

Overview

This Report contains 20 paragraphs (including one Subject Specific Compliance Audit on ‘Department’s Oversight on GST Payments and Return Filing’ and one Compliance Audit of ‘Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority’ (APCAMPA) involving revenue impact of ₹ 1,806.43 crore. Some of the significant audit findings are mentioned below:

I General

- Audit test-checked records in 101 units during the year 2021-22 out of 1,267 units under four Departments (viz., Commercial Taxes, Chief Commissioner of Land Administration, Registration & Stamps and Environment, Forests, Science and Technology) and noticed underassessment, short levy/ collection of duties aggregating to ₹ 316.59 crore in 766 cases.

(Paragraph 1.8)

- The Government/ Departments have accepted audit observations involving ₹ 168.05 crore, out of which ₹ 10.04 crore was realised.

(Paragraph 1.9)

II Commercial Taxes Department

Subject Specific Compliance Audit on ‘Department’s Oversight on GST Payments and Return Filing’

- Information about late filers/ non-filers was partially provided to Audit. Three circles had not initiated best-judgment assessments (ASMT-13) to 5,036 late filers and non-filers who did not file the pending returns even after issuance of GSTR-3A notice.

(Paragraph 2.1.6.1)

- Scrutiny of returns for the year 2017-18 was not taken up by three (out of seven) circles. Details of further action taken after issuance of ASMT-10 in 251 cases were not provided. Time limits for issuing order/ adjudication for the returns pertaining to the years 2017-18 and 2018-19 were December 2023 and April 2024 respectively. However, in the absence of case-wise details, Audit could not ascertain the status about action taken on the cases where notices were issued and number of time barred cases.

(Paragraph 2.1.6.2)

- A total 1,167 analytical reports relating to the period 2017-18 to 2020-21, identified by the Department, were forwarded to five Circles for verification. Of these, the Department concluded that no action was required in 829 cases (71.04 per cent). However, details relating to these ‘no-action required’ cases were not furnished to Audit for verification. Hence, Audit could not check the quality and extent of verification undertaken by the Circles on the reports.

(Paragraph 2.1.6.4)

- Analysis of the details provided by five (of the 10) sampled Circles revealed that the Circles had issued cancellation orders in 4,954 cases. Of these, the number of GSTR-10 filed cases was only 450 and in the remaining cases status not made available to Audit.

In the absence of case-wise records/ details, Audit could not ensure issue of summary of demand (DRC-07), best judgment assessment order (ASMT-13), action taken under Section 78, recovery effected under Section 79, levy of interest wherever applicable, etc.

(Paragraph 2.1.6.5 (ii))

- In respect of limited audit deviations, the Department accepted the deviations in 84 (out of 416) cases and in 51 cases, recovered/ issued demand notice for an amount of ₹ 143.98 crore.

(Paragraph 2.1.7.1; Table-2.7 (a) & (b))

- In the cases of detailed audit, the granular records were partially produced and Audit identified 16 instances of observations involving amount of ₹ 41.67 crore based on the available information/ returns and records produced by the Department.

In 140 cases, Audit could not verify the deviation and the same were reported as mismatches in the report. Thus, instances of availing excess ITC/ undischarged liability cannot be ruled out which would impact revenue realisation.

(Paragraph 2.1.8.1)

- Assessing Authorities in nine cases did not levy interest and penalty of ₹ 74.91 lakh on belated payments of tax under VAT Act.

(Paragraph 2.2)

- Assessing Authorities did not levy penalty or short levied penalty on account of under-declaration of output tax, excess claim of Input Tax Credit by the dealers for reasons other than fraud/ wilful neglect in five cases. Non-levy/ short levy of penalty amounted to ₹ 33.50 lakh.

(Paragraph 2.3)

- Assessing Authority did not levy interest of ₹ 29.04 lakh on belated payments of deferred tax in three cases.

