

## CHAPTER II

### PERFORMANCE AUDIT

#### STATE TAX (GST) DEPARTMENT

## 2 Performance Audit on “Electronic waybills system under goods and services tax”

### Executive Summary

The Performance Audit on E-Way bill system under Goods and Services Tax was conducted to assess whether the E-Way bill (EWB) mechanism is effective in protecting revenue interest of the Government and the preventive/enforcement activities of the Department in enforcing EWB provisions are efficient and effective. During the Audit, deficiencies in the Common Portal of EWB system was noticed. The EWB system allowed generation of EWBs by composite taxpayers for their inter-State trades, Generation of EWBs by cancelled taxpayers, Generation of EWBs for the transactions effected through risky vehicles/two-wheeler, Generation of EWBs by the taxpayers who had filed Nil Returns, Generation of EWBs by non-filers of GST Returns The system also allowed generation of multiple EWBs for the same/similar invoice. Audit further noticed 29 instances of non-compliance to the provisions of the Act/Rule related to non-discharge of tax liability (20 cases), availment of ineligible ITC (four cases), incorrect passing of ITC (five cases) involving potential tax effect of ₹ 20.34 crore.

Five taxpayers generated 143 EWBs during the months of June 2021, August 2021 and March 2022 for outward supplies having an assessable value of ₹ 16.33 crore against which vehicle movement was not recorded as per B-1 report but all the invoices were reported in the GSTR-1 returns leading to passage of irregular Input Tax Credit. 25 EWBs were generated by or on behalf of un-registered persons (URP) in the State with the assessable value of ₹ 34.77 crore during the period 2018-19 to 2021-22 for outward supplies. In 30 EWB booked cases out of sample EWB 50 booked cases checked, there was a delay (ranging from 08 to 1981 days) in set-off of tax and penalty collected during interception of vehicles by the department and in two cases there was a short recovery of tax and penalty from the intercepted vehicles.

### 2.1 Introduction

Goods and Services Tax (GST) has been introduced with effect from 01 July 2017, subsuming a wide range of Indirect taxes based on the paradigm of ‘One Nation One Tax’. One of the intended objectives of GST regime was to improve efficiency in movement of goods and services by reducing process-related time delays. Electronic Waybills (EWBs) was also present in the pre-GST regimes wherein movement of goods was administered through manually governed (revenue) check posts. Goods entering a particular State

was levied an ‘Entry Tax’ which has since been subsumed under GST. EWB<sup>1</sup> is conceived as a shift from Government-monitored tax administration model to a self-reporting model by the taxpayer. Automation and standardisation of the entire process was intended to help check tax evasion and shore up GST collections. EWB is also designed to dissolve the non-trade barriers, so that transit time is reduced and supply chain efficiency is improved.

The EWB was introduced with effect from 01 April 2018 for all inter-State movement of goods having value exceeding ₹ 50,000. The EWB was made mandatory from 01 June 2018 by the State Government for intra-state movement of goods with value exceeding the threshold limit<sup>2</sup>. The information on the consignment is to be furnished prior to the movement of goods and the EWB is to be issued irrespective of whether the movement is in relation to supply or for reasons other than supply. The provisions relating to implementation of EWB are contained in Section 68 of the Chhattisgarh GST Act (CGGST Act), 2017 read with Rule 138 of the Chhattisgarh GST Rules (CGGST Rules), 2017 (amended from time to time).

## **2.2 Organizational Structure of the Department**

The State Tax (GST) Department, Government of Chhattisgarh is the apex body implementing GST for State administered taxpayers across the State. The Department is headed by the Secretary at the Government level. The Commissioner is the Head of the Department and is assisted by one Special Commissioner<sup>3</sup>; three Additional Commissioners (Addl. Commissioners) for administrative controls at headquarter level, five Joint Commissioners (JCs) at divisional offices<sup>4</sup> for administrative control of circle offices, assessment of tax, monitoring and disposal of cases and 30 Assistant Commissioners (ACs) at Circle offices<sup>5</sup>. In addition to this, for prevention of tax evasion, there were two Divisional Offices (Enforcement) headed by Joint Commissioner (Enforcement) and three Divisional Offices (Appeal) headed by JC (Appeal) for disposal of appeal cases at divisions. The organisational chart of the Department is given in *Chart-2.1* below:

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<sup>1</sup> EWB (FORM GST EWB-01) is an electronic document required for movement of goods. Part-A of the EWB comprises details of supplier, recipient, place of supply, documents, Harmonised System of Nomenclature (HSN), value of goods etc. while Part-B has the details of transport/vehicle

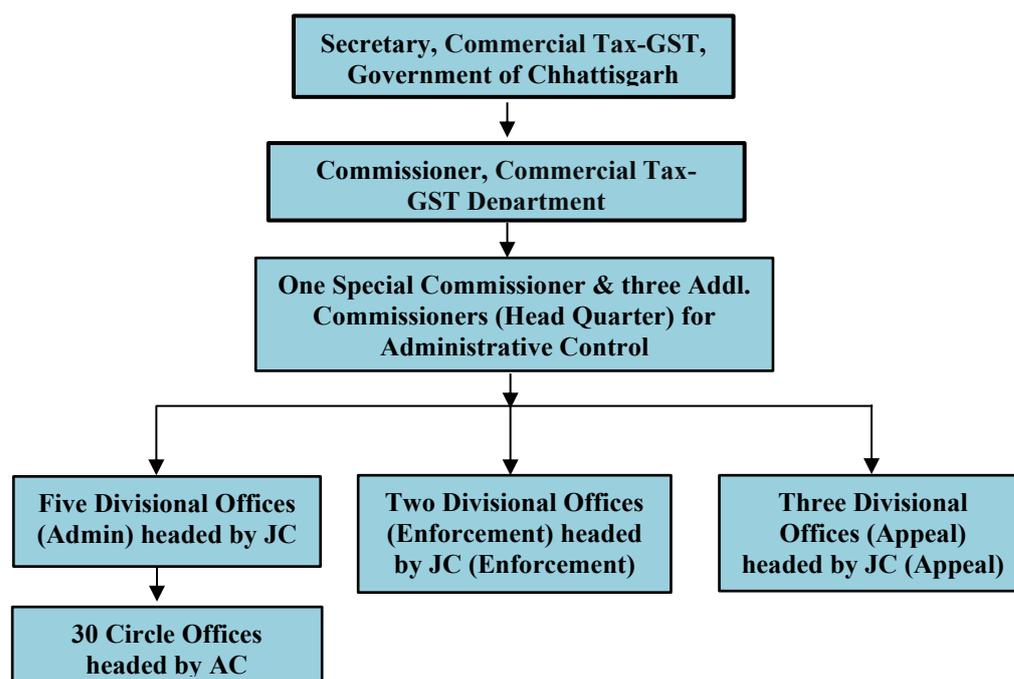
<sup>2</sup> In Chhattisgarh, intra-State movement threshold is ₹ 50,000 with effect from 1 June 2018.

<sup>3</sup> Bilaspur

<sup>4</sup> Division-1 & 2 (Bilaspur), Division-1 & 2 (Raipur) and Durg,

<sup>5</sup> Ambikapur, Bhatapara, Dhamtari, Janjgir, Kawardha, Mahasamund, Manendragarh, Rajnandgaon, Circle 1 to 3 (Bilaspur), Circle 1 to 4 (Durg), Circle 1 & 2 (Jagdalpur), Circle 1 & 2 (Korba), Circle 1 & 2 (Raigarh), and Circle-1 to 9 (Raipur).

Chart-2.1: Organisational set-up of the Department



EWBs (effected for supplies) are typically accounted under the GSTR-1 return<sup>6</sup> and GSTR-4/GST-CMP-08<sup>7</sup> return by the normal and composition taxpayers<sup>8</sup> respectively and are required to be verified by the Circle Officers under Section 61 of the CGST Act, 2017.

### 2.3 Information Systems used for EWBs

The EWB Common portal ([www.ewaybillgst.gov.in](http://www.ewaybillgst.gov.in)) is managed by National Informatics Centre (NIC) based in Karnataka. In February 2020, EWB portal has been integrated with the *VAHAN* system of the Ministry of Road Transport & Highways so that vehicle registration number can be validated at the time of generating EWBs. FASTag system has been integrated with the EWB system with effect from 01 January 2021. On the EWB Common Portal, one-time registration of the taxpayers is required for the purpose of generation, extension, cancellation and rejection of EWBs. The Proper Officers can access the EWB Portal through two means: - (i) Logging into EWB Common Portal through a web browser using the login credentials provided or (ii) Logging into the GST EWB System Mobile App. The functions performed by the proper officers are verification of EWBs, unblocking<sup>9</sup> of EWBs, viewing and accessing MIS reports etc. for monitoring the movement of taxable goods vis-a-vis taxable turn over returned by the taxpayer.

<sup>6</sup> Monthly return contains details of outward supplies to be furnished by normal taxpayer.

<sup>7</sup> Quarterly return contains details of outward supplies to be furnished by composition taxpayer.

<sup>8</sup> The taxpayers under Composition scheme pay GST of a fixed percentage of their turnover instead of regular GST rates applicable to various goods and services.

<sup>9</sup> Unblocking of EWBs generation facility can be done by the Jurisdictional officer in the event of filing returns for the default periods by the taxpayer.

## **2.4 Processes involved in the EWB System**

The EWB system includes various processes such as the enrolment of the required persons in the portal, Generation of EWB, extension, cancellation and rejection of the EWBs generated are discussed in the following paragraphs.

### **2.4.1 Enrolment in the Portal**

GST Registered persons, transporters and unregistered persons/citizens are required to enrol themselves in the EWB portal by providing necessary details such as State, GSTIN, Legal Name, PAN, Mobile Number etc. to generate EWB. The unregistered transporters, who cause movement of goods for their clients, need to enroll on the EWB portal and get 15-digit Unique Transporter Id.

