



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Revenue Sector
for the year ended 31 March 2015**



**Government of Uttar Pradesh
Report No. 7 of the year 2015**

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Comptroller and Auditor General
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PREFACE

This Report for the year ended March 2015 has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India.

The Report contains significant results of the performance audit and compliance audit of the Departments of the Government of Uttar Pradesh under the Revenue Sector including Commercial Tax Department, State Excise Department, Transport Department, Stamps and Registration Department, Entertainment Tax Department and Geology and Mining Department. However, Departments relating to Economic, General and Social Services Sectors are excluded and covered in the Report on General and Social and Report on Economic (Non-PSUs) Sector.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2014-15 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 2014-15 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 31 paragraphs including one Performance audit on “**System of Assessment under VAT**”, relating to short/non-levy of tax, duty and interest, penalty etc. involving financial effect of ₹ 560.72 crore. The Departments/Government have accepted audit observations involving ₹ 532.41 crore out of which ₹ 65.12 lakh has been recovered. Some of the major findings are mentioned below:

I. General

The total receipts of the Government of Uttar Pradesh for the year 2014-15 were ₹ 1,93,421.60 crore against ₹ 1,68,213.75 crore during 2013-14. The revenue raised by the State Government amounted to ₹ 94,107.22 crore comprising tax revenue of ₹ 74,172.42 crore and non-tax revenue of ₹ 19,934.80 crore. The receipts from the Government of India were ₹ 99,314.38 crore (State’s share of divisible Union taxes: ₹ 66,622.91 crore and grants-in-aid: ₹ 32,691.47 crore). Thus, the State Government could raise only 49 *per cent* of the total revenue.

(Paragraph 1.1.1)

The arrears of revenue as on 31 March 2015 in respect of some principal heads of revenue *viz* Tax on Sales, Trade etc., Stamp and Registration fee, Taxes on vehicles, Non-ferrous Mining and Metallurgical Industries, State Excise and Entertainment tax amounted to ₹ 26,837.24 crore, of which ₹ 11,572.73 crore was outstanding for more than five years. Out of the total outstanding, ₹ 3,910.30 crore was certified for recovery as arrears of land revenue, ₹ 4,468.71 crore was held up due to proceedings in Courts and other appellate authorities, ₹ 560.79 crore outstanding against the Government/semi Government Departments and ₹ 1,618.99 crore likely to be written off, whereas specific action taken in respect of the remaining ₹ 16,278.45 crore was not intimated by the concerned Departments.

(Paragraph 1.2)

At the end of June 2015, 38,049 audit observations involving ₹ 6,813.44 crore relating to 10,899 Inspection Reports issued upto December 2014 remained outstanding.

(Paragraph 1.6)

During the year 2014-15 we test checked the records of 1,135 units relating to Tax on Sales, Trade, etc., State Excise, Taxes on Vehicles, Goods and Passengers, Stamps and Registration fees, Entertainment Tax and Mining Receipts and found underassessment/ short levy/ loss of revenue aggregating to ₹ 851.14 crore in 5,145 cases. During the course of the year, the Departments concerned accepted underassessment and other deficiencies of ₹ 20.92 crore involved in 456 cases, of which an amount of ₹ 19.21 crore was realised in 349 cases during the year 2014-15.

(Paragraph 1.10)

II. Tax on Sales, Trade etc.

A Performance Audit on "System of Assessment under VAT" revealed the following:

- Due to non-existence of mechanism for inter-departmental exchange of data/information and modalities for survey the Department failed to identify and register 79,363 unregistered dealers and to impose penalty of ₹ 289.82 crore.

(Paragraph 2.3.9.2)

- Non-finalisation of assessment cases equally in each month by the Assessing Authorities resulted in pendency of cases between 6,042 to 1,84,052 in the later months of the year during 2010-11 to 2014-15. This led to extension of time limit thrice for one month to three months by the Government during 2010-11 to 2014-15 for finalisation of cases. This also affects upcoming year's assessments.

(Paragraph 2.3.12 & 2.3.13)

- In four out of 20 zones, there were very low percentage of dealers, ranging from 0.27 to 0.44 *per cent* selected for tax audit during 2011-12 to 2014-15 against the norms of five *per cent* fixed by the CCT and no dealer was selected for tax audit in 2010-11. Also no tax audit was conducted at the office, business premises or warehouse of the dealers as prescribed in the Act.

(Paragraph 2.3.14)

- There were irregularities in ITC claims like irregular/non-admissible ITC claims, excess claims, non-reversal of ITC and non-charging of interest thereon etc. of ₹ 6.98 crore in case of 34 dealers out of 3,102 dealers test checked from 23,786 dealers in respect of six JCs(CC) and 16 sectors.

(Paragraph 2.3.15)

- There was non/short levy of tax of ₹ 6.48 crore due to application of incorrect rate of tax, misclassification of goods, turnover escaping assessment etc. in case of 74 dealers out of 7,669 dealers test checked from 47,076 dealers in respect of six JCs(CC) and 35 sectors.

(Paragraph 2.3.16)

- There were cases of concealment of turnover, delayed deposit of admitted tax, import of goods without declaration forms and furnishing of false declarations but Assessing Authorities did not impose penalty of ₹ 114.82 crore in cases of 82 dealers out of 8,556 dealers test checked from 58,298 dealers in respect of six JCs(CC) and 35 sectors.

(Paragraph 2.3.17)

- For allowing ITC claims and accepting the amount of sale against tax invoices, it is necessary that all the purchases and sales made by the dealer are verified. Hundred *per cent* verification of transactions was not possible in the current online VYAS system as only the dealers with turnover of ₹ 50 lakh and above were submitting e>Returns on the system.

(Paragraph 2.3.20)

- The audit planning of the internal audit wing for sectors' audit was not realistic as shortfall ranged from 9 to 96 *per cent* during 2010-11 to 2014-15. Position of outstanding paras increased from 8,506 to 11,228 and pendency of recovery thereof increased from ₹ 69.98 crore to ₹ 445.13 crore.

(Paragraph 2.3.22.2 & 2.3.22.3)

There was non/short levy of tax of ₹ 7.23 crore alongwith penalty of ₹ 2.39 crore due to non-application of correct rate of tax given in the schedule of rates in respect of 82 CTOs in the cases of 108 out of 11,425 dealers for the period 2007-08 (VAT) to 2012-13.

(Paragraph 2.5)

Penalty amounting to ₹ 2.13 crore was not levied on concealment of turnover, delayed deposit of tax and false purchase in respect of 33 CTOs in the cases of 45 out of 4,451 dealers for the period 2008-09 to 2011-12.

(Paragraph 2.6)

Short realisation of entry tax through manufacturer and irregular rebate on entry tax on purchases resulted in non/short levy of entry tax of ₹ 2.76 crore alongwith penalty of ₹ 2.35 crore in respect of 25 CTOs in the cases of 34 out of 3,050 dealers for the period 2008-09 to 2011-12.

(Paragraph 2.7)

Interest of ₹ 5.31 crore on delayed deposit of admitted tax was not charged in respect of 20 CTOs in the cases of 30 out of 2,598 dealers for the period 1999-2000 to 2011-12.

(Paragraph 2.9)

Non-detection of cases of wrong/false claim of Input Tax Credit (ITC) led to non-reversal of ITC, non-imposition of penalty and interest of ₹ 3.59 crore in respect of 26 CTOs in the cases of 32 out of 3,603 dealers for the period 2008-09 to 2011-12.

(Paragraph 2.10)

III. State Excise

Interest of ₹ 88.03 lakh on the belated payment of excise revenue was not charged by five DEOs in respect of 65 out of 69 cases test checked during 2014-15.

(Paragraph 3.6)

In DEO Kanpur the license fee of model shops was not fixed as per norms prescribed in the excise policy during 2013-14. This resulted in short levy of licence fee of ₹ 35.95 lakh on the model shops.

(Paragraph 3.7)

IV. Taxes on Vehicles, Goods and Passengers

Non-levy of additional tax of ₹ 30.36 crore on 464 *JnNURM* buses under City Transport Services Limited in Kanpur, Lucknow and Varanasi found plying outside the municipal corporation area during 2014-15.

(Paragraph 4.6)

Non-realisation of revenue of ₹ 2.69 crore due to non-renewal of fitness certificate of 5,820 vehicles which plied without valid fitness certificates in 25 out of 72 RTOs/ARTOs during 2014-15.

(Paragraph 4.7)

Non-renewal of registration of 6,709 non-transport vehicles resulted in non-realisation of ₹ 40.25 lakh in 15 out of 72 RTOs/ARTOs, during 2014-15.

(Paragraph 4.8)

Non-levy of penalty of ₹ 4.08 crore under Carriage by Road Act 2007 on 1,786 seized overloaded vehicles of different categories in 47 out of 72 RTOs/ARTOs.

(Paragraph 4.9)

Non-realisation of tax/ additional tax of ₹ 53.22 lakh in respect of 245 vehicles surrendered beyond three months during 2014-15.

(Paragraph 4.10)

V. Stamps and Registration Fees

Undervaluation of properties resulted in short levy of stamp duty and registration fees of ₹ 7.78 crore in 98 out of 331 SROs during 2014-15.

(Paragraph 5.5)

VI. Other Tax and Non-tax Receipts

There was non/short levy of additional licence fee of ₹ 9.41 crore for operation of local channels on 13 out of 23 MSOs in seven DETOs during 2011-12 to 2014-15.

(Paragraph 6.4.8)

There was non-levy of entertainment tax of ₹ 17.94 crore on activation charges of Set-Top-Box in 11 DETOs during 2012-13 to 2014-15.

(Paragraph 6.4.9)

In DETO Agra entertainment tax of ₹ 3.56 crore was due during 2013-14 on cable operators at the rate of ₹ 100 per connection per month. Against this only ₹ 3.05 crore was deposited by cable operators. This resulted in short realisation of ₹ 51.09 lakh on DAS system.

(Paragraph 6.4.10 Bullet 1)

There was short realisation of entertainment tax of ₹ 64.19 lakh on 96 out of 1,183 cable operators between November 2009 and March 2015 in eight DETOs.

(Paragraph 6.4.10 Bullet 2)

There was non-levy of licence fee of ₹ 46.98 lakh on 207 out of 285 Television Signal Receiver Agencies in 13 DETOs for the year 2011-12 to 2014-15.

(Paragraph 6.4.15.1)

Excavation of minerals without mining plan in two district mining offices in respect of seven lessees resulted in non-realisation of the cost of excavated minerals of ₹ 3.08 crore.

(Paragraph 6.10)

There was non-realisation of royalty, permit fees of ₹ 6.84 crore from 1,430 brick kiln owners in 16 DMOs for the period 2011-12 to 2014-15.

(Paragraph 6.14)

CHAPTER-I GENERAL

1.1 Trend of revenue receipts

1.1.1 The tax and non-tax revenue raised by the Government of Uttar Pradesh during the year 2014-15, the State's share of net proceeds of divisible Union taxes and duties assigned to the state and grant-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years are mentioned in **Table 1.1.1**.

Table- 1.1.1

Trend of revenue receipts

						(₹ in crore)
Sl. No.	Particulars	2010-11	2011-12	2012-13	2013-14	2014-15
1.	Revenue raised by the State Government					
	• Tax revenue	41,355.00	52,613.43	58,098.36	66,582.08	74,172.42
	• Non-tax revenue	11,176.21	10,145.30	12,969.98	16,449.80	19,934.80
	Total	52,531.21	62,758.73	71,068.34	83,031.88	94,107.22
2.	Receipts from the Government of India					
	• Share of net proceeds of divisible Union taxes and duties	43,218.90	50,350.95	57,497.86	62,776.70	66,622.91 ¹
	• Grants-in-aid	15,433.65	17,760.02	17,337.79	22,405.17	32,691.47
	Total	58,652.55	68,110.97	74,835.65	85,181.87	99,314.38
3.	Total revenue receipts of the State Government (1 and 2)	1,11,183.76	1,30,869.70	1,45,903.99	1,68,213.75	1,93,421.60
4.	Percentage of 1 to 3	47	48	49	49	49

Source: Finance Accounts of the Government of Uttar Pradesh

The above table indicates that during the year 2014-15, the revenue raised by the State Government (₹ 94,107.22 crore) was 49 *per cent* of the total revenue receipts (₹ 1,93,421.60 crore). The balance 51 *per cent* of the receipts during 2014-15 was from the Government of India.

¹ For details, please see Statement No. 14 - detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Uttar Pradesh for the year 2014-15. Figures under the major heads 0020 - Corporation tax, 0021 - Taxes on income other than corporation tax, 0028 - Other Taxes on Income and Expenditure, 0032 - Taxes on wealth, 0037 - Customs, 0038 - Union excise duties, 0044 - Service tax and 0045 - Other taxes and duties on commodities and services - Share of net proceeds assigned to States booked in the Finance Accounts under 'A - Tax revenue' have been excluded from revenue raised by the State and included in 'State's share of divisible Union taxes' in this statement.

1.1.2 The details of the tax revenue raised during the period 2010-11 to 2014-15 are given in **Table 1.1.2**.

Table 1.1.2

Details of Tax Revenue raised

Sl. No.	Head of revenue						(₹ in crore)	
		2010-11	2011-12	2012-13	2013-14	2014-15	Percentage of increase (+) or decrease (-) in 2014-15 over 2013-14	
1.	Tax on Sales, Trade etc.	BE	26,978.34	32,000.00	38,492.18	43,936.00	47,497.92	(+)8.11
		Actual	24,836.52	33,107.34	34,870.16	39,645.45	42,931.54	(+)8.29
2.	State excise	BE	6,763.23	8,124.08	10,068.28	12,084.00	14,500.00	(+)19.99
		Actual	6,723.49	8,139.20	9,782.49	11,643.84	13,482.57	(+)15.79
3.	Stamps and Registration Fees	BE	5,000.00	6,612.00	9,308.00	10,555.00	12,722.67	(+)20.54
		Actual	5,974.66	7,694.40	8,742.17	9,520.92	11,803.34	(+)23.97
4.	Taxes on Vehicles, Goods and Passengers (0041 & 0042)	BE	2,089.90	2,329.95	3,093.90	3,713.00	3,950.00	(+)6.38
		Actual	2,058.58	2,380.67	2,993.96	3,442.01	3,797.58	(+)10.33
5	Others ²	BE	1,472.96	1,268.12	1,094.68	1,905.00	2,327.34	(+)22.17
		Actual	1,761.75	1,291.80	1,709.58	2,329.86	2,157.39	(-)7.40
Total		BE	42,304.43	50,334.15	62,057.04	72,193.00	80,997.93	(+)12.20
		Actual	41,355.00	52,613.41	58,098.36	66,582.08	74,172.42	(+)11.40

Source: Finance Accounts of the Government of Uttar Pradesh

The respective Departments reported the following reasons for variation:

Tax on Sales, Trade etc: The reason attributed by the Department for non-achievement of Budget Estimate was reduction in price of petroleum product during the year. However actual receipt was higher than the previous year.

State Excise Department: The reason attributed by the Department for non-achievement of Budget Estimate was mainly due to short fall in consumption of foreign liquor during the year and reasons for increase in actual receipt than the previous year was mainly due to increase in MGQ, consideration fee of country liquor and beer and from settlement of shops.

Stamps and Registration Fees: The reason attributed by the Department for non-achievement of Budget Estimate was due to lack of interest shown by the public in real estates especially in western Uttar Pradesh. However, actual receipt was higher than the previous years' due to increase in annual rate list.

The other Departments despite being requested did not intimate the reasons for variation in Budget Estimate and receipts from that of previous year (November 2015).

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

1.1.3: The details of the non-tax revenue raised during the period 2010-11 to 2014-15 are indicated in **Table 1.1.3**.

Table 1.1.3**Details of Non-tax revenue raised**

								(₹ in crore)
Sl. No.	Head of revenue		2010-11	2011-12	2012-13	2013-14	2014-15	Percentage of increase (+) or decrease (-) in 2014-15 over 2013-14
1	Miscellaneous General Services	BE	7,118.06	4,216.01	3,264.23	2,970.98	4,037.81	(+) 35.91
		Actual	5,120.67	4,035.23	4,494.11	3,194.28	6,400.41	(+) 100.37
2	Education, Sports, Art and Culture	BE	2,987.49	3,000.00	5,410.00	5,852.75	6,887.18	(+) 17.67
		Actual	2,614.11	2,008.55	4,211.69	6,414.09	5,798.52	(-) 9.60
3	Interest Receipts	BE	1,229.49	861.62	924.36	858.36	1,434.90	(+) 67.17
		Actual	689.32	789.22	1,186.41	1,619.35	2,302.82	(+) 42.21
4	Non-Ferrous Mining and Metallurgical Industries	BE	838.97	900.00	954.00	1,000.00	1,100.00	(+) 10.00
		Actual	653.39	593.28	722.13	912.52	1,029.42	(+) 12.81
5	Other Non-tax receipts ¹	BE	2,811.46	3,133.93	3,621.23	2,500.39	6,772.06	(+) 170.84
		Actual	2,098.72	2,719.02	2,355.64	4,309.56	4,403.63	(+) 2.18
Total		BE	14,985.47	12,111.56	14,173.82	13,182.48	20,231.95	(+)53.48
		Actual	11,176.21	10,145.30	12,969.98	16,449.80	19,934.80	(+)21.19

Source: Finance Accounts of the Government of Uttar Pradesh

The respective Departments reported the following reasons for variation:

Non-Ferrous Mining and Metallurgical Industries: The reason attributed by the Department for non-achievement of Budget Estimate was many mining leases were either closed or not renewed due to non receipt of environment clearance certificate from the pollution control board and the reason for increase of receipt than the previous year was due to special attention on enforcement and prevention of illegal mining.

The other Departments despite being requested did not intimate the reasons for variation in receipts from that of previous year (November 2015).

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2015 in respect of some principal heads of revenue amounted to ₹ 26,837.24 crore of which ₹ 11,572.73 crore was outstanding for more than five years, as detailed in **Table 1.2**.

¹ Others includes receipts (less than five per cent of non-tax revenue) from the following :
Other Fiscal Services, Dividends and Profits, Public Service Commission, Police, Jail, Stationery & Printing, Public Works, Other Administrative Services, Contribution & Recoveries towards pension and other retirement benefits, Medical & Public Health, Family Welfare, Water Supply & Sanitation, Housing, Urban Development, Information & Publicity, Labour & Employment, Social Security & Welfare, Other Social Services, Crop Husbandry, Animal Husbandry, Dairy Development, Fisheries, Forest & Wild Life, Agriculture & Research & Education, Cooperation, Other Agriculture Programs, Land Reforms, Other Rural Development Programs, Other special areas programs, Major Irrigation, Medium Irrigation, Minor Irrigation, Power, Non Conventional Source of Energy, Village & Small Industries, Industries, Other Industries, Civil Aviation, Roads & Bridges, Road Transport, Tourism, Civil Supply and Other General Economic Services.

Table 1.2
Arrears of revenue

(₹ in crore)				
Sl. No.	Head of revenue	Total Amount outstanding as on 31 March 2015	Amount outstanding for more than five years as on 31 March 2015	Replies of Department
1.	Tax on Sales, Trade etc.	26,347.13	11,462.56	Out of ₹ 26,347.13 crore, demand for ₹ 2,594.53 crore had been certified for recovery as arrears of land revenue; recovery certificates for ₹ 1,276.72 crore have been sent to other states; recoveries for ₹ 4,441.96 crore had been stayed by the courts/appellate authority and Government; recoveries for ₹ 560.79 crore were outstanding against the Government/semi Government Departments; the demand for recovery of ₹ 1,613.14 crore was likely to be written off; and ₹ 45.02 crore was outstanding from transporters. For remaining amount of ₹ 15,814.97 crore, specific action is underway in the Department.
2.	Stamps and Registration Fees	202.77	The Department has no such data	The details of arrears outstanding for more than five years were not available with the Department. The Department could not furnish stages under which recovery is pending.
3.	Taxes on Vehicles	136.82	The Department has no such data	The details of arrears outstanding for more than five years were not available with the Department. The Department could not furnish stages under which recovery is pending.
4.	Non-Ferrous Mining and Metallurgical Industries	77.52	51.15	The details of arrear were not available with the Department at Directorate level.
5.	State Excise	53.12	52.62	Demand for the entire outstanding amount i.e. ₹ 53.12 crore had been certified for recovery as arrears of land revenue. Out of ₹ 53.12 crore, recovery certificates for ₹ 0.06 crore have been sent to other states; demand for ₹ 16.87 crore had been stayed by the Hon'ble courts and ₹ 5.85 crore was likely to be written off.
6.	Entertainment Tax	19.88	6.40	Out of ₹ 19.88 crore, demand for ₹ 9.88 crore had been stayed by the Hon'ble courts and demand for ₹ 8.65 crore had been certified for recovery as arrears of land revenue. The remaining amount of ₹ 1.35 crore was pending before appellate authorities.
Total		26,837.24	11,572.73	

Source: Information provided by the Departments

Out of the total outstanding of ₹ 26,837.24 crore, ₹ 3,910.30 crore was certified for recovery as arrears of land revenue, ₹ 4,468.71 crore was held up by the Courts, other appellate authorities, ₹ 560.79 crore outstanding against the Government/semi Government Departments and ₹ 1,618.99 crore likely to be written off, whereas specific action taken in respect of the remaining ₹ 16,278.45 crore was not intimated by the concerned departments.

1.3 Arrears in assessment

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

Table 1.3

Arrears in assessments

Head of revenue	Opening balance	New cases due for assessment during 2014-15	Total assessments due	Cases disposed of during 2014-15	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
1	2	3	4	5	6	7
Tax on Sales, Trade etc.	7,413	3,14,328	3,21,741	2,55,480	66,261	79.41

Source: Information provided by the Department

The Department has stated that all the arrear cases have been finalised by 30 April 2015 as extension of one month for finalisation of all the pending assessment cases was sought and provided by the Government.

1.4 Evasion of tax detected by the Departments

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

Table 1.4

Evasion of Tax

							(₹ in crore)
Sl. No.	Head of revenue	Cases pending as on 31 March 2014	Cases detected during 2014-15	Total	Number of cases in which assessment/ investigation completed and additional demand with penalty etc. raised		Number of cases pending for finalisation as on 31 March 2015
					Number of cases	Amount of demand	
1.	Tax on Sales, Trade etc.	9,955	5,604	15,559	6,556	2,669.76	9,003
2.	Stamps and Registration Fees	15,792	33,508	49,300	30,469	N.A.	18,831
3.	Taxes on Vehicles	5,090	144	5,234	8	2.00	5,226
4.	Entertainment Tax	0	47	47	30	0.01	17
Total		30,837	39,303	70,140	37,063	2,671.77	33,077

Source: Information provided by the Departments

It would be seen from the above table that the number of cases pending at the end of the year has increased from the number of cases pending at the start of the year.

1.5 Pendency of refund cases

The number of refund cases pending at the beginning of the year 2014-15, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2014-15 as reported by the Commercial Tax and State Excise Department is given in Table 1.5.

Table 1.5

Details of pendency of refund cases

						(₹ in crore)
Sl. No.	Particulars	Sales tax / VAT		State Excise		
		No. of cases	Amount	No. of cases	Amount	
1.	Claims outstanding at the beginning of the year	338	100.55	02	0.18	
2.	Claims received during the year	8,380	595.46	37	24.60	
3.	Refunds made during the year	8,547	668.13	37	22.93	
4.	Balance outstanding at the end of the year	171	27.88	02	1.83	

Source: Information provided by the Departments

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

1.6 Response of the Government / Departments towards audit

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

Analysis of Inspection reports issued upto December 2014 disclosed that 38,049 audit observations involving ₹ 6,813.44 crore relating to 10,899 IRs remained outstanding at the end of June 2015 as mentioned below alongwith the corresponding figures for the preceding two years in **Table 1.6**.

Table 1.6

Details of pending Inspection Reports

	June 2013	June 2014	June 2015
Number of IRs pending for settlement	10,808	11,104	10,899
Number of outstanding audit observations	30,694	34,446	38,049
Amount of revenue involved (₹ in crore)	6,305.36	6,816.69	6,813.44

Source: Information available in the audit office

1.6.1 The Department-wise details of the IRs and audit observations outstanding as on 30 June 2015 and the amounts involved are mentioned in the **Table 1.6.1**.

Table 1.6.1

Department-wise details of IRs

(₹ in crore)					
Sl. No.	Name of the Department	Nature of receipts	Numbers of outstanding IRs	Numbers of outstanding audit observations	Money value involved
1.	Finance	Taxes on Sales, Trade etc.	5,792	21,986	3,567.00
		Entertainment tax	173	318	13.65
2.	State Excise	State Excise	1,099	2,123	965.15
3.	Transport	Taxes on vehicles	1,043	4,784	809.92
4.	Stamps and Registration	Stamps and registration fees	2,649	8,098	727.80
5.	Geology and Mining	Non-ferrous mining and metallurgical industries	143	740	729.92
Total			10,899	38,049	6,813.44

Source: Information available in the audit office

Audit did not receive even the first replies from the heads of offices within one

month from the date of issue of the IRs, for 1,135 IRs issued during 2014-15. This large pendency of the IRs due to non-receipt of the replies is indicative of the fact that the heads of offices and the Departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the AG in the IRs.

The Government may consider to have an effective system for prompt and appropriate response to audit observations.

1.6.2 Departmental audit committee meetings

The Government sets up audit committees to monitor and expedite the progress of the settlement of the IRs and paragraphs in the IRs. The details of the audit committee meetings held during the year 2014-15 and the paragraphs settled are mentioned in **Table 1.6.2**.

Table 1.6.2

Details of Departmental audit committee meetings

Sl. No.	Head of revenue	Number of meetings held	Number of paras settled	(₹ in crore)
				Amount
1.	Tax on Sales, Trade etc.	39	36	0.47
2.	State Excise	18	395	160.05
3.	Stamp and Registration fees	05	49	0.69
4.	Entertainment Tax	18	58	0.69
Total		80	538	161.90

Source: Information available in the audit office

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

1.6.3 Response of the Departments to the draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the AG to the Principal Secretaries / Secretaries of the concerned Department, drawing their attention to audit findings and requesting them to send their response within six weeks. The fact of non-receipt of the replies from the Departments / Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Thirty one draft paragraphs including one Performance audit were sent to the Principal Secretaries of the respective Departments by name between June 2015 and July 2015. The replies of the Government/Department have been included in this Report.

1.6.4 Follow up on the Audit Reports-summarised position

To ensure accountability of the executive in respect of all the issues dealt in the various Audit Reports (ARs), the Department of Finance issued instructions in June 1987 to initiate *suo moto* action on all paragraphs/

Performance audits figuring in the Audit Reports irrespective of whether the cases were taken up for examination by the Public Accounts Committee (PAC) or not. In spite of these provisions, the explanatory notes on audit paragraphs of the Reports were being delayed inordinately. Two hundred and three paragraphs (including Performance audits) included in the Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of Uttar Pradesh for the years ended 31 March 2010, 2011, 2012, 2013 and 2014 were placed before the State Legislature Assembly between 08 August 2011 and 17 August 2015. The action taken explanatory notes from the Departments concerned on these paragraphs were received late. For the Audit Reports 2009-10 to 2013-14, against 203 paragraphs action taken explanatory notes of 114 paragraphs were received late with delay ranging between one month and 11 months. Action taken explanatory notes in respect of 89 paragraphs from the Departments had not been received for the Audit Report year ended 31 March 2011, 2012, 2013 and 2014 so far (November 2015).

The PAC discussed 90 selected paragraphs pertaining to the Audit Reports for the years from 2009-10 to 2012-13. However, Action Taken Notes (ATNs) have not been received in respect of 90 paragraphs of the PAC from the Departments concerned as mentioned in **Table 1.6.4**.

Table 1.6.4

Summarised position of ATNs of Audit Reports

Year	Name of the Department	Total
2009-10	Commercial Tax, State Excise, Transport, Stamp & Registration, Forest, Irrigation, Medical and Public Health	20
2010-11	State Excise, Transport and Stamp & Registration	15
2011-12	Commercial Tax, State Excise, Transport, Stamp & Registration, Geology and Mining, Medical Health and Family Welfare/ Forest	52
2012-13	State Excise	3
	Total	90

Source: Information available in the audit office

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

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

The succeeding paragraphs 1.7.1 to 1.7.2 discuss the performance of the Entertainment Tax Department under revenue head 0045 and cases detected in the course of local audit during the last ten years and also the cases included in the Audit Reports for the years 2005-06 to 2014-15.

1.7.1 Position of Inspection Reports

The summarised position of the Inspection Reports issued to Entertainment Tax Department during the last 10 years, paragraphs included in these reports and their status as on 31 March 2015 are tabulated in below **Table-1.7.1**.

Table 1.7.1
Position of Inspection Reports

(₹ in crore)													
Sl. No.	Year	Opening Balance			Addition during the year			Clearance during the year			Closing balance during the year		
		IRs	Para graphs	Money value	IRs	Para graphs	Money value	IRs	Para graphs	Money value	IRs	Para graphs	Money value
1.	2005-06	178	242	6.52	14	22	1.16	52	83	0.80	140	181	6.88
2.	2006-07	140	181	6.88	0	0	0	14	23	0.55	126	158	6.34
3.	2007-08	126	158	6.34	9	15	0.19	9	12	0.09	126	161	6.44
4.	2008-09	126	161	6.44	16	30	0.57	44	55	1.15	98	136	5.86
5.	2009-10	98	136	5.86	24	46	1.67	5	5	0.05	117	177	7.48
6.	2010-11	117	177	7.48	27	49	0.89	20	23	0.82	124	203	7.55
7.	2011-12	124	203	7.55	29	62	17.91	4	9	0.06	149	256	25.40
8.	2012-13	149	256	25.40	17	67	2.12	3	7	0.19	163	316	27.33
9.	2013-14	163	316	27.33	21	76	2.05	1	8	0.03	183	384	29.35
10.	2014-15	183	384	29.35	15	41	0.37	18	64	0.72	180	361	29.01

Source: Information available in the audit office

The Government arranges Audit Committee Meetings between the Department and AG's office to settle the old paragraphs. As would be evident from the above table, against 178 outstanding IRs with 242 paragraphs as on start of 2005-06, the number of outstanding IRs increased to 180 with 361 paragraphs at the end of 2014-15. This is indicative of the fact that adequate steps were not taken by the Department in this regard resulting in enhancement of the outstanding IRs and paragraphs.

1.7.2 Recovery of accepted cases

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

Table 1.7.2
Recovery of accepted cases

(₹ in lakh)					
Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered
2004-05	0	0	0	0	0
2005-06	2	557.93	0	0	0
2006-07	0	0	0	0	0
2007-08	1	6.80	0	0	0
2008-09	1	10.08	0	0	0
2009-10	0	0	0	0	0
2010-11	1	9.54	1	0.25	0.25
2011-12	1	21.03	1	21.03	6.05
2012-13	2	11.74	2	11.00	4.71
2013-14	3	7.22	2	7.22	0.49

Source: Information available in the audit office

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

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

1.8 Action taken on recommendations accepted by the Departments/ Government

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

The details of accepted recommendations and their status in respect of Performance audits on the Department of Commercial Tax, Transport Department and Stamp and Registration featured in the last five years Reports are shown in the **Appendix-I**.

1.9 Audit planning

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

During the year 2014-15, there were 2,639 auditable units, of which 1,261 units were planned and 1,135 units had been audited, which is 43 *per cent* of the total auditable units. Due to Lok Sabha election, 126 planned units could not be audited.

Besides, the compliance audit mentioned above, one Performance audit was also taken up to examine the efficacy of the tax administration of these receipts.

1.10 Results of audit

Position of local audit conducted during the year

During the year 2014-15 we test checked the records of 1,135 units relating to Tax on Sales, Trade, etc., State Excise, Taxes on Vehicles, Goods and Passengers, Stamps and Registration fees, Entertainment Tax and Mining Receipts and found underassessment/ short levy/ loss of revenue aggregating to ₹ 851.14 crore in 5,145 cases. During the course of the year, the

Departments concerned accepted underassessment and other deficiencies of ₹ 20.92 crore involved in 456 cases, of which an amount of ₹ 19.21 crore was realised in 349 cases during the year 2014-15.

1.11 Coverage of this Report

This Report contains 31 paragraphs (selected from the audit detections made during the local audit referred to above and during earlier years, which could not be included in earlier reports) including one Performance audit on “**System of Assessment Under VAT**”, involving financial effect of ₹ 560.72 crore .

The Departments/Government have accepted audit observations involving ₹ 532.41 crore out of which ₹ 65.12 lakh had been recovered (November 2015). These are discussed in succeeding Chapters II to VI.

CHAPTER-II

TAX ON SALES, TRADE ETC.

2.1 Tax administration

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

2.2 Results of audit

In 2014-15, the Department realised revenue of ₹ 42,931.54 crore. Test check of the records of 539 units out of 1,645 units relating to Taxes on Sales, Trade, etc. during the year 2014-15 showed underassessment of tax and other irregularities involving ₹ 625.77 crore in 3,014 cases, which fall under the following categories as given in **Table 2.1**.

Table 2.1

Results of audit

Sl. No.	Categories	₹ in crore)	
		Number of cases	Amount
1.	System of Assessment under VAT (A Performance Audit)	1	420.74
2.	Under-assessment of tax	795	56.44
3.	Acceptance of defective statutory forms	191	7.14
4.	Evasion of tax due to suppression of sales/purchase	51	1.82
5.	Irregular/Incorrect/Excess allowance of ITC	297	24.87
6.	Other irregularities	1,679	114.76
Total		3,014	625.77

Source: Information available in the Audit office.

During the course of the year, the Department accepted underassessment and other deficiencies of ₹ 14.25 crore in 134 cases, of which ₹ 14.17 crore was realised in 127 cases. In remaining cases no reply has been furnished by the Department.

Performance Audit on “**System of Assessment under VAT**” involving ₹ 420.74 crore and a few other illustrative cases involving ₹ 31.19 crore are discussed in the succeeding paragraphs.

2.3 Performance Audit on "System of Assessment under VAT"

Highlights

Due to non-existence of mechanism for inter-departmental exchange of data/information and modalities for survey the Department failed to identify and register 79,363 unregistered dealers and to impose penalty of ₹ 289.82 crore.

(Paragraph 2.3.9.2)

Non-finalisation of assessment cases equally in each month by the Assessing Authorities resulted in pendency of cases between 6,042 to 1,84,052 in the later months of the year during 2010-11 to 2014-15. This led to extension of time limit thrice for one month to three months by the Government during 2010-11 to 2014-15 for finalisation of cases. This also affects upcoming year's assessments.

(Paragraph 2.3.12 & 2.3.13)

In four out of 20 zones, there was very low percentage of dealers, ranging from 0.27 to 0.44 *per cent* selected for tax audit during 2011-12 to 2014-15 against the norms of five *per cent* fixed by the CCT and no dealer was selected for tax audit in 2010-11. Also no tax audit was conducted at the office, business premises or warehouse of the dealers as prescribed in the Act.

(Paragraph 2.3.14)

There were irregularities in ITC claims like irregular/non-admissible ITC claims, excess claims, non-reversal of ITC and non-charging of interest thereon etc. of ₹ 6.98 crore in case of 34 dealers out of 3,102 dealers test checked from 23,786 dealers in respect of six JCs(CC) and 16 sectors.

(Paragraph 2.3.15)

There was non/short levy of tax of ₹ 6.48 crore due to application of incorrect rate of tax, misclassification of goods, turnover escaping assessment etc. in case of 74 dealers out of 7,669 dealers test checked from 47,076 dealers in respect of six JCs(CC) and 35 sectors.

(Paragraph 2.3.16)

There were cases of concealment of turnover, delayed deposit of admitted tax, import of goods without declaration forms and furnishing of false declarations but Assessing Authorities did not impose penalty of ₹ 114.82 crore in cases of 82 dealers out of 8,556 dealers test checked from 58,298 dealers in respect of six JCs(CC) and 35 sectors.

(Paragraph 2.3.17)

For allowing ITC claims and accepting the amount of sale against tax invoices, it is necessary that all the purchases and sales made by the dealer are verified. Hundred *per cent* verification of transactions was not possible in the current online VYAS system as only the dealers with turnover of ₹ 50 lakh and above were submitting e>Returns on the system.

(Paragraph 2.3.20)

The audit planning of the internal audit wing for sectors' audit was not realistic as shortfall ranged from 9 to 96 *per cent* during 2010-11 to 2014-15. Position of outstanding paras increased from 8,506 to 11,228 and pendency of recovery thereof increased from ₹ 69.98 crore to ₹ 445.13 crore.

(Paragraph 2.3.22.2 & 2.3.22.3)

2.3.1 Introduction

Commercial Tax is the major source of revenue contributing about 58 *per cent* of the total tax revenue of the State. It comprises of Value Added Tax (VAT), Central Sales Tax (CST) and Tax on Entry of Goods into Local Area (ET). VAT is a multipoint taxation system where the goods are subject to tax at each point of sale in the production chain till it reaches to the consumer. Commercial Tax Department is responsible for assessment, levy and collection of tax and ensures compliance of various provisions of the Act, Rules and various notifications, circulars issued thereunder.

2.3.2 Organisational setup

The Principal Secretary (Commercial Tax and Entertainment Tax) Uttar Pradesh is the administrative head at Government level. The overall control and direction of the Commercial Tax Department is with the Commissioner Commercial Tax, Uttar Pradesh with headquarters at Lucknow. The Department has been organised in 20 zones each headed by an Additional Commissioner and the zones are further divided in 45 regions each headed by a Joint Commissioner. Further, these regions are divided into 436 sectors where Deputy Commissioner, Assistant Commissioner and Commercial Tax Officers are vested with the power of assessment.

2.3.3 Audit objectives

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

- the provisions of the Act and Rules made thereunder are adequate and enforced properly to safeguard the revenue of the State;
- the human resources are being managed in an efficient and effective manner and
- the internal control in the Department is adequate and effective and cases of internal audit are duly pursued and complied with.

2.3.4 Audit criteria

The audit criteria for the performance audit have been derived from the following sources:

- UPVAT Act 2008 and Rules made thereunder.
- The Central Sales Tax Act, 1956 and Rules made thereunder.
- Notifications and circulars issued by the Government/Department from time to time.

2.3.5 Audit scope and methodology

The Performance Audit on “System of Assessment under VAT” was conducted between December 2014 and May 2015 pertaining to period 2008-09 to 2013-14 in respect of assessments finalised during 2010-11 to 2014-15. We test checked the records of the offices selected for Performance Audit by random sampling after categorising into high, medium and low risk

areas¹ according to their revenue collection. Four Additional Commissioner, Appeal; Four Joint Commissioner, Tax Audit; Eight Joint Commissioners² (Corporate Circle) and 93 sectors³ were selected for Performance Audit covering all 20 zones of the Department. We test checked periodical returns, annual returns, registration certificates, concession/exemption declaration forms, audit report by specified authority, balance-sheet and cross verified the data/information collected from other Department.

An entry conference was held with the Government and the Department on 30 December 2014 in which Principal Secretary Commercial Tax and Entertainment Tax represented the Government and Additional Commissioner (Vidhi) Commercial Tax represented the Department. They were apprised of the scope and methodology of Performance Audit. An exit conference was held on 6 October 2015 with the Government and the Department in which audit findings were discussed with the Officer on Special Duty, Government of Uttar Pradesh and Additional Commissioner, Commercial Tax Department. The Response of the Government/Department has been incorporated in the relevant paragraphs.

2.3.6 Acknowledgement

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

2.3.7 Trend of receipts

Actual receipt from tax on sales, trade etc. during the last five years from 2010-11 to 2014-15 alongwith the total tax receipts during the same period are exhibited in the **Table 2.2**.

Table 2.2
Trend of receipts

(₹in crore)						
Year	Budget estimate	Actual receipts	Variation excess(+) shortfall(-)	Percentage of variation	Total tax receipts of the State	Percentage of actual tax receipt vis-a-vis- total tax receipts
2010-11	26,978.34	24,836.52	(-)2,141.82	(-)7.94	41,355.00	60.06
2011-12	32,000.00	33,107.34	(+)1,107.34	3.46	52,613.43	62.93
2012-13	38,492.18	34,870.16	(-)3,622.02	(-)9.41	58,098.36	60.02
2013-14	43,936.00	39,645.45	(-)4,290.55	(-)9.77	66,582.08	59.54
2014-15	47,497.92	42,931.54	(-)4,566.38	(-)9.61	74,172.42	57.88

Source: Finance Account of the Government of Uttar Pradesh.

¹ Joint Commissioner (Corporate Circle) and the sectors having revenue of ₹ 100 crore and above were categorised in high risk, sectors having revenue of ₹ 25 crore and above but less than ₹ 100 crore were categorised in medium risk and sectors having revenue less than ₹ 25 crore were categorised in low risk.

² Joint Commissioner (Corporate Circle)- Agra, Allahabad, G. B. Nagar, Ghaziabad-I, Ghaziabad-II, Gorakhpur, Kanpur-II and Lucknow-I.

³ Sectors-Agra Sec.1, Aligarh Sec. 8; Allahabad Sec. 1 & 10; Ambedkarnagar Sec. 2; Amroha Sec. 1; Azamgarh Sec. 1; Bahraich Sec. 2; Banda Sec. 2; Barabanki Sec. 2; Bareilly Sec. 6; Basti Sec. 1 & 2; Bhadohi Sec. 1 & 3; Bulandshahr Sec. 1; Chandauli Sec. 2; Deoband Sec. 1; Deoria Sec. 1; Faizabad Sec. 2 & 3; Fatehgarh Sec. 1 & 3; Fatehpur Sec. 3; Firozabad Sec. 3; G.B. Nagar Sec. 1; Ghaziabad Sec. 1, 2, 3, 4 & 19; Ghazipur Sec. 2 & 4; Gorakhpur Sec. 2, 5 & 6; Hamirpur Sec. 2; Hasanpur Sec. 1; Hathrash Sec. 1; Jaunpur Sec. 2 & 6; Jhansi Sec. 8; Kanpur Sec. 11, 17, 20, 24 & 27; Khatauli Sec. 2; Lakhimpurkheri Sec. 2 & 3; Lucknow Sec.3, 5, 9 & 19; Mau Sec. 2; Meerut Sec. 9 & 12; Mirzapur Sec. 1, 2 & 3; Moradabad Sec. 2 & 4; Muzaffarnagar Sec. 1, 3 & 7; Najibabad Sec. 1; Nanpara; Noida Sec. 2, 3, 7, 9 & 14; Pratapgarh Sec. 2; Raebareli Sec. 1; Rampur Sec. 1, 2 & 3; Saharanpur Sec. 3, 6 & 12; Sant kabir nagar Sec. 1; Shahjahanpur Sec. 2 & 4; Shrawasti; Siddharthnagar Sec. 1; Sonbhadra 1, 3 & 5; Unnao Sec. 2 and Varanasi Sec. 4, 11, 17 & 19.

The above table shows that there was a decreasing trend in percentage of actual tax receipt vis-a-vis total tax receipt during 2011-12 to 2014-15.

2.3.8 Arrears in revenue

The positions of opening balance, addition, clearance and closing balance of arrears of revenue during the period 2010-11 to 2014-15 are depicted in the **Table 2.3**.

Table 2.3
Position of arrears

(₹ in crore)					
Year	Opening balance	Addition	Amount stayed by courts or write off	Clearance	Closing balance
2010-11	16,453.30	6,009.29	4,446.21	1,350.97	16,665.41
2011-12	16,665.41	8,810.87	4,815.49	1,700.51	18,960.28
2012-13	18,960.28	11,474.50	5,633.74	1,950.51	22,850.53
2013-14	22,850.53	9,394.44	5,371.68	2,411.65	24,461.64
2014-15	24,461.64	9,540.36	4,929.17	2,725.70	26,347.13

Source: Data furnished by the Commissioner Commercial Tax.

It may be seen from the table that during the period 2010-11 to 2014-15, the arrears increased from ₹ 16,665.41 crore to ₹ 26,347.13 crore of this ₹ 11,462.56 crore were pending for recovery for more than five years.

Audit findings

The UPVAT Act came into force with effect from 1 January 2008. However, audit reviewed the system of assessment for the period 2010-11 to 2014-15 and noticed a number of deficiencies which have been mentioned in the succeeding paragraphs.

2.3.9 Registration of dealers

Section 17 of UPVAT Act 2008 prescribes that every dealer who is liable to pay tax under the Act shall get himself registered when his turnover exceeds prescribed limit of ₹ five lakh per annum.

2.3.9.1 Detail of registered and cancelled dealers

The detail of number of new dealers registered and dealers whose registration were cancelled during 2010-11 to 2014-15 are depicted in the **Table 2.4**.

Table 2.4
Registration of dealers

Year	Total number of dealers	No. of dealers got registered	No. of registration cancelled
2010-11	5,94,695	77,561	46,161
2011-12	6,42,645	77,924	55,164
2012-13	7,08,636	81,442	29,646
2013-14	6,98,877	81,501	27,206
2014-15	6,98,997	85,028	42,690

Source: Data furnished by the Commercial Tax Department.

The table shows increasing trend in number of registration of dealers.

2.3.9.2 Lack of mechanism for inter-departmental exchange of data/information for registration of dealers

Due to non-existence of mechanism for inter-departmental exchange of data/information for the purpose of cross verification the Department failed to identify and register 79,363 unregistered liquor dealers.

As per notification No. 2-879 dated 26 March 2008 sale or purchase of country liquor and spirit and spirituous liquors of all kinds excluding methyl alcohol by a dealer is exempt from tax subject to the condition that a certificate prescribed by the CCT is submitted by the concerned dealer with the return of the tax period before the assessing authority to the effect that consideration fee, excise duty, fees or purchase tax payable under the United Provinces Excise Act, 1910 or the United Provinces Sales of Motor Spirit, Diesel Oil and Alcohol Taxation Act, 1939, as the case may be, has been paid. It is compulsory for the liquor shop licensees to be registered to fulfil the above conditions. Under Section 54(1)(7) of the UPVAT Act where a dealer being liable for registration under this Act has failed to apply in the prescribed manner and within the specified time shall pay by way of penalty rupees one hundred per day during which business is carried.

However, no norms/targets for survey at sector level, i.e. areas to be covered, periodicity of surveys and number of dealers to be covered in survey has been prescribed either by the VAT Act or by the issue of notification/circulars by the Government/Department to identify unregistered dealers liable for registration.

We collected information for the year 2010-11 to 2014-15 from the office of the Commissioner State Excise Uttar Pradesh and cross checked with the records of Commercial Tax Department and found that 79,363 liquor shop licensees had not obtained and submitted certificate in form 'E' with the return as they were running their shops without getting registration and selling liquor valued at more than ₹ five lakh per year. Due to non-existence of mechanism for inter-departmental exchange of data/information for the purpose of cross verification the Department failed to identify and register such unregistered liquor shop licensees. As these liquor shop licensees were running their business without getting registration, they were liable to pay penalty of ₹ 289.82 crore which was not imposed as shown in the **Table 2.5**.

