



सत्यमेव जयते

**Compliance Audit Report of the  
Comptroller and Auditor General of India  
for the year ended 31 March 2021  
(Revenue Departments)**



SUPREME AUDIT INSTITUTION OF INDIA  
लोकहितार्थ सत्यनिष्ठा  
Dedicated to Truth in Public Interest



**Government of Madhya Pradesh**  
*Report No. 1 of the year 2023*



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## Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2021 has been prepared for submission to the Governor of Madhya Pradesh under Article 151 of the Constitution of India for being laid in the State Legislature.

The Report contains significant results of Compliance Audit of the two Revenue Departments of the Government of Madhya Pradesh viz., Commercial Tax Department and Mineral Resources Department. Audit has been conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this Report are those, which came to notice in the course of test audit for the period 2020-21 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 2020-21 have also been included, wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.





# **EXECUTIVE SUMMARY**



## Executive Summary

### I Chapter-I: General

This Report contains four paragraphs (including two Subject Specific Compliance Audits) relating to audit of processing of Refund Claims under GST, Transitional Credits under GST, assessment of cases under VAT and audit of administration and utilisation of funds of District Mineral Foundations in Madhya Pradesh. The aggregate value of the audit observations of the Report is ₹ 324.63 crore.

#### • Arrears of Revenue

It was observed that as of 31 March 2021, the arrears of revenue pertaining to Commercial Tax Department and Registration & Stamps Department were ₹ 5,174.71 crore. Out of this amount, ₹ 2,594.04 crore relating to Commercial Tax and ₹ 192.82 crore relating to Registration and Stamps Department were outstanding for more than five years.

(Paragraph 1.3.3)

#### • Recoveries at the instance of the Audit

In respect of Compliance Audit paragraph on “Assessment Levy and Collection of Stamp Duty and Registration Fees” (Registration and Stamps Department), Audit pointed out 71 cases of short levy of Stamp Duty and Registration Fees. The Department, in the Exit Conference (August 2022) had accepted audit observations in 43 cases, having financial implication of ₹ 0.58 crore. Out of the accepted 43 cases, till date (September 2022) an amount of ₹ 0.34 crore has been recovered in 21 cases at the instance of the Audit and in 10 cases, Revenue Recovery Certificates (RRC) have been issued. Further, out of ₹ 157.17 crore worth audit observations in respect of 2,076 cases incorporated in this Audit Report, there was no acceptance on the part of the Departments. Further, during 2021-22, an amount of ₹ 0.69 crore was also realised in four cases of State Excise Department in respect of the audit observation pointed out in the years prior to 2020-21.

(Paragraph 1.6.2)

### II Chapter-II: Commercial Tax Department

#### • Transitional Credits under GST

Section 140 of the Madhya Pradesh Goods and Services Tax (MPGST) Act, 2017 enables the taxpayers to carry forward the Input Tax Credit (ITC) earned under the existing laws to the GST regime. Scrutiny of 2,357 sampled claims in 45 circle Offices, showed 314 instances of non-compliance where the Commercial Tax Department had not issued any guidelines to verify Transitional credit claims preferred by the taxpayers. Such credits were not verified by the Department even after lapse of more than three years from availing Transitional Credit by taxpayers. This non-verification leads to risk of revenue loss to the Government exchequer. Hence, the Department needs to put in place a mechanism to verify the correctness of transitional credit claims filed by the taxpayers. Further, the audit of compliance to various provisions of the Act, revealed several instances of availing of inadmissible ITC on goods not covered under GST, non-payment of interest on reversal of wrongly availed Transitional Credit, excess amount credited to Electronic Credit Ledger, excess/irregular credit being carried forward in TRAN-1, inadmissible Transitional Credit claimed owing to non-compliance of various provisions of the Act. These shortcomings, in

aggregate, involved an overall revenue impact of ₹ 86.93 crore. Thus, looking into the size of sample cases (2,215) test checked and number of excess/incorrect claims noticed (314), the Department may rigorously examine similar cases not covered in the audit sample and take corrective action within a timeframe. A database of such cases may also be maintained to monitor/rectify the same.

**(Paragraph 2.4)**

- **Processing of Refund Claims under GST**

Timely refund of taxes, facilitates trade through release of blocked funds for working capital, expansion and for modernisation of existing business. GST laws aimed to streamline and standardise the refund procedures. Section 54 of Madhya Pradesh Goods and Services Tax (MPGST) Act 2017, enables the taxpayers to claim refund of balance in electronic cash ledger in accordance with the provisions of the Act. Audit test-checked a sample of 447 pre-automation and 564 post-automation refund claims (out of 1,011) pertaining to the period 01 July 2017 to 31 July 2020 in 67 circles and one division. The audit of compliance to procedures revealed that majorly there were delays in issues of acknowledgement, issue of refund orders, sanction of provisional refund of zero-rated supply and non-conducting of post audit of refund claims. The Department needs to put in place a mechanism to verify the correctness of declarations filed by the taxpayers. Further, the audit of cases of refund of Input Tax Credit, refund of inverted duty structure, refund on capital goods etc. revealed the excess refund, irregular payment, inadmissible refunds etc. made to the dealers. These shortcomings, in aggregate, involved an overall revenue impact of ₹ 10.36 crore. Thus, looking into the size of sample cases (1,011) test-checked and number of irregular refund claims noticed (167), the Department may rigorously examine similar cases not covered in the audit sample and take corrective action within a timeframe.

**(Paragraph 2.5)**

- **Assessment of cases under Section 20 of the MP VAT Act, 2002**

The audit of the Department was conducted with a view to assessing whether taxable turnover was worked out properly and appropriate rates of tax have been applied, and whether the Input Tax Rebate was claimed and allowed properly. A test-check of a total of 33,812 assessment cases out of 90,878 assessment cases and other related records in 33 selected offices, for the period 2014-15 to 2017-18 (up to first quarter) revealed various instances of omissions and commissions in the assessments while the overall working of the Department appeared satisfactory. Various instances were noticed where the Assessing Authorities had not complied with the provisions of the Act/Rules in determining the correct turnover of the Dealers, had applied incorrect rate of tax, had granted irregular concession under CST Act, had either not levied the Entry Tax or levied it at incorrect rates on entry of goods into the local area, had allowed excessive Input Tax Rebate against the admissible Input Tax Rebate *etc.* These shortcomings, in aggregate, involved an overall revenue impact of ₹ 21.13 crore.

**(Paragraph 2.6)**

### **III Chapter-III: Mineral Resources Department**

- **Administration and utilisation of funds of the District Mineral Foundations in Madhya Pradesh**

The mining sector in India largely affects the local area and vulnerable sections of the population residing near the mining areas. Therefore, to ensure that these areas and affected persons are benefitted by the mineral wealth in their regions and to improve their standards

of living, the Government of Madhya Pradesh established District Mineral Foundations (DMF) in the districts which are affected by mining related operations. It also framed the District Mineral Foundation Rules, 2016 (DMF Rules) to regulate the composition, functions and manner of payment to be made to the DMFs by the holders of mining lease. Out of 22 districts of the State where the major minerals are available, Audit test-checked nine districts having higher receipts of DMF and scrutinised the three-year records of 2018-19 to 2020-21 related to collection, administration and expenditure of DMF fund in these selected districts. The Audit revealed various procedural non-compliances as to non-convening of adequate Meeting of Boards and Executive Committee, non-maintenance of basic records like list of the mining affected area and affected people, register of the DMF amount payable and paid, irregular and inadequate audit of DMF accounts by the Chartered Accountant, non-preparation of Annual Report, non-display of district wise DMF data and its activities in the website etc. Further, the audit of the fund management of DMF revealed irregularities pertaining to less contribution to DMF by the lessees, non-utilisation of DMF contribution from Sand, non-recovery on interest on delayed payments, funds lying idle in the DMF and non-recovery of unutilised amount from work executing agencies, etc. In addition to this, the Audit of various works executed from DMF revealed irregularities in the construction and repair works, delays in completion of work, non-recovery of advances in works which were not started, and irregularities in payments made to Contractors etc. These shortcomings, in aggregate, involved an overall impact of ₹ 206.21 crore. Thus, District Mineral Foundations need to fix the responsibility of the officials who were responsible for the mismanagement of the funds and/or non-recovery of the unutilised DMF funds.

**(Paragraph 3.1)**



# **CHAPTER I**

## **GENERAL**





# CHAPTER I GENERAL

## 1.1 About this Report

This Report of the Comptroller and Auditor General of India (CAG) contains matters arising from Compliance Audit of two departments, out of the three<sup>1</sup> audited departments from amongst the five<sup>2</sup> major revenue earning departments of the Government of Madhya Pradesh (GoMP), falling under the purview of the Office of Accountant General (Audit-II), M.P Bhopal.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of Compliance Audit. The findings of audit are expected to enable the Executive to take corrective action, to frame appropriate policies as well as issue directives, that will lead to improved financial management of organisations, and contribute to better governance.

This Chapter explains the planning and coverage of audit, response of the departments and Government to audit findings and follow-up action on previous Audit Reports.

## 1.2 Audit Entity Profile

The five major revenue earning departments under the jurisdiction of this office in the State at the Secretariat level are headed by Additional Chief Secretaries/Principal Secretaries/Secretaries and assisted by Directors/Commissioners and subordinate officers.

**Chart 1.1: Functions of the auditee entities**

### COMMERCIAL TAX DEPARTMENT

- The Commercial Tax Department collects revenue on goods and services under the Madhya Pradesh Value Added Tax Act, 2002 (MPVAT Act), the Central Sales Tax Act, 1956 (CST Act), the Entry Tax Act, 1976 (ET Act), the Madhya Pradesh Professional Tax Act, 1995 and the Madhya Pradesh Vilasita, Manoranjan, Amod Evam Vigyapan Kar Adhiniyam, 2011. The Department has been administering and collecting revenue on goods and services under the Madhya Pradesh Goods and Services Tax Act, 2017 with effect of 01 July 2017.

### MINERAL RESOURCES DEPARTMENT

- The Mineral resources Department functions under the overall charge of the Secretary, Mining, Government of Madhya Pradesh. The main functions and activities of the department are systematic survey and assessment of mineral deposits of the state, administration of minerals, and their exploitation, grant of exploration licenses and mining leases, approval of mining plans, realisation of royalty, rent, fee etc. on the various minerals. It takes care of enforcement and implementation of various relevant Acts & Rules viz Mines and Mineral (Development and Regulation) Act, 1957, Mineral Concession Rules, 1960, Mineral Conservation and Development Rules, 1988, Madhya Pradesh Minor Minerals Rules, 1996 etc.
- Besides, the Department is also responsible for the effective implementation of the State Government's Mineral Policy, 2010 to ensure proper exploitation of the mineral resources for optimum and sustainable development of the State.

<sup>1</sup> Commercial Tax Department, Mineral Resources Department and Registration and Stamps Department.

<sup>2</sup> Commercial Tax Department, Mineral Resources Department, Registration and Stamps Department, State Excise Department and Transport Department.

**REGISTRATION AND STAMPS DEPARTMENT**

•The Registration and Stamps Department is tasked with the registration of documents and is responsible for determining and collecting Stamp Duty and Registration Fees on registration of various documents/instruments by the general public. The Department enforces administration of the Indian Stamp Act, 1899 and the Registration Act, 1908, as amended from time to time and rules framed thereunder.

**STATE EXCISE DEPARTMENT**

•The Madhya Pradesh State Excise Department is responsible for administration and monitoring of liquor trade in the State. It is entrusted with the responsibility of making laws & framing rules relating to manufacture, possession, sale, import, export and transport of liquor, intoxicating drugs and collection of excise revenue. It is also responsible for making policies, laws and rules relating to entertainment duty and its collection. The Department is also responsible to prevent illicit liquor and evasion of excise and entertainment duty.

**TRANSPORT DEPARTMENT**

•The Transport Department functions under the provisions of Section 213 of Motor Vehicles Act, 1988. The Transport Department is primarily established for enforcement of the provisions of Motor Vehicles Act, 1988, Madhya Pradesh Motor Vehicles Taxation Act, 1924 (Amended 1993) and the rules framed under these two Acts. The Transport Department of the State of Madhya Pradesh functions in a multidisciplinary approach. It enhances the scope of additional resource mobilisation in road transport sector, provides a road user friendly transport administration in the State, protects the public interest by making their mobility safe and comfortable on road, expedites the process of modernisation for a more efficient, vibrant and productive road transport management system in the State.

Audit of the departments includes audit of the Administrative Offices of these departments and the subordinate offices under their administrative control.

**1.3 Summary of Fiscal Transactions**

**1.3.1 Receipts of Departments**

A summary of the Receipts relating to the above auditee entities during the three years period 2018-19 to 2020-21, is given in **Table 1.1** below:

**Table 1.1: Summary of receipts during 2018-19 to 2020-21**

(₹ in crore)				
S. No.	Receipts/Department	2018-19	2019-20	2020-21
1.	Taxes on sales, trade & SGST (Commercial Tax Department)	28,411.69	31,705.49	30,553.84
2.	Mineral Receipts (Mineral Resources Department)	3,933.56	4,320.22	4,557.28
3.	Stamp Duty and Registration Fees (Registration and Stamps Department)	5,277.99	5,568.60	6,816.53
4.	Excise Duty (State Excise Department)	9,542.15	10,829.35	9,526.34
5.	Taxes on Vehicle (Transport Department)	3,008.26	3,251.23	2,749.15
<b>Total</b>		<b>50,173.65</b>	<b>55,674.89</b>	<b>54,203.14</b>

Source: Data collected from Finance Accounts of GoMP for the relevant years.

### 1.3.2 Expenditure of Departments

A summary of the expenditure incurred by the major revenue earning departments of Government of Madhya Pradesh, during the three-year period 2018-19 to 2020-21, is given in **Table 1.2** below:

**Table 1.2: Summary of expenditure during 2018-19 to 2020-21**

(₹ in crore)				
S. No.	Name of the Department	2018-19	2019-20	2020-21
1.	Commercial Tax Department	209.04	199.96	207.84
2.	Mineral Resources Department	684.01	740.64	760.55
3.	Registration and Stamps Department	102.05	115.35	778.28
4.	State Excise Department	1,715.27	1,819.40	1,305.57
5.	Transport Department	82.32	85.50	90.24
<b>Total</b>		<b>2,792.69</b>	<b>2,960.85</b>	<b>3,142.48</b>

Source: Data collected from Appropriation Accounts of GoMP for the relevant years.

### 1.3.3 Arrears of Revenue

As of 31 March 2021, the arrears of revenue pertaining to the departments covered in this report were as detailed in **Table 1.3** below:

**Table 1.3: Arrears of Revenue**

(₹ in crore)			
Department	Details of amount outstanding as on 31 March 2021		Reasons
	Total	For more than five years	
Commercial Tax	4,743.32	2,594.04	Department replied that recovery proceedings is a continuous process, under which new recoverable amount is established and recovery proceedings for maximum recovery of the outstanding amount goes on throughout the year.
Registration and Stamps	431.39	192.82	Department replied that in cases which are registered on the basis of photocopy of the documents, the original documents lies with the parties and due to the process of conversion etc., such parties are not interested in depositing the original stamp duty and registration fee. Further, in relation to cases being too old, multiple transfer of property, death of former writers of documents and unavailability of complete address of parties etc. the recovery process is affected adversely. Also, due to the death of the buyer, his/her legal heirs do not often take interest in depositing the fee.
<b>Total</b>	<b>5,174.71</b>	<b>2,786.86</b>	

Source: Information furnished by the Departments concerned.

It can be seen from **Table 1.3** that in Commercial Tax Department, the amount outstanding for more than five years at the end of 2020-21 is nearly 54.69 per cent of the total outstanding of the Department. Similarly, in the Registration and Stamps Department, the amount outstanding for more than five years at the end of 2020-21 is nearly 44.70 per cent of the total outstanding of the Department. The Departments have intimated that recovery is a continuous process

however, the huge percentage of old outstanding shows that serious efforts were not being made by these Departments for the recovery. Remaining three Departments viz. Mineral Resources, State Excise, and Transport Department did not provide the information despite being requested (September 2022).

#### 1.4 Authority for Audit

The CAG's authority for audit is derived from Articles 149 and 151 of the Constitution of India and CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act).

#### 1.5 Planning and Conduct of Audit

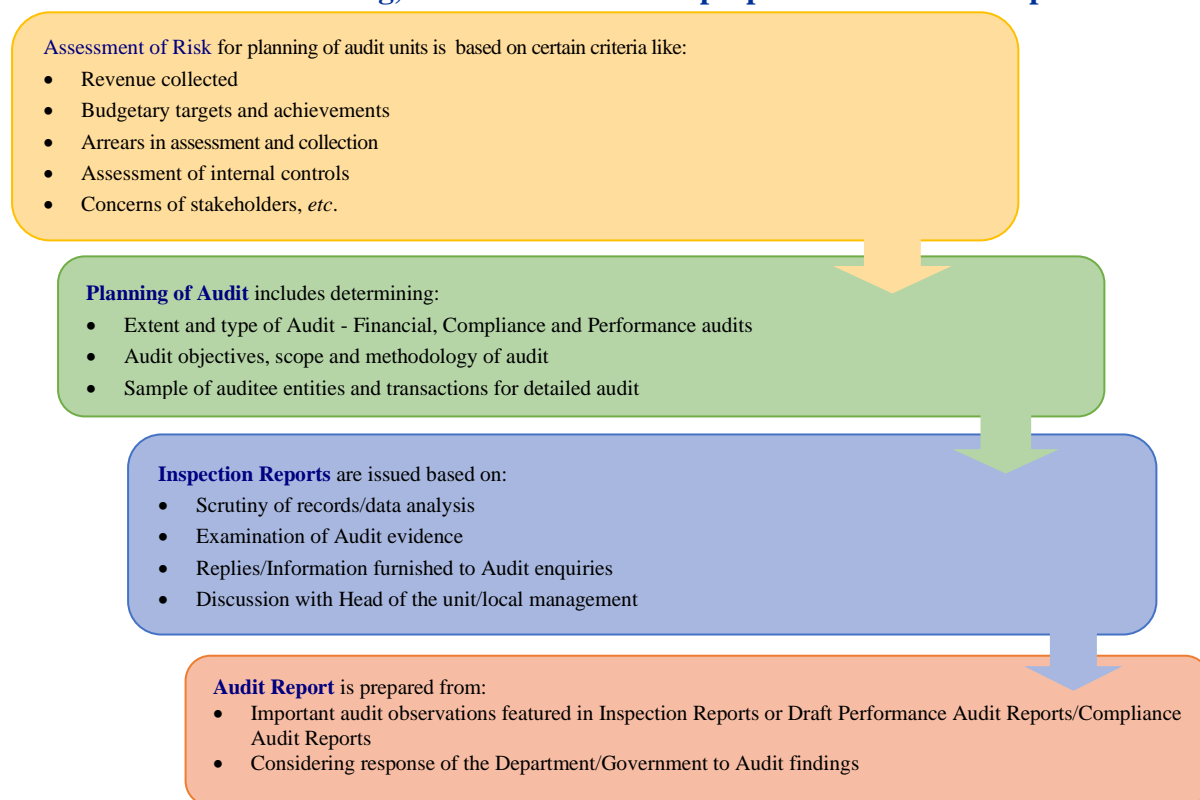
During the year 2021-22, Compliance Audit of 71 units out of a total of 590 auditable units of above mentioned five Revenue departments was conducted. For Subject Specific Compliance Audit on 'Processing of Refund claims under GST' and 'Transitional Credits under GST', sampled claims were examined in 67 and 45 circles (out of total 84 circles) respectively.

This Report features findings on four Audit topics under two departments<sup>3</sup> in the form of four Audit paragraphs (Para 2.4 to 3.1 *supra*).

Compliance Audit is an independent assessment of whether a given subject matter (an activity, financial or non-financial transaction, information in respect of an entity or a group of entities) complies in all material respects with the applicable laws, rules, regulations, established codes *etc.* and the general principles governing sound public financial management and the conduct of public officials.

The following flowchart depicts the process of planning, conduct of audit and reporting the results of audit:

#### Chart 1.2: Planning, conduct of audit and preparation of Audit Reports



<sup>3</sup> Commercial Tax and Mineral Resources Department.

The Audit Report so prepared would be submitted to Governor for causing it to be laid in the State Legislature.

After completion of Compliance Audit of each unit, an Inspection Report (IR) containing Audit findings is issued to the head of the unit with a request to furnish replies within one month of receipt of the IR. Whenever replies are received, Audit findings are either settled or further action for compliance is advised. Significant Audit observations pointed out in these IRs, which require attention at the highest level in Government, are issued as Draft Paragraphs/ Performance Audits/Compliance Audits to the Government for their response, before possible inclusion, after due consideration of the responses, in the Audit Reports. These Audit Reports are submitted to the Governor of Madhya Pradesh under Article 151 of the Constitution of India for causing them to be laid on the Table of the State Legislature.

## **1.6 Response of Government to Audit findings**

### **1.6.1 Response to Audit findings**

All departments are required<sup>4</sup> to send their responses to Draft Audit paragraphs proposed for inclusion in CAG's Report within six weeks of their receipt. During September 2021 to April 2022, five Draft Compliance Audit paragraphs including two Subject Specific Compliance Audit paras viz., 'Processing of Refund claims' and 'Transitional Credits' under GST, and three Compliance Audits on 'Assessment under Section 20 of Madhya Pradesh VAT Act, 2002', 'Administration and utilisation of funds of the District Mineral Foundations in Madhya Pradesh' and 'Assessment, Levy and Collection of Stamp Duty and Registration Fees' were forwarded to Secretaries of the Departments<sup>5</sup> concerned, drawing their attention to the Audit findings and requesting them to send their response within six weeks followed by reminders between October 2021 and July 2022. It was brought to their personal attention that these paragraphs were likely to be included in the Audit Report of the CAG of India, which would be placed before the State Legislature, and it would be desirable to include their comments/responses to the Audit findings. Replies for none of Draft paragraphs was received until September 2022.

### **1.6.2 Recoveries at the instance of the Audit**

In the 71 units audited during the year, Audit pointed out 2,157 Audit observations having aggregate financial impact of ₹ 170.24 crore. Out of the ₹ 170.24 crore pointed out, 71 cases were in respect of short levy of Stamp Duty and Registration Fees on account of under valuation of properties, non-consideration of royalty in mining lease and short realisation of Registration Fees on agreements relating to development of land.

The Registration and Stamps Department, in the Exit Conference (August 2022) intimated that it referred these 71 cases for review in the Court of Stamps, which is the legal body to decide upon the cases. It had accepted Audit observations in 43 cases, having financial implication of ₹ 0.58 crore. Out of the accepted 43 cases, till date (August 2022) an amount of ₹ 0.34 crore has been recovered in 21 cases at the instance of the Audit. Further, in 10 cases, the Revenue Recovery Certificates (RRC) have been issued and in remaining 12 cases, the proceeding are

<sup>4</sup> As per para no. 3.3 of Manual of Report (Civil) Section issued by AG (G&SSA), 2017.

<sup>5</sup> Commercial Tax Department (3), Mineral Resources Department (1) and Registration and Stamps Department (1).

under progress for initiating recovery. Further, apart from 43 cases accepted by the Department, 16 more cases as pointed out by the Audit are still under consideration of the Court of Stamps for its final decision as to further acceptance/non-acceptance (August 2022). Audit appreciates the continuing efforts of Government to improve the assessment and collection procedures in the cases pointed by Audit.

For the audit observations pointed out in the years prior to 2020-21, an amount of ₹ 0.69 crore was also realised in four cases in the State Excise Department.

### 1.6.3 Response to previous Inspection Report (IRs)

Heads of Offices and next higher authorities are required to respond to the observations contained in IRs and take appropriate corrective action.

A review of IRs outstanding at the end of March 2022 pertaining to five departments showed that 20,141 paragraphs relating to 3,896 IRs valuing ₹ 20,314.52 crore were outstanding which is detailed in **Table 1.4**. Of these, 1,664 IRs (43 per cent) containing 6,287 paragraphs valuing ₹ 1,949.23 crore are outstanding for more than 10 years. Even the first replies which were to be furnished within one month by Heads of offices concerned, have not been received in respect of 42 IRs issued during 2020-21.

**Table 1.4: Department-wise details of outstanding IRs/Paragraphs**

S. No.	Name of the Department	No of outstanding IRs	No. of outstanding Paras	Money Value involved (₹ in crore)	IRs Outstanding for more than 10 Years	Paras Outstanding for more than 10 Years	Paras Outstanding for more than 10 Years MV (₹ in crore)	First reply not received within one month in respect of IRs issued
1.	Commercial Tax	1,627	10,276	4,464.24	777	3,175	596.38	0
2.	Mineral Resources	373	2,054	5,109.13	120	360	595.37	18
3.	Registration and Stamps	841	2,593	1,064.45	214	415	47.25	15
4.	State Excise	460	1,915	9,080.74	173	427	404.61	9
5.	Transport	595	3,303	595.96	380	1,910	305.62	0
	<b>Total</b>	<b>3,896</b>	<b>20,141</b>	<b>20,314.52</b>	<b>1,664</b>	<b>6,287</b>	<b>1,949.23</b>	<b>42</b>

Lack of action on IRs and audit paragraphs is fraught with the risk of perpetuating serious financial irregularities pointed out in these reports. It may also result in dilution of internal controls in the governance process, inefficient and ineffective delivery of public goods/services, fraud, corruption and loss to public exchequer.

### 1.6.4 Response of the Government to Audit Paragraphs that featured in earlier Audit Reports

Administrative departments are required to submit Explanatory Notes on paragraphs and Performance Audits included in Audit Reports, within three months<sup>6</sup> of their presentation to the State Legislature, duly indicating action taken or proposed to be taken. For this purpose,

<sup>6</sup> Para 5(A) of Public Accounts Committee Introduction Guide 2004, MP State Legislature Secretariat.



the departments are not required to wait for any notice or call from the Public Accounts Committee.

As of 31 March 2022, Explanatory Notes were yet to be received from four departments in respect of 37 paragraphs that featured in the Audit Reports for the years 2013-14 to 2018-19. Details are given in **Table 1.5** below:

**Table 1.5: Pending departmental replies on the paragraphs included in earlier Audit Reports**

Year of Audit Report	Department	Departmental replies pending as of 31.03.2022	Date of presentation of Audit Report in the State Legislature	Due date for receipt of Departmental Replies
2013-14	State Excise	03	22 July 2015	22 October 2015
2015-16	State Excise	07	24 March 2017	24 June 2017
2016-17	State Excise	01	10 January 2019	10 April 2019
	Commercial Tax	01		
	Registration and Stamps	04		
2017-18	State Excise	01	21 September 2020	21 December 2020
	Mineral Resources	07		
2018-19	Commercial Tax	08	21 December 2021	21 March 2022
	Registration and Stamps	05		
<b>Total</b>		<b>37</b>		

### **1.6.5 Response of the Government to the recommendations of the Public Account Committee**

Administrative departments are required to submit Action Taken Notes (ATNs) on the recommendations of the Public Accounts Committee (PAC) within six months from the date of receipt of the recommendations. As of 31 March 2022, 228 ATNs in respect of five departments of the Government of Madhya Pradesh were yet to be received. Details are given in **Appendix 1.1**.

### **1.7 Acknowledgement**

The Office of the Accountant General (Audit-II), Madhya Pradesh wishes to acknowledge the co-operation and assistance rendered by the officials of the Commercial Tax Department, Mineral Resources Department and Registration and Stamps Department of the State Government during audit of the respective Departments.





**CHAPTER II  
COMMERCIAL TAX  
DEPARTMENT**



## CHAPTER II

### COMMERCIAL TAX DEPARTMENT

#### *Summary*

#### **SSCA on Transitional Credits under Goods and Services Tax:**

During the test-check of 2,357 cases of claims of Transitional Credit, the following issues of non-compliance with the provisions of Act/Rules were noticed:

- *Non-existence of mechanism for verification of Transitional Credit claims in the Department;*
- *Instances of availing of inadmissible Input Tax Credit on goods not even covered under GST;*
- *Instances of excess credit carried forwarded in TRAN-1 by the taxpayers;*
- *Instances of irregular claim of Transitional Credit without filing VAT Returns; and*
- *Instances of excess claim of Transitional Credit due to erroneous carry forward of ITR balance in VAT returns etc.*

***These instances of shortcomings, in aggregate, involved an overall revenue impact of ₹ 86.93 crore.***

#### **SSCA on Processing of Refund Claims under Goods and Services Tax:**

The test-check of 447 Pre-automation and 564 Post-automation refund cases, processed during July 2017 to July 2020, revealed the following issues of non-compliance with the provisions of Act/Rules:

- *There were delays in acknowledgement of refund claims, sanctioning of refund orders, issuance of deficiency memo;*
- *Refunds were made without verifying the required documents;*
- *The Post audit of refund claims was not done;*
- *Inadmissible and excess refund of Inverted Duty Structure were made; and*
- *Excess refund was made due to non-verification of GSTR-2A being reflected in the GSTN portal etc.*

***These instances of shortcomings, in aggregate, involved an overall revenue impact of ₹ 10.36 crore.***

#### **Compliance Audit on assessment under Section 20 of the Madhya Pradesh VAT Act, 2002:**

The test-check of 33,812 assessment records, revealed the following issues of non-compliance with the provisions of Act/Rules:

- *The Assessment Authorities determined incorrect turnover resulting in short levy of tax and non-levy of minimum leviable penalty;*
- *The Assessment Authorities treated taxable goods as tax free/tax paid resulting in short levy of tax and non-levy of minimum leviable penalty;*
- *The Assessment Authorities failed to apply the correct rate of tax and deductions/adjustments resulting in short levy of tax;*
- *The Entry Tax on goods was either not levied or was levied at the incorrect rates on their entry into local area; and*
- *The Assessment Authorities allowed excessive Input Tax Rebate against the admissible Input Tax Rebate etc.*

***These shortcomings, in aggregate, involved an overall revenue impact of ₹ 21.13 crore.***

## 2.1 Introduction

The Commercial Tax Department accounts for the highest revenue receipts of the Government of Madhya Pradesh. The Department collects revenue on goods and services under the various Acts enumerated below:

- Madhya Pradesh Value Added Tax Act, 2002 (MP VAT Act);
- Central Sales Tax Act, 1956 (CST Act);
- Madhya Pradesh *Sthaniya Kshetra Me Maal Ke Pravesh Par Kar Adhiniyam*, 1976 (Entry Tax Act);
- Madhya Pradesh Professional Tax, 1995; and
- Madhya Pradesh *Vilasita, Manoranjan, Amod Evam Vigyapan Kar Adhiniyam*, 2011.

Section 20 of the MP VAT Act 2002 provides for the assessment of every registered dealer to be made separately every year. VAT and CST was to be levied on the taxable turnover of a dealer liable to pay tax under respective Act whereas Entry Tax was to be levied at the specified rates on the value of goods entering into a local area for consumption, use or sale therein, under Madhya Pradesh *Sthaniya Kshetra Me Maal Ke Pravesh Par Kar Adhiniyam*, 1976 (Entry Tax Act), and rules and notifications issued thereunder.

Since the enactment of Madhya Pradesh Goods and Services Tax Act, 2017 (GST Act) in the State, with effect from 01 July 2017, the existing taxpayers of the State registered under the earlier Acts are being transitioned to GST by registration under GST System Portal.

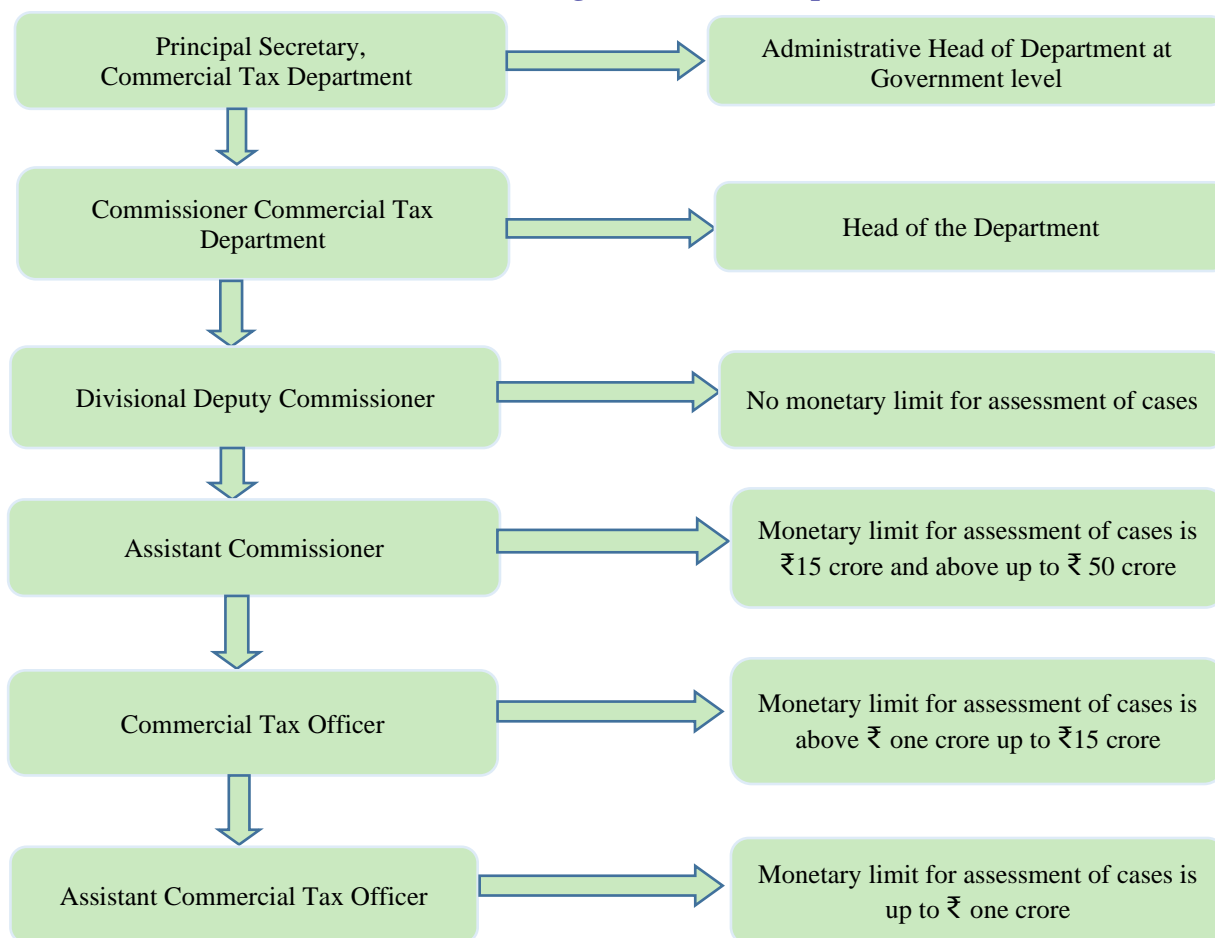
This Chapter includes findings of Subject Specific Compliance Audit on Transitional Credits under Goods and Services Tax, Subject Specific Compliance Audit on Processing of Refund Claims under Goods and Services Tax and Compliance Audit on assessment of cases under Section 20 of MP VAT Act.

## 2.2 Tax Administration

The Principal Secretary, Commercial Tax Department is the Administrative head of the Department at the Government level. The Commissioner of Commercial Tax is the Head of the Department. The Commercial Tax Department functions under the overall control of the Commissioner of Commercial Tax, who is assisted by Additional Commissioners of Commercial Tax, Deputy Commissioners, Assistant Commissioners, Commercial Tax Officers, Assistant Commercial Tax Officers and Inspectors of Commercial Tax in the performance of such functions as may be assigned by him under the Act.

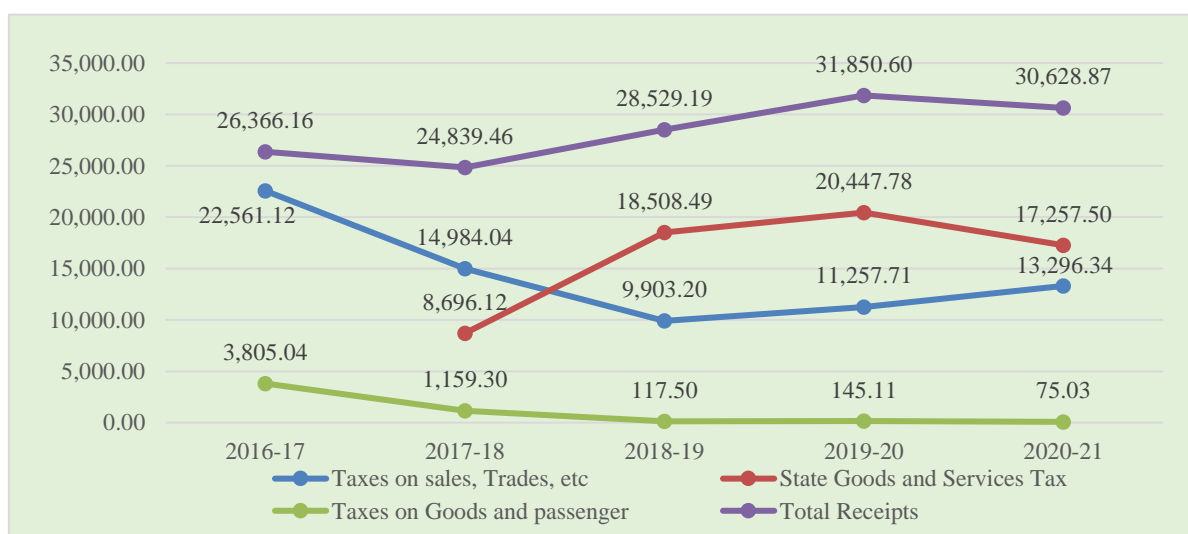
The Assistant Commercial Tax Officer (ACTO), Commercial Tax Officer (CTO), Assistant Commissioners (ACCT) and Deputy Commissioners (DCCT) have been vested with the powers of assessment of cases.

The hierarchy of the Department and responsibilities of the concerned officers are shown in the organogram given in **Chart 2.1** below:

**Chart 2.1: Organisational set-up**

### 2.3 Trend of Receipts

The trend of revenue receipts of Commercial Tax Department from taxes on sales, trades, etc., taxes on goods and passengers, and SGST for the period from 2016-17 to 2020-21 is given below in **Chart 2.2**.

**Chart 2.2: Commercial Tax Receipts during 2016-17 to 2020-21****(₹ in crore)**

Source: Finance Accounts of Government of Madhya Pradesh for respective years.

As can be seen from the Chart above, the increase in revenue<sup>1</sup> of the Commercial Tax Department during the years 2017-18 to 2019-20 has been quite substantial. During the five-year period, 2016-17 to 2020-21, there has been an increase in revenue from Commercial Taxes from year-to-year except for a decline of 5.79 *per cent* during 2017-18 and 3.84 *per cent* during 2020-21 compared to the previous year. The increase in revenue during 2017-18 to 2019-20 is mainly attributable to increase in the (0006)-SGST component, which increased from ₹ 8,696.12 crore to ₹ 18,508.49 crore (112.83 *per cent*) during 2017-18 to 2018-19 and further increased to ₹ 20,447.78 crore (10.48 *per cent*) during 2018-19 to 2019-20. However, revenue for the year 2020-21 declined by ₹ 1,221.73 crore (3.84 *per cent*) from the year 2019-20, on account of lockdown due to Covid-19.

The various audit findings as emerged from the Subject Specific Compliance Audit on Transitional Credit under Goods and Services Tax, Subject Specific Compliance Audit on Refund Claims under Goods and Services Tax.; and from Compliance Audit on assessment under Section 20 of the Madhya Pradesh VAT Act, 2002 are detailed in the ensuing paragraphs 2.4 to 2.6.

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<sup>1</sup> The Departmental revenue figures are the aggregate figures accounted under the heads (0006)-State Goods and Services Tax (SGST), (0040)-Taxes on Sales, Trades, etc., viz VAT, and (0042)-Taxes on Goods and Passengers, viz. Entry Tax.

## 2.4 Subject Specific Compliance Audit on "Transitional Credits under Goods and Services Tax"

### 2.4.1 Introduction

Introduction of Goods and Services Tax (GST) is a significant reform in the field of indirect taxes in the country, which replaced multiple taxes levied and collected by the Centre and States. Tax is levied simultaneously by the Centre and States on a common tax base. Central GST (CGST) and State GST (SGST) are levied on intra state supplies and Integrated GST (IGST) is levied on inter-state supplies. Availability of Input Tax Credit (ITC) of taxes paid on inputs, input services and capital goods for set off against the output tax liability is one of the key features of GST. This will avoid the cascading effect of taxes and ensures uninterrupted flow of credit from the seller to buyer. To ensure the seamless flow of Input Tax from the existing laws to GST regime, 'Transitional arrangements for Input Tax' was included in the GST Act to provide for the entitlement and manner of claiming Input Tax in respect of appropriate taxes or duties paid under existing laws.

Transitional Credit provisions are important for both the Government and business. For business, the Transitional Credit provisions ensure transition of accumulated credits from the legacy returns, Input Tax in respect of raw materials, work in progress, finished goods held in stock as on the appointed day as well as credit in respect of capital goods into the GST regime. The provisions enable taxpayers to transfer such input credits only when they are used in the ordinary course of business or furtherance of business. From the view point of the Government, the amount of admissible Transitional Credits will determine the extent of cash flow of GST revenue and hence in the interest of revenue, only admissible and eligible Transitional Credits should be carried forward into GST.

### 2.4.2 Transitional arrangements for Input Tax-Legal provisions of Madhya Pradesh State goods and Service tax

Section 140 and 142 of the Madhya Pradesh State Goods and Services Tax Act, 2017 (MPGST) enables the taxpayers to carry forward the ITC earned under the existing laws to the GST regime. The sections read with Rule 117 to 121 of the MPGST Rules 2017 prescribe elaborate procedures in this regard. The Transitional Credits were to be claimed by taxpayers in the appropriate tables of TRAN-1<sup>2</sup> and TRAN-2<sup>3</sup> returns fulfilling the conditions specified in relevant Section of the MPGST Act and relevant rule of the MPGST Rules.

All registered taxpayers, except those opting for payment of tax under composition scheme (under Section 10 of the Act), were eligible to claim Transitional Credit by filing TRAN-1 returns within 90 days from the appointed day. The time limit for filing TRAN-1 return was extended initially till 27 December 2017 and subsequently up to 31 March 2020 for those taxpayers who could not file TRAN-1 return due to technical glitches in the system and those cases recommended by the GST Council.

### 2.4.3 Audit objectives

Transitional Credit claimed under TRAN-1 and TRAN-2 returns and credited to the Electronic Credit Ledger (ECL) of the taxpayers as ITC, would be adjusted against GST output liability of the taxpayers. Hence, the Transitional Credit claims have a direct impact on GST revenue.

<sup>2</sup> TRAN-1 is the return to be filed by taxpayers to claim the credit of tax paid under legacy rules.

<sup>3</sup> TRAN-2 is the return to be filed by taxpayers to claim the credit of tax paid under legacy rules, if tax paid documents are not available.

Thus, the audit of Transitional Credit under MPGST is taken up with the following audit objectives with a view to seeking an assurance on:

- Whether an adequate and effective mechanism existed for verification of Transitional Credit of VAT, and if so, the mechanism envisaged by the Department for selection and verification of Transitional Credit claims was adequate and effective in respect of MPGST.
- Whether the Transitional Credits carried over by the assessee into GST regime were valid and admissible.

#### **2.4.4 Audit Criteria**

The criteria for audit of Transitional Credit comprises the provisions of Section 140 and 142 of the MPGST Act, 2017 read with Rules 117 to 121 of the MPGST Rules, 2017 and relevant Notifications/Circulars issued by Central Board of Indirect Taxes and Customs (CBIC) and State Tax Department.

#### **2.4.5 Audit Sample**

2,357 cases of claim of Transitional Credit of MPGST have been selected for Subject Specific Compliance Audit on Transitional Credit under MPGST.

#### **2.4.6 Audit Scope**

The scope of audit comprised a review of Transitional Credit claim returns, both TRAN-1 and TRAN-2, filed by the taxpayers under the transitional arrangements for Input Tax provided for under Section 140 of the MPGST Act. The period of review was covered from the appointed date<sup>4</sup> to the end of March 2020. Audit scrutiny involved examination of compliance of rules specified for Transitional Credit under the Act.

The Audit has been conducted between February 2021 and April 2021 for verification of 2,357 sampled cases of Transitional Credit under the jurisdiction of 45 out of total 84 circle offices in the State. Despite various correspondences made (January to February 2021), the Entry Conference could not be held due to lack of responses from the Department. However, the audit was conducted under intimation to the Head of Department and circle offices concerned. The draft report was issued to the Department in September 2021. Reply was awaited as of May 2022. Exit Conference could not be held despite issuing letters and reminders to the Department for holding the same. Reply of the Government/Department was awaited (September 2022).

The overall status in terms of number of Transitional Credit cases under MPGST in the State is given in **Table 2.1**:

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<sup>4</sup> The appointed day or date is the date on which the provisions of MPGST Act come into force, i.e., 01 July 2017.



**Table 2.1: Details of Transitional Credit sampled and audited cases under MPGST**

(₹ in crore)

Total no. of Transitional Credit cases under MPGST	Total amount of Credit claimed	No. of cases sampled	Amount of Credit claimed in sampled cases	No. of cases audited	Amount of Credit claimed in audited cases	No. of sampled cases not audited due to non-production of records <sup>5</sup>	Amount of sampled cases not audited

Audit examined 2,215 cases and found 314 instances (14 per cent) of compliance deviations in claiming of Transitional Credits amounting to ₹ 86.93 crore.

### 2.4.7 Audit Methodology

The methodology for audit of Transitional Credit claims of selected taxpayers involved the examination of records pertaining to Transitional Credit available with the circle offices. Verification of individual Transitional Credit claims entailed the examination of VAT credit claimed by the taxpayers in the last six monthly returns filed under existing laws, immediately preceding the appointed date, along with the documentary evidence in support of such claims. Further, in respect of Input Tax claimed pertaining to capital goods, inputs in transit or tax paid stock, the documents were called for from the taxpayers through the State Tax Department in case of non-availability of relevant records with the circle office due to non-assessment of VAT for first quarter of 2017-18. However, due to non-production of records of taxpayers, we could not carry out audit of Transitional Credit claims related to capital goods, goods in transit and tax paid stock, VAT returns, ECL etc. in 142 cases out of 2,357 sampled cases as discussed in para 2.4.9.12.

### Audit Findings

Audit findings are categorised corresponding to the two audit objectives as systemic and compliance issues respectively. Major significant observations under these categories, noticed during audit, are included in this report, as summarised under **Table 2.2:**

**Table 2.2: Result of audit**

(₹ in crore)

Sl. No.	Nature of observation	Audit Sample		Number of deficiencies noticed		Deficiencies as percentage of sample	
		Number	Amount	Number	Amount	Number	Amount
<b>Systemic Issue</b>							
1.	Non-existence of verification mechanism in the Department						
<b>Compliance Issues</b>							
2.	Availing of inadmissible ITC on goods not covered under GST	2,215	295.04	18	1.14	0.81	0.39
3.	Non-payment of interest on reversal	2,215	295.04	12	0.27	0.54	0.09

<sup>5</sup> Tables of TRAN-1 consisting of 142 cases are Table 5(c)-38 cases, Table 7(b)-42 cases, Table 6(b) and 7(b)-1 case, Table 7(c)-48 cases, Table 6(b) and 7(c)-1 case, Table 7(b) and 7(c)-5 cases, Table 7(d)-2 cases, Table 10(a)-3 cases and Table 11-2 cases.

Sl. No.	Nature of observation	Audit Sample		Number of deficiencies noticed		Deficiencies as percentage of sample	
		Number	Amount	Number	Amount	Number	Amount
	of Transitional Credit						
4.	Excess amount credited to ECL over credit claimed in TRAN-1	2,215	295.04	2	0.04	0.09	0.01
5.	Excess credit carried forward in TRAN-1	2,215	295.04	136	71.27	6.14	24.16
6.	Incorrect availing of same credit twice in TRAN-1	2,215	295.04	13	0.14	0.59	0.05
7.	Irregular claim of Transitional Credit without filing VAT returns	2,215	295.04	68	3.97	3.07	1.35
8.	Undue carry forward of credit by unregistered person in VAT regime	2,215	295.04	5	0.24	0.23	0.08
9.	Excess claim of Transitional Credit due to erroneous carry forward of ITR balance in VAT returns	2,215	295.04	41	8.59	1.85	2.91
10.	Inadmissible Transitional Credit claimed in excess of VAT revised return	2,215	295.04	17	0.58	0.77	0.20
11.	Other irregularities related to Transitional Credits	2,215	295.04	2	0.69	0.09	0.23
<b>Total</b>				<b>314</b>	<b>86.93</b>		

### 2.4.8 Systemic issue

Audit revealed that certain systemic issues pertaining to the mechanism for verification of Transitional Credit claims existed in the Department, as detailed below:

#### 2.4.8.1 Non-existence of verification mechanism in the Department

Securing compliance to the Transitional Credit provisions and regulating the Transitional Credit claims of taxpayers constitutes a control risk. As per Rule 121 of the MPGST Rule, 2017, the amount of Transitional Credit as specified in TRAN-1 may be verified and proceedings shall be initiated in respect of credit wrongly availed by taxpayers.

During the course of audit, we noticed that all of the 2,357 selected cases of Transitional Credit were under the jurisdiction of 45 circle offices. The Transitional Credits were not verified by the Department even after lapse of more than three years from availing Transitional Credit by taxpayers. The Deputy Commissioner/ Assistant Commissioner (DC/AC) State Tax concerned stated (February to April 2021) that the Department had not issued any instructions to field offices for verification of Transitional Credit cases.

Thus, all the Transitional Credit cases relating to VAT regime remained unverified due to non-existence of specific mechanism for verification of Transitional Credit in the Department.

Non-verification of Transitional Credit with relevant records by Departmental officials led to avoidable revenue loss in the sampled cases as discussed in the succeeding paragraphs. In view of the above, revenue loss could not be ruled out in other Transitional Credit cases.

### 2.4.9 Compliance issues

The Compliance issues pertain to the validity and admissibility of the Transitional Credits carried over by individual assessee into GST regime. The components of Transitional Credit claimed by taxpayers in the appropriate tables, in the returns TRAN-1 and TRAN-2, flowing from the underlying conditions specified under the relevant sub-sections/Section of the MPGST Act is given in **Table 2.3** below:

**Table 2.3: Details of Transitional Credit components and relevant Act provisions**

Sl. No.	Returns	Table No.	Transitional Credit component	Relevant sub-sections/Section of the Act
1.	TRAN-1	5(c)	Closing balance of credit from the last returns	140(1)
2.	TRAN-1	6(b)	Un-availed credit on capital goods	140(2)
3.	TRAN-1	7(b)	Credit on Input/input service in transit	140(5)
4.	TRAN-1	7(c)	Credit on duty paid stock-with invoices	140(3)
5.	TRAN-1	7(d)	Credit on duty paid stock-without invoices	Proviso of Section 140(3) and Rule 117(4) of MPGST Rule
6.	TRAN-1	10(a) and (b)	Credits on goods/capital goods lying with the agent	142(14)
7.	TRAN-1	11	Credit in respect of tax paid before the appointed day and supply made after the appointed day	142(11)(c)
8.	TRAN-2	5	Credit afforded on stocks claimed without invoices	Proviso of Section 140(3) and Rule 117(4) of MPGST Rule

#### 2.4.9.1 Availing of inadmissible ITC on goods not covered under GST

As per Section 9(2) of the MPGST Act, 2017, State Tax on the supply of petrol and diesel shall be levied with effect from such date as may be notified by the Government on the recommendations of the Council. Petrol and diesel have not yet been notified for levy of GST by the Government, and are not covered under GST regime.

