



SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

**Report of the  
Comptroller and Auditor General of India  
for the period ended March 2022**



**Government of Andhra Pradesh  
Departments of Revenue and Environment, Forests,  
Science & Technology  
Report No. 2 of 2025  
(Compliance Audit - Civil)**



**Report of the  
Comptroller and Auditor General of India  
for the period ended March 2022**

**Government of Andhra Pradesh  
Departments of Revenue and Environment,  
Forests, Science and Technology  
Report No. 2 of 2025  
(Compliance Audit - Civil)**



# Table of Contents

	Reference to	
	Paragraph	Page
<i>Preface</i>		iii
<i>Overview</i>		v
<b>Chapter I – General</b>		
About this Report	1.1	1
Audited entity profile	1.2	1
Authority for Audit	1.3	2
Planning and conduct of audit	1.4	3
Response of Government to audit findings	1.5	4
Analysis of the mechanism for dealing with the issues raised by Audit on Registration & Stamps Department	1.6	6
Constraints in Audit	1.7	7
Results of Audit	1.8	8
Coverage of this report	1.9	8
<b>Chapter II – Commercial Taxes</b>		
Subject Specific Compliance Audit on Department's Oversight on GST Payments and Return Filing	2.1	9
Non-levy of interest and penalty for belated payment of tax under VAT Act	2.2	53
Non-levy/ short levy of penalty for under-declaration of tax	2.3	53
Short/ non-levy of interest on belated payment of deferred tax	2.4	54
Tax on interstate sales	2.5	55
Short levy of tax due to incorrect determination of taxable turnover under works contract	2.6	57
<b>Chapter III – Registration &amp; Stamps</b>		
Short collection of Registration Fee on instruments creating <i>Paripassu</i> charge	3.1	60
Short levy of duties and fees due to undervaluation of properties	3.2	61

	Reference to	
	Paragraph	Page
Irregular exemption of duties leviable in sale deeds	3.3	63
Short levy of stamp duty in Development Agreement-cum-General Power of Attorney deeds	3.4	64
Split of sale transactions of apartments	3.5	66
Loss of revenue due to non-registration of compulsorily registerable document	3.6	67
Misclassification of Mortgage deeds as Deposit of Title Deeds	3.7	68
Short/ non-levy of duties on distinct matters in registered deeds	3.8	68
Short levy of duties and fees due to misclassification of registered documents	3.9	69
Short levy of duties in Partition Deeds	3.10	71
Short levy of duties in lease deeds	3.11	71
<b>Chapter IV – Chief Commissioner of Land Administration</b>		
Alienation of excess land in contravention to the criteria specified in Land Allotment Policy	4.1	73
Short levy of conversion tax and penalty	4.2	77
<b>Chapter V – Environment, Forests, Science &amp; Technology</b>		
Compliance audit on Andhra Pradesh Compensatory Afforestation Fund Management And Planning Authority (APCAMPA)	5	79
<b>Appendices &amp; Glossary</b>		
Appendices		105
Glossary		165

## Preface

This Report of the Comptroller and Auditor General of India for the year ended March 2022 is prepared for submission to the Governor of Andhra Pradesh under Article 151 of the Constitution of India for being laid before the State Legislature.

The Report contains significant results of Compliance Audit of the Departments and Public Sector Undertakings of the Government of Andhra Pradesh under Departments of Revenue *viz.*, Commercial Taxes, Registration & Stamps and Chief Commissioner of Land Administration (Land Revenue related aspects), and Environment, Forests, Science & Technology (EFS&T).

The instances mentioned in this Report are those, which came to notice in the course of test audit for 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 are also been included, wherever found necessary.

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



## 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)*

- 
- 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)*



***CHAPTER I***  
***GENERAL***





# CHAPTER I GENERAL

## 1.1 About this Report

This Report contains significant audit findings pointed out in the compliance audit of Commercial Taxes, Chief Commissioner of Land Administration (CCLA), Registration & Stamps under Revenue, and Environment, Forests, Science and Technology (EFS&T) Departments. Audit has been conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

Compliance Audit is an independent assessment of whether a given subject matter (an activity, financial or non-financial transaction, information in respect of an entity or a group of entities) complies in all material respects with applicable laws, rules, regulations, established codes, *etc.* and general principles governing sound public financial management and the conduct of public officials.

The primary purpose of this Report is to bring significant audit observations to the notice of the State Legislature. The audit observations are expected to enable the Executive to take corrective action, to frame appropriate policies as well as to issue directives that will lead to improved financial management of organisations and contribute to better governance.

The audit observations in this Report are based on the results of test check of records made available to Audit by the Government Departments concerned.

This Report contains five chapters. Chapter-I presents the details about profile of the audited entities and the summary of fiscal transactions during the year 2021-22 and also authority for audit, planning and conduct of audit, response of Departments concerned to audit findings and summary of coverage of this Report. Chapter-II contains compliance audit observations relating to Commercial Taxes Department including subject specific compliance audit on 'Department's Oversight on GST Payments and Return Filing', Chapter-III contains observations relating to Registration & Stamps Department, Chapter-IV relates to CCLA of Revenue Department (Land Revenue related aspects) and Chapter-V contains observations relating to Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority (APCAMPA) of Environment, Forests, Science and Technology (EFS&T) Department.

## 1.2 Audited Entity Profile

The audited entities<sup>1</sup> in the State at the Secretariat level are headed by Additional Chief Secretaries/ Principal Secretaries/ Secretaries and assisted by Directors/ Commissioners and subordinate officers.

---

<sup>1</sup> Commercial Taxes, Registration & Stamps, CCLA under Revenue Department and EFS&T Department

## 1.2.1 Functions of the audited entities:

<b>Commercial Taxes</b>	<ul style="list-style-type: none"> <li>Commercial Taxes Department administers and collects revenue on goods and services under Andhra Pradesh Value Added Tax Act, 2005 (VAT Act), Central Sales Tax Act, 1956 (CST Act), Andhra Pradesh Entertainments Tax Act, 1939, The Andhra Pradesh Tax on Professions, Trades, Callings and Employment Act, 1987 apart from other minor Acts. The Department has been administering and collecting revenue on goods and services under the Andhra Pradesh Goods and Services Tax Act, 2017 with effect from 1st July 2017.</li> </ul>
<b>Registration &amp; Stamps</b>	<ul style="list-style-type: none"> <li>Registration &amp; Stamps Department is primarily entrusted with registration of documents and is responsible for determining and collecting stamp duty and registration fees on registration of various documents/ instruments by the general public. The Department also enforces administration of the Indian Stamp (IS) Act, 1899 and the Registration Act, 1908, as amended from time to time and rules framed therein.</li> </ul>
<b>CCLA (Land Revenue)</b>	<ul style="list-style-type: none"> <li>Land Revenue related aspects come under the purview of Chief Commissioner of Land Administration (CCLA). This office of Revenue Department is responsible for alienation, acquisition and conversion of lands and for collecting revenue arising thereon. It is also responsible for maintenance, updation and protection of land revenue records. The Department also decides on policy matters and administers several Acts and Rules pertaining to land and civil administration in the State.</li> </ul>
<b>Environment, Forests, Science and Technology</b>	<ul style="list-style-type: none"> <li>Environment, Forests, Science and Technology (EFS&amp;T) Department primarily deals with proposals relating to forest lands, mining leases, encroachments on forest lands, Forest Conservation Act 1980, use of forest land for non-forest purposes, soil conservation issues relating to Podu cultivation, forest settlement, forest survey and mapping, protection of forests and related notifications.</li> <li>Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority (APCAMPA) is meant to promote afforestation and regeneration activities as a way of compensating forest land diverted to non-forest uses, to take up forest and wildlife conservation and protection works within forest areas financed under CAMPA.</li> </ul>

## 1.2.2 Summary of Fiscal transactions:

A summary of the fiscal transactions relating to the above audited entities during the years 2021-22 is given in **Table-1.1**

**Table-1.1: Summary of fiscal operations during 2021-22**

(₹ in crore)							
2020-21	Receipts	2021-22	Percentage change over 20-21	2020-21	Disbursements	2021-22	Percentage change over 2020-21
<b>Revenue receipts</b>				<b>Revenue expenditure</b>			
36,671	Taxes on Sales, Trade etc., & SGST	44,617	21.67	326	Taxes on Sales, Trade etc.	343	5.21
5,603	Stamps and Registration Fees	7,635	36.27	144	Stamps and Registration Fees	172	19.44
143	Land Revenue	50	-65.03	73	Land Revenue	83	13.70
31	Forest	161	419	223	Forest	216	-3.14

Source: Finance Accounts of Government of Andhra Pradesh for relevant years

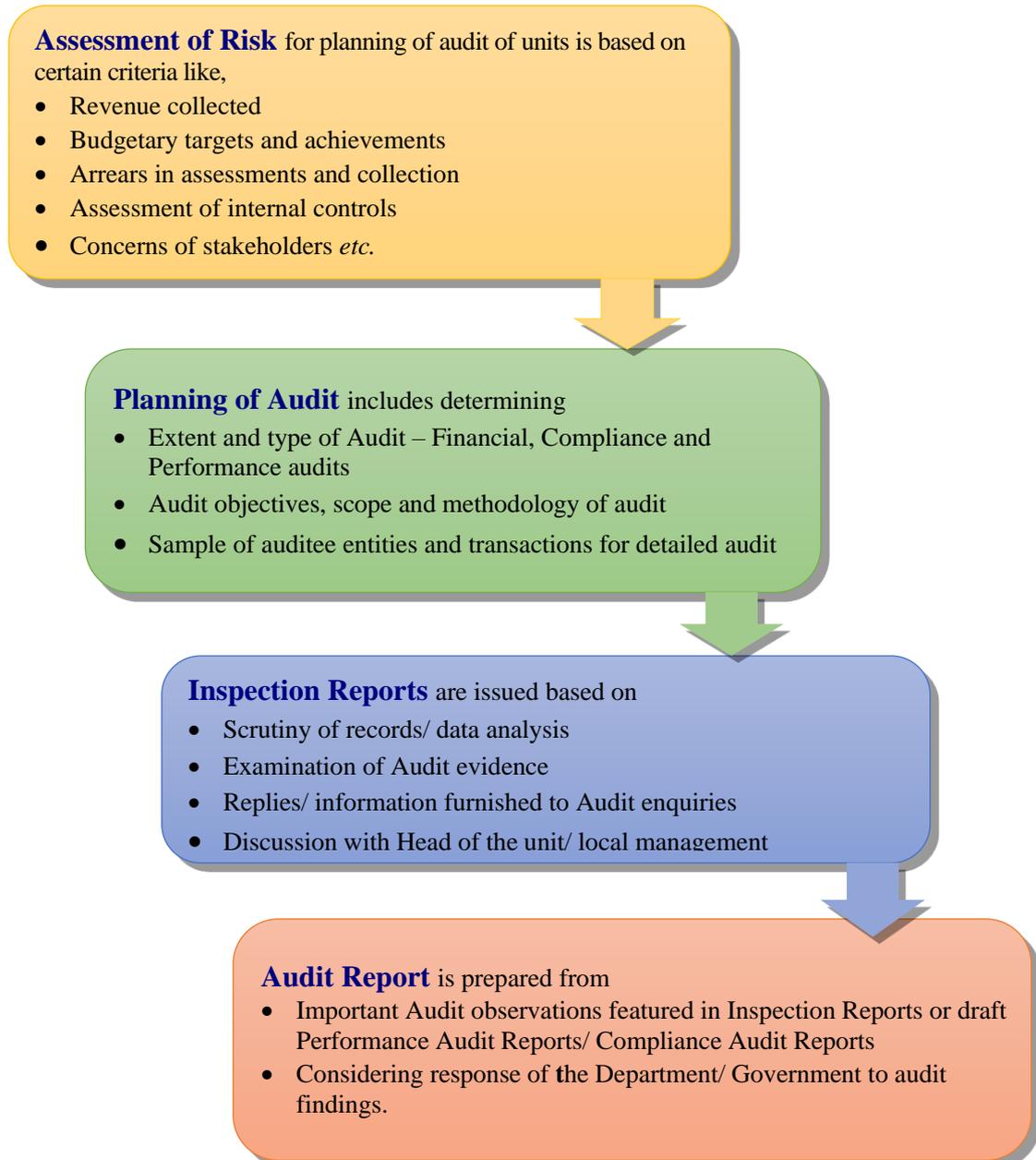
## 1.3 Authority for audit

The Comptroller and Auditor General of India (CAG) derives authority for audit from Articles 149 and 151 of the Constitution of India and CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act).

## 1.4 Planning and conduct of audit

The following flowchart depicts the process of planning and conduct of audit and preparation of Audit Reports:

**Figure-1.1: Planning, conduct of audit and preparation of Audit Reports**



The Report so prepared would be submitted to the Governor of Andhra Pradesh for causing it to be laid in the State Legislature.

After completion of audit of each unit, an Inspection Report (IR) containing audit findings is issued to the Head of the Unit with a request to furnish replies within one month of receipt of the IR. Whenever replies are received, audit findings are either settled or further action for compliance is advised. Significant audit observations pointed out in these IRs, which require attention at the highest level in Government, are processed for inclusion in the Audit Reports. These Audit Reports are submitted to the

Governor of Andhra Pradesh under Article 151 of the Constitution of India for causing them to be laid on the table of State Legislature.

During the year 2021-22, audit of 101 units<sup>2</sup> out of total 1,267 auditable units were conducted. For the subject specific compliance audit (SSCA) on ‘Department’s Oversight on GST Payments and Return Filing’, sampled claims were examined in 41 (out of 109) circles. Regarding compliance audit on APCAMPA, records were test-checked in 18 (out of 46) units involved in implementation of CAMPA related activities.

## **1.5 Response of Government to audit findings**

### **1.5.1 Response to audit observations**

All Departments are required<sup>3</sup> to send their responses to draft audit paragraphs proposed for inclusion in CAG’s Report within six weeks of their receipt. During the year 2021-22, total 26 draft compliance audit paragraphs, one SSCA viz., ‘Department’s Oversight on GST Payments and Return filing’ and a compliance audit on ‘Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority’ (APCAMPA) were forwarded to the Secretaries of the Departments<sup>4</sup> concerned, drawing their attention to the audit findings and requesting them to send their response within stipulated time limit. Reminders were also issued for obtaining responses to the draft paragraphs between December 2022 and March 2023. It was brought to their personal attention that these paragraphs were likely to be included in the Audit Report of the CAG of India, which would be placed before the State Legislature, and it would be desirable to include their comments/ responses to the audit findings.

Replies to nine compliance audit paragraphs of Commercial Taxes Department, three audit paragraphs of Registration and Stamps Department and one audit paragraph of CCLA of Revenue Department were received. Response for the remaining 14 draft paragraphs<sup>5</sup> have not been received (December 2024).

### **1.5.2 Response to previous Inspection Reports**

Heads of Offices and next higher authorities are required to respond to the observations contained in Inspection Reports (IRs) and take appropriate corrective action. Audit observations communicated in IRs are also discussed at periodical intervals in meetings at District/ State levels by officers of the Pr. Accountant General’s office with officers of the Departments concerned.

A review of IRs issued up to March 2022 pertaining to four Departments<sup>6</sup> showed that 17,695 paragraphs relating to 4,826 IRs valuing ₹ 2,669.45 crore were outstanding at the end of September 2022 which is detailed in **Table-1.2**. Of these, 3,019 IRs

---

<sup>2</sup> Commercial Taxes (19), Registration & Stamps (45), CCLA (36), EFS&T (1)

<sup>3</sup> As per paragraph 4.7 of Finance Department’s Handbook of Instructions

<sup>4</sup> Commercial Taxes (10), Registration & Stamps (15), CCLA (2) and EFS&T (1)

<sup>5</sup> Registration & Stamps (12), CCLA (1) and EFS&T (1)

<sup>6</sup> Commercial Taxes, Registration & Stamps, CCLA and EFS&T

(63 per cent) containing 6,573 paragraphs valuing ₹ 795.40 crore are outstanding for more than 10 years. Even the first replies which were to be furnished within one month by Heads of offices concerned, have not been received in respect of 57 IRs issued during 2021-22.

**Table-1.2: Department-wise details of IRs**

Sl. No.	Department	Number of outstanding IRs	Number of outstanding Paragraphs	Money value involved (₹ in crore)
1.	Commercial Taxes	1,581	5,905	1,867.40
2.	Registration & Stamps	1,880	6,843	336.90
3.	Chief Commissioner of Land Administration of Revenue department	1,134	4,310	464.25
4.	EFS&T	231	637	0.90
<b>Total</b>		<b>4,826</b>	<b>17,695</b>	<b>2,669.45</b>

Source: Records of the Principal Accountant General (Audit), Andhra Pradesh

It is pertinent to mention that Government had issued orders<sup>7</sup> for expeditious settlement of outstanding audit objections and pending IRs and requested all the departmental secretariat and Heads of Departments to follow the guidelines scrupulously.

Lack of action on IRs and audit paragraphs is fraught with the risk of perpetuating serious financial irregularities pointed out in these reports. It may also result in dilution of internal controls in the governance process, inefficient and ineffective delivery of public goods/ services, fraud, corruption and loss to public exchequer.

***Recommendation 1.1: Government should ensure prompt and appropriate response to audit observations, as well as take action against those failing to furnish replies to the IRs/ paragraphs as per the prescribed time schedules.***

### **1.5.3 Response of Government to audit paragraphs that featured in earlier Audit Reports**

Administrative Departments are required to submit Explanatory Notes (ENs) on paragraphs and reviews included in Audit Reports within three months<sup>8</sup> of their presentation to State Legislature duly indicating action taken or proposed to be taken.

Reports of the Comptroller and Auditor General of India on the Departments<sup>9</sup> contained 111 paragraphs for the years from 2014-15 to 2019-21. These Audit Reports were placed before the State Legislative Assembly between March 2014 and March 2023. Explanatory Notes in respect of 67 paragraphs<sup>10</sup> have not been received (December 2024).

<sup>7</sup> G.O. Ms. No.534 of Finance (PAC) Department, dated 28 June 2004

<sup>8</sup> As per Para 5.2 of Finance Department's handbook of instructions

<sup>9</sup> Commercial Taxes (52), Registration & Stamps (36), CCLA (21) and EFS&T (2)

<sup>10</sup> Commercial Taxes (8), Registration & Stamps (36), CCLA (21) and EFS&T (2)

### **1.5.4 Response of Government to recommendations of the Public Accounts Committee (PAC) and Committee on Public Undertakings (COPU)**

Legislature ensures financial accountability of the Executive primarily through the mechanism of PAC/ COPU discussion of Audit Reports and their recommendations.

Government instructed<sup>11</sup> that all the Departments/ Public Sector Undertakings (PSUs) should furnish Action Taken Notes (ATNs) on PAC/ COPU recommendations to the respective committees and Accountant General within six months from the date of its receipt. All such ATNs have to be routed through the Finance Department and copies thereof to the Accountant General.

Action Taken Notes on 48 PAC recommendations relating to three Departments<sup>12</sup> were due as of April 2023. Of these, 11 recommendations pertain to Andhra Pradesh exclusively and 37 pertain to the composite State of Andhra Pradesh and Telangana.

Action Taken Notes on three COPU recommendations relating to EFS&T were due as of April 2023. Of these, one pertains to Andhra Pradesh exclusively and two to the composite State of Andhra Pradesh and Telangana.

### **1.5.5 Departmental Audit Committee Meetings**

State Government sets up Audit Committees to monitor and expedite the progress of the settlement of paragraphs in the IRs. During the year 2021-22, three audit committee meetings relating to two Department viz., Commercial taxes (two meetings) and Registration & Stamps (one meeting) were conducted wherein 611 paragraphs<sup>13</sup> involving money value of ₹ 66.62 crore were settled.

### **1.6 Analysis of the mechanism for dealing with the issues raised by Audit on Registration & Stamps Department**

The system for addressing the issues highlighted in the IRs/ Audit reports in respect of one Department is reviewed in audit every year. During the year 2021-22, action initiated by Registration & Stamps Department was reviewed to assess the action taken on the cases detected in local audit during 2017-18 to 2021-22.

The summarised position of the IRs and paragraphs on Registration and Stamps included in these reports and their status as on 31 March 2023 are detailed in **Table-1.3**.

---

<sup>11</sup> Government of Andhra Pradesh U.O. Note No. 1576-A/32/PAC/95, dated 17 May 1995

<sup>12</sup> Commercial Taxes (1), Registration & Stamps (20) and CCLA (27)

<sup>13</sup> Commercial Taxes (583) and Registration & Stamps (28)

**Table-1.3: Position of Inspection Reports (IRs)**

Year	Opening balance			Additions during the year			Clearance during the year			Closing balance		
	IRs	Paras	Money value (₹ in crore)	IRs	Paras	Money value (₹ in crore)	IRs	Paras	Money value (₹ in crore)	IRs	Paras	Money value (₹ in crore)
Up to 2017-18	1556	4923	254.89	153	949	22.81	13	94	0.70	1696	5778	277.00
2018-19	1696	5778	277.00	104	660	21.09	3	49	0.14	1797	6389	297.95
2019-20	1797	6389	297.95	98	420	10.36	0	10	0.11	1895	6799	308.20
2020-21	1895	6799	308.21	24	221	11.05	4	170	1.47	1915	6850	317.79
2021-22	1915	6850	317.79	34	290	63.23	79	384	44.12	1870	6756	336.90

Source: Records of the Principal Accountant General (Audit), Andhra Pradesh

It can be seen from the table above that 99 IRs and 707 Paragraphs were cleared during the period 2017-18 to 2021-22. There has been net increase of 314 IRs/ 1,833 Paragraphs and money value of ₹ 82.01 crore during the period.

**Recommendation 1.2: Government needs to evolve a mechanism for implementation of guidelines issued<sup>14</sup> for expeditious settlement of outstanding audit objections.**

### 1.7 Constraints in audit

The programme of local audit of sampled units is drawn up sufficiently in advance. Intimations are issued, usually one month before the commencement of audit, to the Departments concerned to enable them to keep the relevant records ready for audit scrutiny.

During the year 2021-22, offices pertaining to three Departments<sup>15</sup> did not produce crucial documents/ records like month-wise revenue statement, treasury bill register, departmental reconciliation reports in respect of receipts, budget figures, stamp counter records & registers, challan related registers and details like customer copy/ party challans, treasury adjustment challans, stamp vendor challans, etc., month-wise remittance/ expenditure figures, bank scrolls, stamp ledgers, denomination-wise balance of stamps account, bank accounts operated by the offices, details of contractual appointments, receipt particulars, one-time conversion collection files, illegal layout particulars, treasury reconciliation statements, recovery due details, information related to land lease, alienation, allotment, RTI Act files, budget control registers, and other subsidiary books/ registers.

Non-production of records hinders efficacy of audit and results in inability to verify accuracy of revenue collections and expenditure.

**Recommendation 1.3: Government needs to issue suitable instructions to the Heads of the Departments concerned for timely production of all the relevant records for audit scrutiny to ensure transparency and accountability.**

<sup>14</sup> G.O.Ms.No.534, Finance (PAC) Department, dated 28 June 2004

<sup>15</sup> Commercial Taxes (1), CCLA (10) and Registration & Stamps (8)

## 1.8 Results of Audit

### Position of local audit conducted during the year:

Audit test-checked records in 101 units during the year 2021-22 out of 1,267 units under four Departments. Under assessment/ short levy/ loss of revenue observed by the Audit in the test check of 101 units during the year 2021-22, deficiencies accepted, and the amounts realised by the Departments are detailed in **Table-1.4**.

**Table-1.4: Results of Audit**

(₹ in crore)

Department	Under assessments / other deficiencies observed		Under assessments / other deficiencies accepted		Under assessments / other deficiencies realised	
	No. of cases	Money Value	No. of cases	Money Value	No. of cases	Money Value
Commercial Taxes	206	165.89	524	27.71	131	15.41
CCLA under Revenue Department	51	81.38	0	0	0	0
Registration & Stamps	278	68.45	81	0.56	81	0.56
EFS&T	231	0.87	0	0	0	0
<b>Total</b>	<b>766</b>	<b>316.59</b>	<b>605</b>	<b>28.27</b>	<b>212</b>	<b>15.97</b>

Source: Records of the Principal Accountant General (Audit), Andhra Pradesh

During 2021-22, the Departments accepted under assessments and other deficiencies of ₹ 28.27 crore in 605 cases, of which 600 cases involving ₹ 28.20 crore were pointed out in earlier years. An amount of ₹ 15.97 crore was realised in 212 cases during the year 2021-22. Of this, recovery of ₹ 15.93 crore in 209 cases relate to previous years.

## 1.9 Coverage of this report

This Report contains 20 paragraphs selected from the audit observations made during the local audit referred to above and during earlier years (which could not be included in earlier reports), including one subject specific compliance audit on ‘Department’s Oversight on GST Payments and Return Filing’ and a compliance audit paragraph on APCAMPA, involving financial impact of ₹ 1,889.59 crore.

The Departments/ Government have accepted audit observations involving ₹ 251.23 crore, out of which ₹ 10.06 crore had been realised. Audit observations are detailed in the succeeding Chapters.

Most of the audit observations are of a nature that may reflect similar errors/ omissions in other units of the State Government Departments but not covered in the test check. The Departments/ Government may therefore like to internally examine all other units with a view to ensure that they are functioning as per extant rules.

***CHAPTER II***  
***COMMERCIAL TAXES***



## **CHAPTER II COMMERCIAL TAXES**

Audit of Commercial Taxes Department was conducted through a test check of the assessment files and other related records in 19 out of 120 offices (15.83 *per cent*) during 2021-22, to gain assurance that the taxes were assessed, levied, collected and accounted for in accordance with the relevant Acts, Codes and Manuals, and the interests of the Government are safeguarded. Audit brought out instances of deviations/ non-compliance with the relevant Acts/ Codes/ Manuals leading to under assessment of VAT/ GST in 206 cases involving an amount of ₹ 165.89 crore, due to reasons like under-declaration of tax, irregular exemption of tax, non-levy of penalty, Excess allowance of ITC, *etc.*

This Chapter contains seven paragraphs and a Subject Specific Compliance Audit on ‘Department’s Oversight on GST Payments and Return filing’ involving money value of ₹ 1,821.26 crore. The Department/ Government had accepted audit observations involving ₹ 246.52 crore, out of which ₹ 9.93 crore had been recovered. Audit findings are detailed in the succeeding paragraphs.

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

#### **2.1.1 Introduction**

Goods and Services Tax (GST), introduced by Government of India, 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 APGST Act, 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 Act read with Rule 99 of APGST Rules, 2017 stipulate that the proper officer may scrutinise the return and related particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation.

This subject specific compliance audit (SSCA) was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commercial Taxes Department (Department), Andhra Pradesh in this new tax regime.

### 2.1.2 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 the 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:

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

### 2.1.3 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 2021. Through data analysis a set of 14 deviations were identified across the domains of input tax credit (ITC), discharge of tax liability, registration and returns filing. Such deviations were followed up through a **Centralised Audit** (Limited Audit)<sup>16</sup>, whereby these deviations were communicated to the relevant State Departmental field formations (Circles) and action taken by the jurisdictional formations on the identified deviations was ascertained without involving field visits. The centralised audit was supplemented by a **Detailed Audit** involving visits for verification of records available with the jurisdictional field formations. Returns and related attachments and information were accessed through the back-end system of Commercial Taxes Department *i.e.*, GSTN-Boweb (Back Office Web) 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 (through the respective field formations) relevant granular records from the taxpayers such as invoices. This apart, compliance functions of the Departmental formation such as scrutiny of returns were also reviewed in selected Circles.

Department’s performance in respect of action on non-late filer of returns, scrutiny of returns, Delay in audit of taxpayers, lack of action on DGARM and other analytical report and cancellation of registration was analysed on the information provided by the Departmental units. However, the granular backend data of the Department was neither provided by the selected circles nor by the GSTN, due to which Audit could not independently verify the accuracy, correctness and validation of the facts and

---

<sup>16</sup> Centralised Audit did not involve seeking taxpayer’s granular records such as financial statements related ledger accounts, invoices, agreements *etc.*

figures provided by the circles and hence, audit observations are primarily based on information provided by the 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 the audit of the 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 May 2022 to November 2022.

Entry conference of this SSCA was held on 07 January 2022 with the Commissioner of State Tax, Andhra Pradesh along with the officers of the Department wherein the audit objectives, sample selection, audit scope and methodology were discussed. Exit Conference was held with the Chief Commissioner of State Tax, Andhra Pradesh along with the officers of the Department on 27 June 2023 wherein audit observations were discussed. Response of the Department obtained and incorporated suitably in the relevant paragraphs.

#### **2.1.4 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 to State GST offices and scrutiny of taxpayers' records at Departmental premises; and a sample of Circles for evaluating their compliance functions.

There were three distinct parts of this SSCA as under:

##### **(i) Part I – Audit of Circles**

Ten (out of total 18) Circles<sup>17</sup> having jurisdiction over more than one selected sample of cases for Detailed Audit were considered as the sample of Circles for evaluation of their oversight functions.

##### **(ii) Part II – Centralised Audit (Limited 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, 416 cases were selected for Centralised Audit under this SSCA.

##### **(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, unreconciled turnovers, irregular ITC reversal, *etc.* The 68 taxpayers selected for

---

<sup>17</sup> Autonagar, Benz Circle, Daba Gardens, Dwarakanagar, Gajuwaka, Kadapa-II, Kothapet NRP, Kurupam Market, Machilipatnam and Suryabagh

Detailed Audit comprised of Large<sup>18</sup>, Medium<sup>19</sup> and Small<sup>20</sup> strata taxpayers as well as taxpayers selected randomly.

The details of sample for Centralised Audit, Detailed Audit and Audit of Circles selected for this SSCA are brought out in **Appendices-2.1, 2.2** and **2.3**.

### 2.1.5 Audit criteria

The source of audit criteria comprised the provisions contained in APGST and IGST Acts, and Rules made thereunder. The significant provisions are given in **Table-2.1**:

**Table-2.1: Source of criteria**

Sl. No.	Subject	Act and Rules
1	Levy and collection	Section 9 of APGST Act, 2017
2	Reverse Charge Mechanism	Section 9(3) of APGST Act, 2017; and Section 5(3) of IGST Act, 2017
3	Availing and utilising ITC	Sections 16 to 21 under Chapter V of APGST Act, 2017; Rules 36 to 45 under Chapter V of APGST Rules, 2017
4	Registrations	Sections 22 to 25 of APGST Act, 2017; Rules 8 to 26 of APGST Rules, 2017
5	Supplies	Sections 7 and 8 of APGST Act, 2017 and Schedules I, II and III of APGST Act, 2017
6	Place of supply	Sections 10 to 13 of IGST Act, 2017
7	Time of supply	Sections 12 to 14 of APGST Act, 2017
8	Valuation of supplies	Section 15 of APGST Act, 2017; Rules 27 to 34 of APGST Rules, 2017
9	Payment of Tax	Sections 49 to 53 under Chapter X of APGST Act, 2017; Rules 85 to 88A under Chapter IX of APGST Rules, 2017
10	Filing of GST Returns	Sections 37 to 47 under Chapter IX of APGST Act, 2017; Rules 59 to 68 and 80 to 81 under Chapter VIII, Part B of APGST Rules, 2017 prescribes format of returns
11	Zero-rated supplies	Section 8 of IGST Act, 2017
12	Assessment and Audit functions	Sections 61, 62, 65 and 66 under Chapter XII & XIII of APGST Act, 2017; Rules 99 to 102 under Chapter XI of APGST Rules, 2017

In addition, the notifications and circulars issued by CBIC/ Commercial Taxes 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

<sup>18</sup> First strata comprise large taxpayers – top two *per cent* of taxpayers based on turnover

<sup>19</sup> Second strata comprise medium taxpayers – next eight *per cent* of taxpayers based on turnover

<sup>20</sup> Third strata comprise small taxpayers – remaining 90 *per cent* of taxpayers

of tax compliance and Standard Operating Procedures (SOP) containing instructions to Departmental officers on various aspects related to filing returns, scrutiny of returns, cancellation of registrations and verification of Director General of Analytics and Risk Management (DGARM) reports, *etc.*, also formed part of the audit criteria.

### ***Audit findings***

The audit findings are categorised into the following three categories:

- Oversight on Circle functions– Audit of Circles
- Centralised Audit (Limited Audit)
- Detailed Audit

## **2.1.6 Oversight on Circles functions - Audit of Circles**

The role of Circles is to provide oversight for ensuring compliance by taxpayers in respect of accuracy of the taxable value declared, calculation and payment of tax liabilities, filing of returns, *etc.* For evaluating the functions of the Circles, the audit areas include (i) Action on late-filers and non-filers (ii) Effectiveness of scrutiny and audit, (iii) Compliance to DGARM reports/ other analytical reports and (iv) Cancellation of registration.

### ***2.1.6.1 Monitoring mechanism on return filing/ non-filers and late filers***

A return is a statement of specified particulars relating to the business activity undertaken by a taxpayer during a prescribed period. Every taxpayer is legally obligated to furnish a complete and correct return, discharging 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.

Section 46 of the APGST Act, 2017 read with Rule 68 of APGST 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 and a summary of DRC-07 (as a follow up of ASMT-13) is to be issued to the taxpayers concerned.

The statistical information relating to number of non-filers/ late filers, GSTR-3A issued cases, returns filed in pursuance of GSTR-3A, ASMT-13 and DRC-07 issued during the period 2017-18 to 2020-21 was called for by Audit from 10 sampled Circles. Two Circles<sup>21</sup> provided the data during the audit and five Circles<sup>22</sup> provided the same after the Exit Conference.

<sup>21</sup> Daba Gardens and Suryabagh

<sup>22</sup> Autonagar, Benz Circle, Kadapa-II, Kothapet NRP and Machilipatnam

Due to non-furnishing of details by remaining three Circles<sup>23</sup>, Audit could not ascertain the adequacy of action taken by the authorities on the late filers/ non-filers in these three circles.

Statistical information provided by seven sampled Circles is given in **Table-2.2**.

**Table-2.2: Circle-wise details of late filers/ non-filers**

Name of the Circle	Period	No. of late filers and non-filers identified	GSTR-3A issued cases	Reruns filed on pursuance of GSTR-3A	Non-filers after GSTR-3A notices (to be considered for best judgment)	Best judgment assessment (ASMT-13) initiated	Best judgment assessment (ASMT-13) not initiated
Autonagar	2018-19 to 2020-21	1,174	1,174	1,092	82	82	0
Benz Circle	2019-20 to 2020-21	Details not provided	72	72	0	Not applicable	Not applicable
Daba Gardens	2017-18 to 2020-21	46,266	46,266	42,016	4,250	18	4,232
Machilipatnam	2018-19 to 2020-21	4,246	4,246	3,273	973	312	661
Kadapa-II	2017-18 to 2020-21	385	143	Nil	143	0	143
Suryabagh		37,199	28,355	28,117	238	238	0
Kothapet NRP		40	40	40	0	Not applicable	Not applicable
<b>Total</b>		<b>89,310</b>	<b>80,296</b>	<b>74,610</b>	<b>5,686</b>	<b>650</b>	<b>5,036</b>

Source: Information provided by the respective Circles

Table-2.2 indicates that:

- With respect to the number of late filers and non-filers identified, there is a variation ranging from 40 to 46,266 in the seven Circles.
- Kadapa-II and Suryabagh Circles had not issued GSTR-3A notices to all the late filers and non-filers identified.
- Daba Gardens, Machilipatnam and Kadapa-II 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.
- Details of summary of demand (DRC-07) issued were not provided by any of the Circles.
- Benz Circle has not provided the data of the number of late filers and non-filers identified.

Since filing of returns is related to payment of tax also, non-filing implies the risk of non-payment of tax. Hence, the Department needs to monitor the performance of Circles in respect of action taken on late filers/ non-filers.

When the status of non-filers/late filers and details of action taken thereon was pointed out (June 2023), the Chief Commissioner (State Tax) during the Exit Conference (June 2023) stated that the Department had issued (January 2020) a Standard Operating

<sup>23</sup> Dwarakanagar, Gajuwaka and Kurupam Market

Procedure (SOP) for monitoring of return filings (*i.e.*, late filing/ non-filing) by the taxpayers. Further, added that most of the late filers were works contractors who would file their return after passing their pending bills.

The reply is not acceptable since every registered person who is required to furnish a return under Section 39(1) / 39(2) should furnish a return for every tax period within the due dates. The date of filing of returns is not related to passing of pending bills.

#### **2.1.6.2 Slow pace of scrutiny of returns/non-initiation of scrutiny of returns**

As per Section 61 of the APGST 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 should be taken on any discrepancies or inconsistencies reflected in the returns. The proper officer designated for this purpose is the Assistant Commissioner (State Tax).

Further, Rule 99 of APGST Rules, 2017, envisages procedure for scrutiny of returns which included issuance of notices by the proper officer for intimating discrepancies in Form GST ASMT-10, wherever required, reply of taxpayer in ASMT-11, order of acceptance in ASMT-12 and initiation of action under Sections 73/74.

As per sub-section (10) of Section 73/ 74 of the APGST Act, 2017, order for recovery of any tax short paid/ wrongly availed/ utilised is to be issued within three years (in the cases of other than fraud or wilful misstatement of facts) or five years (in the cases of fraud or wilful misstatement of facts) from the due date for furnishing of annual return for the financial year to which the tax not paid or short paid or input tax credit wrongly availed or utilised.

Relevant details have been called for by Audit from 10 sampled Circles for the period 2017-18 to 2020-21 to verify compliance about scrutiny of returns. Two Circles<sup>24</sup> provided the requisite data during the audit and five Circles<sup>25</sup> provided the same after the Exit Conference.

Due to non-furnishing of the data by other three<sup>26</sup> Circles, Audit could not assess the effectiveness of the scrutiny and assessment of returns in these three Circles.

The information provided by seven Circles is given in **Table-2.3**.

**Table-2.3: Circle-wise details about scrutiny of returns**

Name of the Circle	Period	No. of tax-payers selected for scrutiny	No. of returns scrutinised	ASMT-10 issued cases	No. of cases accepted by tax-payers	No. of SCNs issued	Amount recovered (in ₹ crore)
Autonagar	2018-19 to 2020-21	47	185	47	2	0	1.00
Benz Circle	2017-18 to 2020-21	NIL					
Daba Gardens		1,988	1,988	10	10	0	0.65

<sup>24</sup> Daba Gardens and Suryabagh

<sup>25</sup> Autonagar, Benz Circle, Kadapa-II, Kothapet NRP and Machilipatnam

<sup>26</sup> Dwarakanagar, Gajuwaka and Kurupam Market

Name of the Circle	Period	No. of tax-payers selected for scrutiny	No. of returns scrutinised	ASMT-10 issued cases	No. of cases accepted by tax-payers	No. of SCNs issued	Amount recovered (in ₹ crore)
Machilipatnam	2018-19 to 2020-21	255	262	212	6	0	0.09
Kadapa-II	2019-20 to 2020-21	36	36	36	24	12	0.52
Suryabagh	2017-18 to 2018-19	7	72	7	0	7	0
Kothapet NRP	2017-18 to 2020-21	146	0	4	12	119	0.20
<b>Total</b>		2,479	2,543	316	54	138	2.46

Source: Information provided by the Circles concerned

Table-2.3 indicates that:

- Scrutiny of returns for the year 2017-18 was not taken up by three<sup>27</sup> (out of seven) Circles.
- Benz Circle had not taken up scrutiny of returns at all during the period covered in audit.
- Daba Gardens Circle issued ASMT-10 only in 0.50 *per cent* returns scrutinised.
- ASMT-10 notices were issued in 316 cases of five Circles. In 54 cases, the deficiencies were accepted by the taxpayers whereas in 138 cases SCNs were issued. An amount of ₹ 2.46 crore was recovered.
- Details of further action taken after issuance of ASMT-10 in Autonagar (45 cases) and Machilipatnam (206 cases) were not provided.

Time limit 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.

The Department may expedite the returns scrutiny process for completing the same before the cases become time barred.

**Recommendation 2.1: Department may verify the status of scrutiny of returns of the years 2017-18 and 2018-19 and fix responsibility against the official concerned for the lapse of non-scrutiny of returns/ not taking further action after issuing ASMT-10 notices to the dealers.**

**Government in their reply (May 2024) stated that the lapses identified in Audit based on data obtained from 10 circles were related to the period where proper system for returns scrutiny was not developed. In these cases, ASMT-10 notices were issued manually during the initial stage of GST implementation. The matter will be reviewed with the circle offices concerned and a comprehensive report will be submitted in due course and lapses if any noticed during such review, responsibility will be placed on the officers concerned.**

<sup>27</sup> Autonagar, Machilipatnam and Kadapa-II

### ***2.1.6.3 Delay in audit of taxpayers by the authorities***

As per Section 65 of the APGST 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 APGST 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 stipulations.

The information relating to audit of taxpayers was called for by Audit from 10 sampled Circles to verify the compliance. Two Circles<sup>28</sup> provided the data during the audit and four Circles<sup>29</sup> provided the data after the Exit Conference. Remaining four Circles<sup>30</sup> did not provide the requisite details hence audit could not ascertain the efficacy and effectiveness of selection of cases and their scrutiny.

Out of the six Circles where data was provided, Audit noticed that only Daba Gardens Circle had selected 15 taxpayers for audit during the years 2017-18 and 2018-19 but no case was finalised as of June 2022. None of the taxpayers was selected for Audit under Section 65 of APGST Act, 2017 in the remaining Circles.

During Exit Conference (June 2023), the Chief Commissioner (State Tax) stated that audit as per the provisions of APGST Act had been taken up from the year 2019 and the same was being monitored through a dashboard developed by the Department.

Though the Department stated that audits have been taken up from the year 2019, the audits were initiated in 15 cases of one circle only and the same were incomplete as of June 2022 also. This clearly shows the delay in the audit of taxpayers.

### ***2.1.6.4 Lack of action on DGARM and other analytical reports<sup>31</sup>***

The CBIC (Board) formed Directorate General of Analytics and Risk Management (DGARM) vide OM F.No. A-11013/19/2017-Ad.IV dated 11 July 2017 with the aim of studying, interpreting and analysing the GST data and sharing the results with various stakeholders under the Board and also with the respective Tax Departments of the states. DGARM started functioning from June 2018 by generating reports on taxpayers on various risk parameters. The Department sends the reports to the Circles received from DGARM for verification and necessary action. The Circle officers are required to take action on such reports and after due verification.

Data relating to verification of DGARM reports and other analytical reports was called for by Audit from 10 sampled Circles for the verification of action taken on risk areas

<sup>28</sup> Daba Gardens and Suryabagh

<sup>29</sup> Autonagar, Benz Circle, Dwarakanagar and Machilipatnam

<sup>30</sup> Gajuwaka, Kadapa-II, Kothapet NRP and Kurupam Market

<sup>31</sup> SAS and BIFA reports

identified. Three Circles<sup>32</sup> provided partial information during the audit and two Circles<sup>33</sup> provided partial information after the Exit Conference. The requisite details were not made available to Audit by remaining five Circles<sup>34</sup>, hence Audit could not ascertain the action taken on these reports.

The details of DGARM reports and other analytical reports are given in **Table-2.4**.

**Table-2.4: Details of Circle-wise cases covered in DGARM and other analytical reports**

Name of the Circle	Number of cases covered in reports marked for verification	Action taken cases by the Circle		Initiated and pending verification (as on 31 March 2021)	No action required cases
		Number of cases	Amount recovered (₹ in crore)	Number of cases	
Daba Gardens	465	77	0.60	0	388
Kadapa-II	4	0	0	4	0
Machilipatnam	161	161	0.09	0	0
Suryabagh	536	0	0	67	441
Kothapet NRP	1	0	0	1	0
<b>Total</b>	<b>1167</b>	<b>238</b>	<b>0.69</b>	<b>72</b>	<b>829</b>

Source: Information provided by the respective Circles

It can be seen from the above table that a total 1,167 cases for the period 2017-18 to 2020-21 were forwarded to the five Circles for verification. Of these, the Department concluded that no action was required in 829 cases (71.04 per cent). In 238 cases, action was completed and ₹ 0.69 crore was recovered. In 72 cases, action was initiated but completion was pending. Suryabagh Circle did not provide the details of the action taken in the remaining 28 cases<sup>35</sup>.

Further, details relating to '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. Non-production of details indicates inadequate response of the Department.

#### 2.1.6.5 Cancellations of registrations

Section 29 of the APGST Act, 2017, read with Rule 20 of the APGST Rules 2017, 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, death of the proprietor, etc. The taxpayer applying for cancellation of registration should apply in Form REG-16 on the GST common portal within a period of 30 days of the 'occurrence of the event warranting the cancellation'.

<sup>32</sup> Daba Gardens, Kothapet NRP and Suryabagh

<sup>33</sup> Kadapa-II and Machilipatnam

<sup>34</sup> Autonagar, Benz Circle, Dwarakanagar, Gajuwaka and Kurupam Market

<sup>35</sup> Total No. of cases (-) cases where no action was required (-) cases where action initiated but not completed (i.e., 536 – 441 – 67 = 28)

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, wilful misstatement or suppression of facts.

Section 45 of the Act stipulates 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 had discharged 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.

The details of cancellations made by Circles have been called for by Audit from 10 sampled Circles for the period 2017-18 to 2020-21 to evaluate the functions of the Circles in respect of the cancellations of registrations. Two Circles<sup>36</sup> provided the requisite data during the audit and four Circles<sup>37</sup> provided the same after the Exit Conference. The details are given in two succeeding paragraphs.

Due to non-furnishing of the cancellation details by the other four sampled Circles<sup>38</sup>, Audit could not evaluate the cancellation of registration functions in these four Circles.

#### i) Delays in cancellation

As per Rule 22(3) of APGST Rules 2017, cancellation order (*i.e.*, REG-19) must be issued within 30 days from the date of application (at taxpayers' request) or the date of reply to show cause notice (*i.e.*, REG-17) in case of *suo moto* cancellation.

From the details of cancellations provided partially by six (out of 10) Circles, two Circles provided cases-wise details of cancellations. Audit noticed the delay in cancellation of 343 cases in these two Circles which ranged between 01 to 881 days as detailed in **Table-2.5**.

