



सत्यमेव जयते

**Compliance Audit Report
of the
Comptroller and Auditor General of India
for the year ended 31 March 2022**



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest



Government of Bihar

Report No. 2 of the year 2024

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of the
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Government of Bihar
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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2022 has been prepared for submission to the Governor of Bihar under Article 151 of the Constitution of India.

The Report contains significant findings of audit of Receipts and Expenditure of major revenue earning Departments and State Public Sector Enterprises/Undertakings (SPSEs/PSUs) conducted under the Comptroller and Auditor General of India (Duties, Powers and Conditions of Service) Act, 1971.

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

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

A teal-colored icon of an envelope, centered on the page. The envelope is shown from a top-down perspective, with the flap folded down. The body of the envelope is a rounded rectangle, and the flap is a simple triangle pointing upwards.

OVERVIEW

OVERVIEW

PART A: REVENUE SECTOR

This part contains nine paragraphs including one Subject Specific Compliance Audit (SSCA) on “Department’s oversight on GST payments and Return Filing”. Some of the major findings in this part are summarised below:

1. General

The total receipts of the Government of Bihar for the year 2021-22 amounted to ₹ 1,58,797.33 crore, of which revenue raised by the State Government from its own sources, was ₹ 38,838.88 crore (24.46 *per cent*). The share of receipts from the Government of India amounting to ₹ 1,19,958.45 crore (75.54 *per cent* of the total receipts) comprised State’s share of divisible Union taxes of ₹ 91,352.62 crore (57.53 *per cent* of the total receipts) and grants-in-aid of ₹ 28,605.83 crore (18.01 *per cent* of the total receipts).

(Paragraph 1.1)

Arrears of revenue as on 31 March 2022 on taxes on sales, trade etc., taxes on goods and passengers, taxes and duties on electricity, taxes on vehicles, other taxes and duties on commodities and services, land revenue, state excise, stamps duty and registration fees and non-ferrous mining and metallurgical industries amounted to ₹ 4,022.59 crore, of which ₹ 1,300.42 crore was outstanding for more than five years.

(Paragraph 1.2)

The Public Accounts Committee (PAC) discussed 43 selected paragraphs pertaining to the Audit Reports for the years 2010-11 to 2019-20 and issued recommendations on 36 paragraphs relating to Commercial Taxes Department, Prohibition, Excise and Registration Department, Revenue and Land Reforms Department, Mines and Geology Department and Transport Department incorporated in the aforesaid Reports. However, no Action Taken Notes have been received from these departments on PAC recommendations (April 2023).

(Paragraph 1.3)

Audit observations included in 2,980 Inspection Reports (IRs) (25,166 audit observations) involving potential revenue of as much as ₹ 55,840.32 crore were outstanding at the end of March 2022 whereas the total revenue collection of the State is ₹ 38,838.88 crore. Even the first replies, required to be received from the heads of offices within four weeks of receipt of the IRs, were not received (June 2022) in respect of 1,271 IRs (10,838 audit observations) involving potential revenue of as much as ₹ 20,097.69 crore, issued from 2007-08 onwards.

(Paragraph 1.4)

Audit observed underassessment/ short levy/loss of revenue aggregating to ₹ 25,001.46 crore in 1,059 cases. The departments concerned accepted (between April 2021 and March 2022) underassessment and other deficiencies

of ₹ 28.80 crore in 336 cases, which were pointed out during previous years. The departments reported (between April 2021 and March 2022) recovery of ₹ 3.16 crore in 74 cases.

(Paragraph 1.5)

2. Commercial Taxes

In 12 circles, 26 taxpayers, had availed input tax credit of ₹ 761.76 crore through Goods and Services Tax Returns (GSTR-3B), whereas, input tax credit of ₹ 720.03 crore only was available in their GSTR-2A for the year 2017-18.

(Paragraph 2.3.7.3 (A)(I))

In 11 circles, 22 taxpayers had availed excess ITC under reverse charge mechanism of ₹ 7.28 crore for the year 2017-18.

(Paragraph 2.3.7.3 (A)(II))

Seven taxpayers of five circles had availed input tax credit of ₹ 1.03 crore under reverse charge mechanism for the year 2017-18 without discharging/payment of reverse charge mechanism tax liability.

(Paragraph 2.3.7.3 (A)(III))

Five taxpayers of four circles had declared unreconciled input tax credit of ₹ 6 crore in Table-12F of GSTR-9C, being input tax credit claimed in annual return (GSTR-9) in excess of eligible input tax credit as per audited annual financial statements.

(Paragraph 2.3.7.3 (A)(IV))

Unreconciled turnover of ₹ 1,647.19 crore in 26 cases of 13 circles was declared in Table-5R of GSTR-9C for the year 2017-18.

(Paragraph 2.3.7.3 (A)(V))

Unreconciled taxable turnover for ₹ 294.73 crore was declared in Table-7G of GSTR-9C, in 26 cases of 15 circles.

(Paragraph 2.3.7.3 (A)(VI))

Unreconciled payment of tax for ₹ 8.90 crore in Table-9R of GSTR-9C in 19 cases of 13 Circles.

(Paragraph 2.3.7.3 (A)(VII))

In nine Circles, 14 taxpayers, had availed excess Input Service Distributor credit for ₹ 2.43 crore for the year 2017-18.

(Paragraph 2.3.7.3 (A)(VIII))

Mismatch of tax liability of ₹ 101.77 crore, in 14 cases of 11 circles, for the year 2017-18.

(Paragraph 2.3.7.3 (A)(X))

In 11 circles, 12 taxpayers had filed GSTR-1 and declared tax liability of ₹ 0.91 crore for the year 2017-18, without filing GSTR-3B return.

(Paragraph 2.3.7.3 (A)(XI))

In 22 cases (including nine scrutinised cases) of 16 circles, taxpayers had filed their returns with delays of 1 to 1,060 days but the interest payments of ₹ 2.62 crore were not discharged.

(Paragraph 2.3.7.4 (A)(I)(a))

Mismatch of ITC of ₹ 60.58 crore on input supplies received from various registered 44 taxpayers of 23 Circles.

(Paragraph 2.3.7.4 (A)(II)(a))

There was an unreconciled ITC of ₹ 11.04 crore in four cases of three circles in Table-12F of GSTR-9C for the year 2017-18.

(Paragraph 2.3.7.4 (A)(II)(b))

There was a difference of ₹ 0.54 crore in eight cases (unscrutinised) of eight circles, in availing of ITC as reflected in Table-6J of GSTR-9 return.

(Paragraph 2.3.7.4 (A)(II)(c))

Three taxpayers of Patna North and Patna Special circles had availed ITC of ₹ 2.01 crore for the period 2017-18 but had paid tax of ₹ 0.04 crore only under reverse charge.

(Paragraph 2.3.7.4 (A)(II)(d))

Short payment of tax of ₹ 7.22 crore by 19 taxpayers (including three scrutinised/assessed cases) of 16 circles.

(Paragraph 2.3.7.4 (A)(III)(b))

Two taxpayers of Sasaram and Shahabad Circles had made taxable supplies of 'transfer of business assets and scrap sales' for ₹ 2.58 crore for the period 2017-18.

(Paragraph 2.3.7.4 (A)(III)(c))

Due to non-deduction of TDS from the bills of suppliers under Mahatma Gandhi National Rural Employment Guarantee Act, the short admittance of tax liability could not be detected which led to a loss of revenue of ₹ 1.77 crore.

(Paragraph 2.4.1)

3. Taxes on Vehicles

Concerned District Transport Officers did not ensure renewal of fitness certificate of 20,189 vehicles during January 2017 and March 2022. This resulted in non-realisation of ₹ 1.27 crore (testing fee: ₹ 86.94 lakh and fitness certificate renewal fee: ₹ 40.38 lakh).

(Paragraph 3.3)

Penalty for belated payment of One Time Tax was neither calculated/levied by VAHAN software nor by the concerned DTOs in respect of 581 defaulting vehicles which resulted in non-levy/realisation of penalty ₹ 1.05 crore.

(Paragraph 3.4)

Despite availability of information of non-payment of motor vehicles taxes by defaulter vehicle owners, the concerned DTOs did not monitor or review tax table of VAHAN to generate tax defaulter list. As a result demand notices were not issued by the DTOs to the tax defaulters and consequently tax and penalty for ₹ 22.16 crore remained unrealised.

(Paragraph 3.5)

4. Revenue and Land Reforms

Due to non-disbursement of one-time payment of ₹ 5,00,000, 41 affected families were deprived of a Rehabilitation and Resettlement entitlement and leviable interest for ₹ 2.59 crore.

(Paragraph 4.3)

Application of incorrect calculation method resulted in short levy of Solatium and leviable interest of ₹ 6.40 crore leading to their short payment to landowners.

(Paragraph 4.4)

Short payment of additional compensation and leviable interest of ₹ 16.73 crore to the landowners due to incorrect calculation.

(Paragraph 4.5)

5. Stamps Duty and Registration Fees

Five Registering Authorities failed to detect undervaluation of land in eight instruments executed during October 2020 to June 2022 which resulted in short realisation of Stamp Duty and Registration Fee of ₹ 1.25 crore.

(Paragraph 5.3)

PART B: STATE PUBLIC SECTOR UNDERTAKINGS

This Part contains six paragraphs, including one Subject Specific Compliance Audit (SSCA) on "Physical existence and safeguarding of assets in Non-Working PSUs under the Departments of Industries; Environment, Forest & Climate Change; Information Technology and Water Resources, Government of Bihar". Some of the major findings in this part are summarised below:

6. Functioning of State Public Sector Undertakings

There were 77 State Government Public Sector Undertakings (PSUs) under the audit jurisdiction of the Comptroller and Auditor General of India as on 31 March 2022. These included 70 Government Companies, four Government Controlled Other Companies and three Statutory Corporations. This Chapter deals with 15 Government Companies and one Statutory Corporation. 61 PSUs

(including four Government Controlled Other Companies and two Statutory Corporations) whose accounts were in arrears for three years or more or were defunct/under liquidation or first accounts were not received are not covered in this Chapter.

(Paragraph 6.1 and 6.2.3)

As on 31 March 2022, the total investment (equity and long term loans) in PSUs covered in this chapter was ₹ 52,689.67 crore. The investment consisted of 76.41 per cent (₹ 40,260.17 crore) towards equity and 23.59 per cent (₹ 12,429.50 crore) in long-term loans. The State Government had an equity holding of ₹ 39,686.75 crore in share capital.

Compared to the previous year, holding of the State Government in equity of State PSUs registered a net increase of ₹ 32.24 crore whereas loans outstanding remained the same during 2021-22.

(Paragraphs 6.3 and 6.4)

Out of 16 PSUs covered in the chapter, seven PSUs each earned profit during 2020-21 and 2021-22. The profit decreased to ₹ 291.30 crore in 2021-22 from ₹ 302.15 crore in 2020-21. The net worth of these seven PSUs was ₹ 10,989.84 crore.

Out of 16 PSUs covered in the chapter, five PSUs each incurred losses during 2020-21 and 2021-22. The accumulated losses and net worth of these loss incurring PSUs was ₹ 21,041.52 crore and ₹ 8,783.09 crore, respectively.

(Paragraphs 6.5 and 6.6)

Out of 77 PSUs (including three statutory corporations) under the audit jurisdiction of CAG, Financial Statements for the year 2021-22 were received from only one PSU on or before 31 July 2022 and have been reviewed by the CAG.

(Paragraph 6.9.2)

Subsequent to the audit of the financial statements by statutory auditors, the CAG conducted supplementary audit of the financial statements of the State Government Companies and Government Controlled Other Companies. During October 2021 to July 2022, CAG issued disclaimer on 18¹ accounts (13 Non-Power and five Power) and comments on 14 accounts (12 Non-Power and two Power) under Section 143(6)(b) of the Companies Act, 2013.

(Paragraph 6.10.1)

The financial impact of significant comments (issued during October 2021 to July 2022 on the four financial statements of three PSUs covered in the chapter) on profitability and assets/liabilities was ₹ 31.23 crore and ₹ 270.69 crore, respectively.

(Paragraph 6.10.2)

¹ The figure also includes accounts which were received and audited prior to October 2021 and report on accounts issued during October 2021 to July 2022.

7. Subject Specific Compliance Audit

The assets and liabilities of non-working PSUs were not settled and basic records and books of accounts, were not being maintained due to lack of minimum/skeletal manpower and proper office establishment. Out of 22, 15 PSUs did not have manpower, due to which their basic records and books of accounts, were not being maintained and safeguarded for compliance of statutory obligations. The remaining seven PSUs also had the bare minimum staff.

(Paragraph 7.6.1)

The accounts of all 22 sampled non-working PSUs, were in arrears, with these arrears ranging from seven years to 45 years. In the absence of finalised accounts, Audit could not ensure whether the investments made (₹ 420.87 crore) in these PSUs had been accounted for properly and whether the funds provided by the State Government were utilised/being utilised for the intended purposes.

(Paragraph 7.6.2)

Out of 22 non-working PSUs, 17 had liabilities towards salaries/pensions and other related statutory obligations (EPF *etc.*), amounted to ₹ 399.08 crore. GoB had extended budgetary support of ₹ 127.77 crore to five PSUs, for discharging these liabilities, out of which ₹ 92.85 crore had been paid (up to August 2022) to the employees concerned, while payment of the balance amount, to the remaining employees, was in progress.

(Paragraph 7.6.3)

Bihar State Industrial Development Corporation Limited (BSIDCL) had 322.80 acres of land, valuing ₹ 1,278.95 crore, and plant and machinery, valuing ₹ 4.12 crore. However, the basic records of the land of its one subsidiary i.e. Bihar Paper Mills Limited and three production units, were not found available with the Company.

(Paragraph 7.6.5)

The assets and liabilities of BSIDCL amounting to ₹ 1,278.95 crore were to be divided between Bihar and Jharkhand. However, these assets and liabilities were yet to be divided between the two States and, as such, the process for winding-up of BSIDCL was pending (August 2022).

(Paragraph 7.7.1)

8. Compliance Audit Observations

Compliance Audit observations included in this Report highlight deficiencies in the management of Public Sector Undertakings involving serious financial implications.

‘Implementation of Smart Cities Mission in Patna’ by Patna Smart City Limited has been analysed. The observations are broadly of the following nature:

Out of 44 approved projects, 29 could not be started till October 2022, as they were found non-feasible, for reasons like the projects already being executed by other agencies, non-availability of land, non-requirement of rooftop farming, likelihood that the projects may attract huge crowds in already crowded areas *etc.* Hence, Smart City Proposal (SCP) had not been planned properly, ultimately leading to withdrawal/ addition of projects and subsequent delay.

(Paragraph 8.1.7.1)

The desired objective of construction of Jan Seva Kendras (JSKs) was not achieved due to poor planning on the part of Patna Smart City Limited (PSCL), despite incurring an expenditure of ₹ 7.10 crore on construction of 19 JSKs.

(Paragraph 8.1.8.1)

Release of mobilisation advance (MA), without finalisation of the scope of work, led to non-commencement of Integrated Command and Control Centre, resulting in blocking of MA of ₹ 11.19 crore, for 26 months, with consequent loss of interest, amounting to ₹ 1.55 crore, thereon.

(Paragraph 8.1.8.2)

As per the scope of the work, all the Grid Connected Rooftop Solar Power Plants were to be connected with the grid and to be equipped with net metering. However, the installed plants had not been connected to the grid and, therefore, net meters had also not been installed, resulted in partial fulfilment of the intended objective.

(Paragraph 8.1.8.3)

Against the available funds of ₹ 455.88 crore, PSCL had spent only ₹ 132.51 crore (29 *per cent*) till August 2022. The poor financial progress was attributable to frequent changes in SCPs; changes in the scope of works after award of works and during execution; award of works without availability of land; and failure of PSCL to obtain No Objection Certificates from the concerned Departments.

(Paragraph 8.1.9)

Executing the project related to Madhubani paintings, without administrative/ technical/ financial approval from Urban Development and Housing Department, Government of Bihar/ Ministry of Housing & Urban Affairs, Government of India, had resulted in irregular expenditure, as well as diversion of mission funds on works relating to Madhubani paintings, amounting to ₹ 12.36 crore.

(Paragraph 8.1.9.2)

Due to failure to forecast and limit the drawl of electricity as prescribed under CERC Regulations 2014, the Distribution Companies (South Bihar Power Distribution Company Limited and North Bihar Power Distribution Company Limited) incurred additional charge of ₹ 181.13 crore, for deviation.

(Paragraph 8.2)

Bihar State Power Transmission Company Limited suffered loss of grant of ₹ 97.54 crore, due to non-adherence to the Power System Development Fund guidelines.

(Paragraph 8.3)

Irregular finalisation of tender by Bihar State Electronics Development Corporation Limited resulted in avoidable expenditure of ₹ 1.81 crore.

(Paragraph 8.4)

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PART A
REVENUE SECTOR



CHAPTER I
GENERAL

CHAPTER I: GENERAL

1.1 Trend of receipts

1.1.1: Tax and non-tax revenues raised by the Government of Bihar (GoB), State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-aid received from Government of India (GoI), during the period from financial year (FY) 2017-18 to 2021-22, are depicted in **Table 1.1**.

Table 1.1
Trend of receipts

(₹ in crore)

Sl. No.	Particulars	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Revenues raised by the State Government					
	• Tax revenues	23,136.49	29,408.14	30,157.98	30,341.67	34,854.54
	Percentage of growth compared to previous year	(-) 2.55	27.11	2.55	0.61	14.87
	• Non-tax revenues	3,506.74	4,130.56	3,699.60	6,201.38	3,984.34
	Percentage of growth compared to previous year	45.93	17.79	(-) 10.43	67.62	(-)35.75
	Total	26,643.23	33,538.70	33,857.58	36,543.05	38,838.88
2.	Receipts from the Government of India					
	• Share of net proceeds of divisible Union taxes and duties	65,083.38	73,603.13	63,406.33	59,861.41	91,352.62 ¹
	• Grants-in-aid ²	25,720.13	24,651.62	26,968.62	31,763.88	28,605.83 ³
	Total	90,803.51	98,254.75	90,374.95	91,625.29	1,19,958.45
3.	Total revenue receipts (1 and 2)	1,17,446.74	1,31,793.45	1,24,232.53	1,28,168.34	1,58,797.33
4.	Percentage of 1 to 3	23	25	27	29	24
5.	Percentage of tax revenue to total revenue receipts	20	22	24	24	22

(Source: Finance Accounts, GoB)

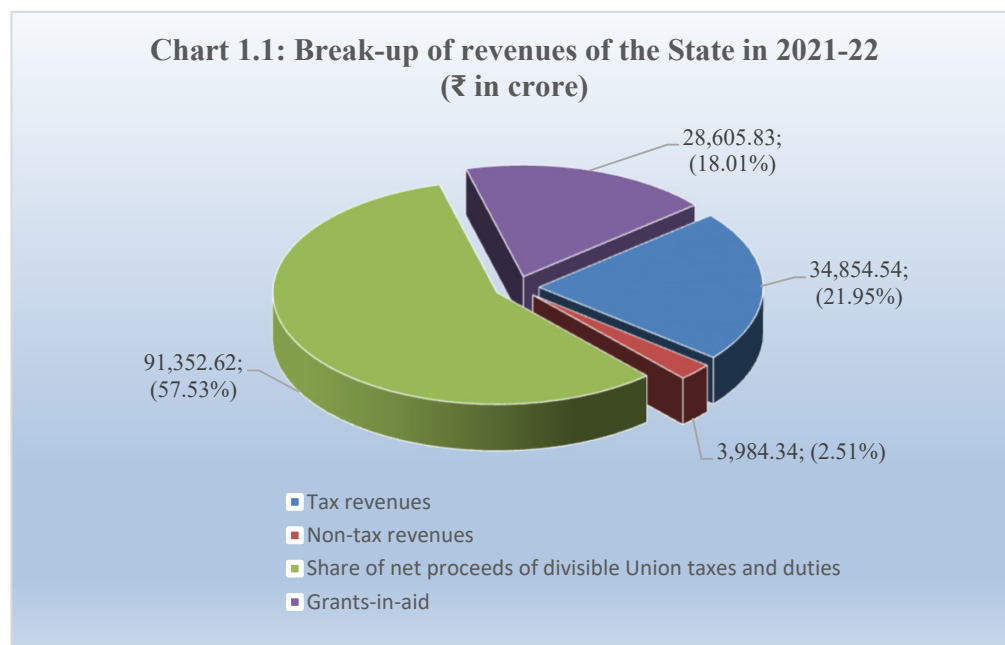
The above table indicates that the average annual growth rate in respect of tax revenues and non-tax revenues were 8.52 per cent and 17.03 per cent respectively, during FYs 2017-22.

¹ For details, please see Statement No. 14 - Detailed accounts of revenue by minor heads in the Finance Accounts of Government of Bihar for the year 2021-22. Figures under Minor Head 901 - Share of net proceeds assigned to the State under the Major Heads-0005-Central Goods and Services Tax (₹ 25,442.20 crore), 0020 - Corporation Tax (₹ 27,178.50 crore), 0021 - Taxes on income other than Corporation Tax (₹ 26,661.32 crore), 0028- Other Taxes on Income and Expenditure (₹ 0.19 crore), 0032 - Taxes on Wealth (₹ 6.38 crore), 0037 - Customs (₹ 6,775.97 crore), 0038 - Union Excise Duties (₹ 3,868.86 crore), 0044 - Service Tax (₹ 1,326.22 crore) and 0045 - Other taxes and duties on commodities and services (₹ 92.98 crore).

² Centrally sponsored schemes, Finance Commission grants and other transfer/grants (also includes compensation on GST received from GoI).

³ Includes compensation of ₹ 1,945.08 crore towards loss of revenue due to implementation of GST.

Break-up of revenue of the State for the financial year 2021-22, is given in **Chart 1.1**.



1.1.2: Details of Budget Estimates (BEs) and tax revenues raised during FYs 2017-18 to 2021-22 are given in **Table 1.2**.

Table 1.2
Details of Tax Revenues

(₹ in crore)

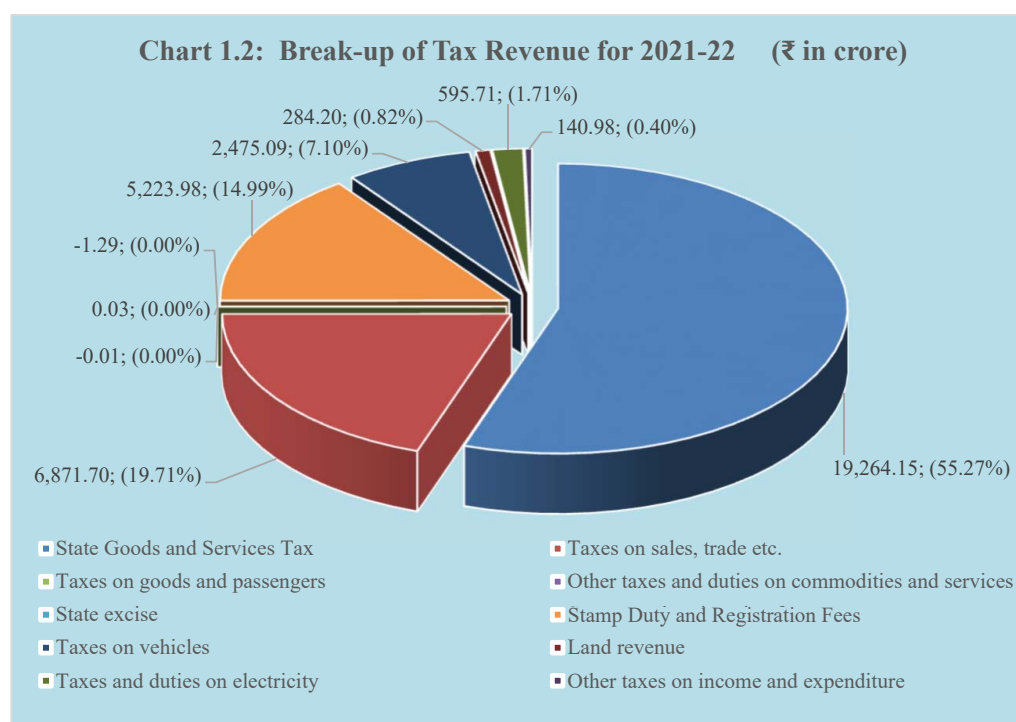
Sl. No.	Head of revenue	2017-18	2018-19	2019-20	2020-21	2021-22	Percentage of increase (+)/ decrease (-) in actuals of 2021-22 in comparison to	
		BEs Actuals	BEs Actuals	BEs Actuals	BEs Actuals	BEs Actuals	BEs of 2021-22	Actuals of 2020-21
1.	State Goods and Services Tax	0.00 6,746.96	15,000.00 15,288.06	17,812.00 15,800.53	20,800.00 16,050.23	20,621.00 19,264.15	(-) 6.58	20.02
2.	Taxes on sales, trade etc.	24,400.00 8,298.10	7,890.00 6,584.24	7,150.00 6,121.43	5,830.00 6,031.43	6,010.00 6,871.70	14.34	13.93
3.	Taxes on goods and passengers	0.00 1,644.85	0.00 398.74	50.00 22.86	20.00 5.68	19.00 (-)0.01	(-) 100.05	(-) 100.18
4.	Other taxes and duties on commodities and services	0.01 20.51	0.02 1.16	(-) 0.01 14.33	0.00 1.41	0.00 0.03	-	(-) 97.87
Sub-total (1, 2, 3 and 4)		24,400.01 16,710.42	22,890.02 22,272.20	25,011.99 21,959.15	26,650.00 22,088.75	26,650.00 26,135.87		
5.	State excise ⁴	0.00 (-)3.43	0.00 (-) 9.63	0.00 (-) 4.14	0.00 (-) 4.42	0.00 (-)1.29	-	70.81
6.	Stamp Duty and Registration Fees	4,600.00 3,725.66	4,700.00 4,188.61	4,700.00 4,660.98	4,700.00 4,206.32	5,000.00 5,223.98	4.48	24.19
7.	Taxes on vehicles	1,800.00 1,599.51	2,000.00 2,085.94	2,500.00 2,712.75	2,500.00 2,267.75	2,500.00 2,475.09	(-) 1.00	9.14

⁴ Sale of Liquor has been prohibited in Bihar since April 2016.

Sl. No.	Head of revenue	2017-18	2018-19	2019-20	2020-21	2021-22	Percentage of increase (+)/ decrease (-) in actuals of 2021-22 in comparison to	
		<u>BEs</u> Actuals	<u>BEs</u> Actuals	<u>BEs</u> Actuals	<u>BEs</u> Actuals	<u>BEs</u> Actuals	BEs of 2021-22	Actuals of 2020-21
8.	Land revenue	<u>600.00</u> 778.65	<u>1,000.00</u> 476.80	<u>1,100.00</u> 275.28	<u>500.00</u> 302.37	<u>500.00</u> 284.20	(-) 43.16	(-) 6.01
9.	Taxes and duties on electricity	<u>501.09</u> 239.16	<u>310.00</u> 269.17	<u>350.00</u> 439.54	<u>250.00</u> 1,355.09	<u>250.00</u> 595.71	138.28	(-) 56.04
10.	Other taxes on income and expenditure- taxes on professions, trades, callings and employment	<u>100.00</u> 86.52	<u>102.00</u> 125.05	<u>138.00</u> 114.42	<u>150.00</u> 125.81	<u>150.00</u> 140.98	(-) 6.01	12.06
Total		<u>32,001.10</u> 23,136.49	<u>31,002.02</u> 29,408.14	<u>33,799.99</u> 30,157.98	<u>34,750.00</u> 30,341.67	<u>35,050.00</u> 34,854.54		

(Source: Finance Accounts, GoB and Finance Department, GoB)

Break-up of tax revenues of the State for 2021-22 is given in **Chart 1.2**.



It may be seen from **Table 1.2** that there were wide variations between the budget estimates and actuals during FY 2021-22, under different heads of tax revenue, which indicated that the budget was not prepared on realistic basis. Department of Revenue and Land Reforms attributed the decrease in collection under Land Revenue to decrease in the rate of establishment charge, in respect of acquisition of land, by a great margin.

1.1.3: Details of budget estimates and non-tax revenues raised during FYs 2017-18 to 2021-22 are indicated in **Table 1.3**.

Table 1.3
Details of non-tax revenues

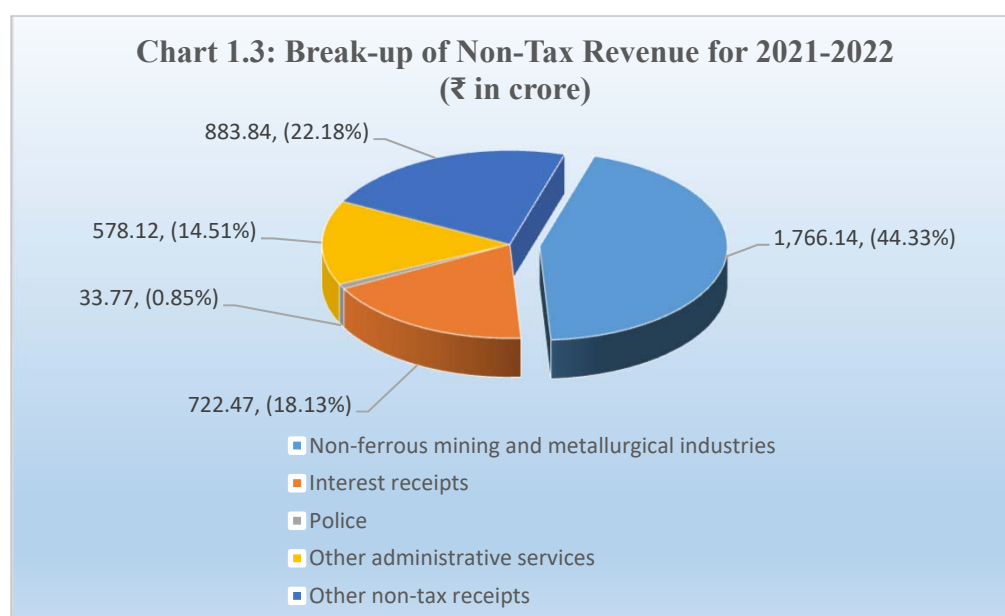
(₹ in crore)

Sl. No.	Head of Revenue	2017-18	2018-19	2019-20	2020-21	2021-22	Percentage of increase (+)/ decrease (-) in actuals of 2021-22 in comparison to	
		<u>BEs</u> Actuals	<u>BEs</u> Actuals	<u>BEs</u> Actuals	<u>BEs</u> Actuals	<u>BEs</u> Actuals	BEs of 2021-22	Actuals of 2020-21
1.	Non-ferrous mining and metallurgical industries	<u>1,350.00</u> 1,082.67	<u>1,600.00</u> 1,560.65	<u>1,600.00</u> 1,572.07	<u>2,450.00</u> 1,708.93	<u>2,450.00</u> 1,766.14	(-) 27.91	3.35
2.	Interest receipts	<u>619.25</u> 1,577.24	<u>2,187.39</u> 1,371.94	<u>2,293.84</u> 1,416.48	<u>2,080.55</u> 3,241.97	<u>2,108.10</u> 722.47	(-)65.73	(-) 77.72
3.	Police	<u>41.53</u> 86.04	<u>46.19</u> 30.41	<u>52.50</u> 96.31	<u>32.00</u> 122.87	<u>32.00</u> 33.77	5.53	(-) 72.52
4.	Other administrative services	<u>256.32</u> 25.84	<u>20.10</u> 46.80	<u>22.62</u> 137.39	<u>63.79</u> 26.53	<u>114.37</u> 578.12	405.48	2079.12
5.	Other non-tax ⁵ receipts	<u>567.21</u> 734.95	<u>592.21</u> 1,120.76	<u>837.51</u> 477.35	<u>612.94</u> 1,101.08	<u>801.00</u> 883.84	10.34	(-) 19.73
Total Receipts (Actuals)		3,506.74	4,130.56	3,699.60	6,201.38	3,984.34		

(Source: Actual receipts as per Finance Accounts and budget estimates as per Statement of Revenue and Capital Receipts of GoB).

⁵ Other non-tax receipts includes actual receipts during 2021-22 under the following heads: Roads and bridges (₹ 51.88 crore), Medical and public health (₹ 40.69 crore), Other rural development programmes (₹ 35.42 crore), Forestry and wild life (₹ 31.10 crore), Education, sports, arts and culture (₹ 509.13 crore), Public service commission (₹ 40.26 crore), Other general economic services (₹ 30.80 crore), Contribution and recoveries towards pension and other retirement benefits (₹ 1.27 crore), Crop husbandry (₹ 5.97 crore), Major irrigation (₹ 40.59 crore), Medium irrigation (₹ 0.05 crore), Labour and Employment (₹ 12.49 crore), Jail (₹ 15.40 crore), Fisheries (₹ 13.01 crore), Miscellaneous general service (₹ 1.60 crore), Water supply and sanitation (₹ 4.87 crore), Housing (₹ 4.74 crore), Urban development (₹ 1.08 crore), Information and publicity (₹ 0.09 crore), Social security and welfare (₹ 0.37 crore), Animal husbandry (₹ 0.67 crore), Cooperation (₹ 4.96 crore), Land reforms (₹ 0.03 crore), Minor irrigation (₹ 5.52 crore), Civil aviation (₹ 2.24 crore), Road transport (₹ 0.18 crore), Tourism (₹ 0.00 crore), Village and small industries (₹ 0.12 crore), Industries (₹ 0.23 crore), Civil supplies (₹ 0.45 crore), Public Works (₹ 22.04 crore), Stationary and Printing (₹ 0.04 crore), Dividend & Profits (₹ 6.54 crore) and Inland water transport (₹ 0.01 crore).

Break-up of non-tax revenues of the State for 2021-22 is given in **Chart 1.3**.



Reasons for wide variations are discussed below:

Interest Receipts: Audit noticed that the main reason for decrease in actual receipts during FY 2021-22 over actual receipts of FY 2020-21, was less receipts mainly under Other Receipts.

Police Receipts: Audit noticed that the main reason for decrease in actual receipts during FY 2021-22 over actual receipts of FY 2020-21, was less receipts mainly under fees, fines and forfeitures.

Other Administrative Services: Audit noticed that the main reason for increase of actual receipts of 2,079.12 *per cent* over that of previous year was increase of ₹ 480.38 crore in receipts towards election sub-head.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2022, in respect of the principal heads of revenue amounted to ₹ 4,022.59 crore, of which, ₹ 1,300.42 crore was outstanding for more than five years as detailed in **Table 1.4**.

Table 1.4
Arrears of revenue

(₹ in crore)

Sl. No.	Heads of revenue	Total amount outstanding as on 31 March 2022	Amount outstanding for more than five years as on 31 March 2022	Stages of pendency as stated by the Departments concerned
1.	Taxes on sales, trade etc.	2,212.64	1,171.38	Out of ₹ 2,212.64 crore, demands for ₹ 280.56 crore were certified for recovery as arrears of land revenue, recoveries of ₹ 397.58 crore and ₹ 166.08 crore were stayed by the courts and the Government respectively, ₹ 5.04 crore was held up due to assessee/dealers becoming insolvent, ₹ 8.61 crore was likely to be written-off and ₹ 1,354.75 crore was pending at other stages.

Sl. No.	Heads of revenue	Total amount outstanding as on 31 March 2022	Amount outstanding for more than five years as on 31 March 2022	Stages of pendency as stated by the Departments concerned
2.	Taxes on goods and passengers	176.05	84.63	Out of ₹ 176.05 crore, demand for ₹ 2.49 lakh was certified for recovery as arrears of land revenue, recoveries of ₹ 9.98 crore and ₹ 6.40 crore were stayed by the courts and the Government respectively and ₹ 159.64 crore was pending at other stages.
3.	Taxes and duties on electricity	0.20	0.20	Out of ₹ 19.76 lakh, demand of ₹ 5.61 lakh was certified for recovery of arrear of land revenue and ₹ 14.15 lakh was pending at other stages.
4.	Taxes on vehicles	172.85	-	The Transport Department did not provide details of arrears outstanding for more than five years. The Department also did not provide stages of pendency of outstanding arrears.
5.	Other taxes and duties on commodities and services	3.46	3.03	Out of ₹ 3.46 crore, demands for ₹ 1.46 crore were certified for recovery as arrears of land revenue and ₹ 2.00 crore was pending at other stages.
6.	Land revenue	282.11	-	The Revenue and Land Reforms Department did not provide details of arrears outstanding for more than five years. The Department also did not provide stages of pendency of outstanding arrears.
7.	Stamp Duty and Registration Fee	51.11	20.15	Out of ₹ 51.11 crore, ₹ 43.03 crore were certified for recovery as arrears of land revenue and recovery of ₹ 8.08 crore was stayed by the courts
8.	State excise	46.96	21.03	Out of ₹ 46.96 crore, demands for ₹ 35.53 crore were certified for recovery as arrears of land revenue, recovery of ₹ 6.29 crore was stayed by the courts, ₹ 0.14 crore was held up due to assessee/dealers becoming insolvent, ₹ 0.30 crore was likely to be written-off and ₹ 4.70 crore was pending at other stages.
9.	Non-ferrous mining and metallurgical industries	1,077.21	-	The Mines and Geology Department did not provide details of arrears outstanding for more than five years. The Department also did not provide stages of pendency of outstanding arrears.
Total		4,022.59	1,300.42	

(Source: Information received from the concerned Departments)

1.3 Follow up on Audit Reports—summarised position

In terms of the Manual of Instructions (1998) of the Finance Department, Departments are required to initiate action on the audit paragraphs, contained in the Reports of the Comptroller and Auditor General of India (CAG), within two months of their laying in the Legislative Assembly. The Government shall submit explanatory notes thereon for consideration by the Public Accounts Committee (PAC). However, explanatory notes (replies of the Departments) were submitted with delays of more than five months, in respect of 165 paragraphs (including Performance Audits) those appeared in the CAG's Revenue Audit Reports for

the years 2010-11 to 2019-20, placed before the State Legislature between August 2012 and March 2022. Details of pendency of explanatory notes, as on June 2022, pertaining to various Departments⁶ are given in **Table 1.5**

Table 1.5
Pending explanatory notes

Sl. No.	Audit Report ending on	Date of presentation in the legislature	No. of paragraphs	No. of paragraphs where explanatory notes received	No. of paragraphs where explanatory notes not received
1	31 March 2011	06.08.2012	35	35	00
2	31 March 2012	08.01.2013	38	37	01
3	31 March 2013	21.02.2014	41	39	02
4	31 March 2014	24.12.2014	44	39	05
5	31 March 2015	18.03.2016	39	35	04
6	31 March 2016	27.03.2017	42	20	22
7	31 March 2017	29.11.2018	36	08	28
8	31 March 2018	16.03.2020	28	13	15
9	31 March 2019	29.07.2021	13	05	08
10	31 March 2020	30.03.2022	07	00	07
Total			323	231	92

It was observed that although the Departments initiated action for recovery of revenue in the instances pointed out by Audit, corrective measures to prevent persistent irregularities were not addressed by the Departments at any level.

The PAC discussed 43 out of 278 selected paragraphs pertaining to the Audit Reports for the years 2010-11 to 2019-20 and issued recommendations on 36 paragraphs pertaining to Commercial Taxes Department, Prohibition, Excise and Registration Department, Revenue and Land Reforms Department, Mines and Geology Department and Transport Department. Action Taken Notes (ATNs) had not been received on these paragraphs from the concerned departments.

Accountant General (Audit), requested Chief Secretary, Government of Bihar (March 2023), to instruct the concerned Departments for timely submission of self-explanatory notes on audit observations and ATNs on PAC's recommendations. In pursuance to this request, the Finance Department issued instructions (April 2023) to all Administrative Departments, to submit self-explanatory notes on audit observations and ATNs on PAC's recommendations.

Recommendation 1: The State Government may initiate action to address the shortcomings and system defects pointed out by Audit to plug the leakage of revenue and ensure that all Departments promptly prepare ATNs on recommendations of PAC.

⁶ Commercial Taxes (64 paragraphs); Prohibition, Excise and Registration (one paragraph); Transport (12 paragraphs) and Revenue and Land Reforms (15 paragraphs).

1.4 Response of the Departments/Government to Audit**1.4.1 Position of outstanding Inspection Reports**

On completion of audit of Government Departments and offices, Audit issues Inspection Reports (IRs) to the concerned Heads of offices, with copies to their superior officers for corrective action and their monitoring. Serious financial irregularities are reported to the head of the Departments and the Government. Review of IRs issued during the period from 2012-13 to 2021-22 revealed that 25,166 paragraphs relating to 2,980 IRs remained outstanding at the end of March 2022. Potential recoverable revenue in these IRs was as much as ₹ 55,840.32 crore, whereas, the total revenue collection of the State for 2021-22 was ₹ 38,838.88 crore. Details of IRs relating to major revenue earning departments of the State Government are given in **Table 1.6**.

Table 1.6
Department-wise details of Inspection Reports

(₹ in crore)

Sl. No.	Department	Nature of receipts	No. of outstanding IRs	No. of outstanding audit observations	Money value involved
1	Commercial Taxes	Taxes on sales, trade etc.	512	10,546	12,814.36
		Entry tax			
		Electricity duty			
		Entertainment tax etc.			
2	Excise and Prohibition	State excise	362	1,567	1,159.31
3	Revenue and Land Reforms	Land revenue	886	5,840	35,729.20
4	Transport	Taxes on vehicles	396	3,166	2,458.17
5	Registration	Stamp Duty and Registration Fees	453	1,672	1,465.54
6	Mines and Geology	Mining receipts	371	2,375	2,213.74
Total			2,980	25,166	55,840.32

Even the first replies, required to be received from the Heads of offices, were not received (June 2022) for 1,271 IRs (10,838 audit observations) involving potential revenue of as much as ₹ 20,097.69 crore, issued from 2007-08 onwards. Department-wise details are given in **Table 1.7**.

Table 1.7
Inspection Reports pending first reply

(₹ in crore)

Sl. No.	Department	Nature of receipts	No. of outstanding IRs	No. of outstanding audit observations	Money value involved
1.	Commercial Taxes	Taxes on sales, trade etc.	101	2,878	4,605.09
		Entry tax			
		Electricity duty			
		Entertainment tax etc.			
2.	Excise and Prohibition	State excise	66	348	211.79
3.	Revenue and Land Reforms	Land revenue	588	4,075	10,901.00
4.	Transport	Taxes on vehicles	257	2,118	1,998.44
5.	Registration	Stamp Duty and Registration Fees	156	626	1,015.49
6.	Mines and Geology	Non-ferrous mining and metallurgical industries	103	793	1,365.88
Total			1,271	10,838	20,097.69

Recommendation 2: The State Government may introduce a mechanism to ensure that departmental officers respond to Audit Inspection Reports promptly, take corrective action, and work closely with Audit to bring about early settlement of audit observations through Audit Committee Meetings.

1.5 Results of audit

Position of the local audit conducted during the year

Audit covered six Departments of the State Government and test-checked records of 117, out of 1,359 auditable units (8.61 per cent) relating to commercial taxes, state excise, taxes on vehicles, stamp duty and registration fees, land revenue and mining receipts during the year 2021-22.

Audit observed underassessment/short levy/loss of revenue aggregating to ₹ 25,001.46 crore in 1,059 cases, which were communicated to the Departments through Inspection Reports. The departments concerned accepted (between April 2021 and March 2022) underassessment and other deficiencies of ₹ 28.80 crore in 336 cases, which were pointed out in previous years. The departments reported (between April 2021 and March 2022) recovery of ₹ 3.16 crore in 74 cases pertaining to previous years.

1.6 Coverage of this Report

This part of the Report contains nine paragraphs including one Subject Specific Compliance Audit (SSCA) on “Department’s oversight on GST payments and Returns Filing”. Total financial implication of this Report is ₹ 311.03 crore.

The departments have accepted audit observations amounting to ₹ 275.39 crore. These audit observations are discussed in Chapters II to V of this Report.

The errors/omissions pointed out are on the basis of a test audit. The Department/Government may, therefore, undertake a thorough review of all units to check whether similar errors/omissions have taken place elsewhere and, if so, to rectify them; and to put a system in place that would prevent such errors/omissions.



CHAPTER II
COMMERCIAL TAXES

CHAPTER II: COMMERCIAL TAXES

2.1 Tax administration

The Commercial Taxes Department (CTD) in the state is primarily responsible for Tax Administration under different Acts, such as Bihar Goods and Services Tax (BGST) Act, 2017; Bihar Electricity Duty Act, 1948; Bihar Professional Tax Act, 2011; Bihar Value added Tax Act, 2005; Central Sales Tax (CST) Act, 1956; Bihar Entertainment Tax Act, 1948; Bihar Advertisement Tax Act, 2007; Bihar Taxation on Luxuries in Hotels Act, 1988 and Bihar Tax on Entry of Goods into local area (BTEG) for consumption, use or sale therein Act, 1993.

At the apex level, the Department is headed by the Commissioner of State Tax (CST), who is assisted by Special Commissioners of State Tax, Additional Commissioners of State Tax, Joint Commissioners of State Tax (JCST), and Deputy Commissioners of State Tax (DCST)/Assistant Commissioners of State Tax (ACST). At the field level, the State is divided into administrative, appeals and audit (nine divisions¹ each) as they were under the VAT period, each headed by an Additional Commissioner of State Tax. The administrative divisions are further sub-divided into 50 circles, each headed by a JCST/DCST, who is assisted by Assistant Commissioners of State Tax.

2.2 Results of audit

During 2021-22, Audit test-checked records of 17, out of 90 units of CTD and observed irregularities involving ₹ 35.21 crore in 242 cases, which fall under the categories detailed in **Table 2.1**.

Table 2.1
Results of audit

Sl. No.	Category	No. of cases	Amount (₹ in lakh)
A: Taxes on sales, trade etc./ VAT			
1.	Non-levy and short levy of taxes	02	110.91
2.	Suppression of turnover	29	197.69
3.	Excess allowance of Input Tax Credit	30	683.36
4.	Underassessment of CST	01	11.21
5.	Irregular allowances of exemption from tax	07	130.18
6.	Irregular allowances of concessional rate of tax	02	1.63
7.	Non-levy or short levy of additional tax and surcharge	25	151.01
8.	Application of incorrect rates of tax	14	436.07
9.	Short levy due to incorrect determination of turnover	02	8.21
10.	Non-levy of penalty for excess collection of tax mistake in computation	13	72.83
11.	Non-levy of purchase tax	04	77.19
12.	Other cases	38	111.18
Total		167	1,991.47

¹ Bhagalpur, Darbhanga, Magadh, Patna Central, Patna East, Patna West, Purnea, Saran and Tirhut.

Sl. No.	Category	No. of cases	Amount (₹ in lakh)
B: Entry Tax			
1.	Short levy of entry tax due to suppression of import value	17	587.87
2.	Application of incorrect rates of entry tax	04	23.72
3.	Other cases	00	00
Total		21	611.59
C: GST			
1.	Non/short levy of GST	54	917.89
Total		54	917.89
Grand Total		242	3,520.95

During 2021-22, the Department accepted underassessment and other deficiencies of ₹ 11.65 crore in 122 cases and recovered ₹ 0.44 crore in 44 cases, pointed out during 2021-22. The replies, in regard to the remaining cases of the previous years and for all the cases of 2021-22 were not received (June 2023).

2.3 Subject Specific Compliance Audit on “Department’s Oversight on GST payments and Returns Filing”

2.3.1 Introduction

Introduction of Goods and Services Tax (GST) has replaced multiple taxes levied and collected by the Centre and States. GST, which came into effect from 01 July 2017, 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.

Section 59 of the Bihar GST Act (BGST), 2017, stipulates GST as a self-assessment based tax, whereby 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 penalties will be payable. Even if the business has had no tax liability during a particular tax period, it must file a nil return mandatorily. Further, Section 61 of the BGST Act read with Rule 99 of BGST Rules 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 Commercial Taxes Department, Bihar, in this new tax regime.

2.3.2 Audit objectives

This audit was oriented towards providing assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with respect to tax compliance under GST regime. 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 tax payers; and
- ii. Whether the scrutiny procedures, internal audit and other compliance functions of the circles were adequate and effective.

2.3.3 Audit methodology and scope

This SSCA was predominantly conducted based on data analysis, which highlighted risk areas and red flags pertaining to the period July 2017 to March 2018. Through data analysis, a set of 15 deviations were identified across the domains of Input Tax Credit (ITC), discharge of tax liability, registration and return filing. Such deviations were followed up through a Centralised Audit², whereby these deviations were communicated to the relevant state departmental field formations (circles) and action taken by the circles on the identified deviations was ascertained without involving field visits.

The **Centralised Audit** was supplemented by a detailed audit involving field visits for verification of records available with the jurisdictional circles. Returns and related attachments and information were accessed through the GST portal (the back end system) using Single Signed On User ID (SSOID) provided by the Commercial Taxes Department, Bihar as much as feasible to examine data/documents relating to taxpayers viz., registration, tax payment, returns and other departmental functions.

The **Detailed Audit** also involved accessing relevant granular records from the taxpayers such as invoices through the respective field formations. This apart, compliance functions of the departmental formation such as scrutiny of returns, were also reviewed in selected circles.

The review of the scrutiny of returns by the Department and verification of taxpayers’ records covered the period from July 2017 to March 2018, while audit of the oversight functions of selected circles covered the period 2017-18 to 2020-21. The SSCA covered only the state administered taxpayers. The field audit was conducted from March 2022 to January 2023.

Entry conference of this SSCA was held on 7 February 2022 with the Commissioner of State Taxes, Bihar in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was

² *Centralised Audit did not involve seeking taxpayer’s granular records such as financial statements related ledger accounts, invoices, agreements etc.*

held on 10 January 2023 with the Commissioner of State Taxes, Bihar in which the audit findings were discussed. The views expressed by the Commissioner of State Taxes, Bihar during the Exit Conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

2.3.4. Audit sample

A data driven approach was adopted for planning, as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for Centralised Audit that did not involve field visits; a sample of taxpayers for detailed audit that involved field visits and scrutiny of taxpayer's records at departmental premises; and a sample of circles for evaluating the compliance functions of the circles.

There were three distinct parts of this SSCA as under:

(i) Part I- Audit of Circles

Nine circles³ with jurisdiction over more than three selected taxpayers for Detailed Audit were considered as sample of circles for evaluation of their oversight functions.

(ii) Part II- Centralised Audit

The sample for Centralised Audit was selected by identification of high value or high risk deviations from rules and inconsistencies between returns through data analysis for evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. Accordingly, 471 taxpayers were selected for Centralised Audit under this SSCA and 423 deviations were communicated to the state tax authorities and action taken by the authorities on the identified deviations was ascertained.

(iii) Part III-Detailed Audit

It was conducted by accessing taxpayers' records through circles for evaluation of the extent of tax compliance by taxpayers. The sample of taxpayers for Detailed Audit was selected on the basis of risk parameters such as excess ITC, tax liability mismatch, disproportionate exempted turnover to total turnover and irregular ITC reversal.

The 100 taxpayers pertaining to 37 circles⁴ selected for Detailed Audit comprised of large, medium and small taxpayers⁵.

³ Aurangabad, Bhabhua, Gaya, Kadamkuan, Patliputra, Patna central, Patna north, Patna special and Sasaram.

⁴ Aurangabad, Begusarai, Bhabhua, Bhagalpur, Biharsharif, Buxar, Danapur, Darbhanga, Forbesganj, Gandhi Maidan, Gaya, Gopalganj, Hajipur, Jehanabad, Kadamkuan, Khagaria, Motihari, Muzaffarpur East, Muzaffarpur West, Nawada, Patliputra, Patna Central, Patna City East, Patna North, Patna South, Patna Special, Patna West, Raxaul, Saharsa, Samastipur, Saran, Sasaram, Shahabad, Sitamarhi, Siwan, Supaul and Teghra.

⁵ Large taxpayers- 63, Medium taxpayers- 28 and Small taxpayers- 9.

2.3.5 Audit criteria

The source of audit criteria comprised the provisions contained in the BGST Act, IGST Act and rules made thereunder. The significant provisions are given in **Table 1**.

Table 1
Source of criteria

Sl. No.	Subject	Acts and Rules
1.	Levy and collection	Section 9 of BGST Act.
2.	Reverse charge mechanism	Section 9(3) of BGST Act and Section 5 (3) of IGST Act.
3.	Availing and utilising ITC	Section 6 to 21 under Chapter V; Rules 36 to 45 under Chapter V of BGST Act.
4.	Registrations	Section 22 to 25 of BGST Act; Rules 8 to 26 of BGST Rules.
5.	Supplies	Section 7 and 8 of BGST Act. Schedule I, II and III of BGST Act.
6.	Place of supply	Section 10 to 13 of IGST Act.
7.	Time of supply	Section 12 to 14 of BGST Act.
8.	Valuation of supplies	Section 15 of BGST Act; Rules 27 to 34 of BGST Rules.
9.	Payment of tax	Sections 49 to 53 under Chapter X of BGST Act; Rules 85 to 88A under Chapter IX of BGST Rules.
10.	Filing of GST returns	Section 37 to 47 under Chapter IX of BGST Act; Rules 59 to 68 & 80 to 81 under Chapter VIII. Part-B of BGST Rules (format of returns).
11.	Zero rated supplies	Section 8 of IGST Act.
12.	Assessment and audit functions	Sections 61, 62, 65 and 66 under Chapter XII and XIII of BGST Act; Rules 99 to 102 under Chapter XI of BGST Rules.

In addition, the notifications and circulars issued by CBIC/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 etc., also formed part of the audit criteria.

Audit findings

Audit carried out across 37 circles has brought out both systemic and compliance issues. While systemic issues address the adequacy and effectiveness of the envisaged verification mechanism, compliance issues pertain to deviations from the provisions of the Acts/Rules. Considering that this SSCA was oriented towards evaluating the oversight mechanism of the Department, the audit findings have been categorised into the following categories:

- a. Oversight on returns filing
- b. Oversight on tax payments
- c. Other oversight functions

2.3.6 Oversight on returns filing

A return is a statement of specified particulars relating to the business activity undertaken by taxpayers during a prescribed period. Every taxpayer is legally obligated to furnish a complete and correct return duly declaring the tax liability for a given period and taxes paid within the stipulated time. In a self-assessment regime, the significance of monitoring return filing by taxpayers acquires greater significance as the returns are the first mode of information about taxpayers and their respective business activities.

2.3.6.1 Trends in returns filing

The overall trend of return filing of monthly GSTR-3B and GSTR-1 returns as of August 2023 is given in **Table 2**.

Table 2
Trend of return filing of GSTR-1 and GSTR-3B

Financial Year	Number of returns to be filed		Number of returns filed by due date		Number of returns filed after due date		Total returns filed		Percentage of return Filing		Percentage of returns filed by due date	
	GSTR-3B	GSTR-1	GSTR-3B	GSTR-1	GSTR-3B	GSTR-1	GSTR-3B	GSTR-1	GSTR-3B	GSTR-1	GSTR-3B	GSTR-1
1	2	3	4	5	6	7	8	9	10	11	12	13
2017-18	19,62,881	12,92,941	9,09,610	7,77,820	8,54,866	2,75,185	17,64,476	10,53,005	90	81	52	74
2018-19	33,13,678	21,22,064	17,48,751	5,24,212	11,21,273	9,73,672	28,70,024	14,97,884	87	71	61	35
2019-20	38,54,767	24,57,947	20,60,332	5,59,667	13,95,134	11,54,743	32,99,465	17,14,410	86	70	62	33
2020-21	39,27,314	31,64,279	18,15,850	7,29,602	16,85,689	13,72,662	35,01,539	21,02,264	89	66	52	35
2021-22	37,70,781	37,70,781	22,80,785	10,17,872	11,35,729	22,02,926	34,16,514	32,20,798	91	85	67	32

(Source: GST website <https://www.gst.gov.in/download/gststatistics>)

The above statistics indicate that there has been a lag in filing of tax returns right from the beginning of GST implementation, more so in the filing of GSTR-1 as compared to GSTR-3B. The return filing percentages of GSTR-1 were less in comparison to the corresponding filing percentage of GSTR-3B. GSTR-1 filed by due date declined significantly from 74 per cent in the first year to about only 32 per cent in 2021-22. The gap in compliance between the filing of GSTR-1 and GSTR-3B, may aggravate mismatches in the tax information such as turnover, tax liability, and available ITC between GSTR-1 and GSTR-3B returns making compliance functions of the Department more complex and cumbersome.