Audit noticed (February to March 2021) that in eight circles<sup>6</sup>, 18 taxpayers had claimed Transitional Credit amounting to ₹ 1.14 crore, which was balance Input Tax Rebate (ITR) of petrol and diesel, shown as credit carried forward in VAT return of first quarter of 2017-18. Since petrol and diesel have not been notified for levy of State Tax under GST regime, the claim of Transitional Credit to the tune of ₹ 1.14 crore was not allowable. This resulted in availing of inadmissible Transitional Credit of ₹1.14 crore as shown in **Appendix 2.1**.

After being pointed out in Audit, the AC State Tax, Bina stated (March 2021) that the taxpayer was under central jurisdiction. The other DC/AC State Tax, concerned stated (February to March 2021) that action would be taken after verification of the cases at the time of VAT assessment.

The reply is not tenable as the taxpayer was under the state jurisdiction before migration in GST regime. Hence the claim of Transitional Credit was to be verified by the AC concerned.

<sup>6</sup> Bina, Dewas, Dhar, Narsinghpur, Rajgarh, Ratlam-1, Sendhwa and Ujjain-3.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### **2.4.9.2 Non-payment of interest on reversal of Transitional Credit wrongly availed**

As per Rule 121 of the MPGST Rules, 2017, the recovery of amount credited under sub-rule (3) of Rule 117 may be initiated under Section 73 or, as the case may be, Section 74 of the Act. The proceeding under Section 73 or 74 shall require the taxpayer to pay the amount of credit wrongly availed along with interest payable thereon under Section 50 of the Act. Further, Section 50(1) of the MPGST Act, 2017, stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay tax or any part thereof to the Government, shall pay interest at 18 *per cent* for the period for which the tax or any part thereof remains unpaid.

Audit observed (February to March 2021) that in 12 cases of Transitional Credit pertaining to seven circle offices<sup>7</sup>, taxpayers had claimed excess or undue credit of ₹ 83.12 lakh in TRAN-1. Although they had reversed the wrongly availed credit on their own, after a delay ranging from 123 to 1,288 days, the taxpayers had paid interest of only ₹ 0.19 lakh against payable interest of ₹ 26.75 lakh. This resulted in non-levy of interest of ₹ 26.56 lakh as shown in **Appendix 2.2**. In addition to non-verification of the Transitional Credit by the Department as pointed out earlier, no action was initiated to levy and recover applicable interest on reversal of wrongly availed credit.

After being pointed out in Audit, the DC State Tax, Pithampur stated (March 2021) that recovery would be done as per rules. Three ACs<sup>8</sup> stated (February to March 2021) that action would be taken after examination of the cases and the remaining three ACs<sup>9</sup> had not offered any specific reply.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### **2.4.9.3 Excess amount credited to Electronic Credit Ledger over and above the amount claimed in TRAN-1**

As per Rule 117(1) of MPGST Rule, 2017, every registered person entitled to take credit of Input Tax in Electronic Credit Ledger (ECL) under Section 140 of MPGST Act, 2017, shall submit a declaration in TRAN-1 specifying the amount of Input Tax Credit to which he is entitled under the provisions of the said Section. Further, as per Rule 117(3) of the MPGST Rule, 2017, the amount of credit specified in the TRAN-1 return shall be credited to the ECL of the applicant maintained in Form GST PMT-2 on the common portal. Hence, the credit in ECL should not be allowed in excess of credit claimed in TRAN-1 returns.

Audit noticed (February to March 2021) that in two circle offices<sup>10</sup>, two taxpayers had claimed Transitional Credit of ₹ 33.14 lakh as per the TRAN-1 return filed by them, whereas the actual amount of Transitional Credit credited to ECL was ₹ 37.12 lakh. Thus, the ECL of the taxpayers was credited with excess ITC amounting to ₹ 3.98 lakh, over and above the Transitional Credit claimed by the taxpayers in TRAN-1 as detailed in **Appendix 2.3**. This resulted in loss of revenue to the Government to the tune of ₹ 3.98 lakh.

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<sup>7</sup> Chhindwara-2, Katni-2, Mandla, Pithampur, Rajgarh, Ratlam-1 and Shivpuri.

<sup>8</sup> Rajgarh, Ratlam-1 and Shivpuri.

<sup>9</sup> Chhindwara-2, Katni-2, Mandla.

<sup>10</sup> Jabalpur-1 and Pithampur.

After being pointed out in Audit, the DC State Tax, Pithampur stated (March 2021) that the taxpayer had claimed the balance credit of VAT of only one unit out of his two units, whereas the balance credit of other unit under the same GSTIN could not be claimed in TRAN-1. However, the credit amount of both units was credited to ECL. The DC State Tax, Jabalpur-1 stated (February 2021) that action would be taken after verification of the case at the time of VAT assessment.

The reply was not tenable as the balance credit of each unit under pre-GST regime was to be credited to ECL only after specifying it in TRAN-I return.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### **2.4.9.4 Excess credit carried forward in TRAN-1**

As per Section 140(1) of the MPGST Act, 2017, a registered person, other than a composition taxpayer, is entitled to take, in his ECL, the amount of VAT credit carried forward in the return relating to the period ending with the day immediately preceding the appointed day, furnished by him under the existing law.

Audit observed (February to April 2021) in 136 cases of Transitional Credit in 40 circle offices<sup>11</sup>, the taxpayers had claimed Transitional Credit of ₹ 77.02 crore against eligible VAT credit of ₹ 5.75 crore which was shown as carried forward in VAT return of first quarter of 2017-18. Thus, the taxpayers had claimed Transitional Credit amounting to ₹ 71.27 crore in excess of balance credit of VAT return as detailed in **Appendix 2.4**.

#### **Cases of Zero balance of VAT credit in returns but carried forward in TRAN with erroneous figures**

Audit observed that of the above 136 cases, in 32 cases in 22 Circle offices, the taxpayers had no balance (zero balance) of VAT credit in the returns of first quarter of 2017-18 but had incorrectly claimed and received ITC amounting to ₹ 67.59 crore. Further, it was observed that out of these 32 cases, in one single case itself of Northern Coal Fields Limited of ACCT Waidhan, an erroneous excess credit of ₹ 65.65 crore was claimed in the TRAN-1 by this taxpayer.

Audit also observed that the Department did not verify the Transitional Credit with VAT records. Hence, the Department failed to recover the credit incorrectly claimed by the taxpayers.

After being pointed out in Audit, DC/AC State Tax concerned stated (February to April 2021) that action would be taken after verification of the cases at the time of VAT assessment whereas AC State Tax, Chhindwara-2 had not produced any reply.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### **2.4.9.5 Incorrect availing of same credit twice in different Table of TRAN-1**

As per Section 140(1) of the MPGST Act, 2017, the registered taxpayers were entitled to carry forward the unavailed amount of ITR as shown in VAT return of first quarter of 2017-18. Whereas, Section 140(3) of the MPGST Act, 2017 facilitates transit of VAT credit

<sup>11</sup> Anuppur, Balaghat, Bhind, Burhanpur, Chhatarpur, Chhindwara-1, Chhindwara-2, Dewas, Dhar, Harda, Hoshangabad, Itarsi, Jabalpur-1, Jabalpur-2, Jabalpur-3, Jabalpur-4, Jaora, Jhabua, Katni-1, Katni-2, Khandwa, Khandwa, Mandideep, Mandla, Mandsaur, Narsinghpur, Neemuch, Pithampur, Rajgarh, Ratlam-1, Sendhwa, Seoni, Shahdol, Shivpuri, Tikamgarh, Ujjain-1, Ujjain-2, Ujjain-3, Vidisha and Waidhan.

on stock into the GST regime on the basis of invoice or other prescribed documents evidencing payment of tax under the existing law in respect of such stock.

Audit noticed (February to March 2021) that in eight circle Offices<sup>12</sup>, 13 taxpayers carried forward the credit of ₹ 14.04 lakh which was shown as unavailed balance credit in VAT last return and claimed as Transitional Credit in Table 5(c) of TRAN-1. Again, they had claimed the same amount of credit ₹ 14.04 lakh in Table 7(c) of TRAN-1. In these cases, audit observed that the amount of credit claimed in Table 5(c) was taken from the last VAT return. In respect of credit claimed in Table 7(c) of TRAN-1, neither any description relating to exempted or tax free goods under existing law was given in the table, nor any invoices/documents evidencing payment of tax on goods was made available to audit. Hence, the credit claimed in Table 7(c) was not in accordance with the provisions. This resulted in incorrect availing of excess Transitional Credit to the tune of ₹ 14.04 lakh as shown in **Appendix 2.5**.

After being pointed out in Audit, AC State Tax, Mandsaur and Ujjain-1 had not offered any comments on the reasons for claiming same credit twice in different tables of TRAN-1, whereas the other DC/AC State Tax concerned stated (February to April 2021) that action would be taken after verification of the cases at the time of VAT assessment.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### ***2.4.9.6 Irregular claim of Transitional Credit without filing VAT returns***

Amount of Credit available under VAT return relating to the period ending with the day immediately preceding the appointed day can be carried forward to ECL as ITC under Section 140(1) of the MPGST Act. However, the taxpayers shall not be eligible to claim Transitional Credit under MPGST unless they furnish all the returns required under the existing law for the period of six months (January to June 2017) immediately preceding the appointed day.

Audit noticed (February to April 2021) that in 68 cases of 25 Circle Offices<sup>13</sup>, taxpayers had not filed the quarterly returns of VAT for last six months (either fourth quarter of 2016-17 or first quarter of 2017-18 or both). However, the taxpayers irregularly claimed Transitional Credit amounting to ₹ 3.97 crore under Table 5(c) of TRAN-1 as detailed in **Appendix 2.6**. Hence, the claim was contrary to the Transitional Credit provisions of the Act.

After being pointed out in Audit, the DC/AC State Tax concerned stated (February to April 2021) that action would be taken after verification of the cases at the time of VAT assessment.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### ***2.4.9.7 Undue carry forward of credit by unregistered person in VAT regime***

Section 140(1) of the MPGST Act, 2017, stipulates that the closing balance of credit as per last return filed under existing law i.e. VAT can be taken as Transitional Credit in the GST regime. The Transitional Credit will be eligible only if the returns for the last six months (January to June 2017) were filed by the person registered under existing law.

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<sup>12</sup> Chhatarpur, Dhar, Katni-1, Mandsaur, Pithampur, Ratlam, Ujjain-1 and Waidhan.

<sup>13</sup> Balaghat, Bhind, Bina, Chhatarpur, Chhindwara-1, Dewas, Dhar, Jabalpur-1, Jabalpur-2, Jabalpur-3, Jabalpur-4, Jhabua, Katni-1, Mandideep, Mandla, Mandsaur, Rajgarh, Ratlam-1, Ratlam-2, Seoni, Shahdol, Shajapur, Shivpuri, Ujjain-1 and Waidhan.



In four circle Offices<sup>14</sup>, Audit noticed (February to March 2021) that five taxpayers were not registered and they were not supposed to file VAT returns in pre-GST regime, however they claimed Transitional Credit of ₹ 24.33 lakh under Table 5(c) of TRAN-I. Due to not fulfilling the prescribed conditions for claiming Transitional Credit of TRAN-1, the claim of ITC was not eligible. This resulted in irregular availing of Transitional Credit amounting to ₹ 24.33 lakh as shown in **Appendix 2.7**.

After being pointed out in Audit, the DC/AC State Tax concerned stated (February to March 2021) that action would be taken after verification of the cases at the time of VAT assessment.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### ***2.4.9.8 Excess claim of Transitional Credit due to erroneous carry forward of ITR balance in VAT returns***

As per Section 140(1) of MPGST Act, the registered taxpayers were entitled to carry forward and claim un-availed amount of ITR available in the VAT return of first quarter of 2017-18 as ITC in the GST regime under Table 5(c) of TRAN-1, if the returns of last six months (last two quarters) were furnished under existing law.

Audit scrutiny of VAT returns revealed (February to April 2021) that in 22 circle offices<sup>15</sup>, 41 taxpayers had brought forward the credit amounting to ₹ 19.05 crore in VAT return of first quarter (April to June) of 2017-18 against the balance credit of ₹ 10.49 crore which was shown as carried forward in VAT return of fourth quarter (January to March) of 2016-17. Thus, the taxpayers had claimed excess credit of ITR amounting to ₹ 8.56 crore in VAT return of first quarter (April to June) of 2017-18. Apart from this, taxpayers also claimed Transitional Credit of ₹ 17.93 crore against eligible VAT credit of ₹ 17.90 crore which was shown as carried forward in VAT return of first quarter of 2017-18. As a result, the taxpayers had claimed Transitional Credit amounting to ₹ 0.03 crore in excess of balance credit of VAT return. Thus, the excess Transitional Credit of ₹ 8.59 crore was erroneously claimed by taxpayers as shown in **Appendix 2.8**.

After being pointed out in Audit, AC State Tax, Chhindwara-2 had not produced any reply whereas other DC/AC State Tax concerned stated (February to April 2021) that action would be taken after verification of the cases at the time of VAT assessment.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### ***2.4.9.9 Inadmissible Transitional Credit claimed in TRAN-1 in excess of credit carried forward in VAT revised return***

As per Section 142(9)(a) of the MPGST Act, where any return furnished under the VAT Act, is revised after the appointed day and pursuant to such revision, any amount of ITC is found to be inadmissible, the same shall be recovered as an arrear of tax under the MPGST Act and amount so recovered shall not be admissible as ITC under the MPGST Act. Further, as per Rule 121 of the MPGST Rule, 2017, proceedings under Section 73 or 74 of the MPGST Act, 2017, shall be initiated for demand and recovery of any credit wrongly availed by taxpayers.

<sup>14</sup> Dewas, Dhar, Jabalpur-1 and Jabalpur-3.

<sup>15</sup> Balaghat, Bhind, Bina, Burhanpur, Chhindwara-2, Dewas, Dhar, Jabalpur-2, Jabalpur-3, Jabalpur-4, Jhabua, Katni-1, Khandwa, Kargone, Mandideep, Pithampur, Rajgarh, Ratlam-2, Sendhwa, Shahdol, Shajapur and Ujjain-2.

Audit scrutiny of revised VAT returns revealed (February to April 2021) that in 17 cases in seven Circle Offices<sup>16</sup>, the closing balance of credit amount of ₹ 32.39 lakh was available in revised returns of first quarter of 2017-18. Although, the taxpayers had already claimed Transitional Credit amounting to ₹ 89.91 lakh in Table 5(c) of TRAN-1 on the basis of original/previous return of first quarter of 2017-18. Thus, the taxpayers had claimed inadmissible Transitional Credit of ₹ 57.52 lakh as shown in **Appendix 2.9**, which was required to be recovered from taxpayers concerned as per provisions of Rules.

After being pointed out in Audit, DC/AC State Tax concerned stated (February to April 2021) that action would be taken after verification of the cases at the time of VAT assessment.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### **2.4.9.10 Inadmissible/Excess amount of ITR carried forward to TRAN-1 and availed as Input Tax Credit**

As per Section 140 of the MP GST Act, 2017, the registered person is entitled to take, in his ECL claiming through Table 5(c) of TRAN-1, the amount of VAT credit carried forward in the return relating to the period up to 30 June 2017, furnished under the existing law. The registered person shall not be allowed to take the credit, unless the said credit was admissible as ITC under the existing law and is also admissible as ITC under the MP GST Act, 2017.

Further, Section 14 (1AD) of Madhya Pradesh VAT Act, 2002 stipulates that, where a registered dealer purchases *Tendu* leaves as specified in Part III-A of Schedule II from another such dealer after payment to him of Input Tax and

- a) sells the *Tendu* leaves so purchased within the State of Madhya Pradesh; or
- b) consume it in manufacture of *Bidi* and *Bidi* so manufactured is sold within the state of MP or in course of Interstate trade or commerce or Export it out of territory of India, he shall claim or be allowed ITR of the amount of such input tax.

During audit of Circle Office, Burhanpur, audit scrutiny of VAT returns of a dealer M/s City Center Mall Nasik Pvt. Ltd. (Tin No. 23399108450 and GSTIN No. 23AACCC6422B1ZE) revealed (March 2021) that the dealer had carried forward ITR of ₹ 1.45 crore after reversal of ITR amounting to ₹ 0.91 crore from the return of fourth quarter of 2016-17 to first quarter of 2017-18. Since the dealer had sold 90 *per cent* of stock of *Tendu* leaves in course of interstate trade (Sold outside the state) in fourth quarter of 2016-17, the reversal amount was to be calculated as ₹ 1.56 crore (90.12 *per cent* of receivable ITR of ₹ 1.73 crore for the quarter). The Assessing Authority had also assessed the case of 2017-18 by considering the carry forward amount of ₹ 1.45 crore. Further, in the year 2017-18, the dealer had sold 81.74 *per cent* of his old stock of *Tendu* leaves outside the state on which he had already availed the ITR. As the dealer did not purchase the goods during the year, the reversal was to be calculated as ₹ 0.66 crore (81.74 *per cent* of available ITR of ₹ 0.81 crore). After adjustment of tax amount of ₹ 0.16 crore payable for the quarter against remaining balance of ITR of ₹ 0.15 crore (₹ 0.81 - ₹ 0.66), no ITR was available with the dealer at the end of first quarter of 2017-18 but the dealer had claimed and availed an inadmissible amount of Transitional Credit amounting to ₹ 0.62 crore.

After being pointed out, the AC State Tax, Burahanpur replied (March 2021) that the case of 2016-17 had been assessed by Audit Wing, Indore and according to which ITR of ₹ 1.45 crore

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<sup>16</sup> Dewas, Jabalpur-1, Khandwa, Mandsaur, Neemuch, Pithampur and Rajgarh.



had been carried forward to the year 2107-18. A letter stating the observation of audit has been sent to Audit Wing, Indore to get their opinion. The AC further stated that the assessment order of VAT case for the year 2017-18 had been issued considering the carry forward amount of ₹ 1.45 crore. He accepted that in the year 2017-18, *Tendu* leaves had not been purchased by the dealer and the dealer had sold his opening stock of *Tendu* leaves in interstate trade. However, he stated that action would be taken after verification of facts.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### ***2.4.9.11 Irregular availing of same credit under two GST registrations***

As per Section 140(1) of the MPGST Act, the registered taxpayers were entitled to carry forward and claim unavailed amount of ITR available in the VAT return of first quarter of 2017-18 through Table 5(c) of TRAN-1.

During the audit of Circle Office, Harda, audit scrutiny of VAT returns of M/s Shri Krishna Saw Mill (TIN-23604600491), revealed (March 2021) that the closing balance of credit available in the return of first quarter of 2017-18 was ₹ 6.96 lakh. Audit further noticed that the taxpayer having two registration numbers of GST had filed TRAN-1 for GST registration number 23ACBFS7832D1ZD in the month of November 2017 and had claimed Transitional Credit of ₹ 6.96 lakh. The same was reflected as Transitional Credit in the ECL on 17 November 2017. The taxpayer had again filed TRAN-1 in the month of November 2017 and claimed Transitional Credit of ₹ 6.96 lakh under the other GST registration number 23AABFK0471G1ZU and the same was reflected in the ECL on 23 November 2017. Thus, the taxpayer had carried forward same Transitional Credit of ₹ 6.96 lakh under both GST registrations. Audit found that the claim of Transitional Credit was not admissible to GST registration number 223AABFK0471G1ZU due to mismatch of registration data with VAT registration data and thus, the claim of Transitional Credit amounting to ₹ 6.96 lakh under this GST registration was irregular.

After being pointed out in Audit, the AC State Tax, Harda stated (March 2021) that action would be taken after verification of the cases at the time of VAT assessment.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### ***2.4.9.12 Transitional Credit in respect of capital goods, goods in transit and tax paid stock remained unverified in audit due to non-production of relevant records***

According to relevant Section of the MPGST Act, as mentioned in para 2.4.9 above, Transitional Credit in respect of capital goods and stock was to be claimed in various tables of TRAN-1 subject to fulfilment of conditions specified in respective sections/rules of MPGST Act and Rules.

Audit scrutiny of TRAN-1 returns revealed (February 2021 to April 2021) that in 113 claims of Transitional Credit in respect of capital goods, goods in transit and tax paid stock pertaining to 29 circle offices involving 104 taxpayers (detailed in footnote 5), Transitional Credit amounting to ₹ 6.12 crore had been claimed in the respective tables of TRAN-1 and TRAN-2 as given in **Table 2.4:**

**Table 2.4: Details of Transitional Credit claimed in respect of capital goods, goods in transit and tax paid stock**

(₹ in crore)

Sl. No.	Table of TRAN-1	Number of circle offices	Number of claims in respective table	Claimed Amount of Transitional Credit in TRAN-1/TRAN-2
1.	6b	2	2	0.40
2.	7b	20	48	3.49
3.	7c	22	56	0.97
4.	7d	02	02	0.20
5.	10a	3	3	0.79
6.	11	2	2	0.27
<b>Total</b>			<b>113</b>	<b>6.12</b>

Audit observed that the circle office concerned neither verified Transitional Credits claimed in above-mentioned cases nor did the VAT assessment of above cases for first quarter of 2017-18. Further, in respect of 113 claims of 104 taxpayers, no record was made available to audit by the circle office concerned for verification of fulfilment of prescribed conditions as mentioned in Acts and Rules for availing such Transitional Credit by taxpayers. In the absence of necessary records required in support of Transitional Credit availed on capital goods, goods in transit and tax paid stock, the admissibility and eligibility of ITC could not be ensured in terms of fulfilment of conditions specified in the provisions of Act and Rules. Thus, the claim of Transitional Credit amounting to ₹ 6.12 crore as shown in **Appendix 2.10**, remained unverified and due to non-verification of Transitional Credit by the Department, loss of revenue could not be ruled out in these cases.

Apart from the above, in 38 cases<sup>17</sup> out of 2,357 sampled cases, 12 circle Offices had not produced relevant records for verification of Transitional Credit, as shown in **Appendix 2.11**. Hence, also in these cases, Transitional Credit of ₹ 2.55 crore claimed by taxpayers could not be verified in audit.

After being pointed out in Audit, DC/AC State Tax concerned stated (February to April 2021) that action would be taken after verification of the cases at the time of VAT assessment.

The draft report was issued to the Government in September 2021. Final reply was awaited (September 2022).

#### **2.4.10 Conclusion**

From a system perspective, we observed that the Department did not verify any of the Transitional Credit cases with VAT details though it was one time important exercise. Even after lapse of more than three years from availing of Transitional Credit by the taxpayers, the Department has not yet issued any instructions to field offices for verification of Transitional Credit. In the absence of existence of specific mechanism for verification of Transitional Credit cases, the Department was unaware of various deficiencies in claims of Transitional Credit until pointed out by the audit, which led to avoidable loss of revenue to the Government.

From a compliance perspective, we observed compliance deviations in 314 cases out of the 2,215 audited cases, for which records were furnished to audit, constituting an error rate of 14.18 *per cent*. Deficiencies and irregularities mainly noticed were transitioning of closing

<sup>17</sup> These 38 cases are part of 142 cases as mentioned in Table 2.1 where Circle Offices had not produced records.

balance of credit in the last legacy returns, availing Transitional Credit without filing VAT returns, credit availed on inadmissible goods, excess claim due to erroneous forwarding of ITR balance in VAT returns, non-payment of interest on reversal of Transitional Credit etc.

In 142 cases of Transitional Credit claim having amount of ₹ 8.67 crore, the requisitioned records have not been made available to audit for verification of Transitional Credit. Due to non-availability of relevant records with circle offices, it could not be ensured whether Transitional Credit was admissible as per provisions, availed with requisite supporting documents and not availed with any time barred instruments.

#### **2.4.11 Recommendation**

- The Department needs to put in place a mechanism to verify the correctness of transitional credit claims filed by the taxpayers.
- Looking into the size of sample cases (2,215) test checked and number of excess/incorrect claims noticed (314), the Department may rigorously examine similar cases not covered in the audit sample and take corrective action within a timeframe. A database of such cases may also be maintained to monitor/rectify the same.

## 2.5 Subject Specific Compliance Audit on "Processing of Refund Claims under Goods and Services Tax

### 2.5.1 Introduction

Timely refund facilitates trade through release of blocked funds for working capital, expansion and modernisation of existing business. GST laws aimed to streamline and standardise the refund procedures. Claim and sanctioning procedure was contemplated to be completely online. However, due to unavailability of electronic refund module online up to December 2018 the applicants were required to file the refund applications in Form GST RFD-01A, take a print out of the same and submit it physically to the jurisdictional tax office along with all supporting documents. The processing of those refund applications was done manually. From January 2019 the refund applications in Form GST RFD-01A, along with all supporting documents, were to be submitted electronically. However, post submission stages of processing the refund application continued to be manual.

Refund procedure became fully electronic from 26 September 2019, wherein all the steps from submission of application to processing were undertaken electronically.

### 2.5.2 Audit Objectives

Audit of Refund cases under GST regime was conducted to assess:

- The adequacy of Act, Rules, notifications, circulars etc. issued in relation to grant of refund;
- The compliance of extant provisions by the tax authorities and the efficacy of the systems in place to ensure compliance by taxpayers; and
- Whether effective internal control mechanism exists to check the performance of the departmental officers in disposing the refund applications.

### 2.5.3 Scope of Audit

During field audit, the refund cases processed in the Indore Commissionerate between July 2017 and July 2020 have been examined during December 2020 to April 2021. Pan-India refund data was obtained from GSTN and a sample of refund cases have been selected for detailed examination. An Entry Conference was held (December 2020) with the Commissioner, State Tax in which the executive was informed about the selection of units as well as scope and methodology of the Subject Specific Compliance Audit. The Draft Audit Report was forwarded to the Government and Department in September 2021. Exit Conference could not be held till finalisation of the draft (May 2022) despite issuing letters and reminders to the Department. Reply of the Government/Department was awaited (September 2022).

### 2.5.4 Sample Selection

Out of the total refund cases processed during July 2017 to July 2020, 447 Pre-automation<sup>18</sup> and 564 Post-automation<sup>19</sup> refund cases were audited in 67 circles out of the total 84 Circle Offices. Other than these, five more refund cases were also audited for scrutiny of duplicate payments.

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<sup>18</sup> 447 Pre-automation cases pertaining to 38 units of 37-Circles and 01-Division.

<sup>19</sup> 564 Post-automation cases pertaining to 64 units of 64-Circles.

### 2.5.5 Legal Provisions

The following Sections/Rules/notifications/circulars provide the guidelines/procedure for claiming the refunds:

- (i) Section 13, 17, 49, 54 to 58 and Section 77 of Madhya Pradesh Goods and Services Tax Act, 2017;
- (ii) Rule 60, 89 to 97A of Madhya Pradesh Goods and Services Tax Rules, 2017;
- (iii) Section 14 to 16 and 19 of Integrated Goods and Services Tax Act, 2017;
- (iv) Notifications/Circulars of the Central Board of Excise and Customs (CBEC)/Central Board of Indirect Taxes and Customs (CBIC) and Madhya Pradesh Government from time to time under GST Refund.

### 2.5.6 Audit Result

Audit results are categorised corresponding to the three objectives in Pre and Post-automation refund cases. Significant observations under these categories, noticed during audit and included in this report, are mentioned as under:

**Table 2.5: Details of finding wise Audit Observations in Pre and Post-automation Refund cases**

(₹ in crore)

Sl. No.	Nature of Audit Findings (indicative only)	Audit sample		Deficiency noticed		Deficiency as percentage of sample
		Number	Amount	Number	Amount	
1.	Delay in issue of acknowledgement	1,011	311.76	203	-	20.08
2.	Delay in issue of refund orders	1,011	311.76	135	-	13.35
3.	Delay in sanction of provisional refund on zero-rated supply	280	82.24	36	-	12.86
4.	Delay in issue of deficiency memo	1,011	311.76	2	-	0.20
5.	Non conducting of post audit of refund claims	1,011	311.76	1,011	-	100
6.	Irregular grant of provisional refund in cases other than zero rated supply	286	64.38	5	0.67	1.75
7.	Excess refund due to non-verification of GSTR-2A reflected on portal	1,011	311.76	35	3.11	3.46
8.	Excess grant of refund as ITC shown in Refund application was higher than that of records produced	1,011	311.76	13	0.10	1.28
9.	Irregular payment of refund on input services and other ineligible inputs	489	161.39	3	0.06	0.61
10.	Inadmissible refund of IDS for works contract	305	108.55	4	2.48	1.31
11.	Refund granted when both input supply and output	305	108.51	1	0.01	0.32

Sl. No.	Nature of Audit Findings (indicative only)	Audit sample		Deficiency noticed		Deficiency as percentage of sample
		Number	Amount	Number	Amount	
	supply is at same rate of GST.					
12.	Irregular refund of Inverted Duty Structure (IDS) on excess turnover	305	108.51	8	0.46	2.62
13.	Irregular refund on considering higher turnover and net ITC	305	108.51	5	0.70	1.64
14.	Excess refund due to error in determination of time of supply	119	41.55	4	0.25	3.36
15.	Irregular refund of unutilised ITC due to excess turnover of export services	119	41.55	1	0.001	0.84
16.	Irregular sanction of refund that include ITC availed on capital goods on zero rated supply cases	161	40.70	2	0.09	1.24
17.	Excess refund due to less determination of adjusted total turnover	119	41.55	2	0.01	1.68
18.	Inadmissible grant of refund without verifying the required documents	280	82.24	8	1.54	2.86
19.	Miscellaneous issues	1,011	311.76	76	0.88	7.52
<b>Total</b>				<b>1,554</b>	<b>10.36</b>	

## Compliance Deficiencies

### 2.5.7 Acknowledgement not issued within time

Rule 90(1) of the MPGST Rules, 2017 provides that the acknowledgment shall be issued within fifteen days of filing of refund claim with the proper officer, if the application is found complete in all respects. In case of Pre-automation cases, the stipulated period of 15 days will be counted from the date of manual submission of refund application along with all specified documents.

In addition, as per paras 2.4, 2.9 and 3.2 of CBEC Circular No. 17/2017 dated 15/11/2017, on receipt of Acknowledgement Receipt Number (ARN), Form GST RFD-01A was to be submitted manually by the assessee. The jurisdictional proper officer is required to make entry of the receipt of refund claim in the prescribed refund register maintained for the purpose.

We carried out test check (December 2020–January 2021) of 447 Pre-automation refund cases, in which delay in issuing of acknowledgement were noticed in 12 refund cases of nine circles. The delay (5 to 317 days) ranged from five days to three months in 11 cases and more than six months in one case. This has resulted in non-observance of provisions of Rule 90 of the CGST Rules 2017. Further, in 79 cases of 18 circles, delay in acknowledgment could not be ascertained due to not giving stamped receipt and non-issuance of acknowledgement to taxpayers. The details are given in **Appendix 2.12**.

Out of 564 Post-automation refund cases, the delay in issue of acknowledgement (1 to 170 days) was noticed (February–April 2021) in 112 cases of 30 circles ranging from one day to three months in 107 cases and three to six months in five cases. The details are given in **Appendix 2.13**.

After being pointed out in audit, Refund Sanctioning Authorities replied (December 2020–April 2021) with respect to Pre-automation cases that the delay was due to delay in submission of documents, due to change in officer in-charge, interruption of internet connectivity and electric supply, excess work load etc.

Reply is not acceptable as acknowledgement in RFD-2 was to be issued within 15 days from manual application receipt. Further, audit has pointed out only those cases in which delay occurred after receipt of manual application.

Reply in respect of Post-automation cases was awaited (September 2022).

### **2.5.8 Refund not sanctioned in time**

The provision of Section 54(5) and (7) of MPGST Act, 2017 provides that the proper officer has to sanction the refund within 60 days from the date of receipt of application. Further, as per Section 56 of the MPGST Act 2017, if any tax orders to be refunded to the applicant is not refunded within 60 days from the date of receipt of application, interest at the rate of 6 per cent will be payable as interest.

Out of 447 Pre-automation refund cases it was noticed (December 2020–January 2021) that in 27 cases of 11 circles and one division, there was delay (2 to 299 days) in sanction of refunds ranging from two days to three months in 17 cases, three to six months in eight cases and more than six months in two cases. This had resulted in non-observance of the provisions of Section 54(7) of the CGST Act, 2017 read with Rule 92 of the CGST Rules, 2017. Further, for belated payment of refunds, the Department did not pay interest due under Section 56 of the Act amounting to ₹ 10.92 lakh to the tax payers. Further, in 48 cases of 16 circles, delay in refund sanction could not be ascertained due to not providing of the stamped receipt for RFD-01 refund application to taxpayers. The details are given in **Appendix 2.14**.

Out of 564 Post-automation refund cases examined (February–April 2021), delay (2 to 128 days) in sanction of refund orders was noticed in 60 cases of 22 circles ranging from two days to three months in 58 cases and three to six months in two cases. Further, for belated payment of refunds, the Department did not pay interest due under Section 56 of the Act of ₹ 2.36 lakh to the tax payers. The details are given in **Appendix 2.15**.

On these being pointed out, Refund Sanctioning Authorities stated (December 2020–April 2021) in respect of Pre-automation cases that issue of refund sanction order was late due to delay in submission of supporting documents by dealer.

Reply was not tenable as deficiency memos were not issued for non-submission of supporting documents and refund was sanctioned on first ARN.

Reply in respect of Post-automation refund cases was awaited (September 2022).

### **2.5.9 Provisional refund on account of zero rated supply not sanctioned within time**

Rule 91 of MPGST Rules, 2017 provides that provisional refund on account of zero rated supply shall be granted within seven days of acknowledgement, subject to fulfilment of certain conditions.

During audit, we found that in 12 refund cases of seven circles out of 161 Pre-automation zero rated refund cases, there were delays in sanctioning the provisional refund ranging from 2 to 121 days. Further, in three refund cases (Circle-Pithampur), provisional refund was not sanctioned though, final sanction in Form RFD-6 was issued after seven days. The details are given in **Appendix 2.16**.



Out of 119 Post-automation zero rated refund cases delay in sanction of provisional refund was noticed (December 2020–January 2021) in 17 cases of six circles ranging from 1 to 67 days. Further, in four refund cases (Indore-11, Indore-12 and Pithampur), provisional refund was not sanctioned. The details are given in **Appendix 2.17**.

After pointed out in audit, Refund Sanctioning Authorities stated (December 2020–April 2021) about sanctioning of full refund after verification of supporting documents, refund was issued in due time but erroneously, incorrect dispatch date was entered, due to excess work load provisional refund was sanctioned late and provisional refund sanction order issued by another circle and circle had issued only refund sanction order etc.

Reply was not tenable as 90 *per cent* refund was to be sanctioned within seven days as provisional refund from the acknowledgement date. No supporting documents were furnished to audit in respect of entering incorrect dispatch date. Replies relating to refunds were irrelevant as the audit findings were relating to delay in sanction of provisional refund.

Reply in respect of Post-automation refund cases was awaited (September 2022).

#### **2.5.10 Delay in issuance of deficiency memo**

As per Rule 90 (3) of MPGST Rule 2017, if any deficiencies are noticed, the proper officer shall communicate the deficiencies to the applicant within the period of 15 days starting from the date of receipt of application. If the reply (in case of Pre-automation) or fresh application is not received within 30 days of the communication of the deficiency memo, the proper officer shall pass an order for re-credit of the amount claimed as refund.

Out of 447 Pre-automation refund cases it was noticed (December 2020–January 2021) that in two cases<sup>20</sup> of one circle, there were delays (14 days and 35 days) in issue of deficiency memos. Thus, timelines set for issue of deficiency memo was not observed in these two cases.

On these being pointed out, Refund Sanctioning Authority stated (December 2020–January 2021) that delay in issuance of deficiency memo was due to delay in submission of supporting documents by dealers.

Reply was not tenable as deficiency memos were not issued for non-submission of supporting documents and refund was sanctioned on first ARN.

#### **2.5.11 Non-conducting the post audit of refund claims**

The CBEC Circular no. 17/17/2017-GST dated 15/11/2017 elaborately laid down the procedure for manual processing of refunds of zero rated supplies. The circular inter alia, stipulated that, the pre-audit of manually processed refund applications is not required till separate detailed guidelines are issued by Board, irrespective of amount involved. However, it was clarified that the post audit of refund order shall be continued as per the extant guidelines. This procedure was extended to all types of refund application processed manually vide CBEC circular no. 24/24/2017 dated 21 December 2017.

During audit of the 38 units (37 Circles and one Division) in Indore Commissionerate, in respect of Pre-automation refund cases it was observed (December 2020–January 2021) that all selected 447 refund cases were not sent for post audit.

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<sup>20</sup> Circle Pithampur-Commercial Syn Bags Ltd (ARN-AA231118284107C delay of 14 days and ARN-AA230518012641L delay of 35 days).



During audit of the 64 units in Indore Commissionerate, in respect of Post-automation refund cases it was observed (February–April 2021) that all selected 564 refund cases were not sent for post audit.

This apart from resulting in non-adherence to Board's instructions, may also lead to possible loss of revenue to exchequer.

On these being pointed out, Refund Sanctioning Authority stated (December 2020–April 2021) that after receiving the instructions from Commissioner, the requisite process would be done.

Reply is not tenable as the post audit of refund order should have been done to avoid the possibility of loss of revenue to exchequer.

### **2.5.12 Irregular grant of provisional refund**

As per Section 54(6) of MPGST Act, 2017, in the case of any claim for refund on account of zero rated supply of goods or services or both made by registered persons, 90 *per cent* of refund claimed may be sanctioned on a provisional basis and thereafter an order can be made under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant. Thus, sanction of provisional refund is allowed on account of zero rated supply of goods and/or services and not in other categories.

Out of 286 Pre-automation refund cases (other than zero rated) examined (December 2020–January 2021), it was noticed in five refund cases<sup>21</sup> of two circles, the Department issued the provisional refund of 90 *per cent* amount pertaining to refund on account of inverted duty structure and deemed export which are other than the cases of zero rated supply of goods or services.

Thus, the provisional grant of refund in these cases resulted in irregular grant of refund of ₹ 67 lakh.

On these being pointed out, Refund Sanctioning Authorities stated (December 2020–January 2021) that due to payment from treasury, provisional refund (RFD-04) and final refund (RFD-06) of the same amount were issued whereas RFD-05 was issued only one time.

Reply is not acceptable because sanction of provisional refund (RFD-04) is allowed only on account of zero rated supply and not in other categories.

### **2.5.13 Refund on Input Tax Credit**

#### **2.5.13.1 Excess refund due to non-verification of GSTR-2A reflected on portal**

As per CBIC Board circular No.59 dated 4 September 2018, the refund claim shall be accompanied by a print-out of Form GSTR-2A of the claimant for the relevant period for which the refund is claimed. If ITC is not reflected in the GSTR- 2A, the proper officer may call for the hard copies of invoices if he deems it necessary.

As per CBIC Circular No. 125/44/2019 – GST dated 18 November 2019, applicants of refunds of unutilised ITC shall have to upload a copy of Form GSTR-2A for the relevant period for which the refund is claimed. Applicants shall also upload the details of all the invoices in the format enclosed as Appendix B. Self-certified copies of invoices in relation to which the refund of ITC is being claimed and which are declared as eligible for ITC in Appendix – B, but which are not populated in Form GSTR-2A, shall be uploaded by the applicant.

<sup>21</sup> One Deemed Export case of Circle Dewas amounting to ₹ 0.04 crore and four Inverted Duty Structure cases of Circle-Ujjain-1 amounting to ₹ 0.63 crore.

Further, as per Rule 36(4) of MPGST Rules 2017 inserted vide CBIC Notification no. 49/2019-Central Tax dated 09 October 2019 and amended vide Notification no. 75/2020- Central Tax dated 26 December 2019, input tax credit to be availed by a registered person in respect of invoices or debit notes, the details of which have not been uploaded by the suppliers under sub-section (1) of Section 37, shall not exceed 10 per cent and 20 per cent of the eligible credit.

Out of 447 Pre-automation refund cases examined (December 2020–January 2021), it was noticed that in 15 cases of four circles, net ITC considered by Department was higher than that of GSTR-2A reflected in GSTN portal. Taxpayers were eligible for ₹ 1.33 crore refund, however Department sanctioned ₹ 2.19 crore. This resulted in irregular refund of ₹ 0.86 crore due to mismatch of net ITC from GSTR-2A on portal. Further, copies of mismatched invoices were also not found on records. The details are given in **Appendix 2.18**.

Out of 564 Post-automation refund cases examined (February–April 2021), in 20 refund cases of five circles, Department sanctioned refund on the basis of net ITC declared in refund application without verifying the net ITC reflected in GSTR-2A on GSTN portal and self-certified copies of mismatched invoices. This resulted in excess refund of ₹ 2.24 crore<sup>22</sup>. The details are given in **Appendix 2.19**.

On these being pointed out, Refund Sanctioning Authorities in case of Pre-automation cases stated (December 2020–January 2021) that appropriate action would be taken after re-examination of these cases, refund of ITC can be sanctioned if the invoice of ITC is available even if not reflected in GSTR-2A, GSTR-2A was not in existence etc.

Reply is not tenable as hard copy of invoices was not made available to audit in support of replies.

In respect of Post-automation refund cases, reply was awaited (September 2022).

### ***2.5.13.2 Excess grant of refund as ITC shown in Refund application was higher than that of records produced***

MPGST Rule 60 prescribes the form and manner of furnishing details of inward supplies in which it is said that every registered person, referred to in Section 14 of the Integrated Goods and Services Tax Act, 2017, required to furnish the details of inward supplies of goods or services or both received during a tax period under sub-section (2) of Section 38 shall, on the basis of details contained in Part A, Part B and Part C of Form GSTR-2A, prepare such details as specified in sub-section (1) of the said Section and furnish the same in Form GSTR-2 electronically through the common portal. Similarly, GST Rule 61 laid down the form and manner of submission of monthly returns which clearly stated that every registered person furnishing the return, discharge his liability towards tax, interest, penalty, fees or any other amount payable under the Act by debiting the electronic credit ledger and includes the details in Part B of the return in Form GSTR-3.

Audit observed (December 2020–January 2021) that out of 447 Pre-automation refund cases, in case of M/s Askon Healthcare (Ujjain-1) and M/s Acme Universal Safe zone Pvt. Ltd (Gwalior-1) net ITC considered for maximum refund calculation in GST RFD-01 was higher than that of net ITC mentioned in the GSTR-2A/GSTR 3B submitted by the taxpayer which resulted in excess payment of ₹ four lakh.

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<sup>22</sup> Circle-Bhopal-3 (one case ₹ 0.38 crore), Circle-Indore-9 (eight cases ₹ 0.42 crore), Circle-Indore-14 (three cases ₹ 0.07 crore), Circle-Indore-11 (seven cases ₹ 1.37 crore), Circle-Bhopal-5 (one case ₹ 0.005 crore).

Further, Audit observed (February–April 2021) in 11 out of 564 Post-automation refund cases that for the purpose of calculation of maximum refund amount, net ITC was taken higher as compared to the ITC mentioned in the GSTR-2A/GSTR-3B/Statement-1. This resulted in excess refund of ₹ 6.12 lakh<sup>23</sup> due to non-verification of required documents.

On these being pointed out, Refund Sanctioning Authorities stated (December 2020–March 2021) in case of Pre-automation cases that action would be taken after verification, refund was sanctioned after proper examination, and in case of Post-automation cases, action would be taken after verification, demand was raised and amount of ₹ 1,520 deposited by the taxpayer and in respect of nine cases reply was awaited (September 2022).

Final action was awaited (September 2022).

## **2.5.14 Refund of Inverted Duty Structure**

### **2.5.14.1 Irregular payment of refund on input services and other ineligible inputs**

As per Section 54(3) of the MPGST Act 2017, a registered person may claim refund of any unutilised Input Tax Credit at the end of any tax period where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (i.e. Inverted Duty Structure). Further, Rule 89(5) of the MPGST Rules 2017 prescribes the formula for maximum refund of unutilised ITC on account of inverted duty structure (IDS).

$$\begin{array}{rclclcl} \text{Maximum} & & \{( \text{Turnover of} & & \text{Net} & & \text{Tax payable on such} \\ \text{refund} & = & \text{inverted rated} & \times & \text{ITC/Adjusted} & - & \text{inverted rated supply of} \\ \text{amount} & & \text{supply of goods} & & \text{turnover} \} & & \text{goods.} \end{array}$$

As per the Rule, net ITC includes the ITC availed only on inputs during the relevant period and does not include credit availed on input services.

Out of 184 Pre-automation IDS refund cases it was noticed (December 2020) in two refund cases of Shree Bihari Oils Pvt. Ltd. (Gwalior-3), while granting refund Department considered ITC availed on input services of ₹ two lakh. This resulted in irregular allowance of refund to the tune of ₹ two lakh.

Out of 305 Post-automation IDS refund cases, it was noticed (April 2021) in refund case of Madhuri Refiners Pvt. Ltd (Indore-11), Department sanctioned refund on the basis of net ITC declared in refund applications. Audit noticed that credit of input services and ineligible goods of ₹ 18 lakh declared in inward supply statement, was included in net ITC for refund claim. This resulted into excess refund of ₹ four lakh.

On these being pointed out, Refund Sanctioning Authorities in case of Pre-automation refund cases stated (December 2020) that refund was sanctioned after proper examination of the bills.

Reply was not tenable as credit availed on input services should not have been included in calculation of net ITC.

In respect of Post-automation refund case, reply was awaited (September 2022).

<sup>23</sup> Circle-Datia (six cases ₹ 0.02 crore), Circle-Gwalior-2 (one case ₹ 0.01 crore), Circle-Ujjain-2 (one case ₹ 0.001 crore), Circle-Neemuch (one case ₹ 0.01 crore), Circle-Hoshangabad (one case ₹ 0.02 crore), Circle-Ratlam (one case ₹ 0.0002 crore).

#### **2.5.14.2 Inadmissible refund of Inverted Duty Structure for works contract**

As per CGST Act, 2017, Section 2(119), “works contract means a contract for building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration or commissioning of any immovable property wherein transfer of property in goods (whether as goods or in some other form) is involved in the execution of such contract.”

Further, as per Section 17(5)(c), Input tax credit shall not be available in respect of “works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service.”

Out of 305 Post-automation IDS refund cases, it was observed (March-April 2021) in three refund cases<sup>24</sup>, Department sanctioned refund amount of ₹ 2.03 crore on account of IDS while the dealer had supplied goods as a works contractor to Government subsidiaries which resulted in inadmissible refund of ₹ 2.03 crore. Further, in case of M/s O P Gupta Pvt. Ltd (Bhopal VI), the taxpayer was registered as a works contractor and applied for refund on account of IDS. Outward supply statement was not submitted by the contractor which shows that the inward supply was used for construction purpose. This resulted in inadmissible refund of ₹ 0.45 crore.

On these being pointed out, Refund Sanctioning Authorities stated (March-April 2021) that the taxpayer is engaged in further supply of works contract service, solar power generating system as such does not qualify as immovable property and is outside the domain of ‘works contract service’, the taxpayer is engaged in the supply of works contract services.

Reply is not tenable as in three cases the work order issued to the taxpayers for the supplying goods, installation and commissioning clearly states that the work done is a works contract. In case of M/s O P Gupta, outward supply statement was not found on records.

#### **2.5.14.3 Refund granted when both input supply and output supply is at same rate of GST**

As per Section 54(3) of the MPGST Act 2017, a registered person may claim refund of any unutilised Input Tax Credit at the end of any tax period where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (i.e. Inverted Duty Structure).

Out of 305 Post-automation IDS Refund Cases, it was observed (March 2021) in refund claim of M/s Pramod and Brothers (Circle-Bhind), the Department had sanctioned ineligible refund of ₹ one lakh where input supply and output supply was at same rate of GST @ 18 per cent.

The matter was referred to the Refund Sanctioning Authorities. Reply was awaited (September 2022).

#### **2.5.14.4 Irregular refund of Inverted Duty Structure on excess turnover**

It was observed (March-April 2021) in Audit that out of 305 Post-automation IDS refund cases examined, the turnover as declared by the dealers in eight refund cases<sup>25</sup> in Statement-1A and GSTR-3B was lower than that of refund application submitted by the dealers and considered

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<sup>24</sup> Circle-Bhopal-5, Premier Energies Ltd ARN-AA2302200221456 amount ₹ 1.11 crore., Premier Energies Ltd ARN-AA2303200022753 amount ₹ 0.76 crore and Spark Electricals & Projects Pvt. Ltd and N K Enterprises J V ARN-AA230120009898G amount ₹ 0.16 crore.

<sup>25</sup> Circle-Morena (four cases ₹ 0.44 crore), Circle-Gwalior-2 (one case ₹ 0.0001crore), Circle-Gwalior-3 (one case ₹0.007 crore), Circle-Gwalior-4 (one case ₹ 0.0008 crore), Circle-Pithampur (one case ₹ 0.009 crore).

by the Department resulted in excess refund of ₹ 0.46 crore without verifying the turnover from the required documents.

The matter was referred to the Refund Sanctioning Authorities. Reply was awaited (September 2022).

#### **2.5.14.5 Irregular refund on considering higher turnover and net ITC**

As per Section 54 of the MPGST Act, 2017, refund of unutilised input tax credit (ITC) can be claimed by a registered person at the end of any tax period. Rule 89(5) of the MPGST Rules, 2017, prescribes the formula as per which the refund in the case of supply of goods on account of Inverted Duty Structure shall be granted.

$$\text{Refund Amount} = \frac{\{(Turnover \text{ of inverted rated supply of goods and services} \times \text{Net ITC}) \div \text{Adjusted turnover}\} - \text{tax payable on such inverted rated supply of goods and services}}$$

Out of 305 Post-automation IDS refund cases examined (April 2021), in five refund cases<sup>26</sup> of two circles, refund was sanctioned on the basis of refund application submitted by dealers while the turnover and net ITC declared in statement-1A and GSTR-3B were lower than that of refund application considered by the Department. This resulted in excess refund of ₹ 70 lakh without verifying the turnover and net ITC from required documents.

The matter was referred to the Refund Sanctioning Authorities. Reply was awaited (September 2022).

### **2.5.15 Zero Rated Supplies - Export without payment of tax**

#### **2.5.15.1 Excess refund due to error in determination of time of supply**

As per Section 13(2) of CGST Act, the time of supply of services shall be the earliest of the following dates, namely:-

- (a) the date of issue of invoice to the supplier, if the invoice is issued within the period prescribed under sub-section (2) of Section 31 or the date of receipt of payment, whichever is earlier; or
- (b) the date of provision of service, if the invoice is not issued within the period prescribed under sub-section (2) of Section 31 or the date of receipt of payment, whichever is earlier; or
- (c) the date on which the recipient shows the receipt of services in his books of account, in a case where the provisions of clause (a) or clause (b) do not apply.

Out of 119 Post-automation zero rated refund cases, it was noticed (April 2021) that in four refund cases (Indore-11) on account of export of services, the refund processing officer has considered invoice date while the date of Bank Realisation Certificates/Foreign Inward Remittance Certificates were earlier than the supplies made in tax period. This resulted in excess refund of ₹ 25 lakh<sup>27</sup> due to not considering date of Bank Realisation Certificates (BRC) or Foreign Inward Remittance Certificates (FIRC).

The matter was referred to the Refund Sanctioning Authorities. Reply was awaited (September 2022).

