

**Compliance Audit Report of the
Comptroller and Auditor
General of India**

on

Revenue Sector

for the year ended 31 March 2022

**Government of Kerala
Report No. 2 of the year 2023**

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Preface

This Compliance Audit Report of the Comptroller and Auditor General of India is prepared for submission to the Governor under Article 151 (2) of the Constitution of India for being laid before the State Legislature.

The Report contains significant results of the Compliance Audit of the Departments of Government of Kerala under Revenue Sector, including State Goods and Services Tax Department, Transport Department, Excise Department and Registration Department.

The instances mentioned in this Report are those which came to notice in the course of test audit of records during the period 2021-22 as well as those which came to notice in earlier years but could not be reported in previous Audit Reports. Instances relating to the period subsequent to 2021-22 are also included wherever necessary.

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

Overview

Overview

The Report contains 33 paragraphs including one Subject Specific Compliance Audit involving revenue impact of ₹127.17 crore. Some of the major findings are mentioned below:

I. General

Total revenue receipts of the State Government for the year 2021-22 amounted to ₹1,16,640.24 crore against ₹97,616.83 crore and ₹90,224.67 crore for the previous years of 2020-21 and 2019-20 respectively. The State's own revenue was ₹68,803.03 crore (59 *per cent* of total receipts); the share of receipts from Government of India was ₹47,837.21 crore (41 *per cent* of total receipts).

(Paragraph 1.1.1)

Arrears of revenue on some principal heads of revenue amounted to ₹28,258.39 crore, which amount to 24.23 *per cent* of the total revenue of the State.

(Paragraph 1.2)

At the end of June 2022, 16,701 paragraphs involving ₹5,084.70 crore relating to 2,625 Inspection Reports issued up to December 2021 were outstanding.

(Paragraph 1.7)

II. Goods and Services Tax

Subject Specific Compliance Audit on 'Department's oversight on GST payments and Return filing'

Audit observed compliance deficiencies with a revenue implication of ₹35.55 crore. The irregularities pertained mostly to availing of ineligible and irregular ITC, misclassification of supplies, exclusion of supplies for taxation, undervaluation of supplies and incorrect discharge of tax under RCM.

(Paragraph 2.4.9)

III. Taxes/ VAT on sales, trade, etc.

Failure of the assessing officer to apply correct rule led to short levy of tax and interest of ₹0.84 crore.

(Paragraph 3.1.1)

Undue benefit by applying compounding tax to an ineligible assessee resulted in short levy of tax and interest amounting to ₹0.34 crore.

(Paragraph 3.1.4)

Irregular grant of input tax credit to an assessee under compounding scheme resulted in short levy of tax and interest amounting to ₹0.48 crore.

(Paragraph 3.2.1)

Undue benefit of ₹0.48 crore to an assessee by allowing ineligible input tax credit.

(Paragraph 3.2.2)

Failure of the assessing authority to verify necessary documents for granting concessional rate of tax resulted in short levy of tax and interest amounting to ₹3.84 crore.

(Paragraph 3.2.5)

Failure of the Assessing Authority to detect suppressed turnover while completing the assessment resulted in short levy of tax and interest amounting to ₹0.60 crore.

(Paragraph 3.3.1)

Failure of the assessing authority to cross verify interstate stock transfer resulted in short levy of tax and interest amounting to ₹0.50 crore.

(Paragraph 3.3.2)

Irregular exemption for interstate purchase return without relevant documents resulted in short levy of tax and interest amounting to ₹0.41 crore.

(Paragraph 3.3.3)

Non remittance of collected tax by suppressing the sales turnover resulted in non-levy of tax and interest amounting to ₹0.48 crore.

(Paragraph 3.5)

IV. Taxes on Vehicles

Absence of basic checks in the records in the database by the officials at Regional/ Sub-Regional Transport Offices resulted in non/ short levy of tax amounting of ₹72.98 crore.

(Paragraph 4.4 to 4.10)

V. State Excise

Non-realisation of additional security amount fixed by the Government resulted in non-levy of ₹2.51 crore.

(Paragraph 5.4)

Irregular transfer of foreign liquor licenses instead of issuing fresh licenses resulted in short collection of ₹2.17 crore.

(Paragraph 5.5)

Non-imposition of fine for unauthorised reconstitution and non-collection of fees for regularisation resulted in non-realisation of ₹1.32 crore.

(Paragraph 5.6)

VI. Stamp duty and Registration fee

Splitting up of property resulted in short collection of revenue amounting to ₹0.08 crore.

(Paragraph 6.4.1 & 6.4.2)



Chapter I
General

CHAPTER-I GENERAL

1.1 Trend of Revenue Receipts

1.1.1 The tax and non-tax revenue raised by the Government of Kerala during the year 2021-22, the State's share of net proceeds of divisible Union taxes and duties assigned to the State, Grants-in-aid received from the Government of India during the year and the corresponding figures for the preceding four years, are mentioned in **Table - 1.1**.

Table 1.1
Trend of Revenue Receipts

(₹ in crore)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1	Revenue raised by the State Government					
	Tax revenue	46,459.61	50,644.10	50,323.14	47,660.84	58,340.52
	Non-tax revenue	11,199.61	11,783.24	12,265.22	7,327.31	10,462.51
	Total	57,659.22	62,427.34	62,588.36	54,988.15	68,803.03
2	Receipts from the Government of India					
	Share of net proceeds of divisible Union taxes and duties	16,833.08	19,038.17	16,401.05	11,560.40	17,820.09
	Grants-in-aid	8,527.84	11,388.96	11,235.26	31,068.28	30,017.12
	Total	25,360.92	30,427.13	27,636.31	42,628.68	47,837.21
3	Total revenue receipts of the State Government (1 and 2)	83,020.14	92,854.47	90,224.67	97,616.83	1,16,640.24
4	Percentage of 1 to 3	69	67	69	56	59

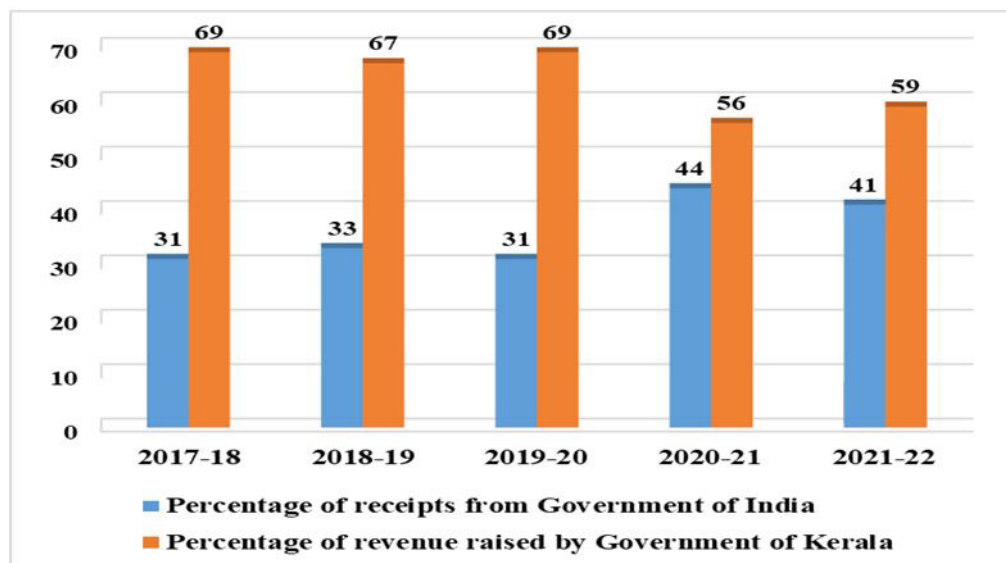
Source: Finance Accounts prepared by PAG (A&E), Kerala.

The above table indicates that during the year 2021-22, the revenue raised by the State Government (₹68,803.03 crore) was 59 *per cent* of the total revenue receipts. The balance 41 *per cent* of the revenue during 2021-22 was share of net proceeds of divisible Union taxes and duties and Grants-in-aid from the Government of India. Even though revenue raised by State Government during the year 2021-22 shows an increase from the previous year 2020-21, the percentage of revenue raised by State Government to total revenue receipts has reduced when compared with that of 2017-18, 2018-19 and 2019-20. The revenue receipts of the State increased by ₹19,023.41 crore during 2021-22, over 2020-21. This was mainly due to increase in own tax revenue by

₹10,679.68 crore followed by State's share of Union Taxes and duties by ₹6,259.69 crore.

1.1.2 The percentage-wise details of receipts from Government of India and revenue raised by Government of Kerala with respect to the total revenue receipts of the State Government for the last five years is shown in the **Chart - I** given below:

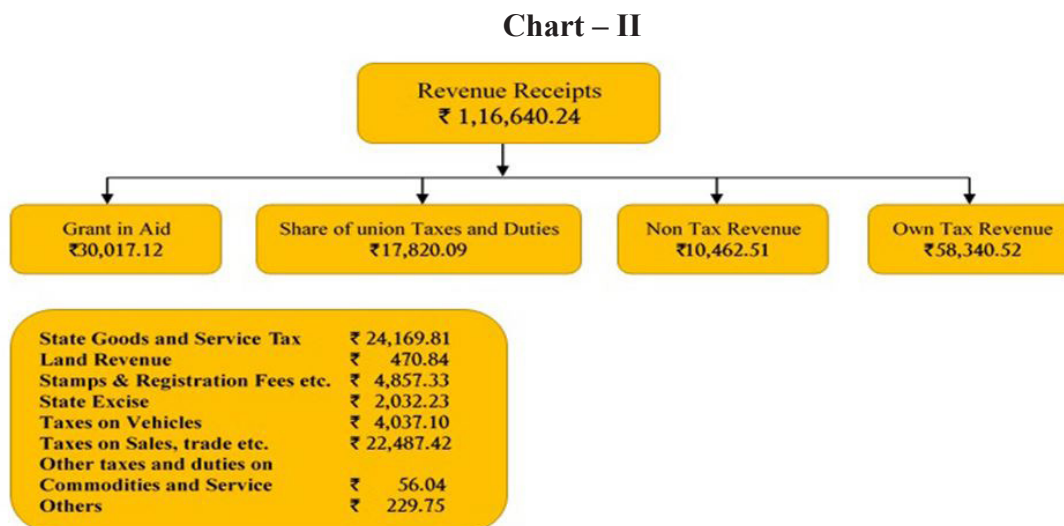
Chart – I
Percentage wise details of Revenue Receipts



As seen from above, during the year 2021-22 the receipts from the Government of India increased from 31 per cent in 2017-18 to 41 per cent in 2021-22, whereas the revenue collection by the State Government decreased from 69 per cent in 2017-18 to 59 per cent in 2021-22.

1.1.3 Composition of the revenue receipts

The **Chart - II** depicts the composition of the revenue receipts of the State during 2021-22.



1.1.4 Trends and growth of Revenue Receipts

The total revenue receipts of the State during 2021-22 was ₹1,16,640.24 crore. There was an increase of ₹19,023.41 crore (19.49 *per cent*) when compared to ₹97,616.83 crore in 2020-21. When compared to the year 2018-19 (pre-Covid period) the total revenue receipts increased by 25.62 *per cent*. The trends of components of revenue receipts is given in **Table - 1.2** below.

Table 1.2
Trend in Revenue Receipts

Parameters	2017-18	2018-19	2019-20	2020-21	2021-22
Revenue Receipts (RR) (₹ in crore)	83,020.14	92,854.47	90,224.67	97,616.83	1,16,640.24
Rate of growth of RR (<i>per cent</i>)	9.80	11.85	(-) 2.83	8.19	19.49
Own Tax Revenue	46,459.61	50,644.10	50,323.14	47,660.84	58,340.52
Non-Tax Revenue	11,199.61	11,783.24	12,265.22	7,327.31	10,462.51
Rate of growth of Own Revenue (Own Tax and Non-tax Revenue) (<i>per cent</i>)	11.15	8.27	0.26	(-) 12.14	25.12

Source: Finance Accounts of respective years.

1.1.5 State's own revenue

State's revenue consists of own tax revenue and non-tax revenue.

1.1.5.1 Own tax revenue

Own tax revenue of the State consists of state specific taxes like State GST, Excise etc. The trend of own tax revenue and analysis of its components during the period 2017-2022 is shown in **Table - 1.3**.

Table 1.3
Components of States' own tax revenue

Sl No.	Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	As percentage of total Own Tax revenue during 2021-22
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
1	State Goods and Services tax	12,007.69	21,014.71	20,446.95	20,028.31	24,169.81	41.43
2	Taxes on Sales, Trade etc.	24,577.82	19,225.75	19,649.64	17,689.17	22,487.42	38.55

Sl No.	Revenue Head	2017-18	2018-19	2019-20	2020-21	2021-22	As percentage of total Own Tax revenue during 2021-22
3	Stamps and Registration Fees	3,452.56	3,693.17	3,615.01	3,489.59	4,857.33	8.33
4	State Excise	2,240.42	2,521.40	2,255.28	2,329.22	2,032.23	3.48
5	Taxes on Vehicles	3,662.85	3,708.61	3,721.14	3,386.28	4,037.10	6.92
6	Land Revenue	162.17	202.78	332.42	493.35	470.84	0.81
7	Other Taxes and Duties on Commodities and Services	99.58	37.57	39.31	48.80	56.04	0.10
8	Others	256.52	240.11	263.39	196.12	229.75	0.39
	Total	46,459.61	50,644.10	50,323.14	47,660.84	58,340.52	100.00

Source: Statement 3 of Finance Accounts of respective years.

- State's own tax revenue increased by ₹10,679.68 crore from ₹47,660.84 crore in 2020-21 to ₹58,340.52 crore in 2021-22 marking a growth of 22.41 *per cent*. If compared with the pre-covid period, i.e. 2018-19, the growth rate was 15 *per cent*. The significant growth for the year 2021-22 was mainly due to fall in the GSDP¹ in the previous year (negative growth) due to COVID 19 pandemic. But as percentage to Revenue Receipts, it was 56 *per cent* during 2017-18, while during 2021-22 it was 50 *per cent*, thus indicating that in real terms, the own tax revenue has not grown much like it grew in pre-covid period.
- The revenue collection under State Excise decreased by ₹489.17 crore (19.40 *per cent*) from ₹2,521.40 crore in 2018-19 (pre-Covid period) to ₹2,032.23 crore in 2021-22.
- The growth rate of revenue collection under Land Revenue declined sharply from 48.41 *per cent* in 2020-21 to (-) 4.56 *per cent* in 2021-22. Out of the total collection of ₹470.84 crore in 2021-22, ₹239.48 crore (51 *per cent*) were the receipts collected under the Kerala Conservation of Paddy and Wetland (Amendment) Act, 2018.
- The GST collection increased from ₹20,028.31 crore in 2020-21 to ₹24,169.81 crore in 2021-22 recording an increase of ₹4,141.50 crore which was due to increase in sales turnover of goods and services. The increase in sales turnover of seven major commodities contributed to ₹9,406.85 crore reflecting the tax effect to ₹1,916.86 crore.

¹ Gross State Domestic Product (GSDP) is a measure in monetary terms, the sum total volume of all finished goods and services produced during a given period of time, usually a year, within the geographical boundaries of the State, accounted without duplication.

- The State received a total compensation of ₹12,594.86 crore on account of loss of revenue arising out of implementation of GST during 2021-22. Out of this, ₹3,855.55 crore was received by the State as grants under revenue receipts. The balance of ₹8,739.31 crore in GST compensation was received as back-to-back loan from Government of India.
- Certification of actual revenue for the years 2017-18 to 2021-22 for the purpose of compensation for the loss of revenue on account of implementation of GST is under progress (April 2023).
- The collection under 0040-Tax on Sales, Trade etc. pertains to the tax of ₹21,986.32 crore on sale of alcohol for human consumption as well as petroleum products except Liquefied Natural Gas.

1.1.5.2 Non tax revenue

The details of non-tax revenue raised during the period 2017-18 to 2021-22 are indicated in **Table - 1.4**.

Table 1.4
Main components of State's non-tax revenue

(₹ in crore)

Sl. No.	Revenue Heads	2017-18	2018-19	2019-20	2020-21	2021-22
1	State Lotteries	9,034.17	9,264.66	9,973.67	4,873.01	7,134.93
2	Dividends and profits	126.48	132.12	100.33	110.19	227.98
3	Forestry and Wildlife	245.42	287.21	255.85	236.61	200.57
4	Interest receipts	144.50	132.38	84.95	246.64	177.05
5	Other non-tax receipts	1,649.04	1,966.87	1,850.42	1,860.86	2,721.98
6	Non Tax revenue	11,199.61	11,783.24	12,265.22	7,327.31	10,462.51
7	Total Revenue Receipts	83,020.14	92,854.47	90,224.67	97,616.83	1,16,640.24
8	Non-tax revenue as a percentage of revenue receipts	13.49	12.69	13.59	7.51	8.97

Source: Statement 14 of Finance Accounts of respective years.

- The non-tax revenue which ranged between 7.51 *per cent* to 13.59 *per cent* of the own revenue of the State during the last five years increased by ₹3,135.20 crore (42.79 *per cent*) during 2021-22 over the previous year. This increase in non-tax revenue in 2021-22 was mainly due to increase in the receipts under the head State Lotteries (₹2,261.92 crore).
- The collection under Forestry and Wildlife during 2021-22, decreased by ₹36.04 crore (15.23 *per cent*) corresponding to that of the previous year. The reason attributed by the Department (March 2023) for the dent in collection

was that, the sale of timber, which is the major source of revenue to the department, was affected badly due to Covid-19.

1.2 Analysis of Arrears of Revenue

The total arrears of revenue as on 31 March 2022 on certain principal heads of revenue amounted ₹28,258.39 crore as detailed in **Table - 1.5** below:

Table 1.5
Arrears of revenue as on 31 March 2022

(₹ in crore)

Sl. No.	Name of Department/ Heads of Account	Amount
1	State Goods and Services Tax Department	13,410.12
2	Motor Vehicles Department (MH 0041)	2,868.47
3	Taxes and duties on electricity (MH 0043)	3,118.50
4	Registration Department (MH 0030)	590.86
5	Forest Department (MH 0406)	377.07
6	Police Department (MH 0055)	346.64
7	Excise Department (MH 0039)	281.63
8	Mining and Geology Department	163.81
9	Kerala State Audit Department (MH 0070)	85.72
10	Printing	58.32
11	Stationery (MH 0058)	29.95
12	Factories and Boilers (MH 0230)	2.58
13	Labour Department	1.98
14	Kerala Maritime Board (Erstwhile Department of Ports)	1.42
15	Finance Department-Arrears in interest receipts (MH 0049)	5,979.91
16	Finance Department-Arrears in Guarantee commission (MH 0075)	306.22
17	Land Revenue Department (MH 0029)	635.19
	Total arrears	28,258.39

Source: Information collected from Departments.

The total arrears of ₹28,258.39 crore amount to 24.23 *per cent* of the total revenue of the State. This necessitates urgent intervention from the Government to clear the outstanding arrears. The arrear figures are furnished by the departments every year only at the instance of Audit. The absence of prompt reporting of arrears to Revenue Department and tardy pursuance by the departments concerned for realising the arrears are the main reasons for the huge pendency of arrears.

1.3 Analysis of cases in which stay was granted

An analysis of arrears of revenue which are under various stages of collection showed that the arrears pending collection as on 31 March 2022 included collections stayed by various authorities at various stages on some principal heads of revenue, as detailed in **Table - 1.6**.

Table 1.6
Stages of stay granted

(₹ in crore)

Sl. No.	Head of revenue	Total arrear amount	Stage wise details of stay		Total amount under stay	% of stay to total arrear
			By Court and other Judicial Authorities	By Government		
1	0040 - Tax on Sales, Trade, etc.	13,410.12	5,434.40	37.47	5,471.87	40.80
2	0043 - Taxes and Duties on Electricity	3,118.50	8.96	0.00	8.96	0.29
3	0406 - Forestry and Wild Life	377.07	2.30	122.46	124.76	33.09
4	0039 - State Excise	281.63	104.77	0	104.77	37.20
5	0029 - Land Revenue	635.19	440.10	27.38	467.48	73.60
6	0030 - Stamps and Registration Fees	590.86	4.08	0	4.08	0.69
7	0853 - Non-Ferrous Mining and Metallurgical Industries	163.81	16.75	68.64	85.39	52.13
	Total	18,577.18	6,011.36	255.95	6,267.31	33.74

Source: Details obtained from the respective Departments.

An amount of ₹6,267.31 crore is pending under stay orders, which is 33.74 *per cent* of the total arrear amount. The Departments need to take effective action to vacate the stay orders and to realise the amounts.

1.4 Arrears in Assessments

The particulars regarding the arrears in assessments, such as cases pending at the beginning of the year, cases becoming due for assessment, cases disposed of during the year and number of cases pending for finalisation at the end of the year 2021-22 were furnished by the Departments (March 2023) as shown in **Appendix I**.

During the year, the Revenue and Disaster Management (R&DM) Department cleared 1,38,804 out of 1,76,480 arrear cases of building tax and 102 out of 1,329 cases of plantation tax. In the SGST Department, the clearance of arrears in assessments was 12,924 out of 36,520 cases. The percentage of disposal ranged from 15.87 *per cent* with respect to taxes on agricultural income to 71.79 *per cent* with respect to tax on works contract. As compared

to the previous year i.e., 2020-21, clearance has improved in the case of building tax, plantation tax, GST and tax on works contracts. The departments may strive hard for the timely clearance of assessments identifying these areas as a potential source of revenue.

1.5 Evasion of tax detected by the departments

The cases of evasion of taxes detected by the departments, cases finalised and demands for additional tax raised are important indicators of revenue collection efforts of the State Government. The promptness in disposal of these cases is an important indicator of performance of the departments concerned.

The details of cases of evasion of tax detected by five departments, cases finalised and demands for additional tax raised, as reported by the departments are given in **Table - 1.7** below:

Table 1.7
Details of evasion of tax

Sl. No.	Particulars		0030-Stamps & Registration fees	0041-Taxes on Vehicles	0406-Forestry and Wildlife	0040-SGST	0029-Land Revenue
1	Number of Cases pending as on 31 March 2021		1,47,699	48	3	3,080	22,240
2	Number of Cases detected during 2021-22		9,188	6	0	21,078	2,284
	Total		1,56,887	54	3	24,158	24,524
3	Cases in which assessment/ investigation completed and additional demand with penalty etc. raised	Number of cases	9,493	16	0	11,803	21,939
		Amount of demand (₹ in crore)	14.57	0.50	0	3,272.03	3.18
4	Number of cases pending for finalisation as on 31 March 2022		1,47,394	38	3	12,355	2,585

Source: Information collected from departments.

The details of cases of evasion of tax detected by the departments were called for by Audit from 16 departments out of which seven² departments did not detect any case of evasion of tax. The details from PWD Buildings, Health, Agriculture have been called for (December 2022), their remarks are awaited.

1.6 Pendency of refund cases

The details of refund cases pending at the beginning of the year 2021-22, claims received, refunds allowed during the year 2021-22 and the cases pending at the close of the year 2021-22, as reported by the SGST and Excise Departments, are given in **Table -1.8**.

Table – 1.8
Details of pendency of refund cases

(₹ in crore)

Sl. No.	Particulars	State Goods and Services Tax		State Excise	
		No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year 2021-22	1,003	348.30	22	3.03
2.	Claims received during the year 2021-22	4,154	348.56	417	10.88
3.	Refunds made during the year 2021-22	3,626	437.79	90	3.92
4.	Refunds rejected during the year 2021-22	822	39.91	0	0
5.	Balance outstanding at the end of the year 2021-22	709	219.16	349	9.99

Source: Details obtained from the respective Departments.

In SGST Department, number of refund cases outstanding as at the end of March 2022 was 709 of which, 120 cases pertain to refund of value added tax involving money value of ₹70.92 crore and 566 cases pertain to GST involving money value of ₹137.64 crore. As per Section 56 of the Kerala State Goods and Services Tax Act, 2017, if the tax ordered to be refunded is not refunded within a period of 60 days from the date of receipt of the application, interest at the rate of six *per cent* (nine *per cent* in case of refund made on order passed by an adjudicating authority or Appellate Tribunal or court which has attained finality) will become payable along with refund from the expiry of 60 days till the date of payment of refund. As per Section 89(4) of Kerala Value Added Tax (KVAT) Act, interest at the rate of 10 *per cent* per annum is applicable on refund cases after 90 days from the date of assessment order or receipt of the order in appeal or revision or the date of expiry of the time for preferring appeal or revision. Also, the delay in settling refund cases may

² Excise Department, Stationery Department, PWD Roads, PWD Bridges, Department of Lotteries, Printing Department, Electrical Inspectorate.

deteriorate the chances of claiming GST compensation from Government of India, if eligible.

In Excise Department, number of refund cases outstanding at the end of March 2022 was 349, which forms 83.69 *per cent* of the claims received during the year, involving money value of ₹9.99 crore. The progress to dispose of the refund cases was very slow as compared to claims received. The reason for huge pendency of outstanding cases was not explained by the SGST and Excise Department.

1.7 Response of the Government/ Departments to Audit

The Principal Accountant General (PAG) (Audit II), Kerala, conducts periodical inspection of the Government Departments to test check the transactions and verifies the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action. The heads of the offices/ Government are required to furnish first reply within four weeks from the date of receipt of the Inspection Report. Even if final reply to certain paras in Inspection Report are not furnished within the prescribed time limit, an interim reply is to be furnished indicating the action taken to rectify the defects pointed out by Audit. Serious financial irregularities are reported to the heads of the Departments and the Government.

As on June 2022, 2,625 IRs containing 16,701 paragraphs involving a money value of ₹5,084.70 crore is outstanding as mentioned below with the corresponding figures for preceding two years in **Table - 1.9**.

Table – 1.9
Details of pendency of refund cases

	June 2020	June 2021	June 2022
Number of IRs pending for settlement	2,236	2,275	2,625
Number of outstanding audit observations	14,713	14,654	16,701
Amount of revenue involved (₹ in crore)	4,117.68	4,412.44	5,084.70

Source: Details compiled by PAG (Audit II) and reconciled with respective Departments.

1.7.1 Department-wise details of IRs

The Department-wise details of the IRs and audit observations outstanding as on 30 June 2022 and the amounts involved are mentioned in the **Table - 1.10**.

Table – 1.10
Department-wise details of IRs

(₹ in crore)

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved
1.	SGST	Taxes on sales, trade, etc.	1,714	12,647	4,150.79
		Taxes on agricultural income	75	220	80.70
2.	Motor Vehicles	Taxes on vehicles	279	2,195	132.99
3.	State Excise	State Excise	126	391	106.32
4.	Registration	Stamp Duty and Registration Fees	276	727	358.53
5.	Lotteries	Receipts from lotteries	34	78	7.94
6.	Finance, Planning and Economic Affairs		121	443	247.43
Total			2,625	16,701	5,084.70

Source : Details compiled by PAG (Audit II) and reconciled with the respective Departments.

Audit did not receive first replies for 117 IRs during 2021-22 within four weeks from the date of issue of the IRs from six Heads of Offices. This large pendency of the IRs due to non-receipt of the replies was indicative of the fact that the Heads of Offices and the Departments did not initiate action to rectify the defects, omissions and irregularities pointed out by the PAG (Audit II) in the IRs. The large pendency of IRs due to non-receipt of replies shows the failure of monitoring mechanism for clearing the pending audit observations by the Audit Monitoring Committees at Secretary level and Apex Committees at Chief Secretary level.

The Government needs to put in place an effective system for ensuring prompt and appropriate response to audit observation within the time frame prescribed in the circular³ issued by the Finance Department.

³ Circular memorandum No. 57374/Ins.2/65/Fin. Dated 15 November 1965.

1.7.2 Departmental Audit Committee Meetings

The Government set up Audit Committees to monitor and expedite the progress of settlement of local audit reports and paragraphs in the local audit. The details of the Audit Committee Meetings held during the year 2021-22 and the paragraphs settled are mentioned in **Table - 1.11**.

Table – 1.11
Details of Departmental Audit Committee Meetings

(₹ in crore)

Sl. No.	Particulars	0039 – State Excise	0022 – Taxes on Agricultural Income	Total
1	Number of meetings held during 2021-22	1	1	2
2	Number of paragraphs pending as on 31 March 2021	348	223	571
3	Number of paragraphs settled	28	22	50
4	Amount involved in settled paragraphs	1.73	5.84	7.57
5	Number of paragraphs pending as on 31 March 2022	401	223	624
6	Amount involved in pending paragraphs	43.70	82.49	126.19

Source: Details compiled by PAG (Audit II).

No meetings were held in respect of Stamps and Registration, State Lotteries, Motor Vehicles, Finance, Planning and Economic Affairs and State Goods and Services Tax Departments despite having 16,796 pending audit observations. The Government may issue strict instructions to the departments to devise periodic action plans to clear all the outstanding paragraphs in a time bound manner by conducting regular Audit Committee Meetings.

1.7.3 Response of the Departments to the draft paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are sent by the PAG (Audit II) to the Secretaries of the respective Departments drawing their attention to audit findings and requesting their response within six weeks.

36 paragraphs including one Subject Specific Compliance Audit (SSCA) Report were sent to the Secretaries of the respective Departments by name between December 2022 and March 2023. The Secretaries of the Departments have furnished reply to 28 paragraphs and interim reply to eight paragraphs.

1.7.4 Follow up on the Audit Reports - summarised position

As per notification (December 2002) of the Public Accounts Committee (PAC), after the presentation of the Report of the Comptroller and Auditor General of India in the Legislative Assembly, action taken explanatory notes should be submitted by the Government to the Legislature Secretariat within two months of tabling the Report, for consideration of the Committee. The status of follow up on the Reports of the Comptroller and Auditor General of India on Revenue Sector of the Government of Kerala for the year ended 31 March 2016 to the period 2019-21 (106 paragraphs including performance audit) placed before the State Legislative Assembly between 06 March 2017 to 09 February 2023 is as follows:

- The action taken explanatory notes from the Departments concerned on 25 paragraphs were received late with delay ranging from 10 months to 66 months.
- Five departments did not submit action taken explanatory notes on audit paragraphs (March 2023) in respect of 57 paragraphs (44 individual and 13 PA/ Review paragraphs), which includes 19 paragraphs in the Audit Report for the period 2019-2021.
- The PAC discussed 24 paragraphs and its recommendations were incorporated in the report during the respective tenure of the Committee during the period 2021-2023.

The departments largely responsible for non-submission of action taken explanatory notes were Taxes and Revenue & Disaster Management. The non-receipt of ATNs were brought to the notice of the Chief Secretary to the Government in the Apex Committee meetings held on 15 June 2017, 11 December 2017, 23 June 2018, 18 December 2018, 11 February 2020 and 22 February 2022.

Action Taken Notes on PAC recommendations have not been received in respect of 110 out of 120 recommendations of the PAC from four Departments i.e., Taxes, Excise, Transport and Revenue and Disaster Management as mentioned in the **Table - 1.12** (February 2023).

Table – 1.12
Details of non-receipt of ATN from four Departments

Year	Name of Department				Total
	Taxes	Excise	Transport	Revenue & Disaster Management	
2004-06	-	-	-	1	1
2006-08	-	-	-	2	2

Year	Name of Department				Total
	Taxes	Excise	Transport	Revenue & Disaster Management	
2008-11	3	-	-	-	3
2011-14	-	-	-	-	-
2014-16	2	-	4	-	6
2016-19	38	11	7	2	58
2019-21	16	-	5	8	29
2021-23	3	-	1	7	11
Total	62	11	17	20	110

Source: Records maintained by PAG and reconciled with Departmental figures.

1.8 Status of the mechanism for dealing with the issues raised in audit

To analyse the system of addressing the issues highlighted in the Inspection Reports/ Audit Reports by the Departments/ Government, the action taken on the audit paragraphs and performance audits included in the Audit Reports of the last 10 years of one Department was evaluated and included in this Audit Report.

The following paragraphs 1.8.1 to 1.8.2 discuss the performance of the Stamps and Registration Department under revenue head 0030 – Stamps and Registration Fees and cases detected in the course of local audit and the cases included in the Audit Reports for the years 2011-12 to 2020-21.

1.8.1. Position of Inspection Reports

The summarised position of the inspection reports issued during the last 10 years, paragraphs included in these reports and their status as on 31 March 2022 are tabulated below in **Table - 1.13**.

Table – 1.13
Position of Inspection Reports

(₹ in crore)

Sl. No.	Year	Opening Balance			Addition during the year			Clearance during the year			Closing balance during the year		
		IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value
1	2012-13	484	1,131	13.40	106	277	3.71	152	597	3.72	438	811	13.39
2	2013-14	438	811	13.39	60	207	0.65	158	344	3.96	340	674	10.08
3	2014-15	340	674	10.08	82	251	0.86	61	164	1.17	361	761	9.77
4	2015-16	361	761	9.77	105	501	3.60	115	315	2.67	351	947	10.70
5	2016-17	351	947	10.70	69	406	1.70	135	515	2.14	285	838	10.26

Sl. No.	Year	Opening Balance			Addition during the year			Clearance during the year			Closing balance during the year		
		IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value	IRs	Paras	Money value
6	2017-18	285	838	10.26	80	350	34.56	98	484	3.88	267	704	40.94
7	2018-19	267	704	40.94	80	208	0.95	63	346	2.02	284	566	39.87
8	2019-20	284	566	39.87	69	244	7.01	35	242	1.51	318	568	45.37
9	2020-21	318	568	45.37	30	163	5.34	14	120	0.61	334	611	50.10
10	2021-22	334	611	50.10	61	570	239.31	69	144	2.32	326	1,037	287.09

The Audit Committee and Apex Committee meetings were held between the Department/ Government and the Office of the Accountant General to settle the old paragraphs. Audit Monitoring Committees were not held by the Department at the Government level during the period 2021-22.

1.8.2 Recovery in accepted cases

The position of paragraphs included in the Audit Reports for the last 10 years, those accepted by the Department and the amount recovered are mentioned in **Table - 1.14**.

Table – 1.14
Details of paragraphs included in the Audit Reports

(₹ in crore)

Sl. No.	Year of Audit Report	Number of paragraphs included	Money value of paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year	Cumulative position of recovery of accepted cases as on 31.03.2022
1	2011-12	2	0.94	-	-	-	-
2	2012-13	1	14.47	1	14.47	0.14	0.14
3	2013-14	2	0.05	2	0.05	0	0.14
4	2014-15	1	0.09	1	0.09	0	0.14
5	2015-16	1	0.37	1	0.37	0.04	0.18
6	2016-17	3	0.39	3	0.39	0.01	0.19
7	2017-18	3	12.42	2	1.36	0.15	0.34
8	2018-19*	-	-	-	-	-	0.34
9	2019-21#	2	1.54	-	-	-	0.34

* No paras pertaining to Stamps & Registration Department were featured in the Audit Report for the year ended March 2019.

Report No. 6 of 2022 - Combined Compliance Audit Report of the C&AG of India on Revenue Sector for the period 2019-2021.

It is evident from the above table that the progress of recovery in accepted cases was negligible throughout the last ten years. The recovery in accepted cases was to be pursued as arrears recoverable from the parties concerned.

1.9 Audit Planning

The Annual Audit Plan was prepared on the basis of risk analysis. The unit offices under various Departments were categorised into high, medium and low risk units according to their revenue position, past trends of audit observations, complaints, media reports, non-production of records, information regarding malpractice obtained through RTI and misappropriation. During the year 2021-22, out of 772 audit units, 113 units were audited, which is 14.64 per cent of the total audit units. Besides the above mentioned units, one Subject Specific Compliance Audit (SSCA) was also taken up during the year.

1.10 Results of Audit

Position of Audit conducted during the year

Test-check of the records of 137 units of State GST, Motor Vehicles, State Excise, Registration and other Departmental offices conducted during the year 2021-22 showed under-assessment/ short-levy/ loss of revenue aggregating to ₹4,332.22 crore in 419 cases. During 2021-22, the Departments concerned accepted under-assessment and other deficiencies of ₹541.74 crore involved in 128 cases, and collected ₹0.52 crore in two cases which were pointed out in Audit. The Departments collected ₹1,577.81 crore in 335 cases during 2021-22, pertaining to the audit findings of previous years.

1.11 Coverage of the Report

The Report contains 33 paragraphs, which came to notice in the course of test audit of records during the year 2021-22, as well as those in earlier years, involving revenue impact of ₹127.17 crore. Instances relating to the period subsequent to 2021-22 were also included, wherever necessary. The Department/ Government accepted the audit observations involving ₹57.42 crore, out of which ₹0.04 crore was recovered. These are discussed in the succeeding Chapters II to VI.

Recommendation: The Government needs to put in place an effective system for ensuring prompt and appropriate response to audit observation within the time frame prescribed in the circular issued by the Finance Department.



Chapter II
Goods and Services Tax

CHAPTER-II GOODS AND SERVICES TAX

2.1 Tax Administration

The Department of Taxes is the major source of revenue of the Government of Kerala, accounting for the 3/4th of its revenues. The main goal of the Department is to ensure voluntary tax compliance through transparent and simplified procedures; to eliminate corrupt practices and embracing relevant technology for seamless accessibility to services. The main activities of the Department are collection of tax, registration of dealers, recovery of arrears of tax, prevention and detection of tax offenses under a series of legislations enacted by the State and Central Governments. The critical functions of the Department such as filing of returns, payment of tax, issue of statutory forms, declaration of consignments etc., are now fully automated.

Goods and Services Tax (GST) Act, Kerala General Sales Tax (KGST) Act, Kerala Value Added Tax (KVAT) Act, Kerala Money Lending Act, Luxury Tax Act and Agricultural Income Tax Act are administered by the Department. The Commissioner, SGST Department is the head of the SGST Department who is assisted by Additional Commissioner, Joint Commissioners (JCs), Deputy Commissioners (DCs), Assistant Commissioners (ACs) and State Tax Officers (STOs). The assessment, levy and collection of tax are done by ACs and STOs.

KGST is leviable on sale of ganja, opium, foreign liquor and certain petroleum products. KVAT was leviable on the Intra-State sale of remaining commodities and Central Sales Tax (CST) on Inter-State sales. GST came into effect from 1 July 2017 subsuming VAT, CST etc.

The Government has implemented Kerala Flood Cess under Section 14 of the Finance Act, 2019 for the purpose of providing reconstruction, rehabilitation and compensation needs which had arisen due to the massive flood which occurred in the State of Kerala in the month of August 2018, for a period of two years from 1 August 2019. The State collected ₹1,717.01 crore as flood cess from 1 August 2019 to 31 July 2021.

2.2 Internal Audit

The Internal Audit Wing (IAW) of the SGST Department is monitored by the Commissioner. The effective functional unit of IAW for the year 2021-22 was one Joint Commissioner assisted by 10 Deputy Commissioners, two Assistant Commissioners and 15 State Tax Officers. No specific training has been imparted to the officers of the IAW.

A special e audit programme was conducted by exploiting the scrutiny module in KVATIS during which 4,633 paras were raised out of 7,037 files selected.

Out of this, 2,647 were cleared creating an additional demand of ₹748.93 crore.

2.3 Results of Audit

There were 216 auditable units in the SGST Department. Out of these, Audit selected 42 units for test check during the year 2021-2022 including 24 units for the SSCA. Test check of the records relating to KVAT/ KGST/ CST assessments and connected documents during 2021-22 showed under-assessment of tax and other irregularities in 68 cases relating to non/ short levy of tax/ interest, irregular allowance of input tax credit, escape of turnover from assessment and other lapses amounting to ₹49.35 crore. These cases are only illustrative as these are based on the test-check of records. As this was test audit in the test-checked cases and the audit observation is of a nature that may reflect in other cases not covered in test audit, the Department may therefore, like to internally examine the position in rest of the units with a view to ensure that the instances of non-compliance are taken care of by taking remedial measures, and may also fix responsibility for the lapses in all such cases. Audit pointed out some of the similar omissions in the earlier years also. Not only do these irregularities persist, but they also remain undetected till the next audit is conducted. Under-assessment of tax and other irregularities involving ₹49.35 crore in 68 cases, including one SSCA, which fall under the following categories are given in **Table - 2.1**.

Table – 2.1
Details of under-assessment of tax and other irregularities

Sl. No.	Categories	Number of cases	Amount (₹ in crore)
1	SSCA on 'Department's Oversight on GST Payments and return filing'	1	35.55
2	Short payment of tax due to escape of turnover from assessment	14	2.74
3	Short payment of tax due to excess availing of input tax credit	3	0.12
4	Short payment of tax due to irregular availing of input tax credit	10	1.50
5	Others	40	9.44
Total		68	49.35

During the course of the year 2021-22, the Department accepted under assessment and other deficiencies amounting to ₹5.50 crore in 218 cases, which were pointed out by Audit. An amount of ₹4.28 crore pointed out in 218 cases were realised during the year.

2.4 Subject Specific Compliance Audit on ‘Department’s oversight on GST payments and Return filing’

2.4.1 Introduction

Goods and Services Tax (GST) replaced multiple taxes levied and collected by the Centre and States with effect from 01 July 2017. It is a destination-based consumption tax on the supply of goods or services or both levied on every value addition. The Centre and States simultaneously levy GST on a common tax base. Central GST (CGST) and State GST (SGST)/ Union Territory GST (UTGST) are levied on intra state supplies, and Integrated GST (IGST) is levied on inter-state supplies.

As per Section 59 of the CGST/ SGST Act, 2017, GST being a self-assessment-based tax, the responsibility for calculating tax liability, discharging the computed tax liability and filing returns is vested on the taxpayer. The GST returns must be filed online regularly on the common GST portal, failing which will attract late fee and penalty. Even if the business had no tax liability during a particular tax period, it must file a nil return mandatorily. Further, Section 61 of the Act read with Rule 99 of SGST/ CGST Rules, 2017, stipulate that the proper officer may scrutinise the return and related particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation.

This Subject Specific Compliance Audit (SSCA) was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the State Taxes Department (Department), Government of Kerala (GoK) in this new tax regime.

2.4.2 Audit objectives

Audit of ‘Department’s oversight on GST Payments and Return filing’ was taken up with the following audit objectives to seek an assurance on:

- i. whether the rules and procedures were designed to secure an effective check on tax compliance and were being duly observed by taxpayers, and
- ii. whether the scrutiny procedures, internal audit and other compliance functions of the Circles were adequate and effective.

2.4.3 Audit scope

The scope of audit comprises examination of taxpayers’ compliance, scrutiny process and subsequent follow up carried out by the Department on returns filed by the registered taxpayers. In addition, the SSCA includes review of records of a sample of taxpayers for the year 2017-18. The scope of this SSCA also includes evaluation of functions of selected Circles.

The period of review of the scrutiny of returns and verification of taxpayers' records was from July 2017 to March 2018 and that for audit of functions of selected Circles was from 2017-18 to 2020-21.

2.4.4 Audit methodology and Sample selection

A data driven approach was adopted for planning, as also to determine the nature and extent of substantive audit. The sample for this SSCA is comprised of

- a sample of Circles for evaluating the compliance functions of the circles;
- a set of deviations identified through data analysis for centralised audit that did not involve field visits; and
- a sample of taxpayers for detailed audit that involved field visits and scrutiny of taxpayer's records at departmental premises.

This SSCA has three distinct parts as under:

(i) Part I – Audit of Circles

For the purpose of evaluation of oversight functions, ten⁴ assessment circles with jurisdiction over highest number of selected samples for Detailed Audit were considered as the sample for audit of assessment circles.

(ii) Part II – Centralised audit

Audit analysed GST returns data pertaining to 2017-18 at GSTN premises and identified a set of deviations and logical inconsistencies between GST returns filed by taxpayers. A set of 14 parameters⁵ were identified such as mismatch of ITC availed between Annual Returns and Books of accounts, short payment of interest etc. Audit selected a sample of 419 high risk cases for evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. The audit review was limited to queries issued to the respective assessment circles between April 2022 and July 2022. There was no further scrutiny of taxpayer records.

(iii) Part III – Detailed audit

Audit selected 45 cases for detailed audit which involved field visits for verification of records available with the assessment circles. Taxpayers' records like returns and related attachments and information were accessed

⁴ Special Circle Mattanchery at Aluva, Works Contract Ernakulam, Special Circle Thrissur, Deputy Commissioner Thrissur, State Tax Office Second Circle Trippunithura, Special Circle Kottayam, Deputy Commissioner Kottayam, Special Circle Malappuram, Special Circle Palakkad, Special Circle I Ernakulam.

⁵ 14 parameters are indicated in Table 2.2 as D1 to D15; D5 (ISD reversal) is absent.

through Circles for evaluation of the extent of tax compliance by taxpayers. Audit utilised the SSOID⁶s provided to the maximum extent feasible to examine data/ documents relating to tax payers (viz. registration, tax payment, returns and other departmental functions). Efforts were made to access the relevant granular records from the taxpayers on a risk based approach such as invoices etc. through respective assessment circles.

Entry conference of this SSCA was held on 30 March 2022 with the Additional Secretary (Taxes) Department, Government of Kerala (GoK), Commissioner, State GST Department and other officers of the State Government and the Department in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 25 January 2023 with the Additional Secretary (Taxes) Department, Government of Kerala, Commissioner, State GST Department and other officers of the State Government in which the audit findings were discussed. The views expressed by the State Government during the Exit Conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

2.4.5 Audit Criteria

The source of audit criteria comprises the provisions contained in the SGST Act, 2017, IGST Act, 2017 and Rules made thereunder. In addition, the notifications and circulars issued by State Tax Department relating to filing of returns, notifying the effective dates of filing of various returns, extending due dates for filing returns, rates of tax on goods and services, payment of tax, availing and utilising ITC, scrutiny of returns and oversight of tax compliance and advisories issued on various subjects also formed part of the audit criteria.

2.4.6 Compliance verification by the department (Part I)- Audit of Circles

Five systemic areas were identified for examination in audit viz (i) effectiveness of scrutiny of returns, (ii) lack of internal audit, (iii) failure to utilise Analytical Insight Report by Data Mining Cell (iv) lack of action for non-filing of GSTR 10 after cancellation of Registration and (v) lack of action on late filers and non-filers. Accordingly, relevant information was called for from the selected ten assessment circles. The role of Circles is to ensure compliance by taxpayers in respect of accuracy of the taxable value declared, calculation and payment of tax liabilities, filing of returns etc. The Circles have a broad set of functions to be exercised in this regard, which were evaluated as part of this SSCA. The proper officers were not maintaining physical registers as in pre-GST period and MIS reports were also not properly generated in Model 1⁷ backend of the department. Hence, Audit relied on

⁶ Single SignON IDs – Unique user ID and password issued to responsible officers for accessing GSTN Backend.

⁷ Model 1 is the backend interface developed by NIC for various tax administration purposes by proper officers of the State GST department.

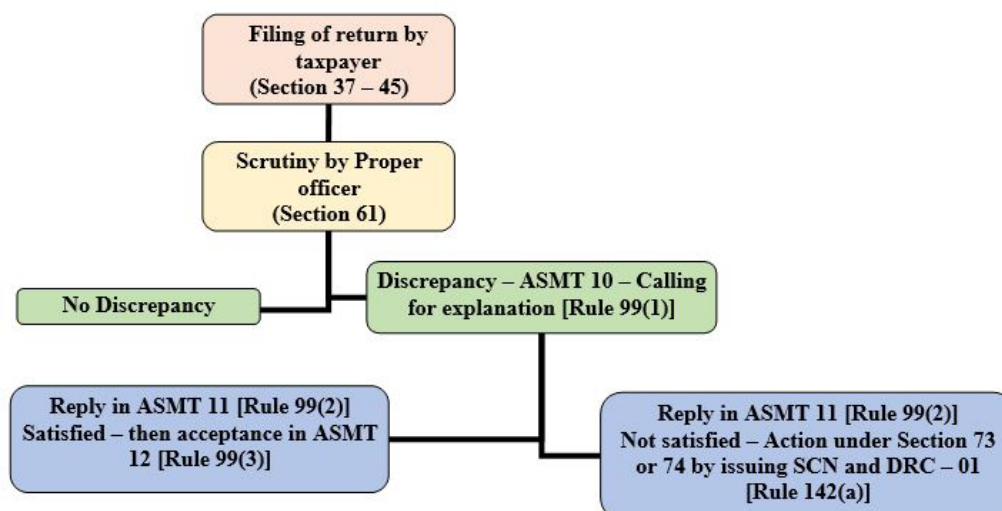
the statistical data provided in respect of the functioning of the selected assessment circles.

Non-production of records, and also limited access in the SSOIDs provided to Audit in Model 1 backend, led to limitation of scope of audit to examine irregularities and evaluate oversight functions of the Department.