2.3.6.2 Deficient monitoring mechanism on return filing

Out of sample of nine circles, six circles⁶ did not provide any information relating to non-filers of returns for the year 2017-18, three circles⁷ did not provide any information relating to non-filers of returns for the year 2018-19 and three circles⁸ did not provide such information for the year 2020-21. As a result, Audit could not verify the overseeing mechanism on return filing in these circles for the aforesaid periods.

⁶ Aurangabad, Gaya, Kadamkuan, Patna Central, Patna North and Sasaram.

⁷ Aurangabad, Gaya and Patna Central.

⁸ Patna North, Patna Special and Sasaram.

2.3.6.3 Lack of action on late-filers and non-filers

Section 46 of the BGST Act, 2017 read with Rule 68 of BGST 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. Filing of returns is related to payment of tax as the due date for both the actions are the same, which implies risk of non-payment of tax/penalty in the case of non-filers of returns.

During circle audit, it was noticed that out of 2,527 non-filers cases identified during 2018-19, GSTR-3A was issued only in 528 cases; out of 8,441 cases of non-filers identified during 2019-20, only in 3,172 cases, GSTR-3A was issued; and similarly, out of 14,931 cases of non-filers identified during 2020-21, only in 10,982 cases, GSTR-3A was issued.

The matter was reported to the Department (November 2022); the reply was awaited (November 2023).

2.3.6.4 Slow pace of scrutiny of returns

As per section 61 of the BGST 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. The Proper Officer designated for this purpose is the Circle Officer. Further, Rule 99 of the BGST Rules, 2017 mandates that the discrepancies, if any, noticed shall be communicated to the taxpayer to seek his explanation.

CBIC had circulated (March 2022) a Standard Operating Procedure (SOP) for scrutiny of returns for the years 2017-18 and 2018-19. However, the Commercial Taxes Department, Bihar did not issue any such specific SOP or detailed guidelines regarding GST returns scrutiny. The Department reiterated that monitoring of scrutiny mechanism is done by GST cell on the basis of certain criteria⁹.

Audit observed that, in nine test-checked circles¹⁰, scrutiny mechanism was deficient as 53,623 GST returns pertaining to 6,760 taxpayers were scrutinised by the Proper Officers during 2017-18 to 2020-21 though considering only the monthly returns in GSTR-3B and annual return in GSTR-9 of 6,760 taxpayers at least 3,31,240 returns were filed. Thus, 16 *per cent* returns were scrutinised

⁹ *Red Flag Reports sent by GSTN, Business Intelligence and Fraud Analytics (BIFA) reports, and other parameters i.e. turnover, liability, e-way bill generated by National Informatics Centre etc.*

¹⁰ *Aurangabad, Bhabhua, Gaya, Kadamkuan, Patliputra, Patna Central, Patna North, Patna Special and Sasaram.*

during 2017-18 to 2020-21 which was due to absence of the detailed SOP/ instructions in the Department. Further, Aurangabad Circle did not provide any information regarding scrutiny conducted during the years 2017-18 and 2018-19. The basis (risk based approach) on which these returns/taxpayers were selected for scrutiny is also not clear.

Recommendation 1: The Department may issue SOP or detailed guidelines for scrutiny of returns. Such an SOP should identify the risk based approach for selection for scrutiny, consistent with available manpower resources, the detailed procedures for conducting scrutiny and the documentation to be maintained and the timelines for conduct of scrutiny.

2.3.6.5 Delay in audit by tax authorities

As per the Section 65 of the BGST Act, 2017, the Commissioner or any officer authorised by him, by way of a general or a specific order, may 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 BGST Act, 2017, defines "Audit" as the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of 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.

The Department had started the internal audit of 1,717 taxpayers for the financial years 2017-18 and 2018-19 in May 2022. Audit sought (October 2022) information from the Department regarding status of internal audit conducted. However, information in this regard was not made available.

The matter was reported to the Department (November 2022); the reply was awaited (November 2023).

Recommendation 2: The Department needs to take prompt steps to undertake the audits under section 65 so that timely action could be initiated against the defaulters and recoveries could be effected to plug the revenue leakage. The basis/criteria for selection of taxpayers for such audit should also be clearly defined.

2.3.7 Oversight on tax payments

Compliance risk management is a continuous process demanding proactive action. With technology undergirding the entire process of return filing and tax administration, not only can the oversight on tax payments be maintained at different levels but a substantial part of it can also be non-intrusive and better targeted. The audit findings are discussed in the ensuing paragraphs:

2.3.7.1 Inconsistencies in GST returns- Centralised Audit

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 15 parameters, which can be broadly categorised into two domains, ITC and tax payments.

Out of the 13 prescribed GST returns¹¹, the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns and 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 ₹ 5 crores 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.
- 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.

¹¹ *GSTR-1, GSTR-3B, GSTR-4 (Taxpayers under the composition scheme), GSTR-5 (Non-resident taxable person), 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-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).*

The PAN State data analysis pertaining to State jurisdiction on the 15 identified parameters and extent of deviations/inconsistencies observed (i.e. sample for Centralised Audit) are summarised in **Table 3**.

Table 3
Summary of PAN state data analysis

Sl. No.	Parameter	Algorithm used	No. of deviations	Amount (₹ in crore)
Domain: ITC				
1	ITC mismatch between GSTR-2A and GSTR-3B	ITC available as per GSTR-2A with all its amendments was compared with the ITC availed in GSTR-3B in Table-4A(5) (accrued on domestic supplies) excluding the reversals Table-4B(2) but including the ITC availed in subsequent year 2018-19 from Table-8C of GSTR-9.	50	88.08
2	ITC mismatch on RCM	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, check was restricted within GSTR-3B, tax discharged in Table-3.1(d) vis-à-vis ITC availed in Table-4A(2) and 4A(3).	50	17.73
3	ITC mismatch on RCM without payment	RCM payments in GSTR-9, Table-4G (tax payable) was compared with ITC availed in GSTR-9, Table-6C, 6D and 6F. In cases where GSTR-9 was not available, RCM payment in GSTR-3B, Table-3.1(d) was compared with GSTR-3B, Table-4A(2) and 4A(3).	18	2.53
4	Incorrect availing of ISD credit	ISD transferred in GSTR-9, Table-6G or GSTR-3B, Table-4A(4) was compared with the sum of Table-5A, Table-8A, and Table-9A of GSTR-6 of recipient GSTINs.	25	3.52
5	Incorrect ISD credit reversal	GSTR-9, Table-7B/7H of the recipients was compared with sum of Table-8A (negative figures only) and Table-9A (negative figures only) of their GSTR-6 returns.	2	0.00
6	Unreconciled ITC in Table-12F of GSTR-9C	Positive figure in GSTR-9C, Table-12F and examination of reasons provided in Table-13 for mismatch.	25	24.59
7	Unreconciled ITC in Table-14T of GSTR-9C	Positive figure in GSTR-9C, Table-14T and examination of reasons provided in Table-15 for mismatch.	25	349.66
Domain: Tax payments				
8	Unreconciled taxable turnover in Table-5R of GSTR-9C	Negative figure in GSTR-9C, Table-5R and examination of reasons provided in Table-6 for mismatch.	50	6,842.12
9	Unreconciled taxable turnover in Table-7G of GSTR-9C	Negative figure in GSTR-9C, Table-7G and examination of reasons provided in Table-8 for mismatch.	34	395.64
10	Unreconciled taxable turnover in Table-9R of GSTR-9C	Negative figure in GSTR-9C, Table-9R and examination of reasons provided in Table-10 for mismatch.	50	29.05
11	Undischarged tax liabilities	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	163.48

Sl. No.	Parameter	Algorithm used	No. of deviations	Amount (₹ in crore)
12	Composition taxpayers availed e-commerce facility	E-commerce GSTR-8 became effective from 01.10.2018 when TCS provisions became effective. GSTINs declared in GSTR-8 who are also filing GSTR-4 under composition scheme.	16	0.00
13	GSTR-3B was not filed but GSTR-1 is available	Taxpayers who had not filed GSTR-3B but filed GSTR-1 or where GSTR-2A available, indicating taxpayers had carried the business without discharging tax.	25	1.60
14	Interest not paid for delayed payments	Interest calculated at the rate of 18 per cent on cash portion of tax payment on delayed filing of GSTR-3B vis-à-vis interest declared in GSTR-3B.	25	6.74
15	Stop filers of returns	The taxpayers who stopped filing returns for more than six consecutive tax periods and hence were liable for cancellation of their registration, the datasets pertaining to GSTR-3B, GSTR-1 and GSTR-2A were analysed.	3	0.00

2.3.7.2 Non-submission of reply by the Department

Audit selected a sample of 423 deviations/inconsistencies cases in 15 parameters for the year 2017-18 and the audit queries were issued to the respective circles during March to April 2022 without further scrutiny of taxpayer's records. The audit checks in these cases were limited to verifying the Department's action on the identified deviations/mismatches. Initial responses for 62 inconsistencies were yet to be received, as of March 2023, which represent a potential risk exposure of ₹ 98.08 crore as summarised in Table 4.

Table 4
Reply not received

Audit dimension	Audit queries issued		Department reply not received		Percentage	
	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)
ITC mismatch between GSTR-2A and GSTR-3B	50	88.08	3	3.65	6	2
ITC Mismatch on RCM	50	17.73	5	2.62	10	15
ITC Mismatch on RCM without payment	18	2.53	0	0.00	0	0
Unreconciled ITC in Table-12F of GSTR-9C	25	24.59	8	8.56	32	35
Unreconciled ITC in Table-14T of GSTR-9C	25	349.66	2	32.26	8	9
Unreconciled turnover in Table-5R of GSTR-9C	50	6,842.12	1	10.10	2	0
Unreconciled taxable turnover in Table-7G of GSTR-9C	34	395.64	3	9.60	9	1
Unreconciled tax liability in Table-9R of GSTR-9C	50	29.05	12	6.17	24	11
Incorrect availing of ISD credit	25	3.52	1	0.11	4	3
Interest not paid for delayed payments	25	6.74	9	2.78	32	43

Audit dimension	Audit queries issued		Department reply not received		Percentage	
	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)	No.	Amount (₹ in crore)
Undischarged tax liability	25	163.48	3	21.70	12	13
GSTR-3B not filed but GSTR-1 or 2A available	25	1.60	8	0.53	28	33
Composition taxpayers availed e-commerce facility	16	0.00	5	0.00	31	0
ISD reversals	2	0.00	0	0.00	0	0
Stop filers of returns	3	0.00	2	0.00	67	0
Total	423	7,924.74	62	98.08	265	165

Considering that the overall rate of conversion of inconsistencies into compliance deviations is significant as brought out in the next paragraphs, the Department is required to expedite verification of these cases as a priority. Details of these cases are listed in **Appendix 2.1** and top 10 cases are given in **Table 5**.

Table 5
Top 10 cases where response not received

(₹ in crore)			
Sl. No.	GSTIN	Circle	Mismatch amount
1.	10XXXXXXXXXX2Z0	Patna City East	27.73
2.	10XXXXXXXXXX1ZY	Hajipur	11.94
3.	10XXXXXXXXXX1Z2	Katihar	10.10
4.	10XXXXXXXXXX2Z0	Patna Special	8.08
5.	10XXXXXXXXXX1ZL	Patna Central	4.53
6.	10XXXXXXXXXX1ZP	Bagaha	3.95
7.	10XXXXXXXXXX1ZF	Aurangabad	3.16
8.	10XXXXXXXXXX1ZK	Katihar	3.01
9.	10XXXXXXXXXX1Z9	Katihar	2.63
10.	10XXXXXXXXXX1Z2	Forbesganj	2.03

Recommendation 3: The Department may pursue the 62 inconsistencies and deviations pointed out by Audit, for which responses have not been provided.

2.3.7.3 Results of Centralised Audit

Based on responses received from the Department to audit queries, the extent to which the 15 identified parameters translated into compliance deviations is summarised in **Table 6** as detailed in **Appendix 2.2**.

Table 6
Summary of deficiencies (₹ in crore)

Cases where reply received		Department's reply accepted by Audit				Compliance deviations																	
		Data entry errors		Action taken before query		Other valid explanations		Accepted by Department including cases where action is yet to be initiated				Department's reply not acceptable to Audit (rebuttal)		Total		Department reply not furnished with documentary evidence		Department stated they are examining the AQ					
No.	Amount	No.	Amount	No.	Amount	No.	Amount	Recovered		ASMT-10		SCN issued		Under correspondence with taxpayer		No.	Amount	No.	Amount	No.	Amount	No.	Amount
361	7,826.67	48	4,882.17	29	124.82	100	704.55	11	6.75	44	479.63	63	272.59	55	1,347.39	11	8.36	184	2,114.73	42	175.11	50	1,341.06

Summary of Centralised Audit

Audit noticed deviations from the provisions of the Act in 184 cases involving tax/ inconsistencies of ₹ 2,114.73 crore constituting 51 *per cent* of the 361 inconsistencies/ mismatches in data, for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as short/non-payment of interest, ITC mismatch, incorrect turnover declarations and short tax payments.

In 177 cases, constituting 49 *per cent*, where the Department's reply was acceptable to Audit, data entry errors by taxpayers comprised 48 cases, proactively taken action in 29 cases and in 100 cases, other valid explanations were provided.

In 50 cases, the Department stated that it was examining the underlying deviation of ₹ 1,341.06 crore and in 42 cases, the reply was not furnished with supporting documentary evidence, and was thus not amenable to verification by Audit.

Analysis of causative factors

Considering the Department's response to 361 cases out of the 423 deviations/ inconsistencies, the factors that caused the data deviations/inconsistencies are as follows:

A) Deviations from GST Law and Rules

Out of the 361 deviations summarised in **Table 6**, the Department has accepted the audit observations or initiated examination in 184 cases with tax effect of ₹ 2,114.73 crore. Out of these cases, the Department has recovered ₹ 6.75 crore

in 11 cases, issued SCN in 63 cases for ₹ 272.59 crore, issued notice conveying discrepancies to the taxpayer in Form ASMT-10 in 44 cases for ₹ 479.63 crore and was in correspondence with the respective taxpayers in 55 cases involving ₹ 1,347.39 crore. The top case under each dimension is given in **Table 7**.

Table 7
Top cases for each dimension of Centralised Audit

(₹ in crore)

Sl. No.	Dimension	GSTIN	Circle	Mismatch amount	Action taken
1	ITC mismatch between GSTR-2A and GSTR-3B	10XXXXXXXXXX1ZM	Motihari	6.02	ASMT-10 issued
2	ITC Mismatch on RCM	10XXXXXXXXXX1ZT	Shahabad	1.06	Action initiated
3	ITC Mismatch on RCM without payment	10XXXXXXXXXX1ZR	Buxar	0.17	DRC-01 issued
4	Unreconciled ITC in Table-12F of GSTR-9C	10XXXXXXXXXX1ZG	Patna Special	2.79	Proceeding in progress
5	Unreconciled turnover in Table-5R of GSTR-9C	10XXXXXXXXXX2ZD	Patna Special	977.72	Proceeding in progress
6	Unreconciled taxable turnover in Table-7G of GSTR-9C	10XXXXXXXXXX1ZS	Patna Central	96.23	Notice issued
7	Unreconciled tax liability in Table-9R of GSTR-9C	10XXXXXXXXXX2ZS	Patna South	1.59	DRC-01 issued
8	Incorrect availing of ISD credit	10XXXXXXXXXX1ZS	Patliputra	0.61	DRC-01 issued
9	Interest not paid for delayed payments	10XXXXXXXXXX1ZB	Patna South	0.45	DRC-01 issued
10	Undischarged tax liability	10XXXXXXXXXX1ZQ	Purnea	39.48	DRC-07 issued
11	GSTR-3B was not filed but GSTR-1 is available	10XXXXXXXXXX1ZZ	Patna Special	0.53	Proceeding in progress

Dimension wise audit findings under Centralised Audit is described below:

(I) Input Tax Credit mismatch between GSTR-2A and GSTR-3B

In 12 circles, 26 taxpayers, had availed input tax credit of ₹ 761.76 crore through GSTR-3B, whereas, input tax credit of ₹ 720.03 crore only was available in their GSTR-2A for the year 2017-18.

GSTR-2A is a purchase related dynamic tax return that is automatically generated for each business by the GST portal, whereas GSTR-3B is a monthly return in which summary of outward supplies along with ITC declared 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 ITC paid as per suppliers' details was matched with the ITC credit availed by the taxpayer. The methodology adopted was to compare the ITC available as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in Table-4A(5)¹² excluding

¹² All other eligible ITC.

the reversals in Table-4B(2)¹³ but including the ITC availed in the subsequent year 2018-19 from Table-8C of GSTR-9.

Audit observed that, 26 taxpayers under 12 circles¹⁴, had availed ITC of ₹ 761.76 crore¹⁵ through GSTR-3B whereas ITC of ₹ 720.03 crore only was available in their GSTR-2A for the year 2017-18. This resulted in mismatch of ITC availed amounting to ₹ 41.73 crore as detailed in **Appendix 2.3**.

On this being pointed out (March 2022), the Department replied (January 2023 to February 2023) that in five cases of four circles¹⁶, notice/ASMT-10/DRC-01 was issued, in 12 cases of four circles¹⁷, matter was included in the internal audit, in four cases of three circles¹⁸ DRC-07 were issued. The replies of the Department in five cases of four circles¹⁹ were not acceptable as they were not complete, inclusive or the detailed order was not made available.

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZM) under Motihari Circle had availed ITC worth ₹ 7.32 crore in Table-4A (5) of GSTR-3B, (excluding the reversals in Table-4B(2) from Table-4A(5) of GSTR-3B but including the ITC availed in the subsequent year 2018-19 from Table-8C of GSTR-9) whereas the ITC available as per GSTR-2A with all its amendments was only ₹ 1.30 crore. This resulted in mismatch of ITC availed amounting to ₹ 6.02 crore. In response to the audit query, the Department stated that ASMT-10 and reminders were issued.

Recommendation 4: The Department may initiate reconciliation of input tax credit and accordingly losses of revenue may be recovered.

(II) Input Tax Credit mismatch on Reverse Charge Mechanism

In 11 circles, 22 taxpayers had availed excess ITC under Reverse Charge Mechanism of ₹ 7.28 crore for the year 2017-18.

In 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 BGST Act, 2017 and under sub-section (3) or sub-section (4) of Section 5 of 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 Special Economic

¹³ Other ITC reversed.

¹⁴ Barh, Buxar, Gandhi Maidan, Motihari, Muzaffarpur West, Patliputra, Patna City East, Patna North, Patna South, Patna Special, Sasaram and Siwan.

¹⁵ ₹ 736.19 crore (ITC availed in Table-4A(2) of GSTR-3B) + ₹ 27.51 crore (ITC availed in Table-8C of GSTR-9) – ₹ 1.94 crore (ITC reversal in Table-4B(2) of GSTR-3B).

¹⁶ Buxar, Motihari, Patna City East and Siwan.

¹⁷ Gandhi Maidan, Muzaffarpur West, Patna South and Patna Special.

¹⁸ Barh, Patna North and Patliputra.

¹⁹ Muzaffarpur West, Patliputra, Patna Special and Sasaram.

Zone (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. The methodology adopted was to compare the RCM payments in GSTR-3B, Table-3.1(D)²⁰ with ITC availed in GSTR-9, Table-6C²¹, 6D²² and 6F²³. 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, Table- 4A(2)²⁴ and 4A(3)²⁵.

Audit observed that 22 taxpayers of 11 circles²⁶ had availed excess ITC under RCM of ₹ 7.28 crore for the year 2017-18 as detailed in **Appendix 2.4**.

On this being pointed out (March 2022), the Department replied (January 2023) that in two cases of Siwan Circle the amount had been recovered, in 13 cases of seven circles²⁷ the notices (ASMT-10/DRC-01) were issued to the taxpayers and in five cases of three circles²⁸ the action/proceedings were initiated. In one case of Muzaffarpur West Circle it was replied that the case had been dropped and in one case of Siwan Circle only short reply as 'no difference' was given but no supporting documents/evidence was provided.

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZT) under Shahabad Circle had availed ITC under RCM of ₹ 1.06 crore as declared in Table-6(D) of GSTR-9 return. However, the taxpayer had admitted nil tax liability under reverse charge in Table-3.1(d) of GSTR-3B return. Thus, the taxpayer had availed excess ITC under RCM of ₹ 1.06 crore. In response, the Department replied that action was initiated.

(III) Input Tax Credit mismatch on Reverse Charge Mechanism without payment of tax

Seven taxpayers of five circles had availed input tax credit of ₹ 1.03 crore under reverse charge mechanism for the year 2017-18 without discharging/ payment of reverse charge mechanism tax liability.

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

²⁰ Inward supplies (liable to reverse charge)

²¹ Inward supplies received from unregistered persons liable to reverse charge.

²² Inward supplies received from registered persons liable to reverse charge.

²³ Import of services.

²⁴ Import of services.

²⁵ Inward supplies (liable to reverse charge).

²⁶ Bhabhua, Danapur, Gandhi Maidan, Gaya, Jhanjharpur, Muzaffarpur West, Patna South, Patna West, Samastipur, Shahabad and Siwan.

²⁷ Bhabhua, Danapur, Gandhi Maidan, Gaya, Patna South, Patna West and Samastipur

²⁸ Danapur, Jhanjharpur and Shahabad.

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-4G²⁹ were 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)³⁰ were compared with GSTR-3B, Table- 4A(2)³¹ and 4A(3)³².

Audit observed that in five circles³³, seven taxpayers had availed ITC of ₹ 1.03 crore under RCM for the year 2017-18 without discharging/payment of RCM tax liability as detailed in **Appendix-2.5**.

On this being pointed out (March 2022), the Department replied (January 2023) that in all these cases, notices (ASMT-10/DRC-01) were issued to the taxpayers.

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZR) under Buxar Circle had availed ITC under RCM of ₹ 17.02 lakh as declared in Table-6(D) of GSTR-9. However, the taxpayer had paid nil tax under reverse charge as declared in Table-4G of GSTR-9. Thus, the taxpayer had availed ITC under RCM without making commensurate payment of tax. In response, the Department replied that the DRC-01 was issued.

(IV) Unreconciled Input Tax Credit in Table-12F of GSTR-9C

Five taxpayers of four circles had declared unreconciled input tax credit of ₹ 6 crore in Table-12F of GSTR-9C, being input tax credit claimed in annual return (GSTR-9) in excess of eligible input tax credit as per audited annual financial statements.

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 the Rule 80(3) of BGST Rules 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.

Audit observed that five taxpayers of four circles³⁴ had declared unreconciled ITC of ₹ 6 crore in Table-12F of GSTR-9C, being ITC claimed in annual return (GSTR-9) in excess of eligible ITC as per audited annual financial statements as detailed in **Appendix 2.6**.

²⁹ Inward supplies on which tax is to be paid on reverse charge basis.

³⁰ Inward supplies (liable to be reverse charge).

³¹ Import of services.

³² Inward supplies liable to be reverse charge other than import of goods and services.

³³ Bhabhua, Buxar, Danapur, Patna west and Siwan.

³⁴ Patliputra, Patna City West, Patna Special and Saharsa.

On this being pointed out (March 2022), the Department replied (January 2023 to February 2023) that in three cases of Patna City West and Saharsa Circles, ASMT-10 was issued and in one case of Patna Special Circle the proceeding was in progress. In one case of Patliputra Circle, the Department replied that the case was pending before the National Company Law Tribunal (NCLT).

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZG) registered in Patna Special Circle had claimed ITC worth ₹ 3.04 crore in GSTR-9 (as per Table-12E of GSTR-9C) whereas the taxpayer had availed ITC of ₹ 0.25 crore only as per financial statements (Table-12D of GSTR-9C). Thus, the taxpayer had availed excess ITC of ₹ 2.79 crore over the ITC availed as per audited financial statements which resulted in unreconciled ITC. In response to the audit query, the Department stated that proceeding was in process.

(V) Unreconciled turnover in Table-5R of GSTR-9C

Unreconciled turnover of ₹ 1,647.19 crore in 26 cases of 13 circles was declared in Table-5R of GSTR-9C for the year 2017-18.

Table-5 of GSTR-9C is the reconciliation of Gross Turnover (GTO) declared in audited annual financial statement with turnover declared in annual turnover (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 BGST 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.

Audit observed that in 26 cases of 13 circles³⁵, unreconciled turnover of ₹ 1,647.19 crore for the year 2017-18 was declared in Table-5R of GSTR-9C as detailed in **Appendix 2.7**.

On this being pointed out (March 2022), the Department replied (January 2023 to February 2023) that in 18 cases of 11 circles³⁶ notices (ASMT-10/DRC-01 or DRC-01A) were issued, in five cases of four circles³⁷, the taxpayers were selected for internal audit and in two cases of Patna City West Circle, the

³⁵ Bhabhua, Danapur, Gandhi Maidan, Kadamkuan, Patna Central, Patliputra, Patna City West, Patna North, Patna South, Patna Special, Patna West, Samastipur and Shahabad.

³⁶ Bhabhua, Danapur, Gandhi Maidan, Kadamkuan, Patna Central, Patliputra, Patna City West, Patna North, Patna South, Patna West and Samastipur.

³⁷ Shahabad, Patna Special, Patna south and Patna North.

registrations of the taxpayers were cancelled. In one case of Patna Special Circle, it was replied that out of unreconciled GTO of ₹ 977.72 crore, ₹ 39.28 crore only was taxable for which proceedings under Section 73 of BGST Act, 2017 were under process.

An illustrative case is highlighted below:

In the case of a taxpayer (GSTIN-10XXXXXXXXXX2ZD) under Patna Special Circle, unreconciled GTO of ₹ 977.72 crore for the year 2017-18 as declared in Table-5R of GSTR-9C was noticed, which was communicated to the Department. The Department replied (January 2023) that ₹ 938.44 crore out of unreconciled GTO of ₹ 977.72 crore pertained to administrative charges, terminal benefits, income on interest on saving bank accounts, loan/overdraft etc., and for the balance amount of ₹ 39.28 crore, proceeding under Section 73 of BGST Act, 2017 was being initiated. Further action was awaited (June 2023).

(VI) Unreconciled taxable turnover in Table-7G of GSTR-9C

Unreconciled taxable turnover for ₹ 294.73 crore was declared in Table-7G of GSTR-9C, in 26 cases of 15 circles.

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 the Rule 80(3) of BGST Rules in Form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in taxable turn over 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, short-reporting, omission, error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

Audit observed that, in 26 cases under 15 circles³⁸, there was unreconciled taxable turnover for ₹ 294.73 crore as declared in Table-7G of GSTR-9C as detailed in **Appendix 2.8**.

On this being pointed out (March 2022), the Department replied (January 2023 to February 2023) that in one case of Kadamkuan Circle the amount was recovered and in 20 cases of 11 circles³⁹ notices (ASMT-10/DRC-01) were issued. In four cases of four circles⁴⁰ it was replied that the taxpayers were selected for internal

³⁸ Aurangabad, Bettiah, Bhabhua, Gandhi Maidan, Kadamkuan, Motihari, Muzaffarpur West, Patna Central, Patna City West, Patna South, Patna West, Samastipur, Sasaram, Shahabad and Siwan.

³⁹ Aurangabad, Bettiah, Bhabhua, Kadamkuan, Motihari, Patna Central, Patna City West, Patna South, Patna West, Samastipur and Siwan.

⁴⁰ Muzaffarpur West, Sasaram, Shahabad and Gandhi Maidan.

audit and in one case of Patna City West Circle, the registration of taxpayer was cancelled and notice was issued.

An illustrative case is highlighted below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZS) under Patna Central Circle had declared unreconciled taxable turnover of ₹ 96.23 crore in Table-7G of GSTR-9C. In response, the Department stated (February 2023) that notice was issued to the taxpayer and further action is under process.

(VII) Unreconciled tax liability in Table-9R of GSTR-9C

Unreconciled payment of tax for ₹ 8.90 crore in Table-9R of GSTR-9C in 19 cases of 13 Circles.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of BGST Rules 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 the 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/BGST/IGST/Cess. There could 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.

Audit observed that, in 19 cases of 13 circles⁴¹, there was unreconciled payment of tax for ₹ 8.90 crore in Table-9R of GSTR-9C as detailed in **Appendix 2.9**.

On this being pointed out (March 2022), the Department replied (January to February 2023) that, in one case of Purnea Circle, the unreconciled tax amount was recovered, in 12 cases of seven circles⁴², notices (ASMT-10/DRC-01) were issued to the taxpayers and in one case of Patna Special Circle, the proceeding was in progress. In three cases of three circles⁴³, it was replied that the taxpayers were selected for internal audit and in two cases of Saran Circle, DRC-07 orders were issued.

An illustrative case is highlighted below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZU) under Saran Circle had unreconciled payment of tax of ₹ 0.42 crore (CGST-₹ 0.21 crore and SGST-₹ 0.21 crore) as declared in Table-9R of GSTR-9C. In response to the audit query, the taxpayer paid the unreconciled tax of ₹ 0.42 crore through DRC-03

⁴¹ Aurangabad, Bhabhua, Danapur, Gandhi Maidan, Jamui, Muzaffarpur West, Patliputra, Patna South, Patna Special, Patna West, Purnea, Saran and Siwan.

⁴² Aurangabad, Bhabhua, Danapur, Gandhi Maidan, Patna South, Patna West, Siwan.

⁴³ Danapur, Gandhi Maidan, Muzaffarpur West.

on 26 July 2022 and demand for payment of interest of ₹ 0.40 crore was issued by the circle.

(VIII) Incorrect availing of Input Service Distributor credit by the recipients

In nine circles, 14 taxpayers, had availed excess ISD credit for ₹ 2.43 crore for the year 2017-18.

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. The methodology adopted was to compare Table-6G⁴⁴ of GSTR-9 or Table-4A(4)⁴⁵ of GSTR-3B of the recipient taxpayers under the jurisdiction of this State with the sum of Table-5A⁴⁶, Table-8A⁴⁷ and Table-9A⁴⁸ of GSTR-6 of the respective ISD.

Audit observed that 14 taxpayers under nine circles⁴⁹, had availed excess ISD credit for ₹ 2.43 crore for the year 2017-18 as detailed in **Appendix 2.10**.

On this being pointed out (April 2022), the Department replied (January 2023 to February 2023) that in 10 cases of seven circles⁵⁰ notices (ASMT-10/DRC-01) were issued, in two cases of two circles⁵¹ the matter was included in internal audit and one case of Patna Special Circle was sub-judice in NCLT court. In one case of Patna Special Circle, it was replied that the difference was due to ISD credit was claimed by the taxpayer through TRAN-1 and the case was dropped. The reply was not acceptable as against ISD credit claim of ₹ 9.27 lakh, ITC of ₹ 5.23 lakh only was available in the TRAN-1 and TRAN-2 return filed by the taxpayer. Further, it was also observed that the demand in form DRC-07 for ₹ 19.43 lakh (including interest and penalty) was issued on 23 January 2023.

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZS) under Patliputra Circle, had availed ISD credit of ₹ 3.79 crore for the year 2017-18 as declared in Table-6(G) of GSTR-9, but ITC of ₹ 3.18 crore only was transferred by the ISD in Table (5A+8A+9A) of GSTR-6 return. This resulted in excess availing of ISD credit for ₹ 0.61 crore. When pointed out, the Department stated that DRC-01 was issued.

⁴⁴ ITC received from ISD.

⁴⁵ Inward supplies from ISD.

⁴⁶ Distribution of the amounts of eligible ITC for the tax period.

⁴⁷ Mismatch of ITC reclaimed and distributed.

⁴⁸ Redistribution of ITC distributed to a wrong recipient.

⁴⁹ Danapur; Gandhi Maidan, Motihari, Patliputra, Patna Central, Patna City East, Patna City West, Patna South and Patna Special.

⁵⁰ Danapur; Motihari, Patliputra, Patna Central, Patna City East, Patna City West and Patna South.

⁵¹ Gandhi Maidan and Patna Special.

(IX) Interest not paid for delayed payment

Section 50 of the BGST Act, 2017 stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made there under 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.

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 the GSTR-3B. Only the net tax liability (cash component) was considered to work out the interest payable.

Audit observed that, in 13 cases under nine circles⁵² the GSTR-3B returns pertaining to the months of July 2017 to March 2018 involving tax liability of ₹ 22.68 crore were filed with delay of 50 to 780 days. However, interest liability of ₹ 2.76 crore on delayed payment of tax was not paid by the taxpayers which resulted in outstanding interest liability of ₹ 2.76 crore as detailed in **Appendix 2.11**.

On this being pointed out (March 2022), the Department replied (January 2023) that in six cases of five circles⁵³ the amount was recovered, in four cases of four circles⁵⁴ notices were issued to the taxpayers and in two cases of Shahabad Circle action had been initiated. In one case of Patna City East Circle, it was replied that the taxpayer could not file the returns online due to technical glitches, but the tax amount was credited to the cash ledger. The reply was not acceptable as mere availability of credit could not be assumed as payment of tax liability unless it is debited for discharging the tax liability.

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZB) under Patna South Circle had filed GSTR-3B return pertaining to the month of March 2018 involving tax liability of ₹ 1.36 crore in March 2020 i.e., with delay of 691 days and paid the due taxes. However, interest of ₹ 44.80 lakh for delayed payment of tax was not paid by the taxpayer. In response, the Department stated that the DRC-01 has been issued.

(X) Undischarged tax liability

Mismatch of tax liability of ₹ 101.77 crore, in 14 cases of 11 circles, for the year 2017-18.

GSTR-1 depicts the monthly details of outward supplies of goods or services. This detail is also assessed by the taxpayer and mentioned in annual return

⁵² Begusarai, Gandhi Maidan, Hajipur, Patna City East, Patna South, Saran, Sasaram, Shahabad and Siwan.

⁵³ Begusarai, Gandhi Maidan, Hajipur, Sasaram and Siwan.

⁵⁴ Hajipur, Patna South, Saran and Sasaram.

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 GSTR-9 were also considered for this purpose. For the algorithm, Table- 4 to 11 of GSTR-1 and Table-4N, 10 and 11 of GSTR-9 were considered. The greater of the tax liability between GSTR-1 and GSTR-9 was compared with the tax paid declared in Table-9 and 14 of GSTR- 9 to identify the short payment of tax. In the case of GSTR- 3B, Table-3.1(a)⁵⁵ and Table-3.1(b)⁵⁶ were taken into account.

Audit observed that, in 14 cases of 11 circles⁵⁷, against the tax liability of ₹ 205.31 crore and tax paid amount was ₹ 103.21 crore only. This resulted in mismatch of tax liability of ₹ 101.77 crore for the year 2017-18 as detailed in **Appendix 2.12**.

On this being pointed out (March 2022), the department replied (January 2023 to February 2023) that the amount was recovered in one case of Patna Central Circle, in eight cases of eight circles⁵⁸, notices (ASMT-10/DRC-01) were issued to the taxpayers, in three cases of two circles⁵⁹, the taxpayers were selected for internal audit and in two cases of two circle⁶⁰, orders in form DRC-07 were issued to the taxpayers.

An illustrative case is highlighted below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZQ) under Purnea Circle had shown tax liability of ₹ 0.41 crore in GSTR-1 and ₹ 39.48 crore in GSTR-9 for the year 2017-18. However, the taxpayer had not paid his tax liability. This resulted in undischarged tax liability of ₹ 39.48 crore (greater of the tax liability between GSTR-1 and GSTR-9). In response, the Department replied (January 2023) that the DRC-07 was issued.

⁵⁵ *Outward taxable supplies (other than Zero Rated, Nil Rated and exempted).*

⁵⁶ *Outward taxable supplies (Zero Rated).*

⁵⁷ *Bhagalpur, Hajipur, Lakhisarai, Muzaffarpur West, Patliputra, Patna Central, Patna South, Patna Special, Purnea, Sasaram and Shahabad.*

⁵⁸ *Bhagalpur, Hajipur, Lakhisarai, Patliputra, Patna Central, Patna Special, Patna South and Shahabad.*

⁵⁹ *Muzaffarpur West and Sasaram.*

⁶⁰ *Patliputra and Purnea.*

(XI) Cases where GSTR-3B not filed but GSTR-1 available

In 11 circles, 12 taxpayers had filed GSTR-1 and declared tax liability of ₹ 0.91 crore for the year 2017-18, without filing GSTR-3B return.

Section 39 of the BGST Act, 2017, read with Rule 61(5) of the BGST Rules, 2017 provides for filing of GSTR-3B returns. At the data level, Audit attempted to identify those taxpayers who had not filed GSTR-3B but had filed GSTR-1 or whose GSTR-2A was available. GSTR-3B return is an instrument through which the liability is offset and ITC is availed. The very availability of GSTR-1 and GSTR-2A and non-filing of GSTR-3B indicated that the taxpayers had undertaken/carried on the business during the period but had not discharged their tax liability. The data relating to GSTR-1 and GSTR-3B were analysed, and those cases where GSTR-3B was not filed were extracted.

Audit observed that, 12 taxpayers under 11 circles⁶¹ had filed GSTR-1 and declared tax liability of ₹ 0.91 crore for the year 2017-18 but they had not filed GSTR-3B return. This resulted in undischarged tax liability of ₹ 0.91 crore. It was also observed that the registrations of these taxpayers were cancelled as detailed in **Appendix 2.13**.

On this being pointed out (March 2022), the Department replied (January 2023) that, in seven cases of seven circles⁶² notices/ASMT-10/DRC-01 were issued, in two cases of Patna North and Saran Circles, demand in DRC-07 was issued and in one case of Gaya Circle, the registration of taxpayer was cancelled as he had not deposited any tax as per cash/credit ledger. In one case of Patna Special Circle, it was replied that the proceedings were under process. In one case of Biharsharif Circle, the Department replied that no file related to taxpayer was available in the circle, which was not acceptable.

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZZ) under Patna Special Circle had admitted tax liability of ₹ 52.81 lakh in GSTR-1, but the taxpayer had not filed GSTR-3B return and did not pay tax. This resulted in undischarged tax liability of ₹ 52.81 lakh. In response, the Department replied that the proceedings were under process.

B) Cases where Department's reply is not acceptable to Audit

Out of the 184 non-compliance cases, Department had not accepted audit observation in 11 cases amounting to ₹ 8.36 crore as given in **Table 8**.

⁶¹ Aurangabad, Biharsharif, Danapur, Gandhi Maidan, Gaya, Hajipur, Patna City West, Patna North, Patna Special, Saran and Siwan.

⁶² Aurangabad, Danapur, Gandhi Maidan, Hajipur, Patna City West and Siwan.

Table 8
Cases where Department's response was rebutted

(₹ in crore)				
Sl. No.	GSTIN	Circle	Dimension	Mismatch amount
1.	10XXXXXXXXXX1ZJ	Patliputra	ITC mismatch	0.84
2.	10XXXXXXXXXX1Z3	Muzaffarpur West	ITC mismatch	4.03
3.	10XXXXXXXXXX1ZV	Sasaram	ITC mismatch	0.73
4.	10XXXXXXXXXX1Z4	Patna Special	ITC mismatch	1.13
5.	10XXXXXXXXXX1ZM	Muzaffarpur West	ITC mismatch	0.86
6.	10XXXXXXXXXX1ZK	Muzaffarpur West	Incorrect availing of ITC under RCM	0.20
7.	10XXXXXXXXXX1Z2	Siwan	Incorrect availing of ITC under RCM	0.23
8.	10XXXXXXXXXX1Z6	Patna City East	Non-payment of interest	0.20
9.	10XXXXXXXXXX1Z6	Patna Special	Incorrect availing of ISD credit	0.09
10.	10XXXXXXXXXX1ZE	Gaya	GSTR-3B not filed	0.04
11.	10XXXXXXXXXX1ZR	Biharsharif	GSTR-3B not filed	0.00
Total				8.35

An illustrative case is mentioned below:

Non-payment of interest liability of ₹ 0.20 crore arising out of delayed filing of GSTR-3B noticed in case of a taxpayer (GSTIN-10XXXXXXXXXX1Z6) under Patna City East Circle was communicated to the Department. The Department stated that, due to technical glitch the taxpayer could not file returns but the tax amount was credited to the cash ledger. The reply is not acceptable as discharge of liability is considered valid only, when there is a corresponding debit in the cash ledger. Since the tax liability was not set-off by due date, interest needs to be charged.

C) Data entry errors by taxpayers

Data entry errors constituted 13 *per cent* (48 out of 361 cases) of the total responses received and 27 *per cent* (48 out of 177 cases) of cases where the Department's responses were accepted by Audit. These data entry errors did not have any revenue implication. Most of the data entry errors related to RCM, ISD, turnover and tax paid (provided in GSTR-9C) as detailed in **Appendix 2.14**.

An illustrative case is brought out below:

A deviation amounting to ₹ 4,409.38 crore was identified as unreconciled turnover in Table-5R of GSTR-9C of a taxpayer (GSTIN-10XXXXXXXXXX2ZN) under Patna Special Circle and communicated to the Department. The Department replied that, the deviation was caused due to a typographical error. The taxpayer had erroneously indicated exempted supply of ₹ 489.93 crore instead of actual ₹ 4,899.31 crore in Table-5D of GSTR-9C.

The system allowed for such data entry errors, which could have been avoided with proper validation controls.

D) Action taken before issue of audit queries

As summarised in **Table 6**, the Department had already taken action in 29 cases, constituting eight *per cent* of the 361 responses received. Top five circles which had proactively addressed the deviations/inconsistencies are indicated in **Table 9**.

Table 9
Action taken before audit query

Circle	Action taken before audit query (No. of cases)	Total number of audit queries	Responses received (No. of cases)	Percentage of action taken before audit queries
Sasaram	4	13	13	31
Patna Central	3	30	16	10
Nawada	3	4	4	75
Bhabhua	2	18	18	11
Bhagalpur	2	11	8	18
Total	14	76	59	145

Recommendation 5: The Department should propose necessary validation controls/soft alerts to minimise occurrence of such data entry error to the GST Council.

2.3.7.4 Detailed Audit of GST returns

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 PAN State data analysis, a Detailed Audit of GST returns was also conducted as a part of this review. A risk based sample of 100 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. Based on desk review results, Detailed Audit was conducted in the 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.

Non-compliance by taxpayers at various stages ultimately impacts the veracity of returns filed, utilisation of ITC and discharge of tax payments. The audit findings are therefore categorised under: (I) Returns, (II) Utilisation of ITC and (III) Discharge of tax liability. The summary of Detailed Audit findings is given in **Table 10**.

Table 10
Summary of Detailed Audit findings

Sl. no.	Parameter	No. of deviations	Amount (₹ in crore)	Amount recovered (₹ in crore)
1.	Non-payment of interest by taxpayers	22	2.62	0.02
2.	Mismatch of ITC as per supplier's details with ITC availed by the taxpayers	44	60.58	0.25
3.	Unreconciled ITC between annual return and audited financial statement (Table-12F of GSTR-9C)	4	11.04	0
4.	Mismatch of excess ITC in GSTR-3B than declared in annual return (Table-6J of GSTR-9)	8	0.54	0
5.	Non/short payment of tax and discrepancy between ITC availed and payment made under reverse charge	6	2.12	0
6.	Short admittance of tax liability in GSTR-9/3B as compared to GSTR-1	8	0.90	0
7.	Short payment of Tax	19	7.22	0.02
Total		111	85.02	0.29

A) Scope limitation (partial production of records)

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. Audit requisitioned the granular records of the taxpayers through the respective circles such as the supplementary financial ledgers, invoices, agreement copies etc., for examining the causative factors for mismatches of ITC and tax liability. However, the Department did not produce the corresponding granular records in 79 cases. The circle-wise partial production of records is detailed in **Appendix 2.15** and five high risk cases of partial production of records are given in **Table 11**.

Table 11
High risk cases of partial production of records

GSTIN	Circle	Records not produced	Issues identified in desk review not examined	Mismatch amount (₹ in crore)
10XXXXXXXXXX1ZJ	Patna Special	Ledger of sundry creditors/ trade payables	Reversal of ITC if value of supply not paid within 180 days from the date of issue of invoice	212.86
10XXXXXXXXXX1ZU	Patna Special	Ledger of sundry creditors/ trade payables	Reversal of ITC if value of supply not paid within 180 days from the date of issue of invoice	55.63
10XXXXXXXXXX1ZQ	Patna North	Ledger of non-GST supply with sale invoices and sundry creditors/ trade payables	Non-GST supply was proper and reversal of ITC if value of supply not paid within 180 days from the date of issue of invoice.	15.39

GSTIN	Circle	Records not produced	Issues identified in desk review not examined	Mismatch amount
10XXXXXXXXXX2ZI	Buxar	Ledger of sundry creditors/ trade payables	Reversal of ITC if value of supply not paid within 180 days from the date of issue of invoice.	30.49
10XXXXXXXXXX4ZJ	Patna Special	Ledger of sundry creditors/ trade payables	Reversal of ITC if value of supply not paid within 180 days from the date of issue of invoice.	11.45

On this being pointed out in audit, the Proper Officers of seven circles⁶³ stated that, as regards the physical invoices, credit/debit notes and other books of accounts, it is not provided under the provisions of the GST Act, 2017 for taxpayers to furnish a physical copy in the jurisdictional office *suo moto* in the absence of any proceedings. The Proper Officers of 11 circles⁶⁴ stated that, the matter will be examined, while the Proper Officers of five circles⁶⁵ stated that, records available on GST portal have been provided. The Proper Officers of five circles⁶⁶ stated that, records will be sought from the taxpayers and will be made available to Audit. The Proper Officers of Gaya Circle did not reply.

The Department replied (January 2023) that, the above records were not readily available with the Department and the taxpayers furnish these records when audit under Section 65 of the Act is initiated.

I. Returns

The Detailed Audit of returns filed by a sample of 100 taxpayers disclosed that interest payments were not discharged by taxpayers which is brought out below:

a) Non-payment of interest by taxpayers

In 22 cases (including nine scrutinised cases) of 16 circles, taxpayers had filed their returns with delays of 1 to 1,060 days but the interest payments of ₹ 2.62 crore were not discharged.

As per section 50(1) of BGST Act, 2017, a taxpayer had to pay interest at the rate of 18 *per cent* per annum, if he failed to pay the tax or any part thereof within the stipulated period. 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 the GSTR-3B return. Only the net tax liability (cash component) was considered to work out the interest payable.

⁶³ Buxar, Jehanabad, Patliputra, Patna North, Patna Special, Shahabad and Siwan.

⁶⁴ Aurangabad, Bhagalpur, Darbhanga, Patna City East, Patna West, Raxaul, Saharsha, Saran, Sasaram, Sitamarhi and Tehra.

⁶⁵ Forbesganj, Kadamkuan, Nawada, Patna Central and Supaul.

⁶⁶ Bhabhua, Danapur, Gandhi Maidan, Muzaffarpur West and Patna South.

Audit observed in 22 cases (including nine scrutinised cases) of 16 circles⁶⁷, constituting 22 *per cent* of the 100 cases audited, that taxpayers had filed their returns with delay of 1 to 1,060 days but the interest payments were not discharged amounting to ₹ 2.62 crore as detailed in **Appendix 2.16**.

The top five cases are given in **Table 12**.

Table 12
Top five cases of non-payment of interest

(₹ in crore)			
Sl. No.	GSTIN	Circle	Amount involved
1.	10XXXXXXXXXX2ZI	Buxar	0.96
2.	10XXXXXXXXXX1Z7	Patliputra	0.64
3.	10XXXXXXXXXX1ZV	Aurangabad	0.36
4.	10XXXXXXXXXX1ZU	Patna Special	0.24
5.	10XXXXXXXXXX1Z3	Muzaffarpur East	0.08

On this being pointed out (May 2022 to August 2022), the Department replied (January 2023 to February 2023) that in one case of Supaul Circle, the amount was recovered, in 10 cases of seven circles⁶⁸, notices/order were issued, in two cases of two circles⁶⁹, action being taken, in three cases of three circles⁷⁰, taxpayers were selected for internal audit and in one case of Aurangabad Circle, hearing was under process. However, the section under which hearing was under process was not specified. In five cases of five circles⁷¹, the reply was awaited (June 2023).

Two illustrative cases are mentioned below:

- i. A taxpayer (GSTIN-10XXXXXXXXXX1Z7) under Patliputra Circle had tax liability of ₹ 2.70 crore for the year 2017-18 whereas he had paid tax of ₹ 1.29 crore only resulting in short payment of tax of ₹ 1.41 crore. It was observed that the taxpayer had paid the outstanding tax of ₹ 1.41 crore vide DRC-03 in November 2020 *i.e.*, with delay of 30 months. Thus, the taxpayer was liable to pay interest of ₹ 0.64 crore for delay payment of tax. When this was pointed out, the Department stated that, the DRC-01 was issued.
- ii. A taxpayer (GSTIN-10XXXXXXXXXX1ZV) under Aurangabad Circle, had filed the GSTR-3B returns for the month of March 2018 in March 2019 *i.e.*, with delay of 344 days. However, interest liability of ₹ 0.36 crore on delayed payment of tax of ₹ 2.10 crore was not discharged. When this was pointed out, the Department stated that the matter was under process.

⁶⁷ Aurangabad, Bhabhua, Buxar, Danapur, Forbesganj, Gaya, Kadamkuan, Muzaffarpur East, Muzaffarpur West, Patliputra, Patna North, Patna Special, Shahabad, Siwan, Sitamarhi and Supaul.

⁶⁸ Aurangabad, Buxar, Forbesganj, Gaya, Muzaffarpur West, Patliputra and Siwan.

⁶⁹ Patliputra and Shahabad.

⁷⁰ Danapur, Patna North and Patna Special.

⁷¹ Bhabhua, Kadamkuan, Muzaffarpur East, Patna North and Sitamarhi.

II. Utilisation of Input Tax Credit

Input Tax Credit means the Goods and Services Tax 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 input supplies can be used to set-off payment of taxes on outward supplies.

Section 16 and 17 of the BGST Act prescribe the eligibility and conditions to avail ITC. Credit of CGST cannot be used for payment of SGST/UTGST and credit of SGST/ UTGST cannot be utilised for payment of CGST. Rule 36 to 45 of the BGST Rules prescribes the procedures for availing and reversal of ITC.

a) Mismatch of Input Tax Credit as per supplier's details with Input Tax Credit availed by the taxpayers

Mismatch of ITC of ₹ 60.58 crore on input supplies received from various registered 44 taxpayers of 23 Circles.

Section 42 of the BGST Act, 2017 read with Rule 60 of BGST Rules, 2017 provides for matching, reversal and reclaim of ITC. Further, Section 44 of the Act read with Rule 80 of the Rules provides for filing of annual return. GSTR-2A is a purchase related dynamic tax return that is automatically generated for each business by the GST portal. When a supplier files GSTR-1 return, the information is captured in GSTR-2A. It takes the information of goods and services that have been purchased in a given month from the seller's GSTR-1. The ITC availability as per GSTR-2A should match with the ITC availed by the taxpayer through monthly GSTR-3B return or the annual GSTR-9 return.

Audit observed that 44 taxpayers of 23 circles⁷² availed ITC of ₹ 310.38 crore for the year 2017-18 through their GSTR-3B/9 but ITC of ₹ 249.60 crore only was available in GSTR-2A. Hence, there was a mismatch of ITC of ₹ 60.58 crore on input supplies received from various registered taxpayers as detailed in **Appendix 2.17**. Top five irregularities are given in **Table 13**.

Table 13
Top five cases of irregular availing of ITC

(₹ in crore)			
Sl. No.	GSTIN	Circle	Amount involved
1.	10XXXXXXXXXX1ZS	Patna Central	15.59
2.	10XXXXXXXXXX1ZN	Danapur	10.03
3.	10XXXXXXXXXX1ZM	Patliputra	9.95
4.	10XXXXXXXXXX1ZT	Patliputra	3.82
5.	10XXXXXXXXXX1ZR	Patna Special	3.01

⁷² Aurangabad, Begusarai, Bhabhua, Danapur, Forbesganj, Gandhi Maidan, Gaya, Gopalganj, Kadamkuan, Motihari, Muzaffarpur East, Muzaffarpur West, Patliputra, Patna Central, Patna City East, Patna North, Patna South, Patna Special, Samastipur, Saran, Sasaram, Shahabad and Sitamarhi.

On this being pointed out (May 2022 to November 2022), the Department replied (January 2023 to February 2023) that, in 19 cases of 11 circles⁷³ notices/orders were issued, in 13 cases of four circles⁷⁴ the taxpayers were selected for internal audit and in one case of Patliputra Circle the ITC was reversed. In 11 cases of eight circles⁷⁵ reply was awaited (March 2023).

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZM) registered under Patliputra Circle had availed ITC of ₹ 21.36 crore (excluding the reversals in Table-7(H) of GSTR-9 from Table-6B(5) of GSTR-3B but including the ITC availed in the subsequent year 2018-19 from Table-8C of GSTR-9) whereas the ITC available as per his GSTR-2A with all its amendments was ₹ 11.41 crore only. Thus, there was a mismatch in availing of ITC of ₹ 9.95 crore. In response, the Department stated that the DRC-07 was issued.

b) Unreconciled Input Tax Credit between annual return and audited financial statement

There was an unreconciled ITC of ₹ 11.04 crore in four cases of three circles in Table-12F of GSTR-9C for the year 2017-18.

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 the Rule 80(3) of BGST Rules in form GSTR-9C for the year 2017-18 was analysed to identify the mismatch in ITC declared in the annual return with the financial statements.

Audit observed that, in four cases of three circles⁷⁶ there was an unreconciled ITC of ₹ 11.04 crore in Table-12F of GSTR-9C for the year 2017-18. This unreconciled ITC was the difference between ITC availed as per annual return for ₹ 39.30 crore and ITC availed as per audited financial statements or books of accounts for ₹ 28.26 crore **Appendix 2.18**.

On this being pointed out (June 2022 to August 2022), the Department replied (January 2023) that in two cases of Patliputra Circle DRC-01A/DRC-7 were issued and in two cases of two circles⁷⁷, the taxpayers were selected for internal audit.

An illustrative case is mentioned below:

⁷³ Aurangabad, Begusarai, Forbesganj, Gaya, Motihari, Patliputra, Patna City East, Patna North, Saran, Samastipur and Sasaram.

⁷⁴ Danapur, Muzaffarpur West, Patna Special and Shahabad.

⁷⁵ Bhabhua, Gandhi Maidan, Gopalganj, Kadamkuan, Muzaffarpur East, Patna Central, Patna North and Sitamarhi.

⁷⁶ Danapur, Muzaffarpur West and Patliputra.

⁷⁷ Danapur and Muzaffarpur West.

A taxpayer (GSTIN-10XXXXXXXXXX1ZM) registered under Patliputra Circle had claimed ITC of ₹ 21.36 crore in GSTR-9 (as per Table-12E of GSTR-9C) whereas as per financial statements the taxpayer had availed ITC of ₹ 14.40 crore (as per Table-12D of GSTR-9C). This resulted in unreconciled ITC of ₹ 6.96 crore in Table-12F of GSTR-9C. In response, the Department stated that the DRC-07 was issued.

c) Mismatch of Input Tax Credit in GSTR-3B than declared in annual return

There was a difference of ₹ 0.54 crore in eight cases (unscrutinised) of eight circles, in availing of ITC as reflected in Table-6J of GSTR-9 return.

As per Rule 80(1) of the BGST Rule, 2017 every registered person, other than an Input Service Distributor, a person paying tax under Section 51 or Section 52, a casual taxable person and a non-resident taxable person, shall furnish an annual return in Form GSTR-9. ITC claimed through GSTR-3B gets credited to Electronic Credit Ledger (ECL) of the taxpayer. Table-6A of GSTR-9 is the sum total of ITC availed in GSTR-3B which is auto-populated and non-editable. Through Table-6B to 6H, the taxpayer provides bifurcation of the ITC availed in form of inputs, input services and capital goods. A comparison of these Tables with Table-6A of GSTR-9 indicates the possibility of excess ITC availing. Table-6J of GSTR-9 brings out the difference of 'ITC actually availed through GSTR-3Bs as reflected in Table-6A of GSTR-9' and 'aggregate of ITC availed as declared in Table-6I of GSTR-9'.

Audit observed that in eight cases (unscrutinised) of eight circles⁷⁸, there was a difference of ₹ 0.54 crore in availing of ITC as reflected in Table-6J of GSTR-9 return as detailed in **Appendix 2.19**.