<sup>26</sup> Circle-Gwalior-3 (four cases ₹ 0.70 crore) and Circle Neemuch (one case ₹ 0.001 crore).

<sup>27</sup> Circle-Indore-11 (four cases ₹ 0.25 crore).



### **2.5.15.2 Irregular refund of unutilised ITC due to excess turnover of export services**

As per Rule 89(2) of the CGST Rules 2017, the application under sub-rule (1) shall be accompanied by documentary evidences as mentioned in Appendix 1 in Form GST RFD-01, as applicable, namely, a statement containing the number and date of invoices and the relevant BRC or FIRC is required in case of export of services, to establish that a refund is due to the applicant.

Out of 119 Post-automation zero refund cases, it was noticed (April 2021) that in one refund case of M/s CDN Software Solutions Pvt. Ltd (Indore-11), Department considered turnover of zero rated supply of services of ₹ 2.01 crore submitted in refund application while the taxpayers submitted statement of BRC/FIRC of ₹ 1.71 crore. Further, net ITC considered for maximum refund calculation was ₹ four lakh instead of ₹ three lakh reflected in GSTR-2A on portal. This resulted in excess refund of ₹ 10,000 without verification of Statement 1A.

The matter was referred to the Refund Sanctioning Authorities. Reply was awaited (September 2022).

### **2.5.15.3 Irregular payment of Refund on capital goods on zero rated supply cases**

As per Section 54 of the MPGST Act, 2017, refund of unutilised input tax credit can be claimed by a registered person at the end of any tax period. Rule 89(4) of the MPGST Rules, 2017, prescribes the formula as per which the refund in the case of zero rated supply of goods or services shall be granted.

$$\text{Refund Amount} = \frac{\text{Turnover of zero rated supply of goods}}{\text{Adjusted Total Turnover}} + \frac{\text{Turnover of zero rated supply of services}}{\text{Adjusted Total Turnover}} \times \frac{\text{Net ITC}}{\text{Adjusted Total Turnover}}$$

(where "Net ITC" means input tax credit availed on inputs and input services during the relevant period. Thus, ITC availed on capital goods shall not be considered.)

Out of 161 Pre-automation zero rated refund cases, it was observed (January 2021) in refund claims of M/s Tecta Construction Pvt. Ltd (Circle-Narsinghpur) and M/s D N Enterprises (Indore-14) for the tax-period July 2017 to March 2018 and June 2018 to March 2019 respectively, refund of unutilised ITC of ₹13 lakh was sanctioned. While computing the "Net ITC" for arriving at the refund amount, the taxpayer included the ITC of ₹ nine lakh availed on capital goods. This resulted in excess sanction of refund of ₹ nine lakh, which was recoverable with interest in terms of Section 73 read with Section 50 of the MPGST Act, 2017.

After being pointed out, in one case Refund Sanctioning Authority accepted the observation and stated (January 2021) that revised sanction order would be issued for recovery. In another case, Refund Sanctioning Authority stated that action will be taken after verification.

Final action was awaited (September 2022).

### **2.5.15.4 Inadmissible grant of refund without verifying the required documents**

As per Rule 89(2) of the MPGST Rules 2017, the application under sub-rule (1) shall be accompanied by relevant documentary evidences in Appendix 1 in Form GST RFD-01, as applicable, to establish that a refund is due to the applicant.

Out of 167 Pre-automation zero rated refund cases, it was observed (January 2021) that Department had sanctioned refund in two cases (M/s KEC International Ltd. and M/s J D Impex) for export without payment of tax, where the taxpayers claimed refund of ₹ 0.93 crore and the entire claim was sanctioned. Verification of relevant records revealed that

taxpayers had not submitted the statement of zero rated supply nor the copy of export invoices/shipping bills were found in records. Thus, the turnover of export of goods could not be ascertained. However, without verifying the required documents, the Department sanctioned inadmissible refund amounting to ₹ 0.93 crore.

Out of 119 Post-automation zero rated refund cases (April 2021), Department had sanctioned refund in six cases of four circles for export without payment of tax. The taxpayers claimed refund of ₹ 0.84 crore, against which ₹ 0.81 crore was sanctioned. Verification of relevant records revealed that in case of M/s DCPL International, shipping bills of ₹ 2.84 crore was considered for turnover of zero rated supply of goods. However, shipping bills of only ₹ 2.61 crore were submitted by the taxpayer. Accordingly, taxpayer was eligible for refund of ₹ 0.22 crore while the Department sanctioned refund of ₹ 0.24 crore resulted in an inadmissible refund of ₹ 0.02 crore. In five other cases, the taxpayers claimed refunds of ₹ 0.59 crore which were sanctioned by the Department. However, invoices mentioned in statement of zero rated supply were neither verified on Indian Customs Electronic Gateway (ICEGATE) nor copy of export invoices were uploaded by the taxpayer. Thus, the turnover of export of goods could not be ascertained. Thus, the Department sanctioned refund without verifying the required documents resulting in an inadmissible refund of ₹ 0.61 crore<sup>28</sup>.

On these being pointed out, in respect of Pre-automation refund case of M/s KEC International, Refund Sanctioning Authority stated (January 2021) that sufficient documents of export invoices and free on board (FOB) value are attached with the case. However, Demand Notice in DRC-1A for ₹ 2,01,283 including interest was issued to taxpayer. Further, in case of M/s J D Impex, Refund Sanctioning Authority replied (January 2021) that action would be taken after verification.

The replies were not tenable as in case of M/s KEC International Ltd., documents of export invoices and shipping bills were not found on record and so audit had pointed out excess refund of ₹ 0.91 crore. Further reminder was issued to the Refund Sanctioning Authority on 01 April 2021 for providing the requisite missing records. However, the Department had issued demand notice only for ₹ 0.02 crore including interest against the pointed out excess refund of ₹ 0.91 crore. In another case of Pre-automation Refund, relating to M/s J D Impex, final action is awaited. Also, in respect of six Post-automation refund cases, the replies were awaited (September 2022).

## **2.5.16 Miscellaneous**

### ***2.5.16.1 Refund of ITC of supplier who stopped filing GSTR-1 & GSTR-3B return and registration was cancelled***

CGST Circular No. 125/44/2019-GST dated 18 November 2019 stipulated that any refund claim for a tax period may be filed only after furnishing all the returns in Form GSTR-1 and Form GSTR-3B which were due to be furnished on or before the date on which the refund application is being filed.

Out of 564 Post-automation refund cases, it was observed (April 2021) that the firm M/s H S Service Provider (Jabalpur-1) claimed refund of ITC of ₹ five lakh for the month of February 2020. Audit examination revealed that the supplier had not filed the returns after month of October 2018 and his registration was cancelled. Thus in this case, assessee was refunded

<sup>28</sup> Circle-Satna-2 (one case ₹ 0.05 crore), Circle-Gwalior-3 (three cases ₹ 0.47 crore), Circle-Indore-9 (one case ₹ 0.02 crore), Circle-Neemuch (one case ₹ 0.07 crore).

₹ five lakh even though the supplier had not paid the taxes and the Government is unlikely to get the amount in the near future as the supplier's registration was cancelled.

The matter was referred to the Refund Sanctioning Authorities. Reply was awaited (September 2022).

### **2.5.16.2 Refund sanctioned without ensuring the balance in Electronic Cash Ledger**

Section 49(6) of MPGST Act provides that the balance in Electronic Cash Ledger after payment of tax, interest, penalty, fee or any other amount payable under this Act or the rules made thereunder may be refunded.

Out of 564 Post-automation refund cases in scrutiny (April 2021) of three refund claims of three circles<sup>29</sup>, there were no balance found in Electronic Cash Ledger as on the application date or for the tax period for which refund was applied. However, the refund sanctioning authority had sanctioned ineligible refund of ₹ two lakh.

The matter was referred to the Refund Sanctioning Authorities. Reply was awaited (September 2022).

### **2.5.16.3 Refund sanctioned on time barred application**

As per Section 54(1) of the MPGST Act, any person claiming refund of any tax and interest, if any, paid on such tax or any other amount paid by him, may make an application in that regard to the proper officer of IGST/CGST/SGST/UTGST before the expiry of two years from the relevant date in prescribe form and manner. Submission of application after deficiency memo shall be treated as a fresh application.

Out of 564 Post-automation refund cases it was noticed (April 2021) that in three cases of two circles<sup>30</sup>, the claim was filed after lapse of more than two years from the relevant date despite which Department sanctioned the claim. As per the provisions, the Department should not have entertained the claim being time barred. This omission resulted in excess sanction of refund of ₹ 26 lakh.

The matter was referred to the Refund Sanctioning Authorities. Reply was awaited (September 2022).

### **2.5.16.4 Double Payment of refund due to issue of payment advice twice**

Audit observed (April, August and September 2021) instance of double payment in eight refund cases of five circles<sup>31</sup>, where Refund sanctioning authority had issued payment advice (RFD-5) twice against single refund sanction order (RFD-6) which resulted in double payment of refund to the taxpayers amounting to ₹ 51 lakh.

On these being pointed out, Refund Sanctioning Authorities stated (July–September 2021) that due to technical issue, payment advice was not displayed in the system. Therefore, further process of issuing payment advice was done again. Noticing the double payment, DRC-03 was issued and excess payment got deposited from the concerned taxpayers.

Reply is not acceptable as out of these eight cases of double payment, though in five cases amount was deposited before audit, but in two cases the amount was deposited after being pointed out by audit and in one case recovery was awaited (September 2022).

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<sup>29</sup> Circle-Jabalpur-2 (one case ₹ 0.02 crore), Circle-Jabalpur-4 (one case ₹ 0.005 crore), Circle-Gwalior-4 (one case ₹ 0.003 crore).

<sup>30</sup> Circle-Indore-13 (one case ₹ 0.005 crore), Circle-Gwalior-2 (two cases ₹ 0.25 crore).

<sup>31</sup> Circle-Indore-15 (two cases ₹ 0.06 crore), Circle Indore-7 (one case ₹ 0.02 crore), Circle-Indore-12 (three cases ₹ 0.04 crore), Circle-Indore-1 (one case ₹ 0.39 crore), Circle-Harda (one case ₹ 0.0001 crore).



### **2.5.16.5 Non-debit of refund amount from Electronic Credit Ledger**

As per provision of Section 41 of MPGST Act, the electronic credit ledger is maintained in Form GST PMT-02 for each registered person on the common portal and every claim of input tax credit is to be credited to this ledger. Where a registered person has claimed refund of any unutilised amount from the electronic credit ledger, the claimed amount shall be debited in the said ledger.

Further as per para 3.5 of Circular No. 59/33/2018-GST of CBIC, dated 04 September, 2018 clarified that the refund application can be filed only after the electronic credit ledger has been debited in the manner specified in para 3.2 (read with para 3.3) and the ARN is generated on the common portal.

Out of 447 Pre-automation refund cases examined (January 2021), in refund case of M/s Herbedge Healthcare Pvt. Ltd (Ujjain-1), neither the claimant nor did the Department follow the order of debiting the refundable amount to the electronic credit ledger as clarified by the Board. This had led to irregular refund of ₹ four lakh.

After being pointed out, Refund Sanctioning Authority stated (January 2021) that due to technical error, debit entry has not been made.

### **2.5.16.6 Delay in forwarding sanction orders to counterpart State tax authority**

Para 5 of CBEC Circular no. 24/24/2017 dated 21 December 2017, states that the payment of the sanctioned refund amount shall be made only by the respective tax authority of the Central or State Government. Thus, the refund order issued either by the Central tax authority or the State tax/UT tax authority shall be communicated to the concerned counter-part tax authority within seven working days for the purpose of payment of the relevant sanctioned refund amount of tax or cess, as the case may be.

While verifying the records of transmission of refund sanction orders communicated by the State Commissionerate to counterpart authority pertaining to financial year 2017-18 till 31 July 2020, it was observed that out of 447 Refund Cases examined (December 2020-January 2021), 60 refund orders of nine circles involving ₹ 17.96 crore were forwarded to the nodal officer for onward transmission to Central Tax Authority with a delay ranging from one day to three months in 52 cases, three to six months in five cases and more than six months in three cases. The details are given in **Appendix 2.20**.

Reply was awaited from the Department (September 2022).

### **2.5.16.7 Excess refund due to less determination of Adjusted Total Turnover**

As per CGST Rules 89(4) of CGST Rules 2017, “Adjusted Total Turnover” means the turnover in a State or a Union Territory, as defined under clause (112) of Section 2, excluding the value of exempt supplies other than zero-rated supplies, during the relevant period.

Out of 564 Post-automation refund cases, in refund cases of M/s Biscuit Basket Foods Pvt. Ltd. (Bhopal-5) and Geetanjali Enterprises (Indore-3), it was noticed (March-April 2021) that adjusted total turnover considered in applications for the maximum refund claim were lower than declared in return GSTR-1/GSTR-3B. This resulted in excess refund of ₹ one lakh due to non-verification of adjusted turnover from GSTR-1.

On these being pointed out, Refund Sanctioning Authorities stated (April 2021) that action will be taken after verification and refund was sanctioned after adjusting credit notes in turnover declared in statement of outward supply.

Reply was not tenable as adjusted total turnover declared in GSTR-3B was lower than that claimed in refund application GST RFD-1 and considered by the Department.

### **2.5.17 Conclusion**

From a system perspective, we conclude that there were several instances where the Department did not adhere to the extant provisions of the Act, Rules, etc. issued in relation to the grant of refund. Instances of delay in sanctioning of the refund orders, irregular grant of provisional refund, excess grant of refund of ITC were noticed. Further, instances were also noticed relating to inadmissible grant of refund without verifying the requisite documents, lack of validation checks and irregular payment of refund on input services and on refund of Capital goods etc. Non-conducting of post audit refund claims by the Department was also observed which may also lead to possible loss of revenue.

From a compliance perspective, we observed compliance deviations amounting to ₹ 10.36 crore in refund cases under various categories as detailed in para 2.5.6 above.

### **2.5.18 Recommendation**

- The Department needs to put in place a mechanism to verify the correctness of declarations filed by the taxpayers.
- Looking into the size of sample cases (1,011) test-checked and number of irregular refund claims noticed (167), the Department may rigorously examine similar cases not covered in the audit sample and take corrective action within a timeframe.

## 2.6 Compliance Audit of “Assessment of cases under Section 20 of MP VAT Act, 2002”

### 2.6.1 Audit Objectives

The audit of the Department was conducted with a view to assessing whether:

- Taxable turnover was worked out properly and appropriate rates of tax have been applied; and
- Input Tax Rebate was claimed and allowed properly.

### 2.6.2 Audit Criteria

Audit findings were benchmarked against the criteria sourced from:

- Madhya Pradesh Value Added Tax Act, 2002;
- Entry Tax Act, 1976;
- Central Sales Tax Act, 1956;
- Rules and instructions, circulars/exemption notifications issued by the State Government; and
- Decisions of the Courts and Appellate Authority.

### 2.6.3 Audit Scope and Methodology

Compliance Audit of the Commercial Tax Department under Value Added Tax, Entry Tax and Central Sales Tax Act was carried out between July 2021 and November 2021 and it covered the assessments for the four-year period from 2014-15 to 2017-18 (up to first quarter)<sup>32</sup>. Audit was conducted through a test-check of the assessments and other related records in 33 selected offices<sup>33</sup> (six Divisional, seven Regional and 20 Circle Offices) out of 115<sup>34</sup> offices. The sample selection was made on the basis of period for which units are due for audit. Accordingly, the top 33 units with highest pendency of assessments were selected for audit. Besides, information was also collected from the Office of the Commissioner, Commercial Tax Department. The Assessing Authorities (AAs) in the 33 selected Offices, provided to Audit a total of 90,878 assessment cases, for the period 2014-15 to 2017-18 (up to first quarter).

During audit, a total of 33,812 assessment cases, across all the selected offices were test-checked, primarily on the basis of financial materiality. Non-compliance issues, wherever noticed are detailed in the ensuing paragraphs, by aggregating Audit Observations of similar nature.

### 2.6.4 Result of Audit

Audit test-check of 33,812 (37 *per cent*) out of the total 90,878 cases of the sampled units had brought out instances of deviations/non-compliance with the relevant Acts/Codes/Manuals leading to short levy of tax and inadmissible/excess Input Tax Rebate, including penalty in 208 cases involving an amount of ₹ 21.13 crore, as detailed in **Table 2.6** below:

<sup>32</sup> GST Act was implemented w.e.f 01 July 2017.

<sup>33</sup> **DCCT:** Div-Khandwa, Div-Ratlam, Div-Chhindwara, Div-Gwalior-2, Div-Indore-3, Indore (LTU). **ACCT:** Indore-Div-1,3 (Preeti Srivastava) & 3 (Preeti Jouhri), Bhopal Div-1&2, Gwalior Div-1, Div-Chhindwara. **CTO:** Bhopal Circle-3 & 6, Indore Circle-4, 6, 11, 12, 14 & 15, Gwalior Circle-2 & 3, Ujjain-2, Jabalpur-3, Circle-Shahdol, Rewa, Khandwa, Chhatarpur, Harda, Seoni, Bina and Burhanpur.

<sup>34</sup> Out of the total 131 units, 16 units were unrelated to the Audit topic.

**Table 2.6: Audit observation categories on revenue receipts**

(₹ in crore)			
Sl. No.	Audit Observation Categories	No. of Audit Observations	Amount
1.	Incorrect determination of Turnover	67	3.49
2.	Application of incorrect Rate of Tax	18	2.86
3.	Grant of irregular concession under CST Act	21	3.79
4.	Non/Short levy of Entry Tax	33	1.12
5.	Incorrect deduction/Adjustment	11	1.25
6.	Grant of Input Tax Rebate on Part III Goods	01	6.03
7.	Allowance of excess Input Tax rebate against provisions	38	1.86
8.	Allowance of Input Tax Rebate without proper verification	19	0.73
<b>Total</b>		<b>208</b>	<b>21.13</b>

The above are the eight broad categories of Audit observations under VAT Act and Entry Tax Act which are detailed in the succeeding paragraphs.

There may be similar irregularities, errors or omissions in other units under the Department but not covered in the test-audit. The Department may, therefore, examine all the units to ensure that taxes are levied as per provisions of the Acts and Rules.

### Audit Findings

Audit findings regarding non-compliance to various provisions of the Act/Rules are discussed in the following paragraphs.

#### 2.6.5 Short levy of VAT due to incorrect determination of Turnover

As per Section 2(z) of the MP VAT Act, 2002, the dealer's turnover in relation to any period means the aggregate of sale prices received or receivable by a dealer in respect of any sale or supply of goods made during that period, excluding the amount of sales returned within the prescribed period. For the purpose of determining taxable turnover (TTO), the MPVAT Act provides<sup>35</sup> for the deduction of the sale price of tax paid goods, tax free goods and the amount of tax, from the turnover, if included in the aggregate of sale prices.

Test-check of assessment records of 14,662 cases in 33 selected offices revealed that in 67 cases, across 22 offices, the AAs failed to determine the correct Gross Turn Over (GTO)/Taxable Turnover at the time of assessments, resulting in under assessment of tax amounting to ₹ 3.49 crore. The details are given in **Table 2.7** below:

**Table 2.7: Details of incorrect determination of turnover**

(₹ in crore)						
Sl. No.	Audit Observation Categories	No. of cases	GTO determinable	GTO determined	Short determination	Under assessment
1.	The AAs did not consider actual sale value of movable assets while determining GTO.	26	313.05	293.57	1.95	0.80
2.	The AAs determined less sale value than what was entered in the Audited accounts of the dealers.	22	245.50	240.82	4.68	0.39
3.	The AA determined less GTO by taking into account less profit <i>vis-à-vis</i> actuals	07	12.56	11.31	1.27	0.11

<sup>35</sup> Under Section 2(x) of MPVAT Act.

Sl. No.	Audit Observation Categories	No. of cases	GTO determinable	GTO determined	Short determination	Under assessment
4.	'Turnover' excludes value of sales returned (if any) within six months from the date of effecting such sales. Further, any sale made to a unit within a Special Economic Zone (SEZ) is exempted from tax. The AAs allowed exemption on goods returned/sales made to SEZ without documentation.	05	266.84	266.21	0.63	0.07
5.	In case of works contract, the AA incorrectly determined the 'Material' and 'Labour' components and allowed excess claim of Labour resulting in under assessment.	05	12.16	8.82	3.34	0.33
6.	GTO of goods listed under Section 9A (sand, gitti etc.) is to be considered on volume. The AA imposed tax on sale value of 9A goods instead of assessing their value on the basis of volume, resulting in underassessment.	02	48.76	12.86	35.90	1.79
<b>Total</b>		<b>67</b>	<b>898.87</b>	<b>833.59</b>	<b>47.77</b>	<b>3.49</b>

The details of the cases are given in **Appendix 2.21**.

On these being pointed out by the Audit (July 2021 to November 2021), the concerned AAs stated (July 2021 to November 2021) that the cases would be verified, and action would be taken accordingly. Further development in this regard has not been intimated (September 2022).

The cases were forwarded to the Commercial Tax Department, GoMP in February 2022. The Department in the Exit Conference (June 2022) stated that audit objected cases are under review and there are five calendar years period available to reopen the case.

The fact remains that Department could not finalise any recovery of the audit objected cases till the Exit Conference (June 2022).

### **2.6.6 Shot assessment due to application of incorrect rate of tax**

Schedule II of MP VAT Act and notification issued thereunder prescribes the rate of tax to be levied on different commodities except those which are specified under Schedule I of the Act or exempted through notification.

Tax Paid goods in relation to goods specified in Part III of Schedule II and the goods notified under Section 9A means any such goods which have been purchased by a dealer from registered dealer inside the State of Madhya Pradesh.

Test-check of Assessment records under 33 selected offices revealed that in 18 cases (involving 10 offices), the AAs:

- In four cases, incorrectly treated elastic tape, warp knit fabrics (taxable at five *per cent*) as Tax free goods and assessed the turnover amounting to ₹ 32.35 crore accordingly, resulting in non-levy of tax amounting to ₹ 1.62 crore.

- In two cases, treated the taxable turnover of ₹ 1.32 crore on account of sale of mobile phones (taxable at 14 *per cent*) as tax-paid<sup>36</sup> (exempt) sale, resulting in non-levy of tax amounting to ₹ 0.18 crore.
- In 12 cases, applied incorrect rate of tax on items such as High Bay lights/Flood lights RCC poles, Motor parts, Floating Docks, Pet Preforms, three wheelers, Furniture, Plant & Equipment, *etc.*, involving a total turnover of ₹ 21.40 crore, resulting in short levy of tax amounting to ₹ 1.06 crore.

Thus, irregular assessment by the AAs on account of application of incorrect rates of tax resulted in short assessment of tax aggregating to ₹ 2.86 crore. The details are given in **Appendix 2.22**.

On these being pointed out by the Audit (July 2021 to November 2021), the ACCT, Division-3, Indore stated (September 2021) that the Appellate Board of Commercial Taxes, in case of M/s Kohinoor Elastic Pvt. Ltd.<sup>37</sup>, had treated elastic tape as Tax free goods. Further, the ACCT also stated that since additional excise duty is leviable on 'Elastic tape', it is to be treated as Tax free goods as per Schedule I of the VAT Act<sup>38</sup>.

The reply is not acceptable as the *ibid* judgement of the Appellate Board was passed in the year 1999 when the erstwhile Madhya Pradesh Commercial Tax Act was in force (before commencement of the VAT regime) and is hence not applicable to assessments/reassessments under the VAT Act. Further, 'Elastic Tape' is classified under Central Excise Tariff '5806' and is not included in the First Schedule to the Additional Duties of Excise Act, 1957 and hence it is not tax free as claimed and assessed by the Department.

In respect of other cases, the AAs stated (July 2021 to November 2021) that action would be taken after verification. Further development in this regard has not been intimated (September 2022).

The cases were forwarded to the Commercial Tax Department, GoMP in February 2022. The Department in the Exit Conference (June 2022) stated that audit objected cases are under review and there are five calendar years period available to reopen the case.

The fact remains that Department could not finalise any recovery of the audit objected cases till the Exit Conference (June 2022).

### **2.6.7 Under assessment of tax under GST Act due to grant of concessions without declaration forms**

Under Section 8 of the Central Sales Tax (CST) Act, 1956 read with Rule 12 of the CST (Registration and Turnover) Rules, 1957, inter-State sale of goods is taxable at the concessional rate of two *per cent* if a dealer selling the goods, furnishes to a prescribed Authority, a declaration in Form 'C' duly filled and signed by the purchasing dealer; else such sale is taxable at the local rate of tax. As per Section 6A, read with Rule 12(5) of the VAT Act/rules, dealer is not liable to pay tax if the movement of goods from one state to another otherwise than by way of sale and such transaction is supported by declaration in Form 'F'. Further, as per Section 4(4) of the CST Act, an Export sale supported by declaration in Form 'H' is not liable

<sup>36</sup> Tax-paid goods (classified in Part-III of Schedule-II of the VAT Act) are those goods on which tax is to be levied at the first point of sale and thereafter no tax is to be levied on second and subsequent sale.

<sup>37</sup> CCT order April 1999.

<sup>38</sup> As per Entry no. 48 of Schedule-I of the VAT Act, fabrics specified in the First Schedule to the Additional Duties of Excise Act, 1957 are exempt from payment of tax.



to tax. The provisions of the CST Act apply *mutatis mutandis* in case of assessments/reassessments under the VAT Act.

Test-check of records of 33 selected offices revealed that in 21 cases (involving 16 offices), the AAs while assessing the returns of the dealers for the period from 2014-15 to 2017-18, incorrectly allowed concessional rate of tax on inter-State sale even though the returns were not supported by duly filled declarations in Form 'C'. This resulted in under assessment of tax of ₹ 0.95 crore. For furnishing of false returns, penalty not exceeding ₹ 2.84 crore was also leviable. The details are given in **Appendix 2.23**.

On these being pointed out by the Audit (July 2021 to November 2021), the concerned AAs stated (July 2021 to November 2021) that the cases would be verified, and action would be taken accordingly. Further development in this regard has not been intimated (September 2022).

The cases were forwarded to the Commercial Tax Department, GoMP in February 2022. The Department in the Exit Conference (June 2022) stated that the audit objected cases are under review and there are five calendar years period available to reopen the case.

The fact remains that Department could not finalise any recovery of the audit objected cases till the Exit Conference (June 2022).

### 2.6.8 Non/Short levy of Entry Tax

The Entry Tax Act, 1976 as well as Rules and notifications issued thereunder, stipulate that Entry Tax is leviable at the specified rates on the goods entering into local area for consumption, use or sale therein. Section 4A of Entry Tax Act stipulates that enhanced rate of Entry Tax is leviable on notified goods<sup>39</sup>.

Test-check of 7,169 assessment records and cross-verification of the related documents such as audited accounts, purchase lists, *etc.* in the 33 selected Offices revealed that in 33 cases across 12 Offices, Entry Tax on goods such as flood lights, coal, milk product, PP Bags, electronics goods, refined oil *etc.*, was either not levied or short levied at incorrect rates on their entry into local area. This resulted in non/short levy of Entry Tax amounting to ₹ 1.12 crore. The details are given in **Table 2.8** below:

**Table 2.8: Details of short levy/non-levy of Entry Tax**

(₹ in crore)			
Sl. No.	Gist of Audit Observation(s)	No. of Audit Observations	Money value
1.	AAs allowed incorrect deduction by treating the goods entering into the local areas as Tax paid/Tax free Goods resulting in non-levy of Entry tax.	09	0.31
2.	AAs did not levy enhanced rate of tax on goods notified as per Section 4A of the Entry Act.	08	0.12
3.	AAs short-determined Entry Tax by considering less purchase turnover of goods	08	0.12
4.	AAs levied Entry Tax at one <i>per cent</i> instead of two <i>per cent</i> resulting in under assessment.	06	0.20
5.	AAs allowed incorrect deduction by treating tax payable goods as 'Exempted Goods' as shown below: <ul style="list-style-type: none"> <li>• In one case, dealer claimed exemption on 'bus body' treating it as 'heavy goods vehicle' and the AA allowed the same, and;</li> <li>• In another case, dealer claimed exemption on 'refined oil' treating it as 'crude oil' and the AA allowed the same.</li> </ul>	02	0.37
<b>Total</b>		<b>33</b>	<b>1.12</b>

<sup>39</sup> Notified Goods include goods such as PP bags, furnace oil *etc.*, purchased from outside the state of Madhya Pradesh for local consumption/use.

The case wise details are given in **Appendix 2.24**.

On these being pointed out (August 2021), DCCT Khandwa in respect of one case stated (August 2021) that the dealer had brought crude edible oil into the local area and hence the same was exempted from Entry Tax as per GoMP Notifications<sup>40</sup> dated December 2010 and February 2011.

The reply is not acceptable as the assessment records clearly prove that the dealer brought 'Refined Soya Oil' and 'RBD palm oil' into the local area which fall into the category of finished refined edible oil and not crude edible oil. The concerned AA, at the time of assessment, failed to take this into account resulting in non-levy of Entry tax to that extent.

In respect of the remaining 32 cases, the concerned AAs stated (July 2021 to November 2021) that action would be taken after verification of the records. Further development in this regard has not been intimated (September 2022).

The cases were forwarded to the Commercial Tax Department, GoMP in February 2021. The Department in the Exit Conference (June 2022) stated that the audit objected cases are under review and there are five calendar years period available to reopen the case.

The fact remains that Department could not finalise any recovery of the audit objected cases till the Exit Conference (June 2022). Further, progress in this matter may be intimated to the audit.

#### **2.6.9 Incorrect adjustment of tax Deducted at Source**

As per Section 26(1) of the MP VAT Act, any person responsible for making payment of any sum to any dealer as a consideration for the sale or supply of any goods in pursuance of a contract between such dealer and the Central Government or a State Government, shall before payment, deduct an amount equal to the amount payable by the government to the dealer by way of tax, where the total amount of the bill exceeds rupees five thousand and shall pay it to the State Government in such manner as may be prescribed. Section 26(2) *ibid* provides for deduction of tax at three *per cent* tax or as per prescribed lump sum rate (in case of a Contractor who has opted for composition).

Test-check of records of 33 selected offices revealed that in 11 cases involving five offices, the concerned AAs allowed incorrect/excess adjustment of Tax Deducted at Source (TDS) which resulted in underassessment of tax amounting to ₹ 1.25 crore. The details are given in **Appendix 2.25**.

On these being pointed out (July 2021 to November 2021), the AAs stated (July 2021 to November 2021) that the cases would be verified, and action would be taken after verification. Further development in this regard has not been intimated (September 2022).

The cases were forwarded to the Commercial Tax Department, GoMP in February 2022. The Department in the Exit Conference (June 2022) stated that the audit objected cases are under review and there are five calendar years period available to reopen the case.

The fact remains that Department could not finalise any recovery of the audit objected cases till the Exit Conference (June 2022).

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<sup>40</sup> Vide Government Notification no. 96 dated 13 December 2010 and Government notification no. 16 dated 31 March 2011.



### 2.6.10 Irregular grant of Input Tax Rebate on Part III goods

As per Section 14(1) of the MP VAT Act, the Input Tax Rebate (ITR) is admissible on goods mentioned in Part I, II, III A and Part IV of Schedule II of the Act. Goods included in Part III are tax paid goods and ITR is not admissible on these goods. Goods listed in the Part III of Schedule II of the MP VAT Act include kerosene sold through Public Distribution System (PDS).

Test-check of assessment records in the office of the Deputy Commissioner, Large Tax Payer Unit, Indore revealed that during the period from April 2016 to March 2017, a dealer (M/s Bharat Petroleum Corp. Ltd., TIN 2317114993, Case no.1064206) purchased kerosene amounting ₹ 107.77 crore from a registered dealer of the state, on which the dealer claimed ITR of ₹ 15.09 crore. The AA accordingly allowed the ITR claims during assessment. Based on the assessment orders and other related records, Audit further observed that the dealer also purchased kerosene valued at ₹ 78.83 crore from outside the State; against which, the dealer transferred ₹ 32.13 crore worth kerosene to outside dealers in course of inter-State stock transfer of goods. As such, the dealer's net total purchases (Inward stock) of kerosene during the year was of ₹ 154.47 crore. Against this, the dealer disclosed an amount of ₹ 104.22 crore as sold through PDS.

The details are given in the **Table 2.9** below:

**Table 2.9: Details of Purchases and Sales**

(Amount in ₹)

Local purchase	Inter-State purchase details		Sale through PDS	
			From local purchase	From net inter-State purchase <sup>41</sup>
1,07,76,30,510	Purchase:	78,83,44,077	57,51,42,756	46,70,11,254
	Less: Stock transfer:	32,13,32,533	(40.49 per cent of total sale)	
	Net:	46,70,11,254		

Since 40 per cent of the sale effected through PDS was from the local purchase, hence as per provisions, ITR was not admissible on 40 per cent of local purchase. Thus, incorrect allowance of ITR by AA on the entire local purchase by disregarding the sale through PDS resulted in the excess ITR of ₹ 6.03 crore<sup>42</sup>.

On this being pointed out (September 2021), the AA stated (September 2021) that action would be taken after verification of records.

The cases were forwarded to the Commercial Tax Department, GoMP in February 2021.

The Department in the Exit Conference (June 2022) stated that the current status of the case will be communicated to audit in due course.

Further development in this regard had not been intimated (September 2022).

<sup>41</sup> Maximum amount has been allowed to the dealer as sale through PDS so as to calculate the minimum tax impact. The AAs may calculate/determine the actual sale as per accounts.

<sup>42</sup> 40 per cent of ₹ 1,07,76,30,510 = ₹ 43,10,52,204. ITR claim on ₹ 43,10,52,204 @ 14 per cent = ₹ 6,03,47,309.

### 2.6.11 Issues pertaining to Input Tax Rebate (ITR)

As per Section 14 of MPVAT Act, a purchasing registered dealer, on fulfilment of certain conditions<sup>43</sup>, shall claim or be allowed ITR on the amount of input tax. Further, under Rule 9 of the MPVAT Rules, no ITR shall be claimed or be allowed if the bill, invoice or cash memorandum does not indicate separately the amount of tax collected by the selling registered dealer<sup>44</sup> and TIN of the purchasing dealer.

Issues pertaining to ITR have been discussed in the succeeding paragraphs.

#### 2.6.11.1 Allowance of excess ITR against provision

Test-check of the sampled 14,662 Assessment records in 33 selected offices revealed that in 38 cases across 13 offices, the AAs allowed higher ITR, as per details given in **Table 2.10** below:

**Table 2.10: Details of allowance of excess ITR**

(₹ in crore)			
Sl. No.	Audit Observation Categories (Gist)	No. of Audit Observations	Money Value
1.	Goods (soyabean, mustard seeds, etc.) notified under Section 26A are not eligible for ITR. The AAs allowed ineligible ITR claims on purchase of Section 26A goods resulting in under assessment.	03	0.33
2.	As per Section 14(1)(a)(1a) ITR can be claimed/ allowed against the actual local sale or on the CST payable (inter-State sale), whichever is less. The AAs allowed the dealers to claim full ITR against the interstate sale (instead of allowing only the CST payable), resulting in excess allowance of ITR.	11	0.42
3.	In case of works contracts, materials used in execution of the contract are eligible for ITR. The AAs allowed ITR on purchase of machinery, tools, spare parts etc., to works contractors even though such ITR claim was to be disallowed.	02	0.48
4.	As per Section 14(1), manufacturers can claim ITR on goods purchased for use in manufacturing including raw materials, machinery and packing materials. The AAs allowed ITR on purchase of ineligible items such as weighbridge, car, furniture, interior decoration etc.	04	0.08
5.	As per notification dated 17 August 2007, ITR is not to be allowed on goods such as building materials and office equipment. Further, ITR is allowed only on purchases The AAs incorrectly allowed ITR on purchase of building materials and office equipment resulting in under assessment.	04	0.17
6.	Under Section 39 of the MPVAT Act, dealers with annual turnover above ₹ one crore are to furnish audited accounts duly certified by Chartered Accountant. The AAs, while allowing ITR claims, did not consider the actual purchases/purchase returns made by the dealers on the basis of audited accounts, resulting in excess grant of ITR on purchases/purchase returns.	06	0.14

<sup>43</sup> If a registered dealer purchases any goods specified in Schedule II within the state of Madhya Pradesh from another such dealer after payment of input tax, other than those specified in Part III and Part IIIA of the said Schedule, he shall claim or be allowed, in such manner and within such period as may be prescribed, ITR of the amount of such input tax.

<sup>44</sup> Under Rule 9 of the MPVAT Act.

Sl. No.	Audit Observation Categories (Gist)	No. of Audit Observations	Money Value
7.	For the quarter ended 30 June 2017, a dealer claimed ITR on purchase of machinery. Although the purchases were made after October 2017 (when VAT was not in force) i.e., after the period of transaction and hence were not to be allowed, the AA allowed the same, resulting in inadmissible allowance and under assessment.	01	0.04
8.	<ul style="list-style-type: none"> <li>In three cases, the AAs incorrectly allowed full claim of ITR on manufacturing of tax-free goods instead of the differential rate, resulting in excess allowance of ITR.</li> <li>ITR is not to be allowed on evaporation loss for petrol/diesel. The AAs in three cases incorrectly calculated the ITR component to be disallowed on evaporation loss, resulting in undue benefit to the dealers.</li> <li>Full ITR is not to be allowed if goods have not been sold (disposal of goods otherwise than by way of sale). In one case, the AA allowed the same.</li> </ul>	07	0.20
<b>Total</b>		<b>38</b>	<b>1.86</b>

Irregular action of the AAs in allowing ITR, despite being ineligible, resulted in short realisation of tax amounting to ₹ 1.86 crore in the above cases. The details are given in **Appendix 2.26(a)**.

In the above cases, the AAs allowed excess/incorrect ITR which resulted in short realisation of tax of ₹ 1.86 crore.

On these being pointed out (July 2021 to November 2021), the AAs stated (July 2021 to November 2021) that the cases would be verified, and action would be taken after verification. Further development in this regard has not been intimated (September 2022).

The cases were forwarded to the Commercial Tax Department, GoMP in February 2022. The Department in the Exit Conference (June 2022) stated that the audit objected cases are under review and there are five calendar years period available to reopen the case.

The fact remains that Department could not finalise any recovery of the audit objected cases till the Exit Conference (June 2022).

### ***2.6.11.2 Allowance of Input Tax Rebate without proper verification***

Scrutiny of Assessment records and other relevant records, of the sampled 14,662 cases in the 33 selected Offices revealed that in 19 cases involving 08 offices, there were irregularities in the ITR claims made by the dealers as discussed below:

- In 13 cases, the purchase bills submitted by the dealers for claiming ITR did not indicate purchaser's TIN number or the proof of purchase was not available or ITR was claimed on inter-State purchase. Thus, the invoices were to be disregarded and ITR was to be allowed as per the provisions of the MP VAT Act.
- In four cases, the purchase details submitted by the dealer did not match the sales details submitted by the concerned selling dealers. The AAs did not take this into account, resulting in excess allowance of ITR.
- In two cases there was excess forwarding of ITR from previous quarters/tax periods resulting in grant of undue favour to the dealers.

The AAs, in all the above cases, failed to ascertain the correctness of ITR claims, resulting in incorrect grant of ITR of ₹ 0.73 crore and under assessment to that extent. The details are given in **Appendix 2.26(b)**.

On these being pointed out (July 2021 to November 2021), the AAs stated (July 2021 to November 2021) that the cases would be verified, and action would be taken after verification. The cases were forwarded to the Commercial Tax Department, GoMP in February 2022. Further development in this regard has not been intimated (September 2022).

The Department in the Exit Conference (June 2022) stated that only on the basis of mismatched in Form 75, it cannot be said that ITR is not allowable.

The reply is not acceptable as only few cases of Form 75 mismatch have been taken under this topic where mismatch was substantial and rest of the cases are of other categories like TIN of purchaser not being mentioned on purchase bill, which is necessary as per Section 14(6)(x) of MP VAT Act.

### **2.6.12 Conclusion**

Audit of the Commercial Tax Department, revealed that the Department in general, had complied with the provision of the relevant Act/ Rules. However, various instances were pointed out by the Audit where the AAs had not complied with the provisions of the Acts/Rules in determining the correct taxable turnover of the dealers, had allowed excessive ITR against what was admissible, or had not/short levied Entry Tax on entry of goods into the local area.

**CHAPTER III**  
**MINERAL RESOURCES**  
**DEPARTMENT**



## CHAPTER III MINERAL RESOURCES DEPARTMENT

### 3.1 Compliance audit on "Administration and utilisation of funds of the District Mineral foundation in Madhya Pradesh"

#### *Summary*

There are a total of 51 District Mining Offices (DMOs) in the State and District Mineral Foundations (DMFs) have been established by the State Government in these districts. Out of these 51 DMOs in the State, major minerals are found in 22 districts. Out of these 22, the Audit covered nine units as well as an apex unit *i.e.*, Directorate of Geology and Mining (DG&M). During the audit of these nine units and an apex unit, the following observations were noticed:-

- *Non-compliance of administrative provisions relating to regular conduct of meetings of Board and Executive Committees, non-maintenance of basic records like list of the mining affected area and affected people and register of DMF fund payable and paid, irregular audit of accounts of DMF by the Chartered Accountants, non-disclosure of DMF activities in the website etc.*
- *Irregularities in the fund management of DMFs as to less contribution to DMF fund by the lessees, non-recovery of interest on delayed payment, funds lying idle in the DMFs, incurring disproportionate expenditure on eligible activities, Non-recovery of unutilised advance amount from work executing agencies etc.*
- *Irregularities in the execution of work from DMF fund such as short deduction of royalty, delay in completion of work, extra cost due to incorrect adoption of rate, improper survey, excess payment made to contractors/vendors etc.*

***These instances of shortcomings, in aggregate, involved an overall impact of ₹ 206.21 crore.***

#### **3.1.1 Introduction**

The mining sector in India largely affects the local area and vulnerable sections of the population residing near the mining areas. Therefore, it has to be ensured that these areas and affected persons are benefitted by the mineral wealth in their regions and are empowered to improve their standards of living.

The Government of India (GoI) amended (March 2015) the Mines and Minerals (Development and Regulation) Act, 1957 (MMDR Act) and inserted a new Section 9B to enable the State Government to establish a trust, as a non-profit body, to be called the District Mineral Foundation (DMF) in any district affected by mining related operations.

The GoI also launched (September 2015) the *Pradhan Mantri Khanij Kshetra Kalyan Yojana* (PMKKKY) to be implemented by the DMFs of the respective districts using the funds accruing to the DMFs in accordance with Rule 8 of the DMF Rules, 2016 as detailed in the succeeding paragraphs. The objectives of PMKKKY were (a) to implement various developmental and welfare projects/programmes in mining affected areas, (b) to minimise/mitigate the adverse impacts, during and after mining, on the environment, health and socio-economic conditions of people in mining districts; and (c) to ensure long-term sustainable livelihoods for the affected people in mining areas.

Accordingly, the Government of Madhya Pradesh (GoMP) established<sup>1</sup> DMFs in the Districts which are affected by mining related operations by notification (15 May 2015). Subsequently, the DMF Rules, 2016 (DMF Rules) were also framed (July 2016) to regulate the composition, functions and manner of payment to be made to the DMFs by the holders of mining lease.

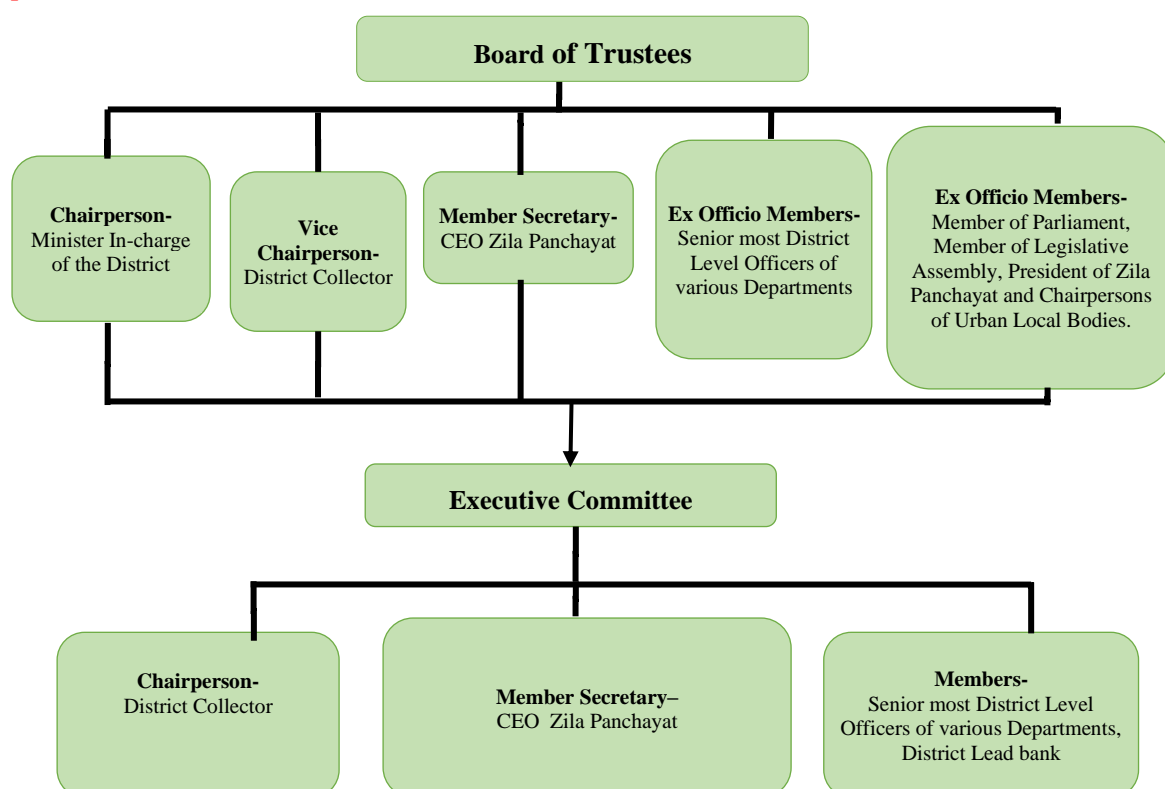
Further, the Ministry of Mines, GoI, notified (September 2015) the Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015, prescribing the rate of contribution to DMF effective retrospectively from 12 January 2015. However, as per orders of Hon'ble Supreme Court<sup>2</sup> (13 October 2017), the DMF fund contribution in the case of minerals other than coal and lignite was recoverable with effect from 17 September 2015 and in the case of coal, lignite and sand for stowing from 20 October 2015.

In addition to the DMF Rules, the State Government has also formulated Madhya Pradesh Sand Rules, 2018 and Madhya Pradesh (Mining, Transport, Storage and Trade) Rules, 2019 for contribution from sand mining to the DMF. A separate sand DMF<sup>3</sup> was accordingly created for this purpose which was administered by the Director, Geology and Mining, GoMP.

### 3.1.2 Administrative setup of DMF

The administrative setup of the District Mineral Foundations is governed as per Rule 5 and 7 of the DMF Rules, 2016. The District Mineral Foundation is required to have a two-tier administrative structure comprising a Board of Trustees and an Executive Committee of the Foundation. The administrative structure of the Foundation is shown in **Chart 3.1** below:

**Chart 3.1: Administrative set up of District Mineral Foundation**



<sup>1</sup> W.e.f. January 2021, DMFs have been established in all the districts in the State.

<sup>2</sup> As per orders of Hon'ble Supreme Court in transferred case (Civil) no. 43 of 2016 dated 13 October 2017.

<sup>3</sup> The money collected in sand DMF (from sand mining) is separately managed and the funds are also separately utilised from the main DMF. The mode of operation of both DMF and sand DMF remains same.



As per Rule 6 and 7(2) of the DMF Rules, 2016, the overall control over the management and functioning of the Foundation vests in the Board of Trustees, while the day-to-day affairs are managed by the Executive Committee. Some key roles of the Board of Trustees include determining the priority areas, recommending the perspective plan for five years, approving annual plans and budgets, monitoring the proper functioning of the Foundation etc. Key roles of the Executive Committee include preparing the perspective plan, maintaining the accounts, supervising the progress and execution of works, preparing the annual budget and working plan, presenting annual reports including accounts and audit reports etc.

Apart from the above, under Rule 13(2)(e) of the DMF Rules, 2016, all DMFs shall transfer the prescribed percentage of their annual accruals to the State Mineral Fund (SMF) which is governed by a Committee, to be formed under Rule 14 of the DMF Rules, 2016 and is chaired by the Principal Secretary of the Finance Department and consists of Principal Secretaries of various other Departments of GoMP.

### 3.1.3 Trend of receipt and expenditure of DMF fund

As per Rule 8 of the DMF, 2016, the funds of Foundation shall comprise of (a) payment made by the lessees of major mineral leases at the rates specified by the Central Government (b) any fund transferred from other DMFs (c) all receipts and income including interest accrued there from (d) voluntary contributions, if any, received by the Foundation from any person of organisation (e) loans/grants and budgetary devolution with the prior permission of the State Government.

The details of total receipt, expenditure of DMFs and transfer to State Mineral Fund of 22 Districts upto March 2021 are given in **Table 3.1** below:

**Table 3.1: Details of total receipt, expenditure of DMF and transfer to SMF in respect of sample selected of 22 districts of Madhya Pradesh (excluding Sand DMF)**

(₹ in crore)					
Year	Total receipt in DMF fund during the year	Total fund Transferred to SMF	Total DMF fund available	Expenditure through DMFs	Unutilised DMF fund at the end of year
Upto 2018-19 <sup>4</sup>	2,243.07	703.93	1,539.14	534.41	1,004.73
2019-20	795.69	255.41	540.28	371.97	168.31
2020-21	821.23	547.49	273.74	256.90	16.84
<b>Total</b>	<b>3,859.99</b>	<b>1,506.83</b>	<b>2,353.16</b>	<b>1,163.28</b>	<b>1,189.88</b>

Source: Information compiled from data furnished by Directorate, Geology and Mining

It can be seen from the above table that the total receipts in DMF fund had increased by 3.21 per cent in 2020-21 over 2019-20, however during the same period, the expenditure from the fund had decreased by 30.94 per cent. Also, as on 31 March 2021, out the DMF fund available aggregating to ₹ 2,353.16 crore, only ₹ 1,163.28 crore i.e., 49.43 per cent could be expended. As a consequence of this, as on 31 March 2021, ₹ 1,189.88 crore was lying unutilised.

<sup>4</sup> The Department could not provide the specific figures pertaining to the year 2018-19.

### 3.1.4 Audit Objectives

The audit was conducted to ascertain whether:

- Plans were prepared as per DMF Rules in consonance with the guidelines of *Pradhan Mantri Khanij Kshetra Kalyan Yojana*;
- Financial management of the DMF was adequate and effective; and
- Planned works/activities were executed timely as well as effectively and their execution was monitored properly.

### 3.1.5 Audit Criteria

The audit criteria were derived from the following sources:

- Mines and Minerals (Development and Regulation) Act, 1957;
- Mines and Minerals (Development and Regulation) Amendment Act, 2015;
- Mines and Minerals (Contribution to District Mineral Foundation) Rules, 2015;
- Madhya Pradesh DMF Rules, 2016;
- Madhya Pradesh Sand Rules, 2018 and 2019;
- Guidelines of *Pradhan Mantri Khanij Kshetra Kalyan Yojana*;
- Madhya Pradesh Store Purchase Rules 2015; and
- Relevant notifications and circulars issued by the Central/State Government.

