



Epitome of CAG's Reports on the Government of Uttar Pradesh for the year ended 31 March 2006



Principal Accountant General (Civil Audit)
Uttar Pradesh, Allahabad



सत्यमेव जयते

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Preface

This epitome presents, at a glance, the contents of the Audit Reports (Civil, Revenue Receipts & Commercial) of the Comptroller and Auditor General of India relating to the Government of Uttar Pradesh (UP) for the year ended 31 March 2006. These Reports contain major findings of audit of financial transactions of the Government of Uttar Pradesh, Government Companies and Statutory Corporations of Uttar Pradesh. Other audit observations which are not contained in these Audit Reports are reported to and pursued with the Controlling Officers and Heads of Offices.

In accordance with Article 151 of the Constitution, the Comptroller and Auditor General of India forwards his Audit Reports on the accounts as well as on the points noticed during audit of financial transactions of the State Government to the Governor, who causes them to be laid on the table of the Vidhan Sabha.

The Reports of the Comptroller and Auditor General of India on the transactions of the State Government presented to the Vidhan Sabha stand referred to the Public Accounts Committee (PAC) in respect of the Audit Reports on Civil and Revenue Receipts and the Committee of Public Undertakings (COPU) in respect of the Audit Report (Commercial). The Government departments are required to submit suo-moto Action Taken Notes on all Audit Paragraphs and Reviews to the Committee, duly vetted by Audit. The Committees select some of the paragraphs/reviews for detailed examination after which a report containing their observations and recommendations is presented to the Vidhan Sabha.

The draft of the paragraphs/reviews included in the Audit Reports are always forwarded to the Secretary of the concerned department for his comments so that the views of the Government are incorporated in the Audit Reports before their presentation to the Vidhan Sabha. The Finance Department has prescribed that the draft paragraphs should be dealt with as expeditiously as possible and the comments of the concerned Department intimated to Audit within a period not exceeding six weeks. All the draft paragraphs/reviews were discussed with the heads of administrative departments and assurance obtained in regard to corrective measures for arresting potential risks.

This epitome contains a summarised version of the more important issues included in the Audit Reports. While it has been our endeavour to keep the contents of this document as close to the original Reports as possible, the original Reports ought to be referred to for authentic facts and figures. The names and telephone numbers of the Officers who could be contacted for any clarification in respect of different Audit Reports are on the inner page of the backside cover of this publication.

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Report (Civil) for the year ended 31 March 2006

This Report contains five Chapters. The first two contain observations on Finance Accounts and Appropriation Accounts of the State Government for the year 2005-06. The other three contain audit observations in the form of seven reviews and 29 paragraphs on selected schemes, programmes, internal control and financial transactions of the Government.

Highlights

- ❑ Revenue deficit of the Government decreased from Rs 6993 crore to Rs 1268 crore and fiscal deficit from Rs 12997 crore to Rs 10078 crore during 2005-06. Primary deficit also decreased by Rs 144 crore due to lesser interest payments on account of re-scheduling of Central loans.
- ❑ Revenue of the State comprising its tax and non-tax revenue, tax transfers and grants-in-aid from Government of India (GOI) increased by 21 *per cent* from Rs 37617 crore in 2004-05 to Rs 45349 crore in 2005-06. Revenue expenditure increased by Rs 2007 crore during the period.
- ❑ Arrears of revenue increased from Rs 7922 crore in 2004-05 to Rs 8772 crore in 2005-06.
- ❑ The total salary bill relative to revenue expenditure net of interest payments and pension payments stood at 47 *per cent* against the limit of 35 *per cent* recommended by Twelfth Finance Commission.
- ❑ Interest payments and expenditure on pensions accounted for 29 *per cent* of revenue expenditure.
- ❑ An amount of Rs 3551 crore remained locked up in 27 incomplete projects. The ratio of fiscal liabilities (Rs 148868 crore) to GSDP was 57 *per cent* in 2005-06.
- ❑ The return from investments in Government Companies, Statutory Corporations, etc continued to be nominal (less than one *per cent*) in 2005-06 as against the average interest rate of 6.5 *per cent* on the borrowings of the Government.

- ❑ The net saving of Rs 13319 crore was the result of overall savings of Rs 14345 crore in 166 cases of grants and appropriations, partly offset by excess expenditure of Rs 1027 crore in 29 cases of grants and appropriations.
- ❑ The objectives of the Scheme for educational development of the students belonging to Scheduled castes/Scheduled tribes could not be realised due to its deficient implementation, ineffective monitoring and lack of awareness of the scheme among the beneficiaries.
- ❑ The implementation of various schemes for educational development of OBCs and minorities was not satisfactory due to inadequate monitoring of utilization of funds passed on to the institutions, deficient scrutiny of applications for scholarships to the students leading to payments to ineligible beneficiaries and defective site selection for hostels.
- ❑ Sarva Shiksha Abhiyan (SSA), which aimed at having all children in schools, education guarantee centres, and completion of eight years of elementary schooling by 2010, suffered on many fronts such as high drop out rate, low transition from primary to upper primary level, etc. Disproportionate deployment of teachers, non-strengthening of District Institute of Educational Trainings (DIETs), lack of basic infrastructure facilities etc. at the school level were a dampener in the process of achieving Universal Elementary Education by 2010.
- ❑ The objective of maximizing local procurement of food grains from the farmers and providing food security to poor households suffered due to improper identification of beneficiaries, less procurement of wheat and its distribution to the families of below poverty line (BPL). The cost of short yield of custom milled rice from the millers and losses due to transit/ storage and misappropriation of food grains remained unrecovered.
- ❑ The Project Tiger aiming at maintaining a viable population of tigers and preserving the areas of biological importance suffered mainly due to the poor management of land and failure of the project authorities in providing buffer zones. The State Wild Life Board was also not formed up to July 2005. Inefficient monitoring, protection, conservation and enforcement activities rendered the Project Tiger ineffective.

