
OVERVIEW

This report contains 24 paragraphs including two reviews relating to non/short levy of tax, penalty, interest etc., involving Rs. 92.18 crore. Some of the major findings are mentioned below:

I. General

- The total receipts of the Government of Uttar Pradesh for the year 2006-07 were Rs. 60,599.52 crore against Rs. 45,349.15 crore during 2005-06. The revenue raised by the State Government amounted to Rs. 29,530.61 crore comprising tax revenue of Rs. 22,997.97 crore and non-tax revenue of Rs. 6,532.64 crore. The receipts from the Government of India were Rs. 31,068.91 crore (State's share of divisible Union taxes: Rs. 23,218.31 crore and grants-in-aid: Rs. 7,850.60 crore). Thus, the State Government could raise only 49 *per cent* of the total revenue. Taxes on sales, trade etc. (Rs. 13,278.82 crore) and miscellaneous general services (Rs. 2,281.23 crore) were the major source of tax and non-tax revenue respectively during the year 2006-07.

(Paragraph 1.1)

- As on 31 March 2007 arrears of revenue under principal heads of revenue as reported by concerned departments were Rs. 15,021.59 crore.

(Paragraph 1.5)

- Test check of the records of trade tax, state excise, taxes on vehicles, goods and passengers, stamp duty and registration fees, land revenue, and other departmental receipts conducted during 2006-07 revealed underassessment, short levy, loss of revenue etc. amounting to Rs. 405.08 crore in 2,370 cases. During the course of the year 2006-07, the concerned departments accepted underassessment and short levy etc. of Rs. 56.23 lakh in 41 cases of which Rs. 19.58 lakh had been recovered upto March 2007.

(Paragraph 1.6)

- Inspection Reports numbering 9,524 issued upto 31 December 2006 containing 21,445 audit observations with money value of Rs. 4,782.48 crore had not been settled upto June 2007.

(Paragraph 1.7)

II. Trade Tax

- Concealment of turnover/false declarations/irregular exemption on stock transfer by 37 dealers resulted in evasion of tax of Rs. 6.24 crore.

(Paragraph 2.2)

- Forty three dealers were liable to pay penalty amounting to Rs. 3.62 crore for purchase made against declaration in form C other than those covered by their certificate of registration.

(Paragraph 2.3)

III. State excise receipts and Taxes on Vehicles, Goods and Passengers

- Low yield of alcohol from molasses as compared to norms resulted in loss of revenue of Rs. 4.63 crore.

(Paragraph 3.2)

- Plying of 332 stage carriages in seven RTOs on their prescribed routes without getting their permits renewed resulted in non/short realisation of additional tax amounting to Rs. 3.94 crore.

(Paragraph 3.4)

- Application of incorrect rates of additional tax resulted in short levy of tax of Rs. 2.17 crore.

(Paragraph 3.5)

IV. Other Tax Receipts

A review of “**Allotment/unauthorised occupation of Government Land**” revealed as under:

- Lack of a system/procedure for disposal of the estate land through sale/auction resulted in loss of revenue by way of cost of land amounting to Rs. 433.24 crore.

(Paragraph 4.2.6.1)

- Due to lack of a database on the status of lease granted, the Government was deprived of revenue of Rs. 142.18 crore and stamp duty of Rs. 14.22 crore.

(Paragraph 4.2.6.2)

- Lack of a time bound plan for disposal of *nazul* land resulted in non-disposal by way of sale. Lack of maintenance of a database on the status of lease granted of *nazul* land resulted in non-reversion after termination of the lease period. The loss of revenue was Rs. 2,074.72 crore.

(Paragraph 4.2.6.3)

- Lack of a specified time frame for regularisation of unauthorised occupations of *nazul*/estate land deprived the Government of revenue of Rs. 1,763.64 crore.

(Paragraph 4.2.7)

- Non-payment of cost of ceiling land utilised by the developmental authority and other organisations deprived the Government of revenue of Rs. 251.91 crore.

(Paragraph 4.2.9.3)

- Under valuation of land resulted in short levy of stamp duty of Rs. 2.04 crore and cost of land amounting to Rs. 25.56 crore.

(Paragraph 4.2.10.1)

- In Weights and Measures Department due to non-registration/renewal of registration of users, the Government was deprived of revenue amounting to Rs. 81.83 lakh.

(Paragraph 4.6.1)

V. Other Departmental Receipts

A review of “**Levy and collection of irrigation receipts**” revealed as under:

- Lack of monitoring of irrigation potential created resulted in non-achieving the target of irrigation and consequential loss of revenue amounting to Rs. 62.94 crore during the years 2001-02 to 2005-06.

(Paragraph 5.2.7)

- Lack of a system of monitoring the receipts vis-a-vis the water available for irrigation resulted in loss of revenue amounting to Rs. 3.12 crore.

(Paragraph 5.2.8)

- Lack of a prescribed system for measuring the quantity of water supplied for commercial use resulted in short levy of water charges amounting to Rs. 18.78 crore.

(Paragraph 5.2.9)

- Non-levy of centage charges of deposit works resulted in loss of revenue amounting to Rs. 1.18 crore.

(Paragraph 5.2.14)