



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Compliance Audit
for the year ended March 2021**



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



Government of Maharashtra
Report No. 3 of the year 2023

**Report of the
Comptroller and Auditor General of India
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Compliance Audit
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**GOVERNMENT OF MAHARASHTRA
Report No. 3 of the year 2023**

TABLE OF CONTENTS

	Reference	
	Paragraph Number	Page Number
Preface		ix
Executive Summary		xi - xv
CHAPTER-I INTRODUCTION		
About this report	1.1	1
Audited entity profile	1.2	1
Authority for audit	1.3	2
Organisational structure of the offices of the Principal Accountant General (Audit)-I, Mumbai and the Accountant General (Audit)-II, Nagpur	1.4	2
Planning and conduct of audit	1.5	3
Responsiveness of Government to Audit	1.6	3
CHAPTER II AUDIT OF TRANSACTIONS (STATE GOVERNMENT DEPARTMENTS)		
Public Works Department		
Buildings and Roads Deposit Works undertaken by Public Works Department	2.1	7
Undue benefit to the Concessionaire of ₹ 1.44 crore on account of delay in recovery of expenditure incurred by the department on repair works	2.2	21
Avoidable expenditure of ₹ 3.48 crore on widening of a road length notified as National Highway	2.3	23
Revenue and Forest Department		
Implementation of the scheme of Creation of Swargiya Uttamrao Patil Van Udyans in Maharashtra	2.4	25
Department of Goods and Services Tax		
GST Transitional Credits	2.5	36
GST Refunds	2.6	49
Short levy of Tax	2.7	69
Short levy of interest due to incorrect calculation	2.8	69
Excess grant of refund under MVAT	2.9	70
Stamp Duty and Registration Department		
Short levy of Stamp Duty in cases of lease deed	2.10	71

	Reference	
	Paragraph Number	Page Number
Short levy of Stamp Duty due to undervaluation of property	2.11	76
Short levy of Stamp Duty in conveyance deed due to incorrect/non-application of provision of MS Act and ASR	2.12	82
Short levy of Stamp Duty due to non-consideration of distinct matters in one instrument and clubbing of Mortgage Deeds	2.13	84
Short levy of Stamp Duty in release deed	2.14	84
CHAPTER III AUDIT OF TRANSACTIONS (STATE PUBLIC SECTOR UNDERTAKINGS)		
Energy Department		
Maharashtra State Electricity Distribution Company Limited		
Performance of Maharashtra State Electricity Distribution Company Limited Pre and Post Ujwal DISCOM Assurance Yojana (UDAY)	3.1	87
Transport Department		
Maharashtra State Road Transport Corporation		
Follow up Audit of Performance audit on 'Computerisation of e-ticketing system in Maharashtra State Road Transport Corporation'	3.2	101
Unfruitful expenditure of ₹ 4.05 crore	3.3	114

APPENDICES	Appendix Number	Page Number
Statement showing the cluster-wise list of departments, autonomous bodies and public sector undertakings under the jurisdiction of the Accountant General (Audit)-II, Maharashtra, Nagpur	1.1	117
Department wise Outstanding Inspection Report/Paras issued upto December 2020 but outstanding as on 30 June 2021	1.2	119
Position of outstanding EMs/UORs	1.3	121
Cluster wise position of PAC/COPU recommendations on which Action Taken Notes were awaited	1.4	122
List of sampled Divisions	2.1.1	123
Short release of fund	2.1.2	124

APPENDICES	Appendix Number	Page Number
Works halted due to paucity of funds & Incomplete works	2.1.3	125
Details of delay in testing of cement concrete cubes	2.1.4	126
Statement showing Ordinary Repairs carried out on risk and cost	2.2.1	127
Details of Bio-diversity parks taken up for creation in the selected 15 districts	2.4.1	129
Excess credit carried forward under section 140 (1), 140 (4) (a) as per Table 5c	2.5.1	130
Irregular credit carried forward under Sn.140(1), 140(4)(a), as per Table 5c without filing legacy return	2.5.2	137
Irregular availment of credit from previous legacy returns	2.5.3	138
Irregular carry forward of Unavailed Cenvat credit in respect of capital goods under Section 140(2) as per Table 6(b)	2.5.4	139
Irregular availment of credit of taxes on input held in stock or inputs contained in semi-finished or finished goods held in stock under Section 140(4)(b), 140(6) & 140(7) by Builders & Developers	2.5.5	140
Statement showing cases where Excess payment of GST Refund due to issue of double payment advice (Tax payer repaid the excess refund)	2.6.1	142
Statement showing cases where Excess payment of GST Refund due to issue of double payment advice (Tax payer not repaid the excess refund)	2.6.2	144
Statement Showing List of Refund cases in which deficiency noticed (Delay in acknowledgement of applications) pre-automation	2.6.3	145
Statement Showing List of Refund cases in which deficiency noticed (Delay in acknowledgement of applications) Post Automation	2.6.4	146
Statement Showing List of Refund cases in which deficiency noticed (Provisional refund on account of zero rated supply not sanctioned within time) Pre-automation	2.6.5	147
List of Refund cases in which deficiency noticed (Provisional refund on account of zero rated supply not sanctioned within time) Post-automation	2.6.6	148
Statement Showing List of Refund cases in which deficiency noticed (Interest due-paid/not paid) Pre-automation	2.6.7	149

APPENDICES	Appendix Number	Page Number
Statement Showing List of Refund cases in which deficiency noticed (Final refund order not issued within time Interest due-paid/not paid) Post automation	2.6.8	150
Statement Showing List of Refund cases in which deficiency noticed (Excess allowance of refund due to mismatch of Zero Rated Adjusted Turnover)	2.6.9	151
Statement Showing List of Refund cases in which deficiency noticed (Excess refund due to consideration of incorrect components in case of zero rated goods/services – Incorrect Input Tax Credit)	2.6.10	152
Statement Showing List of Refund cases involving excess sanction of Refund due to consideration of incorrect components in case of zero rated goods/services- Irregular grant of refund on capital goods	2.6.11	153
Statement Showing Excess refund due to consideration of incorrect components in case of Inverted Duty Structure (Mismatch of inverted turnover with Statement 1-A/Annexure-B/GSRT 3B)	2.6.12	154
Statement Showing Excess refund due to consideration of incorrect components in case of Inverted Duty Structure (Incorrect determination of Adjusted Total Turnover)	2.6.13	155
Statement Showing Excess refund due to consideration of incorrect components in case of Inverted Duty Structure (Mismatch of Net ITC)	2.6.14	157
Statement Showing List of Refund cases showing non-compliance to instructions for re-credit and recovery of wrong/ineligible ITC	2.6.15	158
Statement Showing List of Refund cases in which Refunds sanctioned without submission of invoice details by the tax payers for refund under inverted duty structure (Annexure B)	2.6.16	160
Short Levy of Tax	2.7.1	166
Short levy of interest due to incorrect calculation	2.8.1	167
Excess grant of refund under MVAT	2.9.1	168
Short levy of Stamp Duty of ₹ 1.06 crore on lease deed due to non-consideration of constructed area	2.10.1	173
Short levy of Stamp Duty of ₹ 1.16 crore due to under valuation of property	2.10.2	174

APPENDICES	Appendix Number	Page Number
Short levy of Stamp Duty of ₹ 12.29 lakh due to undervaluation of property	2.10.3	175
Short levy of Stamp Duty of ₹ 16.26 lakh due to non-consideration of renewal period of lease	2.10.4	176
Short levy of Stamp Duty of ₹ 21.93 lakh due to non consideration of renewal period of lease	2.10.5	177
Short levy of Stamp Duty of ₹ 4.00 crore on renewal of lease deed	2.10.6	178
Short levy of Stamp Duty of ₹ 39.39 lakh due to incorrect calculation of market value	2.11.1	179
Short levy of Stamp Duty of ₹ 55.13 lakh due to incorrect calculation of owner's share	2.11.2	180
Short levy of Stamp Duty of ₹ 1.07 crore due to incorrect consideration of Owner's share	2.11.3	182
Short levy of Stamp Duty of ₹ 10.27 lakh due to incorrect calculation of Owner's share	2.11.4	184
Short levy of Stamp Duty of ₹ 91.43 lakh due to undervaluation of property	2.11.5	185
Short levy of Stamp Duty of ₹ 17.70 lakh due to incorrect calculation of consideration – Redevelopment of Society	2.11.6	186
Short levy of Stamp Duty of ₹ 40.96 lakh due to undervaluation of property	2.12.1	189
Short levy of Stamp Duty of ₹ 56.06 lakh due to undervaluation of property	2.12.2	190
Short levy of Stamp Duty of ₹ 30.00 lakh due to clubbing of Mortgage Deeds	2.13.1	191
Short levy of Stamp Duty of ₹ 23.12 lakh due to undervaluation of property	2.14.1	192

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 the State of Maharashtra under Article 151 of the Constitution of India.

This report relates to audit of the Government Departments, Autonomous Bodies and Public Sector Undertakings of the Government of Maharashtra (GoM) conducted under the provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Regulations on Audit and Accounts, 2020 issued there under by the Comptroller and Auditor General of India. This report is required to be placed before the State Legislature under Article 151 (2) of the Constitution of India.

The instances mentioned in this report are those, which came to notice in the course of test audit for the period 2019-20 and 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 (March 2017) issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of government departments, autonomous bodies and public sector undertakings of the Government of Maharashtra. Compliance Audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the authorities are being complied with.

The primary purpose of this Report is to bring important results of audit to the notice of the State Legislature. The findings of audit are expected to enable the executive to take corrective actions and also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisation, thus contributing to better governance.

This Report includes audit findings in three chapters. **Chapter I** includes “Introduction, Audited entity profile, Planning and conduct of audit and responsiveness of Government to Audit”, **Chapter II** includes Audit observations related to State Government Departments and **Chapter III** includes Audit observations related to Public Sector Undertakings.

A synopsis of Key findings contained in this report is presented below:

Chapter-I: Introduction

There are 14 departments, 9 autonomous bodies and 64 public sector undertakings of the Government of Maharashtra headed by Additional Chief Secretary/Principal Secretaries/Secretaries which are audited by the Accountant General (Audit)-II, Maharashtra, Nagpur.

Explanatory Memorandum on 112 paragraphs and reviews included in the Audit Report were outstanding. Action Taken Notes on 319 recommendations of Public Accounts Committee and Committee on Public Undertakings were pending from 14 departments.

Chapter –II: Audit of Transactions: State Government Departments

Buildings and Roads Deposit Works undertaken by Public Works Department

Audit of Buildings and Roads Deposit works undertaken by Public Works Department revealed that inadequate release of funds by the user department led to stalling of the works and creation of liability for the PWD. A huge amount of ₹ 22 crore of scarce government funds remained unutilized with the PW divisions even after completion of deposit works. The user departments could not utilize the constructed buildings/infrastructure for the intended purpose for want of electrification, water supply and non-handing over of the completed buildings by the PWD. Instances of inadequate survey and improper estimation resulting in avoidable extra items and excess quantities were observed. Deficiencies in adhering to specified quality control norms were noticed. Instances of diversion of funds, generation of multiple IDs for same work and non-display of status of work in the DCMS were also noticed. Lack of monitoring and control on deposit works led to scarce financial

resources of GoM remaining unutilized or blocked on account of incomplete works.

Implementation of the scheme of creation of Swargiya Uttamrao Patil Van Udyans in Maharashtra

Out of 67 Bio-diversity Parks (BDPs), termed as ‘Swargiya Uttamrao Patil Van Udyan’ taken up by the GoM under the scheme, only 15 BDPs could be completed and handed over (March 2021). The improper selection of sites resulted in unsuccessful plantations and creation of parks on non-government land. There was absence of budgetary and expenditure controls, short release of funds resulted in extension of scheme and majority of parks remained incomplete. Audit observed non-completion of BDPs within stipulated period and deterioration of assets created as there was no provision in the DPR for maintenance of assets formed during creation of BDPs.

Goods and Service Tax Transitional Credits

Audit of “Goods and Service Tax transitional credits” revealed cases of excess availment of transitional credits due to irregular declaration in GST TRAN-1 by tax payers. Irregular transitional credit was availed by tax payers though they did not file all the prescribed returns. Audit also observed the cases of irregular availment of transitional credit on capital goods, goods in transit and input contained in work in progress/finished goods. Commissioner of State Tax failed to produce the records pertaining to verification of the claims of transitional credits availed by tax payers to Audit for scrutiny in spite of repeated requisitions due to which audit could not verify effectiveness of department’s verification and internal control mechanism regarding transitional credit.

Goods and Service Tax refunds

Audit of “Goods and Service Tax refunds” revealed that the electronic credit/cash ledgers of the tax payer were not debited before generation of Application Reference Number of the refund application resulting in irregular grant of refund. There were cases of delayed issuance of refund order, thereby, creating liability of payment of interest. The grant of provisional refunds in excess of total due amount were also noticed. Department granted refund on account of zero rated exports without obtaining the proof of exports. Department erred in considering the input tax credit on capital goods, input services and pre-GST invoices for grant of refund wherever applicable. The cases of consideration of incorrect values of components such as Adjusted Total Turnover, Net Input Tax Credit, values of invoices which resulted in excess refunds were noticed. On rejection of refund claim of unutilized ITC on account of ineligibility of the said credit, the Department did not ensure re-credit of rejected amount in the Electronic Credit Ledger of the claimant. Department did not submit data of communication of refund orders to counterpart tax authorities, data relating to conduct of post-audit of refund claims and data of mode of payment of GST refunds to the tax payer for audit scrutiny despite repeated requests.

Individual Audit Observations

- Audit observed undue benefit to the Concessionaire of ₹ 1.44 crore on account of delay in recovery of expenditure incurred by the department

on repair works and in another case avoidable expenditure of ₹ 3.48 crore on widening of a road length notified as National Highway was noticed.

- Audit of VAT offices revealed Short levy of Value Added Tax and interest thereon to the tune of ₹ 11.72 lakh due to application of incorrect rate of tax. Further in another two cases it was noticed short levy of interest under section 30(3) of Maharashtra Value Added Tax Act, 2002 of ₹ 47.06 lakh and an Excess refund to the tune of ₹ 21.56 lakh due to grant of inadmissible allowance of set-off on inputs utilized in construction of Factory Building.
- Audit of offices under Stamp Duty and Registration Department revealed Short levy of Stamp Duty of ₹ 6.72 crore in 14 cases of lease deeds due to non-consideration of constructed area in one case, non-consideration of renewal clause in two cases and undervaluation of market value in 11 cases.
- In three cases audit noticed Short levy of Stamp Duty of ₹ 2.02 crore due to not working out the correct market value of property or consideration in revenue sharing agreements. In another two cases audit noticed Short levy of Stamp Duty ₹ 0.97 crore in conveyance deed due to incorrect/non-application of provision of Maharashtra Stamps Act, 1958 and Annual Statement of Rates. Further in one case Short levy of Stamp Duty of ₹ 0.30 crore due to clubbing of Mortgage Deed and Short levy of Stamp Duty ₹ 0.23 crore in one case of release deed was noticed.

Chapter III: Audit of Transactions: State Public Sector Undertakings

Performance of Maharashtra State Electricity Distribution Company Limited Pre and Post Ujwal DISCOM Assurance Yojana (UDAY)

Audit of UDAY scheme revealed that though MSEDCL received an amount of ₹ 4,960 crore from GoM under the scheme to repay its high cost debt, it did not receive any other dedicated fund to achieve various operational parameters. As a result, MSEDCL was left to improve its operational parameters through its own resources or under other Central/State schemes. At the time MSEDCL approached (March 2017) the GoM for availing guarantee for raising bonds of ₹ 1,653 crore in accordance with the GR (December 2016), GoM denied standing guarantee to MSEDCL for raising the funds. There was no firm commitment from GoM departments to expeditiously clear the outstanding dues of MSEDCL. MSEDCL could not achieve its targets of bringing down the AT&C losses to the desired level. On the contrary, AT&C losses of MSEDCL had increased from 16.94 *per cent* in 2018-19 to 20.73 *per cent* in 2020-21 due to poor collection mainly from agricultural consumers and various State Government departments. Thus, the main objectives of achieving financial and operational turnaround of MSEDCL were not achieved inspite of implementing UDAY scheme.

Follow-up audit of performance audit on ‘Computerisation of e-ticketing system in Maharashtra State Road Transport Corporation’

Follow-up audit of Performance Audit on ‘Computerisation of e-ticketing system in Maharashtra State Road Transport Corporation’ revealed that the recommendations of the Committee on Public Undertakings (COPU) have not been fully complied within the prescribed time period of two months. The audit also revealed that potential revenue loss on sale of tickets due to delay in fixing the contract advertisement and issues related to various concession through Electronic Ticket Issuing Machine¹ (ETIM) were not addressed. Implementing and maintaining ETIM and Online Reservation System (ORS) did not have sufficient input controls and validation checks in place to have complete and reliable data.

Individual Audit Observation

- Construction of depot at Manchar by the MSRTC within 30 kms of two existing depots against its own policy resulted in unfruitful expenditure of ₹ 4.05 crore.

Main recommendations

Chapter –II: Audit of Transactions: State Government Departments

Buildings and Roads Deposit Works undertaken by Public Works Department

1. *The Government may ensure that the user departments deposit the funds in time to PWD so that works are executed without delay.*
2. *Government may ensure timely completion and handing over of the completed works to user departments.*
3. *The Government may ensure streamline the DCMS and strengthen the internal control and monitoring system of deposit works.*

Goods and Service Tax Transitional Credits

1. *Department should ensure timely submission of records to Audit.*
2. *The Department may revisit the provisions of internal circular No.23A of 2018 and issue clarification on un-availed ITC on Capital goods.*
3. *Department should ensure compliance of all required conditions for availment of transitional credit by tax payer to avoid irregular/excess availment/utilisation of Input Tax Credit by the tax payer.*
4. *Department needs to initiate action for issue of demand notices to the assessee concerned for recovery of irregular excess availment of transitional credit.*

¹ Application developed to capture the details of all tickets issued to the passengers boarding the bus by the conductor through the machine called Electronic Ticket Issuing Machine (ETIM)

Goods and Service Tax refunds

1. Department should ensure debit to the electronic credit/cash ledger before generation of Application Reference Number and issue of refund orders.
2. Department should ensure availability and production of requisitioned records/statements to audit.
3. Compliance to codal provisions and instructions issued by the Government from time to time may be ensured for correct and timely disposal of the refund cases.

Chapter III: Audit of Transactions: State Public Sector Undertakings

Performance of Maharashtra State Electricity Distribution Company Limited (MSEDCL) Pre and Post Ujwal DISCOM Assurance Yojana (UDAY)

1. GoM may ensure that all electricity dues of MSEDCL from departments and local bodies towards public water works and street lights are cleared in a time bound manner.
2. MSEDCL should complete DT metering and feeder segregation expeditiously and reduce the AT&C losses to 15 per cent or less by improving its billing and collection efficiency.

CHAPTER – I

INTRODUCTION

CHAPTER I

INTRODUCTION

1.1 About this report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of government departments, autonomous bodies and public sector undertakings of the Government of Maharashtra (GoM) falling under various clusters under the jurisdiction of Accountant General (Audit)-II, Maharashtra, Nagpur. The cluster wise list of departments, autonomous bodies and public sector undertakings audited by this office is shown in **Table 1.1**. The details are given in **Appendix 1.1**.

Table 1.1: Cluster wise list of departments, autonomous bodies and public sector undertakings audited by this office

Name of the cluster	Number of departments	Number of autonomous bodies	Number of public sector undertakings
Energy and Power	1	2	8
Industry and Commerce	2	1	32
Transport	2	1	6
Environment, Science and Technology	2	2	4
Public Works	2	1	9
Finance	2	--	3
IT and Communication	1	--	1
Law and Order	2	2	1
Total	14	9	64

Compliance audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of this report is to bring the important results of audit to the notice of the State Legislature. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the executive to take corrective actions as also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisations thus, contributing to better governance.

1.2 Audited entity profile

The departments in the State at the Secretariat level are headed by Additional Chief Secretaries/Principal Secretaries/Secretaries and assisted by Directors/Commissioners and sub-ordinate officers.

A summary of the state government's fiscal transactions during 2020-21 *vis-à-vis* the previous years is given in **Table 1.2**.

Table1.2: Summary of fiscal operations during 2019-20 and 2020-21

(₹ in crore)

Receipts	2019-20	2020-21	Disbursements	2019-20	2020-21
Section-A:Revenue					
Revenue receipts	283190	269468	Revenue expenditure	300305	310610
Tax revenue	188948	164255	General services	100050	103854
Non-tax revenue	14297	15976*	Social services	122947	122024*
Share of Union Taxes/Duties	36220	36504	Economic services	56044*	64336
Grants from Government of India	43725	52733	Grants-in-aid and Contributions	21264	20396
Section B:Capital and Others					
Miscellaneous Capital Receipts	0	0	Capital Outlay	36416	29687
Recoveries of Loans and Advances	1615	1612	Loans and Advances disbursed	1970	2342
Public debt receipts @	55396	87357	Repayment of Public Debt@	22868	26427
Appropriation from Contingency fund	7350	11500	Appropriation to Contingency fund	15350	1500
Contingency Fund	15350	10500	Contingency Fund	16350	11500
Public Account Receipts	119634	88531	Public Account Disbursements	100329	74787#
Opening Cash Balance			Closing Cash Balance		
a) Sinking Fund	34488	41427	a) Sinking Fund	41427	45738
b) Cash balance	32781	15055\$	b) Cash balance	14789	22859
Total	549804	525450	Total	549804	525450
@ Excluding net transaction under ways and means advances (₹ 1,757.61 crore) and overdraft: (nil) (2019-20) Excluding net transaction under ways and means advances and overdraft (receipt and disbursement ₹ 31,159 crore) (2020-21) #Lower Rounding *Higher Rounding \$Differs by ₹ 266.57 crore adjusted proforma due to rectification of misclassification Source: Finance Accounts of respective years					

1.3 Authority for audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The C&AG conducts audit of expenditure and revenue of the departments, autonomous bodies and public sector undertakings of GoM under the provisions of the DPC Act and Regulations on Audit and Accounts, 2020 issued by the C&AG.

1.4 Organisational structure of the offices of the Principal Accountant General (Audit)-I, Maharashtra, Mumbai and the Accountant General (Audit)-II, Maharashtra, Nagpur

Under the directions of the C&AG, the offices of the Principal Accountant General (Audit)-I, Maharashtra, Mumbai and the Accountant General (Audit)-II, Maharashtra Nagpur conduct the audit of various Government departments & offices, autonomous bodies and public sector undertakings

(audited entities) falling under them. While eight clusters fall under the jurisdiction of the Principal Accountant General (Audit)-I, Maharashtra, Mumbai, the remaining eight clusters are under the jurisdiction of the Accountant General (Audit)-II, Maharashtra Nagpur as shown in **Table 1.3**.

Table 1.3: Details of clusters

Sr. No.	Clusters falling under the jurisdiction of Principal Accountant General (Audit) I, Maharashtra, Mumbai	Clusters falling under the jurisdiction of Accountant General (Audit) II, Maharashtra, Nagpur
1.	Health & Welfare	Energy and Power
2.	Education, Skill Development and Employment	Industry and Commerce
3.	Rural Development	Transport
4.	Agriculture, Food & Allied industries	Environment, Science and Technology
5.	Water Resources	Public Works
6.	Urban Development	Finance
7.	Culture and Tourism	IT and Communication
8.	General Administration	Law and Order

1.5 Planning and conduct of audit

The audit process starts with the assessment of risk faced by audited entities based on expenditure incurred and revenue generated, criticality and complexity of activities, the levels of delegated financial powers and assessment of overall internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. The frequency and extent of audit are decided, based on this risk assessment.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the offices inspected. The Heads of the offices inspected are requested to furnish replies to the audit findings within one month of receipt of the IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for inclusion in the audit reports which are submitted to the Governor under Article 151 (2) of the Constitution of India.

1.6 Responsiveness of Government to Audit

1.6.1 Inspection reports outstanding

Periodical inspections of government departments, autonomous bodies and Public Sector Undertakings are conducted to test-check their transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with IRs which are issued to the heads of the offices inspected, with copies to the next higher authorities. Half-yearly detailed statements of pending IRs are sent to the secretaries of the departments concerned to facilitate monitoring of action taken on the audit observations included in the IRs.

As of June 2021, 4848 IRs (14,420 paragraphs) were outstanding for settlement. Year-wise details of IRs and paragraphs are shown in *Appendix 1.2*.

1.6.2 Departmental Audit committee

The Finance Department, GoM instructed (December 1985) all the administrative departments to constitute Audit Committee, to review outstanding IRs and paragraphs and to take prompt action for their settlement. The Audit Committee is chaired by the Joint Secretary of the administrative department with Joint Director, Accounts and Treasuries as member and Deputy Director of Accounts and Treasuries as the convener. A representative from the audit office not below the rank of Deputy Accountant General assists the Audit Committees. The Audit Committee Meetings (ACMs) are required to be held at least once in every quarter.

During 2019-20 and 2020-21, six ACMs were conducted as indicated in **Table 1.4**.

Table 1.4: ACMs conducted during 2019-20 and 2020-21

Sr. No.	Name of the Administrative Department	No. of ACMs held	No. of IRs settled	No. of paras settled
1.	Finance	01	Nil	396
2.	Revenue, Registration and Stamps	04	Nil	545
3.	Energy	01	04	20
Total		06	04	961

As seen from the **Table 1.4**, very few Audit Committee meetings were convened by the department, despite the pendency of large number of inspection report paragraphs. Further, out of 14 administrative departments under the audit jurisdiction of the Accountant General (Audit)-II, Maharashtra, Nagpur, ACMs of only three administrative departments were conducted during 2019-20 and 2020-21.

1.6.3 Response of departments to draft paragraphs and compliance audits

Seventeen draft paragraphs appearing in this report, including five compliance audit paragraphs and one follow up audit paragraph, were forwarded demi-officially to the principal secretaries/secretaries of the departments concerned between May 2021 and December 2021 with a request to send responses within six weeks. No replies were received (August 2022) in respect of eight audit paragraphs featured in this report.

In response to our audit observations seven divisions¹ refunded the unspent balance amounting to ₹ 5.92 crore pertaining to 49 completed or cancelled deposit works; two Public Works Divisions (PWD, Amravati and PWD Nagpur-3) recovered charges on account of insurance premium for extended period of four works amounting to ₹ 15.45 lakh.

1.6.4 Follow-up on audit report

According to instructions issued by the Finance Department, GoM in January 2001, administrative departments were required to furnish Explanatory Memoranda (EMs) duly verified by Audit to the Maharashtra Legislature Secretariat in respect of paragraphs included in the Audit Reports of the C&AG of India, within three months of presenting the audit reports to

¹ Public Works Division – Bhokar, Buldana, Hingoli, Kolhapur, South Pune; Integrated Unit (Medical) PW Nagpur, Special Project Division, Yavatmal

the state legislature. The administrative departments, however, did not comply with these instructions. The status of outstanding EMs from 2014-15 to 2018-19 is indicated in **Table 1.5**. The Cluster-wise details are shown in **Appendix 1.3**.

Table 1.5: Status of outstanding EMs for Audit Reports of year 2014-15 to 2018-19

Audit report	Date of tabling of Report	Number of paragraphs and Reviews	Number of EMs received	Balance
2014-15	13 April 2016 (ES)	1	1	0
	13 April 2016 (RS)	18	2	16
	05 August 2016 (PSUs)	7	3	4
2015-16	11 August 2017 (RS)	25	1	24
	07 April 2017 (PSUs)	7	0	7
2016-17	28 March 2018 (ES)	2	2	0
	20 July 2018 (RS)	31	5	26
	20 July 2018 (PSUs)	8	0	8
2017-18	02 July 2019 (ES)	4	1	3
	4 March 2020 (RS)	18	11	7
	4 March 2020 (PSUs)	7	0	7
2018-19	08 September 2020 (ES)	4	1	3
	08 September 2020 (RS)	11	6	5
	08 September 2020 (PSUs)	2	0	2
Total		145	33	112

Note: ES -Economic Sector Report, RS- Revenue Sector Report

As seen from the Table 1.5 out of 145 paragraphs and reviews included in Audit Reports, 112 EMs were outstanding.

The Public Accounts Committee (PAC) and the Committee on Public Undertakings (COPU) lay down in each case, the period within which action taken notes (ATNs) on its recommendations should be sent by the departments with a view to ensuring accountability of the Executive in respect of all the issues dealt with in the Audit Reports.

During 2015-16 and 2020-21, the PAC and COPU discussed 123 paragraphs pertaining to the Audit Reports for the years from 2010-11 to 2015-16 and gave 355 recommendations of which, ATNs were pending on 319 recommendations as indicated in **Table 1.6**.

Table 1.6: Position of outstanding ATNs on PAC/COPU recommendations

Year of Audit Report	Audit Report	PAC/COPU Report Number	Year of PAC/COPU	Number of PAC/COPU recommendations	Number of ATNs awaited
2010-11	ES	12	2015-16	2	1
	PSUs	1	2020-21	6	6
		6, 11, 7	2015-16	5	5
2011-12	RS	33	2017-18	17	17
		34	2017-18	64	64
	PSUs	5	2015-16	1	1
		18	2017-18	3	3
		6	2015-16	2	2
2012-13	RS	37	2017-18	34	31
	ES	45, 60	2017-18	26	25
	PSUs	6	2015-16	1	1

Year of Audit Report	Audit Report	PAC/COPU Report Number	Year of PAC/COPU	Number of PAC/COPU recommendations	Number of ATNs awaited
2013-14	RS	15	2015-16	29	6
	PSUs	16	2017-18	1	1
		7	2015-16	1	1
2014-15	RS	66	2017-18	5	5
		53	2017-18	46	46
		54	2017-18	37	37
	ES	43	2017-18	20	19
	GSS	61	2017-18	13	12
	PSUs	2	2020-21	5	5
		18	2017-18	3	3
2015-16	RS	19	2015-16	9	8
		56	2017-18	12	12
	ES	39	2017-18	13	8
Total				355	319

The department-wise position of PAC and COPU recommendations on which ATNs were awaited (May 2022) is indicated in **Appendix 1.4**. As seen from Appendix 1.4, out of 319 ATNs awaited from 14 departments, maximum ATNs (129 ATNs) were pending from Finance Cluster.

CHAPTER – II

AUDIT OF TRANSACTIONS: STATE GOVERNMENT DEPARTMENTS

CHAPTER II

Audit of Transactions: Government Departments

Audit of transactions of the government departments brought out instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy.

PUBLIC WORKS DEPARTMENT

2.1 Buildings and Roads Deposit Works undertaken by PWD

Inadequate release of funds by the user department led to stalling of the works and creation of liability for the Public Works Department (PWD). Huge amount of scarce government funds remained unutilized with the PW divisions even after completion of deposit works. The user departments could not utilize the constructed buildings/infrastructure for the intended purpose, for want of electrification, water supply and non-handing over of the completed buildings by the PWD. Instances of inadequate survey and improper estimation resulting in avoidable extra items and excess quantities were observed. Deficiencies in adhering to specified quality control norms were noticed. Instances of diversion of funds, generation of multiple IDs for same work and non-display of status of work in the DCMS were also noticed. Lack of monitoring and control on deposit works led to scarce financial resources of GoM remaining unutilized or blocked on account of incomplete works.

2.1.1 Introduction:

The Public Works Department (PWD) Government of Maharashtra (GoM) is responsible for construction and maintenance of roads, bridges and Government buildings in the state. It also executes the construction works entrusted by other Government and semi-Government departments or organizations as 'Contribution and Deposit works' (Deposit Works). The works to be executed as deposit works are administratively approved by the Government and semi-Government departments or organizations termed as user department/agency, which release fund for this purpose to the divisions of the PWD. The technical sanction (TS) for the works is given by the PWD before tendering and executing these works. The accounting of the funds so received from the user agencies is being carried out since December 2017 through the "Deposit Contribution Monitoring System (DCMS)" developed by the National Informatics Centre, Pune.

The PWD in Maharashtra is headed by an Additional Chief Secretary and assisted by two Secretaries of Roads and Works wings. The execution of various deposit works of roads and buildings is carried out under the technical control of seven¹ regional Chief Engineers (CEs), assisted by 31 Superintending Engineers (SEs) at circle level, who in turn are assisted by 157 Executive Engineers (EEs) at division level. The divisions are responsible for the construction and maintenance of deposit works.

¹ Amravati, Aurangabad, Konkan, Mumbai, Nagpur, Nashik and Pune.

The Compliance Audit was conducted to derive an assurance that:

- (i) Funds received from the user departments/agency were in consonance with the requirement assessed by the divisions for execution of works and its utilization was in accordance with prescribed technical and financial norms/standards and as per requirement of user department.
- (ii) Tendering and contract management was fair, transparent, competitive and consistent with sectors' best practices, and contract variations and payments were managed efficiently as per provisions of agreements and financial rules; and
- (iii) An adequate and effective monitoring system was in place to ensure timely execution of works in accordance with the quality control norms.

Details of deposit works of roads and buildings in respect of 105 Public Works divisions for the period 2018-2021 were available on DCMS. Audit selected 26 Divisions (25 per cent) and seven CEs and 15 SEs as detailed in **Appendix 2.1.1** for detailed scrutiny. In view of the Covid-19 situation and restrictions thereon, nine out of 17 divisions (50 per cent) from Nagpur region, two divisions from Mumbai region (being smallest region) and three divisions each from the remaining five regions were sampled using IDEA software based on the total expenditure incurred during the period 2018-2021. In the 26 divisions, 385 works out of total 7184 deposit works were selected for audit² scrutiny.

The audit findings were communicated (November 2021) to the Government and discussed with Secretary (works), PWD, GoM during the exit conference (December 2021). The replies of the department have been suitably incorporated in the report.

Audit findings

2.1.2 Financial Management

PWD developed (December 2017) a "Deposit contribution Monitoring System (DCMS)" through NIC, Pune for monitoring the expenditure on deposit works. All transactions pertaining to deposits shall be carried out through the DCMS from (4.12.2017). The details of the funds received and expenditure incurred on deposit works during the period 2018-2021 through DCMS for the entire state and 26 sampled divisions is given in **Table 2.1.1**.

Table 2.1.1: Funds received and expenditure incurred on deposit works

Year	Funds received		Expenditure incurred	
	State	Sampled divisions	State	Sampled divisions
2018-19	3402.13	742.34	2858.69	481.38
2019-20	3014.02	911.43	3649.29	703.69
2020-21	2319.97	605.80	2929.83	535.02
Total	8736.12	2259.57	9437.81	1720.09

Source: Information furnished by department

² The quality control Circles and Electrical divisions for the sampled works were also audited on need basis.

2.1.2.1 Short release of funds by user departments

Para 301 and 303 of the MPW manual prescribes that the outlay on the deposit works must be limited to the amount of deposit received and the deposit amount must also be realized before creating any liability on account of such works. It is also stipulated that the necessary funds for the execution of the work must be realized and paid into the Government treasury.

Audit observed in 16³ divisions that 13 user departments, against the requirement of ₹ 331.16 crore, released ₹ 158.12 crore only for execution of 1240 deposit works resulting in short release of ₹ 173.04 crore as shown in the **Appendix 2.1.2**. This short-release of funds by the user departments had delayed the progress of the works as discussed in succeeding paragraphs.

State Government while accepting the facts stated (December 2021) that efforts were being made to receive funds from the user department.

Recommendation 1: The Government may ensure that the user departments deposit the funds in time to PWD so that works are executed without delay.

2.1.2.2 Non-refund of unspent balance in respect of completed deposit works

The GoM, guidelines (April 2017) on execution of deposit works provided that if total expenditure incurred on completion of the work is less than the deposit amount received, unspent balance need to be refunded to the user department.

Audit observed that in 11⁴ divisions, an amount of ₹ 22 crore pertaining to 151 deposit works was lying with these divisions for a period ranging from two months to 58 months from completion of these works. This resulted in blocking of Government money, which could have been utilized for execution of other works.

State Government stated (December 2021) that the deposit was lying for onward liabilities of work in progress and assured to verify and refund unspent balance, if any, after completion of work. Reply is not acceptable as the unspent balance should have been refunded as and when the works were completed.

2.1.2.3 Blocking of funds due to non-execution of works

Audit observed that 14⁵ PW divisions delayed execution of 270 deposit works, for periods ranging from one month to 67 months from the date of deposit of funds of ₹ 43.19 crore by the user departments as discussed in subsequent

³ PWD Amravati, Arvi, Aurangabad, Bhandara, Buldhana, Hingoli, Kolhapur, Nashik, Palghar, Pune, Wardha, Integrated Unit Medical (PW) Nagpur, PWD No.1 Chandrapur, PWD No.2 Gondia, PWD No.2 Nagpur and PWD No.2 Yavatmal.

⁴ PWD Amravati, Arvi, Aurangabad, Bhandara, Hingoli, Kolhapur, Sangamner, Integrated (M) Unit Nagpur, PWD No.1 Chandrapur, PWD No.2 Gondia, and PWD Presidency Mumbai.

⁵ PWD Amravati, Arvi, Aurangabad, Bhandara, Bhokar, Kolhapur, Malegaon, Sangamner, PWD No.1 Chandrapur, PWD No.2 Gondia, PWD No.2 Nagpur, PWD Presidency Mumbai, PWD (South) Pune and PWD No.2 Yavatmal.

paragraph 2.1.3.2 (i). This resulted in blocking up the huge amount of Government fund.

Government assured (December 2021) to review the works and instructed the CEs to take necessary action or otherwise refund the balance amount. Further progress was awaited (March 2022).

2.1.2.4 Irregular transfer of budget funds to the deposit head to avoid lapse of grant

The GoM Budget Manual prohibits retention of any excess amount by the Controlling Officers to meet the excess expenditure on any particular head or to keep the unspent grant in anticipation of any new work to be taken up in subsequent year out of such funds and any unspent amount within the financial year should be immediately returned to the Administrative Department of the Government. Further, the GoM, Finance department instructed (01.04.2019) to return unspent grant to government treasury else the amount lapses to the Government.

Audit observed that four⁶ PW divisions transferred ₹ 22.50 crore of the budgeted works to the Electrical divisions in the month of March of the financial year (March 2016, March 2018, March 2019 & March 2020). An amount of ₹ 14.24 crore was returned to these PW divisions after a period ranging from 80 days to 813 days by the Electrical divisions. The PW divisions credited this amount to the Deposit Contribution Monitoring System contravening the above manual provisions and Finance department's instructions. Thus, the budget funds were irregularly retained under deposit head to avoid lapse of grant instead of returning it to the Government account.

Further, in three budgeted⁷ works of two divisions, Arvi and Palghar, expenditure of ₹ 104.78 crore was booked under deposit head (MH 8443) to avoid lapse of grant during 2018-2021 as shown in **Table 2.1.2:**

Table 2.1.2: Details of budgeted works booked under deposit heads

(₹ in crore)					
Sr No.	Name of the Division	Name of the work and year	Major head	Amount	Expenditure till March 2021
1	Arvi	Basic public amenities of Newly established Nagar Panchayat at Karanja and Ashti, Year 2018-19	2217-9492	6.00	4.00
2	Palghar	Land acquisition for Railway Over Bridge (ROB), Year 2020-21	3054-0238	125.53	100.78
Total				131.53	104.78

Source: Information furnished by department

Thus, it can be seen that the budget grant was not only treated as deposit grant, but the works were executed as deposit works.

Further, out of ₹ six crore grant received by the Arvi division, there was a saving of ₹ two crore and the division refunded ₹ one crore to the Chief Officer, Nagar Parishad, Karanja, instead of remitting it into the Government

⁶ PWD Amravati, Aurangabad, Pune and PWD No.1 Chandrapur.

⁷ The estimates of expenditure embodied in the annual financial statement required to meet expenditure treated as charged upon the consolidated fund of state.

account before 31st March. Moreover, ₹ one crore was lying with the department.

Government accepted (December 2021) the facts and stated that care would be taken that no extra funds are transferred to avoid lapse of grant.

2.1.2.5 Irregular utilization of fund

Audit observed that PW division No.1 Chandrapur, received ₹ 13.76 crore between June 2010 and April 2011 from Karnataka EMTA Coal Mines Ltd. (KECML), Nagpur, a public sector company of Government of Karnataka, for construction of diversion road. However, this work was executed under 'Design-Build-Finance-Operate and Transfer' (DBFOT)⁸ arrangement through a concessionaire in 2014.

The division retained the deposit amount and instead of refunding it to KECML utilized it for another road work (improvement of Jam-Warora-Rajura-Asifabad Road km 86/100 to 88/00) part of which was proposed under Central Road Fund (CRF) works. This had resulted in irregular utilization of the deposit amount for carrying out the work not related to the purpose for which it was received.

Government stated (December 2021) that the matter was referred to the user department for the utilization of funds; however there was no response from them. Hence, the amount was utilized. The deposit amount was paid as part of Viability Gap Funding (VGF) to concessionaire thereby saving the share of the State government. Reply is not acceptable since the amount should have been refunded to the user department during the year 2014 when the road was constructed under DBFOT as prescribed under the guidelines or remitted to the Government account as lapsed deposit.

2.1.2.6 Diversion of funds

The PW manual, para 305, provides that at the written request of the user department the contribution on account of one work may, if there are savings, be utilized in meeting outlay on account of another work, the contributions for which may be in arrears.

Audit observed that in seven⁹ divisions, funds amounting to ₹ 5.07 crore allotted for 49 different works, were diverted from one work to another work within the same user department without prior consent and also across the user departments. This resulted in irregular diversion of funds without the consent of the user department.

Government stated (December 2021) that necessary permission from the user department would be obtained. Further progress was awaited (March 2022).

2.1.3 Preparation of estimates and execution of deposit works

The deposit works are executed by PWD under the provisions of MPW manual and GoM instructions issued from time to time.

⁸ By the PWD No.1 Chandrapur.

⁹ PWD Nashik, Malegaon, PWD No.1 Chandrapur, PWD No.2 Gondia, PW Presidency Mumbai, PWD No.2 Nagpur, and PW (South) Pune.

2.1.3.1 Preparation of estimates

The MPW manual provides that in case of works the estimate for which have been sanctioned by the competent authority, no addition or alteration, likely to cause an excess which will not fall within the powers of sanction of that authority, should be permitted without previous approval of a higher authority.

Audit observed that in respect of 15 works under eight¹⁰ out of 26 selected PW divisions quantity of work in excess of 125 *per cent* amounting to ₹ 15.76 crore was executed without prior approval of the competent authorities. This increase in quantities was due to change in the scope of original work such as footing of columns, raft foundation in lieu of RCC foundation, change in site location, demand from the user department *etc.*

Government stated (December 2021) that necessary instructions would be issued to the divisions to obtain prior approval of the competent authority and care would be taken in future.

2.1.3.2 Execution of works

i) Works affected due to land related issues

Para 251 of MPW manual provides that no work should be commenced on land which has not been duly handed over to the responsible civil officer. The land should be clear of all encumbrances before the orders to 'commence the work' are issued. Similarly, in respect of buildings to be constructed on Government land, the Sub-divisional officer in charge of the work should personally satisfy himself that the *line-out*¹¹ given is entirely within the Government land as per approved layout. Scrutiny of records revealed that works were taken up without having possession of clear land and as a result the works were either delayed or remained incomplete.

Audit observed that in eight¹² divisions 13 works were adversely affected due to encroachment. This resulted in delay in the completion of work, changes in the scope of work, incomplete works and stoppage of work.

Government stated (December 2021) that the user department did not make encroachment free land available. The reply of the Government is not acceptable, as PWD should not have commenced the work unless clear land was available in terms of provision *ibid.*

ii) Non-completion of works

As per Para 318 of the MPW Manual on completion of an original work on behalf of another department a completion certificate in standard form P.W 561 should be forwarded by the Executive Engineer to the Civil or military authority concerned, who should after signing it return it to the Executive Engineer. Government of Maharashtra PWD vide Resolution No. BDG-2017/CR-50/Bldg-2 dated 06.04.2017 has reiterated the procedure to be followed while executing deposit work. The MPWA Code and the MPW manual provides that outlay on deposit works need to be limited to the deposit

¹⁰ PWD Arvi, Bhandara, Bhokar, Integrated (M) Unit Mumbai, Integrated (M) Unit Nagpur, PWD No.1 Chandrapur, PWD No.2 Gadchiroli, and PWD No.2 Yavatmal.

¹¹ Demarcation.

¹² PWD Buldhana, Kolhapur, Malegaon, Nashik, Integrated (M) Unit Nagpur, PWD No. 2 Nagpur, PWD No.1 Thane and PWD No.2 Yavatmal.

amounts received and the contribution on account of savings on one work can be utilized in meeting outlay on account of another work contributions for which may be in arrears with the consent of user department.

➤ In two divisions, two buildings *i.e.* BC boys hostel Pulgaon, Wardha and BC boys hostel at Chamorshi, Gadchiroli constructed at a cost of ₹ 5.51 crore and ₹ 6.84 crore respectively could not be put to use for 17 and 25 months respectively as the buildings could not be electrified due to paucity of funds at Chamorshi and non shifting of high tension wires at Pulgaon. Lack of coordination between PWD and Electrical Divisions resulted in the buildings remaining unutilized, rendering expenditure of ₹ 12.35 crore as idle.

Government stated (December 2021) that the electrical works would be completed by March 2022.

➤ Audit observed in six works of five divisions, that the works started without receipt of deposit required for completion of the works as shown in **Appendix 2.1.3**.

Government stated (December 2021) that efforts were being made to obtain funds from the user department for completion of the work. The reply is not acceptable, as the work should have been started only after receipt of deposit from the user department.

➤ In Malegaon PW division a deposit work of construction of taluka sports complex was awarded (January 2015) to a contractor at a cost of ₹ 0.92 crore with completion period of 12 months from the date of work order. The contractor had executed work costing ₹ 0.96 crore till November 2016. The physically completed (November 2016) civil work was handed over (January 2021) to the user department. Audit observed that no funds were handed over to the electrical division for electrification work. Although the building was completed in November 2016 the work of electrification was still pending, rendering the entire sports complex non-functional and the entire expenditure of ₹ 0.96 crore unfruitful.

Government stated (December 2021) that the electrical work will be executed as and when the fund for electrification was available. Further progress was awaited (March 2022).

Recommendation 2: Government may ensure timely completion and handing over of the completed works to user departments.

iii) Non-compliance of contractual conditions

➤ **Non-recovery of liquidated damage and fine:** The B-2¹³ and EPC¹⁴ contracts provide for deduction of liquidated damages (LD) from payments due to the contractor in case of delay in completion of work or non-achievement of milestone (as per stipulated time-period) at prescribed rate limited to 10 *per cent* of contract value. Further B-2 contract provides for deduction of fine/penalty from payments due to the contractor for delay in completion of works or not maintaining the desired pace while executing the

¹³ Forms used for schedule contracts where the contractor undertakes to execute works at fixed rates.

¹⁴ Engineering, Procurement and Construction.

work. Audit observed in nine works of six¹⁵ divisions that though the contractors did not maintain the pace of work as per milestones specified in the contract. EEs failed to recover liquidated damages amounting to ₹ 3.09 crore. It was further observed in eight works of four¹⁶ divisions, that the contractors did not maintain the desired pace of work as per stipulated time-period given in the contract and did not submit the revised work programme to the division. However, the EEs failed to deduct the prescribed fine/penalty amounting to ₹ 0.56 crore.

Government stated (December 2021) that detailed reply would be submitted along with supporting documents of valid extension. Further progress was awaited (March 2022).

➤ **Non-recovery of insurance charges:** The Director of Insurance, Maharashtra State instructed (March 2015) that the contractor shall obtain an insurance policy prior to start of work, else one *per cent* of the work value would be deducted from first RA bill of contractor and the same would be remitted into Government account within 30 days from the date of deduction. Further instructions (July 2015) stipulated that the contractor shall obtain insurance policy for extended period of work, else deduction at the rate prescribed for extended period (in month) on the value of work would be deducted from subsequent RA bill of contractor and remitted into Insurance Fund of the Finance Department, GoM.

Audit observed that in nine works out of 385 test checked works executed between December 2014 and September 2020 in six¹⁷ divisions, the contractor had neither submitted the insurance policy nor the division had deducted the prescribed amount of the work value from RA bills of the contractor leading to works remaining un-insured and providing undue benefit to the contractors amounting to ₹ 0.76 crore. Further, in nine works of four¹⁸ divisions the contractors had neither furnished the insurance policy for the extended period nor did the divisions recover the prescribed proportionate insurance cost with reference to the cost of work amounting to ₹ 0.45 crore in these works.

Government stated (December 2021) that the necessary action was being taken to obtain the insurance policy from the contractor.

➤ **Non-recovery of mobilization advance:** In terms of the Engineering, Procurement, Construction (EPC) contract, interest rate of 14 *per cent* per annum to be compounded quarterly would be recovered along with the recovery of advance payment towards mobilization expenses. Audit observed that in five deposit works of Palghar division, mobilization advance of ₹ 1.32 crore was paid to the contractors for machinery, equipment, staging, centering (₹ 0.63 crore) and for establishment of construction of site office, site laboratory, computer, furniture *etc.* (₹ 0.69 crore). However, the mobilization advance along with interest was not deducted from subsequent bills.

¹⁵ PWD Amravati, Malegaon, Sangamner, Wardha, PWD No.1 Chandrapur and Integrated (M) Unit Nagpur.

¹⁶ PWD Amravati, Arvi, Bhandara, PWD No.1 Chandrapur.

¹⁷ PWD Amravati, Aurangabad, Bhandara, Malegaon, Sangamner and PWD No.3 Nagpur.

¹⁸ PWD Arvi, Aurangabad, Palghar and PWD No.1 Chandrapur.

Government stated (December 2021) that the necessary action was being taken to recover the mobilisation advance. Further progress was awaited (March 2022).

➤ **Non-recovery of retention money from contractor's bill:** The contract conditions in respect of B-2 and EPC contracts provide for retention of six *per cent* amount from each bill subject to a maximum of five *per cent* of final contract price till the final completion of work to ensure the fulfilment of the contractual obligation by the contractor. Audit observed that in 13 works in four¹⁹ divisions, the retention money was not recovered from running account (RA) bills of the contractors resulting in undue financial benefit of ₹ 4.29 crore to contractors.

Government stated (December 2021) that action was being taken to recover the retention money from next RA bill of the contractors. Further progress was awaited (March 2022).

➤ **Non-verification of bitumen invoices from refinery:** The GoM, provided (April 2017 and March 2019) for verification of invoices towards purchase of bitumen from refineries and used in the work by the contractors executing road works. The original bitumen invoices were required to be attached along with the Running Account (RA) Bills. This verification needs to be done by the PW divisions on submission of RA bills. Audit observed that in nine works in three²⁰ divisions, payment of ₹ 1.21 crore in respect of bitumen works was made by the divisions without attaching the invoices with bills nor verifying 30 invoices towards purchase of bitumen from refineries.

Government stated (December 2021) that verification of invoices were being made. However, verification reports from the refineries were still awaited.

➤ **Non-recovery of centage charges²¹:** MPW Manual and PWD instructions (October 2003) provided for recovery of centage charges at the rate of five *per cent* of the estimated cost of deposit works. Audit observed that in 22 works, executed during 2018-2021, in five²² divisions, centage charges amounting to ₹ 1.66 crore was not recovered from the Planning, Home, Tribal, Industries & Mining, Social Justice & Special Assistance, Rural Development, Urban Development departments by the divisions.

Government stated (December 2021) that supporting documents for exemption of non-levy of centage charges for some of the user department is being submitted. However, no supporting documents were furnished to audit.

➤ **Non-recovery of maintenance charges:** As per additional condition for materials clauses 30 (i), the contractor shall maintain the finished work for a period mentioned after the completion of work without any extra cost. Five *per cent* amount of the total work done shall be withheld, from the date of actual completion of work, as maintenance charges for maintaining and keeping the road in good condition. Audit observed in PWD Aurangabad that

¹⁹ PWD Aurangabad, Malegaon, Palghar and Sangamner.

²⁰ PWD Arvi, Aurangabad and PWD No.1 Chandrapur.

²¹ It is the charges leviable on works executed by PWD on behalf of non-government organization, other departments of Government, MP/MLA funds and National Highway Authority of India works.

²² PWD Aurangabad, Hingoli, Palghar, PWD No.1 Chandrapur and PWD No.2 Yavatmal.

in two deposit works, maintenance charges were not recovered from RA bills resulting in undue benefit to the contractor amounting to ₹ 0.91 crore.

Government stated (December 2021) that necessary action was being taken to recover the maintenance charges from next RA bill of the contractor. Further progress was awaited (March 2022).

➤ **Irregular payment of secured advance:** The MPWA code prohibits payment of advances to contractors, except in case a contract for a finished work requires an advance on security of material brought on site. For this purpose the contractor must produce document evidencing the purchase of the material. Audit observed that in respect of six works in five²³ divisions, secured advance of ₹ 2.79 crore was paid to the contractors. But, the invoice in support of the material so purchased was not produced by the contractors resulting in irregular payment of secured advance to the contractors.

Government stated (December 2021) that necessary action was being taken to recover secured advance from the RA bills of the contractors.

➤ **Non-recovery of royalty charges from the contractor bills:** GoM issued (May 2015) orders of royalty charges of ₹ 400 per brass (₹ 141.34 per cum) for the items of supply of natural minerals (rubble, metal, sand, *murum etc.*) which were to be used for calculation of rate analysis in estimate. The contractor had to pay these charges directly to revenue department and original challans, shall be produced to the concerned EE. If the contractor failed to produce the documents, the royalty charges were to be recovered from the contractor. Audit observed that during the period 2017-18 to 2020-21 in respect of nine works under four²⁴ divisions, royalty charges of ₹ 2.31 crore were not recovered from RA bills of the contractor resulting in undue benefit to the contractor.

Government stated (December 2021) that the necessary action was being taken to recover royalty charges from RA bills of the contractor.

➤ **Non-recovery of additional performance security:** GoM issued (September 2019) orders that if the contractor intended to quote his offer 14 *per cent* below the estimated cost put to bid then, he should submit additional performance security of five *per cent* of cost put to tender.

Audit observed in three²⁵ divisions comprising four works that additional performance security of only ₹ 5.08 crore was obtained against the requirement of ₹ 7.83 crore. This resulted in short payment of ₹ 2.75 crore by the contractor as additional performance security.

Government stated (December 2021) that necessary action was being taken to recover the additional performance security from RA bills of the contractor.

iv) Non-observance of quality control norms in execution

Additional general condition of contract stipulates the frequency of sample testing to be done for construction material and the percentage of the testing from the field and Government laboratory. As per contract clause, 15 *per cent*

²³ PWD Amravati, Aurangabad, Bhandara, Buldhana and PWD No.1 Chandrapur.

²⁴ PWD Arvi, Aurangabad, Bhandara and PWD No.3 Nagpur.

²⁵ PWD Arvi, Palghar and PWD No.1 Chandrapur.

of the rate shall be withheld and shall be released only after the receipt of the satisfactory test results wherever specified excluding concrete items.

Audit observed that in 14 works of seven²⁶ divisions, the testing of the material was not carried out as per contract conditions. In ten cases the entire amount was paid and in the remaining four cases, 15 *per cent* of bill amount was deducted and retained by EE. In the absence of test results, the quality material and construction could not be assessed.

Government stated (December 2021) that due care would be taken to follow the quality control norms.

v) Delay in testing of cement concrete cubes: As per the tender conditions the contractor was required to collect the sample of cement concrete at the time of execution and cast at-least three cubes and get them tested from the district testing laboratory at the age of seven days and 28 days. Audit observed that in four works in Buldhana division the contractor had submitted the cubes after the period ranging between 67 and 294 days of its casting as shown in *Appendix 2.1.4*. The exact strength of the cube could not be verified due to testing of the cubes after such long period after its casting.

Government agreed (December 2021) that there was delay in testing of the cement concrete cubes and assured to take necessary steps in future.

vi) Non-establishment of field laboratory: As per special condition of field laboratory, equipment for execution of work under consideration shall be available in the field/plant laboratory. If the contractor fails to establish field/plant laboratory, ₹ five lakh shall be recovered from first RA bill. Audit observed that in one work of PW division, Bhandara and two works of PW division Arvi, contractors had not established field laboratory as per contract norms and the divisions did not recover amount of ₹ 15 lakh for failure to do so.

Government stated (December 2021) that the facts would be verified and necessary records regarding establishment of field laboratories would be furnished in due course. Further progress was awaited (March 2022).

vii) Splitting of works resulted in excess expenditure on work

The MPW manual provides that a group of work or alteration or purchases, the aggregate cost of which exceeds what an officer is empowered to sanction should not be split up to bring them within the power of sanction of that officer. The power prescribed for accepting the tender with the EE, SE and CE is up to ₹ 50 lakhs, from ₹ 50 lakhs to ₹ 2.50 crore and above ₹ 2.50 crore respectively.

The work of providing rock fall protection on Mouje Sinhagad, Golewadi road was administratively approved (June 2017) by the Forest department. Audit observed that instead of preparing and sanctioning a single estimate for the work, Pune division made three separate estimates incorporating different rates for three different chainages. These works were taken up under civil deposit work and Forest department released the entire grant of ₹ 4.26 crore

²⁶ PWD Arvi, Buldhana, Bhokar, PWD No.1 Chandrapur, PWD No.2 Nagpur, PWD No.3 Nagpur and PWD No.2 Yavatmal.

for the above work during 2014-15 to 2018-19. The division accepted the lowest rate of ₹ 9225 per square meter (inclusive of GST) of an agency during 2018-2019 for 0/700 km to 0/800 chainages while in other two chainages, the division called for separate quotations and accepted the quotations at higher rates of the same agency as detailed in **Table 2.1.3**.

Table 2.1.3: Details of excess amount paid due to splitting of work

(Amount in ₹)

Sr. No.	Agreement No.	Chainage	Quantity (sq.m)	Rate (₹/sq.m)	Rate difference	Excess Expenditure	Total amount paid
1	2	3	4	5	6	7(6*4)	8
1	B1/503/2018-19	0/700 to 0/800	1194.53	8118*	-	-	9697194
2	B1/47/2020-21	0/00 to 1/500	574	15551	7433 (15551-8118)	4272282	8926274
3	B1/49/2020-21	2/00 to 2/500	650.25	15551	7433	4833308	10112037
			390.15	15481	7363 (15481-8118)	2872674	6039919
Total Extra cost						11,978,264	
*excluding GST		Source: Information furnished by department					

From above table, it is observed that the division had irregularly split a single work into three different works by preparing separate estimates for three different chainages and tendered the works in different years so as to avoid obtaining of sanction from the SE. The acceptance of higher rates in chainage 0/00 to 1/500 and 2/00 to 2/500 resulted in excess expenditure of ₹ 1.20 crore.

Government stated (December 2021) that funds were received in four installments in April 2018, May 2019, June 2020 and June 2021. Hence, the work was split as and when the funds were received. As it was a tourist spot, the work was taken up in parts. Reply was not acceptable as the division split the work in three parts despite the fact that it had single administrative approval and the entire fund of ₹ 4.26 crore for the above work was available with the department till 2018-19.