- ❑ The objective of providing wage employment as well as food security alongside creation of useful assets in rural areas under the Sampoorna Grammin Rozgar Yojana suffered mainly due to under-utilisation of funds. Food security to the targeted population was not ensured and wage earners were not paid their wages in time and a number of them remained unpaid.
- ❑ An evaluation of the Internal Controls of the Medical Education Department disclosed deficiencies in the budgetary controls leading to surrender of funds at the fag end of the year and parking of funds in personal ledger accounts. Lax expenditure controls led to irregular payments and diversion of funds.
- ❑ Rupees 53.42 lakh were embezzled by fraudulent drawal of pay and allowances of six fictitious medical officers who were not attached with the office of the Chief Medical Officer, Rae Bareilly.
- ❑ Posting of 42 personnel on fake transfer orders in medical department at Allahabad, Firozabad, Gautam Budha Nagar, Hathras and Moradabad led to fraudulent payment of Rs 35.24 lakh.
- ❑ Construction of Chaukania drain and main canal of Suswar Bundhi Project without acquiring the forest land falling in their alignments rendered the expenditure of Rs 13.05 crore thereon unfruitful.
- ❑ Net present value of Rs 95.73 crore on transferred forest land was not recovered from the user agencies. The land had been transferred in violation of guidelines of GOI and SC judgments.

I - Finances of the State Government

The summary of transactions relating to receipts and disbursements as emerging from the Finance Accounts for the year 2005-06 and the time series data on the State's finances are depicted in Table 1 and Table 2 below:

Table-1: Summary of receipts and disbursements for the year 2005-06

(Rupees in crore)

2004-05	Receipts	2005-06	2004-05	Disbursements	2005-06		
Section-A: Revenue					Non Plan	Plan	Total
37617.44	Revenue receipts	45349.15	44610.35	Revenue expenditure	40172.33	6444.81	46617.14
15692.67	Tax revenue	18858.10	22761.43	General services	20875.07	44.61	20919.68
2720.29	Non-tax revenue	2930.32	13089.72	Social services	10878.56	4731.14	15609.70
15055.20	Share of Union Taxes/Duties	18202.93	6976.27	Economic services	6086.78	1669.06	7755.84
4149.28	Grants from Government of India	5357.80	1782.93	Grants-in-aid and Contributions	2331.92	---	2331.92
Section-B: Capital							
---	Misc Capital Receipts	---	5653.35	Capital Outlay	539.22	8172.01	8711.23
277.63	Recoveries of Loans and Advances	585.05	628.98	Loans and Advances disbursed	105.19	578.65	683.84
17463.25	Public debt receipts*	14257.46	9156.70	Repayment of Public Debt**	5252.34	---	5252.34
75.69	Contingency Fund	298.52	43.31	Contingency Fund	182.77	---	182.77
45212.58	Public Account receipts	52528.51	40262.49	Public Account disbursements	43171.84	---	43171.84
(-196.25)	Opening Cash Balance	95.16	95.16	Closing Cash Balance	8494.69	---	8494.69
100450.34	Total	113113.85	100450.34	Total	97918.38	15195.47	113113.85

* Excluding Ways and Means Advances and Overdraft

** Includes net transaction of Rs 25.48 crore under WMA

Table 2: Time Series Data on the Finances of Uttar Pradesh

(Rupees in crore)

	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06
Part A. Receipts						
I. Revenue Receipts	24743	25598	27821	31638	37617	45349
(i) Tax Revenue	10980(44)	10330(40)	12767(46)	13601(43)	15693(42)	18858(42)
Sales Tax/Trade Tax	6118(56)	6163(59)	7124(56)	7684(56)	8888(57)	11285(60)
State Excise	2239(20)	1961(19)	2555(20)	2472(18)	2686(17)	3089(16)
Taxes on vehicles	543(05)	503(5)	619(5)	677(5)	776(5)	965(5)
Stamps and Registration fees	1270(11)	1429(14)	2079(16)	2296(17)	2682(17)	2997(16)
Land Revenue	70(1)	73(1)	64(1)	118(1)	102(1)	109(1)
Other Taxes	740(7)	260(2)	326(2)	354(3)	559(3)	413(2)
(ii) Non- Tax Revenue	1945(8)	1787(7)	1913(7)	2282(7)	2720(7)	2930(6)
(iii) State's share in union taxes	9045(37)	10189(40)	10832(39)	13273(42)	15055(40)	18203(40)
(iv) Grants in aid from GOI	2773(11)	3292(13)	2309(8)	2482(8)	4149(11)	5358(12)
2. Miscellaneous Capital Receipts	---	----	---	----	----	----
3. Total Revenue and Non Debt Capital Receipts (1+2)	24743	25598	27821	31638	37617	45349
4. Recoveries of Loans and Advances	296	366	219	12498	278	585
5. Public Debt Receipts	9251	11383	12390	22110	17463	14257
Internal Debt (Excluding Ways and Means Advances and Overdrafts)	6734(73)	7936(70)	9282(75)	19029(86)	14597(84)	13931(98)
Net Transactions under Ways and Means Advances and Overdraft	---	690(6)	---	----	25(0)	----
Loans and Advances from Government of India	2517(27)	2757(24)	3108(25)	3081(14)	2841(16)	326(2)
6. Total Receipts in the Consolidated Fund (3+4+5)	34290	37347	40430	66246	55358	60191
7. Contingency Fund Receipts	92	81	---	52	76	299
8. Public Account Receipts	37567	36965	37327	46875	45213	52529
9. Total Receipts of the State (6+7+8)	71949	74393	77757	113173	100647	113019
Part B. Expenditure						
10. Revenue Expenditure	31030(88)	31793(89)	32939(88)	50221(83)	44610(88)	46617(83)
Plan	3686(12)	3561(11)	3575(11)	3276(7)	5098(11)	6445(14)
Non Plan	27344(88)	28232(89)	29364(89)	46945(93)	39512(89)	40172(86)
General Services (incl. Interest payments)	15155(49)	16178(51)	15583(47)	19540(39)	22761(51)	20919(45)
Economic Services	5572(18)	5350(17)	5883(18)	18970(38)	6976(16)	7756(17)
Social Services	9219(30)	9337(29)	10308(31)	10354(21)	13090(29)	15610(33)
Grants in aid and contributions	1084(3)	928(3)	1165(4)	1357(3)	1783(4)	2332(5)
11. Capital Expenditure	3268(9)	3556(10)	3794(10)	9320(15)	5653(11)	8711(16)
Plan	2862(88)	2671(75)	3361(89)	3437(37)	4618(82)	8172(94)
Non Plan	405(12)	885(25)	433(11)	5883(63)	1035(18)	539(6)
General Services	106(3)	128(4)	330(9)	224(2)	255(4)	313(4)
Economic Services	2900(89)	3217(90)	3176(84)	8767(94)	4902(87)	7239(83)
Social Services	261(8)	211(6)	288(7)	329(4)	496(9)	1159(13)

