



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

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



Government of Madhya Pradesh
Report No. 2 of 2025
(Compliance Audit - Civil)

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Preface

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2022 has been prepared for submission to the Governor of Madhya 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 Five Departments of the Government of Madhya Pradesh viz., Commercial Tax Department, Mineral Resources Department, Micro, Small & Medium Enterprises Department, Forest Department and Public Works Department. Audit has been conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

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

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

Executive Summary

Executive Summary

I General

This Report contains four Compliance Audits viz., ‘Department’s Oversight of GST Payment and Return Filing’, ‘Assessment, Levy and Collection of Excise Duty by the Excise Department’, ‘Management of Forest Receipts in Madhya Pradesh’ and ‘Construction of Educational Buildings (Public Education, Higher Education and Technical Education Department)’. It also includes five Audit Paragraphs of two Departments (two paragraphs pertaining to Mineral Resources Department and three paragraphs to Micro, Small & Medium Enterprises Department).

- **Response of Departments to Audit Findings**

Heads of Offices and their reporting authorities are required to respond to the observations contained in Inspection Reports and take appropriate corrective action. As of 31 March 2022, a total of 6,705 Departmental IRs and 38,010 paragraphs pertaining to previous years were pending settlement.

(Paragraph 1.6.1)

- **Response of the Government to recommendation of the Public Accounts Committee (PAC)**

Administrative Departments are required to submit Action Taken Notes (ATN) on the recommendations of the Public Accounts Committee (PAC) within six months from the date of receipt of the recommendations. As of 31 March 2022, 249 ATNs in respect of Nine Departments pertaining to the Government of Madhya Pradesh were yet to be received.

(Paragraph 1.6.4)

II Commercial Taxes Department (GST)

‘Department’s Oversight of GST Payment and Return Filing’

- **Lack of action on non-filers of returns**

As per MPGST rules, a notice (GSTR-3A) should be issued within 15 days, if taxpayers fail to file the return within the due date. Further, in case the taxpayer fails to file the return even after the notice, the proper officer may assess the tax liability of the said person and issue an assessment order in Form ASMT-13.

In 10 Circles where the relevant data related to issue of ASMT-13 and recovery details were available, Audit noticed lack of action on non-filers of GST returns. Only two circle offices identified default cases of non-filers in all four years. Eight circle offices did not identify cases of non-filers for three years (2017-18 to 2019-20) and identified cases only in the year 2020-21. However, the action against non-filers was taken only in the year 2020-21 in all the circle offices. Further, the due process of issue of GSTR-3A followed by ASMT 13 was not observed in all cases. Out of 12,396 cases of non-filers identified, GSTR-3A was issued only in 8,668 cases (69.92 *per cent*).

(Paragraph 2.6.1.1)

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

Out of 10 circle offices, three circle offices had not carried out any scrutiny of taxpayers returns during any of the year between 2017-18 and 2020-21. Further, in five circle offices, scrutiny of returns was done only in the year 2020-21 where, 1,976 returns of 177 taxpayers were scrutinised. In two circle offices, 2,898 returns of 242 taxpayers were scrutinised during 2017-18 to 2020-21. Also, notices, intimating discrepancies in the returns were issued in the Form ASMT-10 in respect of 355 taxpayers (84.72 *per cent*), out of 419 taxpayers.

(Paragraph 2.6.1.2)

- **Inconsistencies in GST returns - Centralised audit**

The test-check of return data for the period 2017-18, 395 high risk deviations pertaining to 368 taxpayers, identified on a set of 15 parameters under Centralised Audit revealed the following inconsistencies in GST returns:

- Audit noticed deviations from the provisions of the Act in 119 cases involving mismatch/deviation (including turnover mismatch) of ₹ 2,700.36 crore constituting 30.51 *per cent* of the 390 inconsistencies/mismatches in data, for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as Mismatch in taxable turnover, mismatch in availing of ITC and mismatch in tax paid, etc.

(Paragraph 2.6.2.2)

- **Detailed audit of GST returns**

The test-check of records of 75 taxpayers under Detailed Audit pertaining to period 2017-18, brought out the following issues of non-compliance with the provisions of Act/Rules:

- **Scope limitation:** Five jurisdictional zone of State Commercial Tax Department did not produce corresponding granular records of selected sample 75 cases involving deviation/mismatches amounting to ₹ 254.10 crore.

(Paragraph 2.6.3.1)

- **Mismatch relating to Input Tax Credit:** Mismatches by the taxpayers involving mismatch in ITC availment in GSTR-9/3B in comparison to ITC availed in GSTR-2A, ITC availment under RCM, Mismatch between ITC in ECL and annual return, mismatch of ITC reversal in respect of common input for taxable and exempted supply *etc.*, were noticed in 108 cases involving amount of ₹ 224.65 crore.

(Paragraph 2.6.3.3)

- **Mismatches relating to discharge of tax liability.** Mismatch in tax liability between GSTR-1 and GSTR-3B/9 returns, undischarged tax liability with reference to tax payments and unreconciled tax payments declared in GSTR-9C were noticed in 68 cases involving ₹ 29.31 crore.

(Paragraph 2.6.3.4)

III Commercial Tax Department (State Excise)

‘Assessment, Levy and Collection of Excise Duty by the Excise Department’

- No provision to assess financial position of the applicant during allotment of licence

The Department had no provisions in place to assess the financial position/status of the bidders in the bidding stage. The licences of the Badnavar Group and Gandhwani Group were cancelled by the Collector Dhar due to the failure in depositing Security Deposit. However, no recovery can be made from the Group as there was no movable/immovable property against the name of the licensee in the district. This resulted in loss to the Government amounting to ₹ 9.58 crore.

(Paragraph 3.5.5.1)

- Acceptance of Bank Guarantee not in the name of the authorised licensees and non-verification of the Bank Guarantees

Bank Guarantees concerned with 19 licensees amounting to ₹ 18.39 crore had not been verified by the concerned DEO in Narmadapuram. Audit test-checked the genuineness of two Bank Guarantees from the Bank and observed that these Bank Guarantees were actually issued in a different name than that of the selected tenderer of the retail liquor shops.

It is recommended that the Department verify the genuineness of all the BGs submitted by the licensees and take action against errant licensees for submitting incorrect BGs. The Government may also write to the concerned banks to carry out investigations into the role of the bank officials who issued the renewal/ extension certificates for the incorrect BGs.

(Paragraph 3.5.5.2)

- Issues arising from New Excise Policy for execution of retail shops of liquor

The GoMP introduced a new Excise Policy, which was to be effective from the financial year 2020-21 onwards wherein all existing retail licences were cancelled in respect of 16 districts and replaced by 20 consortium-based group licences. Audit observed that the Government did not fix clear norms for the bidding process or to verify the antecedents of the bidders. The new Excise Policy seeking introduction of group-based licences was introduced without any viability analysis and without any rationale as could be seen from the fact that after 17 licensees failed to pay the licence fees, the GoMP decided to operate the liquor shops departmentally in June 2020 and reverted to the old regime of individual retail licences in January 2022. Out of 20 licensees, 11 licensees approached the Hon’ble High Court for quashing of the Excise Policy and refund of the security deposits paid by them, citing their inability to operate the licences and pay the licence fees on account of pandemic induced restrictions. After cancellation of licences, the recovery calculated by the Department amounting to ₹ 241.50 crore in respect of these licensees remained unpaid as of 31st March 2023.

(Paragraph 3.5.6.4)

- **Loss of revenue on account of misappropriation of liquor stock**

In three Districts (Betul, Singrauli and Rewa), the District Excise Officials confiscated foreign and country liquor in respect of six retail shops. As per the *panchnama*, the total stock of liquor bottles in the shops was 1,05,268. However, the Departmental Officers, recorded stock of only 14,042 bottles in their stock registers and did not take any action to account for the balance 91,226 bottles of liquor having money value of ₹ 1.69 crore, resulting in loss of revenue to the Government.

The GoMP may investigate and fix responsibility on the concerned ESIs/ ADEOs for the lapse, resulting in short accounting of revenue. Further, the Government may also carry out an investigation into the accounting of stock of liquor in all the 31 districts (where consortium-based or individual licences were later operated departmentally).

(Paragraph 3.5.6.5)

IV Mineral Resources Department

- **Extraction in excess of Mining Plans/ECs**

Forty-five mining lease holders in 11 District Mining Offices, excavated 7,16,642 Cu. M. of *gitti*, 1,23,348 Cu. M. of *murram*, 13,625 Cu. M. of marble, 2,90,289 Cu. M. of sand and 1,34,775 M.T of dolomite, in excess of the limits prescribed in their Mining Plans or Environmental Clearances. However, the concerned District Mining Officers failed to realise 10 times of the market value of the cost of minerals illegally extracted or 20 times the royalty, whichever is higher. This resulted in loss of revenue amounting to ₹ 630.06 crore.

(Paragraph 4.5.1)

- **Extraction of minerals without approved Mining Plans**

Ten mining lease holders in three District Mining Offices did not have approved Mining Plans but carried on mining in violation of the Acts/Rules and Government's orders. During the period from April 2019 to March 2022, the leaseholders illegally extracted 1,77,811 Cu.M of *gitti* and 1,520 Cu.M of *flagstone* having market value of ₹ 7.85 crore. However, the concerned District Mining Officers failed to not only prevent the illegal extraction, but also to realise 10 times market value of the cost of minerals amounting to ₹ 81.02 crore.

(Paragraph 4.5.2)

- **Short realisation of District Mineral Foundation contribution**

During the period from January 2021 to March 2022, three District Mining Offices received royalty amounting to ₹ 220.24 crore for transportation of minor minerals on which District Mineral Foundation contribution amounting to ₹ 22.02 crore was payable. Against this, the District Mining Offices realised only ₹ 20.33 crore, resulting in short realisation of District Mineral Foundation contribution amounting to ₹ 1.69 crore.

(Paragraph 4.6)

V Micro, Small & Medium Enterprises Department

• Irregular release of capital subsidy to MSMEs on disallowed components

The MSME Promotion Schemes pertaining to the years 2010, 2014, 2017, 2019 and 2021, specified specific conditions for grant of capital subsidy to industries on account of investment towards capital infrastructure such as Plant & Machinery (P&M), buildings, *etc.* In 148 cases pertaining to 20 District Trade and Industries Centres (DTICs), capital subsidy of ₹ 14.37 crore was irregularly sanctioned in violation of the various scheme guidelines, resulting in unauthorised expenditure to that extent.

(Paragraph 5.5)

• Irregular release of capital subsidy to ineligible and closed industries

In two cases, the DTICs released irregular subsidy amounting to ₹ 1.56 crore to ineligible industries without verification, and did not recover subsidy amounting to ₹ 0.97 crore from industries in another four cases, which contravened MSME scheme's guidelines. The DTICs also did not recover capital subsidy ₹ 0.67 crore (including penal interest) from three closed industries.

(Paragraph 5.6)

• Excess payment of subsidy on account of violation of GST norms

In 16 cases pertaining to seven DTICs, the industrial units, while claiming subsidy for purchase of P&M, wrongly included the GST component in the P & M costs. The DTICs failed to check the correctness of the subsidy claims and allowed inclusion of GST in P&M purchase costs. This resulted in excess release/payment of capital subsidy amounting to ₹ 1.54 crore.

(Paragraph 5.7)

VI Forest Department

‘Management of Forest Receipt in Madhya Pradesh’

• Delay in realisation of revenue due to delayed preparation of WP and felling permission

As per National Working Plan Code 2014, the Working Plan (WP) is to be revised every 10 years, and the preparation of the WP of a Forest Division should normally take two years which may vary, depending upon the volume of work and technical facilities available. Audit noticed abnormal delays in preparation and submission of new WPs or in seeking permission for felling of trees to/from the Government of India in respect of four Divisions, resulting in delays in felling of trees and consequent blockage of revenue amounting to ₹ 15.77 crore.

(Paragraph 6.6.1)

• Revenue loss due to encroachment

In six Divisions, there was encroachment of 60,822.829 ha. of forest land out, of which 26,380.425 ha. was short intimated by the divisions which was not reconciled by the department, with consequent loss of revenue amounting to ₹ 1.46 crore.

(Paragraph 6.6.3)

- **Revenue blockage due to non-felling of trees in marked coupes**

The Principal Chief Conservator of Forest directed (November 2004) all concerned divisions to ensure that the demarcation, identification, marking, and felling of trees in coupes as per WPs are to be implemented. Audit observed in eight Divisions that short felling of 66,295 number of trees resulted in short yield of 11,426 Cu.M of timber and 3,762 Cu.M of fuel wood, resulting in a blockage of ₹ 13.30 crore of revenue.

(Paragraph 6.6.5)

- **Loss of revenue due to variation in actual yield vis-à-vis estimates.**

Due to failure of the Department to monitor the quantity of felling and carry out reconciliation resulted in loss of revenue amounting to ₹ 5.18 crore and the irregular conversion of timber into fuel wood resulted in loss of revenue amounting to ₹ 0.45 crore.

(Paragraph 6.6.6)

- **Loss of revenue due to low yield of Bamboo**

Audit noticed in six Divisions that, the shortfall in the actual yield of bamboo ranged between 13 *per cent* and 100 *per cent* in 60 various coupes against the estimated yield which resulted in loss of revenue of ₹ 6.31 crore.

(Paragraph 6.6.7)

- **Loss to the Government due to Non/short recovery of lease rent and dividend**

Audit noticed that lease rent for the year 2018-19 and 2019-20 was calculated and paid by the MPSFDC from November 2020 onwards after a delay ranging between 13 months and 17 months. For the year 2020-21, lease rent amounting to ₹ 50.13 crore out of ₹ 55.13 crore was yet to be paid.

(Paragraph 6.7.1)

- **Monitoring and Supervision**

In 16 Divisions, timber account was not being prepared timely, with delays ranging from two days to 38 years. Further, as per Rule 294 of MPTC, the treasury shall send a consolidated receipt of forest remittance and their deposits during the month by 5th date of the next month. In five Divisions, the reconciliation was not being done on a monthly basis. Reconciliation amounting to ₹ 173.70 crore during the period 2019-20 to 2021-22 was pending for 15 months to 54 months.

(Paragraph 6.8.1 and 6.8.3)

VII Public works Department

‘Construction of Educational Buildings (Public Education, Higher Education and Technical Education Department) by Public Works Department, Project Implementation Unit (PIU) in Madhya Pradesh’

- Irregular expenditure**

As per rules 8, 9, 10 and 11 of the MP Financial Code all expenditures should be incurred with proper sanctions of the competent authority and within the sanctioned limits, following the canons of financial propriety. Audit observed that expenditures exceeded contract amounts without written approval from the competent authorities. This led to an additional irregular expenditure of ₹ 30.66 crore by the Chief Engineers (Building). Furthermore, works were finalized, and payments of ₹ 3.68 crore were made to contractors without revised Technical Sanction, resulting in unauthorised payments.

(Paragraph 7.5.1)

- Non-Surrender/intimation of savings to the original Department**

As per General Rules 149 of MPFC, the authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Audit observed that across 57 projects managed by nine PIUs, ₹ 271.34 crore was allocated for constructions and renovations of School, hostels, and college buildings. However, the projects were completed with expenditures amounting to ₹ 257.68 crore, leaving a surplus of ₹ 13.66 crore, which was not surrendered/intimated to the original Department.

(Paragraph 7.5.4)

- Short levy of Supervision Charges**

In 110 works of 13 PIUs in contravention to the above instructions, the Department had charged an amount of ₹ 12.86 crore as supervision charges instead of the chargeable amount of ₹ 32.96 crore. This resulted in short levy of supervision charges amounting to ₹ 20.10 crore.

(Paragraph 7.5.5)

- Wide variations in executed quantities of similar items of identical buildings**

Audit found significant variations in executed and paid quantities for items like RCC, brickwork, plastering, and flooring, despite the works being similar above the plinth level. Revised Technical Sanctions were given without detailed justifications. Audit also observed that the PIUs did not adhere to uniform design specifications. Items were differently executed in different institutions, which resulted in extra cost and payment of ₹ 7.65 crore.

(Paragraph 7.6.1)

- Irregular award of work**

As per Clause 24 of the Tender Documents, the Government/Department may reject the bid or debar the Bidder, either indefinitely or for a stated period, from participating in bids, if at any

time it is determined that the bidder has engaged in any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, the Government/Department to obtain financial or other benefit. Audit observed that in three cases under Chief Engineer (Building), Gwalior, the bidders submitted false declarations regarding their bid capacities, in order to qualify for the bidding process. The information pertaining to actual bid capacities was available with the Zonal office, but the CE (Building), Gwalior failed to take action against the contractors/ bidders for deliberate acts of omission/misrepresentation and the bidders were deemed qualified and were irregularly awarded the works.

(Paragraph 7.7.2)

- **Excess payment due to non-adoption of amended rates**

As per Section 1 of Notice Inviting Tender (NIT) of all the works executed by PIUs, all the amendments in the SOR issued up to the date of NIT were applicable to the work. Audit observed that payments for the items of work were made at pre-amended higher rates instead of being made at amended and reduced rates up to the date of NIT. This resulted in excess payment of ₹ 2.01 crore to the contractors.

(Paragraph 7.8.1)

- **Injudicious approval of time extension and non/short levy of penalty**

Audit observed that works were delayed, but contractors were held responsible for shorter period of delays, and the remaining period of delays were attributed to employer's fault or *Force Majeure*, such as layout delays, Covid-19, and non-availability of power supply. Most of these reasons were the contractors' responsibilities and did not qualify as *Force Majeure* under the Agreement. This led to the non/short realisation of liquidated damages amounting to ₹ 13.40 crore.

(Paragraph 7.8.4)

- **Excess payment to the contractors**

As per Clause 4.017 of MPWD Manual, the Measurement Book is the basis of all accounts of quantities of work done. Audit observed that there was an excess payment of ₹ 2.55 crore to the contractors on account of increased/incorrect measurements without actual work, double measurements, addition of quantity without detailed measurement and explanation, and separate payment for the item already included in complete item of SOR etc.

(Paragraph 7.9.2)

CHAPTER I

GENERAL

CHAPTER I GENERAL

1.1 About this Report

This Report of the Comptroller and Auditor General of India (CAG) contains matters arising from the compliance audit of transactions for the financial year 2021-22 of those Departments of the Government of Madhya Pradesh, which are under audit jurisdiction of the Office of Accountant General (Audit-II), Madhya Pradesh.

The primary purpose of this Report is to bring to the notice of the State Legislature, significant results of audit. The findings of audit 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.

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

This Chapter explains the planning and coverage of audit, response of departments and Government to audit findings/observations made during audit of transactions and follow-up action on previous Audit Reports.

1.2 Profile of Departments under audit jurisdiction

1.2.1 Expenditure of Departments

A summary of the expenditure incurred by the Departments of Government of Madhya Pradesh falling within the audit jurisdiction of this office, for the five year period from 2017-18 to 2021-22 is given in **Table 1.1** below:

Table 1.1: Summary of expenditure during 2017-18 to 2021-22

(₹ in crore)

S.N.	Name of the Department	2017-18	2018-19	2019-20	2020-21	2021-22
1	Forest	2,277.47	2,437.90	1,993.88	2,503.52	2,506.70
2	Science & Technology	211.53	175.73	70.97	150.83	211.03
3	Environment	0.00	54.74	27.15	41.02	25.02
4	Urban Development and Housing	5,177.94	5,739.50	4,608.33	5,661.58	14,276.39
5	Tourism	270.21	170.53	155.40	100.95	211.28
6	Transport	87.35	82.31	85.50	90.24	58.07
7	Culture	278.97	230.07	147.73	146.64	168.10
8	Civil Aviation	36.66	27.79	26.84	25.10	57.16
9	Overseas Indian	0	0.39	0.05	0.38	0.00
10	Religious Trusts and Endowments	220.91	189.06	55.08	39.20	46.19
11	Finance	9,654.14	12,280.90	12,288.40	15,010.41	18,142.57
12	Commercial Tax	2,051.75	2,026.36	2,134.71	2291.69	1,685.45
13	Planning, Economics and Statistics	253.13	228.95	211.27	79.40	117.54
14	Mineral Resources	32.66	684.01	740.64	760.55	775.81

S.N.	Name of the Department	2017-18	2018-19	2019-20	2020-21	2021-22
15	Industrial Policy and Investment Promotion	1,014.16	767.22	850.43	895.30	1,951.79
16	Micro, Small and Medium Enterprises	987.10	780.85	817.98	483.50	781.89
17	Cottage and Rural Industries	211.44	191.84	121.60	92.09	89.06
18	Public Works	8,172.00	8,647.47	7,886.39	6,882.08	8,852.39
19	Public Health Engineering	2,323.66	2,530.04	2,990.54	4,499.13	9,703.64
Total		33,261.08	37,245.66	35,212.89	39,753.61	59,660.08

Source: Appropriation Accounts of Government of Madhya Pradesh for relevant years

1.2.2 Receipts of Departments

A summary of the Receipts of Revenue generating Departments of Government of Madhya Pradesh falling within the audit jurisdiction of this office, for the five year period from 2017-18 to 2021-22 is given in **Table 1.2** below:

Table 1.2: Summary of Receipts during 2017-18 to 2021-22

(₹ in crore)

S.N.	Name of the Department	2017-18	2018-19	2019-20	2020-21	2021-22
1	Forest	1,112.25	1,042.94	8,34.26	1,240.38	1,406.03
2	Transport	2,691.62	3,008.26	3,251.23	2,749.15	3,028.68
3	Commercial Tax	36,713.68	43,231.83	48,103.44	46,896.71	56,646.19
4	Mineral Resources	3,640.72	3,933.56	4,320.22	4,557.28	6,180.67
Total		44,158.26	51,216.59	55,674.87	55,443.52	67,261.57

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

1.3 Office of the Accountant General (Audit-II)

There are 54¹ Departments functioning under the Government of Madhya Pradesh. These Departments are headed by Additional Chief Secretaries/ Principal Secretaries, who are assisted by Heads of the Departments and subordinate officers under them.

The Office of Accountant General (Audit-II), Bhopal conducts the audit of 19 out of the 54 Departments. Besides, it also audits 58 Public Sector Undertakings, five Autonomous Bodies and two Statutory Corporations.

The office of Accountant General (Audit-II), Bhopal is entrusted with audit the following departments:



¹ In these 54 Departments, Department of Commercial Taxes, Registration and Stamps Department, State Excise Department, Goods and Services Tax Department, are treated as single Departments, as all of them are functioning under the aegis of the Department of Commercial Taxes for administrative purposes.

Key Departments	Audit Management Group (AMG)
Forest, Environment and Science & Technology	AMG-I
Urban Development and Housing, Transport, Culture, Tourism, Civil Aviation, Overseas Indian & Religious Trusts and Endowments	AMG-II
State Finance, Commercial Taxes, Mineral Resources, Industrial Policy and Industrial Promotion, Planning Economic & statistics, Cottage and Rural Industries and Micro Small and Medium Enterprises	AMG-III
Public Works, Public Health Engineering	AMG-IV

1.4 Authority for Audit

The CAG's authority for audit is derived from Articles 149 and 151 of the Constitution of India and CAG's (Duties, Powers and Conditions of Service) Act, 1971 (DPC Act). The CAG audits the Government Departments and Public Sector Enterprises as per the following provisions:

- Audit of expenditure of the Departments is carried out under Section 13 of the DPC Act;
- Audit of Receipts of the Departments is carried out under Section 16 of the DPC Act;

Principles and methodologies for various audits are prescribed in the Auditing Standards and the Regulations on Audit and Accounts, as well as guidelines, manuals and instructions by or on behalf of the CAG.

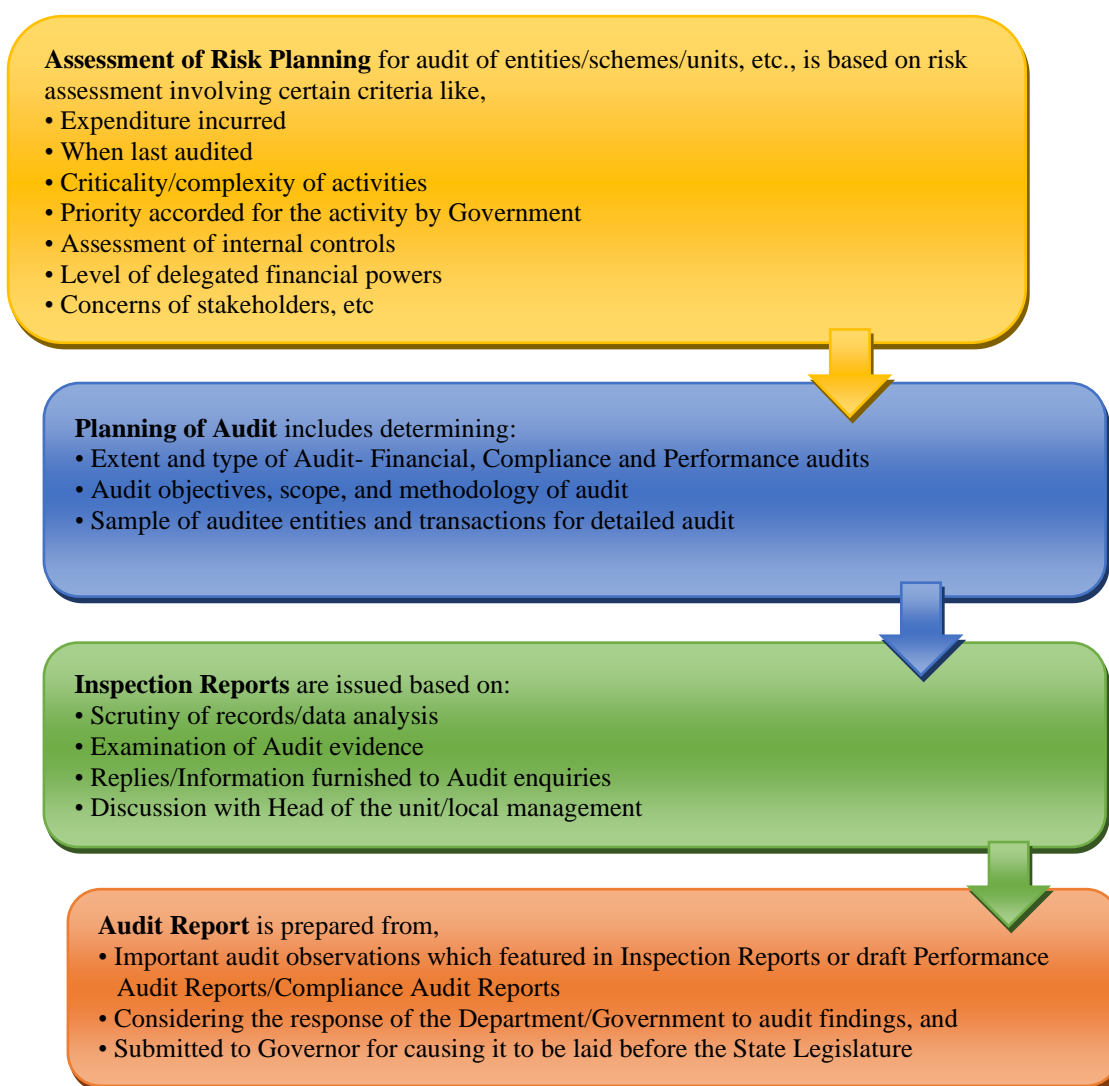
1.5 Planning and Conduct of Audit

During the year 2021-22, the office of Accountant General (Audit-II), Bhopal conducted compliance audit of 329 units out of a total of 2,153 auditable units amongst 19 Departments of Government of Madhya Pradesh. This Report features findings on four Compliance Audits (Chapter II, III, VI and VII) and five Audit Paragraphs (Chapter IV and V) of two departments. (pertaining to two Paragraphs of Mineral Resources Department and three paragraphs to Micro, Small & Medium Enterprises Department).

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 the applicable laws, rules, regulations, established codes, *etc.* and the general principles governing sound public financial management and the conduct of public officials.

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

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



After completion of compliance 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 six weeks 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 the Government, are issued as draft paragraphs to the Government for their responses, before possible inclusion after due consideration of the responses, in the Audit Reports. In addition, draft Compliance Audits and Performance Audits on specific themes, topics or schemes are also issued to the Government for their responses, before possible inclusion in the Audit Reports. These Audit Reports are submitted to the Governor of Madhya Pradesh under Article 151(2) of the Constitution of India for causing them to be laid before the State Legislature.

1.6 Response of Departments to audit findings

1.6.1 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 various levels by officers of the Accountant General's Office with officers of the concerned Departments.

As of 31st March 2022, a total of 6,705 IRs containing 38,010 paragraphs pertaining to previous years were pending settlement as detailed in **Table 1.3** below:

Table 1.3: Details of outstanding IRs/ Paragraphs

Year	Number of IRs/Paragraphs pending settlement as of 31st March 2022	
	IRs	Paragraphs
2017-18 & earlier years	5,404	25,592
2018-19	490	3,533
2019-20	426	4,033
2020-21	143	1,474
2021-22	242	3,378
Total	6,705	38010

Source: Records maintained by the office of the AG Office MP

Lack of action on IRs and audit paragraphs is fraught with the risk of perpetuating serious financial irregularities as 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. The State Government therefore needs to institute an appropriate mechanism to review and take expeditious action to address the concerns flagged in these IRs and audit paragraphs.

1.6.2 Response of Government/Department to audit observations

All Departments are required to send their responses to Draft Audit paragraphs proposed for inclusion in the CAG's Report within six weeks of their receipt. During the year 2021-22, four² draft Compliance Audit Paragraphs and five³ draft Audit Paragraphs were forwarded to the Additional Chief Secretaries/ Principal Secretaries/ Secretaries of five Departments concerned, drawing their attention to the audit findings, and requesting them to send their response within six weeks. 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. The responses of the Government, where ever received, have been appropriately incorporated in the Report.

² Pertaining to Commercial tax Department (GST), Commercial Tax Department (State Excise), Forest Department and Public Works Department.

³ Two paragraphs pertaining to Mineral Resources Department and three paragraphs to Micro, Small & Medium Enterprises Department.

1.6.3 Response of Government to audit paragraphs that featured in earlier Audit Reports

Administrative Departments are required to submit Explanatory Notes on audit paragraphs and reviews included in Audit Reports, within three months from the date of laying of report to the State Legislature duly indicating action taken or proposed to be taken. For this purpose, the Departments are not required to wait for any notice or call from the Public Accounts Committee. Explanatory Notes were yet to be received from Five Departments in respect of 65 paragraphs/performance audit reviews that featured in the Audit Reports for the years 2013-14 to 2020- 21 as detailed in **Table 1.4** below:

Table 1.4: Pending Departmental replies on the paragraphs included in CAG Audit Report

Year of Audit Report	Department	Departmental replies pending as of 31.03.2022	Date of presentation in the State Legislature	Due date for receipt of Departmental Replies
2013-14	Commercial Tax (State Excise)	3	22.07.2015	22.10.2015
2015-16	Commercial Tax (State Excise)	7	24.03.2017	24.06.2017
2016-17	Commercial Tax (Stamp Duty and Registration Fees)	4	10.01.2019	10.04.2019
2018-19	Public Works	3	21.12.2021	20.03.2022
	Forest	19	15.09.2022	14.12.2022
	Commercial Tax (Stamp Duty and Registration Fees)	5	21.12.2021	21.03.2022
2019-20	Public Works	2	15.09.2022	14.12.2022
	Urban Development and Housing	9	15.09.2022	15.12.2022
	Commercial Tax (Stamp Duty and Registration Fees)	1		
	Commercial Tax	5		
	Mineral Resources	3		
2020-21	Commercial Tax	3	13.03.2023	13.06.2023
	Mineral Resources	1		
Total		65		

1.6.4 Response of Government to Recommendations of the Public Accounts Committee

Administrative Departments are required to submit Action Taken Notes (ATNs) on the recommendations of Public Accounts Committee (PAC) within six months from the date of receipt of such recommendations. As of 31st March 2022, 249 ATNs in respect of Nine departments pertaining to the Government of Madhya Pradesh were yet to be received. Details are given in **Appendix 1.1**.

1.7 Acknowledgement

The office of the Accountant General (Audit-II) Madhya Pradesh wishes to acknowledge the co-operation and assistance rendered by the concerned departments of the State Government.

CHAPTER II
COMMERCIAL TAX
DEPARTMENT
(GST)

CHAPTER II

COMMERCIAL TAX DEPARTMENT (GST)

Department's Oversight on GST Payments And Returns Filing

Summary

Subject Specific Compliance Audit (SSCA) on Department's oversight on GST Payments and Return Filing:

During the test-check records of 10 circle offices under **Circle Audit** pertaining to period 2017-18 to 2020-21, the following issues of non-compliance with the provisions of Act/ Rules were noticed:

❖ **Oversight functions of circle offices**

- *Lack of action on non-filers of returns,*
- *Slow pace of scrutiny of returns/ non-initiation of scrutiny of returns,*
- *Delay in Audit by tax authorities/ internal audit not initiated,*
- *Lack of action on Directorate General of Analytics and Risk Management reports (DGARM),*
- *Non-adherence to prescribed procedure for cancellation of registration,*
- *Inadequate follow up on non-filing of GSTR-10.*

During the test-check of return data for the period 2017-18, 395 high risk deviations pertaining to 368 taxpayers were identified on a set of 15 parameters under **Centralised Audit**. The following issues of non-compliance with the provisions of Act/ Rules in 390 deviations were noticed:

❖ **Inconsistencies in GST returns**

- *Audit noticed deviations from the provisions of the Act in 119 cases involving mismatch/ deviation (including turnover mismatch) of ₹2700.36 crore, constituting 30.51 per cent of the 390 inconsistencies/ mismatches in data, for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as Mismatch in taxable turnover, mismatch in availing of ITC and mismatch in tax paid, etc.*

*During the test-check of records of 75 taxpayers under **Detailed Audit** pertaining to period 2017-18, the following issues of non-compliance with the provisions of Acts/Rules were noticed.*

❖ **Scope limitations**

- *Five jurisdictional zone of State Commercial Tax Department did not produce corresponding granular records of selected sample 75 cases involving deviation/ mismatches.*

❖ **Filing of Returns**

- *There were instances of short payment of late fees in delayed filing of GSTR-3B returns,*

❖ **Mismatch relating to input tax credit**

- *Mismatches by the taxpayers involving mismatch in ITC availment in GSTR-9/ 3B in comparison to ITC availed in GSTR-2A, ITC availment under RCM, Mismatch between ITC in ECL and annual return, mismatch of ITC reversal in respect of common input for taxable and exempted supply etc. were noticed in 108 cases.*

❖ **Mismatches relating to discharged of tax liability.**

- *Mismatch in tax liability between GSTR-1 and GSTR-3B/ 9 returns, undischarged tax liability with reference to tax payments and unreconciled tax payments declared in GSTR-9C were noticed in 68 cases.*

2.1 Introduction

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

Section 59 of the MPSGST Act 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 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 MPGST Rules stipulate that the proper officer may scrutinise the return and related particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation.

This Compliance Audit (CA) was taken up after considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commercial Taxes Department (Department), Madhya Pradesh in this new tax regime.

2.2 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.

2.3 Audit methodology and scope

This CA was predominantly conducted based on data analysis, which highlighted risk areas and red flags pertaining to the period April 2017 to March 2018. Through data analysis, a set of 15 deviations were identified across the domains of Input Tax Credit, Discharge of tax liability, Registration and Return filing. Such deviations were followed up through a Centralised audit¹, whereby these deviations were communicated to the relevant jurisdictional formations of State departmental field formations 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 field 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 the State taxes department application as much as feasible to examine data/documents relating to taxpayers (viz. registration, tax payment, returns and other departmental functions). The detailed audit also involved accessing relevant granular records from the taxpayers such as invoices through the respective field formations. This apart, compliance functions of the departmental formation such as scrutiny of returns, were also reviewed in selected circles.

The review of the scrutiny of returns by the Department and verification of taxpayers' records covered the period from April 2017 to March 2018, while the audit of the functions of selected Circles covered the period April 2017 to March 2021. The CA covered only the State administered taxpayers. The field audit was conducted from December 2022 to February 2023.

Entry conference was held on 06 June 2022 with Commissioner, Commercial Tax Department (CTD) and in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 27 July 2023 with Commissioner, Commercial Tax Department MP in which the audit findings were discussed. The views expressed by the Commissioner (CTD), during the Exit Conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

¹ Centralised Audit did not involve seeking taxpayer's granular records such as financial statements related ledger accounts, invoices, agreements etc.

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

There were three distinct parts of this CA as under:

Part I – Audit of Circles

Ten circle offices with 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.

Part II – Centralised Audit

The sample for Centralised Audit was selected by identification of high-value or high-risk deviations from rules and inconsistencies between returns through data analysis for evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. Accordingly, 395 deficiencies pertaining to 368 taxpayers were selected for Centralised Audit under this CA.

Part III – Detailed audit

It was conducted by accessing taxpayers' records through Circles for evaluation of the extent of tax compliance by taxpayers. The sample of taxpayers for Detailed Audit was selected on the basis of risk parameters such as Excess ITC, Tax Liability mismatch, Disproportionate exempted turnover to total turnover and Irregular ITC reversal.

Seventy five taxpayers selected for Detailed Audit comprised of Large², Medium³ and Small⁴ strata taxpayers as well as taxpayers selected randomly.

The details of sample for Centralised audit, Detailed audit and audit of Circles selected for this CA are brought out in **Appendix 2.1**.

2.5 Audit Criteria

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

² First category strata comprising large taxpayers – top 2.0 *per cent* of taxpayers based on turnover.
³ Second category strata comprising medium taxpayers – next 8.0 *per cent* of taxpayers' base on the turnover.
⁴ Third category strata comprising the small taxpayers – remaining 90 *per cent* of taxpayers.

Table 2.1: Source of criteria

S. N.	Subject	Act and Rules
1	Levy and collection	Section 9 under Chapter III of MPGST Act
2	Reverse Charge Mechanism	Section 9(3) under Chapter III of MPGST Act and Section 5 (3) under Chapter III of IGST Act
3	Availing and utilizing ITC	Sections 16 to 21 under Chapter V of MPGST Act; Rules 36 to 45 under Chapter V of MPGST Rules.
4	Registrations	Section 22 to 25 under Chapter VI of MPGST Act; Rules 8 to 26 under Chapter III of MPGST Rules
5	Supplies	Section 7, 8 under Chapter III and Schedule I, II and III of MPGST Act.
6	Place of supply	Section 10 to 13 under Chapter V of IGST Act
7	Time of Supply	Section 12 to 14 under Chapter IV of MPGST Act
8	Valuation of supplies	Section 15 under Chapter IV of MPGST Act; Rules 27 to 34 under Chapter IV of MPGST Rules
9	Payment of Tax	Sections 49 to 53 under Chapter X of MPGST Act; Rules 85 to 88A under Chapter IX of MPGST Rules.
10	Filing of GST Returns	Sections 37 to 47 under Chapter IX of MPGST Act; Rules 59 to 68 and 80 to 81 under Chapter VIII of MPGST Rules. Part B of MPGST Rules prescribes format of returns
11	Zero-rated supplies	Section 16 under Chapter VII of IGST Act
12	Assessment and Audit functions	Sections 61, 62, 65 and 66 under Chapter XII & XIII of MPGST Act; Rules 99 to 102 under Chapter XI of MPGST Rules.

In addition, notifications and circulars issued by Central Board of Indirect Taxes & Customs (CBIC)/ State tax department relating to filing of returns, notifying the effective dates of filing of various returns, extending due dates for filing returns, rates of tax on goods and services, payment of tax, availing and utilizing ITC, scrutiny of returns and oversight 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 DGARM reports *etc.* also formed part of the audit criteria.

Audit Findings

2.6 Broad Categories of Audit Findings

The audit findings are categorised into the following three categories:

- Oversight functions of Circle offices
- Centralised Audit
- Detailed Audit

2.6.1 Oversight functions of Circle offices

In 10 Circles where the relevant data related to issue of ASMT-13 and recovery details were available, Audit noticed that action was not taken on all cases of defaulters of non-filers of returns. Further, the process of issuing GSTR-3A (notice for defaulters who have not filed GST returns) and following it with ASMT-13 (Best Judgement Assessment order in cases where the

taxpayers have not complied with GSTR-3A notices) was also not adhered to. Audit also observed slow pace of scrutiny of returns/ non-initiation of scrutiny of returns, delay in audit by tax authorities/ internal audit not initiated, lack of action on DGARM reports, non-adherence to prescribed procedures for cancellation of registration and inadequate follow-up on non-filing of GSTR-10 returns. The details are given in the following paragraphs.

2.6.1.1 Lack of action on non-filing of returns

Filing of returns is related to payment of tax and non-filing of returns implies risk of non-payment of tax.

Section 46 of the MPGST Act, 2017 read with Rule 68 of MPGST 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. Further, Section 62 of MPGST Act, 2017 read with Rule 100 of MPGST Rules, 2017 stipulates that 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.

Out of 10 circle offices, only two circle offices⁵ identified cases in all four years. Eight circle offices⁶ did not identify cases of non-filers for three years (2017-18 to 2019-20) and identified cases only in the year 2020-21. However, the action against non-filers was taken only in the year 2020-21 in all the circle offices.

Further, the due process of issue of GSTR-3A followed by ASMT 13 was not observed in all cases. Out of 12,396 cases of non-filers identified, GSTR-3A was issued only in 8,668 cases (69.92 *per cent*). Out of these 8,668 cases, 7,406 taxpayers (85.44 *per cent*) filed returns. Out of the remaining 1262 non-filers, the Department initiated best judgement assessment in 1,186 (94 *per cent*) cases, assessing the amount of ₹ 28.25 crore and recovering ₹ 24.49 crore. Out of this, the major recovery of ₹ 21.64 crore (88.36 *per cent*) was in Circle-5, Bhopal. The circles offices did not take any action in 76 cases. The details are given in **Appendix 2.2**.

On this being pointed out (December 2022 to February 2023), the Government replied (July 2023) that actions such as issues of ASMT 10 to the taxpayers, was in progress. Also there was no system in GST portal to issue GSTR-3A notices, hence offline notices were issued and returns were filed by the taxpayers and recovery proceedings-initiated u/ s 78 and 79, *etc*.

The Government may initiate action on all the cases of non-filers identified in the circles and intimate the action taken thereon to Audit.

2.6.1.2 Slow pace of scrutiny of returns/ non-initiation of scrutiny of returns

As per Section 61 of the MPGST Act, 2017 various returns filed by taxpayers have to be scrutinised by the Proper Officer to verify the correctness of the returns, and suitable action has

⁵ Indore-11 and Indore-15.

⁶ Bhopal-1, Bhopal-4, Bhopal-5, Bhopal-6, Indore-3, Indore-12, Jabalpur-4 and Mandideep.

to be taken on any discrepancies or inconsistencies reflected in the returns. The Officer designated for this purpose is the Circle Officer. Further, Rule 99 of the MPGST Rules, 2017 mandates that the discrepancies, if any notice shall be communicated to the taxpayer to seek his explanation.

During test check (December 2022 to February 2023) of the information provided by the 10 circle offices for the years 2017-18 to 2020-21, it was noticed that out of 10 circle offices three circle offices⁷ had not carried out any scrutiny of taxpayers' returns during any of the year between 2017-18 and 2020-21. Further, in five circle offices⁸, scrutiny of returns was done only in the year 2020-21 where, 1,976 returns of 177 taxpayers scrutinised, as indicated in **Appendix 2.3**. In two circle offices⁹, 2,898 returns of 242 taxpayers were scrutinised during 2017-18 to 2020-21.

During the years 2017-18 to 2020-21, in 10 circle offices, notices intimating discrepancies in the returns were issued in the Form ASMT-10 in respect of 355 taxpayers (84.72 *per cent*), out of 419 taxpayers. Out of these 355 taxpayers, only 47 taxpayers accepted discrepancies and ₹ 26.98 crore was recovered from them. Furthermore, during this period, Show-Cause Notices (SCNs) to 210 taxpayers (59.15 *per cent*) were issued of whom 133 cases completed wherein an amount of ₹ 6.27 crore recovered against recoverable amount of ₹ 242.99 crore.

The matter was reported to the Department (December 2022 to January 2023) and Government (May 2023).

The Government stated (July 2023) that a special drive for scrutiny of returns has been carried out and sector-wise scrutiny work has been done by the department at various level. Circulars have been issued and timely review of progress has been done by the headquarters. To ensure transparency and similarity, SOP for scrutiny of returns has been issued.

The Department may ensure the scrutiny of returns of the years 2017-18 and 2018-19 in a time bound manner before the cases became time barred.

2.6.1.3 Delay in Audit by tax authorities/ internal audit not initiated

As per the Section 65 of the MPGST 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 MPGST Act, 2017, defines "Audit" as the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and input tax credit availed, and to assess his compliance with the provisions of this Act or the rules made thereunder.

⁷ Bhopal-4, Indore-11 and Indore-15.

⁸ Bhopal-1, Bhopal- 5, Bhopal-6, Jabalpur-4 and Mandideep.

⁹ Indore-3 and Indore-12.

The Commissioner, Commercial Tax Department (CTD) Madhya Pradesh informed (October 2022) that there was no internal audit system in the Department.

Further, instructions to follow the manual issued by CBIC for Audit/ special audit under Section 65 of MPGST Act, 2017 was issued (July 2022) by the Commissioner (CTD) Madhya Pradesh.

The Government stated (July 2023) that due to non-development of audit module by GSTN, delay occurred in initiation of online audit. There was a lack of SOP for audit under Section 65 of law. Further there is no all India GST audit manual which causes delay in initiation of audit. COVID pandemic also delayed the audit work.

It was further stated that the Commissioner, CTD issued circular dated 24.02.2023 and amended erstwhile GST Audit circular dated 01 May 2023 for initiating the audit work by distributing taxpayers and issuing detailed guidelines for audit.

The fact however remain that the Commercial Tax Department (CTD), MP could have utilized the GST audit manual prepared by CBIC in July 2019 for issuing timely instructions for audit of taxpayers.

2.6.1.4 Lack of action on DGARM Reports

(A) Overall status at the State Level

The CBIC (Board) formed DGARM vide OM 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 the concerned Tax Departments of the states. DGARM started functioning in June 2018 by generating reports on taxpayers on various risk parameters. As per SOP for risky taxpayers and others dated 30 April 2019, with respect to the taxpayers under the jurisdiction of state, Chief Commissioners are advised to used existing institutional mechanism to share list of risky taxpayers with the state. The Department sends the reports received from DGARM for verification and necessary action to the Circles.

The Department intimated (June 2023) that 16 types of DGARM reports based on discrepancies were received, pertaining to 601 cases which were sent to various divisional offices. However, the Department did not provide year-wise and circle-wise information of these transferred cases. Further, circle wise status of scrutiny of these cases were also not provided to audit.

(B) Status at selected circle offices

During Circle Function Audit, in the 10 selected circles, Audit requisitioned whether any similar system existed in the Department, and also requested to provide the related documents to audit for the period 2017-18 to 2020-21 for verification, however, no specific reply regarding existence of similar system were provided to audit except nil information with respect to reports received from DGARM. The circle wise details are shown in **Appendix 2.4**.

The Government stated (July 2023) that at headquarters level selection of taxpayer for audit and scrutiny has been done on various risk parameters and allotted to circle offices. Further, tax

research and analysis wing (TRAW) has been established for examination of important/ sensitive cases.

2.6.1.5 Non-adherence to prescribed procedure for cancellation of registration

Section 29(1) of MPGST Act, 2017 stipulates that the proper officer may, either on his own motion, or on application filed by registered person or his legal heir cancel the registration having regard to circumstances where the business has been discontinued, change in constitution of business or the taxable person is no longer liable to be registered.

Section 29(2) of the MPGST Act, 2017 allows for *suo moto* cancellation of the registration of taxpayer by tax officer on the grounds of contravention of the Acts or Rules by the taxpayer, composition taxpayers not filing return for three consecutive tax periods, normal taxpayers not filing return for continuous period of six months, registered persons not commencing business within six months from date of registration and registration obtained by means of fraud, willful misstatement or suppression of facts.

Rule 22 (1) of MPGST Rules, 2017 prescribes that where proper officer has reasons to believe that registration of a person is liable to be cancelled under Section 29, he shall issue a notice to such person in form GST REG-17, requiring him to show cause, within a period of seven working days, from the date of serving of such notice, as to why his registration should not be cancelled.

As per the data provided by the 10 selected circles, there were 18,390 cases for cancellation (7,399 taxpayers applied for cancellation and 10,991 cancellation cases initiated on own motion by the circle offices). It was observed that out of 10 circles, in one circle Indore-11, 643 cases were cancelled *suo-moto*, but the Show Cause Notice (REG-17) had not been issued in any of the cases. The details of such cases are brought out in **Appendix 2.5**.

On being pointed out, the Government replied (July 2023) that for intimating returns discrepancies and providing explanation, ASMT 10 had been issued to taxpayer. Action was in progress.

The reply is not relevant to audit observation as the cancellation of registration was done without giving notice to the taxpayers.

2.6.1.6 Inadequate follow up on non-filing of GSTR-10

Section 45 of MPGST Act, 2017 read with Rule 81 of MPGST Rules, 2017 stipulates that any person whose registration was cancelled should file final return in form GSTR-10 within three months of effective date of cancellation or the date of order of cancellation, whichever is later.

Section 46 of the MPGST Act read with rule 68 of the MGST Rules, 2017 requires issuance of a notice in FORM GSTR-3A to a registered person who fails to furnish return under Section 39 or Section 44 or Section 45. If the taxpayer still fails to file the final return within 15 days of the receipt of notice, then an assessment order in form ASMT-13 under Section 62 of the MPGST Act read with Rule 100 of the MPGST Rules shall have to be issued to determine the liability of

the taxpayer under sub-section (5) of Section 29 (i.e., debit ITC equivalent to inputs, and 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 shall be deemed to have been withdrawn. However, the liability for payment of interest and late fee shall continue.

Audit observed that in 10 selected circle offices, in 12,761 cases REG-19 (order of cancellation) were issued, out of which 3,646 cases (28.57 *per cent*) were revoked by the Department. Out of 9,115 cancelled cases, 3,781 taxpayers (41.48 *per cent*) have filed GSTR-10. Out of remaining 5,334 cases, in 226 cases action was initiated by the Assessment Authority for not filing GSTR-10 and in 390 cases best judgement assessment was initiated. However, in 4,718 cases (51.76 *per cent*) no action was taken by the circle officers. (**Appendix 2.6**)

On this being pointed out between December 2022 and February 2023, the Department replied (July 2023) that action was under process against non-filers of GSTR-10. Further development is awaited (July 2023)

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.

2.6.2 Inconsistencies in GST returns - Centralised audit

Audit analysed GST returns data pertaining to 2017-18 as made available by GSTN. Rule-based deviations, and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 15 parameters (**Table 2.2**).

Out of the 13 prescribed GST returns¹⁰, the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/ data:

GSTR-1: monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.

GSTR-3B: monthly summary return of outward supplies and input tax credit claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.

GSTR-6: monthly return for Input Service Distributors providing the details of their distributed input tax credit and inward supplies.

¹⁰ 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).

GSTR-8: monthly return to be filed by the e-commerce operators who are required to deduct TCS (Tax collected at source) under GST, introduced in October 2018.

GSTR-9: annual return to be filed by all registered persons other than an Input Service Distributor (ISD), Tax Deducted at Source/ Tax Collector at Source, Casual Taxable Person and Non-Resident taxpayer. This document contains the details of all supplies made and received under various tax heads (CGST, SGST and IGST) during the entire year along with turnover and audit details for the same.

GSTR-9C: annual audit form for all taxpayers having a turnover above ₹ five crores in a particular financial year. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.

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

The pan-state data analysis pertaining to state jurisdiction on the 15 identified parameters and extent of deviations/ inconsistencies observed (sample for centralized audit) are summarised in **Table 2.2** below:

Table 2.2: Summary of pan-state data analysis

S. N.	Parameter	Algorithm used	(₹ in crore)	
			Number of deviations	Amount
1	Mismatch in availing of ITC	ITC available as per GSTR-2A with all its amendments was compared with the ITC availed in GSTR-3B {Table 4A (5)} (accrued on domestic supplies) considering the reversal in Table 4(B)(2) but including the ITC availed in subsequent year 2018-19 from Table 8(C) of GSTR-9.	50	139.29
2	Mismatch in availing of ITC under RCM	RCM payments in GSTR-3B Table 3.1(d) was compared with ITC availed in GSTR-9 Table (6C+ 6D+6F). In cases where GSTR-9 was not available, RCM liability in GSTR-3B Table 3.1(d) was compared with GSTR-3B Table {4(A)(2) + 4(A) (3)}.	49	19.05
3	Mismatch in availing of ITC under RCM without payment	RCM liability declared in GSTR-9 Table 4G was compared with ITC availed in GSTR-9 Table (6C+6D+6F). In cases where GSTR-9 was not available, RCM payments in GSTR-3B Table 3.1(d) was compared with GSTR-3B 4(A) (2) and 4A (3).	15	3.46
4	Incorrect availment of ISD credit	ISD received in GSTR-9 Table 6G was compared with ITC transferred in GSTR-6 (sum of Table 5A +Table 8A +Table 9A of GSTR-6) of the distributor. In cases where GSTR-9 is not available then GSTR-3B Table 4(A)(4) compared with sum of Table 5A +Table 8A +Table 9A of	25	10.95

S. N.	Parameter	Algorithm used	Number of deviations	Amount
		GSTR-6.		
5	Incorrect ISD credit reversal	GSTR-9 Table 7B/ 7H of the recipients was compared with sum of Table 8A (negative figures only) and Table 9A (negative figures only) of their GSTR-6s.	02	0.004
6	Mismatch in ITC availed between Annual return and financial statement (Table 12 F of form 9C)	Positive entries in 12F of GSTR-9C	25	188.82
7	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C)	Positive entries in 14T of GSTR-9C	25	922.18
8	Mismatch in turnover between Annual return and financial statement (Table 5R of form 9C)	Negative figure in GSTR-9C Table 5R.	47	2,435.18
9	Mismatch in taxable turnover between Annual return and financial statement (Table 7G of form 9C)	Negative figure in GSTR-9C Table 7G.	17	2,024.47
10	Mismatch in tax paid between books of accounts and annual return (Table 9R of form 9C)	Negative figure in GSTR-9C Table 9R.	50	99.92
11	Undischarged Tax liability	Greater of tax liability between GSTR-1 (Table 4 to 11) and GSTR-9 (Table 4N, 10 & 11) was compared with tax paid details in GSTR-3B Table {3.1 (a) + 3.1 (b)}. In cases where GSTR-9 was not available, tax paid in GSTR-3B was compared with GSTR-1 liability. The amendments and advance adjustments declared in GSTR-1 and GSTR-9 were duly considered.	25	159.46
12	Composition taxpayers also availing e-commerce facility	E-commerce GSTR-8 became effective from 01.01.2018 when TCS provisions became effective. GSTINs declared in GSTR-8 who are also filing GSTR-4 under composition scheme.	12	0
13	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.	25	2.38
14	Short payment of interest on delayed payments	Interest calculated at the rate of 18 <i>per cent</i> on cash portion of tax payment on delayed filing of GSTR-3B vis-a-vis Interest declared in GSTR-3B Table 6.1.	25	15.49
15	Stop filers of return	Cases where returns have not been filed for consecutive six months were examined to check action related to cancellation of registration.	03	0
Total			395	6,020.65

2.6.2.1 Non-submission of reply by the department

Audit selected a sample of 395 cases pertaining to 368 taxpayers from amongst the top deviations / inconsistencies in each of the 15 parameters for the year 2017-18. The audit queries were issued to the respective circles between February 2022 and March 2023 without further scrutiny of taxpayer's records. The audit check in these cases was limited to verifying the Department's action on the identified deviations/ mismatches.