2.1.4 Internal Control and Monitoring

Internal Control Mechanism is a tool for financial & operational control and ensuring safeguards against error and fraud. The controls are embodied in various provisions of Codes, Manuals and executive instructions of the Government. An adequate and effective internal control and monitoring mechanism should exist to provide reasonable assurance to ascertain the physical and financial status of deposit works, efficiency, effectiveness of its execution and compliance of applicable rules, regulations, condition of contract etc.

Audit findings on internal controls and monitoring mechanism in PWD in respect of deposit works are discussed below:

2.1.4.1 Non-maintenance of deposit register

The MPWA Code provides for maintenance of a deposit register by each division to show month by month, total receipt, adjustment and the closing balance of each deposit item, however, in case of deposit works to be done a single entry for all such deposits would suffice.

Audit observed that in 18²⁷ divisions deposit register was not maintained. Four²⁸ divisions were maintaining deposit register but the registers were not up-to-date.

Government stated (December 2021) that necessary instructions would be issued to the concerned divisions to maintain and update the deposit register.

2.1.4.2 Non-supply of progress of expenditure to user department

As per MPW manual, a statement of expenditure should be supplied by the EE to the depositors every quarter in the format prescribed, when the expenditure is within the contribution received and every month when an excess expenditure on the contribution is anticipated until the excess is regularized.

Audit observed that the statement showing the requisite progress of expenditure was supplied to the concerned user departments only by two²⁹ divisions and 16³⁰ divisions did not supply the same to the user departments.

Government stated (December 2021) that necessary instructions would be issued to the concerned to follow the procedure.

2.1.4.3 Non-submission of progress report of works

As per paragraph 289 of MPW manual, progress report of all works estimated to cost over ₹ 10 lakh should be submitted to the SE every quarter, who may forward it to the CE in respect of works costing more than ₹ 50 lakh. In case the administrative department controlling the funds is different from this department, quarterly progress reports of all works should be submitted to that department, if so directed by it. Audit observed that the said progress report of all works costing over ₹ 10 lakh was submitted to the SE every quarter only by Kolhapur division. In 18³¹ divisions, the said progress report of all works was not submitted to the SE every quarter.

Government stated (December 2021) that necessary instructions would be issued to the concerned to follow the procedure.

2.1.4.4 Non-submission of information of ongoing deposit works

In order to properly implement and keep control over deposit works, GoM prescribed (April 2017) a proforma and timeline for each level of compilation and submission of information in respect of ongoing deposit works. Each division is required to submit the year-wise information (proforma-A) to the concerned circle office on fifth of every month and subsequently the compiled

²⁷ PWD Amravati, Arvi, Aurangabad, Bhandara, Chiplun, Malegaon, Pune, Sangamner, Wardha, PWD No.1 Chandrapur, PWD No.2 Gadchiroli, PWD No.2 Gondia, PWD Presidency Mumbai, PWD No.2 Nagpur, PWD No.3 Nagpur, Integrated (M) Unit Nagpur, PWD No.1 Thane and PWD No.2 Yavatmal.

²⁸ PWD Bhokar, Nashik, Palghar and Integrated (M) Unit Mumbai.

²⁹ PWD Hingoli and Kolhapur.

³⁰ PWD Bhokar, Buldhana, Chiplun, Malegaon, Nasik, Palghar, Pune, Sangamner, Integrated (M) Unit Nagpur, PWD No.2 Nagpur, PWD (South) Pune, PWD No.1 Thane, PWD No.1 Chandrapur, PWD No.2 Gondia, PWD Presidency Mumbai and PWD No.2 Yavatmal.

³¹ PWD Arvi, Aurangabad, Bhokar, Chiplun, Hingoli, Malegaon, Palghar, Pune, Sangamner PWD No.1 Chandrapur, PWD No.2 Gondia, PWD Presidency Mumbai, Integrated (M) Unit Nagpur, PWD No.2 Nagpur, PWD No.3 Nagpur, PWD (South) Pune, PWD No.1 Thane and PWD No.2 Yavatmal.

information (proforma-B) was required to be submitted by each circle office to regional office on tenth of every month. Finally, each CE was required to compile and submit it to the Secretary, PWD. Audit observed that none of the 26 divisions furnished the information of ongoing deposit works to respective circle offices. Hence, the respective SE offices did not submit the required information (proforma-B) to the CE offices.

Government stated (December 2021) that necessary instructions would be issued to the concerned to follow the procedure. Further progress was awaited (March 2022).

2.1.4.5 Deficiencies in ‘Schedule of Deposit works’

The MPWA Code provides for preparation of Schedule of Deposit works in Form-76 which contains important consolidated record of all deposit works of the PW division. Instructions for entries to be taken are also provided in the schedule in Form-76 and an entry of sanction in red ink should be done when a work is included for the first time in the schedule.

The PWD adopted a software module named as Account Management System (AMS), designed and developed by the C-DAC, Pune for preparation of schedule of deposit works (Form-76). The data entry of cashbook was done online and accordingly the schedule was generated automatically and can be extracted through password of respective PW division from AMS module. Following deficiencies were noticed in the system generated Form-76.

i) It was noticed that the system generated schedule did not provide the column for detailed classification of estimate and date/month of completion of work. The details of the unexpended balances, excess expenditure charged to MPW advances and the steps taken for its adjustments are not entered. Thus, newly inserted work as well as completed work could not be distinguished and subsequently the delay, if any, in refund of unspent amount of deposit to the user department could not be monitored. In absence of information on unspent balance and expenditure incurred in excess of deposit received, the amounts involved and steps taken for its adjustments could not be ascertained. This indicated that the format of system generated schedule of deposit works was inadequate for monitoring of the deposit works.

Government stated (December 2021) that the matter had been referred to C-DAC to modify the module. Further progress was awaited (March 2022).

ii) Audit verified deposits received and expenditure incurred on deposit works with reference to utilisation certificates (UCs) on Budget Estimation, Allocation and Management System (BEAMS) to ascertain the correctness of account of deposit works effected during the month. It was observed that in 13³² divisions receipt and expenditure figures of the works depicted in UCs did not match with the corresponding figures shown in Form-76.

Government stated (December 2021) that matter was being referred to C-DAC for updating of the software. Further progress was awaited (March 2022).

³² PWD Amravati, Bhokar, Buldhana, Hingoli, Malegaon, Sangamner, Integrated (M) Unit Nagpur, PWD No.1 Chandrapur, PWD No.2 Gadchiroli, PWD No.2 Gondia, PWD No.3 Nagpur, PWD No.1 Thane and PWD No.2 Yavatmal.

2.1.4.6 Deficiencies in deposit contribution monitoring system

With a view to monitor the Deposit works on real time basis, GoM (PWD) developed a “Deposit Contribution Monitoring System (DCMS)” through NIC Pune. It provides the real-time information of progress of on-going works, funds received, expenditure incurred and the unspent amount. The detailed guidelines for recording of deposit works in DCMS and payment thereof were issued by the GoM (December 2017) to control and monitor the deposit works.

Audit observed following shortcomings in DCMS.

- **Absence of date of completion of work:** DCMS should indicate the date of completion of works so as to identify physical and financial status and consequent timely refund of unspent amount to the user departments. However, no such information was available in the DCMS.
- **Multiple IDs of same work:** Audit observed that in respect of nine deposit works in seven³³ divisions, the deposit IDs were allotted twice. Thus, the possibility of expenditure on the work in excess of the AA or diversion of fund cannot be ruled out due to creation of multiple IDs for the same work.
- **Expenditure or balance shown without receipt of any deposit:** Audit observed in six divisions that no deposit amount was received by the divisions in the case of 44 works. However, expenditure incurred or balance amount was being depicted under deposit against such works. This indicated that the DCMS system depicted the expenditure on the deposit works without receipt of any fund.
- **Negative deposit balances:** Audit observed in 15³⁴ divisions that in case of 158 works, there was a negative balance of ₹ 55.46 crore under deposit.

Government stated (December 2021) that matter was being referred to C-DAC for updating of the software. Further progress was awaited (March 2022).

Recommendation 3: The Government may ensure to streamline the DCMS and strengthen the internal control and monitoring system of deposit works.

PUBLIC WORKS DEPARTMENT

2.2 Undue benefit to the Concessionaire of ₹ 1.44 crore on account of delay in recovery of expenditure incurred by the department on repair works

The Chief Engineer, National Highway (Public Works Department), Government of Maharashtra, Navi Mumbai (CE) issued (15 March 2017 and 13 April 2017) Letters of Acceptance (LoAs) to M/s Gannon Dunkerley & Co.

³³ PWD Aurangabad, Hingoli, Kolhapur, Malegaon, Pune, PWD No.2 Nagpur and PWD No.1 Thane.

³⁴ PWD Amravati, Aurangabad, Bhandara, Buldhana, Chiplun, Malegaon, Nashik, Pune, Sangamner, PWD No.1 Chandrapur, PWD No.2 Gondia, Integrated (M) Unit Nagpur, PWD No.2 Nagpur, PWD No.3 Nagpur and PWD No.2 Yavatmal.

Ltd Mumbai (Concessionaire) for two works³⁵ of Engineering, Procurement and Construction (EPC) agreements amounting to ₹ 151.61 crore and ₹ 145.26 crore respectively. Both the EPC agreements were executed (20 December 2016) between the CE (on behalf of Government of India, Ministry of Road Transport & Highways *i.e.* MoRTH) and the Concessionaire. The stipulated period of completion of the works was 18 months and 24 months respectively, from the issue of LoAs. The Chief Engineer and Regional Officer, MoRTH, Mumbai paid ₹ 127.10 crore (August 2021) and ₹ 70.66 crore (June 2021) to the concessionaire.

The EPC agreements provided that during the construction period, the concessionaire shall maintain, at its cost, the existing lane(s) of the Project Highway so that the traffic worthiness and safety thereof are at no time materially inferior as compared to their condition ten days prior to the date of this Agreement. Further, the Concessionaire shall undertake the necessary repair and maintenance works for this purpose; provided that the concessionaire may, at its cost, interrupt and divert the flow of traffic if such interruption and diversion is necessary for the efficient progress of works and conforms to Good Industry Practice.

Audit observed that the Concessionaire failed to maintain the existing carriageway and traffic worthiness as provided for in the agreement during execution of the work. Thus, the National Highway (Public Works) Division, Nanded carried out (December 2017 and March 2018) maintenance works through 63 contracts of ordinary repairs (ORs) on the same chainage of road incurring expenditure (March 2018) of ₹ 1.76 crore (**Appendix 2.2.1**). As such, the department discharged the liability of the Concessionaire at its own cost. The amount was not recovered subsequently, from the Concessionaire (September 2021) even after the lapse of more than three years.

The Executive Engineer (EE) National Highway (Public Works) Division, Nanded stated (September 2021) that as the Concessionaire failed to maintain the road, OR works were carried out to make the road safe and traffic worthy at the earliest and the amount spent on these works was to be recovered from the Concessionaire. But, the recovery could not be made due to Corona pandemic and recovery would be made before finalization of the EPC work excluding ₹ 0.32 crore recovered (in case of works B1 No.32 to 45 of 2017-18) till date.

The reply is not acceptable as payment on OR works was made in the month of March 2018 and restrictions related to Corona pandemic started from March 2020. As such, there was a gap of two years between the two events and even after a lapse of more than three years only ₹ 0.32 crore has been recovered leaving a balance of ₹ 1.44 crore to be recovered. This resulted in undue benefit to the Concessionaire of ₹ 1.44 crore on account of delay in

³⁵ “Rehabilitation and up gradation of Barasgaon to Rahatee Bu (Mah/AP Border Section of NH-222 in km 558/200 to km 615/000 from existing to two lanes with paved shoulders on EPC basis under NHDP-IV” and “Rehabilitation and up gradation of Kolha to Nasaratpur Section of NH-222 from existing km 444/00 to km 463/545 and km 481/00 to km 513/1300 in the State of Maharashtra to two lanes with paved shoulders on EPC basis under NHDP-IV”.

recovery of expenditure incurred by the department on repair works which in normal case should have been carried by the concessionaire at its own cost.

The matter was referred (November 2021) to Government. Reply is awaited.

PUBLIC WORKS DEPARTMENT

2.3 Avoidable expenditure of ₹ 3.48 crore on widening of a road length notified as National Highway.

Government of India, Ministry of Road Transport and Highways, New Delhi (GoI) notified (January 2017) the State Highway (SH), starting at a junction with NH-47 near Multai (in Madhya Pradesh) connecting Warud, Ashti, Arvi, Pulgaon, Wardha, Sevagram, Sonegaon, Hinganghat, Jamb and terminating at its junction with NH-930 near Warora (in Maharashtra), as national highway. Accordingly, the Secretary, Public Works Department, Government of Maharashtra directed (February 2017) the Chief Engineer (CE), Public Works Region, Nagpur to stop all works immediately on the stretch of roads notified as NHs. It was specified that liability of the Government should not be increased, as excavation of existing roads would soon be done for laying cement concrete roads. It was also directed to keep such roads in trafficable condition by carrying out proper repair and maintenance works until their transfer to concerned NH authorities. The directions were reiterated (March 2017) with the instructions to stop all the ongoing works on these roads after treating the existing carriageway to sustain the monsoon season in that year.

During scrutiny of records in the office of the Executive Engineer (EE), Public Works Division (PWD), Wardha it was observed (September 2019) that the work of widening and improvement to Nachangaon-Deoli-Waigaon-Hinganghat-Nandori-Kora road (SH-322) in km 34/500 to 55/500 in Wardha district was tendered (August 2016) at an estimated cost of ₹ 34.02 crore and the work was awarded³⁶ (January 2017) to a contractor³⁷ at a contract cost of ₹ 26.32 crore with completion period of 18 months.

Similarly, in PW Division, Arvi it was observed (February 2018) that the work of construction of fly-over in Arvi city along with widening to four lane with strengthening and black topping of Pulgaon-Arvi-Talegaon-Durgawasa road (SH-295) in km 59/600 to km 61/800 was awarded (January 2017) to a contractor³⁸ at a cost of ₹ 4.05 crore.

The CE directed (February 2017) EE, PWD, Wardha and EE, PWD, Arvi during inspection (January 2018) to reduce the scope of work and keep these roads in trafficable condition by carrying out proper repair and maintenance work. Accordingly, the scope of these two road works were reduced and completed as detailed below:

³⁶ Agreement No. B-1/523/DL/2016-17.

³⁷ M/s Jaswantsingh Oberai Construction Private Limited, Yavatmal.

³⁸ M/s D K Construction, Arvi.

Name of the PW division and work	Cost and scope of original work	Reduced cost and scope of work	Date of work order and completion
Wardha and work of widening (km 40/500–55/500) and improvement (km 34/500 – 55/500) to part of SH-347A	₹ 26.32 crore for 21 km length Improvement including widening in 15 km length	₹ 8.11 crore for 15 km (km 40/500–55/500) length widening and improvement including 5 km (km 40/500 –45/500) widening part (₹.3.12 crore)	January 2017 and July 2018
Arvi and work of widening and improvement (km 59/600– 61/800) to part of SH-295	₹ 4.05 crore for Improvement including widening work in 2.2 km length	₹ 0.88 crore for 1.7 km (km 59/600–61/300) length improvement and widening in 0.7 km (km 59/600–60/300) part (₹ 0.36 crore)	January 2017 and March 2018

The contractor was paid (September 2019) ₹ 8.11 crore *vide* fifth and final RA bill for the work executed including ₹ 3.12 crore for widening work in Wardha division. The Arvi division paid (August 2018) ₹ 0.88 crore including ₹ 0.36 crore for widening and handed over (July 2018) the road to NH division Nagpur.

The execution of work of widening of the existing roads by these divisions was not compliant with the above said Secretary's directives, which instructed only proper repair and maintenance works of roads declared as NHs until their transfer to NH authorities to be carried out. In spite of this Wardha and Arvi divisions did not initiate any action to follow the Secretary's directives to limit the work to maintenance and incorporated new work of widening the roads. An expenditure on work of widening of road amounting to ₹ 3.48 crore (3.12+0.36 = 3.48) was incurred.

Government stated (July 2022) that in case of work of PWD, Wardha the scope of work was reduced by incurring minimum possible expenditure to maintain the road in trafficable condition during the rainy season of 2017. In case of PWD, Arvi work was executed to maintain the riding quality.

The reply is not acceptable as the reduced scope of work was not limited only to carry out repairs and maintenance of the existing carriageway but the new work of widening the existing road was carried out. Since the road was notified (January 2017) as National Highway for construction of cement concrete road, the entire road was to be excavated for construction of NH. As such, keeping the existing road in trafficable condition was needed but widening the road was avoidable in view of cement concrete road of NH. Thus, the execution of widening works of roads resulted in avoidable expenditure of ₹ 3.48 crore.

REVENUE AND FOREST DEPARTMENT

2.4 Implementation of the scheme of creation of Swargiya Uttamrao Patil Van Udyans in Maharashtra

Out of 67 Bio-diversity Parks, termed as ‘Swargiya Uttamrao Patil Van Udyan’ BDPs, taken up for creation, only 15 BDPs could be completed and handed over (March 2021). The improper selection of sites resulted in unsuccessful plantations and creation of parks on non-government land. There was absence of budgetary and expenditure controls, short release of funds resulted in extension of scheme and majority of parks remained incomplete. Audit observed non-completion of BDPs within stipulated period and deterioration of assets created as there was no provision in the DPR for maintenance of assets formed during creation of BDPs.

2.4.1 Introduction

Revenue and Forest Department (R&FD) of Government of Maharashtra (GoM) launched (June 2015) a state sponsored scheme for creation of Bio-diversity Parks (BDPs) termed as ‘Swargiya Uttamrao Patil Van Udyan’. These BDPs were to be created in 34 districts of the State (excluding Mumbai city and Mumbai Suburban) with two each in a district (total 68 BDPs) along with upgradation of existing National and other parks under Forest Department (FD). The scheme was to be implemented by Social Forestry wing of the Forest Department during the period 2015-2016 to 2018-2019 which was further extended (June 2019) by four years till 2022-2023 with a budget provision of ₹ 134.14 crore.

The objectives of the scheme were to:

- conserve bio-diversity and nature,
- plant, protect and conserve rare and beautiful plants,
- create Upvans (having small group of different variety of plants),
- facilitate public to spend joyful moments with nature,
- make available source of recreation and entertainment,
- create a safe environment for future generation, and
- establish a small library with books highlighting importance of trees and disseminating information of the same.

The BDPs after completion were to be operated and maintained through participation of local people, preferably by the Joint Forest Management Committee (JFMC) wherever it was functioning. Otherwise, a committee consisting of the local people at village level or local body level was required to operate and maintain the same.

Implementation of the scheme was carried out by Divisional Forest Officer, Social Forestry (DFOSF) at the division level under the supervision of six³⁹ Conservators of Forests, Social Forestry (CFSF) at the circle level and headed by Principal Chief Conservator of Forest, Social Forestry, (PCCF, SF), Pune.

³⁹ Amravati, Aurangabad, Nagpur, Nashik, Pune and Thane.

The Compliance Audit (CA) was conducted to ascertain whether the scheme of creation of BDPs was implemented as per the scheme guidelines and monitoring mechanism of the scheme was in place and effective. The Forest Conservation Act 1980, Maharashtra Public Works Manual 1984, Government Resolutions/Orders/Circulars issued by GoM, and Detailed Project Report of the Bio diversity Park were used as criteria.

Fifteen⁴⁰ out of 34 districts (44 *per cent*), where these parks were envisaged to be established, were selected for audit analysis. Owing to COVID-19 pandemic, maximum coverage for test check was planned for nearby circles *viz.*, Amravati (three out of five districts) and Nagpur (five out of six districts). Further, from remaining four circles (Aurangabad, Nashik, Pune and Thane) seven districts out of 23 were selected on the basis of simple random sampling method. Besides test check of records for the period from April 2015 to March 2021 at DFOSFs of the selected districts, audit scrutiny was carried out at four CF (SF) offices (Amravati, Nagpur, Pune and Thane) including the PCCF (SF), Pune. The audit was conducted between October 2020 and September 2021.

Work of creation of 67 BDPs were taken up in the State against 68 BDPs planned to be created at a cost of ₹ 134.14 crore. However, audit noticed that, an expenditure of ₹ 96.52 crore (72 *per cent*) was incurred till March 2021 and only 15 BDPs (22 *per cent*) were completed (March 2021). As on August 2022, 35 BDPs (52 *per cent*) were completed and work in the remaining 32 BDPs was in progress. Further, out of 35 completed BDPs, 21 were handed over (August 2022).

In 15 selected districts 32 BDPs were taken up for creation, which were covered in audit as detailed in **Appendix 2.4.1**.

The audit findings were issued (November 2021) to State Government and discussed in an exit meeting held on 25 November 2021 with Principal Secretary (Forest). Department's views/replies have been incorporated appropriately.

Audit Findings

Out of 32 BDPs taken up for creation in 15 selected districts, only 15 BDPs were completed and work was in progress in 17 BDPs (August 2022).

Reasons for non-achievement of target of BDP creation are brought out in succeeding paragraphs.

2.4.2 Planning and Selection of sites

PCCF (SF) issued (April and June, 2015) instructions regarding site selection and preparation of Detailed Project Report (DPR) of each BDP under the scheme. The said instructions provided that the BDP should be created only on government land (forest/non-forest) adjacent to village which is not in use or land reserved for parks by Universities/Municipal Corporations and Councils.

⁴⁰ Bhandara, Chandrapur, Gondia, Nagpur and Wardha (Nagpur circle), Akola, Amravati and Yavatmal (Amravati circle), Jalna, Nanded, Osmanabad (Aurangabad circle), Dhule, Nashik (Nashik circle) Solapur (Pune circle) and Thane (Thane circle).

The BDP must have area of 5 to 10 hectares (*Ha*) situated within 500 meters of a habitat/village and the land should not be rocky or of inferior quality.

2.4.2.1 BDPs located beyond the prescribed distance

Twelve⁴¹ out of 32 selected BDPs were found to be situated in rural area beyond the prescribed distance of 500 meters and upto five kilometers from the nearest human habitat/village, which was in contravention to instruction issued (April 2015) by PCCF, Pune for creation of BDPs. As the BDPs were located farther than the prescribed distance, possibility of fewer visitors cannot be ruled out, which would defeat the purpose of the scheme of promoting nature conservation amongst public through provision of recreation and environment education facility in their vicinity.

State Government stated (December 2021) that a conscious attempt was made to select BDP sites either next to the main road or near some historical or religious places, where dedicated footfalls of visitors was expected.

However, it is mentioned that out of these 12 BDPs only one (Tirth BDP) was near religious place and four BDPs (Gondpimpri, Kurum, Madlabad and Navatola) were next to the main road and remaining BDPs were located far away from nearby villages which would discourage the number of people visiting to the park.

2.4.2.2 BDPs created in fragmented parts of the land

Audit observed that in three BDPs, as detailed below, the sites selected for creation of BDP were fragmented in two or more parts and these parts were unconnected internally requiring the public to visit each part separately.

- It was observed that the Majiwade BDP (Thane district) having length of 1.10 km along the road was divided into five parts by four nallahs of which only two parts were connected by a bridge. The DPR of this BDP did not have any provision for inter connection of the parts with each other.

State Government accepted the fact and stated (December 2021) that DPR would be revised for inter connection of the unconnected parts

- Rajani BDP of Wardha district, had two separate unconnected parts as the bridge proposed to connect two parts was not constructed for want of funds.

State Government accepted the fact and stated that it would be undertaken on availability of funds.

- In Jamkhel (Dhule district) though area made available was 10 *Ha*, a nallah divided the land and a library room, playing equipment, inspection hut was provided in 0.31 *Ha* portion only at a cost of ₹ 66.77 lakh and in the other portion of the BDP (9.69 *Ha*) only plantation work was done at a cost of ₹ 30.01 lakh. After incurring total expenditure of ₹ 96.78 lakh against the DPR cost of ₹ 2.14 crore, BDP was declared as completed and handed over (May 2020) to Gram Panchayat for

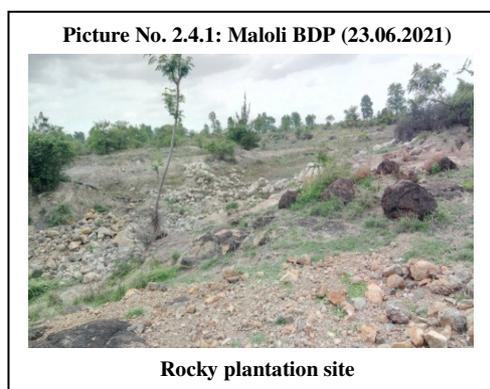
⁴¹ 500 meter to 1 km–3 parks (Upatkhedha, Navatola, Tirth), 1 km to 3 km–5 parks (Garada, Jondhalni, Kalamb, Gondpimpri, Maloli), 3 km to 5 km–1 park (Kurum–4 km), Above 5 km–3 parks (Madlabad, Dongarala, Bondhar).

operation and maintenance. Audit observed that various *components*⁴² executed were much smaller in size as envisaged in the BDP's DPR. Further, equipment *viz.* benches, street lights, animal figurines procured for this BDP were dumped in a room. Thus, the execution of BDP in a smaller area (only 0.30 *per cent* of the total area) of the site had resulted in non-installation of equipment and execution of components in available smaller area. Moreover, the plantation done on bigger area was not accessible to people as there was no pathway or road in that part.

State Government stated (December 2021) that the BDP facilities were restricted to smaller areas and plantations were taken up on the remaining area.

Reply is not acceptable as plantation was taken up on bigger part of site separated by a nallah with no access for people.

2.4.2.3 Unsuitable site of plantation



In case of Maloli BDP in Solapur district, audit observed (June 2021) that plantation on the BDP was not successful (29 *percentage* survival) and only tall grasses were observed as the site selected was rocky which was in contravention of instructions regarding site selection issued (April and June, 2015) by PCCF (SF).

State Government stated (December 2021) that most of the soil in drought prone Solapur district are derived from basalt rock and varies from shallow to moderate depth resulting in poor nutrient availability and stunted growth due to limited moisture availability. Hence, plants and vegetation chosen were suitable to this area. The Government further stated that the survival *percentage* has now increased to 70 *per cent* (December 2021).

However, documents to prove increased survival *percentage* were not furnished to audit (August 2022).

2.4.2.4 Creation of BDPs without any plan for their operation

BDPs were planned for use by general public after their completion and hence it was prescribed that these should be created on government land. Audit observed following deviations, which resulted in non-achievement of the intended benefit from the BDPs:

➤ BDPs created on non-government land

Audit observed that two BDPs of Osmanabad district, Tirth BDP and Dhoki BDP, were completed at expenditure of ₹ 99.01 lakh and ₹ 142.15 lakh respectively on land belonging to two different temple trusts⁴³. Both the BDPs were handed over (June 2020 and July 2020) to concerned trusts after

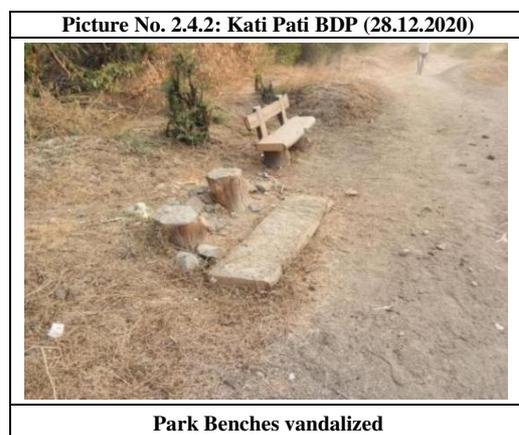
⁴² Playing equipment, Internal roads, Information centre, Library, Fencing etc.

⁴³ Site for Dhoki BDP belongs to a Sugar mill however some part of land is with a temple trust to which the BDP was handed over.

completion. Thus, creation of BDPs on non-government land was in contravention of instructions regarding site selection issued (April and June, 2015) by PCCF (SF).

➤ **BDPs created on land provided for plantation purposes**

Kati-Pati BDP of Akola district was created on a land, which was given (February 2017) to the department by the local Gram Panchayat for three years for plantation work only. Works for creation of BDP started in the year 2018-19 and an expenditure of ₹ 67.41 lakh on execution of 13 components out of total 38 components of the DPR was incurred. However, the remaining works could not be completed due to strong opposition of local people as they wanted the BDP site for grazing their cattle. Without executing the remaining works, the BDP was handed over (July 2020) to the Gram Panchayat for further operation and maintenance. Audit observed (December 2020) during site visit that instead of functioning as a BDP, the area was being utilized as a grazing ground for livestock and it was devoid of any plantation. Created assets within the park viz., the pipeline, sitting benches, etc. were also found vandalized.



Thus, selection of site for taking up of BDP without consent of Gram Panchayat resulted in handover of it to Gram Panchayat in incomplete stage and expenditure incurred rendered wasteful.

State Government stated (December 2021) that Chief Executive Officer, ZP, Akola was instructed to resolve the issue.

2.4.3 Financial Management

An outlay of ₹ 134.14 crore was projected by R&FD during 2015-2019 to create 68 BDPs against which only ₹ 87.83 crore *i.e.* only 65 per cent of the required fund was released during the scheme period of 2015-2019.

It was also observed that during 2019-2021 only ₹ 10.34 crore was released as against required funds of ₹ 46.31 crore to complete the BDPs. Thus, a total of ₹ 98.17 crore was released (March 2021), against which an expenditure of ₹ 96.52 crore was incurred.

Audit observed that out of 67 BDPs taken up for creation against the 68 targeted, only 15 BDPs could be completed (March 2021). As of August 2022, 35 BDPs were completed and 21 BDPs handed over for operation and maintenance.

2.4.3.1 Short release of funds

In 15 selected districts, the funds required, released and expenditure incurred during 2015-2021 was as shown in **Table 2.4.1**.

Table 2.4.1: Fund required, released and expenditure incurred

(₹ in crore)						
Sr. No.	Name of District	Number of BDPs	Fund required as per DPR	Fund Released	Expenditure incurred	Short release of fund
1	Akola	3	9.90	6.10	5.67	3.80
2	Amravati	2	5.48	4.10	4.10	1.38
3	Bhandara	1	2.01	0.93	0.93	1.08
4	Chandrapur	3	6.86	6.62	6.61	0.24
5	Dhule	1	2.14	0.97	0.97	1.17
6	Gondia	4	7.32	4.87	4.87	2.45
7	Jalna	2	3.90	3.10	3.10	0.80
8	Nagpur	1	2.96	1.79	1.79	1.17
9	Nanded	2	4.57	3.35	3.35	1.22
10	Nashik	3	6.05	2.92	2.49	3.13
11	Osmanabad	2	2.79	2.41	2.41	0.38
12	Solapur	2	2.80	2.65	2.65	0.16
13	Thane	2	13.22	11.05	11.05	2.17
14	Wardha	2	3.92	2.28	2.15	1.64
15	Yavatmal	2	2.27	1.95	1.95	0.32
Total		32	76.20	55.10	54.09	21.10

Source:-Information submitted by Department

➤ There was a shortfall of ₹ 21.10 crore (27 per cent) in the funds provided to selected BDPs. Out of 32 BDPs, only 9 BDPs were completed in which three BDPs were declared as completed after execution of partial works (45 per cent) and 23 BDPs were still incomplete (June 2021).

State Government (December 2021) accepted that due to non-availability of funds, the BDPs remain incomplete.

2.4.3.2 Non- utilization of allocated funds

GoM had allocated ₹ 6.33 crore for the scheme during 2019-20 (for all 67 BDPs) out of which ₹ 89.26 lakh was surrendered and ₹ 68.50 lakh lapsed to Government on 31 March 2020 and ₹ 7.99 lakh could not be drawn by DFOSF, Aurangabad due to locking of Budget Distribution System (BDS) since 27 March 2020 till the end of the financial year (31 March 2020). Thus, the amount of ₹ 1.66 crore though available could not be utilized for the scheme during 2019-20.

In Wardha district, an amount of ₹ 10 lakh out of ₹ 70.64 lakh received in 2016-17 was surrendered (January 2017) to PCCF (SF) Pune and in Akola district, funds of ₹ 12 lakh and ₹ 31.16 lakh released in 2015-16 and 2019-20 respectively could not be utilized during these years.

State Government accepted the fact and stated (December 2021) that funds remained unutilized due to delay in e-tendering process of the proposed works.

2.4.4 Creation, operation and maintenance of BDPs

Audit observed that out of 32 BDPs taken up for creation in the selected 15 districts, only 9 BDPs were completed (June 2021) and work in 23 BDPs were in progress. As on August 2022, 15 were completed out of which three were declared as completed at incomplete stage. Out of the 15 completed BDPs, 10 BDPs were handed over to trusts/ local bodies/ forest department for operation and maintenance.

2.4.4.1 Deterioration of assets created in BDPs not yet completed

Audit observed in 12 BDPs in 10 out of 15 selected districts during site visits with officials of concerned DFOSF (between October 2020 and July 2021) of the incomplete BDPs that the assets created had deteriorated, damaged or stolen as shown in **Table 2.4.2**:

Table 2.4.2: Deteriorated/damaged/stolen assets or equipments of incomplete BDPs

Sl. No.	Deterioration/damages noticed	Audit observations						
1.	Plantation not found and long grasses noticed	<p>Jondhalni BDP (Yavatmal): Plantation like Nakshatra van, Mix plantation, 400 Bamboo plants carried out at a cost of ₹ 7.41 lakh were not found and long grasses above height of 6 feet were noticed.</p> <p>Kudwa BDP (Gondia): Plantations carried out in various vans were not in existence which was also confirmed by CF, Nagpur during his visit (February 2019).</p> <p>Dongarla BDP (Bhandara): Nakshatra van, Panchvati van, Rashi van, Navgrah van and medicinal plants were not found at the BDP site except for long grasses.</p> <p>Madlabad BDP (Amravati): Most of the plants in various vans (Melghat van, Medicinal van, Sericulture van, Oil van, Lac van, Bamboo van) were found dead and only long grasses were noticed.</p> <p>Washimba BDP (Akola): Wild grass/shrubs had covered the internal pathways.</p> <p>Kurum BDP (Akola): Wild grass/shrubs had grown in various Vans hampering the growth of plantations.</p> <p>Arjuni-Morgaon, Kudwa, Navatola and Garada BDPs (Gondia): Large grasses were found at all places hampering growth of plants and also making the internal roads unusable.</p> <p>Vena Nimji BDP (Nagpur) and MIDC Wardha BDP: Playing equipment and lavatories had deteriorated and were not usable because of long grasses above height of 6 feet.</p>						
	Sample pictures	<table border="1"> <thead> <tr> <th>Picture No. 2.4.3 Jondhalni BDP (4.12.2020)</th> <th>Picture No. 2.4.4 MIDC Wardha BDP (12.11.2020)</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> <tr> <td>Grass instead of Nakshatra van</td> <td>Tall grasses all over the BDP</td> </tr> </tbody> </table>	Picture No. 2.4.3 Jondhalni BDP (4.12.2020)	Picture No. 2.4.4 MIDC Wardha BDP (12.11.2020)			Grass instead of Nakshatra van	Tall grasses all over the BDP
Picture No. 2.4.3 Jondhalni BDP (4.12.2020)	Picture No. 2.4.4 MIDC Wardha BDP (12.11.2020)							
								
Grass instead of Nakshatra van	Tall grasses all over the BDP							

2.	Playing equipment and other created assets found damaged	<p>Maloli BDP (Solapur): Reception room and lavatories for the BDP were constructed in a nursery adjacent to the BDP site. Out of 10 solar lights installed at a cost of ₹ 2.38 lakh in park, eight lights (₹ 1.90 lakh) were missing and only two solar lights were found. No fencing to secure the BDP was executed.</p> <p>Kumbhari BDP (Solapur): Farm pond, reception room, toilet, water tank, tree ottas, internal roads and sign boards were damaged and deteriorating due to non-maintenance. Trenching work (at a cost of ₹ 2.69 lakh) was done in 2015-16 to secure the area was rendered wasteful as later in 2017-18, work of chain-link fencing was carried out at a cost of ₹ 10.83 lakh.</p> <p>Dongarla BDP (Bhandara): Garden lawn created at a cost of ₹ 2.99 lakh was not in existence, playing equipment (costing ₹ 2.98 lakh), Pagodas and pathway were damaged.</p> <p>Madlabad BDP (Amravati): Work of chain-link fencing (103 meter) was incomplete, roads/pathways, solar lamps were damaged, and Electricity system installed at ₹ 6.69 lakh was not in working condition.</p> <p>Washimba BDP (Akola): Fountain constructed in a garden at a cost of ₹ 2.53 lakh was not in working condition.</p> <p>Kurum BDP (Akola): Benches and tree ottas (costing ₹ 9.80 lakh) were found damaged.</p> <p>Kandhane BDP (Nashik): Animal figurines, tree ottas, playing equipment, water tank were found damaged.</p> <p>Arjuni-Morgaon, Kudwa, Navatola and Garada BDPs (Gondia): Water tank, playing equipment, ottas and walking track were damaged/deteriorated. Solar lights (costing ₹ 2.83 lakh) were not in working condition.</p> <p>Majiwade BDP (Thane): Pathways, internal roads (paver block) benches and playing equipment was damaged due to movement of machineries for construction of Information Center.</p>						
	Sample pictures	<table border="1"> <tr> <td data-bbox="469 1151 820 1205">Picture No. 2.4.5: Kurum BDP (22.12.2020)</td> <td data-bbox="820 1151 1192 1205">Picture No. 2.4.6 Kurum BDP(22.12.2020)</td> </tr> <tr> <td data-bbox="469 1205 820 1473">  </td> <td data-bbox="820 1205 1192 1473">  </td> </tr> <tr> <td data-bbox="469 1473 820 1496">Deteriorated bench</td> <td data-bbox="820 1473 1192 1496">Damaged tree otta</td> </tr> </table>	Picture No. 2.4.5: Kurum BDP (22.12.2020)	Picture No. 2.4.6 Kurum BDP(22.12.2020)			Deteriorated bench	Damaged tree otta
Picture No. 2.4.5: Kurum BDP (22.12.2020)	Picture No. 2.4.6 Kurum BDP(22.12.2020)							
								
Deteriorated bench	Damaged tree otta							

As the BDPs were incomplete and there was no provision in the DPR for maintenance of assets formed during creation of BDPs, the assets had deteriorated or had damaged or stolen.

State Government accepted (December 2021) the above facts and stated that paucity of funds, non availability of labour during Covid and restriction on movement of staff adversely affected the infrastructure during last 2 years.

2.4.4.2 Non-handing over of completed BDPs

Audit observed (January 2021) that the BDP at FGTS, Jalna was completed (March 2019) after spending ₹ 2.14 crore, but not handed over to any JMFC or local bodies for operation and maintenance. During site visit (January 2021) audit observed that due to lack of operation and maintenance the BDP was in poor condition and articles like playing equipment, solar lamps, bird nest and dust bins were dumped in a room as shown in the photograph below.



It was also observed (January 2021) that Dahipuri BDP of Jalna district was taken up at sanctioned cost of ₹ 1.91 crore, was declared as completed (March 2019) after execution of only 45 per cent work (of ₹ 0.86 crore) due to opposition from villagers. It could not be handed over for operation and maintenance because the Gram Panchayat was unwilling to take over.



Further, the fencing work which was required to be taken up at the initial stage of creation of BDP for protection of plantations and safeguarding against encroachment was not done resulting in non-survival of entire plantation of 10,170 saplings of various species and 75,500 saplings of Duranta plants at the cost of ₹ 36.14 lakh as shown in adjoining photograph. The pipes, costing ₹ 14.64 lakh installed for drip irrigation of plantation work, were also non-operational and damaged.

Thus, non-handing over of the completed BDPs for further operation and maintenance resulted in deterioration and damaging of asset created in FGTS, Jalna BDP and non survival of plantation in Dahipuri BDP.

State Government stated (December 2021) that in case of FGTS Jalna BDP handing over process was in progress, in case of Dahipuri BDP there was no alternative than to hand over the park to Gram Panchayat. Concerned authorities were instructed to complete the park despite opposition from villagers.

Reply is not tenable as FGTS Jalna BDP was completed in March 2019 and thereafter timely action for handing over the park or maintenance of the park was not taken up by the DFOSF, Jalna. Dahipuri BDP was declared as completed on execution of partial work in March 2019 and thereafter the BDP was neither handed over nor being maintained.

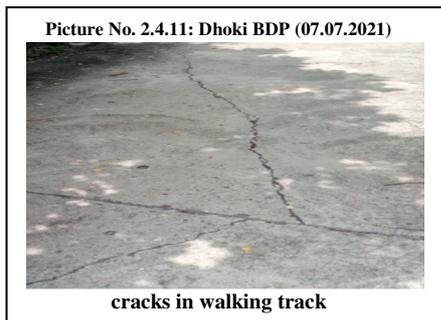
2.4.4.3 Lack of maintenance of handed over BDPs

Scheme guidelines prescribed handing over of the completed BDPs to JFMC, if available and working, or to any Local Body (Gram Panchayat or Municipal Council) for its further maintenance and operation. Levy of entry fee to the BDP was aimed to make the BDPs self-sustainable.



Out of the 10 BDPs, which were handed over to the trusts/local bodies/territorial forest division for operation and maintenance, two BDPs (Tirth and Dhoki) of Osmanabad district, as discussed in **Paragraph 2.4.2.4**, were handed over to temple trusts after completion. During site visit (July 2021) of Tirth BDP audit observed that animal figurines, playing equipment, lavatories, solar lamps and drip irrigation pump were found to be damaged

or deteriorating as shown in photograph.



In Dhoki BDP, audit observed during site visit (July 2021) with Assistant Conservator of Forest, Osmanabad that walking tracks, animal figurines and pagodas were in damaged condition.

The poor condition and inadequate maintenance of Jamkhel BDP of Dhule district, and Kati-pati BDP of Akola

district, which were handed over to respective Gram Panchayats have been discussed in **Paragraphs 2.4.2.2 and 2.4.2.4** respectively.

State Government stated (November 2021) that enquiry will be initiated in the case of three BDPs (Dahipuri in Jalna, Jamkhel in Dhule and Kati-Pati in Akola). State Government further stated (December 2021) that in case of Tirth and Dhoki BDPs, responsibilities of management and protection lay with the authority/agency to which the BDP was handed over and the trusts had been informed to repair the equipment.

2.4.4.4 Irregular award of works to contractors

Maharashtra Public Works Manual, 1984 (MPWM) stipulates that for all works to be given out on contract, tenders should invariably be invited.

In four BDPs (Arjuni Morgaon, Kudwa, Navatola and Garada) of Gondia district, an agency was appointed (September 2016) for the work of providing technical services and Multi-Tasking Staff, without inviting tenders and payment of ₹ 0.55 crore was made to the agency during October 2016 to March 2019.

State Government accepted (December 2021) the lapse and asked CF, Nagpur to fix responsibility and initiate action.

2.4.4.5 Irregular splitting of work

General Administration Department of GoM vide resolution of November 2014 directed that for the tenders costing above ₹ 3 lakh, e-tendering system should be followed. The Maharashtra Public Works Manual, 1984 also specifies that if a single work is split up into smaller works, the officer concerned should obtain prior approval of the authority competent to accept the tender for the whole work.

Audit observed that in five⁴⁴ BDPs, 12 works (total cost of ₹ 1.06 crore) were split up into each work costing less than ₹ 3 lakh. No e-tendering process was followed in respect of these works. Further, this splitting of work by DFOSFs did not have prior approval of the authority competent to accept the tender for the whole work.

State Government accepted (December 2021) the fact and issued instruction to CF, Aurangabad and Thane to fix responsibility and initiate disciplinary action on the officers concerned.

2.4.5 Monitoring Mechanism

Monitoring is crucial for tracking the progress of any scheme, programme or a process with a view to detect deviations for early corrective action and learn lessons for future planning. Audit observed the following inadequacies in monitoring of the scheme.

2.4.5.1 Inspection/monitoring of BDPs

PCCF, SF Pune instructed (October 2015) that CFSFs should visit each BDP during the first year of the scheme. There was no other provision regarding periodical inspection of the BDPs either by the CFSF or DFOSF.

Details of visit by the four CFSFs during 2015-2021 are shown in **Table 2.4.3**

Table 2.4.3: Number of field visits of BDPs by CFSFs

Name of CF	No. of BDPs	Total number of visits	BDPs not visited during first year	BDP never visited	BDPs visited only once
Amravati	11	47	3	1 (Kati-Pati)	0
Nagpur	12	33	10	1 (Arjuni-Morgaon)	2
Thane	10	81	4	0	1
Pune	10	19	9	0	3
Total	43	180	26	2	6

Source: Information submitted by department

From above table it is observed that 26 out of the 43 BDPs under these four CFSFs were not visited by the respective CFSFs during the first year. Further, no details like inspection notes etc. were available on record regarding 180 visits by these CFSFs during 2015-2021 to the BDPs.

State Government stated (November 2021) that updated information of inspection of BDP would be provided to audit.

2.4.5.2 Mid-term evaluation of BDPs

PCCF (SF) instructed (April 2015) that a mid-term evaluation of BDP should be carried out to take necessary corrective actions.

Audit observed that only two DFOSFs (Gondia and Nashik) had conducted (February 2021) a mid-term evaluation of BDPs under them but no evaluation reports or documents were produced to audit for verification. In the remaining 13 districts, no records pertaining to mid-term evaluation were provided to audit.

⁴⁴ Wadeपुरi and Bondhar (Nanded), Majiwade and Kanwinde (Thane) and FGTS (Jalna).

Further, no such mid-term evaluation of the scheme was ever carried out by the PCCF. However, a meeting was called for (May 2017) by the PCCF to discuss guidelines of the scheme in which members of the Maharashtra State Biodiversity Board and Botanical Survey of India were also invited. The recommendations emerging out of this meeting regarding selection of sites, species of plants to be planted and ensuring water availability were forwarded (June 2017) to all the CFs.

State Government stated (December 2021) that due precautions would be taken henceforth to conduct timely evaluation.

Department of Goods and Services Tax

2.5 GST Transitional Credits

Audit observed inconsistency in departmental circular with respect to provisions of MGST Act allowing unavailed credit in respect of capital goods which leads to impede dealers from getting benefits of transitional credit. Audit noticed cases of excess availment of transitional credits amounting to ₹ 26.92 crore due to irregular declaration in GST TRAN-1 by tax payers. Irregular transitional credit amounting to ₹ 7.99 crore was availed by tax payers though they did not file all the prescribed returns. Audit also observed the cases of irregular availment of transitional credit on goods in transit, input contained in work-in-progress/finished goods and amount credited to ECL in excess of TRAN form. Commissioner of State Tax failed to produce the records pertaining to verification of the claims of transitional credits availed by tax payers to Audit for scrutiny inspite of repeated requisitions due to which audit could not verify effectiveness of verification of transitional credit by the Department.

2.5.1 Introduction

Introduction of Goods and Services Tax (GST) is a significant reform in the field of indirect taxes in our country, which replaced multiple taxes levied and collected by the Centre and States. GST is a destination based tax on supply of goods or services or both, which is levied at multi-stages, wherein the taxes will move along with supply. The tax will accrue to the taxing authority, which has the jurisdiction over the place of supply.

Tax is levied simultaneously by the Centre and States on a common tax base. Central GST (CGST) and State GST (SGST)/Union Territory GST (UTGST) is levied on intra-state supplies and Integrated GST (IGST) is levied on inter-state supplies.

On the lines of the Central Goods and Services Tax Act, 2017, to make provisions for levy and collection of tax on intra-State supply of goods or, services or, both in the State of Maharashtra and the matters connected therewith or incidental thereto, the Maharashtra Goods and Services Tax Act, 2017 (MGST Act) was enacted and came into force with effect from 01 July 2017.

2.5.1.1 Transitional Credit:

Input Tax Credit (ITC) of taxes paid on inputs, input services and capital goods by a dealer is available for set-off against the output tax liability is one of the key features of GST. To ensure the seamless flow of ITC from the existing laws (Value Added Tax (VAT) regime) to GST regime, a 'Transitional arrangements for Input Tax' was included in the MGST Act⁴⁵ to provide transitional provisions relating to migration of existing tax payers and arrangements for ITC specifying 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 to ensure seamless transition of accumulated credits from the legacy returns (VAT regime), input tax in respect of raw materials, work in progress, finished goods held in stock as on the appointed day as well as unavailed 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 and for taxable supplies under GST.

2.5.2 Process of Transitional Credit

Section 140 of the MGST Act provide that a registered person (other than a person opting to pay tax under section 10) shall be entitled to take transitional credit, which is carried forward in the last return relating to pre-GST regime subject to the following:

- (1) said amount of credit is admissible as input tax credit under this Act ;
- (2) taxpayer furnished all the returns required under the existing law for the period of six months immediately preceding the appointed date;
- (3) credit relates to units entitled to claim set-off under rule 79 of MVAT Rules;
- (4) unavailed ITC in respect of capital goods;

Section 140 of MGST Act envisaged that a registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his electronic credit ledger, credit of the amount of VAT, and Entry Tax, if any, carried forward in the return relating to the period ending with the day immediately preceding the appointed day⁴⁶, furnished by him under the existing law⁴⁷ by filing declaration electronically in FORM GST TRAN-1.

Tax payers can claim various components of transitional credit, under the relevant sections of the MGST Act, in the appropriate tables of TRAN-1 as mentioned below in **Table 2.5.1**.

⁴⁵ Section 139 to 142 of MGST Act.

⁴⁶ 01 July 2017.

⁴⁷ Maharashtra Value Added Tax Act, 2002 and Maharashtra Value Added Tax Rules, 2005.

Table 2.5.1

Sections of the MGST Act	TRAN-1 Table No.	Transitional credit component
140 (1)	5(b)	Details of statutory forms for the period (01.04.2015-30.06.2017) received for which credit is carried forward
140 (1), 140(4)	5 (c)	Amount of tax credit carried forward to electronic credit ledger as state tax
140(2)	6(b)	Un-availed credit on capital goods
140(3), 140(4)	7(a)B	Credit on duty paid stock-without invoices
140(5)	7(b)	Credit on Input/input service in transit
140(3),140(4),140(6)	7 (c)	Credit on duty paid stock-with invoices
141(4)	9(a)	Details of goods sent as Principal to job-worker
141(4)	9(b)	Details of goods held in stock as job-worker on behalf of the Principal
142 (14)	10(a)	Details of goods held as an agent on behalf of Principal
142(11)(c)	11	Detail of credit availed on VAT paid under works contract
142(12)	12	Details of goods sent on approval basis
<i>Source: Section 140 to 142 of MGST Act</i>		

The transitional credit is a one-time flow of input credit from the legacy regime in to the GST regime.

2.5.3 Audit Scope, Methodology and Sample Selection

All registered taxpayers, except those, who had opted for payment of tax under Composition Scheme⁴⁸ were eligible to claim transitional credit by filing FORM GST TRAN-1 declaration. The records relating to selected cases of transitional credit claims were scrutinized by Audit between April 2021 and September 2021. The methodology for verification of transitional credit claims involved scrutiny of records available with the Assessing Officers and data analysis/verification of information available in SAP⁴⁹ Portal as well as Back Office System of State GST Department. An Entry Conference with Deputy Secretary (Taxation), Finance Department, Government of Maharashtra was held online on MS Teams on 25 February 2021. The six Additional Commissioners and four Joint Commissioners and Dy. Commissioner (Internal Audit) of the State Tax Department attended the entry conference.

Considering the pandemic, out of total 52,669 cases involving total Transitional credit amounting to ₹ 2270 crore, a sample of 1,366 cases involving an amount of ₹ 756.57 crore, was selected by adopting Statistical Random Sampling Method covering major economic hubs/industrial centres located under the jurisdiction of Mumbai, Mumbai-Suburban, Nagpur, Pune and Thane divisions. The physical audit of 124 cases of Nagpur division was conducted from April-June 2021 and online audit of remaining cases from selected divisional offices was conducted between July 2021 and September 2021 with the following audit objectives:

⁴⁸ Section 10 of MGST Act.

⁴⁹ Systems Applications and Products in Data Processing.

2.5.4 Audit objectives

Subject Specific Compliance Audit on GST Transitional Credit was conducted with the objectives to seek an assurance on:

- Whether the mechanism envisaged by the Department for selection and verification of transitional credit claims was adequate and effective (system issues).
- Whether the transitional credits carried over by the assessee into GST regime were valid and admissible (compliance issues).

2.5.5 Audit criteria

The Audit findings are based on the criteria derived from:

- Section 139-142 of the Maharashtra Goods and Services Tax Act, 2017 (MGST Act);
- Rule 117-119 of the Maharashtra Goods and Services Tax Rules, 2017 (MGST Rules);
- Relevant provisions of Maharashtra Value Added Tax Act, 2002 (MVAT Act);
- Maharashtra Value Added Tax Rules, 2005 (MVAT Rules);
- Notifications/Circulars/Orders issued by Commissioner of State Tax, Maharashtra State, Mumbai.

2.5.6 Responsiveness of the Department

We sought access to records pertaining to 1366 sample cases, the Department provided access to departmental systems through user IDs. During scrutiny, the Audit sought various information and issued various audit memorandums to the test checked Divisional and Controlling Officers. However, responses from the Department remained to be received in most of the audit memorandum till date (August 2022). A draft Subject Specific Compliance Audit Report was issued to the Government in December 2021, wherein Government's comments were sought on the audit findings included in the report. The Exit conference was held in January 2022.

Audit Findings

A sample of 1,366 transitional credit cases was selected for online audit. In test check of 1,095 cases it was observed that in 86 cases there was excess availment of transitional credit against credit carried forward in last return, in eight cases legacy return was not filed while in three cases the tax payers availed irregular/excess credit from previous return/without requisite certificate as detailed in paragraph 2.5.8.1, 2.5.8.2, 2.5.8.3 and 2.5.8.4. Audit observations on irregular availment of Transitional Credit on capital goods, on goods in transit and on inputs contained in semi-finished and finished goods are discussed in paragraph 2.5.8.5, 2.5.8.6, 2.5.8.7 and 2.5.8.8.

A summary of audit observations is given in **Table 2.5.2:**

Table 2.5.2: Extent of deficiencies noticed (Deviation)

(₹ in crore)

Sl. No.	Para No.	Nature of Audit Findings (indicative only)	Audit Sample		Number of Deficiencies noticed		Deficiencies as percentage of Sample	
			Number	Amount	Number	Amount	Number	Amount
1	2.5.8.1	Availment of transitional credit against credit carried forward in the last return of Pre-GST regime	1095	594.35	86	26.92	9.13	9.11
2	2.5.8.2	Transitional credit availed without filing legacy returns			8	7.99		
3	2.5.8.3	Irregular availment of transitional credit from previous legacy returns			2	5.54		
4	2.5.8.4	Excess availment of transitional credit in absence of requisite certificates			1	0.22		
5	2.5.8.5	Inconsistent departmental circular with respect to provisions of MGST Act allowing unavailed credit in respect of capital goods			3	13.51		
6	2.5.8.6	Irregular availment of transitional credit on input services	118	112.57	1	1.57	0.85	1.39
7	2.5.8.7	Irregular availment of transitional credit on inputs contained in work-in-progress or finished goods	210	139.52	12	4.25	5.71	3.05
8	2.5.8.8	Amount credited to ECL in excess of the TRAN amount			1	0.29	0.48	0.21

2.5.7.1 Non-production of information relating to Transitional Credit Verification by the Department

A tax payer is required to avail input tax credit by filing TRAN-1, which was shown in the return filed for the period ending June 2017. On filing TRAN-1 by the dealer, the same is fetched in the GST Electronic Credit Ledger (ECL) of the tax payer. Thus, transition of ITC is trust based. The Economic Intelligence Unit (EIU) of the Department shared this data relating to transitional credit taken to the ECL with the respective Joint Commissioners of State Tax (JCST), who in-turn should share with the respective Nodal Officers for verification of TRAN-1 credit.

The Commissioner of State Tax (CST) directed (January 2018⁵⁰ and September 2018⁵¹) Nodal Officers to complete the verification of the claims of transitional credits taken through TRAN-1 on or before 25 September 2018 and to submit the report by 10 November 2018. It was further directed that all the Additional Commissioner of State Tax (ACST) and concerned JCST shall ensure that the verification of TRAN-1 credit was monitored effectively and ACST shall take weekly review of the said exercise.

⁵⁰ Internal Circular 1A of 2018 dated 01 January 2018.

⁵¹ Internal Circular 23A of 2018 dated 01 September 2018.

In order to ascertain the extent of verification (SGST component of transitional credit allotted to State authorities) done by the Divisional Joint Commissioner and monitoring done by the Zonal Additional Commissioners, as directed by CST, relevant data was called for (July 2021) from the Office of the CST, Maharashtra State, Mumbai.

CST provided details of 9,043 cases involving Transitional credit claims of ₹ 1,970 crore (5,637 pertaining to State jurisdiction and 3,406 of Central jurisdiction) out of total 52,669 cases involving Transitional credit of ₹ 2,270 crore distributed to officers of the State Tax Department for detailed verification only in January 2022. However, details of the cases verified and result thereof was not provided to Audit due to which Audit could not ascertain the adequacy and effectiveness of verification done by the Department.

The Audit observations were communicated to the Government (February 2022 and April 2022). However, their replies are awaited (August 2022).

2.5.7.2 Non-production of invoices / list of invoices

Audit requisitioned (June 2022) the list of invoices and sample invoices for detailed scrutiny in 93 cases where taxpayers were required to provide details of tax invoices in TRAN form, out of selected 255 cases pertaining to four⁵² units. However, in 71 cases the concerned list of invoices and sample invoices were not submitted to Audit.

In reply, the JCSTs concerned replied that the requisitioned records would be obtained from the assesseees and submitted to Audit in due course. However the same are still awaited (August 2022). The matter is brought to notice of Commissioner of State Tax, Maharashtra State (August 2022). The compliance is still awaited.

Due to non-production of requisitioned records, Audit could not assess the correctness of the transitional credits availed in those cases.

Recommendation 1: Department should ensure timely submission of records to Audit.

2.5.8 Compliance Issues

2.5.8.1 Irregular/excess availment of transitional credit against credit carried forward in the last return of pre-GST regime

As per sub-section (1) of section 140 of the MGST Act, a registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his ECL, credit of the amount of VAT and Entry Tax, if any, carried forward in the return relating to the period ending with the day immediately preceding the appointed day⁵³, furnished by him under the existing law⁵⁴ in such manner as may be prescribed:

⁵² JCST, Mazgaon, JCST, LTU-I, Mumbai, JCST, LTU-II, Mumbai and JCST, LTU-II, Pune.

⁵³ 01 July 2017.

⁵⁴ MVAT Act and Rules.

As per section 20(4) of the MVAT Act, any person or dealer who, having furnished a return, discovers any omission or incorrect statement therein, may furnish a revised return as regards to the period in respect of which the omission or incorrect statement is discovered, before the expiry of the prescribed period therein.