2.4.6.1 Effectiveness of scrutiny of returns

As per Section 61 of SGST Act, 2017, various returns filed by taxpayers have to be scrutinised by the Proper Officer to verify the correctness of the returns and suitable action has to be taken on any discrepancies or inconsistencies reflected in the returns. Further, Rule 99 of the SGST Rules, 2017, mandates that the discrepancies, if any, noticed shall be communicated to the taxpayer seeking his explanation. If the explanation offered is found acceptable by the proper officer, the proceedings shall be dropped, the taxpayer shall be informed accordingly, and no further action in the matter shall be taken. If, however, the taxpayer does not furnish a satisfactory explanation within 30 days of being informed (extendable by the proper officer) or does not take any corrective action, the proper officer may initiate appropriate action, including the issue of demand notices under Section 73 or Section 74 of the Act.

The process flow of scrutiny of returns is shown in the following flow chart:



- a) Audit noticed that the State GST Department had not published any manual/ detailed instructions including approach to selection of cases for scrutiny, timelines for scrutiny of returns, reporting and monitoring based on which the assessment/ scrutiny procedures are to be uniformly followed by the proper officers throughout the State.

On this being pointed out (October 2022) the Department stated (November 2022) that Circular No.07/2021 dated 07 November 2021 was issued which contains guidelines/ instructions for scrutiny.

The reply is not fully acceptable as the circular is limited to only eleven specific risk parameters identified through the Analytical Insight Reports for detailed scrutiny only. The instructions are silent on scrutiny schedule, detailed procedure for selection of scrutiny cases, timelines and targets for scrutiny of returns and its monitoring.

- b) Audit evaluated the scrutiny made by the proper officers in the selected ten assessment circles. It was noticed that in nine⁸ out of 10 assessment circles, though 3,796 notices were issued vide ASMT 10, SCNs were issued only in 1,131 cases leaving a pendency in 2,665 cases for further follow up of the discrepancies as detailed in **Appendix II**. Action taken in respect of remaining cases is awaited.

This was pointed out to Department/ Government (January 2023), their reply is awaited (March 2023).

Recommendation No.1

The Department may prescribe the scrutiny schedule and detailed procedure for selection of scrutiny cases so that targets can be fixed ensuring scrutiny of the returns by the Circles in a time bound manner.

2.4.6.2 Lack of Internal Audit

Section 65(1) of the SGST Act, 2017 empowers the Commissioner to authorise, through an order, any officer to undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed. Section 2(13) of the SGST Act, 2017, defines Audit as the examination of records, returns etc. to verify the correctness of the turnover declared, taxes paid, refund claimed and input tax credit availed and to assess his compliance with the provisions of this Act or the rules made thereunder. Internal audit is an integral part of compliance monitoring by the department.

Audit observed that no internal audit was conducted during the audit period in any of the ten selected offices. It was noticed that neither an internal audit party was in existence nor any of the Proper Officers in such assessment circles were assigned with duty of audit of taxpayers records in accordance with the above sections during the period from 2017-18 to 2020-21. Thus, the department is yet to set up an internal audit wing even after a lapse of five years after the implementation of GST.

⁸ Except Deputy Commissioner Office, Kottayam, as GST files got transferred to the assessment circle with effect from August 2020 only.

On this being pointed out (October 2022), the Government stated (January 2023) that internal audit function of the department became full-fledged only after restructuring of the department i.e., January 2023 onwards. Seven⁹ audit zones were created covering 15 tax districts along with 140 audit teams consisting of two State Tax Officers and three Assistant Tax Officers. However, Audit found that it is only an instruction for restructuring including formation of an audit wing but no Standard Operating Procedure (SoP) or set of instructions were issued on how to conduct audit.

Recommendation No.2

The Department may issue detailed instructions/ manual for carrying out internal audit by the newly created internal audit wing.

2.4.6.3 Failure to utilise Analytical Insight Reports by Data Mining Cell

CBIC was generating state-wise DGARM¹⁰ reports containing high risk taxpayers noticed through data analysis which was shared with State GST Commissioner for action. Audit noticed that these reports were not used by State GST Department. In reply to the audit observation, the department stated that instead of the DGARM reports, State GST Department was generating its own Analytical Insight Reports (AIR) by the Data Mining Cell since December 2021, which were more state specific and result oriented with limited dimensions¹¹. Follow up on AIR is performed through Action Taken Reports collected online from the field and reviewed in weekly conferences.

However, Audit could not find any follow up action on these AIRs. Audit further enquired (February 2023) how the results of such action taken are being recorded for further analysis and for monitoring the performance of assessment circles, for which no reply was furnished.

Thus, Audit could not obtain assurance on effectiveness of the system of identification of high risk taxpayers and consequent follow up action by the department.

2.4.6.4 Lack of action for non-filing of GSTR 10 after cancellation of Registration

Section 29 of SGST Act, 2017, stipulates conditions for cancellation of registration, including *suo moto* cancellation of registration of taxpayers who have not filed returns for six consecutive months (three consecutive tax

⁹ Ernakulam (Ernakulam, Aluva), Thiruvananthapuram (Thiruvananthapuram), Thrissur (Thrissur, Palakkad), Kozhikode (Kozhikode, Malappuram, Wayanad), Kollam (Kollam, Pathanamthitta), Kannur (Kannur, Kasaragode), Kottayam (Kottayam, Alappuzha, Idukki).

¹⁰ Directorate General of Analytics and Risk Management.

¹¹ GSTR 2A – GSTR 3B ITC Comparison, GSTR9 - 8D Difference, ITC availed after due date, capital goods ITC vs exempted turnover, GSTR-1 vs GSTR 3B mismatch and GSTR 3B vs E-way bill.

periods for composition taxpayers). The Proper Officer is responsible for *suo moto* cancellation of registration of non-filers. Section 45 of SGST Act, 2017, read with Rule 81 of SGST Rules, 2017, specifies that any person whose registration is cancelled shall file Final Return in Form GSTR 10 within three months of the date of cancellation or date of order of cancellation, whichever is later.

Section 63 of SGST Act, 2017, provides that where a taxable person fails to obtain registration even though liable to do so or whose registration has been cancelled under sub-section (2) of Section 29 but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgment for the relevant tax periods and issue an assessment order within a period of five years from the date specified under Section 44 for furnishing of the annual return for the financial year to which the tax not paid relates.

- a) Audit noticed that in nine out of ten assessment circles, 1,035 taxpayers cancelled their registration either by request or *suo moto* by the proper officer during the period covered by audit, but GSTR 10 was not filed by 775 taxpayers even after completion of three months from the date of cancellation for which no action was taken by the proper officers as detailed in **Appendix III**.
- b) Audit test checked 150 cases out of 1,035 cancelled taxpayers to see whether any activity was conducted by such cancelled taxpayers after the date of cancellation and it was noticed that 29 taxpayers in seven¹² assessment circles effected purchases worth ₹14.18 crore using the cancelled GSTIN which reflected in the GSTR 2A as detailed in **Appendix IV**.

On further scrutiny, Audit revealed that out of these 29 cancelled taxpayers, 25 taxpayers had not filed GSTR 10 and the remaining four¹³ taxpayers filed GSTR 10 without any details of transactions effected which were reflected in GSTR 2A. The proper officers did not assess such taxpayers in accordance with Section 63 of the SGST Act, 2017.

On this being pointed out (between September and October 2022), in respect of two¹⁴ cases, the proper officers stated (between October and November 2022) that reply would be furnished after detailed verification of records. The Proper Officer, Special Circle, Malappuram in respect of four cases, stated (January 2023) that in order to conduct assessment of the taxpayers who have

¹² Special Circle Mattanchery at Aluva, Works Contract Ernakulam, Deputy Commissioner Office Thrissur, State Tax Office II Circle Trippunithura, Special Circle Malappuram, Special Circle Palakkad, Special Circle I Ernakulam.

¹³ Jaihind Traders (32AABFJ7099K1Z1), VT Store (32AJHPV2908G1Z8), Ponnore Marketing (32AAJFP5810G1ZH), Autokritz (32EDAPS7868P1ZN).

¹⁴ M/s Eurotech Cements at Special Circle Palakkad, M/s Ponnore Marketing at Deputy Commissioner Office, Thrissur.

cancelled the registration, a temporary GSTIN for the dealer has to be created by the officer concerned with the help of GST backend. But now there is no such function in the GST back-end. Hence a request has been sent to the IT cell to create temporary ID for issuing ASMT 14 through GSTN. Further action will be taken immediately when the function in module is activated. Replies in respect of the remaining 23 cases are awaited.

The matter was pointed out to Department/ Government (January 2023), their reply is awaited (March 2023).

Recommendation No.3

Allowing a registered person to raise invoice to a cancelled GSTIN is a major system issue which would pave way for unaccounted purchases and corresponding sales etc. Hence, it is recommended to introduce a system check for not allowing cancelled GSTINs to have any transactions in the network, by updating the status of such GSTINs on a real-time basis.

2.4.6.5 Lack of action on late-filers and non-filers of GST returns

Section 46 of the SGST Act, 2017, read with Rule 68 of the SGST Rules, 2017, stipulates issue of a notice in FORM GSTR-3A requiring filing of return within fifteen days if the taxpayer had failed to file the return within the due date. In case the taxpayer fails to file the returns even after such notice, the proper officers may proceed to assess the tax liability of the said person to the best of their judgment, taking into account all the relevant material which is available or gathered and issue an assessment order in FORM ASMT-13. This assessment order should be issued within a period of five years from the due date for furnishing the annual return for the financial year, which the tax default relates to. A summary of such order should be uploaded in the system in FORM DRC-07.

The details of action taken on late filers and non-filers in respect of selected ten assessment circles were sought for by audit but not provided by the proper officers. Non-furnishing of information/ relevant documents restricted the scope of audit. Hence, audit verified filing of returns by 45 taxpayers selected for detailed audit and it was noticed that three¹⁵ taxpayers filed returns with a delay ranging from 188 days to 419 days. However, the Proper Officers had not initiated any action regarding assessment and cancellation of registration in these cases.

This was pointed out to Department/ Government (January 2023), their reply is awaited (March 2023).

¹⁵ M/s Alukka Gold Palace (32AAQFA1469B1ZS), M/s Forest Industries Travancore (32AAACF4562B1Z9), M/s Saffe Systems (32ABOFS7482F1ZT).

2.4.7 Centralised Audit (Part II)

Audit analysed GST returns data pertaining to 2017-18 as made available by GSTN. Rule-based deviations and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 14 parameters, which can be broadly categorized into two domains - ITC and Tax payments.

Out of the 14 prescribed GST returns¹⁶ the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/ data:

- GSTR-1: monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.
- GSTR-3B: monthly summary return of outward supplies and input tax credit claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.
- GSTR-6: monthly return for Input Service Distributors providing the details of their distributed input tax credit and inward supplies.
- GSTR-8: monthly return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST, introduced in October 2018.
- GSTR-9: annual return to be filed by all registered persons other than an Input Service Distributor (ISD), Tax Deductor at Source/ Tax Collector at Source, Casual Taxable Person and Non-Resident taxpayer. This document contains the details of all supplies made and received under various tax heads (CGST, SGST and IGST) during the entire year along with turnover and audit details for the same.
- GSTR-9C: annual audit form for all taxpayers having a turnover above five crore rupees in a particular financial year. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.

¹⁶ GSTR-1, GSTR-3B, GSTR-4 (taxpayers under the Composition scheme), GSTR-5 (non-resident taxable persons), GSTR-5A (Non-resident OIDAR service providers), GSTR-6 (Input service distributor), GSTR-7 (taxpayers deducting TDS), GSTR-8 (E-commerce operator), GSTR-9 (Annual Return), GSTR-9C (Reconciliation Statement), GSTR-10 (Final return), GSTR 11 (person having UIN and claiming a refund), CMP-08, and ITC-04 (Statement to be filed by a principal/ Job worker about details of goods sent to/ received from a job-worker).

- GSTR-2A: a system-generated statement of inward supplies for a recipient. It contains the details of all B2B transactions of suppliers declared in their FORM GSTR-1/5, ISD details from GSTR-6, details from GSTR-7 and GSTR-8 respectively by the counterparty and import of goods from overseas on bill of entry, as received from ICEGATE Portal of Indian Customs.

2.4.7.1 Audit findings based on Data analysis

The details of data analysis pertaining to state jurisdiction on the 14 identified parameters and extent of deviations/ mismatches observed are summarised in **Table - 2.2**.

Table – 2.2
Summary of data analysis

Sl. No.	Parameter	Algorithm used	Number of deviations/ mismatches	Amount of deviations/ mismatches (₹ in crore)
Domain: ITC				
1.	ITC mismatch between GSTR 2A and GSTR 3B - [D1]	ITC available as per GSTR2A with all its amendments was compared with the ITC availed in GSTR 3B in Table 4A(5) (accrued on domestic supplies) excluding the reversals in Table 4B(2) but including the ITC availed in the subsequent year 2018-19 from Table 8C of GSTR 9	50	136.11
2.	ITC availed under Reverse Charge Mechanism (RCM) vs payment of tax in GSTR 3B/ GSTR 9 – [D2]	RCM payments in GSTR 3B Table 3.1(d) was compared with ITC availed in GSTR 9 Table 6C, 6D and 6F. In cases where GSTR 9 was not available, the check was restricted within GSTR 3B - tax discharged in Table 3.1(d) vis-a-vis ITC availed Table 4A(2) and 4A(3)	50	26.82
3.	Short payment of tax under RCM vs ITC availed in GSTR 3B/ GSTR 9 – [D3]	RCM payments in GSTR 9 Table 4G (tax payable) was compared with ITC availed in GSTR 9 Table 6C, 6D and 6F (ITC availed). In cases where GSTR 9 was not available, RCM payment in GSTR 3B Table 3.1(d) was compared with GSTR 3B 4(A)(2) and 4A(3). Greater of difference in GSTR 9 and GSTR 3B considered where both were available.	16	3.05
4.	Incorrect availing of Input Service Distributor credit – [D4]	ISD transferred in GSTR 9 Table 6G or GSTR 3B Table 4(A)(4) was compared with the sum of Table 5A, Table 8A, and Table 9A of GSTR 6 of recipient GSTINs	25	17.07

Sl. No.	Parameter	Algorithm used	Number of deviations/mismatches	Amount of deviations/mismatches (₹ in crore)
5.	Mismatch of ITC availed between Annual returns and Books of accounts [D6]	Positive figure in GSTR 9C Table 12F and examination of reasons provided in Table 13 for mismatch	25	146.15
6.	Reconciliation between ITC availed in annual returns with expenses in financial statements – [D7]	Positive figure in GSTR 9C Table 14T and examination of reasons provided in Table 15 for mismatch	25	508.32
Domain: Tax payments				
7.	Mismatch in turnover declared in GSTR 9C Table 5R – [D8]	Negative figure in GSTR 9C Table 5R and examination of reasons provided in Table 6 for mismatch	50	6,788.95
8.	Mismatch in taxable turnover declared in GSTR 9C Table 7G – [D9]	Negative figure in GSTR 9C Table 7G and examination of reasons provided in Table 8 for mismatch	42	312.25
9.	Mismatch in tax paid between books of accounts and returns – [D10]	Negative figure in GSTR 9C Table 9R and examination of reasons provided in Table 10 for mismatch	50	31.24
10.	Unsettled liabilities – [D11]	The greater of tax liability between GSTR 1 (Tables 4 to 11) and GSTR 9 (Tables 4N, 10 and 11) was compared with tax paid details in GSTR 3B Tables 3.1(a) and 3.1(b). In cases where GSTR 9 was not available GSTR 3B tax paid was compared with GSTR 1 liability. The amendments and advance adjustments declared in GSTR 1 and 9 were duly considered.	25	55.56
11.	Composition taxpayer also availing ecommerce facility – [D12]	E-commerce GSTR 8 became effective from 1 October 2018 when TCS provisions became effective. GSTINs declared in GSTR 8 who are also filing GSTR 4 under composition scheme.	9	0
12.	GSTR 3B was not filed but GSTR 1 is available – [D13]	Taxpayers who have not filed GSTR 3B but have filed GSTR 1 or where GSTR 2A available, indicating taxpayers carrying on the business without discharging tax.	25	4.55

Sl. No.	Parameter	Algorithm used	Number of deviations/ mismatches	Amount of deviations/ mismatches (₹ in crore)
13.	Short payment of interest – [D14]	Interest calculated at the rate of 18 <i>per cent</i> on cash portion of tax payment on delayed filing of GSTR-3B <i>vis-a-vis</i> interest declared in GSTR 3B	25	8.15
14.	Stop filers – [D15]	Taxpayers who did not file GSTR1/ GSTR3B for consecutive six months	2	0

2.4.7.2 Response to Audit

Audit selected a sample of 419 from amongst the top deviations/ inconsistencies in each of the 14 parameters for the year 2017-18 as detailed in **Appendix V**. The audit queries were issued to the respective assessment circles between April 2022 and February 2023 without further scrutiny of taxpayer's records. The audit check in these cases was limited to verifying the Department's action on the identified deviations/ mismatches.

Initial responses were yet to be received, as of March 2023, for 211 inconsistencies (50 *per cent*) communicated to the Department (**Appendix VI**) which represent deviations/ mismatches of ₹542.38 crore in 159 cases as detailed in **Appendix VII**.

Details of top ten cases in terms of amount of mismatch where response is yet to be received is detailed in the following **Table - 2.3**.

Table – 2.3
Top cases where response is awaited

Sl. No.	GSTIN	Name of taxpayer	Assessment Circle	Dimension	Mismatch amount (₹ in crore)
1	32AAACG1395D1Z3	Godrej & Boyce Mfg Co. Ltd	Special Circle I, Ernakulam	D7	106.40
2	32AAACJ8091R2ZZ	Peninsular Honda	Special Circle III, Ernakulam	D7	52.49
3	32AAACPI272G1ZW	Pepsico India Holdings(P) Ltd	STO II Circle, Trippunithura	D7	46.32
4	32AANCA7444G2ZN	Adani Vizhinjam Port Private Limited	Works Contract, Thiruvananthapuram	D7	43.71
5	32AADFP1492J1ZA	Prabhu Steels	Special Circle II, Ernakulam	D1	25.86
6	32AADCH4100N2ZW	Howe Engineering Projects India Private Limited	Works Contract, Thiruvananthapuram	D7	21.21

Sl. No.	GSTIN	Name of taxpayer	Assessment Circle	Dimension	Mismatch amount (₹ in crore)
7	32AACFK7769C1ZF	Kerala Trade Wings	Special Circle I, Kozhikode	D7	16.62
8	32AAJFS4867J1ZS	Southern Marketing Associates	Special Circle, Thrissur	D7	11.09
9	32AAACN4165C4ZX	The New India Assurance Co Limited	Special Circle I, Ernakulam	D6	9.53
10	32AABCE9683P1Z0	Cedar Retail Private Limited	IAC, Thrissur	D7	9.03

Note: Dimensions have the same meaning as in Table 2.2.

Recommendation No.4

Department may provide replies in respect of 211 mismatches and deviations, pointed out by Audit, for which responses have not been provided.

2.4.7.3 Summary of deficiencies noticed during Centralised audit

Based on responses received from the Department to the Audit Queries, the extent to which each of the 14 parameters translated into compliance deviations in respect of 201 cases (**Appendix VIII**) is summarised in **Table - 2.4** below:

Table – 2.4
Summary of deficiencies

(₹ in crore)

Audit Dimension	Cases where response received		Department reply is acceptable to the Audit ¹⁷		Compliance deviations							
					Recovery made or SCN issued ¹⁸		ASMT-10/ Notice issued		Department's reply not acceptable to Audit		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
ITC Mismatch (D1)	19	44.49	8	26.91	7	12.36	4	5.27	0	0.00	11	17.63
RCM ITC availed (D2)	37	19.71	28	16.00	3	1.63	5	1.12	0	0.00	8	2.75
RCM payment (D3)	10	1.95	7	1.37	1	0.19	1	0.21	1	0.19	3	0.59

¹⁷ This includes acceptable cases such as data-entry errors, action taken before query and other valid explanations.

¹⁸ Recovery made of ₹2.44 crore in 7 cases and SCN issued of ₹20.87 crore in 33 cases.

Audit Dimension	Cases where response received		Department reply is acceptable to the Audit ¹⁷		Compliance deviations							
					Recovery made or SCN issued ¹⁸		ASMT-10/ Notice issued		Department's reply not acceptable to Audit		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
ISD ITC Mismatch (D4)	13	10.59	8	6.33	1	0.45	4	3.80	0	0.00	5	4.25
12F- Excess ITC (D6)	13	121.67	10	113.41	0	0.00	2	\$	1	\$	3	\$
14T Ineligible ITC (D7)	7	142.89	3	115.69	0	0.00	2	#	2	#	4	#
5R Total Turnover (D8)	29	⁻¹⁹	18	0.00	2	-	7	-	1	-	10	-
7G Taxable Turnover (D9)	20	⁻²⁰	14	0.00	1	-	2	-	3	-	6	-
9R - Tax paid (D10)	20	13.43	9	6.85	5	2.83	5	3.08	1	0.53	11	6.45
Unsettled Liability (D11)	16	34.45	11	27.39	1	0.04	1	1.50	1	1.40	3	2.94
E-commerce (D12)	2	0.00	0	0.00	0	0.00	0	0.00	2	0.00	2	0.00
No GSTR 3B but GSTR 1 available (D13)	14	3.62	0	0.00	11	3.96	0	0.00	0	0.00	11	3.96

¹⁹ Total unreconciled turnover (TO) in table 5R of GSTR 9C in 29 cases where responses received are ₹1,239.50 crore, out of which ₹239.78 crore in one case is yet to be examined by the department, ₹55.95 crore in three cases were due to data entry error, in two cases with TO ₹34.06 crore action were taken proactively, in 13 cases with TO ₹316.16 crore were having valid explanations for the department, in two cases with TO ₹72.54 crore SCN was issued, ASMT 10 was issued in seven cases with TO ₹483.35 crore, department reply was not acceptable to Audit in one case with TO ₹37.66 crore.

²⁰ Total unreconciled turnover (TO) in table 7G of GSTR 9C in 20 cases where responses received is ₹131.23 crore, out of which ₹7.59 crore in two cases were due to data entry error, ₹94.57 crore in 12 cases was having valid explanations for the department, SCN was issued in one case with TO ₹0.95 crore, ASMT 10 was issued in two cases with TO ₹12.65 crore, department reply was not acceptable to Audit in three cases with TO ₹15.47 crore.

\$ Compliance deviation of unreconciled ITC in table 12F of GSTR 9C (ASMT 10 issued in two cases with unreconciled ITC of ₹3.86 crore and department reply was not acceptable to Audit in one case with unreconciled ITC of ₹4.40 crore).

Compliance deviation of unreconciled ITC in table 14T of GSTR 9C (ASMT 10 issued in two cases with unreconciled ITC of ₹15.85 crore and department reply was not acceptable to Audit in two cases with unreconciled ITC of ₹11.35 crore).

Audit Dimension	Cases where response received		Department reply is acceptable to the Audit ¹⁷		Compliance deviations							
					Recovery made or SCN issued ¹⁸		ASMT-10/ Notice issued		Department's reply not acceptable to Audit		Total	
	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount	Number	Amount
Interest short paid (D14)	8	1.85	0	0.00	8	1.85	0	0.00	0	0.00	8	1.85
Stop filers (D15)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	208²¹	394.65	116	313.95	40	23.31	33	14.98	12	2.12	85	40.42

Audit noticed deviations from the provisions of the Act in 85 cases, involving a short levy of tax of ₹40.42 crore constituting 41 *per cent* of the 208 inconsistencies/ mismatches in data, for which the Department provided responses. Out of this, Department has accepted the audit observations or initiated action in 73 cases (**Appendix IX**) with tax effect of ₹38.29 crore. Department recovered ₹2.44 crore in seven cases, issued SCN in 33 cases for ₹20.87 crore. Form ASMT-10 was issued in 33 cases for ₹14.98 crore. In 12 cases, the reply of department is not acceptable to Audit. Relatively higher rates of deviations were noticed in risk parameters such as ITC mismatch and undischarged liability.

In 116 cases constituting 56 *per cent*, where the department's reply was acceptable to Audit, data entry errors by taxpayers comprised 69 cases, department had proactively taken action in 14 cases and 33 cases had valid explanations.

In seven cases, constituting three *per cent*, department is yet to examine the observations.

Details of top ten cases in terms of amount of mismatch accepted by the Department is detailed in the following **Table - 2.5** below:

Table – 2.5
Top cases of mismatch where Department accepted the objections

Sl. No.	GSTIN	Name of the taxpayer	Assessment Circle	Dimension	Tax (₹ in crore)	Action taken
1	32ACGPA4233M1ZY	A.M Fair Price Medicines	STO IV Circle, Thrissur	D7	8.67	ASMT 10 issued
2	32AAGCM9459A1ZK	Mirones Builders & Developers Pvt. Ltd.	Special Circle, Kottayam	D7	7.18	ASMT 10 issued
3	32AACCA0187B1ZF	AVG Motors Limited	Special Circle, Kottayam	D1	4.24	ASMT 10 issued

²¹ This includes seven cases which are yet to be examined by the Department.

Sl. No.	GSTIN	Name of the taxpayer	Assessment Circle	Dimension	Tax (₹ in crore)	Action taken
4	32AAACI4904J1ZV	Indus Motor Company Private Ltd	Special Circle II, Ernakulam	D6	2.93	ASMT 10 issued
5	32BIYPA6876R1Z7	Dreams Traders	STO, Chittur	D13	2.78	SCN issued
6	32AEIPG6407R1Z8	Erumely Traders	STO, Ponkunnam	D1	2.23	SCN issued
7	32AAECK1982G1ZO	KCM Appliances Private Limited	Special Circle, Malappuram	D1	1.97	SCN issued
8	32AAHFV3844N1ZS	Victory Impex Co	Special Circle, Kannur	D1	1.80	ASMT 10 issued
9	32AAKFD1597P1ZX	D J Gold	Deputy Commissioner, Thrissur	D4	1.65	ASMT 10 issued
10	32ACMPJ8252F1ZN	Jemis Enterprise	Special Circle II, Ernakulam	D1	1.54	ASMT 10 issued

Note: Dimensions have the same meaning as in Table 2.2.

A few illustrative cases where the department accepted or initiated action in respect of each dimension are given below:

- i. Excess ITC availed (Dimension 1):* GSTR 2A is a purchase related dynamic form that is automatically generated for each business by GST portal, whereas GSTR 3B is a monthly return in which summary of outward supplies along with ITC and payment of tax are self-declared by the taxpayer.

To analyse the veracity of ITC utilisation, relevant data were extracted from GSTR 3B and GSTR 2A for the year 2017-18, and the tax paid as per suppliers' details were matched with the ITC availed by the taxpayer.

Audit observed that in the case of a taxpayer M/s AVG Motors Limited (GSTIN 32AACCA0187B1ZF), a registered trader in Special Circle Kottayam, ITC available as per GSTR 2A was ₹73.75 crore and the ITC availed as per table 4A(5) of GSTR 3B was ₹77.99 crore resulting in mismatch of ₹4.24 crore which was communicated through an Audit query (April 2022). In response, the Department stated (November 2022) that ASMT 10 was issued to the taxpayer in June 2022.

- ii. Availing of Excess ITC on RCM (Dimension 2):* Under Reverse Charge Mechanism (RCM), the liability to pay tax is fixed on the recipient of supply of goods or services instead of the supplier or provider in respect of certain categories of goods or services or both

under Section 9(3) or Section 9(4) of the SGST Act, 2017 and under sub-section (3) or sub-section (4) of Section 5 of the IGST Act, 2017.

GSTR 9 is an annual return to be filed once for each financial year, by the registered taxpayers who were regular taxpayers, including SEZ units and SEZ developers. The taxpayers are required to furnish details of purchases, sales, input tax credit or refund claimed or demand created etc.

To analyse the veracity of ITC availed on tax paid under RCM for the year 2017-18, the datasets pertaining to GSTR 3B and annual return GSTR 9 were compared to check whether the ITC availed on RCM was restricted to the extent of tax paid. In cases where GSTR 9 was not available, the check was restricted within GSTR 3B where the tax discharged part in GSTR 3B Table 3.1 (d) was compared with the ITC availing part of GSTR 3B 4A (2)²² and 4A (3)²³.

Audit observed that in the case of the taxpayer M/s. M K Enterprises (32ADQPK5912J1ZE) in the Office of the Deputy Commissioner, Palakkad, the ITC available as per the tax payable under RCM in table 3.1(d) of GSTR 3B was ₹0.002 crore whereas the ITC availed in table 4A(2) & (3) of GSTR 3B was ₹1.35 crore resulting in mismatch of excess availing of ITC under RCM amounting to ₹1.35 crore. In response to an Audit query (April 2022), the Department stated (May 2022) that SCN was issued to the taxpayer in April 2022.

- iii. *Availing of excess ITC on RCM without payment of Tax (Dimension 3):*** The extent of availing of ITC under RCM for the year 2017-18 without discharging equivalent tax liability or, in other words, short payment of tax under RCM was analysed by comparing the datasets pertaining to GSTR 3B and annual return GSTR 9 to check whether the tax has been discharged fully on the activities/ transactions under RCM. In cases where GSTR 9 was filed, the RCM payments in Table 4G²⁴ was compared with ITC availed in Table 6C, 6D and 6F. In cases where GSTR 9 was not available, RCM payments in GSTR 3B Table 3.1(d)²⁵ was compared with GSTR 3B 4(A) (2)²⁶ and 4A (3)²⁷.

Audit observed that in the case of the taxpayer M/s MIFAS Communication (32BASPN8933Q1ZP) in the Office of the STO, Tirur, ITC under RCM amounting to ₹0.21 crore was availed through GSTR 9 with no payment on RCM made through GSTR 3B. In response

²² Import of services

²³ Inward supply (liable to reverse charge).

²⁴ Inward supplies on which tax is to be paid on reverse charge basis.

²⁵ Inward supply (liable to reverse charge).

²⁶ Import of services.

²⁷ Inward supply liable to reverse charge other than import of goods and services.

to an Audit query (April 2022) communicating this mismatch, the department stated (August 2022) that ASMT 10 was issued to the taxpayer in August 2022.

- iv. Irregular availing of ITC by recipient on ISD credit (Dimension 4):** To analyse whether the ITC availed by the taxpayer is in excess of that transferred by the Input Service Distributor (ISD), ITC availed as declared in the returns of the taxpayer is compared with the ITC transferred by the ISD in their GSTR 6.

Audit observed in the case of the taxpayer M/s. D J Gold (32AAKFD1597P1ZX) in the Office of the Deputy Commissioner, Thrissur, that the ITC availed in table 6G of GSTR 9 was ₹1.65 crore and ITC transferred by the ISD in table (5A+8A+9A) of GSTR 6 was NIL, resulting in a mismatch of ₹1.65 crore. In response to an Audit query (September 2022) on incorrect availing of ISD credit of ₹1.65 crore, the Department stated (October 2022) that ASMT 10 was issued to the taxpayer in October 2022.

- v. Unreconciled ITC in Table 12F of GSTR-9C (Dimension 6):** Table 12 of GSTR 9C reconciles ITC declared in annual return (GSTR 9) with ITC availed as per audited Annual financial statement or books of accounts. Column 12F of this table deals with unreconciled ITC. The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of SGST Rules, 2017, in Form GSTR 9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the Financial Statements.

In the case of M/s. Indus Motors Ltd (32AAACI4904J1ZV) in the Office of the Special Circle II, Ernakulam, Audit noticed (November 2022) unreconciled ITC declared in Table 12F of GSTR 9C amounting to ₹2.93 crore being mismatch of ITC availed in GST returns and ITC on items booked in financial statement. On this being pointed out (November 2022), the Department stated (November 2022) that the issue had been communicated to the taxpayer.

- vi. Unreconciled ITC in Table 14T of GSTR-9C (Dimension 7):** Table 14 of GSTR 9C reconciles ITC declared in annual return (GSTR 9) with ITC availed on expenses as per audited Annual financial statement or books of accounts. Column 14T of this table deals with unreconciled ITC. The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of SGST Rules, 2017, in Form GSTR 9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the expenses reported in the Financial Statements.

In the case of M/s. A.M Fair Price Medicines (32ACGPA4233M1ZY), in the office of the STO IV Circle, Thrissur, Audit noticed (May 2022) unreconciled ITC of ₹8.67 crore declared in Table 14T of GSTR 9C, being ITC availed in GST returns in excess of eligible ITC based on expenses reported in financial statements. On this being pointed out (May 2022), the Department stated (June 2022) that ASMT 10 had been issued to the taxpayer in May 2022.

- vii. Unreconciled turnover in Table 5R of GSTR-9C (Dimension 8):** Table 5 of GSTR 9C is the reconciliation of turnover declared in audited annual financial statement with turnover declared in annual return (GSTR 9). Column 5R of this table captures the unreconciled turnover between the annual return GSTR 9, and that declared in the Financial Statement for the year after the requisite adjustments.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of SGST Rules, 2017, in Form GSTR 9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in turnover reported in the Annual Return vis-à-vis the Financial Statements. The unreconciled amount in cases where the turnover declared in GSTR 9 is less than the financial statement indicates non-reporting, under-reporting, short-reporting, omission, error in reporting of supplies leading to evasion or short payment of tax. It could also be a case of non-reporting of both taxable and exempted supplies.

In respect of the taxpayer, M/s Malanadu Farmers Society (32AABTM2628K1ZO) in the office of the Deputy Commissioner, Pala, Audit noticed (October 2022) a difference in total turnover as declared in Table 5R of GSTR 9C amounting to ₹72.36 crore. On this being pointed out, the Department stated (October 2022) that DRC 01A had been issued to the taxpayer (October 2022).

- viii. Unreconciled taxable turnover in Table 7G of GSTR-9C (Dimension 9):** Table 7 of GSTR 9C is the reconciliation of taxable turnover. Column 7G of this table captures the unreconciled taxable turnover between the annual return GSTR 9 and that declared in the financial statement for the year after the requisite adjustments.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of SGST Rules, 2017, in Form GSTR 9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in taxable turnover reported in the Annual Return vis-à-vis the Financial Statements. The unreconciled amount in cases where the turnover in GSTR 9 is less than the financial statement indicates non-reporting, under-reporting, short-reporting, omission,

error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

In respect of the taxpayer M/s Kizhathadiyoor Service Co-operative Bank Ltd. (32AAAK3240R1ZM) in the office of the Deputy Commissioner, Pala, Audit noticed (October 2022) a difference in taxable turnover as declared in Table 7G of GSTR 9C amounting to ₹6.63 crore. On this being pointed out, the Department stated (October 2022) that ASMT 10 had been issued to the taxpayer (October 2022).

ix. Unreconciled tax liability in Table 9R of GSTR 9C (Dimension 10):

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of SGST Rules, 2017, in Form GSTR 9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in tax paid between the Annual Return and the books of account. Table 9 of Form GSTR 9C attempts to reconcile the tax paid by segregating the turnover rate-wise and comparing it with the tax discharged as per annual return GSTR 9. The unreconciled amounts could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or vice versa or incorrect levy of CGST/ SGST/ IGST. There can also be situations wherein supplies/ tax declared are reduced through amendments (net of debit notes/ credit notes) in respect of the 2017-18 transactions carried out in the subsequent year from April to September 2018. Consequential interest payments - both short payments and payments under incorrect heads - also need to be examined in this regard.

In respect of the taxpayer M/s. Jasmine Agencies (32AACFJ5822D1ZW) in the Office of the Special Circle, Malappuram, Audit noticed (April 2022) unreconciled payment of tax declared in Table 9R of GSTR 9C amounting to ₹1.51 crore. On this being pointed out, the Department stated (January 2023) that ASMT 10 was issued to the taxpayer (January 2023).

x. Short declaration of tax liability (Dimension 11): GSTR 1 depicts the monthly details of outward supplies of Goods or Services. The details also assessed by the taxpayer and mentioned in annual return GSTR 9 in the relevant columns. Further, taxable value and tax paid thereof also shown in GSTR 3B.

To analyse the undischarged tax liability, relevant data were extracted from GSTR 1 and GSTR 9 for the year 2017-18 and the tax payable in these returns was compared with the tax paid as declared in GSTR 9. Where GSTR 9 was not available, a comparison of tax payable between GSTR 1 and GSTR 3B was resorted to. The amendments and advance adjustments declared in GSTR 1 and 9 were also considered for this

purpose. In the case of GSTR 3B, tables 3.1(a)²⁸ and 3.1(b)²⁹ were taken into account.

Audit observed (May 2022) that in the case of the taxpayer M/s. Najeem Cashew Industries (32ACAPM1256C1ZC), in the Office of the Special Circle Kollam, there was a liability mismatch between GSTR 1 and GSTR 3B amounting to ₹1.54 crore. The liability declared by the taxpayer in GSTR 1 including the amendments carried out in the subsequent years pertaining to invoices issued in 2017-18 works out to ₹2.41 crore. However, the tax discharged in GSTR 3B was only ₹0.87 crore. In response to this Department stated (October 2022) that ASMT 10 was issued to the taxpayer.

- xi. Non filing of GSTR-3B - Non-Payment of tax but passing ITC (Dimension 13):*** GSTR 3B return under Rule 61 (5) of SGST Rule, 2017, is the only instrument through which the tax liability is offset and ITC is availed.

Effort was made through data analysis to identify those taxpayers who had not filed GSTR 3B but filed GSTR 1 or whose GSTR 2A was available. The very availability of GSTR 1 and 2A and non-filing of GSTR 3B indicates that the taxpayers had undertaken/ carried on the business during the period but have not discharged their tax liability. It may also include cases of irregular passing on of ITC.

In the Office of the STO, Chittoor, in the case of taxpayer M/s. Dreams Traders (32BIYPA6876R1Z7) the datasets pertaining to relevant fields in GSTR 1, 2A and 3B were analysed. Audit observed (May 2022) that the taxpayer had not filed GSTR 3B in 2017-18 and potential tax liability flowing from GSTR-1 of ₹1.54 crore was noticed. In response to the audit observation on non-filing of GSTR 3B despite output tax liability as per GSTR 1 amounting to ₹1.54 crore, the Department stated (July 2022) that the proper officer had already noticed the non-filing of returns and non-payment of tax and spot enquiry of the business place was conducted in July 2019 itself. It was also stated that the registration of the dealer was cancelled in July 2019. The reply is not acceptable, as the proper officer had only cancelled the registration without taking appropriate action under the Act for realisation of tax.

- xii. Short payment of interest (Dimension 14):*** Section 50 of the Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made thereunder but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay interest at the rate notified.

²⁸ Outward taxable supplies (other than zero rated, nil rated and exempted).

²⁹ Outward taxable supplies (Zero rated).

The extent of short payment of interest on account of delayed remittance of tax during 2017-18 was identified using the tax paid details in GSTR 3B and the date of filing of GSTR 3B. Only the net tax liability (cash component) has been considered to work out the interest payable.

In respect of the taxpayer M/s. Sree Krishna Traders (32ACYFS5861K1ZB) in the Office of the STO, Pattambi, Audit noticed (May 2022) short payment of interest amounting to ₹0.30 crore on account of belatedly filing GSTR 3B. On this being pointed out, the Department stated (November 2022) that DRC-07 had been issued to the taxpayer in November 2022.

2.4.8 Detailed Audit (Part III)

In a self-assessment regime, the onus of compliance with law is on the taxpayer. The role of the Department is to establish and maintain an efficient tax administration mechanism to provide oversight. With finite level of resources, for an effective tax administration, to ensure compliance with law and collection of revenue, an efficient governance mechanism is essential. An IT driven compliance model enables maintaining a non-discretionary regime of governance on scale and facilitates a targeted approach to enforce compliance.

From an external audit perspective, Audit also focused on a data-driven risk-based approach. Thus, apart from identifying inconsistencies/ deviations in GST returns through analysis of data on GST related to the State, a detailed audit of GST returns was also conducted as a part of this review. A risk-based sample of 45 taxpayers was selected for this part of the review. The methodology adopted was to initially conduct a desk review of GST returns and financial statements filed by the taxpayers as part of the GSTR 9C and other records available in the back-end system to identify potential risk areas, inconsistencies/ deviations and red flags. Desk review was carried out in the office of Principal Accountant General, Kerala. Based on desk review results, detailed audit was conducted in assessment circles by requisitioning corresponding granular records of taxpayers such as financial ledgers, invoices etc, to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

In spite of requisitions and follow up, records such as invoices and agreement copies were not provided by the assessment circle offices in all the 45 selected cases. In 12³⁰ cases where there were only consolidated accounts (where multi locational units having registration in multiple states), though the state specific certified accounts were called for, but not furnished to audit. Consequently, in these partially produced cases, audit was restricted to the information available in the returns filed by the taxpayers. Thus, audit could not evaluate eligibility of ITC claimed and extent of unsettled tax liability, which constituted a significant scope limitation.

2.4.8.1 Scope limitation

Section 35(1) of SGST Act, 2017 read with Rule 56(1) of SGST Rules, 2017, envisages that every registered person shall keep and maintain, at his principal place of business, a true and correct account along with relevant documents.

Rule 56(18) of SGST Rules, 2017, envisages that every registered person shall, on demand, produce the books of accounts which he is required to maintain under any law for the time being in force.

It is the statutory obligation, of the officer-in-charge of the auditable entity, as per Section 18 of the DPC Act, to comply with requests by Audit for data, information and documents, whether in advance or during the course of audit, within the specified time.

CAG Audit Regulation, 2020 mandates the officer in charge at the auditable entity to ensure that the basic records, data, information and documents as required in the requisition sent to him by the Audit, are kept ready before the arrival of the audit team.

During the desk review of taxpayers' records available in the back-end system, Audit identified the risks related to excess ITC and tax liability mismatches for detailed examination. On the ITC dimension, the mismatches were identified by comparing GSTR 3B with GSTR 2A and GSTR 9, and the declarations made in Table 12 and 14 of GSTR 9C. On the tax liability dimension, the mismatches were identified by comparing GSTR 3B with GSTR 1 and GSTR 9 and the declarations in Table 5, Table 7 and Table 9 of GSTR 9C. However, in all the cases, the Department did not produce the corresponding granular records such as the supplementary financial ledgers, invoices, agreement copies etc. required for examining the causative factors for

³⁰ 32AAACC9308A1ZC (CBRE South Asia Private Limited), 32AAACE1378A1ZC (Esdee Paints Ltd), 32AAACI7351P1ZC (ICICI Prudential Life Insurance Company Limited), 32AAACT4119L1ZH (TATA Projects Limited), 32AAICS7671L2ZU (SUN Direct TV Pvt Ltd), 32AAACR4761J1ZF (RDS Project Ltd), 32AABCA9599A1ZS (Ainwasha Engineering & Projects Limited), 32AAACT7597G1Z4 (Malayala Manorama), 32ACDFS6120L1Z8 (SMARD), 32AAACI4918G1ZW (Indsil Hydro Power), 32AAPFP7515A3ZF (Ponnore Enterprises LLP), 32AAIFR4799M1ZH (Redlands Ashlyn Motors PLC).

mismatches of ITC and tax liability. Audit requisitioned these granular records of the taxpayers through the respective circles. The case-wise listing of partial production is given in **Appendix X**.

The five cases of partial production of records in terms of mismatches in ITC and tax liability are shown in the following **Table - 2.6** below:

Table – 2.6
Top cases of partial production of records in terms of mismatches

Sl. No.	GSTIN	Name of taxpayer	Assessment Circle	List of records not produced	Mismatch Amount (₹ in crore)
1.	32ABOFS7482F1ZT	Saffe Systems	Special Circle, Mattancherry at Aluva	Manufacturing accounts, inward invoices along with debit and credit notes for selected months, fixed asset register, payment/receipt vouchers, trial balance.	15.36
2.	32AAACT4119L1ZH	TATA Projects Limited	Special Circle I, Ernakulam	Contract agreement, outward and inward invoices along with debit and credit notes for selected months, fixed asset register, State specific certified accounts.	2.93
3.	32AAACC9308A1ZC	CBRE South Asia Private Limited	Special Circle I, Ernakulam	State specific certified accounts, outward and inward invoices along with debit and credit notes for selected months, fixed asset register, list of major supplies.	2.31
4.	32AAFCT5790G1Z8	Technotrade Retail Services India Private Limited	Special Circle I, Ernakulam	Details of exempted supplies, outward and inward invoices along with debit and credit notes for selected months, fixed asset register.	2.12
5.	32AAACT7597G1Z4	Malayala Manorama	Special Circle, Kottayam	State-specific financial accounts, Contract agreement, Outward and inward invoices along with debit and credit notes for selected months, fixed asset register, payment/receipt vouchers, trial balance, Details of exempted supply.	1.82

The granular records were not fully produced in any of the sampled 45 cases. As a result, the identified risks relating to availing of excess/ irregular ITC and undischarged liability of ₹34.42 crore could not be examined in detail by Audit.

2.4.8.2 Discharge of tax liability

The taxable event in case of GST is supply of goods and/ or services. Section 9 of the SGST Act, 2017, is the charging section authorising levy and collection of tax called Central/ State Goods and Services Tax on all intra-State supplies of goods or services or both, except on supply of alcoholic liquor for human consumption, on the value determined under section 15 of the Act *ibid* and at such rates not exceeding 20 *per cent* under each Act, i.e. CGST Act and SGST Act. Section 5 of the IGST Act, 2017, vests levy and collection of IGST on inter-State supply of goods and services with Central Government with maximum rate of 40 *per cent*.

Section 73(1) of SGST Act, 2017, envisages that where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where input tax credit has been wrongly availed or utilised for any reason, other than the reason of fraud or any wilful-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 input tax credit, requiring him to show cause as to why he should not pay the amount specified in the notice along with interest payable thereon under Section 50 and a penalty leviable under the provisions of this Act or the rules made thereunder.

Audit observed 24 cases of compliance deficiencies amounting to ₹20.47 crore out of 45 cases examined as detailed in **Appendix XI**. The deficiencies were mainly due to deficiencies like non-adhering to time of supply provisions, misclassification of supplies, exclusion of taxable supplies, incorrect availing of exemptions, incorrect discharge of tax liability on reverse charge basis and short discharge of tax liability.

Audit also observed seven instances of mismatch in turnover between GST Returns in these 45 cases (**Appendix XII**) for which tax effect could not be established.

- **Non-adhering to time of supply provisions**

As per Section 35(5) and 44 of SGST Act, 2017, the taxpayer shall get his accounts audited and furnish audited annual accounts and audited financial statement.

As per Section 13(2) of SGST Act, 2017, the time of supply of services shall be the earliest of the following dates, namely:

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

Audit observed compliance deficiencies in three out of 45 cases, amounting to ₹8.59 crore, due to non-adherence of time of supply provisions of the Act, thereby not discharging the tax liability which are illustrated below:

- a) M/s Sun Direct TV Pvt. Ltd. (32AAICS7671L2ZU), a service provider registered in Works Contract Office, Ernakulam furnished consolidated audited accounts for the year 2017-18 only. The accounts relating to Kerala operation under the GSTIN was not furnished to the Department as required under Section 44 of the Act.

The taxpayer accounted ₹174.88 crore as income received in advance and ₹78.27 crore as advance received from distributors (Total ₹253.15 crore). M/s Sun Direct is a distributor of DTH service and the advance received is taxable as per Section 13(2)(c) of the Act. However, as per Part II-4F of GSTR 9, tax on advance received was shown as NIL. The advance in respect of the state was worked out at the rate of 11.78 *per cent* on an amount of ₹1,374.30 crore accounted as revenue for the year on the consolidated accounts and ₹161.89 crore being the turnover pertaining to the state, as disclosed in GSTR 9. Accordingly, the advance receipt in respect of the State is worked out to ₹29.82 crore (11.78 *per cent* of ₹253.15).

Tax of ₹5.37 crore at the rate of 18 *per cent* was to be paid at the time of receipt of advance of ₹29.82 crore which could not be ascertained in Audit in the absence of relevant records. Government, therefore, needs to ensure that tax liability was discharged at the time of completion of work.

The matter was pointed out to Department/ Government (January 2023), their reply is awaited (March 2023).

- b) M/s Smard (32ACDFS6120L1Z8), a works contractor registered in the Deputy Commissioner Office, Palakkad, filed consolidated P&L account with outward supply of ₹50.02 crore for the year 2017-18. Verification of GSTR 9C of the taxpayer reveals that the supply pertaining to the State as declared

comes to ₹45.17 crore i.e. 90.30 *per cent* of the supply accounted in the consolidated accounts.

Audit further checked the accounts of the taxpayer who is a works contractor and noticed that as per Balance Sheet, the taxpayer received ₹18.77 crore as advance from customers which forms part of supply as per Section 13(2) of SGST Act. Tax of ₹3.05 crore at the rate of 18 *per cent* was to be paid at the time of receipt of advance of ₹16.95 crore (90.30 *per cent* of ₹18.77 crore). Government needs to ensure that tax liability was discharged at the time of completion of work.

The matter was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

c) M/s District Nirmithi Kendra (32AAAAD4918P1ZM), a works contractor registered in the Deputy Commissioner Office, Kottayam, received an amount of ₹6.91 crore (₹5.50 crore as advance during GST period and ₹1.41 crore as income for completed works during GST period) during the year 2017-18 for which tax liability comes to ₹0.83 crore. Audit noticed that the taxpayer paid only ₹0.66 crore for the taxable turnover declared resulting in short discharge of tax liability of ₹0.17 crore (0.83 crore – 0.66 crore). The taxpayer is also liable to pay interest in accordance with Section 50 of the Act.