(Paragraph 2.4)

III Registration & Stamps

- Registration fee of ₹ 52.37 crore was not levied in five cases due to non-consideration of 'Paripassu' charge created on Deposit of Title Deeds.

(Paragraph 3.1)

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- Valuing the properties at lesser rate than applicable market rate, non-adoption of composite rates, considering acreage rate instead of square yard. rate and considering lesser area of the properties than the actual area by the registering authorities resulted in short levy of duties of ₹ 2.15 crore in 32 documents.

(Paragraph 3.2)

- Irregular exemption of stamp duty, registration fee and transfer duty in sale deeds contrary to Government Order on 'Gannavaram Airport Land Pooling Scheme' resulted in short levy of duties amounting to ₹ 96.38 lakh in 27 sale deeds.

(Paragraph 3.3)

- Due to incorrect adoption of development cost and non-considering distinct matters in Development Agreement-cum-General Power of Attorney (DGPA) deeds by the registering authorities resulted in short levy of duties amounting to ₹ 92.09 lakh in 29 documents.

(Paragraph 3.4)

- Treating sale transactions of apartments by the registering authorities as sale of undivided portion of land and construction agreements for the structure to be built resulted in non-realisation of revenue of ₹ 91.35 lakh in 58 cases.

(Paragraph 3.5)

- Authorities while registering documents did not consider compulsorily registerable documents mentioned as link documents in the recitals of eight deeds. This had resulted in non-realisation of revenue of ₹ 66.99 lakh.

(Paragraph 3.6)

IV Chief Commissioner of Land Administration

- Non-compliance with the stipulated norms relating to extent of land to be alienated to various agencies as per land allotment policy and non-inclusion of all the proposed activities applied for, in the alienation orders resulted in excess alienation of land of Ac. 195.66 valuing ₹ 7.93 crore to private parties in Chittoor and Kurnool districts. Further, no penal action was initiated against the applicants in the cases where they encroached upon a portion of land prior to submission of application for alienation.

(Paragraph 4.1)

- Computing conversion tax at lesser rate than applicable and non-levy/ short levy of penalty in eight cases of conversion of agricultural land to non-agricultural purposes resulted in non-realisation of revenue of ₹ 32.20 lakh.

(Paragraph 4.2)

V Environment, Forests, Science & Technology

Compliance Audit of Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority (APCAMP):

- There was delay in notification of non-forest land accepted for compensatory afforestation Reserve/ Protected Forest which was ranged between 15 and 452 months.

On verification of encumbrance certificates, Audit noticed in six (out of eight) cases, 16.03 acre of forest land was registered in the names of private parties. This indicates lack of coordination between Forest and Revenue Departments.

(Paragraph 5.3)

- In cases of Polavaram and Chintalapudi lift irrigation projects, compensatory afforestation was adversely affected due to acceptance of lands having unsuitable conditions for compensatory afforestation activities. Plantations raised under CA scheme were not maintained up to 10 years as stipulated in the guidelines.

(Paragraphs 5.4 and 5.7.3)

- Audit observed that land bank for compensatory afforestation could not be created due to non-furnishing of relevant details by the district authorities.

(Paragraph 5.6)

- Monitoring and evaluation on CAMPA fund utilisation and implementation of CA schemes was inadequate as there were no meetings of the Governing Body and shortfall in holding of Steering Committee/ Executive Committee meetings during the period 2019-22. Thus, the objective of formation of Governing Body (*i.e.*, formulation and review policies of the CAMPA) was not fulfilled. Audit noticed instances of utilising CAMPA fund for inadmissible activities.

(Paragraphs 5.9.1 and 5.8.2)

- Annual Reports of the State CAMPA for none of the years covered in audit were prepared by the Department contrary to the stipulations.

(Paragraph 5.9.2)

- e-Green watch portal developed for inventorying and effective online monitoring of works executed under compensatory afforestation was not being updated due to absence of Forest Survey of India (FSI) cell in the Department.

(Paragraph 5.9.4)