<sup>36</sup> Kothapet NRP and Suryabagh

<sup>37</sup> Autonagar, Benz Circle, Kadapa-II, Kothapet NRP and Machilipatnam

<sup>38</sup> Daba Gardens, Dwarakanagar, Gajuwaka and Kurupam Market

**Table-2.5: Circle-wise status of cancelled cases**

Name of the Circle	No. of cancellation cases			Show cause notice (REG-17) issued cases	Cancellation order (REG-19) issued cases	Cases where details of action taken were not provided	Delay
	On taxpayers' request	<i>Suo moto</i> cases	Total				
Suryabagh	429	233	662	243	243	419	Delay ranged between 01 to 881 days in 73 cases
KothapetNRP	389	689	1,078	701	1,078	0	Delay ranged between 01 to 525 days in 270 cases
Autonagar	701	1,174	1,875*	1,200	572	1,098	Case-wise details not provided; hence, delay could not be worked out
Benz Circle	679	26	705	919	Not furnished	NA	
Machilipatnam	968	661**	1,629**	1,629	1,629	0	
Kadapa-II	782	1,007	1,789***	1,007	1,789	0	
<b>Total</b>	<b>3,948</b>	<b>3,790</b>	<b>7,738</b>	<b>5,699</b>	<b>5,311</b>	<b>1,517</b>	

Note: Inclusive of cancellation revoked cases: \* Autonagar: 205; \*\* Machilipatnam: 49 and \*\*\* Kadapa-II: 103

Table-2.5 indicates that:

- In two Circles (Autonagar and Suryabagh Circles), the details of action taken on the 1,517 cancellations were not provided to audit.
- Benz Circle provided inconclusive information.

Delay in cancellation of registrations is fraught with the risk of filing of GSTR-1 (for outward supplies) to facilitate other party to claim ITC and non-filing of corresponding GSTR-3B (relating to sales) to evade tax liability by the taxpayers.

In the Exit Conference (June 2023), the Chief Commissioner (State Tax) expressed concern over *suo moto* cancellations since the Department would not get a hold on the taxpayers.

## ii) Inadequate follow-up on non-filing of GSTR-10

As per Section 45 of the Act, final return (GSTR-10) must be filed within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. The last date for furnishing of GSTR-10 by those taxpayers whose registration has been cancelled on or before 30 September 2018 was extended till 31 December 2018 vide notification No. 58/2018 – Central Tax dated the 26 October 2018.

Section 46 of the Act read with rule 68 of the APGST Rules, 2017 and Circular No. 129/48/2019-GST dated 24 December 2019, stipulates to issue a notice in Form GSTR-3A to the taxpayer, where GSTR-10 was not filed. If the taxpayer still fails to file the final return within 15 days from the date of receipt of notice, then an assessment order in Form ASMT-13 under Section 62 of the APGST Act, 2017, read with Rule 100 of the APGST Rules 2017, should be issued to determine the liability of the taxpayer under sub-section (5) of Section 29 (*i.e.*, debit ITC equivalent to inputs, inputs contained in semi-finished and finished goods held in stock or capital goods or the output tax payable on such goods whichever is higher). If the taxpayer files the

final return within 30 days from the issue of order ASMT-13 then the said order should be deemed to have been withdrawn. However, for the delayed period interest and late fee should be levied. If the said return remains unfurnished within the statutory period of 30 days from the issue of order (ASMT-13), then the proper officer may initiate proceedings under Section 78 and recovery under Section 79 of the APGST Act.

Analysis of the details provided by five (of the 10) sampled Circles revealed that the Circles had issued cancellation orders in 4,954 cases (after considering 357 cases where cancellation proceedings were dropped in three Circles (*Table-2.5 refers*)). Of these, the number of GSTR-10 filed cases was only 450<sup>39</sup> and in the remaining cases status was not known.

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

On this being pointed out (July 2022), the authorities of Suryabagh Circle stated (July 2022) that reply would be submitted after verification of the MIS reports. Replies from other five circles were awaited (July 2024).

***Recommendation 2.2: The Department may monitor the status of cancellation of registrations and action taken thereon in consonance with the Act provisions to check undischarged tax liabilities through valid inputs in the cancellation module of dashboard.***

**Government stated (May 2024) that to maintain uniformity across the field formations the Department had issued a Standard Operating Procedure (SOP) in October 2022 to cancel GST registration. Regarding filing of final return in form GSTR-10, there would not be any issues with taxpayers cancelling their registration voluntarily. However, in cases of *suo moto* cancellations due to non-filing return for six consecutive months or three successive quarters, it is often difficult to obtain the final return. The matter will, however, be reviewed with the circle offices concerned and a comprehensive report would be submitted in due course.**

### **2.1.7 Inconsistencies in GST returns – Centralised Audit (Limited Audit)**

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

<sup>39</sup> Autonagar (78); Kadapa-II (120); Kothapet NRP (82); Machilipatnam (77) and Suryabagh (93)

Of the 13 prescribed GST returns<sup>40</sup>, the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/ data.

- **GSTR-1:** monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.
- **GSTR-3B:** monthly summary return of outward supplies and input tax credit claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.
- **GSTR-6:** monthly return for Input Service Distributors (ISD) 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 ISD, TDS/ TCS, Casual Taxable Person and Non-Resident taxpayer. This document contains the details of all supplies made and received under various tax heads (CGST, APGST and IGST) during the entire year along with turnover and audit details for the same.
- **GSTR-9C:** annual audit form for all taxpayers having a turnover above ₹ five crore 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 business-to-business (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.

The pan-State data analysis (*Appendix-2.1*) pertaining to Andhra Pradesh State jurisdiction on the 14 identified parameters and extent of deviations/inconsistencies observed are summarised in **Table-2.6 (a) and (b)**.

---

<sup>40</sup> 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)

**Table-2.6 (a): Data analysis summary of sampled cases of Andhra Pradesh State**

		(₹ in crore)
Sl. No.	Parameter Algorithm used	Amount (Number of deviations)
<b>Mismatch in availing of ITC</b>		
1	<u>2A vs. 3B:</u> ITC available as per GSTR-2A (with all its amendments) is compared with the ITC availed in GSTR-3B {Table 4A(5) for domestic supplies) after considering (i) reversals of ITC (Others pertaining to Table 4(B)(2)) and (ii) ITC availed in subsequent year (Table 8(C) of GSTR-9)	311.15 (50)
2	<u>Under Reverse Charge Mechanism<sup>41</sup> (RCM):</u> RCM in GSTR-3B Table 3.1(d) (with proof of tax paid) is compared with ITC availed due to RCM in GSTR-9 Table (6C+6D+6F); OR if GSTR-9 is not available, RCM liability in GSTR-3B Table 3.1 (d) is compared with ITC availed in GSTR-3B Table {4A(2) + 4A(3)}.	24.86 (50)
3	<u>Annual check of Reverse Charge Mechanism</u> (ignoring proof of tax paid) RCM liability declared in GSTR-9 Table 4G is compared with ITC availed in GSTR-9 Table (6C+6D+6F); (in case GSTR-9 is not available it reverts to Parameter No. 2)	5.91 (17)
<b>Mismatch in Annual Return and financial statements (FS)</b>		
4	<u>Negative figure in GSTR-9C Table 9R:</u> Lower figure of tax paid between books of accounts and annual return	50.21 (50)
5	<u>Positive figure in GSTR-9C Table 12F:</u> Higher amount of ITC claimed than credit that is due when compared between annual return and financial statements (Table 12F of GSTR-9C)	131.53 (25)
6	<u>Positive figure in GSTR-9C Table 14T:</u> Higher amount of ITC claimed after reconciliation between ITC declared in annual return with expenses and in financial statement (Table 14T of GSTR-9C)	856.21 (25)
<b>Shortfall in Tax paid or Interest and Other deviations</b>		
7	<u>Tax not remitted due to GSTR-3B not filed:</u> Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A 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.	11.83 (25)
8	<u>Tax short-paid:</u> Compare GSTR-1 (Table 4 to 11) or GSTR-9 (Table 4N, 10 & 11) with tax paid details declared in Tables 9 and 14 of GSTR-9. In cases where GSTR-9 is not available, tax paid details declared in Table 3.1(a) <sup>42</sup> and 3.1(b) <sup>43</sup> in GSTR-3Bis compared with GSTR-1 liability. The amendments and advance adjustments declared in GSTR-1 and GSTR-9 are duly considered.	268.87 (25)
9	<u>Short payment of interest on delayed payments:</u> 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 Table 6.1.	13.11 (25)

<sup>41</sup> In Reverse Charge Mechanism the liability to pay tax is fixed on the recipient of supply of goods or services or both instead of the supplier or provider for certain notified categories of goods or services or both

<sup>42</sup> Outward taxable supplies (other than zero-rated, nil rated and exempted)

<sup>43</sup> Outward taxable supplies (zero-rated)

Sl. No.	Parameter Algorithm used	Amount (Number of deviations)
10	<u>Composition taxpayers also availing e-commerce facility:</u> 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.	NA (13)
11	<u>ISD credit incorrectly availed by the recipients:</u> ISD received in GSTR-9 Table 6G or GSTR-3B Table 4(A) (4) of the recipients was compared with ITC transferred in GSTR-6 of the distributor.	17.47 (25)
12	<u>Incorrect reversal of ISD credit:</u> 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-6s.	0.005 (1)
	<b>Total</b>	<b>1,691.15 (331)</b>

NA: Not assessable

**Table-2.6 (b): Data analysis summary of sampled cases (Turnover mismatch)**

Sl. No.	Turnover mismatch in Annual Return and financial statements (FS)	Amount (Number of cases)
1	<u>Negative in GSTR-9C Table 5R:</u> Comparison of turnover furnished in GSTR-9 with GSTR-9C and cases are identified where 9C shows lower figure than FS <i>i.e.</i> , negative.	2,303.42 (50)
2	<u>Negative in GSTR-9C Table 7G:</u> Taxable turnover that is unreconciled after adjustments made from turnover in the Financial statements and turnover under GSTR-9 is lower <i>i.e.</i> , negative	565.69 (35)
	<b>Total</b>	<b>2,869.11 (85)</b>

Audit selected a sample of 416 cases from amongst the top deviations/ inconsistencies in each of the 14 parameters for the year 2017-18. The audit queries were issued to the respective Circles between April 2022 and July 2022 without further scrutiny of taxpayer's records. The audit check in these cases was limited to verifying the Department's action on the identified deviations/ mismatches.

Department provided responses to 415 cases. In one case of Patamata circle, reply of the department was awaited (July 2024).

### 2.1.7.1 Results of Centralised Audit

Based on responses received from the Department to the audit queries, the extent to which deviations identified on each of the 14 parameters translated into validations or acceptance or otherwise by the department is summarised in **Table-2.7 (a) and (b)**.

**Summary of Centralised Audit**

Audit noticed deviations from the provisions of the Act in 81 cases (Column Nos. 4,6,8 and 10 of Table-2.7 (a)) involving mismatches of ITC/Tax liability of ₹ 208.49 crore (Column Nos.5, 7, 9 and 11) constituting 24.55 *per cent* of the 330 inconsistencies/ mismatches in data, for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as mismatch in availing of ITC, mismatch in tax paid between books of accounts and annual return, cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available, short payment of interest on delayed payments, undischarged liability *etc.*

In 185 cases (Column Nos. 14,16, and 18), constituting 56.06 *per cent*, where the replies were acceptable to Audit; data entry errors by taxpayers comprised 72 cases (Column No. 14); the Department had proactively taken action in 32 cases (Column No. 16) and 81 cases (Column No. 18) had other valid explanations.

In 29 cases (Column No. 20) , constituting 8.79 *per cent* , the department reply is not acceptable to the audit and rebutted accordingly. In the remaining 35 cases (Column No. 22), constituting 10.61 *per cent*, though the Department did not accept the deviations pointed out by Audit, their contention was not borne out by evidence, and was thus not amenable to verification by Audit.

Audit also noticed turnover related mismatches (Table-2.7 (b)), in 85 cases (Column No. 2). Of these, in three cases (Column Nos. 4 and 6), constituting 3.53 *per cent* the Department had initiated/ taken action on the audit observations. In 53 (62.35 *per cent*) cases (Column Nos. 14 and 18) replies were acceptable to Audit. In nine cases (Column 20), constituting 10.59 *per cent*, the Department's reply is not acceptable to the Audit. In 19 cases (Column 22) constituting 22.35 *per cent*, Department had not provided relevant documents in support of their contention; hence reply could not be verified.

Table-2.7 (a): Dimension-wise summary of deficiencies

(₹ in crore)

Sl. No.	Audit Dimension	Cases where reply received #		Accepted by Dept. and status of the case										Department reply accepted by Audit						Department's reply not acceptable to Audit (Rebuttal)		Department reply not furnished with appropriate documentary evidence	
				Recovered/ Demand Order issued		SCN* issued		ASMT-10		Under correspondence with taxpayer		Total (Col. 12= 4+6+8+10 and Col. 13 = 5+7+9+11)		Data entry errors		Action taken before query		Other valid explanations					
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	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
1	Mismatch in availing of ITC	50	286.53	11	22.61	0	0.00	2	5.89	3	31.67	16	60.17	1	4.62	5	14.05	15	64.89	5	49.83	8	92.97
2	Mismatch in availing of ITC under Reverse Charge Mechanism (RCM)	50	23.95	1	0.16	1	0.15	2	0.82	0	0.00	4	1.13	27	15.79	4	0.89	5	0.95	3	0.74	7	4.45
3	Mismatch in availing of ITC under RCM without payment	17	5.91	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	14	4.56	0	0.00	1	0.74	1	0.22	1	0.39
4	Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)	50	50.21	5	7.39	0	0.00	3	4.13	4	6.37	12	17.89	2	1.19	5	3.51	16	14.39	9	9.47	6	3.76
5	Mismatch in ITC availed between annual return and financial statements (Table 12F of GSTR-9C)	25	131.53	1	2.58	1	3.97	1	2.88	1	27.61	4	37.04	3	26.56	1	2.60	7	30.58	2	3.67	8	31.08
6	Reconciliation between ITC declared in annual return with expenses and in financial statement (Table 14T of GSTR-9C)	25	856.21	2	22.32	0	0.00	0	0.00	0	0.00	2	22.32	1	15.71	1	106.96	17	599.14	3	65.03	1	47.05
7	Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available	25	11.83	12	1.43	0	0.00	3	0.22	1	0.07	16	1.72	0	0.00	4	9.23	3	0.12	0	0.00	2	0.76
8	Unsettled liabilities	25	256.09	7	34.79	0	0.00	1	21.56	1	4.32	9	60.67	4	33.21	4	14.76	5	30.29	3	117.16	0	0.00
9	Short payment of interest on delayed payments	24	10.95	10	4.88	2	0.76	1	0.42	3	1.18	16	7.24	0	0.00	5	2.71	0	0.00	2	0.62	1	0.38
10	Composition taxpayers also availing e-commerce facility	13	0.00	1	0.00	0	0.00	0	0.00	0	0.00	1	0.00	0	0.00	0	0.00	12	0.00	0	0.00	0	0.00
11	ISD credit incorrectly availed by the recipients	25	17.47	0	0.00	0	0.00	0	0.00	1	0.31	1	0.31	20	15.39	2	0.47	0	0.00	1	0.63	1	0.67
12	Incorrect reversal of ISD credit	1	0.005	0	0	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	1	0.005	0	0.00	0	0.00	0	0.00
	<b>Total</b>	<b>330</b>	<b>1650.69</b>	<b>50</b>	<b>96.16</b>	<b>4</b>	<b>4.88</b>	<b>13</b>	<b>35.92</b>	<b>14</b>	<b>71.53</b>	<b>81</b>	<b>208.49</b>	<b>72</b>	<b>117.03</b>	<b>32</b>	<b>155.19</b>	<b>81</b>	<b>741.10</b>	<b>29</b>	<b>247.37</b>	<b>35</b>	<b>181.51</b>

# col. 2 = col. 12+14+16+18+20+22 and col. 3 = col. 13+15+17+19+21+23

\* Show Cause Notice (SCN)

**Table-2.7 (b): Summary of deficiencies (turnover mismatch)**

(₹ in crore)

Sl. No.	Audit Dimension	Cases where reply received #		Accepted by Dept. and status of the case										Department reply accepted by Audit						Department's reply not acceptable to Audit (Rebuttal)		Department reply not furnished with appropriate documentary evidence		Department Stated they are examining the audit observation	
				Recovered/ Demand Order issued		SCN* issued		ASMT-10		Under correspondence with taxpayer		Total (Col. 12= 4+6+8+10 and Col. 13 = 5+7+9+11)		Data entry errors		Action taken before query		Other valid explanations							
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	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
1	Mismatch in turnover between annual return and financial statements (Table 5R of GSTR-9C)	50	2303.42	1	47.82	2	35.34	0	0.00	0	0.00	3	83.16	1	115.81	0	0.00	26	1058.53	8	522.59	12	523.33	0	0.00
2	Mismatch in taxable turnover between annual return and financial Statements (Table 7G of GSTR-9C)	35	565.69	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	4	92.50	0	0.00	22	331.71	1	10.00	7	110.53	1	20.95
	<b>Total</b>	<b>85</b>	<b>2869.11</b>	<b>1</b>	<b>47.82</b>	<b>2</b>	<b>35.34</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0.00</b>	<b>3</b>	<b>83.16</b>	<b>5</b>	<b>208.31</b>	<b>0</b>	<b>0.00</b>	<b>48</b>	<b>1390.24</b>	<b>9</b>	<b>532.59</b>	<b>19</b>	<b>633.86</b>	<b>1</b>	<b>20.95</b>

# col. 2 = col. 12+14+16+18+20+22+24 and col. 3 = col. 13+15+17+19+21+23+25

\* Show Cause Notice (SCN)

**Table-2.8: Top case for each dimension<sup>44</sup> of Centralised Audit (for compliance deviation pertaining to cases of recovery, ASMT-10, SCN issued and correspondence in progress with taxpayer)**

Sl. No.	Dimension	GSTIN	Jurisdictional Circle	Mismatch (₹ in crore)	Action taken
1	Mismatch in availing of ITC	3XXXXXXXXXXXXXX7	Gajuwaka	16.06	Under correspondence with taxpayer
2	Mismatch in availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXX R	Eluru-I	0.71	ASMT-10 issued
3	Mismatch in turnover between annual return and financial statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXX K	Dwarakanagar	47.82	Demand order (DRC-07) issued
4	Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXX K	Dwarakanagar	5.77	Demand order (DRC-07) issued
5	Mismatch in ITC availed between annual return and financial statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXX7	Gajuwaka	27.61	Under correspondence with taxpayer
6	Reconciliation between ITC declared in annual return with expenses and in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXX U	Steel Plant	21.28	Demand order (DRC-07) issued
7	Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available	3XXXXXXXXXXXXXX Y	Steel Plant	0.43	Demand order (DRC-07) issued
8	Unsettled liabilities	3XXXXXXXXXXXXXX M	Suryabagh	21.56	ASMT-10 issued
9	Short payment of interest on delayed payments	3XXXXXXXXXXXXXX W	Kurnool-III	0.95	Under correspondence with taxpayer
10	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXX S	Brodipet	0.31	Under correspondence with taxpayer

**Illustrative cases are discussed below:****(i) Dimension - Mismatch in availing of ITC**

GSTR-2A is a purchase related dynamic tax return that is automatically generated for each transaction/ 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.

---

<sup>44</sup> Money value cases

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)<sup>45</sup> considering the reversals in Table 4B(2)<sup>46</sup> but including the ITC availed in the subsequent year 2018-19 from Table 8C of GSTR-9.

Audit observed that in the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXX7) under the jurisdiction of Gajuwaka Circle, the ITC available as per GSTR-2A was ₹ 157.10 crore and the ITC availed in Table 4A(5) of GSTR-3B was ₹ 173.16 crore. This resulted in mismatch of ITC availed amounting to ₹ 16.06 crore which was communicated to the Department (April 2022). In response, the Department stated (June 2023) that taxpayer had furnished Financial Account for their transactions all over India and the discrepancy would be resolved after obtaining state specific reconciliation statement. However, the supporting documents were not furnished to audit.

**(ii) Dimension - Mismatch in availing of ITC under Reverse Charge Mechanism**

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 the APGST 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 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 monthly return 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)<sup>47</sup> with ITC availed in GSTR-9 Table 6C<sup>48</sup>, 6D<sup>49</sup> and 6F<sup>50</sup>. In cases where GSTR-9 was not available, the check was restricted within GSTR-3B where the tax discharged part in Table 3.1(d) was compared with the ITC availed part of Table 4A(2)<sup>51</sup> and 4A(3)<sup>52</sup>.

Audit observed that in the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXXR) under the jurisdiction of Eluru-I Circle, the ITC available in Table 3.1(d) of GSTR-3B was 'Nil' and the ITC availed in Table 6C, 6D and 6F of GSTR-9 was ₹ 0.71 crore resulting

<sup>45</sup> all other eligible ITC

<sup>46</sup> other ITC reversed

<sup>47</sup> Inward supplies (liable to reverse charge)

<sup>48</sup> Inward supplies received from unregistered persons liable to reverse charge

<sup>49</sup> Inward supplies received from registered persons liable to reverse charge

<sup>50</sup> Import of services

<sup>51</sup> Import of services

<sup>52</sup> Inward supplies liable to reverse charge (other than Import of Goods and Services)

in mismatch of ITC availed amounting to ₹ 0.71 crore which was communicated to the Department (May 2022). In response, the Department stated (December 2022) that a notice (ASMT-10) intimating about discrepancy was issued to the taxpayer.

**(iii) Dimension - Mismatch in turnover between annual return and financial statements (Table 5R of GSTR-9C)**

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of APGST 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* in the financial statements. The unreconciled amount in the cases where the turnover declared in GSTR-9 is less than that was declared in 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.

Table 5R of GSTR-9C captures unreconciled turnover between the turnover declared in annual return GSTR-9 and that declared in the financial statements for the year after the requisite adjustments.

Audit query on unreconciled turnover in Table 5R of GSTR-9C in respect of a taxpayer (GSTIN:3XXXXXXXXXXXXXK) under the jurisdiction of Dwarakanagar Circle amounting to ₹ 47.82 crore was communicated to the Department (May 2022). In response, the Department stated (July 2024) that the demand order in form DRC-07 was issued for an amount of ₹ 5.74 crore.

**(iv) Dimension - Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)**

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of APGST Rules, 2017, in Form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in tax paid between the annual return (GSTR-9) and the books of accounts. Table 9 of the 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. The unreconciled amounts could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or *vice versa* or incorrect levy of CGST/SGST/IGST. There can also be situations wherein supplies/ tax declared are reduced through amendments (net of debit notes/ credit notes) for the transactions of 2017-18 carried out in the subsequent year during the period from April 2018 to September 2018.

Unreconciled payment of tax declared in Table 9R of GSTR-9C, amounting to ₹ 5.77 crore in the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXXK) under the jurisdiction of Dwarakanagar Circle was communicated to the Department (May 2022). In response, the Department stated (July 2024) that the demand order in form DRC-07 was issued for an amount of ₹ 5.77 crore.

**(v) Dimension - Mismatch in ITC availed between annual return and financial statements (Table 12F of GSTR-9C)**

Table 12F of GSTR-9C reconciles ITC declared in annual return (GSTR-9) with ITC availed as per audited annual financial statement/ books of accounts.

The certified reconciliation statement submitted by the taxpayer as required under the Rule 80(3) of APGST Rules, 2017, in Form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in ITC declared in the annual return with the financial statements.

Unreconciled ITC of ₹ 27.61 crore declared in Table 12F of GSTR-9C, being ITC availed in GST returns in excess of eligible ITC based on financial statements, in the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXX7) under the jurisdiction of Gajuwaka Circle, was noticed and communicated to the Department (May 2022). In response, the Department stated (June 2023) that the taxpayer had furnished Financial Account for their transactions all over India and the discrepancy would be resolved after obtaining state specific reconciliation statement. However, the supporting documents were not furnished to audit.

**(vi) Dimension - Reconciliation between ITC declared in annual return with expenses and in financial statement (Table 14T of GSTR-9C)**

Table 14T of GSTR-9C reconciles ITC declared in annual return (GSTR-9) with ITC availed on expenses as per audited annual financial statement/ books of accounts.

The certified reconciliation statement submitted by the taxpayer as required under the Rule 80(3) of APGST Rules, 2017, in Form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in ITC declared in the annual return with the expenses reported in the financial statements.

Unreconciled ITC of ₹ 21.28 crore declared in Table 14T of GSTR-9C, being ITC availed in GST returns in excess of eligible ITC based on expenses reported in financial statements, in the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXXU) under the jurisdiction of Steel Plant Circle, was noticed and communicated to the Department (April 2022). In response, the Department stated (June 2024) that DRC-07 order was issued for ₹ 21.28 crore.

**(vii) Dimension – Non-discharge of tax liability in cases where GSTR-3B was not filed but GSTR-1 or GSTR-2A available**

At the data level, the taxpayers who have not filed GSTR-3B but have filed GSTR-1 or whose GSTR-2A was available had been identified. GSTR-3B return is the only instrument through which the liability is offset and ITC is availed. The very availability of GSTR-1 and non-filing of GSTR-3B indicates that the taxpayers had undertaken/carried on the business during the period but have not discharged their tax liability. It may also include cases of irregular passing on of ITC.

Audit observed that, in the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXXXY) under the jurisdiction of Steel Plant Circle, though the taxpayer had a tax liability of ₹ 0.43 crore as per GSTR-1, he had not filed a single GSTR-3B in 2017-18, leaving the tax liability undischarged. On this being communicated to the Department (April 2022), it was replied (June 2024) that DRC-07 order was issued.

**(viii) Dimension - Unsettled liabilities**

GSTR-1 depicts the monthly details of outward supplies of Goods or Services. Relevant columns in annual return GSTR-9 also provide these details as assessed by the taxpayer. Further, taxable value and tax paid thereof details are 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 GSTRs-1 and GSTR-9 were also considered for this purpose.

For the algorithm, Tables 4 to 11 of GSTR-1 and Tables 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 Tables 9 and 14 of GSTR-9 to identify short payment of tax. In the case of GSTR-3B, Tables 3.1(a) and 3.1(b) were taken into account.

Audit observed that, in the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXXM) under the jurisdiction of Suryabagh Circle, the tax payable as per GSTR-1 and GSTR-9 were ₹ 259.78 crore and ₹ 224.63 crore respectively. Comparison of the greater of tax liability with the tax paid amount of ₹ 238.22 crore as declared in GSTR-9 resulted in mismatch of tax liability amounting to ₹ 21.56 crore, which was communicated to the Department (May 2022). In response, the Department stated (December 2022) that a notice under ASMT-10 was issued to the taxpayer.

**(ix) Dimension - Short payment of interest on delayed payments**

Section 50 of APGST Act, 2017, stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made thereunder but fails to pay the tax or any part thereof to the Government within the period prescribed should, 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) has been considered to work out the interest payable.

Audit observed in the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXXXW)' under the jurisdiction of Kurnool-III Circle that there was short payment of interest (due to belated payment of tax) amounting to ₹ 0.95 crore which was communicated to the Department (May 2022). In response, the Department stated (July 2023) that an interest notice was issued to the taxpayer and report would be submitted accordingly.

**(x) Dimension – ISD Credit incorrectly availed by the recipients**

To analyse whether the ITC availed by the taxpayer is in excess of the amount 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 6G<sup>53</sup> of GSTR-9 or Table 4A(4)<sup>54</sup> of GSTR-3B of the recipient taxpayers under the jurisdiction of this State with the sum of Table 5A<sup>55</sup>, Table 8A<sup>56</sup>, and Table 9A<sup>57</sup> of GSTR-6 of the respective ISD.

In the case of a taxpayer (GSTIN: 3XXXXXXXXXXXXXXS) under the jurisdiction of Brodipet Circle, Audit observed that the ITC availed in Table 6G of GSTR-9 was ₹ 0.34 crore and the ITC transferred by the ISD in Table (5A+8A+9A) of GSTR-6 was ₹ 0.03 crore only. This resulted in irregular availing of ITC by recipient on ISD credit amounting to ₹ 0.31 crore which was communicated to the Department (May 2022). In response, the Department stated (December 2022) that due to reorganization and bifurcation of circles, audit of the taxpayer was taken up by Special Circle-II, Guntur. Further reply is awaited (July 2024).

**2.1.7.2 Analysis of causative factors**

Considering the Department's responses to 415 cases against the sample of 416 data deviations/inconsistencies, the factors that caused the discrepancies are detailed in subsequent paragraphs.

**(I) Deviations from GST law and rules**

Of the 415 deviations summarised in **Table-2.7 (a) and (b)**, the Department has accepted the audit observations/initiated examination in 84 cases having mismatches of ITC/Tax liability/turnover of ₹ 291.65<sup>58</sup> crore. Of these cases, the Department has recovered/issued demand orders for ₹ 143.98<sup>59</sup> crore in 51 cases, issued SCNs in 6 cases for ₹ 40.22<sup>60</sup> crore, issued notices conveying discrepancies to the taxpayers in Form ASMT-10 in 13 cases for ₹ 35.92 crore and was in correspondence with the respective taxpayers in 14 cases for ₹ 71.53 crore. Details are given in **Appendix-2.4** and the top five accepted cases are shown in **Table-2.9**.

<sup>53</sup> ITC received from ISD

<sup>54</sup> Inward supplies from ISD

<sup>55</sup> Distribution of the amounts of eligible ITC for the tax period

<sup>56</sup> Mismatch of ITC reclaimed and distributed

<sup>57</sup> Redistribution of ITC distributed to a wrong recipient

<sup>58</sup> The mismatch amount involves difference in turnover of ₹ 83.16 crore.

<sup>59</sup> Recovery amount includes turnover amount of ₹ 47.82 crore (actual recovery made was ₹ 5.74 crore i.e., 12 per cent of ₹ 47.82 crore)

<sup>60</sup> SCN issued amount includes the turnover mismatch of ₹ 35.34 crore

**Table-2.9: Top five cases accepted/action initiated by the Department**

Sl. No.	GSTIN	Circle	Dimension	Tax (₹ in crore)/ Amount of mismatch	Action taken
1	3XXXXXXXXXXXXXXK	Dwarakanagar	Mismatch of Turnover Table 5R of GSTR-9C	47.82	Demand order (DRC-07) issued
2	3XXXXXXXXXXXXXX7	Gajuwaka	Unreconciled ITC Table 12F of GSTR-9C	27.61	Under correspondence with taxpayer
3	3XXXXXXXXXXXXXXB	Steel Plant	Mismatch of Turnover Table 5R of GSTR-9C	23.17	SCN(DRC-01) issued
4	3XXXXXXXXXXXXXXM	Suryabagh	Unsettled liability	21.56	ASMT 10 issued
5	3XXXXXXXXXXXXXXU	Steel Plant	Unreconciled ITC Table 14T of GSTR-9C	21.28	Demand order (DRC-07) issued

Cases mentioned at Sl. Nos. 1, 2, 4 and 5 are detailed in point numbers (iii), (v), (viii) and (vi) respectively of *Paragraph No. 2.1.7.2 supra*. Case at Sl. No. 3 is illustrated below:

Table 5R of GSTR-9C captures unreconciled turnover between the turnover declared in annual return GSTR-9 and that declared in the financial statements for the year after the requisite adjustments.

Audit query on unreconciled turnover in Table 5R of GSTR-9C in respect of a taxpayer (GSTIN: 3XXXXXXXXXXXXXB)' under the jurisdiction of Steel Plant Circle amounting to ₹ 23.17 crore was communicated to the Department (April 2022). In response, the Department stated (July 2023) that a notice in DRC-01 was issued to the taxpayer.

## **(II) Cases where Department's reply is not acceptable to Audit**

Of the 415 cases for which replies received, Department's contention in 38 cases having mismatches in ITC/ tax liability/ turnovers of ₹ 779.96<sup>61</sup> crore was not acceptable to Audit. Details of these cases are given in *Appendix-2.5* and the top five cases are shown in **Table-2.10**.

<sup>61</sup> The mismatch amount includes the turnover mismatches of ₹ 532.59 crore

**Table-2.10: Top five cases in terms of mismatches of tax liability/ turnovers where Department's responses were rebutted**

Sl. No.	GSTIN	Dimension	Circle	Mismatch amount (₹ in crore)
1	3XXXXXXXXXXXXX8	Mismatch in turnover between annual return and financial statements (Table 5R of GSTR-9C)	Suryabagh	196.09
2	3XXXXXXXXXXXXX4	Undischarged Tax liability	Suryabagh	100.08
3	3XXXXXXXXXXXXXJ	Mismatch of Turnover Table 5R of GSTR-9C	Chittoor-I	83.81
4	3XXXXXXXXXXXXXU	Mismatch of Turnover Table 5R of GSTR-9C	Chittoor-I	79.20
5	3XXXXXXXXXXXXXT	Mismatch of Turnover - Table 5R of GSTR-9C	Steel Plant	59.64

Above cases are illustrated below.

1. In the case of a taxpayer (GSTIN:3XXXXXXXXXXXXX8), under the jurisdiction of Suryabagh Circle, unreconciled turnover of ₹ 196.09 crore between annual returns and financial statements noticed in Table 5R of GSTR-9C was communicated (May 2022) to the Circle. The Department stated (June 2023) that the unreconciled turnover relates to turnovers of the taxpayer in other States and furnished relevant copies of GSTR-9s. On scrutiny of the same it was noticed that the turnover of other States was ₹ 111.69 crore. Since there was still a difference of ₹ 84.40 crore the details need to be verified by the Department.
2. A tax liability mismatch between GSTR-1 and GSTR-9/3B of ₹ 100.08 crore was noticed in the case of a taxpayer (GSTIN:3XXXXXXXXXXXXX4) under the jurisdiction of Suryabagh Circle which was communicated (May 2022) to the Circle. The Department stated (June 2023) that the taxpayer had reported CESS in GSTR-1 return for September 2017 as ₹ 101.66 crore instead of ₹ 1.66 crore. The reply could not be verified since the Circle has just reiterated the remarks offered by the taxpayer and no supporting document was provided.
3. In the case of a taxpayer (GSTIN:3XXXXXXXXXXXXXJ) under the jurisdiction of Chittoor-I Circle, unreconciled turnover of ₹ 83.81 crore declared in Table 5R of GSTR-9C was communicated (May 2022) to the Circle. The Department replied (July 2023) that taxpayer had shown all turnovers relating to their branches in other States and furnished copies of GSTR-9Cs filed in the States of Tamil Nadu, Maharashtra, Puducherry and Andhra Pradesh. However, on verification of the above, it was noticed that the total turnover declared (₹ 37.60 crore) in all the branches was less than the unreconciled turnover by an amount of ₹ 46.21 crore, which needs to be verified.

4. In the case of a taxpayer (GSTIN: 3XXXXXXXXXXU), under the jurisdiction of Chittoor-I Circle, unreconciled turnover of ₹ 79.20 crore between annual returns and financial statements noticed in Table 5R of GSTR-9C was communicated (May 2022) to the Circle. The Department stated (July 2023) that out of the turnover (₹ 91.87 crore) declared in Table 5P of GSTR-9C, ₹ 76.90 crore pertains to the State of Tamil Nadu and ₹ 12.67 crore pertains to the State of Andhra Pradesh. However, there was still a difference of ₹ 2.30 crore in unreconciled turnovers.
5. Unreconciled turnover of ₹ 59.64 crore declared in Table 5R of GSTR-9C was noticed in the case of a taxpayer (GSTIN:3XXXXXXXXXXT) of Steel Plant Circle was communicated (April 2022) to the Department. The Department stated (July 2024) that on issuance of DRC-01, the taxpayer had registrations in five states and submitted the declaration of state-wise turnovers certified by the CA and enclosed the GSTR-9 and GSTR-9C along with the CA certificate.

On verification of the details, Audit observed that the taxpayer had declared pre-GST turnover to the tune of ₹ 15.85 crore. Of this, turnover pertaining to Andhra Pradesh was ₹ 3.31 crore. However, from the VAT returns on VATIS portal, it was observed that turnover declared in VAT returns for the months April 2017 and May 2017 was 'NIL'. The VAT return for June 2017 was also not filed. Hence, the details are to be verified by the Department.

### **(III) Data entry errors by taxpayers:**

Data entry errors constituted 18.55 *per cent* (77 cases) of the total 415 responses received and 32.35 *per cent* of cases where the Department's responses (238) were accepted by Audit. These data entry errors did not have any revenue implication. These data entry errors relate to mismatches in availing of ITC (66 cases), liability (six cases) and turnovers (five cases) as detailed in *Appendix-2.6*.

An illustrative case is detailed below.

A deviation amounting to ₹ 6.65 crore was identified as excess availing of ITC under reverse charge mechanism between the GSTR-3B and the GSTR-9 returns of a taxpayer (GSTIN: 3XXXXXXXXXX9) in the jurisdiction of Amadalavalasa Circle (erstwhile Rajam Circle) and communicated (May 2022) to the Department. The Department replied (December 2022) that the deviation was caused since the taxpayer had erroneously shown ITC under import of services instead of import of goods.

### **(IV) Action taken before issue of audit observations**

As summarised in Table-2.7 above, the Department had taken action in 32 cases before issue of audit observations which constituted 7.71 *per cent* of the responses received.

***Recommendation 2.3: The Department may incorporate suitable validation controls in GST modules to curb data entry errors, to enhance taxpayer compliance and to facilitate better scrutiny.***

**Government replied (May 2024) that the GST portal is being maintained and updated by Goods and Services Tax Network, a Government of India enterprise. Since, State Government had no direct control over the portal, the GST network will be addressed to incorporate suitable validation controls in GST modules to curb data entry errors.**

### **2.1.8 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 a 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 through the data analysis of the GST returns pertaining to State Jurisdiction taxpayers, a detailed audit of GST returns was also conducted as a part of this review. A risk-based sample of 68 taxpayers was selected for this part of the review. The methodology adopted was to initially conduct a desk review of GST returns and financial statements filed by the taxpayers as part of the GSTR-9C and other records available in the back-end system to identify potential risk areas, inconsistencies/deviations and red flags. Desk review was carried out in field audit office. Based on desk review results, detailed audit was conducted in Departmental field formations by requisitioning from State GST field formations, 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.

Detailed audit involved a desk review of GST returns and other basic records to identify risks and red flags, which were followed up by field audit to identify the extent of non-compliance by taxpayers and action taken by the Departmental field formations. 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 (a) Returns (b) Availing of ITC and (c) Discharge of tax liability.

#### **2.1.8.1 Scope limitation (non-production/partial production of records)**

There was scope limitation of audit due to non-production of granular record by the State GST Department. During the desk review of taxpayers' returns available in the back-end system, Audit identified the risks related to excess ITC and tax liability mismatches for detailed examination. On the ITC dimension, the mismatches were identified by comparing GSTR-3B with GSTR-2A and GSTR-9, and the declarations made in Table 12 and 14 of GSTR-9C. On the tax liability dimension, the mismatches

were identified by comparing GSTR-3B with GSTR-1 and GSTR-9 and the declarations in Table 5, Table 7, and Table 9 of GSTR-9C. However, in 61<sup>62</sup> (**Appendix-2.7**) of the selected 68 cases, the Department did not provide the corresponding granular records such as the supplementary financial ledgers, invoices, agreement copies *etc.*, required for examining the causative factors for mismatches of ITC and tax liability. Audit requisitioned these granular records of the taxpayers through the respective Circles.

Non-production of records constituted 89.71 *per cent* (61 cases) of the sample size (68 cases). Due to non-production of records during field visits to state GST offices, Audit could not verify the ITC and tax liability mismatches. However, 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.

When the issue of non-production of records was brought to the notice of the Chief Commissioner (State Tax) during the Exit Conference (June 2023), the Department forwarded replies to the mismatches and the following observations were made duly verifying the replies with the supporting documents made available to Audit.

**Recommendation 2.4: The Department must assess all cases where data not furnished to Audit since from the few cases scrutinised within the audit sample the tax leakage is high.**

### 2.1.8.2 Returns

The Detailed Audit of returns filed by the sampled 68 taxpayers disclosed that interest payments were not discharged by taxpayers and mismatch of details declared in various returns in a significant number of cases, which are detailed below.

#### (I) Non-payment of interest by taxpayers

Audit observed in four cases (5.88 *per cent*) of the sampled 68 cases, that taxpayers had either filed their returns belatedly or had erroneously utilised excess ITC credits, which were paid back but the interest payments amounting to ₹ 1.38 crore were not discharged (**Appendix-2.8**). In two<sup>63</sup> cases, the department had levied and collected the interest amount of ₹ 1.31 crore at the instance of audit.

One case is illustrated below.

A taxpayer (GSTIN: 3XXXXXXXXXXXXXV) under Auto agar Circle had filed GSTR-3B returns for the period August 2017 to March 2018 belatedly (with a delay

<sup>62</sup> Out of 61 cases, in three cases *viz.*, (i) GSTIN: 3XXXXXXXXXXXXXD of China Waltair Circle, (ii) GSTIN: 3XXXXXXXXXXXXX0 and (iii) GSTIN: 3XXXXXXXXXXXXXI) of Daba Gardens Circle, Department provided partial information *i.e.*, Financial Statements, Ledgers and Notes

<sup>63</sup> GSTIN: 3XXXXXXXXXXXXXK of Suryabagh circle (₹ 1.30 crore) and GSTIN: 3XXXXXXXXXXXXX of Nidadavolu circle (₹ 0.01 crore)

ranged from eight to 113 days) in the months between September 2017 and June 2018. However, interest liability of ₹ 0.06 crore on delayed payment of tax was not discharged. On this being pointed out (June 2022), the Department intimated (July 2023) that the ADT-02 was issued in April 2024 which includes the interest payable on delayed filing of GSTR-3Bs.

## **(II) Non-filing of annual return (GSTR-9) and reconciliation statement (GSTR-9C)**

As per Section 44(1) of APGST Act, 2017, every registered person, other than an Input Service Distributor, a person paying tax under Section 51 or Section 52, a taxable person including non-residents, should furnish an annual return for every financial year electronically in such form and manner as may be prescribed on or before the thirty-first day of December following the end of such financial year.

Further, as per sub-section (2) of Section 44 of the Act, every registered person who is required to get his accounts audited in accordance with the provisions of sub-section (5) of Section 35 should furnish, a copy of audited annual accounts and a reconciliation statement, reconciling the value of supplies declared in the return furnished for the financial year with the audited annual financial statement, and such other particulars as may be prescribed, duly certified, in Form GSTR-9C, electronically.

In this regard, every registered person whose aggregate turnover during a financial year exceeds two crore rupees should get his accounts audited as specified under Section 35(5) of the APGST Act, 2017.

Further, as per Section 46 of the said Act where a registered person fails to furnish a return under Sections 39 or 44 or 45, a notice should be issued requiring him to furnish such return within fifteen days in such form and manner as may be prescribed.

Audit noticed that in six (8.82 *per cent*) out of 68 cases (as detailed in **Appendix-2.9**), the taxpayers did not file GSTR-9 and GSTR-9C. When the details of notices issued and late fee collected, if any, were called for (between July 2022 to November 2022), it was replied (between July 2022 and July 2023) that in three cases notices were issued and in one case matter would be examined and detailed reply submitted in due course. In one case, the Department replied (July 2024) that due to technical glitches in the GST portal the taxpayer was unable to submit the returns and penalty has been paid by the taxpayer. It was, however, noticed that the taxpayer has not submitted (July 2024) the reconciliation statement in GSTR-9C.

In another case, the Department intimated (May 2024) that late fee of ₹ 0.52 lakh was recovered for non-filing of annual return. However, the taxpayer has not submitted (July 2024) the reconciliation statement in GSTR-9C.

### **2.1.8.3 Availing of ITC**

Section 16(2) of the APGST Act prescribes the conditions for availing ITC. The prerequisites for availing ITC are (a) Taxpayer should be in possession of tax invoice or any other specified taxpaying document, (b) taxpayer has received the goods or

services, (c) tax has actually been paid by the supplier and (d) taxpayer has furnished the return to avail the ITC and the value of the goods or services along with the tax should have been paid to the supplier within 180 days from the date of issue of invoice.

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

Observations related to irregular/excess ITC availment are detailed in subsequent paragraphs.

#### 2.1.8.4 Irregular/ Excess claim of ITC

Audit observed compliance deficiencies in five cases (7.35 per cent) out of 68 cases where taxpayers had availed excess/irregular ITC of ₹ 7.32 crore. Case-wise details are given in **Table-2.11**.

**Table-2.11:Case-wise details of irregular availing of ITC**

Sl. No.	GST Number	Circle	Reasons for irregular availment of ITC	Amount involved in deviation (₹ in crore)
1	3XXXXXXXXXXXXXR	Krishnalanka	Availing more than 50 per cent of ITC available despite being a banking/ financial Institution in contravention to Section 17(4) of GST Act	2.62
2	3XXXXXXXXXXXXXM	Sitharampuram	Suppliers not filed returns and payments not made to suppliers within the prescribed time	2.09
3	3XXXXXXXXXXXXXB	Gudivada	Non-payment of tax by the Supplier	1.67
4	3XXXXXXXXXXXXXK	Alcot Gardens	Irregular ITC claimed on Credit Notes instead of reducing output tax liability	0.61
5	3XXXXXXXXXXXXX8	Chirala	Excess credit of IGST on imports claimed in excess of payment of tax	0.33
<b>Total</b>				<b>7.32</b>

Source: Returns of relevant taxpayers

On this being pointed out (June 2022 to November 2022):

- Governorpet Circle (erstwhile Krishnalanka circle) replied (December 2022) that the taxpayer being a Non-Banking Financial Company (NBFC) had opted for Section 17(4) *i.e.*, availing 50 *per cent* ITC available. Hence, proportionate reversals under Section 17(2) doesn't apply in this case.

The reply is not acceptable as scrutiny of Table 8 of GSTR-9, revealed that the taxpayer claimed less than 50 *per cent* ITC available in respect of CGST and SGST. However, in respect of IGST, total ITC available was ₹ 6.72 crore, 50 *per cent* of which was ₹ 3.36 crore but the taxpayer availed ITC of ₹ 5.98 crore, resulting in excess claim of ₹ 2.62 crore.

- DC(ST), Special Circle Vijayawada (erstwhile Sitharampuram circle) replied (June 2023) that the excess ITC pertained to IGST, CGST and SGST of which IGST credit was allowed to the taxpayer on appeal by the Appellate Additional Commissioner (ST), Vijayawada. It was further stated that the taxpayer did not submit any reply in respect of ITC of CGST and SGST amounting to ₹ 2.09 crore. DRC-01A has been issued to the taxpayer.
- Gudivada Circle replied (March 2023) that GVR infra was the only supplier to the taxpayer (3XXXXXXXXXXXXXB) and discharged the liability of ₹ 7.64 crore as declared in GSTR-9 of the supplier.