Table-2.5
Lack of co-ordination with State Excise Department

Year	No. of Country Liquor shop Licensees	No. of Foreign Liquor shop Licensees	Total Number of Unregistered Liquor shop Licensees	Amount of Penalty imposable on a dealer during the year @ ₹ 100 per day (amount in ₹)	Total amount of penalty not imposed (₹ in lakh)
2010-11	11,737	2,459	14,196	36,500	5,181.54
2011-12	11,960	2,963	14,923	36,600	5,461.82
2012-13	12,774	3,550	16,324	36,500	5,958.26
2013-14	13,354	3,504	16,858	36,500	6,153.17
2014-15	13,506	3,556	17,062	36,500	6,227.63
Total	63,331	16,032	79,363		28,982.42

Source: Information collected from Commissioner State Excise.

During exit conference the Government accepted our observation and stated that if conditions mentioned in the notification are not fulfilled, dealers are liable to pay tax and hence liable for registration.

The Government may consider for developing a mechanism for inter-departmental exchange of data/information and modalities for survey for the purpose of identification of unregistered dealers.

2.3.10 Filing of return

Non-filing of returns by 49,705 to 1,08,152 dealers during the year 2010-11 to 2014-15 is indicative of the lack of internal control mechanism and monitoring in the Department.

Rule 45 of UPVAT Rules provides that in case of a dealer whose aggregate of turnover, exceeds one crore rupees, every calendar month of the assessment year shall be a tax period and he shall be required to submit monthly return. In case of dealers having yearly turnover less than one crore rupees, every quarter of the assessment year shall be tax period and they shall be required to submit quarterly return. Every dealer, shall, alongwith tax return of each tax period, submit a list of purchases and sales made against tax invoices containing such particulars as are prescribed in the Rules. Dealers having yearly turnover of ₹ 50 lakh or more are compulsorily required to submit e-return and rest of dealers may submit it manually.

Section 28 of the UPVAT Act provides that if a registered dealer fails to furnish before the due date the annual return specified under Section 24(7) or the tax return specified under sub-section (1) of Section 24, the prescribed authority shall pass an assessment order for an assessment year.

Information collected from the office of the Commissioner, Commercial Tax revealed that 49,705 to 1,08,152 registered dealers had not filed their returns during the year 2010-11 to 2014-15 as detailed in the **Table 2.6**.

Table 2.6
Filing of return

Year	No. of registered dealers	No. of dealers who have filed their returns		No. of dealers not filed return
		Manually	E-return	
2010-11	5,94,695	4,47,778	97,112	49,705
2011-12	6,42,645	4,42,956	1,13,481	86,208
2012-13	7,08,636	5,23,682	1,32,029	52,925
2013-14	6,98,877	4,35,271	1,55,454	1,08,152
2014-15	6,98,997	4,29,836	1,74,291	94,807

Source: Information furnished by the Commercial Tax Department.

Non-filing of returns by such a large number of registered dealers is indicative of the lack of internal control mechanism and monitoring in the Department.

We reported the matter to the Department in October 2015. No reply has been received (November 2015).

System of assessment

The provisions for assessment under the UPVAT Act, 2008 are contained in Section 6 (Compounding), Section 27 (Self Assessment), Section 28 (Assessment of tax after examination of Records) and Section 29 (Assessment

of tax of turnover escaped from assessment) and rules made thereunder, and Section 9 of Central Sales Tax Act, 1956 (CST).

2.3.11 Scrutiny of returns

16 dealers out of 435 dealers test checked, were deemed assessed without proper scrutiny of returns as these returns were incomplete in respect of filling in all the information/figures/boxes as required in the format of returns and without enclosing the necessary evidences/forms required to be submitted along-with the returns.

All the returns filed by the dealers are compulsorily scrutinised by the AAs. The AA while scrutinising the returns filed by the dealers examines the correctness of the turnover of sales or purchases or both, the amount of input tax credit claimed, the amount of tax payable shown by the dealer in their returns. He also satisfies himself that the tax shown payable by the dealer in the return has been deposited, all the annexure required to be submitted with the return are attached, all the forms on whose basis exemption/concession of tax has been claimed are submitted with the return and all the relevant columns of the return are dully filled in.

Section 27 of the Uttar Pradesh Value Added Tax (UPVAT) Act, 2008 provides that every dealer, who has submitted annual return of turnover and tax, in the prescribed form and manner, shall be deemed to have been assessed to an amount of tax admittedly payable on the turnover of purchases or sale or both, as the case may be, disclosed in such return, and amount of input tax credit shown admissible in the return. It is evident from the above provisions that only pre-condition for being self-assessed is submission of true and complete return before the expiry of the due date or the extended date.

We examined deemed cases in JC (CC) Allahabad and nine sectors and observed that the cases of 16 dealers out of 435 dealers test checked from 932 dealers, were deemed assessed without proper scrutiny of returns. These returns were incomplete in respect of filling in all the information/figures/boxes as required in the format of returns and without enclosing the necessary evidences/forms required to be submitted along-with the returns. Even crucial information such as detail of bank account, opening stock and closing stock, name of the goods sold were not filled in the returns. This is contrary to the legislative intent prescribed under the provision of the Act *ibid*. Thus, the returns submitted in those cases were not self-contained and therefore not amenable for meaningful scrutiny as well as audit which ultimately lead to short levy/under assessment of tax. Details are mentioned in the **Appendix-II**.

We reported the matter to the Department in October 2015. No reply has been received (November 2015).

2.3.12 Cases not assessed as per pro-rata basis

There was heavy volume of cases pending for assessment in the later months of the year due to non-finalisation of cases equally in each month which resulted in extension of the time limit thrice during 2010-11 to 2014-15 for one month to three months by the Government for finalisation of cases.

Para 232 of Sales Tax Manual provides the number of cases to be assessed per month by the AAs. Further CCT vide his circular dated 31 May 2013 directed the AAs to analyse the cases to be finalised during the year and to assess the cases equally in each month.

We collected information from 93 sectors for the year 2010-11 to 2014-15 and found that the regular assessment cases finalised by the AAs were varying from zero to 635 during the month.

We observed that as per provisions of the existing manual and instruction issued by CCT, cases were not finalised equally in each month. The cases should be finalised only after thorough, intensive and in-depth checking of the books of accounts and other statements, filed by the dealer. Non-finalisation of cases equally in each month resulted in heavy volume of cases pending for assessment in the later months of the year. This led to extension of the time limit thrice during 2010-11 to 2014-15 for one month to three months by the Government for finalisation of cases. This also affects upcoming year's assessments.

During exit conference the Government/Department stated that dealer demands time extension for submission of concessional/exemption forms and as per provisions of the rules AAs are bound to grant time extension if sufficient reasons are found. This results in work load in the later months of the year.

We do not agree with the reply as the CCT has issued instruction considering all the aforesaid aspect.

2.3.13 Arrears in assessment

The details of cases pending at the beginning of the year, cases became due for assessment and disposed off during the year and numbers of cases pending for finalisation at the end of the year during 2010-11 to 2014-15 are mentioned in the **Table 2.7**.

Table 2.7
Arrear in assessment

Year	Opening balance	Cases which became due for assessment	Total	Cases disposed off during the year	Cases pending at the close of the year	Percentage of pendency
2010-11	12,386	5,44,458	5,56,844	5,50,802	6,042	1.09
2011-12	6,042	6,54,378	6,60,420	4,76,368	1,84,052	27.87
1012-13	1,84,052	4,58,225	6,42,277	4,95,505	1,46,772	22.85
2013-14	1,46,772	3,92,046	5,38,818	5,31,405	7,413	1.38
2014-15	7,413	3,14,328	3,21,741	2,55,480	66,261	20.59

Source: Information provided by the Commercial Tax Department.

It is evident from the table that the pendency in finalisation of assessments was ranging between 1.09 to 27.87 *per cent* during 2010-11 to 2014-15.

We reported the matter to the Department in October 2015. No reply has been received (November 2015).

The Government may take effective steps for finalisation of assessment cases within the prescribed time limit.

2.3.14 Tax audit by the Department

Out of 6,54,828 dealers only 2,075 dealers were selected for tax audit during 2011-12 to 2014-15 which were very low in percentage ranging from 0.27 to 0.44 *per cent* and in 2010-11 no dealer was selected.

Section 44(1) of UPVAT Act states that for the purpose of examining the correctness of tax return or returns filed by the dealer or class of dealers and to verify admissibility of various claims including claim of input tax credit made by a dealer or class of dealers, tax audit shall be made of such number of dealers as may be prescribed. Act further provides that where it is convenient, the officer may take up tax audit in the office, business premises or warehouse of the dealer.

In order to examine the application of provisions and orders regarding tax audit we collected information from four zones⁴ of the Commercial Tax Department and found that very low percentage of dealers ranging from 0.27 to 0.44 *per cent* were selected for tax audit during 2011-12 to 2014-15 and in 2010-11 no dealer was selected for tax audit. No audit was conducted at the office, business premises or warehouse of the dealer during 2010-11 to 2014-15 as prescribed in the Act.

The details of dealers selected for tax audit of four zones are shown in **Table 2.8**.

Table 2.8
Tax audit conducted by the Department

Year	Number of registered dealers	Number of dealers selected for tax audit and completed during the year	Percentage of dealers selected	Number of audit conducted at the business premises of the dealers
2010-11	1,18,734	0	0.00	0
2011-12	1,28,045	343	0.27	0
2012-13	1,41,270	623	0.44	0
2013-14	1,33,567	527	0.39	0
2014-15	1,33,212	582	0.44	0

Source: Data furnished by the Commercial Tax Department.

No records for follow up action by the tax audit wing regarding compliance of observations of tax audit and recovery made thereof maintained in the office of JC tax audit because after tax audit the files were returned to concerned sectors for assessment.

During exit conference the Government/Department replied that shortfall in number of dealers selected for tax audit was due to norms for selection of dealers for tax audit fixed at five *per cent* for the year 2011-12 and 2012-13 by the CCT. We do not agree with the reply of Department because percentage of

⁴ Agra, Allahabad, Bareilly and Varanasi-I.

dealers selected for tax audit is very low in comparison to the norms of five *per cent* fixed by the CCT and even one *per cent* could not be achieved.

For effective implementation of tax audit the Department may adhere to the sample size fixed so that more cases of revenue loss may be detected and rectified by the Department itself.

2.3.15 Irregularities in ITC claims

Our scrutiny of records of the Department revealed several cases of irregularities regarding ITC claims like irregular/non admissible ITC claims, excess claims, non-reversal of ITC and non-charging of interest thereon etc. of ₹ 6.98 crore in respect of six JCs(CC) and 16 sectors in cases of 34 dealers out of 3,102 dealers we test checked from 23,786 dealers for the period 2008-09 to 2012-13. A few cases are mentioned in the following paragraphs.

2.3.15.1 Excess allowance of ITC

The dealers had claimed input tax credit (ITC) of ₹ 2.01 crore instead of ₹ 1.54 crore on purchase of goods of ₹ 13.57 crore due to application of higher rate than the admissible rate and wrong calculation which resulted in excess allowance of ITC of ₹ 46.62 lakh.

Section 13 of UPVAT Act provides that any registered dealer purchases taxable goods within the State from another registered dealer after paying him the tax at the rates prescribed under Section 4 of the Act, he is eligible to claim credit of input tax in the manner prescribed.

We examined assessment orders and files in JC (CC) Agra and two sectors and observed that three out of 259 dealers test checked, had availed ITC of ₹ 2.01 crore on purchase of goods valued at ₹ 13.57 crore in their annual return during the year 2011-12. However, as per the provisions of the Act dealers were entitled for ITC of ₹ 1.54 crore only. The AAs while finalising the assessment between December 2013 and March 2015 did not detect this aspect that in case of JC (CC) Agra the dealer had availed ITC at the rate of 13.5 *per cent* rather than the rate of five *per cent* and in sector 1 Amroha and sector 5 Gorakhpur dealers had availed excess ITC due to wrong calculation. Thus, the dealers were wrongly allowed excess ITC of ₹ 46.62 lakh.

2.3.15.2 False/fraudulent claim of ITC

On cross verification, ITC of ₹ 94.67 lakh claimed by the dealers was found false. Though it was reversed by the AAs but no penal action was taken against the dealers.

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

person shall, in addition to the tax, if any, payable by him, pay by way of penalty, a sum equal to five times of amount of ITC.

We examined assessment orders and files in two JCs (CC) and two sectors and observed that in the cases of five out of 301 dealers test checked, the AAs cross verified the ITC claims of the dealers and found that the dealers had falsely/fraudulently claimed ITC amounting to ₹ 94.67 lakh during the year 2009-10 to 2011-12. Though the AAs while finalising the assessment of these dealers between May 2013 and January 2015 reversed the ITC claim of ₹ 94.67 lakh but did not impose the penalty of ₹ 4.73 crore.

The dealers had procured tax invoices without actual purchases of goods. It was a case of fraud. Penal provisions are made to discourage the malpractices of the dealers. AAs should have exercised the powers to impose penalty in such cases. No reason or justification for non-imposition of penalty of ₹ 4.73 crore was given by the AAs.

2.3.15.3 Procurement of false tax invoice

Under Section 54(1) (11) (iv) of UPVAT Act, where a dealer receives a tax invoice or sale invoice without actual purchase of goods the AA may direct that such dealer shall, in addition to tax, pay by way of penalty, a sum of 50 *per cent* of the value of goods.

- **Allowance of ITC on false tax invoices**

The AA irregularly allowed the ITC claim of ₹ three lakh on the basis of tax invoices of ₹ 37.83 lakh which were procured from bogus firms without actual purchases of goods.

We cross verified the ITC claims and examined assessment orders and files in sector 9 Meerut and observed that a dealer out of 141 dealers test checked, had purchased goods against tax invoices of ₹ 37.83 lakh during the year 2008-09 and claimed ITC of ₹ three lakh. Our cross verification of sale/purchase details with other sectors revealed that the dealer had procured tax invoices from bogus firms without actual purchase of goods. The AA while finalising the assessment of the dealer in January 2011 irregularly allowed the ITC claim of ₹ three lakh without any attempt to verify the genuineness of tax invoices. This resulted in irregular allowance of ITC of ₹ three lakh and consequently non-imposition of penalty of ₹ 18.92 lakh.

- **Non-imposition of penalty on procurement of false tax invoice**

Penalty of ₹ 31.16 lakh was not imposed by the AA for procurement of tax invoices of ₹ 62.33 lakh without actual purchases of goods.

We examined assessment orders and files in sector 2 Barabanki and observed that a dealer out of 96 dealers test checked had received tax invoices of ₹ 62.33 lakh during the year 2010-11 without actual purchase of goods. The AA while finalising the assessment of the dealer in March 2014 reversed the ITC of ₹ 3.12 lakh but neither imposed the penalty of ₹ 31.16 lakh nor recorded any reason for non-imposition of penalty.

2.3.15.4 Non/short reversal of ITC on exempted sale

The dealers had not reversed the ITC claim of ₹ 47.31 lakh in respect of purchase of those goods whose sale was exempt from tax. The same was not reversed by the AAs at the time of assessment.

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

We examined assessment orders and files in two JCs (CC) and four sectors and observed that eight out of 513 dealers test checked, had wrongly availed ITC of ₹ 47.31 lakh during the year 2008-09 to 2011-12 on purchase of those goods whose sale valuing ₹ 77.32 crore was exempt from payment of tax. The AAs while finalising the assessments between May 2012 and February 2015 neither reversed this inadmissible ITC nor raised demand of interest. This resulted in non-reversal of ITC and non-charging of interest of ₹ 71.54 lakh.

2.3.15.5 Non-reversal of ITC on stock transfer

The dealers had not reversed the ITC claim of ₹ 6.88 lakh claimed in respect of those goods which were transferred or consigned outside the State. The same was not reversed by the AAs at the time of assessment.

Under the provision of Section 13 of UPVAT Act (amended with effect 28 February 2009), if taxable goods purchased from within the State are transferred/consigned or after use in manufacture such manufactured goods are transferred or consigned outside the State, the partial amount of ITC is admissible, which will be in excess of four *per cent*. If the dealer claims the whole amount of ITC the 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.

We examined assessment orders and files in JC(CC) G. B. Nagar and sector 2 Bahraich and observed that three out of 308 dealers test checked, had not reversed ITC of ₹ 6.88 lakh during the year 2008-09 and 2010-11 on stock transfer of goods of ₹ 7.31 crore purchased within the State against tax invoice on which ITC was claimed. The AAs while finalising the assessments between March 2012 and February 2014 neither reversed this inadmissible ITC of ₹ 6.88 lakh nor charged the interest. This resulted in non-reversal of ITC and non-charging of interest of ₹ 12.78 lakh.

2.3.15.6 Non-reversal of ITC on goods sold on lower price than purchase price

The AAs had not reversed the ITC of ₹ 5.67 lakh claimed by the dealers in respect of those goods which were sold at the price lower than purchase price by the dealers.

Under Section 13(1) (f) of UPVAT Act where goods purchased are resold or goods manufactured or processed by using or utilising such goods are sold, at the price which is lower than purchase price of such goods in case of resale or cost price in case of manufacture, the amount of input tax credit shall be claimed and be allowed to the extent of tax payable on the sale value of goods or manufactured goods. If the dealer claims full amount of ITC, the ITC in excess of tax payable on the sale value of goods will be reversible with interest at the rate of 15 *per cent* per annum.

We examined assessment orders and files in four sectors and observed that four out of 585 dealers test checked, had purchased goods worth ₹ 9.10 crore during 2010-11 to 2011-12 and claimed ITC of ₹ 62.63 lakh and sold it for ₹ 8.46 crore. The dealers availed ITC on the purchase price of the goods instead of to the extent of ₹ 56.96 lakh on sale value of goods. The AAs while finalising the assessment between November 2013 and March 2015 neither reversed this inadmissible ITC of ₹ 5.67 lakh nor created demand with simple interest. This resulted in non-reversal of ITC and non-charging of interest of ₹ 7.80 lakh.

2.3.15.7 Irregular adjustment of ITC and non-charging of interest

The AAs while finalising the assessment reversed the non-admissible ITC and adjusted it with the balance ITC of the dealers instead of raising demand of ₹ 24.07 lakh with interest.

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

We examined assessment orders and files in two JCs (CC) and three sectors and observed that eight out of 798 dealers test checked, had claimed ITC of ₹ 24.07 lakh during the year 2008-09 and 2011-12 which was not in accordance with the provisions of the Act. The AAs while finalising the assessments between September 2011 and January 2015 reversed this non-admissible ITC and adjusted it with the balance ITC of the dealer without charging interest payable on it, whereas as per provisions of the Act dealers were liable to deposit the amount of reversed ITC alongwith simple interest. This resulted in irregular adjustment of ITC of ₹ 24.07 lakh and non-charging of interest of ₹ 14.29 lakh.

2.3.15.8 Irregular allowance of ITC to the contractor under compounding scheme

The AA allowed ITC of ₹ 19.14 lakh to the dealer which was not admissible on purchase of those goods which were transferred in execution of works contract under compounding scheme.

As per provisions of Section 6(2) of UPVAT Act any dealer, who opts for payment of composition money, shall not be entitled to avail ITC under Section 13 of the UPVAT Act on purchase of taxable goods from any registered dealer.

We examined in January 2015 assessment orders and files in sector 19 Lucknow, and found that a dealer out of 101 dealers test checked was engaged in purchase and sale of ready-mix concrete, stone grit, sand etc. and in civil contract. He opted for compounding scheme for civil works contract for the year 2010-11. The dealer purchased goods valued at ₹ 5.96 crore and claimed ITC of ₹ 55.27 lakh. The purchased goods were both resold and used in execution of works contract. The dealer received payment of ₹ 2.96 crore during the year 2010-11 for execution of work in which material of ₹ 2.07 crore (70 per cent of payment received) was transferred. As the dealer had opted for compounding scheme he was not entitled to avail ITC on purchase of those goods which were transferred in execution of work contract. The AA while finalising the assessment allowed the total ITC claim of ₹ 55.27 lakh whereas, ITC in proportion of ₹ 19.14 lakh was required to be disallowed against the material of ₹ 2.07 crore used in execution of works contract. This resulted in irregular allowance of ITC of ₹ 19.14 lakh to the dealer.

During exit conference the Government/Department accepted our observations on sub paras from 2.3.15.1 to 2.3.15.8 and stated that action is under process (November 2015).

2.3.16 Non/short levy of tax

The Assessing Authorities (AAs) while finalising the assessments, did not apply the correct rate of tax given in the schedule of rates, in some cases lower rate of tax was applied due to misclassification of goods and in some cases no tax was levied which resulted in non/short levy of tax of ₹ 6.48 crore in respect of 6 JCs (CC) and 35 sectors in cases of 74 out of 7,669 dealers we test checked from 47,076 dealers for the period 2008-09 to 2013-14 as mentioned in the following paragraphs:

2.3.16.1 Turnover escaping assessment

The turnover of ₹ 12.54 crore was not disclosed by the dealers in their returns though available in their assessment files. The AAs while finalising the assessment escaped this turnover which resulted in short levy of tax of ₹ 61.10 lakh.

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

We examined trading and profit/loss account, annual balance sheet, current and previous year's assessment orders etc. in two JCs (CC) and 10 sectors and observed that in the case of 13 out of 2077 dealers test checked, the turnover of ₹ 12.54 crore was not disclosed by the dealers in their returns submitted to AAs for the year 2008-09 to 2012-13. The details of turnover were available in the respective assessment files of the dealers. The AAs while finalising the assessments of these dealers between January 2012 and March 2015 did not properly examine the books, accounts and documents and other relevant records which resulted in escapement of turnover of ₹ 12.54 crore and consequential short-levy of tax of ₹ 61.10 lakh.

During exit conference the Government/Department accepted our observation and stated that the tax of ₹ 28,000 has been levied in one case and action is under process in remaining cases (November 2015).

2.3.16.2 Application of incorrect rate of tax and misclassification of goods

Under Section 4(1) of UPVAT Act, 2008, goods mentioned in Schedule I are tax free, goods mentioned in Schedule II are taxable at the rate of four *per cent*, goods mentioned in Schedule III are taxable at the rate of one *per cent* and those mentioned in Schedule IV (non-VAT goods) are taxable at the rates notified by the Government from time to time. Goods not mentioned in any of the above schedules are covered under Schedule V and are taxable at the rate of 12.5 *per cent*. In addition to the above, additional tax on certain goods are also leviable as notified by the Government from time to time.

• Application of incorrect rate of tax

The AAs applied the incorrect rate of tax as submitted by the dealers in their returns on sale of goods worth ₹ 77.39 crore instead of rates prescribed in the schedule which resulted in non/short levy of tax of ₹ 4.56 crore.

We examined assessment orders and files in four JCs (CC) and 28 sectors and observed that 46 out of 3984 dealers test checked, had admitted taxability at lower rates or claimed exemption from tax in their returns on sale of goods worth ₹ 77.39 crore for the period 2008-09 to 2013-14. The AAs while finalising the assessment of these dealers between March 2011 and March 2015 levied the tax at the rates submitted by the dealers in their returns instead of rates prescribed in the schedule. This resulted in non/short levy of tax amounting to ₹ 4.56 crore as shown in the **Appendix-III**.

During exit conference the Government/Department accepted our observation and stated that the tax of ₹ 9.50 lakh has been levied in three cases. In the case of DC sector 4 Varanasi stated that adhesive is covered under entry number 171 of schedule-II hence tax has been levied correctly. We do not agree with the reply as entry covers the self adhesive plates, sheets, film foil, tape, strip of plastic whether or not in rolls, it does not covers the adhesive. For remaining cases replied that action is under way (November 2015).

- **Misclassification of goods**

The AAs accepted the classification of goods as declared by the dealers and levied tax at lower rates on sale of goods of ₹ 10.77 crore resulting in short levy of tax of ₹ 92.07 lakh.

We examined assessment orders and files in two JCs (CC) and five sectors and found that 13 out of 1,086 dealers test checked, had misclassified the goods and accepted taxability at lower rates on sale of goods worth ₹ 10.77 crore. The AAs while finalising the assessment for the year 2009-10 to 2012-13 between February 2013 and March 2015 accepted the classification of goods as declared by the dealers and applied incorrect rate of tax instead of classifying goods correctly and levying tax at the rates mentioned in the schedule. This resulted in short levy of tax of ₹ 92.07 lakh as detailed in the **Appendix-IV**.

During exit conference the Government/Department accepted our observation and levied tax of ₹ 10.56 lakh in one case and in case of DC sec. 1 Raebareli replied that tractor attachments and parts are covered under entry number 125 of schedule-II. We do not agree with the reply as entry covers tractors, tractor trolley, harvesters and attachments and parts thereof; tractor tyres and tubes only. Tractor accessories are not covered under the said entry. In remaining cases replied that action is under process (November 2015).

2.3.16.3 Short levy of composition money

The AAs accepted composition money at the rate of two per cent instead of six per cent on payment of ₹ 10.72 crore which resulted in short levy of composition money of ₹ 38.09 lakh.

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

We examined assessment orders, consumption chart of imported goods and files in two sectors and observed that two civil contractors out of 294 dealers test checked, used imported material valued at ₹ 1.14 crore in execution of works contract during the year 2009-10, which was more than five per cent of the contractual value of ₹ 10.72 crore. Since the imported goods used in execution of work contract were more than five per cent of the contractual value in financial year hence the composition money of ₹ 64.34 lakh at the rate of six per cent was leviable. However, the AAs while finalising the assessment between February 2013 and April 2013, levied composition money of ₹ 26.25 lakh at the rate of two per cent. This resulted in short levy of composition money of ₹ 38.09 lakh.

During exit conference the Government/ Department accepted our observation and stated that in both the cases action is under process (November 2015).

2.3.17 Non-imposition of penalty

Penal provisions are made to discourage the malafied practices of the dealers. The AAs while finalising the assessments, did not notice the offences committed by the dealers i.e. concealment of turnover, delayed deposit of admitted tax, furnishing of false declaration forms etc. Though there are clear cut provisions for imposition of penalties in the Act, the AAs concerned did not initiate action in this regard, resulting in non-imposition of penalty of ₹ 114.82 crore in respect of six JCs (CC) and 35 sectors in cases of 82 out of 8,556 dealers we test checked from 58,298 dealers for the period 2008-09 to 2013-14 as mentioned in the following paragraphs:

2.3.17.1 Concealment of turnover

There was concealment of turnover of ₹ 25.77 crore on which penalty of ₹ 2.48 crore was not imposed by the AAs at the time of assessment.

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

We examined assessment orders, files, accepted tax deposited by dealers and order of Commercial Tax Appellate Authorities in four JCs (CC) and 14 sectors and observed that 24 out of 2,296 dealers test checked, had concealed purchases and sales turnover of ₹ 25.77 crore during the year 2008-09 to 2013-14. The AAs while finalising the assessment between January 2012 and March 2015 levied tax of ₹ 82.67 lakh on this concealed turnover. Though in seven cases the Appellate Authorities had confirmed that the dealers had concealed the turnover and in remaining cases the dealers had themselves accepted the same and deposited the tax due on the concealed turnover, the AAs concerned neither imposed the penalty of ₹ 2.48 crore nor recorded any reason for non-imposition of penalty as shown in the **Appendix-V**.

During exit conference the Government/Department stated that penalty of ₹ 4.77 lakh has been imposed in three cases and action is under process in remaining cases (November 2015).

2.3.17.2 Furnishing of wrong declaration form

For furnishing fake declaration form penalty of ₹ 3.22 crore was not imposed by the AAs while finalising assessment.

Under Section 54(1)(11)(i) of the UPVAT Act (read alongwith Section 9 of CST Act), if the Assessing Authority is satisfied that any dealer or other person, as the case may be, issues or furnishes a false or wrong certificate or form of declaration by reason of which a tax on sale or purchase, ceases to be leviable, he may direct that such dealer or person shall, pay by way of penalty, a sum equal to 50 *per cent* of value of goods.

We examined in March 2015 assessment order and files in sector 2 Mirzapur and observed that a dealer out of 91 dealers test checked, had claimed exemption of tax on consignment sale of goods of ₹ 6.44 crore against declaration in form 'F'. On verification by the AA these forms were found fake. The AA while finalising the assessment in July 2014 disallowed the exemption and levied tax of ₹ 24.40 lakh but neither imposed the penalty of ₹ 3.22 crore nor recorded any reason for non-imposition of penalty.

2.3.17.3 Delayed deposit of Works Contract Tax

The AAs had not imposed penalty of ₹ 3.72 crore on dealers for not depositing the tax of ₹ 1.86 crore within the prescribed time, deducted at source while making payment to contractors.

Under Section 34(8) read with 34(1) of UPVAT Act if any person fails to make the deduction or after making deduction fails to deposit the amount so deducted into the Government treasury before the expiry of 20th day of the month following the month in which the deduction was made the AAs may direct that such person shall pay by way of penalty a sum not exceeding twice the amount so deducted.

We examined assessment orders and files in eight sectors and observed that 10 out of 1,459 dealers test checked, had deducted works contract tax (WCT) of ₹ 1.86 crore at source while making payment to the contractors during the year 2008-09 to 2011-12 but did not deposit the same in the Government treasury within the prescribed time. The delay ranged between five days to two years 20 days. The AAs while finalising the assessment between November 2011 and March 2015 neither imposed the penalty of ₹ 3.72 crore nor recorded any reason for non-imposition of penalty.

During exit conference the Government/Department stated that penalty of ₹ 19.84 lakh has been imposed in one case and in remaining cases action is under process (November 2015).

2.3.17.4 Delayed deposit of admitted tax

Penalty of ₹ 1.11 crore was not imposed at the time of assessment by the AAs for failure to deposit the admitted tax of ₹ 5.56 crore within the prescribed time, without reasonable cause.

Under Section 54 (1) (1) of UPVAT Act, if the AA is satisfied that any dealer or other person has, without reasonable cause, failed to deposit the tax due for any tax period within the 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. CCT vide circular dated 23 April 2002 and 1 May 2013 has directed that in cases where penalty is not imposed the AAs should record speaking orders for non-imposition of penalty.

We examined assessment orders and files in JC(CC)-I Ghaziabad and 24 sectors and observed that 40 out of 3,689 dealers test checked, had not deposited their admitted tax of ₹ 5.56 crore for the period 2008-09 to 2012-13 in time. The delay ranged between five days to two years 11 months 17 days. The AAs while finalising the assessments between December 2011 and March

2015 did not impose the penalty of ₹ 1.11 crore nor recorded any reason for non-imposition of penalty as directed by CCT. Details are shown in the **Appendix-VI**.

2.3.17.5 Import of goods without declaration form

Penalty of ₹ 103.60 crore was not imposed by the AA for importing goods worth ₹ 259.60 crore without using import declaration form.

Rule 56 of UPVAT Rules provides issue and submission of declaration form (Form XXXVIII) for importing goods into the State from any place outside the State. Under Section 54(1)(14) of UPVAT Act where the dealer or any person, as the case may be imports or attempts to import or abets the import of any goods, in contravention of the provisions under Section 50 or Section 51 with a view to evading payment of tax on sale of such goods or goods manufactured, processed or packed by using such goods or transports, attempts to transport any taxable goods in contravention of any provisions of this Act, the AA may direct that such person shall pay by way of penalty a sum of 40 *per cent* of the value of goods.

We examined in March 2015 assessment orders and files in the office of JC (CC) Gorakhpur and observed that a dealer out of 83 dealers test checked, had imported wheat worth ₹ 259.60 crore during 2010-11 without issuing declaration in form XXXVIII. The AA while finalising the assessment in March 2014 neither imposed the penalty of ₹ 103.60 crore for importing goods without using import declaration form nor recorded any reason for the same, whereas in assessment orders of 2008-09 and 2009-10 the AA had himself instructed the ledger keepers to issue penalty notices.

Similar cases were pointed out earlier by us in AR 2007-08. The Department had accepted our observation and imposed penalty of ₹ 822.19 crore but such irregularities still persists.

2.3.17.6 Excess collection of tax

The dealers had collected tax of ₹ 22.99 lakh in excess of their tax liability. However, the AAs did not levy penalty of ₹ 68.97 lakh for excess collection of tax.

Under the provisions of Section 54(1) (16) of the UPVAT Act, if the AA is satisfied that any dealer had realised any amount as tax in contravention of the provisions of the Act, he may direct that such dealer shall, in addition to the tax realised by him, pay by way of penalty, a sum equal to three times of amount of the tax so realised.

We examined assessment orders and files in three JCs (CC) and two sectors and observed that in the cases of six out of 442 dealers test checked, the dealers had charged/realised an excess amount of ₹ 22.99 lakh as tax in contravention of the provisions of the Act. The AAs while finalising the assessment between March 2013 and December 2014 forfeited the excess tax realised, but neither imposed the penalty amounting to ₹ 68.97 lakh nor recorded any reason for non-imposition of penalty.

During exit conference the Government/Department stated that though penalty is not mandatory, however, action is in process in respect of para 2.3.17.2 and para 2.3.17.4 to para 2.3.17.6 (November 2015).

The Government may ensure proper scrutiny of returns by the Assessing Authorities at the time of assessments to prevent leakage of revenue.

2.3.18 Non-charging of interest

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

2.3.18.1 Non-charging of interest on encashment of Bank Guarantee

The AA encashed bank guarantee of ₹ 2.55 crore and adjusted it against the tax dues without charging interest of ₹ 86.06 lakh.

We examined assessment orders and files in sector 1 Allahabad and observed that in case of a dealer out of 31 dealers test checked, the bank guarantee of ₹ 2.55 crore was encashed and deposited into the Government treasury by the AA after the final order of Hon'ble High Court Allahabad. Though the admitted tax of ₹ 2.55 crore was deposited after a delay of two year three months from the due date, the AA while finalising the assessment in May 2012 did not charge interest on the delayed credit to the Government account. Belated deposit of admitted tax into the Government treasury attracted interest of ₹ 86.06 lakh which was not charged by the AA. This resulted into non-charging of interest of ₹ 86.06 lakh.

During exit conference the Government/Department accepted our observation and stated that action is in process (November 2015).

2.3.18.2 Non-charging of interest on delayed deposit of admitted tax

The dealers deposited admitted tax of ₹ 6.21 crore with delay without interest. The AAs while scrutinising the returns did not consider this aspect and failed to charge interest of ₹ 53.52 lakh.

We examined assessment orders and files in five JCs(CC) and four sectors and observed that 16 out of 1,210 dealers test checked, had deposited admitted tax of ₹ 6.21 crore for the year 2008-09 to 2013-14 with delay ranging from 11 days to six years four months. The belated payment of admitted tax attracted interest of ₹ 53.52 lakh. The AAs while finalising the assessment between September 2011 and March 2015 did not consider this aspect which resulted in non-charging of interest of ₹ 53.52 lakh as shown in the **Appendix-VII**.

During exit conference the Government/Department accepted our observation and stated that in two cases interest of ₹ 23,000 have been recovered and action is in process in remaining cases (November 2015).

2.3.18.3 Short charging of interest due to erroneous Recovery Certificate

There was short charging of interest of ₹ 17.12 lakh due to erroneous issuance of recovery certificates by the AAs.

We examined assessment orders and files in three sectors and observed that in the case of five out of 538 dealers test checked, the AAs while finalising the assessment for the year 2009-10 and 2010-11 between May 2013 and January 2015 levied tax on admitted sales. However, the dealers did not deposit the tax in time, failing which AAs issued RCs for the recovery of accepted tax amounting to ₹ 30.68 lakh and demanded interest from the date of receipt of demand notice upto the date of deposit of tax at the rate of one *per cent* per mensem. Interest on admitted tax was required to be demanded from the due date upto the date of deposit of tax, at the rate of one and quarter *per cent* per mensem. This omission in issue of RCs resulted in short charging of interest of ₹ 17.12 lakh.

During exit conference the Government/Department accepted our observation and stated that action is under process in all the cases (November 2015).

2.3.19 Irregular authorisation to purchase cement/steel in Central Registration Certificate (CRC)

The AA irregularly authorised the dealer engaged in production of electricity to purchase iron, steel and cement under CRC for construction of factory building which resulted in undue benefit to the dealer to the extent of ₹ 93.73 lakh.

Under Section 7(3) of CST Act, any person intended to purchase goods on concessional rate of tax from other states shall apply for registration certificate under this Act. The registering authority shall register the applicant and grant him a registration certificate in the prescribed form which shall specify the class or classes of goods for being intended for resale by him or subject to any rules made by the Central Government in this behalf, for use by him in the manufacture or processing of goods for sale or in the telecommunications network or in mining or in the generation or distribution of electricity or any other form of power.

Further, Commissioner, Commercial Tax (CCT) issued (1992) direction to all the AAs vide circular No. 17 dated 4 December 1992 that the facility of Form 'C' for purchase of cement and other building materials is not available to the manufacturers/dealers for construction of buildings.

We examined assessment order and files in JC (CC) G.B. Nagar and found that a dealer out of 58 dealers test checked was granted CRC for purchase of raw material which also includes purchase of all kind of building material. The dealer purchased cement and steel of ₹ 7.17 crore during 2009-10 and 2010-11 at concessional rate and used in construction of the factory. Since the dealer was engaged in production of electricity; iron, steel and cement was not the raw material used in its manufacture. The facility of Form 'C' to a manufacturer is only for purchase of those goods, which are used by him in the manufacture or processing of goods intended for sale. The authorisation to purchase iron, steel and cement given by the AA under the CRC was in

contravention of the provisions of the Act as well as order of the CCT dated 4 December 1992. The AA did not follow the instruction of CCT while passing the assessment order for the year 2009-10 and 2010-11 which resulted in undue benefit to the dealer to the extent of ₹ 93.73 lakh.

Similar nature of cases were reported in AR 2011-12 (Para 2.15.1) and AR 2012-13 (Para 2.23) by us, though assurance was given by the Department for deletion of cement from CRC yet the irregularities persist.

During exit conference the Government/Department accepted our observation and stated that action is in process. Further reply has not been received (November 2015).

2.3.20 Deficiencies in computerisation system

Computerisation of the Department was not adequate as verification of transactions of dealers of the State with other states dealers was not possible, ITC module was not realistic and there was slow speed of Intra-net which affected the work of AAs adversely.

The study of the modules of the system such as Receipt, Registry, Return, Challan, Assessment, administration and Help-desk etc. showed that:

- there was no online facility available for the respective Assessing Authority to verify the details of the transactions of a dealer with respect to transactions with the registered dealers of other state.
- for allowing ITC claims and accepting the amount of sale against tax invoices, it is necessary that all the purchases and sales made by the dealer are verified. Hundred *per cent* verification of transactions was not possible in the current online VYAS system as only the dealers with turnover of ₹ 50 lakh and above were submitting e>Returns on the system.
- there was mismatch between sales figure and purchases figure due to lack of data uniformity during uploading of data by the dealers.
- though there was facility for online issue of notices and assessment orders, it had no legal acceptance. Hence, these were required to be sent manually also, which resulted in duplication of work.
- slow speed of Intra-net while uploading and downloading adversely affected the work of assessment.

The AAs agreed with the audit contention. It is evident from the above analysis that weaknesses of the computerised system attributes to leakage of revenue as well as adversely affect the performance of the AAs.

During exit conference the Government/Department stated that facility to verify the details of the transactions of a dealer with respect to transactions with the registered dealers of other state is not available due to non-uploading of all the transactions of the dealers by the Department of the State as well as by the other states.

The Government accepted our observation that due to non-availability of prescribed format for filling of data there was mismatch between sales figure and purchases.

2.3.21 Human Resource Management

2.3.21.1 Shortage of manpower

Heavy shortage in the cadres of DC, AC and CTO ranging 10.93 to 68.78 per cent during 2010-11 to 2014-15 affected the working of the Department and revenue collection.

Availability of man power is a key factor for smooth and efficient working of a Department. It was noticed that although there was an increase in the number of assesses from 5,94,695 to 6,98,997 during the coverage period, there was severe shortage of manpower. The manpower position of the Department is depicted in the **Table 2.9**.

Table 2.9
Shortage of manpower

Designation	Sanctioned strength	Men in position					Percentage of short fall (min-max)
		2010-11	2011-12	2012-13	2013-14	2014-15	
Additional Commissioner	98	93	56	86	83	97	1.02 – 42.86
Joint Commissioner	157	155	138	151	114	147	1.27 – 27.39
Deputy Commissioner	494	419	368	375	289	440	10.93 – 41.50
Assistant Commissioner	964	382	599	631	501	628	34.54 – 60.37
Commercial Tax Officer	1,275	507	398	647	423	486	49.25 – 68.78
Non gazetted employees	12,271	9,785	8,664	7,859	8,738	7,079	20.26 - 42.31

Source: Data furnished by the Commissioner Commercial Tax.

From the table it could be seen that there was heavy shortage in the cadres of Deputy Commissioner, Assistant Commissioner and Commercial Tax Officer ranging between 10.93 to 68.78 per cent during 2010-11 to 2014-15 which affected the working of the Department and revenue generation as illustrated in para 2.3.15 and 2.3.16.

During exit conference the Government/Department accepted our observation and stated that action for filling up the vacant posts is in process.

The Government may consider for deployment of manpower in accordance with sanctioned strength.

2.3.21.2 Training

Training of one day was provided to 799 persons and two days to 304 persons during 2010-11 to 2013-14. Only one and two day training in a year may not be sufficient to train/upgrade the skill of the staff.

Training is an important tool of capacity building in a Department. The skill and the capability of the staff can be upgraded through imparting periodical trainings. Details of men in position and staff trained during 2010-11 to 2014-15 are given in **Table 2.10**.

Table 2.10
Training position of the staff

Designation	Year									
	2010-11		2011-12		2012-13		2013-14		2014-15	
	Men In Position	No. of officials trained	Men In Position	No. of officials trained	Men In Position	No. of officials trained	Men In Position	No. of officials trained	Men In Position	No. of officials trained
Deputy Commissioner	419	06	368	00	375	15	289	00	440	00
Assistant Commissioner	382	15	599	101	631	140	501	98	628	102
Commercial Tax Officer	507	21	398	00	647	58	423	191	486	59
Group C Employee	9,785	17	8,664	00	7,859	00	8,738	66	7,079	00

Source: Information furnished by the Commissioner Commercial Tax.

We observed that only one day training was given to 799 persons and two days training to 304 persons during 2010-11 to 2014-15. Only one and two day training in a year may not be sufficient to upgrade the skill of the staff.

During exit conference the Government/Department stated that regular training programmes are being organised to train new appointees and existing officers and officials. We do not agree with the reply of the Government because in support of their reply no details of number of programmes organised and number of persons trained was furnished to the audit.

The Government may consider for organising refresher course/training on VAT administration and computerisation periodically for departmental officers and officials.

2.3.22 Internal Control Mechanism

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

2.3.22.1 Shortage of manpower in internal audit wing

Entire posts of Audit Officers were lying vacant and there was heavy shortfall in the strength of Sr. Auditors/Auditors ranging from 56 to 74 per cent. No efforts were made by the Department to fill the post.

The internal audit wing functions under the administrative control of the CCT. In internal audit wing no Audit Officer was posted, only 28 Senior Auditors/Auditors were posted against the sanctioned post of 13 Audit Officers and 91 Senior Auditors/Auditors as detailed in **Table 2.11**.

Table 2.11
Shortage of manpower in internal audit wing

Year	Sanctioned strength		Men in position		Post vacant		Percentage of short fall	
	Audit Officer	Sr. Auditor/Auditor	Audit Officer	Sr. Auditor/Auditor	Audit Officer	Sr. Auditor/Auditor	Audit Officer	Sr. Auditor/Auditor
2010-11	13	91	0	40	13	51	100	56
2011-12	13	91	0	34	13	57	100	63
2012-13	13	91	0	24	13	67	100	74
2013-14	13	91	0	31	13	60	100	66
2014-15	13	91	0	28	13	63	100	69

Source: Data furnished by the Commissioner Commercial Tax.

The above table shows that the entire posts of Audit Officers were lying vacant and there was a heavy shortfall in the strength of Sr. Auditors/Auditors ranging from 56 to 74 per cent. No efforts had been made by the Department to fill the post lying vacant in the internal audit wing.

During exit conference the Government/Department accepted our observation and stated that efforts are being made to fill up the vacant posts by promotion and by direct appointment.

2.3.22.2 Position of internal audit of sectors

Internal audit of sectors conducted by internal audit wing of the Department during 2010-11 to 2014-15 are shown in **Table 2.12**.

Table 2.12
Position of internal audit of sectors

Year	Total number of sectors	Sectors planned for audit	Number of sectors audited	Percentage of shortfall
2010-11	436	436	386	11
2011-12	436	436	198	55
2012-13	436	436	65	86
2013-14	437	437	18	96
2014-15	437	23	21	09

Source: Data furnished by the Commissioner Commercial Tax.

This shows that the audit planning of the internal audit wing for sectors' audit is not realistic as shortfall ranged from 9 to 96 *per cent* during the year 2010-11 to 2014-15. Further, no audit was conducted in 36 sectors during the year 2010-11 to 2014-15.

During exit conference the Government/Department stated that due to shortage of 80 *per cent* manpower it is not being possible to audit more number of sectors.

The Government may consider for strengthening the internal audit wing for effective operation of VAT administration by filling the vacant posts.

2.3.22.3 Position of outstanding paras and recovery thereof

Due to non-settlement of paras pointed out by internal audit the number of cases and amount involved were getting accumulated over years. Percentage of recovery was very low ranging between 0.03 to 2.58 *per cent* during 2010-11 to 2014-15.

The detail of objections raised by internal audit wing, their compliance and recovery position are given in **Table 2.13**.

Table 2.13
Position of outstanding paras and recovery thereof

Year	Opening balance		Addition during the year		Cases finalised during the year and recovery thereof		Percentage of cases finalised and recovery		Closing balance	
	No. of cases	Amount	No. of cases	Amount	No. of cases	Amount	Cases	Amount	No. of cases	Amount
2010-11	6,626	5,697.55	2,226	1,486.28	346	185.65	3.91	2.58	8,506	6,998.18
2011-12	8,506	6,998.18	1,546	1,373.28	344	171.39	3.42	2.05	9,708	8,200.07
2012-13	9,708	8,200.07	1,241	35,017.21	130	15.11	1.19	0.03	10,819	43,202.17
2013-14	10,819	43,202.17	552	897.44	278	182.57	2.44	0.41	11,093	43,917.04
2014-15	11,093	43,917.04	529	749.65	394	153.78	3.39	0.34	11,228	44,512.91

Source: Data furnished by the Commissioner Commercial Tax.

The above table shows that the number of cases and amount involved in such cases were getting accumulated over years.

Percentage of recovery was very low ranging between 0.03 to 2.58 *per cent* during 2010-11 to 2014-15.