### **2.4.2 Generation of E-Waybill**

EWB can be generated electronically by furnishing details in Part-A of Form GST EWB-01 by the (i) the consignor, or (ii) transporter in the case of authorization by the consignor or if the consignor is an unregistered person, or (iii) the consignee. Part-B of the Form GST EWB-01 is to be updated by the transporter by providing information relating to the conveyance. Consolidated EWB can be generated in Form GST EWB-02 in the case of multiple EWBs generated for the multiple consignments but transported in the same vehicle.

### **2.4.3 Validity of EWB**

Validity of the EWB depends upon the distance and the type of shipment, the goods to be transported. Validity is calculated from the date on which the EWB has been generated (relevant date) and the period of validity shall be counted until the period expiring midnight of the day immediately following the date of generation of EWB.

### **2.4.4 Extension of EWB**

The validity can be extended under circumstances wherein the goods cannot be transported within the validity period within eight hours from the time of its expiry.

### **2.4.5 Cancellation of EWB**

Where EWB has been generated under the CGGST Rules, 2017, but goods are either not transported or are not transported as per the details furnished in the EWB, the same may be cancelled electronically by the generator on the common portal within 24 hours of generation of the EWB. However, a EWB cannot be cancelled if it has been verified in-transit in accordance with the provisions of Rule 138B of the Rule *ibid*.

### **2.4.6 Rejection of EWB**

The details of EWB generated will be communicated electronically to the supplier and the recipient, and the consignee is required to communicate his acceptance or rejection of the goods being transported. If the consignee does not communicate his acceptance or rejection within 72 hours of the said communication or the time of delivery of goods whichever is earlier, the EWB shall be deemed to be accepted.

## 2.5 Audit Objectives

This Performance Audit (PA) on EWB system under GST was conducted with a view to ascertain whether:

- (i) E-Way bill mechanism is effective in protecting revenue interest of the Government.
- (ii) The preventive/enforcement activities of the Department in enforcing EWB provisions are efficient and effective.

## 2.6 Audit Criteria

The audit criteria of PA on EWB system under GST have been derived from the following sources:

- Sections 10, 17, 25, 29, 37, 39, 44, 68, 73, 74, 129, 130, etc. of CGGST Act, 2017.
- Rules 59, 60, 61, 62, 80, 138, etc. of CGGST Rules, 2017.
- Notifications / Circulars / Instructions authorized by GST council and issued by Central Board of Indirect Taxes and Customs (CBIC) and State Tax (GST) Department (STD), Government of Chhattisgarh (GoCG); and
- Advisories / Standard Operating Procedures issued by NIC, CBIC and STD.

## 2.7 Audit Scope and methodology

E-Way bill transactions of the persons registered in the EWB portal pertaining to the period between 1 April 2018 and 31 March 2022 were covered. Audit had done examination of the overall performance of EWB system in the GST regime with reference to the audit objectives. EWB data (generated) for the audit period has been extracted from Goods and Services Tax Network (GSTN) and analysed. Movement of conveyances by roadways alone was considered for this audit and movement of goods by Railway/Airway was excluded from the scope of this audit.

The scope of audit also involved evaluation of the preventive functions of the Department with reference to EWBs, viz., interception of vehicles, verification of documents, inspection of goods and action taken thereof.

Entry Conference was held on 28 March 2023 with the Secretary, State Tax (GST) Department, Chhattisgarh in which the audit objectives, sample selection, audit scope and methodology were discussed. The audit was conducted between April and December 2023. The draft report of PA was forwarded to the Government on 26 June 2024 for their comments along with request for holding an Exit meeting to discuss the Audit findings which were included in the Draft Report. Reply of the Government was received on 18 October 2024 and the Exit Conference was held on 05 December 2024. The reply and comments of the Government has been suitably incorporated in relevant paragraphs.

## **2.8 Audit Sampling**

A Problem-centric approach has been attempted for this PA as EWB generation under GST is a necessary condition to precede any movement of goods subject to the threshold limit. Samples for Audit Objective (AO)-1 were evolved based on identified Key Problem Areas (KPAs)/ Risk Dimensions. The KPAs that constrain revenue realisation for the Government are provided in **Appendix-2.1**. A total number of 80 cases of 30 taxpayers of five circles<sup>10</sup> were taken as sample. The samples were selected based on weighted-risk approach. Besides, a sample of six EWBs of five circles<sup>11</sup> comprising of five consignors who had transactions with consignees having same PAN and one consignee who had transactions with consignor with same PAN has also been selected.

Further, a larger set of samples based on five KPAs (shown in **Table-2.8 of Paragraph 2.11.5**) were also selected from the database relating to EWBs in respect of taxpayers falling under the State jurisdiction.

Audit Objective (AO)-2 evaluated the problems associated with enforcement/preventive activities viz. Operational Preparedness, Effectiveness of Anti-Evasion measures and Intra-Department and Inter-Department coordination. For AO-2, one preventive unit present in the State was taken. Further, 50 cases out of 603 were taken as sample from the preventive unit by stratified method (based on the money value of cases verified by them) for detailed audit. Further, additional 25 EWBs generated by<sup>12</sup> unregistered suppliers having assessable value exceeding ₹ 40 lakh (being the uppermost registration threshold for Chhattisgarh) were also selected to confirm and verify monitoring of movement of goods in respect of unregistered suppliers by the Department and action initiated to get them registered.

## **2.9 Trends of EWB data**

During the audit period (2018-19 to 2021-22), total 95.92 lakh EWBs of ₹ 4,73,042.64 crore were generated by the taxpayers of State Jurisdiction, out of which 0.06 lakh EWBs of ₹ 487.96 crore were cancelled. Further, the validity of 2.76 lakh EWBs were extended and ₹ 0.02 lakh EWBs were rejected by the consignees. The overall trend on usage of EWBs in the State with reference to generation, extension, cancellation and rejection of EWBs during the period 2018-19 to 2021-22 is given in **Table-2.1** and depicted in graphical presentations below:

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<sup>10</sup> Circle-3, 5, 7, 8 & 9 (Raipur)

<sup>11</sup> Ambikapur, Circle-2 (Bilaspur), Circle-1 (Durg), Circle-9 (Raipur) & Rajnandgaon

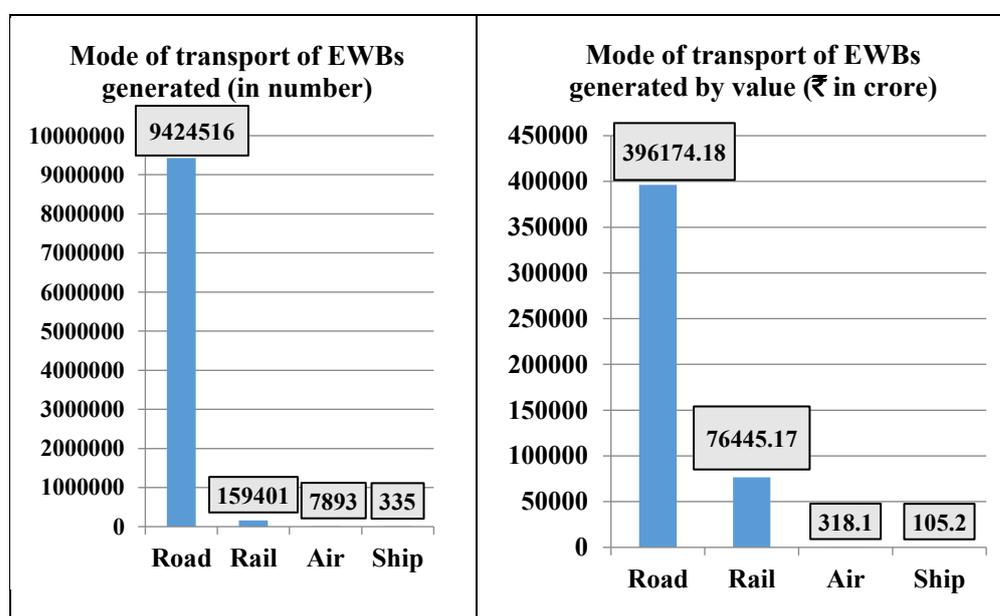
Table-2.1: Uses of EWBs during 2018-19 to 2021-22

(₹ in crore)

Year	Generation of EWBs		Extension of EWBs		Cancellation of EWBs		Rejection of EWBs	
	Number of EWBs	Amount	Number of EWBs	Amount	Number of EWBs	Amount	Number of EWBs	Amount
2018-19	23,88,254	1,00,588.01	10,821	400.28	2,942	178.59	1,065	60.61
2019-20	22,98,079	1,00,836.91	47,660	1,686.67	1,290	108.81	503	29.66
2020-21	23,52,737	1,10,110.40	69,358	2,508.72	1,077	98.25	392	26.57
2021-22	25,53,075	1,61,507.32	1,48,377	8,217.54	1,077	102.31	203	18.18
<b>Total</b>	<b>95,92,145</b>	<b>4,73,042.64</b>	<b>2,76,216</b>	<b>12,813.21</b>	<b>6,386</b>	<b>487.96</b>	<b>2,163</b>	<b>135.02</b>

(Source: Data made available by GSTN)

Chart-2.2: Mode of transport of EWBs generated during 2018-19 to 2021-22



(Source: Data made available by GSTN)

## 2.10 Audit Findings

Audit findings related to AO-1 have been categorised into two broad perspectives viz. systemic issues and compliance issues. The systemic issues aim to bring out the shortcomings relating to adequacy and effectiveness of the EWB system while the compliance issues pertain to the deviations from the Act/Rules/orders etc. Audit findings related to AO-2 consists of audit findings on the effectiveness of preventive/enforcement activities of the Department. The results of the analysis are given below:

### 2.10.1 Scope limitation due to documents not produced

Section 16 of the CAG's DPC Act 1971 lay down the Audit Mandate of the CAG regarding Audit of receipts. Further, Section 18(2) of the CAG's DPC Act 1971 imposes a statutory duty on Offices/Departments to comply with the requests for information in as complete as far as possible and with all reasonable expedition.