The matter was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

- **Misclassification of supplies**

As per Section 59 of SGST Act, 2017, every registered person shall self-assess the taxes payable under this Act and furnish a return for each tax period as specified under Section 39.

Rate of tax payable, as notified³¹, along with corresponding notifications under IGST and SGST/ UTGST laws, on goods and services is linked to its classification by way of Harmonized System of Nomenclature (HSN)/ Service Accounting Code (SAC). These rates have been amended periodically vide further notifications.

As per GST notification No. 11/2017-Central Tax (Rate) dated 28 June 2017 as amended from time to time the works contract service for construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer attract GST at the rate of 18 *per cent* and such services when supplied to government/ local authority/ government entity/ governmental authority at the rate of 12 *per cent*.

³¹ Vide Notification No.1/2017-Central Tax (Rate) and No.11/2017-Central Tax (Rate), both dated 28 June 2017.

Audit noticed three out of 45 cases where the taxpayer wrongly classified their supplies, resulting in short payment of tax of ₹ 0.74 crore. Two cases are illustrated below:

a) M/s RDS Projects (32AAACR4761J1ZF) registered under Works Contract Office, Ernakulam, who is a supplier of works contract services declared total turnover of ₹153.61 crore in the annual return for the year 2017-18 and tax was paid at the rate of 12 *per cent* for ₹ 137.04 crore and at the rate of 18 *per cent* for ₹ 16.37 crore.

The supplier undertaking both government and non-government works did not upload certified accounts pertaining to the State. Audit ascertained the workwise turnover on the basis of the details furnished in VAT return for the period April to June 2017 and TDS details uploaded by the awarder and it was found that 19.98 *per cent* of the turnover related to Government works and the remaining 80.02 *per cent* was other works. Audit noticed (August 2022) that the taxpayer supplied Government/ Other work contract services in the ratio of 90:10 after implementation of GST. Audit requested for granular records such as contract agreements, work order etc. However, the same were not produced for audit. Hence, the Department may examine to ensure that there is no short discharge of tax liability due to misclassification.

The matter was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

b) M/s Homestead Projects and Developers Private Limited (32AADCH1998L1Z9) registered under Works Contract Office, Malappuram who is engaged in developing residential apartment projects declared in GSTR 9 a taxable turnover of ₹8.52 crore during the year 2017-18 for which the taxpayer is liable to pay ₹1.53 crore as tax at the rate of 18 *per cent*. However, the tax paid by the taxpayer was ₹1.02 crore at the rate of 12 *per cent* resulting in short payment of tax of ₹0.51 crore, as disclosed in GSTR 9C.

On this being pointed out (January 2023), the Government stated (March 2023) that reply received from the taxpayer against DRC 01A issued by the department is under scrutiny.

- **Exclusion of taxable supplies**

Section 7 of SGST Act, 2017, defines ‘supply’ to include all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business. It also includes import of services for a consideration whether or not in the course or furtherance of business. This is an inclusive definition, main elements being (1) supply should be of goods or services, (2) supply has to be made for a consideration, (3) supply has to be made in the course or furtherance of business, (4) supply should be made by a taxable person, (5) supply should be a taxable supply, and (6) supply should be made within the taxable territory. Schedule I specifies certain activities which even made without consideration shall be treated as supply. Schedule II specifies treatment of certain activities or transactions as either supply of goods or supply of services. Section 8 of CGST Act, 2017, deals with composite and mixed supplies.

Audit observed compliance deficiencies in ten out of 45 cases, amounting to ₹5.01 crore, due to taxpayers excluding taxable supplies and consequently not discharging tax liability. The top four irregularities noticed in this category amounted to ₹4.13 crore. A case is illustrated below:

M/s Josco Jewellers (32AABCJ8147P1Z6) a trader registered under State Tax Office, I Circle, Changanassery accounted a sales for ₹881.28 crore as per the P& L Accounts and Note No.18 forming part of P& L accounts for the year 2017-18. It was noticed that out of this turnover, an amount of ₹227.31 crore pertained to VAT period and in that case, turnover to be assessed in GST comes to ₹653.97 crore (881.28 – 227.31). However, the taxpayer declared in GSTR 3B, a turnover of ₹606.66 crore and tax was paid accordingly. This resulted in short levy of tax of ₹1.42 crore at the rate of three *per cent* on the turnover escaped assessment of ₹47.31 crore. The taxpayer is also liable to pay interest in accordance with Section 50 of the Act.

It was also noticed that the taxpayer accounted sales returns of ₹33.04 crore. Out of this amount, sales return of ₹9.30 crore pertained to VAT period. Sales returns in the GST regime of ₹23.73 crore were not declared in the GSTR 1 or GSTR 9. This tantamount to exclusion of taxable supply of ₹23.73 crore, with tax implication of ₹0.71 crore at the rate of three *per cent*.

On this being pointed out (January 2023), the Government stated (March 2023) that ASMT 10 was issued.

- **Short payment of tax on turnover disclosed**

As per Section 49(8) of SGST Act, 2017, every taxable person shall discharge his tax and other dues under this Act or the rules made thereunder in the

following order, namely: (a) self-assessed tax, and other dues related to returns of previous tax periods, (b) self-assessed tax, and other dues related to the return of the current tax period, (c) any other amount payable under this Act or the rules made thereunder including the demand determined under Section 73 or Section 74.

Audit observed compliance deficiencies in two out of 45 cases, amounting to ₹3.22 crore, due to the taxpayers' non-payment of tax on the turnover disclosed, which are illustrated below:

a) M/s Malayala Manorama (32AAACT7597G1Z4) a taxpayer registered in Special Circle, Kottayam for the year 2017-18 declared vide GSTR 9 table 4N, a taxable turnover of ₹632.82 crore for the period April 2017 to March 2018 including inward supply turnover for which tax is to be paid on reverse charge basis. Total tax payable for this turnover is ₹42 crore. ITC eligible for the period as per GSTR 9C table 12D is ₹23.65 crore. Thus remaining tax amounting to ₹18.35 crore was to be paid in cash. But tax paid through cash vide GSTR 3B for July 2017 to March 2018 is only ₹15.44 crore. Cash payment shown in GSTR 9 table 9 Column 3 is also the same amount. Hence it resulted in short payment of tax of ₹2.91 crore.

On this being pointed out (January 2023), Government stated (March 2023) that the taxpayer was eligible for ITC of ₹30.43 crore and hence the liability does not arise as mentioned in the audit observation.

The reply is not acceptable as the ITC eligible for the taxpayer as per reconciliation statement submitted by Chartered Accountant is only ₹23.65 crore. Also, no evidence in support of the reply was furnished to audit.

b) M/s. RDS Projects (32AAACR4761J1ZF) a works contractor registered in Works Contract Office, Ernakulam for the year 2017-18 declared the taxable turnover in GSTR 9 as ₹161.01 crore for which tax liability was disclosed as ₹20.64 crore. Audit noticed that tax discharged after allowing credits like ITC, Transitional credit, Credit on RCM amounting to ₹13.55 crore and considering the tax paid by cash amounting to ₹6.78 crore, arrived at ₹20.33 crore. Hence tax short discharged comes to ₹0.31 crore.

The matter was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

• **Incorrect exemption availed**

Section 2(47) of SGST Act, 2017 defines “exempt supply” as supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under section 11, or under section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply. About 149

items of goods and about 81 items of services were exempted from levy of CGST/ IGST by various notifications.

Audit observed compliance deficiencies in three out of 45 cases, amounting to ₹2.70 crore, due to the taxpayers wrongly availing exemptions, which are featured below:

a) Section 7 of SGST Act, 2017, defines ‘supply’ to include all forms of supply of goods or services or both such as sale, transfer, barter, exchange, license, rental, lease or disposal made or agreed to be made for a consideration by a person in the course or furtherance of business. In GST regime, there is only supply of goods or services and no concept of stock transfer, which is erstwhile transfer of goods other than by way of sale. Even if the taxpayer is transferring goods to a branch inter-state, it shall be considered as supply, tax to be paid accordingly and eligible ITC to be availed/ utilised in conformity with the extant provisions of this Act.

M/s Josco Jewellers (32AABCJ8147P1Z6), a trader registered in the State Tax Office, I Circle, Changanassery accounted ₹87.77 crore as stock transfer during the year 2017-18, for which no tax was paid. As per the KVAT return furnished by the taxpayer, inter-state stock transfer outwards at the time of VAT amounts to ₹14.83 crore. Hence, turnover of ₹72.94 crore escaped assessment which resulted in short levy of tax of ₹2.19 crore at the rate of three *per cent*. The taxpayer is also liable to pay interest in accordance with section 50 of the Act.

On this being pointed out (January 2023), the Government stated (March 2023) that ASMT 10 had been issued.

b) Rule 89 of SGST Rules, 2017 provides that in respect of supplies to a Special Economic Zone unit or a Special Economic Zone developer, the taxpayer is required to obtain an endorsement from the specified officer of the Zone that the services were provided for authorised operations in the SEZ.

M/s Deens Constructions (32AAFFD7655P1ZZ) a works contractor registered in Works Contract Office, Ernakulam has not furnished the GSTR Forms 9, 9C etc., for the year 2017-18 till date. Audit noticed that the taxpayer provided works contract service for an invoice value of ₹1.74 crore as disclosed in GSTR 3B, for which tax was not paid, stated to be zero rated sales to BPCL SEZ unit. The taxpayer had not furnished the endorsement as required in the statute resulting in short levy of tax of ₹0.31 crore.

The matter was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

c) Section 2(39) of SGST Act, 2017, defines “Deemed Exports” as supplies of goods manufactured in India which are notified as deemed exports under Section 147 of the Act.

As per Section 16 of IGST Act, 2017, “zero rated supply” means any of the following supplies of goods or services or both, namely: (a) export of goods or services or both, or (b) supply of goods or services or both to a Special Economic Zone developer or a Special Economic Zone unit.

Section 147 of SGST Act, 2017 envisages that deemed exports are such supplies which the Government may, on the recommendations of the Council, notify as deemed exports, where goods supplied do not leave India, and payment for such supplies is received either in Indian rupees or in convertible foreign exchange, if such goods are manufactured in India.

Rule 89 of SGST Rules provided that in respect of supplies regarded as deemed exports, the application for refund shall be filed by the supplier of deemed export supplies in cases where the recipient does not avail of input tax credit on such supplies and furnishes an undertaking to the effect that the supplier may claim the refund.

Deemed exports are not zero-rated supplies by default and hence all supplies notified as supply for deemed export will be subject to levy of taxes i.e. such supplies can be made on payment of tax and cannot be supplied under a Bond/ LUT.

M/s CBRE South Asia Private Limited (32AAACC9308A1ZC), a works contractor in Special Circle I, Ernakulam, issued eight invoices in the category “Deemed Exports” amounting ₹1.11 crore as per GSTR 1 B2B Invoice List for which tax was not paid, resulting in short payment of tax amounting to ₹0.20 crore at the rate of 18 *per cent*.

The matter was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

- **Incorrect discharge of tax liability on reverse charge basis**

The Government may, on the recommendations of the Council, by notification, specify categories of supply of goods or services or both, the tax on which shall be paid on reverse charge basis by the recipient of such goods or services or both and all the provisions of this Act shall apply to such recipient as if he is the person liable for paying the tax in relation to the supply of such goods or services or both.

As per Notification No. 13/2017- Central Tax (Rate) dated 28 June 2017, for the services supplied by a director of a company or a body corporate to the said company or the body corporate, tax shall be paid on reverse charge mechanism by the recipient.

Audit noticed in one out of 45 cases, tax liability on reverse charge basis was discharged incorrectly, which is featured below:

M/s. Homestead Projects and Developers Pvt. Ltd. (32AADCH1998L1Z9) a works contractor, registered in Works Contract Office, Malappuram disclosed related party transactions during the year 2017-18 according to which the company has given ₹0.29 crore to one of its directors for Advance to purchase of land and ₹0.86 crore in total, to two of its directors for purchase of residential flats. The said transactions are considered as remuneration to the services supplied by the directors and hence, tax amounting to ₹0.21 crore at the rate of 18 *per cent* on ₹1.15 crore was not paid by the taxpayer on reverse charge mechanism.

On this being pointed out (January 2023), the Government stated (March 2023) that reply received from the taxpayer against DRC 01A issued by the Department is under scrutiny.

2.4.8.3 Utilisation of Input Tax Credit

Input Tax Credit (ITC) means the credit of Goods and Services Tax (GST) paid by a taxable person on purchase of goods and/ or services that are used in the course or furtherance of business. To avoid cascading effect of taxes, credit of taxes paid on inward supplies can be used to set-off for payment of taxes on outward supplies.

Section 16 of SGST Act, 2017 allows availing of ITC on any supply of goods or services or both which are used or intended to be used in the course of furtherance of business. Section 17(5) of the Act provides a list of goods and services on which the ITC cannot be availed except when the outward taxable supply is of the same category of services. Rule 36 to 45 of the SGST Rules 2017 prescribes the procedures for availing and reversal of ITC.

Audit observed compliance deficiencies in 21 out of 45 cases as detailed in **Appendix XIII** where taxpayers had availed irregular/ excess ITC of ₹15.10 crore. The deficiencies were mainly on account of irregular availing of ITC, ineligible ITC on capital goods, non-reversal of ITC in respect of exempted/ nil rated supplies, ITC on invoices uploaded after due date.

Audit also observed 32 cases of mismatches between GST Returns as detailed in **Appendix XIV**.

- **Irregular availing of ITC**

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

Section 16(2) of the Act prescribes the conditions for availing ITC. The pre-requisites for availing ITC are:

- Taxpayer should be in possession of tax invoice or any other specified tax paying document
- Taxpayer has received the goods or services
- Tax has actually been paid by the supplier
- Taxpayer has furnished the return to avail the ITC
- The value of the goods or services along with the tax should have been paid to the supplier within 180 days from the date of issue of invoice

As provided under Section 16(4), a registered person shall be entitled to take input tax credit in respect of any invoice for supply of goods or services or both made during the financial year, the details of which have been uploaded by the supplier.

Rule 36 of SGST Rules, 2017, prescribe the documentary requirements for claiming ITC. A taxpayer can avail ITC based on (a) Invoice issued by a supplier of goods or services or both, (b) Invoice Issued by recipient along with proof of payment of tax, (c) A debit note issued by supplier, (d) Bill of entry or similar document prescribed under Customs Act, 1962 (e) Revised invoice and (f) Document issued by Input Service Distributor. No ITC shall be availed beyond September of the following financial year to which invoice pertains or date of filing of annual return, whichever is earlier.

Audit observed in 10 out of 45 cases, the taxpayer claimed ITC of ₹62.29 crore out of which the irregular ITC worked out to ₹12.91 crore. The top five irregularities noticed in this category amounted to ₹12.58 crore. Four cases are illustrated below:

a) M/s Malayala Manorama (32AAACT7597G1Z4) a taxpayer under Special Circle, Kottayam, claimed total input tax credit of ₹31.15 crore (₹26.66 crore through monthly returns in GSTR 3B during the period April 2017 to March 2018 and transition credit³² amounting to ₹4.49 crore). But the ITC eligible to the taxpayer as per GSTR 9 table 7J and GSTR 9C table 12D is ₹23.65 crore. Thus the ITC claimed and credited to the ITC ledger is in excess by ₹7.50 crore.

On this being pointed out (January 2023), Government stated (March 2023) that IGST on import of goods was wrongly updated as ₹6.42 crore instead of ₹9.60 crore, a reversal was shown as ₹11.19 crore instead of ₹7.81 crore. It was also stated that the taxpayer effected certain reversals on account of various reasons.

The reply is not acceptable since the ITC eligibility disclosed after all reconciliation by Chartered Accountant in GSTR 9C is ₹23.65 crore only.

³² Unclaimed eligible tax credit pertaining to pre-GST period in respect of the tax payer.

Also, no evidence in support of the reply was furnished to Audit. Further, on verification of GSTR 3B, IGST on import of goods was ₹8.56 crore, which is contradictory to the Government reply.

b) M/s Josco Jewellers (32AABCJ8147P1Z6) a trader in State Tax Office, I Circle, Changanassery, utilised ITC of ₹11.19 crore (IGST ₹5.66 crore, CGST ₹2.18 crore, SGST ₹3.35 crore) as per GSTR 3B for the year 2017-18. Audit noticed that the taxpayer has an eligible credit of ₹9.43 crore only (IGST ₹5.44 crore, CGST ₹2.20 crore, SGST ₹1.78 crore) as per GSTR 9. It resulted in excess utilisation of ITC of ₹1.76 crore which is to be reversed by the taxpayer.

This was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

c) M/s. Redlands Ashlyn Motors (32AAIFR4799M1ZH), a trader registered under Special Circle, Thrissur claimed ITC of ₹1.33 crore in 2017-18 in respect of import of goods and the entire amount has been utilised as per Table 6 of GSTR 3B– payment of tax. However, as per the Trading, P&L Account of the taxpayer, import by the taxpayer's Kerala unit is Nil. Further, the consolidated P&L accounts furnished by the taxpayer revealed that the import was done in its Coimbatore unit for which ITC cannot be availed in Kerala unit. Hence, ITC utilised of ₹1.33 crore was to be reversed.

This was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

- **Availing of ineligible ITC on depreciation availed on capital goods**

As per Section 16(3) of SGST Act, 2017, where the registered person has claimed depreciation on the tax component of the cost of capital goods and plant and machinery under the provisions of the Income Tax Act, 1961, the input tax credit on the said tax component shall not be allowed.

Audit observed compliance deficiencies in four out of 45 cases where taxpayers had availed irregular ITC of ₹1.16 crore. A case is illustrated below:

M/s Smard (32ACDFS6120L1Z8), a works contractor registered in Deputy Commissioner Office, Palakkad furnished consolidated accounts for the period 2017-18. As per consolidated accounts total turnover of the taxpayer was ₹50.02 crore whereas that as per reconciliation statement in Form GSTR 9C is ₹45.17 crore, which shows 90.30 *per cent* of the total turnover pertains to Kerala operation. The taxpayer availed depreciation on the capital goods (plant and machinery) purchased during the year i.e., 2017-18 for an amount of ₹4.27 crore as declared in Form 3CD of Income Tax Returns. Audit also noticed through GSTR 9 that the taxpayer claimed ITC of ₹0.27 crore on

capital goods. As the taxpayer claimed depreciation on capital goods, he is not eligible to claim ITC on the same and required to reverse the tax component included in ₹3.86 crore (90.30 *per cent* of ₹4.27 crore). It resulted in non-reversal of excess ITC of ₹0.59 crore claimed on capital goods for which depreciation was also claimed.

This was pointed out to Department/ Government (January 2023), their reply is awaited (March 2023).

- **Non-Reversal of ITC**

Section 2(47) of SGST Act defines “exempt supply” as supply of any goods or services or both which attracts nil rate of tax or which may be wholly exempt from tax under Section 11, or under Section 6 of the Integrated Goods and Services Tax Act, and includes non-taxable supply.

Section 16 of the SGST Act, 2017 allows availing of ITC on any supply of goods or services or both which are used or intended to be used in the course or furtherance of his business.

As per Section 17(2) of GST Act, “Where the goods or services or both are used by the registered person partly for effecting taxable supplies including zero-rated supplies under this Act or under the Integrated Goods and Services Tax Act and partly for effecting exempt supplies under the said Acts, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies.”

As per Section 17(3), “The value of exempt supply under sub-section (2) shall be such as may be prescribed, and shall include supplies on which the recipient is liable to pay tax on reverse charge basis.”

Rule 42 of SGST Rules, 2017, prescribes the manner of determination of input tax credit in respect of inputs or input services and reversal thereof where the input tax credit in respect of inputs or input services, which attract the provisions of sub-section (1) or sub-section (2) of Section 17, being partly used for the purposes of business and partly for other purposes, or partly used for effecting taxable supplies including zero rated supplies and partly for effecting exempt supplies, shall be attributed to the purposes of business or for effecting taxable supplies.

Audit observed compliance deficiency in one out of 45 cases where taxpayer had not reversed ITC in accordance with the provisions stipulated, as featured below:

M/s Magnum Group Roadways (32ABDPN1420F1ZE) a taxpayer registered in Special Circle Kottayam, being GTA service provider declared a total turnover of ₹6.58 crore for the year 2017-18, out of which only ₹0.05 crore is taxable supply and remaining turnover ₹6.53 crore (99.22 *per cent*) is non-

taxable supply³³. The taxpayer claimed total ITC of ₹0.64 crore through GSTR 3B. Hence ITC attributable to such exempted supply amounting ₹0.64 crore availed by the taxpayer is to be reversed.

This was pointed out to Department/ Government (January 2023), reply is awaited (March 2023).

- **Availing ITC on invoices uploaded after due date**

Section 16(4) of the Act, provides that the registered person shall be entitled to take input tax credit after the due date of furnishing of the return under section 39 for the month of September, 2018 till the due date of furnishing of the return under the said section for the month of March, 2019. ITC can be availed in respect of any invoice or invoice relating to such debit note for supply of goods or services or both made during the financial year 2017-18, the details of which have been uploaded by the supplier under sub-section (1) of section 37 till the due date for furnishing the details for the month of March 2019.

As per notification No. 19/2019 – Central Tax, return in Form GSTR-3B for the month of March, 2019 shall be furnished electronically through the common portal, on or before the 23 April 2019.

Audit observed in six out of 45 cases where the taxpayer availed ITC of ₹0.39 crore on invoices uploaded after the due date. One irregularity is illustrated below:

M/s Technotrade Retail Services (32AAFCT5790G1Z8) a trader registered under Special Circle I, Ernakulam, availed ITC of ₹0.30 crore during 2017-18 in respect of 69 invoices uploaded by the supplier after 23 April 2019. The same is to be reversed by the taxpayer.

These cases were pointed out to Department/ Government (January 2023), reply is awaited (March 2023).

2.4.8.4 Returns filing

Section 39(1) of SGST Act, 2017, stipulates that every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of section 10 or section 51 or section 52 shall, for every calendar month or part thereof, furnish, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars, in such form and manner, and within such time, as may be prescribed.

³³ Subjected to tax on reverse charge basis and tax is to be paid by the recipient of the services.

All prescribed returns should be filed electronically in the common portal. A return is not valid unless all the tax dues as shown in the returns (including the dues for the previous period, interest and penalty) are paid in full. Even if there are no transactions during a tax period, a NIL return must be filed compulsorily.

- **Non-payment of interest by taxpayers where returns were delayed**

As per Section 50(1) of SGST Act, 2017, every person who is liable to pay tax in accordance with the provisions of this Act or the rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding eighteen *per cent*.

It is also provided that the interest on tax payable in respect of supplies made during a tax period and declared in the return for the said period furnished after the due date in accordance with the provisions of Section 39, except where such return is furnished after commencement of any proceedings under Section 73 or Section 74 in respect of the said period, shall be payable on that portion of the tax which is paid by debiting the electronic cash ledger.

Audit observed in ten out of 45 cases, that taxpayers had filed their returns belatedly but the interest payments were not discharged amounting to ₹0.39 crore as detailed in **Appendix XV**. Deficiencies noticed in the filing of returns in two cases are explained below:

a) M/s RDS Project Ltd (32AAACR4761J1ZF), a works contractor under Works Contract Office, Ernakulam filed all the nine returns for the year 2017-18 with a delay ranging from 21 to 140 days and paid the tax dues in these returns by debiting the Cash Ledger. However, interest amounting to ₹0.27 crore was not paid.

This was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

b) M/s Forest Industries Travancore (32AAACF4562B1Z9), a trader under Special Circle, Mattancherry at Aluva filed all the nine returns for the year 2017-18 with a delay ranging from 137 to 419 days and paid the tax dues in these returns by debiting the Cash Ledger. However, interest amounting to ₹0.08 crore was not paid.

This was pointed out to the Department/ Government (January 2023), their reply is awaited (March 2023).

- **Data entry errors**

Audit observed data entry mistakes by taxpayers while filing GST returns in four out of 45 cases. The errors were mainly in the areas like discrepancy

between taxable values and tax liability in GSTR 1/ GSTR 3B, discrepancy in CGST and SGST payments in GSTR 1/ GSTR 3B and discrepancy in ITC availed. An illustrative case is brought out below:

M/s Krishnan Foods (32ABQPN0251R1Z9), a trader in cashew and other goods registered under Special Circle Kollam, exhibited a mismatch of ₹65.38 lakh in ITC availment between GSTR 3B and GSTR 2A during the year 2017-18.

On this being pointed out (July 2022), the Department stated (August 2022) that the taxpayer was having ITC of IGST ₹1.39 crore acquired through import which will not reflect in GSTR 2A. Further the taxpayer inadvertently erred while furnishing GSTR 3B that, an amount of ₹0.71 crore was wrongly entered under ‘All Other ITC’ column instead of entering it in ITC related to import of goods.

2.4.9 Conclusion

The Subject Specific Compliance Audit (SSCA) on ‘Department’s Oversight on GST Payments and Return Filing’ was undertaken with the objectives of assessing the adequacy of the system in monitoring return filing and tax payments, extent of compliance and other departmental oversight functions.

This SSCA was predominantly based on data analysis, which highlighted risk areas, red flags and in some cases rule-based deviations and logical inconsistencies in GST returns filed for 2017-18. The SSCA entailed assessing the oversight functions of assessment circles at two levels - at the data level through global data queries and at the functional level with a deeper detailed audit both of the assessment circles and of the GST returns, which involved accessing taxpayer records. The audit sample, therefore, comprised 121 assessment circles, 419 inconsistencies across 14 risk parameters selected through data analysis, and 45 taxpayers selected on risk assessment for detailed audit of GST returns for the year 2017-18.

A review of 10 Circles in respect of their compliance verification functions disclosed deficiencies in discharge of functions such as of scrutiny of returns, internal audit and action against non/ stop filers of returns.

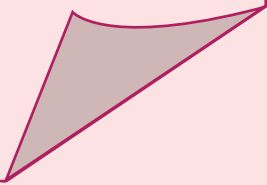
As regards centralised audit, deviations were observed in 85 cases, involving a short levy of tax of ₹40.42 crore constituting 41 *per cent* of the 208 inconsistencies/ mismatches in data, for which the Department provided responses. The Department has accepted the audit observations or initiated action in 73 cases with tax effect of ₹38.29 crore. Department recovered ₹2.44 crore in seven cases, issued SCN in 33 cases for ₹20.87 crore. Form ASMT-10 was issued in 33 cases for ₹14.98 crore. In 116 cases constituting 56 *per cent*, where the Department’s reply was acceptable to Audit, data entry

errors by taxpayers comprised 69 cases, the Department had proactively taken action in 14 cases and 33 cases had valid explanations.

Detailed audit of GST returns also suggested significant non-compliance. At the outset, the granular taxpayer records were not forthcoming, which constituted a significant scope limitation. These cases represented a potential risk exposure of ₹34.03 crore towards identified mismatches in ITC availing and tax payments. Despite partial production of records, Audit observed compliance deficiencies with a revenue implication of ₹35.55 crore. The irregularities pertained mostly to availing of ineligible and irregular ITC, misclassification of supplies, exclusion of supplies for taxation, undervaluation of supplies and incorrect discharge of tax under RCM.

Considering the significant rate of compliance deficiencies, the Department must initiate remedial measures before they get time barred. From a systemic perspective, the Department needs to strengthen the institutional mechanism in the assessment circles to establish and maintain effective oversight on return filing, taxpayer compliance through scrutiny of returns and internal audit, cancellation of registrations and recovery of dues from defaulters. Validation controls are required to introduce a system-check for not allowing cancelled GSTINs to have any transactions in the network by updating the status of such GSTINs on a real-time basis.

Chapter III
Taxes/ VAT on Sales,
Trade, etc.



CHAPTER-III TAXES/ VAT ON SALES, TRADE, ETC.

Test check of the records relating to KVAT assessments and connected documents during 2021-22 showed under-assessment of tax and other irregularities involving ₹12.23 crore as given in the succeeding paragraphs.

3.1 Incorrect assessment in respect of works contractors leading to short levy of tax

As per Section 2(iv) of KVAT Act, 2003, “Works contract” includes any agreement for carrying out for cash or for deferred payment or other valuable consideration the construction, fitting out, improvement, repair, manufacture, processing, fabrication, erection, installation, modification or commissioning of any movable or immovable property. While finalising the assessment of a works contractor, the assessing authority shall verify the books of accounts and relevant records of the assessee to arrive at the taxable turnover correctly and apply the correct rate of tax. Normal rate of tax is 14.5 *per cent*. Concessional rates applicable to compounding scheme is seven *per cent* and that for Government work is five *per cent*. Failure of the assessing authority in arriving at the taxable turnover and in applying applicable rate of tax resulted in short levy of tax as detailed in paragraph 3.1.1 to 3.1.6.

Failure of the assessing officer to apply correct Rule led to short levy of tax and interest of ₹0.84 crore.

3.1.1 As per Section 2(iv) of KVAT Act, 2003, works contract is any agreement for carrying out construction, fitting out, improvement, fabrication etc. for a valuable consideration. Thus, it involves both material element and labour element. Rule 10(2)(a) of the KVAT Rules provides for various deductions permissible from the contract value for arriving at the taxable turnover. However, the contract receipt after deductions shall not fall below the value of the materials purchased. Rule 10(2)(b) provides for deduction of 25 *per cent* of the contract value as labour or other charges in cases where such charges are not ascertainable from the books of accounts.

M/s AZCON Construction and Properties (P) Ltd., is a registered works contractor on the rolls of the State Tax Office (Works Contract), Thrissur. As the assessee had not filed annual return or annual accounts for the year 2017-18, the assessment was done under Section 25(1) of the Act read with Section 25AA (September 2019). The assessing authority arrived at a total taxable turnover of ₹2.41 crore³⁴ creating a demand for ₹27.89 lakh.

³⁴ Turnover ₹2.17 crore and addition (25 per cent) for probable omission ₹24.50 lakh.

Audit scrutiny (December 2021) of the assessment records revealed that there was material purchase to the tune of ₹5.69 crore considered to be utilised for the contract work. However, the assessing authority failed to consider the value of material purchased in arriving at the taxable turnover as required under Rule 10(2)(a) of KVAT Rules, 2005. Since the assessing officer assessed only the turnover of ₹2.17 crore as against ₹5.69 crore, a turnover of ₹3.52 crore escaped from assessment resulting in short levy of tax and interest of ₹0.84 crore as shown in **Table - 3.1**.

Table – 3.1

Sl. No.	Particulars	Amount (₹)
1.	Purchase turnover utilised in works contract	5,68,90,777
2.	Turnover considered by the assessing authority (₹98,00,000 + ₹1,18,86,800)	2,16,86,800
3.	Turnover escaped (1-2)	3,52,03,977
4.	Tax due @14.5% on 3 above	51,04,576
5.	Interest @12% per annum for 64 months (8/2017 to 11/2022)	32,66,928
6.	Total short levy	83,71,504
		0.84 crore

In response to the audit observation, the Government stated (March 2023) that as the company did not produce the books of accounts, the taxable turnover as per Rule 10(2)(a) could not be ascertained as the requisite details such as labour charges, charges for planning and designing and the fee to the architect, cost of consumables used etc. were not available for arriving at the taxable turnover. The assessment was completed by arriving the taxable turnover as per Rule 10(2)(b) of the Kerala Value Added Tax Rules 2005 by deducting 25 per cent of the contract amount towards labour charges and other charges.

The reply is not relevant to the audit observation. Rule 10(2)(b) prescribes the manner in which the taxable turnover is arrived at in cases in which the details of labour or other charges are not ascertainable from the books of accounts of the dealer; whereas the audit observation is regarding the escaped turnover to the tune of ₹3.52 crore, which had been used for the contract work. The reply is silent about the escaped turnover.

Turnover escaped assessment resulted in short levy of tax and interest amounting to ₹0.12 crore.

3.1.2 As per Section 25 (1) of Kerala Value Added Tax Act, 2003, the assessing officer may proceed to determine the turnover escaped from assessment to tax after issuing a notice on the dealer and after making necessary enquiries.

M/s GE India Industrial Pvt. Ltd., is a works contractor in the rolls of State Tax Officer, I Circle, Kalamassery. As per the annual return for the year 2014-15 the assessee conceded AMC³⁵ receipt of ₹6.77 crore of which ₹3.87 crore is self assessed at the rate of five *per cent* and ₹2.90 crore self assessed at the rate of 14.5 *per cent* and paid ₹41.14 lakh as self assessed tax. Out of the total AMC receipt of ₹6.77 crore, ₹3.10 crore pertains to receipts from Chief Engineer, National Games Secretariat, Thiruvananthapuram.

The assessing officer while completing the assessment (January 2021) under Section 25(1) of the Act, rejected the self assessed rate of five *per cent* as the transfer value of materials in the execution of works contract is other than declared goods³⁶. The entire turnover of ₹6.77 crore was taxed at the rate of 14.5 *per cent*. Thus an additional demand of ₹32.50 lakh (tax ₹19.12 lakh and interest ₹13.38 lakh) was raised.

Audit scrutiny (August 2021) of the assessment records for the period 2014-15 revealed that the receipts from Chief Engineer, National Games Secretariat, Trivandrum was actually ₹3.60 crore against the declared amount of ₹3.10 crore. Completion of assessment without verification of supporting documents resulted in turnover escaping assessment of ₹0.50 crore and consequent short levy of tax and interest amounting to ₹0.12 crore as shown in **Table - 3.2**.

Table – 3.2

Sl. No.	Particulars	Amount (₹)
1.	Contract receipt received from CE, NGS	3,60,29,187
2.	Contract receipt declared in the Annual Return	3,10,13,935
3.	Turnover escaped assessment	50,15,252
4.	Tax due @14.5%	7,27,211
5.	Interest @12% per annum for 70 months (4/2015 to 1/2021)	5,09,048
6.	Total short levy	12,36,259
		0.12 crore

Based on the audit observation the assessment was revised (November 2021) creating an additional demand of ₹13,08,982 (Tax ₹7,27,212 and Interest ₹5,81,770). The assessee, however, opted for the amnesty scheme³⁷ of 2021-22 and remitted ₹4,36,327 (January 2022) as a full and final settlement. These facts were confirmed by the Government (March 2023).

³⁵ Annual Maintenance Contract.

³⁶ As per Section 14 of CST Act.

³⁷ The Government has unveiled an amnesty scheme to settle outstanding tax dues pertaining to the period before the introduction of GST to clear the backlog of arrear demand by waiving interest/ penalty and giving reduction in tax arrears.

Failure of the assessing authority in verification of records resulted in short levy of tax and interest amounting to ₹0.18 crore.

3.1.3 As per Section 8(a)(i) of the KVAT Act, 2003, works contractor can opt for paying tax at compounded rate of seven *per cent*. Rule 11(1) and 11(2) of Kerala Value Added Tax Rules, 2005, prescribes two conditions for opting for compounded rates viz. (a) file an application in prescribed form before the due date to the assessing authority and (b) assessing authority should grant permission after satisfying himself. The Commissioner has extended³⁸ the last date of filing option for the payment of compounded tax under Section 8 for the year 2016-17 upto 31 August 2016.

M/s Calatel Developers Pvt Ltd., is a registered dealer on the rolls of the State Tax Officer (Works Contract), Thrissur (with effect from 4 July 2016). As the assessee had not filed returns for the period 2016-17 the assessing officer completed the assessment (September 2020) under Section 25AA³⁹ based on verification of the accounts and KVATIS data. The assessment was completed assessing the suppressed turnover of ₹1.86 crore at compounded rate.

Audit scrutiny (January 2022) revealed that the assessee had filed the application for compounding only on 22 November 2016; almost three months after the due date of 31 August 2016. Moreover, the assessing officer had not granted permission to pay tax at compounded rate as per Rule 11(2)(i) of Kerala Value Added Tax Rules.

As the assessee had not filed application for compounding within the due date and as the assessing officer had not issued permission to pay tax at compounded rate, the levy of tax at compounded rate was irregular which resulted in short levy of tax and interest amounting to ₹0.18 crore as shown in **Table - 3.3**.

Table – 3.3

Sl. No.	Particulars	Amount (₹)
1.	Turnover suppression detected	1,86,07,215
2.	Exemption as per Rule 10(b) @25%	46,51,803
3.	Taxable turnover	1,39,55,412
4.	Tax due @14.5%	20,23,534
5.	Tax assessed	9,30,361
6.	Short levy of tax	10,93,173
7.	Interest @12% per annum for 67 months (5/2017 to 11/2022)	7,32,425
8.	Total short levy	18,25,598
		0.18 crore

³⁸ Vide Circular No. 13/2016 dated 19 August 2016.

³⁹ Assessment completed based on audit observation of CAG.

Based on the audit observation, notice under section 25(A) read with section 25AA of the KVAT Act 2003 has been issued to the dealer (February 2023) proposing to assess the turnover for the year 2016-17 at higher rate. These facts were confirmed by Government in March 2023.

Undue benefit by applying compounding tax to an ineligible assessee resulted in short levy of tax and interest amounting to ₹0.34 crore.

3.1.4 Any works contractor who undertake electrical works is not eligible for payment of tax under the compounded rate as per Section 8(a)(i) of Kerala Value Added Tax Act. As per Section 6(1)(f) of KVAT Act, the tax payable for the works contract receipt is 14.5 *per cent*.

M/s V Tech Electric (P) Ltd. is an electrical contractor in the rolls of State Tax Officer (Works Contract), Thrissur. The assessee filed Annual Return for the year 2015-16 in Form 10B conceding contract receipt of ₹5.07 crore. As per details of ongoing contracts/ projects, the nature of work was Electrical Contracts.

The assessing officer after verification of returns and audited statement determined total turnover as ₹5.45 crore of which taxable turnover was ₹4.47 crore and non-taxable turnover was ₹0.98 crore. The assessing officer completed the assessment (February 2020) under Section 25(1) of KVAT Act. The turnover of ₹2.11 crore was assessed as non-compounded turnover and ₹2.36 crore as compounded turnover.

Audit observed (December 2021) that as per Section 8(a)(i) of the Act, the compounding scheme is not admissible for electrical contractors; hence entire taxable turnover of ₹4.47 crore is to be assessed at the rate of 14.5 *per cent* whereas only ₹2.11 crore was assessed at 14.5 *per cent*. Assessing the turnover of ₹2.36 crore at concessional rate resulted in short levy of tax and interest amounting to ₹0.34 crore.

Based on the audit objection, the assessment was modified (March 2022) demanding tax and interest amounting to ₹0.32 crore and was advised for revenue recovery. Aggrieved by the assessment order the assessee filed appeal before the Joint Commissioner, Thrissur and the appellate authority (April 2022) disposed of the appeal by modifying the assessment order. The assessment order was modified (June 2022) demanding tax and interest amounting to ₹0.32 crore. These facts were confirmed by the Government (March 2023).

Undue benefit by applying concessional rate of compounding tax rate of seven *per cent* to an ineligible assessee resulted in short levy amounting to ₹8.16 lakh.

3.1.5 As per Section 8(a)(i) of Kerala Value Added Tax Act, any works contractor other than those who undertake electrical works may, opt for compounding by paying concessional rate of tax at the rate of seven *per cent* provided the works contractor is registered under the provisions of the Central Sales Tax Act, 1956 (Central Act 74 of 1956). In violation of this provision, an electrical contractor, M/s V Tech Electric (P) Ltd. was provided concessional rate of seven *per cent* as described below:

The assessment of M/s V Tech Electric (P) Ltd., an electrical contractor with Central Sales Tax registration for the year 2016-17 was completed (November 2019) by the State Tax Officer, Works Contract, Thrissur under Section 25(1) of KVAT Act, 2003 read with Section 25AA. As per the assessment order, out of the total turnover of ₹4.33 crore the assessee had a compounded turnover⁴⁰ of ₹1.06 crore, which was assessed at the rate of seven *per cent* and non-compounded turnover of ₹3.27 crore which was assessed at the rate of 14.5 *per cent*.

Audit observed (December 2021) that as per Section 8(a)(i) of KVAT Act, compounding scheme is not admissible for electrical contractors; hence total turnover has to be assessed at the rate of 14.5 *per cent*. Assessing the turnover of ₹1.06 crore at incorrect rate of seven *per cent* resulted in short levy of tax and interest amounting to ₹8.16 lakh as shown in **Table - 3.4**.

Table – 3.4

Sl. No.	Particulars	Amount (₹)
1.	Incorrectly assessed turnover	1,06,30,977
2.	Exemption (labour charges) @20%	21,26,195
3.	Taxable turnover	85,04,782
4.	Tax @14.5%	12,33,193
5.	Tax levied	7,44,168
6.	Short levy of tax	4,89,025
7.	Interest @12% per annum for 67 months (5/2017 to 11/2022)	3,27,647
8.	Total short levy	8,16,672
		8.16 lakh

Based on the audit observation, the assessment for the year 2016-17 was completed (March 2022) by the assessing authority with additional demand of ₹0.08 crore and was recommended for revenue recovery. Aggrieved by this,

⁴⁰ Turnover of the assessee who opts for compounding of tax as per Section 8(a)(i) of KVAT Act.

the assessee filed appeal before the Joint Commissioner (Appeals), Thrissur and the Appellate Authority modified the order (April 2022) granting the benefit of concessional rate to the assessee. The assessing authority filed second appeal (May 2022) against the first appellate order i.e. the order allowing the benefit of compounding to the assessee. These facts were confirmed by the Government (March 2023).

Assessment at reduced rate of five per cent on contract receipts to ineligible contracts resulted in short levy of tax and interest amounting to ₹0.21 crore.

3.1.6 As per Section 8(a)(i) of Kerala Value Added Tax Act, 2003, any works contractor who is registered under the provisions of the CST Act, 1956 can opt to pay KVAT at the rate of seven *per cent* of the whole contract amount for all works contracts undertaken by him. However, the rate shall be five *per cent* for the works awarded by Government of Kerala, Kerala Water Authority and Local Authorities.

M/s Thoppil Contractors India Pvt. Ltd. is a works contractor, in the rolls of Assistant Commissioner (Works Contract), Thiruvananthapuram. During 2017-18 the assessee was allowed concessional rate of five *per cent* for ineligible works as explained below.

The assessee had a turnover of ₹0.69 crore to be assessed at the rate of five *per cent* and ₹8.29 crore to be assessed at the rate of seven *per cent*. Audit scrutiny (September 2021) revealed that the Assistant Commissioner (Works Contract), Thiruvananthapuram assessed (September 2020) the entire turnover of ₹8.98 crore at the concessional rate of five *per cent*.

Assessment of contract receipts of ₹8.29 crore at the concessional rate of five *per cent* instead of the applicable rate of seven *per cent* resulted in short levy of tax ₹0.17 crore and interest ₹0.04 crore totaling to ₹0.21 crore as shown in **Table - 3.5**.

Table – 3.5

Sl. No.	Particulars	Amount (₹)
1.	Contract receipt as per books of accounts	23,06,87,084
2.	Turnover taxable at 5%	68,87,136
3.	Turnover taxable at 7%	22,37,99,948
4.	VAT payable @5% for ₹68,87,136	3,44,357
5.	VAT payable @7% ₹22,37,99,948	1,56,65,996
6.	Total payable	1,60,10,353
7.	VAT payable as per Assessment Order	1,43,52,889
8.	Short Levy	16,57,464
9.	Interest @ 12% per annum for 28 months (5/2018 to 8/2020)	4,64,090

Sl. No.	Particulars	Amount (₹)
10.	Total Short Levy	21,21,554
		0.21 crore

Based on the audit observation, the assessment has been rectified (April 2021) demanding tax and interest amounting to ₹0.21 crore. However, based on rectification petition filed by the assessee, the assessing officer rectified (November 2022) the assessment order. As the dealer could not adduce any satisfactory explanation with documentary evidence for the proposals, the rectified order was cancelled (March 2023) with the direction to complete the assessment afresh. These facts were confirmed by the Government (March 2023).

It is recommended that an adequate system be put in place to cross check all the mandatory records before finalising the assessment. Responsibility must be fixed for granting undue benefit to the assessee.

3.2 Short levy due to granting of irregular input tax credit

As per Section 2(xxiii) of the KVAT Act, 2003, “input tax” means the tax paid or payable under this Act by a registered dealer to another registered dealer on the purchase of goods in the course of business and includes the tax paid on the purchase of materials for the research and development in relation to any goods. Section 11 provides for claiming of input tax credit by a registered dealer subject to the conditions specified in the Act. Assessing authority granted input tax credit violating the said provision which led to short levy of tax as detailed in paragraph 3.2.1 to 3.2.6.

Irregular grant of input tax credit to an assessee under compounding scheme resulted in short levy of tax and interest amounting to ₹0.48 crore.

3.2.1 As per proviso below Section 11(4) of Kerala Value Added Tax Act, 2003, where a dealer opted for payment of tax both at compounding scheme (concessional rate) and non-compounding (schedule rate), he is not eligible for availing input tax credit for the purchases for which he pays tax under compounding scheme. Excess ITC, if availed, shall be reversed under Section 11(7) of the Act as reverse tax.

M/s Marymatha Construction Company is a works contractor in the rolls of the Deputy Commissioner (Works Contract), Mattanchery.

As per the assessment order (January 2021) for the year 2017-18, total taxable contract receipt of the assessee is ₹53.03 crore of which compounded turnover for which ITC not eligible is ₹23.38 crore (44.08 per cent of total turnover). In

the annual return the assessee claimed ₹0.78 crore as ITC in respect of purchase for works contract.

Audit scrutiny (January 2022) revealed that the claimed ITC of ₹0.78 crore, includes ₹0.34 crore (44.08 *per cent* of ₹0.78 crore), which is the ineligible ITC for compounded turnover. The Assessing officer had failed to disallow ₹0.34 crore and reverse it as reverse tax which resulted in short levy of tax and interest amounting to ₹0.48 crore.

Based on the audit observation, the assessment has been rectified (March 2022) by reversing the amount of ITC related to compounded turnover. These facts were confirmed by the Government (March 2023).

Undue benefit of ₹0.48 crore to an assessee by allowing ineligible input tax credit.

3.2.2 Natural rubber and tread rubber have been exempted from CST on interstate sale⁴¹ provided that (a) these items have already suffered tax at the rate of five *per cent* and (b) such interstate sale is proved with C Form. In such exempted sales, as per Section 11(3), the ITC under the KVAT Act shall be limited to (a) input tax paid for the purchase turnover of such interstate sales and (b) rate in excess of five *per cent* for the tax paid on purchase. Excess ITC if availed shall be reversed under Section 11(7) of the Act as reverse tax.

M/s Malaya Rub-Tech Industries is an assessee in the rolls of Deputy Commissioner, Special Circle, Kottayam engaged in the purchase and sale of rubber and rubber products. The assessee filed annual return in Form 10 for the year 2014-15 disclosing total sales turnover of ₹55.83 crore. In the annual return the assessee conceded interstate sales turnover of ₹8.96 crore of which ₹1.89 crore was claimed as exempted sales and ₹7.08 crore as taxable sales. The assessee conceded import/ interstate purchase turnover of rubber and rubber products for ₹1.58 crore.

The assessing officer completed the CST assessment (January 2020) levying tax for the turnover of ₹7.08 crore at two *per cent*⁴² demanding tax of ₹0.14 crore.

Audit scrutiny (November 2021) of the assessment records revealed that the reverse tax paid by the assessee was less than that was required under the Act and thus claimed input tax credit (ITC) in excess of the provisions of the Act. The assessing officer failed to limit the ITC while completing the assessment (January 2020). This resulted in short levy of tax and interest amounting to ₹0.48 crore as given in **Table - 3.6**.

⁴¹ Vide S.R.O. No.753/2011 dated 30 November 2011.

⁴² Rate applicable for turnover supported with C Form.

Table – 3.6

Sl No.	Particulars	Amount (₹)
1	Import/ interstate purchase	1,57,95,850
2	Profit (as per Form 13A)	2.28%
3	Selling price corresponding to import/ interstate purchase (102.28% of Sl.1)	1,61,55,995
4	Total interstate sale	8,96,53,504
5	Sales turnover to be exempted (4-3)	7,34,97,509
6	Purchase turnover determined for the exempted sales turnover (GP @2.28%) (Sl.5 / 102.28%)	7,18,59,121
7	Reverse tax due @5% of Sl.6 as per proviso below Section 11(3)	35,92,956
8	Tax reversed in Annual return	5,21,346
9	Balance tax to be reversed	30,71,610
10	Interest @12% per annum for 56 months (5/2015 to 12/2019)	17,20,101
11	Total short levy	47,91,711
		0.48 crore

Based on the audit observation, the assessment for the year 2014-15 was completed (July 2022) with additional demand of ₹46.53 lakh. The dealer had filed appeal against the original assessment order and the appellate authority remanded the case (February 2023) for fresh disposal. The assessment was rectified (March 2023) revising the interest and creating additional demand of ₹69.08 lakh. These facts were confirmed by the Government (March 2023).