### 3.1.6 Scope of Audit

There are a total of 51 District Mining Offices (DMOs) in the State and DMFs have been established by the State Government in all these districts under DMF Rules, 2016. As no rules were formulated till January 2021 by the State Government regarding DMF fund contribution on minor minerals<sup>5</sup> except sand, the main source of collection of DMF fund was from major minerals<sup>6</sup>. Out of 51 districts in the State, major minerals are found in 22 districts. Therefore, the scope of audit in respect of DMF receipts from major minerals was in 22 Districts. Out of these 22<sup>7</sup>, the audit covered nine units<sup>8</sup> having higher receipts in DMF fund as well as an apex unit, *i.e.*, Directorate of Geology and Mining (DG&M). The selection of the units was done on the basis of the financial criticality of the units through random sampling method. The audit was conducted during the period September 2021 to November 2021 covering a period of last three years from 2018-19 to 2020-21 for scrutinising the records related to collection, administration and expenditure of DMF fund as well as implementation of PMKKKY in these selected districts.

The Exit Conference was conducted with the Department in September 2022.

<sup>5</sup> “Minor minerals” means building stones, gravel, ordinary clay, ordinary sand, other than sand used for prescribed purpose, and any other mineral which the Central Government may, by the notification in the official Gazette, declare to be a minor mineral.

<sup>6</sup> Major Minerals are those specified in the first schedule appended in the mines and minerals (Development and Regulation) Act, 1957 (MMDR Act, 1957) and the common major minerals are lignite, Coal, Uranium, iron ore, gold etc. It may be noted that there is no official definition for “major minerals” in MMDR Act.

<sup>7</sup> Alirajpur, Anuppur, Betul, Balaghat, Chhatarpur, Chhindwara, Damoh, Dhar, Gwalior, Jabalpur, Jhabua, Katni, Narsinghpur, Neemuch, Panna, Rewa, Sagar, Satna, Shahdol, Sidhi, Singrauli and Umaria.

<sup>8</sup> Anuppur, Balaghat, Betul, Chhindwara, Katni, Neemuch, Satna, Shahdol and Singrauli.

The Office of the Accountant General (Audit-II), Madhya Pradesh acknowledges the co-operation and assistance rendered by the officials of the Mineral Resources Department during the course of audit.

### **Audit Findings**

#### **3.1.7 General Findings as to non-compliance of administrative procedures/meetings/accounts/non-maintenance of records etc.**

##### **3.1.7.1 Meeting of Boards and Executive Committees**

As per Rule 5(4) of the DMF Rules, 2016, the Board shall meet at least twice in a financial year and not more than eight months shall elapse between two meetings and Rule 7(3) of DMF Rules, 2016, stipulates that the Executive Committee shall meet at least once in every quarter or more than once, if required.

During test-check of records of nine selected DMFs, we observed that only 18 Board meetings were held against 54 required meetings of DMFs and 33 Executive Committee meetings were held against 108 meetings during the three years covered under audit.

The Department in the Exit Conference (September 2022) clarified that due to the non-appointment of the Minister-in-charge as part of Governing and Executive body of DMF, the meeting could not be held.

The fact remains that non-convening of the meeting at regular intervals is indicative of the weakness in the overall control over the management and functioning of the Foundation. This has resulted in ineffective implementation of schemes under DMF, resulting in non-preparation of perspective plan, delays in execution *etc.* as pointed out in subsequent paragraphs.

##### **3.1.7.2 Improper functioning of Boards and Executive Committee**

As per Rule (6) of the DMF Rules, 2016, the Board shall have the overall control over the management and functioning of the DMF, subject to the guidelines or directions, if any, issued by the State Government and shall have powers to determine the priority areas as per the guidelines of PMKKKY, recommend the perspective plan for five years, approve the annual financial statements, and monitor the proper functioning of the DMF.

Further, in compliance with the Rule 11 of the DMF Rules, 2016, the Funds of the Foundation are to be utilised for undertaking the activities in consonance with the provisions of the PMKKKY and for other developmental activities as decided by the State Government. Hence, the Rules 7(2)(a) and 7(2)(e) of the DMF Rule, 2016, makes the Executive Committee responsible for preparation of perspective plan for five years, annual budget plan and working plan based on perspective plan.

During test-check of records of the nine selected DMOs we observed that only five<sup>9</sup> DMF Executive Committee had prepared perspective plans which were recommended by their respective Boards. It was also observed that in Katni, 11 works were executed through DMF fund but they were not included in the perspective plan. Annual working plans were not prepared every year by any of the DMFs except Singrauli. In Singrauli, in years 2018-19 and 2019-20 annual working plan was prepared but was not approved by Board. While in year 2020-21, neither the annual working plan was prepared nor it was approved by the Board. It

<sup>9</sup> Anuppur, Balaghat, Katni, Neemuch and Singrauli.

was also observed that none of the DMFs had prepared annual budget. Hence, due to non-preparation of perspective plan, annual working plan and annual budget, the funds available for development of mining affected areas could not be properly utilised.

The Department in Exit Conference (September 2022) assured to look further into the matter.

### **3.1.7.3 Non-preparation of list of the mining affected area and affected people**

As per Rule 12(3) and 12(4) of the DMF Rule, 2016, the DMF shall prepare and maintain the updated list of directly and indirectly mining affected areas and affected persons/local communities.

During test-check of records of the nine selected DMOs, it was observed that except DMF Satna, none of the DMFs had prepared the list of mining affected areas and people as per the guidelines of PMKKKY. Further, it was also observed that in DMF Satna, 39 works amounting to ₹ 21.02 crore were sanctioned in areas which were not mining affected. This was against the provisions of the DMF Rules, 2016.

The Department in the Exit Conference (September 2022) responded that there have been recent changes in the PMKKKY State guidelines (August 2022) and as per the new guidelines, the whole State has been identified as a directly affected area.

The reply is not acceptable as the whole state was identified as a directly affected area in August 2022 only. However, the provision of preparation and maintaining of list of mining affected area and affected people were in place since the enactment of DMF Rules in 2016 onwards.

### **3.1.7.4 Register of the amount payable and paid not maintained**

As per Rule 20(2) of the DMF Rules, 2016, every officer who is authorised to collect royalty shall maintain a register of the amount payable and paid by each lessee and furnish the monthly consolidated statement thereof to the Member Secretary of the Committee at the end of every month.

Audit observed that except DMO Singrauli and DMO Neemuch, seven DMOs<sup>10</sup> did not maintain the registers of the amount payable and paid. Also, they did not send the consolidated statement to the Member Secretary of the Committee at the end of every month. As a result, Audit could not assess as to how much amount of DMF was to be paid and how much was actually paid by the lessees.

The Department in Exit Conference (September 2022) assured to look further into the matter.

Further progress in this regard is awaited (September 2022).

### **3.1.7.5 Accounts not audited by the Chartered Accountants**

Rule 17 of the DMF Rules, 2016 provides that the accounts of the DMF shall be maintained in accordance with such accounting procedure as the State Government may specify. The accounts of the DMF shall be audited every year by the Chartered Accountant appointed by the Board, or in such other manner as the State Government may specify, and the report thereof shall be placed in the public domain along with the annual report.

Audit observed that in respect of 22 test checked DMFs (which were required to be audited every year), there were shortfalls of 10, 14 and 18 audits respectively during the period 2018-19 to 2020-21. Further, out of the nine selected DMFs, only five DMFs *i.e.*, Singrauli, Anuppur, Betul, Chhindwara and Balaghat were audited in the year 2018-19 and only two

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<sup>10</sup> Anuppur, Balaghat, Betul, Chhindwara, Katni, Satna and Shahdol.

DMOs *i.e.*, Betul and Anuppur were audited in the year 2019-20. None of the selected DMOs were audited for the year 2020-21 by the Chartered Accountants. On being pointed out, the DG&M, Bhopal stated (September 2021) that the process of auditing was going on in many Districts.

The Department in Exit Conference (September 2022) assured to look further into the matter. Further progress in this regard is awaited (September 2022).

### **3.1.7.6 Annual Report not prepared by the DMF**

Rule 18(1) of the DMF Rules, 2016 provides that every year, within three months from the date of closure of the financial year, the Executive Committee shall cause to prepare an annual report on its activities for the respective financial year and place it before the Board. Further, Rule 18(2) of the DMF Rules, 2016 provides that this report will be submitted to the State Government within one month from the date of its approval by the Board and shall also be hosted on the website of the DMF. Also, as per Rule 18(3) of the DMF Rules, 2016, the annual report of each Foundation has to be laid before the State Legislative Assembly by the Mining Department.

During test-check of records of nine selected DMOs, it was observed that except Satna, eight DMFs<sup>11</sup> prepared annual report, but their annual reports were not placed before the State Legislative Assembly. It was also observed that in DMFs of Shahdol and Betul, the annual reports were not prepared for the year 2020-21 by the Executive Committee. Consequently, the State Government was deprived of the information about the works and activities under the PMKKKY.

The Department in Exit Conference (September 2022) assured to look further into the matter.

### **3.1.7.7 Transparency of information not maintained**

As per Rule 19 of the DMF Rules, 2016, every DMF shall prepare and maintain a website on which information related to composition of the DMF, list of area and people affected by mining, quarterly details of contributions received from lessees and others, all meeting agenda, minutes, Action Taken Reports (ATRs), annual plans, budget, work orders, annual reports, online status of ongoing works, list of beneficiaries under various welfare programmes and voluntary disclosures under Right to Information Act, 2005 shall be hosted and kept updated. Further, a website ([www.dmfmp.org](http://www.dmfmp.org)) was to be developed<sup>12</sup> wherein the above-mentioned information was to be maintained and updated accordingly.

During test-check of records of nine selected DMOs and office of the DG&M, Bhopal, we observed that at present (September 2022), no such website was in existence.

The Department in Exit Conference (September 2022) informed that the State did create the DMF portal (<http://www.dmfmp.org.in>) in 2017 but it was scrapped by the GoI and states were asked to update the details of DMF on a new portal (<https://mines.gov.in>). As such the state portal is non-functional and all the information pertaining to DMF is uploaded on the GoI portal (<https://mines.gov.in>). The Department of Mines with the help of the Madhya Pradesh Agency for Promotion of Information Technology (MAPIT) is developing a state DMF portal.

<sup>11</sup> Anuppur, Balaghat, Betul, Chhindwara, Katni, Neemuch, Shahdol and Singrauli.

<sup>12</sup> In compliance with the provision of DMF Rules, 2016 through point no. 5 of order no.-F-19-5/2015/1212 dated 19 May 2017 issued by Mineral Resources Department, GoMP.



The reply is not acceptable as:

- There were no records to indicate that the GoI had asked the states to scrap their own portals. Further, most of the major mining states such as Chattisgarh, Karnataka, Rajasthan *etc.*, continue to operate their own state portals.
- The GoI portal (<https://mines.gov.in>) shows only the broad information of the State and does not show information relating to all the DMFs. Hence, stipulated information required under Rule 19 of the DMF Rules, 2016 was not disclosed in any of the portals.

### **3.1.8 Irregularities in the fund management of DMF and SMF**

The Audit observations relating to management of DMF viz. less contribution to DMF, failure to spend contributions made to the DMF, non-utilisation of DMF contribution from sand, expenditure from DMF not done as per specified proportions, non-recovery of unutilised amount from work executing agencies *etc.* are discussed in the following paragraphs. These instances of shortcomings, in aggregate, involved an overall impact of ₹ 206.21 crore.

#### **3.1.8.1 Less/delayed contribution to DMF fund**

As per Notification dated 17 September 2015 issued by Ministry of Mines, GoI, the amount of contribution to be made to DMF in respect of major mineral shall be 30 *per cent* of the royalty paid in respect of mining leases granted before 12 January 2015 and 10 *per cent* of royalty paid in respect of mining leases or prospecting license-cum mining leases granted on or after 12 January 2015.

Further, Rule 10(3) of the DMF Rules, 2016 provides that all lessees of major minerals shall make the required payment to the DMF in the same frequency as they are required to pay royalty to the State Government. In case of failure to pay the required payment to the DMF on time, then as per Rule 10(3) of the DMF Rules 2016, in addition to the principal amount so payable to the DMF, the lessee shall also be liable to pay an additional simple interest at the rate of two *per cent* per month, for the period of delay.

During test-check of records of the nine selected DMOs, Audit observed (between August and December 2021) in four DMOs<sup>13</sup> that 13 lessees were liable to make DMF fund contribution amounting to ₹ 285.67 crore but could pay only ₹ 210.51 crore. This resulted in less contribution in DMF fund amounting to ₹ 75.16 crore, on which interest amounting to ₹ 47.23 crore was also leviable. The details are given in **Appendix 3.1(i)**. Further, it was also observed that in respect of one lessee (M/s Sasan Power Limited) in DMO, Singrauli, there were delays in DMF fund contributions ranging between one and 10 months. The interest leviable on this delay, aggregating to ₹10.35 crore was not realised. The details are given in **Appendix 3.1(ii)**.

#### **Short payment/contribution to DMF due to misclassification of Coal grade**

The royalty on coal has been fixed at 14 *per cent* of the ad-valorem rate<sup>14</sup> of coal (based on the various grades of coal).

A lessee (M/s South Eastern Coalfields Limited) has mines in Bartrai and Amadand under DMO, Anuppur. Monthly returns filed by the lessee in respect of the production and dispatch of coal revealed that during the period from January 2018 to March 2021, the lessee transferred 30.40 lakh MT of (G3, G6, G7, G8 and G9 grade) of coal to its railway dispatch

<sup>13</sup> Balaghat, Chhindwara, Satna, and Singrauli.

<sup>14</sup> Final value arrived at after adding incidental charges to the pit head price of coal.

storage (Meera Mines located in the Anuppur Railway Siding) on which royalty amounting to ₹ 90.59 crore was payable. The lessee while transferring the coal from its storage depot in Anuppur Railway Siding downgraded the grade of coal in the returns which resulted in short calculation of royalty. Consequently, against royalty payable of ₹ 90.59 crore, the lessee paid royalty of ₹ 49.67 crore, resulting in short payment of royalty amounting to ₹ 40.92 crore and consequent short payment of DMF amounting to ₹ 12.28 crore. Details are given in **Appendix 3.1(iii)**.

The DMO failed to examine this aspect at the time of submission of returns resulting in short payment of Government dues to that extent.

The Department stated during Exit Conference (September 2022) that the issue would be examined. Further development in this regard had not been intimated (September 2022).

On being pointed out, DMOs Chhindwara, Balaghat, Singrauli and Satna, stated (September to November 2022) that action of recovery would be made after scrutiny. The Department in Exit Conference (September 2022) assured to look further into the matter.

Further progress in this regard is awaited (September 2022).

### **3.1.8.2 Funds lying idle in the DMF**

As per Rule 11 of the DMF Rules, 2016, the funds of the DMF are to be utilised for undertaking activities as per the provisions of the PMKKKY and for other development activities as decided by the State Government.

During test-check of fund related records of Office of the DG&M, Bhopal, it was observed that:

- Upto 31 March 2021, out of ₹ 3,859.99 crore deposited by 22 DMOs in the DMF fund, ₹ 1,506.83 crore was transferred to SMF. Out of the remaining ₹ 2,353.16 crore available for expenditure from DMF, only ₹ 1,163.28 crore was expended leaving ₹ 1,189.88 crore lying idle as was shown in **Table 3.1** (Reference para 3.1.3).
- In the test-checked nine DMOs<sup>15</sup>, out of ₹ 1,060.48 crore received in DMF funds during year 2018-19 to 2020-21, only an amount of ₹ 583.41 crore could be spent.
- Finance Department, GoMP allotted (March 2020) an amount of ₹ 300 crore to the Director, Geology and Mining, for infrastructure work under DMF without any demand. This amount has neither been surrendered nor spent for almost 18 months.

The Department in Exit Conference (September 2022) clarified that due to the non-appointment of the Minister-in-charge as part of Governing and Executive body of DMF, projects could not be sanctioned. He also informed as per the new guidelines District Collector has been made the Chairperson of the Board and will be responsible for financial sanctions in the districts.

The fact remains that funds are lying idle in the DMF and the people of mining affected areas remained deprived of prospective benefits of the PMKKKY. In spite of this, the GoMP allotted additional amounts with no justifiable reason on record. Consequently, the money continues to lie idle even as funds keep getting accumulated in the account.

<sup>15</sup> Anuppur, Balaghat, Betul, Chhindwara, Katni, Neemuch, Satna, Shahdol and Singrauli.

### 3.1.8.3 Non-utilisation of DMF fund contribution from Sand

As per the Rule 11 of the Madhya Pradesh Sand Rules, 2018, contribution at the rate of ₹ 50 per cubic meter from Sand mineral is to be deposited into a separate DMF account. Further, as per Rule 12 of the Sand Rules, 2018, a separate account has to be opened in the notified bank for the receipts under sand mining into DMFs and the amount received from sand mineral is to be used for construction of roads and their maintenance, river conservation, plantation, environmental protection *etc.*

The year-wise details of DMF fund contribution from Sand, its expenditure and unutilised amount as observed during test-check of records of the DG&M, Bhopal and the State Mining Corporation, Bhopal, are detailed in **Table 3.2** below:

**Table 3.2: Details of DMF contribution from sand mining**

Year	DMF contribution from Sand		Total	Expenditure from fund	Balance amount lying idle
	Collected by the DG&M Bhopal	Collected by Madhya Pradesh State Mining Corporation Ltd., Bhopal			
2018-19	65.74	0	65.74	Nil	65.74
2019-20	80.23	38.25	118.48	Nil	118.48
2020-21	2.87	158.27	161.14	2.47	158.67
<b>Total</b>	<b>148.84</b>	<b>196.52</b>	<b>345.36</b>	<b>2.47</b>	<b>342.89</b>

(₹ in crore)

Source: Data provided by DG&M, Bhopal and Madhya Pradesh State Mining Corporation Limited, Bhopal.

It is evident from the above Table that during the years 2018-19 to 2020-21, out of total ₹ 345.36 crore received from Sand in the DMF, only an amount of ₹ 2.47 crore could be spent and the balance ₹ 342.89 crore remained unutilised. It is also observed that record related to amount received in DMF from Sand mineral under Sand Rule, 2019 was not maintained by Directorate, Bhopal.

The Department in Exit Conference (September 2022) informed that due to Cabinet decision, the DMF fund collected from sand mining under Sand Rules, 2018 was transferred to consolidated fund as there was no clear guideline as to how to expend the fund. But with the recent changes in Sand Rules, the amount collected under the Consolidated Fund by the State are transferred to the Department of Mines by the Finance Department.

Thus, due to lack of instructions and clear guidelines, the amount could not be utilised, thereby defeating the very purpose of the fund.

### 3.1.8.4 Expenditure from DMF not done as per specified proportions

As per Rule 13(1)(A) of the DMF Rules, 2016, at least 60 *per cent* of the DMF funds shall be utilised in the high priority sectors like drinking water supply, environment preservation and pollution control measures, health care, education, welfare of women and children, welfare of aged and disabled people, skill development and sanitation and the remaining 40 *per cent* shall be used in other priority sectors like physical infrastructure, irrigation, energy, watershed development and any other measures for enhancing the quality of environment in the mining affected Districts as per Rule 13(1)(B) of the DMF Rule, 2016.

During test-check of records, it was observed that expenditure from the DMF fund was not in exact specified proportions as above stated. Upto the year 2020-21, an amount of ₹ 999.05 crore was to be sanctioned for high priority areas, against which ₹ 860.39 crore was sanctioned, resulting in shortfall of grants amounting to ₹ 138.66 crore in high priority areas. Similarly, upto the year 2020-21, an amount of ₹ 666.03 crore was to be sanctioned for other



priority areas, against ₹ 804.70 crore was sanctioned, resulting in excess of ₹ 138.66 crore. The details are given in **Table 3.3**:

**Table 3.3: Allocation of amounts in the high and low priority areas from DMF**

(₹ in crore)

Year	Sanctioned amount	Amt. to be allocated from DMF		Amt. actually allocated from DMF		Less/ More allocation In %	
		High Priority Area (60%)	Other Areas (40%)	High Priority Area (60%)	Other Areas (40%)	High Priority Area (60%)	Other Areas (40%)
Upto 2018-19	951.84	571.10	380.74	515.05	436.79	(-)5.89	(+) 5.89
2019-20	482.54	289.52	193.01	243.05	239.49	(-)9.63	(+) 9.63
2020-21	230.71	138.43	92.28	102.29	128.42	(-)15.66	(+) 15.66

The Department in Exit Conference (September 2022) took note of the observation made by the Audit and assured that the Department will make sure of compliance in the future.

### **3.1.8.5 Non-recovery of unutilised amount from work executing agencies**

As per Rule 16(1) of the DMF Rules, 2016, the approved works shall be executed through Government Departments, agencies, Panchayati Raj Institutions and Public Sector Undertakings which are responsible for execution of such works.

During test-check of records of the nine selected DMOs for the period of 2018-19 to 2020-21, it was observed that in six DMFs<sup>16</sup>, in respect of 25 completed works, against the sanctioned amount of ₹ 42.16 crore, only ₹ 32.96 crore only could be utilised. This led to a recoverable amount of ₹ 9.20 crore. However, against this, only an amount of ₹ 3.84 crore was recovered and refunded to DMF. This resulted in non-recovery of unutilised amount of ₹ 5.36 crore lying with various agencies. The details are given in **Appendix 3.2**.

The Department in Exit Conference (September 2022) assured that in such cases the Department will take necessary action, and progress in this regard will be intimated to the Audit.

The fact remains that the unutilised amount was lying with various work executing agencies and was yet to be refunded to the DMF (September 2022).

### **3.1.8.6 Non-utilisation of contribution to State Mineral Fund**

During test-check of records of DG&M Bhopal, it was observed that during the years 2017-18 to 2020-21, an amount of SMF aggregating to ₹ 1,506.83 crore was deposited out of which only ₹ 461.49 crore was spent till 31 March 2021. Thus, during this period, although an amount of ₹ 1,045.34 crore was available, yet the available fund was not utilised for the development of mining-affected areas. Consequently, the purpose of the SMF could not be fulfilled effectively and the people of mining affected areas were deprived from the benefits of the PMKKKY.

Further, as indicated in the earlier **Table 3.1**, upto the period March 2021, SMF has spent only ₹ 461.49 crore (31 per cent) against the amount received ₹ 1,506.83 crore while DMFs had spent ₹ 1,163.28 (49 per cent) against the amount received (between 2018-19 to 2020-21) ₹ 2,353.16 in DMF. It is evident that the expenditure through SMF is low as compared to DMF,

<sup>16</sup> Anuppur, Katni, Neemuch, Satna, Shahdol and Singrauli.

despite the fact that the transferable amount in SMF increased from 50 per cent to 75 per cent of DMF.

The Department in Exit Conference (September 2022) stated that the matter is related to the Finance Department, however, the Department will take necessary action and progress in this regard will be intimated to the Audit.

Thus, due to lack of inter-departmental coordination and involvement of multiple departments, the purpose of the SMF could not be fulfilled effectively and the people of mining affected areas were deprived from the benefits of the PMKKKY.

### **3.1.9 Irregularities relating to execution of work from DMF fund**

The various irregularities observed by audit relating to construction and repair works, work undertaken in contravention of provision of the DMF Rules, delays in completion of work and purchases made through the DMF funds etc. are detailed in the following paragraphs:

#### **3.1.9.1 Irregularities in construction and repair works**

As per Rule 16(1) of the DMF Rules, 2016, the works approved by the DMF should be executed through Government departments, agencies, Panchayati Raj Institutions and Public Sector Undertakings responsible for execution of such works through DMF.

During test-check of records of nine selected District Mining Offices for the period of 2018-19 to 2020-21, audit observed various irregularities in the works of construction and repairs viz. short deduction of royalty, delay in completion of work, non-recovery on non-utilisation of machinery, extra cost due to incorrect adoption of rate, improper survey, non-foundation of laboratory, non-deployment of technical staff, work executed without prior administrative and technical approval of DMF, work executed in other than actual place, execution of substandard work etc., amounting to ₹ 4.40 crore in the 15 works under five DMFs<sup>17</sup>, executed by various Government agencies. The details of audit observation and replies submitted by DMFs concerned are given in **Appendix 3.3**.

The Department in Exit Conference (September 2022) assured to look further into the matter.

The replies are not acceptable as the executed works did not come under the provision defined in Rule 13 of the DMF Rules, 2016. Further progress in this regard is awaited (September 2022).

#### **3.1.9.2 Delay in completion of work executed through DMF**

According to Rule 16(1) of DMF Rules, 2016, the work approved by the DMF should be executed through Government departments, agencies, Panchayati Raj Institutions, Public Sector Undertaking normally responsible for execution of such works.

##### **A. Works completed with delay**

During test-check of records of nine selected District Mining Offices for the period 2018-19 to 2020-21, it was observed that as on 31 March 2021, in four DMFs<sup>18</sup>, 53 works involving ₹ 21.27 crore were executed and completed by various agencies with delays ranging from three to 34 months after the prescribed time limit of completion. Due to delay in completion of these works, affected people could not get the timely benefits of the PMKKKY. The details are given in **Appendix 3.4(i)**.

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<sup>17</sup> Betul, Chhindwara, Katni, Satna and Singrauli.

<sup>18</sup> Balaghat, Chhindwara, Katni and Satna.

Further, it was observed in DMO Katni that prescribed time limit of completion was not defined in any of the administrative approval. Consequently, the Department could not fix the responsibility on the respective agencies for the delay in completion as there was no provision in the administrative approvals.

Thus, the failure of the Department to monitor the activities/progress of the executing agencies resulted in undue delay to that extent.

The Department in Exit Conference (September 2022) assured to look further into the matter.

Further progress in this regard is awaited (September 2022).

### ***B. Works initiated but remained incomplete***

It was observed in seven DMOs<sup>19</sup>, that 765 works involving ₹ 164.97 crore were being executed through various agencies but could not be completed. The details are given in **Appendix 3.4(ii)**.

The Department in Exit Conference (September 2022) informed that monitoring of the projects was part of the role and responsibility of the Executive Committee at the District level and the Department will accordingly look into the matter.

The reply is not acceptable as the work should have been compulsorily completed within prescribed time limit after date of issue of administrative approval, so that the beneficiary can get the benefit of PMKKKY. Also before approval of work, the requisite permission and feasibility of work should also have been checked before sanction of amount to the respective agency.

### ***C. Non recovery in works which are yet to be started or cancelled***

It was observed in three DMOs<sup>20</sup> that an amount aggregating to ₹ 9.44 crore was paid to executing agencies concerned between January 2017 and March 2020 for 54 works approved by Board, even before start of work. However, these works could not be started even after lapse of more than four years. Neither the amount was recovered nor was any interest levied. This resulted in non-recovery of unutilised amount of ₹ 9.44 crore. The details are given in **Appendix 3.4(iii)**.

On being pointed out, DMO Satna, Balaghat and Singrauli stated (September 2021 to October 2021) that letter is being issued to the executing agency to send the Utilisation Certificate of the completed works.

Thus failure of the Department to monitor the activity/progress of the contractor not only resulted in non-completion of works but also resulted in blockage of Government money.

The Department in Exit Conference (September 2022) assured to look further into the matter.

It is recommended that the District Mineral Foundations may fix the responsibility of the officials who were responsible for mismanagement of funds and/or non-recovery of the unutilised DMF funds.

Further progress in this regard is awaited (September 2022).

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<sup>19</sup> Anuppur, Betul, Balaghat, Chhindwara, Katni, Satna and Singrauli.

<sup>20</sup> Balaghat, Satna and Singrauli.

### 3.1.10 Irregularities in purchases

#### 3.1.10.1 Non-recovery of excess payment made for purchase of furniture

As per Rule 5 of Madhya Pradesh Store Purchase Rules, 2015, the power to sanction the purchase shall be governed by the financial powers delegated by the State Government or to the designated officers in accordance with the general and special orders of the State Government.

In respect of purchases, audit observed in DMF Chhindwara, an excess payment made to the vendors as detailed below.

Administrative approval of ₹ 3.68 crore was accorded on 17 January 2020 by DMF, Chhindwara for purchase of desks and benches in 56 High Schools/Higher Secondary Schools from the DMF fund. As per the administrative approval, an amount of ₹ 3.65 crore was paid to three firms for purchase of 3,650 desks and benches for 76 schools. However, scrutiny of records revealed that only 2,583 desks and benches had actually been received. In spite of non-receipt of 1,067 desks/benches, the DMF Chhindwara, released the entire payment to the vendors. Thus, an excess payment of ₹ 1.07 crore was made to the vendors without verification of materials as shown in **Table 3.4** below.

**Table 3.4: Details of excess payment made to Vendors**

(Amount in ₹)

Name of Firm	Cheque No./Date	Payment made to Vendors	Qty. of supplied items	Rate/unit	Eligible payment	Excess Payment
Glory Enterprises Bhopal	722120 11/02/2020	24,97,500	835	9,990	83,41,650	8,98,950
	722144 16/03/2020	67,43,100				
Maa Rewa Sales, Jabalpur	722119 11/02/2020	24,97,500	720	9,990	71,92,800	77,92,200
	722145 17/03/2020	49,95,000				
	10380 20/03/2020	74,92,500				
Wahе Guru Sales, Jabalpur	722118 11/02/2020	44,95,500	1,028	9,990	1,02,69,720	19,68,030
	10379/ 20/03/2020	77,42,250				
<b>Grand Total</b>		<b>3,64,63,350</b>	<b>2,583</b>		<b>2,58,04,170</b>	<b>1,06,59,180</b>

The Department in Exit Conference (September 2022) assured to look further into the matter. Further development is awaited (September 2022).

The Department may fix responsibility on the concerned officials for dereliction of duty, resulting in overpayment of ₹ 1.07 crore.

### 3.1.11 Conclusion

District Mineral Foundations (DMFs) were established for undertaking developmental activities in the mining affected areas, in order to improve the living standards of the affected people.

It was observed that the DMFs did not convene meetings of the Executive Committees and did not prepare Perspective Plans and Annual Plans. Procedures were not followed for identification of mining affected areas and persons. Annual reports were not prepared and audit

of DMF fund by Chartered Accountants were not carried out. There were various instances of non/short contribution to DMF fund. The available DMF funds were also not fully utilised, resulting in idling of Government moneys.

Audit of the execution of developmental works from DMF funds revealed various irregularities such as delays in execution of works, irregularity in purchases and non-recovery of unspent amounts from the agencies.

Thus, the working of District Mineral Foundations needs to be strengthened and monitored for effective utilisation of funds in the DMFs and for the timely completion of the various works undertaken through DMF funds.

**Bhopal**  
**The 30th January 2023**



**(PRIYA PARIKH)**  
**Accountant General**  
**(Audit II)**  
**Madhya Pradesh**

**Countersigned**



**(GIRISH CHANDRA MURMU)**  
**Comptroller and Auditor General of India**

**New Delhi**  
**The 2nd February 2023**



# APPENDICES





## Appendix 1.1

*(Referred to in paragraph 1.6.5)*

### List of recommendation reports issued by Public Accounts Committee in respect of which implementation by Department is pending

Year of Audit Report	Legislative Assembly	Public Account Committee Year	Recommendation Report No.	Para Numbers	Total Para
<b>Commercial Tax Department</b>					
2005-06	Fourteenth	2016-17	383	2.2, 2.3, 2.5, 2.7, 2.8, 2.9, 2.10	07
2005-06	Fourteenth	2016-17	383	5.6	01
2006-07	Fourteenth	2015-16	72	1.4, 2.2, 2.3, 2.4, 2.5, 2.11, 2.12	07
2007-08	Fourteenth	2016-17	384	2.4, 2.5, 2.6, 2.8, 2.9, 2.13, 2.15, 2.17	08
2008-09	Fourteenth	2016-17	385	2.2, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.17, 2.18	15
2009-10	Fourteenth	2016-17	388	2.11, 2.12, 2.13, 2.15, 2.16, 2.17, 2.18, 2.20, 2.24, 2.25	10
2009-10	Fourteenth	2016-17	388	7.2, 7.3	02
2010-11	Fourteenth	2017-18	463	2.9, 10, 2.9, 13, 2.9, 18, 2.9, 20, 2.10, 7, 2.10, 8, 2.10, 9, 2.10, 10, 2.10, 11, 2.10, 12, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.18, 2.20, 2.22	12
2010-11	Fourteenth	2017-18	463	7.2, 7.3, 7.5	03
2011-12	Fifteenth	2019-20	7	2.10, 9, 2.10, 10, 2.10, 11, 2.10, 12, 2.10, 13, 2.10, 14, 2.10, 15, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.18, 2.19, 2.20, 3.5, 8, 3.5, 9, 3.5, 16, 3.5, 17, 3.5, 18, 3.5, 20, 3.5, 22, 6.7, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 7.3	23
<b>Total</b>					<b>88</b>
<b>Registration and Stamps Department</b>					
2005-06	Fourteenth	2016-17	383	5.2, 5.3, 5.4	03
2006-07	Fourteenth	2015-16	72	5.2, 5.8	02
2007-08	Fourteenth	2016-17	384	5.2, 8, 5.2, 9, 5.2, 11 to 5.2, 21, 5.3, 5.5	03
2008-09	Fourteenth	2016-17	385	5.3, 5.4, 5.6, 5.7, 5.8, 5.10, 5.11, 5.12, 5.13, 5.14, 5.17	11

Compliance Audit Report (Revenue Departments) for the year ended March 2021

Year of Audit Report	Legislative Assembly	Public Account Committee Year	Recommendation Report No.	Para Numbers	Total Para
2009-10	Fourteenth	2016-17	388	6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10	09
2010-11	Fourteenth	2017-18	463	6.7, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19	13
<b>Total</b>					<b>41</b>
<b>State Excise Department</b>					
2005-06	Fourteenth	2016-17	383	3.2, 3.3, 3.5, 3.6, 3.7, 3.8	06
2006-07	Fourteenth	2015-16	72	3.2	01
2007-08	Fourteenth	2016-17	384	3.2, 3.3, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11	08
2008-09	Fourteenth	2016-17	385	3.3, 3.7, 3.8, 3.11, 3.12, 3.14, 3.15, 3.17, 3.19	09
2009-10	Fourteenth	2016-17	388	3.2, 3.8.1, 3.8.2, 3.9, 3.10, 3.12, 3.14	06
2010-11	Fourteenth	2017-18	463	3.6, 3.7, 3.8, 3.11, 3.13	05
<b>Total</b>					<b>35</b>
<b>Mfneral Resources Department</b>					
2009-10	Fourteenth	2016-17	386	9.10, 9.12, 9.13, 9.14, 9.15, 9.16, 9.17, 9.18, 9.19	09
2010-11	Fourteenth	2016-17	390	10.6, 10.7, 10.8, 10.9, 10.10, 10.12, 10.13, 10.14, 10.15, 10.16	10
2011-12	Fourteenth	2016-17	393	8.6, 8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.16, 8.17	10
2013-14	Fourteenth	2017-18	471	7.5, 7.7, 7.8, 7.9, 7.11, 7.12	06
2014-15	Fifteenth	2019-20	9	7.3, 7.4, 7.5.1, 7.5.2, 7.6.1, 7.6.2, 7.7, 7.10	06
<b>Total</b>					<b>41</b>
<b>Transport Department</b>					
2008-09	Fourteenth	2015-16	78	4.3	01
2010-11	Fourteenth	2016-17	391	4.7.7 to 4.7.25, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13	07
2011-12	Fourteenth	2016-17	392	4.7, 4.8, 4.9, 4.10	04

Year of Audit Report	Legislative Assembly	Public Account Committee Year	Recommendation Report No.	Para Numbers	Total Para
2012-13	Fourteenth	2017-18	469	4.7.7, 4.7.8, 4.7.9, 4.7.10, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14	08
2014-15	Fourteenth	2017-18	472	4.3, 4.4, 4.5	03
				<b>Total</b>	<b>23</b>
				<b>Grand Total</b>	<b>228</b>

## Appendix 2.1

(Referred to in paragraph 2.4.9.1)

## Statement showing the details of Dealers who claimed SGST Transitional Credit in TRAN-1 against goods not subsumed in GST (Amount in ₹)

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Goods for which ITC claimed (Petrol, Diesel etc.)	Amount of Credit claimed in TRAN-1 return	Amount of ineligible, inadmissible Credit taken in TRAN-1 return
1	ACCT Rajgarh	Maa Dayalu Petroleum	23AEXPV4648C1Z1	23579064782	Petrol and Diesel	3,64,858	3,64,858
		Vijasan Kisan Sewa Kendra	23ALHPR3232P1ZT	23192404297	Petrol and Diesel	5,71,531	5,71,531
		Pachore Petroleum	23ACAPB6823A1ZJ	23362403864	Petrol and Diesel	9,17,042	9,17,042
		Khajana Shri Filling Station	23ACMPB4012H1Z8	23252401354	Petrol and Diesel	1,01,670	1,01,670
		Falodi Kisan Sewa Kendra	23AGDPS8620B1ZQ	23392404090	Petrol and Diesel	14,30,053	14,30,053
		Shri Dev Filling Station	23AFWPM9903P1ZI	23302403800	Petrol and Diesel	1,43,069	1,43,069
2	ACCT Dhar	Ramkurpa Fuel Sales	23AFEPY5422R1ZU	23719105023	Petrol and Diesel	7,22,587	7,22,587
		Jain Enterprises	23AFKPI4332BB1Z1	23551602297	Petrol and Diesel	6,30,761	6,30,761
3	DCCT Dewas	Shri Mahashakti Filing Point	23ACFPM5545F1ZS	23132301801	Petrol and Diesel	23,95,207	23,95,207
4	ACCT Ratlam-1	Fort Crushing Metal	23ABDPJ1725H1Z5	23099031850	Diesel and other goods	3,02,221	44,886
5	ACCT Ujjain-3	Nakoda Automobiles	23ABJPJ8205G1ZW	23782704430	Petrol and Diesel	6,29,456	6,29,456
		M S Daya Bhai Poonam Bhai Patel	23AAJFM5258M1ZW	23412200961	Petrol and Diesel	9,86,026	9,86,026
6	ACCT Sendhwa	MMS Fuels	23AJLPB0184E1ZR	23889063975	Petrol and Diesel	4,76,478	4,76,478
		Jamra Kishan Sewa Kendra	23AGJPJ1397A1ZR	23309068204	Petrol and Diesel	5,60,959	5,60,959
		Chndra Bhaga Kirade and Company	23AKHPK4928J1Z1	23062205179	Petrol and Diesel	8,31,239	8,31,239
		Dr. Shri Ram Sahni & Sons	23AXWPS7266H1ZO	23517403695	Petrol and Diesel	2,61,094	2,61,094
8	ACCT Narsinghpur	Duli Chand Mannu Lal Kathal	23AAACFD9272D1ZP	23556400111	Petrol, Diesel and Lubricants	2,55,492	1,70,151
		Shri Siddhi Vinayak Filling Centre	23AEAPL5123P1ZJ	23729034891	Petrol and Diesel	1,23,515	1,23,515
<b>Total</b>						<b>1,13,60,582</b>	

**Appendix 2.2**  
(Referred to in paragraph 2.4.9.2)

**Statement showing the details of Dealers who did not pay interest on reversal of undue excess SGST input tax credit**

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	Date of Credit taken in TRAN-1/ECL	Amount of Credit taken in TRAN-1/ECL	Date of reversal of Input Tax Credit (ITC)	Amount of reversal of Input Tax Credit (ITC)	Period of holding of ITC (in days)	Interest recoverable @ 18 per cent per year	Deposit	Balance
1	ACCT Rajgarh	Yuvraj Infra	23AWIPS6437K1Z2	28 August 2017	17,65,910	28 March 2019	17,65,910	578	5,03,357	0	5,03,357
		Maa Gayatri Medicose	23AJUPM2167P1ZH	28 December 2017	25,13,013	20 July 2018	25,13,013	205	2,54,055	0	2,54,055
2	ACCT Pithampur	Sanjay Traders	23ACZPP3132H1ZE	23 December 2017	6,44,954	26 April 2019	6,44,954	489	1,55,531	0	1,55,531
3	ACCT Ratlam-1	Esquire Automobiles	23ACQPP4221N1ZA	12 October 2017	4,24,635	04 February 2020	4,24,635	845	1,76,951	0	1,76,951
		Shri Nimesh Ramesh Kripa Kisan Seva Kendra	23ADVPN8021A1ZQ	17 October 2017	2,61,274	04 March 2020	2,61,274	870	1,12,097	0	1,12,097
4	ACCT Chhindwara-2	Monti Mobile Shop	23AHCPY4180C1Z1	30 August 2017	3,21,900	18 October 2020	2,93,911	1,145	1,65,959	0	1,65,959
5	ACCT Shivpuri	Raghuwanshi Tractors	23AFEPR2142H1ZR	25 August 2017	28,14,292	26 December 2017	98,422	123	5,970	0	5,970
6	ACCT Katni-2	Rajesh Kumar Jain	23ADEPJO238J1ZX	27 December 2017	12,60,200	09 March 2021	12,60,200	1,168	7,25,875	0	7,25,875
		Devi Prakash Industries	23AMLPA4945R1ZM	26 October 2017	5,50,679	10 March 2021	5,50,679	1,231	3,34,300	152	3,34,148
		Sanjay Traders	23BIVPD7927B1Z9	27 December 2017	50,338	08 March 2021	50,338	1,167	28,970	19,565	9,405
		Shri Uday Motors	23BRCPB1489A1ZH	31 August 2017	97,909	10 March 2021	97,909	1,288	62,190	0	62,190
7	ACCT Mandla	Priya Filling Station	23AKCPD8430D1ZT	19 September 2017	3,50,667	03 February 2020	3,50,667	868	1,50,105	0	1,50,105
				<b>Total</b>	<b>1,10,55,771</b>		<b>83,11,912</b>		<b>26,75,360</b>	<b>19,717</b>	<b>26,55,643</b>

## Appendix 2.3

(Referred to in paragraph 2.4.9.3)

## Statement showing the details of Dealers who claimed SGST Transitional Credit in ECL in excess of credit claimed in TRAN-1

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	Amount of Credit claimed in TRAN-1	Amount of Credit taken in Electronic Credit Ledger	Excess amount of Credit taken in Electronic Credit Ledger
1	ACCT Pithampur	Him Teknoforge Ltd.	23AAAACH3906R2ZE	32,65,117	34,56,577	1,91,460
2	DCCT Jabalpur-1	Frontier Cars India Pvt. Ltd.	23AABCF5695A1ZX	48,853	2,55,162	2,06,309
			<b>Total</b>	<b>33,13,970</b>	<b>37,11,739</b>	<b>3,97,769</b>

**Appendix 2.4**

(Referred to in paragraph 2.4.9.4)

**Statement showing the details of Dealers who claimed SGST Transitional Credit in excess of ITR as shown carried forward in VAT returns**

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of VAT return from which Credit carried forward to TRAN-1	Amount of Credit available in VAT return	Amount of Credit claimed in TRAN-1 return	Excess Credit claimed in TRAN-1	
1	ACCT Rajgarh	Sigma Electronics	23AFMPK6115PIZ4	23932402823	09 August 2017	2,70,514	2,72,514	2,000	
		Mohit Traders Biaora	23AYOPG8489PIZE	23269039787	22 August 2017	3,18,069	3,38,414	20,345	
		Shyam Sunder Om Prakash	23ACNPG3042RIZD	23082400235	25 August 2017	1,51,912	2,62,638	1,10,726	
2	ACCT Dhar	Goyal Electric	23BEDPA0055FIZE	23299237664	29 July 2017	56	3,73,505	3,73,449	
		Patel Traders	23AOVPP2152DIZZ	23201604187	19 September 2017	0	1,67,830	1,67,830	
3	ACCT Pithampur	Windals Auto Pvt. Ltd.	23AAACW0964GIZJ	23201604575	06 October 2017	0	3,27,754	3,27,754	
4	DCCT Dewas	Dewas Hydroquip Pvt. Ltd.	23AAABCD3564GIZZ	23592303003	21 December 2017	35,48,844	40,28,847	4,80,003	
		Balaji Motors	23ALIPG1064BIZU	23179040669	21 August 2017	2,63,391	2,74,043	10,652	
		Vikas Traders	23AMLPS4650FIZZ	23192303320	23192303320	12 November 2017	3,07,579	3,18,232	10,653
		Nidhi Associates	23ABFFG3530MIZW	23142302911	23142302911	23 August 2017	14,53,590	16,39,517	1,85,927
		Hind Syntex Ltd.	23AAACH6203PIZN	23182302113	23182302113	23 August 2017	91,12,240	91,15,546	3,306
		Awantika Motors	23AAAZFA4980AIZE	23689108421	23689108421	27 November 2017	1,49,182	2,98,364	1,49,182
		Poly Tech	23AALFP1454EIZI	23839010921	23839010921	27 September 2017	1,03,235	1,21,579	18,344
		Navkar Packaging	23AJFN5709LIZI	23049063283	23049063283	13 October 2017	81,865	1,13,527	31,662
		Steel Home	23ANKPM5915HIZY	23362305991	23362305991	03 August 2017	0	1,47,636	1,47,636
		Raja Foods	23AMUPS4758DIZL	23112305692	23112305692	19 September 2017	0	1,83,300	1,83,300
5	ACCT Ratlam-1	Dewas Lifestyle	23AAMFD4403CIZ2	23619201451	01 September 2017	0	8,54,004	8,54,004	
		Anand Highway Services	23CDKPR4232GIZM	23759177575	06 December 2017	0	4,27,349	4,27,349	
		Super Electronics	23ARMPS4992GIZ9	23093404907	23093404907	27 August 2017	1,55,275	1,87,186	31,911
		Kushal Telecom	23ADBPV1757DIZR	23353403988	23353403988	31 July 2017	1,68,918	3,24,493	1,55,575
		Rathore Agro Seeds	23AFIPR9953CIZ8	23263404765	23263404765	15 November 2017	2,982	3,27,937	3,24,955
		Sunder Tyre & Wheel Care	23ACPF54374JIZN	23559120074	23559120074	07 August 2017	9,402	1,93,002	1,83,600
		National Petro Chemicals	23ACFFPM6509FIZU	23403402651	23403402651	29 July 2017	0	1,08,118	1,08,118
6	ACCT Chhindwara-1	Lalwala Enterprises	23AKIPJ8532GIZ8	23179215657	30 September 2017	1,85,804	1,90,793	4,989	
		Bhagvandas Girdharilal	23ADIPA9300JIZX	23956600002	28 July 2017	6,15,166	8,39,976	2,24,810	
7	ACCT Chhindwara-2	Khandelwal Medical Store	23AABHN1149NIZ7	23096801556	28 August 2017	11,00,594	15,01,955	4,01,361	

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of VAT return from which Credit carried forwarded to TRAN-1	Amount of Credit available in VAT return	Amount of Credit claimed in TRAN-1 return	Excess Credit claimed in TRAN-1
8	ACCT Hoshangabad	Rama Fashion Mall	23AJYPG3405A1ZN	23966804230	27 December 2017	1,26,401	1,27,401	1,000
		Madhav Enterprises	23CUOPM1904K1ZI	23559156934	01 August 2017	1,50,863	1,53,863	3,000
		Sargam Electronics	23AAAXPA4995R1ZP	23184200597	02 November 2017	70,253	1,00,253	30,000
		Saket Agencies	23GLOPS1691L1ZC	23099166583	14 August 2017	1,56,276	1,69,987	13,711
		Anu Agency	23AAQPT0218B1Z2	23374200541	30 July 2017	0	5,50,241	5,50,241
		Aman Motors	23AOQPM9459R1ZQ	23654202424	29 July 2017	1,02,721	1,55,411	52,690
9	ACCT Itarsi	Sanjay Traders	23AASPT7520N1ZO	230744304690	23 September 2017	10,052	1,17,017	1,06,965
		Unity Pulp and Papers	23AAAFU8304K2Z7	23554302389	05 August 2017	0	2,37,748	2,37,748
		Mahendra Singh Patel	23BQCPP4576P1Z8	23689232387	18 August 2017	97,620	1,20,503	22,883
		Balaji Motors	23ALJPK4741J1Z2	23199025923	21 September 2017	4	1,94,649	1,94,645
10	ACCT Harda	Surma Steel Fabrication	23ARPPS6280E1ZH	23514602044	20 September 2017	2,41,812	2,54,353	12,541
		Vijay Timber Mart	23AAAFV9131H1ZB	23144600550	03 November 2017	3,75,405	6,52,632	2,77,227
		Osmed Formulations Pvt. Ltd.	23AAACO6768Q1ZS	23622606548	29 August 2017	5,50,309	6,46,748	96,439
11	ACCT Ujjain-1	Vision Engineering Sales and Services	23AWGPR9021E1ZO	23469000676	13 December 2017	48,786	82,715	33,929
12	ACCT Ujjain-2	Ultra Tech Cement Ltd.	23AAAACL6442L1ZI	23762701822	29 July 2017	0	8,57,120	8,57,120
13	ACCT Ujjain-3	Milan Classic	23ACVPM3686M1ZR	23562705230	12 August 2017	0	4,72,109	4,72,109
		D & D Health Cares Pvt. Ltd.	23AAAFCD6483J1ZG	23269179758	03 October 2017	0	26,00,000	26,00,000
14	ACCT Shivpuri	Rajesh Trading Company	23ACQPG2663K1ZF	23465701518	13 August 2017	1,61,460	2,31,142	69,682
15	ACCT Jaora	Nakoda Sales	23AKTPK7050R1ZE	23142903244	20 September 2017	1,00,146	1,50,248	50,102
		Jatan Shree Mobile	23BOGPA8284K1ZS	23849163501	24 August 2017	1,53,004	1,79,452	26,448
		Ayush Agencies Rajesh Traders	23ADQPP7291R1ZG	23702901481	26 July 2017	1,73,873	2,43,375	69,502
16	ACCT Neemuch	Niraj Kumar Nikesh Kumar	23ATIPA8244M1ZL	23479099809	04 September 2017	14,392	2,57,992	2,43,600
17	ACCT Sendhwa	Fatehlal Chogalal	23ANVPS2670Q1ZO	23253200246	17 August 2017	14,024	1,23,992	1,09,968
		Kutubi Stores	23ABXPB7389R1ZK	23742201119	31 July 2017	1,32,713	1,34,018	1,305
		Vikas Krishi Sewa Kendra	23ACMPK2991E-1ZL	23072201633	11 September 2017	77,328	7,37,190	6,59,862
		Chomu Cloth Center	23AAIHS1435H1ZB	234091779647	25 August 2017	3,39,054	3,45,911	6,857
		Hira Automobiles	23ADDDPC1477H1ZZ	23792202983	20 August 2017	3,77,128	4,71,052	93,924
18	ACCT Jhabua	Kusumkant Prabhulal Shah	23ACUPS4741C1ZH	23301803661	16 October 2017	29,309	2,08,671	1,79,362
		Suyash Tyres	23AEFPT4497M1ZT	23521802667	29 October 2017	1,50,816	3,17,150	1,66,334
		Sainath Tractors	23ACYFS9470Q1ZT	23809173302	27 November 2017	35,658	1,72,676	1,37,018



Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of VAT return from which Credit carried forwarded to TRAN-1	Amount of Credit available in VAT return	Amount of Credit claimed in TRAN-1 return	Excess Credit claimed in TRAN-1
19	ACCT Mandasaur	Parshv Enterprises	23AAASFP8820BIZ9	23379196431	26 August 2017	2,82,926	3,40,183	57,257
		Bhagwati Krashi Sewa Kendra	23AMQPJ9542GIZS	23069031756	30 October 2017	3,63,652	5,23,995	1,60,343
		Laxmi Agro Agency	23ADRPJ3447JIZB	23631803043	10 October 2017	4,926	7,84,745	7,79,819
		Shriji Construction Mandasaur	23AEJPN957JIZO	23513104073	03 September 2017	2,48,770	3,00,000	51,230
		Dosi Trading Company	23AAAXPD5165CIZT	23213101425	14 July 2017	2,23,619	5,30,621	3,07,002
20	ACCT Khandwa	Ashutosh Enterprises	23AESPC5113JIZO	23079051446	31 July 2017	39,953	3,45,061	3,05,108
		Collection Mobiles	23AQQPG8840AIZA	23593104514	07 October 2017	5,57,848	6,67,492	1,09,644
		Satyendra Singh Chauhan	23BDSPC8944DIZH	23379143081	12 August 2017	1,16,491	1,26,712	10,221
		Sukhram Kodarmal and Company	23AAAKFS1711JIZD	23502004050	22 July 2017	22,079	1,18,475	96,396
		Balaji Construction	23AFUJPJ8153JIZZ	23692006031	26 August 2017	5,85,495	11,89,995	6,04,500
21	ACCT Khargone	Shri Dadaji Mobile and Service (HO) Om Shanti Care Center (BO)	23AXSPP9433HIZY	23549003675	08 August 2017	5,01,950	5,04,571	2,621
		Vishvakarma Furniture Mart	23AJDPM1173GIZL	23072001813	14 August 2017	0	11,10,455	11,10,455
		Shree Sai Tractors	23BGXPP2074HIZO	23599009005	28 August 2017	2,89,790	3,68,899	79,109
		Sri Vinayak Oil Industries	23ACSF811BIZ5	23499136376	17 November 2017	4,25,389	4,40,134	14,745
		Ram Traders Ramchandra Patidar	23AWLPP8572FIZ5	23272107821	28 September 2017	2,06,045	2,07,164	1,119
22	DCCT Jabalpur-1	Subhash Thakkar	23AAAOPT7978AIZ9	23582204408	09 November 2017	0	4,30,055	4,30,055
		Lakhan Enterprises (Prop. Ram Patel)	23AOBPP0983JIZV	23792108893	30 July 2017	6,80,399	8,10,893	1,30,494
		M & B Engineering Ltd.	23AAAACM7930QIZ4	23980104720	29 July 2017	8,36,454	8,37,166	712
		Vinay Traders	23AFFPP6419LIZ7	23375804339	08 October 2017	4,42,813	4,59,381	16,568
		Super Polypack	23ATCPS4290HIZM	23465805114	30 July 2017	1,75,289	4,64,875	2,89,586
22	DCCT Jabalpur-1	Ganesh Industries	23ANSPP7163LIZA	23395809857	07 September 2017	0	3,17,000	3,17,000
		Manjeet Electronics	23AAIPU1513EIZ3	23935805389	15 September 2017	73,668	4,63,121	3,89,453
		Bahubali Timber	23ADPPJ5767MIZW	23255802562	14 July 2017	7,55,907	10,90,859	3,34,952
		Gupta Medical Hall	23ADBP3648QIZD	23865804894	12 October 2017	1,00,897	1,25,845	24,948
		Archna Hi Tech Automation Systems	23AAABCA7271KIZP	23669008319	31 July 2017	1,35,909	1,55,958	20,049

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of VAT return from which Credit carried forwarded to TRAN-1	Amount of Credit available in VAT return	Amount of Credit claimed in TRAN-1 return	Excess Credit claimed in TRAN-1
		Pvt. Ltd.						
		Arora Brothers	23ACSPD5203G1ZZ	23355800664	08 August 2017	357	1,61,649	1,61,292
		Pragya Energy Pvt. Ltd.	23AAFCP5690K1Z3	23939017216	09 October 2017	1,65,201	1,71,362	6,161
		G N Timbers	23AJFPS0529L1Z4	23275800999	29 July 2017	33,862	2,33,835	1,99,973
		Harsh Traders	23AVBPS7648J1Z6	23735808312	28 July 2017	6,18,761	19,49,324	13,30,563
		Pragya Enterprises	23ACWVPV4889N1Z8	23125807920	30 July 2017	1,88,194	6,94,352	5,06,158
23	DCCT Jabalpur-2	Parasram Moolchandani	23AAEFP4931D1ZN	23935803255	29 September 2017	0	10,45,000	10,45,000
24	ACCT Jabalpur-3	Prabhu Enterprises	23AAMFP1686M1ZQ	23669013072	01 August 2017	0	1,18,251	1,18,251
		S.G. Computers and Peripherals	23ADDDPT0981B1ZV	23886003151	01 August 2017	3,81,849	4,55,261	73,412
		Info Solution	23AABFI2330Q1ZH	23096003925	30 July 2017	12,785	1,11,562	98,777
		Reva Engineering Pvt. Ltd.	23AADRCR6820P1Z3	23026005758	02 September 2017	1,36,972	1,39,352	2,380
		Mahakoshal Refractories Pvt. Ltd.	23AAECM4903B2Z3	23686001030	28. July 2017	55,82,872	2,04,08,613	1,48,25,741
25	ACCT Jabalpur-4	R Visham Enterprises	23ADFPJ6907M1ZE	23896003970	26 July 2017	4,97,327	4,99,406	2,079
		DK Electrical Industries	23AABFD6912H1ZT	23845901711	24 August 2017	1,10,28,191	1,11,22,120	93,929
		Tezwala Engineering Company	23ABNPL1527D1Z1	23185902268	29 August.2017	0	1,21,410	1,21,410
		Industrial Instruments	23AEVPC4838D2ZJ	23926105173	21 November 2017	12,331	1,31,331	1,19,000
		Sunil Hoisery Pvt. Ltd.	23AAUCS3850M1ZR	23779181744	02 August 2017	1,96,137	3,07,402	1,11,265
		Jai Brothers	23AUSPJ0242K1ZM	23769114718	31 August 2017	0	3,27,701	3,27,701
		Ambe Traders	23ACHPA7831N1ZK	23775904320	18 September 2017	33,47,857	34,05,372	57,515
26	ACCT Anuppur	Kanwar Enterprises Pvt. Ltd.	23AACCK6205E1Z3	23509090688	19 September 2017	2,81,792	70,99,830	68,18,038
27	ACCT Shahdol	Bhaskar Resources Pvt. Ltd.	23AACCB6407B1ZE	23069110423	17 December 2017	0	2,81,941	2,81,941
28	ACCT Mandideep	Standard Surfactant Ltd.	23AABCS9608N1Z0	23584101146	27 July 2017	45,891	2,81,654	2,35,763
		Umashankar Sharma	23BBNPS8184G1Z4	23464105189	27 December 2017	0	7,81,556	7,81,556
29	ACCT Tikamgarh	Phoolchand Ashok Kumar	23APQPJ0126B1ZI	23457800070	18 August 2017	0	6,35,215	6,35,215
30	ACCT Chhatarpur	Gautam Praveen Infrastructure India Pvt. Ltd.	23AAFCG4436N1ZG	23179106241	27 December 2017	60,972	2,38,123	1,77,151
31	ACCT Waidhan	Shri S R Enterprises	23ACTPR6511Q1ZU	23609063906	31 October 2017	2,84,961	2,86,183	1,222
		Vijay Shree Traders	23AMMPK9441R1ZA	23189209254	25 August 2017	0	1,37,138	1,37,138

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of VAT return from which Credit carried forwarded to TRAN-1	Amount of Credit available in VAT return	Amount of Credit claimed in TRAN-1 return	Excess Credit claimed in TRAN-1
		A. K. Agencies	23ACAPG5492LIZK	23179099645	25 October 2017	0	1,57,111	1,57,111
		Agrawal Sanitary	23ATXPG1994PIZR	23539173135	10 August 2017	2,659	2,01,897	1,99,238
		Garg Electrical and Hardware Store	23AEZPJ3011MIZB	23767306315	31 July 2017	0	3,61,302	3,61,302
		Northern Coalfields Ltd.	23AABCN4884HIZE	23657300604	29 July 2017	0	65,64,68,742	65,64,68,742
		Sharda Paints Store	23AETPA8530LIZA	23847301033	29 July 2017	29	2,80,143	2,80,114
		Vijay Shree	23AHGPG0944EIZW	23587300109	05 October 2017	0	1,29,680	1,29,680
		Gopal Enterprises	23AAVFS7646HIZL	23337305436	23 September 2017	0	2,90,956	2,90,956
		Shaarch Project Ltd.	23AAPCS9159LIZK	23979066197	25 August 2017	1,52,342	2,57,305	1,04,963
32	ACCT Vidisha	Vidisha Refrigerators	23AAQPJ8622B1ZW	23264402895	30 July 2017	25	5,70,710	5,70,685
		Shanti Industries	23AAAYPJ4841Q1ZW	23964403092	30 August 2017	0	1,87,457	1,87,457
		Bansal Brothers	23AAAYPB9341B1ZU	23784400281	03 August 2017	2,33,358	2,37,102	3,744
		Kisan Tractors Neemtal	23AABFK9912A1ZU	239644403559	29 July 2017	0	2,43,750	2,43,750
		Bansal Traders	23AHLPB5370LIZB	23734403461	04 August 2017	11,08,949	11,10,183	1,234
33	ACCT Seoni	Omi Enterprises & Electricals	23ADBP1011N2Z4	23609189909	25 September 2017	65,057	77,663	12,606
34	ACCT Balaghat	Girnar Traders	23AHGPP2B31F1ZN	23866504555	06 December 2017	1,90,082	2,01,525	11,443
35	ACCT Bhind	Hazi Bali Mohammad Traders	23ABKPU3010H1ZX	23299047447	14 September 2017	2	1,49,192	1,49,190
		Harish Chand Jain	23AFKPPJ8609K1Z6	23044801880	05 September 2017	2,22,999	2,65,432	42,433
36	ACCT Katni-2	Arunodya Coal Traders Pvt. Ltd.	23AAKCA9160C3ZV	23486207459	20 August 2017	18,26,505	18,82,509	56,004
		Rajshree Mobiles	23AIEPR1175M1Z2	23746206831	25 August 2017	27,042	3,78,577	3,51,535
		Anmol Multi Services	23AJGPG9058D1ZE	23669071854	08 November 2017	0	1,46,254	1,46,254
37	DCCCT Katni-1	Atul Drug House	23ACGPI7242M2ZG	23646201260	04 October 2017	35,163	2,31,990	1,96,827
		Ojaswi Marble & Granite Pvt. Ltd.	23AAACO3136A1Z9	23176204283	07 August 2017	1,85,881	1,89,474	3,593
		Durga Mata Marble	23AAFFD1411P1ZO	23686206476	30 July 2017	3,67,805	3,88,372	20,567
		Krishna Marble	23AAAFK0150H1ZT	23686204536	07 August 2017	5,90,409	5,94,549	4,140
38	ACCT Narsinghpur	Satkar Automobiles	23AAAFS8401E1ZA	23366401622	03 October 2017	1,22,680	1,26,680	4,000
		Vinayak Traders	23ANDPK3900F1ZM	23596404260	27 December 2017	2,67,360	3,09,059	41,699
39	ACCT Mandla	Chandrakant Gohil Timber Merchant	23AKNPG5976A1Z8	23856300715	16 September 2017	4,21,479	4,45,632	24,153
		Burhanpur Textiles Ltd.	23AADCB7362C2Z2	23831910603	31 July 2017	1,09,141	8,33,195	7,24,054

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of VAT return from which Credit carried forwarded to TRAN-I	Amount of Credit available in VAT return	Amount of Credit claimed in TRAN-I return	Excess Credit claimed in TRAN-I
40	ACCT Burhanpur	Texmo Pipes and Products Ltd.	2388CCT9780D1ZA	23151910492	30 July 2017	0	56,66,045	56,66,045
					<b>Total</b>	<b>5,75,63,573</b>	<b>77,02,44,762</b>	<b>71,26,81,189</b>

**Appendix 2.5**  
(Referred to in paragraph 2.4.9.5)  
**Statement showing the details of Dealers who claimed excess SGST Transitional Credit through double entry in TRAN-1**

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of filing of TRAN-1	Amount of Credit claimed in TRAN-1	Amount of Credit available in		Excess Credit claimed in TRAN-1
							Date of VAT return	Amount	
1	ACCT Dhar	Bhagwati Sales and Distributors	23AYIPJ2570L1ZB	23459203116	08 September 2017	Table 5(c)	23 August 2017	95,046	95,046
						Table 7(c)			
						Total			
2	ACCT Pithampur	Kars Techno Plast Pvt. Ltd.	23AAFCK1638NIZE	23219084897	28 October 2017	Table 5(c)	02 August 2017	27,471	27,471
						Table 7(c)			
						Total			
3	ACCT Ratlam	Shree Khandelwal Automobiles	23ADQPK4909HIZF	23459199624	21 September 2017	Table 5(c)	26 July 2017	80,829	80,829
						Table 7(c)			
						Total			
4	ACCT Ujjain-1	Malwa Marketing	23ABVPB7764N1ZZ	23402703281	27 December 2017	Table 5(c)	26 September 2017	1,59,443	1,59,444
						Table 7(c)			
						Total			
5	ACCT Mandsaur	Sona Trading Company	23AOGTM4633K1ZW	23313005631	18 December 2017	Table 5(c)	02 August 2017	1,22,121	1,22,121
						Table 7(c)			
						Total			
		Khurana Tyres Agency	23CEKPK3983EIZF	23929150786	28 August 2017	Table 5(c)	28 August 2017	1,02,566	1,02,566
						Table 7(c)			
						Total			
6	ACCT Waidhan	Phones 4u	23BRSPS7304D1ZO	23119130303	31 August 2017	Table 5(c)	31 July 2017	59,248	59,248
						Table 7(c)			
						Total			
		Mishra Traders	23CSNPK5775M1ZO	23749099297	15 September 2017	Table 5(c)	30 August 2017	2,41,492	2,41,492
						Table 7(c)			
						Total			
7	ACCT Chhatarpur	Bajaj Electricals	23BMPE8436F1ZR	23917701459	28 August 2017	Table 5(c)	10 August 2017	57,430	57,430
						Table 7(c)			
						Total			
		Krishna Traders	23AASPA4041M2ZQ	23039204322	19 November 2017	Table 5(c)	11 November 2017	95,047	95,047
						Table 7(c)			
						Total			
		Mahavir Handloom	23ANGPA9105R1ZV	23807706030	28 August 2017	Table 5(c)	17 July 2017	1,39,417	1,39,417
						Table 7(c)			
						Total			

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of filing of TRAN-1	Amount of Credit claimed in TRAN-1	Amount of Credit available in		Excess Credit claimed in TRAN-1	
							Date of VAT return	Amount		
8	DCCT Katmi-1	Patel Timber Traders	23AEPPP8370K1ZV	23199018163	28 August 2017	Total	2,78,834			
						Table 5(c)	1,08,975	20 July 2017	1,08,975	1,08,975
						Table 7(c)	1,08,975			
						Total	2,17,950			
	Shivshakti Saw Mill	23AEPPP8126F1ZC	23199165797	28 August 2017	Table 5(c)	1,15,183	20 July 2017	1,15,183	1,15,183	
					Table 7(c)	1,15,183				
					Total	2,30,366				
<b>Total</b>							<b>14,04,268</b>	<b>14,04,268</b>	<b>14,04,269</b>	

## Appendix 2.6

(Referred to in paragraph 2.4.9.6)

## Statement showing the details of Dealers who did not submit VAT quarterly returns but carried forward SGST Transitional Credit

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of filing TRAN-1	Date of filing of VAT return for 4 <sup>th</sup> quarter of 2016-17	Date of filing of VAT return for 1 <sup>st</sup> quarter of 2017-18	Amount of inadmissible Credit taken in TRAN-1 return (Amount in ₹)
1	ACCT Rajgarh	Raj Machinery & Hardware Rajgarh	23ASOPA3829R1ZA	23422404995	09 September 2017	Not filed	23 August 2017	13,75,665
		Karuna Enterprises Khilehipur	23CCDDPD6672A1Z5	23079117891	08 October 2017	Not filed	08 October 2017	1,46,655
2	ACCT Dhar	Padmavati Enterprises	23CROPP4041B1Z2	23829167480	25 December 2017	Not filed	25 December 2017	1,53,635
		Ravi Auto Parts	23ALIPM1841Q1ZS	23721702453	27 September 2017	Not filed	22 August 2017	2,60,102
		Music Centre	23AEMPS0735G1ZJ	23211601514	24 December 2017	Not filed	07 September 2017	2,93,185
		Adim Jati Seva Sahkari Samiti Manager Yagyalal Patel	23AABAA1229M1Z3	23569039660	27 December 2017	Not filed	Not filed	2,21,105
		Agrawal Krishi Sewa Kendra	23AEMPA4470N1ZE	23391703265	27 December 2017	06 May 2017	25 January 2018	2,59,452
3	DCCT Dewas	Shree Varu Tyres	23AMQPB2914E1ZI	23772304650	27 December 2017	30 May 2017	12 March 2018	1,62,726
		Juneja Electronics	23ACZPF5862A1ZH	23612303380	24 October 2017	31 October 2017	13 February 2018	8,33,099
		Hydroquip Engineering	23FZPM7956V1ZZ	23542302594	26 December 2017	Not filed	Not filed	1,02,921
		Meera Electrical Works	23AKHPC3332J1ZL	23892305845	21 December 2017	Not filed	Not filed	2,22,565
		Shree Trading Company	23BXZPS0292K1ZP	23619222500	29 August 2017	Not filed	19 August 2017	1,73,561
		Siddhi Vinayak Bake Well	23AABQCS1653J1Z4	23079040679	21 December 2017	Not filed	Not filed	8,23,149
		Durgesh Enterprises	23AUDPD2526K1Z0	23589158968	17 October 2017	30 August 2017	Not filed	1,91,180
		S N B	23AEZPG6623G1ZB	23469169844	17 October 2017	16 May 2017	Not filed	3,39,285
		Food Mines Corporation	23ATXPI3378C1ZH	23629097175	17 December 2017	15 May 2017	Not filed	5,78,580
		Safe Car Décor	23AIHPA7200P1ZG	23639159545	27 December 2017	Not filed	02 August 2017	1,79,340
4	ACCT Ratlam-1	Dwivedi Enterprises	23AMRPD7351C1ZA	23833504022	16 December 2017	03 February 2018	03 February 2018	1,04,272
		Dwivedi Motors	23BHGGPD4013E1Z6	23709149256	20 December 2017	07 December 2018	02 January 2018	3,90,000
5	ACCT Ratlam-2	A-one Industries	23AAWFA7486L1ZN	23579071766	12 October 2017	01 May 2017	27 November 2017	2,04,233
		Gajanand Marketing	23CKDPK6697Q1ZB	23589124727	27 December 2017	13 July 2017	25 June 2018	1,28,924
6	ACCT Chhindwara-1	Choudhari Krishi Sewa Kendra Ujjain	23AIAPC7320H1ZX	23369008349	27 December 2017	23 June 2017	07 May 2018	3,24,958



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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of filing TRAN-1	Date of filing of VAT return for 4 <sup>th</sup> quarter of 2016-17	Date of filing of VAT return for 1 <sup>st</sup> quarter of 2017-18	Amount of inadmissible Credit taken in TRAN-1 return
8	ACCT Shajapur	Sanwariya Tractor Port	23ACVPI8663K1ZV	23572604684	27 December 2017	30 December 2017	30 December 2017	1,50,126
		Navdha Garotech	23AWDP2178B1ZV	23399114173	27 December 2017	16 April 2018	16 April 2018	1,33,702
		Manoharlal Nand Kishore	23ACMPB4121B1ZI	23442501693	27 September 2017	03 October 2017	28 October 2017	5,89,806
9	ACCT Shivpuri	Khawaralal Hajariyal	23ACKP19240P1Z5	23462500712	27 December 2017	30 March 2018	30 March 18	10,76,192
		Dinesh Sales Agency	23AKTPK0051G1ZE	23095602442	25 October 2017	01 January 2017	10 November 2017	1,47,344
		Gas Point Petroleum India Ltd.	23AABCG07451J1ZW	23219037852	27 December 2017	18 August 2017	17 March 2018	1,23,304
10	ACCT Jhabua	Patidar Agro Agencies	23CNBPP6235L1ZU	23439109804	27 December 2017	12 June 2017	Not filed	1,20,261
		Jayant Nidhi Traders	23AJIPN9929L1ZK	23789155165	13 September 2017	Not filed	07 September 2017	1,72,193
11	ACCT Mandsaur	Morpa Fabrication and Engineering	23ADZPD2051J1ZJ	23793102755	26 October 2017	11 May 2017	19 March 2018	2,96,601
		Electrical Work & Maintenance	23AYTPK8039N1ZN	23635810986	27 December 2017	27 April 2017	Not filed	1,56,388
13	DCCT Jabalpur-2	Arihant Medicose	23ACHPJ1364P1ZF	23175803964	14 December 2017	Not filed	25 December 2017	2,81,211
		Priya Timber	23ABJPV5552C1ZO	23545806816	30 September 2017	Not filed	26 September 2017	2,83,697
		A.K.G. Enterprises	23AAQFA3164M1Z8	23475810492	24 August 2017	08 May 2017	08 January 2018	3,75,251
		A Agencies	23AGQPB1856P1Z1	23849080663	20 December 2017	Not filed	19 December 2017	6,36,062
		Sheikh Safruddin	23AXKPS1536L1Z6	81489000254	27 December 2017	Not filed	Not filed	2,82,334
14	ACCT Jabalpur-3	Ideal Properties	23AABF8682H1Z9	81379000071	27 December 2017	Not filed	Not filed	58,67,393
		Samarth Industries	23AFSPM2290P1ZS	23419233287	23 December 2017	Not filed	24 August 2017	2,36,119
15	ACCT Jabalpur-4	Gulati & Company	23ADBP3919L1ZP	23505902286	26 December 2017	Not filed	Not filed	1,30,780
		Omkar Hardware	23DDPPP1318K1ZM	23249198675	04 October 2017	Not filed	04 October 2017	3,02,276
16	ACCT Shahdol	Kuldeep Traders	23BENPG2945E1ZP	23569172453	04 October 2017	Not filed	22 September 2017	3,20,815
		Meenesh Irrigation India Pvt. Ltd.	23AAHCM8918M1ZZ	23979230515	25 December 2017	Not filed	30 December 2017	40,57,592
17	ACCT Mandideep	Tomar Paints and Plywood Hardware	23AIVPT1115G1Z8	23509189240	23 August 2017	Not filed	16 August 2017	1,34,946
		Apna Mobile Phone Traders Point	23DSYPK8286B1Z7	23179233990	16 October 2017	Not filed	16 October 2017	1,28,440
19	ACCT Chhatapur	Morya Hardware	23AJMPM0893L1ZS	23387703060	27 December 2017	30 December 2019	31 December 2019	20,94,203
		Adishakti Mahamaya Enterprises	23BIZPD9291C1ZY	23769092214	09 September 2017	10 May 2017	10 September 2017	2,68,013
20	ACCT Waidhan	Anand Carbo Pvt. Ltd.	23AADCA7304F1Z8	23079191223	13 October 2017	15 June 2017	25 December 2017	2,29,093
		V P Pandey	23AJMP4695D1ZY	23629009778	27 December 2017	Not filed	Not filed	6,74,428
		RDV Automotives	23AKBFS4517R1ZQ	23517304658	26 December 2017	Not filed	Not filed	16,67,652
		Avdesh Prasad Gupta	23ALXPG9175A1ZX	23267304553	30 October 2017	26 May 2017	Not filed	1,08,244



Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of filing TRAN-1	Date of filing of VAT return for 4 <sup>th</sup> quarter of 2016-17	Date of filing of VAT return for 1 <sup>st</sup> quarter of 2017-18	Amount of inadmissible Credit taken in TRAN-1 return
		Damodar Engineers Pvt. Ltd.	23AAABCD3754A1ZB	23097305568	27 December 2017	05 May 2017	Not filed	5,90,548
21	ACCT Seoni	Agrawal Krishi Kendra Prop	23AJTPA4460G1ZD	2394050195	27 December 2017	Not filed	Not filed	2,14,403
		Prasann Chand Maloo	23ADRP8982F2ZY	81833000407	01 September 2017	Not filed	Not filed	2,39,720
		Sudeep Traders	23ACGPA6498J1ZG	23966701410	27 December 2017	Not filed	Not filed	3,05,328
		Jain Borwells & Drilling	23AKKPI0604M1ZC	23099001683	27 December 2017	01 May 2017	Not filed	59,69,157
		Dadaguru Construction	23AADFD9376M1Z0	23396702645	28 September 2017	24 October 2017	25 July 2017	8,55,777
22	ACCT Balaghat	Rajesh Enterprises	23AEOPP9B71Q1ZC	23266503721	20 November 2017	21 November 2017	21 November 2017	5,33,200
23	ACCT Bhind	Barua Motors	23AQGPB9539H1ZV	23749033143	27 December 2017	08 November 2017	11 March 2019	2,94,910
		Baish Tyres Pvt. Ltd.	23AAGCB5970R1Z3	23899180374	16 December 2017	02 November 2017	27 December 2017	1,40,985
		Kalpana General Store	23APPPK9470A1ZV	23854802647.	26 October 2017	Not filed	31 July 2017	2,23,656
24	DCCT Katni-1	Laxmi Paints and Hardware Stores	23AEQPI0228M1ZF	23486204355	27 December 2017	Not filed	30 July 2017	99,445
		Power sales and service	23AMJPK4053A1ZM	23289094493	22 December 2017	10 June 2019	Not filed	2,41,622
		Anjali Minerals	23BPKPS2295R1ZZ	23816206841	27 September 2017	27 August 2017	12 October 2017	1,50,080
		Shri Ji Builders	23AUHPP0157G1ZU	23309028822	21 September 2017	16 August 2017	23 January 2018	2,53,664
25	ACCT Mandla	Suresh Kumar Jiwanlal	23AHOPP0518R1ZU	23936300574	28 August 2017	25 August 2017	30 August 2017	2,40,361
		Maa Rewa Enterprises	23AHYPPD6198D1Z1	23026302384	24 October 2017	31 May 2018	31 May 2018	6,48,501
		Amit Rice Industries	23ANJPP3748A2Z6	23899107721	22 December 2017	Not filed	26 December 2017	1,67,102
							<b>Total</b>	<b>3,96,81,517</b>

**Appendix 2.7**  
(Referred to in paragraph 2.4.9.7)  
**Statement showing the details of unregistered Dealers in VAT who claimed SGST Transitional Credit in Table 5(c) of TRAN-1**  
(Amount in ₹)

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of filing of TRAN-1	Amount of ineligible VAT Credit claimed in Table 5(c) of TRAN-1	Remarks
1	ACCT Dhar	Mahaveer Enterprises	23AJKJ4779L1ZO	23419067126	29 September 2017	2,45,077	Dealer's registration was cancelled on 01 April 2013 in VATIS Module and hence not eligible for Transitional Credit.
2	ACCT Dewas	Agrod Kisan Seva Kendra	23AHWPC5123DIZP	23189006815	27 December 2017	12,95,931	Dealer's registration was cancelled on 09 June 2015 in VATIS Module.
3	DCCT Jabalpur-1	Baldev Holani and Sanjay Kumar Lakhotia	23AAABB0381R1ZO	Not registered in VAT	14 October 2017	6,11,901	Dealers was not registered in VAT regime but carried forward Transitional Credit in table 5(c) of TRAN-1.
		Vinayak Engineering Services	23AMMPV5324J2ZO	Not registered in VAT	27 December 2017	1,64,877	Dealers was not registered in VAT regime but carried forward Transitional Credit in table 5(c) of TRAN-1.
4	ACCT Jabalpur-3	Barsainya Glass House	23ADBPG6110B2ZK	Not registered in VAT	18 December 2017	1,15,237	Dealer's registration was cancelled on 16 January 2017 in VATIS Module and hence not eligible for Transitional Credit.
					<b>Total</b>	<b>24,33,023</b>	

**Appendix 2.8**  
(Referred to in paragraph 2.4.9.8)  
**Statement showing the details of Dealers who claimed excess ITR in VAT return as well as incorrect excess credit carried forward to TRAN-1 return**

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Amount claimed in TRAN-1	Date of filing of VAT return of 4 <sup>th</sup> quarter of 2016-17	Amount of Credit carried forward VAT return of 4 <sup>th</sup> quarter of 2016-17	Date of filing of VAT return of 1 <sup>st</sup> quarter of 2017-18	Amount of Credit brought forward in VAT return of 1 <sup>st</sup> quarter of 2017-18	Amount of Credit available in VAT return of 1 <sup>st</sup> quarter of 2017-18	Excess Credit claimed in VAT return as well as carried forward to TRAN-1
1	ACCT Rajgarh	Laxmi Motors	23DXGPS5027F1ZI	23539063040	2,75,657	28 November 2018	21,553	02 December 2017	1,67,772	2,75,657	1,46,219
2	ACCT Pithampur	Commercial Syn Bags Ltd.	23AABCC2596D2ZZ	23471400484	11,68,810	30 November 2019	23,76,399	05 December 2017	25,13,242	12,21,589	84,064
3	ACCT Dhar	Dhoot Telecom	23ADYPD6993L1ZP	23171704744	28,57,308	28 April 2017	22,88,775	07 November 2017	25,86,533	28,57,308	2,97,758
		Bhagwati Traders	23AJNPI0580G1ZD	23041704282	1,00,400	18 May 2017	38,108	27 December 2017	1,14,279	1,00,400	76,171
		Shri Krishna Agro Agency	23AJDPB4752C1ZX	23311704473	1,29,902	15 May 2017	43,072	04 December 2017	1,18,782	1,29,902	75,710
		Jawahar and Company	23ABEPJ8491M1Z8	23321600629	16,20,192	12 September 2017	13,69,366	12 September 2017	13,71,295	16,20,192	1,929
		Vallabhram Lalchand	23AASPA9481H1ZG	23781600667	7,04,466	19 September 2017	7,42,632	26 July 2017	7,61,927	7,04,467	19,294
4	DCCT Dewas	Mayank Kisan Seva Kendra	23ANNMP9402H1ZY	23122304959	4,47,824	17 December 2018	5,95,133	18 September 2017	6,02,248	4,47,824	7,115
5	ACCT Ratlam-2	Manak Shyam	23AFQPA7061L1ZB	23933500960	1,21,646	27 April 2017	2,96,554	11 July 2017	4,80,967	1,21,646	1,84,413
		Lakshmi Trading Company	23CZDPS5398M1ZL	23069113624	1,35,484	20 April 2017	83,559	02 June 2017	1,38,287	1,35,484	54,728

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Amount claimed in TRAN-1	Date of filing of VAT return of 4 <sup>th</sup> quarter of 2016-17	Amount of Credit carried forward VAT return of 4 <sup>th</sup> quarter of 2016-17	Date of filing of VAT return of 1 <sup>st</sup> quarter of 2017-18	Amount of Credit brought forward in VAT return of 1 <sup>st</sup> quarter of 2017-18	Amount of Credit available in VAT return of 1 <sup>st</sup> quarter of 2017-18	Excess Credit claimed in VAT return as well as carried forward to TRAN-1
6	ACCT Chhindwara-2	Aadharsh Vikas Kendra Rajendra Krishi Kendra Fones Villa	23AKJPK8801A1ZM 23AFRPPC9735Q1ZP 23AAAEFF4501H1ZZ	23286804313 23786802971 23969170085	1,40,570 1,86,819 9,17,830	19 June 2017 11 June 2017 04 May 2017	1,12,128 0 6,45,449	30-11-2017 27 December 2017 25 December 2017	1,15,152 2,72,072 7,66,199	1,40,570 1,86,819 9,17,830	3,024 2,72,072 1,20,750
7	ACCT Ujjain-2	Shanti Lal Onkarlal	23ABOPG0035G1Z6	23732702954	8,06,617	09 April 2017	1,00,394	18 July 2017	8,06,617	8,06,617	7,06,223
8	ACCT Shajapur	Gotam Hardware	23APRPP9085L1ZY	23472501531	1,66,016	13 November 2017	1,98,005	13 November 2017	2,00,062	1,65,184	2,889
9	ACCT Sindhwa	SKM Kotex Pvt. Ltd.	23AADCK4990K1Z9	23082205168	2,35,111	06 May 2017	18	09 August 2017	66,202	2,33,781	67,514
10	ACCT Khandwa	Vindhya Marketing	23BAJPS3120F1Z2	23302004645	2,25,265	11 April 2017	35,392	05 October 2017	1,91,979	2,26,290	1,55,562
11	ACCT Khargone	Kiran Wooden Industries Shri Agri Clinic and Agri Business	23AQRP6227H1ZJ 23AOJPP4290E1ZY	23569009590 23142108523	3,50,321 1,07,158	06 June 2017 15 July 2017	3,31,281 1,00,049	08 June 2017 15 November 2017	3,47,646 1,15,125	3,50,321 1,07,158	16,365 15,076
12	ACCT Jhabua	Somani Krishi Seva Kendra	23AYQPS2571L1ZT	2320180429	2,58,907	30 October 2017	1,43,156	11 December 2017	2,30,238	2,58,907	87,082
13	DCCT Jabalpur-2	Aditya Enterprises	23ABMPN5549A1ZS	23655809326	10,02,545	20 July 2017	10,49,336	27 July 2017	10,50,664	10,02,545	1,328
14	ACCT Jabalpur-3	Marketing and Business Agency Cromlite	23ACUPA9979J1ZU 23AABFC5766G1ZM	23816003238 23426005635	11,05,434 1,92,235	27 April 2017 29 April 2017	1,20,477 10,49,083	07 October 2017 02 August 2017	11,93,483 13,70,239	11,05,434 1,92,235	10,73,006 3,21,156

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Amount claimed in TRAN-1	Date of filing of VAT return of 4 <sup>th</sup> quarter of 2016-17	Amount of Credit carried forward VAT return of 4 <sup>th</sup> quarter of 2016-17	Date of filing of VAT return of 1 <sup>st</sup> quarter of 2017-18	Amount of Credit brought forward in VAT return of 1 <sup>st</sup> quarter of 2017-18	Amount of Credit available in VAT return of 1 <sup>st</sup> quarter of 2017-18	Excess Credit claimed in VAT return as well as carried forward to TRAN-1
15	ACCT Jabalpur-4	Sanskardhani Mobile	23BCWPG4777R1ZJ	23149081800	2,62,731	02 May 2017	2,94,980	09 November 2017	3,15,703	2,78,446	5,008
		Sri Mahaveer Pipe Works	23AADPO0191P1ZJ	23656001483	3,74,070	16 April 2017	1,21,254	30 July 2017	2,48,026	3,74,070	1,26,772
		Sharad Kumar Jain	23ACOPJ3871C1ZR	23369075085	4,81,394	29 June 2017	2,84,612	29 October 2017	5,93,895	4,81,394	3,09,283
16	ACCT Shahdol	Veena Garments Pvt. Ltd.	23AABCV8519P1ZT	23295902935	3,26,100	01 December 2017	2,42,700	27 December 2017	3,28,522	3,26,100	85,822
		Khemi Enterprises	23AAPFK1470R1ZS	23059088017	3,99,242	13 April 2017	4,63,778	28 July 2017	4,70,805	3,99,242	7,027
		Rajendra & Company	23ACOPA2606G1Z5	23756102308	7,15,783	30 May 2017	6,76,690	10 November 2017	7,26,751	5,74,141	1,91,703
17	ACCT Mandideep	Shankar Beej Bhandar	23AIYPK1004C1ZQ	23936102597	6,12,174	21 May 2017	4,20,450	06 November 2017	4,25,212	6,12,174	4,762
		M P Engineering	23AAATFM2674F2Z2	23869027505	3,41,430	06 June 2017	1,06,188	16 September 2017	1,17,497	0	3,52,739
		Procter & Gamble Health Care & Hygiene Ltd.	23AAAACP6332M1ZF	23471101239	13,12,81,699	29 April 2017	8,28,55,648	26 July 2017	13,98,41,026	13,12,81,699	5,69,85,378
17	ACCT Mandideep	Andritz Hydro Pvt. Ltd.	23AABCV2466R1ZV	23974101853	1,92,97,835	28 April 2017	0	26 September 2017	2,10,07,364	1,92,97,835	2,10,07,364
		Precision Engineering Company Pvt. Ltd.	23AAAFCP3324C1Z1	23089002363	8,92,745	05 May 2017	8,90,745	27 December 2017	8,92,745	8,92,745	2,000

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Amount claimed in TRAN-1	Date of filing of VAT return of 4 <sup>th</sup> quarter of 2016-17	Amount of Credit carried forward VAT return of 4 <sup>th</sup> quarter of 2016-17	Date of filing of VAT return of 1 <sup>st</sup> quarter of 2017-18	Amount of Credit brought forward in VAT return of 1 <sup>st</sup> quarter of 2017-18	Amount of Credit available in VAT return of 1 <sup>st</sup> quarter of 2017-18	Excess Credit claimed in VAT return as well as carried forward to TRAN-1
18	ACCT Bina	Agrawal Khad Vikray Kendra	23AHPPA2372R1Z0	23307403762	7,54,478	28 August 2017	0	28 August 2017	2,80,090	7,54,478	2,80,090
19	ACCT Balaghat	Anil Traders	23AFBPP4932Q1Z3	23796503187	17,72,951	10 October 2017	16,22,129	10 October 2017	16,97,540	17,72,951	75,411
20	ACCT Bhind	Sairam Automobiles	23ASVPB3496L1Z7	23494804494	2,59,989	28 April 2017	30,357	12 September 2017	1,51,105	2,59,989	1,20,748
21	DCCT Katni-1	Shree Kamal Lime Industries	23ADEPB9818L1ZH	23716204277	39,70,828	01 May 2017	36,02,050	26 December 2017	38,74,735	39,70,828	2,72,685
		Kailash Chand Bagariya	23AADFK1818K1ZI	23856200611	15,44,184	29 April 2017	3,21,967	26 December 2017	13,40,387	15,44,184	10,18,420
		KC Bagaria Sons	23ADCPB6594P1Z8	23286202816	24,01,324	09 May 2017	10,42,780	26 December 2017	23,12,413	24,01,324	12,69,633
22	ACCT Burhanpur	Vijay Krishi Kendra	23ABVPT964E1ZA	23061904964	3,67,576	03 October 2017	1,91,633	25 September 2017	2,57,471	4,13,877	19,537
		<b>Total</b>		<b>Total</b>	<b>17,93,13,050</b>		<b>10,49,07,880</b>		<b>19,04,62,297</b>	<b>17,89,43,637</b>	<b>8,59,23,830</b>

**Appendix 2.9**  
(Referred to in paragraph 2.4.9.9)  
**Statement showing the details of dealers who did not reverse SGST Transitional Credit claimed in TRAN-1 in excess of VAT revised return**

Sl. No.	Name of Audited Unit	Name of Dealers (M/s)	GSTIN	TIN	Date of filing of TRAN-1	Amount of TRAN-1	Date of filing of VAT original return	Amount of Credit carried forward from VAT return to TRAN-1	Date of filing of VAT revised return	Credit shown as carried forward in VAT revised return	Excess Credit taken in TRAN-1
1	ACCT Rajgarh	Shubham Traders	23AEGPV7437J1Z2	23509022691	30 August 2017	2,81,020	29 August 2017	2,81,020	26 October 2018	2,30,448	50,572
		Mittal Machinery	23AFQPM1175F1ZH	23262402561	28 August 2017	3,82,545	19 August 2017	3,82,545	23 September 2018	3,67,175	15,370
		Sarraf Traders	23BGZPS4104F1Z8	23592403883	02 September 2017	7,33,367	02 September 2017	7,33,466	30 November 2017	0	7,33,367
2	DCCCT Dewas	Megha Graphics	23AJGPP8484Q1ZA	23692305567	28 September 2017	1,55,135	19 August 2017	1,55,135	20 October 2018	17,575	1,37,560
		Tyagi Industries	23ALFPT6096H1ZQ	23049041943	29 August 2017	2,03,464	22 August 2017	2,03,464	19 June 2018	1,94,134	9,330
		Waqt Telecom	23ALJPN0422H1ZI	33499178183	23 October 2017	5,46,246	23 August 2017	5,46,246	15 September 2018	1,27,068	4,19,178
		Bhim Singh Thakur	23AAQFB9943F1Z7	23021703129	27 December 2017	6,27,814	26 August 2017	6,27,814	29 January 2020 (Assessment)	0	6,27,814
4	ACCT Neemuch	Pheeroz Shaw and Company	23AARFP9251D1Z3	23023300040	11 September 2017	33,87,062	27 July 2017	33,87,062	11 December 2019	6,45,323	27,41,739
		National Tyres	23AGRPL9521E1ZB	23969102185	26 December 2017	4,43,562	30 July 2017	4,43,562	22 January 2020	2,26,827	2,16,735
5	DCCT Jabalpur-1	Prachi S Tele Communication	23AHZPK0857B1ZB	23905807976	27 December 2017	1,07,916	27 December 2017	1,07,916	08 February 2021	1,03,075	4,841
		Somya Traders	23AJFPC9642N1Z0	23325809750	22 October 2017	1,09,049	12 September 2017	1,09,049	07 December 2018	59,189	49,860
		Sai Plastic	23AIJPB6524D1ZT	23895810552	27 December 2017	2,52,980	16 August 2017	2,52,980	05 February 2021	2,14,139	38,841
6	ACCT Mandsaur	Surya Refractories	23AMXPS8807J1Z7	23895805023	05 September 2017	3,14,354	06 August 2017	3,14,354	20 March 2019	3,04,354	10,000
		Lamba Agency	23ABEPL4553A1Z8	23229089261	26 December 2017	3,40,928	12 August 2017	3,41,937	06 February 2021	3,20,370	20,558
		Pawansut Constructions Pvt. Ltd.	23AADCP9321P1Z3	23355810364	11 November 2017	2,97,342	26 July 2017	2,97,342	27 July 2018	1,87,665	1,09,677
6	ACCT Mandsaur	Nilesh Medical Stores	23AGAPJ0285G1ZV	23573001705	25 October 2017	5,72,059	01 August 2017	5,72,059	27 November 2019	2,41,904	3,30,155

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Date of filing of TRAN-1	Amount of TRAN-1	Date of filing of VAT original return	Amount of Credit carried forward from VAT return to TRAN-1	Date of filing of VAT revised return	Credit shown as carried forward in VAT revised return	Excess Credit taken in TRAN-1
7	ACCT Khandwa	Rathore Krishi	23AABFR2427BIZX	23282003201	23 December 2017	2,36,346	23 December 2017	2,37,681	08 April 2019	0	2,36,346
<b>Total</b>						<b>89,91,189</b>		<b>89,93,632</b>		<b>32,39,246</b>	<b>57,51,943</b>



**Appendix 2.10**

*(Referred to in paragraph 2.4.9.12)*

**Statement showing the details of Dealers who had not produced relevant records in respect of ITC claimed on capital goods and tax paid stock**

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Table of TRAN-1 in which ITC claimed	Claimed amount of ITC remained unverified	(Amount in ₹)
1	ACCT Dhar	Vacmet India Ltd.	23AAACV5120B1Z4	23849165344	6(b)	34,97,391	
					7(b)	2,40,369	
2	ACCT Pithampur	Man Trucks India Pvt. Ltd.	23AAECM6932E1ZP	23721604774	7(b)	49,89,043	
		Maan Aluminium Ltd.	23AAFCM0088C1ZX	23471101336	7(b)	23,32,016	
		Him Teknoforge Ltd.	23AAACH3906R2ZE	23961601926	7(b)	20,033	
		M R Traders	23ADFT9084M1ZU	23051603833	7(b)	1,87,733	
		Commercial Syn Bags Ltd.	23AABCC2596D2ZZ	2347140048	7(b)	10,419	
		Harihar Tyres	23AIDPB1541Q1ZH	23459005818	7(b)	6,51,411	
		Force Motors Ltd.	23AAACB7066L1ZM	23431603624	7(b)	15,54,728	
		Polyhouse India Pvt. Ltd.	23AAACP6469R1ZR	23769158174	7(b)	2,48,256	
3	DCCCT Dewas	Shalu Foods	23AVMPV7462J1ZW	23629242287	7(b)	60,354	
		Shri Ram Traders	23ANGPM9214M1ZR	23282305938	7(b)	1,00,245	
		John Deere India Pvt. Ltd.	23AAACJ4233B1ZC	23119043779	7(b)	13,00,016	
		Malwa Enterprises	23AHYPA6520E1ZK	23509019587	7(b)	41,586	
					7(c)	41,586	
		Navin Fluorine International Ltd.	23AABCP0464B1Z4	23582300535	7(b)	4,161	
		Dewas Hydroquip Pvt. Ltd.	23AABCD3564G1ZZ	23592303003	7(c)	6,04,836	
		Food mines	23ATXPI3378C1ZH	23629097175	7(c)	58,750	
		Gabriel India Ltd.	23AAACG1994N1ZC	23432302315	7(b)	1,96,006	
		Baerlocher India Additives Pvt. Ltd.	23AAACB6493M1ZF	23232303395	10(a)	67,33,797	
4	ACCT Chhindwara-1	Pooja Agency	23ADBPV4804H1ZP	23186602899	7(b)	1,65,915	
		Neer Material Suppliers	23CAOPD5984N1Z2	23289149492	7(c)	39,385	
		Lalwala Enterprises	23AKIPJ8532G1Z8	23179215657	7(c)	2,99,349	
5	ACCT Chhindwara-2	Arpana Enterprises	23AAACV8686N1ZM	23186800391	7(c)	2,06,907	
6	ACCT Itarsi	Vishal Nirmati Pvt. Ltd.	23AFAACCS9547H1Z6	23464302875	7(b)	1,32,357	
7	ACCT Ujjain-2	Mehta Abhikaran	23ACBPM9433A1Z3	23352702678	7(c)	18,534	
		Grasim Industries Ltd.	23AAACG4464B5Z2	23802700151	7(b)	3,60,653	
		Ultra Tech Cement Ltd.	23AAAACL6442L1ZI	23762701822	7(b)	7,72,248	

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Table of TRAN-1 in which ITC claimed	Claimed amount of ITC remained unverified
8	ACCT Ujjain-3	Kashish Enterprises	23BQSPK6586Q1ZP	23199174430	7(b)	1,03,605
9	ACCT Shajapur	Fins System	23AODPP2085D1Z9	234222504808	7(b)	2,32,900
		Agrawal Cements	23AWGPA1007P1ZW	23819172622	7(c)	6,797
		Amar Ratn Traders	23AETPJ1967N1ZU	23029106935	7(c)	3,90,159
		Mahima Traders	23ACMPA3045P1ZL	23592502338	7(b)	1,46,872
			23ACMPA3045P1ZL	23592502338	7(c)	36,695
		Nakoda Sales and Service	23AAVPT4233F1ZI	234222503256	7(b)	70,647
		Agrawal Traders	23ACMPA3035D1ZC	23792501646	7(c)	41,176
		Laxmi Telecom	23BDNPG5201Q1ZF	23119031751	7(c)	5,88,741
		Garg Trading Company	23AFHPG4385C1ZS	23262502859	7(b)	77,718
			23AFHPG4385C1ZS	23262502859	7(c)	2,94,481
10	ACCT Shivpuri	Mangal Shree Krashi Sewa Kendra	23ASWPM9760B1ZD	23362502901	7(b)	1,04,896
		Jetram Chokharam	23AABFJ4161G1ZS	23585700094	7(c)	75,977
		Ranjilal Pradeep Kumar	23AIYPM4714B1ZB	23475700591	7(c)	46,007
		PS Bikes Ltd.	23AARFP0831B1ZN	23509139576	7(c)	11,705
		Dashmesh Engineering	23DONPS9570H1Z9	23125703548	7(c)	2,81,428
11	ACCT Mandasaur	Primary Agriculture Credit Cooperative Society	23AAATP7565P1ZX	23589249469	7(b)	68,193
12	ACCT Sendhwa	Maral Overseas Ltd.	23AACCM0230B1ZI	235622022091	7(b)	48,733
13	DCCCT Jabalpur-1	Auto Spark	23ACUPV5342E1ZB	23355809588	7(c)	3,51,774
		Ramesh Chandra Porwal	23AGYPP6886H1ZG	Not Available	7(b)	1,25,00,000
		Raj Print Pack Industries	23AIZPP7357A1ZW	23565803604	7(b)	1,44,752
		Pawansut Constructions Pvt. Ltd.	23AADCP9321P1Z3	23355810364	7(c)	2,91,597
		Nayyar Timber	23ACVPN5052E1ZJ	23675805435	7(c)	3,74,774
		Rashi Enterprises	23AOZPP7272E1ZE	23145810722	7(d)	17,14,055
14	DCCCT Jabalpur-2	Nath Builders	23AWSPS1465R1ZK	2398138170	7(c)	5,71,655
		Steel House	23AACHV6728E1Z6	23615903050	7(c)	41,109
15	ACCT Jabalpur-3	J K Motors	23AAIFJ1581D1ZP	23469061107	6(b)	5,34,373
					7(c)	1,14,552
		Abhishek Electronics and Mobiles	23ANAPK2829E1ZH	23406006228	7(c)	3,68,910
		Info solution	23AABFI2330Q1ZH	23096003925	7(c)	88,382
		Computer Bazar	23ACGPGJ7286B1ZS	23236002393	7(c)	87,410
		Sri Mahaveer Pipe Works	23AADPO0191P1ZJ	23656001483	7(c)	33,374
		Medicell	23AAKFM7147A1ZK	23626005331	10(a)	4,92,501

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Table of TRAN-1 in which ITC claimed	Claimed amount of ITC remained unverified
16	ACCT Jabalpur-4	Commercial Auto Mobiles Pvt. Ltd.	23AAACCC4267E1Z1	23196000766	11	23,50,999
		DJ aqua Solution	23AZIPD5411H1ZU	23309047058	7(c)	1,19,541
		Sunil Hosiery Pvt. Ltd.	23AAUCS3850M1ZR	23779181744	7(c)	3,05,815
		Central Mart	23AAHFC4821A1Z6	23449026383	7(c)	6,501
		PAG Pharma	23AEPPA6383G1ZT	23276102960	10(a)	6,41,341
		South Eastern Coal Field Ltd.	23AADCS2066E1ZR	23897201241	7(b)	2,79,480
		Shree Radhey Tyres	23AMRPG7550N1ZJ	23509179346	7(b)	1,88,558
					7(c)	1,88,558
					7(c)	93,409
					7(c)	35,212
					7(c)	72,420
					7(b)	4,53,940
					7(b)	5,41,578
					7(c)	15,044
					7(b)	1,71,210
		18	ACCT Mandideep	Makson Health Care Pvt. Ltd.	23AABCM0082E1Z3	23644101641
Trupati Motors	23BXQPS3812J1Z4			23579133458	7(c)	80,524
19	ACCT Bhind	Andritz Hydro Pvt. Ltd.	23AABCV2466R1ZV	23974101853	7(b)	3,28,607
		Avgol India Pvt. Ltd.	23AAKCA0736E2Z4	23589204073	7(b)	
20	ACCT Tikamgarh	Baruaa Motors	23AQGPB9H1ZV	23749033143	7(c)	
		Khurkhuriya Automobiles	23AAZPJ7642N1ZW	23457801137	7(b)	
21	ACCT Datia	Jain Krishi Kendra	23AGJ3016E1ZZ	23427801784	7(b)	
		Mahendra Trading Company Prithvipur	23ACWVPJ3791K1ZZ	23557800500	7(c)	
22	ACCT Balaghat	Shivhare Traders	23CPSPK2402R1ZH	23449158594	7(b)	3,47,758
		Balaghat Minerals Prop	23AHLPG5310K2ZJ	23126505835	7(b)	5,018
23	ACCT Vidisha	Ravi Shankar & Co.	23AAHFR2379A1ZI	23236500391	7(c)	2,47,361
		Makhani Minerals Ltd.	23ABCFM1171B1Z0	Not Registered	7(b)	14,19,350
24	ACCT Waidhan	Unikil Pesticides	23AAACU1930A1Z5	23194402497	7(c)	2,12,699
		Amrit Pesticides	23AJSPB5589L1ZM	23954405474	7(c)	6,715
25	ACCT Jabalpur-4	Shiv Shakti Enterprises	23DIPT3285B1ZN	23814405648	7(c)	4,10,066
		Sushama Traders	23AGCPB0733D1ZE	23174405127	7(d)	3,27,883
26	ACCT Jabalpur-4	Primer Explosive Ltd.	23AABCP2277J1ZG	23767303308	7(b)	3,23,828
		Northern Coalfields Ltd.	23AABCN4884H1ZE	23657300604	7(b)	9,54,978
27	ACCT Jabalpur-4	Special Blasts Ltd.	23AADCS2831D1ZW	23157304856	7(b)	7,88,387
		Blastec India Pvt. Ltd.	23AAACB7455K1ZN	23267302904	7(b)	2,50,271
28	ACCT Jabalpur-4	Shaarc Project Ltd.	23AAPCS9159L1ZK	23979066197	7(c)	20,132
		Solar Industries India Ltd.	23AAACCS2132E4ZY	23237303357	7(b)	5,02,509

