in cases where there is delay in payment of due taxes by the dealers.

(Paragraphs 3.6)

The Assessing Authorities did not impose penalty amounting to ₹ 3.66 crore on concealed turnover amounting to ₹ 20.44 crore.

Audit recommends that the Commercial Tax Department should carefully examine all the cases where concealment of turnover by the dealers is detected and ensure that due penalty is imposed for ensuring tax compliance.

(Paragraphs 3.7.1)

The Assessing Authorities, while finalising the assessments, did not impose penalty amounting to ₹ 3.06 crore and an interest of ₹ 55.30 lakh on delayed deposit of admitted tax amounting to ₹ 15.31 crore.

Audit recommends that the Commercial Tax Department should carefully examine the cases where admitted tax is not being deposited within the prescribed time limit and without due interest.

(Paragraph 3.7.2)

The Assessing Authorities had not imposed penalty amounting to ₹ 26.80 crore alongwith interest of ₹ 14.26 lakh on dealers for not depositing the tax deducted at source (TDS) amounting to ₹ 13.40 crore within the prescribed time.

Audit recommends that the Commercial Tax Department should ensure timely deposit of TDS by the dealers/contractors.

(Paragraphs 3.7.3)

The dealers had collected tax of ₹ 4.61 crore in excess of their tax liability. However, the Assessing Authorities did not forfeit this amount wrongly realised by the dealers.

Audit recommends that the Commercial Tax Department should carefully examine the cases where the dealers have wrongly realised an amount as tax from other dealers in contravention of the provisions of the Act.

(Paragraph 3.8)

Preparedness for transition to Goods and Services Tax

The State Commercial Taxes Department did not provide Audit with either access to the Goods and Services Tax Network (GSTN) or to any data dump related to the Goods and Services Tax (GST) data in its possession despite persistent persuasion. The Department stated that the issue of data sharing protocol with the Comptroller and Auditor General of India has been referred to GST Council. Until the matter is decided, it will be proper, to wait for access to GSTN and data dump. As GST data was not shared, we were unable to audit and therefore, findings on “Preparedness for transition to Goods and Services Tax” is derived largely from the information provided to Audit with respect to its queries and requisitions, but without any independent verification vis-à-vis actual databases or documents.

(Paragraph 3.9.4 and 3.9.5)

Chapter-IV: Other Tax Receipts

The Transport Department failed to stop unsafe vehicles from plying on roads and also did not impose penalty amounting to ₹ 2.16 crore under the Carriage by Road (CBR) Act on 913 goods vehicles which were seized for overloading.

Audit recommends that the Transport Department may register vehicles carrying minor minerals under the definition of common carrier of the Carriage By Road Act, 2007 to stop such overloaded vehicles carrying minor minerals.

Audit recommends that the Geology and Mining Department may in consultation with the Transport Department work out an online system for detecting the overloaded vehicles running on road based on the MM 11 operated by the Transport Department.

(Paragraph 4.3)

Additional tax of ₹ 2.61 crore was not levied on 393 *JnNURM* buses plying outside the designated municipal areas.

(Paragraph 4.4)

Residential land measuring 5.09 lakh square meter was wrongly registered for ₹ 58.56 crore at agricultural rates. Correct valuation at the residential rate worked out to ₹ 256.09 crore which resulted in short levy of Stamp Duty and Registration Fees by ₹ 11.42 crore.

Audit recommends that the Stamps and Registration Department should ensure correct valuation of property using features available in the *PRERNA* Software and, after a mandatory physical verification by Sub Registrar or *Tehsildar/Patvori* where a part of the same *arazi* has been sold within a reasonable short period at residential rates.

(Paragraph 4.8)

Chapter-V: Mining Receipts

The Department did not recover cost of minerals amounting to ₹ 26.27 crore and due penalty in 334 cases from contractors undertaking civil works, for raising mineral without lawful authority.

Audit recommends that the Mining Department should ensure coordination with the executing agencies undertaking civil works to ensure that the contractors have sourced minerals from legitimate lessees, and possess valid MM-11 for transporting such minerals.

(Paragraph 5.3)

Cost of excess excavated minerals valuing to ₹ 1.66 crore was not recovered from two lessees for excavating excess than minor minerals permitted in Environment Clearance.

(Paragraph 5.4.1)

Cost of excavation of minerals valuing to ₹ 3.35 crore was not recovered from one lessee for excavating beyond the limit fixed in the Mining Plan.

(Paragraph 5.4.2.1)

Cost of excavated minerals valuing to ₹ 3.00 crore was not recovered from one lessee for excavating minerals without Mining Plan.

(Paragraph 5.4.2.2)

Cost of brick earth amounting to ₹ 1.77 crore was not recovered in 36 cases from brick kilns operating without Environment Clearance.

Audit recommends that the Department should ensure that minerals including brick earth are not excavated without the requisite environment clearance to curb illegal mining.

(Paragraph 5.4.3)

Royalty of ₹ 6.94 crore and permit application fees of ₹ 13.14 lakh were not realised in 660 cases from brick kiln owners, though the same was specified in the One Time Settlement Scheme.

Audit recommends that the Department should ensure that all brick kiln owners in the State abide with the provisions of the One Time Settlement Scheme as applicable in the given brick year. Efforts should also be made to recover the outstanding royalty from the defaulting brick kiln owners.

(Paragraph 5.5)

19 lessees deposited dead rent of ₹ 1.85 crore for the lease period against recoverable amount of ₹ 3.94 crore. Department did not make any effort to recover short deposit of dead rent of ₹ 2.09 crore.

(Paragraph 5.6)

Most of the audit observations are of a nature that may reflect similar errors/omissions in other units of the concerned State Government department, but were not covered in the test check conducted during the year. The Department/Government may therefore like to internally examine all other units with a view to ensuring that they are functioning as per requirement and rules.

CHAPTER-I: GENERAL

1.1 Introduction

This Chapter presents an overview of the trend of receipts raised by the Government of Uttar Pradesh, and the arrears of revenue, both Tax and non-tax, pending collection against the backdrop of the audit findings.

1.2 Trend of receipts

1.2.1 The tax and non-tax revenue raised by the Government of Uttar Pradesh, the State's share of the net proceeds of the divisible Union taxes and duties assigned to States, grants-in-aid received from the Government of India during 2017-18, and the corresponding figures for the preceding four years are presented in **Table - 1.1**.

Table - 1.1
Trend of revenue receipts

(₹ in crore)						
Sl. No.	Particulars	2013-14	2014-15	2015-16	2016-17	2017-18
1.	Revenues raised by the State Government					
	• Tax Revenue	66,582.08	74,172.42	81,106.26	85,965.92	97,393.00
	Percentage of growth compared to previous year	14.60	11.40	9.35	5.99	13.29
	• Non-tax Revenue	16,449.80	19,934.80	23,134.65	28,944.07	19,794.86
	Percentage of growth compared to previous year	26.82	21.19	16.05	25.11	(-) 31.60
	Total	83,031.88	94,107.22	1,04,240.91	1,14,909.99	1,17,187.86
2.	Receipts from the Government of India					
	• Share of net proceeds of divisible Union taxes and duties	62,776.70	66,622.91	90,973.69	1,09,428.29	1,20,939.14 ¹
	• Grants-in-aid	22,405.17	32,691.47	31,861.34	32,536.87	40,648.45
	Total	85,181.87	99,314.38	1,22,835.03	1,41,965.16	1,61,587.59
3.	Total revenue receipts of the State Government (1 and 2)	1,68,213.75	1,93,421.60	2,27,075.94	2,56,875.15	2,78,775.45
4.	Percentage of 1 to 3	49	49	46	45	42

Source: Finance Accounts of the Government of Uttar Pradesh.

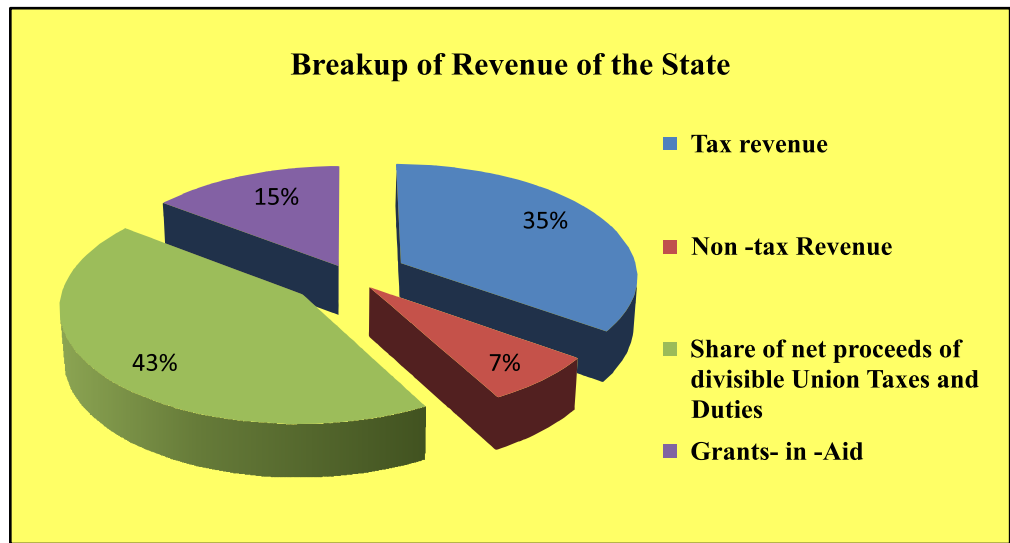
Above table indicates that the average annual growth rate in respect of tax revenue and non-tax revenue were 10.93 *per cent* and 11.51 *per cent* respectively during 2013-18.

The State's share in central taxes increased following the implementation (from 2015-16) of the recommendations of the 14th Finance Commission increasing the State's share by 10 *per cent* (from 32 to 42 *per cent*).

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 2017-18. Figures under the major heads 0005 - Central Goods and Services Tax, 0008 - Integrated Goods and Services Tax, 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, Minor Head 901 - 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 net proceeds of divisible Union taxes' in this statement.

The breakup of revenue receipts of the State for the year 2017-18 in terms of percentage is shown in **Chart – 1.1**.

Chart - 1.1



1.2.2 Details of the tax revenue raised during the period 2013-14 to 2017-18 are given in **Table - 1.2**.

Table - 1.2
Details of tax revenue

(₹ in crore)								
Sl. No.	Head of revenue	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage of increase (+) or decrease (-) in actuals of 2017-18 in comparison to	
		BE Actual	BE Actual	BE Actual	BE Actual	BE Actual	BE of 2017-18	Actuals of 2016-17
1.	Tax on Sales, Trade, etc.	43,936.00 39,645.45	47,497.92 42,931.54	52,670.69 47,692.40	57,940.30 51,882.88	36,397.30 31,112.52	(-) 13.10 ²	(+) 8.87
	State Goods and Service Tax (SGST) ³ (July 2017 to March 2018)					28,602.70 25,373.96		
2.	State Excise	12,084.00 11,643.84	14,500.00 13,482.57	17,500.00 14,083.54	19,250.00 14,273.49	20,593.23 17,320.27	(-) 15.89	(+) 21.35
3.	Stamps and Registration Fees	10,555.00 9,520.92	12,722.67 11,803.34	14,836.00 12,403.72	16,319.60 11,564.02	17,458.34 13,397.57	(-) 23.26	(+) 15.86
4.	Taxes on Vehicles, Goods and Passengers (0041 & 0042)	3,713.00 3,442.01	3,950.00 3,797.58	4,658.00 4,410.53	5,123.80 5,148.37	5,481.20 6,403.69	(+) 16.83	(+)24.38
5.	Others ⁴	1,905.00 2,329.86	2,327.34 2,157.39	2,250.31 2,516.07	2,622.80 3,097.16	2,969.13 3,784.99	(+) 27.48	(+)22.21
Total		72,193.00 66,582.08	80,997.93 74,172.42	91,915.00 81,106.26	1,01,256.50 85,965.92	1,11,501.90 97,393.00	(-)12.65	(+)13.29

Source: Finance Accounts of the Government of Uttar Pradesh and budget estimates as per the Statement of Revenue and Receipts of Government of Uttar Pradesh.

² $\frac{36,397.30}{31,112.52} - \frac{28,602.70}{25,373.96} = 65,000.00 - 56,486.48$

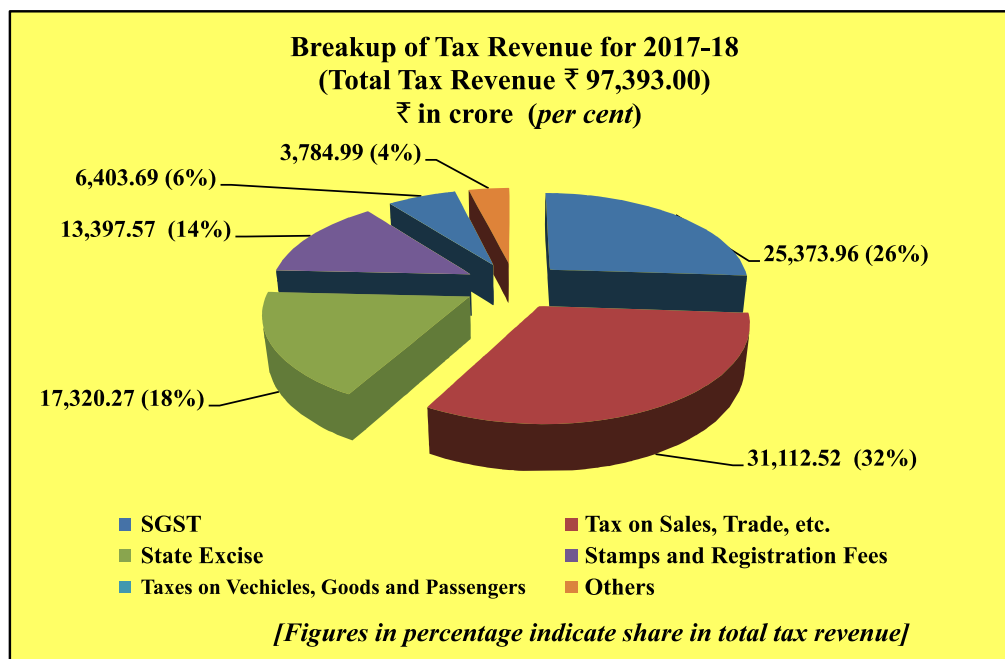
³ New Tax Revenue Head introduced from 01.07.2017

⁴ Includes receipts (less than five per cent of tax revenue) from the following:

Taxes and duties on Electricity, Land Revenue, Hotel Receipt Tax, Other Taxes and Duties on Commodities and Services etc.

The breakup of tax revenue for the year 2017-18 is shown in **Chart - 1.2**.

Chart - 1.2



- The overall growth of 13.29 *per cent* in own tax revenue during 2017-18 was mainly due to increase in ‘State Excise’ (by ₹ 3,047 crore), ‘Stamp and registration’ (by ₹ 1,834 crore), ‘Taxes on vehicle’ (by ₹ 1,255 crore), ‘Land revenue’ (by ₹ 576 crore) and ‘Taxes and duties on Electricity’ (by ₹ 568 crore).
- Taxes on sales, trade, etc. decreased by ₹ 20,770 crore during 2017-18 in comparison to the previous year, as this tax was subsumed in Goods and Services Tax (GST) which was implemented from 1 July 2017. However, State GST (SGST) collection during the year was ₹ 25,374 crore.
- The growth in ‘State Excise’ was due to increase in sale of country liquor (by ₹ 892 crore), Indian Made Foreign Liquor (by ₹ 795 crore) and Beer (by ₹ 279 crore). The State Excise Department also received ₹ 373 crore during the year from e-lottery tendering process for shops for the year 2018-19.
- The receipts under ‘Stamps and Registration’ increased mainly due to annual revision of circle rates of land, more receipts from fees for registering documents (58 *per cent*) and sale of judicial and non-judicial stamps (23 *per cent*). The increase of receipts ‘taxes and duties on Electricity’ was due to more collection of taxes on sale and consumption of electricity (41 *per cent*).

1.2.3 Details of the non-tax revenue raised during the period 2013-14 to 2017-18 are indicated in **Table - 1.3**.

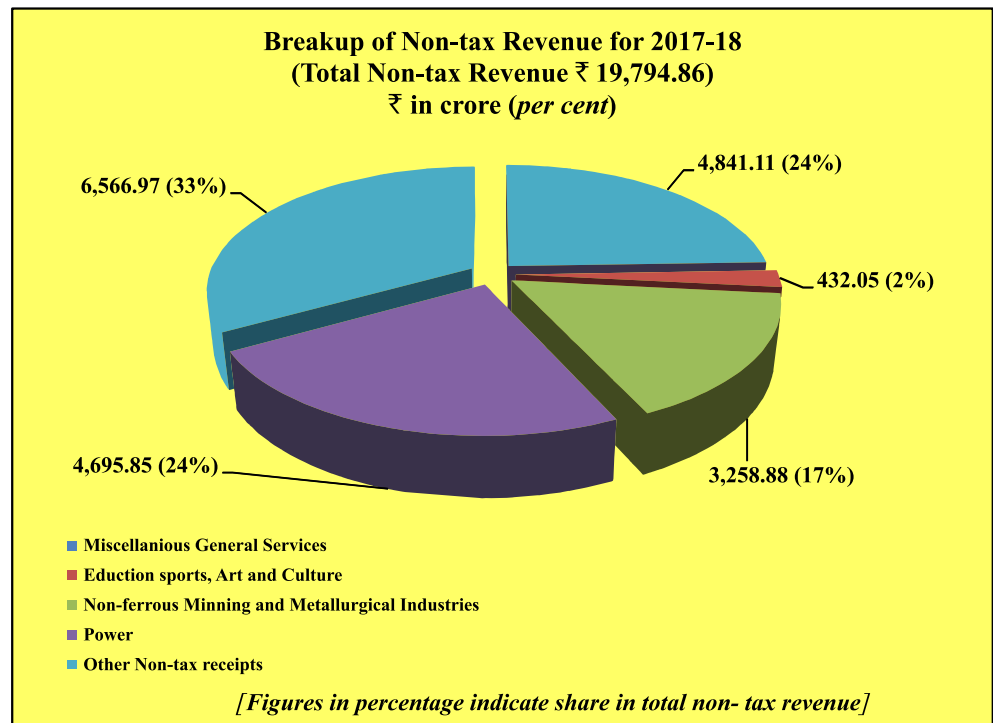
Table - 1.3
Details of non-tax revenue

(₹ in crore)								
Sl. No.	Head of revenue	2013-14	2014-15	2015-16	2016-17	2017-18	Percentage of increase (+) or decrease (-) in actuals of 2017-18 in comparison to	
		BE Actual	BE Actual	BE Actual	BE Actual	BE Actual	BE of 2017-18	Actuals of 2016-17
1.	Miscellaneous General Services	<u>2,970.98</u> 3,194.28	<u>4,037.81</u> 6,400.41	<u>4,774.00</u> 4,949.22	<u>4,220.61</u> 4,460.40	<u>4,502.00</u> 4,841.11	(+)7.53	(+)8.54
2.	Education, Sports, Art and Culture	<u>5,852.75</u> 6,414.09	<u>6,887.18</u> 5,798.52	<u>7,600.00</u> 10,652.08	<u>11,170.31</u> 14,092.31	<u>520.00</u> 432.05	(-)16.91	(-)96.93
3.	Non-Ferrous Mining and Metallurgical Industries	<u>1,000.00</u> 912.52	<u>1,100.00</u> 1,029.42	<u>1,500.00</u> 1,222.17	<u>1,650.00</u> 1,548.39	<u>3,200.00</u> 3,258.88	(+)1.84	(+)110.47
4.	Power	<u>270.00</u> 1,060.81	<u>2,700.00</u> 967.87	<u>2,700.00</u> 1,322.17	<u>2,700.00</u> 2,938.85	<u>4,448.34</u> 4,695.85	(+)5.80	(+)59.79
5.	Other Non-tax receipts ⁵	<u>3,088.75</u> 4,868.10	<u>5,506.96</u> 5,738.58	<u>5,062.32</u> 4,989.01	<u>4,499.93</u> 5,904.12	<u>5,766.37</u> 6,566.97	(+)13.69	(+)11.23
	Total	<u>13,182.48</u> 16,449.80	<u>20,231.95</u> 19,934.80	<u>21,636.32</u> 23,134.65	<u>24,240.85</u> 28,944.07	<u>18,436.71</u> 19,794.86	(+)7.37	(-)31.61

Source: Finance Accounts of the Government of Uttar Pradesh and budget estimates as per the Statement of Revenue and Receipts of Government of Uttar Pradesh.

The breakup of non-tax revenue for the year 2017-18 is shown in **Chart - 1.3**.

Chart - 1.3



⁵ Others includes receipts (less than five per cent of non-tax revenue) from the following: Interest receipts, Roads & Bridges, Other Administrative Services, Medium Irrigation, Village and Small Industries, Forestry and Wild Life, Medical and Public Health, Urban Development, etc.

There was overall decrease of 31.61 *per cent* in non-tax receipts amounting to ₹ 9,149 crore during 2017-18 over 2016-17. The decrease was mainly on account of the receipts under the head ‘Education, Sports, Art and Culture’ due to the fact that during 2017-18, the compensation by the Department in lieu of salary to the teachers appointed under *Sarva Shiksha Abhiyan* was accounted for as reduction in expenditure of the Primary Education Department, which was earlier shown as non-tax receipts of the Government. Further, the increase in realisation of mineral concession fees, rent and royalties (186 *per cent*) led to higher receipts under ‘Non-ferrous mining and metallurgical industry’, which was mainly due to revision of rates of royalty/dead rent of various minerals.

Further, Audit noted wide variations between the budget estimates approved by the Finance Department and the actual revenues (Tables 1.2 and 1.3 refer). The reasons for such wide variations could not be assessed as the Finance Department did not produce the budget files to Audit despite requests at that point of time. The matter was flagged in the Audit Report (Economic and Revenue Sectors) for the year ended 31 March 2017 (Chapter-3 General para No. 3.2.3).

Recommendation:

The Finance Department should revisit their budgeting methods to make the budget estimates more realistic.

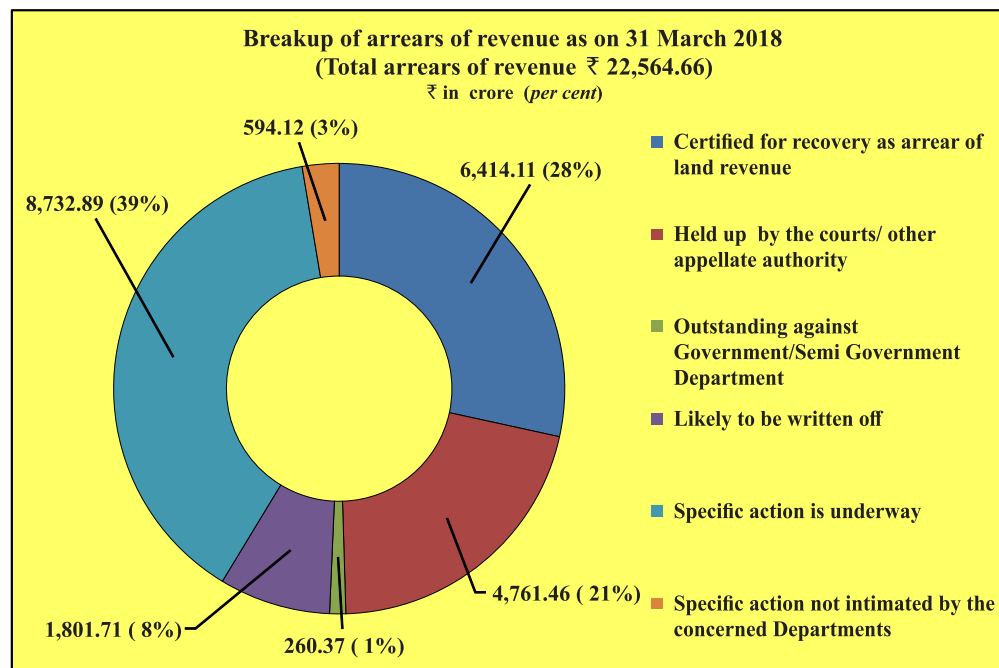
1.3 Analysis of arrears of revenue

Arrears of revenue as on 31 March 2018 in respect of some principal heads of revenue amounted to ₹ 22,564.66 crore⁶, of which ₹ 10,581.96⁷ crore were outstanding for more than five years. Details as provided by the Departments are given in **Chart - 1.4**.

⁶ Tax on Sales, Trade, etc.: ₹ 21,548.61 crore; Stamps and Registration Fees: ₹ 398.47 crore; Taxes on Vehicles, Goods and Passengers: ₹ 109.78 crore; State Excise: ₹ 52.37 crore; Entertainment Tax: ₹ 348.74 crore, Non-Ferrous Mining and Metallurgical Industries ₹ 106.69 crore.

⁷ Tax on Sales, Trade, etc.: ₹ 10,257.17 crore; Stamps and Registration Fees: ₹ 140.71 crore; Taxes on Vehicles, Goods and Passengers: ₹ 53.83 crore; State Excise: ₹ 52.08 crore; Entertainment Tax: ₹ 13.14 crore, Non-Ferrous Mining and Metallurgical Industries ₹ 65.03 crore.

Chart -1.4



At ₹ 22,564.66 crore, the total arrears in revenue at the end of 2017-18 constituted 19 per cent of the total revenue receipts of the State (₹ 1,17,187.86 crore) of which 47 per cent (₹ 10,581.96 crore) of the arrears were pending recovery for periods of five years or more. This is indicative of lax revenue administration and non-compliance in the State. The quantum of arrears is unsustainably large and calls for concerted efforts at recovery of the same.

The Departments intimated pendency at different stages, but individual records relating to outstanding arrears were not made available for examination. There was no mechanism to monitor the progress of collection of arrears or to assess reasons for accumulation of arrears in the Departments⁸. Further, the Departments do not maintain any centralised database of outstanding arrears. Figures of outstanding arrears were compiled by the concerned Departments each year, at the instance of Audit, from the data furnished by their respective field units.

Recommendation:

The Departments should create a centralised database of outstanding arrears and introduce a mechanism to monitor the progress of arrears on a periodic basis. The reasons for accumulation of arrears should also be analysed and mechanisms/procedures developed to prevent any further accumulation of arrears.

1.4 Follow up on the Audit Reports-summarised position

To ensure accountability of the executive in respect of all the issues dealt with in various Audit Reports (ARs), the Department of Finance issued instructions in June 1987 to initiate *suo motu* 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. Significant delays were observed in submission of explanatory notes (replies of the

⁸ Commercial Tax, State Excise, Transport, Stamps and Registration, Entertainment Tax and Geology and Mining.

Departments) itself, with delays ranging between nine months and 52 months in respect of 164 Paragraphs (including Performance Audits) appearing in the CAG's Revenue Audit reports for the year ended 31 March 2013, 2014, 2015, 2016 and 2017 placed before the State Legislative Assembly between June 2014 and July 2019. Details of pending explanatory notes pertaining to the various Departments⁹ are given in **Table - 1.4**.

Table - 1.4

Sl. No.	Audit Report ending on	Date of presentation in the legislature	Number of paragraphs	Number of paragraphs where explanatory notes received	Number of paragraphs where explanatory notes not received
1	31 March 2013	20 June 2014	49	49	00
2	31 March 2014	17 August 2015	43	36	07
3	31 March 2015	06 March 2016	31	00	31
4	31 March 2016	18 May 2017	26	00	26
5	31 March 2017	19 July 2019	15	00	15
Total			164	85	79

In 2017-18, no PAC meeting was held to discuss the pending Audit Reports. Action Taken Notes (ATNs) have also not been received in respect of paragraphs discussed in the PAC from time to time.

1.5 Response of the Government/Departments towards Audit

On completion of the Audit of Government/Departments and the offices, Audit issues the Inspection Reports (IRs) to the concerned head of the offices, with copies to their superior officers for corrective action and their monitoring. Serious financial irregularities are reported to Heads of the Departments and the Government.

Review of IRs issued up to March 2018 revealed that 44,357 paragraphs relating to 12,582 IRs remained outstanding at the end of June 2018. The potentially recoverable revenue brought out in these IRs is as much as ₹ 8,075.46 crore whereas the total revenue collection of the State is ₹ 1,17,187.86 crore. Department-wise details relating to revenue sector of the State Government are given in **Table - 1.5**.

⁹ Commercial Tax (17 paragraphs), State Excise (11 paragraphs), Transport (17 paragraphs), Stamps and Registration (15 paragraphs), Geology and Mining (14 paragraphs) and Entertainment Tax (5 paragraphs).

Table - 1.5
Department-wise details of Inspection Reports

(₹ 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	Tax on Sales, Trade, etc.	5,779	25,474	3,925.45
		Entertainment tax	203	497	22.51
2.	State Excise	State Excise	1,072	1,972	1,086.60
3.	Transport	Taxes on vehicles	1,356	5,986	862.46
4.	Stamps and Registration	Stamps and registration fees	3,954	9,395	745.88
5.	Geology and Mining	Non-ferrous mining and metallurgical industries	218	1,033	1,432.56
Total			12,582	44,357	8,075.46

Source: Information available in the Audit office

Even the first replies, required to be received from the heads of offices within four weeks of receipt of IRs, were not received in time. Out of total 597 IRs issued during 2017-18, Audit received first reply from the heads of offices in case of seven IRs within six months, and in respect of 45 IRs beyond six months. The first replies had not been received in case of remaining 545 IRs issued during 2017-18. This large pendency of the IRs and non-receipt of first replies from the Departments is indicative of the fact that the Heads of Auditee units have failed to take cognisance of the reported Audit findings and initiate any corrective action in their respect. The lack of interest of the Executive in Audit is also evident from the fact that irregularities of similar nature are being reported year after year with no improvement/ evidence of any corrective action by the concerned Departments visible at the ground level. This adversely affected effectiveness of Audit.

Recommendation:

The State Government should introduce a mechanism to ensure that the Departmental officers respond to IRs promptly, take corrective action, and work closely with Audit to bring about early settlement of IRs.

1.6 Results of audit

Position of local audit conducted during the year

Audit covered six Departments¹⁰ of the State Government and test checked the records of 663 out of 1,585 auditable units (42 per cent) relating to Tax on Sales, Trade, etc., State Excise, Taxes on Vehicles, Goods and Passengers, Stamps and Registration Fees, Entertainment Tax and Mining receipts during the year 2017-18. Further, this was a test audit. In six Departments, revenue of ₹ 85,142.94 crore was collected during 2016-17, out of which the 663 audited units collected ₹ 46,918.44 crore (55 per cent). In 663 audited units, records

¹⁰ Commercial Tax, State Excise, Transport, Stamps and Registration, Entertainment Tax and Geology and Mining.

were test checked on the basis of turnover/tax payments which revealed underassessment/short levy/loss of revenue aggregating to ₹ 745.95 crore (two *per cent*) in 41,277 cases. The Department concerned accepted (between April 2017 and September 2019) underassessment and other deficiencies of ₹ 161.81 crore in 17,086 cases pointed out in the year 2017-18 by the audit. During the course of the year the Department reported (between April 2017 and September 2019) recovery of ₹ 45.03 crore out of which 185 cases of ₹ 4.9 crore is related to the year 2017-18 and the rest of the cases pertain to the earlier years.

Recommendation:

The State Government should evolve a mechanism to ensure that Departments recover all under-assessments/short levies pointed out by Audit and accepted by the Departments.

1.7 Coverage of this Report

This Report contains 17 paragraphs from the local audits conducted during the year and those of earlier years which could not be included in the previous reports involving financial effect of ₹ 195.88 crore including one Paragraph on “**Preparedness for transition to Goods and Services Tax**”.

The Departments have accepted audit observations involving ₹ 140.34 crore and recovered ₹ 2.09 crore. These are discussed in the succeeding Chapters II to V.

Most of the audit observations are of a nature that may reflect similar errors/ omissions in other units of the concerned State Government Department, but were not covered in the test check conducted during the year. The Department/Government may therefore like to internally examine all other units with a view to ensuring that they are functioning as per requirement and rules.

CHAPTER-II: STATE EXCISE

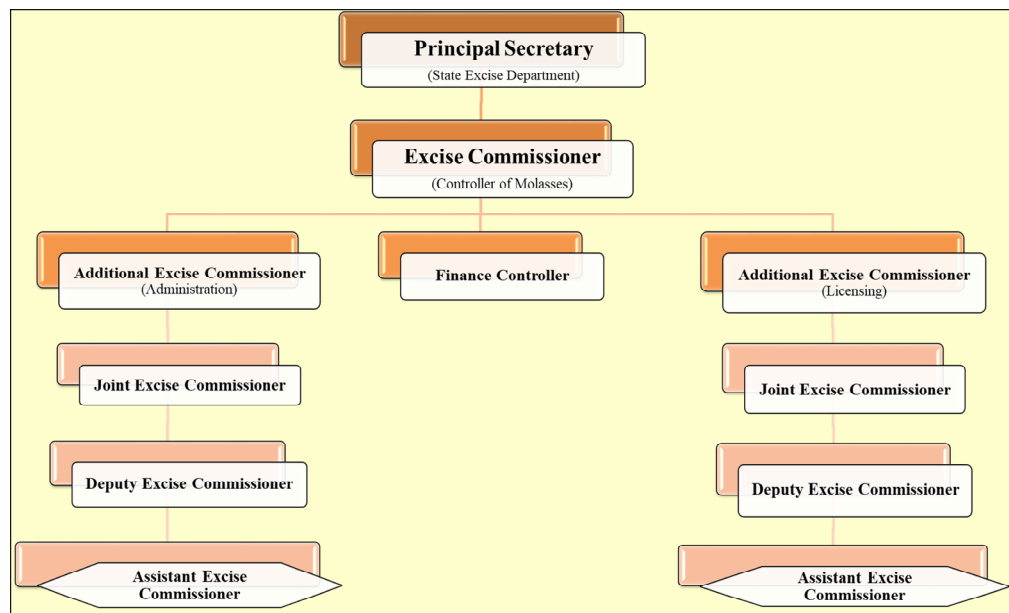
2.1 Tax administration

Various kinds of liquor, such as Country Liquor (CL) and Indian Made Foreign Liquor (IMFL) are manufactured from alcohol. Excise duty on production of alcohol and liquor in distilleries forms a major part of the State's excise revenue¹. Apart from the excise duty, license fee² also forms a part of excise revenue. The Uttar Pradesh Excise Act, 1910 and Rules³ made thereunder govern the levy and collection of excise duty on liquor for human consumption and applicable license fee.

The Principal Secretary (State Excise) is the administrative head of the State Excise Department (Department) at the Government level. The Department is headed by the Excise Commissioner (EC) who is assisted by two Additional Excise Commissioner (AEC). The Department has five zones headed by Joint Excise Commissioners (JECs) who is assisted by 18 Deputy Excise Commissioner (DEC). Assistant Excise Commissioners (AEs) head the districts they are assisted by Excise Inspectors (EIs) to oversee and regulate levy/collection of excise duties and allied levies. Additional District Magistrate (Finance & Revenue) is in charge of collection and account of excise receipts under over all the administrative control of the District Collector.

The organisational setup of the Department is as under:

Chart 2.1 Organisational setup



¹ CL formed 51 per cent, IMFL 33 per cent, Beer 13 per cent and others three per cent of total excise revenue of 2016-17.

² License fee is applicable on licensees of CL, IMFL, Beer, Bars, Distilleries, Breweries, Pharmacies, etc. and on other manufacturing units using alcohol as raw material.

³ Uttar Pradesh Excise (Settlement of licenses for retail sale of foreign liquor) (excluding Beer and wine) Rules 2001.

UP Excise (Settlement of licenses for retail sale of foreign liquor) (excluding Beer and wines) (Third Amendment) Rules 2002.

UP Excise (Wholesale and retail vend of foreign liquor) (Thirteenth Amendment) Rules 2002.

UP Excise (Settlement of licenses for retail sale of country liquor) Rules 2002.

UP Excise (Settlement of licenses for country liquor bonded warehouse) Rules 2003.

UP Excise (Settlement of retail licenses for model shop of foreign liquor) Rules 2003.

2.2 Results of audit

During 2017-18, Audit test checked 4,006 cases (30 per cent) out of 13,144 total cases in 82⁴ units out of 231 auditable units (35 per cent) of the Department in which irregularities amounting to ₹ 190.96 crore in 2,332 cases (58 per cent) were found. The Department generated a revenue of ₹ 14,273.49 crore during 2016-17, of which the audited units had collected ₹ 9,125.01 crore (64 per cent).

Audit scrutiny revealed short realisation of excise duty, non-realisation of license fee/ interest etc. amounting to ₹ 190.96 crore in 199 paragraphs as shown in **Table 2.1**.

Table - 2.1

Sl. No.	Categories	Number of paragraphs	Amount (₹ in crore)	Share in per cent to the total objected amount
1.	Short realisation of excise duty	8	80.46	42.13
2.	License fee/ interest not realised	159	110.29	57.76
3.	Other irregularities ⁵	32	0.21	0.11
Total		199	190.96	

Source: Information available in the Audit office.

The Department accepted (between April 2017 and September 2019) 717 cases amounting to ₹ 53.80 crore pointed out in the year 2017-18. The Department reported (between April 2017 and September 2019) recovery of ₹ 7.52 crore out of which three cases of ₹ 90.04 lakh is related to the year 2017-18 and the rest of the cases pertain to the earlier years.

This chapter discusses 860 cases worth ₹ 62.57 crore. The Department accepted 667 cases amounting to ₹ 52.90 crore. Out of these some irregularities have been repeatedly reported during the last five years as detailed in **Table - 2.2**. Most of the audit observations are of a nature that may reflect similar errors/omissions in other units of the concerned State Government Department, but were not covered in the test check conducted during the year. The Department/Government may therefore like to internally examine all other units with a view to ensuring that they are functioning as per requirement and rules.

Table - 2.2

Nature of observation	(₹ in crore)											
	2012-13		2013-14		2014-15		2015-16		2016-17		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Failure to cancel the selection of shops and forfeiture of basic license fee and security deposit	639	53.68	-	-	32	3.66	1,007	37.43	14,334	1,297.07	16,012	1,391.84
Sale of Beer without Beer bar license	1,370	16.80	87	1.31	-	-	364	6.70	720	13.59	2,541	38.40
Short levy of license fee on model shops	393	7.51	-	-	2	0.36	-	-	44	2.49	439	10.36

Source: Information available as per Audit Report (Revenue Sector).

⁴ This consists of Excise Commissioner (HOD), 47 District Excise Officer and 34 Distilleries.

⁵ Non-maintenance of cash book, Imposition of less rent on warehouse, Non-execution of bond, less imposition of stamp fee on rented warehouse, Non completion of MFS register, and slow progress in arrear recovery.

Recommendation:

The Department may initiate systemic measures to ensure that persistent irregularities that are routinely found during Audit do not recur.

2.3 Failure to cancel the settlement of shops and forfeiture of basic license fee/ license fee and security deposit

The Department failed to act on the recommendation made by the Public Accounts Committee for timely deposit of Basic License Fee and License Fee on settlement of shops. The Department did not initiate any action for cancellation of settlement, and forfeiture of basic license fee/license fee (₹ 28.35 crore) and security (₹ 30.50 crore) totalling to ₹ 58.85 crore, in contravention to the rules.

The various Uttar Pradesh Excise (Settlement of Licenses of Retail Sale) Rules⁶ stipulate that the amount of Basic License Fee⁷ (BLF)/License Fee⁸ (LF) shall be deposited in full within three working days, half of the security⁹ amount within 10 working days and the remaining amount within 20 working days of the receipt of information of the selection of shop. In case of default, the settlement of shops would be cancelled, and the amount of BLF/LF, security deposit are required to be forfeited, and these shops need to be resettled.