Out of 395 inconsistencies, initial responses of five inconsistencies were yet to be received (July 2023), involving mismatch amounting to ₹ 16.98 crore as detailed in **Table 2.3** below:

Table 2.3: Reply not received

(₹ in crore)

S. N.	Audit Dimension	Sample		Department Reply not received		Percentage	
		Number	Amount of mismatch	Number	Amount	Number	Amount
1	Mismatch in availing of ITC under RCM without payment	14	1.77	01	0.13	07.14	07.34
2	Incorrect availment of ISD credit	25	10.95	01	0.29	04	02.64
3	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C)	25	922.18	01	13.15	04	01.42
4	Short payment of interest on delayed payments	25	15.49	02	3.41	08	06.95

The Department is required to expedite verification of remaining cases. Details of these cases are listed in **Appendix 2.7**.

2.6.2.2 Results of centralised audit

Based on responses received from the Department to the Audit Queries, the extent to which each of the 15 parameters translated into compliance deviations has been summarised in **Table 2.4** below:

Table 2.4: Summary of deficiencies

(₹ in crore)

Audit Dimension	Cases where reply received		Department reply accepted by Audit					
			Data entry errors		Action taken before query		Other valid explanations	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9
Mismatch in availing of ITC	50	139.29	-	-	-	-	1	2.74
Mismatch in availing of ITC under RCM	49	19.05	2	0.73	-	-	2	0.63
Mismatch in availing of ITC under RCM without payment	14	3.33	3	0.36	-	-	-	-
Incorrect availment of ISD credit	24	10.66	1	0.25	-	-	-	-
Incorrect ISD credit reversal	2	0.01	-	-	-	-	1	0

Audit Dimension	Cases where reply received		Department reply accepted by Audit					
			Data entry errors		Action taken before query		Other valid explanations	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	2	3	4	5	6	7	8	9
Mismatch in ITC availed between Annual return and financial statement (Table 12 F of form 9C)	25	188.82	-	-	-	-	-	-
Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C)	24	909.03	-	-	-	-	1	47.33
Mismatch in turnover between Annual return and financial statement (Table 5R of form 9C)	47	2,435.18	-	-	-	-	1	14.11
Mismatch in taxable turnover between Annual return and financial statement (Table 7G of form 9C)	17	2,024.47	-	-	-	-	-	-
Mismatch in tax paid between books of accounts and annual return. (Table 9R of form 9C)	50	99.92	-	-	1	0.55	-	-
Undischarged Tax liability	25	159.46	1	17.91	-	-	2	14.31
Composition taxpayers also availing e-commerce facility	12	-	-	-	-	-	2	-
Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available	25	2.38	-	-	-	-	2	0.01
Short payment of interest on delayed payments	23	12.08	-	-	1	0.93	2	0.50
Stop filers of return	3	-	-	-	-	-	2	-
Total	390	6,003.68	7	19.25	2	1.48	16	79.63

Audit Dimension	Compliance deviations									
	Accepted by Dept. including cases where action is yet to be initiated									
	Recovered		ASMT-10		Notice issued DRC (01/ 01A/ 07)		Under correspondence with taxpayer		Total	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	10	11	12	13	14	15	16	17	18	19
Mismatch in availing of ITC	-	-	10	22.69	3	6.34	1	3.23	14	32.26
Mismatch in availing of ITC under RCM	1	0.04	10	2.27	1	0.20	2	0.46	14	2.97
Mismatch in availing of ITC under RCM without payment	-	-	1	0.11	1	0.13	1	0.14	3	0.38
Incorrect availment of ISD credit	-	-	9	3.74	1	1	-	-	10	4.74
Incorrect ISD credit reversal	-	-	1	0.01	-	-	-	-	1	0.01
Mismatch in ITC availed between Annual return and financial statement (Table 12 F of form 9C)	-	-	4	36.98	1	1.84	-	-	5	38.82
Reconciliation between ITC declared in Annual return	-	-	6	377.87	-	-	-	-	6	377.87

Audit Dimension	Compliance deviations									
	Accepted by Dept. including cases where action is yet to be initiated									
	Recovered		ASMT-10		Notice issued DRC (01/ 01A/ 07)		Under correspondence with taxpayer		Total	
	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.
1	10	11	12	13	14	15	16	17	18	19
with expenses in financial statement (Table 14T of 9C)										
Mismatch in turnover between Annual return and financial statement (Table 5R of form 9C)	-	-	12	597.36	1	12.03	-	-	13	609.39
Mismatch in taxable turnover between Annual return and financial statement (Table 7G of form 9C)	-	-	9	1,533.03	1	9.16	-	-	10	1,542.19
Mismatch in tax paid between books of accounts and annual return (Table 9R of form 9C)	-	-	12	41.76	4	4.36	3	2.17	19	48.29
Undischarged Tax liability	-	-	7	37.74	-	-	-	-	7	37.74
Composition taxpayers also availing e-commerce facility	1	0.00	-	-	-	-	-	-	1	0.001
Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available	-	-	5	1.38	5	0.27	1	0.01	11	1.66
Short payment of interest on delayed payments	-	-	2	2.50	2	0.71	1	0.83	5	4.04
Stop filers of return	-	-	-	-	-	-	-	-	-	-
Total	2	0.04	88	2,657.44	20	36.04	9	6.84	119	2,700.36

Audit Dimension	Deptt. Reply not furnished with appropriate documentary evidence		Deptt. Stated that they are examining the AQ	
	No.	Amt.	No.	Amt.
1	20	21	22	23
Mismatch in availing of ITC	13	28.52	22	75.41
Mismatch in availing of ITC under RCM	18	6.21	13	8.38
Mismatch in availing of ITC under RCM without payment	2	0.28	6	2.31
Incorrect availment of ISD credit	1	0.66	12	5.01
Incorrect ISD credit reversal	-	-	-	-
Mismatch in ITC availed between Annual return and financial statement (Table 12 F of form 9C)	2	63.81	18	86.19
Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C)	4	155.40	13	328.44
Mismatch in turnover between Annual return and financial statement (Table 5R of form 9C)	17	1,185.90	16	625.77
Mismatch in taxable turnover between Annual return and financial statement (Table 7G of form 9C)	1	9.56	6	472.72

Audit Dimension	Deptt. Reply not furnished with appropriate documentary evidence		Deptt. Stated that they are examining the AQ	
	No.	Amt.	No.	Amt.
Mismatch in tax paid between books of accounts and annual return (Table 9R of form 9C)	8	19.27	22	30.62
Undischarged Tax liability	7	39.70	8	49.80
Composition taxpayers also availing e-commerce facility	3	-	6	-
Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available	2	0.01	10	0.70
Short payment of interest on delayed payments	1	0.95	14	5.68
Stop filers of return	1	-	-	-
Total	80	1,510.27	166	1,691.03

Summary of Centralised Audit

Audit noticed deviations from the provisions of the Act in 119 cases (Col. No. 10, 12, 14 and 16) involving mismatch in ITC/ tax liability/ turnover of ₹ 2,700.36 crore (Col. No. 11, 13,15 and 17) constituting 30.51 *per cent* of the 390 inconsistencies/ mismatches in data, for which the Department provided responses. Relatively higher rates of deviations were noticed in risk parameters such as mismatch in taxable turnover, mismatch in tax paid, mismatch in availing of ITC *etc.*

In 25 cases (Col. No. 4, 6 and 8), constituting 6.41 *per cent*, where the Department's reply was acceptable to Audit, data entry errors by taxpayers comprised seven cases (Col. No.4).

In 166 cases (Col. No. 22), constituting 42.56 *per cent*, the Department stated that it was examining the underlying deviation (including mismatch in turnover) of ₹ 1,691.03 crore. In the remaining 80 cases (Col. No. 20), constituting 20.51 *per cent*, though the Department did not accept the deviations pointed out by Audit.

Illustrative case as detailed in **Table 2.5** below, for dimension of Centralised audit (for compliance deviation pertaining to recovery, ASMT-10 issued, notice issued and under correspondence with taxpayer) are as under –

Table 2.5: Illustrative case for dimension of Centralised audit

						(₹ in crore)
S. N.	Dimension	GSTIN	Name of the taxpayer	Jurisdictional Circle	Mismatch	Action taken
1	Mismatch in availing of ITC	23AACCM9520G1ZP	M/s Mohanlal Hargovindas	Jabalpur -3	6.02	The Department replied that ASMT-10 had been issued.
2	Mismatch in availing of ITC under Reverse Charge Mechanism (RCM)	23AAACP6224A4Z2	Prism Johnson Limited	Indore-3	0.33	The Department replied that ASMT-10 had been issued to concerned dealer.

S. N.	Dimension	GSTIN	Name of the taxpayer	Jurisdictional Circle	Mismatch	Action taken
3	Mismatch in availing of ITC under Reverse Charge Mechanism (RCM) without payment	23AKEPP5115B1ZR	M/s Umiya Timber Industries	Harda	0.14	The Department replied that DRC-01 had been issued to the dealer.
4	Incorrect availment of ISD credit	23AAGCC1585R1Z7	Cipla Health Limited	Indore-11	1.19	The Department replied that ASTM-10 had been issued.
5	Incorrect ISD credit reversal	23AACU5552C1ZR	United India Insurance Company Ltd.	Bhopal -1	0.004	The Department replied that ASMT-10 had been issued.
6	Mismatch in ITC availed between Annual return and financial statement (Table 12 F of form 9C)	23AAPCS9159L1ZK	Shaarc Project Limited	Waidhan	18.75	The Department replied that ASMT-10 had been issued.
7	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C)	23AAKCS0723M1ZB	M/s Sasan Power Ltd.	Waidhan	223.35	The Department replied that ASMT-10 had been issued.
8	Mismatch in turnover declared in GSTR-9C Table 5R	23AADJC5526G1ZT	Jalpa Devi Tollways Ltd.	Bhopal -6	287.29	The Department replied that ASMT-10 had been issued to taxpayer.
9	Mismatch in taxable turnover declared in GSTR-9C Table 7G	23AAACJ6297K4Z6	Jaypee Nigrie Super Thermal Power Plant a Unit Of Jaiprakash Power Ventures Limited	Waidhan	1,428.92	The Department replied that ASMT-10 had been issued to taxpayer.
10	Mismatch in tax paid between books of account and annual. return (Table 9R of form 9C)	23AAACL0140P6ZM	Larson and Tubro Limited	Bhopal-6	16.83	The Department replied that ASMT-10 had been issued to taxpayer.
11	Undischarged tax liability	23AAACI5139B1Z6	IVRCL Limited	Bhopal-6	11.53	The Department replied that ASMT 10 has been issued.
12	GSTR-3B was not filed but GSTR-1 is available	23AAGCM3176Q1Z0	MCL Global Steel Private Limited	Indore-14	1.26	The Department replied that ASMT-10 had been issued.
13	Short payment of interest	23AAAGP0877K1Z5	Production Division Betul Forest	Betul	2.28	The Department replied that ASMT-10 had been issued.

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 business by the GST portal, whereas GSTR-3B is a monthly return in which summary of outward supplies along with ITC declared and payment of tax are self-declared by the taxpayer.

To analyze 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)¹¹ considering the reversals in Table 4B (2)¹² but including the ITC availed in the subsequent year 2018-19 from Table 8C of GSTR-9.

Audit observed that in case of taxpayer M/s Mohanlal Hargovindas having GSTIN 23AACCM9520G1ZP under Circle 3, Jabalpur the ITC available as per GSTR-2A was ₹ 20.09 crore and the ITC availed in table 4A (5) of GSTR-3B was ₹ 26.11 crore. This resulted in mismatch of ITC availed amounting to ₹ 6.02 crore which was communicated to the Department (February 2022).

In response, the Department stated (July 2023) that ASMT-10 had been issued and taxpayer's reply is being reviewed.

Further progress in this regard was awaited (February 2024).

(ii) Dimension - Mismatch in availing of ITC under RCM

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 MPGST 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)¹³ with ITC availed in GSTR-9 Table 6C¹⁴, 6D¹⁵ and 6F¹⁶. In cases where GSTR-9 was not available, the check was

¹¹ All other eligible ITC.

¹² Other ITC reversed.

¹³ Inward supplies (liable to reverse charge).

¹⁴ Inward supplies receive from unregistered persons liable to reverse charge.

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)¹⁷ and 4A (3)¹⁸.

Audit observed that in case of taxpayer M/s Prism Johnson Limited having GSTIN 23AAACP6224A4Z2 under Circle 3, Indore the ITC available in Table 3.1(d) of GSTR-3B was ₹ 0.53 crore and the ITC availed in Table 6C, 6D and 6F of GSTR-9 was ₹ 0.86 crore resulting in mismatch of ITC availed amounting to ₹ 0.33 crore which was communicated to the Department (February 2022).

In response, the Department stated (December 2022) that ASMT-10 had been issued to concerned dealer. Further progress in this regard was awaited (February 2024).

(iii) Dimension - Mismatch in availing of ITC under RCM without payment

The extent of availing of ITC under RCM for the year 2017-18 without discharging equivalent tax liability or, in other words, short payment of tax under RCM was analysed by comparing the datasets pertaining to GSTR-3B and annual return GSTR-9 to check whether the tax has been discharged fully on the activities/transactions under RCM. In cases where GSTR-9 was filed, the RCM payments in Table 4G¹⁹ was compared with ITC availed in Table 6C, 6D and 6F. In cases where GSTR-9 was not available, RCM payments in GSTR-3B Table 3.1(d) was compared with GSTR-3B 4A (2)²⁰ and 4A (3)²¹.

Audit observed that in case of M/s Umiya Timber Industries, having GSTIN 23AKEPP5115B1ZR, under Harda circle, RCM payments in Table 4G of GSTR-9 was ₹ 0 and compared with Table 6C, 6D and 6F of GSTR-9 of ₹ 0.14 crore. This resulted in excess availment of ITC on RCM without payment of tax amounting to ₹ 0.14 crore, which was communicated to the department (February 2022). In response, the Department stated (July 2023) that DRC-01 was issued to the dealer.

Further response was awaited (February 2024).

(iv) Dimension – Incorrect availment of ISD credit

To analyse whether the ITC availed by the taxpayer is in excess of that transferred by the Input Service Distributor (ISD), ITC availed as declared in the returns of the taxpayer is compared with the ITC transferred by the ISD in their GSTR-6. The methodology adopted was to compare Table 6G²² of GSTR-9 or Table 4(A)(4)²³ of GSTR-3B of the recipient taxpayers under the jurisdiction of this State with the sum of Table 5A²⁴, Table 8A²⁵, and Table 9A²⁶ of GSTR-6 of the respective ISD.

¹⁵ Inward supplies received from registered persons liable to reverse charge.

¹⁶ Import of services.

¹⁷ Import of services.

¹⁸ Inward supplies (liable to reverse charge).

¹⁹ Inward supplies on which tax is to be paid on reverse charge basis.

²⁰ Import of services.

²¹ Inward supplies (liable to reverse charge).

²² ITC received from ISD.

²³ Inward supplies from ISD.

²⁴ Distribution of the amounts of eligible ITC for the tax period.

In case of taxpayer M/s Cipla Health Limited, having GSTIN 23AAGCC1585R1Z7 under Circle 11, Indore audit observed that the ITC availed in table 6G of GSTR-9 was ₹ 1.28 crore and the ITC transferred by the ISD in table (5A+8A+9A) of GSTR-6 was ₹ 0.09 crore. This resulted in excess availment of ITC transferred by the ISD amounting to ₹ 1.19 crore, which was communicated to the Department (April 2022). In response, the Department stated (July 2023) that ASMT-10 is issued and action is in progress.

Further progress in this regard was awaited (February 2024).

(v) Dimension – Mismatch in ITC availed between Annual return and financial statement (Table 12F of GSTR-9C)

Table 12 of GSTR-9C reconciles ITC declared in annual return (GSTR-9) with ITC availed as per audited Annual financial statement or books of accounts. Column 12F of this table deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under the rule 80(3) of MPGST 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 ₹ 18.75 crore declared in Table 12F of GSTR-9C, being ITC availed in GST returns in excess of eligible ITC based on financial statements, in case of M/s Shaarc Project Limited having GSTIN 23AAPCS9159L1ZK under Waidhan Circle was noticed and communicated to the Department (February 2022). In response, the Department stated (March 2023) that the ASMT-10 has been issued.

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

Table 14 of GSTR-9C reconciles ITC declared in annual return (GSTR-9) with ITC availed on expenses as per audited Annual financial statement or books of accounts. Column 14T of this table deals with unreconciled ITC.

The certified reconciliation statement submitted by the taxpayer as required under the rule 80(3) of MPGST 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 ₹ 223.35 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 case of M/s Sasan Power Limited having GSTIN 23AAKCS0723M1ZB under Waidhan Circle was noticed and communicated to the Department (February 2022). In response, the Department stated (March 2023) that after ASMT-10 has been issued.

²⁵ Mismatch of ITC reclaimed and distributed.

²⁶ Redistribution of ITC distributed to a wrong recipient.

Further progress in this regard was awaited (February 2024).

(vii) Dimension – Mismatch in turnover between Annual return and financial statement (Table 5R of GSTR-9C)

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

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

Audit query on unreconciled turnover in Table 5R of GSTR-9C, amounting to ₹ 287.29 crore was issued in respect of taxpayer, M/s Jalpa Devi Tollways Ltd. having GSTIN 23AADJ5526G1ZT under Circle-6, Bhopal and communicated to the Department (February 2022). In response, the Department stated (July 2023) that ASMT-10 has been issued to taxpayer u/s 61 of the MPGST Act, 2017.

Further progress in this regard was awaited (February 2024).

(viii) Dimension - Mismatch in taxable turnover between Annual return and financial statement (Table 7G of GSTR-9C)

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

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

Audit query on undischarged taxable turnover in Table 7G of GSTR-9C, amounting to ₹ 1428.92 crore was issued in respect of taxpayer, M/s Jaypee Nigrie Super Thermal Power Plant a unit of J. P. Power Ventures Ltd. having GSTIN 23AAACJ6297K4Z6 under Waidhan Circle was communicated to the Department (February 2022). In response, the Department stated (March 2023) that ASMT-10 is issued to the taxpayer.

Further progress in this regard was awaited (February 2024).

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

Unreconciled payment of tax declared in Table 9R of GSTR-9C, amounting to ₹ 16.83 crore in case of the taxpayer M/s Larson and Tubro Limited having GSTIN 23AAACL0140P6ZM under Circle-6, Bhopal, was communicated to the Department (February 2022). In response, the Department stated (July 2023) that ASMT-10 was issued to taxpayer u/s 61 of the MPGST Act, 2017.

Further progress was awaited in Audit (July 2023).

(x) Dimension - Undischarged tax liability

GSTR-1 depicts the monthly details of outward supplies of Goods or Services. These details were also assessed by the taxpayer and mentioned in annual return GSTR-9 in the relevant columns. Further, taxable value and tax paid thereof are also shown in GSTR-3B.

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

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 the short payment of tax. In the case of GSTR-3B, tables 3.1(a)²⁷ and 3.1(b)²⁸ were taken into account.

It was observed that in case of taxpayer M/s IVRCL Limited having GSTIN 23AAACI5139B1Z6 under Circle-6, Bhopal the tax payable in GSTR-1 was ₹ 30.71 crore and

²⁷ Outward taxable supplies (other than zero rated, nil rated and exempted).

²⁸ Outward taxable supplies (Zero rated).

the tax payable declared in GSTR-9 was ₹ 28.53 crore, and the greater of the two, tax payable in GSTR-1 was taken into consideration. The tax payable was compared with tax paid as declared in GSTR-9 i.e., ₹ 19.18 crore. This resulted in a mismatch of tax liability amounting to ₹ 11.53 crore, which was communicated to the Department (February 2022). In response, the Department stated (July 2023) that ASMT-10 has been issued.

(xi) Dimension – Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available

At the data level, Audit attempted to identify those taxpayers who have not filed GSTR-3B but have filed GSTR-1 or whose GSTR-2A was available. GSTR-3B return is the only instrument through which the liability is offset, and ITC is availed. The very availability of GSTR-1 and 2A and non-filing of GSTR-3B indicates that the taxpayers had undertaken/carried on the business during the period but have not discharged their tax liability.

Audit observed that in case of taxpayer M/s MCL Global Steel Private Limited having GSTIN 23AAGCM3176Q1Z0 under Circle-14, Indore, wherein the returns (GSTR-3B) pertaining to 2017-2018 involved tax liability amounting to ₹ 1.26 crore were not filed by the taxpayer. This resulted in non-discharge of liability of ₹ 1.26 crore, which was communicated (February 2022) to the Department. In response, the Department stated (July 2023) that ASMT-10 has been issued to taxpayers.

Further progress in this regard was awaited (February 2024).

(xii) Dimension - Short payment of interest on delayed payments

Section 50 of the Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the rules made there under but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay interest at the rate notified.

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

Audit observed that in case of taxpayer, Production Division Betul Forest, having GSTIN 23AAAGP0877K1Z5 under Betul Circle, the returns (GSTR-3B) pertaining to the months of August 2017 to March 2018 involving tax liability amounting to ₹ 16.05 crore, were filed with delay. This resulted in a short payment of interest amounting to ₹ 2.28 crore which was communicated (February 2022) to the Department. The Department replied (July 2023) that ASMT-10 has been issued and reply is awaited.

Further progress in this regard was awaited (July 2023).

2.6.2.3 Analysis of causative factors

Considering the Department's response to 390 cases out of the sample of 395 data deviations/inconsistencies, the factors that caused the data deviations/ inconsistencies are as follows:

1. Deviations from GST law and rules:- Cases accepted or action initiated by the department

Out of 390 cases pertaining to 15 deviations summarised in previous **Table 2.4**, the Department has accepted the audit observations or initiated departmental examination in 119 cases with mismatch in ITC/tax liability/turnover of ₹ 2,700.36 crore. Out of these cases, the Department has recovered ₹ 0.04 crore in two cases, issued notice conveying discrepancies to the taxpayer in form ASMT-10 in 88 cases for ₹ 2,657.44 crore, issued notices in 20 cases involving tax effect of ₹ 36.04 crore and was in correspondence with the respective taxpayers in nine cases with tax effect of ₹ 6.84 crore. Details are given in **Appendix 2.8**.

Two illustrative cases where the Department accepted or action initiated are given below:

- i. The certified reconciliation statement submitted by the taxpayer as required under the rule 80(3) of MPGST 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. Table 14 deals with expenses incurred by the taxpayer, which can be in the form of inputs, capital goods or services. These goods/ services procured may be taxable or exempted and procured from registered (forward charge) or unregistered persons (reverse charge). Table 14 reconciles the expenses incurred with the ITC availed, and any excess availing on account of ineligibility, blocked credits, composition scheme is highlighted in Table 14T.

Unreconciled ITC of ₹ 66.87 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 case of M/s ACC Limited, having GSTIN 23AAACT1507C1Z5 under Circle-6, Bhopal was noticed and communicated (February 2022) to the Department. In reply, the Department stated (July 2023) that ASMT 10 has been issued.

Further progress was awaited in Audit (July 2023).

- ii. The certified reconciliation statement submitted by the taxpayer as required under rule 80(3) of MPGST Rules in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in turnover reported in the Annual Return vis-à-vis the Financial Statements. Table 5R of form 9C captures the unreconciled turnover between the annual return GSTR-9, and that declared in the Financial Statement for the year after the requisite adjustments. The unreconciled amount where the turnover declared in GSTR-9 is less than the financial statement, may be indicative of non-reporting, under-reporting, short-reporting, omission, error in reporting of supplies leading to evasion or

short payment of tax. It could also be a case of non-reporting of both taxable and exempted supplies.

Audit query on Mismatch between annual return and financial statements (Table 5R of form 9C) amounting to ₹ 48.32 crore in case of taxpayer M/s Indo-Thai Airport Management Services Private Limited having GSTIN 23AACCI1182J1ZS under Circle-2, Indore was communicated to Department. On being pointed out in Audit (February 2022), the Department stated (July 2023) that the reply of taxpayer received in ASMT-11 and same is being examined.

Further progress was awaited (July 2023).

2. Cases where the Department's reply not furnished with appropriate documentary evidence.

Out of the 390 replied cases, the Department has not accepted 80 cases amounting (including mismatches) to ₹ 1,510.27 crore. In these cases, the Department only forwarded explanations of the taxpayers either without explicitly commenting on the audit observations or furnished without appropriate documentary evidence. Details of these cases are given in **Appendix 2.9**.

An illustrative case is given below-

Unreconciled turnover of ₹ 261.46 crore declared in Table 5R of GSTR-9C was noticed in case of TCI HI-Ways Private Limited having GSTIN 23AABCT3904C1ZZ, under Pithampur Circle, which was communicated (February 2022) to the Department. The Department stated (February 2022) that as per form GSTR-9C un-reconciled amount of ₹ 261.46 crore is pertaining to turnover of other states. The department has not provided any documentary evidence in support of reply to verify the facts stated in reply.

3. Data entry errors by taxpayers

The data entry errors constituted 1.79 *per cent* (seven cases) of the total responses received (390 cases) and 28 *per cent* of cases where the Department's responses were accepted by Audit (25 cases). These data entry errors have revenue implication of ₹ 19.25 crore. The data entry errors relate to mismatch in ITC availed under RCM, availing of ISD credit and undischarged tax liability, as detailed in **Appendix 2.10**.

An illustrative case is brought out below:

A deviation amounting to ₹ 17.91 crore was identified as undischarged tax liability of the taxpayer M/s Tirupati Iron India Private Limited having GSTN 23AABCT6665J1Z4, under circle-2 Bhopal, and communicated to the Department.

On being pointed out (February 2022) the Government replied (July 2023) that the difference was due to erroneously entering ₹ 19,88,44,557 in column 4B (SGST) of GSTR 9 in place of

₹ 1,98,44,557. Due to this the difference of ₹ 17,90,00,000 is reflected. Audit has pointed out the difference of ₹ 17,91,40,792, out of which ₹ 17,90,00,000 is due to clerical error and remaining

amount of ₹ 1,40,768 pertains to RCM, the payment of which has been made through GSTR 3B of September 2018.

4. Action taken before issue of Audit Queries

As summarised in **Table 2.6** below, the Department has already taken action in two cases, constituting 0.51 *per cent* of the 390 responses received.

Table 2.6: Action taken before audit query

(₹ in crore)

S. N.	GSTIN	Name of the taxpayer	Dimension	Circle office	Mismatch amount	Responses received
1	23AAGCP 0445H1ZQ	M/s Aroma Productions Pvt. Ltd.	Short payment of interest on delayed payments.	Chhindwara-2	0.93	The Department stated that total amount of ₹ 0.93 crore has been deposited on 16 September 2021 through challan towards interest.
2	23BBHPS 2342J1ZN	M/s Lucky Construction Company	Mismatch in tax paid between books of account and annual return (Table 9R of form 9C)	Chhatarpur	0.55	The Department replied that taxpayer has deposited tax ₹ 0.55 crore and interest ₹ 0.14 crore amount in January, August and October 2021 through DRC 03.

The Department may take up the matter with the GST Council to insert adequate validation control in the GST Portal to curb data entry errors, enhance taxpayers compliance and facilitate better scrutiny.

2.6.3 Detailed audit of GST returns

In a self-assessment regime, the onus of compliance with the 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 in GST returns through pan-sate data analysis, a detailed audit of GST returns was also conducted as a part of this review. A risk-based sample of 75 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 CAG field audit office. Based on desk review results, detailed audit was conducted in State Commercial Tax Departments field formations by requisitioning corresponding granular records

of taxpayers such as financial ledgers, invoices *etc.* to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

As brought out in the previous paragraphs, 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 State Commercial Tax Departments 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 categorized under a) Returns b) Utilisation of ITC and c) Discharge of tax liability.

2.6.3.1 Scope limitation (non-production of records)

The Department provided access through the GST portal application-the back-end system of the State Tax Department (boweb) to Audit in its premises.

Audit teams downloaded various returns of selected samples of taxpayers for verification of returns. Although, no granular records relating to the taxpayers were provided by the Department.

The details of non- production of records is summarised in the following paragraphs:

Non-production: During the desk review of taxpayers' records available in the back-end system, Audit identified the risks related to excess ITC and tax liability mismatches for detailed examination. On the ITC dimension, the mismatches were identified by comparing GSTR-3B with GSTR-2A and GSTR-9, and the declarations made in Table 12 and 14 of GSTR-9C. On the tax liability dimension, the mismatches were identified by comparing GSTR-3B with GSTR-1 and GSTR-9 and the declarations in Table 5, Table 7, and Table 9 of GSTR-9C. However, in 75 sampled cases, the Department did not produce the corresponding granular records such as the supplementary financial ledgers, invoices, agreement copies *etc.* required for examining the causative factors for mismatches of ITC and tax liability. Audit requisitioned these granular records of the taxpayers through the respective circles. The jurisdiction-wise non-production of records is summarised in **Table 2.7**. The case-wise listing of non-production is given in **Appendix 2.11**.

Table 2.7: Non-production of records

Jurisdictional zone of State Commercial Tax Departments	Sample	No of cases where records were not provided
	Number of taxpayers	Number of taxpayers
Bhopal	26	26
Indore-1	26	26
Indore-2	06	06
Gwalior	03	03
Jabalpur	14	14
Total	75	75

The granular records were not produced in 100 *per cent* of cases, as a result deviation/ mismatches amounting to ₹ 254.10 crore could not be examined in detail by Audit.

2.6.3.2 Filing of Returns

1. Short payment of late fees in delayed filing of GSTR-3B returns

Section 47(1) of MPGST Act, 2017 stipulates that any registered taxable person who fail to furnish returns required under Section 39 or 45 by the due date, shall be liable to a late fee of ₹ 100 for every day during which such failure continues subject to a maximum amount of ₹ 5,000. Further, vide notification No. 64/ 2017-CT dated 15 November 2017, late fee was reduced to ₹ 20 per day for taxpayers having tax payable as NIL and ₹ 50 per day for other taxpayers.

Scrutiny of GSTR-3B returns for the period 2017-18 filed by 75 taxpayers of 40 circle offices revealed that 23 taxpayers of 18 circle offices submitted returns with delay as enumerated in **Appendix 2.12**. The taxpayers were liable to pay late fees of ₹ 6.06 lakh warranted under Section 47 of MPGST Act, 2017 for delayed submission of returns. The amount of late fees paid by the taxpayer was ₹ 3.05 lakh. Thus, there was a short payment of late fees of ₹ 3.01 lakh.

On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in 12 cases ASMT-10 had been issued, in five cases²⁹ action was in progress, in two cases³⁰ notice had been issued. In three cases³¹ it was stated that tax amount was realised. In one case³² it was stated that taxpayer's reply was satisfactory, and no demand was raised, however, no supporting documents were provided to audit.

2.6.3.3 Mismatch relating to Input Tax Credit

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

Section 16 and 17 of the MPGST Act, 2017 prescribes the eligibility and conditions to avail ITC. Credit of CGST cannot be used for payment of SGST/ UTGST and credit of SGST/ UTGST cannot be utilised for payment of CGST. Rule 36 to 45 of the MPGST Rules, 2017 prescribes the procedures for availing and reversal of ITC.

Audit analysed the dataset of GSTR-2A in respect of selected taxpayers along with datasets of GSTR-3B, GSTR-9 and GSTR-9C filed by the taxpayers and noticed mismatches of input tax credit among returns. Audit could not examine mismatches in detail since relevant granular records were not produced by the Department.

Audit observed 108 instances of mismatches, amounting to ₹ 224.65 crore out of 75 sampled cases examined. The deficiencies were due to availing ITC irregularly, availing ineligible ITC,

²⁹ Balaghat (1 case), Dewas (1 case), Gwalior-1(2 cases) and Ujjain-1(1 case).

³⁰ Bhopal-6 (2 cases).

³¹ Bina (1 case), Indore-15 (1 case) and Tikamgarh (1 case).

³² Neemuch.

non or short reversal of ITC and excess availment of ITC on Input Service Distribution. Hence, these cases remain as mismatches.

The details of mismatches in input tax credit noticed by Audit are given in **Table 2.8**.

Table 2.8: Mismatch in input tax credit claimed by taxpayers

(₹ in crore)

S. N.	Parameter	No. of cases	No. of circle offices	Amount of mismatch	Remarks
1	Mismatch between ITC availed in GSTR-9/ 3B and ITC availed in GSTR-2A: To analyse, the data were extracted from GSTR-9/ GSTR-3B and GSTR-2A, and the ITC paid as per suppliers' details was matched with the ITC credit availed by the taxpayer and compare the ITC available as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in Table 4A(5) considering the reversals in Table 4B(2) but including the ITC availed in the subsequent year 2018-19 from Table 8C of GSTR-9 (<i>Appendix 2.13</i>).	42	28	76.25	<p>On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in 22 cases ASMT-10 had been issued, in 13 cases action was in progress, in three cases³³ notices had been issued.</p> <p>In two cases³⁴ the department stated that wrongly availed input tax credit was reversed in the month of September 2018 and September 2019 respectively by the taxpayers. Audit could not verify the same from return in one case and there was a short reversal in other case.</p> <p>In the remaining two cases³⁵ the department replied that one taxpayer submitted a satisfactory reply in ASMT-11 which was verified from audited accounts, and in another case, taxpayer has paid amount in 2018-19. Audit could not verify the correctness of action of the Department in these two cases in absence of supporting documents.</p>
2	Mismatch in ITC availed under RCM (with payment of tax): Data of table 3.1 (d) of GSTR-3B, which contains the details of inward supplies that are liable to reverse charge, was compared with RCM ITC availed in GSTR-9 table 6C+6D+6F. (<i>Appendix 2.14</i>)	4	3	0.28	<p>On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) in all the four cases³⁶ ASMT-10 was issued.</p>

³³ Bhopal-6, and Chhindwara-1 (2 cases).

³⁴ Pithampur and Tikamgarh.

³⁵ Ujjain-3 and Vidisha.

³⁶ Indore-2, Indore-3 and Indore-11 (2 cases).

S. N.	Parameter	No. of cases	No. of circle offices	Amount of mismatch	Remarks
3	Mismatch in availing of ITC in GSTR-9 (Table 8D) than eligible ITC available in GSTR-2A (Table 8A of GSTR-9): To check whether the taxpayer has availed more than the eligible ITC after all the adjustments. Table 8D of GSTR-9 captures the difference between ITC available as per GSTR-2A and availed as per GSTR-9 after considering subsequent period's adjustment. (<i>Appendix 2.15</i>)	24	16	46.83	<p>On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in 19 cases ASMT-10 had been issued, in two cases³⁷ action is in progress.</p> <p>In one case³⁸ the department stated that scrutiny has been done and after satisfaction no demand issued. No documents were provided in support of facts stated in reply.</p> <p>In another one case³⁹ it was stated that the taxpayer submitted invoices of excess supply and supplier clarification and in view of CBIC's circular No. 183/ 15/ 2022 dated 27-12-2022, taxpayer's reply was acceptable. No documents provided in support of facts stated in reply.</p> <p>In remaining one case⁴⁰ the department stated that the records of taxpayer could only be called for during proceedings under specified section of MPGST Act.</p>
4	Mismatch of ITC in ECL than declared in annual return: ITC claimed gets credited to ECL of the taxpayer through GSTR-3B. Table 6A of GSTR-9, which is the sum total of ITC availed in Table 3B is auto populated. Through table 6B to 6H, the taxpayer provides bifurcation of the ITC availed in form of inputs, input services, and capital goods. Table 6J of GSTR-9 brings out the difference of ITC actually availed	13	10	5.56	<p>On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in five cases⁴¹ ASMT-10 has been issued, in four cases⁴² action was in progress.</p> <p>In one case⁴³ the Department intimated that reply had already been furnished however no reply was not received by Audit.</p>

³⁷ Dewas (1 case) and Jhabua (1 case).

³⁸ Neemuch.

³⁹ Katni-2.

⁴⁰ Bhopal-6.

⁴¹ Bhopal-4, Gwalior-1, Indore-10 (2 cases) and Katni-1.

⁴² Bhopal-1, Chhindwara-2, Katni-1 and Tikamgarh.

⁴³ Pithampur.

S. N.	Parameter	No. of cases	No. of circle offices	Amount of mismatch	Remarks
	through 3Bs, and ITC entered in table 6B to 6H. A negative figure in 6J is indicative of excess availment of ITC (<i>Appendix 2.16</i>).				In two cases ⁴⁴ it was replied that proceedings in these cases are being done by the GST Intelligence, Jabalpur. No documents provided in support of facts stated in reply. In remaining one case ⁴⁵ it was stated that all the returns are available on online GST portal. No specific reply was provided on excess availing of ITC.
5	Mismatch of ITC between Annual Return and Financial Statements (Table 12F, 14T and 14S of GSTR-9C): To identify mismatch in ITC availed between the Annual Return and the Financial Statements. Table 12F of the form 9C captures the unreconciled ITC between the annual return GSTR-9 and that declared in the Financial Statements for the year after the requisite adjustments. Table 14T of GSTR-9C compares expenses incurred on inputs, capital goods or services with the input tax credit availed and highlights any excess availing of input tax credit on account of ineligibility, blocked credits in the Table 14T. Further, check the difference if any, between ITC claimed as per GSTR-9 and as declared in GSTR-9C (14S) (<i>Appendix 2.17</i>).	15	11	61.70	On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in 9 cases ASMT-10 had been issued, in three cases ⁴⁶ action was in progress, in two cases ⁴⁷ notices had been issued. In remaining one case ⁴⁸ the Department stated that requisite records were not available in this office and guidance had been sought from the higher authorities
6	Mismatch of ITC reversal in GSTR-9 in lieu of common inputs for taxable and exempted/ Nil supplies: If there is any exemption availed and there is no corresponding reversals/ short reversal in 7C or 7H of GSTR-9 then this check applied as red-flagged for detailed examination (<i>Appendix 2.18</i>).	6	5	30.95	On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in four cases ⁴⁹ ASMT-10 had been issued, and in two cases ⁵⁰ action was in progress.

⁴⁴ Damoh.

⁴⁵ Vidisha.

⁴⁶ Bhopal-3, Gwalior-1 and Indore-8.

⁴⁷ Bhopal-6 and Chhindwara -1.

⁴⁸ Bhopal-1.

⁴⁹ Indore-8, Katni-1 and Mandideep.

⁵⁰ Bhopal-1 and Jabalpur-4.

S. N.	Parameter	No. of cases	No. of circle offices	Amount of mismatch	Remarks
7	Mismatch of ITC reversal in GSTR-9 for capital goods in lieu of common inputs for taxable and exempted/ Nil supplies: If there is any exemption availed and there is no corresponding reversals in 7D then this check applied as red-flagged for detailed examination (<i>Appendix 2.19</i>).	4	4	3.08	On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in two cases ⁵¹ ASMT-10 had been issued, and in two cases ⁵² action was in progress.
	Total	108		224.65	

2.6.3.4 Mismatches relating to discharge of tax liability

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

Under Section 8 of the Goods and Services Tax (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(3) and 9(4) of the MPGST Act, 2017 and Sections 5(3) and 5(4) of the Integrated GST Act, 2017 provide for reverse charge levy of tax on certain goods or services, wherein the recipient instead of supplier becomes liable to pay tax.

Audit findings and mismatches noticed related to discharge of tax liabilities are discussed below.

Audit scrutinised GSTR-1, GSTR-3B and GSTR-9 returns filed by the taxpayers for the year 2017-18 and noticed mismatch in discharge of tax liability by comparing the tax liability furnished in the returns. Audit could not examine these mismatches in detail since relevant granular records were not produced by the Department. The details of mismatches are given in **Table 2.9**.

⁵¹ Jabalpur-1 and Mandideep.

⁵² Chhindwara-2 and Indore-8.

Table 2.9: Mismatch related to discharge of tax liability

(₹ in crore)

S. N.	Parameter	No. of cases	No. of circle offices	Amount of mismatch	Remarks
1	Mismatch of tax payable between GSTR-1 and GSTR-3B or GSTR-9: Tax liability of GSTR-1 was not matching with the tax liability declared in GSTR-3B or GSTR-9 (<i>Appendix 2.20</i>).	23	17	4.22	<p>On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in 12 cases ASMT-10 had been issued, in 6 cases action is in progress, in four cases notices are issued.</p> <p>In remaining one case⁵³ it was stated that the taxpayer has deposited the difference of tax liability by DRC-03. Audit could not verify the same as no documents provided in support of facts stated in reply.</p>
2	Un-discharged tax liability on comparing greater of the tax liability of GSTR-1, GSTR-9 with reference to Tax payment in GSTR-9 or GSTR-3B: GSTR-1 and GSTR-9 for the year 2017-18 and the tax payable in these returns was compared with the tax paid and declared in GSTR-9 or GSTR-3B. Where GSTR-9 not filed Tax payable in GSTR-1 should not be greater than GSTR-3B Table 3.1 (a + b) (<i>Appendix 2.21</i>).	37	26	20.69	<p>On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in 16 cases ASMT 10 had been issued, in eight cases action is in progress, in one cases⁵⁴ DRC-07 issued.</p> <p>In two cases⁵⁵ the Department intimated that the taxpayers have deposited the short/ difference amount of tax liability vide DRC -03/ Challans. No documents provided in support of facts stated in reply.</p> <p>In three cases⁵⁶ it was stated that the information is available on BO Web portal. The Department has not submitted any specific reply on observations raised.</p> <p>In three cases⁵⁷ the Department stated that DRC 01 and DRC 01A issued. No documents provided in support of facts stated in reply.</p> <p>In one case⁵⁸ Department intimated that action is in process at DG, GST Intelligence, Jabalpur. Double</p>

⁵³ Bhopal-6⁵⁴ Chhindwara-1⁵⁵ Bhopal-4 and Bhopal-6.⁵⁶ Bhopal-1, Bhopal-5 and Ujjain-3.⁵⁷ Narmadapuram, Jabalpur-4 and Katni-2⁵⁸ Damoh.

S. N.	Parameter	No. of cases	No. of circle offices	Amount of mismatch	Remarks
					<p>action could not be initiated. Reply is not tenable as Department only forwarded the taxpayer's reply without examination.</p> <p>In another case⁵⁹ it was intimated that various returns filed by the taxpayer are reflected on GST Portal and there is no provision to maintain other documents on portal in office. The access was provided to Audit to see the information available in back office application. No other documents could be called for considering Commissioner CTD circular no. 245 dated. 15-12-2022. Reply is not tenable as Department has to take action on the observation pointed put by Audit and intimate the same to Audit.</p> <p>In one case⁶⁰ it was stated that in preliminary investigation there is no mismatch in returns data extracted from BO portal. The reply was not tenable as Data obtained from GSTN showed debit note entries on which no tax payment was made.</p> <p>In remaining one case⁶¹ department intimated that scrutiny of the case has been done and after satisfactory reply no demand has been raised. No documents provided in support of facts stated in reply.</p>
3	Unreconciled Tax payment declared in GSTR-9C: Table 9R of GSTR-9C captures reconciliation between tax payment declared in annual return GSTR-9 and audited Annual Financial Statements (<i>Appendix 2.22</i>).	8	8	4.40	<p>On this being pointed out in audit (December 2022 to February 2023), the Department replied (July 2023) that in four cases⁶² ASMT-10 had been issued, in one case⁶³ action was in progress, in one case⁶⁴ payment has been made through DRC 03.</p> <p>In one case⁶⁵ the department replied</p>

⁵⁹ Vidisha.

⁶⁰ Bhopal-6.

⁶¹ Neemuch.

⁶² Bhopal-5, Indore-3, Indore-10, and Jabalpur-4.

⁶³ Ujjain-1.

⁶⁴ Bhopal-4.

⁶⁵ Katni-2.

S. N.	Parameter	No. of cases	No. of circle offices	Amount of mismatch	Remarks
					that the taxpayer has paid the tax in the year 2017-18 through cash and adjustment of ITC. The department had not offered any comments on unreconciled ITC.
					In another case ⁶⁶ it was stated that the taxpayer had paid the objected amount in the succeeding year 2018-19. No documents were provided in support of facts stated in reply.
	Total	68		29.31	

2.6.3.4.1 Difference in GSTR-9C and Financial Statement resulted in short realisation of Tax ₹ 10.63 lakh

One taxpayer M/ s MDP Infra (India) Private Limited, having GSTN 23AAHCM7589G1Z3, pertains to Circle -1, Gwalior, it was observed that, gross receipt (value of outward supply) as per GSTR-9C was ₹ 35.99 crore and the taxpayer also calculated and paid tax accordingly.

But the value of outward supply mentioned in audited Trading, Profit & Loss Account enclosed with GSTR-9C was ₹ 36.58 crore. Thus, there was a difference in outward supply amounting to ₹ 59.08 lakh. This resulted in short payment of tax amount of ₹ 10.63 lakh (₹ 59.08 lakh @ 18 per cent).

On this being pointed out (February 2023) in audit the DC State Tax (GST) Circle-1, Gwalior replied (February 2023) that action would be taken after scrutiny of the returns. Further reply is awaited (February 2024).

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

2.6.4 Conclusion

The CA on Department Oversight on GST Payments and Return Filing was undertaken in the context of varying trend of return filing and continued data inconsistencies with an objective of assessing the adequacy of the system in monitoring return filing and tax payments, extent of compliance and other departmental oversight functions.

This CA was predominantly based on data analysis, which highlighted risk areas, red flags and in some cases, rule-based deviations and logical inconsistencies in GST returns filed for 2017-18. The CA entailed assessing the oversight functions of State jurisdictional formation at two levels – at the data level through global data queries and at the functional level with a deeper detailed audit of both Circles and of the GST returns, which involved accessing taxpayer records.

⁶⁶ Vidisha.

A review of the functions of 10 Circles disclosed that there were deficiencies in oversight functions of Circles such as monitoring of return filing, taxpayer compliance, following up on DGARM reports and cancellation of registration.

Further, out of the 395 high value data inconsistencies identified by Audit the Department responded to 390 cases. Of these, 119 cases constituting 30.51 *per cent*, turned out to be compliance deficiencies with mismatch of ITC/ tax liability/ turnover of ₹ 2,700.36 crore. A relatively higher rate of mismatches deficiencies was noticed in ITC availment, turnover declarations, tax paid *etc.* The Department has not responded to five cases of inconsistencies, which has an identified mismatch of ₹ 16.98 crore.

Detailed audit of GST returns also suggested significant non-compliance. At the outset, essential records such as financial statements, and granular records such as supplementary financial ledgers, invoices, agreement copies *etc.* were not produced, which constituted a significant scope limitation. These cases represent potential risk exposure towards identified mismatches in ITC availment and tax payments. Out of the 75 cases that were audited either fully or partially, Audit observed 201 compliance deficiencies consisting of mismatches of ₹ 254.10 crore.

From a systemic perspective, the Department needs to strengthen the institutional mechanism in the Circles to establish and maintain effective oversight on return filing, taxpayer compliance, tax payments, cancellation of registrations and recovery of dues from defaulters.

2.6.5 Recommendations

The Department may-

- Ensure the scrutiny of returns of the years 2017-18 and 2018-19 in a time bound manner before the cases became time barred.
- Monitor the status of cancellation of registrations and action taken thereon in consonance with the Act provisions to check undischarged tax liabilities.
- Take up the matter with the GST Council to insert adequate validation control in the GST Portal to curb data entry errors, enhance taxpayers' compliance and facilitate better scrutiny.
- Initiate remedial action for all the compliance deviations brought out in this report before they get barred time.

CHAPTER III
COMMERCIAL TAX
DEPARTMENT
(STATE EXCISE)

CHAPTER III COMMERCIAL TAX DEPARTMENT (STATE EXCISE)

Compliance Audit on “Assessment, Levy and collection of Excise Duty by the Excise Department”

Summary

State Excise is one of the important sources of tax receipts of the Government of Madhya Pradesh (GoMP). During the period from February 2022 to October 2022, a total of 26 District Excise Offices and an apex unit *i.e.*, Office of the Excise Commissioner, Madhya Pradesh, Gwalior were covered for audit.

Audit observed the following issues of non-compliance with the provisions of Act/ Rules:

- *Non-existence of provision to assess financial position of the applicant during allotment of licence;*
- *Acceptance of Bank Guarantees not in the name of the authorised licensees and non-verification of the Bank Guarantees;*
- *Irregular refund of Security Deposit;*
- *Loss of revenue on account of short accounting of liquor stock;*
- *Non-imposition of penalty for non- maintenance of minimum stock in the country liquor warehouses and bottling units;*
- *Recoveries pending for surrendered licences in 2020-21; and*
- *Short deposit of Stamp Duty against security deposit.*

These instances of non-compliance and other observations in aggregate, involved an overall impact of ₹ 756.14 crore in 2,569 cases.

3.1 Tax Administration

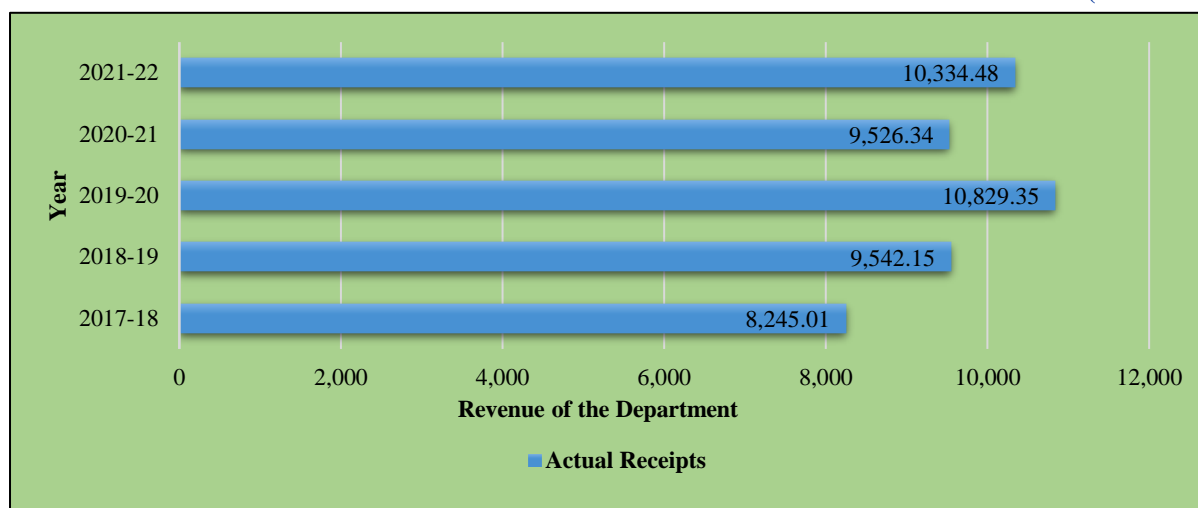
The Principal Secretary, Commercial Tax Department, is the administrative head of the State Excise Department at the Government level. The Department is headed by the Excise Commissioner (EC), who is assisted by three Additional Excise Commissioners (Add EC), three Deputy Excise Commissioners (DEC) at the Headquarters, Gwalior and eight DECs, in the Divisions as Divisional Flying Squad, 18 Assistant Excise Commissioners (AEC), and 61 District Excise Officers (DEO), in the districts. The District Collector heads the excise administration in the district and is authorised to manage shops for the retail sale of liquors and other intoxicants and is also responsible for the collection of excise revenue.

3.2 Trend of Receipts

State Excise is one of the important sources of tax receipts of Government of Madhya Pradesh (GoMP). The trend of receipts from State Excise for the last five years is exhibited in **Chart 3.1** below:

Chart 3.1: Receipts of the Department during the year 2017- 2022

(₹ in crore)



Source: Finance Accounts of Government of Madhya Pradesh for the relevant years

The above Chart indicates that Revenue Receipts of the Department increased by 15.73 *per cent* in 2018-19 and again by 13.49 *per cent* in 2019-20. However, the Revenue Receipts of the Department declined by 12.03 *per cent* in 2020-21 mainly due to decrease in sale of liquor on account of Covid-19 pandemic. It again increased by 8.48 *per cent* in 2021-22 mainly due to increase in sale of “Country Spirits” and “Other receipts”. Overall, receipts from State Excise have increased by 25.34 *per cent* during 2017-22.

3.3 Internal Audit

An Internal Audit Branch (IAB) is functional in the Office of the EC. The Joint Director is the head of the IAB and conducts internal audits of the Department with the assistance of Madhya Pradesh Treasury and Accounts Officer.

Audit observed that no significant objections were pointed out by the IAB during the last three years (2019-22). The details of audit conducted by Internal Audit are shown in the **Table 3.1** below:

Table 3.1: Internal Audit Conducted by the Department

S. N.	Year	Prescribed Number of Audits to be conducted as per Roster	Audits Actually Conducted
1	2019-20	50	48
2	2020-21	50	39
3	2021-22	51	51

During the three-year period, 138 internal audit reports were issued by IAB, however, IAB had no data regarding the number of subsequent compliance reports received. Further, the data regarding the number of audit observations issued in these reports and number of observations on which compliance was received, was also not available with the IAB. This indicates that the audits carried out by IAB were a mere formality and did not serve any useful purpose as the efforts made by the Department to comply with the observations raised by IAB were not visible, and the IAB also failed to monitor the progress post audits.

Audit had sought details of the number of observations issued by the IAB and compliance reports submitted by the wings audited. Detailed information on the audit observations issued by IAB and its compliance was awaited (March 2024).

3.4 Results of Audit

During the period from February 2022 to October 2022, a total of 26 out of 52 District Excise Offices of the Department and an apex unit *i.e.*, Office of the Excise Commissioner, Madhya Pradesh, Gwalior were covered for audit. Audit observed loss of revenue and other observations amounting to ₹ 756.14 crore in 2,569 cases as detailed in **Table 3.2** below:

Table 3.2: Results of Audit

S. N.	Nature of Audit Observation	(₹ in crore)	
		Number of Objections	Money Value
1	No provision to assess financial position of the applicant while allotment of licence resulted in loss of revenue to the Government	2	9.58
2	Acceptance of Bank Guarantee not in the name of the authorised licensees and non-verification of the Bank Guarantee	2	0.15
3	Irregular refund of Security Deposit	1	3.63
4	Loss of revenue on account of misappropriation of liquor stock	6	1.69
5	Non-imposition of penalty for non-maintenance of minimum liquor stock/ non-execution of lease deed/ non-recovery of imposed penalty.	2,457	0.00 ¹
6	Issues arising from New Excise Policy for execution of retail shops of liquor	17	471.38
7	Recoveries pending for surrendered licences in 2020-21	26	269.69 ²
8	Short deposit of stamp duty against security deposit	58	0.02
Total		2,569	756.14

3.5 Compliance Audit on Assessment, Levy and Collection of Excise Duty by the State Excise Department

3.5.1 Introduction

Under the Madhya Pradesh Excise Act, 1915 (MP Excise Act) and the Rules made thereunder, the State Excise Duty includes the revenue from the production, acquisition and sale of liquor, and cannabis. Under the MP Excise Act, “liquor” means an intoxicant, which includes spirits, wine, *tadi*³, beer, all substances containing alcohol, or any other substance declared by the State Government to be liquor by notification.