The reply is not acceptable since the taxpayer's supplier declared the tax paid details as ₹ 7.64 crore in GSTR-9 but the same was not actually discharged. This was also certified in the reconciliation statement as on the date of filing of GSTR-9C. It was further observed from the GSTR-3Bs of GVR Infra that the supplier has paid the output tax to the extent of ₹ 3.95 crore during the period July 2017 to March 2018 only in relation to the supplies made to GVR-PREMCO JV. However, the taxpayer claimed ITC of ₹ 5.62 crore. This resulted in excess claim of ITC amounting to ₹ 1.67 crore.

- Alcot Gardens Circle replied (April 2023) that the taxpayer (3XXXXXXXXXXXXXK) issued credit note involving tax of ₹ 0.61 crore. However, instead of reducing tax liability against credit notes issued, the taxpayer claimed ITC of ₹ 0.61 crore.

The reply is not acceptable since Section 34(2) of APGST Act provides for reduction of tax liability of taxpayer against the credit notes issued and the corresponding purchaser has to reduce his ITC. Thus, the ITC availed on credit notes by the taxpayer was irregular.

- Special Circle, Guntur-2 division (erstwhile Chirala circle) replied (July 2023) that the taxpayer has paid IGST of ₹ 0.33 crore on imports. However, the same was claimed erroneously under Table 4A (5) as 'all other ITC' instead of 4A (1) as 'ITC on imports'. However, no supporting documents were provided to audit.

### **2.1.8.5 Irregular availing of ITC under RCM without making payment**

In Reverse Charge Mechanism 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.

Audit noticed that a taxpayer (GSTIN: 3XXXXXXXXXXXXD) under the jurisdiction of China Waltair circle availed ITC of ₹ 1.14 crore under RCM for the year 2017-18 in GSTR-3B whereas ITC paid under RCM in GSTR-3B was ₹ 0.74 crore. This resulted in excess availing of ITC of ₹ 0.40 crore under RCM.

On this being pointed out (October 2022), the Department stated (May 2024) that the taxpayer had reported the ITC in Table 4A(3) - 'Inward supplies liable to reverse charge' instead of Table 4A(5) - 'All other ITC - Supplies from registered persons other than reverse charge' in the GSTR-3B return. However, the supporting documents were not furnished to audit for verification.

### **2.1.8.6 Observations on Undischarged liability**

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

As per Section 8 of the GST (Compensation to States) Act, 2017, a cess is levied on all inter-state and intra-state supply of such goods or services or both which are listed in the schedule of the said Act such as tobacco products, aerated drinks, cigarettes, vehicles, *etc.* Section 9(4) of the APGST Act and Sections 5(3) and 5(4) of the IGST Act provide for reverse charge levy on certain goods or services, wherein the recipient instead of supplier becomes liable to pay tax.

Audit observed undischarged liabilities in six (8.82 *per cent*) out of 68 sampled cases having money value of ₹ 32.57 crore (details are given in **Appendix-2.10**) and significant cases are detailed below.

Turnovers declared in various returns *viz.*, GSTR-9, GSTR-9C, financial statements and the incomes under various heads of income tax returns have been compared and observations on under-declaration of turnovers are detailed in subsequent paragraphs.

#### **(A) Undischarged tax liability (Turnover differences between GSTR-3B and Annual Financial Statements)**

In the following two cases, Audit noticed undischarged liability of ₹ 0.87 crore due to declaring of less turnover in GSTR-3B than the turnover declared in Annual Financial Statement for the year 2017-18. The details are given in **Table-2.12**.

**Table-2.12: Undischarged tax liability**

(₹ in crore)

Sl. No.	GSTIN	Circle	Output Turnover declared in Table 3 of GSTR-3B	Turnover declared in Annual Financial Statement	Under-declared turnover	Tax liability
1	3XXXXXXXXXXXXXB	Gudivada	49.43	56.10	6.67	0.80 <sup>64</sup>
2	3XXXXXXXXXXXXXP	Suryabagh	2.53	3.87	1.34	0.07 <sup>65</sup>

Source: Returns of relevant taxpayers

On this being pointed out (July 2022 to September 2022), AC (ST) Gudivada Circle replied (March 2023) that the differential turnover was due to unbilled revenue of ₹ 6.67 crore for the year 2016-17 which was reported in the Annual Financial Statement for the year 2017-18. The same was disclosed in VAT return as exempted sales and VAT paid was Nil.

The reply could not be verified as a reconciliation statement in form GSTR-9C was not filed by the taxpayer for ascertaining the reasons of unreconciled turnover. Further, no supporting documents evidencing the facts mentioned in the reply were provided. Department needs to verify the taxpayer's claim and intimate to audit with supporting documents.

In other case, Suryabagh Circle replied (May 2024) that demand was confirmed to the taxpayer.

**(B) Undischarged tax liability (Turnover differences in Annual Return and Annual Financial Statements)**

- i) As per the audited financial statements of a works contractor (GSTIN:3XXXXXXXXXXXXXL) of Steel Plant Circle, the taxable turnover for the year 2017-18 was ₹ 1.24 crore. Of the total turnover, as per Chartered Accountant certification, an amount of ₹ 0.26 crore pertains to the period April 2017 to June-2017. It was also observed from the taxpayer's profile that the dealer was registered under GST on 13 September 2017. As seen from VATIS portal, the dealer was not registered under VAT regime. During scrutiny of invoice statement of the dealer, produced by the Department, it was observed that an invoice for an amount of ₹ 0.22 crore raised on 13 March 2018 in the name 'M/s Devalaya Ventures (P) Limited' was not included in the taxable turnover. Thus, an amount of ₹ 0.48 crore was under-declared with a consequential short reporting of tax liability of ₹ 0.06 crore (at the rate of 12 per cent on ₹ 0.48 crore).

On this being pointed out (June 2022) to the Department, it was replied (June 2022) that the case would be examined and reply furnished in due course.

<sup>64</sup> 12 per cent tax on under declared turnover of ₹ 6.67 crore

<sup>65</sup> 5 per cent tax on under declared turnover of ₹ 1.34 crore

- (ii) In the following three cases, the taxpayers had declared less turnover in GSTR-9C than the turnover reported in the financial statements resulted in under-declaration of turnover thereby undischarged liability of ₹ 31.64 crore as detailed in **Table-2.13**.

**Table-2.13: Undischarged tax liability due to incorrect reporting of turnover**

(₹ in crore)

Sl. No.	GSTIN	Circle	Turnover declared in GSTR-9C	Turnover as per Annual Financial Statement	Under-declared turnover	Tax liability <sup>66</sup>
1	3XXXXXXXXXXXX4	Gajuwaka	27.81	129.31	101.50	18.27
2	3XXXXXXXXXXXXV	Gajuwaka	865.39	939.51	74.12	13.34
3	3XXXXXXXXXXXXP	Suryabagh	66.31	66.50	0.19	0.03
<b>Total</b>						31.64

Source: Financial statements of the taxpayers concerned

On this being pointed out (October 2022), the Department replied (July 2024) that in one case, DRC-01 was issued. The Department further stated that as per the taxpayer's reply the turnover belongs to various States. However, no documentary evidence was furnished for verification. In another case, it was replied (June 2023) that the audit was initiated by the CCST Office. In one case, the Department replied (July 2024) that the deviations were covered by the audit proceedings under Section 65 and an amount of ₹ 0.14 crore was paid by the taxpayer.

#### **2.1.8.7 Mismatches/ Discrepancies in the returns on ITC and Tax liabilities**

To verify the cases of mismatches of ITC and Tax liabilities, additional records were called for from the Department. Due to non-production of records and in the absence of specific replies, following cases remained as mismatches in various dimensions as detailed below.

##### **(i) Mismatch between ITC availed in GSTR-9/GSTR-3B and ITC available in GSTR-2A**

To ensure the veracity of ITC utilisation, Audit scrutinised the relevant data in GSTR-9/ GSTR-3B and GSTR-2A for the year 2017-18. The ITC available as per suppliers' details was compared with the ITC credit availed by the taxpayer and noticed that the details were not matched in 32 (47.06 per cent) out of 68 of sampled cases having mismatches of ₹ 87.57 crore (as detailed in **Appendix-2.11**).

On this being pointed out (June 2022 to November 2022), the Department replied (between June 2022 and July 2024) that in one case, an amount of ₹ 3.33 crore was recovered from the taxpayer. In four cases, DRC-07 was issued. In one case, Audit order (ADT-02) was issued. In two cases, DRC-01A was issued. In five cases, notices seeking the clarifications/information were issued and in three cases, ASMT-10 was issued. In one case, the Department reiterated the reply of the

<sup>66</sup> Tax at the rate of 18 per cent

taxpayer without offering the verification remarks. In five cases, the Department furnished the replies without supporting documents. In five cases, it was replied that the matter would be examined and reply submitted in due course. In two cases, it was replied that the taxpayers were transferred to other circles. However, further reply was awaited (July 2024). In one case, it was replied that the GSTR-2A, does not include ITC under RCM, as it is auto populated from B2B transactions only. Due to non-inclusion of RCM ITC in 2A, the difference / excess ITC arose. The reply is not acceptable since, the excess ITC was arrived by audit only on the basis of inward supplies (excluding the RCM ITC). In one case, it was replied that the taxpayer had already reversed ITC of ₹ 16.82 lakh. However, the observation involved an amount of ₹ 18.19 lakh and no reply was furnished for the remaining excess ITC of ₹ 1.37 lakh. In one case, reply was awaited (July 2024).

**(ii) *Mismatches between ITC available as per GSTR-2A and availed in GSTR-3Bs after considering subsequent period's adjustments***

Table 8D of GSTR-9 captures the difference between ITC available as per GSTR-2A and availed as per GSTR-3Bs after considering adjustments in subsequent period. The negative value in Table 8D indicates that the taxpayers availed more ITC than available. Audit verified relevant columns in GSTR-9 pertaining to ITC for the year 2017-18 and noticed from Table 8D that the registered persons might have availed excess ITC due to mismatch.

During the scrutiny of available returns, Audit observed in 21 (30.88 *per cent*) out of 68 sampled cases that there were mismatches of ₹ 70.74 crore between ITC available as per GSTR-2A and ITC availed in GSTR-3B, after considering adjustments in subsequent period (as detailed in **Appendix-2.12**).

On this being pointed out (June 2022 to November 2022), Department replied (between June 2022 and July 2024) that in one case, DRC-07 was issued. In one case DRC-01A was issued. In three cases, notices seeking the clarifications/information were issued and in three cases, ASMT-10 was issued. In three cases, it was replied that cases were under examination and reply would be submitted in due course. In one case, the Department only reiterated the reply of the taxpayer without offering the verification remarks. In three cases, the Department furnished the replies without supporting documents. In two cases, it was replied that the taxpayers were transferred to other circles. However, further reply was awaited (July 2024). In one case, Department replied that the taxpayer had inadvertently claimed ITC on cancelled invoices and reduced the ITC amount in the month of March 2019. Audit could not verify the correctness of reply due to non-furnishing of the supporting documents. In three cases, specific reply to audit observation was not furnished (July 2024).

**(iii) Mismatch in ITC availed as per GSTR-3B and modified value in GSRT-9 (due to negative figures of Table 6J)**

ITC claims are to be credited to electronic credit ledger of taxpayers through GSTR-3B. Table 6A of GSTR-9 depicts the total amount of ITC availed during the year in GSTR-3B which is auto-populated and non-editable. Through Tables 6B to 6H of GSTR-9, the taxpayer provides break-up of ITC available in the form of inputs, input services and capital goods. A comparison of these tables with Table 6A projects the possibility of availment of excess ITC. Table 6J of GSTR-9 brings out the difference of ITC actually availed through GSTR-3B and the ITC declared in Table 6B to 6H of GSTR-9. Where 6J is negative, it indicates excess availment of ITC. The same should be reversed.

During the scrutiny of available returns, Audit observed in two (2.94 *per cent*) out of 68 sampled cases that there were negative values in Table 6J of GSTR-9 depicting mismatches of ₹ 12.68 crore (details are given in **Appendix-2.13**). However, corresponding reversals were not found in GSTR-9 filed by the taxpayer.

On this being pointed out (October 2022 to November 2022), Department replied (between November 2022 and July 2024) that one case was under examination and detailed reply would be submitted in due course and in another case, it was replied that the jurisdiction of taxpayer was transferred to Special Circle-I, State office. Further reply was awaited (July 2024).

**(iv) Mismatch in availment of ISD credit**

An Input Service Distributor (ISD) is a taxpayer who receives invoices for services used by his branches. He distributes the tax paid *i.e.*, ITC to such branches proportionally to the turnover by issuing ISD invoices. The branches can have different GSTINs but must have the same permanent account number (PAN) as that of ISD. Rule 54 of APGST Rules, 2017, provides the distribution of ISD credit to its branches through raising invoices in the same month by filing GSTR-6.

Table 6G of GSTR-9 and Table 4(A)(4) of GSTR-3B captures ITC received from ISD. Comparison of figures from the ISD through GSTR-6 with the recipients' annual return and actual ISD credit availed in GSTR-3B showed anomalies in ITC availed on this account.

Audit observed in three (30 *per cent*) out of 10 sampled cases availment of excess ISD credit of ₹ 0.76 crore (details are given in **Appendix-2.14**).

On this being pointed out (October 2022 to November 22), the Department replied (between October 2022 and July 2023) that in two cases, taxpayers were transferred to Special Circle-I of the State Office. Further reply was awaited (July 2024). In one case, it was replied that the taxpayer voluntarily reversed the ITC through DRC-03 (December 2020). However, Audit observed that the period covered in

DRC-03 was 2018-19 whereas the excess ISD credit was for the period 2017-18. The case needs to be reverified.

**(v) Mismatches in reversals declared by the taxpayers vis-à-vis to be reversed as per Rules 42 and 43**

As per Section 17(2) of the APGST Act 2017, where goods or services or both are used partly for effecting taxable supplies (including zero-rated) and partly for exempt/ non-business use then the amount of credit as attributable to exempt supplies or non-business use should be reversed as per Rules 42 (for exempted supplies) and 43 (for capital goods) of APGST Rules, 2017.

Rules 42<sup>67</sup> and 43<sup>68</sup> of APGST Rules 2017 prescribe that ITC is to be reversed for that portion of common credit<sup>69</sup> and Capital Goods which is attributable to exempt supplies or non-business use.

**A)** Audit examined the reversals made by the taxpayers in respect of common credit attributable to exempt supplies or non-business use and noticed discrepancies in the reversals to be made in ten (14.71 per cent) out of 68 sampled cases having mismatches of ₹ 11.35 crore (details are given in **Appendix-2.15**).

On this being pointed out (June 2022 to November 2022), the Department replied (between June 2022 and July 2024) that in one case, demand order in DRC-07 for an amount of ₹ 2.52 crore was issued. In one case, DRC-01 was issued and in one case, audit under Section 65 was taken up. In four cases, the Department furnished the replies without supporting documents. In one case, Department stated that orders were passed in December 2023. However, Audit noticed that the aspect of common inputs were not covered in the orders; hence needs further verification. In one case, reply furnished was not specific to audit observation. In one case, it was stated that taxpayer was transferred to other Circle. However, further reply was awaited (July 2024).

**B)** Similarly, in the case of ITC reversals pertaining to capital goods, Audit observed mismatches of ₹ 0.21 crore in three (4.41 per cent) out of 68 of sampled cases (details are given in **Appendix-2.16**).

On this being pointed out (October 2022 to November 2022), the Department replied (between April 2023 and July 2023) that in one case, the taxpayer showed

<sup>67</sup> ITC reversed as per GSTR-9 Table 7C/7H should not less than ((exempted and 'Nil' rated turnover)/(Total turnover – Non-GST turnover)) X (ITC (on inputs and services + Imports + ISD + availed in subsequent year till specified period)) – (ITC availed in GSTR-3B + blocked credit + reversals made in previous year)

<sup>68</sup> ITC reversed as per GSTR-9 Table 7D should not less than ((exempted and 'Nil' rated turnover)/(Total turnover – Non-GST turnover) X ITC (capital goods + Imports + ISD + availed in subsequent year till specified period) – (ITC availed in GSTR-3B + blocked credit)

<sup>69</sup> The expression, 'common credit' means that part of ITC which cannot be identified specifically to taxable supplies including zero-rated or exempt supplies or non-business rather commonly used for taxable supplies, exempt supplies or/and for non-business use

taxable supply under RCM as exempted turnover and there was no common credit. The reply is not acceptable since, in GSTR-9C Chartered Accountant certified that there exists an exempted supply. In one case, though the taxpayer reversed an amount of ₹ 0.11 crore in July 2020, still an amount of ₹ 0.02 crore has to be reversed. In the remaining case, it was replied that the taxpayer was transferred to Special Circle-I, State Office. However, further reply is awaited (July 2024).

**(vi) Mismatch of ITC between annual return and financial statements (GSTR-9C)**

Sections 35(5) and 44(2) of APGST Act, 2017 read with Rule 80(3) of APGST Rules 2017, stipulate that every registered person whose aggregate turnover during a financial year exceeds ₹ two crore (for 2017-18) should get his accounts audited and furnish a copy of audited annual accounts and a reconciliation statement in Form GSTR-9C.

The details furnished in the GSTR-9C were analysed with that of annual return (GSTR-9) and observed that there were unreconciled ITC between the amounts declared in the annual return and ITC availed (Table 12F)/ availed on expenses (Table 14T) as per GSTR-9C.

**(A)** The discrepancy was noticed in three (4.41 *per cent*) out of 68 sampled cases related to Table 12F involving mismatches of ₹ 10.76 crore (details are given in *Appendix-2.17*).

On this being pointed out (October 2022 to November 2022), the Department replied (between November 2022 and July 2023) that in one case, ASMT-10 was issued, In one case, notice seeking the clarifications/information was issued and in one case, Audit under section 65 was taken up.

**(B)** Further, the discrepancy was also noticed in two (2.94 *per cent*) out of 68 sampled cases related to Table 14T involving mismatches of ₹ 10.67 crore (as detailed in *Appendix-2.17*).

On this being pointed out (June 2022 to November 2022), in one case the Department Stated (April 2023) that notice seeking the clarifications/information was issued to taxpayer and in the other case reiterated taxpayer's reply without offering the verification remarks.

**(vii) Mismatch in turnovers between Annual return and Financial Statements**

As per Section 61 (1) of the APGST Act, 2017, the proper officer may scrutinise the return and related particulars furnished by the registered person to verify the correctness of the return and inform him of the discrepancies noticed, if any, and seek his explanation thereto. Further, as per Section 20 of IGST Act, 2017, the provisions mentioned above are applicable for levy of IGST also.

As per Section 35(5) and Section 44(2) of APGST Act read with Rule 80(3) of APGST Rules, 2017, every registered person specified and whose turnover during a financial year exceeds two crore rupees should get his accounts audited by a Chartered Accountant or a Cost Accountant and should submit a copy of the audited annual accounts, the reconciliation statement duly certified in Form GSTR-9C. Table 5R of GSTR-9C captures the unreconciled amounts of total turnover whereas Table 7G captures the unreconciled amounts of taxable turnover between the annual return GSTR-9 and that declared in the annual financial statement for the year after the requisite adjustments.

**(A)** Audit noticed instances of unreconciled total turnovers (Table 5R of GSTR-9C) in respect of five (7.35 *per cent*) out of 68 sampled cases amounting to ₹ 602.43 crore (details are given in *Appendix-2.18*).

On this being pointed out (June 2022 to November 2022), the Department replied (between June 2022 and July 2024) that in two cases, notices seeking the clarifications/information were issued. In one case, it was replied that the taxpayer reported wrong turnovers in GSTR-9C under table-5, which leads to the excess un-reconciled turnover of ₹ 1.98 crore. AC(ST) has allowed all the incomes excluding the ground rent interest received and levied a tax amount of ₹ 4.95 lakh along with the penalty and interest. The reply is not acceptable since, the unreconciled turnover declared in the GSTR-9C was ₹ 3.51 crore whereas the assessed unreconciled amount is only ₹ 1.98 crore. Further, the details of unreconciled turnover were also not furnished audit. Due to this, audit could not verify the applicability of GST on the assessed unreconciled turnovers. In one case, it was stated that reply would be furnished in due course and in one case, specific reply to the audit observation was not furnished.

**(B)** Audit also noticed instances of unreconciled taxable turnovers (Table 7G of GSTR-9C) in respect of three (4.41 *per cent*) out of 68 sampled cases amounting to ₹ 72.82 crore (details are given in *Appendix-2.18*).

On this being pointed out (August 2022 to November 2022), the Department replied (November 2022 to December 2022) that in one case, audit has been taken up under section 65. In one case, the Department stated that the unreconciled turnover pertains to other States, however, supporting documents were not provided. In the remaining case, it was replied that the mismatch arose due to non-receipt of pending bills amounts. Reply is not acceptable as discharging of liability doesn't depend on the realisation of pending bills.

**(viii) *Mismatch in tax paid between Annual Returns and books of accounts***

Table 9 of the 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.

Audit compared the tax payable as per GSTR-9C with tax actually paid in GSTR-9 and noticed mismatches of ₹ 9.71 crore in 15 (22.06 *per cent*) out of 68 sampled cases (details are given in **Appendix-2.19**).

On this being pointed out (June 2022 to November 2022), the Department replied (between June 2022 and July 2024) that in one case, an amount of ₹ 0.16 crore was collected. In one case DRC-07 was issued. In three cases, notices seeking the clarifications/information were issued and in one case, ASMT-10 was issued. In one case, the Department forwarded the taxpayer's reply without offering any verification remarks and in three cases, supporting documents were not provided along with the replies. It was further stated that two cases were under examination and reply would be submitted in due course. Specific replies to the audit observations were not furnished in the remaining three cases (July 2024).

**(ix) Mismatches in liabilities declared in GSTR-1, GSTR-3B and GSTR-9**

To analyse undischarged tax liability, relevant data was 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 amount declared in GSTR-9. Cases where GSTR-9 was not available, a comparison of tax payable and paid between GSTR-1 and GSTR-3B was made. The amendments and advance adjustments declared in GSTR-1 and GSTR-9 were also considered for this purpose.

Audit compared the greater of the tax liability between GSTR-1 and GSTR-9 with the tax paid amount declared in GSTR-9/GSTR-3B and noticed un-discharged tax liability in 25 (36.76 *per cent*) out of 68 sampled cases having mismatches of ₹ 33.75 crore (details are given in **Appendix-2.20**).

On this being pointed out (June 2022 to November 2022), Department replied (between June 2022 to July 2024) that in one case, demand notice was issued. In two cases, audit under Section 65 was taken up. In one case, DRC-01 was issued and in two cases, DRC-01A was issued. In four cases, notices seeking the clarifications/information were issued and in one case, ASMT-10 was issued. In one case, the Department reiterated taxpayer's reply without offering any verification remarks and in five cases supporting documents were not provided along with the replies. In one case, it was replied that the undischarged liability of ₹0.12 crore was discharged in subsequent periods. On verification, it was observed that only an amount of ₹ 0.09 crore was discharged and still the liability of ₹0.03 crore remains undischarged. In one case, it was replied that the undischarged liability was due to credit notes issued, however even after considering the credit notes, there still exist a liability mismatch of ₹0.03 crore. In four cases, it was stated that the cases were under examination and reply would be submitted in due course. In one case, it was replied that the taxpayer was transferred to other Circle. However, further reply was awaited (July 2024). In remaining one case, specific reply to the audit observation was not furnished.

**(x) Non-verification of the sundry creditors details**

As per the provisions of Rule 37(1) of the APGST Rules, 2017, a registered person, who receives supplies but fails to pay the value of supply to the supplier within 180 days from the date of issue of invoice, the proportionate ITC claimed on the supply should be reversed.

The Department had provided balance sheets to the end of March 2018 in 16 (23.53 per cent) out of 68 cases and scrutiny showed that the total amount of trade payables in these cases was ₹ 33,811.15 crore (details are given in **Appendix-2.21**). The Department, however, did not furnish ledgers as on 31 March 2018 relating trade payable in these cases. Hence, Audit could not identify the instances where payments were not made even after completion of 180 days.

On this being pointed out (June 2022 to November 2022), Department replied (between June 2022 to January 2024) that in one case, Audit was taken up under Section 65. In one case, notice seeking the clarification/information was issued and in three cases, ASMT-10 was issued. In two cases supporting documents were not provided along with the replies. In two cases, it was replied that the cases were under examination and reply would be submitted in due course. In two cases, it was replied that the cases were transferred to Special Circle. However, further reply is awaited (July 2024). Specific replies to audit observation were not received in remaining three cases (July 2024). Reply was awaited in two cases (July 2024).

During the Exit Conference (June 2023), the Chief Commissioner (State Tax) Department stated that the issues were being pursued by Circle offices. Regarding production of ledger accounts of sundry creditors to Audit for ensuring that payments were made within 180 days and to ascertain the eligible amount of ITC, the Chief Commissioner admitted about the need of verification of sundry creditor's ledgers. Government replied (May 2024) that the proper officer will verify the details as and when the books of accounts are audited as authorised by the State Monitoring Committee. However, if any officer fails to verify this aspect during inspection responsibility will be fixed against the officer.

***Recommendation 2.5: The Department may introduce a module to prompt alerts on mismatches in various returns viz., annual return (GSTR-9), reconciliation statement (GSTR-9C), monthly returns (GSTR-1 and GSTR-3B) etc., to aid the proper officer for identifying and verifying the mismatches.***

**Government replied (May 2024) that GSTN will be addressed to introduce such a module. Further stated that a 'Returns Scrutiny Tool' was developed in department's network (APTIS) to generate reports on mismatches in respect of ITC, output tax liability, tax liability under RCM, restriction of ITC proportionate to exempt supplies, etc., and suitable action are being taken on those mismatches.**

**Recommendation 2.6: The Department may initiate remedial action for all the compliance deviations brought out in this report before they get time barred.**

**Government in the reply (May 2024) assured for taking remedial action to address all the deviation noticed by audit. Further stated that these issues will be resolved before they become time barred.**

**Regarding case-wise audit observations included in the report, Government stated (May 2024) that, since the proper officers of the department are engaged in inspection/ audit of cases for the year 2019-20 which were becoming time barred by 31 May 2024, specific remarks would be submitted in due course**

### **2.1.9 Conclusion**

Subject specific compliance audit on ‘Department’s Oversight on GST Payments and Return Filing’ revealed deficiencies like mismatches in turnovers/ taxable turnovers and tax paid amounts, excess availment of ITC, undischarged tax liability, under-declaration of turnovers, short payment of interest on delayed payments *etc.* which indicates non-compliance with the provisions by the taxpayers and ineffective verification by the Department. It was noticed further that compliance by the Department regarding scrutiny of returns, cancellation of registrations and action taken on late filers/ non-filers was inadequate.

The Department had accepted audit observations in 84 (out of total 416) cases and in 51 cases amounting to ₹ 143.98 crore, recoveries made/ demand notices were issued (July 2024). Department needs to increase its efforts in scrutiny of returns and internal audit to verify the correctness of self-assessment of tax liability by the taxpayers.

The Department also needs to respond expeditiously to audit observations so that mismatches pointed out by the Audit through Limited and Detailed audit are resolved quickly and recovery of dues to the Government is ensured.

The Department did not provide the additional records of taxpayers sought by Audit due to which the Audit could not establish the mismatches noticed in the returns filed by the taxpayers into logical conclusions. The Department needs to provide records to the Audit so that audit process reaches its logical conclusion through detailed examination of records of taxpayers.

Considering the significant rate of compliance deficiencies, the Department must initiate remedial measures before they get time barred. From a systemic perspective, the Department needs to strengthen the scrutiny of returns and internal audit and reinforce the institutional mechanism in the Circles to establish and maintain effective oversight on return filing, taxpayer compliance, tax payments, follow up of other tax authorities’ reports, cancellation of registrations and recovery of dues from defaulters.

## 2.2 Non-levy of interest and penalty for belated payment of tax under VAT Act

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

As per Section 22(2) of APVAT Act, 2005 (VAT Act), if any dealer fails to pay the tax due within the time prescribed, he shall be liable to pay interest at the rate of 1.25 per cent per month for the period of delay in addition to such tax or penalty. Under Section 51(1) of the Act, if a dealer fails to pay tax on the basis of the return submitted by him by the last day of the month in which it is due, penalty at the rate of 10 per cent of the amount of tax due is to be paid, in addition to such tax.

During test check of the VAT returns and payment records of two circles<sup>70</sup>, it was observed<sup>71</sup> that in nine cases, the dealers paid tax after the due dates with delays ranging from 5 to 1,644 days. The Assessing Authorities (AA), however, did not levy any interest and penalty for belated payments of tax which was contrary to the provisions. This resulted in non-levy of interest (₹ 22.12 lakh) and penalty (₹ 52.79 lakh) amounting to ₹ 74.91 lakh.

In response, Government accepted (December 2022) the audit observation in all the nine cases and stated that the amounts were taken to Debt Management Unit (DMU).

## 2.3 Non-levy/ short levy of penalty for under-declaration of tax

**Assessing Authorities did not levy penalty or levied penalty at lower rate 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.**

As per Rule 25 (8) (a) and (b) of APVAT Rules, 2005, the tax under-declared means the excess of Input Tax Credit (ITC) claimed over and above the ITC actually entitled or the difference between output tax actually chargeable and the output tax declared in the returns. As per Section 53 (1) of VAT Act, where any dealer has under-declared tax and where it has not been established that fraud or wilful neglect has been committed and where the under-declared tax is less than 10 per cent of the tax, a penalty at 10 per cent of such under-declared tax shall be imposed and if the under-declared tax is more than 10 per cent of the tax due, penalty at 25 per cent shall be levied.

During test check of records of three circles<sup>72</sup>, Audit observed<sup>73</sup> from the VAT assessment files of five dealers that there were cases of under-declaration of output tax and excess claim of ITC for reasons other than fraud/ wilful neglect. However, the AAs

<sup>70</sup> China Waltair (7 cases) and Suryabagh (2 cases)

<sup>71</sup> between February 2022 and March 2022 covering the period from November 2014 to June 2017

<sup>72</sup> China Waltair, Dwarakanagar and Gajuwaka (3 cases)

<sup>73</sup> between February 2022 and March 2022 covering the period from 2013-14 to 2017-18 (up to June 2017)

either short levied or did not levy any penalty in these cases. This had resulted in non-levy/short levy of penalty of ₹ 33.50 lakh over the under-declared tax of ₹ 1.44 crore.

In response, Government replied (December 2022) that in three cases<sup>74</sup>, assessment files were submitted to Deputy Commissioner (ST), Visakhapatnam for revision. The AA, Visakhapatnam-II circle, in the case of a taxpayer, replied (January 2024) that revision order was passed (July 2023) for ₹ 97,763 and collected the amount. Audit verified the revision order and observed that full amounts of 'Salary and Bonus' were allowed to deduct from taxable turnover instead of prorata basis with reference to 'Labour and Services' component. This resulted in excess exemption of ₹94.46 lakh and thus escaped from tax liability of ₹ 6.41 lakh. The case needs re-examination.

In respect of another case, the AA replied (October 2023) that the dealer had neither utilised nor adjusted the ITC against output tax. Hence, there was no excess input tax availed by the dealer. The reply is not acceptable since, as noticed from the DCB report, the dealer had adjusted an amount of ₹10.18 lakh towards CST (₹6.93 lakh) and output tax (₹3.25 lakh) in the months of May and June 2017 respectively.

In one case relating to Gajuwaka circle show cause notice was issued to the dealer. In remaining one case relating to China Waltair circle Government replied that penalty cannot be levied under Section 53(3) of APVAT Act as the AA had not established the offence as fraud or wilful neglect during the assessment and the assessments were barred by limitation of time. The reply is not acceptable. Though there was no wilful under-declaration of tax in this case, penalty was to be levied at 25 *per cent* since the under-declared tax was more than 10 *per cent* of the tax. Further, as per the Orders (10 January 2022) of the Hon'ble Supreme Court, the period from 15 March 2020 to 28 February 2022 shall stand excluded for the purpose of limitation of time.

#### **2.4 Short/ non-levy of interest on belated payment of deferred tax**

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

Under 'Target 2000 sales tax incentives scheme' promulgated by the State Government in 1996, industrial units were allowed deferment of sales tax for a period of 14 years or sales tax exemption for a period of seven years to the extent of incentive limit as mentioned in Final Eligibility Certificate. As per Section 69 of VAT Act read with Rule 67 of VAT Rules, 2005, all sales tax exemption cases sanctioned prior to the enactment of VAT Act were converted as sales tax deferment cases by doubling the period left over<sup>75</sup> without change in monetary limit of the amount sanctioned. The units, already availing tax deferment prior to commencement of the VAT Act, shall continue to be eligible to avail the balance amount available as on 31st day of March 2005 and for the period as mentioned in the eligibility certificate. In case of

---

<sup>74</sup> Dwarakanagar and Gajuwaka (2 cases)

<sup>75</sup> period left over means the difference of period between date of completion of eligibility shown in the certificate of eligibility and 1st day of April 2005

non-remittance of deferred sales tax<sup>76</sup> on the due dates under the ‘Target 2000 sales tax incentives scheme’, interest<sup>77</sup> at 21.5 *per cent* per annum was to be paid.

During test check of records of Gajuwaka circle, Audit observed<sup>78</sup> that in two cases, the dealers availed sales tax deferment and in one case the dealer availed sales tax holiday (sales tax exemption). The dealers paid the deferred tax after the due dates with delays ranging from 5 to 704 days. However, the AA either short levied or did not levy any interest in these cases. This had resulted in non-levy/short levy of interest of ₹ 29.04 lakh on belated payments of deferred tax.

In response, Government replied (December 2022) that notices were issued (between June 2022 and July 2022) to the dealers and rectification report would be submitted in due course. In one case, the AA, Gajuwaka circle replied (October 2023) that an amount of ₹ 7.17 lakh (against ₹ 8.36 lakh) was collected from the dealer.

## **2.5 Tax on interstate sales**

### **2.5.1 Short levy of tax due to application of incorrect rate of tax under CST Act**

**Application of incorrect rate of tax on interstate sales resulted in short levy of tax of ₹ 17.28 lakh in five cases.**

As per Section 8 (1) of the CST Act, 1956 read with Rule 12 (1) of CST (Registration and Turnover) Rules, 1957, interstate sales not supported by ‘C’ declaration forms are liable to tax at the rate applicable to sale of such goods inside the appropriate State. Taxes on interstate sales supported by ‘C’ declaration forms are liable to tax at the rate of two *per cent* as per Section 8(1) of the Act. Under Section 4(3) of the AP VAT Act, 2005, every VAT dealer shall pay tax on sale of taxable goods at the rates specified in the Schedules to the Act. Further, as per Section 6(2) of the CST Act, read with Rules 12(1) and (4) of CST (R&T) Rules, transit sales not supported by ‘E’ declaration forms along with ‘C’ declaration forms are liable to tax at the rate applicable to sale of such goods inside the appropriate State.

The commodities ‘electrical goods, fire safety equipment, gas stoves and accessories, waste oils and wooden scrap’ are not specified in any of the Schedules to the VAT Act, 2005 and therefore fall under Schedule-V and are liable for tax at the rate of 14.5 *per cent*.

During test check of CST records of three circles<sup>79</sup>, Audit observed<sup>80</sup> that in five cases, the AAs had levied tax at the rate of five *per cent* instead of 14.5 *per cent* on the

<sup>76</sup> the deferred tax would be treated as deemed loan and the deferment allowed to in the first year should be paid back in lumpsum at the end of the 14<sup>th</sup> year thereof without interest. Similarly, the deferment allowed in the second year should be paid back in lumpsum at the end of the 15<sup>th</sup> year and so on.

<sup>77</sup> as per G.O. Ms. No.108, Industries & Commerce (IP) Department, dated 20 May 1996

<sup>78</sup> in March 2022 (deferred tax payments) for the period from 1999-00 to 2012-13

<sup>79</sup> Krishnalanka (2 cases), Steel Plant (2 cases) and Suryabagh

<sup>80</sup> between March 2020 and March 2022 covering the period from 2014-15 to 2017-18 (up to June 2017)

interstate sales turnover not supported by 'C/E' declaration forms. This had resulted in short levy of tax of ₹ 17.28 lakh on the turnover of ₹ 1.82 crore.

In response, Government replied (December 2022) that in two cases relating to Steel Plant circle, show cause notices were issued to the dealers. The AA, Steel Plant circle replied (June 2023) that effectual orders have been passed duly considering taxable turnover of commodities leviable with five *per cent* and 14.5 *per cent* tax rates. An amount of ₹ 1.77 lakh (against ₹ 8.50 lakh) was collected. Supporting documentary evidence about supply of five *per cent* taxable items (*viz.*, LD Covers, Scrap, MS Scrap, Plastic Scrap) were however, not furnished along with the reply for verification.

In one case relating to Suryabagh circle, the assessment file was submitted to Deputy Commissioner (ST), Visakhapatnam for revision. In remaining two cases relating to Krishnalanka circle, Department accepted (November 2022) the audit observation and stated that the amounts were taken to DMU.

### **2.5.2 Non-levy of interest for belated payment of tax under CST Act**

#### **Assessing Authority in two cases did not levy interest of ₹ 8.11 lakh on belated payments of tax under CST Act.**

As per Section 9 (2B) of CST Act, 1956, if the tax payable by any dealer under this Act was not paid in time, the dealer shall be liable to pay interest for delayed payment of such tax. For this, all the provisions for delayed payment of such tax and all the provisions relating to due date for payment of tax, rate of interest for delayed payment of tax of APVAT Act, 2005 shall apply.

As per Section 22(2) of VAT Act, if any dealer fails to pay the tax due within prescribed time, interest at the rate of 1.25 *per cent* per month for the period of delay was liable to be paid in addition to such tax or penalty.

During test check of the CST returns and payment records of China Waltair circle, it was observed<sup>81</sup> that in two cases, the dealers paid tax after the due dates with delays of 1,292 days and 1,764 days respectively. The AA, however, did not levy any interest for belated payments of tax which was contrary to the provisions. This had resulted in non-levy of interest of ₹ 8.11 lakh on belated payments of CST.

In response, Government accepted (December 2022) the audit observation and stated that the amounts were taken to DMU.

---

<sup>81</sup> in February 2022 covering the period from April 2016 to June 2017

### 2.5.3 Short levy of tax due to variation of turnover adopted in CST assessment and P&L account

**Assessing Authority did not levy tax of ₹ 6.57 lakh on turnover varied between P&L account and CST assessment order.**

As per Rule 17 of APCST Rules, 1957 the provisions contained in the VAT Act relating to the inspection of books, accounts or documents kept and maintained by the dealer, the entry into any premises at all reasonable times by the officers duly empowered for the purposes of search for any such books, accounts or documents kept or suspected to be kept in such premises and the seizure of such books, accounts or documents shall so far as may be, apply in relation to those matters under CST Act.

Rule 25(10) of the APVAT Rules, 2005 requires all the VAT dealers to furnish for every financial year to the prescribed authority, the statements of manufacturing/trading, profit and loss accounts, balance sheet and annual report duly certified by a Chartered Accountant on or before 31 December subsequent to the financial year to which the statements relate. As per para 5.12 of the VAT Audit Manual 2012, audit officer has to reconcile the figures given by the dealer on VAT returns with certified annual accounts.

During test check of CST Assessment files and Profit & Loss (P&L) accounts in China Waltair circle, Audit observed<sup>82</sup> that in one case, there was variation of turnover reported in P&L Account and CST assessment order. The dealer had shown consignment sales of VKGUY<sup>83</sup> licenses for an amount of ₹ 15.78 crore in the CST assessment and got exemption from the CST by submitting 'F' forms. However, as per the P&L account the dealer made MEIS<sup>84</sup> sales of ₹ 17.09 crore. Thus, there was an escaped turnover of ₹ 1.31 crore for which tax was to be levied at five *per cent*. This had resulted in short levy of tax to the extent of ₹ 6.57 lakh.

In response, Government accepted (December 2022) the audit observation and stated that the amount was taken to DMU.

### 2.6 Short levy of tax due to incorrect determination of taxable turnover under works contract

**Incorrect determination of taxable turnover due to adoption of wrong formulas had resulted in short levy of tax of ₹ 8.87 lakh.**

Under Section 4(7)(a) of the VAT Act, tax on works contract receipts is to be paid on the value of goods at the time of their incorporation in the work, at the rates applicable under the Act. To arrive at the value of goods at the time of incorporation, the deductions prescribed under Rule 17(1)(e) of AP VAT Rules, 2005, such as

<sup>82</sup> in February 2022 for the Financial Year 2016-17

<sup>83</sup> Vishesh Krishi and Gram Udyog Yojana

<sup>84</sup> VKGUY scheme was replaced with MEIS (Merchandise Exports from India Scheme) vide Foreign Trade Policy 2015-20

expenditure towards labour charges, hire charges *etc.*, incurred by the contractor, are to be allowed as deductions from the total consideration and on the balance turnover, tax is to be levied at the same rates at which purchase of goods were made and in the same proportions.

During test check of the VAT assessment files in Suryabagh circle, Audit observed<sup>85</sup> that the AA, in one case of a dealer while finalising the assessment, had incorrectly determined the taxable turnover by adopting wrong formulas for assessing portion of establishment charges and profit relatable to labour and services<sup>86</sup>; and also for computing tax<sup>87</sup> on taxable turnover. Further, for the year 2016-17 the AA adopted incorrect purchase values in working out ratio of purchases for calculating output tax on prorata basis. This had resulted in short levy of tax of ₹ 8.87 lakh.

In response, Government replied (December 2022) that the VAT assessment file was submitted to Deputy Commissioner (ST), Visakhapatnam for revision.

---

<sup>85</sup> in March 2022 covering the period from 2012-13 to 2016-17

<sup>86</sup> adopted labour, services and material components in the denominator instead of gross consideration received

<sup>87</sup> adopted 100+rate of tax in the denominator instead 100 while computing tax (at five *per cent* / 14.5 *per cent*)

---

***CHAPTER III***  
***REGISTRATION***  
***&***  
***STAMPS***



## CHAPTER III REGISTRATION & STAMPS

‘Stamp duty’ is payable on certain documents specified by statute to make them legally effective. ‘Registration fee’ refers to the fee levied and collected by the State Government for registration of documents. ‘Transfer duty’ means the duty for transfer of property leviable as per the statute.

There are 321 auditable units in the Department of Registration & Stamps. Of these, audit test-checked records in 45 units (14.01 *per cent*) during 2021-22. Audit brought out instances of non-levy or short levy of duties/fees, *etc.*, in 278 cases involving an amount of ₹ 68.45 crore.

Significant cases of non-compliance with the provisions of the Acts/Rules by the Registering Authorities (RA) as detailed in the following paragraphs resulted in short realisation of Stamp Duty and Registration fee of ₹ 58.97 crore. Government/ Department has accepted audit observations involving ₹ 4.45 crore and recovered an amount of ₹ 0.13 crore.

Schedule 1-A of Indian Stamp Act, 1899 (IS Act) stipulated the duties to be levied on documents based on their category. As per the provisions of various Articles of Schedule 1-A to IS Act, Stamp duty, Registration fee and Transfer duty leviable on chargeable value of registered documents on which observations were made by Audit are detailed in **Table-3.1**.

**Table-3.1: Duties and fee to be leviable under various Articles of Schedule 1-A to IS Act**

Article of Schedule 1-A	Nature of the deed	Stamp duty <sup>88</sup> leviable	Registration fee <sup>89</sup> leviable	Transfer Duty <sup>90</sup> leviable
Article 6B	Agreements relating to sale of property without possession, Development / Construction Agreement	0.5 <i>per cent</i>	0.5 <i>per cent</i> (subject to a minimum of ₹ 1,000 and maximum of ₹ 20,000)	-Nil-
	Agreement to sell with General Power of Attorney (AGPA)	5 <i>per cent</i>	₹ 2,000	-Nil-
	Development agreement-cum- GPA	1 <i>per cent</i>	0.5 <i>per cent</i> (subject to a maximum of ₹ 20,000)	-Nil-

<sup>88</sup> G.O. Ms. No. 1128 of Revenue (Registration-I) Department, dated 13 June 2005  
G.O. Ms. No. 581 of Revenue (Registration-I) Department, dated 30 November 2013  
G.O. Ms. No.582 of Revenue (Registration-I) Department, dated 30 November 2013  
G.O. Ms. No.583 of Revenue (Registration-I) Department, dated 30 November 2013 &  
G.O. Ms. No. 395 of Revenue (Registration-I) Department, dated 26 November 2014

<sup>89</sup> G.O. Ms. No. 463 of Revenue (Registration-I) Department, dated 17 August 2013

<sup>90</sup> G.O. Ms. No. 150 of MAU (TC) Department, dated 06 April 2013

Article of Schedule 1-A	Nature of the deed	Stamp duty <sup>88</sup> leviable	Registration fee <sup>89</sup> leviable	Transfer Duty <sup>90</sup> leviable
Article 7(a)	Deposit of title deeds (DoTD)	0.5 per cent (subject to maximum of ₹ 50,000)	0.1 per cent (subject to maximum of ₹ 10,000)	-Nil-
Article 20 (c)	Conveyance	4 per cent	0.5 per cent	-Nil-
Article 29	Gift in favour of family members	2 per cent	0.5 per cent (subject to a minimum of ₹ 1,000 and maximum of ₹ 10,000)	1.5 per cent
Article 35 (b)	Simple mortgage	0.5 per cent	0.1 per cent	-Nil-
Article 40	Partition among family member	1 per cent	₹ 1,000	-Nil-
Article 40 (ii)	Partition among others	2 per cent		-Nil-
Article 42 (g)	General Power of Attorney (GPA) in favour of others	1 per cent	0.5 per cent (subject to a minimum of ₹ 1,000 and maximum of ₹ 20,000)	-Nil-
Article 46(A)	Release	3 per cent	0.5 per cent (subject to a minimum of ₹ 1,000 and maximum of ₹ 10,000)	-Nil-
Article 47-A	Sale deed	5 per cent	1 per cent	1.5 per cent
Article 49-A (a)	Settlement to family members	2 per cent	0.5 per cent (subject to a minimum of ₹ 1,000 and maximum of ₹ 10,000)	-Nil-
Article 49-A (b)	Settlement to others	3 per cent		-Nil-

Source: IS Act and Government Orders issued from time to time

Audit observations are detailed in subsequent paragraphs.

