सत्यमेव जयते

Report of the Comptroller and Auditor General of India on Economic and Revenue Sectors for the year ended 31 March 2017

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Government of Uttar Pradesh

Report No. 4 of the year 2018

Report of the
Comptroller and Auditor General of India
on
Economic and Revenue Sectors

for the year ended 31 March 2017

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Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2017 has been prepared for submission to the Governor of Uttar Pradesh under Article 151 of the Constitution of India.

The instances mentioned in this Report are those, which came to notice in the course of test audit of various departments under Economic and Revenue Sectors of Government of Uttar Pradesh (GoUP) for the period 2016-17, 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 2016-17 have also been included, wherever necessary.

This Report contains two parts.

PART-A: ECONOMIC SECTOR

This part contains the results of Compliance Audits of various departments under Economic Sector of the Government of Uttar Pradesh conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

This part highlights the following:

1. Audit of the Loan Waiver Scheme 2012 (LWS-2012) launched by the Cooperative Department in December 2012 revealed as under:

- ✓ LWS-2012 aimed to benefit small and marginal farmers who had taken loan up to ₹ 50,000 and repaid at least 10 *per cent* of the principal amount. However, the scheme rationale contravened orders (December 2007) of the Revenue Department, GoUP which prohibited revenue recovery proceedings through auction of land, against small and marginal farmers holding land up to 3.125 acres even if they had taken loan up to ₹ one lakh or more.
- ✓ LWS-2012 was designed to benefit only the farmers who had availed loan from Uttar Pradesh Sahkari Gram Vikas Bank (UPSGVB) and not other farmers who had availed of similar loans from other cooperative and PSU banks, including those cooperative banks where GoUP owned significant equity.
- ✓ LWS 2012 benefitted around 7.58 lakh small and marginal farmers, and cost the exchequer ₹ 1,784 crore during 2012-16. Audit test check in 17 out of 75 districts revealed that three to 18 *per cent* of the farmers who received the benefits were ineligible, since they had not repaid even the stipulated minimum of 10 *per cent* of the principal amount.
- ✓ The scheme enabled UPSGVB to become profitable during 2012-16 (otherwise, UPSGVB was loss making entity).
- ✓ There was inherent conflict of interest in planning and execution of the scheme as up to December 2012, the Principal Secretary, Cooperative Department also functioned as Chairman UPSGVB. Thereafter, during the implementation period, the Minister, Cooperative Department headed the bank.

2. Directorate, Electrical Safety, Uttar Pradesh failed to ensure compliance to the Uttar Pradesh Electricity (Duty) Act, 1952 resulting in non-realisation of Electricity Duty and interest thereon amounting to ₹ 19.38 crore.

PART-B: REVENUE SECTOR

This part contains significant findings of audit of Receipts of major revenue earning departments under the Revenue Sector of the Government of Uttar Pradesh conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

This part highlights the following:

1. The Finance Department fixed the budget estimates for 2016-17 by unilaterally increasing the budget estimates of the previous year by 10 *per cent,* ignoring the proposals of the Administrative departments, resulting in wide variations between budget estimates and actual receipts of tax and non-tax revenues. The Finance Department refused to provide Audit with the records relating to the erroneous fixation violating the Constitutional mandate of the Comptroller and Auditor General of India as enshrined in Section 18 (1) (b) of the DPC Act, 1971 and Regulation 181 of the Regulations on Audit and Accounts, 2007.

2. The total arrears in revenue of ₹ 28,070.32 crore in five principal heads of revenue at the end of 2016-17 amounted to 24.42 *per cent* of the total revenue receipts of the State (₹ 1,14,909.99 crore) for 2016-17, of which 42.26 *per cent* (₹ 11,863.23 crore) of the arrears were pending recovery for periods of five years or more.

3. The Department failed to act on the directions of the Public Accounts Committee to ensure compliance to the Rules relating to timely deposit of Basic License Fee and License Fee on settlement of shops. The Department did not initiate any action for cancellation of settlement, and forfeiture of basic license fee/ license fee (₹ 843.16 crore) and security (₹ 453.91 crore) totaling to ₹ 1,297.07 crore, in contravention to the rules.

4. The Government was deprived of ₹ 87.93 crore due to fixing MGQ of country liquor lower than previous year's MGQ.

5. Application of incorrect rate of tax and misclassification of goods resulted in short/ non- levy of tax amounting to ₹ 5.75 crore by the Commercial Tax Department.

6. Despite similar observations by Audit in previous Audit Reports, the Assessing Authorities did not perform due diligence in assessment of VAT cases which led to recurrence of similar nature of irregularities amounting to ₹ 19.28 crore.

7. The Department failed to levy fitness fee of ₹ 54.28 lakh and impose penalty of ₹ 3.94 crore on 9,852 vehicles potentially plying without valid fitness certificates.

8. The Transport Department failed to stop unsafe vehicles from potentially plying on the roads and also failed to impose penalty on overloaded goods vehicles and fine on unregistered common carriers amounting to ₹ 2.18 crore.

9. Valuation of residential land at agricultural rates led to short levy of stamp duty and registration fees of ₹ 6.05 crore.

10. The Mining Department failed to recover cost of minerals amounting to ₹ 191.02 crore and levy penalty of ₹ 2.95 crore from 1,181 contractors undertaking civil works.

11. The Mining Department failed to recover ₹ 33.75 crore on minor minerals excavated without environment clearance, and ₹ 7.71 crore on minor minerals excavated without approved mining plan.

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

OVERVIEW

OVERVIEW

This report is in two parts. Part-A of the Report comprises two chapters relating to general information about the audited entities and four Compliance Audit paragraphs of the Economic Sector of the GoUP. The total financial impact of the Audit findings is ₹ 243.47 crore.

Part-B of the Report comprises five chapters relating to the Revenue Sector of the State Government. This part contains 15 paragraphs relating to state excise, tax on sales, trade, etc., taxes on vehicles, goods and passenger, stamps and registration fees and mining receipts. The total financial implication of the Audit findings is ₹ 1751.89 crore. Of this, the concerned departments accepted audit observations amounting to ₹ 1,535.14 crore (87.63 *per cent*).

Some of the major findings are detailed below:

Part-A: Economic Sector

Chapter-1: Introduction

This chapter contains the results of Compliance Audits of 18 departments under Economic Sector of the Government of Uttar Pradesh conducted during 2016-17. The trend of expenditure of major departments under the Economic Sector is depicted in the table below:

(₹ in crore)

Department	2014-15	2015-16	2016-17
Energy	25,949.15	48,218.81	33,976.69[1]
Infrastructure and Industrial Development Department	2,940.97	3,080.27	6,296.11[2]
Housing and Urban Planning	1,352.97	2,213.97	2,888.06
Revenue (Except Collectorate)	2,567.23	2,495.16	2,721.56
Forest	775.94	840.46	1,231.72

(Paragraph 1.2)

Action taken on earlier Audit Reports

Replies outstanding

Out of 19 paragraphs and 10 performance audits/compliance audits that appeared in Audit Reports during 2012-13 to 2015-16, explanatory notes to 10 paragraphs and nine performance audits/ compliance audits in respect of 10 departments**,** which were commented upon, were still awaited (August 2018).

(Paragraph 1.5.1)

Discussion of Audit Reports by the Public Accounts Committee (PAC)

During the years 2012-13 to 2015-16, 29 audit paragraphs were reported in the Audit Reports on Economic Sector. Of these, PAC had taken up five paragraphs for discussion and five paragraphs for written reply. However, Action Taken Notes (ATNs) have not been received in respect of these discussed paragraphs.

(Paragraph 1.5.2)

[1] ₹ 24,232.47 crore spent on Ujwal DISCOM Assurance Yojana (*UDAY*) in 2015-16 and ₹ 14,801.29 crore in 2016-17.

[2] ₹ 2,882.25 crore released for Purvanchal Expressway in 2016-17.

Chapter-2: Compliance Audit Observations

Gist of the important compliance audit paragraphs is given below:

- **Design and implementation of the Loan Waiver Scheme, 2012 (LWS 2012) by Cooperative Department**
  - The Cooperative Department, GoUP launched (December 2012) LWS -2012 to benefit small and marginal farmers who had taken loans up to ₹ 50,000 and repaid at least 10 *per cent* of the principal amount. The Scheme rationale, however, was in contravention to Revenue Department, GoUP orders (December 2007) which prohibited revenue recovery proceedings through auction of land, against small and marginal farmers, holding land up to 3.125 acres even if they had taken loans of up to ₹ one lakh or more.

    LWS-2012 was designed to benefit only the farmers who had availed loan from Uttar Pradesh Sahkari Gram Vikas Bank (UPSGVB) and not farmers who had availed similar loans from other cooperative and PSU banks, including cooperative banks where GoUP had significant share of equity.
  - LWS 2012 benefitted around 7.58 lakh small and marginal farmers which cost the exchequer ₹ 1,784 crore during 2012-16. Out of these farmers, three to 18 *per cent* in 17 out of 75 districts test checked in audit were not eligible to avail the scheme benefits as these farmers had not even paid minimum of 10 *per cent* of the principal amount resulting in waiver to ineligible beneficiaries amounting to ₹ 79.67 crore in the test checked cases.
  - Due to change in cut-off date for waiver of interest, Government had to bear an additional burden of ₹ 138 crore.
  - The Cooperative Department ordered (March 2014) for 100 *per cent* internal audit of the scheme based on detection of serious irregularities in 10 *per cent* cases by Internal Audit Department in September 2013. However, these orders were never implemented due to absence of formal approval by the Finance Department.
  - LWS 2012 enabled UPSGVB to become profitable during the period of operation of the scheme (2012-2016). In all other years, UPSGVB was loss making.
  - There was inherent conflict of interest in planning and execution of the scheme as up to December 2012, the Principal Secretary, Cooperative Department also functioned as Chairman UPSGVB. Thereafter, during the implementation period, the Minister, Cooperative Department headed the bank.

(Paragraph 2.1)

- Failure of **Forest Department** to ensure compliance to Government orders (August 2008) to handover the possession of forest land on lease to a Trust only after executing lease agreement and deposit of lease premium resulted in non-realisation of premium, lease rent and interest thereon, amounting to ₹ 81.18 lakh.

(Paragraph 2.2)

- **Uttar Pradesh New & Renewable Energy Development Agency** retained surplus funds in low interest yielding savings bank accounts, resulting in loss of interest amounting to ₹ 5.61 crore.

(Paragraph 2.3)

- **Directorate, Electrical Safety, Uttar Pradesh** failed to ensure compliance to the Uttar Pradesh Electricity (Duty) Act, 1952 regarding deposit of Electricity Duty by a franchisee (Torrent Power Limited), resulting in non-realisation of Electricity Duty and interest thereon amounting to ₹ 19.38 crore (upto March 2017).

(Paragraph 2.4)

Part-B: Revenue Sector

Chapter-3: General

Total receipts of the Government of Uttar Pradesh for the year 2016-17 were ₹ 2,56,875.15 crore, of which, ₹ 1,14,909.99 crore (44.73 *per cent*) constituted the State's own receipts. Government of India contributed ₹ 1,41,965.16 crore (55.27 *per cent*), comprising State's share of divisible Union taxes of ₹ 1,09,428.29 crore (42.60 *per cent* of total receipts) and grants-in-aid of ₹ 32,536.87 crore (12.67 *per cent* of total receipts). The State's own tax revenues and the State's share in central taxes increased from 2012-13 to 2016-17.

The Finance Department unilaterally increased the budget estimates of Administrative departments of previous year by 10 *per cent* and fixed the same for the year without considering the BEs proposed by the Administrative departments for the current year. The reasons for such erroneous fixation could not be assessed as the Finance Department refused to produce budget files to Audit. Such non-production of files violates the Constitutional mandate of the Comptroller and Auditor General of India as enshrined in Section 18 (1) (b) of the DPC Act, 1971 and Regulation 181 of the Regulations on Audit and Accounts, 2007.

Audit recommends that the Finance Department should allow access to Audit to records relating to the preparation of the budget, and also revisit their budgeting methods to make the budget estimates more realistic.

(Paragraph 3.2)

The arrears of revenue as on 31 March 2017 on tax on sales, trade, etc., stamps and registration fees, taxes on vehicles, goods and passengers, state excise and entertainment tax amounted to ₹ 28,070.32 crore, of which ₹ 11,863.23 crore was outstanding for more than five years.

Audit recommends that the departments should create a centralised database of outstanding arrears and introduce a mechanism to monitor the progress of arrears on a periodic basis. Departments should also analyse reasons for accumulation of arrears and develop mechanisms and procedures to prevent further accumulation of arrears.

(Paragraph 3.3)

Chapter-4: State excise

The Department failed to act on the directions of the Public Accounts Committee to ensure compliance to the Rules relating to timely deposit of Basic License Fee and License Fee on settlement of shops. The Department did not initiate any action for cancellation of settlement, and forfeiture of basic license fee/ license fee (₹ 843.16 crore) and security (₹ 453.91 crore) totaling to ₹ 1,297.07 crore, in contravention to the rules.

Audit recommends that the Department should ensure adherence to provisions of Act/ Rules and to the directions of the Public Accounts Committee, to safeguard the financial interests of the State.

(Paragraph 4.3)

Non-issue of Beer bar license for retail sale of bottled Beer led to loss of revenue of ₹ 13.59 crore in respect of 720 licensees during 2012-13 to 2016-17.

Audit recommends that the Department should amend the concerned notification to ensure that is in tune with the Rules so that the financial interests of the State are protected. In the event it is felt that the present provisions of the excise policy are unviable, the Department may consider reviewing the policy.

(Paragraph 4.4)

The Department fixed short MGQ of 37.33 lakh BL for the year 2012-13 to 2016-17. Thus, the Government was deprived of basic license fee of ₹ 9.08 crore and license fee of ₹ 78.85 crore.

Audit recommends that the Department should ensure that DEOs do not fix the MGQ of Country Liquor shops lower than that of the previous year in violation of the excise policy.

(Paragraph 4.6)

License fee of retail shops of IMFL was reduced from previous year's license fee. Thus Government was deprived of license fee of ₹ 3.17 crore.

Audit recommends that the Department should ensure that DEOs invariably fix the License Fee of IMFL shops as provided for in the excise policy. In the event it is felt that the present provisions of the excise policy are unviable, the Department may consider reviewing the policy.

(Paragraph 4.7)

Chapter-5: Tax on sales, trade, etc.

Tax amounting to ₹ 5.75 crore for the period 2009-10 to 2013-14 was short/ not levied due to application of incorrect rate of tax and misclassification of goods in the case of 46 dealers of 37 Commercial Tax Offices (CTOs).

Audit recommends that Commercial Tax Department (CTD) should consider instituting a system of periodic reviews of assessment orders passed by AAs at appropriately higher levels on a sample basis.

(Paragraph 5.3)

Despite being pointed out by Audit in previous Audit Reports, the AAs did not perform due diligence in assessment of Value Added Tax (VAT) cases, which led to recurrence of similar nature of irregularities amounting to ₹ 19.28 crore.

Audit recommends that the Commercial Tax Department should review all cases of VAT where observations similar to what Audit has pointed out have arisen/ are likely to arise and complete all assessments by March 2020.

(Paragraph 5.4)

Chapter-6 (A): Taxes on vehicles, goods and passengers

The Department failed to levy fitness fee of ₹ 54.28 lakh and impose penalty of ₹ 3.94 crore on 9,852 vehicles potentially plying without valid fitness certificates.

Audit recommends that the Transport Department should develop a system generated alert in the software which could prevent the plying of vehicles without valid fitness certificate.

(Paragraph 6.3)

The Transport Department failed to stop unsafe vehicles from potentially plying on roads and also did not impose penalty amounting to ₹ 1.85 crore under the Carriage by Road (CBR) Act on 836 goods vehicles which were seized for overloading and also failed to impose fine of ₹ 33.44 lakh on these unregistered common carriers.

Audit recommends that the Transport Department should ensure imposition of penalty under CBR Act on overloaded goods vehicles.

(Paragraph 6.4)

Chapter-6 (B): Stamps and registration fees

Failure of the Department to ensure full utilisation of the *PRERNA* software resulted in residential land measuring 2.93 lakh square meter being wrongly registered for ₹ 32.14 crore at agricultural rates. Correct valuation at residential rate worked out to ₹ 134.57 crore which resulted in short levy of Stamp Duty and Registration Fees by ₹ 6.05 crore.

Audit recommends that the Stamps and Registration Department should ensure correct valuation of property and full utilisation of *PRERNA* Software.

(Paragraph 6.9)

Chapter-7: Mining receipts

The Mining Department did not recover the cost of minerals amounting to ₹ 191.02 crore and penalty of ₹ 2.95 crore due from 1,181 contractors undertaking civil works, who had not submitted MM-11 forms.

Audit recommends that the Mining Department should coordinate with the executing agencies undertaking civil works to ensure submission of form MM-11 by the contractors.

(Paragraph 7.3)

Cost of excavated minerals amounting to ₹ 33.75 crore was not recovered from four lessees for excavating 4.31 lakh cubic meters of minor minerals without EC.

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

(Paragraph 7.4.1)

Penalty equating to cost of mineral amounting to ₹ 62.27 crore was not recovered from 1,131 brick kilns operating without EC.

Audit recommends that the Department should enforce the provisions of the MMDR Act and recover penalty for excavation of brick earth without environment clearance.

(Paragraph 7.4.2)

The lessee had excavated 2.06 lakh cubic meters of sand/ *morrum* without approved mining plan for which ₹ 7.71 crore was recoverable from him.

(Paragraph 7.6.1)

The lessee had excavated 44,928 cubic meters of stone ballast/ boulder in excess of the approved mining plan for which ₹ 3.59 crore was recoverable from him.

Audit recommends that the Department should ensure that no mineral is excavated in excess of the quantity permitted in the approved mining plan.

(Paragraph 7.6.2)

PART ‘A’
Economic Sector

CHAPTER–1
Introduction

(Economic Sector)

CHAPTER-1

Introduction

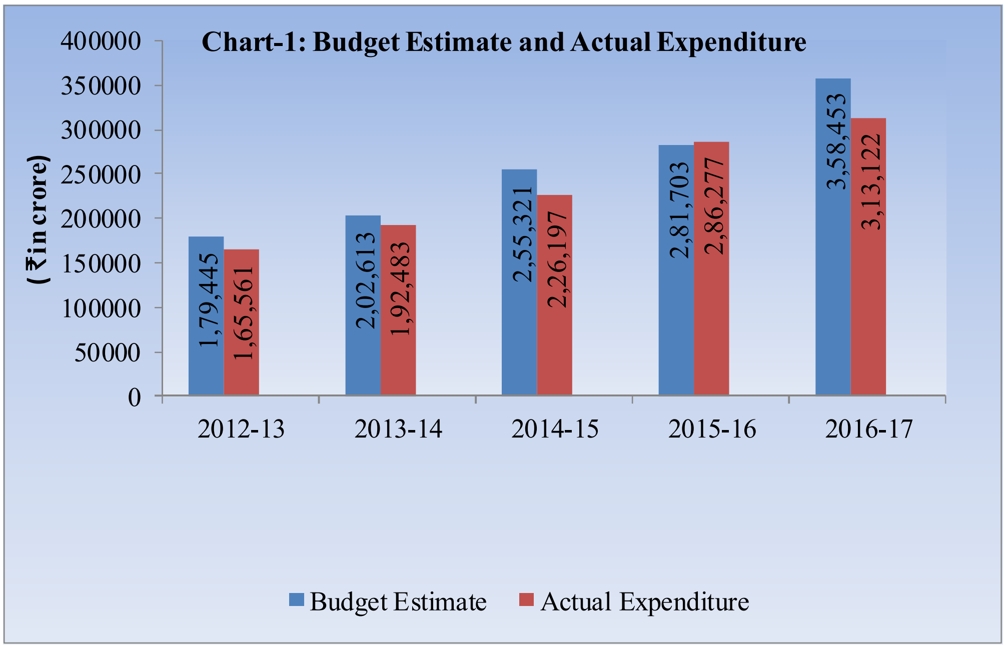
1.1 About this Chapter

This chapter presents the profile of audited entities, trends of expenditure under the economic sector, response of Government to Audit, action taken on earlier Audit Reports, recoveries at the instance of Audit and status of placement of separate audit reports of Autonomous Bodies in the State assembly.

1.2 Profile of audited entities

Eighteen out of total 84 departments in Uttar Pradesh fall under the Economic Sector. These departments are headed by Additional Chief Secretaries/ Principal Secretaries, who are assisted by Commissioners/ Directors and subordinate officers under them.

Trends of budget estimate and actual expenditure of the State Government during 2012-17 are as detailed in **Chart - 1**.



(**Source:** Annual Financial Statement and Explanatory Memorandum of the State Budget of respective years)

The trend of expenditure of five major departments under the Economic Sector during 2014-15 to 2016-17 is given in **Table - 1.1.**

Table - 1.1
Trend of Expenditure of major departments under the Economic Sector

(₹ in crore)

Department	2014-15	2015-16	2016-17
Energy	25,949.15	48,218.81	33,976.69[1]
Infrastructure and Industrial Development Department	2,940.97	3,080.27	6,296.11[2]
Housing and Urban Planning	1,352.97	2,213.97	2,888.06
Revenue (Except Collectorate)	2,567.23	2,495.16	2,721.56
Forest	775.94	840.46	1,231.72

(**Source:** Appropriation Accounts of respective years)

1.3 Audit Coverage

During the year 2016-17, the Accountant General (Economic and Revenue Sector Audit), Uttar Pradesh conducted the compliance audit of 156 out of the total 483 auditable units under the 18 departments pertaining to the Economic Sector.

1.4 Response of Government to Audit

Audit affords four stage opportunity to the audited units/departments to elicit their views on audit observations, viz.,

- **Audit Memos**: Issued to the head of the audited unit during the field audit to be replied during the audit itself.
- **Inspection Reports (IR):** Issued within a month of the completion of audit to be replied by the head of the audited unit within four weeks.
- **Draft Paragraphs:** Issued to the heads of the departments under whom the audited units function for submission of departmental views within six weeks for consideration prior to their being included in the Audit Report.
- **Exit Conference:** Opportunity is given to the head of departments and State Government to elicit departmental/Government views on the audit observations prior to finalisation of the Audit Report.

In all these stages, Audit strives to provide full opportunity to audited units/ heads of departments/ State Government to provide rebuttals and clarifications and only when the departmental replies are not received or are not convincing, the audit observations are processed for inclusion in the Inspection Report or Audit Report, as the case may be. However, in most of the cases, the audited

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1 ₹ 24,232.47 crore spent on Ujwal DISCOM Assurance Yojana (UDAY) in 2015-16 and ₹ 14,801.29 crore in 2016-17.
2 ₹ 2,882.25 crore released for Purvanchal Expressway in 2016-17.

units/ departments, do not submit timely and satisfactory replies as indicated below:

1.4.1 Inspection Reports (IRs)

A detailed review of IRs issued up to March 2017 to 483 Drawing and Disbursing Officers (DDOs) pertaining to 18 departments revealed that 5,396 paragraphs contained in 1,501 IRs were outstanding for settlement for want of convincing replies as on 31 March 2018. Of these, the DDOs submitted initial replies against 543 paragraphs contained in 134 IRs while, in respect of 4,853 paragraphs contained in 1,367 IRs there was no response from DDOs.