During exit conference the Government/Department agreed with our observation and stated that instruction to expedite the settlement of cases and recovery thereof has been issued to the concerned field officers.

2.3.23 Conclusion

During Performance Audit we observed the following:

- Due to non-existence of mechanism for inter-departmental exchange of data/information and modalities for survey the Department failed to identify and register 79,363 unregistered dealers and to impose penalty of ₹ 289.82 crore.

Recommendation: The Government may consider for developing a mechanism for inter-departmental exchange of data/information and modalities for survey for the purpose of identification of unregistered dealers.

- Non-finalisation of assessment cases equally in each month by the Assessing Authorities resulted in pendency of cases between 6,042 to 1,84,052 in the later months of the year during 2010-11 to 2014-15. This led to extension of time limit thrice for one month to three months by the Government during 2010-11 to 2014-15 for finalisation of cases. This also affects upcoming year's assessments.

Recommendation: The Government may take effective steps for finalisation of assessment cases within the prescribed time limit.

- There was very low percentage of dealers, ranging from 0.27 to 0.44 *per cent* selected for tax audit during 2011-12 to 2014-15 against the norms of five *per cent* and no dealer was selected for tax audit in 2010-11.

Recommendation: For effective implementation of tax audit the Department may adhere to the sample size fixed so that more cases of revenue loss may be detected and rectified by the Department itself.

- Irregular allowance of excess claims of ITC, suppression of purchase/sales turnover, application of incorrect rate of tax, misclassification of goods, concealment of turnover, delayed deposit of admitted tax, import of goods without declaration forms, furnishing of false declarations etc. led to leakage of revenue and non-imposition of penalty of ₹ 128.28 crore.

Recommendation: The Government may ensure proper scrutiny of returns by the Assessing Authorities at the time of assessments to prevent leakage of revenue.

- The internal control mechanism was deficient in terms of inadequate internal audit of sectors due to acute shortage of staff.

Recommendation: The Government may consider for strengthening the internal audit wing for effective operation of VAT administration by filling the vacant posts.

2.4 Audit observations

Our scrutiny of the 87,400 out of 2,04,213 assessment orders related with 539 Commercial Tax Offices showed several cases of non-observance of the provisions of the Acts/Rules, non/short levy of tax/penalty/interest, irregular exemption, incorrect application of rate of tax, etc. as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on our test check. Such omissions on the part of Assessing Authorities (AAs) have been pointed out by us each year, but not only do the irregularities persist; they remain undetected by the Department till an audit is conducted.

2.5 Non/Short levy of tax

The Assessing Authorities while finalising the assessments, did not apply correct rate of tax given in the schedule of rates, in some cases lower rate of tax was applied due to misclassification of goods, short levy of composition money and in some cases no tax was levied which resulted in non/short levy of tax of ₹ 7.23 crore alongwith penalty of ₹ 2.39 crore in respect of 82 CTOs in the cases of 108 out of 11,425 dealers for the period 2007-08 (VAT) to 2012-13 as mentioned in the following paragraphs:

2.5.1 Non/Short levy of tax under UPVAT

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

2.5.1.1 Non/Short levy of tax due to application of incorrect rate of tax

Assessing Authorities accepted the tax on sale of goods worth ₹ 40.01 crore as submitted by the dealers in their returns instead of rates mentioned in the schedule. This resulted in non/short levy of tax amounting to ₹ 2.93 crore

We test checked (between April 2013 and March 2015) assessment orders and files in 68 Commercial Tax Offices (CTOs) and observed that in the case of 86 out of 9,855 dealers, the AAs while finalising the assessments for the year 2007-08 (1.1.2008 to 31.3.2008) to 2011-12 between March 2011 and March 2014 accepted the tax on sale of goods worth ₹ 40.01 crore as submitted by the dealers in their returns instead of rates mentioned in the schedule. This resulted in non/short levy of tax amounting to ₹ 2.93 crore as shown in **Appendix-VIII**.

We reported the matter to the Department and Government (between June 2013 and July 2015). The Department accepted our observation and levied tax amounting to ₹ 77.71 lakh in 10 cases, out of which ₹ 1.02 lakh has been

recovered. In one case the Department replied that the commodity is casting of metal which is covered under Schedule II of VAT Act. We do not agree with the reply of the Department as the commodity is machinery part made of casting which is covered under Schedule V of VAT Act and in an another case Department replied that the commodity is pollution equipment which controls sound pollution and is covered under Schedule II of VAT Act. We do not agree with the reply of the Department because manufactured canopy is a DG set accessory and it is not covered under sound pollution equipment which is neither independently used for controlling pollution nor used in pollution control equipment plant. It is specifically used in DG set and it is not classified. For the remaining cases the Department stated that action is under way (November 2015).

2.5.1.2 Non/Short levy of tax due to misclassification of goods

Assessing Authorities accepted the classification declared by the dealers and applied incorrect rate of tax on sale of goods of ₹ 66.79 crore instead of classifying goods correctly and levying tax at the rates mentioned in the schedule. This resulted in short levy of tax of ₹ 3.31 crore

We test checked (between July 2014 and February 2015) assessment orders and files in nine CTOs and observed that in the case of 11 out of 883 dealers, the AAs while finalising the assessment for the year 2008-09 to 2010-11 between May 2012 and March 2014, accepted the classification declared by the dealers and applied incorrect rate of tax on sale of goods of ₹ 66.79 crore instead of classifying goods correctly and levying tax at the rates mentioned in the schedule. This resulted in short levy of tax of ₹ 3.31 crore as detailed in the **Appendix-IX**.

We reported the matter to the Department and the Government (July 2015). In reply the Department stated that action is under way (November 2015).

2.5.1.3 Short levy of tax due to calculation mistake

Assessing Authorities committed mistake in calculation of tax on taxable turnover of ₹ 34.20 crore which resulted in short levy of tax amounting to ₹ 17.24 lakh.

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

We test checked (between May 2013 and September 2014) assessment orders and files in five CTOs and observed that in the case of five out of 749 dealers, the AAs while finalising the assessments between April 2012 and March 2014 for the period 2008-09 to 2012-13, committed mistake in calculation of tax on taxable turnover of ₹ 34.20 crore which resulted in short levy of tax amounting to ₹ 17.24 lakh. The details are mentioned in **Table 2.14**.

Table 2.14

Short levy of tax due to calculation mistake

(₹ in lakh)								
Sl. No.	Name of the units	No of dealers	Assessment year (month and year of assessment)	Taxable turnover	Rate of tax leviable/levied (per cent)	Tax leviable	Tax levied	Tax short levied
1	DC Sec 7 Ghaziabad	1	2009-10 (March 2013)	3,208.76	1	32.09	27.09	5.00
2	DC Sec 9 Kanpur	1	2012-13 (March 2014)	78.70	2	1.57	0.57	1.00
3	DC Sec 18 Lucknow	1	2008-09 (May 2012)	90.53	12.5	11.32	1.32	10.00
4	DC Sec 6 Noida	1	2010-11 (March 2014)	5.35	13.5	0.72	0.07	0.65
5	DC Sec 2 Varanasi	1	2008-09 (April 2012)	36.66	12.5	4.58	3.99	0.59
Total		5		3,420.00		50.28	33.04	17.24

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government (between July 2013 and October 2014). The Department accepted our observation and levied tax amounting to ₹ 1.65 lakh in three cases. For the remaining cases the Department stated that action is under way (November 2015).

2.5.1.4 Short levy of composition money under UPVAT

Assessing Authority accepted composition money at lower rate of two percent instead of six percent applicable to a civil contractor on payment of ₹ 4.73 crore for execution of works contract which resulted in short levy of composition money of ₹ 13.05 lakh.

As per provisions of compounding scheme introduced on 9 June 2009 for civil works contractors under Section 6 of UPVAT Act, 2008, if any contractor uses goods imported from outside the State upto five *per cent* of the amount of contract executed during the financial year, the rate of composition money will be two *per cent* and if any contractor uses goods imported from outside the State over and above five *per cent*, the rate of composition money will be six *per cent* of the payment received against the work executed by contractor during the financial year.

We test checked assessment order, consumption detail of ex UP goods and files in the office of DC Sec 2, Sultanpur and observed that a civil contractor used imported material valued at ₹ 97.75 lakh in execution of works contracts, which was more than five *per cent* of the contractual value of ₹ 4.73 crore, executed during the year 2008-09 and 2009-10. Since the imported goods used in execution of work contract were more than five *per cent* of the contractual value in each financial year hence the composition money of ₹ 28.37 lakh was leviable at the rate of six *per cent* as per provisions of compounding scheme. However, the AAs while finalising the assessment in March 2014, levied composition money of ₹ 15.32 lakh (at the rate of two *per cent* on ₹ 4.73 crore and six *per cent* on ₹ 97.75 lakh). This resulted in short levy of composition money of ₹ 13.05 lakh.

We reported the matter to the Department and the Government (April 2015). In reply the Department stated that action is under way (November 2015).

2.5.1.5 Short levy of composition money under UPTT

The Assessing Authorities while finalising the assessments accepted the composition money at lower rate than the rate applicable. This resulted in short levy of composition money of ₹ 10.51 lakh.

Under the provision of Section 7 D of UPTT Act, any dealer may opt to pay composition money in lieu of tax payable by him. For civil contractors composition money will be computed at the rate of two *per cent* from 15 February 2005 by notification No. KANI-2-362/Gyarah -2005 dated 11 February 2005. For electrical contractors from 1 February 2005 vide Notification no. KANI-2-271/X dated 2 February 2005 the composition money will be computed at the rate of two *per cent*. If any electrical contractor uses Form 'C' or import declaration Form XXXI composition money will be computed at the rate of four *per cent*.

We test checked (December 2013) assessment orders and files in two CTOs and observed that two contractors out of 232 dealers, during the period 2008-09 received ₹ 27.02 crore for execution of work contract. Out of this on ₹ 4.12 crore the contractors had not paid composition money at correct rate of two *per cent* for civil contracts and on ₹ 3.19 crore at the rate of four *per cent* for electrical contracts as these contracts were pertaining to the UPTT period as well as after the date of notification. The AAs while finalising the assessments between April 2012 and May 2012 accepted the composition money at lower rate than the rate applicable. This resulted in short levy of composition money of ₹ 10.51 lakh. The details are mentioned in **Table 2.15**.

Table 2.15
Short levy of composition money under UPTT

(₹ in lakh)									
Sl. No.	Name of the units	No of dealers	Assessment year (month and year of assessment)	Gross amount of work executed during year	Amount on which composition money short levied	Leviable composition money (in per cent)	Levied composition money (in per cent)	Short levied composition money (in per cent)	Short levied composition money
1	DC Sec 14 Ghaziabad	1	2008-09 (April 2012)	2,164.00	411.87	2	1	1	4.12
2	DC Sec 25 Kanpur	1	2008-09 (May 2012)	538.40	319.37	4	2	2	6.39
Total		2		2,702.40	731.24				10.51

Source: Information available on the basis of audit findings.

We reported the matter to the Department and the Government (between January 2014 and August 2014). In reply the Department stated that action is under way (November 2015).

2.5.2 Irregular authorisation to purchase diesel at concessional rate

Assessing Authorities while finalising the assessment allowed concession of ₹ 58.41 lakh on the purchase of diesel amounting to ₹ 4.78 crore against form 'D' which was inadmissible which resulted in short-levy of tax of ₹ 58.41 lakh and non-imposition of penalty at the rate of 50 *per cent* of value of goods, amounting to ₹ 2.39 crore.

As per entry no. 4(b) of the Schedule IV issued under the provisions of Section 4(1) (c) of UPVAT Act 2008, tax on diesel is leviable at the rate of

17.23 per cent from 29 January 2009 and as per entry no. 4(a) of the Schedule IV Manufacturers of any taxable goods other than non VAT goods are entitled to purchase diesel at the concessional rate of tax five per cent from 30 September 2008, against Form D, vide Government Notification no-2758 dated 29.09.2008 .

It has judicially been held (STI 2000 S.C. 53, Uttar Pradesh Vs. M/s Lal Kuwan Stone crusher Pvt. Ltd) that alteration of stone grit or dust from big stones is not the process of manufacturing.

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

We test checked (between September 2013 and December 2013) assessment orders and files in three CTOs and observed that three out of 348 dealers claimed concession of ₹ 58.41 lakh on the purchase of diesel amounting to ₹ 4.78 crore against form 'D' which was inadmissible as the work of alteration of small grit or dust from big boulders has not judicially been treated as manufacturing. The AAs while finalising the assessment between September 2011 and December 2012 allowed concession, which resulted in short levy of tax of ₹ 58.41 lakh and non-imposition of penalty at the rate of 50 per cent of value of goods, amounting to ₹ 2.39 crore. Details are mentioned in **Table 2.16**.

Table 2.16
Irregular authorisation to purchase diesel and non imposition of penalty

(₹ in lakh)								
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Name of commodity	Taxable Turnover	Rate of Tax leviable/ Levied (per cent)	Amount of undue benefit allowed	Penalty imposable
1	JC (CC) Jhansi	1	2009-10 (May 2012)	Diesel	87.39	17.23/5	10.69	43.70
			2010-11 (June 2012)	Diesel	112.03	17.23/5	13.7	56.01
2	DC Sec 4 Jhansi	1	2009-10 (October 2012)	Diesel	34.53	17.23/5	4.22	17.27
			2010-11 (December 2012)	Diesel	51.80	17.23/5	6.34	25.90
3	DC Sec 6 Jhansi	1	2009-10 (September 2011)	Diesel	93.73	17.23/5	11.46	46.86
			2010-11 (July 2012)	Diesel	98.19	17.23/5	12.00	49.09
Total		3			477.67		58.41	238.83

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government between November 2013 and February 2014. The Department accepted our observation and levied tax amounting to ₹ 23.46 lakh in one case whereas penalty was not imposed. For the remaining cases the Department stated that action is under way (November 2015).

2.6 Non-imposition of Penalty

Penal provisions are made to discourage the malafied practices of the dealers. The AAs while finalising the assessments, did not notice the offences

committed by the dealers i.e. transactions out of accounts books, delayed deposit of tax, transactions against the provisions of the UPVAT Act and Rules made thereunder etc. Though there are clear cut provisions for imposition of penalties in the Act, the AAs concerned did not initiate action in this regard resulting in non-imposition of penalty amounting to ₹ 2.13 crore in respect of 33 CTOs in the cases of 45 out of 4,451 dealers for the period 2008-09 to 2011-12 as mentioned in the following paragraphs:

2.6.1 Concealment of turnover

The Assessing Authorities did not impose penalty of ₹ 17.73 lakh on concealed turnover of ₹ 94 lakh.

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

We test checked (between October 2014 and February 2015) final assessment order of dealers, accepted tax deposited by dealers and order of Commercial Tax Appellate Authorities in six CTOs and observed that seven out of 1,126 dealers, concealed purchases and sales turnover of ₹ 94 lakh during the year 2008-09 to 2011-12. As the dealers concealed their turnover they were liable to pay penalty a sum equal to three times of the tax concealed. The AAs while finalising the assessments between March 2012 and February 2014 levied tax of ₹ 5.91 lakh on this concealed turnover. Though in two⁵ cases the Appellate Authorities had confirmed (between June 2012 and January 2014) that the dealers had concealed the turnover/evaded payment of liable tax or the dealers had themselves accepted the same and deposited the tax due on the concealed turnover, the AAs concerned neither imposed the penalty of ₹ 17.73 lakh nor recorded any reason for non imposition of penalty.

We reported the matter to the Department and the Government (between November 2014 and April 2015). In reply the Department accepted our observation and imposed penalty of ₹ 3.26 lakh in one case and in another case Department replied that concealed sale has been found regular by the first appeal but the Department has not reported current status. For the remaining cases the Department stated that action is under way (November 2015).

2.6.2 Delayed deposit of tax

Assessing Authorities while finalising the assessments did not impose penalty of ₹ 1.26 crore on delayed deposit of admitted tax of ₹ 6.34 crore.

Under Section 54 (1) (1) of UPVAT Act, if the AA is satisfied that any dealer or other person has, without reasonable cause, failed to furnish the return of his turnover or fails to deposit the tax under the provision of the Acts, he may

⁵ DC Sec 19 Agra, DC Sec 10 Bareilly.

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.

We test checked (between August 2013 and December 2014) assessment orders and files in 27 CTOs and observed that 35 out of 3,404 dealers, had not deposited their admitted tax of ₹ 6.34 crore for the period 2008-09 to 2011-12 in time. The delay ranged between four days to 1,303 days. As the tax was deposited late for which they were liable to pay the penalty a sum equal to 20 *per cent* of the tax due in addition to the tax levied, whereas the AAs while finalising the assessments between December 2010 and March 2014 neither imposed penalty of ₹ 1.26 crore nor recorded any reason for non-imposition of penalty as shown in **Appendix-X**.

We reported the matter to the Department and the Government (between October 2013 and February 2015). The Department accepted our observation and imposed the penalty of ₹ 72.55 lakh in 16 cases. For the remaining cases the Department stated that action is under way (November 2015).

2.6.3 False purchase

Assessing Authorities while finalising the assessment reversed the ITC for receipt of tax invoices of ₹ 1.37 crore without making actual purchase of goods but did not impose the penalty of ₹ 68.70 lakh.

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

We test checked (between September 2014 and February 2015) assessment orders and files in three CTOs and observed that three out of 333 dealers, during the year 2008-09 and 2010-11 received tax invoice amounting to ₹ 1.37 crore and claimed ITC without making actual purchases. As the dealers claimed ITC without making actual purchases for which they were liable to pay penalty a sum equal to fifty *per cent* of value of goods whereas the AAs while finalising the assessment between October 2013 and March 2014 reversed the ITC but did not impose the penalty of ₹ 68.70 lakh as shown in the **Table 2.17**.

Table 2.17

Non- imposition of penalty on false purchase

					(₹ in lakh)
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Amount covered by Receiving of Sale/Tax invoice without actual purchase	Penalty leviable
1	DC Sec 6 Ghaziabad	1	2010-11 (March 2014)	109.68	54.84
2	DC Sec 8 Meerut	1	2008-09 (October 2013)	15.27	7.63
3	DC Sec 1 Saharanpur	1	2010-11 (March 2014)	12.47	6.23
Total		3		137.42	68.70

Source: Information available on the basis of assessment files.

We reported the matter to the Department and the Government (between October 2014 and March 2015). In reply the Department stated that action is under way (November 2015).

2.7 Non/Short levy of entry tax

The AAs while finalising the assessments, did not apply correct rate of entry tax given in the schedule of rates, in some cases no entry tax was levied, in some other cases short realisation of entry tax through manufacturer and irregular rebate on entry tax on purchase resulted in non/short levy of entry tax of ₹ 2.76 crore alongwith penalty of ₹ 2.35 crore in respect of 25 CTOs in the cases of 34 out of 3,050 dealers for the period 2008-09 to 2011-12 as mentioned in the following paragraphs:

2.7.1 Short-levy of entry tax on goods acquired by stock transfer

The AAs while finalising the assessment levied entry tax on goods of ₹ 1,751.34 crore acquired by stock transfer from outside the state instead of levying on sale value of goods of ₹ 1,906.94 crore in such cases. This resulted in short levy of entry tax of ₹ 1.56 crore.

Under Section 4 of the U P Tax on Entry of Goods Act, 2007 entry tax on value of goods is leviable as per schedule of rates notified by the Government from time to time. Entry tax is leviable on Iron and steel as defined in Section 14 of the Central Sales Tax Act (excluding some items) at the rate of one *per cent* of 'value of goods'. Further, under Section 2(h) (iv) of the said Act, if goods have been acquired or obtained otherwise than by way of purchase, the 'value of goods' shall mean the value or the price at which the goods of like kind or like quality is sold at wholesale price in the open market in the local area in goods are being brought or received for consumption use or sale.

We test checked (November 2014) assessment orders and files in JC(CC) I Kanpur and observed that 2 out of 98 dealers, received iron and steel of ₹ 1,751.34 crore during 2010-11 otherwise than by way of purchase (by stock transfer) from out of state on which entry tax was levied on the value declared by the dealers. The AAs while finalising the assessment between February and March 2014 did not examine the issue that the goods were acquired otherwise than by way of purchase on which entry tax was leviable on sale value of goods of ₹ 1,906.94 crore. This resulted in short levy of entry tax amounting to ₹ 1.56 crore.

We reported the matter to the Department and the Government in January 2015. In reply the Department stated that action is under way (November 2015).

2.7.2 Non/Short levy of entry tax

The Assessing Authorities while finalising the assessment levied entry tax amounting to ₹ 25.12 lakh instead of ₹ 1.16 crore on purchase of goods worth ₹ 81.64 crore from outside the local area. This resulted in non/short levy of entry tax of ₹ 90.66 lakh

Under Section 4 of the UP Tax on Entry of Goods Act, 2007 entry tax on value of goods is leviable as per schedule of rates notified by the Government

from time to time. As per notification No. 422 dated 31 March 2011 entry tax on iron and steel was leviable at the rate of five *per cent* w.e.f. 1 April 2011 and a rebate to the extent of the amount of tax payable by a dealer on sale or purchase under UPVAT Act was allowed.

We test checked (between December 2013 and May 2015) assessment orders and files in 13 CTOs and observed that 18 out of 1591 dealers, purchased goods valued at ₹ 81.64 crore from outside the local area during the period 2008-09 to 2011-12 on which entry tax of ₹ 1.16 crore was leviable. The AAs while finalising the assessment between November 2011 and March 2015 levied entry tax amounting to ₹ 25.12 lakh in the cases of five dealers only. This resulted in non/short levy of entry tax of ₹ 90.66 lakh as shown in **Appendix-XI**.

We reported the matter to the Department and the Government (between February 2014 and July 2015). In reply the Department accepted our observation and levied entry tax of ₹ 0.35 lakh in one case. For the remaining cases Department stated that action is under way (November 2015).

2.7.3 Non/Short realisation of entry tax through manufacturers

The manufacturers had not included VAT component in turnover while realising entry tax and in some cases no entry tax was realised from dealers at the time of delivery of goods. This resulted in non/short realisation of entry tax of ₹ 8.55 lakh.

Under Section 12 of the U.P. Tax on Entry of Goods into Local Areas Act, 2007, any person who intends to bring into local area from any manufacturer within the state, such goods specified in the schedule as may be notified by the state Government, shall at the time of taking delivery of the goods from the manufacturer, pay to the manufacturer the tax payable on entry and the manufacturer shall receive the tax so paid. Further the manufacturer shall not deliver such goods to the purchaser unless the amount of such tax has been paid by the purchaser. Section 12(2) prescribes for deposit of such realised tax in prescribed manner. Under Section 12(3) of the Act where any manufacturer fails to deposit, the tax under this Section he shall be liable to pay the tax alongwith the interest and penalty as provided in Section 12(5) of the Act.

We test checked (between June 2013 and September 2014) assessment orders and files in four CTOs and observed that six out of 569 dealers, sold and delivered goods of ₹ 86.97 crore (including VAT) to the purchasers outside the local area during the period 2008-09 to 2010-11, on which entry tax was realisable. In three cases manufacturers did not include VAT component of ₹ 3.93 crore in value of goods of ₹ 77.62 crore while calculating entry tax and in remaining three cases no entry tax was realised on turnover of ₹ 41.98 lakh. The AAs while finalising the assessments between April 2012 and May 2013 did not consider this aspect which resulted in non/short realisation of entry tax of ₹ 8.55 lakh.

We reported the matter to the Department and the Government (between August 2013 and September 2014). In reply the Department accepted our observation and levied entry tax of ₹ 1.42 lakh in two cases. For the remaining cases Department stated that action is under way (November 2015).

2.7.4 Non/Short realisation of entry tax and non-imposition of penalty on manufacturers

The manufacturer realised entry tax from the purchasers without including VAT component in turnover at the time of delivery of goods in one case and no entry tax was realised in rest three cases. This resulted in short realisation of entry tax of ₹ 15.39 lakh, and non imposition of penalty of ₹ 30.78 lakh.

We test checked (between February 2014 and April 2015) assessment orders and files in three CTOs and observed that four manufacturers out of 335 dealers sold and delivered the goods of ₹ 52.34 crore to the purchasers outside the local area during the period 2008-09 to 2011-12 and realised entry tax of ₹ 93.62 lakh in one case on turnover of ₹ 46.81 crore (without including VAT) instead of the correct turnover including VAT ₹ 49.05 crore, whereas no entry tax was realised on the turnover of ₹ 3.29 crore. Further, if the manufacturer fails to realise and deposit the tax, the AA may direct that such person shall pay by way of penalty a sum not exceeding twice the amount so realisable. The AA while finalising the assessment between September 2010 and June 2014 did not consider this aspect which resulted in non/short realisation of entry tax of ₹ 15.39 lakh, and non-imposition of penalty of ₹ 30.78 lakh as detailed in the **Table 2.18**.

Table 2.18

Non/Short realisation of entry tax and non-imposition of penalty on manufacturers

(₹ In Lakh)										
Sl. No.	Name of the unit	No. of dealer	Assessment year (month and year of assessment)	Name of goods	Taxable turnover	Rate of entry tax (per cent)	Amount of entry tax realisable	Amount of entry tax realised	Amount of entry tax not realised	Penalty leviable
1.	JC(CC) Gorakhpur	1	2008-09 (September 2010)	Gutkha	53.66	5	2.68	0	2.68	5.36
			2009-10 (April 2013)		90.38		4.52	0	4.52	9.04
		1	2009-10 (April 2013)	Paper	109.93	2	2.20	0	2.20	4.40
2.	DC Sec. 7 Meerut	1	2009-10 (April 2012)	Paper	1,968.36	2	39.37	37.68	1.69	3.38
			2010-11 (March 2013)		2,936.99		2	58.74	55.94	2.80
3.	DC Sec. 2 Noida	1	2010-11 (December 2013)	Water proof paper	38.33	2	0.77	0	0.77	1.54
			2011-12 (June 2014)		36.74		0.73	0	0.73	1.46
Total		4			5,234.39		109.01	93.62	15.39	30.78

Source: Information available on assessment order and files of the dealers.

We reported the matter to the Department and the Government (between April 2014 and July 2015). In reply the Department stated that action is under way (November 2015).

2.7.5 Non-imposition of penalty on delayed deposit of realised entry tax

The Assessing Authorities did not impose the penalty of ₹ 2.04 crore on manufactures for delayed deposit of realised entry tax of ₹ 1.02 crore.

We test checked assessment orders and files in two CTOs and observed that two manufacturers out of 262 dealers, had realised entry tax amounting to ₹ 1.02 crore from purchasers of out of local area but did not deposit the same into the Government treasury within the prescribed time. The delay ranged between five days to four years. The AAs while finalising the assessment between March 2014 and July 2014 did not consider the aspect that manufacturers had deposit the realised tax late and failed to impose the penalty of ₹ 2.04 crore as detailed in the **Table 2.19**.

Table 2.19

Non-imposition of penalty on delayed deposit of realised entry tax

Sl. No.	Name of the Unit	Number of dealers	Assessment year (month and year of assessment)	Name of goods	Entry tax deposited late	Period of delay in days	(₹ in lakh)
							Penalty leviable
1.	JC (CC) I Lucknow	1	2008-09 (July 2014)	Gutkha	26.06	1460	52.12
			2011-12 (June 2014)		68.35	365	136.70
2.	DC Sec.1 Rampur	1	2009-10 (March 2014)	Paper	5.83	05 to 11	11.66
			2010-11 (March 2014)		1.57	07 to 40	3.14
Total		2			101.81		203.62

Source: Information available on assessment order and files of the dealers.

We reported the matter to the Department and the Government (July 2015). In reply the Department stated that action is under way (November 2015).

2.7.6 Irregular rebate of entry tax on purchase

Assessing Authorities allowed benefit of inadmissible rebate amounting to ₹ 5.44 lakh on purchase of goods from outside the local area valued at ₹ 3.65 crore.

As per Section 6 read with Government notification dated 4 March 2008 and 31 March 2011 rebate in entry tax upto the full amount of tax leviable under the Act is admissible to a dealer on sale or purchase under VAT.

We test checked (between August 2013 and September 2013) assessment orders and files in two CTOs and observed that two out of 210 dealers, paid entry tax amounting to ₹ 6.03 lakh during 2008-09 on purchase of goods of ₹ 3.65 crore from outside the local area and claimed rebate of ₹ 5.44 lakh. The AAs while finalising the assessment in June 2012 failed to notice that rebate was not admissible because in one case purchases pertained to the period prior to notification dated 31 March 2011 and in other case nature of commodity was changed and thus it was not within the purview of the notification dated 4 March 2008. Thus AAs irregularly allowed benefit of rebate amounting to ₹ 5.44 lakh as detailed in the **Table 2.20**.

Table 2.20

Irregular rebate of entry tax on purchase

(₹ in lakh)							
Sl. No.	Name of the units	No. of dealers	Assessment year (month and year of assessment)	Name of goods	Taxable turnover	Levied entry tax	Irregular rebate
1	JC (C C) Jhansi	1	2008-09 (June 2012)	Iron and steel	306.00	3.06	3.06
2	DC Sec 10 Kanpur	1	2008-09 (June 2012)	Blank cheque book and Drafts	59.39	2.97	2.38
Total		2			365.39	6.03	5.44

Source: Information available on the basis of audit findings.

We reported the matter to the Department and the Government (between September 2013 and August 2014). In reply the Department stated that action is under way (November 2015).

CENTRAL SALES TAX

2.8 Misuse of declaration forms

The dealers purchased goods valued at ₹ 3.29 crore at concessional rate of tax against declaration in form 'C' which were not covered by their certificates of registration. This fact was not scrutinised at the time of assessment. This resulted in non-imposition of penalty of ₹ 41.24 lakh.

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

We test checked (between November 2013 and April 2015) assessment orders and files in eight CTOs and observed that nine out of 872 dealers, purchased goods valued at ₹ 3.29 crore during the year 2006-07 to 2011-12 at concessional rate of tax against declaration in form 'C'. These goods were not covered by their certificates of registration for which they were liable to pay penalty one and half times of the tax payable on the sale of such goods, in lieu of prosecution. The AAs while finalising the assessments between June 2012 and February 2015 did not scrutinise the Registration Certificate and utilisation details of form 'C' and consequently penalty of ₹ 41.24 lakh was not imposed as shown in **Appendix-XII**.

We reported the matter to the Department and the Government (between January 2014 and April 2015). In reply the Department accepted our observation and imposed penalty of ₹ 1.17 lakh in two cases. For the remaining cases the Department stated that action is under way (November 2015).

2.9 Non/Short charging of interest

The dealers had deposited the admitted tax of ₹ 54.34 crore with delay, on which interest was chargeable, but it was not charged at the time of assessment. This resulted in non-charging of interest of ₹ 5.31 crore.

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

We test checked (between October 2012 and March 2015) assessment orders and files in 20 CTOs and observed that 30 out of 2,598 dealers, had deposited the admitted tax of ₹ 54.34 crore during the year 1999-2000 to 2011-12 with delay ranging from two days to 3,225 days without interest. The belated payment of admitted tax attracted interest of ₹ 5.32 crore upto the date of deposit of tax, whereas the dealers deposited ₹ 1.48 lakh only. The AAs while finalising the assessment between March 2012 and March 2014 did not consider this aspect which resulted in non-charging of interest of ₹ 5.31 crore as shown in **Appendix-XIII**.

We reported the matter to the Department and the Government (between June 2013 and April 2015). The Department accepted our observation and charged interest of ₹ 3.50 crore in 10 cases out of which ₹ 8.34 lakh has been recovered. For the remaining cases the Department stated that action is under way (November 2015).

2.10 Irregularities relating to Input Tax Credit (ITC)

Our scrutiny of records of the Department revealed several cases of irregularities regarding ITC claims like irregular/non admissible ITC claims, excess claims, non-imposition of penalty, non-reversal of ITC and non-charging of interest thereon etc. of ₹ 3.59 crore in respect of 26 CTOs in cases of 32 out of 3,603 dealers for the period 2008-09 to 2011-12. A few cases are mentioned in the following paragraphs.

2.10.1 Non/Short reversal of inadmissible Input Tax Credit and non-charging of interest

The dealers had wrongly claimed ITC of ₹ 62.05 lakh which was not reversed with interest at the time of assessment. This resulted in non/short reversal of ITC and non-charging of interest of ₹ 87.28 lakh (RITC ₹ 62.05 lakh and interest ₹ 25.23 lakh).

Under Section 13 of UPVAT Act, 2008 ITC to the extent of tax paid or payable by a registered dealer on purchase of taxable goods from within the State is allowed at the rates prescribed under Schedule I to V of the Act. As

per Section 13(1)(a) (as amended with effect from 28.2.2009) if taxable goods purchased from within the state are transferred/consigned or after used in manufacture such manufactured goods are transferred or consigned outside the state, the partial amount of input tax is admissible, which is in excess of four *per cent*. As per Section 13(1)(f) where goods are resold at the price which is lower than purchase price, the amount of ITC shall be allowed to the extent of tax payable on the sale value of goods. Further under Section 14(2) of the Act if any dealer has wrongly claimed ITC in respect of any goods, benefit of ITC to the extent it is not admissible, shall stand reversed along with simple interest at the rate of 15 *per cent* per annum.

We test checked (between November 2013 and March 2015) assessment orders and files in 17 CTOs and observed that 21 out of 2,412 dealers, had wrongly claimed ITC of ₹ 62.05 lakh during the year 2008-09 to 2011-12 which was not admissible to them. The AAs while finalising the assessment between November 2011 and March 2014 were required to reverse this inadmissible ITC and direct the dealers to pay such amount of reverse input tax credit along with simple interest, which was not reversed. This resulted in non/short reversal of ITC and non-charging of interest of ₹ 87.28 lakh (RITC ₹ 62.05 lakh and interest ₹ 25.23 lakh).

We reported the matter to the Department and the Government (between February 2014 and April 2015). The Department accepted our observation and reversed ITC amounting ₹ 0.84 lakh in one case whereas interest was not charged and in another case reversed ITC amounting ₹ 0.77 lakh with interest. For the remaining cases the Department stated that action is under way (November 2015).

2.10.2 Non-imposition of penalty on false claim of ITC

False ITC claim of ₹ 54.43 lakh was reversed by the Assessing Authorities but penalty of ₹ 2.72 crore was not imposed.

Under Section 13 of UPVAT Act, 2008 read with Rule 24 of UPVAT Rules, 2008 tax paid on purchase of goods from registered dealers against tax invoice or deposited cash on purchase of goods from the unregistered dealers, Input Tax Credit is allowed to the extent of the tax paid or payable by the dealer on such sale or purchase. Under Section 14 of the Act, if any dealer has wrongly claimed ITC in respect of any goods, benefit of ITC to the extent it is not admissible, shall stand reversed, the said Act read with Rules 21, 22, 23 and 25 of UPVAT Rules provide the reversal of the ITC in cases where ITC has been claimed in contravention of the provisions of the Act. Under the provisions of Section 54(1) (19) of the VAT Act, if the AA is satisfied that any dealer or any other person, as the case may be, falsely or fraudulently claims an amount as ITC, he may direct that such dealer or person shall, in addition to the tax, if any, payable by him, pay by way of penalty, a sum equal to five times of amount of ITC.

We test checked (between December 2013 and August 2014) assessment orders and files in 10 CTOs and observed that in the case of 11 out of 1,191 dealers, the AAs while finalising the assessment between November 2011 and March 2014, cross verified the ITC claim of the dealers and found that the

dealers had falsely/fraudulently claimed ITC amounting to ₹ 54.43 lakh during the year 2008-09 to 2011-12. The dealers had claimed ITC falsely/fraudulently; as such they were liable to pay penalty a sum equal to five times of amount of ITC. Though the AAs reversed the ITC but did not impose the penalty amounting to ₹ 2.72 crore.

We reported the matter to the Department and the Government (between February 2014 and September 2014). The Department accepted our observation and imposed penalty of ₹ 35.52 lakh in three cases. For the remaining cases the Department stated that action is under way (November 2015).

2.11 Non-imposition of penalty on delayed deposit of works contract tax

The AAs had not imposed penalty of ₹ 5.03 crore on dealers for not depositing the tax of ₹ 2.51 crore within prescribed time, deducted at source while making payment to the contractors

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

We test checked (between November 2013 and February 2015) assessment orders and files in 11 CTOs and observed that 15 out of 1,570 dealers, deducted the tax of ₹ 2.51 crore at source while making the payment to contractors during the year 2008-09 to 2010-11 but 14 dealers did not deposit the same into Government treasury within the time prescribed and in one case tax was not deposited into Government treasury. The delay ranged from five days to seven months 12 days. The AAs while finalising the assessment between June 2012 and March 2014, neither imposed the penalty of ₹ 5.03 crore nor recorded any reason for non-imposition of penalty.

We reported the matter to the Department and the Government (between February 2014 and March 2015). The Department accepted our observation and imposed penalty of ₹ 56.41 lakh in four cases. For the remaining cases the Department stated that action is under way (November 2015).

CHAPTER-III

STATE EXCISE

3.1 Tax administration

Excise duty on liquor for human consumption and licence fee is levied under the UP Excise Act, 1910 and Rules made thereunder. Various kinds of liquor, such as country liquor and Indian Made Foreign liquor are manufactured from alcohol. Excise duty on production of alcohol and liquor in distilleries forms a major part of excise revenue. Apart from excise duty, licence fee also forms part of excise revenue.

The Principal Secretary (State Excise) is the administrative head of State Excise Department at Government level. The Department is headed by the Excise Commissioner (EC). The Department has been divided in Agra, Gorakhpur, Lucknow, Meerut and Varanasi zones which are headed by the Joint Excise Commissioner. Besides, Excise Inspectors under the control of Assistant Excise Commissioner of the respective districts are deputed to oversee and regulate levy/ collection of excise duties and allied levies.

3.2 Internal audit

Internal Audit of an organisation is a vital component of the internal control mechanism and is generally defined as the control of all controls. It enables the organisation to assure itself that the prescribed systems are functioning reasonably well. The position of sanctioned strength and men-in-position is given in **Table 3.1**.

Table 3.1

Staff position of Internal Audit wing

Sl.No.	Designation	Sanctioned post	Men-in-position	Shortfall	Percentage of shortfall
1.	Finance Controller	1	1	0	0
2.	Sr. Finance and Account Officer	1	0	1	100
3.	Finance and Account Officer	1	1	0	0
4.	Assistant Account Officer	2	1	1	50
5.	Sr. Auditor	9	1	8	88.89
6.	Accountant	10	3	7	70
7.	Auditor	3	4	0	0

Source: Information provided by the Department

The details of Internal Audit (IA) planning such as number of units planned for audit, number of units audited and shortfall are shown in **Table 3.2**.

Table 3.2

Audit planning of Internal Audit wing

Year	Total no. of Units	No. of Units planned	No. of units Audited	Shortfall
2010-11	350	126	141	15
2011-12	350	138	123	-15
2012-13	352	140	119	-21
2013-14	365	140	109	-31
2014-15	365	140	113	-27

Source: Information provided by the Department

The above table shows that the audit planning of the Department is not realistic as the Department during 2011-12 to 2014-15 could not achieve target of units planned for internal audit due to shortage of staff.

The internal audit conducted by the IAW and number and amount of objection raised and settled during the year is shown in the **Table 3.3**.

Table No. 3.3

Objection raised by Internal Audit Wing

Year	Opening balance		Addition during the year		Clearance during the year		Closing balance	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
2010-11	310	2,023.53	176	204.13	126	117.03	360	2,110.63
2011-12	360	2,110.63	136	70.22	199	352.35	297	1,828.50
2012-13	297	1,828.50	140	58.75	244	266.75	193	1,620.50
2013-14	193	1,620.50	101	46.13	70	37.52	224	1,629.11
2014-15	224	1,629.11	108	101.73	55	41.77	277	1,689.07

Source: Information provided by the Department.

This shows that the compliance made by the Department against the cases raised by the IAW is very low.

We recommend that the IAW may be strengthened and an annual audit plan should be prepared in a realistic way. The Department should take appropriate steps for speedy recovery in cases raised by the IAW.

3.3 Results of audit

In 2014-15, the State Excise Department realised revenue of ₹ 13482.57 crore. Our test check of the records of 138 units out of 353 units relating to State Excise showed non/short realisation of excise duty/ licence fee/ interest and other irregularities involving ₹ 38.36 crore in 220 cases, which fall under the following categories as mentioned in the **Table 3.4**.

Table 3.4

Results of Audit

Sl. No.	Categories	(₹ in crore)	
		Number of cases	Amount
1.	Non/short realisation of excise duty	17	0.89
2.	Non realisation of licence fee/interest	77	8.79
3.	Other irregularities	126	28.68
Total		220	38.36

Source: Information available in the Audit office.

During the course of the year, the Department accepted underassessment and other deficiencies of ₹ 4.84 crore in 155 cases, of which an amount of ₹ 4.28 crore in 140 cases were recovered during the year. In remaining cases no reply has been received from the Department.

A few illustrative cases of compliance deficiency involving ₹ 4.90 crore are discussed in the following paragraphs.

3.4 Audit observations

Our scrutiny of records in the offices of the State Excise Department showed cases of Non-forfeiture of Basic Licence Fee and security deposits, non-imposition of interest and short levy of licence fee as mentioned in the succeeding paragraph in this chapter. These cases are illustrative and are based on a test check carried out by us. We point out such omissions each year, but not only do the irregularities persist; these remain undetected till we conduct an audit. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

Audit findings

3.5 Non-forfeiture of Basic Licence Fee and security deposits

The licensees did not deposit the entire amount of security deposit within prescribed time limit. For this default action for cancellation of settlement and forfeiture of deposited basic licence fee and security money amounting to ₹ 3.66 crore, was not initiated as envisaged in the Rules.

Rule 12 of the Uttar Pradesh Excise (Settlement of Licences of Retail Sale of Country Liquor) Rules 2002 provides that amount of Basic Licence Fee (BLF) shall be deposited in full within three working days, half of the security amount within 10 working days and rest of the amount within 20 working days of receipt of the intimation of the selection of shop. In case of default, the selection of shop would be cancelled and amount of BLF and security deposits, if any, would be forfeited in favour of the Government and the shops would be resettled forthwith.

We examined G-12 (details of settled shops) and Settlement files of Country Liquors of District Excise Offices, Basti and Raebareli, between November 2014 and March 2015 and found that during the year 2013-14 though the licenses of 32 country liquor shops were settled or renewed, these licensees, did not deposit the entire amount of security deposit in prescribed time frame. The delay ranged from 22 to 63 days. For this default no action was initiated as envisaged in Rule. As no relaxation is allowed under the provisions/ rules, the inaction of the Department deprived the Government of ₹ 3.66 crore by way of depositing BLF and security deposit as shown in **Table 3.5**.

Table 3.5
Non-forfeiture of Basic Licence fee and Security deposits

(Amount in ₹)						
Sl. No.	Name of units	Number of Shops	Period of Late deposit of Security Deposit	Basic Licence Fee required to be forfeited	Security Deposit required to forfeited	Total Amount required to forfeited
1	DEO, Basti	14	33 to 63 days	1,70,52,430	1,10,57,578	2,81,10,008
2	DEO, Raebareli	18	22 days	51,61,430	33,66,243	85,27,673
	Total	32	22 to 63 days	2,22,13,860	1,44,23,821	3,66,37,681

Source: Information available from G-6 register.

We reported the matter to the Department and the Government (November 2014 and May 2015). The Government while accepting (November 2015) our observation in principle however expressed their practical difficulties in resettlement of shops in mid of the year. Thus provision prescribed in the Rules was not followed.

3.6 Non-levy of interest on belated payment of excise revenue

Interest of ₹ 88.03 lakh on the belated payment of excise revenue was not charged by the Department.

Section 38-A of the United Provinces Excise Act, 1910 provides that where any excise revenue is not paid within three months from the date on which it becomes payable, interest at the rate of 18 *per cent* per annum is recoverable from the date on which such excise revenue becomes due.

We examined arrear register and G-6 (Register maintained by the excise offices having all the receipts of the State Excise Department) of five DEOs out of 71 DEOs checked, (between June 2014 and March 2015) and found that excise revenue of ₹ 1.04 crore pertaining to the period of April 2003 to April 2013 was deposited between August 2006 and October 2014 i.e. with delay of 14 months to 12 years in 65 cases out of 69 cases test checked. However, interest on the belated payment amounting to ₹ 88.03 lakh was not charged by the Department. The details are given in **Table 3.6**.

Table 3.6

Non-levy of interest on belated payment of excise revenue

							(₹ in lakh)
Sl. No.	Name of office	Number of shops	Due Period of deposit	Period of Deposit	Amount	Period of delay in months	Amount of Interest
1	District Excise Office, Bagpat	1	April 2003	August 2006 to May 2014	16.88	53 to 144	20.18
2	District Excise Office, Jaunpur	7	April 2008 to April 2013	May 2014 to September 2014	7.72	14 to 79	4.04
3	District Excise Office, Kannauj	25	April 2008	February 2010 to September 2012	29.74	23 to 54	12.57
4	District Excise Office, Kanpur Nagar	24	April 2008	July 2014 to August 2014	35.79	77	40.79
5	District Excise Office, Varanasi	8	April 2008 to April 2012	August 2014 to October 2014	14.14	29 to 80	10.45
Total		65	April 2003 to April 2013	August 2006 to October 2014	104.27	14 to 144	88.03

Source: Information available from G-6 register.

We reported the matter to the Department and the Government (between July 2014 and May 2015). The Government accepted (November 2015) the observation and stated that revised amount of ₹ 20.03 lakh has been recovered in one case. Notices for recovery of interest in remaining cases have been issued.

3.7 Short levy of licence fee on model shops

The license fee of a model shop was not fixed as per norms prescribed in the excise policy.

As per State Excise Policy notified on 28 February 2013, the licence fee for setting up a model shop for the year 2013-14 or part thereof was fixed as ₹ 11 lakh, or the highest licence fee among the settled retail shops in the town for the same year for both foreign liquor and beer whichever was higher, but it could not be more than ₹ 30 lakh.

We examined Model shops settlement files, excise policy and G-12 of DEO Kanpur (March 2015) and observed that the two model shops of *Singhpur* and

Mandhana were newly created for the year 2013-14. Highest licence fee of foreign liquor and beer shop of the town for the year 2013-14 was ₹ 50 lakh. Thus licence fee of both the model shops was required to be fixed as ₹ 60 lakh (₹ 30 lakh for each shop) as provided in the excise policy. The Department fixed and realised the total licence fee of ₹ 24.05 lakh (₹ 11 lakh for *Singhpur* and ₹ 13.05 lakh for *Mandhana*) instead of ₹ 60 lakh. The DEO has ignored the actual licence fee of foreign liquor and beer shop as provided in the excise policy for the concerned year. This resulted in short levy of licence fee of ₹ 35.95 lakh.