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Table of TRAN-1 in which ITC claimed	Claimed amount of ITC remained unverified
25	ACCT Katni-2	Sonal Hardware	23ALOPG4284H1Z0	23606206714	7(c)	5,041
		MN Iron Traders	23AEWPN5344N1ZS	23796206367	7(c)	1,12,969
		Roopa Chemico and Mineral	23AJDPS4709C1ZJ	23566202080	7(c)	51,808
		Laxmi Gour Marble and Minerals India Pvt. Ltd.	23AABCL8015E1ZZ	23219089262	7(b)	1,78,828
26	DCCT Katni-1	Calderys India Refractories Ltd.	23AAAFCA3610G1ZB	23846206388	7(b)	13,85,992
		Mahendra Iron Traders	23AEVPN5993E1ZX	23796202584	7(c)	2,59,914
		Jay Hind Stores	23ACHPJ0642E1Z7	23126202904	7(c)	1,49,340
		Ekta Hardware stores	23ADTPM6573A1ZG	23386202373	7(c)	5,20,166
		Amit Polymers	23ADUPA8169R1ZO	23266402356	7(c)	1,46,726
		Hirani Enterprises	23ADWPR4877M1ZG	23256404156	7(c)	2,88,547
27	ACCT Narsinghpur	Vardhaman Global Infrastructures Pvt. Ltd.	23AACCV6427F1ZI	23056302901	7(b)	69,615
					7(c)	44,828
		RK Jain & Sons	23AALHR5719N1ZL	23439003395	7(b)	18,700
		Aadi Enterprises	23AALHP5667F1ZX	23089011578	7(b)	43,320
		Shyam Baba Minerals	23ACQPA5094C1ZV	237836301481	7(c)	1,83,142
		Sitaram Sarjoo Prasad	23ACQPA5118H1ZW	23876301189	7(c)	27,628
		Sanket Mobiles	23ATNPR2109R1Z5	23986303214	7(c)	2,80,785
		Archana Enterprises	23AJTPA2205M1ZD	23839087551	7(c)	1,16,445
		Shree Vasudeo Industries	23ACHFS9161K1ZQ	23939084243	11	3,34,306
		Bandhu Prem Agency	23AAKPI3354B1Z8	235111908063	7(c)	22,270
28	ACCT Mandla				<b>Total</b>	<b>6,12,53,964</b>
29	ACCT Burhanpur					

**Appendix 2.11**  
(Referred to in paragraph 2.4.9.12)

**Statement showing the details of Dealers in respect of which records had not been produced**

Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Amount of Credit taken in TRAN-1 return	Documents not produced
1	ACCT Chhindwara-1	Khandelwal Kirana Stores	23AFAPK9363F1ZL	23146600302	6,60,901	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Laxmi Departmental Store	23AGDPI5322K1ZN	23886601544	3,65,303	VAT return of Q4 (2016-17)
2	ACCT Chhindwara-2	Sagar Traders	23ARDPC4905A1ZP	23419093801	1,69,111	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Shiv Agencies	23CDNPS8556H1ZX	23936804004	1,08,092	VAT return of Q4 (2016-17), Date of VAT returns filed
		Raghuwansi Construction	23AMVPR7164H1ZF	23749015780	1,29,894	VAT return of Q4 (2016-17)
		K.Koteswara Reddy	23AGKPK3616N1Z8	23226804249	1,29,367	VAT return of Q4 (2016-17)
		Musale Construction	23AAHFM4293N1ZV		11,50,388	Copy of electronic Credit ledger
		Ascon Infrotech Pvt. Ltd.	23AAICA3955H1ZQ	23376602649	37,78,978	Copy of electronic Credit ledger Copy of TRAN-1 FORM
						Copy of VAT return submitted
3	ACCT Hoshangabad	Nahar Fertilizer	23ACFPN7733G1ZN	23216800326	2,89,783	Dates of VAT returns filed
		Kapalansh Dathu Udyog	23AAACK7380C1ZV	23799188241	23,51,624	Dates of VAT returns filed
		Shrivastav Enterprises	23DXOPS8954K1ZH	23229122532	1,32,017	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		D B Trading Co.	23CBZPM7110D1ZN	23189215947	71,707	VAT return of Q4 (2016-17)
		Shipra Auto Mobile	23ABZFS2050G1Z1	23814202433	2,57,684	VAT return of Q4 (2016-17)
		Omkar Industries	23ABLPP8193P1ZQ	23329132804	4,56,061	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Agro Service Center	23AATPR0923Q1Z2	23124600270	45,91,592	VAT return of Q4 (2016-17)
4	ACCT Harda	B K Patel & Co.	23AABFB2484L1ZJ	23544600524	4,92,698	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Atharv Enterprises	23ANLPV7571K1Z9	23299108169	1,45,170	VAT returns of Q4 (2016-17) and Q1 (2017-18)
5	ACCT Ujjain-1	Giiraj Construction	23AAZFS3834M1ZG	81079000392	61,56,039	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Jyoti Enterprises	23AZPPS7716R1ZB	23252703218	2,27,530	VAT return of Q1 (2017-18)
6	ACCT Ujjain-2	Aman Medicos	23ADAPN7180P1Z6	23062803184	2,32,268	VAT return of Q1 (2017-18)
		Satish Auto Mobiles	23ACBPB7185J1ZQ	23352801812	2,36,081	VAT return of Q4 (2016-17)
7	ACCT Ujjain-3	Sunder Fertilizers	23AWGPP7156E1ZI	23542505615	2,83,505	VAT return of Q4 (2016-17)
		Jinendra	23ABOPC8832D1ZV	23399248227	2,12,341	VAT return of Q4 (2016-17)
8	ACCT Shajapur	R Plywood	23CZKPK5456M1ZV	23779100361	1,03,037	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Bharti Electronics & Mobile	23APRPG9246A1ZZ	23695705126	1,45,881	VAT returns of Q4 (2016-17) and Q1 (2017-18)

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Sl. No.	Name of Audited Unit	Name of the Dealers (M/s)	GSTIN	TIN	Amount of Credit taken in TRAN-1 return	Documents not produced
10	ACCT Neemuch	Ashutosh & Sons Prop. Anil Kumar Gupta	23AKNPG7039C1ZE	23819055640	1,16,661	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Shiv Enterprises	23CSZPM6688R1Z6	23949149523	1,19,556	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Ashutosh Sales	23BAOPG0133P1ZP	23379155691	1,60,982	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		M. K. Mobile & Laptop	23AXIPC9152E1ZR	23449168779	1,98,172	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Sita Traders	23ARWBP6354R1ZI	23359029496	1,99,083	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Chaudhary Tyres	23ARLP14138Q1ZC	23789181161	2,49,145	VAT return of Q4 (2016-17)
		Star Diesel	23ASUPR3872K1ZY	23929002764	4,69,587	VAT returns of Q4 (2016-17) and Q1 (2017-18)
		Sandesh Sales Agency Prop. Sandesh Dhakad	23DPSPS1217(b)1Z2	23879031384	2,08,209	VAT return of Q4 (2016-17)
		Vijay Laxmi Agency Manasa Jain Auto Mobile	23CXZPS7955Q1ZW	23489004554	2,87,791	VAT return of Q4 (2016-17)
		Prop. Suresh Kumar Jain	23AEXPI4949Q1ZG	23289153954	1,08,152	VAT return of Q4 (2016-17)
11	ACCT Katni-2	Ambika Electronics	23CIXPS923N1ZI	23686204827	1,27,149	VAT return of Q1 (2017-18)
12	ACCT Narsinghpur	Swastik Traders	23AAOFS430G1ZE	23866402220	2,50,934	VAT return of Q1 (2017-18)
		R K Cold	23ACMPL0463C1ZI	23549235311	1,52,925	VAT return of Q4 (2016-17)
<b>Total</b>					<b>2,55,25,398</b>	

**Appendix 2.12**  
**Delay/non-issue of acknowledgement of applications for all type of refunds (Pre-automation)**  
*(Referred to in paragraph 2.5.7)*

Sl. No.	Name of Audited Unit	Name of the Commissionerate	Total No. of Pre-automation refund cases processed	No. of refund cases examined by the Audit	No. of refund cases in which delay in acknowledgement noticed	Period of delay in days	No. of refund cases in which acknowledgement was not issued and manual receipt date not recorded
1	Circle-1 Gwalior	Indore	98	1	0	0	0
2	Circle-2 Gwalior		142	9	1	5	4
3	Circle-3 Gwalior		137	18	0	0	18
4	Circle-4 Gwalior		164	5	0	0	5
5	Circle-Bina		60	6	0	0	5
6	Circle-Sagar		242	8	0	0	5
7	Circle-1-Jabalpur		156	6	0	0	0
8	Circle-2 Jabalpur		40	1	0	0	1
9	Circle-4 Jabalpur		116	1	0	0	0
10	Circle-Narsinghpur		100	6	0	0	6
11	Circle-Dewas		134	17	0	0	9
12	Circle-1 Ujjain		190	8	0	0	7
13	Circle-2 Ujjain		54	3	0	0	3
14	Circle-3 Ujjain		27	1	0	0	1
15	Circle-11 Indore		679	76	1	45	1
16	Circle-4 Indore		45	1	0	0	0
17	Circle-6 Indore		89	1	0	0	0
18	Circle-14 Indore		226	8	1	5	0
19	Circle-15 Indore		112	6	0	0	0
20	Circle-Pithampur		130	14	1	317	2
21	Circle-Burhanpur		188	12	0	0	0
22	Circle-1 Bhopal		263	14	1	29	4
23	Circle-2 Bhopal		58	2	0	0	0
24	Circle-3 Bhopal		58	3	0	0	0
25	Circle-4 Bhopal		34	4	0	0	0
26	Circle-5 Bhopal		179	13	0	0	1

Sl. No.	Name of Audited Unit	Name of the Commissionerate	Total No. of Pre-automation refund cases processed	No. of refund cases examined by the Audit	No. of refund cases in which delay in acknowledgement noticed	Period of delay in days	No. of refund cases in which acknowledgement was not issued and manual receipt date not recorded
27	Circle-6 Bhopal		93	6	0	0	0
28	Joint Commissioner Div-1 Bhopal		38	15	1	12	0
29	Circle-Mandideep		135	11	1	5	0
30	Circle-1 Indore		449	30	0	0	0
31	Circle-2 Indore		224	12	1	17	0
32	Circle-3 Indore		282	13	0	0	0
33	Circle-7 Indore		139	11	0	0	0
34	Circle-8 Indore		259	22	3	20	1
35	Circle-9 Indore		238	19	0	0	1
36	Circle-10 Indore		142	12	0	0	0
37	Circle-12 Indore		330	19	1	47	0
38	Circle-13 Indore		524	33	0	0	5
<b>Total (38 units)</b>			<b>6,574</b>	<b>447</b>	<b>12</b>	<b>5 to 317 days</b>	<b>79</b>



**Appendix 2.13**  
(Referred to in paragraph 2.5.7)  
**Delay in acknowledgement of applications for all type of refunds (Post-automation)**

Sl. No.	Name of Audited Unit	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which delay in acknowledgement notified	Range of delay in days
1	Circle-1 Gwalior	4	0	0
2	Circle-2 Gwalior	21	10	15 to 112
3	Circle-3 Gwalior	16	8	7 to 34
4	Circle-4 Gwalior	6	6	1 to 70
5	Circle-Baidhan	5	0	0
6	Circle-Bhind	4	0	0
7	Circle-Bina	4	1	16
8	Circle-Chhattarpur	1	0	0
9	Circle-Damoh	1	0	0
10	Circle-Datia	11	1	21
11	Circle-1 Jabalpur	4	1	4
12	Circle-2 Jabalpur	1	0	0
13	Circle-3 Jabalpur	1	0	0
14	Circle-4 Jabalpur	2	2	40 to 53
15	Circle-Mandsaur	6	4	6 to 48
16	Circle-Morena	13	5	28 to 45
17	Circle-Nawgaon	2	1	15
18	Circle-Neemuch	9	1	21
19	Circle-Panna	2	0	0
20	Circle-1 Ujjain	10	1	5
21	Circle-2 Ujjain	2	0	0
22	Circle-Rewa	1	0	0
23	Circle-Sagar	11	2	49 to 51
24	Circle-1 Satna	6	2	7 to 33
25	Circle-2 Satna	1	0	0
26	Circle-Sehore	3	1	6
27	Circle-Seoni	1	0	0
28	Circle-Shajapur	1	0	0
29	Circle-Sheopur	1	0	0

Sl. No.	Name of Audited Unit	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which delay in acknowledgement notified	Range of delay in days
30	Circle-Tikamgarh	6	2	4 to 30
31	Circle-Jhabua	3	0	0
32	Circle-Khandwa	6	1	26
33	Circle-Khargone	2	1	10
34	Circle-Dhar	4	1	74
35	Circle-Pithampur	10	5	4 to 49
36	Circle-3 Bhopal	3	0	0
37	Circle-4 Bhopal	2	1	3
38	Circle-5 Bhopal	19	5	7 to 170
39	Circle-8 Indore	14	3	2 to 19
40	Circle-9 Indore	33	15	1 to 45
41	Circle-10 Indore	3	0	0
42	Circle-11 Indore	57	11	1 to 126
43	Circle-12 Indore	16	7	2 to 41
44	Circle-13 Indore	19	7	2 to 41
45	Circle-14 Indore	17	3	1 to 25
46	Circle-15 Indore	5	1	4
47	Circle-1 Bhopal	17	0	0
48	Circle-6 Bhopal	14	0	0
49	Circle-1 Indore	21	0	0
50	Circle-2 Indore	20	0	0
51	Circle-3 Indore	7	0	0
52	Circle-5 Indore	2	0	0
53	Circle-7 Indore	4	0	0
54	Circle-Balaghat	6	3	24 to 36
55	Circle-Betul	2	0	0
56	Circle-1 Chhindwara	1	0	0
57	Circle-Dewas	16	0	0
58	Circle-Harda	2	0	0
59	Circle-Hoshangabad	2	0	0
60	Circle-Itarsi	2	0	0
61	Circle-Mandideep	18	0	0
62	Circle-Narsinghpur	8	0	0

Sl. No.	Name of Audited Unit	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which delay in acknowledgement notified	Range of delay in days
63	Circle-1 Ratlam	7	0	0
64	Circle-Burhanpur	46	0	0
<b>Total</b>	<b>64 units</b>	<b>564</b>	<b>112</b>	<b>1 to 170</b>

**Appendix 2.14**  
(Referred to in paragraph 2.5.8)  
**Applications not disposed within time (Interest due-paid/not paid) Pre-automation**

Sl. No.	Name of Audited Unit	Name of the Commissionerate	Total No. of Pre-automation refund applications processed	No. of refund applications examined by the Audit as per sample	No. of refund cases in which Audit objections noticed	Period of delay	Interest due paid	Interest due not paid	Reasons for delay	No. of refund cases in which manual receipt date not recorded
1	Circle-1 Gwalior	Indore	98	1	0	0	0	0	NA	0
2	Circle-2 Gwalior		142	9	0	0	0	0	NA	1
3	Circle-3 Gwalior		137	18	0	0	0	0	NA	12
4	Circle-4 Gwalior		164	5	0	0	0	0	NA	5
5	Circle-Bina		60	6	0	0	0	0	NA	4
6	Circle-Sagar		242	8	0	0	0	0	NA	3
7	Circle-1-Jabalpur		156	6	0	0	0	0	NA	0
8	Circle-2 Jabalpur		40	1	0	0	0	0	NA	0
9	Circle-4 Jabalpur		116	1	0	0	0	0	NA	0
10	Circle-Narsinghpur		100	6	0	0	0	0	NA	5
11	Circle-Dewas		134	17	0	0	0	0	NA	5
12	Circle-1 Ujjain		190	8	0	0	0	0	NA	1
13	Circle-2 Ujjain		54	3	0	0	0	0	NA	1
14	Circle-3 Ujjain		27	1	0	0	0	0	NA	1
15	Circle-11 Indore	679	76	1	75	0	134	0	Due to delay in submission of manual application and supporting documents.	1
16	Circle-4 Indore	45	1	0	0	0	0	0	NA	0
17	Circle-6 Indore	89	1	0	0	0	0	0	NA	0
18	Circle-14 Indore	226	8	1	117	0	271	0	Action will be taken after verification.	0

Sl. No.	Name of Audited Unit	Name of the Commissionerate	Total No. of Pre-automation refund applications processed	No. of refund applications examined by the Audit as per sample	No. of refund cases in which Audit objections noticed	Period of delay	Interest due paid	Interest due not paid	Reasons for delay	No. of refund cases in which manual receipt date not recorded	
19	Circle-15 Indore	Indore	112	6	2	5 to 15	0	126	Dealer has not claimed for interest. Action will be taken after verification.	0	
20	Circle-Pithampur		130	14	6	11 to 299	0	10,72,529	Due to delay in submission of manual application and supporting documents.	2	
21	Circle-Burhanpur		188	12	0	0	0	0	NA	0	
22	Circle-1 Bhopal		263	14	3	2 to 110	0	0	3,309	As per Circular 17/2017, refund sanctioned within stipulated period.	3
23	Circle-2 Bhopal		58	2	0	0	0	0	0	NA	0
24	Circle-3 Bhopal		58	3	1	13	0	0	133	Delay in submission of relevant documents.	0
25	Circle-4 Bhopal		34	4	3	11 to 200	0	0	641	Delayed submission of documents and details by the dealer and change in date due to clerical error.	0
26	Circle-5 Bhopal		179	13	1	130	0	0	412	Refund is sanctioned within stipulated period.	1
27	Circle-6 Bhopal		93	6	0	0	0	0	0	NA	0
28	JC Dn-1 Bhopal		38	15	3	3 to 9	0	0	3,632	Dealer has neither claimed for interest nor paid by the department.	0
29	Circle Mandideep		135	11	0	0	0	0	0	NA	1
30	Circle-1 Indore		449	30	0	0	0	0	0	NA	0

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Sl. No.	Name of Audited Unit	Name of the Commissionerate	Total No. of Pre-automation refund applications processed	No. of refund applications examined by the Audit as per sample	No. of refund cases in which Audit objections noticed	Period of delay	Interest due paid	Interest due not paid	Reasons for delay	No. of refund cases in which manual receipt date not recorded
31	Circle-2 Indore		224	12	0	0	0	0	NA	0
32	Circle-3 Indore		282	13	0	0	0	0	NA	0
33	Circle-7 Indore		139	11	0	0	0	0	NA	0
34	Circle-8 Indore		259	22	0	0	0	0	NA	0
35	Circle-9 Indore		238	19	1	11	0	3,188	Due to new system and manual work.	0
36	Circle-10 Indore		142	12	0	0	0	0	NA	0
37	Circle-12 Indore	Indore	330	19	2	11 to 97	0	4,458	In 3 cases Delay accepted but reasons not mentioned and in 1 case due to new system and manual work.	2
38	Circle-13 Indore		524	33	3	8 to 95	0	3,281	In 2 cases due to late submission of reply by Assesse of GSTRFD 08 and GSTRFD 09 and in 1 case Due to new system and manual work.	0
		<b>Total</b>	<b>6,574</b>	<b>447</b>	<b>27</b>	<b>2 to 299 days</b>	<b>0</b>	<b>10,92,114</b>		<b>48</b>

**Appendix 2.15**  
(Referred to in paragraph 2.5.8)  
**Applications not disposed within time (Interest due-paid/not paid) Post-automation**

Sl. No.	Name of Audited Unit	No. of refund applications examined by Audit from the sample	No. of refund cases in which Audit Objections noticed	Period of delay (in days)	Interest due paid	Interest due not paid	Reasons for delay
1	Circle-1 Gwalior	4	0	0	0	0	NA
2	Circle-2 Gwalior	21	11	20 to 71	0	35,434	Not recorded
3	Circle-3 Gwalior	16	1	27	0	326	Not recorded
4	Circle-4 Gwalior	6	2	4 to 25	0	1,203	Not recorded
5	Circle-Baidhan	5	2	8 to 12	0	13,634	Not recorded
6	Circle-Bhind	4	0	0	0	0	NA
7	Circle-Bina	4	0	0	0	0	NA
8	Circle-Chhattarpur	1	0	0	0	0	NA
9	Circle-Damoh	1	1	14	0	3	Reply awaited
10	Circle-Datia	11	0	0	0	0	NA
11	Circle-1 Jabalpur	4	0	0	0	0	NA
12	Circle-2 Jabalpur	1	0	0	0	0	NA
13	Circle-3 Jabalpur	1	0	0	0	0	NA
14	Circle-4 Jabalpur	2	2	7 to 11	0	3,575	Not recorded
15	Circle-Mandsaur	6	1	58	0	870	Reply awaited
16	Circle-Morena	13	2	4 to 5	0	6,213	Reply awaited.
17	Circle-Nawgaon	2	0	0	0	0	NA
18	Circle-Neemuch	9	0	0	0	0	NA
19	Circle-Panna	2	0	0	0	0	NA
20	Circle-1 Ujjain	10	0	0	0	0	NA
21	Circle-2 Ujjain	2	0	0	0	0	NA
22	Circle-Rewa	1	0	0	0	0	NA
23	Circle-Sagar	11	2	5 to 10	0	499	Reply awaited
24	Circle-1 Satna	6	0	0	0	0	NA
25	Circle-2 Satna	1	1	128	0	1,013	Not recorded
26	Circle-Sehore	3	0	0	0	0	NA
27	Circle-Seoni	1	1	115	0	2,836	Reply awaited

Sl. No.	Name of Audited Unit	No. of refund applications examined by Audit from the sample	No. of refund cases in which Audit Objections noticed	Period of delay (in days)	Interest due paid	Interest due not paid	Reasons for delay
28	Circle-Shajapur	1	0	0	0	0	NA
29	Circle-Seopur	1	1	42	0	38	Reply awaited
30	Circle-Tikamgarh	6	0	0	0	0	NA
31	Circle-Jhabua	3	0	0	0	0	NA
32	Circle-Khandwa	6	1	4	0	267	Reply awaited
33	Circle-Khargone	2	0	0	0	0	NA
34	Circle-Dhar	4	1	29	0	784	Reply awaited
35	Circle-Pithampur	10	3	16 to 30	0	1,34,533	Not recorded
36	Circle-3 Bhopal	3	1	29	0	26	Reply awaited
37	Circle-4 Bhopal	2	0	0	0	0	NA
38	Circle-5 Bhopal	19	0	0	0	0	NA
39	Circle-8 Indore	14	1	22	0	599	Reply awaited
40	Circle-9 Indore	33	1	2	0	189	Reply awaited
41	Circle-10 Indore	3	0	0	0	0	NA
42	Circle-11 Indore	57	7	3 to 47	0	18,370	Reply awaited
43	Circle-12 Indore	16	2	13 to 47	0	590	Reply awaited
44	Circle-13 Indore	19	14	3 to 85	0	14,552	Reply awaited
45	Circle-14 Indore	17	0	0	0	0	NA
46	Circle-15 Indore	5	2	68 to 86	0	535	Reply awaited
47	Circle-1 Bhopal	17	0	0	0	0	NA
48	Circle-6 Bhopal	14	0	0	0	0	NA
49	Circle-1 Indore	21	0	0	0	0	NA
50	Circle-2 Indore	20	0	0	0	0	NA
51	Circle-3 Indore	7	0	0	0	0	NA
52	Circle-5 Indore	2	0	0	0	0	NA
53	Circle-7 Indore	4	0	0	0	0	NA
54	Circle-Balaghat	6	0	0	0	0	NA
55	Circle-Betul	2	0	0	0	0	NA
56	Circle-1 Chhindwara	1	0	0	0	0	NA
57	Circle-Dewas	16	0	0	0	0	NA
58	Circle-Harda	2	0	0	0	0	NA
59	Circle-Hoshangabad	2	0	0	0	0	NA



Sl. No.	Name of Audited Unit	No. of refund applications examined by Audit from the sample	No. of refund cases in which Audit Objections noticed	Period of delay (in days)	Interest due paid	Interest due not paid	Reasons for delay
60	Circle-Itarsi	2	0	0	0	0	NA
61	Circle-Mandideep	18	0	0	0	0	NA
62	Circle-Narsinghpur	8	0	0	0	0	NA
63	Circle-1 Ratlam	7	0	0	0	0	NA
64	Circle-Burhanpur	46	0	0	0	0	NA
<b>Total</b>	<b>64 unit</b>	<b>564</b>	<b>60</b>	<b>2 to 128</b>	<b>0</b>	<b>2,36,089</b>	

**Appendix 2.16**  
(Referred to in paragraph 2.5.9)  
**Provisional refund on account of zero rated supply not sanctioned within time (Pre-automation)**

Sl. No.	Name of Audited Unit	Name of the Commissionerate	Total No. of zero rated refund applications processed	No. of refund applications examined by Audit from the sample	No. of refund cases in which Audit objections notified	Period of delay	No. of refund cases in which Provisional refund not sanctioned	
1	Circle-1 Gwalior		19	0	0	0	0	
2	Circle-2 Gwalior		Not available	2	1	17	0	
3	Circle-3 Gwalior		Not available	6	0	0	0	
4	Circle-4 Gwalior		26	2	0	0	0	
5	Circle-Bina		29	0	0	0	0	
6	Circle-Sagar		Not available	0	0	0	0	
7	Circle-1-Jabalpur		8	1	0	0	0	
8	Circle-2 Jabalpur		0	0	0	0	0	
9	Circle-4 Jabalpur		0	0	0	0	0	
10	Circle-Narsinghpur		0	0	0	0	0	
11	Circle-Dewas		29	6	3	31 to 121	0	
12	Circle-1 Ujjain		0	0	0	0	0	
13	Circle-2 Ujjain		21	1	0	0	0	
14	Circle-3 Ujjain		0	0	0	0	0	
15	Circle-11 Indore	Indore	145	20	2	9 to 22	0	
16	Circle-4 Indore		8	0	0	0	0	
17	Circle-6 Indore		39	1	0	0	0	
18	Circle-14 Indore		29	6	0	0	0	
19	Circle-15 Indore		14	2	0	0	0	
20	Circle-Pithampur		54	6	0	0	3	
21	Circle-Burhanpur		0	0	0	0	0	
22	Circle-1 Bhopal		13	8	2	2 to 90	0	
23	Circle-2 Bhopal		0	0	0	0	0	
24	Circle-3 Bhopal		11	0	0	0	0	
25	Circle-4 Bhopal		1	2	0	0	0	
26	Circle-5 Bhopal		32	7	0	0	0	
27	Circle-6 Bhopal		24	0	0	0	0	
28	JC Dn-1 Bhopal		18	7	0	0	0	
29	Circle Mandideep		Not available	6	1	1	10	0

Sl. No.	Name of Audited Unit	Name of the Commissionerate	Total No. of zero rated refund applications processed	No. of refund applications examined by Audit from the sample	No. of refund cases in which Audit objections noticed	Period of delay	No. of refund cases in which Provisional refund not sanctioned	
30	Circle-1 Indore	Indore	185	18	0	0	0	
31	Circle-2 Indore		87	6	0	0	0	
32	Circle-3 Indore		Not available	2	0	0	0	
33	Circle-7 Indore		21	0	0	0	0	
34	Circle-8 Indore		22	8	2	4 to 6	0	
35	Circle-9 Indore		Not available	3	0	0	0	
36	Circle-10 Indore		Not available	6	0	0	0	
37	Circle-12 Indore		Not available	13	1	40	0	
38	Circle-13 Indore		300	22	0	0	0	
	<b>Total</b>			<b>1,135</b>	<b>161</b>	<b>12</b>	<b>2 to 121 days</b>	<b>3</b>

**Appendix 2.17**  
(Referred to in paragraph 2.5.9)  
**Provisional refund on account of zero rated supply not sanctioned within time (Post-automation)**

Sl. No.	Name of Audited Unit	No. of zero rated refund cases examined by the Audit from sample	No. of refund cases in which Audit objections noticed	Period of delay	No. of cases in which Provisional refund not sanctioned
1	Circle-1 Gwalior	0	0	0	0
2	Circle-2 Gwalior	1	0	0	0
3	Circle-3 Gwalior	3	0	0	0
4	Circle-4 Gwalior	0	0	0	0
5	Circle-Baidhan	0	0	0	0
6	Circle-Bhind	0	0	0	0
7	Circle-Bina	0	0	0	0
8	Circle-Chhattarpur	0	0	0	0
9	Circle-Damoh	0	0	0	0
10	Circle-Datia	0	0	0	0
11	Circle-1 Jabalpur	1	0	0	0
12	Circle-2 Jabalpur	0	0	0	0
13	Circle-3 Jabalpur	0	0	0	0
14	Circle-4 Jabalpur	0	0	0	0
15	Circle-Mandsaur	2	0	0	0
16	Circle-Morena	0	0	0	0
17	Circle-Nawgaon	0	0	0	0
18	Circle-Neemuch	2	0	0	0
19	Circle-Panna	0	0	0	0
20	Circle-1 Ujjain	0	0	0	0
21	Circle-2 Ujjain	0	0	0	0
22	Circle-Rewa	0	0	0	0
23	Circle-Sagar	0	0	0	0
24	Circle-1 Satna	0	0	0	0
25	Circle-2 Satna	1	1	14	0
26	Circle-Sehore	2	0	0	0
27	Circle-Seoni	0	0	0	0
28	Circle-Shajapur	0	0	0	0
29	Circle-Sheopur	0	0	0	0
30	Circle-Tikamgarh	1	0	0	0
31	Circle-Jhabua	0	0	0	0

Sl. No.	Name of Audited Unit	No. of zero rated refund cases examined by the Audit from sample	No. of refund cases in which Audit objections noticed	Period of delay	No. of cases in which Provisional refund not sanctioned
32	Circle-Khandwa	0	0	0	0
33	Circle-Khargone	0	0	0	0
34	Circle-Dhar	1	0	0	0
35	Circle-Pithampur	3	0	0	2
36	Circle-3 Bhopal	0	0	0	0
37	Circle-4 Bhopal	0	0	0	0
38	Circle-5 Bhopal	10	0	0	0
39	Circle-8 Indore	6	0	0	0
40	Circle-9 Indore	10	2	1 to 14	0
41	Circle-10 Indore	1	0	0	0
42	Circle-11 Indore	14	2	10 to 21	1
43	Circle-12 Indore	11	2	45	0
44	Circle-13 Indore	11	9	7 to 67	1
45	Circle-14 Indore	3	0	0	0
46	Circle-15 Indore	4	1	7	0
47	Circle-1 Bhopal	4	0	0	0
48	Circle-6 Bhopal	0	0	0	0
49	Circle-1 Indore	10	0	0	0
50	Circle-2 Indore	6	0	0	0
51	Circle-3 Indore	0	0	0	0
52	Circle-5 Indore	0	0	0	0
53	Circle-7 Indore	0	0	0	0
54	Circle-Balaghat	0	0	0	0
55	Circle-Betul	0	0	0	0
56	Circle-1 Chhindwara	0	0	0	0
57	Circle-Dewas	6	0	0	0
58	Circle-Harda	0	0	0	0
59	Circle-Hoshangabad	0	0	0	0
60	Circle-Itarsi	0	0	0	0
61	Circle-Mandideep	6	0	0	0
62	Circle-Narsinghpur	0	0	0	0
63	Circle-1 Ratlam	0	0	0	0
64	Circle-Burhanpur	0	0	0	0
<b>Total</b>	<b>64 units</b>	<b>119</b>	<b>17</b>	<b>1 to 67</b>	<b>4</b>

**Appendix 2.18**  
(Referred to in paragraph 2.5.13.1)  
**Excess refund due to non-verification of GSTR-2A reflected on portal (Pre-automation)**

Sl. No.	Name of Audited Unit	Name of the Commissionerate	No. of refund cases examined by the Audit	No. of refund cases in which miscellaneous objections noticed	Difference in refund
1	Circle-1 Gwalior		0	0	0
2	Circle-2 Gwalior		8	0	0
3	Circle-3 Gwalior		13	0	0
4	Circle-4 Gwalior		4	0	0
5	Circle-Bina		5	0	0
6	Circle-Sagar		7	0	0
7	Circle-1 Jabalpur		1	0	0
8	Circle-2 Jabalpur		0	0	0
9	Circle-4 Jabalpur		0	0	0
10	Circle-Narsinghpur		5	0	0
11	Circle-Dewas		13	0	0
12	Circle-1 Ujjain		7	0	0
13	Circle-2 Ujjain		0	0	0
14	Circle-3 Ujjain		0	0	0
15	Circle-11 Indore	Indore	70	10	62,80,587
16	Circle-4 Indore		0	0	0
17	Circle-6 Indore		1	0	0
18	Circle-14 Indore		8	1	14,554
19	Circle-15 Indore		3	0	0
20	Circle-Pithampur		11	3	21,79,378
21	Circle-Burhanpur		11	1	1,69,675
22	Circle-1 Bhopal		16	0	0
23	Circle-2 Bhopal		0	0	0
24	Circle-3 Bhopal		2	0	0
25	Circle-4 Bhopal		1	0	0
26	Circle-5 Bhopal		7	0	0
27	Circle-6 Bhopal		0	0	0
28	JC Dn-1 Bhopal		0	0	0
29	Circle-Mandideep		8	0	0
30	Circle-1 Indore		29	0	0

Sl. No.	Name of Audited Unit	Name of the Commissionerate	No. of refund cases examined by the Audit	No. of refund cases in which miscellaneous objections noticed	Difference in refund	
31	Circle-2 Indore	Indore	10	0	0	
32	Circle-3 Indore		7	0	0	
33	Circle-7 Indore		10	0	0	
34	Circle-8 Indore		19	0	0	
35	Circle-9 Indore		10	0	0	
36	Circle-10 Indore		10	0	0	
37	Circle-12 Indore		13	0	0	
38	Circle-13 Indore		23	0	0	
<b>Total</b>	<b>38 units</b>			<b>332</b>	<b>15</b>	<b>86,44,194</b>

**Appendix 2.19**  
(Referred to in paragraph 2.5.13.1)  
**Excess refund due to non-verification of GSTR-2A reflected on portal (Post-automation)**

Sl. No.	Name of Audited Unit	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which miscellaneous objections noticed	Tax effect (Amount in ₹)
1	Circle-1 Gwalior	1	0	0
2	Circle-2 Gwalior	15	0	0
3	Circle-3 Gwalior	13	0	0
4	Circle-4 Gwalior	5	0	0
5	Circle-Baidhan	0	0	0
6	Circle-Bhind	1	0	0
7	Circle-Bina	4	0	0
8	Circle-Chhattarpur	0	0	0
9	Circle-Damoh	0	0	0
10	Circle-Datia	10	0	0
11	Circle-1 Jabalpur	1	0	0
12	Circle-2 Jabalpur	0	0	0
13	Circle-3 Jabalpur	0	0	0
14	Circle-4 Jabalpur	1	0	0
15	Circle-Mandsaur	4	0	0
16	Circle-Morena	12	0	0
17	Circle-Nawgaon	1	0	0
18	Circle-Neemuch	8	0	0
19	Circle-Panna	0	0	0
20	Circle-1 Ujjain	6	0	0
21	Circle-2 Ujjain	1	0	0
22	Circle-Rewa	0	0	0
23	Circle-Sagar	8	0	0



Sl. No.	Name of Audited Unit	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which miscellaneous objections noticed	Tax effect
24	Circle-1 Satna	4	0	0
25	Circle-2 Satna	1	0	0
26	Circle-Sehore	2	0	0
27	Circle-Seoni	0	0	0
28	Circle-Shajapur	0	0	0
29	Circle-Sheopur	0	0	0
30	Circle-Tikamgarh	1	0	0
31	Circle-Jhabua	0	0	0
32	Circle-Khandwa	3	0	0
33	Circle-Khargone	1	0	0
34	Circle-Dhar	3	0	0
35	Circle-Pithampur	10	0	0
36	Circle-3 Bhopal	1	1	37,80,319
37	Circle-4 Bhopal	0	0	0
38	Circle-5 Bhopal	15	1	0
39	Circle-8 Indore	9	0	0
40	Circle-9 Indore	26	8	42,17,805
41	Circle-10 Indore	2	0	0
42	Circle-11 Indore	55	7	1,37,53,513
43	Circle-12 Indore	14	0	0
44	Circle-13 Indore	15	0	0
45	Circle-14 Indore	15	3	6,70,133
46	Circle-15 Indore	4	0	0
47	Circle-1 Bhopal	11	0	0
48	Circle-6 Bhopal	1	0	0
49	Circle-1 Indore	19	0	0
50	Circle-2 Indore	16	0	0

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Sl. No.	Name of Audited Unit	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which miscellaneous objections noticed	Tax effect
51	Circle-3 Indore	3	0	0
52	Circle-5 Indore	2	0	0
53	Circle-7 Indore	4	0	0
54	Circle-Balaghat	6	0	0
55	Circle-Betul	0	0	0
56	Circle-1 Chhindwara	0	0	0
57	Circle-Dewas	14	0	0
58	Circle-Harda	0	0	0
59	Circle-Hoshangabad	2	0	0
60	Circle-Itarsi	0	0	0
61	Circle-Mandideep	12	0	0
62	Circle-Narsinghpur	5	0	0
63	Circle-1 Ratlam	3	0	0
64	Circle-Burhanpur	45	0	0
<b>Total</b>	<b>64 units</b>	<b>415</b>	<b>20</b>	<b>2,24,21,770</b>

**Appendix 2.20**  
(Referred to in paragraph 2.5.16.6)  
**Delay in forwarding Sanction Orders to counterpart State Tax Authority**

Sl. No.	Name of Audited Unit	Name of the Assessee	GSTIN No.	ARN No.	ARN date	Date of issue of Refund Sanction Order in Form GST-RFD-06	Total Amount of Refund sanctioned			Date of receipt of refund order from the State Nodal Officer to the Central Nodal Officer	Delay in issue of refund order to Central Nodal Officer
							IGST	CGST	Cess		
1	Circle-2 Gwalior	Priyanka Polymers	23ARXPS6 222L1Z4	AA230619 0191890	27/06/2019	11/09/2019	-	61,424	-	04/10/2019	16
2	Circle-2 Gwalior	Mehta Plastic Industries	23BWIPM0 961R1Z0	AA230819 0102885	12/08/2019	11/09/2019	-	1,25,506	-	04/10/2019	16
3	Circle-2 Gwalior	Mehta Plastic Industries	23BWIPM0 961R1Z0	AA230819 0253563	31/08/2019	11/09/2019	7,591	2,17,812	-	04/10/2019	16
4	Circle-Sagar	Laxmi Agarbatti Factory	23AABFL8 558P1ZQ	AA231118 277719U	19/02/2019	09/07/2019	-	2,51,491	-	18/07/2019	2
5	Circle-Sagar	Madhya Bharat Agro Products Ltd. Unit-II	23AADCDCM 5913E2ZU	AA230819 0234365	29/08/2019	18/10/2019	-	10,55,962	-	29/11/2019	35
6	Circle-Sagar	Madhya Bharat Agro Products Ltd. Unit-II	23AADCDCM 5913E2ZU	AA230819 0251369	30/08/2019	16/09/2019	-	6,39,997	-	24/09/2019	1
7	Circle-Sagar	Madhya Bharat Agro Products Ltd. Unit-II	23AADCDCM 5913E2ZU	AA230919 000227D	02/09/2019	18/10/2019	-	15,46,041	-	29/11/2019	35
8	Circle-Narsinghpur	Agrawal Provisions	23ADIPA93 28E1ZW	AA231218 017127L	25/12/2018	20/05/2019	-	33,581	-	14/06/2019	18

Sl. No.	Name of Audited Unit	Name of the Assessee	GSTIN No.	ARN No.	ARN date	Date of issue of Refund Sanction Order in Form GST-RFD-06	Total Amount of Refund sanctioned			Date of receipt of refund order from the State Nodal Officer to the Central Nodal Officer	Delay in issue of refund order to Central Nodal Officer
							IGST	CGST	Cess		
9	Circle-1 Ujjain	Askon Health Care	23AHCPD2163LIZP	AA2310180596390	16/03/2019	08/04/2019	7,77,710	-	-	16/04/2019	1
10	Circle-06 Indore	S. M. Enterprises	23ALHPB3132CIZ1	AA231018061406J	27/06/2019	10/06/2019	-	57,903	-	29/10/2019	134
11	Circle-11 Indore	Adroit Industries India Ltd.	23AAACA6850FIZ2	AA230618559473W	15/10/2018	14/12/2018	56,43,204	-	-	03/01/2019	13
12	Circle-11 Indore	Conduent Business Services India Ltd.	23AAAFX2366GIZC	AA2308183643060	12/11/2018	16/09/2019	48,06,460	-	-	25/09/2019	2
13	Circle-11 Indore	Madhuri Refiners Pvt. Ltd.	23AABCM1884CIZV	AA230817474657M	23/11/2018	29/12/2018	42,70,618	-	-	04/02/2019	30
14	Circle-11 Indore	JMBH Global Foods	23AAMF10416HIZP	AA2309186144047	03/12/2018	28/01/2019	-	24,31,702	-	07/03/2019	31
15	Circle-11 Indore	Tata Global Beverages Ltd.	23AABCT0602KIZT	AA230717000105T	17/12/2018	26/03/2019	14,57,780	-	-	05/04/2019	3
16	Circle-11 Indore	Tata Global Beverages Ltd.	23AABCT0602KIZT	AA2310170004034	26/12/2018	26/03/2019	12,20,558	-	-	01/07/2019	90
17	Circle-11 Indore	Uphar Industries	23CJQPK7643QIZC	AA2303180159846	03/02/2019	13/02/2019	6,00,000	1,00,000	-	21/02/2019	1
18	Circle-11 Indore	Jailaxmi Rubber Factory	23AECPG7310KIZV	AA230818405729U	25/02/2019	15/03/2019	5,454	1,80,696	-	25/03/2019	3
19	Circle-11 Indore	Krishna Plastic Industries	23CDLDP7004FIZ1	AA2304180128774	27/02/2019	05/03/2019	1,84,101	-	-	15/03/2019	3
20	Circle-11 Indore	Krishna Plastic Industries	23CDLDP7004FIZ1	AA230618639831Z	27/02/2019	05/03/2019	1,96,301	-	-	15/03/2019	3

Sl. No.	Name of Audited Unit	Name of the Assessee	GSTIN No.	ARN No.	ARN date	Date of issue of Refund Sanction Order in Form GST-RFD-06	Total Amount of Refund sanctioned			Date of receipt of refund order from the State Nodal Officer to the Central Nodal Officer	Delay in issue of refund order to Central Nodal Officer
							IGST	CGST	Cess		
21	Circle-11 Indore	Krishna Plastic Industries	23CDLDPD7004F1Z1	AA2308184064348	27/02/2019	05/03/2019	1,98,652	-	-	15/03/2019	3
22	Circle-11 Indore	Uphar Industries	23CJQPK7643Q1ZC	AA231118283946V	03/03/2019	05/03/2019	-	81,500	-	15/03/2019	3
23	Circle-11 Indore	Tata Global Beverages Ltd.	23AABCT0602K1ZT	AA230718032192G	29/04/2019	26/03/2019	13,45,063	-	-	05/04/2019	3
24	Circle-11 Indore	Tata Global Beverages Ltd.	23AABCT0602K1ZT	AA230918729289L	17/05/2019	19/08/2019	66,16,764	-	-	05/09/2019	10
25	Circle-11 Indore	Madhuri Refiners Pvt. Ltd.	23AABCM1884C1ZV	AA230718034033K	05/06/2019	27/06/2019	7,84,966	-	-	06/07/2019	2
26	Circle-11 Indore	Madhuri Refiners Pvt. Ltd.	23AABCM1884C1ZV	AA2310180765292	05/06/2019	27/06/2019	8,91,967	-	-	06/07/2019	2
27	Circle-11 Indore	Madhuri Refiners Pvt. Ltd.	23AABCM1884C1ZV	AA230219414961B	06/06/2019	27/06/2019	10,63,946	-	-	06/07/2019	2
28	Circle-11 Indore	Shreelaxmi Enterprises	23ACYFS17271ZLN	AA230619010643F	18/06/2019	06/08/2019	5,35,718	-	-	19/08/2019	6
29	Circle-11 Indore	Paraglyphs Udyog	23AAIFP3456F1ZD	AA230919005909S	07/09/2019	23/03/2019	-	5,77,954	-	01/10/2019	185
30	Circle-14 Indore	Crown Chemical	23ACJPG8466H1ZG	AA230918611737V	30/11/2018	27/12/2018	5,44,506	1,920	-	09/01/2019	6
31	Circle-14 Indore	Adarsh Global Pvt. Ltd.	23AABCA4940M1ZR	AA231218619154G	15/02/2019	26/03/2019	-	1,35,091	-	11/04/2019	9
32	Circle-14 Indore	Quality Cotton and Spices Pvt. Ltd.	23AAACQ2767R1ZX	AA230319643629W	04/06/2019	16/09/2019	13,20,945	4,71,832	-	24/09/2019	1

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Sl. No.	Name of Audited Unit	Name of the Assessee	GSTIN No.	ARN No.	ARN date	Date of issue of Refund Sanction Order in Form GST-RFD-06	Total Amount of Refund sanctioned			Date of receipt of refund order from the State Nodal Officer to the Central Nodal Officer	Delay in issue of refund order to Central Nodal Officer
							IGST	CGST	Cess		
33	Circle-14 Indore	J K Food Industries	23ACIPL0733B1ZA	AA2304180226396	06/06/2019	16/07/2019	21,552	-	-	14/08/2019	22
34	Circle-15 Indore	Green Miller Corporation	23AGHPA3813G1Z1	AA230318018441N	15/02/2019	02/04/2019	2,02,884	-	-	28/08/2019	141
35	Circle-15 Indore	SRP Linen Mercantile Pvt. Ltd.	23AAPCS9863F1ZU	AA230819003290J	03/08/2019	25/06/2019	-	2,39,100	-	15/08/2019	44
36	Circle-15 Indore	K R Enterprises	23AAMPY3488L1ZU	AA230919007034F	09/09/2019	10/05/2019	53,824	-	-	29/06/2020	409
37	Circle-15 Indore	Commercial Syn Bags Ltd.	23AABCC2596D2ZZ	AA230918632417Y	18/12/2018	03/01/2019	5,12,733	-	-	14/01/2019	4
38	Circle-15 Indore	Lakhani Rubber Products Pvt. Ltd.	23AABCL3584E1ZR	AA230418003142W	04/01/2019	12/04/2019	11,02,641	-	-	28/06/2019	70
39	Circle-15 Indore	Lakhani Rubber Products Pvt. Ltd.	23AABCL3584E1ZR	AA230518004731K	07/01/2019	05/07/2019	2,27,11,924	-	-	30/07/2019	18
40	Circle-15 Indore	Mahindra Susten Pvt. Ltd.	23AAGCM8122L1ZE	AA2310180441200	01/02/2019	17/05/2019	8,09,84,202	-	-	13/06/2019	20
41	Circle-15 Indore	Commercial Syn Bags Ltd.	23AABCC2596D2ZZ	AA230918695477D	04/03/2019	15/10/2019	10,70,954	-	-	28/11/2019	37
42	Circle-15 Indore	Lakhani Rubber Products Pvt. Ltd.	23AABCL3584E1ZR	AA2302194089239	23/05/2019	18/07/2019	52,81,630	-	-	27/07/2019	2

Sl. No.	Name of Audited Unit	Name of the Assessee	GSTIN No.	ARN No.	ARN date	Date of issue of Refund Sanction Order in Form GST-RFD-06	Total Amount of Refund sanctioned			Date of receipt of refund order from the State Nodal Officer to the Central Nodal Officer	Delay in issue of refund order to Central Nodal Officer
							IGST	CGST	Cess		
43	Circle-15 Indore	Kingspan Jindal Pvt. Ltd.	23AAAACK109111ZS	AA2307190195816	24/07/2019	13/12/2019	10,64,256	-	-	24/01/2020	35
44	Circle-15 Indore	Lupin Ltd. SEZ Unit	23AAAACL1069K3ZL	AA2308190214292	27/08/2019	26/12/2019	55,52,062	-	-	31/01/2020	29
45	Circle-1 Bhopal	Schimmer Energy Pvt. Ltd.	23AAECE2302G1ZD	AA2311173966980	27/08/2018	15/07/2019	9,94,347	1,57,818	-	08/08/2019	17
46	Circle-1 Bhopal	Attractive Auto Mobiles	23AATFA3528N1Z3	AA2312186079528	09/02/2019	16/04/2019	38,24,985	-	-	20/06/2019	58
47	Circle-1 Bhopal	MP State Co Operative Til seed Growers Federation Ltd.	23AAAAAM2180N2ZL	AA2303190176880	22/03/2019	05/09/2019	-	-	61,839	19/09/2019	7
48	Circle-1 Bhopal	Schimmer Energy Pvt. Ltd.	23AAECE2302G1ZD	AA2310180690895	04/04/2019	15/07/2019	20,69,670	2,89,823	-	08/08/2019	17
49	Circle-1 Bhopal	Resonance Exim	23BHUPS2651F1Z3	AA230319573999E	09/05/2019	20/09/2019	82,708	1,38,619	-	23/12/2019	87
50	Circle-1 Bhopal	Attractive Auto Mobiles	23AATFA3528N1Z3	AA230319647816V	06/06/2019	18/07/2019	10,73,335	-	-	29/01/2020	188
51	Circle-1 Bhopal	Attractive Auto Mobiles	23AATFA3528N1Z3	AA230419370914Z	07/06/2019	16/04/2019	4,25,701	19,36,771	-	20/06/2019	58
52	Circle-1 Bhopal	D. K. Sales and Service	23ABOPD1105E1ZG	AA230619017424C	26/06/2019	09/07/2019	-	25,862	-	07/12/2019	144