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12. Disbursement of Loans and Advances	918(3)	526(1)	804(2)	1242(2)	629(1)	684(1)
13. Total (10+11+12)	35216	35875	37537	60783	50892	56012
14. Repayments of Public Debt	2573	2942	6226	8988	9157	5252
Internal Debt (excluding Ways and Means Advances and Overdrafts)	509(20)	1509(51)	1811(29)	2300(26)	2903(32)	4045(7)
Net Transactions Under Ways and Mean. Advances and Overdraft	534(21)	----	777(12)	----	---	25(0)
Loans and Advances from Government of India	1530(59)	1433(49)	3638(59)	6688(74)	6254(68)	1182(23)
15. Appropriation to Contingency Fund	---	----	---	---	----	----
16. Total Disbursement out of Consolidated Fund (13+14+15)	37789	38817	43763	69771	60049	61264
17. Contingency Fund Disbursements	414	10	69	85	43	183
18 Public Account Disbursements	32147	35397	34359	43480	40262	43172
19. Total Disbursement by the State (16+17+18)	70350	74224	78191	113336	100354	104619
Part C. Deficits						
20. Revenue Deficit (1-10)	6287	6195	5118	18583	6993	1268
21. Fiscal Deficit (3+4-13)	10177	9911	9497	16647	12997	10078
22. Primary Deficit (21-23)	2725	1691	2437	6523	1124	980
Part D. Other data						
23. Interest Payments (included in Revenue expenditure)	7452	8220	7060	10124	11873	9098
24. Arrears of Revenue (percentage Tax & Non- Tax Rev. Receipt)	7152(55)	6589(54)	5891(40)¹	6376(40)	7922(43)	8772(40)
25. Financial Assistance to local bodies etc.	3839	2039	759	2835	3540	4960
26. Ways and Means Advances and Overdrafts (days)	312	179	203	247	256	41
27. Interest on Way and Means & Advance / Overdraft	40	26	33	44	49	5
28. Gross State Domestic Product (GSDP)	173068	181303	197426	217573²	235678³	259778⁴
29. Outstanding Debt (year end)	80331	92982	102485	119240	131401	148868
30. Outstanding Guarantees (year end)	7421	6997	6270	3601	10354	8433
31. Maximum Amount Guaranteed (year end)	16934	11013	10840	10549	22770	15073
32. Number of incomplete projects	47	89	27	24	35	27
33. Capital blocked in incomplete projects	6052	8053	2073	2336	5804	3551
34. Revenue Buoyancy of Own Taxes	1.457	(-1.731)	2.802	0.903	1.848	1.960

1 Includes Trade Tax and Entertainment Tax only. Figures of other were not available.

2 Figure of GSDP for 2003-04 is provisional.

3 Figure of GSDP for 2004-05 is quick.

4 Figure of GSDP for 2005-06 is advance.

<i>Revenue Receipts</i>	Revenue receipts of the State increased from Rs 24743 crore in 2000-01 to Rs 45349 crore in 2005-06. The increase of 20.55 <i>per cent</i> in revenue receipts over the previous year was primarily driven by 20.17 <i>per cent</i> growth in Tax Revenue and 20.91 <i>per cent</i> in State's share in Union Taxes.
<i>Revenue Expenditure</i>	Revenue expenditure (Rs 46617 crore) went up marginally by 4.50 <i>per cent</i> over the previous year due to decrease (8.10 <i>per cent</i>) in expenditure under General Services, increase of 19.25 <i>per cent</i> in Social Services, 11.17 <i>per cent</i> in Economic Services and 30.79 <i>per cent</i> in Grants in Aid during 2005-06.
<i>Increase in arrears of revenue</i>	Arrears of revenue increased by 23 <i>per cent</i> from Rs 7152 crore in 2000-01 to Rs 8772 crore in 2005-06 and constituted 40.27 <i>per cent</i> of tax and non-tax revenue
<i>Liabilities of State Government</i>	Overall fiscal liabilities of the State increased from Rs 80331 crore in 2000-01 to Rs 148868 crore in 2005-06 and as a percentage of GSDP, increased from 46.4 <i>per cent</i> to 57.31 <i>per cent</i> in 2005-06. The buoyancy of these liabilities with respect of GSDP indicated that for each <i>percentage</i> point increase in GSDP, fiscal liabilities grew by 1.3 <i>per cent</i> .
<i>Incomplete Projects</i>	The expenditure of Rs 3550.69 crore remained unproductive on 27 incomplete projects as of March 2006 despite the cost escalation of Rs 3982.59 crore.
<i>Return on investments</i>	The return on investment of Rs 15464.60 crore in Statutory Corporations, Joint Stock Companies, Cooperatives etc, was negligible and much below to one <i>per cent</i> during 2000-06 as against the average interest rate of 6.5 <i>per cent</i> on the borrowed funds.
<i>Committed expenditure</i>	Interest payments and expenditure on pensions accounted for 29 <i>per cent</i> of the revenue expenditure.

Reduction in revenue and fiscal deficit Revenue deficit decreased from Rs 6993 crore to Rs 1268 crore and fiscal deficit from Rs 12997 crore to Rs 10078 crore during 2005-06. Primary deficit also decreased by Rs 144 crore due to lesser interest payments on account of re-scheduling of Central loans.

Savings in interest payments The replacement of high cost GOI loans of Rs 11364.31 crore under Debt Swap Scheme accounted for the interest savings of Rs 711.81 crore.

II. Allocative Priorities and Appropriation

Savings and excesses The overall savings of Rs 13318.64 crore were the net result of savings of Rs 14345.42 crore in 166 cases of grants and appropriations offset by excess of Rs 1026.78 crore in 29 cases of grants and appropriations. The net saving of Rs 13318.64 crore was 62 *per cent* more than the Supplementary Provision of Rs 8233.14 crore.

Unrealistic budget Savings exceeded by Rs one crore in each case and were also more than 10 *per cent* of total provision in 56 cases.

Non regularisation of excess expenditure The excess expenditure of Rs 32395.42 crore for the period 1990-91 to 2004-05 required regularization by the State Legislature.

Unnecessary supplementary grants Supplementary provisions amounting to Rs 1481.76 crore in 51 cases during the year proved unnecessary as the expenditure in these cases fell short of even the original grant and the savings had to be either surrendered or re-appropriated.