We reported the matter to the Department and the Government (March 2015 to May 2015). The Department replied that the license fee of the model shops was fixed according to their potential and it was approved by the competent authority of the Government. The reply of the Department indicates that the norms were not fixed with due diligence hence these were not followed (November 2015).

CHAPTER-IV TAXES ON VEHICLES, GOODS AND PASSENGERS

4.1 Tax administration

The receipts of the Transport Department are regulated under the provisions of the Motor Vehicles Act, 1988 (MV Act), Central Motor Vehicles Rules, 1989 (CMV Rules), Uttar Pradesh Motor Vehicles Taxation Act, 1997 (UPMVT Act) and Uttar Pradesh Motor Vehicles Taxation Rules, 1998 (UPMVT Rules).

The Principal Secretary, Transport, Uttar Pradesh is the administrative head at Government level. The entire process of assessment and collection of taxes and fee is administered and monitored by the Transport Commissioner (TC) Uttar Pradesh, who is assisted by two Additional Transport Commissioners at Headquarters and six Deputy Transport Commissioners (DTCs), 19 Regional Transport Officers (RTOs) and 72 Assistant Regional Transport Officers (ARTOs) (Administration) in the field. RTOs perform the overall work of issue and control of permits regarding transport vehicles and ARTOs perform the work of assessment and levy of taxes and fee regarding transport vehicles and non transport vehicles. Overall administration of Sub-Regional Transport Offices is administered by respective RTOs.

4.2 Internal audit

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

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

The details of Internal Audit planning such as number of units planned for audit, number of units audited and shortfall are shown in **Table 4.1**.

Table 4.1

Internal audit

Year	Total number of units available for IA	Number of units planned for IA	Number of units audited during the year	Short fall	Percentage of shortfall
2010-11	101	32	18	14	43.75
2011-12	101	36	22	14	38.88
2012-13	101	40	19	21	52.50
2013-14	101	31	22	09	29.03
2014-15	101	31	27	04	12.90

Source: Information provided by the Department.

This shows that the audit planning of the IAW is not realistic as shortfall ranged from 12.90 *per cent* to 52.50 *per cent* during the year from 2010-11 to 2014-15. Reason attributed by the Department was delayed approval of annual audit plan. We do not agree with the reason given by the Department as audit planning was required to be prepared according to time schedule.

The Internal Audit conducted by the IAW and number and amount of objection raised and settled during the year is shown in **Table 4.2**.

Table 4.2

Details of outstanding paras and amount

Year	(₹ in lakh)							
	Opening balance		Addition during the year		Clearance during the year		Closing balance	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
2010-11	4,429	2,144.00	153	139.00	0	0.00	4,582	2,283.00
2011-12	4,582	2,283.00	204	81.00	0	0.00	4,786	2,364.00
2012-13	4,786	2,364.00	137	73.00	12	13.00	4,911	2,424.00
2013-14	4,911	2,424.00	198	54.00	19	21.00	5,090	2,457.00
2014-15	5,090	2,457.00	144	48.00	8	2.00	5,226	2,503.00

Source: Information provided by the Department.

It is clear from the above table that the compliance made by the Department against the cases raised by the IAW is very low.

We recommend that Internal Audit Wing may be strengthened and an annual audit plan should be prepared in a realistic way. The Department should take appropriate action for speedy recovery in cases raised by Internal Audit Wing.

4.3 Results of audit

In 2014-15, Transport Department realised revenue of ₹ 3,797.58 crore. We test checked the records of 72 units relating to the Department during the year 2014-15 and found non/short assessment of tax and other irregularities involving ₹ 70.01 crore in 567 cases, which fall under the following categories as mentioned in Table 4.3.

Table 4.3

Results of Audit

Sl. No.	Categories	(₹ in crore)	
		Number of cases	Amount
1.	Non/short realisation of		
	• Passenger tax/additional tax	32	30.80
	• Road tax	20	6.20
	• Goods tax	02	0.28
2.	Other irregularities	513	32.73
	Total	567	70.01

Source: Information available in the Audit office.

During the year 2014-15 the Department accepted underassessment and other deficiencies of ₹ 90.63 lakh in 17 cases, of which an amount of ₹ 10.06 lakh was realised in three cases. In remaining cases no reply has been received from the Department.

A few illustrative cases of compliance deficiency involving ₹ 38.82 crore are discussed in the following paragraphs.

4.4 Audit observations

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

4.5 Irregularities in permit

4.5.1 Non-levy of Compounding Fee on violation of permit conditions

Violation of permit conditions by 745 stage carriage vehicles resulted in non-levy of compounding fee amounting to ₹ 29.80 lakh.

Under Rule 70 of the UPMV Rules, 1998 the owner of the contract carriage vehicle other than motor cab is liable for submission of passenger's list and quarterly abstract of the vehicle log book as required under the terms and conditions of the permit issued by the competent authority. Section 192A of MV Act defines the penalty for violation of conditions of permit. Violation of permit condition attracts imposition of compounding fee ₹ 4,000 per case fixed as per notification dated 25 August 2010.

We examined the route file of stage carriage vehicles of six out of 72 RTOs/ARTOs between June 2014 and December 2014 and found that 745 out of 2,170 stage carriage vehicles were covered under stage carriage permit and plying during the period from June 2013 to November 2014 but none of the vehicle owners submitted their time table for arrival and departure of vehicle as required under the Rule. For this failure, compounding fee amounting to ₹ 29.80 lakh was neither levied nor realised by the Department as shown in **Table 4.4.**

Table 4.4

Non Levy of Compounding Fee on violation of permit condition

				(Amount in ₹)
Sl.No.	Name of the Unit	No. of vehicles	Rate of penalty	Total Penalty
1	RTO Agra	37	4,000	1,48,000
2	ARTO Buland Shahar	124	4,000	4,96,000
3	RTO Ghaziabad	301	4,000	12,04,000
4	RTO Meerut	27	4,000	1,08,000
5	RTO Mirzapur	236	4,000	9,44,000
6	ARTO Unnao	20	4,000	80,000
	TOTAL	745		29,80,000

Source: Information available on the basis of audit findings.

We reported the matter to the Department and the Government (Between December 2014 and April 2015). In reply the Department stated (September 2015) in three cases that non production of log books and passengers list does not attract penalty as this is not violation of permit conditions. We do not

agree with the reply of the Department as section 192 A of MV Act clearly defines the penalties for violation of conditions of permit and submission of the above documents is required under the additional terms and conditions of the permit issued under Rule 70 of UPMV Rules 1998.

4.5.2 Non-renewal of authorisation of National Permit

105 goods vehicles were found plying on roads without renewal of authorisation of national permit. This resulted in non-realisation of composite and application fees amounting to ₹ 18.38 lakh.

Section 81 of MV Act provides that a permit is valid for five years. However, as per Rule 87 (3) of CMV Rules, authorisation of the National Permit is for one year. As per order of Transport Commissioner (February 2000) the authorities concerned shall issue notice to the permit holder within 15 days of expiry of authorisation calling his explanation as to why the permit should not be cancelled in case of his non-renewal of authorisation and cancel the permit in case of non-receipt of explanation within the prescribed time. Composite fee of ₹ 16,500 per annum for authorisation alongwith application fee amounting to ₹ 1,000 was to be deposited in the Government account for authorisation of national permit.

We examined the vehicle files, permit register, receipt books and cash-book of three RTOs (Agra, Allahabad and Bareilly) out of 19 RTOs between November 2014 and February 2015 and found that during the period from June 2013 to January 2015, 105 out of 10,532 goods vehicles covered under national permit were plying on roads without renewal of authorisation of national permit even after expiry of validity period. This resulted in non-realisation of composite fee and application fee amounting to ₹ 18.38 lakh.

All the information such as date of expiry of authorisation, tax paid and other details of vehicles with National Permit was available in VAHAN Software which is designed for keeping vehicles details such as registration certificates, permit and taxes etc., in spite of this, these cases were not detected by the Department. The Department also did not initiate any action to issue notices to these permit holders and cancel the permit as prescribed in the order of the Transport Commissioner.

We reported the matter to the Department and the Government (January 2015 to May 2015). In reply the Department accepted (November 2015) our observation and realised ₹ 4.91 lakh in 37 cases. The final position is awaited.

4.6 Non-levy of additional tax on JnNURM buses

Additional tax of ₹ 30.36 crore was not levied on 464 JnNURM buses under City Transport Services Limited which were found plying outside the municipal corporation area.

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

within the limits of Municipal Corporation or Municipality shall be exempted from the payment of additional tax.

We examined (May 2015) the route and tax file returns and challan submitted by the Uttar Pradesh State Road Transport Corporation (UPSRTC) to transport offices of RTOs Kanpur nagar, Lucknow and Varanasi out of seven¹ RTOs and found that 464 *JnNURM* buses out of 636 *JnNURM* buses under City Transport Services Limited were found plying outside the municipal corporation area from November 2009 to March 2015 and were liable for payment of additional tax of ₹ 30.36 crore. The transport officers did not initiate any action i.e. issued notice to deposit the additional tax, detained the vehicle in police custody by enforcement wing of the Department or issued RCs for non deposit of additional tax on the vehicles plying outside the municipal corporation area. This resulted in non-levy of additional tax of ₹ 30.36 crore. The details are indicated in **Table 4.5**.

Table 4.5

Non levy of additional tax on *JnNURM* Buses

(₹ in lakh)					
Sl. No.	Name of the office	Total number of vehicles	Number of vehicles plying out of Nagar Nigam area	Period	Additional Tax leviable
1.	RTO Kanpur Nagar	270	183	12/2009 to 03/2015	1,352.11
2.	RTO Lucknow	236	156	07/2013 to 03/2015	443.99
3.	RTO Varanasi	130	125	11/2009 to 03/2015	1,240.39
Total		636	464		3,036.49

Source: Information available on the basis of audit findings.

We reported the matter to the Government and the Department (May 2015). In reply the Department accepted (November 2015) our observation and issued notice to Regional Managers.

4.7 Non-renewal of fitness certificate of vehicles

There is no system in the Department to check whether there is a valid fitness certificate while accepting payment of tax due. 5,820 vehicles plied without valid fitness certificates were liable for levy of fitness fee of ₹ 35.71 lakh and imposition of penalty of ₹ 2.33 crore.

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

We examined (between June 2014 and March 2015) the tax register, vehicles files, vehicles database, receipt books and cash-book of 25 out of 72

¹ Agra, Allahabad, Kanpur Nagar, Lucknow, Mathura, Meerut and Varanasi.

RTOs/ARTOs and found that 5,820 out of 3,71,624 vehicles plied between June 2013 and February 2015 without valid fitness certificate although the tax due was realised. The Department neither initiated action for cancelling the registration certificates of these vehicles whose fitness certificate had become overdue nor levied any fine on defaulting vehicle owners as per provisions of the MV Act besides endangering the lives of the passengers. Plying of such vehicles compromised public safety. These vehicles were liable for levy of fitness fee of ₹ 35.71 lakh and imposition of penalty of ₹ 2.33 crore as shown in **Appendix-XIV**.

We reported the matter to the Department and Government (June 2014 to May 2015). In reply the Department accepted (November 2015) our observation and recovered ₹ 9.59 lakh. The final position is awaited.

4.8 Non-renewal of registration of non-transport vehicles

Non-renewal of registration of 6,709 non-transport vehicles whose registration has expired led to non-realisation of re-registration fee, penalty, fitness fee and certificate fee amounting to ₹ 40.25 lakh.

Under Section 39 of the MV Act, every vehicle is required to be registered. Section 41 (7) of the Act *ibid* provides that registration of non transport vehicle is valid for the period of 15 years and registration can be renewed for subsequent period of five years. Fitness is also required to be checked and issue certificate for the same at the time of re-registration of vehicle for which ₹ 200 as fitness fee ₹ 100 for issue of certificate is leviable. Re-registration fee for non transport light motor vehicle is ₹ 200 and in case of delay ₹ 100 is also leviable as penalty under Section 177 of the Act. As per Section 192 of the MV Act, if vehicle is used in contravention of the provisions of the Section 39 shall be punishable for the first offence with a fine which may extent to five thousand rupees but shall not be less than two thousand rupees.

We examined (May 2014 to March 2015) the vehicles files, vehicles database, receipt books and cash-book of 15 out of 72 RTOs/ ARTOs and found that out of 5,56,361 non-transport light motor vehicles 6,709 vehicles were registered during April 1993 to February 2000 for the period of 15 years. The registration of the said vehicles lapsed during April 2008 to February 2015, but none of these vehicles were re-registered leading to non realisation of re-registration fee, penalty, fitness fee and certificate fee amounting to ₹ 40.25 lakh.

We reported the matter to the Government and the Department (June 2014 to May 2015). In reply the Department accepted our observation and recovered ₹ 1.40 lakh. The final position is awaited (November 2015).

4.9 Non-levy of penalty under Carriage by Road Act 2007 on overloaded vehicles

1,786 cases of different categories of vehicles were seized on overloading but the Department did not levy penalty amounting to ₹ 4.08 crore under Carriage by Road Act.

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

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

We examined (June 2014 to March 2015) the prosecution books, crime and seizure register and concern files in the offices of 47 out of 72 RTOs/ ARTOs and found that 1,786 out of 11,239 cases of different categories of vehicles were seized on overloading during the period from April 2013 to February 2015. The Department levied penalty of ₹ 3.19 crore under Section 194 of the MV Act, and released the vehicles. In all the 1,786 case the Department did not initiate any action under Section 5(3) of the Carriage by Road Act 2007 to levy penalty of ₹ 3.19 crore. Further penalty amounting to ₹ 88.58 lakh under Section 18 (1) of the Act for non-registration, was also leviable in these cases. This resulted in non-levy of penalty amounting to ₹ 4.08 crore as shown in **Appendix-XV**.

We reported the matter to the Department and the Government (June 2014 to May 2015). In reply the Department accepted our observation and stated that penalty is to be imposed on common carriers. Information from the regional offices is being called for to identify these common carriers to workout actual dues. The final position is awaited (November 2015).

4.10 Non-realisation of tax/ additional tax in respect of vehicles surrendered beyond three months

245 vehicles were surrendered for the periods beyond three calendar months but the taxation officers did not realise the tax/ additional tax amounting to ₹ 53.22 lakh.

Rule 22 of the UPMVT Rules, 1998 (modified in October 2009) provides that when the owner of a transport vehicle withdraws his motor vehicle from use for one month or more, the certificate of registration, tax certificate, additional tax certificate, fitness certificate and permit, if any, must be surrendered to the Taxation Officer. The Taxation Officer shall not accept the intimation of non-

use of any vehicle for more than three calendar months, within a calendar year, however, the period beyond three calendar months may be accepted by the Regional Transport Officer of the region concerned, if the owner makes an application with requisite fee to the Taxation Officer. If any such vehicle remains surrendered for more than three calendar months during a year without extension of acceptance of surrender by RTO, it shall be deemed to be revoked and the owner shall be liable to pay tax and additional tax, as the case may be. Further, subject to the provision of sub- rule (4), the owner of a surrendered vehicle in respect of which intimation of non-use has already been accepted, shall be liable to pay tax and additional tax for the period beyond three calendar months during any calendar year, whether the possession of the surrendered documents have been taken from the taxation officer or not.

We examined (between October 2014 and March 2015) the surrender register, vehicles files, passenger tax register and goods tax register of 16 out of 72 RTOs/ ARTOs and found that 245 out of 3,721 vehicles were surrendered for periods beyond three calendar months in a year during the period from June 2013 to October 2014. Despite extension of acceptance of surrender beyond three months was not granted by concerned RTO, the taxation officers did not initiate any action to realise the tax/ additional tax due thereon. This resulted in non-realisation of revenue amounting to ₹ 53.22 lakh as shown in **Appendix- XVI**.

We reported the matter to the Government and the Department (October 2014 to April 2015). In reply the Department accepted our observation and recovered ₹ 4.20 lakh. The final position is awaited (November 2015).

4.11 Non-realisation of tax and additional tax from seized vehicles

4.11.1 Non-realisation of revenue from missing seized vehicles.

The Department could not recover the dues as four seized vehicles found missing from police station.

Under the provisions of Section 22 of the UPMVT Act, vehicles seized by the enforcement wing of the Department, the vehicle owners are liable to pay dues and compounding fee imposed thereon and get it released. Where owners of vehicles did not turn up to pay dues, these vehicles may be auctioned after 45 days from the date of seizure and revenue realised should be adjusted towards the tax, additional tax, penalty and the expenses of such auction. The balance, if any, shall be refunded to the owner of the vehicle.

We examined (August 2014) the seizure registers and concerned files of ARTO Ghazipur, and found that 11 vehicles were seized by the enforcement wing during the period from July 2003 to May 2012 under the provisions of the UPMVT Act for not depositing dues. The defaulters failed to deposit the due amount within the prescribed period of 45 days. The concerned offices also did not initiate action required under the Act to realise the dues through auction of these vehicles within stipulated period of 45 days from the date of seizure. Auction of these seized vehicles was to take place on 17 July 2014 but four vehicles from which dues of ₹ 15.56 lakh were required to be realised were not found in concerned police station. Thus, due to four vehicles found

missing, the Department could not recover the dues of ₹ 15.56 lakh from the seized vehicles.

We reported the matter to the Government and the Department (September 2014 to April 2015). In reply the Department accepted our observation and stated that notices have been issued (November 2015).

4.11.2 Non-realisation of revenue due to non-auction of seized vehicles

The Department could not recover the revenue due to non auction of 16 seized vehicles.

We examined (August 2014) the seizure register and concerned files of ARTO Mau, and found that 16 vehicles were seized under the provisions of the UPMT Act during the period from November 2012 to June 2014 against which dues of ₹ 5.04 lakh was to be realised. The owners of these vehicles did not pay the dues within 45 days from the date of seizure. The concerned offices also did not initiate action to realise the dues of ₹ 5.04 lakh from seized vehicles through auction of these vehicles despite the lapse of two to 21 months from the date of seizure.

We reported the matter to the Government and the Department (September 2014 to April 2015). In reply the Department accepted our observation and stated that notices have been issued (November 2015).

4.11.3 Short realisation of revenue from auction of seized vehicles

The Department could realise lesser revenue than the amount due from the auction of 29 seized vehicles

We examined (June 2013 and July 2013) the seizure registers and concerned files of two RTOs and found that 29 vehicles were seized by the enforcement wing from March 2000 to September 2012 under the provisions of the UPMT Act for not depositing dues of ₹ 10.40 lakh. The defaulters failed to deposit the due amount within the prescribed period of 45 days. The Department auctioned the seized vehicles between January 2014 and February 2014 and recovered an amount of ₹ 3.53 lakh against the due amount of ₹ 10.40 lakh. Thus an amount of ₹ 6.87 lakh could not be recovered from seized vehicles. The concerned offices did not issue recovery certificates for realisation of the balance amount of ₹ 6.87 lakh as detailed in **Table 4.6**.

Table 4.6

Short realisation of revenue from auction of seized vehicles

(Amount in ₹)							
Sl. No.	Name of unit	Total number of vehicles	Period of seizure of vehicles	Date of auction	Due amount	Amount recovered	Tax less recovered
1.	RTO Mathura	19	03/2000 to 09/2012	27.01.2014	4,78,155	91,350	3,86,805
2.	RTO Moradabad	10	08/2010 to 09/2011	07.02.2014	5,61,747	2,61,600	3,00,147
	Total	29	03/2000 to 09/2012		10,39,902	3,52,950	6,86,952

Source: Information available on the basis of audit findings.

We reported the matter to the Government and the Department (September 2014 to April 2015). In reply the Department accepted our observation and stated that notices have been issued (November 2015).

CHAPTER-V

STAMPS AND REGISTRATION FEES

5.1 Tax administration

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

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

5.2 Internal audit

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

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

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

Table 5.1

Internal Audit

Year	Total number of units available	Number of units planned	Number of units audited during the year	Short fall	Percentage of short fall
2010-11	496	237	228	09	3.80
2011-12	496	250	243	07	2.80
2012-13	503	280	267	13	4.64
2013-14	504	309	307	02	0.65
2014-15	504	317	317	00	0.00

Source: Information provided by the Department.

This shows that the audit planning of the Department is gradually achieving its target. The number and amount of objections raised and settled during the year was not furnished by the Department despite request.

5.3 Results of audit

In 2014-15, Stamps and Registration Department realised revenue of ₹ 11803.34 crore. Test check of the records of 331 units out of 424 units of the Department during 2014-15 showed short levy of stamp duty and registration fee etc. and other irregularities amounting to ₹ 24.10 crore in 1,168 cases, which fall under the categories as mentioned in **Table 5.2**.

Table 5.2
Results of Audit

			(₹ in crore)	
Sl. No.	Categories	Number of cases	Amount	
1.	Incorrect determination of market value of property	146	3.67	
2.	Short levy of stamp duty and registration fees due to misclassification of documents	579	18.35	
3.	Other irregularities	443	2.08	
Total		1,168	24.10	

Source: Information available in the Audit office.

During the course of the year, the Department had accepted underassessment and other deficiencies of ₹ 30.00 lakh in 93 cases of which an amount of ₹ 3.76 lakh was realised in 26 cases. In remaining cases no reply has been furnished by the Department.

A few illustrative cases of compliance deficiency involving ₹ 8.70 crore are discussed in following paragraphs.

5.4 Audit observations

Our scrutiny of records in the offices of the Sub Registrars showed cases of incorrect determination of value of property, undervaluation of lease deed, short levy of stamp duty and registration fees due to misclassification of documents and delay in implementation of Government orders as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out by us. We point out such omissions each year, but not only do the irregularities persist; these remain undetected till we conduct an audit. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

5.5 Residential land valued at agriculture rate

Non-agricultural land measuring 4.45 lakh square meter were registered for ₹ 40.71 crore at agricultural rate. Correct valuation at residential rate worked out to ₹ 169.72 crore which resulted in short levy of stamp duty and registration fees of ₹ 7.78 crore.

Under Article 23 of Schedule 1-B of the IS Act, 1899 (as amended in its application to Uttar Pradesh), stamp duty on a deed of conveyance is chargeable either on the market value of the property or on the value of the consideration set forth therein, whichever is higher. Further, Inspector General of Registration (IGR) vide guidelines issued in June 2003 clarified that a property in the same *arazi* number should not be split in more than one part

for different purposes i.e. one for agriculture and the other for non-agriculture for the purpose of levy of stamp duty.

We examined (between April 2014 and March 2015) the Book 1, *Khand* and Registered documents of 98 Sub Registrar Offices (SROs) out of 331 SROs and observed that 194 deeds of conveyance relating to non-agriculture land measuring 4.45 lakh square meter were registered between April 2013 and January 2015 for ₹ 40.71 crore at agriculture rates and stamp duty and registration fees of ₹ 2.52 crore was levied. We observed that part of the same *arazi* was sold earlier or on same day at residential rates and thus the land in question should also have been valued at residential rates. The correct valuation at residential rate worked out to ₹ 169.72 crore. On this, stamp duty and registration fees of ₹ 10.31 crore was leviable whereas stamp duty and registration fees of ₹ 2.52 crore only was levied. Thus, incorrect valuation of property resulted in short levy of stamp duty and registration fees of ₹ 7.78 crore as detailed in **Appendix-XVII**.

We reported the matter to the Government and the Department (between January 2014 and May 2015). In reply the Government accepted (November 2015) our observation and referred the cases to Collector Stamps for correct valuation of property. The Collector Stamps confirmed and imposed short levy of stamp duty of ₹ 71.00 lakh in 15 cases out of which in nine cases Department recovered ₹ 15.39 lakh and in remaining six cases Recovery certificate have been issued by the Department.

5.6 Undervaluation of land

46,615 square meter declared non-agricultural land, were registered for ₹ 2.63 crore at the agricultural rate instead of ₹ 12.37 crore at residential rate. This resulted in short levy of stamp duty and registration fees of ₹ 58.93 lakh.

Section 143 of the Uttar Pradesh *Zamindari* Abolition and Land Reforms Act, 1950 provides that where a *bhumidhar* with transferable rights used his holding or part thereof for a purpose not connected with agriculture, horticulture or animal husbandry, the Assistant Collector in charge of the subdivision may, *suo moto* or on an application after making such enquiry as may be prescribed, make a declaration to that effect. Further, the Chief Secretary vide his letter dated 11 June 2010 addressed to all the Commissioners and District Magistrates emphasised that if the land is used fully or partially for residential purposes, the concerned SDM should *suo moto* declare the whole land as *abadi* under Section 143 of UPZA&LR Act. If the land was declared non-agriculture under Section 143 of the above Act, the same should be valued at residential rate for the purpose of levy of stamp duty.

We examined (between April 2014 and February 2015) the Book 1 *Khand*, Sale Deeds and Circle rates list of five SROs and observed that out of 2,490 cases test checked, 11 deeds of conveyance having 46,615 square meter of land were registered during March 2013 to August 2014 for a consideration of ₹ 2.63 crore at agricultural rates on which stamp duty of ₹ 17.22 lakh and registration fees of ₹ 1.07 lakh was paid. It was noticed that these *Arazi* numbers were declared as non-agricultural by order under Section 143 of

UPZA&LR Act, prior to the date of registration of these deeds. Hence the properties were required to be valued at ₹ 12.37 crore at residential rates and stamp duty of ₹ 76.12 lakh and registration fees of ₹ 1.10 lakh was leviable at residential rate whereas stamp duty and registration fees of ₹ 18.29 lakh only was levied. The concerned SR did not consider these aspects while registering the documents. This resulted in short levy of stamp duty and registration fees of ₹ 58.93 lakh. The details are indicated in the **Appendix-XVIII**.

We reported the matter to the Government and the Department (between April 2014 and May 2015). In reply the Government accepted (November 2015) our observation and referred the cases to Collector Stamps for correct valuation of property.

5.7 Undervaluation of lease deed

Lease deeds of more than 30 years, were valued at ₹ 18.15 lakh instead of valuing at ₹ 2.92 crore treating these as sale deeds. This resulted in short levy of stamp duty and registration fees of ₹ 13.09 lakh.

Under the provisions of Article 35 of schedule 1-B of IS Act, stamp duty on lease where the lease purports to be for a term exceeding 30 years or in perpetuity or does not purports to be for any definite term, stamp duty is chargeable as for conveyance for a consideration equal to the market value of the property.

We examined (October 2014 and January 2015) the records of lease agreements of SROs, *Ghanghata and Karvi*, and observed that out of 740 test checked, two lease deeds of more than 30 years was executed for a land of 12,150 square meter. Stamp duty of ₹ 1.59 lakh and registration fees of ₹ 11,860 on the value of ₹ 18.15 lakh was paid by the lessees. Since the period of lease deeds were more than 30 years, hence the deeds were required to be valued at ₹ 2.92 crore on which stamp duty of ₹ 14.60 lakh and registration fees of ₹ 20,000 were leviable as sale deeds. Thus the Government was deprived of stamp duty of ₹ 13.01 lakh and registration fees of ₹ 8,140 as shown in **Table No. 5.3**.

Table No. 5.3

Undervaluation of lease deed

									(In ₹)
Sl. No.	Name of unit	Deed no and Date	Area in sq.M	Period of lease	Value of property applicable	Value of property applied	Stamp duty and Registration fees leviable	Stamp duty and Registration fees levied	Difference
1	SR Ghanghata Sant Kabir Nagar	3120/19.10.13	2,520	30 years 1 month	80,11,800	3,75,000	4,10,600	9,360	4,01,240
2	SR Karvi, Chitrakoot	451/27.01.14	9,630	30 years 1 day	2,11,86,000	14,40,000	10,69,300	1,61,620	9,07,680
TOTAL			12,150		2,91,97,800	18,15,000	14,79,900	1,70,980	13,08,920

Source: Information available on the basis of audit findings.

We reported the matter to the Government and the Department (between November 2014 and April 2015). In reply the Government accepted (November 2015) our observations and referred the cases to Collector Stamps for correct valuation of property.

5.8 Misclassification of documents

Sale deeds were misclassified as correction deeds and accordingly stamp duty and registration fees of ₹ 400 were levied instead of ₹ 12.56 lakh. This resulted in short levy of stamp duty and registration fees of ₹ 12.55 lakh.

Article 34 A of Schedule 1-B of IS Act, provides for correction of purely clerical error in an instrument, chargeable with duty and in respect of which the proper duty has been paid. Under the provision of IS Act, every instrument mentioned in the schedule shall be chargeable to stamp duty at the rates prescribed therein. An instrument is required to be classified on the basis of its recitals given in the document and not on the basis of its title.

We examined the correction deeds of offices of two SROs between May 2014 and December 2014, and observed that out of 312 instruments test checked two instruments were classified on the basis of their titles as correction deed and stamp duty was levied accordingly. Our scrutiny of the recitals of these documents revealed that these were misclassified, as corrections were made in name of seller/purchaser and area of land. Thus, these documents were required to be treated as sale deed instead of correction deed and were to be valued at ₹ 2.21 crore on which stamp duty and registration fees of ₹ 12.56 lakh was chargeable against which stamp duty and registration fees of ₹ 400 only was levied. This resulted in short levy of stamp duty and registration fees of ₹ 12.55 lakh. The details are given in **Table 5.4**.

Table 5.4

Misclassification of documents

Sl. No.	Nature of correction	Name of offices	No. of instruments	Area of property (In Sq.m.)	Execution period of correction deed	Total value of property	Stamp duty leviable	Registration fees leviable	Stamp duty levied	Registration fees levied	₹ in lakh)	
											Stamp duty short levied	Registration fees short levied
1.	Change in Name of Purchaser	SR Bah	1	5710	November 2013	154.17	7.71	0.10	0.001	0.001	7.71	0.10
2.	Change in Area	SR I Agra	1	414.7	September 2013	66.36	4.65	0.10	0.001	0.001	4.64	0.10
Total		2	2	6124.7		220.53	12.36	0.20	0.002	0.002	12.35	0.20

Source: Information available on the basis of audit findings.

We reported the matter to the Government and the Department (between June 2014 and May 2015). In reply the Government accepted (November 2015) our observation and referred the cases to Collector Stamps for correct valuation of property.

5.9 Non-levy of additional stamp duty

Delay in implementation of Government orders led to non-levy of additional stamp duty on the deeds of transfer of the immovable property situated in the areas notified as developed by the Government.

Under the provisions of UPUPD Act, if in the opinion of the State Government, any area within the State, requires to be developed according to plan, it may by notification in the gazette, declare the area to be a development

area and levy additional stamp duty on the deeds of transfer of immovable property situated in that area.

We examined the sale deeds of office of SR Shahabad Hardoi, and observed that in 15 cases out of 970 cases test checked additional stamp duty was not levied on the deeds of transfer of the immovable property situated in the areas which were declared as a development area by the Government vide a gazette notification dated 07 May 2004. The documents valued at ₹ 3.26 crore were registered between April 2013 and August 2014 i.e. after the issue of notification regarding declaration of the area as development area but the Department ignored the notification which is evident from the fact that the Commissioner stamp issued letter on 13 March 2014 in this regard after a lapse of ten years period. Thus the Department failed to levy additional stamp duty on the value of these instruments. This resulted in non-levy of additional stamp duty of ₹ 6.53 lakh.

We reported the matter to the Government and the Department (March 2015 and May 2015). In reply the Government accepted our observation and stated that after examination of gazette notification and determination the date of application, if it is found that stamp duty is chargeable, it will be charged as per rules. (November 2015).

CHAPTER-VI

OTHER TAX AND NON-TAX RECEIPTS

(A) ENTERTAINMENT TAX DEPARTMENT

6.1 Tax administration

Entertainment Tax is levied and collected under the provisions of the U.P. Entertainments and Betting Tax Act, 1979 and Rules framed thereunder. It is levied on all payments for admission to any entertainment at the rate specified from time to time.

The determination of policy, monitoring and control at the Government level is done by the Principal Secretary, *Vanijya Kar Evam Manoranjan Kar* Uttar Pradesh. The overall control and responsibility for levy and collection of entertainment tax rest with the Commissioner Entertainment Tax Uttar Pradesh, who is assisted by an Additional Commissioner, Joint Commissioner (1), Deputy Commissioners (3) and Assistant Commissioner (1). At district level, the District Magistrate is the controlling officer who exercises control over operation of entertainment, levy and collection of entertainment tax through three Deputy Commissioners Entertainment Tax, 13 Assistant Commissioners Entertainment Tax and 59 District Entertainment Tax Officers assisted by Entertainment Tax Inspectors in the State.

6.2 Results of audit

In 2014-15, Entertainment Tax Department realised revenue of ₹ 498.40 crore. Test check of the records of the 18 units out of 72 units of the Department during the year 2014-15 showed non/short-realisation of tax and interest and other irregularities amounting to ₹ 31.51 crore in 42 cases, which fall under the following categories as indicated in **Table 6.1**.

Table 6.1
Result of audit

Sl. No.	Category	Number of cases	(₹ in crore)
			Amount
1.	Long Draft Paragraph on “Assessment and levy of Entertainment Tax on DTH and DAS in Entertainment Tax Department”	1	30.92
2.	Non charging of interest	4	0.02
3.	Non realisation of tax	14	0.25
4.	Other irregularities	23	0.32
Total		42	31.51

Source: Information available in the Audit office.

During the course of the year, the Department accepted underassessment and other deficiencies of ₹ 63.29 lakh in 57 cases of which an amount of ₹ 62.02 lakh was realised in 53 cases. In remaining cases no reply has been received from the Department.

A paragraph on “Assessment and levy of Entertainment Tax on DTH and DAS in Entertainment Tax Department” involving ₹ 30.92 crore and an illustrative case of ₹ 13.04 lakh are discussed in the following paragraphs.

6.3 Audit observations

Our scrutiny of records of the Entertainment Tax Commissioner office and 25 District Entertainment Tax Offices of the Entertainment Tax Department showed cases of non/short levy of entertainment tax, non levy of licence fee/ additional licence fee and non levy of interest on DTH and DAS system. Absence of mechanism to monitor the reports/returns regarding DTH and DAS connections and internal control weakness are mentioned in the succeeding paragraphs of this chapter. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

6.4 Assessment and levy of Entertainment Tax on Direct To Home and Digital Addressable System in Entertainment Tax Department

6.4.1 Introduction

Cable service is a service in which television signals are sent through cables rather than the air. Government of Uttar Pradesh framed “The Uttar Pradesh Cable Television Network (Exhibition) Rules, 1997 for regulating cable TV services.

Central Government had taken a decision to switch over from analog to digital mode for reception of TV signals. The digitalisation of cable TV systems shall take place in phases and it has been completed in seven cities¹ in the State. As per notification dated 11 November, 2011 of Ministry of Information and Broadcasting it shall be obligatory for every cable operator to transmit or re-transmit programmes of any channel in an encrypted form through Digital Addressable System (**DAS**). The DAS is assisted by Multi system Operators (**MSOs**) and local cable operators (**LCOs**) who provide cable service through a cable television network or otherwise controls or is responsible for the management and operation of a cable television network.

Direct to Home (**DTH**) service is basically a digital satellite service that provides satellite television programming directly to subscribers’ home anywhere in the country. This service does not involve the usage of cables and any other wiring infrastructure. DTH is assisted by television signal receiver agency (**TSRA**) which provides television signal receiver by selling or letting on hire or distribution on exchange or putting into circulation in any manner.

Set-Top-Box (**STB**) is compulsory for both the systems which is connected to a television set to allow a subscriber to view encrypted channels of his choice on payment.

6.4.2 Organisational setup

The determination of policy, monitoring and control at the Government level is done by the Principal Secretary, *Vanijya Kar Evam Manoranjan Kar*, Uttar Pradesh. The overall control and responsibility for levy and collection of entertainment tax on DTH and DAS rest with the Commissioner

¹ Agra, Allahabad, Ghaziabad, Kanpur, Lucknow, Meerut and Varanasi

Entertainment Tax, Uttar Pradesh. Entertainment Tax on DTH is deposited by DTH service providers at Commissionerate Entertainment Tax. Levy and collection of tax on STB, verification of data of DTH connections and licence issued to television signal receiver agencies (TSRA) is done at district level.

6.4.3 Audit objectives

Audit was conducted with a view to ascertain whether:

- levy and collection of entertainment tax on DTH and DAS is being done in accordance with the provisions of the Act, Rules, circulars and orders issued by the Government and Department from time to time;
- internal control mechanism in the Department is functioning properly and efficiently.

6.4.4 Audit scope and Methodology

We conducted the audit between July 2014 and June 2015. We segregated the units into high, medium and low risk areas on the basis of revenue realised by the District Entertainment Tax Offices (DETOs). We examined the records of all the 12 DETOs identified as high risk, 10 DETOs out of 33 districts identified as medium risk and three DETOs out of the remaining 30 district identified as low risk areas.

The records of office of the Entertainment Tax Commissioner and DETOs were examined for the period from April 2010 to March 2015. The objectives of the audit were discussed in entry conference held on 25 November 2014 with the Under Secretary to Government and Additional Entertainment Tax Commissioner. We held an exit conference with the Government and Department on 10 July 2015 in which the audit findings were discussed with Special Secretary to Government and Additional Entertainment Tax Commissioner. The views of the Government/Department have been incorporated in the report.

6.4.5 Audit criteria

We conducted the long draft paragraph with reference to the provisions of following:

- Uttar Pradesh Cinema (Regulation) Act, 1955
- Uttar Pradesh Entertainments and Betting Tax Act, 1979
- Uttar Pradesh Cable TV Network (Exhibition) Rules, 1997
- Uttar Pradesh Advertisement Tax Act, 1981
- Uttar Pradesh Cinema (Regulation of Exhibition by means of Video) Rules, 1988 as amended in 2011

6.4.6 Acknowledgement

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

6.4.7 Trend of revenue

The budget estimates and actual receipts alongwith the revenue realised from DTH and cable TV under the head (0045) entertainment tax are given in **Table 6.2**.

Table 6.2

Trend of Revenue

Years	Budget estimate	Actual receipt	Growth Percentage (with reference to previous year's actual receipts)	Shortfall / Surplus over budget estimate		Revenue from DTH & Cable TV*	Percentage on Actual Receipt
				Amount	Percentage		
2010-11	225.18	245.13	26.68	(+) 19.95	8.86	99.53	40.60
2011-12	285.55	312.45	27.46	(+) 26.90	9.42	143.19	45.83
2012-13	360.00	385.11	23.25	(+) 25.11	6.98	171.04	44.41
2013-14	440.00	469.82	22.00	(+) 29.82	6.78	227.87	48.50
2014-15	560.00	498.40	06.08	(-) 61.60	11.00	267.58	53.69
Total	1870.73	1910.91	—	—	—	909.21	47.58

Source: Information provided by the Department.

* including DAS

The above table shows that 47.58 *per cent* of entertainment tax was realised from DTH and cable TV and the rest was from cinema, video cinema, video library, hotel, exhibition, racing and amusement park etc.

Audit findings

Digital Addressable System (DAS)

6.4.8 Non/short realisation of additional licence fee for operation of local channels under DAS

Department realised additional licence fee of ₹ 2.88 crore only against ₹ 12.29 crore due from MSOs for operation of local channels. This resulted in non/short realisation of ₹ 9.41 crore.

Under the provision of Rule 17(1) of Uttar Pradesh Cinema (Regulation of Exhibition by means of video) Rules, 1988, licence fee of ₹ 2,400 per channel is leviable in every financial year for video cinema including exhibition by means of video in case of cable television network. Further, Rule 17(2) provides that in case there is any such arrangement where exhibition is given by means of video on a number of different television screens, video screen or video scopes, an additional licence fee of ₹ 100 per year or part thereof, shall be levied for each such screen, fed by the said apparatus, by whatsoever name it may be called.

We examined the licence fee register of sampled DETOs and observed that in seven DETOs, additional licence fee of ₹ 12.29 crore was levied for the period between 2011-12 and 2014-15 from 13 out of 23 MSOs. Only ₹ 2.88 crore of additional licence fee was realised by the Department and ₹ 9.41 crore remained unrealised till the date of audit. Though a period of three years has been passed, the Department neither made any effort to recover the additional licence fee nor took any action to cancel the licence. Thus the Government was deprived of licence fee of ₹ 9.41 crore as shown in **Appendix-XIX**.

We reported the matter to the Government/ Department (June 2015). In reply, the Government stated that in Uttarakhand licence fee & additional licence fee were treated as illegal by the hon'ble Supreme Court (December 2014). We do not agree with reply of the Government because provisions of the Act in the State of Uttarakhand were different from that of Uttar Pradesh.

Moreover, in the UP Cinemas (Regulation) Act 1955 there is clear provision for the levy of additional licence fee on cable operators. Further in six DETOs we found that the licence fee and additional licence fee were regularly being levied and realised by the Department. In five cases in which observation was raised, auditee units accepted (between January 2015 and June 2015) the audit observation and assured for recovery.(November 2015)

Government may consider ensuring timely levy and realisation of licence fee and additional licence fee on MSOs.

6.4.9 Non-levy of entertainment tax on activation charges of set-top-box.

Entertainment Tax of ₹ 17.94 crore was not levied on the activation charges of ₹ 71.76 crore on 5.98 lakh STBs installed in subscriber's premises between 2012-13 and 2014-15 by 23 MSOs.

Under the provision of Section 3 of Uttar Pradesh Entertainment and Betting Tax Act, 1979 as amended by UP Act 25/2009 entertainment tax is leviable on the payment made by a person. The Commissioner Entertainment Tax issued letter dated 9 June 2014 addressed to all District Magistrates of Uttar Pradesh clarifying that activation charges of set-top-box (STB) also comes within the category of "payment for admission" and entertainment tax as per Rule is leviable on it. The rate of activation charges per STB was provided by entertainment tax offices of Allahabad, Muzaffarnagar and Saharanpur of ₹ 1,499, ₹ 1,200 and ₹ 1,199 respectively. In none of the other district activation charges of STB was found on record.

We examined the files of cable operators of sampled DETOs and observed that in 11 DETOs, 5.98 lakh STBs were installed between 2012-13 and 2014-15. However, Department did not levy entertainment tax of ₹ 17.94 crore at the rate of 25 *per cent* on total activation charges of STBs amounting to ₹ 71.76 crore on 23 MSOs, worked out by audit at the rate of minimum activation charges of ₹ 1,199 per STB. Details are shown in **Appendix-XX**.

We reported the matter to the Government/ Department (June and November 2015). The Department stated (November 2015) that at the instance of audit letter has been issued to concerned districts to report regarding action taken and position of recovery. On the basis of our observations five out of 11 DETOs have also issued notices to MSOs for payment of tax due under the provisions of the Act. The Department further assured that information from the remaining districts will be made available soon.

Government may consider ensuring the assessment and levy of entertainment tax on activation charges of set-top-box.

6.4.10 Short realisation of entertainment tax from cable operators

Entertainment tax of ₹ 4.24 crore was due on cable operators but only ₹ 3.09 crore was deposited and ₹ 1.15 crore is still unrealised.

As per Rule 11 of Uttar Pradesh Cable Television Network (Exhibition) Rules, 1997, the proprietors of cable TV shall deposit the amount of entertainment tax collected from their consumers into Government account within one week from the last day of every month.

- We examined the files of cable operators in DETO Agra and observed that there were 57,569 connections between April 2013 to July 2013 which raised to 1,49,241 connections upto March 2014 in DAS system. Entertainment tax of ₹ 3.56 crore was due at the rate of ₹ 100 per connection per month upto March 2014. Against this only ₹ 3.05 crore was deposited by cable operators. This resulted in short realisation of entertainment tax of ₹ 51.09 lakh. No effective steps were taken for the realisation of the balance dues of ₹ 51.09 lakh from the defaulters even after a lapse of one year.

We reported the matter to the Government/ Department (June 2015). In reply the Department stated that action is underway and will be finalised after receipt of reply from the concerned parties (November 2015).

- We examined the Appendix-II register pertaining to details of collection, of sampled DETOs and observed that in eight DETOs, entertainment tax of ₹ 68.25 lakh was due from 96 cable operators out of total 1,183 between November 2009 and March 2015. Against this only ₹ 4.06 lakh was deposited by the cable operators. This resulted in short realisation of entertainment tax of ₹ 64.19 lakh. In all these cases, no effective steps were taken for the realisation of the balance dues of ₹ 64.19 lakh from the defaulters even after a lapse of three months to six years. The details are given in **Appendix-XXI**.

We reported the matter to the Government/ Department (June 2015). In reply the Department stated that information regarding recovery and action taken has been sought from the concerned district officers (November 2015).

6.4.11 Non/short levy of advertisement tax on local channels

Advertisement tax of ₹ 12.50 lakh was due from six MSOs but only ₹ 4.42 lakh was realised resulting in short realisation of ₹ 8.08 lakh.

Under the provisions of Section 3 of Uttar Pradesh Advertisement Tax Act, 1981 as amended from 1 May 2012 rates of advertisement tax has been revised as ₹ one lakh for Municipal Corporation, NOIDA or Greater NOIDA, ₹ 50,000 for Municipal Council and ₹ 25,000 for any other places per channel. Under the provisions of section 10 (1) of the Act, any person who fails to pay, or evades the payment of any tax due under this Act shall, in conviction, liable to a fine not exceeding ₹ 5,000.

We examined the advertisement tax register of sampled DETOs and observed that in three DETOs, advertisement tax of ₹ 8.08 lakh for the period between 2012-13 and 2014-15 was not levied on six out of eight MSOs. Further, penalty of ₹ 1.25 lakh was also imposable on these MSOs. Thus, the

Government remained deprived of advertisement tax and penalty of ₹ 9.33 lakh as shown below in **Table 6.3**.

Table 6.3

Non/short levy of advertisement tax on local channels

								(₹ in lakh)
Sl. No.	Name of Units	No. of MSOs	Year	No. of Channels	Tax due ₹ 50,000 per channel	Payment made	Non/short levy of tax	Penalty
1	AC, Bijnor	1	2014-15	1	0.50	0	0.50	0.05
2	AC, Mathura	2	2012-13 to 2014-15	9	4.50	1.50	3.00	0.45
3	AC, Muzaffar nagar	3	2013-14 to 2014-15	15	7.50	2.92	4.58	0.75
TOTAL		6	2012-13 to 2014-15	25	12.50	4.42	8.08	1.25

Source: Information available on the basis of the audit findings.

We reported the matter to the Government/ Department (June 2015). In reply, the Department stated that recovery certificates of ₹ 4.58 lakh were issued in Muzaffarnagar and notice for ₹ 50,000 were issued in Bijnor. No information was furnished by the Department in remaining cases (November 2015).

Regarding non-levy of penalty of ₹ 1.25 lakh the Department stated that it is the power of hon'ble court. We do not agree with the reply of the Department because convictions of cases were not instituted by the DETOs.

6.4.12 Non deposit of security by local cable operator

The Department permitted 1,453 cable operators to operate cable TV without depositing security of ₹ 29.06 lakh.

As per Rule 12 of the UP Cable TV Network (Exhibition) Rules, 1997, the District Magistrate shall fix the amount of security to be deposited in the post office saving bank by the proprietor of a cable television, which shall not be less than ₹ two thousand or three months average tax, whichever is greater.