In Madhya Pradesh, the Excise Department issues licenses for manufacturing/bottling and supply of the liquor in the state to the eligible applicants as per the Distillery Rules/Country Liquor Rules/Foreign Liquor Rules/Brewery Rules made under the Madhya Pradesh State Excise Act, 1915. For the retail sale of Liquor, the Department issues licenses through the process of renewal/lottery/e-tendering. IMFL/Beer/Wine is manufactured in the

¹ The penalty amounts mentioned in paragraphs 3.5.6.3, 3.5.6.4, 3.5.6.5 and 3.5.6.8 being discretionary in nature have not been considered for calculating the Money Value.

² One case with money value ₹ 9.58 crore already included in serial number one.

³ Country liquor made from the sap of palm trees.

distilleries/bottling plans/breweries/wineries, which are then transferred to Government Bonded Warehouses for onwards supply to retail licencees which can either be 'ON' (hotels/bars/restaurants) or 'OFF' (retail IMFL/wine shops).

3.5.2 Audit Objective

The audit was conducted to assess whether Assessment, Levy and collection of Excise Duty was done by the State Excise Department of Madhya Pradesh as per the laid down norms.

3.5.3 Audit Criteria

State Excise revenue is collected under the following Acts, Rules and Notifications. The audit of the State Excise Department was done on the basis of these criteria:

- Madhya Pradesh Excise Act, 1915;
- Madhya Pradesh Distillery Rules, 1995;
- Madhya Pradesh Country Spirit Rules, 1995;
- Madhya Pradesh Foreign Liquor Rules, 1996;
- Madhya Pradesh Breweries and Wine Rules, 2002;
- Madhya Pradesh Financial Code, 1984;
- Madhya Pradesh Treasury Code, 2020; and
- Orders, circulars and notifications issued by the GoMP/ Excise Commissioner.

3.5.4 Scope of audit

During the course of audit, a total of 26 District units out of 52 District units of the Department and an apex unit *i.e.*, Office of the Excise Commissioner, Madhya Pradesh, Gwalior were audited during February 2022 to October 2022. The selection of the units was done on the basis of revenue receipts. During audit, the records pertaining to assessment, levy and collection of Excise Duty for the period 2019-2020 to 2021-2022 were scrutinised. The Exit meeting was held with the Department in May 2023.

Audit Findings

Audit found systemic deficiencies and non-compliance of various provisions of the Acts/ Rules involving ₹ 756.14 crore as discussed in the ensuing paragraphs.

3.5.5 Systemic Deficiencies

3.5.5.1 No provision to assess financial position of the applicant during allotment of licence

According to the Rule 21(7) of Madhya Pradesh Financial Code (MPFC), in selecting the tender to be accepted, the financial status of the individuals and firms must be taken into consideration in addition to all other relevant factors.

Scrutiny of e-tendering process of the retail liquor shops revealed that the Department had no provisions in place to assess the financial standing of the bidders in the bidding stage. In the

Office of DEO, Dhar, it was observed that one individual had been allotted (April 2020) the licence of retail sale of liquor in Badnavar⁴ and Gandhwani⁵. The e-tender bid of Badnavar Group was of ₹ 22.04 crore and that of the Gandhwani group was of ₹ 27.82 crore, with the combined total bid amounting to ₹ 49.86 crore, and the same was accepted (April 2020) by the District Committee⁶.

It was further observed that the licences of the Badnavar Group and Gandhwani Group were subsequently cancelled by the District Collector, Dhar (June 2020) due to the failure of the licensee in depositing Security Deposit within the stipulated period of 45 days and recoveries amounting to ₹ 9.58 crore (Badnavar ₹ 1.27 crore + Gandhwani ₹ 8.31 crore) were calculated against the licensee as the tenders were inclusive of the clause of risk and cost and Revenue Recovery Certificate (RRC) was accordingly issued (January 2021) against the licensee and the case was forwarded to the District Collector, Jhansi for recovery as the address of the licensee was of Jhansi. The District Collector, Jhansi, however returned the RRC back to Dhar with a note that there was no movable/ immovable property against the name of the licensee in the district and hence recovery could not be effected.

The above facts depict that the licensee was not financially competent to take the Excise licence of ₹ 49.86 crore. Thus absence of proper checks, while approving technical bids, to verify the financial competence of the licensees as required under the provisions of MPFC, resulted in loss to Government amounting to ₹ 9.58 crore. It is worth mentioning that during the same period, the licensee did a total business of ₹3.76 crore⁷.

On being pointed out in audit (September 2022), the Department stated (May 2023) that fixing any criteria to scrutinise the financial soundness would result in reduction of the number of new participants as well as hamper the competition. This will adversely affect the revenue of the Government.

The reply is not acceptable as the Department should have installed adequate checks in place to ensure financial soundness so that Government's interests are protected. The lackadaisical approach of the Department towards carrying out basic checks before awarding licences thereby resulted in loss of revenue to that extent.

3.5.5.2 Acceptance of Bank Guarantee not in the name of the authorised licensees and non-verification of the Bank Guarantees

Clause 10.1.5 of Gazette Notification no. 77 dated 25 February 2020 of Commercial Tax Department stipulates that submitted Bank Guarantee (BG) or Fixed Deposit receipt will be accepted only if issued in the name of the selected applicant/ successful tenderer (individual/ partnership firm/ company/ consortium) selected through the Renewal/ Lottery application form. Further, it will be mandatory to get the BG verified at the district level (through the respective District Excise Offices).

⁴ License was allotted under Badnavar Group License (DHR/F-5).

⁵ License was allotted under Gandhwani Group License (DHR/F-10).

⁶ District Committee, responsible for execution of liquor shop licences, comprises of the District Collector, Superintendent of Police, Deputy Commissioner Excise of the concerned division, Chief Executive Officer (Jila Panchayat) and District Excise Officer.

⁷ Badnavar ₹ 2.06 crore + Gandhwani ₹ 1.70 crore

Scrutiny of records related to Security Deposits maintained by DEO, Narmadapuram revealed that BGs concerned with 19 licencees amounting to ₹ 18.39 crore had not been verified by the concerned office. Details such as names of the BG holders were not mentioned in the bank verification details due to which the validity and genuineness of the BG could not be verified by Audit.

Audit scrutinised two BGs and observed that:

- A BG (number 2990ILG000818) amounting to ₹ 11,12,400 was submitted in the name of Shri Ravindra Singh, *i.e.*, the licencee. Cross-verification of the BG with the concerned bank revealed that the BG was actually issued in the name of Shri Badri Prasad Jaiswal.
- A BG (number 2990ILG000517) amounting to ₹ 4,00,360 was submitted in the name of Shri Rahul Jaiswal, *i.e.*, the licencee. Cross-verification of the BG with the concerned bank revealed that the BG was actually issued in the name of Ms. Priyanka Jaiswal.

Thus, in both the cases, the licensees submitted incorrect BGs. Acceptance of the same indicated that the concerned District Excise Officer failed to carry out the mandatory verification of the BGs.

On this being pointed out (March 2022), the Department stated (May 2023) that appropriate action will be taken against the concerned officials, if found guilty.

Further reply has not been received (March 2024).

It is recommended that the Department verify the genuineness of all the BGs submitted by the licencees and take action against errant licencees and officials for submitting/ accepting incorrect BGs. The Government may also write to the concerned banks to carry out investigations into the role of the bank officials who issued the renewal/ extension certificates for the incorrect BGs.

3.5.6 Non-compliance with the provisions of Act/ Rules

3.5.6.1 Irregular refund of Security Deposit

According to Rule 7 of the MPFC, it is the duty of the Revenue or Administrative Department concerned to see that the dues of the Government are correctly and promptly assessed, collected and regularly paid into the treasury. It should maintain proper accounts of the collections, watch the progress of collections against the total demand and take prompt steps to collect all arrears.

According to the Gazette Notification no. 77 dated 25 February 2020, issued by Commercial Tax Department, GoMP, Security Deposit submitted by a consortium for the licence of liquor shops during a particular period can be forfeited for irregularities committed by any other consortium (in any district in Madhya Pradesh) if an applicant in the second consortium happens to be a member of the first consortium.

During audit of the DEO, Rewa, it was observed that a single group licence of all 77 liquor shops (51 country liquor shops and 26 foreign liquor shops) under Rewa district for the year 2020-21 was allotted to M/s Gopal Associates, Bilaspur, Chhattisgarh (a consortium of 10 partners). The group licence of the consortium was cancelled (June 2020) on account of non-production of Security Deposits and other documents and accordingly, the DEO, Rewa

calculated an amount of ₹ 51.38 crore to be recovered from the consortium (January 2021). Subsequently, the DEO, Rewa, while issuing RRC against the consortium, wrote to all the District Excise Offices of the State Excise Department (May 2021) for recovery of ₹ 51.38 crore against the defaulter firm/ consortium and its 10 partners.

Audit observed that one of the partners⁸ of M/s Gopal Associates, was also a partner in another consortium (M/s Wine Traders, Gwalior) which got the license to operate liquor shops in Morena district for the year 2020-21. For operation of the license, M/s Wine Traders had submitted two BGs amounting to ₹ 3.63 crore⁹ to the DEO, Morena.

DEO, Morena had been intimated¹⁰ by the DEO, Rewa regarding recovery of dues from M/s Gopal Associates and he was also aware of the fact¹¹ that a partner in the defaulting consortium (M/s Gopal Associates) was also a partner in M/s Wine Traders, which was operating in his District. Despite this, the DEO, Morena, instead of forfeiting the BG amount of ₹ 3.63 crore, adjusted the same (March 2022) against the excise duty payable by the consortium.

Irregular action of the DEO, Morena thus resulted in non-recovery of dues amounting to ₹ 3.63 crore which was a loss of revenue as the defaulting consortium (M/s Gopal Associates) had since stopped all business activities in the State and hence the chances of recovery of the dues from the consortium appears to be remote.

On this being pointed out (September 2022), the Department stated (May 2023) that the BG was adjusted as the licensee got stay order from the Jabalpur High Court. Further, the Department stated that BG cannot be forfeited towards adjustment of dues of DEO, Rewa as the DEO, Morena was having the first charge of licensee's BG and the shortfall in minimum guarantee duty of Morena District was to be recovered from the licensee's BG which was done by DEO, Morena on priority basis.

The reply is not acceptable as it is evident from the information provided by the DEO, Morena that the BG amount was adjusted against the excise duty due for the first fortnight of last month of the licence period (March 2022) and the DEO, Rewa had intimated DEO, Morena about the recovery in the beginning of the licence period (June 2021). This implies that there were no dues pending against the minimum guarantee duty on the part of the licensee. Further DEO, Rewa calculated the recovery against the licensee in January 2021 and the licensee got the stay order from the Court in May 2021, after a delay of four months since recovery was calculated. Further reply is awaited (March 2024).

⁸ Shri Nikunj Shivhare.

⁹ ₹ 3.35 crore validity: 30 April 2022, ₹ 27.76 lakh validity: 30 June 2021.

¹⁰ Vide letter dated 09 May 2021 and again vide reminder dated 28 June 2021.

¹¹ As evident from the reply written by DEO, Morena to the AEC Rewa stating that he was aware that Shri Nikunj Shivhare was involved in the consortium operating in Morena.

3.5.6.2 Non-imposition of penalty for non-maintenance of minimum stock in the country liquor warehouses and bottling units

According to Rule 4(4) of the Country Spirit Rules, 1995, each bottling plant licensee shall maintain the minimum stock of country liquor, both bottled and as spirit, of five days (for bottled liquor) and seven days (for spirit) equivalent to the average consumption/supply in the previous month. In case of warehouse, the licensee shall maintain minimum stock of bottled country liquor equivalent to the average consumption/ supply of five days of the previous month. For violation of the provisions of the *ibid* rules, maximum penalty of ₹ two lakh is leviable.

Audit observed that 40 country liquor storage warehouses and seven bottling plants in 20 districts¹² did not maintain the minimum stock as prescribed under the Country Spirit Rules, 1995. For non-maintenance of minimum stock, penalty as prescribed was leviable. But due to lack of monitoring of the stock by the excise officials and failure to take suitable action as prescribed, penalty, as appropriate was not levied.

On this being pointed out (March 2022 to October 2022), the Department stated (May 2023) that levy of penalty and its realisation is a continuous process. It was agreed that details of actual levy and collection of the penalty, if any would be intimated to Audit.

Further development is awaited (March 2024).

3.5.6.3 Non-imposition of penalty due to non-execution of lease deed of liquor warehouse building

According to Rule 4(2)(a) of the Madhya Pradesh Country Spirit Rules, 1995, if the warehouse building is owned by the State Government, then the licensee shall be bound to pay the necessary rent for the building or buildings used by him, as determined by the Public Works Department of the State Government on proper terms and conditions and shall also execute the lease deed in the prescribed form within a period of one month from the date of grant of the licence. For violation of the provisions of the *ibid* rules, maximum penalty of ₹ two lakh is leviable and in the event of a continuing contravention, additional penalty not exceeding ₹ 1,000 may be imposed for each day during which such contravention continues.

Audit observed that in respect of 11 liquor warehouses under five districts, the licensees failed to execute the lease deeds even though the warehouses were being operated in the government buildings. For non-execution of the lease deeds, penalty not exceeding ₹ 1.64 crore was leviable but was not levied. Further, on account of non-execution of the lease deeds, Stamp Duty applicable on such deeds remained unrealised.

On this being pointed out (March 2022 to October 2022), the Department stated (May 2023) that correspondence is being made with the Public Works Department in this regard. It was also stated that DEOs will be instructed to comply with the registration provisions of the lease deed and details of the recovery will be intimated to the Audit.

The Government reply is awaited (March 2024).

¹² Seven bottling plants pertaining to four districts out of the 20 districts with Chhatarpur and Gwalior.

3.5.6.4 Issues arising from New Excise Policy for execution of retail shops of liquor

The GoMP introduced a new Excise Policy on 25 February 2020, which was to be effective from the financial year 2020-21 onwards. The Policy introduced new provisions for licensing of retail liquor shops.

The salient features of the new Excise Policy are as follows:

- All existing retail licences were to be cancelled in respect of 16 districts and to be replaced by consortium-based group licences.
- In respect of four districts (Bhopal, Gwalior, Indore and Jabalpur) there would be two groups which would manage all the retail licences while in respect of the other 12 districts (Burhanpur, Chhindwara, Dewas, Katni, Khandwa, Morena, Ratlam, Rewa, Sagar, Satna, Singrauli and Ujjain), one single consortium would be managing all the retail licences. So effectively, 20 consortium-based licences were to be issued.
- The consortium were to be selected on the basis of e-auction over and above the minimum base price fixed for each district by the Government.

The e-auctions for the 20 licences were conducted in March 2020. Details are given in the **Table 3.3** below:

Table 3.3: Details of licensees based on e-auction

							(₹ in crore)
S. N.	Name of the licence	Date of e-auction	No. of bidders/ Name	Name of successful consortium	Amount	Amount deposited	No. of Shops allotted
1	Old Bhopal	March 2020	02 (Sangam Enterprises and Alcoactive Retail Traders)	Sangam Enterprises, Bhopal	491.82	24.59	61
2	New Bhopal	March 2020	02 (Sangam Enterprises and Alcoactive Retail Traders)	Alcoactive Retail Traders, Bhopal	397.46	19.87	31
3	Jabalpur North	March 2020	01 (Maa Vaishno Enterprises)	Maa Vaishno Enterprises, Jabalpur	593.34	42.49	73
4	Jabalpur South	March 2020	01 (Maa Vaishno Enterprises)	Maa Vaishno Enterprises, Jabalpur		0	71
5	Indore A	March 2020	02 (Indore Liquors Gallery LLP and Alcoactive Retail Traders Pvt. Ltd.)	Indore Liquors Gallery LLP, Indore	1165.66	32.16	80
6	Indore B	March 2020	02 (Indore Liquors Gallery LLP and Alcoactive Retail Traders Pvt. Ltd.)	Indore Liquors Gallery LLP, Indore		26.11	95

S. N.	Name of the licence	Date of e-auction	No. of bidders/ Name	Name of successful consortium	Amount	Amount deposited	No. of Shops allotted
7	Gwalior East	March 2020	01 (Gwalior Wines)	Gwalior Wines, Gwalior	195.45	13.52	54
8	Gwalior West	March 2020	01 (Gwalior Wines)	Gwalior Wines, Gwalior	197.60	12.87	59
9	Ratlam	March 2020	03 (Maa Chamunda Enterprises, P N Group and Patel Beer Pvt. Ltd.)	Maa Chamunda Enterprises, Indore	218.00	202.88	99
10	Rewa	March 2020	05 (Ashi Tradelink Pvt. Ltd., Gopal Associates, Shri Krish Traders, Mandori Traders Pvt. Ltd., S S Associates)	Gopal Associates, Bilaspur	251.62	16.96	77
11	Khandwa	March 2020	02 (Lakhan Jaiswal and V V P Sales)	Lakhan Jaiswal, Khargone	172.29	11.46	74
12	Morena	March 2020	01 (Wine Traders)	Wine Traders, Gwalior	159.66	162.32	59
13	Chhindwara	March 2020	02 (M/s Sundaram Traders Partner Shri Ujjawal Singh Chauhan S/o Shri Dashrath Singh Chauhan and Shri Praveen Chauhan S/o Shri Dashrath Singh Chauhan)	Sundaram Traders, Chhindwara	294.07	17.18	117
14	Katni	March 2020	02 (Bhagwati Enterprises and Patel Beer Pvt. Ltd. Director Shri Nikunj Shivhare)	Bhagwati Enterprises, Jabalpur	230.76	232.87	63
15	Ujjain	March 2020	01 M/s Mahakali Traders Partner Shri Satyanarayan Jaiswal	Mahakali Traders, Ujjain	438.53	23.99	141
16	Burhanpur	March 2020	05 (Shri Rajesh Singh S/o Shri Mahavir Singh Thakur, Maa Chamunda Enterprises, Moonrise Retail Trading Pvt. Ltd., Ankit Sales Partner and Shri	Rajesh Singh Thakur, Burhanpur	104.35	6.86	44

S. N.	Name of the licence	Date of e-auction	No. of bidders/ Name	Name of successful consortium	Amount	Amount deposited	No. of Shops allotted
			Rishi S/o Shri Ramesh Chand Rai)				
17	Dewas	March 2020	01 (M/s Wine World Partner Shri Ashish Pandey)	M/s Wine World, Lucknow	239.51	55.12	95
18	Singrauli	March 2020	02 (Shiva Wines and Malwa Wines India Pvt. Ltd.)	Malwa Wines India Pvt. Ltd., Gwalior	114.97	7.53	47
19	Sagar	March 2020	02 (Shivansh Developers and Tikaram Kori & Co.)	Tikaram Kori & Co., Sagar	409.12	51.26	104
20	Satna	March 2020	02 (M/s Pandey Associates and Raisen Marketing Pvt. Ltd.)	M/s Pandey Associates, Bilaspur	290.62	20.59	71
Total					5,964.83		

Audit reviewed the Excise Policy and the issues emanating from this have been discussed below:

- The process of e-auction attracted single bidder in seven cases, two bidders in 10 cases, three bidders in one case and five bidders in two cases. It was further observed that the same two bidders auctioned for the licences for both the groups in Bhopal (S. No. 1 and 2 of **Table 3.3** above) and both won one group licence each. In such a situation, the possibility that there was cartelisation in the bidding process cannot be ruled out.
- The Government did not fix norms for the bidding process or verify the antecedents of the bidders. It was observed that many bidders submitted BGs in the name of other individuals (Reference Para 3.5.5.2). Further in at least three cases¹³, the bidders were from other States with no fixed address or other business activities in the State. The GoMP did not prescribe any modalities to realise Government revenue from the outside licencees, in case of breach of any of the conditions of the licences by these licensees.
- The Excise Policy seeking introduction of group-based licences appears to have been introduced without any viability analysis as could be seen from the fact that after the licensees in 17 cases¹⁴ failed to pay the licence fees, the GoMP decided to operate the liquor shops departmentally (06 June 2020), within four months of introduction of the Policy and reverted back to the old regime of individual retail licences finally on 21 Jan 2022, *i.e.*, after 11 months of introduction of the Policy.

¹³ Dewas, Rewa and Satna.

¹⁴ Burhanpur, Chhindwara, Dewas, Gwalior East, Gwalior West, Indore-A, Indore-B, Jabalpur North, Jabalpur South, Khandwa, New Bhopal, Old Bhopal, Rewa, Sagar, Satna, Singrauli and Ujjain.

- Out of the 17 licensees, 11 licensees¹⁵ approached Courts (July 2020) seeking quashing of the Excise Policy and refund of the security deposits paid by them, citing their inability to operate the licences and pay the licence fees on account of pandemic induced restrictions. In case of remaining six licensees, the department is carrying out recovery action. After cancellation of licences the *khisara* (recovery) calculated by the Department amounting to ₹ 241.50 crore in respect of these licensees remained unpaid (March 2023).

On account of the implementation of the New Excise Policy and its subsequent annulment within four months, revenue amounting to ₹ 471.38 crore continues to remain unrealised.

On this being pointed out (September 2022), the Department stated (May 2023) that due to Covid restrictions, retail liquor shops operated with too many limitations and as a result many licences were surrendered, and the shops were operated Departmentally. It was also stated that the New Excise Policy was approved by the Cabinet and shops were allotted through e-tendering process in a transparent manner.

The reply is not acceptable as in 18 districts despite Covid related restrictions, the licensees operating the licences under old regime had completed their licence period by depositing Government revenue in full. Further, as a relief measure, the Government had already given proportionate rebate in duty and licence fees for the period of closure of retail liquor shops of licensees due to Covid related restrictions. This indicates that the group licensees did not have either the financial capability or the wherewithal to run the retail liquor shops.

Further development is awaited (March 2024).

3.5.6.5 Loss of revenue on account of short accounting of liquor stock

According to Rule 25 of MPFC, every Government servant is personally responsible for any loss accruing to the Government due to his negligence or fraud.

The GoMP introduced the new Excise Policy on 25 February 2020 vide which, consortium-based group licences were issued in 16 out of 52 districts on payment of pre-determined amount (arrived at through e-bidding). The remaining 36 districts continued with the old Excise Policy wherein individual retail licences continued to operate.

In 13 (out of 16 districts) new Excise Policy districts and 18 (out of 36 districts) old Excise Policy districts, the licensees, either consortium based or individual, failed to pay the Security Deposits and provide necessary documentation as envisaged in the new Excise Policy. Consequently, the Excise Commissioner, GoMP, after a gap of four months, cancelled the consortium-based group licences/individual licences in all these 31 Districts and issued instructions (June 2020) to all the DEOs for operation of liquor shops departmentally. Accordingly, the DEOs were instructed to take possession of the liquor stock in all the liquor shops as on 08 June 2020.

Scrutiny of records revealed that in three Districts (Betul, Singrauli and Rewa), the Excise Sub-Inspectors (ESIs) prepared (09 June 2020) *panchnama* of the confiscated foreign and

¹⁵ Burhanpur, Chhindwara, Dewas, Gwalior East, Gwalior West, Jabalpur North, Jabalpur South, New Bhopal, Old Bhopal, Rewa and Singrauli.

country liquor in respect of six retail shops (details in **Table 3.4**) and submitted the same to the concerned DEOs for appropriate action. As per the *panchnama*, the total stock of liquor bottles available in the shops was 1,05,268. However, the Assistant District Excise Officers (ADEOs) recorded actual stock of only 14,042 bottles in their stock registers (kept in the retail shops). The ADEOs neither brought the discrepancy to the notice of the DEOs and the DEOs also failed to seek stock details from either the ESIs or the ADEOs.

Thus, the ESIs/ ADEOs concealed 91,226 bottles of liquor, and failure of the concerned DEOs to take any action to verify/account for the liquor stock resulted in short accounting of revenue amounting to ₹ 1.69 crore.

The details are mentioned in the **Table 3.4** below:

Table 3.4: Short Accounting of Liquor Stock

Name of the District Office	Name of Shop	No. of bottles of confiscated liquor according to <i>Panchnama</i>	No. of bottles as per shop records	No. of bottles short accounted	Money value of bottles short accounted
DEO, Betul	Pratap Ward Betul	36,900	0	36,900	90,05,780
	Betul Ganj Betul	23,767	911	22,856	46,54,190
DEO, Singrauli	Vindhya Nagar	26,391	7,410	18,981	23,57,440
	Saraswah (country liquor)	5,378	0	5,378	3,20,640
	Simplex (country liquor)	6,717	0	6,717	3,71,060
DEO, Rewa	Saman Naka	6,115	5,721	394	1,69,010
Total		1,05,268	14,042	91,226	1,68,78,120

On this being pointed out (May 2022 to September 2022), the Department stated (May 2023) that it was carrying out a detailed examination of the case.

Further development is awaited (March 2024).

Recommendation: The GoMP may investigate and fix responsibility on the concerned ESIs/ ADEOs for the lapse, resulting in short accounting of revenue. Further, the Government may also carry out an investigation into the accounting of stock of liquor in all the 31 districts (where consortium-based or individual licences were later operated departmentally).

3.5.6.6 Recoveries pending for surrendered licences in 2020-21

As per Rule 7 of the MPFC, it is the duty of the Revenue Department concerned to see that dues of Government are correctly and promptly assessed, collected and regularly paid into the treasury.

Audit, on analysing the information provided by the Office of the Excise Commissioner pertaining to the recoveries pending with the Department, observed that in the financial year 2020-21, 329 retail licences worth ₹ 10,729.52 crore were allotted in 52 districts in Madhya Pradesh. Out of these 329 licences, 38 licensees expressed their inability to run the liquor shops and surrendered their licences. Consequently, the State Excise Department cancelled

their licences and issued/ re-allotted the licences to other licensees for ₹ 1,064.50 crore against the original value of ₹ 1,605.59 crore.

The Government further initiated (June 2020) recovery proceedings for an amount of ₹ 293.25 crore, out of which an amount of ₹ 13.98 crore was recovered and ₹ 279.27 crore remained unrealised (March 2024).

Further, out of the ₹ 279.27 crore:

- In two cases, recovery of ₹ 9.58 crore (Reference Para 3.5.5.1) could not be made on account of non-existence of movable and immovable property of the licensees, resulting in loss of revenue to that extent.
- Recovery of ₹ 37.49 crore pertaining to 17 licensees is pending as the cases being sub-judice (March 2024).
- In respect of the balance ₹ 232.20 crore pertaining to 11 cases, no development has been reported by the Department and action taken to recover the same was not on record despite a lapse on more than 43 months since the beginning of recovery proceedings (March 2024).

On this being pointed out (September 2022), the Department stated (May 2022) that recovery process is underway in all the concerned districts and since numerous cases are under litigation, the same will be dealt as per Court decisions. It was also stated that details of recoveries would be intimated to Audit.

Further development is awaited (March 2024).

3.5.6.7 Non-recovery of imposed penalty amount

According to Section 48 (a) of the Madhya Pradesh Excise Act, 1915, in case of any breach or violation of the terms and conditions of the general licence or any rule by the licensees, penalty not exceeding ₹ 0.10 lakh shall be imposed by the Excise Commissioner. If the penalty amount is not deposited by the licensee, it should have been recovered from their security.

During scrutiny of the penalty cases, it was observed that five District Excise Offices imposed penalty of ₹ 0.26 crore in 2,494 cases related to years 2019-20 to 2020-21, out of which only DEO, Morena realised ₹ 1.37 lakh in 114 cases. In the remaining 2,380 cases (95 *per cent*), penalty could not be recovered. The details are as shown in **Table 3.5** below.

Table 3.5: Non-recovery of imposed Penalty

(Amount in ₹)

S. N.	Name of the District	Year	No. of cases	Imposed penalty	Pending cases	Pending penalty
1	Morena	2020-21	394	4,73,480	280	3,36,630
2	Morena	2021-22	577	6,93,800	577	6,93,800
3	Gwalior	2021-22	31	40,200	31	40,200
4	Neemuch	2021-22	182	2,19,600	182	2,19,600
5	Khargone	2021-22	1,302	12,03,450	1,302	12,03,450
6	Alirajpur	2021-22	08	16,000	08	16,000
Total			2,494	26,46,530	2,380	25,09,680

Despite non-deposit of penalty by the licensees, the State Excise Department did not adjust the same from the security deposits of the licensees.

On this being pointed out (March 2022 to June 2022) the Department stated (May 2023) that in five out of six districts, the amount has been recovered. However, in the only remaining district of Alirajpur, recovery is pending as the matter is under consideration with the Court. It was stated that details of recovery made in the five districts as well of the Alirajpur district would be intimated to Audit.

The amount recovered (in five out of six districts, as stated) has not been intimated. Further development is awaited (March 2024).

3.5.6.8 Short deposit of Stamp Duty against security deposit

According to the Clause 10 of Gazette Notification dated 25 February 2020, Bank Guarantee for the amount of the licence security deposit was to be prepared and submitted on non-judicial stamp paper of 0.25 *per cent* of the security deposit amount, subject to a maximum of ₹ 0.25 lakh.

It was observed that in 58 cases (16 fresh BGs and 44 renewed¹⁶ BGs) under eight districts, security of ₹ 32.30 crore (7.43 crore for fresh and 24.87 crore for renewed) was deposited, on which stamp duty of ₹ 2,12,442 (₹ 1,68,442 for fresh and ₹ 44,000 for renewed) was payable. Against this, the licensees submitted stamp paper amounting to only ₹ 31,418 (₹ 30,218 for fresh and ₹ 1,200 for renewed), resulting in short deposit of Stamp Duty of ₹ 1,81,024 (₹ 1,38,224 for fresh and ₹ 42,800 for renewed).

The details are shown in the **Table 3.6** below:

Table 3.6: Stamp Duty not/short levied

						(Amount in ₹)
S.N.	Name of the District	No. of cases	Amount of Bank Guarantee	Stamp Duty payable	Stamp Duty paid	Short Duty
1	Khargone	3	2,67,93,701	21,672	5,718	15,954
2	Chhindwara	2	50,00,000	2,000	200	1,800
3	Ujjain	1	1,00,00,000	25,000	0	25,000
4	Shivpuri	4	5,11,99,170	4,000	0	4,000
5	Alirajpur	7	2,32,32,000	49,445	25,000	24,445
6	Katni	3	8,00,00,000	3,000	0	3,000
7	Narmadapuram	27	6,91,45,475	61,840	500	61,340
8	Rewa	11	5,76,57,010	45,485	0	45,485
Total		58	32,30,27,356	2,12,442	31,418	1,81,024

On this being pointed out (March 2022 to September 2022), the Department stated (May 2023) that the Indian Stamp (MP Amendment) Bill 2022 has been amended vide Gazette Notification dated 15 September 2022, wherein it is clarified that BG renewal among the same parties and for the same amount of BG, can be done on ₹ 1,000 Stamp.

However, the fact remains that the above cases pointed out by the Audit are those where the Stamp duty was either not paid at all or was paid less as per the norms or where the Audit could

¹⁶ 2 BGs of Khargone are renewed with increased amount so are common in fresh and renewed

not find the mention of the respective BG number in the Stamp paper¹⁷ which was produced by the Department in support of renewal of such BG.

Further development is awaited (March 2024).

3.5.7 Other issues

3.5.7.1 Inspection books not returned by retail licensed shops

Rule 22 read with Rule 23 of the General Licence Conditions under Section 62 of the MP Excise Act, 1915 stipulates that Inspection Book should be maintained in the retail licensed shops and the same were to be returned to the concerned DEO after expiry of the licence period.

Examination of records in the 26 test-checked Districts revealed that Inspection Books maintained in the retail licensed shops were not returned by the licensees to the respective DEOs upon expiry of their licences. Since Inspection Books are important documents, containing details of all the observations recorded by the DEOs along with list of all offences committed by the licensees during the currency of their licences, it could not be ascertained by Audit as to how, in the absence of these vital records, the Excise Authorities reviewed the performance of the licensees.

On this being pointed out (March 2022 to October 2022), the Department stated (May 2023) that necessary instructions in this behalf would be issued to the departmental officials to prevent the recurrence of the same in the future.

Further development is awaited (March 2024).

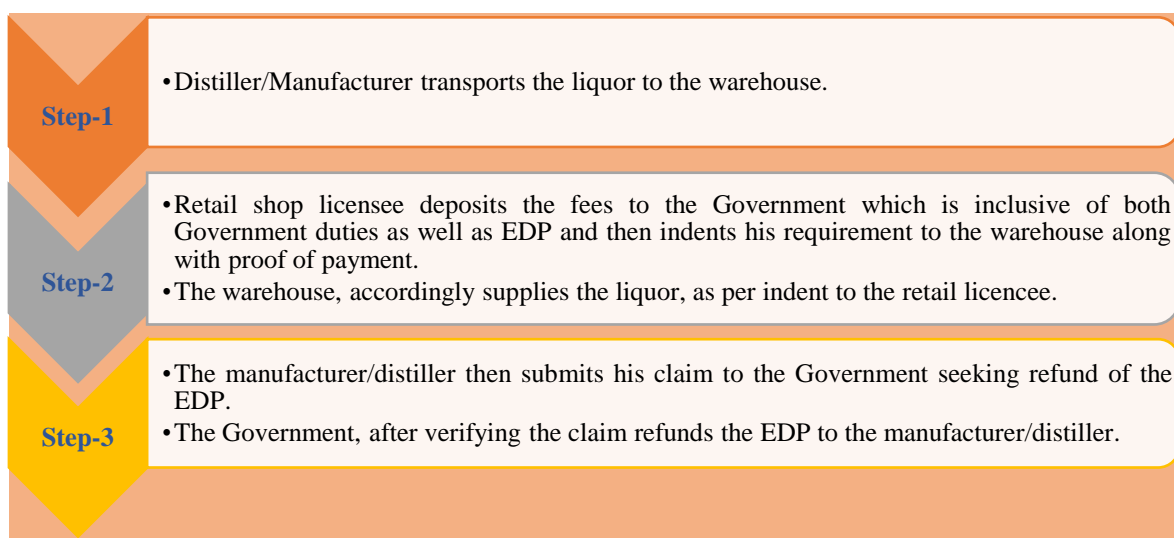
3.5.7.2 (A) Refund of Ex-Distillery Price to Distillers/ Manufacturers

According to Madhya Pradesh Treasury Code (MPTC), 2020, Appendix 3 read with Rule 12(7), 73(1), Subsidiary Rule 111 and 253, all the records/ details will be attached with the bill for preparing the bill. The Drawing and Disbursing Officer (DDO) will check the correctness of the attached records before forwarding the bill.

As per the prevailing practice in Madhya Pradesh, distillers/ manufacturers can claim the Ex-Distillery Price (EDP)¹⁸ from the Government only after the retail licensees make the payment to the Government which is inclusive of the Government duties and the EDP. The steps involved in this process are shown **Chart 3.2** below:

¹⁷ 10 BGs amounting to ₹ 15.72 crore containing stamps of ₹ 51,758

¹⁸ Ex-Distillery Price is the manufacturers' cost exclusive of Government levies.

Chart 3.2: Steps involved in getting EDP refund

Test-check of records in the Office of the Excise Commissioner, GoMP revealed that a total amount of ₹ 358.01 crore was refunded by the GoMP to the manufacturers/ distillers as EDP charges in the months¹⁹ of May 2019 and December 2020. Scrutiny of the refund vouchers revealed that:

- Claims forwarded by the manufacturers/ distillers seeking refund of EDP were not available with the Excise Commissioner.
- Refund vouchers prepared by the Excise Commissioner did not mention any details or the basis on which the refund claims were processed. The refund vouchers simply mentioned the amount to be refunded to each of the manufacturer/distillers.
- Proof in support of the fact that the EDP being refunded had actually been paid by the retail licensees to the GoMP was not available in the records furnished to Audit.
- The bills/ vouchers for the months June 2019, September 2019, July 2020, November 2020, January 2021, February 2021, March 2021 and for the entire period during April 2021 to March 2022 were not furnished to audit.

The details of the bills (for the months of May 2019 and December 2020) are mentioned in the **Table 3.7** below:

Table 3.7: Details of refunds not supported by proof

S. N.	Bill No.	Date of payment	(₹ in crore)
			EDP Amount refunded
1	32	01 May 2019	20.48
2	33	01 May 2019	18.51
3	35	01 May 2019	23.90
4	36	01 May 2019	24.95
5	70	22 May 2019	13.10
6	71	22 May 2019	22.98
7	72	22 May 2019	22.14
8	73	22 May 2019	23.34

¹⁹ Audit examined the payment details in respect of the two selected months only.

S. N.	Bill No.	Date of payment	EDP Amount refunded
9	74	22 May 2019	22.77
10	75	22 May 2019	20.23
11	352	04 December 2020	21.92
12	353	04 December 2020	17.16
13	368	11 December 2020	20.53
14	376	21 December 2020	22.14
15	378	23 December 2020	15.98
16	381	29 December 2020	24.68
17	391	30 December 2020	23.20
Total			358.01

In the absence of any details with the Excise Commissioner, Audit could not derive assurance that the refund claims were genuine and that the Office of Excise Commissioner had properly verified the same before releasing EDP to the manufacturers/ distillers. Further on account of non-production of records for the refunds processed during the period for April 2019 and from June 2019 to March 2022 (excluding December 2019), Audit could not verify the genuineness of such refunds.

On this being pointed out (March 2022 to October 2022), the Department assured (May 2023) that copy of the relevant vouchers would be provided to audit.

Further development is awaited (March 2024).

It is recommended that the GoMP verify all the payments to ensure that the refunds processed were genuine. The Department may ensure that all refund vouchers are accompanied by proper records in support of the payments.

3.5.7.2(B) Reconciliation statements not enclosed with the bills

As per Subsidiary Rule 73(1) of MPTC, 2010, a copy of the bills presented in the treasury shall be maintained as office copy and at regular intervals, not exceeding one month; it shall be the responsibility of the Drawing & Disbursing Officer for matching the electronic bills passed by the treasury.

Audit had previously commented²⁰ on excess payment in respect of Public Health Engineering (PHE) Department, Bhand due to non-reconciliation of payment vouchers by the PHE Department with the treasury.

It was observed that the State Excise Department did not reconcile the payments made on account of refund of EDP to the manufacturers/ distillers with the treasury.

On this being pointed out (March 2022 to October 2022), the Department stated (May 2023) that reconciliation statement is prepared in the concerned section and sanction order is issued after the approval of the reconciliation statement in the note sheet. Hence, only the sanction order is attached with the bill.

²⁰ Para No. 4.1.3 of Comptroller and Auditor General of India's Audit Report (Civil), Madhya Pradesh for the year ended on 31 March 2006.

The reply is not acceptable as absence of reconciliation statement creates a risk and in such a situation, the possibility cannot be ruled out that excess refunds not approved by the Department may get processed.

Further development is awaited (March 2024).

It is recommended that the State Excise Department may introduce the system of reconciliation of the treasury receipt/ payment statements with their departmental records.

3.5.8 Conclusion

Audit of the State Excise Department was carried out through a test-check of assessment records in 26 selected Offices. Scrutiny revealed several instances of omissions and commissions as brought out in the foregoing paragraphs.

There was no provision for assessment of financial condition of the licensees at the time of allotting the licence. Also, there is no established system of verification and reconciliation of licensee's Bank Guarantee and other deposits at the time of accepting as well as refunding the same. Various instances were observed where non-compliance of the provisions of the relevant Act/ Rules resulted in non/ short realisation and even loss of revenue to the Government. All these shortcomings had an overall revenue impact of ₹ 756.14 crore (Details in Table 3.2).

3.5.9 Recommendations

The Department/ Government may:

- ensure to check the financial soundness of the applicant before granting the licence.
- verify the genuineness of all the BGs submitted by the licencees and take action against errant licencees for submitting incorrect BGs.
- implement a system to check the genuineness of the Bank Guarantees furnished by the licensee and ensure no dues before releasing the licensee security.
- investigate and fix responsibility on the concerned ESIs/ ADEOs for the lapse, resulting in the misappropriation of revenue. Further, the Government may also carry out an investigation into the accounting of stock of liquor in all the 31 districts (where consortium-based licences were later operated departmentally).
- ensure that appropriate penalty is levied for contravention of various provisions of the relevant Act/ Rules *etc.*
- verify all the payments to ensure that the refunds processed were genuine. The Department may also ensure that all refund vouchers are accompanied by proper records in support of the payments and may introduce the system of reconciliation of the treasury receipt/ payment statements with their departmental records.

CHAPTER IV
MINERAL RESOURCES
DEPARTMENT

CHAPTER IV MINERAL RESOURCES DEPARTMENT

Summary

During the period from April 2022 to September 2022, a total of 26 units (25 District Mining Offices and the Office of the Director, Geology and Mining) out of 55 auditable units of the Mineral Resources Department, GoMP were covered in audit.

Audit noticed instances of short/non-realisation of dead rent/ royalty, non-recovery of cost of minerals owing to excess extraction over limit prescribed in mining plan or extraction without mining plan, less contribution into District Mineral Foundation Funds and other irregularities *etc.*, in 58 cases.

These instances of non-compliance have an overall revenue impact of ₹ 712.77 crore, as detailed in the ensuing paragraphs.

4.1 Introduction

The levy and collection of royalty on minerals in the State is governed by the Mines and Minerals (Development and Regulation) Act, 1957, the Mineral Concession Rules, 1960, the Madhya Pradesh Minor Mineral Rules, 1996, Madhya Pradesh Minerals (Prevention of Illegal Mining Transportation and Storage) Rules, 2006, *etc.*

4.2 Tax Administration

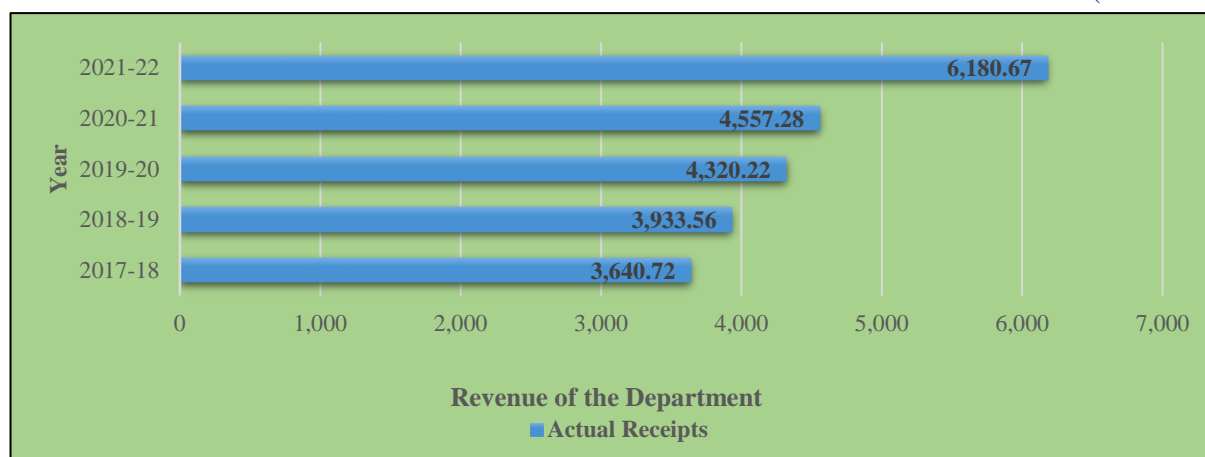
The Mineral Resources Department functions under the overall charge of the Principal Secretary, Mineral Resources, Government of Madhya Pradesh. The Director, Geology and Mining is the Head of the Department who is assisted by Deputy Directors at Headquarters and Regional Offices at Gwalior, Indore, Jabalpur and Rewa. The Collector is the administrative head at District level and Departmental officials like District Mining Officers (DMOs), Assistant Mining Officers (AMOs) and Mining Inspectors (MIs) assist him in discharge of his duties regarding revenue collection. The DMOs/AMOs and MIs are responsible for assessment, levy and collection of royalty and other mining receipts and are authorised to inspect the mines, and review production and dispatch of minerals. In all of the 52 districts, Mining Branch works under the directions of District Collectors.

4.3 Trends of Receipts

Mineral Resource is one of the important sources of tax receipts of Government of Madhya Pradesh (GoMP). The trend of receipts from Mineral Resource for the last five years is exhibited in **Chart 4.1** below:

Chart 4.1: Receipts of the Department during 2017-18 to 2021-22

(₹ in crore)



Source: Data collected from Finance Accounts of GoMP for the relevant years.

The above chart indicates that Revenue receipts of the Department in comparison to those of previous year have increased at steady rates of 8.04, 9.83 and 5.49 per cent in 2018-19, 2019-20 and 2020-21 respectively. However, in 2021-22 a sudden increase of 35.62 per cent over the previous year was observed in the Revenue Receipts of the Department which was mainly due to increase in Mineral concession fees, rent and royalties.

4.4 Results of Audit

During the period from April 2022 to September 2022, a total of 26 units (25 District Mining Offices and the Office of the Director, Geology and Mining) out of 55 auditable units of the Mineral Resources Department were covered in audit. Audit noticed cases of revenue not realised/short realised and other irregularities involving ₹ 1,045.31 crore in 2,829 cases which fall under the categories mentioned in **Table 4.1** below.

Table 4.1: Results of Audit

(₹ in crore)

S.N.	Categories	No. of cases	Amount
1	Short/Non-realisation of Dead Rent and Royalty	625	41.17
2	Short contribution to District Mineral Foundation Fund	422	3.65
3	Short realisation of Stamp Duty and Registration Fee in the execution of Minor Mineral Contract	81	2.42
4	Non levy of interest on belated payments	247	29.92
5	Non-recovery of cost of Minerals owing to excess extraction over limit prescribed in Mining Plan	152	635.04
6	Non-recovery of cost of Minerals owing to extraction without Mining Plan	10	81.02
7	Other Irregularities	1,292	252.09
Total		2,829	1,045.31

These observations were communicated to the Government and the Department during the period from April 2022 to November 2022. Out of these cases, the Department accepted 381 cases involving ₹ 25.07 crore and assured to review 1,949 cases of ₹ 225.61 crore.

An amount of ₹ 0.51 crore has been recovered (March 2024). Key audit findings are detailed in the succeeding paragraphs.

Audit Findings**4.5 Non-recovery of cost of minerals extracted in excess**

The DMOs failed to realise cost of minerals amounting ₹ 711.08 crore from 55 leaseholders on account of excess extraction of minerals over the limit prescribed in Mining Plans/Environment Clearances or extraction without approved Mining Plans.

Rule 42(G) of MP Minor Mineral Rules, 1996 stipulates that every mining lease holder shall carry out mining operations in accordance with the approved mining plan. Further Rule 53(5) of the *ibid* rules envisages that the cost of mineral computed at 10 times the Market value of mineral or 20 times of the royalty of minerals so extracted, whichever is higher, is to be recovered from the person who raised and dispatched minor minerals illegally.

Mineral Resources Department (Department) of Government of Madhya Pradesh vide circular (September 2011) directed all DMOs that such lease holders, who had excavated excess quantity over what was approved in the Mining Plan/ Environmental Clearance (EC)¹ (whichever is less), should not be issued transit pass (TP) for dispatch of minerals.

4.5.1 Extraction in excess of Mining Plans/ECs

Audit observed (April 2022 to September 2022) in respect of 11 DMOs² that 45 mining lease holders excavated 7,16,642 Cu.M of *gitti*, 1,23,348 Cu.M of *murram*, 13,625 Cu.M of marble, 2,90,289 Cu.M of sand and 1,34,775 M.T of dolomite in excess of limits prescribed in the Mining Plans or ECs. However, the concerned DMOs failed to realise the cost of the minerals excavated in excess from the lease holders.

Audit further observed that the DMOs neither directed the lessees to restrict their mining within the permissible limits, nor intimated the violations to the State Pollution Control Board for taking necessary action against the lessees. In fact, the DMOs continued to issue TPs to the lessees for enabling dispatch of the illegally excavated minerals (not approved by Mining Plans or ECs), thereby enabling the lease holders to continue excavation of the minerals without approvals, in violation of the Government orders. The royalty/market value of the illegally extracted minerals works out to ₹ 61.48 crore³.

Thus, allowing the lease holders to carry out excess extraction without prior approvals resulted in loss of revenue amounting ₹ 630.06 crore⁴. The details are given in **Appendix 4.1**.⁵

On this being pointed out in audit (May 2023), the Department stated (August 2023) that

- Out of 11 districts, recovery was under process in five districts (Bhopal, Singrauli, Sidhi, Gwalior, Chhindwara) and in two cases of Sagar⁶ district.

¹ Received from Madhya Pradesh Pollution Control Board (MPPCB).

² Betul, Bhopal, Chhindwara, Gwalior, Jabalpur, Khargone, Sagar, Sehore, Shivpuri, Sidhi and Singrauli.

³ Market rate was calculated on the basis of information furnish by the concerned DMOs.

⁴ Calculated on the basis of market value of extracted minerals without adding other costs.

⁵ Out of 45 cases, three cases were calculated on royalty (royalty value ₹ 26.69 crore) and 42 cases were calculated on market value (market value ₹ 603.37 crore).

⁶ Lease Holder S. No. 23 and 24 of Appendix 4.1.

- In one case of Sagar⁷, Khargone⁸ and in two⁹ cases of Jabalpur, production was under the limit prescribed in Mining Plan and Environment Clearance.
- In Shivpuri, the quantity of production exceeded the Plan due to inclusion of previous years' production figures.
- In Jabalpur in seven cases¹⁰ out of ten cases, the quantity of production exceeded the Plan due to inclusion of over burden¹¹ in the production quantity.
- In one case of Sehore¹², the quantity was erroneously entered in the e-*khanij* portal by the lessee.
- In respect of three¹³ cases of Betul, the aggregate of total of production for three years namely 2019-20 to 2021-22 was under the aggregate limit prescribed in the Mining Plan.
- In the remaining one¹⁴ case, action will be taken after receipt of reply from the lessee.

The reply of the Department is not acceptable as the lessees failed to produce proof in respect of the material production as claimed. Further, it is the responsibility of the Department to ensure correctness of entries on the e-*khanij* platform which is a source of data for all mining activities and erroneous entries must be verified at the DMO level which was not done. The question of production adhering to norms does not arise in respect of cases under Sagar, Khargone and Jabalpur as the data pertaining to production is readily available on e-*khanij* platform. Consequently, by allowing the lease holders to extract in excess, it appears that the DMOs were complicit with the miners in violation of the government orders and applicable rules. In respect of other cases, no specific replies were given.

Further development is awaited (March 2024).

4.5.2 Extraction of minerals without approved Mining Plans

Audit observed that the 10 mining lease holders in three District Mining Offices¹⁵ did not have approved Mining Plans but carried on mining in violation of the Acts/Rules and Government's orders. During the period from April 2019 to March 2022, the leaseholders illegally extracted 1,77,811 Cu.M of gitti and 1,520 Cu.M of flagstone having market value of ₹ 7.85 crore.

Despite the fact that the information pertaining to extraction of minerals without Mining Plans was available with the Department (available on e-*khanij* portal), the concerned DMOs failed

⁷ Lease Holder S. No. 22 of Appendix 4.1.

⁸ Lease Holder S. No. 31 of Appendix 4.1

⁹ Lease Holder S. No. 34 and 40.

¹⁰ Lease Holder S. No. 32,33, 35, 36, 37, 38 and 39 of Appendix 4.1.

¹¹ In mining, overburden (also called waste or spoil) is the material that lies above an area that lends itself to economical exploitation, such as the rock, soil, and ecosystem that lies above a coal seam or ore body (Source: <https://coal.gov.in/en/major-statistics/obr>)

¹² Lease Holder S. No. 9 of Appendix 4.1.

¹³ Lease Holder S. No. 42, 43 and 44 of Appendix 4.1.

¹⁴ Lease Holder S. No. 45 of Appendix 4.1.

¹⁵ Chhindwara, Sagar and Sehore.

to not only prevent the illegal extraction but also realise the 10 times market value/20 times of royalty of the cost of minerals amounting to ₹ 81.02 crore as detailed in **Appendix 4.2**¹⁶.

On this being pointed out in audit (May 2023), the Department stated (August 2023) that the action of recovery is under process in respect of lease holders of District Mining Offices of Chhindwara and Sagar. Regarding District Mining Office Sehore, it was stated that, the quantity was erroneously entered in the e-khanij portal by the lessee¹⁷.

The department should consider fixing the responsibility of the DMOs who allowed the excess extraction of minerals over the limit prescribed in Mining Plans/Environment Clearances or extraction without approved Mining Plans.

4.6 Short realisation of revenue

There was short realisation of District Mineral Foundation contribution amounting to ₹ 1.69 crore.

The Government of Madhya Pradesh has established District Mineral Foundations (DMFs)¹⁸ in all the districts and has framed the DMF Rules, 2016 to regulate the composition, functions, and manner of contribution to be made to the DMF fund by the holders of mining lease. As per Gazette Notification dated January 2021 issued by the GoMP, the lease holder of a quarry lease of minor mineral specified in Schedule I, II and V of MP Minor Mineral Rules granted under Rule 29(7) shall in addition to the royalty, pay to the DMF fund of the district in which the quarrying operations are carried out, an amount which is equivalent to the 10 *per cent* of the payable royalty.

Audit observed (September 2022) from the records of the Office of Director, Geology and Mining, Bhopal, that three District Mining Offices¹⁹ received royalty amounting to ₹ 220.24 crore for transportation of minor minerals during the period from January 2021 to March 2022, on which DMF contribution amounting to ₹ 22.02 crore was payable. Against this, the DMOs realised only ₹ 20.33 crore, resulting in short realisation of DMF contribution amounting to ₹ 1.69 crore.

On this being pointed out in audit, the Department stated (August 2023) that the action of recovery is under process in Chhindwara and Chhatarpur. Regarding Ratlam, it was stated that, the recovery of ₹ 50.88 lakh has been made against recoverable amounting of ₹ 50.92 lakh, at the instance of audit. Recovery particulars are, however, awaited (March 2024).

In respect of Chhindwara and Chhatarpur, further development is awaited (March 2024).

¹⁶ Out of 10 cases, 2 cases were calculated on royalty (royalty value ₹ 11.26 crore) and 8 cases were calculated on market value (market value ₹ 69.76 crore).

¹⁷ Lease Holder S. No. 4 of Appendix 4.2.

¹⁸ DMFs were established to *inter alia* implement various developmental and welfare projects/programmes in mining affected areas in order to mitigate the adverse impacts, during and after mining, on the environment, health and socio-economic conditions of people in mining districts.

¹⁹ Chhatarpur, Chhindwara and Ratlam.