Vide Para 2 of Internal Circular No.35A of 2019 dated 19 October 2019, the CST clarified four situations where the amount carried forward was wrongly mentioned as 'refund claimed' in the original return for the period ending 30 June 2017 *vis-a-vis* in the 'revised return' is to be considered for allowing transitional credit as shown in **Table 2.5.3**:

Table 2.5.3

Situation	Amount claimed as	Amount claimed in return for the period ending 30.06.2017		Credit to be allowed as Transitional Credit as per CST circular	
		Original (in ₹)	Revised (in ₹)	Instructions	Amount
1	Refund	1,00,000	0	Claimed 'refund' in original return but in revised return same amount was claimed as 'carry forward' instead of refund.	1,00,000
	Carry forward	0	1,00,000		
	Carry forward	0	1,50,000	Claims higher amount as 'carry forward' in revised return instead of 'refund' amount of original return.	1,00,000
	Carry forward	0	80,000	Claims lesser amount as 'carry forward' in revised return instead of 'refund' amount of original return.	80,000
2	Carry forward	1,00,000	1,20,000	Claims higher amount as 'carry forward' in revised return than original return.	1,00,000
3	Carry forward	1,00,000	90,000	Claims lesser amount as 'carry forward' in revised return than original return.	90,000
4	Refund	1,00,000	1,50,000	Claimed 'carry forward' as well as 'refund' both in original return but claims different amount for both in revised return.	1,50,000 (Amount in original or revised returns whichever is less to be allowed)
	Carry forward	2,00,000	1,50,000		

It was also clarified that the Nodal authorities shall ensure that in no case the tax payer is eligible for MVAT refund as well as transitional credit for the same credit. Audit observed that there were avilment of excess transitional credits amounting to ₹ 26.92 crore in ECLs of 86 cases out of 1,095 test checked cases (**Appendix 2.5.1**) due to irregular excess declaration in GST TRAN-1 Table-5(c) by tax payers as compared to their respective original and revised VAT returns for the period ended on June 2017.

The Audit observations were communicated to the Assessing Officers concerned (April 2021 to September 2021). In one case⁵⁵, the department took corrective action. An assessment order was passed (February 2022) wherein

⁵⁵ M/s. Bora and Bora Technologies LLP, GSTIN-27AAPFB2057B1ZP, LTU-II, Pune.

the refund claimed by the assessee was rejected. Replies in remaining cases are still awaited. (August 2022).

Illustration:

A dealer⁵⁶ in original VAT return for the month of June 2017 shown VAT credit under carried forward as NIL amount as closing VAT input credit balance in July 2017 and refund of ₹ 1.48 crore under refund column in Table 5(c). The amount of ₹ 0.76 crore was reflected in his ECL on 28 September 2017 and ₹ 0.84 crore on 27 December 2017. Thus, total transitional credit carried forward in ECL was ₹ 1.60 crore. Further, in August 2019, dealer filed revised return for the month of June 2017, wherein Excess credit carried forward to subsequent tax period was again shown as 'NIL' and refund claimed was shown as ₹ 1.61 crore. Hence the dealer did carry forward the credit neither in original nor in revised return. This resulted in irregular availment of transitional credit amounting to ₹ 1.60 crore.

2.5.8.2 Transitional credit availed without filing legacy returns

Proviso (ii) of section 140 (1) provided a precondition, for transition of credit from legacy returns of GST, that the tax payer should file all returns required under the existing law for a period of six months immediately preceding the appointed date.

Audit observed that out of 1,095 cases, in eight cases, irregular transitional credit amounting to ₹ 7.99 crore was availed (*Appendix-2.5.2*) though tax payers did not file all the prescribed returns for a period of six months immediately preceding the appointed date.

Audit communicated the observation in April to September 2021. However, replies thereof are awaited (August 2022).

Illustration:

A tax payer⁵⁷ did not file VAT return for the period of January 2017 to June 2017. However, in the TRAN-1, the tax payer declared a claim of transitional credit amounting to ₹ 2.72 crore under Table 5(c), which reflected in his ECL in November 2017. This resulted in irregular availment of transitional credit of ₹ 2.72 crore

2.5.8.3 Irregular availment of credit from previous legacy returns

Scrutiny of the previous six monthly returns of two tax payers (*Appendix-2.5.3*) revealed that the dealers did not have balance of ITC to be carried forward or have claimed refund in previous return but the amount was carried forward to next return and was taken in ECL as transitional credit. This had resulted in consideration of irregular transitional credit of ₹ 5.54 crore.

The Audit communicated the observation in August to September 2021. However, replies thereof are awaited (August 2022).

⁵⁶ F.D.C. Ltd. having GSTIN: 27AAACF0253H1Z0 under the Mumbai LTU-502 Division.

⁵⁷ M/s Steel Fab Engineering Corporation having GSTIN No. 27AAPFS1542Q1ZH under the Mazgaon Division of Mumbai.

Illustration:

A tax payer⁵⁸ in his monthly VAT return of March 2017 had shown ITC of ₹ 9.31 crore as carried forward to next return viz April 2017 and accordingly, credit was carried forward in June 2017 in ECL. However, scrutiny of Revised Annual Return for the year 2016-17 revealed that the tax payer had shown credit carried forward as 'NIL' and claimed refund of ₹ 1.51 lakh at the end of March 2017. However, the tax payer carried forward ITC of ₹ 4.41 crore. The taxpayer was required to pay the credit of ₹ 4.41 crore, wrongly taken and also to pay the amount based on the revised figures in annual return. Audit reworked amount payable by tax payer for the period from March 2017 to June 2017 as ₹ 4.79 crore.

2.5.8.4 Excess availment of transitional credit in absence of requisite certificates

As per paragraph 3.3 of Internal Circular No. 23A of 2018 dated 01 September 2018, the ITC as attributed to the interstate sales, branch transfer/consignment transfer, or deemed export, sales to Special Economic Zone and where declarations or certificates i.e. Form-C, Form-F, Form-H and Form-I as provided under the Central Sales Tax Act, 1956 has not been received then to such extent, the tax payer is not entitled to take credit of ITC into Electronic Credit Ledger.

Audit observed that a tax payer⁵⁹ availed ITC of ₹ 0.85 crore. Audit found from Chartered Accountant's Audit Report that requisite certificates in Form-C and Form-F involving tax liability of ₹ 0.10 crore and ₹ 0.41 crore respectively were wanting. Thus, credit of ₹ 0.51 crore was inadmissible. The tax payer reversed ITC of ₹ 0.29 crore in November 2019 out of total tax liability of ₹ 0.51 crore. However, the excess credit of ₹ 0.22 crore was not reversed till December 2021 resulting in excess availment of ITC of ₹ 0.22 crore.

Audit communicated the observation in September 2021. However, replies thereof are awaited (August 2022).

2.5.8.5 Inconsistent departmental circular with respect to provisions of MGST Act allowing unavailed credit in respect of capital goods

Section 140(2) of the MGST Act envisaged that a registered person, other than a person opting to pay tax under section 10, shall be entitled to take, in his ECL, credit of the un-availed input tax credit in respect of capital goods, not carried forward in a return, furnished under the existing law by him, for the period ending with the day immediately preceding the appointed day in such manner as may be prescribed.

Provided that the registered person shall not be allowed to take credit unless the said credit was admissible as input tax credit before as well as after appointed day.

⁵⁸ Shaman Wheels Pvt Ltd with GSTN No 27AANCS3404N1ZY under LTU-02, Mumbai.

⁵⁹ M/s Consul Neowatt Power Solutions Pvt Ltd with GSTN 27AABCC2553QZC under Thane City Division.

Prior to appointed day, the Rule 52 of MVAT Rules envisaged for grant of a set off of the sum collected separately from the claimant dealer by the other registered dealer by way of tax on the purchases made by the said registered dealer of goods being capital assets.

Further, Rule 54 (a) clarified that purchases of motor vehicles (being passenger vehicles) which are treated by the claimant dealer as capital assets and parts, components and accessories thereof except the claimant dealer is engaged in the business of transferring the right to use (whether or not for a specified period) for any purpose in respect of the said vehicles. Rule 53(11) further clarified that if the claimant dealer is engaged in the business of transferring the right to use (whether or not for a specified period) for any purpose, of passenger motor vehicles, then he shall be entitled to claim set-off of tax paid on the purchase of such motor vehicles only to the extent of tax payable on such transfer of right to use and shall be claimed in the period in which such right to use has been transferred by the claimant dealer.

However, CST Maharashtra vide paragraph 4 of Internal Circular No. 23A of 2018 dated 01.09.2018 stated that the provision of allowing CENVAT credit in a staggered manner in Central Excise Act 1944, are not applicable to MVAT Act as the full set-off/input tax credit in respect of Capital Goods was allowed to be claimed in the month in which such purchases are affected. Therefore, the tax payer would not be entitled to take any MVAT credit into ECL under section 140 (2) of the MGST Act.

(A) We noticed in two cases of dealers engaged in the business of transferring the right to use of passenger motor vehicle, transitional credit of ₹ 13.40 crore (**Appendix 2.5.4**) was availed in ECL as un-availed input tax credit in respect of capital goods which was incorrect in view of Para 4 of Internal Circular 23A of 2018.

On this being pointed out (September 2021), in one case⁶⁰, Joint Commissioner, LTU-2, Mumbai accepted (November 2021) the audit observation and stated that the tax payer, being engaged in providing motor vehicle on lease and treating the same as capital goods, was not entitled to claim TRAN credit of ₹ 9.66 crore and the same is needed to be reversed. While in other case⁶¹, Deputy commissioner, LTU-2, Mumbai stated (November 2021) that in view of the provisions of Notification dated 01 April 2016, the tax payer was entitled to take the balance of ITC available as on appointed day to the tune of ₹ 3.74 crore. Later on, the Joint Commissioner, LTU-2, Mumbai confirmed (January 2022) that the provision of allowing credit relating to the capital goods in staggered manner as was available under Central Excise Act are not applicable to MVAT Act and tax payer would not be entitled to take any MVAT credit into ECL under GST. Accordingly, recovery notice against the claimant was issued (January 2022).

Thus, the right of the claimant for un-claimed portion of ITC which remained to be claimed as on appointed day in view of Rule 53 of MVAT Rules which allows the set off in staggered manner to the extent of taxes payable on

⁶⁰ Orix Auto Infrastructure Services Ltd with GSTN No. 27AACO25631ZI and

⁶¹ Arval India Pvt Ltd with GSTN No. 27AAGCA5212K1ZR.

services actually provided is not now available after appointed day due to the contradictory provision of paragraph 4 of Internal Circular No. 23A of 2018.

The Government may revisit the provisions of internal circular No. 23A of 2018 and issue clarification on un-claimed ITC in such cases.

(B) We noticed that in one case,⁶² the tax payer claimed TRAN credit of ₹ 11.46 lakh on capital goods by filing a declaration in form GST TRAN-1 under table 6(b) and taken in his ECL in the month of November and December 2017 in respect of the purchases effected between January and June 2017, which was contrary to the provisions of paragraph 4 of Internal Circular No. 23A of 2018.

On this being pointed out (September 2021), in reply it was stated (September 2021 and April 2022) that credit was correctly taken by the dealer for goods purchased during January to June 2017. The dealer received the said invoices between July and August 2017 and hence, due to non-availability of tax invoices in time, the tax payer could not prepare a true account thereof and claim the tax credit in VAT return. As the credit thereof remained un-availed under MVAT, the same credit was availed as TRAN credit by filing a declaration in form GST TRAN-1 under table 6(b).

However, as though the dealer paid MVAT on purchase of capital goods and was entitled for un-availed ITC as transitional credit for the same by virtue of provisions of section 140(2) of MGST Act is negated in view of paragraph 4 of Internal Circular No. 23A of 2018 which envisage that full set-off/input tax credit in respect of Capital goods was allowed to be claimed in the month in which such purchases were affected. Thus, the Government may revisit the provisions of internal circular No. 23A of 2018 and issue clarification on such un-availed ITC on capital goods.

Recommendation 2: The Department may revisit the provisions of internal circular No. 23A of 2018 and issue clarification on un-availed ITC on Capital goods

2.5.8.6 Irregular availment of transitional credit on input services in transit

In accordance with the provision of Section 140(5) of MGST Act a registered person shall be entitled to take, in his ECL, credit of VAT and entry tax, if any, in respect of inputs received on or after the appointed day but the tax in respect of which has been paid by the supplier under the existing law, subject to the condition that the invoice or any other taxpaying document of the same was recorded in the books of account of such person within a period of thirty days from the appointed day.

Audit noticed that a tax payer⁶³ declared a claim of ₹ 2.20 crore under TRAN 1 Table 7(b) and availed credit of the same in ECL in December 2017. Audit scrutiny of list of inputs revealed that the tax payer had availed credit amounting to ₹ 1.57 crore on input services for which there was no provision

⁶² Pidilite Industries GSTIN No 27AAACP4156B1ZS.

⁶³ M/s Wipro Limited having GSTIN No. 27AAACW0387R1ZN under the LTU-1 Division of Mumbai.

in the MGST Act. Hence, availing transitional credit on input services amounted to irregular excess availment of transitional credit by ₹ 1.57 crore.

Audit communicated the observation in October 2021. JCST LTU-1 Mumbai replied (January 2022) that the show-cause notice (DRC-01) was issued. Further compliance is awaited (August 2022).

2.5.8.7 Irregular availment of transitional credit on inputs contained in work-in-progress or finished goods

As per section 140(6) of the MGST Act, a registered person, who was either paying tax at a fixed rate or paying a fixed amount in lieu of the tax payable under the existing law shall be entitled to take, in his ECL, credit of VAT in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day subject to the following conditions, namely:

- (i) such inputs or goods are used or intended to be used for making taxable supplies under this Act ;
- (ii) the said registered person is not paying tax under section 10 ;
- (iii) the said registered person is eligible for input tax credit on such inputs under this Act ;
- (iv) the said registered person is in possession of invoice or other prescribed documents evidencing payment of tax under the existing law in respect of inputs and
- (v) such invoices or other prescribed documents were issued not earlier than twelve months immediately preceding the appointed day.

Further CST clarified (September 2018)⁶⁴ that the term “inputs” means any goods other than the capital assets. Hence, the terms “inputs” will not include the capital goods and therefore, the Builder and Developer shall not be entitled to claim the credit of VAT in respect of the capital goods that are held in the stock as on 01 July 2017. It was further clarified that Building or the work in progress *i.e.* the “inputs” contained in semi-finished or finished goods, will not get covered under the term “goods” as defined under the MGST Act and therefore, inputs that are in the nature of work-in progress *i.e.* contained in semi-finished and finished goods are not “goods” within the meaning and scope of the MGST Act and tax payer shall not be entitled to claim the VAT credit.

Audit noticed that in 12 out of 210 cases of Builders and Developers, transitional credit of ₹ 4.25 crore (**Appendix 2.5.5**) was declared under Table 7c of TRAN-1 by the tax payers and credit thereof was availed in ECL on inputs contained in semi-finished or finished goods. This resulted in irregular availment of transitional credits amounting to ₹ 4.25 crore.

The Audit communicated the observation from July to September 2021. However, replies thereof are awaited (August 2022).

⁶⁴ Para 8.7 of internal circular No. 23A of 2018 dated 01/09/2018.

Illustration:

A tax payer⁶⁵ had made transitional credit claim of ₹ 81.62 lakh for inputs contained in semi finished goods under Table 7(c) of TRAN-1 and carried forward the same in ECL. As the tax payer was a Builder/Developer, he was not entitled for VAT credit on inputs contained in semi-finished goods. This resulted in irregular availment of transitional credit of ₹ 81.62 lakh.

2.5.8.8 Amount credited to ECL in excess of the TRAN amount

As per section 140 (1) of Maharashtra Goods and Service Tax Act a registered taxable person may take into Electronic Credit ledger (ECL), the amount of ITC carried forward as shown in the Return filed for the period ending June 2017 *i.e.* before 01 July 2017. The registered taxpayers were required to file a return in prescribed form *i.e.* TRAN-1 within stipulated date and the amount shown in TRAN-1 towards ITC shall be taken into ECL as Transitional Credit (TC).

Scrutiny of the TRAN-1 filed (October 2017) by M/s. Sylvanus Properties Limited pertaining to LTU-II, Mumbai (GSTIN-27AAJCS9992H1ZI) revealed the credit of ₹ 69.39 lakh under Table 7 C (amount of VAT paid on inputs supported by invoices) and ₹ 14.16 lakh under Table 11 C (credit in terms of section 142 (11) (c)). Thus total credit as per TRAN-1 was ₹ 83.55 lakh. However, audit observed (June 2022) that in ECL, transitional credit of ₹ 1.12 crore under State Tax was credited. This resulted in excess credit of transitional credit by ₹ 28.79 lakh.

In response, the JCST, LTU-02, Mumbai submitted (August 2022) that the case is selected for GST audit for the period 2017-18 on the point of ITC claim in TRAN-1.

Recommendation 3: Department should ensure compliance of all required conditions for availment of transitional credit by tax payer to avoid irregular/excess availment/utilisation of Input Tax Credit by the tax payer.

Recommendation 4: Department needs to initiate action for issue of demand notices to the assessee concerned for recovery of irregular excess availment of transitional credit.

⁶⁵ Bharat Infrastructure and Engineering Private Limited having GSTN 27AABCB3630P1ZJ.

Department of Goods and Services Tax

2.6 GST Refunds

The failure to debit the electronic credit/cash ledger of the tax payer before generation of Application Reference Number of the refund application led to irregular grant of refund. Further, Department failed to ensure the debit the amount of refund claim in the electronic credit/cash ledger of the tax payer before issuance of refund order. Department did not submit data of communication of refund orders to counterpart tax authorities, data relating to conduct of post-audit of refund claims and data of mode of payment of GST refunds to the tax payer for audit scrutiny despite repeated requests. Thus, Audit could not ensure compliance to the codal provisions as well as correctness and timeliness in issuance of refund orders. There were cases of delayed issuance of refund order, thereby, creating liability of payment of interest. Department granted refund on account of zero rated exports without obtaining the proof of exports. Department erred in considering the input tax credit on capital goods and input services for grant of refund wherever applicable. The cases of consideration of incorrect values of components such as Adjusted Total Turnover, Net Input Tax Credit, which resulted in excess refunds, were noticed. On rejection of refund claim of unutilized ITC on account of ineligibility of the said credit, the Department did not ensure re-credit of rejected amount in the Electronic Credit Ledger of the claimant.

2.6.1 Introduction

Goods and Services Tax (GST) is a significant reform in the field of indirect taxes in our country, which replaced multiple taxes levied and collected by the Centre and States. GST is a destination based tax on supply of goods or services or both, which is levied at multi-stages, wherein the taxes will move along with supply. The tax will accrue to the taxing authority, which has the jurisdiction over the place of supply.

Tax is levied simultaneously by the Centre and States on a common tax base. Central GST (CGST) and State GST (SGST)/Union Territory GST (UTGST) is levied on intra-state supplies and Integrated GST (IGST) is levied on inter-state supplies.

The Maharashtra Goods and Services Tax Act, 2017 (MGST Act) was enacted on the lines of the Central Goods and Services Tax Act, 2017 (CGST Act) to make the provisions for levy and collection of tax on intra-state supply of goods or, services or, both in the State of Maharashtra and the matters connected therewith or incidental thereto and came into force with effect from 01 July 2017.

2.6.1.1 Timely refund mechanism constitutes a crucial component of tax administration, as it facilitates trade through release of blocked funds for working capital, expansion and modernization of existing business. The provisions pertaining to refund contained in the GST laws aim to streamline and standardise the refund procedures under GST regime. It was decided by

Maharashtra Government that the claim and sanctioning procedure would be completely online. Due to unavailability of electronic refund module on the common portal, Central Board of Indirect Taxes and Customs (CBIC) issued circulars⁶⁶ in November/December 2017, wherein a temporary mechanism was devised and the detailed procedure was prescribed for GST refunds. In this electronic-cum-manual procedure, the applicant was required to file the refund application in Form GST RFD-01A on the common portal, take a print out of the same and submit it physically to the jurisdictional tax office along with all supporting documents. Further processing of those refund applications, *i.e.* issuance of acknowledgement, issuance of deficiency memo, passing of provisional/final refund orders, payment advice *etc.* were being done manually. In order to make the process of submission of the refund application electronic, CBIC further specified⁶⁷ that the refund applications in Form GST RFD-01A along with all supporting documents had to be submitted electronically. However, various post-submission stages of processing of the refund applications continued to be manual. Between 01.07.2017 to 25.09.2019 (*i.e.* pre-automation period), it could not be made fully electronic due to technical glitches.

2.6.1.2 Complete Automation of Refund Process *i.e.* necessary capabilities for making the refund procedure fully electronic, wherein all the steps from submission of refund application to processing thereof electronically were deployed on the common portal with effect from 26.09.2019. Post-automation, the CBIC in November 2019 issued⁶⁸ fresh set of guidelines in supersession of earlier circulars/guidelines⁶⁹ for electronic submission and processing of refund claims. However, all refund applications filed on the common portal before 26.09.2019 (*i.e.* pre-automation period) continued to be processed manually as were done prior to deployment of new system.

2.6.1.3 Circumstance for GST Refund

A claim for GST refund arose on account of the following:

- (i) Export of goods or services;
- (ii) Supplies to SEZs units and developers;
- (iii) Deemed exports;
- (iv) Refund of taxes on purchase made by UN or embassies *etc.*;
- (v) Refund arising on account of judgment, decree, order or direction of the Appellate Authority, Appellate Tribunal or any court;
- (vi) Refund of accumulated Input Tax Credit of GST on account of inverted duty structure/Reverse Charge cases;
- (vii) Finalisation of provisional assessment;

⁶⁶ Circulars No. 17/17/2017-GST dated 15.11.2017 and 24/24/2017-GST dated 21.12.2017.

⁶⁷ Circular No. 79/53/2018-GST dated 31.12.2018.

⁶⁸ Master Circular No.125/44/2019-GST dated 18.11.2019.

⁶⁹ Circulars No. 17/17/2017-GST dated 15.11.2017; 24/24/2017-GST dated 21.12.2017; 37/11/2018-GST dated 15.03.2018; 45/19/2018-GST dated 30.05.2018 (including corrigendum dated 18.07.2019); 59/33/2018-GST dated 04.09.2018; 70/44/2018-GST dated 26.10.2018; 79/53/2018-GST dated 31.12.2018 and 94/13/2019-GST dated 28.03.2019.

- (viii) Refund of balance in electronic cash ledger;
- (ix) Refund of pre-deposit;
- (x) Excess GST payment;
- (xi) Refunds to International tourists of GST paid on goods in India and carried abroad at the time of their departure from India;
- (xii) Refund on account of issuance of refund vouchers for taxes paid on advances against which, goods or services have not been supplied;
- (xiii) Refund of CGST & SGST paid by treating the supply as intra-state supply which is subsequently held as inter-state supply and *vice versa*.

2.6.2 Organisation Set up

Department of Goods and Service Tax functions under the administrative control of the Additional Chief Secretary, Finance Department at Government level. The Commissioner of State Tax, Maharashtra State (CST) heads the Department and is assisted by a Special Commissioner of State Tax, four Additional Commissioners of State Tax (ACST) and 12 Joint Commissioners of State Tax (JCST). Apart from Head Office at Mazgaon, Mumbai, there are five more Zonal Offices headed by ACSTs. There are 13 Divisional offices headed by JCSTs (Admn.) and 39 State Tax Offices (STOs)⁷⁰ spread across 36 districts of the State.

2.6.3 Audit Scope, Methodology and Sample Selection

Pan-India refund data was obtained from GST Network and a sample of refund cases relating to Maharashtra State were extracted for detailed examination. A sample of 1954 cases in 32 GST divisions was selected by Statistical Random Sampling Method covering major economic hubs/ industrial centres located in major districts viz. Mumbai, Mumbai-Suburban, Thane, Pune *etc.* An online Entry Conference was held on 09 December 2020 with Deputy Secretary (Finance), Finance Department, Government of Maharashtra. Three Additional Commissioners (ACSTs), three Joint Commissioners (JCSTs), four Deputy Commissioners and an Assistant Commissioner (Internal Audit) of the State Tax Department attended an Entry conference.

Field work was conducted between December 2020 and September 2021 for detailed examination of the selected refund cases processed during the period from July 2017 to July 2020. During December 2020 to September 2021, physical audit of 886 cases pertaining to pre-automation period and online audit of 1068 cases of post-automation period of all the selected divisions was conducted.

The online Exit conference was held on 04 January 2022. The draft report containing the audit observations were communicated to the Government (December 2021). However, their response is still awaited (August 2022).

⁷⁰ State Tax Offices headed either by Dy. Commissioner of State Tax, Assistant Commissioner of State Tax or State Tax Officer.

2.6.4 Audit objectives

Subject Specific Compliance Audit of GST Refunds 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 officials in disposing the refund applications.

2.6.5 Audit criteria

The Audit findings are based on the criteria derived from:

- Section 54 to 58 and section 77 of Maharashtra Goods and Services Tax Act, 2017 (MGST Act);
- Rule 89 to 97A of Maharashtra Goods and Services Tax Rules, 2017 (MGST Rules);
- Section 15, 16 and 19 of Integrated Goods and Services Tax Act, 2017 (IGST Act);
- Notifications/Circulars issued by Central Board of Indirect Taxes and Customs(CBIC) and Commissioner of State Tax of Maharashtra State;

Audit Findings

The audit findings of the draft report are summarized in **Table 2.6.1**:

Table: 2.6.1

(₹ in crores)

Sr. No.	Nature of Audit Findings (indicative only)	Audit Sample		Number of Deficiencies noticed		Deficiencies as percentage of Sample	
		Number	Amount	Number	Amount	Number	Amount
1	Delay in issue of acknowledgement	1954	3117.57	759	--	38.84	--
2	Delay in issue of Refund Orders	1954	3117.57	1091	--	55.83	--
3	Delay in sanction of Provisional Refund on account of Zero-rated Supply	992	2634.86	418	--	42.14	--
4	Irregular refund under Inverted Duty Structure	661	277.58	125	24.16	18.91	8.70
5	Irregular refund in Zero-rated Supply cases	992	2634.86	50	22.73	5.04	0.86
6	Non-production of data of communicating refund orders to counterpart tax authority	Data not provided					
7	Non-production of data of conducting of post audit	Data not provided					
8	Non-production of data of payment of GST refund	Data not provided					

2.6.6 Systemic issues

2.6.6.1 Failure to debit ECL in one case resulted in irregular refunds

CBIC clarified⁷¹ (November 2019) that the Application Reference Number (ARN) will be generated only after the applicant has completed the process of filing the refund application in FORM GST RFD-01 and has uploaded all the supporting documents/undertaking/statements/invoices and where required, the amount has been debited from the electronic credit/cash ledger.

Out of the 1068 cases pertaining to post automation period, Audit observed in one case that a tax payer⁷² deposited an amount of ₹ 0.69 crore in October 2019 on account of CGST liability, whereas his actual CGST tax liability was ₹ 0.02 crore only. This led to excess deposit of ₹ 0.67 crore in his ECL. The tax payer applied for refund of ₹ 0.67 crore and ARN was generated in November 2019. This time, the debit of ₹ 0.67 crore in ECL was required to be affected before generation of ARN. The Department sanctioned refund of ₹ 0.67 crore in January 2020. The same was received by the tax payer in January 2020. However, it was observed that there was no debit of the amount so refunded in ECL of the tax payer. This shows the failure to debit the ECL before generation of ARN. Also, it was failure on the part of the Department to ensure the debit of equal amount in the ECL before issue of refund order. This resulted in irregular grant of refund amounting to ₹ 0.67 crore.

On being pointed out (February 2021), the DCST stated (February 2021) that in the normal course while processing RFD-1, the excess balance amount in electronic ledgers are debited from respective ledgers but in the present case, this did not happen due to technical error or system error. The tax payer filed DRC-3 for debit of ₹ 0.67 crore in electronic cash ledger in February 2021 on persuasion of the Department.

Recommendation 1: Department should ensure debit to the electronic credit/cash ledger before generation of Application Reference Number and issue of refund orders.

2.6.6.2 Excess payment of GST Refund due to issue of double payment advice

As per section 73(1) read with sections 50(1) and 122(2)(a) of the MGST Act, where it appears to the proper officer⁷³ that any tax has not been paid or short paid or erroneously refunded, or where ITC has been wrongly availed or utilised for any reason, other than the reason of fraud or any willful misstatement or suppression of facts to evade tax, he shall serve notice on the person chargeable with tax, which has not been so paid or which has been so short paid or to whom the refund has erroneously been made, or who has wrongly availed or utilised ITC, requiring him to show cause as to why he

⁷¹ Para 4(b) of Circular No. 125/44/2019 – GST dated 18.11.2019.

⁷² M/s. Valvoline Cummins Private Limited having GSTIN No.27AAACW0287A1ZN under jurisdiction of Thane City Division.

⁷³ “proper officer” in relation to any function to be performed under this Act, means the Commissioner or the officer of the Maharashtra tax who is assigned that function by the Commissioner in the Board.

should not pay the amount specified in the notice along with interest at the rate of 18 per cent per annum.

Audit observed (August 2021 to October 2021) that in 22 cases (**Appendix 2.6.1 and 2.6.2**) of GST refund claims, the taxpayers were sanctioned refund on zero-rated supplies of goods/services. However, electronic payment advices thereof by the proper officer were found issued twice. This resulted in excess payment of refund amounting to ₹ 1.83 crore.

On this being pointed out (August 2021 to October 2021), nine⁷⁴ proper officers stated that erroneous double payment advice were issued due to system/technical errors.

In 15 of above 22 cases, the taxpayers repaid the amount of excess refund of ₹ 1.26 crore with interest of ₹ 3.24 lakh (**Appendix-2.6.1**). Interest of ₹ 0.91 lakh was still outstanding. Out of these 15 cases, in two cases⁷⁵ under JCST Mulund, Mumbai and JCST Nashik the amount of ₹ 12.19 lakh had been recovered at the instance of audit.

In remaining seven cases, excess refund of ₹ 0.56 crore was made with interest liability of ₹ 0.16 crore. Out of these, recovery of ₹ 0.26 lakhs with interest was made only in one⁷⁶ case (**Appendix-2.6.2**), in three cases, recovery was stated to have been made but no proof thereof was provided to Audit. Replies still awaited in balance two cases.

Illustration:

A tax payer⁷⁷ had filed an application (05.10.2019) for refund of ITC of ₹ 0.24 crore for the month of May 2019 for which acknowledgement was issued in RFD-02 on 07.10.2019. The taxpayer was sanctioned provisional refund order on 14.10.2019 for ₹ 0.22 crore.

However, Department issued payment advice thereof twice vide No. ZA2701200610539 & ZA270120060996 on 23.01.2020 electronically which resulted in excess payment of refund of ₹ 0.22 crore. The same is still not refunded by the tax payer till date (October 2021) on which interest recoverable amounted to ₹ 0.06 crore.

On this being pointed out (September 2021), the Department did not submit any reply till date.

2.6.7 Compliance issues

2.6.7.1 Delay in issue of acknowledgment of refund application

As per Rule 90(2) and 90(3) of MGST Rules, where the refund application is related to claim for refund other than claim for refund from Electronic Cash Ledger, it shall be forwarded to the proper officer who shall, within a period of fifteen days of filing of the said application, scrutinize the application for its

⁷⁴ JCST, Nodal V, Bandra; JCST, Ghatkopar; JCST, Mandvi; JCST, Nodal XIII, Mulund; JCST, Nashik; JCST, Nodal-I, Pune (East); JCST, Thane City; JCST, Nagpur; JCST Kandivali.

⁷⁵ M/s Amit Bangles of Mulund & Sona Sikka Fabrics of Nashik.

⁷⁶ S.R. Neje of Kolhapur Division.

⁷⁷ M/s Chemocid Impex Private Limited having GSTN No. 27AAACC2243C1ZB under Kandivali Division of Mumbai.

completeness and where the application is found to be complete, an acknowledgement in FORM GST RFD-02 shall be made available to the applicant through the common portal electronically. Otherwise, if any deficiency is noticed, a proper officer shall communicate the same to the applicant in FORM GST RFD-3 through the common portal electronically, requiring applicant to file a fresh refund application after rectification of such deficiency.

Out of 1954 test checked cases, in 759 refund cases (38.84 per cent) pertaining to refund from other than Electronic Cash Ledger that there was delay in issue of acknowledgements (*Appendix 2.6.3 and 2.6.4*) by the Department ranging between one day and 585 days as detailed in **Table 2.6.2**:

Table 2.6.2

Period	No. of cases with range of delay in months			Total	Appendix
	Up to 3 months	3-6 months	More than 6 months		
Pre-Automation period (01.07.2017 to 25.09.2017)	348	55	43	446	2.6.3
Post-Automation period (26.09.2017 to 31.07.2020)	307	6	0	313	2.6.4
Total	655	61	43	759	

On this being pointed out in audit (December 2020 to September 2021), the JCSTs concerned accepted in 271 cases that during pre-automation period, it happened in the initial stage of implementation of GST. It was further submitted that the delay was due to non-submission of all required documents by the tax payer. In remaining 175 cases, the reply is still awaited (August 2022).

In respect of post-automation period, in 157 cases, JCSTs concerned cited (January-November 2021) various reasons such as encountering technical problem in introduction of new taxation system, existing delegation of powers, fire broke out in GST building which took several days to settle down, delay in shifting as well as lockdown due to Covid-19 delayed the process of acknowledgement. Reply in respect of remaining 156 cases is still awaited.

Replies were not acceptable as deficiency memo could have been issued by the Department under Rule 90(3) of MGST Rules for obtaining fresh application from refund claimant where delay was due to non-submission of all required documents by the tax payer.

Illustration:

Pre-automation: A tax payer⁷⁸ filed application for GST Refund of ₹ 2.93 lakh on 27.10.2018 for the month of September 2017. However, acknowledgement was issued on 18.06.2020 with a delay of 585 days.

Post-automation: A tax payer⁷⁹ filed application for GST Refund for the month of June 2019 amounting to ₹ 1.51 crore on 24.10.2019. However, acknowledgement was issued on 20.04.2020 with a delay of 164 days.

⁷⁸ M/s. Jalaram Exports having GST No. 27AAAFJ3818M1Z6 and ARN No. AC2709172066370 under Nodal-4 Mazgaon Division.

⁷⁹ M/s. Blue Star Limited having GST No. 27AAACB4487D1Z5 and ARN No. AA271019092898H under LTU-02 Division, Mumbai.

2.6.7.2 Delay in issue of provisional refund order

Section 54(6) of the MGST Act read with Rule 91(2) of MGST Rules provide for grant of refund on account of zero rated supply of goods or services, on a provisional basis, at 90 *per cent* of the total amount so claimed excluding the amount of ITC provisionally accepted, within a period of seven days from the date of the acknowledgement.

Audit observed delay in 418 (42.14 *per cent*) cases (**Appendix 2.6.5 and 2.6.6**). Out of 992 test checked cases, ranging between one day and 364 days, as detailed in **Table 2.6.3**:

Table- 2.6.3

Period	No. of cases with range of delay			Total	Appendix
	Up to 3 months	3-6 months	More than 6 months		
Pre-Automation period (1.07.2017 to 25.09.2019)	219	5	3	227	2.6.5
Post-Automation period (26.09.2019 to 31.07.2020)	185	6	0	191	2.6.6
Total	404	11	3	418	

On this being pointed out (December 2020 to September 2021), regarding Pre-automation period, in 133 cases, the JCSTs concerned stated (December 2020 to September 2021) that the delay in sanctioning provisional refund during pre-automation period was due to various reasons such as technical difficulties faced in operating new system/portal, delay in submission of relevant document by the tax payers, delay in verification of shipping bills on ICEGATE⁸⁰ and non-production of required documents for verification due to lockdown. Replies in respect of 94 cases are still awaited.

Regarding Post-automation period, JCSTs concerned in 89 cases stated (January-November 2021) various reasons such as non-availability of electricity and net connectivity, incomplete/delayed submission of records by the tax payers, delay in verification of invoices on ICEGATE owing to its improper functioning, delay in verification of invoices of ITC, fire in GST Bhawan, *etc.* Replies in remaining 102 cases are still awaited.

Replies were not acceptable as in case of incomplete information, deficiency memo could have been issued by the Department under Rule 90(3) of MGST Rules for obtaining fresh application from refund claimant where delay was due to non-submission of all required documents by the tax payer.

Illustration:

Pre-automation: A tax payer⁸¹ filed an application for GST Refund of ₹ 12.35 crore for the month of November 2018 on 11.03.2019. Acknowledgement in RFD-02 was issued on 15.04.2019. However, the provisional refund was sanctioned with a delay of 240 days.

⁸⁰ Indian Customs and Maharashtra Excise Electronic Commerce/Electronic Data Interchange (ED/ECI) Gateway.

⁸¹ M/s. Tata Consultancy Services Limited having GST No. 27AAICS0137P1ZZ and ARN No. B2711180530859 under LTU-03 Division, Mumbai.

Post-automation: A tax payer⁸² filed an application for GST Refund amounting to ₹ 2.93 crore on 02.12.2019 for the month of January 2019. Acknowledgement in RFD-02 was issued on 19.12.2019. However, the provisional refund was sanctioned with a delay of 167 days on 10.06.2020.

2.6.7.3 Delay in issue of final refund order

As per section 54(7) of the MGST Act, on receipt of application of refund, if the proper officer is satisfied that the whole or part of the amount claimed as refund is refundable, he may issue an final refund order within sixty days from the date of receipt of application and the amount so determined shall be paid to the applicant. For delayed refund, interest at the rate of six *percent*⁸³ per annum shall be payable for the period after expiry of sixty days from the date of receipt of such refund application, as provided in Section 56 of MGST Act.

Audit observed 5614 cases (March 2021) of GST refund claims of ₹ 2584.29 crore were pending for issue of sanction/rejection order, of which 3485 cases were pending for less than 45 days, 507 cases for 45-60 days and 1622 cases for more than 60 days. Further there were delays ranging between one day and 807 days in 1091 (51.83 *per cent*) final refund cases (*Appendix 2.6.7 and 2.6.8*). Out of test checked 1954 cases as detailed in **Table 2.6.4**:

Table- 2.6.4

Period	No. of cases with range of delay			Total	Interest liability (₹ in crore)	Appendix
	Up to 3 months	3-6 months	More than 6 months			
Pre-Automation period (01.07.2017 to 25.09.2017)	97	121	346	564	7.21	2.6.7
Post Automation period (26.09.2017 to 31.07.2020)	412	107	8	527	1.55	2.6.8
Total	509	228	354	1091	8.76	

On this being pointed out (December 2020 to September 2021) in 321 cases of pre-automation period, JCSTs concerned stated (December 2020 to September 2021) that delay was due to various reasons such as tax payers did not submit required documents along with refund application, technical problem in the system, lockdown due to COVID-19 pandemic and difficulties in operating new portal. Replies in respect of remaining 243 cases are still awaited.

In respect of 263 cases of post-automation period, JCSTs concerned stated (January-November 2021) that VPN Connectivity issue, Covid-19 pandemic and delayed submission of documents by taxpayers delayed the issuance of final refund orders, fire incidence in GST Building. Replies in remaining 264 cases are still awaited.

Replies were not acceptable as deficiency memo could have been issued by the Department for obtaining fresh application from refund claimant where delay was due to non-submission of all required documents by the tax payer.

⁸² M/s. Wipro Limited Having GST No. 27AAACW0387R2ZM and ARN No. AA271219004068C under LTU-2 Division, Pune.

⁸³ As specified in the Notification No.13/2017-CT issued by the CBIC.

Audit observed that the Department did not make any payment on account of interest for delayed refund payment till date, but a liability of interest payment amounting to ₹ 8.76 crore as shown above in **Table-2.6.4** was accrued due to delayed issue of final refund orders.

Illustration:

Pre-automation: A tax payer⁸⁴ filed an application for GST refund amounting to ₹ 2.34 lakh for the month of December 2018 on 19.01.2019. However, refund was sanctioned with a delay of 807 days on 04.06.2021. This created liability of payment of interest of ₹ 0.31 lakh on account of delayed issuance of final refund order.

Post-automation: A taxpayer⁸⁵ filed GST Refund application on 27.09.2019 for the period of April 2019 and claimed refund of ₹ 54.96 lakh. However, the JCST concerned sanctioned refund on 03.07.2020 *i.e.* after a delay of 220 days creating a liability of payment of interest of ₹ 0.20 lakh.

2.6.7.4 Excess refund due to consideration of incorrect components in case of zero rated goods/services

As per section 54(3)(i) of the MGST Act read with section 16(3) of IGST Act, a registered person may claim refund of any unutilized ITC at the end of any tax period where zero rated supplies were made without payment of tax. Sub-rule 4 of Rule 89 of MGST Rules provides following formula for grant of refund of ITC in case of zero-rated supply of goods or services or both without payment of tax under bond or letter of undertaking in accordance with the provisions of sub-section (3) of section 16 of the IGST Act:

Refund Amount = (Turnover of zero rated supply of goods + Turnover of zero rated supply of services) x Net ITC ÷ Adjusted Total Turnover

Audit observed excess grant of refund due to incorrect consideration of the components of the formula as detailed below:

(I) Incorrect Adjusted Total Turnover

Adjusted Total Turnover in the above formula means the sum total of the value of-(a) the turnover in a State or a Union Territory excluding the turnover of services; and (b) the turnover of zero rated supply of services and non-zero rated supply of services, excluding- (i) the value of exempt supplies other than zero rated supplies; and (ii) the turnover of supplies in respect of which refund is claimed, if any, during the relevant period.

It was observed in four cases out of 992 cases (0.40 *Per cent*) pertaining to zero rated exports of goods that the adjusted turnover as per refund determined under Rule 89(4) was not considered correctly as it did not match with the figures of GSTR 3B, GSTR 9C. This has resulted in excess refund of ₹ 0.60 crore as detailed in **Appendix 2.6.9**. This excess refund needs to be recovered with applicable interest.

⁸⁴ M/s. K E Infrastructure having GST No. 27AATFK1246M1ZS and ARN No. AA2701190568033 under Thane City Division.

⁸⁵ M/s. Adnet Infosystems (India) Private Limited having GST No. 27AAACA5326Q2ZD and ARN No. AA270919081926C under Nariman Point Division, Mumbai.

On this being pointed out (March and September 2021), the JCST, Nodal-4 Division, Mumbai stated (January 2022) that the case is undertaken for audit and form GST_ADT_01 issued. Another Division JCST Santacruz stated (April 2021) that DRC-01 issued for recovery of the amount. The JCST Goregaon stated (May 2021) that the case is submitted to revisional authority for the revision of the refund order and the JCST LTU-02 Pune stated (September 2021) the point will be verified and excess grant of refund will be recovered.

(II) Incorrect Input Tax Credit

For processing of the refund claims of integrated tax, the CST circular⁸⁶ envisaged to submit the invoices relating to inputs and input services (other than capital goods) where goods or services are exported without payment of integrated tax. It was further stated that the claimant should also submit the details of the invoices on the basis of which ITC has been availed in Annexure-A along with refund application. Further the proper officer shall verify the amount of refund claimed in GSTR-1, GSTR-2A, GSTR-3B, Annexure-A and Annexure-VIII.

In 7 refund cases out of a total 992 cases (1.4 per cent) in four divisions, it was noticed (March-October 2021) that the proper officer considered Net ITC amount, which did not match with the amount shown in the Annexure-A, GSTR-2A & GSTR 9. This resulted in excess refund to the tune of ₹ 19.43 crore (**Appendix 2.6.10**). This excess refund needs to be recovered with applicable interest.

On this being pointed out (March–October 2021), JCST LTU-1 Pune in one case (M/s Tech Mahindra) stated that the refund claimant had excess balance in their IGST Electronic Credit Ledger and therefore there was no excess refund due to incorrect net ITC. Further JCST Nodal-4 Mazgaon in case of M/s Zar Jewels stated that DRC-01A has been issued to the dealer for recovery. In another case (M/s. Klinera Corporation), JCST Ghatkopar stated (September 2021) that the invoices of previous year were included in the Net ITC and hence the difference. However, no supporting documents were provided to verify the facts.

JCST, LTU-01 Mumbai, in one case (M/s. Siemens Health Care Pvt. Ltd.) stated (November 2021) that the Net ITC as per GSTR 3B was incorrect due to clerical mistake and same mistake was corrected in subsequent GSTR-3B. The reply is not acceptable as refund determined based on incorrect parameters.

Remaining two divisions stated that the matter would be verified and the outcome intimated in due course.

Illustration:

The refund claimant⁸⁷, who was an exporter of services filed the refund application for tax period (March 2019). The refund claimant submitted the details of the invoices on the basis of which ITC was availed during the

⁸⁶ Para 3.1 and 3.2 of the Circular No.33T of 2018 dated 14.11.2018.

⁸⁷ M/s. Tech Mahindra Limited having GSTIN-27AAACM3484F1ZI under the LTU-1 Pune Division.

relevant period in Annexure-A (a summary Statement of 255 number of invoices with respect to inputs/inputs service) amounting to ₹ 15.77 crore as eligible ITC along with the refund application (RFD-01A) and also declared the eligibility.

It was observed (August 2021) that the proper officer considered Net ITC of ₹ 30.14 crore (as per GSTR-3B) instead of ₹ 15.77 crore for working of maximum refund amount. This resulted in excess grant of refund to the tune of ₹ 4.63 crore.

On this being pointed out (August 2021), the JCST stated (August 2021) that the refund claimant had excess balance in their IGST Electronic Credit Ledger while filling of GSTR-3B for the tax period and refund was claimed only under the head of IGST.

The reply is not acceptable as the proper officer failed to consider the lesser amount of Net ITC as per Annexure-A.

(III) Excess refund due to incorrect calculation of exclusion of credit of pre-GST period

CBIC circular clarified⁸⁸ that as the transitional credit pertains to duties and taxes paid under the existing laws viz., under Central Excise Act, 1944 and Chapter V of the Finance Act, 1994, the same cannot be said to have been availed during the relevant period and thus, cannot be treated as part of 'Net ITC' and thus no refund of such unutilized transitional credit is admissible.

Audit noticed (July and November 2021) that in one⁸⁹ refund case out of total test checked 992 cases of zero rated exports of services (0.10 per cent), that although while arriving at the 'Net ITC' the department excluded ITC of ₹ 1.66 crore pertaining to pre-GST period⁹⁰ but miscalculated the figures as ₹ 9.94 crore in place of correct net ITC of ₹ 8.29 crore which resulted in excess refund of ₹ 0.66 crore recoverable with applicable interest.

We pointed this out in (November 2021), Reply was awaited.

(IV) Irregular grant of refund on capital goods

As per Rule 89 of the MGST Rules, in case of zero rated supply of goods and services, capital goods are to be excluded while considering the Net ITC for calculating refund. The tax payer shall upload the details of all the invoices on the basis of which ITC was availed in Annexure-B⁹¹ which includes the details of inputs, capital goods or input services.

It was observed (February and March 2021) in three cases, out of total test checked 992 cases of zero rated exports of goods/services that the tax payers have availed the credit on capital goods. This had resulted in an excess refund of ₹ 0.24 crore as detailed in **Appendix 2.6.11**. This excess refund should be recovered with applicable interest.

⁸⁸ Paragraph 50 of CBIC Circular No. 125/44/2019-GST dated 18.11.2019.

⁸⁹ M/s. WNS Global Services Private Limited having GSTIN 27AAACW2598L1ZQ under LTU-01 Division, Mumbai.

⁹⁰ Sr. No.(s) 1 to 423 in the ITC Register indicating availment of ITC on pre GST invoices prior to 01 July 2017.

⁹¹ As per Paragraph 36 of Circular No. 125/44/2019 - GST dated 18.11.2019.

On being pointed out (February and March 2021), in one case (M/s. Adnet Info System Pvt. Ltd), the proper officer accepted (March 2021) the audit observation and issued DRC-1A to the taxpayer for recovery of ₹ 18.05 lakh and interest of ₹ 3.97 lakh. Final compliance is awaited.

In another case⁹² the Proper Officer accepted (June 2021) the audit observation and has asked the taxpayer to pay the excess refund of ₹ 2.15 lakhs with an interest of ₹ 0.66 lakhs totaling 2.81 lakhs in Form DRC 03. Final compliance is awaited.

Reply in remaining one case⁹³ is still awaited. The matter was communicated to the Government in December 2021; However, their response is awaited (August 2022).

2.6.7.5 Excess refund due to consideration of incorrect components in case of Inverted Duty Structure

Rule 89(5) of the MGST Rules states that in the case of refund on account of Inverted Duty Structure, refund of ITC shall be granted as per the following formula:-

Maximum Refund Amount = {(Turnover of inverted rated supply of goods and services) x Net ITC ÷ Adjusted Total Turnover} - tax payable on such inverted rated supply of goods and services.

CBIC⁹⁴ clarified that refund would not be applicable in cases, where the input and output supplies are the same.

Audit observed cases of excess refund in respect of inverted duty structures which are detailed below :

(I) Mismatch of inverted turnover with Statement-1A/Annexure-B/ GSTR-3B:

CBIC in November 2019 clarified⁹⁵ that GST refund application shall be accompanied with statements/declarations and documents as required for processing of the refund claim and be uploaded on the common portal. Neither the refund application nor any of the supporting documents shall be required to be physically submitted to the office of the jurisdictional proper officer.

Further, as per paragraph 36 of the circular, the tax payer shall upload the details of all the invoices on the basis of which ITC was availed in Annexure-B which includes the details of inputs, capital goods or input services.

Audit observed (February/March 2021) that in five refund cases (post automation period) out of the total 661 test checked cases (0.75 per cent), the values of turnover of inverted rated supply of goods and services disclosed by the tax payer in Statement-1A/GSTR-3B *i.e.* statement showing the details of invoices received and issued or Annexure-B as the case may, were not considered by the Department and instead considered higher value mentioned in refund application (RFD-01) by the tax-payer. This resulted in excess

⁹² Floressence Perfumes Private Limited, JCST Nodal 4, Pune.

⁹³ JCST LTU-1 Pune.

⁹⁴ Paragraph 3.2 of the CBIC Circular No. 135/05/2020-GST dated 31.03.2020.

⁹⁵ As per Paragraph 36 of Circular No. 125/44/2019 - GST dated 18.11.2019.

sanction of refund amounting to ₹ 44.02 lakh. (**Appendix 2.6.12**). This excess refund is recoverable with applicable interest.

On this being pointed out (February and March 2021), the Division⁹⁶ stated (January 2022) that tax payer had wrongly uploaded incomplete statement and submitted complete statement in physical form, which was considered for sanction of refund.

The reply is not acceptable, as the submission of statements/declarations and documents in physical form are not allowed during post-automation period. Further, the Department failed to issue deficiency memo in GST RFD 03 as envisaged in such cases.

Another Division⁹⁷ stated (June 2021) that there was no deviation. Reply of the Division is not correct, as Audit observed difference in values mentioned in Statement-1A and RFD-01.

Reply from the Government is still awaited (August 2022).

(II) Incorrect determination of Adjusted Total Turnover:

As per Rule 89(4) of MGST Rules, Adjusted Total Turnover means the sum total of the value of -

- (a) the turnover in a State or a Union Territory and
- (b) the turnover of zero rated supply of services and non-zero rated supply of services excluding (i) the value of exempt supplies other than zero rated supplies; and (ii) turnover of supplies for which refund is claimed.

Audit observed in 11 refund cases out of total test checked 661 cases (1.4 per cent) of five Divisions⁹⁸ that Department failed to include the value of zero rated/non-zero rated supply of goods in the value of Adjusted Total Turnover. This resulted in excess sanction of refund of ₹ 0.79 crore (**Appendix 2.6.13**). This excess refund is recoverable with applicable interest.

On this being pointed out (February to September 2021), one Division⁹⁹ stated (November 2021) that recovery of excess payment of ₹ 27.70 lakh has been effected and notices (DRC-01) were issued for interest amounting ₹ 9.41 lakh in respect of seven cases. Another Division¹⁰⁰ stated (September 2021) that notice (DRC-07) issued and one more Division¹⁰¹ stated (October 2021) that notice (DRC-01A) issued and ₹ 10.67 lakh is recovered along with interest.

Replies from remaining two Divisions and the Government were awaited (August 2022).

(III) Mismatch of Net ITC

As per CBIC instructions (November 2019), the refund application shall be accompanied with the statement/declaration and documents such as Statement

⁹⁶ JCST, Kolhapur.

⁹⁷ JCST, Aurangabad.

⁹⁸ JCST, Solapur; JCST, Nodal-1, Pune, JCST, Fort, Mumbai, JCST Mumbai LTU-03 and JCST Nashik.

⁹⁹ JCST, Solapur.

¹⁰⁰ JCST, Nodal-1, Pune.

¹⁰¹ JCST Mumbai LTU-03.

1A, GSTR-2A etc which gives the details of invoices received and issued during a tax period related to inverted rated supply of goods and services.

In nine refund cases (pre-automation-5 and post-automation-4) out of 661 total test checked cases of five Divisions (1.36 *per cent*), it was noticed that the higher values of Net ITC amount as shown in the RFD-1 was considered by the proper officer while issuing refund order instead of the Net ITC values shown in the corresponding Statement-1A/GSTR-2A¹⁰²/GSTR-9¹⁰³ and/or purchase register. This resulted in excess allowance of refund amounting to ₹ 1.37 crore (**Appendix 2.6.14**). This excess refund is recoverable with applicable interest.

On this being pointed out (February to September 2021), one Division¹⁰⁴ accepted (November 2021) the fact and excess refund along with interest ₹ 49.16 lakh was recovered. In another Division¹⁰⁵ it was intimated (January 2022) that DRC-01A was issued on 13.12.2021 for excess refund of ₹ 34.47 lakh (with interest) in final settlement of objection taking into account earlier recovery of ₹ 18.71 lakh.

Specific replies from remaining Divisions and the Government are still awaited (August 2022).

Illustration:

A tax payer¹⁰⁶ filed refund application on 10.01.2020 for refund of accumulated ITC of ₹ 25.40 lakh on account of Inverted Duty Structure for the period from April 2018 to March 2019.

It was observed that the proper officer considered (06.03.2020) Net ITC of ₹ 52.58 lakh as per application (RFD-01) submitted by the tax payer and issued sanction order for refund of ₹ 25.40 lakh.

Scrutiny of GSTR-9¹⁰⁷ revealed that an amount of ₹ 41.95 lakh only was available as ITC on account of inputs and ITC amounting to ₹ 10.25 lakh was available for input services.

The ITC on input services do not qualify for refund in the instant case, being Inverted Duty Structure case.

However, proper officer had considered the ITC on account of input services irregularly and granted refund of ₹ 25.40 lakh instead of eligible refund of ₹ 14.78 lakh. This resulted in sanction of excess refund amounting to ₹ 10.63 lakh.

On this being pointed out (March 2021), JCST (November 2021) stated that dealer has paid excess refund amounting to ₹ 10.62 lakh and interest there ₹ 2.99 lakh.

¹⁰² Statement of ITC accrued to the purchaser.

¹⁰³ Annual statement of turnover of sales.

¹⁰⁴ JCST (Fort), Mumbai.

¹⁰⁵ LTU-01 Pune.

¹⁰⁶ M/s. Capital Nonwovens Private Limited having GSTIN – 27AAECC4174G1ZP under Thane City Division.

¹⁰⁷ The GSTR-9 contains the details of all supplies made and received under various tax heads during the entire year along with turnover.

2.6.7.6 Non-compliance to CBIC instructions for re-credit/recovery of wrong/ineligible ITC

Para 4 of CBIC circular¹⁰⁸ (September 2018) envisaged that on rejection of refund claim of unutilized ITC on account of ineligibility of the said credit, the proper officer shall order for re-credit of rejected amount in the Electronic Credit Ledger of the claimant. Simultaneously, a demand notice (DRC-01) was to be issued to the claimant for recovery of said amount. Alternatively, the claimant can voluntarily pay this amount along with required interest and penalty *suo-motu* and intimate the same to the proper officer in FORM GST DRC-03.

In 15 cases in six Divisions, out of test checked 1954 cases (One per cent), Audit observed that the proper officer rejected the claims amounting to ₹ 2.78 crore which included the claim of ₹ 1.34 crore on account of ineligible items such as canteen expenses, *etc.* However, the proper officer had neither initiated any action for re-credit of the same amount into the Electronic Credit Ledger nor issued any demand notice for recovery of the same along with interest and penalty. This resulted in non-recovery of the ineligible availed ITC amounting to ₹ 1.34 crore (**Appendix 2.6.15**). This excess refund is recoverable with applicable interest.

On this being pointed out (March and July 2021), one Division¹⁰⁹ stated (August 2021) that the rejected inadmissible amount was not re-credited as the applicant preferred an appeal. In another Division¹¹⁰, it was stated (June 2021) that the taxpayer made voluntary payment and reversal of ITC would be done. In another two divisions¹¹¹ the proper officer submitted that the same were not re-credited due to non-submission of undertaking by the taxpayers. Remaining two Divisions¹¹² did not submit any specific reply.

The matter was communicated to the Government in December 2021; However, their response is still awaited (August 2022).

Illustration:

A tax payer¹¹³ filed (04.11.2018) an application for refund of ₹ 55.23 crore for the month of June 2018 on account of zero rated supply of goods or services or both without payment of tax. The proper officer sanctioned (06.01.2020) refund (RFD-06) of ₹ 53.80 crore and rejected claim ₹ 1.43 crore. The rejected claim contained an amount of ₹ 33.19 lakh pertaining to canteen expenses which was ineligible ITC.

However, the proper officer neither ordered for re-credit into the Electronic Credit Ledger of the tax payer nor issued demand notice for recovery of the ineligible ITC amounting to ₹ 33.19 lakh along with applicable interest and penalty. On this being pointed out (August 2021), it was stated

¹⁰⁸ Circular No. 59/33/2018-GST.

¹⁰⁹ LTU-1, Pune Division.

¹¹⁰ Aurangabad Division.

¹¹¹ JCST Nodal-1 Pune and Kolhapur.

¹¹² JCST Nashik and Thane Rural.

¹¹³ M/s. Bajaj Auto Limited having GSTN-27AADCB2923M1ZL under the LTU-1 Pune Division.

(August 2021) that the rejected inadmissible amount was not re-credited as the applicant preferred an appeal.

2.6.8 Miscellaneous issues

2.6.8.1 Irregular grant of refund without proof of exports

As per Rule 89(2)(b) of the MGST Rules, the application for refund in case of export of goods shall be accompanied by a statement containing number and date of shipping bills or bills of export of goods. CBIC instructed¹¹⁴ that in case of refund claim on account of export of goods without payment of tax, the shipping bill details shall be checked by the proper officer through ICEGATE site (www.icegate.gov.in) and check the details of EGM¹¹⁵ and shipping bill, Shipping bill number and date.

In one out of 886 cases pertaining to Pre-automation period, Audit observed (December 2020) that the Department sanctioned (February 2020) refund of ₹ 30.38 lakh to a tax payer¹¹⁶ on the basis of Bank Realisation Certificates (eBRC) issued by the DGFT (Director General of Foreign Trade). However, exporter did not submit Statement-3 containing details of shipping bills as proof of export. Thus the proper officer sanctioned refund without verification of shipping bills, which was irregular.