We examined the security registers of sampled DETOs and observed that in 13 DETOs, security deposit of ₹ 29.06 lakh for the period from 2010-11 to 2014-15 was not deposited by 1,453 out of total 1,793 cable operators. However, the Department permitted these LCOs to operate cable TV without furnishing required security deposit. Due to laxity of the Department, the provisions of Rules have not been followed.

We reported the matter to the Government/ Department (June 2015). In reply, the Department accepted our observation and stated that the respective departmental officers have been directed to clarify the position in this regard (November 2015).

6.4.13 Non-levy of interest on belated payment of entertainment tax on cable operators

Interest amounting to ₹ 16.32 lakh on belated payments was neither charged nor realised by the Department.

As per Rule 11 of the UP Cable TV Network (Exhibition) Rules, 1997 simple interest is chargeable at the rate of two *per cent* per month on belated payment of tax by cable operators.

We examined the files of cable operators of sampled DETOs and observed that in 13 DETOs, entertainment tax of ₹ 1.59 crore pertaining to the period from November 1997 to February 2015 was deposited between February 2011 and March 2015 with delay ranging from one day to seven years and 10 months. However, interest amounting to ₹ 16.32 lakh, on the belated payments was neither charged nor realised by the Department as shown in **Appendix-XXII**.

We reported the matter to the Government/ Department (June 2015). In reply, the Department accepted our observation and stated that updated information has been sought for from the concerned districts (November 2015).

Direct to Home (DTH)

6.4.14 Non-compliance of Government orders in the cases of DTH

The Department failed to conduct the extensive survey/verification of DTH connections and to enforce the submission of statement/return by DTH service providers of the amount collected from subscribers and hence, could not assess the actual amount for levy of correct amount of entertainment tax on DTH connections.

In order to ensure regular and proper recovery of entertainment tax payable on DTH services operating in the districts, a circular was issued on 12 July 2009 to conduct survey of number of connections issued by various DTH service providers and to recover the entertainment tax due as per process prescribed under Rules.

We examined the files of DTH service providers of office of the Commissioner Entertainment Tax and 25 DETOs and observed that only 13 DETOs conducted a random survey of 50 connections of each service provider between October 2012 and March 2013, which was a very small sample. In a sample survey of connections of Reliance Big TV conducted in eight districts, number of connections found, were more than that of declared and penalty of ₹ 15000 was imposed by the Commissioner in each districts. This shows that there is discrepancy in the data which could have been rectified through periodical survey but no survey was conducted even details of DTH connections was circulated by the commissioner to DETOs in January 2015.

Further, we found that monthly return was not being furnished by the DTH service providers. Thus, Department could not assess and levy correct entertainment tax on DTH service providers.

We reported the matter to the Government/ Department (June 2015). During exit conference (July 2015), the Department accepted that an action plan for physical survey and a pilot study would be done in some selected model districts. Department assured to collect the correct figure on which entertainment tax is to be levied.

Government may consider ensuring correct levy of entertainment tax on DTH connections and proper verification of those connections through periodical surveys as directed by the Commissioner.

6.4.15 Television Signal Receiver Agency (TSRA)

Under section 4 of Uttar Pradesh Cinemas (Regulation) Act, 1955 (UP Act No. 3 of 1956), Rules 12, 16 and 18(2) of The UP Cinema (Regulation of exhibition by means of video) Rules 1988 and Rule 18(2) of Uttar Pradesh Cinemas (Regulation of exhibition by means of video) Rules, 2011, the Licensing Authority may grant or renew the licence for a period not exceeding three financial years at a time for keeping a television signal receiver agency in a local area on payment of fee for a financial year or part thereof at the rates specified in column III of **Table 6.4** in addition to Bank Guarantee of ₹ 25,000 in each case.

Table 6.4

Rate of Licence fee

Column I (Local area)	Column II (license fee for video library)	Column III (license fee for television signal receiver agency)
(a) Municipal Corporation, NOIDA and Greater NOIDA	Five Thousand rupees	Ten thousand rupees
(b) Municipal board	Three thousand rupees	Six thousand five hundred rupees
(c) Town Area/other places	One thousand five hundred rupees	Three thousand rupees

6.4.15.1 Non-levy of licence fee

The licence fee amounting to ₹ 46.98 lakh for the year 2011-12 to 2014-15 was neither assessed nor levied on 207 TSRAs.

We examined the licence register of sampled DETOs and observed that in 13 DETOs, no licence fee was assessed and levied as per Rule on 207 out of 285 television signal receiver agencies test checked in concerned districts for the period from 2011-12 to 2014-15. The IAW of the Department had also raised similar objections, which shows that the Department was not serious in levying licence fee. Thus, Government was remained deprived of licence fee of ₹ 46.98 lakh.

We reported the matter to the Government/ Department (June 2015). During exit conference (July 2015), the Department replied that clarifications would be sought from the concerned district offices.(November 2015).

6.4.15.2 Non-furnishing of Bank Guarantee

The Department allowed 280 TSRAs to operate agencies without submission of Bank guarantee amounting to ₹ 70.00 lakh. As per Rule bank guarantee of ₹ 25000 in each case was to be furnished.

We examined the security registers of sampled DETOs and observed that in 18 DETOs bank guarantee of ₹ 70.00 lakh for the period from 2011-12 to 2014-15 was not furnished by 280 out of 285 TSRAs. This was a big fault on the part of the Department because as per provision before grant or renewal of licence, the Department should have obtained the bank guarantee. The Department allowed these TSRAs to operate without submission of required bank guarantee. Thus, due to laxity of the Department provision of Rules had not been followed.

We reported the matter to the Government/ Department (June 2015). During exit conference, the Department stated that submission of the Bank Guarantee was not found appropriate and a proposal for its deletion from the Rule 1988 has been submitted to the Government on 10 April 2015. We do not agree with the reply of the Department as no decision has been taken by the Government in this regard and this provision exists till date. (November 2015)

6.4.16 Non-levy of interest on belated payment of entertainment tax on DTH service providers

Interest amounting to ₹ 29.13 lakh on belated payments was neither charged nor realised by the Department.

As per Section 34A of The UP Entertainment and Betting Tax Act, 1979, if the tax payable under any provision of the Act remains unpaid after the expiry of the period specified in the Rules made thereunder for payment of tax by the proprietor of an entertainment, simple interest at the rate of one and half *per cent* per month upto three month and thereafter at the rate of two *per cent* per month on the unpaid amount of tax calculated from the date of such expiration shall become due and be payable.

We examined the files of DTH service providers of Entertainment Tax Commissioner Office and observed that entertainment tax of ₹ 95.14 crore pertaining to the period from September 2013 to April 2015 was deposited by DTH service providers with delay ranging from one to 28 days. However, interest amounting to ₹ 29.13 lakh, on the belated payments was neither charged nor realised by the Department as shown in **Appendix–XXIII**.

We reported the matter to the Government/ Department (June 2015). In reply, the Department accepted the audit observation and assured for the recovery (November 2015).

6.4.17 Recovery of entertainment tax against RCs issued

Recovery certificates of ₹ 49.48 lakh were issued against which only ₹ 8.73 lakh was realised. Entertainment tax of ₹ 40.75 lakh is still pending for recovery.

As per Section 34 of The UP Entertainments and Betting Tax Act, 1979, any sum due on account of tax under any provision of this Act, shall without prejudice to any other mode of recovery available to the State Government under any other law for the time being in force, be recoverable as arrears of land revenue.

We examined the RC register of sampled DETOs and observed that in six DETOs, 64 recovery certificates were issued against arrears of ₹ 49.48 lakh pertains to period between March 2003 and December 2013. Against this only ₹ 8.73 lakh was realised till the date of audit. Arrears of ₹ 40.75 lakh which was recoverable as arrears of land revenue is still pending for recovery even after a lapse of two to ten years as shown in the **Table 6.5**.

Table 6.5

Recovery of entertainment tax against RCs issued

(₹ in lakh)							
Sl. No.	Name of District	No. of cases	Period of tax arrear	Period of RC issued	Amount of Entertainment Tax involved in RC	Amount recovered	Amount pending for recovery
1	Agra	8	May 2007 to March 2013	December 2011 to February 2014	12.94	0.54	12.40
2	Allahabad	2	June 2003 to May 2004	July 2004 to August 2004	0.92	0	0.92
3	G.B. Nagar	5	February 2012 to December 2013	July 2013 to February 2014	5.20	0	5.20
4	Ghaziabad	8	March 2003 to October 2012	October 2008 to April 2013	9.96	3.16	6.80
5	Kanpur Nagar	2	January 2004 to April 2007	July 2006 to May 2007	6.76	0	6.76
6	Muzaffarnagar	39	April 2003 to May 2013	May 2008 to July 2013	13.70	5.03	8.67
	Total	64	March 2003 to December 2013	July 2004 to February 2014	49.48	8.73	40.75

Source: Information available on the basis of the audit findings.

We reported the matter to the Government/ Department (June 2015). In reply, the Department stated that instructions have been issued to district officers to recover such amount effectively (November 2015).

6.4.18 Internal Audit Wing (IAW)

Internal Audit Wing (IAW) of an organisation is a vital component of the internal control mechanism and is generally defined as the control of all controls. It enables the organisation to assure itself that the prescribed systems are functioning reasonably well and it is controlled by Finance Controller. Internal Audit Wing was established in 1974 in the Department.

In IAW, one Finance Controller and two Sr. Auditors have been posted against the sanction post of one Finance Controller, one Sr. Auditor and one Auditor. The details of internal audit planning such as number of units planned for audit, number of units audited and shortfall are shown in the **Table 6.6**.

Table 6.6
Internal Audit Wing

Year	Total number of units available for IA	Number of units planned for IA	Number of units audited during the year	Short fall	Percentage of shortfall
2010-11	73	27	22	5	18.52
2011-12	76	35	32	3	8.57
2012-13	76	36	27	9	25.00
2013-14	76	32	20	12	37.50
2014-15	76	34	19	15	44.12

Source: information provided by the Department

Despite having adequate manpower the audit planning of the IAW was not realistic as shortfall ranged from 8.57 to 44.12 *per cent* during the year 2010-11 to 2014-15.

We examined the files of IAW in Commissioner Entertainment tax office and observed that nearly 50 *per cent* of total revenue was collected from DTH and cable services. However, the internal audit wing did not raise any objection on DTH and cable services before 2013-14. IAW raised only one observation regarding non-deposit of entertainment tax on enhanced connections of DAS and 22 observations regarding non-deposit of licence fee on TSRA in 23

districts offices between April 2013 and March 2015. Only in four cases recovery has been made by the Department.

Government may consider ensuring that the internal audit wing carries out its functions regularly and effectively.

6.4.19 Conclusion

As regards Digital Addressable System (DAS) our audit indicated that:

- Department failed to realise additional licence fee from Multi System Operators of ₹ 9.41 crore.

Recommendation: Government may consider ensuring timely levy and realisation of licence fee and additional licence fee on Multi System Operators.

- Department could not assess the actual amount of activation charges of set-top-box due to which entertainment tax due on activation charges on set-top-box amounting to ₹ 17.94 crore was not levied.

Recommendation: Government may consider ensuring the assessment and levy of entertainment tax on activation charges of set-top-box.

As regards Direct To Home (DTH) our audit indicated that:

- The Department failed to conduct the extensive survey/verification of DTH connections and to enforce the submission of statement/return by DTH service providers of the amount collected from subscribers and hence, could not assess the actual amount for levy of correct amount of entertainment tax on DTH connections.

Recommendation: Government may consider to conduct periodical surveys for ensuring correct levy of entertainment tax on DTH connections and proper verification of those connections.

- Department failed to enforce the television signal receiver agencies to deposit the licence fee and bank guarantee.

Recommendation: Government may consider for ensuring levy and collection of licence fee and furnishing of bank guarantee by television signal receiver agencies.

- Department did not charge interest on belated payment of entertainment tax.

Recommendation: Government may consider for charging of interest on belated payment of entertainment tax.

- Internal control mechanism of the Department was not effective and internal control tools such as internal audit was not used timely and effectively.

Recommendation: Government may consider to ensure that the internal audit wing carries out its functions regularly and effectively.

6.5 Non-levy of licence fee and penalty on Television Signal Receiver Agencies

The licence fee and penalty amounting to ₹ 13.04 lakh for the year 2014-15 was neither assessed nor levied on 32 TSRAs.

Under section 4 of Uttar Pradesh Cinemas (Regulation) Act, 1955 (UP Act No. 3 of 1956), Rules 12, 16 and 18(2) of The UP Cinema (Regulation of exhibition by means of video) Rules 1988 and Rule 18(2) of Uttar Pradesh Cinemas (Regulation of exhibition by means of video) Rules, 2011, the Licensing Authority may grant or renew the licence for a period not exceeding three financial years at a time for keeping a television signal receiver agency in a local area on payment of fee for a financial year or part thereof at the rates specified in column III of **Table 6.4** as depicted earlier, in addition to Bank Guarantee of ₹ 25,000 in each case.

We examined the Appendix-II register and files of three Entertainment Tax Offices and observed that no licence fee and penalty as per rule was assessed and levied on 32 out of 79 television signal receiver agencies test checked in concerned districts. Thus, Government remained deprived of licence fee of ₹ 5.14 lakh and penalty of ₹ 7.90 lakh.

We reported the matter to the Government/ Department (June 2015). In reply, the Department stated that the concerned district officers were directed to clarify the position regarding non-levy of licence fee (November 2015).

(B) GEOLOGY AND MINING DEPARTMENT**6.6 Tax administration**

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

6.7 Internal audit

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

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

The details of Internal Audit (IA) planning such as number of units planned for audit, number of units audited and short fall are shown in **Table 6.7**.

Table 6.7**Internal Audit (Audit Planning)**

Year	Total number of units available for IA	Number of units planned for IA	Number of units audited during the year	Short fall	Percentage of shortfall
2010-11	31	31	26	5	16.13
2011-12	31	31	29	2	6.45
2012-13	31	30	12	18	60.00
2013-14	31	30	14	16	53.33
2014-15	31	13	10	3	23.08

Source: Information provided by the Department.

This shows that the audit planning of the IAW is not realistic as shortfall ranges from 6.45 *per cent* to 60 *per cent* during the year from 2010-11 to 2014-15. Reason for shortfall was not explained by the Department.

The internal audit conducted by the IAW and number and amount of objection raised and settled during the year is mentioned in **Table 6.8**.

Table 6.8**Internal Audit (Audit Observations)**

(₹ in crore)								
Year	Opening balance		Addition during the year		Clearance during the year		Closing balance	
	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved	No. of cases	Amount involved
2010-11	1,157	51.15	65	5.15	6	0.87	1,216	55.43
2011-12	1,216	55.43	82	10.87	5	2.55	1,293	63.75
2012-13	1,293	63.75	41	4.44	8	3.16	1,326	65.03
2013-14	1,326	65.03	38	7.39	0	0.62	1,364	71.80
2014-15	1,364	71.80	21	5.72	0	0	1,385	77.52

Source: Information provided by the Department.

The Department stated that information regarding recovery of ₹ 1.25 crore has been received but due to non-taking of decision by the sub-committee for disposal this has not been incorporated.

6.8 Results of audit

In 2014-15, the Department realised revenue of ₹ 1,029.28 crore. Test check of the records of 37 units relating to the Geology and Mining Department during the year 2014-15 showed non-realisation of royalty, non-realisation of cost of minerals, penalty and interest and other irregularities amounting to ₹ 61.39 crore in 134 cases, which fall under the following categories as indicated in **Table 6.9**.

Table 6.9**Results of audit**

(₹ in crore)			
Sl. No.	Category	Number of cases	Amount
1.	Non-realisation of royalty	42	19.27
2.	Non-realisation of revenue due to non-execution of lease deed	2	2.84
3.	Non-imposition of penalty	8	0.51
4.	Non-realisation of cost of minerals	27	22.72
5.	Other Irregularities	55	16.05
Total		134	61.39

Source: Information available in the Audit office.

During the course of the year, the Department neither accepted nor recovered any amount in any case.

A few illustrative cases of compliance deficiency involving ₹ 25.32 crore are discussed in the following paragraphs.

6.9 Audit observations

Our scrutiny of records in the offices of the Geology and Mining showed cases of unauthorised extraction, non-conformity of Government Orders with Act/Rules, non-observation of Environment Act, non-short charging of interest on belated payment of royalty and non/short realisation of royalty as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out by us. We point out such omissions each year, but not only do the irregularities persist; these remain undetected till we conduct an audit. There is need for the Government to improve the internal control system so that recurrence of such lapses in future can be avoided.

6.10 Excavation of mineral without mining plan

The lessees had excavated 2.01 lakh cubic meters of sand/ morrum without mining plan. Thus, cost of the excavated mineral amounting to ₹ 3.08 crore was recoverable from the lessees.

Under Rule 34 (2) of UPMMC Rules 1963 as amended, 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, duly approved by the Director. Rule 34(3) provides that a mining plan referred to in sub rule (2) shall be prepared by a qualified person recognised in this behalf by the Indian Bureau of Mines in accordance with the provisions of Mineral Concession Rules, 1960.

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

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

We examined (July 2014) mining lease case files and mining plans of DMO Faizabad and Ghazipur and observed that in all the seven cases test checked, the lessees had excavated 2.01 lakh cubic meter of sand/morrum during the period between January 2013 and June 2014, without mining plan on which lessees paid ₹ 61.59 lakh as royalty. Thus, the mineral excavated by the lessees was unauthorised and the cost of the excavated mineral amounting to ₹ 3.08 crore was recoverable from the lessees. The lessees were excavating minor minerals without mining plans, for which DMOs allowed the excavation of minor mineral by issuing MM-11 transit passes to leaseholders who further issue to carrier for carrying a consignment of minor mineral by a truck or any other means of transport.

We reported the matter to the Government and the Department (September 2014 and February 2015). In reply the Department referred to their previous reply dated 18 September 2014 given regarding para no. 6.12.1 of Audit Report of 2011-12 in which the Department had directed all District Magistrates and DMOs to not allow any mining operation without approved mining plan. We do not agree with the reply of the Department because even after issuing directions the excavation of minerals without mining plan continued (November 2015).

6.11 Non-conformity of Government Orders with Act/ Rules

Government Orders authorised executing agencies to recover only royalty in such cases where minor minerals were supplied without pass in form MM-11, while provisions of MMDR Act stipulate that the recovery of price thereof and imposition of penalty is mandatory in absence of pass. This deprived the Government of ₹ 13.20 crore on account of cost of minerals and penalty of ₹ 77.75 lakh.

As per Section 4(1-A) and Section 21(1) to (5) of the MMDR Act read with Rule 70(1) of the UPMMC Rules, 1963 provides that the holder of a mining lease or permit or a person authorised by him in this behalf may issue a pass in form MM-11 to every person carrying, consignment of minor mineral by a vehicle, animal or any other mode of transport. Rule 70(2) provides that no person shall carry, within the State a minor mineral by a vehicle, animal or any other mode of transport, excepting railway, without carrying a pass in Form MM-11 issued under sub rule (1). Rule 70 (6) provides that any person found to have contravened any provision of this rule shall, on conviction, be punishable with imprisonment of either description for a term which may extend to six months or fined upto ₹ 25,000/- or with both as amended vide notification no. 7338/86-2011-183/2011 Lucknow: dated 1 December 2011. Government Order no.594/77-5-2001-2002/77 TC-1 Lucknow dated 2 February 2001 and Government Order no. 4951(1)/77-5/2006-506/05 Lucknow dated 25 October 2006 provide that the executing agencies were authorised to recover royalty in such cases where minor minerals were supplied to executing agencies of public works without valid MM-11 or copy of challan as proof of payment of royalty.

We examined (between June 2014 and February 2015) returns and treasury scroll of 16 DMOs, and observed that executing agencies got 311 civil works done through contractors. In all these cases the contractors did not submit the MM-11 forms along with the bills of minor minerals used by them in the work, hence in compliance of above GOs the executing agencies, deducted the royalty from the bills and deposited ₹ 2.64 crore in lieu of royalty.

We noticed that the above GOs were not in consonance with the MMDR Act and UPMMC Rules because as per Government Orders the executing agencies were authorised to recover only royalty in such cases where minor minerals were supplied without MM-11 and copy of treasury *challan* as proof of payment of royalty. Under the provisions of Section 21(5) and 21(1) of the MMDR Act, the recovery of price thereof and imposition of penalty is mandatory. As GOs are silent about the recovery of the price of the minerals and imposition of penalty the same are not being imposed and recovered. In

the above cases of 16 DMO's alone the cost of minerals of ₹ 13.20 crore was leviable as per Act besides penalty of ₹ 77.75 lakh of illegal transportation as shown in **Appendix-XXIV**.

We reported the matter to the Government and the Department (between June 2014 and May 2015). The Department replied (September 2015) that the executing agencies have taken action as per the GO. The Department has not replied to our specific observation which is non-conformity of GO with MMDR Act and UPMMC Rules. The said GOs have been issued without the provision of recovery of the price of minerals and penalty which is the main thrust of the Section 21 of the MMDR Act. The provision of UPMMC Rules that a penalty and /or punishment shall be imposed on the person found transporting minerals without valid MM 11 has also not been taken into account in the GOs. The non-conformity of GOs with the relevant provisions of MMDR Act and UPMMC Rules have left a lacuna by which illegal transportation of minerals and illegal mining of these minerals is indirectly being permitted as there is no deterrent to this illegal transportation of minerals (November 2015).

We have recommended the Government to revise its orders to be in conformity with the MMDR Act and UPMMC Rules in our earlier reports also.

6.12 Non-observation of Environment Act

As prescribed mining lease holder doing mining on one acre or more area shall plant 200 trees per acre at their own cost. Nothing was found on record regarding plantation work in the files of 41 lease holders. As these lease holders violate the provisions of lease deed, the minimum fine of ₹ 41 lakh was not levied for the violation.

Section 15 of the Environment Protection Act, 1986 provides that whoever fails to comply with or contravenes any of the provisions of this Act, or the rules made or orders or directions issued thereunder, shall in respect of each such failure or contraventions be punishable with imprisonment for a term which may extend to five years or with fine, which may extend to one lakh rupees or with both and in case of failure or contravention continues with an additional fine which may extend to five thousand rupees for every day during which such failure or contravention continues after the conviction for the fresh such failure or contravention. The mining plan is necessary not only for planned and scientific mining but also to protect environment. The Government issued direction for addition of the clause of plantation in the mining leases, vide order No. 1483 (1)/14-2-08-65/2008-TC dated 4 June 2008. As per this clause, any mining lease holder doing mining on one acre or more area shall plant 200 trees per acre at their own cost.

We examined (February 2015) the files of lease holders of DMO Allahabad and observed that mining of stone ballast was carried out by all 41 lease holders between March 2014 and January 2015. As per condition of lease plantation was required to be done. In all the cases of 41 lease holders nothing was found on record regarding plantation work. The DMO took no steps to ensure lease holders carried out the plantation work. He neither stopped these mining activities nor imposed the required penalty. For the violation the

minimum fine of ₹ one lakh imposable on each lessee amounting to ₹ 41 lakh was not imposed. Apart from this, an additional fine which may extend to ₹ 5,000 per day during such contravention is leviable under section 15 of Environment Protection Act 1986.

We reported the matter to the Government and the Department (March 2015 and June 2015). The Department replied (November 2015) that there is no such provision in UPMMC 1963 for imposition of penalty in case of non-plantation. We do not agree with the reply of the Department as the Government had issued a G.O in 2008 for plantation of trees in the mining leases to follow the provisions of the Environment Protection Act 1986.

6.13 Non/ Short charging of interest on belated payment of royalty

185 brick kiln owners deposited royalty of ₹ 93.06 lakh for the period 2011-12 to 2013-14 with average delays of 2 to 462 days. The Department realised the interest of ₹ 1.18 lakh against ₹ 6.73 lakh. This resulted in non/short charging of interest of ₹ 5.55 lakh.

Rule 58 (2) of UPMMC Rules provides that interest at the rate of 24 *per cent* per annum will be charged for the delay in payment of any rent, royalty, demarcation fee and any other dues to the State Government after the expiry of 30 days notice period. The Government issued One Time Settlement Scheme (OTSS) from time to time for levy of royalty and interest chargeable thereon, for brick kiln owners.

We examined (between June 2014 and March 2015) brick kiln registers and concerned files of four DMOs, and observed that 185 brick kiln owners out of 959 brick kiln owners test checked deposited royalty of ₹ 93.06 lakh for the period 2011-12 to 2013-14 with average delays of 2 to 462 days. The Department realised the interest of ₹ 1.18 lakh against ₹ 6.73 lakh. This resulted in non/short charging of interest of ₹ 5.55 lakh. The details are given in **Table 6.10**.

Table 6.10

Non/ Short charging of interest on belated payment of royalty

(Amount in ₹)								
Sl. No.	Name of the District	Period	No. of cases	Amount due and deposited	Interest leviable	Interest realised	Difference	Period of delay in days
1	DMO Allahabad	2013-14	56	30,94,200	2,09,456	0	2,09,456	3 to 332
2	DMO Auraiya	2012-13	29	15,63,300	1,67,212	1,08,918	58,294	4 to 371
		2013-14	11	8,89,650	15,190	3,152	12,038	9 to 73
3	DMO Sant Kabir Nagar	2013-14	39	15,70,050	1,00,178	0	1,00,178	24 to 311
4	DMO Sant Ravi Das Nagar	2011-12	14	4,85,100	97,846	400	97,446	54 to 462
		2012-13	32	14,90,500	70,914	5,850	65,064	9 to 361
		2013-14	4	2,13,250	12,383	0	12,383	2 to 192
Total			185	93,06,050	6,73,179	1,18,320	5,54,859	2 to 462

Source: Information available on the basis of audit findings.

We reported the matter to the Government and the Department (June 2014 to June 2015). In reply the Department accepted our observations and stated that latest position of recovery is being obtained from field offices (November 2015).

6.14 Non-realisation of royalty and permit fees from brick kiln owners

1,430 brick kiln owners did not pay any royalty and permit fees for the period 2011-12 to 2014-15, though it was specified in the scheme. This resulted in non-realisation of royalty of ₹ 6.55 crore and permit fees of ₹ 28.60 lakh.

Under the One Time Settlement Scheme (OTSS) announced by the Government time to time, brick kiln owners are required to pay consolidated amount of royalty at the prescribed rates, based on Category of the brick kiln areas after paying an application fee of ₹ 2000 per brick kiln. Further, the OTSS provides that if the brick kiln owner fails to make payment of consolidated amount of royalty, the competent officer shall stop such business and initiate certificate proceedings for realisation of outstanding royalty/penalty. Besides, interest at the prescribed rate may also be charged on the rent, royalty, fee or other sum due to the Government as per the OTSS. New rate of royalty as per notification of 2 November 2012 is ₹ 27 per thousand bricks.

We examined (between May 2014 and March 2015) the brick kiln register and other relevant records maintained in the individual files of the brick kiln owners in 16 DMOs and observed that in 1,430 brick kilns out of 3,074 brick kilns test checked (Category-A: 160, Category-B: 370 and Category-C: 900) were in operation during the period from October 2011 to March 2015. However, these brick kiln owners did not pay any royalty and permit fees for the period 2011-12 to 2014-15, though it was specified in the scheme. Neither action was initiated to stop their business by the concerned District Mines Officers (DMOs) nor to realise the due royalty of ₹ 6.55 crore and permit fees of ₹ 28.60 lakh. The details are exhibited in **Appendix-XXV**.

We reported the matter to the Government and the Department (June 2014 to June 2015). In reply the Department accepted our observations and stated that update position of recovery is being obtained from field offices (November 2015).

6.15 Short levy of royalty on clay used for brick making

628 brick kiln owners deposited royalty of ₹ 1.96 crore at pre-revised rate instead of ₹ 2.93 crore leviable at revised rate. This resulted in short levy of royalty of ₹ 96.51 lakh on clay used for brick making.

Rule 21 of UPMMC Rules provides that the royalty shall be payable on the basis of revised rate from time to time. The rate of royalty and dead rent was revised with effect from 2 November 2012 by the State Government vide GO No. 2974/86-2012-200/77 T C II Lucknow dated 2 November 2012. The rate of royalty for clay used for brick making was revised from ₹ 18 per thousand to ₹ 27 per thousand with effect from 2 November 2012.

We examined (between June 2014 and March 2015) the brick kiln files in 12 DMOs and observed that the Department did not levy the royalty at revised rate in 628 cases out of 2,232 cases test checked during the period from March

2012 to February 2015. The brick kiln owners deposited royalty of ₹ 1.96 crore at pre-revised rate instead of ₹ 2.93 crore at revised rate. This resulted in short levy of royalty of ₹ 96.51 lakh as shown in **Appendix-XXVI**.

We reported the matter to the Government and the Department (June 2014 to June 2015). In reply the Department accepted our observations and stated that update position of recovery is being obtained from field offices (November 2015).

Lucknow
The **25 JANUARY 2016**


(VINITA MISHRA)
Accountant General (E&RSA)
Uttar Pradesh

Countersigned

New Delhi
The **27 JAN 2016**


(SHASHI KANT SHARMA)
Comptroller and Auditor General of India

Appendices

APPENDIX-I

**Action taken on the recommendations accepted by the Departments/Government
(Reference Para No. 1.8)**

Year of Audit Report	Name of PA	No. of recommendations	No. of recommendations accepted by the Department	Details of accepted recommendations	Status
2009-10	Transition from Trade Tax to Value Added Tax	17	9	Taking necessary steps to ensure that the provisions of the budget manual are followed while formulating the budget estimates.	While finalising the budget estimates provisions of budget manual are complied with.
				Taking necessary steps for carrying out comprehensive manpower review in the Department of Commercial Taxes	Entire database is now available on Central Server.
				Taking necessary steps to ensure that concurrent database at local and central server is available for use by skilled manpower.	Necessary steps have been taken for the same.
				Issuing appropriate directions for bringing out a manual containing procedures to be followed in day to day functioning of the various activities of the Commercial Tax Department at the earliest.	Enforcement manual, Tax audit manual etc are being issued. Work on Tax assessment manual is on progress.
				Imparting training to the staff of the internal audit wing at regular intervals	Trainings are being conducted.
				Effective devising an mechanism to prevent the inflow of tax evading dealers after the abolition of check posts and also develop a system to ensure that vehicles transiting through UP border for other states do not offload their goods in UP.	Effective system has been introduced by the Department.
				Ensuring that the cases are finalised according to the provision of the existing manual till the creation of new manual.	Are being complied.
				Ensuring that the order regarding cancellation of unused declaration forms are issued at the earliest to avoid misuse of unused declaration forms.	Orders were issued for cancellation of unused forms to avoid its misuse.
				Taking appropriate steps to ensure that vacant post in each cadre are filled up so that internal audit of all the units identified in the audit plan could be conducted.	Action is being taken by the Director Internal Audit Uttar Pradesh.
2009-10	Working of Transport Department	8	5	Preparing budget estimates based on the procedures prescribed in the budget manual.	Budget estimates are being prepared on the basis of provision of the budget manual.
				Prescribing a system for review of arrears, issue of recovery certificates in time and initiate special drives to recover these arrears.	Special drives for recovery of arrears is also in practice in the Department. Details of RCs have also been uploaded on VAHAN software.

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Year of Audit Report	Name of PA	No. of recommendations	No. of recommendations accepted by the Department	Details of accepted recommendations	Status
				<p>Taking necessary steps for preparation of departmental manual.</p> <p>Making a mechanism to prevent overloading; and</p> <p>Ensuring strict adherence of provisions of Acts/Rules.</p>	<p>Action for preparation of Departmental manual in process.</p> <p>Actions have been taken against overload vehicles.</p> <p>Are being implemented regularly.</p>
2010-11	Utilisation of declaration forms in inter-state trade and commercial	5	3	<p>Evolving a proper mechanism for the safe custody of declaration forms at the central level as well as at the level of nodal officers.</p> <p>Uploading data pertaining to Central forms on the TINXSYS website to enable online cross verification.</p> <p>Preparing and publishing a database of dubious/risky dealers in the official website of the Commercial Tax Department.</p>	<p>Double lock system has been introduced for safe custody of such declaration forms. On- line system have been introduced for such declaration forms.</p> <p>Data is being uploaded.</p> <p>Status of all the dealers have been uploaded on official website.</p>
2010-11	Computerisation in Motor Vehicles Departments	8	8	<p>Formulating a long term IT strategy/plan for proper functioning system</p> <p>Verification of data entry relating to registration of vehicles to ensure data integrity</p> <p>Introducing proper data validation checks</p> <p>Modifying the software to fulfil requirements of business rules like generation of demand notice/ recovery certificate/ arrear and MIS reports etc for better enforcement of the act and rules.</p> <p>Strengthening the application controls to prevent use of fake documents and to ensure reliability and usefulness of data.</p> <p>Ensuring early implementation of SARATHI and the Enforcement Module of VAHAN software.</p> <p>Framing an IT security policy with</p>	<p>Regular Training programs as per requirement in connection with different Modules of "VAHAN" and "SARATHI" software are being organised at various administrative levels. Regular AMC of hardware was being done through MoU signed at HQ level. Proposal for establishment of Departmental IT cell has been submitted to Government and it is under consideration.</p> <p>"VAHAN" and "SARATHI" software have provision for verification of data entry through data approval. Approval privilege is given to competent authority.</p> <p>Proper data validation checks have been incorporated in "VAHAN" and "SARATHI" software by NIC.</p> <p>Software has the provision for generation of demand notice, arrear and MIS reports. Generation of recovery certificate through VAHAN software is under process.</p> <p>Reliability and usefulness of data is being harnessed by making various reports as well as online.</p> <p>SARTHI software implemented fully and enforcement module of VAHAN implemented at all offices by February 2015.</p> <p>All the requisite IT security measures</p>

Year of Audit Report	Name of PA	No. of recommendations	No. of recommendations accepted by the Department	Details of accepted recommendations	Status
				adequate documentation with a credible threat assessment mechanism for harnessing optimum output from the system.	have been implemented in the Department.
				Training of personnel on system management and database operations	Department conducts regular training of VAHAN and SARATHI software operations through NIC.
2011-12	Working of Stamps and Registration Department	3	1	Bringing out a notification declaring the areas developed under the UP Industrial Development Act as development areas for the purpose of levy of additional stamp duty to remove this disparity	The Department requested to Industrial Development Department for making such provision vide letter no. 8341/Stamp-Audit/2013-14 dated 9 September 2014.
2012-13	Working of Enforcement Wing in Commercial Tax Department	5	5	Provision of mandatory filing of transaction details before on-line downloading of Form-38.	Now it has been made mandatory.
				Establishing input and validation controls for Transit Declaration Forms and a Disaster Management System.	Requisite provisions have been made by the Department.
				Developing a module to maintain database of repeated tax evading dealers/transporters.	The database is uploaded and available online for departmental officers.
				Provision for suitable devices to enforcement officers so that they may use the data available on the Commercial Tax website.	The system has been made online.
				Establishing system of follow-up of monitoring of seizure/survey cases by enforcement officers regarding final tax imposed/realised by AAs.	Management Information System (MIS) report has been generated for monitoring of such cases.
2013-14	Assessment, levy and collection of Tax on works contract	5	3	Department while passing the assessment order may consider to discuss in assessment order that burden of tax has not been passed on to the contractee and supporting documents for evidence should also be placed in assessment file.	Now burden of tax is being discussed in assessment order and supporting documents for evidence are being placed in file.
				Department may consider to strengthen the internal audit in an effective manner and annual audit plan should be prepared in a realistic way.	Efforts are being made to strengthen the internal audit wing.
				Department may consider to maintain a separate database of contractors/contractees consisting of date of registration, date of filing of return, exercise of option regarding compounding scheme, TDS deduction vis-à-vis claim.	All the information regarding works contract are being uploaded on official web site.

Source: Information provided by the Department and available in the audit office

APPENDIX-II
Scrutiny of returns
(Reference Para No. 2.3.11)

Sl. No	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Name of the dealer	Nature of irregularity
1	JC(CC) Allahabad	1	2008-09 (March 2011)	M/s Jyoti fabricators, Naini, Allahabad	Quantity/measure of goods not mentioned in the Annexure-VIIIA
2	DC Sec. 1 Allahabad	1	2011-12 (March 2014)	M/s R. K. Traders, Lalgopalganj, Allahabad	Name of commodity not mentioned in the Annexure-I
3	DC Sec. 10 Allahabad	1	2012-13 (June 2014)	M/s Manish Lubricants, Leader Road, Allahabad	Whether dealer is company, firm or individual not mentioned in the form XXVI-A.
		1	2012-13 (March 2015)	M/s Best Pumps India Pvt. Ltd. Lukerganj, Allahabad	Name and Signature of partners/proprietor/karta etc. not mentioned in form XXVI.
4	AC Sec. 10 Allahabad	1	2010-11 (February 2013)	M/s Ganpati Bhog Restaurant, Leader Road, Allahabad	Details of bank accounts not mentioned in the form XXVI-A.
		1	2010-11 (March 2013)	M/s J.M. Sales, Shahganj, Allahabad	Taxability on cycle parts and cycle accessories accepted on the same rate.
5	DC Sec. 1 Amroha	1	2012-13 (March 2015)	M/s D.P.H. Electricals, Gularia Road, Amroha	Details of bank accounts not mentioned in the form XXVI-A.
6	DC Sec. 2 Banda	1	2008-09 (January 2012)	M/s Ramlal Kishorilal, Kaithibazar, Banda	In first page of form XXVI-A ITC brought from last year is shown as NIL but in Annexure IV it has been shown ₹ 91530.
7	AC Sec. 2 Chandauli	1	2008-09 (March 2011)	M/s Agarwal Medicals, Mughalsarai, Chandauli	Though ITC of 57660 has been claimed by the dealer but the details are not mentioned in Annexure-XIII (computation of ITC in case of taxable goods).All the columns of the Annexure are left blank.
		1	2008-09 (March 2011)	M/s Avon Auto Enterprises, Mughalsarai, Chandauli	Whether dealer is company, firm or individual; details of bank accounts and details of computation of ITC (Annexure- II) was not mentioned.
		1	2008-09 (March 2011)	M/s Anurag Automobiles, Parao, Chandauli	Name of commodity not mentioned in relevant columns.
8	DC Sec. 1 Deoband	1	2012-13 (March 2015)	M/s Mahalaxmi Traders, Main bazaar, Deoband	Name of commodity not mentioned in the sl. no. 10(b) of form XXVI.
9	DC Sec. 2 Gorakhpur	1	2008-09 (March 2011)	M/s Sahani Computers, Shani market, Gorakhpur	Name of commodity, turnover of sale, rate of tax and amount of tax has not been mentioned in the columns at sl. no. 10(b) of form XXVI-A.
10	DC Sec. 12 Meerut	1	2008-09 (March 2011)	M/s H.M.T. Enterprises, Chippi tank, Meerut	Details of bank accounts not mentioned in the form XXVI-A.
11	DC Sec. 2 Rampur	1	2009-10 (March 2012)	M/s Sagar hosiery, Bazar kalan, Rampur	Details of bank accounts not mentioned in the form XXVI-A.
		1	2008-09 (March 2011)	M/s Ganesh Interprises, Milak, Rampur	Details of bank accounts not mentioned in the form XXVI-A.
Total		16			

Source: Information available on the basis of audit findings.

APPENDIX-III
Application of incorrect rate of tax
(Reference Para No. 2.3.16.2 Bullet-1)

							(₹ in lakh)
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Name of commodity (Schedule)	Value of goods	Rate of Tax leviable/levied (per cent)	Tax short levied
1.	JC(CC) Agra	1	2011-12 (March 2015)	Machinery (V)	25.34	13.5/5	2.17
		1	2011-12 (March 2015)	White petroleum jelly (V)	1,469.62	13.5/5	124.92
2.	DC Sec. 1 Allahabad	1	2011-12 (October 2014)	Toffee (V)	18.40	13.5/5	1.56
3.	DC Sec. 2 Banda	1	2010-11 (March 2014)	Washing soap (V)	14.28	13.5/5	1.21
4.	DC Sec. 1 Basti	1	2012-13 (May 2014)	Cigarette (V)	444.38	17.5/13.5	17.78
5.	AC Sec. 1 Deoband	1	2013-14 (June 2014)	Cold drink and mineral water (V)	2.82	14/5	0.25
6.	AC Sec. 3 Faizabad	1	2011-12 (March 2014)	Kerosene oil other than PDS (V)	495.20	13.5/5	42.09
7.	DC Sec. 3 Firozabad	1	2011-12 (January 2015)	Soft drink (V)	14.60	13.5/5	1.24
8.	JC(CC)-I Ghaziabad	1	2011-12 (January 2015)	Herbal powder (V)	1,239.73	13.5/5	105.38
		1	2011-12 (July 2014)	Zinc dross ash (II)	502.03	5/4	5.02
9.	JC(CC)-II Ghaziabad	1	2008-09 (May 2012)	Cement (V)	110.93	12.5/2	11.65
				Iron & steel (II)	817.18	4/2	16.34
		1	2009-10 (March 2013)	Cement (V)	81.78	12.5/2	8.59
				Iron & steel (II)	616.15	4/2	12.32
		1	2009-10 (November 2012)	Vaccine (II)	518.60	4.5/4	2.59
				135.71	5/4	1.38	
10.	DC Sec. 3 Ghaziabad	1	2010-11 (March 2014)	Filter press casting (V)	2.60	13.5/5	0.22
				Filter press rough (V)	4.50	13.5/4	0.43
		1	2011-12 (February 2015)	Filter press casting (V)	12.77	13.5/5	1.09
				Filter press rough (V)	3.34	13.5/4	0.32
		1	2009-10 (April 2013)	Electric cable (V)	2.14	12.5/4	0.18
					11.94	13.5/4.5	1.07
					4.88	13.5/5	0.41
		1	2010-11 (March 2014)	Mobile battery (V)	110.91	13.5/5	9.42
11.	DC Sec. 2 Jaunpur	1	2011-12 (October 2013)	Toffee (V)	12.94	13.5/5	1.10
			2010-11 (October 2013)	Toffee (V)	0.34	13.5/5	0.03
12.	AC Sec. 6 Jaunpur	1	2009-10 (April 2013)	Milk cornflakes, comal (V)	3.96	12.5/4	0.34
					17.60	13.5/4.5	1.58
			2010-11 (March 2014)		2.88	13.5/5	0.25
					34.35	13.5/5	2.92
13.	AC Sec. 27 Kanpur	1	2009-10 (January 2013)	Polyester adhesive (V)	5.24	12.5/4	0.45
					43.07	13.5/4.5	3.66
					5.51	13.5/5	0.28
14.	JC (CC)-I Lucknow	1	2010-11 (August 2013)	Varnish (V)	8.50	13.5/5	0.72
		1	2011-12 (January 2015)	Pet perform (V)	11.97	13.5/5	1.02

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							(₹ in lakh)
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Name of commodity (Schedule)	Value of goods	Rate of Tax leviable/ levied (per cent)	Tax short levied
15.	DC Sec. 19 Lucknow	1	2008-09 (June 2012)	Stone ballast (V)	6.21	12.5/4	0.53
16.	CTO Sec. 2 Mau	1	2009-10 (February 2013)	Machinery parts (V)	0.53	12.5/4	0.05
					4.84	13.5/4.5	0.44
					3.24	13.5/5	0.28
17.	DC Sec. 9 Meerut	1	2009-10 (March 2011)	Steel bridge part (V)	1.70	12.5/4	0.14
			2009-10 (March 2011)	Copper insulated conductor (V)	196.67	13.5/4.5	17.70
			2009-10 (January 2013)	Laser system (V)	18.14	13.5/4.5	1.63
					3.33	13.5/5	0.28
2010-11 (January 2014)		24.41	13.5/5	2.07			
18.	DC Sec. 12 Meerut	1	2010-11 (October 2013)	Computer parts (V)	19.62	13.5/5	1.68
19.	DC Sec. 1 Mirzapur	1	2011-12 (March 2015)	Pesticide (II)	13.08	5/0	0.65
20.	AC Sec. 3 Mirzapur	1	2009-10 (March 2013)	Motor parts (V)	1.00	12.5/4	0.08
					19.10	13.5/4.5	1.72
					2.17	13.5/5	0.18
		1	2008-09 (March 2012)	DTH kit (V)	19.67	12.5/4	1.68
21.	DC Sec. 4 Moradabad	1	2011-12 (December 2014)	Frozen meat (II)	121.00	5/0	6.05
22.	DC Sec. 1 Najibabad	1	2009-10 (March 2013)	Boulder (V)	25.51	12.5/4	2.17
					70.09	13.5/4.5	6.31
					10.27	13.5/5	0.87
		1	2009-10 (February 2013)	Toffee (V)	14.60	13.5/5	1.24
23.	DC Sec. 2 Noida	1	2011-12 (January 2015)	Accessories (V)	3.95	13.5/5	0.34
				Fabric Accessories (V)	18.48	13.5/5	1.57
				2011-12 (January 2015)	Aluminium coating powder (V)	39.96	13.5/5
24.	AC Sec. 2 Noida	1	2008-09 (September 2013)	Kota stone (V)	6.82	12.5/4	0.58
			2009-10 (April 2013)	Powder coating (V)	3.25	12.5/4	0.28
					35.98	13.5/4.5	3.24
					6.02	13.5/5	0.51
2010-11 (December 2013)		45.16	13.5/5	3.84			
25.	DC Sec. 7 Noida	1	2008-09 (January 2012)	Industrial valve parts and components (V)	47.79	12.5/4	4.06
26.	AC Sec. 14 Noida	1	2010-11 (February 2014)	Soya paneer (Tofu) (V)	37.19	13.5/5	3.16
27.	AC Sec.1 Rampur	1	2011-12 (March 2014)	Bakery product/Biscuit (V)	8.58	13.5/5	0.73
			2011-12 (March 2014)	Confectionary (V)	16.58	13.5/5	1.41
28.	DC Sec. 2 Shahjahanpur	1	2010-11 (February 2014)	Acupressure device (V)	22.50	13.5/5	1.91
29.	DC Sec. 1 Sonbhadra	1	2011-12 (March 2015)	Tractor accessories (V)	20.67	13.5/5	1.76
30.	DC Sec. 3 Sonbhadra	1	2009-10 (January 2013)	Machinery, Helmet (V)	1.71	12.5/4	0.15
					5.51	13.5/4.5	0.50
					2.93	13.5/5	0.25

							(₹ in lakh)
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Name of commodity (Schedule)	Value of goods	Rate of Tax leviable/levied (per cent)	Tax short levied
31.	AC Sec. 5 Sonbhadra	1	2011-12 (February 2015)	ABC powder (V)	3.93	13.5/5	0.33
32.	DC Sec. 4 Varanasi	1	2011-12 (January 2015)	Adhesive (V)	1.95	13.5/5	0.16
33.	DC Sec. 11 Varanasi	1	2010-11 (December 2013)	Topping Cream (V)	28.36	13.5/5	2.41
Total		46			7,738.69		456.32

Source: Information available on the basis of audit findings.