CHAPTER V

MICRO, SMALL & MEDIUM

ENTERPRISES DEPARTMENT

CHAPTER V

MICRO, SMALL & MEDIUM ENTERPRISES DEPARTMENT

Summary

During the period from 2017-18 to 2021-22, the MSME Department sanctioned capital subsidy under various MSME Promotion Schemes in 2,118 cases in the 22 audit selected districts units (District Trade and Industries Centres viz. DTICs) out of total 54 DTICs in the State.

Audit reviewed the process of grant, release and monitoring of capital subsidy funds in these 22 selected district units as well as in the Office of the Commissioner, MSME Industries during the period from May 2022 to September 2022.

Issues of non-compliance of MSME Promotion Scheme provisions have been brought out in the ensuing paragraphs.

These instances of non-compliance, in aggregate, have an overall impact of ₹ 19.11 crore.

5.1 Introduction

Micro, Small & Medium Enterprises (MSMEs) play a noteworthy role in the economic and social development of any State. The MSME sector contributes significantly to the State's manufacturing output and exports and also plays an important role in generating employment.

In the Madhya Pradesh, the MSME Sector is monitored/regulated by the MSME Department, Government of Madhya Pradesh (GoMP). Between the years 2010 to 2021, the Department formulated five MSME Promotion schemes *inter alia* regulating the quantum of subsidy to the MSMEs. The extent of subsidy amount is different, depending upon the scheme guidelines issued in the respective years, as detailed in **Table 5.1** below:

Table 5.1: Quantum of scheme-wise capital subsidy

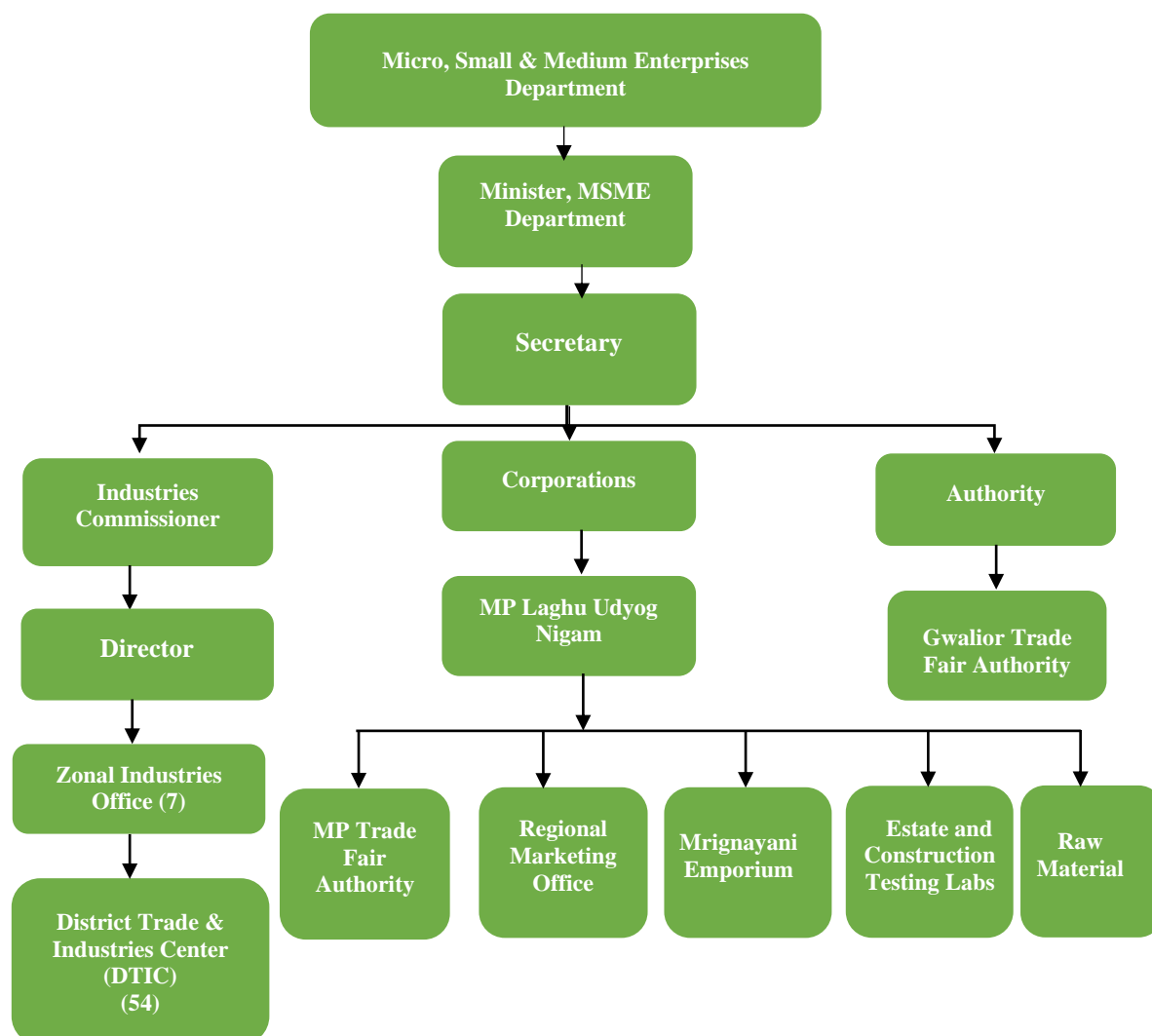
S. N.	Scheme Year	Effective from	Clause of Scheme	Quantum of capital subsidy	Items excluded in "capital investment"
1	2010	01 November 2010	15.3.1	15 per cent of eligible capital investment (maximum ₹ 15.00 lakh)	Vehicles and consumable stores.
2	2014	01 October 2014	6.1	15 per cent of eligible capital investment (maximum ₹ 15.00 lakh)	Land and dwelling units.
3	2017	01 April 2018	6.1	40 per cent of eligible capital investment	Land, Building, Generator set, extra transformer, Research & Development equipment, storage tank etc.
4	2019	01 October 2019	6.1	40 per cent of eligible capital investment	Tools, jigs, dies, moulds, spare parts,

S. N.	Scheme Year	Effective from	Clause of Scheme	Quantum of capital subsidy	Items excluded in "capital investment"
5	2021	13 August 2021	6.1.1	40 per cent of eligible capital investment	consumable stores, installation of P&M, Research & Development equipment, generator set, extra transformer, cable, bus bars, electrical control panels, transportation charges, technical know-how charges, storage tank <i>etc.</i>

5.2 Organisational Flow Chart

The Organisational structure of MSME Department is detailed in the **Chart 5.1** below:-

Chart 5.1: Organisational Flow Chart



The Secretary, Department of Micro, Small & Medium Enterprises is the Administrative Head of the Department. Industries Commissioner is the Functional Head of the Department. There

is one Public Sector Undertaking and one Authority under the administrative control of the Department. There are 54 District Trade and Industries Centres (DTIC), each headed by a General Manager.

5.3 Trend of Grants: Demand raised, Funds released and utilised

The trend of demand raised, funds released and utilised by the MSME Department is depicted in the **Chart 5.2** below:

Chart 5.2: Demand raised, Funds released and actual utilisation (2017-2022)

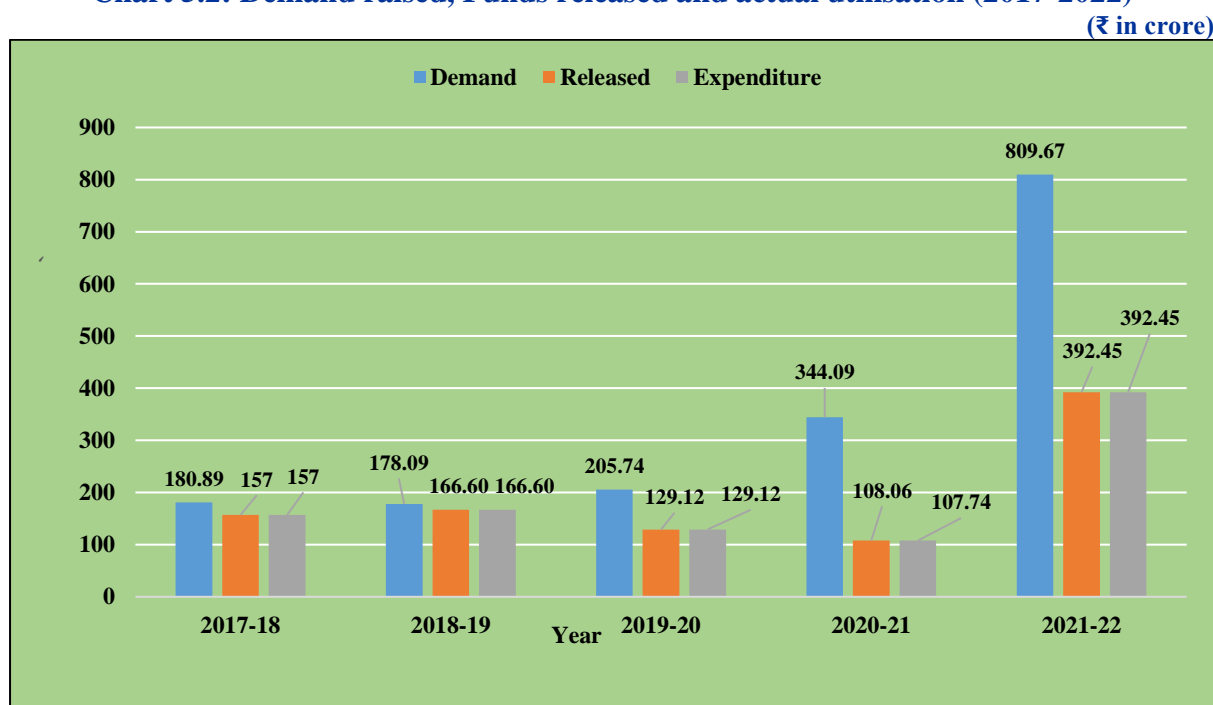


Table 5.2: Demand raised, Funds released and Actual expenditure

(₹ in crore)

Year	Demand	Released	Expenditure
2017-18	180.89	157.00	157.00
2018-19	178.09	166.60	166.60
2019-20	205.74	129.12	129.12
2020-21	344.09	108.06	107.74
2021-22	809.67	392.45	392.45
Total	1,718.48	953.23	952.91

Source: Information provided by the Department

5.4 Results of Audit

During the period from 2017-18 to 2021-22, capital subsidy was sanctioned in 2,118 cases in the 22 audit selected districts units¹ (District Trade and Industries Centres viz. DTICs) out of total 54 district units of the Department. Audit reviewed the process of grant, release and monitoring of capital subsidy funds in these 22 selected units and also in the Office of the Commissioner MSME Industries during the period from May 2022 to September 2022. Audit observed instances of irregular release of capital subsidy under MSME Promotion Schemes amounting to ₹ 19.11 crore in 173 cases. Details are mentioned in **Table 5.3** below.

¹ Units were selected on the basis of Stratified Sampling Method through IDEA software.

Table 5.3: Results of Audit

(₹ in crore)			
S. N.	Categories of Audit Observations	No. of cases	Amount
1	Irregular release of subsidy on disallowed components of Plant & Machinery/ Land/ Building	148	14.37
2	Irregular subsidy given to Ineligible Industry/ industries which contravened the MSME schemes' guidelines	6	2.53
3	Irregular capital subsidy given to Closed Industries	3	0.67
4	Excess payment of subsidy due to addition of GST in Plant & Machinery cost	16	1.54
Total		173	19.11

The details are given in the succeeding paragraphs.

Audit Findings

5.5 Irregular release of capital subsidy to MSMEs on disallowed components

The MSME Promotion Schemes pertaining to the years 2010, 2014, 2017, 2019 and 2021 specified specific conditions for grant of capital subsidy to industries on account of investment towards capital infrastructure such as Plant & Machinery (P&M), buildings, *etc.*

Audit noticed in 148 cases pertaining to 20² DTICs that capital subsidy of ₹ 14.37 crore was irregularly sanctioned in violation of the various scheme guidelines, resulting in unauthorised expenditure to that extent. The gist of the guidelines and the violations resulting in irregular grant of subsidy are detailed in **Table 5.4** below:

Table 5.4: Release of capital subsidy in violation of scheme guidelines

(₹ in crore)			
S. N.	Scheme Provision	Violation	Amount
1	As per Para 3.8 of guideline 2014, capital investment in P&M includes investment in eligible P&M, building and shed but it will not include land and dwelling units for calculating capital subsidy. Income Tax Rules prohibit cash payments beyond ₹ two lakh.	Five ³ DTICs, in eight cases, wrongly included cost of land and ineligible P&M for the purpose of calculating subsidy. In another one case ⁴ in one DTIC, the unit on six occasions, irregularly purchased P&M worth ₹ 17.90 lakh through cash payments exceeding ₹ two lakh in each case. The same was allowed by the DTIC and subsidy of ₹ 2.57 lakh was irregularly allowed to the unit.	0.16
2	As per Para 6.5 (ii) of guideline 2014, capital investment in P&M should be supported by certificate of Chartered Engineer/ Chartered Accountant for calculating capital subsidy.	One ⁵ DTIC, in one case, wrongly included cost of building for the purpose of calculating subsidy without certificate of Chartered Engineer/ Chartered Accountant.	0.08
3	As per Para 4.5 of guideline 2014, for determining investment in expansion/ diversification/ technical upgradation, the investment made during the last one-year upto the	Two ⁶ DTICs in three cases, incorrectly allowed investments made beyond one year for the purpose of calculating subsidy.	0.09

² Barwani, Betul, Bhopal, Burhanpur, Chindwara, Dewas, Gwalior, Indore, Jhabua, Khargone, Pithampur, Malanpur, Mandideep, Mandla, Neemuch, Ratlam, Rewa, Shajapur, Tikamgarh and Ujjain.

³ Burhanpur (two cases), Dewas (one case), Mandla (one case), Neemuch (one case) and Shajapur (three cases).

⁴ M/s Prathmesh Textiles (DTIC, Burhanpur)

⁵ Burhanpur (one case).

⁶ Ratlam (two cases), Tikamgarh (one case).

S. N.	Scheme Provision	Violation	Amount
	date of commercial production in case of micro and small-scale units will be taken into account for calculating capital subsidy.		
4	As per Para 5.4(i) of guideline 2014, in case of new industries, capital investment up to the date of commercial production is to be taken into account for calculating capital subsidy.	Two ⁷ DTICs, in two cases, incorrectly allowed investments made even after the date of commercial production for the purpose of calculating subsidy.	0.01
5	As per Para 3.5 of guideline 2017, the investment in P&M will include cost of machines and its accessories which help in industrial manufacturing process, transportation, and any other taxes except cost of land, building, industrial safety equipment, generator set, pollution control equipment, research and development equipment, additional transformer, storage tank, godown and fire extinguisher equipment.	15 ⁸ DTICs, in 39 cases, included costs incurred towards purchase of ineligible items such as cranes, transportation charges, electrical items <i>etc.</i> , in their total capital investments and the five DTICs incorrectly allowed the same, resulting in excess grant of subsidy.	3.08
6	As per Para 3.6(a) of guideline 2017, new unit is the industry whose date of commercial production is effective from date 01 April 2018.	One ⁹ DTIC in one case wrongly shown date of production 01 April 2018 while production was observed before 01 April 2018, as per balance sheet.	0.11
7	As per Para 5.4(i) of guideline 2017, capital investment up to the date of commercial production is to be taken into account for calculating capital subsidy.	Three ¹⁰ DTICs, in three cases, incorrectly allowed investments made even after date of commercial production for the purpose of calculating subsidy.	0.29
8	As per Para 4.11 of guideline 2017, for determining investment in expansion/diversification/ technical upgradation, the investment made during the last three-year upto the date of commercial production will be taken into account for calculating capital subsidy.	One ¹¹ DTIC, in one case, incorrectly allowed investments made on expansion/ technical upgradation beyond three years (upto the date of commercial production).	0.08
9	As per Para 4.12 of guideline 2019, for determining investment in expansion/diversification/technical upgradation, the investment made during the last three-year upto the date of commercial production will be taken into account for calculating capital subsidy.	One ¹² DTIC, in one case, incorrectly allowed investments made on expansion/ technical upgradation beyond three years (upto the date of commercial production).	0.04
10	As per Para 5.6(i) of guideline 2019, capital investment up to the date of commercial production is to be taken into account for calculating capital subsidy.	Three ¹³ DTICs, in three cases, incorrectly allowed investments made even after date of commercial production for the purpose of calculating subsidy.	0.15

⁷ Khargone (one case) and Ratlam (one case).

⁸ Barwani (two cases), Bhopal (two cases), Burhanpur (two cases), Chindwara (five cases), Dewas (five cases), Gwalior (one case), Indore (three cases), Jhabua (one case), Khargone (three cases), Malanpur (two cases), Mandla (two cases), Rewa (two cases), Ujjain (five cases), Shajapur (two cases) and Tikamgarh (two cases).

⁹ Rewa.

¹⁰ Burhanpur (one case), Gwalior (one case) and Ujjain (one case).

¹¹ Burhanpur.

¹² Dewas.

¹³ Indore (one case), Pithampur (one case) and Ujjain (one case).

S. N.	Scheme Provision	Violation	Amount
11	As per Para 6.1 of guideline 2019, capital subsidy upto 40 <i>per cent</i> of the total capital investment is allowed on eligible P&M.	13 ¹⁴ DTICs in 72 cases allowed capital subsidy on ineligible plant and machinery in violation of the scheme guidelines.	8.22
12	As per Para 6.2 of guideline 2019, for the purpose of calculation of capital subsidy, capital investment towards construction of building will be limited to the cost of P&M.	Two ¹⁵ DTICs, in seven cases, allowed excess investment towards cost of buildings beyond what was allowed as per the scheme guidelines, resulting in excess grant of capital subsidy.	0.59
13	As per Para 3.5 of guideline 2021, the investment in P&M shall be as per MSME Development Act 2006. P&M has been defined in the MSME Act, 2006.	Four ¹⁶ DTICs in six cases allowed capital subsidy on ineligible plant and machinery in violation of the scheme guidelines.	1.47
Total			14.37

The cases were forwarded to the MSME Department, GoMP in January 2023.

On this being pointed out, the Government stated (July 2023) that out of 148 cases objected by audit, in 133 cases, action was being taken to either recover the subsidy granted on inadmissible investment or adjust the excess subsidy released on inadmissible investment against upcoming installments. In the remaining 15 cases, the Government stated as follows:

- **Sl. No. 1 of Table 7.4:** In the case of M/s Prathmesh Textiles (DTIC, Burhanpur), it was stated that cash payments were acceptable for the purpose of grant of subsidy. The reply is not acceptable as no scheme guidelines can be used as a means to override overarching central rules which are applicable pan India. In this case, cash payments were in violation of the IT Rules and hence were not admissible.
- **Sl. No. 2 of Table 7.4:** In the case of M/s Sanjari Irrigation (DTIC, Burhanpur), it was stated that on the inspection of the site, the building was found to be constructed. This is not acceptable as certificate from the Chartered Accountant/ Chartered Engineer justifying the end use/ purpose of the building was not available in the records furnished to Audit.
- **Sl. No. 3 of Table 7.4:** In two cases (DTIC, Ratlam) and in one case (DTIC, Tikamgarh) it was replied that in the instances of expansion/ diversification/ technical upgradation, the investment made beyond previous one year is eligible and clarification in this regard was also issued (July 2018). The reply is factually incorrect as the clarification issued in July 2018 applied to the Scheme guidelines of 2017 and the case referred to by audit was for grant of subsidy under the scheme of 2014.
- **Sl. No. 5 of Table 7.4:** In seven cases *viz.*, DTIC, Bhopal (two cases), Jhabua (one case), Khargone (two cases), Malanpur (one case) and Tikamgarh (one case), it was stated that subsidy was granted to units on eligible investment was approved under prevailing policy. The reply is factually incorrect as the prevailing policy *i.e.*, the 2017

¹⁴ Barwani (six cases), Betul (three cases), Burhanpur (six cases), Chhindwara (four cases), Dewas (two cases), Gwalior (three cases), Indore (eighteen cases), Malanpur (three cases), Mandideep (eight cases), Mandla (four cases), Pithampur (ten cases), Rewa (one case), and Shajapur (four cases).

¹⁵ Indore (five cases) and Tikamgarh (two cases).

¹⁶ Dewas (two cases), Malanpur (one case), Mandideep (one case) and Shajapur (two cases).

guidelines specifically disallowed purchase of items such as cranes, electrical items *etc.*, for the purpose of claiming subsidy.

- **Sl. No. 6 of Table 7.4:** In one case of DTIC, Rewa, it was stated that production started only from April 2018 and the unit was earlier engaged in Trading activity. The reply is not acceptable as GST registration certificate which was effective from July 2017 identifies the unit as a manufacturer. Hence this clearly indicates that the unit was engaged in manufacturing activity prior to April 2018. The Government has not provided any documentary evidence in support of the trading activities of the unit prior to April 2018.
- **Sl. No. 11 of Table 7.4:** In case of one unit out of the three units of DTIC, Betul, it was stated that the bills are related to erection part of the P&M, that is admissible for subsidy. The reply is not acceptable because as per MSME Act, 2006, installation related expenses are to be excluded while calculating the cost of investment. The reply is also silent on other ineligible components for subsidy.
- **Sl. No. 13 of Table 7.4:** In one case of DTIC, Malanpur, it was stated that the subsidy was granted on admissible P&M only. The reply is factually incorrect as subsidy was granted on purchase of control panel, cables related expenses, *etc.*, which were disallowed as per the scheme guidelines of 2019.

Further progress in the matter is awaited (March 2024).

5.6 Irregular release of capital subsidy to ineligible and closed industries

As per the provisions of the various MSME Promotion Schemes pertaining to the years 2010, 2014, 2017, 2019 and 2021, industries operating in contravention of the MSME Schemes' guidelines or falling under the list of ineligible¹⁷ industries were ineligible for capital subsidy. Further, the MSME Promotion Schemes provide that industries receiving capital subsidies under these schemes have to be in operation for at least three years (as per Scheme of 2014) or five years (as per Schemes of 2010 and 2017) from the date of production. Industries which do not continue their production for at least three or five years (as the case may be), would be treated as closed industries and capital subsidy along with penal interest would be recovered from these industries.

In this context, Audit observed the following:

5.6.1 Release of capital subsidy to ineligible industries

In two cases pertaining to two DTICs¹⁸, a stone crusher unit and a dolomite crusher unit which were ineligible to receive capital subsidy as per the various scheme guidelines, were irregularly granted subsidy resulting in irregular payment amounting to ₹ 1.56 crore. The details are as follows:

¹⁷ List of ineligible industries are appended to the scheme guidelines of each year when such guidelines were released. For instance, stone crusher units, solvent extraction plants, charcoal production *etc.*

¹⁸ DTICs Ujjain and Mandla.

Table 5.5: Release of subsidy to ineligible units

(₹ in crore)		
S. N.	Details	Amount of capital subsidy released
1	One unit under DTIC, Ujjain (M/s SS Stone Crushers), which dealt in crushing of stone was ineligible for claiming capital subsidy as stone crushing is in the ineligible list of industries as per the Scheme Guidelines of 2017.	1.07
2	One unit under DTIC, Mandla (M/s Shyam Industries) was granted licence for crushing of dolomite which was in the list of ineligible industries (crushing of minerals) as per the Scheme Guidelines of 2017.	0.49
Total		1.56

Additional details are given in **Appendix 5.1**.

On this being pointed out, the Government stated (July 2023) that in respect of M/s S.S Stone Crusher, (DTIC, Ujjain) the word “stone crusher” in the name of the unit does not make it ineligible for subsidy, as ineligibility is decided on the basis of the product.

The reply is not acceptable as the manufacturing unit only dealt in stone crushing as also evident from the certificate granted to it by Ministry of MSME, Government of India (30 April 2018). The Department has also failed to submit any documentary evidence such GST returns, sales invoice *etc.*, in support of its claim that the unit was manufacturing items other than crushed stone.

In respect of M/s Shyam Industries (DTIC, Mandla), the Government stated (July 2023) that the unit was manufacturing *rangoli*, *gulaal*, fertilisers, *etc.*, (without grinding dolomite) which are not in the ineligible list.

The reply is not acceptable as the manufacturing unit was granted licence solely for the purpose of crushing dolomite, which was not eligible for claiming subsidy.

The Government may recover the ineligible subsidy granted to the units. Further development is awaited (March 2024).

5.6.2 Release of capital subsidy to industries which contravened the MSME schemes' guidelines

In four cases pertaining to two¹⁹ DTICs, industries were ineligible to receive subsidy as they violated the provisions of the guidelines under various MSME schemes. However, the DTICs released the subsidy to these industries, resulting in irregular payment amounting to ₹ 0.97 crore. The details are discussed below:

Table 5.6: Subsidy granted to industries which contravened Schemes' provisions

(₹ in lakh)			
S. N.	Name of Unit (DTIC)	Details	Amount of ineligible subsidy
1	M/s Jai Gajanan Foods (DTIC, Khargone)	As per list of ineligible industries, (Scheme 2010) flour mills with investment in P&M less than ₹ 50 lakh are ineligible for claiming capital subsidy. The unit invested a total of ₹ 50.99 lakh in P&M and was accordingly granted capital subsidy of ₹ 25.61 lakh. Scrutiny of documents revealed that the unit	25.61

¹⁹ DTICs Khargone (one case) and Mandla (three cases).

S. N.	Name of Unit (DTIC)	Details	Amount of ineligible subsidy
		invested ₹ 7.35 lakh in P&M after the date of production. As such, the unit had invested less than ₹ 50 lakh in P&M before the date of production which resulted in the unit becoming ineligible for claiming capital subsidy.	
2	M/s Aash Industries (DTIC, Mandla)	Point No. 4.11 of the Scheme Guidelines, 2019 stipulates that in case of diversification/expansion the subsidy is allowed with condition of non-reduction in pre-established production capacity. Similar condition exists in case of Scheme Guidelines, 2017 (Point No. 4.10).	48.82
3	M/s Deepak Steel Fabrication (DTIC, Mandla)	The units did not achieve pre-established production capacity (as envisaged before expansion) and hence were not eligible for claiming subsidy for expansion.	3.72
4	M/s K.R.D Industries (DTIC, Mandla)		18.84
Total			96.99

Additional details are given in **Appendix 5.2**.

On this being pointed out, the Government stated (July 2023) that:

- In one case²⁰ of DTIC, Khargone, recovery action will be taken after examination of the case. Further development is awaited (March 2024).
- In three²¹ cases of DTIC, Mandla, the units have not reduced the production, hence eligible for the subsidy.

The reply in respect of DTIC, Mandla is not acceptable as documentary records furnished by the Department clearly indicate that none of the three units could achieve pre-production capacity, despite which, they claimed capital subsidy for expansion which was incorrectly allowed by the DTICs.

5.6.3 Non-recovery of capital subsidy released to closed manufacturing units

In three cases pertaining to three²² DTICs, the manufacturing units which received capital subsidy amounting to ₹ 0.48 crore did not continue their operations for the period of three years to five years (as applicable) as per the scheme guidelines in force. The DTICs, however, failed to monitor the activities of the manufacturing units, thereby resulting in infructuous expenditure in the form of capital subsidy amounting to ₹ 0.48 crore.

For failure to operate for the minimum stipulated time-period, penal interest of ₹ 0.19 crore was also leviable, but not levied.

The details are given in **Appendix 5.3**.

On this being pointed out, the Government stated (July 2023) that:

- In two cases²³ of DTIC, Khargone and DTIC, Chhindwara, action was taken for recovery. Further development is awaited (March 2024).

²⁰ M/s Jai Gajanan Foods.

²¹ M/s Aash Industries, M/s Deepak Steel Fabrication and M/s KRD Industries.

²² Chhindwara (2017 scheme), Khargone (2010 scheme) and Shajapur (2014 scheme).

²³ M/s Lakshya Industries and M/s Sahara Textiles.

- In one²⁴ case of DTIC Shajapur, it is not confirmed that the unit was closed for more than six months, hence recovery position does not arise.

The reply is totally unacceptable as the documentary records furnished by the department such as physical inspection of the unit by DTIC and correspondences between DTIC and the unit clearly indicate that the industry was inoperative/ closed since May 2016. Hence subsidy issued is to be recovered with penal interest.

5.7 Excess payment of subsidy on account of violation of GST norms

The MSME Department, Government of India, vide Gazette Notification²⁵ specified that only the purchase value of P&M or Equipment, excluding Goods and Services Tax (GST), (whether purchased first hand or second hand) shall be taken into account for the purpose of capital subsidy claims. The GoMP adopted the same with effect from 01 July 2020.

Audit observed that in 16 cases pertaining to seven²⁶ DTICs, the industrial units, while claiming subsidy for purchase of P&M, wrongly included the GST component in the P&M costs. The DTICs, while approving release of subsidy to these units, failed to check the correctness of the subsidy claims and allowed inclusion of GST in P&M purchase costs. This resulted in excess release/ payment of capital subsidy amounting to ₹ 1.54 crore.

The details are given in **Appendix 5.4**.

On this being pointed out, the Government stated (July 2023) that:

- In respect of cases pertaining to five²⁷ DTICs, the eligibility of the GST amount will be decided based on the income tax return filed by the unit. The reply is not acceptable as the details of GST paid by the units were already available with the DTICs, which they failed to check while allowing the subsidy.
- In cases pertaining to two²⁸ DTICs, the recovery of subsidy on ineligible investment will be done by adjustment from the upcoming installments.

Further development is awaited (March 2024).

5.8 Miscellaneous Issues

5.8.1 Domestic electricity connection used for industrial purpose

As per Point 5.4 of the Scheme Guidelines, 2014, DTICs should *inter alia* verify the electricity connection taken by the manufacturing unit. Only after verification of the same would the application submitted by the unit for claiming subsidy be forwarded to the concerned committee for approval of the claim.

²⁴ M/s Balaji Enterprises.

²⁵ Gazette Notification No. 1875 dated 26 June 2020.

²⁶ Burhanpur (one case), Chhindwara (three cases), Dewas (one case), Gwalior (one case), Indore (two cases), Mandideep (one case) and Ujjain (seven cases).

²⁷ DTIC: Burhanpur, Chhindwara, Indore, Mandideep, and Ujjain.

²⁸ DTIC: Dewas and Gwalior.

In one case²⁹ under DTIC, Bhopal it was found that the unit had been utilising domestic connection for industrial uses. The DTIC, however, failed to verify the same. Consequently, the unit was allowed the benefit of capital subsidy amounting to ₹ 0.15 crore due to failure of the DTIC to properly inspect the unit and check the correctness of application before allowing the claims.

On this being pointed out the Government stated (July 2023) stated that it was the responsibility of the electricity department to take action against the unit.

The reply is silent on the fact that the Department was also tasked with the responsibility of verifying electricity connections before allowing subsidy claims, which the DTIC failed to do.

²⁹ M/s FAS Food Bakers

CHAPTER VI

FOREST DEPARTMENT

CHAPTER VI FOREST DEPARTMENT

Compliance Audit on “Management of Forest Receipt in Madhya Pradesh”

Summary

Audit scrutinised the records relating to the Management of Forest Receipt in Madhya Pradesh covering the period 2019-20 to 2021-22 and October 2018 to March 2019 were also included as the revenue from the felling operations was realised up to the subsequent financial years. Audit conducted detailed scrutiny of records in 25 out of 73 Forest Divisions and in the office of the Principal Chief Conservator of Forest (Production), and some information was also collected from Principal Chief Conservator of Forest (Finance/Budget).

During the scrutiny of records, Audit observed several cases pertaining to revenue losses due to non-felling of marked trees, encroachment, non-recovery of lease rent and dividends *etc.*

These cases which have been brought out in the ensuing paragraphs have a revenue impact of ₹ 389.51 crore.

6.1 Introduction

Forests of Madhya Pradesh are spread over an area of 77,493 sq km, which is 25.14 *per cent* of the total geographical area of the state (3,08,252 sq km). The main timber forest produces which generate revenue are timber, bamboo and fuel wood. Non-timber forest produce is *tendupatta, sal seed, harra, gums, chironji, flowers and seeds of mahua, etc.* Madhya Pradesh State Minor Forest (Trading & Development) Co-operative Federation is engaged in trade of non-timber forest products and their sale proceeds are not part of forest revenue of the State. Trade in timber produce is done Departmentally through auction and by *nistari*¹ to traders/consumers.

Process of marking of harvestable timber and assessment of yield is done prior to the scheduled felling year of coupes². Forest produce is transported to depots and sold through auctions which are held periodically. Forest Revenue also consists of lease rent, dividend, penalties, compensation, fee, felling and supervision charges, *etc.*, which are levied and collected by the Department.

6.2 Audit Objectives and Criteria

Audit was conducted between March 2022 and December 2022 to ascertain whether:

- Marking, felling and extraction activities as envisaged in the Working Plan (WP) were being done as per the provisions/ sanction of the Government of India (GoI);

¹ Subsidised sale of forest produce through depots.

² Coupe is demarcated forest area prescribed in WPs of Forest Divisions where harvesting is to be done in the prescribed year.

- The forest receipts were assessed and collected efficiently to optimize the revenue; and
- Monitoring and internal control systems were effective and efficient.

Audit Criteria for the compliance audit were derived from:

- The Indian Forest Act, 1927; Forest Conservation Act, 1980, WP of Division, WP Code and MP *Van Upaj* (*Vyapar Viniyaman*) Act, 1969.
- *Sthapit depot se Imarati Lakdi ke Vikray ki Sharto ka Viniyaman karne wale Niyam*, 1976; *Van Upajon ka Vyayan* (disposal) *Niyam*, 1974, Transit (Forest Produce) Rules 2000, Madhya Pradesh Forest Manual, Madhya Pradesh Treasury Code (MPTC), Madhya Pradesh Financial Code (MPFC) and Madhya Pradesh Forest Financial Rules (MPFFR).
- Instructions and orders issued by the Government and the Department.

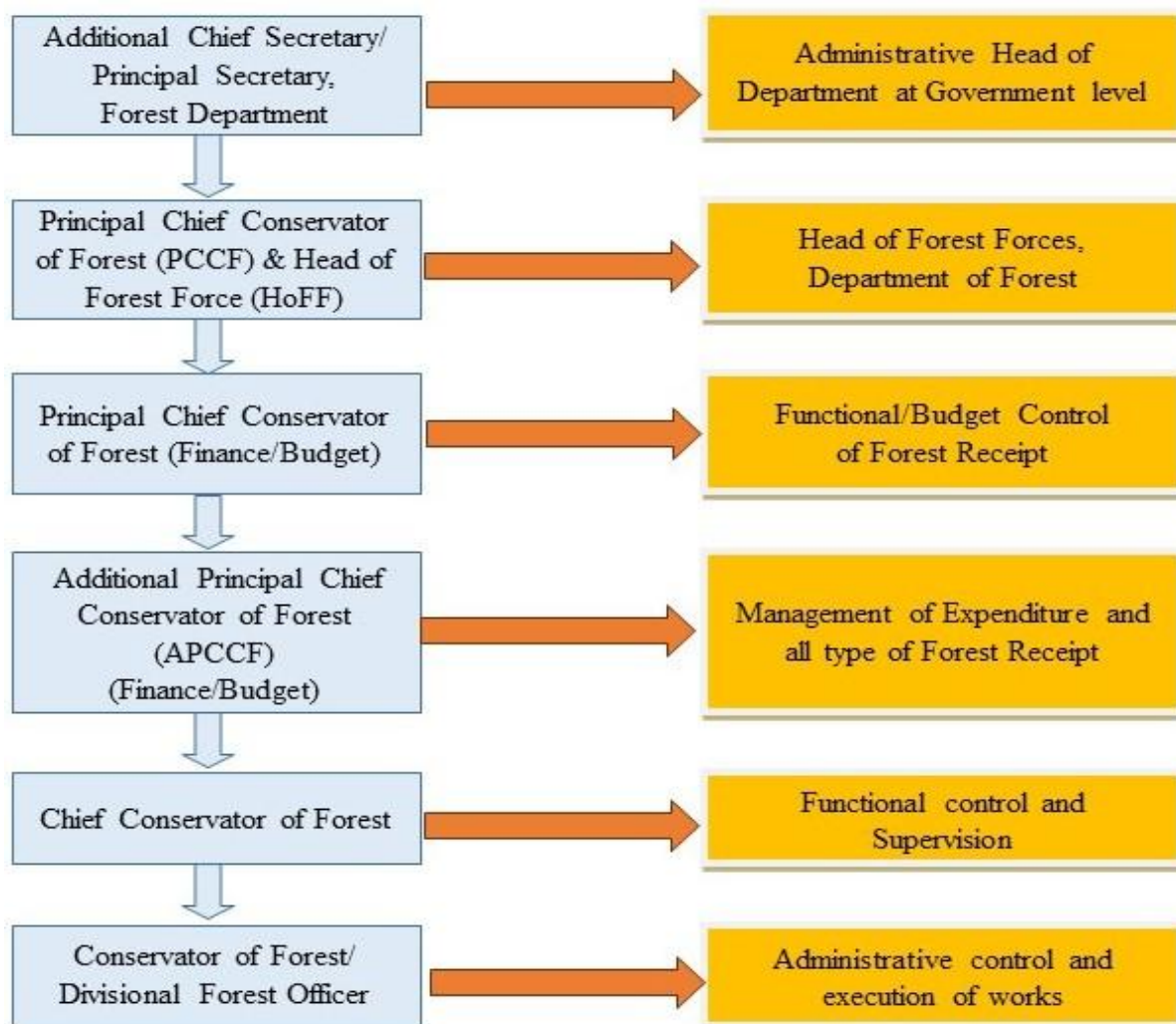
6.3 Audit Methodology

Audit covered the period from 2019-20 to 2021-22. However, records pertaining to the felling period of October 2018 to March 2019 were also included as the revenue from the felling operations were realised up to the subsequent financial years. Audit test checked the records related to Management of Forest Receipt in Madhya Pradesh in the office of the PCCF (Production) and 25 randomly selected Divisions³ out of 73 Divisions. Some information was also collected from PCCF (Finance/ Budget).

³ **General Divisions (G):** Chhindwara East, Datia, Dewas, Dhar, Dindori, Harda, Narmadapuram, Jhabua, Mandla West, Raisen, Ratlam, Satna, Sehore, Shahdol North, Shahdol South, Sidhi, Singrauli, Rewa, Umaria,
Production Divisions (P): Betul, Dewas, Harda, Khandwa, Raisen, and Seoni.
(Selection was done through Stratified Sampling Method using IDEA software).

6.4 Organisational setup

The Organisational setup of the Department is shown in the organogram below:-



The DFOs are responsible for implementation of all forest Act in their respective divisions, including realisation of Government revenue. They are assisted by Sub-Divisional Officers and rangers.

6.5 Trend of Forest Produce and Forest Revenue

Process of marking of harvestable timber and assessment of yield is done prior to the scheduled felling year of coupes. Forest produce is transported to depots and sold through auctions which are held periodically. Timber, Fuel and Bamboo production during the last three years are detailed in **Table 6.1** below:

Table 6.1: Timber, Fuel wood and Bamboo production during the last three years

S. N.	Details	Felling Year		
		2018-19	2019-20	2020-21
1	Timber (Qty. in Cu.M)	2,73,365	2,09,210	1,74,545
2	Fuel Stacks (Qty.in Nos.)	1,62,945	1,26,811	1,01,546
3	Bamboo (Qty. in Notional Ton)	34,189	27,106	37,211

Source: Departmental Administrative Report 2021-22

It is evident from the above table that the production of timber and fuel wood fell in the year 2020-21 by 36 and 38 *per cent* respectively as compared to 2018-19 while Bamboo production increased by 9 *per cent* in 2020-21 as compared to 2018-19.

Status of Forest Revenue realised during the last three years is given in **Table 6.2** below:

Table 6.2: Forest Revenue realised during the last three years

(₹ in crore)				
S. N.	Year	Target	Revenue	Percentage Increase/Decrease
1	2019-20	1,500.00	1,036.83	(-) 30.88
2	2020-21	1,398.93	1,294.69	(-) 7.45
3	2021-22	1,311.26	1,444.14	(+) 10.13
Total		4,210.19	3,775.66	

Source: Information provided by the APCCF (Budget)

Forest Department collected revenue of ₹ 3,775.66 crore against the target of ₹ 4,210.19 crore in various sub-heads, such as sale of timber and other forest produce, receipts from social and farm forestry, state trading in timber, bamboo, and other receipts during the period from 2019-20 to 2021-22. Reasons for shortfall against targets were not intimated to audit (March 2024).

Further, it was seen in 12 Divisions⁴ out of the 25 selected Divisions that a total amount of ₹ 8.24 crore was outstanding for recovery for periods ranging between two and 74 years, which is indicative of the fact that the Department has not been following up with the concerned authorities for recovery of the same as arrears of land revenue.

Audit Findings

6.6 Implementation of WP

Deficiencies in implementation of working plan are discussed below:

6.6.1 Delay in realisation of revenue due to delayed preparation of WP and felling permission

As per National Working Plan Code 2014, the Working Plan (WP) is to be revised every 10 years and the preparation of WP of a Forest Division should normally take two years which may vary, depending upon the volume of work and technical facilities available. This time period includes the time needed for seeking timely approval from the GoI. Further, according to Working Plan the felling permission shall be sent to GOI prior to one year of felling.

Audit noticed abnormal delays in preparation and submission of new WPs or in seeking felling permission to/ from the GoI in respect of four Divisions, resulting in delays in felling and consequent blockage of revenue as detailed in **Table 6.3** below:

⁴ Betul (P), Dewas (P), Seoni (P), Chhindwara East (G), North Shahdol (G), Raisen (G), Ratlam (G), Rewa (G), Satna (G), South Shahdol (G), Sidhi (G) and Umaria (G).

Table 6.3: Delays in submission of WPs or in seeking felling permission

(₹ in lakh)

Name of the Division	Audit Observation	Quantity of timber affected (in Cu.M)	Minimum Revenue blocked
Chhindwara East (G)	The last WP was in force till 2017-18. The next WP due from 2018-19 was <u>submitted</u> to the GoI in May 2021, after a delay of 38 months.	3,594.42	70.16
Sehore (G)	The last WP was in force till 2015-16. The next WP due from 2016-17 was submitted to the GoI in May 2020, after a delay of 50 months.	9,537.44	1469.05
Sidhi (G)	The proposal for felling permission for the year 2019-20 was to be sent to the GoI in 2018-19. The DFO sent the letter for obtaining the felling permission for the year 2019-20 in July 2019, after a delay of 15 months.	103.70	3.39
Satna (G)	The proposal for felling permission for the year 2019-20 & 2020-21 was to be sent to the GoI in 2018-19 & 2019-20. The DFO sent the letter for obtaining the felling permission for the year 2019-20 & 2020-21 in October 2021, after a delay of 33 and 19 months respectively.	364.75	34.77
Total		13,600.31	1,577.37

Source: Departmental records

Reasons for delays in submission were not on record.

Thus, failure of the concerned DFOs to ensure timely preparation and submission of plans resulted in subsequent delays in implementation of WPs, which not only affected the felling cycle (with revenue implication of ₹ 15.77 crore) and ancillary processes, but also resulted in delays in other activities such as raising of plantations or other protective measures meant for ensuring health of forests.

In reply, the Government stated (December 2023) that the coupes which could not be exploited in the absence of approved WP, are later exploited when the approval is accorded leading to consequent delays. Therefore, there is no loss of revenue.

The reply is not acceptable because there was delay in submission of WP and felling permission ranging from 15 to 38 months which resulted in blockage of revenue.

6.6.2 Non-adherence to the conditions of the WP sanction

The annual permission for execution of WP prescriptions in Madhya Pradesh by Ministry of Environment, Forests & Climate Change (MoEFCC), GoI for the period 2019-20 to 2021-22 stipulated that for granting of rights and concessions, all kinds of felling including felling mandated under FCA approval, illicit felling and felling of dead, dying and diseased trees (including wind fallen trees) shall also be accounted for in the prescribed felling yield of the relevant year.

Audit noticed in eight Divisions⁵ that felling was executed against estimated production of 74,740.39 Cu.M of timber, 9,260 poles and 35,218.93 Cu.M fuel wood for the period from 2019-20 to 2021-22. However, during the same period another 14,575.68 Cu.M of timber was received by the Divisions from other sources as detailed in **Table 6.4** below:

Table 6.4: Details of timber received from other sources

Type of felling	Quantity (in Cu.M)
Illicit felling	3,041.70
Wind fallen trees	2,913.03
Felling under FCA	8,620.95
Total	14,575.68

The Divisions, while estimating the quantity of felling, failed to consider 14,575.68 Cu.M of timber received from other sources, as detailed above, and proportionately reduce the estimated quantity to be felled in their WPs. Consequently, by not including the timber received from other sources, the Department allowed an excess felling of 14,575.68 Cu.M in violation of the GoI rules.

On this being pointed out, four DFOs⁶ stated (between August and September 2022) that adjustment of seized forest produce will be done in the next felling year. DFO (P) Seoni stated (August 2022) that adjustment had been made as per GoI direction while the DFO (G) Harda stated (March 2022) that there was no possibility of adverse effect on forest on account of high density of forests. Others⁷ did not furnish replies (November 2023).

The replies are not acceptable and factually incorrect in respect of DFO (P), Seoni as excess timber was allowed to be felled in violation of GoI rules. Further, the reply of DFO (P), Harda indicated the negligence towards protection of forest through judicious exploitation.

6.6.3 Revenue loss due to encroachment

Section 80A of Indian Forest Act, 1927 stipulates that any person who unauthorisedly takes or remains in possession of any land in areas constituted as reserved or protected forest under section 20 or 29, as the case may be, without prejudice to any other action that may be taken against him under any other provision of this Act, be summarily ejected by order of a Forest-officer not below the rank of DFO.

Audit observed that:

6.6.3.1 As per the WPs in six Divisions, there was encroachment on 60,822.829 ha of forest land. The Divisional Officers had however, informed their higher authorities that there was encroachment on 34,442.404 ha only including the area involved in forest rights decided cases (12,065.306 ha), pending cases of forest rights (226.266 ha) and encroachment before enactment of Forest Rights Act, 1980 (710.914 ha). Thus, encroachment on 26,380.425 ha was short intimated. Reasons for non-intimation were not available. Further, there was nothing in the records to show that the Divisions had taken any action to evacuate the encroachment

⁵ Chhindwara East (G), Harda (G), Narmadapuram (G), Raisen (G), Rewa (G), Shahdol North (G) Sidhi (G) and Seoni (P).

⁶ Chhindwara East (G), North Shahdol (G), Rewa (G) and Sidhi (G).

⁷ DFOs(G) Narmadapuram and Raisen.

resulting in continued illegal occupation of the forest area (47,820.343 ha⁸) which casts threat on the survival of the forests.

In reply, the Government stated (December 2023) that the process of claiming forest rights for the remaining land is under progress under the Forest Rights Act, 2006 and until this process is completed it is not possible to remove the encroachment. Every effort is, however, being made to prevent new encroachments.

The reply is not convincing because it lacks the assurance about early removal of encroachments

6.6.3.2 In Raisen (G) Division, as per the WP (2013-14 to 2022-23), there was 19,321.27 ha encroached forest land out of total 1,54,628.02 ha and felling was to be carried out in three coupes, which were partly within the encroached areas. The Division failed to effect any evacuation and consequently, felling could not be carried out in those parts falling under encroached areas. The details are given in **Table 6.5** below:

Table 6.5: Details of area not felled within encroached area

Column	Details	Area (in ha)
A	Total area of coupes selected for felling during 2018-19 to 2020-21 under Raisen (G) Division	13,686.45
B	Area of coupes within encroached areas	1,012.49
C	Total area felled (in three coupes)	13,093.37
D	Area not felled (within encroached area) (A-C)	593.08

Thus, failure of the concerned DFO to take cognizance of encroachment and prepare realistic WPs and felling plans, thereby resulted in non-felling of trees in 593.08 ha (involving 5,663.91 Cu.M⁹ of timber and fuel wood) with consequent loss of revenue amounting to ₹ 1.46 crore¹⁰.

In reply, the Government stated (December 2023) that the revenue loss calculated by Audit is incorrect. Audit has considered the average volume of trees as 19.1 Cu.M per ha which means that the volume of dense forest (36.2 *per cent*), scattered forest (34.9 *per cent*), open forest (12.14 *per cent*), forest village (4.5 *per cent*), encroachment (11.84 *per cent*) and others (33 *per cent*) is negligible. Hence, multiplication of the average volume of trees with the encroached area is totally incorrect. Further, the Audit has considered the production capacity as 50 *per cent* which is actually 33 *per cent* (6.1 Cu. M) and the same is obtained from the dense and scattered forests.

The reply is not acceptable because the average volume of trees as 19.1 Cu.M per ha has been mentioned in *Appendix 18 & 33* of the Working Plan itself and even if the yield is considered

⁸ 60,822.829 ha - (Area of forest right = 12,065.306 ha, Area of Pending forest right = 226.266 ha and Area of Encroachment before 1980 = 710.914 ha)

⁹ As per WP only a maximum of 50 *per cent* area for marking and exploitation work and average timber in Division is 19.1 cubic meter per ha. (593.08/2 *19.1)

¹⁰ 3,106.66 cum (Timber) x ₹ 2,896 per cum = ₹ 89,96,887
2,557.25 cum. (Fuel wood) x ₹ 2,183 per cum = ₹ 55,82,477
Total = ₹ 1,45,79,364

as 33 *per cent* the revenue loss works out to ₹ 0.96 crore¹¹.

6.6.4 Loss of revenue due to presence of stumps

In order to ensure accountability of all the officials in the Forest Department in cases of illicit felling, the Government issued instructions (February 2004), wherein it envisaged action against forest department officials if lapses, resulting in illegal felling, could be attributed to them. Further, the PCCF directed (March 2005) all the concerned divisions to ensure that Range Assistant (RA) record details of stumps available in the coupe in the Marking Book including ascertaining as to whether Preliminary Offence Report (POR) is registered for these stumps or not and the reason for their occurrence. The details are further to be verified by the Range Officer and the SDO.

Audit noticed in nine Divisions¹² that there were 15,929 stumps or pollards¹³ out of 79,108 trees marked for felling in 108 coupes, which varied between 10.18 and 100 *per cent* of the total trees marked in these coupes.

However, examination of the Marking Books in these divisions revealed that PORs had not been registered in respect of any of these stumps and entered in the Marking Books. Thus, occurrence of stumps without registered PORs, indicated illicit felling without recovery, resulting in loss of ₹ 1.09 crore to the Government as shown in **Appendix 6.1**.

For lapses resulting in illegal felling, no action was taken against the concerned forest officials.

The DFO (G), Umaria, South Shahdol, North Shahdol and West Mandla stated that according to the evaluation form factor of the trees, there has been a difference in the quantity produced due to the trees above the girth of the chest. The DFOs (G) of Harda, Sehore and Raisen stated that reply will be sent separately after scrutinising the cases. The DFO (G), Hoshangabad stated that the payment is made after verification of marking by Range Officer. The DFO (G), Dindori stated that marking was done according to the WP.

The replies are not acceptable because the desired remarks (*i.e.*, the stump was on account of departmental felling) or POR (*i.e.*, for illegal felling where culprits have been identified BD compounding of offence has been carried out) not recorded in the marking book, in the absence of which the possibility of illegal felling of trees in the coupes cannot be ruled out. Further, progress in the case is awaited (March 2024).

6.6.5 Revenue blockage due to non-felling of trees in marked coupes

A coupe is demarcated forest area prescribed in WPs of Forest Divisions where harvesting is to be done in the prescribed year. The PCCF directed (November 2004) all concerned divisions

¹¹ As per reply of the Department 33 *per cent* forest produce obtained from dense and scattered forest and average timber in Division is 19.1 cubic meter per ha. $(593.08/3 \times 19.1) = 3,738.18$ cum.
2,050.39 cum (Timber) x ₹ 2,896 per cum = ₹ 59,37,929
1,678.79 cum. (Fuelwood) x ₹ 2,183 per cum = ₹ 36,64,799

Total = ₹ 96,02,728

¹² Dindori (G), Harda (G), Narmadapuram (G), Mandla West (G), Raisen (G), Sehore (G), Shahdol North (G) Shahdol South (G) and Umaria (G).

¹³ Stumps are remains of illicitly felled tree of height up to 1 m and Pollards are of height 1 to 2 m.

to ensure that demarcation, identification, marking and felling of trees in coupes as per WPs are to be implemented.

Audit noticed in eight Divisions¹⁴ that 1,78,597 number of trees in 90 coupes were marked for felling during the period from 2018-19 to 2021-22 and a yield of 20,174 Cu.M timber and 12,048 Cu.M fuel wood was estimated from this felling. Against this, the Divisions felled 1,12,202 trees, which yielded 8,748 Cu.M of timber and 8,286 Cu.M of fuel wood. Thus, short felling of 66,395 number of trees resulted in short yield of 11,426 Cu.M of timber and 3,762 Cu.M of fuel wood, resulting in blockage of ₹ 13.30 crore of revenue. Year wise details are in **Table 6.6** below:

Table 6.6: Short felling of marked trees

Year	No. of trees marked for felling	No. of trees felled
2018-19	22,693	16,078
2019-20	21,391	15,606
2020-21	51,803	26,060
2021-22	82,710	54,458
Total	1,78,597	1,12,202

In reply, the Government stated (December 2023) that all the trees marked for felling under the said Divisions have been felled and wherever there is a shortfall it is negligible. Against the marked 10,83,453 trees for felling in 1,282 coupes of the said Divisions, 10,36,929 trees have been felled.

The reply is not acceptable as the details of felling in all the coupes (1282) under the above Divisions has been provided instead of the specific 90 coupes where the shortfall in felling was 37 per cent (against the planned felling), as was pointed out by Audit.

6.6.6 Loss of revenue due to variation in actual yield vis-à-vis estimates

As per instructions issued by the APCCF (P) (March 2004), 10 per cent variation between estimated and actual yield of timber and fuel wood is permissible. The PCCF further directed (July 2015) that the reason for high variation may be investigated and reconciled by Joint Inspection (during exploitation) by the officials of both General and Production Divisions.

6.6.6.1 Shortfall in actuals vis-à-vis estimates.

Audit noticed in 63 coupes of six Divisions¹⁵ that a total of 1,07,573 trees were marked for felling with estimated yield of 10,323 Cu.M of timber and 5,506 Cu.M of fuel wood. Against this, felling of the marked trees resulted in actual yield of 6,813 Cu.M timber and 3,493 Cu.M of fuel wood. The shortage in production of timber/ fuel wood across the 63 coupes varied between 12 per cent and 40 per cent.

Audit further observed that despite variation of over 10 per cent between estimates and actual yield, the concerned General and Production divisions failed to carry out joint inspections to reconcile the difference.

¹⁴ Betul (P), Harda (P), Khandwa (P), Narmadapuram (G), Shahdol North (G), Shahdol South (G), Singrauli (G) and Umari (G).

¹⁵ Harda (P), Khandwa (P), Raisen (P), Dewas (G), Rewa (G) and Shahdol South (G).

Failure of the Department to monitor the quantity of felling and carry out reconciliation resulted in loss of revenue amounting to ₹ 5.18 crore¹⁶ as detailed in **Appendix 6.2(i)**.