In another case out of 886 cases pertaining to Pre-automation period, a refund of ₹ 0.48 crore was sanctioned (September 2020) to tax payer¹¹⁷ on the basis of list of shipping bills in Statement-3. Audit cross-checked the Statement-3 from website ICEGATE but 107 shipping bills amounting to ₹ 91.10 lakh were not available on the 'ICEGATE' on which refund of ₹ 0.52 lakh was included in the refund order. Non- verification of shipping bills resulted in irregular refund of ₹ 30.90 lakh in two cases without availability of proof of export.

On this being pointed out, the DCST Nagpur in both the cases stated (December 2020 & February 2021) that the exports were done through India Posts in Mumbai and thus, not available on ICEGATE, as these post offices are not linked to ICEGATE. Replies indicate that CBIC instructions were not followed by the proper officer in respect of verification shipping bills through ICEGATE. The details regarding export through foreign post office were not found on records. This resulted in grant of irregular refund of ₹ 30.90 lakh without verification of proof of exports, which was recoverable with applicable interest.

2.6.8.2 Non-submission of invoice details by the taxpayers for refund under inverted duty structure

An Inverted Duty situation arises, when the taxes on output or final product is lower than the taxes on inputs creating an inverse accumulation of ITC, which in most cases has to be refunded.

¹¹⁴ Para 18 of the Circular No.125/44/2019 GST dated 18.11.2019.

¹¹⁵ Export General Manifest.

¹¹⁶ M/s. LEEHPL Ventures Private Ltd, Nagpur.

¹¹⁷ M/s. SSD Pharma, Nagpur.

As per Rule 89(5) of the MGST Rules, the capital goods and input services do not qualify for refund of ITC on account of Inverted Duty Structure.

CBIC issued circular (November 2019) and clarified¹¹⁸ that the refund applicants shall upload on common portal, the details of all the invoices on the basis of which ITC has been availed during the relevant period for which the refund is being claimed in Annexure- B *i.e.* a statement, which provides the details of type of transaction on which ITC is availed *viz.* inputs, capital goods or input services.

In three Divisions¹¹⁹, Audit observed (February 2021) that the Department issued 95 refund orders amounting to ₹ 20.94 crore on account of Inverted Duty Structure pertaining to post-automation period¹²⁰ (**Appendix 2.6.16**), though Annexure-B was not uploaded by the applicant on the common portal.

On this being pointed out (February 2021), two divisions¹²¹ stated (February 2021) that due to technical glitches, the Annexure B could not be uploaded at that point of time, but the refund claimants had submitted the same physically which was duly scrutinized before sanction of the refund. Belapur-Raigad Division did not submit any reply.

Reply was not acceptable as Department should have issued deficiency memo in such cases for non-furnishing of relevant documents.

2.6.8.3 Non-recovery of provisional refund after rejection of refund claim

Section 54(6) of the MGST Act provides for grant of refund on a provisional basis in respect of zero rated supply of goods or services at 90 *per cent* of the total amount so claimed. Rule 91(2) of MGST Rules stipulated that the proper officer, after scrutiny of the claim and the evidences submitted in support thereof and on being *prima facie* satisfied that the amount claimed as refund is due to the applicant, shall make an order for refund on a provisional basis.

Audit observed that in one out of 886 cases pertaining to Pre-automation, a tax payer¹²² filed refund application on 09.01.2019 (ARN-AA271118897558E) for the refund of ₹ 47.00 lakh on account of supplies made to SEZ unit/SEZ developer without payment of tax for the period from August 2018 to November 2018.

It was observed (August 2021) that the proper officer sanctioned (March 2019) 90 *per cent* provisional refund amounting to ₹ 42.30 lakh. The Proper officer issued (September 2020) notice (RFD-08) for rejection of application for refund due to non-submission of required document (*i.e.* statement containing number and date of invoice, proof of receipt of goods or services which is authorized by the specified officer of SEZ, details of payment made, invoice of suppliers, declaration and Agreement). Subsequently, the proper officer issued (November 2020) final refund order

¹¹⁸ Para 36 of Circular No. 125/44/2019-GST dated 18.11.2019.

¹¹⁹ Belapur-Raigad (3), Thane Rural (10) and Thane City (82).

¹²⁰ Period after 26.09.2019.

¹²¹ Thane City and Thane Rural.

¹²² M/s Airlift Global Carriers Pvt. Ltd. having GSTN 27AAMCA4358E1ZL under Nodal-7 Andheri, Mumbai Division.

for 'Nil' amount rejecting the balance refund amount of ₹ 4.70 lakh. However, no action was taken to recover refund amount sanctioned provisionally. After being pointed out by Audit, Department issued notice (August 2021) for recovery of provisional refund of ₹ 42.30 lakh, which was already granted.

On this being pointed out (August 2021) the proper officer stated (September 2021) that primarily, the provisional refund was sanctioned on the basis of documents submitted by the tax payer and while granting final refund, it was found that more documents were required. The balance refund was rejected and further notice (DRC-01A) was issued (August 2021) for the recovery of provisional refund already granted with applicable interest.

2.6.8.4 Non-production of Records/Production of incomplete records

(I) Non-production of data of communication of refund orders to counterpart tax authority

As per CBIC circular¹²³, refund order issued either by State or Union Territory tax authority, it shall be communicated to the concerned counterpart tax authority within seven working days for the purpose of payment of relevant sanctioned amount of tax or cess as the case may be.

Audit requested (August as well as September 2021) to CST and also to Principal Secretary (Financial Reforms) to submit the aforesaid data/information for further scrutiny.

In case of CGST, the CST provided the data of refund orders of CGST forwarded to the Central Tax authority only in January 2022 but it did not contain details like ARN, date of issue of ARN provisional (RFD-04) order/Final order (RFD-06).

As a result audit could not assess delay at various stages in forwarding refund claims to the Central Tax authority.

Similarly in case of SGST, the CST provided the data of refund orders of SGST received from Central Tax authority (January 2022) but it did not contain details like date of issue of ARN, provisional (RFD-04) order/Final order (RFD-06) and date of credit in the bank account.

Despite several requests the required information such as date of issue of ARN, RFD04 and RFD-06 was not furnished to Audit.

As a result audit could not assess delay at various stages in credit of refund claims to the bank account of the claimant.

(II) Non-production of data of conducting of post-audit of refund claims

CBIC¹²⁴ issued circular and elaborately laid down the procedure for manual processing of refund of zero rated supplies¹²⁵. The circular stipulated that pre-audit of the manually processed refund applications is not required irrespective of the amount involved till separate detailed guidelines are issued. However, post-audit of the refund orders may continue on the basis of extant guidelines.

¹²³ No. 24/24/2017 GST dated 21.12.2017.

¹²⁴ Circular No. 17/17/2017-GST dated 15.11.2017 issued by CST.

¹²⁵ Exports without Payment of Tax.

This procedure was extended to all type of refund applications processed manually vide CBIC circular No. 24/24/2017 dated 21 December 2017.

Information in this respect was requested (August as well as September 2021) from the CST and also from Principal Secretary (Financial Reforms) (November 2021).

In reply, list of cases selected for scrutiny were provided to audit (October 2021) but the same were related to evasion prone commodities and not related to post audit of refund claims. CST further stated (January 2022) that list of 3,764 cases have been selected for comprehensive audit but results of audit are awaited.

As a result, Audit could not assess the adequacy, impact and effectiveness of post-audit checks of the refund orders done by the Department (if any).

(III) Non-production of data of payment of GST refund

As per Internal circular¹²⁶ issued in December 2017, the Additional Commissioner of State Tax (VAT-2), Mumbai is state level in-charge and co-ordinator for disbursement of GST refund through NEFT for the pre-automation period. Similarly, in respect of post-automation period¹²⁷, the disbursement of amount of GST refund issued by the Center and State/UT Tax Officers shall be through the Public Financial Management System (PFMS) of the Controller General of Accounts. The common portal shall generate a master file containing the relevant details. The master file shall be shared with PFMS for validation of the bank account details. After validation of bank account details, the proper officer shall issue the payment order. The disbursement status of the refund would also be communicated by the PFMS to the common portal of the GSTN.

Audit requested (August 2021 as well as September 2021) to CST and also to Principal Secretary (Financial Reforms) (November 2021) to submit the following information of disbursement of refund by the Department shown in **Table 2.6.5** :

Table: 2.6.5

Sr. No.	Details of GST refund processed during pre-automation and post automation period	Date of sending letter to CST	Date of sending reminder
1	Disbursement of GST Refund for the pre-automation period through NEFT	04.08.2021	14.09.2021
2	Disbursement of refund of SGST through PFMS	04.08.2021	14.09.2021

In reply (September 2021), Department did not provide data of pre-automation period (2017-18 and 2018-19) but provided data of post automation period (2019-20 & 2020-21) (September 2021) only. However, it did not contain details like Date of issue of Final order/payment advice (RFD 05 and 06), Date of sharing the master file with the PFMS for disbursement and date of credit in the bank account.

Despite several requests the required information such as date of issue of RFD-05, RFD-06, Date of sharing the master file with the PFMS and date of credit in the bank account was not furnished to Audit.

¹²⁶ No.27A of 2017 dated 30.12.2017 issued by CST.

¹²⁷ CBIC circular No.125/44/2019 dated 18.11.2019.

As a result, Audit could not assess timeliness at various stages (for both pre and post automation period) in credit of refund claims to the bank account of the claimant.

Recommendation 2: Department should ensure availability and production of requisitioned records/statements to audit.

Recommendation 3: Compliance to codal provisions and instructions issued by the Government from time to time may be ensured for correct and timely disposal of the refund cases.

2.7 Short Levy of Tax

Application of incorrect rate of tax resulted in short levy of tax and interest thereon to the tune of ₹ 11.72 lakh.

As per provisions of Section 6 of the MVAT Act, 2002, there shall be levied a sales tax on the turnover of sales of goods specified in different schedules at the rates set out in the respective schedule. Further, goods which are not covered by Schedule A, B, C and D of the MVAT Act shall be covered by Entry 1 of Schedule E of the Act and shall be taxable at the rate of 12.5 per cent. Further, as per order¹²⁸ (January 2017) issued by Advance Ruling Authority, Mumbai, 'Tablets' are to be covered under residual entry E-1, and are required to be taxed at the rate of 12.5 per cent.

Scrutiny of records (January 2020) in office of the Deputy Commissioner State Tax, PUN-VAT- E-706, Pune, revealed that a wholesale dealer¹²⁹ of Computers and Computer peripherals was assessed in 2018-19 under MVAT Act, 2005 for the period 2014-15. From the sample invoices available on records, Audit noticed that MVAT on sale of 'Tablets' at ₹ 83.92 lakh was levied at the rate of five per cent instead of 12.5 per cent. This resulted in short levy of tax ₹ 11.72 lakh inclusive of interest thereon (**Appendix 2.7.1**).

On this being brought to notice (January 2020), the assessing authority concerned stated that the point would be verified and complied accordingly. The matter was brought to notice of the Government in May 2021.

In reply, the Deputy Commissioner of State Tax (Audit) stated (March 2022) that the Assessing authority had issued Rectification order (August 2020) after re-assessment and issued demand notice accordingly for recovery of dues of ₹ 6.008 lakh along with interest.

Further progress of recovery is awaited (August 2022).

2.8 Short levy of interest due to incorrect calculation

Incorrect computation of interest under section 30(3) of MVAT Act, 2002 resulted in short levy of interest to the tune of ₹ 47.06 lakh

As per section 30(3) of MVAT Act, 2002, if any tax remains unpaid up to one month after the end of the period of assessment, then the dealer is liable to pay simple interest at the rates as specified from time to time, on such tax for each month or part thereof from the date immediately following the last date of the

¹²⁸ Order No. ARA Mumbai 126/2016-17/Disp. Reg. No. 10 dated 21/01/2017.

¹²⁹ M/s. K Comp Services, TIN :27710344344V, Period : 2014-15, AO dated 18.02.2019.

period for which the dealer has been assessed till the date of the order of assessment. Accordingly, dealer was liable to pay interest at the rate of 1.25 *per cent* per month as prescribed in Rule 88(1) of MVAT Rules, 2005.

Further, by virtue of the Government of Maharashtra, Finance Department's Notification¹³⁰ (November 2015), the rate of interest under Rule 88(1) for the purpose of sub-section (1), (2) and (3) of Section 30 of MVAT Act, 2002 was revised w.e.f. 01 December 2015 as shown in **Table 2.8.1** :

Table 2.8.1

Sl. No.	Period liable for interest	Rate of interest
1	Upto one month	One and quarter <i>per cent</i> of the amount of such tax, for the month or part thereof.
2	Upto three months	One and quarter <i>per cent</i> of the amount of such tax, for the month or part thereof for the first month of delay and One and half <i>per cent</i> of the amount of such tax, for each month or part thereof for delay beyond one month upto three months.
3	More than three months	One and quarter <i>per cent</i> of the amount of such tax, for the month or part thereof for the first month of delay and One and half <i>per cent</i> of the amount of such tax for each month or part thereof for delay beyond one month upto three months and two <i>per cent</i> of the amount of such tax for each month or for part thereof for the period delay beyond three months.

Scrutiny of records (February 2020) in the office of the Deputy Commissioner of State Tax, PUN-VAT-E-607, LTU, Pune revealed that during assessment of a dealers, the Department mentioned the revised rate of interest in the calculation sheet but actually calculated the interest at pre-revised rate. This resulted in short levy of interest under Section 30(3) amounting to ₹ 47.06 lakh (**Appendix 2.8.1**).

(₹ in lakh)

Sl. No.	Name of the Dealer	Assessment Period	Interest leviable under	Interest levied under	Difference
		Date of assessment			
1	2	3	5	6	7(5-6)
1	Dealer A	2014-15 28/03/2019	147.01	99.95	47.06
Total					47.06

On this being brought to notice (February 2020), the Assessing Authority stated that the point would be verified and complied accordingly.

The matter was brought to notice of Government in May 2021; The Department intimated the acceptance of facts (February 2022) and issued order for recovery of interest amounting to ₹ 58.70 lakh. A report on recovery has not been received (August 2022).

2.9 Excess grant of refund under MVAT

Inadmissible allowance of set-off on inputs utilized in construction of factory building resulted in grant of excess refund to the tune of ₹ 21.56 lakh

As per Rule 54(h) of MVAT Rules, 2005, no set-off under any rule shall be admissible in respect of purchases of goods by a dealer, the property in which is not transferred (whether as goods or in other some form) to any other

¹³⁰ Notification No. VAT 1515/CR-81/Taxation-1 dated 05 November 2015.

person, which are used in erection of immovable property other than plant and machinery.

Further, as per Section 51(6)(b) MVAT Act, 2002, if it is found as a result of any order passed under this Act that the refund granted under this section is in excess of the refund, if any, determined as per the said order, then the excess amount shall be recovered as if it is an amount of tax due from the dealer and the dealer shall be liable to pay simple interest at the prescribed rate per month or part thereof from the date of the grant of refund.

During Scrutiny (June 2018) of assessment in the office of the Deputy Commissioner of Sales Tax, E-002, Amravati, Audit noticed that a Manufacturer¹³¹ of bakery products was assessed in 2016-17 for the period 2012-13. As per the Assessment Order, the tax refund was worked out to ₹ 18.80 lakh and the interest thereon granted under Section 52 of MVAT Act, 2002 as ₹ 2.26 lakh. Audit noticed that the purchases on which set-off was allowed included cement, electrical installation items *etc* used in construction of factory building, which was inadmissible in view of the rule *ibid*. This was resulted in excess refund of ₹ 10.56 lakh to the dealer. Thus, ₹ 21.56 lakh was to be recovered under section 51(6)(b) from the dealer which includes interest of ₹ 11.00 lakh (*Appendix-2.9.1*).

On this being pointed out by Audit (June 2018), the Department stated that the matter would be verified and compliance would be furnished in due course.

The matter was brought to notice of the Government in October 2021; their reply thereto was awaited (August 2022).

STAMP DUTY AND REGISTRATION DEPARTMENT

STAMP DUTY AND REGISTRATION FEES

2.10 Short levy of Stamp Duty in cases of lease deed

As per Article 36(A)(b), if leave and license agreement purports to be for a period exceeding sixty months with or without renewal clause, the duty is leviable on lease under clauses (ii) (iii) or (iv) as the case may be of Article 36. As per Article 36(i), (ii), (iii) and (iv) of the Maharashtra Stamp Act (MS Act), in case of lease with a renewal clause contingent or otherwise, where period of lease is up to five years Stamp Duty is leviable on ten *per cent* of market value of the property, if lease is for a period exceeding five years and up to ten years, Stamp Duty is leviable on 25 *per cent* of market value of the property, if lease is for period exceeding ten years and up to 29 years then Stamp Duty is leviable on 50 *per cent* of market value of the property and in case where lease period exceeds 29 years, the Stamp Duty is leviable on 90 *per cent* of market value of the property. Further, as per explanation-II, the renewal period, if specifically mentioned, shall be treated as part of the present lease.

As per Article 60 of the MS Act, transfer of lease by way of assignment and not by way of under lease or by way of decree or final order passed by any Civil Court or any Revenue Officer, the Stamp Duty leviable is the same duty

¹³¹ M/s. Virendra Food Products Pvt. Ltd. TIN: 27600328642V, Period: 2012-13, AO Date: 28.03.2017.

as is leviable on lease under clause (i), (ii), (iii) or (iv) as the case may be of Article 36 for the remaining period of lease.

Audit observed short levy of Stamp Duty amounting to (i) ₹ 01.06 crore due to non- consideration of constructed area in one case, (ii) ₹ 38.19 lakh due to non-consideration of renewal clause in two cases (in two units) and (iii) ₹ 5.28 crore due to undervaluation of market value in 11 cases (in three units) as detailed below :

2.10.1 As per Valuation Guideline (VG) No. 7(d) of Annual Statement of Rates, a school and religious building should be valued at the rate assigned to residential flat in the concerned valuation zone of Annual Statement of Rates.

A Lease deed (Document No. 10503/2018) was executed (August 2018) between Lessee¹³² and Lessor¹³³ at the office of Joint Sub Registrar, Haveli -XVIII, District Pune for leasehold rights of land admeasuring 42.05 R i.e. 4,205 sqm along with constructed area admeasuring 5,576.20 sqm situated at Survey No.12/1 in village Mahalunge (Influence Area), Taluka Mulshi, District Pune for a period of 30 years commencing from 27 June 2018 to 26 June 2048.

The Department worked out the market value of property by taking into account the area of open land (4,205 sqm) only at ₹5.15 crore and consideration mentioned in the document was 'Nil'. The Department recovered SD of ₹ 23.16 lakh.

Scrutiny of document revealed (July 2019) that as per clause 3, the Lessor agrees and undertakes to construct two buildings having construction area of 30,000 square feet each for school in phase-wise manner at their own cost and expenses on land under lease. The possession of Phase-I and Phase-II buildings would be handed over by Lessor to Lessee on 01 March 2019 and 01 June 2022 respectively.

Audit worked out that market value of the property at ₹ 28.62 crore on which SD of ₹ 1.29 crore at the rate of five *per cent* under Article 25 of the MS Act was leviable as against ₹ 23.16 lakh recovered by the department. This resulted in short levy of SD of ₹ 1.06 crore (**Appendix 2.10.1**).

In reply, office of the Inspector General of Registration and Controller of Stamps, Pune (IGR) accepted (March 2021) the audit observation. The Inspector General of Registration stated that process of recovery is in progress at level of office of Collector of Stamps, Pune city, Pune. Further progress of recovery is awaited (August 2022).

The matter was brought to the notice of the Government in May 2021 and October 2021, the reply is awaited (August 2022).

2.10.2 As per VG No. 7(b) of Annual Statement of Rates (ASR), a dispensary/hospital/bank situated on the upper floors should be valued as per clauses (c) and (d) of Valuation Guideline No. 8. The Valuation Guideline No. 8(d) is for valuation of shops in the building comprising larger shopping complex other than Malls as shown in **Table 2.10.2.1** :

¹³² Sant Gyaneshwar Education Trust, Mumbai through its Chairman and Managing Trustee Dr. Nikil Wagh.

¹³³ Mr. Atul Bhima Padale and 20 others, Pune.

Table 2.10.2.1

Sr. No.	Floor comprising a shop	Percentage of the rate of shop as assigned in the ASR to be taken into consideration
1	Basement	70%
2	Lower ground floor	90%
3	Ground floor/Upper ground floor	100%
4	First floor (above ground floor or above still floor)	90%
5	Second floor and floors above	80%

An agreement to construct and lease (Document No. 4481/2016) was executed (July 2016) between Lessor¹³⁴ and Lessee¹³⁵ at the office of the Joint Sub-Registrar, Haveli- XVII, District Pune for a proposed hospital building referred to as the "Bare Shell Building". The period of lease was of 28 years and 11 months. The proposed building comprised of 2 (Two) basements, Ground + 7 (seven) upper floors *plus* terrace. Total built up area was admeasuring at least 2,50,000 sq. ft., of which calculable area shall not exceed 2,40,000 sq.ft. *i.e* 22,304.83 sqm. This building would be constructed by Lessor on the land admeasuring 7,965 sqm at survey No. 111/11/1 (pt), situated at Baner-Mhalunge Road, village Baner, Taluka Haveli, District Pune within the limits of Pune Municipal Corporation.

The Department worked out the market value of the property at ₹ 117.28 crore and consideration mentioned in the document is 'Nil'. The details of calculation based on which the valuation of property arrived at, was not available on records.

Audit worked out the market value of the property at ₹ 163.70 crore as per the rates mentioned in Annual Statement of Rates for the year 2016-17 read with Valuation Guideline 8(d). Accordingly, as per the provisions of Article 36(iii) of the Act, SD amounting to ₹ 4.09 crore on 50 *per cent* of market value was leviable. However, the Department recovered SD of ₹ 2.93 crore only. This resulted in short levy of SD by ₹ 1.16 crore (**Appendix 2.10.2**).

On being pointed out (January 2018), the Joint Sub-Registrar submitted that the compliance would be submitted after getting opinion from the office of the Joint District Registrar, Pune City. The matter was reported (October 2020 and June 2021) to the office of the Inspector General of Registration and Controller of Stamps, Pune (IGR). In reply the IGR stated (February 2022) that the matter is taken under consideration under section 32 C and the decision taken will be intimated to audit.

The matter was brought to the notice of the Government in July 2021 and October 2021, their reply is awaited (August 2022).

2.10.3 Scrutiny of records (Document No. 570/2017) of office of the Joint Sub Registrar (Class-II), Haveli-V, District Pune revealed (April 2018) that a Deed of Assignment of Lease was executed (January 2017) between Assignor¹³⁶ and Assignee¹³⁷ for assigning an industrial plot on lease having area of 2,957 sqm along with industrial shed admeasuring 670 sqm (constructed in year 1989) standing thereon situated at plot No.S-36, T Block

¹³⁴ M/s. AC Realty Spaces LLP, Pune.

¹³⁵ M/s. Columbia Asia Hospitals Pvt. Ltd., Bangalore.

¹³⁶ M/s. Laxmi Agni Components & Forgings Pvt. Ltd.

¹³⁷ M/s. Sachin Projects.

in Pimpri Industrial Area of Maharashtra Industrial Development Corporation, Village Bhosari within the limits of Pimpri-Chinchwad Municipal Corporation. The Department worked out the market value of the property at ₹ 490.46 lakh. However, the consideration mentioned in the instrument was ₹ 506 lakh. The Department recovered the SD of ₹ 25.30 lakh. The details of calculation based on which Department arrived at valuation of property were not available on records.

Originally, the said plot was allotted to an allottee¹³⁸ in May 1988 for period of 95 years who thereafter has assigned their rights in respect of plot together with shed in the name of current Assignor vide registered Deed of Assignment of Lease in December 2001. Further, the present Deed of Assignment of Lease was executed (January 2017) between Assignor and Assignee for unexpired period of lease.

Audit observed (April 2018) that market value of plot along with shed was to the tune of ₹ 8.35 crore, thus, SD at the rate of five *per cent* under Article 25 of the Act, on 90 *per cent* of the market value amounting to ₹ 37.59 lakh was leviable as against ₹ 25.30 lakh recovered by the Department. This resulted in short levy of SD to the tune of ₹ 12.29 lakh. (**Appendix 2.10.3**).

In reply, IGR stated that process of recovery is in progress at level of office of Collector of Stamps, Pune.

The matter was brought to the notice of the Government in May 2021 and October 2021, their reply is awaited (August 2022).

2.10.4 Scrutiny of records (Document No. 3058/2019) of the Office of Joint Sub Registrar, (Class-II), Haveli -III, District Pune revealed (January 2020) that a Leave and License Agreement was executed (February 2019) between Licensor¹³⁹ and Licensee¹⁴⁰ for Units No EB-GF-28 & 29 admeasuring chargeable area 10,104 sqft *i.e* 939.03 sqm on ground floor in Retail Mall/ Shopping Complex known as "Amanora Town Centre" at village Sadesatranali, Hadaspsar, *Taluka* Haveli, District Pune. As per the clause 3 of the document, the period of lease was for nine years. However, in clause No. 3(a), it was mentioned that after expiry of the initial term, the licensee with the consent of licensor, might renew this agreement for a further term of four years. The Department worked out market value of property at ₹ 13.29 crore and recovered SD of ₹ 16.96 lakh considering the period of lease of nine years only.

Audit worked out that SD at the rate of five *per cent* under Article 25 of the MS Act amounting to ₹ 33.22 lakh on 50 *per cent* of the market value as per the provisions of Article 36 (iii) was leviable as against ₹ 16.96 lakh recovered by the Department. This resulted in short levy of SD to the tune of ₹ 16.26 lakh (**Appendix 2.10.4**).

¹³⁸ M/s Ashoka Powerling Ind. Pvt. Ltd.

¹³⁹ City Reality and Development Private Limited, Pune through its authorised signatory Mr. Rameshwar Jatale and Mr. Ramesh Kangude.

¹⁴⁰ The Barbeque Nation Hospitality Ltd, Bangalore.

On being pointed out in October 2020, the IGR accepted (June 2021) the audit observation. The IGR stated that Collector of Stamps, Pune city is directed to effect recovery on priority.

The matter was brought to the notice of the Government in May 2021 and October 2021, their reply thereto was awaited (August 2022).

2.10.5 A Lease deed (Document No. 3961/2015) was executed (May 2015) between Lessor¹⁴¹ and Lessee¹⁴² at the Office of Joint Sub Registrar, Thane-VIII, District Thane for leasehold rights of an unfurnished hospital, Basement +G+7 Floor building (on as is where is basis) for running hospital in newly constructed Primary Health Centre (PHC) building admeasuring area 1,899.64 sqm constructed on land admeasuring 990.27 sqm situated at Sector 3K, Airoli, New Mumbai. The document was earlier adjudicated by the Joint District Registrar (JDR), Thane City vide Adj. Order No. Adj/190/15/5297-98/15 dated 06/05/2015. The Department determined the market value of property at ₹ 17.54 crore and recovered Stamp Duty of ₹ 21.93 lakh on 25 per cent of the market value of property. The details of calculation based on which the valuation of property was arrived at not available on records. The consideration mentioned in the instrument was ₹ 15.00 lakh.

Audit scrutiny of the document revealed (February 2017) that as per Clause 1 of the document, the initial period of lease was for 10 years. However, in Clause No. 24, it was mentioned that “after expiry of this Lease deed, both the parties hereby agree to extend the Lease Deed for another ten years with mutual consent.” Thus, the total lease period works out to 20 years. This was not considered by the Department while levying the SD.

Audit considered the market value of ₹ 17.54 crore as determined by the Department and worked out the SD leviable amounting to ₹ 43.85 lakh on 50 per cent of market value at the rate of five per cent as against ₹ 21.93 lakh recovered by the Department. This resulted in short levy of SD by ₹ 21.93 lakh (*Appendix 2.10.5*).

On being pointed out in October 2020, the IGR stated (January 2021) that the matter is under consideration under Section 53A of the MS Act, and appropriate action would be taken after final decision in the matter.

The matter was brought to the notice of the Government in July 2021 and October 2021, their reply is awaited (August 2022).

2.10.6 As per Government of Maharashtra, Revenue & Forest Department Resolution (May 2006), for allotment of Government land on occupancy or on lease basis and in all the cases where valuation of government land is to be done, valuation of such land should be determined as per the rates prescribed in ASR as on date on which order for allotment of government land is passed or other orders consisting of valuation is passed.

Scrutiny of records (Document Nos. 2978/2018, 3992/2018, 4753/2018, 3905/2018, 2465/2018, 5070/2018, 2468/2018, 4382/2018 and 3722/2018) of the Office of Joint Sub Registrar-I, Nagpur, District Nagpur revealed

¹⁴¹ Smt. Sonpattidevi Memorial Medical Trust, Navi Mumbai.

¹⁴² Wellcare Health Services, Navi Mumbai.

(July 2019) that nine cases of renewal of lease of intra Municipal/Nazul¹⁴³ for building purpose were executed (between May 2018 and September 2018) between Lessee¹⁴⁴ and Lessor¹⁴⁵ in respect of nazul plots situated in Nagpur district. The Department worked out the market value of property at ₹ 1.52 crore and consideration was shown as Nil. The Department recovered SD of ₹ 7.56 lakh in these nine cases. The details of calculation of market value of the property by the Department were not found on records.

Audit observed that period of lease was 30 years in all the above cases. Thus, SD was leviable on 90 *per cent* of the market value of the property. Audit worked out market value of the property at ₹ 90.50 crore as per the Annual Statement of Rates. SD of ₹ 4.07 crore at the rate of five *per cent* was leviable on 90 *per cent* of the market value of the property, as against the ₹ 7.56 lakh recovered by the Department. This resulted in short levy of SD of ₹ 4.00 crore (**Appendix 2.10.6**).

The matter was brought to the notice of the Government in July 2021 and October 2021; their reply is awaited (August 2022).

2.11 Short levy of Stamp Duty due to undervaluation of property

2.11.1 Development agreement - Revenue sharing

As per Article 5 (g-a) of Schedule-1 of MS Act, in case of instrument relating to giving authority or power to a promoter or a developer, by whatever name called, for construction on, development of or, sale or transfer (in any manner whatsoever) of, any immovable property, SD leviable shall be as is leviable on a conveyance under clause (a), (b) or (c) as the case may be, of Article 25, on the market value of the property. Further, as per VG No. 33 of ASR, valuation of development agreement relating to revenue sharing (sale proceeds) should be done :- (a) Consideration value of owner's share –Current value of owner's share in terms of the rate of sale having regard to the permissible use thereof x 0.85 + consideration in cash or kind *i.e.* interest on security deposit, *etc.*

(b) Market value of entire land area at land rate of ASR

Value at (a) or (b) whichever is more.

Further, as per Valuation Guideline No. 31, where instruments pertaining to development agreement/sharing of revenue mention that built-up area/revenue inclusive of the Transferable Development Right (TDR) area is to be shared or that Transferable Development Right is to be utilized therein, the rate assigned for such land under the ASR with 25 *per cent* increase therein should be taken into account for the valuation.

¹⁴³ Prior to independence, erstwhile Government of Central Province (CP) & Berar and prior to formation of Maharashtra State (Maharashtra State was formed in May 1960) the Government of Madhya Pradesh in Vidarbha Region of Maharashtra, allotted Nazul lands on lease subject to certain terms and conditions to public for residential, commercial, educational and charitable purposes. Nazul land means any type of Government land used for non-agricultural purpose such as building, market, playground or any other public purpose or the Nazul land which has potential for such use in future including such lands granted on long or short term lease. (Source: Para 4.4 of Audit Report for the year ended 31 March 2017 on Revenue Sector).

¹⁴⁴ As per calculation sheet of respective Documents number.

¹⁴⁵ Deputy Collector, Nagpur on behalf of Government of Maharashtra.

Audit observed short levy of Stamp Duty amounting to (₹ 39.39 lakh + ₹ 55.13 lakh + ₹ 01.07 crore = ₹ 02.02 crore) in three cases (in three units) due to not working out the correct market value of property or consideration as per the applicable provisions of Annual Statement of Rates in the development agreements involving sharing of revenue as elaborated below :

2.11.1.1 Scrutiny of records (Document 8654/2015) of the Joint Sub Registrar, Class-II, Aurangabad-V, District Aurangabad revealed (December 2016) that a Development Agreement was executed (December 2015) between Owners¹⁴⁶ and Developer¹⁴⁷ for a piece and parcel of open plot No. 2 admeasuring 3,716.71 sqm situated at Gat No. 701 village Chikalhana, Taluka and District Aurangabad along with Transferable Development Right admeasuring 1,486.98 sqm (referred to as demised plot¹⁴⁸) within the limits of Aurangabad Municipal Corporation. The Department worked out the market value of the property at ₹ 3.57 crore. The details of calculation based on which the valuation of property arrived was not available on records. The consideration of ₹ 3.57 crore was mentioned in the document and the Department recovered SD of ₹ 18.37 lakh.

Audit noticed that it was mentioned in page 10 of the document that the said project consists of development of demised plot comprising open land admeasuring 3,716.71 sqm on plot No. 2 and Transferable Development Right admeasuring 1,486.98 sqm. Further, as per clause 4 of the document, the parties agreed to share gross sale proceeds of the project to be constructed on the demised plot in the ratio of 48:52¹⁴⁹. In addition, the developer also gave refundable security deposit of ₹ 1.75 crore to the Owners.

Audit worked out the Owner's share at ₹ 6.66 crore and Developer's share (market value of demised plot admeasuring 5,203.69 sqm including Transferable Development Right) at ₹ 11.55 crore and pointed out (September 2020) short levy of SD of ₹ 39.39 lakh (*Appendix 2.11.1*).

On this being pointed out in September 2020, the IGR accepted (March 2021) the audit observation for ₹ 39.39 lakh. Further progress of recovery is awaited (August 2022).

The matter was brought to the notice of the Government in May 2021 and October 2021; the reply thereto awaited (August 2022).

2.11.1.2 Scrutiny of records of the Office of the Joint Sub-Registrar Class-II, Amravati City-II, District Amravati revealed (September 2019) that a General Power of Attorney (Document No. 2586/2016) and Joint Development Agreement (Document No. 2587/2016) was executed (August 2016) between Owner¹⁵⁰ and Developer¹⁵¹ for development of land admeasuring 14,600 sqm bearing survey No. 159/1, 159/2 and 162 and land admeasuring 4800 sqm of survey No. 160 and 164/2, total land admeasuring 19,400 sqm situated at

¹⁴⁶ Shri Rajesh S/o Laxmandas Paraswant, Aurangabad and three others.

¹⁴⁷ M/s Sara Builders and Developers, Aurangabad.

¹⁴⁸ Demised plot is here referred to plot area 3,716.71 sqm and TDR 1,486.98 sqm collectively.

¹⁴⁹ Owner's share 48 *per cent* and developer's share 52 *per cent*.

¹⁵⁰ Mr. Nilkanth Bapurao Katre & 3 others, Badnera, District Amravati.

¹⁵¹ M/s. Raj Associates, Nagpur.

Mouza Badnera, *Taluka* Amravati within the limits of Amravati Municipal Corporation. In the General Power of Attorney, the Department worked out the market value of the property at ₹ 2.28 crore by levying the rate of open land and consideration was shown as ₹ 2.28 crore and recovered SD of ₹ 11.41 lakh.

As per clause 4(i) of the joint development agreement, the Owner shall be entitled to 35 *per cent* of the net sale price received from the allotments and sales and leases or licenses of saleable premises developed and constructed solely out of basic Floor Space Index (FSI). Further as per clause 4(iii), it is agreed that other than owner's realisation of entire balance purchase price and consideration received from and out of allotments and sales of saleable premises shall belong to Developer. Further, as per clause 5 of the joint development agreement developer shall be responsible for entire cost and risk of development.

Audit worked out the Owner's share (consideration) at ₹ 13.31 crore and Developer's share (market value of whole land) at ₹ 3.42 crore. Thus, the owner's share being more should have been treated as market value and SD at the rate of five *per cent* under Article 25 of the MS Act amounting to ₹ 66.54 lakh was leviable as against ₹ 11.41 lakh recovered by department. This resulted in short levy of SD of ₹ 55.13 lakh (**Appendix 2.11.2**).

On being pointed out in September 2020, the IGR accepted (February 2021) the audit observation¹⁵². The IGR stated (February 2022) to have effected recovery of ₹ 51.50 lakh. (August 2022).

The matter was brought to the notice of the Government in May 2021 and October 2021; their reply is awaited (August 2022).

2.11.1.3 Scrutiny of records (Document No. 5469/2016) of the Office of Joint Sub-Registrar, Class-II, Haveli-VIII, District Pune revealed (January 2018) that a Joint Development Agreement was executed (June 2016) between Owner¹⁵³ and Developer¹⁵⁴ for development of land admeasuring 67,272 sqm¹⁵⁵ for Phase-2 at Survey No. 15 part and 16 part, situated at village Yeolewadi, *Taluka* Haveli, within the limits of Pune Municipal Corporation. The Department worked out the market value at ₹ 12.04 crore and consideration was shown as ₹ 33.51 crore. The Department recovered SD of ₹ 1.68 crore on the amount of consideration.

Audit observed that as per paragraph A and B of the document, land admeasuring 3,79,971 sq.m. is "larger property" and said larger property was converted to "Non-agricultural" in April 2009. Further, as per paragraph E (ii), out of this larger property, land area of 67,272 sqm is subject matter of development for Phase-2 having total Floor Space Index (FSI) availability of

¹⁵² As per IGR office calculation, the short levy of Stamp Duty is amounting to ₹ 64.06 lakh considering the permissible built up area of 21010.71 sqm. The reasons for considering permissible built up area instead of basic FSI is not available on records.

¹⁵³ M/s Pune Kondhwa Realty Pvt. Ltd, Pune.

¹⁵⁴ M/s Lake District Realty Pvt. Ltd, Pune.

¹⁵⁵ 5,372 sqm of S.N.15/1(part), 2,300 sqm of S.N.16/1/4, 6,800 sqm of S.N.16/1/8A/1, 6,800 sqm of S.N.16/1/8A/2, 10,200 sqm of S.N.16/1/8B/1, 3,400 sqm of S.N.16/1/8B/2, 6,100 sqm of S.N.16/1/9, 8,300 sqm of S.N.16/1/10, 3,300 sqm of S.N.16/1/11, 10,400 sqm of S.N.16/1/12/2 and 4,300 sqm of S.N.16/1/12/3 total 67,272 sqm.

74,202.28 sqm. Out of available FSI, 6,749.38 sqm FSI was available on land admeasuring 5,372 sqm situated in survey No.15/1 (part) for villa and bungalow. As per paragraph 3.1, the entire cost to complete project would be borne and paid by the Developer and as per paragraph 6.1, Owner shall be entitled to receive 28.2 *per cent* of the realisation of the unsold units, 12.9 *per cent* of the realisation of allotted premises and 43 *per cent* of the realisation of the row houses and villa.

Accordingly, Audit worked out the consideration at ₹ 49.50 crore and market value of land at ₹ 54.97 crore by applying the Valuation Guideline No. 16(c)¹⁵⁶ of ASR on which SD of ₹ 2.75 crore at the rate of five *per cent* was leviable. However, Department recovered SD of ₹ 1.68 crore only. This resulted in short levy of SD of ₹ 1.07 crore (**Appendix 2.11.3**).

The Office of the IGR accepted (January 2021) the short levy of Stamp Duty and informed that short levy worked out to ₹ 2.53 crore. The IGR stated that recovery action is in progress.

The matter was brought to the notice of the Government in July 2021 and October 2021; the reply is awaited (August 2022).

2.11.2 Development agreement - Sharing of constructed area

Article 5 (g-a) of Schedule-1 of Maharashtra Stamp Act provides, in case of instrument relating to giving authority or power to a promoter or a developer, by whatever name called, for construction on development of or, sale or transfer (in any manner whatsoever) of, any immovable property, Stamp Duty as is leviable on a conveyance under clause (a), (b), or (c) as the case may be, of Article 25 shall be charged on the market value of the property or consideration, whichever is higher, which is the subject matter of transfer. Further, as per instruction No. 32 of Annual Statement of Rates, in case of development agreement the market value shall be derived by calculating owner's share (cost of constructed area plus interest at the rate of ten *per cent* on security deposit) and developer's share and higher of these should be considered as market value.

Audit observed short levy of Stamp Duty amounting to ₹ 10.27 lakh in one development agreement due to incorrect calculation of owner's share and market value as detailed below :

2.11.2.1 Scrutiny of records (Document No. 2036/2015) of the Office of Joint Sub-Registrar, Haveli-X, District Pune revealed (January 2017) that a Development Agreement was executed (February 2015) between Owners¹⁵⁷ and Developer¹⁵⁸ for development of piece and parcel of land admeasuring 3,600 sqm. bearing *Gut* No.637 of village Kirkatwadi (Influence area), *Taluka* Haveli, District Pune. The Department worked out the market value of the property at ₹ 42 lakh and consideration was shown as ₹ 44 lakh. The Department recovered SD of ₹ 1.76 lakh on the amount of consideration.

¹⁵⁶ Valuation of land/plot assessed as Non-Agricultural user is done by considering 90% of the rates as applicable to the concerned non-agricultural user under ASR.

¹⁵⁷ Shri Digamber B Mate, Pune and 33 others.

¹⁵⁸ M/s. Mantra Buildcraft LLP, Pune through its partner Mr. Vishal N. Gupta.

Audit observed that as mentioned in paragraph 4 (four) of the document, the Owner would retain 40 *per cent* admeasuring 18,480 sq.ft. *i.e.* 1,717.47 sqm of the proposed constructed area and in addition, two Co-owners would get bungalow plots admeasuring 200 sqm each. Further, the Developer would complete the construction at its own cost. In addition to this, the Developer had also given interest free refundable security deposit of ₹ 44 lakh to Owners.

Accordingly, Audit worked out Owner's consideration at ₹ 3.01 crore on which SD of ₹ 12.03 lakh at the rate of four *per cent* was leviable. However, Department recovered SD of ₹ 1.76 lakh only. This resulted in short levy of SD of ₹ 10.27 lakh (**Appendix 2.11.4**).

On being pointed out in March 2021, the IGR stated that Collector of Stamps, Pune City has been directed to effect recovery on priority.

The matter was brought to the notice of the Government in July 2021 and October 2021; their reply is awaited (August 2022).

2.11.3 Development agreement – Re-development of the Society

Article 5 (g-a) of Schedule-1 of MS Act, 1958 (Act) provides, in case of instrument relating to giving authority or power to a promoter or a developer, by whatever name called, for construction on, development of or, sale or transfer (in any manner whatsoever) of, any immovable property, SD is leviable as applicable on a conveyance under clause (b) or (c) as the case may be, of Article 25 of Schedule-1 of the MS Act on the market value of the property or consideration, whichever is higher, which is the subject matter of transfer.

As per Appendix III under Regulation 33(7) of the Development Control Regulation for greater Mumbai, 1991 (DCRM), in case of redevelopment of 'A' Category cessed building, the total FSI shall be 3.00 of the gross plot area or the FSI required for rehabilitation of existing occupiers *plus 50 per cent* incentive FSI¹⁵⁹; whichever is more shall be a permissible built up area. In addition, Further, the Regulation 35(4) of DCRM further envisage for fungible FSI not exceeding 35 *per cent* for residential development and 20 *per cent* for industrial/commercial development, over and above admissible FSI, by charging a premium at the rate of 60 *per cent*, 80 *per cent*, and 100 *per cent* of the Ready reckon rate for Residential, Industrial and Commercial development respectively.

Audit observed short levy of Stamp Duty amounting to (₹ 91.43 lakh + ₹ 17.07 lakh = ₹ 1.08 crore) in two case (in two units) due to incorrect calculation of market value and consideration as detailed below :

2.11.3.1 Scrutiny of records (Document No. 7992/2015) of the Office of Joint Sub Registrar, Mumbai – I revealed (February 2017) that a Development Agreement was executed (July 2015) between Owner¹⁶⁰ and Developer¹⁶¹ for the redevelopment of the building known as "Hardinge House" consisting of

¹⁵⁹ As per note (b) attached to VG No.2.2 of ASR, 2015 (Mumbai and MSD), permissible Incentive FSI as per DCRM should be considered for calculation of permissible built up area.

¹⁶⁰ Hardinge House Co-operative Housing Society.

¹⁶¹ Sambhavparshva Developers Private Limited.

ground plus three upper floors, admeasuring area 648.83 sqm. situated at 56-62, A, August Kranti Marg, bearing CTS No. 540 of Malabar–Cumballa Hill Division. The property and the structure is a ‘A’ category cess building.

Audit worked out the market value of the property as per the provisions stated under Regulation 35(4) and Appendix-III of Regulation 33(7) of the DCRM at ₹ 32.30 crore. Audit worked out the consideration at ₹ 19.36 crore. The SD at the rate of five *per cent* was leviable on the market value of the property at ₹ 1.61 crore as against ₹ 70.00 lakh recovered by the Department. This resulted in short levy of SD of ₹ 91.43 lakh (**Appendix 2.11.5**). The details of valuation done by Department were not available on records.

On being pointed out (February 2017), the Joint Sub-Registrar, Mumbai City-I, in reply stated that as the document is adjudicated, compliance would be submitted after obtaining the comments of the Collector of Stamps, Mumbai. The matter was intimated (August 2021) to the Office of the IGR.

In reply, IGR stated (October 2021) that the matter is under consideration under section 53A of MS Act, and appropriate action would be taken after the decision is taken in the matter. Further progress in the matter was awaited (August 2022).

The matter was brought to the notice of Government in October 2021; their reply thereto was awaited (August 2022).

2.11.3.2 Scrutiny of records (Document No.8840/2014) of the Office of Joint Sub-Registrar, Borivali–VII, Mumbai Suburban District revealed (September 2015) that a development agreement was executed between Owner¹⁶² and Developer¹⁶³ for redevelopment of piece or parcel of khote land admeasuring 3,539.58 sqm bearing CTS No. 1404, 1404/1 to 23 of village-Eksar, *Taluka* Borivali, Mumbai Suburban District. The Department worked out the consideration ₹ 3.46 crore and recovered SD of ₹ 22.85 lakh on amount of consideration.

Audit worked out the market value of the property at ₹ 9.96 crore and consideration amount at ₹ 20.21 crore and amount of SD leviable at ₹ 1.05¹⁶⁴ crore at the rate of five *per cent* as against ₹ 22.85 lakh which was recovered by the department. This resulted in short levy of SD amounting to ₹ 82.20 lakh (**Appendix 2.11.6**).

In July 2019, the Collector of Stamps, Borivali partially accepted the audit observation and stated that recovery of ₹ 58.50 lakh had been effected. The short levy of SD amounting to ₹ 75.57 lakh and outstanding balance recovery of ₹ 17.07 lakh was communicated (August 2021) to IGR.

IGR accepted (December 2021) the audit observation. Further progress of recovery was awaited (August 2022).

The matter was brought to the notice of the Government in October 2021; their reply thereto was awaited (August 2022).

¹⁶² Shri Saraswati Apartment Co-operative Housing Society Ltd.

¹⁶³ Kag-Hitech-Hafizi Builders.

¹⁶⁴ Stamp Duty leviable on consideration amount (₹ 1,01,05,122) + Stamp Duty leviable on Bank Guarantee (₹ 4,00,000).

2.12 Short levy of Stamp Duty in conveyance deed due to incorrect/non-application of provision of MS Act and ASR

Maharashtra Stamp Act envisaged that the consideration for the purpose of levy of Stamp Duty and Registration Fee on an instrument brought for registration shall be the amount mentioned in the instrument or the market value of the property determined in accordance with the Articles of Schedule-I of Maharashtra Stamp Act and the instructions and rates contained in the Annual Statement of Rates prescribed for that year whichever is higher.

Audit observed short levy of Stamp Duty amounting to (₹ 40.96 lakh + ₹ 56.06 lakh = ₹ 0.97 crore) in two cases (in two units) due to incorrect/non-application of provisions of Maharashtra Stamp Act and instructions to Annual Statement of Rates as elaborated below :

2.12.1 As per VG No.17 of the ASR, regarding plot situated in the interior of a road in an urban and influence area, for which separate valuation zone is provided, the valuation of such plot which is situated at a distance of more than 50 meters from the road should be done by taking into consideration 70 per cent of the rate applicable to the road.

Scrutiny of records (Document No. 1571/2016) of the Office of Joint Sub Registrar, Haveli-II, District Pune revealed (October 2017) that a Sale Deed was executed (February 2016) between Vendors¹⁶⁵ (Party of the First Part) and Purchaser¹⁶⁶ (Party of the Third Part) for land admeasuring 40 Ares i.e. 4,000 sqm of Survey No. 90/B, land admeasuring one hectare 42 Ares i.e. 14,200 sqm of Survey No.90/A/2 and land admeasuring 61 Ares i.e. 6,100 sqm of Survey No. 90/A/1/2 totaling to land admeasuring 2 hectare 43 Ares i.e 24,300 sqm situated at village Dhanorie, Taluka Haveli, District Pune within the limits of Pune Municipal Corporation. The Department calculated the market value of the property at ₹ 22.79 crore by applying Valuation Guideline No. 16B¹⁶⁷ and the consideration mentioned in the Document was ₹ 8.62 crore. Department recovered SD at the rate of six per cent (Five per cent SD and One per cent LBT) on ₹ 15.96 crore (70 per cent of market value as per VG No.17 of ASR) at ₹ 95.76 lakh.

Audit observed that as per Annual Statement of Rates for the year 2015, Survey No. 90 is situated on the Dhanorie village to Kalas Road. Further, as per Schedule A of the conveyance, the property is bounded by a DP Road/Shiv of village Kalas on west side and remaining part of Survey No. 90 on east side. Proposed Draft Regional Plan (1990-2011)¹⁶⁸ also confirms that the property is located on road. Thus, valuation of the property at 70 per cent rate of Annual Statement of Rates by applying Valuation Guideline No. 17 was not correct.

¹⁶⁵ Shri Baburao Navlu Deokar, Pune and 13 others.

¹⁶⁶ M/s Lunkad Realty, Pune through its partner Smt. Pushpa Kantilal Lunkad and two others.

¹⁶⁷ As per VG 16(b), the valuation of consolidated areas coming under category of bare land shall be done as per the slabs given in table.

¹⁶⁸ Issued by Development Plan Division, Pune Municipal Corporation.

Audit worked out the amount of leviable SD at ₹ 1.37 crore as against ₹ 95.76 lakh recovered by the Department on the true market value of property. This resulted in short levy of SD by ₹ 40.96 lakh (**Appendix 2.12.1**).

On being pointed out in October 2020, in reply the office of the IGR accepted (August 2021) the audit observation. The IGR stated that Collector of Stamps, Pune city is directed to effect recovery on priority. Further progress of recovery was awaited (August 2022).

The matter was brought to the notice of Government in July 2021 and October 2021, their reply thereto was awaited (August 2022).

2.12.2 As per Section 14A of the MS Act, where due to material alterations made in an instrument by a party, with or without the consent of other parties, the character of the instrument is materially or substantially altered, then such instrument shall require a fresh stamp paper according to its altered character.

Scrutiny of records (Document No. 9353/2018) of the Office of Joint Sub Registrar, Andheri-I revealed (January 2020) that a Deed of Rectification was executed (July 2018) between Vendor¹⁶⁹ and Purchaser¹⁷⁰ for rectifying the area of land from 3,922 sqm to 4,934.80 sqm of CTS No. 434, 435, 435/1 situated at village Vile Parle (West), Taluka Andheri, Mumbai Suburban District of a conveyance deed which was executed in June 2005. Based on the valuation report from Town Planning Office, the Department considered the market value of the property at ₹ 4.69 crore and recovered SD of ₹ 23.45 lakh.

Audit observed that at the time of execution of conveyance deed in June 2005, all the property cards of the entire land were not available. Hence, conveyance deed (Document No. 6299/2005) was executed only for land admeasuring 3,922 sqm situated at C.T.S. No. 435, 435/1 to 24 for which property cards were available and proper SD was paid on it. Now, all the property cards of the said entire land were found and as per entries in the property cards, the area of land now is being rectified as 4,934.80 sqm replacing 3,922 sqm. Hence, there is a difference of area of land admeasuring 1,012.80 sqm (4,934.80 sqm–3,922.00 sqm) for which present Rectification deed was executed and SD was levied on the land admeasuring 1,012.80 sqm.

As per the IGR circular dated 31 March 2018, the ASR rates for the year 2017-18 were applicable and remained in force for the year 2018-19. Accordingly, Audit worked out the market value of differential area of land as per rate of 2017-18 at ₹ 15.90 crore on which SD of ₹ 79.50 lakh at the rate of five per cent was leviable. However, Department recovered SD of ₹ 23.44 lakh only. This resulted in short levy of SD of ₹ 56.06 lakh (**Appendix 2.12.2**).

On being pointed out in December 2020, in reply the Office of the IGR, stated (July 2021) that the matter is under consideration under section 53A of MS Act, and appropriate action would be taken after the decision is taken in the matter. Further progress in the matter was awaited (August 2022).

The matter was brought to the notice of the Government in July 2021, their reply thereto was awaited (August 2022).

¹⁶⁹ Mr. Ignatius Francis Gonsalves and seven others, Mumbai.

¹⁷⁰ M/s. Amum Builders through its partner Mr. Mukesh Nishar, Mumbai.

2.13 Short levy of Stamp Duty due to non-consideration of distinct matters in one instrument and clubbing of Mortgage Deeds

As per Section 5 of MS Act 1958 (Act), any instrument comprising or relating to several distinct matters shall be chargeable with the aggregate amount of the duties with which separate instruments, each comprising or relating to one of such matters, would be chargeable under this Act. Further, as per Clause (b) of Article 40 of Schedule-1 of MS Act, in case of “instruments of mortgage deed, not being an agreement relating to [Deposit of Title Deeds, Pawn or Pledge or Hypothecation (Article 6)], Bottomry Bond (Article 14), Mortgage of a Crop (Article 41), Respondentia Bond (Article 53) or security Bond or Mortgage deed (Article 54)”, when possession is not given or agreed to be given, the duty at five rupees for every one thousand or part thereof for the amount secured by such deed, subject to a minimum of one hundred rupees and maximum of ten lakh rupees is leviable.

Scrutiny of records of Collector of Stamps, Andheri, Mumbai Sub-urban District revealed (May 2019) that an unexecuted Deed of Mortgage between Mortgagor¹⁷¹ and Mortgagee¹⁷² for securing total amount of loan of ₹ 625 crore through four¹⁷³ different agreements was adjudicated vide ADJ case No. ADJ/1100900/1108/2018 dated 11.10.2018 and Stamp Duty of ₹ 1001100/- (under article 40(b) ₹ ten lakh read with Section-6 and 48(d), 5(h)B and 35, ₹ 1,100) was recovered.

Audit observed that there were four independent instruments of loan agreement sanctioned on different dates¹⁷⁴ to two different companies¹⁷⁵. Further, the loans were sanctioned vide four different sanction letters bearing different applicable rates of interest. As four distinct matters were considered in the instant Deed of Mortgage, the application of Article 40(b) (read with Section 6), 48(d), 5h(B) and 35 giving the benefit of maximum limit of ₹ ten lakh for levy of Stamp Duty is incorrect and contrary to the provisions of Section 5 of the MS Act. This resulted in short levy of SD of ₹ 30 lakh (*Appendix 2.13.1*).

On being pointed out in September 2020, in reply the Office of the IGR stated that as per decision under section 53A an recovery of Stamp Duty of ₹ 40 lakh and penalty of ₹ 32 lakh has been ordered. Further progress of recovery was awaited (August 2022).

The matter was brought to the notice of the Government in July 2021 and October 2021; their reply thereto was awaited (August 2022).

2.14 Short levy of Stamp Duty in release deed

As per Article 52 (b) of Schedule-I of MS Act, 1958 (Act) on a release deed same SD as is leviable on a conveyance under clause (a), (b) [or as the case may be (c)] of Article 25, on the market value of the share, interest, part or

¹⁷¹ M/s Neepa Real Estates Pvt. Ltd., Mumbai.

¹⁷² M/s Indiabulls Housing Finance Limited, New Delhi.

¹⁷³ (1) Dated 28 February 2018 amounting to ₹ 145 crore, (2) Dated 22 December 2017 amounting to ₹ 200 crore, (3) Dated 26 June 2018 amounting to ₹ 160 crore, and (4) Dated 12 September 2018 amounting to ₹ 120 crore, total ₹ 625 crore.

¹⁷⁴ 21 February 2018, 15 December 2017, 20 June 2018 and 10 September 2018.

¹⁷⁵ M/s Sheth creators Private Limited and M/s Neepa Real Estates Private Limited.

claim renounced. Further, as per the definition under section 2 (na) of Act, “market value” in relation to any property which is the subject matter of an instrument means the price which such property would have fetched if sold in open market on the date of execution of such instrument, or the consideration stated in the instrument whichever is higher. Further as per Example-2 under VG No.1 of ASR given for valuation of old property with tenants at the time of conveyance/sale.

If total area under tenants' occupation is less than total allowable area as per permitted F.S.I.

i.e. If $Z < XY$ then market value should be as under¹⁷⁶:

= $112B + [(XY - Z - H) \times (\text{Land Rate as per ASR})] + (H \times \text{Depreciated Market Value rate as per age and use of property})$.

Scrutiny of records (Document No. 13461/2015) of the Office of Joint Sub Registrar, Mumbai City-I revealed (February 2017) that a release deed was executed (December 2015) between the “first Releasor”¹⁷⁷ and the Confirming parties/Second Releasor¹⁷⁸ and “Releasee”¹⁷⁹. The release deed was for release of 30 *per cent* interest of the first Releasor in favour of “Releasee” in all those pieces or parcels of leasehold land situated at (i) the junction of Colaba Road, Ward No. A 206, (1,1A) Street No. 147 & 5 & 7A Colaba Road, Sassoon Dock and bearing Cadastral Survey No. 64 of Colaba Division admeasuring 2,170.58 sqm (as per Deed of Transfer dated 8th July 2002) and 1,781.79 sqm (as per the survey register for the Town & Island of Bombay) and (ii) the strip of land bearing Cadastral Survey No. 1/64 in the “A” ward street No. 147 admeasuring 388.80 sqm. The total constructed area of the structure constructed prior to the year 1931 on the said entire property is 2,504.22 sqm (built up area), out of which 423.60 sqm (built up area) is used for Commercial purposes and 2,080.62 sqm (built up area) is used for Residential purposes. The Releasors and the Releasee are the perpetual lease holders of the plot. The Department worked out the market value of 30 *per cent* share of “Releasor” at ₹ 39.32 crore and consideration at ₹ 3.70 crore and levied SD of ₹ 1.97 crore at the rate of five *per cent* on market value of the property. The details of valuation of market value done by Department were not available on records.

Audit worked out the 30 *per cent* of market value of the property by applying VG No.1 of ASR at ₹ 43.94 crore and consideration at ₹ 3.70 crore. Thus, SD of ₹ 2.20 crore at the rate of five *per cent* was leviable on market value as against ₹ 1.97 crore as levied by the Department. This resulted in short levy of SD of ₹ 23.12 lakh (**Appendix 2.14.1**).