Inadequate supplementary grants In 23 cases, there was excess expenditure of Rs 1023.70 crore as the supplementary grants of Rs 1924.25 crore proved inadequate. This indicated failure of the departments to assess the requirements of additional funds and also the inadequacy of the system of monitoring the trend of expenditure.

Anticipated savings not surrendered At the close of the year 2005-06, there were 58 cases in which savings above Rupees one crore in each case aggregating Rs 2847.07 crore were not surrendered.

Rush of expenditure The expenditure in March 2006 under 28 heads of account was 55 *per cent* of the total expenditure.

III. Reviews

1. Educational Development of SCs & STs

(Social Welfare Department)

The Government of India and the State Government initiated schemes of scholarships, free hostel accommodation, book-bank, up-gradation of merit for entrance examinations of professional courses, pre-examination coaching for competitive examinations for all round development and mainstreaming of Scheduled Caste (SC) and Scheduled Tribe (ST) students. A review of the schemes revealed that the stated objectives could not be achieved to the desired level as implementation of schemes at grass root level was deficient and awareness of the schemes was low. Some of the significant points noticed in the review were as under:

Non procurement of utilisation certificates ➤ Utilisation certificates for Rs 30.97 crore (41 *per cent*) were not received from the institutions in 12 test-checked districts during 2001-06.

Non surrender / disbursement of scholarships ➤ Performance of scholarship schemes was based on funds released to the institutions and not on actual disbursements. In the 12 test-checked districts Rs 2.86 crore were surrendered/ not disbursed to the students during the review period.

- Non verification of scholarships* ➤ Verification of scholarships and implementation of other schemes was not carried out in 71 to 86 per cent of the institutions during 2001-06 due to shortage of staff.
- Improper implementation of Book Bank scheme* ➤ Benefits of Book Bank scheme could not reach the beneficiaries as neither was the need of books assessed nor were these distributed properly.
- Hostels lying non-functional* ➤ Sixty nine hostels were not functional as staff was not sanctioned, six girls' hostels were under unauthorized occupation and boys' hostels constructed in 1993-94 remained non-functional due to non-availability of students and were in dilapidated condition.
- Poor performance of pre-examination coaching centers* ➤ Pre-examination coaching to SC/ ST students was not run to its full capacity and was not effective in view of poor success rate of students who participated in coaching courses. Residential coaching centres constructed at a cost of Rs 7.48 crore were non-functional for want of staff.
- Non-evaluation of the impact of the scheme* ➤ Monitoring of implementation of the schemes was not effective. The impact of the schemes was also not assessed.

2. Educational Development of Other Backward Classes and Minorities

(Welfare of Backward Classes Department and Minorities & Waqf Department)

The Government of India and the State Government launched scholarship and free hostel facility schemes for educational development of other backward classes and minorities. Besides, grants-in-aid was also provided to *madarsas* for their modernization. Review of schemes for the period 2001-02 to 2005-06 revealed that programmes suffered due to their inefficient implementation. The salient points noticed were as follows :

- Ineffective monitoring over utilisation of funds* ➤ Utilisation of money transferred to schools, colleges and *madarsas* was not monitored effectively by the Department. Refund of unspent balances with the educational institutions was also not ensured.
- Inflated reporting of physical achievements* ➤ The District Backward Classes Welfare Officers and District Minorities Welfare Officers reported inflated physical achievements to the extent of 8 to 14 *per cent* to the Directorate during 2004-06.
- Excess payment of scholarships* ➤ Applications for scholarships were not properly checked. During 2004-06, scholarship was distributed in 41 *per cent* cases among other backward classes students without verifying their eligibility. Excess payments were made in 17 to 62 *per cent* cases during 2004-06 by District Minorities Welfare Officers and District Backward Classes Welfare Officers.
- Cost escalation in construction of hostels* ➤ Delay in selection of sites/ construction agencies led to cost escalation of Rs 1.91 crore (45 *per cent*) in construction of 12 hostels. The Welfare of Minorities and Waqf Department did not have the information on the progress of construction of girls' hostels and their occupancy.
- Selection of ineligible madarasas* ➤ Ineligible *madarsas* were selected for payment of grants-in-aid resulting in irregular payment of Rs 5.46 crore per annum to forty five such *madarsas*.
- Delay in running of mini ITIs* ➤ Delayed formulation of policy for establishing of mini ITIs and non-appointment of instructors delayed running of 59 of 140 mini ITIs in the *madarsas*.
- Ineffective monitoring* ➤ The departments did not have effective monitoring system to ensure effective implementation of the schemes. The impact of the schemes had also not been evaluated.

3. Sarva Shiksha Abhiyan

(Basic Education Department)

Sarva Shiksha Abhiyan (SSA), a Centrally sponsored scheme, was launched in January 2001 to achieve universalisation of elementary education by 2010 in a time bound manner. The review of the programme for the period 2001-06 revealed that the programme was slow to start but had shown distinct improvement since 2004-05 due to electronic transfer of funds to the district level officers, recruitment of 33000 teachers and 44200 para- teachers and acceleration in the pace of the construction works. Despite these achievements, the programme suffered on many fronts such as high drop out rate, low transition from primary to upper primary level, disproportionate deployment of teachers, non- strengthening of District Institute of Educational Trainings (DIETs), etc. The significant audit findings emerging from the performance review of the programme were as under:

- Unrealistic preparation of Annual Plan*

➤ Panchayati Raj Institutions, Village Education Committees/School Management Committees, Parent Teachers' Associations and Non-Government organizations were not associated with the preparation of Annual Work Plans and Budget.
- Teacher student ratio higher than the prescribed norms*

➤ Against the scheme objective of achieving a Teacher Student Ratio (TSR) of 1:40, the ratio in respect of primary schools (PS) was 1:64 as of March 2006. High drop outs accounted for a TSR of 1:45 in respect of upper primary schools (UPS) in the State.
- Reduction in periodicity of in-service training*

➤ The periodicity of in-service training to the teachers of Primary Schools was reduced from 20 days to 11 days in 2004-05 and to four days in 2005-06 and that too was arranged with a shortfall of 42 per cent and 40 per cent of the annual targets.

*Low performance of
Sarva Shiksha
Abhiyan*

- Non-completion of education by 49 *per cent* children at primary level, and overall decrease of about 66 *per cent* in transition from PS to UPS indicated low performance of SSA.