In this regard, the Chairman, CBIC has also issued instructions vide Board's DO letter F.No.232/Misc. DAP/2018-CX-7, dated 26 April 2018 to the Principal Chief Commissioners/Chief Commissioners of Central GST offices regarding cooperation with the C&AG during audit by procuring and providing complete and comprehensive information. However, the State Government of Chhattisgarh is yet to come out with similar direction.

During this PA, audit requisitioned information and records related to EWBs and GST returns for the period 2018-19 to 2021-22 to nine selected circles under Raipur Commissionerate. Further, additional records of sampled taxpayers like list of inward/outward EWBs generated by the taxpayers, invoices related to EWBs, truck/lorry receipts, annual accounts/audit report for the period related to EWB, purchase, sale details along with invoices, stock inventory, copy of GSTR-2A/2B etc. to check proper discharging of GST, availment of ITC, proportionate inward/outward supply ratio etc. aspects were also sought. In spite of requisitions and follow up, the jurisdiction circles did not produce records pertaining to 32 taxpayers out of sample of 36 taxpayers.

**Non-production of records:** The circle wise non-production of records is summarised in the following **Table-2.2**. The case-wise listing of non-production of records is given in **Appendix-2.2**.

**Table 2.2: Non-production of records**

Sl. No	Circle	Sample	Non-production	Percentage of non-production of records
		No. of taxpayers	No. of taxpayers	
1	Circle-3, Raipur	12	11	92
2	Circle-5, Raipur	09	08	89
3	Circle-7, Raipur	03	03	100
4	Circle-8, Raipur	05	05	100
5	Circle-9, Raipur	02	02	100
6	Circle-1, Durg	01	01	100
7	Circle-2, Bilaspur	02	01	50
8	Circle Rajnandgaon	01	01	100
9	Circle Ambikapur	01	0	0
	<b>Total</b>	<b>36</b>	<b>32</b>	<b>89</b>

Thus, the Department did not produce records of 89 *per cent* of the samples and these were audited only on the basis of the data available on the GSTN/EWB portal. Non-production/partial production of records hindered unrestricted access of audit and negatively affected the auditing process.

On being pointed out (June 2024) the Government did not furnish any specific reply.

During exit conference (December 2024), the Secretary stated that documents will be furnished.

**Recommendation No.1: Department may instruct its field formations for timely productions of records in lines of instructions issued by CBIC.**

**Audit findings related to effectiveness of EWB mechanism for protecting revenue interest of the Government**

**2.11 Substantive Audit Findings**

EWB was taken as basis to examine the tax compliance of the taxpayers. Out of the selected 80 EWBs, top five cases in terms of money value of audit findings under each KPA are given in *Table-2.3* below:

**Table- 2.3: Top five cases in terms of money value**

*(₹ in crore)*

Sl. No.	GSTIN	Circle	Amount of tax involved	Number of KPAs involved
1.	22XXXXXXXXXXXXZH	Raipur-3	9.83	1
2.	22XXXXXXXXXXXXZG	Raipur-3	2.31	5
3.	22XXXXXXXXXXXXZP	Raipur-5	1.69	2
4.	22XXXXXXXXXXXXZC	Raipur-3	1.15	4
5.	22XXXXXXXXXXXXZF	Raipur-8	1.12	3

The systemic issues noticed during the audit are discussed under each KPA in **paragraphs 2.11.1.1 to 2.11.1.6** to highlight the impact of the risks identified along with recommendations for corrective action. Results of substantive audit having revenue impact are given in **paragraphs 2.11.2.1 to 2.11.2.3** along with case-wise details for taking further course of action in individual cases by the Department.

**2.11.1 Systemic issues**

Audit attempted to ascertain whether existing systems and controls were adequate to ensure compliance with the provisions of the CGGST Act, 2017 relating to the EWB system. The observations are discussed in following paragraphs:

**2.11.1.1 Ineligible taxpayers continuing under Composition Scheme**

In terms of Section 10 (1) of the CGGST Act, 2017 a registered person whose aggregate turnover in the preceding financial year did not exceed the threshold limit<sup>12</sup> may opt to pay tax under composition scheme. As per Section 10(3) of the CGGST Act, 2017 the option availed of by a registered person for composition scheme shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the limit specified. However, Section 10(2) (c) of the CGGST Act, 2017, provides that a taxpayer shall not be eligible to opt for composition scheme, if he is engaged in any inter-State outward supplies of goods.

As per Section 61 of the CGGST Act, 2017 various returns filed by the taxpayers have to be scrutinized by the proper officer to verify the correctness of the returns, and suitable action has to be taken on any discrepancies or

<sup>12</sup> Threshold limit per year for becoming eligible for composition scheme was ₹ one crore for the period between 01 April 2018 to 31 January 2019 and ₹ 1.5 crore thereafter.

inconsistencies reflected in the returns. The Proper officer designated for this purpose is the circle officer.

Audit noticed that despite the CGGST Act, 2017 prohibiting inter-state outward supply by composite taxpayers, the EWB system could not prevent generation of EWBs for inter-state supply by the composite taxpayers.

It was observed that two composite taxpayers of two circles<sup>13</sup> had undertaken inter-state outward supply of goods through two EWBs. Thus, the EWB system was unable to prevent generation of EWBs for inter-state supply by these composite taxpayers. However, on further verification it was found that the registration of one taxpayer (GSTIN 22XXXXXXXXXXZL) was cancelled *suo-moto* on 01 October 2019 by the Proper Officer while the other taxpayer was continuing under the composition scheme. These are detailed in **Appendix-2.3**. The tax impact is discussed in **Paragraph 2.11.2**.

On being pointed out (June 2024) the Government replied (October 2024) that DRC-07 of ₹ 0.17 crore (including interest and penalty) has been issued in one case (GSTIN 22XXXXXXXXXXZ3), and in other case (GSTIN 22XXXXXXXXXXZL) it was replied that the taxpayer was a composite dealer and EWB was generated for return of goods. However along with the reply, the proof of purchase returns like purchase bills, credit note/debit note were not furnished.

During the exit conference (December 2024), the Secretary stated that the desired documents related to the case not being pursued further will be furnished at the earliest. It was further stated that the latest position of the other cases will be furnished.

**An illustrative case is detailed below:**

A taxpayer (GSTIN 22XXXXXXXXXXZ3) registered under Circle-3, Raipur had generated one EWBs of ₹ 2.90 lakh in October 2018 for effecting inter-state outward supplies though the taxpayer was under composition scheme since September 2017 till date. Thus, the taxpayer was liable to pay tax at normal rate from October 2018, however he was continuing under the composition schemes.

**Recommendation No. 2: Necessary validation control in the EWB system need to be incorporated to prevent the Composite levy scheme taxpayer for generating EWB for inter-state outward supply.**

**2.11.1.2 Generation of EWBs by cancelled taxpayers**

As per Section 63 of the CGGST Act, 2017 where a taxable person whose registration has been cancelled; but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgement. A cancelled taxpayer cannot generate EWBs, as he will be passing on ITC without filing of returns, resulting in non-payment of tax.

Audit noticed that the EWB portal allowed generation of EWB by cancelled taxpayer. It was observed that, seven taxpayers of three circles<sup>14</sup> had generated 55 EWBs after effective date of cancellation of GST registration. Further, four

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<sup>13</sup> Circle-3 & 5 (Raipur)

<sup>14</sup> Circle-3, 5 & 8 (Raipur)

taxpayers who had effected outward supplies had not discharged their tax liability. However, the department did not assess the tax liability under Section 63 of the Act *ibid* and thereby could not protect the revenue interest of the Government. These are detailed in **Appendix-2.4**. The tax impact is discussed in **Paragraph 2.11.2**.

On being pointed out (June 2024) the Government replied (October 2024) that DRC-07/DRC-01 of ₹ 18.61 crore (including interest and penalty) have been issued in six cases and ASMT-10 has been issued in remaining one case.

During the exit conference (December 2024), the Secretary stated that the latest position of the cases will be furnished.

**An illustrative case is detailed below:**

A taxpayer (GSTIN 22XXXXXXXXXXXXZF) registered under Circle-8, Raipur had generated two EWBs of ₹ 38.86 lakh during January and February 2019 but his registration was cancelled with effect from 25 January 2019 by the Proper Officer on *suo-moto*. Thus, the EWBs were generated after the effective date of cancellation of registration.

**Recommendation No. 3: Necessary validation control in the EWB system need to be incorporated to prohibit generation of EWBs by cancelled taxpayers.**

**2.11.1.3 Generation of multiple EWBs on the same/similar invoices**

As per Rule 46 (b) of CGGST Rules, 2017 a tax invoice shall be issued by the registered person containing consecutive serial number, not exceeding sixteen characters, unique for a financial year. As per Para 5-1 of the User Manual issued by the NIC, the taxpayer while generating the EWB is required to enter the Unique Document Number relating to the consignment. Invoice number is the Unique Document number in respect of consignments relating to supplies. Hence, only one EWB is to be generated for each invoice.

Audit noticed that there was a lack of validation controls in the EWB common portal to restrict generation of multiple EWBs using the same or similar invoices. It was observed that five taxpayers pertaining to four circles<sup>15</sup> had generated 10 EWBs for movement of goods based on same/similar invoices. Thus, the EWBs module could not detect generation of multiple EWBs based on same/similar invoice. These are detailed in **Appendix-2.5**. The tax impact is discussed in **Paragraph 2.11.2**.

On being pointed out (June 2024) the Government replied (October 2024) that DRC-01 of ₹ 0.08 crore (including interest and penalty) have been issued in two cases and in one case (GSTIN 22XXXXXXXXXXXXZV) it was replied that due to system error two EWBs were generated. In remaining two cases (GSTIN 22XXXXXXXXXXXXZW and 22XXXXXXXXXXXXZ9) DRC-05 (intimation of closure of proceedings) has been issued. However, the supporting documents/evidence was not furnished along with the reply.