After being pointed out, the Joint Sub-Registrar, Mumbai City-I in reply stated (February 2017) that as the document was adjudicated by the Collector of

¹⁷⁶ Where 1. Area of total land = X Sq.Mtrs, 2. Permissible F.S.I. = Y, 3. Total allowable Area for that plot = (X) x (Y) = XY Sq.Mtrs., 4. Total area occupied by the tenants = Z Sq.Mtrs., 5. Total area occupied by the owners = H Sq.Mtrs., 6. Total monthly rent from all the tenants, = ₹ B.

¹⁷⁷ Mr. Cyrus Soli Nallaseth.

¹⁷⁸ Mr. Sorab Fali Mehta.

¹⁷⁹ Dr. Keiki R. Mehta.

Stamps, Mumbai, compliance would be submitted after obtaining the comments of that office. The matter was intimated (August and October 2021) to the Office of the IGR. In reply, IGR stated (November 2021) that the matter is under consideration under Section 53A of MS Act, and appropriate action would be taken after the decision is taken in the matter. Further progress in the matter was awaited (August 2022).

The matter was brought to the notice of the Government in October 2021; the reply there to awaited (August 2022).

CHAPTER – III

AUDIT OF TRANSACTIONS: STATE PUBLIC SECTOR UNDERTAKINGS

Chapter III

Audit of Transactions: Public Sector Undertakings

Audit of transactions of the Public Sector Undertakings of Government Departments brought out instances of lapses in management of resources and failures in the observance of the norms of regularity, propriety and economy.

Energy Department

Maharashtra State Electricity Distribution Company Limited

3.1 Performance of Maharashtra State Electricity Distribution Company Limited Pre and Post Ujwal DISCOM Assurance Yojana (UDAY)

Though MSEDCL received an amount of ₹ 4,960 crore from GoM under UDAY scheme to repay its high cost debt, it did not receive any other dedicated fund to achieve various operational parameters. As a result, MSEDCL was left to improve its operational parameters through its own resources or under other Central/State schemes. MSEDCL approached (March 2017) the GoM for availing guarantee for raising bonds of ₹ 1,653 crore. However, GoM did not agree to provide guarantee to MSEDCL for raising the funds. There was no firm commitment from GoM to expeditiously clear the outstanding dues of MSEDCL.

MSEDCL could not achieve its targets of bringing down the AT&C losses to the desired level. On the contrary, AT&C losses of MSEDCL increased from 16.94 per cent in 2018-19 to 20.73 per cent in 2020-21. Thus, the main objectives of achieving financial and operational turnaround of MSEDCL were not achieved inspite of implementing UDAY scheme.

3.1.1 Introduction

Maharashtra State Electricity Distribution Company Limited (MSEDCL) was incorporated (June 2005) on unbundling of the erstwhile Maharashtra State Electricity Board (MSEB) as part of reforms in power sector. MSEDCL is the Distribution Licensee for the State of Maharashtra except for Greater Mumbai and certain suburban areas. MSEDCL earned revenue of ₹ 73,041.61 crore from sale of power to approximately 2.85 crore consumers in the Financial Year (FY) 2020-21.

With the objective of improving the health of State-owned DISCOMS, the Ministry of Power (MoP), Government of India (GoI) launched (November 2015) the Ujwal DISCOM Assurance Yojana (UDAY). UDAY was envisaged as a path breaking reform for realising the vision of affordable and accessible '24X7 Power for All'.

The main objectives envisaged in the UDAY scheme were:

- Financial turnaround of the DISCOMs; and
- Improving operational efficiency of the DISCOMs.

Government of Maharashtra (GoM) communicated (January 2016) its 'in principle' acceptance to MoP to participate in the UDAY scheme.

As stipulated¹ under the UDAY scheme, Tripartite Memorandum of Understanding (MoU) was entered (October 2016) into by MoP (GoI), GoM and MSEDCL. MoU laid down the obligations/commitments of MoP, GoM and MSEDCL for achieving the financial and operational milestones as required by the UDAY scheme.

Some of the major obligations/commitments of each of the signatory parties to the MoU are detailed below:

I. Obligations/Commitments of Ministry of Power, GoI

- Facilitate the State to get additional and priority funding through Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY), Integrated Power Development Scheme (IPDS) and/or such other schemes of MoP or Ministry of New and Renewable Energy (MNRE) as outlined in the scheme.
- Facilitate through Ministry of Coal increased supply of domestic coal to Maharashtra State Power Generation Company Limited (MSPGCL).
- Allocate coal linkage to the State at notified price based on which the State will go for tariff-based bidding.
- Ensure rationalisation of coal linkages.
- Ensure supply of 100 *per cent* crushed coal from Coal India.
- Rationalise coal prices based on Gross Calorific Value (GCV).
- Facilitate National Thermal Power Corporation (NTPC) to provide hand holding support for improving operational efficiencies of MSPGCL.

II. Obligations/Commitments of GoM

- GoM was to take over Medium Term and Short Term (MT&ST) debt of ₹ 4,960 crore (being 75 *per cent* of MT&ST debt of ₹ 6,613 crore as on 30 September 2015) over a period of five years from 2016-17 to 2020-21.
- GoM was to guarantee repayment of principal and interest for the balance 25 *per cent* MT&ST debt remaining with MSEDCL.
- Release outstanding dues of the State Government Departments to the DISCOMs expeditiously.
- Future losses were to be taken over by GoM in a graded manner from 2016-17 to 2020-21.

III. Obligation/Commitments of MSEDCL

- For the 25 *per cent* of the Medium and Short term loan remaining with MSEDCL, MSEDCL was to issue State Government guaranteed bonds or get them converted by banks/FIs into loans/bonds with interest not more than the banks base rate plus 0.1 *per cent*.

¹ Office Memorandum issued by MoP, GoI dated 20 November 2015.

- Reduce Aggregate Technical & Commercial (AT&C) losses from 20.79 *per cent* in FY 2014-15 to 14.98 *per cent* by FY 2018-19.
- Eliminate the gap between Average Cost of Supply (ACS) and Average Revenue Realisation (ARR) by FY 2018-19.
- Achieve physical feeder segregation by March 2018.
- Achieve 100 *per cent* feeder metering by 31 December 2016.
- Achieve 100 *per cent* Distribution Transformer (DT) metering by 30 June 2018.
- Install Smart meters for all consumers other than agricultural consumers.
- Provide electricity access to unconnected households as per trajectory finalised in the '24X7 Power for All' document by FY 2019.
- Take measures for demand side management and energy efficiency by providing LEDs for domestic and other category consumers.
- Replace at least 10 *per cent* existing agriculture pumps with energy efficient pumps by March 2019.
- Undertake appropriate measures for timely filing of Tariff Petitions.
- Devise Key Performances Indicators (KPI) for each officer-in-charge on areas of AT&C losses reduction and improvement in meter/billing/collection efficiency.
- Set up Centralised Customer Call Center for timely resolution of complaints and introduce e-payment avenues to consumers for bill payments *etc.*

3.1.2 Audit objectives

The audit was conducted to examine:

- whether directives pertaining to financial parameters envisaged in the UDAY scheme and MoU have been adhered to and the overall objective of financial turnaround of the DISCOMs were achieved; and
- whether targeted operational improvement and intended outcomes were achieved by implementing operational efficiencies as envisaged in the tripartite MoU and the Scheme.

3.1.3 Audit criteria

The audit criteria were drawn from the following sources:

- Office Memorandum of the UDAY scheme issued by MoP, GoI.
- MoU and Addendum to MoU signed amongst MoP, State Government and DISCOM.
- The Electricity Act, 2003 and Maharashtra Electricity Regularity Commission (MERC) (Electricity Supply Code and other conditions of supply) Regulations, 2005 and other instructions issued by MERC.
- Agenda and Minutes of Meeting of Board of Directors of MSEDCL.

- Lending agreement of MSEDCL with banks under UDAY.
- Directions/instructions issued by MoP, GoI and State Government from time to time.

3.1.4 Scope and Methodology of audit

The audit was conducted during September 2020 to October 2021 to analyse the effectiveness and efficiency in the performance of MSEDCL, pre and post implementation of UDAY for the period from 2014-15 to 2020-21. It included scrutiny of records at Head Office (HO) and nine² circle offices (out of 45) which were selected from circles having high AT&C losses as well as those circles that have achieved reduction in AT&C losses.

The scope and audit methodology adopted for attaining the objectives was explained to the top Management during an Entry Conference held in October 2020. It also involved scrutiny/examination of relevant records at HO and the selected field units of MSEDCL, analysis of data, interaction with Management and issuing preliminary audit enquires to the Management of MSEDCL. Further, to check efficiency of generating unit and transmission loss of transmission unit in pre and post UDAY scenario, information and records were obtained from MSPGCL and Maharashtra State Electricity Transmission Company Limited (MSETCL).

Exit conference was held on 20 December 2021 with the officials of MSEDCL and representatives of GoM. Replies received from the Company and GoM have suitably been incorporated in the Report.

Audit findings

3.1.5 Implementation of UDAY Scheme in Maharashtra

UDAY Scheme was approved (November 2015) by the MoP, GoI with an objective to improve the financial and operational efficiency of the State DISCOMs. As stated above, all three parties to the MoU, *i.e.* MoP (GoI), GoM and MSEDCL, had certain obligations/commitments to perform.

GoM after a meeting (December 2015) with the officials of MSEDCL, communicated (4 January 2016) its in-principle acceptance to MoP for MSEDCL to participate in UDAY scheme.

Initially, MSEDCL had proposed (15 January 2016) to GoM to take over its total debt of ₹ 22,097 crore (outstanding as on September 2015) and Operational Funding Requirement (OFR) of ₹ 6,597 crore (*i.e.* total ₹ 28,694 crore) under the scheme. The said proposal was revised (14 March 2016) by MSEDCL to include only the operational parameters, without any financial support. Thereafter, during the Review meeting (24 June 2016) with GoM, it was decided to re-examine the implementation of the Scheme with Financial parameters. The draft proposal (20 September 2016) was again revised and forwarded to GoM to take over 75 *per cent* of the total debt of ₹ 22,097 crore and to restructure the balance 25 *per cent* debt by floating bond with GoM guarantee.

² Bhiwandi, Buldhana, Nandurbar, Palghar (mini), Parbhani, Pen, Pune (Rural), Solapur, Vashi.

Audit observed that against the draft proposal covering entire debt of ₹ 22,097 crore, the Tripartite MoU³ entered (07 October 2016) covered only the Medium Term and Short Term (MT&ST) loans amounting to ₹ 6,613 crore. Consequently, GoM decided to take over an amount of only ₹ 4,960 crore, being 75 per cent of MT&ST of ₹ 6,613 crore, and balance 25 per cent (₹ 1,653 crore) was to be issued by the MSEDCL as State guaranteed DISCOM bonds. As a result, MSEDCL continued to bear interest ranging from 9.75 to 12.19 per cent per annum on long term loans and interest ranging from 7.02 to 10.15 per cent per annum on working capital loans on the remaining⁴ borrowings.

MSEDCL accepted (January 2022) that the audit findings were factual. In reply, GoM stated (July 2022) that the decision was taken in the cabinet meeting held on 4 October 2016 to take over only the MT&ST loans amounting to ₹ 6,613 crore instead of the entire debt.

GoM issued (10 February 2017) special securities viz. GoM Special Bonds, 2022 of 7.33 per cent amounting to ₹ 2,000 crore; and 7.38 per cent GoM Special Bonds, 2022 of ₹ 2,959.75 crore to raise the above funds and the funds so raised were transferred to MSEDCL as loan on 13 February 2017. GoM later converted ₹ 4,960 crore (₹ 992 crore annually) from loan to grant to MSEDCL as per schedule specified in MoU.

3.1.6 Deficiencies in implementation of the scheme

Audit observed that though MSEDCL received (13 February 2017) an amount of ₹4,960 crore from GoM to repay its high cost debt and thereby reduce the interest burden, it did not receive any other dedicated fund under UDAY scheme to achieve various operational parameters such as 100 per cent feeder segregation, DT metering etc. as laid down in the MoU for UDAY. As a result, MSEDCL was left to improve its operational parameters through its own resources or under other Central/State schemes.

Audit also observed that the quantitative targets set for achieving various operational parameters covered in the MoU remained unchanged although the MoU covered only the MT&ST loans amounting to ₹ 6,613 crore against the earlier proposal to cover entire debt of ₹ 22,097 crore.

In reply the GoM stated that scheme was designed to achieve the financial turnaround and to improve operational efficiency of the DISCOMs. Under the financial turnaround the entire debt as on 30 September 2015 was to be taken over by the State Government. The targets under operational efficiency were for ascertaining exact distribution losses and to take appropriate action to reduce the loss, which was entirely under the jurisdiction of MSEDCL, and it could not be reduced partially though amount of debt taken over by GoM was reduced.

The achievements of MSEDCL against each of the financial and operational parameters/obligations as set under the MoU of UDAY are discussed in the ensuing paragraphs:

³ Tripartite MoU entered into by MoP (GoI), GoM and MSEDCL.

⁴ ₹ 22,097 crore outstanding as on September 2015 less ₹ 6,613 crore taken over under UDAY = ₹ 15,484 crore.

Financial parameters

3.1.7 Taking over 75 per cent of Medium Term and Short Term debt

The total debt of MSEDCL outstanding as on September 2015 was ₹ 22,097 crore as shown in **Table 3.1.1**

Table 3.1.1: Total debt of MSEDCL outstanding as on September 2015

Sl. No.	Debt type	Amount (₹ in crore)
1	Long term	13,090
2	Short Term (₹ 6,156 crore)/Medium Term (₹ 458 crore)	6,613
3	Working capital	2,394
	Total	22,097

(Source: Information furnished by MSEDCL)

As per MoU, GoM took over only MT&ST debt of ₹ 4,960 crore (being 75 per cent of the MT&ST debt as on 30 September 2015) and issued (February 2017) non-SLR bonds (non-Statutory Liquidity Ratio bonds) to raise these funds.

Audit observed that even though the amount of MT&ST debt (₹ 4,960 crore) agreed to be taken over was as on September 2015, the MoU was entered into in October 2016 and funds were actually transferred by GoM to MSEDCL only in February 2017. During this intervening period (October 2015 to January 2017 i.e. 16 months), MSEDCL continued to pay ₹ 661 crore⁵ towards interest on these MT&ST debts. As a result, the MT&ST debt burden had already ballooned to ₹ 5,621 crore against which only ₹ 4,960 crore was taken over.

MSEDCL replied that even if funds from GoM were received in September 2015 itself, the debt burden would still exist at the rate of 7.36 per cent per annum.

The **Table 3.1.2** below depicts the change in debt, accumulated losses and arrears position of MSEDCL during the period of implementation of UDAY.

Table 3.1.2: Year wise total debt, accumulated losses and arrears position of MSEDCL

Sl. No.	Year	Total Debt of MSEDCL	% change in total debt	Accumulated losses in crore	% change in loss	Arrears ⁶	% change in arrears
1	2014-15	17,021	-	(-)7,087	-	14,135	-
2	2015-16	21,111	24.03	(-)28,165	297.42 ⁷	17,817	26.05
3	2016-17 (Receipt of UDAY funds)	27,264	29.15	(-)27,380	-2.79	22,133	24.22
4	2017-18	29,242	7.25	(-)26,887	-1.80	27,569	24.56
5	2018-19	35,197	20.36	(-)24,001	-10.73	35,279	27.97
6	2019-20	39,089	11.06	(-)23,317	-2.85	44,825	27.06
7	2020-21	42,910	9.78	(-)24,638	5.67	44,680	(-)0.32

(Source: Data provided by MSEDCL from its Accounts)

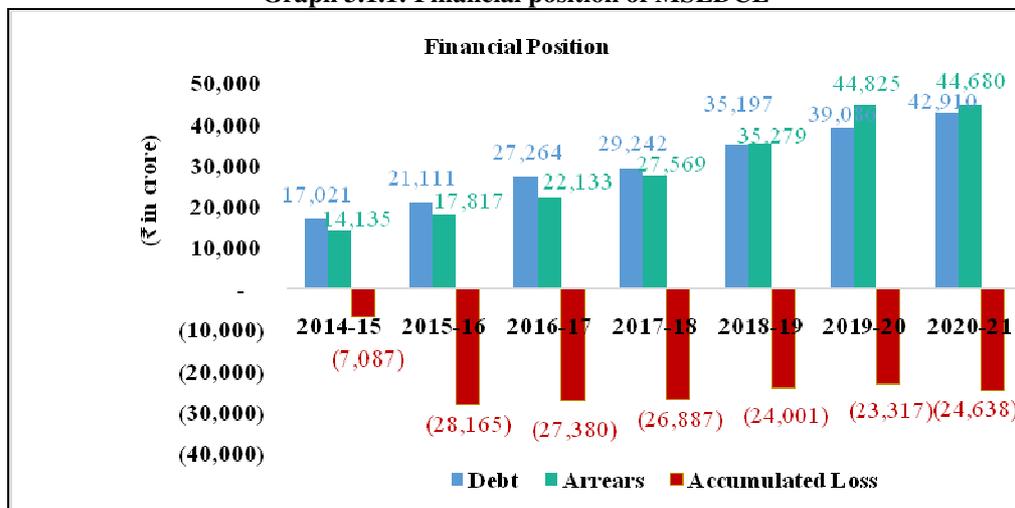
⁵ Considering minimum borrowing rate of 10 per cent interest per annum for the period from October 2015 to January 2017 (16 months).

⁶ Excluding dues from Public water works, street lights and excluding permanently disconnected consumers.

⁷ Due to depreciation on revalued assets for the period 2005 to 2016 consequent to finalisation (March 2016) of Transfer scheme of power companies.

Further, it was observed that even after taking over the MT&ST debt, the total debt position of MSEDCL continued to worsen as can be seen from the Graph 3.1.1 below.

Graph 3.1.1: Financial position of MSEDCL



(Source: Data provided by MSEDCL from its Accounts)

Audit observed that total debt of MSEDCL increased from ₹ 17,021 crore in 2014-15 to ₹ 42,910 crore in 2020-21. The total debt position of MSEDCL also worsened due to poor collection from various categories of consumers. The arrears towards electricity bills (₹ 44,680 crore) were even more than the total debts (₹ 42,910 crore) as on March 2021. If part of these arrears were recovered, the amount could have been used to retire some portion of debt. Therefore, inspite of GoM taking over MT&ST loans, the financial turnaround of MSEDCL could not be achieved.

MSEDCL accepted that it had to borrow Medium Term Loan as well as Long Term loans for implementation of projects. Moreover, in FY 2020-21, MSEDCL had to resort to Bill Discounting facility due to Covid-19 pandemic which had increased the debts. GoM accepted that during the period 2014-15 to 2019-20, the Government had decided not to disconnect the supply of agricultural consumers on non-payment of arrears and hence arrears had piled up to about ₹ 45,000 crore, which resulted in worsening the cash flow of MSEDCL. Further, GoM admitted that financial turnaround as envisaged could not be achieved.

3.1.8 Outstanding dues of the State Government Departments

As per MoU, GoM was required to pay all outstanding dues of the State Government departments to MSEDCL towards supply of electricity expeditiously to facilitate financial turnaround of the MSEDCL.

Audit observed that as per the final MoU entered into in October 2016 there was no mention of a specific date by which outstanding dues of Government Departments would be paid to MSEDCL. Thus, there was no firm commitment from GoM to expeditiously clear the outstanding dues of MSEDCL. As a result, dues from some of the GoM departments⁸ which stood at ₹ 2,828.25 crore as on 30 September 2015 increased to ₹ 8,381 crore as on

⁸ Dues pertaining to Public Water Works and Street Light.

March 2021. Consequently, MSEDCL had to resort to working capital loans which stood at ₹ 2,735 crore (as on March 2021) leading to further deterioration of its financial health.

MSEDCL replied that it had been continuously following up with State Government to clear the dues. GoM directed (June 2021) the concerned local authorities to pay MSEDCL's dues on priority. Further, GoM also directed that any grant to local bodies would be released subject to timely payment of MSEDCL dues pertaining to street light and water works. Thus, due to initiatives taken by GoM, further increase in arrears from Government department would be restricted.

GoM admitted that State Government dues were mainly of public water works and street light connections of urban and rural local bodies. It further stated that though all these departments were under GoM, the authorities for payment were different and hence specific date by GoM was not mentioned in MoU.

The reply of GoM is not tenable as firm commitment, as per the obligation of GoM was necessary, to expeditiously clear the outstanding dues of Government Departments to facilitate timely financial turnaround of MSEDCL.

Recommendation No. 1: GoM may ensure that all electricity dues of MSEDCL from departments and local bodies towards public water works and street lights are cleared in a time bound manner.

3.1.9 Facilitating conversion of 25 per cent of debts of MSEDCL into loan or bonds

As per MoU, GoM was to guarantee repayment of principal and interest payment of ₹ 1,653 crore (being balance 25 per cent of MT&ST debt of ₹ 6,613 crore) for funds to be raised by MSEDCL through bonds or other appropriate mechanism. Accordingly, GoM issued (December 2016) a Government Resolution wherein it was agreed to stand guarantee for bonds of ₹ 1,653 crore to be raised by MSEDCL. MSEDCL approached (March 2017) the GoM for availing guarantee in accordance with the GR along with waiver of guarantee fee. GoM however replied (August 2018) that since the loans outstanding on 30 September 2015 were already repaid by MSEDCL, it was not possible for GoM to stand guarantee to MSEDCL for raising balance funds.

Audit observed that GoM had taken over only MT&ST loans having tenure of upto two years. As the MoU entered (October 2016) covered the MT&ST loans as on 30 September 2015 and the amount was received in February 2017, the MT&ST loans were already due in the intervening period and hence paid by MSEDCL. The amount of ₹ 4,960 crore received by MSEDCL was, therefore, used to repay the working capital requirement, which was met through overdraft (approximately ₹ 3,500 crore), and short term loans (₹ 1,450 crore).

As a result, bonds of ₹ 1,653 crore towards the remaining 25 per cent could not be raised even though it was agreed upon in the MoU. This further weakened the financial position of MSEDCL.

MSEDCL accepted that since GoM denied to stand guarantee to MSEDCL for raising bonds for the balance debt of ₹ 1,653 crore, MSEDCL had raised the funds at market rates. GoM stated that by the time of disbursement of grant in February 2017, the MT&ST loans were already repaid by MSEDCL.

GoM's denial (August 2018) to stand guarantee citing loans outstanding were already repaid by MSEDCL was not in line with the GR issued (December 2016) by GoM itself, as it was well aware at the time of entering into MOU that MT&ST loans were maturing by August 2017.

Operational parameters

3.1.10 Feeder and distribution transformer metering

Metering of Distribution Transformers⁹ (DTs) helps in improving the energy distribution system and load balancing. It also provides real time input and output data of the units consumed for tracking losses and for corrective action.

3.1.10.1 Distribution Transformer metering

As per the MoU, all DTs were to be metered by 30 June 2018 by MSEDCL and 100 *per cent* metering of DTs was to be achieved. The status of DT metering is shown below in **Table 3.1.3**.

Table 3.1.3: Position of DTs metered as on 31 March 2021

Sl. No.	Particulars	Urban	Rural	Total
1	Number of DTs metered in base year (2015-16)	77,875	46,119	123,994
2	DTs to be metered during the period 2016-2021(A)	1,85,448	2,01,589	387,037
3	DTs actually metered during the period 2016-2021(B)	3,998	1,760	5,758
Total	% achievement (B x 100/A)	2.15	0.87	1.48

(Source: Progress report of MSEDCL for 2020-21 as per UDAY dashboard)

As seen from above, against the target of 100 *per cent* DT metering upto 30 June 2018, MSEDCL could achieve only 1.48 *per cent* metering even after more than two years from the target date. However, MSEDCL while depicting the position of DT metering in the UDAY Dashboard as on March 2021 had shown the achievement as 31 *per cent* and 19.33 *per cent* for urban and rural areas respectively. Audit observed that this was due to MSEDCL erroneously including the DTs which were already metered upto the base year.

Further, audit observed that meter reading was not taken even for metered DTs, which rendered the entire exercise of DT metering ineffective.

⁹ Distribution transformer is an electrical device used for stepping down or stepping up the supply voltage. It steps down the primary distribution voltage of 11 KV or 33 KV.



(Source: Photographs taken by audit team during audit)

Further, as can be seen from some of the pictures above of Pune (Rural) Circle, the DTs were not maintained properly. It was seen that in many places DTs were not placed in adequately secured enclosures.

MSEDCL accepted that metered DTs were mostly non-communicating. Proposal for installation of DT meters on agricultural feeders had been submitted for approval of MERC and non-agricultural DTs were proposed to be metered by using communicable meters under Revamped Distribution Sector Scheme (RDSS).

3.1.10.2 Feeder Metering

As per MoU, MSEDCL had to achieve 100 *per cent* feeder metering¹⁰ by 31 December 2016. Audit observed that MSEDCL was able to achieve this target within the stipulated period.

3.1.11 Physical feeder segregation

Feeder separation refers to supply of electricity to agricultural (AgC) and non-agricultural consumers (non-AgC) separately through dedicated feeders which would allow MSEDCL to regulate power supply to AgC for effective Demand Side Management (DSM).

¹⁰ Meter installed on a feeder to measure the power output from the feeder.

As per MoU, MSEDCL had to complete 100 *per cent* feeder segregation by March 2018. Under Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) for rural electrification, MSEDCL had proposed 837 feeders for physical separation. Against this, only 636 feeders were installed (as on March 2021). Further, audit observed that MSEDCL had 956 feeders which continued as mix feeders (*i.e.* agricultural load more than 25 *per cent*) even in March 2021. It is pertinent to note that the UDAY dashboard as on March 2021 showed that 100 *per cent* feeder segregation was achieved by MSEDCL.

MSEDCL accepted that though DPR was prepared for segregation of mix feeders, they were yet to be segregated due to lack of funds. It also stated that separation of balance feeders was, now, proposed under newly launched Revamped Distribution Sector Scheme (RDSS) by GoI.

3.1.12 Installation of Smart meters

As per MoU, MSEDCL was to install 80,065 Smart Meters (SMs) for all consumers (other than AgC); 15,385 smart meters for consumers with consumption more than 500 units/month by 30 June 2018 and 64,680 smart meters for consumers with consumption more than 200 units/month by June 2020.

Audit observed that the milestones for installation of smart metering as envisaged under the MoU was not achieved in respect of above-mentioned consumers as no smart meters were installed by MSEDCL under UDAY scheme.

MSEDCL stated that it has proposed to install smart meters for approximately 1.66 crore consumers (other than agricultural consumers and scattered consumers) under RDSS.

3.1.13 Measures for demand side management

As per MoU, MSEDCL was to undertake measures for Demand Side Management (DSM) and energy efficiency which included providing three crore energy efficient LED bulbs under DELP (Domestic Efficient Lighting Program) and replacing at least 10 *per cent* existing agriculture pumps with energy efficient pumps by March 2019.

Audit observed that MSEDCL provided only 2.20 crore LED bulbs to consumers, under DELP upto March 2021.

Audit observed that out of the 40.16 lakh agricultural consumers, MSEDCL had to replace at least 4.02 lakh (being 10 *per cent* of total pumps) of the agriculture pumps. However, only 2,209 pumps were replaced during April 2017 to March 2021.

3.1.14 Energy audit

Energy audit is the most effective tool, which provides the balance between energy supplied and energy billed. It is the first step in identifying the areas of leakages, wastage and inefficient energy use so that steps can be taken to contain the loss.

DT level Energy Audit reports could not be generated as DT meter reading was not carried out. Therefore, the energy audit was conducted at feeder level

by MSEDCL. While conducting the feeder level audit, total units sold/billed from particular feeder were compared against the input units into feeders. This gave an incorrect picture as the total units sold/ billed included consumers billed on average consumption basis, revised/ corrected bills, different billing cycles were included *etc.*

MSEDCL accepted that there were various issues in DT meter readings and had proposed to install meters with embedded MODEMs, so that meter readings will be available automatically and DT level energy audit can be conducted.

3.1.15 To reduce AT&C losses

The concept of Aggregate Technical & Commercial (AT&C) losses provides a realistic picture of loss situation of the electricity Distribution Company. It is a combination of technical loss (11 KV and DT losses, LT line losses *etc.*) and commercial loss (inefficiencies in billing, theft, inefficiency in collection *etc.*).

3.1.15.1 As per the MoU of October 2016, MSEDCL had to reduce its AT&C losses from 18.71 *per cent* in 2014-15 to 14.39 *per cent* in 2018-19. Later as MERC re-instated (November 2016) the AT&C losses in its Multi Year Tariff (MYT) Order, an addendum to MoU (October 2017) was entered into and targets for AT&C losses were revised from 20.79 *per cent* in FY 2014-15 to 14.98 *per cent* by FY 2018-19. The targets for FY 2019-20 onwards were not included in the MoU.

Year-wise target for AT&C losses *vis-a-vis* achievement is as given in **Table 3.1.4:**

Table 3.1.4: Achievement of AT&C targets

Year	Target	Achievement
2014-15	20.79	20.79
2015-16	21.51	21.51
2016-17	18.88	18.88
2017-18	17.51	17.41
2018-19	14.98	16.94
2019-20	14.98	21.32
2020-21	14.98	20.73

(Source: Data provided by MSEDCL and Addendum to Tripartite MOU)

It could be seen from above that MSEDCL achieved the AT&C losses targets for the years 2014-15 to 2017-18. It was observed that the targets for the year 2014-15 to 2016-17 were revised on the basis of actuals as the addendum was entered into in October 2017. Audit observed that later MSEDCL could not achieve its targets of bringing down the AT&C losses to the desired level. On the contrary, AT&C losses of MSEDCL had increased from 16.94 *per cent* in 2018-19 to 20.73 *per cent* in 2020-21 due to poor collection mainly from agricultural consumers and various State Government departments. Agricultural consumers as on 31 March 2021 had outstanding dues of ₹ 36,827 crore, out of total dues of ₹ 44,680 crore (i.e. 82.42 *per cent* of the total receivables).

MSEDCL accepted that their AT&C losses had increased and the target of 14.98 *per cent* was not achieved due to various factors such as poor collection from AgC, drop in demand by industrial consumers, poor collection efficiency

since March 2020 due to Covid-19 and high receivables from Government departments.

3.1.15.2 Inadequate monitoring of theft cases and follow-up thereon

As per MoU, MSEDCL was to reduce losses by undertaking campaign to control power theft. In MSEDCL, theft cases are monitored by the flying squad at Circle office level and by sub-division office staff at sub-division office level by undertaking drives.

Audit observed that sub-division offices in all nine circles theft case Register contained information of only the cases, where theft was detected. However, the record relating to total number of cases visited/inspected *vis-a-vis* number of theft cases actually detected out of those was not maintained in the Register.

MSEDCL accepted that presently monitoring of theft cases was done manually. It also stated that an IT module is being developed for centralised monitoring, which would be implemented shortly for effective observation of theft cases.

Recommendation 2: MSEDCL should complete DT metering and feeder segregation expeditiously and reduce the AT&C losses to 15 per cent or less by improving its billing and collection efficiency.

3.1.16 Achievements/shortfalls *vis-à-vis* various other commitments of MSEDCL

3.1.16.1 MSEDCL had to provide electricity access to unconnected households as per trajectory finalised in the '24X7 Power for All' document by FY 2019. Audit observed that MSEDCL had to connect 14.80 lakh rural households by 2017-18 under UDAY. MSEDCL was able to achieve 100 per cent target of connecting all the unconnected households in Maharashtra in 2018-19.

3.1.16.2 MSEDCL had to eliminate the gap between Average Cost of Supply¹¹ (ACS) and Average Revenue Realisation¹² (ARR) by FY 2018-19. Audit observed that MSEDCL was able to eliminate the ACS-ARR gap from 2017-18 onwards till 2019-20. However, there was a gap of 0.04 Rupees per unit during 2020-21 as can be seen in **Table 3.1.5** below.

Table 3.1.5: ACS-ARR gap

Year	ACS-ARR GAP (in Rupees per unit)	
	Target	Actual
2015-16	Not set	-0.30
2016-17	0.30	0.28
2017-18	0.01	-0.07
2018-19	-0.39	-0.04
2019-20	-	-0.06
2020-21	-	0.04

(Source: Data provided by MSEDCL)

¹¹ ACS – Average Cost of Supply is the sum of all costs associated in supplying power-such as the cost of purchasing power from various generators, cost of operating and maintaining the distribution network, employee cost, depreciation and finance cost – divided by total sales to consumers.

¹² ARR – Average Revenue Realised is the sum total of revenue earned by charging consumers at the specified tariff for energy supplied and subsidy received from the State Government – divided by total sales to consumers.

3.1.16.3 MSEDCL had to devise Key Performances Indicators (KPI) for each officer-in-charge on areas of AT&C losses and reduction and improvement in meter/billing/collection efficiency. Audit observed that MSEDCL had not set KPI for its personnel. AT&C losses target was set for the division offices of MSEDCL for the year 2017-18 and 2018-19 and there was no incentive/penalty based on actual performance. Only 50 divisions (out of 148 divisions) could achieve the targets set for them in 2018-19. However, this number fell to just 14 and 32 divisions for 2019-20 and 2020-21 respectively. As a result, MSEDCL could not bring down its AT&C losses to the target of 14.98 *per cent*.

MSEDCL stated that the targets for AT&C losses reduction were given every year, which were monitored and reviewed time to time by controlling officers. The KPI parameter included billing efficiency and collection efficiency and based on these KPI parameters, personnel performance grading was decided.

Reply of MSEDCL is not acceptable as targets were set only for division offices and not for each officer as required under the MoU.

3.1.16.4 MSEDCL had to set up Centralised Customer Call Center (CCCC) for timely resolution of complaints and introduce e-payment avenues to consumers for bill payments *etc.* A centralised customer call center was established by MSEDCL. The details of CCCC pertaining to 2020-21 is shown in **Table 3.1.6**.

Table 3.1.6: Status of complaints in Centralised Customer Call Center

Sl. No.	Type of complaint	No. of complaints received	No. of complaints resolved in prescribed time	Time period in which complaint was to be resolved	Percentage of complaints resolved within prescribed time
1.	Power Failure	19,42,994	6,07,376	0 hours to 48 hours	31.26
2.	Billing	16,22,542	13,59,527	1 to 30 days	83.79
3.	Other Complaints	2,25,969	1,17,906	0 hours to 30 days	52.18

(Source: Data provided by MSEDCL)

It was observed that while MSEDCL resolved 83.79 *per cent* of its Billing related complaints within the time stipulated in its SoP, it could resolve only 31.26 *per cent* of Power failure complaints.

MSEDCL stated that though power failure is restored generally within the SoP period. However, personnel were sometimes busy in restoration of supply which caused delay in closure of actual complaints. Further, in 2020-21, bulk complaints were received during natural calamities like Nisarg Cyclone, flood in Vidarbha and Western Maharashtra and restoration of supply of electricity took more time than SoP period.

TRANSPORT DEPARTMENT

Maharashtra State Road Transport Corporation

FOLLOW-UP AUDIT

3.2 Follow-up audit of Performance Audit on ‘Computerisation of e-ticketing system in Maharashtra State Road Transport Corporation’

Follow-up audit of Performance Audit on ‘Computerisation of e-ticketing system in Maharashtra State Road Transport Corporation’ revealed that the recommendations of the Committee on Public Undertakings (COPU) have not been fully complied within the prescribed time period of two months. The audit also revealed that potential revenue loss on sale of tickets due to delay in fixing the contract for advertisement and issues related to various concession through Electronic Ticket Issuing Machine¹³ (ETIM) were not addressed. Implementing and maintaining ETIM and Online Reservation System (ORS) did not have sufficient input controls and validation checks in place to have complete and reliable data.

3.2.1 Introduction

Maharashtra State Road Transport Corporation (Corporation) was incorporated in July 1961 under Section 3 of the State Road Transport Corporations Act, 1950 to provide an economical, efficient, adequate and properly coordinated road transport system within Maharashtra State.

The Corporation had 30 divisional offices and 251 depots in the State at the end of March 2021. The Information Technology (IT) needs of the Corporation were overseen by the Electronic Data Processing (EDP) centre at Mumbai headed by a Deputy General Manager (DGM/IT), who was assisted by a Senior Manager (IT) and a Manager (IT).

A Performance Audit Report (PA) on ‘Computerisation of e-ticketing system in the Maharashtra State Road Transport Corporation’ for the period May 2009 to October 2014 was included in the Audit Report (AR) of the Comptroller and Auditor General of India for the year ended 31 March 2014. The PA highlighted the deficiencies in the e-ticketing system and functioning of various authorities under the control of the Corporation. The AR was discussed by the Committee on Public Undertakings (COPU) during the year 2017-18. The COPU, in its fifteenth report of 2017-18 laid in the State legislature in December, 2017 and made recommendations on six points.

We conducted a follow-up audit between September 2021 and October 2021 to assess the extent of implementation of the recommendations of the COPU with respect to e-ticketing only. The follow-up audit covered the office of the

¹³ Application developed to capture the details of all tickets issued to the passengers boarding the bus by the conductor through the machine called Electronic Ticket Issuing Machine (ETIM).

Dy. General Manager (EDP), 106 depots and Divisional Managers of Nagpur and Nagpur Rural-2 depot. Records and databases for the period from January 2016 to March 2021 were test checked in these offices to the extent of observations, which appeared in the earlier AR and the recommendations thereon by the COPU.

An exit meeting was held on 18 January 2022 with the Additional Chief Secretary (Transport & Ports), Government of Maharashtra (GoM) wherein the audit findings were discussed. The reply furnished (February 2022) by the GoM has been suitably incorporated in the report.

3.2.2 E-ticketing system

In order to facilitate online/web-based reservation system and to adopt software technology in its day to day operations, the Corporation invited (June 2008 and September 2014) Request for Proposal (RFP) from interested parties for the project of providing, computerising, implementing and maintaining ETIM and Online Reservation System¹⁴ (ORS) with web facility on Build, Operate and Transfer (BOT) basis.

Audit Findings

3.2.3 Failure to generate revenue by selling advertising rights

In the PA report (2014) it was pointed out that as per terms of Master Service Agreement (MSA), Trimax¹⁵ was required to supply the ticket rolls free of cost and the Corporation reserved its right of advertisements on the backside of the ticket rolls to supplement its revenue. Trimax had offered (August 2011) one paisa per ticket for the advertisement rights, but the offer was not considered (November 2011) on the ground that it would be dealt separately. However, no such efforts were made till December 2014 and the potential revenue thus forgone by the corporation worked out to ₹ 4.17 crore, considering 417.15 crore tickets actually issued between September 2011 and October 2014.

Recommendation of COPU (1.5 on para 3.7.1 of the PA)

The Corporation was in loss and had the opportunity to generate revenue but it did not take action for three years. If the Corporation had taken prompt action it would have benefitted from the revenue so generated and it was recommended that enquiry should be conducted and action should be taken against the officers responsible. The action taken report to be submitted within two months i.e. by February 2018.

Action Taken by Corporation

Despite the recommendation by the COPU, no enquiry was conducted against the officials, on the ground that no official was responsible for delay in taking

¹⁴ Application developed to capture the details of passengers reserve the tickets online, like name, age, gender, address, concession, mobile/phone number *etc.*

¹⁵ Agency appointed by MSRTC for Providing, Computerizing, Implementing and Maintenance of ETIM & ORS system.

action for loss of revenue on account of printing of advertisement on backside of tickets.

It was observed during the follow-up audit that the action taken report which was to be submitted to the COPU within two months i.e. by February 2018 was submitted to COPU only in December 2020. Considering the sale of 395.48 crore tickets between November 2014 and June 2018, the potential revenue loss to the Corporation worked out to ₹ 3.95 crore. Further, the Corporation failed to include an appropriate clause in the subsequent contract made (2015) with Trimax for paper roll supply and advertisement rights.

The Corporation stated (January 2022) that no response was received till August 2018 for advertisement to be printed on backside of the tickets and thereafter offer of one rupee per roll was accepted.

Government stated (February 2022) that Corporation has been instructed to collect the advertisement revenue on time.

3.2.4 System Design

The Application controls are the checks and balances that are incorporated in the ETIM and ORS applications developed for maintaining data integrity. The application controls consist of input controls, processing controls and output controls and the absence of or inadequacies in any of these controls would have an adverse impact on the integrity and reliability of the database.

Recommendation of COPU (2.5 on para 3.8.5 of the PA)

The ETIM needed upgradation but the Corporation continued with the old system as pointed out by the audit and incurred loss. This matter needs to be investigated and responsibility fixed on the officers responsible for this and action taken details be submitted to the committee within two months i.e. by February 2018.

Action taken by Corporation

It was observed during the follow-up audit that the action taken report which was to be submitted to the COPU within two months i.e. by February 2018 was submitted to COPU only in December 2020. According to this report, as per the provisions of the ETIM system, the changes were incorporated as per requirements from time to time. However, it was observed during January 2016 to March 2021, 9,761 ETIM out of 12,272 were working in the rural area in the old version.

To give effect to the recommendation of the COPU, the ETIM was upgraded in phased manner, but partly. The issues related to various concessions were not addressed. Departmental enquiries were initiated against the seven officials.

3.2.4.1 In the Online Reservation System (ORS) database, the Corporation was allowing concession in fares, with or without limiting factor¹⁶ to different

¹⁶ Limiting factors are put on the number of times a concession holder can travel and/or the total kilometers of travel permitted and/or on the total amount of concession allowed.

category of passengers like Arjuna awardees, vision impaired persons, Dronacharya Awardees and other awardees, freedom fighters, physically handicapped, patients suffering from diseases like tuberculosis/cancer/leprosy, senior citizens *etc.* The amount of concessions so allowed was periodically claimed by the Corporation from the State Government.

Recommendation of COPU (3.5 on para 3.10.5 of the PA)

The Corporation at the time of reservation, should make the passengers fill all the relevant information and the passengers availing concessions in incorrect way should be charged double the actual ticket rates and action taken report be submitted within two months i.e. by February 2018.

Action taken by the Corporation

According to the Corporation's Action Taken Report, the passengers who book tickets by giving wrong credentials/details would be penalized as per rules and regulations of MSRTC and not by double the rates as recommended (December 2017) by the COPU. However, changes in the system were proposed so that the vacant reserved quota tickets would be available for passengers availing concessional fares.

It was observed during the follow-up audit that the action taken report which was to be submitted to the COPU within two months i.e. by February 2018 was submitted to COPU only in December 2020.

Audit also observed (September-October 2021) that the Authorised Booking Agents (ABAs) did not enter the identity (ID) proof details of passengers eligible for concessional fare in the columns meant to capture the same in ORS database in 9,199 cases out of 1,91,16,593 cases. Further, one more column 'Concession Proof' had been created; but in 339 cases the field was 'blank' and in 95 cases 'none' was shown in the field during the period covered in audit.

Follow-up audit revealed that data relating to concession proof, name of the passenger and ID proof were not fully captured and therefore its correctness could not be ascertained in audit.

The Corporation stated (January 2022) that the ABAs did not enter the ID proof details in the initial stage of launching the project. In the case of group booking under ORS, minimum one passenger name was compulsory and the discrepancy pointed out by audit was rectified in October 2016.

Our data analysis revealed that in 9,473 out of 14,513 cases, although the tickets were issued for a single passenger, the passenger name field was blank and these cases pertained to the period after October 2016.

The Government did not furnish any reply.

3.2.5 Management Information System

In the PA report (2014), it was pointed out that the Master Service Agreement (MSA) provided for setting up of a comprehensive Management Information System (MIS) providing reports, dashboards *etc.* The MIS was to provide user-friendly reporting functionalities such as graphical display for the staff, officials of Corporation and any entity authorized by Corporation, the end day

procedure for processing information and generating MIS in report formats and all operational MIS and Revenue Reports for a specified period, booking centre- wise, service wise, operator wise, depot wise, agent wise *etc.*

Recommendation of COPU (4.5 on para 3.11 of the PA)

The Corporation must have good quality MIS and for this purpose guidance from IT and statistical experts may be sought and the report of action taken may be submitted within two months i.e. by February 2018.

Action taken by the Corporation

According to the Corporation's Action Taken Report, all the information related to income received by the buses running on various passenger routes, passenger number *etc.* are received by the corporation through ETIM and ORS which is used for analysis of profit/loss and decision making. Further, a dashboard under MIS is created for the Management. However due to incomplete capturing of data and incomplete tables MIS reports generated are not reliable.

No specific comment on guidance from IT and statistical experts was made by the Corporation (December 2020).

It was observed during the follow-up audit that the action taken report which was to be submitted to the COPU within two months i.e. by February 2018 was submitted to COPU only in December 2020.

3.2.6 System audit

The Master Service Agreement (MSA) provided that as soon as reasonably practicable after the effective date, the parties shall use their best endeavor to agree to a time table for routine audit during the project implementation phase and the operation and management phase. Further, the Project processes specified in Request For Proposal (RFP), required the Corporation to review the test plan subject to the condition that the System Integrator (SI) ensured that the end product delivered by it met all the requirements including functional and technical requirements.

Recommendation of COPU (5.5 on para 3.13 of the PA)

The Corporation must conduct audit of payment of ₹ 125 crore to M/s Trimax within prescribed time limit so as to avoid unwarranted expenditure and responsibility be fixed on the officers responsible for this and action taken be submitted to the committee within two months i.e. by February 2018.

Action taken by the Corporation

The Corporation had appointed Standardization Testing and Quality Certification (STQC) Directorate of Government of India for carrying out system audit and testing. After this, M/s Ernst and Young LLP was appointed as system performance auditor and the report was submitted by them on monthly basis. The role of E&Y is focused on checking of payments to Trimax (SI).

To give effect to the recommendation of the COPU, the Corporation had fixed responsibility and one official had been dismissed (December 2012) by the Vice Chairman and Managing Director.

Government stated (February 2022) that the system performance tests as per MSA and RFP had been conducted. In the initial stage, the User Acceptance Test (UAT) was also conducted.

3.2.7 Business Continuity Plan

As per the current contract with the Trimax, it was required to implement and maintain the ETIM and ORS with web facility till 14 June 2022. It also included providing necessary training, material and training faculty related to the new system to various staff members of the Corporation like Conductors, Account Officers and others across bus depots/stations/divisional/regional/central office *etc.*, as and when specified by the Corporation. The SI shall manage the entire project from conceptualisation to operationalisation and maintenance as well as subsequent transfer of infrastructure/applications and handholding and all assets including Hardware and System Software procured by the SI to the Corporation. The SI was responsible to ensure continuity of service at all times during the currency of the agreement including exit management period.

Recommendation of the COPU (6.5 on para 3.15 of the PA)

The Corporation was entirely dependent on M/s Trimax for business continuity and in case of problem arising in future it should have thought of the crisis management issue also. It was also recommended to appoint a committee consisting of IT experts to address this issue and submit the report within two months i.e. by February 2018.

Action taken by the Corporation

According to its Action Taken Report, the Corporation had appointed M/s Ernst and Young as a Project Management consultant which looks after the project monitoring work. For avoiding hurdles in project operations in future and to reduce project dependency on M/s. Trimax including disaster management, a proposal would be sought from M/s Ernst and Young for immediate resolution as per recommendations of COPU.

The Corporation had also appointed a committee in which representatives from IT and Transport Departments are members. The committee had appointed M/s. KPMG as a Project Management Consultant which will also advise for smooth project operations, reducing project dependence including Disaster Management.

It was observed during the follow-up audit that the action taken report which was to be submitted to the COPU within two months i.e. by February 2018 was submitted to COPU only in December 2020.

Government stated (February 2022) that the mock drills had been conducted on two occasions and the SI was responsible for sound health of equipments and cables deployed for the purpose as a preventive measure and restoring the system in case of any disaster.

It was observed (November 2021) that the SI had carried out only one mock drill (January 2019) instead of conducting drills periodically so as to ensure sound health of systems/equipments/cables and peripherals deployed for the purpose as a preventive measure and to restore the system in case of any disaster. As such, the Corporation has not established a system for business continuity/crisis management. Despite recommendations by the COPU, it continued to depend on M/s Trimax for business continuity/crisis management. Further even though the SI is responsible for smooth running, the system needs to be tested periodically for sound health of backup plan in case of contingency or failure of the online system. It is the primary responsibility of the Corporation to ensure the smooth working and testing of the backup plan.

3.2.8 Data Analysis of implementing and maintaining ETIM and online Reservation System¹⁷ (ORS)

3.2.8.1 In consonance with the recommendations of COPU and subsequent follow-up action taken by the Corporation, Audit did the data analysis of implementing and maintaining ETIM and Online Reservation System (ORS) in respect of 106 depots out of 250 depots which revealed (September-October 2021) that;

- In the transaction table under ORS, the passenger name field designed to capture the names of passengers booking in advance was blank in 14,477 cases out of 1,91,16,593 cases and in 36 cases field contained symbols like ‘,’ or ‘+’.
- In the ETIM data base, in 12¹⁸ depots the identity proof in respect of 7.82 crore passengers, stated to be eligible for concession, out of 8.05 crore passengers eligible for concessions (97 per cent cases) were blank.
- In the absence of audit trail, changes made in the transaction tables could not be monitored. However, audit trail was available only for 15¹⁹ tables as against 449 tables in the ORS data base.
- In 12 depots that 8.06 crore ETIM tickets for passengers eligible for concession were generated from January 2016 to 31 March 2021 on the basis of these tickets, reimbursement was claimed by the Corporation from GoM. In the absence of reliable and correct data, the claims raised for reimbursement by the Corporation with the GoM could not be verified in audit. The Government stated (February 2022) that the Corporation had been instructed to take corrective action.

3.2.8.2 The Home Department instructions (November 2008 and October 2018) required grant of 75 per cent and 70 per cent concession in

¹⁷ Application developed to capture the details of passengers reserve the tickets online, like name, age, gender, address, concession, mobile/phone number *etc.*

¹⁸ Aurangabad-1, Beed, Bhandara, Buldana, Dhule, Kolhapur, Kurla Nehru Nagar, Nagpur Rural-1, Nagpur Rural-2, Nashik CBS, Ratnagiri and Yavatmal.

¹⁹ api_log, bus_services_insert_update_log, bus_stops_insert_update_log, flat_fare_log, payment Gateway Cron_log, Procedure Book Ticket_log, Procedure release Quota Seats_log, Procedure Cancel Rebook Ticket_log, Procedure Temporary Lock Unlock Seats_log, Procedure release Seats_log, route_master_copy_log, session_log, SLA_etim Breakdown_logs, Third party_alert_logs, WS_logs.

fares for each journey performed in ordinary/semi luxury buses and Shivshahi buses respectively to handicapped/vision impaired passengers. Similarly, 50 per cent and 45 per cent concession in fares in ordinary/semi luxury bus and Shivshahi bus respectively was available to an escort travelling with the handicapped/ vision impaired passengers.

➤ ‘concession code – 20’ was designed to capture the details of escorts travelling with the handicapped passengers (code-19). As different codes were created for handicapped passengers and their escorts, only one concession ticket should be generated for each code and the ticket of the escort must contain cross reference with that of the handicapped with whom he/she had travelled.

➤ ETIM generated 9,77,578 tickets of handicapped passengers against which 20,36,122 passengers actually travelled. This resulted in loss of ₹ 5.54 crore to the Corporation owing to allowance of concession to 10,58,544 ineligible passengers. Similarly, under the escort category, 30,184 passengers travelled as against 12,871 tickets for escorts generated, resulting in loss of ₹ 0.08 crore to the Corporation. Thus, there was a total loss of ₹ 5.62 crore to the Corporation due to allowance of concession to excess number of handicapped passengers and excess number of their escorts.

➤ Against the ETIM generated 92,731 tickets of vision impaired, 1,94,137 passengers actually travelled. This resulted in loss of ₹ 0.49 crore to the Corporation owing to allowance of concession to 1,01,406 ineligible passengers. Similarly, under the escort category 6,994 passengers travelled as against 2,661 tickets resulting in loss of ₹ 0.02 crore to the Corporation. Thus, there was total loss of ₹ 0.51 crore to the Corporation due to allowance of concession to excess number of vision impaired passengers and excess number of their escorts.

➤ Although ORS database had the provision for original ticket and reference ticket, the same was missing in ETIM database. In the absence of cross referencing of ticket numbers, authenticity of concessional fares to the eligible passengers could not be verified.

➤ In 5.35 crore cases of physically handicapped passengers and 0.15 crore cases of their escorts, the concession in fare was allowed in excess of the prescribed²⁰ per cent. This resulted in short realization of revenue of ₹ 17.89 crore. Similarly, in 0.47 crore cases of vision impaired passengers and 2.51 lakh cases of their escorts, there was short realization of revenue of ₹ 1.28 crore owing to allowance of concessional fare in excess of the prescribed per cent.

Government stated (February 2022) that nine passengers could travel on a single ticket only; hence, cross referencing of escort in case of handicapped passengers was not feasible. Further, a handicapped person booking online ticket may actually travel with escort; hence, cross reference in such case was

²⁰ For PH passengers, 75 per cent concession in fare of Ordinary/Semi Luxury buses and 70 per cent concession in fare of Shivshahi buses whereas for their escorts 50 per cent concession in fare of Ordinary/Semi Luxury buses and 45 per cent concession in fare of Shivshahi buses.

also not feasible in ETIM system. Government further instructed to the Corporation to implement the smart card system on priority.

3.2.8.3 The Government had instructions (May 1989 and October 2018) to grant 100 *per cent* concession in ticket fare to Freedom Fighter²¹ (FF) along with one escort only. Our data analysis revealed that;

➤ In ORS database, 17,091 tickets out of 19,902 tickets, booked online under the category of FF were of those passengers, whose age was shown below 70 years at the time of booking of online tickets. Since more than 74 years have elapsed after Indian independence, adequate input age control should have been provided while designing the application for ORS. The age wise analysis of tickets booked under FF category is shown in **Table 3.1**.

Table 3.1: Concession given to ineligible passenger (ORS database)

Tickets booked for passenger having age between				
12 – 20 years	21 – 30 years	31 – 40 years	41 – 50 years	Above 50 years but below 70 years
274	2,398	3,089	4,533	6,797
<i>Source: Information obtained from Corporation</i>				

The Corporation stated (January 2022) that necessary changes in the system would be incorporated after getting clarification/guidance from the Government. Government instructed (February 2022) the Corporation to take necessary action.

3.2.8.4 ETIM generated 24,468 tickets under FF category against which 70,242 passengers actually travelled. This has resulted in loss of ₹ 0.21 crore to the Corporation owing to allowance of concession to 45,774 ineligible passengers. Similarly, under escort category 72,084 passengers travelled against 28,470 tickets issued resulting in loss of ₹ 0.27 crore to the Corporation. Thus, there was total loss of ₹ 0.48 crore to the Corporation due to inadmissible allowance of concession to excess number of FF passengers and excess number of their escorts.

➤ 73,097 escorts had availed the concessional fare against 65,443 FF passengers actually travelled during the period covered by audit. In the ORS database, provision for original ticket and reference ticket was made available; however in ETIM database, cross reference of original tickets of FF with the tickets of escorts was not done. 43,145 tickets issued to the escorts were such that they had not travelled with the FF; still concession was granted to them.

Government instructed (February 2022) the Corporation to implement the smart card system on priority.

3.2.8.5 The Corporation circular (August 2000), read with Government Resolution (GR) (February 2000) which granted 100 *per cent* concession in fares to Adivasi Sevak Awardees (ASA) including one escort for each journey performed in Ordinary, Semi Luxury and Luxury bus services. Scrutiny of the ETIM database of 106 depots revealed that (November 2021);

²¹ persons who belong to a group that takes part in a movement to liberate a country from an un-popular government.

➤ ETIM data base of 106 depot revealed that against 19,671 tickets issued to ASA passengers and their escorts, concession to 81,843 passengers was allowed. This resulted in irregular allowance of concession to 62,172 passengers amounting to ₹ 0.19 crore.

Government stated (February 2022) that the number of ASA and escort travel would not match the number of tickets sold because nine passengers could travel on a single ticket. Again, an ASA person booking online ticket may actually travel with escort; hence cross reference in such case was also not feasible in ETIM system.

3.2.8.6 The GoM (February 1998) allowed free travel to Arjuna, Dronacharya and Chhatrapati awardees of the State in the public road transport and fare so foregone is reimbursed by the GoM. Scrutiny of the table capturing data of ticket details under ORS revealed that;

➤ 215 and 26 tickets were issued to Arjuna and Dronacharya Awardees, but 258 and 28 passengers respectively actually travelled thereon. Similarly, table capturing ticket details under ETIM database revealed that 8,399 and 6,778 tickets were issued to Arjuna and Dronacharya Awardees respectively but 27,894 and 42,356 passengers actually travelled thereon. Thus, 55,073 (19,495+35,578) passengers were allowed the concession irregularly resulting in loss of revenue of ₹ 10.23 lakh. In respect of Chhatrapati awardees, as against 7,129 tickets, 8,644 passengers actually availed the concession resulting in loss of revenue of ₹ 1.19 lakh.

Government instructed (February 2022) the Corporation to implement the smart card system on priority.

3.2.8.7 The Corporation had granted (circulars issued in December 1976 and March 1978), 50 per cent concession in fares to Cancer patients for each journey performed up to 1,500 Km distance for each travel. This was revised (October 2018) to 75 per cent. TB and Leprosy patients are allowed 75 per cent concession up to 50 km distance for each travel.

During data analysis it was revealed that;

➤ 11,990 passengers under Cancer, TB and Leprosy categories travelled as against 5,309 tickets issued by ETIM. This resulted in loss of ₹ 3.60 lakh²² to the Corporation owing to allowance of concession to 6,681²³ ineligible passengers. It was also observed that in case of 1,34,559 cancer patient passengers, concession of more than 75 per cent was allowed resulting in revenue loss of ₹ 5.93 lakh. Similarly in case of 8,431 TB and 3,706 Leprosy patients, concession was allowed beyond the prescribed limit of 50 Km resulting in revenue loss of ₹ 1.62 lakh and ₹ 1.05 lakh respectively. Government instructed (February 2022) the Corporation to implement the smart card system on priority.

3.2.8.8 Data analysis of ETIM database of 12 depots in respect of 'Ticket_IDs' columns containing ticket identification of the 'ticket' table revealed (October 2021) that;

²² Cancer- ₹ 2.91 lakh, Leprosy- ₹ 0.30 lakh and TB- ₹ 0.39 lakh.

²³ Cancer-4768 cases, Leprosy- 889 cases and TB-1024 cases.

➤ In respect of 0.64 crore tickets, out of 34.37 crore tickets issued during the period from 01 October 2016 to 31 March 2021, ‘Ticket_IDs’ were missing. Thus the integrity of data could not be ascertained.

➤ Sale of 417.15 crore tickets was shown in the ‘Ticket table’ for the period from September 2011 to October 2014 as pointed out in the earlier audit. However, during the current analysis, the number of tickets for the same period was shown as 417.20 crore, indicating difference of 5 lakh such tickets between earlier and current scrutiny. Thus, the data had changed with the passage of time thereby misgivings on data reliability and its use for MIS purposes.

Government stated (February 2022) that to maintain the accuracy and integrity of data, rolled back feature of RDBMS was used.