*Poor quality of
elementary education*

- The quality of education was poor at the primary level and the State was among the five bottom States in the country as per survey report of an independent agency.

4. Food Security, Subsidy and Management of Food-grains

(Food and Civil Supplies Department)

The Food and Civil Supplies Department implemented the Decentralized Procurement (DCP) scheme in the State since 1999-2000. This scheme launched by the Government of India (GOI) in 1997-98 aimed at extending benefit of minimum support price (MSP) to farmers by maximizing the local procurement of food grains and to provide food security to poor households. A review of the implementation of the scheme during 2001-06 disclosed that the scheme objectives were not achieved due to distribution of food-grains lesser than the required quantities, low procurement of wheat and improper identification of BPL households. The major audit findings are detailed below:

*Delay in preparation
of Annual Accounts*

- Subsidy of Rs 468.80 crore was withheld by GOI due to non-preparation of *pro-forma* accounts in time and submission of inaccurate utilization certificates.

*Shortfall in
procurement of
wheat*

- A minimum support price lower than prevailing market price resulted in shortfall in procurement of wheat ranging between 3.90 lakh MT and 21.41 lakh MT was attributable.

- Undue benefit to the mill owners* ➤ Adoption of recovery rate of custom milled rice lower than Central rate resulted in undue financial aid of Rs 53.51 crore to mill owners in the test-checked districts. Rupees 15.67 crore representing cost of short yield in the recovery of custom milled rice from paddy was due for realization from mill owners.
- Losses remaining unrecovered* ➤ Losses amounting to Rs 20.74 crore due to embezzlement, transit and storage losses remained unrealized.
- Improper verification of beneficiaries* ➤ System adopted by the Department for verification of beneficiaries was imperfect as annual verification of BPL households was not conducted. Further, the variation in number of BPL households identified by the Department with those identified by the Rural Development and Urban Development departments ranged between two and 485 per cent in test-checked districts.
- Less distribution of food grains to BPL families* ➤ Adequate food security was not provided to optimum number of beneficiaries as the distribution of food grains under BPL beneficiaries was less than requirement due to inadequate implementation of roster process.
- Shortfall in inspection of fair price shops* ➤ The shortfall in inspection of fair price shops was up to 97 per cent.

5. Implementation of Project Tiger

(Forest Department)

The Forest Department implemented the Project Tiger, a Centrally sponsored scheme, in two areas viz. the Dudhwa Tiger Reserve and the Katarniaghat Wildlife Division. The Project aimed at maintaining a viable population of tigers for scientific, economic, aesthetic, cultural and ecological values and to preserve for all times the areas of biological importance

as national heritage for the benefit, education and enjoyment of people. The implementation of the project suffered as the management of land was not effective as large areas either remained unclaimed or encroached. The biotic pressure on the reserves was not assessed as no buffer zone was available in Katerniaghat and Kishanpur sub-division of Dudhwa. Enforcement activities were ineffective as the number of undecided forest offence cases increased. The monitoring was weak as the State Wild life Board was not formed upto July 2005. Ineffective monitoring, protection, conservation and enforcement activities rendered the Project Tiger ineffective. The major audit findings in respect of implementation of the Project were as under:

- Delay in submission of Annual Plans* ➤ Delayed submission of Annual Plans of Operation resulted in delayed release of funds by GOI and their short release/ utilization.
- Unsatisfactory land management* ➤ Land management was not satisfactory as land vacated by other users was not reclaimed, large areas remained encroached and relocation-rehabilitation was not completed.
- Non identification of buffer zones* ➤ Buffer zone was not identified in Katerniaghat and Kishanpur sub-division of Dudhwa exposing the core zone to biotic interference and tranquil habitat could not be provided to wildlife as rail and roads passed through the tiger reserves.
- Ineffective conservation activities* ➤ Conservation activities were not effective as weeds, creepers and monocultures were not removed, effective plans to check flooding and silting were not formulated and ineffective management of grassland resulted in sub-optimal growth of herbivores affecting availability of prey-base for the tiger.
- Census report on tigers unsustainable* ➤ The number of tigers reported during census were unsustainable as neither sufficient land nor prey was

available. The number of tigers went down from 115 (2002) to 106 (2005) in Dudhwa and from 50 (2001) to 42 (2005) in Katarniaghat, whereas sightings outside the reserves increased from 43 (2001) to 51 (2005).

6. Sampoorna Grameen Rojgar Yojna (SGRY)

(Rural Development Department)

The Government of India launched (September 2001) the SGRY with an objective of providing wage employment in rural areas as also food security, besides creating durable community, social and economic infrastructure. The performance audit for the period 2001-06 disclosed that the implementation of SGRY lacked financial discipline, and suffered from ill planning. Resource in the form of foodgrains could not be utilized entailing excess cash outgo besides loss to wage earners in terms of their real wages. Delay in allocation of resources coupled with their non-utilization further accentuated failures in the implementation. The salient points noticed were as under:

Under utilization of funds

- Funds were underutilized and Rs 110.51 crore remained unspent (March 2006) due to delayed release of funds by the State Government and District Rural Development Agencies. As a result, Government of India curtailed Rs 19.56 crore from its share to 11 out of 15 test checked District Rural Development Agencies.

Loss of real wages

- Regional Food Controllers lacked resources and therefore did not lift 24.91 lakh MT foodgrains from Food Corporation of India depots (2001-06). Wages were paid to the wage earners in cash in nine out of 15 districts (2001-06) resulting in loss of real wages (Rs 58.46 lakh) to them in respect of 1035 works.

- Non maintenance of essential records* ➤ Non-maintenance of records of employment, foodgrains and coupon registers and Fair Price Shops not returning the coupons for value of 1.36 lakh MT foodgrains, raised doubts about actual distribution.
- Expenditure confined to undurable assets* ➤ SGRY remained dominantly confined to earth works for roads and kharanja as Rs 99.42 crore (63 per cent) out of Rs 157.54 crore was spent on earth works and kharanja in test checked Zila Panchayats, Kshetriya Panchayats and Villiage Panchayats.
- Expenditure on ineligible works* ➤ Rupees 6.16 crore was spent on ineligible works of black topping of roads, construction of bridges. Sustainable income generating assets costing Rs 1.25 crore were not distributed amongst beneficiaries due to their non-identification.