Undue benefit of ₹0.18 crore to an assessee by allowing ineligible input tax credit and refund.

3.2.3 Natural rubber and tread rubber have been exempted from CST on interstate sale⁴³ provided that (a) these items have already suffered tax at the rate of five *per cent* and (b) such interstate sale is proved with C Form. In such exempted sales, as per Section 11(3), the ITC under the KVAT Act shall be limited to (a) input tax paid for the purchase turnover of such interstate sales and (b) rate in excess of five *per cent* for the purchase. Excess ITC availed shall be reversed under Section 11(7) of the Act as reverse tax.

M/s. Midas Rubber (P) Ltd. is an assessee borne on the rolls of Deputy Commissioner, Special Circle, Kottayam engaged in the purchase and sale of rubber and rubber products. The sales turnover of the assessee for the years 2015-16 and 2016-17 had exempted interstate sales also.

⁴³ Vide S.R.O. No.753/2011 dated 30 November 2011.

Audit scrutiny of the assessment records (November 2021) revealed that the reverse tax paid by the assessee was less than that was required under the Act and thus claimed input tax credit (ITC) in excess of the provisions of the Act. The assessing officer failed to limit the ITC while completing the assessment (August 2020). The details are given in **Table - 3.7**.

Table – 3.7

(₹)

Year	Exempted interstate sales turnover as per CST assessment order	Purchase turnover for the interstate exempted sales	Reverse tax due	Reverse tax paid	Short payment of reverse tax
2015-16	5,60,31,181	4,85,62,299	24,28,114	19,05,255	9,80,449 (including refund of 4,57,590)
2016-17	9,23,49,327	8,10,43,727	40,52,186	32,35,300	8,16,886
Total					17,97,335
					0.18 crore

Based on the audit observation, the assessing authority completed the assessment for the years 2015-16 and 2016-17 (March 2022), creating additional demand of ₹18.47 lakh and ₹11.76 lakh⁴⁴ respectively including tax and interest. The assessee preferred appeal against the assessment orders and the Appellate Authority set aside the orders (July 2022). The cases have been remitted to the assessing authority for fresh disposal by determining the reverse tax on the basis of the ratio of the quantity of raw material/ finished goods send outside the State. These facts were confirmed by the Government (March 2023).

Excess refund of ITC resulted in loss of revenue amounting to ₹0.11 crore.

3.2.4 Input tax credit available to a registered dealer under the KVAT Act serves as a relief from the output tax chargeable under the Act. Hence, proviso below Section 11(3) of the Act provides for limits to the ITC for exempted interstate transactions viz. (a) input tax paid for the purchase of exempted transaction (b) rate in excess of five *per cent*. Excess ITC availed shall be reversed under Section 11(7) as reverse tax. As per Rule 12A of the KVAT Rules, where the taxable goods are used during a return period for taxable and non-taxable transactions, the ITC shall be limited in proportion of the taxable transaction.

⁴⁴ 2015-16 - Tax ₹12.23 lakh and interest ₹6.24 lakh; 2016-17 - tax ₹8.17 lakh and interest ₹3.59 lakh.

M/s SUD Chemie India Private Limited is an assessee in the rolls of Assistant Commissioner, I Circle, Kalamassery. The assessee filed annual returns for the years 2015-16 and 2016-17 disclosing total sales turnover of ₹196.53 crore and ₹194.42 crore respectively including tax exempted interstate stock transfer (out).

CST assessments for the period 2015-16 and 2016-17 were completed by the assessing authority (December 2018) considering interstate stock transfer (out) of ₹12.04 crore and ₹14.53 crore respectively as conceded by the assessee. The assessee applied for refund of ₹0.13 crore and ₹0.14 crore respectively as excess tax remitted remaining unadjusted at the end of the year. The assessing authority issued refund (August 2020) of ₹0.13 crore and ₹0.14 crore based on the refund application.

Audit scrutiny (August 2021) revealed that the assessing officer issued refund without deducting the reverse tax due (₹3.95 lakh and ₹4.62 lakh) as envisaged in Rule 12A of Kerala Value Added Tax Rules read with Section 11(3) of Kerala Value Added Tax Act. The excess refund of ₹0.11 crore including interest is shown in **Table - 3.8**.

Table – 3.8

(₹)

Sl. No.	Particulars	2015-16	2016-17
1	Total turnover	1,96,53,24,907	1,93,88,66,742
2	Interstate stock transfer out – exempted transactions	12,03,81,084	14,52,61,742
3	Exempted transaction as a percentage of total turnover	6.12	7.49
4	Total Local purchase turnover	18,32,12,951	18,82,31,140
5	Proportionate purchase turnover for exempted transaction (4 x 3)	1,12,12,633	1,40,98,512
6	Reverse tax due under Section 11(7) (5 per cent of Sl.No.5)	5,60,631	7,04,926
7	Reverse tax paid by the assessee	1,66,076	2,42,741
8	Balance tax to be paid (excess ITC to be reversed)	3,94,555	4,62,185
9	Refund allowed in the refund order as excess ITC	13,47,035	13,75,360
10	Excess refund made	3,94,555	4,62,185
11	Interest @12% per annum for 28 months (9/2020 to 12/2022)	1,10,475	1,29,412
	Total	5,05,030	5,91,597
	Grand Total	10,96,627 (0.11 crore)	

Based on the audit observation, the assessments were revised (November 2021) reversing the excess refund granted and created additional demand.

Aggrieved by the order, the assessee preferred appeal before Deputy Commissioner (Appeals), Ernakulam. The Appellate Authority dismissed the appeal (February 2022). The assessee filed second appeal before the Kerala Value Added Tax Appellate Tribunal, Ernakulam, the case is pending and collection of arrears is under stay. These facts were confirmed by the Government (March 2023).

Failure of the assessing authority to verify necessary documents for granting concessional rate of tax resulted in short levy of tax and interest amounting to ₹3.84 crore.

3.2.5 As per proviso below Section 6(1)(f) of Kerala Value Added Tax Act, 2003, where sale of goods made in the State is for Kerala State Electricity Board (KSEB), is taxable at five *per cent* subject to the condition that assessee shall produce Form 48⁴⁵. This exemption is not applicable to petroleum products which are under KGST.

M/s Anchor Structurals, is a manufacturer and dealer of concrete poles, in the rolls of the Deputy Commissioner, Works Contract, Mattancherry.

The details of turnover conceded by the assessee, verified by the assessing officer and tax assessed by the assessing officer for the years 2012-13, 2015-16 and 2016-17 (August 2019) are given in **Table - 3.9**.

Table – 3.9

Sl. No.	Particulars	Amount (₹ in crore)		
		2012-13	2015-16	2016-17
1	Turnover conceded by the assessee	4.93	10.40	16.24
2	Turnover determined by the assessing officer	7.62	23.18	23.21
3.	Turnover assessed as supplies to KSEB (taxed at the rate of five <i>per cent</i>)	7.52	11.09	19.70
4	Tax assessed by the assessing officer	0.38	1.40	1.23

Audit scrutiny (January 2022) revealed that the assessee had not filed Form No.48 declaration for the years 2012-13, 2015-16 and 2016-17 for the turnover of ₹7.52 crore, ₹11.09 crore and ₹3.68 crore respectively. Hence the assessee is not eligible for concessional rate of five *per cent* for this turnover. However, the assessing authority failed to verify the declaration in Form 48 while

⁴⁵ Rule 12C (5) of Kerala Value Added Tax Rules, 2005 – A manual declaration issued by KSEB/ KWA/ KSRTC/ Railways while purchase of the goods, stating that the goods are intended for exclusive use by them. .

assessing the turnover at concessional rate of tax. Grant of irregular concessional rate resulted in short levy of tax and interest amounting to ₹3.84 crore for the years 2012-13, 2015-16 and 2016-17 as detailed in **Table - 3.10**.

Table – 3.10

Sl. No.	Particulars	Amount (₹)		
		2012-13	2015-16	2016-17
1	Taxable turnover determined by assessing officer in respect of sale of poles assessed at five <i>per cent</i> .	7,51,78,413	11,09,17,669	19,70,13,310
2	Turnover supported with Form 48	Nil	Nil	16,01,77,029
3	Turnover taxable @13.5%/14.5%/ 14.5%	7,51,78,413	11,09,17,669	3,68,36,281
4	Short levy of tax at the differential rate of 8.5% / 9.5%/ 9.5%	63,90,165	1,05,37,178	34,99,447
5	Interest	73,48,690 (5/2013 to 11/2022) – 115 months	83,24,371 (5/2016 to 11/2022) -79 months	23,44,629 (5/2017 to 11/2022) – 67 months
Total short levy		1,37,38,855	1,88,61,549	58,44,076
Grand Total		3,84,44,480 (3.84 crore)		

Based on the audit observation, the assessment for the years 2012-13, 2015-16 and 2016-17 has been rectified (December 2022) after granting concessional rate for the turnover proved with Form 48 declarations and assessing balance turnover at higher rate creating additional demand of ₹0.58 crore, ₹0.29 crore and ₹0.63 crore respectively.

Non-reversal of ineligible input tax credit resulted in short levy of tax and interest amounting to ₹6.83 lakh.

3.2.6 Input tax credit available to a registered dealer under the KVAT Act serves as a relief from the output tax chargeable under the Act. Hence, proviso below Section 11(3) of the Act provides for limits to the ITC for exempted transactions viz. (a) input tax paid for the purchase of exempted transaction (b) rate in excess of five *per cent*. Excess ITC availed shall be reversed under Section 11(7) as reverse tax. Under Rule 12C(2) of KVAT Rules, 2005, a declaration in Form No.43 to be filed by the assessee for claiming exemption on the sale of certain goods to industrial units in SEZ.

M/s Logtech Infoway Pvt. Ltd. is an assessee in the rolls of Deputy Commissioner, Special Circle, Thiruvananthapuram. The assessee filed annual return for the year 2015-16 conceding total local sales turnover of computer systems for ₹63.81 crore including ₹0.96 crore as sale of computer systems to Special Economic Zone (SEZ).

The assessment was completed (March 2021) by the assessing authority under Section 25(1) of the Act determining ₹0.90 crore as exempted sale to SEZ supported by Form No. 43. However, the assessing authority failed to reverse the proportional input tax credit (ITC) corresponding to sales to SEZ as per Section 11(7) of the Act. Short levy on account of failure to reverse the proportional ITC worked out to ₹6.83 lakh as shown in **Table - 3.11**.

Table – 3.11

Sl. No.	Particulars	Amount (₹)
1.	Sales to SEZ allowed as per assessment order	89,60,656
2.	Profit as per Form 13A	4.21%
3.	Sales turnover corresponding to purchase	85,98,653
4.	ITC to be disallowed on SEZ sales	4,29,933
5.	Interest @12% per annum for 59 months (5/2016 to 3/2021)	2,53,660
6.	Total	6,83,593
		6.83 lakh

Based on the audit observation, assessment was rectified (March 2023) creating an additional demand of ₹7.87 lakh including interest. This fact was confirmed by the Government (March 2023).

It is recommended that the Assessing Authorities shall conduct proper verification of records and ensure that ineligible input tax credit is not availed by the assesseees and responsibility shall be fixed for undue benefits given to the assessee.

3.3 Non verification of essential declarations by the assessing authority to prove inter state stock transfer led to short levy of tax

As per Section 6A of CST Act, where any dealer claims that he is not liable to pay tax under this Act, in respect of any goods, on the ground that the movement of such goods from one State to another was occasioned by reason of transfer and not by reason of sale, the burden of proving the movement of those goods shall be on that dealer and for this purpose he may furnish to the assessing authority, within the prescribed time, a declaration, along with the evidence of dispatch of such goods. Failure of the assessing authority in determining the actual movement of goods transferred outside the State by

verifying declarations viz. Form 8FA, Form 8F and Form 15 led to short levy of tax as detailed in paragraphs 3.3.1 to 3.3.3.

Failure of the Assessing Authority to detect suppressed turnover while completing the assessment resulted in short levy of tax and interest amounting to ₹0.60 crore.

3.3.1 As per entry 51A of third Schedule under the Kerala Value Added Tax Act, the rate of tax on sale of gold is five *per cent*.

In the case of transportation of imported goods within the State or across the State, a declaration in Form 8FA should be furnished before the Commercial Tax Officer having jurisdiction over the place of import under Section 46(3)(e) of the Act read with Rule 66(ba) of KVAT Rules. As per Section 9 of Central Sales Tax Act, the tax payable by any dealer on interstate sale shall be levied by the assessing authority.

M/s. Swarnakamal Jewels (India) Pvt. Ltd. is a dealer borne on the rolls of O/o the Deputy Commissioner, Special Circle, Kottayam (now under STO, Taxpayer Services Circle, Kottayam Town). As per the annual return in Form 10 for the year 2016-17 filed, the assessee had conceded interstate sales of ₹0.72 crore. The Deputy Commissioner, Special Circle, Kottayam completed the CST assessment (March 2021) assessing interstate sales turnover as conceded by the assessee.

Audit scrutiny (November 2021) of the assessment records revealed that the interstate sales turnover as evident from Form 8FA declaration (Sales) was ₹8.91 crore, whereas the assessee conceded ₹0.72 crore only. This has resulted in short assessment of turnover of ₹8.19 crore leading to short levy of tax of ₹0.41 crore and interest of ₹0.19 crore totalling to ₹0.60 crore as shown in **Table – 3.12**.

Table – 3.12

Sl. No.	Particulars	Amount (₹)
1.	Turnover as per declaration in Form 8FA	8,91,29,449
2.	Interstate turnover conceded by the assessee	72,68,764
3.	Turnover escaped assessment	8,18,60,685
4.	Tax @5%	40,93,034
5.	Interest @12% per annum for 46 months (5/2017 to 2/2021)	18,82,796
6.	Total Short levy	59,75,830
		0.60 crore

Based on the audit observation the assessment was completed (June 2022) creating additional demand of ₹0.41 crore as tax. The dealer filed appeal against the order and the appellate authority dismissed the appeal (November

2022); the assessment order was modified (March 2023) demanding ₹0.62 crore including interest. These facts were confirmed by the Government (March 2023).

Failure of the assessing authority to cross verify interstate stock transfer resulted in short levy of tax and interest amounting to ₹0.50 crore.

3.3.2 As per Section 6A(1) of Central Sales Tax Act, 1956, interstate stock transfer for purposes other than sales is exempt from CST. The onus of proof of such transfer is not sale is on the assessee. Such transfers other than sales are to be proved by declaration in Form F and Delivery Note in Form 15. As per Section 6A(2) the assessing authority has to satisfy himself of such transfers after making such enquiry as he may deem necessary.

M/s Amy Jewellery Designers is an assessee in the rolls of State Tax Office, I Circle, Kalamassery. As per the annual return in Form 10 for the period 2017-18, the assessee conceded local sales turnover of ₹1.12 crore and paid ₹0.02 crore as self assessed VAT. The assessee also conceded interstate stock transfer (out) for ₹0.39 crore assessable under the CST Act. CST assessment was completed (January 2020) by the assessing authority considering the interstate stock transfer (out) of ₹0.39 crore as conceded by the assessee in the return and levying tax of ₹780.

Audit scrutiny (August 2021) of the Form F declarations and delivery notes in Form 15 revealed that the assessee had effected interstate stock transfer (out) of gold jewellery of value ₹16.62 crore for job-work. But interstate stock transfer (in) was only ₹8.44 crore. Hence, the difference of ₹8.18 crore was to be assessed to tax. Instead, the assessing authority assessed ₹0.39 crore only. This resulted in turnover escaped assessment of ₹7.79 crore. Incorrect assessment resulted in short levy of tax and interest amounting to ₹0.50 crore as shown in **Table - 3.13**.

Table – 3.13

Sl. No.	Particulars	Amount (₹)
1.	Interstate stock transfer (out) as per Form 8F	16,62,72,594
2.	Interstate stock transfer (in)	8,44,25,470
3.	Net interstate stock transfer (out) (1-2)	8,18,47,124
4.	Interstate stock transfer (out) conceded	38,93,178
5.	Turnover escaped assessment (3-4)	7,79,53,946
6.	Tax due @5%	38,97,697
7.	Interest @12% per annum for 29 months (9/2017 to 1/2020)	11,30,332
8.	Total short levy	50,28,029
		0.50 crore

This was due to failure of the assessing authority to verify the Form F and Form 15 to satisfy himself before completing the assessment as envisaged in Section 6A(2) of CST Act.

Based on the audit observation, the assessment was revised (November 2021) demanding tax and interest amounting to ₹0.67 crore. Aggrieved by the order the assessee preferred appeal before the Deputy Commissioner (Appeals), Ernakulam and the appellate authority dismissed (February 2022) the appeal. The assessee filed second appeal (August 2022) before the Kerala Value Added Tax Appellate Tribunal and the case is under stay. These facts were confirmed by the Government (March 2023).

Irregular exemption for interstate purchase return without relevant documents resulted in short levy of tax and interest amounting to ₹0.41 crore.

3.3.3 As per Section 46(3)(d) of Kerala Value Added Tax Act, 2003, no person shall transport within the State across or beyond the notified area any consignment of goods exceeding such quantity or value, as may be prescribed, by any vehicle or vessel, unless he is in possession of declaration in Form No. 8F⁴⁶, when the vehicle or vessels enters or leaves the State limits. Thus declaration in Form 8F is the proof of transportation of goods.

M/s Park Diamonds is an assessee in the rolls of State Tax Officer, I Circle, Kalamassery. In the annual return filed by the assessee for the year 2015-16, the assessee had claimed an amount of ₹4.91 crore as interstate purchase return.

While finalising the assessment (February 2020) the assessing officer levied tax for the interstate purchase return for the turnover of ₹6.14 crore⁴⁷ as the purchase return amounting to ₹4.91 crore was not supported with Form No. 8F and Debit/ Credit Notes. The assessee filed appeal against the order before the Deputy Commissioner (Appeals), Ernakulam and the Appellate Authority disposed of the appeal (September 2020) by remitting back the case to the assessing authority to verify the documents produced by the appellant and to ascertain the admissibility. The assessment was modified (December 2020) by the Assistant Commissioner, I Circle, Kalamassery allowing exemption for the assessed interstate purchase return amounting to ₹6.14 crore stating that the assessee produced documents for proving interstate purchase return for the entire turnover.

Audit scrutiny of the assessment file (September 2021) revealed that the assessee has not furnished declaration in Form No.8F to prove interstate

⁴⁶ Rule 66(6)(a) of KVAT Rules, 2005.

⁴⁷ Purchase return ₹4.91 crore plus gross profit at the rate of 25 per cent amounting to ₹1.23 crore

movement of goods amounting to ₹4.91 crore. Being so, turnover not covered by Form No.8F has to be assessed to tax. Irregular exemption resulted in turnover escaped assessment resulting in short levy of tax ₹24.55 lakh (at the rate of five *per cent* for ₹4.91 crore) and interest of ₹16.45 lakh totalling to ₹40.99 lakh as shown in **Table - 3.14**.

Table – 3.14

Sl. No.	Particulars	Amount (₹)
1.	Turnover not covered by evidences to prove actual movement of goods (Form 8F)	4,90,92,354
2.	Tax due @5%	24,54,617
3.	Interest due @12% per annum for 67 months (4/2015 to 10/2021)	16,44,593
4.	Total short levy	40,99,210
		40.99 lakh

Based on the audit observation, the assessment was completed (November 2021) creating additional demand of tax of ₹0.31 crore and interest of ₹0.21 crore. Aggrieved by the order the assessee preferred appeal before the Deputy Commissioner (Appeals), Ernakulam and the Appellate Authority directed (July 2022) the assessing authority to consider the valid documents produced by the assessee in support of the purchase return and to modify the assessment accordingly. As the assessee failed to produce the required documents, the original assessment order was restored (September 2022) with additional demand of ₹0.55 crore (Tax ₹0.31 crore and interest ₹0.24 crore) and revenue recovery proceedings were initiated (March 2022). These facts were confirmed by the Government (March 2023).

It is recommended that the Assessing Authorities shall conduct proper verification of relevant records to ensure that there is no suppression of turnover. The responsibility may be fixed for giving undue benefit to the assessee.

3.4 Incorrect/ Erroneous assessment leading to short levy of tax

As per Section 25 of the KVAT Act 2003, the assessing authority shall finalise the assessment in such a manner to avoid under assessment, application of incorrect rate, wrong availing of rebate etc. However, failure of the assessing authority to finalise the assessment accurately resulted in short levy of tax as detailed in paragraph 3.4.1 to 3.4.2.

Failure of the assessing authority to comply with the provisions of the Act while completing the assessment resulted in short levy of interest of ₹3.12 crore.

3.4.1 As per Section 31(5) of Kerala Value Added Tax Act, 2003, if the tax assessed or due under this Act is not paid by any dealer within the time prescribed in the notice of demand, shall pay simple interest at the rate of twelve *per cent* per annum.

M/s Muthoot Fincorp Ltd. is an assessee in the rolls of the Deputy Commissioner, Special Circle, Thiruvananthapuram. The assessee filed annual return for the period 2013-14 conceding total turnover of ₹322.04 crore of gold ornaments and bullion.

Assessment was completed (September 2016) determining taxable turnover of ₹322.04 crore as conceded by the assessee demanding tax of ₹7.54 crore. The assessee filed appeal against the assessment order and the Deputy Commissioner (Appeals), Thiruvananthapuram directed (September 2019) to modify the assessment order. The assessment was modified (November 2020) demanding tax of ₹6.93 crore and interest of ₹0.35 crore.

Audit scrutiny (August 2021) revealed that while modifying the assessment, the assessing authority erroneously levied interest of ₹0.35 crore instead of the actual interest of ₹3.47 crore. Failure on the part of the assessing authority to levy interest as per the provisions of the Act resulted in loss of revenue amounting to ₹3.12 crore as shown in **Table - 3.15**.

Table – 3.15

Sl. No.	Particulars	Amount (₹)
1.	Tax due	6,93,72,271
2.	Interest due @12% per annum for 50 months (from 10/2016 to 11/2020)	3,46,86,136
3.	Interest levied	34,68,614
4.	Short levy of interest	3,12,17,522
		3.12 crore

Based on the audit observation, the assessment order has been rectified (October 2021) demanding ₹3.47 crore as interest. These facts were confirmed by the Government in March 2023.

Assessing authority granted credit to advance tax twice while completing the assessment which resulted in short levy of tax and interest amounting to ₹0.19 crore.

3.4.2 As per Section 25(1) of the KVAT Act, the assessing authority may proceed to determine the tax payable, to the best of its judgement, on detailed scrutiny of assessment records. Section 66(1) of the Act provides for

rectification of errors apparent on the face of the records within four years from the year in which such order framed is passed.

M/s. EKK & Co is a works contractor in the rolls of the Deputy Commissioner (Works Contract), Mattancherry. The assessee filed annual return for the period 2016-17 conceding total turnover of ₹7.38 crore taxable at five *per cent* being PWD works. The assessee conceded tax due of ₹0.37 crore and tax at credit of ₹0.47 crore including advance tax paid ₹0.12 crore.

The assessing authority determined the taxable turnover as ₹49.83 crore including suppressed contract receipts of ₹33.95 crore which was detected on verification of the records. The assessment was completed (March 2021) demanding ₹3.46 crore as tax.

On Audit scrutiny (January 2022), it was revealed that ₹0.12 crore paid as advance tax was given credit for two times. The failure on the part of the assessing authority to disallow the credit already allowed resulted in short levy of tax and interest amounting to ₹0.19 crore.

Based on the audit observation, the assessment order has been rectified (February 2022) by disallowing the credit. These facts were confirmed by the Government (March 2023).

It is recommended that the Assessing Authorities may be attentive while finalising the assessment and have to be vigilant so as to avoid omissions. Responsibility may be fixed on the officials for the lapses.

3.5 Turnover escaped assessment leading to resultant short levy of tax

As per Section 25 of the KVAT Act, 2003, where for any reason the whole or any part of the turnover of a dealer has escaped assessment to tax, the assessing authority may, at any time within five years from the last date of the year to which the return relates, proceed to determine, to the best of its judgment, the turnover which has escaped assessment to tax or has been under assessed. Non-compliance to the above provision by the assessing authority led to short levy of tax as detailed below:

Non remittance of collected tax by suppressing the sales turnover resulted in non-levy of tax and interest amounting to ₹0.48 crore.

As per Section 30(1) of Kerala Value Added Tax Act, 2003, a registered dealer may collect tax at schedule rates from the person to whom he sells the goods and pay it over to the Government. If the return filed by the dealer is with incorrect particulars, the assessing authority shall reject the return after issuing notice to the dealer in accordance with Section 22 of the Act.

M/s. KELTRON, a PSU of Government of Kerala is a registered dealer in the rolls of Deputy Commissioner, Special Circle, Thiruvananthapuram. The assessee filed annual return for the year 2016-17 disclosing total sales turnover of ₹123.84 crore.

Audit scrutiny (October 2021) in the Office of the Commissioner of State Tax, Thiruvananthapuram, revealed that as part of upgradation of KVATIS⁴⁸, Oracle License was procured (2016-17) through M/s KELTRON at a total cost of ₹7.44 crore and the Department paid VAT amounting to ₹0.29 crore to the assessee. Verification of the annual return of M/s KELTRON, for the year 2016-17, revealed that the dealer neither conceded the sales turnover of license nor paid tax accordingly.

Thus, turnover to the tune of ₹7.44 crore has escaped from assessment and this was not identified by the Department, though payment of VAT amounting to ₹0.29 crore was made by the Department. Failure of the assessing officer to identify the incorrect particulars submitted by the assessee, resulted in loss of revenue on account of tax ₹0.29 crore and interest ₹0.19 crore totalling to ₹0.48 crore.

Based on the audit observation, the assessing officer issued (February 2023) notice under Section 25A read with Section 25(1) and Section 30(1). Personal hearing opportunity was granted to the dealer (9 March 2023), but the dealer requested further 10 days' extension of time for producing books of accounts and the case was adjourned based on the request of the dealer. These facts were confirmed by the Government (March 2023).

It is recommended that the assessing authority shall complete the assessment and to ensure that the tax collected is duly remitted to the Government.

⁴⁸ KVATIS (Kerala Value Added Tax Information System) is the application software developed and deployed by the department to facilitate tax administration which was developed and deployed during 2007.



Chapter IV
Taxes on Vehicles

CHAPTER-IV TAXES ON VEHICLES

4.1 Tax Administration

The Kerala Motor Vehicles Department is primarily established for enforcement of provisions of Motor Vehicle Act 1988, Kerala Motor Vehicles Taxation Act, 1976 and the rules framed thereunder. The Kerala Motor Vehicles Department (MVD) has been facilitating computerisation of over 18 Regional Transport Offices (RTOs), 14 Safe Kerala Control Rooms, 68 Sub Regional Transport offices (SRTOs) and 19 Motor Vehicles Check Posts (MVCP) across the state. Kerala Motor Vehicle Department is entrusted with the responsibility of providing registration of vehicles in Kerala, issuance of Driving license, issuance of various permits, collection of road taxes and control of vehicular pollution. Safe Kerala Wing of MVD is for road safety activities and Enforcement of Motor Vehicles Act. Through these regulatory activities, the Motor Vehicles Department is one of the major source of revenue for the State exchequer.

4.2 Internal Audit

Audit of the State Transport Authority, Regional Transport Offices (RTOs) and offices of the Deputy Transport Commissioner of each zone is conducted by the Finance Officer of the Motor Vehicles Department. Internal audit of Sub RTOs and Motor Vehicle Check Posts of the Department are conducted by the Senior Superintendents attached to the office of each of the Zonal Deputy Transport Commissioners. The Internal Audit team is comprised of one Accounts Officer, nine Senior Superintendents and 11 Clerks. Against the target of 110 units, 28 units were audited during 2021-22. The Department stated that the periodicity of audit of all offices is annual but it could not achieve the target due to shortage of staff in Internal Audit Wing, lack of proper training and audit software. During 2021-22, the Department cleared 145 paras which was 2.70 *per cent* of the outstanding 5,365 paras.

4.3 Results of Audit

There were 110 auditable units in Motor Vehicles Department. Audit of RTOs are conducted every year and SRTOs once in two years. The audit is conducted through direct scrutiny by visiting the field offices, and also by analysing the data extracted from the VAHAN⁴⁹. Test check of records of 18 offices by direct scrutiny during 2021-22 relating to tax, registration fee, permit fee, driving license fee, conductor license fee, penalties and composite fee under National Permit Scheme showed non/ short-levy of one-time tax, non-levy of green tax, non-remittance of tax and other irregularities during the

⁴⁹ The computerised software with integrated solutions for Vehicle Registration, Fitness, Taxes, Permits & Enforcement.

year 2020-21. Audit had pointed out some of the similar omissions in the earlier years also. Not only do these irregularities persist, but they also remain undetected till the next audit. There is a need for the Government to improve the internal control system including strengthening of internal audit so that recurrence of such cases can be avoided. Under assessment of tax and other irregularities involving ₹5.16 crore are as shown in **Table - 4.1** which comprises 103 cases falling under the following categories.

Table – 4.1
Details of under assessment of tax and other irregularities

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1	Non/ short levy of tax	91	5.05
2	Others	12	0.11
Total		103	5.16

During the course of the year, the Department accepted non/ short-levy of tax and other deficiencies of ₹5.16 crore in 103 cases, which were pointed out by Audit. An amount of ₹10.75 crore pointed out was realised in 102 cases during the year.

The Motor Vehicles Department fully automated its functions by implementing application software ‘SMARTMOVE’ w.e.f January 2007, which was replaced by ‘VAHAN’ with effect from 2019 to automate the RTO operations related to Vehicle Registration, Permit, Taxation and Enforcement. A few illustrative audit observations on audit scrutiny of the automated software, involving ₹72.98 crore is mentioned in the succeeding seven paragraphs. It may be mentioned that the paragraphs below are based on the data extracted from VAHAN and physical verification carried out in 18 audit units out of the total audit units of 110 ie. 16 per cent.

Absence of basic checks in the records in the database by the officials at Regional/ Sub-Regional Transport Offices resulted in non/ short levy of tax amounting of ₹72.98 crore.

4.4 Failure of transport vehicles to renew the Certificate of Fitness leading to safety issues and non-realisation of Penalty and Additional fee

Certificate of fitness is a document that certifies that the vehicle is fit in all respects to ply on road. As per central Motor Vehicles Rules 62(1) a certificate of fitness in respect of a transport vehicle under Section 56 of the Motor Vehicles Act, 1988 shall be valid or renewed for the period as indicated below:

- New transport vehicle - two years.
- Renewal of Certificate of fitness in respect of Transport Vehicles - Two years for vehicles up to eight years old and one year for vehicles older than eight years.

Transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. To ensure effective control over the fitness of vehicles, Rule 105(5) of Kerala Motor Vehicles Rules provides for imposing penalty for non-renewal of certificate of fitness. Thus, if a vehicle is not produced for the renewal of the certificate of fitness on or before the date of expiry, a penalty at the rate of hundred rupees in the case of a two-wheeler or an autorickshaw, at the rate of one hundred and fifty rupees in the case of a motor cab and at the rate of two hundred rupees in the case of other transport vehicles shall be charged for every calendar month or part thereof.

Government of India has introduced⁵⁰ an additional fee of ₹50 for each day of delay after the expiry of the certificate of fitness and the fee for the Certificate of Fitness has been revised with effect from 1 April 2022⁵¹.

a. Non identification of vehicles not having valid certificate of fitness and non-imposition of penalty

During the Audit scrutiny (2021-22) of all RTOs and SRTOs in the State, on analysis of the VAHAN Database, audit noticed that between 1 April 2017 and 31 March 2021, validity of certificate of fitness in respect of **11,598** out of **13,09,066** active Transport vehicles had expired and the vehicles were not produced for re-examination for the issue of certificate of fitness. However,

⁵⁰ Vide Gazette Notification Number G.S.R. 1183 (E) dated 29 December 2016.

⁵¹ Vide Gazette Notification Number G.S.R. 714 (E) dated 4 October 2021.

the vehicles were operating on the road without a valid Certificate of Fitness, thus affecting public safety and endangering the environment. Despite the availability of information in VAHAN, the Enforcement wing of the Department neither initiated any action to cancel the registration/ permit of these vehicles whose fitness certificate has expired nor issued any notice to defaulting vehicle owners. As a result penalty leviable under Rule 105 (5) of KMVR and additional fee in respect of **11,598** vehicles amounted to **₹56.80** crore as detailed in **Appendix XVI (a)**.

b. Non imposition of penalty on vehicles which have renewed certificate of fitness belatedly

In addition to the above, Audit scrutiny (November 2022) of the Fitness renewal data from 'VAHAN' database related to all RTOs/ SRTOs functioning in the State revealed that during the period 2019-21, 1,68,824 transport vehicles renewed the fitness certificates. Of this, 30,479 vehicles were produced for fitness check after the expiry of specified date and it was seen that penalty was not/ short imposed on **26,672** transport vehicles. This resulted in non/ short imposition of penalty for belated renewal of Certificate of Fitness of Transport vehicles to the tune of **₹3.29 crore** as detailed in **Appendix XVI (b)**.

In reply to the audit observation, Government stated (March 2023) that the matter has been intimated to all RTOs and JRTOs and final Action Taken Report would be furnished within three months.

It is recommended that the Government may put in place a proper monitoring mechanism to realise penalty and additional fee in respect of those vehicles due for renewal of certificate of fitness and those which had renewed certificate of fitness. Responsibility must be fixed in cases of non-compliance with the relevant provisions of the Motor Vehicles Act.

4.5 Short levy of one time tax on non-transport vehicles

As per second proviso to Section 3(1) of Kerala Motor Vehicles Taxation Act, 1976, in respect of a new motor vehicle, the purchaser has to pay one-time tax at the rate specified in Annexure I at the time of first registration of the vehicle, from the date of purchase of the vehicle. Thereafter tax shall be levied at the time of renewal of registration or on the expiry of the life time tax already paid.

During the Audit scrutiny of all RTOs/ SRTOs (2021-22) functioning in the State, a scrutiny of the VAHAN software, revealed that one-time tax paid in respect of certain vehicles was less than that prescribed in the statutes. Short levy of tax by Regional Transport Officers in respect of **1,543** vehicles pertaining to the period 2019-2021 resulted in short collection of **₹0.83** crore as detailed in **Appendix XVII**.

On this being pointed out (February 2023) Government stated (March 2023) that out of short levy of ₹0.83 crore from 1,543 cases, Transport Department has recovered ₹0.48 crore from 1,001 cases and ₹0.35 crore needs to be collected from 542 cases.

Even though the matter was pointed out in the Reports of the Comptroller and Auditor General of India for the year ended March 2017, March 2018 and March 2021, the issue still persists.

It is recommended that the Department may strengthen the collection mechanism so that recovery is made in time and omissions of the nature pointed out in the Audit Reports are avoided in future.

4.6 Non/ short levy of one time tax on reclassified vehicles

Section 3(1) of the Kerala Motor Vehicles Taxation Act (Part C and F of Annexure I) provides for reclassification of transport vehicles to non-transport vehicles. In such conversion, onetime tax on percentage basis to be paid by the owner of the vehicle, with respect to the age of the vehicles as specified. The dates from which onetime tax is applicable for conversion are:

- a. 1 April 2007 - In the case of motor cycles, three wheelers and motor cars;
- b. 1 April 2014 - motor cabs.

During the Audit scrutiny (2021-22) of all RTOs/ SRTOs in the State, it was noticed that one time tax payable on vehicles which were reclassified as Non-Transport vehicles from Transport vehicles, was not collected in respect of **1,477** vehicles. This resulted in short levy of **₹2.03 crore** during the period 2019-21 as detailed in **Appendix XVIII**.

On this being pointed out (March 2023) Government stated (March 2023) that the matter has been intimated to all RTOs and JRTOs and final Action Taken Report would be furnished within three months.

Even though the matter was pointed out in the Report of the Comptroller and Auditor General of India for the year ended March 2021, the issue still persists.

It is recommended that the Department may avoid such short collection by ensuring strict adherence to the provisions of the relevant Acts. The Department may strengthen internal audit so that weaknesses in the system are addressed and omissions of the nature pointed out in the Audit Reports and which are persistent are avoided in future.

4.7 Failure to collect prescribed rate of tax for goods carriages fitted with tipping mechanism

Schedule 3 of Section 3(1) of Kerala Motor Vehicles Taxation Act, 1976, prescribes quarterly charges for goods carriages fitted with tipping mechanism.

Audit scrutinised (during 2021-22) the tax remittance details of goods carriages fitted with tipping mechanism in all the RTOs/ SRTOs functioning in the State during the period from 2017-18 to 2020-21. It was found that 52,747 goods carriages with tipping mechanism had paid tax during the period. However, tax at the prescribed rate was not levied for 6,167 goods carriages.

Short collection of tax due to the application of incorrect rate of tax in respect of 6,167 goods carriages (in 27,161 cases) worked out to **₹5.02 crore** as detailed in **Appendix XIX**.

In reply to the audit observation, Government stated (March 2023) that the matter has been intimated to all RTOs and JRTOs and final Action Taken Report would be furnished within three months.

Even though the matter was pointed out in the Report of the Comptroller and Auditor General of India for the year ended March 2021, the issue still persists.

It is recommended that the Department should take necessary action to make good the short collection as pointed out in the Audit Reports. The Department may avoid such systemic failures by ensuring strict adherence to the provisions of the relevant Act.

4.8 Failure to levy green tax meant for green initiatives

As per Section 3 A of the Kerala Motor Vehicles Taxation Act, 1976, green tax shall be levied and collected on the motor vehicles specified below for the purpose of implementation of various measures to control air pollution as given in **Table - 4.2**.

Table – 4.2

Sl No	Class and age of vehicle	Rate of Green Tax (₹)	Incidence of levy
1.	Non Transport Vehicles having four or more wheels and completed 15 years from the date of its registration	400 for every five years	At the time of renewal of registration
2.	Light Transport Vehicles having four or more wheels and have completed 10 years from the date of its registration	200 for every year	At the time of renewal of fitness certificate
3.	Medium Transport Vehicles which have completed 10 years from the date of its registration	300 for every year	At the time of renewal of fitness certificate

Sl No	Class and age of vehicle	Rate of Green Tax (₹)	Incidence of levy
4.	Heavy Transport Vehicles which have completed 10 years from the date of its registration	400 for every year	At the time of renewal of fitness certificate

Green tax is to be collected at the time of renewal of certificate of fitness in the case of transport vehicles and at the time of renewal of registration in the case of non-transport vehicles. Audit reviewed the data base of Motor Vehicles Department in the State during 2021-22 and noticed that 86 RTOs/ SRTOs did not collect green tax pertaining to the period 2019-2021, in the prescribed rate in respect of 55,480 vehicles as shown in **Appendix XX**. This resulted in non-realisation of **₹2.51 crore**.

In reply to the audit observation, Government stated (March 2023) that the matter has been intimated to all RTOs and JRTOs and final Action Taken Report would be furnished within three months.

Even though the matter was pointed out in the Report of the Comptroller and Auditor General of India for the year ended March 2021, the issue still persists. The Government may take necessary steps to collect the amount of tax at the earliest to reduce the arrears of revenue.

It is recommended that the Government may put in place a proper monitoring mechanism to raise alerts for demanding green tax on completion of 10 years or 15 years as the case may be.

4.9 Non realisation of tax in respect of Motor Cab

According to Seventh proviso to Section 4(1) of Kerala Motor Vehicles Taxation Act 1976, motor cabs⁵² shall remit tax at the rate specified in item 7(i)(b) and 7(i)(c) of the Schedule. The rate specified in the Schedule is ₹350 per quarter for motor cab specified in item 7(i)(b) and ₹425 for tourist motor cabs specified in item 7(i)(c).

Audit analysed (February 2023) the tax remittance data of motor cabs from VAHAN database in all RTOs/ SRTOs in the State. It was noticed in Audit that out of the 90,947 Motor Cabs registered in the offices, motor vehicle tax in respect of 6,554 vehicles has not been remitted till 31 March 2021. This has resulted in non-collection of motor vehicle tax of **₹1.94 crore** as detailed in **Appendix XXI**.

Even though the Transport Commissioner directed to send demand notice to all vehicles for which tax is in arrears not later than last week of the second month of the quarter and to initiate revenue recovery proceedings in cases

⁵² Motor vehicles plying for hire and used for transport of passengers and in respect of which permits have been issued under Motor Vehicles Act 1988.

of demand notice proved futile⁵³, no action was taken by the Department to collect the tax in arrears.

In reply to the audit observation, Government stated (March 2023) that the matter has been intimated to all RTOs and JRTOs and final Action Taken Report would be furnished within three months.

It is recommended that the Department may avoid such failures by ensuring strict adherence to the provisions of the relevant Acts and responsibility must be fixed for non-imposition of tax.

4.10 Non-collection of service charge for permits

Permits are short duration Licenses for interstate transport of transport vehicles. Transport Department had fixed the service charge for issue of temporary permit⁵⁴ (all classes) and special permit⁵⁵ (all classes) as ₹105 as per GO (RT) No. 422/2018/Trans. dated 24/09/2018.

On Audit scrutiny (August 2021) of SMARTMOVE database for the period 2019-21, at the Motor Vehicle Check Posts Poovar and Amaravila, it was noticed that the prescribed service charge was not collected while issuing Temporary Permits and Special Permits.

Departmental lapse in collecting service charge resulted in non-collection of ₹0.56 crore as shown in Table - 4.3.

Table – 4.3

Sl. No.	Name of MVCheck Post	Number of temporary/ special permit issued without collecting Service Charge	Service Charge Collectable (₹)
1	Poovar	42,670	44,80,350
2	Amaravila	10,630	11,16,150
Total		53,300	55,96,500

In reply to the audit observation, Government stated (March 2023) that the final Action Taken Report would be furnished within three months.

It is recommended that the Department may avoid such failures by ensuring strict adherence to the provisions of the relevant Acts. Responsibility may be fixed for non-imposition.

⁵³ Circular No.24/2008 (No.B4/17343/TC/2008) dated 15 October 2008 of Transport Commissioner.

⁵⁴ Permit issued for short duration for interstate transportation.

⁵⁵ Permit issued temporarily for special purposes for interstate transportation.



Chapter V
State Excise

CHAPTER-V STATE EXCISE

5.1 Tax Administration

The Kerala State Excise is the law enforcement agency for excise in state of Kerala, India. Kerala Excise has its headquarters in Thiruvananthapuram. The department administers laws related to liquor, narcotic drugs and psychotropic substances, medicinal preparations containing alcohol and narcotics. The principal duties of the department are protection, augmentation and collection of excise revenue and enforcement of the acts and various rules made thereunder. The duties of the department are broadly classified as collection of revenue, enforcement activity to prevent illicit liquor production, sale and trafficking and Campaign against alcoholism. Liquor includes spirits of wine, arrack, spirits, wine, toddy, beer and all liquid consisting of or containing alcohol. Individual has no fundamental right over the manufacture and trade of liquor. Absolute right on liquor is vested with the State. The government formulates Abkari policy of the state every year. The policy formulated by the state government is implemented by the Excise Department.

The Department is headed by the Excise Commissioner (EC). The Department is divided into three⁵⁶ zones, which are headed by the Joint Excise Commissioners (JEC), South, Central and North zone. The divisions at the district level are working under the Deputy Excise Commissioners (DEC). Excise Circle Inspectors (ECI) and Excise Inspectors (EI) under the control of the DEC of the respective districts are deputed to oversee collection of excise duties, License fees, etc.

5.2 Internal Audit

The Internal Audit Wing in State Excise Department is under the direct control of the Excise Commissioner. The Wing consists of one Joint Commissioner of Excise assisted by one Assistant Excise Commissioner, three Superintendents, three Excise Inspectors and six Preventive Officers. Offices in districts in which more vehicles are seized, collectable revenue are pending and delay in collection is noticed are prioritised in internal audit. During 2021-22, out of the 58 units planned for audit, the IAW audited 55 units. During 2021-22, out of the 2,285 outstanding observations, the department cleared 563 audit observations (24.64 per cent).

⁵⁶ South zone (Alappuzha, Kollam, Kottayam, Pathanamthitta and Thiruvananthapuram), Central zone (Ernakulam, Idukki, Palakkad and Thrissur) and North zone (Kannur, Kasaragod, Kozhikode, Malappuram and Wayanad).

5.3 Results of Audit

There were 25 auditable units during 2021-22 in the State Excise Department. Out of these, 13 units were selected for audit. Scrutiny of the records of these units during 2021-22 disclosed 29 cases of non/ short realisation of excise duty and License fee and other irregularities involving ₹10.32 crore. These cases are illustrative only as these are based on the test-check of records. Audit pointed out some of the similar omissions in the earlier years also. Not only do these irregularities persist, but also they remain undetected till the next Audit is conducted. The Government needs to improve the internal control system including strengthening of Internal Audit so that occurrence/ recurrence of the lapses can be avoided. Under assessment of tax and other irregularities involving ₹10.32 crore in 29 cases fall under the following categories are given in **Table - 5.1**.

Table – 5.1
Details of under assessment of tax and other irregularities

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1	Non levy of fee and fine on unauthorised reconstitution of Board of Directors of Companies	3	1.49
2	Irregular transfer of foreign liquor License	6	1.69
3	Others	20	7.14
Total		29	10.32

During the course of the year, the Department accepted under-assessment and other deficiencies involving ₹0.39 crore in 8 cases pointed out by Audit. The Department realised an amount of ₹0.22 crore in four cases during the year 2021-22.

A few illustrative Audit observations involving ₹6.33 crore is mentioned in the succeeding paragraphs.

5.4 Loss of revenue due to non-levy/ non-remittance of additional security amount

Non-realisation of additional security amount fixed by the Government resulted in non-levy of ₹2.51 crore.

Government enhanced⁵⁷ (July 2017) the additional security amount of distilleries by fixing the amount as one *per cent* of annual excise duty remitted by the licensee and the annual excise duty as the average of excise duty remitted during last three years.

On scrutiny of the records (March 2022) at the Office of the Circle Inspector of Excise at Travancore Sugars and Chemicals Ltd. for the period 2018-21, Audit noticed that additional security amount to be paid by the Company as fixed by the Government is ₹2.51 crore as shown in **Table - 5.2**.

Table – 5.2

Particulars	2017-18	2018-19	2019-20
Quantity of sales of IMFL as per production and sales details	14681448BL (11011086 PL)	14299686 BL (10724764 PL)	13343220 BL (10007415 PL)
Excise duty (₹237 per proof litre) (₹)	260,96,27,382	254,17,69,068	237,17,57,355
Excise duty remitted for rectified spirit sales as per ledger account of the company (₹)	3,66,948	3,43,727	9,76,852
Total Excise duty (₹)	260,99,94,330	254,21,12,795	237,27,34,207
Annual Excise duty (average of excise duty remitted during 2017-18, 2018-19 and 2019-20) (₹)	250,82,80,444		
Additional security amount (1% of annual excise duty)	2,50,82,804		
	₹2.51 crore		

However, the company has not remitted the due amount of additional security, which resulted in loss of revenue of ₹2.51 crore.

On this being pointed out (October 2022) Government stated (March 2023) that M/s Travancore Sugars & Chemicals Ltd., Thiruvalla is a company owned by Government of Kerala. The matter is being examined by the Government and final report would be furnished.

It is recommended that cases of similar nature should be examined and remedial action taken. Also responsibility should be fixed so as to avoid granting undue benefit to the distilleries.

⁵⁷ Vide GO (Rt) No.560/2017/TD dated 11 July 2017.

5.5 Loss of revenue due to irregular transfer of Foreign Liquor License

Irregular transfer of foreign liquor licenses instead of issuing fresh licenses resulted in short collection of ₹2.17 crore.

As per Para 18 of Chapter XIX of the Kerala Excise Manual Vol.II, Licenses shall not be transferred from the name of one person to another. Such transfers will help the pernicious habit of trading of Licenses and have to be discontinued, except for very strong reasons. If there is a need for a change in the case of such Licenses, the proper procedure for the holder is to surrender the License and to treat the case of the proposed transferee as a fresh applicant. As per Rule 13 (3) of FL Rules, 1953, the License fee for FL-3 (Bar) license to hotels (three star and above) was ₹30 lakh during 2020-21 (₹28 lakh during 2019-20) and as per Rule 13 (11), that of FL-11 (Beer/ Wine Parlour) license was Rupees four lakh.

Audit Scrutinised (during 2021-22) all the 75 cases of reconstitution in the Office of the Deputy Commissioner of Excise, Kannur, Alappuzha, Kozhikkode, Palakkad and Pathanamthitta. It was noticed during Audit that in nine cases, the Excise Commissioner (EC) accorded sanction for the transfer of licenses held by FL-3 licensees by levying the fee of Rupees one lakh for reconstitution and Rupees two lakh for change of name of licensee as per Rule 19 of KFL Rule, 1953.