3.2.8.9 The ETIMs were programmed to handle all types of tickets, including concessions. However, these were not amended as needed, and as per GRs issued from time to time. To overcome the difficulties in respect of various concessions, a smart card project was separately initiated by the corporation. The Corporation started issuing smart cards in lieu of passes to the passengers eligible for concessional fare under various categories like students, senior citizens, patients *etc.* from the depots. These cards are only read and captured by the ETIMs, for which details of the smart card user need to be entered into the system before issuing it to the user. The smart card reader/writer applicable to desktops was also provided to the bus depots and stations. Our data analysis revealed that;

➤ 32,55,714 smart cards were issued during the period 2019-2021 to the passengers eligible for concession. However, the ETIMs were unable to read these smart cards as these machines started hanging after the card was placed on them. Thus, the conductors were required to enter the data of such passengers manually into ETIMs.

➤ The old practice of sale of pre-printed passes still continued as the System Integrator (SI) did not provide adequate smart cards and the revenue earned from these passes were not captured in the database. In absence of this, the Corporation was unable to ensure the validity of passes at the time of travel through the system without human intervention.

➤ Position of data verified related to the concessions claimed in March 2019, March 2020 and March 2021 by all the passenger categories of Nagpur depot (Rural-2) is shown in the following **Table 3.2**:

Table 3.2: Difference in figures of ETIM and Manual computation

Months → Items ↓	March 2019		March 2020		March 2021	
	ETIM	Manual	ETIM	Manual	ETIM	Manual
Number of passengers	47,158	50,010	30,859	33,353	14,927	14,937
Actual fare	46,26,370	57,67,513	28,69,066	35,44,228	14,43,705	14,75,304
Fare recovered (A)	22,32,185	26,94,884	13,29,690	15,79,646	6,44,785	6,56,839
Reimbursement amount (B)	23,85,411	30,72,629	15,38,124	19,64,582	7,95,758	8,18,465
Total amount (A+ B)	46,17,596	57,67,513	28,67,814	35,44,228	14,40,543	14,75,304

Source: Information obtained from Corporation

The table above indicates that the reports generated through ETIM system and those prepared manually were not matching as there were significant difference in figures of number of passengers availing concessional fare, actual fare, reimbursed amount and total amount. Thus, these figures need to be reconciled. This indicated that purpose of computerization of e-ticketing system was lacking.

Government instructed (February 2022) the Corporation to implement the smart card system on priority.

3.2.8.10 The table for capturing waybill trip details was designed to generate analytical report on trip-wise revenue earned for decision making process. Data scrutiny of ETIMs database in respect of 12 depots revealed (October 2021) that;

- In 2,909, out of 1.23 crore records, income of ₹ 82.25 lakh was reported to have been generated against route number “0”, which was not available in the Master table of routes.
- In 4.56 lakh out of 1.23 crore records, cumulative revenue income of ₹ 96.95 crore was reported against analogous Trip number “00000000” which was also not available in the Master table containing trips.
- In 9 depots, 227 blank trip numbers were generated, which indicated manual intervention and compromise of data integrity.

Government stated (February 2022) that to overcome this, the Corporation has been instructed to incorporate the suggested changes in proposed ticket system.

3.2.8.11 The Authorised Booking Agents (ABAs) are allowed to book advance tickets for the prospective passengers by collecting fares from them besides those booked at the ticket booking window. The contractual terms allowed credit limits to ABAs, which provided for retention of the money aggregating to value of tickets sold and the money so collected was to be deposited in the designated bank account by next day.

Scrutiny of the ORS database revealed (October 2021) that;

- In 237 out of 973 cases of ABAs pertaining to the audit period, the data on money value limit specified in the contractual terms was shown as ‘Zero’ in the limit column contained in the Master table and hence monetary value limit could not be monitored.
- In 58 cases where Corporation employees were authorized as the Booking Agents, the same Agent code with access to more than one Booking Centre (BC) in many different locations were detected and
- In 83 other cases, different BC codes were created for the same Agent at the same location which facilitated the ABAs in availing credit limits beyond the prescribed amount. This indicated inadequacy of input control in the system.

Government stated (February 2022) that prior to introducing the top-up, private agents were allowed to operate even with ‘zero’ balance. Despite this, there were 205 active ABAs, whose credit limit was shown as ‘Zero’.

3.2.8.12 ETIM and ORS database did not contain tables depicting the details of buses available with depots, manual pass collection of data, digitised routes and bus stops, digitisation of data of pass holders, ABA cash collection and remittance data, data pertaining to all passengers eligible to different types of concessions *etc.*

Government stated (February 2022) that audit suggestions would be incorporated in the proposed system.

3.2.8.13 The Corporation is operating its buses outside the state (Andhra Pradesh, Chhattisgarh, Goa, Gujarat, Karnataka, Madhya Pradesh and Rajasthan) under Reciprocal Transport Agreements²⁴ executed with the respective state Road Transport Corporations (RTCs) to cater to the needs of passengers.

Data analysis revealed (October 2021) that data fields for only five states were created in the table containing ticket details in ETIM and ORS data base though the Corporation had executed inter-state agreements with the above mentioned seven neighbouring State Road Transport Corporations (RTCs).

Government stated (February 2022) that audit suggestions would be incorporated in the proposed system.

3.2.8.14 In the Master table “Depot”, details of 297 depots in ORS database and 294 depots in ETIM database were captured as against 251²⁵ existing depots. So long as the correct data was not captured in the corresponding tables and correct fields, besides error generation, the prospect of difficulties in migration to new system in future, was inherent. Despite this pointed out in the earlier Report (December 2014) this deficiency was noticed.

➤ Data scrutiny (October 2021) revealed that 135 tables out of 411 tables under the ETIM database and 58 tables, out of 449 tables under ORS database were blank and devoid of any data. Further, 65 Master tables created in ETIM were blank and devoid of any data from Master tables.

Government stated (February 2022) that the database tables were purposely created for working depots. In some of the tables, window booking operation was not operated by SI because of lack of demand from passenger and some tables were created for testing purpose only.

3.2.8.15 In ETIM database, the fields created to capture division name, division code, depot name and depot code were blank in 3,46,176, out of total 34,37,29,142 tickets during the period from 16 January 2016 to 25 February 2018. The Corporation had rectified the error for the current period only and the data for the period from 16 January 2016 to 25 February 2018 was still not rectified.

²⁴ In the absence of any agreement between RTCs of two States for interstate operations, the respective State Governments execute such agreements and impose the terms and conditions on such RTCs. Revenue sharing is the major element addressed in such agreements.

²⁵ 250 depots and one Payment Gateway.

Government stated (February 2022) that during the initial stage of integration of the system, fields pointed out by the audit were blank.

Thus, implementing and maintaining ETIM and Online Reservation System (ORS) did not have sufficient input controls and validation checks in place to have complete and reliable data.

TRANSPORT DEPARTMENT

Maharashtra State Road Transport Corporation

3.3 Unfruitful expenditure of ₹ 4.05 crore

Construction of depot at Manchar by the MSRTC within 30 km of two existing depots against its own policy resulted in unfruitful expenditure of ₹ 4.05 crore

The Maharashtra State Road Transport Corporation (Corporation) through resolutions (passed between February 1981 and March 1999) framed a policy for constructing a bus depot. According to the policy, a depot should not be set up within a distance of 30 km of another depot in a place selected for this purpose simply because it is a Taluka place. However, a depot could be set up if it has the justified traffic density and is economically viable or duly supported by the operational needs and operates more than 100 bus-schedules.

The Corporation decided (June 2012) to construct a depot at Manchar in Ambegaon Tahsil of Pune District. This decision was based on the necessity and importance²⁶ of the depot at Manchar even though two depots were already existing within 30 km of Manchar viz. Narayangaon at 14 km (with 93 bus-schedules) and Rajgurunagar at 20 km (with 90 bus-schedules). The feasibility of this depot was based on the projected generation of an annual profit of ₹ 0.44 crore by it. The work was completed (June 2017) after incurring an expenditure of ₹ 4.05 crore²⁷.

Audit observed (December 2020) that although the depot was completed in June 2017 it has not been put to any use till date (November 2021). Thus, non-operationalisation of the depot resulted in unfruitful expenditure of ₹ 4.05 crore.

In reply, the Divisional Controller, Pune stated (December 2020) that the permission for the use of depot and appointment of additional staff for its operation was sought (May 2018) from General Manager (Personnel), but the same was denied (July 2018) in order to reduce the administrative expenditure and to bring coordination/uniformity in the functioning of the depots within 30 km area. Hence, the competent authority decided not to operate Manchar depot.

²⁶ Centre of economic activity, located on national highway, proximity to Bhimashankar Jyotrilinga and a Sanctuary attracting heavy passenger traffic, Sugar Mill and Engineering College, transportation of Agriculture produce to the Navi Mumbai market and Ambegaon taluka being hilly area with tribal population.

²⁷ (₹ 4.05 crore = ₹ 3.60 crore for civil works + ₹ 27.80 lakh for electrical works + ₹ 17.50 lakh for cost of land).

The reply has to be viewed against the fact that the decision of the Board was contrary to their policy and was made after knowing about the existence of two depots within 30 Km of Manchar Depot. Further, the Corporation did not take any measures to operate the newly constructed depot at Manchar since its completion (July 2017), though Vice Chairman & Managing Director, MSRTC was authorized to approve all the expenditure on depot construction including appointment of the officers/ staff. This has resulted in unfruitful expenditure of ₹ 4.05 crore on its construction.

The matter was brought to the notice (August 2021) of the Government; their reply is awaited (August 2022).

Nagpur
The 25 April 2023



(R. THIRUPATHI VENKATASAMY)
Accountant General (Audit)-II,
Maharashtra, Nagpur

Countersigned

New Delhi
The 26 April 2023



(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

(Reference: Paragraph 1.1; page 1)

Statement showing the cluster-wise list of departments, autonomous bodies and public sector undertakings under the jurisdiction of the Accountant General (Audit)-II, Maharashtra, Nagpur

Name of the Cluster	Name of department	Name of autonomous bodies	Name of public sector undertakings
Energy and Power	Energy	1) Maharashtra Electricity Regulatory commission 2) Maharashtra Energy Development Agency	1) Maharashtra State Electricity Distribution Company Limited (Subsidiary) 2) Maharashtra State Electricity Transmission Company Limited (Subsidiary) 3) Maharashtra State Power Generation Company Limited (Subsidiary) 4) Aurangabad Power Company Limited (Subsidiary) 5) Dhopave Coastal Power Limited (Subsidiary) 6) Mahagenco Ash Management Services Limited (Subsidiary) 7) M.S.E.B. Holding Company Limited 8) Maharashtra Power Development Corporation Limited
Industry and Commerce	Industries	3) Maharashtra State Khadi and Village Industries Board (MSKVIB)	9) Maharashtra State Mining Corporation Limited 10) Mahaguj Collieries Limited (Subsidiary) 11) Maha Tamil Collieries Limited 12) MSMC Adkoli Natural Resources Limited (Subsidiary) 13) MSMC Warora Collieries Limited (Subsidiary) 14) Development Corporation of Konkan Limited 15) Western Maharashtra Development Corporation Limited 16) Maharashtra Petrochemicals Corporation Limited 17) Krupanidhi Limited (Subsidiary) 18) Dairy Development Corporation of Marathwada Limited (Subsidiary) 19) Ellora Milk Products Limited (Subsidiary) 20) Parbhani Krishi Go-samvardhan Limited (Subsidiary) 21) Development Corporation of Vidarbha Limited 22) Vidarbha Quality Seeds Limited ¹ 23) The Gondwana Paints and Minerals Limited ² 24) Vidarbha Tanneries Limited ³ 25) Maharashtra Industrial Gas Transmission Company Limited 26) Marathwada Development Corporation Limited 27) Godavari Garments Limited (Subsidiary) 28) Kinwat Roofing Tiles Limited (Subsidiary) 29) Maharashtra Electronics Corporation Limited 30) Marathwada Ceramic Complex Limited (Subsidiary) 31) Leather Industries Corporation of Marathwada Limited (Subsidiary) 32) Maharashtra Small Scale Industries Development Corporation Limited 33) Aurangabad Industrial Township Limited 34) AITL Auric Skill Foundation (Subsidiary) 35) Maharashtra State Financial Corporation 36) Maharashtra Industrial Development Corporation
	Textiles	---	37) Maharashtra State Powerlooms Corporation Limited 38) Maharashtra State Textile Corporation Limited 39) The Pratap Spinning, Weaving and Manufacturing Company Limited (Subsidiary) 40) Maharashtra State Handlooms Corporation Limited

¹ The PSUs have been subsequently dissolved in 2021-22

² The PSUs have been subsequently dissolved in 2021-22

³ The PSUs have been subsequently dissolved in 2021-22

Report No. 3 (Compliance Audit Report for the year ended 31 March 2021)

Name of the Cluster	Name of department	Name of autonomous bodies	Name of public sector undertakings
Transport	GAD	4) Maharashtra Maritime Board (MMB), Mumbai	--
	Home	--	41) Maharashtra State Road Transport Corporation 42) Maharashtra Airport Development Company (MADC) 43) Nagpur Mass Transport Company 44) Pune (Purandar) International Airport Ltd. 45) MIHAN India Ltd. 46) Nagpur Flying Club
Environment, Science and Technology	Environment	5) Maharashtra Pollution Control Board (MPCB)	47) Forest Development Corporation of Maharashtra Limited
	Forest	6) State Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	48) FDCM ESSEL World Gorewada Zoo Pvt. Ltd. (JV of FDCM and Esselworld)
	Forest	--	49) Maharashtra Bamboo Promotion Foundation 50) Maharashtra State Farming Corporation Limited
Public Works	Water Supply & Sanitation Department (Public Health Engineering)	7) Maharashtra Jeevan Pradhikaran (MJP), Mumbai	51) Maharashtra State Road Development Corporation Limited
	Public Works Department (Roads & Bridges)	--	52) Maharashtra Satara Kagal Infrastructure Limited (Subsidiary) 53) Thane Creek Bridge Infrastructure Limited 54) Nagpur Mumbai Super communication Express way Limited 55) Versova Bandra Sea Link Limited (Subsidiary of MSRDC) 56) Mumbai Pune Expressway Limited (Subsidiary of MSRDC) 57) MSRDC Tunnels Limited (Subsidiary of MSRDC) 58) MSRDC Sea Link Limited (Subsidiary of MSRDC) 59) Maharashtra Samruddhi Renewal Energy Ltd.(Subsidiary of MSRDC)
Finance	Finance	--	60) MAFCO Limited 61) Maharashtra Vikrikar Rokhe Pradhikaran Limited
	Planning	--	62) Chhatrapati Sahu ji Maharaj Research , Training and Human Development Institute, Pune (SAARTHI)
IT and Communication	Information Technology	--	63) Maharashtra Information Technology Corporation Limited, Mumbai
Law and Order	Home	--	64) Maharashtra State Police Housing and Welfare Corporation Limited, Mumbai
Law and Order	Law & Judiciary department	8) Maharashtra State Human Rights Commission (MSHRC) 9) Maharashtra State Legal Services Authority (MSLSA), Mumbai	--

Appendix 1.2

(Reference: Paragraph 1.6.1; page 3)

Department wise Outstanding Inspection Report/Paras issued upto December 2020 but outstanding as on 30 June 2021

Sr. No.	Name of Department	Name of Region	Upto 2015-16		2016-17		2017-18		2018-19		2019-20		2020-21		Total	
			IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras
1	Cluster 9 (Transport)	West. Maharashtra, Khandesh & Mumbai	66	135	24	85	22	120	11	77	13	106	0	0	136	523
2		Marathwada	28	60	8	23	1	5	9	50	2	14	1	4	49	156
3		Vidarbha	35	72	8	17	3	8	5	19	7	26	0	0	58	142
4		MMB Deptt. All Dist.	11	18	2	4	3	11	2	9	0	0	0	0	18	42
Total			140	285	42	129	29	144	27	155	22	146	1	4	261	863
1	General Admn. Deptt.	Director of Aviation	3	4	1	3	0	0	0	0	1	15	0	0	5	22
2		Nagpur Flying Club	1	2	0	0	0	0	0	0	0	0	0	0	1	2
3		MADC	4	21	1	8	1	14	1	19	0	0	0	0	7	62
4		Mihan India Ltd.	1	4	0	0	1	7	1	5	0	0	0	0	3	16
5		Nagpur Mass Transport Co. Ltd.	1	1	0	0	0	0	0	0	0	0	0	0	1	1
Total			10	32	2	11	2	21	2	24	1	15	0	0	17	103
1	Cluster 10 (Forest, Environment, Science & Technology)	Forest, Environment, Science & Technology	273	744	22	78	30	146	31	160	29	151	6	46	391	1325
2	Cluster 11 (PWD)	Public Works, Public Health Engineering, Road & Bridges	398	1040	67	211	70	339	92	525	91	637	8	67	726	2819
Total			671	1784	89	289	100	485	123	685	120	788	14	113	1117	4144
Grand total (A)															1395	5110
1.	Cluster – Energy and Power	Energy & Power	88	233	20	84	21	105	39	166	56	303	16	83	240	974
2.	Cluster – Industry & Commerce	Industry	89	373	20	146	12	75	17	116	8	51	5	37	151	798
3.	Cluster – Industry & Commerce	Textile	46	151	2	3	1	12	1	6	2	13	1	5	53	190
Grant total (B)			223	757	42	233	34	192	57	288	66	367	22	125	444	1962

Appendix 1.2 (Concl...)					
Sr. No.	Name of the department	Name of receipts	Number of outstanding IRs	Number of outstanding paras/observations	Money value involved (₹ in crore)
1	Home	State Excise	97	172	11.52
2	Low & Order	Home	279	1153	0.00
		Law & Judiciary	81	262	0.00
3	IT & Communication	Information Technology	5	31	0.00
4	Revenue & Forest	Entertainment Duty	181	268	17.59
		Stamp & Registration Fee	1250	2523	811.99
5	Finance	Taxes of Sales, Trade etc.	1002	2714	826.06
		Taxes on Professions etc.	82	104	13.60
		Local Funds, Director of Account & Treasuries etc.	23	86	0.00
6	Planning	Economics & Statistic, Statistical Officer etc.	9	35	0.00
	Total (C)		3009	7348	1680.76
	Grand Total (A+B+C)		4848	14,420	

Appendix 1.3
(Reference: Paragraph: 1.6.4; page 4)
Position of outstanding EMs/UORs

Year of Audit Report	Transport		Forest		PWD		Energy & Power		Industry & Commerce		Finance		IT & Communication		Home		Total	
	No. of Paras	No. of o/s paras	No. of Paras	No. of o/s Paras	No. of Paras	No. of o/s Paras	No. of Paras	No. of o/s Paras	No. of Paras	No. of o/s Paras	No. of Paras	No. of o/s Paras	No. of Paras	No. of o/s Paras	No. of Paras	No. of o/s Paras	No. of Paras	No. of o/s Paras
2014-15	0	0	0	0	1	0	5	4	2	0	16	15	1	1	1	0	26	20
2015-16	2	2	0	0	0	0	5	5	2	2	18	18	2	2	3	2	32	31
2016-17	3	0	0	0	2	0	7	7	1	1	27	25	0	0	1	1	41	34
2017-18	2	2	2	2	2	1	2	2	5	5	14	3	1	1	1	1	29	17
2018-19	0	0	0	0	4	3	2	2	0	0	11	5	0	0	0	0	17	10
Total	7	4	2	2	9	4	21	20	10	8	86	66	4	4	6	4	145	112

Appendix 1.4

(Reference: Paragraph 1.6.4; page 4)

Cluster wise position of PAC/COPU recommendations on which Action Taken Notes were awaited

Cluster	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	Total
Finance	0	14	14	6	83	12	129
Home	0	0	11	0	0	0	11
Transport	6	67	6	0	10	8	97
Environment, Science and Technology	0	0	0	0	12	0	12
Public Works	1	0	25	0	19	8	53
Energy & Power	1	2	1	1	1	0	6
Industry & Commerce	4	4	0	1	2	0	11
Total	12	87	57	8	127	28	319

Appendix 2.1.1
(Reference: Paragraph: 2.1.1; page 8)
List of sampled Divisions

Sr. No.	Name of the Region	Number of the Circles	Name of the Divisions sampled
1	Nagpur	Nagpur	PWD, Bhandara
			PWD Integrated (M) Unit Nagpur
			PWD No. 2 Nagpur
			PWD No. 2 Gondia
			PWD No. 3 Nagpur
		Gadchiroli	PWD No. 2 Gadchiroli
		Chandrapur	PWD No.1 Chandrapur
			PWD Arvi, Wardha
PWD Wardha			
2	Amravati	Akola	PWD Buldhana
		Amravati	PWD Amravati
		Yavatmal	PWD No.2 Yavatmal
3	Aurangabad	Nanded	PWD Hingoli
			PWD Bhokar
		Aurangabad	PWD Aurangabad
4	Konkan	Ratnagiri	PWD Chiplun
		Thane	PWD No.1 Thane
			PWD Palghar
5	Mumbai	Mumbai	PWD Presidency, Mumbai
			Integrated (M) Unit Mumbai
6	Nashik	Nashik	PWD Malegon
			PWD Nashik
		Ahmednagar	PWD Sangamner
7	Pune	Pune	PWD (South) Pune
			PWD Pune
		Kolhapur	PWD Kolhapur

Appendix 2.1.2
(Reference: Paragraph 2.1.2.1; page 9)
Short release of fund

(₹ in crore)

Sr. No.	Name of the User Departments	No. of works	Cost of the work	Deposit received	Expenditure incurred	Short release of fund
		(1)	(2)	(3)	(4)	(5)
1	Public Health	02	23.17	16.97	19.11	6.20
2	Higher and Technical Education and Employment	02	5.35	2.75	2.76	2.60
3	Industry Energy and Labour	77	11.55	1.45	1.45	10.10
4	Law and Judiciary	01	0.91	0.91	0.93	0.00
5	Planning	09	52.92	24.38	41.91	28.54
6	Social Justice and Special Assistance	85	16.08	8.27	7.42	7.81
7	Sports	01	1.26	1.00	1.04	0.26
8	Tourism and Cultural	11	29.26	19.25	20.09	10.01
9	Tribal development	01	57.85	4.23	5.48	53.62
10	Urban development	02	9.20	4.30	4.41	4.90
11	Rural Development (MH 2515)	1043	122.44	74.28	42.02	48.16
12	Revenue and Forest	02	0.37	0.28	0.34	0.09
13	Home	04	0.80	0.05	0.47	0.75
Total		1240	331.16	158.12	147.43	173.04

Appendix 2.1.3

(Reference: Paragraph 2.1.3.2(ii); page 13)

Works halted due to paucity of funds and incomplete works

(₹ in crore)

Sr. No.	Name of the division	Name of the work	Expenditure incurred	Remarks
Works halted due to paucity of funds				
1.	Integrated (M) Unit PWD, Nagpur	Construction of 3-wards at wing 'A' in super specialty hospital at GMCH Nagpur	4.78	Work incomplete due to diversion of fund of ₹ 1.60 crore for budgeted work of AIIMS Nagpur.
2.	PWD No.2 Yavatmal	Development of Appa Swami Mandir at Village- Pimpalner, Arni, Yavatmal	0.52	Work is incomplete due to unavailability of fund.
3.	PWD No.2 Yavatmal	Development of Lake premises & beautification of Shri Khateshwar-Maharaj-Sansthan (C-class pilgrimage) at Khatewshwar (Part No.4 Ghat extension) Kalamb, Yavatmal	0.13	Work was incomplete for want of fund of ₹ 0.49 crore.
4.	PWD Aurangabad	Residential building and two training centers at Paithan, Aurangabad	2.34	Shortages of funds and change in scope of work.
5.	PWD No.1 Thane	ITI building at Mumbra Kausa, Mumbai	3.64	Work incomplete due to shortage of funds.
6.	Integrated (M) Unit PWD, Mumbai	Administrative building in campus of JJ Hospital Mumbai	1.72	Electrical work was left incomplete for want of funds.
<i>Source: Information furnished by department</i>				

Appendix 2.1.4
(Reference: Paragraph 2.1.3.2 (v); page 17)
Details of delay in testing of cement concrete cubes

Sr. No.	Name of the Division	Name of the work	Type of concrete	Date of casting of cube	Date of testing of cube	Age of cube (in days)
1.	PWD Buldhana	Construction of Cement Concrete road at Nagar Parishad Deulgaon Raja (Jafrabad road to garden)	CCM-15	10.01.19	28.03.19	77
			CCM_20	20.01.19	28.03.19	67
			CCM-40	11.01.19	28.03.19	76
2.	PWD Buldhana	Improvement to internal road of Buldhana Municipal council from Tahsil chowk to Balshivaji convent	CCM-20	21.06.18	27.09.18	98
3.	PWD Buldhana	Construction of internal roads to Civil Hospital Buldhana	CCM-20	18.10.19	07.08.20	294
			CCM-20	22.11.19	07.08.20	259
4.	PWD Buldhana	Construction of internal underground drain in the premises of Civil Hospital Buldhana	CCM-20	17.03.20	06.08.20	142

Source: Information furnished by department

Appendix 2.2.1

(Reference: Paragraph 2.2; page 22)

Statement showing Ordinary Repairs carried out on risk and cost

Sr. No.	Agreement No.	Date of work order	Name of work	Name of contractor	Amount Paid (in ₹)	Voucher No. & Date.
1	46/2017-18	05.12.2017	OR to NH 222 Km. 607/250 to 608/00	M/s. Sharda Constructions, Nanded	281571	40/03/2018.
2	47/2017-18	05.12.2017	OR to NH 222 Km. 593/750 to 594/500	M/s. Sharda Constructions, Nanded	280495	41/03/2018
3	48/2017/18	06.12.2017	OR to NH 222 Km. 599/750 to 600/500	M/s. Sharda Constructions, Nanded	272163	72/03/2018
4	49/2014-18	06.12.2017	OR to NH 222 Km. 592/250 to 593/00	M/s. Sharda Constructions, Nanded	276217	43/03/2018
5	50/2017-18	07.12.2017	OR to NH 222 Km. 608/00 to 608/750	M/s. Sharda Constructions, Nanded	267914	44/03/2018
6	51/2017/18	07.12.2017	OR to NH 222 Km. 605/750 to 606/500	M/s. Sharda Constructions, Nanded	282037	45/03/2018
7	52/2017-18	07.12.2017	OR to NH 222 Km. 602/750 to 603/500	M/s. Sharda Constructions, Nanded	274380	46/03/2018
8	53/2017-18	07.12.2017	OR to NH 222 Km. 597/500 to 598/250	M/s. Sharda Constructions, Nanded	278714	47/03/2018
9	54/2017-18	07.12.2017	OR to NH 222 Km. 610/250 to 611/00	M/s. Sharda Constructions, Nanded	273667	48/03/2018
10	55/2017-18	07.12.2017	OR to NH 222 Km. 603/500 to 604/250	M/s. Sharda Constructions, Nanded	269966	49/03/2018
11	58/2017-18	07.12.2017	OR to NH 222 Km. 590/500 to 591/500	M/s. Sharda Constructions, Nanded	281288	50/03/2018
12	59/2017-18	07.12.2017	OR to NH 222 Km. 604/250 to 605/000	M/s. Sharda Constructions, Nanded	271907	51/03/2018
13	60/2017-18	07.12.2017	OR to NH 222 Km. 595/250 to 596/00	M/s. Sharda Constructions, Nanded	268617	52/03/2018
14	61/2017-18	07.12.2017	OR to NH 222 Km. 595/250 to 596/00	M/s. Sharda Constructions, Nanded	270652	53/03/2018
15	62/2017-18	07.12.2017	OR to NH 222 Km. 611/750 to 612/500	M/s. Sharda Constructions, Nanded	270310	54/03/2018
16	63/2017-18	07.12.2017	OR to NH 222 Km. 612/500 to 613/250	M/s. Sharda Constructions, Nanded	281141	55/03/2018
17	64/2017-18	07.12.2017	OR to NH 222 Km. 608/750 to 609/500	M/s. Sharda Constructions, Nanded	275521	56/03/2018
18	65/2017-18	07.12.2017	OR to NH 222 Km. 587/00 to 588/500	M/s. Sharda Constructions, Nanded	289517	57/03/2018
19	66/2017-18	07.12.2018	OR to NH 222 Km. 606/500 to 607/205	M/s. Sharda Constructions, Nanded	270496	77/03/2018
20	67/2017-18	07.12.2017	OR to NH 222 Km. 589/500 to 590/500	M/s. Sharda Constructions, Nanded	285335	78/03/2018
21	68/2017-18	13.12.2017	OR to NH 222 Km. 593/00 to 593/750	M/s. Sharda Constructions, Nanded	277256	79/03/2018
22	69/2017-18	13.12.2017	OR to NH 222 Km. 596/00 to 596/750	M/s. Sharda Constructions, Nanded	279479	80/03/2018
23	70/2017-18	13.12.2017	OR to NH 222 Km. 591/500 to 592/250	M/s. Sharda Constructions, Nanded	279194	81/03/2018
24	71/2017-18	13.12.2017	OR to NH 222 Km. 600/500 to 601/250	M/s. Sharda Constructions, Nanded	285660	82/03/2018
25	72/2017-18	13.12.2017	OR to NH 222 Km. 594/500 to 595/250	M/s. Sharda Constructions, Nanded	274825	83/03/2018
26	73/2017-18	13.12.2017	OR to NH 222 Km. 602/00 to 602/750	M/s. Sharda Constructions, Nanded	269113	84/03/2018
27	74/2017-18	13.12.2017	OR to NH 222 Km. 598/250 to 599/00	M/s. Sharda Constructions, Nanded	281206	85/03/2018
28	75/2017-18	15.12.2017	OR to NH 222 Km. 588/500 to 589/500	M/s. Sharda Constructions, Nanded	277110	86/03/2018
29	76/2017-18	15.12.2017	OR to NH 222 Km. 596/750 to 597/500	M/s. Sharda Constructions, Nanded	274980	87/03/2018
30	77/2017-18	15.12.2017	OR to NH 222 Km. 599/00 to 599/750	M/s. Sharda Constructions, Nanded	267666	88/03/2018
31	78/2017-18	18.12.2017	OR to NH 222 Km. 609/500 to 610/250	M/s. Sharda Constructions, Nanded	277532	89/03/2018

Appendix 2.2.1 (Conclid...)						
Sr. No.	Agreement No.	Date of work order	Name of work	Name of contractor	Amount Paid (in ₹)	Voucher No. & Date.
32	79/2017-18	18.12.2017	OR to NH 222 Km. 601/250 to 602/00	M/s. Sharda Constructions, Nanded	271591	90/03/2018
33	85/2017-18	08.03.2018	OR to NH 222 Km.559/400 to 560/600	M/s. Global Enterprises, Nanded	297950	15/03/2018
34	86/2017-18	08.03.2018	OR to NH 222 Km. 558/200 to 559/400	M/s. Global Enterprises, Nanded	290585	160/03/2018
35	90/2017-18	08.03.2018	OR to NH 222 Km. 564/00 to 565/00	M/s. Global Enterprises, Nanded	296709	157/03/2018
36	91/2017-18	08.03.2018	OR to NH 222 Km. 563/00 to 564/00	M/s. Global Enterprises, Nanded	295397	159/03/2018
37	92/2017-18	08.03.2018	OR to NH 222 Km. 560/600 to 561/800	M/s. Global Enterprises, Nanded	296010	161/03/2018
38	103/2017-18	08.03.2018	OR to NH 222 Km. 581/00 to 583/000	M/s. G.J Constructions, Nanded	298302	132/03/2018
39	104/2017-18	08.03.2018	OR to NH 222 Km. 613/250 to 614/00	M/s. G.J Constructions, Nanded	270282	135/03/2018
40	105/2017-18	08.03.2018	OR to NH 222 Km. 565/00 to 569/00	M/s. G.J Constructions, Nanded	291831	138/03/2018
41	106/2017-18	08.03.2018	OR to NH 222 Km. 585/00 to 587/00	M/s. G.J Constructions, Nanded	294231	133/03/2018
42	107/2017-18	08.03.2018	OR to NH 222 Km. 573/00 to 577/00	M/s. G.J Constructions, Nanded	297520	139/03/2018
43	108/2017-18	08.03.2018	OR to NH 222 Km. 569/00 to 573/00	M/s. G.J Constructions, Nanded	297981	131/03/2018
44	109/2017-18	08.03.2018	OR to NH 222 Km. 611/00 to 611/750	M/s. G.J Constructions, Nanded	277829	134/03/2018
45	110/2017-18	08.03.2018	OR to NH 222 Km. 577/00 to 579/00	M/s. G.J Constructions, Nanded	293882	140/03/2018
46	111/2017-18	08.03.2018	OR to NH 222 Km. 614/00 to 615/00	M/s. G.J Constructions, Nanded	276949	136/03/2018
47	112/2017-18	08.03.2018	OR to NH 222 Km. 583/00 to 585/00	M/s. G.J Constructions, Nanded	298977	141/03/2018
48	113/2017-18	08.03.2018	OR to NH 222 Km. 579/00 to 581/00	M/s. G.J Constructions, Nanded	299063	137/03/2018
49	114/2017-18	08.03.2018	OR to NH 222 Km. 561/800 to 563/00	M/s. G.J Constructions, Nanded	298935	156/03/2018
50	32/2017-18	02.12.2017	OR to NH 222 Km. 444/00 TO 446/500	M/s. Pallavi Constructions, Parbhani	276618	596/03/2018
51	33/2017-18	02.12.2017	OR to NH 222 Km. 446/500 to 449/00	M/s. Pallavi Constructions, Parbhani	272855	597/03/2018
52	34/2017-18	02.12.2017	OR to NH 222 Km. 458/00 to 463/550	M/s. Pallavi Constructions, Parbhani	274996	63/03/2018
53	35/2017-18	02.12.2017	OR to NH 222 Km. 452/00 to 455/00	M/s. Pallavi Constructions, Parbhani	271956	61/03/2018
54	36/2017-18	02.12.2017	OR to NH 222 Km. 455/00 to 458/00	M/s. Sai Constructions, Parbhani	272440	65/03/2018
55	37/2017-18	02.12.2017	OR to NH 222 Km.498/00 to 503/00	M/s. Sai Constructions, Parbhani	274908	70/03/2018
56	38/2017-18	02.12.2017	OR to NH 222 Km. 481/00 to 485/00	M/s. Sai Constructions, Parbhani	274976	66/03/2018
57	39/2017-18	02.12.2017	OR to NH 222 Km. 449/00 to 452/00	M/s. Pallavi Constructions, Parbhani	272471	60/03/2018
58	40/2017-18	02.12.2017	OR to NH 222 Km.485/00 to 489/00	M/s. Sai Constructions, Parbhani	273817	67/03/2018
59	41/2017-18	02.12.2017	OR to NH 222 Km. 489/00 to 493/00	M/s. Sai Constructions, Parbhani	275411	68/03/2018
60	42/2017-18	02.12.2017	OR to NH 222 Km. 503/00 to 508/00	M/s. Pallavi Constructions, Parbhani	275479	62/03/2018
61	43/2017-18	02.12.2017	OR to NH 222 Km. 495/500 to 498/00	M/s. Sai Constructions, Parbhani	274270	71/03/2018
62	44/2017-18	02.12.2017	OR to NH 222 Km. 508/00 to 514/500	M/s. Pallavi Constructions, Parbhani	270894	64/03/2018
63	45/2017-18	02.12.2017	OR to NH 222 Km. 493/00 to 495/00	M/s. Sai Constructions, Parbhani	279076	69/03/2018
Total amount					17650120	

Appendix 2.4.1

(Reference: Paragraph 2.4.1; page 26)

Details of Bio-diversity parks taken up for creation in the selected 15 districts

Sr. No.	Name of district	Location of Parks	DPR cost (₹ in lakh)	Expenditure incurred 2015-21 (₹ in lakh)	Whether completed or not	If completed whether handed over (Whom)
1	Amravati	Upatkhedda	272.5	261.93	Yes	Yes (territorial forest division)
2	Chandrapur	Gondeda	151.41	140.93	Yes	Yes (territorial forest division)
3	Chandrapur	Gondpipri	153.47	146.06	Yes	Yes (territorial forest division)
4	Chandrapur	Chandrapur	380.68	375.92	Yes	Yes (territorial forest division)
5	Jalna	Jalna	199.30	214.94	Yes	No
6	Nanded	Bondhar	259.85	192.00	Yes	No
7	Nanded	Wadepuri	197.55	143.25	Yes	No
8	Osmanabad	Dhoki	150.00	142.15	Yes	Yes (Trust)
9	Osmanabad	Tirth (Bu)	128.84	99.01	Yes	Yes (Trust)
10	Solapur	Maloli	170.11	163.35	Yes	No
11	Solapur	Kumbhari	109.97	101.15	Yes	Yes (Gram Panchayat)
12	Thane	Kanvinde	583.85	463.89	Yes	Yes (territorial forest division)
13	Akola	Katipati	256.62	67.41	Incomplete though declared completed	Yes (Gram Panchayat)
14	Dhule	Jamkhel	214.30	96.78	Incomplete though declared completed	Yes (Gram Panchayat)
15	Jalna	Dahipuri	190.94	95.35	Incomplete though declared completed	No
16	Wardha	MIDC	219.52	117.77	No	-
17	Wardha	Rajani	172.54	97.61	No	-
18	Yavatmal	Jondhalni	105.00	96.80	No	-
19	Yavatmal	Ambwan	122.00	97.63	No	-
20	Akola	Washimba	254.45	191.35	No	---
21	Akola	Kurum	478.82	308.49	No	-
22	Amravati	Madlabad	275.49	148.44	No	-
23	Bhandara	Dongarla	201.2	93.23	No	-
24	Gondia	Arjuni Morgaon	178.12	104.11	No	-
25	Gondia	Navatola	178.32	116.30	No	-
26	Gondia	Kudva	190.80	161.84	No	-
27	Gondia	Garada	184.93	104.97	No	-
28	Nagpur	Vena Nimji	296.44	178.51	No	-
29	Nashik	Paregaon	196.77	71.16	No	-
30	Nashik	Manikpunj	201.61	69.27	No	-
31	Nashik	Kandhane	206.31	108.22	No	-
32	Thane	Majiwade	738.45	641.33	No	-
		Total	7620.16	5411.15		

Source: Information submitted by the department

Appendix 2.5.1

(Reference: Paragraph 2.5.8.1; Page: 41)

Excess credit carried forward under section 140 (1), 140 (4) (a) as per Table 5c

(₹ in crore)

Sl. No.	GSTIN No.	Name of Tax Payers	Date of Original Return	Original Return carried forward amount	Original Return Refund amount	Revised Return Date	Revised Return Carried forward Amount	Revised Return Refund Amount	Credit taken in ECL	Admissible Credit	Irregular/ Excess Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name of Division : Joint Commissioner, Bandra											
1	27AAACM5967F1ZA	M/s. Maneka Agencies Pvt. Ltd., Mumbai	18.07.2017	0.01	0	05.12.2018	0.013	0	0.08	0.01	0.07
2	27AAF2M2002G1ZZ	Matoshree Infrastructure Pvt. Ltd.	22.05.2018	0	0	Not filed	Not filed	Not filed	0.1	0	0.1
3	27AABCD8397D1ZG	M/s. Doshi Metal Production Pvt. Ltd., Mumbai	31.07.2017	0	0.09	27.03.2019	0	0.09	0.09	0	0.09
4	27AAOCS1655A1ZF	M/s. Sun Star spaces private limited	31.07.2017	0	0	18.02.2019	0	0	0.08	0	0.08
5	27AAFCT7961D1Z4	M/s. Total Marketing Support India Pvt. Ltd., Mumbai	27.09.2017	0	0.79	27.12.2017	0	0.83	0.86	0	0.86
Name of Division : Joint Commissioner, Borivali											
6	27AADCP7469G1Z1	Prashanti Land Developers	20.07.2017	0	0	Not filed	Not filed	Not filed	0.09	0	0.09
7	27AAHFR5520P1ZQ	M/s. Reliance Enterprises	27.07.2017	0	0	Not filed	0	0	0.48	0	0.48
8	27ACPPS1273C1ZH	M/s. Marc Engineering	27.10.2017	0.07	0	14.12.2018	0.01	Nil	0.07	0.01	0.06
9	27ABTFS6605H1Z0	M/s. Skyline Electrical Control	10.08.2018	0	0.14	02.10.2018	0	0.15	0.15	0	0.15
Name of Division : Joint Commissioner, Goregaon											
10	27AAACR4919G1ZD	Rahul Electronics Pvt. Ltd.	28.10.2017	0	0.12	10.01.2019	0	0.0075	0.12	0	0.12

Appendix 2.5.1 (contd...)											
Sl. No.	GSTIN No	Name of Tax Payers	Date of Original Return	Original Return carried forward amount	Original Return Refund amount	Revised Return Date	Revised Return Carried forward Amount	Revised Return Refund Amount	Credit taken in ECL	Admissible Credit	Irregular/ Excess Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name of Division : Joint Commissioner, Kandevali											
11	27ABHPL3580G1ZK	Kalindi Overseas	19.07.2017	0.0746	0	25.01.2019	0.0695	0	0.0746	0.0695	0.0051
Name of Division : Joint Commissioner, Mulund											
12	27AADCG2319N1ZG	Gumpro Drilling Fluids Pvt. Ltd.	29.07.2017	0	0.18	28.12.2018	0	0.19	0.16	0	0.16
13	27AADCK2789G1Z9	The Sell well Enterprises Pvt. Ltd.	29.07.2017	0.11	0	23.02.2019	0.1	0	0.11	0.1	0.01
14	27AAFCS0334P2Z2	Suyog Telematics Pvt. Ltd.	29.11.2017	0	0.16	Not filed	Not filed	Not filed	0.16	0	0.16
15	27AAACH1781Q1Z4	Hind Rectifier Ltd.	31.07.2017	0.435	0	30.09.2019	0.435	0.06	0.44	0.435	0.005
16	27AGUPA5634J1Z2	S.R .Traders	26.07.2017	0.25	0	25.12.2018	0.11	0	0.25	0.11	0.14
17	27AAECV2679R1ZD	Voxtur Bio Limited	26.07.2017	0.05	0	15.02.2019	0.15	0	0.15	0.05	0.1
Name of Division : Joint Commissioner, Nariman Point											
18	27AAAFH4046H1ZL	Heena Gems	18.07.2017	0	0.11	15.12.2018	0	0.11	0.11	0	0.11
19	27AADCP4964A1ZJ	Phonix Foils Pvt. Ltd.	31.07.2017	0	0	02.01.2019	0.10	0.00	0.10	0	0.10
20	27AAAFV1261E1ZI	Varun Exports	24.07.2017	0	0.09	Not filed	Not filed	Not filed	0.09	0	0.09
21	27AAIFT5952A1Z6	Total Security Solution	31.07.2017	0	0	21.02.2019	0.05	0.02	0.08	0	0.08
22	27AAAPJ6235G1ZX	M/s Champalal & Sons	29.07.2017	0.08	0	28.09.2019	0	0.04	0.08	0	0.08
23	27AAKFD4170C1ZO	M/s Dinal Diam	17.07.2017	0	0.07	05.01.2019	0	0.07	0.07	0	0.07
24	27AACCD3340F1Z2	M/s. Dojahan Trading Private Limited	23.08.2017	0	0.07	01.02.2019	0	0	0.07	0	0.07
25	27AACHB4199K1ZO	M/s P. Jasvantrai and Company	31.07.2017	0	0	07.12.2017	0.07	0	0.07	0	0.07
26	27AABCI8026L1ZC	M/s. Indigo Metalloys Pvt. Ltd.	28.08.2017	0	0.17	08.01.2019	0.17	0	0.17	0	0.17
27	27AAACZ0103C1Z1	M/s Zenith Birla India Ltd.	19.07.2017	0.75	0	03.04.2019	0	0.75	0.75	0	0.75

Appendix 2.5.1 (contd...)											
Sl. No.	GSTIN No	Name of Tax Payers	Date of Original Return	Original Return carried forward amount	Original Return Refund amount	Revised Return Date	Revised Return Carried forward Amount	Revised Return Refund Amount	Credit taken in ECL	Admissible Credit	Irregular/ Excess Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
28	27AAACD4819K1ZJ	M/s. D.D. Cotton Pvt. Ltd.	31.07.2017	0	0.55	28.11.2019	0	0.53	0.55	0	0.55
29	27AADCP7181M1ZV	Poddar Diamonds Ltd.	26.08.2017	0.17	0	24.09.2019	0	0.16	0.17	0	0.17
Name of Division : Joint Commissioner, Raigad											
30	27BAWPS7241A1ZD	M/s K.G.N. Enterprises	26.08.2017	0.14	0	26.02.2019	0	0.14	0.14	0	0.14
31	27AAFCS5547N1ZQ	M/s Svizera Labs Pvt. Ltd.	28.07.2017	0	0.01	Not filed	Not filed	Not filed	0.10	0	0.10
32	27AHUPD5378D1Z1	M/s L.B. Specialties	29.07.2017	0	0	28.02.2019	0	0	0.10	0	0.10
33	27AAGFB1877N1ZZ	M/s Bajwa Marine Services	04.09.2017	0.05	0	09.01.2019	0	0.05	0.05	0	0.05
34	27ACPFS4662K1ZE	M/s Shivdeep Corporation	31.07.2017	0.04	0	24.02.2019	0.04	0.02	0.09	0.04	0.05
35	27AACCP0500B1ZA	M/s Paladion Networks Pvt. Ltd.	31.07.2017	0.07	0	05.11.2018	0.10	0	0.10	0.07	0.03
Name of Division : Joint Commissioner, Thane City											
36	27AABCO76068IZT	Ologh IT Services Pvt. Ltd.	21.07.2017	0	0	12.12.2018	0	0	0.22	0	0.22
37	27AAKCS3399H1ZS	Raymond Apparel Limited	27.07.2017	0	0	29.02.2020	0	0.32	0.32	0	0.32
38	27AADCT6631L1Z0	M/s Tata Capital Services Ltd.	31.07.2017	0	0.15	Not filed	Not filed	Not filed	3.29	3.15	0.14
39	27BKLPB8495A1Z2	M/s MVD Air conditioning Co India	25.09.2017	0	0.19	28.09.2017	0.10	0	0.10	0	0.10
40	27AANPD7713Q1Z4	M/s New Adarsh Electrical Works	30.07.2017	0	0	20.12.2017	0	0	0.17	0	0.17
41	27AABCF9091L1Z4	M/s Finetech Alloys Pvt. Ltd.	11.12.2017	0	0.52	21.12.2018	0.52	0.05	0.52	0	0.52

Appendix 2.5.1 (contd...)

Sl. No.	GSTIN No.	Name of Tax Payers	Date of Original Return	Original Return carried forward amount	Original Return Refund amount	Revised Return Date	Revised Return Carried forward Amount	Revised Return Refund Amount	Credit taken in ECL	Admissible Credit	Irregular/ Excess Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
42	27AAECV1425F1ZK	Vcell India Impex Pvt. Ltd.	31.07.2017	0	0	28.08.2017	0.29	0	0.29	0	0.29
43	27AFHPB8596C1ZC	Shree Ganesh Pharmaceutical	26.09.2018	0	0.20	Not filed	Not filed	Not filed	0.20	0	0.20
44	27AAFPL9069D1ZI	M/s Ayush Food Products	14.08.2017	0	0.07	29.11.2018	0.07	0	0.07	0	0.07
45	27AABCM1570F1ZQ	Pitambari Products Pvt. Ltd.	29.07.2017	0	0.01	27.03.2019	0	0.23	0.21	0	0.21
46	27ABHPD3046P1ZG	M/s Precision Steel Tube Mfg. Co.	31.07.2017	0	0.12	26.02.2019	0.06	0	0.12	0	0.12
47	27AEKPM5873M1ZP	Print Shoppe	31.07.2017	0	0.10	05.01.2019	0	0.10	0.10	0	0.10
48	27AAACR2108R1Z5	Rotary Equipment Pvt. Ltd.	19.07.2017	0.01	0.09	27.02.2019	0.10	0	0.12	0.01	0.11
49	27AAHCR6321H1ZC	M/s RJN Marketing Pvt. Ltd.	20.07.2017	0	0	05.12.2018	0	0	0.13	0	0.13
50	27AFPPR4059G1ZY	Viva Foods	21.07.2017	0	0.11	Not filed	Not filed	Not filed	0.11	0	0.11
51	27AOC PG4182M1ZQ	Phoenix Engg. Works	30.09.2017	0	0.06	Not filed	Not filed	Not filed	0.11	0	0.11
52	27AANFG7757M1ZI	M/s Grab More Enterprises	01.08.2017	0.015	0	23.08.2017	0.026	0	0.026	0.015	0.011
53	27AAHCM7564R1ZH	Mommai Apparels Limited	26.12.2017	0	0.44	27.12.2017	0.82	0	0.68	0.44	0.24
Name of Division : Joint Commissioner, Pune (East)											
54	27AACCD5788K1Z3	DVS Techno Soft Private Limited	31.07.2017	0	0.21	10.05.2018	0.23	0	0.45	0.21	0.24
55	27AAKFD2558G1ZC	D A Borade and Sons	21.07.2017	0	0	26.02.2019	0	0	0.08	0	0.08
56	27AAACY4329D1ZG	YOB India Private Limited	31.07.2019	0	0	14.01.2019	0	0.03	0.09	0	0.09

Appendix 2.5.1 (contd...)											
Sl. No	GSTIN No.	Name of Tax Payers	Date of Original Return	Original Return carried forward amount	Original Return Refund amount	Revised Return Date	Revised Return Carried forward Amount	Revised Return Refund Amount	Credit taken in ECL	Admissible Credit	Irregular/ Excess Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
57	27AADFE5236B1ZV	Enterprism India	22.07.2017	0.63	0	18.01.2019	0.06	0	0.60	0.06	0.54
58	27ABDFM6383J1ZU	M S Magnesia Chemicals LLP	31.07.2017	0.36	0	06.10.2017	0.36	0	0.44	0.36	0.08
Name of Division : Joint Commissioner, Pune (South)											
59	27AAIC9355F1ZY	Promethean Spenta Technology Pvt. Ltd.	18.09.2017	0	0.07	Not filed	Not filed	Not filed	0.90	0	0.90
60	27ACOF3599Q1ZT	Sunbeam Paints and Coatings	21.07.2017	0	0.02	13.02.2019	0	0.006	0.68	0	0.66
61	27AADCI8126M1Z7	Innovative Electrosoft India Private Limited	11.12.2017	0	0.09	Not filed	Not filed	Not filed	0.09	0	0.09
Name of Division : Joint Commissioner, Pune (West)											
62	27AABCA2153L1ZS	Amalgamated Holdings Limited	21.07.2017	0	0	16.01.2021	0.61	0	0.61	0	0.61
63	27AANCA2437M1ZB	M/S Atlantis Lighting Private Limited	29.11.2017	0	0.13	21.01.2019	0	0.13	0.21	0	0.21
64	27AAMFD9392A1Z8	Duracon Projects LLP	31.07.2017	0	0	31.01.2019	0.19	0	0.23	0	0.19
Name of Division : Joint Commissioner, Mandavi											
65	27AACCT9399N1ZA	The Mobile Store Limited	20-07-2017	0	0.01	Not filed	Not filed	Not filed	0.28	0	0.28
66	27AAACU5676R1ZF	Union Chains and Jeweleries Pvt. Ltd.	31-07-2017	0	0	29.12.2017	0	0.21	0.21	0	0.21
Name of Division : Joint Commissioner, Mazgaon											
67	27AAHCA6486A1ZP	Anamclean Environment Pvt. Ltd.	22-08-2017	0	0.1	24.08.2017	0	0.1	0.12	0	0.12
68	27AABCU5142M1Z3	Ceat Specialty Tyres Ltd.	31.07.2017	0.65	0	27.03.2019	0	1.34	0.75	0	0.65

Appendix 2.5.1 (contd...)

Sl. No	GSTIN No.	Name of Tax Payers	Date of Original Return	Original Return carried forward amount	Original Return Refund amount	Revised Return Date	Revised Return Carried forward Amount	Revised Return Refund Amount	Credit taken in ECL	Admissible Credit	Irregular/ Excess Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
69	27AACCK4908L1ZA	Kamarli Steels Pvt. Ltd.	02.09.2017	0	0	05.09.2017	0.07	0	0.15	0	0.08
70	27AAACV1897K1ZT	VHM Industries Ltd.	28.07.2017	0.15	0	27.09.2019	0.22	0.07	0.25	0.15	0.1
71	27AASCS9389R1ZP	Sureflo Techcon Pvt. Ltd.	28.08.2017	0	0	13.12.2018	0	0.001	0.34	0	0.34
Name of Division : Joint Commissioner, Fort											
72	27AAGPS4712D1ZU	D R Associate	31.07.2017	0.0058	0	23.08.2017	0.4	0	0.40	0.0058	0.3942
Name of Division : Joint Commissioner, Andheri											
73	27AACCD7985L1ZY	Diest Industries Pvt. Ltd.	29.11.2017	0.25	0	26.02.2019	0	0.25	0.24	0	0.24
74	27AAACV1300M1ZJ	Vedant Dyestuffs Intermediate Pvt. Ltd.	29.07.2017	0	0.2	14.06.2018	0	0.2	0.20	0	0.20
75	27ABNFS2780F1ZU	S.R. Enterprises	22.09.2017	0	0.11	Not filed	Not filed	Not filed	0.19	0	0.19
Name of Division : Joint Commissioner, LTU-1 Mumbai											
76	27AAFCC6808E1ZR	Crayon Software Experts India Pvt. Ltd.	26.07.2017	0	0	30.03.2019	0	0.06	0.35	0	0.35
77	27AACCM4684P1ZR	Metro Cash Carry India Pvt. Ltd.	31.07.2017	0	0.83	24.10.2017	0	1.08	1.46	0	1.46
78	27AEQPG0751G1ZJ	Aspire Incorporation	24.07.2017	0.19	0	15.01.2019	0	0.23	0.19	0	0.19
79	27AAACF0253H1Z0	M/ F.D.C. Ltd.	31.07.2017	0	1.48	02.08.2019	0	1.61	0.76 & 0.84	0	1.6
80	27AAACZ2155N1ZY	Zenith Dye intermediates Ltd.	21.08.2017	0	0.19	16.03.2019	0	0.19	0.19	0	0.19
81	27AACCM0488P1ZX	M/s Mercury Car Rentals Pvt. Ltd.	28.07.2017	0	0	22.09.2017	0	0	4.01	0	4.01
82	27AAACN1252A1Z5	M/s Navnit Motors Pvt. Ltd.	24.07.2017	0.61	0	22.08.2017	0.63	0	0.63	0	0.63

Appendix 2.5.1 (concl...)											
Sl. No	GSTIN No.	Name of Tax Payers	Date of Original Return	Original Return carried forward amount	Original Return Refund amount	Revised Return Date	Revised Return Carried forward Amount	Revised Return Refund Amount	Credit taken in ECL	Admissi-ble Credit	Irregular/ Excess Credit
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name of Division : Joint Commissioner, LTU-2 Mumbai											
83	27AAACS0705K1ZJ	Sudal Industries Limited	29.07.2017	0	1.29	29.11.2019	0	0.25	0.25	0	0.25
84	27AAACG4414B1Z8	Glaxo smithk line Pharmaceuticals Ltd.	21.07.2017	0.61	0	26.08.2019	0	2.43	0.61	0	0.61
85	27AAACS6994C1Z5	Shapoorji Pallonji Company Pvt. Ltd.	30.07.2017	0.01	0	20.10.2017	2.06	0	2.05	0.01	2.04
Name of Division : Joint Commissioner, LTU-2 Pune											
86	27AAPFB2057B1ZP	Bora and Bora Technologies LLP	31.07.2017	0	0.41	19.08.2019	0	0.46	0.46	0	0.46
										Total	26.92

Appendix 2.5.2

(Reference: Paragraph 2.5.8.2; Page 43)

Irregular credit carried forward under Sn.140(1), 140(4)(a), as per Table 5c without filing legacy return

(₹ in crore)

Sl. No.	GSTIN	Name of the Taxpayer	Name of the Division	Period for which legacy return not filed (between January to June 2017)			Credit taken in ECL
				From	To	Total period	
1	27AAFPG3345P1ZF	M/s. Smt. Jainee Piyush Gangar	JC Borivali	Jan-17	Jun-17	6 months	0.35
2	27AAGCM8622B1ZM	M/s. MAAD Relators & Infra comp. Ltd., Mumbai	JC Goregoan	Jan-17	Jun-17	6 months	3.05
3	27AAGFG8459D1Z7	M. S. Green Power Solutions	JC Raigad	Jan-17	Mar-17	3 months	0.83
4	27AAWCS7040M1ZJ	M/s Samai Healthcare Pvt. Ltd.	JC Thane City	Jan-17	Mar-17	3 months	0.07
5	27AETPM3540G1Z9	M/s Neo builders & Developers	J C Narimanpoint	Jan-17	Jun-17	6 months	0.34
6	27AABCL4861A1ZT	Lohr India Automotive Private Limited	JC Pune (North)	May-17	May-17	1 month	0.17
7	27AAFPC2784C1ZF	Precast India Infrastructures Private Limited	JC LTU-2 Pune	May-17	Jun-17	2 month	0.46
8	27AAPFS1542Q1ZH	Steel Fab Engineering Corporation	JC Mazgaon	Jan-17	Jun-17	6 months	2.72
						Total	7.99

Appendix 2.5.3

(Reference: Paragraph 2.5.8.3.; Page 43)

Irregular availment of credit from previous legacy returns

(₹ in crore)

Sl. No.	GSTN No.	Name of Tax Payers	Name of Division	Month of return objected	Credit Carried Forward shown in objected month	Amount of Refund claimed in objected month	Admissible credit as per Audit to be carried forward	Credit carried forward in June 2017	Excess Credit
1	2	3	4	5	6	7	8	9	10
1	27AANCS3404N1ZY	Shaman Wheels Pvt. Ltd.	LTU-002, Mumbai	Apr-17	9.31	0.02	0	4.41	4.41
2	27AAACW0387R1ZN	Wipro Limited	JC LTU-01 Mumbai	May-17	0	1.13	0	1.13	1.13
								TOTAL	5.54

Appendix 2.5.4

(Reference: Paragraph 2.5.8.5.; Page 44)

Irregular carry forward of Unavailed Cenvat credit in respect of capital goods under Section 140(2) as per Table 6(b)

(₹ in crore)

Sl. No.	GSTIN	Name of the Taxpayer	Name of Division	Amount of credit claimed in Table 6-b of TRAN-1	Credit of MGST taken in the Electronic Credit Ledger		SGST Amount objected
					Amount	Date	
1	27AAACO2563P1Z1	Orix Auto Infrastructure Services Ltd.	LTU-002 Mumbai	9.66	9.66	28.08.2017	9.66
2	27AAGCA5212K1ZR	Arval India Pvt. Ltd.	LTU-002 Mumbai	3.74	3.74	17.11.2017	3.74
						Total	13.40

Appendix 2.5.5

(Reference: Paragraph 2.5.8.7.; Page 47)

Irregular availment of credit of taxes on input held in stock or inputs contained in semi-finished or finished goods held in stock under Section 140(4)(b), 140(6) & 140(7) by Builders & Developers

(₹ in crore)

Sl. No.	GSTIN	Name of the Tax payer	Name of the Division	Credit claimed in column 8 of Table 7-c of SAP TRAN-1 (₹)			Credit claimed on inputs lying in stock or inputs contained in finished goods lying in stock in column 8 of Table 7-c of Boweb TRAN-1	Credit carried over as SGST in the Electronic Credit Ledger		SGST Amount objected
				On Inputs lying in stock	On Inputs contained in semi-finished/ finished goods lying in stock	Total		Amount	Date	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
1	27AAICM0604K1ZJ	Xrbia Abode Developers Pvt. Ltd.	Ghatkopar	0	0.11	0.11	0.11	0.32	25.12.2017	0.11
2	27AABAJ5177F1ZM	M/S Jai Kul Associates	Ghatkopar	0	0.12	0.12	0.12	0.54	27.12.2017	0.12
3	27AADFL5509N1ZZ	Larking Realators	Thane City	0	0.71	0.71	0.71	0.80	27.12.2017	0.80
4	27AAOFK2187J1ZT	M S Kruti Constructions	Pune South	0.15	0	0.15	0.15	0.22	26.12.2017	0.15
5	27AAIFN5426B1ZH	Nahar Homes LLP	Pune West	0	0.41	0.41	0.41	0.66	25.12.2017	0.41
6	27AAECG7846JF1ZE	Xrbia Chakan Developers Pvt. Ltd.	Pune West	0	0.22	0.22	0.22	0.47	26.12.2017	0.47
7	27ABAPM3697A1ZS	Renuka constructions	Pune East	0.54	0	0.54	0.54	0.77	30.11.2017	0.54
8	27AADCC3425D1Z4	Caroa Properties	Fort	0	0.04	0.04	0.04	0.46	25.10.2017	0.04
9	27AABCB3630P1ZJ	Bharat Infrastructure	Andheri	0	0.82	0.82	0.82	1.13	24.11.2017	0.82

Appendix 2.5.5 (concl...