The top five irregularities are given **Table 14**.

Table 14
Top five cases of excess availing of ITC

(₹ in crore)			
Sl. No.	GSTIN	Circle	Amount involved
1.	10XXXXXXXXXX1ZN	Danapur	0.20
2.	10XXXXXXXXXX1ZP	Gandhi Maidan	0.11
3.	10XXXXXXXXXX1ZN	Darbhangha	0.10
4.	10XXXXXXXXXX2ZG	Teghra	0.08
5.	10XXXXXXXXXX1Z6	Patna Central	0.03

On this being pointed out (June 2022 to August 2022), the department replied (January 2023 to February 2023) that in three cases of three circles⁷⁹ notices were issued and in one case of Danapur Circle was selected for internal audit. In one case of Gaya Circle, it was replied that excess ITC was not availed but

⁷⁸ Bhabhua, Danapur, Darbhanga, Gandhi Maidan, Gaya, Patliputra, Patna Central and Teghra.

⁷⁹ Darbhanga, Patliputra and Teghra.

copy of the order was not provided. In three cases of three circles⁸⁰ reply was awaited (March 2023).

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1ZN) under Danapur Circle had availed ITC of ₹ 84.95 crore under CGST/SGST/IGST as declared in Table-6A of GSTR-9, but in Table-6I of GSTR-9 the bifurcation of ₹ 84.75 crore only was provided. This resulted in mismatch of ITC of ₹ 0.20 crore as declared in GSTR-3B and annual return. In response, the Department replied that the taxpayer was selected for internal audit and the objection would be incorporated in the audit.

d) Non/short payment of tax and discrepancy between Input Tax Credit availed and payment made under reverse charge

Three taxpayers of Patna North and Patna Special Circles had availed ITC of ₹ 2.01 crore for the period 2017-18 but had paid tax of ₹ 0.04 crore only under reverse charge.

As per the provisions of Section 9(3) of BGST Act, 2017 and Section 5(3) of IGST Act, 2017, 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.

Audit observed that, three taxpayers of Patna North and Patna Special Circles had availed ITC of ₹ 2.01 crore for the period 2017-18 but had paid tax of ₹ 0.04 crore only under reverse charge. This resulted into discrepancy of ₹ 1.98 crore in availing of ITC as detailed in **Appendix 2.20(A)**. Further, three taxpayers of Hajipur, Jehanabad and Sasaram Circles had paid ₹ 2.80 crore during 2017-18 for goods transport service which was notified under reverse charge but the taxpayers not/short paid tax for ₹ 0.14 crore under reverse charge thereon as detailed in **Appendix 2.20(B)**. It was also observed that in all these cases, scrutiny under Section 61 was conducted and notices in ASMT-10 were issued but the above discrepancy was not pointed out in five cases and in one case, it was pointed out but not followed further resulting in non-payment of tax of ₹ 0.14 crore.

On this being pointed out (May 2022 to August 2022), the Department replied (January 2023) that in one case of Sasaram Circle the taxpayer was selected for internal audit and in one case of Jehanabad Circle tax amount was recovered with interest. In four case of three circles⁸¹, the reply was awaited (June 2023).

⁸⁰ Bhabhua, Gandhi Maidan and Patna Central.

⁸¹ Hajipur, Patna North and Patna Special.

III. Discharge of tax liability**a) Short admittance of tax liability in GSTR-9/3B as compared to GSTR-1**

The taxpayers had admitted short tax liability of ₹ 0.90 crore.

GSTR-1 depicts the monthly details of outward supplies of goods or services. This detail is also assessed by the taxpayer and mentioned in annual return GSTR-9 in the relevant columns. Further, taxable value and tax paid thereof is also shown in GSTR-3B.

Audit observed that, eight taxpayers (including three scrutinised cases) of eight circles⁸² for the year 2017-18, had declared tax liability for ₹ 26.62 crore in GSTR-1 whereas as per GSTR-9/3B, the taxpayers had admitted tax liability of ₹ 25.72 crore only. Thus, the taxpayers had admitted short tax liability of ₹ 0.90 crore as detailed in **Appendix 2.21**.

The top five irregularities are given in **Table 15**.

Table 15
Top five cases of short admittance of tax liability

(₹ in crore)			
Sl. No.	GSTIN	Circle	Amount involved
1.	10XXXXXXXXXX1Z7	Patliputra	0.34
2.	10XXXXXXXXXX1ZR	Forbesganj	0.30
3.	10XXXXXXXXXX1ZP	Gandhi Maidan	0.08
4.	10XXXXXXXXXX1ZC	Patna North	0.07
5.	10XXXXXXXXXX1ZG	Kadamkuan	0.05

On this being pointed out (May 2022 to August 2022), the Department replied (January 2023 to February 2023) that, in four cases of four circles⁸³ notices were issued to the taxpayers. In four cases of four circles⁸⁴, reply was awaited (March 2023).

An illustrative case is mentioned below:

A taxpayer (GSTIN-10XXXXXXXXXX1Z7) under Patliputra Circle had admitted tax liability of ₹ 86.31 lakh under CGST/SGST/IGST in GSTR-1 for the year 2017-18 whereas he had admitted tax liability of ₹ 52.27 lakh only in GSTR-9. Thus, the taxpayer has short admitted the tax liability of ₹ 34.04 lakh in annual return as compared to tax liability shown in GSTR-1. In response, the Department stated that DRC-07 was issued.

⁸² Forbesganj, Gandhi Maidan, Kadamkuan, Muzaffarpur East, Patna Central, Patna North, Patliputra and Sasaram.

⁸³ Forbesganj, Patna North, Patliputra and Sasaram.

⁸⁴ Gandhi Maidan, Kadamkuan, Muzaffarpur East and Patna Central.

b) Short payment of tax

Short payment of tax of ₹ 7.22 crore by 19 taxpayers (including three scrutinised/assessed cases) of 16 circles.

An annual return GSTR-9 contains the details of outward supplies of goods or services under various heads (CGST, SGST, IGST and Cess). GSTR-9C is a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited financial statements. Tax liability declared in GSTR-9/9C was compared with the tax paid as declared in Table -9 and 14 of GSTR-9.

Audit observed that, 19 taxpayers (including three scrutinised/assessed cases) of 16 circles⁸⁵ had admitted tax liability of ₹ 72.54 crore for the year 2017-18 in GSTR-9/9C, whereas as per Table-9 and 14 of GSTR-9, tax paid amount was ₹ 65.33 crore only. This resulted in short payment of tax of ₹ 7.22 crore as detailed in **Appendix 2.22**.

The top five irregularities are given in **Table 16**.

Table 16
Top five cases of short payment of tax

(₹ in crore)			
Sl. No.	GSTIN	Circle	Amount involved
1.	10XXXXXXXXXX2ZE	Muzaffarpur West	1.26
2.	10XXXXXXXXXX1ZK	Siwan	1.05
3.	10XXXXXXXXXX2Z7	Kadamkuan	0.84
4.	10XXXXXXXXXX1ZK	Shahabad	0.70
5.	10XXXXXXXXXX1ZG	Shahabad	0.68

On this being pointed out (May 2022 to August 2022), the department replied (January 2023 to February 2023) that, in nine cases of nine circles⁸⁶, notices were issued, in two cases of Shahabad Circle, action initiated and one case of Muzaffarpur West Circle, the taxpayer was selected for internal audit. In one case of Gaya Circle, it was replied that there was no short payment of tax but copy of the order was not provided. In six cases of five circles⁸⁷, the reply was awaited (June 2023).

An illustrative case is mentioned below:

It was observed that a taxpayer (GSTIN-10XXXXXXXXXX2ZE) under Muzaffarpur West Circle had declared tax liability of ₹ 32.72 crore in GSTR-1 however, as per Table-9 and 14 of GSTR-9, he had paid tax liability of ₹ 31.46 crore only. This resulted in short payment of tax amounting to ₹ 1.26 crore. In response, the Department stated that, the matter is being examined in internal audit.

⁸⁵ Bhabhua, Biharsharif, Darbhanga, Gaya, Gopalganj, Kadamkuan, Motihari, Muzaffarpur West, Patliputra, Patna Central, Patna South, Saharsa, Samastipur, Sasaram, Shahabad and Siwan.

⁸⁶ Biharsharif, Darbhanga, Gaya, Motihari, Patliputra, Saharsa, Samastipur, Sasaram and Siwan.

⁸⁷ Bhabhua, Gopalganj, Kadamkuan, Patna Central and Patna South.

c) Exclusion of supplies

Two taxpayers of Sasaram and Shahabad Circles had made taxable supplies of ‘transfer of business assets and scrap sales’ for ₹ 2.58 crore for the period 2017-18.

Section 7 of BGST Act, 2017 defines supplies 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 a consideration shall be treated as supply. Schedule II specifies treatment of certain activities or transactions as either supply of goods or supply of services.

Audit observed that, two taxpayers of Sasaram and Shahabad Circles had made taxable supplies of ‘transfer of business assets and scrap sales’ for ₹ 2.58 crore for the period 2017-18, but did not pay applicable tax thereon as given in **Table 17**.

Table 17
Non-payment of tax on taxable supply

			(₹ in crore)
Sl. No.	Name of the circle	GSTIN	Value of supply
1.	Sasaram	10XXXXXXXXXX1ZO	0.96
2.	Shahabad	10XXXXXXXXXX1ZK	1.62
Total			2.58

Further, it was observed that in one case of Sasaram Circle, scrutiny under Section 61 was conducted and notice (ASMT-10) issued but the above discrepancy was not pointed out in the notice.

The matter was reported to the Department (November 2022); the reply was awaited (June 2023).

Recommendation 6: The Department may initiate remedial action for all the compliance deviations brought out in this report before they get time barred.

2.3.8 Other oversight functions

The role of circles (departmental field formations) is to provide oversight over taxpayers’ compliance with regard to filing of returns, discharging tax liability and other compliance obligations. The oversight functions relating to return filing, action on late/non-filers and scrutiny have been discussed in the previous

sections of this report. This section highlights the audit findings on cancellation of registrations.

Section 29 of the BGST Act, 2017, read with Rule 20 of BGST Rules allows for cancellation of registration by the taxpayer in certain situations like closure of business, turnover falling below threshold for registration, transfer of business/ merger/ amalgamation, change of PAN, non-commencement of business within the stipulated time period, and death of the proprietor. The taxpayer applying for cancellation of registration should apply in REG-16 on the GST common portal within a period of 30 days of the “occurrence of the event warranting the cancellation”.

Section 29(2) of the Act allows for *suo moto* cancellation of the registration of taxpayer by tax officer on the grounds of contravention of the Acts or Rules by the taxpayer, composition taxpayers not filing return for three consecutive tax periods, normal taxpayers not filing return for continuous period of six months, registered persons not commencing business within six months from date of registration and registration obtained by means of fraud, willful misstatement or suppression of facts.

Section 45 of the BGST Act requires every registered person other than (a) ISD or a non-resident taxable person or (b) composition taxable person (Section 10) or (c) persons paying tax under section 51 - Tax Collection at Source (TCS) or persons paying tax under Section 52 - Tax Deducted at Source (TDS), whose registration has been cancelled, to file a final return in GSTR-10, within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. The purpose of the final return is to ensure that the taxpayer discharges the outstanding liability. In case of non-filing of GSTR -10, the same procedure as adopted for non-filing of any return must be followed by the tax officer.

Audit selected a sample of nine circles for evaluating the cancellation function and deficiencies noticed are brought out below:

2.3.8.1 Non/inadequate availability of information regarding cancellation of registration in the circles

The information regarding cancellation of registration i.e., number of applications received from taxpayers for cancellation, number of cancellations initiated on own motion by tax authorities *etc.*, were sought from nine selected circles. Out of nine circles, five circles⁸⁸ either did not provide any information or provided partial information regarding cancellation of registration of the defaulting taxpayers. This indicates that information regarding cancellation of registration was not properly available in the circles.

The matter was reported to the Department (November 2022); the reply was awaited (November 2023).

⁸⁸ Aurangabad, Bhabhua, Patliputra, Patna North and Patna Special.

Recommendation 7: The Department may strengthen the monitoring mechanism in circles and ensure that due diligence is followed in procedures for cancellation, issue of Show Cause Notices and recovery.

2.3.9 Inadequacy of manpower

For efficient functioning of the Department, proper manpower planning to meet its objectives and its proper deployment is necessary. The sanctioned and working strength in Commercial Taxes Department in respect of adjudicating authority (Dy. Commissioner/Assistant Commissioner, Commercial Taxes Officer/Assistant Commercial Taxes Officer) during pre-GST and post-GST is given in **Table 18**.

Table 18
Sanctioned and actual strength of manpower

Particulars	Number of taxpayers	Sanction strength	Actual strength	Vacant posts	Percentage of vacant post
Pre-GST period (as on 30 June 2017)	2,33,361	784	421	363	46
Post-GST period (as on 31 March 2022)	5,89,925	784	484	300	38

(Source: Information provided by the Commercial Taxes Department, Government of Bihar)

The table above shows that, the vacant posts in respect of adjudicating authority ranged between 38 *per cent* to 46 *per cent*. Further, in post-GST period number of taxpayers increased from 2,33,361 to 5,89,925 registering an increase of 153 *per cent* over pre-GST period. But, the number of adjudicating authorities/officers increased from 421 in pre-GST period to 484 in post-GST period, an increase of 15 *per cent* only. Thus, the increase in Proper Officers in post-GST era was not commensurate with increase in number of taxpayers.

2.3.10 Conclusion

The Subject Specific Compliance Audit on ‘Departments’ Oversight on GST Payments and Return Filing’ was undertaken in the context of varying trend of return filing and continued data inconsistencies with an objective 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 driven by data analysis, which highlighted risk areas, and rule based deviations and inconsistencies in GST returns filed for 2017-18. The SSCA entailed assessing the oversight functions of the State jurisdictional formations (circles) at two levels; at the data level through global data queries and at the functional level, which involved accessing taxpayer records. The audit sample comprised of nine circles, 423 high value inconsistencies across 15 parameters selected through global queries and 100

taxpayers selected on risk assessment for detailed audit of GST returns for the year 2017-18.

The Department did not issue detailed instructions/Standard Operating Procedure for scrutiny of returns. A review of the nine circles disclosed that documentation of essential oversight functions of the circles such as monitoring of return filing and taxpayer compliance was inadequate and were not amenable to evaluation.

Further, out of the 423 high value data inconsistencies identified by Audit, the Department responded to 361 cases. Of these, 184 cases constituting 51 *per cent*, turned out to be compliance deficiencies of ₹ 2,114.73 crore (including mismatch amount of ₹ 1,999.36 crore, revenue implication of ₹ 115.37 crore and amount recovered ₹ 6.75 crore). Mismatch amount indicates to revenue implication to Government exchequer. A relatively higher rate of deficiencies was noticed in short/non-payment of interest, ITC mismatch, incorrect turnover declarations and short payment of tax. Data entry errors caused the inconsistencies in 13 *per cent* of the cases and in eight *per cent* of the cases the Department had already taken proactive action. The Department not responded to 62 cases of inconsistencies, which has an identified risk exposure of ₹ 98.08 crore (including mismatch).

Detailed Audit of GST returns also suggested significant non-compliance. At the outset, granular records such as financial statements, invoices etc, were not produced in 79 cases out of a sample of 100 taxpayers, which constituted a significant scope limitation. Audit observed compliance deficiencies of ₹ 85.02 crore (including mismatch amount of ₹ 71.91 crore, revenue implication of ₹ 12.82 crore and amount recovered ₹ 0.29 crore). The main causative factors were availing of incorrect ITC, incorrect turnover declarations, non/short payment of interest on delayed payment of tax and short payment of tax.

2.3.11 Summary of recommendations

Considering the significant rate of compliance deficiencies, the Department must initiate remedial action for all the compliance deviations brought out in this report before they get time barred. Monitoring mechanism in circles needs to be strengthened to establish effective oversight on return filing, taxpayers' compliance, tax payments. The Department may propose necessary validation controls/soft alerts in GST returns to the GST council to curb data entry errors, enhance taxpayers' compliance and facilitate better scrutiny. The Department may issue SOP/detailed guidelines for scrutiny of returns and take prompt steps to undertake the audits under Section 65 so that timely action could be initiated against the defaulters and recoveries could be effected to plug the revenue leakage.

2.4 Legacy Issues

2.4.1 Loss of revenue due to non-deduction of TDS on supply of material

Due to non-deduction of TDS from the bills of suppliers under MGNREGA, the short admittance of tax liability could not be detected which led to a loss of revenue of ₹ 1.77 crore.

Section 51 of the Bihar Goods and Services Tax (BGST) Act, 2017, provides for deduction of tax at source, at the rate of one *per cent*, by Government agencies, departments and local authorities (the Deductor), from the payment made to the supplier (the Deductee) of taxable goods or services or both, where the total value of such supply, under a contract, exceeds ₹ two lakh and fifty thousand (excluding taxes). The amount of tax, deducted as TDS, under this Section, is to be paid to the Government, by the deductor, within 10 days after the end of the month in which such deduction is made.

Rules 12(1) and 12(2) of BGST Rules, 2017, provide that any person, required to deduct tax in accordance with the provisions of Section 51, is to obtain a registration under GST. Further, Rule 66(1) of the BGST Rules, 2017, provides that every registered person, required to deduct TDS under Section 51 of the BGST Act, 2017, shall furnish a return electronically (to the Commercial Taxes Department), through the common portal of GST.

Audit scrutiny (November 2022) of records made available by Programme Officers (POs) under the Mahatma Gandhi National Rural Employment Guarantee Act (MGNREGA), of all 11 blocks⁸⁹ of Banka District, revealed that the POs had neither registered themselves under GST, nor had they deducted TDS from the payments made to suppliers, on account of supplies made during F.Y. 2020-21. Audit further verified, the details of material supplied, GST collected by the suppliers from MGNREGA offices, at the block level and GST admitted by the suppliers in their GST returns. It was found that, 16 suppliers had admitted only ₹ 1.80 crore as tax liability in their GST returns, even though they had collected ₹ 3.57 crore on supplies of materials made under MGNREGA, in Banka District, during FY 2020-21. This had resulted in loss of revenue, amounting to ₹ 1.77 crore, as detailed in **Appendix 2.23**.

Had the POs registered themselves under GST and deducted TDS, as per provisions made under GST laws, the suppliers may not have been in a position to conceal their taxable turnover and tax liability. Such concealment was also indicative of the possibility of concealment of income, for computation of Income Tax, by these suppliers.

⁸⁹ *Amarpur, Banka, Barhat, Belhar, Bounsi, Chanand, Dhoraiya, Fullidumar, Katoria, Rajaun and Shambhuganj.*

The matter was reported (December 2022) to the Commercial Taxes Department and the Rural Development Department (RDD). In reply, the RDD stated (December 2022) that, as there was no provision for deduction of TDS on GST from the bills of material suppliers in the Management Information System of MGNREGA, compliance of the provision of GST could not be ensured so far. The reply from CTD was awaited (as of November 2023).

A teal-colored graphic of an envelope, centered on the page. The envelope is shown from a top-down perspective, with the flap folded down. The body of the envelope is a rounded rectangle, and the flap is a simple triangle pointing upwards.

**CHAPTER III
TAXES ON VEHICLES**

CHAPTER III: TAXES ON VEHICLES

3.1 Tax administration

The Transport Department levies and collects taxes on vehicles in the State, in terms of the Motor Vehicles (MV) Act, 1988; Central Motor Vehicles (CMV) Rules, 1989; Bihar Motor Vehicles Taxation (BMVT) Act, 1994 and BMVT Rules, 1994. The Department is headed by the Principal Secretary at the Government level and by the State Transport Commissioner (STC) at the apex level of the Department. The STC is assisted by two Joint State Transport Commissioners at the headquarters. The State is divided into nine Regional Transport Authorities¹ (RTAs) and 38 District Transport Offices. Motor Vehicle Inspectors (MVIs) assist them. The main function of the RTAs is to issue road permits to the vehicles and the responsibility of registration of motor vehicles, levy and collection of taxes, fees and grant of driving licenses are performed by the District Transport Officers (DTOs).

3.2 Results of audit

Audit test-checked records of seven², out of 49 units of the Transport Department during 2021-22. Audit scrutiny revealed non/short realisation of taxes, non-imposition of fees, fines & penalties and other irregularities involving ₹ 83.33 crore (55 observations). Details are shown in **Table 3.1**.

Table 3.1
Results of audit

Sl. No.	Category	No. of observations	Amount (₹ in crore)
1.	Non-levy and short levy of Motor Vehicle taxes	11	16.20
2.	Non-imposition of fees, fines and penalties	13	15.81
3.	Other cases	31	51.32
Total		55	83.33

Replies in respect of cases of 2021-22, and earlier years were not received (March 2023).

3.3 Non-realisation of fitness certificate renewal fee and testing fee due to non-renewal of fitness certificate of vehicles

Concerned DTOs did not ensure renewal of fitness certificate of 20,189 vehicles during January 2017 to March 2022. This resulted in non-realisation of ₹ 1.27 crore (testing fee: ₹ 86.94 lakh and fitness certificate renewal fee: ₹ 40.38 lakh).

Under Section 56 of the Motor Vehicle Act, 1988, read with Rule 62 of Central Motor Vehicle Rules, 1989 made thereunder, a transport vehicle shall not be deemed to be validly registered, unless it carries a certificate of fitness. As per

¹ Bhagalpur, Chhapra, Darbhanga, Gaya, Munger, Muzaffarpur, Patna, Purnea and Saharsa.

² DTOs: Aurangabad, Bhagalpur, Gaya, Katihar, Kishanganj, Madhubani and Patna.

notification (November 2018) of the Ministry of Road Transport and Highways (MoRTH), the fitness certificate granted, in respect of a newly registered transport vehicle, is valid for two years. It is required to be renewed after every two years, for vehicles up to eight years old and after one year, for vehicles older than eight years. MoRTH, vide notification dated 29 December 2016, prescribed a fitness certificate renewal fee of ₹ 200 for all categories of vehicles and testing fee of ₹ 400 for three wheelers, as well as light motor vehicles and ₹ 600 for heavy vehicles.

Audit examined (between April 2021 and May 2022), the details of vehicle, tax and fitness tables, in the *VAHAN* database, in eight DTOs³, in regard to transport vehicles (three wheelers, light goods vehicle (LGV), maxi/cab, e-rickshaw, goods carriage, tractor and bus). During examination, it was observed that 20,189 vehicles, out of the 43,196 test-checked vehicles, were without valid fitness certificates (between January 2017 and March 2022), although other taxes due had been realised. Expiry of the fitness validity in these cases, ranged between 16 to 1,946 days. The *VAHAN* software lacked any specific feature for preventing vehicle owners from paying taxes and getting permits issued/renewed, for unfit vehicles. Although, information regarding expiry of fitness of vehicles was available in the *VAHAN* software, the DTOs/MVIs concerned had not furnished a list of such vehicles to the Enforcement Wing of the Department for interception of the unfit vehicles. As such, the government could not realise revenue, amounting to ₹ 1.27 crore (testing fee of ₹ 86.94 lakh and fitness certificate renewal fee of ₹ 40.38 lakh), as detailed in **Appendix 3.1**. Further, plying of such unfit vehicles could not be ruled out.

Further, these DTOs had neither initiated any action for cancelation of the registrations/permits of these unfit vehicles, nor had they issued any notices to the owners of such vehicles, in this regard.

In reply, seven DTOs stated (July 2021 to May 2022) that necessary instructions would be issued to MVIs, for renewal of fitness certificates and lists of these vehicles would be made available to the Enforcement Wing, for necessary action. DTO, Nalanda, replied (June 2022) that action would be taken for renewal of fitness certificates, after verification.

It was observed that the DTOs/MVIs had not taken requisite action to prevent plying of these unfit vehicles on the road, or to augment the revenue due from such vehicles, on account of fitness certificate renewal fee, on the basis of the information available in the *VAHAN* software. Further, they had not taken timely action for mitigating the safety and environment related risks, posed by such vehicles.

The matter was reported to the department (November 2022); however, the reply was awaited (as of November 2023).

³ Aurangabad, Bhagalpur, Buxar, Gaya, Katihar, Kishanganj, Nalanda and Samastipur.

3.4 Non-realisation of penalty from transport vehicles for belated payment of One Time Tax

Penalty for belated payment of One Time Tax was neither calculated/levied by VAHAN software nor by the concerned DTOs in respect of 581 defaulting vehicles which resulted in non-levy/realisation of penalty for ₹ 1.05 crore.

Section 23 of the Bihar Motor Vehicle Taxation (BMVT) Act, 1994, read with Rule 4 (2) of the BMVT Rules, 1994, provides for levy of penalty (starting after 15 days of the due date), ranging between 25 per cent to 200 per cent of the tax due, in case of non-payment of tax within the due date.

Audit scrutinised (April 2021 to July 2022) the owner and tax tables of the VAHAN database, in nine DTOs⁴, for the period between May 2015 and August 2021, in regard to One Time Tax⁵ (OTT) paying transport vehicles (*viz.* tractor/three-wheeler/LGV/motor cab/e-rickshaw). During scrutiny, Audit observed that the owners of 581, out of 61,817 test-checked vehicles, had made payment of OTT, after periods ranging from 31 days to 584 days, between June 2015 and March 2021. Delayed payment of OTT attracts penalty as per Rules *ibid* and was duly mapped in the VAHAN software. However, neither VAHAN 2.0, nor VAHAN 4.0 (updated version of VAHAN 2.0, introduced in FY 2017-2018 in the State), could calculate and levy, the penalty for belated payment of One Time Tax. Further, the DTOs had also not calculated/levied and realised the penalty for belated payments of tax. Consequently, penalty for belated payment of OTT amounting to ₹ 1.05 crore, had not been levied or realised, as detailed in **Appendix 3.2**.

In reply, the concerned DTOs, while accepting the audit observation, stated (July 2021 to July 2022) that demand notices would be issued to realise the penalty. Although, the issue of non-auto calculation and levy of penalty, for belated payments of One Time Tax, by the VAHAN 2.0 software, had been highlighted in the Audit Report⁶ of the Comptroller and Auditor General of India, the department had not taken corrective measures and the issue persisted in VAHAN 4.0 also. The Department had also not made other proper alternative arrangements, to calculate/levy and realise the One Time Tax and penalty for its belated payment.

The matter was reported to the department (November 2022); however, the reply was awaited (as of November 2023).

⁴ Aurangabad, Banka, Bhagalpur, Buxar, Gaya, Katihar, Kishanganj, Samastipur and Sitamarhi.

⁵ Tax imposed for the life time of that vehicle, payable from the date of its registration.

⁶ Para 4.5 of the Report of the CAG of India on Revenue Sector for the year ended 31 March 2018 (Report No. 2 of 2019).

3.5 Non-realisation of Motor Vehicle Tax

Despite availability of information of non-payment of motor vehicles taxes by defaulter vehicle owners, the concerned DTOs did not monitor or review tax table of VAHAN to generate tax defaulter list. As a result demand notices were not issued by the DTOs to the tax defaulters and consequently tax and penalty for ₹ 22.16 crore remained unrealised.

As per Sections 5 and 9 of the BMVT Act, 1994, the owner of a registered commercial motor vehicle is required to pay annual motor vehicle taxes to the concerned taxing officer and, in case of change of residence/business, the vehicle owner can pay the tax to the new taxing officer, subject to the production of a No Objection Certificate (NOC) from the previous taxing officer. Rule 4(2) of the BMVT Rules, 1994, provides that the taxing officer impose penalty, at the rates ranging between 25 per cent to 200 per cent of the tax due, if the tax on a vehicle remains unpaid for more than 15 days. Section 6A of the BMVT (Amendment) Act, 2016, provides for levy of road safety cess, at the rate of one per cent of the annual motor vehicle taxes payable (except in case of vehicles liable to pay tax, as per Section 7 (1) of the BMVT Act, 1994).

Audit scrutinised (between April 2021 and May 2022) defaulter, owner and tax tables, in the VAHAN database, in nine DTOs⁷ and observed that annual/quarterly taxes were required to be paid by the owners of 6,761 transport vehicles (registered between March 2005 and December 2020). Out of these, the owners of 3,796 transport vehicles had not paid their motor vehicle tax, pertaining to the period between September 2016 and March 2022. In none of these cases, evidence of extenuating factors, such as change of address, surrender of RCs or non-plying of vehicles, in the jurisdiction of DTOs concerned, was found available on records.

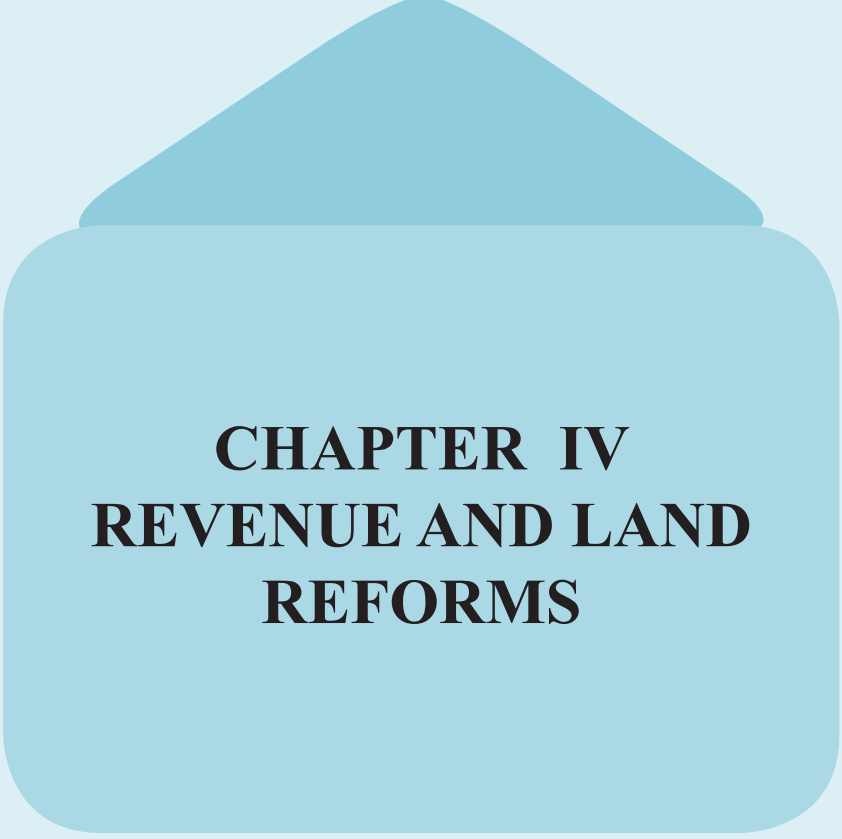
Although, the information regarding non-payment of motor vehicle taxes, by defaulter vehicle owners, was available with the DTOs, in the VAHAN database, they had not monitored or reviewed the tax table of VAHAN, to levy/realise the taxes, from the vehicle owners appearing in the defaulters' list. As such, the concerned DTOs had neither issued any demand notices to the defaulters, nor had they sent lists of these vehicles to the Enforcement Wing. Consequently, tax and penalty amounting to ₹ 22.16 crore (Road tax: ₹ 7.36 crore, Road Safety Cess: ₹ 7.36 lakh and Penalty: ₹ 14.72 crore) had remained unrealised, as detailed in **Appendix 3.3**.

On this being pointed out, seven DTOs replied (between April 2021 and June 2022) that demand notices for recovery of tax would be issued. DTO, Aurangabad, stated (January 2022) that, although demand notices were being issued regularly against the defaulters, in light of the audit observation, demand notices would be issued, after verification. DTO, Katihar, stated (February 2022)

⁷ Aurangabad, Bhagalpur, Buxar, Gaya, Katihar, Kishanganj, Nalanda, Patna and Samastipur.

that demand notices had been issued to the owners of these vehicles earlier and further demand notices would be issued, for recovery of the balance amount. However, the statement was not supported by any documentary evidences.

The matter was reported to the department (August 2022). In reply, it was stated that ₹ 1.15 crore had been recovered from the defaulter vehicle owners and demand notices had been issued to the remaining vehicle owners under jurisdiction of DTO, Patna. Reply in regard to the remaining eight DTOs was awaited (as of November 2023).



**CHAPTER IV
REVENUE AND LAND
REFORMS**

CHAPTER IV: REVENUE AND LAND REFORMS

4.1 Tax administration

The Revenue and Land Reforms Department acquires and alienates land and levies and collects land revenue in Bihar. The Collector of a district, who is assisted by the District Land Acquisition Officer (DLAO), is responsible for the land acquisition.

The Principal Secretary-cum-Commissioner is the administrative head and assisted by three Directors and Special Secretary, Joint Secretary, Deputy Secretary at the headquarters level. The Divisional Commissioners, Collectors, Additional Collectors, District Land Acquisition Officers (DLAOs), Deputy Collectors and Circle Officers, at the Block level, are responsible to carry out the work at the field level. Circle officers are responsible for maintenance of land records and collection of land revenue.

4.2 Results of audit

During 2020-21, Audit test checked records of 50, out of 961 units of the Revenue and Land Reforms Department. Audit scrutiny revealed non-settlement of *Sairats*¹ and other irregularities involving ₹ 24,613.19 crore in 372 cases as shown in Table 4.1.

Table 4.1
Results of Audit

Sl. No.	Category	No. of observations	Amount (₹ in lakh)
1.	Non-fixation of <i>Salami</i> ² and commercial rent	2	7,933.80
2.	Non-settlement of <i>Sairats</i>	4	108.32
3.	Other cases	366	24,53,276.50
	Total	372	24,61,318.62

The Department neither accepted any cases nor effected any recovery during 2021-22. The replies in respect of all the cases of 2021-22 and those of earlier years were awaited (November 2023).

4.3 Land owners deprived of the benefits of rehabilitation and resettlement

Due to non-disbursement of one-time payment of ₹ 5,00,000, 41 affected families were deprived of an Rehabilitation and Resettlement entitlement and leviable interest for ₹ 2.59 crore.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013, provides for payment of compensation towards Rehabilitation and Resettlement (R and R), to affected families, for acquisition of their land. As per Section 31 of the

¹ The rights and interests in respect of revenue earning hat, bazaar, mela, trees, fisheries, jalkars, falkars, ferries etc.

² A lump payment, made to the proprietor of land, by the settlee of such land for commercial or agriculture purpose, as the case may be.

Act *ibid*, the Collector is required to pass the R and R award for each affected family, in terms of the entitlements provided in the Second Schedule, which include amounts for: (i) construction of house: ₹ 1,50,000 (ii) purchase of land: ₹ 60,000 (iii) choice of employment or annuity or one-time payment: ₹ 5,00,000 (iv) subsistence grant for displaced families: ₹ 36,000 (v) transportation cost: ₹ 50,000 (vi) cattle shed/petty shop cost: ₹ 25,000 and (vii) one-time resettlement allowance: ₹ 50,000 *etc.* As per Section 80 of the RFCTLARR Act, 2013, when the compensation is not paid before taking possession of the land, the collector shall pay with interest thereon at the rate of nine *per cent* per annum and after expiry of the said period of one year, interest at the rate of 15 *per cent* per annum, on the amount of compensation or part thereof.

During test-check (October 2021) of records of DLAO, Samastipur, relating to a project³, it was found that the award for the R and R of 41 displaced families⁴ of three revenue villages, was approved by the Commissioner, Darbhanga Division, Darbhanga. Audit observed that, all the elements of R and R entitlements, except choice of employment or annuity or one-time payment for ₹ 5,00,000, had been disbursed to the affected families. Since the choice of employment or annuity was not given to the affected families, ₹ five lakh should have been disbursed to each of them. As such, 41 affected families were deprived of an R and R entitlement, amounting to ₹ 2.05 crore and leviable interest (up to 31.03.2023) of ₹ 0.54 crore⁵.

On this being pointed out, DLAO, Samastipur, stated (November 2021) that Audit would be intimated after getting directions from the department⁶ and compliance would be made thereafter. The reply was not acceptable, as the provisions of the Act had not been followed and the affected families had been deprived of the entitlement.

The matter was reported to the department (November 2022); however, the reply was awaited (as of November 2023).

Recommendation 1: The Department may ensure payment of R and R, considering all the required components.

4.4 Short calculation of Solatium

Application of incorrect calculation method resulted in short levy of Solatium and leviable interest of ₹ 6.40 crore leading to their short payment to landowners.

As per Section 30(1) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013, the

³ Proposed four lane bridge and four lane access road on the river Ganga connecting Karjan village to Tajpur village at NH-28 in the proposed bypass of NH-31.

⁴ 22 of Ashadhi, Nine of Chaksaho and 10 of Amritpur Mauja.

⁵ Calculation: Ashadhi (₹ 36,25,479 interest for 948 days), Amritpur Mauja (₹ 17,97,945 interest for 1,021 days).

⁶ Revenue and Land Reforms Department.

Collector, having determined the total compensation to be paid, shall, to arrive at the final award, impose a “Solatium⁷” equivalent to one hundred *per cent* of the compensation amount. As per point no. 5 of the First Schedule of the Act, the Solatium, which is equivalent to one hundred *per cent* of the market value of the land, multiplied by the factors specified in the First Schedule of the Act, plus the value of the assets⁸ attached to the land, is payable to the land owners. As per Section 80 of the RFCTLARR Act, 2013, when the compensation is not paid before taking possession of the land, the collector shall pay with interest thereon at the rate of nine *per cent* per annum and after expiry of the said period of one year, interest at the rate of 15 *per cent* per annum, on the amount of compensation or part thereof.

Audit test-checked (June 2022) the records of land acquisition, relating to the Indo-Nepal Border Road Project (From Jhauri Chowk to Mahadev Math and Jaynagar to Wardiwas Rail line Project), maintained in the office of the DLAO, Madhubani. During test-check, Audit observed that, the DLAO had not considered the value of assets attached to the land, while calculating the Solatium. The incorrect calculation by the DLAO resulted in short levy of Solatium of ₹ 3.47 crore and leviable interest of ₹ 2.93 crore leading to short payment to land owners of nine *Maujas*⁹, as detailed in **Appendix 4.1**.

On this being pointed out DLAO, Madhubani, stated (June 2022) that after examining the issue, the amount of Solatium would be sought from the Agency/ Department.

The matter was reported to the department (November 2022); however, the reply was awaited (as of November 2023).

Recommendation 2: The Department may consider the value of assets attached to the acquired land, while calculating the correct amount of Solatium.

4.5 Short payment of additional compensation

Short payment of additional compensation and leviable interest of ₹ 16.73 crore to the landowners due to incorrect calculation.

Section 23(1A) of the Land Acquisition Act, 1894, read with Section 30(3) of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013, provides for payment of additional compensation, at the rate of 12 *per cent* per annum, of the market value of the land, from the date of publication of notification of the Social Impact Assessment (SIA) study, till the date of the award of the Collector, or the date of taking possession of the land, whichever is earlier. As per Section

⁷ A component of the compensation payable to landowners.

⁸ Residential house, shop, tree etc.

⁹ *Mauja*: a village, recognised and mapped separately, at the time of revenue survey, vide Section 3(10) of the Bengal Tenancy Act, 1885.

80 of RFCTLARR Act, 2013, when the compensation is not paid before taking possession of the land, the collector shall pay with interest thereon at the rate of nine *per cent* per annum and after expiry of the said period of one year, interest at the rate of 15 *per cent* per annum, on the amount of compensation or part thereof.

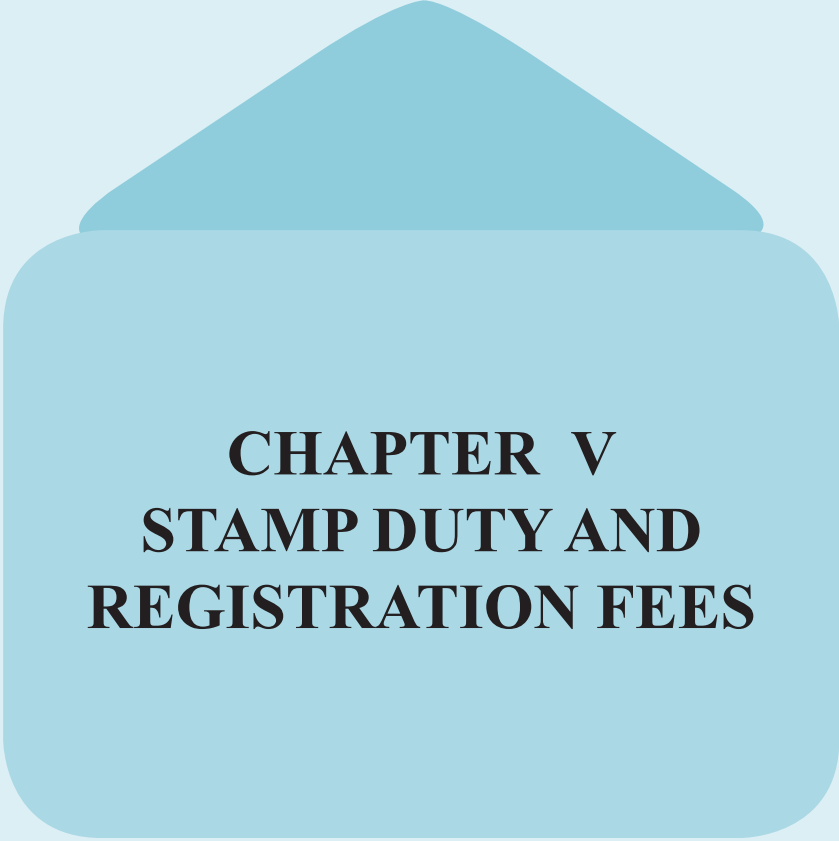
Test-check of the records of five projects¹⁰, in 81 *maujas*, of two districts, between November 2021 and March 2022, revealed that the DLAOs, while calculating the additional compensation, had not considered the correct dates of possession of land/dates of award. The incorrect calculations had resulted in short calculation of additional compensation, amounting to ₹ 11.87 crore and leviable interest of ₹ 4.86 crore, as detailed (project-wise) in **Appendices 4.2, 4.3 and 4.4**.

On this being pointed out, DLAO, Araria and DLAO, Rohtas, replied (March 2022 and November 2021, respectively) that, appropriate action would be taken, after verifying the matter, under intimation to Audit.

The matter was reported to the department (November 2022); however, the reply was awaited (as of November 2023).

Recommendation 3: The Department may ensure that, the correct date (date of taking possession of the land or date of award, whichever is earlier) is considered, while calculating the additional compensation, to avoid short payment.

¹⁰ 1. Dedicated Freight Corridor Rail Flyover-I construction project of DLAO, Rohtas (Sasaram); 2. Dedicated Freight Corridor Rail Flyover-II construction project, of DLAO, Rohtas (Sasaram); 3. Dedicated Freight Corridor Road Over Bridge construction project, of DLAO, Rohtas (Sasaram); 4. Indo-Nepal border project, and 5. 56th Battalion Sashastra Seema Bal, Bathnaha project, of DLAO, Araria.

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**CHAPTER V
STAMP DUTY AND
REGISTRATION FEES**

CHAPTER V: STAMP DUTY AND REGISTRATION FEES

5.1 Tax administration

Levy and collection of Stamp Duty and Registration fees in the State is governed by the provisions of the Indian Stamp Act, 1899; Registration Act, 1908; Bihar Stamp Rules, 1991 and Bihar Stamp (Prevention of Undervaluation of Instruments) Rules, 1995.

The Prohibition, Excise and Registration Department (Registration) is headed by the Inspector General, Registration (IGR). The Department functions under the administrative control of the Additional Chief Secretary/ Principal Secretary of the Registration Department. The IGR is assisted by an Additional Secretary, two Deputy Inspector Generals (DIGs) and four Assistant Inspector Generals (AIGs) at the headquarters level. Further, there are nine Assistant Inspector Generals (AIGs), at the divisional level. At the field level, 38 District Sub-Registrars (DSRs), 88 Sub-Registrars (SRs) and 26 Joint Sub-Registrars (JSRs), at the districts/primary units, are responsible for levy and collection of Stamp Duty and Registration Fees.

5.2 Results of audit

During 2021-22, Audit test-checked records of 37, out of 161 units of the Registration Department and observed irregularities involving ₹ 110.14 crore in 307 cases, falling under the categories detailed in **Table 5.1**.

Table 5.1
Results of Audit

Sl. No.	Category	No. of cases	Amount (₹ in lakh)
1.	Blocking of Government revenue due to non-disposal of referred cases	21	870.15
2.	Blocking of Government revenue due to non-disposal of impounded cases	14	190.85
3.	Short levy due to misclassification of documents	161	3,228.99
4.	Other cases	111	6,723.71
Total		307	11,013.70

During 2021-22, the department accepted underassessment and other deficiencies of ₹ 2.61 crore in 195 cases and recovered ₹ 0.94 crore in 22 cases, pointed out during 2021-22. The replies in the remaining cases of previous years and all cases of 2021-22 were not received (November 2023).

5.3 Short realisation of Stamp Duty and Registration Fee due to undervaluation of land

Five Registering Authorities failed to detect undervaluation of land in eight instruments executed during October 2020 to June 2022 which resulted in short realisation of Stamp Duty and Registration Fee of ₹ 1.25 crore.

Section 47(A) of the Indian Stamp (IS) Act, 1899, provides that where the registering authority has reason to believe that the market value of the property has not been rightly set forth in the instrument, he may refer the same, to the Collector, for determination of the market value of such property.

In Bihar, land is categorised as commercial, residential, irrigated *etc.* The rate of land is determined, ward/circle-wise, in every district, on the basis of the category of land. The minimum value of land is to be fixed, in every district, every year, on the recommendation of the District Valuation Committee, established for this purpose. The committee is to function under the overall guidance and supervision of the Central Valuation Committee, constituted at the State level.

During scrutiny (October 2021 to August 2022) of instruments executed (October 2020 to June 2022) in three DSR¹ and two SRs², it was observed that, in eight instruments (six sale deeds, one lease deed and one development agreement deed), the concerned DSR/SR, either did not detect splitting of land or applied incorrect rate of Stamp Duty (SD) and Registration Fee (RF). These irregularities resulted in undervaluation of property/instrument and consequent short levy of SD and RF, amounting to ₹ 1.25 crore, as detailed in **Appendix 5.1**.

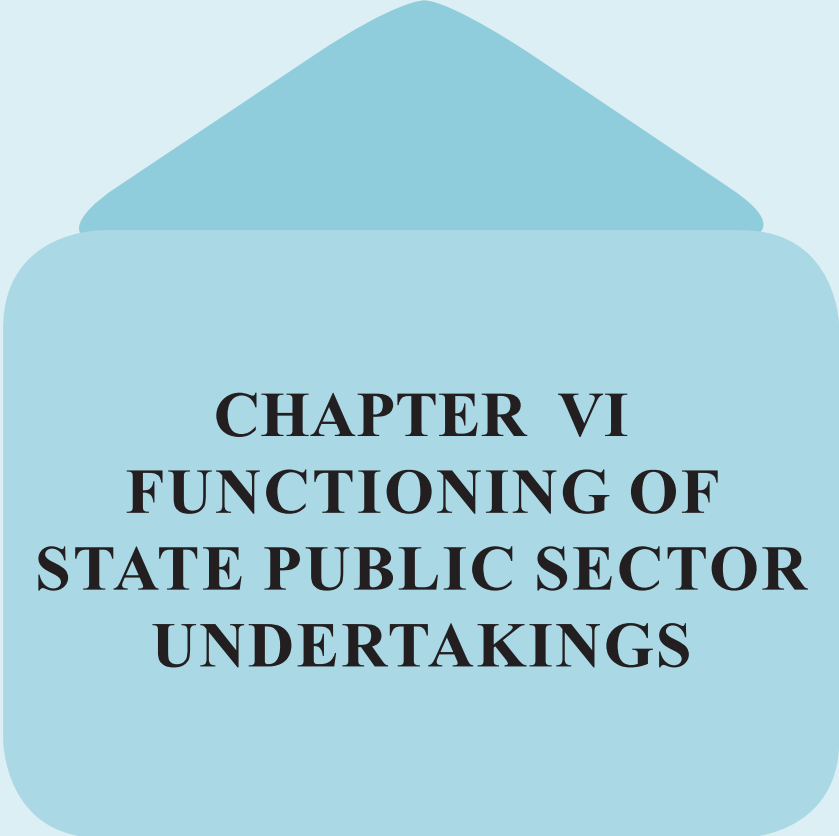
On this being pointed out (October 2021 to June 2022), the DSRs/SRs concerned stated (October 2021 to June 2022): (i) that on the basis of the verification reports, demand notices had been issued to the concerned and (ii) in one case, SR Dehri, Rohtas, stated that the action will be taken after verification. Further, the department stated that DSR, Patna City, had made recovery of ₹ 26.14 lakh.

¹ Aurangabad, Patna and Muzaffarpur.

² Patna City and Dehri, Rohtas.



**PART B
PUBLIC SECTOR
UNDERTAKINGS**



**CHAPTER VI
FUNCTIONING OF
STATE PUBLIC SECTOR
UNDERTAKINGS**

CHAPTER VI: FUNCTIONING OF STATE PUBLIC SECTOR UNDERTAKINGS

6.1 Introduction

This Chapter presents the summary of financial performance of Government Companies, Statutory Corporations and Government controlled other Companies in Bihar. In the Chapter, the term State Public Sector Undertakings (PSUs) encompasses those Government companies in which the direct holding of the State Government is 51 *per cent* or more and the subsidiaries of such Government companies. The Statutory Corporations set up under statutes enacted by the State Legislature and other companies owned or controlled, directly or indirectly by the State Government have also been categorized as PSUs.

Besides, any other company owned or controlled, directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Chapter as Government controlled other Companies.

The total number of PSUs in the State as on March 2022 was 77¹ which included 37 functional PSUs and 40 non-functional PSUs. Whereas based on the latest accounts finalized up to the last three years *i.e.*, 2019-20, 2020-21 and 2021-22, the number of PSUs being covered in this Chapter is 16 (15 Government Companies and one Statutory Corporation). Remaining 61² PSUs whose accounts were in arrears for three years or more or were defunct / under liquidation or first accounts were not received, have not been covered in this Chapter.

6.2 Summary of Financial Performance of State Public Sector Undertakings

6.2.1 Mandate

Audit of Government Companies and Government controlled other Companies is conducted by the CAG under the provisions of Section 143(5) to 143(7) of the Companies Act, 2013, read with Section 19 of the CAG's (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations made thereunder. Under the Companies Act, 2013, the CAG appoints the Chartered Accountants as Statutory Auditors for Companies and directs them, the manner in which the accounts are to be audited. In addition, CAG has mandate to conduct a supplementary audit of the PSUs. The statutes governing some of the Statutory Corporations require their accounts to be audited only by CAG.

¹ The total number of PSUs in the State as on March 2021 was 79. During the year 2021-22, out of 79, two PSUs *viz.* Bihar State Cement Corporation Limited (*strike off*) and Bhawani Active Carbon Limited (*ceased to be a Government Company*) have been omitted.

² Out of 61, nine PSUs including eight non-functional PSUs have not submitted/finalised their first accounts and the accounts of remaining 52 PSUs, which included 36 non-functional PSUs, were in arrears for three years or more.

6.2.2 What this Chapter Contains

This Chapter provides an overall picture of the financial performance of the State Government Companies, Statutory Corporations and Government controlled other Companies as revealed from their accounts.

6.2.3 Number of PSUs

As on 31 March 2022, out of 77 Public Sector Undertakings³, summary of financial performance and nature of 16 PSUs, covered in this Chapter, are indicated in **Table 6.1**.

Table 6.1
Coverage and Nature of PSUs covered in this Chapter

Nature of PSUs	Total No. of PSUs	No. of PSUs covered in the Chapter				No. of PSUs not covered in this Chapter	No. of PSUs whose accounts are in arrear
		Accounts up to					
		2021-22	2020-21	2019-20	Total		
Functional Government Companies	30	1	8	5	14	16	29
Functional Statutory Corporations	3	0	0	1	1	2	3
Total Government Companies/ Corporations	33	1	8	6	15	18	32
Government Controlled Other Companies	4	0	0	0	0	4	4
Total functional PSUs	37	1	8	6	15	22	36
Non-functional Government Companies	40	0	1 ⁴	0	1	39	40
Non-functional Statutory Corporations	-	-	-	-	-	-	-
Total non-functional PSUs	40	0	1	0	1	39	40
Total	77	1	9	6	16⁵	61	76

(Source: Compiled on the basis of the latest finalised accounts of PSUs)

The summary of financial performance of 16 PSUs during the year 2019-20, 2020-21 and 2021-22 under the purview of CAG's audit are given in **Appendix 6.1**. This Chapter does not include 61 PSUs as shown in **Appendix 6.2**.

6.3 Equity Holding

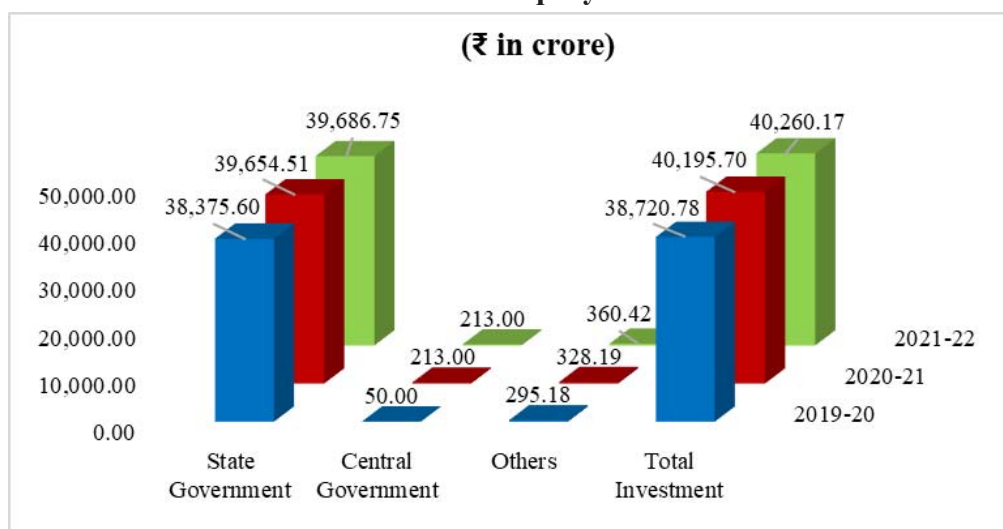
Holding in equity by State Government, Central Government and others during last three years up to 31 March 2022, in Government Companies and Corporations is depicted in **Chart 6.1**.

³ 70 State Government Companies, three Statutory Corporations and four Government Controlled other Companies.

⁴ Bihar State Agro Industries Development Corporation Limited.

⁵ Sector - Power: 8; Non-Power: 8.

Chart 6.1
Investment of Equity in PSUs



(Source: Compiled on the basis of the latest finalised accounts of PSUs)

It can be seen from the **Chart 6.1** that State Government holding in equity was increased from ₹ 38,375.60 crore in 2019-20 to ₹ 39,686.75 crore in 2021-22 while total investment was increased from ₹ 38,720.78 crore in 2019-20 to ₹ 40,260.17 crore in 2021-22.

6.4 Computation of long-term loans outstanding as on 31 March 2022

The total long-term loans outstanding in seven⁶ PSUs out of 16 from all sources as on 31 March 2022 was ₹ 12,429.50 crore. Remaining nine PSUs did not have any long-term loans as on 31 March 2022. A year wise detail of outstanding long-term loans of PSUs is depicted in **Table 6.2**.

Table 6.2
Long Term Loans in PSUs

(₹ in crore)

Sources of loan	2019-20	2020-21	2021-22
State Government	541.25	619.30	619.30
Central Government	0.00	0.00	0.00
Others (including loans from Rural Electrification Corporation, Power Finance Corporation, Banks and Bihar Urban Development Agency)	5,811.63	11,743.93	11,810.20
Total Investment	6,352.88	12,363.23	12,429.50

(Source: Compiled on the basis of the latest finalised accounts of PSUs)

Out of the total loans advanced by the State Government, loans amounting to ₹ 359.85 crore (58.11 per cent) were outstanding with Power Companies and rest were with other companies (₹ 259.45 crore) while 100 per cent of loans from others (₹ 11,810.20 crore) belonged to Power Companies.

⁶ Bihar State Power Holding Company Limited, Bihar State Power Transmission Company Limited, South Bihar Power Distribution Company Limited, North Bihar Power Distribution Company Limited, Bihar Grid Company Limited, Bihar State Agro Industries Development Corporation Limited and Bihar State Financial Corporation.