The status of outstanding IRs is given in **Table - 1.2**.

Table - 1.2

Outstanding IRs and Paragraphs (issued up to 31 March 2017) as on 31 March 2018

Sl. No.	Period	No. of outstanding IRs (*per cent*)	No. of outstanding Paras (*per cent*)
1	2016-17	125 (8)	532 (10)
2	1 year to 3 years	277 (19)	1,411 (26)
3	3 years to 5 years	334 (22)	1,164 (22)
4	More than 5 years	765 (51)	2,289 (42)
Total		**1,501**	**5,396**

(**Source:** Information compiled by Audit)

During 2016-17, 28 (Audit Committee Meetings) meetings of Audit with departmental officers were held, in which 11 IRs and 274 Paras were settled.

1.4.2 Performance and Compliance Audits

For the present Audit Report 2016-17, draft reports on four Audit Paragraphs were forwarded to the concerned Administrative Secretaries to elicit their views on the audit observations. While replies/ responses have been received to the three audit paragraphs, no reply has been received till August 2018 for one paragraph, despite repeated reminders.

1.5 Action taken on earlier Audit Reports

1.5.1 Replies outstanding

The Report of the Comptroller and Auditor General of India represents the culmination of the process of audit scrutiny. It is, therefore, necessary that they elicit appropriate and timely response from the executive. The Finance Department, Government of Uttar Pradesh issued (June 1987) instructions to all the administrative departments to submit replies/explanatory notes to paragraphs/performance audits included in the Audit Reports of the CAG of India within a period of two to three months of their presentation to the State Legislature. The position of explanatory notes not received is given in **Table - 1.3**.

Table - 1.3
Explanatory notes not received[3] (as on 31 August 2018)

Year of the Audit Report (Economic Sector/Non-PSUs)	Date of placement of Audit Report in the State Legislature	Total Performance Audit (PA)/ Compliance Audit (CA) and Paragraphs in the Audit Report		Number of PA, CA and Paragraphs for which explanatory notes were not received	
		PA/ CA	Paragraphs	PA/ CA	Paragraphs
2012-13	1 July 2014	2	6	2	0
2013-14	17 August 2015	2	5	1	2
2014-15	8 March 2016	4	4	4	4
2015-16	18 May 2017	2	4	2	4
Total		**10**	**19**	**9**	**10**

(**Source:** Information compiled by Audit)

1.5.2 Discussion of Audit Reports by PAC

During the years 2012-13 to 2015-16, 29 audit paragraphs were reported in the Audit Reports on Economic Sector. Of these, PAC had taken up five paragraphs for discussion and five paragraphs for written reply. However, Action Taken Notes (ATNs) have not been received in respect of these discussed paragraphs. The status of PAC discussion as on August 2018 is detailed in **Table - 1.4**.

Table - 1.4
Status of PAC discussion, Uttar Pradesh, Vidhan Sabha

Status	Audit Report on Economic Sector for the year 2012-13 to 2015-16
Number of total Audit Paras	29
Taken up by PAC for discussion (Oral discussion)	5
Taken up by PAC for submission of written reply	5
Recommendation made by PAC	Nil
ATN received	Nil
Action taken by the Department	NA

(**Source:** Information compiled by Audit)

1.6 Recoveries at the instance of Audit

During the course of audit, recoveries of ₹ 18.19 crore pointed out in three cases in various departments/autonomous bodies, were accepted. Against this, recoveries of ₹ 24.86 crore in three cases were effected during 1 April 2016 to 31 December 2017 as per the details given in **Table - 1.5**.

[3] Pertaining to Forest Department, Public Works Department, Department of Micro, Small and Medium Enterprises and Export Promotion, Energy Department, Housing and Urban Planning Department, Infrastructure and Industrial Development Department, Additional Sources of Energy/Non conventional Energy, Environment, Tourism and Information Technology and Electronics Department.

Table - 1.5
Recoveries pointed out by audit and accepted/recovered by the departments

(₹ in crore)

Department	Particulars of recoveries	Recoveries pointed out in Audit and accepted by Department during 01 April 2016 to 31 December 2017		Recoveries effected during 01 April 2016 to 31 December 2017	
		Number of cases	Amount Involved	Number of cases	Amount Involved
Forest Department	Miscellaneous	3	18.19	3	24.86
Total		**3**	**18.19**	**3**	**24.86**

(**Source:** As per progress register)

1.7 Status of placement of Separate Audit Reports of Autonomous Bodies in the State Assembly

Several Autonomous Bodies have been set up by the State Government. A large number of these bodies are audited by the Comptroller and Auditor General of India for verification of their transactions, operational activities and accounts, regularity/compliance audit, review of internal management, financial control and review of systems and procedures, etc. As per the Governing Acts of these Autonomous bodies/Government orders/provisions of the Constitution of India, Separate Audit Reports in respect of accounts and transactions of these bodies are to be prepared by the C & AG and laid in the State Legislature by the Government. The audit of annual accounts of two autonomous bodies[4] in the State has been entrusted to the Comptroller and Auditor General of India.

Separate Audit Reports (SARs) of Uttar Pradesh Electricity Regulatory Commission issued by Audit for the years 2003-04 to 2015-16, are yet (August 2018) to be placed before the Legislature **(Table - 1.6)**.

Table - 1.6
Statement showing details of outstanding Separate Audit Reports to be presented in State Assembly

Sl. No.	Name of Autonomous Body	Year upto which SAR placed in Legislature	Position of SARs not placed in Legislature		Reasons for not-placing of SAR
			Years of SAR	Date of issue to Government	
1	2	3	4	5	6
1	Uttar Pradesh Electricity Regulatory Commission (UPERC).	No SAR placed in legislature since established (2003-04)	2003-04 2004-05 2005-06 2006-07 2007-08 2008-09 2009-10 2010-11 2011-12 2012-13 2013-14 2014-15 2015-16	19 October 2006 5 October 2007 5 October 2007 3 October 2008 17 August 2009 15 August 2010 26 May 2011 08 June 2012 24 September 2014 20 February 2015 22 June 2015 28 December 2015 08 May 2017	Reasons not furnished.

(**Source:** Information compiled by Audit)

These need to be tabled before the State Legislature at the earliest so that legislative accountability for funds devolved to these bodies is established.

[4] U.P Khadi and Gramodyog Board and Uttar Pradesh Electricity Regulatory Commission.

CHAPTER–2
Compliance Audit Observations

(Economic Sector)

CHAPTER-2

Compliance Audit

Audit observations based on Compliance audit of transactions in various Government departments, their field formations and autonomous bodies indicating lapses in management of resources and failures in the observance of the norms of propriety and economy are detailed in the succeeding paragraphs:

Cooperative Department

2.1 Design and implementation of the Loan Waiver Scheme, 2012

The rationale behind the scheme was questionable since it was applicable only to those farmers who had mortgaged their lands with the UPSGVB. However, the practice of auction of land for loan recovery had been stopped since 2007. Therefore, the scheme was aimed at benefiting UPSGVB to the exclusion of other banks.

During the Budget speech (June 2012) the Chief Minister, who was holding the Finance portfolio, announced a loan waiver scheme, wherein, farmers who had mortgaged their land against loans upto a specific amount, and were unable to repay their loans leading to a situation of auction of their land would be provided relief, for which initial provision of ₹ 500 crore was made. Accordingly, the State Cabinet approved a Loan Waiver Scheme (LWS 2012) on 22 November 2012[1] providing for waiver of principal and interest of upto ₹ 1,650 crore to small and marginal farmers who had availed loan up to ₹ 50,000 and had at least repaid 10 *per cent* of the principal amount[2] upto 31 March 2012. The Cabinet approval specified that this amount of ₹ 1,650 crore[3] would be released to Uttar Pradesh Sahkari Gram Vikas Bank (UPSGVB). It is therefore clear that the Cabinet approval was applicable only to those farmers who had mortgaged their lands with UPSGVB. The minutes of the meetings of Government departments[4] prior to the submission of the Cabinet note reveal that only the UPSGVB took agricultural land as surety against loans. In other words, the scheme was aimed at benefitting the UPSGVB to the exclusion of other banks (including Public Sector banks and Cooperative banks[5]) who also provided loans to small and marginal farmers which were in danger of not being repaid, leading to recovery proceedings. The reasons for such bias in favour of UPSGVB are not on record.

In this connection, it is worth mentioning that the Revenue Department, GoUP had already prohibited (December 2007) loan recovery proceedings through auction of land, against small and marginal farmers, holding land up to 3.125 acres even if they had taken loans up to ₹ one lakh or more. Therefore, the scheme rationale is questionable.

The scheme was completed in May 2015, with release of ₹ 1,788 crore to UPSGVB, against which loans amounting to ₹ 1,783.79 crore[6] in respect of 7,58,579 borrowers were waived.

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1 Which was launched by the Cooperative Department, GoUP on 12 December 2012.

2 This condition was subsequently amended (April 2013) to include grants in aid by Government, previous loan waivers, dividends and insurance claims.

3 GoUP subsequently (September 2014 to May 2015) increased this limit to ₹ 1,788 crore.

4 Attended by Chief Secretary, GoUP, Principal Secretary, Institutional Finance, Principal Secretary, Revenue, Principal Secretary-II, Finance, Special Secretary, Cooperative, Managing Director, UPSGVB, Additional Director, Institutional Finance on 31.05.2012.

5 This includes 52 District Cooperative Banks in which GoUP investment constitutes 90.74 *per cent* of paid up share capital of the Banks (source: Finance Accounts of GoUP 2016-17).

6 ₹ 4.21 crore is pending for refund from UPSGVB as of June 2018.

Audit test checked 17 districts out of 75 districts in the State where records of the Office of the Commissioner and Registrar including Headquarters, and offices of Assistant Commissioner & Assistant Registrar (AC&AR)/ Joint Commissioner & Joint Registrar (JC&JR) were examined. Information/records were also test checked of 91 branches (1,95,524 borrowers) out of 395 branches (7,58,579 borrowers) in the State of the Uttar Pradesh Sahkari Gram Vikas Bank (UPSGVB) in the 17 selected districts, through the office of AC&AR/JC&JR.

There are four number of observations, and most of them are of a nature that may reflect similar errors/omissions in other Districts/branches of UPSGVB, but not covered in test audit. Department may therefore like to internally examine all the other UPSGVB branches to ensure that they comply with the requirement and rules.

In addition, Audit observed the following deficiencies in the implementation of the scheme.

✓ The scheme was applicable only to loans that were pre-existing as on 31 March 2012. However, Audit test check revealed instances[7]of waiver of loans disbursed by UPSGVB during January 2012 to March 2012. Such waiver violated the conditions of the Cabinet approval, since it is not possible that the loans ran the risk of default leading to distress sale of mortgaged lands of the farmers within three months of their availing of the loans. The Department failed to ensure that UPSGVB did not use public money to waive loans not covered under the scheme.

Amendment in cut-off date enhanced burden on state exchequer

Due to change in cut-off date for waiver of interest, Government had to bear an additional burden of ₹ 138 crore.

The scheme as initially approved by the State Cabinet provided for the waiver of the outstanding principal and the interest thereon only upto 31 March 2012. At the request (February 2013/April 2013) of UPSGVB, the Department amended (April 2013) the cut-off date to provide for waiver of interest from March 2012 to the date when the GoUP released funds to UPSGVB. Accordingly, GoUP paid additional funds of ₹ 138 crore to UPSGVB. Audit observed that UPSGVB itself was responsible for the delay in release of installments, since it did not furnish utilisation certificates (which were mandatory for release of subsequent installments) and audit certificates. Details are given in **Table - 2.1.**

Table - 2.1
Details of release and utilisation of funds by UPSGVB

Date	Amount (₹ in crore)	Time gap between the release of funds	Date of submission of utilisation certificates	Date of submission of audit report by Chief Audit Officer
17.01.2013	450.00		19.02.2013	
30.03.2013	450.00	2 months	22.06.2013	03.09.2013
04.09.2013	375.00	5 months	10.07.2014	
22.11.2013	375.00	2 months	10.07.2014	
10.09.2014	129.00	10 months	04.04.2015 (₹ 70.42 crore) 03.02.2017 (₹ 58.58 crore)	
27.05.2015	9.00	8 months	27.04.2017 (₹ 5.12 crore)	

(**Source:** Information provided by the Cooperative Department)

[7] 97 cases with waiver amounting to ₹ 20.40 lakh.

In reply, the Government stated (June 2018) that if cut-off date had not been changed, the loan accounts could not have been closed, defeating the purpose of the scheme. The reply is not acceptable, for the reasons already given above. Further this amendment of the cut-off date resulted in the scheme becoming open ended, since UPSGVB continually charged interest on the loans till they were discharged.

Waiver extended to ineligible beneficiaries

Benefit of loan waiver amounting to ₹ 79.67 crore was extended to 16,184 ineligible beneficiaries.

Though the scheme stipulated that only those farmers who had repaid at least 10 *per cent* of principal amount[8] would be covered under the scheme, UPSGVB included interest repayments within the limit of 10 *per cent*. Audit observed that this was contrary to the specific clarification issued (April 2013) by the Cooperative Department in this regard. Audit scrutiny in the sampled 17 districts revealed that as a result, benefit of ₹ 79.67 crore was irregularly extended to three to 18 *per cent* ineligible borrowers (16,184 borrowers) who had repaid less than 10 *per cent* of the principal loan amount.

Audit further observed that the district level committees[9] constituted for the purpose failed to verify the list of beneficiaries prepared by the UPSGVB including their repayment capacity. Had this been done, ineligible beneficiaries would not have benefitted from the scheme.

In their reply, the Department stated (June 2018) that payment of interest for determining the eligibility of beneficiaries was in accordance to the scheme. The reply is not acceptable for the fact stated above.

Non-compliance to orders to conduct 100 per cent audit of Loan Waiver Scheme

Due to serious discrepancies noticed in audit of UPSGVB, 100 *per cent* audit was ordered by the Department which was not carried out despite lapse of more than four years.

The scheme initially provided for audit of 10 *per cent* records of the Loan Waiver Scheme by June 2015 by the Chief Audit Officer, Cooperative Societies & Panchayats, UP, Lucknow. Since the initial internal audit report (September 2013) flagged serious discrepancies[10] amounting to ₹ 4.76 crore in the implementation of the scheme by UPSGVB, the Department ordered (March 2014) the Commissioner and Registrar (C&R) to ensure conduct 100 *per cent* audit of the scheme. Audit observed that despite lapse of more than four years (June 2018) the 100 *per cent* audit had not been conducted. Audit observed that the failure to conduct this audit can be attributed to the Finance Department, which failed to issue formal approval despite regular pursuance by the Cooperative Department.

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8 Definition as amended by GoUP order of April 2013 (footnote 2 refers).

9 Comprising concerned District Magistrate, Additional District Magistrate (Finance and Revenue), AC & AR (Cooperative) and one officer from UPSGVB to be nominated by the Managing Director, UPSGVB.

10 Incorrect calculation of interest- ₹ 13,35,073; differences in the principal balance shown in Ledger Account and in the beneficiary list- ₹ 6,90,134; benefit of waiver given to ineligible farmers ₹ 38,33,437; names of farmers were listed twice in the beneficiary list ₹ 6,14,201 same farmers were being given waiver benefits in two accounts ₹ 6,87,684; Other irregularities ₹ 1,02,19,586, ₹ 2.99 crore, being repaid by the farmers after 31.03.2012, had been shown by the banks as refundable to the farmers but the same was pending for refund and ₹ 3.05 lakh, repaid by the farmers after 31.03.2012, had not been shown by the banks as refundable to the farmers.

Assistance to UPSGVB through the scheme

✓ Audit observed that except for the period of implementation of the scheme (2012-13 to 2015-16) UPSGVB was in losses during 2011-12 and 2016-17, as is evident from the **Table - 2.2.**

Table - 2.2
Statement showing year-wise profit/loss of UPSGVB

(₹ in crore)

Sl. No.	Particulars	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
1	Loans	4,359.37	4,244.04	3,962.74	3,679.03	3,967.67	3,948.47
	Recovery	669.02	1,188.45	1,151.34	571.66	474.97	375.31
	Adjustment	0.02	0.02	0	48.21	0.07	0.03
	Outstanding Balance	3,690.03	3,055.56	2,811.40	3,059.17	3,492.61	3,573.13
2	Interest Earned on loans	295.62	562.62	602.58	353.93	271.31	193.03
3	**Profit for the year**	**-64.87**	**81.79**	**18.11**	**20.00**	**15.16**	**-26.96**

(**Source:** Information provided by UPSGVB through Cooperative Department)

It is therefore evident that the scheme specifically improved the financial position of UPSGVB.

✓ Audit observed that there was inherent conflict of interest in planning and execution of the scheme as up to December 2012, the Principal Secretary, Cooperative Department also functioned as Chairman UPSGVB. Thereafter, during the implementation period, the Minister, Cooperative Department headed the bank[11].

In reply, the Government stated (June 2018) that the objectives of the Scheme were framed considering the conditions of the small and marginal farmers, who had taken loans up to ₹ 50,000 against mortgage of the agricultural land and not as assistance to the UPSGVB. The reply is not tenable in view of the facts stated above.

Forest Department

2.2 Loss due to non-realisation of Premium and Lease rent

Failure to ensure compliance to Government order resulting in non-realisation of premium, lease rent and interest thereon amounting to ₹ 81.18 lakh.

Government of Uttar Pradesh leased out (August 2008) five hectares of forest land for 30 years to Brhamvetta Shri Devaraha Hans Baba Trust (lessee) in district Mirzapur for construction of Ashram. Audit noticed (January 2017) that:

- till date, the Forest Department has not executed a lease agreement with the lessee, even though this was stipulated in the Government order.

[11] Between September 2007 to January 2013, the Principal Secretary, Cooperative Department held the charge of Administrator, UPSGVB since no elections were held in UPSGVB during this interim period.

- though the Government order stipulated that possession would be handed over only after the lessee deposited premium equal to value of land as per current market rate fixed by the District Magistrate (DM), the lessee is in possession of the land without paying the lease premium.
- no lease rent has been levied on the lessee till date, even though the Government order provided for annual lease rent at the rate of 10 *per cent* of the value of premium.
- the Division issued (January 2011) a Recovery Certificate (RC) to the District Magistrate (DM) for recovery of premium and lease rent for three years (2008 to 2010) since the transfer of the land. However, the Divisional Forest Officer (DFO) requested (March 2011) the DM not to proceed further with the recovery stating that the matter was under the consideration of GoUP.

The lease agreement is yet to be signed (August 2018), and ₹ 81.18 lakh[12] on account of premium, lease rent and interest thereon, remain uncollected. This will further increase every year.

In reply, the Department/Government stated (November/ December 2017) that the decision of the division to withhold the recovery process was not as per rules and, therefore, directions have been issued to the concerned Conservator of Forest and the DFO to ensure recovery of premium and lease rent through RC again. The fact remains that the Division handed over the land without signing the lease deed, and without ensuring payment of premium and lease rent. The Division, thus, failed to safeguard the financial interests of the State Government. Besides, though the DFO acted irregularly, by Management's own admission, in withdrawing the RC, no disciplinary proceedings have been initiated.

Recommendation:

The Department should ensure immediate payment of premium and lease rent by the lessee. The Department should also consider initiation of disciplinary action against the DFO for misrepresenting facts to the District Magistrate.

Department of Additional Source of Energy

2.3 Avoidable loss of interest

UPNEDA lost interest of ₹ 5.61 crore by not availing of auto-sweep facility.

During 2015-16 and 2016-17 the Uttar Pradesh New & Renewable Energy Development Agency (UPNEDA) received huge funds for implementation of new and renewable energy schemes from Government of India and State Government which were parked in three[13] savings bank accounts at an interest rate of four *per cent* per annum. During April 2015 to March 2017, UPNEDA

[12] Premium: ₹ 26.88 lakh, lease rent for 9 years from 2008 to 2017 : ₹ 24.21 lakh, loss of interest on premium ₹ 20.18 lakh and loss of interest on lease rent ₹ 9.91 lakh (calculated at the rate at which State Government takes advances from Government of India).

[13] Central Bank of India (Account no. 2185286335), Allahabad Bank (Account No. 200107286631) and State Bank of India (Account No. 10070353437).

maintained substantial idle balances in three saving bank accounts which ranged[14] from ₹ 80.99 crore to ₹ 479.95 crore. Audit observed that UPNEDA could have earned interest of 5.25 to 6 *per cent* by availing of auto sweep facility, in the absence of which, UPNEDA suffered loss of interest of ₹ 5.61 crore during April 2015 to March 2017.

Following the audit observation, the Department informed (September 2017/ December 2017) that necessary instructions have been issued to these banks to provide auto-sweep facility.

Energy Department

2.4 Non-realisation of Electricity Duty

The Director Energy Safety failed to ensure compliance to the Act, resulting in non-realisation of Electricity Duty and interest thereon amounting to ₹ 19.38 crore.

The U.P. Electricity (Duty) Act, 1952 (Act) requires licensees to levy Electricity Duty (ED) on the energy sold to their consumers and remit the same to the State Government, within the prescribed period[15]. Failure to do so renders the licensees liable to pay interest at the rate of 18 *per cent* per annum. Unpaid ED and penal interest is recoverable as arrear of land revenue.

Director, Electrical Safety, is denoted as Electricity Inspector under the Electricity Act, 2003. In terms of the Electricity (Duty) Rules, 1952, the Directorate has been entrusted with monitoring the payment of ED by the licensee and examination of related records.

Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL) executed (May 2009) an agreement with Torrent Power Limited (TPL) for distribution of power in Agra urban area as Distribution Franchise (DF) for 20 years.

Audit observed that the agreement, *interalia,* contravened the ED Act since it permitted TPL to pay ED after realisation from customers and not at the time of sale. During April 2010 to March 2017, TPL had deposited with the State Government only ₹ 273.01 crore towards ED, against the payable amount of ₹ 285.42 crore. Against penal interest of ₹ 8.50 crore, TPL had paid only ₹ 1.53 crore. Consequently, ₹ 19.38 crore (unpaid ED ₹ 12.41 crore and interest ₹ 6.97 crore) remained unrealised.

Directorate, in reply, stated (October 2017) that TPL had refused (October 2011) to agree to amend the agreement to pay ED on the basis of energy sold to the consumers as provided in the Act. The reply is not acceptable, as no agreement can run contrary to an Act of the Legislature. Further, the DISCOMs in the State invariably deposit the electricity duty on the basis of energy sold, and the franchisee of a DISCOM cannot do otherwise.