### 3.1 Short collection of Registration Fee on instruments creating *Paripassu* charge

**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.**

As per the definition of ‘Charge’ under Section 100 of Transfer of Property Act, 1882 where an immovable property of one person is shown as security for the payment of money to another, and the transaction does not amount to a mortgage, the latter person is said to have a charge on the property.

Government, in their orders<sup>91</sup> (August 2013) prescribed registration fee of 0.5 per cent on the amount of loan secured on instrument creating charge on ‘Paripassu’<sup>92</sup> basis. Commissioner and Inspector General of Registration and Stamps (C&IGRS) in his proceedings<sup>93</sup>, clarified that the ‘Paripassu’ agreements come into existence when an industrial firm/ company obtains credit facilities from more than one financial

<sup>91</sup> G.O. Ms. No. 463 of Revenue (Registration-I) Department, dated 17 August 2013

<sup>92</sup> *Paripassu* is a Latin phrase meaning ‘equal footing’; As per Companies Act, when a security is shared between two or more lenders in proportion to their outstanding loan amount it is called ‘Paripassu’ charge

<sup>93</sup> CIGR Proceedings No. S2/24846/82, dated 15 October 1982

institution by offering securities on ‘Paripassu’ basis on all or any of the securities viz., ‘Simple Mortgage’, ‘Mortgage by Deposit of Title Deeds (DoTD)’ and ‘Hypothecation of movable properties’.

Audit test-checked records in one District Registrar (DR) and three Sub-Registrar (SR) offices<sup>94</sup> and observed<sup>95</sup> that in five cases the borrowers had deposited title deeds of immovable property in favour of different banks and secured loans by creating charge on ‘Paripassu’ basis on their properties. However, the registering authorities levied registration fee of ₹ 1.73 lakh in one case related to SR, Sarpavaram. It was noticed in Audit that, as per recitals of the registered document, loan of ₹ 2,226.40 crore was given by Rabo bank, HDFC bank and ECB (External commercial borrowings) term lenders on first charge ranking equally in proportion to their respective loan amounts. Further, loan of ₹ 7,200 crore was given by SBI and new Working Capital lenders on second charge ranking equally in proportion to their respective loan amounts. In remaining cases, ₹ 10,000 was levied by treating the documents as DoTD instead of charging under ‘Paripassu’. This resulted in short collection of registration fee of ₹ 52.37 crore as detailed in **Appendix-3.1**. Despite specific instructions for levying registration fee at 0.5 per cent in ‘Paripassu’ agreements, non-compliance with the instructions and treating the documents as DoTD has resulted in undue benefit to the parties.

DR, Kakinada in one case relating to SR, Sarpavaram replied (February 2023) that as per recitals the document registered was a Memorandum of Deposit of Title deeds relating to immovable properties to secure the loan amount availed by the borrower. Further, stated that there was no mention of paripassu in the recitals. Reply is not acceptable as this will come under paripassu as per the clarification issued by C&IGRS.

Government in their reply (January 2023) accepted audit observation in two cases (viz., DR, Kurnool and SR, Dharmavaram) and stated that deficit amount of ₹ 3.23 crore would be collected from the parties concerned.

### **3.2 Short levy of duties and fees due to undervaluation of properties**

**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 by the registering authorities resulted in short levy of duties of ₹ 2.15 crore.**

Section 27 of IS Act stipulates that an instrument should contain details like consideration, market value (MV) of the property, all other facts and circumstances affecting the levy of duty on it without any suppression. As per Rule 7 of AP Revision of MV Guidelines Rules, 1998, different values have been fixed for agricultural lands fit for house sites/ residential localities<sup>96</sup>.

<sup>94</sup> DR Kurnool; SRs: Dharmavaram, Sarpavaram and Stonehousepet

<sup>95</sup> between January 2022 and March 2022

<sup>96</sup> For urban properties: Form I (as per classification of properties) and Form II (as per Door No. of the properties); for Rural properties Form III (as per classification of properties) and Form IV (as per survey no. of the properties)

Further, Government Orders (G.O.) of July 2010<sup>97</sup> stipulated to consider composite rates (per sft.) for valuation of apartments/ flats/ portion of multistoried buildings/ part of such structures. Circular instructions of C&IGRS dated 10 October 2013, mandated to adopt composite rate for multistoried buildings/ apartments whose stage of construction was complete.

During test check of records<sup>98</sup> in the offices of eight DR and five SR offices<sup>99</sup>, we observed that in 32<sup>100</sup> documents the registering authorities adopted lower market values than applicable/ lesser area of the properties which resulted in short levy of duties amounting to ₹ 2.15 crore as detailed in **Appendix-3.2**.

In response to audit observation on non-considering composite rate for completed multistoried buildings, in two cases relating to DR, Tirupati and SR, Madanapalle, Deputy Inspector General, Chittoor replied (March 2022) that the property contained multiple floors which was being used for commercial purpose and there were no separate dwelling units located in the said structure. Hence, commercial rate fixed for land and value of the structure were taken into consideration. Reply of the Department is not acceptable. As per the G.O., composite values are to be considered for the structures to which AP Apartments (Promotion of construction and ownership) Act, 1987 are applicable. Further, as per the Act, apartment can be used for residence, office, practice of any profession, *etc.* Hence, composite values are applicable to commercial units also.

SR, Proddatur replied (June 2022), in a case<sup>101</sup> (out of six cases) that, the structure is multistoried building with five floors. Since AP Apartment Act/ Rules are not applicable to the structures erected on common walls, structure rates were applicable in the instant case. Reply is not acceptable. As seen from the recitals of the document, vendor has sold completed structure for which composite rate is applicable as per the G.O. The audited unit accepted audit observation in the remaining five cases involving ₹ 10.44 lakh.

DR, Vijayawada replied (March 2022) that survey Nos.127-2A and 127-2C of Nuziveedu village were not included in Classification-(5) of Form-IV. Reply is not acceptable. As per C&IGRS circular<sup>102</sup> (October 2013), agriculture land bearing a survey number whose rate is not found in Form-IV, land rate mentioned in Form-III as per classification is to be adopted. The Department, however, had not considered the value included in Form III.

---

<sup>97</sup> G.O. Ms. No. 720 of Revenue (Registration-I) Department, dated 30 July 2010

<sup>98</sup> between September 2021 and March 2022

<sup>99</sup> **DRs:** Anakapalli, Bhimavaram, Kurnool, Nellore, Proddatur, Tirupati, Vijayawada and Vizianagaram

**SRs:** Ananthapuramu Rural, Dwarakanagar, Gannavaram, Madanapalle and Vizianagaram West

<sup>100</sup> Four AGPA deeds, 19 Sale Deeds, three Settlement Deeds, four DGPA Deeds, one GPA Deed and one Gift Deed

<sup>101</sup> Document No. 8208/ 2019

<sup>102</sup> No. MVI/8483/2013-2, dated 10 October 2013

SR, Ananthapuramu Rural replied (October 2022) that, sale deed was executed for 14 plots only and not for roads or open spaces. Reply is not acceptable. As seen from recitals, all plots in Ac.1.15 cents area were sold in the sale deed. Further, plan approval details of plots and extent of area left for roads/ gifted to local bodies was not forthcoming from recitals. Hence, it is evident that entire extent of land was sold and same is to be considered for chargeable value. The Department accepted audit observation (between April 2022 and December 2022) in four<sup>103</sup> cases having money value of ₹ 54.19 lakh.

The matter was referred to the Government (November 2022 and May 2024); their reply has not been received (December 2024).

### 3.3 Irregular exemption of duties leviable in sale deeds

**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 ₹ 96.39 lakh in 27 sale deeds.**

As per Section 27 of IS Act an instrument should contain details like consideration, market value of the property and all other facts and circumstances affecting the levy of duty on it without any suppression. The registering officer or any other officer appointed under the Registration Act, may inspect the related property, make necessary local enquiries, call for and examine all the records and satisfy himself/herself that the provisions of this section are complied with. As per Rule 7 of AP Revision of Market Value Guidelines Rules, 1998, different values have been fixed for agricultural lands fit for house sites/ residential localities. Accordingly, acreage rate for agricultural land and square yard rate for non-agricultural land have to be adopted for levy of stamp duty.

Further, instruments of sale deeds are chargeable at 7.5 per cent<sup>104</sup> on the consideration/ market value of property whichever is higher.

During scrutiny of records in the office of SR, Gannavaram, Audit noticed (March 2022) that, in 27 sale deeds, the scheduled properties covered under the scheme *viz.*, Expansion of Gannavaram Airport, were sold by the owners to the vendees for consideration and the instruments were registered without levying any stamp duty, registration fee and transfer duty. It was recited in the document that the duties were exempted based on G.O.<sup>105</sup> dated 27 August 2015. As verified from the G.O. no exemption to stamp duty, registration fee and transfer duty can be given to these transactions. However, as per Gannavaram Airport Development Land Pooling Scheme (Formulation and Implementation) Rules, 2015 referred to in the G.O., stamp

<sup>103</sup> DR, Anakapalli (Doc. No.: 1300/2021), DR, Bhimavaram (Doc. No.: 1175/2020) and DR, Nellore (two cases Doc. No.: 9497/2019 (an amount of ₹ 4.00 lakh (against ₹ 5.95 lakh) was collected in this case); Doc. No.: 9214/2019)

<sup>104</sup> Stamp Duty: 5 per cent; Registration fee: 1 per cent; Transfer Duty: 1.5 per cent

<sup>105</sup> G.O. Ms. No.190 of MA&UD (M2) Department, dated 27 August 2015

duty and registration fee would be exempted to landowner for registering agreements with competent authority<sup>106</sup> for Development under Land Pooling Scheme (LPS). The instruments of sale deeds in the instant case were however, not between landowner and competent authority. Hence, exemption of ₹ 96.39 lakh (as detailed in **Appendix-3.3**) allowed in these cases was irregular.

The matter was referred to the Government (November 2022 and May 2024); their reply has not been received (December 2024).

### **3.4 Short levy of stamp duty in Development Agreement-cum-General Power of Attorney deeds**

**Due to incorrect adoption of development cost and non-considering distinct matters in DGPA deeds by the registering authorities resulted in short levy of duties amounting to ₹ 92.10 lakh in 29 documents.**

As per Article 6-B of schedule 1-A to IS Act, stamp duty on Development Agreement-cum-General Power of Attorney (DGPA) leviable<sup>107</sup> at one *per cent* on the market value or the estimated cost of the proposed construction/ development of such property as the case may be, as mentioned in the agreement or the value arrived at in accordance with the schedule of rates approved by C&IGRS.

As per Section 5 of IS Act, any instrument comprising or relating to several distinct matters<sup>108</sup> shall be chargeable with the aggregate amount of the duties with which separate instruments, each comprising or relating to one of such matters, would be chargeable under this Act.

During test check of DGPA deeds Audit observed that the registering authorities adopted development cost incorrectly and not considered distinct matters while levying duties as detailed below:

**(a) Incorrect adoption of development cost:** During scrutiny (between September 2019 and March 2022) of records in five DR and five SR offices<sup>109</sup>, Audit observed, from the recitals of 10 DGPA deeds registered between the years 2018 and 2020, that the registering authorities not considered the total extent of land given for development purpose.

Further, in two of the 10 cases relating to DR, Bhimavaram and SR, Tadepalligudem, non-refundable advance paid to landowners which form part of development cost was also not taken into account while levying duties. This resulted in short levy of stamp duty amounting to ₹ 39.90 lakh in these 10 cases (details are given in **Appendix-3.4**).

---

<sup>106</sup> 'Competent authority' means Commissioner, CRDA, District Collector, Joint Collector, Revenue Divisional Officer and includes any other officer not below the rank of Deputy Collector appointed by the Government of Andhra Pradesh

<sup>107</sup> Read with G.O. Ms. No. 568 of Revenue (Registration-I) Department, dated 01 April 2008

<sup>108</sup> Transactions which were not interdependent and stand distinctly by themselves embodied in a document

<sup>109</sup> **DRs:** Bhimavaram, Gunadala, Kakinada, Kurnool and Tirupati; **SRs:** Anandapuram, Ananthapuramu Rural, Kadiri, Patamata and Tadepalligudem

SR, Ananthapuramu Rural replied (October 2022) that extent of land given for development was Ac. 1.40 cents only (against Ac. 2.50 cents mentioned in the recitals). Reply is not acceptable. As per the document the developer has to provide amenities like drainage system, roads, overhead tank *etc.*, to the proposed residential complex. Hence, entire extent of Ac. 2.50 cents was to be considered for calculating development cost.

In two cases relating to DR, Gunadala and SR, Patamata, Department accepted audit observation and replied (October and December 2022) that deficit stamp duty (₹ 9.96 lakh) would be collected. In the case of SR, Kadiri, the Department accepted (April 2024) the audit observation and recovered the deficit amount (₹ 1.75 lakh).

The matter was referred to the Government (September/ December 2022 and May 2024); their reply has not been received (December 2024).

**(b) Non-levy/ short levy of duties on distinct matters:** During test check of records (between October 2019 and March 2022) in five DR and eight SR offices<sup>110</sup>, Audit noticed that registering authorities did not levy/ short levied duties/ fee amounting to ₹ 52.20 lakh on distinct matters in 19 DGPA documents as detailed in the **Appendix-3.5**.

Department accepted (May/ August/ September/ October 2022) audit observation in five cases<sup>111</sup> and stated that deficit amount (₹ 14.21 lakh) would be collected. Of this an amount of ₹ 5.10 lakh in case of DR, Kakinada was collected (February 2023).

In three cases<sup>112</sup> the authorities concerned replied (April, June and July 2022) that, DGPA deeds are executed by landowners and developer with certain conditions relating to incur expenditure, share developed property and other incidental matters. Further, as per C&IG's clarification vide Memo No. S1/5124/2013 dated 07 June 2013, distinct matter of partition does not arise in DGPA cases. Reply is not acceptable. As per C&IGRS memo, there is no need for partition between landowners and developers being business partners. In the cases pointed out by Audit, landowners held land jointly and gave it for development. The property after development is to be shared in the agreed ratio between landowners and the developer. However, the landowners received individual shares through DGPA. Hence, this is to be treated as distinct matter of partition.

In one case relating to SR, Madhurawada it was replied (May 2022) that, allotment of one flat to one of the landowners was agreed by other owners without any objection. Further, there was no mention about conveying 44.66 sq. yd. of land in the recitals. Reply is not acceptable. The landowner received excess share of developed area along with 66.66 sq. yd. of land against 22 sq. yd. contributed. Hence, excess share received is to be treated as conveyance.

<sup>110</sup> **DRs:** Anakapalli, Bhimavaram, Kakinada, Rajamahendravaram and Tirupati; **SRs:** Bheemunipatnam, Dwarakanagar, Gopalapatnam, Madhurawada, Nallapadu, Pendurti, Pidimgoyya and Vizianagaram West

<sup>111</sup> DR Anakapalli (two cases: Doc. Nos. 7092/2019 and 4778/2020), DR Tirupati (Doc. No. 4746/2019), DR Kakinada (Doc. No. 5313/2020) and SR Gopalapatnam (Doc. No. 1254/2019)

<sup>112</sup> **DR** Bhimavaram; **SRs:** Gopalapatnam and Nallapadu

The matter was referred to the Government (December 2022 and May 2024); their reply has not been received (December 2024).

### 3.5 Split of sale transactions of apartments

**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.**

As per clause (d) of Article 47 A of Schedule 1-A to IS Act, if the sale of property relates to multi-unit house or apartment *etc.*, then the provisions of Andhra Pradesh Apartment (Promotion of Construction and Ownership) Act, 1987 are applicable on such structures.

As per clause (b) of Section 4 of the Andhra Pradesh (Promotion of Construction and Ownership) Amendment Act, 1993 no promoter shall transfer merely the undivided share in the land, in exclusion of the apartment and all other common area and facilities appurtenant thereto.

Government order<sup>113</sup> dated 13 June 2005 effective from 1 July 2005 specified that stamp duty be levied on sale of flats/ apartments including semi-finished structures. The transactions of sale under Article 47-A of Schedule 1-A to IS Act attract stamp duty, registration fee and transfer duty at an aggregate rate of 7.5 *per cent* on the total sale consideration, whereas construction agreements under Article 6(B) of IS Act attract stamp duty of 0.5 *per cent* only.

Further, as per Hon'ble Supreme Court's judgement of 2011<sup>114</sup>, sale agreements, General power of Attorney or will transactions are not 'transfers' or 'sales' and that such transactions cannot be treated as complete transfers or conveyances and continue to be treated as existing agreements only.

During test check of records in DR, Visakhapatnam and six SR offices<sup>115</sup>, Audit observed<sup>116</sup> that in 58 cases the vendor/ developers had got approval from authorities for construction of apartments/ residential complexes. It was also observed that the developers had subsequently executed sale of undivided land along with construction agreements on the same day in favour of purchasers. The sale transactions were however, split into two separate transactions *viz.*, sale of undivided portion of land and construction agreements for the structure to be built. Since construction agreements in DGPA's are not to be treated as transfers, the transaction cannot confer purchasers' right on the apartment.

The registering officers could not refuse registration of these documents as two separate transactions though they were aware of sale of apartments only on the reason

---

<sup>113</sup> G.O. Ms. No.1127 of Revenue (Registration-I) Department, dated 13 June 2005

<sup>114</sup> SLP (C) 13917 of 2009 Suraj Lamp & Industries (P) Limited Vs. State of Haryana & others

<sup>115</sup> Addanki, Anandapuram, Bheemunipatnam, Madhurawada, Vizianagaram West and Yelamanchili

<sup>116</sup> between September 2019 to December 2021

that these two documents were valid documents under Articles 6(B) and 47 A of Schedule 1-A of IS Act.

Since construction of the structures by the developers were as per the developer/ vendor plans, it is clear that the developer/ vendor was selling the flats. Hence, the amount paid by the purchaser had to be treated as cost of flats. Stamp duty and registration fee was to be levied accordingly to protect the right of the owner on the flat. The sale of flats had been disguised as sale of undivided land followed by construction agreements resulted in non-realisation of duties amounting to ₹ 91.35 lakh in 58 transactions (details are given in **Appendix-3.6**).

In response, SR, Addanki replied (October 2020) that the documents (in 44 cases) are merely ‘Agreements of construction’ and no transfer was created by these documents. In two cases relating to SR, Yelamanchili, Department replied (July 2022) that stamp duty has been levied as per Article 6(B) of Schedule 1-A of IS Act.

Replies are not acceptable since no promoter shall transfer merely the undivided share in the land, in exclusion of the apartment and all other common area and facilities appurtenant thereto and as per Supreme Court judgment, agreements are not to be treated as transfers. Thus, action of the Registering Authorities to register undivided share of land in exclusion of the apartment was not in order.

The matter was referred to the Government (August 2022 and May 2024); their reply has not been received (December 2024).

### **3.6 Loss of revenue due to non-registration of compulsorily registerable documents**

**Authorities while registering documents did not consider compulsorily registerable documents mentioned in the recitals of eight deeds as link documents. This had resulted in non-realisation of revenue of ₹ 67.00 lakh.**

Under Section 17 (1) of Registration Act 1908, non-testamentary instruments which purport or operate to create, declare, assign, limit or extinguish whether in present or in future, any right, title or interest whether vested or contingent in immovable property, agreements of sale of immovable property of the value of one hundred rupees and upwards<sup>117</sup>, leases of immovable property, *etc.*, are to be registered compulsorily. While registering the documents, applicable duties/ fee are required to be levied and collected based on the nature of document.

During test check of records in three DR and four SR offices<sup>118</sup>, Audit observed (between November 2018 and January 2022) from the recitals of eight deeds that one development agreement, one partition deed, one sale deed and five agreements of sale had been entered into prior to the dates of registration<sup>119</sup> of these deeds. However, none of the above documents was registered though they were compulsorily

<sup>117</sup> AP Amendment Act No. 4 of 1999

<sup>118</sup> **DRs:** Gunadala, Hindupur and Rajamahendravaram; **SRs:** Gopalapatnam, Kadiyam, Patamata and Vizianagaram West

<sup>119</sup> during the years 2017 to 2020

registerable under Section 17(1). Non-registration of above documents resulted in non-realisation of revenue to the extent of ₹ 67.00 lakh as detailed in **Appendix-3.7**.

Government/ Department in their reply accepted (September 2020/ August 2022/ January 2023) audit observation in six cases (*viz.*, DR, Rajamahendravaram and SRs Gunadala, Hindupur, Patamata, Vizianagaram West) and stated that instructions were issued to collect the deficit duties of ₹ 20.87 lakh. Response in respect of other cases were however, not furnished.

### **3.7 Misclassification of Mortgage deeds as Deposit of Title Deeds**

**Stamp duty on loan amount was short levied due to non-consideration of charge created on the properties mentioned in schedules of documents amounting to ₹ 8.43 lakh in four documents.**

As per Section 58(b) of Transfer of Property Act, 1882 (TP Act), where, without delivering possession of the mortgaged property, the mortgagor binds himself personally to pay the mortgage-money, and agrees, expressly or impliedly, that, in the event of his failing to pay according to his contract, the mortgagee shall have a right to cause the mortgaged property to be sold and the proceeds of sale to be applied, in payment of the mortgage-money, the transaction is called a simple mortgage.

Section 58(f) of TP Act states that where a person delivers to a creditor or his agent documents of title to immovable property, with intent to create a security thereon, the transaction is called a mortgage by deposit of title deeds (DoTD).

During verification of DoTD documents in two DR and two SR offices<sup>120</sup>, Audit observed (between October 2018 and May 2022) that in four documents the parties obtained loans by securing their properties which come under the provisions of 58(b) of TP Act and hence to be treated as simple mortgage. It was however, noticed that the authorities registered the documents as DoTD which resulted in short levy of duties amounting to ₹ 8.43 lakh as detailed in **Appendix-3.8**.

In response, Department accepted (September 2022) audit observation in case of DR, Nellore involving deficit duty of ₹ 3.49 lakh.

The matter was referred to the Government (July 2022 and May 2024) and their reply has not been received (December 2024).

### **3.8 Short/ non-levy of duties on distinct matters in registered deeds**

**Authorities did not consider distinct matters in five registered documents which resulted in short levy of stamp duty of ₹ 32.04 lakh.**

As per Section 5 of IS Act, any instrument comprising or relating to several distinct matters shall be chargeable with the aggregate amount of the duties with which separate instruments, each comprising or relating to one of such matters, would be chargeable under this Act.

---

<sup>120</sup> **DRs:** Kurnool and Nellore; **SRs:** Adoni and Bhimadole

Audit test-checked records (between September 2021 and March 2022) in two DR and three SR offices and noticed that in five documents there was short levy of duties and fee amounting to ₹ 32.04 lakh on distinct transactions as detailed in **Table-3.2**.

**Table-3.2: Non-levy/ Short levy of duties on distinct matters in registered deeds**

SI. No.	Name of the office	Document No. / year	Nature of distinct matter	Value of distinct matter/ Property (₹)	SD to be levied (₹ in lakh)	Duties levied (₹ in lakh)	Total Short levy (₹ in lakh)
1	2	3	4	5	6	7	8 = 6 - 7
1	District Registrar, Rajamahendravaram	4431/2018	Release at the time of reconstitution of firm	7,49,40,390	22.48 (at 3%)	-	22.48
2	District Registrar, Visakhapatnam	4101/2019	Release to other landowners	VSS: 4,80,90,667 (SD at 2%) Release: 80,92,334 (SD at 3%)	12.05	8.81	3.24
3	Sub-Registrar, Dwarakanagar	3689/2019	Release by other co-parceners	85,66,375	2.57 (at 3%)	-	2.57
4	Sub-Registrar, Patamata	186/2020	Release to other landowners	81,52,000	2.45 (at 3%)	-	2.45
5	Sub-Registrar, Stonehousepet	3283/2019	Release to other landowners	43,67,131	1.31 (at 3%)	-	1.31
				<b>Total</b>	<b>40.85</b>	<b>8.81</b>	<b>32.04</b>

Source: Test-checked documents of audited units

VSS: Value of Separated Share;

SD: Stamp Duty

In one case of SR, Patamata the Department accepted (August 2022) audit observation. The matter was referred to the Government (December 2022 and May 2024); their reply has not been received (December 2024).

### 3.9 Short levy of duties and fees due to misclassification of registered documents

**Misclassification of registered documents resulted in short levy of stamp duty of ₹ 31.45 lakh in nine cases.**

Schedule I-A to IS Act provides rates of duties and fees to be levied based on classification of documents. As per C&IGRS instructions<sup>121</sup> (October 2000) the SRs should scrutinise the recitals of the document presented for registration thoroughly to arrive at the correct classification of the document for adoption of the applicable rates of duties and fees.

Audit test-checked records (between April 2019 and April 2022) in three DR and five SR offices and noticed that in nine documents there was short levy of duties and fees due to misclassification of transactions, amounting to ₹ 31.45 lakh as detailed in **Table-3.3**.

<sup>121</sup> Memo No. FR1/1A/4946/96 dated, 16 October 2000

**Table-3.3: Misclassification of registered documents**

(₹ in lakh)

Sl. No.	Name of the office	Document No./ Year	Document registered as	Document actual classification	Stamp duty short levied
1	District Registrar, Gunadala	4001/2018	Settlement among family members	Settlement to others	1.40
2	District Registrar, Hindupur	12573/2019	Partition among family members	Settlement to family members	1.15
3	District Registrar, Vizianagaram	6498/2018	Partition deed	Partition-cum-release	1.78
4	District Registrar, Vizianagaram	6045/2018	Partition deed	Conveyance deed	12.77
5	Sub-Registrar, Anandapuram	1624/2020	Partition among family members	Settlement to family members	1.08
6	Sub-Registrar, Gannavaram	6179/2018	Rectification deed	Conveyance deed	3.04
7	Sub-Registrar, Rayadurg	3543/2020	Partition among family members	Settlement to family members	6.38
8	Sub-Registrar, Tirupati Rural	1776/2017	GPA in favour of family members	GPA in favour of others	2.54
9	Sub-Registrar, Yalamanchili	1358/2021	Supplementary deed	Conveyance-cum-supplementary deed	1.31
<b>Total</b>					<b>31.45</b>

Source: Test-checked documents of audited units

DR, Anakapalli replied (May 2022) in one case relating to SR, Yalamanchili (Sl. No. 9 of the table) that plinth area has been changed due to modifications in plans. This resulted in change in plinth area allocation and ratios which was agreed by landowners and builders in supplementary agreement. Hence, changes to that effect cannot be construed as 'Conveyance'. Reply is not acceptable. In the original DGPA deed it was agreed to share developed area in the ratio of 40:60 between landowners and developer. As seen from recitals of the supplementary deed, the parties had shared flats as per revised plans which deviated agreed sharing pattern. Since, as per clause 26 of original agreement, any supplementary agreement should be in conformity with the spirit of the main agreement, the excess area (2,250 sq. ft.) along with undivided share of land (72.80 sq. yd.) received by the developer (over and above 60 per cent of share) is to be treated as conveyance under Article 20(a) of schedule 1-A of IS Act.

In the case of SR, Rayadurg, the Department replied (September 2022) that the property partitioned had been received by the owner (mother of the family) through a will and enjoyed jointly by the family. The reply is not acceptable. As per Hindu Succession Act, 1956 property acquired by female Hindu in any manner is to be treated as her absolute property.

The matter was referred to the Government (November/December 2022 and May 2024); their reply has not been received (December 2024).

### 3.10 Short levy of duties in Partition Deeds

**Non-considering the portion of properties set apart as distinct share in five partition deeds and levy of incorrect rate of stamp duty in one partition deed resulted in non-realisation of revenue of ₹ 15.35 lakh.**

As per the standing order 405 (g), properties set apart for common enjoyment, whether the respective shares are specified or not and whether agreed to be divided in future or not, have to be treated as one distinct share.

During scrutiny (between October 2021 and January 2022) of records in three DR and two SR offices<sup>122</sup>, Audit observed, from the recitals of six partition deed documents registered between 2016 to 2020, that stamp duty was short levied due to non-considering the aspects like portion of property set apart as a distinct share in five cases and treating partition among others as partition among family members in one case. This resulted in short levy of stamp duty of ₹ 15.35 lakh in these six cases (details are given in *Appendix-3.9*).

On this being pointed, out in one case DR, Guntur replied (March 2022) that an extent of 1,452 sq. yd. was left for internal roads and same was clearly mentioned as ‘40ft road on South side boundary’ in the recitals. Reply of the Department is not acceptable as the right on leftover portion of land (measuring 1,452 sq. yd.) was with the owner as on date of registration and this portion of land is to be treated as a distinct share.

In the cases of DR, Gunadala and SR, Rayadurg, Department replied (August/September 2022) that, values of the property mentioned in partition deed was calculated as per market value guidelines register and there is no such provision for adoption of the market value for the leftover properties. Reply is not acceptable. As per C&IGRS Circular Memo No. CCRA 3/1184/2007, dated 29 May 2007, all the properties in which the coparceners/co-owners having the interest are required to be included in the instrument. Hence, left over portion is to be treated as one schedule while arriving chargeable value of the partition deed.

The matter was referred to the Government (September 2022 and May 2024); their reply has not been received (December 2024).

### 3.11 Short levy of duties in lease deeds

**Registering authorities did not take into account Goods and Services Tax payable by the lessee on behalf of the lessor for computation of average annual rent this resulted in short levy of stamp duty of ₹ 10.57 lakh.**

As per Article 31 of Schedule 1-A to IS Act, read with Government orders<sup>123</sup>, the rates of stamp duty on lease deeds are to be decided on the basis of tenure of lease and lease rentals. Further, as per explanation to the article *ibid*, if the lessee undertakes to pay

<sup>122</sup> **DRs:** Gunadala, Guntur and Kurnool; **SRs:** Rayadurg and Stonehousepet

<sup>123</sup> G.O. Ms. No. 588 Revenue (Registration-1) Department, dated 04 December 2013 and G.O. Ms. No. 463 Revenue (Registration-1) Department, dated: 17 August 2013

any recurring charge on behalf of the lessor including taxes / fees due to the Government, it should be taken to be part of the rent and duties are to be levied accordingly. Besides stamp duty, registration fee at 0.1 *per cent* is also to be levied on the value of average annual rent (AAR) according to the provisions of Registration Act, 1908.

During test check of records in the offices of DR, Kurnool and SR, Sarpavaram, Audit observed<sup>124</sup> that in seven lease deed cases, the registering authorities did not take into account Goods and Services Tax payable by the lessee on behalf of the lessor for computation of AAR for levying the stamp duty and registration fee which resulted in short levy of duties amounting to ₹ 10.57 lakh (details are given in **Appendix-3.10**).

Government in their reply (January 2023) accepted audit observation in two cases of DR, Kurnool and stated that notice would be issued to the parties concerned for remittance of deficit amount of ₹ 3.09 lakh. Response in respect of other cases were, however, not furnished.

---

<sup>124</sup> between January 2022 and February 2022

***CHAPTER IV***  
***CHIEF COMMISSIONER***  
***OF LAND***  
***ADMINISTRATION***



## **CHAPTER IV**

### **CHIEF COMMISSIONER OF LAND ADMINISTRATION**

Test check of records in 36 out of 751 offices (4.79 *per cent*) to verify compliance to the Rules and provisions relating to Land Revenue revealed underassessment of tax and other irregularities involving ₹ 81.30 crore in 51 cases.

Significant cases of non-compliance with the provisions of the Acts/ Rules amounting to ₹ 8.25 crore are discussed in the succeeding paragraphs.

#### **4.1 Alienation of excess land in contravention to the criteria specified in Land Allotment Policy**

**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 to the agencies. 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.**

The State Government issued (September 2012) guidelines for implementing new land allotment policy. As per Paragraph 3(a)(i) of the guidelines, norms to the extent eligible for each project should be scrupulously followed in recommending proposals for allotment or acquisition for each project. In case a particular project requires an extent more than the specified norm, the proponent of the project and the Department concerned should provide concrete justification for the same. As per the Paragraph 3(a)(iii) of the guidelines, the administrative department concerned shall receive and process each request for allotment of land as per the norms prescribed and certify the genuineness of the requirement before forwarding the request to the Collector.

Further, provisions<sup>125</sup> of AP Land Encroachment Act, 1905 stipulated that any person who unauthorisedly occupy any land which is the property of Government shall be liable to assessment, penalty, *etc.*

During test check of records in two District Collectorates *viz.*, Chittoor and Kurnool, Audit observed deficiencies like alienation of excess land against stipulated extent as per the guidelines, alienation of full extent of land though some of the activities included in the proposals were not included in the land alienation orders, no penal action on the applicants for encroachment of portion of land prior to submission of requisition for alienation, *etc.*, in three cases as detailed in the **Table 4.1**.

---

<sup>125</sup> Sections 5,6,7 and 8 of the AP Land Encroachment Act, 1905

**Table 4.1 - Deficiencies noticed in alienation of land to various agencies**

Collectorate	Name of the agency	Requisition and alienation period (month and year)	Details of Land alienated	Purpose
(1) Chittoor	Peepal Grove School (institution)	Requisitioned in March 2020  Alienated in February 2021	Land measuring Ac. 17.32 <sup>126</sup> cents in Sy. Nos. 10,11,12 and 190 adjoining the School (in Gongivaripalle village of Sodam mandal, Chittoor district).	To improve infrastructure facilities to the students and construction of a Primary Health Centre (PHC) for the benefit of the villagers.

Audit observed the following:

- As per the norms fixed vide Annexure-V to the new land allotment policy (September 2012), the maximum land to be allotted for residential school from Class V-XII with 1,000 students is Ac. 5.00 cents. However, requisitioned extent of land Ac. 17.32 cents was alienated to the institution which resulted in allotment of excess land of Ac. 12.32 cents valued at ₹ 59.63 lakh<sup>127</sup> in deviation to the norms. Specific justification from the Education Department for proposing extent of land in excess than eligible was not on record.

It is pertinent to mention that the applicant, while requisitioning for alienation of proposed land, expressed willingness about payment of prevailing market value as decided by the authorities. As per Board of Standing Orders (BSO) No. 24, while alienating Government land to a person, an institution or a local body for any *bonafide* public purpose, market value of the land has to be considered. Accordingly, the authorities had proposed for alienation of land by fixing market value at ₹ 4.84 lakh per acre. However, the Government alienated the requisitioned land at one rupee. Land being a scarce resource, alienation of Government land to a private school (which is collecting huge fees from the students) almost free of cost by invoking overriding powers of Government, despite the institution's willingness to pay necessitates a rethink on the part of Government. The Public Accounts Committee also in their twelfth report (presented on 06 February 2019) expressed deep concern over the allotment of lands at nominal value and opined that it would be a precedence in future for all land allotment transactions. Creation of such precedence could lead to demands for similar unjustifiable alienation of land in future.

Further, from the notes of inspection (October 2020) of Sub-Collector, Audit noticed that the institution encroached a land measuring Ac. 1.49 cents<sup>128</sup> in Sy. Nos. 10,11, 12 and 190 which was adjacent to the boundary of the school and constructed structures like Building, Indoor Stadium, Yoga Building, Basketball Court, Principal Quarters *etc.* Details regarding levy of assessment and penalty by the Revenue authorities as per the AP Land Encroachment Act, 1905 were however, not on record.

<sup>126</sup> alienated Ac. 17.32 cents against Ac. 18.82 cents requisitioned by the applicant

<sup>127</sup> Ac. 12.32 cents X ₹ 4.84 lakh per acre (*i.e.*, the rate fixed by the District Collector) = ₹ 59.63 lakh

<sup>128</sup> Sy. No.10/3 - Ac. 0.11 cents (New Building); Sy. No. 11/7 -Ac. 0.38 cents and Sy. No. 11/8 – Ac. 0.22 cents (Staff quarters building); Sy. No. 12/3 - Ac. 0.12 cents (Yoga building); Sy. No. 12/3 - Ac. 0.34 cents (Principal quarters and Girls Hostel); 12/4 - Ac. 0.18 cents (Basketball Court); Sy. No. 12/4 - Ac. 0.12 cents (Indoor stadium); and Sy. No. 190/3 - Ac. 0.02 cents (Room)

Collectorate	Name of the agency	Requisition and alienation period (month and year)	Details of Land alienated	Purpose
<ul style="list-style-type: none"> <li>In the requisition for land alienation, the applicant mentioned that a PHC would be constructed. However, there was neither specific stipulation/ binding clause for construction of PHC in the alienation orders nor any reduction in the extent of land alienated.</li> </ul>				
(2) Kurnool	M/s Ramco Private Limited	Requisitioned in October 2018 Alienated in February 2019	500 Ac. of land in Sy. Nos. 171, 190, 330 etc., Kalavatala village, Kolimigundla mandal, Kurnool district.	For establishment of Green Field Cement Plant with capacity of 5.0 MinTPA and 50 MW coal based thermal power generation.

Audit observed the following:

- As per the norms fixed vide Annexure-I to the new land allotment policy (September 2012), for establishment of cement plant with a capacity of 1.5 Million Tonne per annum (MinTPA) the extent of land fixed was 67 Ac. In addition, there is a provision for allotment of 13 Ac. of land for future expansion.

In the checklist (Proforma XI) for allotment, the required land was assessed as 280 Ac. viz., 230 Ac. for five MinTPA (at the rate of 67 Ac. for 1.5 MinTPA Cement Plant) and another 50 Ac. was proposed for a thermal power plant of 50 MW. Even if the requirements for expansion of future capacity of Cement Plant were also taken into consideration, as per the norms fixed under land allotment policy, the total land required would be Ac. 316.66 cents<sup>129</sup>. However, the District Collector, Kurnool had recommended (January 2019) full extent of land (i.e., 500 Ac.) for alienation and the Government alienated the land to the Company. Thus, against actual requirement an extent of land of Ac. 183.34 cents<sup>130</sup> which valued at ₹ 7.33 crore<sup>131</sup> was alienated in excess of eligibility.

- Though the allottee submitted proposal to establish a thermal power plant of 50 MW in 50 Ac., the State Government neither imposed any binding clause/ stipulation for establishment of the plant in the orders of alienation nor reduced proposed extent of land while alienation.

<sup>129</sup> Component-wise land requirement: (A) Cement Factory: Ac. 67 X (5/1.5) = Ac. 223.33 cents; (B) Provision for expansion: Ac. 13 X (5/1.5) = Ac. 43.33 cents and (C) Thermal Power-50 MW Plant – Ac. 50: Total requirement (A) + (B) + (C) = Ac. 223.33 cents + Ac. 43.33 cents + Ac. 50 = Ac. 316.66 cents

<sup>130</sup> Excess allotment = Ac. 500 – Ac. 316.66 cents = Ac. 183.34 cents

<sup>131</sup> Ac. 183.34 cents X ₹ 4.00 lakh per acre (i.e., market value proposed by the District Collector) = ₹ 7.33 crore

Collectorate	Name of the agency	Requisition and alienation period (month and year)	Details of Land alienated	Purpose
(3) Chittoor	Sri Balaji Hatcheries Private Limited	Requisitioned in February 2018 Alienated in March 2019	Ac. 38.64 cents which were contagious to the existing units of the Company in four <sup>132</sup> villages of Chittoor district	For expansion of existing poultry breeding farms and hatcheries

Audit observed the following:

- From the alienation proposals (February 2019) we noticed that in Pathikonda village of Gangavaram mandal, the applicant had encroached the requisitioned land measuring Ac. 1.72 cents in Sy. No.16.

However, the details of levy of assessment and penalty by the Revenue Authorities as per the provisions of Land Encroachment Act, 1905 were not on records.

The following other deviations were also noticed during scrutiny of these alienation cases:

- As per BSO 24, the tress standing on the land should be valued and recovered from the grantee.

In the case of Peepal Grove school, it was noticed from the report of the District Collector (wherein remarks were furnished on defects/ omissions pointed out by CCLA) that more than 350 trees of various varieties were present in the land proposed for alienation. However, the Revenue authorities did not take into the value of fruit bearing and other trees while fixing the market rate of the land.

Regarding Balaji Hatcheries, we observed from the inspection report (February 2019) of Tahsildar of Peddapanjani mandal that there were nearly 5,600 Eucalyptus trees which were aged about nearly seven years and the value of the trees requires to be obtained from the Forest Department. Though the applicant expressed willingness for payment of the value of trees, this aspect was not considered while arriving at the value of the land. In respect of lands situated in Gangavaram mandal, the Revenue Authorities fixed land cost pending receipt of reports about value of trees from Horticulture/ Forest Departments.

- The land allotment guidelines<sup>133</sup> stipulated that a minimum of 10 *per cent* of land allotted should be earmarked for Green Belt area. However, there was neither any condition in alienation orders nor earmarked Green Belt area in the proposal which may adversely affect the ecological balance of environment.
- As per the checklist for allotment of land to Ramco Private Limited, the employment generation projected was 5,000 Nos. (direct employment: 3,000 and

<sup>132</sup> Keelapalle village of Gangavaram mandal – Ac. 20.98 cents; Battamdoddi village of Peddapanjani mandal – Ac. 11.56 cents; Patthikonda village of Gangavaram mandal– Ac.1.72 cents; Mapakshi village of Chittoor mandal – Ac. 4.38 cents

<sup>133</sup> Para 3(j) of G.O. Ms. No. 571, Revenue (Assignment. I) Department, dated 14 September 2012

indirect employment: 2,000). However, no specific condition about employment generation was stipulated in the alienation orders.

Thus, non-compliance with the stipulations of BSO 24/ land allotment policy by the Government while alienating Government lands to private institutions and absence of specific conditions in the alienation orders about some of the activities proposed resulted in excess alienation of land of Ac. 195.66 cents. Further, no penal action was initiated on the applicants in cases where they had encroached land prior to submission of requisition for alienation.

On this being pointed out (May/ July 2022), the CCLA replied (December 2022) that the administrative Department is the competent authority to scrutinise and process the proposal as per the norms prescribed in this regard and certify the genuineness of the requirement before forwarding the request to the Collector. The allotment was made as per the policy and it has got provisions to ensure compliance of the conditions of allotment.

The reply is not acceptable. As per provisions of the policy, norms on the extent eligible for each project should be scrupulously followed while recommending proposals for allotment or acquisition of land for each project. In case a particular project requires an extent more than the specified norm, the proponent of the project and the Department concerned shall provide concrete justification for the same. Justification for allotment of land in excess than stipulated was however, not on record. Further, there was no specific mention in the conditions of allotment about setting up of 50 MW thermal power plant, employment generation and construction of PHC which the applicants (*viz.*, RAMCO and Peepal Grove School) included in their proposals. However, land was alienated to the extent requisitioned without any restriction.

In respect of other deviations, it was replied that the District Collector, Chittoor would be directed to provide required information/ to take necessary action on the audit observations.

For ensuring transparency and to avoid arbitrariness while invoking special powers, Government should clearly demonstrate in its Order how public interest is served in the alienation of that particular land.

## **4.2 Short levy of conversion tax and penalty**

**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.**

As per Section 3(1) of AP Agricultural Land (Conversion for Non-agricultural Purposes) Act, 2006, no agricultural land in the State should be put to non-agricultural purpose, without the prior permission of the competent authority/ payment of conversion tax to Government<sup>134</sup>.

---

<sup>134</sup> The words 'Permission of the competent authority were substituted with the words 'payment of conversion tax to Government' vide AP Act No. 13 of 2018, w.e.f. 01 February 2018

Section 4(1) prescribes that every owner<sup>135</sup> or occupier of agricultural land should pay conversion tax at the rate of nine *per cent*/ three *per cent* / five *per cent*<sup>136</sup> of the basic value<sup>137</sup> of the land converted for non-agricultural purposes.

Further, as per Section 6(2) of the Act, if any agricultural land has been put to non-agricultural use without prior permission/ payment of conversion tax, the competent authority shall impose a fine of 50 *per cent* over and above the conversion tax.

Audit observations relating to short levy of conversion tax and non-levy/ short levy of penalty in the test-checked cases are detailed below.

**(a) Short levy of conversion tax due to incorrect adoption of basic market value:** During test check of records in three RDOs<sup>138</sup>, Audit observed (between November 2021 and February 2022) in three cases that while computing conversion tax the competent authority adopted incorrect basic values of the land. This resulted in short levy of conversion tax of ₹ 10.09 lakh in these cases (as detailed in **Appendix 4.1 (i)**).

On this being pointed out, RDO, Chittoor replied (November 2021) that conversion tax of ₹ 2.85 lakh was levied in accordance with rules of A.P. Agriculture land (Conversion for Non-Agriculture Purpose) Act, 2006 and Rules, 2018. Reply is not acceptable. In this case basic value applicable for land abutting to National Highway/ State Highway/ Bypass road was not considered. This resulted in short levy of conversion tax.

**(b) Non- levy / Short levy of penalty:** During test check of records in three RDOs<sup>139</sup>, Audit observed (between November 2021 and February 2022) in eight cases that penalty was not levied by the competent authority even though nature of the land was converted prior to the application for conversion of agriculture land to non-agricultural purpose. This resulted in non-levy of penalty of ₹ 22.11 lakh in these cases (as detailed in **Appendix 4.1 (ii)**).

On this being pointed out, RDO, Kovvur replied (December 2021) that necessary action would be taken and report would be submitted in due course. RDO, Chittoor replied (November 2021) that considering field inspection report penalty of ₹ 31,140 has been collected for two sheds existed in the said land. Reply is not acceptable. As per inspection report of MRO two sheds were used as godowns in the name of a firm. Hence, nature of entire extent was changed and penalty to be levied. In the case of Dharmavaram, it was replied (February 2022) that recovery would be initiated and details would be furnished in due course.

The matter was referred to the Government (May/ June 2022 and May 2024); their reply has not been received (December 2024).

---

<sup>135</sup> As per Section 2(m) of the Act, 'owner' includes any lessee/ local authority to whom lands have been leased out by State Government or the Central Government

<sup>136</sup> As per Act 13 of 2018 conversion fee reduced to three *per cent* from 12 January 2018 and revised to five *per cent* with effective from 29 July 2021 vide Act No. 34 of 2021

<sup>137</sup> Basic value means the land value entered in the Basic Value Register notified by Government from time to time and maintained by the Sub-Registrar

<sup>138</sup> Ananthapuramu, Chittoor and Kurnool

<sup>139</sup> Chittoor, Dharmavaram and Kovvur

***CHAPTER V***  
***Environment, Forests, Science  
& Technology***



## **CHAPTER V**

### **Environment, Forests, Science & Technology**

There are 75 auditable units in the Environment, Forest, Science & Technology (EFS&T) Department. Of these, audit test-checked records in one unit (1.33 *per cent*) during 2021-22. Audit brought out various deficiencies in seven cases involving an amount of ₹ 0.24 crore.