Previous Audit Reports for the years 2012-13, 2014-15, 2015-16 and 2016-17 had highlighted instances of such persistent losses amounting to ₹ 1,391.84 crore in 16,012 cases. In a similar issue highlighted in Para 3.8.8.1 of Audit Report (Revenue Sector) 2012-13, the Public Accounts Committee has made recommendation (May 2015) to the Principal Secretary, Excise to take action against the defaulting licensees and ensure that similar irregularity is not repeated in future.

To evaluate the corrective measures taken by the Department in this regard, Audit test checked the records of 15 out of 47 District Excise Offices. Audit noticed that licensees of 714 out of 4,851 liquor shops (14.72 *per cent*) in 15 districts, which were settled or renewed during the years 2015-16 to 2017-18, did not deposit the entire amount of security deposit and BLF/LF within the prescribed time frame involving an amount of ₹ 58.85 crore (BLF/LF ₹ 28.35 crore and security deposit ₹ 30.50 crore). The delay ranged from 02 to 327 days. No action was, however, initiated by the concerned District Excise Officers (DEOs) as envisaged under the Rules according to which no relaxation is allowed. Inaction on extant such delays in deposit of due amount resulted in non-forfeiture of an amount of ₹ 58.85 crore.

The Department stated during the exit conference (December 2018) that the re-settlement of shops was very time-consuming. Hence, such delays were generally allowed by the DEOs at the local level.

⁶ UP Excise (Settlement of Licenses for Retail Sale of Foreign Liquor) (excluding Beer and Wine) Rules 2001.

UP Excise (settlement of licenses for retail sale of Beer) Rules 2001.

UP Excise (settlement of licenses for retail sale of country liquor) Rules 2002.

UP Excise (settlement of retail licenses for model shop of foreign liquor) Rules 2003.

⁷ BLF- ₹ 23 per BL (2013-14), ₹ 24 per BL (2014-15) and ₹ 25 per BL (2015-16, 2016-17 and 2017-18).

⁸ LF- ₹ 184 per BL (2013-14), ₹ 204 per BL (2014-15), ₹ 227 per BL (2015-16) and ₹ 226 per BL (2016-17 and 2017-18).

⁹ 10 *per cent* of the license fees fixed for the shop.

Audit analysed that even after allowing 15 more days as the time that an allottee normally takes to complete the formalities for depositing the dues, as stated by the Department during the exit conference (December 2018), the amount involved was worked out to ₹ 52.90 crore (BLF/LF ₹ 25.78 and security deposit ₹ 27.12) in 667 liquor shops of 15 DEOs. The delays in deposit ranged between 16 days and 327 days. Therefore, a major percentage of delays (93.42 per cent) were beyond the 15 days' grace period being allowed by the DEOs (**Appendix-I**).

Recommendations:

- 1 The Department should ensure adherence to the provisions of the Act/Rules and the recommendation made by the Public Accounts Committee, to safeguard the financial interests of the State.**
- 2 The Department should adopt a transparent bidding system and devise a mechanism to settle licenses of liquor shops in case the highest bidder fails to comply with allotment conditions.**

2.4 Sale of Beer without Beer bar license

Non-issue of Beer bar license for retail sale of bottled Beer led to loss of revenue of ₹ 2.36 crore in respect of 119 licensees.

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 Spirit, Whiskey, etc., but does not include Beer. As per the United Provinces Excise Act, 1910, and the UP Excise (wholesale and retail vend of foreign liquor) (Thirteenth Amendment) Rules, 2002, a Beer Bar license, in form FL 7B, is required for retail sale of Beer in the premises of hotels, *dak bungalows* or restaurants. FL 6A composite and FL 7 licenses cover sale of only Draught Beer¹⁰.

Previous Audit Reports for the year 2012-13 to 2013-14 and 2015-16 to 2016-17 had highlighted persistent losses amounting to ₹ 38.40 crore in 2,541 cases. On previous occasions, the State Government had insisted that foreign liquor included Beer, and that no separate licenses was required. Audit had maintained that as United Provinces Excise Act, 1910¹¹ rules pre date 2002 rules, the present definition of foreign liquor excluded bottled Beer. Therefore, a separate license was required for its sale.

Audit test checked consumption details of hotels/restaurant bars and other records in 10 out of 47 District Excise Offices and noticed that 119 out of 362 licenses of the hotels/restaurant bars, settled or renewed during the years 2015-16 to 2017-18 under FL 7 category, had sold bottled Beer in addition to IMFL. FL 7B licenses required under the 2002 rules to sell bottled Beer were not issued to them. In spite of having information, the AECs of these districts did not take required action. As a result, the Government was deprived of license fee of ₹ 2.36 crore (as shown in **Appendix-II**).

Audit reported the matter to the Department (August 2017 to March 2018). During the exit conference (December 2018), the Department stated that in compliance to the Audit observations of the previous years, and to resolve the

¹⁰ Draught Beer, is beer served from a cask or keg rather than from a bottle or can.

¹¹ Chapter I: Preliminary and Definitions: Section 3(10) and 3(11)

matters arising out of different definitions of foreign liquor, a new license FL-7 for sale of Beer had been introduced in the Excise Policy 2019-20 against the existing two licenses FL-7A and FL-7B and by increasing the license fee of the new composite license. Audit acknowledges the acceptance made by the Department regarding objections raised by the Audit in amending the rules which have a prospective effect. But the Department did not state how the loss of license fee pointed out by the Audit will be recovered (August 2019).

2.5 Short levy of license fee on model shops

The license fee of model shops was not fixed as per the norms prescribed in the Excise Policy resulting in short levy of license fee of ₹ 1.36 crore.

As per the State Excise Policy, the license fee for a model shop¹² was to be fixed at the amount of accumulated highest license fee of settled retail shops of both foreign liquor and Beer in the town for the same year. But it could not be less/more than the minimum/maximum prescribed limit in the Excise Policy as detailed in **Table – 2.3**.

Table – 2.3

(₹ in lakh)			
Year	Date of notification	Minimum license fee	Maximum license fee
2013-14	28 February 2013	11.00	30.00
2014-15	29 January 2014	12.65	34.50
2015-16	12 January 2015	14.55	39.70
2016-17	17 February 2016	14.55	39.70
2017-18	17 February 2016	14.55	39.70

Source: Information from excise policy issued by the Government

Previous Audit Reports had highlighted persistent losses amounting to ₹ 10.36 crore in 439 cases during the period from 2012-13, 2014-15 and 2016-17.

To check the level of compliance with the above provisions, Audit test checked 44 out of the 46 model shops in seven DEOs in the state. In case of 27 model shops renewed during 2013-14 to 2017-18, the license fee was not observed to have been fixed as per the extant provisions of the Excise Policy. The details of all 27 model shops are available in **Appendix-III**.

The noncompliance can be understood from the following case of a model shop¹³ in Etah *nagar palika*:

The actual levied highest license fee of IMFL shop ¹⁴ -	₹ 22.40 lakh.
The actual levied highest license fee of Beer shop ¹⁵ -	₹ 7.15 lakh.
Total accumulated highest license fee of the model shop would be -	₹ 29.55 lakh.
The model shop license fee fixed by Etah DEO in case of Thandi Sadak, Etah Model Shop -	₹ 24.45 lakh.
Difference (as per the accumulated highest license fee) -	₹ 5.10 lakh.

¹² Model shop is a licensed liquor shop having at least 600 sq. ft. carpet area and consumption facility.

¹³ Thandi Sadak Etah Model Shop.

¹⁴ Agra Chauraha Jalesar, Etah.

¹⁵ Agra Chauraha Jalesar, Etah.

Thus, in this shop above, the State Government suffered a loss of ₹ 5.10 lakh.

On the lines above, in all 27 model shops in seven towns/districts, the loss worked out to ₹ 1.36 crore (**Appendix-III**).

Audit reported the matter to the Department (September 2017 to March 2018). During the exit conference (December 2018), the Department stated that the license fee for the new model shop in a town should be assessed and classified as per *nagar nigam, nagar palika, nagar panchayat and gramin* area of the shop, but the Audit had made the observation considering license fees of all shops in the district. Further, in compliance to the Audit observations of previous years, the maximum limit of license fee for the model shop have been deleted in the Excise Policy 2019-20.

The reply of the Department is factually incorrect as the Audit has calculated license fee of model shops considering highest license fee of foreign liquor and beer shops located in the same *nagar palika* only.

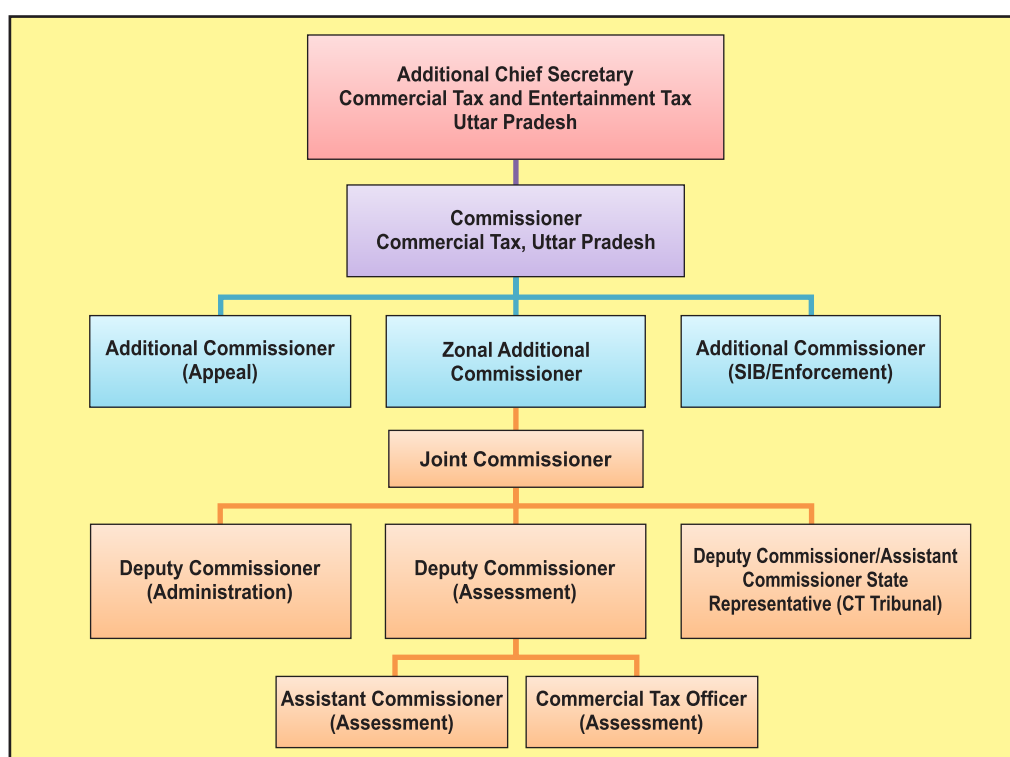
CHAPTER-III: TAX ON SALES, TRADE, ETC.

3.1 Tax administration

The Additional Chief Secretary (Commercial Tax and Entertainment Tax), Uttar Pradesh administers the Sales Tax/ Value Added Tax laws and rules framed thereunder. The Commissioner, Commercial Tax (CCT), Uttar Pradesh is the head of the Commercial Tax Department. He/she 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). Since 1 July, 2017, the Department is also administering the Goods and Services Tax (GST) in the State.

The organisational setup of the Department is as depicted below:

Chart 3.1 Organisational setup



3.2 Results of Audit

During 2017-18, Audit test checked 1,05,080 assessment cases (18.40 per cent) out of 5,71,634 assessment cases and noticed irregularities in 2,087 assessment cases (2 per cent) in 256¹ audited units (33 per cent) out of total 772 auditable units of the Commercial Tax Department. The Department collected ₹ 51,882.88 crore revenue during 2016-17 out of which the audited units had collected ₹ 25,111.88 crore (48 per cent). Audit identified irregularities amounting to ₹ 252.99 crore in 2,087 paragraphs as reported to the Department through the Audit Inspection Reports. These are as detailed in **Table - 3.1**.

¹Apar Mukhya Sachiv Vanijya Kar Evam Manoranjan Kar Uttar Pradesh Shasan (01), Commissioner, CT (01), Addl. Commissioner (01), JCs (25), Sectors (208), Mobile Squad Units (14), Administration Units (5) and Tax Recovery Unit (01).

Table - 3.1

Sl. No.	Categories	Number of Paragraphs	Amount (₹ in crore)	Share in per cent to the total objected amount
1	Under-assessment of tax	571	55.47	21.93
2	Acceptance of defective statutory forms	26	6.19	2.45
3	Evasion of tax due to suppression of sale/ purchase	40	5.39	2.13
4	Irregular/ Incorrect/ Excess allowance of ITC	261	33.88	13.39
5	Non/short charging of interest	194	18.38	7.26
6	Non imposition of penalty	837	112.73	44.56
7	Other irregularities	158	20.95	8.28
	Total	2,087	252.99	

Source: Information available in the Audit office

The Department accepted (between April 2017 and September 2019) 514 cases amounting to ₹ 44.87 crore pointed out in the year 2017-18. The Department reported (between April 2017 and September 2019) recovery of ₹ 6.49 crore out of which 151 cases of ₹ 2.43 crore is related to the year 2017-18 and the rest of the cases pertain to the earlier years.

This chapter discusses 394 cases worth ₹ 71.91 crore out of the above cases based on their significance. Some of these irregularities continue to persist, despite similar cases having been repeatedly reported during the last five years as detailed in **Table - 3.2**. Most of the audit observations are of a nature that may reflect similar errors/omissions in other units of the concerned State Government department, but were not covered in the test check conducted during the year. The Department/Government may therefore like to internally examine all other units with a view to ensuring that they are functioning as per requirement and rules.

Table - 3.2

Nature of observations	(₹ in crore)											
	2012-13		2013-14		2014-15		2015-16		2016-17		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Application of incorrect rate of tax	95	2.36	75	8.49	132	7.49	35	2.72	24	2.00	361	23.06
Irregular concession allowed on goods not covered under the Registration Certificate (RC)	10	1.00	16	1.03	9	0.41	7	0.27	24	3.80	66	6.51
Inadmissible ITC	-	-	15	12.41	21	0.87	15	0.77	20	1.18	71	15.23
ITC on goods sold on lower price than purchase price not reversed	-	-	-	-	4	0.08	6	0.13	-	-	10	0.21
Incorrect claim of ITC on goods purchased which were taxable at lower rates than that claimed by the dealers	10	0.67	-	-	3	0.47	7	0.25	10	1.64	40	3.03

Nature of observations	(₹ in crore)											
	2012-13		2013-14		2014-15		2015-16		2016-17		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
False/fraudulent claim of ITC	32	3.59	28	8.62	16	7.45	13	1.54	-	-	89	21.20
Interest short/not charged	19	0.60	20	0.42	46	5.85	8	2.17	30	1.53	123	10.57
Concealment of turnover	55	3.27	61	1.98	31	2.66	23	1.02	-	-	170	8.93
Delayed deposit of admitted tax	27	0.99	69	4.95	75	2.37	30	1.45	-	-	201	9.76
Delayed deposit of tax deducted at source	13	2.88	28	8.74	25	8.75	14	2.98	28	8.05	108	31.40

The repetitive nature of irregularities makes it evident that the State Government and the Commercial Tax Department have not taken effective measures to address the persistent irregularities being pointed out year after year by the Audit.

Recommendation:

Given that assessments of legacy VAT cases is underway, the State Government may take steps to prevent recurrence of the reported irregularities before such cases become time barred. There is a high probability that undetected leakages of revenue at this stage would go unaddressed as the system would be totally focussed upon GST administration in the foreseeable future.

3.3 Application of incorrect rate of tax

Assessing Authorities accepted the tax rates on sale of goods worth ₹ 148.62 crore as mentioned by the dealers in tax returns without verifying the rates applicable on such goods as per the schedules. Thus, tax amounting to ₹ 12.36 crore was short/not levied.

Under the Uttar Pradesh Value Added Tax (UPVAT) Act, 2008, tax-free goods are mentioned in Schedule I and taxable goods are mentioned in Schedules II to IV according to the applicable rates of tax on such goods. 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*. In addition to the above tax, additional tax notified by the Government from time to time is also levied.

Audit Reports for the year 2012-13 to 2016-17 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 361 dealers resulting in short levy of tax of ₹ 23.06 crore. The Department in response to the Audit observations has assured to take appropriate action. Up till now, of the above, Audit Report 2012-13 has been discussed in the PAC in which the Department reported a recovery of ₹ 37.93 lakh.

In the test check of the assessment records of 51 CTOs² (out of 256 CTOs audited), Audit noticed that in the case of 58 dealers (out of 23,247 dealers test checked), the AAs, while finalising the assessments (between December 2013 and March 2017) for the year 2008-09 to 2014-15, accepted tax rates of zero to nine *per cent* on the sale of goods worth ₹ 148.62 crore as mentioned by the dealers in their respective tax returns. The AAs failed to verify and levy the

² Name of CTOs, rate of tax and other details are given in Appendix.

applicable rates of four to 17.5 *per cent* on such goods as per the schedules. Thus, tax amounting to ₹ 12.36 crore was short/not levied (**Appendix-IV**).

Audit reported the matter to the Department (between November 2016 and April 2018). In their reply (January/May 2019), the Department accepted the Audit observations in 23 cases amounting to ₹ 1.43 crore, out of which in three cases, a recovery of ₹ 19.65 lakh was reported by the Department.

In 20 cases, the Department did not accept the Audit observation. The main contention of the Department in 10 of the 20 cases not accepted by them was that the concerned AAs while passing the assessment orders, had made typographical errors³ in their initial orders, which they subsequently corrected when Audit observations were received by them. Audit urges the Department to fix accountability for such reported lapses. The analysis of Government's replies in these 20 cases is listed in the **Table 3.3 (i)** and **Table 3.3 (ii)**.

Table 3.3 (i)
Cases where the Department has mentioned typographical errors in the assessment orders in the cases pointed out by the Audit

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
1	Sec-10 Agra Observation: Sale of canvas footwear was shown in the central sales without the required Form C @ five <i>per cent</i> . As per the Audit, this commodity should have been taxed @ 14 <i>per cent</i> .	Due to typographical error in the assessment order, in place of PVC footwear, canvas footwear was typed in the order, which has been amended u/s 31 dated 15 June 2018.	The reply is not acceptable, as the initial assessment order passed on 30 September 2016 makes a specific mention of canvas footwear in different pages of the order. A typographical error cannot occur on several pages. Further the dealer himself in his annual return has shown the same commodity as shoes which is also taxable @ 14 <i>per cent</i> . Further no supporting documents were given to the Audit to establish the claim of the Department on sale of PVC footwear. As such shoes/canvas footwear should be taxable @ 14 <i>per cent</i> as per UPVAT Act
2	Sec-11 Agra (b) Observation: Sale of Fire extinguisher was taxed @ five <i>per cent</i> . As per the Audit, this commodity should be taxable @ 14 <i>per cent</i> .	Due to typographical error in the assessment order, in place of PVC pipe, hose pipe and fitting, fire extinguishers were mentioned which has been amended u/s 31 dated 31 October 2018.	The reply is not acceptable, as in the initial assessment order passed on 19 September 2016 sale of fire extinguishers was shown in different pages of the assessment order. A typographical error cannot occur on several pages. Further, the dealer himself in his annual return has shown the same commodity fire extinguishers. Further, no supporting documents were given to the Audit to establish the claim of the Department on sale of PVC pipe, hose pipe and fitting. As

³ Errors committed reportedly relate to description of goods in Assessment Orders.

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
			such, fire extinguishers should be taxable @ 14 per cent as per UPVAT Act.
3	Sec-2 Auraiya Observation: Sale of Computers and its parts was shown and taxed @ five per cent. This should have been instead taxed @ 14 per cent and 13.5 per cent.	Due to typographical error in the annexures of purchase and sale list, computer parts were mentioned. Revised annexures of purchase and sale list are being submitted.	The reply is not acceptable. As per the records submitted by the dealer, in both his quarterly return and in the Purchase list & sales list, computer parts have been mentioned and accepted by the AAs at the time of assessment. Further, no provisions were shown to the Audit whereby the AAs can accept the revised annexure after passing the initial assessment order.
4	Sec-2 Ghaziabad (a) Observation: Sale of electronic meter parts was shown in the central sale in the assessment order without the required Form C @ five per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	Due to typographical error in the assessment order, in place of winding wire and strips etc., electronic meter parts were mentioned, which has been amended u/s 31 dated 1 August 2017.	The reply is not acceptable as in the annual return submitted by the dealer the commodity name was not mentioned. This was clarified by the AA at the time of passing both the assessment orders dated 29 July 2016 and 10 January 2017. Sale of electronic meter parts were mentioned on different pages in the assessment order. A typographical error cannot occur on several pages. Further, no supporting documents were given to audit to establish the claim of the Department on sale of winding wire strips etc. As such, electronic meter parts should be taxable @ 14 per cent as per UPVAT Act.
5	Sec-2 Ghaziabad (b) Observation: Sale of scooter parts was shown in central sale in assessment order without the required Form C @ five per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	Due to typographical error in the assessment order, in place of HDPE cloth, scooter parts were mentioned, which has been amended u/s 31 dated 19 May 2017.	The reply is not acceptable. As per the records submitted by the dealer in his annual return, the commodity name was not mentioned. This was clarified by the AA at the time of passing the assessment order in several pages. A typographical error cannot occur on several pages. Further, no supporting documents were given to audit to establish the claim of the Department on sale of HDPE cloth. As such, scooter parts should be taxable @ 14 per cent as per UPVAT Act.
6	Sec-29 Kanpur Observation: Sale of varnish was shown in the assessment order @ five per cent. As per the Audit, this commodity should	Due to typographical error in the assessment order, in place of chemical and minerals, varnish was mentioned which has been	The reply is not acceptable. As per the annual return submitted by the dealer, the name of the commodity has not been shown. This was clarified by the AA at the time of passing the

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
	have been taxed @ 14 per cent.	amended u/s 31 dated 1 October 2018.	assessment order. The dealer is a trader of paint, varnishes and adhesive as per assessment order. The sale of varnish has been mentioned numerous times in the order. A typographical error cannot occur on several occasions. Further no supporting documents were given to the audit to establish the claim of the Department on sale of chemical and minerals. As such varnish should be taxable @ 14 per cent as per UPVAT Act.
7	Sec-13 Lucknow Observation: Sale of food supplement was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	Due to typographical error in the assessment order, in place of spices and custard, medicines and food supplements were written which are taxable under Schedules II (four per cent) and V (12.5 per cent) respectively. As such, the dealer is not found to sell food supplements.	The reply is not acceptable. In the initial assessment order passed on 23 January 2017 sale of food supplement was shown in numerous pages. A typographical error cannot occur on several pages. Further, it is also notable that the dealer himself in his annual return has shown the same commodity as food item. Further, no supporting documents were given to the Audit to establish the claim of the Department on sale of spices and custard. As such, food supplement should be taxable @ 14 per cent as per UPVAT Act.
8	Sec-3 Sultanpur(a) Observation: Sale of machinery parts was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	The dealer had submitted the wrong return in which machinery and plant was depicted in place of mono block submersible pump, etc. Therefore, machinery and plant was shown in the assessment order which has been amended u/s 31 after the dealer submitted the correct return.	The reply is not acceptable. As per the records submitted by the dealer, plant and machinery have been mentioned and the same has been accepted by the AA at the time of assessment. Further, no provisions were shown to the Audit whereby the AAs can accept a revised return after passing the initial assessment order.
9	Sec-3 Sultanpur(b) Observation: Sale of set top box was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 13.5 per cent and 14 per cent.	Due to typographical error in the assessment order, in place of set top box user charges, sale of set top box was written. The dealer is not selling set top box but paying tax on set top box user charges under right to use.	The reply is not acceptable. Audit noted that in a series of assessment orders dated 1 July 2014, 31 July 2014 and 29 December 2016 specific reference to sale of set top box had been recorded. A typographical error cannot occur across assessment orders spreading over the period 2014 to 2016. Further, the dealer himself in his annual

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
			return has shown the same commodity as set top box. Further, no supporting documents were given to the Audit to establish the claim of the Department on paying tax on set top box user charges under right to use. As such, set top box should be taxable @ 13.5 per cent and 14 per cent as per UPVAT Act.
10	Sec-8 Varanasi Observation: Sale of Furniture was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	Due to typographical error in the assessment order, in place of plywood, furniture was mentioned. The dealer has submitted a revised return in which sale of plywood and furniture have been shown separately. A revised assessment order was passed.	The reply is not acceptable. As per the records submitted by the dealer, sale of furniture has been mentioned in the return and accepted by the AA at the time of passing the assessment order. Further, no provisions were shown to Audit whereby the AA can accept a revised return after passing the initial assessment order. As per the notification dated 11 October 2012, plywood is also taxable @ 14 per cent under UPVAT Act.

Table 3.3(ii)
Cases where the Department reply is not acceptable

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
1	Sec-11 Agra (a) Observation: Sale of computer parts was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 13.5 per cent.	The Department stated that computer parts are taxable @ five per cent under Schedule-II-Part-II B at Sl. no.22.	The reply is not acceptable. The computer parts are taxable @ five per cent with effect from 20 December 2014. The Audit observation is related to the assessment year 2013-14, when computer parts were taxable @ 12.5 per cent plus additional tax in that period.
2	JC (CC) Allahabad Observation: Sale of copper conductor was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	The Department has stated that the dealer is engaged in manufacturing of contact wire made from copper.	The basis of reply of the Department that the item is contact wire is not clear to the Audit in light of the fact that the dealer himself in his annual return stated that the item is copper conductor. Further, the assessing officer while passing the assessment order has specifically stated that the item is copper conductor. As such, the copper conductor is taxable @ 14 per cent as per UPVAT Act.
3	Sec 4 Ghaziabad Observation: The dealer has received a payment of ₹ 390.28 lakh against the value of soil upon which	The Department, in its reply, has stated that all the payments received by the dealer relates to labour and	The reply is not acceptable as in the assessment order, it is clearly mentioned that the dealer has received a payment of ₹ 390.28 lakh from the sale

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
	no tax was imposed. As per the Audit, it should be taxed @ five per cent.	freight. As such no purchase of soil was made by the dealer.	of soil, on which the tax was not imposed. Soil is taxable @ five per cent as per UPVAT Act.
4	Sec-6 Ghaziabad Observation: Sale of machinery and machinery parts was shown in assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	The Department, in its reply, has stated that the V-belt (machinery part) has been classified under Schedule-II according to the commodity code @ five per cent.	The reply is not acceptable as both in the return submitted by the dealer and in the assessment order of the assessing officer there is specific mention of machinery parts. Machinery parts are taxable @ 14 per cent as per UPVAT Act.
5	Sec-8 Ghaziabad (a) Observation: Sale of Mill Board was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 13.5 per cent.	The Department stated that as per the Commissioner's decision u/s 59, Mill Board is taxable @ five per cent.	The reply is not acceptable as any levy of tax on goods must be based on the authority of law. Decision of the Commissioner has to be in conformity with the statutory provision under the UPVAT Act. Therefore, Mill Board is taxable @ 13.5 per cent as per UPVAT Act.
6	Sec-8 Ghaziabad (b) Observation: Sale of Starch Based Adhesive Powder was shown in the assessment order and taxed @ 5 per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	The Department has stated that the dealer did not sell Starch Based Adhesive Powder. Instead, it sold chemicals only.	The reply is not acceptable as both in the return submitted by the dealer and in the assessment order of the assessing officer there is specific mention of Starch Based Adhesive Powder. Starch Based Adhesive Powder is taxable @ 14 per cent as per UPVAT Act.
7	Sec-10 Ghaziabad (b) Observation: Sale of scrap was shown in assessment order @ four per cent. As per audit, this commodity should have been taxed @ five per cent.	The Department has stated that the dealer is selling MS Scrap which is taxable @ four per cent.	The reply is not acceptable as both in the return submitted by the dealer and in the assessment order of the assessing officer there is specific mention of scrap. Further, the dealer is a manufacturer of plant & machinery. As such, dealer is selling scrap of the above product. Therefore, the product is taxable @ five per cent as per UPVAT Act.
8	Sec-21 Kanpur Observation: Sale of toffee was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 14 per cent.	The Department stated that Toffee is classified under schedule-II-A, Sl. No. 137.	The reply is not acceptable as the dealer is engaged in selling of Perfetti Brands toffee such as Mentos, Alpenliebe etc. These branded toffees contains sugar less than 70 per cent. Only those toffees which contain minimum 70 per cent sugar, 25 per cent liquid glucose and five per cent essence colour combination will fall under the said schedule such as lemonchoos, lollypop etc. Sale of Perfetti Brands toffee is therefore taxable @ 14 per cent as per UPVAT Act.

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
9	Sec-2 Kasganj Observation: Sale of toffee was shown in the assessment order @ five per cent. As per the Audit, this commodity should have been taxed @ 13.5 per cent.	The Department stated that the Commissioner judgement under Sec-59 Candy (Toffee) contain 70 per cent sugar will fall under Schedule-II such as Lemonchoos, lollypop etc.	The reply is not acceptable as the dealer is engaged in selling of ITC Ltd products such as <i>Candyman, Eclairs, Jelimals</i> , etc. These branded toffees contain sugar less than 70 per cent. Only those toffees which contain minimum 70 per cent sugar, 25 per cent liquid glucose and five per cent essence colour combination will fall under the said schedule such as <i>lemonchoos, lollypop</i> etc. Sale of ITC Ltd. Products such as <i>Candyman Eclairs, Jelimals</i> etc. is taxable @ 13.5 per cent as per UPVAT Act.
10	Sec-17 Lucknow Observation: Sale of scrap was shown in the assessment order @ four per cent. As per the Audit, this commodity should have been taxed @ five per cent.	The Department stated that reassessment was made on 16 November 2018 u/s 28 read with Sec 32 in which the dealer was found to have sold MS Scrap of ₹ 229.83 lakh at four per cent and scrap of ₹ 2.21 lakh at five per cent out of the total sale of scrap of ₹ 235.93 lakh.	The reply is not acceptable as both in the return submitted by the dealer and in the assessment order of the assessing officer there is specific mention of scrap of plastic and glass. Sale of scrap of plastic and glass is taxable @ five per cent as per UPVAT Act.

In the remaining 15 cases, amounting to ₹ 59.30 lakh, the Department stated that action is under process (August 2019).

Recommendation:

CTD should consider instituting enquiry from vigilance angle in cases where typographic errors have been stated as reasons for application of incorrect rate of tax.

3.4 Central Sales Tax (CST)

3.4.1 Irregular exemption of tax

Assessing Authorities allowed the irregular exemption of ₹ 2.80 crore on stock transfer of ₹ 55.97 crore as the dealer failed to submit the required declaration Form 'F' along with the proof of dispatch.

Under CST⁴ Act, where any dealer claims that he is not liable to pay tax, in respect of any goods, on the ground that the movement of such goods from one State to another was occasioned by reason of transfer of such goods by him to any other place of his business or to his agent or principal, as the case may be, and not by reason of sale, the burden of proving that the movement of those goods was so occasioned shall be on that dealer and for this purpose he may furnish to the assessing authority a declaration, duly filled and signed by the principal officer of the other place of business, or his agent or principal,

⁴ Section 6A (1).

containing the prescribed particulars in the prescribed form, along with the evidence of dispatch of such goods. If the dealer fails to furnish such declaration, then, the movement of such goods shall be deemed for all purposes of this Act to have been occasioned as a result of sale. The Hon`ble Supreme Court had also stated that the Form 'F' is required for all transfer of goods which are otherwise than by way of sale (M/s Ambika Steels Ltd. v/s State of U.P. and others in Civil Appeal No. 4970 of 2008 decided on 31st March 2009).

In the test check (June 2017) of assessment records of Sector-1 Firozabad, Audit noticed that in the case of one dealer (out of 803 dealers test checked), the AA, while finalising the assessments (between February 2016 and March 2017) for the year 2012-13 to 2013-14, allowed irregular exemption of ₹ 2.80 crore on stock transfer of ₹ 55.97 crore to another State, as the dealer had failed to submit the required declaration Form 'F' along with the proof of dispatch before the AA to substantiate his claim as per provisions of the Act. The details are mentioned in the **Table-3.4**.

Table - 3.4
Irregular exemption of tax

(₹ in crore)							
Sl. No	Name of unit	No. of dealer	Assessment year (month and year of assessment)	Name of goods	Value of goods	Rate of tax leviable (per cent)	Tax
1	DC Sec 1 Firozabad	1	2012-13 (February-2016)	Jackets, trousers etc.	29.23	5	1.46
			2013-14 (March-2017)	Jackets, trousers etc.	26.74	5	1.34
Total		1			55.97		2.80

Audit reported the matter to the Department (July 2017). In its reply (January/May 2019), the Department stated that under Section 17, the dealer had no liability of tax and the goods manufactured were only for defence purposes. No purchase/sale is being done by the dealer. Therefore, it does not fall under the category of business defined under Section 2. The requirement of producing the form 'F' for the above transaction had been waived off on the basis of the certificate issued by the Ministry of Defence and a letter issued by Finance Department. The reply of the Department is not acceptable as Section 17 is for registration of the dealer under the VAT Act. This section does not provide for any exemption to be allowed to the dealer. The dealer is engaged in trading of goods as is evident from the assessment order. Therefore, for claiming exemptions for the stock transfer, the dealer had to produce form 'F' as it is also evident from the above quoted Hon`ble Supreme Court Judgement.

Recommendation:

CTD should carefully examine all such cases where such exemptions are being allowed by the AAs.

3.4.2 Irregular concession allowed on goods not covered under the Registration Certificate (RC)

The dealers had purchased goods valued at ₹ 6.81 crore which were not covered under the RC at concessional rates of tax against the declaration in form 'C'. This fact was not scrutinised at the time of assessment and a penalty of ₹ 1.05 crore was not imposed.

Under Central Sales Tax (CST) Act, 1956⁵, a registered dealer may purchase any goods from outside the State at concessional rate of tax against the declaration in form 'C'. If his respective registration certificate does not cover such goods, the dealer is liable to for persecution under the CST Act.⁶ However, if the Assessing Authority deems it fit, he, in lieu of prosecution, may impose a penalty up to one and a half times the tax payable on the sale of such goods.

The Audit Reports for the year 2012-13 to 2016-17 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 66 dealers resulting in non-levy of penalty of ₹ 6.51 crore. The Department in response to the Audit observations has assured to take appropriate action. Up till now, of the above, Audit Report 2012-13 has been discussed in the PAC in which the Department had reported a recovery of ₹ 21.56 lakh.

Audit test checked (between February 2017 and December 2017) the assessment records of 13 CTOs (out of 256 CTOs audited). It noticed that 14 dealers (out of 3,710 dealers test checked) had purchased goods valued at ₹ 6.81 crore during the year 2010-11 to 2013-14 at a concessional rate of tax against declaration in Form 'C'. However, the goods purchased were not covered by their respective RCs due to which they were liable to pay penalty at one and half times of the tax payable on the sale of such goods, in lieu of prosecution. The AAs, while finalising the assessment between October 2015 and March 2017, did not scrutinise the relevant RCs and the utilisation details of forms 'C' of the dealers in question, and consequently penalty of ₹ 1.05 crore could not be imposed (**Appendix-V**).

Audit reported the matter to the Department (between March 2017 and January 2018). In their replies (January/May 2019), the Department stated that a penalty of ₹ 92.29 lakh had been imposed in 11 cases out of which, in two cases, a recovery of ₹ 4.49 lakh had been reported. In two cases, the reply of the Department has been reviewed and not found acceptable as per analysis detailed in the **Table 3.5**.

⁵ Section 8 of the Central Sales Tax (CST) Act, 1956.

⁶ Section 10 of the CST Act.

Table 3.5
Cases where the Department reply is not acceptable

Sl. No	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
1	Sec-9 Ghaziabad Observation: The dealer is not authorised to purchase bitumen at a concessional rate against the Form C as per the RC. As such, he is liable to pay 1.5 times of the tax due.	The Department stated that the dealer is authorised for the purchase of bitumen in his Registration Certificate (RC).	The reply is not acceptable, since as per the RC details seen in audit, the dealer was not authorised for the purchase of bitumen at concessional rate. Hence, penalty should have been imposed.
2	Sec-2 Shahjahanpur Observation: The dealer is not authorised to purchase Generator, machinery, compressor plate and elevator at a concessional rate against Form C as per the RC. As such, he is liable to pay 1.5 times of the tax due.	The Department stated that the dealer is registered for the purchase of electrical goods in his Registration Certificate (RC). As such, purchase of Generator, machinery, compressor plate and elevator comes under electrical goods.	The reply is not acceptable, as goods such as Generator ⁷ , machinery, compressor plate and elevator do not fall under the category of electrical goods. These goods fall under the category of machinery.

In the remaining one case, reply of the Department is awaited (August 2019).

Recommendation:

The CTD may ensure that while the assessment orders are being passed, the RCs and utilization certificates, where such concession are being considered by the AAs, should be carefully examined.

3.5 Irregularities relating to Input Tax Credit (ITC)

Our scrutiny of records of the Department revealed several cases of irregularities regarding ITC claims such as inadmissible ITC allowed to dealers, excess claims, ITC not reversed, penalties not imposed and interest not charged thereon, etc. amounting to ₹ 14.32 crore in respect of 66 dealers in 54 CTOs for the period from 2009-10 to 2014-15. These cases are mentioned in the following paragraphs.

3.5.1 Inadmissible ITC allowed to dealers

The dealers had wrongly claimed ITC amounting to ₹ 64.88 lakh which was irregularly allowed by the AAs. This resulted in non-reversal of ITC alongwith interest totalling ₹ 1.01 crore.

Under UPVAT Act, 2008⁸, tax paid on purchases of goods from registered dealers against tax invoices within the State or cash deposited on purchase of goods from the unregistered dealer, ITC to the extent provided under the relevant clauses of the said Act is allowed to the dealers subject to certain conditions and restrictions for resale or use in manufacture of goods intended for sale. Further⁹, if any dealer has wrongly claimed ITC in respect of any

⁷ Decision of High Court Allahabad in the case of Commissioner Trade Tax vs Elmech Engineers.

⁸ Section 13 of UPVAT Act, 2008.

⁹ Section 14 (2).

goods, benefit of ITC to the extent it is not admissible, shall stand reversed along with simple interest at the rate of 15 per cent per annum.

The Audit Reports for the year 2013-14 to 2016-17 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 71 dealers resulting in non-reversal of ITC of ₹ 15.23 crore. The Department in response to the Audit observation has made assurance to take appropriate action.

Audit test checked (between January 2017 and March 2018) the assessment records of 24 CTOs (out of 256 CTOs audited). It noticed that 27 dealers out of 9,855 dealers test checked, had wrongly claimed ITC of ₹ 64.88 lakh during the year 2009-10 to 2013-14 which was not admissible to them. The AAs while finalising the assessment between March 2015 and March 2017 were required to reverse this inadmissible ITC and direct the dealers to pay such amount of reverse ITC along with simple interest, which was not reversed. This resulted in non-reversal of ITC along with interest together totalling ₹ 1.01 crore (ITC ₹ 0.65 crore and interest ₹ 0.36 crore) (**Appendix-VI**).