During the exit conference (December 2024), the Secretary stated that the desired documents related to the cases not being pursued further will be

<sup>15</sup> Circle-5,7,8 & 9 (Raipur)

furnished at the earliest. Further stated that the latest position of the other cases will be furnished.

**An illustrative case is detailed below:**

A taxpayer (GSTIN 22XXXXXXXXXXZ9) registered under Circle-5, Raipur had generated two EWBs of ₹ 29.88 lakh in August and September 2018 using one invoice for effecting inter-state outward supplies.

**Recommendation No. 4: Necessary validation control in the EWB system need to be incorporated to prevent use of same/similar invoice in generation of multiple EWBs.**

**2.11.1.4 Generation of EWBs for the transactions effected through risky vehicles/two-wheeler.**

As per Rule 138(2) of the CGGST Rules, 2017 where the goods are transported by the registered person as a consignor, whether in his own conveyance or a hired one or a public conveyance, by road, the said person shall generate the EWB in FORM GST EWB-01 electronically on the common portal after furnishing information in Part B of FORM GST EWB-01. Where the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter on the common portal and the EWB shall be generated by the transporter on the said portal on the basis of the information furnished by the registered person in Part A of FORM GST EWB-01. Vehicle number is required to be provided in Part-B of EWB-01.

Audit noticed that the EWB system could not detect two-wheeler and other risky vehicle<sup>16</sup> numbers as per VAHAN Portal/M-parivahan app despite integration of EWB with VAHAN software due to which generation of EWBs related to risky vehicles could not be blocked.

It was observed that nine EWBs transactions involving assessable value of ₹ 3.24 crore related to nine taxpayers of three circles<sup>17</sup> were made by two-wheeler/risky vehicles. Further, the corresponding outward supplies were not reported by four taxpayers in GSTR-I return. Furthermore, five taxpayers had reported outward supplies in their GSTR-1 return and passed on Input Tax Credit (ITC) to their recipients as detailed in the **Table-2.4** below. The tax impact is discussed in **Paragraph 2.11.2**.

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<sup>16</sup> Risky vehicle: theft, surrendered, cancelled and scrapped vehicle

<sup>17</sup> Circle-3, 5 & 9 (Raipur)

**Table-2.4: EWB generated for transactions effected through risky vehicles/two-wheeler**

*(Amount in ₹)*

Sl. No.	GSTIN	Circle	EWB no./ Date	Assessable value	Nature of vehicle
1.	22XXXXXXXXXXXXZV	Raipur - 5	861062323542/ 28/07/2019	1,18,64,238	Two-wheeler
2.	22XXXXXXXXXXXXZS	Raipur - 5	831183989831/ 13/10/2021	1,47,03,334	Two-wheeler
3.	22XXXXXXXXXXXXZH	Raipur - 3	891183695077/ 11/10/2021	5,65,652	Theft
4.	22XXXXXXXXXXXXZM	Raipur - 3	861016217262/ 23/08/2018	1,21,250	Scrapped
5.	22XXXXXXXXXXXXZL	Raipur - 9	891129659657/ 11/12/2020	98,048	Scrapped
6.	22XXXXXXXXXXXXZM	Raipur - 3	851123098656/ 01/11/2020	7,30,514	Surrendered
7.	22XXXXXXXXXXXXZM	Raipur - 3	811072389191/ 10/10/2019	22,92,675	Surrendered
8.	22XXXXXXXXXXXXZP	Raipur - 5	841137960702/ 27/01/2021	13,06,280	Cancelled
9.	22XXXXXXXXXXXXZQ	Raipur - 3	891088786236/ 31/01/2020	7,40,480	Cancelled
<b>Total</b>				<b>3,24,22,471</b>	

On being pointed out (June 2024), the Government replied (October 2024) that DRC-07/DRC-01 of ₹ 10.30 crore (including interest and penalty) have been issued in five cases, ASMT-10 have been issued in three cases and in remaining one case replied that the taxpayer furnished the tax invoice/bilty in respect of the transaction. The reply does not touch upon the point of Audit observation as to how goods were transported through two-wheeler.

During the exit conference (December 2024), the Secretary stated that the matter will be examined and position will be intimated to Audit.

**An illustrative case is detailed below:**

A taxpayer (GSTIN 22XXXXXXXXXXXXZV) registered under Circle-5, Raipur had generated a EWB no 861062323542 on 28/07/2019 for ₹ 1.19 crore for effecting inter-state outward supply. On checking of the vehicle number mentioned in the EWB on VAHAN portal/M-Parivahan app it was found that the vehicle class was m-cycle/scooter. Further, this transaction was reported in GSTR-1 return by the taxpayer. Therefore, there is every possibility that the taxpayer had passed ITC of ₹ 0.21 crore without movement of goods which needs to be examined.

**Recommendation No. 5: Necessary validation control in the EWB system need to be incorporated for ensuring generation of EWBs only after validation of proper vehicle details through VAHAN database for transportation of goods.**

**2.11.1.5 Generation of EWBs by the taxpayers who had filed Nil Returns**

As per Section 37 of the CGGST Act, 2017 read with Rule 59, Rule 61 and Rule 62 of CGGST Rule, 2017, every registered person other than composition taxpayers shall furnish the details of outward supplies of goods or services or both effected during a tax period in GSTR-1 and discharge tax liability thereon

in GSTR-3B. The taxpayers, who have opted for composition scheme, shall pay tax in GSTR-4/GST-CMP-08 returns.

Audit noticed weakness in coordination between the EWB and GSTN portals as the latter could not detect nil filing by the taxpayers generating EWBs and thus could not detect/prevent suppression of turnover by the taxpayers.

It was observed that eight taxpayers (including one composition taxpayer) pertaining to four circles<sup>18</sup> had generated eight EWBs during 2018-19 to 2021-22 for assessable value of ₹ 0.45 crore but they had filed NIL GSTR-1/3B/CMP-08 returns for the relevant tax period. These are detailed in **Appendix-2.6**. The tax impact is discussed in **Paragraph 2.11.2**.

On being pointed out (June 2024), the Government replied (October 2024) that DRC-07/DRC-01 of ₹ 0.51 crore (including interest and penalty) have been issued in five cases, ASMT-10 has been issued in one case and in one case replied that two EWBs were generated due to system errors. In the remaining one case replied that the taxpayer was a composition dealer and EWB was generated for return of goods. However along with the reply the proof of purchase returns like purchase bills, credit note/debit note were not furnished.

During the exit conference (December 2024), the Secretary stated that the desired documents related to the case not being pursued further will be furnished at the earliest. It was further stated that the latest position of the other cases will be furnished.

**An illustrative case is detailed below:**

A taxpayer (GSTIN 22XXXXXXXXXXZ8) registered under Circle-5, Raipur had generated one EWB having tax value of ₹ 4.46 lakh during the month of January 2019 for effecting outward supplies. However, the taxpayer had filed NIL GSTR-1/3B returns for the said month.

**2.11.1.6 Generation of EWBs by non-filers of GST Returns**

Rule 138E of CGGST Rules, 2017 imposes restriction on persons including consignors, consignees, transporter or an E-Commerce operator or a courier agency to generate EWBs in respect of a registered person who has not filed relevant GST Returns for prescribed consecutive periods<sup>19</sup>. The blocking functionality has been enabled on the EWB Common Portal with effect from 01 December 2019.

Audit noticed deficiencies in blocking generation of EWBs beyond 01 December 2019 and cases of generation of EWBs by non-filers. In case of four taxpayers of Circle-3, Raipur who were non-filers had generated 45 EWBs during 2018-19 to 2020-21. These are detailed in **Appendix-2.7**. The tax impact is discussed in **Paragraph 2.11.2**.

**An illustrative case is detailed below:**

A taxpayer (GSTIN 22XXXXXXXXXXZC) registered under Circle-3, Raipur had generated a EWB (831080342629) on 04 December 2019 for

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<sup>18</sup> Circle-3, 5, 7 & 8 (Raipur)

<sup>19</sup> Form GST-CMP-08 for two consecutive quarters in respect of persons paying tax under Section 10 of the CGGST Act *ibid* and GSTR-3B for normal taxpayers for two consecutive tax periods as applicable.

effective outward supplies i.e. EWB was generated after 01 December 2019 even though he had not filed GST returns for consecutive two tax periods.

On being pointed out (June 2024), the Government replied (October 2024) that DRC-07 of ₹ 6.97 crore (including interest and penalty) have been issued in all four cases.

During the exit conference (December 2024), the Secretary stated that the latest position of the cases will be furnished.

**Recommendation No. 6: The validation control in the EWB system to block the EWB generation facilities for the taxpayers who have not filed returns for the prescribed period needs to be reviewed and strengthened.**

### 2.11.2 Deficiencies having revenue impact (Compliance issues)

Audit noticed 29 instances of non-compliance to the provisions of the Act/Rule related to non-discharge of tax liability (20 cases), availment of ineligible ITC (four cases), incorrect passing of ITC (five cases) involving potential tax effect of ₹ 20.34 crore which are discussed in the Paragraphs 2.11.2.1 to 2.11.2.3 respectively. The KPA-wise observations are given in the *Table-2.5* below:

**Table-2.5: Result of Audit**

(₹ in crore)

Sl. No.	Key Problem Areas	No. of cases detected	Amount involved
1	Generation of Inter-state outward EWBs by composition taxpayers leading to non-discharge of tax	2	0.17
2	Generation of multiple EWB on single/similar invoice leading to non-discharge of tax	5	0.07
3	Generation of EWBs by NIL filers of GST returns leading to non-discharge of tax	5	0.05
4	Generation of EWBs by Non-filers of GST returns leading to non-discharge of tax	2	2.29
5	Generation of EWBs by cancelled taxpayers leading to non-discharge of tax	3	3.45
6	Generation of EWBs by risky vehicles leading to non-discharge of tax	3	11.52
	<b>Total</b>	<b>20</b>	<b>17.55</b>
7	Availment of ineligible ITC	4	2.51
8	Generation of EWBs with risky vehicles leading to incorrect passing of ITC	5	0.28
	<b>Grand Total</b>	<b>29</b>	<b>20.34</b>

#### 2.11.2.1 Non-discharge of tax liability by taxpayers

As per Section 37 of the CGGST Act, 2017 read with Rule 59 and Rule 61 of CGGST Rule, 2017, every registered person other than composition taxpayers shall furnish the details of outward supplies of goods or services or both effected during a tax period in GSTR-1 and to discharge tax liability thereon in GSTR-3B. The taxpayers, who have opted composition scheme, shall pay tax in GSTR-4/GST-CMP-08. As per Section 31 of the CGGST Act, 2017 a registered person supplying taxable goods shall, issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed. Rule 138 of the CGGST Rules, 2017 provides that for generating EWB, every registered person who causes movement of goods of consignment shall furnish information relating to the

said goods, electronically, on the common portal. Section 50(1) of the CGGST Act, 2017 stipulates that every person who is liable to pay tax but fails to pay the tax or any part thereof remains unpaid, shall pay interest not exceeding eighteen *per cent*.