We also conducted compliance audit on ‘Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority’ (APCAMPA) covering 18 auditable units during 2021-22.

### **5 Compliance audit on ‘Andhra Pradesh Compensatory Afforestation Fund Management and Planning Authority’ (APCAMPA)**

#### **5.1 Introduction**

Forest land is generally diverted for facilitating developmental activities for non-forestry purposes like construction of power projects, irrigation projects, roads, railways, schools, hospitals, rural electrification, telecommunication, drinking water facilities, mining *etc.* However, the decrease in forest land needs to be replenished to maintain environmental stability. This is achieved through the program of compensatory afforestation. Compensatory Afforestation Fund Act, 2016 defined ‘compensatory afforestation’ (CA) as afforestation done in lieu of the diversion of forest land with prior approval of Central Government for non-forestry use. The purpose of CA is to compensate the loss of 'land by land' and 'trees by trees'.

The Supreme Court of India directed (October 2002) that a ‘Compensatory Afforestation Fund’ (CAF) shall be created in which all monies received from the user agencies<sup>140</sup> towards (i) CA, (ii) Additional CA (ACA<sup>141</sup>), (iii) Penal CA (PCA<sup>142</sup>), (iv) Net Present Value (NPV<sup>143</sup>), and (v) Catchment Area Treatment (CAT) plan funds, *etc.*, shall be deposited. CAF was to compensate for the loss of tangible as well as intangible benefits from the forest lands which were diverted for non-forest use. Such funds were to be used for natural assisted regeneration, forest management,

---

<sup>140</sup> As defined under section 2 (p) of Compensatory Afforestation Fund Act, 2016, ‘user agency’ means any person, organisation or company or Department of the Central Government or State Government making a request for diversion or de-notification of forest land for non-forest purpose or using forest land for non-forest purpose in accordance with the provisions contained in the Forest (Conservation) Act, 1980 (69 of 1980) and the rules made and guidelines issued, thereunder.

<sup>141</sup> In case for some valid and cogent reason, cost of creation and maintenance of CA needs to be revised, the additional amount, if any, would be realised from the user agency concerned.

<sup>142</sup> Cost of afforestation work to be undertaken over and above the CA in lieu of the extent of area over which non-forestry activities have been carried out without obtaining prior approval of the competent authority under the Forest (Conservation) Act, 1980.

<sup>143</sup> The quantification of the environmental services provided for the forest area diverted for non-forestry uses, as may be determined by an expert committee appointed by the GoI from time to time in this regard.

protection, infrastructure development, wildlife protection and management, supply of wood and other forest produce saving devices and other allied activities.

Government of India (GoI), subsequent to the orders of Hon'ble Supreme Court (October 2002) created (April 2004) the Compensatory Afforestation Fund Management and Planning Authority (CAMPA) for management of money collected towards CA, NPV *etc.*, while according approval under Forest (Conservation) Act 1980, for non-forestry uses of the forest land. As this did not become operational, an Ad-hoc CAMPA was constituted as per directions of the Hon'ble Supreme Court (May 2006) and all the monies collected by the States and Union Territories were deposited into the Ad-hoc CAMPA. In pursuance of the guidelines (July 2009) on State CAMPA, issued by GoI, APCAMPA was established (September 2009) by Government of Andhra Pradesh and one of the mandated guidelines of State CAMPA is compensatory afforestation.

### **5.1.1 Compensatory Afforestation Fund (CAF) Act, 2016**

Government of India had enacted CAF Act, 2016 to provide -

- an appropriate institutional mechanism, both at the Centre and the States to ensure expeditious utilisation of funds in an efficient and transparent manner.
- to establish a special fund under the Public Account of India and the Public Accounts of each State and crediting thereto the monies received from the user agencies.

Thereafter, GoI had notified the CAF Rules in the year 2018.

In pursuance of the CAF Act, 2016 and CAF Rules, 2018, the State Government established APCAMPA (2018), in supersession of APCAMPA formed in 2009, for the management of mandated activities of State CAMPA.

### **5.1.2 Organisational setup**

State CAMPA functions through a three-tier committee hierarchy having one Governing Body (headed by the Chief Minister) and two Committees *viz.*, Steering Committee (headed by the Chief Secretary) and Executive Committee (Headed by PCCF & Head of Forest Forces (HoFF)). The Governing Body formulates and review policies of the CAMPA. The Steering Committee approves the Annual Plan of Operations (APOs) and monitors the progress of utilisation of funds; Executive Committee prepares the APOs and supervises CAMPA works.

**Administrative setup:** The Principal Secretary to Government, EFS&T Department is responsible for the overall administration of the State Forest Department and is assisted by Principal Chief Conservator of Forests (PCCF), who is also the HoFF. The PCCF (CAMPA) looks after implementation of APOs and expenditure of CAMPA. The PCCF (FCA)-cum-Nodal Officer monitors diversion of forest lands for non-forestry purposes and implementation of FC Act, 1980.

### 5.1.3 Forest coverage in the State

Total geographical area of Andhra Pradesh is 1.63 lakh sq. km. and the forest cover, for the year 2021, stood at 18.28 *per cent* of total area. The biennially recorded forest area, forest cover and tree cover as of 2017, 2019 and 2021 are shown in **Table-5.1**.

**Table-5.1: Biennial recorded forest area, forest cover and tree cover as of 2017, 2019 and 2021**

Year	Recorded forest area <sup>144</sup> as per State records	Forest cover <sup>145</sup>	Tree cover <sup>146</sup>
	(in square kilometres)		
2017	37,258	28,147	3,753
2019	37,258	29,137	3,914
2021	37,258	29,784	4,679

Source: India State of Forest Reports downloaded from [www.fsi.nic.in](http://www.fsi.nic.in)

**Process of compensatory afforestation:** As per para 1.4 of guidelines (March 2019) issued by Ministry of Environment, Forest and Climate Change (Ministry) under FC Act 1980, the Ministry accords prior approval on proposals of the State Government in two stages: first in-principle or Stage-I approval and second, on compliance to the conditions of the in-principle approval, final or Stage-II approval.

### 5.2 Audit Objectives and Criteria

The audit was conducted to assess whether -

- i) diversion of forest land for non-forest use is permitted as per extant laws and all conditions stipulated thereon were complied with; and
- ii) compensatory afforestation and other works are taken up in line with the guidelines/ instructions issued by the Ministry.

The audit objectives were benchmarked against the following audit criteria.

- Forest (Conservation) Act 1980;
- Compensatory Afforestation Fund Act, 2016;
- Compensatory Afforestation Fund Rules 2018;
- Supreme Court orders on CA and CAMPA; and
- Guidelines issued by MoEF on CA and CAMPA.

<sup>144</sup> Recorded forest area includes all areas recorded as forest by State Government under any State Act or local law or Indian Forest Act, 1927

<sup>145</sup> Forest cover refers to the extent of land area that is covered by forest resources in the State. This includes all lands more than one ha. in area with tree canopy density of more than 0.1

<sup>146</sup> Tree cover means patches of trees as well as isolated trees outside the recorded forest area on areas less than one ha.

### 5.2.1 Sampling, scope and methodology of Audit

Audit test-checked (between June and August 2022) records of the PCCF, three<sup>147</sup> (out of seven) territorial circles and 12<sup>148</sup> (out of 36) divisions in these three selected circles covering a period of five years from April 2017 to March 2022. Apart from these, the office of State Silviculturist, Tirupati and Andhra Pradesh Forest Academy (APFA), Rajamahendravaram were also audited. The circles and divisions were selected by using Simple Random Sampling without Replacement method.

Further, Audit examined all 100 projects approved during the five-year period *i.e.*, 2017-22, wherein 2,773.73 ha. of forest land was diverted for non-forest purposes in the sampled divisions.

Cases prior to audit coverage period, from the records made available, were also verified considering time-period of 10 years for maintenance of CA works. In respect of notification of CA lands and mining leases in the sampled divisions coverage period was taken from inception of FC Act, 1980.

Audit methodology involved scrutiny of records, physical verification of works/projects, collection of data from Ministry's website (PARIVESH) and evidence gathered from the records of sampled units (also through photographs taken during field inspections).

An Entry Conference was held with the PCCF (CAMPA) and PCCF (FCA) on 23 May 2022 wherein audit objectives, audit criteria, scope and methodology were explained. Exit Conference was held with the Special Secretary to Government (EFS&T), PCCF & HoFF, PCCF (CAMPA) and PCCF (FCA) on 26 December 2022 wherein audit observations and recommendations were discussed. Response of the Government/Department obtained and incorporated in the relevant paragraphs.

### **Audit Findings**

Audit findings include deficiencies like non-notification of CA lands, acceptance of lands having unsuitable conditions for CA, non-compliance to conditions imposed at the time of approvals, improper management of funds, inadequate monitoring, *etc.*, which are detailed in the succeeding paragraphs.

### **5.3 Non-notification of land transferred to Forest Department**

As per Ministry's guidelines<sup>149</sup> (February 2004), the non-forest land which is transferred and mutated in favour of the State Forest Department for the purpose of CA, should be declared as Reserve Forest (RF)<sup>150</sup>/ Protected Forests (PF)<sup>151</sup> under the

---

<sup>147</sup> Visakhapatnam, Guntur and Tirupati Wildlife Management (WLM)

<sup>148</sup> Visakhapatnam Circle-Srikakulam, Visakhapatnam, Narsipatnam, Paderu Guntur Circle-Guntur, Giddaluru, Nellore, Ongole SF, Guntur SF Tirupati WLM Circle-Tirupati WLM, Rajampet WLM, Chittoor East WLM

<sup>149</sup> F. No. 8-84/2002-FC (Pt) dated 03 February 2004

<sup>150</sup> An area notified under Indian Forest Act, 1927 or State Act having full degree of protection and unless otherwise permitted, all activities therein are prohibited

<sup>151</sup> An area notified under Indian Forest Act, 1927 or State Act having limited degree of protection and unless otherwise permitted, all activities therein are prohibited

Indian Forest Act, 1927. Stage-II clearance shall be given by MoEF after the land mutated in favour of the Forest Department. The forest land shall be handed over to the user agency after the non-forest land has been mutated in favour of Forest Department. The Nodal Officer must report compliance within a period of six months and send a copy of the original notification declaring the non-forest land as RF/PF. Prior to February 2004, the declaration of the non-forest land taken for CA as RF/PF is to be done prior to Stage-II approval.

The non-forest land reserved for CA in the State was 41,567.78 ha. Of this 22,133.15 ha. (53 per cent) was notified (April 2024). Remaining 47 per cent CA reserved lands were yet to be notified.

During test check of records, Audit noticed (June/ July 2022) that in 51 (out of 80) cases involving 5,146.42 ha. of CA land of the following sampled divisions, the process of notifying was not completed even after lapse of a period ranging from 15 to 452 months (as detailed in **Table-5.2**) since Stage-II approval accorded by GoI thereby denying contemplated higher protection to reserved forest lands.

**Table-5.2 – Non-notification of mutated lands as RF/PF**

Sl. No.	Forest division	Period of Stage-II approvals given by GoI	No. of cases	Non-forest CA land accepted (in ha.)	Months elapsed for notification since final approval as of March 2022
1	Chittoor East	30.12.1998 to 11.06.2019	11	301.13	33 to 279
2	Giddalur	16.07.1984 to 24.08.2016	13	2087.40	67 to 452
3	Guntur	12.12.2005 to 31.12.2013	4	29.64	99 to 195
4	Narsipatnam	19.01.2004 to 28.07.2010	2	449.42	140 to 218
5	SPSR Nellore	21.04.2005 to 06.09.2018	4	11.75	42 to 203
6	Rajampet	17.10.1988 to 22.12.2020	7	725.58	15 to 401
7	Srikakulam	28.06.2000 to 15.07.2008	4	468.18	164 to 261
8	Tirupati	28.02.2005 to 13.08.2007	2	84.44	175 to 205
9	Visakhapatnam	28.06.1997 to 04.08.2018	4	988.88	43 to 297
<b>Total</b>			<b>51</b>	<b>5146.42</b>	<b>15 to 452</b>

Source: Records of the sampled divisions and information furnished by the circles

Non-compliance even after lapsing of such a long period is fraught with the risk of considering/ proposing same lands for other CA schemes. One such case is illustrated below.

Non-forest land to an extent of 339.34 ha. accepted in Srikakulam division for raising CA, in lieu of diversion of 567 ha. of forest land to a user agency (M/s. Singareni Collieries Company Limited) during the period 2006-08, was subsequently found to be already in the possession of Forest Department as un-notified forest blocks since 1976. On this being pointed out, the Ministry stated (April 2013) that the matter of early notification of CA land of 339.34 ha. and raising of CA thereon would be pursued vigorously (refer paragraph 5.2 of CAG Audit Report (No. 21 of 2013)).

The case has been verified to ascertain the progress and it was observed (July 2022) that plantation in CA land has been taken up in only 60 ha. (against 339.34 ha.). The DFO, while confirming the fact, replied (July 2022) that the District Administration had proposed allocation of certain portion of balance CA lands for Bhavanapadu Port and for Nuclear Power Plant; hence these areas were not proposed for plantation. The DFO assured (July 2022) to propose a revised CA scheme after finalisation of proposed project area.

Reply is not acceptable as CA lands should not be transferred for other than the approved purpose without prior approval of the Ministry.

Audit further verified the status of notified lands (214 cases randomly) in the Government's official website ('Mee Bhoomi') and observed non-reflection of notified survey numbers as forest land in 65 (30 per cent) cases in the portal. It was further noticed in Audit that the survey numbers which were not reflected in the portal as forest land were either non-existent or shown as 'patta land' and 'Government land'. From the Encumbrance Certificates<sup>152</sup> we observed that in six (out of eight) patta land cases 16.03 acre of forest land was registered (between the years 1998 and 2022) in the names of private parties. Non-depiction of notified survey numbers as forest land in 'Mee Bhoomi' portal indicates lack of coordination between Forest and Revenue Departments.

Thus, non-notification of forest land fraught with the risk of diversions of the lands to other purposes thereby defeats the objective of compensating loss of natural forests through compensatory afforestation.

The PCCF informed (October 2023) that notification process has been initiated and proposals have been submitted to Government for approval by four divisions viz., Guntur, Giddadluru, SPSR Nellore and Visakhapatnam. Further progress is awaited (December 2024).

***Recommendation 5.1: The Government should take immediate steps to notify all non-forest lands already accepted for Compensatory Afforestation and ensure issue of notification within the prescribed six months in future cases also. Department should examine the lapse for delay in notification of CA lands as reserve forest/ protected forest and fix responsibility against non-compliance to the stipulations by the authorities concerned.***

#### **5.4 Acceptance of hillock areas/ encumbered lands for compensatory afforestation**

Para 2.3 (i, iii & iv) of Ministry's guidelines (March 2019), stipulated that CA is to be raised on suitable non-forest land, equivalent to the area proposed for diversion at the cost of the user agency. Where non-forest land is available but lesser in extent to the

<sup>152</sup> from the website <https://rs.ap.gov.in/APCARDECClient>

forest area being diverted, CA could be carried out over degraded forest<sup>153</sup> twice in extent of the area being diverted or the difference between the forest land being diverted and the available non-forest land, as the case may be. In case non-forest land for CA is not available in the same district, it should be identified anywhere else in the State concerned near to the site of diversion as far as possible, to minimise adverse impact on the micro-ecology of the area.

In the following cases, however, Audit observed that lands having unsuitable conditions for CA have been accepted by the Forest Department in contravention to the norms.

#### 5.4.1 Polavaram project

Ministry had accorded (July 2010) Stage-II approval for diversion of 3,731.07 ha. of forest land for the project 'Construction of Indira Sagar multipurpose project across Godavari river' (Polavaram project). An extent of 873.07 ha. was handed over to two sampled divisions for which the user agency (Irrigation & Command Area Development (I&CAD) Department) deposited ₹ 12.35 crore towards cost of CA. Details of division-wise CA lands identified, plantations raised, cost of CA collected and expenditure incurred thereon are shown in **Table-5.3**.

**Table-5.3: CA lands utilisation and expenditure under Polavaram project**

Sl. No.	Division	CA lands identified (in ha.)	CA Plantations raised (in ha.)	Cost of CA collected (₹ in crore)	Expenditure incurred as of March 2022 (₹ in crore)	Expenditure for the period from 2017-18 to 2021-22 (₹ in crore)
1	Visakhapatnam	453.00	152.00	9.58	1.08	0.30
2	Narsipatnam	420.07	60.00	2.77	0.79	0.08
<b>Total</b>		<b>873.07</b>	<b>212.00</b>	<b>12.35</b>	<b>1.87</b>	<b>0.38</b>

Source: Records of DFOs concerned

From the table it can be seen that:

- Against 873 ha., plantations were raised in 212 ha., thus fulfilling only 24 per cent of the statutory obligation of raising CA during a period of more than a decade.
- Out of ₹ 12.35 crore, only ₹ 1.87 crore was expended for raising of plantations to the end of March 2022 which constitutes only 15 per cent of total CA amount collected.

<sup>153</sup> Degraded forest is a secondary forest, that has lost through human activities the structure, function, species composition or productivity normally associated with a natural forest type expected on that site

The reasons for tardy implementation of CA were as follows:

In Visakhapatnam division, 453 ha. of land for CA was handed over to the Forest Department at four locations<sup>154</sup> in the district. Joint physical verification (June 2022) of the areas<sup>155</sup> revealed that-



*Rough terrain in Kandipudi CA*

- Major portion of Kandipudi area is rough terrain/ hilly area;
- No plantation activity was taken up as on date of audit in 50 (out of 80) ha. of land at Tatiparthi as the area was hilly terrain having huge boulders and rocks;
- Majority of area at Pedagantyada is a hillock with red soil and limestone; and
- Natural vegetation already existed in these hilly areas.



*Hilly terrain with boulders and rocks in Tatiparthi CA*



*Hillock with red soil and limestone in Pedagantyada CA*

In Narsipatnam division an extent of 420.07 ha. of land for CA was handed over at four locations<sup>156</sup> in Visakhapatnam district. During joint physical verification (June 2022) of the following two CA areas, Audit observed that -

- The land (93.20 ha.) at Robbasingi is located on hilltop having good vegetation. Further, from the records it was observed that 3/4<sup>th</sup> of the area has been occupied by the local villagers and remaining area was predominantly rocky.
- No plantation activity was taken up at Kondasantha except 20 ha. of bamboo plantation (during 2015-16) as the area (292.59 ha.) was occupied by local villagers and rocky terrain.



*Hillock CA of Kondasantha*

From the above, it is evident that the authorities had accepted lands having unsuitable conditions (hilly and rough terrain with boulders and rocks) for CA contrary to the stipulations which resulted in non-utilisation of the lands for the purpose of CA activities.

<sup>154</sup> Gudivada (12 ha.), Kandipudi (61 ha.), Pedagantyada (300 ha.) and Tatiparthi (80 ha.)

<sup>155</sup> Kandipudi, Pedagantyada and Tatiparthi

<sup>156</sup> Chodyam (20 ha.), Kondasantha (292.59 ha.), Kothapalli (14.28 ha.) and Robbasingi (93.20 ha.)

Audit further noticed that the CF, Visakhapatnam submitted (October 2014) a five-year action plan (2014-15 to 2018-19) for the remaining CA works in the divisions, including Polavaram CA area. The CCF, Visakhapatnam (in respect of Polavaram), submitted (May 2019 and November 2020) a revised CA scheme with various activities like raising and maintenance of plantations, tending and cultural operations, Soil and Moisture Conservation (SMC) works, *etc.*, to the PCCF for a six-year period (2019-20 to 2024-25). However, PCCF had not responded to the proposals. As such, in all these years, there was no progress in the implementation of CA scheme -in Polavaram. This can be primarily attributed to unfavoured land conditions for implementation of CA and non-responsiveness of the PCCF to the revised proposals submitted by the functional office.

The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

#### 5.4.2 Chintalapudi lift irrigation scheme

Ministry accorded Stage-I (November 2017) and Stage-II (November 2018) approvals for diversion of 347.64 ha. of forest land of Eluru division for Chintalapudi Lift Irrigation Scheme (Packages I and II), in favour of the Chief Engineer, Godavari Delta System, Dowleswaram. For raising CA, 520.09 ha. non-forest land at five locations<sup>157</sup> was handed over (June 2018) to DFO, Visakhapatnam. The DFO, Visakhapatnam prepared (June 2018) a scheme for CA in 520.09 ha. of non-forest land and in 480 ha. of degraded forest area.

Audit observed (June 2022) that:

- CA work was not taken up within a period of three years though specified in Stage-I and Stage-II approvals.
- Joint physical verification (June 2022) of three CA areas<sup>158</sup> revealed that the proposed CA areas were hilly terrain and located at a height of about 150 mtr. above plain area. As observed from the inspection report of DFO, the allotted land was not suitable for semi-mechanical plantation as there is good natural growth and removal of this natural forest would lead to excessive soil erosion.



CA area at Seemanapalli



CA area at Rayapurajupeta

<sup>157</sup> Bhogapuram (62.38 ha.), Gandhavaram (60.72 ha.), Rayapurajupeta (140.28 ha.), Seemanapalli (54.08 ha.) and Thummapala (202.63 ha.)

<sup>158</sup> Gandhavaram, Rayapurajupeta and Seemanapalli

- Field inspection (May 2017) reports of Tummapala (202.63 ha.) and Bhogapuram (62.38 ha.) revealed that these CA areas are also located on the hilltop at a height of about 50 mtr. to 150 mtr.
- Good natural vegetation pre-existed and any attempt to work on it would lead to excessive soil erosion.



CA area at Gandhavaram

In view of the unsuitable site conditions and presence of good natural forest growth, scope for planned CA was remote. Reply (July 2022) of the DFO, Visakhapatnam did not address the issues brought out by Audit.

Government in the Exit Conference (December 2022) accepted non-fulfilment of CA requirement and stated that the CA area has not been disturbed since ecological value of the area is very high due to presence of good natural vegetation. It was further added that a revised proposal for CA duly considering 1,000 trees/ha. in another location is underway. The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

### 5.4.3 Encumbered land cases

In the following cases, the Forest Department had accepted encumbered lands.

- i) In Srikakulam division, from the letter (February 2022) of DFO addressed to the District Collector, Audit noticed that an extent of 3.75 ha. of forest land was diverted for formation of reservoir across Peddagedda near Jamparakota village. The Irrigation Department handed over (April 2000) 3.75 ha. non-forest land (in Sy No. 12/2 of Jamparakota village) to Forest Department and paid ₹ 1.32 lakh towards the cost of CA. Audit observed (July 2022) that despite receipt of cost of CA, plantations could not be taken up, even after lapse of more than two decades, due to encroachments of the non-forest land and non-allotment of alternative land by the Revenue authorities.
- ii) The Ministry of Environment, Forest & Climate Change, in the case of 7.49 ha. of encroached non-forest land taken over by the State Forest Department for CA in lieu of 6.49 ha. of forest land diverted in Giddaluru Division for construction of irrigation channel under Motupalli Lift Irrigation Scheme, instructed (September 2017) the State Forest Department to reclaim the non-forest land or to get suitable non-forest area allotted adjacent to the forest area since pattas were issued to the encroachers.

It is pertinent to mention that Stage-II approval for this work was accorded way back in July 1984 and Forest Department had also collected an amount of ₹ 0.35 lakh for CA purpose. This indicated the Forest Department did not make any efforts to get the land records updated, which resulted in encroachments in CA lands.

The above instances clearly indicate that the State Forest Department did not exercise due diligence while taking over land for CA. Thus, the Department was not being able to carry out CA though amount was collected from the user agencies.

Government in the Exit Conference (December 2022) stated that DFOs are in touch with local administration and encroachments would be evicted or alternate land would be sought for CA. The PCCF informed (October 2023) that the divisions are pursuing the issue with the Revenue Authorities. Further progress is awaited (December 2024).

***Recommendation 5.2: The State Government should put in place proper mechanism for ensuring afforestation in degraded forest/ alternate land in the cases where plantation works could not be taken up by the Forest Department in CA lands due to unsuitable site conditions like rocky/ hilly area, existence of natural vegetation, etc.***

### 5.5 Non-reclamation of closed/ inoperative mines

As per Para 4.15(iv) of Ministry guidelines (June 2004), in case of opencast mining, it should be the responsibility of the Forest Department to ensure that all necessary inputs like creation of nursery, storage of topsoil for reuse and methodology for its reforestation, choice of species, etc., are so planned and implemented that the mined area is fully afforested by the time mining operations are completed. Further, the Ministry while according approvals for forest clearance instructed the user agencies to take up reclamation works concurrently with the mining operations.

Audit verification of the status of the mining leases (as of May 2022) in two (*viz.*, Guntur and SPSR Nellore) of the sampled divisions, revealed that out of 28<sup>159</sup> mining leases in 483.16 ha.<sup>160</sup> (renewed/ approved by GoI/ GoAP during the period 1996 to 2017<sup>161</sup>), 17<sup>162</sup> (61 *per cent*) mining leases involving 350.99 ha.<sup>163</sup> (73 *per cent*) were either inoperative or closed. There was no evidence for reclamation of those forest lands.

Government in the Exit Conference (December 2022) stated that compliance with the provisions is practically difficult. It was further stated that they are proposing for collection of additional security deposit of ₹ 2.50 lakh/ha. from the lessees for ensuring reclamation by them.

The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

### 5.6 Other observations

**(A) Land bank not created:** Para 2.7 of Ministry's guidelines (March 2019) stipulated creation of land bank for CA for speedy disposal of the forest clearance proposals under FC Act 1980. In addition to non-forest land, degraded forest land with crown density up to 40 *per cent* would be made available for CA.

In the Steering Committee meeting held on 29 April 2019, the Chief Secretary to Government of Andhra Pradesh had also directed to create land bank for various projects under CA. Further, in the next meeting held on 03 July 2019, it was decided

<sup>159</sup> Guntur: 18 and SPSR Nellore: 10

<sup>160</sup> Guntur: 367.00 ha. and SPSR Nellore: 116.16 ha.

<sup>161</sup> Guntur: 1996-2017 and SPSR Nellore: 1998-2000

<sup>162</sup> Guntur: 14 and SPSR Nellore: 3

<sup>163</sup> Guntur: 293.18 ha. and SPSR Nellore: 57.81 ha.

to constitute a committee under Chairmanship of PCCF with wildlife warden and representatives of Revenue Department. It was also decided to identify degraded forest land having up to 40 *per cent* crown density through geographical information system (GIS) by the Forest Department.

Audit observed that land bank could not be created due to non-furnishing of relevant details by the district authorities. Regarding identification of degraded forest, the Department did not offer (June 2022) specific remarks.

Government in the Exit conference (December 2022) stated that information would be obtained from the Revenue Department.

The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

**Recommendation 5.3: Government should take immediate action for creation of land bank of Government lands and degraded forest lands.**

**(B) Avenue plantation not done:** In Guntur division, GoI accorded (June 2017) Stage-I approval for diversion of 0.941 ha. of forest land for 'Formation of road to All India Institute of Medical Sciences (AIIMS) at Mangalagiri from NH-16 from Km 0.000 to 1.600'. One of the stipulated conditions of Stage-I approval was raising of avenue plantation along roadside. During joint physical verification (June 2022) it was, however, observed that no avenue plantation was raised by the Department even after a lapse of five years despite an amount of ₹ 9.50 lakh being collected (September 2017) from the user agency (Roads & Building Department) towards the purpose.

On this being pointed out, the DFO, Guntur stated (June 2022) that avenue plantation could not be taken up due to non-release of funds by the Forest Department and assured to take up the work after getting the funds.

The PCCF informed (October 2023) that provision for first year maintenance has been projected for the financial year 2023-24. The reply is however, silent about raising of avenue plantation. Further progress is awaited (December 2024).

**(C) Retaining wall not constructed:** In Visakhapatnam division, GoI, accorded Stage-I (July 2018) and Stage-II (January 2022) approvals for diversion of 1.85 ha. of forest land for relaying road of Visakha Valley School Road from NH-16 junction to Beach Road. As per condition laid down in approvals of Stage-I, the user agency (Visakhapatnam Urban Development Authority) is to construct retaining walls and check walls wherever required in consultation with the DFO at the cost of user agency.



*AIIMS road without avenue plantation*



*Zoo park compound wall without retaining wall*

However, during joint physical verification (June 2022), it was observed that retaining walls were not constructed. For obtaining Stage-II approval from the Ministry, the State Government assured that necessary undertakings from the user agency was obtained to construct retaining walls and check walls wherever required. Thus, the State Government did not adhere to the assurances given by it for obtaining Stage-II approval.

On this being pointed out, the PCCF stated (October 2023) that necessary action would be taken for construction of retaining wall. Further progress is awaited (December 2024).

## 5.7 Implementation of CA works

### 5.7.1 Inflated/ overstated Quarterly Progress Reports in two Divisions

Review of the status of implementation of CA works, as per quarterly progress reports (QPRs) of June 2022 submitted by DFOs to PCCF, showed that CA has been carried out in 36,567.24 ha. (85 per cent) of land against stipulated 42,945.31 ha. in the State. Status in the sampled divisions is shown in **Table-5.4**.

**Table-5.4: Details of CA implemented against stipulated area in the sampled divisions**

(in ha.)				
Sl. No.	Division	CA stipulated	CA Implemented	To be implemented
1	Chittoor East	1031.56	943.41	88.15
2	Giddalur	3048.41	3040.42	7.99
3	Guntur	663.88	660.33	3.55
4	Narsipatnam	449.42	449.42	0.00
5	SPSR Nellore	8451.53	8352.56	98.97
6	Rajampet	1760.35	1753.95	6.40
7	Srikakulam	380.59	380.59	0.00
8	Tirupati	95.83	96.00	-0.17
9	Visakhapatnam	513.31	513.31	0.00
	<b>Total</b>	<b>16,394.88</b>	<b>16,189.99</b>	<b>204.89</b>

Source: Quarterly Progress Reports

It can be seen that the implementation rate was 98.75 per cent (16,189.99 ha.) against stipulated area of 16,394.88 ha. However, in Visakhapatnam and Narsipatnam divisions, though the achievement was shown as 100 per cent in the QPRs, during scrutiny of records and joint physical verification of the works in these divisions, Audit noticed that there was huge shortfall in implemented area under Polavaram and Chintalapudi Lift Irrigation projects due to unsuitable site conditions as pointed out in Paragraph 5.4 *supra*. Thus, the details in QPRs were not depicting actual progress.

The PCCF informed (October 2023) that due to non-release of funds and non-eviction of lands CA could not be implemented in Guntur and Giddalur divisions. Specific remarks were not furnished about non-implementation of CA in 98.97 ha. of SPSR Nellore division. Regarding other Divisions, the PCCF stated that reports would be submitted in due course. Further progress is awaited (December 2024).

Further, scrutiny of QPRs furnished by PCCF for the years 2017-18 to 2021-22 revealed the following:

- a) In the year 2017-18, shortfall in physical achievement was 84 per cent and 75 per cent and in financial achievement was 78 per cent and 52 per cent for Assisted Natural Regeneration (ANR) and Block Plantation respectively against stipulated coverage.
- b) In the year 2018-19, there was no shortfall in financial and physical achievements.
- c) In the year 2019-20, shortfall in physical and financial achievements of ANR/Block plantations was 51 per cent and 86 per cent respectively.
- d) In the year 2020-21, achievement in terms of both physical and financial was tardy. Shortfall in physical achievement was 75 per cent, 82 per cent, 63 per cent and 87 per cent and in the financial achievement was 84 per cent, 85 per cent, 93 per cent and 92 per cent for CA, ACA, ANR and Artificial Regeneration (AR) plantations respectively.
- e) Similarly, in the year 2021-22, the shortfall in physical achievement was 70 per cent, 100 per cent, 18 per cent and 60 per cent and in financial achievement was 82 per cent, 76 per cent, 73 per cent and 51 per cent respectively for CA, ACA, ANR and AR plantations.
- f) During the year 2020-21 and 2021-22, in respect of PCA, Safety Zone Afforestation (SZA) and CAT schemes, though there was 'NIL' physical progress an amount of ₹ 3.29 crore has been shown as incurred under these components.

Government in the Exit Conference (December 2022) stated that release of funds since 2019-20 is an issue which leads to unpredictable situations. It was further stated that in cases where full scale plantation *i.e.*, 1,000 trees/ha. was not possible, the shortfall would be compensated by taking up activities in degraded forest land for the year 2022-23.

- g) From the compliance report on diversion of forest land of 37.50 ha. for construction of Vamsadhara Project submitted (April 2019) by the DFO, Srikakulam to CCF, Visakhapatnam, Audit noticed that despite collection of ₹ 55.15 lakh towards raising plantations for CA an extent of area of 7.50 ha. (against stipulated 125.10 ha.) has only been raised.

The DFO attributed (July 2022) non-implementation to rocky patches and big boulders in the CA lands.

- h) In SPSR Nellore division, scrutiny of quarterly progress report to the end of June 2022 revealed that CA plantations had been raised only in 1.73 ha. out of stipulated 14.10 ha., even after a lapse of 42 to 55 months from Stage-II approvals (between

04 August 2017 and 06 September 2018) despite collection of cost (₹ 1.02 crore) towards CA in three projects<sup>164</sup>.

The DFO assured (July 2022) to raise plantations in 2022-23.

### **5.7.2 Non-implementation of CAT plan**

Catchment Area Treatment (CAT) plan is an important and essential plan for enhancing and maintaining the ecological health of the catchment area of the proposed irrigation/ hydro-electric project through site-specific biological and engineering measures for conservation of soil, moisture and management of water regime. Among other provisions, the measures should focus on arresting soil erosion, improving effective drainage in the area and rejuvenation of the degraded eco-system in the catchment.

As per Paragraph 9.2 of Ministry's guidelines (March 2019), proposals for diversion of forest land for irrigation/ hydro-electric projects should invariably be accompanied by a detailed CAT plan, which includes check dams, gully plugging, gabion dams, contour trenches and vegetative structures, plantation of local indigenous tree and shrub species, including rare/ medicinal plants, fodder development, socio-economic component to the project affected families.

During test check of records in Srikakulam division, from the compliance report on diversion of forest land of 37.50 ha., for construction of Vamsadhara Project submitted (April 2019) by the DFO to CCF, Visakhapatnam, Audit noticed that despite specific instructions from Regional Office, MoEF&CC at Chennai (August 2016) to implement CAT plan at the earliest in cooperation with the irrigation officials, no action has been taken in this regard even after lapse of six years.

The PCCF informed (October 2023) that necessary correspondence was being made with the user agency for submission of detailed CAT plan. Further progress is awaited (December 2024).

### **5.7.3 Maintenance of CA works**

As per Rule 2.8(ii)(e) of Ministry's guidelines (March 2019), scheme for CA should be site specific and include detailed work schedule and maintenance of plantations for 10 years. Further, as per Paragraph 2.8(i) of the guidelines number of plants to be planted over non-forest land identified for CA shall be at least 1,000 plants per ha. In case it is not possible, the balance plants should be planted on degraded forest lands.

It was however, noticed that the special conditions of forest schedule of rates (FSRs of the year 2017) of the Department authorised the DFOs for maintenance including watch and ward of CA plantations up to seven years instead of 10 years in contravention to Rule 2.8(ii)(e) above. Further, from the records made available to audit,

---

<sup>164</sup> (i) Diversion of 2.26 ha. of forest land for upgradation of NH-67 from Km 707+500 to Km 708+880 (non-raising in targeted area of 5 ha., 55 months lapsed since Stage-II approval), (ii) Diversion of 3.80 ha. of forest land for quarrying of Road metal (non-raising in targeted of 4.10 ha., 42 months lapsed since Stage-II approval) and (iii) diversion of 4.59 ha. of forest land for quarrying of road metal (raised in 1.73 ha. out of targeted 5 ha., 51 months lapsed since Stage-II approval)

it was noticed that in the sampled divisions CA plantations were maintained up to five years only as shown in **Table-5.5**.

**Table-5.5: Shortfall in maintenance period of CA plantations**

(in years)

Sl. No.	Division	Stipulated period of maintenance	No. of years maintained	Shortfall in maintenance period
1	Chittoor East	10	4	6
2	Giddalur		5	5
3	Guntur		3	7
4	Narsipatnam		3	7
5	SPSR Nellore		5	5
6	Rajampet		4	6
7	Srikakulam		2	8
8	Tirupati		3	7
9	Visakhapatnam		3	7

Source: CA Plantations Journals and details furnished by the Divisions

Thus, the practice being followed by the Department in maintenance of plantations is contrary to extant guidelines.

On this being pointed out, the DFOs of Tirupati and SPSR Nellore, while accepting (July 2022) the audit observation, attributed non-maintenance of plantations up to 10 years to non-release of funds. DFO, Rajampet assured (July 2022) to maintain the plantations beyond four years. DFO, Srikakulam replied (July 2022) that necessary instructions were being issued to field officers concerned.

DFOs of Guntur and Giddalur replied (June/ July 2022) that plantations had been maintained up to 7 to 10 years. DFO, Chittoor East replied (July 2022) that all plantations raised under CA scheme were maintained as per the approved scheme/APOs. DFO, Visakhapatnam replied (July 2022) that based on field conditions CA schemes were maintained from one to seven years. The reply confirms non-maintenance of plantations as per stipulated period of 10 years.

Replies of DFOs, Guntur, Giddalur and Chittoor East are not acceptable, as proof of extended period of maintenance beyond actual period was not furnished. DFO, Narsipatnam did not furnish any reply.

Government in the Exit Conference (December 2022) assured to revise the maintenance period to 10 years for CA plantations duly incorporating in the FSRs.

Further, test check of records in two (out of 12) sampled DFOs revealed (June/July 2022) that in two<sup>165</sup> (out of 18) CA projects, the number of plants per ha. was 200 and 625 plants respectively instead of 1,000 plants per ha. Plantation of balance number in degraded forest lands was also not on record.

<sup>165</sup> Relaying road of Visakha valley school road from NH16 to beach road (Visakhapatnam) and Sri Suryam Granites (Chittoor East)

DFO, Visakhapatnam replied (July 2022) that number of plants was reduced due to existing good canopy density<sup>166</sup>. However, specific authority for allowing the DFO to reduce number of plants based on canopy density was not mentioned. DFO, Chittoor East did not furnish reply. The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

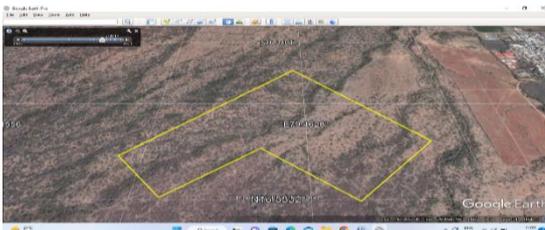
### 5.7.3.1 Status of plantations after maintenance period

State Forest Department had fixed<sup>167</sup> (March 1998) the norms of 70 per cent and 50 per cent survivals for considering a plantation as successful for Andhra and Rayalaseema regions respectively.

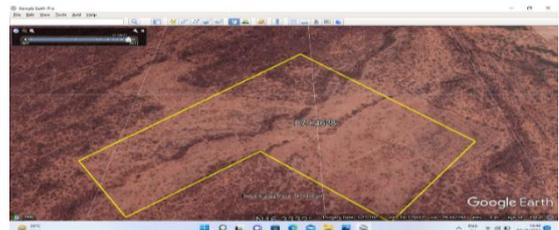
A test check of 30 plantations (selected randomly), as detailed in **Appendix-5.1**, raised during 2014-15 in the territorial divisions of Chittoor East, Guntur and Srikakulam carried out with the aid of Google Earth Pro revealed (August/ October 2022) that:

- Survival percentage was below 10 in respect of two<sup>168</sup> plantations ('zero' in one plantation and three per cent in the another) even after incurring an expenditure of ₹ 12.25 lakh.
- Survival percentage was above 10 and below 20 in three<sup>169</sup> plantations even after incurring an expenditure of ₹ 18.67 lakh.
- Survival percentage of six<sup>170</sup> plantations ranged between 20 and 50 (23 to 46 in Andhra region and 24 to 33 in Rayalaseema region) even after incurring expenditure of ₹ 84.22 lakh.

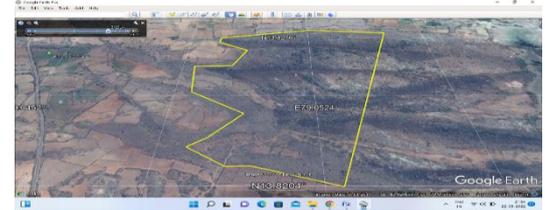
Illustrative pictures of failed plantations are shown below.



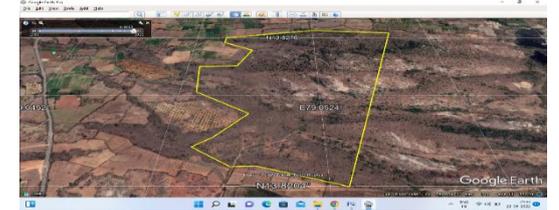
**Nehrunagar Thanda, Guntur Division in 2014**



**Nehrunagar Thanda, Guntur Division in 2022**



**Usthakayalapenta, Chittoor East Division in 2014**



**Usthakayalapenta, Chittoor East Division in 2022**

<sup>166</sup> per cent area of land covered by the canopy of trees which is expressed as a decimal coefficient; Dense forest: having tree canopy density of 70 per cent and above; moderate forest: having tree canopy density of 40 to 70 per cent

<sup>167</sup> circular No.6/98, dated 27 March 1998

<sup>168</sup> in Macherla (i) GPS ID-12318 (expenditure: ₹ 4.93 lakh) (ii) GPS ID-11419 (expenditure: ₹ 7.32 lakh)

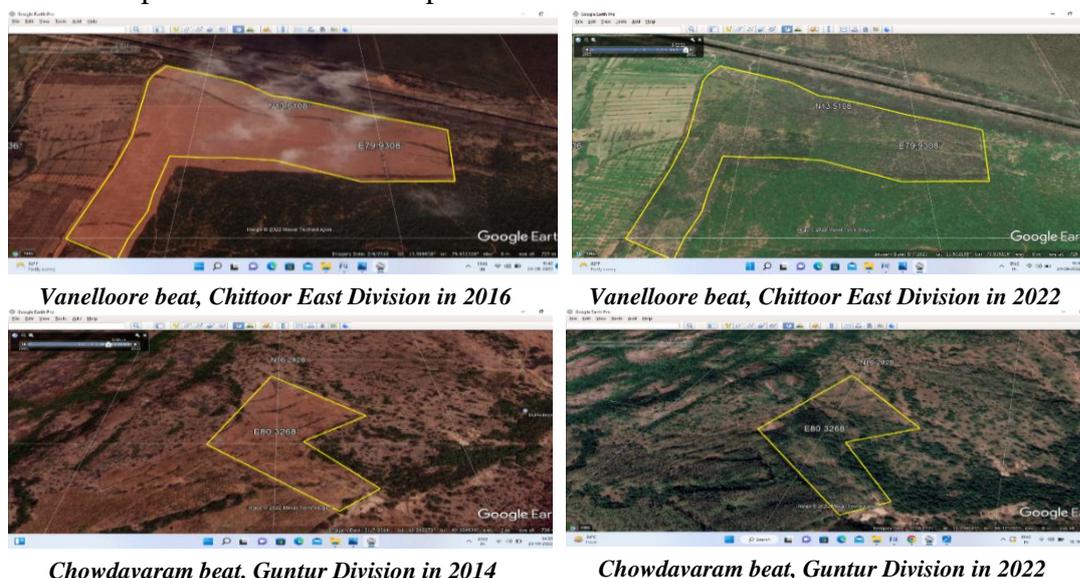
<sup>169</sup> in Piler (i) GPS ID-12648 (expenditure: ₹ 9.77 lakh) (ii) GPS ID-1223 (expenditure: ₹ 4.04 lakh)

(iii) GPS ID-1776 (expenditure: ₹ 4.86 lakh)

<sup>170</sup> (i) In Chittoor East: GPS ID-19072 (expenditure: ₹ 7.18 lakh); (ii) in Piler: GPS ID-11182 (expenditure: ₹ 15.04 lakh); (iii) in Puttur: GPS ID-12376 (expenditure: ₹ 16.58 lakh); in Vinukonda (iv) GPS ID-11286 (expenditure: ₹ 15.10 lakh); (v) GPS ID-12191 (expenditure: ₹ 15.37 lakh); (vi) GPS ID-12192 (₹ 14.95 lakh)

- In respect of 11 plantations, audit found that the survival percentage is more than the norm and ranged from 70 to 90 in Andhra and 71 to 96 in Rayalaseema area.

Illustrative pictures of successful plantations are shown below:



The summarised status of plantations is given in **Table-5.6**.

**Table-5.6: Status of test-checked plantations after maintenance period**

Status of plantations	No. of plantations		
	Andhra Region	Rayalaseema Region	Total
Successful	2	9	11
Failed	5	6	11
Not quantified due to reasons like variation in extent of area, two polygons for one GPS ID, unclear image, etc.	3	5	8
<b>Total</b>	<b>10</b>	<b>20</b>	<b>30</b>

Source: Google Earth pro maps

Thus, success rate after actual maintenance period *i.e.*, three to five years is only 50 per cent (in 11 out of 22 plantations).

On this being pointed out, the PCCF replied (September 2022) that the field offices submitted proposals in the APOs for carrying out the maintenance of CA plantations as per the scheme of respective project. It was also stated that provision for watch and ward, *etc.*, even after third year maintenance, would be taken note of as suggested by Audit.

**Recommendation 5.4:** The Department should evolve a periodical reporting mechanism for ensuring maintenance of plantation for stipulated 10 years period for better survival rate.

## 5.8 Financial management

Funds for CA are collected from the user agencies based on the rates fixed by the Forest Department from time to time. The user agencies deposit the amounts with the *Ad hoc* CAMPA. Up to the year 2018-19, the *Ad hoc* CAMPA released funds directly to the State Forest Department based on approved APOs. From the following year,

funds were transferred to the State CAF under the control of the State Government to the account head specifically opened for the purpose (Reserve Fund (interest bearing): 8121-00-129: Compensatory Afforestation Fund).