7. Internal Controls in Medical Education & Training Department

Internal Controls system is a process by which an organization directs its activities to achieve its objectives effectively and efficiently. An evaluation of Internal Controls in the Medical Education Department disclosed deficiencies in budgetary, expenditure, store management/ inventory and monitoring controls. Major audit findings are detailed below:

- Slackness in budgetary control* ➤ Budgetary controls for monitoring the expenditure were not effective as savings amounting Rs 38.77 crore were not anticipated and were surrendered at the close of the financial years. Further, in contravention to the financial rules, Rs 107.99 crore were drawn at the close of the financial years during 2003-06 and deposited in Personal Ledger Account of King George Medical University, Lucknow to avoid lapse of the budget grant.
- Rush of expenditure* ➤ The Department incurred expenditure ranging between 51 and 94 per cent in the month of March during the

years 2003-06 under contingency heads in violation of the financial rules.

- Irregular payments* ➤ Ignoring the directives of the Government drug purchase policy, payments were made irregularly to the drug/ medicine stockists and agents instead of to manufacturing firms.
- Operation of PG courses without approval of Medical Council of India* ➤ The medical colleges were running with the approval of the Government 25 Post Graduate courses (113 seats) and admitting students in excess of the numbers, which had not been recognized by the Medical Council of India. There was shortage of faculty members and para medical staff in the colleges/hospitals.
- Non functional internal audit* ➤ Internal Audit Wing of the Department was non-functional since December 2003 due to non-availability of Auditors.

IV- Transaction Audit

- Fraudulent drawal* ➤ Rupees 53.42 lakh were embezzled by fraudulent drawal of pay and allowances of six fictitious medical officers who were not attached with the office of the Chief Medical Officer, Rae Bareilly.
- Appointment on the basis of fake transfer orders* ➤ Posting of 42 personnel on fake transfer orders in medical department at Allahabad, Firozabad, Gautam Budha Nagar, Hathras and Moradabad led to fraudulent payment of Rs 35.24 lakh.
- Avoidable expenditure* ➤ Use of a costlier material in strengthening of Sikohabad-Bhogaon road in disregard to the Government orders, resulted in avoidable extra expenditure of Rs 2.42 crore.
- Unfruitful expenditure* ➤ Non-installation of equipment and non-posting of skilled operating staff rendered the logistic support system established under the Reproductive and Child Health Scheme non-functional and the expenditure of Rs 9.19 crore thereon unfruitful.

- Expenditure without ensuring availability of site* ➤ Construction of Chaukania drain and main canal of Suswar Bundhi Project without acquiring the forestland falling in their alignments rendered the expenditure of Rs 13.05 crore thereon unfruitful.
- Idle investment* ➤ Non-construction of spillway and railway Canal Bridge at km 26.804 of Itiathok Branch canal rendered the expenditure of Rs 8.54 crore on its construction beyond km 26.804 (down stream) unfruitful.
- Incomplete approach roads* ➤ The bridges constructed at a cost of Rs 3.39 crore could not be put to use due to non-completion of their approach roads rendering the expenditure unfruitful.
- Abnormal delay in completion of a polytechnic building* ➤ Abnormal delay in completion of polytechnic building at Mau coupled with non-posting of adequate teaching/non-teaching staff rendered the expenditure of Rs 5.63 crore unfruitful, besides denying the opportunity to the aspirants of the courses for over five years.
- Non recovery of net present value from the user agencies* ➤ Net present value of Rs 95.73 crore on transferred forestland was not recovered from the user agencies. The land had been transferred in violation of guidelines of GOI and SC judgments.
- Loss of interest* ➤ Non-investment of compensatory afforestation fund and net present value in the fixed deposits as per guidelines issued by Government of India, resulted in loss of interest of Rs 12.61 crore. Compensatory afforestation also suffered.
- Deficiency in construction of a road* ➤ The earthwork and work in base course executed at a cost of Rs 6.06 crore was deficient due to non-compaction of the soil laid on the embankment of widened portion of a road to achieve the required density.

Report (Commercial) for the year ended 31 March 2006

Overview of Government Companies and Corporations

As on 31 March 2006, the State had 94 Public Sector Undertakings (PSUs) comprising 87 Government companies including 39 non-working companies and seven Statutory corporations, against the same number of companies and corporations as on 31 March 2005. All the seven Statutory corporations were working corporations. In addition, there were four companies (one working and three non-working) under the purview of Section 619-B of the Companies Act, 1956 as on 31 March 2006.

The total investment in working PSUs increased from Rs 25,699.28 crore as on 31 March 2005 to Rs 27,128.12 crore as on 31 March 2006. The total investment in non-working PSUs increased from Rs 873.50 crore to Rs 875.84 crore during the same period. The budgetary support in the form of capital, loans and grants/subsidies disbursed to the working PSUs decreased from Rs 7,410.86 crore in 2004-05 to Rs 1,444.18 crore in 2005-06. The State Government guaranteed loans aggregating Rs 1,827.20 crore to the working PSUs during 2005-06. The guarantees of Rs 6,385.09 crore were outstanding against working PSUs as on 31 March 2006.

Only five working Government companies and one statutory corporation finalised their accounts for the year 2005-06. The accounts of 43 working Government companies and six working Statutory corporations were in arrears for periods ranging from one to 16 years as on 30 September 2006. Ten companies out of 39 non-working companies were under liquidation. Accounts of remaining 29 non-working

Government companies were in arrears for periods ranging from one to 29 years as on 30 September 2006.

According to latest finalised accounts of 48 working Government Companies and seven Statutory Corporations, 24 working PSUs (18 Government companies and six Statutory corporations) earned an aggregate profit of Rs 386.96 crore and 30 working PSUs (29 Government companies and one Statutory corporation) incurred an aggregate loss of Rs 1,815.23 crore. One working Government Company was under construction. Of the 29 loss incurring Government companies, 18 companies had accumulated losses aggregating Rs 6, 258.37 crore, which exceeded their aggregate paid-up capital of Rs 4,717.60 crore. Similarly, one loss incurring Statutory Corporation had accumulated losses aggregating Rs 78.75 crore. This corporation had no paid-up capital.

This report features six Performance reviews and draft paragraphs relating to Government Companies and Statutory Corporations. Some of the major findings are as follows:

1. Internal Control System in Uttar Pradesh State Food and Essential Commodities Corporation Limited

The internal control system in the Uttar Pradesh State Food and Essential Commodities Corporation Limited was not adequate and effective as the Corporate Plan and Functional Manuals were not prepared.