Audit reported the matter to the Department (between February 2017 and April 2018). In their replies (January/May 2019), the Department accepted the Audit observation in 13 cases amounting to ₹ 36.32 lakh, out of which, in seven cases, a recovery of ₹ 15.35 lakh was reported by the Department. In seven cases the Department did not accept the Audit observation. The main contention of the Department in five of the seven cases not accepted by them was that the concerned AAs while passing the assessment orders, had made typographical errors¹⁰ in their initial orders, which they subsequently corrected when Audit observations were received by them. Audit urges the Department to fix accountability for such lapses. The analysis of Government/ Department's replies in these seven cases is listed in the **Table 3.6 (i) and Table 3.6 (ii)**.

Table 3.6 (i)
Cases where the Department has mentioned typographical errors in the assessment orders in cases pointed out by the Audit

Sl. No.	Audited Observation brief	Unit/ in	Department reply in brief	Rebuttal
1	Sec-15 Observation: ITC is being claimed on the exempted (no tax) item i.e. cloth as per purchase list submitted by the dealer. Hence, ITC claimed by the dealer on the purchase of exempted item cloth should be reversed.	Agra	Due to typographical error in his monthly returns, purchase of cloth was shown in his purchase list, however, ITC is being claimed on the taxable items by the dealer.	Cloth is a exempted item entailing no levy of VAT. Hence, basis of giving the excess benefit of ITC on the purchase of cloth is not clear. Examination of the records of the dealer indicates/ refer to 'cloth' in his purchase list in each month of his return. Hence, the reply regarding typographical error is not acceptable.

¹⁰ Wrong purchase list was submitted, high rate of admissible ITC was shown at lower amount, false ITC was carry forwarded, etc.

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
2	Sec-18 Agra (b) Observation: Due to the calculation mistake, while allowing ITC as per the ITC admissible on the purchase, more ITC was allowed.	Due to typographical error, purchase of juice was shown at ₹ 60.54 lakh instead of ₹ 25.76 lakh and Purchase of cold drink was shown at ₹ 25.76 lakh instead of ₹ 60.54 lakh which has been amended u/s sec 31 dated 16 October 2018.	The reply is not acceptable as the dealer, in his annual return, has not given any bifurcation of his purchases. Bifurcation of purchase is mandatorily required under UPVAT Rules. Bifurcation of purchase has been clarified by the assessing authority at the time of finalising and passing the assessment order dated 28 October 2015.
3	Sec-3 Gorakhpur Observation: Due to the calculation mistake, while allowing ITC as per the ITC admissible on the purchase, more ITC was allowed.	Due to typographical error, purchase of cement sheet was shown at ₹ 46.60 lakh instead of at ₹ 77.05 lakh and Purchase of iron sheet was shown ₹ 1630.74 lakh instead of ₹ 1600.30 lakh. That was amended u/s sec 31.	The reply is not acceptable. The dealer, in his annual return, has not given any bifurcation of his purchases. Bifurcation of purchase is mandatory as per sub-rule (7) of Rule-45 of UPVAT Rules. Bifurcation of purchase has been clarified by the assessing authority at the time of finalising and passing the assessment order dated 11 January 2017.
4	Sec-20 Lucknow Observation: Due to the calculation mistake, while allowing ITC as per the ITC admissible on the purchase, more ITC was allowed.	Due to typographical error ₹ 6.09 lakh ITC was made admissible and ITC of ₹ 2.89 lakh was carried forward as per annual return in assessment order, which has been amended u/s 31 dated 6 March 2017 by making admissible ITC of ₹ 3.20 lakh and nil ITC was carried forward.	While the Department has accepted the facts pointed out by audit, the reply does not specify why the RITC along with interest has not been done. The amendment in the assessment order has been made u/s 31 dated 6 March 2017 for the assessment year 2012-13. Up till now the dealer has submitted the annual return for succeeding assessment year and had claimed excess ITC assessed by the AA at the time of assessment order for the assessment year 2012-13. The UPVAT Act/ Rules requires raising demand for excess ITC benefit given to the dealer along with interest at the time of assessment.
5	Sec-6 Meerut Observation: Due to the calculation mistake, while allowing ITC as per the ITC admissible on the purchase, more ITC was allowed.	Due to typographical error Gas Stove was not shown in the detail purchase list of ₹ 16.98 lakh which has been amended u/s 31 dated 21 May 2018.	The reply is not acceptable. The dealer, in his annual return, has not given any bifurcation of his purchases. Bifurcation of purchase is mandatory required under UPVAT Rules. Bifurcation of purchase has been clarified by the assessing authority at the time of finalising and passing the assessment order dated 20 August 2016. Further, in the reply given by the Department, the purchase value of Gas Stove is still not disclosed.

Table 3.6 (ii)
Cases where the Department reply is not acceptable

Sl. No	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
1	Sec-13 Agra Observation: ITC was allowed on discount.	Purchase which have been shown in annual return and accounts submitted by the dealer only that purchase have been incorporated in the assessment while passing the assessment order. As such no discount and credit note has been deducted from the purchase submitted by the dealer.	The reply of the Department is not convincing as the discount which has been shown in the Audited Balance Sheet has not been taken into account, at the time of passing the assessment order in allowing admissible ITC. Rule 21 of UPVAT Rule specifically states that ITC is not admissible on discount.
2	Sec-4 Jhansi Observation: Due to the calculation mistake, while allowing ITC as per the ITC admissible on the purchase, more ITC was allowed.	The Department stated that u/s 14 all the tax invoices of purchase have been verified and found to be correct. As such no Reverse Input Tax Credit (RITC) is required to be done.	The reply of the Department is not according to the facts submitted by the dealer in his return. The calculation mistake is self-evident, made in the assessment order while allowing ITC to the dealer.

In the remaining four cases, the Department stated that action is under process (August 2019).

Recommendation:

CTD should carefully examine and verify the transections where ITC are being claimed by the dealers and benefit of ITC are being allowed by the AAs.

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

The AAs had not reversed the ITC alongwith interest of ₹ 1.40 crore claimed by the dealers in respect of those goods which were sold by the dealers at a price lower than the purchase price.

Under UPVAT Act, 2008,¹¹ 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 the 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 excess of tax payable on the sale value of goods, will be reversed with simple interest at the rate of 15 *per cent* per annum.

The Audit Reports for the year 2014-15 to 2015-16 had highlighted failure of the AAs in observing the aforesaid provisions while finalising the assessments of 10 dealers resulting in non-reversal of ITC of ₹ 0.21 crore. The Department, in response to the Audit observations, has assured to take appropriate action.

¹¹ Section 13(1)(f) of UPVAT Act, 2008.

Audit test checked (between January 2017 and February 2018), the assessment records of 13 CTOs (out of 256 CTOs audited). It noticed that 13 dealers (out of 3,507 dealers test checked), had purchased goods worth ₹ 90.25 crore during the year from 2011-12 to 2013-14, had claimed an ITC of ₹ 4.86 crore and sold the said goods for ₹ 69.68 crore. The dealers availed ITC on the purchase price of the goods instead of to the extent of ₹ 3.98 crore, the tax payable on the sale value of goods. The AAs, while finalising the assessments between March 2015 and March 2017, neither reversed this inadmissible ITC nor created any demand with simple interest. Thus ITC along with interest together totalling ₹ 1.40 crore was not reversed (ITC ₹ 0.88 crore and interest ₹ 0.52 crore) (**Appendix-VII**).

Audit reported the matter to the Department (between March 2017 and April 2018). In their replies (January/May 2019), the Department accepted the Audit observation in four cases amounting to ₹ 1.18 crore. Out of these, in three cases, ₹ 8.95 lakh had been recovered. One accepted case with a total financial implication of 0.73 crore was still to be acted upon. In two cases the Department did not accept the Audit observation. The main contention of the Department in one out of the two cases not accepted by them was that the concerned AAs while passing the assessment orders, had made typographical errors¹² in their initial orders, which they subsequently corrected when Audit observations were received by them. Audit urges the Department to fix accountability for such lapses. The analysis of Government's replies in these two cases is listed in the **Table-3.7(i) and Table-3.7(ii)**.

Table-3.7 (i)

Cases where the Department has mentioned typographical errors in the assessment orders in the cases pointed out by the Audit

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
1	Sec-10 Varanasi Observation: Less sale is shown in comparison to purchase hence Reverse Input Tax Credit (RITC) on loss of sale is required.	Due to typographical error in the closing stock in the assessment order, purchase of goods @ 14 per cent was mentioned in place of goods purchased @ five per cent and vice-versa which have been amended u/s 31. Due to this revised assessment order sale of goods, as a result, sale of goods taxable @ five per cent was found to be less by ₹ 1.70 lakh on which RITC of ₹ 0.09 lakh was done and was deposited by the dealer later on 1 May 2018.	The reply is not acceptable. The assessing authority at the time of passing the assessment order had accepted the trading account of the dealer while finalising the assessment order. After being pointed out by Audit, the dealer has submitted a revised return in which the goods @ five per cent was shown in place of goods @ 14 per cent and vice versa in the closing stock. This is not a typographical error as the dealer has submitted a revised return after the assessment has been passed. Further, no provisions were shown to the Audit whereby the AAs accepted the revised returns after passing the initial order.

¹² Figures of different commodity of rate of tax was wrongly mentioned in the assessment orders.

Table-3.7 (ii)
Cases where Department reply is not acceptable

Sl. No.	Audited Observation in brief	Department reply in brief	Rebuttal
1	Sec-1 Faizabad Observation: Less sale is shown in comparison to purchase, hence Reverse Input Tax Credit (RITC) on loss of sale is required.	The Department stated that u/s 31, account of the dealer has been verified and accepted. Therefore, no Reverse Input Tax Credit (RITC) is required.	The reply of the Department is not according to the facts submitted by the dealer in his annual return. The less sale in comparison to purchase in the assessment order as well as in the annual return submitted by the dealer is self-evident. Hence, due to loss in sale as is evident from the assessment order RITC needs to be done.

In the remaining seven cases, the Department stated that action is in process (August 2019).

Recommendation:

CTD should carefully examine and verify the cases where ITC are being claimed by the dealer.

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

The AAs had not reversed the ITC alongwith interest of ₹ 2.20 crore claimed by the dealers in respect of goods which were taxable at lower rates than that claimed by the dealers.

Under UPVAT 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 manufacturing of goods intended to resale. Further¹³, 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 along with simple interest at the rate of 15 *per cent* per annum.

The Audit Reports for the year 2012-13 and for the period from 2014-15 to 2016-17 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 40 dealers resulting in correct claim of ITC of ₹ 3.03 crore. The Department in response to the Audit observations has assured to take appropriate action. Up till now, of the above, Audit Report 2012-13 has been discussed in the PAC in which the Department reported a recovery of ₹ 5.33 lakh.

Audit test checked (between February 2017 and September 2017), of the assessment records of five CTOs (out of 256 CTOs), revealed that five dealers (out of 1,330 dealers test checked), had purchased goods worth ₹ 18.06 crore during the year 2012-13 to 2014-15 and had claimed an ITC of ₹ 2.53 crore at the rate of 13.5 to 14 *per cent* instead of ₹ 90.28 lakh at the rate of five *per cent*. Goods purchased by the dealers were mentioned in Schedule II of UPVAT Act and rate of tax applicable was five *per cent*. The AAs, while finalising the assessments between March 2016 and January 2017, did not

¹³ Under Section 14(2).

notice this fact, and without carrying out any cross verification and thorough examination, allowed an excess inadmissible ITC of ₹ 1.62 crore to the dealers. This incorrect claim attracts reversal of ITC along with interest of ₹ 2.20 crore (ITC ₹ 1.62 crore and interest of ₹ 0.58 crore) which was not done by the AAs. The details are mentioned in the **Table-3.8**.

Table-3.8
Incorrect claim of ITC on goods purchased which were taxable at lower rates than claimed by dealers

(₹ in lakh)									
Sl. No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Name of goods	Value of goods	ITC claimed by the dealer	ITC admissible to the dealer	Amount of RITC not done by AAs	Interest leviable
1	Sec. 1 Agra	1	2013-14 (December 2016)	Foam and fabrics	28.22	3.95	1.41	2.54	1.23
2	JC (CC) Gorakhpur	1	2012-13 (March 2016)	Wooden drum	25.43	3.52	1.27	2.25	1.18
3	DC Sec. 1 G B Nagar	1	2013-14 (January 2017)	Centrifugal mono block pump sets, hose collar and spare parts	21.74	3.04	1.09	1.95	0.97
4	DC Sec. 2 Kanpur	1	2014-15 (January 2017)	Multimedia, speaker, head phones	1,645.95	230.43	82.30	148.13	51.20
5	DC Sec. 6 Noida	1	2013-14 (July 2016)	Digital video camera	84.21	11.79	4.21	7.58	3.17
Total		5			1,805.55	252.73	90.28	162.45	57.75

Audit reported the matter to the Department (between March 2017 and September 2017). In their replies (January/May 2019), the Department accepted the Audit observation in three cases amounting to ₹ 17.10 lakh. In remaining two cases, Department did not accept the observation. The reply of the Department in these cases has been reviewed and not found acceptable as per analysis detailed in the **Table 3.9 (i) and Table 3.9 (ii)**.

Table 3.9(i)
Cases where Department has mentioned typographical errors in the assessment orders in cases pointed out by the Audit

Sl. No	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
1	Sec-1 Agra Observation: Purchase of foam and fabrics was shown in assessment order @ 14 per cent. As per Audit, ITC admissible @ five per cent.	The Department stated that the dealer had actually purchased adhesive which, by mistake, was mentioned as foam and fabrics in the assessment order which has been amended u/s 31 dated 17 March 2018	The reply is not acceptable, as in the initial assessment order passed on 20 December 2016 purchase of foam and fabrics has been specifically shown. A typographical error cannot occur on several pages. Further, the dealer himself in his annual return has shown the purchase of same commodity. Further no supporting documents were given to audit to establish the claim of the Department on purchase of adhesive. Hence, ITC claimed at higher rates on foam and fabrics needs to be reversed.

Table3.9 (ii)
Cases where Department reply is not acceptable

Sl. No	Audited Observation brief	Unit/ in	Department reply in brief	Rebuttal
1	Sec-2 Kanpur Observation: ITC on speakers, microphone, etc. is admissible as per Schedule II instead of Schedule V.		The Department stated that the dealer trades in the public address systems such as speaker, microphone etc. which is taxable @ 12.5 per cent plus additional tax.	The reply of the Department is not acceptable. UPVAT Schedule –II –Part-II- B -Sl. No. 2 unambiguously stipulates that speakers, microphone, etc. are classified under this entry, and as such, ITC @ five per cent is admissible on these items. Hence, ITC claimed at higher rates on speakers, microphone, etc., needs to be reversed.

Recommendation:

The CTD should ensure periodic and randomised reviews of all ITC claims to ensure that ITC is being claimed as per prescribed rates.

3.5.4 False/fraudulent claim of ITC

On cross verification undertaken by the Department, ITC amounting to ₹ 1.94 crore claimed by the dealers was found false. Though it was reversed by the AAs, penalty amounting to ₹ 9.71 crore was not imposed against the defaulters.

Under UPVAT 2008¹⁴, if the purchased goods are resold, ITC is allowed to the extent of the tax paid or payable by the dealer on such sale or purchase. Further,¹⁵ if the AA is satisfied that any dealer falsely or fraudulently claims an amount as ITC, he may direct such dealer to pay a penalty of a sum equal to five times of amount of ITC, in addition to the tax.

The Audit Reports for the year 2012-13 to 2015-16 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 89 dealers resulting in non-imposition of penalty of ₹ 21.20 crore. The Department in response to the Audit observations has assured to take appropriate action. Up till now, of the above, Audit Report 2012-13 has been discussed in the PAC in which ₹ 11.13 lakh was recovered by the Department.

Audit test checked (between October 2016 and March 2018), the assessment records of 20 CTOs (out of 256 CTOs), revealed that in the case of 21 dealers (out of 5,727 dealers test checked), the AAs had cross verified the ITC claim of the dealers and found that the dealers had falsely/fraudulently claimed ITC amounting to ₹ 1.94 crore during the year 2009-10 to 2014-15. Though the AAs, while finalising the assessments (between April 2013 and March 2017), reversed the ITC, they chose not to impose the penalty due amounting to ₹ 9.71 crore (**Appendix-VIII**).

Audit reported the matter to the Department (between December 2016 and April 2018). In their replies (January/May 2019), the Department accepted the Audit observation in 18 cases amounting to ₹ 5.05 crore. In two cases, ₹ 41.46

¹⁴ Section 54(1) (19) of the VAT Act.

¹⁵ Section 13 of UPVAT Act, 2008 read with Rule 24 of UPVAT Rules, 2008.

lakh had been recovered. In remaining three cases, the Department stated that action is in process (August 2019).

Recommendation:

CTD should carefully examine and verify the cases where ITC is being claimed falsely or fraudulently by the dealer.

3.6 Interest short/not charged

The dealers had deposited the admitted tax of ₹ 5.56 crore with delay, on which interest was chargeable. However, the same was not charged at the time of assessment resulting in non-levy of interest amounting to ₹ 2.56 crore.

Under UPVAT Act 2008, and Entry of Goods into Local Areas Act, 2007¹⁶, 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 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.

The Audit Reports for the year 2012-13 to 2016-17 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 123 dealers resulting in non/short levy of interest of ₹ 10.57 crore. The Department in response to the Audit observations has assured to take appropriate action. Up till now, of the above, Audit Report 2012-13 has been discussed in the PAC in which ₹ 33.24 lakh was recovered by the Department.

Audit test checked (between March 2017 and March 2018), the assessment records of 25 CTOs (out of 256 CTOs) revealed that 28 dealers (out of 13,651 dealers test checked) had deposited the admitted tax of ₹ 5.56 crore during the year 2008-09 to 2013-14 with delays ranging from 32 days to 2,610 days without paying the due interest on account of the delay. The belated payment of admitted tax attracted interest of ₹ 2.60 crore up to the date of deposit of tax, whereas the dealers deposited ₹ 4.02 lakh only. The AAs while finalising the assessment between July 2013 and March 2017 did not charge interest of ₹ 2.56 crore (**Appendix-IX**).

Audit reported the matter to the Department (between April 2017 and April 2018). In their replies (January/May 2019), the Department accepted the Audit observation in 23 cases amounting to ₹ 55.74 lakh, out of which ₹ 28.05 lakh was reported as recovered in 13 cases. In the cases accepted by the Department, there is however no indication of action proposed to be taken against the AAs for their failure to levy of interest in the cases of delayed deposit of admitted tax, as per the law. The Department did not accept the finding in one case where it stated that the dealer has opted for compounding scheme and compounding fees was deposited on various dates as per applicable rules and as such interest of ₹ 0.11 lakh and of ₹ 0.06 lakh had been deposited on 2 February 2018 and 25 January 2018 respectively. The reply of the Department is not acceptable. The dealer has deposited the interest after the delay was pointed by the audit. Further, the dealer had not deposited the

¹⁶ 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.

full interest i.e. ₹ 1.07 lakh (1 October 2013 to 5 October 2016). In remaining four cases, Department stated that action is in process (August 2019).

Recommendation:

CTD should carefully calculate the interest amount in cases where there is delay in payment of due taxes by the dealers.

3.7 Penalties not imposed

Tax related legislations carry penal provisions are made to discourage malafide practices by the dealers. The AAs, while finalising the assessments, disregarded various offences committed by the dealers i.e. transactions not recorded in the 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 chose not to impose penalty amounting to ₹ 33.52 crore in the case of 218 dealers in respect of 125 CTOs for the period from 2007-08 (VAT) to 2015-16 as mentioned in the following paragraphs:

3.7.1 Concealment of turnover

The Assessing Authorities did not impose penalty amounting to ₹ 3.66 crore on concealed turnover amounting to ₹ 20.44 crore.

Under UPVAT Act¹⁷, where a dealer has concealed particulars of his turnover or has deliberately furnished inaccurate particulars of such turnover, or submitted a false tax return under this Act or evaded 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 equal to three times the amount of tax concealed or avoided.

The Audit Reports for the year 2012-13 to 2015-16 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 170 dealers resulting in non-imposition of penalty of ₹ 8.93 crore. The Department in response to the Audit observations has assured to take appropriate action. Up till now, of the above, Audit Report 2012-13 has been discussed in the PAC in which ₹ 9.58 lakh was recovered by the Department.

Audit test checked (between January 2017 and March 2018), the assessment records of 56 CTOs (out of 256 CTOs) revealed that 69 dealers (out of 25,491 dealers test checked) had concealed purchases and sales turnover amounting to ₹ 20.44 crore during the year from 2007-08 to 2015-16. As the dealers had wrongfully concealed their turnover, they were liable to pay penalty of a sum equal to three times the tax concealed. However, the AAs, while finalising the assessments (between September 2012 and March 2017), chose to levy a tax amounting to only ₹ 1.22 crore on this concealed turnover. The concerned AAs neither imposed penalty amounting to ₹ 3.66 crore nor recorded any reason for not imposing the penalty (**Appendix-X**). This was despite the fact that in 40 cases falling under 32 sectors, the Appellate Authorities had confirmed (between June 2014 and November 2017) that the dealers had concealed the turnover/evaded payment of liable tax or the dealers had

¹⁷ Section 54(1) (2).

themselves accepted the same and deposited the tax due on the concealed turnover.

Audit reported the matter to the Department (between March 2017 and April 2018). In their replies (January/May 2019), the Department accepted the Audit observation in 56 cases amounting to ₹ 2.81 crore, out of which in 15 cases, ₹ 49.25 lakh had been recovered. In three cases, the Department did not accept the finding. The reply of the Department is not acceptable, as in these three cases, concealment has been confirmed by the Appellate Authority as brought out in the following **Table 3.10**.

Table 3.10
Cases where Department reply is not acceptable

Sl. No.	Audited Unit	Department reply in brief	Rebuttal
1	JC(CC) Gorakhpur	The Department stated that if the concealment is not intentional penalty cannot be imposed.	In all the three cases the dealers filed an appeal regarding concealment of turnover. In all these cases, the Appellate Authority upheld the contention of Assessing Officer, thereby confirming the fact of concealment. In these circumstances, the reply of the Department that the concealment is not intentional, is not acceptable.
2	Sec. 3 Gorakhpur		
3	Sec. 2 Kanshiramnagar (Kasganj)		

In the remaining 10 cases, the Department stated that the action is in process. (August 2019).

Recommendation:

CTD should carefully examine all the cases where concealment of turnover by the dealers is detected and ensure that due penalty is imposed for ensuring tax compliance.

3.7.2 Delayed deposit of admitted tax

The AAs, while finalising the assessments, did not impose penalty amounting to ₹ 3.06 crore and an interest of ₹ 55.30 lakh on delayed deposit of admitted tax amounting to ₹ 15.31 crore.

Under UPVAT Act¹⁸, if the AA is satisfied that any dealer 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.

The Audit Reports for the year 2012-13 to 2015-16 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 201 dealers resulting in non-imposition of penalty of ₹ 9.76 crore. The Department in response to the Audit observations has assured to take appropriate action. Up till now, of the above, Audit Report 2012-13 has been discussed in the PAC in which ₹ 8.82 lakh were recovered by the Department.

Audit test check (between September 2015 and March 2018), the assessment records of 60 CTOs (out of 256 CTOs) revealed that 80 dealers (out of 26,519 dealers test checked) had not deposited their admitted tax of ₹ 15.31 crore for the period 2008-09 to 2014-15 in time. The delays ranged between five days to 1,397 days. As the tax was deposited late, penalty amounting to a sum equal to

¹⁸ Sec 54(1) (1) (a).

20 per cent of the tax due in addition to the tax levied, was payable by the dealers in question. However, the AAs, while finalising the assessments (between May 2012 and March 2017), chose not to impose the penalty amounting to ₹ 3.06 crore along with interest of ₹ 55.30 lakh nor recorded any reason for not imposing the penalty and the interest (**Appendix-XI**).

Audit reported the matter to the Department (between April 2017 and April 2018). In their replies (January/May 2019), the Department accepted the Audit observation in 58 cases amounting to ₹ 2.14 crore, out of which in 10 cases, ₹ 17.92 lakh had been recovered. In four cases, the Department did not accept the audit finding. The reply of the Department is not acceptable as in all the four cases, admitted tax was deposited without interest/after being pointed out by the Audit which is contrary to the provision of the VAT Act, as per the analysis detailed in the following **Table 3.11**.

Table 3.11
Cases where the Department reply is not acceptable

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
1	Sec-12 Allahabad Observation: Admitted tax for the month of 03/14 was deposited with a delay of 278 to 887 days. As such, penalty is leviable as per the VAT Act.	The Department stated that the dealer has opted for compounding scheme and various compounding fees of ₹ 9.64 lakh was deposited on various dates with interest. As such, penalty is not leviable.	The Department reply is not according to the facts submitted by the dealer. The challan copy of the admitted tax submitted by the dealer in his return indicate that the admitted tax was deposited without interest at the time of audit. Hence, the reply of the Department that the dealer has deposited the admitted tax with interest is not correct. As such, penalty should have been imposed.
2	Sec-5 Bareilly Observation: Admitted tax for the month July 2012 and August 2012 was deposited with delay ranging from six to nine days. As such penalty is leviable as per UPVAT Act.	The Department stated that admitted tax was deposited with interest of ₹ 2,000/- and ₹ 4,000/-dated 4 August 2017 and penalty will not be imposed if delay is for 10 days and the admitted tax was deposited with interest as per Commissioner's circular.	The reply of the Department is not acceptable. As per the Commissioner's Circular, if the delay of the admitted tax is up to 10 days and the admitted tax was deposited with interest with justified reasons by the dealer, penalty will not be imposed. In the instant case the dealer has deposited the admitted tax with delay and without interest. As such, the above Circular of the Commissioner is not applicable in the instant case. Hence, penalty should have been imposed.
3	Sec-8 Lucknow Observation: Admitted tax for the month of December 2013 and January 2014 was deposited with delay ranging from five to seven days. As such penalty is leviable as per VAT Act.	The Department stated that if the admitted tax is deposited with interest penalty will not be imposed as per Hon. High Court decision dated 26 October 2004.	The Department reply is not according to the facts submitted by the dealer. The challan copy of the admitted tax submitted by the dealer in his return indicate that the admitted tax was deposited without interest at the time of audit. Hence, the reply of the Department that the dealer has deposited the admitted tax with interest is not correct. As such, penalty should have been imposed.

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
4	Sec-14 Varanasi (b) Observation: Admitted tax for the month of May 2011 and June 2011 was deposited with delay ranging from 50 to 77 days. As such, penalty is leviable as per VAT Act.	The Department stated that the interest for the delay was deposited on 29 September 2018. As such, penalty will not be imposed.	The reply of the Department that the interest for the delay deposit of admitted tax has been deposited by the dealer is not acceptable as at the time of the Audit the dealer has deposited the admitted tax without interest and this was accepted by the assessing officer at the time of finalising and passing the assessment order. Since after being pointed out by the audit the dealer has deposited the interest, therefore penalty should have been imposed.

In the remaining 18 cases, the Department stated that action is in process (August 2019).

Recommendation:

CTD should carefully examine the cases where admitted tax is not being deposited within the prescribed time limit and without due interest.

3.7.3 Delayed deposit of tax deducted at source

The Assessing Authorities had not imposed penalty amounting to ₹ 26.80 crore alongwith interest of ₹ 14.26 lakh on dealers for not depositing the tax deducted at source amounting to ₹ 13.40 crore within the prescribed time.

Under UPVAT Act, 2008¹⁹, a person responsible for making payment to a contractor for the use of goods in pursuance of works contract, shall deduct a tax equal to four *per cent* of such sum, payable under the Act, on account of such works contracts. In case of failure to deduct the tax or deposit the tax 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 AA may direct that such person to pay, by way of penalty, a sum not exceeding twice the amount so deducted.

The Audit Reports for the year 2012-13 to 2016-17 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 108 dealers resulting in non-imposition of penalty of ₹ 31.40 crore. The Department in response to the Audit observations has assured to take appropriate action. Up till now, of the above, Audit Report for Financial Year 2012-13 has been discussed in the PAC in which ₹ 24.00 lakh was recovered by the Department.

Audit test checked (between March 2017 and March 2018), the assessment records of 47 CTOs (out of 256 CTOs) revealed that 69 dealers (out of 17,490 dealers test checked) had deducted tax amounting to ₹ 13.40 crore at source while making the payment to contractors during the year 2008-09 to 2014-15 but did not deposit the same into the Government treasury within the time frame prescribed. The delays ranged from five days to 349 days. The AAs, while finalising the assessments (between April 2013 and March 2017) chose not to impose the due penalty amounting to ₹ 26.80 crore along with due

¹⁹ Section 34(8) read with 34(1).

interest of ₹ 14.26 lakh nor recorded any reason for not imposing the penalty and the interest (**Appendix-XII**).

Audit reported the matter to the Department (between April 2017 and April 2018). In their replies (January/May 2019), the Department accepted the Audit observation in 53 cases amounting to ₹ 18.71 crore, out of which, in two cases, ₹ 2.35 lakh was recovered. Replies of the Department are not acceptable in four cases as detailed in the **Table 3.12**.

Table 3.12
Cases where the Department reply is not acceptable

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
1	Sec-16 Agra(a) Observation: TDS for the month of March 2014 was deposited with a delay of eight days without interest. Hence, the penalty was leviable as per the VAT Act.	The Department stated that the delay was of eight days, and as per Commissioner's circular, if the period of delay is less than 10 days, penalty will not be leviable. Interest of ₹ 1,305/- was deposited by the dealer for the delay.	The reply of the Department is not acceptable. As per the Commissioner's Circular, if the delay of the admitted tax is up to 10 days and the admitted tax was deposited with interest with justified reasons by the dealer, penalty will not be imposed. In the instant case, the dealer has deposited the admitted tax with delay and without interest. As such, the above Circular of the Commissioner is not applicable in the said case. Hence, penalty should have been imposed on the dealer.
2	Sec-16 Agra (b) Observation: Various TDS for the month of April 2013 and March 2014 was deposited with a delay ranging from eight to nine days without interest. Hence, the penalty was leviable as per VAT Act.	The Department stated that the delay was of eight days, and as per Commissioner's circular, if the period of delay is less than 10 days, penalty will not be leviable. Interest of ₹ 1,9743/- was deposited by the dealer for the delay.	The reply of the Department is not acceptable. As per the Commissioner's Circular, if the delay of the admitted tax is up to 10 days and the admitted tax was deposited with interest with justified reasons by the dealer, penalty will not be imposed. In the instant case the dealer has deposited the admitted tax with delay and without interest. As such, the above Circular of the Commissioner is not applicable in the said case.
3	Sec-8 Ghaziabad (b) Observation: TDS for the month of January 2012 was deposited with a delay of 11 days without interest. Hence the penalty was leviable as per UPVAT Act.	The Department stated that tax was deducted on 8 February 2012 which was deposited on 2 March 2012 as such TDS was deposited in due time.	The reply of the Department is not according to the facts submitted by the dealer at the time of the assessment. The return of the dealer states that the TDS for the month of January 2012 which was to be deposited on or before 20 February 2012 was deposited on 2 March 2012 with a delay of 11 days. Hence, penalty should have been imposed on the dealer.

Sl. No.	Audited Unit/ Observation in brief	Department reply in brief	Rebuttal
4	Sec-17 Varanasi Observation: TDS for the month of February 2013 was deposited with a delay of 11 days without interest. Hence the penalty was leviable as per VAT Act.	The Department stated that there was no deduction in the month of February 2013. February 2013 was erroneously mentioned in place of May 2013 in the challan form. As such, there was no delay.	The reply of the Department is not according to the facts submitted by the dealer at the time of assessment. It is not clear to the Audit how the TDS for the month of May 2013 was deposited on 31 March 2013 even before the TDS was deducted. The return of the dealer states that the TDS for the month of February 2013 which was to be deposited on or before 20 March 2013 was deposited on 31 March 2013 involving a delay of 11 days. Hence, penalty should have been imposed on the dealer.

In the remaining 12 cases, the Department stated that action is in process (August 2019).

Recommendation:

CTD should ensure timely deposit of TDS by the dealers/contractors.

3.8 Non-forfeiture of amount wrongly realised by the dealers as tax

The dealers had collected tax of ₹ 4.61 crore in excess of their tax liability. However, the AAs did not forfeit this amount wrongly realised by the dealers.

Under UPVAT Act²⁰, where any amount has been realised from any person by a dealer, purporting to do so by way of realisation of tax on the sale or purchase of goods, in contravention of the provisions of the Act, such amount deposited by any dealer, shall to the extent is not a due tax be held by the State Government.

Audit test checked (between April 2017 and March 2018) records of eight CTOs²¹(out of 256 CTOs). Audit noticed that nine dealers (out of 2,824 dealers test checked) had charged/realised an excess amount of ₹ 4.61 crore as tax in contravention of the provisions of the Act for the period from 2011-12 and 2013-14 to 2014-15. The AAs while finalising the assessment between April 2015 and March 2017 did not forfeit this amount so realised by the said dealers. **(Appendix-XIII).**

Audit reported the matter to the Department (between May 2017 and April 2018). The reply of the Department is still awaited (August 2019).

²⁰ Section 43(2).

²¹ JC(CC) Range-B, GB Nagar-1; ₹ 138.75 lakh, Sec-2 Kanpur-1; ₹ 293.55 lakh, Sec-16 Kanpur-1; ₹ 0.88 lakh, Sec-3 LKheri-1; ₹ 16.67 lakh, Sec-1 Lalitpur-2; ₹ 2.77 lakh & ₹ 2.17 lakh, Sec-1 Noida-1; ₹ 5.33 lakh, Sec-2 Pilibhit-1; ₹ 0.67 lakh, Sec-3 Sultanpur-1; ₹ 0.53 lakh.

Recommendation:

CTD should carefully examine the cases where the dealers have wrongly realised an amount as tax from other dealers in contravention of the provisions of the Act.

3.9. Preparedness for transition to Goods and Services Tax

3.9.1 Introduction

Goods and Services Tax (GST)²², implemented with effect from 1 July 2017, is levied on intra-State supply of goods or services (except alcohol for human consumption and upon five specified petroleum products²³) separately but concurrently by the Union (CGST) and the States (SGST)/Union territories (UTGST). Further, under the provisions of the new taxation regime, Integrated GST (IGST) is being levied on inter-State supply of goods or services (including imports). The Parliament has the exclusive power to levy IGST. GST has replaced a plethora of state and central taxes. The main taxes replaced include the Value Added Tax (VAT) on intra-State sale of goods in the series of sales by successive dealers as per Uttar Pradesh Value Added Tax (UPVAT) Act, 2008, and the Central Sales Tax (CST) levied on the sale of goods in the course of inter-State trade or commerce as per the CST Act, 1956.

Under the previous VAT regime, the State Government was empowered to regulate the provisions of UPVAT Act. The provisions related to GST on the other hand are regulated by the Centre and the State on the recommendations of the Goods and Services Tax Council (GSTC), constituted with representation from both the Centre as well as all the States to recommend on the matters related to GST. The State Government notified (May 2017) the Uttar Pradesh Goods and Services Tax Act, 2017 and the Uttar Pradesh Goods and Services Tax Rules 2017 (June 2017) subsuming various local and central taxes²⁴. Goods and Services Tax Network (GSTN) was set up by the Government of India as a private company to provide IT services to the State and Central tax authorities. GSTN manages the entire IT system of the GST portal. It is used by the Government to track every financial transaction, and provides the taxpayers with all services-from registration to filing taxes and maintaining all tax details. It comprises Front-end IT services intended for use by the taxpayers such as registration, payment of tax and filing of returns, and back end IT services including registration approval, taxpayer detail viewer, refund processing, MIS reports, etc. for use by the taxation authorities. Back end services are available to only Model-II²⁵ States, of which Uttar Pradesh is one.

3.9.2 Audit objectives

The audit was conducted with a view:

- to evaluate the preparedness of the State Government for implementing the IT solution;

²² Central GST: CGST and State/Union Territory GST: SGST/UTGST.

²³ Petroleum Products: crude, high speed diesel, petrol, aviation turbine fuel and natural gas.

²⁴ Value Added Tax, Central Sales Tax, Entry Tax, Luxury Tax and Entertainment Tax.

²⁵ Model I States: Only front end services provided by GSTN.

Model II States: Both front end and back end services provided by GSTN.

- to assess the capacity building measures undertaken by State Government for its employees for framing/implementing the Rules /Regulations/ IT system; and
- to analyse the strategy of the State Government in handling the issues of legacy tax regime.

3.9.3 Audit criteria

The audit criteria were derived from the provisions of the following Acts, rules and notifications/circulars issued thereunder:

- Uttar Pradesh Goods and Services Tax Act, 2017;
- Uttar Pradesh Goods and Services Tax Rules, 2017;
- GST (Compensation to States) Act, 2017;
- The Taxation Laws Amendment Act, 2017;
- Integrated Goods and Services Tax Act, 2017;
- Acts relating to subsumed taxes and Rules made thereunder:
 - Uttar Pradesh VAT Act, 2008, Uttar Pradesh Tax on Entry of Goods into Local Areas Act, 2007, Central Sales Tax Act, 1956 and other guidelines issued by Central/State Government and GST Council.

3.9.4 Scope of Audit

The activities of the State Government/Commercial Taxes Department relating to implementation of GST since the 101st amendment to the Constitution of India i.e. with effect from 8 September 2016 to 31 March 2018, were reviewed in the course of audit. Besides, information / data obtained from the Office of the Commissioner, Commercial Tax, Uttar Pradesh regarding Migration of Dealers in GST, Transitional Credit and GST Refunds. Action taken with respect to Legacy issues i.e. assessment, recovery/refund etc. was also examined.

The State Commercial Taxes Department did not provide Audit with either access to the GSTN or to any data dump related to the GST data in its possession despite persistent persuasion. As GST data was not shared, we were unable to audit and therefore, this section of the report is derived largely from the information provided to Audit with respect to its queries and requisitions, but without any independent verification vis-à-vis actual databases or documents.

An entry conference with the Commissioner, Commercial tax was held on 18 March 2019. The observations were sent to the Department on 11 June 2019. A meeting in this regard was held with the Department on 14 June 2019 to discuss the findings. The final observations were forwarded to the State Government on 16 July 2019. The replies of the Department were received on 12 September 2019. The Exit Conference was held on 1 October 2019 with the Commissioner, Commercial Tax and the Government to discuss the findings.

3.9.5 Access to the GSTN Database

With the introduction of IT Platform for GST implementation, access to GSTN IT system and its data becomes necessary for Audit so that necessary assurance regarding robustness of the system could be derived. With respect

to CAG's requirement for Complete Access to the GSTN IT systems and data, GSTN had recommended (October 2016) to the Government of India to create login credentials for the CAG teams.

The State Government was informed by this office²⁶ (April 2018) that GST data could be shared with the C&AG of India subject to relevant protocols. The Department responded²⁷ (May 2018) that the issue of providing access to GSTN portal and creating role script was possible only through the GST Council.

The Department further replied (September 2019) that the issue of data sharing protocol with the Comptroller and Auditor General of India has been referred to GST Council. Until the matter is decided, it will be proper, to wait for access to GSTN and data dump.

The reply is not acceptable as Section 18 of the CAG's DPC Act, 1971 provides that CAG has the mandate to access any record, accounts and other documents that are relevant to his inquiry. Further, as per Section 16 of the CAG's DPC Act, 1971, it shall be the duty of the CAG to audit all receipts which are payable into the Consolidated Fund of India and of each State. It has been further clarified in Regulation 181 of the Regulations on Audit and Accounts, 2007 that every Department or entity shall establish and implement a mechanism to ensure that data, information and documents that are required by Audit are made available to CAG. Thus, not providing access to GST data to CAG is violation of the provisions of CAG's DPC Act. The fact that some other states, viz., Bihar and Chhattisgarh, have started sharing the GST data with the Audit indicates that sharing of data did not require the approval of GST Council or GoI.