The matter was brought to the notice of the Department (August 2017); their reply is still awaited (August 2018) despite reminders sent to them in September 2017 and January 2018.

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[14] ₹ 18.06 crore to ₹ 92.15 crore in Central Bank of India, ₹ 41.53 crore to ₹ 181.20 crore in Allahabad Bank and ₹ 9.06 crore to ₹ 232.75 crore in State Bank of India

[15] Within two months following the close of the month in which meter reading was recorded, as per the rules.

PART ‘B’
Revenue Sector

CHAPTER-3
General

(Revenue Sector)

CHAPTER-3: GENERAL

3.1 Introduction

This Chapter presents the overview of trend of receipts raised by the Government of Uttar Pradesh and the arrears of taxes pending collection against the backdrop of audit findings.

3.2 Trend of receipts

3.2.1 The tax and non-tax revenue raised by the Government of Uttar Pradesh, the State's share of the net proceeds of the divisible Union taxes and duties assigned to States, grants-in-aid received from the Government of India during 2016-17, and the corresponding figures for the preceding four years are presented in **Table - 3.1.**

Table - 3.1

Trend of revenue receipts

(₹ in crore)

Sl. No.	Particulars	2012-13	2013-14	2014-15	2015-16	2016-17
1.	**Revenues raised by the State Government**					
	• Tax Revenue	58,098.36	66,582.08	74,172.42	81,106.26	85,965.92
	• Non-tax Revenue	12,969.98	16,449.80	19,934.80	23,134.65	28,944.07
	Total	**71,068.34**	**83,031.88**	**94,107.22**	**1,04,240.91**	**1,14,909.99**
2.	**Receipts from the Government of India**					
	• Share of net proceeds of divisible Union taxes and duties	57,497.86	62,776.70	66,622.91	90,973.69	1,09,428.29[1]
	• Grants-in-aid	17,337.79	22,405.17	32,691.47	31,861.34	32,536.87
	Total	**74,835.65**	**85,181.87**	**99,314.38**	**1,22,835.03**	**1,41,965.16**
3.	**Total revenue receipts of the State Government (1 and 2)**	**1,45,903.99**	**1,68,213.75**	**1,93,421.60**	**2,27,075.94**	**2,56,875.15**
4.	**Percentage of 1 to 3**	**49**	**49**	**49**	**46**	**45**

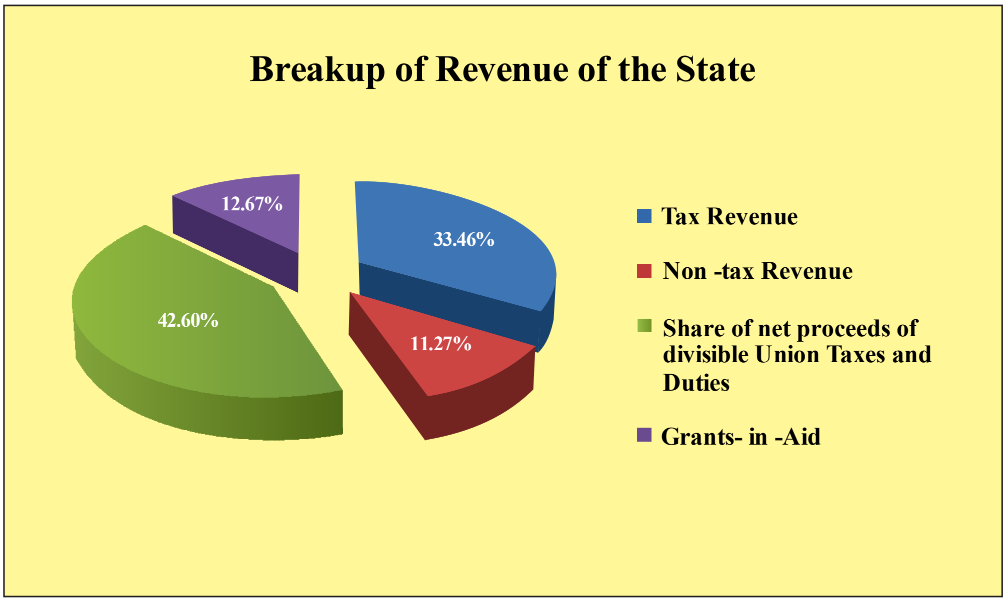
(**Source:** Finance Accounts of the Government of Uttar Pradesh)

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

The breakup of revenue receipts of the State for the year 2016-17 in terms of percentage is shown in **Chart – 3.1**.

[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 2016-17. 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, minor head - 901 - Share of net proceeds assigned to States booked in the Finance Accounts under 'A - Tax revenue' have been excluded from revenue raised by the State and included in 'State's share of net proceeds of divisible Union taxes' in this statement.

Chart - 3.1



3.2.2 Details of the tax revenue raised during the period 2012-13 to 2016-17 are given in **Table - 3.2.**

Table - 3.2

Details of tax revenue

(₹ in crore)

Sl. No.	Head of revenue	2012-13 BE / Actual	2013-14 BE / Actual	2014-15 BE / Actual	2015-16 BE / Actual	2016-17 BE / Actual	Percentage of increase (+) or decrease (-) in actuals of 2016-17 in comparison to BE of 2016-17	Percentage of increase (+) or decrease (-) in actuals of 2016-17 in comparison to Actuals of 2015-16
1.	Tax on Sales, Trade, etc.	38,492.18 34,870.16	43,936.00 39,645.45	47,497.92 42,931.54	52,670.69 47,692.40	57,940.30 51,882.88	(-) 10.45	(+) 8.79
2.	State Excise	10,068.28 9,782.49	12,084.00 11,643.84	14,500.00 13,482.57	17,500.00 14,083.54	19,250.00 14,273.49	(-) 25.85[2]	(+) 1.35
3.	Stamps and Registration Fees	9,308.00 8,742.17	10,555.00 9,520.92	12,722.67 11,803.34	14,836.00 12,403.72	16,319.60 11,564.02	(-) 29.14[3]	(-) 6.77
4.	Taxes on Vehicles, Goods and Passengers (0041 & 0042)	3,093.90 2,993.96	3,713.00 3,442.01	3,950.00 3,797.58	4,658.00 4,410.53	5,123.80 5,148.37	(+) 0.48	(+) 16.73
5.	Others[4]	1,094.68 1,709.58	1,905.00 2,329.86	2,327.34 2,157.39	2,250.31 2,516.07	2,622.80 3,097.16	(+) 18.09	(+) 23.10
	Total	**62,057.04** **58,098.36**	**72,193.00** **66,582.08**	**80,997.93** **74,172.42**	**91,915.00** **81,106.26**	**1,01,256.50** **85,965.92**	**(-) 15.10**	**(+) 5.99**

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

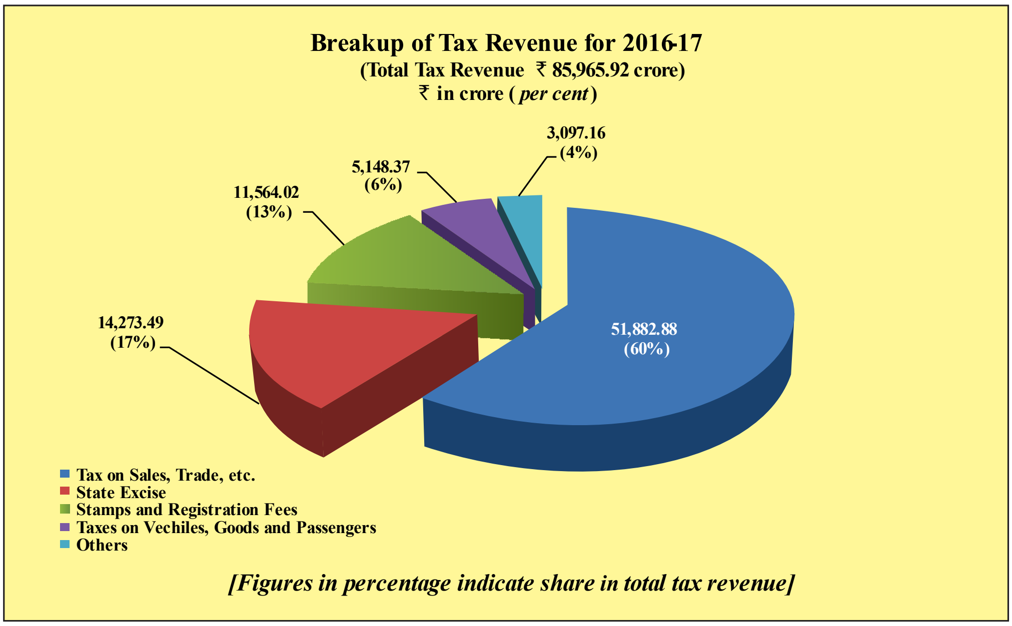
The breakup of tax revenue for the year 2016-17 is shown in **Chart - 3.2**.

2 Decrease was due to non-receipt of License Fee/ Basic License Fee from shops shifted 500 meters away from National/ State Highways in light of the Apex Court's judgment dated 15 December 2016.

3 Decrease was due to reduction in real estate transactions post-demonetisation.

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

Chart - 3.2



3.2.3: Details of the non-tax revenue raised during the period 2012-13 to 2016-17 are indicated in **Table - 3.3.**

Table - 3.3

Details of non-tax revenue

								(₹ in crore)
Sl. No.	**Head of revenue**	**2012-13**	**2013-14**	**2014-15**	**2015-16**	**2016-17**	**Percentage of increase (+) or decrease (-) in actuals of 2016-17 in comparison to**	
		BE Actual	**BE Actual**	**BE Actual**	**BE Actual**	**BE Actual**	**BE of 2016-17**	**Actuals of 2015-16**
1.	Miscellaneous General Services	3,264.23 4,494.11	2,970.98 3,194.28	4,037.81 6,400.41	4,774.00 4,949.22	4,220.61 4,460.40	(+) 5.68	(-) 9.88
2.	Education, Sports, Art and Culture	5,410.00 4,211.69	5,852.75 6,414.09	6,887.18 5,798.52	7,600.00 10,652.08	11,170.31 14,092.31	(+) 26.16	(+) 32.30[5]
3.	Non-Ferrous Mining and Metallurgical Industries	954.00 722.13	1,000.00 912.52	1,100.00 1,029.42	1,500.00 1,222.17	1,650.00 1,548.39	(-) 6.16	(+) 26.69[6]
4.	Power	90.00 72.80	270.00 1,060.81	2,700.00 967.87	2,700.00 1,322.17	2,700.00 2,938.85	(+) 8.85	(+) 122.27[7]
5.	Other Non-tax receipts[8]	4,455.59 3,469.25	3,088.75 4,868.10	5,506.96 5,738.58	5,062.32 4,989.01	4,499.93 5,904.12	(+) 31.20	(+) 18.34
	Total	**14,173.82 12,969.98**	**13,182.48 16,449.80**	**20,231.95 19,934.80**	**21,636.32 23,134.65**	**24,240.85 28,944.07**	**(+) 19.40**	**(+) 25.11**

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

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[5] Increase was due to reimbursement of salary disbursed under *Sarv Shiksha Abhiyan*.

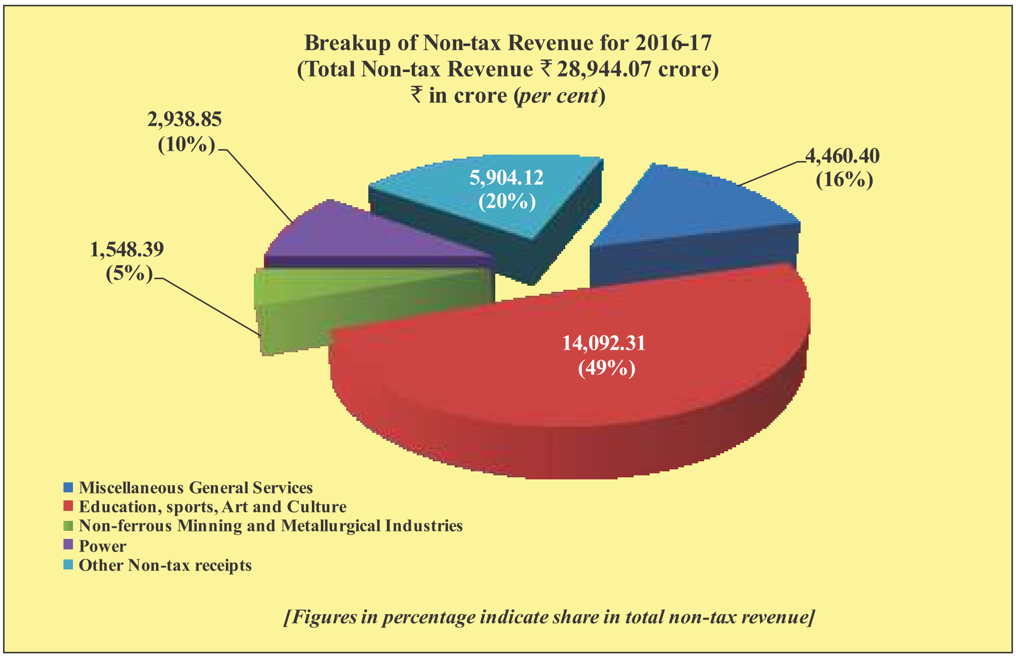
[6] Increase was due to increase in rates of royalty.

[7] Increase was due to receipt of share capital from the Government of India for the Uttar Pradesh Power Corporation Limited (UPPCL) for rural electrification.

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

The breakup of non-tax revenue for the year 2016-17 is shown in **Chart - 3.3.**

Chart - 3.3



Audit noted wide variations between the budget estimates prepared by the Finance Department and the actual revenues (Tables 1.2 and 1.3 refer). The Finance Department unilaterally increased the budget estimates of Administrative departments of previous year by 10 *per cent* and fixed the same for the year without considering the BEs proposed by the Administrative departments for the current year. The reasons for such erroneous fixation could not be assessed as the Finance Department refused to produce the budget files to Audit **(Appendix-I)**. Such non-production of files violates the Constitutional mandate of the Comptroller and Auditor General of India as enshrined in Section 18 (1) (b) of the DPC Act, 1971 and Regulation 181 of the Regulations on Audit and Accounts, 2007.

Recommendation:

The Finance Department should allow access to Audit to records relating to the preparation of the budget, and also revisit their budgeting methods to make the budget estimates more realistic.

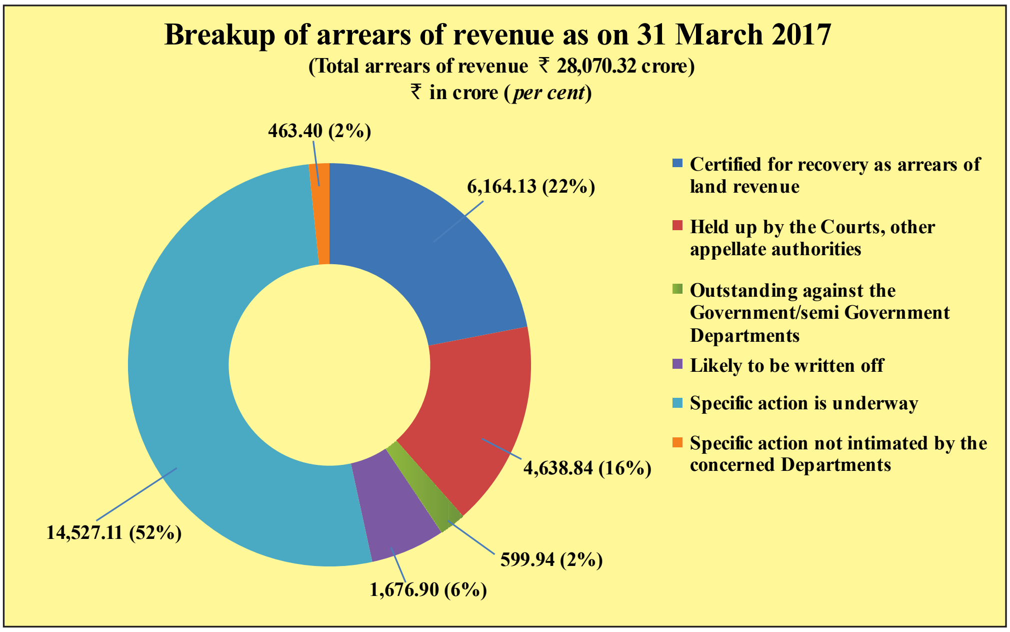
3.3 Analysis of arrears of revenue

Arrears of revenue as on 31 March 2017 in respect of some principal heads of revenue amounted to ₹ 28,070.32 crore[9], of which ₹ 11,863.23[10] crore were outstanding for more than five years. Details as provided by the departments are given in **Chart - 3.4**.

[9] Tax on Sales, Trade, etc.: ₹ 27,214.14 crore; Stamps and Registration Fees: ₹ 373.63 crore; Taxes on Vehicles, Goods and Passengers: ₹ 93.37 crore; State Excise: ₹ 53.18 crore; Entertainment Tax: ₹ 336.00 crore.

[10] Tax on Sales, Trade, etc.: ₹ 11,803.03 crore; Stamps and Registration Fees: not available with the Department; Taxes on Vehicles, Goods and Passengers: not available with the Department; State Excise: ₹ 52.18 crore; Entertainment Tax: ₹ 8.02 crore.

Chart - 3.4



A detailed analysis of Arrears of Revenue was made in audit on "System of collection of arrears of revenue in Commercial Tax Department in Uttar Pradesh" and pointed out in paragraph No. 4.4 of the Audit Report (Revenue Sector) for the year ending 31 March 2016 which *interalia* recommended posting of a Tax Recovery Officer in every district, evolving a system for timely issuing the RRCs, and deployment of manpower in accordance with the sanctioned strengths of the respective departments for ensuring effective recovery of the arrears of revenue.

At ₹ 28,070.32 crore, the total arrears in revenue at the end of 2016-17 constituted 24.42 *per cent* of the total revenue receipts of the state (₹ 1,14,909.99 crore) of which 42.26 *per cent* (₹ 11,863.23 crore) of the arrears were pending recovery for periods of five years or more. This is indicative of lax revenue administration and non-compliance in the State. The quantum of arrears is unsustainably large and calls for concerted efforts at recovery of the same.

Audit examined the files and records of departments concerned to ascertain the reasons for pendency in collection of arrears. The departments intimated pendency at different stages, but individual records relating to outstanding arrears were not made available for examination. The details of arrears of revenue were not available with the Geology and Mining Department. There was no mechanism to monitor the progress of collection of arrears or to assess reasons for accumulation of arrears in the departments[11]. Further, the departments do not maintain any centralised database of outstanding arrears. Figures of outstanding arrears were compiled each year, at the instance of Audit, from the data furnished by the field units.

Recommendation:

The departments should create a centralised database of outstanding arrears and introduce a mechanism to monitor the progress of arrears on a periodic basis. The reasons for accumulation of arrears should also be

[11] Commercial Tax, State Excise, Transport, Stamps and Registration, Entertainment Tax and Geology and Mining.

analysed and mechanisms/ procedures developed to prevent any further accumulation of arrears.

3.4 Follow up on the Audit Reports - summarised position

To ensure accountability of the executive in respect of all the issues dealt with in various Audit Reports (ARs), the Department of Finance issued instructions in June 1987 to initiate *suo motu* action on all paragraphs/ Performance audits figuring in the Audit Reports irrespective of whether the cases were taken up for examination by the Public Accounts Committee (PAC) or not. Significant delays were observed in submission of explanatory notes (replies of the departments) itself, with delays ranging between one month and 43 months in respect of 205 paragraphs (including performance audits) appearing in the CAG's Revenue Audit reports for the year ended 31 March 2012, 2013, 2014, 2015 and 2016 placed before the State Legislative Assembly between September 2013 and May 2017. Details of pending explanatory notes pertaining to various departments[12] are given in **Table - 3.4**.

Table - 3.4

Sl. No.	Audit Report ending on	Date of presentation in the legislature	Number of paragraphs	Number of paragraphs where explanatory notes received	Number of paragraphs where explanatory notes not received
1	31 March 2012	16 September 2013	56	56	00
2	31 March 2013	20 June 2014	49	32	17
3	31 March 2014	17 August 2015	43	17	26
4	31 March 2015	06 March 2016	31	00	31
5	31 March 2016	18 May 2017	26	26	00
Total			**205**	**131**	**74**

In 2016-17 (between May 2016 and June 2016), the PAC discussed 79 selected paragraphs pertaining to the Audit Reports for the years from 2011-12 to 2013-14. However, Action Taken Notes (ATNs) have not been received in respect of these paragraphs from the concerned departments as mentioned in **Table - 3.5.**

Table - 3.5

Year	Name of the Department	Total
2011-12	Commercial Tax, State Excise, Transport, Stamp and Registration, Geology and Mining, Medical, Health and Family Welfare/ Forest, Weight and Measurement	54
2012-13	State Excise, Transport, Geology and Mining, Weight and Measurement	18
2013-14	State Excise, Commercial Tax	07
	Total	**79**

(**Source:** Information available in the audit office)

[12] Commercial Tax (25 paragraphs), State Excise (3 paragraphs), Transport (17 paragraphs), Stamps and Registration (10 paragraphs), Geology and Mining (14 paragraphs) and Entertainment Tax (5 paragraphs).

Recommendation:

The State Government should ensure that all departments promptly prepare ATNs on recommendations of PAC.

3.5 Response of the Departments/ Government towards Audit

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

Review of IRs issued up to December 2016 revealed that 41,138 paragraphs relating to 11,943 IRs remained outstanding at the end of June 2017. The potentially recoverable revenue brought out in these IRs is as much as ₹ 6,898.44 crore whereas the total revenue collection of the State is ₹ 1,14,909.99 crore. Department-wise details relating to revenue sector of the State Government are given in **Table - 3.6.**

Table - 3.6

Department-wise details of Inspection Reports

					(₹ in crore)
Sl. No.	**Name of the Department**	**Nature of receipts**	**Number of outstanding IRs**	**Number of outstanding audit observations**	**Money value involved**
1.	Finance	Tax on Sales, Trade, etc.	5,454	24,113	3,694.75
		Entertainment tax	177	419	17.97
2.	State Excise	State Excise	1,021	1,807	878.59
3.	Transport	Taxes on vehicles	1,299	5,282	825.22
4.	Stamps and Registration	Stamps and registration fees	3,806	8,701	708.10
5.	Geology and Mining	Non-ferrous mining and metallurgical industries	186	816	773.81
Total			**11,943**	**41,138**	**6,898.44**

(**Source:** Information available in the audit office)

Even the first replies, required to be received from the heads of offices within one month from the date of issue of IRs, were not received in time. Audit received first reply from the heads of offices in case of one IR within one month, in respect of 89 IRs between one to six months and in respect of 52 IRs beyond six months. The first replies had not been received in case of 451 IRs out of 593 IRs issued during 2016-17. This large pendency of the IRs and non-receipt of first replies from the departments is indicative of the fact that the Heads of auditee units have failed to take cognisance of the reported audit findings and initiate any corrective action in their respect. The lack of interest of the Executive in audit is also evident from the fact that irregularities of similar nature are being reported year after year with no improvement/ evidence of any corrective action by the concerned departments visible at the ground level. This adversely affected effectiveness of Audit.