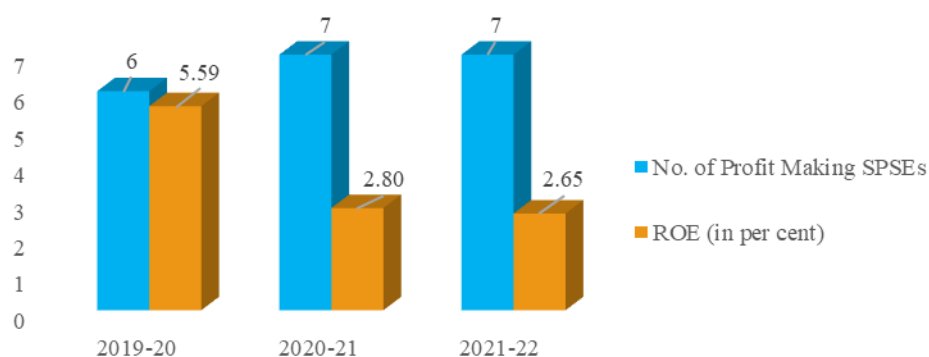
Neither power sector nor non-power sector PSUs had made the repayment of the principal and interest of the long-term loans advanced to them by State Government.

6.5 Profit earned by PSUs

Seven PSUs each earned profit during 2020-21 and 2021-22. The profit decreased to ₹ 291.30 crore in 2021-22 from ₹ 302.15 crore in 2020-21. The Net worth of seven PSUs that earned profit during 2021-22 was ₹ 10,989.84 crore. The Return on Equity (ROE) of these seven PSUs decreased from 2.80 per cent in 2020-21 to 2.65 per cent in 2021-22.

Number of PSUs that earned profit during the period from 2019-20 to 2021-22 is depicted in Chart 6.2.

Chart 6.2
Number of companies earning profits and their ROE (in per cent) during last three years



(Source: Compiled on the basis of the latest finalised accounts of PSUs)

6.6 Losses incurred by PSUs

Number of PSUs that incurred losses ranged between five to six during the year 2019-20 to 2021-22, as given in Table 6.3.

Table 6.3
Number of PSUs that incurred losses during 2019-20 to 2021-22

Financial Year	No. of PSUs incurred loss	Net loss for the year (₹ in crore)	Accumulated Losses (₹ in crore)	Net Worth ⁷ (₹ in crore)
2019-20	6	2,961.24	19,629.17	9,312.52
2020-21	5	1,946.95	21,041.52	8,783.09
2021-22	5	1,946.95	21,041.52	8,783.09

(Source: Compiled on the basis of the latest finalised accounts of PSUs)

⁷ Net worth means the sum total of the paid-up share capital and free reserves and surplus less accumulated loss and deferred revenue expenditure. Free reserves mean all reserves created out of profits and share premium account but do not include reserves created out of revaluation of assets and write back of depreciation provision.

6.7 Winding up of non-functional PSUs

The number of non-functional PSUs at the end of each year during last three years ended 31 March 2022 is given in **Table 6.4**.

Table 6.4:
Non-functional PSUs

Particulars	2019-20	2020-21	2021-22
No. of non-functional PSUs	42	42	40 ⁸
Out of above, No. of PSUs which were under liquidation	5	5	5

(Source: Compiled from the information relating to PSUs included in Audit Reports on GoB, of respective years and in Appendix 6.2)

All 40 PSUs as in 2021-22, are non-functional for more than five years.

6.8 Oversight role of CAG

6.8.1 Audit of State Public Sector Undertakings (PSUs)

The Comptroller & Auditor General of India (CAG) appoints the Statutory Auditors of a State Government Company and State Government Controlled Other Company under Section 139 (5) and (7) of the Companies Act, 2013. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the Statutory Auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

6.8.2 Appointment of Statutory Auditors of State PSUs by CAG

Sections 139 (5) of the Companies Act, 2013, provides that the statutory auditors in case of a State Government Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year.

6.9 Submission of Accounts by PSUs

Every company should hold the Annual General Meeting of its shareholders in a timely manner. Further, the audited Financial Statements, for a financial year, are to be placed in the said AGM, for their consideration.

6.9.1 Need for timely submission of Accounts

According to Section 394 of the Companies Act 2013, an Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and, as soon as may be after such preparation, laid before both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating statutory corporations. This mechanism provides the necessary

⁸ During the year 2021-22, two PSUs viz. Bihar State Cement Corporation Limited (strike off) and Bhawani Active Carbon Limited (ceased to be a Government Company) have been omitted.

legislative control over the utilisation of public funds invested in the Companies from the Consolidated Fund of State.

Section 96 of the Companies Act, 2013, requires every company to hold AGM of the shareholders once in every calendar year. It is also stated that not more than 15 months shall elapse between the date of one AGM and that of the next. Further, Section 129 of the Companies Act, 2013 stipulates that the audited Financial Statements for the financial year are to be placed in the said AGM for their consideration.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including directors of the company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013.

Despite above provisions, annual accounts of various PSUs were pending as on 31 July 2022, as detailed in the following paragraph.

6.9.2 Timeliness in preparation of accounts by PSUs

As of 31 March 2022, out of 77 PSUs, accounts for the year 2021-22 were due from all State Government Companies / Statutory Corporations as on 31 July 2022. Only one⁹ State Government Company had submitted its account for the year 2021-22 for audit by CAG, on or before 31 July 2022. The accounts of the remaining 69 State Government Companies, three Statutory Corporations and four Government Controlled Other Companies (total 76 PSUs) were in arrears, for various reasons.

Audit of Statutory Corporations are governed by their respective legislations. Out of the three Statutory Corporations, the CAG is the sole auditor for Bihar State Road Transport Corporation. In respect of Bihar State Financial Corporation and Bihar State Warehousing Corporation, the audit is conducted by Chartered Accountants and supplementary audit is conducted by the CAG.

The accounts of Bihar State Financial Corporation for the year 2020-21 and 2021-22, Bihar State Road Transport Corporation from 2019-20 to 2021-22 and Bihar State Warehousing Corporation from 2018-19 to 2021-22 were awaited, as on 31 July 2022.

6.10 Results of CAG's oversight role

6.10.1 Audit of accounts of PSUs under Section 143 of the Companies Act, 2013

The statutory auditors forwarded 29 accounts (23 Non-Power and six Power) during October 2021 to July 2022, subsequent to the audit of the financial statements by them. The CAG issued non-review certificate on seven accounts, comments on one account, disclaimer on three accounts, SAR of two accounts and conducted supplementary audit of the financial statements of the remaining

⁹ Bihar Grid Company Limited.

PSUs. Financial Statements for the year 2021-22 were received from only one¹⁰ State Government Company by 31 July 2022.

During October 2021 to July 2022, CAG issued disclaimer on 18¹¹ accounts (13 Non-Power and five Power) and comments on 14 accounts (12 Non-Power and two Power) under Section 143(6)(b) of the Companies Act, 2013.

6.10.2 Significant Comments of the CAG issued as supplement to the Statutory Auditor's reports on PSUs

The list of PSUs covered in this Chapter in respect of whom comments were issued during October 2021 to July 2022 is given in **Table 6.5**.

Table 6.5

List of PSUs covered in this Chapter where comments were issued by CAG

Sl. No.	Name of the PSUs	Year of the Account
1	Patna Metro Rail Corporation	2019-20
2	Bihar State Education Infrastructure Development Corporation Limited	2019-20
3	Bihar State Power Transmission Company Limited	2019-20
4	Patna Metro Rail Corporation	2020-21

(Source: Compiled on the basis of the comments issued by CAG on accounts of PSUs)

Significant comments were issued on financial statements of Government Companies, due to which the financial impact on the profitability was ₹ 31.23 crore and on assets/liabilities was ₹ 270.69 crore (**Appendix 6.3**).

6.11 Response of the State Government to Audit

For this Report, one Subject Specific Compliance Audit (SSCA) paragraph and five compliance audit paragraphs relating to PSUs were issued to the Additional Chief/Principal Secretary of the respective Administrative Department with request to furnish replies within two weeks. However, replies have been received only for one SSCA paragraph and one compliance audit paragraph from the State Government.

6.12 Compliance to Report of Committee on Public Undertakings (COPU)

The COPU had submitted seven reports with one recommendation (2021-22) to the State legislature. However, no ATN was received with respect to one recommendation (September 2022) which is indicated in **Table 6.6**.

¹⁰ Bihar Grid Company Limited.

¹¹ The figure also includes accounts which were received and audited prior to October 2021 and report on accounts issued during October 2021 to July 2022.

Table 6.6: Compliance to COPU Reports

Year of the COPU Report	Total number of COPU Reports	Total no. of recommendations in COPU Report	No. of recommendations where ATNs not received
2019-20	05	0	0
2020-21	01	0	0
2021-22	01	1	1
Total	07	1	1

(Source: Compiled on the basis of the information furnished by the Committee on Public Undertakings)



**CHAPTER VII
SUBJECT SPECIFIC
COMPLIANCE AUDIT**

CHAPTER VII: SUBJECT SPECIFIC COMPLIANCE AUDIT

Physical existence and safeguarding of assets in Non-Working PSUs under the Departments of Industries; Environment, Forest & Climate Change; Information Technology and Water Resources, Government of Bihar

Many of the sampled non-working PSUs did not have their establishments/premises at their registered addresses. The administrative departments of these PSUs had not taken adequate steps, for safeguarding their assets. These PSUs had not prepared/maintained proper books of accounts, along with supporting documents, in violation of the provisions of the Companies Act, 1956/2013, resulting in arrears of accounts. During the audit period, neither the PSUs, nor the State Government, had prepared any plans/ proposal for revival of these non-working PSUs. Further, the process of winding-up/liquidation/ strike-off of these PSUs, had been pending for a long time, due to delayed administrative decisions, which had created additional liabilities for the PSUs/GoB, in the form of accrual of salary and other entitlements of employees. The State Government had outstanding liabilities, towards salaries/pensions and other related statutory obligations (EPF etc.) of these PSUs, amounting to ₹ 399.08 crore (August 2022).

7.1 Introduction

There were 77 Public Sector Undertakings (PSUs), in the State of Bihar, as on 31 March 2022. These PSUs had been established with the aim of boosting the economic growth of the State. However, over time, a number of these PSUs had been unable to achieve their objectives, having, in addition, failed to pay dividend on their invested capital, as also to disburse salaries and other retirement benefits to their employees, leading to their becoming non-working PSUs. As of 31 March 2022, there were 40 non-working State PSUs, under the control of 10 Departments of the Government of Bihar (GoB). In regard to five PSUs¹, under the control of the Sone Command Area Development Agency (SCADA), Patna (Water Resources Department), closure had been approved in August 2000. On the recommendation of a high-level committee, the State Government, through a resolution, had decided (2003) to wind-up 27 non-working PSUs and had directed the respective administrative departments to take up steps for their winding-up, in accordance with the provisions of the Companies Act, 1956. Out of remaining eight non-working PSUs, decision regarding winding-up of four PSUs had been taken in earlier years and decision regarding winding-up/revival of four PSUs had not been taken by the State Government (**Appendix 7.1**). Thus, despite lapse of more

¹ Out of five non-working PSUs, four (from Sl. No. 19 to 22 of **Appendix 7.1**) had been covered in this SSCA and remaining one (at Sl. No. 31 of **Appendix 7.1**) had not been covered in this SSCA.

than 19 to 22 years of these decisions, these non-working PSUs were still under various stages of liquidation/ winding up.

7.2 Audit Objectives

The audit was conducted with a view to assess:

- the current status of these non-working State PSUs, in regard to their establishment, manpower, availability of records/ documents, maintenance of proper books of accounts, and utilisation of budgetary support
- whether they had an adequate system for safeguarding of their assets and had maintained proper records/ fixed assets registers, with supporting documents
- whether the concerned administrative departments had taken steps for their revival and
- the present status of these PSUs, in regard to their revival / winding-up/ liquidation/ striking-off².

7.3 Audit Criteria

The Audit Criteria included:

- The Companies Act, 1956/2013
- Guidelines and instructions issued by the State/Central Government
- Circulars/Orders/Records of the concerned administrative departments of GoB and the PSUs.

7.4 Scope and Methodology of Audit

The Subject Specific Compliance Audit (SSCA) on “Physical existence and safeguarding of assets in non-working PSUs under the Departments of Industries; Environment, Forest & Climate Change; Information Technology and Water Resources, GoB”, was conducted for 22 non-working PSUs, for the period from 2017-18 to 2021-22.

The methodology of audit covered scrutiny of the records of these PSUs, as well as their administrative departments; physical existence of these non-working PSUs, in regard to their establishment, and manpower; receipt and utilisation of budgetary support; system in place for safeguarding of their assets; maintenance of books of accounts and supporting documents and policy decisions relating to the revival/ closure of these PSUs. Joint physical inspections were also conducted, in certain cases.

² *Revival*: The process of rejuvenating activities of a Company by infusing new capital.

Winding up: A legal process to dissolve the business of a company either by the Tribunal or voluntary.

Liquidation: Liquidation is the process of closing the business of a Company which has become insolvent (can no longer meet its financial obligations) and distributing its assets to claimants.

Strike off: The process is an alternative mechanism for the winding up which involves two modes namely, strike off by the ROC (Registrar of Companies) and strike off by a company on its own accord under Section 248(1) and Section 248(2) of the Companies Act, 2013 respectively, after extinguishing all the liabilities of the Company.

22, out of the 40 non-working PSUs, were sampled for inclusion in this SSCA. Departments having three or more non-working PSUs and companies having arrears of accounts of more than 15 years, were sampled. PSUs, which had been struck-off³, or were under liquidation⁴, or had filed⁵ for the Corporate Insolvency Resolution Process before the National Company Law Tribunal, or whose assets⁶ had been sold by the Debt Recovery Tribunal, were excluded.

Entry Conferences for this SSCA were held on 28 June 2022 (Industries Department), 11 July 2022 (Environment, Forest and Climate Change Department), 01 August 2022 (Water Resources Department) and 05 August 2022 (Information and Technology Department) with the Principal/ Additional/ Special/ Deputy Secretary of the respective Departments. In the Entry Conferences, held with the Departments, audit objectives, sample selection, audit scope and methodology were discussed. In order to discuss audit findings arising out of the audit conducted and to elicit views and responses of the concerned departments, Exit Conferences were held on 19 July 2022 (Industries Department), 08 August 2022 (Environment, Forest and Climate Change Department), 02 August 2022 (Water Resources Department) and 10 August 2022 (Information and Technology Department) with the Principal/ Additional/ Special/ Deputy Secretary of the Departments.

7.5 Financial Position

The paid-up capital, of the 22 sampled non-working PSUs, was ₹ 42.05 crore and their long-term loans were ₹ 378.82 crore. The accumulated losses of these 22 non-working PSUs were ₹ 272.35 crore. Out of these, 13 non-working PSUs of the Department of Industries had paid-up capital of ₹ 33.64 crore (80 per cent), long-term loans of ₹ 378.82 crore (100 per cent) and accumulated losses of ₹ 270.33 crore (99.25 per cent). Thus, companies under the administrative control of the Department of Industries, had the major portion of investments and loans. The Government of Bihar had extended budgetary support of ₹ 130.03 crore, to five out of 22 non-working PSUs, during the period from FY 2017-18 to August 2022 (**Appendix 7.2**).

7.6 Audit Findings

As the State Government had not taken any steps to revive any of these non-working PSUs, through its administrative departments, audit observations regarding the physical existence and safeguarding of assets of these non-working companies only, are discussed in the succeeding paragraphs.

³ *Beltron informatics Limited, SCADA Agro Business & Industries Company Khagaul Limited.*

⁴ *Bihar State Export Corporation Limited, Bihar State Finished Leather Limited, Bihar State Leather Industries Development Corporation Limited, Bihar State Small Industries Corporation Limited, Kumardhubi Metal Casting & Engineering Limited.*

⁵ *Bihar State Construction Corporation Limited.*

⁶ *Synthetic Resins (Eastern) Limited.*

7.6.1 Current Status of Non-Working PSUs

Despite the fact that these PSUs had become non-working, their assets and liabilities were yet to be settled. In order to carry out the exercise of settling their assets and liabilities, PSUs were required to be in possession of a proper office establishment, as well as minimum/skeleton manpower, so that their basic records, books of accounts, could be maintained and safeguarded for compliance of statutory obligations, till the process of winding-up could be completed.

Audit, however, observed that:

- 13, out of the sampled 22 PSUs, did not have their establishments/premises, at the addresses registered with RoC. They had been relocated, either to the head offices of their Holding Companies or to their Administrative Departments, without any updation of the address with the RoC, Patna (**Appendix 7.3**). Neither these PSUs intimated RoC regarding changes in their addresses nor RoC had taken any action in this regard, as per the records/information made available to Audit.

Audit observed that: (i) assets and premises of two PSUs were transferred to the Bihar Industrial Area Development Authority (BIADA) (ii) Government/ private offices/ private properties were existing at the registered addresses of six PSUs and (iii) in respect of five PSUs, addresses registered with RoC were not traceable, Some of the cases noticed have been shown in *Images 1 to 3*.



Image 1: Government offices, located at the address of office of the Bihar State Textiles Corporation Limited (Lalit Bhawan, Bailey Road, Patna), registered with RoC.

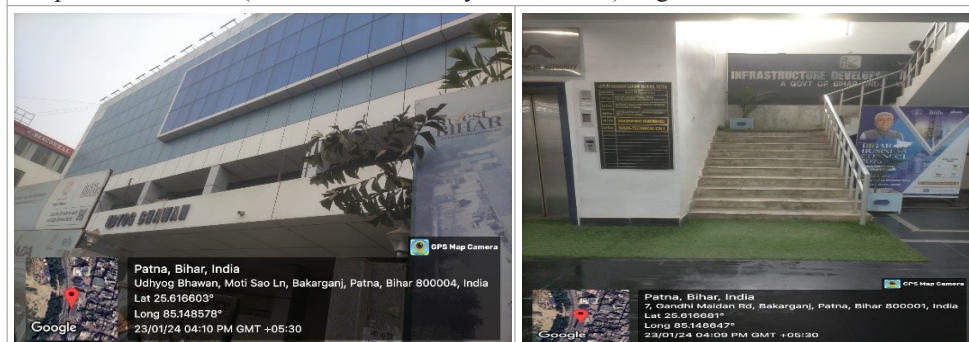


Image 2 and 3: Office of the Government/ private companies, located at the address of the Beltron Mining System Limited and Beltron Video System Limited (Udyog Bhawan, Gandhi Maidan, Patna), registered with RoC.

- The office of the Bihar State Pharmaceuticals & Chemical Development Corporation Limited and its seven⁷ subsidiaries were all situated at the same address, *i.e.*, 5th floor, A Complex, Maurya Lok, Patna. However, in the absence of any staff in these companies, the office building was neither being utilised, nor was it being maintained, and was in a dilapidated condition. As such, a significant area of the office premises (approx. 14,000 sq. ft.) was not in a condition to be utilised. Further, Scada Agro Business Company Limited, Patna, was also situated at the same address that was registered with the RoC, *i.e.*, Sone Bhawan Complex, Daroga Prasad Rai Path, Patna-800001. The remaining 13 PSUs had been shifted to the locations of their Holding Company/ies.
- Out of 22, 15 PSUs did not have manpower, due to which their basic records and books of accounts, were not being maintained and safeguarded for compliance of statutory obligations. The remaining seven PSUs also had the bare minimum staff.

7.6.2 Maintenance of Accounts

Sections 210/129 of the Companies Act, 1956/2013, respectively, stipulate that every Company has to prepare proper books of accounts, which shall include the balance sheet and profit & loss account for the specified period, to be laid before the annual general meeting of the company. Therefore, all these PSUs were required to keep/maintain proper books of accounts and these accounts were to be examined at least once, in every year. The administrative departments had the responsibility of overseeing the activities of the entities functioning under their administrative control and to ensure that their accounts were finalised and adopted within the stipulated period.

It was, however, observed that:

- the accounts of all 22 sampled non-working PSUs, were in arrears, with these arrears ranging from seven years to 45 years (company-wise details of arrears of accounts, are detailed in **Appendix 7.4**). Accounts of two, three and 15 companies were in arrears for 10 to 20 years, 20 to 30 years and 30 to 40 years, respectively.
- Four⁸, out of these 22 sampled non-working PSUs, had not prepared, even their first accounts, since their inception.
- reasons for non-preparation of accounts were lack of even skeleton staff, non-existence of proper office establishments and poor monitoring by the concerned controlling administrative departments.

⁷ Bihar Drugs & Chemicals Limited, Bihar Insecticides Limited, Bihar Maize Product Limited, Bihar State Glazed Tiles & Ceramics Limited, Jhanjharpur Paper Industries Limited, Magadh Minerals Limited and Vishwamitra Paper Industries Limited.

⁸ Bihar Scooters Limited, Scada Agro Business and Industries Company Dehri Limited, Scada Agro Business and Industries Company Mohania Limited and Scada Agro Business and Industries Company Aurangabad Limited.

In the absence of finalised accounts, Audit could not ensure whether the investments made of ₹ 420.87 crore in these PSUs had been accounted for properly and whether the funds provided by the State Government were utilised/ being utilised for the intended purposes. Delay in finalisation of accounts was susceptible to fraud and leakage of public money, apart from constituting a violation of the provisions of the Act *ibid*.

7.6.3 Utilisation of budgetary support extended by the State Government

Budgetary support, in the form of equity/ loans/ grants or subsidies, by the State Government, had become a necessity for discharging the liabilities of these PSUs, on account of payments of salaries/ pensions, as all the sampled PSUs had been non-working, for periods ranging from 17 to 45 years and, consequently, were not generating revenues.

In compliance to orders of the Hon'ble High Court, Patna, Government of Bihar, had provided budgetary support, in the form of loans and advances, to five non-working PSUs, *viz.*, ₹ 56.01 crore (September 2021) to the Bihar State Handloom and Handicrafts Corporation Limited (BSHHDCL); ₹ 20.00 crore (October 2021) to the Bihar State Industrial Development Corporation Limited (BSIDCL); ₹ 4.25 crore (September 2021) to the Bihar State Textiles Corporation Limited (BSTCL) and ₹ 0.87 crore (October 2017 to March 2020) to the Bihar State Forest Development Corporation Limited (BSFDCL) and ₹ 46.64 crore (September/ October 2021) to the Bihar State Pharmaceutical and Chemical Development Corporation Limited (BSPCDCL), towards making payments for arrears of salaries of their employees.

Out of 22 non-working PSUs, 17 had liabilities towards salaries/pensions and other related statutory obligations (EPF *etc.*), amounted to ₹ 399.08 crore. Government of Bihar had extended budgetary support of ₹ 127.77 crore to five PSUs, for discharging these liabilities, out of which ₹ 92.85 crore had been paid (up to August 2022) to the employees concerned, while payment of the balance amount, to the remaining employees, was in progress (**Appendix 7.5**).

7.6.4 System in place for safeguarding assets

Physical verification of assets is primarily the responsibility of the management and assets should be verified at appropriate intervals of times, as per the periodicity decided by the management. Moreover, records in support of plant and machinery, investment register and other assets *etc.*, must also be maintained/scrutinised periodically, by the management. Details of assets, *viz.* land, buildings and plant and machinery, in regard to 14 PSUs, are shown in **Appendix 7.6**. During the course of audit, it was observed:

- In case of two PSUs, *viz.*, Bihar Scooters Limited and Bihar Handloom and Handicrafts Development Corporation Limited, their factories/ operating places/premises had been taken back/ handed over to the Bihar Industrial Area Development Authority (BIADA), in 2008 and April 2022, respectively.

- In respect of another PSU *i.e.*, Bihar Paper Mills Limited, the value of land had been assessed at ₹ 105.79 crore and the land had been handed over (November 2021) to BIADA. However, BIADA had not made payment for the land (as of August 2022).
- As per the records (Internal Audit Report: 2012-13) made available by the BSTCL, the production units of the company were situated at three separate locations *i.e.*, Readymade Garments, Hajipur; Industrial Cotton Yarn Project, Purnea; and Open-end spinning mills, Sitamarhi. As per the internal audit report, the value of the Company's fixed assets was ₹ 66.81 lakh. However, detailed information, in regard to these fixed assets, was not available with the company. The management of the company had not conducted physical verification of its assets. In the light of Resolution No. 52 (March 2018) of the Finance Department, GoB, the Department of Industries, GoB, directed (September 2020) BSTCL, to transfer its assets to BIADA, on 'as is where is' basis. Action taken by BSTCL, in compliance to the said order, was not available on records.
- As on 31 March 2022, SCADA Agro Business Company Limited, Patna and its three subsidiaries, did not have any assets.

Since the assets of above mentioned first four PSUs had been transferred to BIADA and latter four PSUs did not have any assets, the matter of safeguarding of assets of these PSUs has not been discussed. Deficiencies observed in regard to safeguarding the assets of the remaining 14 PSUs, have been discussed in the subsequent paragraphs.

DEPARTMENT OF INDUSTRIES

7.6.5 Bihar State Industrial Development Corporation Limited (BSIDCL)

BSIDCL had six⁹ production units. In addition, it had two subsidiary PSUs, *viz.* Bihar Paper Mills Limited (BPML) and Bihar Scooters Limited (BSL). BSIDCL had been established in 1960, with a view to acquiring and taking over the business of the Bihar Government Super Phosphate Factory and High Tension Insulator Project at Ranchi, with all assets, rights privileges and liabilities, for promoting, establishing and executing industries in the State of Bihar. The Company had become non-functional prior to FY 2005-06.

As per records¹⁰ of BSIDCL (June 2019) made available, the company had 322.80 acres of land, valuing ₹ 1,278.95 crore, and plant and machinery, valuing ₹ 4.12 crore (**Appendix 7.6**).

It is essential that a company maintains the basic records of the land owned by it. However, the basic records of the land of one subsidiary (BPML) and three

⁹ *High-Tension Insulator Factory, Electrical Equipment Factory, Bihar State Super Phosphate Factory, Malleable Cast Iron Foundry Factory, Swarnarekha Watch Factory in Jharkhand and Bihar Spun Silk Mills in Bhagalpur, Bihar.*

¹⁰ *Valuation report of Committee of Government of Bihar and Jharkhand.*

production units¹¹, were not found available with the Company. In the absence of basic records, the total area of land, under the possession of these units, could not be identified and encroachment on such land could not be ruled out. The Company had only bare minimum staff to look after its assets. As such, there was no system, in place, for safeguarding the assets of the Company.

7.6.6 Bihar State Pharmaceuticals & Chemical Development Corporation Limited (BSPCDCL)

BSPCDCL had 14,000 sq. ft. area of office space, situated at the 5th Floor of the Maurya Lok Complex, Patna. The assets of its seven subsidiaries comprised of land, factories and godowns at various locations, as per the report submitted (March 2022) by the Department of Industries, to the Committee on Public Undertakings (COPU). Details of the report submitted, are as follows:

Sl. No.	Name of PSU	Area of land and other assets
1.	Bihar Insecticides Limited	6.84 acre of land at Purnea; buildings, iron godowns and canteen.
2.	Magadh Minerals Limited	10 acres of land ¹² in Bodh Gaya, Bihar.
3.	Bihar Maize Products Limited	18 acres of land at Pandaul (Madhubani); godown and factory buildings, with plant and machinery.
4.	Bihar State Glazed Tiles and Ceramics Limited	9.15 acres of land at Dumraon (Buxar); building and godowns.
5.	Vishwamitra Paper Industries Limited	3.8 acres of land at Buxar; building, plant & machinery and drug unit building.
6.	Jhanjharpur Paper Mills Limited	3.8 acres of land at Jhanjharpur (Madhubani); machinery.

The assets of the Bihar Drugs & Chemicals Limited (a subsidiary of BSPCDCL) consisted of 5.5 acres of land, building and godown and these assets had been transferred (as on March 2021) to BIADA.

In regard to land owned by a company, it is required that the company maintain the basic records relating to such land, viz. *khata* no., *khesra* no., *mauza*, *rakba*, title deed *etc.*, of the land. However, the basic records of the land owned by the Company, were not found available with the Company. In the absence of these basic records, the total area of land could not be identified and encroachment on such land also could not be ruled out. In regard to assets other than land, it was noticed that, in the absence of manpower and physical verification, the assets had remained unsupervised/ unattended and were at the risk of theft/ damage *etc.* The condition of these assets is evident from the *images 4 and 5*, taken (August 2022) during audit:

¹¹ Electrical Equipment Factory, Bihar State Super Phosphate Factory and Bihar Spun Silk Mills.

¹² After transfer of 15 acres of land to BIADA.



Image 4 and 5: Dilapidated condition of the head office of the Bihar State Pharmaceuticals & Chemical Development Corporation Limited and its six subsidiaries (5th floor, Maurya Lok Complex, Patna)

INFORMATION TECHNOLOGY DEPARTMENT

7.6.7 Beltron Mining System Limited, Patna (BMSL)

BMSL, a subsidiary PSU of the Bihar State Electronics Development Corporation Limited (BSEDCL), was incorporated in 1986, for manufacturing, importing and exporting mining related electronic equipment and instruments. The commercial operations of BMSL had been discontinued since 1998.

BMSL had leasehold land, measuring 3.73 acres, for its manufacturing plant, situated at the Kandra Industrial Area, Dhanbad (Jharkhand). The lease agreement had been cancelled (September 2008) and the assets¹³ had been taken over by the Bokaro Industrial Area Development Authority, Bokaro, Jharkhand. This cancellation was challenged (2010) in the Hon'ble High Court, Ranchi, Jharkhand, and the matter was *sub judice*. As the assets of the PSU had been taken over by the Bokaro Industrial Area Development Authority, the issue of safeguarding of these assets, by BMSL, did not arise.

7.6.8 Beltron Video System Limited, Patna (BVSL)

BVSL, a subsidiary PSU of the Bihar State Electronics Development Corporation Limited (BSEDCL), was incorporated in 1984, for manufacturing, importing, exporting, assembling and distributing all types of video related electronic equipment and parts thereof. The commercial operations of BVSL had been discontinued since 1998.

BVSL had two manufacturing-cum-assembling plants, one each in Jharkhand and Bihar. One plant, across one acre of leased land, was situated at Namkum (Ranchi), Jharkhand. The lease agreement of this land had been cancelled (2012) by the Jharkhand Industrial Area Development Authority (JIADA). However, BVSL had challenged (April 2012) this cancellation, in the Hon'ble High Court, Ranchi, Jharkhand, and the matter was *sub judice*. As the assets had been taken over by JIADA, the issue of safeguarding of these assets, by BVSL, did not arise.

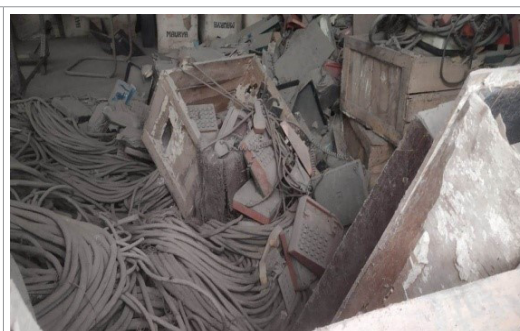
¹³ Leasehold land with all structures.

Another plant of the Company was situated in a piece of land measuring 2.61 acre, at Industrial Area, Hajipur (Vaishali), Bihar. The Department of Industries, GoB, had requested (August 2013) the Company to surrender the leasehold land to BIADA, in lieu of a refundable amount of ₹ 2.17 crore, for the remaining period of lease for the land, under the exit policy¹⁴ of Bihar Industrial Area Development Authority (BIADA). However, the land was still in the possession of the Company (as of June 2022).

Due to paucity of funds and lack of manpower, the factory building, along with stores and stock, had deteriorated, as evident from the *images 6 and 7*, taken (July 2022) during joint physical inspection with the management of the Company.



Images 6: Roof corridor of manufacturing plant of BVSL, at Industrial area, Hajipur (Vaishali)



Images 7: Stores/ stocks at the manufacturing plant of BVSL, at Industrial area, Hajipur (Vaishali)

It is evident from the photographs above that: (i) the building of the plant had been damaged (ii) silt debris and store/stock was laying on the floor and (iii) the building was not in a condition to carry out any commercial activities.

7.6.9 Bihar State Forest Development Corporation Limited (BSFDCL)

BSFDCL had been incorporated in 1975, to explore forest produce (mainly Kendu leaves¹⁵) and develop industries related to forest products. The activities of the Company had ceased since 2003, after the GoB had passed a resolution (October 2003), for withdrawal of the activities, viz. collection, processing, storage & marketing of “Minor Forest Produce (mainly Kendu leaves)”, from the Corporation.

The value of the total fixed assets of BSFDCL, consisting of leasehold land (₹ 0.05 lakh), godown, plant and machinery and vehicle, was ₹ 50.09 lakh, as on 31 March 2002 (as per the valuation report). However, it had declined to ₹ 1.78 lakh only, as on 31 March 2016 (internal auditor’s report for the year 2015-16) and these assets had become obsolete, with the passage of time, owing to their non-maintenance.

¹⁴ Bihar Industrial Area Development Authority (BIADA) introduced an exit policy for surrender of land and refund of the balance lease amount, in respect of the plots allotted to various non-working Companies in the industrial areas of BIADA.

¹⁵ Kendu leaves are used for wrapping “Bidis” (an indigenous form of leaf rolled cigarettes).

7.6.10 Bihar Solvent and Chemicals Limited (BSCL)

BSCL had been incorporated in 1979, as a subsidiary PSU of BSFDCL. It had discontinued its operations since March 1996, i.e. for more than 26 years.

As per records (internal audit report: 2002-03), the value of its fixed assets was ₹ 75.63 lakh mainly comprised of land (₹ 1.75 lakh), building (₹ 49.83 lakh) and plant & machinery (₹ 20.95 lakh). Its assets had remained idle and in a non-working condition and therefore, had become obsolete, with the passage of time and owing to their non-maintenance (August 2022). Further, due to the absence of manpower, there was no system in place for safeguarding these assets.

7.6.11 Bihar State Tannin Extract Limited (BSTEL)

BSTEL had been incorporated in 1984, as a subsidiary PSU of BSFDCL, with the objective of extraction of tannin, for which a production plant had been established at Latehar (Jharkhand). BSTEL had discontinued operations since 1996.

As per records (internal audit report: 2001-02), the value of its fixed assets was ₹ 1.40 crore, mainly comprising of land (₹ 2.62 lakh), building (Factory and Non-Factory) (₹ 60.62 lakh), Plant & Machinery (₹ 76.27 lakh) etc. As the company had ceased to operate since 1995-96 (i.e., for more than 25 years), these assets had remained idle and in a non-working condition and had, therefore, become obsolete (August 2022). Further, due to the absence of manpower, there was no system in place for safeguarding these assets.

As the assets (other than land) of these non-working PSUs had not been utilised for a long period and therefore, had deteriorated over the years.

Had these PSUs been wound up in a timely manner, the assets of these PSUs could have been disposed off, and the funds received therefrom, could have been utilized for the settlement of their outstanding liabilities.

7.7 Status of Winding-Up/ Revival/ Liquidation/ Valuation of Assets of Non-Working PSUs

Neither these PSUs, nor the Government, had any plan/proposal, for their revival. Government had decided to wind-up these 22 non-working PSUs, after discharging their liabilities. The present status (as of August 2022) of winding-up/ liquidation of these PSUs, is discussed below.

DEPARTMENT OF INDUSTRIES

7.7.1 Bihar State Industrial Development Corporation Limited (BSIDCL)

Consequent upon the formation of Jharkhand State (November 2000), the assets and liabilities of BSIDCL were to be divided between Bihar and Jharkhand. Both States had formulated (May 2018) the modalities for valuation of assets and liabilities. Accordingly, the assets and liabilities of the Corporation had been

valued at ₹ 1,278.95 crore, in June 2019. However, these assets and liabilities were yet to be divided between the two States and, as such, the process for winding-up of BSIDCL was pending (August 2022).

7.7.2 Bihar Paper Mills Limited (BPML)

BPML had been established in 1977, with the objective of manufacturing and dealing in all kinds and classes of paper board and pulp, including writing paper, newsprint paper, wrapping paper, tissue paper *etc.* However, the company had not commenced these activities and had remained non-working since its inception.

As per Resolution 52 (March 2018) of the Finance Department, GoB, the assets of BPML were to be transferred to BIADA and the process of winding-up the Company was to be taken up after its liabilities had been discharged. However, it was seen that the assets of BPML were yet to be handed over to BIADA (as of August 2022). Further, as per the Ministry of Corporate Affairs (MCA), GoI, the Company had an outstanding charge of ₹ 7.40 crore towards the Bank of India and BPML had not taken any steps to satisfy this charge. As such, the process of winding-up was yet to commence (as of August 2022).

7.7.3 Bihar State Handloom and Handicrafts Development Corporation Limited (BSHHDCL)

BSHHDCL was incorporated in 1974, with the objective of promoting, assisting or financing the setting up, of handloom, powerloom and handicraft industries, in Bihar.

The company had ceased its operations since FY 1996-97. It had filed a petition (2016) for voluntary winding-up, before the Patna High Court. However, in the light of Resolution no. 52 (March 2018) of the Finance Department, GoB, wherein the department had decided to settle the liabilities of the Company, in the form of arrears of the employees' salary, the Company withdrew (November 2018) its petition. The Department of Industries, GoB, granted a loan, amounting to ₹ 56.01 crore, to the Company, during FY 2021-22 and the Company had paid ₹ 39.45 crore (up to March 2022), towards the arrears of salary, from this amount. Since the payment of liabilities was under progress, the winding-up process had not been initiated (August 2022).

7.7.4 Bihar Scooters Limited (BSL)

BSL, a subsidiary Company of BSIDCL, was incorporated in 1978, under the Companies Act, 1956. The Company had established a scooter manufacturing unit in Fathua, on leasehold land allotted by BIADA. However, due to lack of funds and onset of new technology, its production activities had ceased during FY 1987-88.

The assets of BSL had been transferred to BIADA (2008) for ₹ 1.06 crore, which had been paid by BIADA, as the final settlement. BSL, however, had (August 2022) a liability, amounting to ₹ 4.82 crore, towards the salary/pension

of its employees. As such, the liability of the Company could not be set off from the amount realised from the sale of its assets. Due to this, the winding-up process had not commenced (as of August 2022).

7.7.5 Bihar State Textiles Corporation Limited (BSTCL)

BSTCL was incorporated in 1978, to carry out business in regard to clothes, threads and other related/ ancillary activities.

In compliance with orders of the Supreme Court of India, the Department of Industries had provided (September 2021) ₹ 4.25 crore, to BSTCL, in the form of loan, for making payment of employees' arrears of salary. The Company had paid ₹ 2.16 crore (up to March 2022), for this purpose and kept ₹ 2.09 crore in its bank account, for discharging other statutory staff related obligations (EPF *etc.*). Since the process of discharging of liabilities was in progress, the winding-up process had not been initiated (as of August 2022).

INFORMATION TECHNOLOGY DEPARTMENT

7.7.6 Beltron Video System Limited, Patna (BVSL) and Beltron Mining System Limited, Patna (BMSL)

BVSL and BMSL had outstanding liabilities for payment, amounting to ₹ 13.80 crore and ₹ 4.64 crore, respectively, relating to the dues (as on 31 March 2022) of salaries and pensions of their employees. As the matter of division of the assets and liabilities of these PSUs was *sub judice*, the assets and liabilities of both these companies had not been divided, even after more than twenty one years of the division of Bihar and Jharkhand. The Secretary, IT Department (GoB), had requested the Government of Jharkhand, on a number of occasions, during the years 2019 and 2020, to take an appropriate decision with regard to the division of assets and liabilities, under the provisions of Bihar Re-organisation Act, 2000. However, the matter had not yet been resolved. As such, the process of winding-up of these PSU had not been initiated.

WATER RESOURCES DEPARTMENT

7.7.7 SCADA Agro Business Company Limited, Patna (SABCO) and its three subsidiary PSUs, viz. SCADA Agro Business & Industries Company Mohania Limited, SCADA Agro Business & Industries Company Dehri Limited and SCADA Agro Business & Industries Company Aurangabad Limited

SCADA Agro Business Company Limited, Patna (SABCO) and its three subsidiary PSUs, were incorporated in 1993, to carry out activities relating to agricultural seed production. Subsequently, the agricultural lands, transferred to these PSUs, were taken back by the State Government for purposes other than seed production, due to which the activities of these PSUs diminished and they eventually became non-functional.

The Executive Committee of the SCADA decided (August 2000) to wind-up these PSUs. However, the strike-off process, of the three subsidiary PSUs of SABCO, had remained pending since June 2010, as RoC had observed that loans, amounting to ₹ 2.10 crore (SABCO, Mohania), ₹ 2.10 crore (SABCO, Dehri) and ₹ 0.60 crore (SABCO, Aurangabad), were outstanding, for payment to SBI, Sambhalpur, Odisha and the Odisha State Financial Corporation, Odisha. The management took almost nine years to respond (November 2019) to RoC, on the matter. Owing to this delay, the matter had not been resolved and the process of striking off the SABCO, and its three subsidiary PSUs, had remained pending (August 2019).

ENVIRONMENT, FOREST AND CLIMATE CHANGE DEPARTMENT

7.7.8 Bihar State Forest Development Corporation Limited (BSFDCL), Bihar Solvent & Chemicals Limited (BSCL) and Bihar State Tannin Extract Limited (BSTEL)

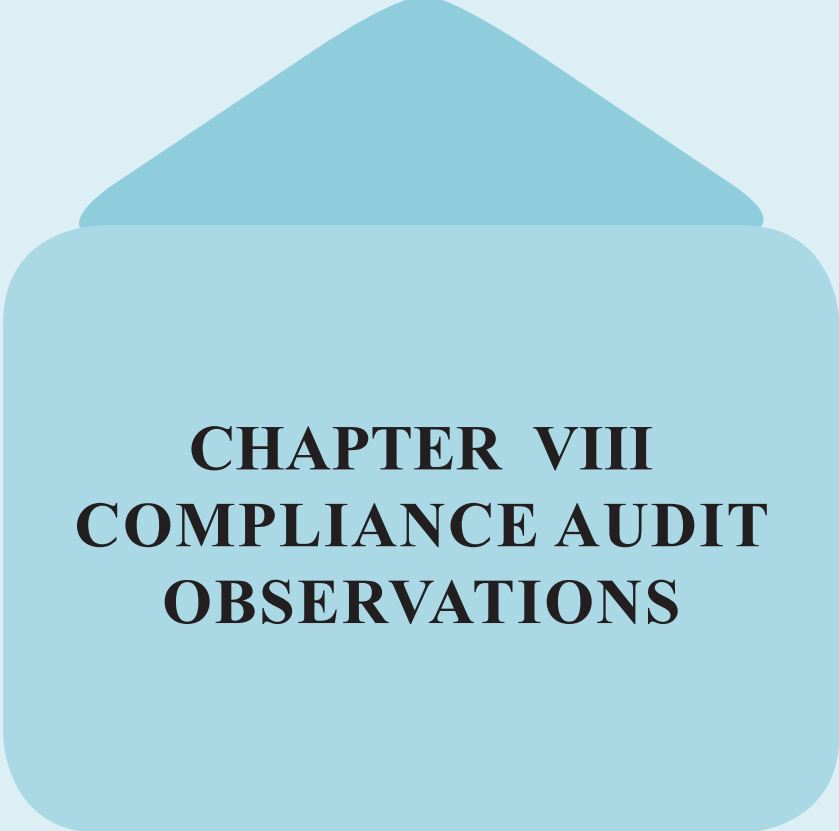
As on 31 March, 2022, BSFDCL had an accumulated liability of ₹ 46.87 crore, in regard to dues of salaries, pensions and other emoluments of its employees. Similarly, BSCL and BSTEL had accumulated liabilities of ₹ 6.13 crore and ₹ 3.03 crore, respectively, towards dues of salaries, pensions and other emoluments, as on 31 March 2022.

Consequent upon the formation of the State of Jharkhand, the assets and liabilities of these PSUs were to be divided between Bihar and Jharkhand. However, due to non-division of the assets and liabilities of these PSUs, between Bihar and Jharkhand, the process of winding-up of these PSUs had not been initiated (August 2022).

Recommendation:

As the continued existence of these non-working PSUs constitutes a substantial drain on the public exchequer, in the form of establishment expenditure, Audit recommends that the State Government:

- (i) may take an appropriate decision, regarding the continuance or winding up of the four Non-working PSUs.*
- (ii) may expedite the winding-up process of the remaining non-working PSUs.*



**CHAPTER VIII
COMPLIANCE AUDIT
OBSERVATIONS**

CHAPTER VIII: COMPLIANCE AUDIT OBSERVATIONS

This Chapter includes important audit findings emerging from test-check of transactions of the State Government companies.

Government Companies

Patna Smart City Limited

8.1 Implementation of Smart Cities Mission in Patna

Unfeasible projects were included in the list of 44 initially approved projects, indicating poor planning on the part of Patna Smart City Limited (PSCL) and the Urban Development and Housing Department (UD&HD). This ultimately resulted in delayed/ incomplete execution of projects. Contract management for the mission was also poor, as the completed schemes did not fulfil the desired objectives. Mobilisation advance was given to the vendor, without finalization of the scope of work. The financial management of PSCL was also deficient, as funds had been diverted for unapproved projects and incorrect utilization certificates had been submitted.

8.1.1 Introduction

The Smart Cities Mission (SCM), a Centrally Sponsored Scheme (CSS), is an initiative launched (June 2015) by the Ministry of Housing & Urban Affairs (MoHUA), Government of India (GoI), with the objective of promoting cities that provide core infrastructure, a clean and sustainable environment, application of 'Smart' Solutions (including various online government services, through Jan Seva Kendras) and a decent quality of life to their citizens. The Mission was to cover 100 cities and was to be executed during financial years (FYs) 2015-16 to 2019-20.

At the national level, an Apex Committee (AC), headed by the Secretary, Ministry of Urban Development (MoUD), GoI, comprising of representatives of the related Ministries and organisations, was to be constituted, to approve proposals for the Smart Cities Mission, monitor their progress, release funds and recommend mid-course corrections. At the State level, a High Powered Steering Committee (HPSC), chaired by the Chief Secretary, was to steer the Mission Programme, in its entirety.

The Central Government, on an average, was to provide a financial support (June 2015) of ₹ 100 crore per city per year. An equal amount, on a matching basis, was to be contributed by the concerned State/ Urban Local Body (ULB).

In the state of Bihar, four cities¹ were selected, for development as Smart Cities, out of which, Patna was one of the cities nominated by MoUD,

¹ Bhagalpur, Bihar Sharif, Muzaffarpur and Patna.

GoI, for this mission, in June 2017. The Urban Development and Housing Department (UD&HD), Government of Bihar (GoB), formulated a plan to execute 44 different projects in Patna, for which an administrative approval of ₹ 2,776.16 crore was accorded (October 2017), as detailed in **Appendix 8.1**. The timeline for completion of the projects, in the State, selected under SCM, was initially up to FY 2019-20, but was extended up to June 2023.

8.1.2 Organisational structure

With a view to appraising, approving, releasing funds for implementing, managing, operating, monitoring and evaluating projects under the mission, the UD&HD, GoB, established the Patna Smart City Limited (PSCL), a Special Purpose Vehicle² (SPV), in November 2017.

The Board of Directors of PSCL consisted of seven directors (including Principal Secretary, UD&HD, GoB, as Chairman) representing the State Government and Central Government. The Municipal Commissioner of the Patna Municipal Corporation, acted as the Managing Director (MD) of the PSCL. The MD, who was assisted by the Chief Executive Officer (CEO), was responsible for all executive affairs, while the CEO was responsible for the day-to-day planning, execution and management functions, of PSCL.

8.1.3 Audit Objectives

The Compliance Audit (CA) was conducted with a view to assessing whether:

- Schemes/ works, taken up under the mission, had been planned and executed in an efficient, economic and effective manner
- Funds under the schemes had been managed and utilized, in adherence to the Smart Cities Mission guidelines and
- There had been adequate inter-departmental coordination, for ensuring timeliness in regard to the execution of projects, and an effective monitoring and control mechanism was in place.

8.1.4 Audit Criteria

The audit criteria, considered for the CA, were the:

- Smart Cities Mission guidelines, issued by GoI
- Administrative orders/ circulars, issued by the Urban Development & Housing Department, GoB and

8.1.5 Audit Scope and Methodology

The audit, for this CA, was conducted from January 2022 to February 2022, and the findings of the audit were further updated in September 2022. The main

² Legally created entity, to fulfil specific or temporary objectives.

objective was to assess the implementation of the mission, particularly in regard to its conceptualization, planning and implementation, keeping in view the objectives set for the mission. The CA covered the period from the FY 2017-18 to the FY 2021-22.

The audit methodology comprised of scrutiny of the documents/ information related to planning of the smart city proposals and project execution thereagainst, maintained at the UD&HD, GoB and PSCL's headquarters; responses to audit queries; collection of information through questionnaires, proformas *etc.*

8.1.6 Audit findings

The audit findings, relating to the above-mentioned audit objectives, are discussed in the succeeding paragraphs.

8.1.7 Planning

The objectives of Smart Cities Mission were to promote cities that provide core infrastructure, applications of smart solutions and a decent quality life to their citizens. To fulfill these objectives, effective planning was required. Discrepancies, related to the planning of the projects to be executed, are discussed in the succeeding paragraphs.

8.1.7.1 Unrealistic and non-feasible Smart City Proposal

As per Clause 6.1 of the Smart Cities Mission Statement and Guidelines, each city was to formulate its own concept, vision, mission and plan, for a Smart City, as per its local context, resources and level of ambition. Clause 6.3.1 of the Statement and Guidelines stipulates that the States may select a consulting firm for preparation of City-wide concept Plan and Smart City Proposal (SCP) from the panel of firms, prepared by MoUD, GoI. Further, Clause 10.6 of these guidelines stipulates that the SPV may appoint Project Management Consultants for designing, developing, managing and implementing area-based projects.

Scrutiny of records revealed that:

- An agreement was made (26 July 2016) between the Municipal Commissioner, PMC and M/s ARKITECHNO Consultant (India) Pvt. Ltd., for ₹ 28.47 lakh (including service tax), for preparation of a City-wide concept plan, which was to include a City Sanitation Plan, City Mobility Plan and Master Plan, with the overall strategy being focused on Smart City criteria/ objectives/ targets. Further, the concept plan was to be based on consultations with the citizens. The agreement was made for a period of 100 days. As per payment schedule, the PMC was to pay 10 *per cent* of the contract price on acceptance of the City-Wide Concept Plan (first deliverable); 50 *per cent* of the contract price on acceptance of

the Draft Smart City Proposal (second deliverable) and 40 per cent of the contract price on acceptance of Final Smart City Proposal (third deliverable) by it.

Audit noticed that the consultant had submitted the first and second deliverables in September and October 2016, respectively. The PMC had accepted the first deliverable and made payment of ₹ 2.84 lakh (January 2017) to the consultant. However, it found (January 2017) several shortfalls³ in the second deliverable and therefore, neither did it make payment for the second deliverable, nor did it extend the period of the contract.

- The PMC submitted (March 2017) the SCP to UD&HD, GoB for approval, wherein it was claimed (March 2017) that SCP had been prepared on the basis of extensive citizen consultations, through the online and offline modes, with an approximate outreach of 1.98 crore persons. However, documentary evidence, in regard to outreach of 1.98 crore persons, was not available, either with UD&HD, or with PSCL.
- The UD&HD, GoB, submitted (March 2017) the SCP for Patna Smart City comprising 44 projects, to the High-Power Steering Committee (HPSC). On the recommendation (March 2017) of the HPSC, it was approved (June 2017) by the GoI.
- PSCL, through an open tendering process, appointed (December 2017) Eptisa Servicios De Ingenieria, S. L. (Eptisa), as the Project Management Consultant, as per mission guidelines. The scope of works *inter alia* stipulated Project Design and Development work, which included preparation of a Situation Analysis Report (SAR), Feasibility Report (FR) and Preliminary/ Detailed Project Report (PDR/ DPR). For execution of these works, an agreement was entered into with the firm, for ₹ 21.85 crore for 36 months, commencing from January 2018.

Audit observed that:

- (i) Eptisa had prepared and submitted (February 2018 to November 2018) SAR/ FR of 44 projects/ 31 projects of SCP, approved by GoI. The firm, however, claimed (February 2019 and March 2019) ₹ 2.53 crore for 11 projects only and was paid (April 2019) accordingly. Later on, three⁴, out of 11 projects were dropped by PSCL.

³ The documents did not include details of various components of the Area Based Development (ABD) plan, PAN City plan and details of financial plans & convergence details.

⁴ **Smart Road Network** (dropped, due to the project being outside the scope of the Smart City Mission guidelines), **Railway Station Re-development** (dropped in August 2019, due to attracting a huge number of public in already crowded areas) and **E-rickshaw** (dropped in January 2021, due to growing population of the city).

- (ii) Subsequently, PSCL observed several deficiencies, viz. incomplete Bills of Quantity (BOQ); non-submission of detailed design, and drawings, and estimates; and non-conduct of the beneficiary survey, in the SAR/ FR/ DPR prepared by Eptisa. Therefore, it re-vetted and accepted (June 2020) payments of ₹ 0.64 crore only. The difference amount of ₹ 1.89 crore⁵, however, had not been recovered (September 2022) from the firm, resulting in loss of interest of ₹ 42 lakh⁶. Therefore, the payment had been made without considering the defects in the SAR/ FR/ DPR and without proper vetting.

Therefore, due to the lackadaisical approach of PSCL, excess payment of ₹ 1.89 crore had been made to Eptisa.

Further, as per Clause 13 and 18 of the Request for Proposal (RFP), the bidder should not have been blacklisted/ debarred/ terminated by any Government/ Government Board/ Corporations/ Company/ PSU, on the date of submission of the bid. The firm, however, concealed the fact of termination of a contract with Ajmer Smart City Limited in June 2017, at the time of submission (October 2017) of its bid. PSCL noticed this fact in July 2020 and terminated (July 2020) the contract with the firm. The Performance Bank Guarantee of ₹ 4.58 crore, furnished by the firm, was got encashed (July 2020). However, by that time, PSCL had already made payments of ₹ 9.37 crore to Eptisa, for the works carried out by it.

- The MoHUA, GoI, while reviewing the ongoing projects under the Smart Cities Mission, stated (August 2022) that projects, which could not be completed by June 2023, would not receive funds from the Centre and after June 2023, all the liabilities on their account would have to be borne by GoB. Till October 2022, 29 (**Appendix 8.2**), out of 44 approved projects could not be started, as they were found non-feasible, for reasons like the projects already being executed by other agencies, non-availability of land, non-requirement of rooftop farming, likelihood that the projects may attract huge crowds in already crowded areas etc. PSCL, therefore, with the approval of HPSC, dropped (November 2022) these 29 projects, amounting to ₹ 1,816.82 crore, revised the total cost of 15 projects to ₹ 381.06 crore⁷, and, as per the necessity of the city and feasibility, added 14 new projects worth ₹ 548.94 crore (**Appendix 8.3**) under the mission.

⁵ Includes ₹ 1.28 crore of three dropped projects, viz. Smart Road Network (₹ 38.84 lakh) and Railway Station Re-development (₹ 84.27 lakh) and E-Rickshaw (₹ 4.41 lakh).

⁶ Interest has been calculated at the rate of 6.50 per cent per annum from May 2019 to September 2022.

⁷ Including two projects, viz. E-buses (₹ 10.00 crore) and Jan Seva Kendras (₹ 17.50 crore), costs of which were not revised.

The Management stated (March 2023) that proposals of SCP had been amended, with the view to making the SCP more effective and fruitful, as per the requirement of the city and the people. Further, some suggestions were received from the stakeholders during the HPSC meetings and the board meetings also. Accordingly, as per the needs, for betterment of the city and with a view to optimizing the utilisation of SCM funds, the projects were added or deleted from the original SCP.

The reply of the Management is not acceptable as the requirements of the city/people had to be assessed and suggestions had to be obtained from the concerned stakeholders/departments, before preparation of the SCP.

Thus, it is evident that the preparation of unrealistic and non-feasible SCP led to withdrawal/ addition of projects and subsequent delay.