3.9.6 Trend of Revenue from 2013-14 to 2017-18

Receipts under VAT/CST including non-subsumed/subsumed taxes during the year 2017-18 were ₹ 31,436.89 crore and SGST receipts (including IGST apportionment including advance apportionment) were ₹ 25,373.96 crore. Total Receipts during the year 2017-18 were ₹ 56,810.85 crore against ₹ 52,664.47 crore of previous year 2016-17 i.e. an increase of 7.87 per cent. The tax base also increased from 6,97,457 migrated dealers to 13,30,281 dealers²⁸. This explains the increase in revenue during this period. Actual receipts during the last five years are mentioned in **Table-3.13**.

Table-3.13: Trend of Revenue

Year	₹ in crores)						
	Receipts under VAT & CST	Receipts under other subsumed taxes in GST ²⁹	Receipts under SGST	Total Receipts	Increase in receipt from previous years (in per cent)	Compensation Received GST	Total Receipts
2013-14	39,645.45	509.36		40,154.81			40,154.81
2014-15	42,931.54	541.68		43,473.22	8.26		43,473.22
2015-16	47,692.40	745.76		48,438.16	11.42		48,438.16
2016-17	51,882.88	781.59		52,664.47	8.73		52,664.47
2017-18	31,112.52	324.37	25,373.96	56,810.85	7.87	2,124.00	58,934.85

Source: Finance Accounts of the Government of Uttar Pradesh

²⁶ Vide letter no. AG(E&RSA), UP/Sectt/2018-19/03 dated 05.04.2018.

²⁷ Vide letter no. Joint Commissioner (Audit)// 2018-19/431/Vaniya Kar dated 21.05.2018.

²⁸ Till 11.06.2018.

²⁹ Figures included from Major Head 0023-Hotel Receipts, 0045-Other Taxes and Duties on Commodities and Services.

In their reply the Department (September 2019) stated that as on 11 June 2018 the total dealers were 13.30 lakh³⁰ of which the migrated dealers of GSTN were 6.97 lakh and new dealers were 6.33 lakh. Thus, clearly accepting that tax base has increased.

3.9.7 Establishment of the Department

3.9.7.1 Shortage of Staff

For efficient performance of an organisation, it is necessary that there are sufficient number of officers for operation and for monitoring and administering the relevant Tax laws and rules with the assistance of allied staff. In this connection, audit focussed upon the extent of availability of human resources at the disposal of the Department.

It was observed that there were huge shortages in the cadre of officers and supporting staff as depicted in the **Table-3.14**.

Table-3.14 -Status of manpower

Sl. No.	Cadre	Sanctioned Post	Men in position (2018-19)	Shortage	Shortage (in per cent)
1	Officers	3,033	2,433	600	20
2	Clerical	5,328	3,096	2,232	42
3	Stenographers	1,302	722	580	45
4	<i>Shankhya</i> Cadre	111	77	34	31
5	Auditors	91	26	65	71
6	Accounts Cadre	131	31	100	76
7	Collection Cadre	481	309	172	36
8	Computer Operator	235	173	62	26

Source: Information provided by the Commercial Tax Department

It can be seen from the above that there was a huge shortage of six hundred officers in the Department which works out to 20 *per cent* of the sanctioned strength of 3,033. Likewise, for effective Internal Controls and analytical works, the cadres of *Shankhya*, Audit and Accounts are critical. However, these cadres have shortages to the extent of 31, 71 and 76 *per cent* respectively. Similarly, 26 *per cent* posts of Computer Operators are lying vacant.

In GST regime, the work involved is technology driven and the working environment is intended to be paper-less. In the GST scenario, requirement of IT trained officers and analysts assumes importance for the purposes of tax administration. There is a need to restructure the cadres and recruit IT skilled staff for developing necessary Business Intelligence models for administration and enforcement purposes.

The Department in its reply (September 2019) stated that the Cadre restructuring was being done in GST as per requirement. But, they have not provided any documents to Audit to substantiate their statement.

3.9.7.2 Deployment of Entertainment Tax Staff

Entertainment Tax has been subsumed in GST. As a consequence, the Entertainment Tax Department, which administered the tax, has also been

³⁰ Till 11 June 2018.

merged³¹ (April 2018) with the CTD. Audit observed that the mergers could be notified only after a lapse of nine months, with retrospective effect, from the implementation of GST. Even thereafter, the Department failed to deploy 131 officers of the erstwhile Entertainment Tax Department to their new duties in the CTD as District Magistrates had delegated miscellaneous work to Entertainment Tax officers. ₹ 21.15 crore had been spent on the establishment of these 131 officers between July 2017 and February 2019. The Department was deprived of their services, which could have come handy given shortages in the Officer cadre.

The Department in its reply (September 2019) accepted the audit finding and stated that the Cadre restructuring of officers and officials of the erstwhile Entertainment Tax Department was still in process and stated that the staff was engaged in miscellaneous work of Entertainment Tax.

3.9.7.3 Capacity building efforts by the Department for GST regime

CTD had started training its offices along with the implementation of GST. During the year 2017-18, a total of 2,920 officers were trained, out of which 2,537 were trained in GST. In 2018-19, a total of 815 officers were trained, out of which 393 officers were trained in GST at Commercial Tax Officers Training Institute, Lucknow. Besides, the Department established helpdesks at 82 places and conducted 5,494 seminars wherein 3,71,329 persons participated.

3.9.8 Legal/Statutory preparedness

The State Government notified (May 2017) the Uttar Pradesh Goods and Services Tax Act, 2017 and Uttar Pradesh Goods and Services Tax Rules, 2017. Further, necessary notifications were issued by the State Government from time to time for facilitating implementation of GST in the State. The State Government/ Commercial Taxes Department had issued 189 notifications, 66 Circulars regarding GST from June 2017 to March 2019.

3.9.9 E-Way bill system

Before the enactment of GST Act, under the older regime, the Mobile Squad Units (MSUs) were deployed to check evasion of tax not covered by prescribed documents/information and purportedly belonging to unregistered dealers, during the movement of such goods within and/or transiting through the State. Assistant Commissioners (Mobile Squad) were in-charge of such MSUs. Their main responsibility was to check the movement of goods being transported with fake documents within the State, and prevent tax evasion with reference to goods imported by rail and roads through effective search work. The National Informatics Centre (NIC), Lucknow had developed necessary software for issuing /downloading transit passes/Transit Declaration Form (TDF) for transporting goods from one State to another State via Uttar Pradesh. This software provided enhanced Management Information System (MIS) and reporting capabilities to the MSUs for smarter decision making, thereby helping in arresting tax evasion and resulting in greater revenue mobilisation.

³¹ Notification no. 624/11-3-2018-103/2017 dated 24.04.2018 and 520/11-3-2018-13/2017 dated 24.04.2018.

After the enactment of GST Act, system of TDF automatically became obsolete. Further, no alternate arrangement was brought into force by GST Council up to 31 March 2018 at an all India level. The State Government commenced³² (16 August 2017) its own E-way bill system to strengthen the monitoring of transportation of goods. However, the system could not be stabilised till March 2018. In this period (July 2017- March 2018), the system was suspended on two occasions³³ and for overall duration of 52 days. Thus, between July 2017 and March 2018, the system for monitoring the movement of vehicles carrying taxable goods at the All India level, which was to detect tax evasions, was not very effective. National E-way bill system has commenced from 1 April 2018.

3.9.10 IT preparedness of the Department

3.9.10.1 IT preparedness by GSTN

The IT platform of GSTN is divided into two parts namely “Front end” and “Backend”. The front end provides services to the taxpayers viz~ registration, payment of tax and filing of returns etc. Backend consists of IT system to be used by tax officials to process administration functions such as registration approval, assessment, audit and enforcement, adjudication, recovery and analytics. For States opting Model-I and Central Board of Excise and Customs (CBEC), development of Backend application was to be done by them. For Model-II States, Backend application is being developed by GSTN. As Uttar Pradesh has opted for Model-II, for implementation of GST, backend applications like registration approval, taxpayer detail viewer, refund processing and Management Information System (MIS) reports, etc. for the purposes of GST administration are developed by GSTN.

GSTN has created a portal on intranet wherein login credentials have been created for officers and staff of Commercial Tax Department (CTD) to enable them to perform their duties by working directly on it. Modules available on GST Portal for the CTD are Registration and Payments, Services related Taxpayers Account. MIS reports such as Enrolment reports, Registration reports, Payment reports and Return report are also available. Officers access GSTN portal through intranet i.e. on the Department’s own private secure network.

Assessing Authorities have to perform certain duties as per the SGST Act. To perform their duties, they have been allocated roles on GSTN portal to view Jurisdictional Record, Refund Processing, Registration, Registration-Approval, Registration Site Visit, Adjudicating/Authority, View Dashboard, MIS user, LUT (Letter of Undertaking) Processing, Grievance processing.

As per the roles provided by GSTN, Assessing Officers had access to dealers under their jurisdiction only.

Audit obtained information from the CTD on the status and functionality of the GSTN and IT system and observed the following gaps /shortcomings:

- (i) **Mapping of Dealers with Assessing Authorities:** Mapping of migrated dealers with Assessing Authorities, was completed by

³² Circular no. 1028 dated 27.07.2017.

³³ From 01.07.2017 to 15.08.2017 & 02.02.2018 to 08.02.2018.

February 2019, which itself reveals the delay in process of mapping. In the absence of demarcated jurisdiction over dealers, the day to day working of the Assessing Authorities was adversely affected.

The Department (September 2019) has accepted the audit observation.

- (ii) **Delay in adding the offices of Joint Commissioner (Corporate Circle) in the GSTN system:** JC(Corporate Circle) had been entrusted with the duty of assessment of top level dealers in the specific area. But these offices had been provided in master of GSTN system for this State by GSTN only in December 2018. This means that officers of these offices, did not had access to GSTN portal and were able to perform their duties only from December 2018.

The Department (September 2019) has accepted the audit observation.

- (iii) **Non stabilisation of GSTN and IT initiative by the Department:** GSTN is still developing applications and has not stabilised even after a lapse of 22 months³⁴ since the implementation of GST. Since, Uttar Pradesh is Model II State, GSTN was required to develop all the backend modules (assessment, refund, enforcement, etc). Initially GSTN had started providing data in the consolidated form and department had to develop the reports as per its requirement. Refund module is still not operational. Therefore, to further the implementation of GST, IT wing of the department had developed some systems and modules³⁵.

The Department accepted audit observation and stated (September 2019) that during the initial stages several changes were made by GST Council, resulting in delay in stabilising of modules, application and solution being developed, which is natural. Applications/solutions are being developed and made live as per the provisions of the Act and Rules. GST Administration is a dynamic process. From time to time MIS reports are made available on Bob web portal. Till now 51 MIS reports have been made available by GSTN. At present refund processing is not available online and HSN wise report of Tax payers has still not been provided by GSTN.

The reply of the Department confirms that GSTN has not stabilised.

- (iv) **Roles as per Statutory Duties:** In the initial stage the Department did not reply to the specific query as to whether the allotted roles suffice the requirements of the Departmental officers in performing their Statutory duties.

The Department in its final reply (September 2019) stated that implementation of different types of roles on GSTN portal may take time.

³⁴ Till April 2019.

³⁵ (i) Dealer Monitoring System: The application provides, via a single window with multiple dashboards, the Registration Status, Dealer Profile, Filer/Non filer status, Refund Status, and Recovery Status, allowing generation of Notices/orders. (ii) Online Mobile Management System: The system allows for monitoring the real time activity of Department's mobile units. Special Investigation Branch (SIB) management system is in place for close monitoring of SIB cases.

The Department in its reply did not indicate a timeframe within which necessary action will be taken in this regard.

Thus, due to delay in mapping of dealers with Assessing Authorities, non-creation of office of JC(Corporate) till December 2018 and not providing separate roles for different level of Assessing Authorities during the initial period of implementation of GST, it was not possible for CTD authorities to perform their day to day duties effectively.

3.9.10.2 Availability of Hardware and Network Security

As per the information made available (30 April 2019) by the Department, the Department has allotted 2,433 terminals to all available 2,433 officers³⁶, and 3,051 terminals amongst 4,064 subordinate staff³⁷ for performing their duties. All the terminals/computers connected with GSTN are connected via intranet i.e. department's private secure network. They are, however, also connected with an open Internet line which compromises the security of the network and leaves ample scope for threat/vulnerability to data.

In reply to specific query the Department stated that Terminals/ Computers are connected through UTM³⁸ firewall gateway device with required security policy and restrictions. The Department has also applied Access control list to restrict and filter unwanted data and traffic and issued guidelines for data security policy, taken steps to block external drives and developed Antivirus, DLP³⁹ solution and File encryption on such Terminals/Computers for ensuring data security.

In spite of above steps taken by the Department, connectivity of the Computers/terminals with GSTN secured lines and simultaneously with open internet lines makes the network vulnerable to attack.

The Department in its reply (September 2019) stated that this is related to policy matter and hence needs no comments.

The Department needs to keep in view the fact that the IT systems on which the GSTN database is accessed should be secure. The GSTN data being confidential and critical in nature, exposure of the IT systems handling GSTN data to insecure networks can pose serious risks to data integrity, confidentiality and availability.

3.9.11 Implementation of GST

Major issues/challenges faced by the Department in implementation of GST were in the areas of registration, migration, allocation of taxpayers, filing of returns, payment of tax, transitional credit, refunds, etc. These issues along with the changes in rules and regulations made since 1 July 2017 by the State Government were analysed in Audit, and are briefly discussed in the following paragraphs:

³⁶ All Executive Authorities and Assessing Authorities.

³⁷ Sr. Administrative Officer/Administrative Officer, *Pradhan Sahayak, Varisth Sahayak, Kanishth Lipik, Vyaktik Sahayak, Ashulipik, Sahayak Sankhyaki Adhikari, Lekhakar*, Computer Operator.

³⁸ Unified Threat Management.

³⁹ Data Loss Prevention.

3.9.11.1 Registration of taxpayers

Every person registered under any of the pre-GST laws and having a valid Permanent Account Number (PAN) was to be issued a certificate of registration on provisional basis. Thereafter, final certificate of registration was to be granted on completion of the prescribed conditions. Further, taxpayers having turnover of more than the threshold limit of ₹ 20 lakh were required to be registered under GST.

(i) Migration of existing taxpayers of the Commercial Taxes Department

As per rule 24 of the Uttar Pradesh Goods and Services Tax Rules, 2017, every person, other than a person deducting tax at source or an Input Service Distributor, registered under an existing law and having a Permanent Account Number shall enrol on the common portal by validating his email address and mobile number, either directly or through a Facilitation Centre notified by the Commissioner. Upon enrolment, the said person shall be granted registration on a provisional basis.

Every person who has been granted a provisional registration shall submit an application electronically, duly signed or verified through electronic verification code, along with the information and documents specified in the said application, on the common portal within a period of three months. If found to be correct and complete, a certificate of registration shall be made available.

Every person registered under any of the existing laws, who is not liable to be registered under the Act may, within a period of thirty days from the appointed day, at his option, submit an application for the cancellation of registration granted to him and the proper officer shall, after conducting such enquiry as deemed fit, cancel the said registration.

As per the information provided by the Department, position of provisional registration and final registration of the existing registered dealers in Commercial Taxes Department is given in **Table-3.15**.

Table-3.15
Migration of dealers

Total Number of Existing VAT dealers	Total number of Provisional ID received from GSTN	Number of dealers primarily enrolled. (per cent with respect to Column-2)	Number of dealers in whose case Complete Enrolment was carried out (per cent with respect to Column-3)	Number of dealers who finally did not migrate
1	2	3	4	5
8,31,694	9,84,206	9,09,323 (92.39%)	7,23,978 (79.62%)	1,85,345 (20.38%)

Source: Information furnished by the Commercial Taxes Department

The provisional IDs received from the GSTN were more than the existing VAT dealers by 1,52,512 which indicates that this number included dealers from VAT as well as other subsumed taxes. Out of this aggregate, 92.39 per cent of the existing dealers completed the primary enrolment. Even from those who were primarily enrolled, only 79.62 per cent completed the migration process and were finally registered under GST. 20.38 per cent dealers did not migrate.

The Department was not able to provide any segregated figures of dealers who did not migrate due to various factors like

- (a) increase in threshold limit,
- (b) due to incomplete/incorrect information,
- (c) were not liable to be taxed or were wholly exempt from tax in GST,
- (d) were eligible for migration but did not apply for the same
- (e) those who did not migrate due to any other reasons.

The Department in its reply (September 2019) stated that segregated data for dealers who did not migrate is not available. Due to increase in threshold limit up to ₹ 20 lakhs, there was difference between pre GST period dealers and migrated dealers which was natural. Migration was also affected due to certain goods getting tax free in GST which were earlier taxable and vice versa. Tax base was increased due to efforts by the Department. It was stated that the total number of GST dealers till 31 August 2019 has increased to 14.88 lakhs.

The reply of the Department indicates that they are not able to fully reconcile the reasons for non-migration of 20.38% of existing tax-payers of the erstwhile Act to GST regime.

(ii) Allocation of taxpayers between the Centre and the State

(a) Existing registered taxpayers of the Commercial Taxes Department and the Central Excise Department:

As per the recommendation of the GST Council, 90 *per cent* of the existing registered taxpayers having turnover up to ₹ 1.5 crore, and 50% of the existing registered taxpayers having turnover more than ₹ 1.5 crore, were allotted to the State. Accordingly, State was allotted the jurisdiction over 6,31,521 existing registered taxpayers (April 2019) as detailed in **Table-3.16**.

Table-3.16
Allocation of taxpayers between the Centre and the State

	Existing registered taxpayers		Total
	Turnover above ₹ 1.5 crore	Turnover below ₹ 1.5 crore	
State	41,619	5,89,902	6,31,521
Centre	41,621	65,547	1,07,168
Total	83,240	6,55,449	7,38,689

Source: Information furnished by the Commercial Taxes Department updated till April 2019

(b) New taxpayers:

Jurisdiction over newly registered taxpayers is being allotted to the State and Centre by GST portal electronically during the submission of applications for registration by the taxpayers. The position of new registrations under the jurisdiction of the State as on 31 March 2018 is given in **Table 3.17**.

Table 3.17
New taxpayers

Application received up to 31 March 2018	Number of Applications rejected	Number of Applications approved	Number of Applications pending
6,05,924	18,068	5,58,312	29,544

Source: Information furnished by the Commercial Taxes Department updated till April 2019

Overall, 29,544 applications were pending at various stages of registration as on 31 March 2018.

3.9.11.2 Filing of returns and payment of tax

As per Rules 59 to 61 of the Uttar Pradesh GST Rules, 2017, every registered person, required to furnish the details of outward supplies of goods and services or both, shall furnish such details in form GSTR-1, details of inward supplies of goods and services or both in form GSTR-2 and a return in form GSTR-3 (electronically generated by system on the basis of information furnished through GSTR-1 and GSTR-2) monthly, whereas composition taxpayers were required to file a quarterly return GSTR-4. Further, taxpayers having turnover below ₹ 1.5 crore were to file GSTR-1 on quarterly basis.

The prescribed process of return filing was amended to address the difficulties faced by the taxpayers in the initial period of the new tax regime. The filing of GSTR-2 and GSTR-3 was postponed and all taxpayers were mandated to submit a simple monthly return in form GSTR-3B with payment of tax by 20th of the succeeding month.

Monthly return GSTR-3B and quarterly return GSTR-4 were required to be filed after payment of the due tax. Therefore, monitoring of these returns was important to ensure timely deposit of due tax by the taxpayers.

Information provided (April 2019) by the Department for the period July 2017 to March 2018 revealed that out of 8,07,861 dealers registered in the State, 5,72,002 (96.03 *per cent*) had filed their monthly return GSTR-3B against 5,95,631 taxpayers required to file GSTR-3B for the period from July 2017 to March 2018. The remaining 23,629 tax payers had not filed their GSTR-3B. Further, only 1,96,738 (92.70 *per cent*) composite dealers had filed their quarterly return GSTR-4 against 2,12,230 required to file their return. Thus, 15,492 composite dealers had not filed their GSTR-4.

The Department in its reply (September 2019) stated that their Headquarter is regularly issuing instructions to its subordinate officers to take action against non-filers of returns. It further stated that field officers are regularly monitoring non-filers, because of which return filing position is comparatively better in the State of Uttar Pradesh. They also stated that return filing of GSTR-3B and GSTR-4 was above the national average. The main reason stated by the Department for not attaining hundred *per cent* filing was that the dealers were still coming to terms with the new system of GST. The problems in user interface of GST portal also affected the *per cent* of return filing. The problems faced by dealers were being tackled after it was brought to the notice of the Department. To increase the return filing, the officers and employees of the Department pursued with the dealers personally to solve their problems. Action was being taken against non-filers in accordance with the provisions of the GST Acts and Rules.

The reply confirms that gaps exist in filing of returns by dealers, which needs to be addressed.

3.9.11.3 No system of Verification of Inter-State ITC on GSTN

A registered person shall be entitled to take credit of tax charged to him on supply of goods or services taken by him and used in the course of his business. That amount is credited to the electronic credit ledger of the registered person.

The ITC credit is availed on the basis of invoice issued by the supplier of goods/services. In case of inter-State transactions of the registered person with a supplier being registered in another State, access to such inter-State transactions is not available to the Assessing Authorities of the State. Independent verification of the ITC claimed by the registered person is essential to keep watch on correctness of ITC claims availed.

It is notable that the Assessing Authorities have no option but to rely upon the information furnished by the GST authorities of other States in response to the occasional requests made by Assessing Authorities for such ITC verification.

CTD has not framed any guidelines regarding regulating inter-State ITC verification by its officers in the absence of access to such inter-state transactions on the GSTN portal.

Thus, non-verification of inter-State ITC may result in possibility of incorrect claims of ITC, its utilisation against tax due and refund of incorrectly depicted unutilised input tax credit. Thus, loss to State exchequer cannot be ruled out.

The Department in its reply (September 2019) stated that GSTR-01 is being filed by the dealers. Though, GSTR-2 is postponed, the entries of GSTR-01 of the seller are auto-populated on GSTR-2A of the recipient, which are verified by the Assessing Authorities before allowing ITC.

The reply of the Department is not acceptable, as the information required to be added by dealers in GSTR-2 are essential for calculating the admissibility of correct ITC. Once, the admissibility of the ITC is verified only then correct refund can be made. Further, from the circular⁴⁰ dated 26 June 2019 it is clear that earlier GSTN had not given access to the State Authorities to view the records of other State dealers. Even, now, only from June 2019, senior officers⁴¹ will be provided roles to “View All India Records” by sub-State Admin, for the purpose of investigation of tax evasion cases, verifications and preliminary enquiries before registering new cases.

Recommendation:

Department may frame suitable methods and guidelines for regulating ITC verification.

3.9.12 Legacy Issues

Audit assessed the legacy issues regarding assessment, recovery of arrears and other related matters. Audit observations are summarised in the following sections:

⁴⁰ IT-Sub State Admn/2019-20/678/1920028/*Vaniya Kar* dated 26 June 2019.

⁴¹ Additional Commissioner, Gr.I and II, JC(Executive), JC(Tax Audit), JC(SIB), JC(Corporate Circle), Mobile Squad, SIB and Sector Officers.

3.9.12.1 Assessment of VAT cases

Dealers were registered under UPVAT Act, 2008 and CST Act, 1956 and other minor taxes i.e. luxury tax, entertainment tax, etc. prior to implementation of GST.

All the pre-GST tax related assessments and other matters are being handled online by the officers of the CTD on VYAS⁴² Central Software. According to a circular issued by the CTD⁴³ (April 2019) regarding settlement of cases pertaining to the year 2016-17, the last date for online identification of deemed cases for the year 2016-17 was 31 March 2019. Cases of dealers having turnover of less than ₹ 50 lakh were to be identified online for tax assessment on the basis of risk parameters. This was required to be completed by 31 May 2019. The last date for completing tax assessment of all other pending cases for the year 2016-17 has since been extended by the CTD to 31 October 2019. No instructions have been issued for completing the VAT assessments of the year 2017-18 (VAT period- April 2017 to June 2017).

The Department in its reply (September 2019) stated that as per provisions of VAT Act, the due date for completing the VAT Assessment cases for the assessment year 2017-18 is up to March 2021 but instructions have been issued to the Assessing Authorities to complete the Assessment cases of 2016-17 and 2017-18 in the year 2019-20.

3.9.12.2 No System of Monitoring of Declaration forms

As per Section 6 and Section 8 of Central Sales Tax Act (CST), 1956, a registered dealer may purchase goods from outside the State of Uttar Pradesh at concessional rate of tax of two *per cent* of such turnover by issuing to the selling dealer a declaration in form 'C'.

Further, as per Section 6A of Central Sales Tax Act (CST), 1956, a registered dealer may receive goods from any other place of business outside the State or from his agent or principal in other states without paying tax against issue of declaration in form 'F'.

Form 'C' and 'F' are obtained from the Department.

After the enactment of GST, provisions of CST Act are now applicable only on Non-GST goods for which forms can be obtained from the Department.

As both these declaration forms provide a huge amount of concessional tax/exemption from tax, it is necessary to ensure that these forms may not be used beyond the authorisation provided under the provisions of the Act.

Audit called for the information regarding stock of declaration forms lying with the Department, forms issued to the VAT dealers and balance of forms available with the VAT dealers after the date of implementation of GST. The Department stated that though these forms were still being issued to the dealers for pre-GST transactions, it was not possible for them to provide consolidated information regarding Forms 'C' and 'F' available with the VAT registered dealers after the post GST period.

⁴² Vanija Kar Automation System- There is time barring of Annual Assessment of VAT cases so presently assessment of pre-GST (VAT) cases and other related works such as recovery, refund etc. are being done on VYAS.

⁴³ No. CCT/Nirikshan Anubhag/(2019-20)/1920006/54/Vanija Kar dated 11 April 2019.

Scrutiny of two sectors in Allahabad⁴⁴ revealed that

- (i) no database was maintained for remaining forms with the VAT dealers.
- (ii) Assessing Authorities accepted that post GST dealers were not giving utilisation details to the sectors.
- (iii) The use of forms by the dealers is checked from the details declared by the dealer at the time of assessment only.

Thus, there is no verification of utilisation of forms by dealers at the level of the Assessing Authority.

It clearly indicates lack of any mechanism to verify the number of forms available with the dealers, or their utilisation. This, may result in incorrect utilisation of declaration forms which may further, result in a huge amount of incorrect concessional tax/ exemption from tax.

The Department in its reply (September 2019) stated that there is solid and old system of maintaining stock and database of Declaration forms. Details of form issued earlier are obtained while issuing new forms. Further, for dealers, within prescribed limit of turnover, there is a system for online issue of forms.

The reply of the Department is very general and does not provide specific details for example:

- (i) the Department does not have any database that, how many forms were available with the printing press at the end of June 2017, March 2018 and March 2019⁴⁵.
- (ii) the Department does not have any database that, how many forms were still available with the registered VAT dealers of Uttar Pradesh⁴⁶.
- (iii) the Department was not able to tell whether all the remaining forms available with the VAT dealers at the end of June 17 have been surrendered by the them⁴⁷.
- (iv) regarding misuse of forms, the Department had stated⁴⁸ that during Assessment details of forms are obtained and compared and ensured that these are not misused.

The reply is not acceptable as only on the basis of the details submitted by the dealer, non-misuse of the forms cannot be ensured. Verification of the forms is required before Assessment for the value and commodity it is issued, from the returns of dealers (recipient of forms) of other States.

- (v) the Department does not have any database that, number of forms utilised by the dealers for VAT period after June 2017⁴⁹.
- (vi) the Department does not have any database that, number of forms issued for GST period transaction for goods covered under new definition of goods under CST Act post GST⁵⁰.

⁴⁴ Sector 7 and 10, Allahabad.

⁴⁵ Departments letter dated 30.04.2019.

⁴⁶ Departments letter dated 30.04.2019.

⁴⁷ Departments letter dated 30.04.2019.

⁴⁸ Departments letter dated 30.04.2019.

⁴⁹ Departments letter dated 30.04.2019.

⁵⁰ Departments letter dated 30.04.2019.

The Department was not able to provide information on the above, it clearly vindicates the stand of Audit that the Department lacks mechanism for proper verification and monitoring of the forms.

3.9.13 Conclusion

To sum up, the Department was prompt in its preparedness for implementation of GST as can be seen with reference to enactment of the Act and Rules as per the model laws approved by GST Council, and rules governing primary enrolment of existing taxpayers, capacity building efforts, etc. Audit however, noticed that frequent changes were made in the rules/regulations since 1 July 2017 on the recommendations of the GST Council by the State Government which have resulted in non-implementation of many of the procedures laid down in SGST.

The GSTN has not been able to provide the complete IT solution, resulting in Assessing Authorities not being able to perform their duties effectively.

As GSTN had not provided CTD with access to the records of the inter-state dealers, the verification of inter-state ITC could not be verified online by the Department. There is possibility of claims of incorrect ITC, its utilisation against tax due and settlement of claims of refunds in cases of incorrect depiction of unutilised input credit and thus, loss to State exchequer cannot be ruled out.

Legacy issues like Assessments of pre-GST cases needed to be sorted out expeditiously in a time bound manner so that pending revenue of pre-GST regime may be collected expeditiously and officers may concentrate on GST work only.

Day to day working of the officers was hampered due to delayed mapping of dealers and incomplete solution from GSTN.

From the above it is evident that CTD was not yet fully prepared to implement GST in the state.

CHAPTER-IV: OTHER TAX RECEIPTS

(A) TAXES ON VEHICLES, GOODS AND PASSENGERS

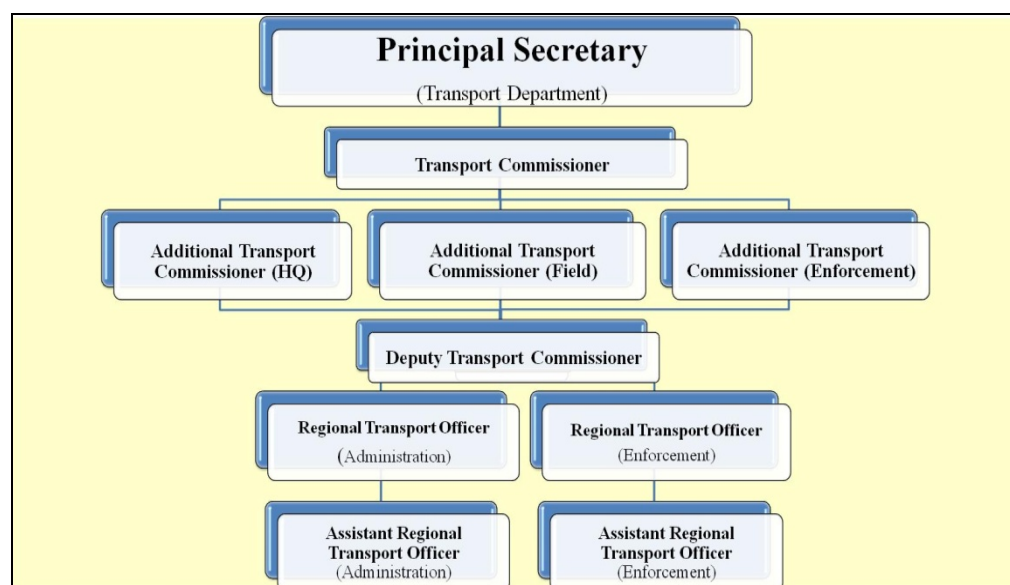
4.1 Tax administration

The levy and collection of motor vehicles tax and fee in the State is governed under the Motor Vehicles Act, 1988 (MV Act), the Central Motor Vehicles Rules, 1989 (CMV Rules), the Uttar Pradesh Motor Vehicles Taxation Act, 1997 (UPMVT Act), the Uttar Pradesh Motor Vehicles Taxation Rules, 1998 (UPMVT Rules), the Carriage by Road Act, 2007 (CBR Act), the Carriage by Road Rules, 2011 (CBR Rules), and various Notifications, Circulars and G.O.s issued by the Government and the Department from time to time.

The Principal Secretary, Transport, Uttar Pradesh is the administrative head at the 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 three Additional Transport Commissioners at Headquarters.

There are six¹ Deputy Transport Commissioners (DTCs), 19² 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 of transport vehicles. The ARTOs perform the work of assessment and levy of taxes and fee regarding both transport vehicles and other than transport vehicles. Respective RTOs are responsible for the overall administration of the Sub-Regional Transport Offices. The organisational setup is described below:

Chart 4.1- Organisational setup



There are 114 Enforcement squads in the State, each consisting of one ARTO (Enforcement), one supervisor and three Enforcement constables. These are attached to the Headquarters and deployed at the district level. Two special Enforcement squads are posted at the Headquarters. 10 Regional Transport

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

² Agra, Aligarh, Allahabad, Azamgarh, Banda, Bareilly, Basti, Faizabad, Ghaziabad, Gonda, Gorakhpur, Jhansi, Kanpur Nagar, Lucknow, Meerut, Mirzapur, Moradabad, Saharanpur and Varanasi.

Officers (Enforcement) are posted at the district level, under the control and supervision of an Additional TC (Enforcement) at the Headquarters and six Deputy TCs at the zonal³ level. The Enforcement administration is responsible for checking offences related to plying of unregistered vehicles/ overloaded vehicles/ tax evasion/ vehicles plying in the state without valid permits, driving licenses, certificates of fitness, and in violation of the applicable norms of pollution, statute and rules.

A software *viz.*, *VAHAN* had been adopted by the Department for automating the processes of vehicle registration, issue/ renewal of permits, calculation and payment of taxes and fees, issue/ renewal of fitness certificates, issue of challans and payment of the penalty amount. *VAHAN* is therefore an important monitoring tool at the disposal of the Department. This software also has the facility to generate reports like arrears of revenue, lists of vehicles without permit and certificate of fitness, etc. However, objections raised by the CAG in the previous reports indicate that the Departmental authorities have regularly failed to take cognisance of such exception reports leading to recurring instances of non-compliance with the statutory provisions.

4.2 Results of audit

During 2017-18, Audit test checked 89,221 vehicles (11 *per cent*) out of 8,18,953 vehicles registered in 59⁴ out of 76 Auditable units (78 *per cent*) of the Transport Department. Of the test checked cases, Audit noticed irregularities amounting to ₹ 37.60 crore in respect of 35,895 vehicles (40 *per cent*). Revenue collected by the Department during the year 2016-17 aggregated to ₹ 5,148.37 crore of which, the audited units collected ₹ 4,199.31 crore (82 *per cent*). Audit scrutiny revealed instances of short realisation of tax, non-levy of additional tax and fitness fee, non-imposition of penalty and other irregularities amounting to ₹ 37.60 crore in 670 paragraphs as shown in **Table - 4.1**.

Table – 4.1

Sl. No.	Categories	Number of paragraphs	Amount (₹ in crore)	Share in <i>per cent</i> to the total objected amount
1.	Short realisation of			
	• Passenger tax/ additional tax	334	25.15	66.89
	• Goods tax			
2.	Evasion of tax			
	• Passenger tax/ additional tax	58	2.70	7.18
	• Goods tax			
3.	Other irregularities⁵	278	9.75	25.93
	Total	670	37.60	

Source: Information available in the Audit office.

³ Agra, Bareilly, Kanpur Nagar, Lucknow, Meerut and Varanasi.

⁴ One Principal Secretary, One Transport Commissioner, 13 RTOs and 44 ARTOs.

⁵ 1. Procedural Lapses.

2. Delay in compliance of orders.

3. Compounding not done as per rules.

4. Non maintenance of GPF Pass Book and Cash Book, etc.

The Department accepted (between April 2017 and September 2019) 14,640 cases amounting to ₹ 17.79 crore pointed out in the year 2017-18. The Department reported (between April 2017 and September 2019) recovery of ₹ 19.85 crore out of which 27 cases of ₹ 1.56 crore is related to the year 2017-18 and the rest of the cases pertain to the earlier years.

Irregularities involving 1,306 cases worth ₹ 4.77 crore have been illustrated in this chapter. Out of these, some irregularities have been regularly reported during the last five years as detailed in **Table-4.2**. Most of the audit observations are of a nature that may reflect similar errors/omissions in other units of the concerned State Government department, but were not covered in the test check conducted during the year. The Department/Government may therefore like to internally examine all other units with a view to ensuring that they are functioning as per requirement and rules.

Table - 4.2

Nature of observation	₹ in crore)											
	2012-13		2013-14		2014-15		2015-16		2016-17		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Penalty under Carriage by Road Act not levied	--	--	--	--	1,786	4.08	1,430	4.00	836	2.18	4,052	10.26
Additional tax on JnNURM buses not levied	--	--	248	19.20	464	30.36	805	35.69	210	1.95	1,727	87.20

Recommendations:

1. The Department should initiate systemic measures to ensure that the shortcomings repeatedly reported by Audit do not recur.
2. The Department should introduce more effective measures to monitor and ensure recoveries of the large amounts of non/ short realisations pointed out in Audit Reports.

4.3 Penalty not imposed on overloaded goods vehicles under the Carriage by Road Act

The Transport Department failed to stop unsafe vehicles from plying on roads and also did not impose penalty amounting to ₹ 2.16 crore under the Carriage by Road (CBR) Act on 913 goods vehicles which were seized for overloading.

The CBR Act, 2007 provides for imposition of penalty equal to the penalty prescribed under MV Act on over loaded motor vehicles (goods) in additional to the penalty already imposed on and realised from such vehicles.

The CBR Act also provides that any unregistered common carrier⁶ engaged in

⁶ Common carrier means a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under a goods receipt and includes a goods booking company, contractor, agent, broker and courier agency engaged in door to door transportation of documents/ goods/ articles utilising the services of a person either directly or indirectly to carry or accompany such documents, goods or articles.

the business shall be punishable for the offence with a fine of ₹ 4,000⁷ per offence.

Previous Audit Reports of 2014-15 to 2016-17 had highlighted persistent loss of Government revenue amounting to ₹ 10.26 crore due to non-imposition of penalty under CBR Act on 4,052 overload vehicles.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of 50 RTOs/ ARTOs out of 59 RTOs/ARTOs during 2017-18. In 913 out of 13,398 cases of overloading of goods vehicles during December 2015 to December 2017, Audit noticed that the concerned RTOs/ ARTOs (Enforcement) failed to impose a penalty⁸ on the vehicle owner/lease holder amounting to ₹ 2.16 crore under the CBR Act which was equivalent to the amount of penalty imposed under MV Act (**Appendix-XIV**).

Audit reported the matter to the Departmental (between May 2017 and April 2018). In the exit conference (December 2018), the Department stated that three vehicles of districts Muzaffarnagar and Mirzapur had been penalised under the CBR Act and ₹ 0.76 lakhs had been recovered as penalty. The Department further stated that the maximum number of vehicles which are included in the Audit observation are only transporting minerals from the mines for sale in the market. Whether these vehicles, which are registered in the Mining Department, need to be penalised under the CBR Act, was not clear. The matter therefore needed a clarification from the Mining Department.

In continuation of the above matter, Audit held (April 2019) a meeting with both the Geology and Mining Department and the Transport Department in which it was recommended by Audit that as overladen vehicles transporting minor minerals were also unsafe, the transport vehicles of the mining lease holders may be brought under the purview of the CBR Act, 2007. The Mining Department may update its online application for downloading MM 11 form by adding fields related to laden and unladen weight of the vehicles engaged in transporting of minor minerals. The MM 11 should also mention the CBR registration number.

The Department in its reply dated 12 April 2019, stated that necessary orders had been issued to all Enforcement teams to compulsorily register common carriers under the CBR Act. Audit is however of the opinion that above would not cover all vehicles transporting minor minerals.