Recommendation:

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

3.6 Results of audit

Position of local audit conducted during the year

The audit covered six departments[13] of the State Government and test checked the records of 569 out of 2,352 auditable units (24 *per cent*) relating to tax on sales, trade, etc., state excise, taxes on vehicles, goods and passengers, stamps and registration fees, entertainment tax and mining receipts during the year 2016-17. Besides, audit of 14 District Excise Offices was also undertaken between October 2016 and June 2017. Further, this was a test audit. In six departments revenue of ₹ 80,507.85 crore was collected during 2015-16, out of which the 569 audited units collected ₹ 38,139.48 crore (47 *per cent*). In 569 audited units, records were test checked on the basis of turnover/ tax payments which revealed underassessment/ short levy/ loss of revenue aggregating to ₹ 2246.74 crore (six *per cent*) in 3,061 paragraphs. The departments concerned accepted underassessment and other deficiencies of ₹ 9.12 crore in 593 cases pointed out by audit. The departments also effected recovery of ₹ 2.72 crore in 336 cases.

Recommendation:

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

3.7 Coverage of this part of the Report

This part of the Report contains 15 paragraphs from the local audits conducted during the year and those of earlier years which could not be included in the previous reports involving financial effect of ₹ 1751.89 crore.

Most of the audit observations are of a nature that may reflect similar errors/ omissions in other units of the State Government departments, but not covered in the test audit.

The Departments/ Government may therefore like to internally examine all the other units by them with a view to ensuring that they are functioning as per requirement and rules.

The departments have accepted audit observations involving ₹ 1,535.14 crore and recovered ₹ 80.46 lakh. These are discussed in the succeeding Chapters-4 to 7.

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[13] Commercial Tax, State Excise, Transport, Stamps and Registration, Entertainment Tax and Geology and Mining.

CHAPTER-4
State Excise

(Revenue Sector)

CHAPTER-4: STATE EXCISE

4.1 Tax administration

Various kinds of liquor, such as Country Liquor (CL) and Indian Made Foreign Liquor (IMFL) are manufactured from alcohol. Excise duty on production of alcohol and liquor in distilleries forms a major part of the State's excise revenue[1]. Apart from the excise duty, license fee[2] also forms a part of excise revenue. The Uttar Pradesh Excise Act, 1910 and Rules[3] govern the levy and collection of excise duty on liquor for human consumption and applicable license fee.

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

4.2 Results of audit

During 2016-17, Audit test checked the records of 77[4] units out of 236 auditable units (33 *per cent*) of the Department. The Department generated ₹ 14,083.54 crore revenue during 2015-16 of which the audited units collected ₹ 4,521.34 crore (32 *per cent*).

Besides the above, 14 District Excise Offices which generated revenue of ₹ 4,910.02 crore during 2012-13 to 2016-17 were also test checked between October 2016 and June 2017.

Audit scrutiny revealed short realisation of excise duty, non-realisation of license fee/ interest etc. amounting to ₹ 1,490.43 crore in 202 paragraphs as shown in **Table - 4.1**. Most of the observations are of a nature that may reflect similar errors/ omissions in other units, but not covered in test audit. Department may therefore like to internally examine all the other units to ensure that they comply with the requirement and rules.

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

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

3 Uttar Pradesh Excise (settlement of licenses for retail sale of foreign liquor) (excluding Beer and wine) Rules 2001.
UP Excise (settlement of licenses for retail sale of foreign liquor) (excluding Beer and wines) (Third Amendment) Rules 2002.
UP Excise (Wholesale and retail vend of foreign liquor) (Thirteenth Amendment) Rules 2002.
UP Excise (Settlement of licenses for retail sale of country liquor) Rules 2002.
UP Excise (Settlement of licenses for Country Liquor Bonded Warehouse) Rules 2003.
UP Excise (Settlement of retail licenses for model shop of foreign liquor) Rules 2003.

4 District Excise Offices (36), Distilleries (31) and Sugar Mills (10).

Table - 4.1

Sl. No.	Categories	Number of paragraphs	Amount (₹ in crore)	Share in *per cent* to the total objected amount
1.	Short realisation of excise duty	44	110.58	7.42
2.	License fee/ interest not realised	65	87.15	5.85
3.	Other irregularities	93	1,292.70	86.73
Total		**202**	**1,490.43**	

(**Source:** Information available in the Audit office)

The Department accepted underassessment and other deficiencies of ₹ 68.79 lakh in 39 cases out of 2,712 such cases pointed out in 1999-2000 and between 2007-08 and 2016-17, and realised the related outstanding revenue.

This chapter discusses five paragraphs[5] worth ₹ 1,404.25 crore. Out of these, some irregularities have been repeatedly reported during the last five years as detailed in **Table - 4.2.**

Table - 4.2

(₹ in crore)

Nature of observation	2011-12		2012-13		2013-14		2014-15		2015-16		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Failure to cancel the selection of shops and forfeiture of basic license fee and security deposit	-	-	639	53.68	-	-	32	3.66	1,007	37.43	1,678	94.77
Sale of Beer without Beer bar license	-	-	1,370	16.80	87	1.31	-	-	364	6.70	1,821	24.81
Short levy of license fee on model shops	27	1.54	393	7.51	-	-	2	0.36	-	-	422	9.41

Recommendation:

The Department should initiate systemic measures to ensure that the persistent irregularities that are routinely found during audit do not recur.

4.3 Failure to cancel the selection of shops and forfeiture of basic license fee/ license fee and security deposit

The Department failed to act on the directions of the Public Accounts Committee to ensure compliance to the Rules relating to timely deposit of Basic License Fee and License Fee on settlement of shops. The Department did not initiate any action for cancellation of settlement, and forfeiture of basic license fee /license fee (₹ 843.16 crore) and security (₹ 453.91 crore) totaling to ₹ 1,297.07 crore, in contravention to the rules.

The various Uttar Pradesh Excise (settlement of licenses of retail sale) Rules[6]

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5 The five paras cover 15,579 cases

6 UP Excise (settlement of licenses for retail sale of foreign liquor) (excluding Beer and wine) Rules 2001.
UP Excise (settlement of licenses for retail sale of Beer) Rules 2001.
UP Excise (settlement of licenses for retail sale of country liquor) Rules 2002.
UP Excise (settlement of retail licenses for model shop of foreign liquor) Rules 2003.

stipulate that the amount of Basic License Fee[7] (BLF)/ License Fee[8] (LF) shall be deposited in full within three working days, half of the security[9] amount within 10 working days and the remaining amount within 20 working days of the receipt of information of the selection of shop. In case of default, the selection of shop would be cancelled, and the amount of BLF/ LF and security deposits is required to be forfeited and these shops need to be resettled.

Previous Audit Reports had highlighted persistent losses amounting to ₹ 94.77 crore due to failure in cancellation of shops and forfeiture of basic license fee and security deposit in 1,678 cases during 2012-13 and 2014-15 to 2015-16.

To evaluate the corrective measures by the Department in this regard, Audit test checked the records of 26[10] out of 50 District Excise Offices. Audit noticed that 14,334 out of 27,562 liquor shops (52 *per cent*) which settled or renewed during the years 2012-13 to 2016-17, did not deposit the entire amount of security deposit within the prescribed time frame. The average delay was 138 days. No action was, however, initiated by the concerned District Excise Officers (DEOs) as envisaged in the Rules. As no relaxation is allowed under the provisions/ rules, inaction on delay resulted in non-forfeiture of amount of ₹ 1,297.07 crore (BLF/ LF ₹ 843.16 crore and security deposit ₹ 453.91 crore). On similar issue highlighted in para 3.8.8.1 of Audit Report (Revenue Sector) 2012-13, the Public Accounts Committee directed (May 2015) the Principal Secretary, Excise to take action against defaulting licensees and ensure that similar irregularity is not repeated in future.

In the exit conference (October 2017), the Department accepted the audit observations, but expressed practical difficulties in resettlement of shops in the middle of the year. The reply is not tenable as the Department was neither making any efforts at ensuring timely recoveries from license holders nor forfeiting the deposits of the defaulters as per the existing Rules. Moreover, the Department did not suggest any alternative method such as amendments to rules or procedures to the Government in this regard in order to safeguard the financial interests of the State.

Recommendation:

The Department should ensure adherence to provisions of Act/ Rules and to the directions of the Public Accounts Committee, to safeguard the financial interests of the State.

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[7] BLF- ₹ 22 per BL (2012-13), ₹ 23 per BL (2013-14), ₹ 24 per BL (2014-15) and ₹ 25 per BL (2015-16 and 2016-17).

[8] LF- ₹ 159 per BL (2012-13), ₹ 184 per BL (2013-14), ₹ 204 per BL (2014-15), ₹ 227 per BL (2015-16) and ₹ 226 per BL (2016-17).

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

[10] DEO: Agra, Aligarh, Bahraich, Ballia, Balrampur, Barabanki, Bareilly, Bijnor, Bulandshahr, Chandauli, Etah, Etawah, Fatehpur Gazipur, Gorakhpur, Hardoi, Kanpur Nagar, Kaushambi, Lucknow, Meerut, Moradabad, Rae Bareli, Saharanpur, Shahjahanpur, Unnao and Varanasi.

4.4 Sale of Beer without Beer bar license

Non-issue of Beer bar license for retail sale of bottled Beer led to loss of revenue of ₹ 13.59 crore in respect of 720 licensees during 2012-13 to 2016-17.

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

Previous Audit Reports had highlighted persistent losses amounting to ₹ 24.81 crore in 1,821 cases during 2012-13 to 2013-14 and 2015-16.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of 29[11] out of 50 District Excise Offices. Audit noticed that consumption records in 720 out of 797 licenses of the hotels/ restaurant bars settled or renewed during the years 2012-13 to 2016-17 under FL 6, FL 6A (composite) and FL 7 category showed that the licensees sold bottled Beer in addition to IMFL which was not covered under the license issued. The concerned DEOs did not force licensees to get FL 7B license to sell bottled Beer. As a result, the Government was deprived of license fee of ₹ 13.59 crore.

In the exit conference (October 2017), the Department replied that in terms of the notification[12] dated 20 December 1980, Beer is included in the definition of foreign liquor. The reply is not acceptable. The notification which was issued before the Rules cannot supersede the Rules which constitute subordinate legislation.

Recommendation:

The Department should amend the concerned notification to ensure that is in tune with the Rules so that the financial interests of the State are protected. In the event it is felt that the present provisions of the excise policy are unviable, the Department may consider reviewing the policy.

[11] DEO: Agra, Aligarh, Allahabad, Ambedkar Nagar, Badaun, Ballia, Bareilly, Bijnor, Bulandshahr, Chandauli, Deoria, Faizabad, G.B. Nagar, Ghaziabad, Gonda, Gorakhpur, Jalaun, Jhansi, Kanpur Nagar, Lucknow, Meerut, Mirzapur, Moradabad, Muzaffarnagar, Rampur, Saharanpur, Sonebhadra, Unnao and Varanasi.

[12] No. 8272-E/XIII-656-79 dated 20 December 1980.

4.5 Short levy of license fee on model shops

The license fee of model shops was not fixed as per norms prescribed in the excise policy resulting in short levy of license fee of ₹ 2.49 crore.

As per the State excise policy, the license fee for a model shop[13] was to be fixed at the amount of accumulated highest license fee of settled retail shops of both foreign liquor and Beer in the town for the same year. But it could not be less/ more than the minimum/ maximum prescribed limit provided in the excise policy as detailed in **Table - 4.3**

Table - 4.3

(₹ in lakh)

Year	Date of notification	Minimum license fee	Maximum license fee
2014-15	29 January 2014	12.65	34.50
2015-16	12 January 2015	14.55	39.70
2016-17	17 February 2016	14.55	39.70

(**Source:** Information from excise policy issued by the Government)

Previous Audit Reports had highlighted persistent losses amounting to ₹ 9.41 crore in 422 cases during 2011-12 to 2012-13 and 2014-15.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of eight[14] out of 50 District Excise Offices and noticed that in 44 out of 73 model shops settled during 2014-15 to 2016-17, accumulated highest license fee from the retail shops of both foreign liquor and Beer settled in the town worked out to ₹ 10.93 crore. The Department fixed and realised a total license fee of ₹ 8.44 crore from these model shops without assigning any reason. While assessing the license fee, the concerned DEOs overlooked the amount of highest realised license fee from the retail shops of both foreign liquor and Beer in the town, as provided in the excise policy. This resulted in short levy of license fee of ₹ 2.49 crore.

In the exit conference (October 2017), the Department replied that the levy and recovery of license fee from these model shops had been made as per the excise policy. The reply of the Department is not tenable because the concerned DEOs, while fixing the license fee of these model shops, overlooked the condition for accumulation of amount of highest realised license fee from the retail shops of both foreign liquor and Beer in the town, as provided in the excise policy.

Recommendation:

The Department should ensure due diligence in adherence to the provisions of the excise policy while fixing the license fee of the liquor shops.

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

[14] DEO: Bahraich, Banda, Barabanki, Etah, Gazipur, Gonda, Rampur and Unnao.

4.6 Lower fixation of Minimum Guaranteed Quantity (MGQ) of country liquor shops than previous year's MGQ

The Department fixed short MGQ of 37.33 lakh BL for the year 2012-13 to 2016-17. Thus, the Government was deprived of basic license fee of ₹ 9.08 crore and license fee of ₹ 78.85 crore.

As per the Excise policies for the years 2012-13 to 2016-17, the Minimum Guaranteed Quantity[15] (MGQ) of retail shops of country liquor in the district was to be fixed by enhancing the MGQ of the corresponding previous year by six *per cent* in 2012-13 to 2014-15, eight *per cent* in 2015-16 and four *per cent* in 2016-17. The shops were to be settled by effecting the above enhancements in the MGQs, and the Basic License Fee[16] was to be realised as per the MGQ fixed for them. License fee[17] is adjusted in the shape of excise duty already paid at the distillery level. As per the excise policy notified from year to year, the MGQ for Country Liquor shops should not be less than the MGQ of the previous year.

Audit test checked the records of 50 District Excise Offices and found that out of 6,522 country liquor shops settled in these districts during the years 2012-13 to 2016-17, MGQs in respect of 391 shops in eight[18] districts were actually reduced from the level of MGQ determined for the previous year though the extant instructions provided for enhancing the same. Thus, instead of previous year's MGQ of 179.03 lakh BL, the DEOs settled the shops with MGQ of 141.70 lakh BL without assigning any reason. This resulted in short fixation of MGQ by 37.33 lakh BL during the period from 2012-13 to 2016-17. The Government was thus deprived of basic license fee of ₹ 9.08 crore and license fee of ₹ 78.85 crore.

In the exit conference (October 2017), the Department replied that MGQ of country liquor was assessed according to the provisions of the extant excise policy. The reply is not correct. The concerned DEOs settled the country liquor shops at MGQ less than that of the previous year which was not in consonance with the excise policy.

Recommendation:

The Department should ensure that DEOs do not fix the MGQ of Country Liquor shops lower than that of the previous year in violation of the excise policy.

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15 The minimum quantity of country liquor as fixed by the Collector of the district guaranteed by the purchaser to be lifted by him, for the purpose of being sold by retail in his country liquor shop or group of shops during the Excise year or part of the Excise year for which he has obtained the license.

16 Basic License Fee means that part of consideration for the grant of license for exclusive privilege of retail sale of country liquor payable by the person selected as licensee before grant of license to him.

17 License fee means the remaining part of consideration for grant of license for exclusive privilege of retail sale of country liquor payable by the licensee in addition to the basic license fee.

18 Agra, Aligarh, Gorakhpur, Hardoi, Kanpur Nagar, Kaushambi, Lucknow and Varanasi.

4.7 Fixation of license fee on settlement of retail license shops of IMFL less than from previous year

License fee of retail shops of IMFL was reduced from previous year's license fee. Thus Government was deprived of license fee of ₹ 3.17 crore.

As per the Excise Policy for the years 2014-15 and 2015-16, the license fee for IMFL retail shops was to be fixed by increasing the license fee of the previous year by 15 *per cent*. It was also provided that the license fee for retail shops of IMFL should not be less than previous year's license fee. In 2016-17 the license fee for IMFL retail shops was same as fixed during 2015-16.

Audit test checked the records of five[19] District Excise Offices and found that during the years 2014-15 to 2016-17, license fee in respect of 90 shops was reduced from that of the previous year. Thus, instead of previous year's license fee of ₹ 19.71 crore, DEOs settled the shops at license fee of ₹ 16.54 crore without assigning any reason. This resulted in short fixation of license fee of ₹ 3.17 crore.

In the exit conference (October 2017), the Department replied that License Fee of IMFL shops was assessed according to the provisions of the Excise Policy. The reply is not tenable as the concerned DEOs decreased the License Fee of IMFL shops from that of previous year's level whereas the license fee was to be fixed according to the Excise Policy of the concerned year.

Recommendation:

The Department should ensure that DEOs invariably fix the License Fee of IMFL shops as provided for in the excise policy. In the event it is felt that the present provisions of the excise policy are unviable, the Department may consider reviewing the policy.

[19] Agra, Aligarh, Hardoi, Kanpur Nagar and Lucknow.

CHAPTER-5
Tax on Sales, Trade, Etc.

(Revenue Sector)

CHAPTER-5: TAX ON SALES, TRADE, ETC.

5.1 Tax administration

The Principal Secretary (Commercial Tax and Entertainment Tax), Uttar Pradesh administers the Sales Tax/ Value Added Tax laws and rules framed there under. The Commissioner, Commercial Tax (CCT), Uttar Pradesh is the head of the Commercial Tax Department. He 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).

5.2 Results of audit

During 2016-17, Audit test checked the records of 270[1] out of 1,536 auditable units (18 *per cent*) of the Commercial Tax Department. The Department collected ₹ 47,692.40 crore revenue during 2015-16 of which the audited units collected ₹ 25,329.62 crore (53 *per cent)*. Audit identified irregularities amounting to ₹ 226.72 crore in 1,757 paragraphs as reported to the Department through the Audit Inspection Reports. These are as detailed in **Table - 5.1.**

Table - 5.1

Sl. No.	Categories	Number of paragraphs	Amount (₹ in crore)	Share in *per cent* to the total objected amount
1	Under-assessment of tax	481	61.61	27.17
2	Acceptance of defective statutory forms	30	1.44	0.64
3	Evasion of tax due to suppression of sales/ purchase	22	1.11	0.49
4	Irregular/ Incorrect/ Excess allowance of ITC	269	13.16	5.80
5	Other irregularities	955	149.40	65.90
Total		**1,757**	**226.72**	

(**Source:** Information available in the Audit office)

During the course of the year, the Department accepted under-assessment and other deficiencies of ₹ 7.76 crore in 461 cases pointed out between 2007-08 and 2016-17 and out of these, realised ₹ 1.36 crore in 204 cases.

This chapter discusses 168 cases worth ₹ 25.03 crore out of the above cases based on their significance. Some of these irregularities continue to persist, despite similar cases having been repeatedly reported during the last five years as detailed in **Table - 5.2.** Most of the observations are of a nature that may reflect similar errors/omissions in other units, but not covered in test audit. Department may therefore like to internally examine all the other units to ensure that they comply with the requirement and rules.

[1] Commissioner, CT (01), JCs (24), Addl. Commissioner (01), DCs (149), ACs (73) and CTOs (22).

Table - 5.2

(₹ in crore)

Nature of observations	2011-12		2012-13		2013-14		2014-15		2015-16		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Application of incorrect rate of tax	79	3.32	95	2.36	75	8.49	132	7.49	35	2.72	416	24.38
Misclassification of Goods	17	0.81	-	-	-	-	24	4.23	13	0.63	54	5.67

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

Recommendation:

The State Government should initiate measures to address the irregularities to avoid their repetition year after year.

5.3 Tax short/ not levied

Scrutiny of records revealed instances where the Assessing Authorities (AAs) while finalising the assessments (between April 2012 and July 2016) failed to apply correct rate of tax mentioned in the Schedule of Rates and applied lower rate of tax due to misclassification of goods. This resulted in short/ non levy of tax amounting to ₹ 5.75 crore in 46 out of 6,007 dealers test checked in 37 Commercial Tax Offices (CTOs) for the period 2009-10[2] to 2013-14. A few cases are mentioned in the following paragraphs.

5.3.1 Application of incorrect rate of tax

AAs accepted the tax rate on sale of goods worth ₹ 25.26 crore as mentioned by the dealers in tax returns without verifying the rates applicable on such goods as per the schedule. Thus, tax amounting to ₹ 2.00 crore was short/ not levied.

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

The Audit Reports for the year 2011-12 to 2015-16 had highlighted failure of AAs in observing the aforesaid provisions while finalising the assessments of 416 dealers resulting in short levy of tax ₹ 24.38 crore. The Department accepted the audit observations and assured appropriate action (September 2016).

Following the assurances, Audit test checked assessment records of 21 CTOs[3] (out of 270 CTOs audited) and noticed that in the case of 24 dealers (out of

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[2] Section 29(3) of the UPVAT Act stipulates that any order of assessment shall be made within three years from the end of such assessment year.

[3] Name of CTOs, rate of tax and other details are given in Appendix.

3,413 dealers test checked), the AAs, while finalising the assessments (between April 2012 and July 2016) for the years 2009-10 to 2013-14, accepted the tax rates of zero to five *per cent* on sale of goods worth ₹ 25.26 crore as mentioned by the dealers in tax returns. The AAs failed to verify and levy the applicable rates of five to 14 *per cent* on such goods as per the schedule. Thus, tax amounting to ₹ two crore was short/ not levied **(Appendix-II).**

In the exit conference (September 2017), the Department accepted the audit observations and stated that tax amounting to ₹ 25.56 lakh had been levied in three cases. In the remaining cases, the Department stated that action was in progress.

Recommendation:

CTD should consider instituting a system of periodic reviews of assessment orders passed by AAs at appropriately higher levels on a sample basis.

5.3.2 Misclassification of goods

AAs accepted the classification of goods valued at ₹ 43.56 crore declared by the dealers without verifying correct class of goods as mentioned in the Schedule which resulted in application of incorrect rate of tax on sale of goods leading to short levy of tax amounting to ₹ 3.75 crore.

The Audit Reports for the year 2011-12 and 2014-15 to 2015-16 had highlighted failure of AAs in observing the aforesaid provisions (mentioned in para 5.3.1 above) while finalising the assessments of 54 dealers resulting in short/ non levy of tax of ₹ 5.67 crore. The Department accepted the audit observations and assured appropriate action (September 2016).