Audit observed that Rule 19 of the FL Rules is applicable to the reconstitution of the Board of Directors within the company and is not meant for transfer of license. Non-compliance to the provisions of FL Rules by allowing transfer of license, instead of directing the licensees to surrender the license and issuing a new license, resulted in short levy of ₹2.17 crore as detailed in **Appendix XXII**.

On this being pointed out (October 2022) the Government stated (March 2023) that license granted under FL Rules can be transferred from the name of present licensee to any other person/ firm after realising payment of Rupees two lakh under Rule 19(4) of FL Rules and if licensee has to surrender the license, fresh license could not be issued due to the distance restrictions from the educational institutions and religious institutions which have come into existence subsequent to the grant of original license.

The reply is not acceptable on the grounds that Rule 19 stipulates fee for the change of name of licensee due to the reconstitution of the Directors of a company. Such transfers will only help the pernicious habit of trading licenses and have to be discontinued.

Eventhough the matter was pointed out in the Report of the Comptroller and Auditor General of India for the year ended March 2021, the issue still persists.

It is recommended that in such cases of transfer of licenses, instead of regularising the cases by levying required amount, cases have to be considered as fresh applications. It has to be ensured that all the mandatory conditions required for granting fresh licenses are fulfilled by the applicants.

5.6 Unauthorised reconstitution of Board of Directors of companies holding Foreign Liquor license

Non-imposition of fine for unauthorised reconstitution and non-collection of fees for regularisation resulted in non-realisation of ₹1.32 crore.

As per Rule 19 (iii) of Foreign Liquor Rules, reconstitution of partnership/directors of a company may be allowed on payment of Rupee one lakh. As per Section 67(2) read with 67(3) of Abkari Act, the Excise Commissioner (EC) may impose a fine of Rupees three lakh each on any person or persons holding a license or permit for violation by reconstitution, alternation or modification without the permission of the EC. The EC may regularise such irregular constitution on payment of fine and application from the licensee.

Audit test checked (December 2021) the details of reconstitution of Board of Directors of 178 companies, with reference to the database maintained by Ministry of Corporate Affairs and noticed that 21 companies having hotels with FL-3/ FL-11 licenses, had reconstituted their Board of Directors during the period 2018-21 without permission from the EC. Non imposition of fine for unauthorised reconstitution and non-collection of fee for regularisation resulted in non-realisation of revenue of **₹1.32** crore as detailed in **Appendix XXIII**.

On this being pointed out (September 2022) the Government stated (March 2023) that the Deputy Commissioners concerned have issued notices to the licencees of all FL3/ FL11 hotels to regularise the unauthorised reconstitution mentioned in Audit.

Even though the matter was pointed out in the Report of the Comptroller and Auditor General of India for the year ended March 2021, the issue still persists.

It is recommended that the Department may periodically cross verify the data available with the website of the Ministry of Corporate Affairs or other institutions to identify the unauthorised reconstitutions and action has to be taken to fix responsibility in cases of granting undue benefit to the hotels.

5.7 Short collection of FL3 license fee from Hotels by allowing ineligible remission

Grant of irregular remission to the hotels resulted in non-realisation of license fee ₹0.33 crore.

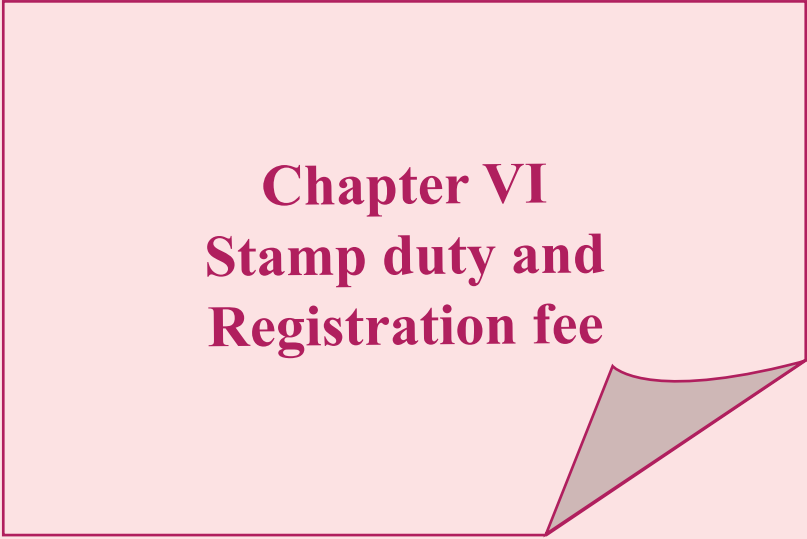
FL 3 license authorises the sale of foreign liquor in various categories of star hotels on payment of an annual rental of ₹30 lakh. Rules 13, 14 and 18 of Foreign Liquor Rules, 1953 deals with various aspects of license. As per Rule 14, full annual fee of ₹30 lakh shall be paid even in cases where license is granted for part of an year. Considering the Covid lock down, the Government issued certain relaxation in this regard.

As per GO(Rt) 280/2020/TD dated 29 April 2020, Government accorded sanction to grant extension of time upto 31 May 2020 for renewal of licenses for the financial year 2020-21 in the special circumstances of the lockdown in the state due to outbreak of Covid 19. In addition, Government accorded (25 February 2021) sanction to grant remission of prorata license fee of Bar hotel for a period of 59 days when they remain closed from 24 March 2020 to 21 May 2020, while remitting the license fee of ensuing year.

During Audit scrutiny (October to December 2021) of Excise Division Office, Thiruvananthapuram for the period 2018-21, the details of remission (as per GO dated 25 February 2021) granted to all 162 hotels possessing FL3 license were checked. Audit noticed that eight licensees renewed their license for the year 2020-21 on dates subsequent to 21 May 2020, but were granted remission of license fee for the entire period of 59 days. As they were not holding valid FL licenses during the period from 01 April 2020 to 21 May 2020, granting remission of prorata license fee for that period (51 days) is not in order. This resulted in short collection of FL3 license fee amounting to **₹0.33** crore as given in **Appendix XXIV**.

The case was reported to Government (August 2022), and the Government stated (February 2023) that notices were issued to the eight hotels for remitting the amount deducted while renewing the license.

It is recommended that the Department should verify the records before collecting license fee so as to avoid undue benefit to the licensees. Cases of similar nature should be examined and remedial action taken.



Chapter VI
Stamp duty and
Registration fee

CHAPTER-VI STAMP DUTY AND REGISTRATION FEE

6.1 Tax Administration

Registration Department is one of the oldest departments in the state. The main objective of the law of registration is to provide conclusive proof of genuineness of document, afford publicity to transaction, prevent fraud, afford facility for ascertaining whether a property has already been transacted and afford security of title deeds and facility of providing titles in case the original deeds are lost or destroyed. Registration department at present is the third largest source of revenue to the state exchequer. Registration law governs documents rather than transactions.

6.2 Internal Audit

The Inspector General of Registration monitors the functioning of the Internal Audit Wing of the Department at State level and the Zonal Deputy Inspector Generals are responsible for monitoring it at the district level. The District Registrars (Audit) of the respective districts conduct the internal audit of Sub Registrar Offices (SROs). The internal audit team consists of one District Registrar and three senior clerks for each district. The auditee offices are selected giving higher weightage to the pendency of internal audit and anticipated retirement of staff in the respective offices. During 2021-22, out of the 306 units planned for audit, the IAW audited 277 units. During 2021-22, out of the 4,747 outstanding observations, the Department cleared 2,710 Audit observations (57.09 per cent).

6.3 Results of Audit

During the year 2021-22, out of the total 335 offices in the Registration Department, 57 offices including 46 SROs were test-checked. Short levy of Stamp Duty and Registration Fee due to misclassification of property, splitting up of property and other irregularities amounting to ₹10.75 crore were detected in 212 cases, which fall under the following categories as given in **Table - 6.1**.

Table – 6.1
Details of non/ short levy of Stamp Duty and Registration Fee
and other irregularities

(₹ in crore)

Sl. No.	Categories	No. of cases	Amount
1	Short levy of Stamp Duty and Registration Fee due to misclassification of property	38	0.50
2	Short levy of Stamp Duty and Registration Fee due to splitting up of property	9	0.29

Sl. No.	Categories	No. of cases	Amount
3	Others	165	9.96
Total		212	10.75

During the course of the year, the Department accepted under-valuation and other deficiencies involving ₹0.15 crore in 4 cases. An amount of ₹0.05 crore pointed out in 3 cases was realised during the year 2021-22.

A few illustrative cases involving ₹0.08 crore are given in the following paragraphs.

6.4 Short collection of revenue due to splitting up of property

Section 45A (1) of the Kerala Stamp Act (KSA), 1959 stipulates that while registering an instrument transferring any land, the registering officer shall, verify whether the value of the land is the fair value of that land. As per Section 45B (1) of the KSA, 1959, if the Registering Officer, while registering any instrument transferring any property, has reason to believe that the value of the property, has not been truly set forth in the instrument, he may, after registering such instrument, refer the same to the Collector for determination of the value. Irregular splitting up of property resulting in short collection of stamp duty and registration fee is detailed in para 6.4.1 and 6.4.2.

Splitting up of property having Panchayat road access so as to avoid stamp duty resulted in undervaluation and short collection of stamp duty and registration fee amounting to ₹5.44 lakh.

6.4.1 In Sub Registrar Office, Muvattupuzha, a sale deed (Document No. 1533/2020) comprising landed property of 3.64 Ares was executed (12 June 2020) at a total consideration of ₹10.94 lakh adopting fair value of Rupees three lakh per Are⁵⁸. The property was classified as Residential plot with Panchayat road access and was executed by Shri N P Baiju in favour of Shri Deepak Narayanan Nair. Two other sale deeds were executed by the same executants and claimants on adjacent dates. One sale deed (Document No. 1639/2020) comprising landed property of 20.95 Ares executed on 23 June 2020 at a total consideration of ₹15.55 lakh adopting fair value of ₹0.74 lakh per Are. Another sale deed (Document No. 2315/2020) comprising landed property of 30.35 Ares executed on 25 August 2020 having a total consideration of ₹22.50 lakh adopting fair value of ₹0.74 lakh per Are. Both the properties were classified as Residential plot without road access; details of the property are shown in **Appendix XXV**.

Audit noticed (January 2022) that the executants and claimants in all the three documents are the same and these documents were registered within a period

⁵⁸ 1 Are = 2.47 cents.

of two months and the property belong to the same *thandaper*⁵⁹ No. 10955. The previous document of the three documents is a single document, Document 26/2000, which was first split up in to three in 2011 and same continued in 2020 as well. The Registering Authorities have not reported the case as undervaluation as required in Section 45 B of the Kerala Stamp Act 1959, either in 2011 or in 2020 though there was willful intention of splitting up of the property so as to avoid payment of stamp duty for the entire plot having panchayat road access. Further, the Joint Physical Inspection conducted (March 2022) along with the Sub Registrar and Village officer also confirmed that the three lands are a single plot having Muvattupuzha - Arakkuzha road at the eastern side of the plot.

Considering the fair value of residential plot with *Panchayat* road access, for valuing the property registered through document Nos 1639/2020 and 2315/2020, there were undervaluation to the extent of ₹27.40 lakh and ₹26.97 lakh respectively. This has resulted in a short levy of stamp duty and registration fee amounting to ₹5.44 lakh.

The case was reported to the Government (November 2022) and the Government stated (January 2023) that on perusal of documents and its boundaries it was seen that the documents come under the classification as ‘residential plot without vehicular access’. As the Sub Registrar had not any reason to believe that true value was not set forth in the documents, they were not reported for undervaluation. However, the District Registrar had initiated *suo-motu* proceedings for under valuation.

Further progress awaited as the case was reported for undervaluation.

Splitting up of property having NH road access so as to avoid stamp duty resulted in undervaluation and short collection of stamp duty and registration fee amounting to ₹3.08 lakh.

6.4.2 Scrutiny of documents (December 2021) in Sub Registrar Office, Kasaragod revealed that a sale deed⁶⁰ was executed on 7 February 2019 by Sri. N M Aboobacker and others in favour of Sri. A M Abdul Ashraf conveying 2.02 Ares of land⁶¹ for a total consideration of ₹31 lakh at the rate of ₹15.35 lakh per Are. The property has a boundary of National Highway on the Northern side. Audit also observed that another sale deed⁶² was executed on 22 June 2020 by Sri. N M Aboobacker and others in favour of Sri. A M Abdul

⁵⁹ It is a unique number that helps the authorities of the revenue department to identify the total land in possession by a person.

⁶⁰ Doc.No.2883/1/2019 dated 07 August 2019.

⁶¹ 2.02 Are of land in survey No. 150/5APT14 Kasaragod Municipality at Kasaragod village in Kasaragod Taluk.

⁶² Doc.No.1389/1/2020 dated 22 June 2020.

Ashraf conveying 4.96 Ares of land⁶³ for a total consideration of ₹45.35 lakh at the rate of ₹9.14 lakh per Are, considering that there was no road access. In both the cases, the executants and claimants were the same.

Scrutiny of the two sale deeds revealed that the previous document⁶⁴ of these two documents is same and the landed property of 6.98 Are (4.96 + 2.02) in Survey No.150/5APT14 at Kasaragod village was a single plot having a boundary of National Highway on the northern side. A single plot of land having NH Road access was split and sold as two pieces in order to evade stamp duty. Not considering 4.96 Ares of land as plot having NH road access, there occurred a loss of revenue amounting to ₹3.08 lakh being short collection of stamp duty and registration fee. The case was not seen reported to the District Registrar as undervaluation as required in Section 45B of KSA, 1959.

On this being pointed out (November 2022), the Government stated (January 2023) that the Sub Registrar was not authorised to deny the registration of document on the ground that the fair value for commercially important plot was not adopted. However, the District Registrar has initiated *suo-motu* undervaluation proceedings and preliminary notice has been send to the party concerned. Further reply awaited.

It is recommended that at the time of registration the previous documents should be given due attention so as to avoid splitting up of land intentionally in order to evade stamp duty and registration fee. Responsibility must be fixed on the registering officer for causing loss to the exchequer.

Response to Audit by the Departments/ Government

The Audit observations disclosed in Chapter I, II, III, IV, V and VI clearly depicts lack of internal control on the part of the Departments/ Government to comply with the relevant Acts/ Rules as concluded below:

- Though Audit observations are intimated to Department in the preliminary stage through Inspection Reports, during 2021-22 Audit did not receive even first replies for 117 IRs within four weeks from the date of issue of the IRs from six heads of offices (detailed in para 1.7.1 of chapter I).
- No Audit Committee meetings were held in respect of Stamps and Registration, State Lotteries, Motor Vehicles, Finance, Planning and Economic Affairs and State Goods and Services Tax Department despite having 16,796 pending audit observations.

⁶³ 4.96 Are of land in survey No. 150/5APT14 Kasaragod Municipality at Kasaragod village in Kasaragod Taluk..

⁶⁴ Doc.No.2856/1996 dated 12 July 1996.

- The large pendency of IRs due to non-receipt of replies shows the failure of monitoring mechanism for clearing the pending audit observations by the Audit Monitoring Committees at Secretary level and Apex Committees at Chief Secretary level.
- Action Taken Notes on PAC recommendations have not been received in respect of 110 out of 120 recommendations of the PAC from four Departments i.e., Taxes, Excise, Transport and Revenue and Disaster management.

Keeping in view of the above, Audit recommends that

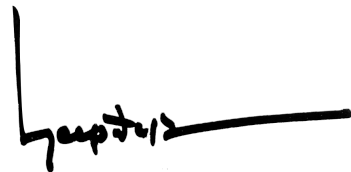
- Government should issue strict instructions to the departments to devise periodic action plans to clear all the outstanding paragraphs in a time bound manner by conducting regular Audit Committee Meetings.
- Government should take effective steps to submit action taken explanatory notes to Legislature Secretariat within two months of tabling the Audit Report of the Comptroller and Auditor General of India, for consideration of the PAC.

Thiruvananthapuram,
The 15 AUG 2023



(Dr. BIJU JACOB)
Principal Accountant General
(Audit II)

Countersigned



New Delhi,
The 16 अगस्त 2023
AUG

(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

Appendix

Appendix - I
(Ref: Paragraph 1.4)
Arrears in Assessments

Head of revenue	Opening balance	New cases due for assessment during 2021-22	Total assessments due	Cases disposed of during 2021-22	Balance at the end of the year	Percentage of disposal (col. 5 to 4)
1	2	3	4	5	6	7
Revenue and Disaster Management Department						
1) Building Tax	23,012	1,53,468	1,76,480	1,38,804	37,676	78.65
2) Plantation Tax	1,296	33	1,329	102	1,227	7.67
R&DM Department Total	24,308	1,53,501	1,77,809	1,38,906	38,903	78.12
SGST Department						
1) GST	860	31,516	32,376	10,210	22,166	31.54
2) a. Sales Tax	833	818	1,651	815	836	49.36
b. Motor Spirit Tax	174	113	287	125	162	43.55
c. Luxury Tax	147	85	232	166	66	71.55
d. Tax on Works Contracts	28	89	117	84	33	71.79
e. Others	1,030	701	1,731	1,504	227	86.89
3) Taxes on Agricultural Income	8	118	126	20	106	15.87
SGST Department Total	3,080	33,440	36,520	12,924	23,596	35.39

Source: Details obtained from respective Departments.

Appendix II
(Reference Para No. 2.4.6.1(b))
Effectiveness of scrutiny and assessment

Sl. No.	Name of the Assessment Circle	2017-18		2018-19		2019-20		2020-21	
		Number of Notices issued vide ASMT 10	No. of cases where SCN is pending	Number of Notices issued vide ASMT 10	No. of cases where SCN is pending	Number of Notices issued vide ASMT 10	No. of cases where SCN is pending	Number of Notices issued vide ASMT 10	No. of cases where SCN is pending
1	IAC, Thrissur	30	20	9	9	18	18	0	0
2	Special Circle I, Ernakulam	274	272	146	146	132	132	0	0
3	Special Circle, Kottayam	243	238	04	04	74	74	1	1
4	Special Circle, Malappuram	262	205	69	68	89	88	0	0
5	Special Circle, Mattancherry at Aluva	228	212	76	76	72	72	0	0
6	Special Circle, Palakkad	333	14	69	60	72	68	2	2
7	Special Circle, Thrissur	159	101	77	77	60	60	1	1
8	STO II Circle, Trippunithura	311	24	56	0	73	0	0	0
9	Works Contract, Ernakulam	428	196	125	125	302	301	1	1
	Total	2,268	1,282	631	565	892	813	5	5

Appendix III
(Reference Para No. 2.4.6.4 (a))
Statement showing details of taxpayers whose registration is cancelled
but Form GSTR 10 not filed

Sl. No.	Name of Office	Number of Cancellation	GSTR 10 not filed
1	IAC, Thrissur	03	01
2	Special Circle I, Ernakulam	03	03
3	Special Circle, Kottayam	05	04
4	Special Circle, Malappuram	40	40
5	Special Circle, Mattancherry at Aluva	06	06
6	Special Circle, Palakkad	11	11
7	Special Circle, Thrissur	04	04
8	STO II Circle, Trippunithura	650	466
9	Works Contract, Ernakulam	313	240
	Total	1,035	775

Appendix IV
(Reference Para No. 2.4.6.4 (b))
Statement showing the details of tax payers who effected purchase after the date of cancellation of registration

Sl. No.	Trade Name (GSTIN)	Name of Office	Purchases effected after date of cancellation, reflected in GSTR 2A (₹)
1	Jai Hind Traders (32AABFJ7099K1Z1)	Special Circle, Mattancherry at Aluva	12,10,19,242
2	Royal Traders (32ACDPA1529P1ZU)	Special Circle, Malappuram	51,47,764 (2018-19), (2019-20)
3	Eurotech Marketing (32AABFE5359F1ZQ)		49,82,889
4	Poolakkodanet Pvt. Ltd (32AAGFP6251J1Z8)		11,93,869 (2017-18), (2018-19)
5	VT Store (32AJHPV2908G1Z8)		1,81,868
6	Ponnore Marketing (32AAJFP5810G1ZH)	Deputy Commissioner, Thrissur	2,26,809
7	Autotrikz (32EDAPS7868P1ZN)	Special Circle I, Ernakulam	1,92,072
8	Eurotech Cements & Products (32BZYPM2889P1Z4)	Special Circle, Palakkad	7,99,153
9	Lekha Padmakumar (32CNMPP2313L1ZX)	STO II Circle, Trippunithura	55,300
10	Anish Chenakkara Abu (32BJAPA7682L1Z7)		3,68,288
11	Nambudirisons Agro Foods India Private Limited (32AAFCN4718G1ZO)		81,531
12	Rajesh Pathiyaparambil Radhakrishnan (32BYRPR9762C1ZX)		1,039 (2017-18), (2018-19)
13	B Cinemas Private Limited (32AAGCB8641R2Z5)		41,44,000
14	Ashraf Thave (32BROPA2370P2ZL)		94,873 (2017-18), (2018-19), (2019-20)
15	Nutel Business Corporation (32AAMFN9709M1ZP)		62,911
16	Vinod Babu (32ASEPB9392C1Z1)		6,700

Sl. No.	Trade Name (GSTIN)	Name of Office	Purchases effected after date of cancellation, reflected in GSTR 2A (₹)	
17	Velayudhan Vazhavalappil House Sreekuttan (32CEIPS1661B2ZS)	STO II Circle, Trippunithura	50,150	
18	Vasanthakumari Chittezhath Balan Menon (32CTBPB9371B1Z7)		1,53,082	
19	Moolayil Rajendran Rajesh (32BNVPR0771A1Z0)		3,72,432 (2017-18), (2018-19)	
20	Muttathuparambil Ayyappan Aneesh (32AQVPA2119F1Z8)		12,05,949 (2017-18), (2018-19)	
21	Fortune Holiday Resorts Private limited (32AAACF9771A2ZX)		7,00,448 (2017-18), (2018-19), (2019-20)	
22	BRBI Integrated Communications Private Limited (32AAGCB1836N2ZM)		1,69,983 (2017-18), (2018-19)	
23	Shabeenamol (32BUAPS5908Q1Z4)		2,04,934 (2017-18), (2018-19)	
24	Jyotsna Vishud (32ACIPV1685L1Z3)		4,208	
25	Aekadhik Technologies (32AAYFA1895K1ZV)		5,633	
26	AGP Impex (32AAXFA8488P1ZB)		1,31,681	
27	Veleparambil Abdul Majeed Aneesh (32AZKPA7096H1ZB)		40,255	
28	Elizabeth Dominic (32BCJPD2663Q1ZD)		9,912	
29	Kaitharath Constructions, (32ACVPL5586F1Z5)		Works Contract, Ernakulam	2,28,871 (2019-20), (2020-21), (2021-22)
			Total	14,18,35,846

Appendix V
(Reference Para No. 2.4.7.2)
Statement showing details of deviations/ mismatches identified in central audit

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
Nature of deviation/ mismatch - ITC mismatch between 2A & 3B					
1	32AADFP1492J1ZA	Prabhu Steels	Special Circle II, Ernakulam	Ernakulam	2,586.29
2	32AABCR0855L1ZF	Red Star Printers & Publishers (Pvt) Ltd.	Works Contract, Kozhikode	Kozhikode	1,882.67
3	32AAAAAR6865P1ZY	RDS - CVCC (JV)	Works Contract, Ernakulam	Ernakulam	794.00
4	32AABCM4757A1ZY	Madhucon Projects Limited	STO I Circle, Trippunithura	Ernakulam	655.64
5	32AABCO1875H1ZL	Oriental Metals India Pvt.. Ltd.	Special Circle I, Ernakulam	Ernakulam	616.12
6	32AAAACA3171B1ZJ	AVT Natural Products Ltd	Special Circle (Produce), Mattancherry	Mattancherry	493.15
7	32AAACCA0187B1ZF	AVG Motors Limited	Special Circle, Kottayam	Kottayam	423.38
8	32AAAFCD4697L1Z9	Daxer Trading Private Limited	Works Contract, Ernakulam	Ernakulam	359.38
9	32AADCB6869J1ZF	BRD Car World Limited	Special Circle, Thrissur	Thrissur	357.78
10	32AAAACK676FFHZ5	Kerala State Civil Supplies Corporation Ltd.,	Works Contract, Ernakulam	Ernakulam	275.48
11	32AADCE9286E1ZM	EKK Infrastructure Limited	Works Contract, Mattancherry	Mattancherry	232.52
12	32AAEFA0554D1Z8	The Ananda Pharmacy	Works Contract, Ernakulam	Ernakulam	227.09
13	32AEIPG6407R1Z8	Erumely Traders	STO, Ponkunnam	Kottayam	222.63
14	32AAECK1982G1ZO	KCM Appliances Private Limited	Special Circle, Malappuram	Malappuram	197.24
15	32BHXP57216M1ZJ	Shaju K. Thomas, Rubber Dealer	Special Circle, Perumbavoor	Mattancherry	190.18
16	32AAA AK1230H1ZD	Kerala State Co-Operative Federation for Fisheries Development Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	181.26
17	32AAHFV3844N1ZS	Victory Impex Co	Special Circle, Kannur	Kannur	180.42
18	32AACCM7365H1ZH	Group M Media India Pvt. Ltd.	Special Circle, Thrissur	Thrissur	179.49

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
19	32ACIPA3488J1ZN	Alathur Distributors	Special Circle, Palakkad	Palakkad	175.32
20	32AAAAC5131A1Z6	Titan Company Limited	Special Circle II, Ernakulam	Ernakulam	159.66
21	32ACMPI8252F1ZN	Jemis Enterprise	Special Circle II, Ernakulam	Ernakulam	154.26
22	32AAHFN4424E1ZP	National Builders	Works Contract, Ernakulam	Ernakulam	154.08
23	32AADCC8087B1ZX	Celebi Airport Services India Private Limited	Special Circle (Produce), Mattancherry	Mattancherry	137.70
24	32AABCP3805G1ZW	Popular Vehicles and Services Limited	Special Circle III, Ernakulam	Ernakulam	130.62
25	32AAIFT6671N1ZM	Three Star Agencies	IAC, Manjeri	Malappuram	125.03
26	32AAAACH0905Q1ZP	HIL (India) Limited	Special Circle III, Ernakulam	Ernakulam	121.14
27	32AQSPB6424F2Z1	Kavunkal Agencies	STO, Irinjalakuda	Thrissur	120.59
28	32AAAACH5598K6Z5	Hindustan Latex	Special Circle, Thiruvananthapuram	Thiruvananthapuram	119.81
29	32AAKFR7085E1Z3	Reliant Marketing	Special Circle I, Ernakulam	Ernakulam	118.27
30	32AAAACU3756A1ZU	Universal Corporation Ltd	Special Circle III, Ernakulam	Ernakulam	118.03
31	32GADPS4244D1ZX	A.M.Traders	STO, Kundara	Kollam	113.57
32	32AAKFS9000J2Z7	St.Francis Furniture Mart	STO II Circle, Thrissur	Thrissur	113.25
33	32AABCR0347P1ZC	Redington India Ltd	Special Circle I, Ernakulam	Ernakulam	111.88
34	32AABCT1296R1ZW	Ingram Micro India Private Limited	Special Circle III, Ernakulam	Ernakulam	107.96
35	32AANFV5856C1Z1	V Marketing	Special Circle, Kottayam	Kottayam	104.03
36	32ARWPA6862F1ZN	Adam Traders	IAC, Pala	Kottayam	103.57
37	32AABFC6512C1Z9	Chakra Communications	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	101.62
38	32ABOPT1275B1ZS	Aldous Glare Trade & Exports	Special Circle I, Ernakulam	Ernakulam	100.82
39	32AAACCM4485G1ZK	Nippon Motor Corporation Pvt Ltd	Special Circle III, Ernakulam	Ernakulam	98.09
40	32AAACFP8937D1ZC	Priya Distributors	Special Circle, Palakkad	Palakkad	95.26

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
41	32AABCN2898M1Z2	Hercules Automobiles International (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	92.13
42	32AAEFR0995B1Z1	Ram Coir Mills	Special Circle, Alappuzha	Alappuzha	91.96
43	32AACCE4920C1ZC	Eminent Jewel Arcade Private Limited	Special Circle, Malappuram	Malappuram	90.45
44	32ABGFS6450D1ZF	Soorya International	Luxury Tax, Kollam	Kollam	88.28
45	32AEKPP0200M1ZS	Grace Agencies	STO, North Paravoor	Mattancherry	87.84
46	32AAAACM9401C1Z4	Mankind Pharma Ltd	Special Circle I, Ernakulam	Ernakulam	86.21
47	32AAMCA6118Q1ZB	Asstindia Infra Projects Private Limited	Works Contract, Ernakulam	Ernakulam	84.48
48	32DSTPM6170H2ZB	Ideal Trading Company	Special Circle, Mattancherry at Aluva	Mattancherry	84.13
49	32AAAACCT2438A1Z2	Tata Teleservices Limited	Special Circle II, Ernakulam	Ernakulam	83.87
50	32AACCC1739M1ZQ	Cube India Trading Private Limited	STO II Circle, Kozhikode	Kozhikode	82.74
Nature of deviation/ mismatch - ITC availed under RCM vs payment of tax in GSTR 3B/ GSTR 9					
51	32AAECM7794G1Z8	Malabar Commercial Plaza Private Limited	Special Circle II, Kozhikode	Kozhikode	269.31
52	32AAHFM9443J1Z2	Mahindra Auto Spares	STO II Circle, Kozhikode	Kozhikode	239.16
53	32ACYPA1099D1ZP	K.A. Anto	STO IV Circle, Thrissur	Thrissur	143.93
54	32AANFV1578P1ZF	Vinod Gas Agencies	IAC, Neyyattinkara	Thiruvananthapuram	136.41
55	32ADQPK5912J1ZE	M K Enterprises	IAC, Palakkad	Palakkad	135.08
56	32AABTM5972E1ZO	Mar Louis Book Centre	Special Circle I, Ernakulam	Ernakulam	91.47
57	32AAAFY5209P1ZX	Yemkay Gas Agencies	Special Circle, Palakkad	Palakkad	80.43
58	32AALFP2363G1ZD	P K Construction Co	STO, Muvattupuzha	Mattancherry	73.73
59	32CRHPK6695R1ZU	Najimuddeen K Naj Agencies	STO, Vatakara	Kozhikode	61.58
60	32AABCJ1901B1ZJ	J.N. Freight Forwarders Pvt. Ltd	Special Circle II, Ernakulam	Ernakulam	58.00
61	32AAFFP5475K1ZZ	Parklane Enterprises	STO II Circle, Alappuzha	Alappuzha	57.02

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
62	32AAUCS6084M1ZK	Smart Engineering and Design Solutions (India) Private Limited	Special Circle II, Ernakulam	Ernakulam	52.97
63	32AAECN4761A1ZY	Neo Cochin Infrastructure Services Private Limited	Special Circle II, Ernakulam	Ernakulam	50.53
64	32AVJPM3349Q1Z1	Forus Communications	STO, Kunnankulam	Thrissur	48.73
65	32AAJFS1135M1Z7	South Indian Rubber Company	Special Circle, Palakkad	Palakkad	47.56
66	32BOGPM4402M1Z1	S.M.K. Thangals Sons	STO, Attingal	Thiruvananthapuram	45.23
67	32ACFLFS3144G1Z9	Sun Polymers	Special Circle, Perumbavoor	Mattancherry	45.17
68	32AFDPA0916P1ZR	Paulose Abraham	Works Contract, Mattancherry	Mattancherry	43.90
69	32AABCK0071H1Z3	Kanyakumari Polymers P Ltd	STO IV Circle, Ernakulam	Ernakulam	43.42
70	32ADLPJ8910E1ZR	Jerry Alkanine Chem, Industries	STO, Chittur	Palakkad	43.05
71	32AAIFM2828G1ZH	Prime Agencies	STO, Kasaragod	Kasaragod	42.80
72	32ABAFS8914N1ZV	Shalimar Trading Co.	IAC, Wayanad	Wayanad	41.55
73	32AAXFA5895L1ZM	Ashik Traders	STO, Chittur	Palakkad	38.59
74	32AADCJ0343D1ZB	Jamjoom Super Market Private Limited	IAC, Manjeri	Malappuram	37.97
75	32AGQPK9503J1Z5	F.N Brothers	STO, Kottarakkara	Kollam	37.57
76	32AJXPA5892L1ZL	Pilappillil Agencies	STO I Circle, Mattancherry	Mattancherry	36.34
77	32AATFR2468Q1ZC	Roofs & Shades Structural	Works Contract, Kozhikode	Kozhikode	35.57
78	32ABSPI9455N1ZW	Alif Agencies	STO II Circle, Mattancherry	Mattancherry	35.42
79	32CFVVK9428L1ZO	Galaxy Electricals	STO I Circle, Perumbavoor	Mattancherry	33.16
80	32AAGFK8519A1ZP	Kilithathil Paints	STO, Attingal	Thiruvananthapuram	32.97
81	32AAGCK0991B1ZX	Koyenco Consumer Products Private Limited	Special Circle I, Kozhikode	Kozhikode	32.50
82	32AJCPM0882F1ZJ	VB Rubbers & Traders	Special Circle, Pathanamthitta	Pathanamthitta	31.32

Compliance Audit Report (Revenue) for the year ended 31 March 2022

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
83	32AJNPP7995B1ZT	Thayyil Gas Services	STO, Koyilandy	Kozhikode	30.73
84	32AACCK4817E1ZY	Kerala Latex P Ltd	Special Circle, Kottarakkara	Kollam	30.18
85	32DPWPM2090J1ZF	Bass Agencies	STO I Circle, Thodupuzha	Idukki	28.96
86	32AEVPT4133N1ZV	A A A Traders	STO, Alathur	Palakkad	28.78
87	32AAFCK5606A1Z6	Kollam Internet Cable Distribution Private Limited	IAC, Kollam	Kollam	28.33
88	32ACRPV0823H1ZH	T V House	STO, Devikulam	Idukki	28.26
89	32AATFA8142N1Z0	Atlas Mobiles	STO I Circle, Kozhikode	Kozhikode	27.88
90	32AOAPA4419F1ZQ	Chandrika Garments	STO IV Circle, Kozhikode	Kozhikode	27.67
91	32AAFFD8832L1ZA	Dhanalakshmi Nightys	STO III Circle, Kozhikode	Kozhikode	27.19
92	32ACMPE5094L1ZD	N B Communications	STO, Tirur	Malappuram	26.30
93	32ABBFM4212C1Z4	M S Traders	STO, Aluva	Mattancherry	25.71
94	32AFGPT8452C2ZG	Chellethu Enterprises	STO, Thiruvalla	Pathanamthitta	25.16
95	32ABNPJ3219N1ZI	Good Morning Agencies	STO IV Circle, Thrissur	Thrissur	24.84
96	32BNHPS2214K1Z2	Janatha Trading Company	Special Circle, Mattancherry at Aluva	Mattancherry	24.83
97	32AUCPS3908F1ZU	Ramya Agencies	STO I Circle, Palakkad	Palakkad	24.06
98	32AGLPA2181K2ZL	A V Associates	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	24.05
99	32BGHPS0711E1ZW	Ogees Communication	STO, Taliparamba	Kannur	23.47
100	32AAXFA7608M1ZX	Aptec Distributors	STO, Attingal	Thiruvananthapuram	23.35
Nature of deviation/ mismatch - Short payment of tax under RCM vs ITC availed in GSTR 3B/ GSTR 9					
101	32DVQPS0844L1Z1	Sonic Vision	Luxury Tax, Kollam	Kollam	22.31
102	32BRZPA5846H1ZH	Raan Group	STO, Perinthalmanna	Malappuram	21.40
103	32BASPN8933Q1ZP	Mifas Communication	STO, Tirur	Malappuram	20.98

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
104	32ACZPV8087F2ZO	Mariya Traders	STO, Cherthala	Alappuzha	20.93
105	32ABHPN0995M1Z9	PK Hardware	STO, Attingal	Thiruvananthapuram	20.28
106	32BONPG3123A1ZP	Puthenveetil Agencies	STO, Peerumedu	Idukki	19.11
107	32ACMFS4544F1Z4	SRS Associates	STO, Kundara	Kollam	18.90
108	32AAJFS1135M1Z7	South Indian Rubber Company	Special Circle, Palakkad	Palakkad	18.58
109	32AADCS3224N1ZF	Stallion Onebyte Pvt Ltd	Special Circle II, Ernakulam	Ernakulam	18.52
110	32AADFO2217N1ZE	Olive Cards	STO III Circle, Thrissur	Thrissur	18.47
111	32ATWPP4936B1ZH	Kingsmart Hyper Market	STO, Manjeri	Malappuram	18.09
112	32AAYFM7309Q1ZE	Module 5 Interiors	STO III Circle, Thiruvananthapuram	Thiruvananthapuram	17.81
113	32AABCM6043R1Z8	ACE Finepack Pvt Ltd	Special Circle II, Ernakulam	Ernakulam	17.57
114	32AGLPA2181K1ZM	Sivalaya Enterprises	STO II Circle, Thiruvananthapuram	Thiruvananthapuram	17.53
115	32AAPFK4142C1ZP	Kerawin Traders	Special Circle, Mattancherry at Aluva	Mattancherry	17.29
116	32AOPPA5010D1ZQ	JAK Traders	STO, Attingal	Thiruvananthapuram	17.14
Nature of deviation/ mismatch - Incorrect availment of ISD credit					
117	32AACAT7643R1ZW	Fair Price Medical Shop	Special Circle II, Kozhikode	Kozhikode	213.20
118	32AAKFD1597P1ZX	D J Gold	IAC, Thrissur	Thrissur	165.21
119	32AAHFJ4165G1ZJ	Johneys Steels	IAC, Kottayam	Kottayam	135.29
120	32AANFB4912B1Z0	Best Roofing	Special Circle I, Kozhikode	Kozhikode	98.58
121	32BUIPS2697N1ZU	Namma Communication	STO, Kodungallur	Thrissur	97.58
122	32AAAACD8266A1Z4	Dhanya Super Market	Special Circle I, Ernakulam	Ernakulam	92.65
123	32ACSPN0288M1Z2	Ambily B Nair	Special Circle, Kottayam	Kottayam	85.86
124	32AAEFE2226L1ZQ	E.M.Baby Trading Co.	IAC, Idukki	Idukki	84.50

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
125	32AJMPK0151F1ZP	Chancellor Trade Links	Special Circle, Kottayam	Kottayam	68.93
126	32AAAWPT2543H2ZC	Tea Garden Agencies	Special Circle, Thodupuzha	Idukki	67.53
127	32ACIFS8074N1ZI	Sama Rubbers	Special Circle, Kottayam	Kottayam	57.33
128	32AAAACM8055A1Z0	Mirc Electronics Limited	Special Circle III, Ernakulam	Ernakulam	48.81
129	32GPOPS5889J2ZS	Petals	STO II Circle, Kottayam	Kottayam	48.24
130	32AAXFM0046R1ZP	Everything	Special Circle I, Kozhikode	Kozhikode	48.03
131	32AQLPP8880C1ZL	Lona Trading Company	Special Circle, Perumbavoor	Mattancherry	46.48
132	32AWYPA5605M1Z9	A.A.Blue Timbers	STO I Circle, Perumbavoor	Mattancherry	45.19
133	32AAAFW8085F1Z4	W.W. Shipping Lines	Special Circle (Produce), Mattancherry	Mattancherry	43.13
134	32ALPPA0935J1ZB	Kokkadan Plywood	Special Circle, Perumbavoor	Mattancherry	38.24
135	32AABFE1149D1Z6	MS Express Food Services	Special Circle I, Ernakulam	Ernakulam	34.90
136	32ARTPJ7361B2ZS	Jaya Bharath Gas Distributors	Special Circle, Mattancherry at Aluva	Mattancherry	34.37
137	32ANNPT0097Q1Z7	Sree Mookambika Indane Services	Special Circle, Kottayam	Kottayam	31.55
138	32AAJCM8458Q1ZN	Madapally Trading Pvt Ltd	IAC, Kottayam	Kottayam	31.28
139	32AAEFH5372E1ZP	Harisuns Industries	STO, Attingal	Thiruvananthapuram	30.21
140	32ABJPN2136J1ZS	Kairaly Rubbers	STO I Circle, Changanassery	Kottayam	30.12
141	32AAHCP3038P1Z6	Pionnier Rooftile India Pvt Ltd	STO, Kasaragod	Kasaragod	29.67
Nature of deviation/ mismatch - Mismatch of ITC availed between annual returns and books of accounts					
142	32AAEFU3434A1ZT	Unique Agencies	IAC, Irinjilakkuda	Thrissur	9,598.96
143	32AAAACN4165C4ZX	The New India Assurance Co Limited	Special Circle I, Ernakulam	Ernakulam	953.28
144	32AADFD8337N1Z8	Das Agencies	Special Circle, Palakkad	Palakkad	479.28
145	32AAGFK7536B1ZO	Keezhedath Traders	IAC, Manjeri	Malappuram	439.89

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
146	32AAJFG1457A1ZZ	Gas and Allied Services	Special Circle, Kannur	Kannur	306.00
147	32AAAAC14904J1ZV	Indus Motor Company Private Ltd	Special Circle II, Ernakulam	Ernakulam	293.14
148	32AABAK9073F1ZR	Kerala Land Reforms and Development Co Operative Society Limited	Works Contract, Kozhikode	Kozhikode	277.46
149	32AAECK2277NBZ1	Kerala State Electricity Board Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	225.69
150	32AAAACH1201R1ZW	Hindalco Industries Ltd	Special Circle III, Ernakulam	Ernakulam	192.23
151	32ACIPA3488J1ZN	Alathur Distributors	Special Circle, Palakkad	Palakkad	176.58
152	32AABBCJ6731B1Z5	JSW Cement Limited	Special Circle III, Ernakulam	Ernakulam	171.54
153	32AAAACE7264K2ZL	Ernakulam Medical Centre Pvt Ltd	Works Contract, Ernakulam	Ernakulam	141.85
154	32AABCL0212H1ZB	Lulu International Shopping Malls Private Limited	Special Circle II, Ernakulam	Ernakulam	139.88
155	32AAHCS1529C1ZU	Sance Laboratories Pvt. Ltd.	Special Circle, Kottayam	Kottayam	135.27
156	32AAAACL7126R1Z8	Lion Dates Impex Pvt. Ltd.	Special Circle I, Ernakulam	Ernakulam	124.54
157	32AAMFT6734G1Z1	Tile Zone Gallery	Special Circle, Kasaragod	Kasaragod	122.87
158	32AAHCM3978P2ZR	MIV Logistics Private Limited	Works Contract, Ernakulam	Ernakulam	104.82
159	32AAHFC0841L1ZO	Classic Hyundai	Special Circle, Malappuram	Malappuram	99.17
160	32ABPFS1389G1ZW	Sagar Agencies	IAC, Chittur	Palakkad	94.19
161	32AAAACU2488B1ZP	UPS SCS India Private Limited	STO, Angamaly	Mattancherry	92.78
162	32AABCN2898M1Z2	Hercules Automobiles International (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	92.45
163	32AADCHI703R1ZM	He-Man Auto Robopark Private Limited	Special Circle, Mattancherry at Aluva	Mattancherry	90.69
164	32BQOPS3820D1ZY	Deens Group	Works Contract, Ernakulam	Ernakulam	88.41
165	32AAGCC2916G1Z2	Crystal Cars Private Limited	Special Circle, Kottayam	Kottayam	88.27
166	32AVYPB9806C1ZK	Fresh & More Super Market	IAC, Chittur	Palakkad	86.25

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
Nature of deviation/ mismatch - Reconciliation between ITC availed in annual return with expenses in financial statements					
167	32AAACG1395D1Z3	Godrej & Boyce Mfg Co. Ltd	Special Circle I, Ernakulam	Ernakulam	10,640.26
168	32AAEFU3434A1ZT	Unique Agencies	IAC, Irinjakkuda	Thrissur	9,598.96
169	32AAACJ809IRZZZ	Peninsular Honda	Special Circle III, Ernakulam	Ernakulam	5,248.64
170	32AAACP1272G1ZW	Pepsico India Holdings (P) Ltd	STO II Circle, Trippunithura	Ernakulam	4,632.42
171	32AANCA7444G2ZN	Adani Vizhinjam Port Private Limited	Works Contract, Thiruvananthapuram	Thiruvananthapuram	4,370.88
172	32AADCH4100N2ZW	Howe Engineering Projects India Private Limited	Works Contract, Thiruvananthapuram	Thiruvananthapuram	2,120.77
173	32AACFK7769C1ZF	Kerala Trade Wings	Special Circle I, Kozhikode	Kozhikode	1,661.81
174	32AAACN2847D6ZS	National Textile Corporation Ltd.	Special Circle, Kannur	Kannur	1,427.07
175	32AAJFS4867J1ZS	Southern Marketing Associates	Special Circle, Thrissur	Thrissur	1,109.02
176	32AAACN4165C4ZX	The New India Assurance Co Limited	Special Circle I, Ernakulam	Ernakulam	953.28
177	32AABCE9683P1Z0	Cedar Retail Private Limited	IAC, Thrissur	Thrissur	902.87
178	32ACGPA4233M1ZY	A.M Fair Price Medicines	STO IV Circle, Thrissur	Thrissur	866.90
179	32ABHPN9665J1Z6	Wings Agencies	Special Circle I, Kozhikode	Kozhikode	751.90
180	32AAGCM9459A1ZK	Mirones Builders & Developers Pvt. Ltd.	Special Circle, Kottayam	Kottayam	717.91
181	32AADCH4548L2ZG	Hi Life Metals India Private Limited	Special Circle, Palakkad	Palakkad	695.10
182	32AAFCB0525K1Z2	Bharat Broadband Network Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	651.24
183	32AAFCB4100J1Z9	Bhima Jewels	STO I Circle, Kalamassery	Ernakulam	639.54
184	32AEVPK0649E1ZI	Kevi Enterprises	Special Circle, Malappuram	Malappuram	543.27
185	32AAJCM4693D1ZH	Maersk A/S	STO IV Circle, Ernakulam	Ernakulam	523.31
186	32AADCP1503F1Z5	Parekh Integrated Services Pvt Ltd	Special Circle III, Ernakulam	Ernakulam	484.07
187	32EXXPS6242A1Z8	Tempest Automotive	IAC, Wayanad	Wayanad	483.65

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
188	32AAACC8414B1ZD	Carrier Airconditioning & Refrigeration Ltd.	Special Circle III, Ernakulam	Ernakulam	477.20
189	32AAJFP0691B1ZM	Powermech Diesels	Special Circle II, Ernakulam	Ernakulam	450.51
190	32AAAACD9963A1ZY	Atlas Logistics Pvt Ltd	Special Circle, Mattancherry at Aluva	Mattancherry	441.66
191	32AAGFK7536B1ZO	Keezhedath Traders	IAC, Manjeri	Malappuram	439.89
Nature of deviation/ mismatch - Mismatch in turnover declared in GSTR 9C Table 5R					
192	32AABCK1315JZZ0	K.S.R.T.C	Special Circle, Thiruvananthapuram	Thiruvananthapuram	1,53,691.70
193	32AAACI5139B1Z7	IVRCL Limited	Works Contract, Ernakulam	Ernakulam	1,43,046.70
194	32AAAAAK4391F1ZX	KSCARD Bank Trivandrum	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	79,598.90
195	32AAAAT4249D1ZV	Thiruvananthapuram District Co-Operative Bank Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	50,551.18
196	32AAACQ1841L1ZL	Qutone Ceramic Private Limited	STO I Circle, Kalamassery	Ernakulam	38,355.42
197	32AAECK2277NBZ1	Kerala State Electricity Board Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	34,896.26
198	32AAACQ1596N1Z5	Quebec Petroleum Resources Limited	STO II Circle, Ernakulam	Ernakulam	23,977.72
199	32AAATT0642D9ZV	The Church of South India Trust Association	STO I Circle, Kottayam	Kottayam	20,660.84
200	32ACPPJ8023M1ZC	J.S.Trading Company	Special Circle, Thrissur	Thrissur	15,408.20
201	32AAAAAK1230H1ZD	Kerala State Co-Operative Federation for Fisheries Development Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	8,349.74
202	32AABTM2628K1ZO	Malanadu Farmers Society	IAC, Pala	Kottayam	7,236.42
203	32AAJCS3622A1ZY	Shwas Homes Private Limited	Works Contract, Ernakulam	Ernakulam	6,881.96
204	32AKBPP5251B1ZQ	Adharva Associates	Special Circle II, Ernakulam	Ernakulam	6,727.81
205	32AACAK0055A1ZK	Karassery Service Co Operative Bank	STO V Circle, Kozhikode	Kozhikode	6,706.40
206	32AAEFM2509E1ZV	Moulana Hospital	Special Circle, Malappuram	Malappuram	6,648.78
207	32AAICS8856R1ZE	Shikhar Logistics Pvt. Ltd.	STO IV Circle, Ernakulam	Ernakulam	5,204.86