8.1.7.2 Poor planning, leading to delayed/incomplete execution of projects

Proper and adequate planning is necessary for timely execution of projects and achievement of project objectives without delays. To avoid delays, proper surveys, checking the availability of land, consultations with the concerned stakeholders *etc.*, should be ensured, before award of work.

During audit, it was noticed that four projects, under execution, were lagging behind their scheduled dates of completion, as detailed in **Table 8.1.1**.

Table 8.1.1
Status of delayed projects (as of August 2022)

(₹ in crore)

Sl. No.	Name of the Project	Cost of the project	Expenditure incurred	Scheduled date of completion	Status of Project
1	Smart Road Network ⁸	Original cost: 302.00 / Revised cost: 1.66	0.00	February 2021	HPSC stated (May 2020) that roads under this project were well maintained by the Road Construction Department (RCD). Hence, the utility of this project required reconsideration. Further, RCD did not issue No-Objection Certificate for executing the project and it was terminated. Therefore, approval of ₹ 1.66 crore was accorded (November 2022) only for beautification and upgradation work of the road flank.
2	Jan Seva Kendras ⁹ (JSKs) (10-PSCL & 18-BSBCCL ¹⁰)	17.50	7.10	December 2021	Out of 28 JSKs, PSCL had constructed 10 JSKs and BSBCCL had constructed nine JSKs. Further, work was in progress at two locations and, at seven locations, work had not been started, due to non-availability of land.

⁸ Included public utilities, streetscaping, landscaping and installation of street furniture, with area lighting and allied works.

⁹ Promoting e-governance and providing one-stop solution for all Government to Consumer services, in transparent, quick, fair and economical manner.

¹⁰ Bihar State Building Construction Corporation Limited.

Sl. No.	Name of the Project	Cost of the project	Expenditure incurred	Scheduled date of completion	Status of Project
3	Innovative 3D wall Paintings ¹¹	4.94	0.54	August 2021	Innovative 3D wall paintings were to be made on the walls and floors of 12 selected Govt. locations/spots. 3D wall painting works had been completed at six locations and the work was in progress at the remaining six locations.
4	E-toilets ¹²	4.34	0.66	December 2021	Out of 42 e-toilets, 21 had been commissioned. While the work was in progress, at the remaining 21 locations.
Total		28.44	8.30		

(Source: Information furnished by PSCL)

From **Table 8.1.1**, it can be seen that, even after the expiry of their scheduled dates of completion, all these four projects were incomplete, even after 15 to 25 months of their scheduled date of completion. Reasons for this included awarding of works to contractors without proper surveys and without consultations with the concerned stakeholders (leading to non-obtaining of NOCs from the concerned departments/authorities); non-availability of land; lack of co-ordination amongst various departments of the State Government *etc.* Further, the financial progress was also minimal, as only 29.18 *per cent* of the available funds had been expended.

The Management, while accepting the fact, replied (March 2023) that delays were due to differences in the policy and decision-making procedure among the line departments and PSCL and due to non-availability of NOCs, from the respective Departments.

The reply of the Management corroborated the audit finding.

8.1.8 Project execution

Against the 44 administratively approved projects, 29 projects, amounting to ₹ 1,816.82 crore, were dropped and 14 new projects, amounting to ₹ 548.94 crore, were included in the Mission. As of November 2022, 29 projects, amounting to ₹ 980 crore, including Administrative and Office Expenses (A&OE), were being executed by the PSCL.

The deficiencies, observed during execution of projects, under the Smart Cities Mission, are discussed in the succeeding paragraphs.

8.1.8.1 Non-achievement of the desired objectives of the Jan Seva Kendras (JSKs), due to poor planning

Under the good governance component of the Mission, Jan Seva Kendras (JSKs) were to be constructed and run on a revenue-sharing model, wherein

¹¹ Theme-based sculptures and wall paintings, made using art technique which will produce an illusion of three-dimensional object or scene.

¹² E-toilet system is a modular pre-fabricated public toilet made of steel and it is integrated with user friendly electronic interfaces.

transaction-based services¹³ were to be charged and paid to the concerned service providers, by PSCL, on a monthly basis. Therefore, PSCL planned (September 2018) to deliver different types of 214 services, related to 17 boards/corporations/departments of GoI¹⁴ and GoB¹⁵, through these JSKs. To provide these services, PSCL was to sign Memorandum of Understanding (MoUs)¹⁶, with these departments. Accordingly, PSCL planned to construct 28 JSKs, out of which 19 JSKs were constructed and nine were under progress (as of September 2022).

In this regard, Audit observed that:

- as envisaged in the DPR, the services of various government departments, to citizens, such as collection of electricity charges, renewal of driving licenses, collection of arms license fee, issuance of hotel/lodge licenses, collection of property tax *etc.*, were to be delivered through JSKs. The work of JSKs was awarded during April 2019 to July 2021, with the scheduled dates of completion of JSKs ranging from April 2020 to April 2022. However, till September 2022, only 19 JSKs, costing ₹ 7.10 crore, had been completed, while construction work of the remaining nine JSKs was under progress.
- in order to deliver the envisaged services through JSKs, MoUs, with the concerned departments, were required to be signed, and an agreement was to be entered into with an agency. PSCL had, however, not signed (March 2023) any MoU, with any of the 17 boards/corporations/departments. Further, an agreement to provide services had been entered into, with an agency¹⁷, for nine JSKs only. Therefore, only nine, out of 19 completed JSKs, were delivering online services to the public, through an outsourced agency and, in the absence of any MoU with the concerned departments, these JSKs could not deliver all the envisaged 214 services to the public. The remaining ten JSKs were not providing such services, despite lapse of six months from completion (as on April 2023). This indicated poor planning on the part of PSCL towards timely delivery of services through JSKs.
- for the operation of only nine completed JSKs, PSCL entered into an agreement (September 2021), with an agency, to deliver services. The

¹³ Collection of electricity charges, property tax, arms license fee, birth certificates, vehicle tax *etc.*

¹⁴ Bharat Sanchar Nigam Limited (BSNL), Indian Railway Catering and Tourism Corporation (IRCTC) and Regional Passport Office.

¹⁵ Bihar Water Board, Patna Municipal Corporation, South Bihar Power Distribution Company Limited, Road Transport Authority, Labour Department, Bihar Fire and Emergency Services, Revenue Services, Bihar State Road Transport Corporation, Bihar Dairy Development Co-operative Federation, Bihar State Electronics Development Corporation Limited (Beltron), Bihar Public Service Commission, Bihar Police Department, Bihar State Food and Civil Supplies Corporation Limited and Departmental Miscellaneous.

¹⁶ For computerizing the services of the respective departments, by developing suitable applications and maintaining the databases on a real-time basis.

¹⁷ Mahaboudh Jan Swasthya Evem Sarvangin Vikas Kendra.

agency had to pay a fixed rent of ₹ 5,000 and 1/3rd of the total gross revenue generated against the service charges collected, per month, per JSK. The agency had to provide government services to citizens, at these JSKs, by charging fees on the transactions of the services provided. However, due to lack of MoUs with the concerned departments, these services were not being provided to the citizens and the agency was paying neither the rent, nor PSCL's share of revenue.

Thus, the desired objective of construction of JSKs was not achieved due to poor planning on the part of PSCL, despite incurring an expenditure of ₹ 7.10 crore on construction of 19 JSKs. Further, PSCL had also failed to recover rent/ share of its revenue from Agency.

The Management stated (March 2023) that, construction of 19 JSKs had been completed and work was in progress at two locations and at seven locations, work had not yet been started, due to non-availability of land and other issues. It further stated that, for the initial period, the demand had not been raised, considering the difficulties of initialisation faced by the operator. However, PSCL was making efforts to become self-sustainable, by introducing the revenue model in all the running projects. The invoices, amounting to ₹ 7.14 lakh, for rental income and revenue share had been generated and booked under accrued income from JSKs.

From the reply of PSCL, it is clear that there had been undue delay in construction of the JSKs and providing of the desired services of the JSKs, to the citizens. Further, amount against the invoices so generated, were yet to be recovered.

8.1.8.2 Blockage of funds of ₹ 11.19 crore, on release of Mobilisation Advance, for construction of the Integrated Command and Control Centre

The Integrated Command and Control Centre (ICCC) had been envisaged as an epicentre for all the technology initiatives for the city. All technology interventions, such as surveillance camera feeds, solid waste collection data, city utility maps, traffic statistics, parking availability, *etc.* were to be integrated at ICCC.

In order to monitor the movement of people and vehicles and ensure safety of the people in the city, PSCL invited (June 2018) a tender for 'Supply and Implementation of ICCC-Data Centre and other Integrated Smart Solutions'. M/s Tata Projects Limited (TPL) quoted the lowest bid of ₹ 458.18 crore, which was ₹ 242.28 crore more than the available funds (₹ 215.90 crore). After negotiations, the contract was awarded (February 2019), to M/s TPL. An agreement was entered into (April 2019), with M/s TPL, at a cost of ₹ 313.44 crore, and mobilisation advance (MA), amounting to ₹ 11.19 crore, was given (April 2019) to it.

In this regard, Audit observed that:

(i) PSCL had not finalised, at the time of releasing MA, the scope of work, viz., detailed site survey report, hardware deployment plan, detailed project plan, information security and operations management plan. Further, after issuing MA, PSCL added certain works, like preponement of the roll out birth and death certificates applications and CCTV camera installation work at riverfront, to the scope of the project. This, however, could not materialize, as M/s TPL requested (July 2019) change in the Original Equipment Manufacturer (OEM)¹⁸, quantity reduction and scope optimisation.

(ii) PSCL did not agree to M/s TPL's request and stayed (September 2019) the execution of the project. On the staying of the project by PSCL, M/s TPL demanded/ claimed (October 2019) ₹ 23.07 crore, on account of idling charges and other fixed charges. It served (February 2020) notice of termination of the contract, after non-receipt of the claim amount and filed (February 2020) a petition, before the Hon'ble High Court, Patna, in regard to no coercive action being taken by PSCL, until the matter had been decided by the arbitrator. PSCL, on the recommendation (March 2020) of the High-Power Steering Committee, terminated (March 2020) the contract.

(iii) The matter was taken to the arbitrator and was settled (June 2021) between PSCL and M/s TPL, through mutual conciliation. In the settlement, it was decided that the PSCL would return the Mobilisation Bank Guarantee and M/s TPL would return the MA. Accordingly, M/s TPL returned (July 2021) the MA, amounting to ₹ 11.19 crore, to the PSCL.

Release of mobilisation advance, without finalisation of the scope of work, led to non-commencement of work, resulting in blocking of MA of ₹ 11.19 crore, for 26 months, with consequent loss of interest, amounting to ₹ 1.55 crore¹⁹, thereon.

The Management stated (March 2023) that the advance given to M/s TPL, amounting to ₹ 11.19 crore, had been recovered and no litigation existed. However, the fact remains that the MA had been given without finalisation of the scope of work, which had resulted in blockage of MA, amounting to ₹ 11.19 crore, for 26 months, and loss of interest of ₹ 1.55 crore, to PSCL.

8.1.8.3 Partial achievement of the intended objective of rooftop solar power plants

An MoU was signed (June 2019), between PSCL and the Bihar Renewable Energy Development Agency (BREDA), for setting up of Grid Connected

¹⁸ 'Original equipment manufacturer' is a company whose goods are used as components in the products of another company.

¹⁹ The interest has been calculated at the rate of 6.25 per cent per annum, compounded on quarterly basis.

Rooftop Solar Power Plants (GCRTSPPs), at various Government buildings, in the Patna Municipal Area. For execution of this work, a tripartite agreement was executed (August 2019), among BREDA, PSCL and other Agencies²⁰. A list of 42 buildings was given to BREDA, for installation of GCRTSPPs.

In this regard, Audit observed that: (i) based on site survey, only 20 buildings had been finalised for installation (ii) installation of GCRTSPPs had been completed (August 2022) on 19 buildings only (iii) as per the scope of the work, all the GCRTSPPs were to be connected with the grid and to be equipped with net metering²¹. However, the installed plants had not been connected to the grid and, therefore, net meters had also not been installed.

Not connecting GCRTSPPs with the grid and non-installation of net metering, resulted in partial fulfilment of the intended objective.

The Management stated (March 2023) that, since the project had been executed for government buildings, net metering had not been provided. However, as suggested by Audit, Project Design Management Consultant (PDMC) had been instructed to explore the revenue model in this project.

The reply of the Management was not in consonance with facts, as net metering was included in the scope of work of the tripartite agreement, made among PSCL, BREDA and concerned Agencies.

8.1.9 Financial Management

As per the Resolution (October 2017) of GoB, the resourcing plan, for inflow of funds of ₹ 2,776.16 crore, for the Patna Smart City Mission, was as shown in **Table 8.1.2**. However, in view of the inability of PSCL, to mobilize resources through convergence and Public Private Partnership (PPPs), the SCPs were amended (November 2022) and limited to 29 projects of ₹ 980 crore (including A&OE of ₹ 50 crore), which was to be shared equally by GoI and GoB.

Table 8.1.2
Plan for funds inflow for the Patna Smart City Mission

(₹ in crore)			
Source of Funds	Original Allotment	Revised Allotment	Actual Receipt
Smart City Project Funds (to be equally shared between Central and State Government)	930.00	930.00 (Excluding A&OE amount)	382.50
Funds from Convergence	982.31	0.00	-
Funds from CSR & other resources	63.48	-	-
Funds from PPP	800.37	-	-
Total Mission funds	2,776.16	930.00	382.50

²⁰ M/s VRG Energy experts Pvt Ltd, M/s Greensol Renewable Power Pvt Ltd, M/s Solex Energy Ltd, M/s Mittal Machines Ltd, M/s Larsen & Toubro Ltd and M/s Expression Buildtech Pvt Ltd.

²¹ A mechanism, which allows users who generate their own electricity, using solar panels to export their surplus energy back to the grid.

Source of Funds	Original Allotment	Revised Allotment	Actual Receipt
Home Department, GoB	-	-	49.36
Interest earned on unutilised mission funds	-	-	24.02
Total available funds			455.88

(Source: Information furnished by PSCL)

Against the available funds of ₹ 455.88 crore²², PSCL had spent only ₹ 132.51 crore (29 per cent) till August 2022, as detailed in **Appendix 8.4**. The poor financial progress was attributable to frequent changes in SCPs; changes in the scope of works, after award of works and during execution; award of works without availability of land; and failure of PSCL to obtain NOCs from the concerned Departments.

8.1.9.1 Inflated utilization of funds

Para 12.3 of the Smart Cities Mission guidelines stated that yearly installments of funds would be released to the SPVs, after satisfactory physical and financial progress, as shown in the Utilisation Certificates (UCs). It was observed that PSCL had submitted UCs to UD&HD (up to August 2022), showing expenditure of ₹ 272.30 crore, whereas the total expenditure, incurred by PSCL, on various projects, for the same period, was only ₹ 158.35 crore (₹ 132.51 crore on projects and ₹ 25.84 crore on A&OE). Thus, there was a difference of ₹ 113.95 crore, between the actual expenditure and the UCs submitted to the Department. Since the UCs submitted by PSCL did not have details of the project-wise utilisation of funds, Audit could not analyse the reasons for submission of UCs that showed excess utilisation of funds, well in excess of the expenditure actually incurred.

The Management, while accepting the observation, stated (March 2023) that the unutilized funds would be utilized, as and when the pending invoices for the running projects got approved and would be reflected in the coming UCs.

8.1.9.2 Diversion of funds on project relating to Madhubani paintings

PSCL invited (December 2018) a tender, for the project relating to Madhubani Paintings, in Patna city. The scope of work under the project was a cleanliness drive under which the major garbage vulnerable points consisting of main corners and crossings of the city were to be targeted and redeveloped to give aesthetic facelift. The work was awarded to different agencies for its execution. PSCL, in its 10th Board of Directors (BoD) meeting (August 2019), reviewed the project and noted that it was outside the scope of the Smart Cities Mission's Guidelines and had been taken up without taking approval of the Ministry of Housing and Urban Affairs (MOHUA), GoI/ Urban Development and Housing

²² ₹ 382.50 crore + ₹ 49.36 crore + ₹ 24.02 crore.

Department, GoB and therefore, stayed the execution of the project. PSCL made (up to March 2020) a total payment of ₹ 12.36 crore, to the executing agencies, for the works executed by them.

Images of paintings, at the boundary walls of Patna Old Museum and office of the Patna Municipal Corporation, Patna, taken during this JPV, are shown in *Images 1 and 2*.



Image 1: Madhubani painting work carried out at the boundary wall of the Patna Old Museum, Patna (November 2023).



Image 2: Madhubani painting work carried out at the boundary wall of office of the Municipal Corporation, Patna (November 2023).

Executing a project, which was beyond the scope of the Smart Cities Mission's Guidelines, had resulted in irregular expenditure, as well as diversion of Mission funds, amounting to ₹ 12.36 crore.

The Management stated (March 2023) that Madhubani paintings had been completed by the respective agencies/painters. The BoD, in its 10th meeting, had stayed the proposal regarding the operation and maintenance of Madhubani paintings.

The reply of the Management was incorrect, as BoD, in their meeting had stayed the execution of the project, on it been found to be beyond the scope of the Scheme guidelines.

8.1.10 Monitoring

As per the Smart Cities Mission guidelines, each Smart City's SPV was to be headed by a full-time Chief Executive Officer (CEO). The CEO was to be appointed with the approval of the UD&HD, for a fixed term of three years. For monitoring of progress, a review meeting was to be held on every Monday, Wednesday and Friday, under the chairmanship of the Managing Director of the SPV.

Further, PSCL appointed (February 2021) M/s Rodic Consultants Private Limited, as the PDMC, to design, develop, manage and implement its smart city

projects, for a period of 15 months. As per the agreement, PDMC was to deploy five key professionals, for consultancy works. The agreement further specified that, except as the “employer” may otherwise agree, no change would be made in the personnel. Replacement of the personnel was to be made only in cases of retirement, death and medical incapacity, and the consultant was required to provide the replacements, with persons of equivalent or better qualification.

Audit observed that:

- a full-time CEO had been appointed only in February 2021.
- though the review meetings had been conducted, minutes of these meetings had not been maintained by PSCL.
- the post of Contract Manager-cum-procurement expert had remained vacant, since appointment of the PDMC (March 2021). The Posts of Architect-cum-Urban planner, Construction manager and Information and Communication Technology (ICT) expert, had remained vacant since April 2021, June 2021 and January 2022, respectively, as of September 2022.
- the qualifications of the replacement, proposed by the PDMC, in case of the ICT expert, were lesser than the qualifications specified in the RFP. The qualifications of the ICT expert, proposed by the PDMC, from time to time, did not match with the qualifications laid down in the RFP and persons with lesser qualifications had been employed.

Thus, in violation of the scheme guidelines, the CEO had been appointed after a delay of more than three years. Further, in the absence of any minutes of the review meetings, proper monitoring of project could not be ensured. Besides, the key post of PDMC remained vacant for a long period of time and less qualified persons were employed against the posts of ICT expert.

The Management stated (March 2023) that PSCL had served (February 2022) notice of suspension to M/s Rodic Consultants, who had subsequently deployed additional staff and had smoothened out many projects and considering the improvement in performance, PSCL had revoked (May 2022) the suspension.

The Management did not, however, furnish any reply regarding the delayed appointment of the CEO. Further, absence of proper monitoring, on the part of PSCL, and non-deployment of personnel, for a long period, by the firm, would have affected the pace of execution of the projects. From the reply of the Management, it is evident that the PDMC had failed to discharge its duties, which had resulted in its suspension by PSCL.

South Bihar Power Distribution Company Limited and North Bihar Power Distribution Company Limited

8.2 Payment of additional charge for deviation

Due to failure to forecast and limit the drawl of electricity as prescribed under CERC Regulations 2014, the Distribution Companies incurred additional charge of ₹ 181.13 crore, for deviation.

The Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2014, were issued (January 2014) with the objective of maintaining grid discipline and grid security, through a commercial mechanism.

Regulation 7(1) *inter alia* stipulates that over-drawals/under-drawals of electricity, by any buyer, during a time block²³, should not exceed 12 per cent of its scheduled drawal or 150 MW, whichever is lower, when the grid frequency is 49.85 Hz and above and below 50.05 Hz²⁴. Further, Regulation 7 (3) stipulates that additional charges, for deviation from the prescribed limit, are to be applicable for over-drawal of electricity, for each time block, in excess of the volume limit specified, at the rates specified.

Further, CERC amended²⁵ Clause (10) of Regulation 7 of the Principal Regulation, which *inter alia* stipulates that “In the event of sustained deviation from schedule in one direction (positive²⁶ or negative²⁷) for 12 time blocks, by any regional entity (buyer or seller), would attract an additional charge of 10 per cent of the time block up to March 2020, Deviation Settlement Mechanism (DSM) charge²⁸ payable or receivable as the case may be”. From April 2020 onwards, the Clause stated that, sustained deviation from the schedule, in one direction (positive or negative), for six time blocks, by any regional entity (buyer or seller), would attract an additional charge, ranging from three per cent to 10 per cent of the time block, as specified in Clause 4.5(b) of the said amendment.

The Bihar Electricity Regulatory Commission (BERC) had issued (August 2018) BERC-Multi Year Distribution Tariff Regulations, 2018, which specified {Regulation 20.2(4)} that the incremental cost of power purchase, due to deviation in respect of power purchase, at a higher rate, would be allowed, only if it was justified, to the satisfaction of the Commission. Further, Regulation

²³ A time block is equal to 15 minutes.

²⁴ As per CERC (DSM & RM) (Fourth Amendment) Regulations, 2018 (with effect from 01 January 2019).

²⁵ Fifth amendment dated 28 May 2019, with effect from 03 June 2019.

²⁶ Over-drawal of electricity against the schedule drawal.

²⁷ Under-drawal of electricity against the schedule drawal.

²⁸ DSM charge is a charge imposed on both buyer/seller or generator/distribution licensee, to maintain the grid balance/mechanism.

20.2(5) specifies that any cost increase in power procurement, by the licensee, by way of penalty, would not be allowed.

Scrutiny of records (December 2022) of DISCOMs²⁹ revealed that:

- The State Load Despatch Centre, in consultation with the DISCOMs and the Eastern Region Load Despatch Centre, prepares a drawal schedule, on day ahead management basis, incorporating all the sources of power, viz. Central Sector allocations, long-term, mid-term and short-term Power Purchase Agreements, bilateral and collective transactions *etc.*, for drawal of energy. Therefore, to avoid payment of any penal charges, drawal of power was to be regulated in a manner that would ensure that the deviation between the scheduled and actual drawal of energy remained within the permissible limit. However, the DISCOMs failed to forecast the drawal of energy and deviated from the scheduled drawal of electricity, beyond the permissible limits, continuously, during the period from April 2019 to March 2022, resulting in payment of Additional Deviation Charges (Volume)³⁰ of ₹ 105.22 crore (₹ 32.08³¹ crore in FY 2019-20, ₹ 33.56 crore³² in FY 2020-21 and ₹ 39.58 crore³³ in FY 2021-22), by DISCOMs.

Besides, the DISCOMs frequently failed to change the sign of drawal³⁴ from positive to negative or *vice versa*, as per the limits prescribed under the regulation, during the period from April 2019 to March 2022, thereby incurring Additional Deviation Charges (Sign)³⁵ of ₹ 75.91 crore (₹ 5.23 crore³⁶ in FY 2019-20, ₹ 21.63 crore³⁷ in FY 2020-21 and ₹ 49.05 crore³⁸ in FY 2021-22).

- BERC had disallowed Additional Deviation Charges (Volume) and Additional Deviation Charges (Sign), amounting to ₹ 92.50 crore, for the

²⁹ North Bihar Power Distribution Company Limited and South Bihar Power Distribution Company Limited.

³⁰ Additional Deviation Charge (Volume) is a charge imposed on buyer for under-drawal/over-drawal of electricity beyond the permissible limits.

³¹ SBPDCL: 55.50 per cent of ₹ 32.08 crore i.e. ₹ 17.80 crore;
NBPDC: 44.50 per cent of ₹ 32.08 crore i.e. ₹ 14.28 crore.

³² SBPDCL: 54.99 per cent of ₹ 33.56 crore i.e. ₹ 18.45 crore;
NBPDC: 45.01 per cent of ₹ 33.56 crore i.e. ₹ 15.11 crore.

³³ SBPDCL: 54.00 per cent of ₹ 39.58 crore i.e. ₹ 21.37 crore;
NBPDC: 46.00 per cent of ₹ 39.58 crore i.e. ₹ 18.21 crore.

³⁴ The term "sign of drawal" signifies the direction of drawal of electricity i.e. over-drawal (positive) or under-drawal (negative).

³⁵ Additional Deviation Charge (Sign) is a charge imposed on buyer for not changing the direction of drawal of electricity from positive to negative or vice versa, in the specified time block, as mentioned in the regulation.

³⁶ SBPDCL: 55.50 per cent of ₹ 5.23 crore i.e. ₹ 2.90 crore;
NBPDC: 44.50 per cent of ₹ 5.23 crore i.e. ₹ 2.33 crore.

³⁷ SBPDCL: 54.99 per cent of ₹ 21.63 crore i.e. ₹ 11.89 crore;
NBPDC: 45.01 per cent of ₹ 21.63 crore i.e. ₹ 9.74 crore.

³⁸ SBPDCL: 54.00 per cent of ₹ 49.05 crore i.e. ₹ 26.49 crore;
NBPDC: 46.00 per cent of ₹ 49.05 crore i.e. ₹ 22.56 crore.

financial years 2019-20 and 2020-21, as these charges had been levied due to over-drawal of power beyond the specified limit and sign change violation, as per CERC (Deviation Settlement Mechanism and Related Matters) Regulations.

- Additional Deviation Charges (volume and sign), amounting to ₹ 88.63 crore, incurred by the DISCOMs, for the financial year 2021-22, were yet to be considered by BERC.

Thus, due to the failure of the DISCOMs to forecast the electricity demand and limit the drawal of electricity within the limits prescribed under the CERC Regulations, 2014 (fifth amendment), they incurred additional charges for deviation of ₹ 181.13 crore (Volume: ₹ 105.22 crore and Sign: ₹ 75.91 crore).

The Energy Department stated (July 2022) that, while assessing the forecasted demand, the expected behaviour of all the consumers, power availability, system/network availability, forecasted weather for entire state, expected drawal by Nepal *etc.*, had been taken into consideration. However, the input parameters were liable to change, due to various reasons like different consumer behaviour, change in power/system/network availability, mismatch in forecasted weather conditions and its subsequent impact *etc.*

The reply of the Department was not acceptable, as the DISCOMs had incurred additional deviation charges, even after taking into consideration all the above mentioned factors, while forecasting the demand. Further, BERC had stated (tariff orders for FYs 2019-20 to 2020-21) that under-drawal/ over-drawal should be strictly within the specified limits, to avoid any additional deviation charges.

Bihar State Power Transmission Company Limited

8.3 Loss of Grant

The Company suffered loss of grant of ₹ 97.54 crore, due to non-adherence to the Power System Development Fund guidelines.

The Ministry of Power (MoP), Government of India, asked (03 October 2016), the Energy Departments of all States/UTs, to set up Reliable Communication Systems³⁹, for sub-stations, in line with the scheme prepared by the Power Grid Corporation of India Limited (PGCIL). The Detailed Project Reports (DPRs) for Reliable Communication System were to be prepared and processed, as per the Power System Development Fund (PSDF) guidelines, issue (September 2014) by MoP and submitted to the Nodal Agency (National Load Despatch Centre).

³⁹ *Reliable Communication System is a wideband communication system, for catering to the data & voice requirements for Grid Management, Natural Disaster Management, and new technological requirements.*

The scheme was to be taken up by States, with PSDF support of 30 *per cent* and the balance 70 *per cent* being contributed by the States, from their own resources, for their respective regions. However, Reliable Communication System falls under category 5.1 (c) of the PSDF guidelines, in which the funding pattern {Para 6.3(ii)} stipulates that the quantum of grant towards the project cost estimate was to be 90 *per cent* of the project cost, subject to the availability of funds in the PSDF. Guidelines for the submission of DPRs stipulated that placement of Letters of Award (LoA) should be made only after approval of the scheme.

The scheme was communicated (25 October 2016) to the Bihar State Power Transmission Company Limited (Company), by the Energy Department, Government of Bihar (GoB).

Scrutiny of records (August 2021 and December 2022) revealed that the Company had prepared (May 2018) a DPR, estimating ₹ 195.07 crore for the Reliable Communication and Data acquisition system, for sub-stations up to 132 KV. The proposal was sent (May 2018) to the Energy Department, GoB, suggesting 20 *per cent* funding by the GoB, in the form of equity, and 80 *per cent* funding through loans from financial institutions, on the guarantee of the State Government. The proposal was approved (11 July 2018) by GoB.

After approval of the above proposal, the Company initiated (13 July 2018) a fresh proposal, for availing 50 *per cent*⁴⁰ grant, i.e. ₹ 97.54 crore, from PSDF. The Company sent (September 2018) this proposal to the Nodal Agency, for its approval and grant of funds.

Meanwhile, the Company invited (August 2018) tender and awarded (January 2019) the work, at a cost of ₹ 124.75 crore (₹ 85.06 crore for supplies and ₹ 39.69 crore for services) as per the project approved by the State Government. As on 31 March 2023, the Company had incurred total expenditure of ₹ 103.09 crore⁴¹. Further, the Company had also suffered loss of interest, amounting to ₹ 16.56 crore⁴², on the availed loan of ₹ 82.47 crore (during June 2019 to March 2023).

In this regard, Audit observed that:

- as per the PSDF guidelines, the coverage and funding of the scheme was available under PSDF support. However, based on the proposal of the Company, the scheme was approved by GoB, with a funding pattern of 20 *per cent* in the form of equity and 80 *per cent* through loans from financial

⁴⁰ This quantum of grant had been approved (May 2018) by the PSDF Monitoring Committee, to the Madhya Pradesh Power Transmission Company Limited, Himachal Pradesh State Electricity Board Limited etc.

⁴¹ It consists of 20 *per cent* equity i.e. ₹ 20.62 crore and 80 *per cent* loan i.e. ₹ 82.47 crore.

⁴² Rate of interest: 7.40 *per cent per annum*.

institutions, in violation of the PSDF guidelines, i.e. without considering the availability of grant for the scheme, under PSDF.

- as per the PSDF guidelines, the PSDF grant could not be given for works that had already been awarded, before approval of the scheme. Though the Company had sent (September 2018) a proposal to the Nodal Agency, for sanction of the scheme and grant of funds, it placed the work order, without awaiting final approval, in violation of the scheme guidelines. Due to this, the Nodal Agency did not find (March 2020) the proposal eligible for grant of funds.

Thus, violation of the PSDF guidelines resulted in loss of grant of ₹ 97.54 crore. Further, non-availing of the grant from PSDF, also resulted in undue burden of interest, amounting to ₹ 16.56 crore, on the loan of ₹ 82.47 crore.

The Management, in its reply, stated (February 2023) that, in the absence of matching 70 per cent funding, it relied on the only available financing facility of GoB and sent the DPR for approval. After receiving approval from GoB, the Company requested (October 2018) the PSDF committee for sanctioning the grant and, in anticipation of approval of the grant, the tender for the work was floated. It again requested (January 2019) the PSDF committee for approval of grant, as the tender was in the advanced stage of award. As the status of funding from PSDF was not clear till that time and starting of work was urgently required for smooth functioning of the grids, the matter of award of work was placed before the Board of Directors (BoD) and was approved (January 2019) by the BoD.

The reply of the Management was not acceptable, as only 70 per cent of the project cost was required to be borne by GoB initially and the remaining 30 per cent was to be made available under PSDF support (October 2016), and this fact had not been brought to the notice of GoB, at any stage, which had led to unnecessary financial burden on the state exchequer. Further, the Company, in violation of the PSDF guidelines, had issued the letter of award before approval of the scheme, which had resulted in denial of grant by the Nodal Agency of PDSF. Moreover, neither the fact that the PSDF grant could not be given for already awarded work, before approval of the scheme⁴³, nor the circumstances necessitating urgent requirement of the work for the smooth functioning of Grids, were brought to the notice of the BoD, during approval for the placement of order.

⁴³ Guidelines for submission of DPRs.

Bihar State Electronics Development Corporation Limited

8.4 Avoidable expenditure

Irregular finalisation of tender by the Company resulted in avoidable expenditure of ₹ 1.81 crore.

The Bihar State Electronics Development Corporation Limited (Company), a Government of Bihar (GoB) undertaking, is engaged in businesses related to electronics, computer goods and Information Technology (IT) services. The Company caters to the technological needs of the government and carries out IT project conceptualization and implementation for State Government Departments and agencies.

Scrutiny of records (February 2022) of the Company revealed that it had invited (November 2017) tender for selection of System Integrator, for an Integrated Enterprise Resource Planning (ERP) solution for the Company. As per Request for Proposal (RFP), the bidder was to be selected on the basis of Quality and Cost Based Selection (QCBS) Method⁴⁴. After applying the QCBS method, the Company awarded (March 2018), the contract to M/s 3i Infotech Limited, at a cost of ₹ 7.96 crore.

In this connection, Audit observed that:

- As per Clause 7.2.2 (Technical Qualification Criteria for relevant strength) of the RFP, bidders were required to submit a maximum of five work orders issued to them, within last five years from the last date of submission of bid. As the last date of submission of bid was 24 January 2018, work orders issued to the firms up to 25 January 2013, were to be considered for this contract. Audit noticed that M/s 3i Infotech had submitted a work order (Integrated Treasury Management System), pertaining to the United Bank of India, issued on 28 March 2012 (more than five years from the last date of submission of bid). As per the provisions of the RFP, this work order was not to be considered while awarding marks. However, 30 marks (six marks for each project, for a maximum of five projects), instead of 24 marks, were awarded to M/s 3i Infotech.
- As per the QCBS method adopted in the RFP, technical marks awarded to a firm were not to be converted into a technical score of 100. However, in violation of RFP, during technical evaluation, marks (97) awarded to M/s 3i Infotech, were considered as a technical score of 100.

⁴⁴ *The technical proposal was to be allotted a weightage of 70 per cent and the financial proposal was to be allotted a weightage of 30 per cent. The proposal with the lowest bid was to be given a financial score of 100 and the other proposals were to be given financial scores that were inversely proportionate to their bid. The total score, both technical and financial, was to be obtained by weighing the quality and cost score and adding them up.*

As a result, 93.18⁴⁵ marks and 92.06⁴⁶ marks, in total, were awarded to M/s 3i Infotech and M/s CSM Technologies (2nd highest bidder), instead of 86.88 marks and 90.2 marks (**Appendix 8.5**), which should have been awarded, as per the provisions of the RFP. Had the technical bid of the tender been evaluated properly, the L-2 composite bidder, with a score of 90.2 marks, would have become the L-1 composite bidder, in the composite evaluation of bids. However, violation of the provisions of the RFP resulted in award of contract to M/s 3i Infotech, in place of M/s CSM Technologies⁴⁷, at a higher cost of ₹ 1.81 crore (₹ 7.96 crore - ₹ 6.15 crore), besides vitiating the tendering process.

As such, the Company had finalised the tender irregularly, resulting in avoidable expenditure of ₹ 1.81 crore.

The matter was reported to the Company (December 2022); the reply was awaited (as of March 2023).

Bihar State Food and Civil Supplies Corporation Limited

8.5 Blockage of funds due to failure in claiming refund of TDS

The Company's failure in claiming refund of TDS resulted in blockage of funds, amounting to ₹ 6.33 crore.

As per Section 194A of the Income Tax Act, 1961 (Act), interest earned on fixed deposits is subject to deduction of Income tax at source (TDS) by the payee Bank. The payee bank deposits the applicable TDS to the Income Tax Department and furnishes a certificate in this regard, to the assessee organisation, under Section 203 of the Act. The assessee organisation can claim refund of TDS, by filing its Income Tax Return⁴⁸.

The Bihar State Food & Civil Supplies Corporation Limited (Company) undertakes the business of purchasing, transporting, storing, stocking and distributing food grains, as an agent of the Government. Scrutiny of records of Company revealed (July 2021 and October 2022) that the Company had not filed its Income Tax Returns (ITRs), from the financial year (FY) 2015-16 onwards. It received notices from the Income Tax Department, under Section 148 of Income Tax Act, 1961, and filed (February 2022-June 2022) ITRs for FYs 2015-16 to 2017-18 (Assessment Years 2016-17 to 2018-19), in response to the notices received, claiming refund of TDS. ITRs for FYs 2018-19 and

⁴⁵ L-1 composite bidder.

⁴⁶ L-2 composite bidder.

⁴⁷ Financial bid value: ₹ 6.15 crore.

⁴⁸ Section 139 (1) of Income Tax Act, 1961, envisages furnishing of return of income during the previous year, in the prescribed form.

2019-20 were yet to be filed. Further, the ITR for FY 2020-21 was filed on time (March 2022).

The Income Tax Department processed (March 2022) the returns filed for FYs 2015-16 and 2016-17 and issued assessment orders, wherein it stated that the genuineness of the income offered for taxation and expenses claimed, cannot be verified. Thereafter, the Company filed (April 2022) an appeal against the above assessment orders.

Audit noticed that, as per the annual accounts approved by the Board, the Company had registered net loss⁴⁹, during the FYs from 2016-17 to 2019-20. The Company's reserves and surplus had also decreased from (-) ₹ 752.75 crore in FY 2016-17 to (-) ₹ 946.70 crore in FY 2019-20, due to losses incurred during this period. Audit further noticed that an amount of ₹ 6.33 crore⁵⁰ had been deducted by the concerned banks, on the interest of Fixed Deposits/ other funds and bills, for the period from FY 2015-16 to FY 2019-20, as TDS, and had been deposited with the Income Tax Department.

Audit observed that the Company had been continuously incurring losses, for the period from FY 2016-17 to FY 2019-20, therefore, had 'nil' tax liability. In case of 'nil' tax liability, the Income Tax Department could have refunded the amount of TDS, on submission of claim for refund, through filing of ITR. However, the Company had not filed/ filed (October 2022) its ITRs with delay, for the aforementioned years, although this was required under Section 139(1) of the Act.

The Management, in its reply, stated (May 2022) that: (i) the ITRs could not be filed due to delayed finalisation of accounts (ii) the Company had received notice, under Section 148, by the Income Tax Department and ITRs for FYs 2015-16 to 2017-18 (AYs 2016-17 to 2018-19), had been filed, in response to the notice, wherein refund of TDS had been claimed (iii) ITRs for FYs 2018-19 and 2019-20 (AYs 2019-20 and 2020-21) would be filed once notice under Section 148 of the Act was received (iv) the amount of TDS, in question, was subject to refund and (v) the Company had been pursuing the matter for early settlement and refund of TDS, for the above years in question.

The reply of the Management was not acceptable, as it was the responsibility of the Management to strengthen its internal control system; to finalise the annual accounts, within the stipulated time; and to ensure timely filing of


⁴⁹ 2016-17: ₹ 249.10 crore, 2017-18: ₹ 106.26 crore, 2018-19: ₹ 33.63 crore and 2019-20: ₹ 54.05 crore.

⁵⁰ Financial Year 2015-16: ₹ 1.14 crore, 2016-17: ₹ 1.80 crore, 2017-18: ₹ 1.04 crore, 2018-19: ₹ 1.37 crore and 2019-20: ₹ 0.98 crore.

ITRs. However, the Company had failed to ensure timely filing of ITRs, which indicated lack of attention to the financial interests of the Company. The ITRs filed for FYs 2015-16 to 2017-18 (AYs 2016-17 to 2018-19) were yet to be finalised by the Income Tax Department. Further, ITRs for remaining periods were yet to be filed (as of October 2022).


Thus, the Company's failure in claiming refund of TDS, in a timely manner, resulted in blockage of funds, amounting to ₹ 6.33 crore.

Patna
The 07 June 2024


(RAJ KUMAR)
Principal Accountant General (Audit), Bihar

Countersigned

New Delhi
The 21 June 2024


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

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APPENDICES

APPENDIX 2.1

(Reference: Paragraph 2.3.7.2)

Non-submission of reply by the Department

(Amount in ₹)

Sl. No.	Audit dimension	GSTIN	Circle	Mismatch amount	
1.	Excess ITC availed	10XXXXXXXXXX1Z2	Forbesganj	2,03,03,372.57	
		10XXXXXXXXXX1ZL	Patna Special	80,12,594.05	
		10XXXXXXXXXX1ZC	Patna Central	81,70,687.91	
		Total			3,64,86,654.53
2.	Excess availing of ITC on RCM	10XXXXXXXXXX1ZF	Katihar	18,92,745.00	
		10XXXXXXXXXX1ZP	Patna Central	20,77,588.02	
		10XXXXXXXXXX1ZH	Patna Central	1,36,92,863.56	
		10XXXXXXXXXX1ZT	Patna Central	40,91,211.78	
		10XXXXXXXXXX1ZG	Patna Central	44,62,871.74	
		Total			2,62,17,280.10
3.	Unreconciled ITC in Table-12F of GSTR-9C	10XXXXXXXXXX1ZF	Aurangabad	3,16,23,856.00	
		10XXXXXXXXXX2Z2	Jamui	1,92,72,172.00	
		10XXXXXXXXXX1ZA	Hajipur	44,64,340.00	
		10XXXXXXXXXX1ZT	Patna Special	1,00,49,331.00	
		10XXXXXXXXXX1Z1	Katihar	58,14,982.00	
		10XXXXXXXXXX2ZI	Patna West	51,74,689.50	
		10XXXXXXXXXX3Z4	Patna Central	46,20,715.00	
		10XXXXXXXXXX1ZI	Forbesganj	45,58,712.00	
		Total			8,55,78,797.50
4.	Unreconciled ITC in Table-14T of GSTR-9C	10XXXXXXXXXX2Z0	Patna City East	27,73,26,598.00	
		10XXXXXXXXXX1ZL	Patna Central	4,52,88,897.10	
		Total			32,26,15,495.10
5.	Unreconciled turnover in Table-5R of GSTR-9C	10XXXXXXXXXX1Z2	Katihar	10,10,44,949.00	
		Total			10,10,44,949.00
6.	Unreconciled tax liability in Table-7G of GSTR-9C	10XXXXXXXXXX1ZP	Bagaha	3,95,41,643.00	
		10XXXXXXXXXX1ZK	Katihar	3,01,08,527.22	
		10XXXXXXXXXX1Z9	Katihar	2,63,23,837.58	
		Total			9,59,74,007.80
7.	Unreconciled turnover in Table-9R of GSTR-9C	10XXXXXXXXXX1Z6	Jamui	85,57,640.00	
		10XXXXXXXXXX1Z6	Bettiah	78,73,410.00	
		10XXXXXXXXXX1ZK	Patna City West	73,33,550.00	
		10XXXXXXXXXX1ZT	Bagaha	68,26,754.00	
		10XXXXXXXXXX1Z7	Bagaha	67,00,894.00	
		10XXXXXXXXXX1Z2	Bhagalpur	60,31,206.00	
		10XXXXXXXXXX1Z5	Patna Central	37,40,100.00	
		10XXXXXXXXXX1ZA	Siwan	36,32,861.00	
		10XXXXXXXXXX1ZC	Teghra	35,04,316.00	
		10XXXXXXXXXX1ZC	Saharsa	28,67,060.00	
		10XXXXXXXXXX1ZD	Patna Central	23,55,580.00	
		10XXXXXXXXXX1ZE	Aurangabad	22,84,750.00	
		Total			6,17,08,121.00

Sl. No.	Audit dimension	GSTIN	Circle	Mismatch amount
8.	Undischarged liability	10XXXXXXXXXXXX2Z0	Patna Special	8,07,69,659.00
		10XXXXXXXXXXXX1ZY	Hajipur	11,94,28,766.00
		10XXXXXXXXXXXX2ZK	Gaya	1,67,64,306.00
		Total		
9.	Short payment of interest	10XXXXXXXXXXXX1ZP	Bagaha	42,01,374.00
		10XXXXXXXXXXXX1ZS	Gopalganj	28,39,713.00
		10XXXXXXXXXXXX1Z5	Kadamkuan	20,82,664.00
		10XXXXXXXXXXXX2ZA	Patna Central	12,63,514.00
		10XXXXXXXXXXXX1Z1	Patna Central	20,39,771.00
		10XXXXXXXXXXXX1Z2	Patna Central	17,45,570.00
		10XXXXXXXXXXXX1ZU	Patna Central	48,37,125.00
		10XXXXXXXXXXXX1ZF	Patna Central	61,42,634.00
		10XXXXXXXXXXXX1ZK	Patna City West	26,39,915.00
		Total		
10.	ISD/ITC mismatch	10XXXXXXXXXXXX1ZX	Raxaul	10,52,632.28
		Total		
11.	GSTR-3B not filed but GSTR-1 or GSTR-2A available	10XXXXXXXXXXXX1ZF	Patna Central	16,85,525.26
		10XXXXXXXXXXXX3ZM	Patna Central	2,51,091.94
		10XXXXXXXXXXXX1ZR	Forbesganj	2,34,035.08
		10XXXXXXXXXXXX1ZO	Patna Central	1,49,948.00
		10XXXXXXXXXXXX1ZB	Motihari	16,934.40
		10XXXXXXXXXXXX2ZD	Patna Central	8,926.20
		10XXXXXXXXXXXX3ZI	Bhagalpur	29,11,500.00
Total			52,57,960.85	
12.	Composition taxpayers availed e-commerce facility	10XXXXXXXXXXXX1ZG	Bagaha	0.00
		10XXXXXXXXXXXX1ZO	Sitamarhi	0.00
		10XXXXXXXXXXXX1ZA	Sitamarhi	0.00
		10XXXXXXXXXXXX1ZB	Sitamarhi	0.00
		10XXXXXXXXXXXX1Z6	Patna Central	0.00
Total			0.00	
13.	Stop filers of returns	10XXXXXXXXXXXX1ZQ	Motihari	5,837.20
		10XXXXXXXXXXXX1ZC	Motihari	7,928.48
		Total		

APPENDIX 2.2
(Reference: Paragraph 2.3.7.3)
Results of Centralised Audit

(₹ in crore)

Audit dimension	Cases where reply received		Department's reply accepted by Audit						Compliance deviations																
	No.	Amount	Data entry errors		Action taken before query		Other valid explanations		Accepted by Department including cases where action is yet to be initiated			Under correspondence with taxpayer			Department's reply not acceptable to Audit (rebuttal)		Total		Department reply not furnished with documentary evidence		Department stated they are examining the AQ				
			No.	Amount	No.	Amount	No.	Amount	No.	Amount	Recovered	ASMT-10	SCN issued	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	
ITC mismatch between GSTR-2A and GSTR-3B	47	84.43	3	5.51	6	13.80	12	23.4	0	0	1	1.37	7	14.49	13	18.27	5	7.60	26	41.73	6	17.07	15	21.38	
ITC mismatch on RCM	45	15.11	18	6.44	0	0	5	1.18	2	0.55	6	1.44	7	2.50	5	2.36	2	0.43	22	7.28	9	3.08	5	2.37	
ITC mismatch on RCM without payment	18	2.53	9	1.23	0	0	2	0.27	0	0	4	0.57	3	0.46	0	0	0	0	7	1.03	3	0.42	0	0	
Unreconciled ITC in Table-12F of GSTR-9C	17	16.03	2	1.48	4	2.46	6	6.10	0	0	3	2.61	0	0	2	3.39	0	0	5	6	1	0.45	2	4.58	
Unreconciled ITC in Table-14T of GSTR-9C	23	317.4	0	0	0	0	23	317.4	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Unreconciled turnover in Table-5R of GSTR-9C	49	6,832.02	7	4,850.84	4	97.61	12	236.38	0	0	10	390.16	9	123.10	7	1,133.93	0	0	26	1,647.19	6	59.61	7	1,133.93	
Unreconciled taxable turnover in Table-7G of GSTR-9C	31	386.04	0	0	0	0	5	91.31	1	2.73	11	81.73	7	41.84	7	168.43	0	0	26	294.73	5	88.32	7	168.42	

Compliance Audit Report for the year ended 31 March 2022

(₹ in crore)

Audit dimension	Cases where reply received		Department's reply accepted by Audit				Compliance deviations																	
	No.	Amount	Data entry errors	Action taken before query		Other valid explanations	Accepted by Department including cases where action is yet to be initiated						Department's reply not acceptable to Audit (rebuttal)			Total			Department reply not furnished with documentary evidence		Department stated they are examining the AQ			
				No.	Amount		No.	Amount	Recovered	ASMT-10	SCN issued	Under correspondence with taxpayer	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25
Unreconciled tax liability in Table-9R of GSTR-9C	38	22.88	1	1.13	14	10.84	4	1.78	1	0.36	4	1.31	7	3.88	7	3.35	0	0	19	8.90	5	2.43	5	2.14
Incorrect availing of ISD credit	24	3.42	5	0.51	1	0.11	4	0.37	0	0	3	0.31	7	1.41	3	0.61	1	0.09	14	2.43	2	0.14	2	0.17
Interest not paid for delayed payments	16	3.96	0	0	0	0	3	1.21	6	1.18	0	0	3	0.81	3	0.57	1	0.2	13	2.76	0	0	3	0.57
Undischarged tax liability	22	141.78	3	15.03	0	0	5	24.98	1	1.93	0	0	6	83.90	7	15.94	0	0	14	101.77	1	3.41	3	6.97
GSTR-3B not filed but GSTR-1 or 2A available	17	1.07	0	0	0	0	5	0.17	0	0	2	0.13	7	0.20	1	0.54	2	0.04	12	0.91	4	0.18	1	0.53
Composition taxpayers availed e-commerce facility	11	0	0	0	0	0	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
ISD reversals	2	0	0	0	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Stop filers of returns	1	0	0	0	0	0	1	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	361	7,826.67	48	4,882.17	29	124.82	100	704.55	11	6.75	44	479.63	63	272.59	55	1,347.39	11	8.36	184	2,114.73	42	175.11	50	1,341.06

APPENDIX 2.3
(Reference: Paragraph 2.3.7.3 (A)(D))
Input Tax Credit mismatch between GSTR-2A and GSTR-3B

Sl. No.	GSTIN	Name of circle	Table- 4A(5) of GSTR- 3B	Table- 4B(2) of GSTR- 3B	Table- 8(C) of GSTR-9	ITC availed	ITC available in GSTR- 2A	Excess claim of ITC
1	2	3	4	5	6	7 (4-5+6)	8	9 (7-8)
1	10XXXXXXXXXX1ZM	Patna South	5,95,09,691.51	0.00	17,46,306.00	6,12,55,997.51	5,39,84,247.97	72,71,749.54
2	10XXXXXXXXXX2ZU	Gandhi Maidan	1,23,24,976.96	0.00	0.00	1,23,24,976.96	12,57,032.17	1,10,67,944.79
3	10XXXXXXXXXX1ZJ	Patliputra	65,94,50,021.00	1,30,46,980.00	1,44,62,824.81	66,08,65,865.81	65,24,30,562.16	84,35,303.65
4	10XXXXXXXXXX1ZP	Patna Special	30,18,57,922.00	0.00	2,73,51,362.31	32,92,09,284.31	31,69,58,447.75	1,22,50,836.56
5	10XXXXXXXXXX1Z3	Muzaffarpur West	4,02,27,742.28	0.00	4,62,62,952.26	8,64,90,694.54	4,61,94,462.65	4,02,96,231.89
6	10XXXXXXXXXX1ZX	Siwan	3,95,83,085.73	16,886.80	0.00	3,95,66,198.93	2,58,84,017.29	1,36,82,181.64
7	10XXXXXXXXXX1Z4	Patna Special	1,67,66,08,385.00	9,05,091.00	3,49,80,224.18	1,71,06,83,518.18	1,70,14,59,555.60	92,23,962.58
8	10XXXXXXXXXX1ZE	Buxar	82,95,345.62	0.00	80,42,377.93	1,63,37,723.55	80,42,377.88	82,95,345.67
9	10XXXXXXXXXX1ZT	Patna South	4,91,73,955.47	0.00	15,91,088.50	5,07,65,043.97	4,30,67,563.48	76,97,480.49
10	10XXXXXXXXXX1ZC	Patna Special	97,70,78,621.00	0.00	9,51,09,425.36	1,07,21,88,046.36	1,05,66,40,733.93	1,55,47,312.43
11	10XXXXXXXXXX1ZV	Sasaram	73,41,788.35	0.00	38,44,999.39	1,11,86,787.74	38,74,026.25	73,12,761.49
12	10XXXXXXXXXX1ZA	Muzaffarpur West	1,13,35,463.00	0.00	0.00	1,13,35,463.00	0.00	1,13,35,463.00
13	10XXXXXXXXXX2Z2	Patna City East	47,09,20,291.46	0.00	71,89,357.98	47,81,09,649.44	46,97,97,941.44	83,11,708.00
14	10XXXXXXXXXX1ZP	Patliputra	2,72,45,762.00	0.00	0.00	2,72,45,762.00	1,40,14,723.75	1,32,31,038.25
15	10XXXXXXXXXX1ZW	Patliputra	2,23,06,662.00	23,10,760.00	1,19,685.00	2,01,15,587.00	1,19,15,943.60	81,99,643.40
16	10XXXXXXXXXX1Z4	Patna Special	8,39,56,455.63	21,03,029.00	0.00	8,18,53,426.63	7,05,09,974.33	1,13,43,452.30
17	10XXXXXXXXXX2ZQ	Patna North	1,10,10,446.37	2,18,220.72	0.00	1,07,92,225.65	31,75,651.11	76,16,574.54
18	10XXXXXXXXXX1ZE	Barh	2,63,82,866.24	0.00	0.00	2,63,82,866.24	1,88,60,084.21	75,22,782.03
19	10XXXXXXXXXX1ZN	Patna Special	42,01,96,506.00	0.00	38,70,743.00	42,40,67,249.00	41,62,59,022.18	78,08,226.82
20	10XXXXXXXXXX1ZL	Patna Special	1,52,39,33,750.00	7,53,453.00	0.00	1,52,31,80,297.00	1,47,94,61,877.31	4,37,18,419.69

Sl. No.	1	2	3	4	5	6	7 (4-5+6)	8	9 (7-8)
Sl. No.	GSTIN	Name of circle	Table- 4A(5) of GSTR- 3B	Table- 4B(2) of GSTR- 3B	Table- 8(C) of GSTR-9	ITC availed	ITC available in GSTR- 2A	Excess claim of ITC	
21	10XXXXXXXXXX1Z7	Muzaffarpur West	29,67,03,228.94	0.00	0.00	29,67,03,228.94	28,82,08,133.33	84,95,095.61	
22	10XXXXXXXXXX1ZM	Motihari	7,32,54,152.55	0.00	0.00	7,32,54,152.55	1,30,24,329.19	6,02,29,823.36	
23	10XXXXXXXXXX1Z9	Patna South	2,66,52,448.05	0.00	0.00	2,66,52,448.05	5,38,526.76	2,61,13,921.29	
24	10XXXXXXXXXX1Z7	Patna Special	18,59,62,111.00	0.00	2,23,25,448.00	20,82,87,559.00	19,94,25,140.36	88,62,418.64	
25	10XXXXXXXXXX1ZM	Muzaffarpur West	30,37,14,603.14	0.00	82,09,077.61	31,19,23,680.75	30,32,77,932.65	86,45,748.10	
26	10XXXXXXXXXX1ZE	Buxar	4,68,44,802.62	0.00	0.00	4,68,44,802.62	20,96,810.80	4,47,47,991.82	
Total			7,36,18,71,083.92	1,93,54,420.52	27,51,05,872.33	7,61,76,22,535.73	7,20,03,59,118.15	41,72,63,417.58	

*{GSTR-3B, Table-4A(5) – GSTR-3B, Table-4 B(2) + Table-8C of GSTR-9} as compared to ITC available in GSTR-2A.