Following the assurances, Audit test checked assessment records of 21 CTOs[4] (out of 270 CTOs audited) and noticed that in respect of 22 dealers (out of 2,594 dealers test checked), the AAs while finalising the assessments (between March 2014 and March 2016) for the year 2010-11 to 2013-14, accepted the classification of goods valued at ₹ 43.56 crore declared by the dealers without verifying correct class of goods as mentioned in the Schedule. This resulted in application of incorrect rates of tax of one to five *per cent* instead of correct rates of tax of 13.5 to 14 *per cent* leading to short levy of tax amounting to ₹ 3.75 crore **(Appendix-III).**

In the exit conference (September 2017), the Department accepted the audit observations in 21 cases and stated that tax amounting to ₹ 1.56 crore had been levied in nine cases, out of which tax amounting to ₹ 5.31 lakh had been recovered in one case. In the remaining cases, the Department stated that action was in progress. The Department did not accept the audit contention in one case and stated that the Aluminium Composite Panel (ACP) falls under

[4] Name of CTOs, rate of tax and other details are given in Appendix.

the category of aluminium extrusions[5]. The reply of the Department was not tenable as ACP is a finished decorative product which is used for the decoration of external/ internal walls of the building, rooms, etc. Therefore, it falls under the category of unclassified goods and not under the category of aluminium extrusion. This contention had also been decided in judicial pronouncements[6].

Recommendation:

CTD should ensure correct classification of taxable commodities as per the schedules appended to the Act.

5.4 Repetitive nature of irregularities

Despite being pointed out by Audit in previous Audit Reports, the AAs did not perform due diligence in assessment of Value Added Tax (VAT) cases which led to recurrence of similar nature of irregularities amounting to ₹ 19.28 crore.

The Audit Reports for the year 2011-12 to 2015-16 had highlighted failure of AAs in observing the provisions of Acts/ Rules while finalising the assessments of 326 dealers resulting in short levy of tax and composition money, non imposition of penalty and non charging of interest amounting to ₹ 63.15 crore. The Department accepted the audit observation and assured appropriate action (September 2016).

Following the assurances, Audit test checked assessment records of 91 CTOs (out of 270 CTOs audited) and noticed that in respect of 122 dealers (out of 13,565 dealers test checked), despite being pointed out by audit year after year, the AAs while finalising the assessment (between June 2012 and March 2016) for the year 2008-09 to 2013-14 did not perform due diligence which led to recurrence of similar nature of irregularities pointed out by Audit in previous Audit Reports amounting to ₹ 19.28 crore (**Appendix-IV**).

In this connection Audit would like to point out that with the implementation of the Goods and Service Tax (GST) with effect from July 2017, assessment of all legacy cases relating to VAT is to be completed by March 2020. There is therefore a real risk that the State would permanently lose the opportunity to recover shortfalls in revenue unless all assessments are completed/ reviewed by that date.

In the exit conference (September 2017), the Department accepted the audit observations and stated that tax/ penalty/ interest had been levied/ imposed/ charged and ITC along with interest had been reversed amounting to ₹ 4.62 crore in 30 cases out of which interest amounting to ₹ 54.43 lakh had been recovered in eight cases. In the remaining cases, the Department stated that action was in progress.

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5 Aluminium Composite Panel: a type of flat panel that consists of two thin aluminium sheets bonded to a non- aluminium core. ACPs are frequently used for external cladding or facades of building and interior decoration. It is not classified in Schedule I to IV of the UPVAT Act. Aluminium extrusions: Aluminium section of different shapes and sizes are aluminium extrusions. This is classified in Schedule II of the UPVAT Act.

6 For example order no. 94/CDVAT/2006 dated 8 June 2006 of Commissioner VAT, Delhi in the case of M/s Swati Enterprises.

Recommendation:

The Commercial Tax Department should review all cases of VAT where observations similar to what Audit has pointed out have arisen/ are likely to arise and complete all assessments by March 2020.

Impact of Audit

The Department has reported (September 2017) recovery of ₹ 59.74 lakh out of ₹ 25.03 crore illustrated in this chapter.

CHAPTER-6
Other Tax Receipts

(Revenue Sector)

CHAPTER-6: OTHER TAX RECEIPTS

(A) TAXES ON VEHICLES, GOODS AND PASSENGERS

6.1 Tax administration

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

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

There are six[1] Deputy Transport Commissioners (DTCs), 19[2] Regional Transport Officers (RTOs) and 75 Assistant Regional Transport Officers (ARTOs) (Administration) in the field. RTOs perform the overall work of issue and control of permits of transport vehicles. The ARTOs perform the work of assessment and levy of taxes and fee regarding both transport vehicles and other than transport vehicles. Respective RTOs are responsible for the overall administration of the Sub-Regional Transport Offices.

There are 114 Enforcement squads in the State, each consisting of one ARTO (Enforcement), one supervisor and three Enforcement constables. These are attached at Headquarters and deployed at the district level. Two special Enforcement squads are posted at the Headquarters. 10 Regional Transport Officers (E) are posted at the district level, under the control and supervision of an Additional TC (Enforcement) at the Headquarters and six Deputy TCs at zonal[3] level. The Enforcement administration is responsible for checking offences related to plying of unregistered vehicles/ overload vehicles/ tax evasion/ vehicles in the state without permit/ driving license/ certificate of fitness/ norms of pollution and in violation of applicable Act/ Rules.

A software *viz*., VAHAN had been adopted by the Department for automating the processes of vehicle registration, issue/ renewal of permit, calculation and payment of taxes and fees, issue/ renewal of fitness certificate, issue of challan and payment of penalty amount. VAHAN is therefore an important monitoring tool at the disposal of the Department. This software also has the facility to

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

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

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

generate reports like arrears of revenue, lists of vehicles without permit and certificate of fitness, etc. However, objections raised by CAG in previous reports indicate that the Departmental authorities have failed to take cognisance of such exception reports leading to recurring instances of non-compliance with statutory provisions.

6.2 Results of audit

During 2016-17, Audit test checked the records of 45[4] out of 76 auditable units (59 *per cent*) of the Transport Department. Revenue collected by the Department during the year 2015-16 aggregated to ₹ 4,410.53 crore of which, the audited units collected ₹ 2,080.41 crore (47 *per cent*). Audit scrutiny revealed short realisation of tax, non-levy of additional tax and fitness fee, non-imposition of penalty and other irregularities amounting to ₹ 16.79 crore in 470 paragraphs as shown in **Table - 6.1.**

Table - 6.1

Sl. No.	Categories	Number of paragraphs	Amount (₹ in crore)	Share in *per cent* to the total objected amount
1.	**Short realisation of** • Passenger tax/ additional tax • Goods tax	166	4.96	29.54
2.	**Evasion of tax** • Passenger tax/ additional tax • Goods tax	181	6.47	38.54
3.	**Other irregularities**	123	5.36	31.92
	Total	**470**	**16.79**	

(**Source:** Information available in the Audit office)

During the course of the year, the Department realised outstanding revenue of ₹ 39.31 lakh relating to underassessment and other deficiencies in 62 cases out of 3,553 such cases pointed out in 1999-2000 and between 2010-11 and 2015-16.

Irregularities involving 10,898 cases worth ₹ 8.61 crore have been illustrated in this chapter. Out of these, some irregularities have been repeatedly reported during the last five years as detailed in **Table - 6.2.** Most of the observations are of a nature that may reflect similar errors/omissions in other units, but not covered in test audit. Department may therefore like to internally examine all the other units to ensure that they comply with the requirement and rules.

[4] Office of RTO- Agra, Aligarh, Allahabad, Banda, Bareilly, Basti, Gonda, Gorakhpur, Meerut, Moradabad, Saharanpur and office of ARTO- Auraiya, Badaun, Bagpat, Bahraich, Balrampur, Barabanki, Bulandshahar, Chandauli, Chitrakoot, Deoria, Etawah, Farrukhabad, Fatehpur, Firozabad, G.B Nagar, Gazipur, Hamirpur, Hapur, Hathras, J.P Nagar, Kannauj, Kaushambi, Kushinagar, Lakhimpur kheri, Lalitpur, Mainpuri, Pilibhit, Pratapgarh, Shahjahanpur, Sant Kabir Nagar, Siddharthnagar, Sitapur, S.R Nagar and Sultanpur.

Table - 6.2

												(₹ in crore)
Name of observation	**2011-12**		**2012-13**		**2013-14**		**2014-15**		**2015-16**		**Total**	
	Cases	**Amount**	**Cases**	**Amount**	**Cases**	**Amount**	**Cases**	**Amount**	**Cases**	**Amount**	**Cases**	**Amount**
Fitness certificate of transport vehicles not renewed	16,285	5.10	8,792	4.03	6,267	8.35	5,820	2.69	16,246	7.43	53,410	27.60
Penalty under Carriage by Road Act not levied	--	--	--	--	--	--	1,786	4.08	1,430	4.00	3,216	8.08
Additional tax on JnNURM buses not levied	--	--	--	--	248	19.20	464	30.36	805	35.69	1,517	85.25

Recommendations:

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

6.3 Fitness certificates of transport vehicles not renewed

The Department failed to levy fitness fee of ₹ 54.28 lakh and impose penalty of ₹ 3.94 crore on 9,852 vehicles potentially plying without valid fitness certificates.

The MV Act, 1988 and the CMV Rules, 1989 provides that a transport vehicle shall not be deemed to be 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 thereafter. The Act also provides that if fitness certificate is not renewed, the transport authority may cancel or suspend the permit of such vehicles for such period as it thinks fit. Plying a vehicle without certificate of fitness is punishable with a fine at the rate of ₹ 4,000[5] per case.

The CMV Rules prescribes test fee of ₹ 100, ₹ 200, ₹ 300 and ₹ 400 for three wheelers, light, medium and heavy vehicle respectively. In addition to this, renewal fee of ₹ 100 is also leviable in case of all categories of vehicles. In case of a default, an additional amount equal to the prescribed test fee is also leviable.

Previous Audit Reports of 2011-12 to 2015-16 had highlighted persistent loss of Government revenue amounting to ₹ 27.60 crore due to non-levy of fitness fee and penalty on 53,410 vehicles.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of 31[6] RTOs/ ARTOs during 2016-17. It was

[5] Vide UP Notification No. 1452/30-4-10-172/89 dated 25 August 2010.

[6] RTO: Agra, Aligarh, Allahabad, Banda, Basti, Gonda, Gorakhpur, Meerut, Moradabad, Saharanpur and ARTO: Balrampur, Badaun, Bagpat, Bahraich, Barabanki, Chandauli, Chitrakoot, Deoria, Farrukhabad, Fatehpur, Hamirpur, J.P Nagar, Kushinagar, Lakhimpur kheri, Lalitpur, Pilibhit, Sant Kabir Nagar, Shahjahanpur, Sitapur, Sant Ravidas Nagar and Sultanpur.

noticed that 9,852 out of 38,061 vehicles were plying without a valid fitness certificate between October 2014 and February 2017, although the due tax had been realised from them. Though, information regarding expiry of fitness of these vehicles was available in *VAHAN* software, the concerned RTOs/ ARTOs failed to take cognisance of these cases. Specific feature to prevent vehicle owners to pay tax where fitness had expired was not available in the software.

The concerned RTOs/ ARTOs (Administration) neither issued notices to defaulting vehicle owners nor initiated any action to cancel the permits of these vehicles. Potential plying of such vehicles with potential risk of misutilisation also compromised public safety. RTOs/ ARTOs (Enforcement) also failed to identify and stop these vehicles from plying on road during their checking. As a result, the Government was deprived of fitness fee of ₹ 54.28 lakh and penalty of ₹ 3.94 crore.

In the exit conference (October 2017) with the Departmental authorities, the Department accepted the audit observation and stated that 13 RTOs/ ARTOs had recovered ₹ 10.18 lakh in 1,656 cases and had issued demand notices in the remaining cases.

Recommendation:

The Department should develop a system generated alert in the software which could prevent the plying of vehicles without valid fitness certificate.

6.4 Penalty not imposed under Carriage by Road Act

The Transport Department failed to stop unsafe vehicles from potentially plying on roads and also did not impose penalty amounting to ₹ 1.85 crore under the Carriage by Road (CBR) Act on 836 goods vehicles which were seized for overloading and also failed to impose fine of ₹ 33.44 lakh on these unregistered common carriers.

The CBR Act, 2007 provides for imposition of penalty prescribed under MV Act on over loaded motor vehicles (goods) notwithstanding the fact that such penalty has already been imposed on and realised from such vehicles.

The CBR Act also provides that any unregistered common carrier[7] engaged in the business shall be punishable for the offence with a fine of ₹ 4,000[8] per offence.

Previous Audit Reports of 2014-15 to 2015-16 had highlighted persistent loss of Government revenue amounting to ₹ 8.08 crore due to non-imposition of penalty under CBR Act on 3,216 overload vehicles.

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

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

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of 35[9] RTOs/ ARTOs during 2016-17. In 836 out of 10,092 cases of overloading of goods vehicles during October 2014 to March 2017, Audit noticed that the concerned RTOs/ ARTOs (Enforcement) failed to stop unsafe vehicles from potentially plying on roads and also failed to impose a penalty[10] of ₹ 1.85 crore under CBR Act equivalent to the amount of penalty imposed under MV Act. The Department also failed to impose fine of ₹ 33.44 lakh on these unregistered common carriers.

In the exit conference (October 2017) with the Departmental authorities, the Department stated that these vehicles were not registered under common carrier, hence action has not been taken against them. All the RTOs/ ARTOs have been directed to register agencies engaged in such business. The reply of the Department is not tenable because the Department not only failed to register persons engaged in the business of common carrier but also failed to impose penalty/ fine under the CBR Act in the reported cases.

Recommendation:

The Department should ensure imposition of penalty under CBR Act on overloaded goods vehicles.

6.5 Additional tax on *Jn*NURM buses not levied

Additional tax of ₹ 1.95 crore was not levied on 210 *Jn*NURM buses plying outside the designated municipal areas.

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

Previous Audit Reports of 2013-14 to 2015-16 had highlighted persistent loss of Government revenue amounting to ₹ 85.25 crore due to non-levy of Additional tax on 1,517 defaulting vehicles.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of RTOs Allahabad and Meerut during 2016-17. It was noticed that 210 out of 244 *Jn*NURM[11] buses under City Transport Services Limited were plying outside the designated municipal areas of these cities from October 2015 to January 2017 and, for which they were liable for payment of additional tax of ₹ 1.95 crore. The concerned RTOs failed to issue notice to the STU for levying the additional tax, and to detain such vehicles. They also did not issue RCs to STU for not depositing

[9] RTO: Agra, Aligarh, Allahabad, Banda, Bareilly, Basti, Gonda, Meerut, Moradabad, Saharanpur and ARTO: Auraiya, Badaun, Bagpat, Bahraich, Barabanki, Bulandshahar, Chandauli, Chitrakoot, Etawah, Farrukhabad, Fatehpur, Firozabad, Gazipur, Hamirpur, J.P Nagar, Kushinagar, Lakhimpur kheri, Lalitpur, Pilibhit, Pratapgarh, Sant Kabir Nagar, Sant Ravidas Nagar, Shahjahanpur, Sitapur, and Sultanpur.

[10] Minimum fine of two thousand rupees and additional amount of one thousand rupees per tonne of excess load.

[11] Jawaharlal Nehru National Urban Renewal Mission.

additional tax on these vehicles. As a result, additional tax of ₹ 1.95 crore could not be recovered.

In the exit conference (October 2017), the Department accepted the audit observation and stated that notices had been issued for recovery of additional tax from vehicles plying outside the designated municipal areas.

(B) STAMPS AND REGISTRATION FEES

6.6 Tax administration

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

The determination of policy, monitoring and control at the Government level is carried out by the Principal Secretary, Stamps and Registration. The Inspector General (Registration) (IGR) is the head of the Stamps and Registration Department. He is empowered with the task of superintendence and administration of the registration work. He is assisted by 92 Assistant Inspectors General (AIsG) at the district/ headquarters level and 354 Sub-Registrars (SRs) at the *tehsil* level respectively.

6.7 Results of audit

During 2016-17, Audit test checked the records of 140 out of 354 auditable units (40 *per cent*) of the Stamps and Registration Department. The Department collected revenue of ₹ 12,403.72 crore (stamp duty: ₹ 7,606.08 crore and registration fees and other receipts: ₹ 4,797.64 crore) during 2015-16 out of which the audited units collected ₹ 4,755.59 crore (38 *per cent*). Audit noticed deficiencies and irregularities amounting to ₹ 12.58 crore in 450 paragraphs as detailed in **Table - 6.3.**

Table - 6.3

Sl. No.	Categories	Number of paragraphs	Amount (₹ in crore)	Share in *per cent* to the total objected amount
1.	Short levy of stamp duty and registration fees due to undervaluation of properties	49	0.64	5.09
2.	Short levy of stamp duty and registration fees due to misclassification of documents	334	11.51	91.49
3.	Other irregularities	67	0.43	3.42
Total		**450**	**12.58**	

(**Source:** Information available in the Audit office)

During the course of the year, the Department realised outstanding revenue relating to underassessment and other deficiencies of ₹ 9.28 lakh in 27 cases pointed out in 1990-91 to 2015-16.

Irregularities involving 157 cases worth ₹ 6.05 crore have been illustrated in this chapter. Of these irregularities, short levy of stamp duty and registration fees due to residential land valued at agriculture rate had been repeatedly reported during last five years as detailed in **Table - 6.4.** Most of the observations are of a nature that may reflect similar errors/omissions in other units, but not covered in test audit. Department may therefore like to internally examine all the other units to ensure that they comply with the requirement and rules.

Table - 6.4

(₹ in crore)

Nature of observation	2011-12		2012-13		2013-14		2014-15		2015-16		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Residential land valued at agriculture rate	103	3.12	64	2.43	97	4.35	194	7.78	214	9.66	672	27.34

Recommendation:

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

6.8 Compliance to Acts/ Rules

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

(i) payment of registration fees at the prescribed rate; and

(ii) payment of stamp duty by the executants at the prescribed rate.

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

6.9 Residential land valued at agriculture rate

Failure of the Department to ensure full utilisation of the *PRERNA* software resulted in residential land measuring 2.93 lakh square meter being wrongly registered for ₹ 32.14 crore at agricultural rates. Correct valuation at residential rate worked out to ₹ 134.57 crore which resulted in short levy of Stamp Duty and Registration Fees by ₹ 6.05 crore.

The IS Act, 1899 stipulates that 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 in the deed, whichever is higher. The Inspector General of Registration (IGR), vide guidelines issued in June 2003, further clarified that a property in the same *arazi*[12] number should not be split in more than one parts for different purposes i.e. one part for agriculture and the other for non-agriculture for the purpose of levy of stamp duty.

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

A *Khasra* based search facility to get the details of lands sold in a given *Khasra* was available in the *PRERNA*[13] software. However, this feature was not being used by the SRs.

Audit Reports for the year 2011-12 to 2015-16 had highlighted short levy of stamp duty and registration fee amounting to ₹ 27.34 crore in 672 cases due to valuation of residential land at agriculture rate by SRs.

To evaluate the corrective measures adopted by the Department, Audit test checked the records of 140 Sub-registrar offices (SROs). Test check of 157 out of 61,797 registered deeds of sale of lands at agricultural rates in 69[14] SROs, Audit noticed that these deeds relating to 2.93 lakh square meter of residential land valued at ₹ 32.14 crore were registered at agriculture rates in violation of the instructions of IGR and stamp duty and registration fees of ₹ 2.21 crore was levied. Audit further noticed that the part of the same *arazi* was sold earlier or on the same day at residential rates. Hence, these lands should have also been valued at ₹ 134.57 crore at residential rates with stamp duty and registration fees of ₹ 8.26 crore. The incorrect valuation of property and under-utilisation of features of *PRERNA* thus resulted in short levy of stamp duty and registration fees of ₹ 6.05 crore **(Appendix-V).**

In the exit conference (September 2017), the Department accepted the audit observation and referred the cases to the Collector, Stamps for correct valuation of the property. The Collector, Stamps confirmed the observation and imposed stamp duty of ₹ 30.39 lakh in 19 cases, out of which, the Department recovered ₹ 10.54 lakh in 13 cases of 11 SRs. In six cases, recovery certificates were issued by the Department. Action was pending in the remaining 138 cases.

Recommendation:

The Stamps and Registration Department should ensure correct valuation of property and utilisation of features of *PRERNA* Software.

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

14 Agra- SR Sadar I, II, Atmadpur, Khairagarh and Fatehabad. Allahabad- Sadar I, II, Handia, Karchchana and Phoolpur. Auraiya-Bidhuna. Azamgarh-Sadar, Nizamabad and Sagadi. Badaun-Sadar II. Bahraich-Kaisergang. Barabanki-Haidargarh. Bareilly-Sadar II. Basti-Sadar. Buland Shahar-Sadar II, Khurja and Anoop Shahar. Chandauli-Sadar. Deoria-Rudrapur. Farrukhabad-Sadar and Kayamganj. Firozabad- Sadar I, II, Sikohabad and Tundla. Ghaziabad-Sadar I. Ghazipur-Sadar and Jamaniyan. Gorakhpur-Sadar I, II, Chauri Chaura, Gola Bazar and Sahajanava. Hathras-Sadar. Jaunpur-Sadar, Machhali Shahar, Madiyahoon and Shahganj Jhansi-Sadar II. Kanpur Nagar-Sadar I, II, III, IV, Bilhaur and Ghatampur. Kasganj-Sadar. Kushinagar- Sadar, Hata and Kasyan. Lakhimpur Khiri-Gola Gokaran. Lucknow-Malihabad. Mahrajganj-Sadar. Mau-Sadar. Meerut-Sadar-IV. Mirzapur-Chunar. Muzaffer Nagar-Sadar I. Pratapgarh-Sadar and Patti. Rampur-Bilaspur. Shahjahanpur-Jalalabad. Siddharth Nagar-Bansi. Sitapur-Sidhauli. Sonebhadra-Robertsganj and Varanasi-Sadar I.

CHAPTER-7
Mining Receipts

(Revenue Sector)

CHAPTER-7: MINING RECEIPTS

7.1 Tax administration

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

7.2 Results of audit

During 2016-17, Audit test checked the records of 20[1] out of 75 auditable (27 *per cent*) units of the Geology and Mining Department in the State. Revenue collected by the Department during the year 2015-16 aggregated to ₹ 1,222.17 crore of which, the units covered in audit collected ₹ 605.50 crore (50 *per cent*). Audit noticed irregularities amounting to ₹ 496.11 crore in 108 paragraphs on account of various deficiencies as detailed in **Table - 7.1.**

Table - 7.1

(₹ in crore)

Sl. No.	Categories	Number of paragraphs	Amount	Share in *per cent* to the total objected amount
1.	Royalty not/ short realised	17	7.40	1.49
2.	Interest/ penalty not imposed	17	20.75	4.18
3.	Cost of minerals not recovered	39	444.65	89.63
4.	Other irregularities	35	23.31	4.70
	Total	**108**	**496.11**	

(**Source:** Information available in the Audit office)

Irregularities involving 2,671 cases worth ₹ 307.95 crore have illustrated in this chapter. Out of these, some irregularities have been repeatedly reported during the last five years as detailed in **Table - 7.2.** Most of the observations are of a nature that may reflect similar errors/omissions in other units, but not covered in test audit. Department may therefore like to internally examine all the other units to ensure that they comply with the requirement and rules.