APPENDIX-IV
Misclassification of goods
(Reference Para No. 2.3.16.2 Bullet-2)

(₹ in lakh)								
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Name of commodity	Value of goods	Rate of Tax leviable/ levied (per cent)	Tax short levied	
1.	JC(CC) Agra	1	2011-12 (February 2015)	Malto dextrin powder treated as S.M.P. (V)	92.71	13.5/5	7.88	
2.	JC(CC) Allahabad	1	2010-11 (December 2013)	A.C. sheet treated as steel (V)	12.95	13.5/5	1.23	
3.	DC Sec. 3 Firozabad	1	2011-12 (January 2015)	Adhesive treated as chemical (V)	16.64	13.5/5	1.41	
		1	2011-12 (March 2015)	-do-	51.86	13.5/5	4.41	
		1	2011-12 (December 2014)	-do-	45.44	13.5/5	3.86	
4.	DC Sec. 1 Ghaziabad	1	2009-10 (March 2013)	Ice tea treated as tea (V)	0.13	12.5/4	0.01	
					1.09	13.5/4.5	0.10	
			0.22		13.5/5	0.02		
			3.59		13.5/5	0.31		
		1	2009-10 (March 2013)	2010-11 (February 2014)	Universal remote control treated as T.V. parts (V)	16.59	12.5/4	1.41
						46.74	13.5/4.5	4.21
		1	2010-11 (February 2014)	2010-11 (February 2014)	Universal remote control treated as T.V. parts (V)	113.38	13.5/5	9.64
						71.82	13.5/5	6.27
		1	2009-10 (March 2013)	2010-11 (November 2013)	Cooked food treated as butter (V)	0.39	12.5/4	0.03
						4.57	13.5/4.5	0.41
0.52	13.5/5					0.04		
7.41	13.5/5					0.63		
5.	DC Sec. 3 Mirzapur	1	2010-11 (February 2014)	Chlorinated paraffin treated as chemical (V)	160.69	13.5/5	13.66	
6.	DC Sec. 7 Noida	1	2010-11 (November 2013)	Printed vinyl treated as printed material (Sticker) (V) (S)	20.23	13.5/5	1.72	
				Printed vinyl treated as printed material (Sticker) (V) (C)	104.05	13.5/5	8.84	
			2012-13 (May 2014)	Printed vinyl treated as printed material (Sticker) (V) (S)	23.23	13.5/5	1.97	
				Printed vinyl treated as printed material (Sticker) (V) (C)	275.39	13.5/5	23.41	
7.	DC Sec. 1 Raebareli	1	2010-11 (February 2014)	Tractor accessories treated as tractor parts (V)	3.51	13.5/5	0.30	
		1	2010-11 (December 2013)		3.58	13.5/5	0.30	
		13			1,076.73		92.07	

Source: Information available on the basis of audit findings.

APPENDIX-V
Concealment of turnover
(Reference Para No. 2.3.17.1)

							(₹ in lakh)
Sl. No.	Name of the unit	No. of dealer	Assessment year (month and year of assessment)	Name of the commodity	Concealed turnover	Tax levied on concealed turnover	Penalty imposable
1.	JC(CC) Agra	1	2011-12 (March 2015)	Soap	7.50	1.01	3.03
2.	DC Sec. 2 Banda	1	2011-12 (February 2015)	Machinery parts	43.50	2.90	8.70
3.	DC Sec. 2 Chandauli	1	2010-11 (March 2014)	Sponge iron	3.00	0.12	0.36
		1	2010-11 (March 2014)	Coal	3.00	0.12	0.36
4.	DC Sec. 2 Faizabad	1	2010-11 (August 2014)	Construction material	1,828.57	35.06	105.18
5.	DC Sec. 2 Ghaziabad	1	2008-09 (July 2012)	Coal	142.50	5.70	17.10
6.	JC(CC) Gorakhpur	1	2009-10 (February 2013)	Motor vehicles	10.10	1.35	4.05
		1	2008-09 (April 2012)	M S Scrap & CO2	17.25	0.83	2.49
7.	DC Sec. 8 Jhansi	1	2008-09 (January 2012)	Boulder	5.00	0.63	1.89
8.	JC(CC)-II Kanpur	1	2010-11 (July 2013)	Spare parts	10.00	1.35	4.05
9.	DC Sec. 27 Kanpur	1	2009-10 (July 2013)	Plastic dana	22.40	1.12	3.36
10.	DC Sec. 2 Khatauli	1	2012-13 (January 2015)	Sand, grit	2.50	0.28	0.84
		1	2011-12 (February 2015)	Scrap	5.00	0.20	0.60
		1	2010-11 (March 2014)	Commercial gas	3.65	0.46	1.38
		1	2012-13 (May 2014)	Coal	11.54	0.46	1.38
		1	2013-14 (July 2014)	Coal	7.18	0.29	0.87
11.	JC (CC)-I Lucknow	1	2011-12 (December 2014)	Auto Parts	86.00	11.61	34.83
12.	DC Sec. 1 Muzaffarnagar	1	2011-12 (June 2014)	Iron scrap	4.00	0.16	0.48
13.	DC Sec. 1 Najibabad	1	2011-12 (November 2012)	Crushed grit	8.75	0.48	1.44
14.	DC Sec. 2 Noida	1	2009-10 (March 2014)	Printing ink	274.17	13.71	41.13
15.	DC Sec. 3 Noida	1	2011-12 (April 2013)	Mobile	11.00	1.02	3.06
16.	DC Sec. 7 Noida	1	2011-12 (June 2014)	Computer parts and peripherals	2.00	0.10	0.30
				Security system	10.00	1.35	4.05
17.	DC Sec. 1 Raebareli	1	2009-10 (May 2013)	MS angle/scrap	40.00	1.60	4.80
18.	AC Sec. 6 Saharanpur	1	2008-09 (January 2012)	Kirana	5.60	0.22	0.66
			2009-10 (March 2012)		12.50	0.54	1.62
Total		24			2,576.71	82.67	248.01

Source: Information available on the basis of audit findings.

APPENDIX-VI
Delayed deposit of admitted tax
(Reference Para No. 2.3.17.4)

(₹ in lakh)						
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Amount of tax	Period of delay in days	Penalty imposable
1.	DC Sec. 2 Ambedkarnagar	1	2011-12 (February 2012)	0.60	141	0.12
2.	DC Sec. 2 Barabanki	1	2010-11 (March 2014)	1.59	05 to 48	0.32
3.	DC Sec. 1 Basti	1	2010-11 (July 2013)	8.00	10 to 40	1.60
			2011-12 (July 2013)	35.63	05 to 11	7.13
		1	2010-11 (October 2013)	5.72	10 to 132	1.14
		1	2011-12 (February 2015)	11.32	15 to 24	2.26
4.	DC Sec. 1 Bulandshahr	1	2011-12 (December 2014)	3.50	08 to 61	0.70
		1	2011-12 (March 2015)	21.43	153 to 285	4.29
5.	JC(CC)-I Ghaziabad	1	2011-12 (March 2015)	20.37	10	4.07
6.	DC Sec.2 Ghaziabad	1	2010-11 (March 2014)	44.79	05 to 08	8.96
7.	DC Sec. 3 Ghaziabad	1	2010-11 (January 2014)	17.82	1,059 to 1,077	3.56
8.	DC Sec. 5 Gorakhpur	1	2010-11 (October 2013)	2.65	40 to 111	0.53
9.	DC Sec. 27 Kanpur	1	2010-11 (September 2013)	6.50	08	1.30
10.	DC Sec. 2 Khatauli	1	2012-13 (January 2015)	3.00	38	0.60
11.	DC Sec. 9 Lucknow	1	2010-11 (January 2014)	17.51	06 to 11	3.50
		1	2009-10 (May 2012)	11.45	05 to 11	2.29
		1	2009-10 (March 2014)	6.95	07	1.39
12.	DC Sec. 19 Lucknow	1	2009-10 (March 2013)	3.08	08 to 13	0.62
13.	DC Sec. 12 Meerut	1	2009-10 (April 2013)	5.74	05 to 15	1.15
14.	AC Sec. 12 Meerut	1	2009-10 (March 2013)	3.00	161 to 222	0.60
15.	DC Sec. 3 Mirzapur	1	2010-11 (March 2014)	26.11	07 to 13	5.22
16.	DC Sec. 1 Najibabad	1	2010-11 (December 2013)	38.32	06 to 17	7.66
		1	2008-09 (March 2012)	4.90	06 to 08	0.98
17.	DC Sec. 2 Noida	1	2009-10 (December 2012)	1.58	05 to 06	0.37
18.	AC Sec. 2 Noida	1	2009-10 (October 2013)	2.70	27 to 30	0.54
19.	DC Sec. 3 Noida	1	2011-12 (January 2015)	5.80	06 to 33	1.16
20.	DC Sec. 9 Noida	1	2009-10 (May 2013)	5.55	06 to 07	1.11
21.	DC Sec. 14 Noida	1	2010-11 (March 2014)	16.18	12 to 41	3.24
		1	2010-11 (November 2013)	11.40	05 to 09	2.28

(₹ in lakh)						
Sl. No.	Name of the unit	Number of dealer	Assessment year (month & year of assessment)	Amount of tax	Period of delay in days	Penalty imposable
		1	2010-11 (January 2014)	8.94	06 to 20	1.79
22.	DC Sec. 1 Raebareli	1	2010-11 (February 2014)	1.33	05 to 34	0.27
			2011-12 (March 2015)	0.92	10 to 79	0.18
		1	2010-11 (January 2014)	2.00	09	0.40
		1	2010-11 (January 2014)	1.38	05 to 18	0.28
23.	DC Sec. 1 Rampur	1	2010-11 (September 2013)	7.40	05	1.48
		1	2009-10 (March 2014)	63.46	05 to 40	12.69
			2010-11 (March 2014)	75.93	07 to 104	15.18
24.	DC Sec. 4 Shahjahanpur	1	2009-10 (April 2013)	34.08	24 to 28	6.82
25.	DC Sec. 1 Siddharthnagar	1	2009-10 (April 2013)	2.87	05 to 10	0.57
		1	2008-09 (December 2011)	4.07	06 to 13	0.81
26.	DC Sec. 1 Sonbhadra	1	2008-09 (April 2012)	2.58	67	0.52
		1	2008-09 (May 2012)	4.15	30 to 91	0.83
27.	DC Sec. 2 Unnao	1	2011-12 (September 2013)	4.06	10	0.81
	Total	40		556.36		111.32

Source: Information available on the basis of audit findings.

APPENDIX-VII

Non-charging of interest on delayed deposit of admitted tax (Reference Para No. 2.3.18.2)

							(₹ in lakh)
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Amount deposited with delay	Period of delay (in days)	Rate of interest (per cent)	Amount of interest not recovered
1.	JC(CC) G. B. Nagar	1	2008-09 (September 2011)	324.67	60 to 1048	15	12.68
		1	2008-09 (January 2012)	148.77	69 to 99	15	5.34
2.	JC (CC)-I Ghaziabad	1	2011-12 (March 2015)	26.94	11 to 220	15	1.09
3.	JC (CC)-II Ghaziabad	1	2010-11 (December 2013)	22.23	999	15	9.17
4.	JC(CC) Gorakhpur	1	2010-11 (March 2014)	6.29	340	15	0.89
5.	JC(CC)-II Kanpur	1	2009-10 (May 2012)	50.15	831	15	17.15
		1	2009-10 (March 2013)	18.11	30 to 300	15	1.30
6.	DC Sec. 11 Kanpur	1	2008-09 (May 2012)	2.36	1,384	15	1.35
7.	DC Sec. 5 Lucknow	1	2011-12 (January 2015)	0.28	1,230	15	0.14
		1	2011-12 (January 2015)	0.19	1,261	15	0.09
8.	DC Sec. 3 Sonbhadra	1	2008-09 (September 2014)	0.68	2,310	15	0.10
			2009-10 (November 2014)	1.30	1,950	15	0.19
			2010-11 (November 2014)	1.65	1,590	15	0.25
			2011-12 (September 2014)	1.65	1,230	15	0.25
			2012-13 (June 2014)	1.78	870	15	0.28
			2013-14 (June 2014)	1.85	510	15	0.29
		1	2010-11 (February 2014)	0.37	1,055 to 1,143	15	0.08
9.	AC Sec. 3 Sonbhadra	1	2011-12 (March 2015)	5.99	20 to 171	15	0.22
10.	DC Sec. 2 Unnao	1	2008-09 (March 2012)	2.06	1,050	15	0.90
		1	2008-09 (February 2012)	2.77	1,002	15	1.16
		1	2008-09 (March 2012)	1.37	1,049	15	0.60
Total		16		621.46			53.52

Source: Information available on the basis of audit findings.

APPENDIX-VIII
Non/Short levy of tax due to application of incorrect rate of tax
(Reference Para No. 2.5.1.1)

(₹ in lakh)								
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Name of the commodity(Schedule)	Value of goods	Rate of Tax leviable/ levied (per cent)	Tax short levied	
1	DC Sec 4 Allahabad	1	2010-11 (March 2013)	Washing Soap(V)	10.19	13.5/5	0.87	
		1	2011-12 (December 2013)	Old motor parts(V)	21.80	13.5/5	1.85	
2	DC Sec 11 Allahabad	1	2010-11 (August 2013)	Toffee(Confectionery) (V)	98.84	13.5/5	8.06	
3	DC Sec 12 Allahabad	1	2010-11 (November 2013)	Prepared Tea, coffee and bakery products(V)	6.05	13.5/5	0.51	
		1	2010-11 (January 2014)	Set top box (V)	125.31	13.5/5	10.65	
		1	2010-11 (November 2013)	Cooked food (V)	12.92	13.5/0	1.74	
4	AC Sec 12 Allahabad	1	2010-11 (March2013)	USB Port (V)	18.36	13.5/5	1.56	
		1	2010-11 (March2013)	Motor Parts (V)	30.28	13.5/5	2.57	
5	AC Sec 1 Badaun	1	2009-10 (December 2012)	Tractor Accessories(V)	6.01	13.5/5	0.51	
6	AC Sec 3 Bahraich	1	2008-09 (November 2011)	Machinery and Parts(V)	14.73	12.5/4	1.25	
		1	2008-09 (August 2011)	Machinery and Parts(V)	36.58	12.5/4	3.11	
		1	2009-10 (November 2012)	Machinery and Parts(V)	3.54	12.5/4	0.30	
					13.11	13.5/4.5	1.18	
					0.93	13.5/5	0.08	
		1	2008-09 (August 2011)	Machinery and Parts(V)	20.38	12.5/4	1.73	
				2009-10 (November 2012)	Machinery and Parts(V)	12.10	12.5/4	1.03
						39.52	13.5/4.5	3.56
						4.10	13.5/5	0.34
		1	2009-10 (November 2012)	Machinery and Parts(V)	3.62	12.5/4	0.31	
					20.71	13.5/4.5	1.86	
					0.20	13.5/5	0.02	
				Machinery and Parts (V)	44.85	12.5/4	3.81	
1	2009-10 (November 2012)		37.57	13.5/4.5	3.38			
			0.51	13.5/5	0.04			
7	AC Sec 1 Basti	1	2007-08 (VAT) (March 2011)	Toffee (V)	7.42	12.5/4	0.63	
			2008-09 (May 2012)	Toffee (V)	21.47	12.5/4	1.82	
8	DC Sec 3 Bulandshahr	1	2010-11 (December 2013)	Satellite Box (V)	105.41	13.5/5	8.96	
9	DC Sec 4 Bulandshahr	1	2010-11 (December 2013)	Toffee (V)	16.09	13.5/5	1.37	
10	DC Sec 1 Fatehpur	1	2010-11 (July 2013)	Toffee (V)	9.44	13.5/5	0.80	
11	AC Sec 2 Fatehpur	1	2010-11 (January 2013)	Machinery Parts (V)	18.59	13.5/5	1.58	
12	DC Sec 2 G B Nagar	1	2010-11 (March 2014)	Metal component (V)	12.79	13.5/0	1.73	
13	AC Sec 2 G B Nagar	1	2010-11 (December 2013)	AC Parts (V)	19.46	13.5/5	1.65	
		1	2008-09 (June 2012)	Electric Sockets (V)	3.60	12.5/4	0.31	
14	DC Sec 3 G B Nagar	1	2009-10 (April 2013)	Industrial Fan (V)	8.38	12.5/4	0.71	

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(₹ in lakh)							
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Name of the commodity(Schedule)	Value of goods	Rate of Tax leviable/ levied (per cent)	Tax short levied
		1	2009-10 (September 2013)	Machinery (V)	8.05	12.5/4	0.64
15	AC Sec 3 G B Nagar	1	2010-11 (January 2014)	Angel board and edge protector (V)	15.22	13.5/5	1.29
16	AC Sec 4 Ghaziabad	1	2009-10 (April 2013)	Fly ash bricks (V)	12.20	12.5/4	1.04
					17.05	13.5/4.5	1.53
		1	2009-10 (May 2013)	Set top box (V)	18.40	12.5/4	1.56
					32.35	13.5/4.5	2.91
17	DC Sec 6 Ghaziabad	1	2010-11 (March 2014)	Plant & Machinery (old) (II)	147.94	5/0	7.40
		1	2010-11 (February 2014)	White Cement (V)	63.46	15.5/13.5	1.27
18	AC Sec 6 Ghaziabad	1	2009-10 (March 2013)	Tractor Accessories (V)	9.54	13.5/5	0.81
19	DC Sec 9 Ghaziabad	1	2010-11 (December 2013)	Electronic spare parts(V)	36.40	13.5/5	3.10
		1	2010-11 (January 2014)	Motor Parts (V)	8.78	13.5/0	1.18
20	AC Sec 9 Ghaziabad	1	2010-11 (December 2013)	Electric Switch (V)	8.37	13.5/5	0.71
21	AC Sec 12 Ghaziabad	1	2009-10 (March.2012)	Casting Machinery (V)	5.39	12.5/4	0.46
					25.28	13.5/4.5	2.27
					1.45	13.5/5	0.12
22	AC Sec 14 Ghaziabad	1	2009-10 (April 2013)	Handmade board (V)	0.42	12.5/4	0.04
					4.53	13.5/4.5	0.41
					0.60	13.5/5	0.05
23	AC Sec 4 Gonda	1	2010-11 (November 2013)	Hardware (II)	0.94	5/4	0.01
				Machinery Parts (V)	13.28	13.5/5	1.23
24	AC Gulawati	1	2009-10 (May 2013)	Cold Drinks (V)	3.23	12.5/4	0.27
					6.22	13.5/4.5	0.56
					0.58	13.5/5	0.05
25	DC Sec 1 Hapur	1	2010-11 (March 2013)	Railway Parts (II)	182.09	5/4	1.82
26	DC Sec 2 Hapur	1	2008-09 (March 2012)	Veneer Waste (II)	14.77	4/0	0.59
			2009-10 (February 2013)	Veneer Waste (II)	6.09	5/0	0.30
			2010-11 (December 2013)	Veneer Waste (II)	1.10	5/0	0.06
27	AC Sec 4 Hapur	1	2009-10 (February 2013)	Blanket (V)	1.58(S)	12.5/4	0.13
					27.61(S)	13.5/4.5	2.48
					10.47(C)	13.5/4.5	0.94
28	AC Sec 4 Jaunpur	1	2009-10 (May 2013)	Maggie Noodles (V)	2.31	12.5/4	0.20
					11.66	13.5/4.5	1.05
					1.40	13.5/5	0.12
29	JC (CC) Jhansi	1	2008-09 (May 2013)	Cement Pipe (V)	116.00	12.5/4	9.86
30	DC Sec 1 Jhansi	1	2007-08 (VAT) (March 2011)	Sharbat (V)	1.65	12.5/4	0.14
			2008-09 (March 2012)	Sharbat (V)	8.56	12.5/4	0.73
31	DC Sec 6 Jhansi	1	2009-10 (March 2013)	Machinery Parts (V)	32.11	13.5/4.5	2.89
		1	2010-11 (November 2013)	Mining machinery (II)	31.00	5/0	1.56

(₹ in lakh)								
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Name of the commodity(Schedule)	Value of goods	Rate of Tax leviable/ levied (per cent)	Tax short levied	
32	DC Sec 1 Kanpur	1	2009-10 (December 2013)	Medicine (II)	345.37	5/4.5	1.73	
33	AC Sec 1 Kanpur	1	2008-09 (December 2012)	Watches (V)	87.43	12.5/1	10.05	
34	AC Sec 3 Kanpur	1	2007-08 (VAT) (March 2011)	Saddelry (V)	3.55	12.5/4	0.30	
			2008-09 (June 2012)	Saddelry (V)	12.13	12.5/4	3.58	
		1	2009-10 (March 2013)	Tea and Samosa (V)	18.63	13.5/4.5	1.68	
35	AC Sec 5 Kanpur	1	2009-10 (March 2013)	Rice Machinery (V)	7.14	13.5/5	0.61	
36	DC Sec 8 Kanpur	1	2010-11 (December 2013)	Stone Dust (V)	2.73	13.5/5	0.23	
		1	2010-11 (January 2014)	Bidi and Tobacco (V)	5.60	13.5/5	0.48	
37	AC Sec 19 Kanpur	1	2009-10 (April 2013)	Timber products (V)	8.21	12.5/4	0.70	
					4.10	13.5/4.5	0.37	
					6.30	13.5/5	0.54	
38	AC Sec 23 Kanpur	1	2008-09 (September 2011)	Pipe and fittings (V)	11.56	12.5/4	0.98	
39	DC Sec 26 Kanpur	1	2008-09 (June 2012)	Toffee (V)	27.59	12.5/4	2.35	
					2009-10 (January 2013)	5.49	12.5/4	0.47
						27.40	13.5/4.5	2.47
					8.26	13.5/5	0.70	
40	DC Sec 28 Kanpur	1	2010-11 (March 2014)	Plant & Machinery (old) (II)	19.21	5/0	0.96	
41	DC Sec 29 Kanpur	1	2010-11 (December 2013)	Old machinery (II)	14.20	5/0	0.71	
42	DC CT Paliakala Lakhimpur Khiri	1	2010-11 (January 2014)	Micro nutrients (II)	10.37	5/0	0.52	
43	AC Sec 22 Lucknow	1	2009-10 (December 2013)	Canopy (V)	9.08	12.5/4	0.77	
					18.69	13.5/4.5	1.69	
		1	2009-10 (February 2013)		0.88	13.5/5	0.06	
					0.46	13.5/5	0.04	
44	AC Sec 3 Mathura	1	2008-09 (February 2012)	Automobile Parts (V)	9.64	12.5/4	0.82	
45	DC Sec 1 Meerut	1	2010-11 (March 2014)	Aluminium Foil (V)	231.60	13.5/5	19.69	
46	DC Sec 2 Meerut	1	2010-11 (November 2013)	Tractor accessories (V)	1.98	13.5/5	0.17	
47	DC Sec 4 Meerut	1	2010-11 (March 2014)	Plant & Machinery (II)	4.43	5/0	0.22	
48	DC Sec 5 Meerut	1	2010-11 (March 2014)	Loader Cum Sugar cane grabbler (V)	115.82	13.5/5	9.84	
49	DC Sec 7 Meerut	1	2009-10 (February 2013)	Transformer Parts (V)	6.00	13.5/4.5	0.54	
50	DC Sec 8 Meerut	1	2008-09 (October 2013)	Transformer Parts (V)	48.86	12.5/4	4.11	
51	AC Sec 10 Meerut	1	2009-10 (December 2012)	Machinery (V)	4.82	12.5/4	0.41	
					9.65	13.5/4.5	0.87	
					0.62	13.5/5	0.05	

Audit Report (Revenue Sector) for the year ended 31 March 2015

(₹ in lakh)							
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Name of the commodity(Schedule)	Value of goods	Rate of Tax leviable/ levied (per cent)	Tax short levied
52	DC Sec 1 Moradabad	1	2009-10 (April 2013)	Handicraft art ware with wax tea light (V)	20.26	13.5/4.5	1.82
			2010-11 (March 2014)		56.10	13.5/5	6.59
53	AC Sec 3 Moradabad	1	2010-11 (February 2013)	Electronic equipment and security system (V)	14.58	13.5/5	1.24
54	JC (CC) Range A Noida	1	2009-10 (April 2013)	Pen drive (V)	5.36	13.5/4.5	0.48
					33.06	13.5/4.5	2.98
					2.14	13.5/5	0.18
55	DC Sec 1 Noida	1	2009-10 (March 2013)	Sound Canopy (V)	1.06 (S)	12.5/4	0.09
					3.49 (S)	13.5/4.5	0.30
					4.47 (C)	13.5/5	0.38
					1.20 (C)	12.5/4	0.10
			2010-11 (January 2014)		4.13 (C)	13.5/4.5	0.37
					2.27 (S)	13.5/5	0.19
					1.55 (C)	13.5/5	0.13
					1.40 (C)	13.5/5	0.12
56	AC Sec 1 Noida	1	2010-11 (March 2014)	Spare Parts of the Power tools (V)	34.88	13.5/5	2.96
57	DC Sec 5 Noida	1	2010-11 (March 2014)	Micro SD Card (V)	206.91	13.5/5	17.59
58	AC Sec 5 Noida	1	2009-10 (April 2013)	Micro SD Card (V)	440.92	13.5/4.5	39.68
59	DC Sec 12 Noida	1	2009-10 (April 2013)	Machinery Parts (V)	41.43	12.5/4	3.52
			2010-11 (December 2013)		31.36	13.5/5	2.67
60	DC Sec 13 Noida	1	2011-12 (March 2014)	Home furnishing goods (V)	10.69	13.5/5	0.91
					5.65	13.5/5	0.48
61	DC Sec 3 Orai (Jalaun)	1	2010-11 (January 2014)	Tractor Accessories (V)	5.57	13.5/5	0.75
62	DC Sec 3 Pilibhit	1	2009-10 (February 2013)	Biscuit, Toffee (V)	3.26	12.5/4	0.28
					35.41	13.5/4.5	3.19
					4.71	13.5/5	0.40
63	DC Sec 1 Saharanpur	1	2010-11 (February 2014)	Dish TV (V)	28.80	13.5/5	2.45
64	AC Sec 4 Sitapur	1	2009-10 (March 2013)	Machinery Parts (V)	1.71	12.5/4	0.15
					12.76	13.5/4.5	1.15
					2.16	13.5/5	0.18
65	DC Sec 2 Sultanpur	1	2009-10 (February 2013)	Tractor Accessories (V)	3.64	12.5/4	0.31
					27.35	13.5/4.5	2.46
					3.83	13.5/5	0.33
			2010-11 (April 2013)		42.67	13.5/5	3.63
66	JC (CC) Varanasi	1	2010-11 (April 2012)	Motor Parts (V)	7.55	13.5/0	1.02
67	AC Sec 9 Varanasi	1	2010-11 (March 2013)	Diesel Engine Parts (V)	25.09	13.5/5	2.13
68	DC Sec 21 Varanasi	1	2010-11 (March 2014)	Rice Bran (II)	92.71	5/4	0.93
Total		86			4,000.87		292.51

Source: Information available on the basis of audit findings.

APPENDIX-IX
Non/Short levy of tax due to misclassification of goods
(Reference Para 2.5.1.2)

(₹ in lakh)								
Sl No	Name of the unit	Number of the dealer	Assessment year (month and year of assessment)	Name of the Commodity	Value of Goods	Rate of Tax leviable/levied (per cent)	Tax non/short levied	
1	JC(CC) G B Nagar	1	2010-11 (January 2014)	Loader(Heavy earthmoving machine) treated as Machinery	798.37	14.5/13.5	7.98	
					2,396.52	14.5/13.5	23.97	
2	AC Sec 13 Ghaziabad	1	2010-11 (August 2013)	Textile made up treated as Textile	35.25	5/0	1.76	
3	DC Sec 28 Kanpur	1	2010-11 (October 2013)	Non Woven fabric laminated treated as non woven fabric	967.20	13.5/5	82.21	
4	DC Sec 20 Lucknow	1	2009-10 (April 2013)	Blanket treated as textile made up	93.95	13.5/4.5	8.46	
					85.10	13.5/5	7.23	
5	DC Sec 21 Lucknow	1	2010-11 (March 2014)	Apron treated as readymade garment	34.12	13.5/5	2.90	
		1	2010-11 (December 2013)	Dettol liquid treated as insecticide	272.73	13.5/5	23.18	
6	AC Sec 21 Lucknow	1	2009-10 (January 2013)	Hospital disposable goods treated as medical devices	0.97	12.5/4	0.08	
					6.98	13.5/4.5	0.63	
			2010-11 (March 2014)		0.67	13.5/5	0.06	
					7.05	13.5/5	0.60	
7	AC Sec 22 Lucknow	1	2009-10 (February 2013)	Lapox multigrip treated as chemical	0.70	12.5/4	0.06	
					27.10	13.5/4.5	2.44	
					11.15	13.5/5	0.95	
					0.31	13.5/5	0.03	
8	AC Sec 5 Mathura	1	2009-10 (February 2013)	Horn (Automobile parts) treated as speaker	1.22	12.5/4	0.10	
					3.50	13.5/4.5	0.31	
			2010-11 (May 2013)		0.53	13.5/5	0.05	
					3.04	13.5/5	0.26	
		1	2009-10 (February 2013)		Cosmetics treated as medicine	1.50	12.5/4	0.13
						8.26	13.5/4.5	0.74
9	DC Sec 13 Noida	1	2008-09 (May 2012)	Power cords treated as TV Parts	954.54	12.5/4	81.14	
			2009-10 (April 2013)		161.64	13.5/5	13.74	
					653.42	13.5/4.5	58.81	
					151.82	13.5/5	12.90	
Total		11			6,678.58		330.80	

Source: Information available on the basis of audit findings.

APPENDIX-X
Delayed deposit of tax
(Reference Para No. 2.6.2)

(₹ in lakh)						
Sl No.	Name of the unit	No. of dealer	Assessment year (month and year of assessment)	Amount of admitted Tax	Period of delay (In days)	Penalty Imposable
1	DC Sec 19 Agra	1	2011-12 (March 2014)	4.56	9 to 49	0.50
2	DC Sec 2 Allahabad	1	2008-09 (September 2013)	41.79	32 to 121	8.36
3	AC Sec 14 Allahabad	1	2008-09 (March 2013)	2.61	275 to 306	0.52
4	DC Sec 3 Baghpat	1	2008-09 (March 2013)	10.97	14 to 30	2.19
5	DC Sec 3 Bareilly	1	2010-11 (March 2014)	8.06	19	1.61
6	DC Sec 2 Fatehpur	1	2008-09 (December 2010)	5.65	420 to 634	1.13
7	DC Sec 2 G B Nagar	1	2009-10 (May 2013)	89.17	20	17.83
8	DC Sec 3 G B Nagar	1	2009-10 (April 2014)	67.93	8 to 38	13.59
		1	2009-10 (October 2013)	7.44	17	1.48
9	DC Sec 4 Hapur	1	2010-11 (January 2014)	13.59	162	2.71
10	DC Sec 1 Lucknow	1	2010-11 (March 2014)	27.04	19 to 40	5.41
11	AC Sec 1 Lucknow	1	2009-10 (November 2012)	3.41	6 to 11	0.68
		1	2009-10 (March 2014)	2.51	9 to 33	0.50
12	DC Sec 7 Lucknow	1	2009-10 (April 2013)	2.78	1,293 to 1,303	0.56
		1	2010-11 (January 2014)	112.23	8	22.45
13	AC Sec 7 Lucknow	1	2009-10 (April 2013)	9.09	5 to 41	1.82
14	DC Sec 11 Lucknow	1	2010-11 (January 2014)	6.58	24	1.32
15	DC Sec 14 Lucknow	1	2009-10 (November 2012)	3.46	4 to 62	0.69
16	DC Sec 5 Meerut	1	2010-11 (February 2014)	10.2	6 to 36	2.04
		1	2010-11 (March 2014)	20.78	5 to 19	4.16
17	DC Sec 7 Meerut	1	2008-09 (May 2012)	21.66	10 to 43	4.33
18	DC Sardhana mandal , Meerut	1	2010-11 (March 2014)	16.61	6 to 90	3.32
		1	2010-11 (March 2014)	1.99	6 to 9	0.40
		1	2010-11 (March 2014)	1.86	6 to 9	0.37
19	JC (CC) Range A Noida	1	2010-11 (March 2014)	3.21	36	0.64
		1	2010-11 (January 2014)	18.39	63	3.67
20	DC Sec 4 Noida	1	2009-10 (April 2013)	5.72	15 to 68	1.14
21	DC Sec 5 Noida	1	2008-09 (March 2014)	7.85	81	1.57
22	DC Sec 8 Noida	1	2009-10 (April 2013)	8.08	6 to 15	1.62

(₹ in lakh)						
SI No.	Name of the unit	No. of dealer	Assessment year (month and year of assessment)	Amount of admitted Tax	Period of delay (In days)	Penalty Imposable
23	AC Sec 12 Noida	1	2009-10 (April 2013)	7.48	20 to 40	1.49
24	AC Sec 13 Noida	1	2009-10 (April 2013)	1.94	132 to 294	0.39
		1	2009-10 (April 2013)	10.15	9 to 19	2.03
25	DC Sec 1 Padrauna	1	2008-09 (May 2012)	8.96	5 to 23	1.79
26	DC Sec 3 Shahjahanpur	1	2009-10 (February 2014)	64.40	9	12.88
27	JC (CC) 2 Varanasi (at Sonbhadra)	1	2009-10 (April 2013)	5.97	345 to 557	1.19
Total		35		634.12		126.38

Source: Information available on the basis of audit findings.

APPENDIX-XI
Non/Short levy of entry tax
(Reference Para No.2.7.2)

(₹ in lakh)									
Sl. No.	Name of the unit	No of dealer	Assessment year (month and year of assessment)	Name of goods	Taxable turnover	Rate of entry tax leviable (per cent)	Entry tax leviable	Entry tax levied	Amount of entry tax not levied
1	JC(CC) Agra	1	2011-12 (March 2015)	C.R. Strips	51.80	5	2.59	0	2.59
2	DC Sec. 1 Allahabad	1	2011-12 (October 2013)	Gutkha	291.86	5	14.59	0	14.59
3	DC Sec 12 Allahabad	1	2010-11 (March 2014)	Craft paper	37.15	2	0.74	0	0.74
		1	2010-11 (February 2014)	Steel structure	145.62	1	1.46	0	1.46
		1	2009-10 (February 2014)	Tipper vehicle	90.25	1	0.90	0	0.90
4	DC Sec 2 Fatehpur	1	2008-09 (March 2013)	Furnace oil	34.80	5	1.74	0	1.74
				Crude oil	29.65	4	1.19	0	1.19
			2009-10 (June 2012)	Furnace oil	19.66	5	0.98	0	0.98
		1	2009-10 (November 2011)	Iron Steel	63.44	1	0.63	0	0.63
5	JC(CC)-I Ghaziabad	1	2011-12 (January 2015)	Steel bar and rod	104.00	5	5.20	1.04	4.16
6	DC Sec 4 Hapur	1	2009-10 (February 2013)	Iron Leaf Spring	482.63	1	4.83	0	4.83
7	DC Sec 9 Lucknow	1	2008-09 (March 2012)	Alumini um Profile	25.37	2	0.51	0	0.51
8	DC Sec 22 Lucknow	1	2009-10 (January 2013)	Steel Structure	167.63	1	1.68	0	1.68
9	DC Sec 4 Meerut	1	2010-11 (March 2014)	Char coal	170.56	2	3.41	3.06	0.35
			2009-10 (April 2012)	Char coal	162.02	2	3.24	0	3.24
10.	DC Sec. 7 Noida	1	2011-12 (January 2015)	Iron and steel	18.44	5	0.92	0.18	0.74
		1	2011-12 (March 2015)	Iron and steel	31.20	5	1.56	0.31	1.25
		1	2011-12 (February 2015)	Iron & steel	146.82	5	7.34	0	7.34
11	DC Sec. 2 Shahjahanpur	1	2010-11 (October 2013)	Cigarette	15.44	5	0.77	0	0.77
12	DC Sec 1 Sitapur	1	2008-09 (December 2011)	Motor Cycle	1,152.53	1	11.53	0	11.53
13	DC Sec 21 Varanasi	1	2008-09 (June 2012)	Iron Steel	2,444.47	1	24.44	13.90	10.54
			2009-10 (June 2012)	Iron Steel	2,404.00	1	24.04	6.63	17.41
			Machinery	74.50	2	1.49	0	1.49	
Total		18			8,163.84		115.78	25.12	90.66

Source: Information available on the basis of audit findings.

APPENDIX-XII
Misuse of declaration forms
(Reference Para No.2.8)

(₹ in lakh)								
Sl No	Name of the unit	No of dealer	Assessment year (month and year of assessment)	Name of commodity not covered by registration certificate	Amount of purchase	Rate of Tax (per cent)	Rate of penalty (per cent)	Penalty leviable
1	DC Sec 2 Chandauli	1	2010-11 (June 2014)	Furniture	3.23	13.5	20.25	0.65
2	DC Sec 1 Dhampur	1	2008-09 (June 2012)	Metal Detector	2.79	12.5	18.75	0.52
3	JC (CC) Oil Sector Lucknow	1	2009-10 (May 2013)	Aqua guard	7.62	10	15	1.14
4	DC Sec 7 Meerut	1	2010-11 (March 2014)	Machinery and DG Set	26.09	13.5	20.25	5.28
5	DC Sec 9 Moradabad	1	2010-11 (March 2014)	JCB Machine	40.85	13.5	20.25	8.27
6	JC(CC) Noida	1	2008-09 (February 2013)	Resin Dobeekan Thinner	169.00	4	6	10.14
7	DC Sec 2 Noida	1	2011-12 (February 2015)	Soil compt, JCB	36.50	13.5	20.25	7.39
				Vibratory rolls	22.17	12.5	18.75	4.16
8	AC Sec 14 Noida	1	2010-11 (February 2014)	Vaccum pack Id	3.57	13.5	20.25	0.74
				CCTV Camera, Soya bean	3.03	5	7.5	0.18
				Fire door, Transformer, Ducted split unit	13.53	13.5	20.25	2.74
				Copper pipe	0.41	5	7.5	0.03
Total		9			328.79			41.24

Source: Information available on the basis of audit findings.

APPENDIX-XIII

Non/Short charging of interest
(Reference Para No.2.9)

(₹ in lakh)									
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Amount deposited	Rate of interest per annum (per cent)	Period of delay in days	Total interest leviable	Interest deposited by dealer	Interest not/ short charged
1	DC Sec 9 Bareilly	1	2009-10 (March 2013)	2.54	15	1,247	1.30	0	1.30
2	DC Sec 3 Etawah	1	2010-11 (March 2014)	2.15	15	1,378	1.22	0	1.22
3	DC Sec 4 Faizabad	1	2008-09 (August 2013)	3.16	15	1,814 to 2,179	2.54	0	2.54
4	DC Sec 3 G.B.Nagar	1	2009-10 (June 2013)	1.71	15	1,234	0.87	0	0.87
5	AC Sec 4 Ghaziabad	1	2009-10 (May 2013)	298.79	15	600 to 824	73.92	0	73.92
6	JC(CC) Sec 1 Kanpur	1	2008-09 (June 2013)	40.59	15	582	9.71	0	9.71
		1	2008-09 (June 2012)	753.43	15	1,095	339.04	0	339.04
		1	2008-09 (April 2012)	3,806.33	15	2 to 3	4.69	0	4.69
		1	2009-10 (June 2012)	7.57	15	1,539	4.79	0	4.79
		1	2009-10 (June 2012)	7.32	15	467	1.41	0	1.41
		1	2009-10 (March 2012)	16.75	15	157 to 405	1.75	0	1.75
7	DC Sec 1 Kanpur	1	1999-2000 (April 2013)	6.30	24	1,503 to 3,225	7.29	0	7.29
			2003-04 (October 2013)	6.87	24	2,432 to 2,582	11.11	0	11.11
			2004-05 (May 2013)	10.95	24 & 14	2,066 to 2,216	8.80	0	8.80
8	DC Sec 7 Kanpur	1	2010-11 (May 2012)	63.61	15	9 to 608	3.00	1.40	1.60
			2011-12 (March 2013)	105.85	15	7 to 138	0.93	0	0.93
9	DC Sec 15 Kanpur	1	2009-10 (March 2013)	1.95	15	1,308	1.05	0.05	1.00
			2008-09 (March 2013)	1.34	15	1,355	0.75	0.03	0.72
		1	2008-09 (September 2012)	1.00	15	1,431	0.59	0	0.59
10	DC Sec 28 Kanpur	1	2008-09 (June 2012)	1.08	15	1,471	0.65	0	0.65
11	DC Sec 7 Lucknow	1	2010-11 (March 2014)	4.39	15	1,346	2.43	0	2.43
12	DC Sec 10 Lucknow	1	2009-10 (May 2013)	1.10	15	1,382	0.63	0	0.63
		1	2011-12 (March 2014)	12.15	15	670 to 675	3.36	0	3.36
13	DC Sec 17 Lucknow	1	2009-10 (May 2013)	1.39	15	1,316 to 1,365	0.75	0	0.75
14	DC Sec 18 Lucknow	1	2008-09 (March 2012)	1.30	15	1,332	0.71	0	0.71
15	JC (CC) Meerut	1	2008-09 (June 2012)	23.23	15	12 to 91	0.29	0	0.29

(₹ in lakh)									
Sl. No.	Name of the unit	Number of dealer	Assessment year (month and year of assessment)	Amount deposited	Rate of interest per annum (per cent)	Period of delay in days	Total interest leviable	Interest deposited by dealer	Interest not/ short charged
			2009-10 (June 2012)	93.97	15	5 to 116	0.69	0	0.69
		1	2009-10 (June 2012)	33.98	15	5	0.07	0	0.07
		1	2010-11 (June 2012)	31.15	15	10	0.13	0	0.13
		1	2009-10 (June 2012)	16.20	15	6 to 913	5.27	0	5.27
16	DC Sec 6 Meerut	1	2008-09 (June 2013)	1.76	15	1,634	1.18	0	1.18
17	DC Sec 1 Saharanpur	1	2008-09 (March 2012)	24.09	15	908	8.99	0	8.99
18	DC Sec 3 Shahjahanpur	1	2009-10 (February 2014)	19.04	15	1,804	14.12	0	14.12
			2010-11 (March 2014)	8.51	15	1,439	5.03	0	5.03
19	DC Sec 3 Sitapur	1	2009-10 (March 2013)	13.02	15	1,444	7.73	0	7.73
20	DC Sec 1 Sultanpur	1	2009-10 (May 2013)	9.31	15	1,389	5.32	0	5.32
Total		30		5,433.88			532.11	1.48	530.63

Source: Information available on the basis of audit findings.

APPENDIX-XIV
Non-renewal of fitness certificate of vehicles
(Reference para No.4.7)

														(Amount in ₹)
SL.No.	Name of Unit	Period	Heavy vehicle (900 per vehicle)	Amount involved	Medium Vehicle (700 per vehicle)	Amount involved	Light vehicle commercial (500 per vehicle)	Amount involved	Three wheeler (300 per vehicle)	Amount involved	Total No of Vehicles	Leviabale fitness fee amount	Penalty (@ 4000)	Total Amount
1	RTO Agra	November 2013 to September 2014	96	86,400	23	16,100	250	1,25,000	194	58,200	563	2,85,700	22,52,000	25,37,700
2	RTO Allahabad	March 2014 to February 2015	174	1,56,600	12	8,400	43	21,500		-	229	1,86,500	9,16,000	11,02,500
3	RTO Banda	February 2014 to January 2015	54	48,600	1	700	113	56,500	234	70,200	402	1,76,000	16,08,000	17,84,000
4	RTO Gorakhpur	Decermber 2013 to September 2014	34	30,600	12	8,400	228	1,14,000	10	3,000	284	1,56,000	11,36,000	12,92,000
5	RTO Jhansi	August 2013 to November 2014	177	1,59,300	-	-	108	54,000	9	2,700	294	2,16,000	11,76,000	13,92,000
6	RTO Kanpur Nagar	September 2013 to February 2015	176	1,58,400	-	-	-	-	-	-	176	1,58,400	7,04,000	8,62,400
7	RTO Lucknow	July 2013 to June 2014	371	3,33,900	25	17,500	64	32,000	-	-	460	3,83,400	18,40,000	22,23,400
8	RTO Meerut	November 2013 to September 2014	31	27,900	26	18,200	48	24,000	42	12,600	147	82,700	5,88,000	6,70,700
9	RTO Moradabad	June 2013 to October 2014	45	40,500	30	21,000	55	27,500	-	-	130	89,000	5,20,000	6,09,000
10	RTO Saharanpur	June 2014 to December 2014	2	1,800	6	4,200	315	1,57,500	-	-	323	1,63,500	12,92,000	14,55,500
11	RTO Varanasi	August 2013 to September 2014	86	77,400	-	-	-	-	-	-	86	77,400	3,44,000	4,21,400
12	ARTO Bahraich	June 2013 to May 2014	59	53,100	22	15,400	178	89,000	-	-	259	1,57,500	10,36,000	11,93,500
13	ARTO Ballia	July 2013 to August 2014	13	11,700	18	12,600	122	61,000	83	24,900	236	1,10,200	9,44,000	10,54,200
14	ARTO Bijnor	December 2013 to November 2014	11	9,900	2	1,400	179	89,500	-	-	192	1,00,800	7,68,000	8,68,800
15	ARTO BulandShahar	June 2013 to August 2014	116	1,04,400	-	-	-	-	-	-	116	1,04,400	4,64,000	5,68,400
16	ARTO Deoria	June 2013 to December 2013	25	22,500	10	7,000	67	33,500	74	22,200	176	85,200	7,04,000	7,89,200
17	ARTO Fatehpur	January 2014 to January 2015	67	60,300	6	4,200	140	70,000	-	-	213	1,34,500	8,52,000	9,86,500
18	ARTO Jalaun	August 2013 to September 2014	28	25,200	5	3,500	103	51,500	-	-	136	80,200	5,44,000	6,24,200
19	ARTO Kanshiram Nagar	March 2014 to February 2015	8	7,200	1	700	57	28,500	10	3,000	76	39,400	3,04,000	3,43,400

(Amount in ₹)														
Sl.No.	Name of Unit	Period	Heavy vehicle (900 per vehicle)	Amount involved	Medium Vehicle (700 per vehicle)	Amount involved	Light vehicle commercial (500 per vehicle)	Amount involved	Three wheeler (300 per vehicle)	Amount involved	Total No of Vehicles	Leviabile fitness fee amount	Penalty (@ 4000)	Total Amount
20	ARTO Mathura	January 2014 to January 2015	18	16,200	8	5,600	76	38,000	68	20,400	170	80,200	6,80,000	7,60,200
21	ARTO Mau	August 2013 to July 2014	11	9,900	4	2,800	105	52,500	182	54,600	302	1,19,800	12,08,000	13,27,800
22	ARTO Pratapgarh	September 2013 to August 2014	32	28,800	33	23,100	26	13,000	-	-	91	64,900	3,64,000	4,28,900
23	ARTO Rampur	Decemrber 2013 to September 2014	88	79,200	14	9,800	171	85,500	-	-	273	1,74,500	10,92,000	12,66,500
24	ARTO Sant Ravi Das Nagar	June 2013 to February 2015	54	48,600	31	21,700	146	73,000	-	-	231	1,43,300	9,24,000	10,67,300
25	ARTO Sultanpur	March 2014 to February 2015	125	1,12,500	118	82,600	12	6,000	-	-	255	2,01,100	10,20,000	12,21,100
	Total	June 2013 to February 2015	1901	17,10,900	407	2,84,900	2,606	13,03,000	906	2,71,800	5,820	35,70,600	2,32,80,000	2,68,50,600

Source: Information available on the basis of audit findings.