APPENDIX 2.4
(Reference: Paragraph 2.3.7.3 (A)(II))
Input Tax Credit mismatch on Reverse Charge Mechanism

Sl. No.	GSTIN	Name of circle	Table-3.1(d) of GSTR-3B	Table-4A(2) of GSTR-3B	Table-4(A)3 of GSTR-3B	Table-6C of GSTR-9	Table-6D of GSTR-9	Table-6F of GSTR-9	Excess ITC claim under RCM*
1	10XXXXXXXXXX1ZV	Bhabhua	0.00	0.00	0.00	0.00	23,55,294.24	0.00	23,55,294.24
2	10XXXXXXXXXX1ZG	Danapur	0.00	0.00	0.00	0.00	35,76,775.63	0.00	35,76,775.63
3	10XXXXXXXXXX1ZY	Danapur	0.00	0.00	78,491.78	37,47,476.24	0.00	0.00	37,47,476.24
4	10XXXXXXXXXX1Z6	Gandhi Maidan	0.00	0.00	27,77,075.00	RNF	RNF	RNF	27,77,075.00
5	10XXXXXXXXXX1ZJ	Gaya	0.00	0.00	0.00	0.00	43,74,102.99	0.00	43,74,102.99
6	10XXXXXXXXXX1Z3	Gaya	0.00	0.00	38,54,451.53	38,54,451.53	0.00	0.00	38,54,451.53
7	10XXXXXXXXXX1Z5	Jhanjharpur	1,52,702.10	0.00	1,52,703.10	1,52,703.10	48,55,066.86	0.00	48,55,067.86
8	10XXXXXXXXXX1ZK	Muzaffarpur West	0.00	0.00	0.00	0.00	20,22,990.59	0.00	20,22,990.59
9	10XXXXXXXXXX1ZZ	Patna South	0.00	0.00	17,69,445.72	RNF	RNF	RNF	17,69,445.72
10	10XXXXXXXXXX1ZW	Patna South	0.00	0.00	0.00	0.00	46,10,558.58	0.00	46,10,558.58
11	10XXXXXXXXXX1Z8	Patna South	0.00	0.00	0.00	0.00	21,88,084.92	0.00	21,88,084.92
12	10XXXXXXXXXX1ZO	Patna South	0.00	0.00	0.00	0.00	45,87,493.12	0.00	45,87,493.12
13	10XXXXXXXXXX1ZS	Patna West	0.00	0.00	0.00	0.00	23,36,010.61	0.00	23,36,010.61
14	10XXXXXXXXXX1ZO	Patna West	0.00	0.00	0.00	0.00	22,47,027.25	0.00	22,47,027.25
15	10XXXXXXXXXX1Z7	Patna West	0.00	0.00	0.00	24,41,814.12	0.00	0.00	24,41,814.12
16	10XXXXXXXXXX1ZX	Samastipur	41,672.16	0.00	42,272.16	41,672.16	21,92,949.98	0.00	21,92,949.98
17	10XXXXXXXXXX1ZW	Shahabad	0.00	0.00	0.00	0.00	23,11,125.47	0.00	23,11,125.47
18	10XXXXXXXXXX1ZT	Shahabad	0.00	0.00	0.00	0.00	1,06,37,577.80	0.00	1,06,37,577.80

Sl. No.	GSTIN	Name of circle	Table-3.1(d) of GSTR-3B	Table-4A(2) of GSTR-3B	Table-4(A)3 of GSTR-3B	Table-6C of GSTR-9	Table-6D of GSTR-9	Table-6F of GSTR-9	Excess ITC claim under RCM*
19	10XXXXXXX1ZP	Shahabad	0.00	0.00	21,16,836.98	RNF	RNF	RNF	21,16,836.98
20	10XXXXXXX1Z2	Siwan	0.00	0.00	0.00	0.00	22,94,377.89	0.00	22,94,377.89
21	10XXXXXXX1ZK	Siwan	0.00	0.00	31,78,899.90	31,78,899.90	0.00	0.00	31,78,899.90
22	10XXXXXXX2ZP	Siwan	0.00	0.00	23,63,720.40	23,63,720.40	0.00	0.00	23,63,720.40
Total			1,94,374.26	0.00	1,63,33,896.57	1,57,80,737.45	5,05,89,435.93	0.00	7,28,39,156.82

* Excess ITC availed under RCM (where GSTR-9 filed) = (Table-6C + Table-6D + Table-6F of GSTR 9) – Table-3.1(d) of GSTR-3B

* Excess ITC availed under RCM (where GSTR-9 not filed) = {Table-4A (2) + Table-4A (3) of GSTR-3B - Table-3.1(d) of GSTR-3B.
RNF= Return not filed.

APPENDIX 2.5

(Reference: Paragraph 2.3.7.3 (A)(III))

Input Tax Credit mismatch on Reverse Charge Mechanism without payment of tax

Sl. No.	GSTIN	Name of circle	Table-3.1(d) of GSTR-3B	Table-4A(2) of GSTR-3B	Table-4(A)3 of GSTR-3B	Table-4G of GSTR-9	Table-6C of GSTR-9	Table-6D of GSTR-9	Table-6F of GSTR-9	Excess ITC under RCM*
1	10XXXXXXXXXX1ZB	Bhabhua	0.00	0.00	13,97,581.09	RNF	RNF	RNF	RNF	13,97,581.09
2	10XXXXXXXXXX1ZR	Buxar	0.00	0.00	0.00	0	0	17,02,171.62	0	17,02,171.62
3	10XXXXXXXXXX1ZO	Danapur	0.00	0.00	15,54,254.46	RNF	RNF	RNF	RNF	15,54,254.46
4	10XXXXXXXXXX1Z6	Patna West	0.00	0.00	0.00	0.00	16,23,777.69	0.00	0.00	16,23,777.69
5	10XXXXXXXXXX1ZR	Patna West	0.00	0.00	0.00	0	0	12,30,915.76	0	12,30,915.76
6	10XXXXXXXXXX1ZG	Patna West	0.00	0.00	0.00	0	0	13,25,925.53	0	13,25,925.53
7	10XXXXXXXXXX1ZE	Siwan	0.00	0.00	15,06,297.62	RNF	RNF	RNF	RNF	15,06,297.62
Total			0.00	0.00	44,58,133.17	0.00	16,23,777.69	42,59,012.91	0.00	1,03,40,923.77

* Excess ITC availed under RCM (where GSTR-9 is filed) = (Table-6C + Table-6D + Table-6F of GSTR-9) – Table-4G of GSTR-9

Excess ITC availed under RCM (where GSTR-9 is not filed) = {Table-4A (2) + Table-4A(3) of GSTR-3B} – Table-3.1(d) of GSTR-3B.

RNF= Return not filed.

APPENDIX 2.6

(Reference: Paragraph 2.3.7.3 (A)(IV))

Unreconciled Input Tax Credit in Table-12F of GSTR-9C

(Amount in ₹)

Sl. No.	GSTIN	Name of circle	ITC availed as per audited financial statements/books of account (Table-12D of GSTR-9C)	ITC claimed in annual return (GSTR-9) (Table-12E of GSTR-9C)	Unreconciled ITC (Table- 12F of GSTR- 9C)
1	2	3	4	5	6 (5-4)
1	10XXXXXXXXXX1ZU	Saharsa	9,15,46,258.18	9,60,60,700.23	45,14,442.05
2	10XXXXXXXXXX1ZG	Patna Special	24,99,094.00	3,03,85,132.00	2,78,86,038.00
3	10XXXXXXXXXX1ZX	Patna City West	1,39,05,733.14	2,76,92,718.94	1,37,86,985.80
4	10XXXXXXXXXX1Z3	Patna City West	13,67,67,202.92	14,46,11,966.73	78,44,763.81
5	10XXXXXXXXXX1ZW	Patliputra	9,60,25,035.77	10,19,44,019.06	59,18,983.29
Total			34,07,43,324.01	40,06,94,536.96	5,99,51,212.95

APPENDIX 2.7
(Reference: Paragraph 2.3.7.3 (A)(V))
Unreconciled turnover in Table-5R of GSTR-9C

Sl. No.	GSTIN	Name of circle	Annual turnover adjustment 4	Annual turnover declared 5	Unreconciled turnover (Table-5R of GSTR-9C) 6 (5 - 4)
1	2	3	4	5	6 (5 - 4)
1	10XXXXXXXXXX2ZC	Bhabhua	19,68,25,672.00	4,87,13,560.00	14,81,12,112.00
2	10XXXXXXXXXX1ZJ	Bhabhua	10,26,68,180.25	71,14,393.50	9,55,53,786.75
3	10XXXXXXXXXX2Z5	Danapur	7,17,92,563.68	1,22,06,670.91	5,95,85,892.77
4	10XXXXXXXXXX1Z0	Gandhi Maidan	11,37,25,438.00	57,62,711.60	10,79,62,726.40
5	10XXXXXXXXXX2Z9	Gandhi Maidan	11,80,39,606.77	2,94,97,567.60	8,85,42,039.17
6	10XXXXXXXXXX1ZV	Kadam Kuan	1,95,45,06,810.41	13,16,50,188.23	1,82,28,56,622.18
7	10XXXXXXXXXX1ZE	Kadam Kuan	24,66,43,115.53	16,71,76,847.50	7,94,66,268.03
8	10XXXXXXXXXX1ZQ	Kadam Kuan	8,68,07,186.26	1,82,42,741.29	6,85,64,444.97
9	10XXXXXXXXXX1ZV	Patliputra	1,07,35,08,938.00	11,96,07,996.65	95,39,00,941.35
10	10XXXXXXXXXX1ZS	Patna Central	3,96,76,30,347.61	2,99,89,32,618.12	96,86,97,729.49
11	10XXXXXXXXXX1Z2	Patna Central	24,98,92,027.31	11,28,79,183.69	13,70,12,843.62
12	10XXXXXXXXXX1ZQ	Patna City West	38,49,18,052.97	47,14,137.80	38,02,03,915.17
13	10XXXXXXXXXX1Z5	Patna City West	40,03,71,470.93	4,99,58,285.83	35,04,13,185.10
14	10XXXXXXXXXX1ZH	Patna City West	23,39,90,022.00	18,94,138.53	23,20,95,883.47
15	10XXXXXXXXXX1Z0	Patna North	9,47,60,721.00	1,11,42,428.00	8,36,18,293.00
16	10XXXXXXXXXX1ZR	Patna North	14,90,86,679.19	6,96,57,052.92	7,94,29,626.27
17	10XXXXXXXXXX1ZE	Patna South	17,56,47,597.20	10,58,31,296.00	6,98,16,301.20
18	10XXXXXXXXXX1ZH	Patna South	14,06,46,874.78	8,04,97,239.30	6,01,49,635.48
19	10XXXXXXXXXX2ZD	Patna Special	9,78,27,24,516.00	55,67,297.00	9,77,71,57,219.00
20	10XXXXXXXXXX1ZV	Patna Special	1,03,32,90,148.00	95,16,50,276.34	8,16,39,871.66
21	10XXXXXXXXXX1Z7	Patna West	12,49,40,003.31	14,12,408.00	12,35,27,595.31
22	10XXXXXXXXXX1Z7	Patna West	8,90,98,550.11	1,01,43,790.77	7,89,54,759.34
23	10XXXXXXXXXX1ZX	Sahabad	1,29,75,95,367.14	1,00,55,75,061.74	29,20,20,305.40
24	10XXXXXXXXXX1ZQ	Sahabad	9,02,63,400.03	1,97,69,716.60	7,04,93,683.43
25	10XXXXXXXXXX1ZW	Samastipur	18,21,17,961.18	1,85,58,598.18	16,35,59,363.00
26	10XXXXXXXXXX1ZN	Samastipur	22,88,82,685.75	13,03,66,542.25	9,85,16,143.50
Total			22,59,03,73,935.41	6,11,85,22,748.35	16,47,18,51,187.06

APPENDIX 2.8

(Reference: Paragraph 2.3.7.3 (A)(VI))

Unreconciled taxable turnover in Table-7G of GSTR-9C

Sl. No.	GSTIN	Name of the circle	Taxable annual turnover	Taxable annual adjustment turnover	Un-reconcile taxable turnover annual return (Table- 7G of GSTR-9)	(Amount in ₹)
1	2	3	4	5	6 (5-4)	
1	10XXXXXXX1ZF	Aurangabad	33,312.20	4,28,79,629.65	4,28,46,317.45	
2	10XXXXXXX1ZX	Aurangabad	0.00	3,70,49,608.93	3,70,49,608.93	
3	10XXXXXXX1Z7	Bettiah	0.00	4,04,10,463.92	4,04,10,463.92	
4	10XXXXXXX1Z8	Bhabhua	7,00,160.00	6,01,82,222.00	5,94,82,062.00	
5	10XXXXXXX1ZQ	Bhabhua	15,51,643.95	4,16,41,580.95	4,00,89,937.00	
6	10XXXXXXX1ZP	Bhabhua	45,81,655.43	3,25,63,609.00	2,79,81,953.57	
7	10XXXXXXX1ZO	Bhabhua	25,53,990.43	2,96,57,449.50	2,71,03,459.07	
8	10XXXXXXX1ZI	Bhabhua	27,39,156.00	2,82,10,922.00	2,54,71,766.00	
9	10XXXXXXX2ZW	Gandhi Maidan	1,02,94,38,804.63	1,52,28,98,350.45	49,34,59,545.82	
10	10XXXXXXX1ZP	Kadam Kuan	0.00	2,73,46,822.32	2,73,46,822.32	
11	10XXXXXXX1ZA	Kadam Kuan	2,47,38,337.00	5,05,13,777.33	2,57,75,440.33	
12	10XXXXXXX1ZF	Motihari	0.00	5,87,68,472.33	5,87,68,472.33	
13	10XXXXXXX1ZU	Muzaffarpur West	38,86,60,512.00	43,51,27,340.00	4,64,66,828.00	
14	10XXXXXXX1ZS	Patna Central	2,99,89,32,618.12	3,96,11,84,455.61	96,22,51,837.49	
15	10XXXXXXX2Z6	Patna Central	99,43,550.00	3,99,91,412.56	3,00,47,862.56	
16	10XXXXXXX1ZY	Patna Central	19,18,500.00	3,07,52,106.50	2,88,33,606.50	
17	10XXXXXXX1ZQ	Patna City West	47,14,137.80	38,48,30,339.97	38,01,16,202.17	
18	10XXXXXXX1ZH	Patna City West	18,94,138.53	22,33,02,224.00	22,14,08,085.47	
19	10XXXXXXX1ZY	Patna South	3,98,75,702.93	8,14,90,855.70	4,16,15,152.77	
20	10XXXXXXX1ZJ	Patna South	19,32,022.75	3,55,91,968.59	3,36,59,945.84	
21	10XXXXXXX1ZQ	Patna West	34,50,08,026.24	37,25,02,848.22	2,74,94,821.98	
22	10XXXXXXX1ZQ	Samastipur	8,43,618.96	4,12,20,533.89	4,03,76,914.93	
23	10XXXXXXX1ZF	Samastipur	0.00	2,73,20,171.90	2,73,20,171.90	
24	10XXXXXXX1ZG	Sasaram	14,44,62,920.94	17,08,33,791.01	2,63,70,870.07	
25	10XXXXXXX2ZS	Shahabad	29,38,05,567.00	37,93,14,003.48	8,55,08,436.48	
26	10XXXXXXX1ZE	Siwan	53,551.00	9,00,68,753.98	9,00,15,202.98	
Total			5,29,83,81,925.91	8,24,56,53,713.79	2,94,72,71,787.88	

APPENDIX 2.9
(Reference: Paragraph 2.3.7.3 (A)(VII))
Unreconciled tax liability in Table-9R of GSTR-9C

Sl. No.	GSTIN	Name of the circle	Unreconciled CGST in Table-9R of GSTR-9C	Unreconciled SGST in Table-9R of GSTR-9C	Unreconciled IGST in Table-9R of GSTR-9C	Unreconciled cess in Table-9R of GSTR-9C	Total Unreconciled payment
1	2	3	4	5	6	7	8 (4+5+6+7)
1	10XXXXXXXXXX2ZS	Patna South	-20.09	-20.09	0	1,59,67,355.59	1,59,67,315.41
2	10XXXXXXXXXX1Z6	Jamui	7,139.63	7,139.63	85,43,362.08	0	85,57,641.34
3	10XXXXXXXXXX1ZM	Gandhi Maidan	27,01,689.84	27,01,689.84	5,34,489.68	0	59,37,869.36
4	10XXXXXXXXXX2ZW	Gandhi Maidan	22,01,274.56	22,01,274.56	5,53,985.19	0	49,56,534.31
5	10XXXXXXXXXX1ZV	Siwan	24,32,157.60	24,32,157.60	0	0	48,64,315.20
6	10XXXXXXXXXX1ZX	Aurangabad	22,22,976.54	22,22,976.54	0	0	44,45,953.08
7	10XXXXXXXXXX1ZU	Saran	20,81,663.95	20,81,663.95	0	0	41,63,327.90
8	10XXXXXXXXXX1Z0	Danapur	24,42,000.00	24,42,000.00	0	0	48,84,000.00
9	10XXXXXXXXXX1ZM	Patna Special	20,44,565.09	20,44,565.09	-1.50	0	40,89,128.68
10	10XXXXXXXXXX1Z7	Danapur	18,26,804.29	18,26,804.29	0	3,00,088.11	39,53,696.69
11	10XXXXXXXXXX1ZQ	Saran	0	0	0	38,60,769.00	38,60,769.00
12	10XXXXXXXXXX1ZZ	Purnea	14,72,802.76	14,72,802.76	922.15	6,50,296.01	35,96,823.68
13	10XXXXXXXXXX1ZC	Patliputra	6,50,843.96	5,50,521.96	20,83,319.50	0	32,84,685.42
14	10XXXXXXXXXX1Z7	Patna West	15,50,230.83	15,50,230.83	0	0	31,00,461.66
15	10XXXXXXXXXX1ZA	Bhabhua	15,04,819.98	15,04,819.98	0	0	30,09,639.96
16	10XXXXXXXXXX1ZO	Siwan	14,75,381.04	14,75,381.04	0	0	29,50,762.08
17	10XXXXXXXXXX1Z3	Muzaffarpur West	13,82,927.02	13,82,927.02	0	0	27,65,854.04
18	10XXXXXXXXXX1ZO	Siwan	12,25,453.08	12,25,453.08	0	0	24,50,906.16
19	10XXXXXXXXXX1ZQ	Patna West	11,03,818.97	11,03,818.97	0	0	22,07,637.94
Total			2,83,26,529.05	2,82,26,207.05	1,17,16,077.50	2,07,78,508.71	8,90,47,321.91

APPENDIX 2.10

(Reference: Paragraph 2.3.7.3 (A)(VIII))

Incorrect availing of Input Service Distributor credit by the recipients

(Amount in ₹)

Sl. No.	GSTIN	Name of circle	ITC under ISD availed in Table- 4(A)4 of GSTR-3B	ITC under ISD availed in Table- 6G of GSTR-9	Total tax given in Table-5A of GSTR-6	Total tax given in Table- 8A of GSTR-6	Total tax given in Table- 9A of GSTR-6	Least value of Table-6G of GSTR-9 or Table-4A(4) of GSTR-3B	Irregular availing of ISD credit*
1	2	3	4	5	6	7	8	9	10 [9 - (6+7+8)]
1	10XXXXXXXXXX1Z1	Danapur	6,13,662.00	6,13,662.00	0.00	0.00	0.00	6,13,662.00	6,13,662.00
2	10XXXXXXXXXX1ZH	Gandhi Maidan	5,85,032.00	5,85,032.00	0.00	0.00	0.00	5,85,032.00	5,85,032.00
3	10XXXXXXXXXX1ZR	Motihari	8,00,002.54	8,00,002.54	0.00	0.00	0.00	8,00,002.54	8,00,002.54
4	10XXXXXXXXXX1ZS	Patliputra	3,79,37,945.00	3,79,37,945.00	3,17,86,694.37	0.00	0.00	3,79,37,945.00	61,51,250.63
5	10XXXXXXXXXX1ZL	Patna Central	92,76,163.15	92,76,200.00	84,09,661.04	0.00	0.00	92,76,163.15	8,66,502.11
6	10XXXXXXXXXX2Z2	Patna City East	58,83,722.60	50,10,092.60	42,99,627.01	0.00	0.00	50,10,092.60	7,10,465.59
7	10XXXXXXXXXX1Z1	Patna City West	14,66,802.09	43,05,039.40	0.00	0.00	0.00	14,66,802.09	14,66,802.09
8	10XXXXXXXXXX1ZM	Patna South	9,69,548.40	9,69,548.40	0.00	0.00	0.00	9,69,548.40	9,69,548.40
9	10XXXXXXXXXX2Z4	Patna South	10,00,798.70	10,00,798.70	0.00	0.00	0.00	10,00,798.70	10,00,798.70
10	10XXXXXXXXXX1ZG	Patna South	38,51,077.78	38,51,077.78	0.00	0.00	0.00	38,51,077.78	38,51,077.78
11	10XXXXXXXXXX1Z0	Patna South	8,35,083.76	8,35,083.76	0.00	0.00	0.00	8,35,083.76	8,35,083.76
12	10XXXXXXXXXX1ZP	Patna Special	73,22,887.00	73,22,887.00	29,45,203.11	0.00	0.00	73,22,887.00	43,77,683.89
13	10XXXXXXXXXX1Z6	Patna Special	10,22,484.00	10,22,484.00	95,806.00	0.00	0.00	10,22,484.00	9,26,678.00
14	10XXXXXXXXXX1ZC	Patna Special	36,63,052.00	22,38,719.00	11,18,273.00	0.00	0.00	22,38,719.00	11,20,446.00
	Total		7,52,28,261.02	7,57,68,572.18	4,86,55,264.53	0.00	0.00	7,29,30,298.02	2,42,75,033.49

* (Least value of ISD credit in Table-6G of GSTR-9 or Table-4A(4) of GSTR-3B) - (Table-5A + Table-8A + Table-9A of GSTR-6).

APPENDIX 2.11
(Reference: Paragraph 2.3.7.3 (A)(IX))
Interest not paid for delayed payments

Sl. No.	GSTIN	Name of circle	Amount of tax deposited in cash	Range of delay (In days)	Interest liability	Interest paid	Interest due
1	10XXXXXXXXXX1Z4	Begusarai	1,64,36,794.00	164 to 193	13,30,030.00	0	13,30,030.00
2	10XXXXXXXXXX1ZH	Begusarai	92,65,525.00	290 to 417	15,14,964.00	0	15,14,964.00
3	10XXXXXXXXXX1ZQ	Gandhi Maidan	5,02,39,657.00	107 to 167	25,66,764.00	0	25,66,764.00
4	10XXXXXXXXXX2ZE	Hajipur	1,74,20,487.00	171 to 291	21,15,493.00	0	21,15,493.00
5	10XXXXXXXXXX1ZP	Hajipur	99,09,453.00	343	16,76,191.00	0	16,76,191.00
6	10XXXXXXXXXX1Z6	Patna City East	74,94,870.00	389 to 627	19,90,566.00	0	19,90,566.00
7	10XXXXXXXXXX1ZB	Patna South	1,35,66,143.00	691	44,79,970.00	0	44,79,970.00
8	10XXXXXXXXXX1ZA	Saran	1,02,05,509.00	231 to 384	15,33,929.00	0	15,33,929.00
9	10XXXXXXXXXX1ZJ	Sasaram	37,31,501.00	579 to 780	12,70,654.00	0	12,70,654.00
10	10XXXXXXXXXX1ZP	Sasaram	1,70,11,418.00	188 to 425	21,43,080.00	0	21,43,080.00
11	10XXXXXXXXXX1ZR	Shahabad	92,22,055.00	247 to 398	14,58,555.00	0	14,58,555.00
12	10XXXXXXXXXX2ZU	Shahabad	3,69,49,065.00	50 to 242	29,67,947.00	0	29,67,947.00
13	10XXXXXXXXXX1ZN	Siwan	2,53,95,657.00	202	25,29,825.00	0	25,29,825.00
Total			22,68,48,134.00	50 to 780	2,75,77,968.00	0	2,75,77,968.00

APPENDIX 2.12
(Reference: Paragraph 2.3.7.3 (A)(X))

Undischarged tax liability

Sl. No.	GSTIN	Name of circle	Liability as per GSTR-1	Liability as per GSTR-9	Greater liability GSTR-1/9	payment as per GSTR- 3B	payment as per GSTR- 9	Excess liability*
1	10XXXXXXXXXX1Z7	Lakhisarai	1,87,29,952.48	NA	1,87,29,952.48	10,42,135.00	RNF	1,76,87,817.50
2	10XXXXXXXXXX2ZS	Patna South	2,67,12,321.56	2,67,12,321.56	2,67,12,321.56		1,07,45,006.00	1,59,67,315.56
3	10XXXXXXXXXX1ZU	Patna Central	94,28,193.96	3,86,44,070.82	3,86,44,070.82		1,09,71,072.00	2,76,72,998.82
4	10XXXXXXXXXX1ZH	Shahabad	2,01,69,845.38	NA	2,01,69,845.38	22,93,158.00	RNF	1,78,76,687.40
5	10XXXXXXXXXX1ZO	Patliputra	10,59,33,811.72	10,22,93,075.78	10,59,33,811.72		8,91,74,896.00	1,67,58,915.72
6	10XXXXXXXXXX1Z2	Sasaram	51,96,92,224.85	51,55,22,656.91	51,96,92,224.85		47,29,24,938.00	4,67,67,286.85
7	10XXXXXXXXXX1ZQ	Purnea	40,53,718.32	39,48,01,334.10	39,48,01,344.00		0	39,48,01,344.00
8	10XXXXXXXXXX1ZV	Bhagalpur	2,03,90,293.54	22,07,015.78	2,03,90,293.54		22,07,042.00	1,81,83,251.54
9	10XXXXXXXXXX1ZR	Patna Special	24,31,929.63	24,13,193.46	24,31,929.63		23,60,100.00	71,829.63
10	10XXXXXXXXXX1ZA	Sasaram	1,16,96,657.10	2,90,16,728.70	2,90,16,728.70		41,85,488.00	2,48,31,240.70
11	10XXXXXXXXXX1ZL	Hajipur	36,50,444.47	2,22,96,160.89	2,22,96,160.89		32,11,158.00	1,90,85,002.89
12	10XXXXXXXXXX1ZH	Patna Central	1,93,16,065.06	NA	1,93,16,065.06	0.00	RNF	1,93,16,065.06
13	10XXXXXXXXXX1Z7	Muzaffarpur West	30,42,88,308.85	30,42,88,308.85	30,42,88,308.85		27,03,98,512.00	3,38,89,796.85
14	10XXXXXXXXXX3ZG	Patliputra	53,06,52,404.50	28,36,07,000.57	53,06,52,404.50		16,58,97,645.00	36,47,54,759.50
	Total		1,59,71,46,171.42	1,72,18,01,867.42	2,05,30,75,461.98	33,35,293.00	1,03,20,75,857.00	1,01,76,64,312.02

* Excess liability= (Greater of tax liability between GSTR-1 and GSTR-9) – (Payment as per GSTR-9/3B)

NA=Not applicable, RNF= Return not filed

APPENDIX 2.13
(Reference: Paragraph 2.3.7.3 (A)(XI))
Cases where GSTR-3B not filed but GSTR-1 available

Sl. No.	GSTIN	Tax liability in GSTR-1	Name of circle	Remarks	Amount of un-discharged liability/ ITC claim
1	10XXXXXXXXXXXX1ZZ	52,81,316.50	Patna Special	Though as per GSTR-1, taxpayer had tax liability of ₹52,81,316.50, it was found that the taxpayer had not deposited any tax as evident from electronic cash/credit ledger from 2017-18 to 2020-21. Proper Officer had cancelled the registration w.e.f. 01.01.2020 due to non-filing of returns for six months.	52,81,316.50
2	10XXXXXXXXXXXX1ZA	13,75,390.00	Aurangabad	As per GSTR-1 of July, September, December and March 2017-18, there was tax liability of ₹6,87,695.00 under SGST and ₹ 6,87,695.00 under CGST. As per cash ledger/credit ledger of 2017-18 to 2020-21, no tax was found deposited. Further, the registration of the taxpayer was cancelled w.e.f. 03.01.2020 due to non-filing of regular returns.	13,75,390.00
3	10XXXXXXXXXXXX1ZE	3,63,443.40	Gaya	In GSTR-1 of December 2017 and March 2018, there was tax liability of ₹3,63,443.40 under IGST. As per cash ledger/credit ledger for 2017-18 to 2020-21, no tax was deposited. Further, the registration of the taxpayer was cancelled w.e.f. 06.04.2020 due to non-filing of regular returns.	3,63,443.40
4	10XXXXXXXXXXXX1ZK	2,74,536.36	Hajipur	As per GSTR-1 of July 2017, taxpayer had tax liability of ₹2,74,536.36 under IGST. But, as per cash ledger/credit ledger, it was found that no payment of tax for 2017-18 was done. Registration of taxpayer was cancelled w.e.f. 31.12.2019.	2,74,536.36
5	10XXXXXXXXXXXX1ZS	1,19,013.06	Patna North	Taxpayer opted in as composition taxpayer on 01.10.2017. Registration was cancelled on 01.01.2019. No payment of tax was found done as per cash/credit ledger.	1,19,013.06
6	10XXXXXXXXXXXX1ZI	42,188.49	Danapur	No payment was done as per cash ledger/credit ledger. Registration cancelled from 15.09.2020.	42,188.49

Sl. No.	GSTIN	Tax liability in GSTR-1	Name of circle	Remarks	Amount of un-discharged liability/ ITC claim
7	10XXXXXXXXXX1Z2	26,479.80	Patna City West	As per GSTR-1 of July 2017, the taxpayer had tax liability of ₹13,239.90 under SGST and ₹13,239.90 under CGST. The taxpayer had not made any payment as per cash ledger/credit ledger. The registration of taxpayer is cancelled w.e.f. 21.12.2019 due to non-filing of returns.	26,479.80
8	10XXXXXXXXXX1ZR	23,783.40	Biharsharif	Taxpayer had tax liability of 11,891.70 under CGST and ₹ 11,891.70 under SGST. No payment was done and the registration was cancelled w.e.f. 24.12.2019.	23,783.40
9	10XXXXXXXXXX1Z4	18,506.60	Siwan	As per GSTR-1 of July 2017, ₹9,253.30 under CGST and ₹9,253.30 under SGST. No payment was done in cash ledger/credit ledger. Registration was cancelled w.e.f. 31.12.17.	18,506.60
10	10XXXXXXXXXX1ZC	11,745.00	Saran	As per GSTR-1 for July 2017, taxpayer had tax liability of ₹5,872.50 under CGST and ₹5,872.50 under SGST. No payment was done in cash ledger/credit ledger from 2017-18 to 2020-21. Registration was cancelled w.e.f. 22.02.2020.	11,745.00
11	10XXXXXXXXXX1ZG	9,71,013.40	Gandhi Maidan	The tax payer had tax liability of ₹4,85,506.70 under CGST and ₹4,85,506.70 under SGST but no tax was paid during 2017-18 to 2020-21. The registration of the tax payer was <i>suo moto</i> cancelled w.e.f. 13.07.2019.	9,71,013.40
12	10XXXXXXXXXX1ZL	5,53,843.26	Hajipur	Tax liability of the taxpayer was ₹2,76,921.63 under CGST and ₹2,76,921.63 under SGST for 2017-18 and no tax was found paid. Registration of the taxpayer was <i>suo moto</i> cancelled w.e.f. 31.12.2019.	5,53,843.26
Total		90,61,259.27			90,61,259.27

APPENDIX 2.14

(Reference: Paragraph 2.3.7.3(C))

Data entry errors by taxpayers

(Amount in ₹)

Sl. No.	Audit dimension	GSTIN	Circle	Mismatch amount
1.	Excess ITC availed	10XXXXXXXXXX1ZS	Madhubani	73,07,115.59
		10XXXXXXXXXX1ZT	Darbhanga	3,28,67,078.50
		10XXXXXXXXXX1ZZ	Saran	1,49,22,351.96
2.	Excess availing of ITC on RCM	10XXXXXXXXXX1ZS	Darbhanga	40,62,232.50
		10XXXXXXXXXX1ZC	Darbhanga	17,97,583.00
		10XXXXXXXXXX1ZX	Darbhanga	62,36,252.00
		10XXXXXXXXXX1Z6	Darbhanga	32,11,744.75
		10XXXXXXXXXX1Z5	Gaya	32,57,178.75
		10XXXXXXXXXX1ZQ	Madhepura	35,19,825.00
		10XXXXXXXXXX1ZO	Madhepura	35,07,307.50
		10XXXXXXXXXX1Z7	Madhepura	28,27,778.75
		10XXXXXXXXXX1ZR	Madhepura	21,22,768.50
		10XXXXXXXXXX1ZF	Madhepura	36,05,218.75
		10XXXXXXXXXX1Z6	Muzaffarpur West	67,23,646.50
		10XXXXXXXXXX1ZK	Patna North	17,19,257.25
		10XXXXXXXXXX1ZD	Patna North	22,59,462.75
		10XXXXXXXXXX1ZI	Patna South	49,86,390.50
		10XXXXXXXXXX1ZK	Patna South	29,87,418.25
		10XXXXXXXXXX1ZH	Patna South	37,22,337.50
10XXXXXXXXXX1ZD	Patna South	45,95,780.00		
10XXXXXXXXXX1ZP	Sasaram	32,78,397.25		
3.	Excess availing of ITC on RCM without payment	10XXXXXXXXXX1ZS	Bhagalpur	14,28,672.38
		10XXXXXXXXXX1ZQ	Bhagalpur	14,04,964.75
		10XXXXXXXXXX1Z3	Darbhanga	16,73,172.75
		10XXXXXXXXXX1ZL	Darbhanga	14,50,083.50
		10XXXXXXXXXX1Z1	Darbhanga	11,91,539.00
		10XXXXXXXXXX1Z0	Forbesganj	12,34,790.88
		10XXXXXXXXXX1Z6	Madhepura	12,43,664.13
		10XXXXXXXXXX1Z3	Madhepura	14,42,854.00
		10XXXXXXXXXX1ZW	Raxaul	11,91,808.50
4.	Unreconciled ITC in table-12F of GSTR-9C	10XXXXXXXXXX1ZV	Patliputra	48,92,856.00
		10XXXXXXXXXX1ZX	Forbesganj	99,11,285.00

Sl. No.	Audit dimension	GSTIN	Circle	Mismatch amount
5.	Unreconciled turnover in Table-5R of GSTR-9C	10XXXXXXXXXXXX2ZH	Bhabhua	5,83,72,820.00
		10XXXXXXXXXXXX1ZJ	Forbisganj	6,72,41,032.00
		10XXXXXXXXXXXX2ZN	Patna Special	44,09,37,96,000.00
		10XXXXXXXXXXXX1ZD	Patna Special	3,50,70,14,660.00
		10XXXXXXXXXXXX1ZH	Patna Special	55,37,38,690.00
		10XXXXXXXXXXXX1ZE	Patna Special	11,90,36,872.00
		10XXXXXXXXXXXX2ZT	Teghra	10,91,97,456.00
6.	Unreconciled turnover in Table-9R of GSTR-9C	10XXXXXXXXXXXX1ZL	Sitamarhi	1,13,43,100.00
7.	ISD/ITC mismatch	10XXXXXXXXXXXX1ZA	Darbhanga	14,58,023.63
		10XXXXXXXXXXXX2Z2	Gaya	9,04,624.88
		10XXXXXXXXXXXX2Z8	Muzaffarpur West	9,79,846.00
		10XXXXXXXXXXXX1ZV	Samastipur	9,21,771.88
		10XXXXXXXXXXXX1ZV	Siwan	8,17,292.00
8.	Undischarged liability	10XXXXXXXXXXXX1Z7	Saran	6,66,48,214.00
		10XXXXXXXXXXXX1ZD	Muzaffarpur West	5,35,44,856.00
		10XXXXXXXXXXXX1ZG	Bhabhua	3,01,21,742.13
Total		48 cases		48,82,17,19,816.96

APPENDIX 2.15*(Reference: Paragraph 2.3.7.4(A))***Scope limitation (Partial production of records)***(Amount in ₹)*

Sl. No.	Name of circle	GSTIN	Particulars of records not made available
1.	Aurangabad	10XXXXXXXXXX1ZV, 10XXXXXXXXXX1ZJ	Assessment/scrutiny file, Internal audit report, auditors' & directors' report, trail balance, P&L account, Balance sheet with schedules pertaining to the GSTIN only, details of other expenses, misc. income, sundry debtors/ creditors, invoices/bills of supplies, receipt/payment vouchers, agreement, purchase order, Credit/debit note of selected months, no. of invoices, credit/ debit note, receipt/ payment vouchers issued during 2017-18.
2.	Bhabhua	10XXXXXXXXXX1ZR, 10XXXXXXXXXX1ZI, 10XXXXXXXXXX1ZO	Auditors' & Directors' report, Trial balance, P&L account, Balance Sheet, Invoices/bills of supplies, Receipt/payment vouchers, agreement, purchase order, credit/debit note, Internal Audit Report, scrutiny/ assessment file.
3.	Bhagalpur	10XXXXXXXXXX2Z4	Auditors report, Schedule of balance sheet and P&L account, trial balance/ ledger, invoices/bills of supplies, receipt/payment vouchers, agreement, purchase order, credit/debit note for the selected month.
4.	Buxar	10XXXXXXXXXX1ZR, 10XXXXXXXXXX2ZI	Internal audit report, auditors'/directors' report, trial balance pertaining to the GSTIN only; sales invoices/bills of supplies and purchase invoices of selected months; purchase/contract agreement, credit/debit notes; details of ITC reversal; receipt of revenue, advance; other expenses, miscellaneous income, sundry debtors/creditors; details of exempted/nil/zero rated supplies with sample invoices, related party transactions, late fee, interest paid
5.	Danapur	10XXXXXXXXXX1ZN, 10XXXXXXXXXX1ZG	Auditors' & Directors' report, Trial balance, P&L account, Balance Sheet, Invoices/bills of supplies, Receipt/payment vouchers, agreement, purchase order, credit/debit note, Internal Audit Report, scrutiny/ assessment file.
6.	Darbhanga	10XXXXXXXXXX1ZN	Auditors report, Schedule of Balance sheet and P&L account, trial balance, Invoices/ Bills of supplies, Receipt and Payment vouchers, Agreement, Purchase Order, Credit/Debit note for selected months.
7.	Forbesganj	10XXXXXXXXXX1ZR, 10XXXXXXXXXX1Z5	Internal audit report, auditors & directors report, trial balance, P&L account, balance sheet with schedules, invoices/bills of supplies, receipt/ payment vouchers, agreement, purchase order, credit/debit note for selected months.

Sl. No.	Name of circle	GSTIN	Particulars of records not made available
8.	Gandhi Maidan	10XXXXXXXXXXXX1ZV, 10XXXXXXXXXXXX1ZP	Auditors' & Directors' report, Trial balance, P&L account, Balance Sheet, Invoices/bills of supplies, Receipt/payment vouchers, agreement, purchase order, credit/debit note, Internal Audit Report, scrutiny/ assessment file.
9.	Gaya	10XXXXXXXXXXXX3ZW, 10XXXXXXXXXXXX1ZO, 10XXXXXXXXXXXX1ZN, 10XXXXXXXXXXXX1ZT	Auditors' report, Directors' report, Trial Balance, P&L account, Balance Sheet, Invoices/Bills of supplies, Receipt/ Payment vouchers, Agreement, Purchase Order, Credit/Debit note, Internal Audit Report
10.	Jehanabad	10XXXXXXXXXXXX2ZT	Internal audit report, Auditors' & directors' report, trial balance, P&L account, balance sheet pertaining to the GSTIN only; sales invoices/bills of supplies/purchase invoices of selected months, agreement, credit/debit notes; details of ITC reversal, receipt of revenue & advance; exempted/nil/zero rated supplies with sample invoices; other expenses, misc. income, sundry debtors/creditors; related party transactions, late fee, interest paid
11.	Kadamkuan	10XXXXXXXXXXXX1Z1, 10XXXXXXXXXXXX2Z7, 10XXXXXXXXXXXX1ZP, 10XXXXXXXXXXXX1ZG	Auditors report, Schedule of Balance sheet and P&L account, trial balance/ ledger, Invoices/Bills of supplies, Receipt and Payment vouchers, Agreement, Purchase Order, Credit and Debit note for the selected month.
12.	Muzaffarpur West	10XXXXXXXXXXXX2ZE, 10XXXXXXXXXXXX1ZX	Auditors' report, Directors' report, Trial balance, Invoices/bills of supplies, Receipt/payment vouchers, credit/debit note for the month of selected months, agreement, purchase order.
13.	Nawada	10XXXXXXXXXXXX1ZL, 10XXXXXXXXXXXX1Z1	Assessment/Scrutiny file, Internal Audit Report, Auditors' report, Directors' report, Trail Balance, Invoices/Bills of supplies, Receipt/Payment vouchers, Agreement, Purchase Order, Credit/Debit note for the selected month, no. of invoices, credit/ debit note, receipt/payment vouchers issued during 2017-18.
14.	Patliputra	10XXXXXXXXXXXX1ZM, 10XXXXXXXXXXXX1Z2, 10XXXXXXXXXXXX1Z1, 10XXXXXXXXXXXX1Z7, 10XXXXXXXXXXXX1ZT, 10XXXXXXXXXXXX2ZT, 10XXXXXXXXXXXXA1Z, 10XXXXXXXXXXXX1ZZ, 10XXXXXXXXXXXX1ZK, 10XXXXXXXXXXXX1Z7, 10XXXXXXXXXXXX1ZO	Auditors' report, Directors' report, Trial Balance, P&L account, Balance Sheet, Invoices/Bills of supplies, Receipt/Payment vouchers, Agreement, Purchase Order, Credit/Debit note, Internal Audit Report

Sl. No.	Name of circle	GSTIN	Particulars of records not made available
15.	Patna Central	10XXXXXXXXXXXX1Z3, 10XXXXXXXXXXXX1Z2, 10XXXXXXXXXXXX3ZU, 10XXXXXXXXXXXX2ZD, 10XXXXXXXXXXXX1Z6, 10XXXXXXXXXXXX1ZS	Assessment/Scrutiny file, Internal audit report, Auditors' report, Directors' report, trail balance, P&L account, Balance Sheet with notes/schedules pertaining to the GSTIN only, Details of other expenses & miscellaneous income, Ledger of Sundry debtors & creditors, Invoices/Bills of supplies, Receipt/Payment vouchers, agreement, purchase Order, Credit/Debit note for selected months, no. of invoices, credit/debit note, receipt/payment vouchers issued during 2017-18
16.	Patna City East	10XXXXXXXXXXXX1ZP	Auditors report, Schedule of Balance sheet and P&L account, trial balance/ledger, Invoices/Bills of supplies, Receipt and Payment vouchers, Agreement, Purchase Order, Credit and Debit note for selected months
17.	Patna North	10XXXXXXXXXXXX1ZR, 10XXXXXXXXXXXX1ZJ, 10XXXXXXXXXXXX1ZC	Auditors' & directors' report, trial balance, P&L account, balance sheet, sales invoice/bills of supplies, purchase invoice of selected months, purchase /contract agreement, credit/debit notes, details of ITC reversal; receipt of revenue, advance, exempted supplies with, other expenses, misc. income, sundry debtors/creditors, related party transactions, late fee, interest paid
18.	Patna South	10XXXXXXXXXXXX1Z1	Auditors' report, Directors' report, Trial Balance, Invoices/Bills of supplies, Receipt/Payment vouchers, Agreement, Purchase Order, Credit/Debit note, Internal Audit Report, scrutiny/assessment file.
19.	Patna Special	10XXXXXXXXXXXX1ZU, 10XXXXXXXXXXXX1Z6, 10XXXXXXXXXXXX1Z7, 10XXXXXXXXXXXXB1Z, 10XXXXXXXXXXXX1ZU, 10XXXXXXXXXXXX1ZJ, 10XXXXXXXXXXXX1ZJ, 10XXXXXXXXXXXXD1Z, 10XXXXXXXXXXXX9K1Z, 10XXXXXXXXXXXX4ZJ	Trial Balance pertaining to the GSTIN, Sales Invoices/Bills of supplies of the selected months, Purchase Invoices of the selected months, Purchase/ contract agreement, Credit/Debit notes, details of ITC reversal made, date-wise receipt of revenue including advance, details of exempted/nil/ zero rated supplies with sample invoices, details of other/ miscellaneous income, Ledger of sundry debtors/creditors, details of related party transactions
20.	Patna West	10XXXXXXXXXXXX1ZS	Auditors report, Schedule of Balance sheet and P&L account, trial balance/ledger, Invoices/Bills of supplies, Receipt and Payment vouchers, Agreement, Purchase Order, Credit and Debit note for selected months
21.	Raxaul	10XXXXXXXXXXXX1ZC	Auditor's report, Director's report, Trial Balance, P & L account, Balance sheet, internal audit report, assessment/scrutiny file, invoices/bill of supplies, receipt/ payment vouchers, credit/debit notes

Sl. No.	Name of circle	GSTIN	Particulars of records not made available
22.	Saharsa	10XXXXXXXXXXXX1ZG	auditors report, balance sheet, P&L account along with notes/schedules, trail balance/ledger, Invoices/Bills of supplies, Receipt/Payment vouchers, Agreement, Purchase Order, Credit and Debit note for selected months
23.	Saran	10XXXXXXXXXXXX1ZH	Assessment/scrutiny file, audit file, trial balance, invoices/bill of supplies, receipt/ payment vouchers, credit/debit notes, purchase order, agreement
24.	Sasaram	10XXXXXXXXXXXX1Z0, 10XXXXXXXXXXXX1ZC, 10XXXXXXXXXXXX1ZY, 10XXXXXXXXXXXX2Z0, 10XXXXXXXXXXXX1ZV, 10XXXXXXXXXXXX1Z8	Auditors' & directors' report, trial balance, P&L account, balance sheet pertaining to the GSTIN only, sales invoices/bills of supplies and purchase invoices of selected months; purchase/contract agreement, credit/debit notes; details of ITC reversal, date-wise receipt of revenue including advance, exempted/nil/zero rated supplies with sample invoice, other expenses, misc. income, sundry debtors/creditors, details of related party transactions
25.	Shahabad	10XXXXXXXXXXXX1ZG, 10XXXXXXXXXXXX1ZK, 10XXXXXXXXXXXX2ZS	Scrutiny/assessment file; internal audit report; auditors' & directors' report, trial balance, P&L account, balance sheet pertaining to the GSTIN only; sales invoices/bills of supplies, purchase invoices of selected months; purchase/ contract agreement, credit/debit notes; details of ITC reversal, receipt of revenue including advance; exempted /nil/zero rated supplies with sample invoices; other expenses, miscellaneous income, sundry debtors & creditors; details of related party transactions, late fee & interest paid
26.	Sitamarhi	10XXXXXXXXXXXX1ZF	Auditors report, Schedule of Balance sheet and P&L account, trial balance/ledger, Invoices/Bills of supplies, Receipt and Payment vouchers, Agreement, Purchase Order, Credit and Debit note for selected months
27.	Supaul	10XXXXXXXXXXXX1ZO, 10XXXXXXXXXXXX1ZM	Auditors' & Directors' report, Invoices/Bills of supplies, Receipt & Payment vouchers, agreement, purchase order, Credit/Debit note for selected months.
28.	Siwan	10XXXXXXXXXXXX1ZK	Internal audit report; Auditors' report, directors' report, trial balance pertaining to GSTIN only; sales invoices/bills of supplies, purchase invoices of selected months, purchase/contract agreement, details of receipt of revenue including advance; other expenses, misc. income, sundry debtors/creditors; related party transactions
29.	Teghra	10XXXXXXXXXXXX2ZG	Invoices/Bills of supplies, Receipt/ Payment vouchers, Agreements, Purchase Order, Credit and Debit note for the selected months.

APPENDIX 2.16*(Reference: Paragraph 2.3.7.4(A)(I)(a))***Non-payment of interest by taxpayers***(Amount in ₹)*

Sl. No.	GSTIN	Name of circle	Amount of tax deposited in cash	Range of delay (in days)	Interest due
1	10XXXXXXXXXX1Z7	Patliputra	1,41,73,868.00	900	63,78,240.60
2	10XXXXXXXXXXZW	Patliputra	1,50,99,747.00	1 to 22	1,17,513.00
3	10XXXXXXXXXX1Z7	Patliputra	4,45,246.00	86 to 283	26,263.00
4	10XXXXXXXXXX1ZK	Patliputra	72,41,192.00	1 to 72	76,354.00
5	10XXXXXXXXXX1Z1	Patliputra	27,22,452.00	29	38,935.00
6	10XXXXXXXXXX1ZO	Gaya	63,77,348.00	59 to 182	2,95,185.00
7	10XXXXXXXXXX1ZR	Bhabhua	2,35,07,052.00	14 to 62	5,89,625.00
8	10XXXXXXXXXX1ZG	Danapur	7,38,312.00	55	20,025.45
9	10XXXXXXXXXX1Z3	Muzaffarpur East	2,99,62,691.00	1 to 123	7,97,612.00
10	10XXXXXXXXXXZE	Muzaffarpur West	64,88,390.00	3 to 238	6,45,140.00
11	10XXXXXXXXXX1ZG	Kadamkuan	5,39,901.00	82 to 137	30,377.00
12	10XXXXXXXXXX1ZV	Aurangabad	2,10,41,551.00	344	35,69,569.00
13	10XXXXXXXXXX1ZJ	Aurangabad	58,64,279.00	82 to 235	4,26,017.00
14	10XXXXXXXXXX1Z5	Forbesganj	13,77,343.00	87 to 222	1,47,513.00
15	10XXXXXXXXXX1ZF	Sitamarhi	7,50,706.00	57 to 140	33,572.00
16	10XXXXXXXXXX1ZO	Supaul	2,49,930.00	138 to 232	28,066.00
17	10XXXXXXXXXX1ZO	Patna North	13,58,646.00	34 to 123	47,828.00
18	10XXXXXXXXXX1ZJ	Patna North	2,12,85,626.00	17	1,12,437.00
19	10XXXXXXXXXX1ZU	Patna Special	72,00,935.00	686	24,36,086.00
20	10XXXXXXXXXX2ZI	Buxar	2,59,40,735.00	390 to 1,060	95,70,520.00
21	10XXXXXXXXXX1ZK	Shahabad	28,02,451.00	361 to 511	6,34,352.00
22	10XXXXXXXXXX1ZK	Siwan	1,08,86,708.00	23 to 49	1,31,805.00
Total			20,60,55,109.00	1 to 1,060	2,61,53,035.05

APPENDIX 2.17*(Reference: Paragraph 2.3.7.4(A)(II)(a))***Mismatch of Input Tax Credit as per supplier's details with Input Tax Credit
availed by taxpayers***(Amount in ₹)*

Sl. No.	GSTIN	Name of circle	ITC availed through GSTR-3B/9	ITC available as per GSTR-2A	Excess claim of ITC*
1	2	3	4	5	6 (4-5)
1	10XXXXXXXXXX1ZM	Patliputra	21,36,34,529.06	11,41,43,064.50	9,94,91,464.56
2	10XXXXXXXXXX1ZT	Patliputra	4,33,70,322.74	51,84,523.84	3,81,85,798.90
3	10XXXXXXXXXX2ZT	Patliputra	5,20,94,221.76	4,04,34,586.58	1,16,59,635.18
4	10XXXXXXXXXX1Z7	Patliputra	5,46,43,140.00	5,45,69,545.00	73,595.00
5	10XXXXXXXXXX1ZK	Patliputra	14,92,09,914.65	14,76,37,290.00	15,72,624.65
6	10XXXXXXXXXX1ZN	Gaya	1,03,42,422.00	79,30,874.53	24,11,547.47
7	10XXXXXXXXXX1ZO	Gaya	42,58,393.59	10,62,598.48	31,95,795.11
8	10XXXXXXXXXX1ZR	Bhabhua	14,80,10,813.00	12,10,68,978.85	2,69,41,834.15
9	10XXXXXXXXXX1ZI	Bhabhua	13,68,604.82	62,528.02	13,06,076.80
10	10XXXXXXXXXX1ZV	Gandhi Maidan	39,39,636.51	26,13,388.48	13,26,248.03
11	10XXXXXXXXXX1ZN	Danapur	1,01,20,91,356.00	91,17,80,245.10	10,03,11,110.90
12	10XXXXXXXXXX1ZG	Danapur	2,22,43,058.74	2,03,45,895.13	18,97,163.61
13	10XXXXXXXXXX1Z1	Patna South	64,33,302.00	54,10,207.27	10,23,094.73
14	10XXXXXXXXXX1Z3	Muzaffarpur East	18,56,35,082.22	17,50,73,243.54	1,05,61,838.68
15	10XXXXXXXXXX1ZZ	Muzaffarpur East	43,90,940.00	32,61,178.81	11,29,761.19
16	10XXXXXXXXXX2ZE	Muzaffarpur West	31,06,94,713.22	29,39,23,768.63	1,67,70,944.59
17	10XXXXXXXXXX1ZW	Motihari	61,40,770.00	33,18,226.34	28,22,543.66
18	10XXXXXXXXXX1ZH	Saran	65,03,860.00	64,95,776.63	8,083.37
19	10XXXXXXXXXX1ZV	Aurangabad	82,54,264.55	63,83,285.61	18,70,978.94
20	10XXXXXXXXXX1ZJ	Aurangabad	1,06,11,349.57	99,82,113.72	6,29,235.85
21	10XXXXXXXXXX1ZR	Forbesganj	2,43,37,693.00	1,93,18,892.00	50,18,801.00
22	10XXXXXXXXXX1Z5	Forbesganj	2,14,21,297.60	1,64,36,132.19	49,85,165.41
23	10XXXXXXXXXX2Z7	Kadamkuan	1,17,29,435.66	7,80,635.69	1,09,48,799.97
24	10XXXXXXXXXX1ZS	Patna Central	29,99,22,369.41	14,39,98,202.00	15,59,24,167.41
25	10XXXXXXXXXX1Z2	Patna Central	24,39,413.76	23,14,824.06	1,24,589.70
26	10XXXXXXXXXX1ZP	Patna City East	49,94,680.61	47,65,698.00	2,28,982.61
27	10XXXXXXXXXX1Z0	Samastipur	1,82,34,592.70	1,09,02,829.00	73,31,763.70
28	10XXXXXXXXXX1ZF	Sitamarhi	1,93,41,672.62	1,82,91,863.00	10,49,809.62
29	10XXXXXXXXXX1ZC	Sasaram	29,99,138.36	16,37,665.32	13,61,473.04
30	10XXXXXXXXXX1ZO	Sasaram	76,084.00	15,830.72	60,253.28
31	10XXXXXXXXXX1Z8	Sasaram	15,27,996.00	1,46,612.00	13,81,384.00
32	10XXXXXXXXXX1ZK	Shahabad	81,98,048.03	56,96,911.54	25,01,136.49
33	10XXXXXXXXXX1ZR	Patna Special	3,21,17,927.89	20,35,326.32	3,00,82,601.57

Sl. No.	GSTIN	Name of circle	ITC availed through GSTR-3B/9	ITC available as per GSTR-2A	Excess claim of ITC*
1	2	3	4	5	6 (4-5)
34	10XXXXXXXXXXXX1ZE	Patna Special	12,07,06,379.00	9,75,47,007.16	2,31,59,371.84
35	10XXXXXXXXXXXX4ZJ	Patna Special	2,44,28,761.16	2,15,77,283.56	28,51,477.60
36	10XXXXXXXXXXXX1ZJ	Patna Special	16,04,22,339.74	14,29,62,926.38	1,74,59,413.36
37	10XXXXXXXXXXXX1Z6	Patna Special	1,48,77,640.00	1,30,43,283.20	18,34,356.80
38	10XXXXXXXXXXXX1ZJ	Patna Special	90,81,158.92	64,75,991.53	26,05,167.39
39	10XXXXXXXXXXXX1ZU	Patna Special	4,60,58,924.00	3,83,44,617.83	77,14,306.17
40	10XXXXXXXXXXXX1ZU	Patna Special	32,38,326.86	11,76,642.38	20,61,684.48
41	10XXXXXXXXXXXX1ZY	Patna North	1,37,81,597.00	1,11,73,805.54	26,07,791.46
42	10XXXXXXXXXXXX1ZO	Patna North	10,88,159.00	8,79,910.30	2,08,248.70
43	10XXXXXXXXXXXX1ZF	Gopalganj	63,59,350.30	32,60,827.28	9,70,825.02**
44	10XXXXXXXXXXXX1ZD	Begusarai	25,84,153.64	25,31,506.00	52,647.64
Total			3,10,38,37,833.69	2,49,59,96,542.06	60,57,13,593.62

* *ITC availed* = Table-6B + Table-8C - Table-7H of GSTR-9; in cases where GSTR-9 not filed ITC availed= Table-4(A)5 - Table-4(B)2 of GSTR-3B

** In this case, the actual excess claim of ITC was ₹32,60,827.28, the taxpayer had deposited ₹21,27,698 at the instance of audit. Hence, only ₹ 9,70,825.02 has been taken as excess ITC.