Table - 7.2

(₹ in crore)

Name of observation	2011-12		2012-13		2013-14		2014-15		2015-16		Total	
	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount	Cases	Amount
Cost of minerals not realised	-	-	15	0.37	221	13.92	311	13.98	3,491	476.06	4,038	504.33
Excavation of minerals without Environment Clearance (EC)	-	-	-	-	-	-	-	-	4	66.90	4	66.90
Excavation of brick earth without environment clearance	-	-	-	-	-	-	-	-	2,909	66.80	2,909	66.80

[1] Director, Geology and Mining, Uttar Pradesh, Lucknow and DMO:Allahabad, Badaun, Bagpat, Banda, G.B Nagar, Jhansi, Hathras, Kaushambi, Lalitpur, Lucknow, Mahoba, Mathura, Meerut, Mirzapur, Moradabad, Muzaffarnagar, Rampur, Sonebhadra and Unnao.

	(₹ in crore)											
Name of observation	**2011-12**		**2012-13**		**2013-14**		**2014-15**		**2015-16**		**Total**	
	Cases	**Amount**	**Cases**	**Amount**	**Cases**	**Amount**	**Cases**	**Amount**	**Cases**	**Amount**	**Cases**	**Amount**
Royalty and permit fees not realised from brick kiln owners	3,684	15.15	1,655	10.22	412	3.87	1,430	6.84	39	0.25	7,220	36.33
Excavation of mineral without mining plan	2	0.13	9	18.82	123	198.93	7	3.08	73	252.95	214	473.91
Excess excavation	22	77.87	4	7.08	18	46.81	-	-	12	29.27	56	161.03

Recommendations:

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

7.3 Cost of minerals not realised

The Department did not recover cost of minerals amounting to ₹ 191.02 crore and a penalty of ₹ 2.95 crore due from 1,181 contractors undertaking civil works, who had not submitted MM-11 forms.

The UPMMC Rules, 1963 and the Uttar Pradesh Minerals (Prevention of Illegal Mining Transportation and Storage) Rules, 2002 stipulates that no person shall transport any mineral without a valid transit pass (Form MM-11[2]). The MMDR Act stipulates that the price of mineral along with royalty may be recovered for raising minerals without lawful authority. The Government, in its order dated 15 October 2015, also reiterated that apart from royalty, the cost of minerals (ordinarily five times of royalty) be deducted from the contractor's bill and deposited into the treasury, if contractors do not produce royalty receipt in form MM-11. Further, the UPMMC Rules prescribes initiation of criminal proceedings attracting punishment of imprisonment that may extend up to six months or with fine which may extend to ₹ 25,000 or with both.

Previous Audit Reports of 2012-13 to 2015-16 had highlighted persistent loss of Government revenue amounting to ₹ 504.33 crore due to non-realisation of cost of minerals from 4,038 contractors.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of 15[3] District Mines Offices (DMOs) during 2016-17. It was noticed that executing agencies got 1,181 civil works executed through the contractors during April 2014 to February 2017. In all these cases, the contractors did not submit the MM-11 forms along with the bills. The executing agencies deducted royalty of ₹ 38.20 crore from the bills and deposited the amount into the treasury. The concerned DMOs however failed

[2] Transit pass issued by the holder of the mining lease or crusher plant for transportation of minor mineral (*Rawanna*). It includes name and address of the lease holders, nature and quantity of mineral and vehicle number through which it is transported.

[3] DMO:Allahabad, Badaun, Bagpat, Banda, G.B. Nagar, Hathras, Kaushambi, Mahoba, Mathura, Meerut, Moradabad, Muzaffarnagar, Rampur, Sonebhadra and Unnao.

to initiate any action in the matter and recover the cost of minerals valued at ₹ 191.02 crore and impose penalty of ₹ 2.95 crore.

In the exit conference (November 2017), the Department accepted the audit observation and stated that the recovery from the contractors is to be effected by the executing agencies through the concerned District Magistrates.

Recommendation:

The Mining Department should coordinate with the executing agencies undertaking civil works to ensure submission of form MM-11 by the contractors.

7.4 Implementation of Environment Clearance

The MMDR Act stipulates that mining operations shall be undertaken in accordance with the terms and conditions of a mining lease granted under the Act and the rules made there under. It further stipulates that if any person raises without lawful authority, any mineral from any land, the State Government may recover from such person, the mineral so raised or where such mineral has already been disposed off, the price thereof along with royalty. Under UPMMC Rules, the total royalty has been fixed at the rate of not more than 20 *per cent* of the pit's mouth value[4] of minerals.

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

7.4.1 Excavation of minerals without Environment Clearance (EC)

Cost of excavated minerals amounting to ₹ 33.75 crore was not recovered from four lessees for excavating 4.31 lakh cubic meters of minor minerals without EC.

The State Government ordered (May 2011 and March 2012) that mining lease holders shall get EC from the Ministry of Environment and Forest (MoEF). If any lease holder[5] excavates minerals without EC, the same is to be treated as illegal mining and is therefore liable to pay royalty, cost of minerals and fine under the Acts.

The Audit Report of 2015-16 had highlighted loss of Government revenue amounting to ₹ 66.90 crore due to Excavation of minerals without Environment Clearance in four cases.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of two[6] DMOs during 2016-17 and noticed that in four out of 61 cases test checked, lessees had excavated 4.31 lakh cubic meters of minerals (*moram* and *gitti*) between January 2016 and March 2017 without obtaining EC and paid a royalty of ₹ 6.75 crore. The excavation of minerals without EC was not only illegal but could also affect the environment

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

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

[6] DMO: Banda and Sonebhadra.

adversely. The concerned DMOs neither took any action to stop the business nor recovered cost of mineral amounting to ₹ 33.75 crore (five times of the applicable royalty). Further, a fine of ₹ one lakh was also not imposed upon each of the lessees for violation of Environment Rules.

In the exit conference (November 2017), the Department stated that Section 21(5) is applicable on the violation of Section 4 of the Act. There is no provision for recovery of cost of minerals in the MMDR Act 1957 for excavation of mineral without EC. The reply of the Department is not tenable because getting an EC is a necessary condition imposed by the EPA for granting any mining lease. Further, Section 4 of the MMDR Act provides that mining operations shall be undertaken in accordance with the terms and conditions of a mining lease granted under this Act and the rules made there under. Hence excavation without the EC amounts to illegal and unauthorised excavation which is in violation of the MMDR Act. Unauthorised excavation attracts recovery of cost of minerals under the MMDR Act.

Recommendation:

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

7.4.2 Excavation of brick earth without environment clearance

Penalty equating to cost of mineral amounting to ₹ 62.27 crore was not recovered from 1,131 brick kilns operating without EC.

MoEF in OM dated 24 June 2013 had categorised mining of brick earth into B-2 category[7] wherein obtaining the EC from State Environment Impact Assessment Authority (SEIAA) is mandatory.

The Audit Report of 2015-16 had highlighted loss of Government revenue amounting to ₹ 66.80 crore due to excavation of brick earth without EC from 2,909 brick kilns.

To evaluate the assurances (July 2016) by the Department in this regard, Audit test checked the records of six[8] DMOs during 2016-17. It was noticed that 1,131 out of 1,207 brick kilns test checked had operated during the period 2014-15 to 2015-16 without obtaining EC and paid a royalty of ₹ 12.45 crore. The excavation of brick earth without EC was not only illegal but could also affect the environment adversely. The concerned DMOs neither took any action to stop the business nor recovered penalty equating to cost of mineral amounting to ₹ 62.27 crore. Further, a fine of ₹ one lakh was also not imposed upon each of the kiln owners for violation of Environment Rules.

In the exit conference (November 2017), the Department stated that at present, EC has been obtained by most of brick kilns in the State. There is no provision for recovery of cost of minerals for excavation of brick earth without EC in MMDR Act, 1957. The reply of the Department is not tenable as EC is an essential condition for operating brick kilns. Any excavation without EC amounts to illegal and unauthorised excavation and is in violation of Section 4

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

[8] DMO:Badaun, Hathras, Mathura, Meerut, Moradabad and Muzaffarnagar.

of the MMDR Act. Unauthorised excavation attracts recovery of cost of minerals under MMDR Act.

Recommendation:

The Department should enforce the provisions of the MMDR Act and recover penalty for excavation of brick earth without environment clearance.

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

Royalty and permit application fees was not paid by 353 brick kiln owners to the state exchequer, though the same was specified in the OTS scheme. As a result, royalty of ₹ 6.28 crore, interest of ₹ 31.08 lakh and permit application fees of ₹ 7.06 lakh could not be realised.

One Time Settlement Scheme (OTSS) for brick kilns announced by the Government from time to time, provides for payment of consolidated amount of royalty at the prescribed rates along with permit application fees. Besides, OTSS also provided for charging of interest at the rate of 24 *per cent* on belated payment of royalty, fee or other sum due to the Government. In OTSS of 2015-16, an additional 20 *per cent* of royalty was to be levied for *palothan*[9] soil used in brick making.

Previous Audit Reports of 2011-12 to 2015-16 had highlighted persistent loss of Government revenue amounting to ₹ 36.33 crore due to non-realisation of royalty and permit application fees from 7,220 brick kilns.

To evaluate the assurances (July 2016) by the Department in this regard, Audit test checked the records of five[10] DMOs during 2016-17. It was noticed that 353 out of 1,140 brick kilns test checked did not pay any royalty and permit application fees for the brick years[11] 2013-14 to 2015-16. The delay worked out as on 31 March 2017, ranged between 912 to 1,277 days. The concerned DMOs neither initiated any action to stop the business nor made any efforts to realise the due royalty of ₹ 6.28 crore, interest of ₹ 31.08 lakh and permit application fees of ₹ 7.06 lakh.

In the exit conference (November 2017), the Department accepted the audit observation and stated that instructions had been issued to the concerned District Magistrates for effecting recovery from the respective brick kiln owners.

Recommendation:

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

7.6 Unauthorised extraction

The UPMMC Rules 1963 stipulates that the mining operations shall be undertaken in accordance with the mining plan, which is approved by the Director, Geology and Mining Department.

9 Sandy soil.

10 DMO:Bagpat, Lucknow, Muzaffar Nagar, Rampur and Unnao.

11 October to September.

The MMDR Act stipulates that if any person raises without lawful authority, any mineral from any land, the State Government may recover from such person, the mineral so raised or where such mineral has already been disposed off, the price thereof along with royalty. Under UPMMC Rules, the total royalty has been fixed at the rate of not more than 20 *per cent* of the pit's mouth value of minerals.

7.6.1 Excavation of minerals without mining plan

The lessee had excavated 2.06 lakh cubic meters of sand/ *morrum* without approved mining plan for which ₹ 7.71 crore was recoverable from him.

Previous Audit Reports of 2011-12 to 2015-16 had highlighted persistent loss of Government revenue amounting to ₹ 473.91 crore due to non-realisation of cost of minerals from 214 lessees for excavating minerals without approved mining plan[12].

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of DMO Banda during 2016-17. It was noticed that in one out of five cases examined, the lessee had excavated 2.06 lakh cubic meters of sand/ *morrum* during the period December 2013 to June 2014, without an approved mining plan. The lessee paid ₹ 1.54 crore as royalty during this period. The mineral excavated by the lessee was unauthorized, and hence the cost of the excavated mineral, equal to five times of value of royalty amounting to ₹ 7.71 crore, was recoverable from him. In spite of having progressive mining data, the DMO allowed unauthorised excavation of minor mineral in contravention of the provisions of the UPMMC Rules by supplying MM-11 forms to lease holder.

In the exit conference (November 2017), the Department stated that this is not the matter of illegal mining as the lessee was a legal permit holder and excavating the minerals with lawful authority. The reply of the Department is not tenable because an approved mining plan is a necessary condition in any lease. Any excavation without an approved mining plan amounts to illegal and unauthorised excavation and is in violation of Section 4 of the MMDR Act. Unauthorised excavation attracts recovery of cost of minerals under Section 21(5) of MMDR Act.

7.6.2 Excess excavation

The lessee had excavated 44,928 cubic meters of stone ballast/ boulder in excess of the approved mining plan for which ₹ 3.59 crore was recoverable from him.

Previous Audit Reports of 2011-12 to 2013-14 and of 2015-16 had highlighted persistent loss of Government revenue amounting to ₹ 161.03 crore due to non-realisation of cost of minerals from 56 lessees for excavating mineral in excess of the quantity specified in the approved mining plan.

To evaluate the corrective measures adopted by the Department in this regard, Audit test checked the records of DMO Mahoba during 2016-17. It was noticed that in one out of 25 cases test checked, the lessee had excavated

[12] A plan duly approved by the Director, Geology and Mining under Rule 34 (2) of UPMMC Rules to undertake mining operations detailing yearly development schemes.

44,928 cubic meters of stone ballast/ boulder during the period August 2016 to February 2017 in excess of the quantity permitted in the approved mining plan and paid a royalty of ₹ 71.88 lakh on the excavated material. The mineral excavated by the lessee was unauthorised, and therefore the cost of the excavated mineral, which was equal to five times of value of royalty amounting to ₹ 3.59 crore, was recoverable from the lessee. In spite of having progressive mining data, the DMO allowed unauthorised excavation of minor mineral in contravention of the provisions of the UPMMC Rules by supplying MM-11 forms to lease holder.

In the exit conference (November 2017), the Department stated that this instance was not a matter of illegal mining as the lessee was a legal lease holder and was excavating the minerals with lawful authority. The reply of the Department is not tenable because mining operation beyond the quantity mentioned in the approved mining plan amounts to illegal and unauthorized excavation and is in violation of Section 4 of the MMDR Act. Unauthorised excavation attracts recovery of cost of minerals under Section 21(5) of MMDR Act.

Recommendation:

The Department should ensure that no mineral is excavated in excess of the quantity permitted in the approved mining plan.

Lucknow **(SAURABH NARAIN)**

The 11 JANUARY 2019 **Accountant General**

(Economic and Revenue Sector Audit),

Uttar Pradesh

Countersigned

New Delhi **(RAJIV MEHRISHI)**

The 18, January, 2019 **Comptroller and Auditor General of India**

APPENDICES

APPENDIX-I

Trend of receipts

(*Reference Para No. 3.2.3)*

भारतीय लेखापरीक्षा और लेखा विभाग
कार्यालय महालेखाकार
(आर्थिक एवं राजस्व लेखापरीक्षा), उ.प्र.
"आडिट भवन", टीसी-35-V-1, विभूति खण्ड,
गोमती नगर, लखनऊ-226010

सत्यमेव जयते

Indian Audit & Accounts Department
Office of the Accountant General
(Economic & Revenue Sector Audit), U.P.,
"Audit Bhawan" TC-35-V-1, Vibhuti Khand,
Gomti Nagar, Lucknow-226010

F.no. AG (E & RSA)/UP/AG Cell/18-19/97
Dated: 09.08.2018

To,
The Chief Secretary,
Government of Uttar Pradesh,
Lucknow,
UTTAR PRADESH.

Subject: Access to Budget Files related to determination of Revenue Estimates

Sir,

Please refer to the subject cited above. This office had approached the Finance Department requesting access to the budget files for the year 2016-17 to determine the effectiveness of the process adopted by the Finance Department in arriving at the Budget Estimates (BEs) pertaining to the Revenue Heads. Though, replies to various queries by auditors from this office were provided by the Finance Department, access to underlying records and files was not given.

2. In order to resolve the issue of access to the Budget files, the undersigned also had a meeting with the Additional Chief Secretary (Finance) on 23 July 2018. The Department, however, expressed its inability in providing audit with access to the relevant files. As a result, this office could not derive any assurance regarding the effectiveness of the process adopted in framing of BEs related to the Revenue Heads for the year 2016-17.

3. The matter was duly flagged to the Office of Comptroller and Auditor General of India. The Office of the C&AG of India has now informed this office that in view of the non-production of the relevant files, they have no option but to comment upon the same in the State Revenue Audit Report for the year ending March 2017. The same is being brought to your kind attention.

4. In this regard, I would also take this opportunity to state that as per the provisions of the Constitution of India and as per Section 18 (1) (b) of the CAG's DPC Act, 1971, CAG has the mandate to access any records, accounts and other documents that are relevant to his inquiry. This position has been further clarified in Regulation 181 of the Regulations on Audit and Accounts, 2007, requiring every entity to evolve such systems that allow unimpeded and timely flow of data, information and records to the CAG. Hence, any non-production of records does generate a red flag regarding robustness of a system, an eventuality which can be easily prevented by allowing audit, access to the underlying records.

Yours faithfully,

9/8/18

(SAURABH NARAIN)
Accountant General

APPENDIX-II

Application of incorrect rate of tax

(*Reference Para No. 5.3.1)*

(₹ 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 10 Agra	1	2012-13 (February 2016)	Cold drink (V)	12.70	13.5/5	1.08
2	CTO Sec 17 Agra	1	2009-10 (April 2012)	Sanitary goods (V)	1.05	12.5/4	0.09
				Sanitary goods (V)	11.37	13.5/4.5	1.02
				Sanitary goods (V)	1.87	13.5/5	0.16
3	JC (CC) Allahabad	1	2013-14 (May 2015)	Warranty claim (V)	12.55	14/0	1.76
4	DC Sec 1 Banda	1	2011-12 (February 2016)	Maggi (V)	11.11	13.5/5	0.94
			2012-13 (February 2016)	Soda water (V)	14.86	13.5/5	1.26
5	AC Sec 4 Barabanki	1	2011-12 (July 2016)	Machinery parts (V)	34.68	13.5/5	2.95
6	AC Sec 3 Fatehpur	1	2009-10 (April 2012)	Machinery parts (V)	4.33	12.5/4	0.37
				Machinery parts (V)	15.43	13.5/4.5	1.39
				Machinery parts (V)	14.17	13.5/5	1.20
7	DC Sec 2 Ghaziabad	1	2012-13 (June 2015)	Machinery parts (V)	644.40	13.5/5	54.77
		1	2011-12 (February 2015)	Electronic meter (V)	12.13	13.5/5	1.03
			2012-13 (September 2015)	Electronic meter (V)	65.53	13.5/5	5.57
8	DC Sec 10 Ghaziabad	1	2012-13 (March 2015)	Power tools (V)	25.83	13.5/5	2.20
9	DC Sec 18 Ghaziabad	1	2010-11 (January 2014)	Refrigeration gas (V)	147.60	13.5/5	12.55
			2011-12 (March 2016)	Refrigeration gas (V)	240.56	13.5/5	20.44
			2012-13 (February 2016)	Refrigeration gas (V)	281.34	13.5/5	23.91
10	AC Sec 8 Jhansi	1	2009-10 (November 2013)	Machinery and engine parts (V)	2.13	12.5/4	0.18
				Machinery and engine parts (V)	9.31	13.5/4.5	0.84
				Machinery and engine parts (V)	1.64	13.5/5	0.14
11	DC Sec 2 Kanpur	1	2012-13 (June 2015)	Woven fabrics (II)	26.64	5/0	1.33

(₹ 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**
12	DC Sec 17 Kanpur	1	2011-12 (June 2015)	CTP Plates (V)	67.09	13.5/5	5.70
			2012-13 (January 2016)	CTP Plates (V)	131.30	13.5/5	11.16
13	DC Sec 1 Lucknow	1	2012-13 (March 2016)	Modem (V)	66.12	13.5/5	5.62
14	DC Sec 4 Lucknow	1	2012-13 (November 2015)	Margarine (V)	66.37	13.5/5	5.64
		1	2012-13 (November 2015)	Printer parts (V)	32.33	13.5/5	2.75
15	DC Sec 6 Meerut	1	2012-13 (August 2015)	Ply wood (V)	82.29	14/5	7.41
16	DC (Sardhana Mandal) Meerut	1	2011-12 (December 2015)	Battery (V)	2.77	13.5/5	0.24
			2012-13 (March 2016)	Battery (V)	9.31	13.5/5	0.79
17	DC Sec 4 Moradabad	1	2012-13 (August 2015)	Stainless steel patta (II)	126.80	5/4	1.27
		1	2011-12 (February 2015)	Stainless steel patta (II)	80.68	5/4	0.81
18	DC Sec 8 Noida	1	2012-13 (March 2016)	Kota stone (V)	7.15	13.5/5	0.61
				Cladded material (V)	82.52	13.5/5	7.01
19	DC Sec 10 Noida	1	2011-12 (March 2015)	Cooling gas (V)	67.94	13.5/5	5.77
20	DC Sec 11 Noida	1	2012-13 (July 2015)	Crockery and cutlery (V)	12.69	14/5	1.14
21	DC Sec 8 Varanasi	1	2012-13 (March 2016)	Computer parts (V)	23.37	13.5/5	1.99
				Computer parts (V)	75.98	14/5	6.83
	Total	**24**			**2,525.94**		**199.92**

(**Source:** Audit findings)

APPENDIX-III

Misclassification of goods

(Reference Para No. 5.3.2)

(₹ in lakh)

Sl. No.	Name of the unit	Number of the dealer	Assessment year (month and year of assessment)	Name of the Commodity	Value of Goods	Rate of Tax leviable/ levied (*per cent*)	Tax not/short levied
1	JC (CC) I Ghaziabad	1	2011-12 (March 2014)	Mobile charger treated as mobile phone	61.19	13.5/5	5.20
			2012-13 (April 2015)	Mobile charger treated as mobile phone	117.35	13.5/5	9.97
2	DC Sec 8 Ghaziabad	1	2011-12 (September 2014)	Cutting tool was treated as tools used by the carpenter	23.91	13.5/5	2.03
			2012-13 (December 2014)	Cutting tool was treated as tools used by the carpenter	47.28	13.5/5	4.02
3	DC Sec 10 Ghaziabad	1	2012-13 (March 2016)	Welding accessory was treated as welding equipment	18.12	13.5/5	1.54
			2012-13 (March 2016)	Welding accessory was treated as welding equipment	15.51	14/5	1.40
4	DC Sec 12 Ghaziabad	1	2011-12 (January 2015)	Confectionary goods were treated as sugar candy	139.71	13.5/5	11.88
5	DC Sec 18 Ghaziabad	1	2011-12 (October 2014)	Pen drive, data card, camera accessories were treated as computer parts	219.97	13.5/5	18.70
		1	2011-12 (March 2015)	Electrical cable treated as industrial cable	37.73	13.5/5	3.21
6	DC Sec 19 Ghaziabad	1	2011-12 (August 2015)	Testing machine treated as scientific equipment	34.90	13.5/5	2.97
7	DC Sec 9 Kanpur	1	2011-12 (January 2015)	Hand tool was treated as tools used by the carpenter	52.97	13.5/5	4.50
8	DC Sec 10 Kanpur	1	2012-13 (March 2016)	Composite panel treated as aluminium extrusion	90.60	13.5/5	7.70
9	DC Sec 14 Kanpur	1	2012-13 (January 2016)	Mobile charger treated as mobile phone	49.80	13.5/5	4.23
				Mobile charger treated as mobile phone	59.68	14/5	5.37
10	DC Sec 24 Kanpur	1	2012-13 (January 2016)	Mobile charger treated as mobile phone	73.74	13.5/5	6.27
			2013-14 (March 2016)	Mobile charger treated as mobile phone	63.78	14/5	5.74