Audit observed that 20 taxpayers pertaining to five circles<sup>20</sup> had generated 1,789 EWBs for effecting outward supplies during 2018-19 to 2021-22 but they did not report the outward supplies of ₹ 82.07 crore in their GSTR-1/CMP-08 returns and thus, did not discharge their tax liability as detailed in **Appendix-2.8**. The non-discharge of tax liability in these cases worked out to ₹ 17.55 crore (exclusive of interest and penalty).

On being pointed out (June 2024), the Government replied (October 2024) that DRC-07/DRC-01 of ₹ 19.94 crore (including interest and penalty) have been issued in 13 cases. ASMT-10 has been issued in three cases. In one case it was replied that due to system error two EWBs were generated. Further, in other case replied that the taxpayer was a composition dealer and EWB was generated for return of goods. However along with the reply, the proof of purchase returns like purchase bills, credit note/debit note were not furnished. In remaining two cases DRC-05 (intimation of conclusion of proceedings) has been issued. However, the documents/evidence was not furnished along with the reply.

During the exit conference (December 2024), the Secretary stated that the desired documents related to the cases not being pursued further will be furnished at the earliest. Further stated that the latest position of the other cases will be furnished.

#### **Illustrative cases are detailed below:**

(i) A taxpayer (GSTIN 22XXXXXXXXXXZF) pertaining to Circle-8, Raipur, had generated 189 EWBs with an assessable value for ₹ 15.77 crore during the period 2018-19 and 2019-20 for effecting outward supplies. However, outward supply for only ₹ 9.53 crore was declared by the taxpayer in GSTR-3B returns in the month of January and February 2019 and tax of ₹ 1.72 crore had been discharged by the taxpayer. Hence, the taxpayer had not declared the outward supplies for ₹ 6.24 crore and did not pay the tax of ₹ 1.12 crore. The registration of the taxpayer was cancelled with effect from 25 January 2019. Thus there was an un-discharged tax liability of ₹ 1.12 crore.

(ii) Another taxpayer (GSTIN 22XXXXXXXXXXZC) registered under Circle-3, Raipur, generated total 86 EWBs between November 2019 to January 2020 for an assessable value of ₹ 6.39 crore for outward supply. However, the taxpayer had not filed GSTR-1/3B returns for the period November 2019 to January 2020 and did not discharge tax liability on these transactions. The registration of the taxpayer was cancelled with effect from 01 November 2019 due to non-filing of returns. Thus, he had un-discharged tax liability of ₹ 1.15 crore (excluding interest).

However, it was observed in the above cases that the cancellation orders were passed on 21 June 2019 and 21 January 2020 with effect from 25 January 2019 and 01 November 2019 respectively. Thus, while passing retrospective orders

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<sup>20</sup> Circle-3, 5, 7, 8 & 9 (Raipur)

effect, the POs did not examine the variation between the EWBs and the returns.

### 2.11.2.2 *Availment of ineligible ITC*

As per Section 16 of the CGGST Act, 2017 every registered person shall be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person. Further, Section 42 of the Act *ibid* read with Rule 60 of CGGST Rules, 2017 provides for matching, reversal and reclaim of ITC. GSTR-2A is a purchase related dynamic tax return which is automatically generated by the GST portal. When a supplier files his GSTR-1 return, the information regarding tax paid by the purchaser is auto populated in his GSTR-2A and GSTR-9. The ITC availability as per GSTR-2A should normally match with the ITC availed by the taxpayer through the GSTR-3B return or the annual GSTR-9 return. Section 50(3) of the CGGST Act, 2017 stipulates that, the taxpayers who make undue or excess claim of ITC, shall pay interest at such rate, not exceeding 24 per cent.

Audit observed that four taxpayers of two circles<sup>21</sup> availed ITC of ₹ 19.60 crore as per GSTR-3B return. However, Audit noticed from the GSTR-2A/GSTR-9 of the taxpayers that the ITC available for them was only ₹ 17.09 crore. Thus, the availment of ITC amounting to ₹ 2.51 crore by these taxpayers was not in order and the incorrect ITC availed amount of ₹ 2.51 crore is required to be recovered along with interest under Section-50(3) of the Act. These are detailed in *Appendix-2.9* and *Table-2.6*.

**Table-2.6: Availment of ineligible Input Tax Credit (ITC)**

<i>(Amount in ₹)</i>					
Sl. No	GSTIN	Year	ITC available as per GSTR-2A {As per 8(A) of GSTR-9}	ITC availed as per GSTR-3B {As per 8(B+C) of GSTR-9}	Ineligible ITC claimed {As per 8(D) of GSTR-9}
1	22XXXXXXXXXXXXZR	2018-19	6,68,05,192	8,45,10,814	1,77,05,622
		2019-20	6,09,83,798	6,51,32,051	41,48,253
2	22XXXXXXXXXXXXZZ	2019-20	1,23,07,036	1,23,40,613	33,577
3	22XXXXXXXXXXXXZN	2019-20	74,96,148	1,03,84,534	28,88,386
4	22XXXXXXXXXXXXZQ	2021-22	2,33,47,675	2,36,68,065	3,20,390
<b>Total</b>			<b>17,09,39,849</b>	<b>19,60,36,077</b>	<b>2,50,96,228</b>

On being pointed out (June 2024) the Government replied (October 2024) that DRC-07/DRC-01 of ₹ 0.06 crore (including interest and penalty) have been issued in two cases. In one case (GSTIN 22XXXXXXXXXXXXZR) for the year 2018-19, excess ITC of ₹ 0.05 crore has been reversed by the taxpayer through DRC-03 and for the case of 2019-20 ASMT-12 (Order of acceptance of reply) was issued. In the remaining one case (GSTIN 22XXXXXXXXXXXXZZ)

<sup>21</sup> Circle-3 & 7 (Raipur)

DRC-05 (Intimation of closure of proceedings) was issued. However, no supporting documents/evidence was furnished along with the reply.

During the exit conference (December 2024), the Secretary stated that related supporting documents would be provided to Audit.

**Illustrative case is given below:**

A taxpayer (GSTIN 22XXXXXXXXXXZR) registered under Circle-3, Raipur had availed ITC of ₹ 14.97 crore in GSTR-3B return during 2018-19 and 2019-20 but there was ₹ 12.78 crore ITC available in the GSTR-2A of the taxpayer. Thus, the availment of ITC amounting to ₹ 2.19 crore by the taxpayer was not in order and the incorrect ITC availed amount of ₹ 2.19 crore is required to be recovered along with interest under Section-50(3) of the Act.

**2.11.2.3 Generation of EWBs against risky vehicles-possible passage of incorrect ITC**

As per Section 37 of the CGGST Act every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of section 10 or section 51 or section 52, shall furnish the details of outward supplies of goods or services or both effected during a tax period in GSTR-1. The details provided by the suppliers in GSTR-1 will be auto-populated to the recipients of the goods in GSTR-2A to enable them to claim ITC. NIC<sup>22</sup> had integrated VAHAN Database with EWB Portal and tracked the movement of vehicles with Fast-tag database. NIC also provides with effect 01 January 2021, movement details of the vehicles concerned (in the Map) indicating the origin and destination of all the EWBs based on the source and destination PIN codes.

During audit, it was observed that five taxpayers pertaining to two circles<sup>23</sup> had generated five EWBs of ₹ 1.56 crore for effecting outward supplies during the period from 2018-19 to 2021-22 as detailed in *Appendix-2.10*. On verification of vehicle numbers mentioned in the EWBs on VAHAN portal/M-parivahan app), it was noticed that the vehicle status was mentioned as risky vehicles<sup>24</sup>/two wheelers. However, it was noticed from the GSTR-1 filed by these taxpayers, they had reported the said transaction in their GSTR-1 returns and thereby possibly passed on ITC of ₹ 0.29 crore which needs to be examined. This also points towards possible passing of ITC without actual movement of goods.

On being pointed out (June 2024), the Government replied (October 2024) that DRC-07 of ₹ 7.20 crore (including interest and penalty) have been issued in three cases. ASMT-10 has been issued in one case and in remaining one case replied that the taxpayer has furnished the tax invoice/*bilty* in respect of the transaction. However, the reply does not touch upon the point of Audit observation as to how goods were transported through two-wheeler.

During the exit conference (December 2024), the Secretary stated that desired documents related to the case not being pursued further will be furnished at the

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<sup>22</sup> NIC: National Informatics Centre

<sup>23</sup> Circle-3 & 5 (Raipur)

<sup>24</sup> EWBs generated using two-wheelers, theft, scrapped, surrender and cancelled vehicles

earliest. It was further stated that the latest position of the other cases will be furnished.