APPENDIX 2.18

(Reference: Paragraph 2.3.7.4(A)(II)(b))

Unreconciled Input Tax Credit between annual return and audited financial statement

(Amount in ₹)

Sl. No.	GSTIN	Name of circle	ITC claimed in annual return	ITC availed as per audited financial statement	Unreconciled ITC	Column of GSTR-9C
1	2	3	4	5	6 (4-5)	8
1	10XXXXXXXXXX1ZM	Patliputra	21,36,34,529.06	14,40,04,347.53	6,96,30,181.53	12F
2	10XXXXXXXXXX1ZK	Patliputra	15,67,52,351.65	15,61,22,497.00	6,29,854.65	12F
3	10XXXXXXXXXX1ZG	Danapur	2,17,68,250.00	2,17,59,155.00	9,095.00	12F
4	10XXXXXXXXXX1ZX	Muzaffarpur West	8,79,490.00	-3,92,79,125.00	4,01,58,615.00	12F
Total			39,30,34,620.71	28,26,06,874.53	11,04,27,746.18	

APPENDIX 2.19*(Reference: Paragraph 2.3.7.4(A)(II)(c))***Mismatch of Input Tax Credit in GSTR-3B than declared in annual return***(Amount in ₹)*

Sl. No.	GSTIN	Name of circle	Table-6I of GSTR9	Table-6A of GSTR9	Amount (Table- 6J of GSTR-9)
1	10XXXXXXXXXXXX1ZT	Patliputra	4,38,48,239.70	4,39,18,533.50	70,293.80
2	10XXXXXXXXXXXX1ZN	Gaya	1,03,42,422.37	1,04,92,550.44	1,50,128.07
3	10XXXXXXXXXXXX1ZO	Bhabhua	0	5,880.00	5,880.00
4	10XXXXXXXXXXXX1ZP	Gandhi Maidan	34,23,716.04	45,25,846.00	11,02,129.96
5	10XXXXXXXXXXXX1ZN	Danapur	84,75,35,337.00	84,94,97,391.00	19,62,054.00
6	10XXXXXXXXXXXX2ZG	Teghra	30,22,349.00	38,01,453.65	7,79,104.65
7	10XXXXXXXXXXXX1Z6	Patna Central	8,56,354.93	11,99,788.00	3,43,443.07
8	10XXXXXXXXXXXX1ZN	Darbhangha	20,21,693.20	9,96,157.20	10,25,536.00
Total			91,10,50,112.24	91,44,37,599.79	54,38,569.55

APPENDIX 2.20 (A)

(Reference: Paragraph 2.3.7.4(A)(II)(d))

**Non/short payment of tax and discrepancy between Input Tax Credit availed
and payment made under Reverse Charge**

(Amount in ₹)

Sl. No.	GSTIN	Name of the circle	ITC availed under RCM as per GSTR-3B/GSTR-9	ITC paid under RCM as per GSTR- 3B/ GSTR-9	Difference
1	2	3	4	5	6 (4 – 5)
1	10XXXXXXXXXX1ZR	Patna North	20,83,796.00	0.00	20,83,796.00
2	10XXXXXXXXXX1ZC	Patna North	11,36,943.00	0.00	11,36,943.00
3	10XXXXXXXXXX1ZU	Patna Special	1,69,01,468.00	3,63,838.00	1,65,37,630.00
Total			2,01,22,207.00	3,63,838.00	1,97,58,369.00

APPENDIX 2.20 (B)*(Reference: Paragraph 2.3.7.4(A) (II)(d))***Non/short payment of tax and discrepancy between Input Tax Credit availed and payment made under Reverse Charge***(Amount in ₹)*

Sl. No.	GSTIN	Name of the circle	Description of service under RCM	Value of supply	Tax not/short paid (rate of tax five per cent)
1	10XXXXXXXXXX1Z0	Sasaram	Goods Transport	2,65,17,061.00	13,25,853.00
2	10XXXXXXXXXX2ZT	Jehanabad	Goods Transport	5,09,204.00	25,460.00
3	10XXXXXXXXXX1ZB	Hajipur	Goods Transport	9,56,118.00	47,806.00
Total				2,79,82,383.00	13,99,119.00

APPENDIX 2.21

(Reference: Paragraph 2.3.7.4(A)(III)(a))

Short admittance of tax liability in GSTR-9/3B as compared to GSTR-1

(Amount in ₹)

Sl. No.	GSTIN	Name of circle	Tax liability as per GSTR-1	Tax liability as per GSTR-9/ GSTR-3B	Short admittance of tax liability
1	2	3	4	5	6 (4 – 5)
1	10XXXXXXXXXX1Z7	Patliputra	86,31,442.86	52,26,770.86	34,04,672.00
2	10XXXXXXXXXX1ZP	Gandhi Maidan	32,16,541.13	25,14,380.28	7,02,160.85
3	10XXXXXXXXXX1Z3	Muzaffarpur East	20,93,54,838.29	20,92,38,119.28	1,16,719.01
4	10XXXXXXXXXX3ZU	Patna Central	1,10,35,157.72	1,06,36,183.70	3,98,974.02
5	10XXXXXXXXXX1ZG	Kadamkuan	1,07,27,623.80	1,02,44,516.50	4,83,107.30
6	10XXXXXXXXXX1ZR	Forbesganj	1,92,88,406.10	1,63,03,698.00	29,84,708.10
7	10XXXXXXXXXX1ZY	Sasaram	3,62,267.00	2,00,129.28	1,62,137.72
8	10XXXXXXXXXX1ZC	Patna North	35,47,482.66	28,50,402.00	6,97,080.66
Total			26,61,63,759.56	25,72,14,204.90	89,49,559.66

APPENDIX 2.22
(Reference: Paragraph 2.3.7.4(A)(III)(b))
Short payment of tax

(Amount in ₹)

Sl. No.	GST Index Number (GSTIN)	Name of circle	Tax liability as per GSTR-9/9C	Tax paid as per GSTR-9 (Table-9 and 14)	Short payment of tax
1	2	3	4	5	6 (4-5)
1	10XXXXXXXXXXXX1ZW	Patliputra	23,12,67,838.00	22,70,84,921.00	41,82,917.00
2	10XXXXXXXXXXXX1ZN	Gaya	97,76,648.01	97,37,345.00	39,303.01
3	10XXXXXXXXXXXX1ZO	Gaya	1,74,88,369.08	1,37,98,006.00	36,90,363.08
4	10XXXXXXXXXXXX1ZI	Bhabhua	13,30,449.00	26,768.00	13,03,681.00
5	10XXXXXXXXXXXX1Z1	Patna South	64,25,494.92	49,41,318.00	14,84,176.92
6	10XXXXXXXXXXXX2ZE	Muzaffarpur West	32,71,92,536.77	31,46,08,882.00	1,25,83,654.77
7	10XXXXXXXXXXXX1ZW	Motihari	29,79,936.90	3,34,294.00	26,45,642.90
8	10XXXXXXXXXXXX1ZN	Darbhangha	43,85,734.88	5,44,110.00	38,41,624.88
9	10XXXXXXXXXXXX1Z6	Patna Central	49,50,000.00	0.00	49,50,000.00
10	10XXXXXXXXXXXX2Z7	Kadamkuan	1,54,73,877.40	70,61,240.00	84,12,637.40
11	10XXXXXXXXXXXX1ZP	Kadamkuan	32,81,618.00	12,50,000.00	20,31,618.00
12	10XXXXXXXXXXXX1ZG	Saharsa	45,27,722.54	43,87,442.00	1,40,280.54
13	10XXXXXXXXXXXX1Z0	Samastipur	2,71,74,427.20	2,62,93,427.00	8,81,000.20
14	10XXXXXXXXXXXX1ZC	Sasaram	36,90,994.27	26,38,620.00	10,52,374.27
15	10XXXXXXXXXXXX1ZK	Shahabad	1,39,68,236.00	70,11,646.00	69,56,590.00
16	10XXXXXXXXXXXX1ZG	Shahabad	98,80,336.00	30,84,192.00	67,96,144.00
17	10XXXXXXXXXXXX1ZA	Biharsharif	16,72,116.00	10,82,240.00	5,89,876.00
18	10XXXXXXXXXXXX1ZK	Siwan	3,68,80,767.62	2,63,50,404.00	1,05,30,363.62
19	10XXXXXXXXXXXX1ZF	Gopalganj	30,68,968.00	30,27,301.00	41,667.00
Total			72,54,16,074.59	65,32,62,161.00	7,21,53,914.59

APPENDIX 2.23*(Reference: Paragraph 2.4.1)***Loss of revenue due to non-deduction of Tax Deducted at Source on supply of material***(Amount in ₹)*

Sl. No.	GSTIN of the supplier	Tax collected by the suppliers on supply of material	Tax liability admitted in GST return by the suppliers	Short paid tax
1	2	3	4	5(3-4)
1	10XXXXXXXXXX1Z8	22,13,964.74	3,16,994.10	18,96,970.64
2	10XXXXXXXXXX1ZE	52,80,897.76	21,13,516.50	31,67,381.26
3	10XXXXXXXXXX2ZC	55,25,221.34	29,99,970.48	25,25,250.86
4	10XXXXXXXXXX1ZQ	14,40,545.70	8,12,528.00	6,28,017.70
5	10XXXXXXXXXX1ZD	16,51,214.44	0	16,51,214.44
6	10XXXXXXXXXX1ZQ	12,97,817.24	2,592.00	12,95,225.24
7	10XXXXXXXXXX1Z8	13,89,229.92	3,81,408.00	10,07,821.92
8	10XXXXXXXXXX1ZJ	43,49,342.40	31,09,464.92	12,39,877.48
9	10XXXXXXXXXX1Z0	30,01,475.70	19,17,192.56	10,84,283.14
10	10XXXXXXXXXX1ZQ	27,55,749.94	18,20,636.44	9,35,113.50
11	10XXXXXXXXXX1Z4	5,78,263.80	0	5,78,263.80
12	10XXXXXXXXXX2Z7	7,27,026.46	94,202.00	6,32,824.46
13	10XXXXXXXXXX2ZK	3,15,453.86	0	3,15,453.86
14	10XXXXXXXXXX2Z1	35,82,793.55	32,71,459.84	3,11,333.71
15	10XXXXXXXXXX1ZI	4,82,902.68	2,52,508.70	2,30,393.98
16	10XXXXXXXXXX1ZI	11,01,952.48	9,23,054.08	1,78,898.40
	Total	3,56,93,852.01	1,80,15,527.62	1,76,78,324.39

APPENDIX 3.1

(Reference: Paragraph 3.3)

Non-realisation of fitness certificate renewal fee and testing fee due to non-renewal of fitness certificate of vehicles

(Amount in ₹)

Sl. No.	DTO	No. of vehicles test-checked	Period of validity of fitness		Period of tax paid		No. of vehicles for which fitness had expired			Period of delay (in days)	Fitness Certificate Renewal Fee, at the rate of ₹ 200	Testing Fee, at the rate of ₹ 400 and ₹ 600	Total
			From	To	From	To	One Time Tax paying transport vehicles	Annual Tax paying vehicles	Total				
1	Aurangabad	9,102	November 2019	December 2021	March 2013	May 2032	701	357	1,058	16 to 801	2,11,600	4,89,000	7,00,600
2	Bhagalpur	6,789	August 2019	February 2022	December 2015	February 2033	3,447	348	3,795	16 to 957	7,59,000	16,72,000	24,31,000
3	Buxar	3,968	January 2017	March 2022	May 2015	January 2033	2,028	94	2,122	50 to 1,946	4,24,400	8,67,200	12,91,600
4	Gaya	5,001	May 2019	December 2021	January 2013	October 2036	1,985	824	2,809	20 to 995	5,61,800	13,65,600	19,27,400
5	Katihar	3,277	April 2019	January 2022	January 2014	January 2033	1,673	105	1,778	17 to 1,045	3,55,600	7,35,400	10,91,000
6	Kishanganj	2,972	April 2019	January 2022	April 2017	January 2028	1,844	46	1,890	27 to 1,426	3,78,000	7,75,000	11,53,000
7	Nalanda	2,929	December 2019	March 2022	May 2015	January 2033	1,456	112	1,568	54 to 903	3,13,600	6,46,800	9,60,400
8	Samastipur	9,158	January 2017	January 2020	May 2010	June 2032	5,085	84	5,169	16 to 1,125	10,33,800	21,42,600	31,76,400
Total		43,196					18,219	1,970	20,189		40,37,800	86,93,600	1,27,31,400

APPENDIX 3.2
(Reference: Paragraph 3.4)

Non-realisation of penalty from transport vehicles for belated payment of One Time Tax

Sl. No.	DTO	No. of vehicles test-checked	Vehicle class					Total	Period of registration		Period of tax receipt		Delay in days	OTT paid	Penalty paid	Penalty payable	Penalty short paid
			LGV	Three-wheeler	Tractor	E-rickshaw	Motor cab		From	To	From	To					
1	Aurangabad	2,878	0	0	29	4	0	33	June 2020	August 2020	June 2020	July 2020	32-169	8,43,354	0	12,97,721	12,97,721
2	Banka	11,105	3	1	32	0	0	36	May 2015	November 2017	June 2015	February 2018	31-584	7,77,311	0	7,73,284	7,73,284
3	Bhagalpur	1,754	0	0	30	0	0	30	December 2019	January 2021	December 2019	December 2020	32-469	805,737	0	12,79,774	12,79,774
4	Buxar	6,119	2	13	68	18	0	101	August 2016	December 2019	August 2016	December 2019	31-162	19,06,515	0	21,95,339	21,95,339
5	Gaya	6,801	0	19	7	7	0	33	April 2019	March 2021	April 2019	October 2020	32-130	4,09,902	0	3,38,824	3,38,824
6	Katihar	8,156	7	10	37	8	0	62	August 2019	March 2021	October 2017	March 2021	32-259	12,30,043	0	16,21,375	16,21,375
7	Kishanganj	7,510	41	70	65	7	5	188	September 2017	January 2021	September 2017	October 2020	31-287	31,55,130	0	16,80,193	16,80,193
8	Samastipur	6,908	51	6	5	0	16	78	February 2017	February 2020	February 2017	February 2020	31-88	18,20,666	0	9,27,270	9,27,270
9	Sitamarhi	10,586	9	5	4	0	2	20	July 2017	July 2020	July 2017	June 2020	31-348	3,08,352	0	4,15,832	4,15,832
	Total	61,817	113	124	277	44	23	581					1,12,57,010	0	1,05,29,612	1,05,29,612	

APPENDIX 3.3
(Reference: Paragraph 3.5)
Non-realisation of Motor Vehicle Tax

Sl. No.	DTO	No. of test-checked vehicles	No. of tax defaulter vehicles	Registered between	Period of tax due	Tax due	Road Safety Cess due (at the rate of one per cent)	Penalty due	Total
1	Aurangabad	1,337	266	01/2007 to 09/2020	02/2019 to 03/2021	48,12,253	48,141	96,24,506	1,44,84,900
2	Bhagalpur	729	541	01/2007 to 10/2020	02/2019 to 03/2021	96,94,142	96,945	1,93,88,284	2,91,79,371
3	Buxar	464	341	01/2008 to 12/2020	05/2016 to 03/2022	1,01,38,268	1,01,390	2,02,76,536	3,05,16,194
4	Gaya	1,138	926	01/2007 to 10/2020	02/2019 to 03/2021	1,92,13,979	1,92,162	3,84,27,958	5,78,34,099
5	Katihar	255	172	01/2007 to 03/2020	05/2017 to 03/2021	33,30,418	33,294	66,60,836	1,00,24,548
6	Kishanganj	156	95	03/2005 to 03/2020	09/2016 to 03/2021	24,30,301	24,307	48,60,602	73,15,210
7	Nalanda	990	467	01/2010 to 09/2021	02/2019 to 03/2022	1,11,89,735	1,11,906	2,23,79,470	3,36,81,111
8	Patna	1,426	904	01/2016 to 01/2021	02/2020 to 12/2020	1,04,96,836	1,05,044	2,09,93,672	3,15,95,552
9	Samastipur	266	84	03/2005 to 02/2020	02/2017 to 03/2021	23,14,498	23,139	46,28,996	69,66,633
Total						7,36,20,430	7,36,328	14,72,40,860	22,15,97,618

APPENDIX 4.1

(Refer Paragraph: 4.4)

Short calculation of Solatium

Sl. No.	Name of project	Mauja	Acquired land (in Acres)	Land acquired (Acres)	Date of possession/ whichever is earlier	Value of assets attached with land	Delay in days after date of possession as on 31/03/2023	Total Interest applicable/leviable U/s 80 of RFCTLARR Act
1	Indo-Nepal Border Road Project from Jhauri Chowk to Mahdevamath	Mahdeva	5.474	0.16618	04.03.2017	34,70,270	2,218	29,54,958.67
		Bolhar	0.423	0.00962	04.03.2017	1,31,825	2,218	1,12,249.89
		Jhauri	0.829	0.11945	04.03.2017	26,22,194	2,218	22,32,816.15
		Dakhi	7.048	0.25043	04.03.2017	46,79,250	2,218	39,84,413.42
		Laukahi	2.243	0.18231	04.03.2017	69,75,213	2,218	59,39,441.64
		Jamsar	3.502	0.08041	04.03.2017	17,31,430	2,218	14,74,324.50
		Dharhara	3.046	0.28617	04.03.2017	87,42,254	2,218	74,44,089.16
2	Indo-Nepal Border Road Project from Jaynagar to Wardiwas Rail line Project	Andhramath	12.044	0.25405	04.03.2017	47,15,560	2,218	40,15,331.64
		Jaynagar	1.27251	0.09551	17.04.2018	16,72,113	1,809	11,42,763.25
Total						3,47,40,109		2,93,00,388.34

APPENDIX 4.2

(Refer Paragraph: 4.5)

Short payment of additional compensation

Dedicated Freight Corridor RFO I and II, Dedicated Freight Corridor ROB construction project of DLAO, Rohtas (Sasaram)

(Amount in ₹)

Sl. No.	Name of project	Mauja	Date of notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Rohtas (Sasaram)	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest/ applicable U/s 80 of RFLARR Act
1	04/20-21 Dedicated Freight Corridor RFO-I	Ahrano	23.06.2020	21.06.2022 21.02.2021	1,47,497	244	11,832.09	4,056.00	7,776.09	283	542.62
2	05/20-21 Dedicated Freight Corridor RFO-I	Ahrao	08.05.2020	21.06.2022 04.03.2021	45,76,779	301	4,52,913.03	1,69,340.00	2,83,573.03	283	19,787.96
3	01/21-22 Dedicated Freight Corridor RFO- I	Madaini	08.05.2020	06.06.2022 19.04.2021	2,28,34,160	347	26,04,971.02	10,22,970.00	15,82,001.02	298	1,16,244.57
4	01A/21-22 Dedicated Freight Corridor RFO- I	Madaini	08.05.2020	06.06.2022 06.07.2021	1,40,40,370	425	19,61,805.12	10,15,119.00	9,46,686.12	298	69,561.98
5	09/21-22 Dedicated Freight Corridor RFO- I	Udhapur	08.05.2020	03.02.2023 26.05.2021	1,51,25,429	384	19,09,533.61	9,07,525.00	10,02,008.61	56	90,180.77
6	10/21-22 Dedicated Freight Corridor RFO- I	Diliyan	08.05.2020	03.02.2023 23.07.2021	7,77,84,140	442	1,13,03,207.63	60,20,492.00	52,82,715.63	56	4,75,444.41
7	01/20-21 Dedicated Freight Corridor RFO-II	Karamdiha	23.06.2020	01.04.2021 13.02.2021	1,48,72,876	236	11,53,972.19	4,09,004.00	7,44,968.19	729	1,78,486.21
8	02/20-21 Dedicated Freight Corridor RFO - II	Dhuan	23.06.2020	01.04.2021 21.02.2021	78,49,932	244	6,29,715.09	2,15,873.00	4,13,842.09	729	99,152.03

Sl. No.	Name of project	Mauja	Date of notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Rohtas (Sasaram)	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/leviable U/s 80 of RFCTLARR Act
9	03/20-21 Dedicated Freight Corridor RFO- II	Sumbha	23.06.2020	<u>01.04.2021</u> 21.02.2021	4,99,458	244	40,066.11	13,735.00	26,331.11	729	6,308.65
10	07/20-21 Dedicated Freight Corridor RFO - II	Madaini	23.06.2020	<u>06.06.2022</u> 19.04.2021	1,23,94,351	301	12,26,531.39	5,55,267.00	6,71,264.39	298	49,324.14
11	02A/21-22 Dedicated Freight Corridor RFO- II	Madaini	08.05.2020	<u>06.06.2022</u> 06.07.2021	1,20,36,610	425	16,81,827.70	9,14,782.00	7,67,045.70	298	56,362.10
12	01/19-20 Dedicated Freight Corridor ROB	Rasendua	01.03.2019	<u>20.08.2019</u> 03.07.2019	49,50,512	125	2,03,445.70	99,010.00	1,04,435.70	1,319	50,343.73
13	03/19-20 Dedicated Freight Corridor ROB	Kurtha	01.03.2019	<u>20.08.2019</u> 03.07.2019	12,79,622	125	52,587.21	25,592.00	26,995.21	1,319	13,013.17
14	10/19-20 Dedicated Freight Corridor ROB	Madaini	01.03.2019	<u>06.06.2022</u> 03.07.2019	3,00,50,508	125	12,34,952.38	6,01,010.00	6,33,942.38	298	46,581.74
15	07/19-20 Dedicated Freight Corridor ROB	Kumhau	01.03.2019	<u>20.08.2019</u> 03.07.2019	68,45,447	125	2,81,319.74	1,36,908.90	1,44,410.84	1,319	69,613.94
16	13/19-20 Dedicated Freight Corridor ROB	Amra	01.03.2019	<u>20.08.2019</u> 03.07.2019	2,03,96,281	125	8,38,203.33	4,07,925.60	4,30,277.73	1,319	2,07,417.44
17	16/19-20 Dedicated Freight Corridor ROB	Gangauli	01.03.2019	<u>20.08.2019</u> 03.07.2019	61,98,445	125	2,54,730.62	1,23,968.00	1,30,762.62	1,319	6s3,034.75
18	15/19-20 Dedicated Freight Corridor ROB	Tendua Dusadhi	01.03.2019	<u>20.08.2019</u> 03.07.2019	1,50,07,929	125	6,16,764.21	3,00,158.60	3,16,605.61	1,319	1,52,621.25
19	12/19-20 Dedicated Freight Corridor ROB	Amree	01.03.2019	<u>20.08.2019</u> 03.07.2019	1,96,77,481	125	8,08,663.60	3,93,549.60	4,15,114.00	1,319	2,00,107.69

Sl. No.	Name of project	Mauja	Date of notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Rohtas (Sasaram)	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/leviable U/s 80 of RFCTLARR Act	
20	04/19-20 Dedicated Freight Corridor ROB	Baraila	01.03.2019	20.08.2019 03.07.2019	21,38,545	125	87,885.41	42,770.90	45,114.51	1,319	21,747.67	
21	14/19-20 Dedicated Freight Corridor ROB	Karvandiya	01.03.2019	20.08.2019 03.07.2019	2,36,46,389	125	9,71,769.41	4,72,927.80	4,98,841.61	1,319	2,40,468.99	
22	08/19-20 Dedicated Freight Corridor ROB	Mohaddi Ganj	01.03.2019	20.08.2019 03.07.2019	1,48,56,982	125	6,10,560.90	2,97,139.60	3,13,421.30	1,319	1,51,086.24	
23	09/19-20 Dedicated Freight Corridor ROB	Dhanpurva	01.03.2019	20.08.2019 03.07.2019	51,43,602	125	2,11,380.90	1,02,872.10	1,08,508.80	1,319	52,307.19	
24	11/19-20 Dedicated Freight Corridor ROB	Davampur	01.03.2019	20.08.2019 03.07.2019	1,25,15,974	125	5,14,355.10	2,50,319.50	2,64,035.60	1,319	1,27,279.63	
25	06/19-20 Dedicated Freight Corridor ROB	Kirhindi	01.03.2019	20.08.2019 03.07.2019	61,08,471	125	2,51,033.05	1,22,169.40	1,28,863.65	1,319	62,119.34	
Total							2,99,14,026.54	1,46,24,485.00	1,52,89,541.54			26,19,138.20

APPENDIX 4.3

(Reference: Paragraph 4.5)

Short payment of additional compensation
Indo-Nepal Border Road Project (Araria)

(Amount in ₹)

Sl. No.	Mauja	Date of SIA notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/ date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Araria	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/ leviable U/s 80 of RFCTLARR Act
1	Pahsee Magrabi	28.10.2016	03.10.2018	83,17,760	705	19,27,897.25	9,98,131	9,29,766.25	1,640	5,70,851.00
			23.07.2019							
2	Ashabhag	28.10.2016	08.01.2019	4,47,200	802	11,30,490.33	5,14,500	6,15,990.33	1,543	3,53,645.96
			23.07.2019		38,40,300					
			Total	42,87,500						
3	Parasee	28.10.2016	10.12.2018	7,07,000	773	3,54,012.82	1,67,160	1,86,852.82	1,572	1,09,500.87
			23.07.2019							
			Total	13,93,000						
4	Kuari	28.10.2016	03.10.2018	1,62,48,120	705	37,66,002.61	19,49,774	18,16,228.61	1,640	11,15,114.61
			23.07.2019							
5	Sikuiya	28.10.2016	03.10.2018	40,60,875	705	9,41,232.95	4,87,305	4,53,927.95	1,640	2,78,699.32
			23.07.2019							

Sl. No.	Mauja	Date of SIA notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/ date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Araria	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/leviable U/s 80 of RFCTLARR Act	
6	Hareera	28.10.2016	08.01.2019	5,21,600	802	15,51,111.95	7,05,930	8,45,181.95	1,543	4,85,227.06	
			23.07.2019								
			08.01.2019	53,61,150							
			23.07.2019								
			Total	58,82,750							
7	Lailokhar	28.10.2016	03.10.2018	1,38,28,480	705	32,05,176.46	16,59,418	15,45,758.46	1,640	9,49,053.34	
			23.07.2019								
8	Asura Kalkhola	28.10.2016	08.01.2019	54,65,930	802	14,41,208.50	6,55,912	7,85,296.50	1,543	4,50,846.25	
			23.07.2019								
9	Rajaula	28.10.2016	10.12.2018	1,59,45,160	773	40,52,254.91	19,13,419	21,38,835.91	1,572	12,53,416.44	
			23.07.2019								
10	Pagdera	28.10.2016	10.12.2018	23,23,125	773	17,89,914.75	8,45,173	9,44,741.75	1,572	5,53,644.55	
			23.07.2019								
			10.12.2018	47,19,985							
			23.07.2019								
			Total	70,43,110							
11	Chaita	28.10.2016	06.07.2019	34,02,680	981	10,97,434.22	4,08,322	6,89,112.22	1,364	3,44,933.71	
			23.07.2019								
12	Mehdipur	28.10.2016	06.07.2019	22,940	981	21,25,171.75	7,90,711	13,34,460.75	1,364	6,67,961.59	
			23.07.2019	65,66,320							
			Total	65,89,260							

Sl. No.	Mauja	Date of SIA notification	Date of possession/ award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/ date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Araria	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/ leviable U/s 80 of RFCTLARR Act
13	Batraha	28.10.2016	26.07.2019	6,39,220	998	1,08,37,876.43	39,63,752	68,74,124.43	1,344	33,84,329.21
			23.07.2019							
			26.07.2019	3,23,92,050						
			23.07.2019	3,30,31,270						
14	Chikni	28.10.2016	26.07.2019	17,04,300	998	60,35,208.41	22,07,266	38,27,942.41	1,344	18,84,606.17
			23.07.2019	1,66,89,580						
				1,83,93,880						
			26.07.2019	33,09,480	998	10,85,872.12	3,97,138	6,88,734.12	1,344	3,39,083.62
			23.07.2019		998					
16	Parasi	28.10.2016	28.09.2019	1,53,10,200	998	50,23,423.43	18,37,224	31,86,199.43	1,280	14,84,856.23
			23.07.2019							
			31.08.2019	12,35,800						
			23.07.2019	62,76,845	998	24,64,970.86	9,01,517	15,63,453.86	1,308	7,46,602.76
				75,12,645						
18	Vishanpur	28.10.2016	31.08.2019	19,49,400	998	33,85,237.87	12,38,088	21,47,149.87	1,308	10,25,337.60
			23.07.2019	83,68,000						
				1,03,17,400						
			30.06.2020	2,68,73,055	998	88,17,307.03	32,24,767	55,92,540.03	1,004	19,71,944.94
			23.07.2019		998					
20	Bhalua	28.10.2016	30.06.2020	56,37,620	998	49,01,402.76	17,92,597	31,08,805.76	1,004	10,96,173.43
			23.07.2019	93,00,690						
				1,49,38,310						

Sl. No.	Mauja	Date of SIA notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/ date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Araria	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/leviable U/s 80 of RFCTLARR Act
21	Saidabad	28.03.2017	17.01.2019 06.08.2019	1,72,31,800	660	37,39,064.55	20,67,816	16,71,248.55	1,534	9,53,298.49
22	Muraripur	28.03.2017	17.01.2019 06.08.2019	71,26,175	660	15,46,282.36	8,55,141	69,11,41.36	1,534	3,94,234.61
23	Said Pokhar	28.03.2017	12.12.2020 06.08.2019	16,32,500 2,08,88,000	861	63,74,844.00	27,02,460	36,72,384.00	839	10,45,874.84
24	Amgachhi	28.03.2017	17.01.2019 06.08.2019	8,66,240	660	22,78,676.22	12,60,177	10,18,499.22	1,534	5,80,963.12
				96,35,235						
				Total 1,05,01,475						
25	Sikti	28.03.2017	28.09.2019 06.08.2019	14,97,420	861	77,27,666.54	32,75,956	44,51,710.54	1,280	20,74,619.08
				2,58,02,215						
				Total 2,72,99,635						
26	Majrakh	28.03.2017	05.11.2019 06.08.2019	22,00,905	861	6,23,006.86	2,64,109	3,58,897.86	1,242	1,61,651.53
27	Araji Amgachhi	28.03.2017	07.03.2022 06.08.2019	21,16,000	861	5,98,972.93	2,53,920	3,45,052.93	389	34,458.03
28	Dahipura	28.03.2017	07.03.2022 06.08.2019	29,04,900	861	8,22,285.67	3,48,588	4,73,697.67	389	47,304.88
29	Pahara	28.03.2017	07.03.2022 06.08.2019	53,55,715	861	15,16,034.17	6,42,686	8,73,348.17	389	87,215.18
30	Pahara Sikti	28.03.2017	10.03.2021 06.08.2019	61,45,500	861	17,39,597.42	7,37,460	10,02,137.42	751	2,49,161.56

Sl. No.	Mauja	Date of SIA notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/ date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Araria	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/ leviable U/s 80 of RFLARR Act
31	Barmasiya	28.03.2017	05.11.2019	11,14,700	861	61,21,044.79	25,94,868	35,26,176.79	1,242	15,88,228.67
			06.08.2019	2,05,09,200						
			Total	2,16,23,900						
32	Barmasiya Ranikata	28.03.2017	05.11.2019	32,19,300	861	99,74,484.49	42,28,440	57,46,044.49	1,242	25,88,081.41
			06.08.2019	3,20,17,700						
			Total	3,52,37,000						
33	Barmasiya Simarvani	28.03.2017	04.01.2020	35,29,600	861	85,69,742.94	36,32,934	49,36,808.94	1,182	21,01,863.31
			06.08.2019	2,67,44,850						
			Total	3,02,74,450						
34	Paraiya Ranikatta	28.03.2017	10.03.2021	3,93,450	861	1,11,373.30	47,214	64,159.30	751	15,951.94
			06.08.2019							
35	Bhairoganj	11.05.2016	20.01.2021	82,69,200	983	68,22,580.18	14,77,763	53,44,817.18	800	14,36,511.14
			19.01.2019	1,28,41,700						
			Total	2,11,10,900						
36	Kochgawa	11.05.2016	05.11.2019	51,05,000	983	57,73,576.44	12,50,550	45,23,026.44	1,242	20,37,220.68
			19.01.2019	1,27,60,000						
			Total	1,78,65,000						
37	Chakorba	11.05.2016	20.01.2021	67,70,000	983	24,07,676.71	5,21,500	18,86,176.71	800	5,06,942.29
			19.01.2019	6,80,000						
			Total	74,50,000						
38	Pokhariya	11.05.2016	05.06.2021	63,50,400	983	20,52,310.09	4,44,528	16,07,782.09	664	3,42,259.37

Sl. No.	Mauja	Date of SIA notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/ date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Araria	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/ leviable U/s 80 of RFLARR Act
39	Guarpuchhari	11.05.2016	30.01.2021 19.01.2019	51,30,000	983	16,57,903.56	3,59,100	12,98,803.56	790	3,43,738.15
40	Pipara	14.07.2016	17.01.2019 22.11.2018	39,10,725 62,04,775	861	28,63,379.34	12,13,860	16,49,519.34	1,534	9,40,903.91
			Total	1,01,15,500						
41	Ramganj	14.07.2016	30.08.2018 22.11.2018	28,04,200 60,41,825	777	22,59,735.26	10,61,523	11,98,212.26	1,674	7,52,411.64
			Total	88,46,025						
42	Amgachhi	14.07.2016	30.01.2021 22.11.2018	6,76,000 15,19,250	861	6,21,406.11	2,63,430	3,57,976.11	790	94,741,07
			Total	21,95,250						
43	Badhua	14.07.2016	28.09.2021 22.11.2018	16,15,250 60,91,500	861	21,81,538.11	9,24,810	12,56,728.11	549	2,08,134.83
			Total	77,06,750						
44	Bajnathpur	14.07.2016	31.08.2021 22.11.2018	36,40,875 75,76,650	861	31,75,327.90	13,46,103	18,29,224.90	577	3,23,998.33
			Total	1,12,17,525						
45	Bhabanipur	14.07.2016	31.08.2019 22.11.2018	12,500 46,00,000	861	13,05,653.42	5,53,500	7,52,153.42	1,308	3,59,179.02
			Total	46,12,500						
46	Bheriyari	14.07.2016	25.07.2018 22.11.2018	26,25,000 4,01,78,125	741	1,04,27,544.86	51,36,375	52,91,169.86	1,710	34,00,845.07
			Total	4,28,03,125						

Sl. No.	Mauja	Date of SIA notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/ date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount, at the rate of 12 per cent per annum, calculated by office of the DLAO, Araria	Difference	Time period (in days) from the date of possession (as on 31/03/2023)	Total Interest applicable/ leviable U/s 80 of RFLARR Act	
47	Jageer Kulhariya	14.07.2016	17.01.2019	93,000	861	10,13,498.43	4,29,648	5,83,850.43	1,534	3,33,034.68	
			22.11.2018	34,87,400							
			Total	35,80,400							
48	Kusmaha	14.07.2016	31.08.2019	11,44,800	861	13,37,795.85	5,67,126	7,70,669.85	1,308	3,68,021.25	
			22.11.2018	35,81,250							
			Total	47,26,050							
49	Mirganj	14.07.2016	05.06.2021	1,08,61,800	861	30,74,633.36	13,03,416	17,71,217.36	664	3,77,050.93	
			22.11.2018								
			Total	2,61,47,500							
50	Nirpur	14.07.2016	25.07.2018	42,97,500	741	63,69,960.82	31,37,700	32,32,260.82	1,710	20,77,502.43	
			22.11.2018	2,18,50,000							
			Total	2,61,47,500							
51	Nij Kulhariya	14.07.2016	03.08.2018	17,53,725	750	9,61,668.49	4,68,012	4,93,656.49	1,701	3,15,466.78	
			22.11.2018	21,46,375							
			Total	39,00,100							
Grand Total						17,19,82,472.58	7,00,28,817	10,19,53,655.58		4,52,06,696.84	

APPENDIX 4.4
(Reference: Paragraph 4.5)
Short payment of additional compensation
56th Battalion Sashstra Seema Bal, Bathnaha Project (Araria)

Sl. No.	Mauja	Date of SIA notification	Date of possession/ Date of award, whichever is earlier	Market value of land	Period of additional compensation (from notification of SIA to approval of award/date of possession, whichever is earlier), in days	Additional compensation amount at the rate of 12 per cent per annum, at the market value of the land	Additional compensation amount at the rate of 12 per cent per annum, calculated by office of the DLAO, Araria	Difference	Time period (in days) from the date of possession (as on 31/3/2023)	Total Interest applicable/leviable U/s 80 of RFCTLARR Act
1	Bhagparasi	05.06.2017	21.01.2019 18.06.2019	9,10,000	595	1,78,010.96	1,09,200.00	68,810.96	1,530	39,137.41
2	Pathraha	05.06.2017	03.08.2019 18.06.2019	32,90,000	743	8,03,661.37	3,94,800.00	4,08,861.37	1,336	1,99,950.01
3	Dumarbanna	05.06.2017	31.10.2018 18.06.2019	37,62,500	513	6,34,573.97	4,51,500.00	1,83,073.97	1,612	1,10,295.80
4	Basmatiya	05.06.2017	24.12.2018 18.06.2019	99,57,500	567	18,56,187.12	11,94,900.00	6,61,287.12	1,558	3,83,727.70
5	Damadijhi	05.06.2017	14.03.2019 18.06.2019	13,82,500	647	2,94,074.79	1,65,900.00	1,28,174.79	1,478	70,162.53
Total						37,66,508.21	23,16,300.00	14,50,208.21		8,03,273.45

APPENDIX 5.1

(Reference: Paragraph 5.3)

Short realisation of Stamp Duty and Registration Fee due to undervaluation of land

Sl. no.	Name of office	Token no./ Deed no.	Type of deed	Valuation, as per sale deed	MVR value per decimal (Area of land in decimal)	Valuation, as per MVR	Stamp Duty payable (Rate of stamp Duty per cent)	Stamp Duty paid	Short realisation of Stamp Duty	Registration Fee payable (Rate of Registration Fee is two per cent)	Registration Fee paid	Short realisation of Registration Fee	Total SD and RF short realised	Remarks of other token no./ deed no.
1	DSR Aurangabad	11842 114488	Lease	3,27,47,000	4,49,100 (191.5)	8,60,02,650	7,74,024 (6)	2,96,780	4,77,244	2,58,008	98,260	1,59,748	6,36,992	1423 1358
2	DSR Patna	2530 2757	Sale	1,00,00,000	30,00,000 (12.5)	3,75,00,000	31,12,500 (8.3)	8,31,000	22,81,500	7,87,500	2,10,000	5,77,500	28,59,000	1849 2141
3	DSR Patna	11977 10949	Development agreement	10,82,82,000	30,00,000 (65.625)	19,68,75,000	39,37,500 (2)	21,66,700	17,70,800	-	-	-	17,70,800	12454 1016
4	DSR Muzaffarpur	12960 12008	Sale	55,50,000	15,50,000 (10)	1,55,00,000	12,40,000 (8)	4,44,000	7,96,000	3,10,000	1,11,000	1,99,000	9,95,000	15911 15122
5	SR Patna City	7056 6964	Sale	71,25,000	19,44,000 (9.375)	1,82,25,000	14,58,000 (8)	5,70,300	8,87,700	3,64,500	1,42,650	2,21,850	11,09,550	7186 7091
6	SR Patna City	10616 10869	Sale	22,50,000	15,79,500 (6.25)	98,71,875	7,89,750 (8)	1,79,000	6,10,750	1,97,438	45,000	1,52,438	7,63,188	11368 11269
7	SR Patna City	5174 5140	Sale	47,50,000	19,44,000 (6.25)	1,21,50,000	9,72,000 (8)	3,79,000	5,93,000	2,43,000	95,000	1,48,000	7,41,000	7304 7218
8	SR Dehri, Rohtas	3137 3064	Sale	51,11,111	74,900 (665)	4,98,08,500	29,88,510 (6)	3,06,720	26,81,790	9,96,170	1,02,240	8,93,930	35,75,720	-
Total				34,89,40,111		1,19,99,33,025	1,52,72,284	51,73,500	1,00,98,784	31,56,616	8,04,150	23,52,466	1,24,51,250	

APPENDIX 6.1
(Reference: Paragraph 6.2.3)
Summarised financial results of State PSUs (covered in this Report) during the year 2019-20, 2020-21 and 2021-22

(₹ in crore)

Sl. No.	Name of PSUs	Year of finalised account	EBIT (Earnings before interest and tax)	Net profit/loss after tax and preference dividend	Turnover	Total paid up capital	Investment (Paid up capital +Free reserve +Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus-accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus long term borrowings)	Return on capital employed (4×100/10)	Return on investment (4×100/8)	Return on equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
2021-22													
Power													
1	Bihar State Power (Holding) Company Limited	2020-21	0.00	0.00	0.00	1,244.22 ¹	1,847.78	1,244.22	1,847.78	0.00	0.00	0.00	1,244.22
2	Bihar State Power Generation Company Limited	2020-21	-2.79	-2.79	0.00	4,812.96	4,812.96	577.04	577.04	-0.48	-0.06	-0.48	577.04
3	Lakhsarai Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
4	Pirpanti Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
5	Bihar State Power Transmission Company Limited	2020-21	204.82	91.41	886.80	8,076.82	11,303.09	9,088.96	11,303.09	1.81	1.81	1.01	9,088.96
6	Bihar Grid Company Limited	2021-22	369.18	143.97	452.62	645.06	3,017.14	1,024.16	3,017.14	12.24	12.24	14.06	1,024.16

¹ Government of Bihar (GoB) gives equity in Power Companies through Bihar State Power (Holding) Company Limited (BSPHCL) as per the Bihar Electricity Reform Transfer Scheme, 2012 (Transfer Scheme), dated October 31, 2012. Further, BSPHCL invests the stated fund as equity in Power Companies and retain balance equity which has not been invested. Subsidiary/Power Companies disclose equity in the name of BSPHCL in its annual accounts. In view of the above, the GoB investment as equity has been disclosed separately with subsidiary/joint venture (Power Companies). Further, BSPHCL distributes all expenditure/income with its subsidiary Companies and disclose Nil Profit/Loss in its Profit & Loss Accounts in its Financial Statement.

Compliance Audit Report for the year ended 31 March 2022

Sl. No.	Name of PSUs	Year of finalised account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total paid up capital	Investment (Paid up capital +Free reserve +Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus-accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus long term borrowings)	Return on capital employed (4×100/10)	Return on investment (4×100/8)	Return on equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
7	North Bihar Power Distribution Company Limited	2020-21	-540.43	-801.51	7,679.29	12,144.43 ²	15,347.08	6,672.93	9,875.58	-5.47	-3.52	-12.01	6,672.93
8	South Bihar Power Distribution Company Limited	2020-21	-854.93	-1,140.50	9,022.43	12,770.34	16,927.07	1,626.85	5,783.58	-14.78	-5.05	-70.10	1,626.85
Total Power			-824.15	-1,709.42	18,041.14	39,693.85	53,255.14	20,234.08	32,404.13	-2.54	-1.55	-8.45	20,234.08
Non-Power													
1	Bihar State Agro Industries Development Corporation Limited (Agriculture)*	2020-21	-0.02	-0.67	0.00	7.64	38.62	-182.97	-151.99	0.01	-0.05	0.37	-182.97
2	Bihar Forestry Development Corporation Limited (Others)	2020-21	0.00	0.00	0.52	0.34	1.26	1.26	1.26	0.00	0.00	0.00	1.26
3	Bihar State Educational Infrastructure Development Corporation Limited (Infrastructure)	2019-20	7.14	7.14	22.39	20.00	258.36	258.36	258.36	2.76	2.76	2.76	258.36
4	Bihar State Education Finance Corporation Limited (Finance)	2020-21	0.34	0.25	0.00	9.50	10.25	10.25	10.25	3.32	3.32	2.44	10.25

² GoB investment in NBPDCCL has been taken as per BSPHCL investment in NBPDCCL due to BSPHCL invests the fund as equity in Power Companies and retain balance equity which has not been invested. Subsidiary/Power Companies disclose equity in the name of BSPHCL in its annual accounts.

Sl. No.	Name of PSUs	Year of finalised account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total paid up capital	Investment (Paid up capital +Free reserve +Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus-accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus long term borrowings)	Return on capital employed (4×100/10)	Return on investment (4×100/8)	Return on equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
5	Patna Metro Rail Corporation (Service)	2020-21	4.62	3.32	0.00	426.00	428.96	428.96	428.96	1.08	1.08	0.77	428.96
6	Bihar State Financial Corporation (Finance)	2019-20	36.26	18.58	6.97	77.84	316.14	-405.38	-176.91	-20.50	11.47	-4.58	-405.38
7	Bihar State Beverages Corporation Limited (Others)	2019-20	-1.48	-1.48	0.00	5.00	89.24	89.24	89.24	-1.66	-1.66	-1.66	89.24
8	Bihar State Road Development Corporation Limited (Infrastructure)	2019-20	40.99	26.63	2,325.87	20.00	584.53	584.53	584.53	7.01	7.01	4.56	584.53
	Total Non-Power		87.85	53.77	2,355.75	566.32	1727.36	784.25	1043.7	8.42	5.09	6.86	784.25
	Grand Total (2021-22)		-763.30	-1,655.65	20,396.89	40,260.17	54,982.5	21,018.33	33,447.83	-2.20	-1.34	-7.88	21,018.33
2020-21													
Power													
1	Bihar State Power (Holding) Company Limited	2020-21	0.00	0.00	0.00	1244.22	1,847.78	1,244.22	1,847.78	0.00	0.00	0.00	1,244.22
2	Bihar State Power Generation Company Limited	2020-21	-2.79	-2.79	0.00	4812.96	4,812.96	577.04	577.04	-0.48	-0.06	-0.48	577.04
3	Lakhisarai Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04

Sl. No.	Name of PSUs	Year of finalised account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total paid up capital	Investment (Paid up capital +Free reserve +Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus-accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus long term borrowings)	Return on capital employed (4×100/10)	Return on investment (4×100/8)	Return on equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
4	Pirpainti Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.03	-0.03	0.00	0.00	0.00	-0.03
5	Bihar State Power Transmission Company Limited	2020-21	204.82	91.41	886.8	8076.82	11,303.09	9,088.96	11,303.09	1.81	1.81	1.01	9,088.96
6	Bihar Grid Company Limited	2020-21	358.2	154.82	460.2	580.59	2,742.44	815.73	2,742.44	13.06	13.06	18.98	815.73
7	North Bihar Power Distribution Company Limited	2020-21	-540.43	-801.51	7,679.29	12144.43	15,347.08	6,672.93	9,875.58	-5.47	-3.52	-12.01	6,672.93
8	South Bihar Power Distribution Company Limited	2020-21	-854.93	-1,140.50	9,022.43	12770.34	16,927.07	1,626.85	5,783.58	-14.78	-5.05	-70.10	1,626.85
Total Power			-835.13	-1,698.57	18,048.72	39,629.38	52,980.44	20,025.66	32,129.44	-2.60	-1.58	-8.48	20,025.66
Non-Power													
1	Bihar State Agro Industries Development Corporation Limited (Agriculture)	2020-21	-0.02	-0.67	0.00	7.64	38.62	-182.97	-151.99	0.01	-0.05	0.37	-182.97
2	Bihar Forestry Development Corporation Limited (Others)	2020-21	0.00	0.00	0.52	0.34	1.26	1.26	1.26	0.00	0.00	0.00	1.26
3	Bihar State Infrastructure Corporation Limited (Infrastructure)	2019-20	7.14	7.14	22.39	20.00	258.36	258.36	258.36	2.76	2.76	2.76	258.36

Sl. No.	Name of PSUs	Year of finalised account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total paid up capital	Investment (Paid up capital +Free reserve +Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus-accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus long term borrowings)	Return on capital employed (4×100/10)	Return on investment (4×100/8)	Return on equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
4	Bihar State Education Finance Corporation Limited (Finance)	2020-21	0.34	0.25	0.00	9.50	10.25	10.25	10.25	3.32	3.32	2.44	10.25
5	Patna Metro Rail Corporation (Service)	2020-21	4.62	3.32	0.00	426	428.96	428.96	428.96	1.08	1.08	0.77	428.96
6	Bihar State Financial Corporation (Finance)	2019-20	36.26	18.58	6.97	77.84	306.31	-405.38	-176.91	-20.50	11.84	-4.58	-405.38
7	Bihar State Beverages Corporation Limited (Others)	2019-20	-1.48	-1.48	0.00	5.00	89.24	89.24	89.24	-1.66	-1.66	-1.66	89.24
8	Bihar State Road Development Corporation Limited (Infrastructure)	2019-20	40.99	26.63	2,325.87	20.00	584.53	584.53	584.53	7.01	7.01	4.56	584.53
	Total Non-Power		87.85	53.77	2,355.75	566.32	1,717.53	784.25	1,043.70	8.42	5.11	6.86	784.25
	Grand Total (2020-21)		-747.28	-1,644.80	20,404.47	40,195.70	54,697.97	20,809.91	33,173.14	-2.25	-1.37	-7.90	20,809.91
2019-20													
Power													
1	Bihar State Power (Holding) Company Limited	2019-20	0.00	0.00	0.00	1,271.06	1,709.56	1,271.06	1,709.56	0.00	0.00	0.00	1,271.06
2	Bihar State Power Generation Company Limited	2019-20	-2.56	-2.56	0.00	4,812.96	4,812.96	579.85	579.85	-0.44	-0.05	-0.44	579.85

Sl. No.	Name of PSUs	Year of finalised account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total paid up capital	Investment (Paid up capital +Free reserve +Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus-accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus long term borrowings)	Return on capital employed (4×100/10)	Return on investment (4×100/8)	Return on equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
3	Lakhisarai Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
4	Pirpanti Bijlee Company Private Limited	2019-20	0.00	0.00	0.00	0.01	0.01	-0.04	-0.04	0.00	0.00	0.00	-0.04
5	Bihar State Power Transmission Company Limited	2019-20	445.18	460.16	1,033.08	7,949.99	9,655.82	8,691.79	9,655.82	4.61	4.61	5.29	8,691.79
6	Bihar Grid Company Limited	2019-20	124.81	31.63	207.84	514.58	2,284.81	594.9	2,284.81	5.46	5.46	5.32	594.9
7	North Bihar Power Distribution Company Limited	2019-20	-1,068.89	-1,282.88	7,469.78	11,653.84	13,135.11	6,482.83	7,964.10	-13.42	-8.14	-19.79	6,482.83
8	South Bihar Power Distribution Company Limited	2019-20	-1,501.20	-1,664.84	8,367.20	12,267.96	13,787.68	2,233.22	3,752.94	-40.00	-10.89	-74.55	2,233.22
Total Power			-2,002.66	-2,458.49	17,077.90	38,470.41	45,385.96	19,853.57	25,947.00	-7.72	-4.41	-12.38	19,853.57
Non-Power													
1	Bihar State Agro Industries Development Corporation Limited (Agriculture)	2019-20	0.01	-9.12	0.00	7.64	38.62	-182.31	-151.33	-0.01	0.03	5.00	-182.31
2	Bihar Forestry Development Corporation Limited (Others)	2019-20	0.00	0.00	0.3	0.34	1.26	1.26	1.26	0.00	0.00	0.00	1.26

Sl. No.	Name of PSUs	Year of finalised account	EBIT (Earnings before interest and tax)	Net profit/ loss after tax and preference dividend	Turnover	Total paid up capital	Investment (Paid up capital +Free reserve +Long term loan)	Shareholders fund (Paid up capital + Reserve & surplus- accumulated loss-deferred revenue expenditure)	Capital employed (i.e. Share-holders fund plus long term borrowings)	Return on capital employed (4×100/10)	Return on investment (4×100/8)	Return on equity (5×100/9)	Net worth (paid-up share capital + free reserves & surplus less accumulated loss and deferred revenue expenditure)
1	2	3	4	5	6	7	8	9	10	11=	12=	13=	14
3	Bihar State Educational Infrastructure Corporation Limited (Infrastructure)	2019-20	7.14	7.14	22.39	20.00	258.36	258.36	258.36	2.76	2.76	2.76	258.36
4	Bihar State Education Finance Corporation Limited (Finance)	2019-20	0.35	0.26	0.00	9.50	9.99	9.99	9.99	3.50	3.50	2.60	9.99
5	Patna Metro Rail Corporation (Service)	2019-20	-0.36	-0.36	0.00	110.5	110.05	109.69	109.69	-0.33	-0.33	-0.33	109.69
6	Bihar State Financial Corporation (Finance)	2019-20	36.26	18.58	6.97	77.84	306.31	-405.38	-176.91	-20.50	11.84	-4.58	-405.38
7	Bihar State Beverages Corporation Limited (Others)	2019-20	-1.48	-1.48	0.00	5.00	89.24	89.24	89.24	-1.66	-1.66	-1.66	89.24
8	Bihar State Road Development Corporation Limited (Infrastructure)	2019-20	40.99	26.63	2,325.87	20	584.53	584.53	584.53	7.01	7.01	4.56	584.53
	Total Non-Power		82.91	41.65	2,355.53	250.37	1,398.36	465.38	724.83	11.43	5.93	8.94	465.38
	Grand Total (2019-20)		-1,919.75	-2,416.84	19,433.43	38,720.78	46,784.32	20,318.95	26,671.83	-7.20	-4.10	-11.89	20,318.95

(Source: Compiled based on the latest finalised accounts of PSUs.) *As of 31 March 2022, the Bihar State Agro Industries Development Corporation Limited, a non-functional PSU had fixed assets in the form of Land and Buildings (₹ 0.13 crore), Plant and Machinery (₹ 0.00 crore), Capital Work in Progress (₹ 0.00 crore) and Inventories (₹ 2.55 crore).