							(₹ in lakh)
Sl. No.	**Name of the unit**	**Number of the dealer**	**Assessment year (month and year of assessment)**	**Name of the Commodity**	**Value of Goods**	**Rate of Tax leviable/ levied (*per cent*)**	**Tax not/short levied**
11	JC (CC) I Lucknow	1	2012-13 (December 2015)	Hair oil was treated as *ayurvedic* medicine	290.08	13.5/5	24.66
12	JC (CC) II Lucknow	1	2012-13 (March 2016)	Mobile charger treated as mobile phone	62.42	13.5/5	5.31
13	AC Sec 5 Lucknow	1	2012-13 (October 2015)	Hand tool was treated as tools used by the carpenter	14.87	13.5/5	1.26
14	DC Sec 16 Lucknow	1	2011-12 (January 2015)	Hospital bed and table were treated as medical equipment	33.88	13.5/5	2.88
15	DC Sec 7 Meerut	1	2011-12 (April 2015)	Prepared tea treated as tea leaves	5.93	13.5/5	0.50
			2012-13 (February 2016)	Prepared tea treated as tea leaves	2.83	13.5/5	0.24
				Prepared tea treated as tea leaves	2.83	14/5	0.26
16	DC Sec 5 Noida	1	2012-13 (March 2016)	Modem treated as IT product	797.55	13.5/5	67.79
17	DC Sec 8 Noida	1	2011-12 (June 2014)	Artificial jewellery treated as gold and silver jewellery	40.63	13.5/1	5.08
			2012-13 (December 2015)	Artificial jewellery treated as gold and silver jewellery	51.42	13.5/1	6.43
18	DC Sec 10 Noida	1	2011-12 (November 2014)	Hand tool was treated as tools used by carpenters	112.17	13.5/5	9.53
19	DC Sec 11 Noida	1	2011-12 (March 2015)	Flexible cable and telephone cable treated as industrial cable	199.21	13.5/5	16.93
20	AC Sec 1 Varanasi	1	2010-11 (March 2014)	Adhesive/sealant treated as chemical	81.52	13.5/5	6.93
			2011-12 (March 2015)	Adhesive/sealant treated as chemical	94.95	13.5/5	8.07
21	DC Sec 9 Varanasi	1	2012-13 (March 2016)	Farex (nutrition product) treated as baby food	1,459.30	13.5/5	124.04
	Total	**22**			**4,355.83**		**374.64**

(**Source:** Audit findings)

APPENDIX-IV

Repetitive nature of irregularities

(Reference Para No. 5.4)

(₹ in crore)

Sl. No.	**Caption**	**Brief of Para**	**Observations in 2016-17**		**2015-16**			**2014-15**			**2013-14**			**2012-13**			**2011-12**		
			Cases	**Amount**	**Para No**	**Cases**	**Amount**	**Para No**	**Cases**	**Amount**	**Para No**	**Cases**	**Amount**	**Para No**	**Cases**	**Amount**	**Para No**	**Cases**	**Amount**
1	Short levy of composition money under UPVAT Act	The AAs while finalising the assessments (between June 2012 and November 2015) accepted composition money at the rate of two *per cent* to four *per cent* instead of four *per cent* and six *per cent* on payment of ₹ 90.39 crore during the years 2008-09 to 2012-13 which resulted in short levy of composition money amounting to ₹ 3.08 crore in five CTOs[1].	10	3.08	4.6.1.4	2	0.56	2.3.16.3 2.5.1.4	2 1	0.38 0.13	2.3.7.1	8	6.88	-	-	-	-	-	-
2	Delayed deposit of tax deducted at source	The AAs while finalising the assessments (between March 2013 and March 2016) failed to impose penalty of ₹ 8.05 crore on dealers for not depositing the tax deducted at source amounting to ₹ 3.49 crore within the prescribed time, and for non deduction of tax of ₹ 53.83 lakh while making payment to the contractors during the years 2009-10 to 2012-13 in 19 CTOs[2].	28	8.05	4.7.2.2	14	2.98	2.3.17.3 2.11	10 15	3.72 5.03	2.13	28	8.74	2.12.4.1	13	2.88	2.11.5	13	1.36

[1] DC Sec 4 Jhansi, DC Sec 20 Kanpur, DC Sec 13 Lucknow and DC Sec 10 & 11 Noida.

[2] DC Sec. 15 Agra, AC Sec. 2 Aligarh, AC Sec. 10 Allahabad, AC Sec. 2 Auraiya, DC Sec. 1 Banda, AC Sec. 2 Chandauli, AC Sec. 4 Ghaziabad, DC Sec. 17 Kanpur, DC Sec. 9, 14, 20 & 21 Lucknow, DC Sec. 5 Meerut, DC Sec. 9 Moradabad, AC Sec. 6 Muzaffarnagar, DC Sec. 12, 13, AC Sec. 2 Noida and AC Sec. 2 Shahjahanpur.

(₹ in crore)

Sl. No.	Caption	Brief of Para	Observations in 2016-17		2015-16			2014-15			2013-14			2012-13			2011-12		
			Cases	Amount	Para No	Cases	Amount	Para No	Cases	Amount	Para No	Cases	Amount	Para No	Cases	Amount	Para No	Cases	Amount
3	Irregular concession on goods not covered under the central certificate of registration	The AAs while finalising the assessments (between December 2013 and March 2016) failed to detect incorrect declaration of goods valued at ₹ 19.22 crore as eligible for concessional rates of tax on form 'C' during the years 2010-11 to 2013-14 resulting in non levy of penalty of ₹ 3.80 crore in 16 CTOs[3].	24	3.80	4.9.3	7	0.27	2.8	9	0.41	2.3.13.2	8	0.83	2.12.5	10	1.00	2.11.4	8	1.12
											2.8.3	8	0.20						
4	Interest short/not charged on delayed deposit of tax	The AAs while finalising the assessments (between July 2014 and March 2016) failed to levy interest of ₹ 1.53 crore on delayed remittances of tax by dealers during the years 2008-09 to 2013-14 in 24 CTOs[4].	30	1.53	4.10	8	2.17	2.3.18.2	16	0.54	2.9.1	13	0.30	2.17	19	0.60	2.11.6	9	0.63
								2.9	30	5.31	2.3.14	7	0.12						
5	Inadmissible Input Tax Credit (ITC)	AAs while finalising the assessments (between March 2013 and March 2016) failed to reverse with interest inadmissible claims of ITC amounting to ₹ 80.29 lakh, resulting in short levy / non-reversal of ITC amounting to ₹ 1.18 crore including interest during the years 2009-10 to 2012-13 in 17 CTOs[5].	20	1.18	4.11.4	15	0.77	2.10.1	21	0.87	2.10.1	15	12.41	-	-	-	-	-	-

3 DC Sec. 12 Agra, DC Sec. 3 G. B. Nagar, JC (CC)-II, DC Sec. 2 & 12, AC Sec. 4 Ghaziabad, DC 16, 20 & 21 Lucknow, DC Sec. 1, 8, 9, 10, 11 & 14 Noida and DC Sec. 1 Raebareli.

4 DC Sec. 9 & 12 Agra, AC Sec. 3 & 4 Allahabad, DC Sec. 1 Chandauli, JC (CC) Firozabad, JC (CC) I, DC Sec. 8, 9, 12, 15 & 17 Ghaziabad, DC Sec. 28 Kanpur, JC (CC) I, DC Sec. 1, 12 & 19 Lucknow, DC Sec. 5, 8, 9 & 14 Noida, DC Sec. 3 Shahjahanpur and DC Sec. 9 & 21 Varanasi.

5 DC Sec. 7 Agra, AC Sec. 2 Azamgarh, JC (CC) Faizabad, DC Sec. 2,11,14 & AC Sec. 4 Ghaziabad, DC Sec. 3, 10 & 20 Kanpur, DC Sec. 5, 16 & 20 Lucknow, DC Sec. 5 & 10 Meerut and DC Sec. 1 & 10 Noida.

																		(₹ in crore)
Sl. No.	**Caption**	**Brief of Para**	**Observations in 2016-17**		**2015-16**			**2014-15**			**2013-14**			**2012-13**			**2011-12**	
			Cases	**Amount**	**Para No**	**Cases**	**Amount**	**Para No**	**Cases**	**Amount**	**Para No**	**Cases**	**Amount**	**Para No**	**Cases**	**Amount**	**Para No**	**Cases**	**Amount**
6	Incorrect claim of ITC on goods purchased which were taxable at lower rates than that claimed by the dealers	AAs while finalising the assessments (between April 2013 and March 2016) failed to reverse ITC amounting to ₹ 1.08 crore and levy interest of ₹ 56.16 lakh on goods which were taxable at lower rates than claimed by the dealers during the years 2010-11 to 2012-13 in 10 CTOs[6].	10	1.64	4.11.6	7	0.25	-	-	-	-	-	-	2.21.3	10	2.69	-	-	-
	Total	**91 CTOs**	**122**	**19.28**		**53**	**7.00**		**104**	**16.39**		**87**	**29.48**		**52**	**7.17**		**30**	**3.11**

[6] JC (CC) Allahabad, AC Sec. 3 Barabanki, DC Sec. 13, 16 & CTO Sec. 8 Ghaziabad, JC (CC) I & DC Sec. 5 Kanpur, DC Sec. 5 & 12 Meerut and DC Sec. 8 Noida.

APPENDIX-V
Residential land valued at agriculture rate
(Reference Para No. 6.9)

(In ₹)

Sl. No.	Name of district	Name of Unit	Deed No. & date of execu-tion	Earlier executed Deed No. & date of execution for same gata/ khasra no.	*Gata / Khasra* No.	Land sold (In Sq. meter)	Value of the property on which stamp duty levied	Rate on which prop-erty was require-ed to be valued (Per Sq. meter)	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 appli-cable	Leviable stamp duty	Due regis-tration fees	Leviable stamp duty and regis-tration fee	Stamp duty paid	Regis-tration fee paid	Levied stamp duty and regis-tration fee	Difference
1	Agra	SR Atmadpur	7474/ 21.6.16	5805/ 13.5.16	575	1010	505000	3000	3030000	3030000	5	151500	20000	171500	20200	10100	30300	141200
2	Agra	SR Fatehabad	4821/ 21.6.16	4098/ 4.6.16	216	865	78000	900	778500	779000	4	31160	15570	46730	3900	1560	5460	41270
3	Agra	SR Fatehabad	4671/ 17.6.16	4098/ 4.6.16	216	1327	120000	900	1194300	1195000	5	59750	20000	79750	6000	2400	8400	71350
4	Agra	SR Khairagarh	7468/ 28.10.16	7467/ 28.10.16	954	2200	5280000	4500	9900000	9900000	5	495000	20000	515000	254000	20000	274000	241000
5	Agra	SR Sadar I	2086/ 14.5.15	1106/ 12.3.15	617 ka	3805	11225000	8500	32342500	32343000	7	2264010	10000	2274010	786000	10000	796000	1478010
6	Agra	SR Sadar II	11018/ 23.10.15	3517/ 06.4.15	187	4828	4416000	4500	21796000	21796000	7	1525720	10000	1535720	309250	10000	319250	1216470
7	Agra	SR Sadar II	6209/ 11.6.15	1270/ 05.2.15	886	1242	1370000	4000	4968000	4968000	7	347760	10000	357760	96000	10000	106000	251760
8	Allahabad	SR Handia	296/ 18.1.16	5224/ 20.8.15	460	570	1177000	5500	3135000	3135000	5	156750	20000	176750	58850	20000	78850	97900
9	Allahabad	SR Handia	4740/ 3.8.16	5763/ 14.9.15	460	600	1790000	5500	3300000	3300000	5	165000	20000	185000	89500	20000	109500	75500
10	Allahabad	SR Karchchana	1479/ 19.2.16	863/ 31.1.15	346Mi	2280	2543000	5200	11856000	11856000	7	829920	20000	849920	180000	20000	200000	649920
11	Allahabad	SR Karchchana	4483/ 4.6.15	286/ 13.1.15 & 2502/ 18.4.15	1927kaha &1950ka	3081	1264000	2200	6778200	6779000	7	474530	10000	484530	88500	10000	98500	386030
12	Allahabad	SR Karchchana	2681/ 30.3.16	1197/ 10.2.16	1941, 1942 ka, 1991, 2002, 2007 & 2014	2381	1102000	2500	5952500	5953000	7	416710	20000	436710	77200	20000	97200	339510
13	Allahabad	SR Phoolpur	7917/ 14.9.16	7668/ 6.9.16	172	1086	1278000	3600	3909600	3910000	6 & 7	263700	20000	283700	79460	20000	99460	184240

(In ₹)

Sl. No.	Name of district	Name of Unit	Deed No. & date of execu-tion	Earlier executed Deed No. & date of execution for same gata/ khasra no.	*Gata / Khasra* No.	Land sold (In Sq. meter)	Value of the property on which stamp duty levied	Rate on which prop-erty was require-ed to be valued (Per Sq. meter)	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 appli-cable	Leviable stamp duty	Due regis-tration fees	Leviable stamp duty and regis-tration fee	Stamp duty paid	Regis-tration fee paid	Levied stamp duty and regis-tration fee	Difference
14	Allahabad	SR Sadar I	5949/ 25.10.16	4644/ 23.8.16	1003	1254	2656000	5300	6646200	6647000	7	465290	20000	485290	166000	20000	186000	299290
15	Allahabad	SR Sadar I	4583/ 20.8.16	1735/ 6.4.16	124	1663	1865000	3200	5321600	5322000	7	372540	20000	392540	131000	20000	151000	241540
16	Allahabad	SR Sadar II	8862/ 21.11.16	10503/ 24.11.15	280	2280	8555000	7400	16872000	16872000	7	1181040	20000	1201040	600000	20000	620000	581040
17	Allahabad	SR Sadar II	7761/ 24.8.15	7316/ 13.8.15	170	2674	3891000	5000	13370000	13370000	7	935900	10000	945900	272500	10000	282500	663400
18	Allahabad	SR Sadar II	5074/ 15.6.16	3808/ 10.5.16 & 3807/ 10.5.16	9 &10	1814.48	6976000	6800	12338464	12339000	7	863730	20000	883730	488500	20000	508500	375230
19	Allahabad	SR Sadar II	7675/ 23.9.16	6083/ 2.8.16, 1581/ 24.2.16 & 1622/ 25.2.16	1148, 1155 & 1156	1470.58	6040000	6800	9999944	10000000	7	700000	20000	720000	423000	20000	443000	277000
20	Allahabad	SR Sadar II	440/ 19.1.16	441/ 19.1.16	71	1512	3620000	4000	6048000	6048000	7	423360	20000	443360	253500	20000	273500	169860
21	Auraiya	SR Bidhuna	494/ 20.1.16	404/ 18.1.16	232	2640	700000	1800	4752000	4752000	4&5	227600	20000	247600	28000	14000	42000	205600
22*	Azamgarh	SR Nizamabad	2681/ 3.8.15	519/ 10.2.15	1068	1142	857000	5390	6155380	6156000	5	307800	10000	317800	42860	10000	52860	264940
23	Azamgarh	SR Sadar	2423/ 22.4.16	4386/ 9.7.15 & 4387/ 9.7.15	1993mi	6461.5	5657000	7000	45230500	45231000	5	2261550	40000	2301550	283250	40000	323250	1978300
24	Azamgarh	SR Sadar	7905/ 29.12.15	6090/ 19.9.15	151	1543.05	649000	2300	3549015	3550000	4&5	167500	20000	187500	26000	12980	38980	148520
25	Azamgarh	SR Sagadi	1589/ 19.3.16	1286/ 3.3.16	240	2721	1845000	7592	20657832	20658000	5	1032900	20000	1052900	92700	20000	112700	940200
26	Azamgarh	SR Sagadi	5007/ 17.8.16	1286/ 3.3.16	240	2041.2	1391000	7592	15496790	15497000	5	774850	20000	794850	69550	20000	89550	705300
27	Azamgarh	SR Sagadi	5349/ 5.9.16	3710/ 20.6.16	243mi	680.4	426000	8175	5562270	5563000	5	278150	20000	298150	21300	8520	29820	268330
28	Badaun	SR Sadar II	2593/ 24.4.15	8074/ 12.12.14	450mi	5060	1265000	2200	11132000	11132000	4&5	546600	10000	556600	53250	10000	63250	493350

(In ₹)

Sl. No.	Name of district	Name of Unit	Deed No. & date of execu-tion	Earlier executed Deed No. & date of execution for same gata/ khasra no.	*Gata / Khasra* No.	Land sold (In Sq. meter)	Value of the property on which stamp duty levied	Rate on which prop-erty was require-ed to be valued (Per Sq. meter)	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 appli-cable	Leviable stamp duty	Due regis-tration fees	Leviable stamp duty and regis-tration fee	Stamp duty paid	Regis-tration fee paid	Levied stamp duty and regis-tration fee	Difference
29	Badaun	SR Sadar II	1789/ 19.3.15	659/ 29.1.15	300	2530	2151000	4500	11385000	11385000	6&7	786950	10000	796950	140600	10000	150600	646350
30	Badaun	SR Sadar II	2114/ 1.4.15	8179/ 17.12.14	1396	660	600000	4500	2970000	2970000	6&7	197900	10000	207900	36000	10000	46000	161900
31	Baharaich	SR Kaiserganj	6999/ 29.6.15 & 7000/ 29.6.15	6973/ 29.6.15	210mi	980	258720	2000	1960000	1960000	5	98000	20000	118000	13000	2600	15600	102400
32	Barabanki	SR Haidargarh	3633/ 16.05.16	5342/ 30.09.14	262	1225	3056000	10100	12372500	12373000	5	618650	20000	638650	153000	20000	173000	465650
33	Barabanki	SR Haidargarh	8915/ 21.12.15	1222/ 24.02.15	316	290	170000	6600	1914000	1914000	5	95700	20000	115700	8500	3400	11900	103800
34*	Barabanki	SR Haidargarh	4702/ 14.07.16	3891/ 23.05.16	344mi	780	2165000	7900	6162000	6162000	5	308100	20000	328100	98250	20000	118250	209850
35*	Bareilly	SR Sadar II	2325/ 08.03.16	186/ 07.1.16	199	820	1312000	5000	4100000	4100000	7	287000	20000	307000	92000	20000	112000	195000
36	Basti	SR Sadar	4308/ 9.7.15	1912/ 24.3.15	437	1760	2112000	6000	10560000	10560000	6 &7	729200	10000	739200	138020	10000	148020	591180
37	Buland Shahar	SR Anoop Shahar	2997/ 18.5.16	1678/ 16.3.16	603	1265	1994000	5500	6957500	6958000	5 & 6	407480	20000	427480	89700	20000	109700	317780
38	Buland Shahar	SR Khurja	7755/ 09.06.15	1169/ 22.01.15	1100	2530	2409000	4000	10120000	10120000	7	708400	10000	718400	168700	10000	178700	539700
39	Buland Shahar	SR Khurja	155/ 04.01.16	15212/ 07.12.15	534	1010	1160000	4800	4848000	4848000	7	339360	20000	359360	81200	20000	101200	258160
40	Buland Shahar	SR Khurja	8311/ 19.06.15	1169/ 22.01.15	1100	632.5	904000	4000	2530000	2530000	7	177100	10000	187100	63300	10000	73300	113800
41	Buland Shahar	SR Sadar-II	4723/ 27.06.15	2415/ 06.04.15	176	3050	7620000	8000	24400000	24400000	7	1708000	10000	1718000	535000	10000	545000	1173000
42	Buland Shahar	SR Sadar-II	4962/ 04.07.15	2415/ 06.04.15	176	3050	7620000	8000	24400000	24400000	7	1708000	10000	1718000	535000	10000	545000	1173000
43	Buland Shahar	SR Sadar-II	6617/ 09.09.15	2415/ 06.04.15	176	3050	8235000	8000	24400000	24400000	7	1708000	10000	1718000	576000	10000	586000	1132000
44*	Buland Shahar	SR Sadar-II	4521/ 22.06.15	2175/ 26.03.15	243/2	2500	8788000	₹ 8000 for 2300 sq. mt. & ₹ 9000 for 200 sq. mt	20200000	20200000	7	1414000	10000	1424000	615000	10000	625000	799000

(In ₹)