Recommendations:

The Transport Department may register vehicles carrying minor minerals under the definition of common carrier of the CBR Act, 2007 to stop such overloaded vehicles carrying minor minerals.

The Geology and Mining Department may in consultation with the Transport Department work out an online system for detecting the overloaded vehicles running on road based on the MM 11 operated by the Transport Department.

⁷ UP Notification No 7/800/30-4-2014-172/89 dated 05 June 2014.

⁸ Minimum fine of two thousand rupees and additional amount of one thousand rupees per tonne of excess load.

4.4 Additional tax on *Jn*NURM buses not levied

Additional tax of ₹ 2.61 crore was not levied on 393 *Jn*NURM buses plying outside the designated municipal areas.

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

Previous Audit Reports of 2013-14 to 2016-17 had highlighted non-levy of Additional tax on 1,727 defaulting vehicles amounting to ₹ 87.20 crore. In pursuance of the deliberations of the PAC in its meeting dated 02 July 2018 (for the Audit Report 2013-14), amount of ₹ 17.36 crore has been recovered by the Department.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of three RTOs/ARTOs out of 59 RTOs/ARTOs during 2017-18. Audit cross checked the list of *Jn*NURM buses with that of routes defined under municipal corporations, and noticed that 393 out of 590 *Jn*NURM buses under three State Transport Undertakings (Kanpur City Transport Services Limited, Lucknow City Transport Services Limited and Agra Mathura City Transport Services Limited) were plying outside the designated municipal areas of these cities from February 2016 to July 2017 and for which they were liable for payment of additional tax of ₹ 2.61 crore. The concerned RTOs/ARTOs did not check the route chart of these *Jn*NURM buses and therefore failed to notice that these *Jn*NURM buses were plying outside the municipal areas as defined by the municipal corporation. As a result, additional tax of ₹ 2.61 crore was not levied as detailed in **Table 4.3**.

Table 4.3

(Amount in ₹)						
Sl. No.	Name of district		No of buses under STUs	No. of buses in which irregularity noticed	Period (Add. tax leviable)	Total Additional tax
1	RTO	Kanpur Nagar	270	183	04/16 to 04/17	11518650
2	RTO	Lucknow	260	180	04/16 to 06/17	12435750
3	ARTO	Mathura	60	30	02/2016 to 07/2017	2187000
Total			590	393		26141400

Audit reported the matter to the Department (between May 2017 and April 2018). In the exit conference (December 2018), the Department accepted the audit observation and stated that the issue of recovery of additional tax had already been taken up with the Urban Transport Directorate Authorities. However, recovery position has not been received (September 2019).

(B): STAMPS AND REGISTRATION FEES

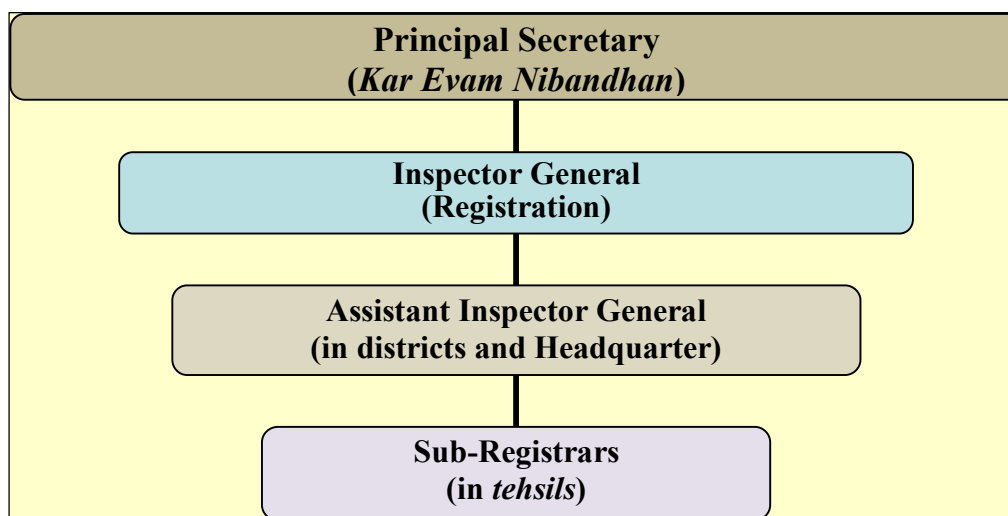
4.5 Tax administration

The levy and collection of stamp duty and registration fees in the State is governed by the Indian Stamp Act, 1899 (IS Act), the Registration Act, 1908 and the rules framed thereunder as applicable in Uttar Pradesh. Stamp duty and registration fees are levied on the execution of instruments at the prescribed rates fixed under the above Acts. Valuation of properties is decided as per the circle rates fixed by the Collector of the district as per the provisions of the Uttar Pradesh Stamp (Valuation of Property) Rules, 1997.

The determination of policy, monitoring and control at the Government level is carried out by the Principal Secretary, Stamps and Registration. The Inspector General (Registration) (IGR) is the head of the Stamps and Registration Department. He/she is empowered with the task of superintendence and administration of the registration work. The IG is assisted by 92 Assistant Inspectors General (AIsG) at the district/ headquarters level and 355 Sub-Registrars (SRs) at the *tehsil* level respectively.

The Organisational setup is described below:

Chart 4.2 Organisational setup



4.6 Results of audit

During 2017-18, Audit test checked 2,78,192 documents (9 per cent) out of 30,45,393 documents and noticed irregularities amounting to ₹ 35.77 crore in 750 documents (0.30 per cent) in 217¹ units [out of 355 auditable units (61 per cent)] of the Stamps and Registration Department. The Department collected revenue of ₹ 11,564.02 crore (stamp duty: ₹ 6,540.84 crore and registration fees and other receipts: ₹ 5,023.18 crore) during 2016-17 out of which the audited units had collected ₹ 8,136.52 crore (70 per cent). Audit noticed deficiencies and irregularities amounting to ₹ 35.77 crore in 808 paragraphs as detailed in **Table – 4.4** These have been reported through Inspection Reports issued to various SRs test checked during 2017-18.

¹ One Principal Secretary Stamps and Registration Lucknow and 216 SRs.

Table – 4.4

Sl. No.	Categories	Number of paragraphs	Amount (₹ in crore)	Share in per cent to the total objected amount
1.	Short levy of stamp duty and registration fees due to undervaluation of properties	40	0.92	2.57
2.	Short levy of stamp duty and registration fees due to misclassification of documents	665	27.03	75.57
3.	Other irregularities	103	7.82	21.86
Total		808	35.77	

Source: Information available in the Audit office.

The Department accepted (between April 2017 and September 2019) 270 cases amounting to ₹ 11.43 crore pointed out in the year 2017-18. The Department reported (between April 2017 and September 2019) recovery of ₹ 52 lakh in 359 cases out of which four cases of ₹ one lakh is related to the year 2017-18 and the rest of the cases pertain to the earlier years.

Irregularities involving 266 cases worth ₹ 11.42 crore have been illustrated in this chapter. Out of these, some irregularities have been repeatedly reported during the last five years as detailed in **Table – 4.5** (Cases pertaining to the previous audit reports). Most of the audit observations are of a nature that may reflect similar errors/omissions in other units of the concerned State Government department, but were not covered in the test check conducted during the year. The Department/Government may therefore like to internally examine all other units with a view to ensuring that they are functioning as per requirement and rules.

Table – 4.5 Cases pertaining to the previous audit reports

Nature of observation	(₹ in crore)											
	2012-13		2013-14		2014-15		2015-16		2016-17		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Residential land valued at agricultural rate	64	2.43	97	4.35	194	7.78	214	9.66	157	6.05	726	30.27

Recommendation:

The Department should initiate suitable measures to plug the defects so as to avoid similar lapses in future.

4.7 Compliance with Acts/Rules

The Indian Stamp Act, 1899 (IS Act), the Registration Act, 1908 and the Uttar Pradesh Stamp (Valuation of Property) Rules, 1997 made thereunder provide for:

- (i) payment of registration fees at the prescribed rate; and
- (ii) payment of stamp duty by the executants at the prescribed rate.

Failures of the Departmental officers to comply with the above mentioned provisions are highlighted below:

4.8 Residential land valued at agricultural rate

Residential land measuring 5.09 lakh square meter was wrongly registered for ₹ 58.56 crore at agricultural rates. Correct valuation at the residential rate worked out to ₹ 256.09 crore which resulted in short levy of Stamp Duty and Registration Fees by ₹ 11.42 crore.

The IS Act, 1899 defines that stamp duty on a deed of conveyance is chargeable either on the value of the consideration set forth therein or on the market value of the property, whichever is higher. The Inspector General of Registration (IGR), vide guidelines issued in June 2003, further clarified that a property in the same *arazi*² number should not be split in more than one parts for different purposes i.e. one part for agriculture and the other for non-agriculture for the purpose of levy of stamp duty.

A *Khasra* based search facility to get the details of lands sold in a given *Khasra* was available in the *PRERNA*³ software. However, this feature was not being used by the SRs while determining the stamp duty to be charged at the time of registration of the sale deeds of land.

Audit Reports for the year 2012-13 to 2016-17 had highlighted short levy of stamp duty and registration fee amounting to ₹ 30.27 crore in 726 cases due to valuation of residential land at agriculture rates by SRs (refer **Table 4.5**).

To evaluate the corrective measures adopted by the Department, Audit test checked the records of 120 Sub-registrar offices (SROs) out of 217 audited units. In the 120 SROs audit noticed that 266 sale deeds (out of 1,06,266 sale deeds checked) of land at agricultural rates. In 266 of the test checked sale deeds related to 5.09 lakh square meters of residential land valued at ₹ 58.56 crore, the deeds were registered at agriculture rates in violation of the 2003 clarification of the IGR. As a result, stamp duty and registration fees of only ₹ 3.98 crore was levied. Out of these 266 cases audit further noticed that a part of the same *arazi* (on same day, in 12 cases - ₹ 0.86 crore, within one to 30 days, 73 cases - ₹ 2.36 crore and 31 days to 2,167 days, 181 cases - ₹ 8.20 crore) was sold earlier or on the same day at residential rates. Hence, the land in question should have also been valued at ₹ 256.09 crore at the prevalent residential rates with due stamp duty and registration fees of ₹ 15.40 crore being charged. The incorrect valuation of property and under-utilisation of features of *PRERNA* thus resulted in short levy of stamp duty and registration fees of ₹ 11.42 crore (**Appendix-XV**).

Audit reported the matter to the Department (between May 2017 and April 2018). During the exit conference (14 November 2018), the Department accepted the audit observation and stated that the order dated 5 June 2003 will be examined and, in future, spot verification reports will be provided to the audit party. In this respect the orders would be issued by the Government (October 2018). Further, in their reply, the Department also stated that out of 286 cases initially pointed out, 20 cases were found duly stamped. In 39 cases,

² *Arazi*, *Khasra* and *Gata* numbers are same and show the particular number of a land holding in a locality.

³ *PRERNA* (Property Evaluation and Registration Application) Software was introduced by the Department on 1 August 2006 for computerisation of the registration process.

RCs amounting to ₹ 48.52 lakh had been issued and of which, ₹ 21.47 lakh had been recovered. In rest of the cases, replies were yet to be received.

Recommendation:

The Stamps and Registration Department should ensure correct valuation of property using features available in the *PRERNA* Software and, after a mandatory physical verification by SR or *Tehsildar/Patvori* where a part of the same arazi has been sold within a reasonable short period at residential rates.

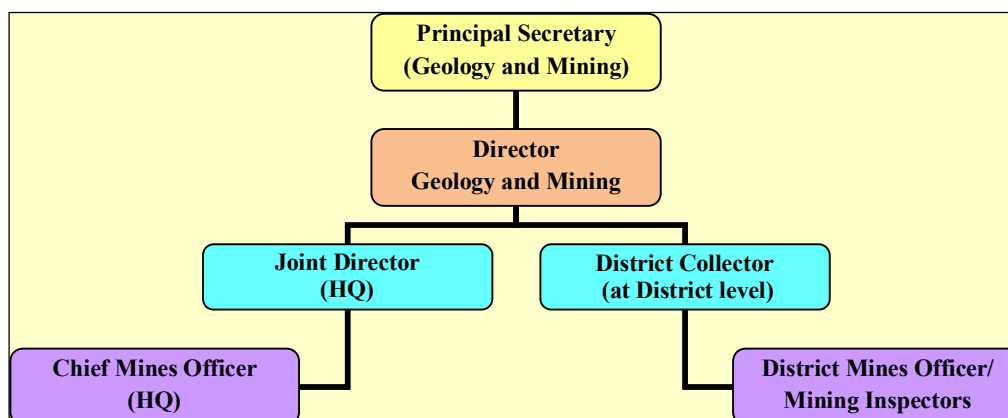
CHAPTER-V: MINING RECEIPTS

5.1 Tax administration

The levy and collection of receipts from mining activities in the State is governed by the Mines and Minerals (Development and Regulation) (MMDR) Act, 1957, the Mineral Concession Rules, 1960, and the Uttar Pradesh Minor Mineral Concession (UPMMC) Rules, 1963. The Principal Secretary, Geology and Mining, Uttar Pradesh, is the administrative head of the Department at the Government level. The overall control and direction of the Geology and Mining Department (Department) is vested with the Director, Geology and Mining, Uttar Pradesh, Lucknow. At the Headquarter the Director, Geology and Mining is assisted by Joint Director who is further assisted by Chief Mining Officer. At district level, the District Mines Officer is responsible for determining royalty, dead rent, and permit fee, etc. due and payable. Additional District Magistrate (Finance & Revenue) is in charge of collection and account of mining receipts under the overall administrative control of the District Collector.

The organisational setup is shown below:

Chart 5.1 Orgainsational setup



5.2 Results of Audit

During 2017-18, Audit test checked 363 leases (43 *per cent*) out of 849 total leases in 24¹ [out of 75 Auditable (32 *per cent*)] units of the Geology and Mining Department in the State. Out of the total test checked leases, irregularities amounting to ₹ 226.65 crore were found in 148 leases (41 *per cent*). Revenue collected by the Department during the year 2016-17 aggregated to ₹ 1,548.39 crore of which, the units covered in Audit collected ₹ 700.00 crore (45.21 *per cent*). Audit noticed irregularities amounting to ₹ 226.65 crore in 175 paragraphs on account of various deficiencies as detailed in **Table - 5.1**.

¹ Principal Secretary, Geology and Mining, Uttar Pradesh, Lucknow, Director, Geology and Mining Uttar Pradesh, Lucknow and DMO: Allahabad, Ambedkarnagar, Barabanki, Bijnore, Bulandshahar, Chitrakoot, Deoria, Fatehpur, Hamirpur, Hardoi, Jalaun, J.P. Nagar, Kanpur Nagar, Kushinagar, Mahoba, Mirzapur, Pilibhit, Saharanpur, Sitapur, Siddharthanagar, Sonebhadra and Sant Ravidas Nagar.

Table - 5.1

(₹ in crore)				
Sl. No.	Categories	Number of paragraphs	Amount	Share in per cent to the total objected amount
1.	Royalty non/short realised	47	15.10	6.66
2.	Interest/penalty not imposed	16	3.46	1.53
3.	Cost of minerals not recovered	34	71.24	31.43
4.	Other irregularities ²	78	136.85	60.38
Total		175	226.65	

Source: Information available in the Audit office.

The Department accepted (between April 2017 and September 2019) 945 cases amounting to ₹ 33.92 crore pointed out in the year 2017-18. The Department reported (between April 2017 and September 2019) recovery of ₹ 8.99 crore in cases pertaining to the earlier years.

Irregularities involving 1,053 cases worth ₹ 45.21 crore have been illustrated in this chapter. The Department had accepted 945 out of total 1,053 findings in the Exit Conference (November 2018). However, no recoveries in the accepted cases have been reported to Audit till date (September 2019). Out of these, some irregularities have been repeatedly reported during the last five years as detailed in **Table - 5.2**. Most of the audit observations are of a nature that may reflect similar errors/omissions in other units of the concerned State Government department, but were not covered in the test check conducted during the year. The Department/Government may therefore like to internally examine all other units with a view to ensuring that they are functioning as per requirement and rules.

Table - 5.2

(₹ in crore)												
Nature of observation	2012-13		2013-14		2014-15		2015-16		2016-17		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Cost of minerals not realised	15	0.37	221	13.92	311	13.98	3,491	476.06	1,181	193.97	5,219	698.30
Excavation of minerals without Environment Clearance (EC)	-	-	--	--	--	--	04	66.90	04	33.75	08	100.65
Excavation of brick earth without Environment clearance (EC)	--	--	--	--	--	--	2,909	66.80	1,131	62.27	4,040	129.07
Royalty and permit fees not realised from brick kiln owners	1,655	10.22	412	3.87	1,430	6.84	39	0.25	353	6.66	3,889	27.84
Non levy/Short deposit of dead rent	-	-	10	0.23	-	-	30	0.61	-	-	40	0.84

² No proper monitoring to realise the revenue.
Non-compliance of e-tendering.
Non-payment of dead rent by lease holders.
Lapses regarding non verification of challan from the treasury.
Non-recovery of recovery certificates.

Recommendations:

1. **The Department should initiate systemic measures to ensure that the shortcomings repeatedly reported by Audit do not recur.**
2. **The Department should introduce more effective measures to monitor and ensure recoveries of the large amounts of non/short realisations pointed out in the Audit Reports.**

5.3 Cost of minerals not realised from contractors for works executed without transit passes

The Department did not recover cost of minerals amounting to ₹ 26.27 crore and due penalty in 334 cases from contractors undertaking civil works, for raising mineral without lawful authority.

The UPMMC Rules, 1963 and the Uttar Pradesh Minerals (Prevention of Illegal Mining Transportation and Storage) Rules, 2002 stipulate that no person shall transport any mineral without a valid transit pass (Form MM-11³/Form C⁴). The MMDR Act⁵ stipulates that the price of minerals along with the royalty may be recovered for raising minerals without lawful authority. The Government, in its order dated 15 October 2015, reiterated 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, if the contractors do not produce the requisite royalty receipt in the form MM-11 or Form C.

Previous Audit Reports of 2012-13 to 2016-17 had highlighted persistent loss of Government revenue amounting to ₹ 698.30 crore due to non-realisation of cost of minerals from 5,219 contractors.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of 22 District Mines Offices (DMOs) during 2017-18. It was noticed in eight DMOs that the executing agencies got 68 civil works executed prior to 16 October 2015 (06/2014 to 07/2015) and 266 civil works on or after 16 October 2015 (04/2016 to 01/2018) through the contractors. In total 334 cases (out of 350 tests checked), the contractors did not submit the required MM-11 forms along with the bills for the minerals used in civil works. The executing agencies deducted royalty of ₹ 5.25 crore from the bills of the contractors and deposited the same into the treasury. The concerned DMOs, despite having the knowledge of deduction of royalty by the executing agency, did not raise the issue with the executing agencies for ensuring recovery of the cost of minerals from the works contractors and failed to initiate any action in the matter to recover the cost of minerals valued at ₹ 26.27 crore (₹ 1.51 crore prior to 16 October 2015 and ₹ 24.76 crore from 16 October 2015 and onwards) (**Appendix-XVI**).

Audit reported the matter to the Department in (July 2017 to May 2018). In the exit conference (November 2018), the Department accepted the Audit

³ Transit pass (*Rawanna*) issued by the holder of the mining lease or crusher plant for transportation of minor minerals. It includes names and addresses of the lease holders, nature and quantity of minerals and vehicle registration number through which the minerals are transported.

⁴ The holder of licence for storage of minerals shall issue the transit pass in 'Form-C' for lawful transportation of minerals from the Store.

⁵ Section 21(5) of the MMDR Act.

observation and stated that the mineral price (five times of Royalty) will be recovered in cases that have been identified after the notification dated 15 October 2015. However, in cases prior to that notification, no recovery can be made as no instructions for the same existed. The reply of the Department is not acceptable as far as cases pertaining to the period prior to notification dated 15 October 2015 are concerned. Under Section 21(5) of MMDR Act, price of the mineral may be recovered if any person raises any mineral from any land without lawful authority. Transportation of minerals without a valid transit pass indicates possibility of illegal mining. Thus the matter needs to be investigated into and action taken where illegal mining and transportation of minerals are established as per the provisions of the MMDR Act.

Recommendation:

The Mining Department should ensure coordination with the executing agencies undertaking civil works to ensure that the contractors have sourced minerals from legitimate lessees, and possess valid MM-11 for transporting such minerals.

5.4 Unauthorised extraction of minerals

The MMDR Act stipulates that mining operations shall be undertaken in accordance with the terms and conditions of a mining lease granted under the Act and the rules made there under. It further stipulates that if 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. Under UPMDC Rules, the total royalty has been fixed at the rate of not more than 20 *per cent* of the pit's mouth value⁶ of minerals.

The Environment Protection Act (EPA), 1986 stipulates that whoever fails to comply with or contravenes any of the provisions of this Act, shall be punishable for each failure with imprisonment, which may extend to five years, or with fine which may extend to ₹ one lakh, or both.

5.4.1 Excavation of minerals beyond the limit fixed in Environment Clearance (EC)

Cost of excess excavated minerals valuing to ₹ 1.66 crore was not recovered from two lessees for excavating excess than minor minerals permitted in Environmental Clearance (EC).

The State Government ordered (May 2011 and March 2012) that mining lease holders shall get EC from the Ministry of Environment and Forest (MoEF). If any person excavates minerals beyond the quantity approved in the EC, the same is to be treated as illegal mining as it violates the essential conditions governing grant of the lease. The lease holder⁷ is therefore liable to pay royalty, cost of minerals and fine under Section 21(5) of the MMDR Act.

⁶ "Pit's mouth value" means "the sale price of the minor minerals at the pit head or at the point of production."

⁷ Persons authorised to undertake mining operations in areas specified in lease under and in accordance with the terms and conditions of a mining lease granted under MMDR Act and the rules made there under.

The previous Audit Reports of 2015-16 to 2016-17 had highlighted loss of Government revenue amounting to ₹ 100.65 crore due to excavation of minerals without Environment Clearance in eight cases.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of two⁸ DMOs out of 22 DMOs audited during 2017-18 and noticed that in two out of 30 test checked cases (total 92 cases), lessees had excavated 0.35 lakh cubic meters of minerals (*moram* and *gitti*) in excess of the quantities approved in their respective ECs between December 2013 and February 2018 and paid a royalty of ₹ 0.33 crore. The excavation of minerals in excess of that permitted in EC was not only illegal but could also affect the environment adversely. The concerned DMOs neither took any action to stop the business nor recovered the cost of illegally mined mineral amounting to ₹ 1.66 crore (five times of the applicable royalty). Further, a fine of ₹ one lakh was also not imposed upon each of the lessees for violation of Environment Rules.

5.4.2 Violation of Mining Plan

5.4.2.1 Excavation of minerals beyond the limit fixed in Mining Plan

Cost of excavation of minerals valuing to ₹ 3.35 crore was not recovered from one lessee for excavating beyond the limit fixed in the Mining Plan.

Under MMDR Act, 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. The mining plan, once approved by the Director, shall be valid for entire duration of the lease. Mining operations shall be undertaken in accordance with the duly approved mining plan. Any modification of the approved mining plan during the operation of a mining lease also requires prior approval of the competent authority.

To evaluate the enforcement of the above by the Department, Audit test checked the records of DMO Mahoba during 2017-18, It was noticed that a (the sole case test checked) lessee had excavated 0.45 lakh cubic meters of minerals (*moram* and *gitti*) in excess of the quantity permitted in the Mining Plan between December 2016 and April 2017 and paid a royalty of ₹ 0.67 crore. The excess excavation of minerals was not only illegal but could also affect the environment adversely. The concerned DMO neither took any action to stop the business nor recovered the cost of mineral amounting to ₹ 3.35 crore (five times of the applicable royalty). Further, a fine of ₹ one lakh was also not imposed on the lessee for violation of Environment Rules

⁸ Barabanki and Sonebhadra

5.4.2.2 Excavation of minerals without Mining Plan

Cost of excavated minerals valuing to ₹ 3.00 crore was not recovered from one lessee for excavating minerals 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 the area. If the mining activities are done without an approved mining plan, the Department will not have any control over the same and the lessee may extract more minerals in an unscientific manner which would adversely affect the mineral resources, protection of forest, water courses and would also abet air and water pollution.

To evaluate the enforcement by the Department in this regard, Audit test checked the records of DMO Hamirpur during 2017-18 and noticed that a (out of single case test checked) lessee had excavated 0.80 lakh cubic meters of minerals (*moram* and *gitti*) between March 2013 and February 2014 without any approved mining plan and had paid a royalty of ₹ 0.60 crore. The total quantity of mineral excavated by the lessee was unauthorised and amounted to illegal mining. The concerned DMO neither took any action to stop the business nor recovered cost of mineral amounting to ₹ 3.00 crore (five times of the applicable royalty). Further, a fine of ₹ one lakh was also not imposed on the lessee for violation of the extant rules.

5.4.3 Excavation of brick earth without Environment Clearance (EC)

Cost of brick earth amounting to ₹ 1.77 crore was not recovered in 36 cases from brick kilns operating without Environmental Clearance (EC).

MoEF, in OM dated 24 June 2013, had categorised mining of brick earth into B-2 category⁹ wherein obtaining the EC from the State Environment Impact Assessment Authority (SEIAA¹⁰) is mandatory.

The previous Audit Reports of 2015-16 to 2016-17 had highlighted loss of the Government revenue amounting to ₹ 129.07 crore due to excavation of brick earth without EC in 4,040 cases by brick kilns.

To evaluate the assurances by the Department in this regard, Audit test checked the records of 22 DMOs during 2017-18. It was noticed that in two DMOs, that 36 out of 72 brick kilns test checked had operated during the period 2015-16 to 2016-17 without obtaining EC and paid a royalty of ₹ 0.35 crore. The excavation of brick earth without EC was not only illegal but could also affect the environment adversely. The concerned DMOs neither took any action to stop the business nor recovered the cost of mineral amounting to ₹ 1.77 crore. Further, a fine of ₹ one lakh was also not imposed upon each of the lessees for violation of Environment Rules shown in **Table 5.3**.

⁹ The activities of excavation of 'brick earth' and 'ordinary earth' up to an area less than five hectares have been categorised under B-2 category on the basis of spatial extent of potential impacts and potential impacts on human health.

¹⁰ A State Level Environment Impact Assessment Authority (SEIAA) shall be constituted by the Central Government under sub-section (3) of section 3 of the Environment (Protection) Act, 1986 comprising of three Members including a Chairman and a Member – Secretary to be nominated by the State Government or the Union territory Administration concerned.

Table 5.3

(Amount in ₹)							
Sl. No.	Name of Unit	Year	Total No. of Brick Kiln	No. of Brick Kiln checked	No of Bricks Kiln Objected	Royalty paid	Mineral Value
1	DMO Hamirpur	2015-16	24	24	13	1337370	6686850
		2016-17	27	27	14	1427631	7138155
2	DMO Jalaun	2015-16	12	12	7	570600	2853000
		2016-17	9	9	2	203800	1019000
Total			72	72	36	3539401	17697005

Audit reported the matter in 5.4.1, 5.4.2.1, 5.4.2.2 and 5.4.3 to the Department (between October 2017 and May 2018). In the exit conference (November 2018), the Department stated that with reference to previous Audit observations, the Government, through notification dated 14 August 2017, had amended Rule 59 of UPMMC Rules, 1963 vide which the penalty would be imposed in such cases after the date of this amendment. For cases prior to the notification, no action could be taken as no instruction had existed for the same. The reply of the Department for cases prior to amendment of Rule 59 is not acceptable. Since 2011-12, the State Government had insisted upon observance of EC conditions by the lease holders, any violation of conditions of mining rendered such excess excavation of minerals illegal and attracted recovery of cost of minerals under the MMDR Act. The Department had the omnibus powers under Rule 60¹¹ of the UPMMC Rules, 1963 to investigate all such cases where the lessees had flouted the conditions of mining lease, and act accordingly. There is no evidence of either any cognisance being taken or any punitive action being taken in any case. Excess excavation was an illegal mining action. It attracted recovery of cost of minerals under the MMDR Act.

Recommendation:

The Department should ensure that minerals including brick earth are not excavated without the requisite environment clearance to curb illegal mining.

5.5 Royalty and permit application fees not realised from the brick kiln owners

Royalty of ₹ 6.94 crore and permit application fees of ₹ 13.14 lakh were not realised in 660 cases from brick kiln owners, though the same was specified in the OTS scheme.

One Time Settlement Schemes (OTSS) for brick kilns, announced by the Government from time to time, provided for payment of a consolidated amount of royalty at the prescribed rates along with permit application fees. It also provided for charging of interest at the rate of 24 *per cent* on belated payment of royalty, fee or other sum due to the Government. In OTSS of

¹¹ Rule-60 of UPMMC Rules, 1963 already provides that in case of any breach or contravention by a lessee of any of these rules or conditions and covenants contained or deemed to be contained in the lease, lessee may be black listed by the District Officer for such period.

2015-16, an additional 20 *per cent* of royalty was to be levied for *palothan*¹² soil used in brick making.

Previous Audit Reports of 2012-13 to 2016-17 had highlighted persistent loss of Government revenue amounting to ₹ 27.84 crore due to non-realisation of royalty and permit application fees from 3,889 brick kilns. Audit Report for 2012-13 was only discussed in PAC where a recovery of ₹ 3.78 crore was reported by the Department.

To evaluate whether the Department had followed up on its assurances in this regard, Audit test checked the records of 22 DMOs during 2017-18. It was noticed that 660 out of 2,835 brick kilns test checked which were in operation during the period in 12 DMOs that the concerned brick kiln owners did not pay any royalty and permit application fees for the brick years¹³ 2013-14 to 2016-17. The concerned DMOs neither initiated any action to stop the business nor made any efforts to realise the due royalty of ₹ 6.94 crore and permit application fees of ₹ 13.14 lakh (**Appendix-XVII**).

Audit reported the matter to the Department (October 2016 to April 2018). In the exit conference (November 2018), the Department accepted the Audit observations and stated that the action will be taken for the recovery.

Recommendation:

The Department should ensure that all brick kiln owners in the State abide with the provisions of the OTSS as applicable in the given brick year. Efforts should also be made to recover the outstanding royalty from the defaulting brick kiln owners.

5.6 Non/Short deposit of dead rent

19 lessees deposited dead rent of ₹ 1.85 crore for the lease period against recoverable amount of ₹ 3.94 crore. Department did not make any effort to recover short deposit of dead rent of ₹ 2.09 crore.

Under UPMMC Rules,¹⁴ every lessee of mining lease shall pay every year, dead rent¹⁵ in advance for the whole year at the rates prescribed in the Second Schedule for all areas included in the lease.

The previous Audit Report of 2013-14 and 2015-16 had highlighted persistent loss of Government revenue amounting to ₹ 0.84 crore due to non/short deposit of dead rent in 40 leases.

Audit test checked the records of 22 District Mines Offices (DMOs) during 2017-18. In six DMOs, Audit noticed that 19 lessees out of 283 lessees had deposited dead rent of ₹ 1.85 crore for the dead rent period between February 2012 to November 2017 against the due amount of ₹ 3.94 crore. Although the details of payment were available in the lease files, the Department did not

¹² Sandy soil.

¹³ October to September.

¹⁴ Rule 72 of UPMMC

¹⁵ Dead Rent: The holder of a mining lease shall, during the terms of the lease pay in advance instalments for every year of the lease, such amount as dead rent at the rates mentioned in the Second Schedule to these rules.

initiate any action for levy and recovery of dead rent. This resulted in short deposit of dead rent of ₹ 2.09 crore (**Appendix -XVIII**).

Audit reported the matter to the Department (November 2017 to April 2018). In the exit conference (November 2018), the Department accepted the Audit observations and stated that the action will be taken for the recovery (August 2019).

Lucknow

The 06 JANUARY 2020

(JAYANT SINHA)

Principal Accountant General
(Economic and Revenue Sector Audit),
Uttar Pradesh

Countersigned

New Delhi


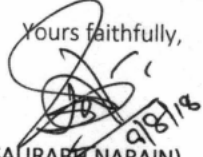
The 21st January, 2020

(RAJIV MEHRISHI)

Comptroller and Auditor General of India

APPENDICES

Trend of receipts
(Reference Para No. 1.2.3)

<p>भारतीय लेखापरीक्षा और लेखा विभाग कार्यालय महालेखाकार (आर्थिक एवं राजस्व लेखापरीक्षा), उ.प्र. "ऑडिट भवन", टीसी-35-V-1, विभूति खण्ड, गोमती नगर, लखनऊ-226010</p>	 सत्यमेव जयते	<p>Indian Audit & Accounts Department Office of the Accountant General (Economic & Revenue Sector Audit), U.P., "Audit Bhawan" TC-35-V-1, Vibhuti Khand, Gomti Nagar, Lucknow-226010</p> <p>F.no. AG (E & RSA)/UP/AG Cell/18-19/97 Dated: 09.08.2018</p>
<p>To,</p> <p style="padding-left: 40px;">The Chief Secretary, Government of Uttar Pradesh, Lucknow, UTTAR PRADESH.</p>		
<p>Subject: Access to Budget Files related to determination of Revenue Estimates</p>		
<p>Sir,</p> <p style="padding-left: 40px;">Please refer to the subject cited above. This office had approached the Finance Department requesting access to the budget files for the year 2016-17 to determine the effectiveness of the process adopted by the Finance Department in arriving at the Budget Estimates (BEs) pertaining to the Revenue Heads. Though, replies to various queries by auditors from this office were provided by the Finance Department, access to underlying records and files was not given.</p>		
<p>2. In order to resolve the issue of access to the Budget files, the undersigned also had a meeting with the Additional Chief Secretary (Finance) on 23 July 2018. The Department, however, expressed its inability in providing audit with access to the relevant files. As a result, this office could not derive any assurance regarding the effectiveness of the process adopted in framing of BEs related to the Revenue Heads for the year 2016-17.</p>		
<p>3. The matter was duly flagged to the Office of Comptroller and Auditor General of India. The Office of the C&AG of India has now informed this office that in view of the non-production of the relevant files, they have no option but to comment upon the same in the State Revenue Audit Report for the year ending March 2017. The same is being brought to your kind attention.</p>		
<p>4. In this regard, I would also take this opportunity to state that as per the provisions of the Constitution of India and as per Section 18 (1) (b) of the CAG's DPC Act, 1971, CAG has the mandate to access any records, accounts and other documents that are relevant to his inquiry. This position has been further clarified in Regulation 181 of the Regulations on Audit and Accounts, 2007, requiring every entity to evolve such systems that allow unimpeded and timely flow of data, information and records to the CAG. Hence, any non-production of records does generate a red flag regarding robustness of a system, an eventuality which can be easily prevented by allowing audit, access to the underlying records.</p>		
<p>Yours faithfully,</p>  (SAURABH NARAIN) Accountant General		

APPENDIX-I
Failure to cancel the settlement of shops and forfeiture of basic license fee/license fee and security deposit
(Reference Para No. 2.3)

(Amount in ₹)										
Sl. No.	Name of district	Year	Type of shops	Number of shops	Number of shops checked	No. of shops in which objection found	Period of late deposit of Security Deposit in days	Basic License Fee/License Fee required to be forfeited	Security Deposit required to forfeited	Total Amount required to forfeited
(i) Period of delay upto 15 days										
1	DEO Ballia	2016-17	Country Liquor	142	14	14	04 to 15	94,65,375	1,43,45,268	2,38,10,643
2	DEO Sitapur	2016-17	Foreign Liquor	73	73	6	03 to 07	36,12,500	5,88,500	42,01,000
		2017-18	Foreign Liquor	74	74	5	06 to 12	29,50,000	6,00,840	35,50,840
		2016-17	Country Liquor	357	357	10	03 to 07	55,27,125	1,10,60,324	1,65,87,449
		2017-18	Country Liquor	394	394	12	02 to 13	41,58,500	72,51,659	1,14,10,159
Total (i)				1,040	912	47	02 to 15	2,57,13,500	3,38,46,591	5,95,60,091
(ii) Period of delay More than 15 days										
1	DEO Aligarh	2017-18	Country Liquor	204	13	13	upto 76	80,11,250	1,56,04,462	2,36,15,712
2	DEO Azamgarh	2015-16	Country Liquor	290	75	75	upto 142	4,02,22,500	4,22,42,141	8,24,64,641
		2015-16	Foreign Liquor	128	128	19	upto 116	55,67,500	7,95,230	63,62,730
*	DEO Ballia	2017-18	Country Liquor	142	39	20	upto 181	1,30,00,250	1,98,52,868	3,28,53,118
3	DEO Etah	2016-17	Country Liquor	186	79	79	upto 327	3,08,53,250	2,85,06,737	5,93,59,987
4	DEO Faizabad	2017-18	Country Liquor	205	17	17	upto 33	16,48,900	27,78,487	44,27,387
5	DEO Firozabad	2016-17	Country Liquor	142	32	10	upto 33	61,88,625	54,98,981	1,16,87,606
6	DEO Ghazipur	2016-17	Country Liquor	192	39	12	upto 102	52,37,125	69,44,893	1,21,82,018
7	DEO Kannauj	2016-17	Country Liquor	17	17	17	upto 95	1,25,40,000	93,40,209	2,18,80,209
8	DEO Lakhimpur Kheri	2016-17	Country Liquor	257	11	11	upto 201	37,27,500	78,54,923	1,15,82,423
		2017-18	Country Liquor	264	10	10	upto 76	18,63,750	30,87,994	49,51,744
		2015-16	Country Liquor	253	9	9	upto 201	11,81,750	18,23,792	30,05,542
9	DEO MahaMaya Nagar	2017-18	Country Liquor	57	47	10	upto 141	1,22,38,750	1,34,07,224	2,56,45,974
		2016-17	Country Liquor	57	30	17	upto 52	1,01,90,250	88,95,222	1,90,85,472
10	DEO Maharajganj	2017-18	Foreign Liquor	52	25	2	upto 136	3,40,000	-	3,40,000
		2017-18	Country Liquor	226	75	26	upto 268	87,24,750	78,80,479	1,66,05,229

(Amount in ₹)										
Sl. No.	Name of district	Year	Type of shops	Number of shops	Number of shops checked	No. of shops in which objection found	Period of late deposit of Security Deposit in days	Basic License Fee/License Fee required to be forfeited	Security Deposit required to forfeited	Total Amount required to forfeited
11	DEO Pratapgarh	2015-16	Country Liqour	219	9	9	upto 255	59,37,000	45,78,305	1,05,15,305
		2016-17	Country Liqour	224	17	17	upto 115	38,29,125	56,52,312	94,81,437
12	DEO Shahjahanpur	2017-18	Country Liqour	216	13	13	upto 105	46,02,375	11,44,464	57,46,839
13	DEO Unnao	2017-18	Foreign Liqour, bear & m.shop	162	162	60	upto 48	1,72,13,000	31,64,240	2,03,77,240
		2017-18	Country Liqour	318	318	221	upto 48	6,46,60,075	8,21,34,154	14,67,94,229
Total (ii)				3,811	1,165	667	upto 327	25,77,77,725	27,11,87,117	52,89,64,842
Grand Total				4,851	2,077	714		28,34,91,225	30,50,33,708	58,85,24,933

*DEO Ballia is repeated.

Source: Information available on the basis of Audit findings.