APPENDIX 6.2

(Reference: Paragraph 6.2.3)

Details of State PSUs not covered in this Report

(Amount ₹ in crore)

Sl. No.	Sector & name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net profit/loss after tax	Turn over	Paid up capital	Land & building	Plant & machinery	Capital work in progress	Inventories
1	2	3	4	5	6	7	8	9	10	11
A.	Functional PSUs with arrears of accounts for three or more years/first accounts not received/ not due									
I.	Government Companies									
1	Bihar Rajya Beej Nigam Limited	2008-09	2022-23	-2.49	0.00	3.71	0.57	-	5.63	9.06
2	Bihar State Credit & Investment Corporation Limited	2015-16	2021-22	0.00	0.00	15.12	0.04	-	-	-
3	Bihar State Backward Classes Finance & Development Corporation	1998-99	2021-22	0.22	1.19	6.26	0.11	-	-	-
4	Bihar State Minorities Finance Corporation Limited	2015-16	2022-23	-3.04	3.24	39.89	0.19	-	-	-
5	Bihar Police Building Construction Corporation Limited	2017-18	2022-23	8.09	25.86	0.10	2.29	-	-	-
6	Bihar State Building Construction Corporation Limited	2018-19	2021-22	4.22	27.17	5.00	26.69	-	0.25	-
7	Bihar Rajya Pul Nirman Nigam Limited	2018-19	2022-23	42.74	84.42	3.50	9.90	-	0.48	0.13
8	Bihar State Urban Infrastructure Development Corporation Ltd	2017-18	2019-20	8.95	209.17	5.00	0.52	-	948.26	28.55
9	Bihar State Tourism Development Corporation Limited	2014-15	2016-17	3.54	11.63	5.00	7.69	-	-	-
10	Bihar State Food & Civil Supplies Corporation Limited	2010-11	2021-22	-4.58	1940.31	5.39	5.94	-	-	-
11	Bihar Medical Services & Infrastructure Corporation Limited	2017-18	2021-22	2.30	29.01	6.67	6.13	-	0.90	-
12	Bihar State Text Book Publishing Corporation Limited	2011-12	2020-21	114.46	233.43	0.48	0.25	-	-	40.20

Sl. No.	Sector & name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net profit/loss after tax	Turn over	Paid up capital	Land & building	Plant & machinery	Capital work in progress	Inventories
1	2	3	4	5	6	7	8	9	10	11
13	Bihar State Hydroelectric Power Corporation Limited	2013-14	2020-21	28.28	13.54	99.04	169.62	-	478.36	1.25
14	Bihar State Film Development & Finance Corporation	2016-17	2019-20	0.43	0.20	1.00	0.13	-	-	-
15	Bihar State Mining Corporation Limited	-	-	-	-	-	-	-	-	-
16	Muzaffarpur Smart City Limited	-	-	-	-	-	-	-	-	-
17	Biharsharif Smart City Limited	2018-19	2021-22	0.00	0.00	0.10	--	-	-	-
18	Patna Smart City	2018-19	2021-22	0.01	0.00	0.10	0.11	-	6.58	-
19	Bhagalpur Smart City	2018-19	2020-21	23.86	0.00	0.10	0.05	-	0.54	-
20	Bihar State Electronic Development Corporation Limited	2018-19	2020-21	25.37	424.73	25.00	1.40	-	0.06	0.90
	Sub Total			252.36	3003.90	221.46	231.63	0.00	1441.06	80.09
II	Statutory Corporations									
21	Bihar State Road Transport Corporation	2018-19	2021-22	-144.11	64.47	101.27	118.38	-	-	-
22	Bihar State Warehousing Corporation	2017-18	2022-23	11.67	226.94	6.42	144.54	-	51.32	-
	Sub Total			-132.44	291.41	107.69	262.92	0.00	51.32	0.00
	Total A			119.92	3295.31	329.15	494.55	0.00	1,492.38	80.09
B. (I)	Non-Functional Government Companies									
1	Bihar Rajya Matasya Vikas Nigam Limited *	1992-93	1996-97	-0.22	0.00	1.75	-	-	-	-
2	SCADA Agro Business Company Limited	2014-15	2016-17	0.02	0.00	0.05	-	-	-	-
3	Bihar State Water Development Corporation Limited *	1978-79	1997-98	2.17	0.00	5.00		-	-	-
4	Bihar State Dairy Corporation Limited	1997-98	2014-15	0.00	0.00	6.72	3.63	-	-	-
5	Bihar Hill Area Lift Irrigation Corporation Limited *	1982-83	1983-84	-0.26	0.01	5.60	-	-	-	-
6	Bihar State Fruit & Vegetables Development Corporation Limited	2014-15	2018-19	1.47	0.00	1.91	0.11	-	-	0.08

Sl. No.	Sector & name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net profit/loss after tax	Turn over	Paid up capital	Land & building	Plant & machinery	Capital work in progress	Inventories
1	2	3	4	5	6	7	8	9	10	11
7	Bihar Insecticide Limited (Subsidiary of Sl. No. B 26) *	1986-87	1991-92	-1.03	0.00	0.57	-	-	-	-
8	SCADA Agro Business Limited, Khagaul* (Subsidiary of Sl. No. B 2)	-	-	-	-	-	-	-	-	-
9	SCADA Agro Business Limited, Dehri* (Subsidiary of Sl. No. B 2)	-	-	-	-	-	-	-	-	-
10	SCADA Agro Business Limited, Aurangabad* (Subsidiary of Sl. No. B 2)	-	-	-	-	-	-	-	-	-
11	SCADA Agro Business Limited, Mohania* (Subsidiary of Sl. No. B 2)	-	-	-	-	-	-	-	-	-
12	Bihar Panchayati Raj Finance Corporation Limited *	1984-85	1991-92	-0.01	0.00	1.44	-	-	-	-
13	Bihar State Handloom and Handicrafts Corporation Limited *	1983-84	1996-97	-0.10	0.00	6.28	-	-	-	-
14	Bihar State Industrial Development Corporation Limited	2010-11	2017-18	-3.81	0.31	14.04	1.24	-	-	2.28
15	Bihar State Construction Corporation Limited	2002-03	2017-18	-3.52	23.34	7.00	0.05	-	0.16	20.96
16	Bihar State Mineral Development Corporation Limited	2001-02	2021-22	16.65	38.90	9.97	-	-	-	-
17	Bihar Solvent & Chemicals Limited (Subsidiary of Sl. No. B 27) *	1986-87	1995-96	-0.32	0.00	0.66	-	-	-	-
18	Magadh Mineral Limited (Subsidiary of Sl. No. B 23) *	-	-	-	-	-	-	-	-	-
19	Beltron Video System Limited (Subsidiary of Sl. No. A 20) *	1989-90	2016-17	-0.34	0.44	3.06	0.88	-	-	-
20	Beltron Mining System Limited (Subsidiary of Sl. No. A 20) *	1990-91	2017-18	0.14	0.41	1.32	-	-	-	-
21	Beltron Informatics Limited* (Subsidiary of Sl. No. A 20) *	-	-	-	-	-	-	-	-	-

Sl. No.	Sector & name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net profit/loss after tax	Turn over	Paid up capital	Land & building	Plant & machinery	Capital work in progress	Inventories
1	2	3	4	5	6	7	8	9	10	11
22	Bihar State Sugar Corporation Limited *	1984-85	1996-97	-9.20	0.00	9.97	-	-	-	-
23	Bihar State Pharmaceuticals & Chemicals Development Corporation Limited *	1985-86	1992-93	-0.17	0.00	3.62	-	-	-	-
24	Bihar Maize Product Limited (Subsidiary of Sl. No. B 23) *	1983-84	1987-88	-0.03	0.00	0.67	-	-	-	-
25	Bihar Drugs and Chemicals Limited (Subsidiary of Sl. No. B 23) *	1985-86	1991-92	-0.03	0.00	0.94	-	-	-	-
26	Bihar State Textiles Corporation Limited *	1987-88	1995-96	-0.09	0.00	4.98	-	-	-	-
27	Bihar State Forest Development Corporation Limited	2001-02	2021-22	0.06	23.24	2.29	0.50	-	-	-
28	Bihar Paper Mills Limited (Subsidiary of Sl. No. B14) *	1985-86	1997-98	-0.06	0.00	1.56	-	-	-	-
29	Bihar State Glazed Tiles & Ceramics Limited (Subsidiary of Sl. No. B23) *	1985-86	1997-98	-0.08	0.00	0.16	-	-	-	-
30	Vishwamitra Paper Industries Limited (Subsidiary of Sl. No. B23) *	1984-85	1988-89	-0.01	0.00	0.40	-	-	-	-
31	Jhaujharpur Paper Industries Limited (Subsidiary of Sl. No. B23) *	1985-86	1991-92	-0.01	0.00	0.42	-	-	-	-
32	Bihar State Tannin Extract Limited (Subsidiary of Sl. No. B27) *	1988-89	1993-94	-0.32	0.00	1.03	-	-	-	-
33	Synthetic Resins (Eastern) Limited (Subsidiary of Sl. No. B23) *	1983-84	1987-88	-0.02	0.00	0.09	-	-	-	-
34	Bihar Scooters Limited* (Subsidiary of Sl. No. B16)	-	-	-	-	-	-	-	-	-
Sub Total B (I)				0.88	86.65	91.50	6.41	0.00	0.16	23.32
B (II) Companies under liquidation										
1	Kumardhubi Metal Casting & Engineering Limited (Subsidiary of Sl. No. B16) *	1994-95	1995-96	-2.39	10.89	2.17	-	-	-	-

Sl. No.	Sector & name of the PSUs	Period of latest finalised accounts	Year in which finalised	Net profit/ loss after tax	Turn over	Paid up capital	Land & building	Plant & machinery	Capital work in progress	Inventories
1	2	3	4	5	6	7	8	9	10	11
2	Bihar State Finished Leathers Corporation Limited (Subsidiary of Sl. No. B(II)(3) *	1983-84	1986-87	-1.49	0.00	1.47	-	-	-	-
3	Bihar State Leather Industries Development Corporation Limited *	1982-83	2004-05	-0.37	1.16	5.14	-	-	-	-
4	Bihar State Export Corporation Limited *	1991-92	1999-00	0.10	4.94	2.00	-	-	-	-
5	Bihar State Small Industries Corporation Limited *	1990-91	2005-06	-1.42	15.22	7.18	-	-	-	-
	Sub Total B (II)			-5.57	32.21	17.96	0.00	0.00	0.00	0.00
	Total B			-4.69	118.86	109.46	6.41	0.00	0.16	23.32
	Grand Total (A+B)			115.23	3,414.17	438.61	500.96	0.00	1,492.54	103.41

* These PSUs have either not submitted its first accounts or the finalised accounts of these PSUs for the respective years are not available.
(Source: Compiled based on the latest finalised accounts of PSUs)

APPENDIX 6.3

(Reference: Paragraph 6.10.2)

**Details of significant comments issued
(during October 2021 to July 2022)
on financial statements of State PSUs covered in this Report**

A Comments of Profitability

Sl. No.	Name of the PSU	Comments
1	Patna Metro Rail Corporation (2019-20)	➤ The Company didn't include ₹ 0.48 crore as outstanding rent for the year 2019-20. This resulted in understatement of 'Other Administrative Expenses' and 'losses' to the tune of ₹ 0.48 crore each.
2	Bihar State Educational Infrastructure Development Corporation Limited (2019-20)	➤ Due to non-adherence of the GoB guidelines on centage income, an amount of ₹ 1.79 crore of centage income was not accounted for the year 2019-20. This resulted in understatement of Revenue from Operations (Centage Income) and Current Assets for the year 2019-20 by ₹ 1.79 crore (₹ 89.70 crore × 0.02) each.
3	Bihar State Power Transmission Company Limited (2019-20)	<p>➤ The Company accounted a sum of ₹ 1.12 crore as supervision charge received, ₹ 4.26 crore as supervision charge to be received and ₹ 17.00 crore as other transmission charges received for seven works under deposit head from various agencies which were not completed till March 2020. Hence, these amounts should not be recognized as income up to completion of work. This has resulted into overstatement of profit by ₹ 22.39 crore, understatement of current liabilities by ₹ 18.13 crore and overstatement of current assets by ₹ 4.26 crore.</p> <p>➤ The Company's policy states that "Income from sale of scrap is accounted for on the basis of actual realization." An amount of ₹ 3.86 crore as sale of scrap which was made during the year 2018-19 and revenue from sale of scrap was realized on 25 March 2019 which was accounted during the financial year 2019-20. This has resulted into overstatement of profit for the year and understatement of opening balance of other equity by ₹ 3.87 crore each.</p> <p>➤ The Company didn't account for an amount of ₹ 0.95 crore as depreciation on the assets for the year 2019-20. This has resulted into overstatement of profit as well as fixed assets and understatement of depreciation and amortisation expenses by ₹ 0.95 crore each.</p>
4	Patna Metro Rail Corporation (2020-21)	<p>➤ The Company didn't book the interest of ₹ 0.22 crore for the month of March 2021. This has resulted in understatement of 'accrued interest' and 'other income' by ₹ 0.22 crore each.</p> <p>➤ The Company didn't book ₹ 0.51 crore as outstanding rent for the year 2020-21. This resulted in understatement of 'Other Administrative Expenses' and overstatement of 'profit' by ₹ 0.51 crore each.</p>

Sl. No.	Name of the PSU	Comments
		<ul style="list-style-type: none"> ➤ The Company accounted ₹ 1.02 crore viz. Employee benefit expenses of ₹ 0.02 crore, Outsourcing Staff expenses of ₹ 0.81 crore, Consultancy Charges of ₹ 0.06 crore and Advertisement expenses of ₹ 0.13 Crore. Since the Company has no running business activities, therefore, the above expenses should be capitalised and booked as Capital work in progress under Patna Metro Projects. However, the same was booked under expenditure. Thus, violating the provision of para 16 & 17 of Ind AS 16. This has resulted in understatement of 'Profit' and 'CWIP' by ₹ 1.02 Crore each. ➤ The Earnings Per Share (Basic and diluted) of the Company is ₹ 2.82 only as against ₹ 6,636.09 disclosed in the Profit and Loss Account. Thus, the disclosure of Earnings Per Share (Basic and diluted) on the face of P&L is deficient to that extent.

B Comments on Financial Position

Sl. No.	Name of the SPSE	Comments
1	Bihar State Educational Infrastructure Development Corporation Limited (2019-20)	<ul style="list-style-type: none"> ➤ Due to non-adherence of the GoB guidelines on centage income, an amount of ₹ 18.83 crore of centage income on projects executed during the period 25.01.2016 to 31.03.2019 had not been accounted for in FY 2019-20. This resulted in understatement of Reserve and Surplus and Current Assets for the year 2019-20 by ₹ 18.83 crore each. ➤ Non-accountal of bills amounting to ₹ 3.45 crore received during the period 2019-20 on accrual basis, resulted in understatement of Work-in-Progress by ₹ 3.69 crore, Trade Payable by ₹ 3.45 crore and centage income by ₹ 0.24 crore.
2	Bihar State Power Transmission Company Limited (2019-20)	<ul style="list-style-type: none"> ➤ The Company didn't account for an amount of ₹ 152.91 crore for which the project was done during 2019-20. This resulted into understatement of CWIP and current liabilities to the tune of ₹ 152.91 crore each. ➤ The Company didn't provision a sum of ₹ 35.38 crore on account of BSEB restructuring balance. Non-provisioning of the same has resulted in overstatement of current assets and profit to the tune of ₹ 35.38 crore each. ➤ The Company didn't provision a sum of ₹ 4.62 crore as Materials/Consumables in Transit and ₹ 0.07 crore as other stock. Non-provisioning of the same has resulted in overstatement of inventories and profit to the tune of ₹ 4.69 crore each. ➤ The Company didn't provision a sum of ₹ 31.32 crore towards liabilities for capital supplies/capital works. Non-provisioning of the same has resulted in overstatement of Other Current Liabilities and understatement of profit to the tune of ₹ 31.32 crore each.

Sl. No.	Name of the SPSE	Comments
3	Patna Metro Rail Corporation (2020-21)	<ul style="list-style-type: none"><li data-bbox="677 319 1428 460">➤ The Company wrongly accounted mobilization fee of ₹ 27.04 crore as CWIP instead of ₹ 8.10 Crore. This resulted in overstatement of 'Capital work in progress' and understatement of 'Loans and Advances' to the tune of ₹ 18.94 crore.<li data-bbox="677 472 1428 635">➤ The Company wrongly accounted for ₹ 4.93 crore as Interest fund receivable from DMRCL under "Loan & Advances" instead of "Other Financial Assets". This resulted in overstatement of "Loans & advances" and understatement of "Other Financial Assets" by ₹ 4.93 crore each.

APPENDIX 7.1
(Reference: Paragraph 7.1)

Details of incorporation and status of non-working PSUs

Sl. No.	Name of the Department	Name of the company	Date of incorporation	Present status
Non-Working PSUs covered in this Report				
1.	Industries Department	Bihar State Industrial Development Corporation Limited (BSIDCL)*	05.11.1960	Liquidation procedure pending, due to non-bifurcation of assets and liabilities between Bihar and Jharkhand
2.		Bihar Paper Mills Limited (BPML)*	08.07.1977	Winding up process is pending.
3.		Bihar Scooters Limited (BSL)*	19.01.1978	
4.		Bihar State Pharmaceuticals & Chemicals Development Corporation Limited (BSPCDCL)*	22.02.1978	
5.		Bihar Insecticide Limited (BIL)*	27.02.1983	State Government has decided to take back the winding up petition from the court
6.		Magadh Mineral Limited (MML)*	22.11.1984	
7.		Bihar Maize Products Limited (BMPL)*	02.09.1982	
8.		Bihar Drugs and Chemicals Limited (BD&CL)*	12.08.1983	
9.		Bihar State Glazed Tiles & Ceramics Limited (BSGT&CL)*	02.04.1984	
10.		Vishwamitra Paper Industries Limited (VPIL)*	18.06.1983	
11.		Jhanjharpur Paper Industries Limited (JPIL)*	27.02.1982	
12.		Bihar State Textiles Corporation Limited (BSTCL)*	21.02.1978	
13.		Bihar State Handloom and Handicrafts Corporation Limited (BSH&HCL)*	21.05.1974	
14.	Environment, Forest and Climate Change	Bihar State Forest Development Corp. Limited (BSFDCL)*	10.02.1975	Liquidation procedure pending, due to non-bifurcation of assets and liabilities between Bihar and Jharkhand
15.		Bihar Solvent & Chemicals Limited (BS&CL)*	Aug - 1979	
16.		Bihar State Tannin Extract Limited (BSTEL)*	27-01-1984	
17.	Information Technology Department	Beltron Mining System Limited (BMSL)*	30-01-1986	Liquidation procedure pending, due to non-bifurcation of assets and liabilities between Bihar and Jharkhand
18.		Beltron Video System Limited (BVSL)*	19-09-1984	

Sl. No.	Name of the Department	Name of the company	Date of incorporation	Present status
19.	Water Resources Department	Scada Agro Business Company Limited (SABCO) [#]	21-04-1993	Application made to ROC, for strike-off, was pending
20.		Scada Agro Business and Industries Company Aurangabad Limited (SABCO, Aurangabad) [#]	30-12-1993	
21.		Scada Agro Business and Industries Company Dehri Limited (SABCO, Dehri) [#]	30-12-1993	
22.		Scada Agro Business and Industries Company Mohania Limited (SABCO, Mohania) [#]	30-12-1993	
Non-Working PSUs not covered in this Report				
23.	Industries Department	Bihar State Export Corporation Limited (BSECL) [*]	29.12.1974	Under Liquidation
24.		Bihar State Finished Leather Limited (BSFLL) [§]	20.4.1982	
25.		Bihar State Leather Industries Development Corporation Limited (BSLIDCL) [*]	23.03.1974	
26.		Bihar State Small Industries Corporation Limited (BSSICL) [*]	29.10.1961	
27.		Kumardhubi Metal Casting & Engineering Limited (KMC&E) [§]	25.10.1983	
28.		Synthetic Resins (Eastern) Limited (SREL) [§]	14.12.1982	State Government has decided to take back the winding up petition from court
29.	Information Technology Department	Beltron Informatics Limited (Bn.IL) [*]	01.03.1988	Liquidation procedure pending, due to non-bifurcation of assets and liabilities between Bihar and Jharkhand
30.	Water Resources Department	Bihar State Construction Corporation Limited (BSCCL) [*]	22.08.1974	Under process with Company Law tribunal
31.		Scada Agro Business & Industries Company, Khagaul Limited (SABCO, Khagaul) [#]	30.12.1993	Application made to ROC for strike off
32.	Department of Mines & Geology	Bihar State Mineral Development Corp. Limited (BSMDCL) [¥]	12.06.1972	No Action taken by the Government
33.	Department of Agriculture	Bihar State Agro Industries Development Corp. Limited (BSAIDCL) [*]	28.04.1966	Application made to ROC for strike off
34.		Bihar State Fruits & Vegetables Dev. Corp. Ltd (BSF&VDCL) [*]	08.10.1980	Winding up process is pending.

Sl. No.	Name of the Department	Name of the company	Date of incorporation	Present status
35.	Department of Animal & Fish Resources	Bihar Rajya Matsya Vikas Nigam Limited (BRMVNL) [‡]	28.03.1980	No Action taken by the Government
36.		Bihar State Dairy Corporation Limited (BSDCL) [§]	13.03.1972	Winding up process is pending.
37.	Department of Minor Irrigation	Bihar Hill Area Lift Irrigation Corporation Limited (BHALCo) [‡]	03.06.1975	No Action taken by the Government
38.		Bihar State Water Development Corp. Limited (BSWDCL) [‡]	12.04.1973	
39.	Department of Panchayati Raj	Bihar Panchayati Raj Finance Corporation Limited (BPRFCL) [*]	20.04.1974	Winding up process is pending.
40.	Department of Sugarcane Industries	Bihar State Sugar Corporation Limited (BSSCL) [*]	26.12.1974	State Government has decided to take back the winding up petition from court

* GoB decided (2003) to wind up these 27 PSUs and directed the respective administrative departments to take steps for winding-up, in accordance with the provisions of the Companies Act, 1956.

In respect of these five PSUs under the control of SCADA, Patna, closure was approved in the year 2000.

§ As per information submitted by the PSUs, decisions w.r.t. winding-up of these four PSUs were taken in earlier years.

‡ The State Government had not taken decision w.r.t. winding up / revival of four PSU.

APPENDIX 7.2
(Reference: Paragraph 7.5)
Financial position of the sampled non-working PSUs

(₹ in crore)

Sl. No.	Company	Accounts finalised up to	Year in which accounts finalised	Paid-up capital	Long-term loans	Accumulated profit (+) / loss(-)	Budgetary support during 2017-18 to 2021-22 (up to August 2022)
1	2	3	4	5	6	7	8
1.	Bihar State Industrial Development Corporation Limited	2010-11	-	14.04	363.77	(-)266.73	20.00
2.	Bihar Paper Mills Limited	1985-86	1997-98	1.56	0.00	(-)0.31	0.00
3.	Bihar Scooters Limited	-	-	0.00	6.09	-	0.00
4.	Bihar State Pharmaceuticals & Chemicals Development Corporation Limited	1985-86	1992-93	3.62	4.25	(-)0.74	46.64
5.	Bihar Insecticide Limited	1986-87	1991-92	0.57	0.00	(-)1.03	0.00
6.	Magadh Mineral Limited	1983-84	--	0.00	0.00		0.00
7.	Bihar Maize Products Limited	1983-84	1987-88	0.67	0.00	(-)0.06	0.00
8.	Bihar Drugs and Chemicals Limited	1985-86	1991-92	0.94	1.28	(-)0.16	0.00
9.	Bihar State Glazed Tiles & Ceramics Limited	1985-86	1997-98	0.16	0.00	(-)0.51	0.00
10.	Vishwamitra Paper Industries Limited	1984-85	1988-89	0.40	0.00	(-)0.01	0.00
11.	Jhanjharpur Paper Industries Limited	1985-86	1991-92	0.42	0.00	(-)0.02	0.00
12.	Bihar State Textiles Corporation Limited	1987-88	1995-96	4.98	2.27	(-)0.32	4.25
13.	Bihar State Handloom and Handicrafts Corporation Limited	1983-84	1996-97	6.28	1.16	(-)0.44	56.01
14.	Bihar State Forest Development Corp. Limited	2001-02	2020-21	2.29	-	(-) 0.32	3.13
15.	Bihar Solvent & Chemicals Limited	1986-87	1995-96	0.66	-	-0.32	0.00
16.	Bihar State Tannin Extract Limited	1988-89	1993-94	1.03	-	(-) 0.67	0.00
17.	Beltron Mining System Limited	1990-91	2017-18	1.32		(-) 0.49	-
18.	Beltron Video System Limited	1989-90	2016-17	3.06	-	(-) 0.22	-
19.	Scada Agro Business Company Limited	2014-15	2016-17	0.05	-	-	-

Sl. No.	Company	Accounts finalised up to	Year in which accounts finalised	Paid-up capital	Long-term loans	Accumulated profit (+) / loss(-)	Budgetary support during 2017-18 to 2021-22 (up to August 2022)
1	2	3	4	5	6	7	8
20.	Scada Agro Business and Industries Company Limited, Aurangabad	-	-	-	-	-	-
21.	Scada Agro Business and Industries Company Limited, Dehri	-	-	-	-	-	-
22.	Scada Agro Business and Industries Company Limited, Mohania	-	-	-	-	-	-
Grand Total				42.05	378.82	(-)272.35	130.03

APPENDIX 7.3

(Reference: Paragraph 7.6.1)

Details of establishments/premises at the registered addresses of the sampled non-working PSUs

Sl. No.	Name of the Department	Name of PSU	Address as per RoC (Registrar of Companies) data	Present address	Whether the present address was the same, as per RoC data (Y/N)	Office premises/ establishment	Sanctioned strength	Men-in-position
1.	Department of Industries	Bihar State Industrial Development Corporation Limited	Indira Bhawan, R.C. Singh Path, Patna-800001	Same as the registered office address	Y	The Headquarters office of BSIDCL is situated in Patna. The Company had five production units, namely the High Tension Insulator Factory (HTIF), Electrical Equipment Factory (EEF), Bihar State Super Phosphate Factory (BSSF), Malleable Cast Iron Foundry (MCIF) and Swarnrekha Watch Factory (SWF), in Jharkhand, and one in Bhagalpur, Bihar i.e. "Bihar Spun Silk Mills".	N.A.	17
2.		Bihar Paper Mills Limited	City-Cum-Guest House Gangiala Saharsa -852201	Indira Bhawan, 4 th Floor, Boring Canal Road, Patna	N	All the assets and premises of BPML had been transferred to BIADA (November 2021).	N.A.	Nil
3.		Bihar Scooters Limited	Fatwah (P.O.), Distt. Patna	Indira Bhawan, 4 th Floor, Boring Canal Road, Patna	N	All the assets and premises of BSL had been transferred to BIADA (2008).	N.A.	Nil
4.		Bihar State Handloom & Handicrafts Corp. Limited	Industries Department., New Secretariat, Patna Secretariat, Patna.	Udyog Bhawan, Patna	N	The registered address of the PSU was at the Industries Department, Government of Bihar, Secretariat, Patna. Presently, only the Industries Department was located there.	670	11
5.		Bihar State Textiles Corporation Limited	Lalit Bhawan, Bailey Road, Patna	Indira Bhawan, 4 th Floor, Boring Canal Road, Patna	N	Other government offices are located at the place where the office of the company was situated in Lalit Bhawan.	N.A.	Nil

Sl. No.	Name of the Department	Name of PSU	Address as per RoC (Registrar of Companies) data	Present address	Whether the present address was the same, as per RoC data (Y/N)	Office premises/ establishment	Sanctioned strength	Men-in-position
6.		Bihar State Pharmaceuticals & Chemical Development Corporation Limited	Maurya Lok Complex, Block A, 5 th floor, New Dak Bungalow Rd., Patna	Same as the registered office address	Y	A Block, 5 th Floor, Maurya Lok Complex, Patna	N.A.	Nil
7.		Bihar Drugs & Chemicals Limited	Maurya Lok Complex, Block A, 5 th floor, New Dak Bungalow Rd., Patna	Same as the registered office address	Y	A Block, 5 th Floor, Maurya Lok Complex, Patna	N.A.	Nil
8.		Bihar Insecticides Limited	Maurya Lok Complex, Block A, 5 th floor, New Dak Bungalow Rd., Patna	Same as the registered office address	Y	A Block, 5 th Floor, Maurya Lok Complex, Patna	N.A.	Nil
9.		Bihar Maize Products Limited	Maurya Lok Complex, Block A, 5 th floor, New Dak Bungalow Rd., Patna	Same as the registered office address	Y	A Block, 5 th Floor, Maurya Lok Complex, Patna	N.A.	Nil
10.		Bihar State Glazed Tiles & Ceramics Limited	Maurya Lok Complex, Block A, 5 th floor, New Dak Bungalow Rd., Patna	Same as the registered office address	Y	A Block, 5 th Floor, Maurya Lok Complex, Patna	N.A.	Nil
11.		Jhanjharpur Paper Industries Limited	Maurya Lok Complex, Block A, 5 th floor, New Dak Bungalow Rd., Patna	Same as the registered office address	Y	A Block, 5 th Floor, Maurya Lok Complex, Patna	N.A.	Nil

Sl. No.	Name of the Department	Name of PSU	Address as per RoC (Registrar of Companies) data	Present address	Whether the present address was the same, as per RoC data (Y/N)	Office premises/ establishment	Sanctioned strength	Men-in-position
12.		Magadh Minerals Limited	Maurya Lok Complex, Block A, 5 th floor, New Dak Bungalow Rd., Patna	Same as the registered office address	Y	A Block, 5 th Floor, Maurya Lok Complex, Patna	N.A.	Nil
13.		Vishwamitra Paper Industries Limited	Lal Bahadur Shastri Nagar, Patna -800023	Maurya Lok Complex, Block A, 5 th floor, New Dak Bungalow Road, Patna-800001	N	The registered address, as per the records of ROC, was incomplete and, therefore, untraceable.	N.A.	Nil
14.		Bihar Solvent & Chemicals Limited	161, Patliputra Colony, Patna 800013	Flat no. K-5/K-6, New Punaichak, Patna	N	At present, private properties are located at the registered address.	32	01
15.	Environment Forest & Climate Change	Bihar State Forest Development Corp. Limited	13, Patliputra Colony, Patna-800013	Flat no. K-5/K-6, New Punaichak, Patna.	N		1,142	09
16.		Bihar State Tannin Extract Limited	Opposite A.N. College Boring Road, Patna-800013	Flat no. K-5/K-6, New Punaichak, Patna.	N	The registered address, as per the records of ROC, was incomplete and therefore, untraceable.	21	01
17.	Information Technology	Beltron Mining System Limited	2 nd Floor, Udyog Bhavan Gandhi Maidan, Patna	BELTRON Bhawan, Shastri Nagar, Patna	N	At present, other Government/ Private offices were located at the registered address of the Company.	98	02
18.		Beltron Video System Limited	Udyog Bhawan, 2 nd Floor, East Of Gandhi Maidan, Patna	Beltron Bhawan, Shastri Nagar, Patna	N		105	09

Sl. No.	Name of the Department	Name of PSU	Address as per RoC (Registrar of Companies) data	Present address	Whether the present address was the same, as per RoC data (Y/N)	Office premises/ establishment	Sanctioned strength	Men-in-position
19.		Scada Agro Business Company Limited, Patna	Sone Bhawan Complex, Daroga Pd Rai Path, Patna-800001	Same as the registered office address	Y	Command Area Development Circle, Sone Bhawan, Patna.	Nil	Nil
20.		Scada Agro Business and Industries Company, Aurangabad Limited	Aurangabad P.S.- Aurangabad	Sone Bhawan Complex, Daroga Pd Rai Path, Patna -800001	N	The registered address, as per the records of ROC, was incomplete and, therefore, untraceable. SCADA, Patna (Holding Company) stated that the PSU had operated in the premises of the Division offices (at Aurangabad, Dehri and Mohania) of the SCADA and had remained non-working for more than 25 years. Old records had been shifted almost 20 years ago in Sone Bhawan, Patna. Further, after the restructuring of SCADA, many of its Division offices had either been closed, merged or shifted to other locations. Neither the records, nor the premises of the registered addresses of these three PSUs, could be traced, in the office of SCADA, Patna (Holding Company).	Nil	Nil
21.	Water Resources	Scada Agro Business and Industries Company, Dehri Limited	Tar Bangla, Dehri On Sone (Rohtas)	Sone Bhawan Complex, Daroga Pd Rai Path, Patna -800001	N		Nil	Nil
22.		Scada Agro Business and Industries Company, Mohania Limited	Sone Command Area Development agency, Mohania Bhabhua	Sone Bhawan Complex, Daroga Pd Rai Path, Patna-800001	N		Nil	Nil

APPENDIX 7.4*(Reference: Paragraph 7.6.2)***Arrears of accounts of the sampled non-working PSUs (as of September 2022)**

Sl. No.	Name of the Department	Name of the company	Period for which accounts were in arrears	Number of accounts in arrears
1.	Industries	Bihar Drugs & Chemicals Limited	1986-87 to 2021-22	36
2.		Bihar Insecticides Limited	1987-88 to 2021-22	35
3.		Bihar Maize Products Limited	1984-85 to 2021-22	38
4.		Bihar Paper Mills Limited	1986-87 to 2021-22	36
5.		Bihar Scooters Limited	1977-78 to 2021-22	45
6.		Bihar State Glazed Tiles & Ceramics Limited	1986-87 to 2021-22	36
7.		Bihar State Handloom & Handicrafts Corp. Limited	1984-85 to 2021-22	38
8.		Bihar State Industrial Development Corp. Limited	2011-12 to 2021-22	11
9.		Bihar State Pharmaceuticals & Chemical Development Corporation Limited	1986-87 to 2021-22	36
10.		Bihar State Textile Corporation Limited	1988-89 to 2021-22	34
11.		Jhanjharpur Paper Industries Limited	1986-87 to 2021-22	36
12.		Magadh Minerals Limited	1984-85 to 2021-22	38
13.		Vishwamitra Paper Industries Limited	1985-86 to 2021-22	37
14.	Environment Forest & Climate Change	Bihar Solvent & Chemicals Limited	1987-88 to 2021-22	35
15.		Bihar State Forest Development Corp. Limited	2003-04 to 2021-22	19
16.		Bihar State Tannin Extract Limited	1989-90 to 2021-22	33
17.	Information Technology	Beltron Mining System Limited	1991-92 to 2021-22	31
18.		Beltron Video System Limited	1990-91 to 2021-22	32
19.	Water Resources	Scada Agro Business Company Limited	2015-16 to 2021-22	07
20.		Scada Agro Business and industries Company Aurangabad Limited	1993-94 to 2021-22	29
21.		Scada Agro Business and Industries Company Dehri Limited	1993-94 to 2021-22	29
22.		Scada Agro Business and Industries Company Mohania Limited	1993-94 to 2021-22	29

APPENDIX 7.5

(Reference: Paragraph 7.6.3)

Details of the liabilities in regard to salaries/ pension etc. of non-working PSUs
(₹ in crore)

Sl. No.	Company	Outstanding liabilities	Budgetary support	Payment made to employees, in light of court orders	Remaining liabilities
1	2	3	4	5	6 (3-5)
1	BSIDCL	211.38	20.00	11.92	199.46
2	BPML	00.00	00.00	00.00	00.00
3	BSHHCL	56.01	56.01	42.07	16.56
4	BSTCL	04.25	04.25	02.16	02.09
5	BSL	04.82	00.00	00.00	04.82
6	BMSL	04.64	00.00	00.00	04.64
7	BVSL	13.80	00.00	00.00	13.80
8	SCADA and its three subsidiary PSUs	00.00	00.00	00.00	00.00
9	BSFDCL	50.00	00.87	00.68	46.87
10	BSCL	06.13	00.00	00.00	06.13
11	BSTEL	03.03	00.00	00.00	03.03
12	BSPCDCL	45.02 ³	46.64	36.02	09.00
Total liabilities		399.08	127.77	92.85	306.40

³ Includes outstanding liabilities of BSPCDCL and its seven subsidiary PSUs.

APPENDIX 7.6
(Reference: Paragraphs 7.6.4 and 7.6.5)
Details of Assets

(A) Fixed assets, viz. land, buildings and plant & machinery, as per the valuation / latest available finalised / internal accounts

(₹ in crore)

Sl. No.	Name of the unit	Total land (in acres)	Total value of land ⁴	Total value of plant & machinery	Total value of land	Total value of plant & machinery
1.	Units of BSIDCL		Based on the rate of industrial area land		Based on the circle rate	
	High Tension Insulator Factory Samlog (Namkum), Jharkhand	135.15	161.13	0.67	892.80	0.67
	Malleable Cast Iron Foundry Samlong (Namkum), Jharkhand					
	Swarnrekah Watch Factory Samlog (Namkum), Jharkhand					
	Electrical Equipment Factory, Haratu, Jharkhand	94.44	43.38	02.41	230.64	02.42
	Bihar State Super Phosphate Factory, Sindri, Jharkhand	78.21	10.23	0.45	35.51	0.45
	Bihar Spun Silk Mills, Bahadurpur, Bhagalpur	15.00	108.75	0.58	120.00	0.58
2.	Bihar State Textiles Corporation Limited	--	--	--	--	0.67
	Total	322.80	323.49	4.11	1,278.95	4.79
	Subsidiary of BSIDCL					
3.	Bihar Paper Mills Limited, Saharsa	48.09	19.24	0.39	96.18	0.39
4.	Bihar Scooter Limited, Fatuha*	--	--	--	--	--
	Total	48.09	19.24	0.39	96.18	0.39

* Bihar Scooters Limited's assets were taken back by BIADA (2008) for ₹ 1.06 crore. Details of the assets of BSPCDCL and its subsidiaries were not furnished.

⁴ In the light of GoB OM No. 2146 dated 24.05.2018 (Para-IV) and GoJ OM No. 15 dated 03.01.2019: Combined Party for Inspection & Valuation at Secretary level, Industry Department (Ref: P/189- V-III).

(B) Fixed Assets, as per the Accounts/Internal Audit Report*(₹ in crore)*

Sl. No.	Name of the company	Land/ lease land	Building	Plant & machinery	Remarks
1	Bihar State Forest Development Corporation Limited	0.0005	0.39	0.024	As per the Statutory Auditor's report for the year ended 31 st March 2002. However, the SA report had stated that the corporation had neither provided its fixed assets register, nor any physical verification report, for verification.
2	Bihar State Solvent Chemical Limited	0.02	0.50	0.21	As per the Internal Audit Report for the year 2002-03. However, the SA report had stated that the corporation had neither provided its fixed assets register, nor any physical verification report, for verification.
3	Bihar State Tannin Extract Limited	0.03	0.61	0.76	As per the Internal Audit Report for the year 2001-02. However, the SA report had stated that the corporation had neither provided its fixed assets register, nor any physical verification report, for verification.
4	Beltron Mining System Limited (BMSL)	0.02	0.06	0.05	Internal Audit Report: 2003-04. The Internal Audit report had stated that no fixed assets register was maintained and no physical verification report was provided. Hence, the internal auditor had been unable to comment on the excess/shortage. Further, the last statutory audit had been conducted for the year 1990-91.
5	Beltron Video System Limited	0.10	0.38	0.03	Internal Audit Report: 2017-18. It was stated that no fixed assets register had been maintained and no physical verification report had been furnished.
6	Scada Agro Business Company Limited, Patna	Nil	Nil	Nil	Internal Audit Report: 2020-21 & Statutory Auditor's report for the year 2014-15.
7	Scada Agro Business and Industries Company Aurangabad Limited	N.A	N.A	N.A	No accounts have been prepared since inception.
8	Scada Agro Business and Industries Company Dehri Limited	N.A	N.A	N.A	
9	Scada Agro Business and Industries Company Mohania Limited	N.A	N.A	N.A	
10	Bihar State Handloom and Handicrafts Development Corporation Ltd.	Nil	Nil	Nil	44 kathas ⁵ of land, at three locations, was transferred to BIADA.

⁵ A unit of land measurement in Bihar, which is equal to 1,361 sq feet.

APPENDIX 8.1
(Reference: Paragraph 8.1.1)
Projects under the Patna Smart City Mission

(₹ in crore)

Sl. No.	Project	Estimated cost
1	Potable water supply	32.95
2	Smart solution for water supply	10.44
3	Recycled water supply	34.00
4	Solar rooftop on Government Buildings	99.92
5	Sewerage network in Area-Based Development (ABD) area	51.90
6	Sanitation: Public toilets (with bio-digesters)	2.00
7	E-toilets	4.50
8	Redevelopment of railway station area	433.00
9	Bankipur Bihar State Road Development Corporation (BSRTC) Traffic and Transit Management Centre (TTMC)	175.00
10	Intermediate Public Transport (IPT) Stands	9.00
11	Rejuvenation of Birchand Patel Marg (Model Path)	31.25
12	Smart road network (16 KM)	240.30
13	E-rickshaws	10.00
14	E-buses	10.00
15	Foot Over Bridges for pedestrians	50.00
16	Smart bus stops	0.50
17	On-Street parking	0.40
18	Intelligent Traffic Management System (ITMS)	16.90
19	Public transport	20.00
20	Jan Seva Kendra	17.50
21	Laying of Piped Gas Network (for LPG)	33.00
22	International Convention Centre	490.00
23	Urban Incubation centre (Ushmaayan)	10.00
24	Riparian Wetland development	26.92
25	Development of Mandiri Nala	65.20
26	Harding park	55.63
27	Adalatganj lake Redevelopment	15.80
28	Rooftop farming on residential buildings	22.50
29	Innovative 3 D paintings	5.63
30	Uniform Glow sign Boards in MauryaLok complex	0.66
31	Megasize screen for cultural event at Gandhi Maidan	5.00
32	Integrated Command and Control Centre (ICCC) data centre	89.60
33	Light Emitting Diode (LED) street lighting	20.00
34	Slum-free Area-Based Development (ABD)	123.34
35	Education & Child Development	0.85
36	Health & Hygiene	0.07
37	Skill Development Centre	1.00

Sl. No.	Project	Estimated cost
38	Upgradation of Rain Basera	0.16
39	Project Annapurna	1.00
40	Social Awareness Campaign	25.00
41	Multi-Utility Smart poles (55 Kms)	148.50
42	Underground Utility Ducts	63.10
43	Public Wi-Fi Hotspots	33.00
44	Intelligent Solid Waste Management (SWM)	13.28
Capital Expenditure (CAPEX)		2,498.80
Operational Expenditure (OPEX)		277.37
Total		2,776.17

APPENDIX 8.2
(Reference: Paragraph 8.1.7.1)
29 dropped Projects (under the Patna Smart City Mission)

Sl. No.	Project	Estimated cost (₹ in crore)	Remarks
1	Potable water supply	32.95	--
2	Smart solution for water supply	10.44	Project was already being carried out by Bihar Urban Infrastructure Development Corporation Limited)
3	Recycled water supply	34.00	
4	Sewerage network in ABD area	51.90	--
5	Sanitation: Public toilets (with bio-digesters)	2.00	--
6	Redevelopment of Railway Station Area	433.00	Cancelled in August 2019
7	Bankipur Bihar State Road Development Corporation (BSRTC) Traffic and Transit Management Centre (TTMC)	175.00	Being undertaken by the Tourism Department
8	E-Rickshaws	10.00	--
9	Smart Bus stops	0.50	--
10	On-Street parking	0.40	--
11	Riparian Wetland development	26.92	--
12	Harding park	55.63	Already taken up by the State Govt.
13	Rooftop farming on Residential Buildings	22.50	Not required
14	Uniform Glow sign Boards in Maurya Lok complex	0.66	Already taken up by PMC
15	Slum free Area Based Development (ABD)	123.34	--
16	Education and child Development	0.85	Was to be done with consultation with the Bihar State Educational Infrastructure Development Corporation Limited
17	Health and Hygiene	0.07	Not included in the revised AA (November 2022)
18	Skill Development Centre	1.00	To be executed by National Urban Livelihoods Mission (NULM)

Sl. No.	Project	Estimated cost (₹ in crore)	Remarks
19	Upgradation of Rain Basera	0.16	--
20	Project Annapurna	1.00	-
21	International Convention Centre	490.00	Already constructed by the Building Construction Department (BCD). GoB.
22	Urban Incubation centre (Ushmaayan)	10.00	--
23	Multi-utility Smart poles (55 Kms)	148.50	--
24	Underground Utility Duct	63.10	--
25	Laying of Piped Gas Network (for LPG)	33.00	--
26	Public wifi Hotspots	33.00	--
27	Light Emitting Diode (LED) street lighting	20.00	--
28	Intelligent Traffic Management System (ITMS)	16.90	--
29	Public Transport	20.00	--
Total		1,816.82	

APPENDIX 8.3

(Reference: Paragraph 8.1.7.1)

29 revised projects, with costs, under the Patna Smart City Mission

₹ in crore)

Sl. No.	Name of project	Budget/ Administrative approval (October 2017)	Revised Administrative approval* (November 2022)	Expenditure incurred till August 2022	Status of the project (as on August 2022)
Old Projects					
1	E-toilets	4.50	4.49	0.66	Under progress
2	Intermediate Public Transport (IPT) stands	9.00	2.75	2.68	Physically completed (Final Bill under process)
3	Rejuvenation of Birchand Patel Marg (Model Path)	31.25	5.25	5.22	Completed
4	Smart Road Network	240.30	1.66	0.00	High Power Steering Committee stayed (May 2020) and the project is under reconsideration.
5	E-Buses*	10.00	10.00	5.00	Under progress
6	Footover Bridge for pedestrians	50.00	4.98	0.00	Technical Approval/ Technical Sanction is awaited from Bihar Urban Infrastructure Development Corporation
7	Development of Mandiri Nala	65.20	95.98	4.97	Under progress
8	Adalatganj lake Redevelopment	15.80	13.41	9.29	Completed
9	Solar Rooftop on Government Buildings	99.92	3.86	3.18	Under progress
10	Innovative 3 D wall painting	5.63	5.63	0.54	Under progress
11	Mega size Screen for cultural Events at Gandhi Maidan	5.00	6.98	6.63	Completed
12	Social awareness Campaign	25.00	17.00	13.23	Work of making paintings at the walls has been completed.
13	Integrated Command and Control Centre	89.60	178.24	48.36 (Data Centre) 14.21 (Construction of ICC Building)	Under progress (although it was to be completed in June 2020). Administrative Approval was granted for Integrated Command and Control Centre as a whole. However, the work order was issued separately for establishment of Data Centre and construction of its building. Further, remaining ₹ 110 crore were to be funded by the Home Department, GoB.

Sl. No.	Name of project	Budget/ Administrative approval (October 2017)	Revised Administrative approval* (November 2022)	Expenditure incurred till August 2022	Status of the project (as on August 2022)
14	Jan Seva Kendra*	17.50	17.50	7.10	Under progress.
15	Intelligent Solid Waste Management (SWM)	13.28	13.33	6.32	Physically completed (Final Bill under process).
Total (A)		681.98	381.06	127.39	
New Projects					
1	Construction of Multi Modal Hub G+2 at Bakri Bazar near GPO Golambur under Redevelopment of Railway station area		66.81	0.00	Revised AA is to be obtained due to revision of plan
2	Construction of Road over Bridge and approach between Multi Level Car Parking behind Buddha Smriti Park and existing Patna Junction flyover		17.66	0.00	Administrative Approval awaited from UDHD
3	Construction of 440 m subway under Redevelopment of Railway station area		72.82	0.00	In progress
4	Development of MLCP at Maurya Lok Complex		26.29	0.00	--
5	Development of road Joining Birchand Patel path with Nehru road via existing Mazar		1.98	1.60	Completed
6	Development of street scaping and landscape upgradation along Nehru Marg from Patel Bhawan to Dakbangalow Chauraha as Smart Road		35.00	0.00	--
7	River Front Development near Ganga Path		52.81	0.00	--
8	Beautification of Gandhi Maidan as public place including illumination of surrounding buildings		7.26	0.00	Agreement entered into with a company
9	Development of Bakarganj Nala		26.98	0.00	AA awaited from UDHD
10	Development of Surpentine Nala		59.57	0.00	AA awaited from UDHD
11	Development of Storm Water Drainage system in ABD area including last mile connectivity		84.69	0.00	TA awaited from BUIDCO
12	Face lifting of SK Memorial premises		2.88	0.00	NOC awaited from Sri Krishna Smarak Vikas Samiti
13	Infrastructure development of schools in area-based development area		4.79	3.52	In progress

Sl. No.	Name of project	Budget/ Administrative approval (October 2017)	Revised Administrative approval* (November 2022)	Expenditure incurred till August 2022	Status of the project (as on August 2022)
14	Development of crematorium at Bans Ghat		89.40	0.00	AA awaited from UDHD
Total (B)			548.94	0.00	
(C)	Administrative and Office Expenses (A&OE)		50.00	0.00	
Grand Total (A+B+C)			980.00	132.51	

* Costs of projects mentioned against Sl. No. 5 and 14 (old projects), have not been revised.

APPENDIX 8.4
(Reference: Paragraph 8.1.9)
Expenditure incurred on projects under the Patna Smart City Mission
(as of August 2022)

(₹ in crore)

Sl. No.	Project	Estimated cost	Agreement value	Actual payment	Status
1	Megasize screen for cultural event at Gandhi Maidan	5.00	6.98	6.63	Completed
2	Rejuvenation of Birchand Patel Marg (Model Path)	31.25	5.25	5.22	Completed
3	Adalatganj lake redevelopment	15.80	10.63	9.29	Completed
4	Intelligent Solid Waste Management	13.28	13.21	6.32	Physically completed (Final Bill under process)
5	Intermediate Public Transport (IPT) stands	9.00	2.65	2.68	Physically completed (Final Bill under process)
6	Rejuvenation of Birchand Patel Marg with Nehru road via existing Mazar (Org Agr.-1.81)	1.98	1.77	1.60	Physically completed (Final Bill under process)
7	Social awareness campaign (Various Work orders issued to various agencies, for the social awareness Campaign mainly Madhubani Paintings)	25.00	13.23	13.23	Work of making paintings on the walls has been Completed.
8	E-Toilets	4.34	4.34	0.66	Under progress
9	E-Buses	10.00	10.00	5.00	Under progress
10	Development of Mandiri Nala	67.11	67.11	4.97	Under progress
11	Solar rooftops on Government buildings	3.80	3.80	3.18	Under progress
12	Innovative 3D Wall Paintings	4.95	4.94	0.54	Under progress
13	Infrastructure Development of schools in ABD area (through Bihar State Educational Infrastructure Development Corporation Limited)	4.22	4.22	3.52	Under progress
14	ICCC - Data Centre	230.47	221.49	48.36	Under progress.
	Construction of Integrated Command and Control Centre-cum-Patna Smart City Limited Building	15.97	15.98	14.21	Physically completed (Final Bill under process).
15	Jan Seva Kendras	17.50	17.50	7.10	In progress

Sl. No.	Project	Estimated cost	Agreement value	Actual payment	Status
16	Construction of 440 metre Subway under Redevelopment of Railway Station Area through Bihar Rajya Pul Nirman Nigam Limited	68.85	68.85	0.00	In progress
17	Beautification of Gandhi Maidan	10.71	10.49	0.00	Agreement entered into with a company
18	Smart Road Network	240.30	0.00	0.00	HPSC has stayed (May 2020) and the project is under reconsideration.
19	Footover Bridge for pedestrians	50.00	0.00	0.00	TA/TS awaited from BUIDCO
Total				132.51	

APPENDIX 8.5
(Reference: Paragraph 8.4)
Marks awarded to the bidders under the QCBS method

Technical score & Financial score calculated on the Quality and Cost Based Selection (QCBS) method and weightage 70:30, as mentioned in Request For Proposal (RFP)					
Technical evaluation					
Bidder	Total marks	Technical marks awarded	Technical marks required to be awarded	70 per cent of Technical marks awarded on QCBS method, after wrongly considering the technical score of 100 to the bidder, who scored maximum marks	70 per cent of Technical marks required to be awarded on QCBS method, as per RFP
M/s 3i Infotech	100	97	91 (reduction of 6 marks as detailed below)	70	63.7
M/s CSM Technologies	100	86	86	62.06	60.2
Financial evaluation					
Name of the bidder	Financial value quoted (in ₹)	Conversion of financial bid amount to financial marks as per QCBS	Financial score 30 per cent as per QCBS ratio in RFP	Composite technical & financial score according to weightage given by Management	Composite technical & financial score required, to be awarded as per RFP
M/s 3i Infotech	7,96,15,848.84	77.27	23.18	93.18	86.88
M/s CSM Technologies	6,15,21,306.00	100	30	92.06	90.20
Reason for variation					
Bidder	Details	Full marks	Marks awarded	Marks required to be awarded, as per RFP	
M/s 3i Infotech	As per 7.2.2 Technical Qualification Criteria (Sl. no. 3) mentioned in RFP: "Software Development, Customization, Implementation & maintenance services to be demonstrated in a maximum of 5 engagements of value more than 5 Crores that have either been completed or an ongoing project where deliverable or milestone has been successfully met relevant to the experience. The work order should have been issued within the last 5 years, as on the last date of submission."	30	30	24 (6 marks should be reduced as one work order dated 28 March 2012, had been awarded to the firm, more than five years ago from the last date of submission of bid)	
M/s CSM Technologies		30	24	24	



**GLOSSARY OF
ABBREVIATIONS**

GLOSSARY OF ABBREVIATIONS

PART A: REVENUE SECTOR	
Abbreviation	Full form
AIG	Assistant Inspectors General
BGST, 2017	Bihar Goods and Services Tax Act, 2017
BMVT Act, 1994	Bihar Motor Vehicles Taxation Act, 1994
BTEG	Bihar Tax on entry of goods
CBIC	Central board of Indirect Taxes and Customs
CGST	Central GST
CMV Rules, 1989	Central Motor Vehicles Rules, 1989
CST	Commissioner of State Tax
CTD	Commercial Taxes Department
DCST/ACST	Deputy Commissioners of State Tax /Assistant Commissioners of State Tax
DIG	Deputy Inspectors General
DLAO	District Land Acquisition Officer
DSRs	District Sub-Registrars
DTOs	District Transport Officers
ECL	Electronic Credit Ledger
GST	Goods and Services Tax
GSTR	Goods and Services Tax Returns
GTO	Gross Turnover
IGR	Inspector General, Registration
IS Act, 1899	Indian Stamp Act, 1899
ISD	Input Service Distributor
ITC	Input Tax Credit
JCST	Joint Commissioners of State Tax
LGV	light goods vehicle
MGNREGA	Mahatma Gandhi National Rural Employment Guarantee Act
MIS	Management Information System
MoRTH	Ministry of Road Transport and Highways
MV Act, 1988	Motor Vehicles Act, 1988
MVIs	Motor Vehicle Inspectors
NCLT	National Company Law Tribunal
NOC	No Objection Certificate
OTT	One Time Tax
PAN	Permanent Account Number
POs	Programme Officers
RCM	Reverse Charge Mechanism
RDD	Rural Development Department
RF	Registration Fee
RFCTLARR Act, 2013	The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013

RTAs	Regional Transport Authorities
SCN	Show Cause Notice
SD	Stamp Duty
SOP	Standard Operating Procedure
SSCA	Subject Specific Compliance Audit
SSOID	Single Signed On User ID
STC	State Transport Commissioner
TCS	Tax collection at source
TDS	Tax deducted at source
UTGST	Union Territory GST
VAT	Value added Tax
PART B: PUBLIC SECTOR UNDERTAKINGS	
Abbreviations	Full form
A & OE	Administrative and Office Expenses
AC	Apex Committee
AGM	Annual General Meeting
ATN	Action Taken Note
BELTRON	Bihar State Electronics Development Corporation Limited
BERC	Bihar Electricity Regulatory Commission
BIADA	Bihar Industrial Area Development Authority
BMSICL	Bihar Medical Services and Infrastructure Corporation Limited
BMSL	Beltron Mining System Limited
BoD	Board of Directors
BPML	Bihar Paper Mills Limited
BREDA	Bihar Renewable Energy Development Agency
BSCL	Bihar Solvent and Chemicals Limited
BSEDCL	Bihar State Electronics Development Corporation Limited
BSFDCL	Bihar State Forest Development Corporation Limited
BSHHDCL	Bihar State Handloom and Handicrafts Development Corporation Limited
BSIDCL	Bihar State Industrial Development Corporation Limited
BSL	Bihar Scooters Limited
BSNL	Bharat Sanchar Nigam Limited
BSPCDCL	Bihar State Pharmaceuticals and Chemical Development Corporation Limited
BSTCL	Bihar State Textiles Corporation Limited
BSTEL	Bihar State Tannin Extract Limited
BVSL	Beltron Video System Limited
CEO	Chief Executive Officer
CERC	Central Electricity Regulatory Commission
COPU	Committee on Public Undertakings
CSS	Centrally Sponsored Scheme
DISCOMs	Distribution Companies
DPRs	Detailed Project Reports

DSM	Deviation Settlement Mechanism
ERP	Enterprise Resource Planning
FY	Financial Year
GCRTSPPs	Grid Connected Rooftop Solar Power Plants
GoB	Government of Bihar
HPSC	High Power Steering Committee
ICCC	Integrated Command and Control Centre
ICT	Information and Communication Technology
IRCTC	Indian Railways Catering and Tourism Corporation
IT	Information Technology
ITRs	Income Tax Returns
JIADA	Jharkhand Industrial Area Development Authority
JSK	Jan Seva Kendra
LoA	Letters of Award
MCA	Ministry of Corporate Affairs
MoHUA	Ministry of Housing & Urban Affairs
MoP	Ministry of Power
MoU	Memorandum of Understanding
NBPDCL	North Bihar Power Distribution Company Limited
OEM	Original Equipment Manufacturer
PDMC	Project Design Management Consultant
PGCIL	Power Grid Corporation of India Limited
PPPs	Public Private Partnership
PSCL	Patna Smart City Limited
PSDF	Power System Development Fund
PSUs	Public Sector Undertakings
QCBS	Quality and Cost Based Selection
RCD	Road Construction Department
RFP	Request for Proposal
RoC	Registrar of Companies
ROE	Return on Equity
SABCO	SCADA Agro Business Company Limited
SAR	Statutory Auditor's Report
SBPDCL	South Bihar Power Distribution Company Limited
SCADA	Sone Command Area Development Agency
SCM	Smart Cities Mission
SCP	Smart City Proposal
SPSUs	State Public Sector Undertakings
SPV	Special Purpose Vehicle
SSCA	Subject Specific Compliance Audit
TDS	Tax Deducted at Source
UCs	Utilization Certificates
UD& HD	Urban Development & Housing Department
ULB	Urban Local Body

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