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Sl. No.	Name of Audited Unit	Name of the Assessee	GSTIN No.	ARN No.	ARN date	Date of issue of Refund Sanction Order in Form GST-RFD-06	Total Amount of Refund sanctioned			Date of receipt of refund order from the State Nodal Officer to the Central Nodal Officer	Delay in issue of refund order to Central Nodal Officer	
							IGST	CGST	Cess			
53	Circle-1 Bhopal	Bhilwara Info Technology Ltd.	23AABCB2496F1ZY	AA2307190038529	05/07/2019	10/01/2020	3,681	4,69,204	-	22/01/2020	5	
54	Circle-1 Bhopal	M/s Attractive Auto Mobiles	23AATFA3528N1Z3	AA230719024314E	29/07/2019	22/08/2019	7,01,315	7,19,021	-	29/01/2020	153	
55	Circle-1 Bhopal	Power Distribution Training Center Society	23AACAP43171JZQ	AA2308190206471	26/08/2019	04/12/2019	-	-	-	17/12/2019	6	
56	Circle-1 Bhopal	Indian Institute Of Science Education and Research Bhopal	23AAAAI2511F1ZG	AA230119001594L	03/01/2019	20/05/2019	62,430	-	-	19/06/2019	23	
57	Circle-1 Bhopal	Lion Fabrics Pvt. Ltd.	23AACCL7258G1ZJ	AA231218579539P	01/02/2019	16/04/2019	-	17,01,532	-	30/04/2019	7	
58	Circle-1 Bhopal	SCM Agrotech Enterprises Pvt. Ltd.	23AAXCS9992D1ZK	AA231218603152S	07/02/2019	14/10/2019	20,21,211	2,83,502	2,00,682	26/11/2019	36	
59	Circle-1 Bhopal	Chambal Fertilizer and Chemicals Ltd.	23AAAACC9762A1Z1	AA230419020420T	23/04/2019	06/04/2019	-	27,20,996	-	13/06/2019	61	
60	Circle-1 Bhopal	Sagar Manufacturers Pvt. Ltd.	23AAPCS1247M1Z1	AA230919013888O	17/09/2019	12/09/2019	3,48,340	-	-	20/12/2019	92	
							<b>Total</b>	<b>16,26,38,689</b>	<b>1,66,52,660</b>	<b>2,62,521</b>		
							<b>Grand Total</b>	<b>17,95,53,870</b>				



**Appendix 2.21**  
(Referred to in paragraph 2.6.5)  
**Short levy of VAT due to incorrect determination of Turnover**

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
1	<u>DCCT (LTU) Indore</u> M/s Sanghi Brothers TIN-23891300052 Case No. CS001084880	2016-17	65,40,000	24,86,871	40,53,129	1.5	60,797	Sale of old vehicle has not been taken as per schedule of fixed assets in audited accounts.	AA replied that action would be taken after verification.
2	<u>DCCT (LTU) Indore</u> M/s VE commercial vehicles Ltd. TIN-23321001945 Case No. CS001084948	2016-17	16,28,00,000	62,56,695	15,65,43,305	1.5	23,48,150	Sale of old vehicle has not been taken as per schedule of fixed assets in audited accounts.	AA replied that action would be taken after verification.
3	<u>CTO Khandwa</u> M/s M D Agro and Engineering Industries TIN-23079016623 Case No. CS00633910	2014-15	2,75,99,476	2,73,78,476	2,21,000	13	28,730	Sale of Generator has not been included in the GTO.	AA replied that action would be taken after verification.
4	<u>DCCT Khandwa</u> M/s Century Denim TIN-23192202537 Case No. 122/2015 (CST)	2014-15	5,63,650	1,54,825	4,08,825	13	53,147	Sale of Plant and Equipment, Office and Electrical Installation not taken completely.	AA replied that action would be taken after verification.
5	<u>DCCT Khandwa</u> M/s Century Yarn TIN-23812202293	2014-15	45,77,749	1,50,981	44,26,768	13	5,75,480	Sale of Plant and Equipment, Office Furniture/Fixtures	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
	Case No. 119/2015 (CST)							not taken completely.	
6	ACCT-14 Indore M/s Campus Poly Plast Pvt. Ltd. TIN-23221402028 Case No. CS001276634 (VAT)	2016-17	4,11,318	0	4,11,318	14	57,585	Sale of MOULDS not included.	AA replied that action would be taken after verification.
7	CTO-15 Indore M/s R.G. Industries Pvt. Ltd. TIN-23241502024 Case No. CS000000959576 (VAT)	2015-16	4,79,12,919	4,56,29,108	22,83,811	14	3,19,733	AA had not taken sale of Plant & Machinery while determining Taxable Turnover.	AA replied that action would be taken after verification.
8	CTO-15 Indore M/s Vinesh Agencies TIN-23531501040 Case No. CS0000001105180	2015-16	8,01,774	0	8,01,774	1.5	12,029	AA had not included sale of fixed asset while determining taxable turnover.	AA replied that action would be taken after verification.
9	CTO-15 Indore M/s Shree Apparels TIN-23201503792 Case No. CS0000001332889	2016-17	2,59,84,823	2,56,44,823	3,40,000	14	47,600	AA had not included sale of fixed asset while determining taxable turnover.	AA replied that action would be taken after verification.
10	CTO Harda M/s Perfect Engineers and Contractors TIN-23949020222 Case No. CS0000001536580	2016-17	2,63,41,503	2,27,06,492	36,35,011	14/5	3,25,750	AA had not included sale of fixed asset while determining taxable turnover.	AA replied that action would be taken after verification.
11	CTO-3 Jabalpur M/s Tilakraj Motors	2016-17	10,24,51,489	10,18,09,064	6,42,425	14	89,939	AA did not include sale of fixed asset	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
	TIN-23839108988 Case No. CS0000001338885 (VAT)							while determining taxable turnover.	taken after verification.
12	<u>CTO-3 Jabalpur</u> M/s Sanjay Mobiles TIN-23465905121 Case No. CS0000001325948 (VAT)	2016-17	5,12,89,245	5,04,39,245	8,50,000	1.5	12,750	AA did not include sale of fixed asset while determining taxable turnover.	AA replied that action would be taken after verification.
13	<u>CTO-4 Indore</u> M/s Gangaur Creation TIN-23180302458 Case No. CS0000001126222	2016-17	49,84,840	41,04,840	8,80,000	14	1,23,200	AA did not include sale of fixed asset while determining taxable turnover.	AA replied that action would be taken after verification.
14	<u>ACCT-2 Bhopal</u> M/s Shivshakti Timber Pvt. Ltd. TIN-23434705102 Case No. CS0000000947913	2015-16	26,90,67,981	26,74,68,391	15,99,590	1.5	23,994	Non levy of VAT.	AA replied that action would be taken after verification.
15	<u>ACCT-12 Indore</u> M/s Agrasar Polypack TIN-23889158259 Case No. CS0000001413452 (VAT)	2016-17	4,40,88,100	4,19,55,139	2,13,29,610	14	29,86,145	Not included in GTO.	AA replied that action would be taken after verification.
16	<u>ACCT-12 Indore</u> M/s Trends apparel TIN-23381204448 Case No. 139/17 (VAT)	2016-17	7,32,78,523	7,30,58,203	2,20,320	14	30,845	Not included in GTO.	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
17	<u>CTO Chhatarpur</u> M/s Redison Jus Hotel TIN-23207700831 Case No. 73/17 (VAT)	2016-17	3,22,93,172	3,21,76,662	1,16,510	14	16,311	Tax not levied on sale of Plant & Machinery.	AA replied that action would be taken after verification.
18	<u>CTO Chhatarpur</u> M/s Rakhi Traders TIN-23937704455 Case No. 619/17 (VAT)	2016-17	4,85,69,584	4,74,55,023	11,14,561	1.5	16,718	Not included in GTO.	AA replied that action would be taken after verification.
19	<u>ACCT-3 Gwalior</u> M/s J.P. Footwear Pvt. Ltd. TIN-232503203 Case No. CS000000842791	2015-16	72,95,395	71,93,395	1,02,000	14	14,280	The cost of Plant & Machinery not included in TTO.	AA replied that action would be taken after verification.
20	<u>DCCT-3 Indore</u> M/s Willowood Crop Science Pvt. Ltd. TIN-23369045694 Case No. CS0000001067761	2016-17	55,53,15,673	54,82,98,702	70,16,971	1.5	1,05,254	Sale of fixed assets note included in GTO/ TTO.	AA replied that action would be taken after verification.
21	<u>ACCT-3 Indore</u> (Preeti Srivastava) M/s A. V. S Sales Corporation TIN-23720800741 Case No. CS0000001153998	2016-17	35,03,27,955	34,73,59,553	29,68,402	15	4,45,260	Incorrect GTO taken in assessment order.	AA replied that action would be taken after verification.
22	<u>ACCT-3 Indore</u> (Preeti Srivastava)	2016-17	34,75,76,553	34,73,59,553	2,17,000	14	30,380	Sale of asset not taken in GTO.	AA replied that action would be taken after verification.
		2016-17	38,08,30,687	37,96,73,687	11,57,000	1.5	17,355	Sale of asset not taken in GTO.	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
	M/s Harish Combines TIN-23070702304 Case No. CS0000001143881								taken after verification.
23	<u>ACCT-3 Indore</u> (Preeti Jouhari) M/s Precision Coatings TIN-23061202781 Case No. 0000001136585	2016-17	18,50,91,712	18,42,96,315	7,95,397	14	1,11,356	Sale of asset not taken in GTO.	AA replied that action would be taken after verification.
24	<u>ACCT-3 Indore</u> (Preeti Jouhari) M/s Galaxy Component Pvt. Ltd. TIN-236309000555 Case No. 000000822840	2015-16	31,47,91,732	31,38,54,828	9,36,904	14	1,31,167	Sale of asset not taken in GTO.	AA replied that action would be taken after verification.
25	<u>ACCT Seoni</u> M/s Vhaibhav Laxmi Stone Crusher TIN-23846703125 Case No. 000000968208	2015-16	2,20,66,659	2,19,53,278	1,13,381	14	15,873	Sale of asset not taken in GTO.	AA replied that action would be taken after verification.
26	<u>ACCT Seoni</u> M/s S S P Enterprises TIN-23979079389 Case No. 000000778071	2014-15	3,76,84,935	3,68,41,035	8,43,900	1.5	12,659	Sale of asset not taken in GTO.	AA replied that action would be taken after verification.
27	<u>CTO Circle-6 Bhopal</u> M/s Jhule Lal Stone Crusher TIN-23023804925	2016-17	4,77,38,975	4,72,32,209	5,06,766	5	25,338	AA determined less GTO against the GTO recorded in the Audited accounts.	AA replied that action would be taken after verification.

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Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
28	Case No. 1968825 <u>CTO Circle-3 Bhopal</u> M/s Veer Arjun Industries TIN-239009175135 Case No. 1330280	2016-17	86,61,432	73,04,072	13,57,360	5	67,868	AA did not levy tax as per sale recorded in the accounts. Against the account he determined 5 per cent taxable sale more and 15 per cent taxable sale less.	AA replied that action would be taken after verification.
29	<u>DCCT (LTU) Indore</u> M/s Rajpal Abhikaran Pvt. Ltd. TIN-23461101778 Case No. CS001084811	2016-17	1,66,98,72,470	1,66,94,29,652	4,42,818	15	64,227	GTO short determined.	AA replied that action would be taken after verification.
30	<u>CTO Khandwa</u> M/s Agrawal Agro TIN-23922006923 Case No. CS00637656	2016-17	40,18,030	30,09,116	10,08,914	5	50,446	TTO short determined.	AA replied that action would be taken after verification.
31	<u>CTO Khandwa</u> M/s Sewa Sehkarree Samiti Kehlari TIN-23899047290 Case No. CS001057365	2015-16	70,27,977	38,91,953	31,36,024	5	1,56,802	Sale of manure is taxable.	AA replied that action would be taken after verification.
32	<u>CTO Khandwa</u> M/s Gayatri Traders TIN-23662003283 Case No. CS00609031	2014-15	1,31,38,706	1,19,07,906	12,30,800	5	61,540	Sale of fertilizer has not been taken as per audited accounts.	AA replied that action would be taken after verification.
33	<u>CTO Khandwa</u>	2015-16	1,30,12,099	1,18,85,447	11,26,652	5	56,333	Sale of manure is taxable.	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
	M/s Sewa Sehkaree Samiti Dhangaon TIN-23449033658 Case No. CS001058477								taken after verification.
34	<u>CTO Khandwa</u> M/s Sohanlal Kanhaiyalal TIN-23142001629 Case No. CS001147343	2016-17	2,11,15,897	1,65,64,538	45,51,359	5	2,27,568	Sale of fertilizer has not been taken as per audited accounts.	AA replied that action would be taken after verification.
35	<u>CTO-15 Indore</u> M/s Kalra Mobile Zone TIN-23259068209 Deemed Case (VAT)	2016-17	2,94,41,539	2,86,74,378	7,67,161	5/14	1,07,126	AA had not taken sales as per Audited Accounts.	AA replied that action would be taken after verification.
36	<u>CTO Harda</u> M/s Perfect Engineers and Contractors TIN-23949020222 Case No. CS0000001536580	2016-17	2,42,86,859	2,27,06,492	15,27,024	5/14/15	3,91,699	AA had not determined taxable turnover as per Audited Accounts. AA had not taken sale of items of 14 per cent and 15 per cent while determining TTO despite the same items purchased and closing stock was almost negligible.	AA replied that action would be taken after verification.
37	<u>CTO Harda</u>	2015-16	11,90,367	2,34,408	9,55,959	5	45,522	AA did not include sale of Soyabean in TTO.	AA replied that action would be taken after verification.

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Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
38	M/s Aadeel Traders TIN-23469141502 Deemed Case (VAT) <u>CTO Shahdol</u> M/s SM Auto Agencies TIN-23599004155 Deemed Case (VAT)	2016-17	2,08,08,028	1,82,28,806	25,78,622	14	3,61,007	AA did not include sale of item amounting to ₹ 25.79 lakh at the rate of 14 per cent, although it is certified through Audited accounts.	AA replied that action would be taken after verification.
39	<u>CTO-3 Jabalpur</u> M/s Glory Fashion TIN-23949048643 Case No. 98/16 (CST)	2015-16	1,34,73,813	93,15,024	41,58,789	5	2,07,939	AA did not levy tax on the objected amount although it was included in TTO.	AA replied that action would be taken after verification.
40	<u>CTO-3 Jabalpur</u> M/s Bhatia Battery Traders TIN-23326003556 Deemed Case (VAT)	2016-17	95,645 @ 5 per cent, 0 @ 14 per cent, 2,41,662 @ 15 per cent	2,11,66,312, 5,12,937 @ 5 per cent, 32,65,919 @ 14 per cent, 23,66,457 @ 15 per cent, 26,08,119 @ 15 per cent	2,10,70,667 @ 5 per cent, 32,65,919 @ 14 per cent, 23,66,457 @ 15 per cent	5/14/15	65,081	Dealer did not deposit tax as per audited account.	AA replied that action would be taken after verification.
41	<u>CTO-3 Jabalpur</u> M/s System Electronics Laboratory TIN-23246001757 Case No. CS000001035619 (VAT)	2015-16	1,17,55,740	1,15,82,714	1,73,026	14	24,224	AA did not take sale as per audited accounts while determining TTO.	AA replied that action would be taken after verification.



Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
42	<u>CTO-4 Indore</u> M/s Basant Dresses TIN-23350300473 Deemed Case (VAT)	2016-17	70,96,115	30,48,872	40,47,243	5/14	5,66,614	Dealer did not self-assessed tax as per audited account.	AA replied that action would be taken after verification.
43	<u>ACCT-12 Indore</u> M/s Orion Enterprises TIN-23501201763 Case No. CS0000001174356 (VAT)	2016-17	3,74,47,335	3,56,67,984	63,74,338	5	3,18,717	In the CA report sale of 5 per cent shown more than determined goods.	AA replied that action would be taken after verification.
44	<u>ACCT-2 Gwalior</u> M/s Yogesh Enterprises TIN-23565205696 Case No. CS0000001513551	04/2017 to 06/2017	42,12,334	19,46,967	22,65,367	5	1,13,268	Non-determination of TTO as per audited accounts.	AA replied that action would be taken after verification.
45	<u>ACCT-2 Gwalior</u> M/s S.R. Trading Co. TIN-23549043251 Case No. CS0000001513804 (VAT)	04/2017 to 06/2017	6,28,325	0	6,28,325	5	31,416	Sale of Baradana not included in TTO.	AA replied that action would be taken after verification.
46	<u>ACCT-3 Gwalior</u> M/s Laxmi Stationery Stores TIN-23605303838 Case No. CS000000842945 (VAT)	2015-16	85,90,168	75,64,757	10,25,411	14/5	1,33,077	Rebate was allowed considering tax-free goods but as per VATIC report 76 above sale were found taxable.	AA replied that action would be taken after verification.
47	<u>ACCT-3 Indore</u> (Preeti Srivastava)	04/2017 to 06/2017	28,17,73,214	28,11,38,112	6,35,102	5	31,755	Incorrect GTO taken in assessment order.	AA replied that action would be

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Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
	M/s Kohinoor Elastic Pvt. Ltd. Case No. CS0000001442924								taken after verification.
48	<u>ACCT-3 Indore</u> (Preeti Srivastava) M/s A. V. S Sales TIN-23309077031 Case No. CS00000011153805	2016-17	20,09,20,254	19,56,96,696	52,23,556	15	7,83,533	Incorrect determination of TTO.	AA replied that action would be taken after verification.
49	<u>CTO Circle-6 Bhopal</u> M/s Shri Balaji Homes and Reality TIN-23449118145 Case No. 982435	2016-17	5,62,41,389 3,46,57,780	5,16,57,923 3,18,33,298	45,83,466 28,24,482	5 14	2,29,173 3,95,427	AA determined GTO by adding 10 per cent profit to the purchases whereas the profit as per audited account was 19.76 per cent. This resulted in short realisation of Tax.	AA replied that action would be taken after verification.
50	<u>CTO Circle-6 Bhopal</u> M/s Sanrachna Shree Constructors and Developers TIN-23739153424 Case No. 1545050	2016-17	39,83,529 22,93,764	35,76,170 20,59,202	4,07,359 2,34,562	5 14	20,368 32,839	AA determined GTO by adding 10 per cent profit to the purchases whereas the profit as per audited account was 22.53 per cent. This resulted in short realisation of Tax.	AA replied that action would be taken after verification.
51	<u>CTO Circle-6 Bhopal</u> M/s Himalaya Builders TIN-23119141943 Case No. 1504334	2016-17	26,50,032 31,88,676	24,40,703 29,36,799	2,09,329 2,51,877	5 14	10,466 35,263	AA determined GTO by adding 10 per cent profit to the purchases whereas the profit as per	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
52	<u>CTO Khandwa</u> M/s Agrawal Construction Co. TIN-23609026852 Case No. CS001157303	2016-17	33,14,741 22,01,355	31,71,157 21,06,000	1,43,584 95,355	5 14	7,179 13,350	audited account was 20.52 per cent. This resulted in short realisation of Tax. Profit as per audited accounts has not been considered in material transferred while making GTO.	AA replied that action would be taken after verification.
53	<u>ACCT Rewa</u> M/s Om Construction Co. TIN-23496901343 Case No. CS001192002 (VAT)	2016-17	40,96,822 29,31,892	32,26,819 16,00,965	8,70,003 13,30,927	5 14	43,500 1,86,330	Under determination of TTO due to Gross Profit not taken as per the accounts.	AA replied that action would be taken after verification.
54	<u>ACCT Rewa</u> M/s Rama Construction Co. TIN-23136905712 Case No. CS001197274 (VAT)	2016-17	58,42,062	50,36,262	8,05,800	14	1,12,813	Under determination of TTO due to Gross Profit not taken as per the accounts.	AA replied that action would be taken after verification.
55	<u>ACCT Rewa</u> M/s H S A Enterprises TIN-23469120180 Case No. CS001197212 (VAT)	2016-17	44,52,002	34,85,548	9,66,454	5	48,323	Under determination of TTO due to Gross Profit not taken as per the accounts.	AA replied that action would be taken after verification.
56	<u>CTO Circle-3 Bhopal</u> M/s Krishna Industries TIN-23869151180	2016-17	1,05,68,100	1,00,64,857	5,03,243	5	25,162	AA incorrectly gave deduction of section 2(x) (iii) treating the sale recorded in	AA replied that action would be taken after verification.

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Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
	Case No.1330155							account as inclusive of Tax whereas sale recorded in account is taxable sale i.e. exclusive of tax.	
57	<u>DCCT (LTU) Indore</u> M/s Rajpal Abhikaran Pvt. Ltd. TIN-23461101778 Case No. CS001084811	2016-17	1,44,90,24,817	1,44,76,88,525	13,36,292	15	2,00,444	Tax recovered for sale of ₹ 13,36,292 has not been taken in GTO.	AA replied that action would be taken after verification.
58	<u>ACCT-3 Gwalior</u> M/s Digital Technics TIN-23489077595 Case No. CS0000001046299	2015-16	8,80,94,421	8,68,82,920	12,11,501	5	60,575	No supporting documents were found in relation to sales return.	AA replied that action would be taken after verification.
59	<u>ACCT-3 Gwalior</u> M/s Purva Packing TIN-23215308466 Case No. CS0000001369359	2016-17	2,88,94,724	2,84,47,159	4,47,565	5	22,378	Trading A/C was prepared after exclusion of Sales returns amounting to ₹ 4,47,565. Hence again exemption of Sales returns should not have been allowed.	AA replied that action would be taken after verification.
60	<u>DCCT-3 Indore</u> M/s Kansal Nerolac Paints Ltd. TIN-23071001161 Case No. CS0000001067850	2016-17	1,09,18,75,293	1,08,90,68,100	28,07,193	14	3,93,007	Deduction of excess sales return.	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
61	<u>CTO Circle-6 Bhopal</u> M/s Dattu Construction TIN-2344380624 Case No. 120/17	2016-17	1,74,70,461	1,17,63,555	57,06,906 (42,13,535 @ 14% and 1,49,375 @ 5%)	5 & 14	6,64,562	AA levied Tax at 5 per cent on the value of work done by sub-contractor by bifurcating material at 40 and labour at 60 per cent whereas bifurcation should have done as 60 per cent material and 40 per cent labour also it is evident from the invoices issued by the sub-contractors that they have also done cement concrete work which is taxable at 14 per cent.	AA replied that action would be taken after verification.
62	<u>CTO Khandwa</u> M/s Manoj Enterprises TIN-23039179490 Case No. CS00883721	2015-16	1,27,98,500 3,75,679 74,64,520 (10,663.6 Cu.M.)	0 0 0	1,27,98,500 3,75,679 74,64,520 (10,663.6 Cu.M.)	14 5 35/Cu.M.	17,91,790 18,784 3,73,226	The contractor has been given exemption for labour receipts but the supply of material has been noticed after scrutiny of running account bills.	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
63	<u>CTO Khandwa</u> M/s Ankit Traders TIN-23699041490 Case No. CS00887737	2015-16	81,59,528	75,10,640	6,48,888	14	90,844	GTO short if determined on the basis of cost of goods meant for sale.	AA replied that action would be taken after verification.
64	<u>CTO-15 Indore</u> M/s Swastik Engineering TIN-23251504104 Case No. CS000001170408 (VAT)	2016-17	7,33,02,734	6,89,03,887	43,98,847	5	2,19,942	As per calculation of material consumed the deemed sale is calculated to be more.	AA replied that action would be taken after verification.
65	<u>CTO Bina</u> M/s Bilfinger New Stanto Pvt. Ltd. TIN-23417404138 Case No. /2016 (VAT)	2014-15	19,96,640	0	19,96,640	5	99,832	As per Form 49, goods amounting to ₹ 18,71,410 were sold outside the State however all sales are treated as labour work by the AA. The AA determined less GTO due to excess/incorrect deduction of labour expenses.	AA replied that action would be taken after verification.
66	<u>ACCT-2 Bhopal</u> M/s Sanjay Paliya TIN-23304302963 Case No. CS000000947130 (VAT)	2015-16	10,30,14,702 (1,47,163.86 Cu.M.)	9,25,13,351 (132,161.93 Cu.M.)	1,05,01,351 (15,001.93 Cu.M.)	35/Cu.M.	5,25,067	AA levied tax @ 5 per cent on value of 9A goods whereas tax is leviable on weight and volume of these goods.	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	GTO/TTO/Quantity as per books / records	GTO/TTO/Quantity determined by the AA	Under determination of TTO/Quantity	Rate of Tax applicable (per cent or per Cu.M)	Amount of short realisation	Audit Observation	Reply of the Assessing Authority (AA)
67	ACCT-3 Gwalior M/s Shiva Corp. (I) Pvt. Ltd. Morena TIN-23775605269 Case No. CS0000001232043 (VAT)	04/2017 to 06/2017	38,45,61,100 (5,49,373 Cu.M.)	3,61,11,600 (51,588 Cu.M.)	34,84,49,500 (4,97,785 Cu.M.)	35/-per Cu.M.	1,74,22,475	The AA allowed deduction on tax paid sale of sand in Tikamgarh for 5,49,373 Cu.M. whereas, as per books of accounts, the tax paid sale of sand in Tikamgarh was of only 51,588 Cu.M.	AA replied that action would be taken after verification.
<b>Total</b>							<b>3,49,46,706</b>		

**Appendix 2.22**  
(Referred to in paragraph 2.6.6)  
**Short Assessment due to application of incorrect rate of tax**

Sl. No.	Name of the Auditee Unit Dealer	Period of Assessment	Commodity	Turnover	Rate of Tax	Rate Applied	Tax	Audit Observation	Reply of the Assessing Authority (AA)	(Amount in ₹)
1	ACCT-3 Indore (Smt. Preeti Shrivastava) M/s Kohinoor Elastic Pvt. Ltd. TIN-23730700389 Case No. CS001442924 (VAT)	1/4/17 to 30/6/17	Elastic Tape	19,51,87,632	5	0	97,59,382	AA did not levy tax on Export sale of Elastic tape without 'H' Form.	AA replied that the Appellate Board in its decision in case of M/s Kohinoor has treated Elastic Tape as tax free. Additional excise duty is leviable on Elastic tape hence it is tax free as per Entry No. 48 of Schedule I/The reply is not tenable as the above judgement had been given in the year 1999 when Commercial tax Act was in force. As per Entry No.48 of Schedule-I to VAT, only those fabrics are tax free which are specified in first schedule to the additional Duties of Excise. Elastic Tape is classified under Central Excise Tariff 5806, which is not specified under first schedule to Additional Duties of excise. Hence it not tax free, rather it taxable @ 5 per cent as per entry II/IV/34 of Schedule-II.	
2	ACCT-3 Indore (Smt. Preeti Shrivastava) M/s Kohinoor Elastic Pvt. Ltd. TIN-23730700389 Case No. CS001442924 (CST)	1/4/17 to 30/6/17	Elastic Tape	8,59,50,480	5	0	42,97,524	AA did not levy tax on Inter State sale (ISS) of Elastic tape without 'C' Form treating it as Tax free commodity, whereas Elastic tape is taxable @ 5 per cent as per Entry No. II/IV/34.	AA replied that the Appellate Board in its decision in case of M/s Kohinoor has treated Elastic Tape as tax free. Additional excise duty is leviable on Elastic tape hence it is tax free as per Entry No. 48 of Schedule I/The reply is not tenable as the above judgement had been given in the year 1999 when Commercial Tax Act was in force. As per Entry No.48 of Schedule-I to VAT, only those fabrics are tax free which are specified in first schedule to the	



Sl. No.	Name of the Auditee Unit Dealer	Period of Assessment	Commodity	Turnover	Rate of Tax	Rate Applied	Tax	Audit Observation	Reply of the Assessing Authority (AA)
3	<u>ACCT-1 Indore</u> (Smt. Rubi Raghuwanshi) M/s Jenith Metal Pvt. Ltd. TIN-23341403417 Case No. CS00204/217	2016-17	Warp Knit Fabrics	3,04,87,444	5	0	15,24,372	AA did not levy tax on sale of warp knit fabrics treating it as tax free where as it is taxable @ 5 per cent as per entry No.II/II/34.	additional Duties of Excise. Elastic Tape is classified under Central Excise Tariff 5806, which is not specified under first schedule to Additional Duties of excise. Hence it not tax free, rather it taxable @ 5 per cent as per entry II/II/34 of Schedule-II. AA replied that action would be taken after verification.
4	<u>ACCT-1 Indore</u> M/s Inertia Impex Pvt. Ltd. TIN-23040105625 Case No. CS0000001097869	2016-17	Warp Knit Fabrics	1,17,84,444	5	0	5,89,222	The AA allowed deduction of tax free goods on Warp knit fabrics while it was leviable at the rate of 5 per cent.	AA replied that action would be taken after verification.
5	<u>CTO Khandwa</u> M/s Shree Krishna Aushadi Bhandar TIN-23222005950 Case No. CS00886494	2015-16	Mobile	18,30,938	14	0	2,56,331	AA allowed deduction of Tax Paid Goods whereas Mobile was taxable @ 14 per cent in 2015-16.	AA replied that action would be taken after verification.
6	<u>ACCT Rewa</u> M/s Mobile Plaza TIN-23876905208 Case No. CS001217401	2016-17	Mobile	1,13,91,021	14	0	15,94,743	AA allowed deduction of Tax paid goods whereas Mobile was taxable @14 per cent in 2016-17.	AA replied that action would be taken after verification.
7	<u>CTO-6 Bhopal</u> M/s Bhavsaar Construction	2016-17	Highway/ Flood lights	29,28,992	14	5	2,63,609	AA levied tax @ 5 per cent on complete set of LED High bay lights and Flood	AA replied that action would be taken after verification.

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Sl. No.	Name of the Auditee Unit Dealer	Period of Assessment	Commodity	Turnover	Rate of Tax	Rate Applied	Tax	Audit Observation	Reply of the Assessing Authority (AA)
8	TIN-23693606919 Case No. 71/17 <u>CTO-6 Bhopal</u> M/s Maitri Infratech TIN-23899113153 Case No. 211/17	2016-17	RCC Pole	2,73,48,735	14	5	24,61,386	Lights treating it as LED bulbs and Tubes. AA levied tax @ 5 on sale of RCC Pole whereas it is taxable at the rate of 14 per cent as per Entry no. II/IV/5.	AA replied that action would be taken after verification.
9	<u>CTO-3 Bhopal</u> M/s Pragati Automobile TIN-23489146950 Case No. 1102807	2016-17	Three-Wheeler	4,13,89,646	15	14	4,13,896	AA levied Tax at the rate of 14 per cent on sale of Three wheeler three wheeler are taxable @ of 15 per cent during 2016-17 (15 per cent from 18/12/15).	AA replied that action would be taken after verification.
10	<u>CTO-3 Bhopal</u> M/s Arpit Trading Corp. TIN-23403805783 Case No. 1097279	2016-17	Architectural WWC	1,53,55,622	14	14 and 5	2,57,266	AA levied Tax on Goods imported from abroad by giving deduction u/s 2(x) (iii) whereas its purchase price is exclusive of tax. Again Dealer himself proposed 2 per cent ET on these Goods which is also accepted by AA, it means these goods are 14 per cent taxable Goods. But AA levied VAT at 5 and 14 per cent both rate in the proportion of sale which resulted in short levy of VAT.	AA replied that action would be taken after verification.
11	<u>DCCT (LTU)</u> Indore M/s Sanghi Brothers TIN-23891300052 Case No.	2016-17	Spare Parts (Warranty Claim)	6,40,63,759 @15% 5,61,96,279 @14%	15	14	17,42,085	Tax exempted and short levied on warranty claim but the same consists of spare parts that are taxable at 15 per cent.	AA replied that action would be taken after verification.

Sl. No.	Name of the Auditee Unit Dealer	Period of Assessment	Commodity	Turnover	Rate of Tax	Rate Applied	Tax	Audit Observation	Reply of the Assessing Authority (AA)
12	CS001084880 <u>ACCT Rewa</u> M/s P S Construction Co. TIN-23198690166 Case No. CS001223497 (VAT)	2016-17	Marble/Granite	5,79,120	14	5	52,121	Tax levied at lower rate.	AA replied that action would be taken after verification.
13	<u>ACCT-14 Indore</u> M/s Golden Enterprises TIN-23041402903 Case No. CS001113335 (VAT)	2016-17	PP Bags	1,41,63,531	14	5	12,74,718	Tax levied at lower rate.	AA replied that action would be taken after verification.
14	<u>ACCT-14 Indore</u> M/s Campus Poly Plast Pvt. Ltd. TIN-23221402028 Case No. CS001276634 (VAT)	2016-17	Floating Dock	90,78,232	14	5	8,17,040	No Entry hence taxable @ 14 per cent.	AA replied that action would be taken after verification.
15	<u>ACCT-14 Indore</u> M/s Shree Sai Sales TIN-23081403560 Case No. CS001108867 (VAT)	2016-17	Motor Parts	31,84,162 29,43,292	15 15	5 14	3,18,416 29,433	Tax levied at short rate.	AA replied that action would be taken after verification.
16	<u>ACCT-14 Indore</u> M/s Angel Infratech Pvt. Ltd. TIN-23269036295 Case No. CS00944496 (VAT)	2015-16	Contract Material	37,66,972	14	5	3,39,028	Contractor is not enrolled under sec 9B hence taxable as 5 per cent and 14 per cent but tax levied on whole @ 5 per cent.	AA replied that action would be taken after verification.

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Sl. No.	Name of the Auditee Unit Dealer	Period of Assessment	Commodity	Turnover	Rate of Tax	Rate Applied	Tax	Audit Observation	Reply of the Assessing Authority (AA)
17	ACCT-11 Indore M/s Krish Industries TIN-23821104393 Case No. 199/2016	2015-16	PET Performs	69,06,900 62,790 kg @ 110/kg	14	5	6,21,621	VAT short levied.	Dealer does not sale pet perform. He sell plastic materials which are taxable @ 5 per cent. Reply is not tenable as audited accounts clearly depicts the sale of pet perform.
18	CTO Burhanpur M/s Universal Consumer Care TIN-23939079296 Case No. CS001304895	2016-17	Confectionery	As per records 2,22,55,733 @ 14% and 2,03,021 @ 5%	14	5	19,84,744	The AA levied tax at the rate of five per cent, whereas it was leviable at the rate of 14 per cent.	The AA stated that the dealer sold toffees priced at less than ₹ 100 per kilogram which is taxable at five per cent./The reply of AA is not acceptable as no documentary evidences were produced for sale of toffees priced at less than ₹ 100 per Kg.
							<b>Total</b>	<b>2,85,96,937</b>	

**Appendix 2.23**  
(Referred to in paragraph 2.6.7)  
**Grant of irregular concession under CST Act**

Sl. No.	Name of the Audited Unit Dealer	Period of Assessment	Commodity	Objected Amount	Rate of Tax (per cent)	Rate of Tax with 'C' Form (per cent)	Tax Penalty	Total	Audit Observation	Reply of the Assessing Authority (AA)
1	<u>CTO-3 Bhopal</u> M/s New Star & Co. TIN-23299037068 Case No. 63/17	2016-17	Tendu Leaves	13,56,900	25	0	<u>3,39,225</u> 10,17,675	13,56,900	AA levied Tax only on ₹ 7,17,225 of Inter State Sale of Tendu Leaves whereas 'C' Form of ₹ 20,74,125 were not produced by the dealer.	AA replied that action would be taken after verification.
2	<u>DCCT Khandwa</u> M/s Century Denim TIN-23192202537 Case No.122/2015 (CST)	2014-15	Denim	25,40,896	5	2	<u>76,227</u> 2,28,681	3,04,908	Complete C-Forms not found with the case.	AA replied that action would be taken after verification.
3	<u>ACCT Rewa</u> M/s Issar Ahmed and Co. TIN-23109122447 Case No. CS001197890 (CST)	2016-17	Tendu Leaves	11,61,600	25	0	<u>2,90,400</u> 8,71,200	11,61,600	C-Form is issued some other person name instead of Dealer.	AA replied that action would be taken after verification.
4	<u>CTO Shahdol</u> M/s Mahima Marketing	2016-17	Miscellaneous Items	20,18,387	5	2	<u>60,552</u> 1,81,656	2,42,208	AA had given exemption of excess amount although dealer had not	AA replied that action would be taken after verification.

Sl. No.	Name of the Audited Unit Dealer	Period of Assessment	Commodity	Objected Amount	Rate of Tax (per cent)	Rate of Tax with 'C' Form (per cent)	Tax Penalty	Total	Audit Observation	Reply of the Assessing Authority (AA)
	TIN-23857206501 Case No. CS001547922								submitted C-Form for the said excess amount.	
5	CTO-3 Jabalpur M/s Glory Fashion TIN-2394904863 Case No. 98/16	2015-16	Readymade Garments	10,97,600	5	2	<u>32,928</u> 98,784	1,31,712	AA had given exemption of excess amount although dealer had not submitted C-Form for the said excess amount.	AA replied that action would be taken after verification.
6	ACCT-12 Indore M/s Agrasar Polypack TIN-23889158259 Case No. CS001413453	2016-17	Packing Material	2,70,57,764	5	0	<u>13,52,888</u> 40,58,664	54,11,552	'C' Form not enclosed of ₹ 2,70,57,764.	AA replied that action would be taken after verification.
7	CTO Chhatarpur M/s Harsh Enterprises TIN-23367705011 Case No. 682/17	2016-17	Soyabean and Mustered	6,27,948	5	0	<u>31,397</u> 94,191	1,25,588	'C' Form not enclosed of ₹ 6,27,948.	AA replied that action would be taken after verification.
8	CTO Chhatarpur M/s Sultaniya Tobacco TIN-23069161445 Case No. 1149/17	2016-17	Tendu Leaves	5,75,436	25	0	<u>1,43,859</u> 4,31,577	5,75,436	'C' Form not enclosed.	AA replied that action would be taken after verification.
9	CTO Chhatarpur M/s Om Radhe Traders	2016-17	Soyabean	8,64,570	5	0	<u>43,229</u> 1,29,687	1,72,916	'C' Form not enclosed.	AA replied that action would be taken after verification.

Sl. No.	Name of the Audited Unit Dealer	Period of Assessment	Commodity	Objected Amount	Rate of Tax (per cent)	Rate of Tax with 'C' Form (per cent)	Tax Penalty	Total	Audit Observation	Reply of the Assessing Authority (AA)
	TIN-23567705289 Case No. 726/2017									
10	<u>CTO-2 Ujjain</u> M/s Agrawal Auto Agency TIN-23049026229 Case No. 316/17 (Deemed)	2016-17	Auto Parts	64,35,794	15	2	<u>8,36,653</u> 25,09,959	33,46,612	'C' Form not enclosed.	AA replied that action would be taken after verification.
11	<u>CTO-2 Ujjain</u> M/s Grasim Industries TIN-23679059825 Case No. CS001381902	2015-16	Chemical	14,25,784	5	2	<u>42,773</u> 1,28,319	1,71,092	C Forms have not been found verified on TINXSYS.	AA replied that action would be taken after verification.
12	<u>ACCT-3 Gwalior</u> M/s J.P. Footwear Pvt. Ltd. TIN-23525303203 Case No. CS0000001368824 (CST)	2016-17	Industrial safety shoes	4,63,600	14	2	<u>55,632</u> 1,66,896	2,22,528	Less C Forms produced.	AA replied that action would be taken after verification.
13	<u>ACCT-1 Gwalior</u> M/s Sea-Pold Chemicals & Filters TIN-23665307491 Case No. CS0000001506926	04/2017 to	Chemical	10,31,029	5	0	<u>51,551</u> 1,54,653	2,06,204	In spite of without obtaining C Forms amounting to ₹ 10,31,029, the AA allowed deduction of E1-C sale.	AA replied that action would be taken after verification.

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Sl. No.	Name of the Audited Unit Dealer	Period of Assessment	Commodity	Objected Amount	Rate of Tax (per cent)	Rate of Tax with 'C' Form (per cent)	Tax Penalty	Total	Audit Observation	Reply of the Assessing Authority (AA)
14	<u>ACCT-3 Indore</u> (Preeti Srivastava) M/s Gaurav Sales Agency TIN-23380801219 Case No. CS0000001154070	2016-17	Milk powder, Ghee and LPG	4,00,746	14	2	<u>48,090</u> 1,44,270	1,92,360	Concessional rate of tax granted without 'C' Form.	AA replied that action would be taken after verification.
15	<u>ACCT-3 Indore</u> (Preeti Juhari) M/s Precision Coatings TIN-23061202781 Case No. 28/2017 (CST)	2016-17	Adhesive Tapes, cotton Crape bandage, medicated dressing plast etc.	14,74,12,448	5	2	<u>44,22,373</u> 1,32,67,119	1,76,89,492	Concessional rate of tax granted without 'C' Form.	AA replied that action would be taken after verification.
16	<u>CTO-4 Indore</u> M/s Gangaram Mohanlal Mittal & Sons TIN-23500400058 Case No. CS0000000875011	2015-16	Metal scrap	63,94,210	5	0	<u>3,19,711</u> 9,59,133	12,78,844	AA has given exemption of Consignment sale without Form 'F'.	AA replied that action would be taken after verification.
17	<u>CTO Khandwa</u> M/s Sandeep Industries TIN-23152004582 Case No. CS00628379	2014-15	Cotton Seed, Oil	10,42,728	5	0	<u>52,136</u> 1,56,408	2,08,544	Less 'F' Form found attached.	AA replied that action would be taken after verification.
18	<u>CTO-2 Ujjain</u> M/s Delta Power Solution	2015-16	TV Tower	4,54,947	14	0	<u>63,693</u> 1,91,079	2,54,772	Less 'F' Form found attached.	AA replied that action would be taken after verification.



Sl. No.	Name of the Audited Unit Dealer	Period of Assessment	Commodity	Objected Amount	Rate of Tax (per cent)	Rate of Tax with 'C' Form (per cent)	Tax Penalty	Total	Audit Observation	Reply of the Assessing Authority (AA)
	TIN-23829048170 Case No. CS000000888571									taken after verification.
19	<u>CTO-15 Indore</u> M/s Hiwaki Pumps Pvt. Ltd. TIN-23229013698 Case No. CS000000961665	2015-16	Pumps	1,88,86,558	5	0	<u>9,44,328</u> 28,32,984	37,77,312	AA had granted exemption on export sale without 'H' Form	AA replied that action would be taken after verification.
20	<u>DCCT Ratlam</u> M/s Amrit Refined TIN-23783004839 Case No. 165/2017 (VAT)	2015-16	Crude oil	16,48,066	5	0	<u>82,403</u> 2,47,209	3,29,612	Less amount of 'H' Form found.	AA replied that action would be taken after verification.
21	<u>CTO Chhatarpur</u> M/s Harsh Enterprises TIN-23367705011 Case No. 682/17 (CST)	2016-17	Oilseed	38,21,000	5	0	<u>1,91,050</u> 5,73,150	7,64,200	'H' Form not enclosed with case.	AA replied that action would be taken after verification.
			<b>Total</b>	<b>22,67,18,011</b>			<u>94,81,098</u> 2,84,43,294	<b>3,79,24,392</b>		

**Appendix 2.24**  
(Referred to in paragraph 2.6.8)  
**Entry Tax not levied/ short levied**

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	Taxable Turn Over (TTO)	Rate of Tax applicable	Applied Rate (per cent)	Amount of non/short levy of Tax	Audit Observation	Reply of the Assessing Authority (AA)	(Amount in ₹)
1	CTO Circle-6 Bhopal M/s Sami Traders TIN-23233705627 Case No. 996602	2016-17	Steel Scrap	60,00,000	2	0	1,20,000	AA allowed deduction of Entry tax paid goods whereas these goods are taxable as it had been purchased from unregistered dealer.	AA replied that action would be taken after verification.	
2	CTO Circle-6 Bhopal M/s Jhuley Lal Stone Crusher TIN-23023804925 Case No. 1968826	2016-17	Sand	70,37,088	1	0	70,371	AA did not levy tax on sand being purchased from unregistered dealer.	AA replied that action would be taken after verification.	
3	DCC T Khandwa M/s Agrawal Distilleries TIN-23302102615 Case No. 1069041	2016-17	Coal, Cartoon Iron	1,79,53,706	3,2,1	0	2,68,601	AA gave deduction of Entry tax paid goods whereas it revealed from the purchase bills that these goods are ET not paid goods and liable to ET.	AA replied that action would be taken after verification.	
4	ACCT-14 Indore M/s Sagar Steel Supplier TIN-23131402417 Case No. CS001328753 (ET)	2016-17	Iron and Steel	4,64,43,252	2	0	9,28,865	ET not paid bills taken as ET paid.	AA replied that action would be taken after verification.	
5	ACCT-14 Indore M/s Campus Poly Plast Pvt. Ltd. TIN-23221402028 Case No. CS001276635 (ET)	2016-17	HDPE, Master Batch	1,32,24,822	1	0	1,32,248	Exempted as tax free.	AA replied that action would be taken after verification.	
6	ACCT-14 Indore M/s Tirupati Enterprises	2016-17	Interstate Purchase	11,30,684	1	0	11,307	Non-levy of ET.	AA replied that action would be taken after verification.	

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	Taxable Turn Over (TTO)	Rate of Tax applicable	Applied Rate (per cent)	Amount of non/short levy of Tax	Audit Observation	Reply of the Assessing Authority (AA)
	TIN-23071401286 Case No. CS001151724 (VAT)								
7	ACCT-14 Indore M/s Mayur Global Impex TIN-23529036560 Case No. CS001151297 (ET)	2016-17	Interstate Purchase	6,51,479	5	0	32,574	Non-levy of ET.	AA replied that action would be taken after verification.
8	DCCT-2 Gwalior M/s KNR Construction Ltd. TIN-23435503800 Case No. CS0000001062712	2016-17	Bitumen Emulsion	72,18,549	1	0	72,185	AA did not levy ET on taxable goods.	AA replied that action would be taken after verification.
9	ACCT Chhindwara M/s Royal Uniforce Roofing Pvt. Ltd. TIN-23409011352 Case No. CS0000001528544	2016-17	Cosmetic and toilet articles	7,35,59,691	2	0	14,71,194	Undue exemption on cosmetic and toilet articles.	AA replied that action would be taken after verification.
10	DCCT Khandwa M/s Ravi Udhog TIN-23071907141 Case No. 52/17	2016-17	PP Bags	40,73,492	5	1	1,62,940	AA levied ET @ 1 per cent on imported PP bags purchased for consumption and use in packing instead of 115 per cent enhance rate as per notification No.14 dt.1/4/2007.	AA replied that action would be taken after verification.
11	DCCT Khandwa M/s Ravi Udhog TIN-23071907141 Case No.86/16	2015-16	PP Bags	20,88,632	5	1	83,545	AA levied ET @ 1 per cent on imported PP bags purchased for consumption and use in packing instead of 5 per cent enhance rate as per notification No.14 dt.1/4/2007.	AA replied that action would be taken after verification.
12	DCCT Khandwa M/s Ravi Udhog TIN-23071907141	2014-15	PP Bags	23,77,189	5	1	95,088	AA levied ET @ 1 per cent on imported PP bags purchased for consumption and use in packing	AA replied that action would be taken after verification.

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Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	Taxable Turn Over (TTO)	Rate of Tax applicable	Applied Rate (per cent)	Amount of non/short levy of Tax	Audit Observation	Reply of the Assessing Authority (AA)
	Case No.573549							instead of 5 per cent enhance rate as per notification No.14 dt.1/4/2007.	
13	DCCCT Khandwa M/s Kamal Cotspin Pvt. Ltd. TIN-23721910227 Case No. 54/14, 100/16, 61/17, 60/18	2014-18	PP Bags	30,05,967	5	1	1,20,239	AA levied ET @ 1 per cent on imported PP bags being purchased for consumption and use in packing instead of 5 per cent enhance rate as per notification No.14 dt.1/4/2007.	AA replied that action would be taken after verification.
14	DCCCT (LTU) Indore M/s Britania Industries TIN-23711304225 Case No. CS001083851	2016-17	Furnace Oil	21,52,380	10	1	1,93,714	Furnace oil purchased has not been taken completely as per list of imported goods.	AA replied that action would be taken after verification.
15	DCCCT (LTU) Indore M/s Britania Industries TIN-23711304225 Case No. CS001083851	2016-17	PP Bags	20,77,986	5	1	83,119	PP bags purchased has not been taken completely as per list of imported goods.	AA replied that action would be taken after verification.
16	DCCCT-2 Gwalior M/s B R Oil Industries Pvt. Ltd. TIN-23799019752 Case No. CS0000001359613	2017-18	Hexane	33,93,128	10	1	3,05,382	The AA levied ET on hexane at the rate of one per cent on purchase of Iron and Steel instead of 10 per cent.	AA replied that action would be taken after verification.
17	DCCCT-2 Gwalior M/s B R Oil Industries Pvt. Ltd. TIN-23799019752 Case No. CS0000001359613	2017-18	PP Bags	30,72,830	5	1	1,22,913	The AA levied ET on hexane at the rate of one per cent on purchase of Iron and Steel instead of five per cent.	AA replied that action would be taken after verification.
18	CTO Circle-3 Bhopal M/s Vardhman Sales TIN-23113806670	2016-17	Not Known	17,18,322	2	0	34,366	Dealer deposited ET on less purchase amount.	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	Taxable Turn Over (TTO)	Rate of Tax applicable	Applied Rate (per cent)	Amount of non/short levy of Tax	Audit Observation	Reply of the Assessing Authority (AA)
19	Case No. 368/17(Deemed) <u>CTO Khandwa</u> M/s Manoj Enterprises TIN-23039179490 Case No. 1556/16	2016-17	Cement, Iron Sand, Gitti	1,30,68,455 77,65,400	2 1	0 0	2,61,369 77,654	Gross purchase has been determined nil by the AA but it is evident from the running bill that the contractor has purchased the material and transferred in contract work.	AA replied that action would be taken after verification.
20	<u>CTO Khandwa</u> M/s Sanjay Singh Tomar TIN-23659087181 Case No. CS001135479	2016-17	Plant and Machinery	27,05,970	2	0	54,119	Purchase of plant and machinery has not been taken in GTO.	AA replied that action would be taken after verification.
21	<u>ACCT Rewa</u> M/s Om Construction Co. TIN-23496901343 Case No. CS001192003 (ET)	2016-17	Machinery, Electrical Fittings, Generator, Tar Boiler etc.	18,08,771	2	0	36,175	Purchases of fixed asset not included in GTO.	AA replied that action would be taken after verification.
22	<u>ACCT Rewa</u> M/s National Traders TIN-23859017321 Case No. 49/18 (ET)	2016-17	Fixed Assets	32,42,183	1	0	32,422	Under determination of GTO as Freight and purchase of Fixed assets not included.	AA replied that action would be taken after verification.
23	<u>ACCT-12 Indore</u> M/s Surekha Marketing TIN-23041203277 Case No. CS0000001077814 (ET)	2016-17	Chemical	44,89,042	2	0	89,781	Not levied ET on purchase as per CA report.	AA replied that action would be taken after verification.
24	<u>ACCT-2 Gwalior</u> M/s Ganesh Stone Industries TIN-23325206313	2014-15	Plant & Machinery	2,56,24,760	2	0	5,12,495	The purchase of Plant & Machinery was not included in TTO.	AA replied that action would be taken after verification.