APPENDIX-XV
Non-levy of penalty under CBR Act 2007 on overloaded vehicles
(Reference para No.4.9)

(Amount in ₹)								
Sl. No.	Name of unit	No of Vehicles	Period of penalty imposed	Penalty imposed as per MVT Act	Penalty imposed as per CBR Act	Difference of Amount due	Payable of Penalty as per 18(1) of CBR Act	Total amount payable
1	RTO Agra	25	June 2014 to September 2014	2,13,000	-	2,13,000	69,000	2,82,000
2	RTO Aligarh	14	September 2014 to October 2014	3,59,000	-	3,59,000	70,000	4,29,000
3	RTO Allahabad	24	December 2014 to January 2015	4,23,000	-	4,23,000	1,20,000	5,43,000
4	RTO Banda	32	November 2014 to December 2014	7,71,000	-	7,71,000	1,60,000	9,31,000
5	RTO Faizabad	11	December 2013 to September 2014	99,000	-	99,000	55,000	1,54,000
6	RTO Gonda	10	January 2014 to February 2015	1,20,000	-	1,20,000	50,000	1,70,000
7	RTO Jhansi	59	June 2014 to July 2014	13,20,000	-	13,20,000	2,95,000	16,15,000
8	RTO Kanpur Nagar	75	January 2014 to December 2014	23,13,000	-	23,13,000	3,75,000	26,88,000
9	RTO Lucknow	127	November 2013 to January 2014	17,99,000	-	17,99,000	6,35,000	24,34,000
10	RTO Meerut	28	July 2014 to October 2014	3,59,900	-	3,59,900	1,40,000	4,99,900
11	RTO Mirzapur	15	July 2014 to November 2014	2,91,000	-	2,91,000	75,000	3,66,000
12	RTO Moradabad	28	July 2014 to October 2014	8,52,000	-	8,52,000	1,40,000	9,92,000
13	RTO Saharanpur	38	April 2014 to December 2014	9,19,000	-	9,19,000	1,90,000	11,09,000
14	RTO Varanasi	32	December 2013 to August 2014	5,61,000	-	5,61,000	1,60,000	7,21,000
15	RTO Azamgarh	16	August 2014 to September 2014	3,15,000	-	3,15,000	80,000	3,95,000
16	RTO Basti	55	July 2013 to November 2014	5,66,000	-	5,66,000	2,75,000	8,41,000
17	ARTO Ballia	15	December 2013 to March 2014	3,21,000	-	3,21,000	75,000	3,96,000
18	ARTO Bahraich	120	April 2013 to May 2014	10,14,000	-	10,14,000	6,00,000	16,14,000
19	ARTO Balrampur	10	May 2014 to June 2014	2,05,000	-	2,05,000	50,000	2,55,000
20	ARTO Barabanki	77	January 2014 to October 2014	15,14,000	-	15,14,000	3,85,000	18,99,000
21	ARTO Bijnor	55	January 2014 to October 2014	8,12,000	-	8,12,000	2,75,000	10,87,000
22	ARTO Bulandshahr	142	June 2013 to January 2014	21,83,000	-	21,83,000	7,10,000	28,93,000
23	ARTO Chandauli	61	January 2014 to December 2014	11,23,000	-	11,23,000	3,05,000	14,28,000
24	ARTO Deoria	48	June 2013 to June 2014	7,80,000	-	7,80,000	2,40,000	10,20,000
25	ARTO Etah	21	January 2014 to November 2014	2,02,000	-	2,02,000	1,05,000	3,07,000

(Amount in ₹)								
Sl. No.	Name of unit	No of Vehicles	Period of penalty imposed	Penalty imposed as per MVT Act	Penalty imposed as per CBR Act	Difference of Amount due	Payable of Penalty as per 18(1) of CBR Act	Total amount payable
26	ARTO Fatehpur	19	September 2014 to October 2014	4,98,000	-	4,98,000	95,000	5,93,000
27	ARTO Firozabad	11	October 2014 to December 2014	2,39,000	-	2,39,000	39,000	2,78,000
28	ARTO Gautam Budh Nagar	74	April 2014 to December 2014	12,13,000	-	12,13,000	3,70,000	15,83,000
29	ARTO Ghazipur	49	September 2013 to June 2014	8,98,000	-	8,98,000	2,45,000	11,43,000
30	ARTO Hamirpur	11	January 2014 to October 2014	1,81,000	-	1,81,000	55,000	2,36,000
31	ARTO Hathras	29	February 2014 to December 2014	4,53,000	-	4,53,000	1,45,000	5,98,000
32	ARTO Jalaun	26	July 2014	7,95,000	-	7,95,000	1,30,000	9,25,000
33	ARTO Kanpur Dehat	10	March 2014 to October 2014	3,32,000	-	3,32,000	50,000	3,82,000
34	ARTO Kanshiram Nagar	14	July 2014 to November 2014	2,22,000	-	2,22,000	70,000	2,92,000
35	ARTO Kaushambi	68	January 2014 to December 2014	10,33,000	-	10,33,000	3,40,000	13,73,000
36	ARTO Lakhimpur Kheri	22	March 2014 to December 2014	1,68,000	-	1,68,000	1,10,000	2,78,000
37	ARTO Lalitpur	23	January 2014 to November 2014	2,69,000	-	2,69,000	1,15,000	3,84,000
38	ARTO Mau	19	January 2014 to March 2014	3,31,000	-	3,31,000	95,000	4,26,000
39	ARTO Raebareli	34	January 2014 to February 2014	9,71,000	-	9,71,000	1,70,000	11,41,000
40	ARTO Rampur	48	June 2014 to July 2014	9,04,000	-	9,04,000	2,40,000	11,44,000
41	ARTO Sant Kabir Nagar	34	April 2014 to January 2015	6,26,000	-	6,26,000	1,70,000	7,96,000
42	ARTO Sant Ravidas Nagar	71	March 2014 to February 2015	18,98,000	-	18,98,000	3,55,000	22,53,000
43	ARTO Shahjahanpur	41	May 2014 to July 2014	6,33,000	-	6,33,000	2,05,000	8,38,000
44	ARTO Siddharth Nagar	5	February 2014 to March 2014	1,18,000	-	1,18,000	25,000	1,43,000
45	ARTO Sitapur	19	January 2015 to February 2015	1,76,000	-	1,76,000	95,000	2,71,000
46	ARTO Sultanpur	10	March 2014 to December 2014	1,72,000	-	1,72,000	50,000	2,22,000
47	ARTO Unnao	11	April 2014 to September 2014	3,66,000	-	3,66,000	55,000	4,21,000
		1786		3,19,30,900	-	3,19,30,900	88,58,000	4,07,88,900

Source: Information available on the basis of audit findings.

APPENDIX-XVI
Non-realisation of tax/ additional tax in respect of vehicles surrendered beyond three months
(Reference para No.4.10)

(Amount in ₹)								
Sl. No.	Name of unit	No. of objection	Name of vehicle	Period of Surrendered vehicle	Period (Tax leviable)	Tax leviable	Additional Tax leviable	Total Tax leviable
1	RTO Azamgarh	13	Bus	November 2013 to June 2014	March 2014 to November 2014	3,01,758	-	3,01,758
2	RTO Bareilly	13	PC	December 2013 to December 2013	April 2014 to November 2014	1,80,693	-	1,80,693
3	RTO Gonda	15	Bus/PC	June 2013 to October 2014	October 2014 to March 2015	2,84,129	-	2,84,129
4	RTO Jhansi	13	Bus (UPSRTC)	July 2014	July 2014 to December 2014	39,440	2,00,100	2,39,540
5	RTO Kanpur Nagar	16	Bus/PC	July 2013 to September-2014	November 2013 to March 2015	5,61,419	-	5,61,419
6	RTO Varanasi	10	Bus	October 2013 to May 2014	February 2014 to September 2014	1,43,219	-	1,43,219
		7	Bus (UPSRTC)	December 2013 to February 2014	April 2013 to December 2014	38,125	2,89,050	3,27,175
7	ARTO Bijnor	22	P/C	June 2014	October 2014 to November 2014	68,244	-	68,244
8	ARTO Farrukhabad	11	Bus/PC	July 2013 to December 2013	November 2013 to August 2014	3,31,313	-	3,31,313
9	ARTO Firozabad	13	Bus	January 2014 to May 2014	May 2014 to December 2014	5,19,788	-	5,19,788
10	ARTO Hathras	5	Goods Vehicle	December 2013 to March 2014	April 2014 to January 2015	1,10,585	-	1,10,585
11	ARTO Jalaun	12	Bus	June 2013 to March 2014	October 2013 to September 2014	8,30,129	-	8,30,129
		5	Truck / Tanker					
12	ARTO Kanshiram Nagar	11	Bus/PC	December 2013 to October 2014	April 2014 to March 2015	2,76,102	-	2,76,102
13	ARTO Mathura	8	Bus/PC	June 2014 to August 2014	October 2014 to January 2015	1,52,529	-	1,52,529
14	ARTO Muzaffar Nagar	43	Truck	June 2013 to March 2014	October 2013 to September 2014	5,90,480	-	5,90,480
15	ARTO Rampur	5	Bus	December 2013 to March 2014	April 2014 to October 2014	2,22,029	-	2,22,029
		12	HGV					
16	ARTO Sultanpur	11	Trailor	June 2014	June 2014 to February 2015	1,82,925	-	1,82,925
TOTAL		245		June 2013 to October 2014		48,32,907	4,89,150	53,22,057

Source: Information available on the basis of audit findings.

APPENDIX-XVII
Residential land valued at agriculture rate
(Reference para No.5.5)

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Registration fees	Leviable stamp duty and registration fee	Stamp duty paid	Registration fee paid	Levied stamp duty and registration fee	Difference
1	Agra	SR Bah	5459/19.07.14	6197/15.10.13	715	1,947.50	2,35,000	4,000	77,90,000	77,90,000	4&5	3,79,500	10,000	3,89,500	9,400	10,000	19,400	3,70,100
2	Agra	SR IV Sadar	4313/10.07.14	1646/14.03.14	248	690.00	8,28,000	4,500	31,05,000	31,05,000	6&7	2,07,350	10,000	2,17,350	49,700	10,000	59,700	1,57,650
3	Aligarh	SR I Sadar	12521/05.11.14	9171/30.07.14	61/3 Mi	4,000.00	35,00,000	3,500	1,40,00,000	1,40,00,000	7	9,80,000	10,000	9,90,000	2,45,000	10,000	2,55,000	7,35,000
4	Aligarh	SR I Sadar	642/17.01.14	335/09.01.14	77	1,920.00	40,97,000	3,500	67,20,000	67,20,000	7	4,70,400	10,000	4,80,400	2,87,000	10,000	2,97,000	1,83,400
5	Aligarh	SR II Sadar	13804/27.12.14	8882/19.08.14	259 A, 259 B	1,602.00	16,02,000	3,200	51,26,400	51,27,000	6&7	3,48,890	10,000	3,58,890	1,02,300	10,000	1,12,300	2,46,590
6	Aligarh	SR II Sadar	13780/27.12.14	7009/05.08.14 11052/14.10.14	255,257	2,126.60	27,66,000	3,000	63,79,800	63,80,000	7	4,46,600	10,000	4,56,600	1,94,000	10,000	2,04,000	2,52,600
7	Aligarh	SR II Sadar	1659/13.02.14	149/06.01.14	661	1,408.00	11,27,000	2,500	35,20,000	35,20,000	7	2,46,400	10,000	2,56,400	79,000	10,000	89,000	1,67,400
8	Aligarh	SR III Sadar	1552/10.02.14	1303/03.02.14	93	5,780.00	28,90,000	2,500	1,44,50,000	1,44,50,000	7	10,11,500	10,000	10,21,500	2,02,500	10,000	2,12,500	8,09,000
9	Aligarh	SR III Sadar	1553/10.02.14	1304/03.02.14	93	5,370.00	26,85,000	2,500	1,34,25,000	1,34,25,000	7	9,39,750	10,000	9,49,750	1,88,000	10,000	1,98,000	7,51,750
10	Aligarh	SR III Sadar	1551/10.02.14	1303/03.02.14	93	3,472.00	17,36,000	2,500	86,80,000	86,80,000	7	6,07,600	10,000	6,17,600	1,22,000	10,000	1,32,000	4,85,600
11	Aligarh	SR Atrauli	2747/19.03.14	6967/12.08.13	373	2,615.00	12,23,500	3,800	99,37,000	99,37,000	6&7	6,85,590	10,000	6,95,590	75,610	10,000	85,610	6,09,980
12	Allahabad	SR Soraon	374/21.01.15	6740/17.10.14	270	430.00	1,44,000	4,600	19,78,000	19,78,000	6&7	1,28,460	10,000	1,38,460	8,640	10,000	18,640	1,19,820
13	Allahabad	SR Soraon	1784/02.04.14	1348/10.03.14	589 Mi	1,370.00	38,22,000	6,600	90,42,000	90,42,000	6&7	6,22,940	10,000	6,32,940	2,57,600	10,000	2,67,600	3,65,340
14	Allahabad	SR II Sadar	5127/24.07.14	4877/16.07.14	54/2	6,498.00	41,62,000	4,500	2,92,41,000	2,92,41,000	7	20,46,870	10,000	20,56,870	2,91,500	10,000	3,01,500	17,55,370
15	Allahabad	SR II Sadar	5264/28.07.14	346/17.01.14	461	2,653.00	21,07,700	3,200	84,89,600	84,90,000	7	5,94,300	10,000	6,04,300	1,47,600	10,000	1,57,600	4,46,700
16	Allahabad	SR II Sadar	6032/16.08.14	2747/22.04.14	1021 B	709.00	14,08,000	4,500	31,90,500	31,91,000	7	2,23,370	10,000	2,33,370	98,600	10,000	1,08,600	1,24,770
17	Allahabad	SR Phulpur	3847/02.06.14	7580/26.11.13	394/1	1,055.00	19,73,000	4,800	50,64,000	50,64,000	7	3,54,480	10,000	3,64,480	1,38,120	10,000	1,48,120	2,16,360
18	Allahabad	SR Phulpur	1275/28.02.14	357/18.01.14	193	672.00	16,13,000	4,800	32,25,600	32,26,000	6&7	2,15,820	10,000	2,25,820	1,03,000	10,000	1,13,000	1,12,820
19	Allahabad	SR Phulpur	1152/22.02.14	8429/24.12.13	780,781	456.00	11,86,000	5,200	23,71,200	23,72,000	6&7	1,56,040	10,000	1,66,040	73,059	10,000	83,059	82,981
20	Allahabad	SRI Sadar	2330/12.05.14	948/24.02.14, 893/21.02.14, 123/09.01.14	243, 244, 245	9,513.00	28,41,000	2,500	2,37,82,500	2,37,83,000	7	16,64,810	10,000	16,74,810	1,99,000	10,000	2,09,000	14,65,810
21	Allahabad	SRI Sadar	5471/08.10.13	3776/08.07.13	1033	2,907.00	22,81,000	4,000	1,16,28,000	1,16,28,000	7	8,13,960	10,000	8,23,960	1,60,050	10,000	1,70,050	6,53,910
22	Allahabad	SRI Sadar	3234/23.06.14	2024/21.04.14	887	1,655.00	29,00,000	4,000	66,20,000	66,20,000	5	3,31,000	10,000	3,41,000	1,45,100	10,000	1,55,100	1,85,900
23	Allahabad	SR Korao	2707/24.08.13	2709/24.08.13	825 Mi	680.00	11,80,000	6,000	40,80,000	40,80,000	4&5	1,94,000	10,000	2,04,000	49,000	10,000	59,000	1,45,000

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Registration fees	Leviable stamp duty and registration fee	Stamp duty paid	Registration fee paid	Levied stamp duty and registration fee	Difference
24	Ambedkar Nagar	SR Bhiti	239/12.02.14	1402/16.09.13	674	5,280.00	27,99,000	3,750	1,98,00,000	1,98,00,000	5	9,90,000	10,000	10,00,000	1,40,000	10,000	1,50,000	8,50,000
25	Ambedkar Nagar	SR Bhiti	1005/25.07.13	208/28.02.13 431/02.04.13	332	1,300.00	7,17,000	3,100	40,30,000	40,30,000	4&5	1,91,500	10,000	2,01,500	28,700	10,000	38,700	1,62,800
26	Ambedkar Nagar	SR Bhiti	396/12.03.14	320/19.03.13 321/19.03.13 322/19.03.13	183	1,492.00	12,84,000	3,500	52,22,000	52,22,000	5	2,61,100	10,000	2,71,100	64,200	10,000	74,200	1,96,900
27	Ambedkar Nagar	SR Alapur	2816/07.11.13	560/7.03.13	402 Mi	1,290.00	6,20,000	3,300	42,57,000	42,57,000	4&5	2,02,850	10,000	2,12,850	25,010	10,000	35,010	1,77,840
28	Auriya	SR Sadar	4034/12.05.14	2182/15.03.14	941 Mi	4,000.00	4,20,000	2,000	80,00,000	80,00,000	5	4,00,000	10,000	4,10,000	21,000	7,560	28,560	3,81,440
29	Auriya	SR Sadar	4385/21.05.14	320/10.01.14	130	299.00	1,50,000	8,000	23,92,000	23,92,000	4&5	1,09,600	10,000	1,19,600	6,050	1,500	7,550	1,12,050
30	Ballia	SR Rasra	2409/18.09.14	2410/18.09.14	403	2,010.00	9,05,000	6,000	1,20,60,000	1,20,60,000	5	6,03,000	10,000	6,13,000	45,250	10,000	55,250	5,57,750
31	Ballia	SR Bansdeeh	1898/28.09.13	1291/01.07.13	57	1,660.00	2,83,000	2,400	39,84,000	39,84,000	5	1,99,200	10,000	2,09,200	14,150	5,660	19,810	1,89,390
32	Ballia	SR Banshdeeh	1787/11.09.13	1516, 1518/31.07.13	202	7,760.00	11,64,000	3,000	2,32,80,000	2,32,80,000	5	11,64,000	10,000	11,74,000	58,200	10,000	68,200	11,05,800
33	Banda	SR Sadar	5872/18.07.14	7389/19.12.11	224	4,480.00	20,16,000	3,000	1,34,40,000	1,34,40,000	6&7	9,30,800	10,000	9,40,800	1,31,120	10,000	1,41,120	7,99,680
34	Banda	SR Narani	2850/06.09.14	3662/22.11.13	329	970.00	3,40,000	2,500	24,25,000	24,25,000	4&5	1,11,250	10,000	1,21,250	13,600	6,800	20,400	1,00,850
35	Banda	SR Narani	2855/08.09.14	1929/14.05.13	727	540.00	2,37,000	7,000	37,80,000	37,80,000	5	1,89,000	10,000	1,99,000	11,850	2,370	14,220	1,84,780
36	Banda	SR Baberu	2341/11.08.14	4882/11.11.13	2982	7,000.00	29,40,000	10,000	7,00,00,000	7,00,00,000	5	35,00,000	10,000	35,10,000	1,47,150	10,000	1,57,150	33,52,850
37	Barabanki	SR Sirouli Gauspur	1674/12.05.14	1438/17.04.14	82 Mi	1,020.00	10,58,000	3,000	30,60,000	30,60,000	4&5	1,43,000	10,000	1,53,000	43,000	10,000	53,000	1,00,000
38	Bareilly	SR Nwabganj	679/29.01.14	920/08.02.13	152	2,301.25	23,02,000	5,500	1,26,56,875	1,26,57,000	4&5	6,22,850	20,000	6,42,850	95,100	20,000	1,15,100	5,27,750
39	Basti	SR Bhanpur	2274/27.08.14	2102/04.08.14 984//07.04.14	1512, 1513	1,120.00	5,83,000	3,500	39,20,000	39,20,000	4&5	1,86,000	10,000	1,96,000	23,320	10,000	33,320	1,62,680
40	Budaun	SR Bilsa	3931/01.07.14	3095/02.06.14	527 Mi	2,200.00	11,55,000	2,300	50,60,000	50,60,000	5	2,53,000	10,000	2,63,000	57,750	10,000	67,750	1,95,250
41	Buland Shahr	SR I Sadar	3069/22.05.14	2987/20.05.14	954	960.00	15,60,000	5,000	48,00,000	48,00,000	7	3,36,000	10,000	3,46,000	1,10,000	10,000	1,20,000	2,26,000
42	Buland Shahr	SR Sayana	5804/13.06.14	4852/26.05.14	333	1,900.00	19,00,000	6,500	1,23,50,000	1,23,50,000	5	6,17,500	10,000	6,27,500	95,000	10,000	1,05,000	5,22,500
43	Buland Shahr	SR Sayana	8460/29.08.14	4852/26.05.14	333	1,260.00	22,70,000	6,500	81,90,000	81,90,000	4&5	3,99,500	10,000	4,09,500	1,05,000	10,000	1,15,000	2,94,500
44	Buland Shahr	SR Sayana	9703/04.10.14	4852/26.05.14	333	1,550.00	40,42,000	5,800	89,90,000	89,90,000	4&5	4,39,500	10,000	4,49,500	1,92,500	10,000	2,02,500	2,47,000
45	Buland Shahr	SR Sayana	9361/23.09.14	9104/16.09.14 9105/16.09.14	531	3,160.00	11,51,000	1,100	34,76,000	34,76,000	4&5	1,63,800	10,000	1,73,800	47,600	10,000	57,600	1,16,200
46	Bulandshahr	SR Anoop Shahr	1721/12.03.14	858/01.02.12	550	850.00	13,25,000	6,000	51,00,000	51,00,000	4&5	2,45,000	10,000	2,55,000	56,300	10,000	66,300	1,88,700
47	Bulandshahr	SR Shikarpur	3788/18.05.13	2969/01.05.12	642 Sa	543.00	3,05,000	3,500	19,00,500	19,01,000	4 & 5	85,050	10,000	95,050	12,200	6,100	18,300	76,750

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48	BulandShahar	SR Shikarpur	3870/21.05.13	2969/01.05.12	642 Sa	543.00	3,05,000	3,500	19,00,500	19,01,000	4 & 5	85,050	10,000	95,050	12,200	6,100	18,300	76,750
49	BulandShahar	SR Shikarpur	7384/23.09.13	7293/19.09.13	540	800.00	5,68,000	5,000	40,00,000	40,00,000	5	2,00,000	10,000	2,10,000	28,500	10,000	38,500	1,71,500
50	Chandauli	SR Sakaldiha	2459/16.07.13	2461/16.07.13	257	1,890.00	4,27,000	2,000	37,80,000	37,80,000	4&5	1,79,000	10,000	1,89,000	17,100	8,560	25,660	1,63,340
51	Chandauli	SR Sadar	12645/21.11.13	3292/21.03.13	111	2,410.00	4,97,000	1,100	26,51,000	26,51,000	5	1,32,550	10,000	1,42,550	24,850	9,940	34,790	1,07,760
52	Chandauli	SR Sadar	9414/17.08.13	4542/20.04.13	203/1 Mi	1,880.00	14,10,000	1,900	35,72,000	35,72,000	6&7	2,40,040	10,000	2,50,040	88,700	10,000	98,700	1,51,340
53	Chandauli	SR Chakiya	2792/07.09.13	2793/07.09.13	299	2,010.00	6,05,000	2,300	46,23,000	46,23,000	4&5	2,21,150	10,000	2,31,150	24,220	10,000	34,220	1,96,930
54	Chitrakoot	SR Mau	3733/29.10.14	2087/21.06.12	2603	3,720.00	9,00,000	3,000	1,11,60,000	1,11,60,000	5	5,58,000	10,000	5,68,000	45,000	10,000	55,000	5,13,000
55	Chitrakoot	SR Mau	4329/18.12.14	1629/22.05.14	2603	2,140.00	5,14,000	3,000	64,20,000	64,20,000	5	3,21,000	10,000	3,31,000	25,700	10,000	35,700	2,95,300
56	Chitrakoot	SR Karvi	932/25.02.14	4979/11.11.13	883 Mi	2,880.00	11,52,000	3,000	86,40,000	86,40,000	6&7	5,94,800	10,000	6,04,800	70,640	10,000	80,640	5,24,160
57	Deoria	SR Bhatapar	473/19.03.14	916/16.05.13	737	1,100.00	18,12,000	5,700	62,70,000	62,70,000	4&5	3,03,500	10,000	3,13,500	80,600	10,000	90,600	2,22,900
58	Etawah	SR Sadar	7554/27.08.14	5702/07.04.14	44	674.00	1,35,000	3,500	23,59,000	23,59,000	5	1,17,950	10,000	1,27,950	6,800	1,350	8,150	1,19,800
59	Etawah	SR Jaswant Nagar	1317/03.06.14	534/04.03.14	404	2,030.00	30,35,000	12,000	2,43,60,000	2,43,60,000	7	17,05,200	10,000	17,15,200	2,12,500	10,000	2,22,500	14,92,700
60	Faizabad	SR Sadar	705/29.01.14	5431/29.08.13	90 Mi	2,660.00	35,91,000	4,000	1,06,40,000	1,06,40,000	7	7,44,800	10,000	7,54,800	2,51,500	10,000	2,61,500	4,93,300
61	Faizabad	SR Milkipur	623/13.02.14	580/06.02.14	761	301.60	19,00,000	9,000	27,14,400	27,15,000	4&5	1,25,750	10,000	1,35,750	7,560	1,900	9,460	1,26,290
62	Faizabad	SR Milkipur	1868/09.05.14	580/06.02.14	761	301.60	2,62,000	9,000	27,14,400	27,15,000	4&5	1,25,750	10,000	1,35,750	39,680	5,240	44,920	90,830
63	Faizabad	SR Rudouli	3879/12.09.14	2458/17.06.14	320	2,020.00	8,74,000	6,240	1,26,04,800	1,26,05,000	5	6,30,250	10,000	6,40,250	43,700	10,000	53,700	5,86,550
64	Farrukhabad	SR Sadar	3193/28.03.14	122/04.01.14	33	1,410.00	17,00,000	3,100	43,71,000	43,71,000	7	3,05,970	10,000	3,15,970	1,19,100	10,000	1,29,100	1,86,870
65	Firozabad	SR II Sadar	5626/27.09.14	4706/05.08.14 4708/05.08.14 4711/05.08.14 4176/05.08.14 5578/26.09.14	212	6,150.00	31,37,000	1,800	1,10,70,000	1,10,70,000	7	7,74,900	10,000	7,84,900	2,19,600	10,000	2,29,600	5,55,300
66	Firozabad	SR II Sadar	6866/06.12.14	3990/16.07.14 3992/16.07.14	13	2,060.00	8,66,000	1,800	37,08,000	37,08,000	7	2,59,560	10,000	2,69,560	60,620	10,000	70,620	1,98,940
67	Firozabad	SR II Sadar	5955/17.10.14	4979/20.08.14	731	2,300.00	9,66,000	1,400	32,20,000	32,20,000	7	2,25,400	10,000	2,35,400	63,800	10,000	73,800	1,61,600
68	Firozabad	SR I Sadar	2685/12.03.14	12170/22.11.13 12942/09.12.13 13630/26.12.13	434	2,230.00	11,15,000	2,300	51,29,000	51,29,000	7	3,59,030	10,000	3,69,030	78,500	10,000	88,500	2,80,530
69	Firozabad	SR I Sadar	3320/29.03.14	3211/27.03.14	20	2,020.00	14,14,000	1,800	36,36,000	36,36,000	6&7	2,44,520	10,000	2,54,520	89,000	10,000	99,000	1,55,520
70	Firozabad	SR I Sadar	13535/20.11.14	13421/18.11.14 12200/20.10.14	77	2,102.50	6,31,000	1,800	37,84,500	37,85,000	7	2,64,950	10,000	2,74,950	44,200	10,000	54,200	2,20,750
71	Firozabad	SR Tundla	8077/29.11.14	8004/27.11.14	540	3,270.00	25,00,000	4,000	1,30,80,000	1,30,80,000	5	6,54,000	10,000	6,64,000	1,25,000	10,000	1,35,000	5,29,000

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72	G.B. Nagar	SR Gretar Noida	29123/08.09.14	13095/22.04.14 12909//21.04.14 11880/07.04.14 11884/07.04.14	750,751	6,500.00	82,23,000	8,000	5,20,00,000	5,20,00,000	5	26,00,000	10,000	26,10,000	4,11,500	10,000	4,21,500	21,88,500
73	G.B. Nagar	SR Gretar Noida	33323/03.11.14	12764/19.04.14 16938/28.05.14 16939/25.08.14	165	11,553.00	88,96,000	4,000	4,62,12,000	4,62,12,000	5	23,10,600	10,000	23,20,600	4,45,500	10,000	4,55,500	18,65,100
74	G.B. Nagar	SR Gretar Noida	35264/26.11.14	15560/19.05.14 18769/13.06.14	30	670.00	6,00,000	4,200	28,14,000	28,14,000	5	1,40,700	10,000	1,50,700	30,000	10,000	40,000	1,10,700
75	G.B. Nagar	SR Gretar Noida	38/01.01.14	22614/12.09.13 26103/22.10.13	27	4,719.00	48,14,000	4,800	2,26,51,200	2,26,52,000	5	11,32,600	10,000	11,42,600	2,41,000	10,000	2,51,000	8,91,600
76	G.B. Nagar	SR Gretar Noida	16454/24.05.14	6230/24.02.14 6233/24.02.14 6235/24.02.14	525	1,141.60	12,60,000	7,000	79,91,200	79,92,000	5	3,99,600	10,000	4,09,600	63,000	10,000	73,000	3,36,600
77	Gazipur	SR Sadar	3884/11.09.13	3836/10.09.13	1024 Kha	1,275.00	15,30,000	4,700	59,92,500	59,93,000	4&5	2,89,650	10,000	2,99,650	66,500	10,000	76,500	2,23,150
78	GB Nagar	SR Dadri	17867/03.09.14	17749/02.09.14 17752/02.09.14	445	1,254.00	19,44,000	7,200	90,28,800	90,29,000	5	4,51,450	10,000	4,61,450	97,500	10,000	1,07,500	3,53,950
79	GB Nagar	SR Dadri	1899/28.01.15	942/15.01.15 943/15.01.15	164 Ga	885.00	16,80,000	5,500	48,67,500	48,68,000	5	2,43,400	10,000	2,53,400	84,000	10,000	94,000	1,59,400
80	Ghaziabad	SR III Sadar	10544/29.12.14	9469/17.11.14 9472//17.11.14 9473/17.11.14	1166 Mi	4,123.00	53,59,900	4,000	1,64,92,000	1,64,92,000	7	11,54,440	10,000	11,64,440	3,75,193	10,000	3,85,193	7,79,247
81	Ghaziabad	SR III Sadar	8919/28.10.14	6294/21.07.14 6295/21.07.14 4714/30.06.14	1166 Mi	1,390.00	18,08,000	4,000	55,60,000	55,60,000	7	3,89,200	10,000	3,99,200	1,26,600	10,000	1,36,600	2,62,600
82	Ghaziabad	SR III Sadar	7708/04.09.14	5690/02.07.14 5691/02.07.14	957 Mi	1,245.00	16,44,000	4,000	49,80,000	49,80,000	6&7	3,38,600	10,000	3,48,600	1,05,000	10,000	1,15,000	2,33,600
83	Ghaziabad	SR IV Sadar	20239/10.07.14	7588/12.03.14	1274	2,111.00	61,33,000	7,000	1,47,77,000	1,47,77,000	7	10,34,390	10,000	10,44,390	4,29,500	10,000	4,39,500	6,04,890
84	Ghaziabad	SR IV Sadar	5744/24.02.14	4231/10.02.14	448	1,686.00	49,00,000	7,000	1,18,02,000	1,18,02,000	7	8,26,140	10,000	8,36,140	3,43,000	10,000	3,53,000	4,83,140
85	Ghaziabad	SR IV Sadar	23455/14.08.14	28272/26.06.13	398	789.00	31,90,000	10,000	78,90,000	78,90,000	6&7	5,42,300	10,000	5,52,300	2,14,000	10,000	2,24,000	3,28,300
86	Ghaziabad	SR V Sadar	5947/05.09.14	5242/08.08.14	85	1,672.00	10,04,000	4,200	70,22,400	70,23,000	7	4,91,610	10,000	5,01,610	70,500	10,000	80,500	4,21,110
87	Ghaziabad	SR V Sadar	2313/02.04.14	1865/12.03.14 2288/02.04.14	388	2,090.00	17,77,000	7,000	1,46,30,000	1,46,30,000	7	10,24,100	10,000	10,34,100	1,25,050	10,000	1,35,050	8,99,050
88	Ghaziabad	SR II Sadar	11179/17.7.13	8861/11.06.13	30	5,584.00	24,84,000	3,000	1,67,52,000	1,67,52,000	7	11,72,640	10,000	11,82,640	1,74,000	10,000	1,84,000	9,98,640
89	Gonda	SR Karnail Ganj	5468/28.06.13	5469/28.06.13	342	2,190.00	1,80,000	1,500	32,85,000	32,85,000	5	1,64,250	10,000	1,74,250	9,000	1,800	10,800	1,63,450

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90	Gonda	SR Mankapur	2471/28.04.14	2472/28.04.14	507 Mi	1,490.00	2,39,000	2,000	29,80,000	29,80,000	4&5	1,39,000	10,000	1,49,000	9,560	2,390	11,950	1,37,050
91	Gonda	SR Sadar	8781/01.07.14	8597/28.06.14	186 Mi	2,020.00	20,54,000	1,800	36,36,000	36,36,000	7	2,54,520	10,000	2,64,520	1,44,000	10,000	1,54,000	1,10,520
92	Gorakhpur	SR Kampiarganj	1764/30.06.14	1767/30.06.14 1768/30.06.14	1655	650.00	9,10,000	6,500	42,25,000	42,25,000	5	2,11,250	10,000	2,21,250	45,500	10,000	55,500	1,65,750
93	Gorakhpur	SR ChauriChaura	245/21.01.14	202/21.01.14	118,119	1,450.00	28,82,000	4,800	69,60,000	69,60,000	5	3,48,000	10,000	3,58,000	1,44,100	10,000	1,54,100	2,03,900
94	Gorakhpur	SR Gola Bazar	401/28.01.14	204/20.01.14	610	2,967.50	32,67,000	2,600	77,15,500	77,16,000	5	3,85,800	10,000	3,95,800	1,63,350	10,000	1,73,350	2,22,450
95	Gorakhpur	SR II Sadar	1079/04.02.14	313/16.01.14	222/1	4,040.00	1,09,15,000	8,000	3,23,20,000	3,23,20,000	7	22,62,400	10,000	22,72,400	7,64,500	10,000	7,74,500	14,97,900
96	Gorakhpur	SR II Sadar	903/30.01.14	10973/25.10.13	243/28/1/4	1,600.00	61,56,000	8,000	1,28,00,000	1,28,00,000	7	8,96,000	10,000	9,06,000	2,12,800	10,000	2,22,800	6,83,200
97	Hamirpur	SR Sadar	5192/23.09.14	268/28.01.13	1605	2,960.00	8,00,000	3,850	1,13,96,000	1,13,96,000	5	5,69,800	10,000	5,79,800	40,000	10,000	50,000	5,29,800
98	Hamirpur	SR Sadar	1454/29.03.14	195/09.01.14	2228	1,740.00	6,27,000	3,200	55,68,000	55,68,000	5	2,78,400	10,000	2,88,400	31,350	10,000	41,350	2,47,050
99	Hamirpur	SR Sadar	2057/19.05.14	195/09.01.14	2228	1,740.00	6,28,000	3,200	55,68,000	55,68,000	5	2,78,400	10,000	2,88,400	31,500	10,000	41,500	2,46,900
100	Hapur	SR I Sadar	3568/15.05.14	9299/11.10.13 5642/07.06.13 5643/07.06.13	463 Mi	969.80	17,46,000	3,700	35,88,260	35,89,000	7	2,51,230	10,000	2,61,230	1,22,500	10,000	1,32,500	1,28,730
101	Hapur	SR I Sadar	3569/15.05.14	9299/11.10.13 5642/07.06.13 5643/07.06.13	463 Mi	969.80	17,46,000	3,700	35,88,260	35,89,000	7	2,51,230	10,000	2,61,230	1,22,500	10,000	1,32,500	1,28,730
102	Hapur	SR I Sadar	3567/15.05.14	9299/11.10.13 5642/07.06.13 5643/07.06.13	463 Mi	590.20	10,63,000	3,700	21,83,740	21,84,000	7	1,52,880	10,000	1,62,880	74,650	10,000	84,650	78,230
103	Hapur	SR I Sadar	1434/18.02.14	10843/26.12.13 10844/26.12.13 10845/26.12.13 10846/26.12.13	121	1,260.00	26,46,000	4,000	50,40,000	50,40,000	6&7	3,42,800	10,000	3,52,800	1,75,300	10,000	1,85,300	1,67,500
104	Hapur	SR I Sadar	10451/09.12.13	5304/30-0513	29	535.00	9,65,000	4,600	24,61,000	24,61,000	6&7	1,62,270	10,000	1,72,270	58,000	10,000	68,000	1,04,270
105	Hapur	SR II Sadar	7158/27.10.14	6727/04.10.14 6728/04.10.14	322	890.00	20,03,000	4,400	39,16,000	39,16,000	7	2,74,120	10,000	2,84,120	1,40,500	10,000	1,50,500	1,33,620
106	Hapur	SR II Sadar	8536/22.12.14	6727/04.10.14 6728/04.10.14	322	431.00	4,96,000	3,100	13,36,100	13,37,000	7	93,590	10,000	1,03,590	34,800	9,920	44,720	58,870
107	Hardoi	SR Bilgram	3920/19.04.14	583/20.01.14	1351	1,696.00	4,59,000	1,700	28,83,200	28,84,000	4&5	1,34,200	10,000	1,44,200	18,360	9,180	27,540	1,16,660
108	Hardoi	SR Bilgram	7260/27.07.14	263/08.01.14	319	1,518.80	2,74,000	1,700	25,81,960	25,82,000	4&5	1,19,100	10,000	1,29,100	10,960	5,480	16,440	1,12,660
109	Kanpur	SR III Sadar	14395/31.07.14	14371/31.07.14	87	420.00	6,72,000	8,200	34,44,000	34,44,000	7	2,41,080	10,000	2,51,080	47,040	10,000	57,040	1,94,040
110	Kanpur Dehat	SR Derapur	80/15.01.14	1396/12.06.13	283 Ka	660.00	2,35,000	3,000	19,80,000	19,80,000	7	1,38,600	10,000	1,48,600	16,450	2,350	18,800	1,29,800
111	Kanpur Dehat	SR Akbarpur	8797/18.12.13	8798/18.12.13	55	1,196.00	55,94,000	7,000	83,72,000	83,72,000	7	5,86,040	10,000	5,96,040	3,91,600	10,000	4,01,600	1,94,440

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Registration fees	Leviable stamp duty and registration fee	Stamp duty paid	Registration fee paid	Levied stamp duty and registration fee	Difference
112	Kanpur Dehat	SR Bhognipur	2855/22.07.14	2438/05.07.13	969	2,499.00	12,50,000	3,000	74,97,000	74,97,000	4&5	3,64,850	10,000	3,74,850	52,250	10,000	62,250	3,12,600
113	Kanpur Dehat	SR Bhognipur	1016/19.03.14	556/18.02.13	915	2,446.00	14,82,000	3,000	73,38,000	73,38,000	5	3,66,900	10,000	3,76,900	74,100	10,000	84,100	2,92,800
114	Kanpur Nagar	SR IV Sadar	3839/11.4.14	945/24.1.14	1062, 1086, 1069, 1070	1,717.00	30,24,750	3,000	51,51,000	51,51,000	7	3,60,570	10,000	3,70,570	2,12,000	10,000	2,22,000	1,48,570
115	Kanpur Nagar	SR IV Sadar	3381/2.4.14	2567,2568,2570, 2571/11.3.14	485, 496	2,834.00	2,55,40,000	3,000	85,02,000	85,02,000	7	5,95,140	10,000	6,05,140	1,79,100	10,000	1,89,100	4,16,040
116	Kanpur Nagar	SR I Sadar	1427/07.03.14	1297/03.03.14	1088 A	9,140.00	62,84,000	1,800	1,64,52,000	1,64,52,000	7	11,51,640	10,000	11,61,640	4,40,000	10,000	4,50,000	7,11,640
117	Kanpur Nagar	SR I Sadar	101/08.01.14	5303/23.09.13	365 Mi	1,740.00	13,05,000	4,000	69,60,000	69,60,000	7	4,87,200	10,000	4,97,200	91,400	10,000	1,01,400	3,95,800
118	Kanpur Nagar	SR I Sadar	522/30.01.14	5734/23.10.13	2416	5,125.00	38,44,000	4,000	2,05,00,000	2,05,00,000	7	14,35,000	10,000	14,45,000	2,69,100	10,000	2,79,100	11,65,900
119	Kaushambi	SR Manjhanpur	301/22.01.14	222/17.01.14	186	2,050.00	4,90,059	4,800	98,40,000	98,40,000	5	4,92,000	10,000	5,02,000	24,563	10,000	34,563	4,67,437
120	Lucknow	SR Malihabad	4738/10.10.14	364/20.01.14	1198	1,000.00	8,46,720	4,400	44,00,000	44,00,000	5	2,20,000	10,000	2,30,000	42,500	10,000	52,500	1,77,500
						1,160.00	-	3,080	35,72,800	35,73,000	5	1,78,650	-	1,78,650	-	-	-	1,78,650
121	Lucknow	SR Malihabad	3892/19.08.14	364/20.01.14	1198	1,000.00	4,53,600	4,400	44,00,000	44,00,000	5	2,20,000	10,000	2,30,000	22,700	9,080	31,780	1,98,220
						620.00	-	3,080	19,09,600	19,10,000	5	95,500	-	95,500	-	-	-	95,500
122	Lucknow	SR Malihabad	6127/22.12.14	3157/02.07.14	1060 Sa	760.00	3,00,000	5,000	38,00,000	38,00,000	4&5	1,80,000	10,000	1,90,000	15,000	6,000	21,000	1,69,000
123	Lucknow	SR Malihabad	2474/23.05.14	2340/17.05.14	204	1,000.00	6,73,788	3,300	33,00,000	33,00,000	5	1,65,000	10,000	1,75,000	33,700	10,000	43,700	1,31,300
						687.00	-	2,310	15,86,970	15,87,000	5	79,350	-	79,350	-	-	-	79,350
124	Lucknow	SR Malihabad	566/29.01.14	364/20.01.14	1203, 1198	698.00	2,10,000	4,400	30,71,200	30,72,000	5	1,53,600	10,000	1,63,600	10,500	2,100	12,600	1,51,000
125	Lucknow	SR Malihabad	1660/29.03.14	785/10.02.14	277	1,000.00	5,37,320	1,500	15,00,000	15,00,000	5	75,000	10,000	85,000	27,000	10,000	37,000	48,000
						1,020.00	-	1,050	10,71,000	10,71,000	5	53,550	-	53,550	-	-	-	53,550
126	Lucknow	SR Mohanlal Ganj	10446/02.07.14	10447/02.07.14	360	1,000.00	48,31,000	5,500	55,00,000	55,00,000	5	2,75,000	10,000	2,85,000	2,41,525	10,000	2,51,525	33,475
						900.00	-	3,850	34,65,000	34,65,000	5	1,73,250	-	1,73,250	-	-	-	1,73,250
127	Lucknow	SR Mohanlal Ganj	1526/28.01.14	1088/22.01.14	302	710.00	3,97,600	5,500	39,05,000	39,05,000	5	1,95,250	10,000	2,05,250	20,000	7,960	27,960	1,77,290
128	Lucknow	SR Mohanlal Ganj	1497/28.01.14	318/08.01.14	686	650.00	3,64,000	5,500	35,75,000	35,75,000	5	1,78,750	10,000	1,88,750	18,200	7,280	25,480	1,63,270
129	Lucknow	SR Mohanlal Ganj	12790/13.08.14	11975/28.07.14	301	1,000.00	1,74,000	1,800	18,00,000	18,00,000	5	90,000	10,000	1,00,000	8,700	1,740	10,440	89,560
						390.00	-	1,260	4,91,400	4,92,000	5	24,600	-	24,600	-	-	-	24,600
130	Lucknow	SR V Sadar	1907/14.02.14	1803/13.02.14 1805/13.02.14 1807/13.02.14	600 Mi	1,000.00	2,07,45,000	6,000	60,00,000	60,00,000	7	4,20,000	10,000	4,30,000	14,52,150	10,000	14,62,150	-10,32,150
						5,955.00	-	4,200	2,50,11,000	2,50,11,000	7	17,50,770	-	17,50,770	-	-	-	17,50,770
131	Lucknow	SR V Sadar	5333/15.05.14	4311/15.04.14 1453/04.02.14	689	1,000.00	1,97,84,900	6,500	65,00,000	65,00,000	7	4,55,000	10,000	4,65,000	13,85,000	10,000	13,95,000	-9,30,000
						4,375.00	-	4,550	1,99,06,250	1,99,07,000	7	13,93,490	-	13,93,490	-	-	-	13,93,490