### **Illustrative case is given below:**

A taxpayer (22XXXXXXXXXXZM) registered under Circle-3, Raipur had generated EWB (811072389191) on 10/10/2019 for effecting inter-state outward supply of goods worth ₹ 0.23 crore with tax value of ₹ 0.04 crore. On checking the vehicle number mentioned in the EWB on VAHAN portal/M-Parivahan app, it was found that the vehicle class was 'surrender vehicle'. Further, the transaction was reported in GSTR-1 of the consigner. Thus, there is a possible passage of ITC of ₹ 0.04 crore on doubtful movement of goods which needs to be examined.

### **2.11.3 Cross-PAN analysis**

As per Section 25(4) and 25(6) of the CGGST Act, 2017, a person liable for GST registration in multiple states can obtain multiple GST registrations with the same Permanent Account Number (PAN) in a state or union territory. The Cross-PAN charge refers to a taxable person supplying goods and services to any other person having registration under one PAN. As per Schedule I (2) and Section 25 of the CGGST Act, 2017, any supply between different GST registrations having the same PAN should be treated as supply even when made without consideration. Section 50(1) of the CGGST Act, 2017, stipulates that, every person who is liable to pay tax, but fails to pay the tax or any part thereof remains unpaid, shall pay interest not exceeding 18 per cent.

Audit identified and test checked six taxpayers pertaining to five circles<sup>25</sup> who had made cross-PAN transactions during 2018-19 to 2021-22 to ascertain their tax compliance like discharging of tax liability, generation of EWBs for invoices reported in GST returns, generation of multiple EWBs for the same/similar invoices and availing of input tax credit. The deficiencies noticed are discussed below:

- **EWB transactions not reported in GSTR-1**

Audit noticed that, a taxpayer (GSTIN 22XXXXXXXXXXZA) registered under Circle-1, Durg had made an inter-state outward supply of goods with assessable value of ₹ 1.76 crore by generating EWB number 871089160813 03 February 2020 to the consignee having same PAN (GSTIN 37XXXXXXXX XXXXZZ). On further scrutiny, it was found that the invoice referred in the EWB has neither been reported in the GSTR-1 return nor the tax of ₹ 0.30 crore has been discharged in GSTR-3B. Therefore, he is liable to pay tax of ₹ 0.30 crore.

On being pointed out (June 2024), the Government replied (October 2024) that DRC-07 of ₹ 0.56 crore (including interest and penalty) has been issued to the taxpayer.

During the exit conference (December 2024), the Secretary stated that latest position of the case will be furnished.

- **Possible passage of ITC on doubtful movement of goods**

<sup>25</sup> Ambikapur, Circle-2 (Bilaspur), Circle-1 (Durg), Circle-9 (Raipur), Rajnandgaon

A taxpayer (GSTIN 22XXXXXXXXXXXXZ5) pertaining to Circle-9, Raipur had made inter-state outward supply using EWB no. 831187004552, generated on 01 November 2021 to the consignee having same PAN (GSTIN 23XXXXXXXXXXXXZ3). However, the details of vehicles mentioned in the EWB was not found recorded in the NIC portal which records vehicular movements or recorded at any other records on the same day. Thus, there was a possibility of non-movement of goods for invoice raised and EWB was generated. However, as noticed from the GSTR-1 filed by the taxpayer; he had reported the said transaction in his GSTR-1 return and thereby possibly passed on ITC of ₹ 0.15 crore which needs to be examined. This also points towards possible passing of ITC without actual movement of goods.

On being pointed out (June 2024), the Government replied (October 2024) that ASMT-10 of ₹ 0.15 crore (including interest and penalty) has been issued to the taxpayer.

During the exit conference (December 2024), the Secretary stated that latest position of the case will be furnished.

• **Excess availment of ITC**

As per Section 16 of the CGGST Act, 2017 every registered person shall, subject to such conditions and restrictions as may be prescribed and in the manner specified in section 49, be entitled to take credit of input tax charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.

Audit observed that three taxpayers of three circles<sup>26</sup> availed ITC of ₹ 29.18 crore as per GSTR-3B return. However, Audit noticed from the GSTR-2A of the taxpayers that the ITC available for them was only ₹ 27.29 crore. Thus, the availment of ITC amounting to ₹ 1.90 crore by these taxpayers was not in order and is required to be recovered along with interest under Section-50(3) of the Act. The details are given in the **Table-2.7** given below:

**Table-2.7: Excess availment of Input Tax Credit**

*(Amount in ₹)*

Sl. No	GSTIN	Year	ITC available as per GSTR-2A (As per 8(A) of GSTR-9)	ITC availed as per GSTR-3B (As per 8(B+C) of GSTR-9)	Excess ITC claimed (As per 8(D) of GSTR-9)
1	22XXXXXXXXXXXXZ7	2019-20	10,13,95,325	10,90,09,281	76,13,956
		2020-21	14,09,42,067	15,14,65,132	1,05,23,065
2	22XXXXXXXXXXXXZ7	2020-21	2,70,24,642	2,74,17,346	3,92,704
3	22XXXXXXXXXXXXZN	2020-21	35,22,552	39,49,537	4,26,985
<b>Total</b>			<b>27,28,84,586</b>	<b>29,18,41,296</b>	<b>1,89,56,710</b>

On being pointed out (June 2024), the Government replied (October 2024) that in two cases ASMT-10 has been issued to the taxpayers and the proceedings

<sup>26</sup> Ambikapur, Circle-2 (Bilaspur) & Circle-1 (Durg)

are under process. However, an amount of ₹ 6.15 lakh (including interest) has been recovered from a taxpayer. In the remaining one case it was replied that notice has been issued to the taxpayer for production of records.

**Recommendation No. 7: The Department may issue guidelines for verification of EWBs and scrutiny of returns of taxpayers having multiple registrations with the same PAN.**

#### **2.11.4 Action Taken on Unblocking EWB requests from taxpayers**

As per Rule 138(E) of CGGST Rules, 2017, no person (including a consignor, consignee, transporter, e-commerce operator or a courier agency) shall be allowed to furnish the information in part A of Form GST EWB-01 who, whether as a supplier or a recipient, has not furnished the returns for two consecutive tax periods with effect from 01 December 2019. Rule 138 (E) of CGGST Rules, 2017 requires that the Commissioner may on receipt of application from a registered person in Form GST-EWB-05, on sufficient cause being shown and reasons to be recorded in writing, by order, in GST-EWB-06, allow furnishing of the said information in Part A of GST-EWB-01.

As per data made available by Raipur Commissionerate (08 December 2023), 21 unblocking applications were filed by the taxpayers during December 2020 and December 2021, out of which application of 18 taxpayers were pending for unblocking. Audit observed that the 15 taxpayers of 11 circles<sup>27</sup> had filed applications for unblocking of EWB generation facilities in December 2020, but their applications were pending with tax officer. The reasons for pending applications were not available in Raipur Commissionerate.

On being pointed out (June 2024), no reply has been furnished by the Government.

During the exit conference (December 2024), the Secretary stated that action taken on the cases will be provided to Audit.

#### **2.11.5 Observations detected in data analysis of EWBs (Totality Audit Observations)**

A risk-based sample of 1,719 taxpayers (excluding the substantive audit sample) falling under the jurisdiction of 30 circles<sup>28</sup> were selected from the database analysis centrally relating to EWBs. Audit analysed data on EWBs generated during 2018-19 to 2021-22 on the basis of KPAs. The details of totality observations shared with the department are given in the **Table-2.8** below:

<sup>27</sup> Circle-2 (Bilaspur), Circle-2 & 3 (Durg), Circle-2 (Jagdalpur), Circle-2 (Raigarh), Circle-1,2,3 & 7 (Raipur), Dhamtari and Janjgir

<sup>28</sup> Ambikapur, Bhatapara Janjgir, Kawardha, Mahasamund, Manendragarh, Circle-1 to 3 (Bilaspur), Circle-1 to 4 (Durg), Circle-1 & 2 (Jagdalpur), Circle-1 & 2 (Korba), Circle 1 & 2 (Raigarh), Circle-1 to 9 (Raipur), Dhamtari and Rajnandgaon

**Table-2.8: Totality Audit Observations**

Sl. No.	Nature of Totality Observation	No. of Taxpayers
1	Generation of Inter-State EWBs by Composition taxpayers	63
2	Generation of EWBs by Composition taxpayers who had crossed prescribed threshold limit	1
3	Generation of EWBs by Non-filers of GST Returns	293
4	Generation of EWBs by Cancelled taxpayers	152
5	Generation of duplicate EWBs using same Invoice	1,210
<b>Total</b>		<b>1,719</b>

The above observations were forwarded to the Department in (September, 2023) and Government (June 2024).

On being pointed out (June 2024), the Government replied (October 2024) that action is being taken in all the audit observations related to the circles under Durg Division. However, no reply has been furnished related to circles of other Divisions.

During the exit conference (December 2024), the Secretary stated that action taken by other Divisions would be furnished to Audit.

**Recommendation No. 8: The Department may utilise the analytical reports of EWB generated by NIC to ascertain deficiencies in tax compliance by the taxpayers and share the same with the Jurisdictional authorities for use in the scrutiny of returns.**

**Audit findings on efficiency and effectiveness of preventive/enforcement activities of the Department related to EWBs provisions.**

## **2.12 Preventive/Enforcement activities of the Department**

As per the Circular (May 2018) issued by the Commissioner, State Tax (GST) department, the Commissioner or an officer empowered by him in this behalf may authorise any officer to intercept any conveyance to verify the EWBs for inter-state and intra-state movement of goods. The physical verification of a conveyance and the goods involved can also be carried out by any officer, on receipt of specific information on evasion of tax, after obtaining approval of the Commissioner or an officer authorised by him in this behalf.

Once physical verification of goods being transported on any conveyance has been done during transit at one place within the state or union territory in any other state or union territory, no further physical verification of the said conveyance or goods shall be carried out again in the state or union territory, unless a specific information relating to evasion of tax is made available subsequently.