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Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	Taxable Turn Over (TTO)	Rate of Tax applicable	Applied Rate (per cent)	Amount of non/short levy of Tax	Audit Observation	Reply of the Assessing Authority (AA)
25	Case No. 71/2017 <u>DCCT-2 Gwalior</u> M/s VRS Food Ltd. TIN-23894803595 Case No. CS0000001055516	2016-17	Coal	16,09,687	3	0	48,291	The AA determined short turnover without adding amount of VAT in purchase value.	AA replied that action would be taken after verification.
26	<u>CTO Circle-6 Bhopal</u> M/s Bhavsar Construction TIN-23693606919 Case No. 72/17	2016-17	Highway/Floodlights	26,62,720	2	1	26,627	AA levied ET @ 1 per cent on Highway/Flood light whereas these commodities are taxable @ 2 per cent.	AA replied that action would be taken after verification.
27	<u>CTO Circle-3 Bhopal</u> M/s Valmiki Sales Udhog TIN-23343805622 Case No. 285/17	2016-17	Electronic Goods	97,98,646	2	1	97,986	AA levied Entry tax @ 1 per cent whereas Electronics goods are taxable @ 2 per cent.	AA replied that action would be taken after verification.
28	<u>CTO Circle-3 Bhopal</u> M/s KV Chem TIN-23634105726 Case No. 477/17	2016-17	Chemical & Paint	47,57,724	2	1	47,577	AA levied ET @ 1 per cent on complete purchase but as it is evident from VAT case that 49.6 per cent sale has been levied @ 14 per cent it means that much purchases should have been taxed @ 2 per cent.	AA replied that action would be taken after verification.
29	<u>DCCT Khandwa</u> M/s Maral Overseas TIN-23562202091 Case No. 1175849	2016-17	HDPE Bags, Flood Light, Cement, Iron	41,27,273	2	1	41,273	AA levied Entry tax @ 1 per cent whereas these Goods are taxable @ 2 per cent.	AA replied that action would be taken after verification.
30	<u>ACCT Chhindwara</u> M/s Rean Watertech Pvt. Ltd. TIN-23589148589 Case No. CS0000000865495	2015-16	Iron and Steel	17,41,02,379	2	1	17,41,024	ET levied at the rate of one per cent instead of two per cent.	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	Taxable Turn Over (TTO)	Rate of Tax applicable	Applied Rate (per cent)	Amount of non/short levy of Tax	Audit Observation	Reply of the Assessing Authority (AA)
31	ACCT Seoni M/s Balaji Traders TIN-23036702843 Case No. 0000000966499 DOA-22-06-2018	2015-16	Sale of Tendu Leaves	63,38,258	2	1	63,383	Incorrect rate of tax applied.	AA replied that action would be taken after verification.
32	DCCCT Khandwa M/s MG Oil TIN-235490587 Case No.818449	2015-16	Refined oil	23,58,80,079	1	0	23,58,800	AA gave deduction as per Notification No. 16 of Feb.2011 for Crude edible oil whereas Dealer has entered Refined Oil and RBD Palm oil in local area.	AA replied that action would be taken after verification.
33	DCCT (LTU) Indore M/s Patel Motors TIN-23040801503 Case No. CS001084322	2016-17	Bus Body	6,81,39,858	2	0	13,62,797	AA allowed exemption from ET for purchase of Bus Body instead of under heavy goods carriage vehicle	AA replied that action would be taken after verification.
<b>Total</b>				<b>76,33,00,402</b>			<b>1,11,60,424</b>		

**Appendix 2.25**  
(Referred to in paragraph 2.6.9)  
**Incorrect Adjustment of Tax Deducted at Source**

Sl. No.	Name of Audited Unit Dealer	Period	Type of Deduction/Adjustment	Amount of Excess/incorrect adjustment/deduction	Audit observation	Reply of the Assessing Authority (AA)	(Amount in ₹)
1	<u>DCCT Ratlam</u> M/s Sorathiya Ratna Velji and Company TIN-23601704750 Case No. 174/16-17 (VAT)	2016-17	TDS	57,42,487	TDS of less amount have been found with the case.	AA replied that action would be taken after verification.	
2	<u>ACCT Rewa</u> M/s Laxmi Traders TIN-23609003766 Case No. CS001197311 (VAT)	2016-17	TDS	32,287	TDS of less amount have been found with the case.	AA replied that action would be taken after verification.	
3	<u>ACCT Rewa</u> M/s National Traders TIN-23859017321 Case No. 49/17 (VAT)	2016-17	TDS	4,47,760	TDS of less amount have been found with the case.	AA replied that action would be taken after verification.	
4	<u>CTO Bina</u> M/s Elmatrics Engineers Pvt. Ltd. TIN-23937404434 Case No. CS000000589689	2014-15	TDS	99,961	The AA allowed deduction of ₹ 8,00,282 in four cases of TDS, though one TDS of ₹ 99,961 was not related to relevant year 2014-15.	AA replied that action would be taken after verification.	
5	<u>CTO-6 Indore</u> M/s M. K. Brothers TIN-23980600099 Case No. CS000000908447	2015-16 04/2018	TDS	27,44,687	The AA allowed TDS adjustment of ₹ 40,60,739 whereas TDS of only ₹ 13,16,052 was submitted by dealer.	AA replied that action would be taken after verification.	
6	<u>CTO-6 Indore</u> M/s M. K. Brothers TIN-23980600099 Case No. CS0000001289551	2016-17	TDS	3,64,379	The AA allowed TDS adjustment of ₹ 29,11,027 whereas TDS of ₹ 3,64,379 was not related to the audit period.	AA replied that action would be taken after verification.	
7	<u>CTO-2 Ujjain</u> M/s Shri Hari Construction Ujjain TIN-23859022947	2015-16	TDS	5,67,403	The AA allowed TDS deduction of ₹ 6,75,133 though TDS of ₹ 1,07,730 only was found on records.	AA replied that action would be taken after verification.	



Sl. No.	Name of Audited Unit Dealer	Period	Type of Deduction/Adjustment	Amount of Excess/incorrect adjustment/deduction	Audit observation	Reply of the Assessing Authority (AA)
8	Case No. CS0000000888528 <u>CTO-2 Ujjain</u> M/s Ram Chandra Samariya TIN-23482704304 Case No. CS0000000884631	2015-16	TDS	3,66,989	Against TDS claim of ₹ 3,42,879 payment receipt of ₹ 9,75,890 was attached as proof of TDS.	AA replied that action would be taken after verification.
9	<u>CTO-2 Ujjain</u> M/s Umang Traders TIN-23892704321 Case No. CS0000001171342	2016-17	TDS	2,51,832	The AA allowed TDS adjustment of ₹ 3,78,636 though original copies of TDS of ₹ 1,26,804 only found on records.	AA replied that action would be taken after verification.
10	<u>CTO-2 Ujjain</u> M/s Ravi Enterprises TIN-23742703385 Deemed Case (VAT)	2016-17	TDS	14,85,507	The AA allowed TDS adjustment of ₹ 55,97,059 though original copies of TDS of ₹ 41,11,552 only was found on records.	AA replied that action would be taken after verification.
11	<u>CTO-2 Ujjain</u> M/s Jagdish Chandra Jaiprakash Porwal TIN-23352701029 Deemed Case (VAT)	2016-17	TDS	4,08,139	The AA allowed TDS adjustments of ₹ 9,07,819, though original copies of TDS of ₹ 4,99,680 only was found on records.	AA replied that action would be taken after verification.
			<b>Total</b>	<b>1,25,11,431</b>		

**Appendix 2.26(a)**  
(Referred to in paragraph 2.6.11.1)  
**Allowance of excess Input Tax Rebate against provision**

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	ITR allowed by the AA	ITR as per Books of Accounts/ ITR allowable	Excess grant of ITR	Audit Observation	Reply of the Assessing Authority (AA)	(Amount in ₹)
1	<u>ACCT-14 Indore</u> M/s Anoop Foods Ltd. TIN-2376083047 Case No. CS001112588 (VAT)	2016-17	Soyabean	27,64,984	0	27,64,984	As per sec 26A, ITR is not admissible on purchase of Soyabean.	AA replied that action would be taken after verification.	
2	<u>ACCT-14 Indore</u> M/s Chandrika Trading Co. TIN-23119032624 Case No. CS001113670 (VAT)	2016-17	Soyabean	4,71,565	0	4,71,565	As per sec 26A, ITR is not admissible on purchase of Soyabean.	AA replied that action would be taken after verification.	
3	<u>ACCT-14 Indore</u> M/s Mohanlal Parmeshwarilal Agrawal TIN-23691403758 Case No. CS001153374 (VAT)	2016-17	Raidal (Mustard)	40,618	0	40,618	Raidal/Mustard is not eligible for ITR	AA replied that action would be taken after verification.	
4	<u>CTO Circle-6 Bhopal</u> M/s Sami Traders TIN-23233705627 Case No. 17/17	2016-17	Scrap	73,15,472	71,51,407	1,64,065	As per provision of Section 14(1)(a)(1a) of VAT, ITR should have been reduced as the dealer had sold goods interstate. But AA did not do that which resulted in excess grant of ITR.	AA replied that action would be taken after verification.	
5	<u>CTO Circle-3 Bhopal</u> M/s Garg Trading Co.	2015-16	Tendu Leaves	16,10,151	11,39,852	4,70,299	As per provision of section 14(1AD) no ITR	AA replied that action would be taken after verification.	

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	I TR allowed by the AA	I TR as per Books of Accounts/ I TR allowable	Excess grant of I TR	Audit Observation	Reply of the Assessing Authority (AA)
	TIN-23439018915 Case No. 875584						is admissible on Inter State Sale (ISS) of Tendu leaves. The AA incorrectly allowed excess ITR, whereas ITR is calculated to be less in proportion of State sale and Interstate sale.	
6	<u>CTO Circle-3 Bhopal</u> M/s Albajh Trading TIN-23409061016 Case No.876558	2015-16	Tendu Leaves	13,66,131	10,07,156	3,58,975	As per provision of section 14(1AD) no ITR is admissible on Inter State Sale (ISS) of Tendu leaves. The AA incorrectly allowed excess ITR, whereas ITR is calculated to be less in proportion of State sale and Interstate sale.	AA replied that action would be taken after verification.
7	<u>CTO Khandwa</u> M/s Mayur Enterprises TIN-23982003786 Case No. CS00637620	2014-15	Wood	10,84,462	5,55,245	5,29,217	Purchase of wood is not eligible for ITR if sold interstate as per section 14(1AE).	AA replied that action would be taken after verification.
8	<u>CTO Khandwa</u> M/s Vijay Industries Ltd. TIN-23432001809 Case No. CS001130200	2016-17	Sarki	6,33,313	4,64,821	1,68,492	As per section 14(1)(a)(1a), ITR equal to the amount of input tax or CST payable, whichever is less, is admissible.	AA replied that action would be taken after verification.
9	ACCT-14 Indore M/s Rathil Oil Sales TIN-239714011664 Case No. CS001278863 (VAT)	2016-17	Lubricants	30,40,354	28,43,084	1,97,270	As per section 14(1)(a)(1a), ITR equal to the amount of input tax or CST payable,	AA replied that action would be taken after verification.

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Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	I TR allowed by the AA	I TR as per Books of Accounts/ I TR allowable	Excess grant of I TR	Audit Observation	Reply of the Assessing Authority (AA)
10	ACCT-14 Indore M/s IB Communication TIN-23419031333 Case No. CS001104484 (VAT)	2016-17	Hardware, Paints, Electronic Goods	3,13,532	1,38,780	1,74,752	whichever is less, is admissible. As per section 14(1)(a)(1a), ITR equal to the amount of input tax or CST payable, whichever is less, is admissible.	AA replied that action would be taken after verification.
11	ACCT-14 Indore M/s Madan Oil Industries TIN-23401400668 Case No. CS00115689 (VAT)	2016-17	Oil	1,68,215	0	1,68,215	As per section 14(1)(a)(1a), ITR equal to the amount of input tax or CST payable, whichever is less, is admissible.	AA replied that action would be taken after verification.
12	CTO Khandwa M/s S K Patel TIN-23222002458 Case No. CS00877483	2015-16	Wood	32,79,353	31,83,019	96,334	Purchase of wood is not eligible for ITR if sold interstate as per section 14(1AE).	AA replied that action would be taken after verification.
13	CTO-15 Indore M/s Amit Traders TIN-23781500854 Case No. CS00868230	2015-16	Tendu Leaves	36,72,758	18,75,811	17,96,947	AA allowed ITR on interstate sale of Tendu Leaves which was against Section 14(1AD) of Act.	AA replied that action would be taken after verification.
14	CTO-3 Jabalpur M/s Venkat Sai Beedi Works TIN-2310600484 Case No. Deemed 238/17	2016-17	Tendu Leaves	3,56,799	2,74,963	81,836	AA had allowed ITR on interstate sale of Tendu Leaves which was against Section 14(1AD) of Act.	AA replied that action would be taken after verification.
15	DCCT Khandwa M/s GVR Infra Projects Ltd. TIN-23759003363	2015-16	Non-Transferable Goods	1,15,25,100	67,54,210	47,70,890	As per section 14(1)(a) goods which are purchased after paying tax and for the purpose of	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	I TR allowed by the AA	I TR as per Books of Accounts/ I TR allowable	Excess grant of I TR	Audit Observation	Reply of the Assessing Authority (AA)
	Case No. CS00828745						sale or used further for the manufacturing of goods specified in Schedule I or II, are only eligible for ITR. But neither the contractors come in the category of manufacturers, nor the roads and buildings come in the category of goods hence ITR cannot be allowed on non-transferable goods.	
16	ACCT-14 Indore M/s R. K. Patel and Co. TIN-23061400564 Case No. CS001108727 (VAT)	2016-17	Machinery	61,799	0	61,799	Non-transferable goods are not eligible for ITR in contract work.	AA replied that action would be taken after verification.
17	DCCT Khandwa M/s Maral Overseas TIN-23562202091 Case No. CS001069898	2016-17	Paint, Sofa Set, Mattresses, Water Cooler etc., i.e., goods purchased which have neither to sell nor to use in manufacturing process	3,79,193	0	3,79,193	As per section 14(1)(a) goods which are purchased after paying tax and for the purpose of sale or used further for the manufacturing of goods specified in Schedule I or II, are only eligible for ITR. But neither the said purchased goods have been sold nor used in manufacturing of fabric hence ITR cannot be	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	I TR allowed by the AA	I TR as per Books of Accounts/ I TR allowable	Excess grant of I TR	Audit Observation	Reply of the Assessing Authority (AA)
18	<u>CTO Khandwa</u> M/s M G Oil TIN-23549090587 Case No. CS00637499	2014-15	Weigh Bridge	30,907	0	30,907	allowed on non-transferable goods. Weigh bridge has not been used in manufacturing hence ITR cannot be allowed.	AA replied that action would be taken after verification.
19	<u>DCCT Khandwa</u> M/s Agrawal Distilleries TIN-23302102615 Case No. CS001069039	2016-17	Interior Decoration	60,000	0	60,000	ITR allowed was against the provision of Section 14.	AA replied that action would be taken after verification.
20	<u>DCCT Khandwa</u> M/s Agrawal Distilleries TIN-23302102615 Case No. CS001069039	2016-17	Car	2,74,765	0	2,74,765	Against the provision of section 14, car is not used in the manufacturing process.	AA replied that action would be taken after verification.
21	<u>DCCT Khandwa</u> M/s Agrawal Distilleries TIN-23302102615 Case No. CS001069039	2016-17	Building Material	5,50,052	0	5,50,052	Building material is not eligible for ITR as per Notification no. 28 dated 17.08.2017.	AA replied that action would be taken after verification.
22	<u>DCCT Khandwa</u> M/s Agrawal Distilleries TIN-23302102615 Case No. CS001069039	2016-17	Furniture	3,65,337	0	3,65,337	Furniture is not eligible for ITR as per notification no. 28 dated 17.08.2017.	AA replied that action would be taken after verification.
23	<u>ACCT-12 Indore</u> M/s Value Labs TIN-2368914445 Case No. 97/17	2016-17	P&M and Office Equipment	7,21,170	0	7,21,170	ITR allowed on purchase of P&M and office equipment for office use.	AA replied that action would be taken after verification.
24	<u>DCCT Khandwa</u> M/s Maral Overseas TIN-23562202091 Case No. CS001069898	2016-17	Iron Bar (Building Material)	62,446	0	62,446	Building material is not eligible for ITR as per Notification no. 28 dated 17.08.2017.	AA replied that action would be taken after verification.
			Cement (Building Material)	31,317	0	31,317	Building material is not eligible for ITR as per	AA replied that action would be taken after verification.

Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	I TR allowed by the AA	I TR as per Books of Accounts/ I TR allowable	Excess grant of I TR	Audit Observation	Reply of the Assessing Authority (AA)
25	<u>CTO-15 Indore</u> M/s Kalra Mobile Zone TIN-23259068209 Case No. Deemed	2016-17	Mobile and its Accessories	40,54,756	38,53,948	2,00,808	Notification no. 28 dated 17.08.2017. AA allowed ITR on excess purchase amount and did not consider the purchase amount as per audited accounts.	AA replied that action would be taken after verification.
26	<u>CTO Harda</u> M/s Gunjan Radio TIN-23844600262 Case No. Deemed	2016-17	Electrical & Electronics Equipment	46,73,084	37,59,304	9,13,780	AA allowed ITR on excess purchase amount and did not consider the purchase amount as per audited accounts.	AA replied that action would be taken after verification.
27	<u>CTO Harda</u> M/s Harsh Agro Agency TIN-23119051151 Case No. Deemed	2014-15	Pesticides	11,81,708	11,16,349	65,359	AA had allowed ITR on purchase return amount also.	AA replied that action would be taken after verification.
28	<u>CTO Harda</u> M/s Hind Khad Bhandar TIN-23904600811 Case No. CS001536550	2016-17	Agriculture Equipment, Insecticides and Pesticides	8,61,591	8,20,472	41,119	AA allowed ITR on excess purchase amount and did not consider the purchase amount as per audited accounts.	AA replied that action would be taken after verification.
29	<u>CTO Circle-3 Bhopal</u> M/s Laxmi Traders TIN-23853802092 Case No. 77/17	2015-16	Medicines	89,83,124	88,04,229	1,78,895	AA allowed ITR on excess purchase amount and did not consider the purchase amount as per audited accounts.	AA replied that action would be taken after verification.
30	<u>CTO Harda</u> M/s Ramchandra Rameshwar Agrawal TIN-23254600053 Case No. Deemed	2016-17	FMCG Items	37,91,015	37,64,556	26,459	AA allowed ITR on excess purchase amount and did not consider the purchase amount as per audited accounts.	AA replied that action would be taken after verification.
31	<u>DCCT Ratlam</u> M/s Amrit Refined	04/2017-06/2017	Machinery parts	3,63,090	0	3,63,090	ITR allowed on purchase of machinery parts which	AA replied that action would be taken after verification.

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Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	I TR allowed by the AA	I TR as per Books of Accounts/ I TR allowable	Excess grant of I TR	Audit Observation	Reply of the Assessing Authority (AA)
	TIN-23783004839 Case No. 149/2017						has not been purchased during period of 04/17 to 06/17 ITR of Plant & Machinery purchased during GST period is claimed in VAT Assessment.	
32	<u>CTO Chhatarpur</u> M/s Police Kalyan Kendra Petrol Pump TIN-23337705270 Case No. 721/16-17	2016-17	Petrol, Diesel	4,89,844	0	4,89,844	ITR reversal has not been done on evaporation of Petrol/Diesel.	AA replied that action would be taken after verification.
33	<u>ACCT-2 Gwalior</u> M/s B.E.W. Autoparts TIN-23555303526 Case No. 252/2017(Deemed)	2016-17	Agriculture equipment & Parts of machinery	7,56,282	2,20,381	5,35,901	Non-reversal of ITR for the material consumed in the manufacturing of tax-free goods.	AA replied that action would be taken after verification.
34	<u>ACCT-2 Gwalior</u> M/s B.E.W. Autoparts TIN-23555303526 Case No. CS0000001324125	04/2017 to 06/2017	Agriculture equipment & Parts of machinery	80,524	32,393	48,131	Non-reversal of ITR for the material consumed in the manufacturing of tax-free goods.	AA replied that action would be taken after verification.
35	<u>ACCT-1 Gwalior</u> M/s Vaishya and Mukarji TIN-23085306355 Case No. CS0000001417439 (VAT)	2017-2018	Petrol and Diesel	7,65,72,089	7,63,64,232	2,07,857	The reversal of ITR has been done for ₹ 19,591 instead of ₹ 2,27,448.	AA replied that action would be taken after verification.
36	<u>ACCT-1 Gwalior</u> M/s Sainik Service Station TIN-23535301112	2017-2018	Petrol and Diesel	4,63,73,300	4,62,42,464	1,30,836	The reversal of ITR has been done for ₹ 12,376 instead of ₹ 1,43,212.	AA replied that action would be taken after verification.



Sl. No.	Name of Audited Unit Dealer	Period of Assessment	Commodity	I TR allowed by the AA	I TR as per Books of Accounts/ I TR allowable	Excess grant of I TR	Audit Observation	Reply of the Assessing Authority (AA)
	Case No. CS0000001516688 (VAT)							
37	CTO Khandwa M/s M G Oil TIN-23549090587 Case No. CS00637499	2014-15	Oil	54,99,175	51,13,160	3,86,015	Non reversal of ITR on stock transfer of refined oil.	AA replied that action would be taken after verification.
38	ACCT-14 Indore M/s Harsh Agro Foods TIN-23849096959 Case No. 333/2016 (VAT)	2015-16	Pulses	2,42,874	17,598	2,25,276	Non reversal of ITR on packing material and assets used in sale of tax-free goods	AA replied that action would be taken after verification.
<b>Total</b>				<b>19,41,02,249</b>	<b>17,54,97,434</b>	<b>1,86,04,815</b>		

**Appendix 2.26(b)**  
(Referred to in paragraph 2.6.11.2)  
**Allowance of Input Tax Rebate without proper verification**

Sl. No	Name of Audited Unit/ Dealer	Period of Assessment	I TR allowed by the AA	I TR allowable	Amount of excess grant of ITR	Audit Observation	Reply of the Assessing Authority (AA)
1	<u>CTO Circle-6 Bhopal</u> M/s Shri Balaji Homes & Reality TIN-23449118145 Case No. 982435	2016-17	62,92,766	50,64,498	12,28,268	Inspite of mismatch in figures generated in Form 75, AA allowed excess ITR without considering it. No evidences of further scrutiny, as required by the Commissioner's circular, in sellers circle-was found.	AA replied that action would be taken after verification.
2	<u>CTO Circle-6 Bhopal</u> M/s Maitri Infratech TIN-23899113153 Case No.211/17	2016-17	11,55,500	10,00,171	1,55,329	AA allowed ITR on such Purchase bills on which TIN number of purchasing Dealer was not mentioned, which is against the provision of Section 14(6)(x).	AA replied that action would be taken after verification.
3	<u>CTO Circle-6 Bhopal</u> M/s Vedic Traders TIN-23689039357 Case No. 887/17	2016-17	7,59,882	34,008	7,25,864	AA allowed ITR on such Purchase bills on which TIN number of purchasing Dealer was not mentioned, which is against the provision of Section 14(6)(x).	AA replied that action would be taken after verification.
4	<u>CTO Circle-6 Bhopal</u> M/s Vindhya Infrastructure TIN-23634105726 Case No. 57/17	2016-17	3,61,539	2,52,663	1,08,876	AA allowed ITR on such Purchase bills on which TIN number of purchasing Dealer was not mentioned, which is against the provision of Section 14(6)(x).	AA replied that action would be taken after verification.
5	<u>CTO Circle-6 Bhopal</u> M/s Capital Cement Dealer TIN-23933901764 Case No.1239724	2016-17	10,83,441	9,78,907	1,04,534	Inspite of mismatch in figures generated in Form 75, AA allowed excess ITR without considering it. No evidences of further scrutiny, as required by the Commissioner's circular in sellers circle-was found.	AA replied that action would be taken after verification.
6	<u>CTO Circle-3 Bhopal</u> M/s Suraj Electronics TIN-23209181704 Case No.1236474	2016-17	12,06,866	7,89,432	4,17,434	AA allowed ITR on such Purchase bills on which TIN number of purchasing Dealer was not mentioned, which is against the provision of Section 14(6)(x).	AA replied that action would be taken after verification.
7	<u>CTO Circle-3 Bhopal</u> M/s Vinayak Agency TIN-23463805847	2016-17	47,00,156	45,75,612	1,24,544	Inspite of mismatch in figures generated in Form 75, AA allowed excess ITR without considering it. No evidences of further scrutiny, as required by the	AA replied that action would be taken after verification.

Sl. No	Name of Audited Unit/ Dealer	Period of Assessment	ITR allowed by the AA	ITR allowable	Amount of excess grant of ITR	Audit Observation	Reply of the Assessing Authority (AA)
	Case No.1097286					Commissioner's circular in sellers circle-was found.	
8	<u>CTO Circle-3 Bhopal</u> M/s Lucky the Furniture Shop TIN-23973806197 Case No. 332/17	2016-17	7,36,756	7,00,380	36,376	In Assessment order brought forward ITR from last year has been taken as ₹ 36376 After test of 2015-16 it revealed that no ITR has been carry forwarded to next year i.e.2016-17.	AA replied that action would be taken after verification.
9	<u>CTO Circle-3 Bhopal</u> M/s Vipul Enterprises TIN-236669100469 Case No. 662/17	2016-17	3,13,461	2,08,512	1,04,949	AA allowed ITR on such Purchase bills on which Tin number of purchasing Dealer was not mentioned, which is against the provision of Section 14(6)(x).	AA replied that action would be taken after verification.
10	<u>CTO Khandwa</u> M/s Agrawal Construction Co. TIN-23609026852 Case No. CS001157303	2016-17	4,19,785	2,43,035	1,76,750	TIN was not written on the purchase bills.	AA replied that action would be taken after verification.
11	<u>DCCT Khandwa</u> M/s Agrawal Distilleries TIN-23302102615 Case No. CS001069039	2016-17	5,68,061	5,08,061	60,000	ITR is not allowed as per the purchase list.	AA replied that action would be taken after verification.
12	<u>DCCT Khandwa</u> M/s Patel & Co. TIN-23072004044 Case No. CS00570737	2014-15	4,04,07,519	3,77,36,101	26,71,418	TIN not imprinted on Purchase Bills.	AA replied that action would be taken after verification.
13	<u>ACCT Rewa</u> M/s Mobile Plaza TIN-23876905208 Case No. CS001217401 (VAT)	2016-17	3,57,628	0	3,57,628	Proof of purchase not found.	AA replied that action would be taken after verification.
14	<u>ACCT Rewa</u> M/s Vivek Kumar Dubey TIN-23659028302	2016-17	4,92,745	31,562	4,61,183	TIN not imprinted on Purchase Bills.	AA replied that action would be taken after verification.

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Sl. No	Name of Audited Unit/ Dealer	Period of Assessment	ITR allowed by the AA	ITR allowable	Amount of excess grant of ITR	Audit Observation	Reply of the Assessing Authority (AA)
	Case No. CS001176213 (VAT)						
15	ACCT Rewa M/s P S Construction Co. TIN-23198690166 Case No. CS001223497 (VAT)	2016-17	2,62,654	1,84,012	78,642	TIN not imprinted on Purchase Bills.	AA replied that action would be taken after verification.
16	ACCT Rewa M/s Jai Mata Di Enterprises TIN-23176906272 Case No. CS00197569 (VAT)	2016-17	12,24,143	11,86,559	37,584	TIN of seller not available.	AA replied that action would be taken after verification.
17	ACCT-14 Indore M/s Tirupati Enterprise TIN-23071401286 Case No. CS001151724 (VAT)	2016-17	94,14,867	93,61,024	53,843	ITR cannot be allowed on interstate purchase and purchase bill has also not been provided to Audit.	AA replied that action would be taken after verification.
18	CTO-2 Ujjain M/s Sharat Chandra Avantilal Jain TIN-23932704299 Case No. CS00702497	2014-15	4,73,792	38,900	4,34,892	In spite of mismatch in figures generated in Form 75, AA allowed excess ITR without considering it. No evidences of further scrutiny, as required by the Commissioner's circular in sellers circle-was found.	AA replied that action would be taken after verification.
19	ACCT-2 Gwalior M/s B.E.W. Autoparts TIN-23555303526 Case No. CS0000001324125	04/17 to 06/17	5,86,112	5,75,881	10,231	Excess carry forward of ITR.	AA replied that action would be taken after verification.
			<b>Total</b>	<b>73,48,345</b>			

**Appendix 3.1(i)**  
(Referred to in paragraph 3.1.8.1)  
**Less/delayed contribution to DMF fund**

Sl. No.	Name of Audited Unit	Assessment Year / Period	Name of lessee liable to pay contribution to DMF	Amount of DMF payable by lessee	Amount deposited by lessee	Balance amount recoverable from lessee	Range of period of delay in months	Interest for the period of delayed payment	(Amount in ₹)
1	DMO Chhindwara	10/2015 to 12/2020	M/s Chhindwara Mines Pvt. Ltd.	9,77,686	6,09,255	3,68,431	4 to 54 months	3,04,166	
2		06/2018 to 12/2020	M/s Shakambhari Mines & Minerals (Dolomite)	1,84,626	0	1,84,626	6 to 36 months	1,16,677	
3	DMO Chhindwara	06/2017 to 12/2020	M/s Shakambhari Mines & Minerals (Manganese)	29,69,424	26,82,518	2,86,906	4 to 36 months	1,69,677	
4		12/2015 to 12/2018	M/s Krishna Ping Alloys Pvt. Ltd.	1,68,63,895	1,19,84,312	48,79,583	4 to 48 months	44,83,031	
5	DMO Chhindwara	10/2015 to 06/2020	M/s Heera Power & Steel Ltd.	54,55,470	0	54,55,470	12 to 48 months	37,61,463	
6		01/2016 to 12/2020	M/s Murlidhar Minerals (Dolomite)	14,42,761	0	14,42,761	6 to 42 months	6,74,826	
7	DMO Chhindwara	01/2016 to 06/2020	M/s Kwaliti Minerals Pvt. Ltd.	6,48,473	0	6,48,473	12 to 18 months	4,21,413	
8		06/2018 to 12/2020	M/s Vasudha Minerals & Chemical	9,62,479	0	9,62,479	6 to 30 months	2,60,045	
9	DMO Balaghat	06/2016 to 12/2017	M/s Hindustan Copper Ltd.	19,79,42,692	5,46,00,294	14,33,42,398	44 to 62 months	19,01,35,425	
10	DMO Singrauli	12/2017 to 03/2021	M/s Sasan Power Ltd.	2,63,20,93,470	2,03,85,51,450	59,35,42,020	19 to 27 months	27,19,82,792	
11	DMO Satna	06/2016 to 12/2020	M/s Jitendra Kumar Kushwaha	1,62,031	0	1,62,031	06 to 18 months	51,415	
12		01/2018 to 12/2018	M/s Hiralal Rameshwar Prasad	2,03,453	0	2,03,453	30 months	1,22,072	
13	DMO Satna	2018 to 2020	M/s Reliance Ornatus Enterprises & Ventures Pvt. Ltd.	9,32,721	0	9,32,721	18 to 30 months	4,06,178	
<b>Total</b>				<b>2,85,67,07,445</b>	<b>2,10,51,36,056</b>	<b>75,15,71,389</b>	<b>4 to 62 months</b>	<b>47,22,98,660</b>	

**Appendix 3.1(ii)**  
(Referred to in paragraph 3.1.8.1)  
**Less/delayed contribution to DMF fund (M/s Sasan Power Ltd.)**

(Amount in ₹)

DMO Singrauli						
Month / Period	Amount of Royalty payable for this month /period	Amount of DMF payable by lessee	Amount deposited by lessee	Date of Payment	Period of delay in months	Interest @ 2% per month
Jul-18	23,63,62,219.52	7,09,08,665.86	5,42,90,203.00	24/10/18	1	10,85,804.06
Aug-18	18,09,67,342.08	5,42,90,202.62	1,66,18,463.00	06/11/18	2	6,64,738.52
Sep-18	19,34,17,871.36	5,80,25,361.41	5,42,90,202.62	27/12/18	2	21,71,608.10
Oct-18	20,35,29,912.32	6,10,58,973.70	5,80,25,361.00	27/02/19	3	34,81,521.66
Nov-18	21,06,84,149.76	6,10,58,974.00	6,10,58,974.00	30/4/19	4	48,84,717.92
Dec-18	23,90,41,904.64	6,32,05,244.93	6,32,05,245.00	30/5/19	4	50,56,419.60
Jan-19	21,88,39,613.44	7,17,12,571.39	7,17,12,572.00	29/6/19	4	57,37,005.76
Feb-19	22,17,56,129.28	6,56,51,884.03	6,56,51,884.00	16/10/19	7	91,91,263.76
Mar-19	25,75,61,722.88	6,65,26,838.78	3,32,63,420.00	18/10/19	6	39,91,610.40
Jan-20	25,28,85,893.12	7,72,68,516.86	3,32,63,420.00	07/11/19	7	46,56,878.80
Feb-20	23,65,44,000.00	7,72,68,517.00	7,72,68,517.00	27/03/20	10	1,54,53,703.40
Mar-20	22,47,82,745.60	7,58,65,767.94	7,58,65,767.94	30/07/20	4	60,69,261.44
Apr-20	19,37,79,138.56	7,09,63,200.00	7,09,63,200.00	30/07/20	3	42,57,792.00
May-20	20,77,91,718.40	6,74,34,823.68	6,74,34,823.68	30/07/20	2	26,97,392.95
Jun-20	22,60,23,669.76	5,81,33,741.57	5,81,33,742.00	31/07/20	1	11,62,674.84
Jul-20	23,07,13,262.08	6,23,37,515.52	6,23,37,516.00	30/09/20	2	24,93,500.64
Aug-20	21,84,56,555.52	6,78,07,100.93	6,78,07,101.00	4/11/20	2	27,12,284.04
		6,92,13,978.62	5,98,67,480.00	27/11/20	2	23,94,699.20
			93,46,499.00	02/12/20	2	3,73,859.96
		6,55,36,966.66	6,55,36,966.66	31/12/20	2	26,21,478.67

DMO Singrauli							
Month / Period	Amount of Royalty payable for this month /period	Amount of DMF payable by lessee	Amount deposited by lessee	Date of Payment	Period of delay in months	Interest @ 2% per month	
Sep-20	19,72,90,885.12	5,91,87,265.54	84,35,073.34	31/12/20	1	1,68,701.47	
			5,07,52,192.00	29/01/21	2	20,30,087.68	
Oct-20	23,41,35,552.00	7,02,40,665.60	7,02,40,666.00	24/03/21	4	56,19,253.28	
Nov-20	24,65,73,465.60	7,39,72,039.68	7,39,72,040.00	26/03/21	3	44,38,322.40	
Dec-20	21,65,26,188.65	6,49,57,856.60	6,49,57,857.00	30/03/21	2	25,98,314.28	
Jan-21	16,00,69,267.51	4,80,20,780.25	4,80,20,780.00	30/04/21	2	19,20,831.20	
Feb-21	22,63,91,626.08	6,79,17,487.82	6,79,17,488.00	31/05/21	2	27,16,699.52	
Mar-21	24,05,32,000.02	7,21,59,600.01	7,21,59,600.00	31/07/21	2	28,86,384.00	
<b>Total</b>	<b>5,27,46,56,833.00</b>	<b>1,58,23,97,050.00</b>	<b>1,58,23,97,054.00</b>		01 to 10 months	<b>10,35,36,809.55</b>	

**Appendix 3.1(iii)**  
(Referred to in paragraph 3.1.8.1)  
**Short payment/contribution to DMF due to misclassification of Coal grade**

Sl. No.	Name of Audited Unit	Assessment Year / Period	Name of lessee liable to pay contribution to DMF	Quantity transferred to Meera Mine/ railway siding in MT	Royalty to be paid by lessee	Amount recovered from Lessee	Short realisation of Royalty	DMF to be paid @30%
1	DMO Anuppur	March 2018-April 2021	South Eastern Coalfields Ltd. (SECL) Jamuna Kotma Area, Anuppur	30,39,772.67	90,59,49,940.10	49,67,58,528.35	40,91,91,411.80	12,27,57,423.50
			<b>Total</b>	<b>30,39,772.67</b>	<b>90,59,49,940.10</b>	<b>49,67,58,528.35</b>	<b>40,91,91,411.80</b>	<b>12,27,57,423.50</b>



**Appendix 3.2**  
(Referred to in paragraph 3.1.8.5)  
**Non-recovery of unutilised amount from Work Executing Agencies**

Sl. No.	Name of Audited Unit	Name of Agency	Administrative approval order/Date	Amount Sanctioned /date	Amount per Utility Certificate	Recoverable amount	Amount recovered	Balance amount to be recovered
1	DMO Satna	Civil Surgeon Chief Medical Superintendent, Sardar Vallabh Bhai Patel District Hospital, Satna	3020-20/09/18	355.80 20/09/18	123.67	232.13	227.77	4.36
		CMHO Satna	3021-20/09/18	308.45 20/09/18	191.31	117.14	0	117.14
		Civil Surgeon Chief Medical Superintendent, Sardar Vallabh Bhai Patel District Hospital, Satna	7773-30/01/18	290.45 03/02/18	140.55	149.90	149.89	0
		CMHO Satna	7774-30/01/18	241.82 03/02/18	210.06	31.76	0	31.76
		M.P. AGRO	3241-28/09/18	683.50 01/01/18	679.11	4.39	0	4.39
		CMO Satna	30/01/20	144.82	125.43	19.39	0	19.39
2	DMO Katni	CMO Satna	11/12/20	23.33	17.36	5.97	0	5.97
		PHE Katni	17/09/20	97.40	0	97.40	0	97.40
3	DMO Neemuch		04/07/19	23.74	0	23.74	0	23.74
		CMHO Katni	22/04/20	39.99	35.76	4.23	0	4.22
		CMHO Katni	13/01/20	62.95	62.65	0.30	0	0.30
		PHE Katni	04/07/19	67.55	64.09	3.46	0	3.46
		PWD NEEMUCH	890-29/05/18	42.20	32.03	10.17	0	10.17
			719-17/04/18	153.23	126.78	26.45	0	26.45
4	DMO Singrauli		629-31/03/18	16.48	13.92	2.56	0	2.56
			126-04/02/20	16.80	15.15	1.65	0	1.65
			126-04/02/20	38.33	35.50	2.83	0	2.83
			126-04/02/20	29.76	23.63	6.13	0	6.13
5	DMO Singrauli	MPRRDA (PIU-1) Singrauli	41-30/01/17	710.90	564.35	146.55	0	146.55
5	DMO Shahdol	PWD Shahdol	140-07/04/17	75.34	59.66	15.68	6.76	8.92
6	DMO Shahdol	PWD Anuppur	5001-14/10/16	161.70	158.14	3.56	0	3.56

Compliance Audit Report (Revenue Departments) for the year ended March 2021

Sl. No.	Name of Audited Unit	Name of Agency	Administrative approval order/Date	Amount Sanctioned /date	Amount as per Utility Certificate	Recoverable amount	Amount recovered	Balance amount to be recovered
	DMO		6309-30/01/17	120.52	116.49	4.03	0	4.03
	Anuppur		7250-31/03/17	256.36	254.89	1.47	0	1.47
			7249-31/03/17	162.53	155.02	7.51	0	7.51
			6559-14/02/17	91.60	90.00	1.60	0	1.60
			<b>Total</b>	<b>4,215.55</b>	<b>3,295.55</b>	<b>920.00</b>	<b>384.42</b>	<b>535.58</b>

**Appendix 3.3**  
(Referred to in paragraph 3.1.9.1)  
**Irregularities in construction and repair works**

Sl. No.	Name of Audited Unit	Work executed through DMF	Executing Agency	Objected amount	Irregularities noticed in execution of work	Reply given by Department/DMF	Audit comment				
1	DMO Betul	Monga Nala Construction of Culvert	PWD	63.70	1. Irregular technical sanction.	DMF Betul replied that only estimate and technical sanction of ₹ 33.07 lakh for construction work of culvert were submitted by EE RES, Betul.	The reply is not acceptable as in estimate should be taken including approach road from EE RES, Betul. As road work was included in PMGSY therefore work of approach road was to be executed by concerned executive agency.				
								76.84	1. Irregular work done of ₹ 76.08 lakh 2. Excess payment of ₹ 0.76 lakh	On being pointed on work of construction of open Auditorium building and Monga Nala (Bajrang Nala) near to Rampur Mall, reply was not given by DMF Betul.	Reply may be furnished to Audit.
2	DMO Chhindwara	Jamhodeep to Kakai village	Nagar Palika Chhindwara	13.67	1. Work executed in 7.5 m of lesser length of ₹ 0.79 lakh 2. Purchase of items before sanction of tender of ₹ 12.88 lakh	On this being pointed out DMF Chhindwara stated in view of reply that letter will be written to relevant executive agencies and will be intimated to audit.	Reply may be furnished to Audit.				
								3.73	1. Non deductions from bill of contractor due to delay in completion of work ₹ 3.04 lakh 2. Less deduction from prescribed rate non-utilisation of electronic sensor of ₹ 0.69 lakh	On this being pointed out DMF Satna stated in view of reply that letter will be written to relevant executive agencies and will be intimated to audit.	Reply may be furnished to Audit.
3	DMO Satna	Construction work of C.C. Road from Akshayvat Bypass road to	Nagar Parishad Chitrakoot								

Sl. No.	Name of Audited Unit	Work executed through DMF	Executing Agency	Objected amount	Irregularities noticed in execution of work	Reply given by Department/DMF	Audit comment
	Kamtanath Mandir	Construction of Mining Building (G+1) with 100 m boundary wall behind Collectorate Satna	Rural Engineering Services, Satna	1.23	<p>3. Non establishment of laboratory at construction site</p> <p>4.Improper survey, site investigation and estimation before initiating work</p> <p>1. Royalty not deducted from the Running Bill ₹ 45,151/-</p> <p>2.Excess payment to contractor due to adoption of incorrect rate ₹ 72,712</p> <p>3.Non-Deployment of Technical Personnel ₹ 5.00 lakh</p> <p>4.Non installation of firefighting establishment</p> <p>5. Non provision of the work “rain water harvesting and conservation”.</p> <p>6.Delay in completion of work and non-recovery of Compensation for delay ₹ 7.44 lakh</p> <p>7.Excess payment to contractor due to adoption of incorrect rate ₹ 5,101</p>		
	Construction of Government Higher Secondary School Vyankat No. 1 New Building at Satna.	Project Implementation Unit, Satna	58.59	<p>1.Short deduction from 4th Running Bill ₹ 82,569</p> <p>2. Royalty not deducted from the Running Bill ₹ 2.26 lakh</p> <p>3.Non-Deployment of Technical Personnel ₹ 10.56 lakh</p> <p>4.Non-establishment of field laboratory leading to a penalty of ₹ 11.00 lakh</p> <p>5.Non installation of firefighting establishment</p> <p>6. Non provision of the work “rain water harvesting and conservation”.</p>			

Sl. No.	Name of Audited Unit	Work executed through DMF	Executing Agency	Objected amount	Irregularities noticed in execution of work	Reply given by Department/DMF	Audit comment
4	DMO Katni	Shapur to Veergarh Devi Road and Chakar to Kelhora Road	PWD Katni	0	<p>7.Delay in completion of work and non-recovery of Compensation for delay ₹ 33.95 lakh</p> <p>1.Sanctioned amount fully paid in 3 installments through DMF while only 8 Km. of road was constructed instead of 11 Km.</p> <p>2. 2nd and 3rd installments paid without completion certificate and utilisation certificate</p>	EE PWD Katni replied that as per technical sanction of higher authority and as per site condition said road work has been done by cement instead of fly ash.	Reply is not acceptable as instruction mentioned in circular issued by E-in-C PWD M.P. was not followed use of fly ash instead of cement from nearby thermal power plant might had been cost effective.
		Construction of C.C. road and drain Piprodrh Niwar Deorihatai Badwara Vijayraghav Kymore road Km 35/4-6-8		4.51	<p>1. Avoidable extra cost of ₹ 4.12 lakh in execution of work with provision of costlier item.</p> <p>2. Non recovery for non-utilisation of Motor Grader and vibratory roller, ₹ 39,370/-</p> <p>3.Work of reinforcement with HYSD steel</p>		
		Construction of Vilayatkala Ganeshpur Sakrigarh Salahna road near Railway line, length 1.10 Km.	PWD Katni	2.64	<p>1.Non recovery for non-utilisation of Motor Grader and vibratory roller, ₹ 1.66 lakh</p> <p>2 Short recovery of royalty on material used in the work of ₹ 0.98 lakh</p>	EE PWD replied that bills of vibratory roller and motor grader by its own name or by in rent being asked from contractor. EE PWD replied that royalty amount must be deducted by its next bill.	The reply is not acceptable as copy of bills were not submitted to audit. Action taken regarding this matter may be intimated to audit.

Sl. No.	Name of Audited Unit	Work executed through DMF	Executing Agency	Objected amount	Irregularities noticed in execution of work	Reply given by Department/DMF	Audit comment
		Beautification of Surkhipaudi Pond	Rural Engineering Services, Katni	46.45	Item executed without approval of competent authority of ₹ 46.45 lakh	DMF Katni stated in reply of the work of Beautification of Surkhipaudi Pond the DPR is prepared according to the requirement of the site, the width of the bottom of the pond has increased after increasing the width of the pond, as per the requirement of the site, as a result, the construction of rock toe wall and drain is very necessary and according to the technical parameters.	The reply is not acceptable as revised technical sanction should have been obtained before execution.
		Construction of 200 Seater Meeting Hall at Collectorate Campus Katni	PIU Katni	5.94	Delay in completion of work and non-recovery of Compensation for delay ₹ 5.94 lakh	DMF Katni stated that due to frequent changes in drawing design and covid-19 the work was transferred to PWD.	Progress of recovery for the delay of work will be awaited in audit.
5	DMO Singrauli	Construction of RCC Slab Bridge 2 Span each of 6 meter clear at Lamti Nala	PWD Singrauli	2.79	Substandard work in 8 items out of total 19 items as per estimate (Bill of Quantities) were not executed. Important work such as Steel work in substructure and stone pitching work not executed	DMF Singrauli stated in view of reply that letter will be written to relevant executive agencies and will be intimated to audit.	Reply is still awaited
		Construction of 1000 MT Godown at Kushahi	PWD PIU Singrauli	134.93	Work of Construction of Godown was executed at another place and capacity against Administrative and Technical sanction without prior permission/approval of DM Foundation. Construction of 2000 MT Godown at Bagdara		
		Construction of Slab Culvert	PWD Singrauli	19.64	work of slab culvert was executed at another place Patharfodva Nala instead		

Sl. No.	Name of Audited Unit	Work executed through DMF	Executing Agency	Objected amount	Irregularities noticed in execution of work	Reply given by Department/DMF	Audit comment
		in gram Pachaur on Kudiya Nala sub division Devsar Dist. Singrauli			of Kudiya Nala without prior approval of DMF		
	<b>Total</b>	<b>15 works</b>		<b>439.75</b>			

**Appendix 3.4(i)**  
(Referred to in paragraph 3.1.9.2 (A))  
**Works completed with delay**

Sl. No.	Name of Audited Unit	No. of works executed (completed)	Range of administrative approval date	Total amount sanctioned	Range of delay in execution of work (as on 31/03/21)	(Amount ₹ in Lakh)
1	DMO Satna	13	23/03/19	199.24	16 months (C.C issued on date 31/10/20)	
		13	04/08/17 to 14/02/20	196.78	3 to 34 months	
2	DMO Katni	24	17/09/18 to 05/05/20	754.26	10 to 30 months	
3	DMO Chhindwara	1	15/02/2019	876.13	8 months	
4	DMO Balaghat	1	15/03/17	31.80	39 months	
		1	20/06/17	69.09	6 months	
	<b>Total</b>	<b>53</b>		<b>2,127.30</b>	<b>3 to 34 months</b>	



**Appendix 3.4(ii)**  
(Referred to in paragraph 3.1.9.2 (B))  
**Works initiated but remained incomplete**

Sl. No.	Name of Audited Unit	No. of works executed (incomplete)	Range of administrative approval/ Work order date	Total amount sanctioned	Range of delay in execution of work (as on 31/03/21)	(Amount ₹ in Lakh)
1	DMO Satna	7	23/03/2019	157.59	21 months	
		110	07/04/2018 to 18/02/2020	2,860.39	1 to 32 months	
2	DMO Katni	27	17/09/2018 to 05/05/2020	1,387.93	10 to 30 months	
3	DMO Singrauli	1	30/11/2017	263.06	17 months	
4	DMO Anuppur	107	25/07/2017 to 07/12/2019	1,564.32	15 to 44 months	
5	DMO Betul	372	28/01/2017 to 03/02/2020	2,103.55	13 to 50 months	
6	DMO Chhindwara	99	24/12/2018 to 17/10/2020	5,637.17	5 to 27 months	
7	DMO Balaghat	42	12/02/2018 to 22/09/2020	2,522.70	6 to 37 months	
	<b>Total</b>	<b>765</b>		<b>16,496.71</b>	<b>1 to 50 months</b>	

**Appendix 3.4(iii)**  
(Referred to in paragraph 3.1.9.2 (C))  
**Non recovery in works which are yet to be started or cancelled**

Sl. No.	Name of Audited Unit	Administrative/ Board approval order/Date	No. of works not started/cancelled	Total recoverable amount	Total amount recovered	Balance to be recovered
1	DMO Satna	24/05/17	48	495.27	0	495.27
2	DMO Balaghat	27/06/17 to 17/03/20	2	23.59	0	23.59
3	DMO Singrauli	09/12/16	4	425	0	425
	<b>Total</b>		<b>54</b>	<b>943.86</b>	<b>0</b>	<b>943.86</b>

# **GLOSSARY**



### **Glossary of Abbreviations**

AA	Assessing Authority
ACCT	Assistant Commissioner Commercial Tax
ACTO	Assistant Commercial Tax Officer
ARN	Acknowledgement Receipt Number
ATN	Action Taken Note
ATR	Action Taken Report
BRC	Bank Realisation Certificates
CAG	Comptroller and Auditor General of India
CBEC	Central Board of Excise and Customs
CBIC	Central Board of Indirect Taxes and Customs
CGST	Central Goods and Service Tax
CST	Central Sales Tax
CTO	Commercial Tax Officer
DC/AC	Deputy Commissioner/Assistant Commissioner
DCCT	Deputy Commissioners Commercial Tax
DG&M	Directorate of Geology and Mining
DMF	District Mineral Foundation
DMO	District Mining Offices
DPC	Duties, Power and Conditions of Service
ECL	Electronic Credit Ledger
ET	Entry Tax
FIRC	Foreign Inward Remittance Certificates
FOB	Free on Board
GoI	Government of India
GoMP	Government of Madhya Pradesh
GST	Goods and Service Tax
GTO	Gross Turnover
ICEGATE	Indian Customs Electronic Gateway
IDS	Inverted duty structure
IGST	Integrated Goods and Service Tax
IR	Inspection Report
ITC	Input Tax Credit
ITR	Input Tax Rebate
MMDR	Mines and Minerals (Development and Regulation) Act
MPGST	Madhya Pradesh State Goods and Services Tax
PAC	Public Accounts Committee
PMGSY	Pradhan Mantri Gram Sadak Yojana

PMKKKY	Pradhan Mantri Khanij Kshetra Kalyan Yojana
SEZ	Special Economic Zone
SGST	State Goods and Service Tax
SMF	State Mineral Fund
SSCA	Subject Specific Compliance Audit
TTO	Taxable Turnover
VAT	Value Added Tax



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