In view of the change in accounting procedure from 2019-20, the expenditure on CA is to be initially met by the State Government through budget support under account head 2406-04-103. The expended amount is recouped from the above Reserve Fund by adjustment at the end of the year. Further, a total expenditure of ₹ 433 crore was incurred in all the circles/divisions/units during the five-year period of 2017-22 and the expenditure in the sampled divisions was ₹ 180 crore.

### **5.8.1 Irregular adjustment from CAMPA Reserve Fund**

It was observed from the year-wise details that ₹ 43.89 crore was expended by the APCAMPA during the year 2020-21. It was, however, noticed (June 2022) that ₹ 84.46 crore was recouped from the CAF Reserve Fund towards APCAMPA activities instead of ₹ 43.89 crore expended.

While confirming that the actual expenditure was ₹ 43.89 crore only, the PCCF stated (July 2022) that ₹ 84.46 crore was shown in Comprehensive Financial Management System (CFMS) in view of release of ₹ 50 crore through green channel PD account<sup>171</sup>.

In this connection, Audit noticed that ₹ 50 crore released (March 2021) by the GoAP through green channel PD account, had actually been withdrawn by the DDOs and parked in the PD accounts<sup>172</sup> concerned without expending during the year 2020-21. Payments from Reserve Fund without incurring any expenditure in the service head was not in order.

The PCCF stated (October 2023) that due to freezing of CFMS, bills could not be claimed in 2020-21 and the amounts were parked in DDOs accounts. The reply is not acceptable as actual expenditure of ₹ 43.89 was to be recouped from CAF Fund.

Further, out of the ₹ 50 crore drawn, an amount of ₹ 37.80 crore was provided to field units during the period 2020-22 (in 2020-21: ₹ 27.94 crore and in 2021-22: ₹ 9.86 crore) and an amount of ₹ 12.17 crore was transferred (July 2021) to Bio-Diversity Conservation Society of Andhra Pradesh towards repayment of loan taken for remuneration of outsourcing staff.

### **5.8.2 Irregular utilisation of CAMPA funds**

As per section 6 of CAF Act 2016, read with minutes of meeting of the National CAMPA Advisory Council held on 25 January 2012, the monies available in the State Fund shall be utilised towards CA activities like raising of CA, additional/ penal CA, CAT plan, forest management, wildlife protection and management, *etc.* The interest

---

<sup>171</sup> funds from Central assistance to the State development schemes and matching share of the State should be adjusted to the Green Channel PD Accounts (facilitates to ensure that expenditure is carried-out in direct beneficiary transfer mode) and such PD Accounts are authorised to be exempted from Treasury scrutiny / intervention for fund clearance which means the bills under such Green Channel PD Accounts do not come up for Treasury scrutiny or clearance of funds by Finance Department, irrespective of the amount (*Source: GO Ms. No. 99 dated 14 August 2019*)

<sup>172</sup> Account No.: 8443001061627175001VN under Compensatory Afforestation Fund Deposits

accrued on funds available in the State Fund shall be used for conservation and development of forest and wildlife and non-recurring and recurring expenditure for the management of the State Authority including the salary and allowances payable to its officers and other employees. Further, expenditure of administrative nature, Petrol, Oil & Lubricants (POL), repairs and renovation of office, *etc.*, are not permissible to incur from the CA Fund.

Rule 5(4) of the CAF Rules 2018 stipulated that the monies received under NPV component shall not be used for construction of residential and official buildings for officers above the level of FRO, purchase of vehicles or staff cars and heavy vehicles and machines and purchase of furniture, office equipment, fixtures, air conditioners, and generator sets, *etc.*

Audit scrutiny revealed that in the following instances the Department incurred expenditure on non-permissible activities.

- An amount of ₹ 12.20 lakh was paid (August 2018) out of NPV component as consultancy fee to an agency for the proposed construction of PCCF Camp Office at Vijayawada. As official buildings for officers above level of FRO is not to be booked under NPV, the expenditure paid out of NPV for construction of PCCF Camp Office, Vijayawada was not in order.
- During 2017-20, DFO, Guntur utilised ₹ 6.55 lakh<sup>173</sup> on the items like PCCF office expenditure, Advance to FRO for awarding 'Vana Samrakshana' meritorious medal, *etc.*

The PCCF replied (October 2023) that the expenditure was incurred as per the instructions of Government/ PCCF. Reply is not acceptable as these items of expenditure are not permissible under CAMPA provisions.

- In Chittoor East Division, ₹ 7.44 lakh was incurred from NPV component for extension of dining hall at forest guest house.

The DFO replied (July 2022) that the amount was expended as per the approved APOs. Reply is not acceptable. Incorporation of non-permissible items of expenditure in APOs is a violation to the stipulations. The PCCF stated (October 2023) that the audit observation is noted for future guidance.

Audit further observed that the Department had utilised ₹ 58.56 lakh<sup>174</sup> (during the period 2017-2019) towards 'Vanamahotsavam', renovation of Aranya Bhavan and National Bamboo Mission (NBM) scheme, *etc.*, from interest funds on reimbursement basis. The amounts were, however, not paid back to the interest fund (July 2023).

PCCF replied (July 2022) that ₹ 10 lakh was reimbursed (April 2019) by the DFO, Guntur and ₹ 4.56 lakh<sup>175</sup> was part of the expenditure. It was further stated that action is being taken for reimbursement of the balance amount.

---

<sup>173</sup> Rentals for keeping APAT records ₹ 1.26 lakh, transformer at PCCF ₹ 1.25 lakh, drinking water to PCCF office ₹ 0.63 lakh, Payments of dues for PCCF expenditure ₹ 2.28 lakh and Advance to FRO for awarding Vana Samrakshana meritorious medal ₹ 1.13 lakh

<sup>174</sup> Vanamahotsavam: ₹ 4 lakh; Renovation of Aranya Bhavan: ₹ 10 lakh; Rent of OSD law section: ₹ 0.41 lakh; Oil charges: ₹ 4.15 lakh; and National Bamboo Mission: ₹ 40 lakh

<sup>175</sup> ₹ 0.41 lakh paid to the law section OSD and ₹ 4.15 lakh oil charges of head office

Reply is not acceptable as the amount of ₹ 10 lakh, stated as reimbursed by the DFO, Guntur was not found in the cash book of PCCF. Treating ₹ 4.56 lakh as expenditure is also not justifiable as the amount was released on reimbursement basis.

Government in the Exit conference (December 2022) stated that component-wise details would be verified and detailed reply would be furnished in due course.

Regarding NBM scheme, the PCCF informed (October 2023) that the DFOs were unable to make reimbursement due to non-receipt of funds under NBM. The details would be furnished soon after reimbursement of the amount. Further progress is awaited (December 2024).

### **5.8.3 Short collection of NPV**

As per para 3.1 & 3.4 of Ministry's guidelines (March 2019), NPV for forest land diverted for non-forest purpose is to be recovered from user agencies for undertaking forest protection, other conservation measures and related activities. The rates of NPV recoverable from the user agency depends upon the type (Eco Classes I to VI) of forest and forest cover of the diverted forest land *i.e.*, very dense (more than 70 per cent canopy density<sup>176</sup>), dense (40 to 70 per cent canopy density) and open forest/ scrub jungle (less than 40 per cent canopy density).

Scrutiny (June 2022) of records of the diverted forest lands revealed that while computing the cost of NPV for seven (out of 100) projects, the DFOs of Visakhapatnam and SPSR Nellore divisions did not adopt applicable rates as per classification of forest type which resulted in short collection of NPV of ₹ 26.32 lakh (as detailed in *Appendix-5.2*).

Government in the Exit Conference (December 2022) accepted the audit observation and assured to issue revised demand.

The PCCF stated (October 2023) that detailed reply would be submitted in due course. Further progress is awaited (December 2024).

***Recommendation 5.5: Government may review utilisation of budget/ CAMPA funds periodically to avoid diversion of funds/ utilisation of funds towards inadmissible activities.***

## **5.9 Monitoring and evaluation**

Evaluation of plantation works and monitoring at regular intervals duly assessing the utilisation of funds released by APCAMPA are essential for ensuring effective implementation of CA schemes.

### **5.9.1 Shortfall in conducting meetings of statutory bodies**

In accordance with the Ministry guidelines (July 2009) on State CAMPA read with Sections 17, 18 and 19 of CAF Act 2016, the State Government had notified (October 2018) the constitution of (i) Governing Body - to lay down the broad policy framework

<sup>176</sup> Per cent area of land covered by the canopy of trees

for the functioning of the State CAMPA and review its working from time to time, (ii) Steering Committee - to approve the APOs and monitor the progress of utilisation of funds and (iii) Executive Committee - to prepare the APOs and supervise the CAMPA works.

The Governing Body has to meet at least once in six months and the other two committees have to meet at least once in every three months. The status of meetings of these committees during the audit coverage period *i.e.*, 2019-22 is shown in **Table-5.7**.

**Table-5.7: Shortfall in conducting meetings by the committees**

Year	Meetings of Governing Body			Meetings of Steering Committee			Meetings of Executive Committee		
	To be held	Held	Short fall (per cent)	To be held	Held	Short fall (per cent)	To be held	Held	Short fall (per cent)
2019-20	2	Nil	100	4	3	25	4	3	25
2020-21	2	Nil	100	4	1	75	4	1	75
2021-22	2	Nil	100	4	1	75	4	1	75
<b>Total</b>	<b>6</b>	<b>Nil</b>	<b>100</b>	<b>12</b>	<b>5</b>	<b>58</b>	<b>12</b>	<b>5</b>	<b>58</b>

Source: Information received from PCCF

It can be seen from the above table that the Governing Body did not meet even once during the three-year period 2019-22. The other two committees had met only five times each against the norm of 12 times. Thus, meetings of the bodies were not held at regular intervals. No meetings by the Governing Body resulted in non-fulfilment of the envisaged purpose (*i.e.*, policy framework and review of policies) of its formation.

Government in the Exit conference (December 2022) stated that one meeting of Steering Committee was held after the Audit and next is due to be convened. Specific response regarding meetings of Governing Body was however, not given.

The PCCF stated (October 2023) that meetings would be conducted timely in future.

**Recommendation 5.6: Government should ensure that monitoring at higher levels is strengthened through regular meetings by the statutory bodies at stipulated intervals and by formulating policy framework for State CAMPA.**

## 5.9.2 Non-preparation of annual reports

As per Ministry's guidelines (July 2009) on State CAMPA read with Section 28 of CAF Act 2016 and State Government orders (October 2018), the Annual Report of the State CAMPA is to be forwarded annually to the State Government, to the Ministry and to the *Ad hoc* CAMPA. Further, Section 29 of CAF Act 2016 stipulated that the State Government had to arrange to submit the Annual Report to the State Legislature.

The Executive Committee of State CAMPA shall prepare Annual Report by the end of June for each financial year with the details which *inter alia* include various works done, the amount spent and amount received by the State CAMPA from various sources, *etc.*

It was, however, observed that Annual Reports for none of the years covered in audit were prepared by the Department which is contrary to the stipulations. Thus, the State

Legislature was not informed of the annual activities undertaken by CAMPA as the annual report was not prepared and laid in the State legislature.

Department in the Exit Conference stated (December 2022) that the reports are under preparation and assured their submission to the Government.

The PCCF in the reply (October 2023) attributed non-furnishing of annual reports to non-receipt of interest details from the State Government. Further progress is awaited (December 2024).

***Recommendation 5.7: Ensure timely preparation and submission of annual reports to State Legislature.***

### **5.9.3 Independent system for monitoring and evaluation of works**

Under the CAF Act, 2016, independent and concurrent third-party monitoring and evaluation of the works undertaken by the State CAMPA is an important requirement. Accordingly, the PCCF had invited (May 2021) expression of interest from four institutions to submit their willingness for third party monitoring of works carried under CAMPA from 2016-17 to 2020-21. The Institute of Wood Science and Technology, Bengaluru (IWST) informed (May 2021) its willingness to take up the work. Relevant details about CAMPA plantations raised, forest protection activities *etc.*, sought for (June 2021/ December 2021) along with draft MoU by the ISWT were forwarded in the months of June 2021 and July 2022.

Audit observed (August 2022) that MoU was however, not entered as of date of audit. Thus, concurrent monitoring of works carried out during the period 2016-17 to 2021-22 had not materialised.

On this being pointed out, the PCCF replied (October 2023) that MoU has been entered with IWST. However, no documentary evidence in support of the reply was furnished.

### **5.9.4 Non-updation of e-Green watch portal**

e-Green Watch portal, maintained by Forest Survey of India (FSI), is designed and developed as a web-based workflow application and integrated information system. This enables effective online monitoring of works executed through the State CAF. The portal shows details of CA, diverted forest land, other plantations and assets, *etc.* As per the directives issued by Ministry (November 2020), the details of plantations undertaken with CAMPA funds on the e-Green watch portal shall be uploaded in a timely manner. The details include polygons of the plantations, photographs of plantation sites 'before' and 'after' planting, species planted, works progress reports/ photographs, *etc.*

A sample check of 30 plantations (*i.e.*, 10 from each of three<sup>177</sup> (out of 10) selected divisions as detailed in **Appendix-5.3**) on a random basis was carried out in the e-Green watch portal to verify the details of the plantations uploaded. The status (August 2022) of uploading is summarised in **Table-5.8**.

<sup>177</sup> Chittoor East, Guntur and Narsipatnam

**Table-5.8: Non-updated cases in e-Green watch portal**

Sl. No.	Details	No. of cases
1	Details of Diverted Forest Land (3) and Details of Land received from user agency for CA (3)	3
2	Details of the amount demanded from user agency against the FCA Project (14), Details of amount received from user agency against the FCA project (13), Plantation site details (6), Work estimate details (6), Photographs (13), Species details are to be carried out under the registered plantation works (15), Plantation Progress details (10)	6 to 15
3	No GPS (20), Activities to be carried out under the registered work-Estimate (22)	20 to 22
4	Reports about details of plantation done (28), Health of Plants (27), Inspection Details (29), Evaluation Details (29)	27 to 29

Source: e-Green watch portal

It can be seen from the table that in 90 per cent of test-checked plantations vital details like plantations done, health of plants, inspections and evaluation particulars were not uploaded.

In the e-Green watch monthly report (June 2022), the Ministry reported (July 2022) that out of a total 10,237 polygons uploaded by the State Forest Department, 8690 polygons were checked till June 2022. Of the 8,690 polygons checked, 3381 were considered to be deficient and 1,834 were unascertainable and under review till June 2022. Further, FSI cell had not been established till date, despite instructed (January 2021) by the Ministry to help the Forest Department to undertake all activities related to e-Green Watch.

On this being pointed out, the PCCF replied (September 2022) that instructions have been issued from time to time to field staff to update the plantation details in the web portal and the data updation is being monitored regularly from Head office. Regarding establishment of FSI cell in the State, the Department stated that an FRO was deputed to coordinate with FSI.

Government in the Exit Conference (December 2022) assured to complete the backlog, pointed out in the audit observation, shortly.

**Recommendation 5.8: The Department should establish Forest Survey of India (FSI) cell immediately to undertake e-Green Watch portal related activities to assist Forest department in managing the portal effectively.**

## 5.10 Conclusion

Audit of APCAMPA was taken up, covering a period of five years from April 2017 to March 2022, to assess compliance with the extant laws and other conditions stipulated for diversion of forest land for non-forest use. Implementation of compensatory afforestation (CA) works and its maintenance were also reviewed.

Audit observed that the Department had not notified non-forest land accepted for CA as reserve/ protected forest even after lapsing of 15 to 452 months from Stage-II

approval, though approvals of the Ministry stipulated completion of this activity within six months. Verification of encumbrance certificates on random basis revealed 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. In the cases of Polavaram and Chintalapudi lift irrigation projects CA was adversely affected due to acceptance of lands having unsuitable conditions for CA implementation. CA schemes were not maintained up to 10 years as stipulated in the guidelines. Monitoring and evaluation about 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. Annual Reports of the State CAMPA for none of the years covered in audit were prepared by the Department contrary to the stipulations. There were instances of utilising CAMPA fund for inadmissible activities and non-reimbursement of amounts given for various purposes on reimbursement basis.

The matter was referred to the Government (December 2022 and May 2024); their reply has not been received (December 2024).

**Vijayawada**  
**The 28 July 2025**

  
**(SARAT CHATURVEDI)**  
**Principal Accountant General (Audit)**  
**Andhra Pradesh**

**Countersigned**

**New Delhi**  
**The 29 July 2025**

  
**(K. SANJAY MURTHY)**  
**Comptroller and Auditor General of India**



***APPENDICES***

***&***

***GLOSSARY***



**Appendix-2.1**  
**(Reference to Paragraph No. 2.1.4 ; Page 12)**  
**Sample selected for Centralised (Limited) Audit**

Sl. No.	Dimension	GSTIN	Circle
1	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXX9	Adoni-I
2	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXV	Adoni-I
3	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXS	Adoni-I
4	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXN	Adoni-I
5	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXN	Adoni-II
6	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXE	Adoni-II
7	Short payment of interest on delayed payments	3XXXXXXXXXXXXXE	Adoni-II
8	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXJ	Alcot Gardens
9	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXX	Alcot Gardens
10	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXX0	Alcot Gardens
11	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXX0	Amalapuram
12	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXP	Amalapuram
13	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXG	Ambajipet
14	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXX9	Ambajipet
15	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXT	Ambajipet
16	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXX4	Anakapalli
17	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXT	Anakapalli
18	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXX	Anakapalli
19	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXJ	Anakapalli
20	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXQ	Anakapalli

Sl. No.	Dimension	GSTIN	Circle
21	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXQ	Anakapalli
22	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXG	Anakapalli
23	Short payment of interest on delayed payments	3XXXXXXXXXXXXX5	Anakapalli
24	Undischarged tax liability	3XXXXXXXXXXXXXK	Ananthapuramu-I
25	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXA	Ananthapuramu-II
26	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXX6	Ananthapuramu-II
27	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXE	Ananthapuramu-II
28	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXX5	Ananthapuramu-II
29	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXX	Ananthapuramu-II
30	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXX8	Ananthapuramu-II
31	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXN	Ananthapuramu-II
32	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXZJ	Ananthapuramu-II
33	Short payment of interest on delayed payments	3XXXXXXXXXXXXX7	Ananthapuramu-II
34	Short payment of interest on delayed payments	3XXXXXXXXXXXXXS	Ananthapuramu-II
35	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXA	Aryapuram
36	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXH	Aryapuram
37	Undischarged tax liability	3XXXXXXXXXXXXX0	Aryapuram
38	Excess availing of ITC	3XXXXXXXXXXXXXP	Autonagar
39	Excess availing of ITC	3XXXXXXXXXXXXX6	Autonagar
40	Excess availing of ITC	3XXXXXXXXXXXXX7	Autonagar
41	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXP	Autonagar
42	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXX5	Autonagar
43	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXP	Autonagar
44	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXA	Autonagar
45	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXX9	Autonagar
46	Undischarged tax liability	3XXXXXXXXXXXXX5	Autonagar
47	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXH	Bapatla

Sl. No.	Dimension	GSTIN	Circle
48	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXS	Bapatla
49	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXS	Bapatla
50	Excess availing of ITC	3XXXXXXXXXXXXXE	Benz Circle
51	Excess availing of ITC	3XXXXXXXXXXXXXS	Benz Circle
52	Excess availing of ITC	3XXXXXXXXXXXXX2	Benz Circle
53	Excess availing of ITC	3XXXXXXXXXXXXXX	Benz Circle
54	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXX4	Benz Circle
55	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXU	Benz Circle
56	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXX2	Benz Circle
57	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXX3	Benz Circle
58	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXT	Benz Circle
59	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXS	Benz Circle
60	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXT	Benz Circle
61	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXS	Bhavanipuram
62	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXX2	Bhavanipuram
63	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXB	Bhavanipuram
64	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXP	Bhavanipuram
65	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXX1	Bhimavaram
66	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXX8	Bhimavaram
67	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXS	Brodipet
68	Excess availing of ITC	3XXXXXXXXXXXXX6	Brodipet
69	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXS	Brodipet
70	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXX6	Brodipet
71	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXW	Brodipet
72	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXJ	Brodipet

Sl. No.	Dimension	GSTIN	Circle
73	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXW	Brodipet
74	Undischarged tax liability	3XXXXXXXXXXXXXX8	Brodipet
75	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXP	Chilakaluripet
76	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXX2	Chilakaluripet
77	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXS	Chilakaluripet
78	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXQ	China Waltair
79	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXD	China Waltair
80	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXX0	China Waltair
81	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXX3	China Waltair
82	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXXZ	China Waltair
83	Excess availing of ITC	3XXXXXXXXXXXXXX3	China Waltair
84	Excess availing of ITC	3XXXXXXXXXXXXXX4	China Waltair
85	Excess availing of ITC	3XXXXXXXXXXXXXXU	China Waltair
86	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXB	China Waltair
87	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXD	China Waltair
88	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXX4	China Waltair
89	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXC	China Waltair
90	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXA	China Waltair
91	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXJ	China Waltair
92	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXC	China Waltair
93	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXT	China Waltair
94	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXE	China Waltair
95	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXH	China Waltair
96	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXO	China Waltair

Sl. No.	Dimension	GSTIN	Circle
97	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXB	China Waltair
98	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXG	China Waltair
99	Undischarged tax liability	3XXXXXXXXXXXXXXQ	China Waltair
100	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXP	Chirala
101	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXZ	Chittoor-I
102	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXJ	Chittoor-I
103	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXU	Chittoor-I
104	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXD	Chittoor-II
105	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXV	Chittoor-II
106	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXU	Chittoor-II
107	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXX7	Chittoor-II
108	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXS	Chittoor-II
109	Short payment of interest on delayed payments	3XXXXXXXXXXXXXS	Chittoor-II
110	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXY	Daba Gardens
111	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXT	Daba Gardens
112	Excess availing of ITC	3XXXXXXXXXXXXXF	Daba Gardens
113	Excess availing of ITC	3XXXXXXXXXXXXX4	Daba Gardens
114	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXU	Daba Gardens
115	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXD	Daba Gardens
116	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXS	Dharmavaram
117	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXX7	Dharmavaram
118	Undischarged tax liability	3XXXXXXXXXXXXXQ	Dharmavaram
119	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXZ	Dwarakanagar
120	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXU	Dwarakanagar
121	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXI	Dwarakanagar
122	Excess availing of ITC	3XXXXXXXXXXXXX0	Dwarakanagar
123	Excess availing of ITC	3XXXXXXXXXXXXX1	Dwarakanagar

Sl. No.	Dimension	GSTIN	Circle
124	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXB	Dwarakanagar
125	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXP	Dwarakanagar
126	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXK	Dwarakanagar
127	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXM	Dwarakanagar
128	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXK	Dwarakanagar
129	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXX1	Dwarakanagar
130	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXK	Dwarakanagar
131	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXR	Eluru
132	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXX5	Eluru
133	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXP	Eluru
134	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXXF	Gajuwaka
135	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXXC	Gajuwaka
136	Excess availing of ITC	3XXXXXXXXXXXXXXXXX7	Gajuwaka
137	Excess availing of ITC	3XXXXXXXXXXXXXXXXX9	Gajuwaka
138	Excess availing of ITC	3XXXXXXXXXXXXXXXXXB	Gajuwaka
139	Excess availing of ITC	3XXXXXXXXXXXXXXXXX7	Gajuwaka
140	Excess availing of ITC	3XXXXXXXXXXXXXXXXXI	Gajuwaka
141	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXJ	Gajuwaka
142	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXX6	Gajuwaka
143	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXF	Gajuwaka
144	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXX7	Gajuwaka
145	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXR	Gajuwaka
146	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXX1	Gajuwaka
147	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXZF	Gajuwaka
148	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXXR	Gajuwaka
149	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXX7	Gajuwaka

Sl. No.	Dimension	GSTIN	Circle
150	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXS	Gajuwaka
151	Short payment of interest on delayed payments	3XXXXXXXXXXXXXA	Gajuwaka
152	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXC	Gudivada
153	Undischarged tax liability	3XXXXXXXXXXXXX0	Gudivada
154	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXX	Gudur (Nayudupeta)
155	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXX1	Gudur (Nayudupeta)
156	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXX6	Gudur (Nayudupeta)
157	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXX2	Gudur (Nayudupeta)
158	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXX8	Gudur (Nayudupeta)
159	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXX9	Gudur (Nayudupeta)
160	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXW	Gudur (Nayudupeta)
161	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXX5	Gudur (Nayudupeta)
162	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXM	Gudur (Nayudupeta)
163	Short payment of interest on delayed payments	3XXXXXXXXXXXXX4	Gudur (Nayudupeta)
164	Undischarged tax liability	3XXXXXXXXXXXXXE	Gudur (Nayudupeta)
165	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXN	Guntakal
166	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXB	Hindupur
167	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXX6	Hindupur
168	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXX1	Hindupur
169	Short payment of interest on delayed payments	3XXXXXXXXXXXXXI	Hindupur
170	Undischarged tax liability	3XXXXXXXXXXXXXQ	Hindupur
171	Excess availing of ITC	3XXXXXXXXXXXXXH	Ibrahimpattanam
172	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXI	Ibrahimpattanam
173	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXV	Ibrahimpattanam
174	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXO	Indrakeeladri
175	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXO	Jagannayakpur

Sl. No.	Dimension	GSTIN	Circle
176	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXX8	Jagannayakpur
177	Undischarged tax liability	3XXXXXXXXXXXXXXXXXA	Jangareddygudem
178	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXX2	Kadapa-I
179	Excess availing of ITC	3XXXXXXXXXXXXXXXXX3	Kadapa-I
180	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXXI	Kadapa-I
181	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXI	Kadapa-I
182	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXXX	Kadapa-I
183	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXG	Kadapa-I
184	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXXXXXD	Kadapa-II
185	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXW	Kadapa-II
186	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXG	Kadapa-II
187	Excess availing of ITC	3XXXXXXXXXXXXXXXXX6	Kakinada
188	Excess availing of ITC	3XXXXXXXXXXXXXXXXXW	Kakinada
189	Excess availing of ITC	3XXXXXXXXXXXXXXXXXB	Kakinada
190	Excess availing of ITC	3XXXXXXXXXXXXXXXXXA	Kakinada
191	Excess availing of ITC	3XXXXXXXXXXXXXXXXX4	Kakinada
192	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXX8	Kakinada
193	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXX1	Kakinada
194	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXK	Kakinada
195	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXJ	Kakinada
196	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXT	Kakinada
197	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXJ	Kakinada
198	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXD	Kakinada
199	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXP	Kakinada
200	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXX9	Kakinada
201	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXH	Kakinada
202	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXXW	Kakinada
203	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXX3	Kakinada
204	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXD	Kakinada

Sl. No.	Dimension	GSTIN	Circle
205	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXX9	Kavali
206	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXG	Kavali
207	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXB	Kavali
208	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXY	Kavali
209	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXC	Kothapet NRP
210	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXX5	Kothapet NRP
211	Excess availing of ITC	3XXXXXXXXXXXXX7	Krishnalanka
212	Excess availing of ITC	3XXXXXXXXXXXXXX	Krishnalanka
213	Excess availing of ITC	3XXXXXXXXXXXXX0	Krishnalanka
214	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXY	Krishnalanka
215	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXX9	Krishnalanka
216	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXG	Krishnalanka
217	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXX9	Krishnalanka
218	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXZ	Krishnalanka
219	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXX	Krishnalanka
220	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXN	Krishnalanka
221	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXX6	Krishnalanka
222	Undischarged tax liability	3XXXXXXXXXXXXX4	Krishnalanka
223	Excess availing of ITC	3XXXXXXXXXXXXXP	Kurupam Market
224	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXK	Kurupam Market
225	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXZV	Kurupam Market
226	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXP	Kurupam Market
227	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXP	Kurupam Market
228	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXV	Kurupam Market
229	Short payment of interest on delayed payments	3XXXXXXXXXXXXXV	Kurupam Market
230	Excess availing of ITC	3XXXXXXXXXXXXXH	Kurnool-I
231	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXZ	Kurnool-I
232	Short payment of interest on delayed payments	3XXXXXXXXXXXXXM	Kurnool-II
233	Excess availing of ITC	3XXXXXXXXXXXXXM	Kurnool-III

Sl. No.	Dimension	GSTIN	Circle
234	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXX5	Kurnool-III
235	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXR	Kurnool-III
236	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXW	Kurnool-III
237	Undischarged tax liability	3XXXXXXXXXXXXXXXXX9	Kurnool-III
238	Undischarged tax liability	3XXXXXXXXXXXXXXXXXW	Kurnool-III
239	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXV	Lalapet
240	Undischarged tax liability	3XXXXXXXXXXXXXXXXXX	Machilipatnam
241	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXXXXXG	Madanapally
242	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXXXXXA	Madanapally
243	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXXXXXK	Madanapally
244	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXS	Madanapally
245	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXX3	Madanapally
246	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXM	Madanapally
247	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXH	Mandapeta
248	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXL	Mandapeta
249	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXL	Mandapeta
250	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXR	Mandapeta
251	Undischarged tax liability	3XXXXXXXXXXXXXXXXXL	Mandapeta
252	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXXP	Mangalagiri
253	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXY	Mangalagiri
254	Undischarged tax liability	3XXXXXXXXXXXXXXXXXG	Mangalagiri
255	Excess availing of ITC	3XXXXXXXXXXXXXXXXXV	Nandigama
256	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXH	Nandigama
257	Excess availing of ITC	3XXXXXXXXXXXXXXXXXT	Nandyal-I
258	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXB	Nandyal-I
259	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXH	Nandyal-II
260	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXXW	Narasaraopet
261	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXXXXXQ	Nellore-I
262	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXXXXXJ	Nellore-I

Sl. No.	Dimension	GSTIN	Circle
263	Excess availing of ITC	3XXXXXXXXXXXXXO	Nellore-I
264	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXT	Nellore-I
265	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXX1	Nellore-I
266	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXX8	Nellore-I
267	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXR	Nellore-I
268	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXY	Nellore-I
269	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXM	Nellore-I
270	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXJ	Nellore-I
271	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXS	Nellore-I
272	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXZ	Nellore-I
273	Undischarged tax liability	3XXXXXXXXXXXXXO	Nellore-I
274	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXT	Nellore-II
275	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXR	Nellore-II
276	Excess availing of ITC	3XXXXXXXXXXXXX1	Nellore-III
277	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXQ	Nellore-III
278	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXX3	Nellore-III
279	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXH	Nellore-III
280	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXF	Nellore-III
281	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXX6	Nidadavolu
282	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXX3	Nidadavolu
283	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXX9	Nidadavolu
284	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXX6	Nidadavolu
285	Short payment of interest on delayed payments	3XXXXXXXXXXXXXH	Nidadavolu
286	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXW	Nuziveedu
287	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXU	Nuziveedu
288	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXX7	Ongole-I
289	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXS	Ongole-I
290	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXH	Ongole-I
291	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXO	Ongole-II

Sl. No.	Dimension	GSTIN	Circle
292	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXXT	Palakol
293	Excess availing of ITC	3XXXXXXXXXXXXXXXXXZ	Palakol
294	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXX9	Palakol
295	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXXL	Parvathipuram
296	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXE	Parvathipuram
297	Excess availing of ITC	3XXXXXXXXXXXXXXXXXW	Patamata
298	Excess availing of ITC	3XXXXXXXXXXXXXXXXXB	Patamata
299	Excess availing of ITC	3XXXXXXXXXXXXXXXXXS	Patamata
300	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXM	Patamata
301	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXXC	Patamata
302	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXS	Patamata
303	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXX	Patamata
304	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXXS	Patamata
305	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXX2	Patamata
306	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXXP	Patamata
307	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXO	Patamata
308	Undischarged tax liability	3XXXXXXXXXXXXXXXXXO	Patamata
309	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXXXXXR	Patnam Bazaar
310	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXX6	Patnam Bazaar
311	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXS	Patnam Bazaar
312	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXD	Patnam Bazaar
313	Excess availing of ITC	3XXXXXXXXXXXXXXXXXY	Peddapuram
314	Excess availing of ITC	3XXXXXXXXXXXXXXXXX9	Peddapuram
315	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXXY	Peddapuram
316	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXX7	Peddapuram
317	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXZ	Peddapuram
318	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXX9	Piduguralla
319	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXXI	Piduguralla
320	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXXXXXN	Proddutur-I

Sl. No.	Dimension	GSTIN	Circle
321	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXB	Proddutur-I
322	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXX3	Proddutur-I
323	Availing of ITC under Reverse Charge Mechanism without payment	3XXXXXXXXXXXXXXXXZN	Proddutur-II
324	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXL	Proddutur-II
325	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXXF	Proddutur-II
326	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXG	Proddutur-II
327	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXA	Proddutur-II
328	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXXH	Puttur
329	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXX8	Puttur
330	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXC	Puttur
331	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXK	Puttur
332	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXX6	Puttur
333	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXX6	Puttur
334	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXG	Puttur
335	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXC	Puttur
336	Undischarged tax liability	3XXXXXXXXXXXXXXXXXC	Puttur
337	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXXXXX4	Rajam
338	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXX9	Rajam
339	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXQ	Ramachandra Puram
340	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXP	Ramachandra Puram
341	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXR	Samarangam Chowk
342	Undischarged tax liability	3XXXXXXXXXXXXXXXXX1	Samarangam Chowk
343	Undischarged tax liability	3XXXXXXXXXXXXXXXXXK	Sattenapally
344	Excess availing of ITC	3XXXXXXXXXXXXXXXXX3	Sitharampuram
345	Excess availing of ITC	3XXXXXXXXXXXXXXXXXK	Sitharampuram
346	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXU	Sitharampuram
347	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXH	Sitharampuram

Sl. No.	Dimension	GSTIN	Circle
348	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXX9	Sitharampuram
349	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXX9	Sitharampuram
350	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXZ	Srikakulam
351	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXL	Srikakulam
352	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXY	Steel Plant
353	Excess availing of ITC	3XXXXXXXXXXXXXXXXO	Steel Plant
354	Excess availing of ITC	3XXXXXXXXXXXXXXXX7	Steel Plant
355	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXX4	Steel Plant
356	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXW	Steel Plant
357	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXU	Steel Plant
358	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXJ	Steel Plant
359	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXQ	Steel Plant
360	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXW	Steel Plant
361	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXT	Steel Plant
362	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXB	Steel Plant
363	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXX7	Steel Plant
364	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXU	Steel Plant
365	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXT	Steel Plant
366	Excess availing of ITC	3XXXXXXXXXXXXXXXXN	Suryabagh
367	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXK	Suryabagh
368	Incorrect reversal of ISD credit	3XXXXXXXXXXXXXXXXI	Suryabagh
369	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXXXXN	Suryabagh
370	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXO	Suryabagh
371	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXC	Suryabagh
372	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXX5	Suryabagh
373	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXX8	Suryabagh
374	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXXXV	Suryabagh

Sl. No.	Dimension	GSTIN	Circle
375	Undischarged tax liability	3XXXXXXXXXXXXXXXXXO	Suryabagh
376	Undischarged tax liability	3XXXXXXXXXXXXXXXXX4	Suryabagh
377	Undischarged tax liability	3XXXXXXXXXXXXXXXXXM	Suryabagh
378	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXXF	Suryaraopet
379	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXZ	Suryaraopet
380	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXX6	Suryaraopet
381	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXX0	Suryaraopet
382	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXX2	Suryaraopet
383	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXXXXU	Tadepalligudem
384	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXXXXXP	Tadepalligudem
385	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXH	Tadipatri (Kadiri)
386	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXM	Tanuku-I
387	Short payment of interest on delayed payments	3XXXXXXXXXXXXXXXXXL	Tanuku-I
388	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXXV	Tirupati-I
389	Mismatch in turnover between Annual Return and Financial Statements (Table 5R of GSTR-9C)	3XXXXXXXXXXXXXXXXXH	Tirupati-I
390	Composition taxpayers also availing e-commerce facility	3XXXXXXXXXXXXXXXXXR	Tirupati-II
391	Excess availing of ITC	3XXXXXXXXXXXXXXXXX2	Tirupati-II
392	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXE	Tirupati-II
393	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXXJ	Tirupati-II
394	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXXA	Tirupati-II
395	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXXN	Tirupati-II
396	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXXL	Tirupati-II
397	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXXZ	Tirupati-II
398	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXXM	Tirupati-II
399	Undischarged tax liability	3XXXXXXXXXXXXXXXXXM	Tirupati-II
400	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXXXXX	Tuni
401	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXXT	Tuni
402	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXXXXV	Vizianagaram East
403	ISD credit incorrectly availed by the recipients	3XXXXXXXXXXXXXXXXX9	Vizianagaram East
404	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXXXX3	Vizianagaram East

Sl. No.	Dimension	GSTIN	Circle
405	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXV	Vizianagaram East
406	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of GSTR-9C)	3XXXXXXXXXXXXXX0	Vizianagaram South
407	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXK	Vizianagaram South
408	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXN	Vizianagaram West
409	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXU	Vizianagaram West
410	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of GSTR-9C)	3XXXXXXXXXXXXXXA	Vizianagaram West
411	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXX8	Vizianagaram West
412	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of GSTR-9C)	3XXXXXXXXXXXXXXI	Vizianagaram West
413	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXX5	Vuyyuru
414	Excess availing of ITC	3XXXXXXXXXXXXXXA	Vuyyuru
415	Excess availing of ITC under Reverse Charge Mechanism	3XXXXXXXXXXXXXXM	Vuyyuru
416	Mismatch in ITC availed between Annual Return and Financial Statements (Table 12F of GSTR-9C)	3XXXXXXXXXXXXXX5	Vuyyuru

### Appendix-2.2

(Reference to Paragraph No. 2.1.4 ; Page 12)

#### Sample selected for Detailed Audit

Sl. No.	GSTIN	Name of the circle
1	3XXXXXXXXXXXXXXF	Airport
2	3XXXXXXXXXXXXXXR	Airport
3	3XXXXXXXXXXXXXXF	Airport
4	3XXXXXXXXXXXXXXK	Alcot Gardens
5	3XXXXXXXXXXXXXXD	Amadalavalasa
6	3XXXXXXXXXXXXXX8	Aryapuram
7	3XXXXXXXXXXXXXXV	Autonagar
8	3XXXXXXXXXXXXXXR	Autonagar
9	3XXXXXXXXXXXXXX3	Benz Circle
10	3XXXXXXXXXXXXXXO	Benz Circle
11	3XXXXXXXXXXXXXXM	Benz Circle
12	3XXXXXXXXXXXXXXT	Benz Circle
13	3XXXXXXXXXXXXXXP	Bhavanipuram

Sl. No.	GSTIN	Name of the circle
14	3XXXXXXXXXXXXXD	Bheemili
15	3XXXXXXXXXXXXXD	China Waltair
16	3XXXXXXXXXXXX8	Chirala
17	3XXXXXXXXXXXX0	Daba Gardens
18	3XXXXXXXXXXXXI	Daba Gardens
19	3XXXXXXXXXXXXU	Gajuwaka
20	3XXXXXXXXXXXXV	Gajuwaka
21	3XXXXXXXXXXXX4	Gajuwaka
22	3XXXXXXXXXXXXL	Gajuwaka
23	3XXXXXXXXXXXXB	Gudivada
24	3XXXXXXXXXXXXI	Hindupur
25	3XXXXXXXXXXXXP	Hindupur
26	3XXXXXXXXXXXXW	Hindupur
27	3XXXXXXXXXXXX2	Jangareddygudem
28	3XXXXXXXXXXXXV	Kadapa-II
29	3XXXXXXXXXXXXF	Kadapa-II
30	3XXXXXXXXXXXXB	Kadapa-II
31	3XXXXXXXXXXXXO	Kakinada Port
32	3XXXXXXXXXXXXK	Kakinada Port
33	3XXXXXXXXXXXXB	Kavali
34	3XXXXXXXXXXXXL	Kothapet NRP
35	3XXXXXXXXXXXXA	Kothapet NRP
36	3XXXXXXXXXXXXR	Krishnalanka
37	3XXXXXXXXXXXXW	Kurupam Market
38	3XXXXXXXXXXXXW	Kurupam Market
39	3XXXXXXXXXXXXY	Kurupam Market
40	3XXXXXXXXXXXXT	Machilipatnam
41	3XXXXXXXXXXXXA	Machilipatnam
42	3XXXXXXXXXXXX0	Madhavadhara
43	3XXXXXXXXXXXXP	Mangalagiri
44	3XXXXXXXXXXXXA	Nellore-I
45	3XXXXXXXXXXXXL	Nidadavolu
46	3XXXXXXXXXXXXX	Nidadavolu
47	3XXXXXXXXXXXXZ	Ongole-I
48	3XXXXXXXXXXXXR	Ongole-I
49	3XXXXXXXXXXXXA	Ongole-I
50	3XXXXXXXXXXXX0	Patamata
51	3XXXXXXXXXXXX6	Penamaluru
52	3XXXXXXXXXXXXF	Penamaluru
53	3XXXXXXXXXXXXY	Proddutur-I
54	3XXXXXXXXXXXXR	Ramavarappadu
55	3XXXXXXXXXXXX3	Ramavarappadu

Sl. No.	GSTIN	Name of the circle
56	3XXXXXXXXXXXXXX2	Siripuram
57	3XXXXXXXXXXXXXXV	Siripuram
58	3XXXXXXXXXXXXXXE	Sitharampuram
59	3XXXXXXXXXXXXXXM	Sitharampuram
60	3XXXXXXXXXXXXXXI	Special Circle- I State Office
61	3XXXXXXXXXXXXXXE	Special Circle Vsp-I
62	3XXXXXXXXXXXXXXN	Sri City
63	3XXXXXXXXXXXXXXK	Srikalahasti
64	3XXXXXXXXXXXXXXL	Steel Plant
65	3XXXXXXXXXXXXXX4	Suryabagh
66	3XXXXXXXXXXXXXXK	Suryabagh
67	3XXXXXXXXXXXXXXP	Suryabagh
68	3XXXXXXXXXXXXXX4	Suryaraopet

### Appendix-2.3

(Reference to Paragraph No. 2.1.4 ; Page 12)

#### Circles selected for Circle Audit

Sl. No.	Name of the Circle
1	Auto Nagar
2	Benz Circle
3	Daba Gardens
4	Dwaraka Nagar
5	Gajuwaka
6	Kadapa-II
7	Kothapet NRP
8	Kurupam Market
9	Machilipatnam
10	Suryabagh

### Appendix-2.4

(Reference to Paragraph 2.1.7.2 (I) ; Page 33)

#### Cases accepted by Department

Sl. No.	Dimension	GSTIN	Jurisdiction	Amount of discrepancy (₹ in crore)	Stage of compliance or acceptance details
1	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXS	Adoni-I	0.40	Recovery
2	Short Payment of Interest	3XXXXXXXXXXXXXXE	Adoni-II	0.39	Recovery
3	Unreconciled ITC Table 12F	3XXXXXXXXXXXXXXQ	Anakapalli	2.88	ASMT 10
4	Short Payment of Interest	3XXXXXXXXXXXXXX5	Anakapalli	0.36	Recovery

Sl. No.	Dimension	GSTIN	Jurisdiction	Amount of discrepancy (₹ in crore)	Stage of compliance or acceptance details
5	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXX4	Anakapalli	0.04	Recovery
6	Short Payment of Interest	3XXXXXXXXXXXXX7	Ananthapur-II	0.92	Recovery
7	Short Payment of Interest	3XXXXXXXXXXXXXS	Ananthapur-II	0.47	Recovery
8	Excess ITC availed	3XXXXXXXXXXXXX7	Autonagar	0.83	Recovery
9	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXP	Autonagar	0.82	under correspondence with TP
10	Excess ITC availed	3XXXXXXXXXXXXXS	Benz Circle	3.13	Recovery
11	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXX1	Bhimavaram	1.68	ASMT 10
12	ISD Credit incorrectly availed	3XXXXXXXXXXXXXS	Brodipet	0.31	under correspondence with TP
13	Undischarged liability	3XXXXXXXXXXXXXQ	China Waltair	7.98	Recovery
14	Short Payment of Interest	3XXXXXXXXXXXXXG	China Waltair	0.30	SCN
15	Excess ITC availed	3XXXXXXXXXXXXX3	China Waltair	0.29	Recovery
16	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXB	China Waltair	0.16	Recovery
17	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXD	China Waltair	0.05	Recovery
18	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXZ	Chittoor-I	0.02	Recovery
19	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXS	Chittoor-II	0.73	Recovery
20	Short Payment of Interest	3XXXXXXXXXXXXXS	Chittoor-II	0.41	Recovery
21	Excess ITC availed	3XXXXXXXXXXXXX4	Daba Gardens	2.05	Recovery
22	Undischarged liability	3XXXXXXXXXXXXXQ	Dharmavaram	4.05	Recovery
23	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXK	Dwarakanagar	47.82	Recovery
24	Excess ITC availed	3XXXXXXXXXXXXX0	Dwarakanagar	7.45	Recovery
25	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXK	Dwarakanagar	5.77	Recovery

Sl. No.	Dimension	GSTIN	Jurisdiction	Amount of discrepancy (₹ in crore)	Stage of compliance or acceptance details
26	Unreconciled ITC Table 12F	3XXXXXXXXXXXXXXK	Dwarakanagar	3.97	SCN
27	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXX1	Dwarakanagar	1.07	under correspondence with TP
28	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXU	Dwarakanagar	0.19	Recovery
29	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXI	Dwarakanagar	0.16	Recovery
30	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXR	Eluru	0.71	ASMT 10
31	Unreconciled ITC Table 12F	3XXXXXXXXXXXXXX7	Gajuwaka	27.61	under correspondence with TP
32	Excess ITC availed	3XXXXXXXXXXXXXX7	Gajuwaka	16.06	under correspondence with TP
33	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXXF	Gajuwaka	12.17	SCN
34	Excess ITC availed	3XXXXXXXXXXXXXXB	Gajuwaka	3.24	ASMT 10
35	Excess ITC availed	3XXXXXXXXXXXXXX9	Gajuwaka	2.65	ASMT 10
36	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXR	Gajuwaka	0.51	ASMT 10
37	Short Payment of Interest	3XXXXXXXXXXXXXXA	Gajuwaka	0.42	ASMT 10
38	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXF	Gajuwaka	0.12	ASMT 10
39	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXF	Gajuwaka	0.07	ASMT 10
40	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXC	Gajuwaka	0.05	ASMT 10
41	Short Payment of Interest	3XXXXXXXXXXXXXX4	Gudur (Nayudupeta)	0.46	SCN
42	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXX1	Gudur (Nayudupeta)	0.05	Recovery
43	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXN	Guntakal	0.05	Recovery