6.6.6.2 Irregular conversion of timber into fuel wood during actual yield calculation

Audit noticed in 54 coupes of three divisions¹⁷ that the estimated total yield of timber and fuel wood was 751 Cu.M Against this, the actual yield was 779 Cu.M, which was higher than the estimates (by 4 *per cent*), thereby indicating that the estimation of yield was very good.

However detailed analysis of the actual yield revealed that as against the estimate of 493 Cu.M of timber, the divisions actually obtained 302 Cu.M of timber (shortfall of 39 *per cent*). In respect of fuel wood, the divisions obtained 477 Cu.M of fuel wood as against estimate of 258 Cu.M, resulting in excess yield of 85 *per cent*.

Thus, the divisions irregularly converted timber into fuel wood at the time of calculation of actual yield, with a view to benefiting the bidders, as fuel wood is relatively cheaper than timber¹⁸. Despite the high variation in timber yield (39 *per cent*), the Department made no effort to check the actual calculation or monitor the same through joint physical verification between the concerned General and Production divisions. Thus, the irregular conversion of timber into fuel wood resulted in loss of revenue amounting to ₹ 0.45 crore. The details are given in **Appendix 6.2(ii)**.

The Department may fix responsibility on the concerned Divisions for the low yield of timber, resulting in loss of revenue.

In reply, the Government stated (December 2023) that in Khandwa division the shortfall in production was 13.64 *per cent* because dead, dying or diseased trees were marked for felling.

Further, the average/ overall shortfall in production of timber and fuel wood in these Divisions was only four *per cent* which was within the acceptable limits.

The reply is not acceptable because the estimated quantity is worked out after considering dead, dying or diseased trees. As per the records, the actual shortfall in Khandwa was 39.80 *per cent*. Further, the details provided in reply pertain to all the coupes under the above division. The observation however pertains to 63 coupes selected and commented by audit. In these coupes the shortfall ranged between 12 *per cent* and 40 *per cent* beyond the acceptable limit of 10 *per cent*.

Further, on the issue of irregular consideration of timber as fuel wood in the actual yield calculation, Government did not furnish reply (March 2024).

6.6.7 Loss of revenue due to low yield of Bamboo

The CCF (Production) had while clarifying an earlier order of 1984 stated (June 1995) that no variation (variation of 10 *per cent* applicable in case of timber and fuel wood) is permissible between estimated and actual yield in case of exploitation of bamboo. The APCCF (Production) has however, in its circular (February 2009) stated that if the difference in

¹⁶ The loss has been calculated by deducting 10 *per cent* permissible variation.

¹⁷ Betul (P), Satna (G) and Sidhi (G).

¹⁸ Minimum average auction price of timber is ₹8685 *vis-à-vis* ₹ 1,820 for fuel wood.

estimated and actual production of the bamboo is to exceed or fall below ± 10 per cent or is pointed out by the Audit, all the officer/ employee will be responsible and action against them shall be taken for the same.

Audit noticed in six Divisions¹⁹ that the shortfall in the actual yield (2,780.61 NT industrial and 2,529.12 NT Commercial) of bamboo ranged between 13 per cent and 100 per cent in 60 coupes against the estimated yield (6,872.164 NT industrial and 8,322.856 NT Commercial), which resulted in loss of revenue of ₹ 6.31 crore. Details in **Annexure 6.3**.

Despite CCF's express instructions regarding non-permissibility of deviation, the divisions failed to monitor the actual yield, resulting in loss of revenue to that extent. No action has been taken against the concerned officials for the shortfall in yield.

In reply, The Government stated (December 2023) that there may be difference in estimated and actual production. The instructions (June 1995) pertaining to allowed difference of ± 10 per cent do not apply to Bamboo coupes.

The reply is factually incorrect on account of the following reasons: -

- (1) The order dated June 1995 did not allow any variation between estimates and actual in case of bamboo felling.
- (2) The order dated February 2009 while allowing a margin of difference of ± 10 per cent in case of bamboo sought to fix responsibility for the difference.

Audit has taken into account the order of February 2009 to calculate minimum loss after allowing ± 10 per cent variation. The difference and the loss would be way higher if the order of June 1995 is followed which did not allow for any margin of difference in case of bamboo.

The Department may investigate the reasons for the low production of bamboo *vis-à-vis* estimates.

6.6.8 Non/ short recovery of transit fee

The GoMP issued (May 2001) directions regarding transportation of minerals from forest land under which leaseholder shall pay the transit fees to the Forest Department. The Mineral Resources Department shall provide records relating to the recovery of transit fee to the DFO from time to time; thereafter transit fee will be adjusted in the revenue head of the Forest Department. The DFO should reconcile the report submitted by the leaseholder with the record of transit fees provided by the Mineral Resources Department to ensure that proper transit fee is being credited into the Government Account. Further, the rate of transit fee was fixed (May 2001) at ₹ seven per MT and revised (March 2020) as ₹ 57 per MT for coal and limestone *etc.*

Audit noticed following irregularities: -

6.6.8.1 Under Satna and Singrauli Divisions, the divisional records revealed that six lease holders²⁰ had dispatched 5.54 crore MT coal and limestone and paid an amount of only

¹⁹ Betul (P), Harda (P), Khandwa (P), Seoni (P), Narmadapuram (G) and Shahdol North (G).

²⁰ M/s Hiralal Rameshwar Prasad, Khadia Project, Sasan Project, Amlori Mines, Dudhichuwa Mines and Jhiringuda Mines.

₹ 205.80 crore as transit fee. The cross-verification of records with the Mineral Resources Department, however, revealed that they had dispatched 11.83 crore MT of mineral necessitating total payment of ₹ 464 crore as transit fee. Thus, the lease holder had dispatched 6.29 crore MT of mineral without paying transit fee amounting to ₹ 258.20 crore.

Absence of a system of cross-verification between the line departments thereby resulted in short recovery of government revenue.

6.6.8.2 In Jhabua and North Shahdol Division, two lease holders transported 2.98 lakh MT of coal and rock phosphate and the Divisions received transit fee amounting to ₹ 1.18 crore from the lease holders. Audit scrutiny of records revealed that the actual fee payable was ₹ 1.69 crore. Inaction of the Department to verify the details while issuing Transit Passes and realise appropriate fees thereby resulted in short realisation of Government revenue amounting to ₹ 0.51 crore.

In reply, the DFO (G) Satna and Singrauli stated (July and August 2022) that action will be taken and intimated to audit. While the DFO (G) Jhabua and South Shahdol have initiated action to recover the due transit fee.

The replies are silent on the lack of monitoring of the leaseholders resulting in evasion/ short payment of transit fees. Recoveries have not been intimated (February 2023).

6.7 Assessment and collection of forest receipt

Deficiencies in assessment and collection of forest receipt are discussed below:

6.7.1 Loss to the Government due to non/ short recovery of lease rent and dividend

As per Chapter two of volume one of MP Financial Code, it is the duty of the concerned Administrative Department to ensure that the dues of the Government are correctly and promptly assessed, collected and regularly paid into the treasury.”

The GoMP decided (November 1979) that the Madhya Pradesh State Forest Development Corporation (MPSFDC) would pay two *per cent* to the Forest Department as lease rent, out of the net revenue earned by the Corporation every year from the sale of bamboo and teak from Project one or Crop one areas²¹. Further, the Finance Department, GoMP decided (July 2005) that State Public Sector Undertakings would pay 20 *per cent* of profit after tax to the State Government as dividend.

Audit noticed that lease rent for the year 2018-19 and 2019-20 was calculated and paid by the MPSFDC from November 2020 onwards after a delay ranging between 13 months and 17 months lease rent was paid in March 2022. For the year 2020-21, lease rent amounting to ₹ 50.13 crore out of ₹ 55.13 crore was yet to be paid by the Corporation while lease rent for the year 2021-22 had neither been calculated nor paid.

²¹ Project one or Crop one areas are the forest land with standing crop of bamboo and timber that are transferred by the Forest Department to MPSFDC.

The Corporation made delayed payment of dividends for the period 2018-19 to 2019-20 with delays ranging between 11 months and 23 months. Dividends for years 2020-21 and 2021-22 were neither calculated nor paid by the MPSFDC.

Despite delays in payment/ non-payment, the Department failed to realise the same from the Corporation. Reasons for the same were not on record. This resulted in loss to the Government in terms of interest amounting to ₹ 23.12 crore²².

In reply, the Government stated (December 2023) that the liability was on account of delay in approval of the Annual Report and Accounts for the year 2018-19 by the Board of Directors. The liability of ascertaining and approval of the amount of lease rent and dividend arose thereafter, and the payments were made under the provision of Company Act 2013. The delay was on account of Covid-19 pandemic.

The reply is not acceptable as the Annual Report and Accounts of 2018-19 should have been prepared and submitted in September 2019 whereas, the Covid-19 induced restriction started after January 2020. The reply is also silent about the delay in payment of lease rent and dividend for the subsequent years by the MPSFDC.

6.7.2 Non-receipt of Security Deposit and penalty from haulage contractor

Condition 6 of the agreement of haulage contract for transportation of forest produce stipulates that the contractor shall furnish a Security Deposit in the shape of crossed bank draft/deposit at call/ fixed deposit/ bank guarantee of any scheduled bank equivalent to 10 *per cent* of the total amount of haulage contract as guarantee. Condition 12 of *ibid* agreement, stipulates that if the contractor commits breach of any of the conditions of the agreement, contract may be terminated and the contractor shall be liable for forfeiture of all or such part of the Security Deposit and to compensate the Government for engaging other means of transport including government trucks during the period of contract or the following year through a penalty at a rate up to 33.33 *per cent* over and above the sanctioned tender rate.

Audit noticed in cases of 36 agreements of haulage contract of Harda (P), Raisen (P) and Narmadapuram (G) Divisions that security deposit amounting to ₹ 10.88 lakh was not furnished by the contractors, yet the works were awarded, and execution started resulting in non-compliance of the clause of the contract agreement and undue financial benefit given to contractors.

Further, in other cases, it was seen that in Harda (P), Khandwa (P) and Raisen (P) Divisions, a total of 22 haulage contracts were executed for transportation of 8,561 Cu.M timber from coupes. However, actual felled quantity was 6,904.99 Cu.M against which the contractors transported 4,347.15 Cu.M leaving 2,557.84 Cu.M timber in the coupes itself. Thus, the contractor defaulted in execution of contracts and a penalty of 33.33 *per cent* over and above the sanctioned tender rate should have been imposed and recovered from the contractors. The leviable penalty of ₹ 24.17 lakh was neither imposed nor recovered by the Department, resulting in loss to the Government.

²² At the rate of seven *per cent* pa applicable on FDRs as mentioned in MPSFDC's letter dated 17 July 2020.

In reply, the Government stated (December 2023) that the Security Deposit has been deducted from contractor's bills. In Harda and Khandwa Production Divisions all the 64 transport groups for the period, 2019-20 to 2021-22, more than 10 *per cent* of the contract amount was recovered from the transport contractors and 7,675.632 Cu.M of forest produce were transported in transport groups against the notified estimated quantity of 10,339 Cu.M.

In none of the above cases, however, was the amount recovered at the instance of audit intimated.

The reply is not acceptable as Audit has pointed out non-transportation of the extracted quantity of timber in 22 agreements. In these 22 agreements, penalty for not transporting the entire extracted quantity was not recovered from the contractors as per the provision of Condition 12 of the Agreement.

6.7.3 Short imposition and recovery of compensation in forest offence cases

According to Section 68 (as amended vide GoMP notification, March 2010) of IFA, for compounding a forest offence, recovered amount in the shape of compensation should not be less than double the value of forest produce.

Audit noticed in six Divisions²³ that the value of forest produce seized was estimated at ₹ 2.24 lakh in 105 forest offence cases. The offence cases against offenders, however, were compounded after recovery of compensation of ₹ 1.46 lakh instead of ₹ 4.48 lakh resulting in short imposition of penalty amounting to ₹ 3.02 lakh.

The reply is silent on short recovery of compensation in forest offence cases.

6.7.4 Loss due to shortage in re-measurement of forest produce in depot

The ACCF (Production) directed (March 2003) that provision for relaxation due to reasons as enumerated in the directions (October 1997) of CCF (Production) for different girth classes may be considered during measurement in coupes and no provision of relaxation is available during the re-measurement in depot and if any shortage is noticed, recovery of the same shall be made from coupe in-charge. Further, the PCCF observed (January 2005) shortfall in volume of POR material received in depot and instructed that after reconciliation, action for recovery of shortfall may be initiated.

6.7.4.1 Audit noticed in six Divisions²⁴ that 4847.53 Cu.M timber was sent from 106 coupes to depots. On re-measurement in depots, the timber was found to be 4,682.61 Cu.M Thus, there was a shortage of 164.92 Cu.M timber. This resulted in the loss of ₹ 27.76 lakh.

In reply the Government stated (December 2023) that in Khandwa, action has been taken against the officials and in Satna, the issue is being examined by the DFO whereas there were no shortages in other Divisions.

²³ Dewas (G), Dindori (G), Harda (G), Jhabua (G), Raisen (G) and Satna(G).

²⁴ Harda (P), Khandwa (P), Raisen (P), North Shahdol (G), Satna(G) and Singrauli (G).

The reply is not acceptable because the records shown to Audit revealed shortage in the volume of timber transported from the coupes to the depots in respect of all divisions and hence the same may be investigated accordingly.

6.7.4.2 Audit noticed in 10 Divisions²⁵ that in 179 cases, total 339.196 Cu.M of material was seized and transported to sale depots of the Divisions against which, shortfall of 32.72 Cu.M was observed during re-measurement at depots. Thus, material received at depots fell short by up to 9.65 *per cent*, resulting in loss by ₹ 4.55 lakh which needs to be recovered from the officials concerned.

In reply, the DFO (G) Umaria, South Shahdol and Betul (P) stated (September and October 2022) that the recording of the timber extracted by the General Division is done by considering both the ends of the timber and re-measurement was done leaving both the ends. The DFO (G) Raisen stated (September 2022) that recovery is in progress. The DFO (P) Dewas stated (September 2022) that the action will be taken by the General Division. While the DFO (G) Harda stated (March 2022) that due to driage, the girth class of timber reduces, and it is converted into poles from logs. The DFO (G) Sehore and DFO (G) East Chhindwara had not given specific replies. DFO (G) Singrauli stated (August 2022) that there was a typing error. DFO (G) Sidhi stated (July 2022) that there was a delay causing a decrease in volume.

The replies of the DFOs are not acceptable because as per departmental instructions, there cannot be difference between measurement in coupe and re-measurement in depot, the process of measurement should be the same. Further, no documentary evidence was submitted by DFO (G), Raisen regarding recovery and DFO (G) Singrauli could not provide documents in support of reply.

6.7.5 Loss due to shortage of forest produce in physical verification

As per Rule 22 (1) of the MP Financial Code, any loss should be reported to the Head of Department (HOD) as well as Accountant General (AG) and after enquiry, action for recovery should be initiated.

Audit noticed in 11 Divisions²⁶ that during the period 2019-20 to 2021-22, 8.77 Cu.M of teak wood, 98,760 numbers of bamboo, 9,303 numbers of poles and 520.5 Cu.M fuel wood amounting to ₹ 26.85 lakh was found to be short during physical verification of depots conducted by the forest authorities. Reasons for the short count was not on record. Further, these loss cases were also not found to be reported to the HOD/ AG for follow-up action such as explaining the reasons for losses, circumstances under which loss occurred and preventive measures taken to prevent losses in future.

In reply, the Government stated that the loss in forest produce has occurred due to natural decomposition, negligence in upkeep of the produce by the divisional officials and non-return of produces (bamboo, poles, *etc.*) provided to the Civil Administration. In the cases of

²⁵ Betul (P), Dewas (P), Raisen (P), Chhindwara East (G), Harda (G), Sehore (G), South Shahdol (G), Sidhi (G), Singrauli (G) and Umaria (G).

²⁶ Chhindwara East (G), Dewas (G), Dhar (G), Dindori (G), Narmadapuram (G), Jhabua, (G), Raisen (G), Ratlam (G), Satna (G), Umaria (G) and West Mandla (G).

decomposition, action for write off and in the cases of negligence action against the negligent officials is being taken. Further, action is also being taken for recovery (monetary/ physical) of the produce provided to the Civil Administration. It was also stated that as of now, there is no shortage of forest produce in Raisen (G) and Dewas (G) Divisions. In Narmadapuram (G) orders for recovery have been issued. In the remaining eight Divisions action is being taken for the recovery.

The reply is *silent* on the quantity lost to decomposition. Audit may be informed about the value of forest produce lost due to decomposition. The result of order issued in Narmadapuram (G) Division, and the progress of action being taken in the remaining eight Divisions may also be intimated.

6.7.6 Loss of revenue due to non-disposal of timber

According to the Section 58 of IFA, the Magistrate may direct sale of any property seized under Section 52²⁷ of IFA which is subject to speedy and material decay.

Audit noticed in eight Divisions²⁸ that 5,316 logs of timber (363.19 Cu.M) seized in 190 forest offence cases were lying un-disposed for more than 36 years. As there is a probability of timber getting deteriorated due to a prolonged period of litigation, it is prudent on the part of the Department to apply to the Magistrate for permission to dispose of the timber to avoid losses. But no permission for disposal of timber was obtained in these cases.

In reply, the DFO (P), Betul, while accepting the facts, stated (October 2022) that timber had been destroyed due to rain, termite, and exposure to sun. The DFOs of Chhindwara East (G), Dewas (G), Dindori (G), Harda (G) and Ratlam (G) stated (March, August, September and October 2022) that disposal would be done after approval from the court. Other DFOs stated that status would be communicated after disposal.

Further development had not been intimated (March 2024).

6.7.7 Non-levy of charges in compensatory afforestation and misclassification

6.7.7.1 The Forest Department, GoMP issued (December 2004) directions to recover the amount of Supervision Charges from User Agencies (UA) at the rate of 10 per cent of the project cost of compensatory afforestation (CA) except the Government Departments and it shall be remitted into receipt head of State Government.

Audit noticed in five cases of five Divisions²⁹ that Supervision Charges amounting to ₹ 68.34 lakh were either short recovered (in three cases) or not recovered (in two cases). Reasons for such short/ non recovery were not available in the records.

The DFOs stated (between July to September 2022) that the cases would be reviewed. Further reply had not been received (February 2023).

²⁷ Pertains to seizure of property liable to confiscation and procedure therefor.

²⁸ Betul (P), Chhindwara East (G), Dewas (G), Dindori (G), Harda (G), Mandla West (G), Ratlam (G) and Singrauli (G).

²⁹ Umaria (G), North Shahdol (G), South Shahdol (G), Dindori (G) and Singrauli (G).

6.7.7.2 The PCCF (Land Management) directed (September 2013) that estimates of CA plantations should be prepared, considering the rate of wages after two years of sanction of the project as the basis, (at an increasing cost of 10 per cent per annum) so that the Department will not have to bear additional expenditure due to increase in the rate on account of delays in completing the formalities.

Audit noticed in five Divisions³⁰ that nine DPRs of CA projects were prepared at the present market rates of various components in contravention of the above provisions. The project cost was worked out as ₹ 1,319.08 lakh instead of ₹ 1,532.75 lakh (as per the above provisions). This resulted in under estimation of ₹ 213.67 lakh which subsequently resulted in under assessment of supervision charges amounting to ₹ 21.36 lakh.

In reply, the DFO (G) Singrauli, North Shahdol, Raisen and Dewas stated (August and September 2022) that the project estimates had been prepared as per Government instructions, while the DFO (G) Umaria stated (September 2022) that after examining the calculation of Supervision charges, a letter would be issued to user agency for depositing the same.

The replies are not acceptable as Government instructions regarding labour charges for calculating project costs were explicit. Thus, failure of the DFOs to adhere to the Government directions resulted in under assessment and short realisation of charges to that extent.

6.7.7.3 MoEFCC, GoI (October 2010) and PCCF (LM) (May 2013) directed that in cases of diversion of forest land under the Forest Conservation Act, 1980, the amount of CA, Additional CA, Penal CA, CA and NPV, *etc.* were to be deposited by the User Agency directly through RTGS/ CBS in the account opened in New Delhi under *Ad hoc* CAMPA for Madhya Pradesh. Rule 13 (Section V) of the MPTC stipulated that the amounts received by the Forest Department will not be deposited in the suspense or remittance head, they will be deposited in proper revenue head. Further, PCCF (Production) also directed (February 2019) that, if forest revenue has been remitted in head 8782, it will be immediately adjusted as the revenue in the proper head of forest.

- In Dindori Division (G), an amount of ₹ 1.13 crore was recovered from Madhya Pradesh Rural Road Development Authority on account of Net Present Value and CA charges relating to two road Projects. The recovered amount was remitted into Revenue Head '0406' of the GoMP instead of CAMPA³¹ fund which reflected as increase in departmental revenue by ₹ 1.13 crore.
- In Narmadapuram and South Shahdol Divisions, an amount of ₹ 2.66 crore was recovered from User Agency on account of supervision and mining charges in different Railway and Mining projects and remitted into other heads³² instead of Revenue Head "0406 - Forestry and Wildlife" of the GoMP. Thus, there was misclassification of revenue head amounting to ₹ 2.66 crore.

³⁰ Dewas (G), North Shahdol (G), Raisen (G), Singrauli (G) and Umaria (G).

³¹ CAMPA, compensatory afforestation management and planning authority is an autonomous body.

³² Narmadapuram- ₹ 16.58 lakh in "8443-Civil Deposit" and South Shahdol - ₹ 2.49 crore in "8336-NPV forest land".

- Audit noticed in five Division³³ that the amount of ₹ 8.24 lakh was deposited by the office through 237 challans in remittance head 8782 instead of forest remittance head 0406 Forestry and Wildlife 01-800 Other Receipts, 0229 Miscellaneous.

In reply, the DFO (G) South Shahdol stated (September 2022) that letter would be written to the treasury for proper classification while the DFO (G) Umaria stated (September 2022) that revenue receipts would be transferred to the concerned receipt head. The DFO (G) Singrauli stated (August 2022) that reconciliation with treasury records had been done and report of the same was sent to the CCF and Accountant General (A&E). The DFO (G) Hoshangabad, Satna and DFO (P) Khandwa stated (July 2022) that amount would be reconciled.

Further reply has not been received (February 2023).

6.7.7.4 The Forest Department, GoMP issued orders (July 2012) that the rate of processing and registration charges shall be levied from UA.

It was seen in nine projects of Umaria and Jhabua forest Divisions that an amount of ₹ 0.20 lakh recovered by the division as against the recoverable amount of ₹ 1.74 lakh from the User Agency. Resultantly, an amount of ₹ 1.54 lakh on account of processing/registration charges was short recovered from UA by the Department against the direction of higher authorities.

The DFO (G) Umaria and Jhabua assured that demand shall be raised for depositing processing/registration fee.

6.8 Monitoring and Supervision

There are instances of deficiencies in monitoring and supervision which are discussed in following paragraphs:

6.8.1 Non-preparation of timber account

Rule 217 of MPFFR prescribes that monthly Timber Account in Form 20A is to be prepared in the ranges and sale depots to be submitted on 25th day of next month to the DFOs. It contains information such as the opening balance of the produce, time when it was received, quantity disposed during the month, balance quantity pending *etc.*, which is vital for monitoring the receipt and disposal of harvested as well as confiscated forest produce by the DFO. This would also enable detection of any shortage of timber between the coupe and the depot.

Audit noticed in 16 Divisions³⁴ that timber account was not being prepared timely and were delayed for periods³⁵ ranging from two days to 38 years. Out of four ranges under Ratlam (G) Division, timber account was not submitted by three ranges and the timber account of only one range forwarded to CCF by the DFO.

³³ Khandwa (P), Narmadapuram (G), Satna (G), Singrauli (G) and Umaria (G).

³⁴ Dewas (P), Dewas (G), Dindori (G), Harda (P), Harda (G), Jhabua (G), Narmadapuram (G), Raisen (P), Ratlam (G), Rewa (G), Satna (G), Shahdol South (G), Shahdol North (G), Sidhi (G), Singrauli (G) and Umaria (G).

³⁵ As on March 2022.

In reply, the Government stated (December 2023) that preparation of timber accounts is being monitored by the Headquarters office and in the case of delays instructions are being issued for their preparation in time.

The reply is silent on failure of the Divisions in preparing the accounts in time and action proposed to be taken to curb this deficiency.

6.8.2 Non-maintenance of account of transit pass

As per Rule 10 (1) of Transit (Forest Produce) Rules 2000, any person to whom a book of transit passes is supplied, shall submit a monthly account to the DFO, of forest produce extracted through the transit passes issued by him. Rule 10 (2) further provides that counterfoils of all used transit passes and unused passes, if any, shall be returned to the officer from whom the book of passes was obtained. No fresh book of transit passes shall be supplied until the counterfoils of all the passes previously used have been returned. This would enable DFO to keep watch on the transported forest produce.

Audit noticed in 13 Divisions³⁶, monthly account of transit pass was not being obtained from the persons to whom TP books were issued. Further, in four Divisions, 277 new TP books³⁷ were issued without obtaining the counterfoil of the old TP books. In 12 Divisions³⁸, physical verification of TP books by the competent authority was also not found on record. These reflect the lack of effective control over the physical availability of TP books and in such a situation the possibility of unauthorised transport of forest produce cannot be ruled out.

Further, Dhar Division had received 768 TP Books from the CCF, Indore during the period, 2002-03 to 2003-04, out of which 71 TP Books were issued to the Range Offices.

Audit noticed that the Division had established loss of 87 TP Books out of the remaining 697 TP Books and submitted a proposal of recovery (₹ 17.40 lakh) from the custodian of the TP Books to the CCF, Indore. No further development was seen in the urgent and the matter has been left unattended. Audit further observed that divisional records also did not contain the whereabouts of the balance 610 TP Books (697- 87). There was no information regarding the physical verification of 610 TP Books.

Thus, in absence of TP accounts, cross verification of forest produce that had to be extracted vis-à-vis actually extracted and transported could not be ensured. Simultaneously, it could not be ensured that requisite transit fee was being deposited or not. Further, the e-TP system was also not implemented by the Department for control over illegal transportation. The department may account for the balance 610 books. Action may be taken against concerned officials for the purported loss of books, because of which the possibility of embezzlement cannot be ruled out.

³⁶ Betul (P), Harda (P), Datia (G), Dewas (G), Dindori (G), Harda (G), Narmadapuram (G), North Shahdol (G), Raisen (G), Ratlam (G), Satna (G), South Shahdol (G) and Umari (G).

³⁷ Betul (P)-69, Dewas (P)-30, Harda (P)-33 and Satna (G)-145.

³⁸ Betul (P), Harda (P), Dewas (G), Dewas (P), Harda (G), Narmadapuram (G), North Shahdol (G), Raisen (G), Ratlam (G), Satna (G), South Shahdol (G) and Umari (G).

In reply the Government stated (December 2023) that all the provisions related to TP are being followed by the Divisions and the TP Books are being maintained in accordance with the Rules.

The reply is not acceptable because it is not supported by documentary evidence. Further, the reply is silent about further progress of the proposed recovery and the proposal to avoid the likely misutilisation of TP Books in Dhar Divisions.

6.8.3 Non- reconciliation of remittances

As per Rule 294 of MPTC, treasury shall send consolidated receipt of forest remittance and their deposits during the month by 5th date of next month. As soon as Consolidated Treasury Receipt (CTR) is obtained, it shall be reconciled with the entries of cash book and DFO will satisfy himself that amount sent are actually deposited in treasury or bank.

Audit noticed in five Divisions³⁹ that reconciliation was not being done on monthly basis. Reconciliation amounting to ₹ 173.70 crore during the period 2019-20 to 2021-22⁴⁰ was pending for 15 months to 54 months. In the absence of reconciliation of challans deposited with treasury records, the risk of non-detection of serious irregularities viz. fraud, misappropriation, etc. cannot be eliminated.

Audit noticed in four Divisions⁴¹ that an amount of ₹ 4.13 crore was recorded as receipts in the departmental records (through 345 *challans*). However, Audit scrutiny of the CTRs for the month⁴² revealed that the amount was not reflected in the treasury records.

In reply, the DFOs (G), Narmadapuram and Sehore stated (July 2022) that after reconciliation, further action would be intimated. The DFOs (G) Shahdol North and Umariya did not furnish reply (February 2023).

The Department may investigate the whole issue across all divisions and fix responsibility on the concerned officials for non-deposit of government money into government account.

6.8.4 Irregular adjustment of Forest Development Cess

According to Sub-section 4 and 5 of section 7 of M.P. Karadhan Adhiniyam 1982, the amount received as Forest Development Cess (FDC) is to be transferred to a separate fund *i.e.*, Forest Development Fund and this amount is to be utilised for the specific purposes mentioned in the Act. The FDC was repealed by Section 3 of GoMP Ordinance dated 05 May 2018.

Audit observed that the Forest Department collected an amount of ₹ 9.08 crore as FDC during the period from 2019-20 to 2021-22. However, the fund continues to remain unutilised as the same had not been provisioned for the specified purposes for which it was levied.

The PCCF (Finance and Budget) did not offer any comment (February 2023).

³⁹ Raisen (P), Dewas (G), Narmadapuram (G), Rewa (G) and Umariya (G).

⁴⁰ In Rewa (G) division amount was taken for the period January 2021 to March 2022.

⁴¹ Narmadapuram (G), Shahdol North (G), Sehore (G) and Umariya (G).

⁴² Narmadapuram (G) 03/21 & 12/21, Shahdol North (G) 03/19 & 03/21, Umariya (G) 03/19, 01/20 & 02/22 and Sehore (G) 03/2019 to 06/2019.

6.9 Conclusion

Audit noticed delay in preparation and submission of Working Plan besides non-compliance of the provisions of the approved Working Plans. The Department did not take adequate measures to prevent encroachment over the forest land. There was lack of coordination with the Mineral Resources Department. The lease rent and dividend were not being obtained from MPSFDC regularly and in time. Cases of failure in remitting the sales proceeds of forest produce into the Government Accounts, non-compliance of the provisions of Indian Forest Act resulting in non-disposal of timber, shortage of timber on re-measurement, non-preparation of prescribed records (timber account, account of transit pass *etc.*) non-reconciliation of remittances *etc.* were also noticed.

6.10 Recommendations

The Government may consider implementation of the following recommendations to rectify the system and compliance deficiencies.

- prescribe monthly returns to monitor timely preparation of Working Plan and its implementation.
- Bring in suitable controls in the process for estimation of forest produce so as to keep a check on inordinate variations between estimated and actual produce.
- adopt uniform basis for reporting loss in cases of illicit felling such as recording illicit felling in the marking books or attaching PORs (wherever available).
- strengthening the system of reconciliation of quantities extracted from forest land and transported with Mineral Resources Department.
- responsibility should be fixed for loss to Government due to non/ short recovery of lease rent and dividend.
- fixing accountability for the shortfall in forest produce at the time of re-measurement in depots and recovery of such losses may be made from officials held responsible.

CHAPTER VII

PUBLIC WORKS DEPARTEMT

CHAPTER VII

PUBLIC WORKS DEPARTMENT

Compliance Audit on Construction of Educational Buildings (Public Education, Higher Education and Technical Education Department) by Public Works Department, Project Implementation Unit in Madhya Pradesh

Summary

Audit scrutinised the records relating to the 'Construction of Educational Buildings (Public Education, Higher Education and Technical Education Department) by Public Works Department, Project Implementation Unit in Madhya Pradesh'. The Compliance Audit covering the period 2019-20 to 2021-22, was conducted between April 2022 and October 2022 with a view to ascertaining whether the applicable codal and contractual provisions had been followed in approval/sanction for the works, utilisation of funds and during execution of the contract/works of the three Departments with adherence to the effective quality control and monitoring. Out of 52 Project Implementation Units (PIUs), Audit selected 13 PIUs for audit test check. In these 13 selected PIUs, audit scrutinised the records of 123 works of construction of Schools, Hostels, and Colleges for the Departments of Public Education, Higher Education and Technical Education out of 603 works executed. The records of the Project Director, Project Implementation Unit and all the five Additional Project Directors were also scrutinised.

During the scrutiny of records, Audit noticed several irregularities pertaining to deficiencies in Financial Management, irregular expenditure, deficiencies in estimations, irregularities in tendering process, deficiencies in Contract Management, deficiencies in execution of works and deficiencies in Quality Control and Monitoring. These irregularities have an overall impact of ₹ 117.87 crore.

7.1 Introduction

Public Works Department (PWD) is the premier agency of Government of Madhya Pradesh (GoMP) engaged in planning, designing and construction of the government assets. The Project Implementation Unit (PIU) of PWD undertakes the work of construction of various buildings pertaining to different Departments as deposit works including the Public Education, Higher Education and Technical Education Department.

Public Works Department is headed by the Principal Secretary at the Government level. Project Director (PD) (redesignated as Engineer-in-Chief (Building) since May 2023) who is the head of the PIU who is assisted by the Chief Architect and five Additional Project Directors¹ (APDs) (redesignated as Chief Engineer (Building) since May 2023). The Chief Engineers (Building) are assisted by Joint Project Directors (JPDs) (redesignated as Superintendent Engineer (Building) since May 2023) at the Zonal level² and Divisional

¹ At Bhopal, Gwalior, Indore, Jabalpur and Rewa.

² At Bhopal, Gwalior, Indore, Jabalpur and Rewa.

Project Engineers (DPEs) (redesignated as Executive Engineer (Building) since May 2023) at the district level, respectively.

7.2 Allotment and expenditure

The allotment and expenditure for construction of the buildings for the Departments of Public Education, Higher Education and Technical Education during the period 2019-20 to 2021-22 are given in **Table 7.1** below:

Table 7.1: Statement showing year-wise Allotment and Expenditure

Year	2019-20		2020-21		2021-22	
	Allotment/ Deposit received	Expenditure	Allotment/ Deposit received	Expenditure	Allotment/ Deposit received	Expenditure
Public Education	329.47	294.20	299.67	298.34	237.25	225.77
Higher Education	197.70	183.75	242.08	199.62	114.31	103.00
Technical Education	34.90	14.27	18.42	12.94	12.29	9.19
Total	562.07	492.22	560.17	510.90	363.85	337.96

Source: Information provided by PWD

From the above table it is evident that deposits for the works were reduced by ₹ 198.22 crore from 2019-20 to 2021-22 due to completion of the works of schools, colleges and hostels sanctioned between the years 2016-17 and 2018-19.

7.3 Audit Approach

The Compliance Audit covering the period 2019-20 to 2021-22, was conducted between April 2022 and October 2022 with a view to ascertaining whether the applicable codal and contractual provisions had been followed in approval/sanction for the works, utilisation of funds and during execution of the contract/works of the three Departments with adherence to the effective quality control and monitoring.

Audit findings were benchmarked against the criteria derived from the following:

- (i) Central Public Works Department (CPWD) Specifications;
- (ii) National Building Code (NBC);
- (iii) Madhya Pradesh Works Department (MPWD) Manual;
- (iv) Madhya Pradesh Financial Code;
- (v) Madhya Pradesh Treasury Code;
- (vi) Schedule of Rates (SOR) issued by MP PWD;
- (vii) Terms & Conditions of the contract documents;
- (viii) Circulars & Orders issued by Government of MP, E-in-C (Building) and Engineer-in-Chief (E-in-C), PWD.

7.4 Audit Methodology

Out of 52 PIUs, Audit selected³ 13 PIUs⁴ for test check. In these 13 selected PIUs, audit scrutinised the records of 123 works⁵ of construction of Schools, Hostels, and Colleges for the Departments of Public Education, Higher Education and Technical Education, out of 603 works executed. The records of the Engineer-in-Chief (E-in-C) (Building) and all the five Chief Engineer (CE) (Building) were also scrutinised.

Audit Findings

7.5 Deficiencies in Financial Management

7.5.1 Irregular expenditure

As per the rules 8, 9, 10 and 11 of MP Financial Code, all expenditures should be incurred with proper sanctions of the competent authority and within the sanctioned limits, following the canons of financial propriety. Further, as per Para 2.006 of MPWD Manual, for every work, a detailed estimate must be prepared for the 'Technical Sanction'(TS) of the competent authority, and it must not exceed the sanctioned expenditure. Further, no material deviation in TS is anticipated.

The E-in-C (Building) while issuing Letters of Approval (LOA) for the works specifically mentioned in all LOAs that expenditure shall not exceed the contract amount and concerning CE (Building) shall be responsible for contravention of these instructions.

7.5.1.1 Audit observed in 13 PIUs that 123 works (selected by Audit) were awarded to contractors with a total contract value of ₹ 413.64 crore. However, out of these 123 works in respect of 77 works with contract value of ₹ 257.60 crore, the expenditure exceeded the contract amount without any written approval from the competent authority of the concerned Departments. Further wherever applicable, the concerned CEs (Building) also accorded revised TS without any detailed justification. Due to acceptance of increased cost over approved cost, the CEs (Building) incurred additional expenditure of ₹ 30.66 crore, which was thereby irregular. The reasons for deviations resulting in excess expenditure was on account of the following:

- Items/excess quantities which did not exist in the sanctioned estimates were executed by the Department.
- Economical items of PCC, RCC, centring & shuttering, plaster, brick works, flooring, MS frame, grading for water proofing, paint *etc.* were replaced by costlier items.
- Quantities of several items were increased disproportionately without any significant change in sub/super structure or increase in construction area of the buildings. In such circumstances, possibility of payment for superfluous and suspicious measurements can also not be ruled out.

³ 13 PIUs were selected on the basis of stratified sampling using IDEA software.

⁴ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

⁵ 97 completed, 25 ongoing and one suspended works.

In all these cases, the contract value of the agreements was lesser than the probable amount of contract (PAC) but the expenditure exceeded the contract value, indicating that the savings reflected in the contract value *vis-à-vis* PAC was passed on to the contractors through excess expenditure over contract value after agreements.

Further, the fact that the excess expenditure was consistently approved in violation of E-in-C's order indicated poor monitoring and lax internal controls.

The Government replied (September 2023) that the expenditure on the work exceeded the contract value due to site conditions, soil strata and demand/requirement of the Department.

The reply is not tenable because the expenditure was exceeded due to the use of costlier items and a disproportionate increase in items/quantities in the Sub & Superstructure without any significant change in the construction area and design of the building. Further, no demand for change/increase in items could be produced to audit.

7.5.1.2 Audit observed in 69 works in 13 PIUs⁶ that three to 203 items which did not exist in the original estimates were executed or quantities of approved items were increased, and four to 186 items of the original estimates were not executed or executed in lesser quantities. Thus, there were material deviation in terms of number of items, quantities of individual item and deviation of costs (excess and saving). The Department had, however, made payments for execution of the items without obtaining revised administrative approval from the concerned Departments.

The Government replied (September 2023) that revised AA is needed when expenditure increased more than 10 *per cent* from original AA. In no case, expenditure increased occurred more than AA so there was no need of revised AA.

The reply is not tenable because, as per Para 2.005 of the MPWD Manual (which has been referred to by the Government in their reply) clearly states that revised AA should also be obtained when material deviations are made from the original proposals, even though savings on other items may cover their cost.

7.5.1.3 According to Para 2.131 of the MPWD Manual, a revised estimate must be submitted to the competent authority when the expenditure is likely to exceed the amount of the sanctioned estimate by more than 10 *per cent*.

Audit observed in 10 works of five PIUs⁷ that there were wide variations between the sanctioned estimate and value of work done, with value of work done exceeding the sanctioned estimate by more than 10 *per cent* on each occasion. But the works were finalised, and payments were made to the contractors without obtaining revised Technical Sanction (TS) from the competent authority as stated above. This resulted in irregular execution and unauthorised payment of ₹ 3.68 crore (**Appendix 7.1**).

⁶ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

⁷ Khandwa, Sagar, Singrauli, Tikamgarh and Ujjain.

The Government replied (September 2023) that the PIUs (Khandwa, Sagar, Singrauli and Ujjain) have been directed to apply for revised technical sanction. In case of Tikamgarh PIU, revised technical sanction has been accorded by the competent authority.

The reply is silent on the action proposed against the concerned PIUs for exceeding sanctioned estimate without approval. Further development is awaited (March 2024).

7.5.2 Irregular grant of revised Technical Sanction

As per Para 2.027 of MPWD Manual, rates in the estimates should generally agree with the Schedule of Rates (SOR). Further, Technical sanction (TS) for the work is accorded on the basis of detailed estimate.

Audit observed in 18 works of six PIUs⁸ that original TS of the works were accorded as per the SOR without including tender percentage. Due to execution of additional quantities and unapproved items, the costs increased and therefore revised TS were accorded after completion of the works. Audit noticed that revised TS for the works were however accorded by including tender percentage⁹ in violation of the Manual provisions. The approval of TS by considering tender percentage in the revised TS was irregular and resulted in execution and payment of additional amount of ₹ 11.05 crore (**Appendix 7.2**) over the revised TS which was in violation of the provisions of the Manual.

The Government replied (September 2023) that the Divisions have been directed to take revised technical sanction.

The reply is not acceptable as the Department failed to exercise due diligence while approving revised TS. Any revision in cost after execution of contract should be properly analysed and merely approving revised TS to account for the increase in cost not only indicates poor planning but can also be a source of undue benefit to the contractors which need to be investigated. Further development is awaited (March 2024).

7.5.3 Completion certificate issued for incomplete work

As per Para 2.178 of MPWD manual, on the completion of any original work executed for Department other than the Works Department (WD), the EE should send a completion certificate in form Appendix 2.29 to the officer of the department immediately interested in the work who should after signing it in the space provided for the purpose return it to the EE.

Administrative Approval (AA) of ₹ 2.89 crore for construction of boundary wall (3,680 meter at the rate of ₹ 7,792 per running meter) in Industrial Training Institute (ITI) at Badnagar, Ujjain, was accorded by the Technical Education Department (March 2018).

Audit observed that the completion certificate for the work was issued after construction of boundary wall in 1,574.55 m length only as against the approved length of 3,680 m. Further for construction of only 1,574.55 m (as against 3680 m) expenditure of ₹ 1.67 crore was incurred as against ₹ 1.23 crore¹⁰. This resulted in unauthorised execution and expenditure of ₹ 0.44 crore beyond AA. Failure of the Department to monitor the activities of the PIU

⁸ Chhatarpur, Dewas, Sehore, Shajapur, Singrauli and Tikamgarh.

⁹ Minus Tender Percentage is percentage rates below PAC at which work was awarded.

¹⁰ 1,574.55 m* ₹ 7,792 per running meter.

thereby resulted in the EE, PIU, Ujjain irregularly issuing completion certificate (CC) for incomplete work.

The Government replied (September 2023) that as per requirement of the site, cross drainage works were executed within the AA.

The reply is not acceptable as:

- (i) Revised AA was not produced to audit to indicate that the Technical Education Department was aware of the change in scope of work and had approved the reduction in length of boundary wall, which could have security implications.
- (ii) Reasons for incurring excess expenditure of ₹ 0.44 Crore were not on record.

The Department may investigate lapses, if any, in the process of issuing CC by the concerned EE and fix responsibility.

7.5.4 Non-surrender/intimation of savings to the original Department

As per General Rules 149 of MPFC, the authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority, be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution.

Audit observed in 57 works of nine PIUs¹¹ that AAs were given for ₹ 271.34 crore for construction of Schools, Hostels, College Buildings, Boundary wall and Repair & Renovation works including all other expenditures like supervision charges and quality control, contingencies, etc. The works were completed after incurring expenditure of ₹ 257.68 crore. However, the surplus amount of ₹ 13.66 crore was not surrendered/intimated to the original Departments. This unauthorised retention of savings was against the principles of financial propriety and in violation of MPFC rules.

The Government replied (September 2023) that, at the end of financial year balance fund is surrendered directly from BCO to BCO (One Department to other Department).

The reply is not tenable because, in all the cases, the details of savings that occurred after the completion of the works were not reported to the parent Departments.

7.5.5 Short levy of Supervision Charges

As per the instructions issued (May 1997 and September 2015) by GoMP, supervision charges to be levied on construction of inter-departmental works would be as follows:

- For works up to ₹ One lakh: 22.75 per cent
- For works up to ₹ Two crore: 12 per cent
- For works up to ₹ Five crore: eight per cent
- For works above ₹ Five crore: seven per cent

¹¹ Dewas, Katni, Khandwa, Mandsaur, Sagar, Shajapur, Singrauli, Tikamgarh and Ujjain.

Audit observed in 110 works of 13 PIUs¹² (worth ₹ 427 crore) that in contravention to the above instructions, the Department had charged an amount of ₹ 12.86 crore as supervision charges instead of the chargeable amount of ₹ 32.96 crore. This resulted in short levy of supervision charges amounting to ₹ 20.10 crore. Reasons for short levy of supervision charges were not recorded.

The Government replied (September 2023) that the circular mentioned in the para was not applicable on PIU PWD.

The reply is factually incorrect because Para 2 of the *ibid* circular clearly states that supervision charges as per earlier instructions (May 1997) would be applicable in the case of PIUs under PWD.

7.5.6 Performance Security not obtained from the contractors

As per clause 29 of the general terms of contract, performance security to be submitted by the contractor would be five *per cent* of the contract amount for building works valid up to three months beyond the completion of defect liability period (maintenance guarantee period) and the performance security is to be submitted before execution of contract agreements.

Audit observed the following deficiencies:

- The work of construction of Eklavya Polytechnic College, Harsud of PIU, Khandwa was awarded to a contractor at a cost of ₹ 32.11 crore for which performance security of ₹ 1.61 crore was required to be submitted. Against this, the contractor had submitted fixed deposit receipt of ₹ 1.06 crore as performance security. This resulted in short realisation of performance security of ₹ 0.55 crore.
- The work of construction of Higher Secondary School, Tigariya Goga of PIU, Dewas, was terminated by the Executive Engineer (Building) in November 2021 due to non-completion of work within scheduled/extended date of completion but performance guarantee of ₹ 0.06 crore had not been encashed by the Department (July 2023).
- In two works of PIU, Tikamgarh, bank guarantee of ₹ 0.13 crore submitted as performance security expired before completion of defect liability period, which was not renewed by the contractor and the PIU failed to ensure the same.

Failure of the Department to ensure compliance with the performance guarantee clause not only extended undue benefit to the contractors but also provide sufficient incentive to the contractors to carry out their works as per conditions of contracts.

The Government replied (September 2023) that, in case of Government Polytechnic College, Harsud, PG of ₹ 1.43 crore was deposited against ₹ 1.61 crore and letter for balance ₹ 0.18 crore has been issued (June 2023) whereas, in the case of Dewas, the agreement was revoked, work has been completed thus forfeiture of BG was not required and in case of Tikamgarh, PG in the form of FDR has been deposited.

¹² Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

Reply is not tenable in case of PIU, Tikamgarh because as per agreement conditions, performance security shall always be deposited with the Department. In the case of Government Polytechnic College, Harsud, the balance performance security should be obtained at the earliest (November 2023). Non-forfeiture of performance guarantee from contractor in case of PIU, Dewas leaves the Department with no backup in case of defects arising during the defect liability period as the work has been terminated and in the absence of performance guarantee, repairs cannot be enforced on the contractors.

7.6 Deficiencies in Estimation

7.6.1 Wide variations in executed quantities of similar items of identical buildings

According to Para 2.006 of MPWD manual, for every work a detailed estimate must be prepared properly for the sanction of the competent authority before the work is commenced. Further, according to Para 2.028 of MPWD manual, the officer who accords the technical sanction to an estimate is responsible for assessing the soundness of design and for incorporating all the items required for inclusion in the estimate with reference to the drawing.

Audit observed the following deficiencies:

7.6.1.1 Wide variation in identical buildings

The GoMP has standardised model design and drawings of buildings with equal built-up area for Colleges, Schools and Hostels and accordingly Administrative Approvals (AA) have been fixed for different institutions as shown in **Table 7.2** below:

Table 7.2: Statement showing Administrative Approvals fixed for different institutions

Type of buildings	Amount of AA (₹ in crore)
Degree Colleges	06.50
100 Seated Boys and 100 Seated Girls Hostels in Excellence and Model School	07.72
Higher Secondary Schools	01.75
High Schools	01

However, the Government has not standardised items for execution of works.

In 19 Degree college buildings under 11 PIUs¹³ and six hostel buildings under five PIUs¹⁴, Audit observed wide variations in executed and paid items and quantities of RCC, Brickwork, Plastering, Flooring, Toilet tiles, Railing, Water proofing treatment, Putty, Paint etc. even though the works were exactly similar above the plinth level. Despite variations in executed quantities, the revised TS of the works were also accorded without any detailed justification on records. The Range of variation of quantities of different items is shown in **Table 7.3** below:

¹³ Chhatarpur, Dewas, Katni, Khandwa, Mandsaur, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.
¹⁴ Chhatarpur, Dewas, Mandsaur, Sagar and Shajapur.

Table 7.3: Statement showing range of variation in quantity of similar items

S. N.	Items	College buildings			Hostel buildings		
		Least quantity executed and paid	Highest quantity executed and paid	Range of variation with column 3 (in per cent)	Least quantity executed and paid	Highest quantity executed and paid	Range of variation with column 6 (in per cent)
1	2	3	4	5	6	7	8
1	Reinforced cement concrete	1,055.200 Cu.M	1,830.337 Cu.M	13 to 73	1,216.388 Cu.M	1,651.739 Cu.M	26 to 36
2	Brick work	895.690 Cu.M	1,420.840 Cu.M	10 to 59	1,013.425 Cu.M	1,477.916 Cu.M	13 to 46
3	Plastering	11,644.440 Sq.M	23,685.020 Cu.M	27 to 103	16,479.429 Sq.M	22,712.060 Sq.M	12 to 38
4	Flooring	3,653.420 Sq.M	6,632.690 Sq.M	22 to 82	3,942.78 Sq.M	7,251.400 Sq.M	10 to 84
5	Toilet tiles	266.730 Sq.M	909.720 Sq.M	43 to 241	1,686.22 Sq.M	2,381.320 Sq.M	15 to 41
6	Railing	612.505 Kg	4,434.86 Kg	45 to 624	1223 Kg	6,354.714 Kg	29 to 420
7	Water proofing treatment (cement concrete)	90.340 Cu.M	205.284 Cu.M	11 to 127	90.41 Cu.M	241.554 Cu.M	71 to 167
8	Water proofing treatment (fiber glass clothing)	1,230.420 Sq.M	2,800.300 Sq.M	47 to 128	1,803.47 Sq.M	2,936.540 Sq.M	13 to 63
9	Putty	11,544.400 Sq.M	26,987.45 Sq.M	13 to 134	11,382.098 Sq.M	22,052.330 Sq.M	27 to 94
10	Paint	15,748.730 Sq.M	45,098.360 Sq.M	18 to 186	18,578.135 Sq.M	38,275.302 Sq.M	20 to 106

Source: Records of PWD

From the above Table it can be seen that the quantities executed by PIUs in different institution varied between 10 per cent and 624 per cent when compared with the baseline¹⁵ institutions.

Audit observed the PIUs did not adhere to uniform design specifications in the absence of clearcut instructions from the Government. Items were differently executed in different institutions as shown in **Table 7.4** below:

Table 7.4: Statement showing different items were used in identical buildings

Particulars of items		Type of item and number of works in college buildings		Type of item and number of works in hostel buildings	
Brick work	Type	AAC	Fly ash brick	AAC	Fly ash brick
	Number	3	18*	4	6
Flooring (Granite)	Type	Used	Not used	Used	Not used
	Number	10	9	6	0
Flooring (Marble stone)	Type	Used	Not used	Used	Not used
	Number	3	16	2	4
Flooring (Tiles)	Type	Used	Not used	Used	Not used
	Number	17	2	4	2
Railing	Type	Mild steel	Stainless steel	Mild steel	Stainless steel

¹⁵ Institution where quantities executed were the lowest.

Particulars of items		Type of item and number of works in college buildings		Type of item and number of works in hostel buildings	
	Number	12	6 [#]	1	5
Water proofing treatment (cement concrete)	Type	Used	Not used	Used	Not used
	Number	16	3	6	0
Water proofing treatment (fibre glass clothing)	Type	Used	Not used	Used	Not used
	Number	14	5	5	1

Source: Records of PWD

* In two college and four hostel buildings, both the items were executed.

In one college building, railing work was not executed.

Consequently works were carried out without standardisation and the deviations were carried out without the approval of concerned Departments.

The Government replied (September 2023) that due to land profile, customization of building and other development for work site variations in similar building is justified. Further, contour and topography of the site, variations in depth of foundations as well as of soil bearing capacity of the site, change in seismic zone of the site etc. variations reflect in structural phenomenon.

The reply is not acceptable because none of the buildings compared were customised and all followed the model design and drawings prescribed by the Government. Further items of only Sub and Superstructure above plinth level, having fixed dimensions in identical buildings were compared which did not vary with change in contour, topography, site development, depth of foundation, seismic changes, etc.

7.6.1.2 Extra cost due to excess use of steel

Audit observed that quantity of steel consumed per Cum of Reinforcement steel concrete was the lowest in PIU Mandsaur across all the three categories of buildings (Schools, Colleges, and Hostel buildings).

These quantities (being the lowest among all the sampled PIUs) were used as reference to analyse the quantities of steel per Cum of RCC being used as in other PIUs and it was observed that there were wide variations across all the three kind of buildings in all the other 12 PIUs (other than Mandsaur) as detailed in **Table 7.5** below:

Table 7.5: Statement showing variation in quantity of steel per Cu.M of RCC

Name of PIU	School buildings		College buildings		Hostel building	
	Range of Quantity of steel per Cum of RCC	Range of Excess Percentage	Range of Quantity of steel per Cum of RCC	Range of Excess Percentage	Range of Quantity of steel per Cum of RCC	Range of Excess Percentage
Mandsaur (Lowest consumption of steel)	101	0	114	0	115	0
Chhattarapur	123 to 125	22 to 24	123 to 145	8 to 27	*	*
Dewas	122 to 127	21 to 26	123 to 134	8 to 18	121	5
Gwalior	138	37	#	#	#	#
Katni	122 to 140	21 to 39	#	#	140	22
Khandwa	124 to 125	23 to 24	139 to 144	22 to 26	138	20
Raisen	124 to 130	23 to 29	#	#	#	#
Sagar	134 to 138	33 to 37	146 to 147	28 to 29	122	6

Name of PIU	School buildings		College buildings		Hostel building	
	Range of Quantity of steel per Cum of RCC	Range of Excess Percentage	Range of Quantity of steel per Cum of RCC	Range of Excess Percentage	Range of Quantity of steel per Cum of RCC	Range of Excess Percentage
Sehore	118	17	135 to 137	18 to 20	*	*
Shajapur	135	34	155	36	127	10
Singrauli	148	47	120 to 131	5 to 15	*	*
Tikamgarh	112 to 124	11 to 23	126	11	#	#
Ujjain	112 to 152	11 to 50	144	26	#	#

* Consumption of excess quantity of steel per Cu.M of RCC was not observed in these works.

Identical works were not executed/completed.

In all the 12 PIUs, revised technical sanctions of these works were also accorded without any justification on records.