Further, above mentioned circular prescribed the procedure for interception of conveyances for inspection of goods in transit and detention, release and confiscation of contravening goods and conveyances. Section 129 and 130 of CGGST Act, 2017 which deals with penalties shall apply to the preventive activities performed by the Department in relation to verification of EWBs and/or conveyances.

In connection with the second objective, Audit examined the EWB related preventive/enforcement functions of the Department with specific focus on-(i) Operational preparedness, (ii) Effectiveness of anti-evasion measures, and (iii) Intra-departmental co-ordination in monitoring EWB related transactions.

It was observed that there was no dedicated setup for EWB related enforcement activities in the State. During the period of 2018-19 to 2021-22, preventive/enforcement functions like interception of vehicles and verification of EWBs, invoices, delivery challans etc. were done by the Inspection Teams nominated, whenever required, with the existing employees from head office and field formations. An Additional Commissioner is given charge of EWB monitoring work under direction of the Commissioner, State Tax.

On verification of records relating to the period 2018-19 to 2021-22 maintained in the Raipur Commissionerate, the following deficiencies/shortcomings were noticed.

### **2.12.1 Operational Preparedness of the Department**

The Preventive Unit under Raipur Commissionerate has neither any dedicated setup for EWB related enforcement activities nor any separate staff strength related to EWB enforcement activities.

#### **2.12.1.1 Inadequacy of manpower**

Audit observed that due to the non-availability of dedicated setup coupled with staff, the man-power resources were drafted from the executive formations for conducting the verification of EWBs.

#### **2.12.1.2 Lack of sufficient patrol vehicles**

Audit noticed that there was no dedicated Government vehicle allotted for EWB verifications. The Government vehicles from field formation and head office along with rented vehicles are being used for EWBs inspection.

It was noticed that the preventive unit had made requisition for rented vehicles during 2018-19 to 2020-21, however no requisition was made in the year 2021-22.

#### **2.12.1.3 Targets and achievements**

Audit called for details of targets fixed by the Commissioner for verification of EWBs through vehicle interceptions and achievements against them. The department replied that there was no target set for conducting verification of EWBs. EWB verification was done by deputing officer/team randomly and they intercept those vehicles which are suspected of not having EWB.

#### **2.12.1.4 Usage of MIS<sup>29</sup> Reports/DGARM<sup>30</sup>-other agencies reports**

NIC generates Analytical Reports on EWB transactions and shared with the GST Departments under Centre and State formations. Audit studied the extent to which these Reports were utilized by the department for planning the verifications of EWBs. The results are given below:

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<sup>29</sup> MIS: Management Information System

<sup>30</sup> DGARM: Directorate General of Analytics and Risk Management

**(a) MIS of NIC:**

- (i) It was noticed that the access to Analytical Reports was provided to the Commissioner/ Additional Commissioners/Joint Commissioners/Asstt. Commissioners/ Chief Commissioner.
- (ii) The department was neither processing the Analytical Reports by NIC/any other dedicated IT wing for identification of risky EWBs nor using the option of interception of the vehicles. However, the details of risky EWBs (taxpayers) as per NIC's Analytical Reports or any other agency are shared for their perusal with Dy. Commissioner/Asstt. Commissioner within the same Division/circle.

**(b) DGARM or other agencies reports:**

The department did not obtain any analytical reports from DGARM or any other agencies reports during the period covered by audit.

On being pointed out (June 2024), no reply has been furnished by the Government.

During the exit conference (December 2024), the Secretary stated that setup is in progress and further stated that at present all the officers are using Analytical reports.

**2.12.2 *Intra Departmental Co-ordination in monitoring EWB related transactions***

EWB is directly linked with movement of goods and the Preventive Unit was entrusted with the enforcement functions related to EWBs. NIC had generated various Analytical Reports and the Preventive Wing in Commissionerate has access to those reports through NIC Portal. Tax liability on the EWB transactions will be discharged by the taxpayers through periodical returns and thus the jurisdictional authorities, i.e. Circle Officer is Proper Officer for scrutiny of returns and assessment. Audit scrutiny of the extent of effectiveness of the usage of Analytical Reports by the Preventive Unit and Intra-Departmental co-ordination in the department revealed the following:

**2.12.2.1 *Monitoring movement of goods by unregistered taxpayers***

As per Section 22 of the CGGST Act 2017, every supplier whose aggregate turnover in a financial year exceeds ₹ 20 lakh for a supplier of services and ₹ 40 lakh for supplier of goods shall be liable to be registered under CGGST Act, 2017. In terms of Rule 16 of CGGST Rules, 2017 where, pursuant to any survey, enquiry, inspection, search or any other proceedings under CGGST Act, 2017, the Proper Officer finds that a person liable to registration under CGGST Act, 2017 has failed to apply for such registration, such officer may register the said person on a temporary basis and issue an order in FORM GST REG-12.

Audit observed through data analysis that 25 EWBs were generated by or on behalf of un-registered persons (URP) in the State with the assessable value of ₹ 34.77 crore during the period 2018-19 to 2021-22 for outward supplies. Each of these EWBs had assessable value of more than ₹ 40 lakh. The data of these EWBs were forwarded by Audit to the Department (November 2023) for

examination and taking necessary action to bring the unregistered persons under the tax net.

On being pointed out (June 2024), no reply has been furnished by the Government.

During the exit conference (December 2024), the Secretary stated that cases will be examined, and suitable action will be taken.

### 2.12.2.2 Monitoring non-movement of goods

One of the Analytical Reports created by the NIC is the Report on Non-movement of Vehicles on which EWBs were generated (B-1 Report) in respect of critical commodities<sup>31</sup>.

Audit noticed in cases of selected five taxpayers that they generated 143 EWBs during the months of June 2021, August 2021 and March 2022 for outward supplies having assessable value of ₹ 16.33 crore against which vehicle movement was not recorded as per B-1 report. Audit cross verified the invoices mentioned in these EWBs, with the related GSTR-1 returns and found that in respect of all the taxpayers, all the invoices were reported in the GSTR-1 returns.

Since, the taxpayers had reported these invoices in their GSTR-1 returns, it would have auto populated in the GSTR-2A returns of the consignees/recipients of goods. Thus, taking into consideration NIC's B1 Reports, there was a possibility of passing of irregular ITC of ₹ 2.94 crore without the actual movement of goods to the consignees as given in **Table-2.9** below:

**Table-2.9: Passing of ITC without movement of goods**

*(₹ in crore)*

Sl. No.	GSTIN	Month of B1 report	No. of invoices	Assessable value	Tax amount	Amount of ITC passed on
1	22XXXXXXXXXXXXZK	Jun-21	101	11.15	2.01	2.01
2	22XXXXXXXXXXXXZ5	Jun-21	33	4.17	0.75	0.75
3	22XXXXXXXXXXXXZS	Jun-21	4	0.75	0.14	0.14
4	22XXXXXXXXXXXXZS	Aug-21	2	0.13	0.02	0.02
5	22XXXXXXXXXXXXZQ	Mar-22	2	0.13	0.02	0.02
<b>Total</b>			<b>142</b>	<b>16.33</b>	<b>2.94</b>	<b>2.94</b>

*(Source: Data/information available on EWB and GSTN common portal)*

On being pointed out (June 2024), no reply has been furnished by the Government.

During the exit conference (December 2024), the Secretary stated that cases will be examined, and suitable action will be taken.

### **An illustrative case is given below:**

A taxpayer (GSTIN 22XXXXXXXXXXXXZK), registered under Circle-2, Raigarh had generated 101 EWBs in the month of June 2021 for outward

<sup>31</sup> Biscuits, Coal, edible oil, electrical, footwear, iron and steel, textile and tobacco

supply of goods for an assessable value of ₹ 11.15 crore. But, as per B-1 report there was no movement of vehicles mentioned in the EWBs. As, there was no vehicle movement, there was a possibility of passing of ITC of ₹ 2.01 crore to the consignees by reporting the invoices in the GSTR-1 return of the consigner.

**Recommendation No. 9: Department may consider taking up for mapping the analytical reporting module of NIC EWB mechanism with GSTN common portal for preventing such cases.**

## **2.13 Effectiveness of anti-evasion measures**

### **2.13.1 Guidelines for Interception of vehicles**

The Department had issued a circular<sup>32</sup> in May 2018 elaborating the procedure for interception of conveyances for inspection of goods in transit and verification of EWBs. As per the circular, when a vehicle is intercepted, the Proper Officer shall record a statement of the Person-in-Charge (PIC) of the conveyance in Form GST MOV-01 and shall issue order for physical verification in Form GST MOV-02. The Proper Officer, within 24 hours of the issue of Form GST MOV-02, shall upload a report in Part-A of Form GST EWB-03 on common portal. The Proper Officer shall prepare physical verification/inspection report in Form GST MOV-04 and shall record final inspection report in Part-B of Form GST EWB-03 on common portal within three days of physical verification.

If no discrepancy is found in the inspection, release order in Form GST MOV-05 shall be issued and the conveyance shall be allowed to move further. In case the goods and conveyance need to be detained under Section 129 of the CGGST Act, 2017, the Proper Officer shall issue an order of detention in Form GST MOV-06 and serve a notice in Form GST MOV-07 and demand order in Form GST MOV-09 to the PIC, specifying the tax and penalty payable under Section 129(1) of the CGGST Act, 2017. Where the proposed tax and penalty is not paid within seven days from the date of issue of Form GST MOV-06, the action to confiscate the goods and conveyance under Section 130 of the CGGST Act, 2017 shall be initiated.