Sl. No.	Dimension	GSTIN	Jurisdiction	Amount of discrepancy (₹ in crore)	Stage of compliance or acceptance details
44	Undischarged liability	3XXXXXXXXXXXXXXA	Jangareddygudem	4.97	Recovery
45	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXI	Kadapa-I	0.42	under correspondence with TP
46	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXX2	Kadapa-I	0.07	under correspondence with TP
47	Excess ITC availed	3XXXXXXXXXXXXXX4	Kakinada	0.35	Recovery
48	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXX5	Kothapet Nrp	0.43	Recovery
49	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXC	Kothapet Nrp	0.18	Recovery
50	Excess ITC availed	3XXXXXXXXXXXXXXX	Krishnalanka	8.15	under correspondence with TP
51	Short Payment of Interest	3XXXXXXXXXXXXXXV	Kurupam Market	0.33	Recovery
52	Short Payment of Interest	3XXXXXXXXXXXXXXM	Kurnool-II	0.11	under correspondence with TP
53	Undischarged liability	3XXXXXXXXXXXXXXW	Kurnool-III	10.09	Recovery
54	Undischarged liability	3XXXXXXXXXXXXXX9	Kurnool-III	3.53	Recovery
55	Excess ITC availed	3XXXXXXXXXXXXXXM	Kurnool-III	1.95	Recovery
56	Short Payment of Interest	3XXXXXXXXXXXXXXW	Kurnool-III	0.95	under correspondence with TP
57	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXX5	Kurnool-III	0.15	SCN
58	Excess ITC availed	3XXXXXXXXXXXXXXO	Nellore-I	0.17	Recovery
59	Short Payment of Interest	3XXXXXXXXXXXXXXH	Nidadavolu	0.60	Recovery
60	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXXT	Palakol	0.03	Recovery
61	Excess ITC availed	3XXXXXXXXXXXXXXW	Patamata	3.24	Recovery
62	Undischarged liability	3XXXXXXXXXXXXXXO	Patamata	0.62	Recovery
63	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXX6	Patnam Bazaar	0.03	Recovery

Sl. No.	Dimension	GSTIN	Jurisdiction	Amount of discrepancy (₹ in crore)	Stage of compliance or acceptance details
64	Undischarged liability	3XXXXXXXXXXXXXC	Puttur	4.32	under correspondence with TP
65	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXC	Puttur	4.06	under correspondence with TP
66	Short Payment of Interest	3XXXXXXXXXXXXXG	Puttur	0.12	under correspondence with TP
67	Composition TP availing E/commerce facility	3XXXXXXXXXXXXX4	Rajam	NA	Recovery
68	Undischarged liability	3XXXXXXXXXXXXXK	Sattenapally	3.54	Recovery
69	Excess ITC availed	3XXXXXXXXXXXXX3	Sitharampuram	1.10	Recovery
70	Short Payment of Interest	3XXXXXXXXXXXXX9	Sitharampuram	0.50	Recovery
71	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXB	Steel Plant	23.17	SCN
72	Unreconciled ITC table 14T	3XXXXXXXXXXXXXU	Steel Plant	21.28	Recovery
73	Excess ITC availed	3XXXXXXXXXXXXXO	Steel Plant	7.46	under correspondence with TP
74	Unreconciled ITC Table 12F	3XXXXXXXXXXXXXW	Steel Plant	2.58	Recovery
75	Excess ITC availed	3XXXXXXXXXXXXX7	Steel Plant	2.06	Recovery
76	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXY	Steel Plant	0.43	Recovery
77	Undischarged liability	3XXXXXXXXXXXXXM	Suryabagh	21.56	ASMT 10
78	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXO	Suryabagh	1.94	ASMT 10
79	Short Payment of Interest	3XXXXXXXXXXXXX2	Suryaraopet	0.53	Recovery
80	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXF	Suryaraopet	0.10	ASMT 10
81	Cases where GSTR 3B not filed but GSTR 1/2A available	3XXXXXXXXXXXXXU	Tadepalligudem	0.20	Recovery
82	Short Payment of Interest	3XXXXXXXXXXXXXL	Tanuku-I	0.37	Recovery
83	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXX0	Vizianagaram South	0.06	Recovery
84	Unreconciled ITC table 14T	3XXXXXXXXXXXXXI	Vizianagaram West	1.03	Recovery
			<b>Total</b>	<b>291.65</b>	

## Appendix-2.5

(Reference to Paragraph No. 2.1.7.2 (II) ; Page 34)

## Limited Audit - Cases where reply of the Department is not acceptable to Audit

Sl. No.	Dimension	GSTN	Circle	Amount of discrepancy (₹ in crore)
1	Availing of RCM without payment	3XXXXXXXXXXXXX9	Adoni-I	0.22
2	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXG	Anakapalli	39.14
3	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXX5	Ananthapur-II	0.11
4	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXX9	Autonagar	35.14
5	Unreconciled ITC table 14T	3XXXXXXXXXXXXXT	Benz Circle	28.35
6	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXB	Bhavanipuram	1.52
7	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXE	China Waltair	19.20
8	Excess ITC availed	3XXXXXXXXXXXXX4	China Waltair	10.31
9	Mismatch of Taxable Turnover Table 7G of R9C	3XXXXXXXXXXXXXC	China Waltair	10.00
10	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXC	China Waltair	1.38
11	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXJ	Chittoor-I	83.81
12	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXU	Chittoor-I	79.20
13	Unreconciled ITC Table 12F	3XXXXXXXXXXXXX7	Chittoor-II	3.54
14	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXS	Dharmavaram	2.50
15	Excess ITC availed	3XXXXXXXXXXXXX1	Dwarakanagar	4.48
16	Excess ITC availed	XXXXXXXXXXXXX7	Gajuwaka	29.66
17	Excess ITC availed	3XXXXXXXXXXXXX I	Gajuwaka	2.00
18	Unreconciled ITC table 14T	3XXXXXXXXXXXXXM	Gudur (Nayudupeta)	23.78
19	Short Payment of Interest	3XXXXXXXXXXXXX I	Hindupur	0.24
20	Excess ITC availed	3XXXXXXXXXXXXXW	Kakinada	3.37
21	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXP	Kakinada	0.35
22	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXX1	Kakinada	0.19
23	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXY	Krishnalanka	0.44
24	Unreconciled ITC Table 12F	3XXXXXXXXXXXXX9	Krishnalanka	0.14
25	Undischarged liability	3XXXXXXXXXXXXXG	Mangalagiri	13.48
26	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXX8	Nellore-I	0.59

Sl. No.	Dimension	GSTN	Circle	Amount of discrepancy (₹ in crore)
27	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXXXXH	Nellore-III	0.57
28	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXC	Patamata	0.63
29	Short Payment of Interest	3XXXXXXXXXXXXXXXXXC	Puttur	0.38
30	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXXXXXL	Srikakulam	10.37
31	Mismatch of Turnover Table 5R of R9C	XXXXXXXXXXXXXXXXXT	Steel Plant	59.64
32	Mismatch of Turnover Table 5R of R9C	XXXXXXXXXXXXXXXXX8	Suryabagh	196.09
33	Undischarged liability	3XXXXXXXXXXXXXXXXX4	Suryabagh	100.08
34	Unreconciled ITC table 14T	3XXXXXXXXXXXXXXXXXV	Suryabagh	12.90
35	Undischarged liability	3XXXXXXXXXXXXXXXXXO	Suryabagh	3.60
36	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXXXXC	Suryabagh	0.53
37	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXXXX5	Suryabagh	0.44
38	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXXXX6	Suryaraopet	1.59
<b>Total</b>				<b>779.96</b>

### Appendix-2.6

(Reference to Paragraph No. 2.1.7.2(III) ; Page 36)

#### Data entry errors by taxpayers

Sl. No.	Dimension	GSTIN	Name of the Circle	Amount of discrepancy (₹ in crore)
1	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXXXX0	Alcot Gardens	0.47
2	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXX9	Ambajipet	0.13
3	Availing of RCM without payment	3XXXXXXXXXXXXXXXXXG	Ambajipet	0.37
4	Mismatch of Taxable Turnover Table 7G of R9C	3XXXXXXXXXXXXXXXXXQ	Anakapalli	39.14
5	Unreconciled ITC Table 12F	3XXXXXXXXXXXXXXXXXJ	Anakapalli	20.64
6	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXT	Anakapalli	0.50
7	Undischarged liability	3XXXXXXXXXXXXXXXXXK	Ananthapur-I	6.24
8	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXX8	Ananthapur-II	1.75
9	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXX	Ananthapur-II	0.87
10	Availing of RCM without payment	3XXXXXXXXXXXXXXXXXS	Bhavanipuram	0.17
11	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXP	Chirala	0.42
12	Availing of RCM without payment	3XXXXXXXXXXXXXXXXXY	Daba Gardens	0.19

Sl. No.	Dimension	GSTIN	Name of the Circle	Amount of discrepancy (₹ in crore)
13	Availing of RCM without payment	3XXXXXXXXXXXXXXXXXZ	Dwarakanagar	0.96
14	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXB	Dwarakanagar	0.14
15	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXX5	Eluru	0.39
16	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXC	Gudivada	0.30
17	Undischarged liability	3XXXXXXXXXXXXXXXXXE	Gudur (Nayudupeta)	6.44
18	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXX2	Gudur (Nayudupeta)	0.52
19	Unreconciled ITC Table 12F	3XXXXXXXXXXXXXXXXXI	Ibrahimpattanam	1.81
20	Unreconciled ITC table 14T	3XXXXXXXXXXXXXXXXXV	Ibrahimpattanam	15.71
21	Availing of RCM without payment	3XXXXXXXXXXXXXXXXXO	Jagannayakpur	0.20
22	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXX8	Jagannayakpur	1.34
23	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXI	Kadapa-I	0.36
24	Mismatch in Taxes paid Table 9R of R9C	3XXXXXXXXXXXXXXXXXJ	Kakinada	0.73
25	Undischarged liability	3XXXXXXXXXXXXXXXXX4	Krishnalanka	10.62
26	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXG	Krishnalanka	0.44
27	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXX9	Krishnalanka	1.66
28	Unreconciled ITC Table 12F	3XXXXXXXXXXXXXXXXXV	Kurupam Market	4.12
29	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXV	Lalapet	0.25
30	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXS	Madanapally	0.17
31	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXX3	Madanapally	0.17
32	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXM	Madanapally	0.32
33	Availing of RCM without payment	3XXXXXXXXXXXXXXXXXG	Madanapally	0.28
34	Availing of RCM without payment	3XXXXXXXXXXXXXXXXXA	Madanapally	0.18
35	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXB	Nandyal-I	0.12
36	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXT	Nellore-I	0.22
37	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXX1	Nellore-I	0.12

Sl. No.	Dimension	GSTIN	Name of the Circle	Amount of discrepancy (₹ in crore)
38	Availing of RCM without payment	3XXXXXXXXXXXXXXQ	Nellore-I	0.27
39	Availing of RCM without payment	3XXXXXXXXXXXXXJ	Nellore-I	0.56
40	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXT	Nellore-II	0.19
41	ISD Credit incorrectly availed	3XXXXXXXXXXXXXQ	Nellore-III	1.23
42	ISD Credit incorrectly availed	3XXXXXXXXXXXXX3	Nellore-III	0.33
43	Availing of RCM without payment	3XXXXXXXXXXXXX6	Nidadavolu	0.11
44	Mismatch of Taxable Turnover Table 7G of R9C	3XXXXXXXXXXXXX9	Nidadavolu	21.04
45	Mismatch of Taxable Turnover Table 7G of R9C	3XXXXXXXXXXXXX6	Nidadavolu	10.14
46	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXW	Nuziveedu	0.21
47	Availing of RCM without payment	3XXXXXXXXXXXXX7	Ongole-I	0.15
48	ISD Credit incorrectly availed	3XXXXXXXXXXXXXH	Ongole-I	1.20
49	ISD Credit incorrectly availed	3XXXXXXXXXXXXXS	Ongole-I	1.22
50	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXO	Ongole-II	0.30
51	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXM	Patamata	2.58
52	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXD	Patnam Bazaar	0.19
53	Availing of RCM without payment	3XXXXXXXXXXXXXR	Patnam Bazaar	0.23
54	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXB	Proddutur-I	0.18
55	Availing of RCM without payment	3XXXXXXXXXXXXXN	Proddutur-I	0.67
56	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXL	Proddutur-II	0.21
57	Availing of RCM without payment	3XXXXXXXXXXXXXN	Proddutur-II	0.22
58	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXX8	Puttur	0.21
59	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXX9	Rajam	6.65
60	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXQ	Ramachandra Puram	1.41
61	Undischarged liability	3XXXXXXXXXXXXX1	Samarangam Chowk	9.91

Sl. No.	Dimension	GSTIN	Name of the Circle	Amount of discrepancy (₹ in crore)
62	Excess ITC availed	3XXXXXXXXXXXXXXXXXK	Sitharampuram	4.62
63	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXZ	Srikakulam	0.20
64	Mismatch of Turnover Table 5R of R9C	3XXXXXXXXXXXXXXXXXW	Steel Plant	115.81
65	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXX4	Steel Plant	0.13
66	Mismatch of Taxable Turnover Table 7G of R9C	3XXXXXXXXXXXXXXXXXJ	Steel Plant	22.18
67	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXK	Suryabagh	0.12
68	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXH	Tadipatri(Kadiri)	0.28
69	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXE	Tirupati-II	0.43
70	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXV	Tirupati-I	0.67
71	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXJ	Tirupati-II	0.55
72	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXA	Tirupati-II	0.50
73	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXN	Tirupati-II	0.29
74	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXL	Tirupati-II	0.79
75	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXXZ	Tirupati-II	0.34
76	ISD Credit incorrectly availed	3XXXXXXXXXXXXXXXXX9	Vizianagaram East	0.44
77	Excess availing of ITC under Reverse Charge Mechanism (RCM)	3XXXXXXXXXXXXXXXXXM	Vuyyuru	0.13
<b>Total</b>				<b>325.35</b>

### Appendix-2.7

(Reference to Paragraph No. 2.1.8.1 ; Page 38)

#### Scope limitation (non-production/partial production of records)

Sl. No.	GSTIN	Name of the Circle	Whether the records were furnished or not	Details of granular records which were not furnished
1	3XXXXXXXXXXXXXXXXXF	Airport	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/debit notes ledgers, etc.

Sl. No.	GSTIN	Name of the Circle	Whether the records were furnished or not	Details of granular records which were not furnished
2	3XXXXXXXXXXXXXXXXXR	Airport	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, etc.
3	3XXXXXXXXXXXXXXXXXF	Airport	Not Furnished	
4	3XXXXXXXXXXXXXXXXXK	Alcot Gardens	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/debit notes ledgers, etc.
5	3XXXXXXXXXXXXXXXXXD	Amadalavalasa	Not Furnished	
6	3XXXXXXXXXXXXXXXXX8	Aryapuram	Not Furnished	Schedules, Notes to Financial Statements, refund files, ITC reversal details, RCM supplies & purchases, shipping bills and adjudication orders
7	3XXXXXXXXXXXXXXXXXV	Autonagar	Not Furnished	
8	3XXXXXXXXXXXXXXXXXR	Autonagar	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/debit notes ledgers, etc.
9	3XXXXXXXXXXXXXXXXX3	Benz Circle	Not Furnished	
10	3XXXXXXXXXXXXXXXXXO	Benz Circle	Not Furnished	
11	3XXXXXXXXXXXXXXXXXM	Benz Circle	Not Furnished	
12	3XXXXXXXXXXXXXXXXXT	Benz Circle	Not Furnished	
13	3XXXXXXXXXXXXXXXXXP	Bhavanipuram	Not Furnished	
14	3XXXXXXXXXXXXXXXXXD	Bheemili	Not Furnished	Ledgers, Tran details and statement of purchase, reversal workings, creditors/debtors and sale invoices.
15	3XXXXXXXXXXXXXXXXXD	China Waltair	Partially furnished	Standalone financial ledgers and invoices.
16	3XXXXXXXXXXXXXXXXX8	Chirala	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/debit notes ledgers, etc.
17	3XXXXXXXXXXXXXXXXXO	Daba Gardens	Partially furnished	Shipping bills, Schedules and Notes to Financial statements, adjudication orders.
18	3XXXXXXXXXXXXXXXXXI	Daba Gardens	Partially furnished	Shipping bills, Ocean freight details, Schedules and Notes to Financial Statements and adjudication orders.
19	3XXXXXXXXXXXXXXXXXU	Gajuwaka	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/debit notes ledgers, etc.
20	3XXXXXXXXXXXXXXXXXV	Gajuwaka	Not Furnished	
21	3XXXXXXXXXXXXXXXXX4	Gajuwaka	Not Furnished	
22	3XXXXXXXXXXXXXXXXXL	Gajuwaka	Not Furnished	
23	3XXXXXXXXXXXXXXXXXB	Gudivada	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, etc.
24	3XXXXXXXXXXXXXXXXXI	Hindupur	Not Furnished	
25	3XXXXXXXXXXXXXXXXXP	Hindupur	Not Furnished	
26	3XXXXXXXXXXXXXXXXXW	Hindupur	Not Furnished	

Sl. No.	GSTIN	Name of the Circle	Whether the records were furnished or not	Details of granular records which were not furnished
27	3XXXXXXXXXXXXX2	Jangareddygudem	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/debit notes ledgers, etc.
28	3XXXXXXXXXXXXXV	Kadapa-II	Not Furnished	Schedules, Notes to Financial Statements, refund files, ITC reversal details, RCM supplies & purchases, shipping bills and adjudication orders
29	3XXXXXXXXXXXXXF	Kadapa-II	Not Furnished	
30	3XXXXXXXXXXXXXB	Kadapa-II	Not Furnished	
31	3XXXXXXXXXXXXXO	Kakinada Port	Not Furnished	Schedules, refund files, ITC reversal details, RCM supplies & purchases, shipping bills and adjudication orders
32	3XXXXXXXXXXXXXK	Kakinada Port	Not Furnished	Schedules, Notes to Financial Statements, refund files, ITC reversal details, RCM supplies & purchases, shipping bills and adjudication orders
33	3XXXXXXXXXXXXXL	Kothapet NRP	Not Furnished	
34	3XXXXXXXXXXXXXA	Kothapet NRP	Not Furnished	
35	3XXXXXXXXXXXXXR	Krishnalanka	Not Furnished	
36	3XXXXXXXXXXXXXW	Kurupam Market	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/ debit notes ledgers, etc.
37	3XXXXXXXXXXXXXW	Kurupam Market	Not Furnished	
38	3XXXXXXXXXXXXXY	Kurupam Market	Not Furnished	
39	3XXXXXXXXXXXXX0	Madhavadhara	Not Furnished	
40	3XXXXXXXXXXXXXP	Mangalagiri	Not Furnished	
41	3XXXXXXXXXXXXXA	Nellore-I	Not Furnished	Annual Financial Statements (i.e., Balance Sheet, Profit & Loss Account), depreciation statement, all schedules, notes and ledgers
42	3XXXXXXXXXXXXXL	Nidadavolu	Not Furnished	
43	3XXXXXXXXXXXXXX	Nidadavolu	Not Furnished	
44	3XXXXXXXXXXXXXR	Ongole-I	Not Furnished	Annual Financial Statements
45	3XXXXXXXXXXXXXA	Ongole-I	Not Furnished	Annual Financial Statements
46	3XXXXXXXXXXXXX0	Patamata	Not Furnished	Andhra Pradesh related schedules, Notes to Financial Statements, ledgers, outward & inward supplies, RCM supplies & purchases, credit/debit notes ledgers, etc.
47	3XXXXXXXXXXXXX6	Penamaluru	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/ debit notes ledgers, etc.
48	3XXXXXXXXXXXXXF	Penamaluru	Not Furnished	
49	3XXXXXXXXXXXXXR	Ramavarappadu	Not Furnished	
50	3XXXXXXXXXXXXX3	Ramavarappadu	Not Furnished	
51	3XXXXXXXXXXXXX2	Siripuram	Not Furnished	
52	3XXXXXXXXXXXXXV	Siripuram	Not Furnished	
53	3XXXXXXXXXXXXXE	Sitharampuram	Not Furnished	
54	3XXXXXXXXXXXXXM	Sitharampuram	Not Furnished	

Sl. No.	GSTIN	Name of the Circle	Whether the records were furnished or not	Details of granular records which were not furnished
55	3XXXXXXXXXXXXXI	Special Circle- I State Office	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, etc.
56	3XXXXXXXXXXXXXE	Special Circle Vsp-I	Not Furnished	Schedules, Notes to Financial Statements, ledgers, refund files, SCNs, ITC reversal details, outward & inward supplies, RCM supplies & purchases, shipping bills, adjudication orders, credit/debit notes ledgers, etc.
57	3XXXXXXXXXXXXXN	Sri City	Not Furnished	
58	3XXXXXXXXXXXXXK	Srikalahasti	Not Furnished	
59	3XXXXXXXXXXXXXK	Suryabagh	Not Furnished	
60	3XXXXXXXXXXXXXP	Suryabagh	Not Furnished	
61	3XXXXXXXXXXXX4	Suryaraopet	Not Furnished	

### Appendix-2.8

(Reference to Paragraph No. 2.1.8.2 (I) ; Page 38)

#### Non-payment of interest by taxpayers

Sl. No.	GSTIN	Name of the Circle	Interest short paid (₹ in crore)
1	3XXXXXXXXXXXXXK	Surya Bagh	1.30
2	3XXXXXXXXXXXXXX	Nidadavolu	0.01
3	3XXXXXXXXXXXXXV	Autonagar	0.06
4	3XXXXXXXXXXXXXW	Hindupur	0.01
<b>Total</b>			<b>1.38</b>

### Appendix-2.9

(Reference to Paragraph No. 2.1.8.2 (II) ; Page 39)

#### Non-filing of annual return (GSTR-9) and reconciliation statement (GSTR-9C)

Sl. No.	GSTIN	Name of the Circle	Return not filed
1	3XXXXXXXXXXXXXB	Gudivada	GSTR-9C
2	3XXXXXXXXXXXXXV	Kadapa-II	GSTR-9 and GSTR-9C
3	3XXXXXXXXXXXXXB	Kadapa-II	GSTR-9C
4	3XXXXXXXXXXXXX0	Madhavadhara	GSTR-9C
5	3XXXXXXXXXXXXXY	Proddatur-I	GSTR-9 and GSTR-9C
6	3XXXXXXXXXXXXXP	Suryabagh	GSTR-9C

### Appendix-2.10

(Reference to Paragraph No. 2.1.8.6 ; Page 42)

#### Undischarged liability due to short reporting of turnover

Sl. No.	GSTIN	Name of the Circle	Undischarged liability (₹ in crore)
1	3XXXXXXXXXXXX4	Gajuwaka	18.27
2	3XXXXXXXXXXXXXV	Gajuwaka	13.34
3	3XXXXXXXXXXXXXB	Gudivada	0.80
4	3XXXXXXXXXXXXXL	Steel Plant	0.06
5	3XXXXXXXXXXXXXP	Suryabagh	0.07
6	3XXXXXXXXXXXXXP	Suryabagh	0.03
<b>Total</b>			<b>32.57</b>

### Appendix-2.11

(Reference to Paragraph No. 2.1.8.7 (i) ; Page 44)

#### Mismatch between the ITC availed in GSTR-9/3B to the ITC available in GSTR-2A

Sl. No.	GSTIN	Name of the Circle	Excess ITC (₹ in crore)
1	3XXXXXXXXXXXXXF	Airport Circle	1.29
2	3XXXXXXXXXXXXXF	Airport Circle	0.13
3	3XXXXXXXXXXXXXD	Amadalavalasa (Presently Under Spl. Circle)	32.89
4	3XXXXXXXXXXXXXV	Autonagar	0.14
5	3XXXXXXXXXXXXX3	Benz Circle	1.42
6	3XXXXXXXXXXXXXM	Benz Circle	0.05
7	3XXXXXXXXXXXXXO	Benz Circle	2.58
8	3XXXXXXXXXXXXXP	Bhavanipuram	0.01
9	3XXXXXXXXXXXXXD	China Waltair	0.61
10	3XXXXXXXXXXXXX0	Daba Gardens	0.34
11	3XXXXXXXXXXXXXI	Daba Gardens	24.46
12	3XXXXXXXXXXXXXV	Gajuwaka	2.18
13	3XXXXXXXXXXXXX4	Gajuwaka	0.71
14	3XXXXXXXXXXXXXL	Gajuwaka	0.11
15	3XXXXXXXXXXXXXW	Hindupur	0.16
16	3XXXXXXXXXXXXXI	Hindupur	0.71
17	3XXXXXXXXXXXXX2	Jangareddygudem	3.35
18	3XXXXXXXXXXXXXF	Kadapa-II	0.43
19	3XXXXXXXXXXXXXB	Kadapa-II	0.47
20	3XXXXXXXXXXXXXK	Kakinada Port	0.01
21	3XXXXXXXXXXXXXP	Mangalagiri	1.42
22	3XXXXXXXXXXXXXA	Ongole-I	0.54
23	3XXXXXXXXXXXXX6	Penamaluru	5.41
24	3XXXXXXXXXXXXXF	Penamaluru	0.22
25	3XXXXXXXXXXXXX2	Siripuram	1.81
26	3XXXXXXXXXXXXXV	Siripuram	0.14
27	3XXXXXXXXXXXXXE	Special Circle Vsp-I	1.36
28	3XXXXXXXXXXXXXN	Sricity	0.47
29	3XXXXXXXXXXXXXP	Suryabagh	0.11
30	3XXXXXXXXXXXXXD	Bheemili	0.11
31	3XXXXXXXXXXXXXK	Suryabagh	1.82
32	3XXXXXXXXXXXXXW	Kurupam Market	2.11
<b>Total</b>			<b>87.57</b>

### Appendix-2.12

(Reference to Paragraph No. 2.1.8.7 (ii); Page 45)

**Difference between ITC available as per GSTR-2A and available as per GSTR-3Bs after considering subsequent period's adjustments**

Sl. No.	GSTIN	Name of the Circle	Table 8D of GSTR-9 (₹ in crore)
1	3XXXXXXXXXXXXXF	Airport Circle	1.84
2	3XXXXXXXXXXXXXD	Amadalavalasa	7.79
3	3XXXXXXXXXXXXXV	Autonagar	0.21
4	3XXXXXXXXXXXXX3	Benz Circle	0.62
5	3XXXXXXXXXXXXXD	China Waltair	0.71
6	3XXXXXXXXXXXXX0	Daba Gardens	0.36
7	3XXXXXXXXXXXXXI	Daba Gardens	20.33
8	3XXXXXXXXXXXXXV	Gajuwaka	0.96
9	3XXXXXXXXXXXXX4	Gajuwaka	6.50
10	3XXXXXXXXXXXXXL	Gajuwaka	0.13
11	3XXXXXXXXXXXXXW	Hindupur	0.15
12	3XXXXXXXXXXXXX2	Jangareddygudem	3.35
13	3XXXXXXXXXXXXXB	Kadapa-II	0.46
14	3XXXXXXXXXXXXXW	Kurupam Market	19.79
15	3XXXXXXXXXXXXXP	Mangalagiri	1.44
16	3XXXXXXXXXXXXX6	Penamaluru	1.72
17	3XXXXXXXXXXXXXF	Penamaluru	0.22
18	3XXXXXXXXXXXXX2	Siripuram	1.82
19	3XXXXXXXXXXXXXV	Siripuram	0.09
20	3XXXXXXXXXXXXXE	Special Circle Vsp-I	1.02
21	3XXXXXXXXXXXXXN	Sricity	1.23
<b>Total</b>			<b>70.74</b>

### Appendix-2.13

(Reference to Paragraph No. 2.1.8.7 (iii) ; Page 46)

**Difference in ITC availed as per GSTR-3B and modified value in GSRT-9  
(Negative 6J figures)**

Sl. No.	GSTIN	Name of the Circle	Table 6J R9 (₹ in crore)
1	3XXXXXXXXXXXXXF	Airport Circle	0.13
2	3XXXXXXXXXXXXXV	Gajuwaka	12.55
<b>Total</b>			<b>12.68</b>

### Appendix-2.14

(Reference to Paragraph No. 2.1.8.7 (iv); Page 46)

**Mismatch in availment of Input Service Distributor credit**

Sl. No.	GSTIN	Name of the Dealer	Name of the Circle	Table 6J R9 (₹ in crore)
1	3XXXXXXXXXXXXXA	South India Krishna Oil & Fats Private Limited	Nellore-I	0.32
2	3XXXXXXXXXXXXXV	Steel Exchange India Limited	Gajuwaka	0.29
3	3XXXXXXXXXXXXXD	Steel Authority of India Limited	China Waltair	0.15
<b>Total</b>				<b>0.76</b>

**Appendix-2.15**

(Reference to Paragraph No. 2.1.8.7 (v)(A) ; Page 47)

**Data mismatches in reversals declared by the taxpayers  
vis-à-vis to be reversed as per Rule 42**

Sl. No.	GSTIN	Name of the circle	ITC reversal in lieu of common inputs for taxable and exempted/ Nil supplies (₹ in crore)
1	3XXXXXXXXXXXXXXXXXD	Amadalavalasa (Presently Under Spl. Circle)	0.02
2	3XXXXXXXXXXXXXXXXXI	Daba Gardens	0.27
3	3XXXXXXXXXXXXXXXXXV	Gajuwaka	3.39
4	3XXXXXXXXXXXXXXXXXZ2	Jangareddygudem	0.07
5	3XXXXXXXXXXXXXXXXXL	Kothapet NRP	0.11
6	3XXXXXXXXXXXXXXXXXP	Mangalagiri	1.61
7	3XXXXXXXXXXXXXXXXXA	Nellore-I	3.38
8	3XXXXXXXXXXXXXXXXXX	Nidadavolu	0.18
9	3XXXXXXXXXXXXXXXXXF	Penamaluru	0.04
10	3XXXXXXXXXXXXXXXXXW	Kurupam Market	2.28
<b>Total</b>			<b>11.35</b>

**Appendix-2.16**

(Reference to Paragraph No. 2.1.8.7 (v)(B); Page 47)

**Data mismatches in reversals declared by the taxpayers  
vis-à-vis to be reversed as per Rule 43**

Sl. No.	GSTIN	Name of the Circle	ITC reversal in lieu of capital goods used for taxable and exempted/Nil supplies (₹ in crore)
1	3XXXXXXXXXXXXXXXXXT	Benz Circle	0.17
2	3XXXXXXXXXXXXXXXXX8	Chirala	0.02
3	3XXXXXXXXXXXXXXXXXV	Gajuwaka	0.02
<b>Total</b>			<b>0.21</b>

**Appendix-2.17**

(Reference to Paragraph No. 2.1.8.7 (vi) ; Page 48)

**Unreconciled ITC between annual return and financial statements (GSTR-9C)**

Sl. No.	GSTIN	Name of the Circle	As per 12F of GSTR-9C (₹ in crore)	As per 14T of GSTR-9C (₹ in crore)
1	3XXXXXXXXXXXXXXXXXD	Amadalavalasa (Presently Under Spl. Circle)	6.96	--
2	3XXXXXXXXXXXXXXXXXI	Daba Gardens	--	5.85
3	3XXXXXXXXXXXXXXXXXU	Gajuwaka	2.94	--
4	3XXXXXXXXXXXXXXXXXW	Kurupam Market	--	4.82
5	3XXXXXXXXXXXXXXXXXY	Kurupam Market	0.86	--
<b>Total</b>			<b>10.76</b>	<b>10.67</b>

**Appendix-2.18**

(Reference to Paragraph No. 2.1.8.7 (vii) ; Page 49)

**Mismatch in turnover between Annual Return and Financial Statement GSTR-9C (5R & 7G)**

Sl. No.	GSTIN	Name of the circle	GSTR 9C - 5R – Total Turnover (₹ in crore)	GSTR 9C - 7G – Taxable Turnover (₹ in crore)
1	3XXXXXXXXXXXXXD	Amadalavalasa	--	1.92
2	3XXXXXXXXXXXXXD	Bheemili	--	0.41
3	3XXXXXXXXXXXXXD	China Waltair	3.50	--
4	3XXXXXXXXXXXXX0	Daba Gardens	0.01	--
5	3XXXXXXXXXXXXXW	Hindupur	0.38	--
6	3XXXXXXXXXXXXXW	Kurupam Market	273.86	--
7	3XXXXXXXXXXXXX2	Siripuram	324.68	--
8	3XXXXXXXXXXXXXK	Srikalahasti	--	70.49
<b>Total</b>			<b>602.43</b>	<b>72.82</b>

**Appendix-2.19**

(Reference to Paragraph No. 2.1.8.7 (viii) ; Page 50)

**Mismatch between tax payable as per GSTR-9C and tax actually paid in GSTR-9**

Sl. No.	GSTIN	Name of the circle	GSTR-9C Table 9R (₹ in crore)
1	3XXXXXXXXXXXXXF	Airport Circle	0.14
2	3XXXXXXXXXXXXXO	Benz Circle	4.90
3	3XXXXXXXXXXXXXI	Daba Gardens	0.67
4	3XXXXXXXXXXXXXL	Gajuwaka	0.74
5	3XXXXXXXXXXXXXP	Hindupur	0.01
6	3XXXXXXXXXXXXXW	Hindupur	0.15
7	3XXXXXXXXXXXXX2	Jangareddygudem	0.11
8	3XXXXXXXXXXXXXW	Kurupam Market	0.34
9	3XXXXXXXXXXXXXY	Kurupam Market	0.47
10	3XXXXXXXXXXXXXP	Mangalagiri	0.03
11	3XXXXXXXXXXXXXL	Nidadavolu	0.18
12	3XXXXXXXXXXXXXX	Nidadavolu	0.07
13	3XXXXXXXXXXXXXV	Siripuram	0.91
14	3XXXXXXXXXXXXXN	Sricity	0.89
15	3XXXXXXXXXXXXXN	Suryabagh	0.10
<b>Total</b>			<b>9.71</b>

**Appendix-2.20**

(Reference to Paragraph No. 2.1.8.7(ix) ; Page 50)

**Mismatches in liabilities declared in GSTR-1 vs GSTR-3B vs GSTR-9 and actual tax discharged**

Sl. No.	GSTIN	Name of the Circle	Mismatch in tax liability (₹ in crore)
1	3XXXXXXXXXXXXXR	Airport Circle	0.07
2	3XXXXXXXXXXXXXF	Airport Circle	0.14
3	3XXXXXXXXXXXXXD	Amadalavalasa	1.58
4	3XXXXXXXXXXXXXV	Autonagar	1.53
5	3XXXXXXXXXXXXX3	Benz Circle	1.12
6	37XXXXXXXXXXXXXO	Benz Circle	4.91
7	3XXXXXXXXXXXXXI	Daba Gardens	14.64
8	3XXXXXXXXXXXXXL	Gajuwaka	0.41
9	3XXXXXXXXXXXXXP	Hindupur	0.14
10	3XXXXXXXXXXXXXW	Hindupur	0.20
11	3XXXXXXXXXXXXXI	Hindupur	1.56
12	3XXXXXXXXXXXXX2	Jangareddygudem	0.03
13	3XXXXXXXXXXXXXB	Kadapa-II	1.94
14	3XXXXXXXXXXXXXF	Kadapa-II	0.83
15	3XXXXXXXXXXXXXW	Kurupam Market	0.34
16	3XXXXXXXXXXXXXY	Kurupam Market	0.47
17	3XXXXXXXXXXXXX0	Madhavadhara	1.01
18	3XXXXXXXXXXXXXP	Mangalagiri	0.85
19	3XXXXXXXXXXXXXX	Nidadavolu	0.07
20	3XXXXXXXXXXXXXF	Penamaluru	0.11
21	3XXXXXXXXXXXXX2	Siripuram	0.03
22	3XXXXXXXXXXXXXV	Siripuram	0.76
23	3XXXXXXXXXXXXXI	Special Circle-II State Office	0.03
24	3XXXXXXXXXXXXXN	Sricity	0.92
25	3XXXXXXXXXXXXXP	Suryabagh	0.06
<b>Total</b>			<b>33.75</b>

**Appendix-2.21**

(Reference to Paragraph No. 2.1.8.7 (x) ; Page 51)

**Sundry creditors at the end of Financial Year (2017-18)**

Sl. No.	GSTIN	Name of the Circle	Trade Payables/ Sundry Creditors (₹ in crore)
1	3XXXXXXXXXXXXXF	Airport Circle	1142.60
2	3XXXXXXXXXXXXXF	Airport Circle	0.05
3	3XXXXXXXXXXXXXD	Amadalavalasa	182.60
4	3XXXXXXXXXXXXXV	Autonagar	10.81
5	3XXXXXXXXXXXXXT	Benz Circle	19.90
6	3XXXXXXXXXXXXXI	Daba Gardens	31097.00
7	3XXXXXXXXXXXXXU	Gajuwaka	199.90

Sl. No.	GSTIN	Name of the Circle	Trade Payables/ Sundry Creditors (₹ in crore)
8	3XXXXXXXXXXXXXV	Gajuwaka	96.61
9	3XXXXXXXXXXXXX4	Gajuwaka	24.48
10	3XXXXXXXXXXXXXL	Gajuwaka	0.48
11	3XXXXXXXXXXXXXW	Kurupam Market	961.74
12	3XXXXXXXXXXXXXW	Kurupam Market	39.71
13	3XXXXXXXXXXXXXL	Nidadavolu	7.76
14	3XXXXXXXXXXXXXX	Nidadavolu	3.66
15	3XXXXXXXXXXXXX2	Siripuram	6.46
16	3XXXXXXXXXXXXXV	Siripuram	17.39
<b>Total</b>			<b>33811.15</b>

### Appendix-3.1

(Reference to Paragraph No. 3.1 ; Page 61)

#### Short levy of Registration Fee on instrument creating *Paripassu* Charge

(₹ in crore)

Sl. No.	Name of the office	Document No./ Year	Loan Amount	Registration fee to be levied at 0.5%	Registration fee levied	Short levy of Registration fee
1	2	3	4	5	6	7 = 5 - 6
1	DR, Kurnool, Kurnool District	8298/2019	286.94	1.43	0.001	1.43
2	SR, Dharmavaram, Ananthapuramu District	3606/2019	360.00	1.80	0.001	1.80
3	SR, Sarpavaram, East Godavari District	4221/2018	9,426.40	47.132	0.017	47.12
4	SR, Stonehousepet, Nellore District	3974/2019	203.00	1.01	0.001	1.01
		3976/2019	203.00	1.01	0.001	1.01
<b>Total</b>						<b>52.37</b>

**Appendix-3.2**  
(Reference to Paragraph No. 3.2 ; Page 62)

**Undervaluation of properties**

Sl. No.	Name of the Office	Document No./ year and nature of document	Nature of under valuation	Property value to be taken (₹)	Value taken (₹)	Rates of duties applicable (per cent)	Duties leviable (₹ in lakh)	Duties collected (₹ in lakh)	Short levy (₹ in lakh)
1	2	3	4	5	6	7	8	9	10 = 8-9
1	District Registrar, Anakapalli	06/2021 DGPA	Nature of land usage was converted to non-agriculture prior to execution of this deed. Non-adoption of sq. yd. rate ₹10,000 instead of acreage rate ₹65,00,000.	4,71,90,000	63,38,000	1	4.72	0.63	4.09
		1079/2021 DGPA		1,10,11,000	14,79,000	1	1.10	0.22	0.88
		1229/2021 DGPA		3,33,96,000	49,65,000	1	3.34	0.50	2.84
		1300/2021 DGPA		6,63,08,000	89,05,000	1	6.63	0.89	5.74
2	District Registrar, Bhimavaram	1175/2020 Sale deed	As per market value guidelines, Form III & IV, the property does not exist in Bhimavaram mandal, hence minimum value prescribed for Bhimavaram mandal as per Form-I is to be adopted was ₹5,000.	3,63,00,000	99,00,000	7.5	27.22	7.42	19.80
3	District Registrar, Kurnool	15218/2020 Sale deed	Non-adoption of composite rate for multi-storied building	11,28,91,178	7,89,48,000	7.5	84.67	59.25	25.42
		920/2020 Sale deed	Non-considering of market value ₹1,08,26,500 which was higher than consideration value of ₹84,62,000	1,08,26,310	84,62,000	7.5	8.12	6.35	1.77
4	District Registrar, Nellore	9497/2019 Sale deed	Property was abutting to GNT Road. As per market value guidelines ₹28,500 per sq. yd. was fixed for GNT road.	4,04,37,600	3,25,00,000	7.5	30.33	24.37	5.96
		9214/2019 Sale deed	Non-adoption of composite rate for multi-storied building.	9,12,70,775	6,10,00,000	7.5	68.45	45.75	22.70

Sl. No.	Name of the Office	Document No./ year and nature of document	Nature of under valuation	Property value to be taken (₹)	Value taken (₹)	Rates of duties applicable (per cent)	Duties leviable (₹ in lakh)	Duties collected (₹ in lakh)	Short levy (₹ in lakh)
5	District Registrar, Proddatur	8208/ 2019 Sale deed	Non-adoption of composite rate for multi-storied building.	1,70,59,500	1,30,38,000	7.5	12.79	9.78	3.01
		12565/2019 Sale deed	Schedule properties are industrial in nature; situated in Ward-11, hence ₹6,000 sq. yd. is to be adopted.	78,92,396	56,10,000	7.5	5.92	4.21	1.71
		12521/2019 Sale deed		78,92,396	56,10,000	7.5	5.92	4.21	1.71
6	District Registrar, Proddatur	8221/2019 Sale deed	Applicable rate for the schedule property having door nos. 7/1194/1, 7/1195 and 7/1196, as per rules, was ₹14,100 per sq. yd. However, registry adopted ₹8,900 per sq. yd.	71,48,700	18,26,000	7.5	5.36	1.37	3.99
		8222/2019 Sale deed		69,54,120	43,90,000	7.5	5.21	3.29	1.92
		6409/2020 Gift to family members	As per market value guidelines chargeable value is ₹1,25,51,000. However, registry adopted ₹94,05,000.	1,25,51,000	94,05,000	3.5	4.39	3.29	1.10
7	District Registrar, Tirupati	2543/ 2018 Sale deed	Non-adoption of composite rate for multi-storied building.	12,77,08,152	11,49,83,001	7.5	95.78	87.34	8.44
8	District Registrar, Tirupati	4268/ 2020 Settlement among family members		1,84,03,020	1,26,11,000	2	3.68	2.53	1.15
9	District Registrar, Vijayawada	14289/2019 GPA	Land was abutting to Nuziveedu to Reddigudem road; hence, applicable rate was ₹50,80,000 per acre.	7,33,55,200	3,65,33,200	1	7.33	3.65	3.68
10	District Registrar, Vizianagaram	4186/ 2019 Sale deed	As per market value guidelines, land rate in eighth ward in Railway station road was ₹31,500 per sq. yd.	5,53,45,500	3,51,40,000	7.5	41.51	26.36	15.15

Sl. No.	Name of the Office	Document No./ year and nature of document	Nature of under valuation	Property value to be taken (₹)	Value taken (₹)	Rates of duties applicable (per cent)	Duties leviable (₹ in lakh)	Duties collected (₹ in lakh)	Short levy (₹ in lakh)
		211/2019 Sale deed	As per market value guidelines, land rate in eighth ward in Railway station road was ₹31,500 per sq. yd.	5,04,00,000	3,20,00,000	7.5	37.80	24.00	13.80
		4742/2017 Sale deed	As seen from link document (no. 4327/2017 dated 08/08/2019) a building was existing in the land of schedule property. By suppressing the fact, the parties sold land only.	36,40,000	12,60,000	7.5	2.73	0.95	1.78
11	SR, Ananthapuramu Rural	10318/2018 Sale deed	Total land conveyed through sale deed was Acre 1.15 cents; however, lesser area of Acre 0.96 cents was considered.	2,78,30,000	2,32,47,000	7.5	20.87	17.48	3.39
12	Sub Registrar, Dwarakanagar	1267/2019 Sale deed	Nature of land usage was converted to non-agriculture prior to execution of sale deed. Hence, applicable rate was ₹2,100 per sq. yd.	4,03,51,080	60,00,000	7.5	30.26	4.50	25.76
13	Sub Registrar, Gannavaram	8239/2018 AGPA	Nature of land usage was converted to non-agriculture prior to execution AGPA deeds. Hence, applicable rate was ₹1,750 per sq. yd.	75,38,300	53,07,000	5	3.77	2.67	1.10
		8907/2018 AGPA		84,70,000	52,50,000		4.23	2.64	1.59
		1569/2019 AGPA		84,70,000	53,12,500		4.23	2.67	1.56
		2424/2019 AGPA		84,70,000	46,50,000		4.23	2.34	1.89
		2459/2021 Settlement among family	Nature of land usage was converted to non-agriculture prior to execution of sale deed. Hence, applicable rate was ₹3,500 per sq. yd.	5,27,25,750	2,18,00,000	2	10.54	4.36	6.18
		3717/2019 Settlement among family members	Land was abutting to R&B road for which value to be adopted was ₹1,68,00,000 per acre.	6,04,80,000	1,96,56,000	2	12.10	3.93	8.16

Sl. No.	Name of the Office	Document No./ year and nature of document	Nature of under valuation	Property value to be taken (₹)	Value taken (₹)	Rates of duties applicable (per cent)	Duties leviable (₹ in lakh)	Duties collected (₹ in lakh)	Short levy (₹ in lakh)
14	Sub Registrar, Madanapalle	2723/2019 Sale deed	Non-adoption of composite rate for multi-storied building.	1,70,27,920	1,36,50,000	7.5	12.77	10.24	2.53
15	SR, Vizianagaram West	5931/2019 Sale deed	Total land conveyed through sale deed was 9,970 sq. yd.; however, lesser extent of land (7,097 sq. yd.) was considered.	5,08,47,000	3,61,96,000	7.5	38.14	27.15	10.99
		5257/2019 Sale deed	Nature of land usage was converted to non-agriculture prior to execution of sale deed. Hence, applicable rate was ₹3,000 per sq. yd.	81,31,200	11,54,000	7.5	6.10	0.87	5.23
<b>Total</b>							<b>610.24</b>	<b>395.21</b>	<b>215.03</b>

**Appendix-3.3**

(Reference to Paragraph No. 3.3 ; Page 64)