Since the design were standardised, Audit could not ascertain the reasons for excess consumption of steel per Cu.M of RCC in other PIUs. Thus, increased consumption of steel without justification resulted in extra cost and payment of ₹ 7.65 crore in these works as detailed in **Table 7.6** below:

Table 7.6: Statement showing extra payment for excess consumption of steel

Name of building	Excess quantity of steel (in kg)	Amount (₹ in crore)
School buildings	3,57,098.64	1.99
College buildings	9,54,182.23	4.69
Hostel building	1,85,373.63	0.97
Total		7.65

The Government replied (September 2023) that due to land profile, customization of building and other development for work site variations in similar building is justified. Further, contour and topography of the site, variations in depth of foundations as well as of soil bearing capacity of the site, change in seismic zone of the site, etc. variations reflect in structural phenomenon.

Reply is not acceptable because, Audit has calculated the variations on the basis of steel used per Cum of RCC and not on total quantity actually used which can vary based on several conditions.

7.7 Irregularities in tendering process

7.7.1 Unauthorised opening of financial offer of tenders

According to the orders of the GoMP, the financial bids of the tenderers are to be opened as follows:

Competent authority	Financial limit (vide GoMP Circular September 2018)
CE (Building)	For tenders above ₹ 20 lakh to ₹ five crore
E-in-C (Building)/Tendering Committee at Government level	For tenders above ₹ five crore

Further, as per conditions of Contracts, information relating to examination, evaluation, comparison, and recommendation of contract award shall not be disclosed to the bidders, or any other person not officially concerned with such process until final decision on the bid.

Audit observed that there were 44 tenders where value exceeded ₹ five crore in respect of all the five CEs (Building)¹⁶. Out of these 14 tender cases (out of 22 produced tender cases)¹⁷, the financial bids which were beyond the competency of the CEs (Building) were opened in their offices and sent to the E-in-C (Building) for approval. The E-in-C (Building) did not take any action against the CEs (Building) for violation of the bidding process. Thus, the irregular action of the CEs (Building) violated the above orders and also violated the confidentiality of the bidding process.

The Government did not reply (March 2024).

7.7.2 Irregular award of work

As per the tendering provisions, the bid capacity of bidder is calculated as follows:

$$\text{Bid Capacity} = A \times N \times 1.5 - B$$

Where A = Maximum value of turnover in last five years, N = Time period and B = Balance work in hand. Bidders who meet the minimum qualifications would be qualified only if their available bid capacity is more than the total probable amount of contract.

Further, as per Clause 24 of the Tender Documents, the Government/Department may reject the bid or debar the Bidder, either indefinitely or for a stated period, from participating in bids, if at any time it is determined that the bidder has engaged in any act or omission, including a misrepresentation, that knowingly or recklessly misleads, or attempts to mislead, the Government/Department to obtain financial or other benefit.

Audit observed that in three cases under CE (Building), Gwalior, the bidders submitted false declarations regarding their bid capacities in order to qualify for the bidding process. In all these three cases, the bidders overstated their bid capacities by suppressing details of work in hand. The details are given in **Table 7.7** below:

Table 7.7: Statement showing declared and actual bid capacities of qualified bidders

Name of the work	Name of the qualified bidder	Bid capacity declared by bidder (₹ in cr.)	Actual bid capacity (as worked out by Audit) (₹ in cr.)
Construction of Engineering college Nowgaon, Chhatarpur	M/s Laxmi Chand & Co.	21.97	8.29 ¹⁸
Construction of Degree	M/s Hargovind	26.74	(-) 8.85 ¹⁹

¹⁶ Bhopal, Gwalior, Indore, Jabalpur and Rewa.

¹⁷ Out of 44 tender documents, only 22 were shown to Audit. The remaining 22 tender documents were not available in the records.

¹⁸

Bid capacity as per bidder	Actual bid capacity	Overstatement
20.82x1.5x1.5-24.88 = ₹ 21.97 crore	20.82x1.5x1.5-38.55 = ₹ 8.29 crore	₹ 13.68 crore

¹⁹

Bid capacity as per bidder	Actual bid capacity	Overstatement
49.99x1x1.5-48.25 = ₹ 26.74 crore	49.99x1x1.5-83.84 = (-) ₹ 8.85 crore	₹ 35.59 crore

Name of the work	Name of the qualified bidder	Bid capacity declared by bidder (₹ in cr.)	Actual bid capacity (as worked out by Audit) (₹ in cr.)
college Nowgaon, Chhatarpur	Gupta.		
Construction of Degree college Chandla, Chhatarpur			

Although, the information pertaining to actual bid capacities was available with the Zonal office, the CE (Building), Gwalior failed to take action against the contractors/ bidders for deliberate acts of omission/misrepresentation and the bidders were deemed qualified and were irregularly awarded the works.

This resulted in undue benefit to the bidders.

The Government replied (September 2023) that CE (Building), Gwalior has been instructed to verify the facts and report the same to E-in-C, Building. Further development is awaited (March 2024).

7.8 Deficiencies in Contract Management

7.8.1 Excess payment due to non-adoption of amended rates

As per Section 1 of Notice Inviting Tender (NIT) of all the works executed by PIUs, all the amendments in the SOR issued up to the date of NIT were applicable to the work.

7.8.1.1 Audit observed in 43 works of 12 PIUs²⁰ that payments for the items of work were made at pre-amended higher rates instead of being made at amended and reduced rates up to the date of NIT. This resulted in excess payment of ₹ 2.01 crore to the contractors.

The Government replied (September 2023) that, in case of Chhatarpur, Dewas, Khandwa Mandsaur and Shajapur, the recovery has been done at the instance of audit; in case of Raisen, calculations were being done and recovery would be made from the contractors and in case of Katni, Sagar, Sehore, Singrauli, Tikamgarh and Ujjain, the CE (Building) has been instructed to scrutinise the facts and intimate about the recovery as per rules.

Recovery in all pending cases is awaited (March 2024).

7.8.1.2 Audit observed that the NIT of work of Construction of 100-seater hostel for Boys and Girls in Excellence School at Mandsaur was issued on 11 June 2018 i.e., after the issue of amendment number 38 through which new item of RCC (with shuttering) was introduced in SOR. Hence, this item was to be executed and paid in the work. Instead, the work was executed and paid as per old items in SOR (RCC M-20 without shuttering) and the item “shuttering” was paid separately. Non-adoption of amended rates and items resulted in extra cost and payment of ₹ 0.26 crore.

The Government did not furnish any reply (March 2024).

²⁰ Chhatarpur, Dewas, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

7.8.2 Extra payment due to adoption of higher rates

As per Clause 5 of Special Conditions of the Agreement for Building Works issued by GoMP, amendment of Schedule of Rates (SOR) between the date of NIT and the date of submission of bid shall also be applicable, if the same has been issued as amendment to the NIT.

Audit noticed in three works of three PIUs²¹ that rates of item of steel were increased after the date of NIT but before the last date of submission of bid. Amendment to NIT in this regard was not issued by the Department as required in terms of the Agreement for payment to be made at amended rates. However, payments of item of steel were made at increased rates instead of pre-amended rates. This resulted in extra payment of ₹ 1.13 crore (**Appendix 7.3**) to the contractor.

The Government replied (September 2023) that, in case of Khandwa, NIT was issued on 30 July 2018 and SOR was amended on 13 August 2018, therefore no excess payment was made on the item, whereas in case of Katni and Sehore, the CE (Building) has been instructed to scrutinize the fact and submit the report.

The reply is not acceptable because, in the case of Khandwa, an amendment to SOR was issued before the date of bid submission, (14 August 2018) and hence amendment to NIT was to be issued by the Department, which was not done. Hence extra payment was not to be allowed.

In the case of Katni and Sehore, the final reply is awaited (March 2024).

7.8.3 Irregular award of work without availability of land

As per the circular (June 2017) issued by the GoMP, agreement shall be made with the successful bidder only when at least 90 *per cent* undisputed land is available in case of construction of building. If land is not available, then the concerning Executive Engineer (Building) will inform the CE (Building) in writing and make all possible efforts to acquire the land. Agreement shall be executed only after availability of 90 *per cent* land.

Audit observed in 27 works of 10 PIUs²² that the agreements were executed by the EE (Building) before confirmation of availability of land by the concerned Departments. The violation of above order resulted in delay in the completion of work ranging between 147 and 1690 days. Out of these 27 works, one work was still pending for completion as on March 2024.

The Government replied (September 2023) that tender process is a time bound process. As per Annexure-L, the successful bidder has to sign agreement within 15 days.

The reply is not tenable since as per *ibid* order, Government can extend the validity period for agreement till the availability of 90 *per cent* land or tenders could be invited only after ensuring availability of at least 90 *per cent* land. Hence, the urgency to complete tendering process was unwarranted.

²¹ Katni, Khandwa and Sehore.

²² Chhatarpur, Dewas, Gwalior, Khandwa, Mandsaur, Raisen, Sehore, Shajapur, Tikamgarh and Ujjain.

7.8.4 Injudicious approval of time extension and non/short levy of penalty

As per Clause 15, General Conditions of Contract (GCC), the time allowed for carrying out the work, as entered in the agreement, shall be strictly observed by the contractor. Failure of the contractor to adhere to the timelines and/or milestones shall attract such liquidated damages as is laid down in the contract.

7.8.4.1 As per Annexure-P of Contract, in case the work is not completed within the stipulated period of completion along with extensions, if any, penalty shall be levied on the contractor at the rate of 0.05 *per cent* per day of delay limited to a maximum of 10 *per cent* of the contract amount.

Audit observed in 50 works of 13 PIUs²³ that the works were completed with a delay of 98 days to 1,690 days. However, the Department had held the contractors responsible for delays from one day to 42 days in 23 works and in 27 works, the contractors were not held responsible for any delays. The remaining days of delay were irregularly treated as either employer's fault or *Force Majeure*, viz., delay in providing layout, Covid-19²⁴, delay in camp arrangement, non-availability of power supply, ban on sand and metal mining, delay in payment of bills, etc. even though all of these reasons were attributable to the contractors and none of the said reasons except Covid-19 fall under *Force Majeure* as mentioned in the Agreement and the contractors were responsible for the delays. This resulted in non/short realisation of liquidated damages amounting to ₹ 13.40 crore.

The Government replied (September 2023) that, as per NIT, time extensions were sanctioned by the competent authority (CE) after seeking the fact of delays from EE and contractor, and then decided the delay and penalty.

The reply is not acceptable because the rate of penalty per day of delay is already provided in the Agreement. The CE has to analyse the delays attributable to the contractor, Department and *force majeure*, respectively and decide the days for which penalty is to be imposed on the contractor in accordance with the provisions. However, the CE overlooked this and all of the above reasons for delay were attributed as *force majeure* without a reasoned justification.

7.8.4.2 Audit observed in 26 works of 10 PIUs²⁵ that the works were completed with a delay of 64 days to 1669 days and 16 days to 1066 days were elapsed after completion of works but neither time extensions were sanctioned, nor any penalty was levied²⁶.

The Government replied (September 2023) that, as per NIT time extensions were sanctioned by the competent authority, CE after seeking the fact of delay from EE and contractor and decided the delay and penalty.

The reply is not convincing because no documentary evidence pertaining to the sanction of extension of time in the above cases had been provided to Audit (March 2024).

²³ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

²⁴ GoMP had issued an order (April 2020) condoning delays up to 120 days on account of Covid-19 restrictions.

²⁵ Chhattapur, Dewas, Gwalior, Katni, Khandwa, Raisen, Sehore, Singrauli, Tikamgarh and Ujjain.

²⁶ Since time extension cases were not submitted by the Department, the penalty was not calculated.

7.8.5 Short deduction of Security Deposit

As per Clause 30.1 of the GCC, Security Deposit shall be deducted from each Running Account Bill at the rate of five *per cent* of the gross amount of the Running Account Bills.

Audit observed in 60 works of eight PIUs²⁷ that the Department did not deduct Security Deposit on the gross amount of work done, and instead realised the SD at either the net amount (Gross value minus GST) or even lower amounts. This resulted in short deduction of Security Deposit amounting to ₹ 1.30 crore.

The Government replied (September 2023) that no amount had been deducted on GST amount because this was the tax amount.

Reply is not acceptable because, as per contract conditions, the Security Deposit was to be deducted from the gross amount instead of the net amount. Further, like GST, other taxes/cess like income tax, labour welfare cess, etc., are also included in the gross payment. As in the cases of other taxes where the Department deducted SD, the same should also have been deducted from the gross amount which included GST.

7.8.6 Short deduction of royalty

According to Clause 25.2 of the GCC, the liability, if any, on account of quarry fees, royalties, octroi and any other taxes & duties in respect of materials actually consumed in public work, shall be borne by the contractor.

Audit observed in eight works of four PIUs²⁸ that 28868.167 Cu.M of stone and 21524.104 Cu.M of sand were used by the contractors for which royalty of ₹ 0.50 crore was recoverable. Against this royalty of only ₹ 0.26 crore was deducted from their Bills. Reasons for short deduction of royalty was not available in the records. This resulted in short deduction of royalty of ₹ 0.24 crore.

The Government replied (September 2023) that in case of Khandwa and Ujjain the recovery would be made from the final bill of the contractor. In case of Mandsaur and Tikamgarh, the remaining amount of royalty has been deducted from bills and security deposit and has been sent to the concerned Department, at the instance of audit.

Further development in respect of Khandwa and Ujjain is awaited (March 2024).

7.9 Deficiencies in execution of works

7.9.1 Extra expenditure on superfluous execution of items

7.9.1.1 As per Chapter 22 for “Water Proofing Treatment” of CPWD Specifications, water proofing treatment with fibre glass cloth (Clause 22.6 of CPWD Specifications) and grading of roof for waterproofing with cement concrete (Clause 22.9, of CPWD Specifications) are two different methods for water proofing.

²⁷ Dewas, Khandwa, Mandsaur, Sagar, Shajapur, Singrauli, Tikamgarh and Ujjain.

²⁸ Khandwa, Mandsaur, Tikamgarh and Ujjain.

Audit observed that in 26 works of eight PIUs²⁹ in contravention to the above specifications, the item of water proofing by fibre glass cloth was executed along with water proofing by cement concrete in all the 26 works. Since, only one item is required to be executed for the purpose of water proofing and both layers of water proofing are not required to be laid simultaneously in the same work. As such, execution of both items simultaneously was neither required nor permissible. This resulted in extra expenditure of ₹ 1.50 crore (**Appendix 7.4**).

The Government replied (September 2023) that to achieve slope on terrace bare roof, grading was provided which is not a water proofing layer. Above grading, appropriate item amongst the SOR item has been selected for further proofing as per the suitability of the site.

The reply is not acceptable because as per applicable SOR (2014) items, based on CPWD specifications, nomenclature of the item (22.14.1) of grading is “Grading roof for water proofing treatment”. Further, item of water proofing with fibre glass cloth (22.6) is a separate item for water proofing treatment.

7.9.1.2 According to paragraph 2.028 of MPWD manual, an officer according the technical sanction to an estimate is responsible for assessing the soundness of design and for incorporating all the items required for inclusion in the estimate with reference to the drawing. The correctness of detailed estimates is to be measured by the extent of nominal variation between estimated and executed quantities. Thus, estimate shall be realistic, and no unwarranted item should be included in the estimate or executed.

Audit observed in eight works of three PIUs³⁰ that items and quantities in extra width and depth was executed even though the same was not sanctioned in original estimate and technical sanction (TS). This resulted in extra cost of ₹ 0.77 crore (**Appendix 7.5**) due to superfluous execution without requirement.

The Government replied (September 2023) that in case of Dewas, the irregularity of the pavement thickness has been regularized and payment for excess quantity of the work, ₹ 0.07 crore has been recovered. In the case of Sagar, the CE had been instructed to scrutinise the facts and report the same. In the case of Shajapur, 100-seater Boys’ and Girls’ Excellence Hostel-both the buildings were in the area of black cotton (BC) soil having high swelling index. If paver blocks were to be laid on top of the soil, then the floor surface would have become bumpy so as per the site condition CC M-15 have been executed. All required sanctions have been issued by the competent authority.

The reply is not acceptable in case of PIU Shajapur because Item no. 11.74 of SOR is a complete item which also comprises “paver block laying on stone dust bedding including locking of edges with M-15 PCC”, which is used for laying in the courtyard and around building area. Thus, the execution of CC M-15 was superfluous, as stone dust bedding had already been laid over BC soil to account for swelling. Reply in case of PIU Sagar is awaited (March 2024).

²⁹ Chhatarpur, Gwalior, Khandwa, Mandsaur, Raisen, Sagar, Sehore and Shajapur.
³⁰ Dewas, Sagar and Shajapur.

7.9.2 Excess payment to the contractors

As per Clause 4.017 of MPWD Manual, the Measurement Book is the basis of all accounts of quantities of work done. It must contain such a complete record of facts as to be conclusive evidence in the court of law. The description of the work/materials must be lucid so as to enable easy identification and check. It forms the basis for payment to be made.

Audit observed in 30 works of 12 PIUs³¹ that there was excess payment to the contractors on account of various reasons as detailed in **Table 7.8** below:

Table 7.8: Statement showing excess payment to the contractors

Details of irregularities	No. of works	No. of Units	(₹ in crore)
			Amount
Increase/incorrect measurements without actual work (Khandwa, Mandsaur, Singrauli, Tikamgarh)	7	4	0.43
Double measurements (Singrauli, Tikamgarh)	5	2	0.23
Addition of quantity without detailed measurement and explanation (Dewas, Khandwa, Shajapur, Singrauli, Tikamgarh)	7	5	0.47
Separate payment for the item already included in a complete item (Chhatarpur, Raisen, Sehore)	6	3	0.24
Application of incorrect items (Dewas, Khandwa, Mandsaur, Sagar, Sehore, Singrauli, Tikamgarh)	15	7	0.39
Payment for inadmissible items (Gwalior, Khandwa, Singrauli, Tikamgarh)	10	4	0.20
Incorrect measurement of murum filling and the items of horticulture without execution (Khandwa)	1	1	0.48
Reclassification of already paid items (Dewas)	1	1	0.06
Mistake in arithmetical calculation (Katni)	1	1	0.05
Total			2.55

Source: Records of PWD

These cases indicate poor control and lack of due diligence in recording measurements and processing bills for payment and resulted in excess payment of ₹ 2.55 crore to the contractor.

The Government stated (September 2023) that in the works pertaining to Chhatarpur, Dewas, Sehore and Singrauli Divisions, reply will be given after scrutiny of the facts. In the works pertaining to the remaining eight Divisions no irregular payment has been made to the contractors.

Reply is not acceptable because scrutiny of available records clearly indicates that there have been excess payments to the contractors on account of the reasons mentioned in the table above.

7.9.3 Infertuous expenditure on incomplete works

As per Para 2.005 of MPWD Manual, revised Administrative Approval (AA) of the competent authority should be obtained when AA has been accorded on Stage II estimate and the expenditure exceeds or is likely to exceed the amount approved by more than 10 *per cent* or material deviations are made from the original proposals, even though their costs may be covered by savings on other items.

³¹ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli and Tikamgarh.

7.9.3.1 Incomplete School

During audit of PIU, Raisen, it was observed that the work of construction of Higher Secondary School at Barkheda (Estimated cost, ₹ 0.86 crore) was awarded to a contractor for ₹ 0.76 crore in May 2018 for completion on or before March 2019. The AA accorded by the Education Department for construction of Higher Secondary Schools was ₹ one crore (including supervision charges as applicable).

The last measurement was recorded on 12 October 2019 and thereafter the last running account bill (8th RA) was paid on 19 October 2019, up to which an amount of ₹ 0.92 crore (excluding supervision charges of ₹ 0.09 crore) was paid to the contractor. Since the total expenditure exceeded the AA, no further payments could be processed, and the contractor thereby stopped the work. No further measurements have been recorded indicating that the work had been stopped and no further progress (or resumption of work) has been intimated. The joint physical verification carried out by Audit with the Department officials (July 2022) confirmed the fact that the site had been completely abandoned and that work had been stopped.



Suspended work of Higher Secondary School Barkheda Station at Raisen

Source: Photograph taken by Audit Party on 4 July 2022

Audit thus observed that:

- The Department did not record reasons for the cost escalation and or delay in completion of project beyond the stipulated time.
- Despite a lapse of more than 26 months (upto February 2023) since the date of closure of work, the Department has not made any efforts to seek revised administrative approval from the Public Education Department. Consequently, despite excess payment over the approved contract value, the work could not be completed and lies in an abandoned state resulting in infructuous expenditure of ₹ 1.01 crore.

The Government replied (September 2023) that tender was floated based on model estimate. The land was not identified at the time of tender and tender was floated in anticipation of land allotment. The land had a slopy profile and hence the cost escalated. A revised estimate has been submitted to the administrative Department for sanction.

The reply is not acceptable because the Department was aware of the site conditions before taking up/commencing the work. Hence, it should have prepared the revised estimates and obtained sanctions accordingly before the commencement of the work to avoid infructuous expenditure on incomplete work. Further, the revised AA is still awaited (March 2024).

7.9.3.2 Incomplete boundary wall

Audit observed in four works of four PIUs³² that although boundary walls around the buildings were provisioned in the Agreements after their construction in partial length the work was abandoned. All the works, however, were shown completed and final payments were made to the contractors. As the incomplete boundary walls were of no use, the expenditure of ₹ 1.41 crore incurred on their construction was infructuous. The details are given in **Table 7.9** below:

Table 7.9: Statement showing infructuous expenditure on construction of incomplete boundary walls

(₹ in crore)

S. N.	Name of PIU	Name of Work	Agreement No.	Value of work done	Amount incurred on construction of boundary wall
1	Dewas	Construction of Science College at Dewas	15/2017-18	590.39	0.19
2	Mandsaur	Construction of Degree College at Shamgadh	10/2017-18	552.07	0.28
3	Singrauli	Construction of Degree College at Sarai	13/2017-18	631.83	0.24
4	Tikamgarh	Construction of Boundary Wall in ITI at Tikamgarh	16/2018-19	69.57	0.70
Total					1.41

The Government replied (September 2023) that length of boundary wall is required as per the availability of land to enclose the building premises.

The reply is incorrect as construction of incomplete boundary walls not only failed to serve the intended purpose (of protecting the buildings) but also resulted in an infructuous expenditure of ₹ 1.41 crore.

7.9.4 Undue financial benefit to the contractors

The Department had issued (September 2016) instructions that double wheel vibratory roller should be used for compaction of under floor filling in the buildings costing more than ₹ five crore otherwise 25 *per cent* deduction shall be made from the payment for floor filling.

Audit observed in 25 works of nine PIUs³³ that although the PAC of these works were more than ₹ five crore the contractors had not used the specified machine in the works as stated above. There were no mentions in the departmental records that the required machine was available with the contractors or that the same had been used during execution of the items. The Department failed to make deductions as stated above while paying the contractors' bills. This resulted in undue financial benefit of ₹ 0.69 crore to the contractors.

³² Dewas, Mandsaur, Singrauli and Tikamgarh.

³³ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Raisen, Sehore, Shajapur and Tikamgarh.

The Government replied (September 2023) that use of plate vibrator and double wheel vibrating roller is a part of compaction process and, it is not mandatory to mention it separately.

The reply is not acceptable because in all such cases where vibratory compaction rollers had been used, specific noting had been recorded in the MBs. In the absence of any records, the claim that vibratory compaction rollers have been used cannot be ascertained.

For the use of required machinery, it shall be either in the contractor's possession mentioned in the list of machinery enclosed with the agreement or hired by the contractor, which the Department could not submit for verification. Thus, the Department did not ensure compliance with its own instructions.

7.9.5 Excess payment for transportation of excavated materials

As per Item numbers 2.5, 2.6 and 2.7 of the Schedule of Rates (SOR) of Buildings for excavation of Soil for foundation, excavated soil is to be utilised/disposed of upto a lead of 50 m. The soil, excluding rock (hard/ordinary), available from excavation is to be utilised in plinth, trench and sides of foundation filling upto a lead of 50 m under Item number 2.25 of the SOR. Selected soil, hard *murram/copra*³⁴, and crusher stone dust/coarse sand above soil in plinth filling are to be executed under Item numbers 2.27 and 2.28 of the SOR. As the excavated soil is to be utilised at the construction sites of building itself, transportation of soil is neither required nor payable.

Further, as per General Note 19 of the SOR, excavated hard/ordinary rock shall be issued to the contractor at the rate of ₹ 150 per Cu.M. Transportation charges of excavated ordinary/hard rock is also not payable.

Audit observed in 14 works of seven PIUs³⁵ that transportation charges for soil/hard rock were paid in all these works, which was not payable as the entire quantity of excavated soil/hard rock was to be utilised/issued at the site. This resulted in excess payment of ₹ 0.32 crore for transportation charges.

The Government replied (September 2023) that in case of Chhatarpur, available soil was BC soil hence transported. In the case of Khandwa, recovery has been made. In other cases, many a times transportation of executed material is required due to site constraints like space availability hence transportation of excavated soil was done.

The reply is not acceptable because, In the case of PIU Chhatarpur, grade slab concrete was executed in the work, and hence, excavated soil was to be utilised at the site, thereby allowing transportation charges was irregular, resulting in excess payment to the contractors. In other cases, related works were of Degree College, Hostels, etc in which sufficient space was available for the collection of excavated soil for its refilling and hence, payment of transportation charges was irregular and resulted in excess payment.

³⁴ Hard *murram* is reddish in colour & is imparted by the iron compounds.

³⁵ Chhatarpur, Dewas, Gwalior, Khandwa, Sagar, Tikamgarh and Ujjain.

7.9.6 Avoidable expenditure on use of water

As per General Note 9 of SOR, if the water from Government source is used for construction activity, then the water charges will be deducted at the rate of one *per cent* of the amount paid to the contractor for the items involving use of water.

Audit observed in 84 works of 13 PIUs³⁶ that in 81 works the work of drilling of bore wells were provided in the Bill of Quantities (BOQ) and executed after completion of super structure work as per measurements recorded and therefore, cost of water at SOR rate was not recovered. During joint physical inspection of three ongoing works, it was observed that bore wells were drilled and water from these was being utilised for construction work but measurements of these were not recorded to evade the water charges. This resulted in undue financial benefit to the contractors of ₹ 0.05 crore (as detailed in **Table 7.10** below) of water charges in these three works by manipulation in measurements by Supervision and Quality Control (SQC) consultant which were also ignored by the Departmental officials.

Table 7.10: Statement showing water charges not recovered

(₹ in lakh)			
S. N.	Name of PIU	Name of work	Amount of water charges
1	Gwalior	Construction of Higher Secondary School for Drashti Badhit & Shrawan Badhit at Gwalior	2.08
2	Sagar	Construction of Extension of Degree College at Garhakota	3.06
3	Sehore	Construction of 100 Seater Girls Hostel in Excellence School at Sehore	0.30
Total			5.44

In view of above, possibilities of extending financial benefit to the contractors by evasion of water charges through manipulation in recording the drilling of bore wells measurements after completion of super structure work can also not be ruled out in the rest 81 works having a financial impact of ₹ 1.58 crore (water charges at one *per cent* of items involving use of water).

The Government replied (September 2023) that as per reports of EE, it appeared that in most of the cases boring/drilling was done by the contractor after the completion of major construction works at the final stage, so the charge was not deducted. In the case of Tikamgarh water was used partially from the Government sources for which deduction will be made as per rule in upcoming bill or from security deposit.

Reply is not acceptable because in the referred cases noticed during joint physical inspection, borewells had been drilled and the contractor was using water from those borewells for construction. Hence, a deduction should have been made at the prescribed rate.

The Department may suitably investigate whether borewells were executed before sub structure and super structure works and take action accordingly.

Further development in respect of Khandwa and Ujjain is awaited (March 2024).

³⁶ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

7.10 Deficiencies in Quality Control and Monitoring

7.10.1 Non-establishment of field laboratory

As per Clause 17 of GCC, the contractor shall have to establish field laboratory within the specified time having specified equipment, failing which, shall attract a penalty as specified in Contract i.e. one *per cent* of the contract amount per month subject to maximum of ₹ 50,000 per month for the delay.

Further, the Department issued (February 2013) instruction for established field lab shall be certified by CE (Building) and SE (Building), in case of value of work above and below ₹ five crore, respectively, and first payment to contractor would be released only after certification by the CE (Building)/SE (Building).

Audit observed in 19 works of seven PIUs³⁷ that the contractors had not established the field laboratories. This attracted imposition of penalty amounting to ₹ 1.39 crore. But the Department neither imposed nor recovered any penalty in this regard.

The Government replied (September 2023) that as per the instructions no work can be carried out without establishing the material test laboratory. All the CE (Building), SEs and EEs visit the sites regularly. RCC work is not allowed before installation of labs.

The reply is not acceptable because there was no evidence of the establishment of field laboratories by the contractors. The certificates of CE (Building)/SE (Building) were not produced to Audit.

7.10.2 Use of below specification steel

According to the BOQ appended with the Agreements, Item number 5.16.6 (Amended) of the SOR, Steel of “Fe 500D Grade” was to be used in the work, which possess higher ultimate strength and more ductility.

Audit observed in 16 works of seven PIUs³⁸ (**Appendix 7.6**) that the contractors had used Steel “Fe 500 Grade” in the works, which is cheaper and of lesser strength, but the Department not only accepted the same but also made payments to contractors without reducing the rates. In one work of Ujjain steel of “Fe 415 Grade” was used, which was even more inferior as compared with specified steel. Execution of the works with below specification steel can impact the safety of the buildings.

The Government replied (September 2023) that as in previous prevailing SOR, for FE 500 and FE 500 D there is only one rate. As per prevailing IS code 1786-2008 and 13920-1993/2016 both FE 500 and FE 500D are allowed to use in work if they qualified the minimum elongation limit of 14.5 *per cent*. Hence, used in the building construction work.

The fact however remains that the Department allowed the contractors to execute work using inferior specifications. Merely because the SOR rates are same or because both categories of steel can be used doesn't imply that the Department executing deposit work on behalf of

³⁷ Chhatarpur, Dewas, Katni, Khandwa, Shajapur, Singrauli and Tikamgarh.

³⁸ Chhatarpur, Gwalior, Khandwa, Raisen, Sehore, Tikamgarh and Ujjain.

another Department would settle for lower grade product, especially considering the safety issue, since the ultimate users of these buildings were students.

The Department may examine the facts and fix responsibility on the concerned officials.

7.10.3 Execution of RCC work of below specifications

According to the BOQ appended with the Agreement, the SOR Items (Amended Item 5.44.1, 5.44.2 & 5.44.3) of M-20 RCC Design Mix Concrete with weight batching and machine mixing at ready mix concrete (RMC) plant having minimum cement content 325 kg per Cu.M was to be used in the RCC structures.

As per IS code 456:2000, Design Mix Concrete is preferred to Nominal Mix. If Design Mix Concrete cannot be used for any reason on the work for grades of M-20 or lower, Nominal Mixes may be used with permission of Engineer-in-charge.

Audit observed in 11 works of five PIUs³⁹ that the item of RCC valued at ₹ 11.33 crore was executed with Nominal Mix by volume instead of superior controlled concrete with Design Mix by weight as specified in the SOR. In none of these cases, reasons for using Nominal Mix instead of Design Mix was furnished to audit. Further, approval of the Engineer-in-Charge for using Nominal Mix instead of Design Mix was also not on record.

The Government replied (September 2023) that M20 grade of concrete can be achieved by both options as Nominal Mix and Design Mix as it is acceptable by the code hence either can be used for the construction of the building works.

Reply is not acceptable because, as per Para 9.1.1 of the IS Code 456:2000, Design Mix Concrete is to be preferred to Nominal Mix Concrete and any deviation was to be approved by the concerned Engineer-in-Charge, which was not done in these cases. Further, reasons for executing RCC using Nominal Mix instead of Design Mix, were also not available.

The Department may examine the facts and fix responsibility on the concerned officials.

7.10.4 Wasteful expenditure on execution of Crusher Run Macadam

The Crusher Run Macadam (CRM) is laid as a sub-base as well as base course below pavement in road construction. This is intended to prevent wearing off of the sub-base until the laying of base course is completed (overlay). As per MORT&H specification clause 407.4, no vehicular traffic shall be allowed on finished CRM surface.

Audit observed in Chhatarpur that in the work of Engineering College at Nowgaon CRM was laid in length of 1,920 m but no overlay was laid on it and the college was operational, indicating that vehicular traffic was allowed on the CRM surface. This resulted in degradation of the CRM work worth ₹ 0.15 crore⁴⁰ as observed during joint physical verification with Department officials.

³⁹ Khandwa, Mandsaur, Shajapur, Singrauli and Ujjain.

⁴⁰ $(860 \text{ m} \times 7.5 \text{ m} \times 0.15 \text{ m}) + (1,060 \text{ m} \times 3 \text{ m} \times 0.15 \text{ m}) = 1,444.50 \text{ Cu.M}$
 $1,444.50 \text{ Cu.M} \times ₹ 1,171 \text{ less } 10.12 \text{ per cent} = ₹ 15,20,328.74$

The Government replied (September 2023) that work was done to provide walkable connectivity to the different buildings.

The reply is not acceptable because overlay course was not laid on the road in accordance with MORT&H specification. This caused damage to the road and resulted in consequent wasteful expenditure to that extent.



Exposed CRM for road work near Engineering College at Nowgaon (Source: Photograph taken by Audit Party on 10 May 2022)

7.10.5 Non-conducting joint periodical inspection

As per Clause 8 of Special Conditions of Agreement for Building Works, building shall be periodically inspected jointly by the contractor and the Engineer-in-Charge or their authorised representatives twice a year out of which one inspection shall take place during rainy months of July-August-September to take note of seepage/leakage and inspection note shall be issued describing the defects noticed. The compliance shall also be well documented and taken into account while releasing the security deposit at the end of Performance Guarantee/Defects Liability Period by the CE (Building)/SE (Building).

Audit noticed in 67 works of 13 PIUs⁴¹ out of 97 completed works that Joint Periodical Inspection of the buildings was not carried out by the contractor and the Engineer-in-Charge or their authorised representatives.

The Government replied (September 2023) that inspection notes were not issued since EE (Building) did not find any serious issue on their visit to the site. Now instructions have been issued to visit site after handover of building before rainy season during entire defect liability period and to issue inspection notes irrespective of finding.

7.11 Deficiencies in General Building Requirements

7.11.1 Non-execution of preventive anti termite treatment

As per Para 2.28 of CPWD Specifications, Termite control in existing as well as new building structures is very important as the damage likely to be caused by the termites to wooden components of the building and other household article like furniture, clothing, stationery, etc. is considerable. The SOR also provides for preconstruction anti-termite treatment vide Item no. 2.32.

Audit observed in 32 works of eight PIUs⁴² that anti termite treatment was not executed. Moreover, in 27 works it was not provided even in the estimates. This was not only non-adherence to the specifications but also defeated the purpose of ensuring the quality of work.

⁴¹ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

⁴² Chhatarpur, Dewas, Katni, Khandwa, Sagar, Shajapur, Tikamgarh and Ujjain.

The Government replied (September 2023) that PIU prepared the drawing and estimate as per the requirement with all prevailing provisions and submitted the same to the parent Department for administrative approval. The items were decided by the administrative Department as per the availability of funds.

The reply is not acceptable because the parent department grants AA of the works before the preparation of estimates on which PIU, PWD, accords the technical sanctions. As such it is the responsibility of the executing Department to consider the item in the works and execute accordingly.

7.11.2 Non-installation of firefighting system

The E-in-C (Building) has issued (April 2017) instructions for installation of firefighting system in all the buildings compulsorily. Table 7 of National Building Code (NBC) 2016, provides for the minimum requirements for firefighting installations in all types of buildings including the institutional buildings.

Audit observed that out of 80 completed original works selected for scrutiny:

- In 58 works of 13 PIUs⁴³, firefighting system (fire extinguisher) was not installed.
- In 48 works (out of 58 works), provision for firefighting system was not made in the estimates.

The Government replied (September 2023) that PIUs prepared the drawing and estimate as per the requirement with all prevailing provisions and submitted the same to the parent Department for administrative approval. The items were decided by the administrative Department as per the availability of funds.

The reply is incorrect because the parent department grants AA of the works before the preparation of estimates on which PIU, PWD, accords the technical sanctions. Although the E-in-C (Building) has issued (April 2017) instructions for the compulsory installation of a firefighting system, it was not included even in the estimates/TS of 48 works out of 58 works checked by Audit. Thus, by not providing firefighting systems in the buildings, the Department has overlooked the safety of students in educational institutes.

7.11.3 Non-execution of rain water harvesting system

The E-in-C (Building) has issued (April 2016) instructions for providing the rainwater harvesting system mandatorily in all the Government Buildings.

Audit observed that out of 80 completed original works selected for scrutiny:

- In 60 works of 13 PIUs⁴⁴, rainwater harvesting system was not installed.
- In 35 works (out of 60 works), provision for rainwater harvesting system was not made in the estimates.

⁴³ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

⁴⁴ Chhatarpur, Dewas, Gwalior, Katni, Khandwa, Mandsaur, Raisen, Sagar, Sehore, Shajapur, Singrauli, Tikamgarh and Ujjain.

The Government replied (September 2023) that PIU prepared the drawing and estimate as per the requirement with all prevailing provisions and submitted the same to the parent Department for administrative approval. The items were decided by the administrative Department as per the availability of funds. For ensuring best practice, rainwater harvesting system can be installed after the completion of the building as per the availability of the fund to the parent Department.

The reply is incorrect because the parent department grants AA of the works before the preparation of estimates on which PIU, PWD, accords the technical sanctions. Although the E-in-C (Building) has issued (April 2016) instructions for compulsory installation of rainwater harvesting system, it was not even included in the estimates/TS of 35 works out of 60 works checked by Audit. Thus, the Department not only overlooked its own instructions, but its actions also indicate lack of concern regarding water conservation.

7.12 Excess payment to Supervision and Quality Control (SQC) Consultants

As per GoMP order (February 2016) regarding working of SQCs and scope of work of SQCs as mentioned in Terms of Reference, SQCs will be responsible for supervision of works, execution of work as per drawing/design, recording of measurement, preparation of bills and quality control of works. Supervision and quality control of works were awarded to the SQCs at their lowest quoted percentage rates on contractor's payments.

During Audit, several deficiencies were noticed in the services rendered by SQC as detailed in **Table 7.11** below:

Table 7.11: Statement showing deficiencies in services rendered by SQCs as observed by Audit

Para No. of the report	Subject	(₹ in crore)
		Amount
7.6.1	Wide variations in executed quantities of similar items of identical buildings	-
7.8.1	Excess payment due to non-adoption of amended rates	2.27
7.8.2	Extra payment due to adoption of higher rates	1.13
7.8.4	Injudicious approval of time extension and non/short levy of penalty	-
7.9.1	Extra expenditure on superfluous execution of items	2.27
7.9.2	Excess payment to the contractors	2.55
7.9.4	Undue financial benefit to the contractors	0.69
7.9.5	Excess payment for transportation of excavated materials	0.32
7.9.6	Avoidable expenditure on use of water	1.63
7.10.1	Non-establishment of field laboratory	1.39
7.10.2	Use of below specification steel	-
7.10.3	Execution of RCC work of below specifications	11.33

From the above table it is evident that the works performed by SQCs were severely deficient and this resulted in excess payments of various nature to the contractors. Since SQCs were paid on the basis of payments made to the contractors, excess payment to the contractors further resulted in excess payment of ₹ 0.14 crore to the SQCs as well.

The Department may review the performance of SQCs and ensure that lapses on account of SQCs' lack of oversight are fixed on the SQCs.

The Government replied (September 2023) that in case of Raisen, Shajapur and Singrauli, the recoveries have been made from the bills of SQC. In other Divisions instructions have been issued to CE to scrutinise the facts and report the same.

Further development is awaited (March 2024).

7.13 Conclusion

There were several deficiencies in financial management, estimation, tendering process, contract management and quality control, which have been elucidated above. Audit conclusions, based on the audit findings, are given below:

- The cost of the works was increased without approval of the concerned Department, items/quantities not included in the bill of quantity (BOQ) were executed and items/quantities included in the BOQ were not executed, savings from the administrative approval (AA) were not intimated to the concerned Department, supervision charges were not charged as per the Government instructions.
- The quantities of different items executed widely varied in identical buildings.
- Tender cases were opened by the Chief Engineers by violating instructions of the Government and tenders were awarded to ineligible bidders.
- The amendments issued in schedule of rates were not adopted while making payment to the contractors, time extensions were granted without justified reasons and security deposit was deducted on the net value of work instead of gross value of work done.
- Superfluous items were executed, inflated/increased, double measurements were recorded, items were reclassified after execution and payment, incorrect items were applied, school and boundary wall were left incomplete, double wheel vibratory roller was not used in compaction of plinth filling and doubtful measurements for bore well drilling were recorded.
- General necessities/facilities like anti termite treatment, firefighting system and rainwater harvesting were not executed in buildings.

7.14 Recommendations

- The Department should ensure that major variation in items and quantities should be approved by the concerned Department.
- The Department should investigate lapses and fix responsibility on concerned officers against excessive and unauthorised expenditures along with material deviations.
- The Department should ensure that the measurements recorded by SQC should be checked and verified by the Drawing and Disbursing Officer (Executive Engineer (Building)) before making payment to the contractors.
- The Department should ensure that the quality of the works should properly be monitored at every stage of execution.
- The Department should ensure that SQCs should perform their duties as per scope of work and Terms of reference to avoid the lapses.

Bhopal
The

(PRIYA PARIKH)
Accountant General (Audit-II)
Madhya Pradesh

Countersigned

New Delhi
The

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

APPENDICES

Appendix 1.1

(Referred to in paragraph 1.6.4)

List of recommendation reports issued by Public Accounts Committee in respect of which ATN by Department is pending

Year of Audit Report	Legislative Assembly	Public Account Committee Year	Recommendation Report no.	Para Numbers	Total Paras
Transport Department					
2010-11	Fourteenth	2016-17	391	4.7 (4.7.14,4.7.15, 4.7.16), 4.8, 4.9, 4.10, 4.11, 4.12, 4.13	7
2011-12	Fourteenth	2016-17	392	4.7, 4.8, 4.9, 4.10	4
2012-13	Fourteenth	2017-18	469	4.7.7, 4.7.8, 4.7.9, 4.7.10, 4.8, 4.9, 4.10, 4.11, 4.12, 4.13, 4.14	8
2014-15	Fourteenth	2017-18	472	4.3, 4.4, 4.5	3
Total					22
Culture Department					
2011-12	Fourteenth	2017-18	449	3.2 (3.2.6.1, 3.2.7.1, 3.2.7.3, 3.2.7.6, 3.2.7.7, 3.2.7.8, 3.2.8.1, 3.2.8.2, 3.2.8.3, 3.2.8.4, 3.2.8.5, 3.2.8.6, 3.2.8.7, 3.2.8.9, 3.2.8.10, 3.2.8.11, 3.2.8.12,)	1
Total					1
Urban Development and Housing Department					
2008-09	Fourteenth	2017-18	438	2.2.10	1
2009-10	Fourteenth	2017-18	442	2.1.7	1
2013-14	Fourteenth	2017-18	457	2.1, (2.1.7, 2.1.8.1, 2.1.8.2, 2.1.8.5, 2.1.9.3, 2.1.10.3, 2.1.10.4, 2.1.11.7,) 3.2.1	2
Total					4
Commercial Tax Department					
2005-06	Fourteenth	2016-17	383	2.2, 2.3, 2.5, 2.7, 2.8, 2.9, 2.10	7
2005-06	Fourteenth	2016-17	383	5.6	1

Year of Audit Report	Legislative Assembly	Public Account Committee Year	Recommendation Report no.	Para Numbers	Total Paras
2006-07	Fourteenth	2015-16	72	1.4, 2.2, 2.3, 2.4, 2.5, 2.11, 2.12	7
2007-08	Fourteenth	2016-17	384	2.4, 2.5, 2.6, 2.8, 2.9, 2.13, 2.15, 2.17	8
2008-09	Fourteenth	2016-17	385	2.2, 2.4, 2.5, 2.6, 2.7, 2.8, 2.9, 2.10, 2.11, 2.12, 2.13, 2.14, 2.15, 2.17, 2.18	15
2009-10	Fourteenth	2016-17	388	2.11, 2.12, 2.13, 2.15, 2.16, 2.17, 2.18, 2.20, 2.24, 2.25	10
2009-10	Fourteenth	2016-17	388	7.2, 7.3	2
2010-11	Fourteenth	2017-18	463	7.2, 7.3, 7.5	3
2011-12	Fifteenth	2019-20	7	2.10.9, 2.10.10, 2.10.11, 2.10.12, 2.10.13, 2.10.14, 2.10.15, 2.11, 2.12, 2.13, 2.14, 2.15, 2.16, 2.17, 2.18, 2.19, 2.20, 3.5.8, 3.5.9, 3.5.16, 3.5.17, 3.5.18, 3.5.20, 3.5.22, 6.7, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 7.3	23
			Total		76
Commercial Tax (Registration and Stamp Department)					
2005-06	Fourteenth	2016-17	383	5.2, 5.3, 5.4	3
2006-07	Fourteenth	2015-16	72	5.2, 5.8	2
2007-08	Fourteenth	2016-17	384	5.2.8, 5.2.9, 5.2.11 to 5.2.21, 5.3, 5.5	3
2008-09	Fourteenth	2016-17	385	5.3, 5.4, 5.6, 5.7, 5.8, 5.10, 5.11, 5.12, 5.13, 5.14, 5.17	11
2009-10	Fourteenth	2016-17	388	6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9, 6.10,	9
2010-11	Fourteenth	2017-18	463	6.7, 6.8, 6.9, 6.10, 6.11, 6.12, 6.13, 6.14, 6.15, 6.16, 6.17, 6.18, 6.19	13
			Total		41

Year of Audit Report	Legislative Assembly	Public Account Committee Year	Recommendation Report no.	Para Numbers	Total Paras
Commercial Tax (State Excise Department)					
2005-06	Fourteenth	2016-17	383	3.2, 3.3, 3.5, 3.6, 3.7, 3.8,	6
2006-07	Fourteenth	2015-16	72	3.2	1
2007-08	Fourteenth	2016-17	384	3.2, 3.3, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11	8
2008-09	Fourteenth	2016-17	385	3.3, 3.7, 3.8, 3.11, 3.12, 3.14, 3.15, 3.17, 3.19,	9
2009-10	Fourteenth	2016-17	388	3.2, 3.8.1, 3.8.2, 3.9, 3.10, 3.12, 3.14	6
2010-11	Fourteenth	2017-18	463	3.6, 3.7, 3.8, 3.11, 3.13	5
Total					35
Mineral Resources Department					
2009-10	Fourteenth	2016-17	386	9.10, 9.12, 9.13, 9.14, 9.15, 9.16, 9.17, 9.18, 9.19	9
2010-11	Fourteenth	2016-17	390	10.6, 10.7, 10.8, 10.9, 10.10, 10.12, 10.13, 10.14, 10.15, 10.16	10
2011-12	Fourteenth	2016-17	393	8.6,8.8, 8.9, 8.10, 8.11, 8.12, 8.13, 8.14, 8.16, 8.17	10
2013-14	Fourteenth	2017-18	471	7.5, 7.7, 7.8, 7.9, 7.11, 7.12	6
2014-15	Fifteenth	2019-20	9	7.3, 7.4,7.5.1, 7.5.2, 7.6.1, 7.6.2, 7.7, 7.10	6
Total					41
Public Works Department					
2003-04	Fourteenth	2003-04	49	4.2.2, 4.2.3, 4.3.2, 4.3.3	4
2004-05	Fourteenth	2015-16	52	3.2, 4.3.2, 4.3.3, 4.5.3	4
2005-06	Fourteenth	2016-17	360	3.7, 4.1.5, 4.2.5, 4.2.7	4
2006-07	Fourteenth	2016-17	366	4.2.8, 4.2.9, 4.5.4	3
2007-08	Fourteenth	2017-18	435	4.5.4	1
2008-09	Fifteenth	2012-13	1	1.2, 2.2.6, 2.2.7	3

Year of Audit Report	Legislative Assembly	Public Account Committee Year	Recommendation Report no.	Para Numbers	Total Paras
2010-11	Fourteenth	2016-17	375	3.4.3	1
2011-12	Fourteenth	2017-18	466	2.1	1
		Total			21
			Forest Department		
2006-07	Fourteenth	2016-17	365	3.2	1
2013-14	Fifteenth	2019-20	8	2.1	1
		Total			2
			Public Health Engineering		
2005-06	Fourteenth	2016-17	364	4.1.3, 4.2.3, 4.3.4, 4.6.4	4
2012-13	Fourteenth	2017-18	454	2.1	1
		Total			5
			Environment Department		
2013-14	Fourteenth	-	457	2.1	1
		Total			1
		Grand Total			249

Appendix 2.1

(Referred to in paragraph 2.4)

Sample for Detailed Audit, Centralised Audit and Audit of Circles

S. N.	GSTIN	Name of the Circle
Detailed Audit		
1	23AACFR2535H1ZJ	Waidhan
2	23AADJC2088H1ZO	Balaghat
3	23AAACT2438A1Z1	Bhopal -1
4	23AAACL0582H2ZT	Bhopal -1
5	23AAKCM8087E2Z8	Bhopal -3
6	23AAAAM0307R1ZP	Bhopal -4
7	23AAAAM1625N1ZQ	Bhopal -4
8	23AAFCC2625P1ZL	Bhopal -5
9	23AAHCA9581C1ZR	Bhopal -5
10	23AVYPA6978L2ZP	Bhopal -5
11	23AAACT4119L1ZG	Bhopal -6
12	23AAFPH2563J1ZW	Bhopal -6
13	23AALCA4130B1ZE	Bhopal -6
14	23AAWPK7553Q1ZQ	Bhopal -6
15	23AELPA9944A1ZT	Bhopal -6
16	23AAGCB6748K1ZF	Bhopal -6
17	23ASNPR5125Q1Z3	Bina
18	23AAACJ6297K5Z5	Bina
19	23AAKFB9235G1ZI	Chhindwara -1
20	23BQCPS9738L1Z7	Chhindwara -1
21	23AAACR4896A2ZK	Chhindwara -2
22	23AAOFM5739Q1ZH	Damoh
23	23ACLPA0788N2ZD	Damoh
24	23AABCI2856A2Z4	Dewas
25	23AFTPV1703R1ZQ	Dewas
26	23AAHCM7589G1Z3	Gwalior -1
27	23AAKFB8078M1ZY	Gwalior -1
28	23AOQPC9085H1ZN	Narmadapuram
29	23AAECS8466P1ZN	Indore - 1
30	23AGOPS5276L1ZO	Indore - 10
31	23AAECT7614G1ZH	Indore - 10
32	23AADCD3523F1Z8	Indore - 11
33	23AAACI7351P1ZB	Indore - 11
34	23AAACL6150B1Z6	Indore - 11
35	23AABCM1884C1ZV	Indore - 11
36	23ASGPS8189N1ZT	Indore - 11
37	23AAACK3935D1Z0	Indore - 11
38	23AAACA4651L1ZU	Indore - 11
39	23AADCC4637P1ZF	Indore - 12
40	23AAVCS1165L1ZW	Indore - 12
41	23AAEFP2364C1ZQ	Indore - 13
42	23AAACT7303G1ZR	Indore - 15
43	23AKQPS0060G1Z8	Indore - 15
44	23BLLPD3404Q1Z2	Indore - 15
45	23ACSPV9056F1Z0	Indore - 2
46	23AAACN3548H3ZM	Indore - 3
47	23AAAJI0103J1ZW	Indore - 3
48	23AABCM6602Q1ZC	Indore - 3
49	23AAACB2484Q1ZG	Indore - 3
50	23ARDPG5921C1ZF	Indore - 3

S. N.	GSTIN	Name of the Circle
51	23AADCM9997N1ZK	Indore - 4
52	23AGSPA8703A1ZV	Indore - 6
53	23AABCP1892R1ZX	Indore - 8
54	23AAAAA2647N1ZU	Itarsi
55	23CQZPM2063G1ZK	Jabalpur -4
56	23AABCD9257A1Z1	Jabalpur -4
57	23AGIPA7007R1ZB	Jabalpur -4
58	23BAMPK0825L1ZO	Jhabua
59	23ATJPS3213P1ZD	Katni-1
60	23AGMPR9714N1ZO	Katni-1
61	23ABAFS0896F1ZA	Katni-2
62	23AAACH6184K1ZH	Mandideep
63	23AAACP4072C1ZZ	Mandideep
64	23AADCM8862E1ZH	Mandideep
65	23AABCU3243P1Z7	Mandideep
66	23APUPT2772F1ZG	Mandla
67	23ACKPL0231G1Z5	Neemuch
68	23AAACI1091A1ZD	Pithampur
69	23ABSFS0709F1Z8	Rewa
70	23CXDPS2970M1Z1	Rewa
71	23ATYPA0791M1Z9	Shivpuri
72	23AAIFR6102J1ZD	Tikamgarh
73	23AAFCK2993L1Z6	Ujjain -1
74	23AEMPB0681A1Z7	Ujjain -3
75	23ACWPS6320D2ZH	Vidisha
Centralised Audit		
1	23AADCP0175F1ZU	Annappur
2	23AABFH1349E1ZY	Ashoknagar
3	23ABZPJ9010D1ZP	Ashoknagar
4	23AHXPR4468B1ZZ	Ashoknagar
5	23BWRPR7704N1ZR	Ashoknagar
6	23AAACJ6297K4Z6	Waidhan
7	23AABCG2253K1ZV	Waidhan
8	23AABCT5299E1ZB	Waidhan
9	23AACCG2497A1Z1	Waidhan
10	23AAECR7290Q1ZQ	Waidhan
11	23AAKCS0723M1ZB	Waidhan
12	23AAPCS9159L1ZK	Waidhan
13	23AARCS3716K1Z1	Waidhan
14	23ACNPT9081B1ZE	Waidhan
15	23AEOPT8988E1ZP	Waidhan
16	23ALJPS9274Q1Z2	Waidhan
17	23AMHPC9081E1ZA	Waidhan
18	23ANDPA7075K2Z2	Waidhan
19	23AWOPK0231B1Z7	Waidhan
20	23BESPP4167A2ZG	Waidhan
21	23BVKPS6640E1ZH	Waidhan
22	23CJOPK1782L1ZS	Waidhan
23	23AAABA0385J1Z1	Balaghat
24	23AAACT8174F1ZE	Balaghat
25	23AAAFW8248A1ZG	Balaghat
26	23AAAGD0854N1ZI	Balaghat
27	23AAFPI0733B1ZK	Balaghat
28	23AAPFS0532E1ZI	Balaghat
29	23ABYPC8706C1ZQ	Balaghat
30	23AEUPK4378K1ZV	Balaghat
31	23AAAGP0877K1Z5	Betul