Sl. No.	Name of district	Name of Unit	Deed No. & date of execu-tion	Earlier executed Deed No. & date of execution for same gata/ khasra no.	*Gata / Khasra* No.	Land sold (In Sq. meter)	Value of the property on which stamp duty levied	Rate on which prop-erty was require-ed to be valued (Per Sq. meter)	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 appli-cable	Leviable stamp duty	Due regis-tration fees	Leviable stamp duty and regis-tration fee	Stamp duty paid	Regis-tration fee paid	Levied stamp duty and regis-tration fee	Difference
45	Chandauli	SR Sadar	9428/ 29.7.15	5664/ 11.5.15	1341	2530	1417000	2000	5060000	5060000	4 & 5	243000	10000	253000	61000	10000	71000	182000
46	Chandauli	SR Sadar	11670/ 15.10.16	6158/ 23.5.16	391	1130	452000	2000	2260000	2260000	7	158200	20000	178200	31650	9040	40690	137510
47	Chandauli	SR Sadar	13476/ 29.12.16	5842/ 17.5.16	578	1010	707000	2300	2323000	2323000	7	162610	20000	182610	49500	14140	63640	118970
48*	Chandauli	SR Sadar	3721/ 31.3.16	1182/ 2.2.15	109	2530	1771000	2300	5819000	5819000	7	407330	20000	427330	124000	20000	144000	283330
49	Deoria	SR Rudrapur	349/ 5.2.15	257/ 28.1.15	242	1832.5	2199000	3000	5497500	5498000	5	274900	10000	284900	110000	10000	120000	164900
50	Farrukhabad	SR Kayamganj	9097/ 28.11.15	9076/ 27.11.15	1222	1160	302000	1900	2204000	2204000	4&5	100200	10000	110200	12100	6040	18140	92060
51*	Farrukhabad	SR Kayamganj	4600/ 30.05.16	979/ 29.01.16	327/1	440	176000	7000	3080000	3080000	6 & 7	205600	20000	225600	10600	3520	14120	211480
52*	Farrukhabad	SR Kayamganj	4026/ 16.05.16	979/ 29.01.16	327/1	450	261000	7000	3150000	3150000	6 & 7	210500	20000	230500	15700	5220	20920	209580
53*	Farrukhabad	SR Sadar	13697/ 7.10.15	6836/ 15.5.15	480mi	1290	2322000	4800	6192000	6192000	7	433440	10000	443440	163000	10000	173000	270440
54*	Farrukhabad	SR Sadar	11211/ 10.8.15	9415/ 6.7.15	92	610	824000	5200	3172000	3172000	6&7	212040	10000	222040	49500	10000	59500	162540
55*	Farrukhabad	SR Sadar	2039/ 4.2.15	1799/ 31.1.15	371, 372 & 374 mi	650	1170000	3300	2145000	2145000	7	150150	10000	160150	72000	10000	82000	78150
56	Firozabad	SR Sadar I	4038/ 7.5.15	2601/ 26.3.15	190	2625	2835000	2500	6562500	6563000	7	459410	10000	469410	198500	10000	208500	260910
57	Firozabad	SR Sadar I	5953/ 29.6.15	5595/ 19.6.15	266	1150	552000	2500	2875000	2875000	6&7	191250	10000	201250	33200	10000	43200	158050
58	Firozabad	SR Sadar II	3805/ 03.08.15	3532/ 27.07.15	321	2945	2121000	2300	6773500	6774000	7	474180	10000	484180	138500	10000	148500	335680
59	Firozabad	SR Sadar II	1893/ 29.04.15	1134/ 17.03.15	26	2860	1145000	2000	5720000	5720000	7	400400	10000	410400	80150	10000	90150	320250
60	Firozabad	SR Sadar II	1230/ 23.03.15	1222/ 21.03.15	524/4	4386	878000	1000	4386000	4386000	5	219300	10000	229300	44000	10000	54000	175300
61	Firozabad	SR Sadar II	3668/ 29.07.15	3390/ 22.07.15	559	1147	1239000	4000	4588000	4588000	7	321160	10000	331160	86750	10000	96750	234410
62	Firozabad	SR Sadar II	831/ 20.02.16	1010/ 09.03.15	585	2010	1206000	2500	5025000	5025000	7	351750	20000	371750	84500	20000	104500	267250

(In ₹)

Sl. No.	Name of district	Name of Unit	Deed No. & date of execu-tion	Earlier executed Deed No. & date of execution for same gata/ khasra no.	*Gata / Khasra* No.	Land sold (In Sq. meter)	Value of the property on which stamp duty levied	Rate on which prop-erty was require-ed to be valued (Per Sq. meter)	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 appli-cable	Leviable stamp duty	Due regis-tration fees	Leviable stamp duty and regis-tration fee	Stamp duty paid	Regis-tration fee paid	Levied stamp duty and regis-tration fee	Difference
63	Firozabad	SR Sikohabad	3125/ 07.04.16	2918/ 02.04.16	718/1	1620	584000	2000	3240000	3240000	7	226800	20000	246800	41000	11680	52680	194120
64	Firozabad	SR Sikohabad	3925/ 02.05.16	2043/ 02.03.16	187	1620	681000	3000	4860000	4860000	5	243000	20000	263000	34050	13620	47670	215330
65	Firozabad	SR Tundla	3074/ 24.05.16	1193/ 20.02.16	504	997	799000	5500	5483500	5484000	5	274200	20000	294200	40000	15980	55980	238220
66	Firozabad	SR Tundla	2977/ 18.05.16	949/ 11.02.16	171	2010	1610000	5500	11055000	11055000	5	552750	20000	572750	80500	20000	100500	472250
67	Firozabad	SR Tundla	7592/ 29.12.15	7486/ 22.12.15	67	1610	552000	1800	2898000	2898000	5	144900	20000	164900	27700	11060	38760	126140
68	Firozabad	SR Tundla	3109/ 25.05.16	1452/ 02.03.16	504	770	617000	5500	4235000	4235000	5	211750	20000	231750	25000	12340	37340	194410
69	Firozabad	SR Tundla	2170/ 07.04.16	1452/ 02.03.16	504	770	700000	5500	4235000	4235000	5	211750	20000	231750	35000	14000	49000	182750
70	Firozabad	SR Tundla	7285/ 11.12.15	6933/ 21.11.15	532	831	499000	3500	2908500	2909000	5	145450	20000	165450	20000	10000	30000	135450
71	Firozabad	SR Tundla	2171/ 07.04.16	1452/ 02.03.16	504	770	617000	5500	4235000	4235000	5	211750	20000	231750	31000	12340	43340	188410
72	Ghaziabad	SR Sadar I	1900/ 22.3.16	677/ 2.2.16	2530	948.9	3701000	10000	9489000	9489000	7	664230	20000	684230	249100	20000	269100	415130
73	Ghaziabad	SR Sadar I	1901/ 22.3.16	677/ 2.2.16	2530	948.9	3701000	10000	9489000	9489000	7	664230	20000	684230	259100	20000	279100	405130
74	Ghazipur	SR Jamaniyan	3605/ 22.8.16	3168/ 21.7.16	269 & 270	760	570000	5000	3800000	3800000	5	190000	20000	210000	28500	11400	39900	170100
75	Ghazipur	SR Jamaniyan	606/ 9.2.16	560/ 8.2.16	2445	760	544000	7000	5320000	5320000	5	266000	20000	286000	27210	10880	38090	247910
76*	Ghazipur	SR Sadar	5064/ 26.9.15	1046/ 26.2.15	173	4300	3010000	3500	15050000	15050000	5	752500	10000	762500	151000	10000	161000	601500
77	Gorakhpur	SR Chauri Chaura	4057/ 15.12.15	2264/ 30.06.15	25/1	1010.25	1152000	3900	3939975	3940000	4&5	187000	20000	207000	47600	20000	67600	139400
78	Gorakhpur	SR Chauri Chaura	384/ 05.02.15	139/ 16.01.15	135	920.5	1374000	4200	3866100	3867000	5	193350	10000	203350	68700	10000	78700	124650
79	Gorakhpur	SR Chauri Chaura	443/ 10.02.15	199/ 22.01.15	624	1360	1673000	4620	6283200	6284000	4&5	304200	10000	314200	74100	10000	84100	230100

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80	Gorakhpur	SR Chauri Chaura	2545/ 22.07.15	2264/ 30.06.15	25/1	1010.25	979000	3500	3535875	3536000	5	176800	10000	186800	49000	10000	59000	127800
81	Gorakhpur	SR Gola Bazar	1764/ 19.05.16 & 1479/ 02.05.16	329/ 27.01.16 & 1673/ 12.05.16	50mi	3240	2220000	1270	4114800	4115000	5	205750	40000	245750	95520	31000	126520	119230
82	Gorakhpur	SR Sadar I	8337/ 07.10.15	7373/ 31.08.15	146	2670	1923000	6500	17355000	17355000	5	867750	10000	877750	96200	10000	106200	771550
83	Gorakhpur	SR Sadar I	7660/ 09.09.15	7373/ 31.08.15	146	2750	2574000	6500	17875000	17875000	5	893750	10000	903750	129000	10000	139000	764750
84	Gorakhpur	SR Sadar I	5041/ 18.06.15	4862/ 15.06.15	1010mi	1620	2000000	4500	7290000	7290000	5	364500	10000	374500	100000	10000	110000	264500
85	Gorakhpur	SR Sadar I	6161/ 24.07.15	6015/ 22.07.15	1218	1110	1943000	4500	4995000	4995000	5	249750	10000	259750	98000	10000	108000	151750
86	Gorakhpur	SR Sadar I	4740/ 11.06.15	4014/ 22.05.15	1975mi	850	3294000	7500	6375000	6375000	7	446250	10000	456250	230600	10000	240600	215650
87	Gorakhpur	SR Sadar I	4000/ 18.05.16	3576/ 05.05.16	75	3740	2600000	5000	18700000	18700000	5	935000	20000	955000	130000	20000	150000	805000
88	Gorakhpur	SR Sadar I	4478/ 04.06.15	1762/ 03.03.15	112mi	2060	1288000	7500	15450000	15450000	5	772500	10000	782500	64500	10000	74500	708000
89	Gorakhpur	SR Sadar II	6673/ 23.6.15	5977/ 9.6.15	371mi	5100	8415000	7500	38250000	38250000	7	2677500	10000	2687500	589150	10000	599150	2088350
90	Gorakhpur	SR Sahajanava	2234/ 18.06.16	1765& 1766/ 17.05.16	72mi	2610	4000000	8300	21663000	21663000	7	1516410	20000	1536410	280000	20000	300000	1236410
91	Hathras	SR Sadar	4854/ 27.5.15	4480/ 18.5.15	139	2150	2473000	3500	7525000	7525000	5	376250	10000	386250	124000	10000	134000	252250
92	Hathras	SR Sadar	7447/ 30.7.15	3648/ 29.4.15	139	2100	2415000	3500	7350000	7350000	5	367500	10000	377500	121000	10000	131000	246500
93	Hathras	SR Sadar	5431/ 11.6.15	4101/ 21.5.15	138	1800	1710000	3500	6300000	6300000	5	315000	10000	325000	85500	10000	95500	229500
94	Hathras	SR Sadar	9667/ 15.10.15	8429/ 28.8.15	155	4096	1639000	1100	4505600	4506000	5	225300	29012	254312	90100	21800	111900	142412
95	Jaunpur	SR Machhali Shahar	4297/ 31.8.16	2384/ 7.5.14	147	4010	2764000	8500	34085000	34085000	5	1704250	20000	1724250	138200	20000	158200	1566050
96	Jaunpur	SR Machhali Shahar	6137/ 5.12.15	708/ 5.2.15	2708mi	2430	1203000	5500	13365000	13365000	4 &5	658250	10000	668250	50150	10000	60150	608100

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97	Jaunpur	SR Madiyahoon	1936/ 12.5.15	1937/ 12.5.15	132mi	3180	3246000	5800	18444000	18444000	4 &5	912200	10000	922200	152500	10000	162500	759700
98	Jaunpur	SR Madiyahoon	3437/ 7.8.15	3399/ 4.8.15	126	850	816000	7900	6715000	6715000	4 &5	325750	10000	335750	40800	10000	50800	284950
99	Jaunpur	SR Sadar	1720/ 25.2.15	670/ 23.1.15	208mi	1440	692000	3800	5472000	5472000	5	273600	10000	283600	34600	10000	44600	239000
100	Jaunpur	SR Shahganj	3259/ 7.6.16	4061/ 22.6.15	576	2316.6	2607000	8000	18532800	18533000	5	926650	20000	946650	130350	20000	150350	796300
101	Jaunpur	SR Shahganj	4639/ 4.8.16	4678/ 5.8.16 (Tahreer 4.8.16)	1639	1105	820000	9400	10387000	10387000	4 & 5	509350	20000	529350	32800	16400	49200	480150
102	Jaunpur	SR Shahganj	3507/ 29.5.15	3305/ 22.5.15	30	1305	1403000	7500	9787500	9788000	5	489400	10000	499400	70150	10000	80150	419250
103	Jaunpur	SR Shahganj	1898/ 30.3.16	1861/ 29.3.16	562/1	1012	972000	7800	7893600	7894000	4 & 5	384700	20000	404700	39020	19440	58460	346240
104	Jaunpur	SR Shahganj	3423/ 27.5.15	1084/ 10.2.15	1926	1100	825000	6400	7040000	7040000	5	352000	10000	362000	41250	10000	51250	310750
105	Jaunpur	SR Shahganj	4203/ 29.6.15	4168/ 26.6.15	973	1170	1573000	6400	7488000	7488000	5	374400	10000	384400	78650	10000	88650	295750
106	Jhansi	SR Sadar II	5726/ 14.7.15	Sec. 143	622 mi	6600	528000	1200	7920000	7920000	7	554400	10000	564400	37000	10000	47000	517400
107	Kanpur Nagar	SR Bilhaur	782/ 20.2.17	5619/ 21.7.16	796	1315	658000	3500	4602500	4603000	5	230150	20000	250150	33000	13160	46160	203990
108	Kanpur Nagar	SR Ghatampur	4089/ 7.6.16	4092/ 01.06.16/ 7.6.16	2341	865	326000	3700	3200500	3201000	4 & 5	150050	20000	170050	13100	6520	19620	150430
109	Kanpur Nagar	SR Sadar I	133/ 17.1.17	425/ 23.1.16	706mi	4300	3071000	2400	10320000	10320000	7	722400	20000	742400	215000	20000	235000	507400
110	Kanpur Nagar	SR Sadar I	103/ 5.1.16	125/ 6.1.16	790mi	1230	672000	2400	2952000	2952000	7	206640	20000	226640	49000	14000	63000	163640
111	Kanpur Nagar	SR Sadar II	7008/ 20.11.15	6997/ 20.11.15	94mi	2150	3655000	8000	17200000	17200000	7	1204000	10000	1214000	256000	10000	266000	948000
112	Kanpur Nagar	SR Sadar II	6728/ 06.11.15	6729/ 06.11.15	695	2316.39	7413000	9000	20847510	20848000	7	1459360	10000	1469360	519000	10000	529000	940360
113	Kanpur Nagar	SR Sadar II	1633/ 11.03.16	1643/ 09.3.16/ 11.03.16	969mi	1430	2932000	10500	15015000	15015000	7	1051050	20000	1071050	205500	20000	225500	845550

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114	Kanpur Nagar	SR Sadar III	19931/ 8.12.15	19671/ 03.12.15	708	1125	3539000	9500	10687500	10688000	7	748160	20000	768160	247750	20000	267750	500410
115	Kanpur Nagar	SR Sadar IV	1530/ 18.02.16	6065/ 15.07.15	264	3344	4264000	4200	14044800	14045000	7	983150	20000	1003150	298500	20000	318500	684650
116	Kanpur Nagar	SR Sadar IV	131/ 05.01.16	4870/ 11.06.15 & 6836/ 03.08.15	248	2800	1680000	2900	8120000	8120000	7	568400	20000	588400	117700	20000	137700	450700
117	Kanpur Nagar	SR Sadar IV	6608/ 28.07.16	6065/ 15.07.15	264	1105	1409000	4200	4641000	4641000	7	324870	20000	344870	98700	20000	118700	226170
118	Kasganj	SR Sadar	3491/ 20.4.16	3362/ 22.4.15	637Sa	1188	714000	6000	7128000	7128000	7	498960	20000	518960	50110	14280	64390	454570
119	Kasganj	SR Sadar	4290/ 21.5.15	2727/ 30.3.15	401	1170	644000	3500	4095000	4095000	7	286650	20000	306650	45160	12880	58040	248610
120	Kasganj	SR Sadar	5841/ 2.7.15	3981/ 12.5.15	658	610	440000	5000	3050000	3050000	7	213500	10000	223500	30800	8800	39600	183900
121	Kasganj	SR Sadar	5621/ 20.6.16	10053/ 26.11.15	494	850	1020000	3000	2550000	2550000	7	178500	20000	198500	71400	20000	91400	107100
122	Kasganj	SR Sadar	5692/ 21.6.16	186/ 7.1.15	498	850	1020000	3000	2550000	2550000	6 & 7	168500	20000	188500	61400	20000	81400	107100
123*	Kasganj	SR Sadar	10288/ 4.12.15	4300/ 21.5.15	77	770	600000	7000	5390000	5390000	7	377300	10000	387300	30100	10000	40100	347200
124	Kushinagar	SR Hata	7400/ 1.12.15	7297/ 24.11.15	634	3880	1940000	5600	21728000	21728000	5	1086400	10000	1096400	97000	10000	107000	989400
125	Kushinagar	SR Hata	815/ 6.2.16	730/ 2.2.16	571mi	1740	1340000	6000	10440000	10440000	5	522000	20000	542000	67050	20000	87050	454950
126	Kushinagar	SR Hata	704/ 1.2.16	3604/ 3.7.14	2	1700	561000	1600	2720000	2720000	4 &5	126000	20000	146000	22450	11220	33670	112330
127	Kushinagar	SR Hata	4114/ 24.6.16	2458/ 17.5.14	1503	911.25	1307000	4300	3918375	3919000	5	195950	20000	215950	65350	20000	85350	130600
128	Kushinagar	SR Kasyan	639/ 15.2.16	557/ 8.2.16	702mi	810	1013000	2500	2025000	2025000	7	141750	20000	161750	71000	20000	91000	70750
129*	Kushinagar	SR Sadar	8344/ 12.12.14	8260/ 10.12.14	55/5/7	690	966000	4200	2898000	2898000	6&7	192860	10000	202860	58010	10000	68010	134850
130	Lakhimpur Khiri	SR Gola Gokaran	15951/ 4.12.14	5224/ 25.4.14	1964	6800	2856000	4300	29240000	29240000	5	1462000	10000	1472000	143000	10000	153000	1319000

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131	Lucknow	SR Malihabad	1382/ 16.03.16	2023/ 21.4.15	213	1860	612000	₹ 6000 upto 1000 sq. mt. & ₹ 4200 for 860 sq.mt.	9666000	9666000	4&5	473300	20000	493300	24500	12240	36740	456560
132	Lucknow	SR Malihabad	5694/ 30.11.15	5590/ 24.11.15	1070	730	255500	5000	3650000	3650000	5	182500	10000	192500	13000	5120	18120	174380
133	Maharajganj	SR Sadar	3185/ 23.04.16	2911/ 31.03.15	46	1210	1755000	6300	7623000	7623000	5	381150	20000	401150	77750	20000	97750	303400
134	Mau	SR Sadar	2264/ 9.4.15	1921/ 23.3.15	93	1360	1906000	4000	5440000	5440000	7	380800	10000	390800	133430	10000	143430	247370
135	Mau	SR Sadar	2988/ 29.4.16	5766/ 31.8.15	332ga	1247	1497000	4000	4988000	4988000	7	349160	20000	369160	104800	20000	124800	244360
136	Mau	SR Sadar	6508/ 3.10.15	4412/ 3.7.15	55mi	1130	1808000	4600	5198000	5198000	6&7	353860	10000	363860	116560	10000	126560	237300
137	Mau	SR Sadar	7023/ 29.10.15	7025/ 29.10.15	764mi	755	1284000	4000	3020000	3020000	7	211400	10000	221400	90000	10000	100000	121400
138	Mau	SR Sadar	660/ 3.2.16	7744/ 3.12.15	270	680	2040000	5500	3740000	3740000	7	261800	20000	281800	142800	20000	162800	119000
139	Meerut	SR Sadar IV	4853/ 3.8.15	3518/ 12.6.15	1335	3975	1988000	2400	9540000	9540000	5	477000	10000	487000	100000	10000	110000	377000
140	Mirzapur	SR Chunar	8893/ 3.11.15	6815/ 17.8.15	88/4	2530	295000	900	2277000	2277000	5	113850	10000	123850	14750	5900	20650	103200
141	Muzaffar Nagar	SR Sadar I	3641/ 29.4.16	9075/ 18.9.15	298	4031	10043200	4500	18139500	18140000	7	1269800	20000	1289800	703000	20000	723000	566800
142*	Pratapgarh	SR Patti	4140/ 6.8.15	1852/ 22.4.15	682mi	240	405000	8200	1968000	1968000	7	137760	10000	147760	20300	8100	28400	119360
143	Pratapgarh	SR Sadar	179/ 11.1.16	183/ 11.1.16	84	2380	753000	1500	3570000	3570000	4 &5	168500	20000	188500	30120	15060	45180	143320
144	Pratapgarh	SR Sadar	1579/ 26.3.16	1523/ 22.3.16	74mi	1290	4113000	5500	7095000	7095000	6 &7	486650	20000	506650	278000	20000	298000	208650
145	Rampur	SR Bilaspur	5425/ 30.7.16	6175/ 4.9.15	254	2150	1183000	3500	7525000	7525000	5	376250	20000	396250	59200	20000	79200	317050
146	Rampur	SR Bilaspur	5426/ 30.7.16	6175/ 4.9.15	254	1830	1008000	3500	6405000	6405000	5	320250	20000	340250	50500	20000	70500	269750

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147	Rampur	SR Bilaspur	6386/ 15.9.16	2295/ 30.3.16	48/7 mi	1393.5	1394000	4000	5574000	5574000	5	278700	20000	298700	70000	20000	90000	208700
148*	Rampur	SR Bilaspur	4957/ 15.7.16	4689/ 4.7.16	186 mi	3780	3213000	4000	15120000	15120000	5	756000	20000	776000	160700	20000	180700	595300
149*	Rampur	SR Bilaspur	4754/ 6.7.16	4756/ 6.7.16	430	5725	2760000	1000	5725000	5725000	5	286250	20000	306250	138000	20000	158000	148250
150*	Shahjahan--pur	SR Jalalabad	5937 / 16.7.16	3777/ 25.5.16	29	970	204000	2500	2425000	2425000	5	121250	20000	141250	10200	4080	14280	126970
151	Siddharth Nagar	SR Bansi	2913/ 21.7.16	103/ 11.1.16	597ka mi	760	380000	3500	2660000	2660000	6&7	176200	20000	196200	22800	7600	30400	165800
152	Sitapur	SR Sidhauli	4137/ 15.6.15	3865/ 8.6.15	18	840	427000	4250	3570000	3570000	5	178500	10000	188500	21350	8540	29890	158610
153	Sitapur	SR Sidhauli	331/ 19.1.16	5282/ 20.7.15	298	2000	130000	8200	16400000	16400000	5	820000	20000	840000	65000	20000	85000	755000
154	Sitapur	SR Sidhauli	1024/ 25.2.16	6368/ 14.11.14	549	520	516000	4500	2340000	2340000	5	117000	20000	137000	25800	10320	36120	100880
155*	Sonebhadra	SR Robertsganj	2592/ 26.3.16	2012/ 13.3.15	755 mi	1770	850000	2700	4779000	4779000	4&5	228950	20000	248950	34000	17000	51000	197950
156*	Sonebhadra	SR Robertsganj	981/ 5.2.16	2012/ 13.3.15	755mi	633	308000	2700	1709100	1710000	5	85500	20000	105500	15400	6160	21560	83940
157	Varanasi	SR Sadar I	5043/ 12.7.16	4927/ 9.7.16	699 & 700	1180	6212000	7800	9204000	9204000	7	644280	20000	664280	435000	20000	455000	209280
	Total	**69**				**293470.75**	**321358420**		**1345699330**	**1345719000**		**80021660**	**2534582**	**82556242**	**19898830**	**2156440**	**22055270**	**60500972**

*Stamp Duty imposed by the Collector Stamps in these cases.
(**Source:** Audit findings)

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