APPENDIX-II
Sale of Beer without Beer bar license
(Reference Para No. 2.4)

(Amount in ₹)							
Sl. No.	Name of units (DEO)	Year	Total no. of cases	No. of cases checked	No. of license for FL-7 (objection found)	Due license fee per FL-7B	Total license fees not received
1	Agra	2016-17	62	22	7	2,14,000	14,98,000
		2017-18	58	22	7	2,14,000	14,98,000
2	Aligarh	2016-17	7	7	1	2,14,000	2,14,000
		2017-18	8	8	2	2,14,000	4,28,000
3	Ballia	2016-17	2	2	2	1,48,000	2,96,000
		2017-18	3	3	3	1,48,000	4,44,000
4	Bareilly	2017-18	26	25	13	2,14,000	27,82,000
5	Chandauli	2016-17	2	2	1	1,48,000	1,48,000
		2017-18	2	2	1	1,48,000	1,48,000
6	G.B.Nagar	2016-17	82	82	27	2,14,000	57,78,000
		2017-18	82	82	35	2,14,000	74,90,000
7	Lakhimpur Kheri	2015-16	5	5	3	1,34,000	4,02,000
		2016-17	5	5	3	1,48,000	4,44,000
		2017-18	5	5	3	1,48,000	4,44,000
8	Pilibhit	2015-16	3	3	2	1,34,000	2,68,000
		2016-17	3	3	2	1,48,000	2,96,000
9	Sambhal	2015-16	3	3	3	1,34,000	4,02,000
		2016-17	3	3	3	1,48,000	4,44,000
10	Unnao	2017-18	1	1	1	1,48,000	1,48,000
Total			362	285	119	32,32,000	2,35,72,000

Source: Information available on the basis of Audit findings.

APPENDIX-III
Short levy of license fee on model shops
(Reference Para No. 2.5)

(Amount in ₹)											
Sl. No.	Name of district	Period	No. of cases	No. of cases test checked	No of cases in which objection found	Highest License Fee of (IMFL+Beer) in the town	Total License fee according to Highest License fee of IMFL and Beer shops in the town	Total License fee according to Highest Licence fee of IMFL and Beer shops	License fee realised per case	Total License fee realised	License fee short levied
1	Etah	2016-17	3	3	2	22,40,000+7,15,000	29,55,000	59,10,000	24,45,000	48,90,000	10,20,000
		2017-18	3	3	2	22,40,000+7,15,000	29,55,000	59,10,000	24,45,000	48,90,000	10,20,000
2	Ghazipur	2016-17	3	3	1	20,60,000+6,85,000	27,45,000	27,45,000	15,25,000	15,25,000	12,20,000
		2017-18	3	3	1	20,60,000+6,85,000	27,45,000	27,45,000	15,25,000	15,25,000	12,20,000
3	Kannauj	2017-18	3	3	1	17,40,000+3,30,000	20,70,000	20,70,000	20,20,000	20,20,000	50,000
		1			17,40,000+3,30,000	20,70,000	20,70,000	16,35,000	16,35,000	4,35,000	
		1			17,40,000+3,30,000	20,70,000	20,70,000	16,70,000	16,70,000	4,00,000	
4	Maha-rajganj	2016-17	1	1	1	15,55,000+5,45,000	21,00,000	21,00,000	18,22,000	18,22,000	2,78,000
		2017-18	1	1	1	15,55,000+5,45,000	21,00,000	21,00,000	18,22,000	18,22,000	2,78,000
5	Shamli	2013-14	4	4	1	19,35,000+7,80,000	27,15,000	27,15,000	14,40,000	14,40,000	12,75,000
		1			11,25,000+2,75,000	14,00,000	14,00,000	12,60,000	12,60,000	1,40,000	
		2014-15	4	4	1	22,30,000+9,00,000	31,30,000	31,30,000	16,60,000	16,60,000	14,70,000
		2014-15			1	12,95,000+3,20,000	16,15,000	16,15,000	14,55,000	14,55,000	1,60,000
		2015-16	4	4	1	25,65,000+10,35,000	36,00,000	36,00,000	19,10,000	19,10,000	16,90,000
		2015-16			1	14,90,000+3,70,000	18,60,000	18,60,000	16,75,000	16,75,000	1,85,000
		2016-17	4	4	1	25,65,000+10,35,000	36,00,000	36,00,000	19,10,000	19,10,000	16,90,000
		2016-17			1	14,90,000+3,70,000	18,60,000	18,60,000	16,75,000	16,75,000	1,85,000
		2017-18	4	4	1	16,05,000+3,05,000	19,10,000	19,10,000	16,75,000	16,75,000	2,35,000
6	Sitapur	2016-17	4	3	3	17,80,000+4,55,000	22,35,000	67,05,000	21,55,000	64,65,000	2,40,000
		2017-18	4	3	3	17,80,000+4,55,000	22,35,000	67,05,000	21,55,000	64,65,000	2,40,000
7	Sone-bhadra	2016-17	1	1	1	13,50,000+4,00,000	17,50,000	17,50,000	15,76,000	15,76,000	1,74,000
Total			46	44	27			6,45,70,000		5,09,65,000	1,36,05,000

Source: Information available on the basis of Audit findings.

APPENDIX-IV
Application of incorrect rate of tax
(Reference Para No. 3.3)

(₹ in lakh)								
Sl.No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Name of commodity	Value of goods	Rate of tax leviable (per cent)	Rate of tax levied (per cent)	Tax short levied
1	DC Sec. 10 CT Agra	1	2013-14 (August-2016)	Canvas footwear	213.51	14	5	19.22
2	DC Sec. 11 CT Agra	1	2012-13 (January 2016)	Computer parts	12.28	13.5	5	1.04
		1	2013-14 (September 2016)	Fire extinguisher	20.49	14	5	1.84
3	DC Sec. 13 CT Agra	1	2013-14 (November 2016)	Adult diaper	39.96	14	5	3.60
4	DC Sec. 15 CT Agra	1	2012-13 (March 2016)	Footwear	55.00	13.5	3	5.78
5	DC Sec. 16 CT Agra	1	2012-13 (September 2016)	Computer parts	15.10	13.5	5	1.28
			2013-14 (December 2016)	Computer parts	7.91	14	5	0.71
					2.27	14	5	0.20
6	JC (CC) CT Aligarh	1	2013-14 (March 2017)	Processed meat	74.08	17.5	9	6.30
7	JC (CC) CT Allahabad	1	2013-14 (December 2016)	Copper conductor	10118.38	14	5	910.65
8	DC Sec. 1 CT Allahabad	1	2012-13 (January 2015)	Computer parts	38.75	14	5	3.29
9	DC Sec. 2 CT Auraiya	1	2012-13 (July 2016)	Computer parts	50.14	14	5	4.51
					17.49	13.5	5	1.49
10	DC Sec. 2 CT Bahraich	1	2011-12 (March 2015)	Hand pump	65.69	5	0	3.28
			2012-13 (December 2015)	Hand pump	34.42	5	0	1.72
11	DC Sec. 3 CT Bareilly	1	2012-13 (February 2016)	Photo state machine	43.80	13.5	5	3.72

(₹ in lakh)								
Sl.No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Name of commodity	Value of goods	Rate of tax leviable (per cent)	Rate of tax levied (per cent)	Tax short levied
12	DC Sec. 9 CT Bareilly	1	2012-13 (March 2015)	Plywood	16.20	14	5	1.46
13	AC Sec. 5 CT Firozabad	1	2011-12 (February 2015)	Paint and varnish	24.46	13.5	5	2.08
14	DC Sec. 2 CT Ghaziabad	1	2013-14 (July 2016)	Electronic meter parts	256.12	14	5	23.05
		1	2013-14 (June 2016)	Scooter parts	28.95	14	5	2.61
15	DC Sec. 4 CT Ghaziabad	1	2013-14 (March 2017)	Soil	390.29	5	0	19.51
16	DC Sec. 6 CT Ghaziabad	1	2013-14 (October 2016)	Machinery and machinery parts	11.59	14	5	1.04
17	DC Sec. 8 CT Ghaziabad	1	2012-13 (February 2016)	Mill Board	31.53	13.5	5	2.68
		1	2013-14 (August 2016)	Starch Based Adhesive Powder	20.93	14	5	1.88
18	DC Sec. 10 CT Ghaziabad	1	2013-14 (November 2016)	Mobile charger and Battery	16.03	14	5	1.44
		1	2013-14 (November 2016)	Railway engine machinery scrap	136.31	5	4	1.36
19	DC Sec. 15 CT Ghaziabad	1	2013-14 (September 2016)	Silencer	17.61	14	5	1.59
20	DC Sec. 17 CT Ghaziabad	1	2013-14 (November 2016)	Computer parts	38.02	14	5	3.42
21	AC Sec. 3 CT Gonda	1	2014-15 (January 2017)	Marble	24.63	14	5	2.22
22	DC Sec. 3 CT Gorakhpur	1	2011-12 (October 2015)	Modem	54.89	13.5	5	4.67
23	AC Sec. 8 CT Gorakhpur	1	2013-14 (March 2016)	Buckets made of Iron and steel, Plastic and other material	166.49	5	4	1.66

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(₹ in lakh)								
Sl.No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Name of commodity	Value of goods	Rate of tax leviable (per cent)	Rate of tax levied (per cent)	Tax short levied
24	JC (CC) CT Jhansi	1	2013-14 (June 2016)	Old bags	226.14	5	4	2.26
25	DC Sec. 4 CT Jhansi	1	2012-13 (December 2015)	Harpic tablet	268.12	13.5	5	22.79
26	DC Sec. 1 CT Kanpur	1	2013-14 (March 2017)	Tips of refill	305.87	14	5	27.53
27	DC Sec. 16 CT Kanpur	1	2013-14 (January-2017)	Diaper	40.27	14	5	3.62
28	DC Sec. 21 CT Kanpur	1	2013-14 (November 2016)	Toffee	33.20	14	5	2.99
29	DC Sec. 22 CT Kanpur	1	2012-13 (January 2016)	P.V.C. heat shrink leaves	50.45	13.5	5	4.29
30	DC Sec. 26 CT Kanpur	1	2013-14 (September 2016)	D.T.H.	48.46	14	5	4.36
31	DC Sec. 29 CT Kanpur	1	2013-14 (February 2017)	Varnish	15.27	14	5	1.37
32	DC Sec. 2 CT Kannauj	1	2013-14 (December 2016)	Machinery and machinery spare parts	24.01	14	5	2.16
			2013-14 (December 2016)	Machinery and machinery spare parts	1.38	14	4	0.14
33	DC Sec. 2 CT Kanshiram Nagar (Kasganj)	1	2012-13 (August 2015)	Toffee	16.03	13.5	5	1.36
			2011-12 (December 2013)	Toffee	17.66	13.5	5	1.50
34	DC Sec. 3 CT Lakhimpur Kheri	1	2013-14 (July 2016)	Pesticide	25.93	5	0	1.30
35	DC Sec. 1 CT Lucknow	1	2013-14 (November 2016)	Modem	78.31	14	5	7.05
36	DC Sec. 6 CT Lucknow	1	2013-14 (January 2016)	Corn flakes	19.56	13.5	5	1.76

(₹ in lakh)								
Sl.No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Name of commodity	Value of goods	Rate of tax leviable (per cent)	Rate of tax levied (per cent)	Tax short levied
37	DC Sec. 7 CT Lucknow	1	2013-14 (December 2016)	Mobile accessories	84.64	14	5	7.62
			2012-13 (December 2015)	Mobile accessories	70.40	13.5	5	5.98
38	DC Sec. 9 CT Lucknow	1	2013-14 (February 2017)	Computer parts	32.81	14	5	2.95
39	DC Sec. 10 CT Lucknow	1	2013-14 (January 2017)	Demark mass gainer/ <i>Shaktiprash</i> /muscle builder	423.45	14	5	38.11
					9.52	14	5	0.86
40	DC Sec. 13 CT Lucknow	1	2013-14 (January 2017)	Food supplement	41.08	14	5	3.70
41	DC Sec. 17 CT Lucknow	1	2013-14 (September 2015)	Scrap of Plastic, glass	232.05	5	4	2.32
42	DC Sec. 13 CT Meerut	1	2012-13 (March 2016)	Computerised Water Treatment Plant	56.40	13.5	5	4.79
		1	2012-13 (February 2016)	S.T.P. plant	12.50	13.5	5	1.06
43	JC (CC) CT Moradabad	1	2008-09 (November 2016)	Wood and timber	170.18	12.5	4	14.46
44	DC Sec. 2 CT Noida	1	2013-14 (July 2016)	Computer/laptop parts	34.46	14	5	3.10
45	DC Sec. 12 CT Noida	1	2013-14 (October 2016)	Toffee	77.76	14	5	7.00
		1	2012-13 (February 2017)	Modem	8.94	14	5	0.81
			2013-14 (February 2017)	Modem	10.62	14	5	0.95
46	DC Sec. 13 CT Noida	1	2013-14 (September 2016)	AC parts	13.52	14	5	1.22

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(₹ in lakh)								
Sl.No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Name of commodity	Value of goods	Rate of tax leviable (per cent)	Rate of tax levied (per cent)	Tax short levied
47	DC Sec. 2 CT Raebareli	1	2011-12 (March 2015)	D.A.P.	188.35	4	0.69	1.10
48	DC Sec. 1 CT Shahjahanpur	1	2010-11 (February 2016)	Computer parts	38.45	13.5	5	3.27
49	DC Sec. 3 CT Sultanpur	1	2012-13 (February 2016)	Machinery and parts	54.79	14	5	4.93
			2011-12 (July 2014)	Set top box	14.34	13.5	5	1.22
			2012-13 (July 2014)		10.48	13.5	5	0.89
			2013-14 (December 2016)		7.05	14	5	0.63
50	AC Sec. 6 CT Varanasi	1	2011-12 (August 2015)	Auto parts	41.74	13.5	5	3.55
51	DC Sec. 8 CT Varanasi	1	2013-14 (February 2017)	Furniture	14.77	14	5	1.33
Total		58			14862.28			1235.63

Source: Information available on the basis of Audit findings.

APPENDIX-V
Irregular concession allowed on goods not covered under the Registration Certificate (RC)
(Reference Para No. 3.4.2)

(₹ in lakh)								
Sl. No	Name of unit	No of dealers	Assessment year (month & year of assessment)	Name of commodity not covered by registration certificate	Amount of purchase	Rate of tax (per cent)	Rate of penalty imposable (per cent)	Penalty leviable
1	DC Sec. 16 CT Agra	1	2013-14 (March 2017)	JCB machine	41.31	14	21.00	8.68
2	JC (CC) CT Allahabad	1	2013-14 (February 2017)	Industrial paint	11.72	13.5	20.25	2.37
				Printer scanner	68.81	5	7.50	5.16
				Ink ribbon	5.17	13.5	20.25	1.05
3	AC Sec. 2 CT Chandauli	1	2011-12 (October 2015)	T.M.T bar	162.94	4	6.00	9.78
				Air compressor	5.39	13.5	20.25	1.09
				Pollution control equipment	3.47	5	7.50	0.26
4	JC (CC) I CT Ghaziabad	1	2013-14 (November 2016)	Petrol	2.40	26.55	39.82	0.95
5	DC Sec. 4 CT Ghaziabad	1	2013-14 (March 2017)	Laminated toughened glass, generator, SS pillar railing	8.93	14	21.00	1.88
6	DC Sec. 9 CT Ghaziabad	1	2013-14 (March 2017)	Bitumen	8.12	14	21.00	1.71
7	DC Sec. 10 CT Ghaziabad	1	2013-14 (June 2016)	Thandai	12.45	14	21.00	2.61
				Syrup	13.52	5	7.50	1.01
8	JC (CC) CT Meerut	1	2013-14 (September 2016)	Printer	4.01	5	7.50	0.30
9	DC Sec. 4 CT Noida	1	2013-14 (March 2017)	R.O. machine parts, stabilizer	7.92	14	21.00	1.66
10	DC Sec. 10 CT Noida	1	2013-14 (October 2016)	Water chiller	6.89	14	21.00	1.45
				Air cooler	1.09	13.5	20.25	0.22
11	DC Sec. 2 CT Shahjahanpur	1	2013-14 (February 2017)	Generator, machinery compressor plate, elevator	46.05	14	21.00	9.67
12	JC (CC) I CT Varanasi	1	2013-14 (August 2016)	Electrical goods and generator rim dowel	258.67	13.5	20.25	52.38
				Dowel	1.89	14	21.00	0.40
13	DC Sec. 8 CT Varanasi	1	2012-13 (September 2016)	Hydraulic mobile crane	10.29	14	21.00	2.16
TOTAL		14			681.04			104.79

Source: Information available on the basis of Audit findings.

APPENDIX-VI
Inadmissible ITC allowed to dealers
(Reference Para No. 3.5.1)

(₹ in lakh)							
Sl. No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	ITC claimed by the dealer	Reason of wrongly claimed ITC	Period of Interest	Interest leaviable
1	DC Sec. 11 Agra	1	2012-13 (December 2016)	0.71	RITC not done on stock transfer	01-10-2012 to 18-12-2016	0.45
2	DC Sec. 13 Agra	1	2013-14 (April 2016)	4.59	RITC not done on discount amount	01-10-2013 to 30-04-2016	1.78
3	DC Sec.15 Agra	1	2013-14 (September 2016)	1.45	ITC claimed on exempted goods	01-10-2013 to 07-09-2016	0.64
4	DC Sec. 18 Agra	1	2013-14 (August 2016)	1.25	Excess claim	01-10-2013 to 20-08-2016	0.54
		1	2012-13 (October 2015)	3.26	Excess claim	01-10-2012 to 28-10-2015	1.50
5	JC (CC) Allahabad	1	2010-11 (March 2017)	8.10	RITC not done on stock transfer	01-10-2010 to 31-03-2017	7.90
6	DC Sec. 1 Auraiya	1	2013-14 (June 2016)	1.50	RITC not done on closing stock of lubricant	21-02-2014 to 22-06-2016	0.53
7	DC Sec. 2 Auraiya	1	2010-11 (August 2016)	0.50	Excess claim	21-05-2010 to 24-08-2016	0.47
8	DC Sec. 9 Ghaziabad	1	2013-14 (November 2016)	0.73	Irregular claim of ITC	21-05-2013 to 25-11-2016	0.39
9	DC Sec. 14 Ghaziabad	1	2013-14 (October 2016)	2.05	Excess claim	01-10-2013 to 29-10-2016	0.95
10	DC Sec. 18 Ghaziabad	1	2013-14 (June 2016)	1.18	Excess claim due to wrong calculation	01-10-2013 to 30-06-2016	0.49
		1	2013-14 (September 2016)	0.80	Excess claim	01-10-2013 to 30-09-2016	0.36
11	DC Sec. 19 Ghaziabad	1	2011-12 (March 2015)	1.50	Excess claim	21-05-2011 to 31-03-2015	0.87
12	DC Sec. 3 Gorakhpur	1	2013-14 (January 2017)	3.04	Excess claim	01-10-2013 to 11-01-2017	1.50
13	DC Sec. 7 Gorakhpur	1	2009-10 (June 2016)	3.72	RITC not done on discount	01-10-2009 to 03-06-2016	3.73
14	DC Sec. 4 Jhansi	1	2012-13 (November 2015)	1.04	Excess claim	01-10-2012 to 09-11-2015	0.49
15	DC Sec. 15 Kanpur	1	2013-14 (July 2016)	6.78	Excess claim	01-10-2013 to 22-07-2016	2.86

(₹ in lakh)							
Sl. No.	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	ITC claimed by the dealer	Reason of wrongly claimed ITC	Period of Interest	Interest leaviable
16	DC Sec. 22 Kanpur	1	2013-14 (December 2016)	2.47	RITC not done on closing stock of lubricant	21-02-2014 to 27-12-2016	1.06
		1	2013-14 (September 2016)	2.61	RITC not done on closing stock of lubricant	21-02-2014 to 20-09-2016	1.01
17	DC Sec. 23 Kanpur	1	2013-14 (September 2016)	1.00	Excess claim	21-05-2013 to 28-09-2016	0.50
18	DC Sec. 26 Kanpur	1	2013-14 (October 2016)	1.03	RITC not done on closing stock of lubricant	21-02-2014 to 09-10-2016	0.41
19	DC Sec. 27 Kanpur	1	2013-14 (March 2017)	4.23	Excess claim	21-05-2013 to 17-03-2017	2.43
20	DC Sec. 29 Kanpur	1	2013-14 (December 2016)	2.27	RITC not done on closing stock of lubricant	21-02-2014 to 03-12-2016	0.95
21	DC Sec. 8 Lucknow	1	2013-14 (December 2016)	3.61	Excess claim	01-10-2013 to 13-12-2016	1.74
22	DC Sec. 20 Lucknow	1	2012-13 (February 2016)	2.90	Excess claim	01-10-2012 to 16-02-2016	1.47
23	DC Sec. 22 Lucknow	1	2013-14 (March 2017)	1.29	Excess claim	01-10-2013 to 21-03-2017	0.67
24	DC Sec. 6 Meerut	1	2013-14 (August 2016)	1.27	Excess claim	01-10-2013 to 20-08-2016	0.55
Total		27		64.88			36.22

Source: Information available on the basis of Audit findings.

APPENDIX-VII
ITC on goods sold on lower price than purchase price not reversed
(Reference Para No. 3.5.2)

(₹ 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	JC (CC) Aligarh	1	2011-12 (November 2016)	71.51	30.25	41.26	31.86
2	DC Sec. 13 Allahabad	1	2012-13 (March 2017)	74.71	71.89	2.82	1.89
3	DC Sec. 9 Bareilly	1	2013-14 (March 2016)	14.31	13.04	1.27	0.48
4	DC Sec. 1 Faizabad	1	2012-13 (March 2016)	3.66	2.73	0.93	0.49
5	DC Sec. 6 Ghaziabad	1	2013-14 (October 2016)	21.73	20.58	1.15	0.52
6	DC Sec. 4 Gonda	1	2013-14 (March 2016)	76.60	47.66	28.94	10.86
7	JC (CC) Gorakhpur	1	2012-13 (March 2016)	32.45	30.11	2.34	1.22
8	DC Sec. 3 Gorakhpur	1	2013-14 (September 2016)	6.40	5.74	0.66	0.40
9	DC Sec. 2 Kanpur	1	2013-14 (April 2016)	100.69	99.95	0.74	0.28
10	DC Sec. 21 Kanpur	1	2012-13 (March 2016)	33.35	30.34	3.01	1.55
11	DC Sec. 12 Lucknow	1	2011-12 (March 2015)	13.31	11.81	1.50	0.78
12	DC Sec. 12 Noida	1	2012-13 (January 2016)	10.62	8.31	2.31	0.80
13	DC Sec. 10 Varanasi	1	2013-14 (September 2016)	27.14	25.64	1.50	0.68
Total		13		486.48	398.05	88.43	51.81

Source: Information available on the basis of Audit findings.

APPENDIX-VIII
False/fraudulent claim of ITC
(Reference Para No. 3.5.4)

(₹ in lakh)						
Sl. No.	Name of the unit	No. of dealers	Assessment year (month and year of assessment)	Amount of false claim of ITC reversed by AAs	Brief description of ITC claimed	Penalty leviable
1	DC Sec. 2 CT Agra	1	2012-13 (June 2016)	3.76	Purchase not verified	18.80
2	AC Sec. 14 CT Agra	1	2013-14 (August 2016)	0.36	Purchase not verified	1.80
3	JC (CC) CT Aligarh	1	2013-14 (August 2016)	18.73	Purchase not verified	93.65
4	JC (CC) CT Bareilly	1	2013-14 (November 2016)	7.54	Purchase not verified	37.70
5	DC Sec. 2 CT Basti	1	2012-13 (March 2016)	0.27	Purchase not verified	1.37
6	DC Sec. 2 CT Ghaziabad	1	2012-13 (March 2016)	0.66	Purchase not verified	3.30
7	DC Sec. 7 CT Ghaziabad	1	2011-12 (March 2015)	0.39	Purchase not verified	1.95
8	DC Sec. 11 CT Ghaziabad	1	2013-14 (January 2017)	0.27	Purchase not verified	1.35
9	DC Sec. 17 CT Ghaziabad	1	2009-10 (April 2013)	34.46	Purchases from firm not in existence	172.30
10	DC Sec. 18 CT Ghaziabad	1	2013-14 (December 2016)	0.25	Purchases from firm not in existence	1.25
11	DC Sec. 19 CT Ghaziabad	1	2013-14 (March 2017)	7.63	Purchases without tax invoice	38.15
		1	2011-12 (March 2015)	1.50	Excess claim of brought forward ITC	7.50
12	JC (CC)-II CT Kanpur	1	2013-14 (March 2017)	2.97	Purchases from firm not in existence	14.85
13	DC Sec. 12 CT Kanpur	1	2013-14 (July 2016)	2.01	Purchases from firm not in existence	10.05
14	DC Sec. 23 CT Kanpur	1	2013-14 (September 2016)	1.00	Excess claim of brought forward ITC	5.00
15	JC (CC)-II CT Lucknow	1	2013-14 (May 2015)	17.15	ITC claimed on non-vat goods	85.73
16	DC Sec. 12 CT Lucknow	1	2013-14 (March 2017)	88.68	Purchase not verified	443.40
17	DC Sec. 11 CT Meerut	1	2013-14 (March 2017)	0.56	Purchases from firm not in existence	2.80
18	DC Sec. 5 CT Noida	1	2011-12 (April 2015)	4.10	Purchases from firm not in existence	20.50
19	DC Sec. 2 CT Shahjahanpur	1	2014-15 (July 2016)	1.26	Purchases from firm not in existence	6.30
20	DC Sec. 3 CT Shahjahanpur	1	2011-12 (April 2015)	0.65	Purchase not verified	3.25
Total		21		194.20		971.00

Source: Information available on the basis of Audit findings.

APPENDIX- IX
Interest short/not charged
(Reference Para No. 3.6)

(₹ in lakh)									
Sl. No.	Name of the unit	No. of dealers	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 the dealer	Interest short/not charged
1	DC Sec. 9 CT Agra	1	2013-14 (September 2016)	12.18	15	1096	5.49	0.00	5.49
2	JC (CC) CT Allahabad	1	2010-11 (March 2017)	366.42	15	1278 to 1397	195.70	0.00	195.70
3	DC Sec. 7 CT Allahabad	1	2012-13 (June 2016)	3.50	15	1278	1.84	0.00	1.84
4	DC Sec. 12 CT Allahabad	1	2013-14 (September 2016)	2.41	15	1101	1.09	0.00	1.09
5	DC Sec. 1 CT Auraiya	1	2012-13 (March 2016)	2.31	15	1462	1.39	0.00	1.39
		1	2011-12 (June 2016)	1.01	15	1873	0.78	0.00	0.78
		1	2013-14 (June 2016)	1.94	15	1142	0.91	0.00	0.91
6	DC Sec. 3 CT Barabanki	1	2013-14 (March 2017)	3.46	15	1323	1.88	0.00	1.88
7	DC Sec. 6 CT Bareilly	1	2011-12 (April 2015)	3.68	15	1797	2.72	1.32	1.40
8	DC Sec. 2 CT Basti	1	2008-09 (July 2013)	1.47	15	1472	0.91	0.00	0.91
9	AC CT (Gulawati) Bulandshahar	1	2010-11 (July 2014)	7.27	15	32 to 1292	3.65	0.00	3.65
10	JC (CC) CT Firozabad	1	2013-14 (March 2017)	1.90	15	1340	1.05	0.00	1.05
		1	2013-14 (January 2017)	3.07	15	1170 to 1311	1.56	0.03	1.53
11	DC Sec. 1 CT Ghaziabad	1	2013-14 (March 2017)	12.36	15	124 to 277	1.05	0.00	1.05
12	DC Sec. 7 CT Ghaziabad	1	2013-14 (March 2017)	10.37	15	1371	5.71	0.00	5.71
13	DC Sec. 12 CT Ghaziabad	1	2013-14 (August 2016)	50.71	15	39 to 68	1.06	0.00	1.06
14	DC Sec. 16 CT Ghaziabad	1	2012-13 (March 2016)	2.52	15	1368	1.41	0.06	1.35
15	JC (CC) CT Jhansi	1	2013-14 (March 2017)	9.15	15	457 to 918	3.23	0.00	3.23
16	JC (CC) II CT Kanpur	1	2013-14 (July 2016)	6.89	15	1030	2.92	0.00	2.92
17	DC Sec. 27 CT Kanpur	1	2013-14 (May 2016)	1.19	15	1013	0.50	0.00	0.50
		1	2012-13 (October 2015)	1.61	15	1143	0.76	0.00	0.76

(₹ in lakh)									
Sl. No.	Name of the unit	No. of dealers	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 the dealer	Interest short/not charged
18	DC Sec. 29 CT Kanpur	1	2010-11 (February 2016)	13.45	15	1232 to 1255	6.91	0.00	6.91
			2013-14 (September 2016)	4.14	15	1130	1.92	0.00	1.92
19	DC Sec. 5 CT Lucknow	1	2012-13 (June 2016)	2.17	15	1406	1.25	0.00	1.25
20	DC Sec. 5 CT Meerut	1	2013-14 (March 2017)	2.31	15	1253	1.19	0.00	1.19
21	DC Sec. 2 CT Shahjahanpur	1	2013-14 (March 2017)	6.36	15	1518	3.97	0.00	3.97
22	DC Sec. 3 CT Shahjahanpur	1	2013-14 (March 2017)	2.67	15	1346	1.48	0.00	1.48
		1	2013-14 (November 2016)	2.27	15	1507	1.41	0.00	1.41
23	AC Sec. 2 CT Sultanpur	1	2009-10 (December 2016)	1.00	15	2610	1.07	0.00	1.07
24	JC (CC) I CT Varanasi	1	2013-14 (December 2016)	3.27	15	1218	1.64	0.00	1.64
25	DC Sec. 12 CT Varanasi	1	2012-13 (February 2016)	12.92	15	267 to 1559	3.74	2.61	1.13
Total		28		555.98			260.19	4.02	256.17

Source: Information available on the basis of Audit findings.

APPENDIX-X
Concealment of turnover
(Reference Para No. 3.7.1)

(₹ in lakh)							
Sl. No.	Name of the unit	No. of dealers	Assessment year (month & year of assessment)	Name of the goods	Concealed turnover	Tax levied on concealed turnover	Penalty leviable
1	DC Sec. 9 Agra	1	2013-14 (August 2015)	Sweet, <i>namkeen</i> and coldrink etc.	6.50	0.51	1.53
2	DC Sec. 11 Agra	1	2011-12 (March 2015)	Acrylic solid surface sheet, furniture	6.00	0.81	2.43
3	DC Sec. 12 Agra	1	2013-14 (June-2014)	Sweet, <i>namkeen</i> and confectionary	10.00	0.86	2.58
4	DC Sec. 13 Agra	1	2012-13 (March 2017)		23.00	1.15	3.45
5	DC Sec. 19 Agra	1	2013-14 (August 2015)	Footwear	70.00	8.72	26.16
6	JC (CC) CT Aligarh	1	2013-14 (October 2016)	M S ingot	12.00	0.48	1.44
7	DC Sec. 1 Aligarh	1	2011-12 (April 2015)	Iron and steel	29.00	0.74	2.22
8	DC Sec. 9 Aligarh	1	2012-13 (February 2015)	General store goods, bidi and gutka	7.00	0.62	1.86
		1	2013-14 (June 2015)	Sweets and <i>namkeen</i>	48.00	2.40	7.20
9	DC Sec. 5 Allahabad	1	2013-14 (July 2015)	Electronic goods	4.00	0.56	1.68
10	DC Sec. 1 Ambedkarnagar	1	2013-14 (November 2016)	Rice and rice bran	14.00	0.58	1.74
		1	2014-15 (September 2016)	Cement, Iron Steel	18.65	0.92	2.76
11	DC Sec. 1 Amroha	1	2012-13 (February 2015)	Iron steel, PVC pipe	32.50	1.11	3.33
12	AC Sec. Nanpara Bahraich	1	2013-14 (November 2015)	Sugar	40.00	0.80	2.40
13	DC Sec. 4 Barabanki	1	2011-12 (April 2013)	Wheat	8.40	0.34	1.02
14	DC Sec. 1 Bijnore	1	2011-12 (March 2015)	Cement	2.55	0.40	1.20
		1	2013-14 (February 2016)	<i>Saria</i> and cement	3.70	0.44	1.32
15	DC Sec. Gulawati Bulandshahar	1	2013-14 (June 2014)	Vegetable ghee, refined oil	15.00	0.75	2.25
16	AC Sec. 3 Chandauli	1	2009-10 (October 2016)	Rice and rice bran	31.00	1.25	3.75
17	DC Sec. 1 Chandausi	1	2013-14 (February 2015)	Menthol, D.M.O.	22.00	1.10	3.30
		1	2013-14 (October 2016)	Cement, <i>Saria</i> , bricks and sand	1.67	0.44	1.32
18	JC(CC) II CT Ghaziabad	1	2013-14 (November 2016)	Craft paper	6.00	0.30	0.90
19	DC Sec. 8 Ghaziabad	1	2013-14 (February 2017)	Sweet, <i>namkeen</i> , cashew and pista.	30.00	2.40	7.20

(₹ in lakh)							
Sl. No.	Name of the unit	No. of dealers	Assessment year (month & year of assessment)	Name of the goods	Concealed turnover	Tax levied on concealed turnover	Penalty leviable
20	DC Sec. 11 Ghaziabad	1	2013-14 (June 2015)	Plastic chair	18.00	2.52	7.56
21	DC Sec. 15 Ghaziabad	1	2011-12 (February 2017)	Metal scrap	13.32	0.67	2.01
22	DC Sec. 17 Ghaziabad	1	2011-12 (September 2015)	Iron and steel	26.00	0.65	1.95
23	JC (CC) CT Gorakhpur	1	2014-15 (June 2016)	Gold, silver and diamond	200.00	2.00	6.00
24	DC Sec. 1 Gorakhpur	1	2013-14 (November 2015)	Tea, coffee	20.00	1.18	3.54
25	DC Sec. 3 Gorakhpur	1	2013-14 (March 2016)	Rice and rice bran	15.00	0.61	1.83
26	AC Sec. 7 Gorakhpur	1	2008-09 (June 2016)	Wheat and rice	4.30	0.17	0.51
27	AC Sec. 6 Jaunpur	1	2013-14 (August 2015)	Cement	4.00	0.62	1.86
28	DC Sec. 2 Kannauj	1	2010-11 (June 2014)	Food grains and oilseeds	10.20	0.41	1.23
		1	2011-12 (January 2014)	Plastic bottle	20.00	1.00	3.00
		1	2012-13 (May 2015)	Raw tobacco	8.00	0.40	1.20
		1	2013-14 (May 2015)	<i>Bidi</i>	8.00	1.12	3.36
29	DC Sec. 3 Kanpur	1	2013-14 (January 2017)	Steel rack	8.20	1.15	3.45
		1	2014-15 (April 2016)	Sweets, namkeen, cold drink, confectionery	33.00	1.92	5.76
30	DC Sec. 8 Kanpur	1	2011-12 (February 2015)	Turmeric	22.00	1.10	3.30
31	DC Sec. 15 Kanpur	1	2013-14 (November 2015)	Readymade garments	12.00	0.60	1.80
32	DC Sec. 16 Kanpur	1	2011-12 (June 2015)	<i>Namkeen</i> and sweet	1.00	0.07	0.21
33	DC Sec. 20 Kanpur	1	2009-10 (February 2014)		16.39	2.12	6.36
34	DC Sec. 27 Kanpur	1	2012-13 (August 2016)	Paper	26.72	1.34	4.02
35	DC Sec. 28 Kanpur	1	2014-15 (June 2016)	Tyre and tubes	15.00	2.33	6.99
36	AC Sec. 1 Kanshiram Nagar (Kasganj)	1	2013-14 (February 2017)	Pavers, bricks	5.68	0.79	2.37
37	DC Sec. 2 Kanshiram Nagar (Kasganj)	1	2013-14 (July 2014)	Sweet, Juice, fast food and cold drink etc.	3.00	0.20	0.60
		1	2015-16 (August 2016)	Sweet, Juice, fast food and cold drink etc.	1.91	0.18	0.54
38	AC Sec. 1 Khatauli	1	2013-14 (February 2015)	Sweets, tea, <i>namkeen</i> , cold drink and biscuit	8.50	0.52	1.56
39	DC Sec. 3 Lakhimpur Kheri	1	2012-13 (June 2016)	<i>Gutkha</i> , beetelnuts	4.69	1.78	5.34

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(₹ in lakh)							
Sl. No.	Name of the unit	No. of dealers	Assessment year (month & year of assessment)	Name of the goods	Concealed turnover	Tax levied on concealed turnover	Penalty leviable
40	DC Sec. 1 Lalitpur	1	2013-14 (September 2016)	Iron steel	15.54	0.63	1.89
41	DC Sec. 2 Lalitpur	1	2011-12 (January 2015)	Building material	555.04	27.60	82.80
42	JC (CC) I CT Lucknow	1	2013-14 (June 2016)	Medicine, food product	30.00	3.12	9.36
43	DC Sec. 1 Lucknow	1	2013-14 (August 2015)	Sweets, <i>namkeen</i> and cooked food	41.10	3.40	10.20
		1	2013-14 (August 2016)	Cooked food	2.50	0.35	1.05
44	DC Sec. 11 Lucknow	1	2013-14 (October 2016)	Hardware, ply etc.	6.00	0.66	1.98
45	DC Sec. 21 Lucknow	1	2009-10 (February 2016)	Mix concrete	42.07	5.68	17.04
		1	2010-11 (March 2014)	Electronic	9.36	1.26	3.78
46	DC Sec. 11 Meerut	1	2014-15 (June 2016)	Ceramic tiles	8.67	1.21	3.63
47	JC (CC) CT Moradabad	1	2014-15 (June 2016)	Brass scrap, GP sheet	23.00	1.09	3.27
48	DC Sec. 9 Noida	1	2012-13 (March 2016)	Iron steel, computer furniture and hardware	50.00	4.15	12.45
49	DC Sec. 13 Noida	1	2013-14 (March 2016)	Plain glass, toughend glass	10.00	1.40	4.20
		1	2014-15 (February 2016)	Plastic cabinet (TV parts)	105.14	5.26	15.78
50	DC Sec. 14 Noida	1	2009-10 (March 2017)	Structural steel tubes and empty bags of cement	29.00	3.51	10.53
		1	2013-14 (March 2017)	<i>Mitti</i> (mineral), iron scrap, <i>bardana</i> , other scrap, electrical goods and sanitary	55.00	3.45	10.35
51	DC Sec. 2 Pratapgarh	1	2007-08 (September 2012)	Bricks	7.26	0.91	2.73
52	DC Sec. 4 Saharanpur	1	2010-11 (March 2015)	Hand pump parts	10.00	0.50	1.50
53	DC Sec. 1 Shahjahanpur	1	2014-15 (November 2016)	Paint, PVC pipe & sariya	8.40	0.64	1.92
54	DC Sec. 3 Shahjahanpur	1	2011-12 (March 2014)	Bricks	26.11	1.31	3.93
55	AC Sec. 2 Sultanpur	1	2010-11 (June 2014)	Iron, <i>saria</i>	40.00	1.60	4.80
		1	2014-15 (June 2016)	Iron	11.50	0.46	1.38
56	AC Sec. 12 Varanasi	1	2013-14 (March 2016)	Cement, yarn etc.	12.00	0.59	1.77
Total		69			2043.57	121.91	365.73

Source: Information available on the basis of Audit findings.