S. N.	GSTIN	Name of the Circle
32	23AMPPA3564Q1ZN	Betul
33	23AAAAM1802D1ZG	Bhopal -1
34	23AAACT2727Q1Z4	Bhopal -1
35	23AAACU5552C1ZR	Bhopal -1
36	23AABCJ7024M1ZL	Bhopal -1
37	23AACCT1282E1ZR	Bhopal -1
38	23AADCP6483E1ZH	Bhopal -1
39	23AAKCA2581R1Z7	Bhopal -1
40	23AANFR8506M1ZQ	Bhopal -1
41	23AARFA1801E1Z0	Bhopal -1
42	23ASUPG5563C1ZQ	Bhopal -1
43	23AYNPK3364J2Z6	Bhopal -1
44	23BNKPS9749E1ZH	Bhopal -1
45	23CPFPK4636A1ZD	Bhopal -1
46	23AABCT6665J1Z4	Bhopal -2
47	23AACCS0396N1Z4	Bhopal -2
48	23AGQPR1594N1ZM	Bhopal -2
49	23AAFRC8492P1ZL	Bhopal -3
50	23AAZPB7831R1ZX	Bhopal -3
51	23ADJFS7249D1Z0	Bhopal -3
52	23AFGPB7730P1ZC	Bhopal -3
53	23AHCPM9389H2ZY	Bhopal -3
54	23AHEPI4215J1ZP	Bhopal -3
55	23AUUPJ0705D1ZZ	Bhopal -3
56	23CBPPK7301C1Z0	Bhopal -3
57	23DXSPS9455R1Z1	Bhopal -3
58	23AAAGP0668N1Z2	Bhopal -4
59	23AACCM0330Q1ZM	Bhopal -4
60	23AAKCA2311H1Z8	Bhopal -4
61	23AAQPG9735Q1ZW	Bhopal -4
62	23ABAPG0509P1ZY	Bhopal -4
63	23ABDPB5693C1Z4	Bhopal -4
64	23AAACB9001B1ZK	Bhopal -5
65	23AABCM1275D1Z0	Bhopal -5
66	23AABCR7570C1ZN	Bhopal -5
67	23AACCK3915B1Z6	Bhopal -5
68	23AADCH1677G1ZR	Bhopal -5
69	23AAPCS1247M1Z1	Bhopal -5
70	23AAPCS6078Q1ZE	Bhopal -5
71	23ABYPV0017D1ZP	Bhopal -5
72	23ADCFS2317R1ZV	Bhopal -5
73	23AFGPJ5199C1ZK	Bhopal -5
74	23AAACI5139B1Z6	Bhopal -6
75	23AAACL0140P6ZM	Bhopal -6
76	23AAACT1507C1Z5	Bhopal -6
77	23AACCD6124B1ZE	Bhopal -6
78	23AACCG6363K1ZJ	Bhopal -6
79	23AACFR0292F1ZL	Bhopal -6
80	23AADCJ5526G1ZT	Bhopal -6
81	23AAECB1762H1Z0	Bhopal -6
82	23AAECD4619B1Z8	Bhopal -6
83	23AAHCR3799P2ZI	Bhopal -6
84	23AAKCS6409C1ZL	Bhopal -6
85	23AAZPG0895J1Z6	Bhopal -6
86	23AHBPS6659K1ZW	Bhopal -6
87	23AADCN5437G1ZN	Bina
88	23AEGPC2132P1ZR	Bina

S. N.	GSTIN	Name of the Circle
89	23AAAAP0436G2Z2	Burhanpur
90	23AASFS1317E1ZE	Burhanpur
91	23AADFT5755G1Z6	Chhatarpur
92	23ABQFS9460D1ZW	Chhatarpur
93	23AFHPA0432Q1ZP	Chhatarpur
94	23AFPPD7065L1Z5	Chhatarpur
95	23AIYPA3758K1ZU	Chhatarpur
96	23BBHPS2342J1ZN	Chhatarpur
97	23AAAGD0905Q1ZK	Chhindwara -1
98	23AAACB3368H1ZY	Chhindwara -2
99	23AAACO0054F1Z4	Chhindwara -2
100	23AAGCP0445H1ZQ	Chhindwara -2
101	23AKOPC9542K2ZV	Chhindwara -2
102	23APBPS9366R1ZZ	Chhindwara -2
103	23BWLPR8845Q1ZF	Chhindwara -2
104	23AABCP1495Q1Z0	Damoh
105	23AGHPN3365J1ZA	Datia
106	23AAACJ4233B1ZC	Dewas
107	23AAQFS9791L1Z7	Dewas
108	23AABCN5686R1ZR	Dhar
109	23BSPPA4241P1ZK	Dhar
110	23CDTPB0985P1ZY	Dhar
111	23AAACN0189N2ZB	Guna
112	23AAAFZ3305R1ZY	Guna
113	23AADCR0290H1ZO	Guna
114	23AAACG0870D1Z8	Gwalior -1
115	23AABCH3262R1ZD	Gwalior -1
116	23AACCP0377Q1Z4	Gwalior -1
117	23AAHCP9915H1Z8	Gwalior -1
118	23AAQCS3027G1ZF	Gwalior -1
119	23ABHFS6828A1ZD	Gwalior -1
120	23AFKPC0491C1Z2	Gwalior -1
121	23ALIPG1659G1ZB	Gwalior -1
122	23AROPV7201M1ZB	Gwalior -1
123	23AAACS3558C3ZP	Gwalior -2
124	23AAAGB0020Q1ZW	Gwalior -2
125	23AACCV5516B2ZT	Gwalior -2
126	23AAQCS1980C1ZD	Gwalior -2
127	23AATCS2082A1ZJ	Gwalior -2
128	23AICPK4550F1ZP	Gwalior -2
129	23AACFJ0797R1ZU	Gwalior -3
130	23AAICS2238R1ZX	Gwalior -3
131	23AAVPA0992N1ZA	Gwalior -3
132	23AAVPJ3146R2Z0	Gwalior -3
133	23BCTPB4173M1ZB	Gwalior -4
134	23AKEPP5115B1ZR	Harda
135	23AEWPN3328Q1ZQ	Narmadapuram
136	23AABCC0303L1ZA	Indore - 1
137	23AAECS0765R2ZW	Indore - 1
138	23AAHCA0139L1ZW	Indore - 1
139	23AAJFT7585J1ZL	Indore - 1
140	23AAOCS8417N1ZQ	Indore - 1
141	23AGAPB9601Q1ZG	Indore - 1
142	23AQHPT0223B1ZH	Indore - 1
143	23ASOPP8735D1ZH	Indore - 1
144	23CCBPS5453E1ZR	Indore - 1
145	23AABCE9378F1ZK	Indore - 10

S. N.	GSTIN	Name of the Circle
146	23AAICM9813G1ZF	Indore - 10
147	23AAACG2207L1Z0	Indore - 11
148	23AAACH4288C1ZX	Indore - 11
149	23AAACH7412G1Z1	Indore - 11
150	23AAACL3717A2Z8	Indore - 11
151	23AAACW2472M1Z7	Indore - 11
152	23AAAJI0016N1ZK	Indore - 11
153	23AABCS3737J1ZE	Indore - 11
154	23AACCN5346B1ZY	Indore - 11
155	23AAGCC1585R1Z7	Indore - 11
156	23AAIFG1265H1ZN	Indore - 11
157	23AAJCS4517L1Z6	Indore - 11
158	23AAPCS7430L1ZY	Indore - 11
159	23AFVPD6711R1ZW	Indore - 11
160	23BIIPD1865R1ZW	Indore - 11
161	23AAACD0474C1ZD	Indore - 12
162	23AAACJ9784B1ZM	Indore - 12
163	23AAACO0171H1ZY	Indore - 12
164	23AAACZ4066A1ZR	Indore - 12
165	23AABCC2523L1Z0	Indore - 12
166	23AACCM2658K1ZF	Indore - 12
167	23AAGCM0811L1ZQ	Indore - 12
168	23AAGFP5298P1ZI	Indore - 12
169	23AASFR6817J1ZP	Indore - 12
170	23AAYCS4103K1Z3	Indore - 12
171	23AAACC4481E1Z3	Indore - 13
172	23AAACG1376N1ZK	Indore - 13
173	23AAACR0421M1ZR	Indore - 13
174	23AABCM8797N1ZQ	Indore - 13
175	23AACCC6806H1ZY	Indore - 13
176	23AACCP3026E1Z1	Indore - 13
177	23AACCV6960B1ZK	Indore - 13
178	23AADCI4357A1Z3	Indore - 13
179	23AADCS3124K1ZL	Indore - 13
180	23AAHFL0345C1ZY	Indore - 13
181	23AAHFP2014N1ZD	Indore - 13
182	23AAIPM0566H1ZU	Indore - 13
183	23AAJCS7201D2ZR	Indore - 13
184	23AAKCS3060P1Z1	Indore - 13
185	23ADKPC0193R1ZC	Indore - 13
186	23AELPJ8571Q1ZQ	Indore - 13
187	23AEMPR8523F1ZC	Indore - 13
188	23AVCPS2503H1ZY	Indore - 13
189	23AWPPB1331G1Z2	Indore - 13
190	23AAACS8577K1ZX	Indore - 14
191	23AAGCM3176Q1Z0	Indore - 14
192	23AATFA1156G1ZM	Indore - 14
193	23ABPFS6840N2ZH	Indore - 14
194	23AHIPP8649P1ZG	Indore - 14
195	23AWLPS6696K1ZM	Indore - 15
196	23AAACM3025E1Z7	Indore - 2
197	23AACCI1182J1ZS	Indore - 2
198	23AFYPG9674B1Z3	Indore - 2
199	23AHVPM8148H1ZT	Indore - 2
200	23AAACP6224A4Z2	Indore - 3
201	23AABCB7813N1ZM	Indore - 3
202	23AABCJ1303P1ZT	Indore - 3

S. N.	GSTIN	Name of the Circle
203	23AABCP6580C1ZP	Indore - 3
204	23AABCV6494M1ZT	Indore - 3
205	23AACCD1376K1ZR	Indore - 3
206	23AADFO0526A1Z4	Indore - 3
207	23AADHH3715A2Z1	Indore - 3
208	23AAFCK4444G1ZR	Indore - 3
209	23AAICS1406R1Z5	Indore - 3
210	23AAKCA1969P1Z5	Indore - 3
211	23AAKCS5309P1ZX	Indore - 3
212	23AATCS8714K1ZR	Indore - 3
213	23AATFM9588J1ZB	Indore - 3
214	23AJOPM1429N1ZW	Indore - 3
215	23AQLPA6843Q1ZF	Indore - 3
216	23AVRPP1658H1Z8	Indore - 3
217	23AAIFV2453Q1ZP	Indore - 4
218	23APAPJ3646Q1ZO	Indore - 4
219	23ABCFA7748J1ZC	Indore - 8
220	23AAACG2409A1ZJ	Indore - 9
221	23AAACN5983C2ZM	Indore - 9
222	23AABCW1647D1ZQ	Indore - 9
223	23AACCB8991N1Z4	Indore - 9
224	23AACCC9702E1Z3	Indore - 9
225	23AACCD2180M1ZR	Indore - 9
226	23AACCD2180M2ZQ	Indore - 9
227	23AAECS9424P1ZV	Indore - 9
228	23AAHCA6168M1ZD	Indore - 9
229	23AANFA1979P1ZU	Indore - 9
230	23BOSPS6798L1ZP	Indore - 9
231	23AAOFS4933Q1ZH	Itarsi
232	23AAAGC0017Q1ZQ	Jabalpur -1
233	23AABCG1786B1Z2	Jabalpur -1
234	23AACK5599H1ZA	Jabalpur -1
235	23AEYPA1332B1Z4	Jabalpur -1
236	23BBBPT0415M1ZS	Jabalpur -1
237	23AADFT0692A1ZO	Jabalpur -2
238	23AAECC5380N1ZG	Jabalpur -2
239	23AAJFS1179F2Z8	Jabalpur -2
240	23AAOCA6678B1ZM	Jabalpur -2
241	23AARAS9511J1Z2	Jabalpur -2
242	23AAUCS6947B1Z2	Jabalpur -2
243	23ABTFS1188H2ZR	Jabalpur -2
244	23AFWPY8746E1ZM	Jabalpur -2
245	23AACCM9520G1ZP	Jabalpur -3
246	23AACFU8514B1ZL	Jabalpur -3
247	23AAHCP4130C1Z1	Jabalpur -3
248	23ADTPM3456A1ZO	Jabalpur -3
249	23AFRPB4543D2ZS	Jabalpur -3
250	23AFSPB5605H1ZN	Jabalpur -3
251	23ANNPS6073M1ZB	Jabalpur -3
252	23AACFH4783M1Z4	Jabalpur -4
253	23ACOPJ3752A1ZZ	Jabalpur -4
254	23ADQPK4768C1ZG	Jaora
255	23AFTPT0316G1ZG	Jaora
256	23AABTA6039N1ZO	Jhabua
257	23AAECN8925A1ZR	Jhabua
258	23ACPPJ7458N1ZW	Jhabua
259	23ATIPB1859K1ZP	Jhabua

S. N.	GSTIN	Name of the Circle
260	23AAAAP8531E1ZV	Katni-1
261	23AACFN8976C2Z7	Katni-1
262	23AAFCK1095H1ZO	Katni-1
263	23AAACE7550N1ZI	Katni-2
264	23AAACU0163H1ZS	Khandwa
265	23AAAGD0801K1Z1	Khandwa
266	23AABCO5420A1Z9	Khandwa
267	23AALFJ1065D1ZR	Khandwa
268	23AFHPB6724Q1Z9	Khandwa
269	23BBZPS9887C1ZO	Khandwa
270	23AABAH5500J1Z4	Khargone
271	23AADCR1784Q1ZW	Khargone
272	23AAECN0930F2ZZ	Khargone
273	23AAMPL4454D1ZW	Khargone
274	23AARPW1775D1ZE	Khargone
275	23AFHPA3159A1Z8	Khargone
276	23AHAPV1053H1ZN	Khargone
277	23AAACP6332M1ZF	Mandideep
278	23AABCV2466R1ZV	Mandideep
279	23AADCN4681N2Z3	Mandideep
280	23AAKCA0736E2Z4	Mandideep
281	23AGDPV9463B1ZC	Mandideep
282	23CPUPS3267N1ZY	Mandideep
283	23AAAGD0800J1Z4	Mandla
284	23AOOPC7738M1ZI	Mandla
285	23ATNPR2109R1Z5	Mandla
286	23AEPPG8565H1Z6	Mandsaur
287	23AIJPB2691M1Z6	Mandsaur
288	23AJQPG5598J1ZM	Mandsaur
289	23AAAAY0767E1ZR	Morena
290	23AADCC1698Q1Z6	Morena
291	23AADCM6400E1Z3	Morena
292	23AAECB5121E1ZD	Morena
293	23AAMCA5657N1Z6	Morena
294	23AAACJ3814E1Z5	Narsinghpur
295	23ACPPC5174Q1Z4	Naugaon
296	23AHXPB9619A1ZE	Neemuch
297	23AFQPL3161A1ZU	Panna
298	23AAACA4769K1ZL	Pithampur
299	23AAACB7066L1ZM	Pithampur
300	23AAACM0405A1ZL	Pithampur
301	23AABCE5821H1Z0	Pithampur
302	23AABCS5326B3ZW	Pithampur
303	23AABCT3904C1ZZ	Pithampur
304	23AAFCM6870J1Z8	Pithampur
305	23AAFCP6470M1Z3	Pithampur
306	23ACRPC2771K1ZH	Pithampur
307	23ANWPS2095Q1ZW	Pithampur
308	23AACCS3062K1ZH	Rajgarh
309	23AADFM6399P1ZK	Rajgarh
310	23AANFB8790M1ZS	Rajgarh
311	23ASYPK5684J1ZX	Rajgarh
312	23AWVPK6871G1Z0	Rajgarh
313	23AACHT9627C1Z8	Ratlam - 1
314	23ABAPT7755L1Z7	Ratlam - 1
315	23AASFR7100G1ZA	Ratlam - 2
316	23AHXPJ2463N1ZR	Ratlam - 2

S. N.	GSTIN	Name of the Circle
317	23AAACQ1461G1ZV	Rewa
318	23AAACZ2168D3ZK	Rewa
319	23AABCB1562A3ZH	Rewa
320	23AAICR1321G2ZU	Rewa
321	23ABBFS7645F1Z8	Rewa
322	23AJKPS8387D1ZS	Rewa
323	23BEBPS3911N1ZE	Rewa
324	23BQIPS2682D1ZT	Rewa
325	23AAACG0904A1ZN	Sagar
326	23AAYCS4966L1ZE	Sagar
327	23CFGPS8850B1ZF	Sagar
328	23AAACU3547P1Z1	Satna -1
329	23AADCB1675Q1ZE	Satna -1
330	23AFXPA6035K1ZA	Satna -1
331	23AABCB3313M1Z1	Satna -2
332	23AAHPT2582P1Z3	Sehore
333	23AAVFA5540N1Z1	Sendhwa
334	23AAXFM7844B1Z1	Sendhwa
335	23DCIPP1970B1ZU	Sendhwa
336	23AAALD1899G1Z7	Seoni
337	23BKZPK1912M1ZQ	Seoni
338	23AACCT0370R1Z5	Shahdol
339	23AAFCM6698A1ZH	Shahdol
340	23AAOFP5447J1ZV	Shahdol
341	23AETPK8323H1ZA	Shahdol
342	23AGTPG6394E1Z5	Shahdol
343	23AJAPJ7324B1ZW	Shahdol
344	23AMCPA8879K1ZS	Shajapur
345	23AGGPR9607J1Z2	Sheopur
346	23AQDPG3276H1Z3	Sheopur
347	23ACQPG2631R1Z9	Shivpuri
348	23AGPPG3022M1ZH	Shivpuri
349	23AJVPR9655E1ZJ	Shivpuri
350	23AUBPS0577R1Z2	Shivpuri
351	23AADCG1026A1ZL	Tikamgarh
352	23ACHPN4018Q1ZC	Tikamgarh
353	23AEFPJ6783A1ZR	Tikamgarh
354	23AEOPA2451F1Z0	Tikamgarh
355	23AICPG5431F1ZV	Tikamgarh
356	23AJYPA6873E1ZZ	Tikamgarh
357	23BBOPC2094L1ZJ	Tikamgarh
358	23AAACV6547J1Z6	Ujjain -1
359	23ABXPG9939L1ZR	Ujjain -1
360	23AIGPG6163L1Z7	Ujjain -1
361	23AQWPP2298P1ZQ	Ujjain -1
362	23AAACL6442L1ZI	Ujjain -2
363	23AAKCS7579P1ZD	Ujjain -2
364	23BDWPS8677P1Z2	Ujjain -2
365	23AEEPJ9263Q1ZY	Vidisha
366	23AVOPK6562C1ZL	Vidisha
367	23BHZPS7293A1ZS	Vidisha
368	23AABPQ7886M1Z1	Indore - 5
Circle Audit		
1	-	Bhopal-5
2	-	Indore-15
3	-	Indore-11
4	-	Bhopal-1

S. N.	GSTIN	Name of the Circle
5	-	Bhopal-4
6	-	Mandideep
7	-	Jabalpur-4
8	-	Bhopal-6
9	-	Indore-3
10	-	Indore-12

Appendix 2.2

(Referred to in paragraph 2.6.1.1)

Lack of action on non-filer of returns

(₹ in lakh)

Name of the Circle	Year	Number of non-filers identified	Number of cases where GSTR 3A issued	Cases where returns filed in pursuance of GSTR 3A	Cases where best judgement assessment initiated (ASMT-13)			Number of Cases where ASMT-13 proceedings pending
					Number	Assessed Amount	Recovered amount	
Indore-11	2017-18	313	0	0	0	0	0	0
	2018-19	677	0	0	0	0	0	0
	2019-20	793	0	0	0	0	0	0
	2020-21	461	71	71	0	0	0	0
	Sub Total	2,244	71	71	0	0	0	0
Indore-15	2017-18	297	0	0	0	0	0	0
	2018-19	506	0	0	0	0	0	0
	2019-20	354	0	0	0	0	0	0
	2020-21	365	532	440	92	0	0	0
	Sub Total	1,522	532	440	92	0	0	0
Bhopal-5	2017-18	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0
	2020-21	2,235	2,235	2,097	138	2,164.16	2,164.16	0
	Sub Total	2,235	2,235	2,097	138	2,164.16	2,164.16	0
Bhopal-1	2017-18	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0
	2020-21	997	997	952	45	32.40	0	0
	Sub Total	997	997	952	45	32.40	0	0
Bhopal-4	2017-18	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0
	2020-21	241	241	72	27	92.02	80.70	20
	Sub Total	241	241	72	27	92.02	80.70	20
Mandideep	2017-18	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0
	2020-21	171	171	27	144	0	0	144
	Sub Total	171	171	27	144	0	0	144

Name of the Circle	Year	Number of non-filers identified	Number of cases where GSTR 3A issued	Cases where returns filed in pursuance of GSTR 3A	Cases where best judgement assessment initiated (ASMT-13)			Number of Cases where ASMT-13 proceedings pending
					Number	Assessed Amount	Recovered amount	
Jabalpur-4	2017-18	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0
	2020-21	435	435	265	170	123.54	90.47	0
	Sub Total	435	435	265	170	123.54	90.47	0
Bhopal-6	2017-18	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0
	2020-21	2,011	1,446	1,446	66	195.82	0	0
	Sub Total	2,011	1,446	1,446	66	195.82	0	0
Indore-3	2017-18	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0
	2020-21	1,220	1,220	1,022	198	114.62	114.12	126
	Sub Total	1,220	1,220	1,022	198	114.62	114.12	126
Indore-12	2017-18	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0
	2020-21	1,320	1,320	1,014	306	102.52	0	96
	Sub Total	1,320	1,320	1,014	306	102.52	0	96
Grand Total		12,396	8,668	7,406	1,186	2,825.08	2,449.45	386

Appendix 2.3

(Referred to in paragraph 2.6.1.2)

Slow pace of scrutiny of returns/non-initiation of returns

Name of the Circle	Year	Scrutiny of returns				Cases where SCNs issued			
		Number of taxpayers whose returns were scrutinised	Number of returns scrutinised	Number of cases where ASMT-10 were issued	Cases where discrepancy accepted by taxpayer		Number	Amount	Cases Completed
					Number	Amount recovered			
Indore-11	2017-18	0	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0	0
	2020-21	0	0	0	0	0	0	0	0
	Sub Total	0	0	0	0	0	0	0	0
Indore-15	2017-18	0	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0	0
	2020-21	0	0	0	0	0	0	0	0
	Sub Total	0	0	0	0	0	0	0	0
Bhopal-5	2017-18	0	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0	0
	2020-21	1	18	1	0	0	1	6.65	0
	Sub Total	1	18	1	0	0	1	6.65	0
Bhopal-1	2017-18	0	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0	0
	2020-21	99	1,188	56	25	2,521.20	10	1,242.53	0
	Sub Total	99	1,188	56	25	2,521.20	10	1,242.53	0
Bhopal-4	2017-18	0	0	0	0	0	0	0	0
	2018-19	0	0	0	0	0	0	0	0
	2019-20	0	0	0	0	0	0	0	0
	2020-21	0	0	0	0	0	0	0	0
	Sub Total	0	0	0	0	0	0	0	0
Mandideep	2017-18	0	0	0	0	0	0	0	0

Name of the Circle	Year	Scrutiny of returns				Cases where discrepancy accepted by taxpayer		Cases where SCNs issued			
		Number of taxpayers whose returns were scrutinised	Number of returns scrutinised	Number of cases where ASMT-10 were issued	Number	Amount recovered		Number	Amount	Cases Completed	Amount
	2018-19	0	0	0	0	0		0	0	0	0
	2019-20	0	0	0	0	0		0	0	0	0
	2020-21	41	492	38	6	51.17		23	12,112.80	12	65.29
	Sub Total	41	492	38	6	51.17		23	12,112.80	12	65.29
	2017-18	0	0	0	0	0		0	0	0	0
Jabalpur-4	2018-19	0	0	0	0	0		0	0	0	0
	2019-20	0	0	0	0	0		0	0	0	0
	2020-21	22	264	13	8	80.25		5	93.99	5	4.95
	Sub Total	22	264	13	8	80.25		5	93.99	5	4.95
	2017-18	0	0	0	0	0		0	0	0	0
Bhopal-6	2018-19	0	0	0	0	0		0	0	0	0
	2019-20	0	0	0	0	0		0	0	0	0
	2020-21	14	14	14	0	0		0	0	0	0
	Sub Total	14	14	14	0	0		0	0	0	0
	2017-18	6	72	6	0	0		6	635.40	3	6.07
Indore-3	2018-19	6	72	5	0	0		5	994.15	3	1.29
	2019-20	6	72	4	0	0		4	395.11	3	12.00
	2020-21	126	1,512	126	0	0		126	5,304.00	107	522.57
	Sub Total	144	1,728	141	0	0		141	7,328.66	116	541.93
	2017-18	2	18	2	1	0.00		0	0	0	0
Indore-12	2018-19	11	132	11	1	2.58		5	1,730.88	0	0
	2019-20	27	324	24	3	3.50		10	1153.10	0	9.34
	2020-21	58	696	55	3	39.56		15	630.06	0	5.94
	Sub Total	98	1,170	92	8	45.64		30	3,514.04	0	15.28
	2017-18	8	90	8	1	0		6	635.40	3	6.07
Grand Total	2018-19	17	204	16	1	2.58		10	2,725.03	3	1.29
	2019-20	33	396	28	3	3.50		14	1,548.21	3	21.34
	2020-21	361	4,184	303	42	2,692.18		180	19,390.03	124	598.75
	Total	419	4,874	355	47	2,698.26		210	24,298.67	133	627.45

Appendix 2.4

(Referred to in paragraph 2.6.1.4 (B))

Lack of action on DGARM reports

S. N.	Name of the Circle	Year	Number of DGARM reports marked for verification	Number of cases (units) covered in DGARM reports for verification (all reports put together)	Cases where verification completed by the Circle			Cases where action initiated and pending verification (as on 31.03.2021)		Cases where action not initiated		Cases where "no action is required" proposed out of verified cases in the feedback forms	
					Number of Reports	Number of Units	Amount recovered	Number of Reports	Number of Units	Number of Reports	Number of Units	Number of Units	Number of Reports
1	Indore-11	2017-18	0	0	0	0	0	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0	0	0	0	0	0
		2019-20	0	0	0	0	0	0	0	0	0	0	0
		2020-21	0	0	0	0	0	0	0	0	0	0	0
2	Indore-15		0	0	0	0	0	0	0	0	0	0	0
		2017-18	0	0	0	0	0	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0	0	0	0	0	0
		2019-20	0	0	0	0	0	0	0	0	0	0	0
3	Bhopal-5	2020-21	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
		2017-18	0	0	0	0	0	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0	0	0	0	0	0
4	Bhopal-1	2019-20	0	0	0	0	0	0	0	0	0	0	0
		2020-21	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
		2017-18	0	0	0	0	0	0	0	0	0	0	0
5	Bhopal-4	2018-19	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
		2017-18	0	0	0	0	0	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0	0	0	0	0	0

S. N.	Name of the Circle	Year	Number of DGARM reports marked for verification	Number of cases (units) covered in DGARM reports for verification (all reports put together)	Cases where verification completed by the Circle			Cases where action initiated and pending verification (as on 31.03.2021)		Cases where action not initiated		Cases where "no action is required" proposed out of verified cases in the feedback forms	
					Number of Reports	Number of Units	Amount recovered	Number of Reports	Number of Units	Number of Reports	Number of Units	Number of Units	Number of Reports
6	Mandideep	2019-20	0	0	0	0	0	0	0	0	0	0	0
		2020-21	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
7	Jabalpur-4	2017-18	0	0	0	0	0	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0	0	0	0	0	0
		2019-20	0	0	0	0	0	0	0	0	0	0	0
		2020-21	0	0	0	0	0	0	0	0	0	0	0
8	Bhopal-6	2017-18	0	0	0	0	0	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0	0	0	0	0	0
		2019-20	0	0	0	0	0	0	0	0	0	0	0
		2020-21	0	0	0	0	0	0	0	0	0	0	0
9	Indore-3	2017-18	0	0	0	0	0	0	0	0	0	0	0
		2018-19	0	0	0	0	0	0	0	0	0	0	0
		2019-20	0	0	0	0	0	0	0	0	0	0	0
		2020-21	0	0	0	0	0	0	0	0	0	0	0
10	Indore-12	2017-18	0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0	0

S. N.	Name of the Circle	Year	Number of DGARM reports marked for verification	Number of cases (units) covered in DGARM reports for verification (all reports put together)	Cases where verification completed by the Circle			Cases where action initiated and pending verification (as on 31.03.2021)		Cases where action not initiated		Cases where "no action is required" proposed out of verified cases in the feedback forms	
					Number of Reports	Number of Units	Amount recovered	Number of Reports	Number of Units	Number of Reports	Number of Units	Number of Units	Number of Reports
		2018-19	0	0	0	0	0	0	0	0	0	0	0
		2019-20	0	0	0	0	0	0	0	0	0	0	0
		2020-21	0	0	0	0	0	0	0	0	0	0	0
	Sub Total		0	0	0	0	0	0	0	0	0	0	0

Appendix 2.5

(Referred to in paragraph 2.6.1.5)

Non-adherence to prescribed procedure for cancellation of registration

(₹ in lakh)

S. N.	Name of the Circle	Number of requisitions received for cancellation from taxpayer	Number of cancellations initiated on own motion of Circle officer	Number of cases where REG 17 SCN issued			Number of cases where order of cancellation issued in REG -19	Number of cases where REG-19 issued without issuing REG-17	Number of cases where REG-20 order passed (dropping the proceedings)	Cases where assessment done under section 62 in case of suo-moto cancellation		
				On taxpayer application	On suo-moto action	Total				Number of assessments initiated	Amount recovered (initiated cases)	Amount recovered (completed cases)
1	Indore-11	1,294	643	0	0	0	898	643	0	0	0	0
2	Indore-15	355	438	0	397	397	291	0	106	291	0	0
3	Bhopal-5	1,157	2,323	0	2,323	2,323	2,323	0	0	0	0	0
4	Bhopal-1	810	1,641	810	1,641	2,451	2,451	0	0	0	0	0
5	Bhopal-4	714	1,104	94	1,211	1,305	712	0	109	83	342.20	5.99
6	Mandideep	355	698	355	698	1,053	879	0	94	0	0	0
7	Jabalpur-4	1,089	1,675	43	1,668	1,711	1,676	0	9	16	0	0
8	Bhopal-6	368	983	39	983	1,022	1,002	0	308	0	0	0
9	Indore-3	411	575	0	575	575	772	0	214	0	0	0
10	Indore-12	846	911	0	911	911	1,757	0	0	0	0	0
Total		7,399	10,991	1,341	10,407	11,748	12,761	643	840	390	342.20	5.99

Appendix 2.6

(Referred to in paragraph 2.6.1.6)

Inadequate follow up on non-filing of GSTR-10

S. N.	Name of the Circle	Year	Number of cases where order of cancellation issued in REG -19	Number of cases where registration has been revoked	Number of taxpayers who had filed GSTR 10	Action initiated for non-filing of GSTR 10	(Amount in ₹)	
							No of cases	Amount
1	Indore-11	2017-18	8	0	0	0	0	0
		2018-19	296	51	59	0	0	0
		2019-20	288	119	76	0	0	0
		2020-21	306	182	127	0	0	0
		Sub Total	898	352	262	0	0	0
2	Indore-15	2017-18	0	0	0	0	0	0
		2018-19	103	82	97	0	103	0
		2019-20	99	73	92	0	99	0
		2020-21	89	77	128	0	89	0
		Sub Total	291	232	317	0	291	0
3	Bhopal-5	2017-18	0	0	0	0	0	0
		2018-19	774	189	24	0	0	0
		2019-20	794	398	98	0	0	0
		2020-21	755	614	160	0	0	0
		Sub Total	2,323	1,201	282	0	0	0
4	Bhopal-1	2017-18	89	0	0	0	0	0
		2018-19	814	57	560	0	0	0
		2019-20	930	36	850	0	0	0
		2020-21	618	56	550	0	0	0
		Sub Total	2,451	149	1,960	0	0	0
5	Bhopal-4	2017-18	0	0	0	0	0	0
		2018-19	133	115	18	0	40	49,83,000
		2019-20	298	170	128	0	25	10,52,000
		2020-21	281	197	84	0	18	28,18,5000

S. N.	Name of the Circle	Year	Number of cases where order of cancellation issued in REG -19	Number of cases where registration has been revoked	Number of taxpayers who had filed GSTR 10	Action initiated for non-filing of GSTR 10	Cases where best judgment initiated/completed	
							No of cases	Amount
6	Mandideep	Sub Total	712	482	230	0	83	34,22,0000
		2017-18	0	0	0	0	0	0
		2018-19	441	47	50	0	0	0
		2019-20	305	6	69	0	0	0
		2020-21	133	56	36	0	0	0
		Sub Total	879	109	155	0	0	0
7	Jabalpur-4	2017-18	17	1	0	0	0	0
		2018-19	483	68	1	0	0	0
		2019-20	791	130	8	0	0	0
		2020-21	385	105	3	0	16	0
		Sub Total	1,676	304	12	0	16	0
		2017-18	0	0	0	0	0	0
8	Bhopal-6	2018-19	467	234	5	86	0	0
		2019-20	335	107	37	87	0	0
		2020-21	200	56	59	53	0	0
		Sub Total	1,002	397	101	226	0	0
		2017-18	0	0	0	0	0	0
		2018-19	387	114	55	0	0	0
9	Indore-3	2019-20	229	68	46	0	0	0
		2020-21	156	21	45	0	0	0
		Sub Total	772	203	146	0	0	0
		2017-18	0	0	0	0	0	0
		2018-19	552	83	71	0	0	0
		2019-20	739	103	110	0	0	0
10	Indore-12	2020-21	466	31	135	0	0	0
		Sub Total	1,757	217	316	0	0	0
		Grand Total	12,761	3,646	3,781	226	390	3,42,20,000

Appendix 2.7*(Referred to in paragraph 2.6.2.1)***Non-submission of reply by the department****(Amount in ₹)**

S. N.	Dimension	GSTIN	Name of the Circle	Tax Effect
1	Availing of ITC under RCM without payment	23AEOPA2451F1Z0	Tikamgarh	13,01,192
2	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of 9C)	23AAIFG1265H1ZN	Indore-11	13,14,52,098
3	Short payment of interest on delayed payment	23AAACZ2168D3ZK	Rewa	23,84,272
4	Short payment of interest on delayed payment	23AABCB1562A3ZH	Rewa	3,16,73,291
5	Incorrect availment of ISD credit	23AARFA1801E1Z0	Bhopal-1	29,03,731
Total				16,97,14,584

Appendix 2.8

(Referred to in paragraph 2.6.2.3)

Deviations from GST law and Rules:- Cases accepted or action initiated by the department

S. N.	Dimension	GSTIN	Name of the Circle	ASMT 10 Issued		SCN Issued			Recovery		Under correspondence with Dealer		(Amount in ₹)
				No of cases	Tax Effect	No of cases DRC-01	DR C-07	Tax Effect	No of cases	Tax Effect	No of cases	Tax Effect	
1	Excess availing of ITC	23AAAECS0765R2ZW	Indore - 1			1	-	1,38,81,231					
2		23AAHFL0345C1ZY	Indore - 13			1	-	3,22,83,382					
3		23AAACM3025E1Z7	Indore - 2	1	1,37,14,887								
4		23AAACU3547P1Z1	Satna -1									1	3,23,18,664
5		23AACFR0292F1ZL	Bhopal -6	1	1,35,64,504								
6		23AAECD4619B1Z8	Bhopal -6	1	1,36,55,591								
7		23AAICR1321G2ZU	Rewa	1	2,15,26,236								
8		23AACCM9520G1ZP	Jabalpur -3	1	6,02,46,413								
9		23AARAS9511J1Z2	Jabalpur -2	1	1,27,26,254								
10		23AADCS3124K1ZL	Indore - 13	1	4,51,26,612								
11		23AAJCS7201D2ZR	Indore - 13	1	1,98,50,954								
12		23AAVPJ3146R2Z0	Gwalior -3	1	1,36,91,471								
13		23AFKPC0491C1Z2	Gwalior -1	1	1,27,60,558								
14		23AAKCA2311H1Z8	Bhopal-4				-	1	1,72,77,511				
15	Excess availing of ITC under RCM	23AKOPC9542K2ZV	Chhindwara -2	1	16,54,949								
16		23BWLPR8845Q1ZF	Chhindwara -2	1	22,46,681								
17		23ASYPK5684J1ZX	Rajgarh							1	3,93,965		
18		23AFXPA6035K1ZA	Satna -1									1	30,22,509
19		23AAZPG0895J1Z6	Bhopal -6	1	24,93,619								
20		23AMHPC9081E1ZA	Waidhan	1	21,48,514								
21		23BVKPS6640E1ZH	Waidhan	1	27,63,671								
22		23BBBPT0415M1ZS	Jabalpur -1	1	30,88,344								
23		23AEYPA1332B1Z4	Jabalpur -1	1	15,33,966								
24		23AAFCK4444G1ZR	Indore - 3	1	17,77,174								
25		23AAACP6224A4Z2	Indore - 3	1	33,48,335								

S. N.	Dimension	GSTIN	Name of the Circle	ASMT 10 Issued		SCN Issued			Recovery		Under correspondence with Dealer	
				No of cases	Tax Effect	No of cases DRC-01	DR C-07	Tax Effect	No of cases	Tax Effect	No of cases	Tax Effect
26		23AAAGB0020Q1Z W	Gwalior -2								1	15,67,993
27		23AACFN8976C2Z7	Katni-1	1	16,67,136							
28		23AAATFA1156G1ZM	Indore - 14			-	1	19,81,855				
29	Availing of ITC under RCM without payment (GSTR 3B not filed)	23AKEPP5115B1ZR	Harda								1	13,60,504
30		23ATNPR2109R1Z5	Mandla	1	11,31,413							
31		23CJOPK1782L1ZS	Waidhan			1	-	13,19,350				
32		23AAOFS4933Q1ZH	Itarsi			1	-	99,75,300				
33	Incorrect availment of ISD credit	23AAAYCS4966L1ZE	Sagar	1	39,53,647							
34		23CFGPS8850B1ZF	Sagar	1	50,78,567							
35		23ANNPS6073M1ZB	Jabalpur -3	1	12,38,417							
36		23AAGCC1585R1Z7	Indore - 11	1	1,18,90,696							
37		23AWPPB1331G1Z2	Indore - 13	1	12,66,074							
38		23AAACG1376N1ZK	Indore - 13	1	15,60,210							
39		23AHIPP8649P1ZG	Indore - 14	1	29,51,130							
40		23CDTPB0985P1ZY	Dhar	1	16,76,723							
41		23ALIPG1659G1ZB	Gwalior-1	1	77,38,811							
42		23AAACU5552C1ZR	Bhopal -1	1	41,253							
43	Mismatch in ITC availed between Annual return and financial statement (Table 12 F of form 9C)	23AAACCD6124B1ZE	Bhopal 6	1	7,34,25,136							
44		23AAACI5139B1Z6	Bhopal 6	1	4,71,00,228							
45		23AAPCS9159L1ZK	Waidhan	1	18,75,22,768							
46		23AARCS3716K1Z1	Waidhan	1	6,17,50,792							
47		23AABCM8797N1ZQ	Indore-13			1	-	1,84,44,892				
48		23AADCC1698Q1Z6	Morena	1	11,48,12,493							

S. N.	Dimension	GSTIN	Name of the Circle	ASMT 10 Issued		SCN Issued			Recovery		Under correspondence with Dealer	
				No of cases	Tax Effect	No of cases DRC-01	DR C-07	Tax Effect	No of cases	Tax Effect	No of cases	Tax Effect
49	Reconciliation between ITC declared in Annual return with expenses in financial statement (Table 14T of form 9C)	23AAACT1507C1Z5	Bhopal-6	1	66,86,85,478							
50		23AAKCS0723M1ZB	Waidhan	1	2,23,34,79,579							
51		23AAECC5380N1ZG	Jabalpur-02	1	16,02,80,225							
52		23AAHFP2014N1ZD	Indore-13	1	14,05,08,453							
53		23AAACS8577K1ZX	Indore-14	1	46,09,15,752							
54	Mismatch in turnover between Annual return and financial statement (Table 5R of form 9C)	23AAACCI1182J1ZS	Indore - 2	1	48,31,54,880							
55		23AFQPL3161A1ZU	Panna			1	-	12,03,03,000				
56		23AADJC5526G1ZT	Bhopal -6	1	2,87,28,78,850							
57		23AAECB1762H1Z0	Bhopal -6	1	41,05,10,368							
58		23AAKCS6409C1ZL	Bhopal -6	1	18,27,09,424							
59		23AAACI5139B1Z6	Bhopal -6	1	11,73,27,816							
60		23AAECR7290Q1ZQ	Waidhan	1	43,24,52,064							
61		23ACNPT9081B1ZE	Waidhan	1	18,78,86,832							
62		23ALJPS9274Q1Z2	Waidhan	1	16,73,29,472							
63		23AACFI0797R1ZU	Gwalior -3	1	41,85,53,952							
64		23ABPFS6840N2ZH	Indore - 14	1	46,96,58,720							
65		23AAACG0870D1Z8	Gwalior -1	1	11,76,41,888							
66		23AAHCP9915H1Z8	Gwalior -1	1	11,35,08,888							
67		23AAAAAP0436G2Z2	Burhanpur	1	10,74,29,472							
68	Mismatch in taxable turnover between Annual return and financial statement (Table 7G of form 9C)	23AANFB8790M1ZS	Rajgarh	1	19,37,92,112							
69		23AAACL0140P6ZM	Bhopal -6	1	11,77,97,496							
70		23AAACCG6363K1ZJ	Bhopal -6	1	10,29,62,416							
71		23AADCP0175F1ZU	Anuppur	1	10,66,26,672							
72		23AAACJ6297K4Z6	Waidhan	1	14,28,91,63,300							
73		23AABCB1562A3ZH	Rewa	1		1	-	9,15,57,656				
74		23AFTPT0316G1ZG	Jaora	1	12,55,25,216							
75		23ABHFS6828A1ZD	Gwalior -1	1	18,02,65,728							

S. N.	Dimension	GSTIN	Name of the Circle	ASMT 10 Issued		SCN Issued			Recovery		Under correspondence with Dealer	
				No of cases	Tax Effect	No of cases DRC-01	DR C-07	Tax Effect	No of cases	Tax Effect	No of cases	Tax Effect
76	Mismatch in tax paid between books of accounts and annual return (Table 9R of form 9C)	23AABCH3262R1ZD	Gwalior -1	1	10,67,72,552	-						
77		23ACPPC5174Q1Z4	Naugaon			-	1	96,90,654				
78		23AWVPK6871G1Z0	Rajgarh			-	1	65,40,509				
79		23AADFM6399P1ZK	Rajgarh	1	54,32,741							
80		23AAACL0140P6ZM	Bhopal -6	1	16,82,66,475							
81		23AAACI5139B1Z6	Bhopal -6	1	9,35,08,989							
82		23AADCI5526G1ZT	Bhopal -6	1	7,02,35,598							
83		23AAHCR3799P2ZI	Bhopal -6	1	1,81,05,000							
84		23AHBPS6659K1ZW	Bhopal -6	1	49,01,273							
85		23AEOPT898E1ZP	Waidhan	1	26,23,180							
86		23ABTFS1188H2ZR	Jabalpur -2	1	30,35,722							
87		23AAOCA6678B1ZM	Jabalpur -2	1	29,12,649							
88		23AAQCS1980C1ZD	Gwalior -2								1	91,27,535
89		23AICPK4550F1ZP	Gwalior -2								1	77,60,766
90		23AATCS2082A1ZJ	Gwalior -2								1	48,51,575
91	Undischarged tax liability	23AAICS2238R1ZX	Gwalior -3	1	1,70,46,635							
92		23AAVPA0992N1ZA	Gwalior -3	1	96,44,934							
93		23ABHFS6828A1ZD	Gwalior -1	1	2,18,91,221							
94		23ABQFS9460D1ZW	Chhatarpur			1	-	1,65,88,504				
95		23AFPPD7065L1Z5	Chhatarpur			1	-	1,08,18,498				
96		23AAECB1762H1Z0	Bhopal -6	1	3,82,88,632							
97		23AAACT1507C1Z5	Bhopal -6	1	3,53,22,600							
98		23AAACI5139B1Z6	Bhopal -6	1	11,53,52,382							
99		23AABCG2253K1ZV	Waidhan	1	4,48,17,388							
100		23ANDPA7075K2Z2	Waidhan	1	3,85,68,766							
101		23AROPV7201M1ZB	Gwalior -1	1	5,33,96,296							
102		23AAACCP0377Q1Z4	Gwalior -1	1	5,16,05,184							
103		23AABPQ7886M1Z1	Indore - 5						1	12,244		
104	Cases where GSTR 3B not filed but GSTR	23AHAPV1053H1ZN	Khargone	1	6,98,536							
105		23BKZPK1912M1ZQ	Seoni			1		43,145				
106		23BSPPA4241P1ZK	Dhar								1	35,111

S. N.	Dimension	GSTIN	Name of the Circle	ASMT 10 Issued		SCN Issued			Recovery		Under correspondence with Dealer	
				No of cases	Tax Effect	No of cases DRC-01	No of cases DR C-07	Tax Effect	No of cases	Tax Effect	No of cases	Tax Effect
107	1 or GSTR 2A available	23AWOPK021B1Z7	Waidhan	1	2,39,372							
108		23BESPP4167A2ZG	Waidhan	1	1,59,169							
109		23BQIPS2682D1ZT	Rewa				1	3,58,457				
110		23AADCN5437G1ZN	Bina			1		22,34,677				
111	Short payment of interest on delayed payments	23AFWPY8746E1ZM	Jabalpur-02	1	65,538							
112		23AADC14357A1Z3	Indore-13				1	46,896				
113		23AVCPS2503H1ZY	Indore-13				1	34,299				
114		23AAGCM3176Q1Z0	Indore-14		1	1,26,28,085						
115		23AAAAGD0905Q1ZK	Chhindwara -1			-	1	27,94,710				
116		23AADCB1675Q1ZE	Satna-1								1	82,86,456
117		23AAAAGP0877K1Z5	Betul	1	2,28,33,529							
118		23AAABCN5686R1ZR	Dhar			-	1	42,60,601				
119		23AACCG2497A1Z1	Waidhan	1	21,73,094							
Total				88	26,57,42,94,820	11	9	36,00,76,670	2	4,06,209	9	6,83,31,113

Appendix 2.9*(Referred to in paragraph 2.6.2.3)***Cases where Departments reply not furnished with appropriate documentary evidence**
(Amount in ₹)

S.N.	Dimension	GSTIN	Name of the Circle	Amount involved
1	Excess availing of ITC	23AFYPG9674B1Z3	Indore - 2	1,38,63,244
2	Excess availing of ITC	23AAMCA5657N1Z6	Morena	1,75,84,948
3	Excess availing of ITC	23AAECB5121E1ZD	Morena	1,28,83,639
4	Excess availing of ITC	23AADCC1698Q1Z6	Morena	2,53,46,477
5	Excess availing of ITC	23AAFCP6470M1Z3	Pithampur	1,45,13,874
6	Excess availing of ITC	23AACCS3062K1ZH	Rajgarh	1,31,79,279
7	Excess availing of ITC	23AETPK8323H1ZA	Shahdol	5,33,85,204
8	Excess availing of ITC	23AAACN0189N2ZB	Guna	1,88,85,096
9	Excess availing of ITC	23AADFO0526A1Z4	Indore - 3	1,92,67,129
10	Excess availing of ITC	23AAACS3558C3ZP	Gwalior -2	1,97,15,869
11	Excess availing of ITC	23AACCV5516B2ZT	Gwalior -2	1,41,90,773
12	Excess availing of ITC	23AIGPG6163L1Z7	Ujjain -1	4,94,98,537
13	Excess availing of ITC	23BHZPS7293A1ZS	Vidisha	1,28,60,581
14	Excess availing of ITC under RCM	23APBPS9366R1ZZ	Chhindwara -2	26,01,563
15	Excess availing of ITC under RCM	23AAGFP5298P1ZI	Indore-12	55,58,283
16	Excess availing of ITC under RCM	23ABAPT7755L1Z7	Ratlam - 1	33,79,350
17	Excess availing of ITC under RCM	23AACHT9627C1Z8	Ratlam - 1	20,81,346
18	Excess availing of ITC under RCM	23AHXPJ2463N1ZR	Ratlam - 2	40,88,750
19	Excess availing of ITC under RCM	23AGPPG3022M1ZH	Shivpuri	19,22,118
20	Excess availing of ITC under RCM	23ACQPG2631R1Z9	Shivpuri	46,39,132
21	Excess availing of ITC under RCM	23AJVPR9655E1ZJ	Shivpuri	20,01,739
22	Excess availing of ITC under RCM	23BEBPS3911N1ZE	Rewa	16,27,358
23	Excess availing of ITC under RCM	23AACFU8514B1ZL	Jabalpur -3	40,25,282
24	Excess availing of ITC under RCM	23AFSPB5605H1ZN	Jabalpur -3	98,64,173
25	Excess availing of ITC under RCM	23AFRPB4543D2ZS	Jabalpur -3	55,28,569
26	Excess availing of ITC under RCM	23AAHCP4130C1Z1	Jabalpur -3	38,53,325
27	Excess availing of ITC under RCM	23AAJFS1179F2Z8	Jabalpur -2	16,70,900
28	Excess availing of ITC under RCM	23ABCFA7748J1ZC	Indore - 8	1,48,93,65
29	Excess availing of ITC under RCM	23AQWPP2298P1ZQ	Ujjain -1	32,30,884
30	Excess availing of ITC under RCM	23ABXPG9939L1ZR	Ujjain -1	25,84,285
31	Availing of ITC under RCM without payment (GSTR-3B)	23AIYPA3758K1ZU	Chhatarpur	13,69,784
32	Availing of ITC under RCM without payment (GSTR-3B)	23AOOPC7738M1ZI	Mandla	14,66,532
33	Incorrect availing of ISD credit	23AAACM0405A1ZL	Pithampur	66,49,230
34	Mismatch in ITC availed between Annual return and financial statement (Table 12 F of form 9C)	23AAFCM6870J1Z8	Pithampur	57,97,96,930
35	Mismatch in ITC availed between Annual return and financial statement (Table 12 F of form 9C)	23AACCK5599H1ZA	Jabalpur -1	5,82,70,900
36	Mismatch in ITC availed between Annual return and financial statement (Table 14T of form 9C)	23AAFCM6870J1Z8	Pithampur	61,37,47,257
37	Mismatch in ITC availed between Annual return and financial statement (Table 14T of form 9C)	23AAACB7066L1ZM	Pithampur	39,97,70,435
38	Mismatch in ITC availed between	23AADCR0290H1ZO	Guna	13,07,81,699
39	Annual return and financial statement (Table 14T of form 9C)	23AABCI1303P1ZT	Indore-03	40,96,99,274

S.N.	Dimension	GSTIN	Name of the Circle	Amount involved
40	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAIFV2453Q1ZP	Indore - 4	23,45,92,928
41	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AABCT3904C1ZZ	Pithampur	2,61,46,37,060
42	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AABCE5821H1Z0	Pithampur	1,41,54,09,020
43	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAACA4769K1ZL	Pithampur	12,17,60,120
44	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AASFR7100G1ZA	Ratlam - 2	24,05,30,992
45	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAACG0904A1ZN	Sagar	81,98,20,610
46	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAOFP5447J1ZV	Shahdol	19,11,97,344
47	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAF6CM6698A1ZH	Shahdol	222,29,67,810
48	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AVOPK6562C1ZL	Vidisha	520,47,87,52
49	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAABA0385J1Z1	Balaghat	12,39,43,200
50	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAFCR8492P1ZL	Bhopal -3	27,79,88,000
51	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAAFZ3305R1ZY	Guna	3,140,86,048
52	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAACR0421M1ZR	Indore - 13	1,35,61,14,300
53	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AACCC6806H1ZY	Indore - 13	27,51,38,016
54	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAIPM0566H1ZU	Indore - 13	14,30,64,016
55	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AAACV6547J1Z6	Ujjain -1	52,58,21,824
56	Mismatch in taxable turnover between Annual return and Financial Statements (Table 7G of Form 9C)	23AADCR1784Q1ZW	Khargone	9,56,04,168
57	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)	23AHVPM8148H1ZT	Indore - 2	42,84,588

S.N.	Dimension	GSTIN	Name of the Circle	Amount involved
58	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)	23AABAH5500J1Z4	Khargone	1,78,10,811
59	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)	23AAACG0904A1ZN	Sagar	13,70,04,638
60	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)	23AJYPA6873E1ZZ	Tikamgarh	48,89,406
61	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)	23AICPG5431F1ZV	Tikamgarh	32,48,322
62	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)	23AHXPR4468B1ZZ	Ashoknagar	69,88,065
63	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)	23AFHPA0432Q1ZP	Chhatarpur	1,14,00,000
64	Mismatch in tax paid between books of accounts and Annual Return (Table 9R of Form 9C)	23AADFT5755G1Z6	Chhatarpur	70,26,946
65	Undischarged tax Liability	23AACCS0396N1Z4	Bhopal -2	8,46,02,934
66		23ABBFS7645F1Z8	Rewa	4,77,55,206
67		23ADQPK4768C1ZG	Jaora	7,91,12,886
68		23ADTPM3456A1ZO	Jabalpur -3	3,95,22,375
69		23AAUCS6947B1Z2	Jabalpur -2	5,05,02,593
70		23AACCV6960B1ZK	Indore - 13	5,21,13,921
71		23AACFH4783M1Z4	Jabalpur -4	4,33,47,980
72	Composition taxpayers also availing e-commerce facility	23APAPJ3646Q1ZO	Indore - 4	-
73		23BNKPS9749E1ZH	Bhopal -1	-
74		23AEMPR8523F1ZC	Indore - 13	-
75	Cases where GSTR 3B not filed but GSTR 1 or GSTR 2A available	23ACHPN4018Q1ZC	Tikamgarh	6,38,41
76		23BWRPR7704N1ZR	Ashoknagar	5,91,36
77	Short Payment of Interest	23AABCT5299E1ZB	Waidhan	94,54,040
78	Stop Filers of returns	23ABDPB5693C1Z4	Bhopal -4	-
79	Excess availing of ITC under RCM	23AGHPN3365J1ZA	Datia	19,19,082
80	Mismatch in turnover between Annual return and Financial Statements (Table 5R of Form 9C)	23AFHPA3159A1Z8	Khargone	46,14,98,720
Total				15,10,26,32,811

Appendix 2.10*(Referred to in paragraph 2.6.2.3)***Data Entry Error by Taxpayers**

(Amount in ₹)				
S. N.	Dimension	GSTIN	Name of the Circle	Amount Involved
1	Excess availing of ITC under RCM	23ABZPJ9010D1ZP	Ashoknagar	46,96,786
2		23AQLPA6843Q1ZF	Indore 3	26,16,628
3	Incorrect availment of ISD credit	23ABYPC8706C1ZQ	Balaghat	24,69,330
4	Undischarged tax liability	23AABCT6665J1Z4	Bhopal -2	17,91,40,792
5	Availing of ITC under RCM without payment	23ACRPC2771K1ZH	Pithampur	11,58,819
6	Availing of ITC under RCM without payment	23AGGPR9607J1Z2	Sheopur	11,92,052
7	Availing of ITC under RCM without payment	23AQDPG3276H1Z3	Sheopur	12,10,184
Total				19,24,84,591

Appendix 2.11

(Referred to in paragraph 2.6.3.1)

Non-production of records

S. N.	GSTIN	Name of the taxpayer	Zone	Division	Circle	List of records not produced
1	23AAKCM8087E2Z8	M/s Marksman Automobiles Private Limited	Bhopal	Bhopal Dn-1	Bhopal -3	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
2	23AAHCA9581C1ZR	M/s Ananya Engineering Private Limited	Bhopal	Bhopal Dn-1	Bhopal -5	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
3	23AVYPA6978L2ZP	M/s Medas Consultancy Services	Bhopal	Bhopal Dn-1	Bhopal -5	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
4	23AAAFCC2625P1ZL	Cyscape Global Technosoft Private Limited	Bhopal	Bhopal Dn-1	Bhopal -5	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
5	23ACWPS6320D2ZH	M/s Bhupendra Kumar Sharma	Bhopal	Bhopal Dn-2	Vidisha	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
6	23ACLPA0788N2ZD	Damoh Infrastructure Proprietor Sunil Kumar Arora	Bhopal	Sagar Dn	Damoh	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
7	23AAOAFM5739Q1ZH	M/s Maa Chandni Nirman Company	Bhopal	Sagar Dn	Damoh	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.