The Budgets were neither prepared in time nor variances analysed. The financial management of the Company was unsatisfactory as the Company failed to recover its margin money from different Government Departments and shortages/ misappropriation from its officials.

The preparation of accounts of the Company was in arrears for 16 years (1990-91 to 2005-06). As a result the actual financial health of the Company could not be ascertained and the possibility of misappropriation/fraud can not be ruled out.

In violation of provisions in the Minimum Support Price Scheme, the food grains valued at Rs 0.57 crore were purchased from middlemen instead of from farmers.

2. Efficiency in billing and collection of revenue in Kanpur Electricity Supply Company Limited

Kanpur Electricity Supply Company Limited incorporated in July 1999 for the distribution of power in the urban areas of Kanpur. Some of the major deficiencies noticed during performance review of billing and collection of revenue are:

The Company could not recover the cost of energy purchased due to heavy distribution losses. The Company fixed low target of revenue realisation and its collection mechanism was not efficient as a result collection of revenue was not prompt.

The Company suffered loss of revenue due to non-levy of additional demand charges, late payment surcharge and shunt capacitor surcharge aggregating Rs 3.23 crore.

The Company failed to issue bills to Kanpur Development Authority for 3800 street light points resulting in undercharge of revenue aggregating Rs 3.47 crore.

Failure of the Company in periodical checking of meters of the consumers resulted in loss of revenue aggregating Rs 1.06 crore.

3. Purchase and Sale of Energy by Uttar Pradesh Power Corporation Limited and its subsidiary Companies (Discoms)

Uttar Pradesh Power Corporation Limited (UPPCL) could not reconcile figures of energy purchased with the energy recorded as per meters at delivery points of transmission system. UPPCL/Discoms suffered heavy losses on account of their failure to follow grid discipline, non-realisation of potential revenue, excessive losses over the norms, non-installation of capacitor banks *ect.* PuVNL (Discom) failed to devise a mechanism for analysis of data bank and billing ledgers. Some of the important deficiencies noticed are as under:

It could not realise potential revenue of Rs 1485.75 crore due to delayed submission/non-submission of Annual Revenue Requirement to Uttar Pradesh Electricity Regulatory Commission (UPERC) for finalisation of tariff orders.

It suffered loss of Rs 2979.62 crore due to excessive transmission and distribution losses over targets fixed by UPERC during five years up to 2005-06.

It suffered loss of Rs 48.54 crore due to waste of 194.92 MU of energy in the system on account of defective capacitor banks at 132/33/11 KV system. Further, PuVNL suffered loss of Rs 2.59 crore on account of its failure to bill the consumers as per tariff for non-installation of capacitor banks or for power factor below the prescribed limit.

Due to the above inefficiencies during five years upto 2005-06 the average cost of sale of energy per unit (Rs 2.83 to Rs 4.28) was higher than the average sale price of energy ranging between Rs 2.31 and Rs 2.49 per unit. Thus, trading of energy by UPPCL/Discoms is not commercially viable.

4. IT Review on Recovery and Billing System in The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited

The Pradeshiya Industrial and Investment Corporation of Uttar Pradesh Limited undertook computerisation of its activities without formulating an overall and coordinated IT Policy or strategy. General and application controls were not effective, user requirements were not defined or documented and physical and logical controls essential to prevent misuse of the system or unauthorised manipulation of data stored were absent.

Heavy differences exist in the data relating to one time settlement (OTS) cases due to non-integration of Recover 2000 with the stand alone data base used for maintaining OTS details. Everybody was allowed to change the data as login and passwords have not been provided to different users.

Data was unreliable and did not give adequate assurance to integrity and it did not have written authorizations and safeguards against theft, damage, protection of programmes/ data files etc. It also did not have disaster recovery and business continuity plans.

5. Construction and Allotment of Properties by Uttar Pradesh Avas Evam Vikas Parishad

The Uttar Pradesh Avas Evam Vikas Parishad could not achieve objective of providing houses and plots at affordable prices due to systemic deficiencies of inordinate delays in acquisition of land attributing to increase in the cost of acquisition of land, non-investment of idle funds lying with District Collector Offices, failure in preventing the land from encroachments and slow pace of development of the available land coupled with mis-match of construction plan with the

Report (Commerical) for the year ended 31 March 2006

target assigned by the Government resulting in huge shortfall in construction of houses and plots as indicated below:

The Government took 21 to 272 months in giving approval for six schemes due to non-submission of complete proposals by the Parishad. As a result, the Parishad could not acquire 8,860.36 acres of land and the area remained undeveloped and unurbanised.

Development and betterment charges of Rs 104.82 crore could not be realised due to encroachments on land.

In Vasundhara Scheme, non-consideration of the higher rate obtained in earlier auction for fixing reserve price in subsequent auctions and incorrect fixation of reserve price of plots for commercial purposes resulted in non-realisation of Rs 13.44 crore.

Amendment made (December 2005) by the Government in the procedure of acquisition of land for residential schemes of Hi-Tech Township through private builders, facilitated the Parishad to extend undue favour to Ansal Properties and Industrial Private Limited (APIPL) by leaving 1765 acre of notified land in favour of APIPL.

Parishad extended undue benefit of Rs 4.12 crore to a Housing Society due to allotment of land at lower rate.

Estate Management Office, Ghaziabad of the Parishad was having 132 plots of various sizes which could not be allotted to reserved categories during June 1997 to February 2004, and kept them for allotment to MP/MLA and displaced persons.

In addition, the weaker section of the society were not benefited in accordance with the Government schemes for providing houses to the weaker section of society under Valmiki Ambedkar Malin Basti Avas Yojna and Ashrayheen Yojna.

6. Construction and Operation of Warehouses by Uttar Pradesh State Warehousing Corporation

The performance of the Uttar Pradesh State Warehousing Corporation with regard to its stated objectives was found to be deficient. The Corporation constructed godowns not conforming to FCI specifications and it failed to get competitive rates for construction of godowns due to non-inviting of tenders for the actual volume of work. The Corporation failed to have proper control over the storage loss above permissible limits. Some of the major irregularities are indicated below:

Construction of godowns for FCI not conforming to their specifications resulted in under assessment of storage capacity and consequential loss of storage charges of Rs 34.48 crore.

The Corporation was deprived of capital subsidy of Rs 4.69 crore due to non-deferment of loan from UBI and delayed submission of claim for subsidy resulted in extra payment of interest of Rs 29.11 lakh.