Audit attempted to ascertain the extent of adherence to the prescribed procedures by the Department by the field formations. For this, 50 out of 603 booked cases pertaining to Raipur Commissionerate were selected for scrutiny and the deviations noticed are given in *Appendix-2.11* and *Table-2.10* below:

**Table-2.10: Deficiencies noticed in interception of vehicles**

<b>Sl. No.</b>	<b>Details of deficiencies noticed</b>	<b>No. of Booked cases in which deficiency noticed</b>
1	Statement of person in charge of conveyance has not been recorded in GST-MOV-1 when interception of conveyance has been done and EWB related documents were not available	10
2	Order for physical inspection of conveyance was not issued in GST -MOV-2	11
3	Inspection Report in GST-MOV-4 has not been served to the person in charge of the conveyance	13

<sup>32</sup> Circular no. 06/2018 (CT/Tech/2018/4226) dated 08 May 2018

4	Release Order for Goods conveyance in GST-MOV-05 not available	10
5	Order of Detention for non-production of documents or defective documents etc. in GST-MOV-06 not available	10
6	Show Cause Notice (SCN) on the outcome of inspection of goods in GST-MOV-07 not available	10
7	Final Inspection Report in GST-EWB-03 (Part-B) was pending	02

On being pointed out (June 2024), the Government replied (October 2024) in one case that in the initial stage as the law was new and even newer was the online EWB there were certain unintentional procedural lapses, with no revenue losses and in another case replied that the GST MOV-01 to 09 was not required as CBIC's circular was issued on 13 April 2018, and the case was disposed prior to the circular. Further no specific reply furnished in other cases.

During the exit conference (December 2024), the Secretary stated that at present all the officers are following the guidelines/circulars issued by the CBIC and State Government for interception of vehicles.

### **2.13.2 Non-raising demand for tax and penalty collected during EWB verification**

According to Section 129 (1) of the CGGST Act, 2017, where any person transports any goods in contravention of the provisions of this Act or the rules made there under, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure and after detention or seizure, shall be released, - (a) on payment of the applicable tax and penalty equal to one hundred *per cent* of the tax payable on such goods<sup>33</sup> and, in case of exempted goods, on payment of an amount equal to two *per cent* of the value of goods or twenty-five thousand rupees, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty.

According to the circular issued by the Department<sup>34</sup>, the order in FORM GST MOV-09 shall be uploaded on the GSTN common portal and the demand accruing from the proceedings shall be added in the Electronic Liability Register.

Audit noticed the following deficiencies in 34 booked cases pertaining to Raipur Commissionerate which are detailed in **Table-2.11**.

<sup>33</sup> With effect from 01 January 2022, the amount payable was modified as Penalty equal to two hundred *per cent* of the tax payable

<sup>34</sup> Circular no. 06/2018 (CT/Tech/2018/4226) dated 08 May 2018

**Table-2.11: Details of deficiencies**

(₹ in lakh)

Sl. No	Details of discrepancies noticed	No. of cases	Amount involved		
			Tax	Penalty	Total
1	Delay in set-off of tax and penalty collected during interception of vehicles	30	16.59	27.49	44.07
2	Release of vehicles without ensuring set-off of tax and penalty collected during interception of vehicles	2	0.98	0.98	1.96
3	Short levy of tax and penalty on intercepted vehicles	2	1.41	0.96	2.37
<b>Total</b>		<b>34</b>	<b>18.98</b>	<b>29.43</b>	<b>48.40</b>

**Detailed observations are given below:**

**2.13.2.1 Delay in set-off of tax and penalty collected during interception of vehicles**

Audit noticed that in 30 EWB booked cases, the Department released the goods vehicles without ensuring set-off of the tax and penalty of ₹ 44.07 lakh collected from the taxpayers during interception of vehicles. Audit further noticed that the tax and penalty were set-off by the Department with a delay ranging from 08 to 1,981 days. These are detailed in *Appendix-2.12*.

It was noticed that in 11 out of 30 cases, the liabilities were set-off by the taxpayers by making payment through DRC-03 in their cash ledger after pointed out by Audit and in remaining 19 cases, the tax and penalty were set-off with delay.

On being pointed out (June 2024), the Government did not furnish any specific reply.

During the exit conference (December 2024), the Secretary stated that it will be taken note of for future and stated that rest of the 553 booked cases will be examined for their set-off of tax and penalty.

**An illustrative case is given below:**

A vehicle was intercepted by the Proper Officer on 29 May 2018 and order for demand of tax and penalty in Form GST MOV-09 was issued (29 May 2018) directing the PIC to make payment for ₹ 0.27 lakh. It was observed that the demand had been deposited on 29 May 2018 and the same was credited in Electronic Cash Ledger (ECL) on the same day. However, it was found that, the liability was not set-off by the Department and the liability was set off on 17 October 2023 by debiting his ECL i.e., after 1,967 days of credit in the ECL after being pointed out by Audit (August 2023). As mere availability of credit in the ECL cannot be assumed as payment of tax liability unless it is debited for discharging the tax liability, ₹ 0.27 lakh remained out of Government account for 1,967 days.

**2.13.2.2 Release of vehicles without ensuring set-off of tax and penalty collected during interception of vehicles**

Audit noticed that in two EWB booked cases, the Department while intercepting the goods vehicles belonging to taxpayers of other States collected tax and penalty of ₹ 1.96 lakh. It was observed that the tax and penalty was

deposited through challan and letters were issued to the concerned States for taking necessary action. However, confirmation on set-off of tax penalty was available for one case only. Since, amount credited to Government accounts through challans can be used as tax credits, the Department needs to confirm their set-off from the concerned State. These are detailed in *Appendix-2.13*.

During the exit conference (December 2024), the Secretary stated that cases will be examined for their set-off of tax and penalty.

### **2.13.2.3 Short levy of tax and penalty during EWB verification**

Audit noticed that in two EWB booked cases, the Department released the goods vehicles without collecting the proper tax and penalty. In first case, the vehicle was transporting goods without EWB and in other case the vehicle number in Part-II-B of the FORM GST EWB-01 was not updated. Hence, tax and penalty of ₹ 2.82 lakh u/s 129 (1) of CGGST Act, 2017 should have been levied and collected; however the department levied and collected tax and penalty of ₹ 0.45 lakh only leading to short levy of tax and penalty of ₹ 2.37 lakh. These are detailed in *Appendix-2.14*.

On being pointed out (June 2024), the Government replied (October 2024) in one case that there was no evasion of tax. The error occurred due to procedural and technical reason. In the other case, it replied that an amount of ₹ 25,000/- was deposited through DRC-03 on 03.11.2020. The reply was not convincing as in the first case there was no EWB for the goods transported at the time of interception of the vehicle and in other case there was an invalid EWB as the vehicle number in Part-II-B was not updated. Hence, tax and penalty u/s 129 is to be levied which was not done in these cases.

During the exit conference (December 2024), the Secretary stated that cases will be examined and suitable action will be taken.

**Recommendation No. 10: The Department may verify the remaining booked cases to ensure the tax and penalties collected during interception of vehicles were correct and whether they were set-off.**

## **2.14 Conclusion**

The PA on EWBs under GST system was undertaken with an objective to verify the effectiveness of EWB system in protecting interest of the Government revenue and efficiency of Preventive/Enforcement formations in enforcing provisions related to EWB system.

The EWB system includes process of enrollment for unregistered persons/citizens, generation of EWB electronically and its validation, extension, cancellation, rejection etc. Blocking of EWB generation functionality of non-filers of return was enabled on the EWB common portal with effect from 01 December 2019. NIC had integrated VAHAN database with EWB Portal and tracked the movement of vehicles with Fast-tag database. NIC also provides with effect from 01 January 2021, the movement details of the vehicles concerned (in the Map) indicating the origin and destination of all the EWBs based on the source and destination PIN codes etc.

Despite the above initiatives, the existing EWB system has substantial systemic deficiencies related to interlinking of EWB and GSTN portals which remained

undetected by the system. These deficiencies allowed ineligible taxpayers continue under composition scheme without being brought under the ambit of normal taxpayer of GST, generation of EWBs by cancelled taxpayers/multiple EWBs on the same invoices/EWBs for the transactions effected through risky vehicles/EWBs by non-filers of return/EWBs by composition taxpayers for inter-state outward supply etc.

In addition to system deficiencies, substantive audit resulted in detection of compliance issues like non-discharge of tax liability (20 cases), avilment of ineligible ITC (four cases), incorrect passing of ITC (five cases) involving potential tax effect of ₹ 20.34 crore.

Besides, 1,719 cases involving assessable value of ₹ 631.49 crore having revenue impact of ₹ 108.10 crore were also detected centrally through data analysis of EWBs related to identified KPAs and have been shared with the Department for further remedial action.

Thus, the system, though designed to monitor non-compliance of the statutory provisions, instances of vulnerabilities/deviations having revenue impact were detected during audit which the Department needs to look into.

Regarding the preventive mechanism, there was no dedicated setup and separate staff strength for EWB verification. There was no specific target for conducting EWB verifications either. The system for sharing analytical reports with the taxpayers' jurisdictional authorities for using them in scrutiny in return was found to be deficient.

## **2.15 Summary of recommendations:**

Based on the audit findings, the Department may consider the following recommendations:

1. ***Necessary validation control in the EWB system needs to be incorporated to:-***
  - ***prevent the Composite levy scheme taxpayer for generating EWBs for inter-state outward supply;***
  - ***prohibit generation of EWBs by cancelled taxpayers;***
  - ***prevent use of same/similar invoice in generation of multiple EWBs;***
  - ***ensuring generation of EWBs only after validation of proper vehicle details through VAHAN database for transportation of goods;***
  - ***block the EWB generation facilities for the taxpayers who have not filed returns for the prescribed period.***
2. ***The Department may:-***
  - ***instruct its field formations for timely production of records in the lines of the instructions issued by CBIC;***
  - ***issue guidelines for verification of EWBs and scrutiny of returns of taxpayers having multiple registrations with the same PAN;***
  - ***utilise the analytical reports of EWB generated by NIC to ascertain deficiencies in tax compliance by the taxpayers and share the same with the Jurisdictional authorities for use in the scrutiny of returns;***

- *consider taking up for mapping the analytical reporting module of NIC EWB mechanism with GSTN common portal for preventing cases of passing of ITC without movement of goods;*
- *verify the remaining booked cases to ensure the tax and penalties collected during interception of vehicles were correct and whether they were set-off.*