Sl. No.	GSTIN	Name of the Tax payer	Name of the Division	Credit claimed in column 8 of Table 7-c of SAP TRAN-1 (₹)			Credit claimed on inputs lying in stock or inputs contained in finished goods lying in stock in column 8 of Table 7-c of Boweb TRAN-1	Credit carried over as SGST in the Electronic Credit Ledger		SGST Amount objected
				On Inputs lying in stock	On Inputs contained in semi-finished/ finished goods lying in stock	Total		Amount	Date	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
10	27AAOCS9607A1Z7	Skylark Realtors	Andheri	0.14	0.12	0.26	0.31	0.81	19.12.2017	0.12
11	27AAFRCR6616R1ZN	Raj Arcades Homes Pvt. Ltd.	JC Kandivali	0.004	0.59	0.59	0.59	0.82	28.08.2017	0.59
12	27AAGHA4110F1ZX	Mark Machine Tools	JC Fort Mumbai	0	0.08	0.08	0.08	0.18	27.12.2017	0.08
									Total	4.25

Appendix 2.6.1

(Reference: Paragraph 2.6.6.2; Page 53)

Statement showing cases where Excess payment of GST Refund due to issue of double payment advice. (Tax payer repaid the excess refund)

(in ₹)

Sr. No.	Name of Division	Name of the Taxpayer/ GSTIN No.	Type of Refund/ ARN No. & Date	Date of refund order	Refund amount Sanctioned	First Payment Advice Number & date	Second Payment Advice Number & date	Amount	Total Excess amount	Date of Re-payment of Excess refund	Period of delay	Interest leviable for period of delay	Interest recovered/ Due
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
1	JC, Bandra Nodal-5	Sanghvi & Sons/ 27AAAFS3192F1Z9	Provisional/ AA271219094568K /21.12.2019	14.01.2020	2400588	ZA2701200341283 /14.01.2020 (RFD-04)	ZA27012003411449/ 14.01.2020 (RFD-04)	2400588	2400588	03.02.2020	0 month 20 days	24006	0/24006
2	JC, Borivali	Sanjay Diamonds / 27AATFS8747D1ZJ	Provisional/ AA2712191187128 / 27.12.2019	18.01.2020	75160	ZA270120048952Q /20.01.2020 (RFD-04)	ZA270120048938G/ 20.01.2020 (RFD-04)	75160	75160	03.02.2020	0 month 14 days	526	0/526
3	JC, Ghatkopar	K.J. Overseas/ 27Aaipb7109F1Z0	Provisional/ AA2712190576330 /13.12.2019	16.01.2020	11402	ZA270120041797N /16.01.2020 (RFD-04)	ZA270120041809Q/ 16.01.2020 (RFD-04)	11402	11402	28.01.2020	0 month 12 days	68	0/68
4	JC, Mandvi	Rilievi India Private Limited/ 27AAGCR7691R1Z9	Final/ AA271219051568V /12.12.2019	16.01.2020	90450	ZA270120039677L /16.01.2020 (RFD-06)	ZA270120039704W/ 16.01.2020 (RFD-06)	90450	90450	03.02.2020	0 month 17 days	769	0/769
5	JC, Mazgaon Nodal-4	Ishwar Exports/ 27AAAFI0081K1ZI	Provisional/ AA2712190773605 /18.12.2019	21.01.2020	3013984	ZA270120051438V /21.01.2020 (RFD-04)	ZA2701200514450/ 21.01.2020 (RFD-04)	3013984	3013984	03.02.2020	0 month 12 days	18084	0/18084
6	JC, Mulund Nodal-13	Cos Mate Products LLP/ 27AAKFC1844J1ZB	Provisional/ AA2711191326249 /22.11.2019	22.01.2020	815507	ZA270120056217Y /22.01.2020 (RFD-04)	ZA2701200562433/ 22.01.2020 (RFD-04)	815507	815507	06.02.2020	0 month 14 days	5709	0/5709
7	JC, Nashik	Chandan Textiles/ 27ABBPM4052G1ZW	Final/ AA271219001702J/ 02.12.2019	20.01.2020	2723408	ZA2701200503362/ 20.01.2020 (RFD-06)	ZA270120050339W/ 20.01.2020 (RFD-06)	2723408	2723408	24.02.2020 25.02.2020 26.08.2021	01 Month 04 days	46298	61300/0
8	JC, Pune East Nodal-1	Grovel Precicomp Private Limited/ 27AAHCG5361L1Z8	Final/ AA271119158964P /27.11.2019	21.01.2020	24684	ZA2701200517206/ 21.01.2020 (RFD-06)	ZA2701200517032/ 21.01.2020 (RFD-06)	24684	24684	03.02.2020	0 month 12 days	148	0/148
9	JC, Pune East Nodal-1	Achliya Infotech Private Limited/ 27AAQCA8394J1ZU	Final/ AA2712190775601 /18.12.2019	21.01.2020	792	ZA270120051818P/ 21.01.2020 (RFD-06)	ZA270120051794R/ 21.01.2020 (RFD-06)	792	792	04.02.2020	0 month 14 days	6	0/6
10	JC, Thane City	Alam Textiles/ 27AYEPS3042E1ZK	Final/ AA2712190542365 /13.12.2019	20.01.2020	539960	ZA270120049537P/ 20.01.2020 (RFD-06)	ZA270120049523Y/ 20.01.2020 (RFD-06)	539960	539960	07.02.2020	0 month 18 days	4860	0/4860
11	JC, Thane City	S. F. Textiles/ 27BJPPK6429Q1Z8	Final/ AA271219063151E /15.12.2019	14.01.2020	378758	ZA2701200358121/ 14.01.2020 (RFD-06)	ZA2701200355787M /14.01.2020 (RFD-06)	378758	378758	25.02.2020	01 month 11 days	2083	0/2083
12	JC, Thane Rural	Angadpal Industries Private Ltd./ 27AACCA5854D1ZU	Provisional/ AA271219083794O /19.12.2019	20.01.2020	1015316	ZA2701200504336/ 20.01.2020 (RFD-04)	ZA270120050429V/ 20.01.2020 (RFD-04)	1015316	1015316	29.01.2020	0 month 09 days	4569	0/4569

Appendix 2.6.1 (concl...)

Sr. No.	Name of Division	Name of the Taxpayer/ GSTIN No.	Type of Refund/ ARN No. & Date	Date of refund order	Refund amount Sanctioned	First Payment Advice Number & date	Second Payment Advice Number & date	Amount	Total Excess amount	Date of Re-payment of Excess refund	Period of delay	Interest leviable for period of delay	Interest recovered/ Due
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
13	JC, Nagpur	Shriram Food Industry Private Limited/ 27AAUCS1765R1Z7	Provisional/ AA271219111360M / 25.12.2019	16.01.2020	586848	ZA2701200405253/ 16.01.2020 (RFD-04)	ZA2701200405063/ 16.01.2020 (RFD-04)	586848	586848	06.02.2020	0 month 20 days	5868	0/5868
14	JC, Mulund Nodal-13	AMIT BANGLES/27AABPY 3797K1ZV	Final/ AA271119133505A /22.11.2019	17.01.2020	81685	ZA2701200435432/ 17.01.2020 (RFD-06)	ZA2701200435531/ 17.01.2020 (RFD-06)	81685	81685	9.9.2021	19 months 21 days	24138	0/24138
15	JC, Nashik	Sona Sikka Fabrics/ 27AAQPH9602K1Z9	Final/ AA271219053467X /12.12.2019	20.01.2020	874730	ZA2701200502942/ 20.01.2020 (RFD-06)	ZA270120050312C/ 20.01.2020 (RFD-06)	874730	874730	25.08.2021 27.08.2021	19 Months 05 Days	251485	262420/0
								Total	12633272			388616	323942/ 90833

Appendix 2.6.2

(Reference: Paragraph 2.6.6.2 ; Page 53)

Statement showing cases where Excess payment of GST Refund due to issue of double payment advice. (Tax payer not repaid the excess refund)

(in ₹)

Sr. No.	Name of Division	Name of the Taxpayer	Type of Refund/ ARN No. & Date	Date of refund order	Refund Amount Sanctioned	First Payment Advice Number & date	Second Payment Advice Number & date	Amount	Total Excess amount	Period of delay	Interest leviable for period of delay	Interest paid/Due
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	JC, Kandivali	Kirit Ratilal Raja/ 27AAAPR4783P1ZX	Final/ AA271119022201S/ 06.11.2019	23.01.2020	33130	ZA270120060061D/ 23.01.2020 (RFD-06)	ZA2701200600639/ 23.01.2020 (RFD-06)	33130	33130	19 months 11 days	9624	0/9624
2	JC, Kandivali	Chemocid Impex Pvt. Ltd./ 27AAACC2243C1ZB	Provisional/ AA2710190165179/ 05.10.2019	14.10.2019	2154713	ZA2701200610539/ 23.01.2020 (RFD-04)	ZA270120060996/ 23.01.2020 (RFD-04)	2154713	2154713	19 months 11 days	625944	0/625944
3	JC, Kolhapur	Suryakant Rajaram Neje/ 27AANPN6103C1ZX	Final/ AA271119146756U/ 25.11.2019	10.01.2020	25592	ZA270120031419Z/ 13.01.2020 (RFD-06)	ZA2701200314082/ 13.01.2020 (RFD-06)	25592	25592	19 months 21 days	7562	0/7562
4	JC, Santacruz	Arv Engineering Co LLP/ 27ABJFA2735N1Z4	Provisional/ AA271119051541D/ 12.11.2019	18.01.2020	365983	ZA270120051886M/ 21.01.2020 (RFD-04)	ZA270120051898H/ 21.01.2020 (RFD-04)	365983	365983	19 month 13 days	106684	0/106684
5	JC,, Thane City	BK Textiles/ 27AFHPB0122Q1ZL	Final/ AA271119009085D/ 04.11.2019	21.01.2020	993696	ZA270120053673V/ 21.01.2020 (RFD-06)	ZA270120053725U/ 21.01.2020 (RFD-06)	993682	993682	19 months 07 days	286677	0/286677
6	JC, Thane City	Radhakrishna Textiles/ 27AADHK2780C1ZG	Final/ AA271219090454Z/ 20.12.2019	20.01.2020	230755	ZA2701200500558/ 20.01.2020 (RFD-06)	ZA2701200500368/ 20.01.2020 (RFD-06)	230755	230755	19 months 08 days	66688	0/66688
7	JC, Thane City	Greentex Exports India Private Limited/ 27AAECG4272B1ZW	Provisional/ AA271219115997P/ 26.12.2019	18.01.2020	1818924	ZA270120046130E/ 18.01.2020 (RFD-04)	ZA270120046139W/ 18.01.2020 (RFD-04)	1818924	1818924	19 months 10 days	527488	0/527488
								Total	5622779		1630668	0/1630668

Appendix 2.6.3

(Reference: Paragraph 2.6.7.1; page 54)

Statement Showing List of Refund cases in which deficiency noticed (Delay in acknowledgement of applications) pre-automation

Sl. No.	Name of Auditee Unit (Division)	No. of refund cases examined by the Audit	No. of refund cases in which delay in acknowledgement noticed	Period of delay	Delay Up to 3 months	Delay upto 3 to 6 months	Delay more than 6 month
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Joint Commissioner, LTU-1, Pune	82	13	03-353	12	0	1
2	Joint Commissioner, LTU-2, Pune	48	33	03-175	27	6	0
3	Joint Commissioner, Nodal-1, Pune	40	19	01-440	15	1	3
4	Joint Commissioner, Nodal-2, Pune	12	10	01-282	6	2	2
5	Joint Commissioner, Nodal-3, Pune	12	3	18-61	3	0	0
6	Joint Commissioner, Nodal-4, Pune	54	27	1-387	21	5	1
7	Joint Commissioner, Nodal-04, Mazgaon	38	15	6-585	10	2	3
8	Joint Commissioner, Nodal-7, Andheri, Mazgaon, Mumbai	52	32	8-333	19	5	8
9	Joint Commissioner, Mumbai-LTU-01	138	82	1-335	71	7	4
10	Joint Commissioner, Fort (Nodal-1) Mazgaon, Mumbai	48	13	2-102	12	1	0
11	Joint Commissioner, Goregaon Division	27	13	2-264	9	1	3
12	Joint Commissioner, Mumbai LTU-03	29	22	1-383	19	1	2
13	Joint Commissioner, Mumbai LTU-04	34	14	2-368	9	4	1
14	Joint Commissioner, Nagpur	86	42	02-333	35	4	3
15	Joint Commissioner, Nodal-5 (Bandra)	52	37	5-201	35	1	1
16	Joint Commissioner, Thane (city) Division	134	71	1-463	45	15	11
	TOTAL	886	446	0	348	55	43

Appendix 2.6.4

(Reference: Paragraph 2.6.7.1.; Page 54)

Statement Showing List of Refund cases in which deficiency noticed (Delay in acknowledgement of applications) Post Automation

Sl. No.	Name of Division	No. of refund applications examined from the sample by Audit	Total No. of refund cases in which delay in acknowledgement noticed	Range of delay in days	Delay Up to 3 months	Delay upto 3 to 6 months	Delay more than 6 month
1	Joint Commissioner, LTU-01, Pune	32	3	2-5	3	0	0
2	Joint Commissioner, Mazgaon, Mumbai	16	3	5-31	3	0	0
3	Joint Commissioner, Nodal-7, Andheri, Mumbai	26	12	3-113	9	3	0
4	Joint Commissioner, Aurangabad Division	23	5	3-43	5	0	0
5	Joint Commissioner, Borivali Division	24	3	1-58	3	0	0
6	Joint Commissioner, Fort Division	62	18	1-81	18	0	0
7	Joint Commissioner, Ghatkopar Division	5	2	11-20	2	0	0
8	Joint Commissioner, Goregaon Division	32	16	2-72	16	0	0
9	Joint Commissioner, Kandivali Division	9	4	7-15	4	0	0
10	Joint Commissioner, Kolhapur Division	42	6	1-9	6	0	0
11	Joint Commissioner, Mandavi Division	10	4	2-39	4	0	0
12	Joint Commissioner, Mulund Division	8	3	2-41	3	0	0
13	Joint commissioner, Mumbai-LTU-01	61	8	01 to 36	8	0	0
14	Joint commissioner, Mumbai-LTU-03	26	3	04 to 25	3	0	0
15	Joint commissioner, Mumbai-LTU-04	10	3	01 to 04	3	0	0
16	Joint Commissioner, Mumbai-LTU-02	13	4	01 to 164	3	1	0
17	joint Commissioner, Nagpur Division	33	7	1-49	7	0	0
18	joint Commissioner, Nanded Division	2	1	9	1	0	0
19	Joint Commissioner, Nariman Point Division	21	9	1-35	9	0	0
20	Joint Commissioner, Nashik Division	73	28	1-95	27	1	
21	Joint Commissioner, Nodal -2 Pune West	23	5	10-53	5	0	0
22	Joint Commissioner, Nodal -3 Pune	12	1	111	0	1	0
23	Joint Commissioner, Nodal-5 (Bandra)	7	5	2-22	5	0	0
24	Joint Commissioner, Nodal-4 Pune South	37	9	1-14	9	0	0
25	Joint Commissioner, Nodal-1 Pune	32	9	2-25	9	0	0
26	Joint Commissioner, Pune LTU-02	16	2	2-39	2	0	0
27	Joint Commissioner, Raigad	63	13	2-44	13	0	0
28	Joint Commissioner, Sakinaka	20	6	2-64	6	0	0
29	Joint Commissioner, Santakruz Division	25	9	3-26	9	0	0
30	Joint Commissioner, Solapur Division	19	3	1-3	3	0	0
31	Joint Commissioner, Thane City Division	211	80	1-51	80	0	0
32	Joint Commissioner, Thane Rural Division	75	29	1-70	29	0	0
	TOTAL	1068	313		307	6	0

Appendix 2.6.5
(Reference: Paragraph 2.6.7.2; Page 56)

**Statement Showing List of Refund cases in which deficiency noticed (Provisional refund on account of zero rated supply not sanctioned within time)
Pre-automation**

Sl. No.	Name of Division	No. of refund applications examined by Audit from the sample	No. of refund cases in which audit objections noticed	Period of delay	Delay Up to 3 months	Delay upto 3 to 6 months	Delay more than 6 months
1	JCST, LTU-1, Pune	77	32	1-151	31	1	0
2	JCST, LTU-2, Pune	34	22	1-21	22	0	0
3	JCST, Nagpur	53	26	1-73	26	0	0
4	JCST, Nodal-1, Pune	34	9	1-81	9	0	0
5	JCST, Nodal-2, Pune	7	4	4-5	4	0	0
6	JCST, Nodal-3, Pune	6	1	44	1	0	0
7	JCST, Nodal-4, Pune	41	12	1-52	12	0	0
8	JCST, Nodal-04, Mazgaon, Mumbai	27	5	1-87	5	0	0
9	JCST, Nodal-7 Mazgaon, Mumbai	37	6	3-102	5	1	0
10	JCST, Mumbai-LTU-01	121	44	1-68	44	0	0
11	JCST, Fort (Nodal-1) Mazgaon, Mumbai	17	2	6-17	2	0	0
12	JCST, Goregaon Division	20	7	2-136	6	1	0
13	JCST, Mumbai-LTU-03	20	16	1-240	15	0	1
14	JCST, Mumbai-LTU-04	26	15	1-64	15	0	0
15	JCST, Nodal-5 (Bandra)	41	8	3-208	7	0	1
16	JCST, Thane (City) Division	40	18	5-211	15	2	1
	TOTAL	601	227		219	5	3

Appendix 2.6.6

(Reference: Paragraph 2.6.7.2; Page 56)

List of Refund cases in which deficiency noticed (Provisional refund on account of zero rated supply not sanctioned within time) Post-automation

Sl. No.	Name of Division	No. of zero rated refund cases examined by the Audit from sample	No. of refund cases in which audit objections noticed	Period of delay in days	Delay Up to 3 months	Delay upto 3 to 6 months	Delay more than 6 month
1	Joint Commissioner, LTU-001, Pune	25	9	1-54	9	0	0
2	Joint commissioner, Mazgaon, Mumbai	6	2	2	2	0	0
3	Joint Commissioner, Aurangabad	2	2	5-10	2	0	0
4	Joint Commissioner, Borivali	1	1	38	1	0	0
5	Joint Commissioner, Fort	23	7	3-145	5	2	0
6	Joint Commissioner, Ghatkopar	2	2	56-104	1	1	0
7	Joint Commissioner, Goregaon	19	14	3 to 75	14	0	0
8	Joint Commissioner, Kolhapur	11	6	7-53	6	0	0
9	Joint Commissioner, Mandvi	4	1	3	1	0	0
10	Joint Commissioner, Mumbai-LTU-01	36	14	3 to 64	14	0	0
11	Joint Commissioner, Mumbai -LTU-03	22	8	1 to 59	8	0	0
12	Joint Commissioner, Mumbai-LTU-04	5	4	4 to 30	4	0	0
13	Joint Commissioner, Mumbai-LTU-02	6	5	4-33	5	0	0
14	Joint Commissioner, Nagpur	6	4	1-51	4	0	0
15	Joint Commissioner, Nariman Point	10	3	4-5	3	0	0
16	Joint Commissioner, Nashik	34	27	1-137	26	1	0
17	Joint commissioner, Nodal-2, Pune (West)	14	10	1-23	10	0	0
18	Joint commissioner, Nodal-3, Pune	5	2	1-9	2	0	0
19	Joint commissioner, Nodal-04, Pune (South)	23	9	2-40	9	0	0
20	Joint Commissioner, Nodal-1, Pune	21	8	2-33	8	0	0
21	Joint Commissioner, Pune-LTU-2	12	6	4-167	5	1	0
22	Joint Commissioner, Raigad	39	12	2-81	12	0	0
23	Joint Commissioner, Sakinaka	8	3	4 to 11	3	0	0
24	Joint Commissioner, Santakruz	14	11	3-133	10	1	0
25	Joint Commissioner, Solapur	8	6	4-17	6	0	0
26	Joint Commissioner, Thane City	14	7	5-81	7	0	0
27	Joint Commissioner, Kandivali	4	0	0	0	0	0
28	Joint Commissioner, Bandra	1	0	0	0	0	0
29	Joint Commissioner, Andheri	5	0	0	0	0	0
30	Joint Commissioner, Thane Rural	11	8	1-15	8	0	0
	TOTAL	391	191		185	6	0

Appendix 2.6.7

(Reference: Paragraph 2.6.7.3; Page 57)

Statement Showing List of Refund cases in which deficiency noticed (Interest due-paid/not paid) Pre-automation

Sl. No.	Name of Division	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 (in ₹)	Interest due not paid (in ₹)	Delay Up to 3 months	Delay upto 3 to 6 months	Delay more than 6 month
1	JCST, LTU-1, Pune	82	76	23-369	0	16860770	11	29	36
2	JCST, LTU-2, Pune	48	44	4-368	0	13192644	7	22	15
3	JCST, Nodal-1, Pune	40	31	11-405	0	641361	11	10	10
4	JCST, Nodal-2, Pune	12	10	31-433	0	404627	1	1	8
5	JCST, Nodal-3, Pune	12	3	144-224	0	143096	0	1	2
6	JCST, Nodal-4, Pune	54	37	5-397	0	620169.12	14	6	17
7	JCST, Nodal-04, Mazgaon	38	22	36-654	0	1596248	1	2	19
8	JCST, Nodal-7, Mazgaon Mumbai	52	21	2-550	0	1056590.15	5	1	15
9	JCST, Mumbai-LTU-01	138	105	6-633	0	8206316	11	24	70
10	JCST, Fort (Nodal-1) Mazgaon, Mumbai	48	13	11-446	0	322927.42	4	2	7
11	JCST, Goregaon	27	15	8-395	0	478535	2	2	11
12	JCST, Mumbai-LTU-03	29	23	4-544	0	13992085.47	2	3	18
13	JCST, Mumbai-LTU-04	34	25	22-608	0	3710681.26	2	3	20
14	JCST, Nagpur	86	48	18-700	0	2076757.3	8	4	36
15	JCST, Nodal-5 (Bandra)	52	35	86-618	0	2977921.29	1	0	34
16	JCST, Thane (City) Division	134	56	1-807	0	5832366	17	11	28
	TOTAL	886	564			72113095.01	97	121	346

Appendix 2.6.8

(Reference: Paragraph 2.6.7.3; Page 57)

Statement Showing List of Refund cases in which deficiency noticed (Final refund order not issued within time Interest due-paid/not paid) Post automation

Sl. No.	Name of Division	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 (in ₹)	Interest due not paid (in ₹)	Delay Up to 3 months	Delay upto 3 to 6 months	Delay more than 6 month
1	JCST, LTU-01, Pune	32	23	7-154	0	5584266.00	15	8	0
2	JCST, Mazgaon	16	6	32 to 140	0	42788.37	4	2	0
3	JCST, Andheri	26	13	9 to 139	0	149594.85	10	3	0
4	JCST, Aurangabad	23	14	2 to 105	0	184188.55	13	1	0
5	JCST, Borivali	24	3	31 to 69	0	32087.00	3	0	0
6	JCST, Fort	62	31	3 to 170	0	242436.00	17	14	0
7	JCST, Ghatkopar	5	2	44 to 120	0	33943.00	1	1	0
8	JCST, Goregaon	32	16	34 to 198	0	77789.45	11	3	2
9	JCST, Kandivali	9	4	24 to 80	0	18255.69	4	0	0
10	JCST, Kolhapur	42	29	14-187	0	935019.54	19	9	1
11	JCST, Mandavi	10	6	4-61	0	10048.40	6	0	0
12	JCST, Mulund	8	1	77	0	26530.00	1	0	0
13	JCST, Mumbai-LTU-01	61	27	12 to 151	0	849418.69	19	8	0
14	JCST, Mumbai-LTU-03	26	14	11 to 94	0	115385.57	13	1	0
15	JCST, Mumbai-LTU-04	10	7	28 to 118	0	258978.41	6	1	0
16	JCST, Mumbai-LTU-02	13	5	33 to 173	0	96190.92	4	1	0
17	JCST, Nagpur	33	12	3-184	0	334566.73	7	4	1
18	JCST, Nanded	2	1	19	0	1722.40	1	0	0
19	JCST, Nariman Point	21	13	5-220	0	98845.84	11	1	1
20	JCST, Nashik	73	48	2-138	0	299770.00	42	6	0
21	JCST, Nodal-2, Pune (West)	23	16	5-162	0	416367.00	12	4	0
22	JCST, Nodal-3, Pune	12	4	6-134	0	46212.00	3	1	0
23	JCST, Nodal-5, (Bandra)	7	1	126	0	16623.00	0	1	0
24	JCST, Nodal-4, Pune (South)	37	20	9-71	0	1543265.00	20	0	0
25	JCST, Nodal-1, Pune	32	22	3-168	0	124508.00	18	4	0
26	JCST, Pune-LTU-002	16	10	7 - 167	0	961560.00	6	4	0
27	JCST, Raigad	63	35	3-165	0	1012981.00	21	14	0
28	JCST, Sakinaka	20	11	10 to 209	0	121775.00	7	3	1
29	JCST, Santakruz	25	16	07 to 197	0	284585.00	12	3	1
30	JCST, Solapur	19	13	1-111	0	137835.28	12	1	0
31	JCST, Thane City	211	75	1-205	0	1099300.00	68	6	1
32	JCST, Thane Rural	75	29	1-123	0	343952.37	26	3	0
	TOTAL	1068	527			15500789.06	412	107	8

Appendix 2.6.9

(Reference: Paragraph 2.6.7.4(I).; Page 58)

Statement Showing List of Refund cases in which deficiency noticed (Excess allowance of refund due to mismatch of Zero Rated Adjusted Turnover)

(in ₹)

Sl. No.	Name of Division	Name of the assessee	GSTN No	ARN No. & Date	Amount of Refund claimed in RFD-01A	Sanction of refund by department			Refund due as per Audit considering		Excess refund (8-11)	Pre/Post
						Adjusted Total Turnover considered	Amount of refund sanctioned	Date of order in Form GST RFD-06	Amount of Adjusted Total turnover as	Refund due as		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	JCST Nodal 4 (Mazgaon), Mumbai	M/s. Pace Ventures Pvt. Ltd.	27AAFPC2418K1ZB	AA2703180134494/02.01.2019	4789257	116808854	4779574	17.12.2019	205154452	2726860	2052713	pre
2	JCST, Santacruz, Mumbai	M/s. Krogner Impex Pvt. Ltd.	27AADCK0373Q2Z3	AA270120088986W/21/10/2020	7920360	5303588	7920360	18.06.2020	8738499	4807041	3113319	post
3	JCST, Goregaon, Mumbai	M/s. Jusal Industries	27AAFFJ9953Q1ZD	AA271119142700F/25.11.2019	3209014	94346459	3209014	13.03.2020	94632023	2716807	492206	post
4	JCST, LTU-2, Pune	Sudarshan Chemical Industries Limited	27AABCS4223P1Z3	AC270318243101I/24-9-2018	103419636	3890725711	101352992	26.11.2019	3904552205	100986771	366221	Pre
TOTAL											6024459	

Appendix 2.6.10

(Reference: Paragraph 2.6.7.4 (II); Page 59)

Statement Showing List of Refund cases in which deficiency noticed (Excess refund due to consideration of incorrect components in case of zero rated goods/services – Incorrect Input Tax Credit)

(in ₹)

Sl. No.	Name of the assessee	GSTN No	ARN No. & Date	Amount of Refund claimed in RFD-01A	Sanction of refund by department			Refund due as per Audit considering		Excess refund (7-10)	Pre/Post
					Considered Net ITC as	Amount of refund sanctioned	Date of order in Form GST RFD-06	Net ITC as	Refund due as		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
Name of Division: Joint Commissioner, Ghatkopar, Mumbai											
1	M/s Klinera Corporation India	27AAJFK5087G1Z0	AA271219013516A /04.12.2019	39601502	39621327	36623550	17.03.2020	32320200	32304028	4319522	Post
Name of Division: Joint Commissioner, Nodal 4 (Mazgaon), Mumbai											
2	M/s. Euroasia Trans Continental	27AABFE0631L1ZN	AC271217136042H /26.08.2018	3659837	3659837	3293852	24.09.2020	3019285	3019285	274567	Pre
3	M/s. Zar Jewels	27AADCR7143K1Z3	AA271018099896G /12.01.2019	3096211	17087096	3096211	23.09.2020	16453982	2967083	129127	Pre
Name of Division: Joint Commissioner, Nodal-5 (Bandra), Mumbai											
4	M/s Photoquip India Ltd.	27AAECP0468Q1ZU	AA270219142252F /06.03.2019	3561818	5298899	3560944	28.09.2020	5175627	3478958	81986	Pre
Name of Division: Joint Commissioner, LTU-1, Pune											
5	Tech Mahindra Limited	27AAACM3484F1ZI	AA270719022348X /12.07.2019	97032622	301384598	97032622	06.09.2019	157696466	50771345	46261277	Pre
Name of Division: Joint Commissioner, LTU-2, Pune											
6	General Motors India Pvt. Ltd.	27AAACG8371P1ZZ	AA2710190653174 /18.10.2019	729986153	744700199	729986153	08.01.2020	608549073	601253686	128732466	Post
Name of Division: Joint Commissioner, LTU-1, (MSD) Mumbai											
7	Siemens Healthcare Pvt. Ltd.	27AAVCS8021P1Z	AC270618320576T /23.01.2019	81745276	392503214	80272710	30.09.2020	399488198	65725274	14547436	Pre
TOTAL										194346381	

Appendix 2.6.11

(Reference: Paragraph 2.6.7.4(IV); Page 60)

Statement Showing List of Refund cases involving excess sanction of Refund due to consideration of incorrect components in case of zero rated goods/services- Irregular grant of refund on capital goods

(in ₹)

Sl. No.	Name of Division	Name of the assessee	GSTIN No	ARN No. & Date	Period of refund	Date of issue of final order (RFD-06)	Refund amount sanctioned			Excess Refund			
							IGST	CGST	SGST	IGST	CGST	SGST	TOTAL
1	JCST, Nariman Point	Adnet Infosystems (India) Private Limited	27AAACA5326Q2ZD	AA2703200738390 /24.03.2020	Aug-19	03.07.2020	0	1029177	1029177	0	902422	902422	1804844
2	JCST, Pune Nodal 04, Pune	Floressence Perfumes Pvt. Ltd.	27AAACF9151G1ZN	AA271119038151H /09.11.2019	April 2019 to July 2019	09.12.2019	0	14312264	14312264	0	269572.5	269572.5	539145
3	JCST, Pune LTU-001 Pune	Phoenix Mecano India Pvt. Ltd.	27AAACP2452L1ZC	AA270220013607P /05.02.2020	Dec-19	08.05.2020	0	7151584	7159109	0	6178	6177	12355
TOTAL										0	1178172.5	1178171.5	2356344

Appendix 2.6.12

(Reference: Paragraph 2.6.7.5(I).; Page 61)

Statement Showing Excess refund due to consideration of incorrect components in case of Inverted Duty Structure (Mismatch of inverted turnover with Statement 1-A/Annexure-B/GSRT 3B)

(₹ in lakh)

Sl. No.	Name of the assessee and GSTIN No.	ARN No. & Date	Amount of Refund claimed in RFD-01A	Refund amount sanctioned by department						Refund due as per Audit considering					Excess refund
				ITC of services considered by deptt in net ITC	Adjusted total turnover	Turnover of inverted rated supply of goods and service	Tax payable on inverted rated supply of goods and services	Amount of refund sanctioned	Date of final refund in Form GST RFD-06	Net ITC	Adjusted total turnover	Turn over of inverted rated supply of goods and service	Tax payable on inverted rated supply of goods and services	Amount of refund sanctioned	
Name of Division: JCST, Nagpur															
1	Bombay Well Print INKS Pvt. Ltd. 27AAACB6602J1ZU	AA2712191333169 /31.12.2019	23.31	119.75	800.30	786.60	94.39	22.50	22.06.2020	119.75	800.30	713.75	86.44	19.56	2.95
Name of Division: JCST, Aurangabad															
2	Gangamai Industries and Constructions Ltd. 27AABCG2199Q1ZY	AA270420024916D /30.04.2020	97.30	281.21	1340.46	560.87	20.37	91.25	07.07.2020	281.21	1340.46	376.51	15.49	57.46	33.80
3	Gangamai Industries and Constructions Ltd. 27AABCG2199Q1ZY	AA270320003084Z /02.03.2020	32.35	366.49	5455.21	1882.92	94.15	30.60	09.05.2020	366.49	5455.21	1687.21	84.36	27.23	3.36
Name of Division: JCST, Kolhapur															
4	Mahaveer Fabrics 27AAJPL6209R1Z1	AA270520022900Q /20.05.2020	30.53	68.69	753.08	741.04	37.06	30.53	26.05.2020	68.69	753.08	699.28	35.10	28.68	1.85
Name of Division: JCST, Fort, Mumbai															
5	Shankeshwar Textiles 27AAIPJ1574E1ZT	AA270120058991B /14.01.2020	29.04	79.67	1012.13	1011.17	50.56	28.83	04.05.2020	77.40	1012.13	1011.17	50.56	26.77	2.06
TOTAL															44.02

Appendix 2.6.13

(Reference: Paragraph 2.6.7.5.(II).; Page 62)

Statement Showing Excess refund due to consideration of incorrect components in case of Inverted Duty Structure (Incorrect determination of Adjusted Total Turnover)

(₹ in lakh)

Sl. No.	Name of the assessee and GSTIN No.	ARN No. & Date	Amount of Refund claimed in RFD-01A	Refund amount sanctioned by department						Refund due as per Audit considering					Excess refund
				ITC of services considered by deptt in net ITC	Adjusted total turnover	Turnover of inverted rated supply of goods and service	Tax payable on inverted rated supply of goods and services	Amount of refund sanctioned	Date of final refund in Form GST RFD-06	Net ITC	Adjusted total turnover	Turn over of inverted rated supply of goods and service	Tax payable on inverted rated supply of goods and services	Amount of refund sanctioned	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Name of Division: JCST, Solapur															
1	Shriram Filaments & Ropes Pvt. Ltd. 27AAECS0051J1ZI	AA270320044916B / 14.03.2020	22.29	85.54	553.94	553.94	63.25	22.29	29.04.2020	85.54	587.52	553.94	63.25	17.41	4.89
2	Shriram Filaments & Ropes Pvt. Ltd. 27AAECS0051J1ZI	AA270520027109J / 23.05.2020	14.19	33.99	188.26	188.26	19.80	14.19	05.06.2020	33.99	199.33	188.26	19.80	12.31	1.89
3	Shriram Filaments & Ropes Pvt. Ltd. 27AAECS0051J1ZI	AA2710190816061 / 22.10.2019	15.12	50.20	319.21	319.21	35.09	15.12	24.12.2019	50.20	341.20	319.21	35.09	11.88	3.24
4	Shriram Filaments & Ropes Pvt. Ltd. 27AAECS0051J1ZI	AA2712191293090 / 30.12.2019	21.05	47.37	218.55	218.55	26.32	21.05	28.02.2020	47.37	219.16	218.55	26.32	20.92	0.13
5	Shri Venkatesh Filaments Pvt. Ltd. 27AAECS0052M1ZB	AA2712191185239 / 27.12.2019	14.71	53.30	322.59	322.59	38.59	14.71	28.02.2020	53.30	381.09	322.59	38.59	6.52	8.18
6	Shri Venkatesh Filaments Pvt. Ltd. 27AAECS0052M1ZB	AA270420014856D / 23.04.2020	15.01	59.01	367.09	367.09	44.00	15.01	30.04.2020	59.01	417.19	367.089	44.00	7.92	7.09
7	Shri Venkatesh Filaments Pvt. Ltd. 27AAECS0052M1ZB	AA270520025225P / 22.05.2020	17.63	72.87	377.65	377.65	45.24	17.63	11.06.2020	72.87	454.22	377.65	45.24	15.34	2.29
Name of Division: JCST, Nodal-1, Pune															
8	Sixon Industries 27ABLFS1494A1Z1	AA270220088180 M/ 22.02.2020	29.13	29.17	0.30	0.30	0.036	29.13	04.05.2020	29.17	0.30	0.30	0.036	1.15	27.99
Name of Division: JCST, Fort, Mumbai															
9	Ahaan Silk Mills 27AHGPJ7715G1ZA	AA270220081120Z / 20.02.2020	17.83	35.26	348.71	348.71	17.44	17.83	03.03.2020	35.26	546.92	348.71	17.44	5.05	12.78

Appendix 2.6.13 (concl...)															
Sr. No.	Name of the assessee and GSTIN No.	ARN No. & Date	Amount of Refund claimed in RFD-01A	Refund amount sanctioned by department						Refund due as per Audit considering					Excess refund
				ITC of services considered by deptt in net ITC	Adjusted total turnover	Turnover of inverted rated supply of goods and service	Tax payable on inverted rated supply of goods and services	Amount of refund sanctioned	Date of final refund in Form GST RFD-06	Net ITC	Adjusted total turnover	Turn over of inverted rated supply of goods and service	Tax payable on inverted rated supply of goods and services	Amount of refund sanctioned	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
Name of Division: JCST LTU-3, Mumbai															
10	M/s. Bewakoof Brands Private Limited 27AAECB6555G1ZL	AA2703183472251W /24.11.2018	115.08	389.85	5725.67	5002.49	249.72	90.89	08.03.2019	389.85	5849.13	5002.49	249.72	83.70	7.19
Name of Division: JCST Nashik															
11	Lucky Textiles 27AAGFL1152L1Z9	AA270220059689Z /15-02-2020	21.28	44.94	296.38	296.38	23.49	21.28	21.05.2020	44.94	296.38	172.50	8.62	17.53	3.75
TOTAL								279.14							79.41

Appendix 2.6.14

(Reference: Paragraph 2.6.7.5(III).; Page 62)

Statement Showing Excess refund due to consideration of incorrect components in case of Inverted Duty Structure (Mismatch of Net ITC)

(in ₹)

Sr. No.	Name of the assessee and GSTIN No.	ARN No. & Date	Amount of Refund claimed in RFD-01A	Sanction of refund by department			Refund due as per Audit considering		Excess refund
				ITC of services considered in net ITC as	Amount of refund sanctioned	Date of order in Form GST RFD-06	Net ITC as	Refund due as	
Name of Division: JCST, Fort , Mumbai									
1	Bishen Dyeing Printing And Weaving Mills 27AAAFB3418R1Z8	AA270819038394Q /22.08.2019	8357124	32270817	8106664	21.09.2019	24490147	4795980	3310684
2	M/s Piyush Fabrics 27AABCP4935H1ZC	AA2709182480413 /08.04.2019	4089222	11357805	4036022	13.05.2019	11223837	3955254	80768
3	M/s. Shree Swastik Textile Ind 27AALFS3057N1ZL	AC2706183573201 /26.02.2019	1718095	3310959	1718095	20.03.2019	3287276	1694412	23683
4	Jay Industrial Chem Pvt. Ltd. 27AAACJ0894N1Z4	AA271219115502G /26.12.2019	10819374	36547308	10414601	28.01.2020	26070090	9089720	1324881
Name of Division: JCST, Andheri, Mumbai									
5	M/s Halewood Laboratories Pvt. Ltd. 27AAACH8645M1Z3	AA2708190333424 /13.08.2019	4427100	7565208	4351792	11.03.2020	6408423	3417393	934399
Name of Division: JCST, LTU-1, (MSD) Mumbai									
6	M/S Best Knitting Mills Pvt. Ltd. 27AAECB6073B1ZY	AA2703200260420 /07.03.2020	4427214	8404284	4427214	24.04.2020	7246885	3275333	1151881
7	M/S Best Knitting Mills Pvt. Ltd. 27AAECB6073B1ZY	AA270320004571V /02.03.2020	4541930	9071087	4541930	24.04.2020	8619592	4092669	449261
Name of Division: JCST, Thane City									
8	Capitol Nonwovens Pvt. Ltd. 27AAECC4174G1ZP	AA270120043166R /10.01.2020	2540213	5257808	2540213	06.03.2020	4195177	1477582	1062631
Name of Division: JCST, LTU-1, Pune									
9	Gartech Equipments Pvt. Ltd. 27AABCG4360K1ZJ	AA270318018105H /05.01.2019	20613984	58391757	20613984	23.01.2019	52252425	15295513	5318471
		TOTAL							13656659

Appendix 2.6.15

(Reference: Paragraph 2.6.7.6.; Page 64)

Statement Showing List of Refund cases showing non-compliance to instructions for re-credit and recovery of wrong/ineligible ITC

(₹ in lakh)

Sr. No.	Name of the assessee GSTN No.	ARN No. & Date	Date of issue of final order (RFD-06)	Refund amount sanctioned				Excess sanction of Refund					Pre/Post
				IGST	CGST	SGST	Cess	IGST	CGST	SGST	Cess	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Name of Division: JCST, LTU-1, Pune													
1	M/s Bajaj Auto Ltd. 27AADCB2923M1ZL	AC2706181721331 /05.11.2018	06.01.2020	0	0	5380.05	0	0	0	33.19	0	33.19	Pre
2	Sailpoint Technologies India Pvt. Ltd. 27AAOCS8987P1ZV	AC2703183081185 /30.10.2018	20.08.2019	0.04	23.13	23.13	0	0.003	1.65	1.65	0	3.29	Pre
3	Sailpoint Technologies India Pvt. Ltd. 27AAOCS8987P1ZV	AA270919036436Q /16.09.2019	28.02.2020	92.43	0	0	0	2.75	0	0	0	2.75	Pre
4	Sailpoint Technologies India Pvt. Ltd. 27AAOCS8987P1ZV	AC271218318528V /26.02.2019	20.08.2019	0.68	22.96	22.96	0	0.20	6.71	6.71	0	13.61	Pre
5	Integrated Decisions and Systems India Pvt. Ltd. 27AAACI7132C1ZZ	AC2706183391140 /01.02.2019	23.10.2019	7.87	19.67	19.67	0	0.60	1.50	1.50	0	3.60	Pre
6	Visteon Technical and Services Centre Pvt. Ltd. 27AACCV3261H1ZC	AA270719001919R /01.07.2019	30.11.2019	0	17.30	17.69	0	0	0.61	0.62	0	1.23	Pre
Name of Division: JCST, Aurangabad													
7	Nirlep Appliances Pvt. Ltd. 27AABCD3162G1ZX	AA2712191084647 /24.12.2019	13.05.2020	0	4.19	4.19	0	0	2.35	2.35	0	4.70	Post
8	Gangamai Industries and Constructions Ltd. 27AABCG2199Q1ZY	AA2701200572191 /14.01.2020	11.03.2020	0	97.74	97.74	0	0	0.69	0.69	0	1.38	Post
9	Gangamai Industries and Constructions Ltd. 27AABCG2199Q1ZY	AA270420024916D. /30.04.2020	07.07.2020	0	45.63	45.63	0	0	3.02	3.02	0	6.04	Post

Appendix 2.6.15(concl...

Sr. No.	Name of the assessee GSTN No	ARN No. & Date	Date of issue of final order (RFD-06)	Refund amount sanctioned				Excess sanction of Refund					Pre/Post
				IGST	CGST	SGST	Cess	IGST	CGST	SGST	Cess	Total	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
Name of Division: JCST, Nashik													
10	Supreme Equipment Pvt. Ltd. 27AAOCS5679N1Z8	AA270220055093Q /14.02.2020	13.05.2020	0	23.50	48.08	0	0	2.02	2.02	0	4.04	Post
11	Supreme Equipment Private Ltd. 27AAOCS5679N1Z8	AA2702200490201 /13.02.2020	13.05.2020	0	27.49	65.54	0	0	23.13	23.13	0	46.25	Post
Name of Division: JCST, Kolhapur													
12	Indo Count Industries Ltd. 27AAACI0866P1Z5	AA2711190570459 /13.11.2019	19.03.2020	487.13	178.30	178.30	13.23	2.45	0.90	0.90	0.07	4.31	Post
13	Indo Count Industries Ltd. 27AAACI0866P1Z5	AA2712190057273 /03.12.2019	26.05.2020	440.26	113.97	113.97	0	1.89	0.49	0.49	0	2.87	Post
14	Indo Count Industries Ltd. 27AAACI0866P1Z5	AA271219103966Y /24.12.2019	26.05.2020	506.61	176.38	176.38	0	1.30	0.45	0.45	0	2.21	Post
Name of Division: JCST, Thane (Rural)													
15	Angadpal Industries Pvt. Ltd. 27AACCA5854D1ZU	AA270220020744Q /06.02.2020	28.02.2020	0	6.16	6.16	0	0	2.08	2.08	0	4.17	Post
TOTAL				1535.03	756.41	6199.48	13.23	9.20	45.60	78.80	0.07	133.67	

Appendix 2.6.16

(Reference: Paragraph 2.6.8.2; Page 65)

Statement Showing List of Refund cases in which Refunds sanctioned without submission of invoice details by the tax payers for refund under inverted duty structure (Annexure B)

(in ₹)

Sr. No.	Name of Division	Name of the Taxpayer	GSTN No.	ARN No. & Date	Date of Refund order (RFD-06)	Refund amount sanctioned			
						IGST	CGST	SGST	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
1	JC, Thane City	F T Textiles Private Limited	27AABCF4516C1Z3	AA271019076666S date 21.10.2019	20.12.2019	4824118	0	0	4824118
2	JC, Thane City	NZ Seasonal Wear Private Limited	27AADCN0287C1ZP	AA2703200748282 date 25.03.2020	05.06.2020	7909570	7511447	0	15421017
3	JC, Thane City	M/S Kapleshwar Food Products	27AAQFK7195L1ZD	AA270520027705F date 23.05.2020	10.06.2020	0	0	7047998	7047998
4	JC, Thane City	Preme Nutrition	27AAMFP6459J1ZJ	AA270120106995E date 24.01.2020	06.03.2020	0	2371720	2371719	4743439
5	JC, Thane City	Preme Nutrition	27AAMFP6459J1ZJ	AA270520031236O date 26.05.2020	03.07.2020	0	639361	3468264	4107625
6	JC, Thane City	M/S Kapleshwar Food Products	27AAQFK7195L1ZD	AA271019010243Q Date 03.10.2019	04.01.2020	0	0	1775717	1775717
7	JC, Thane City	Parvati Food Products	27AEHPG2748G1ZJ	AA2711191646142 date 28.11.2019	12.03.2020	386255	386254	0	772509
8	JC, Thane City	Maru Enterprises Pvt. Ltd.	27AADCM7713L1Z6	AA271219001013U Date 02.12.2019	30.01.2020	471585	2782562	2782833	6036980
9	JC,Thane City	Vanila Food Products	27AEBPR7620A1ZT	AA2702200935659 date 24.02.2020	11.05.2020	0	0	5590726	5590726
10	JC,Thane City	Vanila Food Products	27AEBPR7620A1ZT	AA271219132264B date 31.12.2020	18.03.2020	0	0	5542920	5542920
11	JC, Thane City	S R Synthetics	27AAAPV5123B1Z2	AA270220069704D date 18.02.2020	11.05.2020	0	52633	5413005	5465638
12	JC, Thane City	Agarwal Agency	27AAWPA6773C1ZH	AA2702200201434 date 06.02.2020	11.05.2020	749538	1517940	2704551	4972029
13	JC, Thane City	S R Synthetics	27AAAPV5123B1Z2	AA271119006244I date 02.11.2019	17.01.2020	0	0	3185895	3185895
14	JC, Thane City	Agarwal Agency	27AAWPA6773C1ZH	AA271219029665X date 07.12.2019	30.01.2020	70962	1240178	1492942	2804082
15	JC, Thane City	Koki Textiles LLP	27AAPFK2726G1Z6	AA270220087965Z date 22.02.2020	14.05.2020	0	1062252	1062252	2124504

Appendix 2.6.16 (contd...)

Sr. No.	Name of Division	Name of the Taxpayer	GSTN No.	ARN No. & Date	Date of Refund order (RFD-06)	Refund amount sanctioned			
						IGST	CGST	SGST	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
16	JC, Thane City	Mahsagar	27AFBPA3543A1ZA	AA2712191163871 date 26.12.2019	15.02.2020	0	789054	789054	1578108
17	JC, Thane City	Rinku Weaving Mills	27AESPJ5854K1ZR	AA271219013356A date 04.12.2019	15.02.2020	0	6896	1650769	1657665
18	JC, Thane City	Rinku Weaving Mills	27AESPJ5854K1ZR	AA270220119422U date 29.02.2020	13.05.2020	0	132361	1379722	1512083
19	JC, Thane City	Koki Textiles Llp	27AAPFK2726G1Z6	AA270919085345K date 28.09.2019	17.12.2019	1140732	0	0	1140732
20	JC, Thane City	Janak Enterprises	27AANFJ3736B1ZF	AA271219050918T date 12.12.2019	15.02.2020	1020817	0	0	1020817
21	JC, Thane City	Khatu Shyam Textiles	27AKUPK5434G1ZS	AA271119163332B date 28.11.2019	21.12.2019	0	1093290	535366	1628656
22	JC, Thane City	Rajendra Textiles	27AEEPJ7643E1ZJ	AA271219131785Y date 31.12.2019	12.06.2020	0	0	2740049	2740049
23	JC, Thane City	Riya Textiles	27ADRPS9687B1ZP	AA2712191264562 date 30.12.2019	28.02.2020	0	842666	842666	1685332
24	JC, Thane City	Shree Sai Krupa Textiles	27AEGPC9348P1ZV	AA271119097814Q date 18.11.2019	16.12.2019	0	1043832	1043833	2087665
25	JC, Thane City	V S Textiles	27ETAPS5465L1Z0	AA270520017322T date 16.05.2020	21.05.2020	0	0	1609007	1609007
26	JC, Thane City	F D Textile	27ABHPK3581E1ZO	AA271119052261G date 12.11.2019	30.11.2019	1476603	0	0	1476603
27	JC, Thane City	F D Textile	27ABHPK3581E1ZO	AA270120105882O date 24.01.2020	15.02.2020	1126232	134892	134892	1396016
28	JC, Thane City	Shree Kanhaiya Textiles	27AKKPB3115D1ZR	AA271119120599Y date 18.11.2019	16.12.2019	0	602414	602415	1204829
29	JC, Thane City	Shree Kanhaiya Textiles	27AKKPB3115D1ZR	AA270220058254L date 15.02.2020	04.03.2020	0	538455	538455	1076910
30	JC, Thane City	Raviraj Knit Processing Pvt. Ltd.	27AAACR2808J1ZE	AA270120048231X date 11.01.2020	15.07.2020	0	1316422	1316422	2632844
31	JC, Thane City	Krishna Processors & Industries Pvt. Ltd.	27AADCK1539Q1Z2	AA2710190063878 date 02.10.2019	02.12.2019	0	871937	871937	1743874

Appendix 2.6.16 (contd...)									
Sr. No.	Name of Division	Name of the Taxpayer	GSTN No	ARN No. & Date	Date of Refund order (RFD-06)	Refund amount sanctioned			
						IGST	CGST	SGST	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
32	JC, Thane City	Muskan Products	27ARNPM6423F1ZM	AA2712191098713 date 25.12.2019	17.02.2020	0	983451	983451	1966902
33	JC, Thane City	Deepak Textiles	27AFEPB7870E1ZK	AA2712190272946 date 06.12.2019	02.01.2020	0	715887	715887	1431774
34	JC, Thane City	Lahoti Associates	27ABBPL2599R1ZU	AA2702200908474 date 22.02.2020	09.03.2020	0	649105	736141	1385246
35	JC, Thane City	Dhanlaxmi Dyeing	27AABPI2076D1Z4	AA270220025498E date 07.02.2020	02.03.2020	0	626769	626769	1253538
36	JC, Thane City	Deepak Textiles	27AFEPB7870E1ZK	AA271019010317J date 03.10.2019	18.11.2019	0	609161	609161	1218322
37	JC, Thane City	Ranisati Fabric Mills Pvt. Ltd.	27AAACR2347C1ZR	AA270220107800 W date 26.02.2020	23.04.2020	0	148037	973282	1121319
38	JC, Thane City	Sagar Food Products	27AHYPG6714E1Z2	AA271219067099S date 16.12.2019	02.01.2020	0	397359	397359	794718
39	JC, Thane City	Hem Enterprises	27AAQPD3057N1ZA	AA2712190339415 date 08.12.2019	27.12.2019	0	1012206	1310563	2322769
40	JC, Thane City	Hem Enterprises	27AAQPD3057N1ZA	AA271219067068X date 16.12.2019	26.12.2019	112801	897242	897242	1907285
41	JC, Thane City	Siddh Enterprises	27AAZFS2659G1ZG	AA2712190318732 date 16.12.2019	24.12.2019	0	530436	261859	792295
42	JC, Thane City	Ajanta Food Products	27AAJPV7565Q1ZG	AA270620001780P date 01.06.2020	11.07.2020	0	125099	125100	250199
43	JC, Thane City	Swastik Food Products	27ABGFS5813A1ZF	AA270620004944E date 03.06.2020	09.07.2020	0	957673	4602598	5560271
44	JC, Thane City	Dimple Fabrics	27AAJPS8349F1Z6	AA2711191701962 date 29.11.2019	24.12.2019	0	1066778	1923318	2990096
45	JC, Thane City	Dimple Fabrics	27AAJPS8349F1Z6	AA270220028890J date 08.02.2020	27.02.2020	0	688818	1141068	1829886
46	JC, Thane City	Habib Textiles Pvt. Ltd.	27AABCH3399B1ZO	AA2703200709929 date 21.03.2020	06.05.2020	0	259861	1557398	1817259
47	JC, Thane City	M J Textiles	27AEKPA3107N1ZK	AA271219050619X date 12.12.2019	02.01.2020	0	630694	630694	1261388

Appendix 2.6.16 (contd...)									
Sr. No.	Name of Division	Name of the Taxpayer	GSTN No	ARN No. & Date	Date of Refund order (RFD-06)	Refund amount sanctioned			
						IGST	CGST	SGST	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
48	JC, Thane City	Rajesh Textiles	27ABWPG5400F1ZP	AA270220073536E date 19.02.2020	20.05.2020	0	2302661	2302661	4605322
49	JC, Thane City	Khemee Dyeing & Bleaching Works	27AABFK2895A1ZI	AA270620035352M date 17.06.2020	24.06.2020	0	878101	878101	1756202
50	JC, Thane City	Krishna Textiles	27AOCPB4199M1ZM	AA271119007174G date 15.02.2020	14.05.2020	0	762605	535344	1297949
51	JC, Thane City	Santok Textiles	27AKPPM5950J1ZJ	AA271119167972R date 28.11.2019	24.12.2019	0	572639	572639	1145278
52	JC, Thane City	Amsal Textiles	27AKBPK5308A1ZQ	AA270320027727D date 09.03.2020	09.07.2020	0	505414	539461	1044875
53	JC, Thane City	R B Enterprise	27AGCPJ0674P1Z1	AA27012001407S date 04.01.2020	27.02.2020	0	0	2737052	2737052
54	JC, Thane City	R B Enterprise	27AGCPJ0674P1Z1	AA271019009093I date 03.10.2019	17.12.2019	0	0	2161930	2161930
55	JC, Thane City	Nishi Fabrics	27AEKPM0339Q1ZY	AA270220006733R date 04.02.2020	27.05.2020	0	720946	720946	1441892
56	JC, Thane City	Ankit Textiles	27ACZPJ1088Q1ZI	AA271119025613C date 07.11.2019	14.01.2020	0	0	1419112	1419112
57	JC, Thane City	Kewal Textiles	27ACMPS3439F1ZA	AA270220035819A date 11.02.2020	29.05.2020	0	297339	1062746	1360085
58	JC, Thane City	M D Textiles	27BLHPK7379H1ZK	AA271219021832A date 05.12.2019	22.01.2020	0	613312	683312	1296624
59	JC, Thane City	Gala Textiles	27AAWPG6072E1ZF	AA2702201029899 date 26.02.2020	04.05.2020	0	663315	527662	1190977
60	JC, Thane City	Wali Textiles	27ASNPA5918J1ZH	AA2712190082692 date 03.12.2019	17.12.2019	0	723747	755715	1479462
61	JC, Thane City	Q.H. Textiles	27AFBPA5824J1ZN	AA271119145151H date 25.11.2019	03.02.2020	0	727670	727670	1455340
62	JC, Thane City	P.N. Textiles	27AAZPG8863G1ZX	AA2711191535618 date 26.11.2019	15.01.2020	0	0	1476653	1476653
63	JC, Thane City	Jai Balaji Tex	27ANIPP2529A1Z7	AA270120047224T date 11.01.2020	30.01.2020	0	0	1168113	1168113

Appendix 2.6.16 (contd...)