Compliance Audit Report (Revenue) for the year ended 31 March 2022

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
208	32AAAACP2550R1ZA	Puravankara Limited	Works Contract, Ernakulam	Ernakulam	4,232.68
209	32ABGPN8092A1ZV	Vazhappully Padmanabhan Nandakumar (No Trade Name)	STO, Chavakkad	Thrissur	4,225.14
210	32AABCN2898M1Z2	Hercules Automobiles International (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	4,031.43
211	32AAAACG2409A2ZJ	Giza Marketing Pvt. Ltd	STO I Circle, Ernakulam	Ernakulam	3,766.44
212	32AABFV7366H1Z2	V.P. & Sons	STO, Angamaly	Mattancherry	3,066.99
213	32AAIFA9329G1ZJ	A.M.A.Fuel	STO, Muvattupuzha	Mattancherry	2,683.58
214	32ALWPD9093K1ZG	Pattathuvila Fuels	Luxury Tax, Kollam	Kollam	2,546.39
215	32AAGFT9132N1ZU	Transmarine Logistics	STO IV Circle, Ernakulam	Ernakulam	2,434.18
216	32AACAT4739N1Z5	Thalore Service Co Operative Bank Ltd	STO, Ininjalakuda	Thrissur	2,371.14
217	32AACCR1459F1ZP	Spicejet Ltd	Special Circle, Mattancherry at Aluva	Mattancherry	2,292.89
218	32AAAATT1833E1ZY	Oachira Temple Administration Board	STO, Karunagappally	Kollam	2,209.50
219	32AABTM0953B1Z7	Madinu Ssaquafathil Islamiyya	STO, Manjeri	Malappuram	2,160.61
220	32AAAANK6080B1Z7	Kanjikode Service Co-Op. Bank Ltd	STO III Circle, Palakkad	Palakkad	2,133.51
221	32AAAAR6865P1ZY	RDS - CVCC (JV)	Works Contract, Ernakulam	Ernakulam	2,046.04
222	32AAOPL5436D2ZU	Sheron Cultural Centre	STO I Circle, Thodupuzha	Idukki	1,998.07
223	32AAGCM4076K2ZB	Metro International Cardiac Centre Private Limited	Works Contract, Kozhikode	Kozhikode	1,954.77
224	32AAAAT0963H1Z7	The Ottapalam Co-Operative Urban Bank Ltd	STO, Ottapalam	Palakkad	1,782.95
225	32ABTFS2397A1Z2	Sahara Travels and Hajj Umrah Service	STO, Kottakkal	Malappuram	1,744.11
226	32AAEFC3637M1ZH	City Fuels	STO, Aluva	Mattancherry	1,682.26
227	32AAAAP9607P1Z6	Pattambi Service Co-operative Bank	Special Circle, Palakkad	Palakkad	1,662.06
228	32ABSFS5643Q1ZB	Sevvel International	Special Circle, Palakkad	Palakkad	1,652.33

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
229	32AAQFM2993L1ZO	M.R.S. Roadways	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	1,583.03
230	32ABZFS7408N1ZB	Sakthi Fuels	STO, Chalakkudy	Thrissur	1,568.28
231	32AAAAPY7217K1ZI	Holy Star Enterprises	STO III Circle, Kollam	Kollam	1,561.04
232	32AAACP6032C1Z4	Prism Books Private Limited	Special Circle I, Ernakulam	Ernakulam	1,541.88
233	32AADTM5817G1ZQ	Malanadu Development Society	Special Circle, Kottayam	Kottayam	1,487.73
234	32AAATH3662D1Z5	Holy Family Hospital	Special Circle, Thodupuzha	Idukki	1,413.18
235	32AAAAANI663M1ZM	Neezhoor Service Co Operative Bank Ltd No 136	STO, Vaikom	Kottayam	1,335.36
236	32AACFP9684M1ZN	India Oil Dealer (Legal Name: Parakkottil Brothers)	STO, Nilambur	Malappuram	1,319.42
237	32AABFC0618B1ZG	Catholic Diocese of Tiruvalla	Special Circle, Pathanamthitta	Pathanamthitta	1,316.82
238	32AAACW1444P1Z8	Windsor Refractories Pvt Ltd	STO IV Circle, Ernakulam	Ernakulam	1,314.69
239	32AAGCA6895C1ZQ	Apco Vehicle (India) Private Limited	IAC, Kozhikode	Kozhikode	1,286.93
240	32AAEFG7024N1ZE	Ghani Motors	Special Circle, Palakkad	Palakkad	1,282.82
241	32ADVVPB0622R1ZD	S.B. Cashew Industries	STO II Circle, Kollam	Kollam	1,263.79
Nature of deviation/ mismatch - Mismatch in taxable turnover declared in GSTR 9C Table 7G					
242	32AABCN5494K1Z8	Investnet Asset Management (India) Private Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	2,857.90
243	32AAACCN8334R1Z0	Normandy Breweries and Distilleries Private Limited.	STO, Hosdurg	Kasaragod	1,809.48
244	32AJXPS6612A1Z6	J.D.A Traders	Special Circle I, Ernakulam	Ernakulam	1,501.72
245	32AABCK3817B1Z7	The Kerala State Womens Development Corporation Ltd	STO II Circle, Thiruvananthapuram	Thiruvananthapuram	1,263.15
246	32AAMCS2579M1ZS	Soman's Leisure Tours India Private Limited	Special Circle I, Ernakulam	Ernakulam	1,192.35
247	32AAACO8392A2ZP	Manpower Supply Agency Service (Olive Greens Manpower Solutions Private Limited)	IAC, Kottarakkara	Kollam	1,145.90

Compliance Audit Report (Revenue) for the year ended 31 March 2022

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
248	32ACLPL8630N1Z7	S.K. Fuels	STO, Vaikom	Kottayam	1,112.24
249	32ADJFS5445A1ZE	Sarti Agency	Luxury Tax, Pathanamthitta	Pathanamthitta	1,032.04
250	32ABCFS5422P1Z0	Sree Durga Enterprises	STO, Irinjalakuda	Thrissur	917.65
251	32AAGCP7159L1Z1	Pioneer Cars (India) Private Limited	Special Circle, Kannur	Kannur	913.43
252	32AABCV6494M1ZU	Vijaynath Roof and Wall Cladding Systems Pvt Ltd	Luxury Tax, Kasaragod	Kasaragod	906.04
253	32AABFJ6888Q1ZM	Jay Kay Fuels	STO III Circle, Ernakulam	Ernakulam	853.07
254	32AAECK0108L1ZX	Kridhan Infra Solutions Pvt Ltd	STO I Circle, Kalamassery	Ernakulam	826.67
255	32AARCS1532M1Z4	Sri Bhagavathi Traders	STO II Circle, Trippunithura	Ernakulam	763.25
256	32AAOPH0506J1Z1	Vikas Prints	STO II Circle, Palakkad	Palakkad	751.65
257	32AABCR6222R1Z6	Roshan Foods Pvt Ltd	Special Circle (Produce), Mattancherry	Mattancherry	699.47
258	32AAAAAK3240R1ZM	Kizhathadiyoor Service Co-Operative Bank Ltd.	IAC, Pala	Kottayam	662.52
259	32AAAAAA6616M1ZW	Anapanthi Service Co Op. Bank Ltd No F 1516	STO, Kuthuparamba	Kannur	619.24
260	32AANFM7361D1ZC	A.M.Distributors	Special Circle III, Ernakulam	Ernakulam	607.00
261	32ADRP62044E2ZY	Jilmon John, Works Contractor	STO I Circle, Thodupuzha	Idukki	602.79
262	32AAECR0039H1ZT	Reflections Infosystems Private Limited	IAC, Thiruvananthapuram	Thiruvananthapuram	567.66
263	32AELPB1961Q1ZB	Bharat Chemical	Special Circle I, Ernakulam	Ernakulam	552.55
264	32AGGPP7343F1ZH	Mohankumar Sadananda Panicker	Special Circle, Thiruvananthapuram	Thiruvananthapuram	552.15
265	32AADAT6478P1ZS	Sahakarana Medical Store	STO I Circle, Thalassery	Kannur	549.49
266	32AAAFCA6821M1ZO	Abad Fisheries Pvt Ltd	STO II Circle, Ernakulam	Ernakulam	533.66
267	32AAECK1998C1ZO	Kottakkal Granite Industries (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	528.72
268	32AAAACRS277K1Z8	Ray Constructions Limited	Works Contract, Ernakulam	Ernakulam	528.03
269	32AADCR9854R1ZK	Robinson Properties International Private Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	517.45

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
270	32AACFC0775C1Z3	Cherukattu Industries	Special Circle, Alappuzha	Alappuzha	497.58
271	32AAJCP1252D1ZX	Parays Holiday Hotel	STO, Muvattupuzha	Mattancherry	468.96
272	32AAFCS3552D1ZR	Sabari Distribution	Special Circle III, Ernakulam	Ernakulam	453.90
273	32AAF0M0961J1ZL	MSP Retail	Special Circle III, Ernakulam	Ernakulam	447.87
274	32ADRP02044E3ZX	Joance Regency	STO I Circle, Thodupuzha	Idukki	435.88
275	32AAAACL3452E1Z2	Linkwell Telesystems Pvt Ltd	STO II Circle, Ernakulam	Ernakulam	430.44
276	32AADCM9455D1ZL	Master Shipyard Pvt Ltd	STO I Circle, Ernakulam	Ernakulam	420.02
277	32AADCA5753C1Z6	Abad Overseas Pvt Ltd	STO II Circle, Ernakulam	Ernakulam	417.85
278	32AAAACL4062A1ZA	Lots Shipping Limited	Special Circle I, Ernakulam	Ernakulam	400.53
279	32AABCU1348R2Z1	UL Cyber Park	STO, Vatakara	Kozhikode	392.51
280	32AAFFL0871R1ZZ	Lamit Polymer Technologies	IAC, Manjeri	Malappuram	380.15
281	32AEFPB7489H1ZH	Saju Cashew Traders	STO II Circle, Kollam	Kollam	378.35
282	32AAHFC0841L1ZO	Classic Hyundai	Special Circle, Malappuram	Malappuram	377.89
283	32AOFPV8661M1Z9	Kabani Farms & Foods	IAC, Wayanad	Wayanad	355.54
Nature of deviation/ mismatch - Mismatch in tax paid between books of accounts and returns					
284	32AABCN2898M1Z2	Hercules Automobiles International (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	199.15
285	32AAFCS3552D1ZR	Sabari Distribution Pvt. Ltd.	Special Circle III, Ernakulam	Ernakulam	198.26
286	32AAAFY2571L1Z2	Yogi Enterprises	Special Circle I, Kozhikode	Kozhikode	170.16
287	32AACFJ5822D1ZW	Jasmine Agencies	Special Circle, Malappuram	Malappuram	151.34
288	32AABCK1315J2Z0	K.S.R.T.C	Special Circle, Thiruvananthapuram	Thiruvananthapuram	147.79
289	32AAFFM6487J1ZY	M.M.N.Manickavel Sons	Special Circle, Kollam	Kollam	140.13
290	32AAMFK1350P1Z5	Kalyani Agencies	STO, Neyyattinkara	Thiruvananthapuram	123.76

Compliance Audit Report (Revenue) for the year ended 31 March 2022

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
291	32AAACT1507C1Z6	ACC Limited	Special Circle, Kannur	Kannur	117.44
292	32AACFK769C1ZF	Kerala Trade Wings	Special Circle I, Kozhikode	Kozhikode	101.95
293	32AAEFH8886P1ZL	Hindustan Auto Distributors	STO II Circle, Kozhikode	Kozhikode	98.98
294	32AACCG7920Q1ZB	Genlite Engineering Pvt Ltd	Special Circle, Perumbavoor	Mattancherry	94.79
295	32AAACK7312E1Z4	Boschasis Systems India Ltd.	Works Contract, Ernakulam	Ernakulam	84.64
296	32AABFI7427A1ZZ	Ideal Rubbers	IAC, Kottayam	Kottayam	78.12
297	32ABTFS1332H1Z7	Shiva Agencies	STO III Circle, Kollam	Kollam	77.79
298	32AAFCA3985J1ZJ	Anukool India Private Limited	Works Contract, Thiruvananthapuram	Thiruvananthapuram	75.80
299	32AADCS5616E1ZQ	Synthite Industries Private Limited	STO I Circle, Ernakulam	Ernakulam	74.95
300	32AAAACA5622M1ZW	Inspirisys Solutions Limited	Special Circle I, Ernakulam	Ernakulam	69.93
301	32AANFM5723H1ZA	Malabar Distributors	Special Circle II, Kozhikode	Kozhikode	54.70
302	32AAAACW0764A2ZX	WAPCOS Limited	Works Contract, Ernakulam	Ernakulam	54.08
303	32APPPD6044P1ZK	Surabhi Traders	STO, Kasaragod	Kasaragod	53.36
304	32ABPFS6292N1ZD	Steel Guide	STO, Vatakara	Kozhikode	50.35
305	32AAHCP5888M2ZP	PRS Hospital Private Limited	Luxury Tax, Thiruvananthapuram	Thiruvananthapuram	47.42
306	32AAACT2438A1Z2	Tata Teleservices Limited	Special Circle II, Ernakulam	Ernakulam	46.95
307	32AABCE1076A1ZG	Muthoot Insurance Brokers Private Limited	Special Circle I, Ernakulam	Ernakulam	42.12
308	32AACFL3444R1Z3	Lakshmi Granite & Marbles	STO, Aluva	Mattancherry	41.73
309	32AAHFA8699Q1ZK	A.M. Motors	Special Circle, Malappuram	Malappuram	41.49
310	32DHGPM6072Q1ZS	Ebrahim Traders	STO II Circle, Ernakulam	Ernakulam	40.56
311	32AALFB0988M1Z3	Bright Marketing	STO, Ettumanoor	Kottayam	38.68
312	32AACAK6884H1ZH	Kerala Hyde1 Tourism Centre	Special Circle, Thiruvananthapuram	Thiruvananthapuram	37.80

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
313	32AAF0961J1ZL	MSP Retail Private Limited	Special Circle III, Ernakulam	Ernakulam	33.94
314	32AABCJ3476B1Z1	Jupiter Leys Pvt Ltd	Special Circle, Perumbavoor	Mattancherry	33.54
315	32AABAI0181J1Z1	IRTC Project Implementation Unit	Special Circle, Palakkad	Palakkad	32.75
316	32AIWPS7124F1ZY	Premier Paper Distributors	Special Circle, Thiruvananthapuram	Thiruvananthapuram	32.58
317	32AASPI4202Q1ZH	A.M.Ibrahim Kutty	STO I Circle, Perumbavoor	Mattancherry	30.58
318	32AAACI4904J1ZV	Indus Motor Company Private Ltd	Special Circle II, Ernakulam	Ernakulam	30.34
319	32AAGFT3159F1ZC	Theyyampattil Furniture	Special Circle III, Ernakulam	Ernakulam	30.21
320	32CGIPS273H1Z5	Arushi Traders	STO I Circle, Kalamassery	Ernakulam	30.08
321	32BYTPK5846E1Z5	P R K Spices	STO, Peerumedu	Idukki	28.30
322	32AADFP0709N1ZC	Purnima Distributors	Special Circle II, Ernakulam	Ernakulam	27.70
323	32ACHPJ2727N2Z1	Akshaya Outdoor Catering Services	Special Circle III, Ernakulam	Ernakulam	27.36
324	32AAECK1998C1ZO	Kottakkal Granite Industries (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	26.44
325	32ACBPJ0142M1Z2	Trade Links	Special Circle, Kottayam	Kottayam	26.28
326	32AADCM3357Q1Z5	KGA Hotels & Resorts Pvt Ltd	Special Circle III, Ernakulam	Ernakulam	24.63
327	32AALFK8274F1Z6	Kool Home Builders	Works Contract, Ernakulam	Ernakulam	24.37
328	32AACCB8248E1ZY	Basil Natural Technically Specified Rubber	Special Circle, Perumbavoor	Mattancherry	24.20
329	32AACCG1650K1ZW	GR Tech Services Pvt.Ltd.	STO I Circle, Ernakulam	Ernakulam	21.99
330	32AABTT0576B1ZX	Thenmala Ecotourism Promotion Society	AIT & STO, Thiruvananthapuram	Thiruvananthapuram	21.50
331	32AAAACL9525E1ZS	Laxmi Cranes & Trailers Pvt. Ltd	Special Circle I, Ernakulam	Ernakulam	21.38
332	32ABGFA2971H2ZM	Aditya Papers	Special Circle II, Ernakulam	Ernakulam	20.74
333	32AADCA6276A2Z5	Ananthapuri Hospital	IAC, Neyyattinkara	Thiruvananthapuram	20.48

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
Nature of deviation/ mismatch - Unsettled liabilities					
334	32AADCM5248E1ZS	Malabar Business Centre Private Limited	Special Circle, Palakkad	Palakkad	554.40
335	32AAAACL0582H1ZV	Life Insurance Corporation of India, Kerala	Special Circle, Thiruvananthapuram	Thiruvananthapuram	515.05
336	32AMRPA0384N1ZW	Nullippady Steels	Special Circle, Kasaragod	Kasaragod	423.72
337	32AMOPJ1908L1ZY	J.E.Timbers	STO, Sulthan Bathery	Wayanad	342.07
338	32AABCT0159K1ZI	T.V Sundram Iyengar and Sons Private Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	327.29
339	32AAEF14715L1ZG	Ice Drops Industries	STO, Muvattupuzha	Mattancherry	303.83
340	32AAAFCS3552D1ZR	Sabari Distribution Pvt. Ltd.	Special Circle III, Ernakulam	Ernakulam	269.16
341	32AAATK2642L1ZR	Kerala Books and Publications Society	Special Circle III, Ernakulam	Ernakulam	256.82
342	32AAAAAU0170E1Z4	Uralungal Labour Contract Co Op Society Ltd	Special Circle I, Kozhikode	Kozhikode	227.35
343	32FLXPS1000M1ZS	Janatha Steel	STO II Circle, Kannur	Kannur	194.02
344	32AAHFT8680J1ZQ	Top Motors	Special Circle II, Kozhikode	Kozhikode	192.91
345	32BJXPS479K1Z4	Amaravathi Steels & Building Materials	STO, Kodungallur	Thrissur	183.79
346	32AADFC7414P1ZD	Cool Point	STO, Manjeri	Malappuram	177.39
347	32BIYPA6876R1Z7	Dreams Traders	STO, Chittur	Palakkad	154.32
348	32ACAPM1256C1ZC	Najeem Cashew Industries	Special Circle, Kollam	Kollam	153.62
349	32AABCK1315J2Z0	K.S.R.T.C	Special Circle, Thiruvananthapuram	Thiruvananthapuram	143.49
350	32AAACK9971B5ZL	Kerala Electrical and Allied Engineering Company Ltd	Special Circle, Kollam	Kollam	142.86
351	32AAFFM6487J1ZY	M.M.N.Manickavel Sons	Special Circle, Kollam	Kollam	139.90
352	32AABCT2469C1ZQ	TCL Ceramics Limited	Special Circle III, Ernakulam	Ernakulam	131.12
353	32AAACF5232A1ZI	Qwik Supply Chain Private Limited	Special Circle III, Ernakulam	Ernakulam	129.87

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
354	32AAMFK1350P1Z5	Kalyani Agencies	STO, Neyyattinkara	Thiruvananthapuram	126.25
355	32AAACT1507C1Z6	ACC Limited	Special Circle, Kannur	Kannur	123.25
356	32AAACA6412D1ZH	Airports Authority of India	Special Circle, Thiruvananthapuram	Thiruvananthapuram	114.96
357	32CHJPP0613C1ZX	Lakshmi Marketing	STO, Ottappalam	Palakkad	114.47
358	32AFCPC7769P1Z1	C T Thampi	Works Contract, Thrissur	Thrissur	114.47
Nature of deviation/ mismatch - Composition taxpayer also availing ecommerce facility					
359	32ABHFM2435R1ZY	Mallus Dhaba	Works Contract, Ernakulam	Ernakulam	
360	32AHUPA6628D1ZI	Muhammedkunju Kiliparambu Asharaf	STO I Circle, Trippunithura	Ernakulam	
361	32AIBPT6311J1ZE	Tohmmus Family Restaurant	STO I Circle, Ernakulam	Ernakulam	
362	32AJGPS1464D1ZH	Hotel Taj	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	
363	32APCPM1572J1Z1	Turya Fashions	STO, Pattambi	Palakkad	
364	32APCPM2395D1Z7	Nandanam Pure Vegetarian Restaurant	STO II Circle, Kalamassery	Ernakulam	
365	32BMVBPB4353D1ZA	BOSCOS Cook Door	STO IV Circle, Thrissur	Thrissur	
366	32AAZCS6632E1Z2	Soulmates Trendz	STO, Manjeri	Malappuram	
367	32ABNPV4688B3ZA	Arya Hotel	STO II Circle, Kalamassery	Ernakulam	
Nature of deviation/ mismatch - GSTR 3B was not filed but GSTR 1 is available					
368	32BIYPA6876R1Z7	Dreams Traders	STO, Chittur	Palakkad	154.32
369	32AAZFA2458F1ZC	Auxin Systems	STO IV Circle, Thrissur	Thrissur	55.96
370	32AAACI6889C1ZM	Integrated Rubian Exports Ltd	STO, Kuthiyathode	Alappuzha	36.36
371	32AGEPS1482N1Z3	Hypet Plastics	STO I Circle, Thrissur	Thrissur	25.08
372	32AAECC9970G1ZK	Climate Commodities Private Limited	STO, Vandiperiyar	Idukki	21.54
373	32AABCU7311A1Z2	UTM Engineering Private Limited	STO, Anchal	Kollam	18.77

Compliance Audit Report (Revenue) for the year ended 31 March 2022

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
374	32DKMPS8442F1ZU	Christ Chemicals, Chedikkulam	STO, Kuthuparamba	Kannur	15.18
375	32AACCF6668C1ZU	Fit and Free Fitness Solutions Private Limited	STO II Circle, Thrissur	Thrissur	13.97
376	32AADCE9465H1ZJ	Ezpanio Events India Private Limited	Works Contract, Ernakulam	Ernakulam	11.58
377	32AAHFG3282D1ZS	Global Distributors	Works Contract, Thiruvananthapuram	Thiruvananthapuram	10.78
378	32ABDPR7226H1ZQ	R.R.Constructions	Works Contract, Ernakulam	Ernakulam	9.74
379	32BSAPG4018F1ZG	A P S Rubbers	STO I Circle, Changanassery	Kottayam	9.61
380	32ADLPH0747F1ZW	SAS Associates	STO, Vadakkancherry	Thrissur	8.70
381	32AFCPR8635P2ZU	Tritan Advertising Co.	STO, Vatakara	Kozhikode	7.85
382	32AADCN5397D1ZJ	Nashe Tours and Travels Private Limited	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	6.67
383	32ABUFS8897G1Z8	Shivagiri Sales Corporation	STO II Circle, Kannur	Kannur	6.64
384	32AFWPB7293M1ZT	Apex Engineering Company	STO, Manjeri	Malappuram	6.33
385	32AQLPN5302M1ZR	Euroen Seating System	STO II Circle, Kalamassery	Ernakulam	6.30
386	32AAJFP3150B1ZU	P.K. Constructions	Works Contract, Kozhikode	Kozhikode	6.21
387	32BALPK4332F1Z1	Bismi Spices	STO III Circle, Ernakulam	Ernakulam	5.11
388	32AAKFT1263E1ZH	Techno Craft Interiors	STO II Circle, Kalamassery	Ernakulam	4.48
389	32AATPU7133K1Z4	Cochin Metal Traders	STO II Circle, Kalamassery	Ernakulam	3.76
390	32AAHFC3863A1ZZ	Century Coco Products	STO IV Circle, Kozhikode	Kozhikode	3.72
391	32ATAPC0514A1Z0	Karikottu Stores	STO I Circle, Kottayam	Kottayam	3.67
392	32AAPFG7107H1ZG	Grand Four Group	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	2.90
Nature of deviation/ mismatch - Short payment of interest					
393	32AADCB5921B1ZD	Bird Worldwide Flight Services (India) Private Limited	Special Circle (Produce), Mattancherry	Mattancherry	109.30

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
394	32AAAAU0170E1Z4	Uralungal Labour Contract Co Op Society Ltd	Special Circle I, Kozhikode	Kozhikode	85.57
395	32AAAAGD0511L1Z1	State Lotteries	AIT & STO, Thiruvananthapuram	Thiruvananthapuram	56.98
396	32AAAACH9412J1ZR	HMT Machine Tools Ltd	Special Circle III, Ernakulam	Ernakulam	53.18
397	32AABCK1315J2Z0	K.S.R.T.C	Special Circle, Thiruvananthapuram	Thiruvananthapuram	45.18
398	32AAATI0917L1ZV	India Coffee Board Workers Co-Operative Society	Special Circle, Thrissur	Thrissur	36.45
399	32AACCR7832C1ZQ	Reliance Communications Limited	Special Circle I, Ernakulam	Ernakulam	33.85
400	32ACYFS586IK1ZB	Sree Krishna Traders	STO, Pattambi	Palakkad	30.54
401	32AASPI4202Q1ZH	A.M.Ibrahim Kutty	STO I Circle, Perumbavoor	Mattancherry	28.83
402	32AARCS3056L1ZZ	Sun Roof Constructors	Works Contract, Thiruvananthapuram	Thiruvananthapuram	26.23
403	32AAAAC7593C1ZG	The Travancore Cements Ltd	STO II Circle, Kottayam	Kottayam	24.69
404	32AAKCS9641L1ZV	Sowparnika Projects and Infrastructure	Works Contract, Thiruvananthapuram	Thiruvananthapuram	24.08
405	32AABCH3734L1ZP	Hi-Lite Builders	Special Circle I, Kozhikode	Kozhikode	23.75
406	32AADFU2928A1ZP	Urvashi Theatres	Special Circle, Thiruvananthapuram	Thiruvananthapuram	23.59
407	32AABCG2389L2ZG	Greeshmam Resorts Private Limited	IAC, Wayanad	Wayanad	23.35
408	32AACCM0065G1Z0	Malayalam Communication Ltd	IAC, Thiruvananthapuram	Thiruvananthapuram	23.35
409	32AABCR1073J1ZN	Relcon Foundations (P) Ltd	Works Contract, Ernakulam	Ernakulam	20.76
410	32AAHFB4518R1Z7	Bency & Company	STO III Circle, Kozhikode	Kozhikode	19.47
411	32AAAACN1283H1ZT	Nisa Industrial Services Pvt Ltd	Special Circle II, Ernakulam	Ernakulam	18.94
412	32AFEP8611R1ZX	V Factor	STO, Cherthala	Alappuzha	18.46
413	32AAAACA6412D1ZH	Airports Authority of India	Special Circle, Thiruvananthapuram	Thiruvananthapuram	18.25
414	32AADFK0173H2ZR	Kerala Transport Company	Works Contract, Kozhikode	Kozhikode	17.99
415	32AADCR4377F1ZH	Rimerich Foods Private Limited	Special Circle, Thrissur	Thrissur	17.76

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
416	32AACCN8431B1ZZ	Negocios IT Solutions Private Limited	STO II Circle, Thiruvananthapuram	Thiruvananthapuram	17.34
417	32AAAAAK3036B1ZH	Kerala State IT Mission	IAC, Thiruvananthapuram	Thiruvananthapuram	17.14
Nature of deviation/ mismatch - Stop filers					
418	32DNOPS9379N1ZR	Indian Glasshouse	STO, Kundara	Kollam	
419	32ANUPR2220G1Z2	Flames	STO, Karunagappally	Kollam	

Appendix VI
(Reference Para No. 2.4.7.2)
Statement showing details of deviations/ mismatches for which responses were not received from department/ government

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
Nature of deviation/ mismatch - ITC mismatch between 2A & 3B					
1	32AADFP1492J1ZA	Prabhu Steels	Special Circle II, Ernakulam	Ernakulam	2,586.29
2	32AAAAAR6865P1ZY	RDS - CVCC (JV)	Works Contract, Ernakulam	Ernakulam	794.00
3	32AABCM4757A1ZY	Madhucon Projects Limited	STO I Circle, Trippunithura	Ernakulam	655.64
4	32AABCO1875H1ZL	Oriental Metals India Pvt.Ltd.	Special Circle I, Ernakulam	Ernakulam	616.12
5	32AAACA3171B1ZJ	AVT Natural Products Ltd	Special Circle (Produce), Mattancherry	Mattancherry	493.15
6	32AAAFCD4697L1Z9	Daxer Trading Private Limited	Works Contract, Ernakulam	Ernakulam	359.38
7	32AADCB6869J1ZF	BRD Car World Limited	Special Circle, Thrissur	Thrissur	357.78
8	32AAACK6767FHZ5	Kerala State Civil Supplies Corporation Ltd.,	Works Contract, Ernakulam	Ernakulam	275.48
9	32AADCE9286E1ZM	EKK Infrastructure Limited	Works contract, Mattancherry	Mattancherry	232.52
10	32AAEFA0554D1Z8	The Ananda Pharmacy	Works Contract, Ernakulam	Ernakulam	227.09
11	32BHXPST7216M1ZJ	Shaju K.Thomas, Rubber Dealer	Special Circle, Perumbavoor	Mattancherry	190.18
12	32AAAAAK1230H1ZD	Kerala State Co-Operative Federation for Fisheries Development Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	181.26
13	32AAACCM7365H1ZH	Group M Media India Pvt. Ltd.	Special Circle, Thrissur	Thrissur	179.49
14	32AAACT5131A1Z6	Titan Company Limited	Special Circle II, Ernakulam	Ernakulam	159.66
15	32AAAHFN4424E1ZP	National Builders	Works Contract, Ernakulam	Ernakulam	154.08
16	32AADCC8087B1ZX	Celebi Airport Services India Private Limited	Special Circle (Produce), Mattancherry	Mattancherry	137.70
17	32AABCP3805G1ZW	Popular Vehicles and Services Limited	Special Circle III, Ernakulam	Ernakulam	130.62
18	32AAACH0905Q1ZP	HIL (India) Limited	Special Circle III, Ernakulam	Ernakulam	121.14

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Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
19	32AAACH5598K6Z5	Hindustan Latex	Special Circle, Thiruvananthapuram	Thiruvananthapuram	119.81
20	32AAKFR7085E1Z3	Reliant Marketing	Special Circle I, Ernakulam	Ernakulam	118.27
21	32AAACU3756A1ZU	Universal Corporation Ltd	Special Circle III, Ernakulam	Ernakulam	118.03
22	32AABCR0347P1ZC	Redington India Ltd	Special Circle I, Ernakulam	Ernakulam	111.88
23	32AABCT1296R1ZW	Ingram Micro India Private Limited	Special Circle III, Ernakulam	Ernakulam	107.96
24	32AABFC6512C1Z9	Chakra Communications	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	101.62
25	32ABOPT1275B1ZS	Aldous Glare Trade & Exports	Special Circle I, Ernakulam	Ernakulam	100.82
26	32AAACCM4485G1ZK	Nippon Motor Corporation Pvt Ltd	Special Circle III, Ernakulam	Ernakulam	98.09
27	32AAABCN2898M1Z2	Hercules Automobiles International (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	92.13
28	32AEKPP0200M1ZS	Grace Agencies	STO, North Paravoor	Mattancherry	87.84
29	32AAACM9401C1Z4	Mankind Pharma Ltd	Special Circle I, Ernakulam	Ernakulam	86.21
30	32AAMCA6118Q1ZB	Assetindia Infra Projects Private Limited	Works Contract, Ernakulam	Ernakulam	84.48
31	32DSTPM6170H2ZB	Ideal Trading Company	Special Circle, Mattancherry at Aluva	Mattancherry	84.13
Nature of deviation/ mismatch - ITC availed under RCM vs payment of tax in GSTR 3B/ GSTR 9					
32	32AANFV1578P1ZF	Vinod Gas Agencies	IAC, Neyyattinkara	Thiruvananthapuram	136.41
33	32AABTM5972E1ZO	Mar Louis Book Centre	Special Circle I, Ernakulam	Ernakulam	91.47
34	32AAAFY5209P1ZX	Yemkay Gas Agencies	Special Circle, Palakkad	Palakkad	80.43
35	32AABCJ1901B1ZJ	J.N. Freight Forwarders Pvt. Ltd	Special Circle II, Ernakulam	Ernakulam	58.00
36	32AAECN4761A1ZY	Neo Cochin Infrastructure Services Private Limited	Special Circle II, Ernakulam	Ernakulam	50.53
37	32ACLFS3144G1Z9	Sun Polymers	Special Circle, Perumbavoor	Mattancherry	45.17
38	32AFDPA0916P1ZR	Paulose Abraham	Works contract, Mattancherry	Mattancherry	43.90
39	32AABCK0071H1Z3	Kanyakumari Polymers P Ltd	STO IV Circle, Ernakulam	Ernakulam	43.42

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
40	32ABAFS8914N1ZV	Shalimar Trading Co.	IAC, Wayanad	Wayanad	41.55
41	32AATFR2468Q1ZC	Roofs & Shades Structural	Works Contract, Kozhikode	Kozhikode	35.57
42	32ABSPI9455N1ZW	Alif Agencies	STO II Circle, Mattancherry	Mattancherry	35.42
43	32BNHPS2214K1Z2	Janatha Trading Company	Special Circle, Mattancherry at Aluva	Mattancherry	24.83
44	32AGLPA2181K2ZL	A V Associates	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	24.05
Nature of deviation/ mismatch - Short payment of tax under RCM vs ITC availed in GSTR 3B/ GSTR 9					
45	32ACZPV8087F2ZO	Mariya Traders	STO, Cherthala	Alappuzha	20.93
46	32AADFO2217N1ZE	Olive Cards	STO III Circle, Thrissur	Thrissur	18.47
47	32AAYFM7309Q1ZE	Module 5 interiors	STO III Circle, Thiruvananthapuram	Thiruvananthapuram	17.81
48	32AABCM6043R1Z8	ACE Fine Pack Pvt Ltd	Special Circle II, Ernakulam	Ernakulam	17.57
49	32AGLPA2181K1ZM	Sivalaya Enterprises	STO II Circle, Thiruvananthapuram	Thiruvananthapuram	17.53
50	32AAPFK4142C1ZP	Kerawin Traders	Special Circle, Mattancherry at Aluva	Mattancherry	17.29
Nature of deviation/ mismatch - Incorrect availment of ISD credit					
51	32AANFB4912B1Z0	Best Roofing	Special Circle I, Kozhikode	Kozhikode	98.58
52	32AAACD8266A1Z4	Dhanya Super Market	Special Circle I, Ernakulam	Ernakulam	92.65
53	32AAEFE2226L1ZQ	E.M.Baby Trading Co.	IAC, Idukki	Idukki	84.50
54	32AAACM8055A1Z0	MIRC Electronics Limited	Special Circle III, Ernakulam	Ernakulam	48.81
55	32GPOPS5889J2ZS	Petals	STO II Circle, Kottayam	Kottayam	48.24
56	32AAXFM0046R1ZP	Everything	Special Circle I, Kozhikode	Kozhikode	48.03
57	32AQLPP8880C1ZL	Lona Trading Company	Special Circle, Perumbavoor	Mattancherry	46.48
58	32AAAFW8085F1Z4	W.W. Shipping Lines	Special Circle (Produce), Mattancherry	Mattancherry	43.13
59	32ALPPA0935J1ZB	Kokkadan Plywood	Special Circle, Perumbavoor	Mattancherry	38.24

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
60	32AABFE1149D1Z6	MS Express Food Services	Special Circle I, Ernakulam	Ernakulam	34.90
61	32ARTPJ7361B2ZS	Jaya Bharath Gas Distributors	Special Circle, Mattancherry at Aluva	Mattancherry	34.37
62	32AAEFH5372E1ZP	Harisuns Industries	STO, Attingal	Thiruvananthapuram	30.21
Nature of deviation/ mismatch - Mismatch of ITC availed between annual returns and books of accounts					
63	32AAACN4165C4ZX	The New India Assurance Co Limited	Special Circle I, Ernakulam	Ernakulam	953.28
64	32AAECK2277NBZ1	Kerala State Electricity Board Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	225.69
65	32AAACH120IR1ZW	Hindalco Industries Ltd	Special Circle III, Ernakulam	Ernakulam	192.23
66	32AABBCJ6731B1Z5	JSW Cement Limited	Special Circle III, Ernakulam	Ernakulam	171.54
67	32AAAACE7264K2ZL	Ernakulam Medical Centre Pvt Ltd	Works Contract, Ernakulam	Ernakulam	141.85
68	32AABCL0212H1ZB	Lulu International Shopping Malls Private Limited	Special Circle II, Ernakulam	Ernakulam	139.88
69	32AAAACL7126R1Z8	Lion Dates Impex Pvt.Ltd.	Special Circle I, Ernakulam	Ernakulam	124.54
70	32AAMFT6734G1Z1	Tile Zone Gallery	Special Circle, Kasaragod	Kasaragod	122.87
71	32AAHCM3978P2ZR	MIV Logistics Private Limited	Works Contract, Ernakulam	Ernakulam	104.82
72	32AABCN2898M1Z2	Hercules Automobiles International (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	92.45
73	32AADCH1703R1ZM	He-Man Auto Robopark Private Limited	Special Circle, Mattancherry at Aluva	Mattancherry	90.69
74	32BQOPS3820D1ZY	Deens Group	Works Contract, Ernakulam	Ernakulam	88.41
Nature of deviation/ mismatch - Reconciliation between ITC availed in annual return with expenses in financial statements					
75	32AAACG1395D1Z3	Godrej & Boyce Mfg Co. Ltd	Special Circle I, Ernakulam	Ernakulam	10,640.26
76	32AAACJ8091R2ZZ	Peninsular Honda	Special Circle III, Ernakulam	Ernakulam	5,248.64
77	32AAACP1272G1ZW	Pepsico India Holdings (P) Ltd	STO II Circle, Trippunithura	Ernakulam	4,632.42
78	32AANCA7444G2ZN	Adani Vizhinjam Port Private Limited	Works Contract, Thiruvananthapuram	Thiruvananthapuram	4,370.88
79	32AADCH4100N2ZW	Howe Engineering Projects India Private Limited	Works Contract, Thiruvananthapuram	Thiruvananthapuram	2,120.77

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
80	32AACFK7769C1ZF	Kerala Trade Wings	Special Circle I, Kozhikode	Kozhikode	1,661.81
81	32AAJFS48671JZS	Southern Marketing Associates	Special Circle, Thrissur	Thrissur	1,109.02
82	32AAAACN4165C4ZX	The New India Assurance Co Limited	Special Circle I, Ernakulam	Ernakulam	953.28
83	32AAABCE9683P1Z0	Cedar Retail Private Limited	IAC, Thrissur	Thrissur	902.87
84	32ABHPN9665J1Z6	Wings Agencies	Special Circle I, Kozhikode	Kozhikode	751.90
85	32AAAFBC0525K1Z2	Bharat Broadband Network Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	651.24
86	32AAAFBC4100J1Z9	Bhima Jewels	STO I Circle, Kalamassery	Ernakulam	639.54
87	32AAAJCM4693D1ZH	MAERSK A/S	STO IV Circle, Ernakulam	Ernakulam	523.31
88	32AADCP1503F1Z5	Parekh Integrated Services Pvt Ltd	Special Circle III, Ernakulam	Ernakulam	484.07
89	32EXXPS6242A1Z8	Tempest Automotive	IAC, Wayanad	Wayanad	483.65
90	32AAACC8414B1ZD	Carrier Airconditioning & Refrigeration Ltd.	Special Circle III, Ernakulam	Ernakulam	477.20
91	32AAJFP0691B1ZM	Powermech Diesels	Special Circle II, Ernakulam	Ernakulam	450.51
92	32AAAACD9963A1ZY	Atlas Logistics Pvt Ltd	Special Circle, Mattancherry at Aluva	Mattancherry	441.66
Nature of deviation/ mismatch - Mismatch in turnover declared in GSTR 9C table 5R					
93	32AABCK1315J2Z0	K.S.R.T.C	Special Circle, Thiruvananthapuram	Thiruvananthapuram	1,53,691.70
94	32AAAACI5139B1Z7	IVRCL Limited	Works Contract, Ernakulam	Ernakulam	1,43,046.70
95	32AAAANK439IF1ZX	KSCARD Bank Trivandrum	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	79,598.90
96	32AAAAAT4249D1ZV	Thiruvananthapuram District Co-Operative Bank Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	50,551.18
97	32AAECK2277NBZ1	Kerala State Electricity Board Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	34,896.26
98	32AAATT0642D9ZV	The Church of South India Trust Association	STO I Circle, Kottayam	Kottayam	20,660.84
99	32ACPPJ8023M1ZC	J.S.Trading Company	Special Circle, Thrissur	Thrissur	15,408.20

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
100	32AAAAAK1230H1ZD	Kerala State Co-Operative Federation for Fisheries Development Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	8,349.74
101	32AAAJCS3622A1ZY	Shwas Homes Private Limited	Works Contract, Ernakulam	Ernakulam	6,881.96
102	32AKBPP5251B1ZQ	Adharva Associates	Special Circle II, Ernakulam	Ernakulam	6,727.81
103	32AACAK0055A1ZK	Karassery Service Co Operative Bank	STO V Circle, Kozhikode	Kozhikode	6,706.40
104	32AAIICS8856R1ZE	Shikhar Logistics Pvt. Ltd.	STO IV Circle, Ernakulam	Ernakulam	5,204.86
105	32AAACP2550R1ZA	Puravankara Limited	Works Contract, Ernakulam	Ernakulam	4,232.68
106	32AABCN2898M1Z2	Hercules Automobiles International (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	4,031.43
107	32AAGFT9132N1ZU	Transmarine Logistics	STO IV Circle, Ernakulam	Ernakulam	2,434.18
108	32AACCR1459F1ZP	Spicejet Ltd	Special Circle, Mattancherry at Aluva	Mattancherry	2,292.89
109	32AAAAAR6865P1ZY	RDS - CVCC (JV)	Works Contract, Ernakulam	Ernakulam	2,046.04
110	32ABSF5643Q1ZB	Sevvel International	Special Circle, Palakkad	Palakkad	1,652.33
111	32AAAACP6032C1Z4	Prism Books Private Limited	Special Circle I, Ernakulam	Ernakulam	1,541.88
112	32AACFP9684M1ZN	India Oil Dealer (Legal Name: Parakkottil Brothers)	STO, Nilambur	Malappuram	1,319.42
113	32AAACW1444P1Z8	Windsor Refractories Pvt Ltd	STO IV Circle, Ernakulam	Ernakulam	1,314.69
Nature of deviation/ mismatch - Mismatch in taxable turnover declared in GSTR 9C table 7G					
114	32AABCN5494K1Z8	Investmet Asset Management (India) Private Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	2,857.90
115	32AJXPS6612A1Z6	J.D.A Traders	Special Circle I, Ernakulam	Ernakulam	1,501.72
116	32AABCK3817B1Z7	The Kerala State Womens Development Corporation Ltd	STO II Circle, Thiruvananthapuram	Thiruvananthapuram	1,263.15
117	32AAMCS2579M1ZS	Soman's Leisure Tours India Private Limited	Special Circle I, Ernakulam	Ernakulam	1,192.35
118	32AABCV6494M1ZU	Vijaynath Roof and Wall Cladding Systems Pvt Ltd	Luxury Tax, Kasaragod	Kasaragod	906.04

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
119	32AABF16888Q1ZM	Jay Kay Fuels	STO III Circle, Ernakulam	Ernakulam	853.07
120	32AAECK0108L1ZX	Kridhan Infra Solutions Pvt Ltd	STO I Circle, Kalamassery	Ernakulam	826.67
121	32AARCS1532M1Z4	Sri Bhagavathi Traders	STO II Circle, Trippunithura	Ernakulam	763.25
122	32AABCR6222R1Z6	Roshan Foods Pvt Ltd	Special Circle (Produce), Mattancherry	Mattancherry	699.47
123	32AANFM7361D1ZC	A.M.Distributors	Special Circle III, Ernakulam	Ernakulam	607.00
124	32AAECR0039H1ZT	Reflections Infosystems Private Limited	IAC, Thiruvananthapuram	Thiruvananthapuram	567.66
125	32AELPB1961Q1ZB	Bharat Chemical	Special Circle I, Ernakulam	Ernakulam	552.55
126	32AGGPP7343F1ZH	Mohankumar Sadananda Panicker	Special Circle, Thiruvananthapuram	Thiruvananthapuram	552.15
127	32AAECK1998C1ZO	Kottakkal Granite Industries (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	528.72
128	32AAACR5277K1Z8	Ray Constructions Limited	Works Contract, Ernakulam	Ernakulam	528.03
129	32AADCR9854R1ZK	Robinson Properties International Private Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	517.45
130	32AAJCP1252D1ZX	Parays Holiday Hotel	STO, Muvattupuzha	Mattancherry	468.96
131	32AAFCS3552D1ZR	Sabari Distribution	Special Circle III, Ernakulam	Ernakulam	453.90
132	32AAFCS0961J1ZL	MSP Retail	Special Circle III, Ernakulam	Ernakulam	447.87
133	32ADRPG2044E3ZX	Joance Regency	STO I Circle, Thodupuzha	Idukki	435.88
134	32AAACL4062A1ZA	LOTS Shipping Limited	Special Circle I, Ernakulam	Ernakulam	400.53
135	32AOFPV8661M1Z9	Kabani Farms & Foods	IAC, Wayanad	Wayanad	355.54
Nature of deviation/ mismatch - Mismatch in tax paid between books of accounts and returns					
136	32AABCN2898M1Z2	Hercules Automobiles International (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	199.15
137	32AAFCS3552D1ZR	Sabari Distribution Pvt. Ltd.	Special Circle III, Ernakulam	Ernakulam	198.26
138	32AABCK1315J2Z0	K.S.R.T.C	Special Circle, Thiruvananthapuram	Thiruvananthapuram	147.79
139	32AAMFK1350P1Z5	Kalyani Agencies	STO, Neyyattinkara	Thiruvananthapuram	123.76

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Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
140	32AACFK7769C1ZF	Kerala Trade Wings	Special Circle I, Kozhikode	Kozhikode	101.95
141	32AACCG7920Q1ZB	Genlite Engineering Pvt Ltd	Special Circle, Perumbavoor	Mattancherry	94.79
142	32AAACK7312E1Z4	Boschasis Systems India Ltd.	Works Contract, Ernakulam	Ernakulam	84.64
143	32AAFCA3985J1ZJ	Anukool India Private Limited	Works Contract, Thiruvananthapuram	Thiruvananthapuram	75.80
144	32AADCS5616E1ZQ	Synthite Industries Private Limited	STO I Circle, Ernakulam	Ernakulam	74.95
145	32AAACA5622M1ZW	Inspirisy Solutions Limited	Special Circle I, Ernakulam	Ernakulam	69.93
146	32AANFM5723H1ZA	Malabar Distributors	Special Circle II, Kozhikode	Kozhikode	54.70
147	32AAACW0764A2ZX	WAPCOS Limited	Works Contract, Ernakulam	Ernakulam	54.08
148	32AABCE1076A1ZG	Muthoot Insurance Brokers Private Limited	Special Circle I, Ernakulam	Ernakulam	42.12
149	32AACAK6884H1ZH	Kerala Hydel Tourism Centre	Special Circle, Thiruvananthapuram	Thiruvananthapuram	37.80
150	32AAFCE0961J1ZL	MSP Retail Private Limited	Special Circle III, Ernakulam	Ernakulam	33.94
151	32AABCJ3476B1Z1	Jupiter Leys Pvt Ltd	Special Circle, Perumbavoor	Mattancherry	33.54
152	32AIWPS7124F1ZY	Premier Paper Distributors	Special Circle, Thiruvananthapuram	Thiruvananthapuram	32.58
153	32AAGFT3159F1ZC	Theyyampattil Furniture	Special Circle III, Ernakulam	Ernakulam	30.21
154	32CGIPS5273H1Z5	Arushi Traders	STO I Circle, Kalamassery	Ernakulam	30.08
155	32AADFP0709N1ZC	Purnima Distributors	Special Circle II, Ernakulam	Ernakulam	27.70
156	32ACHP12727N2ZI	Akshaya Outdoor Catering Services	Special Circle III, Ernakulam	Ernakulam	27.36
157	32AAECK1998C1ZO	Kottakkal Granite Industries (P) Ltd	Special Circle, Thiruvananthapuram	Thiruvananthapuram	26.44
158	32AADCM3357Q1Z5	KGA Hotels & Resorts Pvt Ltd	Special Circle III, Ernakulam	Ernakulam	24.63
159	32AALFK8274F1Z6	Kool Home Builders	Works Contract, Ernakulam	Ernakulam	24.37
160	32AACCB8248E1ZY	Basil Natural Technically Specified Rubber	Special Circle, Perumbavoor	Mattancherry	24.20
161	32AACCG1650K1ZW	GR Tech Services Pvt.Ltd.	STO I Circle, Ernakulam	Ernakulam	21.99