APPENDIX-XI
Delayed deposit of admitted tax
(Reference Para No. 3.7.2)

(₹ in lakh)							
Sl. No.	Name of the unit	No. of dealers	Assessment year (month and year of assessment)	Amount of admitted tax	Period of delay (in days)	Penalty imposable	Interest leviable
1	DC Sec. 3 Agra	1	2013-14 (December 2016)	5.19	05 to 55	1.04	0.035
2	JC (CC) Aligarh	1	2013-14 (June 2016)	10.00	19	2.00	0.078
3	JC (CC) Allahabad	1	2014-15 (October 2016)	21.76	27	4.35	0.241
4	DC Sec. 12 Allahabad	1	2013-14 (September 2015)	8.28	278 to 887	1.66	2.885
5	DC Sec. 2 Auraiya	1	2013-14 (January 2017)	17.94	283 to 435	3.59	2.670
6	DC Sec. 2 Azamgarh	1	2010-11 (March 2014)	18.00	08 to 113	3.60	0.512
		1	2012-13 (March 2016)	3.96	160	0.79	0.260
		1	2013-14 (January 2017)	9.42	15 to 69	1.88	0.100
7	DC Sec. 5 Azamgarh	1	2010-11 (July 2016)	51.34	08	10.27	0.169
		1	2012-13 (July 2016)	69.07	06 to 1158	13.81	11.958
8	DC Sec. 4 Barabanki	1	2012-13 (April 2014)	6.25	07	1.25	0.018
9	DC Sec. 5 Bareilly	1	2012-13 (November 2015)	25.94	06 to 09	5.19	0.074
10	JC (CC) Firozabad	1	2013-14 (March 2017)	45.14	06 to 83	9.03	0.585
11	DC Sec. 1 Firozabad	1	2012-13 (March 2016)	4.15	19	0.83	0.032
		1	2013-14 (November 2016)	2.35	123	0.47	0.119
12	DC Sec. 2 G B Nagar	1	2013-14 (March 2017)	16.79	05 to 108	3.36	0.286
		1	2013-14 (September 2016)	25.94	09 to 24	5.19	0.143
		1	2013-14 (September 2016)	5.72	05	1.14	0.012
13	DC Sec. 3 G B Nagar	1	2013-14 (March 2017)	77.60	11 to 21	15.52	0.464
		1	2013-14 (August 2016)	6.12	07 to 09	1.23	0.019
14	JC (CC) II Ghaziabad	1	2013-14 (September 2016)	48.50	28	9.70	0.558
15	DC Sec. 1 Ghaziabad	1	2013-14 (March 2017)	12.36	124 to 277	2.47	1.051
16	DC Sec. 3 Ghaziabad	1	2013-14 (November 2016)	5.43	81 to 207	1.08	0.268
17	DC Sec. 4 Ghaziabad	1	2013-14 (December 2016)	7.94	20 to 29	1.59	0.084
18	DC Sec. 5 Ghaziabad	1	2012-13 (October 2015)	7.42	13	1.48	0.040
19	DC Sec. 11 Ghaziabad	1	2013-14 (March 2017)	21.13	15 to 350	4.23	1.487
		1	2014-15 (March 2017)	8.79	12 to 370	1.76	0.444
20	DC Sec. 12 Ghaziabad	1	2013-14 (August 2016)	50.71	39 to 68	10.14	1.060

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(₹ in lakh)							
Sl. No.	Name of the unit	No. of dealers	Assessment year (month and year of assessment)	Amount of admitted tax	Period of delay (in days)	Penalty imposable	Interest leviable
21	DC Sec. 16 Ghaziabad	1	2012-13 (March 2016)	5.32	06 to 38	1.06	0.044
		1	2012-13 (January 2016)	2.20	05 to 08	0.44	0.011
		1	2013-14 (September 2016)	7.13	15 to 86	1.43	0.153
22	DC Sec. 17 Ghaziabad	1	2013-14 (May 2016)	6.32	06	1.26	0.016
		1	2013-14 (February 2016)	7.44	07 to 44	1.49	0.072
23	DC Sec. 18 Ghaziabad	1	2013-14 (February 2017)	16.62	05 to 07	3.32	0.035
24	AC Sec. 7 Gorakhpur	1	2012-13 (February 2017)	8.72	06 to 11	1.74	0.030
25	AC Sec. 4 Jaunpur	1	2011-12 (April 2015)	5.61	16 to 80	1.12	0.105
26	JC (CC) II Kanpur	1	2013-14 (July 2016)	11.62	07 to 09	2.32	0.037
		1	2013-14 (September 2016)	116.60	07 to 08	23.32	0.370
27	DC Sec. 3 Kanpur	1	2013-14 (January 2017)	96.73	05 to 11	19.35	0.358
28	DC Sec. 6 Kanpur	1	2013-14 (August 2016)	7.32	22 to 72	1.46	0.126
29	DC Sec. 17 Kanpur	1	2013-14 (March 2017)	8.24	85	1.65	0.288
30	DC Sec. 20 Kanpur	1	2013-14 (November 2016)	21.02	05 to 12	4.20	0.070
31	DC Sec. 22 Kanpur	1	2013-14 (September 2016)	18.56	05 to 09	3.71	0.049
32	DC Sec. 24 Kanpur	1	2013-14 (October 2016)	9.36	06 to 07	1.87	0.026
33	DC Sec. 28 Kanpur	1	2009-10 (July 2016)	43.90	10 to 22	8.78	0.254
		1	2012-13 (August 2016)	32.20	05 to 12	6.44	0.121
34	DC Sec. 29 Kanpur	1	2010-11 (February 2016)	13.45	1232 to 1255	2.69	6.906
35	DC Sec. 1 Khatauli	1	2011-12 (March 2015)	19.00	74 to 110	3.80	0.746
36	JC (CC) II Lucknow	1	2013-14 (February 2017)	10.70	05 to 17	2.14	0.045
37	JC (CC) Oil Sector Lucknow	1	2013-14 (March 2017)	98.85	31	19.77	1.259
38	DC Sec. 8 Lucknow	1	2013-14 (January 2017)	16.50	05 to 07	3.30	0.038
39	DC Sec. 9 Lucknow	1	2013-14 (March 2017)	6.93	05 to 28	1.38	0.027
40	DC Sec. 11 Lucknow	1	2013-14 (November 2016)	6.01	06 to 08	1.20	0.018
41	DC Sec. 12 Lucknow	1	2013-14 (July 2016)	5.93	06 to 11	1.19	0.021
		1	2013-14 (September 2016)	5.00	08	1.00	0.014
42	DC Sec. 18 Lucknow	1	2013-14 (December 2016)	9.63	219	1.93	0.867
43	DC Sec. 10 Meerut	1	2013-14 (July 2016)	7.21	05	1.44	0.015

(₹ in lakh)							
Sl. No.	Name of the unit	No. of dealers	Assessment year (month and year of assessment)	Amount of admitted tax	Period of delay (in days)	Penalty imposable	Interest leviable
44	AC Sec. 11 Meerut	1	2011-12 (March 2015)	6.77	15 to 50	1.35	0.132
45	DC Sec. 12 Meerut	1	2013-14 (September 2016)	6.50	05	1.30	0.013
		1	2013-14 (November 2016)	48.94	08 to 514	9.79	2.710
46	DC Sec. 7 Noida	1	2013-14 (January 2017)	23.86	09 to 10	4.77	0.092
47	DC Sec. 8 Noida	1	2013-14 (August 2016)	6.11	05 to 119	1.22	0.096
48	DC Sec. 13 Noida	1	2012-13 (March 2016)	8.63	07 to 13	1.73	0.041
		1	2012-13 (December 2016)	14.79	09 to 213	2.96	0.262
		1	2013-14 (March 2017)	9.48	05 to 172	1.90	0.363
		1	2013-14 (September 2016)	6.64	20 to 38	1.33	0.082
49	DC Sec. 14 Noida	1	2012-13 (March 2016)	18.47	08 to 90	3.69	0.302
		1	2013-14 (March 2017)	13.67	07 to 105	2.73	0.305
		1	2013-14 (August 2017)	5.74	33	1.15	0.078
50	AC Sec. 2 Pratapgarh	1	2013-14 (March 2017)	24.00	06 to 221	4.80	0.899
51	DC Sec. 1 Santkabir Nagar	1	2013-14 (February 2016)	7.03	146 to 328	1.41	0.834
52	DC Sec. 2 Deoband Saharanpur	1	2012-13 (January 2017)	13.76	05	2.75	0.028
53	DC Sec. 1 Shahjahanpur	1	2013-14 (March 2017)	7.34	10 to 14	1.47	0.035
54	DC Sec. 2 Shahjahanpur	1	2012-13 (February 2016)	12.80	14 to 44	2.56	0.150
55	DC Sec. 3 Shahjahanpur	1	2013-14 (November 2016)	7.90	223 to 603	1.58	1.021
56	DC Sec. 1 Sultanpur	1	2014-15 (March 2017)	5.55	05 to 23	1.11	0.048
57	AC Sec. 2 Sultanpur	1	2013-14 (September 2016)	12.37	09	2.47	0.046
		1	2013-14 (January 2017)	5.97	12 to 104	1.20	0.043
58	JC (CC) I Varanasi	1	2008-09 (May 2012)	16.94	1365 to 1397	3.39	9.635
59	JC (CC) II Varanasi (at Sonebhadra)	1	2013-14 (March 2017)	8.86	10 to 50	1.77	0.127
		1	2013-14 (December 2016)	6.20	08 to 10	1.24	0.024
60	DC Sec. 14 Varanasi	1	2012-13 (March 2016)	4.80	07 to 28	0.96	0.016
			2013-14 (March 2017)	5.56	08 to 10	1.11	0.022
		1	2011-12 (February 2015)	5.26	50 to 77	1.05	0.129
Total		80		1531.30		306.24	55.306

Source: Information available on the basis of Audit findings.

APPENDIX-XII
Delay deposit of tax deducted at source
(Reference Para No. 3.7.3)

(₹ in lakh)							
Sl. No.	Name of the unit	No. of dealers	Assessment year (month and year of assessment)	Amount of tax	Period of delay (in days)	Penalty imposable	Interest leviable
1	DC Sec. 3 Agra	1	2013-14 (March 2017)	4.30	05 to 136	8.60	0.115
2	DC Sec. 13 Agra	1	2012-13 (April 2017)	37.39	06 to 10	74.78	0.150
3	DC Sec. 16 Agra	1	2013-14 (October 2016)	3.97	08	7.94	0.013
		1	2013-14 (November 2016)	57.60	08 to 09	115.20	0.197
4	DC Sec. 19 Agra	1	2011-12 (March 2015)	1.91	08 to 12	3.82	0.007
5	DC Sec. 1 Bijnore	1	2013-14 (March 2017)	2.59	09 to 39	5.18	0.025
		1	2013-14 (March 2017)	2.74	16	5.48	0.018
6	DC Sec. 9 Aligarh	1	2009-10 (March 2017)	16.46	10 to 138	32.92	0.668
			2008-09 (March 2017)	1.60	12	3.20	0.008
7	DC Sec. 3 Allahabad	1	2012-13 (June 2016)	2.69	16	5.38	0.017
8	DC Sec. 4 Allahabad	1	2010-11 (March 2016)	1.22	20	2.44	0.010
9	DC Sec. 12 Allahabad	1	2013-14 (March 2017)	2.79	09	5.58	0.010
10	DC Sec. 2 Amroha	1	2011-12 (March 2015)	0.59	08	1.18	0.002
11	DC Sec. 1 Auraiya	1	2008-09 (March 2017)	1.27	05 to 11	2.54	0.006
12	DC Sec. 3 Bareilly	1	2013-14 (March 2017)	2.35	13	4.70	0.013
13	AC Sec. 1 Etawah	1	2012-13 (March 2016)	4.00	17	8.00	0.028
14	DC Sec. 4 Ghaziabad	1	2013-14 (March 2017)	197.70	06 to 33	395.40	1.691
15	DC Sec. 8 Ghaziabad	1	2013-14 (February 2017)	4.23	24 to 26	8.46	0.045
		1	2011-12 (July 2014)	0.70	11	1.40	0.003
16	DC Sec. 11 Ghaziabad	1	2012-13 (December 2015)	2.22	08	4.44	0.007
			2013-14 (March 2017)	19.99	124	39.98	1.019
		1	2010-11 (December 2015)	1.98	06 to 91	3.96	0.007
		1	2013-14 (March 2017)	0.43	06 to 22	0.86	0.002
17	DC Sec. 12 Ghaziabad	1	2014-15 (August 2016)	24.41	15 to 319	48.82	0.967
			2013-14 (August 2016)	1.19	349	2.38	0.170
18	DC Sec. 18 Ghaziabad	1	2011-12 (April 2015)	3.00	26	6.00	0.032
		1	2012-13 (March 2016)	45.87	06 to 28	91.74	0.193
19	AC Sec. 2 Jaunpur	1	2010-11 (January 2014)	12.51	05 to 67	25.02	0.131
			2012-13 (March 2016)	3.31	20 to 266	6.62	0.096
20	DC Sec. 1 Kannauj	1	2013-14 (February 2017)	22.18	19	44.36	0.173
			2011-12 (February 2015)	14.69	06 to 39	29.38	0.064
			2012-13 (March 2016)	3.57	09 to 41	7.14	0.015
		1	2011-12 (February 2015)	5.86	09 to 10	11.72	0.022
			2012-13 (March 2016)	0.72	08	1.44	0.002
			2011-12 (May 2016)	1.82	11	3.64	0.008
21	JC (CC) II Kanpur	1	2013-14 (September 2016)	61.37	07 to 09	122.74	0.202
22	DC Sec 16 Kanpur	1	2013-14 (March 2017)	10.39	05 to 260	20.78	0.659
23	DC Sec 17 Kanpur	1	2012-13 (March 2016)	70.38	08 to 101	140.76	1.509
			2011-12 (January 2014)	4.33	05 to 10	8.66	0.010
		1	2013-14 (December 2016)	76.10	05 to 94	152.20	0.237
24	DC Sec 25 Kanpur	1	2013-14 (March 2017)	6.61	35 to 65	13.22	0.102

(₹ in lakh)							
Sl. No.	Name of the unit	No. of dealers	Assessment year (month and year of assessment)	Amount of tax	Period of delay (in days)	Penalty imposable	Interest leviable
25	AC Sec 1 Kanshiram Nagar (Kasganj)	1	2013-14 (March 2017)	2.31	06 to 232	4.62	0.045
26	DC Sec 1 Khatauli	1	2013-14 (March 2017)	8.91	15 to 223	17.82	0.138
27	DC Sec 1 Lalitpur	1	2013-14 (February 2017)	39.28	05 to 10	78.56	0.117
		1	2013-14 (February 2017)	5.53	06 to 29	11.06	0.048
28	DC Sec 3 Lucknow	1	2013-14 (March 2017)	11.63	05 to 10	23.26	0.039
		1	2013-14 (March 2017)	18.91	07 to 11	37.82	0.055
29	DC Sec 12 Lucknow	1	2011-12 (February 2015)	2.27	50	4.54	0.047
30	DC Sec 20 Lucknow	1	2013-14 (March 2017)	2.45	06 to 19	4.90	0.009
		1	2013-14 (March 2017)	0.91	12	1.82	0.004
31	DC Sec 5 Meerut	1	2013-14 (March 2017)	1.26	06 to 10	2.52	0.005
32	DC Sec 13 Meerut	1	2013-14 (March 2017)	1.52	10 to 29	3.04	0.007
33	DC Sec 3 Mirzapur	1	2009-10 (April 2013)	1.14	08 to 27	2.28	0.007
		1	2009-10 (September 2013)	20.84	11 to 113	41.68	0.512
		1	2009-10 (September 2013)	2.59	91	5.18	0.097
34	DC Sec 1 Moradabad	1	2013-14 (August 2016)	0.70	16 to 22	1.40	0.005
35	DC Sec 8 Moradabad	1	2012-13 (March 2016)	2.94	08 to 39	5.88	0.021
36	JC (CC) Muzaffarnagar	1	2013-14 (January 2017)	0.92	08	1.84	0.003
		1	2013-14 (February 2017)	16.40	07 to 11	32.80	0.062
37	JC (CC) Noida	1	2013-14 (March 2017)	40.81	25	81.62	0.436
38	DC Sec 3 Noida	1	2013-14 (October 2016)	19.00	35 to 142	38.00	0.816
		1	2012-13 (March 2016)	13.87	11 to 35	27.74	0.173
			2013-14 (September 2016)	3.37	29	6.74	0.040
		1	2013-14 (October 2016)	3.50	31	7.00	0.045
39	DC Sec. 13 Noida	1	2012-13 (March 2016)	4.33	07	8.66	0.012
		1	2013-14 (December 2016)	1.18	07	2.36	0.003
40	DC Sec 14 Noida	1	2012-13 (October 2015)	2.12	11	4.24	0.010
		1	2013-14 (March 2017)	59.12	07 to 154	118.24	1.703
41	DC Sec 2 Pilibhit	1	2011-12 (April 2015)	0.91	34	1.82	0.013
			2013-14 (March 2017)	0.59	54 to 85	1.18	0.017
42	DC Sec 5 Saharanpur	1	2013-14 (March 2017)	3.56	08 to 212	7.12	0.120
43	AC Shrawasti	1	2012-13 (March 2016)	0.56	05 to 16	1.12	0.003
44	DC Sec 1 Sultanpur	1	2010-11 (January 2014)	1.03	07	2.06	0.003
45	AC Sec 6 Varanasi	1	2012-13 (June 2016)	20.19	06	40.38	0.050
			2013-14 (September 2016)	139.57	05 to 07	279.14	0.299
		1	2013-14 (September 2016)	125.57	08 to 144	251.14	0.418
		1	2013-14 (December 2016)	10.02	05 to 13	20.04	0.032
46	DC Sec 10 Varanasi	1	2013-14 (March 2017)	8.10	31 to 123	16.20	0.188
47	DC Sec 17 Varanasi	1	2012-13 (March 2016)	2.00	06 to 07	4.00	0.005
		1	2012-13 (March 2016)	0.85	11	1.70	0.004
TOTAL		69		1339.79		2679.58	14.264

Source: Information available on the basis of Audit findings.

APPENDIX-XIII
Non forfeiture of amount wrongly realised by the dealers as tax
(Reference Para No. 3.8)

(₹ in Lakh)				
Sl. No	Name of the unit	Number of dealers	Assessment year (month and year of assessment)	Excess charged tax
1	JC (CC) Range B CT GB Nagar	1	2013-14 (September 2016)	138.75
2	DC Sec. 2 Kanpur	1	2014-15 (January 2017)	293.55
3	DC Sec. 16 Kanpur	1	2013-14 (November 2016)	0.88
4	DC Sec. 3 Lakhimpur Kheri	1	2013-14 (June 2016)	16.67
5	DC Sec. 1 Lalitpur	1	2013-14 (February 2017)	2.77
		1	2011-12 (April 2015)	2.17
6	DC Sec. 1 Noida	1	2013-14 (January 2017)	5.33
7	DC Sec. 2 Pilibhit	1	2013-14 (August 2016)	0.67
8	DC Sec. 3 Sultanpur	1	2013-14 (March 2017)	0.53
Total		9		461.32

Source: Information available on the basis of Audit findings.

APPENDIX-XIV
Penalty not imposed on overloaded goods vehicles under the Carriage by Road Act
(Reference Para No.4.3)

(Amount in ₹)									
Sl. No.	Name of unit		No of vehicles seized by RTO/ARTO in respect to over load	No of seized vehicles file checked by audit party	No of vehicles in which objection found	Period of penalty imposed	Penalty imposed as per MVT Act	Penalty imposed as per CBR Act	Amount due as per CBR Act
1	ARTO	Ambedkar Nagar	762	115	24	10/16 to 03/17	433000	0	433000
2	ARTO	Amroha	2230	500	22	04/16 to 04/17	461000	0	461000
3	ARTO	Auraiya	5108	150	08	09/16 to 11/17	189000	0	189000
4	ARTO	Bahraich	1250	500	15	11/16 to 05/17	333000	0	333000
5	ARTO	Ballia	1471	155	03	Apr-16	83000	0	83000
6	RTO	Banda	2784	105	26	05/16 to 12/17	539000	0	539000
7	ARTO	Barabanki	2500	360	07	07/16 to 12/16	332000	0	332000
8	ARTO	Bijnore	1108	145	09	12/16 to 04/17	117000	0	117000
9	ARTO	Bulandshahar	1240	16	16	12/16 to 08/17	283000	0	283000
10	ARTO	Etah	4117	318	15	12/15 to 04/17	382000	0	382000
11	RTO	Faizabad	450	157	05	07/16 to 09/16	166000	0	166000
12	ARTO	Fathepur	1960	400	26	09/16 to 12/16	713000	0	713000
13	RTO	Ghaziabad	20292	543	35	02/16 to 04/16	628000	0	628000
14	ARTO	Gonda	1130	500	18	10/16 to 04/17	359000	0	359000
15	RTO	Gorakhpur	1250	231	21	Oct-16	197000	0	197000
16	ARTO	Hamirpur	4090	500	30	12/16 to 01/17	895000	0	895000
17	ARTO	Hapur	5100	100	03	Sept-16	101000	0	101000
18	ARTO	Hardoi	1025	165	20	01/17 to 09/17	667000	0	667000
19	ARTO	Jalaun	2497	168	18	04/16 to 05/16	701000	0	701000

(Amount in ₹)									
Sl. No.	Name of unit		No of vehicles seized by RTO/ARTO in respect to over load	No of seized vehicles file checked by audit party	No of vehicles in which objection found	Period of penalty imposed	Penalty imposed as per MVT Act	Penalty imposed as per CBR Act	Amount due as per CBR Act
20	ARTO	Jaunpur	1273	300	18	03/17 to 04/17	165000	0	165000
21	RTO	Jhansi	8671	267	24	10/16 to 01/17	731000	0	731000
22	ARTO	Kannauj	404	112	11	02/17 to 03/17	160000	0	160000
23	ARTO	Kanpur Dehat	7414	366	09	08/16 to 03/17	251000	0	251000
24	RTO	Kanpur Nagar	7414	366	29	10/16 to 04/17	807000	0	807000
25	ARTO	Kaushambi	5441	346	12	05/16 to 12/16	283000	0	283000
26	ARTO	Kushinagar	3257	292	25	10/16 to 08/17	429000	0	429000
27	ARTO	Lakhimpur Kheri	1759	500	21	12/16 to 01/17	425000	0	425000
28	ARTO	Lalitpur	964	66	05	02/17 to 06/17	163000	0	163000
29	RTO	Lucknow	10037	1500	57	01/16 to 06/17	1339000	0	1339000
30	ARTO	M.Nagar	1875	400	22	01/17 to 06/17	517000	0	517000
31	ARTO	Mahoba	340	16	16	03/16 to 03/17	356000	0	356000
32	ARTO	Mahrajanj	317	12	09	03/17 to 05/17	118000	0	118000
33	ARTO	Mainpuri	635	150	07	Jul-17	149000	0	149000
34	ARTO	Mathura	1235	340	50	01/16 to 09/17	1386000	0	1386000
35	ARTO	Mau	10323	112	10	03/16 to 04/17	177000	0	177000
36	RTO	Meerut	1240	18	18	03/17 to 11/17	299000	0	299000
37	RTO	Mirzapur	12678	275	26	02/16 to 03/16	900000	0	900000
38	RTO	Moradabad	1240	19	05	04/17 to 11/17	143000	0	143000
39	ARTO	Pilibhit	1160	26	25	12/16 to 09/17	553000	0	553000
40	ARTO	Pratapgarh	1050	400	25	01/17 to 06/17	583000	0	583000

(Amount in ₹)									
Sl. No.	Name of unit		No of vehicles seized by RTO/ARTO in respect to over load	No of seized vehicles file checked by audit party	No of vehicles in which objection found	Period of penalty imposed	Penalty imposed as per MVT Act	Penalty imposed as per CBR Act	Amount due as per CBR Act
41	ARTO	Raibareilly	10978	439	28	11/16 to 02/17	938000	0	938000
42	ARTO	Rampur	1956	500	14	03/17 to 04/17	420000	0	420000
43	ARTO	Santkabirnagar	746	186	14	09/16 to 10/17	273000	0	273000
44	ARTO	Shamli	2500	325	41	11/16 to 02/17	1103000	0	1103000
45	ARTO	Shravasti	385	45	16	02/16 to 04/17	223000	0	223000
46	ARTO	Siddharthnagar	1899	164	09	04/17 to 06/17	137000	0	137000
47	ARTO	Sonebhadra	1850	300	19	10/16 to 12/16	496000	0	496000
48	ARTO	Sant Ravidas Nagar	790	07	01	Dec-16	39000	0	39000
49	ARTO	Sultanpur	3506	311	14	10/16 to 05/17	334000	0	334000
50	ARTO	Unnao	480	110	12	03/17 to 05/17	114000	0	114000
TOTAL			164181	13398	913		21590000		21590000

Source: Information available on the basis of Audit findings.

APPENDIX-XV
Residential land valued at agricultural rate
(Reference Para No.4.8)

(Amount in ₹)																		
Sl. No.	Name of unit (Sub Registrar-SR)	Name of district	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 thousand 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	Levied stamp duty and registration fee	Difference
1	Kiravali	Agra	10378/ 20.10.16	4305/ 04.05.16	459/2	575	863000	6500	3737500	3738000	5	186900	20000	206900	43150	17260	60410	146490
2	Sadar I		4360/ 22.12.16	2396/ 29.06.16	1220	2155	7758000	10000	21550000	21550000	7	1508500	20000	1528500	543100	20000	563100	965400
3	Sadar III		3878/ 16.05.16	2785/ 23.03.15	720	5934	10700000	6000	35604000	35604000	7	2492280	20000	2512280	1240500	20000	1260500	1251780
			1598/ 24.02.16	11489/ 02.12.15	469	1313	1313000	7000	9191000	9191000	7	643370	20000	663370	92000	20000	112000	551370
			1180/ 10.02.16	12012/ 28.12.15	734	2112	2535000	3000	6336000	6336000	6 & 7	433520	20000	453520	167500	20000	187500	266020
4	Sadar V		495/ 17.03.17	258/ 08.02.17	477	2520	756000	6500	16380000	16380000	7	1146600	20000	1166600	53000	15120	68120	1098480
5	Gabhana	Aligarh	862/ 08.03.17	3276/ 22.05.15	293/3	4000	1400000	1800	7200000	7200000	7	504000	20000	524000	98100	20000	118100	405900
6	Sadar I		5973/ 24.06.16	10687/ 18.11.15	139 fe0	4030	7545000	4500	18135000	18135000	7	1269450	20000	1289450	528500	20000	548500	740950
			3973/ 07.07.17	1239/ 04.02.16	190 fe0	4651	15258000	4500	20929500	20930000	7	1465100	20000	1485100	1068200	20000	1088200	396900
			3694/ 28.06.17	10687/ 18.11.15	139 fe0	1690	2535000	4500	7605000	7605000	6 & 7	522350	20000	542350	168000	20000	188000	354350
			378/ 02.02.17	10198/ 25.11.16	139 fe0	1210	1815000	4500	5445000	5445000	6 & 7	371150	20000	391150	117500	20000	137500	253650
7	Soranv	Allahabad	6053/ 30.10.17	2515/ 04.05.17	73	2008	928000	5700	11445600	11446000	7	801220	20000	821220	65000	18500	83500	737720
8	Koranv		214/ 22.01.15	1922/ 17.06.14	1412	4180	138000	7000	29260000	29260000	5	1463000	10000	1473000	69000	10000	79000	1394000
			1801/ 02.08.17	1177/ 20.05.15	279	2786	120000	10200	28417200	28418000	5	1420900	20000	1440900	60000	20000	80000	1360900

(Amount in ₹)																		
Sl. No.	Name of unit (Sub Registrar-SR)	Name of district	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 thousand 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	Levied stamp duty and registration fee	Difference
			740/ 31.03.17	739/ 31.03.17	370mi	4517	1248000	5500	24843500	24844000	5	1242200	20000	1262200	62500	20000	82500	1179700
			2419/ 01.11.17	1922/ 17.06.14	1412	2070	768000	8800	18216000	18216000	5	910800	20000	930800	38500	15360	53860	876940
9	Bhiti	Ambedkar nagar	811/ 11.07.17	1762/ 21.11.15	4mi	2530	1468000	3200	8096000	8096000	4 & 5	394800	20000	414800	63500	20000	83500	331300
			1671/ 07.11.16	1644/ 02.11.16	61/2mi	2430	3111000	5100	12393000	12393000	5	619650	20000	639650	155550	20000	175550	464100
10	Alapur		2308/ 18.06.16	1256/ 21.03.16	371	1180	1228000	4600	5428000	5428000	5	271400	20000	291400	61410	20000	81410	209990
			2149/ 08.06.16	1532/ 18.04.16	37 mi	950	7960000	2400	2280000	2280000	4 & 5	104000	20000	124000	31850	15920	47770	76230
11	Akberpur		3818/ 29.07.16	3768/ 28.07.16	1876	630	429000	5500	3465000	3465000	4 & 5	163250	20000	183250	25750	8580	34330	148920
			402/ 25.01.16	349/ 22.01.16	1865	656	1516000	8000	5248000	5248000	6 & 7	357360	20000	377360	96120	20000	116120	261240
12	Musaphir khana	Amethi	5229/ 19.09.16	2982/ 19.05.16	159	670	740000	5000	3350000	3350000	4 & 5	157500	20000	177500	30000	14800	44800	132700
13	Tilohi		510/ 23.02.17	3683/ 10.09.15	296 Mi	890	663000	5500	4895000	4895000	5	244750	20000	264750	33200	13260	46460	218290
			940/ 04.03.16	3516/ 05.09.14	776 Mi	760	1940000	14000	10640000	10640000	4 & 5	493200	20000	513200	87700	20000	107700	405500
			4236/ 11.11.14	740/ 25.02.14	8259	935	1636000	9000	8415000	8415000	5	420750	10000	430750	81800	10000	91800	338950
			1940/ 18.05.16	4471/ 20.11.14	208	1015	551000	4500	4567500	4568000	4 & 5	218400	20000	238400	22050	11020	33070	205330
14	Dhanuara	Amroha	3053/ 29.04.17	130/ 04.01.16	2064	1370	1268000	5000	6850000	6850000	7	479500	20000	499500	88900	20000	108900	390600
			4295/ 12.06.17	14690/ 03.11.16	176	791	401000	3700	2926700	2927000	5	146350	20000	166350	22100	8020	30120	136230
			6250/ 24.08.17	3930/ 31.05.17	293	1350	1215000	2900	3915000	3915000	4 & 5	185750	20000	205750	50750	20000	70750	135000

Audit Report (Revenue Sector) for the year ended 31 March 2018

(Amount in ₹)																		
Sl. No.	Name of unit (Sub Registrar-SR)	Name of district	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 thousand 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	Levied stamp duty and registration fee	Difference
15	Hasanpur		1132/ 25.01.18	43/ 02.01.18	426mi	1270	883000	4200	5334000	5334000	7	373380	20000	393380	62000	17660	79660	313720
16	Phoolpur	Azamgarh	3437/ 01.08.16	741/ 17.02.16	169	1255.5	750000	7938	9966159	9967000	5	498350	20000	518350	37500	15000	52500	465850
17	Bansdeeh	Ballia	1888/ 12.08.16	1335/ 15.06.16	197	1850	555000	2700	4995000	4995000	4 & 5	239750	20000	259750	22200	11100	33300	226450
18	Utraula	Balrampur	3346/ 13.6.16	1536/ 22.03.16	1731mi	4300	1120000	3500	15050000	15050000	5	752500	20000	772500	56020	20000	76020	696480
19	Tulsipur		1306/ 10.03.17	5268/ 22.05.15	579mi	610	223000	7000	4270000	4270000	5	213500	20000	233500	11150	4460	15610	217890
			6255/ 01.08.16	5268/ 22.05.15	579mi	810	2822000	7000	5670000	5670000	5	283500	20000	303500	141000	20000	161000	142500
			76/ 09.01.17	5268/ 22.05.15	579mi	400	146000	7000	2800000	2800000	4 & 5	130000	20000	150000	5850	2920	8770	141230
20	Sadar		7279/ 03.11.16	5977/ 02.09.16	937	6600	8136000	12000	79200000	79200000	5	3960000	20000	3980000	407000	20000	427000	3553000
			2507/ 27.04.16	6332/ 18.09.15	47	850	340000	9500	8075000	8075000	5	403750	20000	423750	17000	6800	23800	399950
			7633/ 28.11.15	5962/ 04.09.14	171	460	138000	3900	1794000	1794000	5	89700	10000	99700	6900	1380	8280	91420
21	Sirauli Gauspur	Barabanki	3683/ 20.09.16	3536/ 06.09.16	1363k	1020	1789000	7800	7956000	7956000	4 & 5	387800	20000	407800	79500	20000	99500	308300
			4920/ 22.12.15	4298/ 26.10.15	682	1260	2624000	5000	6300000	6300000	4 & 5	305000	20000	325000	121500	20000	141500	183500
22	Ramsanehi ghat		966/ 23.02.16	1182/ 27.02.15	945 Mi	2010	4115000	15000	30150000	30150000	4 & 5	1497500	20000	1517500	196000	20000	216000	1301500
			2917/ 01.06.15	1182/ 27.02.15	945 Mi	2010	4115000	11000	22110000	22110000	4 & 5	1095500	20000	1115500	196000	20000	216000	899500
23	Sadar		7603/ 24.04.15	4477/ 10.3.15	408	553	830000	5000	2765000	2765000	7	193550	10000	203550	58200	10000	68200	135350
24	Faridpur	Bareilly	5126/ 02.08.17 4770/ 09.08.17	9591/ 24.10.16	600mi/2	2525	910000	1150	2903750	2903800	5	145190	40000	185190	44500	18200	62700	122490

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25	Rudhauri	Basti	256/ 15.02.17	115/ 28.01.16	7mi	1770	1647000	4300	7611000	7611000	4 & 5	370550	20000	390550	72350	20000	92350	298200
26	Sadar	Bhadohi	389/ 25.02.17	1026/ 26.04.16	7mi	570	779000	4000	2280000	2280000	7	159600	20000	179600	54550	15580	70130	109470
27	Gyanpur		1677/ 27.06.16	1253/ 17.05.16	04	2450	4900000	4000	9800000	9800000	4 & 5	480000	20000	500000	235000	20000	255000	245000
			1505/ 09.06.16	963/ 20.04.16	301	1430	1430000	4000	5720000	5720000	5	286000	20000	306000	71500	20000	91500	214500
			2805/ 04.11.16	1918/ 08.06.15	188	1260	1260000	4000	5040000	5040000	4 & 5	242000	20000	262000	53000	20000	73000	189000
28	Chandpur	Bijnore	683/ 27.01.17	15294/ 06.10.16 & 15296/ 06.10.16	57	1260	1764000	4800	6048000	6048000	4 & 5	292400	20000	312400	88200	20000	108200	204200
			11799/ 31.10.17	5721/ 05.06.16 & 5722/ 05.06.16	548	500	270000	3000	1500000	1500000	5	75000	20000	95000	13500	5400	18900	76100
29	Sikandrabad	Buland Shahar	4576/ 26.07.17	1684/ 27.03.17	316	1265	967000	3300	4174500	4175000	4 & 5	198750	20000	218750	38700	19340	58040	160710
			7578/ 25.11.17	7362/ 12.9.16 & 7131/ 15.09.16	847	1049	3986200	12500	13112500	13113000	7	917910	20000	937910	279200	20000	299200	638710
30	Sadar II		4461/ 30.08.16	3579/ 07.07.17	478	1914	2584000	5000	9570000	9570000	6 & 7	659900	20000	679900	181000	20000	201000	478900
		1701/ 31.03.17	1201/ 08.10.16	485	632	2276000	14000	8848000	8848000	7	619360	20000	639360	159500	20000	179500	459860	
		2883/ 03.06.17	2496/ 17.05.17	692	3373	3036000	2500	8432500	8433000	6 & 7	580310	20000	600310	202600	20000	222600	377710	
31	Chakiya	Chandauli	4154/ 23.11.15	356/ 29.01.15	450	885	390000	4500	3982500	3983000	7	278810	20000	298810	27300	7800	35100	263710

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32	Sakaldiha		1127/ 24.03.17	985/ 16.03.17	160	1760	852000	3200	5632000	5632000	4 & 5	271600	20000	291600	34100	17040	51140	240460
			5524/ 20.12.16	4511/ 06.10.16	180	1760	968000	3700	6512000	6512000	7	455840	20000	475840	68000	19500	87500	388340
			4868/ 05.11.16	4785/ 29.10.16	312	945	333040	3000	2835000	2835000	4 & 5	131750	20000	151750	13320	6660	19980	131770
33	Rudrapur	Deoria	1770/ 05.08.17	168/ 06.02.17	253	1820	2630000	6237	11351340	11351400	4 & 5	507570	20000	527570	121500	20000	141500	386070
34	Salempur		933/ 10.03.16	460/ 09.02.16	699	1030	153500	8600	8858000	8858000	6 & 7	610060	20000	630060	153500	20000	173500	456560
			3773/ 25.10.16	3759/ 24.10.16	60	1020	1020000	5760	5875200	5875200	5	293760	20000	313760	51000	20000	71000	242760
35	Bharthana	Etawah	3916/ 05.08.17	3266/ 18.05.16	97	1000	840000	7000	7000000	7000000	6 & 7	480000	20000	500000	50450	16800	67250	432750
36	Sadar	Farrukhabad	10638/ 10.11.17	10412/ 08.11.17	321	1620	250000	1100	1782000	1782000	7	124740	20000	144740	17500	5000	22500	122240
37	Amritpur		2839/ 26.08.16	201/ 14.01.16	43	810	235000	4000	3240000	3240000	4 & 5	152000	20000	172000	9400	4700	14100	157900
38	Khaga	Fatehpur	5218/ 26.10.17	2343/ 23.05.17	111	1620	778000	5300	8586000	8586000	5	429300	20000	449300	38900	15560	54460	394840
			7294/ 28.10.16	7025/ 20.10.16	2264	1210	600000	4800	5808000	5808000	4 & 5	280400	20000	300400	24000	12000	36000	264400
			1165/ 21.03.17	608/ 14.02.17	147	1168	211000	2750	3212000	3212000	5	160600	20000	180600	10550	4220	14770	165830
39	Sadar I	Firozabad	2118/ 21.04.17	249/ 01.08.16	337	1150	1495000	5000	5750000	5750000	7	402500	20000	422500	105000	20000	125000	297500
			8256/ 30.12.17	8077/ 26.12.17	131	632	1506000	5900	3728800	3729000	7	261030	20000	281030	105450	20000	125450	155580
			5339/ 30.06.16	5042/ 09.06.16	27	2043	1635000	3500	7150500	7151000	7	500570	20000	520570	114500	20000	134500	386070
40	Sadar II		278/ 08.02.17	2003/ 05.05.16	413	1323.3	1390000	3000	3969900	3969900	7	277893	20000	297893	97500	20000	117500	180393
			3677/ 11.08.16	3315/ 26.07.16	13	2060	2164000	2500	5150000	5150000	7	360500	20000	380500	151500	20000	171500	209000