Sr. No.	Name of Division	Name of the Taxpayer	GSTN No	ARN No. & Date	Date of Refund order (RFD-06)	Refund amount sanctioned			
						IGST	CGST	SGST	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
64	JC, Thane City	Baba Tex	27AEDPA1321H1Z8	AA271019015415G date 05.10.2019	27.11.2019	0	528020	1178574	1706594
65	JC, Thane City	Heena Fabrics	27AEHPG7086H1Z8	AA270120086485A date 21.01.2020	06.03.2020	0	1111171	1111171	2222342
66	JC, Thane City	Mahalaxmi Polytex	27AHXPS6384B1ZN	AA271119092096Z date 16.11.2019	20.12.2019	0	1927	1050002	1051929
67	JC, Thane City	M/S. Adeshwar Synthetics	27AOMPG8607H1ZP	AA270520000990N date 02.05.2020	29.05.2020	0	516230	516229	1032459
68	JC, Thane City	Vaibhav Laxmi Silk Mills	27AABPA5095N1ZI	AA271219099955E date 23.12.2019	14.01.2020	0	0	1462304	1462304
69	JC, Thane City	A B Textiles	27BHBPK8405Q1ZV	AA270120131316V date 30.01.2020	19.03.2020	0	326891	803691	1130582
70	JC, Thane City	New Red Rose Syn-Tex	27AGLPG5367R1ZJ	AA2702200913994 date 23.02.2020	21.05.2020	0	837509	837509	1675018
71	JC, Thane City	Sameer & Company	27ACQFS0665K1ZI	AA271219004362I date 02.12.2019	23.01.2020	0	851074	1025597	1876671
72	JC, Thane City	Sameer & Company	27ACQFS0665K1ZI	AA270620001577G date 01.06.2020	15.07.2020	0	787292	995086	1782378
73	JC, Thane City	Sameer & Company	27ACQFS0665K1ZI	AA270120074155N date 17.01.2020	12.03.2020	0	630679	904255	1534934
74	JC, Thane City	Sameer & Company	27ACQFS0665K1ZI	AA2703200469862 date 14.03.2020	25.05.2020	0	689162	912556	1601718
75	JC, Thane City	Umar Textiles	27CFQPK6733R1ZE	AA270120109964G date 24.01.2020	15.02.2020	0	569041	569042	1138083
76	JC, Thane City	Paras Textiles	27ATGPS4007C1ZX	AA2701200648395 date 15.01.2020	06.03.2020	0	1489051	1489051	2978102
77	JC, Thane City	Handi Textile	27ABXPH5663C1ZC	AA2712190137348 date 04.12.2019	23.12.2019	0	1209884	521012	1730896
78	JC, Thane City	Handi Textile	27ABXPH5663C1ZC	AA2702200170811 date 05.02.2020	04.03.2020	0	1119067	532589	1651656
79	JC, Thane City	A T Textiles	27CXQPS4846D1ZW	AA270120017617M date 05.01.2020	15.02.2020	0	210936	845082	1056018

Appendix 2.6.16 (concl...)									
Sr. No.	Name of Division	Name of the Taxpayer	GSTN No	ARN No. & Date	Date of Refund order (RFD-06)	Refund amount sanctioned			
						IGST	CGST	SGST	TOTAL
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
80	JC, Thane City	Samai Healthcare Private Limited	27AAWCS7040M1ZJ	AA270220019607J date 06.02.2020	09.03.2020	0	466121	525638	991759
81	JC, Thane City	Samai Healthcare Private Limited	27AAWCS7040M1ZJ	AA270220033209P date 10.02.2020	24.04.2020	0	322498	89482	411980
82	JC, Thane City	Sai Foods	27AAGPL6240F1ZU	AA270919088570K date 30.09.2019	05.11.2019	549595	299810	299810	1149215
83	JC, Raigad	Jaico Enterprise Llp	27AAKFJ4143K1Z4	AA271119107136F date 19.11.2019	06.12.2019	0	0	1997188	1997188
84	JC, Raigad	Angelique International Limited	27AACCA4675N1Z8	AA270220095819Y date 24.02.2020	21.04.2020	1341890	0	0	1341890
85	JC, Raigad	Immunity Construction Private Limited	27AAECI8240 F1ZM	AA270120113434X date 25.01.2020	06.03.2020	0	1464293	1464293	2928586
86	JC, Thane (Rural)	Shilpa Enterprises	27AAUFS9301A1Z4	AA2712191205186 date 27.12.2019	07.01.2020	4018103	0	0	4018103
87	JC, Thane (Rural)	Arpan Trading Co	27AQUPS7720H1Z5	AA270220029342T date 08.02.2020	17.02.2020	0	600971	1300926	1901897
88	JC, Thane (Rural)	Deep Steel	27AAOPD7135R1Z1	AA271219101431N date 23.12.2019	24.01.2020	0	1773094	0	1773094
89	JC, Thane (Rural)	Parshwnath Metal	27AAEHJ5339M1ZU	AA271219072973R date 17.12.2019	24.01.2020	1459178	98572	98572	1656322
90	JC, Thane (Rural)	Rupana Textiles	27AAJHM8455Q1Z7	AA270320031404V date 10.03.2020	28.04.2020	0	773522	773521	1547043
91	JC, Thane (Rural)	Shilpa Enterprises	27AAUFS9301A1Z4	AA2711190473380 date 11.11.2019	26.11.2019	2746715	98825	0	2845540
92	JC, Thane (Rural)	Yasmeen Binder	27AGCPK0731C1Z1	AA2701200084220 date 03.01.2020	17.03.2020	0	939119	939118	1878237
93	JC, Thane (Rural)	Rupana Textiles	27AAJHM8455Q1Z7	AA2711191670480 date 28.11.2019	24.12.2019	0	720348	720348	1440696
94	JC, Thane (Rural)	Rupana Textiles	27AAJHM8455Q1Z7	AA271119086534X date 16.11.2019	29.11.2019	0	628343	628342	1256685
95	JC, Thane (Rural)	Kwality Industries	27AAQPD3176L1ZA	AA2712190005868 date 01.12.2019	12.12.2019	1056415	0	0	1056415
TOTAL						30461109	63066341	115845404	209372854

Appendix 2.7.1
(Reference: Paragraph 2.7; Page 69)
Short Levy of Tax
Calculation Sheet

Name of the Office	Dy. Commissioner of Sales Tax, PUN-VAT-E-706, Pune
Assessment Period	2014-15
Name of Dealer	M/s K Comp Services
TIN	27710344344V
Assessment Order Date	19/02/2019

(Amount in ₹)

Sl. No.	Particulars of Tablet sold	Invoice No. and date	Sale amount as per sample invoices	Tax leviable at 12.5 %	Tax levied at 5 %	Short levy of Tax/ Differential tax liability
1	Samsung Tab 3	42/07.04.2014	7,42,857	92,857	37,143	55,714
2	Apple ipad Mini WiFi	386/28.05.2014	10,56,000	1,32,000	52,800	79,200
3	Apple ipad Mini WiFi	887/30.07.2014	8,69,524	1,08,691	43,476	65,215
4	Apple ipad Mini WiFi	8/06.08.2014	2,68,762	33,595	13,438	20,157
5	Apple ipad Mini WiFi	14-15/Dec/154/ 15.12.2014	8,04,762	1,00,595	40,238	60,357
6	Apple ipad Air2 WiFi, ipad Air 2 WiFi + Cellular, ipad Mini	14-15/Dec/160/ 15.12.2014	7,84,268	98,034	39,213	58,821
7	Apple ipad Air WiFi Cellular	14-15/Dec/185/ 18.12.2014	30,20,160	3,77,520	1,51,008	2,26,512
8	Apple ipad Mini WiFi	14-15/Feb/203/ 20.02.2015	8,45,476	1,05,685	42,274	63,411
	Total		83,91,809	10,48,976	4,19,590	6,29,386
	Interest leviable u/s 30(3) for 47 months					5,42,845
	Total short levy of dues					11,72,231

Calculation of interest for 47 months

(Amount in ₹)

Tax dues	Period	No. of months	Rate of interest	interest amount	Remarks
6,29,386	01.04.2015 to 30.11.2015	8	1.25	62938.61	upto 30.11.2015
	01.12.2015 to 31.12.2015	1	1.25	7867.33	upto one month
	01.01.2016 to 29.02.2016	2	1.5	18881.58	upto three months
	01.03.2016 to 31.03.2016	1	2	12587.72	more than three months
	01.04.2016 to 31.03.2017	12	2	151052.67	
	01.04.2017 to 31.03.2018	12	2	151052.67	
	01.04.2018 to 28.02.2019	11	2	138464.95	
		47	Interest leviable	542845.53	

Appendix 2.8.1
(Reference: Paragraph 2.8; Page 69)
Short levy of interest due to incorrect calculation
Calculation Sheet

Name of the Office	Dy. Commissioner of Sales Tax, PUN-VAT-E-607 (LTU), Pune
Assessment Period	2014-15
Name of Dealer	M/s Sanjay Automobile Engineering Pvt. Ltd.
TIN	27445225193V
Assessment Order Date	28.03.2019

Calculation by the Department

Tax dues	Period	Rate of Interest	No. of Months	Interest Amount (₹)
16658322	Up to Nov. 2015	1.25 %	8	1665832
	Next two month	1.50%	2	416458
	Afterwards up to 31.03.2019	2%	38	7912703
Total (A)				9994993

Calculation by Audit

Tax dues	Period	Rate of Interest	No. of Months	Interest Amount (₹)
16658322	Up to Nov. 2015	1.25 %	8	1665832.30
	Dec. 2015	1.25 %	1	208229.04
	Next two month	1.50%	2	499749.69
	Afterwards up to 31.03.2019	2%	37	12327159.02
Total (B)				14700970.05

Short levy of interest

(A) - (B)	₹ 4705977.05
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Appendix 2.9.1
(Reference: Paragraph 2.9; Page 70)
Excess grant of refund under MVAT
Calculation Sheet

Name of the Office	Dy. Commissioner of Sales Tax, E-002 Amravati
Assessment Period	2012-13
Name of Dealer	M/s Virendra Food Products Pvt. Ltd.
TIN	27600328642V
Assessment Order Date	28.03.2017

Sales

(Amount in ₹)

	As per Department	As per Audit
GTO Sales	0	0
Total tax payable	0	0

Purchase

		As per Department	As per Audit
	GTO purchase	95478804	95478804
Less:	Inter-state Purchase	20443719	20443719
Less:	Goods not eligible for Set-off	35762350	35762350
	within state purchase eligible for set-off	39272735	39272735

Rate of Tax	Net turnover liable to MVAT	Set off available	Set off available
5%	19595449	979772	979772
12.50%	16617002	2077125	2077125
	Total Set off Admissible	3056898	3056898

Available ITC

		3056898	3056898
	Total Set off Admissible	3056898	3056898
Less:	J1XJ2 mismatch and reduction U/r 53	1176584	1176584
Less:	U/r 54 (h)	0	942435
	Total Tax credit admissible	1880314	937879

Computation of Tax

As per department		As per audit	
MVAT payable	0	MVAT payable	0
less: Set-off	1880314	less: Set-off	937879
balance: Tax payable (+) / Refund (-)	-1880314	balance: Tax payable (+)/Refund (-)	-937879
Add: interest u/s 52 for 24 months	-225638	Add: interest u/s 52 for 24 months	-112545
Total Refund granted	-2105951	Total refund admissible	-1050424
		Excess Refund granted	-1055527

Amount recoverable u/s 51(6)(b)

Excess Refund (as tax due)	1055527
Add: interest u/s 51 (6) (b)	1100387
Total amount Recoverable	2155914

Interest Calculation
Interest u/s 52 as per department

Tax dues	Period	No. of months	Rate of interest	interest amount
-1880314	01.04.2015 to 31.03.2016	12	0.005	-112819
	01.04.2016 to 31.03.2017	12	0.005	-112819
			Interest paid on refund	-225638

Interest u/s 52 as per Audit

Tax dues	Period	No. of months	Rate of interest	interest amount
-937879	01.04.2015 to 31.03.2016	12	0.005	-56273
	01.04.2016 to 31.03.2017	12	0.005	-56273
			Interest payable on refund	-112545

Note: (-) ve sign indicates Refundable amount

Interest u/s 51(6) (b) as per Audit

Tax dues	Period	No. of months	Rate of interest	interest amount	Remarks
1055527	01.04.2017 to 30.04.2017	1	1.25	13194	Up-to one month
	01.05.2017 to 30.06.2017	2	1.5	31666	Up-to three months
	01.07.2017 to 31.03.2018	9	2	189995	more than three months
	01.04.2018 to 31.03.2019	12	2	253326	
	01.04.2019 to 31.03.2020	12	2	253326	
	01.04.2020 to 31.03.2021	12	2	253326	
	01.04.2021 to 31.08.2021	5	2	105553	
		53	Interest leviable	1100387	

Details of inadmissible ITC under Rule 54 (h) on construction of Factory Building

Sl. No.	Name of vendor from where purchases were made	Net Price	ITC
1	Porwal Paint House, Amravati	281155	34788
2	Unique Electricals, Amravati	4170	241
3	Bhagyalaxmi Rolling Pvt. Ltd.	8270447	413522
4	Manikgarh Cement, Gadchandur	3951071	493884
	Total set-off to be disallowed	8555772	942435

Details of purchases from Porwal Paint House, Amravati as available in Ledger Accounts

Sl. No.	Date	Price	VAT		Total
			12.50%	5%	
1	12.09.2012	34448	4149	63	38660
2	15.11.2012	7995	999	0	8994
3	02.01.2013	98288	12000	114	110403
4	22.01.2013	50401	6300	0	56701
5	07.02.2013	32338	3891	60	36289
6	25.03.2013	19076	2385	0	21461
7	30.03.2013	38609	4826	0	43435
	Sub-total		34550	238	
Total		281155	34788		315943

Details of purchases from Unique Electricals, Amravati as available in Ledger Accounts

Sl. No.	Date	Price	VAT		Total
			12.50%	5%	
1	13.10.2012	4170	53	188	1
Total		4170	241	4411	Total

Details of purchases from Bhagyalaxmi Rolling Pvt. Ltd. as available in Ledger Accounts

Sl. No.	Date	Price	VAT	Total
1	03.04.2012	484155	24208	508363
2	13.04.2012	494539	24727	519266
3	14.04.2012	627142	31357	658499
4	17.05.2012	460921	23046	483967
5	18.05.2012	407538	20377	427915
6	18.05.2012	401114	20056	421170
7	12.06.2012	583769	29188	612957
8	28.06.2012	450127	22506	472633
9	08.07.2012	473559	23678	497237
10	08.07.2012	871304	43565	914869
11	08.07.2012	704418	35221	739639
12	04.08.2012	680086	34004	714090
13	01.09.2012	379031	18952	397983
14	01.09.2012	394380	19719	414099
15	01.09.2012	390802	19540	410342
16	29.09.2012	467562	23378	490940
Total		8270447	413522	8683969

Details of purchases from Manikgarh Cement, Gadchandur as available in Ledger Accounts

Sl. No.	Date	Price	VAT (12.5%)	Total
1	14.04.2012	75947	9493	85440
2	14.04.2012	75947	9493	85440
3	14.04.2012	75947	9493	85440
4	11.05.2012	73956	9244	83200
5	17.05.2012	73956	9244	83200
6	18.05.2012	73956	9244	83200
7	20.05.2012	73102	9138	82240
8	04.06.2012	71111	8889	80000
9	07.06.2012	71680	8960	80640
10	07.06.2012	71680	8960	80640
11	07.06.2012	71680	8960	80640
12	30.06.2012	73387	9173	82560
13	30.06.2012	73387	9173	82560
14	01.07.2012	73387	9173	82560
15	01.07.2012	73387	9173	82560
16	02.07.2012	73387	9173	82560
17	02.07.2012	73387	9173	82560
18	14.07.2012	72533	9067	81600
19	14.07.2012	72533	9067	81600
20	26.07.2012	71964	8996	80960
21	26.07.2012	71964	8996	80960
22	26.07.2012	71964	8996	80960
23	26.07.2012	71964	8996	80960
24	28.07.2012	71964	8996	80960
25	28.07.2012	71964	8996	80960
26	24.08.2012	68551	8569	77120
27	24.08.2012	68551	8569	77120
28	26.08.2012	68551	8569	77120
29	26.08.2012	68551	8569	77120
30	30.08.2012	68267	8533	76800
31	30.08.2012	68267	8533	76800
32	01.09.2012	68267	8533	76800
33	04.09.2012	68267	8533	76800

Report No. 3 (Compliance Audit Report for the year ended 31 March 2021)

Sl. No.	Date	Price	VAT (12.5%)	Total
34	14.09.2012	65422	8178	73600
35	14.09.2012	65422	8178	73600
36	23.09.2012	64853	8107	72960
37	25.09.2012	64000	8000	72000
38	25.09.2012	64853	8107	72960
39	30.09.2012	64853	8107	72960
40	30.09.2012	64569	8071	72640
41	30.09.2012	64569	8071	72640
42	01.10.2012	64569	8071	72640
43	01.10.2012	64569	8071	72640
44	01.10.2012	64569	8071	72640
45	28.10.2012	65991	8249	74240
46	28.10.2012	65991	8249	74240
47	12.11.2012	68267	8533	76800
48	06.12.2012	66560	8320	74880
49	07.12.2012	66560	8320	74880
50	11.12.2012	66560	8320	74880
51	14.01.2013	63431	7929	71360
52	24.01.2013	64000	8000	72000
53	24.01.2013	64000	8000	72000
54	11.02.2013	68267	8533	76800
55	11.02.2013	68267	8533	76800
56	22.02.2013	68689	8586	77275
57	16.03.2013	68836	8604	77440
Total		3951071	493884	4444955

Appendix 2.10.1

(Reference: Paragraph 2.10.1; Page: 72)

Short levy of Stamp Duty of ₹ 1.06 crore on lease deed due to non-consideration of constructed area

Name of the Office	Joint Sub Registrar, Haveli-XVIII, Dist. Pune
Document No. & Year	10503/2018
Details of property	Lease hold right of land admeasuring 42.05 R i.e 4205 sqm along with constructed area Phase-I admeasuring 30,000 sq.ft i.e 2788.10 sqm and Phase-II admeasuring 30,000 sq.ft.i.e 2788.10 sqm situated at Survey No.12/1 in village Mahalunge (Influence Area), Taluka Mulshi, District Pune.
Calculation by Audit	
Annual Statement of Rates	2017-2018
Mouza/Village	Mahalunge (Influence Area)
Survey No.	12/1
Area of property	Open land admeasuring 4205 sqm comprising construction of buildings admeasuring 5576.20 sqm (Phase-I-2788.10 sqm + Phase-II.2788.10 sqm)
Rate of open land	₹ 12,240 per sqm
Rate of Residential building/flat	₹ 51,330 per sqm
Lease period	30 years
Market value of the property as per instruction No.7(d) of ASR 2017-18 5576.20sqm X ₹ 51,330	₹ 28,62,26,346
90per cent of the market value as per article 36(iv) ₹ 286226346 X 90%	₹ 25,76,03,711
Stamp duty leviable @ 5% on ₹ 25,76,03,711	₹ 1,28,80,186
Stamp Duty levied	₹ 23,16,200
Short levy of Stamp Duty	₹ 1,05,63,986
Calculation by department	
Annual Statement of Rates	2018
District	Pune
Taluka	Mulshi
Village	Mouza Mahalunge
Area	Influence Area
Survey No.	12
Type of Property	Open Land
Area of Property	4205 sqm
Rate of open land as per ASR	₹ 12,240 per sqm
Valuation of Land 4205 sqm x ₹ 12,240 =51469200	₹ 5,14,69,200
Amount of Consideration	Nil
Market Value of premises	₹ 5,14,69,200
Stamp duty levied	₹ 23,16,200

Appendix 2.10.2

(Reference: Paragraph 2.10.2; Page: 72)

Short levy of Stamp Duty of ₹ 1.16 crore due to under valuation of property

Name of the Office	Joint Sub-Registrar, Haveli-XVIII, Pune.
Document No. & Year	4481/2016.
Details of Premises	For a proposed hospital building referred to as the "Bare Shell Building" comprising of 2 (Two) basements, Ground + 7 (seven) upper floors plus terrace, total built up area shall be at least 250000 sq. ft. of which calculable area shall not exceed 240000 sq.ft. i.e 22304.83 sqm which will be constructed by Lessor on the land admeasuring 7965 sqm at bearing survey No. 111/11/1 (pt), at situated at Baner- Mhalunge Road, village Baner Taluka Haveli, District Pune within the limits of Pune Municipal Corporation.
Calculation by Audit	
Annual Statement of Rates	2016-17
Village	Baner
Zone No.	39/567
Survey No.	111/11/1 (pt)
Constructed area (maximum calculable area)	22304.83 sqm
Rate of open land	₹ 24000 per sqm
Rate of Ground floor Shop/Commercial	₹ 91740 per sqm
Lease period	28 years and 11 month
Market value of property	
<p>Floor wise details are not mentioned in the document, hence for applying Valuation Guideline No. 8(d) which is applicable for valuation of shops in the building comprising larger shopping complex other than Mall, average is arrived at as under: (As per V.G.8(d)-Percentage of rate of shop as assigned in the ASR to be taken into consideration for (i) Basement- 70%, (ii) Ground floor - 100%, (iii) First floor - 90% and (iv) 2nd to 7th floor -80%): Thus, 2 Basement - 140% 1 Ground Floor - 100 % 1 First Floor - 90% 6 Upper Floor - 480% ----- Total 810% Average 810/10 81% Say - 80% of rate assigned to shops in ASR-2016-17 is taken for calculation.</p>	
₹ 91740 X 80% = ₹ 73392 (as per guidelines No. 8(d))	₹ 73,392
22304.83 sqm X ₹ 73,392	₹ 163,69,96,083
50 % of the market value as per article 36(iii) ₹ 163,69,96,083 X 50%	₹ 81,84,98,042
Stamp Duty leviable @ of 5%	₹ 4,09,24,902
Stamp Duty levied	₹ 2,93,19,300
Stamp Duty short levied	₹ 1,16,05,602
Calculation by department	
Amount of Consideration	Nil
Market Value of Property	₹ 117,27,68,548
Stamp duty levied @ 5% on Market Value	₹ 2,93,19,300

Appendix 2.10.3

(Reference: Paragraph 2.10.3; Page: 73)

Short levy of Stamp Duty of ₹ 12.29 lakh due to undervaluation of property

Name of the Office	Joint Sub Registrar (Class-II), Haveli-V, District Pune
Document No. & Year	570/2017
Details of property	Industrial plot having area admeasuring 2957 sqm alongwith industrial shed admeasuring 670 sqm standing thereon situated at plot No. S-36, T Block in Pimpri Industrial Area of MIDC, Village Bhosari within the limits of Pimpri-Chinchwad Municipal Corporation.
Calculation by Audit	
Annual Statement of Rates	2016-17
Mouza	Bhosari District Pune.
Survey No(s).	Plot No.S-36, T Block
Rate of open land /Zone/Vibhag No.46/2	₹ 25,630 per sqm
Construction rate	₹ 22,000 per sqm
Construction rate for industrial shed as per Note below construction rate: ₹ 22,000 X 75%	₹ 16,500 per sqm
Area of land	2,957 sqm
Area of Industrial shed	670 sqm
Market Value of land	
2,957 sqm X ₹ 25,630(a)	₹ 7,57,87,910
Market Value of industrial shed	
As per instruction No.6 of ASR depreciation of 30 % 670 sqm X ₹ 16,500 X 70%(b)	₹ 77,38,500
Total market value of property (a + b)	₹ 8,35,26,410
90% of total market value	₹ 7,51,73,769
Stamp Duty leviable @ 5%	₹ 37,58,688
Stamp Duty levied	₹ 25,30,000
Stamp Duty short levied	₹ 12,28,688
Calculation by department	
Amount of Consideration	₹ 5,06,00,000
Market Value of land	₹ 4,90,46,000
Stamp duty levied	₹ 25,30,000

Appendix 2.10.4

(Reference: Paragraph 2.10.4; Page: 74)

Short levy of Stamp Duty of ₹ 16.26 lakh due to non-consideration of renewal period of lease

Name of the Office	Joint Sub Registrar, Class-II, Haveli-III, Pune
Document No. & Year	3058/2019
Details of Premises	Units No EB-GF-28 & 29 admeasuring chargeable area 10104 sqft i.e 939.03 sqm on ground floor in Retail Mall/Shopping Complex known as "Amanora Town Centre" at village Sadesatranali, Hadaspsar, Taluka Haveli, District Pune
Calculation by Audit	
ASR	2018-19
Village	Sadesatranali, Hadaspsar, Taluka Haveli, District Pune
Zone No.	14.4
Survey No.	Amanora Town Centre
Area	10104 sq.ft. i.e 939.03 sqm
Rate of Ground floor shop /Commercial	₹ 1,41,490
Market value of the property 939.03 sqm X ₹ 1,41,490	₹ 13,28,63,355
Total Market Value	₹ 13,28,63,355
50% of the market value as per article 36(iii)	₹ 6,64,31,678
Stamp duty leviable @ 5%	₹ 33,21,584
Stamp duty levied	₹ 16,95,800
Stamp Duty Short levied	₹ 16,25,784
Calculation by department	
Amount of Consideration	NIL
Market Value of Property	₹ 13,28,64,844
Stamp duty levied	₹ 16,95,800

Appendix 2.10.5*(Reference: Paragraph 2.10.5.; Page: 75)***Short levy of Stamp Duty of ₹ 21.93 lakh due to non consideration of renewal period of lease**

Name of the Office	Joint Sub Registrar Thane-VIII, Dist. Thane
Document No. & Year	3961/2015
Details of property	For unfurnished hospital, Basement +G+7 Floor building (as is where is basis) for running hospital in newly constructed PHC building admeasuring area 1899.64 sqm constructed on land admeasuring 990.27 sqm situated at Sector 3K, Airoali, New Mumbai
Calculation by Audit	
Market value of property as determined by the JDR, Thane city in adjudication order.	₹ 17,54,15,500
50 per cent of the market value	₹ 8,77,07,750
Stamp Duty leviable @ 5%	₹ 43,85,388
Stamp Duty levied	₹ 21,92,700
Stamp Duty short levied	₹ 21,92,688
Calculation by department	
Amount of Consideration	₹ 15,00,000
Market Value of premises	₹ 17,54,15,500
Stamp duty levied	₹ 21,92,700

Appendix 2.10.6*(Reference: Paragraph 2.10.6; Page: 75)***Short levy of Stamp Duty of ₹ 4.00 crore on renewal of lease deed.****Name of office:** Joint District Registrar-I, Nagpur

Lease Period: 30 years

Sl. No.	Instrument Number/ Year	Market Value determined by Department (in ₹)	Market Value calculated by Audit (in ₹)	90% of market value calculated by Audit (in ₹)	Stamp duty leviable at the rate of 5% on 90% of market value (in ₹)	Stamp duty levied (in ₹)	Short levy of Stamp Duty (in ₹)
1	2978/2018	40,85,500	32,88,38,070	29,59,54,263	1,47,97,713	2,04,300	1,45,93413
2	3992/2018	13,63,420	15,36,38,100	13,82,74,290	69,13,715	68,200	68,45,515
3	4753/2018	38,90,000	10,61,91,800	9,55,72,620	47,78,631	1,94,500	45,84,131
4	3905/2018	6,61,000	7,65,49,616	6,88,94,654	34,44,733	33,200	34,11,533
5	2465/2018	10,63,000	6,44,55,772	5,80,10,195	29,00,510	47,900	28,52,610
6	5070/2018	6,84,400	6,06,10,000	5,45,49,000	27,27,450	34,300	26,93,150
7	2468/2018	6,80,500	5,66,00,045	5,09,40,040	25,47,002	34,100	25,12,902
8	4382/2018	7,13,376	3,61,66,500	3,25,49,850	16,27,493	35,700	15,91,793
9	3722/2018	20,77,000	2,19,70,850	1,97,73,765	9,88,688	1,04,000	8,84,688
	Total	1,52,18,196	90,50,20,753	81,45,18,677	4,07,25,935	7,56,200	3,99,69,735

Appendix 2.11.1*(Reference: Paragraph 2.11.1.1; Page: 77)***Short levy of Stamp Duty of ₹ 39.39 lakh due to incorrect calculation of market value**

Name of the Office	Joint Sub Registrar, Class-II Aurangabad-V, District Aurangabad
Document No. & Year	8654/2015
Details of property	Open plot No.2 admeasuring 3716.71 sqm alongwith TDR admeasuring 1486.98 sqm (together called as demised plot) situated at Gat No.701 village Chikalhana, Taluka and District Aurangabad within the limits of Aurangabad Municipal Corporation.
Calculation by Audit	
Annual Statement of Rates	2015
Mouza	Chikalhana, Taluka and District Aurangabad
Survey/Gut Nos.	701
Zone/Vibhag No.	10.156
Rate of open land	₹ 22,200 per sqm
Residential unit rate	₹ 29,700 per sqm
Area of land As per paragraph on page 10 of the document Land and TDR are jointly considered as demised plot. Hence area of land is 5203.69 sqm	3716.71 sqm + 1486.98 sqm Total 5203.69 sqm
Market Value of Developer's share 5203.69 sqm X ₹ 22,200 = ₹ 11,55,21,918	₹ 11,55,21,918
Total market Value of land (A)	₹ 11,55,21,918
Amount of Owner's Share (Consideration)	
Owner's Share 48% (a) 5203.69 sqm X 48% = 2497.77 sqm 2497.77 sqm X ₹ 29,700 X 0.85 = ₹ 6,30,56,204	₹ 6,30,56,204
Interest on deposit of ₹ 1,75,00,000/- (b) For 2 years (by applying instruction no. 33(A) (ii) of ASR) i.e., ₹ 1,75,00,000 X 10% X 2 = ₹ 35,00,000	₹ 35,00,000
Total Amount of Consideration (a+b) (B)	₹ 6,65,56,204
Stamp Duty leviable @ 5% on market value being higher than consideration	₹ 57,76,096
Stamp Duty levied	₹ 18,37,500
Stamp Duty Short levied	₹ 39,38,596
Calculation by department	
Amount of Consideration	₹ 3,56,80,416
Market Value of land	₹ 3,56,80,416
Stamp duty levied	₹ 18,37,500

Appendix 2.11.2

(Reference: Paragraph 2.11.1.2; Page: 77)

Short levy of Stamp Duty of ₹ 55.13 lakh due to incorrect calculation of owner's share

Name of the Office	Joint Sub-Registrar Class-II, Amravati City-II, District Amravati		
Document No. & Year	2587/2016		
Details of property	For development of land admeasuring 14,600 sqm bearing survey No. 159/1, 159/2 and 162 and land admeasuring 4800 sqm of survey No. 160 and 164/2, total land admeasuring 19,400 sqm situated at <i>Mouze Badnera Taluka Amravati</i> within the limits of Amravati Municipal Corporation.		
Calculation by Audit			
Annual Statement of Rates	2016-17		
<i>Mouza</i>	Badnera Dist. Amravati		
Rate of open land for Survey No.159/1, 159/2 and 162 (Zone 17.522)	₹ 2,000 per sqm		
Rate of open land for Survey No.160 and 164/2 (Zone 17.435)	₹ 1,050 per sqm		
Minimum residential unit rate as per instruction No. 7(i) (B) of ASR 2016-17 (1050 + 19000) X 1.15 = ₹ 23,058	₹ 23,058 per sqm		
Survey No. & Area of land	Survey No./Hissa No.	Area in Hectare	Area in sqm
	159/1	0-51	5100
	159/2	0-11	1100
	160	0-16	1600
	162	0-84	8400
	164/2	0-32	3200
		1-94	19400
Calculation of Developer's share (Market Value of Whole land)			
For Survey No.159/1, 159/2 and 162 (5100 sqm+1100 sqm+8400 sqm=14,600 sqm) 14600 X 2000 = ₹ 2,92,00,000(a)	₹ 2,92,00,000		
For Survey No.160 and 164/2 (1600 sqm + 3200 sqm = 4,800 sqm) 4800 X 1050 = ₹ 50,40,000(b)	₹ 50,40,000		
Total market Value of land (a+b) (A)	₹ 3,42,40,000		
Calculation of Owner's Share (Consideration)			
Owner's Share 35 per cent 19,400 sqm X 35 % = 6790 sqm 6790 sqm X ₹ 23,058 X 0.85 = ₹ 13,30,79,247	₹ 13,30,79,247		
Total Amount of Owner's Share (B)	₹ 13,30,79,247		
Stamp Duty leviable @ 5%	₹ 66,53,962		
Stamp Duty levied	₹ 11,41,400		
Stamp Duty short levied	₹ 55,12,562		
Calculation by Joint Sub Registrar-II, Amravati, District Amravati			
Amount of Consideration	₹ 2,28,27,000		
Market Value of land	₹ 2,28,27,000		
Stamp duty levied	₹ 11,41,400		

Appendix 2.11.2 (concl...)	
Calculation by Joint District Registrar, Class-I, Amravati, District Amravati	
Amount of Consideration (Owner's Share)	
Area of plot after excluding road and open space 16675.17 As per DCR FSI - 1.1 Permissible built up area 18342.68 sqm (19000+1050)X1.15X18342.68=₹ 42,29,36,344 Owner's Share 35 per cent ₹ 42,29,36,344X35%X0.85= ₹ 12,58,23,662.36	₹ 12,58,23,662.36
Stamp duty leviable ₹ 12,58,23,662.36 X 5% = ₹ 62,91,183	₹ 62,91,183
Stamp duty levied	₹ 11,41,400
Short levy of Stamp Duty	₹ 51,49,783
Calculation by Office of the Inspector General of Registration and Controller of Stamps, Pune	
Annual Statement of Rates	2016-17
<i>Mouza</i>	Badnera Dist. Amravati
Rate of open land for Survey No.159/1, 159/2 and 162 (Zone 17.522)	₹ 2,000 per sqm
Rate of open land for Survey No.160 and 164/2 (Zone 17.435)	₹ 1,050 per sqm
Minimum residential unit rate as per instruction No. 7(i) (B) of ASR 2016-17 (1050 + 19000) X 1.15 = ₹ 23,058	₹ 23,058 per sqm
Total Area	19,400 sqm
Calculation of Developer's share (Market Value of Whole land)	₹ 2,92,00,000
For Survey No.159/1, 159/2 and 162 (5100 sqm+1100 sqm+8400 sqm = 14,600 sqm) 14600 X 2000 =₹ 2,92,00,000(a)	₹ 50,40,000
For Survey No.160 and 164/2 (1600 sqm + 3200 sqm = 4,800 sqm) 4800 X 1050 = ₹ 50,40,000(b)	
Total market Value of land (a +b) (A)	₹ 3,42,40,000
Calculation of Owner's Share (Consideration)	
Total permissible built up area 21010.71 sqm out of this Owner's Share 35 per cent 21,010.71 sqm X35 % = 7353.74 sqm 7353.74 sqm X ₹ 24,150 X 0.85 = ₹ 15,09,53,898	₹ 15,09,53,898
Total Amount of Owner's Share (B)	₹ 15,09,53,898
Stamp Duty leviable @ 5%	₹ 75,47,694
Stamp Duty levied	₹ 11,41,400
Stamp Duty short levied	₹ 64,06,294

Appendix 2.11.3

(Reference: Paragraph 2.11.1.3; Page: 78)

Short levy of Stamp Duty of ₹ 1.07 crore due to incorrect consideration of Owner's share

Name of the Office	Joint Sub-Registrar-VIII, Haveli Dist. Pune		
Document No. & Year	5469 / 2016		
Details of land	Development of land admeasuring 67,272 sqm at Survey No. 15 part and 16 part, situated at village Yeolewadi, Taluka Haveli, within the limits of Pune Municipal Corporation. (Detail survey wise as under)		
	Survey No.	Area in HR	Area in sqm
	15/1(part)	00H 53.72 R	5,372
	16/1/4	00H 23.00 R	2,300
	16/1/8A/1	00H 68.00 R	6,800
	16/1/8A/2	00H 68.00 R	6,800
	16/1/8B/1	01H 02.00 R	10,200
	16/1/8B/2	00H 34.00 R	3,400
	16/1/9	00H 61.00 R	6,100
	16/1/10	00H 83.00 R	8,300
	16/1/11	00H 33.00 R	3,300
	16/1/12/2	01H 04.00 R	10,400
	16/1/12/3	00H 68.00 R	4,300
	Total	06H 72.72 R	67,272
Calculation by Audit			
Annual Statement of Rates	2016-17		
Zone No. /Vibhag No.	65/717, 65/718		
Mouza/Village	Yeolewadi		
Rate of open land for survey No.15	₹ 10,000 per sqm		
Residential Unit Rate for survey No.15	₹ 35,000 per sqm		
Rate of open land for survey No.16	₹ 9,000 per sqm		
Residential Unit Rate for survey No.16	₹ 33,000 per sqm		
Area of land	5,372 sqm of survey No. 15/1 (part) and 61,900 sqm of survey No.16 (part) total 67,272 sqm		
Ratio of share between Owner : Developer	Unsold units 28.20: 71.80 Allotted Premises 12.90: 87.10 Row house & villas 43.00:57.00		
Market Value of land as per instruction 16(c) of ASR 5,372 sqmX₹ 10,000X90% =₹ 4,83,48,000 (a) 61,900 sqm X ₹ 9,000 x 90% = ₹ 50,13,90,000 (b) Total : (a+b) = ₹ 54,97,38,000	₹ 54,97,38,000		
Amount of Consideration (Owner's Share) Note : Rate of residential building in respect of Survey No. 16 is adopted (being lower) for the purpose of valuation			
Share in sale proceeds for allotted premises Area 3,00,853 sq.ft. i.e 27,960.31 sqm 27,960.31 sqm X 12.9 % X ₹ 33000 X 0.85	₹ 10,11,72,984 (A)		
Share in sale proceeds for row house and villa Area 6,749.38 sqm 6,749.38 sqm X 43 % X ₹ 33,000 X 0.85	₹ 8,14,07,647 (B)		

Appendix 2.11.3 (concl...)	
Share in sale proceeds for unsold premises Total FSI = 74,202 sqm 74,202sqm - 27,960.31 sqm -6,749.38 sqm= 39,492.31 sqm 39,492.31 sqm X 28.20 % X ₹ 33,000 X0.85	₹ 31,23,88,121 (C)
Total Amount of Consideration (A+B+C)	₹ 49,49,68,752
Stamp Duty leviable @ 5% on market value being higher	₹ 2,74,86,900
Stamp Duty levied	₹ 1,67,55,000
Short levy of Stamp Duty	₹ 1,07,31,900
Calculation by Joint Sub Registrar-VIII, Haveli Dist. Pune	
Market value	₹ 12,04,35,200
Consideration	₹ 33,50,65,000
Stamp Duty levied	₹ 1,67,55,000
Calculation by Inspector General of Registration and Controller of Stamps, Pune	
Market value of land as per instruction 31 of ASR 67,672 sqm x ₹ 10,000 x 1.25	₹ 84,09,00,000
Stamp Duty leviable	₹ 4,20,45,000
Stamp Duty levied	₹ 1,67,55,000
Short levy of Stamp Duty	₹ 2,52,90,000

Appendix 2.11.4

(Reference: Paragraph 2.11.2.1; Page: 79)

Short levy of Stamp Duty of ₹ 10.27 lakh due to incorrect calculation of Owner's share

Name of the Office	Joint Sub Registrar, Haveli-X, Dist. Pune
Document No. & Year	2036/2015
Details of property	For development of piece and parcel of land admeasuring 3,600 sqm bearing Gut No.637 of village Kirkatwadi (Influence area), Taluka Haveli, District Pune
Calculation by Audit	
Annual Statement of Rates	2015
Mouza	Kirkatwadi (Influence area), Taluka Haveli, District Pune
Gut No.	637
Rate of open land /Zone/Vibhag No.25/25.1	₹ 1,340 per sqm
Construction Rate	₹ 15,400 per sqm
Area of land	3,600 sqm
Amount of Consideration (Owner's Share)	
Area of Owners 18480 sq.ft. i.e 1717.47 sqm 1717.47 sqm X ₹ 15,400	₹ 2,64,49,038 (a)
Interest on security deposit of ₹ 44,00,000 for 7 years i.e. ₹ 44,00,000 X 10% X 7 years	₹ 30,80,000 (b)
Two bungalow plots 2 X 200 sqm X ₹ 1,340	₹ 5,36,000 (c)
Total Amount of Consideration (a + b + c)	₹ 3,00,65,038 (A)
Market value of Developer's share	
As agreed ratio of sharing of proposed constructed area is 40 (Owner): 60 (Developer), the same is applied to arrive at area of the land comprised in the share of Developer for application of VG 32: 60% of 3600 = 2160 sqm X ₹ 1,340	₹ 28,94,400 (B)
Stamp Duty leviable @ 4% on consideration	₹ 12,02,602
Stamp Duty levied	₹ 1,76,000
Stamp Duty short levied	₹ 10,26,602
Calculation by department	
Amount of Consideration	₹ 44,00,000
Market Value of land	₹ 42,00,000
Stamp duty levied	₹ 1,76,000

Appendix 2.11.5

(Reference: Paragraph 2.11.3.1; Page: 80)

Short levy of Stamp Duty of ₹ 91.43 lakh due to undervaluation of property.

Name of the Office	Joint Sub Registrar, Mumbai-I
Document No. & Year	7992/2015
Details of property	admeasuring area 648.83 sqm. being, lying and situated at 56-62, A, August Kranti Marg, bearing CTS No. 540 of Malabar – Cumballa Hill Division
Calculation by Audit	
ASR	2015
Zone /Division No	7/64A
Construction cost	₹ 25,000 per Sqm
Rate of open land	₹ 2,74,400 per Sqm
Plot Area in Sqm	648.83 sqm
Total FSI (3*648.83)	1946.49 sqm
Total area with existing members	2064.20 sqm (A)
Add 50 % of Total area with the existing members as incentive FSI	1032.10 sqm (B)
Total (A + B)	3096.30 sqm
Less Area to be available with the existing tenants (members)	2064.20 sqm
Balance Area available to developer	1032.10 sqm
Market value of balance area (1032.10*₹ 274400)	₹ 28,32,08,240
Market Value of fungible area available to developer 1032.10*0.35*274400*0.4	₹ 3,96,49,154
Total MV	₹ 32,28,57,394
Consideration	
Construction cost of area to be given to members (2777.98*25000)	₹ 6,94,49,500
Car Parking cost (32*13.75* 25000*0.25)	₹ 27,50,000
Hardship compensation	₹ 3,33,00,000
Displacement compensation (28417800*3)	₹ 8,52,53,400
Brokerage charges (one month rent) (28417800/12)	₹ 23,68,150
Shifting charges(16*2*15000)	₹ 4,80,000
Total consideration	₹ 19,36,01,050
Stamp Duty leviable @ 5% on Market value (₹ 32,28,57,394)	₹ 1,61,42,870
Stamp Duty levied	₹ 70,00,000
Short levy of Stamp Duty	₹ 91,42,870
Calculation by department	
Amount of Consideration	₹ 13,95,86,500
Market Value of land	₹ 13,95,86,500
Stamp duty levied	₹ 70,00,000

Appendix 2.11.6

(Reference: Paragraph 2.11.3.2; Page: 81)

Short levy of Stamp Duty of ₹ 17.70 lakh due to incorrect calculation of consideration – Redevelopment of Society

Name of the Office	Joint Sub Registrar-VII, Borivali
Document No. & Year	8840/2014
Details of property	All pieces or parcel of Khote land admeasuring 3539.58 sqm. Bearing CTS No. 1404, 1404/1 to 23 at Village Eksar, Taluka Borivali, Mumbai Suburban District.
Calculation by Audit	
ASR	2014
CTS No.	1404, 1404/1 to 23
Zone /Division No	87/394
Construction Cost	₹ 17,600 per sqm
Flat Rate	₹ 1,02,300 per sqm
Rate of open land	₹ 46,100 per sqm
Plot Area in Sqm	3539.58 sqm
Total FSI (2.7*3539.58)	9556.87 sqm
Total area to be given to the members	3786.10 sqm
Balance Area available to developer	5770.77 sqm
Market value of balance area available to developer (5770.77 * ₹ 46,100)	₹ 26,60,32,497
Less Premium payable on FSI/TDR (3539.58 * 1.7 * 0.6 * ₹ 46,100)	₹ 16,64,38,131
Market value (₹ 19,62,06,180 - ₹ 12,27,52,634)	₹ 9,95,94,366
Consideration	
Construction cost (3786.10*₹ 17,600) (A)	₹ 6,66,35,360
Car Parking cost (49*13.75*₹ 17,600*0.25) (B)	₹ 29,64,500
Corpus Fund (C)	₹ 3,46,12,212
Rent for Residential (D) (For First Twelve Months - ₹ 1,55,29,147 For Second Twelve Months - ₹ 1,70,82,062 For Third Twelve Months - ₹ 1,87,90,268 For Fourth Six Months - ₹ 1,03,34,647	₹ 6,17,36,124
Rent for Commercial (E) (For First Twelve Months - ₹ 43,88,698 For Second Twelve Months - ₹ 48,27,567 For Third Twelve Months - ₹ 53,10,324 For Fourth Six Months - ₹ 29,20,678	₹ 1,74,47,267
Brokerage charges for Residential (Two month rent) (F)	₹ 25,88,191
Brokerage charges for Shop (G)	₹ 7,31,450
Shifting charges (49 * ₹ 20,000) (H)	₹ 9,80,000
Architect/Consultant Fees (₹ 2,00,000*4) (I)	₹ 8,00,000
Society Office (20*₹ 17,600) (J)	₹ 3,52,000
Total consideration (A+B+C+D+E+F+G+H+I+J)	₹ 1,88,47,104
Stamp Duty leviable @ 5% on consideration	₹ 94,42,355
Stamp Duty leviable on Bank Guarantee (₹ 8,00,00,000) under Article 54	₹ 4,00,000
Total Stamp Duty leviable	₹ 98,42,355

Appendix 2.11.6 (cont...)					
Stamp Duty levied at the time of registration of instrument					₹ 22,85,000
Short levy of Stamp Duty pointed out by Audit					₹ 75,57,355
Stamp Duty recovered after pointed out by Audit					₹ 58,50,050
Balance amount of short recovery of Stamp Duty					₹ 17,07,305
Calculation by Joint Sub Registrar-VII, Borivali, Mumbai Suburban District.					
Amount of Consideration					₹ 3,46,12,213
Market Value					₹ Nil
Stamp Duty levied					₹ 22,85,000
Calculation by Collector of Stamps, Borivali, Mumbai Suburban District					
Agreement to Grant Development Rights (42 months + 6 months grace period)					
BRL-7/8840/2014	Land	Flat	Office	Shop	Construction Cost
2014	34,000	75,200			17600
Zone- Village- Eksar	85/384				
Plot area	3539.58	Sq. mtrs			
		Existing Carpet Area in Sq.ft.	Existing Buildup area in Sq. mt.		
Existing area of members		23854.04	2660.30		
No. of Members/ Flat	49				
Residential Members	41	21568.26	2405.38		
Shop members	8	2285.78	254.92		
		New Carpet area in Sq. ft.	Total New Buildup Area in Sq mtr		
Additional New Area	49	33948.70	3786.10		
Residential Members (33%+7% =40%)	41	30695.81	3423.32		
Shop members (33%+7% =40%)	8	3252.89	362.78		
Permissible Area	3539.58	x	2.70	=	9556.87
Fungible FSI	Free Fungible		Chargeable Fungible residential		
2,477.71	892.87		1,584.84		
Permissible/Potential Type of FSI	Area in Sq mtr.	X Land Rate	X Multifunction	= Total value of ₹	
Existing Basic-I	3,539.58	34,000			120,345.72
Available TDR I	3,539.58	34,000	0.40		48,138,288
Fungible FSI (3539.58 +3539.58=7079.16) 7079.16x0.35 =2477.71 sq.mtr					
7,079.16	2,477.71				
Free Fungible on Existing Residential and shop	892.87	34,000	1.00		30,357,502
Free Fungible Residential	2,405.38	0.35	841.88		
Free fungible shop	254.92	0.20	50.98		
Total Free Fungible			892.87		
Charging Premium on Residential (2477.71-892.87-50.98=1533.85)	1,533.85	34,000	0.40		20,860,419

Appendix 2.11.6 (concl...)					
(On Shop there is 100% Charging premium i.e there is no free fungible on shop)					
Charging premium on Shop	50.98	34,000	1.00		1,733,454
Total	9,556.87				221,435,383
Average Rate	Total Value/total area		23170.29		
Market Value	Balance Area *				
	Average Rate				
9,556.87	3786.10	=	5,770.77	Sq.mtrs	
	Balance Area *				
	Average Rate				
	5,770.77	23170.29			133,710,329
Value of Developers area is Market Value is i.e ₹					133,711,000
Consideration					Amount in ₹
New area given to Residential & Shop Members	3786.10	17600			66635367
Corpus Fund to Residential &	23854.04	1451			34612212
Rent For Residential For First 12 months	21568.26	60	12		15529147
For second 12 months (10%)	21568.26	66	12		17082062
For Third 12 months (10%)	21568.26	72.60	12		18790268
For Fourth 6 months (10%)	21568.26	79.86	6		10334647
5. Brokeagare for Residential					
For First 12 months	21568.26	60	2		2588191
6. Rent to shop					
For First 12 Months (10%)	2285.78	160	12		4388698
For Second 12 Months (10%)	2285.78	176	12		4827567
For Third 12 Months (10%)	2285.78	193.6	12		5310324
For Fourth 6 Months (10%)	2285.78	212.96	6		2920678
7. Brokerage For Shop					
For First Term	2285.78	160	2		731450
8. Shifting Charges	20000	49			980000
9. Car Parking	13.75	17600	49	0.25	2964500
10. Society office	20.00	17600			352000
11. Advocate Fee					800000
				Total	188847111
				Total Consideration	188848000
				SD leviable on 5(g-a)	94,42,400
				SD leviable on 54(ii)	4,00,000
				Total SD leviable	98,42,400
				Total SD levied	2285000
				SD recovered vide challan 24.06.2019	5850050
				Outstanding amount of SD	1707350

Appendix 2.12.1

(Reference: Paragraph 2.12.1; Page: 82)

Short levy of Stamp Duty of ₹ 40.96 lakh due to undervaluation of property

Name of the Office	Joint Sub Registrar-II, Haveli, Dist. Pune
Paragraph No. and year of Inspection Report	Paragraph-4 of Inspection Report-2016-17
Document No. & Year	1571/2016
Details of property	For land admeasuring 40 Ares i.e 4000 sqm of Survey No. 90/B, land admeasuring 1 hectre 42 Ares i.e 14200 sqm of Survey No.90/A/2 and land admeasuring 61 Ares i.e 6100 sqm of survey No. 90/A/1/2 i.e total land admeasuring 2 hectare 43 Ares i.e 24300 sqm situated at village Dhanorie, Taluka Haveli District Pune within the limits of Pune Municipal Corporation
Calculation by Audit	
Annual Statement of Rates	2015
Zone No.	26/409
Mouza/Village	Dhanorie, Taluka Haveli
Survey No.	90/B, 90/A/2 and 90/A/1/2
Rate of open land	₹ 14,040 per sqm
Area of land	24,300 sqm
True market value of land as per instruction No. 16 (b) 500 sqm X 14,040 X 100 % = ₹ 70,20,000 1,500 sqm X 14,040 X 90 % = ₹ 1,89,54,000 2,000 sqm X 14,040 X 80 % = ₹ 2,24,64,000 6,000 sqm X 14,040 X 70 % = ₹ 5,89,68,000 14,300 sqm X 14,040 X 60 % = ₹ 12,04,63,200 Total : ₹ 22,78,69,200	₹ 22,78,69,200
Stamp Duty leviable @ 6%	₹ 1,36,72,152
Stamp Duty levied	₹ 95,76,000
Short levy of Stamp Duty	₹ 40,96,152
Calculation by Joint Sub Registrar-II, Haveli, District Pune	
Annual Statement of Rates	2015
Zone No.	26/409
Mouza/Village	Dhanorie, Taluka Haveli
Survey No.	90/B, 90/A/2 and 90/A/1/2
Rate of open land	₹ 14,040 per sqm
Area of land	24,300 sqm
Market value of land as per instruction No. 16 (B) 500 sqm X 14,040 X 100 % = ₹ 70,20,000 1,500 sqm X 14,040 X 90 % = ₹ 1,89,54,000 2,000 sqm X 14,040 X 80 % = ₹ 2,24,64,000 6,000 sqm X 14,040 X 70 % = ₹ 5,89,68,000 14,300 sqm X 14,040 X 60 % = ₹ 12,04,63,200 Total : ₹ 22,78,69,200	₹ 22,78,69,200
70 per cent of the Market Value (A)	₹ 15,96,00,000
Amount of Consideration (B)	₹ 8,62,00,000
Stamp Duty levied @ 6 % on 70 per cent of market value (A)	₹ 95,76,000

Appendix 2.12.2

(Reference: Paragraph 2.12.2; Page: 83)

Short levy of Stamp Duty of ₹ 56.06 lakh due to undervaluation of property

Name of the Office	Joint Sub Registrar, Andheri – I,MSD
Document No. & Year	9353/2018
Details of property	For rectifying the area of land in conveyance deed admeasuring 1012.80 sqm i.e 3922 sqm to 4934.80 sqm of CTS No.435, 435/1 situated at village Vile Parle (West), Taluka Andheri, Mumbai Suburban District.
Calculation by Audit	
Annual Statement of Rates	2017-18
Zone No.	37/190
Mouza/Village	Vile Parle (West), Taluka Andheri MSD
CTS No.	434, 435, 435/1
Rate of open land	₹ 1,57,000 per sqm
Area of land	1012.80 sqm
Market value of land 1012.80 sqm X ₹ 1,57,000	₹ 15,90,09,600
Stamp Duty leviable @ 5 % on market value	₹ 79,50,480
Stamp Duty levied	₹ 23,44,300
Short levy of Stamp Duty	₹ 56,06,180
Calculation by Joint Sub Registrar, Andheri-I, MSD	
Amount of Consideration	Nil
Market Value of Property	₹ 4,68,86,000
Stamp duty levied	₹ 23,44,300

Appendix 2.13.1*(Reference: Paragraph 2.13; Page: 84)***Short levy of Stamp Duty of ₹ 30.00 lakh due to clubbing of Mortgage Deeds.**

Name of the Office	Collector of Stamps, Andheri, District Mumbai Suburban.			
ADJ Case No.	ADJ/1100900/1108/2018 dated 11/10/2018.			
Details of transaction	For securing total amount of loan of ₹ 625,00,00,000 through Agreement dated 28 February 2018 amounting to ₹ 145,00,00,000, loan of agreement dated 22 December 2017 amounting to ₹ 200,00,00,000, loan agreement dated 26 June 2018 amounting to ₹ 160,00,00,000 and loan agreement dated 12 September 2018 amounting to ₹ 120,00,00,000.			
Calculation by Audit				
				Amount in ₹
Loan Agreement date	Sanction date	Loan Amount and Interest Rate	Stamp Duty @ 0.5% leviable	Stamp Duty restricted as per article 40(b)
28.02.2018	21.02.2018	₹ 145,00,00,000 (Interest rate 14.10%)	₹ 72,50,000	₹ 10,00,000
22.12.2017	15.12.2017	₹ 200,00,00,000 (Interest rate 14.10%)	₹ 100,00,000	₹ 10,00,000
26.06.2018	20.06.2018	₹ 160,00,00,000 (Interest rate 15.00%)	₹ 80,00,000	₹ 10,00,000
12.09.2018	10.09.2018	₹ 120,00,00,000 (Interest rate 15.90%)	₹ 60,00,000	₹ 10,00,000
		₹ 625,00,00,000	Total Stamp duty Payable	₹ 40,00,000
	Stamp duty levied			₹ 10,00,000
	Short levy of Stamp duty			₹ 30,00,000
Calculation by Collector of Stamps, Andheri, Mumbai Suburban District				
Loan amount	₹ 625,00,00,000			
Stamp duty levied	₹ 10,00,000			

Appendix 2.14.1

(Reference: Paragraph 2.14; Page: 84)

Short levy of Stamp Duty of ₹ 23.12 lakh due to undervaluation of property

Name of the Office	Joint Sub Registrar, Mumbai City-I	
Document No. & Year	13461/2015	
Details of property	30% interest of the First Releasers in All those pieces of parcels of leasehold land situated at the junction of Colaba Road, ward No. A 206, (1,1A) street No. 147 & 5 & 7A Colaba Road, Sassoon Dock and bearing Cadastral Survey No. 64 of Colaba Division admeasuring 2170.58 sqm. (as per Deed of Transfer dated 8 th July 2002) and 1781.79 sqm. (as per the survey register for the Town & Island of Bombay) also the strip of land bearing Cadastral Survey No. 1/64 in the "A" ward street No. 147 admeasuring 388.80 Sqm. The total constructed area of the structures constructed prior to the year 1931 on the said Entire Property is 2507.23 sqm. (built up area), out of which 423.60 sqm. (built up area) is used for Commercial purpose and 2080 sqm. (built up area) is used for Residential Purpose.	
Calculation by Audit		
	Type	Release deed
	Adj No.	ADJ/M/1145/2015
	RR Zone	1/5
	Date of Execution	30.12.2015
	Year of ASR	2015
	Rate of open land	₹ 2,71,900
	Residential rate	₹ 6,02,500
	Commercial rate at ground floor	₹ 8,26,700
X	Plot area	2170.58 sqm.
Y	Permissible FSI (cessed property)	3
XY	Total allowable area for plot (2170.58 sqm x 3)	6511.74 sqm.
B	Monthly rent of tenants ₹ 666+ ₹ 540+ ₹ 808= ₹ 2014	₹ 2014
Z	Total area in the possession of tenant ((882 sqm +2046sqm +2348sqm) x 1.2) / 10.76	588.40 sqm.
H	Total Residential area in possession of Releaser and Releasee (Perpetual Lease holder) (2080.62 sqm – 588.40 sqm)	1492.22 sqm
H	Total Commercial area in possession of Releaser and Releasee (Perpetual Lease holder)	423.60 sqm
(XY-Z-H)	Balance FSI (6511.74 sqm-588.40 sqm -1492.22 sqm-423.60 sqm)	4007.52 sqm.
<p>Instruction No. 1 of the ASR for value of old property with tenants. Example 2 : If total area under tenants' occupation is less then total allowable area as per permitted F.S.I. i.e. If Z < XY then market value should be as under. = 112B + [(XY - Z - H) x (Land Rate as per Ready Reckoner)]+ (H x Depreciated Market Value rate as per age and use of property) Market value = 122 X ₹ 2014 + {(6511.74 – 588.40 – 1915.82) X ₹ 271900} + {423.60 X (₹ 826700 X 30%) } + {1492.22 X (₹ 602500 X 30%)} Market value = ₹ 245708 + (4007.52 X ₹ 271900) + (423.60 X ₹ 248010) + (1492.22 X ₹ 180750) Market value = ₹ 245708 + ₹ 1089644688 + ₹ 105057036 + ₹ 269718765</p>		
	Market Value	₹ 146,46,66,197
	30% of Total Market Value	₹ 43,93,99,860
	Consideration	₹ 3,70,00,000

Appendix 2.14.1 (contd...)	
Stamp duty leviable @ 5% on market value	₹ 2,19,69,993
Stamp duty leviable rounded off	₹ 2,19,70,000
Stamp duty levied	₹ 1,96,57,900
Short levy of Stamp Duty	₹ 23,12,100
Calculation by Joint Sub Registrar, Mumbai City-I	
Amount of Consideration	₹ 3,70,00,000
Market Value of land	₹ 39,31,57,000
Stamp duty levied	₹ 1,96,57,900

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