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
162	32AABTT0576B1ZX	Thenmala Ecotourism Promotion Society	AIT & STO, Thiruvananthapuram	Thiruvananthapuram	21.50
163	32AAACL9525E1ZS	Laxmi Cranes & Trailers Pvt. Ltd	Special Circle I, Ernakulam	Ernakulam	21.38
164	32ABGFA2971H2ZM	Aditya Papers	Special Circle II, Ernakulam	Ernakulam	20.74
165	32AADCA6276A2Z5	Ananthapuri Hospital	IAC, Neyyattinkara	Thiruvananthapuram	20.48
Nature of deviation/ mismatch - Unsettled liabilities					
166	32AAACL0582H1ZV	Life Insurance Corporation of India, Kerala	Special Circle, Thiruvananthapuram	Thiruvananthapuram	515.05
167	32AABCT0159K1ZI	T. V Sundram Iyengar and Sons Private Limited	Special Circle, Thiruvananthapuram	Thiruvananthapuram	327.29
168	32AAFCS3552D1ZR	Sabari Distribution Pvt. Ltd.	Special Circle III, Ernakulam	Ernakulam	269.16
169	32AAATK2642L1ZR	Kerala Books and Publications Society	Special Circle III, Ernakulam	Ernakulam	256.82
170	32AAAAU0170E1Z4	Uralungal Labour Contract Co Op Society Ltd	Special Circle I, Kozhikode	Kozhikode	227.35
171	32AABCK1315J2Z0	K.S.R.T.C	Special Circle, Thiruvananthapuram	Thiruvananthapuram	143.49
172	32AABCT2469C1ZQ	TCL Ceramics Limited	Special Circle III, Ernakulam	Ernakulam	131.12
173	32AAMFK1350P1Z5	Kalyani Agencies	STO, Neyyattinkara	Thiruvananthapuram	126.25
174	32AAACA6412D1ZH	Airports Authority of India	Special Circle, Thiruvananthapuram	Thiruvananthapuram	114.96
Nature of deviation/ mismatch - Composition taxpayer also availing ecommerce facility					
175	32ABNPV4688B3ZA	Arya Hotel	STO II Circle, Kalamassery	Ernakulam	
176	32BMVPB4353D1ZA	BOSCOS Cook Door	STO IV Circle, Thrissur	Thrissur	
177	32APCPM2395D1Z7	Nandanam Pure Vegetarian Restaurant	STO II Circle, Kalamassery	Ernakulam	
178	32APCPM1572J1Z1	Turya Fashions	STO, Pattambi	Palakkad	
179	32AJGPS1464D1ZH	Hotel Taj	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	
180	32AIBPT6311J1ZE	Tohmmus Family Restaurant	STO I Circle, Ernakulam	Ernakulam	
181	32ABHFM2435R1ZY	Mallus Dhaba	Works Contract, Ernakulam	Ernakulam	

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
Nature of deviation/ mismatch - GSTR 3B was not filed but GSTR 1 is available					
182	32AGEPS1482N1Z3	Hypet Plastics	STO I Circle, Thrissur	Thrissur	25.08
183	32AACC6668C1ZU	Fit and Free Fitness Solutions Private Limited	STO II Circle, Thrissur	Thrissur	13.97
184	32AADCE9465H1ZJ	Ezpanio Events India Private Limited	Works Contract, Ernakulam	Ernakulam	11.58
185	32ABDPR7226H1ZQ	R.R.Constructions	Works Contract, Ernakulam	Ernakulam	9.74
186	32AADCN5397D1ZJ	Nashe Tours and Travels Private Limited	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	6.67
187	32AQLPN5302M1ZR	Euroen Seating System	STO II Circle, Kalamassery	Ernakulam	6.30
188	32BALPK4332F1Z1	Bismi Spices	STO III Circle, Ernakulam	Ernakulam	5.11
189	32AAKFT1263E1ZH	Techno Craft Interiors	STO II Circle, Kalamassery	Ernakulam	4.48
190	32AATPU7133K1Z4	Cochin Metal Traders	STO II Circle, Kalamassery	Ernakulam	3.76
191	32AAHFC3863A1ZZ	Century Coco Products	STO IV Circle, Kozhikode	Kozhikode	3.72
192	32AAPFG7107H1ZG	Grand Four Group	STO I Circle, Thiruvananthapuram	Thiruvananthapuram	2.90
Nature of deviation/ mismatch - Short payment of interest					
193	32AADCB5921B1ZD	Bird Worldwide Flight Services (India) Private Limited	Special Circle (Produce), Mattancherry	Mattancherry	109.30
194	32AAAAAU0170E1Z4	Uralungal Labour Contract Co Op Society Ltd	Special Circle I, Kozhikode	Kozhikode	85.57
195	32AAAGD0511L1Z1	State Lotteries	AIT & STO, Thiruvananthapuram	Thiruvananthapuram	56.98
196	32AAACH9412J1ZR	HMT Machine Tools Ltd	Special Circle III, Ernakulam	Ernakulam	53.18
197	32AABCK1315J2Z0	K.S.R.T.C	Special Circle, Thiruvananthapuram	Thiruvananthapuram	45.18
198	32AAAT10917L1ZV	India Coffee Board Workers Co-Operative Society	Special Circle, Thrissur	Thrissur	36.45
199	32AACC7832C1ZQ	Reliance Communications Limited	Special Circle I, Ernakulam	Ernakulam	33.85
200	32AAACT7593C1ZG	The Travancore Cements Ltd	STO II Circle, Kottayam	Kottayam	24.69

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
201	32AABCH3734L1ZP	Hi-Lite Builders	Special Circle I, Kozhikode	Kozhikode	23.75
202	32AADFU2928A1ZP	Urvasi Theatres	Special Circle, Thiruvananthapuram	Thiruvananthapuram	23.59
203	32AABCG2389L2ZG	Greeshmam Resorts Private Limited	IAC, Wayanad	Wayanad	23.35
204	32AABCR1073J1ZN	Relcon Foundations (P) Ltd	Works Contract, Ernakulam	Ernakulam	20.76
205	32AAHFB4518R1Z7	Bency & Company	STO III Circle, Kozhikode	Kozhikode	19.47
206	32AAACN1283H1ZT	Nisa Industrial Services Pvt Ltd	Special Circle II, Ernakulam	Ernakulam	18.94
207	32AFEP8611R1ZX	V Factor	STO, Cherthala	Alappuzha	18.46
208	32AAACA6412D1ZH	Airports Authority of India	Special Circle, Thiruvananthapuram	Thiruvananthapuram	18.25
209	32AADCR4377F1ZH	Rimerich Foods Private Limited	Special Circle, Thrissur	Thrissur	17.76
Nature of deviation/ mismatch - Stop filers					
210	32DNOPS9379N1ZR	Indian Glasshouse	STO, Kundara	Kollam	
211	32ANUPR2220G1Z2	Flames	STO, Karunagappally	Kollam	

Appendix VII
(Reference Para No. 2.4.7.2)
Details of Cases with tax effect in which reply was not received

(₹ in crore)

Audit Dimension	Sample		Department Reply not received		Percentage	
	Number	Amount of mismatch	Number	Amount	Number	Amount
1	2	3	4	5	6	7
ITC Mismatch (D1)	50	136.11	31	91.63	62	67
RCM ITC availed (D2)	50	26.82	13	7.11	26	26
RCM payment (D3)	16	3.05	6	1.10	38	35
ISD ITC Mismatch (D4)	25	17.07	12	6.48	48	37
12F- Excess ITC (D6)	25	146.15	12	24.48	48	16
14T Ineligible ITC (D7)	25	508.32	18	365.43	72	71
5R Total Turnover (D8)	50	6,788.95	0**	0.00*	0**	0
7G Taxable Turnover (D9)	42	312.25	0**	0.00*	0**	0
9R — Tax paid (D10)	50	31.24	30	17.81	60	57
Unsettled Liability (D11)	25	55.56	9	21.11	36	38
E-commerce (D12)	9	0.00	0**	0.00	0**	0
No 3B but R1 available (D13)	25	4.55	11	0.93	44	20
Interest short paid (D14)	25	8.15	17	6.30	68	77
Stop filers (D15)	2	0.00	0**	0.00	0**	0
Total	419	8,038.22^s	159	542.38		

* Amount shown as zero since these are related with turnover mismatch

§ Out of ₹ 8,038.22 crore, ₹ 7,101.20 crore is the mismatch in turnover

** Number shown as zero as related to turnover mismatch

Appendix VIII
(Reference Para No. 2.4.7.3)
Statement showing summary of deficiencies noticed in centralised audit

(₹ in crore)

Audit Dimension	Cases where response received		Cases yet to be examined by the Department		Department reply is acceptable to the Audit			Compliance deviations				Total						
	Num ber	Amo unt	Num ber	Amo unt	Data Entry errors		Action taken before query		Other valid explanation		Recovery made or SCN issued ⁶⁵		ASMT-10/ Notice issued		Department's reply not acceptable to Audit			
					Num ber	Amo unt	Num ber	Amo unt	Num ber	Amo unt	Num ber	Amo unt	Num ber	Amo unt	Num ber	Amo unt		
ITC Mismatch (D1)	19	44.49	0	0.00	1	1.21	6	24.86	1	0.84	7	12.36	4	5.27	0	0.00	11	17.63
RCM ITC availed (D2)	37	19.71	1	0.26	27	15.70	1	0.30	0	0.00	3	1.63	5	1.12	0	0.00	8	2.75
RCM payment (D3)	10	1.95	0	0.00	7	1.37	0	0.00	0	0.00	1	0.19	1	0.21	1	0.19	3	0.59
ISD ITC Mismatch (D4)	13	10.59	0	0.00	8	6.33	0	0.00	0	0.00	1	0.45	4	3.80	0	0.00	5	4.25
12F- Excess ITC (D6)	13	121.67	0	0.00	5	105.65	3	5.42	2	2.34	0	0.00	2	\$	1	\$	3	\$
14T Ineligible ITC (D7)	7	142.89	0	0.00	2	101.42	0	0.00	1	14.27	0	0.00	2	#	2	#	4	#
5R Total Turnover (D8)	29	⁶⁶	1	-	3	-	2	-	13	-	2	-	7	-	1	-	10	-
7G Taxable Turnover (D9)	20	⁶⁷	0	-	2	-	0	-	12	-	1	-	2	-	3	-	6	-

⁶⁵ Recovery made of ₹2.44 crore in 7 cases and SCN issued of ₹20.87 crore in 33 cases.

⁶⁶ Total unreconciled turnover (TO) in table 5R of GSTR 9C in 29 cases where responses received is ₹1,239.50 crore, out of which ₹239.78 crore in one case is yet to be examined by the department, ₹55.95 crore in three cases were due to data entry error, in two cases with TO ₹34.06 crore action were taken proactively, in 13 cases with TO ₹316.16 crore were having valid explanations for the department, in two cases with TO ₹72.54 crore SCN was issued, ASMT 10 was issued in seven cases with TO ₹483.35 crore, department reply was not acceptable to audit in one case with TO ₹37.66 crore.

⁶⁷ Total unreconciled turnover (TO) in table 7G of GSTR 9C in 20 cases where responses received is ₹131.23 crore, out of which ₹7.59 crore in two cases were due to data entry error, ₹94.57 crore in 12 cases was having valid explanations for the department, SCN was issued in one case with TO ₹0.95 crore, ASMT 10 was issued in two cases with TO ₹12.65 crore, department reply was not acceptable to Audit in three cases with TO ₹15.47 crore.

Compliance Audit Report (Revenue) for the year ended 31 March 2022

Audit Dimension	Cases where response received		Cases yet to be examined by the Department		Department reply is acceptable to the Audit			Compliance deviations										
	Num ber	Amo unt	Num ber	Amo unt	Data Entry errors		Action taken before query		Other valid explanation		Recovery made or SCN issued ⁶⁵		ASMT-10/ Notice issued		Department's reply not acceptable to Audit		Total	
					Num ber	Amo unt	Num ber	Amo unt	Num ber	Amo unt	Num ber	Amo unt	Num ber	Amo unt	Num ber	Amo unt		
9R - Tax paid (D10)	20	13.43	0	0.00	5	4.15	1	0.33	3	2.37	5	2.83	5	3.08	1	0.53	11	6.45
Unsettled Liability (D11)	16	34.45	2	2.69	9	24.95	1	1.14	1	1.30	1	0.04	1	1.50	1	1.40	3	2.94
E-commerce (D12)	2	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	0.00	2	0.00
No GSTR 3B but GSTR R1 available (D13)	14	3.62	3	0.64	0	0.00	0	0.00	0	0.00	11	3.96	0	0.00	0	0.00	11	3.96
Interest short paid (D14)	8	1.85	0	0.00	0	0.00	0	0.00	0	0.00	8	1.85	0	0.00	0	0.00	8	1.85
Stop filers (D15)	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00
Total	208	394.65	7	3.59	69	260.78	14	32.05	33	21.12	40	23.31	33	14.98	12	2.12	85	40.42

⁵ Compliance deviation of unreconciled ITC in table 12 F of GSTR 9C (ASMT 10 issued in two cases with unreconciled ITC of ₹3.86 crore and department reply was not acceptable to Audit in one case with unreconciled ITC of ₹4.40 crore).

[#] Compliance deviation of unreconciled ITC in table 14 T of GSTR 9C (ASMT 10 issued in two cases with unreconciled ITC of ₹15.85 crore and department reply was not acceptable to Audit in two cases with unreconciled ITC of ₹11.35 crore).

Appendix IX
(Reference Para No. 2.4.7.3)
Statement showing details of deviations/ mismatches accepted by department

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Action taken	Amount (₹ in lakh)
Nature of deviation/ mismatch - ITC mismatch between 2A & 3B						
1	32AACCA0187B1ZF	AVG Motors Limited	Special Circle, Kottayam	Kottayam	SCN issued	423.38
2	32AEIPG6407R1Z8	Erumely Traders	STO, Ponkunnam	Kottayam	SCN issued	222.63
3	32AAECK1982G1ZO	KCM Appliances Private Limited	Special Circle, Malappuram	Malappuram	SCN issued	197.25
4	32AAHFV3844N1ZS	Victory Impex Co	Special Circle, Kannur	Kannur	ASMT 10 issued	180.42
5	32ACMPJ8252F1ZN	Jemis Enterprise	Special Circle II, Ernakulam	Ernakulam	ASMT 10 issued	154.26
6	32AAKFS9000J2Z7	St.Francis Furniture Mart	STO II Circle, Thrissur	Thrissur	SCN issued	113.25
7	32AANFV5856C1Z1	V Marketing	Special Circle, Kottayam	Kottayam	ASMT 10 issued	104.03
8	32ARWPA6862F1ZN	Adam Traders	IAC, Pala	Kottayam	SCN issued	103.57
9	32AAEFR0995B1ZI	Ram Coir Mills	Special Circle, Alappuzha	Alappuzha	SCN issued	93.14
10	32ABGFS6450D1ZF	Soorya International	Luxury Tax, Kollam	Kollam	ASMT 10 issued	88.28
11	32AACCC1739M1ZQ	Cube India Trading Private Limited	STO II Circle, Kozhikode	Kozhikode	SCN issued	82.74
Nature of deviation/ mismatch - ITC availed under RCM vs payment of tax in GSTR 3B/ GSTR 9						
12	32ADQPK5912J1ZE	M K Enterprises	IAC, Palakkad	Palakkad	SCN issued	135.08
13	32AJCPM0882F1ZJ	VB Rubbers & Traders	Special Circle, Pathanamthitta	Pathanamthitta	ASMT 10 issued	31.32
14	32AAAFCK5606A1Z6	Kollam Internet Cable Distribution Private Limited	IAC, Kollam	Kollam	SCN issued	28.33
15	32AOAPA4419F1ZQ	Chandrika Garments	STO IV Circle, Kozhikode	Kozhikode	ASMT 10 issued	27.67
16	32ACMPE5094L1ZD	N B Communications	STO, Tirur	Malappuram	ASMT 10 issued	26.30

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Action taken	Amount (₹ in lakh)
17	32AFGPT8452C2ZG	Chellethu Enterprises	STO, Thiruvalla	Pathanamthitta	ASMT 10 issued	25.16
18	32AAJFS1135M1Z7	South Indian Rubber Compay	Special Circle, Palakkad	Palakkad	ASMT 10 issued	1.53
19	32AUCPS908F1ZU	Ramya Agencies	STO I Circle, Palakkad	Palakkad	SCN issued	0.01
Nature of deviation/ mismatch - Short payment of tax under RCM vs ITC availed in GSTR 3B/ GSTR 9						
20	32BASP8933Q1ZP	MIFAS Communication	STO, Tirur	Malappuram	ASMT 10 issued	20.98
21	32BONPG3123A1ZP	Puthenveetil Agencies	STO, Peerumedu	Idukki	Amount recovered	19.11
Nature of deviation/ mismatch - Incorrect availment of ISD credit						
22	32AAKFD1597P1ZX	D J Gold	IAC, Thrissur	Thrissur	ASMT 10 issued	165.21
23	32BUIPS2697N1ZU	Namma Communication	STO, Kodungallur	Thrissur	ASMT 10 issued	97.58
24	32ACSPN0288M1Z2	Ambily B Nair	Special Circle, Kottayam	Kottayam	ASMT 10 issued	85.86
25	32AWYPA5605M1Z9	A.A.Blue Timbers	STO I Circle, Perumbavoor	Mattancherry	SCN issued	45.19
26	32ANNPT0097Q1Z7	Sree Mookambika Indane Services	Special Circle, Kottayam	Kottayam	ASMT 10 issued	31.55
Nature of deviation/ mismatch - Mismatch of ITC availed between annual returns and books of accounts						
27	32AAACI4904J1ZV	Indus Motor Company Private Ltd	Special Circle II, Ernakulam	Ernakulam	ASMT 10 issued	293.14
28	32AAACU2488B1ZP	UPS SCS India Private Limited	STO, Angamaly	Mattancherry	ASMT 10 issued	92.78
Nature of deviation/ mismatch - Reconciliation between ITC availed in annual return with expenses in financial statements						
29	32ACGPA4233M1ZY	A.M Fair Price Medicines	STO IV Circle, Thrissur	Thrissur	ASMT 10 issued	866.90
30	32AAGCM9459A1ZK	Mirones Builders & Developers Pvt. Ltd.	Special Circle, Kottayam	Kottayam	ASMT 10 issued	717.91
Nature of deviation/ mismatch - Mismatch in turnover declared in GSTR 9C table 5R						
31	32AAACQ1841L1ZL	Qutone Ceramic Private Limited	STO I Circle, Kalamassery	Ernakulam	ASMT 10 issued	38,355.42
32	32AABTM2628K1ZO	Malanadu Farmers Society	IAC, Pala	Kottayam	SCN issued	7,236.42

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Action taken	Amount (₹ in lakh)
33	32AAAAAK6080B1Z7	Kanjikode Service Co-Op. Bank Ltd	STO III Circle, Palakkad	Palakkad	ASMT 10 issued	2,133.51
34	32AAOPL5436D2ZU	Sheron Cultural Centre	STO I Circle, Thodupuzha	Idukki	ASMT 10 issued	1,998.07
35	32AAAJT0963H1Z7	The Ottapalam Co-Operative Urban Bank Ltd	STO, Ottappalam	Palakkad	ASMT 10 issued	1,782.95
36	32AAATH3662D1Z5	Holy Family Hospital	Special Circle, Thodupuzha	Idukki	ASMT 10 issued	1,413.18
37	32AAAAAN1663M1ZM	Neezhoor Service Co Operative Bank Ltd No 136	STO, Vaikom	Kottayam	ASMT 10 issued	1,335.36
38	32AABFC0618B1ZG	Catholic Diocese of Tiruvalla	Special Circle, Pathanamthitta	Pathanamthitta	ASMT 10 issued	1,316.82
39	32AACAT4739N1Z5	Thalore Service Co Operative Bank Ltd	STO, Irinjalakuda	Thrissur	SCN issued	17.36
Nature of deviation/ mismatch - Mismatch in taxable turnover declared in GSTR 9C table 7G						
40	32AAAAAK3240R1ZM	Kizhathadiyoor Service Co-Operative Bank Ltd.	IAC, Pala	Kottayam	ASMT 10 issued	662.52
41	32ADRP2044E2ZY	Jilmon John, Works Contractor	STO I Circle, Thodupuzha	Idukki	ASMT 10 issued	602.79
42	32ABCF55422P1Z0	Sree Durga Enterprises	STO, Irinjalakuda	Thrissur	SCN issued	94.64
Nature of deviation/ mismatch - Mismatch in tax paid between books of accounts and returns						
43	32AACFJ5822D1ZW	Jasmine Agencies	Special Circle, Malappuram	Malappuram	ASMT 10 issued	151.34
44	32AAAFFM64871ZY	M.M.N.Manickavel Sons	Special Circle, Kollam	Kollam	Amount recovered	140.13
45	32ABPFS6292N1ZD	Steel Guide	STO, Vatakara	Kozhikode	SCN issued	50.35
46	32AAHCP5888M2ZP	PRS Hospital Private Limited	Luxury Tax, Thiruvananthapuram	Thiruvananthapuram	SCN issued	47.42
47	32AAACT2438A1Z2	Tata Teleservices Limited	Special Circle II, Ernakulam	Ernakulam	ASMT 10 issued	46.95
48	32DHGPM6072Q1ZS	Ebrahim Traders	STO II Circle, Ernakulam	Ernakulam	ASMT 10 issued	40.56
49	32AALFB0988M1Z3	Bright Marketing	STO, Ettumanoor	Kottayam	ASMT 10 issued	38.68

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Action taken	Amount (₹ in lakh)
50	32AASPI4202Q1ZH	A.M.Ibrahim Kutty	STO I Circle, Perumbavoor	Mattancherry	SCN issued	30.58
51	32AAACI4904J1ZV	Indus Motor Company Private Ltd	Special Circle II, Ernakulam	Ernakulam	ASMT 10 issued	30.34
52	32BYTPK5846E1Z5	P R K Spices	STO, Peerumedu	Idukki	SCN issued	14.88
Nature of deviation/ mismatch - Unsettled liabilities						
53	32ACAPM1256C1ZC	Najeem Cashew Industries	Special Circle, Kollam	Kollam	ASMT 10 issued	149.63
54	32AAACK997IB5ZL	Kerala Electrical and Allied Engineering Company Ltd	Special Circle, Kollam	Kollam	SCN issued	4.12
Nature of deviation/ mismatch - GSTR 3B was not filed but GSTR 1 is available						
55	32BIYPA6876R1Z7	Dreams Traders	STO, Chittur	Palakkad	SCN issued	278.31
56	32AAAHFG3282D1ZS	Global Distributors	Works Contract, Thiruvananthapuram	Thiruvananthapuram	SCN issued	24.26
57	32AAECC9970G1ZK	Climate Commodities Private Limited	STO, Vandiperiyar	Idukki	Amount recovered	21.54
58	32AAZFA2458F1ZC	Auxin Systems	STO IV Circle, Thrissur	Thrissur	Amount recovered	16.16
59	32DKMPS8442F1ZU	Christ Chemicals, Chedikkulam	STO, Kuthuparamba	Kannur	SCN issued	15.18
60	32BSAPG4018F1ZG	A P S Rubbers	STO I Circle, Changanassery	Kottayam	SCN issued	9.61
61	32AFPCR635P2ZU	Tritan Advertising Co.	STO, Vatakara	Kozhikode	SCN issued	7.85
62	32ABUFS8897G1Z8	Shivagiri Sales Corporation	STO II Circle, Kannur	Kannur	SCN issued	6.64
63	32AFWPB7293M1ZT	Apex Engineering Company	STO, Manjeri	Malappuram	SCN issued	6.33
64	32AAJFP3150B1ZU	P.K. Constructions	Works Contract, Kozhikode	Kozhikode	Amount recovered	6.21
65	32ATAPC0514A1Z0	Karikottu Stores	STO I Circle, Kottayam	Kottayam	SCN issued	3.67
Nature of deviation/ mismatch - Short payment of interest						
66	32ACYFS5861K1ZB	Sree Krishna Traders	STO, Pattambi	Palakkad	SCN issued	30.38

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Action taken	Amount (₹ in lakh)
67	32AASP14202Q1ZH	A.M.Ibrahim Kutty	STO I Circle, Perumbavoor	Mattancherry	SCN issued	28.84
68	32AARCS3056L1ZZ	Sun Roof Constructors	Works Contract, Thiruvananthapuram	Thiruvananthapuram	SCN issued	25.41
69	32AAKCS9641L1ZV	Sowparnika Projects And Infrastructure	Works Contract, Thiruvananthapuram	Thiruvananthapuram	SCN issued	24.13
70	32AACCMM0065G1Z0	Malayalam Communication Ltd	IAC, Thiruvananthapuram	Thiruvananthapuram	Amount recovered	23.35
71	32AADFK0173H2ZR	Kerala Transport Company	Works Contract, Kozhikode	Kozhikode	SCN issued	17.99
72	32AACCN8431B1ZZ	Negocios IT Solutions Private Limited	STO II Circle, Thiruvananthapuram	Thiruvananthapuram	SCN issued	17.34
73	32AAAAAK3036B1ZH	Kerala State IT Mission	IAC, Thiruvananthapuram	Thiruvananthapuram	Amount recovered	17.14

Appendix X
Statement showing the case-wise listing of partial production

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
1	32ABOFS7482F1ZT	Saffe Systems	Special Circle, Mattancherry at Aluva	Excess ITC availed	Appendix XIV, Sl. No. 1	1,536.19
2	32AAAAC7597G1Z4	Malayala Manorama	Special Circle, Kottayam	Excess ITC availed	2.4.8.3	749.91
3	32AAAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Misclassification	2.4.8.2	0.00
4	32AAIC57671L2ZU	Sun Direct TV Pvt. Ltd.	Works contract, Ernakulam	Non-adherence to time of supply provisions	2.4.8.2	536.73
5	32AYEPN3346E1ZR	Goodway trading#	STO II Circle, Kollam	Incorrect reversal	Not pursued	325.00
6	32ACDFS6120L1Z8	SMARD	IAC, Palakkad	Non-adherence to time of supply provisions	2.4.8.2	305.08
7	32AABFK4050H1ZU	Krishna and company#	STO II Circle, Trippunithura	Excess ITC availed	Not pursued	303.60
8	32AAAAC7597G1Z4	Malayala Manorama	Special Circle, Kottayam	Short payment of tax on conceded Turnover	2.4.8.2	290.53
9	32AAAFCT5790G1Z8	Technotrade Retail Services India Pvt. Ltd.	Special Circle I, Ernakulam	Excess ITC availed	Appendix XIV, Sl. No. 2	242.43
10	32AAAAC74119L1ZH	Tata Projects Ltd.	Special Circle I, Ernakulam	Excess ITC availed	Appendix XIV, Sl. No. 3	224.31
11	32AAAACC9308A1ZC	CBRE South Asia Pvt. Ltd.	Special Circle I, Ernakulam	Excess ITC availed	Appendix XIV, Sl. No. 4	221.19
12	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Irregular exemption	2.4.8.2	218.82
13	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Short discharge of tax liability	2.4.8.2	213.15
14	32AAAAC7597G1Z4	Malayala Manorama	Special Circle, Kottayam	Excess ITC on RCM	Appendix XIV, Sl. No. 5	182.38

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
15	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Excess ITC availed	2.4.8.3	176.01
16	32ACDFS6120L1Z8	SMARD#	IAC, Palakkad	Short payment of tax on correct turnover	Not pursued	160.33
17	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Excess ITC availed	2.4.8.3	159.62
18	32ADVPM0478Q2ZP	Tharayil traders#	Special Circle, Malappuram	Excess ITC availed	Not pursued	154.00
19	32AAAAAK1164C1ZE	Kerala State Co-Operative Consumers Federation Ltd.	Special Circle I, Ernakulam	Excess ITC availed	Appendix XIV, Sl. No. 6	133.79
20	32AAIFR4799M1ZH	Redlands Ashlyn Motors PLC	Special Circle, Thrissur	Excess ITC availed	2.4.8.3	133.04
21	32AAAAACE1378A1ZC	Esdee Paints Ltd.	Special Circle I, Ernakulam	Excess ITC availed	Appendix XIV, Sl. No. 7	129.54
22	32AAAACT7597G1Z4	Malayala Manorama	Special Circle, Kottayam	Excess ITC availed	Appendix XIV, Sl. No. 8	115.65
23	32AAKFG8115G1ZL	Grand Hyundai	Special Circle, Palakkad	Short payment of tax on correct turnover	2.4.8.3	113.15
24	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Excess ITC availed	Appendix XIV, Sl. No. 9	95.68
25	32AAAAAK1164C1ZE	Kerala State Co-Operative Consumers Federation Ltd.	Special Circle I, Ernakulam	Short payment of tax on conceded Turnover	Appendix XII, Sl. No. 1	95.38
26	32AAAACR4761J1ZF	RDS Project Ltd.#	Works Contract, Ernakulam	Excess ITC availed	Not pursued	95.29
27	32AAAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Excess ITC availed	Appendix XIV, Sl. No. 10	87.03
28	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Excess ITC availed	Appendix XIV, Sl. No. 11	80.78
29	32ADVPM0478Q2ZP	Tharayil traders#	Special Circle, Malappuram	Excess ITC availed	Not pursued	80.11

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Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
30	32AABCA9599A1ZS	Ainwsha Engineering & Projects Ltd.	Works Contract, Ernakulam	Short payment of tax on correct turnover	2.4.8.3	68.77
31	32AACFV1497L1ZW	Valiyakulangara cements#	STO I Circle, Trippunithura	Excess ITC availed	Not pursued	66.81
32	32ABQP0251R1Z9	Krishnan food processors#	Special Circle, Kollam	Excess ITC availed	Not pursued	65.40
33	32ABQP0251R1Z9	Krishnan food processors#	Special Circle, Kollam	Excess ITC availed	Not pursued	65.38
34	32ABDPN1420F1ZE	Magnum Group Roadways	Special Circle, Kottayam	Irregular ITC availed	2.4.8.3	63.78
35	32AACFV1497L1ZW	Valiyakulangara Cements#	STO I Circle, Trippunithura	Excess ITC availed	Not pursued	60.94
36	32ACDFS6120L1Z8	SMARD	IAC, Palakkad	Excess ITC availed	2.4.8.3	58.90
37	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Misclassification	2.4.8.2	51.04
38	32AAAAC7126P1Z4	T Stanes and Company Ltd.	Special Circle, Kottayam	Excess ITC availed	2.4.8.3	46.03
39	32AAAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Excess ITC availed	2.4.8.3	39.33
40	32AAAAC7126P1Z4	T Stanes and Company Ltd.	Special Circle, Kottayam	Excess ITC availed	Appendix XIV, Sl. No. 12	34.47
41	32AAAFD7655P1ZZ	Deens Constructions	Works Contract, Ernakulam	Irregular exemption	2.4.8.2	31.28
42	32AAAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Short payment of tax on conceded Turnover	2.4.8.2	30.94
43	32AAAFCT5790G1Z8	Technotrade Retail Services India Pvt. Ltd.	Special Circle I, Ernakulam	ITC availed on invoices uploaded after due date	2.4.8.3	29.60
44	32AAAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Short payment of interest on belated filing of returns	2.4.8.4	27.41
45	32AABCA9599A1ZS	Ainwsha Engineering & Projects Ltd.	Works Contract, Ernakulam	Short payment of tax on correct turnover	2.4.8.2	26.19

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
46	32AAACCL4721C1Z6	Lamit Rooftech	IAC, Manjeri	Short payment of tax on correct turnover	2.4.8.2	24.23
47	32ANPPK4862N1ZF	Supreme Agencies Monippally	IAC, Kottayam	Misclassification	2.4.8.2	23.14
48	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Short payment of RCM tax liability	2.4.8.2	20.68
49	32ABDPN1420F1ZE	Magnum Group Roadways	Special Circle, Kottayam	Excess ITC availed	Appendix XIV, Sl. No. 13	20.61
50	32AAAACC9308A1ZC	CBRE South Asia Pvt. Ltd.	Special Circle I, Ernakulam	Irregular exemption	2.4.8.2	20.00
51	32ALSPA0826D1ZN	Sajeem Abdulvahab	Works Contract, Kollam	Short discharge of tax liability	2.4.8.2	18.34
52	32AAAAAD4918P1ZM	District Nirmithi Kerndra	IAC, Kottayam	Non-adherence to time of supply provisions	2.4.8.2	17.20
53	32AAOOFM7935N1ZM	M J Gold	IAC, Thrissur	Excess ITC availed	Appendix XIV, Sl. No. 14	16.36
54	32AAIFR4799M1ZH	Redlands Ashlyn Motors PLC	Special Circle, Thrissur	Excess ITC availed	Appendix XIV, Sl. No. 15	15.56
55	32AAAFB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Short payment of tax on correct turnover	2.4.8.2	15.04
56	32AAAACF4562B1Z9	Forest Industries Travancore	Special Circle, Mattancherry at Aluva	Excess ITC availed	Appendix XIV, Sl. No. 16	15.04
57	32AAAFD7655P1ZZ	Deens Constructions	Works Contract, Ernakulam	Excess ITC availed	Appendix XIV, Sl. No. 17	15.03
58	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Excess ITC availed	Appendix XIV, Sl. No. 18	14.78
59	32AAAACF4562B1Z9	Forest Industries Travancore	Special Circle, Mattancherry at Aluva	Short payment of tax on conceded Turnover	Appendix XII, Sl. No. 2	14.70
60	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Excess ITC availed	Appendix XIV, Sl. No. 19	14.57
61	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Short payment of tax on correct turnover	2.4.8.2	14.54

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Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
62	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Excess ITC availed	Appendix XIV, Sl. No. 20	12.88
63	32AYEPN3346E1ZR	Goodway Trading#	STO II Circle, Kollam	Excess ITC availed	Not pursued	12.28
64	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Excess ITC availed	Appendix XIV, Sl. No. 21	11.97
65	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Excess ITC availed	2.4.8.3	11.62
66	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Excess ITC availed	Appendix XIV, Sl. No. 22	10.80
67	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Excess ITC availed	2.4.8.3	10.58
68	32AAFCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Excess ITC availed	Appendix XIV, Sl. No. 23	10.43
69	32ANPPK4862N1ZF	Supreme Agencies Monipally	IAC, Kottayam	Excess ITC availed	2.4.8.3	9.85
70	32ALSPA0826D1ZN	Sajeem Abdulvhab	Works Contract, Kollam	Excess ITC availed	2.4.8.3	9.69
71	32AACFV1497L1ZW	Valiyakulangara Cements#	STO I Circle, Trippunithura	Short payment of tax on conceded Turnover	Not pursued	9.23
72	32AACFV1497L1ZW	Valiyakulangara Cements#	STO I Circle, Trippunithura	Short payment of tax on correct turnover	Not pursued	9.23
73	32AAVFA3192L1Z2	Adorn Metals Import and Export Company	Special Circle, Mattancherry at Aluva	Short payment of tax on conceded Turnover	Appendix XII, Sl. No. 3	8.48
74	32ABOFS7482F1ZT	Saffe Systems	Special Circle, Mattancherry at Aluva	Short payment of tax on conceded Turnover	Appendix XII, Sl. No. 4	7.85
75	32AAPFP7515A3ZF	Ponnore Enterprises LLP	IAC, Thrissur	Excess ITC availed	Appendix XIV, Sl. No. 24	7.77
76	32AAAACF4562B1Z9	Forest Industries Travancore	Special Circle, Mattancherry at Aluva	Short payment of interest on belated filing of returns	2.4.8.4	7.73
77	32AABCP3582G1ZM	Palakkandy Steels#	Special Circle, Palakkad	Non reversal of ITC – Exempted supply	Not pursued	7.23

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
78	32AAFCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Short payment of tax on conceded Turnover	Appendix XII, Sl. No. 5	6.65
79	32ABQP0251R1Z9	Krishnan Food Processors#	Special Circle, Kollam	Excess ITC availed	Not pursued	6.49
80	32AABCP3582G1ZM	Palakkandy Steels	Special Circle, Palakkad	Excess ITC availed	Appendix XIV, Sl. No. 25	6.47
81	32AAVFA3192L1Z2	Adorn Metals Import and Export Company	Special Circle, Mattancherry at Aluva	Excess ITC availed	Appendix XIV, Sl. No. 26	5.44
82	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Short payment of tax on correct turnover	2.4.8.2	5.08
83	32AAAAAK1164C1ZE	Kerala State Co-Operative Consumers Federation Ltd.	Special Circle I, Ernakulam	ITC availed on invoices uploaded after due date	2.4.8.3	4.41
84	32AAAAC74119L1ZH	Tata Projects Ltd.	Special Circle I, Ernakulam	ITC availed on invoices uploaded after due date	2.4.8.3	4.12
85	32AAACCL4721C1Z6	Lamit Rooftech\$	IAC, Manjeri	Short payment of tax on correct turnover	Recovered	2.47
86	32AAQFA1469B1ZS	Alukka Gold Palace	Special Circle, Malappuram	Short payment of interest on belated filing of returns	Appendix XV, Sl. No. 3	2.44
87	32AAAACI7351P1ZC	ICICI Prudential Life Insurance Company Ltd.	Special Circle I, Ernakulam	Short payment of tax on conceded Turnover	Appendix XII, Sl. No. 6	2.37
88	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Short payment of tax on correct turnover	2.4.8.2	2.11
89	32ABQP0251R1Z9	Krishnan Food Processors#	Special Circle, Kollam	Excess ITC on RCM	Not pursued	2.06
90	32ABQP0251R1Z9	Krishnan Food Processors#	Special Circle, Kollam	Excess ITC on RCM	Not pursued	2.06
91	32ABQP0251R1Z9	Krishnan Food Processors#	Special Circle, Kollam	Short payment of RCM	Not pursued	2.05
92	32AAQFA1469B1ZS	Alukka Gold Palace	Special Circle, Malappuram	Excess ITC availed	2.4.8.3	2.02
93	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Short payment of tax on conceded Turnover	Appendix XII, Sl. No. 7	1.96

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Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
94	32ACGPJ0767M1ZI	New Power International#	STO IV Circle, Thrissur	Excess ITC availed	Not pursued	1.84
95	32ACGPJ0767M1ZI	New Power International#	STO IV Circle, Thrissur	Excess ITC availed	Not pursued	1.68
96	32AAPFP7515A3ZF	Ponnore Enterprises LLP	IAC, Thrissur	Excess ITC availed	Appendix XIV, Sl. No. 27	1.60
97	32AAIFR4799M1ZH	Redlands Ashlyn Motors PLC\$	Special Circle, Thrissur	Short payment of tax on conceded Turnover	Recovered	1.43
98	32AAMFA9689B1ZA	M/s Aslam Agencies#	Special Circle, Palakkad	Excess ITC availed	Not pursued	1.38
99	32AYEPN3346E1ZR	Goodway Trading#	STO II Circle, Kollam	Short payment of tax on conceded Turnover	Not pursued	1.24
100	32AYEPN3346E1ZR	Goodway Trading#	STO II Circle, Kollam	Short payment of tax on correct turnover	Not pursued	1.24
101	32AYEPN3346E1ZR	Goodway Trading#	STO II Circle, Kollam	Short payment of correct tax	Not pursued	1.24
102	32BKXPS9041M1Z10	Perekattu Agencies\$	STO, Pala	Excess ITC availed	Recovered	1.16
103	32AABFK4050H1ZU	Krishna and Company#	STO II Circle, Trippunithura	Short discharge of tax liability	Not pursued	1.03
104	32AABCA9599A1ZS	Aimwsha Engineering & Projects Ltd.	Works Contract, Emakulam	Excess ITC availed	Appendix XIV, Sl. No. 28	0.94
105	32AAAACI4918G1ZW	Indsil Hydropower	Special Circle, Palakkad	Excess ITC availed	Appendix XIV, Sl. No. 29	0.81 ⁶⁸
106	32AAFCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Short payment of interest on belated filing of returns	Appendix XV, Sl. No. 4	0.62
107	32AAICS7671L2ZU	Sun Direct TV Pvt. Ltd.	Works Contract, Emakulam	ITC availed on invoices uploaded after due date	2.4.8.3	0.60
108	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Excess ITC availed	Appendix XIV, Sl. No. 30	0.54
109	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Irregular ITC availed	Appendix XIV, Sl. No. 31	0.51

⁶⁸ Recovery effected ₹13.17 lakh and balance pending amount is shown in the table.

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
110	32AABFK4050H1ZU	Krishna and Company#	STO II Circle, Trippunithura	Excess ITC on RCM	Not pursued	0.51
111	32AAQFA1469B1ZS	Alukka Gold Palace	Special Circle, Malappuram	Excess ITC availed	2.4.8.3	0.44
112	32AAMFA9689B1ZA	M/s Aslam Agencies#	Special Circle, Palakkad	Excess ITC availed	Not pursued	0.44
113	32AAFFH1874E1ZP	Heaven Gift & Toys	STO II Circle, Ernakulam	Short payment of interest on belated payment	Appendix XI, Sl. No. 23	0.41 ⁶⁹
114	32AARCS1532M1Z4	Sri Bhagavathy Traders Pvt. Ltd.	STO II Circle, Trippunithura	ITC availed on invoices uploaded after due date	2.4.8.3	0.39
115	32AAFCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Excess ITC availed	2.4.8.3	0.32
116	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Short payment of RCM	Appendix XI, Sl. No. 24	0.31
117	32AAVFA3192L1Z2	Adorn Metals Import and Export Company	Special Circle, Mattancherry at Aluva	ITC availed on invoices uploaded after due date	2.4.8.3	0.23
118	32AABFK4050H1ZU	Krishna and Company#	STO II Circle, Trippunithura	Short payment of interest on belated filing of returns	Not pursued	0.22
119	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Short payment of interest on belated filing of returns	Appendix XV, Sl. No. 5	0.20
120	32AAMFA9689B1ZA	M/s Aslam Agencies#	Special Circle, Palakkad	Short payment of tax on correct turnover	Not pursued	0.19
121	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Short payment of interest on belated filing of returns	Appendix XV, Sl. No. 6	0.18
122	32AABCA9599A1ZS	Ainwasha Engineering & Projects Ltd.	Works Contract, Ernakulam	Short payment of interest on belated filing of returns	Appendix XV, Sl. No. 7	0.16
123	32AAFT5790G1Z8	Technoitrade Retail Services India Pvt. Ltd.	Special Circle I, Ernakulam	Short payment of interest on belated filing of returns	Appendix XV, Sl. No. 8	0.09

⁶⁹ Recovery effected ₹0.51 lakh and balance pending amount is shown in the table.

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Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	Nature of deviation	Reference to the Report	Amount Involved (₹ in lakh)
124	32ANPPK4862N1ZF	<i>Supreme Agencies Monippally</i>	IAC, Kottayam	Short payment of interest on belated filing of returns	Appendix XV, Sl. No. 9	0.08
125	32AAQFA1469B1ZS	<i>Atukka Gold Palace</i>	Special Circle, Malappuram	Excess ITC availed	Appendix XIV, Sl. No. 32	0.05
126	32AABCP3582G1ZM	<i>Palakkandy Steels</i>	Special Circle, Palakkad	Short payment of interest on belated filing of returns	Appendix XV, Sl. No. 10	0.05
127	32AAAAI9910J1ZR	Indian Institute of Technology Palakkad#	STO, Chittur	Nil	Not pursued	0.00

Note :

1. Trade name given in italics in the cases of mismatches.
2. Cases marked with # are not included in the report for various reasons like action already taken by the Proper Officer, ITC reversed by the taxpayer by himself or other valid explanations
3. Cases marked with \$ are not included in the report as recovery has been effected after issuing the audit query/observation.