**Irregular exemption of stamp duty, registration fee and transfer duty in sale deeds relating to 'Gannavaram Airport Land Pooling Scheme'**

(₹ in lakh)

Sl. No.	Doc. No.	Consideration Amount	Duties leviable @7.5%	Duties levied	Short levy
1	2607/2018	22.66	1.700	0.001	1.699
2	2608/2018	15.11	1.133	0.001	1.132
3	2609/2018	39.64	2.973	0.001	2.972
4	2680/2018	144	10.800	0.001	10.799
5	2723/2018	96.14	7.211	0.001	7.210
6	2773/2018	16.99	1.274	0.001	1.273
7	2774/2018	21.38	1.604	0.001	1.603
8	2777/2018	56.63	4.247	0.001	4.246
9	4042/2018	17.57	1.318	0.001	1.317
10	5644/2018	23.50	1.763	0.001	1.762
11	5650/2018	18.92	1.419	0.001	1.418
12	5693/2018	30.20	2.265	0.001	2.264
13	6663/2018	13.38	1.004	0.001	1.003
14	6666/2018	20.00	1.500	0.001	1.499
15	6838/2018	82.33	6.175	0.001	6.174
16	6839/2018	158.85	11.914	0.001	11.913
17	6891/2018	98.01	7.351	0.001	7.350
18	6892/2018	72.53	5.440	0.001	5.439
19	6905/2018	20.04	1.503	0.001	1.502
20	7110/2018	53.00	3.975	0.001	3.974
21	7111/2018	46.76	3.507	0.001	3.506
22	7112/2018	33.40	2.505	0.001	2.504
23	7114/2018	14.92	1.119	0.001	1.118
24	7120/2018	95.62	7.172	0.001	7.171
25	7121/2018	20.00	1.500	0.001	1.499
26	7123/2018	35.07	2.630	0.001	2.629
27	7125/2018	18.88	1.416	0.001	1.415
<b>Total</b>		<b>1285.53</b>	<b>96.418</b>	<b>0.027</b>	<b>96.391</b>

**Appendix-3.4**

(Reference to Paragraph No. 3.4 (a); Page 64)

**Incorrect adoption of development cost (Paragraph 3.4 (a))**

(₹ in lakh)

Sl. No.	Office Name	Document No/Year	Nature of irregularity	Value of development cost/ Market value to be taken	Stamp duty leviable @ 1%	Stamp duty levied	Short levy of duties
1	2	3	4	5	6	7	8 = 6 - 7
1	DR, Bhimavaram	812/2020	Builder paid an amount of ₹ one crore to landowners as non-refundable agreement. However, while arriving the development cost of land same was not considered.	100.00	1.00	nil	1.00
2	DR, Gunadala	6553/2019	Total extent of land <i>i.e.</i> , 15,197.6 sq. yd. or Ac. 3.14 cents given for development was not considered for chargeable value of development cost.	1454.99	14.55	8.45	6.10
3	DR, Kakinada	8018/2020	Total extent of land given for development was 2579.01 sq. yd. However, lesser extent of land (2,395 sq. yd.) was considered.	2588.99	25.89	24.60	1.29
4	DR, Kurnool	9543/2020	Total extent of land <i>i.e.</i> , 23,425.60 sq. yd. or Ac. 4.84 cents given for development was not considered for chargeable value of development cost.	1405.54	14.06	7.69	6.37
5	DR, Tirupathi	835/2020	Total extent of land <i>i.e.</i> , 21,296 sq. yd. or Ac. 4.40 cents given for development was not considered for chargeable value of development cost.	2342.56	23.43	16.76	6.66
6	SR, Anandapuram	3444/2019	Value of land demarcated for roads and common facilities was not considered in development cost.	1833.49	18.33	10.27	8.06
7	SR, Ananthapuramu rural	11637/2018	Total extent of land <i>i.e.</i> , 12,100 sq. yd. or Ac. 2.50 cents given for development was not considered for chargeable value of development.	880.08	8.80	7.63	1.17

Sl. No.	Office Name	Document No/Year	Nature of irregularity	Value of development cost/ Market value to be taken	Stamp duty leviable @ 1%	Stamp duty levied	Short levy of duties
8	SR, Kadiri	3177/2018	Development cost which was not form part of original DGPA document was not considered in supplementary deed.	176.40	1.76	0.01	1.75
9	SR, Patamata	8292/2019	Value of land demarcated for roads and common facilities was not considered in development cost.	870.00	8.70	4.83	3.87
10	SR, Tadepalligudem	8359/2020	Total extent of land <i>i.e.</i> , 28,556 sq. yd. or Ac. 5.90 cents given for development and ₹50,00,000 non-refundable goodwill amount paid to landowners was not considered for chargeable value of development cost.	763.90	7.63	4.01	3.63
<b>Total</b>				<b>12,415.95</b>	<b>124.15</b>	<b>84.25</b>	<b>39.90</b>

**Appendix-3.5**  
(Reference to Paragraph No. 3.4 (b); Page 65)

**Distinct matters in DGPA deeds**

(₹ in lakh)

Sl. No.	Name of the office	Document No. / year	Nature of distinct matter	Value of the distinct matter	SD to be levied	RF	Total Short levy
a	b	c	d	e	f	g	h = f + g
1	DR, Anakapalli	4778/ 2020	Conveyance (@4%)	92.09	3.68	0.46	4.14
2	DR, Anakapalli	7092/ 2019	Conveyance (@4%) -cum-Partition (@1%)	35.19 (Value of excess share of the Developer) + 66.6 (Value of partitioned properties)	2.07	0.18	2.25
3	DR, Bhimavaram	812/ 2020 5020/ 2018	Partition between landowners (@1%)	638.46	6.38	NIL	6.38
4	DR, Kakinada	5313/ 2019	Conveyance on sale (SD @5% + TD@1.5%)	68.0	4.42	0.68	5.10
5	DR, Rajamahendravaram	5862/ 2019	Conveyance (@4%)	61.59	2.46	0.31	2.77
6	DR, Tirupati	4746/ 2019	Excess share received by the developer is to be treated as conveyance (@4%)	24.29	0.97	0.12	1.09
7	SR, Bheemunipatnam	3961/ 2018	Excess share received by the landowners is to be treated as conveyance (@4%)	33.04	1.32	0.17	1.49
8	SR, Dwarakanagar	2224/ 2020	Conveyance on sale (SD @5% + TD@1.5%)	56.87	3.70	0.57	4.27
9	SR, Dwarakanagar	5134/ 2020	Conveyance on sale (SD @5% + TD@1.5%)	23.34	1.52	0.23	1.75
10	SR, Gopalapatnam	322/ 2020	Partition between landowners (@1%)	135.11	1.35	NIL	1.35
11	SR, Gopalapatnam	1254/ 2019	Partition (@1%) and release (@3%) between landowners	Partition value 58.28	0.58	NIL	0.58
				Release - 27.27	0.82	0.10	0.92
12	SR, Gopalapatnam	1150/ 2019	Partition (@2%) and release (@3%) between landowners	Partition value 52.94	1.06	NIL	1.06
				Release-31.87	0.96	0.10	1.06

Sl. No.	Name of the office	Document No. / year	Nature of distinct matter	Value of the distinct matter	SD to be levied	RF	Total Short levy
a	b	c	d	e	f	g	h = f + g
13	SR, Gopalapatnam	598/ 2018	Excess share received by the landowners is to be treated as conveyance (@4%)	153.13	6.13	0.76	6.89
14	SR, Madhurawada	1145/ 2020	Conveyance (@4%) to one of the landowners	34.45	1.38	0.17	1.55
15	SR, Nallapadu	2424/ 2019	Partition (@2%) between landowners	87.37	1.75	NIL	1.75
16	SR, Pendurti	1529/ 2018	Partition (@1%) between landowners	189.86	1.90	NIL	1.90
17	SR, Pidimgoyya	5884/ 2019	Release (@3%) to co-owners	41.94	1.26	NIL	1.26
18	SR, Vizianagaram West	3863/ 2018	Partition (@2%) between landowners	143.78	2.88	NIL	2.88
19	SR, Vizianagaram West	5910/ 2019	Partition (@2%) between landowners	87.75	1.76	NIL	1.76
<b>Total</b>					<b>48.35</b>	<b>3.85</b>	<b>52.20</b>

### Appendix-3.6

(Reference to Paragraph No. 3.5 ; Page 67)

#### Loss of revenue due to sale of flats disguised as sale of undivided share of land followed by construction agreements

(₹ in lakh)

Sl. No.	Office Name	Document Nos./ Year of sale of land and construction agreement	Property Details	Market value/ consideration of the property	Duties leviable at 7.5% ( SD at 5%, TD at 1.5%, RF at 1% )	Duties levied	Short levy
1	2	3	4	5	6	7	8=6-7
1	DR, Visakhapatnam	6310/2020 6311/2020	71 sq. yd. Waltair, Visakhapatnam Municipal Corporation	228.40	17.13	4.33	12.80
		2739/2020 2740/2020	74 sq. yd. Waltair, Visakhapatnam Municipal Corporation	251.99	18.90	4.57	14.33
2	SR, Addanki, Prakasam District	2551 & 2557 of 2017	6921.20 sq. yd. in Sy.No.234/1A, 223/1A, Gundlapalli Village, Maddipadu Mandal, Prakasam District	12.02	0.90	0.14	0.76
		2554 & 2559 of 2017		12.02	0.90	0.14	0.76
		2553 & 2560 of 2017		12.02	0.90	0.14	0.76
		2552 & 2562 of 2017		12.02	0.90	0.14	0.76

Sl. No.	Office Name	Document Nos./ Year of sale of land and construction agreement	Property Details	Market value/ consideration of the property	Duties leviable at 7.5% ( SD at 5%, TD at 1.5%, RF at 1% )	Duties levied	Short levy
1	2	3	4	5	6	7	8=6-7
		2550 & 2558 of 2017	6921.20 sq. yd. in Sy.No.234/1A, 223/1A, Gundlapalli Village, Maddipadu Mandal, Prakasam District	11.78	0.88	0.14	0.74
		2555 & 2561 of 2017		11.78	0.88	0.14	0.74
		2556 & 2563 of 2017		11.78	0.88	0.14	0.74
		3292 & 3293 of 2017		20.04	1.50	0.23	1.27
		3294 & 3295 of 2017		20.04	1.50	0.23	1.27
		3288 & 3289 of 2017		15.00	1.13	0.17	0.96
		3290 & 3291 of 2017		15.00	1.13	0.17	0.96
		3400 & 3401 of 2017		21.07	1.58	0.24	1.34
		3404 & 3405 of 2017		21.07	1.58	0.24	1.34
		3406 & 3407 of 2017		21.07	1.58	0.24	1.34
		3408 & 3409 of 2017		21.07	1.58	0.24	1.34
		3398 & 3399 of 2017		20.04	1.50	0.23	1.27
		3402 & 3403 of 2017		20.04	1.50	0.23	1.27
		3461 & 3464 of 2017		21.07	1.58	0.24	1.34
		3460 & 3465 of 2017		21.07	1.58	0.24	1.34
		3463 & 3466 of 2017		21.07	1.58	0.24	1.34
		3459 & 3467 of 2017		21.07	1.58	0.24	1.34
		3462 & 3468 of 2017		21.07	1.58	0.24	1.34
		5128 & 5129 of 2017		15.03	1.13	0.17	0.96
		5150 & 5151 of 2017		15.03	1.13	0.17	0.96
		2447 & 2448 of 2018	15.03	1.13	0.17	0.96	
		2446 & 2449 of 2018	15.03	1.13	0.17	0.96	
		2992 & 2993 of 2017	6921.20 sq. yd. in Sy.No.234/1A, 223/1A, Gundlapalli Village, Maddipadu Mandal, Prakasam District	16.06	1.21	0.19	1.02
		2994 & 2995 of 2017		16.06	1.21	0.19	1.02
		2996 & 2997 of 2017		16.06	1.21	0.19	1.02
		2998 & 2999 of 2017		12.02	0.90	0.14	0.76
		3088 & 3089 of 2017		16.96	1.28	0.20	1.08
		3108 & 3109 of 2017		16.96	1.28	0.20	1.08
		3090 & 3091 of 2017		16.16	1.21	0.19	1.02
		3106 & 3107 of 2017		16.16	1.21	0.19	1.02
		3086 & 3087 of 2017		12.12	0.91	0.14	0.77
		3144 & 3145 of 2017		16.16	1.21	0.19	1.02
		3146 & 3147 of 2017		16.16	1.21	0.19	1.02
		3151 & 3153 of 2017		16.16	1.21	0.19	1.02
		3148 & 3149 of 2017	12.12	0.91	0.14	0.77	
		3150 & 3152 of 2017	12.12	0.91	0.14	0.77	
		2581 & 2582 of 2017	6921.20 sq. yd. in Sy.No.234/1A, 223/1A, Gundlapalli Village, Maddipadu Mandal, Prakasam District	16.86	1.26	0.19	1.07
		2580 & 2583 of 2017		16.86	1.26	0.19	1.07
		2579 & 2585 of 2017		16.86	1.26	0.19	1.07
		2578 & 2584 of 2017		12.02	0.90	0.14	0.76

Sl. No.	Office Name	Document Nos./ Year of sale of land and construction agreement	Property Details	Market value/ consideration of the property	Duties leviable at 7.5% ( SD at 5%, TD at 1.5%, RF at 1% )	Duties levied	Short levy
1	2	3	4	5	6	7	8=6-7
3	SR, Ananandapuram	4562/2019 4718/2019 &	44.56 sq. yd. in Paradesipalem, Visakhapatnam Municipal Corporation	35.47	2.66	1.08	1.58
		1950/2020 2069/2020	44.56 sq. yd. in Paradesipalem, Visakhapatnam Municipal Corporation	33.66	2.52	1.17	1.35
4	SR, Bheemunipatnam	825 & 826 of 2020	44.91 sq. yd in Sangivalasa village, Bheemunipatnam Mandal, Visakhapatnam District	21.00	1.58	0.75	0.83
		2640 & 2641 of 2020	44.91 sq. yd in Sangivalasa village, Bheemunipatnam Mandal, Visakhapatnam District	24.00	1.80	0.96	0.84
5	SR, Madhurawada	2167/2020 2168/2020	60 sq. yd. in Yendada village of Visakhapatnam Municipal Corporation	107.50	8.06	3.61	4.45
		2061/2020 2062/2020	52.92 sq. yd. in Yendada village of Visakhapatnam Municipal Corporation	77.70	5.83	2.71	3.12
6	SR, Vizianagaram (West)	4715 & 4716 of 2018	Vizianagaram Municipality,	24.00	1.80	0.40	1.40
		5170 & 5171 of 2018	Kanapaka Village, Kamakshi Nagar,	17.81	1.34	0.95	0.39
		5282 & 5283 of 2018	Sy.No.39. Flat No.97	23.00	1.73	0.39	1.34
		1416 & 1417 of 2019		15.72	1.18	0.32	0.86
7	SR, Yelamanchili	775/2020 776/2020	54 sq. yd in Chodapalli Village, Atchutapuram Mandal, Visakhapatnam District	28.18	2.11	0.84	1.27
		773/2020 774/2020	54 sq. yd in Chodapalli Village, Atchutapuram Mandal, Visakhapatnam District	28.18	2.11	0.84	1.27
<b>Total</b>					<b>122.54</b>	<b>31.19</b>	<b>91.35</b>

SD: Stamp Duty;

TD: Transfer Duty;

RF: Registration Fee

**Appendix-3.7**

(Reference to Paragraph No. 3.6 ; Page 68)

**Loss of revenue due to non-registration of compulsorily registerable documents**

(₹ in lakh)

Sl. No.	Office	Document No. & Nature of deed	Type of unregistered document	Property value	Applicable rate of duties	Stamp duty (SD) leviable	Short levy of Registration fee	Remarks	Total Short levy
1	DR, Gunadala	5953/2019 (Sale deed)	Sale agreement	290.00	SD at 0.5% & RF at 0.5% (subject to a maximum of ₹20,000)	1.45	0.20	As per recitals (page no. 8) of the document, party had taken advance at the time of execution of sale agreement.	1.65
2	DR, Hindupur	5147/2020 (Sale deed)	Sale agreement	2201.91	SD at 0.5% & RF at 0.5% (subject to a maximum of ₹20,000)	11.01	0.20	As per recitals (conditions H & I in page no. 2) of the document, party had taken advance at the time of execution of sale agreement . Further, Dy. Zonal Manager, APIIC while issuing NOC in his letter to Sub-Registrar mentioned that parties had submitted a xerox copy of agreement entered on ₹100 non judicial Stamp paper.	11.21
3	DR, Rajamahendravaram	3653/2020 (Sale deed)	Sale agreement	419.22	SD at 0.5% & RF at 0.5% (subject to a maximum of ₹20,000)	2.10	0.20	As per recitals (page no. 4) of the document, parties had taken advances at the time of written sale agreement dated 12 January 2015.	2.30
		12903/2018 (Sale deed)	Sale agreement	275.00	SD at 0.5% & RF at 0.5% (subject to a maximum of ₹20,000)	1.38	0.20	As per recitals (page no. 2) of the document, party had taken advance at the time of execution of sale agreement.	1.58

Sl. No.	Office	Document No. & Nature of deed	Type of unregistered document	Property value	Applicable rate of duties	Stamp duty (SD) leviable	Short levy of Registration fee	Remarks	Total Short levy
4	SR, Gopalapatnam	2502/2017 (Partition deed)	Sale deed	571.14	7.5% (Sale deed- SD at 5%, TD at 1.5% & RF at 1%)	37.12 (SD + TD)	5.72	As per recitals of the partition deed (Page 2) agriculture land of Ac 1.18 cents was acquired through sale deed dated 23 June 1992.	42.84
5	SR, Kadiyam	1740/2018 (Settlement deed)	Partition deed	539.90	Stamp Duty at 1% (among family members) & RF = ₹1000	5.40	0.01	SD for settlement deed - ₹3,19,140 + SD for unregistered partition deed - ₹5,39,900 - SD already levied - ₹5,31,900 = ₹3,27,140 ( SD Short levied: ₹3.27 lakh + RF ₹ 0.01 lakh)	3.28
6	SR, Patamata	135/2019 (Sale deed)	Sale agreement	267.00	SD at 0.5% & RF at 0.5% (subject to a maximum of ₹20,000)	1.33	0.20	As per recitals (page no. 4) of the document, party had taken advance at the time of execution of written sale agreement.	1.53
7	SR, Vizianagaram West	2116/2017 (Sale deed) & 2119/2017 (Mortgage deed)	Development agreement	481.13	SD at 0.5% & RF at 0.5% (subject to a maximum of ₹20,000)	2.41	0.20	As seen from recitals (page no. 2) of the mortgage deed (no. 2119/2017) that unregistered DGPA was executed by the landowner and M/s Ratnam Constructions.	2.61
<b>Total</b>									<b>67.00</b>

**Appendix-3.8**

(Reference to Paragraph No. 3.7 ; Page 68)

**Misclassification of Mortgage Deed as Deposit of Title Deeds (DoTD)**

(₹ in lakh)

Sl. No.	Name of the Office	Document No./ Year	Loan amount on which duties to be leviable	Stamp duty (SD) collected	Stamp duty to be collected @ 0.5%	RF collected	RF to be collected @ 0.1%	Short collection of SD	Short collection of RF	Total amount short collected
1	2	3	4	5	6	7	8	9 = 6 - 5	10 = 8 - 7	11 = 9+10
1	DR, Kurnool	15108/ 2019	360	0.50	1.80	0.10	0.36	1.30	0.26	1.56
2	DR, Nellore	12097/ 2018	600	0.01	3.00	0.10	0.60	2.99	0.50	3.49
3	SR, Adoni	10740/ 2018	200	0.01	1.00	0.10	0.20	0.99	0.10	1.09
4	SR, Bhimadole	2062/ 2019	400	0.01	2.00	0.10	0.40	1.99	0.30	2.29
<b>Total</b>								<b>7.27</b>	<b>1.16</b>	<b>8.43</b>

**Appendix-3.9**

(Reference to Paragraph No. 3.10 ; Page 71)

**Short levy of duties in partition deed**

(₹ in lakh)

Sl. No.	Office Name	Document No./ Year	Nature of irregularity	Value of separated share (VSS)	Duties leviable (for Sl. No. 1,4 & 5 @2% and Sl. No. 2,3 & 6 @ 1%)	Duties levied	Short levy of duties
1	2	3	4	5	6	7	8 = 6 - 7
1	District Registrar, Kurnool	6061/2019	All members took part in the partition were not family members. Hence, document is to be treated as partition among others and duties to be levied at 2%.	182.18	3.64	1.82	1.82
2	District Registrar, Gunadala	2064/2020	Short levy of duties due to non-considering the portion of property set apart as a distinct share.	382.85	3.83	0.53	3.30
3	District Registrar, Guntur	553/2021		576.88	5.77	4.17	1.60

Sl. No.	Office Name	Document No./ Year	Nature of irregularity	Value of separated share (VSS)	Duties leviable (for Sl. No. 1,4 & 5 @2% and Sl. No. 2,3 & 6 @ 1%)	Duties levied	Short levy of duties
4	Sub Registrar, Stonehousepet	3283/2019		487.45	9.75	5.86	3.89
5	Sub Registrar, Rayadurg	1498/2020		218.85	4.38	2.30	2.08
6	Sub Registrar, Rayadurg	2611/2016		608.79	6.09	3.43	2.66
<b>Total</b>							<b>15.35</b>

### Appendix-3.10

(Reference to Paragraph No. 3.11 ; Page 72)

#### Short levy of duties in lease deeds

(₹ in lakh)

Sl. No	Name of the office	Document No./ Year	Details of calculation	SD leviable (SD @6%)	SD levied	Short levy of SD	Registration fee (RF) leviable @ 0.1%	RF levied @ 0.1%	Short levy of RF	Total short levy
1	2	3	4	5	6	7 = 5 - 6	8	9	10 = 8 - 9	11=7+10
1	DR, Kurnool	12287/2020	(a) Annual rent for 15 years = ₹17,75,44,300	8.38	6.88	1.50	0.14	0.07	0.07	1.57
			(b) Goods and Service Tax@18% on (a) = ₹3,19,57,974							
			(c) Total annual rent 15 year (a+b) = ₹ 20,95,02,274							
			(d) AAR ( C/15) = ₹1,39,66,818							
2	DR, Kurnool	2304/2021	(a) Annual rent for 15 years = ₹ 21,24,65,892	10.03	8.50	1.53	0.17	0.17	NIL	1.53
			(b) Goods and Service Tax@18% on (a) = ₹3,82,43,860							
			(c) Total annual rent 15 year (a+b) = ₹25,07,09,752							
			(d) AAR ( C/15) = ₹1,67,13,983							

SI. No	Name of the office	Document No./ Year	Details of calculation	SD leviable (SD @6%)	SD levied	Short levy of SD	Registration fee (RF) leviable @ 0.1%	RF levied @ 0.1%	Short levy of RF	Total short levy
1	2	3	4	5	6	7 = 5 - 6	8	9	10 = 8 - 9	11=7+10
3	SR, Sarpavaram	1504/2018	(a) Annual rent for 20 years = ₹ 74,12,96,100	26.24	22.24	4.00	0.44	0.37	0.07	4.07
			(b) Goods and Service Tax @18% on (a) = ₹13,34,33,298							
			(c) Total annual rent 20 years (a+b) = ₹87,47,29,398							
			(d) AAR ( C/20) = ₹4,37,36,470							
4	SR, Sarpavaram	1503/2018	(a) Annual rent for 20 years = ₹15,54,60,958	5.50	4.66	0.84	0.09	0.08	0.01	0.85
			(b) Goods and Service Tax @18% on (a) = ₹2,79,82,972							
			(c) Total annual rent 20 years (a+b) = ₹18,34,43,930							
			(d) AAR ( C/20) = ₹ 91,72,197							
		4118/ 2018	(a) Annual rent for 15 years = ₹14,47,68,904	6.83	5.80	1.03	0.11	0.09	0.02	1.05
			(b) Goods and Service Tax @18% on (a) = ₹2,60,58,403							
			(c) Total annual rent 15 years (a+b) = ₹17,08,27,307							
			(d) AAR ( C/15) = ₹11388487							
5	SR, Sarpavaram	4119/ 2018	(a) Annual rent for 15 years = ₹7,54,97,410	3.56	3.02	0.54	0.06	0.05	0.01	0.55
			(b) Goods and Service Tax@18% on (a) = ₹1,35,89,533							
			(c) Total annual rent 15 year (a+b) = ₹ 8,90,86,943							
			(d) AAR ( C/15) = ₹59,39,130							
		4120/ 2018	(a) Annual rent for 15 years = ₹13,11,59,273	6.19	5.25	0.94	0.10	0.09	0.01	0.95
			(b) Goods and Service Tax@18% on (a) = ₹2,36,08,669							
			(c) Total annual rent 15 year (a+b) = ₹15,47,67,942							
			(d) AAR ( C/15) = ₹1,03,17,863							
<b>Total</b>										<b>10.57</b>

## Appendix-4.1

(Reference to Paragraph No. 4.2 ; Page 78)

## (i) Short levy of conversion tax (three per cent w.e.f. 12/01/2018 to 26/07/2021)

Sl. No.	Name of the office	Application No.	Extent of land/ Survey No. and village details	Applicable Value per acre/ Adopted value per acre	Basic Value of the property to be considered	Conversion Tax to be collected	Conversion Tax already levied	Short levy of Conversion Tax (₹ in lakh)
1	2	3	5	6	7	8 = 3% of column 7	9	10 = 8 - 9
1	RDO, Ananthapuramu	NLCR011900099595 dated 05.12.2019	Acre 0.34 cents/ 41-1A in Kakkalapalli village of Ananthapuramu mandal	₹3,87,20,000 / ₹1,93,60,000	1,31,64,800	3,94,944	3,02,016	4.07
			Acre 0.18 cents/ 41-1B in Kakkalapalli village of Ananthapuramu mandal	₹5,80,80,000 / ₹1,93,60,000	1,04,54,400	3,13,632		
2	RDO, Chittoor	AO 2/08.11.2021 16.09.2019	Acre 0.14 cents / 338/1B in Iruvaram revenue village	₹65,22,000 / ₹25,93,000	9,13,080	27,392	2,85,400	3.26
			Acre 0.25 cents/ 339/1A1 in Iruvaram revenue village		16,30,500	48,915		
			Acre 0.3 cents/ 340/1A in Iruvaram revenue village	₹1,19,79,000 / ₹59,29,000	35,93,700	1,07,811		
			Acre 1.19 cents / 341/1B in Iruvaram revenue village		1,42,55,010	4,27,650		
3	RDO, Kurnool	NLCR011900089330 and NLCR011900089329 dt.28.08.2019	Acre 4.22 cents / 49 and 119/1, Munagalapadu village	₹82,28,000 / ₹60,50,000	3,47,22,160	10,41,665	7,65,930	2.76
<b>Total</b>						<b>23,62,009</b>	<b>13,53,346</b>	<b>10.09</b>

**(ii) Non-levy of penalty on land conversion without prior permission**

Sl. No.	Name of the office	RDO's proceeding Order no. and date	Survey number(s), village and extent of land	Value of the land to be considered (rate of conversion tax chargeable)	Conversion tax levied / collected	Penalty not levied @ 50% (₹ in lakh)
1	RDO, Chittoor	AO 2/ dated 08.11.2021	338/1B, 339/1A1, 340/1A, 341/1B acre 1.88 cents in Iruvaram village, Chittoor mandal	2,03,92,290 (3%)	6,11,769	2.75**
2	RDO, Dharmavaram	R.Dis.692/2016 (I) dated 11.04.2016	149, acre 6.00 cents, Raphadu village, Raphadu mandal	2,32,32,000 (9%)	20,90,880	10.45
3	RDO, Dharmavaram	R.Dis.514/2019 (I) dated 01.06.2019	536-2B 1A, acre 0.62 cents, Dharmavaram village	1,05,02,800 (3%)	3,15,084	1.58
4	RDO, Kovvur	1125/ 2015/C dated 31.8.2015	208, 209,238 / acre 7.58 cents in Tetali village, Tanuku mandal	90,96,000 (9%)	8,18,640	3.14*
		1172/ 2015/C dated 26.11.2015	325/ acre 1.20 in Duddukuru village, Devarapalli mandal	12,54,000 (9%)	1,12,860	0.56
		1121/ 2015/C dated 31.8.2015	502/ 2,3 / acre 1.41 cents in Tetali village, Tanuku mandal	25,49,000 (9%)	2,29,410	1.15
		1123/ 2015/C dated 31.8.2015	251/ 5, 6, 209/1 / acre 1.82 cents in Tetali village, Tanuku mandal	21,84,000 (9%)	1,96,560	0.98
		1123/ 2015/C dated 31.8.2015	204/ 5,6,7,8 / acre 2.77 cents in Tetali village, Tanuku mandal	33,24,000 (9%)	2,99,160	1.50
<b>Total</b>						<b>22.11</b>

\*An amount of ₹ 9,13,680 was paid against the conversion tax of ₹ 8,18,640. The excess amount of ₹ 95,040 was adjusted against the penalty of ₹ 4,09,320

\*\* ₹ 3,05,884 (penalty to be levied) less ₹ 31,140 (penalty levied)

**Appendix-5.1**  
(Reference to Paragraph No. 5.7.3.1 ; Page 95)

**A. Statement showing the status of survived plantations as per google earth pro software**

Sl. No.	GPS ID	Range	Name of the plantation/work	Area as per polygon (in ha.)	Survival as per polygon (per cent)
<b>Guntur Division</b>					
1	11283	Vinukonda	Advance operations of 20 ha. plantations in Gutlapalli VSS	20	17.96 (90)
2	11286	Vinukonda	Advance operations of 20 ha. plantations in Bridge Thanda VSS	20	8.29 (41)
3	12192	Vinukonda	20 ha. NTSHS plantation in Seetharampuram Thanda VSS	20	9.15 (46)
4	12191	Vinukonda	20 ha. NTSHS plantation in Neelagangavaram VSS	20	4.56 (23)
5	10520	Guntur	Raising of 10 ha. (HWS) plot at Chowdavaram VSS	8.76	6.15 (70)
6	12318	Macherla	Raising of 20 ha. 3X3 M (NTHWS) Plantation at Nehrunagar Thanda VSS	20	0 (0)
7	11419	Macherla	Raising of 20 ha. (NTHWS) 3X3 M Plantation at Gundlapadu VSS of Macherla Range	23.27	0.81 (3)
<b>Chittoor Division</b>					
8	19072	Chittoor East	Advance Operations of 25 ha. Medicinal Plants plantation in Nachukur STC VSS during 2014-15	25	8.19 (33)
9	12533	Chittoor East	Advance operations of 15 ha. Red Sanders Plantation in Bommasamudram Beat during 2014-15	15	10.59 (71)
10	12648	Piler	Advance Operations cum Raising of 10 ha. Plot with Non-Teak Secondary Hard Wood Species (NTSHWS)	10	1.93 (19)
11	11182	Piler	Plantation site of 15 ha. NTSHS Plot Rompicherla bear Piler Range during 2014-15	16.81	4.06 (24)
12	12376	Puttur	Plantation site of 20 ha. Red Sanders Plantation in Taduku Beat of Puttur Range	20.83	5.85 (28)
13	11903	Puttur	Plantation site of 20 ha. Red Sanders Plantation in Nandanam Beat of Puttur Range during 2014-15	19.85	14.71 (74)
14	10971	Satyavedu	Plantation site of 30 ha. Miscellaneous plantation in B Puram Beat during 2014-15	31.12	27.45 (88)
15	11918	Satyavedu	Plantation site of 20 ha. Miscellaneous plantation in Vanneloore Beat	19.51	15.94 (82)
16	12439	Srikalahasti	Plantation site of 10 ha. Red sanders plantation in Yanadikona locality of Thimmasamudram Beat	7.94	6.57 (83)
17	12438	Srikalahasti	Plantation site of 20 ha. Red Sanders plantation at Yerrachenumitta locality of Thimmasamudram Beat	19.03	17.39 (91)
18	11019	Srikalahasti	Plantation site of 10 ha. Red sanders in Yerramatti Dibbalu locality of Kukkambakam Beat	10.29	9.64 (94)
19	11958	Srikalahasti	Plantation site of 10 ha. Red Sanders plantation in Billipodalu locality of Kukkambakam Beat	10.47	10.1 (96)

Sl. No.	GPS ID	Range	Name of the plantation/work	Area as per polygon (in ha.)	Survival as per polygon (per cent)
20	11957	Srikalahasti	Plantation site of 10 ha Red Sanders plantation near Nemali Tippalu locality of Katur Beat	10	8.78 (88)
21	1223	Piler	Survey No.597/5 Usthiyakalapenta Village (38.5 ha.)	34.47	3.7 (11)
22	1776	Piler	Sy. No. 1489/1, Yellamanda village of Yerravaripalem Mandal in Chittoor District (20 ha.)	17.38	2.74 (16)

### B. Cases in which survival percentage could not be quantified

Sl. No.	GPS ID	Range	Name of the plantation/work	Area as per polygon (in ha.)	Reason for non-quantification
<b>Guntur Division</b>					
1	11287	Vinukonda	Advance operations of 20 ha. plantation in Mutharasipalem VSS	601.23	Due to variation in extent of area
2	11282	Vinukonda	Advance operations of 20 ha. plantation in Kandrika VSS	3.5	
<b>Chittoor Division</b>					
3	11066	Chittoor East	Advance Operations for 15 ha. Red Sanders Plantation in Pathagunta beat during 2014-15	15.72/ 11	Two polygons were uploaded for same ID
4	11791	Chittoor East	Advance Operations for 25 ha. Red Sanders Plantation in Bommasamudram beat	10.5	Due to variation in extent of area
5	12649	Piler	Advance Operations cum Raising of 10 ha., Plot with Non-Teak Secondary Hard Wood Species (NTSHWS)	10	Google earth pro image was not clear
6	11905	Puttur	Plantation site of 10 ha. Red Sanders Plantation in Nagalapuram Beat of Puttur Range during 2014-15	10	Two polygons were uploaded for same ID
7	8974	Tirupati	P Gollapalli (10.2 ha.)	10	Google earth pro image was not clear
<b>Srikakulam Division</b>					
8	8907	Kasibugga	10 ha. Teak plantation in Budarasingi	12.8	Due to variation in extent of area

## Appendix-5.2

(Reference to Paragraph No. 5.8.3 ; Page 99)

## Details showing the short levy and collection of NPV due to misclassification of forest type and forest cover

Sl. No.	Name of the work	Forest land diverted in ha.	Density of forest and Eco value class taken for NPV calculation	NPV rate adopted by Department (per ha.) (in ₹)	NPV collected (₹ in lakh)	Density of forest/Eco value class as per DFO inspection notes	NPV rate to be adopted as per norm (per ha.) (in ₹)	NPV to be recovered (₹ in lakh)	Short recovery of NPV (₹ in lakh)
(1)	(2)	(3)	(5)	(6)	(7) (3) X (6)	(8)	(9)	(10) = (3) X (9)	(11) = (10) – (7)
1	Formation and BT to the road including construction of culverts from Solabham to Ambalamamidi	1.82	0.10 (Open forest–Class III)	6,26,000	11.39	0.4 to 0.7 (Dense forest- Class III)	8,03,000	14.61	3.22
2	Improvements to the road from km 24/0 to 42/0 of Araku Valley to Pachipenta via Lotheru	4.50	0.40 to 0.7 (Open forest-Class II)	7,30,000	32.85	0.4 to 0.7 (Dense forest- Class III)	8,03,000	36.14	3.29
3	Formation of Road from Magathapalem to Vedurapalli	1.60	0.10 (Open forest – Class III)	6,26,000	10.02	0.4 to 0.7 (Dense forest- Class III)	8,03,000	12.85	2.83
4	Formation and BT to the Road from Solabham to Chilakamamidi	4.37	0.10 (Open forest – Class III)	6,26,000	27.36	0.4 to 0.7 (Dense forest- Class III)	8,03,000	35.09	7.73
5	Formation and BT to the road from ZP Road to Reddypalem of Ananthagiri (M)	1.42	0.10 (Open forest – Class III)	6,26,000	8.89	0.4 to 0.7 (Dense forest- Class III)	8,03,000	11.40	2.51

Sl. No.	Name of the work	Forest land diverted in ha.	Density of forest and Eco value class taken for NPV calculation	NPV rate adopted by Department (per ha.) (in ₹)	NPV collected (₹ in lakh)	Density of forest/Eco value class as per DFO inspection notes	NPV rate to be adopted as per norm (per ha.) (in ₹)	NPV to be recovered (₹ in lakh)	Short recovery of NPV (₹ in lakh)
6	Formation and BT to the road from Lolangipadu to Pedapalem	1.79	0.10 (Open forest – Class III)	6,26,000	11.21	0.4 to 0.7 (Dense forest- Class III)	8,03,000	14.37	3.16
7	Formation of BT road from Km.2/4 of Patha Bitragunta R&B road to Kothur of Bogole (M), SPS Nellore	0.98	0.4 (Eco-class IV)	4,38,000	4.29	0.4 (Eco-class III)	8,03,000	7.87	3.58
<b>Total</b>		<b>16.48</b>			<b>106.01</b>			<b>132.33</b>	<b>26.32</b>

**Appendix-5.3**  
(Reference to Paragraph No. 5.9.4 ; Page 101)  
**Selected projects for verification of e-green watch updation in public domain**

Sl. No.	Division Name	GPS ID	Name of FCA Project	Details of CA sites
1	Nellore	21148	Diversion of an area of 319.02 ha.	Kothapet
2	Nellore	54826	Diversion of 42.071 ha. of forest land for erection of 400 KV Multi Circuit Power Transmission Line From Krishnapatnam-Gooty-Kurnool	Rampalli/ 356/ Bhyravaram RF
3	Nellore	51735	Diversion of forest land for additional requirement under KP canal system of Telugu Ganga Project	2018 Thoderu 20 ha. NTSH Plantation
4	Nellore	54481	Extraction of black granite over extn. 3.187 ha. of forest block in favour of M/s Sree Lakshmi Granite Export, Kadapa in Compartment No.457 of Basivapalli	Kannepalli/ Sy. Nos. 690, 691
5	Nellore	184	Telugu Ganga Project (10371.40 Diverted Area) - (Nellore, Nandyal, Proddatur and Chittoor)	Ullavapalla Village of Dagadarthi Mandal
6	Nellore	149	Tellabodu Mining Co., Nellore (Renewal)	Near Chaganam and Utukur villages
7	Nellore	143	Extn. of Telugu Ganga Project (TGP) colony for TGP Authorities	Venkatagiri Mandal
8	Nellore	142	Krishna Mining Co, (Renewal of underground M.L. for Mica etc, for 10 years from 2-6-1998) (Renewal)	Sydapuram RF Com.No:105
9	Nellore	353	Diversion of forest land for mining limestone in Budawada RF by M/s Visakha Steel Plant, Jaggaiahpet	Mannuru 5 ha. plantation in Venkatagiri Range
10	Nellore	8523	Diversion of 66.04 ha. (25.85 ha. & 40.19 ha. of forest land in Nellore and Proddatur Forest Divisions) of forest land for erection of 765 KV	Rampalli location, Compt.No.356, Bhyravaram RF
11	Narsipatnam	9291	Diversion of 3731.07 ha. (3473.00 ha. notified forest area plus 258.07 ha. deemed forest area) for Indira Sagar (Polavaram) Multipurpose project	Kondasantha C.A. Area of Downooru Beat, Downooru Section of Narsipatnam Range
12	Narsipatnam	15458	Diversion of 3731.07 ha. (3473.00 ha. notified forest area plus 258.07 ha. deemed forest area) for Indira Sagar (Polavaram) Multipurpose project	Raising 20 ha. CA land at Chodyam of K.D. Peta Range during 2013-14
13	Narsipatnam	4189	Diversion of 3731.07 ha. (3473.00 ha. notified forest area plus 258.07 ha. deemed forest area) for Indira Sagar (Polavaram) Multipurpose project	Robbasingi C.A.

Sl. No.	Division Name	GPS ID	Name of FCA Project	Details of CA sites
14	Narsipatnam	36235	Not linked to FCA project	Annavam village
15	Narsipatnam	36268		Varthandapadu village
16	Narsipatnam	45448		Bailukinchangi Village
17	Narsipatnam	36191		Chintapalli Camp
18	Narsipatnam	41702		Degalapalem of K.D. Peta Range
19	Narsipatnam	36183		Tokarai village
20	Narsipatnam	35853		Gandempalli
21	Chittoor East	20874	Mining lease for Black Granite in favour of M/s Shiva Granites	B. Samudram Beat
22	Chittoor East	9972	Ubbalamadugu Irrigation Project	Ustikayalapenta Beat
23	Chittoor East	19821	Eco-Tourism Project in favour of Andhra Pradesh Forest Development Corporation Limited	Sanjeevarayapuram village of R.C. Puram (M)
24	Chittoor East	15076	Diversion of 4.90 ha. of forest land for extraction of black granite in compartment no. 213 of Paradarmi reserve forest in favour of M/s Divya Granites, Hyderabad	Marella Beat
25	Chittoor East	10026	Construction of 21 minor irrigation tanks in Chittoor District	Amudala village of Pala Samudram Mandal
26	Chittoor East	1776	Ubbalamadugu Irrigation Project	Yellamanda village of Yerravaripalem Mandal
27	Chittoor East	9929	Eco-tourism project in favour of Andhra Pradesh Forest Development Corporation Limited	Sanjeevarayapuram village (SKVBR Tourism Project)
28	Chittoor East	9851	APSEB: Erection of 33 KV line	Mannavaram Beat
29	Chittoor East	1171	Formation of new tank across Bhupatheswarakona near Beerakuppam village of Chittoor District	Bhupatheswarakona
30	Chittoor East	9977	Veligallu Irrigation Project	Akulamarikonda of Ustikayalapenta Beat

<b>GLOSSARY</b>	
<b>AA</b>	Assessing Authority
<b>ACA</b>	Additional Compensatory Afforestation
<b>AGPA</b>	Agreement to sell with General Power of Attorney
<b>AIIMS</b>	All India Institute of Medical Sciences
<b>ANR</b>	Assisted Natural Regeneration
<b>APAT</b>	Andhra Pradesh Administrative Tribunal
<b>APCAMPA</b>	Andhra Pradesh Compensatory Afforestation Fund Management And Planning Authority
<b>APFA</b>	Andhra Pradesh Forest Academy
<b>APO</b>	Annual Plan of Operation
<b>AR</b>	Artificial Regeneration
<b>ATN</b>	Action Taken Notes
<b>B2B</b>	Business-to-Business
<b>BIFA</b>	Business Intelligence and Fraud Analytics
<b>BSO</b>	Board of Standing Orders
<b>C&amp;IGRS</b>	Commissioner and Inspector General of Registration and Stamps
<b>CA</b>	Compensatory Afforestation
<b>CAF</b>	Compensatory Afforestation Fund
<b>CAT</b>	Catchment Area Treatment
<b>CBIC</b>	Central Board of Indirect Taxes and Customs
<b>CCF</b>	Chief Conservator of Forests
<b>CCLA</b>	Chief Commissioner of Land Administration
<b>CFMS</b>	Comprehensive Financial Management System
<b>CST (R&amp;T)</b>	Central Sales Tax (Registration and Turnover)
<b>DC</b>	Deputy Commissioner
<b>DFO</b>	Divisional Forest Officer
<b>DGARM</b>	Director General of Analytics and Risk Management
<b>DGPA</b>	Development Agreement-cum-General Power of Attorney
<b>DMU</b>	Debt Management Unit
<b>DoTD</b>	Deposit of Title Deeds
<b>DR</b>	District Registrar
<b>EFS&amp;T</b>	Environment, Forests, Science & Technology
<b>EN</b>	Explanatory Notes
<b>FCA</b>	Forest Conservation Act
<b>FRO</b>	Forest Range Officer
<b>FSI</b>	Forest Survey of India
<b>FSRs</b>	Forest Schedule of Rates

<b>GIS</b>	Geographical Information System
<b>GO</b>	Government Order
<b>GoI</b>	Government of India
<b>GPA</b>	General Power of Attorney
<b>GPS</b>	Global Positioning System
<b>GST</b>	Goods and Services Tax
<b>Ha.</b>	Hectare
<b>HoFF</b>	Head of Forest Forces
<b>I&amp;CAD</b>	Irrigation & Command Area Development
<b>IR</b>	Inspection Report
<b>IS Act</b>	Indian Stamp Act
<b>ISD</b>	Input Service Distributor
<b>ITC</b>	Input Tax Credit
<b>IWST</b>	Institute of Wood Science and Technology
<b>LPS</b>	Land Pooling Scheme
<b>MinTPA</b>	Million Tonne per annum
<b>MoEF&amp;CC</b>	Ministry of Environment, Forest and Climate Change
<b>MV</b>	Market Value
<b>NPV</b>	Net Present Value
<b>OIDAR</b>	Online Information and Database Access or Retrieval
<b>P&amp;L</b>	Profit & Loss
<b>PAC</b>	Committee on Public Accounts
<b>PAN</b>	Permanent Account Number
<b>PCA</b>	Penal Compensatory Afforestation
<b>PCCF</b>	Principal Chief Conservator of Forests
<b>PF</b>	Protected Forest
<b>PHC</b>	Primary Health Centre
<b>POL</b>	Petrol, Oil & Lubricants
<b>PSU</b>	Public Sector Undertaking
<b>QPR</b>	Quarterly Progress Report
<b>RA</b>	Running Account
<b>RA</b>	Registering Authority
<b>RCM</b>	Reverse Charge Mechanism
<b>RF</b>	Reserve Forest
<b>SAS</b>	Statistical Analysis System
<b>SEZ</b>	Special Economic Zone
<b>SF</b>	Social Forestry
<b>SMC</b>	Soil and Moisture Conservation
<b>SOP</b>	Standard Operating Procedure

<b>SR</b>	Sub-Registrar
<b>ST</b>	State Tax
<b>SZA</b>	Safety Zone Afforestation
<b>TCS</b>	Tax collection at source
<b>TDS</b>	Tax deducted at source
<b>VAT</b>	Value Added Tax
<b>WLM</b>	Wildlife Management



©COMPTROLLER AND  
AUDITOR GENERAL OF INDIA  
[www.cag.gov.in](http://www.cag.gov.in)

<https://cag.gov.in/ag/andhra-pradesh/en>