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Registration fees	Leviable stamp duty and registration fee	Stamp duty paid	Registration fee paid	Levied stamp duty and registration fee	Difference
				6657/18.06.14														
132	Lucknow	SR Bakshi ka Talab	17885/03.12.14	5392/14.04.13	84	1,000.00	78,05,700	4,800	48,00,000	48,00,000	7	3,36,000	10,000	3,46,000	5,46,500	10,000	5,56,500	- 2,10,500
						2,735.00		3,360	91,89,600	91,90,000	7	6,43,300	-	6,43,300	-	-	-	6,43,300
133	Lucknow	SR Bakshi ka Talab	17344/26.11.14	17377/26.11.14	587	1,000.00	21,59,000	4,200	42,00,000	42,00,000	7	2,94,000	10,000	3,04,000	1,51,200	10,000	1,61,200	1,42,800
						1,570.00		2,940	46,15,800	46,16,000	7	3,23,120	-	3,23,120	-	-	-	3,23,120
134	Lucknow	SR Bakshi ka Talab	10544/16.07.14	10545/16.07.14	121, 122	1,000.00	21,32,000	3,500	35,00,000	35,00,000	5	1,75,000	10,000	1,85,000	1,06,600	10,000	1,16,600	68,400
						2,280.00		2,450	55,86,000	55,86,000	5	2,79,300	-	2,79,300	-	-	-	2,79,300
135	Lucknow	SR Bakshi ka Talab	12680/26.08.14	5329/07.04.14	629	1,000.00	14,16,200	3,600	36,00,000	36,00,000	5	1,80,000	10,000	1,90,000	71,000	10,000	81,000	1,09,000
						940.00		2,520	23,68,800	23,69,000	5	1,18,450	-	1,18,450	-	-	-	1,18,450
136	Lucknow	SR Bakshi ka Talab	19576/30.12.14	8183/04.06.14	2142	1,000.00	52,42,000	4,800	48,00,000	48,00,000	7	3,36,000	10,000	3,46,000	3,67,500	10,000	3,77,500	- 31,500
						1,530.00		3,360	51,40,800	51,41,000	7	3,59,870	-	3,59,870	-	-	-	3,59,870
137	Mirzapur	SR Marihan	667/28.02.14	548/24.02.14	44 kha	9,700.00	7,21,000	1,900	1,84,30,000	1,84,30,000	5	9,21,500	10,000	9,31,500	36,050	10,000	46,050	8,85,450
138	Mirzapur	SR Lalganj	2029/21.07.14	3144/27.12.13 636/10.03.14	4 Ka	2,150.00	2,94,000	3,625	77,93,750	77,94,000	5	3,89,700	10,000	3,99,700	14,700	5,880	20,580	3,79,120
139	Mirzapur	SR Lalganj	769/19.03.14	3144/27.12.14 636/10.03.14	4 Ka	1,260.00	1,72,000	3,625	45,67,500	45,68,000	4&5	2,18,400	10,000	2,28,400	7,010	1,720	8,730	2,19,670
140	Mirzapur	SR Lalganj	233/28.01.14	1927/18.07.13	57	3,353.00	3,65,000	3,500	1,17,35,500	1,17,36,000	4&5	5,76,800	10,000	5,86,800	14,600	7,300	21,900	5,64,900
141	Mirzapur	SR Lalganj	244/29.01.14	1927/18.07.13	57	823.00	97,000	3,500	28,80,500	28,81,000	5	1,44,050	10,000	1,54,050	4,860	970	5,830	1,48,220
142	Pratapgarh	SR Kunda	3142/29.07.13	2721/08.07.13	893	1,880.00	13,00,600	7,000	1,31,60,000	1,31,60,000	7	9,21,200	10,000	9,31,200	91,042	10,000	1,01,042	8,30,158
143	Pratapgarh	SR Kunda	1051/17.02.14	4932/11.11.13	365	1,700.00	5,44,000	4,000	68,00,000	68,00,000	4&5	3,30,000	10,000	3,40,000	21,760	10,000	31,760	3,08,240
144	Pratapgarh	SR Kunda	2399/02.05.14	728 /01.02.14	3482	1,260.00	5,79,600	5,500	69,30,000	69,30,000	4&5	3,36,500	10,000	3,46,500	23,184	10,000	33,184	3,13,316
145	Pratapgarh	SR Kunda	726/01.02.14	728 /01.02.14	3482	1,260.00	5,80,000	5,500	69,30,000	69,30,000	5	3,46,500	10,000	3,56,500	29,000	10,000	39,000	3,17,500
146	Raebareli	SR Dalmau	518/06.03.14	58/09.01.14	68	1,140.00	1,60,000	2,600	29,64,000	29,64,000	5	1,48,200	10,000	1,58,200	8,000	1,600	9,600	1,48,600
147	Raebareli	SR Sadar	8950/16.09.14	6525/02.04.14	1505	1,140.00	10,59,000	5,000	57,00,000	57,00,000	4&5	2,75,000	10,000	2,85,000	52,950	10,000	62,950	2,22,050
148	Rampur	SR Sadar	2401/15.04.14	6756/11.11.13	162 Mi	505.00	2,28,000	5,000	25,25,000	25,25,000	7	1,76,750	10,000	1,86,750	16,000	2,280	18,280	1,68,470
149	Sant Ravi Das Nagar	SR Bhadohi	583/05.03.14	1645/10.06.13	372	740.50	8,52,000	4,500	33,32,250	33,33,000	5	1,66,650	10,000	1,76,650	42,600	10,000	52,600	1,24,050
150	Shahjahanpur	SR Jalalabad	8865/30.09.14	2378/24.03.14	1083	160.00	31,000	5,100	8,16,000	8,16,000	4	32,640	10,000	42,640	1,240	310	1,550	41,090
151	Shahjahanpur	SR Jalalabad	5737/14.07.14	2378/24.03.14	1083	640.00	1,28,000	4,300	27,52,000	27,52,000	4&5	1,27,600	10,000	1,37,600	5,120	1,280	6,400	1,31,200
152	Siddharthnagar	SR Naugarh	1194/03.03.14	747/12.02.14	113	1,428.00	13,16,000	5,700	81,39,600	81,40,000	5	4,07,000	10,000	4,17,000	65,800	10,000	75,800	3,41,200
153	Siddharthnagar	SR Naugarh	1372/12.03.14	747/12.02.14	113	1,012.00	9,32,000	5,700	57,68,400	57,69,000	4&5	2,78,450	10,000	2,88,450	37,300	10,000	47,300	2,41,150
154	Siddharthnagar	SR Dumariyaganj	3692/05.11.14	557/18.02.14 1675/27.05.14	152	1,240.00	10,80,000	1,575	19,53,000	19,53,000	5	97,650	10,000	1,07,650	54,000	10,000	64,000	43,650

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Due Registration fees	Leviable stamp duty and registration fee	Stamp duty paid	Registration fee paid	Levied stamp duty and registration fee	Difference
155	Siddharthnagar	SR Dumariyaganj	3693/05.11.14	557/18.02.14 1675/27.05.14	152	2,010.00	17,48,000	1,575	31,65,750	31,66,000	5	1,58,300	10,000	1,68,300	87,400	10,000	97,400	70,900
156	Siddharthnagar	SR Sohrat Garh	2571/28.05.14	1737/11.04.14	114	1,265.00	4,00,000	4,560	57,68,400	57,69,000	5	2,88,450	10,000	2,98,450	23,300	9,320	32,620	2,65,830
157	Sonbhadra	SR Sadar	938/07.02.14	935/07.02.14	700/1Mi	2,405.00	2,65,000	1,000	24,05,000	24,05,000	6&7	1,58,350	10,000	1,68,350	15,900	7,080	22,980	1,45,370
158	Sonbhadra	SR Goharawal	2525/31.07.14	589/20.02.14	715 Mi	4,780.00	11,48,000	4,400	2,10,32,000	2,10,32,000	5	10,51,600	10,000	10,61,600	57,400	10,000	67,400	9,94,200
159	Sonbhadra	SR Sadar	6126/24.07.14	6094/23.07.14	176	3,160.00	22,12,000	2,400	75,84,000	75,84,000	5	3,79,200	10,000	3,89,200	1,10,600	10,000	1,20,600	2,68,600
160	Sonbhadra	SR Sadar	917/07.02.14	639/28.01.14	242	2,975.00	21,23,000	2,400	71,40,000	71,40,000	5	3,57,000	10,000	3,67,000	1,06,200	10,000	1,16,200	2,50,800
161	Sonbhadra	SR Sadar	5963/19.07.14	572/25.01.14	283 Mi	3,790.00	8,33,800	2,500	94,75,000	94,75,000	4&5	4,63,750	10,000	4,73,750	33,360	10,000	43,360	4,30,390
162	Sonbhadra	SR Sadar	7630/23.09.14	7491/16.09.14	3009 Mi	4,070.00	12,24,000	2,800	1,13,96,000	1,13,96,000	5	5,69,800	10,000	5,79,800	85,700	10,000	95,700	4,84,100
163	Sultanpur	SR Jai singh pur	2438/09.09.14	701/16.03.13	231 Mi	2,027.00	19,17,000	5,300	1,07,43,100	1,07,44,000	4&5	5,27,200	10,000	5,37,200	86,000	10,000	96,000	4,41,200
164	Sultanpur	SR Jai singh pur	1607/28.06.14	256/03.02.14	198 ka Mi	1,260.00	15,12,000	7,000	88,20,000	88,20,000	5	4,41,000	10,000	4,51,000	75,600	10,000	85,600	3,65,400
165	Sultanpur	SR Sadar	7936/10.10.14	8963/18.12.13	1214/1	1,265.00	11,39,000	4,000	50,60,000	50,60,000	7	3,54,200	10,000	3,64,200	80,000	10,000	90,000	2,74,200
166	Sultanpur	SR Sadar	8548/03.11.14	6596/16.12.11	1919	1,555.00	11,21,000	3,960	61,57,800	61,58,000	5	3,07,900	10,000	3,17,900	56,050	10,000	66,050	2,51,850
167	Sultanpur	SR Sadar	0547/22.01.15	3078/15.04.14	961 Mi	610.00	10,98,000	4,000	24,40,000	24,40,000	4&5	1,12,000	10,000	1,22,000	45,000	10,000	55,000	67,000
168	Sultanpur	SR Sadar	9796/18.12.14	5959/29.08.13	415/1 Mi	630.00	11,34,000	4,000	25,20,000	25,20,000	7	1,76,400	10,000	1,86,400	79,500	10,000	89,500	96,900
169	Varanasi	SR II Sadar	157/13.01.14	131/10.01.14	138	862.00	32,95,000	6,800	58,61,600	58,62,000	7	4,10,340	10,000	4,20,340	2,30,650	10,000	2,40,650	1,79,690
170	Varanasi	SR IV Sadar	2226/16.04.14	1946/04.04.14 2214/16.04.14	359 ka	1,800.00	28,78,000	4,000	72,00,000	72,00,000	7	5,04,000	10,000	5,14,000	2,01,500	10,000	2,11,500	3,02,500
171	Varanasi	SR IV Sadar	6684/10.10.14	6688/10.10.14 6685/10.10.14 6686/10.10.14	377	2,390.00	17,88,000	2,600	62,14,000	62,14,000	7	4,34,980	10,000	4,44,980	1,25,500	10,000	1,35,500	3,09,480
172	Varanasi	SR IV Sadar	7564/15.11.14	7537/14.11.14	55	1,083.10	13,05,000	2,600	28,16,060	28,17,000	6&7	1,87,190	10,000	1,97,190	81,500	10,000	91,500	1,05,690
173	Varanasi	SR IV Sadar	7575/15.11.14	7536/14.11.14 7538/14.11.14	55	1,083.10	13,05,000	2,600	28,16,060	28,17,000	6&7	1,87,190	10,000	1,97,190	81,500	10,000	91,500	1,05,690
174	Varanasi	SR II Sadar	5372/22.07.14	6416/31.07.13	173	840.00	32,79,000	6,800	57,12,000	57,12,000	7	3,99,840	10,000	4,09,840	2,29,600	10,000	2,39,600	1,70,240
175	Varanasi	SR RamNagar	1718/01.11.13	1113/12.06.13	227	1,390.00	14,60,000	3,900	54,21,000	54,21,000	7	3,79,470	10,000	3,89,470	1,02,500	10,000	1,12,500	2,76,970
176	Varanasi	SR Pindra	121/10.01.14	3478/09.09.13	211 Mi	2,280.00	36,00,000	3,000	68,40,000	68,40,000	6&7	4,68,800	20,000	4,88,800	1,70,100	20,000	1,90,100	2,98,700
177	Varanasi	SR Gangapur	2205/19.05.14	544/04.02.14	1348	700.00	7,00,000	4,500	31,50,000	31,50,000	5	1,57,500	10,000	1,67,500	35,000	10,000	45,000	1,22,500
178	Varanasi	SRI Sadar	8114/21.02.14	5087/08.08.13	130	1,160.00	20,00,000	4,000	46,40,000	46,40,000	6&7	3,14,800	10,000	3,24,800	1,30,000	10,000	1,40,000	1,84,800
179	Varanasi	SRI Sadar	7547/11.12.13	7552/12.12.13	535	1,171.80	20,04,000	5,900	69,13,620	69,14,000	6&7	4,73,980	10,000	4,83,980	1,30,300	10,000	1,40,300	3,43,680
180	Buland Shahar	SR II Sadar	8818/15.12.14	8680/10.12.14	101	2,045.00	29,14,000	8,000	1,63,60,000	1,63,60,000	7	11,45,200	10,000	11,55,200	2,04,000	10,000	2,14,000	9,41,200
181	Buland Shahar	SR II Sadar	1550/04.03.14	837/03.02.14	1779	790.00	8,50,000	4,200	33,18,000	33,18,000	7	2,32,260	10,000	2,42,260	59,600	10,000	69,600	1,72,660

(Amount in ₹)																		
Sl. No.	Name of District	Name of Unit	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviabale Stamp Duty	Due Registration fees	Leviabale stamp duty and registration fee	Stamp duty paid	Registration fee paid	Levied stamp duty and registration fee	Difference
182	Kanpur Nagar	SR I Sadar	6972/30.12.13	6928/28.12.13	180	2,216.00	38,78,000	5,000	1,10,80,000	1,10,80,000	7	7,75,600	10,000	7,85,600	2,71,500	10,000	2,81,500	5,04,100
183	Lucknow	SRIV Sadar	10186/12.07.13	8537/11.06.13	720 Sa	870.00	5,00,000	4,500	39,15,000	39,15,000	7	2,74,050	10,000	2,84,050	64,000	10,000	74,000	2,10,050
184	Mau	SR Madhuban	32/08.01.14	23/06.01.14	2644	6,070.00	6,26,000	5,300	3,21,71,000	3,21,71,000	4&5	15,98,550	10,000	16,08,550	25,040	10,000	35,040	15,73,510
185	Pilibhit	SR Sadar	2905/16.04.13	7334/25.7.11	401	1,620.00	10,00,000	2,600	42,12,000	42,12,000	6&7	2,84,840	10,000	2,94,840	60,000	10,000	70,000	2,24,840
186	Saharanpur	SR Nakur	12496/22.07.14	12415/21.07.14	1114	1,025.00	6,15,000	3,000	30,75,000	30,75,000	4&5	1,43,750	10,000	1,53,750	30,750	10,000	40,750	1,13,000
187	Shahjahanpur	SR Jalalabad	10790/08.12.14	8585/23.09.14	2277	1,210.00	2,92,000	3,000	36,30,000	36,30,000	5	1,81,500	10,000	1,91,500	14,600	2,920	17,520	1,73,980
188	Sitapur	SR Sadar	7156/08.11.13	4499/12.07.13	571 Mi	6,160.00	24,64,000	2,000	1,23,20,000	1,23,20,000	4&5	6,06,000	10,000	6,16,000	1,13,200	10,000	1,23,200	4,92,800
189	Ghaziabad	SR V Sadar	5459/19.08.14	3309/21.05.14 3310/21.05.14 3311/21.05.14	25	13,305.00	86,50,000	4,200	5,58,81,000	5,58,81,000	7	39,11,670	10,000	39,21,670	4,33,000	10,000	4,43,000	34,78,670
190	Ghaziabad	SR V Sadar	4331/30.06.14	3184/15.05.14	448	3,647.00	10,95,000	4,000	1,45,88,000	1,45,88,000	7	10,21,160	10,000	10,31,160	77,500	10,000	87,500	9,43,660
191	Ghaziabad	SR V Sadar	1964/19.03.14	664/24.01.14 1675/06.03.14 1681/06.03.14	447	2,529.00	7,60,000	4,000	1,01,16,000	1,01,16,000	7	7,08,120	10,000	7,18,120	53,300	10,000	63,300	6,54,820
192	Kanpur Nagar	SR I Sadar	1574/13.03.14	5676/19.10.13	204 Mi	7,645.00	38,23,000	1,800	1,37,61,000	1,37,61,000	7	9,63,270	10,000	9,73,270	2,67,700	10,000	2,77,700	6,95,570
193	Lucknow	SRIV Sadar	9166/21.06.13	6563/02.05.13	520 Sa	2,530.00	15,18,000	3,400	86,02,000	86,02,000	7	6,02,140	10,000	6,12,140	1,06,300	10,000	1,16,300	4,95,840
194	Lucknow	SRIV Sadar	9509/28.06.13	9451/27.06.13	384 Sa	1,520.00	9,13,500	3,400	51,68,000	51,68,000	7	3,61,760	10,000	3,71,760	63,900	10,000	73,900	2,97,860
TOTAL (in lakh ₹)						4.45	4,070.72		16,971.89	16,972.15		1,011.05	19.60	1,030.65	234.51	17.79	252.30	778.35

Source: Information available on the basis of audit findings.

APPENDIX-XVIII
Undervaluation of land
(Reference para No.5.6)

(Amount in ₹)																			
Sl. No.	Name of District	Name of Unit	Date on which land was declared as non agriculture under Section 143	Deed No. & date of execution	Earlier executed Deed No. & date of execution for same gata/khasra no.	Gata / Khasra No.	Land sold (In Sq. M)	Value of the property on which stamp duty levied	Rate on which property was required to be valued (In Sq Metre)	Value of the property on which stamp duty was required to be imposed	Total value of the property rounded to next thousands on which stamp duty was required to be imposed	Rate of stamp duty applicable	Leviable Stamp Duty	Leviable Reistration fees	Leviable stamp duty and registration fee	Stamp duty levied	Registration fee levied	Levied stamp duty and registration fee	Difference
1	Agra	SR Atmadpur	21.12.12 03.08.12	4771/21.03.13	0	1981 Mi	4,610	29,97,000	1,600	73,76,000	73,76,000	6&7	5,06,320	10,000	5,16,320	2,00,000	10,000	2,10,000	3,06,320
2	Agra	SR Atmadpur	31.07.12 04.08.12	11075/15.07.13	0	605Mi	3,840	15,36,000	2,200	84,48,000	84,48,000	7	5,91,360	10,000	6,01,360	1,07,520	10,000	1,17,520	4,83,840
3	Agra	SR Atmadpur	10.11.12	14890/30.09.13	0	287 Mi	8,060	44,33,000	2,000	1,61,20,000	1,61,20,000	7	11,28,400	10,000	11,38,400	3,10,310	10,000	3,20,310	8,18,090
4	Agra	SR Atmadpur	21.12.12 03.08.12	16565/30.10.13	0	1981 Mi	4,610	29,97,000	2,200	1,01,42,000	1,01,42,000	7	7,09,940	10,000	7,19,940	2,09,790	10,000	2,19,790	5,00,150
5	Agra	SR Atmadpur	10.11.12	14893/30.09.13	0	287 Mi	8,060	44,33,000	2,000	1,61,20,000	1,61,20,000	7	11,28,400	10,000	11,38,400	3,10,300	10,000	3,20,300	8,18,100
6	Agra	SR Atmadpur	29.11.13	4848/29.03.14	0	855 Mi	2,300	11,50,000	1,100	25,30,000	25,30,000	4&5	1,16,500	10,000	1,26,500	47,500	10,000	57,500	69,000
7	Allahabad	SR Meja	25.03.11	384/21.02.14		702/2	4,570	8,19,000	4,000	1,82,80,000	1,82,80,000	4 & 5	9,04,000	10,000	9,14,000	32,810	10,000	42,810	8,71,190
8	Allahabad	SR Meja	28.03.11	2634/21.10.13		702/2	4,570	10,06,000	4,000	1,82,80,000	1,82,80,000	5	9,14,000	10,000	9,24,000	50,320	10,000	60,320	8,63,680
9	Firozabad	SR II Sadar	12.03.14	4627/01.08.14	3163/09.06.14	361 Mi	2,050	10,15,000	5,500	1,12,75,000	1,12,75,000	4&5	5,53,750	10,000	5,63,750	40,800	10,000	50,800	5,12,950
10	Lucknow	SR II Sadar	28.09.13	5842/10.04.14	17463/27.11.13 17464/27.11.13 17465/27.11.13	742	1,000	55,32,000	5,400	54,00,000	54,00,000	7	3,78,000	10,000	3,88,000	3,87,500	10,000	3,97,500	- 9,500
							1,760	0	3,780	66,52,800	66,53,000	7	4,65,710	-	4,65,710	-	-	-	4,65,710
11	Shahjahanpur	SR Tilhar	13.06.14	8895/18.07.14	7089/13.06.14	71/1	1,185	3,56,000	2,600	30,81,000	30,81,000	7	2,15,670	10,000	2,25,670	24,920	7,120	32,040	1,93,630
Total							46,615	2,62,74,000	36,380	12,37,04,800	12,37,05,000		76,12,050	1,10,000	77,22,050	17,21,770	1,07,120	18,28,890	58,93,160

Source: Information available on the basis of audit findings.

APPENDIX-XIX
Non/short realisation of additional licence fee for operation of local channels under DAS
(Reference Para No. 6.4.8)

							(Amount in ₹)
Sl. No.	Name of Units	No. Of MSOs	Period	No. of connection	Additional Licence Fee ₹100 per connection	Payment against due Additional Licence Fee	Amount of Additional Licence Fee
1	ACET, Agra	4	2013-14 to 2014-15	6,83,798	6,83,79,800	-	6,83,79,800
2	DETO, Bijnor	1	2014-15	2,954	2,95,400	70,000	2,25,400
3	ACET, Firozabad	2	2012-13 to 2014-15	15,018	15,01,800	6,20,300	8,81,500
4	DETO, Mathura	2	2012-13 to 2014-15	73,806	73,80,600	55,37,500	18,43,100
5	ACET, Meerut	1	2011-12 to 2014-15	4,12,153	4,12,15,300	2,00,01,800	2,12,13,500
6	ACET, Muzaffarnagar	2	2013-14 to 2014-15	17,494	17,49,400	9,46,100	8,03,300
7	ACET, Saharanpur	1	2012-13 to 2013-14	23,288	23,28,800	16,00,000	7,28,800
TOTAL		13		12,28,511	12,28,51,100	2,87,75,700	9,40,75,400

Source: Information available on the basis of audit findings.

APPENDIX-XX
Non-levy of entertainment tax on activation charges of set-top-box
(Reference Para No. 6.4.9)

(Amount in ₹)						
No. Of District	Name of District	Sl. No.	Name of MSOs	No. Of STB	Amount of STB @ Rs. 1199 per STB	Tax on STB
1	Agra	1	Sea TV Network Ltd.	49,610	5,94,82,390	1,48,70,598
		2	Moon Networks Pvt. Ltd.	30,355	3,63,95,645	90,98,911
		3	Digi Maharaja Cable Network	25,969	3,11,36,831	77,84,208
2	Allahabad	4	Sity Digital Cable	16,780	2,01,19,220	50,29,805
		5	Silver line Entertainment	14,278	1,71,19,322	42,79,831
		6	Skynet Services Ltd.	12,150	1,45,67,850	36,41,963
3	Ghaziabad	7	Indusind Media	252	3,02,148	75,537
		8	Zippytel	3,500	41,96,500	10,49,125
4	GB Nagar	9	Bargachcha	1,035	12,40,965	3,10,241
		10	Gold Star	3,300	39,56,700	9,89,175
		11	Indusind Media Ltd.	1,200	14,38,800	3,59,700
		12	Indian	8,779	1,05,26,021	26,31,505
5	Jalaun	13	Sri Suresh Chandra Gupta, Orai	1,892	22,68,508	5,67,127
6	Kanpur Nagar	14	Sity	1,65,672	19,86,40,728	4,96,60,182
		15	Vishal DG	6,346	76,08,854	19,02,214
		16	Net Vision	5,170	61,98,830	15,49,708
7	Lucknow	17	Channel 9	8,970	1,07,55,030	26,88,758
		18	Net Vision	33,999	4,07,64,801	1,01,91,200
8	Mathura	19	Sri Kailash Gupta Niyo News Pvt. Ltd.	4,400	52,75,600	13,18,900
		20	Sri Kaushal Agrawal, Maharaja Telesystem Pvt. Ltd.	1,000	11,99,000	2,99,750
9	Meerut	21	Mension Cable Network Pvt. Ltd.	1,56,509	18,76,54,291	4,69,13,573
10	Muzaffarnagar	22	M/s Technobile System Pvt. Ltd. & Akash Ganga Digital Network & Style Galary	5,669	67,97,131	16,99,283
11	Varanasi	23	Sity Cable Pvt. Ltd.	41,640	4,99,26,360	1,24,81,590
TOTAL				5,98,475	71,75,71,525	17,93,92,881

Source: Information available on the basis of audit findings.

APPENDIX-XXI
Short realisation of entertainment tax from Cable operators
(Reference Para No. 6.4.10 Bullet 2)

(Amount in ₹)							
Sl. No.	Name of Units	No. of Cases	Period	Amount due	Interest	Deposit against Dues	Amount of Tax
1	ACET, Agra	19	November 09 to December 14	14,06,500	2,23,713	-	14,06,500
2	ACET, Aligarh	14	August 12 to March 15	10,46,634	-	-	10,46,634
3	DETO, Balrampur	2	October 12 to March 15	1,11,564	-	-	1,11,564
4	ACET, Bareilly	7	December 13 to January 15	1,78,948	-	95,040	83,908
5	DETO, GB Nagar	5	June 12 to December 14	24,26,451	-	3,11,255	21,15,196
6	ACET, Gorakhpur	12	June 12 to March 15	3,17,932	-	-	3,17,932
7	DETO, Mathura	10	August 14 to December 14	1,49,032	-	-	1,49,032
8	ACET, Meerut	27	August 13 to December 14	11,88,478	-	-	11,88,478
	TOTAL	96	November 09 to March 15	68,25,539	2,23,713	4,06,295	64,19,244

Source: Information available on the basis of audit findings.

APPENDIX-XXII
Non-levy of interest on belated payment of entertainment tax on Cable operators
(Reference Para No. 6.4.13)

							(Amount in ₹)
Sl. No.	Name of Units	No. of Cases	Period of Entertainment Tax	Amount of Tax	Period of receipt of Tax	Period of delay (in days)	Amount of Interest
1	ACET, Agra	53	September 10 to February 14	18,68,547	December 11 to March 14	02 to 950	1,22,692
2	ACET, Aligarh	15	March 03 to June 14	9,05,480	July 11 to October 14	03 to 1,165	1,34,909
3	ACET, Allahabad	5	April 13 to June 13	8,62,884	November 13 to January 14	153 to 270	1,02,377
4	DETO, Azamgarh	5	March 13 to February 14	4,96,417	March 14	06 to 23	4,983
5	DETO, Baghpat	7	January 13 to August 14	13,63,141	April 13 to September 14	01 to 198	33,568
6	ACET, Bareilly	2	November 06 to May 11	2,23,860	January 14 to January 15	80 to 2,807	1,74,744
7	ACET, Bulandshahar	21	May 04 to December 14	7,77,811	June 12 to January 15	07 to 2,869	3,90,436
8	DETO, GB Nagar	21	November 12 to September 14	17,89,905	May 13 to October 14	02 to 239	61,715
9	ACET, Gorakhpur	27	November 97 to January 15	33,50,309	February 11 to February 15	03 to 1,550	2,94,431
10	DCET, Lucknow	1	September 06 to November 08	1,42,582	May-11	212 to 887	46,882
11	ACET, Meerut	11	April 13 to October 14	20,38,578	March 13 to November 14	02 to 370	57,189
12	ACET, Moradabad	5	February 13 to February 15	1,52,220	September 14 to March 15	21 to 380	17,601
13	ACET, Muzaffarnagar	14	May 12 to April 14	18,83,530	October 12 to December 14	01 to 649	1,90,717
	TOTAL	187	November 97 to February 15	1,58,55,264	February 11 to March 15	01 to 2,869	16,32,244

Source: Information available on the basis of audit findings.

APPENDIX-XXIII
Non-levy of interest on belated payment of entertainment tax on DTH services
(Reference Para No. 6.4.16)

Name of DTH service provider	Due Period	Amount of Entertainment Tax	Due date of deposit to Tax amount	Details of tax deposited in Treasury		Period of delay (in days)	Non levy of Interest
				Challan No.	Date		
Videocon d2h	February 14	2,00,00,000	02 March 2014	G-070088	08 March 2014	6	60,000
		44,51,044	02 March 2014	G-070095	08 March 2014	6	13,353
Dish TV	August 13	45,49,531	02 September 2013	R-114232	25 September 2013	23	52,320
	September 13	8,03,362	02 October 2013	R-113359	19 October 2013	17	6,829
	October 13	41,15,584	02 November 2013	R-111239	09 November 2013	7	14,405
	November 13	16,81,765	02 December 2013	R-103639	16 December 2013	14	11,772
	December 13	23,41,492	02 January 2014	R-105718	18 January 2014	16	18,732
	January 14	16,82,880	02 February 2014	R-122124	17 February 2014	15	12,622
	February 14	4,40,721	02 March 2014	R-103514	28 March 2014	26	5,729
Tata Sky	August 13	30,82,632	02 September 2013	G-130034	07 September 2013	5	7,707
	September 13	31,39,569	02 October 2013	G-110010	12 October 2013	10	15,698
	October 13	54,52,033	02 November 2013	G-130018	18 November 2013	16	43,616
	November 13	20,94,393	02 December 2013	G-150001	09 December 2013	7	7,330
	December 13	53,14,590	02 January 2014	G-090014	09 January 2014	7	18,601
	January 14	46,02,439	02 February 2014	G-100038	08 February 2014	6	13,807
Bharti Telemedia Limited	April 14	21,08,030	02 May 2014	G-90002	15 May 2014	13	13,702
	February 15	4,30,00,000	02 March 2015	G-160005	03 March 2015	1	21,500
	March 15	4,30,00,000	02 April 2015	G-110052	06 April 2015	4	86,000
		47,51,225	02 April 2015	G-120019	15 April 2015	13	30,883
Dish TV	March 14	81,32,354	02 April 2014	R-112124	29 April 2014	27	1,09,787
	April 14	2,84,92,969	02 May 2014	R-103430	22 May 2014	20	2,84,930
	May 14	44,14,529	02 June 2014	R-111259	19 June 2014	17	37,523
	June 14	6,61,582	02 July 2014	R-122409	21 July 2014	19	6,285
	July 14	22,35,248	02 August 2014	R-105605	23 August 2014	21	23,470
	August 14	21,68,624	02 September 2014	R-111716	23 September 2014	21	22,771
	September 14	86,74,179	02 October 2014	R-120745	30 October 2014	28	1,21,439
	October 14	2,50,00,000	02 November 2014	R-112547	03 November 2014	1	12,500
		79,11,488	02 November 2014	R-121019	24 November 2014	22	87,026
	November 14	33,29,086	02 December 2014	R-113617	29 December 2014	27	44,943

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Name of DTH service provider	Due Period	Amount of Entertainment Tax	Due date of deposit to Tax amount	Details of tax deposited in Treasury		Period of delay (in days)	Non levy of Interest	
				Challan No.	Date			
	December 14	2,75,00,000	02 January 2015	R-111219	05 January 2015	3	41,250	
		56,45,034	02 January 2015	R-110623	19 January 2015	17	47,983	
	January 15	2,70,00,000	02 February 2015	R-104107	03 February 2015	1	13,500	
		65,89,693	02 February 2015	R-134222	20 February 2015	18	59,307	
	February 15	2,70,00,000	02 March 2015	R-112137	03 March 2015	1	13,500	
		65,45,881	02 March 2015	R-112931	25 March 2015	23	75,278	
	March 15	1,12,34,339	02 April 2015	R-105715	27 April 2015	25	1,40,429	
	Tata Sky	March 14	39,04,616	02 April 2014	G-100015	11 April 2014	9	17,571
		April 14	45,25,622	02 May 2014	G-140035	09 May 2014	7	15,840
		May 14	51,43,387	02 June 2014	G-08002	12 June 2014	10	25,717
June 14		21,82,585	02 July 2014	G-090008	09 July 2014	7	7,639	
July 14		14,27,261	02 August 2014	G-150007	09 August 2014	7	4,995	
August 14		27,39,667	02 September 2014	G-90065	10 September 2014	8	10,959	
September 14		10,76,960	02 October 2014	G-110023	13 October 2014	11	5,923	
October 14		4,70,00,000	02 November 2014	G-90003	05 November 2014	3	70,500	
		3,00,000	02 November 2014	G-100012	15 November 2014	13	1,950	
		34,45,201	02 November 2014	G-100024	15 November 2014	13	22,394	
November 14		4,70,00,000	02 December 2014	G-230028	04 December 2014	2	47,000	
		35,25,203	02 December 2014	G-080013	10 December 2014	8	14,101	
December 14		4,95,00,000	02 January 2015	G-100019	03 January 2015	1	24,750	
		41,75,093	02 January 2015	G-130034	13 January 2015	11	22,963	
January 15		4,95,00,000	02 February 2015	G-80022	03 February 2015	1	24,750	
		54,52,683	02 February 2015	G-90030	07 February 2015	5	13,632	
February 15		5,00,00,000	02 March 2015	G-160050	03 March 2015	1	25,000	
		7,33,421	02 March 2015	G-090058	09 March 2015	7	2,567	
March 15		5,00,00,000	02 April 2015	G-130049	04 April 2015	2	50,000	
		94,46,222	02 April 2015	G-0017	10 April 2015	8	37,785	
Relaince Big TV		September 14	70,00,000	02 October 2014	G-110030	10 October 2014	8	28,000
		November 14	70,00,000	02 December 2014	G-230012	04 December 2014	2	7,000
		February 15	66,00,000	02 March 2015	G-160008	07 March 2015	5	16,500
	March 15	60,00,000	02 April 2015	G-110054	06 April 2015	4	12,000	
Vediocon D2H	March 14	2,00,00,000	02 April 2014	G-110055	05 April 2014	3	30,000	
		51,96,988	02 April 2014	G-90065	10 April 2014	8	20,788	

							(Amount in ₹)
Name of DTH service provider	Due Period	Amount of Entertainment Tax	Due date of deposit to Tax amount	Details of tax deposited in Treasury		Period of delay (in days)	Non levy of Interest
				Challan No.	Date		
	April 14	2,50,00,000	02 May 2014	G-140001	23 May 2014	21	2,62,500
		5,07,671	02 May 2014	G-120001	07 May 2014	5	1,269
	May 14	2,50,00,000	02 June 2014	G-170001	16 June 2014	14	1,75,000
		9,09,106	02 June 2014	G-130002	05 June 2014	3	1,364
	June 14	2,52,31,028	02 July 2014	G-220001	09 July 2014	7	88,309
	July 14	2,50,00,000	02 August 2014	G-200001	06 August 2014	4	50,000
		6,94,329	02 August 2014	G-180013	06 August 2014	4	1,389
	August 14	11,53,764	02 September 2014	G-170002	07 September 2014	5	2,884
	September 14	16,17,791	02 October 2014	G-130002	07 October 2014	5	4,044
	October 14	2,71,37,061	02 November 2014	G-210002	05 November 2014	3	40,706
	November 14	4,59,661	02 December 2014	G-190012	08 December 2014	6	1,379
	December 14	2,89,18,288	02 January 2015	G-070009	05 January 2015	3	43,377
	January 15	8,53,557	02 February 2015	G-150001	09 February 2015	7	2,987
	February 15	9,71,294	02 March 2015	G-170001	09 March 2015	7	3,400
	March 15	3,00,00,000	02 April 2015	G-170011	06 April 2015	4	60,000
24,87,148		02 April 2015	G-160007	07 April 2015	5	6,218	
Sun Direct	March 14	2,12,511	02 April 2014	G-160051	21 April 2014	19	2,019
	April 14	17,95,000	02 May 2014	G-100034	05 May 2014	3	2,693
		22,107	02 May 2014	G-70018	21 May 2014	19	210
	July 14	48,503	02 August 2014	G-100001	21 August 2014	19	461
	September 14	13,67,113	02 October 2014	G-70002	10 October 2014	8	5,468
TOTAL	August 13 to March 15	95,14,07,137				01 to 28	29,12,525

Source: Information available on the basis of audit findings.

APPENDIX-XXIV
Non-conformity of Government Order with Act/Rules
(Reference Para No. 6.11)

Sl.No.	Name of Unit	No. of cases	Period of royalty paid	Paid Royalty	Due Price of Mineral	(Amount in ₹)
						Due Penalty
1	DMO Auraiya	13	December 2013	2,21,159	11,05,795	3,25,000
2	DMO Bahraich	17	December 2013	45,26,049	2,26,30,245	4,25,000
3	DMO Ballia	11	January 2014	5,66,027	28,30,135	2,75,000
4	DMO Raebareli	23	March 2013 and March 2014	34,21,907	1,71,09,535	5,75,000
5	DMO Deoria	4	August 2012 to January 2014	1,66,105	8,30,525	1,00,000
6	DMO Etah	30	November 2013 and November 2014	1,07,928	53,97,640	7,50,000
7	DMO Etawah	8	April and December 2014	26,78,579	1,33,92,895	2,00,000
8	DMO Faizabad	51	March, November 2013 and March 2014	29,55,581	1,47,77,905	12,75,000
9	DMO Ghazipur	12	March 2014	19,77,698	98,88,490	3,00,000
10	DMO Gonda	9	February 2015	99,129	4,95,645	2,25,000
11	DMO Kanpur Dehat	16	October 2014	2,70,889	13,54,445	4,00,000
12	DMO Lakhimpur Khiri	16	September 2012 and September 2014	22,14,434	1,10,72,170	4,00,000
13	DMO Maharajganj	11	May 2013	3,31,538	16,57,690	2,75,000
14	DMO Mau	16	January 2014	6,87,920	34,39,600	4,00,000
15	DMO Shahjahanpur	23	April 2013 and June 2014	10,61,125	53,05,625	5,75,000
16	DMO Sultanpur	51	January, June and July 2014	41,46,044	2,07,30,220	12,75,000
Total		311		2,64,03,712	13,20,18,560	77,75,000

Source: Information available on the basis of audit findings.

APPENDIX-XXV
Non-realisation of royalty and permit fee from brick kiln owners
(Reference Para No. 6.14)

(Amount in ₹)							
Sl. No.	Name of District	Category	Period of Royalty	No. of brick kilns	Royalty due	Permit fee due	Total Royalty and Permit Fee
1	DMO Auraiya	A	2012-13	25	20,34,450	50,000	20,84,450
			2013-14	37	29,98,350	74,000	30,72,350
2	DMO Azamgarh	C	2013-14	344	1,32,29,400	6,88,000	1,39,17,400
3	DMO Ballia	C	2013-14	35	14,97,150	70,000	15,67,150
4	DMO Balrampur	C	2013-14	14	6,12,900	28,000	6,40,900
5	DMO Etawah	A	2013-14	2	1,70,100	4,000	1,74,100
6	DMO Farrukhabad	B	2013-14	23	14,67,450	46,000	15,13,450
7	DMO Ghazipur	C	2012-13	51	22,47,750	1,02,000	23,49,750
8	DMO Gonda	C	2014-15	74	31,34,500	1,48,000	32,82,500
9	DMO Gorakhpur	C	2013-14	21	8,73,450	42,000	9,15,450
10	DMO J P Nagar	A	2012-13	8	6,23,700	16,000	6,39,700
			2013-14	24	17,25,300	48,000	17,73,300
11	DMO Kashiram Nagar	A	2014-15	41	30,65,850	82,000	31,47,850
12	DMO Mahrajganj	C	2012-13	171	67,62,150	3,42,000	71,04,150
			2013-14	190	75,70,800	3,80,000	79,50,800
13	DMO Pilibhit	A	2013-14	8	5,83,200	16,000	5,99,200
14	DMO Sant Ravidas Nagar	B	2011-12	133	46,21,500	2,66,000	48,87,500
			2012-13	109	56,63,250	2,18,000	58,81,250
			2013-14	99	51,23,250	1,98,000	53,21,250
15	DMO Shahjahanpur	A	2014-15	15	11,38,050	30,000	11,68,050
16	DMO Varanasi	B	2013-14	6	3,42,900	12,000	3,54,900
TOTAL				1,430	6,54,85,450	28,60,000	6,83,45,450

Source: Information available on the basis of audit findings.

APPENDIX-XXVI
Short levy of royalty on clay used for brick making
(Reference Para No. 6.15)

							(Amount in ₹)
Sl No	Name of District	Category	Year	No of Brick kilns	Due Royalty	Paid Royalty	Difference of Royalty
1	DMO Auraiya	A	2013-14	8	6,42,600	4,28,400	2,14,200
2	DMO Ballia	C	2012-13	11	4,44,150	3,03,300	1,40,850
3	DMO Balrampur	C	2012-13	28	11,55,600	7,70,400	3,85,200
4	DMO Faizabad	C	2012-13	31	14,05,350	9,25,600	4,79,750
5	DMO Jaunpur	C	2012-13	271	1,09,74,788	74,56,716	35,18,072
5	DMO Jaunpur	C	2013-14	20	8,04,600	5,42,475	2,62,125
6	DMO Kasiram Nagar	A	2012-13	47	35,38,350	23,53,500	11,84,850
7	DMO Mahrajganj	C	2012-13	71	29,33,550	19,49,300	9,84,250
8	DMO Mau	C	2012-13	10	3,96,900	2,78,800	1,18,100
9	DMO Raebareli	B	2012-13	30	19,35,900	12,90,600	6,45,300
10	DMO Sant Ravidas Nagar	B	2012-13	11	5,81,850	3,41,900	2,39,950
11	DMO Sultanpur	C	2012-13	50	23,54,400	15,72,950	7,81,450
			2013-14	12	5,31,900	3,54,600	1,77,300
12	DMO Varanasi	B	2012-13	28	15,57,900	10,38,600	5,19,300
TOTAL				628	2,92,57,838	1,96,07,141	96,50,697

Source: Information available on the basis of audit findings.

GLOSSARY OF TERMS & ABBREVIATIONS

AA	Assessing Authority
AC	Assistant Commissioner
ACET	Assistant Commissioner of Entertainment Tax
Addl. IG	Additional Inspector General, Registration
AIGs	Assistant Inspector General, Registration
Appendix-II register	Register maintained by the entertainment tax offices having all the receipts of the Entertainment Tax Department
AR	Audit Report
ARTOs	Assistant Regional Transport Officers
ATNs	Action taken Notes
BE	Budget Estimate
BG	Bank Guarantee
Bhumidhar	Person having free hold property with full transferable right
BLF	Basic Licence Fee
CCT	Commissioner Commercial Tax
Chauhaddi	Properties situated in the boundary of the land in question
CMV Act	Motor Vehicle Act, 1988
CMV Rules	Central Motor Vehicle Rules, 1989
CRC	Central Registration Certificate
CST	Central Sales Tax
CTO	Commercial Tax Officer
DC	Deputy Commissioner
DCET	Deputy Commissioner Entertainment Tax
DEO	District Excise Officer
DETO	District Entertainment Tax Officer
DIG	Deputy Inspector General, (Registration)
DM	District Magistrate
DMO	District Mines Officer
DTCs	Deputy Transport Commissioners
ET	Tax on Entry of Goods into Local Area
FL	Foreign Liquor
Form MM-11	Transit Pass issued by the holder of the mining lease or crusher plant for transportation of minor mineral
Form-C	Transit Pass issued by the holder of the licence for storage of minor mineral for transportation of minor mineral
G-12	Details of Settled shops
G-6	Register maintained by the excise offices having all

	the receipts of the Excise Department
GOs	Government Orders
GVW	Gross Vehicle Weight
IA	Internal Audit
IAW	Internal Audit Wing
IGR	Inspector General, Registration
IMFL	Indian Made Foreign Liquor means spirit made in India and sophisticated or coloured so as to resemble flavour or colour of liquor imported into India
IR	Inspection Report
IR Act	Indian Registration Act, 1908
IS Act	Indian Stamp Act, 1899
ITC	Input Tax Credit
JC	Joint Commissioner
JnNURM	Jawaharlal Nehru National Urban Renewal Mission
MCR	Mineral Concession Rules, 1960
MF-4	It is a gate pass through which molasses is dispatched by the sugar factories to distilleries
MGQ	Minimum Guaranteed Quota
Mining Lease	Mining lease means a lease granted for the purpose of undertaking mining operations, and includes a sub lease granted for such purpose
Mining Permit	Mining Permit means a permit granted under these rules to extract a specified quantity of minor mineral within the period stipulated in the permit
Minor Minerals	Minor Minerals means building stones, gravel, ordinary clay, ordinary sand etc.
MMDR Act	The Mines and Minerals (Development and Regulation) Act, 1957
Model Shops	Model Shops is a licenced shop situated in the commercially approved area of the corporation, city or municipality having at least 600 square feet carpet area and having facility of drinking of IMFL and Beer
MV Act	Motor Vehicle Act, 1988
MV Rules	Central Motor Vehicle Rules, 1989
OTSS	One Time Settlement Scheme
PA	Performance Audit
PAC	Public Account Committee
RC	Registration Certificate
RCs	Recovery Certificates
RITC	Reverse Input Tax Credit
RTOs	Regional Transport Officers
SDM	Sub District Magistrate

SDT	State Development Tax
SEZ	Special Economic Zone
SIB	Special Investigation Branch
SRO	Sub Registrar Office
SRs	Sub Registrars
SVOP	Uttar Pradesh Stamp (Valuation of Property) Rules, 1997
Taxation Officer	RTO or ARTO is defined as taxation officer within the local limits of their respective region or sub-region under UPMVT Rules, 1998
TC	Transport Commissioner
TDS	Tax Deducted at Source
Television Signal Receiver Agency	Television Signal Receiver Agency means a place of entertainment by whatever name called where business of selling or letting on hire or distribution or exchange or putting into circulation in any manner whatsoever of television signal receiver
UP	Uttar Pradesh
UPMMC Rules	Uttar Pradesh Minor Mineral (Concession) Rules, 1963
UPMVT Act	Uttar Pradesh Motor Vehicles Taxation Act, 1997
UPMVT Rules	Uttar Pradesh Motor Vehicles Taxation Rules, 1998
UPSRTC	Uttar Pradesh State Road Transport Corporation
UPTT	Uttar Pradesh Trade Tax
UPUPD Act	Uttar Pradesh Urban Planning and Development Act, 1973
UPVAT	Uttar Pradesh Value Added Tax
UPZA&LR Act	Uttar Pradesh <i>Zamindari</i> Abolition and Land Reforms Act, 1950
VAHAN Software	Designed for keeping vehicles details such as registration certificate, permit and taxes etc.
VAT	Value Added Tax
VYAS	Vanijya Kar Automation System
WCT	Works Contract Tax

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