Appendix XI
Statement showing deviations in discharge of liability on correct turnover

Sl. No.	GSTIN	Name of taxpayer	Assessment Circle	District	Reference to the report	Amount (₹ in lakh)
1	32AAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Ernakulam	2.4.8.2	0.00
2	32AAICS7671L2ZU	Sun Direct TV Pvt. Ltd.	Works Contract, Ernakulam	Ernakulam	2.4.8.2	536.73
3	32ACDFS6120L1Z8	SMARD	IAC, Palakkad	Palakkad	2.4.8.2	305.08
4	32AAACT7597G1Z4	Malayala Manorama	Special Circle, Kottayam	Kottayam	2.4.8.2	290.53
5	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	2.4.8.2	218.82
6	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	2.4.8.2	213.15
7	32AAKFG8115G1ZL	Grand Hyundai	Special Circle, Palakkad	Palakkad	2.4.8.2	113.15
8	32AABCA9599A1ZS	Ainwsha Engineering & Projects Ltd.	Works Contract, Ernakulam	Ernakulam	2.4.8.2	68.77
9	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	2.4.8.2	51.04
10	32AAFFD7655P1ZZ	Deens Constructions	Works Contract, Ernakulam	Ernakulam	2.4.8.2	31.28
11	32AAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Ernakulam	2.4.8.2	30.94
12	32AABCA9599A1ZS	Ainwsha Engineering & Projects Ltd.	Works Contract, Ernakulam	Ernakulam	2.4.8.2	26.19
13	32AACCL4721C1Z6	Lamit Rooftech	IAC, Manjeri	Malappuram	2.4.8.2	24.23
14	32ANPPK4862N1ZF	Supreme Agencies Monippally	IAC, Kottayam	Kottayam	2.4.8.2	23.14
15	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	2.4.8.2	20.68
16	32AAACC9308A1ZC	CBRE South Asia Pvt. Ltd.	Special Circle I, Ernakulam	Ernakulam	2.4.8.2	20.00
17	32ALSPA0826D1ZN	Sajeem Abdulvahab	Works Contract, Kollam	Kollam	2.4.8.2	18.34
18	32AAAAD4918P1ZM	District Nirmithi Kendra	IAC, Kottayam	Kottayam	2.4.8.2	17.20
19	32AAFCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Alappuzha	2.4.8.2	15.04
20	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	2.4.8.2	14.54

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Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Reference to the report	Amount (₹ in lakh)
21	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Kottayam	2.4.8.2	5.08
22	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Kottayam	2.4.8.2	2.11
23	32AAFFH1874E1ZP	Heaven Gift & Toys	STO II Circle, Ernakulam	Ernakulam	Interest	0.41
24	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	RCM Tax short paid	0.31
Total						2,046.76

Appendix XII
(Reference Para No. 2.4.8.2)
Statement showing details of mismatch in turnover

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
1	32AAAANK1164C1ZE	Kerala State Co-Operative Consumers Federation Ltd.	Special Circle I, Ernakulam	Ernakulam	95.38
2	32AAACF4562B1Z9	Forest Industries Travancore	Special Circle, Mattancherry at Aluva	Mattancherry	14.70
3	32AAVFA3192L1Z2	Adorn Metals Import and Export Company	Special Circle, Mattancherry at Aluva	Mattancherry	8.48
4	32ABOFS7482F1ZT	Saffie Systems	Special Circle, Mattancherry at Aluva	Mattancherry	7.85
5	32AAFCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Alappuzha	6.65
6	32AAACI7351P1ZC	ICICI Prudential Life Insurance Company Ltd.	Special Circle I, Ernakulam	Ernakulam	2.37
7	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Kottayam	1.96

Appendix XIII
(Reference Para No. 2.4.8.3)
Statement showing the details of deviations in claim of input tax credit

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Reference to the report	Amount (₹ in lakh)
1	32AAACT579G1Z4	Malayala Manorama	Special Circle, Kottayam	Kottayam	2.4.8.3	749.91
2	32AABC18147PIZ6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	2.4.8.3	176.01
3	32AABC18147PIZ6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	2.4.8.3	159.62
4	32AAIFR4799M1ZH	Redlands Ashlyn Motors PLC	Special Circle, Thrissur	Thrissur	2.4.8.3	133.04
5	32ABDPN1420F1ZE	Magnum Group Roadways	Special Circle, Kottayam	Kottayam	2.4.8.3	63.78
6	32ACDFS6120L1Z8	SMARD	IAC, Palakkad	Palakkad	2.4.8.3	58.90
7	32AAACT7126P1Z4	T Stanes and Company Ltd.	Special Circle, Kottayam	Kottayam	2.4.8.3	46.03
8	32AAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Ernakulam	2.4.8.3	39.33
9	32AAACT5790G1Z8	Technotrade Retail Services India Pvt. Ltd.	Special Circle I, Ernakulam	Ernakulam	2.4.8.3	29.60
10	32AABC17245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Kottayam	2.4.8.3	11.62
11	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	2.4.8.3	10.58
12	32ANPPK4862N1ZF	Supreme Agencies Monippally	IAC, Kottayam	Kottayam	2.4.8.3	9.85
13	32ALSPA0826D1ZN	Sajeem Abdulvahab	Works Contract, Kollam	Kollam	2.4.8.3	9.69
14	32AAAANK1164C1ZE	Kerala State Co-Operative Consumers Federation Ltd.	Special Circle I, Ernakulam	Ernakulam	2.4.8.3	4.41
15	32AAACT4119L1ZH	Tata Projects Ltd.	Special Circle I, Ernakulam	Ernakulam	2.4.8.3	4.12
16	32AAQFA1469B1ZS	Alukka Gold Palace	Special Circle, Malappuram	Malappuram	2.4.8.3	2.02
17	32AAICS7671L2ZU	Sun Direct TV Pvt. Ltd.	Works Contract, Ernakulam	Ernakulam	2.4.8.3	0.60
18	32AAQFA1469B1ZS	Alukka Gold Palace	Special Circle, Malappuram	Malappuram	2.4.8.3	0.44
19	32AARCS1532M1Z4	Sri Bhagavathy Traders Pvt. Ltd.	STO II Circle, Trippunithura	Ernakulam	2.4.8.3	0.39
20	32AAFBCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Alappuzha	2.4.8.3	0.32
21	32AAVFA3192L1Z2	Adorn Metals Import and Export Company	Special Circle, Mattancherry at Aluva	Mattancherry	2.4.8.3	0.23
Total						1,510.49

Appendix XIV
(Reference Para No. 2.4.8.3)
Statement showing details of mismatches in Input Tax Credit

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
1	32ABOFS7482F1ZT	Saffe Systems	Special Circle, Mattancherry at Aluva	Mattancherry	1,536.19
2	32AAFCT5790G1Z8	TechnoTrade Retail Services India Pvt. Ltd.	Special Circle I, Ernakulam	Ernakulam	242.43
3	32AAAAC74119L1ZH	Tata Projects Ltd.	Special Circle I, Ernakulam	Ernakulam	224.31
4	32AAAACC9308A1ZC	CBRE South Asia Pvt. Ltd.	Special Circle I, Ernakulam	Ernakulam	221.19
5	32AAAAC7597G1Z4	Malayala Manorama	Special Circle, Kottayam	Kottayam	182.38
6	32AAAAC7597G1Z4	Kerala State Co-Operative Consumers Federation Ltd.	Special Circle I, Ernakulam	Ernakulam	133.79
7	32AAAACE1378A1ZC	Esdee Paints Ltd.	Special Circle I, Ernakulam	Ernakulam	129.54
8	32AAAAC7597G1Z4	Malayala Manorama	Special Circle, Kottayam	Kottayam	115.65
9	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	95.68
10	32AAAAC7461J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Ernakulam	87.03
11	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	80.78
12	32AAAAC7126P1Z4	T Stanes and Company Ltd.	Special Circle, Kottayam	Kottayam	34.47
13	32ABDPN1420F1ZE	Magnum Group Roadways	Special Circle, Kottayam	Kottayam	20.61
14	32AAOFEM7935N1ZM	M J Gold	IAC, Thrissur	Thrissur	16.36
15	32AAIFR4799M1ZH	Redlands Ashlyn Motors PLC	Special Circle, Thrissur	Thrissur	15.56
16	32AAAACF4562B1Z9	Forest Industries Travancore	Special Circle, Mattancherry at Aluva	Mattancherry	15.04
17	32AAFFD7655P1ZZ	Deens Constructions	Works Contract, Ernakulam	Ernakulam	15.03
18	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Kottayam	14.78
19	32AABCJ7245A1Z4	Josco Gold Corporation Pvt. Ltd.	STO II Circle, Changanassery	Kottayam	14.57
20	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	12.88
21	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	11.97

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Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
22	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	10.80
23	32AAFCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Alappuzha	10.43
24	32AAPFP7515A3ZF	Ponnore Enterprises LLP	IAC, Thrissur	Thrissur	7.77
25	32AABCP3582G1ZM	Palakkandy Steels	Special Circle, Palakkad	Palakkad	6.47
26	32AAVFA3192L1Z2	Adorn Metals Import and Export Company	Special Circle, Mattancherry at Aluva	Mattancherry	5.44
27	32AAPFP7515A3ZF	Ponnore Enterprises LLP	IAC, Thrissur	Thrissur	1.60
28	32AABCA9599A1ZS	Ainwasha Engineering & Projects Ltd.	Works Contract, Ernakulam	Ernakulam	0.94
29	32AAAACI4918G1ZW	Indsil Hydropower	Special Circle, Palakkad	Palakkad	0.81
30	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	0.54
31	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	0.51
32	32AAQFA1469B1ZS	Alukka Gold Palace	Special Circle, Malappuram	Malappuram	0.05

Appendix XV
(Reference Para No. 2.4.8.4)
Statement showing the details of interest payable by taxpayers due to delayed filing of returns

Sl. No.	GSTIN	Name of Taxpayer	Assessment Circle	District	Amount (₹ in lakh)
1	32AAACR4761J1ZF	RDS Project Ltd.	Works Contract, Ernakulam	Ernakulam	27.41
2	32AAACF4562B1Z9	Forest Industries Travancore	Special Circle, Mattancherry at Aluva	Mattancherry	7.73
3	32AAQFA1469B1ZS	Alukka Gold Palace	Special Circle, Malappuram	Malappuram	2.44
4	32AAFBCB5493E1ZU	Bapco Infrastructure Pvt. Ltd.	STO, Kayamkulam	Alappuzha	0.62
5	32AADCH1998L1Z9	Homestead Projects and Developers Pvt. Ltd.	Works Contract, Malappuram	Malappuram	0.20
6	32AABCJ8147P1Z6	Josco Jewellers Pvt. Ltd.	STO I Circle, Changanassery	Kottayam	0.18
7	32AABCA9599A1ZS	Ainwasha Engineering & Projects Ltd.	Works Contract, Ernakulam	Ernakulam	0.16
8	32AAFCT5790G1Z8	Technotrade Retail Services India Pvt. Ltd.	Special Circle I, Ernakulam	Ernakulam	0.09
9	32ANPPK4862N1ZF	Supreme Agencies Monippally	IAC, Kottayam	Kottayam	0.08
10	32AABCP3582G1ZM	Palakkandy Steels	Special Circle, Palakkad	Palakkad	0.05
Total					38.96

Appendix – XVI (a)
(Ref: Paragraph 4.4 (a))
Non-realisation of Penalty and Additional fee on expiry of certificate of fitness from transport vehicles

Sl. No.	Name of Office	No. of cases	Penalty due (₹)	Additional Fee due (₹)
1	RTO, Alappuzha	155	6,57,700	73,95,400
2	RTO, Attingal	222	7,76,450	98,87,050
3	RTO, Ernakulam	386	15,46,050	1,72,14,450
4	RTO, Idukki	118	4,14,200	55,79,950
5	RTO, Kannur	190	7,36,700	84,49,400
6	RTO, Kasargode	196	7,39,850	89,93,450
7	RTO, Kollam	420	15,56,850	1,93,26,300
8	RTO, Kottayam	267	10,28,950	1,21,22,650
9	RTO, Kozhikode	339	13,35,350	1,55,01,300
10	RTO, Malappuram	284	10,71,450	1,28,23,200
11	RTO, Muvattupuzha	113	4,88,100	54,99,300
12	RTO, Palakkad	250	9,35,200	1,16,34,600
13	RTO, Pathanamthitta	142	5,27,450	62,58,650
14	RTO, Thrissur	332	12,35,550	1,50,79,400
15	RTO, Trivandrum	1,880	59,01,000	8,30,13,350
16	RTO, Vadakara	156	5,79,050	68,03,000
17	RTO, Wayanad	65	2,60,650	32,44,250
18	SRTO, Adoor	86	3,00,150	37,89,650
19	SRTO, Alathur	73	2,53,500	30,76,200
20	SRTO, Aluva	77	3,21,800	34,80,850
21	SRTO, Angamali	46	2,04,450	21,39,550
22	SRTO, Chadayamangalam	3	9,000	1,33,000
23	SRTO, Chalakkudy	69	2,78,900	31,61,850
24	SRTO, Changanacherry	102	4,15,150	51,07,250
25	SRTO, Chengannur	80	3,16,650	40,99,250
26	SRTO, Cherthala	138	6,30,700	66,37,050
27	SRTO, Chittur	62	2,27,000	25,86,000
28	SRTO, Devikulam	89	3,26,700	43,73,750
29	SRTO, Guruvayur	144	5,21,800	61,97,200
30	SRTO, Irinjalakuda	97	3,97,900	45,31,950
31	SRTO, Iritty	9	43,850	4,81,100
32	SRTO, Kanhangad	167	6,70,150	78,11,200

Sl. No.	Name of Office	No. of cases	Penalty due (₹)	Additional Fee due (₹)
33	SRTO, Kanjirappally	93	3,49,650	43,82,450
34	SRTO, Karunagappally	85	3,46,300	39,17,900
35	SRTO, Kattakada	20	54,700	7,05,100
36	SRTO, Kayamkulam	95	3,97,500	44,19,750
37	SRTO, Kazhakuttom	244	8,73,000	1,12,47,150
38	SRTO, Kodungallur	52	2,12,950	24,05,300
39	SRTO, Koduvally	142	5,94,050	63,79,800
40	SRTO, Koilandy	112	4,56,450	55,03,750
41	SRTO, Kondotty	1	6,000	45,000
42	SRTO, Konni	4	16,300	1,77,250
43	SRTO, Kothamangalam	40	1,56,050	17,81,950
44	SRTO, Kottarakkara	176	6,22,500	82,58,850
45	SRTO, Kunnathur	41	1,45,500	18,17,500
46	SRTO, Kuttanadu	49	2,08,100	23,56,050
47	SRTO, Mallappally	40	1,32,800	18,68,300
48	SRTO, Mananthavady	39	1,35,950	16,13,100
49	SRTO, Mannarghat	93	3,44,650	42,62,500
50	SRTO, Mattancherry	104	3,93,050	49,16,650
51	SRTO, Mavelikkara	91	3,48,800	41,55,600
52	SRTO, Nanmunda	12	46,150	4,21,000
53	SRTO, Nedumangadu	374	12,63,400	1,68,47,200
54	SRTO, Neyyattinkara	378	12,75,000	1,67,59,550
55	SRTO, Nilambur	75	2,85,350	32,41,500
56	SRTO, North Paravur	114	4,46,500	51,32,400
57	SRTO, Ottappalam	77	3,10,400	34,82,350
58	SRTO, Pala	56	2,02,550	24,88,250
59	SRTO, Parassala	196	6,75,500	86,84,550
60	SRTO, Pathanapuram	2	10,350	1,24,400
61	SRTO, Pattambi	96	3,49,550	40,48,450
62	SRTO, Perambra	21	86,000	8,54,400
63	SRTO, Perinthalmanna	104	3,54,450	44,34,300
64	SRTO, Perumbavur	61	2,70,600	27,92,900
65	SRTO, Ponnani	110	4,05,000	49,25,650
66	SRTO, Punalur	158	5,65,100	73,78,300
67	SRTO, Ramanattukara (Feroke)	1	1,700	24,700
68	SRTO, Ranni	50	1,75,500	22,44,050

Sl. No.	Name of Office	No. of cases	Penalty due (₹)	Additional Fee due (₹)
69	SRTO, Sulthanbathery	43	1,56,300	18,93,750
70	SRTO, Thalassery	229	8,52,950	1,05,48,400
71	SRTO, Thaliparamba	138	5,42,950	63,19,700
72	SRTO, Thirur	331	13,06,800	1,49,33,200
73	SRTO, Thirurangadi	161	6,23,200	72,21,300
74	SRTO, Thiruvalla	101	3,62,950	44,98,800
75	SRTO, Thodupuzha	56	2,06,650	25,07,100
76	SRTO, Thriprayar	28	86,100	10,01,450
77	SRTO, Tripunithura	86	3,43,550	40,63,050
78	SRTO, Udumbanchola	55	1,79,600	23,45,050
79	SRTO, Uzhavoor	23	86,500	10,70,800
80	SRTO, Vaikom	40	1,69,000	18,90,900
81	SRTO, Vandiperiyar	76	2,69,400	34,28,700
82	SRTO, Varkala	2	7,400	1,11,550
83	SRTO, Vellarikundu	10	33,150	4,45,600
84	SRTO, Wadakkancherry	56	2,23,250	24,93,000
	Total	11,598	4,26,75,400	52,53,01,800
Grand Total			56,79,77,200	
				₹56.80 crore

Appendix – XVI (b)
(Ref: Paragraph 4.4 (b))

Sl. No.	Name of the Office	Penalty Short levied (₹)	No. of cases
1	RTO, Thiruvananthapuram	14,23,350	1,416
2	RTO, Kollam	11,92,250	914
3	RTO, Pathanamthitta	3,18,650	258
4	RTO, Alappuzha	6,60,200	434
5	RTO, Kottayam	6,63,850	542
6	RTO, Idukki	1,33,250	137
7	RTO, Ernakulam	12,11,700	844
8	RTO, Thrissur	15,28,650	991
9	RTO, Palakkad	6,66,950	622
10	RTO, Malappuram	10,63,100	716
11	RTO, Kozhikode	8,80,750	643
12	RTO, Wayanad	2,16,950	182
13	RTO, Kannur	8,38,300	556
14	RTO, Kasargod	3,52,250	412
15	RTO, NSA KSRTC	2,31,980	152
16	RTO, Attingal	5,03,400	425
17	RTO, Muvattupuzha	5,11,600	319
18	RTO, Vadakara	4,55,350	411
19	SRTO, Parassala	4,37,120	279
20	SRTO, Neyyattinkara	2,44,580	280
21	SRTO, Nedumangad	5,03,750	501
22	SRTO, Kazhakootam	2,91,150	330
23	SRTO, Karunagappalli	5,99,950	362
24	SRTO, Kottarakkara	5,01,500	414
25	SRTO, Punalur	2,81,150	290
26	SRTO, Adoor	2,73,450	226
27	SRTO, Thiruvalla	2,37,400	221
28	SRTO, Mallappally	1,00,750	100
29	SRTO, Kayamkulam	6,39,000	399
30	SRTO, Chengannur	2,87,100	191
31	SRTO, Mavelikkara	3,20,000	242
32	SRTO, Cherthala	6,19,850	435
33	SRTO, Changanassery	2,95,300	284
34	SRTO, Kanjirappally	1,97,700	234
35	SRTO, Pala	3,39,650	231
36	SRTO, Vaikom	2,24,950	202
37	SRTO, Vandiperiyar	1,99,450	221
38	SRTO, Thodupuzha	1,56,350	172

Sl. No.	Name of the Office	Penalty Short levied (₹)	No. of cases
39	SRTO, Thripunithura	3,35,200	306
40	SRTO, Perumbavoor	5,20,400	352
41	SRTO, Aluva	3,79,150	292
42	SRTO, North Paravur	3,51,350	318
43	SRTO, Mattancherry	3,56,100	312
44	SRTO, Kothamangalam	2,31,200	162
45	SRTO, Irinjalakuda	4,68,150	362
46	SRTO, Guruvayur	6,67,350	508
47	SRTO, Kodungalloor	3,35,750	237
48	SRTO, Wadakkanchery	6,31,950	444
49	SRTO, Alathur	2,69,550	246
50	SRTO, Mannarkkad	3,21,650	280
51	SRTO, Ottappalam	3,23,500	303
52	SRTO, Pattambi	3,90,900	335
53	SRTO, Perinthalmanna	5,54,250	391
54	SRTO, Ponnani	3,37,700	255
55	SRTO, Tirur	9,55,650	897
56	SRTO, Koyilandy	2,38,550	247
57	SRTO, Koduvally	3,62,350	300
58	SRTO, Thalassery	6,33,350	560
59	SRTO, Taliparamba	5,17,300	398
60	SRTO, Kanhangad	2,85,300	284
61	SRTO, Kunnathur	1,32,600	124
62	SRTO, Ranni	1,91,750	159
63	SRTO, Angamaly	2,53,000	175
64	SRTO, Chalakkudy	3,54,900	262
65	SRTO, Tirurangadi	6,53,800	554
66	SRTO, Kuttanad	1,81,050	137
67	SRTO, Uzhavoor	1,68,600	115
68	SRTO, Devikulam	2,09,500	205
69	SRTO, Udumbanchola	1,65,960	178
70	SRTO, Chittur	2,78,700	262
71	SRTO, Nilambur	4,12,900	330
72	SRTO, Mananthavady	1,45,950	129
73	SRTO, Sulthan Bathery	1,93,500	158
74	SRTO, Kattakkada	58,300	79
75	SRTO, Thriprayar	1,00,700	125
76	SRTO, Nanmanda	62,150	78
77	SRTO, Perambra	61,450	95
78	SRTO, Iritty	53,900	65

Sl. No.	Name of the Office	Penalty Short levied (₹)	No. of cases
79	SRTO, Vellarikundu	12,900	26
80	SRTO, Varkala	12,500	5
81	SRTO, Chadayamangalam	18,000	6
82	SRTO, Konni	27,700	12
83	SRTO, Kondotty	31,100	11
84	SRTO, Ramanattukara (Feroke)	6,300	2
85	SRTO, Payyannur	9,800	3
	Total	3,28,66,340	26,672
		₹3.29 crore	

Appendix – XVII
(Ref: Paragraph 4.5)
Short levy of one-time tax

SI No	Name of RTO/ SRTO	No of Cases	Amount(₹)
1	RTO, Ernakulam	107	9,29,212
2	RTO, Kottayam	104	10,90,431
3	RTO, Thrissur	616	22,65,300
4	RTO, Thiruvananthapuram	105	5,30,804
5	RTO, Palakkad	48	1,99,445
6	SRTO, Angamaly	56	3,01,405
7	SRTO, Aluva	128	7,29,104
8	SRTO, Chalakkudy	90	1,76,892
9	SRTO, Guruvayoor	72	5,50,392
10	SRTO, Irinjalakkuda	38	6,12,770
11	SRTO, Neyyattinkara	19	48,898
12	SRTO, Pala	24	2,24,361
13	SRTO, Parassala	42	1,63,067
14	SRTO, Thripoonithura	79	4,20,675
15	SRTO, Vaikom	15	86,567
Total		1,543	83,29,323
			₹83.29 lakh

Appendix – XVIII
(Ref: Paragraph 4.6)
Non/ short levy of onetime tax on reclassified vehicles

SI No	Name of RTO/ SRTO	No of cases	Amount (₹)
1	RTO, Ernakulam	168	22,86,885
2	RTO, Kottayam	101	13,75,943
3	RTO, Thrissur	177	18,19,573
4	RTO, Thiruvananthapuram	143	22,88,863
5	SRTO, Angamaly	43	6,48,607
6	SRTO, Aluva	129	19,92,950
7	SRTO, Changanassery	85	13,13,008
8	SRTO, Chalakkudy	77	12,19,287
9	SRTO, Guruvayoor	78	10,98,907
10	SRTO, Irinjalakkuda	92	11,78,801
11	SRTO, Kazhakoottam	59	9,75,805
12	SRTO, Neyyattinkara	59	6,97,852
13	SRTO, Pala	66	10,30,957
14	SRTO, Parassala	67	7,90,186
15	SRTO, Thripoonithura	90	11,12,948
16	SRTO, Vaikom	43	4,87,974
	Total	1,477	2,03,18,546
			₹2.03 crore

Appendix – XIX
(Ref: Paragraph 4.7)
Application of incorrect rate of tax for goods carriages fitted
with tipping mechanism

Sl. No.	Office	No. of cases	Short levy (₹)
1	RTO, Alappuzha	512	9,16,301
2	RTO, Attingal	303	5,99,614
3	RTO, Ernakulam	231	3,06,499
4	RTO, Idukki	150	3,00,166
5	RTO, Kannur	309	3,28,609
6	RTO, Kasargod	534	9,49,004
7	RTO, Kollam	982	17,96,595
8	RTO, Kottayam	238	5,42,372
9	RTO, Kozhikode	195	2,39,272
10	RTO, Malappuram	998	13,13,227
11	RTO, Muvattupuzha	1,105	24,89,441
12	RTO, Palakkad	721	14,42,722
13	RTO, Pathanamthitta	104	1,98,304
14	RTO, Thiruvananthapuram	431	8,56,800
15	RTO, Thrissur	458	8,58,500
16	RTO, Vadakara	152	2,74,377
17	RTO, Wayanad	95	1,19,571
18	SRTO, Adoor	961	16,06,043
19	SRTO, Alathur	297	6,07,374
20	SRTO, Aluva	328	6,29,125
21	SRTO, Angamaly	1,009	20,46,946
22	SRTO, Chadayamangalam	177	3,29,812
23	SRTO, Chalakkudy	530	9,83,844
24	SRTO, Changanassery	324	10,29,093
25	SRTO, Chengannur	80	1,53,020
26	SRTO, Cherthala	155	2,06,648
27	SRTO, Chittur	434	8,40,751
28	SRTO, Devikulam	156	2,43,371
29	SRTO, Guruvayur	76	1,21,474

Sl. No.	Office	No. of cases	Short levy (₹)
30	SRTO, Irinjalakuda	243	4,40,970
31	SRTO, Iritty	221	4,04,634
32	SRTO, Kanhangad	202	3,30,432
33	SRTO, Kanjirappally	88	1,26,519
34	SRTO, Karunagappalli	306	5,98,436
35	SRTO, Kattakkada	280	4,84,599
36	SRTO, Kayamkulam	1,022	17,02,538
37	SRTO, Kazhakoottam	262	5,08,407
38	SRTO, Kodungalloor	151	3,34,250
39	SRTO, Koduvally	720	12,24,584
40	SRTO, Kondotty	109	1,29,987
41	SRTO, Konni	260	6,04,042
42	SRTO, Kothamangalam	442	8,69,825
43	SRTO, Kottarakkara	904	16,09,094
44	SRTO, Koyilandy	28	23,090
45	SRTO, Kunnathur	371	6,63,402
46	SRTO, Kuttanad	426	8,08,182
47	SRTO, Mallappally	167	2,13,408
48	SRTO, Mananthavady	24	17,244
49	SRTO, Mannarkkad	128	1,62,792
50	SRTO, Mattancherry	186	3,91,738
51	SRTO, Mavelikkara	472	9,92,561
52	SRTO, Nanmanda	126	1,01,746
53	SRTO, Nedumangad	414	5,99,605
54	SRTO, Neyyattinkara	224	4,15,069
55	SRTO, Nilambur	110	1,68,127
56	SRTO, North Paravur	207	3,29,450
57	SRTO, Ottappalam	187	2,27,969
58	SRTO, Pala	290	7,16,274
59	SRTO, Parassala	214	4,18,546
60	SRTO, Pathanapuram	44	87,118
61	SRTO, Pattambi	137	1,20,832

Sl. No.	Office	No. of cases	Short levy (₹)
62	SRTO, Payyannur	26	40,621
63	SRTO, Perambra	59	50,776
64	SRTO, Perinthalmanna	374	3,55,424
65	SRTO, Perumbavoor	1,464	35,93,984
66	SRTO, Ponnani	58	63,222
67	SRTO, Punalur	559	10,01,996
68	SRTO, Ramanattukara (Feroke)	21	19,290
69	SRTO, Ranni	219	5,30,049
70	SRTO, Sulthan Bathery	100	1,40,778
71	SRTO, Taliparamba	486	8,55,646
72	SRTO, Thalassery	302	4,17,326
73	SRTO, Thiruvalla	249	12,19,397
74	SRTO, Thodupuzha	170	3,72,663
75	SRTO, Thriprayar	106	1,88,553
76	SRTO, Thripunithura	91	1,29,240
77	SRTO, Tirur	253	2,22,559
78	SRTO, Tirurangadi	332	4,36,530
79	SRTO, Udumbanchola	126	2,48,894
80	SRTO, Uzhavoor	244	5,22,197
81	SRTO, Vaikom	294	4,74,179
82	SRTO, Vandiperiyar	91	1,73,520
83	SRTO, Varkala	46	81,737
84	SRTO, Vellarikundu	39	59,621
85	SRTO, Wadakkanchery	442	8,38,523
	Grand Total	27,161	5,01,91,070
			₹5.02 crore

Appendix – XX
(Ref: Paragraph 4.8)
Non-levy of Green Tax

Sl.No.	Name of Office	TV		NTV	
		No. of cases	Amount (₹)	No. of cases	Amount (₹)
1	RTO, Alappuzha	159	1,06,600	333	1,33,200
2	RTO, Attingal	153	1,13,200	453	1,81,200
3	RTO, Ernakulam	201	1,39,400	577	2,30,800
4	RTO, Idukki	57	41,300	156	62,400
5	RTO, Kannur	164	1,13,500	215	86,000
6	RTO, Kasargod	232	1,53,800	400	1,60,000
7	RTO, Kollam	356	2,42,800	322	1,28,800
8	RTO, Kottayam	216	1,40,100	837	3,34,800
9	RTO, Kozhikode	239	1,44,000	807	3,22,800
10	RTO, Malappuram	292	1,73,500	860	3,44,000
11	RTO, Muvattupuzha	153	94,100	243	97,200
12	RTO, NS KSRTC	374	3,52,800	0	0
13	RTO, Palakkad	353	2,33,200	1,385	5,54,000
14	RTO, Pathanamthitta	105	68,500	440	1,76,000
15	RTO, Thiruvananthapuram	321	2,20,900	2,840	11,36,000
16	RTO, Thrissur	349	1,95,300	2,821	11,28,400
17	RTO, Vadakara	112	71,300	340	1,36,000
18	RTO, Wayanad	65	46,400	148	59,200
19	SRTO, Adoor	117	76,300	323	1,29,200
20	SRTO, Alathur	197	1,21,000	784	3,13,600
21	SRTO, Aluva	213	1,24,300	895	3,58,000
22	SRTO, Angamaly	118	85,400	327	1,30,800
23	SRTO, Chadayamangalam	14	11,400	58	23,200
24	SRTO, Chalakkudy	212	1,31,500	866	3,46,400
25	SRTO, Changanassery	131	90,300	876	3,50,400
26	SRTO, Chengannur	58	40,800	245	98,000
27	SRTO, Cherthala	163	1,01,500	613	2,45,200
28	SRTO, Chittur	207	1,11,700	624	2,49,600
29	SRTO, Devikulam	84	48,700	255	1,02,000
30	SRTO, Guruvayur	170	97,400	637	2,54,800
31	SRTO, Irinjalakuda	209	1,33,500	640	2,56,000
32	SRTO, Iritty	78	46,900	450	1,80,000

Sl.No.	Name of Office	TV		NTV	
		No. of cases	Amount (₹)	No. of cases	Amount (₹)
33	SRTO, Kanhangad	170	1,07,600	387	1,54,800
34	SRTO, Kanjirappally	82	52,000	325	1,30,000
35	SRTO, Karunagappalli	154	99,700	703	2,81,200
36	SRTO, Kattakkada	141	1,05,100	697	2,78,800
37	SRTO, Kayamkulam	176	1,13,900	581	2,32,400
38	SRTO, Kazhakootam	109	78,400	599	2,39,600
39	SRTO, Kodungalloor	132	82,400	373	1,49,200
40	SRTO, Koduvally	121	82,000	102	40,800
41	SRTO, Kondotty	24	11,900	114	45,600
42	SRTO, Konni	19	17,300	128	51,200
43	SRTO, Kothamangalam	73	45,000	865	3,46,000
44	SRTO, Kottarakkara	205	1,58,300	828	3,31,200
45	SRTO, Koyilandy	54	32,500	90	36,000
46	SRTO, Kunnathur	63	42,300	179	71,600
47	SRTO, Kuttanad	50	34,500	103	41,200
48	SRTO, Mallappally	33	17,200	102	40,800
49	SRTO, Mananthavady	55	32,700	172	68,800
50	SRTO, Mannarkkad	137	84,600	676	2,70,400
51	SRTO, Mattancherry	99	69,400	373	1,49,200
52	SRTO, Mavelikkara	106	69,800	407	1,62,800
53	SRTO, Nanmunda	94	55,200	162	64,800
54	SRTO, Nedumangad	290	1,98,600	1,935	7,74,000
55	SRTO, Neyyattinkara	166	1,08,700	281	1,12,400
56	SRTO, Nilambur	114	62,600	665	2,66,000
57	SRTO, North Paravur	152	87,900	744	2,97,600
58	SRTO, Ottappalam	137	86,700	202	80,800
59	SRTO, Pala	89	55,000	938	3,75,200
60	SRTO, Parassala	179	1,31,800	962	3,84,800
61	SRTO, Pathanapuram	13	11,200	15	6,000
62	SRTO, Pattambi	211	1,23,900	615	2,46,000
63	SRTO, Payyannur	18	14,200	32	12,800
64	SRTO, Perambra	47	27,600	111	44,400
65	SRTO, Perinthalmanna	120	70,300	674	2,69,600
66	SRTO, Perumbavoor	142	1,01,400	350	1,40,000
67	SRTO, Ponnani	109	63,200	281	1,12,400

Sl.No.	Name of Office	TV		NTV	
		No. of cases	Amount (₹)	No. of cases	Amount (₹)
68	SRTO, Punalur	123	82,400	372	1,48,800
69	SRTO, Ramanattukara (Feroke)	21	11,200	43	17,200
70	SRTO, Ranni	66	50,600	464	1,85,600
71	SRTO, Sulthan Bathery	74	48,600	450	1,80,000
72	SRTO, Taliparamba	143	96,200	340	1,36,000
73	SRTO, Thalassery	173	1,13,800	771	3,08,400
74	SRTO, Thiruvalla	81	47,800	633	2,53,200
75	SRTO, Thodupuzha	78	49,400	289	1,15,600
76	SRTO, Thriprayar	126	78,000	767	3,06,800
77	SRTO, Thripunithura	117	73,500	315	1,26,000
78	SRTO, Tirur	313	1,73,900	560	2,24,000
79	SRTO, Tirurangadi	172	96,800	297	1,18,800
80	SRTO, Udumbanchola	63	41,900	248	99,200
81	SRTO, Uzhavoor	39	26,200	395	1,58,000
82	SRTO, Vaikom	91	59,800	446	1,78,400
83	SRTO, Vandiperiyar	88	60,200	334	1,33,600
84	SRTO, Varkala	31	17,800	73	29,200
85	SRTO, Vellarikundu	28	17,800	99	39,600
86	SRTO Wadakkanchery	164	98,700	296	1,18,400
	Total	11,747	76,50,900	43,733	1,74,93,200
	Grand Total		55,480		2,51,44,100
			₹2.51 crore		

Appendix – XXI
(Ref: Paragraph 4.9)
Non realisation of tax in respect of Motor Cab

SI No	Name of Office	No. of cases	Tax to be collected (₹)
1	RTO, Alappuzha	138	4,36,800
2	RTO, Attingal	76	2,06,400
3	RTO, Ernakulam	256	7,63,000
4	RTO, Idukki	54	1,58,200
5	RTO, Kannur	121	3,23,800
6	RTO, Kasargod	85	2,68,100
7	RTO, Kollam	106	3,04,400
8	RTO, Kottayam	157	4,81,600
9	RTO, Kozhikode	170	4,44,100
10	RTO, Malappuram	74	2,17,000
11	RTO, Muvattupuzha	69	2,10,000
12	RTO, Palakkad	100	2,76,100
13	RTO, Pathanamthitta	54	1,58,200
14	RTO, Thiruvananthapuram	237	7,83,300
15	RTO, Thrissur	194	5,85,200
16	RTO, Vadakara	154	4,32,600
17	RTO, Wayanad	93	2,53,000
18	SRTO, Adoor	49	1,58,200
19	SRTO, Alathur	82	2,53,400
20	SRTO, Aluva	109	3,34,600
21	SRTO, Angamaly	70	2,21,200
22	SRTO, Chadayamangalam	3	4,200
23	SRTO, Chalakkudy	76	2,31,000
24	SRTO, Changanassery	71	2,08,600
25	SRTO, Chengannur	39	1,24,600
26	SRTO, Cherthala	164	5,20,800
27	SRTO, Chittur	63	1,61,000
28	SRTO, Devikulam	121	3,66,000
29	SRTO, Guruvayur	105	3,50,000
30	SRTO, Irinjalakuda	117	3,55,700
31	SRTO, Iritty	22	46,200
32	SRTO, Kanhangad	92	2,87,200
33	SRTO, Kanjirappally	70	1,90,400

SI No	Name of Office	No. of cases	Tax to be collected (₹)
34	SRTO, Karunagappalli	72	2,37,200
35	SRTO, Kattakkada	11	25,200
36	SRTO, Kayamkulam	81	2,42,200
37	SRTO, Kazhakoottam	66	2,28,800
38	SRTO, Kodungalloor	70	1,83,400
39	SRTO, Koduvally	117	3,24,300
40	SRTO, Kondotty	1	1,400
41	SRTO, Konni	2	5,600
42	SRTO, Kothamangalam	33	1,06,400
43	SRTO, Kuttanad	50	1,54,000
44	SRTO, Kottarakkara	78	2,60,400
45	SRTO, Koyilandy	92	3,01,000
46	SRTO, Kunnathur	19	50,400
47	SRTO, Mallappally	35	1,26,000
48	SRTO, Mananthavady	51	1,24,600
49	SRTO, Mannarkkad	66	1,76,400
50	SRTO, Mattancherry	99	3,17,800
51	SRTO, Mavelikkara	59	1,68,000
52	SRTO, Nanmanda	36	78,400
53	SRTO, Nedumangad	63	1,90,600
54	SRTO, Neyyattinkara	56	1,71,800
55	SRTO, Nilambur	51	1,37,200
56	SRTO, North Paravur	169	5,06,800
57	SRTO, Ottappalam	67	1,89,000
58	SRTO, Pala	55	1,79,200
59	SRTO, Parassala	36	1,17,600
60	SRTO, Pathanapuram	4	11,200
61	SRTO, Pattambi	69	1,79,200
62	SRTO, Payyannur	2	2,800
63	SRTO, Perambra	34	74,200
64	SRTO, Perinthalmanna	48	1,31,600
65	SRTO, Perumbavoor	85	2,75,800
66	SRTO, Ponnani	45	1,14,800
67	SRTO, Punalur	61	1,84,800
68	SRTO, Ranni	56	1,76,400
69	SRTO, Sulthan Bathery	54	1,66,100

SI No	Name of Office	No. of cases	Tax to be collected (₹)
70	SRTO, Taliparamba	135	3,71,000
71	SRTO, Thalassery	163	4,54,500
72	SRTO, Thiruvalla	52	1,63,800
73	SRTO, Thodupuzha	42	1,34,400
74	SRTO, Thriprayar	38	84,000
75	SRTO, Thripunithura	155	4,74,100
76	SRTO, Tirur	113	3,12,200
77	SRTO, Tirurangadi	42	1,16,200
78	SRTO, Udumbanchola	86	2,44,200
79	SRTO, Uzhavoor	28	84,000
80	SRTO, Vaikom	87	2,40,800
81	SRTO, Vandiperiyar	94	2,84,200
82	SRTO, Varkala	8	32,200
83	SRTO, Vellarikundu	16	46,200
84	SRTO, Wadakkanchery	111	3,30,400
	Total	6,554	1,94,07,700
			₹1.94 crore

Appendix – XXII
(Ref: Paragraph 5.5)

Loss of revenue due to irregular transfer of Foreign Liquor licence

Sl. No.	Name of licensee	To whom licence was transferred	Date of Order by which transfer of licence was effected	Fee collected by department for transfer (₹ in lakh)	Amount to be collected treating the Company as fresh applicant (₹ in lakh)	Short levy of fee (₹ in lakh)	Reason for considering this as trading of licence
1	K.K.Mohandas MD (KK Leisures and Tourism International Ltd)	K.K.Premkumar (MD of Kannur Hotels and Resorts Pvt Ltd)	02/05/2021	3	30	27	Transfer of licence from director of a company to the director of another company
2	K.C.James, Proprietor of KBC Green Park Hotel	Lukkose K. Chacko	05/03/2019	2	28	26	Transfer of licence owned under proprietorship to another person along with land and building
3.	Shri Indrapalan, Proprietor of Hotel Royal Indraprastha, Charummoodu	B Indu, Jwala, I Indrajith	31/10/2019	3	28	25	Transfer of licence from proprietorship to partnership
4.	Shri Indrapalan, Proprietor of Hotel Royal Indraprastha, Kayamkulam	B Indu, Jwala, I Indrajith	31/10/2019	3	28	25	-do-
5.	Leelamma Scaria (Hotel Thushara International, Thamarassery)	Roselin Mathew	12/11/2019	1	28	27	-do-
6.	P Ajayakumar, MD (Hotel Sea Queen Beach Road, Kozhikode)	P Ashishkumar	01/03/2019	3	28	25	Transfer of licence from partnership to private limited company
7.	V Mahesh Kumar (Hotel Ambadi, Palakkad)	T Santhosh	12/02/2020	3	28	25	Transfer of licence from proprietorship to company
8.	*Marykutty Joseph, Hotel Amala	Lalu Varghese, George Joseph and 8 more partners.	Without sanction of Commissioner of Excise	3	15	12	Transfer of licence from proprietorship to partnership
9.	K P Indrabalan, Proprietor of Hotel Royal Indraprastha, Pathanamthitta	B Indu, Jwala, I Indrajith	02/11/2019	3	28	25	Transfer of licence from proprietorship to partnership
Total						217	
							₹2.17 crore

* Note: Sl. No.8 constitutes both irregular transfer and Unauthorised Reconstitution of Board of Directors without prior permission of Excise Commissioner

Appendix – XXIII
(Ref: Paragraph 5.6)
Unauthorised Reconstitution of Board of Directors

Sl. No.	Name of the Excise Division	Name of the Hotel & FL Licence No.	Name of the Company	CIN of the company	Name of the changed Director Board members	Date of reconstitution	Number of times reconstituted	Fee plus Fine due for each reconstitution (₹)	Amount due (₹)
1	Ernakulam	The Gateway Hotel, Marine Drive FL-3/67/Ernakulam	The Indian Hotels Company Limited (IHCL)	L74999MH1902PLC 000183	1. Anupam Narayan	23/08/2021	1	4,00,000	4,00,000
2	Ernakulam	Olive Down Town Kadavanthra FL-3/195/ Ernakulam	Highland Star Hotels & Resorts Ltd	U55101KL2005PTC 018376	1. Nimi Parappurathu Mathew 2. Varghese Mathew	02/11/2020	1	4,00,000	4,00,000
3	Ernakulam	Le-Maritime Kochi, Puthuvype FL-3/201/ Ernakulam	Sea Lagoon Hotels Pvt. Limited.	U55101KL2008PTC 023504	1. Binu Shibu 2. Roshni Singhal	23/07/2020	1	4,00,000	4,00,000
4	Ernakulam	Four Points by Sheraton, Kochi FL-3/216/Ernakulam	Brigade Hotel Ventures Limited	U74999KA2016PLC 095986	1. Amar Shivram Mysore 2. Nidhi Rajendra Parekh	12/04/2021 03/05/2021	2	4,00,000	8,00,000
5	Ernakulam	Hotel Dewland, Kodanad FL-3/12A/Ernakulam	Sevens Hotels Pvt. Limited	U55101KL2011PTC 029557	1. Parameswaran Sreeni	10/08/2020	1	4,00,000	4,00,000
6	Ernakulam	Aromi Di Italia, Club Mahindra Cherai FL-11/198/Ernakulam	Mahindra Holidays & Resorts India Ltd.	L55101TN1996PLC 036595	1. Sangeeta Talwar 2. Anish Dilip Shah 3. Diwakar Gupta 4. Ruzbeh Baman Irani 5. Sujit Vaidya	01/02/2020 09/05/2020 01/12/2020 26/01/2021 01/06/2021	5	4,00,000	20,00,000
7	Ernakulam	Keys Hotels, Kochi FL-11/202/Ernakulam	Berggruen Hotels Pvt. Ltd	U55101MH2006PTC 164475	1. Anshu Sarin 2. Anish Arora 3. Sonali Manchanda	13/02/2020 05/08/2020	2	4,00,000	8,00,000

Sl. No.	Name of the Excise Division	Name of the Hotel & FL Licence No.	Name of the Company	CIN of the company	Name of the changed Director Board members	Date of reconstitution	Number of times reconstituted	Fee plus Fine due for each reconstitution (₹)	Amount due (₹)
8	Kottayam	Taj Kumarakom Resort & Spa, Kumarakom FL-11B No.KT-73/ Kottayam	Taj Kerala Hotels & Resorts Limited	U55101KL1991PLC 006056	1. Ittira Dharmesh Cariappa 2. Sanjay Kaul Moolchand 3. Gautam Sethi 4. Harsha Vardhan Parripati 5. Venu Vasudevan	01/02/2020 11/03/2020 05/11/2020 01/12/2020 03/08/2021	5	4,00,000	20,00,000
9	Thrissur	Royal Residency Park, Thiruvilwamala FL-3 TSR No.129/Thrissur	Royal Residency Park Pvt. Limited	U55101KL2007PTC 020405	1. Abhilash Aravindakshan	07/05/2020	1	4,00,000	4,00,000
10	Thrissur	Cheruthuruthy Eco Gardens Wadakancherry FL-11 TSR No.118/ Thrissur	Pepco Resorts Private Limited	U55101KL2003PTC 016214	1. Prem Kiran	09/04/2021	1	4,00,000	4,00,000
11	Thiruvananthapuram	Hotel Saj Lucia FL-3/15/2020-21/ TVPM	Kanichai Hotels Pvt Ltd	U55101KL1979PTC 003040	1. Anand George Kanjirakattu	16/04/2020	1	4,00,000	4,00,000
12	Thiruvananthapuram	Isola Di Cocco. FL-11/29/2020-21/ TVPM	Isola Di Cocco Holidaying Private Limited	U63040KL2000PTC 013586	1. Varghese Joseph Menachery	17/07/2018	1	4,00,000	4,00,000
13	Thiruvananthapuram	Hotel Windsor Palace FL 3- 56/2020-21/ TVPM	Rajadhani Hotels Pvt. Ltd.	U55101KL1996PTC 010124	1. Nanthu Oommen Raju	14/06/2019	1	4,00,000	4,00,000
14	Thiruvananthapuram	Hotel Chanakya FL 11- 52/2020-21/ TVPM	Rajadhani Hotels Pvt. Ltd.	U55101KL1996PTC 010124	1. Nanthu Oommen Raju	14/06/2019	1	4,00,000	4,00,000

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Sl. No.	Name of the Excise Division	Name of the Hotel & FL Licence No.	Name of the Company	CIN of the company	Name of the changed Director Board members	Date of reconstitution	Number of times reconstituted	Fee plus Fine due for each reconstitution (₹)	Amount due (₹)
15	Thiruvananthapuram	Hotel Hilton Garden Inn FL 3- 02/2020-21/ TVPM	MPG Hotels and Infrastructure Ventures Pvt. Limited	U5510IKL1999PTC 013114	1. Rakesh Rajan	01/06/2018	1	4,00,000	4,00,000
16	Thiruvananthapuram	Hotel Williamaya FL 11- 74/2020-21/ TVPM	MPG Hotels and Infrastructure Ventures Pvt. Limited	U5510IKL1999PTC 013114	1. Rakesh Rajan	01/06/2018	1	4,00,000	4,00,000
17	Thiruvananthapuram	Joy's The Beach Resort FL-11/26/2020-21/ TVPM	Joy's The Beach Resort Pvt. Ltd	U5510IPY2001PTC 002822	1 Priya Paul 2. Aravindakshan	02/09/2019 03/08/2021	2	4,00,000	8,00,000
18	Thiruvananthapuram	Niraamaya Retreats FL-11- No.12/2020-21/TVPM	Niraamaya Retreats Private Limited	U55102KL1986PTC 004465	1. Venkatraman Venkitaachalam 2. Jyoti Narang	01/07/2017 27/06/2018	2	4,00,000	8,00,000
19	Thiruvananthapuram	Hotel Safari FL 11- 42/2020-21/ TVPM	Soorya Mass Amusements Pvt. Ltd.	U92490TN1998PTC 041470	1. Krishna Mohan	18/02/2019	1	4,00,000	4,00,000
20	Thiruvananthapuram	Hotel Samrat FL 11- 44/2020-21/ TVPM	Soorya Mass Amusements Pvt. Ltd.	U92490TN1998PTC 041470	1. Krishna Mohan	18/02/2019	1	4,00,000	4,00,000
21	Thiruvananthapuram	Hotel Relax Inn FL 11- 46/2020-21/ TVPM	Soorya Mass Amusements Pvt. Ltd.	U92490TN1998PTC 041470	1. Krishna Mohan	18/02/2019	1	4,00,000	4,00,000
Total							33		1,32,00,000
									₹1.32 crore

Appendix – XXIV
(Ref: Paragraph 5.7)
Excess remission allowed in payment of license fee

Sl. No.	Name of the Hotel	Total Fee (₹)	Remission due (₹)	Amount due during 2021-22 (₹)	Amount paid during 2021-22 (₹)	Remission wrongly allowed (₹)
1.	Hotel Aquarock	31,30,000	64,699	30,65,301	26,49,620	4,15,681
2.	Hotel Geethu International	30,55,000	62,404	29,92,596	25,74,620	4,17,976
3.	Hilton Garden Inn	31,80,000	65,792	31,14,208	26,99,620	4,14,588
4.	Hotel Rohini International	30,80,000	62,404	30,17,596	25,99,620	4,17,976
5.	Hotel Safari	31,60,000	61,858	30,98,142	26,79,620	4,18,522
6.	Hotel South Park	31,55,000	62,404	30,92,596	26,74,620	4,17,976
7.	Hotel Surya	31,30,000	62,404	30,67,596	26,49,620	4,17,976
8.	Taj green cove resort & Spa	31,05,000	63,497	30,41,503	26,24,620	4,16,883
Total						33,37,578
						₹0.33 crore

Appendix – XXV
(Ref: Paragraph 6.4.1)
Short collection of revenue due to splitting up of property

Sl. No.	Doc No/ date	Executant	Claimant	Are conveyed	Survey No.	Village/ Taluk	Consideration in the document (₹)	Per Are/ Fair value (₹)	Classification
1	1533/2020 12-06-2020	N.M Baiju	Deepak Narayanan Nair	3.64	578/1/ 3	Arakkuzha/ Muvattupuzha	10,93,500	3,00,412	Residential plot with <i>panchayat</i> road access.
2	1639/2020 23-06-2020	N.M Baiju	Deepak Narayanan Nair	12.14	578/1/ 2	Arakkuzha/ Muvattupuzha	15,55,000	74,224	Residential plot without road access
				8.81	583/5/ 2				
3	2315/2020 25-08-2020	N.M Baiju	Deepak Narayanan Nair	11.94	578/1/ 2	Arakkuzha/ Muvattupuzha	22,50,000	74,135	Residential plot without road access



Glossary

Glossary of Abbreviations

1	AC	Assistant Commissioner
2	ARN	Application Reference Number
3	ATN	Action Taken Note
4	CBIC	Central Board of Indirect Taxes and Customs
5	CENVAT	Central Value Added Tax
6	CGST	Central Goods and Services Tax
7	CMV	Central Motor Vehicles
8	CPWD	Central Public Works Department
9	CST	Central Sales Tax
10	DC	Deputy Commissioner
11	DEC	Deputy Excise Commissioner
12	DR	District Registrar
13	EC	Excise Commissioner
14	ECI	Excise Circle Inspector
15	ECL	Electronic Credit Ledger
16	EI	Excise Inspector
17	FL	Foreign Liquor
18	GoK	Government of Kerala
19	GP	Gross Profit
20	GST	Goods and Services Tax
21	GSTN	Goods and Services Tax Identification Number
22	GSTIN	Goods and Services Tax Network
23	IAW	Internal Audit Wing
24	IGR	Inspector General of Registration
25	IGST	Integrated Goods and Services Tax
26	IR	Inspection Report
27	IR Act	Indian Registration Act
28	IS Act	Indian Stamp Act

29	ISD	Input Service Distributor
30	ITC	Input Tax Credit
31	JC	Joint Commissioner
32	JEC	Joint Excise Commissioner
33	JRTO	Joint Regional Transport Officer
34	KGST	Kerala General Sales Tax
35	KMV	Kerala Motor Vehicles
36	KMVT	Kerala Motor Vehicles Taxation
37	KS Act	Kerala Stamp Act
38	KSEB	Kerala State Electricity Board
39	KVAT	Kerala Value Added Tax
40	KVATIS	Kerala Value Added Tax Information System
41	LSG	Local Self Government
42	MV	Motor Vehicles
43	OIDAR	Online Information and Database Access or Retrieval
44	OMC	Oil Marketing Company
45	PA	Performance Audit
46	PAC	Public Accounts Committee
47	PAR	Plinth Area Rate
48	R&DM	Revenue & Disaster Management
49	RCC	Reinforced Cement Concrete
50	RTO	Regional Transport Officer
51	RTOs	Regional Transport Offices
52	SCN	Show-cause Notice
53	SEZ	Special Economic Zone
54	SGST	State Goods and Services Tax
55	SGSTD	State Goods and Services Tax Department
56	SoP	Standard Operating Procedure
57	SR	Sub Registrar
58	SRO	Sub Registrar Office
59	SRTOs	Sub Regional Transport Offices

60	SSCA	Subject Specific Compliance Audit
61	STO	State Tax Office
62	TC	Transport Commissioner
63	TCS	Tax Collected at Source
64	TDS	Tax Deducted at Source
65	UTGST	Union Territory Goods and Services Tax
66	VAT	Value Added Tax