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41	Sadar II		3157/ 21.07.16	4699/ 17.11.16	139& 142	2080	1997000	2500	5200000	5200000	7	364000	20000	384000	140000	20000	160000	224000
			2977/ 29.06.16	4699/ 17.11.16	139& 142	2010	1930000	2500	5025000	5025000	7	351750	20000	371750	135100	20000	155100	216650
42	Tundala		3160/ 19.07.17	5099/ 27.08.16	33Mi	3460	3287000	4500	15570000	15570000	7	1089900	20000	1109900	230100	20000	250100	859800
			3710/ 24.08.17	4084/ 06.07.16	33/1	1750	700000	2200	3850000	3850000	7	269500	20000	289500	49000	14000	63000	226500
			5184/ 05.12.17	5100/ 27.08.16	33Mi	4610	5071000	5000	23050000	23050000	7	1613500	20000	1633500	350000	20000	370000	1263500
			4212/ 25.09.17	3812/ 30.08.17	124/1	2118	2755000	8000	16944000	16944000	7	1186080	20000	1206080	193500	20000	213500	992580
			4800/ 21.11.17	5954/ 14.10.16	144	2191	2411000	5000	10955000	10955000	6 & 7	756850	20000	776850	159000	20000	179000	597850
			3388/ 31.07.17	5099/ 27.08.16	33mi	4610	4380000	4500	20745000	20745000	7	1452150	20000	1472150	307000	20000	327000	1145150
			2163/ 30.05.17	1493/ 21.04.17	134	1580	870000	3800	6004000	6004000	5	300200	20000	320200	43500	17400	60900	259300
			43	Jasarana		6202/ 30.07.16	2336/ 19.03.16	200	1410	536000	5300	7473000	7473000	5	373650	20000	393650	11700
802/ 28.02.17	3864/ 20.05.16	2606				570	240000	10000	5700000	5700000	4 & 5	275000	20000	295000	11700	5820	17520	277480
1971/ 01.05.17	1605/ 13.04.17	134				810	454000	5000	4050000	4050000	5	202500	20000	222500	22700	9080	31780	190720
44	Sadar I	G B Nagar	11064/ 11.07.16	943/ 23.02.15	548m,55 1, 552,553	5058	13355000	13000	65754000	65754000	5	3287700	20000	3307700	668000	20000	688000	2619700
			10293/ 21.06.16	943/ 23.02.15	548m,55 1, 552,553	5058	13355000	13000	65754000	65754000	5	3287700	20000	3307700	668000	20000	688000	2619700
45	Greter Noida		18190/ 05.07.16	4129/ 04.03.16	638	843	1124000	6500	5479500	5480000	5	274000	20000	294000	56250	20000	76250	217750
			20765/ 29.07.16	748/ 12.01.15	40	794	1009000	5600	4446400	4447000	4 & 5	212350	20000	232350	40500	20000	60500	171850

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			15258/07.06.16	5185/16.03.16	40,44,&56	843	675000	4500	3793500	3794000	5	189700	20000	209700	33800	13500	47300	162400
46	Dadri,Noida		6753/22.04.16	2081/05.02.16	283 Mi	1854	3709000	6000	11124000	11124000	5	556200	20000	576200	185500	20000	205500	370700
			5829/06.04.16	2174/08.02.16	581	665	1330000	8000	5320000	5320000	5	266000	20000	286000	66500	20000	86500	199500
			15110/20.09.16	6146/12.04.16	372	836	1672000	6000	5016000	5016000	5	250800	20000	270800	83600	20000	103600	167200
47	Sadar II	Ghaziabad	4522/28.04.16	3790/07.04.16	43mi	1260	4410000	8000	10080000	10080000	7	705600	20000	725600	308700	20000	328700	396900
48	Sadar III		1627/03.03.16	2387/31.03.15	1154Ka	717	1341000	5000	3585000	3585000	7	250950	20000	270950	94000	20000	114000	156950
			9258/08.12.15	6327/17.08.15	881	920.66	760000	4000	3682640	3683000	6 & 7	247810	20000	267810	45600	15200	60800	207010
			9667/28.12.15	6705/28.08.15	968	505	723000	5000	2525000	2525000	7	176750	20000	196750	50700	14460	65160	131590
49	Sadar IV		3844/02.03.16	3813/02.03.16	1563	9349	34461000	9000	84141000	84141000	7	5889870	20000	5909870	2412300	20000	2432300	3477570
50	Sadar V		4310/29.07.16	3863/18.07.16	520	1265	2505000	7000	8855000	8855000	7	619850	20000	639850	175500	20000	195500	444350
			4309/29.07.16	3863/18.07.16	520	1265	2505000	7000	8855000	8855000	7	619850	20000	639850	175500	20000	195500	444350
			2948/10.06.16	2846/07.06.16	513	1020	2020000	7000	7140000	7140000	7	499800	20000	519800	141500	20000	161500	358300
			4311/29.07.16	2380/13.05.16	354	1256	2487000	7000	8792000	8792000	7	615440	20000	635440	174200	20000	194200	441240
51	Sadar	Ghaziipur	780/31.01.17	5111/27.09.16	1660	3140	3140000	6500	20410000	20410000	4 & 5	1010500	20000	1030500	147000	20000	167000	863500
			1858/20.03.17	361/27.01.16	64	1200	3240000	7500	9000000	9000000	5	450000	20000	470000	162000	20000	182000	288000
			1860/20.04.16	741/11.02.16	36/1,36/2	720	2520000	9000	6480000	6480000	6 & 7	443600	20000	463600	166500	20000	186500	277100
			2094/01.04.17	2046/31.03.17	66	760	1368000	6500	4940000	4940000	5	247000	20000	267000	68500	20000	88500	178500

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			2694/ 15.05.17	2620/ 06.05.17	111	1101	6590000	8500	9358500	9358500	5	467925	20000	487925	329500	20000	349500	138425
			4686/ 09.09.16	4158/ 12.08.16	118	845	676000	3200	2704000	2704000	5	135200	20000	155200	33800	13520	47320	107880
52	Jakhania		1610/ 06.06.16	1194/ 30.04.16	4&7	1684	2966000	5000	8420000	8420000	4 & 5	411000	20000	431000	138600	20000	158600	272400
			1255/ 06.05.16	915/ 04.04.16	204	760	1368000	5000	3800000	3800000	4 & 5	180000	20000	200000	58500	20000	78500	121500
53	Saidpur		2634/ 26.07.16	1963/ 06.06.16	1054	845	1053000	6200	5239000	5239000	4 & 5	251950	20000	271950	43000	20000	63000	208950
			1819/ 23.05.16	1716/ 12.05.16	120	760	534000	4800	3648000	3648000	4 & 5	172400	20000	192400	21370	10680	32050	160350
54	Coronelganj	Gonda	288/ 13.01.16	15125/ 23.11.15	2086 S	1050	441000	5000	5250000	5250000	5	262500	20000	282500	22050	8820	30870	251630
			2123/ 26.04.16	1113/ 25.02.16	2088 S	1010	505000	5000	5050000	5050000	4 & 5	242500	20000	262500	20200	10100	30300	232200
			6160/ 15.06.15	6172/ 15.06.15	2085 S	1210	460000	4200	5082000	5082000	5	254100	10000	264100	23000	9200	32200	231900
55	Bansgaon	Gorakhpur	482/ 06.02.17	478/ 06.02.17	386	2100	1155000	4000	8400000	8400000	5	420000	20000	440000	57750	20000	77750	362250
			1142/ 03.05.16	3550/ 01.12.15	575	1050	788000	5000	5250000	5250000	5	262500	20000	282500	39400	15760	55160	227340
56	Gola Bazar		4140/ 16.12.17	3827/ 17.11.17	171	850	697000	3800	3230000	3230000	4 & 5	151500	20000	171500	27880	13940	41820	129680
57	Chauri Chaura		2627/ 05.08.17	2042/ 27.06.17	327	1700	2550000	6000	10200000	10200000	4 & 5	500000	20000	520000	117520	20000	137520	382480
			610/ 25.02.17	807/ 23.02.16	515 mi	810	1037000	4400	3564000	3564000	4 & 5	168200	20000	188200	41850	20000	61850	126350
58	Sahjanwa		2587/ 20.07.17	2246/ 20.06.17	331mi	2060	1763000	4100	8446000	8446000	5	422300	20000	442300	88150	20000	108150	334150
59	Sadar I		5715/ 10.08.17	4315/ 30.06.17	345	850	1955000	9000	7650000	7650000	5	382500	20000	402500	97800	20000	117800	284700
			7233/ 20.08.16	6219/6220/ 23.07.16	51	1130	2860000	7150	8079500	8080000	4 & 5	394000	20000	414000	143000	20000	163000	251000

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			7021/12.08.16	5674/06.07.16	27	1010	1485000	6000	6060000	6060000	5	303000	20000	323000	80000	20000	100000	223000
			1236/10.03.17	687/10.02.17	1153	650	1365000	7000	4550000	4550000	4 & 5	217500	20000	237500	59000	20000	79000	158500
			3356/31.05.17	3705/10.05.16	209	800	2120000	5500	4400000	4400000	4 & 5	210000	20000	230000	96000	20000	116000	114000
60	Sadar II		6247/19.07.17	2553/15.04.17	50	2050	2614000	6500	13325000	13325000	5	666250	20000	686250	130720	20000	150720	535530
61	Klhajani		2402/29.06.15	2404/29.06.15	168	1420	838000	2100	2982000	2982000	4 & 5	139100	10000	149100	33520	10000	43520	105580
62	Garh Mukteshwer	Hapur	439/11.01.18	6672/18.11.17	966	1815.35	3295000	11000	19968850	19969000	6 & 7	1387830	20000	1407830	225000	20000	245000	1162830
			1705/15.02.18	6223/07.01.17	725	606	376000	5200	3151200	3152000	7	220640	20000	240640	26320	7520	33840	206800
			4326/23.05.16	291/12.01.16	73	465	586000	6100	2836500	2837000	7	198590	20000	218590	41100	11720	52820	165770
63	Dhaulana		5795/25.09.17	4569/31.08.17	203	1050	1890000	5000	5250000	5250000	7	367500	20000	387500	132500	20000	152500	235000
			2094/21.04.17	282/21.01.17	603	850	1318000	5300	4505000	4505000	7	315350	20000	335350	92300	20000	112300	223050
			5692/21.09.17	4569/31.08.17	203	1050	1890000	5000	5250000	5250000	7	367500	20000	387500	132500	20000	152500	235000
64	Konch	Jalaun	2269/07.05.15	2238/05.05.15	1225	3672	808000	3500	12852000	12852000	5	642600	10000	652600	40500	10000	50500	602100
			2295/19.07.17	1013/25.04.17	1254	2050	1782000	4900	10045000	10045000	5	502250	20000	522250	89200	20000	109200	413050
65	Orai		5859/23.06.16	5001/01.08.15	349	4050	1904000	15500	62775000	62775000	7	4394250	20000	4414250	133500	20000	153500	4260750
66	Badlapur	Jaunpur	2238/28.01.16	3579/20.10.15	253/2	2020	5454000	13000	26260000	26260000	5	1313000	20000	1333000	273000	20000	293000	1040000
67	Kerakat		2810/06.07.16	2760/05.07.16	1510	1820	1748000	3400	6188000	6188000	5	309400	20000	329400	87350	20000	107350	222050
			3748/02.09.16	3213/08.08.16	434mi	720	893000	4500	3240000	3240000	5	162000	20000	182000	44650	17860	62510	119490

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68	Sadar II	Jhansi	6865/ 14.11.17	4911/ 24.08.17	1908	1175	1058000	4500	5287500	5288000	7	370160	20000	390160	74100	20000	94100	296060
69	Akbarpur	Kanpur Dehat	7455/ 03.09.16	4682/ 31.05.16	1128 mi	4100	1763000	3000	12300000	12300000	5	615000	20000	635000	88150	20000	108150	526850
			2700/ 29.05.17	2705/ 29.05.17	1149mi	4100	1763000	3000	12300000	12300000	5	615000	20000	635000	88200	20000	108200	526800
			5512/ 27.06.16	5102/ 13.06.16	16	910	565000	6500	5915000	5915000	7	414050	20000	434050	39700	11300	51000	383050
			9194/ 08.12.15	9160/ 07.12.15	132	2460	666000	3000	7380000	7380000	5	369000	20000	389000	33300	13320	46620	342380
			3839/ 30.04.16	9701/ 30.12.15	1128mi	2050	820000	2500	5125000	5125000	5	256250	20000	276250	41000	16400	57400	218850
			3482/ 30.06.17	1508/ 27.03.17	1197	820	1000000	4000	3280000	3280000	4 & 5	154000	20000	174000	40000	20000	60000	114000
70	Sadar II	Kanpur Nagar	2113/ 18.05.17	1672/ 27.04.17	1133	1170	2399000	10500	12285000	12285000	7	859950	20000	879950	168000	20000	188000	691950
71	Sadar II		6552/ 22.10.16	6551/ 22.10.16	508mi	1451	5057500	10500	15235500	15236000	6 & 7	1056520	20000	1076520	344300	20000	364300	712220
72	Sadar III		16483/ 24.10.16	16177/ 19.10.16	239k	2050	533000	1500	3075000	3075000	6 & 7	205250	20000	225250	32000	10660	42660	182590
73	Chayal	Kaushambi	1387/ 08.05.17	291/ 02.02.17	283	1888	1800000	11000	20768000	20768000	5	1038400	20000	1058400	90000	20000	110000	948400
			1629/ 12.05.15	2595/ 24.12.12	374 fe0	2280	1425000	5400	12312000	12312000	5	615600	10000	625600	71250	10000	81250	544350
			4047/ 05.10.16	3560/ 28.08.15	93 fe0	1580	1440000	6800	11236000	11236000	5	561800	20000	581800	72000	20000	92000	489800
			4091/ 06.10.16	1390/ 14.06.13	1006	1481	464000	6400	9478400	9479000	5	473950	20000	493950	23200	9280	32480	461470
74	Sirathu		3756/ 02.08.16	587/ 01.08.16	971	2280	412000	8000	18240000	18240000	5	912000	20000	932000	20600	8240	28840	903160
			651/ 03.02.16	559/ 16.02.15	1326	830	501000	9000	7470000	7470000	4 & 5	363500	20000	383500	23330	10020	33350	350150
			2111/ 17.10.17	2579/ 11.11.11	199	1590	360000	3500	5565000	5565000	5	278250	20000	298250	18000	7200	25200	273050

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75	Kasyan	Kushinagar	1694/ 06.05.17	5604/ 27.12.16	2236	1390	695000	1400	1946000	1946000	6 & 7	126220	20000	146220	41700	13900	55600	90620
			3115/ 24.07.17	1035/ 24.03.17	2236	1390	695000	1400	1946000	1946000	6 & 7	126220	20000	146220	41700	13900	55600	90620
76	Tamkuhiraj		4457/ 19.09.17	4258/ 06.09.17	1422	2240	1524000	5900	13216000	13216000	6 & 7	915120	20000	935120	96700	20000	116700	818420
			4841/ 12.10.17	4810/ 11.10.17	905	690	2243000	6500	4485000	4485000	6 & 7	303950	20000	323950	147100	20000	167100	156850
77	Hata		1355/ 24.03.17	1068/ 15.03.17	1043mi	6130	2452000	1900	11647000	11647000	4 & 5	572350	20000	592350	112600	20000	132600	459750
			627/ 14.02.17	545/ 10.02.17	492	2270	1476000	4300	9761000	9761000	4 & 5	478050	20000	498050	63800	20000	83800	414250
			205/ 19.01.17	185/ 18.01.17	87	1255.5	2804000	6700	8411850	8412000	6 & 7	578840	20000	598840	186280	20000	206280	392560
			5009/ 22.09.17	6530/ 20.10.16	333	716.6	1673000	7000	5016200	5017000	7	351190	20000	371190	117110	20000	137110	234080
			546/ 29.01.18	5279/ 16.08.16	159	1210	1130000	2800	3388000	3388000	4 & 5	159400	20000	179400	46510	20000	66510	112890
78	Nighasan	Lakhimpur Kheri	2795/ 25.07.17	2099/ 22.04.16	900	3880	1887000	7200	27936000	27936000	5	1396800	20000	1416800	94500	20000	114500	1302300
			3936/ 12.07.16	1992/ 13.04.16	333	2170	526000	5610	12173700	12173700	5	608685	20000	628685	26300	10520	36820	591865
			1667/ 16.05.17	2495/ 11.05.16	1546	1050	174000	5600	5880000	5880000	5	294000	20000	314000	8700	3480	12180	301820
			23/ 04.01.17	2495/ 11.05.16	1546	1050	174000	5600	5880000	5880000	5	294000	20000	314000	8700	3480	12180	301820
79	Palia		2326/ 22.06.17	6692/ 26.12.16	1009	1300	813000	4000	5200000	5200000	5	260000	20000	280000	40650	16260	56910	223090
80	Mohanlal-ganj	Lucknow	6312/ 22.05.17	449/ 16.01.17	3990mi	2530	684000	4100	10373000	10373000	7	726110	20000	746110	48000	13680	61680	684430
			5505/ 04.05.17	449/ 16.01.17	3990mi	2530	684000	4100	10373000	10373000	7	726110	20000	746110	48000	13680	61680	684430
			10024/ 22.06.16	9038/ 08.06.16	4876S	2530	810000	5000	12650000	12650000	5	632500	20000	652500	40500	16200	56700	595800

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			11232/20.07.16	10298/08.07.16	4876mi	2530	810000	5000	12650000	12650000	5	632500	20000	652500	40500	16200	56700	595800
			16784/18.10.16	16726/18.10.16	831mi	2115	931000	5000	10575000	10575000	5	528750	20000	548750	46600	18620	65220	483530
81	Sadar I		4516/23.03.17	3508/23.03.17	1370mi	2040	2024000	5500	11220000	11220000	7	785400	20000	805400	141700	20000	161700	643700
			21967/05.12.16	17044/05.09.16	88mi	928	361920	1800	1670400	1671000	7	116970	20000	136970	25500	7240	32740	104230
82	Sadar II		11637/27.07.16	11347/23.07.16	552 san	3160	2308625	3500	11060000	11060000	7	774200	20000	794200	161700	20000	181700	612500
			11634/27.07.16	11347/23.07.16	552 san	1890	1385175	3500	6615000	6615000	7	463050	20000	483050	97100	20000	117100	365950
			5011/09.05.17	17229/18.11.16	237	2768	4095000	3500	9688000	9688000	7	678160	20000	698160	315000	20000	335000	363160
83	Sadar III		1693/24.04.17	366/01.02.17	69	3327.50	22029725	12000	39930000	39930000	7	2795100	20000	2815100	1542100	20000	1562100	1253000
84	Sadar IV		1474/20.02.17	14618/13.10.16	3520mi	2530	2624000	2000	5060000	5060000	7	354200	20000	374200	183700	20000	203700	170500
			4412/04.05.17	3626/13.04.17	647sa	1770	800000	2000	3540000	3540000	5	177000	20000	197000	40000	16000	56000	141000
			2659/24.03.17	14618/13.10.16	3520mi	2530	1518000	2000	5060000	5060000	7	354200	20000	374200	106300	20000	126300	247900
			1631/23.02.17	1180/10.02.17	1978	1480	888000	4000	5920000	5920000	7	414400	20000	434400	62500	17760	80260	354140
			3450/10.04.17	14618/13.10.16	3520mi	2530	1518000	2000	5060000	5060000	7	354200	20000	374200	106300	20000	126300	247900
85	Sadar V		3966/23.04.16	12071/05.12.15	600 fe0	4807	20941610	7600	36533200	36534000	7	2557380	20000	2577380	1466000	20000	1486000	1091380
86	Kulpahar	Mahoba	2237/01.08.17	1586/14.06.17	206	2831	262000	4900	13871900	13871900	4 & 5	683595	20000	703595	10480	5240	15720	687875
			2168/25.07.17	1586/14.06.17	206	1887	160000	4900	9246300	9246300	4 & 5	452315	20000	472315	6400	3200	9600	462715

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			2886/ 12.07.16	874/ 15.02.14	1407	1740	253000	4500	7830000	7830000	5	391500	20000	411500	12650	5060	17710	393790
			2167/ 25.07.17	1586/ 14.06.17	206	943.3	113000	4900	4622170	4622200	4 & 5	221110	20000	241110	4520	2260	6780	234330
			1535/ 18.03.16	5896/ 14.10.14	653mi	4305	449000	4500	19372500	19373000	4 & 5	958650	20000	978650	18060	8980	27040	951610
87	Charkhari		2017/ 8.09.16	176/ 22.01.16	128	1560	441000	2800	4368000	4368000	5	218400	20000	238400	22050	8820	30870	207530
			1963/ 24.08.16	739/ 04.04.16	133	510	290000	2750	1402500	1403000	4 & 5	60150	20000	80150	11600	5800	17400	62750
88	Sadar		3491/ 27.06.16	2326/ 04.05.16	599	7470	3287000	4000	29880000	29880000	5	1494000	20000	1514000	164350	20000	184350	1329650
89	Farenda	Mahrajganj	3946/ 26.10.16	872/ 14.03.16	78mi	570	360000	4850	2764500	2765000	5	138250	20000	158250	18000	7200	25200	133050
			4091/ 15.11.16	4063/ 08.11.16	2401mi	570	240000	4850	2764500	2765000	4 & 5	128250	20000	148250	9600	4800	14400	133850
90	Sadar		865/ 02.02.18	6406/ 25.08.17	399	3630	2142000	5700	20691000	20691000	4 & 5	1024550	20000	1044550	97100	20000	117100	927450
91	Nichlaul		2901/ 20.06.16	2561/ 03.06.16	40	1280	474000	5550	7104000	7104000	4 & 5	345200	20000	365200	18960	9480	28440	336760
			2900/ 20.06.16	2561/ 03.06.17	40	1280	474000	5550	7104000	7104000	4 & 6	345200	20000	365200	18960	9480	28440	336760
			2229/ 20.05.17	3214/ 11.07.16	326	2220	733000	3100	6882000	6882000	4 & 7	334100	20000	354100	29320	14660	43980	310120
			131/ 12.01.16	25/ 05.01.16	475mi	790	288000	2700	2133000	2133000	5	106650	20000	126650	14400	5760	20160	106490
92	Sadar	Mainpuri	11713/ 19.10.15	4226/ 09.04.15	49	730	379000	5000	3650000	3656000	6 & 7	245920	10000	255920	22800	3790	26590	229330
93	Bhogaon		5007/ 28.05.16	9049/ 03.09.15	770mi	2020	505000	3000	6060000	6060000	5	303000	20000	323000	25300	10100	35400	287600
			4959/ 27.05.16	11602/ 22.12.14	770mi	2020	505000	3000	6060000	6060000	5	303000	20000	323000	25300	10100	35400	287600
94	Sadar	Mathura	2910/ 30.03.17	2381/ 21.03.17	14A	3050	5490000	4500	13725000	13725000	7	960750	20000	980750	384500	20000	404500	576250

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			5847/ 30.04.16	4160/ 21.03.16	402	1760	1760000	4500	7920000	7920000	6 & 7	544400	20000	564400	113200	20000	133200	431200
			6871/ 23.06.17	15956/ 14.12.16	409	1265	1392000	3000	3795000	3795000	7	265650	20000	285650	97500	20000	117500	168150
95	Chata		1479/ 22.02.17	1220/ 14.02.17	497	4050.00	1500000	1300	5265000	5265000	7	368550	20000	388550	105000	20000	125000	263550
			8138/ 04.06.16	3530/ 10.03.16	128mi	16130.00	53230000	3400	54842000	54842000	7	3838940	20000	3858940	3726200	20000	3746200	112740
96	Madhuban	Mau	424/ 23.02.16	289/ 06.02.16	115mi	900	981000	5350	4815000	4815000	4 & 5	230750	20000	250750	39250	19620	58870	191880
97	Mohammada bad, Gohana		565/ 17.02.17	32/ 06.01.17	249	1100.00	924000	3900	4290000	4290000	4 & 5	204500	20000	224500	36960	18480	55440	169060
			1661/ 18.05.17	1184/ 20.04.17	2533	660.50	1330000	5800	3830900	3830900	5	191545	20000	211545	66500	20000	86500	125045
98	Ghosi		746/ 15.03.16	580,581/ 26.02.16	671	2160.00	1188000	5200	11232000	11232000	4 & 5	551600	20000	571600	49400	20000	69400	502200
			1648/ 21.07.17	1093/ 27.04.16	1131	610.00	915000	5200	3172000	3172000	4 & 5	148600	20000	168600	36600	18300	54900	113700
99	Sadar	Mirzapur	4550/ 17.06.16	3478/ 12.05.16	123mi	5060	6452000	2560	12953600	12954000	6 & 7	896780	20000	916780	442000	20000	462000	454780
			2009/ 16.03.16	1907/ 11.03.16	1733	1640	215000	2480	4067200	4068000	5	203400	20000	223400	10750	4300	15050	208350
			2276/ 25.04.17	1622/ 25.03.17	212 & 252	2710	1776000	1370	3712700	3713000	7	259910	20000	279910	124350	20000	144350	135560
			4098/ 03.06.16	1814/ 08.03.16	2J mi	1900	1794000	1840	3496000	3496000	7	244720	20000	264720	108100	20000	128100	136620
			6979/ 28.10.17	6893/ 26.10.17	413	561	288000	2270	1273470	1273500	7	89145	20000	109145	20200	5760	25960	83185
100	Chunar		2270/ 20.04.17	1930/ 31.03.17	271/ 272	2450	1186000	2900	7105000	7105000	7	497350	20000	517350	83230	20000	103230	414120
			3399/ 02.06.17	2745/ 11.05.17	132	2530	920000	3600	9108000	9108000	4 & 5	445400	20000	465400	36800	18400	55200	410200
			7914/ 25.10.16	653/ 25.01.16	333	825	440000	3200	2640000	2640000	7	184800	20000	204800	31000	8800	39800	165000

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Sl. No.	Name of unit (Sub Registrar-SR)	Name of district	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 thousand 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	Levied stamp duty and registration fee	Difference
101	Kanthh	Moradabad	4618/ 20.11.17	4377/ 01.11.17	262	1270	1970000	7500	9525000	9525000	5	476250	20000	496250	98500	20000	118500	377750
			5903/ 31.08.16	5821/ 27.08.16	175	6290	2142000	2400	15096000	15096000	4 & 5	744800	20000	764800	97100	20000	117100	647700
102	Thakurdwara		2823/ 30.03.16	2833/ 30.03.16	223 aa 233 b	1428	1481000	6600	9424800	9425000	5	471250	20000	491250	65274	20000	85274	405976
			4376/ 25.05.16	2177/ 17.06.16	148	650	367000	4950	3217500	3217500	6 & 7	215225	20000	235225	22650	7340	29990	205235
103	Raniganj	Pratapgarh	448/ 15.02.17	1561/ 27.05.16	295 Mi	510	251000	3300	1683000	1683000	5	84150	20000	104150	12550	5020	17570	86580
104	Kunda		1178/ 23.02.16	1016/ 18.02.16	3482	1260	693000	6000	7560000	7560000	5	378000	20000	398000	34650	13860	48510	349490
105	Lal ganj		212/ 21.01.17	112/ 17.01.17	4134	1160	592000	4600	5336000	5336000	4 & 5	256800	20000	276800	23700	11840	35540	241260
		616/ 27.02.16	617/ 27.02.16	1282	1150	575000	4000	4600000	4600000	4 & 5	220000	20000	240000	23000	11500	34500	205500	
			3827/ 23.08.16	189/ 13.01.16	228	1190	322000	4200	4998000	4998000	4 & 5	239900	20000	259900	12880	6440	19320	240580
106	Sadar	Rampur	551/ 20.01.18	41/ 02.01.18	14	1140	570000	3000	3420000	3420000	7	239400	20000	259400	40000	11440	51440	207960
107	Maharajganj	Raebareli	1339/ 09.03.17	1246/ 01.08.16	947	5690	1252000	2800	15932000	15932000	5	796600	20000	816600	62600	20000	82600	734000
108	Sadar		2855/ 10.04.17	1157/ 29.01.16	187 fe0	3160	1517000	4200	13272000	13272000	7	929040	20000	949040	106200	20000	126200	822840
			6483/ 23.05.16	1907/ 20.02.16	163@8 o 162	3980	8073000	5400	21492000	21492000	7	1504440	20000	1524440	565200	20000	585200	939240
			4850/ 15.06.17	4126/ 24.05.17	733 fe0	1265	1014000	5800	7337000	7337000	7	513590	20000	533590	71000	20000	91000	442590
			3929/ 18.05.17	1157/ 29.01.16	187 fe9	2530	1215000	4200	10626000	10626000	6 & 7	733820	20000	753820	96200	20000	116200	637620
			2387/ 24.03.17	718/ 20.01.16	496 fe0	886	532000	4600	4075600	4076000	6 & 7	275320	20000	295320	32000	10640	42640	252680

(Amount in ₹)																		
Sl. No.	Name of unit (Sub Registrar-SR)	Name of district	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 thousand 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	Levied stamp duty and registration fee	Difference
109	Maharajanj		8738/07.11.16	1495/16.02.15	1653	632.5	225000	7200	4554000	4554000	4 & 5	217700	20000	237700	9000	4500	13500	224200
			4910/08.06.16	1669/20.02.15	3189	843	653000	5600	4720800	4721000	5	236050	20000	256050	32700	13060	45760	210290
110	Salon		468/03.02.17	3141/21.07.16	2604	403	170000	7200	2901600	2902000	5	145100	20000	165100	8500	20000	28500	136600
111	Itwa	Siddharth Nagar	715/03.04.17	2972/30.09.16	963	630	378000	4400	2772000	2772000	5	138600	20000	158600	19000	7560	26560	132040
112	Sadar	Sitapur	651/23.01.16	431/18.01.16	69	1300	3081000	4000	5200000	5200000	6 & 7	354000	20000	374000	207500	20000	227500	146500
113	Mahmoodabad		2657/06.06.16	2458/26.05.16	288	810	3208000	5300	4293000	4293000	7	300510	20000	320510	225000	20000	245000	75510
114	Sadar	Sonebhadra	7388/04.10.16	572/25.01.14	160mi	5060	1417000	2400	12144000	12144000	4 & 5	597200	20000	617200	61000	20000	81000	536200
			1357/15.03.17	572/25.01.14	160mi	2530	709000	2400	6072000	6072000	5	303600	20000	323600	35450	14180	49630	273970
			313/27.01.17	138/17.01.17	165mi	2400	627000	1400	3360000	3360000	5	168000	20000	188000	31350	12540	43890	144110
115	Ghoraval		1511/31.05.16	845/21.03.16	223	6240	565000	1300	8112000	8112000	4 & 5	395600	20000	415600	22600	11300	33900	381700
			496/21.03.17	86/23.01.17	693mi	3540	425000	1400	4956000	4956000	4 & 5	237800	20000	257800	17000	8500	25500	232300
			1535/02.06.16	1517/01.06.16	44mi	3790	471000	1100	4169000	4169000	5	208450	20000	228450	20850	8340	29190	199260
			4203/19.12.15	180/15.01.15	668mi	660	179000	6000	3960000	3960000	4 & 5	188000	20000	208000	7200	3620	10820	197180
116	Sadar	Sultanpur	5565/04.07.16	4976/15.06.16	97mi	1260	511000	1900	2394000	2394000	5	119700	20000	139700	25700	10220	35920	103780
			4853/10.06.16	3110/16.04.16	39chh	1450	870000	3960	5742000	5742000	4 & 5	277100	20000	297100	34800	17400	52200	244900
117	Safipur	Unnao	6228/23.07.16	9592/09.12.15	257a & 257b	4789	2497000	1800	8620200	8621000	5	431050	20000	451050	125000	20000	145000	306050

Audit Report (Revenue Sector) for the year ended 31 March 2018

(Amount in ₹)																		
Sl. No.	Name of unit (Sub Registrar-SR)	Name of district	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 thousand 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	Levied stamp duty and registration fee	Difference
118	Hasanganj		7212/13.11.17	6112/04.10.17	57	2800	2148000	3200	8960000	8960000	6 & 7	617200	20000	637200	140500	20000	160500	476700
			7617/28.11.17	10699/14.12.16	95ch	1210	1280000	3200	3872000	3872000	6 & 7	261040	20000	281040	81000	20000	101000	180040
119	Sadar		7707/05.08.17	15042/08.09.16	18	1655	1880000	6000	9930000	9930000	7	695100	20000	715100	132000	20000	152000	563100
			7706/05.08.17	15042/08.09.16	18	820	9333000	6600	5412000	5412000	7	378840	20000	398840	65500	17800	83300	315540
120	Pindara	Varanasi	3287/23.06.16	2108/02.05.16	422k	660	792000	5600	3696000	3696000	6 & 7	248720	20000	268720	47550	15840	63390	205330
			3931/25.07.16	1107/04.03.16	41	1010	829000	3200	3232000	3232000	7	226240	20000	246240	58050	16580	74630	171610
			3910/08.09.17	2210/24.05.17	337	750	1207500	4800	3600000	3600000	4 & 5	170000	20000	190000	50400	15840	66240	123760
Total			266			508933.71	585618795			2560871800		148768108	5250000	154018108	35601624	4230510	39832134	114185974

Source: Information available on the basis of Audit findings.

APPENDIX-XVI
Cost of minerals not realised from contractors for works executed without transit passes
(Reference Para No.5.3)

(Amount in ₹)							
Sl. No.	Name of unit	Total No. of cases	No. of cases test checked	No. of objection found	Period of royalty	Paid Royalty	Due Price of Mineral
Cases pertaining to prior 16 October 2015							
1	DMO Fatehpur	19	19	19	06/14 to 07/15	1049601	52,48,005
2	DMO J.P.Nagar	35	35	35	01-01-2015	12,82,078	64,10,390
3	DMO Pilibhit	14	14	14	01-02-2015	6,95,078	34,75,390
(i) Total		68	68	68		30,26,757	1,51,33,785
Cases pertaining to on & after 16 October 2015							
1	DMO Barabanki	94	94	94	06/16 to 07/17	1,43,91,686	7,19,58,430
2	DMO Fatehpur	03	03	03	August 2017	92,291	4,61,455
3	DMO Jalaun	52	52	45	04/17 to 09/17	24,79,039	1,23,95,195
4	DMO J.P.Nagar	14	14	14	01-03-2017	28,74,474	1,43,72,370
		04	04	04	02/17 to 03/17	17,01,000	85,05,000
5	DMO Mahoba	18	18	09	03/17 to 09/17	43,17,559	2,15,87,795
6	D.M.O. Pilibhit	04	04	04	2016-17	63,59,695	3,17,98,475
7	DMO Siddharthnagar	21	21	21	09/16 to 07/17	94,38,181	4,71,90,905
8	DMO Sonebhadra	72	72	72	08/17 to 01/18	78,57,785	3,92,88,925
(ii) Total		282	282	266		4,95,11,710	24,75,58,550
Grand Total (i + ii)		350	350	334		5,25,38,467	26,26,92,335

Source: Information available on the basis of Audit findings.

APPENDIX-XVII
Royalty and permit application fees not realised from the brick kiln owners.
(Reference Para No.5.5)

(Amount in ₹)														
Sl. No.	Name of district	Cat. of brick Kiln	No. of total Brick Klin	No. of cases checked by the audit party	No. of objection found	Period of Royalty	Royalty due	Royalty due on palothan soil	Permit fees due	Total Royalty and Permit Fees due	Total Deposit	Non Levy/Short Levy		
												Non Levy	Short Levy	Total
1	DMO Bagpat	A	488	164	62	2015-16	10049400	2009880	124000	12183280	5151380	0	7031900	7031900
2	DMO Chitrakoot	C	3	3	2	2015-16	194400	38880	4000	237280	0	237280	0	237280
		C	3	3	2	2016-17	194400	19440	4000	217840	0	217840	0	217840
3	DMO Fatehpur	B	329	215	21	2015-16	2394900	478980	42000	2915880	0	2915880	0	2915880
		B	329	215	41	2016-17	4679100	467910	82000	5229010	0	5229010	0	5229010
4	DMO Hamirpur	B	51	51	17	2015-16	2000700	400140	34000	2434840	1538100	0	896740	896740
		B	51	51	14	2016-17	1641600	164160	28000	1833760	1427631	0	406129	406129
		B	21	21	3	2013-14	136350	0	6000	142350	0	142350	0	142350
		B	23	23	9	2014-15	427950	0	18000	445950	0	445950	0	445950
		B	24	24	9	2015-16	1061100	212220	18000	1291320	0	1291320	0	1291320
		B	27	27	14	2016-17	1647000	164700	28000	1839700	0	1839700	0	1839700
5	DMO Hardoi	B	302	302	19	2015-16	2433600	486720	38000	2958320	1270300	0	1688020	1688020
6	DMO J.P.Nagar	A	118	87	3	2014-15	242250	0	0	242250	229500	0	12750	12750
		A	120	87	18	2015-16	2635200	527040	36000	3198240	0	3198240	0	3198240
		A	120	87	3	2015-16	456300	91260	6000	553560	308130	0	245430	245430
7	DMO Jalaun	B	12	12	7	2015-16	774900	154980	14000	943880	570600	0	373280	373280
		B	12	12	5	2015-16	548100	109620	10000	667720	0	667720	0	667720
		B	9	9	7	2016-17	774900	77490	14000	866390	0	866390	0	866390
8	DMO Mirzapur	C	322	255	90	2015-16	7543800	1508760	180000	9232560	0	9232560	0	9232560
		C	322	255	195	2016-17	17471700	1747170	390000	19608870	0	19608870	0	19608870

(Amount in ₹)														
Sl. No.	Name of district	Cat. of brick Kiln	No. of total Brick Klin	No. of cases checked by the audit party	No. of objection found	Period of Royalty	Royalty due	Royalty due on palothan soil	Permit fees due	Total Royalty and Permit Fees due	Total Deposit	Non Levy/Short Levy		
												Non Levy	Short Levy	Total
9	DMO Pilibhit	A	160	93	20	2015-16	3024000	604800	40000	3668800	1867377	0	1801423	1801423
		A	147	87	17	2014-15	1308150	0	34000	1342150	0	1342150	0	1342150
		A	160	93	22	2015-16	3369600	663920	44000	4087520	0	4087520	0	4087520
10	DMO Siddharthnagar	C	225	225	8	2015-16	696600	139320	16000	851920	0	851920	0	851920
		C	225	225	14	2016-17	1128600	112860	28000	1269460	0	1269460	0	1269460
11	DMO Sonebhadra	C	9	9	6	2016-17	545400	54540	12000	611940	0	611940	0	611940
12	DMO Sitapur	B	250	100	8	2014-15	491350	0	16000	507350	0	507350	0	507350
		B	250	100	24	2015-16	3024000	604800	48000	3676800	0	3676800	0	3676800
Total			4112	2835	660		7,08,95,350	1,08,39,590	13,14,000	8,30,58,940	1,23,63,018	5,82,40,250	1,24,55,672	7,06,95,922

Source: Information available on the basis of Audit findings.

Note:- Total Royalty + Permit fee = ₹ 7.07 crore.

Permit Fee Due = ₹ 13.14 lakh.

Royalty = ₹ 6.94 crore.

APPENDIX-XVIII
Non/Short deposit of dead rent
(Reference Para No.5.6)

(Amount in ₹)									
Sl. No.	Name of Unit	Total no of cases	Checked by audit party	No. of cases in which objection found	Lease period	Period of Dead Rent	Due Dead Rent	Deposited Dead Rent	Non / Short deposit of Dead Rent
1	DMO Allahabad	77	8	1	06-02-2009 to 05-02-2019	06/02/12 to 05/02/16	1768192	0	1768192
2	DMO Bagpat	1	1	1	17-12-2011 to 16-12-2014	17/12/13 to 16/12/14	650611	0	650611
3	DMO Banda	10	2	2	13-06-2013 to 12-06-2016	13/06/15 to 12/06/16	21015746	17285000	3730746
4	DMO Hamirpur	57	25	6	11-03-2013 to 18-06-2018	01/04/15 to 01/01/16	7397480	1200000	6197480
5	DMO Jalaun	6	6	2	29-11-2006 to 12-12-2016	01/04/15 to 01/10/16	4185000	0	4185000
6	DMO Mahoba	132	32	7	28-08-2009 to 29-06-2021	18/06/2017 to 13/11/17	4342800	0	4342800
TOTAL		283	74	19	11/2006 to 06/2021	02/2012 to 11/2017	39359829	18485000	20874829

Source: Information available on the basis of Audit findings.

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