The Corporation made avoidable payment of interest aggregating Rs 1.85 crore on loan obtained for construction of godowns at higher rates and delayed refund of Government loan obtained for wheat purchase.

There were also excessive storage loss of Rs 15.47 crore as compared to permissible storage loss in rice stored by Food Department.

The Corporation also sustained loss of Rs 3.09 crore due to improper and inadequate storage of wheat.

Paragraphs

Gist of some of the important paragraphs are given below:

Uttar Pradesh State Bridge Corporation Limited undertook the contract work of widening a road and completed the work belatedly in March 2004. Consequently suffered loss of Rs 99.97 lakh due to excess expenditure incurred on construction of road.

Uttar Pradesh Samaj Kalyan Nirman Nigam Limited failed to levy centage charges on deposit works which resulted in loss of Rs 3.53 crore and the Company also incurred irregular expenditure of Rs 2.97 crore on construction of its own office building.

Uttar Pradesh State Sugar Corporation Limited incurred unfruitful expenditure of Rs 3.64 crore on annual repair and maintenance of the closed sugar mill due to non-adhering to the time schedule for annual repair and maintenance.

Purvanchal Vidyut Vitran Nigam Limited allowed irregular credit of load factor rebate of Rs 3.42 crore to two heavy power consumers of Gorakhpur who had obtained stay order from the Court against their outstanding dues.

Paschimanchal Vidyut Vitran Nigam Limited and **Dakshinanchal Vidyut Vitran Nigam Limited** failed to recover shunt capacitor surcharge of Rs 4.93 crore from private tube well consumers.

Uttar Pradesh Financial Corporation could not recover dues amounting to Rs 11.64 crore due to non-taking over the physical possession of defaulting unit.

Report (Revenue Receipts) for the year ended 31 March 2006

This report shows the position of revenue receipts, cost of collection and arrears of revenue etc. of the State Government for the year 2005-06. Besides, it contains important audit findings on the working of various departments. Two reviews also featured in this report are mentioned hereunder:

1. Review on **Deferment Scheme to new industrial units under Trade Tax Act, 1948** Para 2.2
2. Review on **Levy, assessment and collection of taxes in State Excise Department** Para 3.2

Trend of revenue receipts

The position of various receipts of the Government during 2004-05 to 2005-06 are as under:

(Rupees in crore)

	2004-05	2005-06
I. Revenue raised by the State Government		
• Tax revenue	15,692.61	18,857.90
• Non tax revenue	2,720.29	2,930.32
Total	18,412.90	21,788.22
II. Receipts from the Government of India		
• State's share of divisible Union taxes	15,055.26	18,203.13 ¹
• Grants in aid	4,149.28	5,357.80
Total	19,204.54	23,560.93
III. Total receipts of the State (I + II)	37,617.44	45,349.15
IV. Per cent of I to III	49	48

¹ For details, please see statement No. 11- detailed accounts of revenue by minor heads in the Finance Accounts of the Government of Uttar Pradesh for the year 2005-06. Figures under the major heads "0020 – corporation tax, 0021 – other taxes on income and expenditure, 0028 – taxes on income other than corporation tax, 0032 – taxes on wealth, 0037- Customs, 0038 – Union excise duties, 0044 – Service tax and 0045- Other taxes and duties on commodities and Services" - share of net proceeds assigned to states booked in the Finance Accounts under 'A-Tax revenue' have been excluded from revenue raised by the State and included in 'State's share of divisible Union taxes' in this statement.

System Appraisals

Major audit findings

Deferment Scheme to new industrial units under Trade Tax Act, 1948

- Eight manufacturers who had availed wholly or partly the facility of exemption under Section 4-A were granted irregular deferment (moratorium) amounting to Rs 44.95 crore out of which Rs 25.19 crore was availed.

(Para 2.2.6.1)

- In six cases, deferment (moratorium) of Rs 15.37 crore was irregularly availed by manufacturers who were ineligible for exemption under Section 4-A.

(Para 2.2.6.2, 2.2.6.4 and 2.2.6.5)

- Two manufacturers availed irregular deferment (moratorium) amounting to Rs 32.59 crore though they could not achieve the base production.

(Para 2.2.6.3)

- Nine manufacturers availed CST deferment of Rs 12.69 crore which was inadmissible.

(Para 2.2.6.6)

- Deferment (moratorium) amounting to Rs 2.08 crore with interest Rs 1.52 crore was not recovered.

(Para 2.2.6.7, 2.2.7.1 and 2.2.7.2)

Levy, assessment and collection of taxes in State Excise Department

- Due to failure of the department, penalty of Rs 381.78 crore for unlawful manufacture of alcohol by a distillery was not imposed.

(Para 3.2.7.1)

Report (Revenue Receipts) for the year ended 31 March 2006

- Low yield of alcohol from molasses as compared to norms resulted in loss of revenue of Rs 16.03 crore.

(Para 3.2.7.2)

- Allowing sale of stock of previous year in ensuing year without recovery of differential rate of duty resulted in loss of excise duty amounting to Rs 6.10 crore.

(Para 3.2.10)

Paragraphs

Some of the important audit findings included in the paragraphs are as under:

- In Trade tax department irregular allowance of exemption under the compounding scheme resulted in short levy of tax of Rs 6.75 crore.

(Paragraph 2.3)

- In Trade tax department interest of Rs 2.54 crore was not levied.

(Paragraph 2.5)

- Non levy of penalty under CST Act amounting to Rs 1.13 crore.

(Paragraph 2.8.1)

- In Transport Department application of incorrect rates of additional tax resulted in short levy of tax of Rs 1.36 crore.

(Paragraph 4.3)

- In Land Revenue department *Nazul land* valued at Rs 342.26 crore was not reverted by Government, on expiry of leases. Besides this stamp duty and registration fees of Rs 34.30 crore was also leviable.

(Paragraph 5.5)

Report (Revenue Receipts) for the year ended 31 March 2006

- In Entertainment tax department unutilised maintenance charges amounting to Rs 4 crore was not realised.

(Paragraph 5.6.1)

- In Finance department guarantee fees amounting to Rs 12 crore was short levied.

(Paragraph 6.3)

- In Forest department, due to non felling of matured/over matured Sal trees, revenue amounting to Rs 88.03 crore was blocked.

(Paragraph 6.4)

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