S. N.	GSTIN	Name of the taxpayer	Zone	Division	Circle	List of records not produced
8	23AADJC2088H1ZO	JPW Infratech Private Limited	Jabalpur	Chhindwar a Dn	Balaghat	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
9	23AAAFCK2993L1Z6	M/s Krishna Build space Private Limited	Indore-2	Ujjain Dn	Ujjain -1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
10	23AEMPB0681A1Z7	M/s Rajendra Farshi Bhandar	Indore-2	Ujjain Dn	Ujjain -3	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
11	23AAAAC7303G1ZR	Tirathdas Shaukatrai Construction Private Limited	Indore-1	Indore Dn-1	Indore - 15	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
12	23AKQPS0060G1Z8	Amit Trader Private Limited	Indore-1	Indore Dn-1	Indore - 15	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
13	23BLLPD3404Q1Z2	M/SAshirwad Sales Private Limited	Indore-1	Indore Dn-1	Indore - 15	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
14	23AAECS8466P1ZN	M/s Shri Pacetronix Limited	Indore-1	Indore Dn-1	Indore - 1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
15	23AADCD3523F1Z8	Doshi Automobile Private Limited	Indore-1	Indore Dn-2	Indore - 11	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
16	23AAAACI7351P1ZB	ICICI Prudential Life Insurance Company Limited	Indore-1	Indore Dn-2	Indore - 11	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.

S. N.	GSTIN	Name of the taxpayer	Zone	Division	Circle	List of records not produced
17	23AAACL6150B1Z6	Landmark Automobile Private Limited	Indore-1	Indore Dn-2	Indore - 11	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
18	23ASGPS8189N1ZT	Suresh Kumar Sharma	Indore-1	Indore Dn-2	Indore - 11	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
19	23AAACK3935D1Z0	Abbott Healthcare Private Limited	Indore-1	Indore Dn-2	Indore - 11	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
20	23AAACA4651L1ZU	Ashok Leyland Limited	Indore-1	Indore Dn-2	Indore - 11	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
21	23AABCM1884C1ZV	Madhuri Refiners Private Limited	Indore-1	Indore Dn-2	Indore - 11	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
22	23ACSPV9056F1Z0	M/s Anuj Vohara	Indore-1	Indore Dn-1	Indore - 2	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
23	23AAAKFB9235G1ZI	M/s BG Construction	Jabalpur	Chindwara Dn	Chhindwar a -1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
24	23BQCPS9738L1Z7	Sheikh Sabir	Jabalpur	Chindwara Dn	Chhindwar a -1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
25	23AAACR4896A2ZK	Raymond Limited	Jabalpur	Chindwara Dn	Chhindwar a -2	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
26	23AAAAA2647N1ZU	Adimjati Sewa Sahakari Samiti Maryadit Bi chhua	Bhopal	Bhopal Dn-2	Itarsi	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.

S. N.	GSTIN	Name of the taxpayer	Zone	Division	Circle	List of records not produced
27	23AAACT2438A1Z1	Tata Teleservices	Bhopal	Bhopal Dn-1	Bhopal -1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
28	23AAAACL0582H2ZT	Life Insurance Corporation of India	Bhopal	Bhopal Dn-1	Bhopal -1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
29	23AAAAAM0307R1ZP	MP Rajya Laghu Vanopaj Vyapar and Vikas Sahkari Sanstha Maryadit	Bhopal	Bhopal Dn-1	Bhopal -4	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
30	23AAAAAM1625N1ZQ	MP Rajya Sahkari Bank Maryadit, Bhopal	Bhopal	Bhopal Dn-1	Bhopal -4	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
31	23AAACH6184K1ZH	HEG Limited	Bhopal	Bhopal Dn-2	Mandideep	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
32	23AAACP4072C1ZZ	Procter & Gamble Home Products Private Limited	Bhopal	Bhopal Dn-2	Mandideep	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
33	23AADCM8862E1ZH	Mahalakshmi Logistics Private Limited	Bhopal	Bhopal Dn-2	Mandideep	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
34	23AABCU3243P1Z7	Unicorp Solutions Private Limited	Bhopal	Bhopal Dn-2	Mandideep	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
35	23AGOPS5276L1ZO	M/s Enterprise India	Indore-1	Indore Dn-2	Indore - 10	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.

S. N.	GSTIN	Name of the taxpayer	Zone	Division	Circle	List of records not produced
36	23AAECT7614G1ZH	Travel Safe Travel Services Private Limited	Indore-1	Indore Dn-2	Indore - 10	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
37	23AABCP1892R1ZX	Patel Motors Private Limited	Indore-1	Indore Dn-3	Indore - 8	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
38	23AGSPA8703A1ZV	M/s Sobha Silai Machine	Indore-1	Indore Dn-2	Indore - 6	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
39	23BAMPK0825L1ZO	M/s P M Kanani	Indore-2	Ratlam Dn	Jhabua	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
40	23APUPT272F1ZG	M/s A K Traders	Jabalpur	Jabalpur Dn-2	Mandla	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
41	23CQZPM2063G1ZK	M/s Super Enterprises Mobile Shop	Jabalpur	Jabalpur Dn-1	Jabalpur -4	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
42	23AABCD9257A1Z1	Darling Housing Private Limited	Jabalpur	Jabalpur Dn-1	Jabalpur -4	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
43	23AGIPA7007R1ZB	New Metro Medical Center	Jabalpur	Jabalpur Dn-1	Jabalpur -4	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
44	23ATJPS3213P1ZD	M/s Ankur Enterprises	Jabalpur	Jabalpur Dn-2	Katni-1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
45	23AGMPR9714N1ZO	M/s Aditya Marketing	Jabalpur	Jabalpur Dn-2	Katni-1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
46	23ABAFS0896F1ZA	Shri S N Khamparia, Contractor	Jabalpur	Jabalpur Dn-2	Katni-2	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.

S. N.	GSTIN	Name of the taxpayer	Zone	Division	Circle	List of records not produced
47	23ABSF0709F1Z8	Ravindra Kumar Dwivedi	Jabalpur	Satna Dn	Rewa	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
48	23CXDP02970M1Z1	M/s Rajendra Petroleum	Jabalpur	Satna Dn	Rewa	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
49	23AAACFR2535H1ZJ	M/s Ram Kishan Daya Ram and Company	Jabalpur	Satna Dn	Waidhan	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
50	23AAACT4119L1ZG	Tata Project Limited	Bhopal	Bhopal Dn-1	Bhopal -6	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
51	23AAAFPH2563J1ZW	Hunid Husain Saify	Bhopal	Bhopal Dn-1	Bhopal -6	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
52	23AALCA4130B1ZE	Amaltas India Limited	Bhopal	Bhopal Dn-1	Bhopal -6	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
53	23AAAWPK7553Q1ZQ	Ashok Kumar	Bhopal	Bhopal Dn-1	Bhopal -6	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
54	23AELPA9944A1ZT	Shirish Ramesh Agarwal	Bhopal	Bhopal Dn-1	Bhopal -6	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
55	23AAGCB6748K1ZF	Sunil Bansal	Bhopal	Bhopal Dn-1	Bhopal -6	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
56	23AOQPC9085H1ZN	Krishna Kumar Chouksey	Bhopal	Bhopal Dn-2	Narmadapuram	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
57	23ASNPR5125Q1Z3	Lilendra Rai	Bhopal	Sagar Dn	Bina	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.

S. N.	GSTIN	Name of the taxpayer	Zone	Division	Circle	List of records not produced
58	23AAACJ6297K5Z5	Jaiprakash Power Ventures Limited	Bhopal	Sagar Dn	Bina	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
59	23AADCM9997N1ZK	MCS Trading Co. Private Limited	Indore -1	Indore Dn-2	Indore - 4	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
60	23AAAEFP2364C1ZQ	Pareek Pesticides	Indore -1	Indore Dn-3	Indore - 13	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
61	23AAACN3548H3ZM	National Steel & Agro Industries Limited	Indore-1	Indore Dn-2	Indore - 3	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
62	23AAAJI01031JZW	Indore Development Authority	Indore-1	Indore Dn-2	Indore - 3	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
63	23AABCM6602Q1ZC	Mangalam Cement Limited	Indore-1	Indore Dn-2	Indore - 3	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
64	23ARDPG5921C1ZF	Vinit Gupta	Indore-1	Indore Dn-2	Indore - 3	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
65	23AAACB2484Q1ZG	Bajaj Electricals Limited	Indore-1	Indore Dn-2	Indore - 3	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
66	23AADCC4637P1ZF	Computronics Systems India Private Limited	Indore-1	Indore Dn-3	Indore - 12	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
67	23AAAVCS1165L1ZW	SR Digital TV & Broadband Private Limited	Indore-1	Indore Dn-3	Indore - 12	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.

S. N.	GSTIN	Name of the taxpayer	Zone	Division	Circle	List of records not produced
68	23AAACI1091A1ZD	Indore Composite Private Limited Indore	Indore-1	Indore Dn-1	Pithampur	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
69	23AABCI2856A2Z4	Indotech Industries Private Limited	Indore-2	Ujjain Dn	Dewas	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
70	23AFTPV1703R1ZQ	Harsh Vijay Vargiya	Indore-2	Ujjain Dn	Dewas	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
71	23ACKPL0231G1Z5	Jawala Prasad Lathi	Indore-2	Ratlam Dn	Neemuch	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
72	23AAHCM7589G1Z3	MDP Infra (India) Private Limited	Gwalior	Gwalior Dn-1	Gwalior - 1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
73	23AAKFB8078M1ZY	Bharti Buildcon	Gwalior	Gwalior Dn-1	Gwalior - 1	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
74	23ATYPA0791M1Z9	Shri Sai Saree Lok	Gwalior	Gwalior Dn-2	Shivpuri	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.
75	23AAIFR6102J1ZD	Raj Pulses	Bhopal	Sagar Dn	Tikamgarh	Invoices/Bills of supplies/Debit Note/Credit Note/Receipt Vouchers/ Payment vouchers, Agreement and Purchase Order related to outward supply/inward supply of the selected months.

Appendix 2.12

(Referred to in paragraph 2.6.3.2)

Short payment of late fees in delayed filing of GSTR-3B returns

S.N.	Name of the circle	GSTIN	Name of taxpayer	Year	Late fee to be deposited	Late Fee deposited	Short Deposit of Late fee (Amount in ₹)
1	DC, State Tax (GST), Circle-5, Bhopal	23AAAFCC2625PIZL	Cyscape Global Technosoft Private Limited	2017-18	63,620	11,700	51,920
2	AC, State Tax (GST), Circle-Mandla	23APUPT2772FIZG	A.K. Traders	2017-18	90,650	50,000	40,650
3	AC, State Tax (GST), Circle-Itarsi	23AAAAAA2647N1ZU	Adimjati Sewa Sahkari Samiti Maryadit Bichhua.	2017-18	41,720	4,790	36,930
4	AC, State Tax (GST), Circle-10 Indore	23AAAECT7614G1ZH	Travelsafe Travel Services Private Limited	2017-18	77,400	50,000	27,400
5	DC, State Tax (GST), Circle-1, Ujjain	23AAAFCK2993L1Z6	M/s Krishna Build space Private Limited	2017-18	71,560	44,360	27,200
6	DC, State Tax (GST), Circle-1 Gwalior	23AAAHCM7589G1Z3	MDP Infra (INDIA) Private Limited	2017-18	76,000	50,000	26,000
7	AC, State Tax (GST), Circle-3, Indore	23ARDPG5921C1ZF	Vinit Gupta	2017-18	19,800	10,700	9,100
8	AC, State Tax (GST), Circle-Narmadapuram	23AOQPC9085HIZN	Krishna Kumar Chouksey	2017-18	13,200	2,280	10,920
9	DC, State Tax (GST), Circle-5, Bhopal	23AAAHCA9581C1ZR	M/s Ananya Engineering Private Limited	2017-18	28,600	19,200	9,400
10	DC, State Tax (GST), Circle-6 Bhopal	23AAWPK7553Q1ZQ	Ashok Kumar	2017-18	23,500	14,650	8,850

S.N.	Name of the circle	GSTIN	Name of taxpayer	Year	Late fee to be deposited	Late Fee deposited	Short Deposit of Late fee
11	DC, State Tax (GST), Circle-12, Indore	23AADCC4637P1ZF	Computronics Systems (India) Private Limited	2017-18	16,450	8,250	8,200
12	AC, State Tax (GST), Circle-Dewas	23AFTPV1703R1ZQ	Harsh Vijayvargiya	2017-18	7,650	220	7,430
13	AC, State Tax (GST), Circle-Bina	23ASNPR5125Q1Z3	Lilendra Rai	2017-18	8,300	950	7,350
14	DC, State Tax (GST), Circle-6 Bhopal	23AAGCB6748K1ZF	Sunil Bansal	2017-18	5,750	0	5,750
15	DC, State Tax (GST), Circle-Balaghat	23AADCJ2088H1ZO	M/s JPW Infratech Private Limited	2017-18	15690	10,600	5090
16	AC, State Tax (GST), Circle-Neemuch	23ACKPL0231G1Z5	Narmada Enterprises	2017-18	8,000	4,150	3,850
17	AC, State Tax (GST), Circle-3, Indore	23AAACN3548H3ZM	National Steel and Agro Industries Limited	2017-18	11,500	8,650	2,850
18	DC, State Tax (GST), Circle-Mandideep	23AABCU3243P1Z7	Unicorp Solutions Private Limited	2017-18	11,250	9,300	1,950
19	DC, State Tax (GST), Circle-6 Bhopal	23AELPA9944A1ZT	Shirish Ramesh Agarwal	2017-18	1,800	200	1,600
20	DC, State Tax (GST), Circle-12, Indore	23AAVCS1165L1ZW	SR Digital Tv and Broadband Private Limited	2017-18	3,400	1,900	1,500
21	AC, State Tax (GST), Circle-Tikamgarh	23AAIFR6102J1ZD	Raj Pulses	2017-18	1,520	40	1,480
22	DC, State Tax (GST), Circle-15, Indore	23AKQPS0060G1Z8	Balram Sachdev	2017-18	1,300	0	1,300
23	DC, State Tax (GST), Circle-1 Gwalior	23AAKFB80 78M1ZY	Bharti Buildcon	2017-18	7,000	2,950	4,050
	Total				6,05,660	3,04,890	3,00,770

Appendix 2.13

(Referred to in paragraph 2.6.3.3)

Mismatch between ITC availed in GSTR 9/3B and ITC available in GSTR 2A

(Amount in ₹)

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	ITC availed (other than RCM) in GSTR 9	ITC availed in GSTR R3B	ITC available in GSTR 2A	Mismatch in availing of ITC
1	DC, State Tax (GST), Circle-03, Indore	23AAACN3548H3ZM	National Steel & Agro Industries Limited	2017-18	0	41,76,57,440	26,28,04,998	15,48,52,442
2	DC, State Tax (GST), Circle-03, Indore	23AAACB2484Q1ZG	Bajaj Electricals Limited	2017-18	0	45,36,26,924	31,29,26,267	14,07,00,657
3	DC, State Tax (GST), Circle Mandideep	23AAACP4072C1ZZ	Procter & Gamble Home Products Private Limited	2017-18	0	90,71,66,880	80,32,26,905	10,39,39,975
4	AC, State Tax (GST), Circle-6, Bhopal	23AAACT4119L1ZG	Tata Project Limited	2017-18	0	14,95,68,662	8,70,68,958	6,24,99,704
5	DC, State Tax (GST), Circle-03, Indore	23AAAJI0103J1ZW	Indore Development Authority	2017-18	0	10,70,85,720	5,96,64,614	4,74,21,106
6	DC, State Tax (GST), Circle -1, Bhopal	23AAACT2438A1Z1	Tata Tele Services Limited	2017-18	0	39,32,62,772	36,21,63,790	3,10,98,982
7	DC, State Tax (GST), Circle-2, Chhindwara	23AAACR4896A2ZK	Raymond Limited	2017-18	0	42,63,08,096	39,61,70,562	3,01,37,534
8	DC, State Tax (GST), Circle-03, Indore	23AABCM6602Q1ZC	Mangalam Cement Limited	2017-18	32,68,59,600	0	31,03,30,677	1,65,28,923
9	AC, State Tax (GST), Circle-6, Bhopal	23AAAFPH2563J1ZW	Hunaid Husain Saify	2017-18	0	3,40,63,028	2,00,84,465	1,39,78,563
10	DC, State Tax (GST), Circle-Balaghat	23AADDC12088H1ZO	JPW Infratech Private Limited	2017-18	4,97,03,009	0	3,58,30,629	1,38,72,380
11	DC, State Tax (GST), Circle-Pithampur	23AAACI1091A1ZD	Indore Composite Private Limited Indore	2017-18	0	5,27,93,166	4,02,40,749	1,25,52,417
12	DC, State Tax (GST), Circle-12, Indore	23AAAVCS1165L1ZW	SR Digital TV & Broadband Private Limited	2017-18	3,83,52,222	0	2,60,55,854	1,22,96,368
13	DC, State Tax (GST), Circle-11, Indore	23AAACL6150B1Z6	Landmark Automobile Private Limited	2017-18	21,60,49,648	0	20,43,89,978	1,16,59,670

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	ITC availed (other than RCM) in GSTR 9	ITC availed in GSTR R3B	ITC available in GSTR 2A	Mismatch in availing of ITC
14	DC, State Tax (GST), Circle-5, Bhopal	23AAAFCC2625P1ZL	M/s Cyscape Globle Technosoft Private Limited	2017-18	0	1,71,18,084	60,41,138	1,10,76,946
15	DC, State Tax (GST), Circle-11, Indore	23AADCD3523F1Z8	Doshi Automobile Private Limited	2017-18	9,38,23,280	0	8,27,82,221	1,10,41,059
16	AC, State Tax (GST), Circle-6, Bhopal	23AAAGCB6748K1ZF	Sunil Bansal	2017-18	8,28,37,768	0	7,18,24,278	1,10,13,490
17	AC, State Tax (GST), Circle-2, Indore	23ACSPV9056F1Z0	Anuj Vohra	2017-18	0	5,33,69,284	4,51,51,504	82,17,780
18	DC, State Tax (GST), Circle-Dewas	23AAABCI2856A2Z4	Indotech Industries Private Limited	2017-18	1,74,36,720	0	92,72,388	81,64,332
19	DC, State Tax (GST), Circle-01, Gwalior	23AAAKFB80 78M1ZY	Bharti Buildcon	2017-18	0	1,17,43,184	51,95,569	65,47,615
20	DC, State Tax (GST), Circle- Tikamgarh	23AAAIR6102J1ZD	Raj Pulses	2017-18	56,97,659	0	3,66,702	53,30,957
21	DC, State Tax (GST), Circle-4 Jabalpur	23CQZPM2063G1ZK	Farhat Mansoori	2017-18	0	1,42,53,723	91,17,759	51,35,964
22	DC, State Tax (GST), Circle Waidhan	23AACFR2535HIZJ	Ram Kishan Daya Ram & Co	2017-18	0	63,69,825	28,07,595	35,62,230
23	DC, State Tax (GST), Circle-5, Bhopal	23AVVYPA6978L2ZP	Singh Ashutosh	2017-18	0	45,38,025	14,81,259	30,56,766
24	AC, State Tax (GST), Circle-Itarsi	23AAAAAA2647N1ZU	Adimjati Sewa Sahakari Samiti Maryadit Bichhua	2017-18	0	34,96,416	5,36,188	29,60,228
25	DC, State Tax (GST), Circle Mandla	23APUPT2772F1ZG	Anoop Lal Tekam	2017-18	39,51,613	0	13,03,767	26,47,846
26	AC, State Tax (GST), Circle-3, Ujjain	23AEMPB0681A1Z7	Manish Kumar Banthia	2017-18	0	76,49,979	51,04,986	25,44,993
27	AC, State Tax (GST), Circle-6, Bhopal	23AALCA4130B1ZE	Amaltas India Limited	2017-18	1,11,04,606	0	85,73,835	25,30,771
28	DC, State Tax (GST), Circle-5, Bhopal	23AAAHCA9581C1ZR	M/s Anannya Engineering Private Limited	2017-18	0	85,27,980	61,11,764	24,16,216

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	ITC availed (other than RCM) in GSTR 9	ITC availed in GSTR R3B	ITC available in GSTR 2A	Mismatch in availing of ITC
29	DC, State Tax (GST), Circle Mandideep	23AADDCM8862E1ZH	Mahalakshmi Logistics Private Limited	2017-18	89,76,833	0	66,17,285	23,59,548
30	DC, State Tax (GST), Circle-1, Chhindwara	23BQQCPS9738L1Z7	Sheikh Sabir	2017-18	79,12,298	0	55,75,095	23,37,202
31	DC, State Tax (GST), Circle-1, Chhindwara	23AAKFB9235G1ZI	B G Construction Limited	2017-18	0	66,28,106	45,51,600	20,76,506
32	DC, State Tax (GST), Circle-03, Indore	23ARDPG5921C1ZF	Vinit Gupta	2017-18	64,40,919	0	45,11,744	19,29,175
33	DC, State Tax (GST), Circle-4 Jabalpur	23AAABCD9257A1Z1	M/s Anil Kumar Singh	2017-18	0	19,04,539	7,27,347	11,77,192
34	DC, State Tax (GST), Circle- Narmadapuram	23AOQPC9085H1ZN	Krishna Kumar Chouksey	2017-18	24,59,219	0	5,97,730	18,61,489
35	AC, State Tax (GST), Circle-1, Ujjain	23AAAFCK2993L1Z6	Krishna Build space Private Limited	2017-18	95,88,932	0	77,81,039	18,07,893
36	AC, State Tax (GST), Circle-Vidisha	23ACWPS6320D2ZH	Bhupendra Kumar Sharma	2017-18	0	98,55,449	83,25,075	15,30,374
37	AC, State Tax (GST), Circle-6, Bhopal	23AAAWPK7553Q1ZQ	Ashok Kumar	2017-18	1,18,25,598	0	1,03,02,164	15,23,434
38	DC, State Tax (GST), Circle-10 Indore	23AAABCT7614G1ZH	Travelsafe Travel Services Private Limited	2017-18	26,95,305	0	12,53,234	14,42,071
39	DC, State Tax (GST), Circle-1 Katni	23AGMPR9714N1ZO	Neelam Rastogi	2017-18	0	60,93,509	48,02,171	12,91,338
40	DC, State Tax (GST), Circle-Damoh	23AAOOFM5739Q1ZH	Maa Chandni Nirman Company	2017-18	0	59,97,527	48,90,578	11,06,949
41	DC, State Tax (GST), Circle-6 Indore	23AGSPA8703A1ZV	Pradeep Acharya	2017-18	0	49,44,784	7,07,313	42,37,471
42	DC, State Tax (GST), Circle-15, Indore	23BBLLPD3404Q1Z2	Ashish Deshmukh	2017-18	35,92,349	0	35,88,498	3,851
Total					89,93,07,578	3,10,40,23,102	3,24,08,60,272	76,24,70,407

Appendix 2.14

(Referred to in paragraph 2.6.3.3)

Mismatch in ITC availed under RCM (with payment of tax)

S.N.	Name of the circle	GSTIN	Name of taxpayer	Year	ITC availed of in GSTR 3B under RCM	ITC available as per GSTR 9	Mismatch in availing of ITC
1	DC, State Tax (GST), Circle-11, Indore	23AAABCM1884C1ZV	Madhuri Refiners Private Limited	2017-18	16,46,022	0	16,46,022
2	AC, State Tax (GST), Circle-3, Indore	23AAABCM6602Q1ZC	Mangalam Cement Limited	2017-18	34,84,022	42,84,604	8,00,582
3	DC, State Tax (GST), Circle-11, Indore	23AAACA4651L1ZU	Ashok Leyland Limited	2017-18	0	3,26,100	3,26,100
4	AC, State Tax (GST), Circle-2, Indore	23ACSPV9056F1Z0	Anuj Vohra	2017-18	42,174	0	42,174
Total					51,72,218	46,10,704	28,14,878

Appendix 2.15

(Referred to in paragraph 2.6.3.3)

Mismatch in availing of ITC in GSTR 9 (Table 8D) than eligible ITC available in GSTR 2A (Table 8A of GSTR 9)

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	ITC availed in GSTR 9 (Table 8B+8C)	ITC availed as mentioned in Table 8A (GSTR 2A (Table 3 & 5)) of GSTR 9	Mismatch in availing of ITC	ITC availed as mentioned in Table 8A (GSTR 2A (Table 3 & 5)) of GSTR 9	ITC available as per GSTR 2A	Mismatch in availing of ITC
1	AC, State Tax (GST), Circle-10 Indore	23AGOP5276L1ZO	Mohammad Suboor	2017-18	0	0	0	2,74,55,622	2,72,91,855	1,63,767
2	AC, State Tax (GST), Circle- Jhabua	23BAMPK0825L1ZO	Prafulbhai Mathurbhai Kanani	2017-18	0	0	0	1,47,38,447	1,45,97,576	1,40,871
3	AC, State Tax (GST), Circle-1 Katni	23ATJPS3213P1ZD	Bhagwati Shivhare	2017-18	0	0	0	10,84,504	9,95,949	88,555
4	AC, State Tax (GST), Circle-4 Indore	23AADCM9997N1ZK	MCS Trading Company Private Limited	2017-18	0	0	0	14,52,20,000	14,52,15,374	4,626
5	DC, State Tax (GST), Circle-3, Bhopal	23AAAKCM8087E2Z8	M/s Marksmen Automobiles Private Limited	2017-18	0	0	0	4,39,71,388	1359176	4,26,12,212
6	DC, State Tax (GST), Circle-11, Indore	23AAACA4651L1ZU	Ashok Leyland Limited	2017-18	2,07,96,97,620	1,88,28,84,351	19,68,13,269	0	0	0

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	ITC availed in GSTR 9 (Table 8B+8C)	ITC availed as mentioned in Table 8A (GSTR 2A (Table 3 & 5)) of GSTR 9	Mismatch in availing of ITC	ITC availed as mentioned in Table 8A (GSTR 2A (Table 3 & 5)) of GSTR 9	ITC available as per GSTR 2A	Mismatch in availing of ITC
7	DC, State Tax (GST), Circle-11, Indore	23AAACK3935D1Z0	Abbott Healthcare Private Limited	2017-18	58,91,46,168	56,72,10,624	2,19,35,544	0	0	0
8	DC, State Tax (GST), Circle-11, Indore	23ASGPS8189N1ZT	Suresh Kumar Sharma	2017-18	3,63,91,043	2,91,98,674	71,92,369	0	0	0
9	DC, State Tax (GST), Circle-11, Indore	23AAAACI7351P1ZB	ICICI Prudential Life Insurance Company Limited	2017-18	6,06,10,672	4,36,60,164	1,69,50,508	0	0	0
10	DC, State Tax (GST), Circle-11, Indore	23AABCM1884C1ZV	Madhuri Refiners Private Limited		18,45,79,408	15,41,17,688	3,04,61,720	0	0	0
11	DC, State Tax (GST), Circle-15, Indore	23AKQPS0060GIZ8	Balram Sachdev	2017-18	2,18,57,992	1,86,23,446	32,34,546	0	0	0
12	DC, State Tax (GST), Circle-15, Indore	23AAAAC7303GIZR	Tirathdas Shaukatrai Construction Private Limited	2017-18	1,20,91,651	98,41,262	22,50,389	0	0	0
13	AC, State Tax (GST), Circle-Damoh	23ACLP0A0788N2ZD	Sunil Arora	2017-18	54,14,130	32,19,863	21,94,267	0	0	0

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	ITC availed in GSTR 9 (Table 8B+8C)	ITC availed as mentioned in Table 8A (GSTR 2A (Table 3 & 5)) of GSTR 9	Mismatch in availing of ITC	ITC available as per GSTR 2A	Mismatch in availing of ITC
14	AC, State Tax (GST), Circle-13 Indore	23AAAEFP2364C1ZQ	Pareek Pesticides	2017-18	5,72,60,377	2,39,69,160	3,32,91,217	0	0
15	AC, State Tax (GST), Circle-12 Indore	23AADCC4637P1ZF	Computronics Systems (India) Private Limited	2017-18	2,16,52,480	93,12,065	1,23,40,415	0	0
16	AC, State Tax (GST), Circle - Dewas	23AFTPV1703R1ZQ	Harsh Vijayvargiya	2017-18	21,63,296	9,61,868	12,01,428	0	0
17	AC, State Tax (GST), Circle- Nimuch	23ACKPL0231G1Z5	Jawala Prasad Lathi	2017-18	67,79,520	41,07,288	26,72,232	0	0
18	AC, State Tax (GST), Circle-1 Gwalior	23AAAHCM7589G1Z3	Mdp Infra (India)Private Limited	2017-18	37244748	2,61,82,848	1,10,61,900	0	0
19	AC, State Tax (GST), Circle-1 Gwalior	23AAAKFB8078M1ZY	Bharti Buildcon	2017-18	51,29,624	50,62,193	67,431	0	0
20	AC, State Tax (GST), Circle Mandideep	23AAABCU3243P1Z7	Unicorp Solutions Private Limited	2017-18	1,41,07,321	1,39,91,863	1,15,458	0	0
21	AC, State Tax (GST),	23AAACH6184K1ZH	Ravikant Tripathi	2017-18	97,82,14,592	90,03,10,543	7,79,04,049	0	0

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	ITC availed in GSTR 9 (Table 8B+8C)	ITC availed as mentioned in Table 8A (GSTR 2A (Table 3 & 5)) of GSTR 9	Mismatch in availing of ITC	ITC availed as mentioned in Table 8A (GSTR 2A (Table 3 & 5)) of GSTR 9	ITC available as per GSTR 2A	Mismatch in availing of ITC
	Circle Mandideep									
22	AC, State Tax (GST), Circle-4 Jabalpur	23AGIPA7007R1ZB	Ritudwhaj Agrawal	2017-18	1,04,98,940	78,28,845	26,70,095	0	0	0
23	AC, State Tax (GST), Circle-2 Katni	23ABAFS0896F1ZA	Shri S N Khamparia, Contractor	2017-18	77,21,825	60,54,396	16,67,429	0	0	0
24	DC, State Tax (GST), Circle - 6 Bhopal	23AELPA9944A1ZT	Shirish Ramesh Agarwal	2017-18	46,74,144	34,25,678	12,48,466	0	0	0
Total					4,13,52,35,551	3,70,99,62,819	42,52,72,732	23,24,69,961	18,94,59,930	4,30,10,031
Grand Total					46,82,82,763					

Appendix 2.16

(Referred to in paragraph 2.6.3.3)

Mismatch of ITC in ECL than declared in annual return

S.N.	Name of the circle	GSTIN	Name of taxpayer	Year	ITC availed in GSTR 9 6(A)	ITC availed in GSTR 9 6(I)	Mismatch in availing of ITC
1	AC, State Tax (GST), Circle--Pithampur	23AAAACI1091A1ZD	Indore Composite P Limited	2017-18	6,66,11,391	5,41,17,928	1,24,93,463
2	AC, State Tax (GST)Circle-10 Indore	23AGOP5276L1ZO	Mohammad Suboor	2017-18	3,86,03,564	2,72,91,856	1,13,11,708
3	DC, State Tax (GST), Circle--Damoh	23ACLP0A0788N2ZD	Sunil Arora	2017-18	1,32,89,401	54,14,130	78,75,271
4	DC, State Tax (GST), Circle-1, Gwalior	23AAKFB8078M1ZY	Bharti Buildcon	2017-18	1,17,43,184	51,29,622	66,13,562
5	DC, State Tax (GST), Circle--Damoh	23AAOOFM5739Q1ZH	Maa Chandi Nirman Company,	2017-18	59,97,527	0	59,97,527
6	AC, State Tax (GST), Circle--Tkamgarh	23AAAIR6102J1ZD	Raj Pulses	2017-18	56,97,659	4,01,537	52,96,122
7	DC, State Tax (GST), Circle-2, Chhindwara	23AAAACR4896A2ZK	Raymond Limited	2017-18	42,96,53,984	42,63,08,096	33,45,888
8	DC, State Tax (GST), Circle-1 Katni	23ATJPS3213P1ZD	Bhagwati Shivhare	2017-18	62,48,592	54,18,916	8,29,676
9	AC, State Tax (GST)Circle-4 Bhopal	23AAAAAM1625N1ZQ	MP Rajya Sahkari Bank, Maryadit	2017-18	56,92,276	49,26,559	7,65,717
10	AC, State Tax (GST), Circle--Vidisha	23ACWPS6320D2ZH	Bhupendra Kumar Sharma	2017-18	98,55,449	91,82,086	6,73,363
11	DC, State Tax (GST), Circle-1 Katni	23AGMPR9714N1ZO	Neelam Rastogi	2017-18	60,93,510	57,63,800	3,29,710
12	AC, State Tax (GST)Circle-10 Indore	23AAECT7614G1ZH	Travelsafe Travel Services Private Limited	2017-18	27,83,573	26,95,305	88,268
13	DC, State Tax (GST)Circle-1 Bhopal	23AAAACI2438A1Z1	Tata Teleservices Limited	2017-18	43,52,68,416	43,52,54,912	13,504
Total					1,03,75,38,526	98,19,04,747	5,56,33,779

Appendix 2.17

(Referred to in paragraph 2.6.3.3)

Mismatch of ITC between Annual Return and Financial Statements (Table 12F, 14T and 14S of GSTR 9C)

S. N.	Name of the circle	GSTIN	Name of taxpayer	Year	Unreconciled net ITC based on expenses in 14T of GSTR 9C	Unreconciled net ITC in 12F of GSTR 9C	ITC available as per GSTR 9	ITC claimed as per GSTR 9 as declared in 14S of GSTR 9C	Excess availing of ITC	(Amount in ₹)
1	D. C., State Tax, (GST) Circle -11 Indore	23AAACK3935D1Z0	Abbott Healthcare Private Limited	2017-18	5,41,66,016	70,46,048	0	0	0	0
2		23ASGPS8189N1ZT	Suresh Kumar Sharma	2017-18	4,00,810	0	0	0	0	0
3		23AADCD3523F1Z8	Doshi Automobile Private Limited	2017-18	11,004	9,090	0	0	0	0
4		23AABCM1884C1ZV	Madhuri Refiners Private Limited	2017-18	0	71,147	0	0	0	0
5	D. C., State Tax, (GST) Circle -3, Bhopal	23AAKCM8087E2Z8	Marksmen Automobiles Private Limited	2017-18	0	9,090	0	0	0	0
6	A C, State Tax, (GST) Circle-1, Chhindwara	23BQQCPS9738L1Z7	Sheikh Sabir	2017-18	0	0	80,08,407	79,21,773	86,634	
7	D. C., State Tax, (GST) Circle - 6 Bhopal	23AAACT4119LZG	Tata Project Limited	2017-18	0	3,35,07,548	0	0	0	0
8	D. C., State Tax, (GST) Circle -1, Bhopal	23AAACT2438A1Z1	Tata Tele Services Limited	2017-18	44,77,17,574	0	0	0	0	0
9	A C, State Tax, (GST) Circle, Mandideep	23AABCU3243P1Z7	Unicorp Solutions Private Limited	2017-18	0	2,659	0	0	0	0
10		23AADCM8862E1ZH	Mahalakshmi Logistics Private Limited	2017-18	89,76,833	0	0	0	0	0

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S. N.	Name of the circle	GSTIN	Name of taxpayer	Year	Unreconciled net ITC based on expenses in 14T of GSTR 9C	Unreconciled net ITC in 12F of GSTR 9C	ITC available as per GSTR 9	ITC claimed as per GSTR 9 as declared in 14S of GSTR 9C	Excess availing of ITC
11	A C, State Tax, (GST) Circle-8, Indore	23AAABCP1892R1ZX	Patel Motors Indore Private Limited	2017-18	0	12,61,101	0	0	0
12	D. C., State Tax, (GST) Circle -1, Katni	23AGMPR9714N1ZO	Neelam Rastogi	2017-18	0	5,76,35,800	0	0	0
13	A C, State Tax, (GST) Circle-10, Indore	23AGOP5276L1ZO	Mohd Saboor	2017-18	37,325	0	0	0	0
14	CTO- 12 Indore	23AADCC4637P1ZF	Computronics Systems (India) Private Limited	2017-18	0	2,53,639	0	0	0
15	CTO- 1 Gwalior	23AAAHCM7589G1Z3	MDP Infra (India) Private limited	2017-18	0	58,27,589	0	0	0
Total					51,13,09,562	10,56,23,711	80,08,407	79,21,773	86,634

Appendix 2.18

(Referred to in paragraph 2.6.3.3)

Mismatch of ITC reversal in GSTR 9 in lieu of common inputs for taxable and Nil /exempted supplies

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	ITC reversal as per GSTR 9 (7C or 7H)	ITC reversal worked out by Audit	Mismatch in availing of ITC (Amount in ₹)
1	DC State Tax (GST), Circle-1 Bhopal	23AAACL0582H2ZT	Life Insurance Corporation of India	2017-18	0	23,34,20,896	23,34,20,896
2	AC State Tax (GST), Circle-8, Indore	23AAABCP1892R1ZX	Patel Motors Indore Private Limited	2017-18	0	6,01,32,620	6,01,32,620
3	AC State Tax (GST), Circle Mandideep	23AADCM8862E1ZH	Mahalakshmi Logistics Private Limited	2017-18	0	1,49,41,746	1,49,41,746
4	DC State Tax (GST), Circle-1 Katni-1	23AGMPR9714N1ZO	Neelam Rastogi	2017-18	0	8,51,815	8,51,815
5	DC State Tax (GST), Circle- 4, Jabalpur	23AGIPA7007R1ZB	New Metro Medical Center	2017-18	0	1,17,325	1,17,325
6	AC State Tax (GST), Circle Mandideep	23AAABCU3243P1Z7	Unicorp Solutions Private Limited	2017-18	0	82,997	82,997
Total					0	30,95,47,399	30,95,47,399

Appendix 2.19

(Referred to in paragraph 2.6.3.3)

Mismatch of ITC reversal in GSTR 9 for capital goods in lieu of common inputs for taxable and exempted/Nil supplies (Amount in ₹)

S.N.	Name of the circle	GSTIN	Name of taxpayer	Year	ITC reversal as mentioned in table 7D of GSTR 9	Reversal as per GSTR 3B	Mismatch between ITC reversal in GSTR 9 and GSTR 3B
1	AC State Tax (GST), Circle-8, Indore	23AABCP1892R1ZX	Patel Motors Indore Private Limited	2017-18	0	3,07,22,725	3,07,22,725
2	AC State Tax (GST), Circle Mandideep	23AAAACH6184K1ZH	Ravikant Tripathi	2017-18	0	49,162	49,162
3	AC State Tax (GST), Circle-2 Chhindwara	23AAAACR4896A2ZK	Raymond Limited	2017-18	0	37,801	37,801
4	DC State Tax (GST), Circle-1, Jabalpur	23AGIPA7007R1ZB	New Metro Medical Center	2017-18	0	4,424	4,424
Total					0	3,08,14,112	3,08,14,112

Appendix 2.20

(Referred to in paragraph 2.6.3.4)

Mismatch of tax payable between GSTR 1 and GSTR 3B or GSTR 9

S. N.	Name of the Circle	GSTIN	Name of taxpayer	Year	GSTR 1 tax liability	GSTR 9 tax liability	Difference in tax liability between GSTR 1 and GSTR 9	GSTR 1 tax liability	GSTR 3B tax liability	Difference in tax liability between GSTR 1 and GSTR 3B
1	DC, State Tax, Circle-11, Indore	23AAACK3935D1Z0	Abbott Healthcare Private Limited	2017-18	96,72,43,520	96,64,32,616	8,10,904	0	0	0
2	DC, State Tax, Circle-11, Indore	23AAAACL6150B1Z6	Landmark Automobile Private Limited	2017-18	21,28,03,408	20,77,65,715	50,37,693	0	0	0
3	DC, State Tax, Circle-11, Indore	23AAAACI7351P1ZB	ICICI Prudential Life Insurance Company Limited	2017-18	11,74,12,040	11,69,38,456	4,73,584	0	0	0
4	DC, State Tax, Circle-11, Indore	23AADCD3523F1Z8	Doshi Automobile Private Limited	2017-18	8,86,60,560	8,76,91,818	9,68,742	0	0	0
5	DC, State Tax, Circle-15, Indore	23BLLPD3404Q1Z2	Ashirvad Sales & Supplier	2017-18	37,16,025	34,38,575	2,77,450	0	0	0
6	AC, State Tax, Circle-Itarsi	23AAAAAA2647N1ZU	Adimjati Sewa Sahkari Samiti Maryadit Bichhua.	2017-18	0	0	0	5,36,775	30,256	5,06,519

S. N.	Name of the Circle	GSTIN	Name of taxpayer	Year	GSTR 1 tax liability	GSTR 9 tax liability	Difference in tax liability between GSTR 1 and GSTR 9	GSTR 1 tax liability	GSTR 3B tax liability	Difference in tax liability between GSTR 1 and GSTR 3B
7	DC, State Tax, Circle-2, Indore	23ACSPV9056F1Z0	Anuj Vohra	2017-18	0	0	0	4,31,22,032	4,12,65,208	18,56,824
8	DC, State Tax, Circle-3, Bhopal	23AAAKCM8087E2Z8	Marksmen Automobiles Private Limited	2017-18	4,46,99,672	4,07,55,756	39,43,916	0	0	0
9	DC, State Tax (GST), Circle-01, Chhindwara	23AAAKFB9235G1ZI	M/s B.G. Construction	2017-19	0	0	0	48,18,575	37,50,062	10,68,513
10	DC, State Tax (GST), Circle-Damoh	23ACLPA0788N2ZD	Sunil Arora	2017-18	88,54,937	41,33,896	47,21,041	0	0	0
11	AC, State Tax (GST) Circle-04 Jabalpur	23AAABCD9257A1Z1	M/s Anil Kumar Singh	2017-18	0	0	0	8,68,185	2,83,726	5,84,459
12	DC, State Tax (GST) Circle-Mandideep	23AAADCM8862E1ZH	Mahalakshmi Logistics Private Limited	2017-18	1,45,65,723	79,56,499	66,09,224	0	0	0
13	DC, State Tax, Circle-06, Indore	23AGSPA8703A1ZV	M/s Shobha Silai Machine	2107-18	52,35,863	31,68,266	20,67,597	0	0	0
14	DC, State Tax (GST) Circle-06, Bhopal	23AAAACT4119L1ZG	Tata Project Limited	2017-18	0	0	0	12,16,49,544	12,15,72,176	77,368

S. N.	Name of the Circle	GSTIN	Name of taxpayer	Year	GSTR 1 tax liability	GSTR 9 tax liability	Difference in tax liability between GSTR 1 and GSTR 9	GSTR 1 tax liability	GSTR 3B tax liability	Difference in tax liability between GSTR 1 and GSTR 3B
15	DC, State Tax (GST) Circle-06, Bhopal	23AELPA9944A1ZT	Shirish Ramesh Agrawal	2017-18	54,88,023	43,31,305	11,56,718	0	0	0
16	DC, State Tax (GST) Circle-06, Bhopal	23AAWPK7553Q1ZQ	Ashok Kumar	2017-18	1,79,24,038	1,38,76,258	40,47,780	0	0	0
17	AC, State Tax (GST) Circle- Bina	23ASNPR5125Q1Z3	Lilendra Rai	2017-18	0	0	0	28,23,994	21,51,360	6,72,634
18	AC, State Tax (GST) Circle-04, Indore	23AADCM9997N1ZK	MCS Trading Co. Private Limited	2017-18	14,38,86,656	14,38,82,704	3,952	0	0	0
19	AC, State Tax (GST) Circle-13, Indore	23AAAEFP2364C1ZQ	Pareek Pesticides	2017-18	4,66,48,360	4,66,01,492	46,868	0	0	0
20	DC, State Tax (GST) Circle-03, Indore	23AABCM6602Q1ZC	Mangalam Cement Limited	2017-18	0	0	0	32,10,02,304	31,85,85,856	24,16,448
21	DC, State Tax (GST) Circle-12, Indore	23AADCC4637P1ZF	Computronics Systems (India) Private Limited	2017-18	0	0	0	2,85,28,660	2,70,76,990	14,51,670
22	DC, State Tax (GST) Circle-12, Indore	23AAVCS1165L1ZW	SR Digital Tv And Broadband Private Limited	2017-18	2,93,92,328	2,86,23,689	7,68,639	0	0	0

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S. N.	Name of the Circle	GSTIN	Name of taxpayer	Year	GSTR 1 tax liability	GSTR 9 tax liability	Difference in tax liability between GSTR 1 and GSTR 9	GSTR 1 tax liability	GSTR 3B tax liability	Difference in tax liability between GSTR 1 and GSTR 3B
23	AC, State Tax (GST) Circle - Dewas	23AABCI2856A2Z4	Indotech Industries Private Limited	2017-18	0	0	0	3,56,27,356	3,30,44,686	25,82,670
Total					1,70,65,31,153	1,67,55,97,045	3,09,34,108	55,89,77,425	54,77,60,320	1,12,17,105
Total difference in tax liability between GSTR 1 and GSTR 9/3B										
										4,21,51,213

Appendix 2.21

(Referred to in paragraph 2.6.3.4)

Un-discharged tax liability on comparing greater of the tax liability of GSTR 1, GSTR 9 with reference to tax payment in GSTR 9
(Amount in ₹)

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	GSTR 9 tax liability	GSTR 1 tax liability	Greater tax liability between GSTR 1 and GSTR 9	Tax payment as per GSTR 9	Short payment of tax
1	AC, State Tax (GST) Circle-Bhopal-4	23AAAAAM0307R1ZP	M.P. Rajya Laghu Vanopaj Vyapar and Vikash Sahkari Sangh	2017-18	1,94,05,03,438	1,92,36,95,100	1,94,05,03,438	1,89,17,67,168	4,87,36,270
2	DC, State Tax (GST) Circle-- 1 Gwalior	23AAAHCM7589G1Z3	MDP Infra (India)Private limited	2017-18	3,92,46,804	4,10,28,564	4,10,28,564	1,06,95,658	3,03,32,906
3	DC, State Tax (GST), Circle-11, Indore	23AAAACA4651L1ZU	Ashok Leyland Limited	2017-18	2,06,98,28,652	2,09,47,61,220	2,09,47,61,220	2,06,98,26,096	2,49,35,124
4	AC, State Tax (GST) Circle-8, Indore	23AABCP1892R1ZX	Patel Motors Indore Private Limited	2017-18	1,33,45,90,597	1,35,51,01,700	1,35,51,01,700	1,33,45,90,703	2,05,11,103
5	DC,State Tax (GST)Circle, Damoh	23AAOEFM5739Q1ZH	M/s Maa Chandi Nirman Company	2017-18	47,33,636	2,17,52,288	2,17,52,288	47,33,636	1,70,18,652
6	DC,State Tax (GST) Circle,Rewa	23ABFSF0709F1Z8	Ravindra Kumar Dwivedi	2017-18	0	64,19,918	64,19,918	0	64,19,918
7	DC, State Tax (GST), Circle-05, Bhopal	23AAFCC2625P1ZL	Cyscape Global Technosoft Private Limited	2017-18	2,24,62,406	2,24,62,406	2,24,62,406	1,71,18,084	53,44,322
8	AC,State Tax (GST) Circle-02, Katni	23ABAFS0896F1ZA	Shri S N Khamparia, Contractor	2017-18	1,03,23,806	1,03,23,806	1,03,23,806	50,65,032	52,58,774

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	GSTR 9 tax liability	GSTR 1 tax liability	Greater tax liability between GSTR 1 and GSTR 9	Tax payment as per GSTR 9	Short payment of tax
9	AC, State Tax (GST) Circle, Vidisha	23ACWPS6320D2ZH	M/s Bhupendra Sharma Contractor	2017-18	1,44,45,316	1,51,94,245	1,51,94,245	1,04,26,276	47,67,969
10	DC, State Tax (GST) Circle-15, Indore	23AKQPS0060GIZ8	Amit Traders	2017-18	2,49,50,950	2,49,50,952	2,49,50,952	2,06,62,535	42,88,416
11	DC, State Tax (GST), Circle-05, Bhopal	23AAHCA9581C1ZR	M/s Ananya Engineering Private Limited	2017-18	1,82,28,372	2,00,92,250	2,00,92,250	1,60,28,919	40,63,331
12	DC, State Tax (GST) Circle-06, Bhopal	23AALCA4130B1ZE	Amaltas India Limited	2017-18	1,78,46,924	1,70,81,470	1,78,46,924	1,40,32,612	38,14,312
13	DC, State Tax (GST), Circle-11, Indore	23ASGPS8189N1ZT	Suresh Kumar Sharma	2017-18	3,69,81,734	3,69,81,736	3,69,81,736	3,34,65,916	35,15,820
14	AC, State Tax (GST) Circle, Mandla	23APUPT2772F1ZG	Anoop Lal Tekam	2017-18	37,79,702	37,79,702	37,79,702	3,50,290	34,29,412
15	DC, State Tax (GST) Circle-01, Katni	23ATJPS3213P1ZD	Bhagwati Shivhare	2017-18	41,16,436	41,16,436	41,16,436	8,46,131	32,70,305
16	AC, State Tax (GST) Circle-Neemuch	23ACKPL0231G1Z5	Jawala Prasad Lathi	2017-18	48,10,442	56,12,776	56,12,776	30,50,136	25,62,640
17	DC, State Tax (GST) Circle-15, Indore	23AAACT7303GZR	Tirathdas Shaukatrai Construction Private Limited	2017-18	1,11,26,559	1,30,45,396	1,30,45,396	1,11,26,560	19,18,836
18	DC, State Tax (GST) Circle-Mandideep	23AAACP4072C1ZZ	Procter & Gamble Home Products Private Limited	2017-18	1,69,53,46,773	1,69,35,34,980	1,69,53,46,773	1,69,35,34,969	18,11,804

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	GSTR 9 tax liability	GSTR 1 tax liability	Greater tax liability between GSTR 1 and GSTR 9	Tax payment as per GSTR 9	Short payment of tax
19	DC, State Tax (GST) Circle-01, Gwalior	23AAKFB8078M1ZY	Bharti Buildcon	2017-18	63,37,792	78,34,801	78,34,801	61,74,808	16,59,993
20	AC, State Tax (GST) Circle-04, Jabalpur	23CQZPM2063G1ZK	Farat Mansoori	2017-18	1,41,42,628	1,57,75,357	1,57,75,357	1,41,42,628	16,32,729
21	AC, State Tax (GST) Circle-01, Indore	23AAECS8466P1ZN	Shree Pecetronix Limited	2017-18	47,49,921	63,20,179	63,20,179	47,59,080	15,61,099
22	AC, State Tax (GST) Circle-01, Chhindwara	23BQCPS9738L1Z7	Sheikh Sabir	2017-18	76,93,330	82,31,501	82,31,501	67,36,352	14,95,149
23	AC, State Tax (GST) Circle, Waidhan	23AACFR2535H1ZJ	Ram krishan Daya Ram & Company	2017-18	41,14,385	55,77,999	55,77,999	41,14,385	14,63,614
24	DC, State Tax (GST) Circle-06, Bhopal	23AAGCB6748K1ZF	Sunil Bansal	2017-18	40,68,400	52,74,588	52,74,588	40,67,500	12,07,088
25	AC, State Tax (GST) Circle-10, Indore	23AAECT7614G1ZH	Travelsafe Travel Services Private Limited	2017-18	48,63,630	48,85,061	48,85,061	38,31,665	10,53,396
26	DC, State Tax (GST) Circle-01, Katni	23AGMPR9714N1ZO	Neelam Rastogi	2017-18	58,80,579	58,22,838	58,80,579	48,96,344	9,84,235
27	AC, State Tax (GST) Circle-03, Indore	23ARDPG5921C1ZF	Vinit Gupta	2017-18	40,95,083	49,28,688	49,28,688	40,28,688	9,00,000
28	AC, State Tax (GST) Circle, Narmadapuram	23AOQPC9085H1ZN	Krishna Kumar Chouksey	2017-18	8,55,159	0	8,55,159	0	8,55,159
29	AC, State Tax (GST) Circle, Dewas	23AFTPV1703R1ZQ	Harsh Vijayvargiya	2017-18	32,88,604	32,71,907	32,88,604	27,22,196	5,66,408

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	GSTR 9 tax liability	GSTR 1 tax liability	Greater tax liability between GSTR 1 and GSTR 9	Tax payment as per GSTR 9	Short payment of tax
30	AC, State Tax (GST) Circle-03, Ujjain	23AEMPB0681A1Z7	Manish Kumar Banthia	2017-18	50,61,426	56,27,027	56,27,027	50,61,416	5,65,611
31	DC, State Tax (GST) Circle, Mandideep	23AABCU3243P1Z7	Unicorp Solutions Private Limited	2017-18	1,85,90,905	1,88,32,956	1,88,32,956	1,85,90,905	2,42,051
32	AC, State Tax (GST) Circle, Bina	23AAAACJ6297K5Z5	Jaiprakash Power ventures Limited	2017-18	59,26,216	61,30,092	61,30,092	58,96,376	2,33,716
33	AC, State Tax (GST) Circle-04, Bhopal	23AAAAM1625N1ZQ	MP Rajya Sahkari Bank, Maryadit	2017-18	14,70,290	13,15,870	14,70,290	13,15,871	1,54,420
34	DC, State Tax (GST) Circle-06, Bhopal	23AAFPH2563J1ZW	Hunaid Husain Saify	2017-18	2,06,97,223	2,06,94,542	2,06,97,223	2,05,45,081	1,52,142
35	DC, State Tax (GST) Circle, Mandideep	23AAACH6184K1ZH	Ravikant Tripathi	2017-18	1,16,86,60,162	1,16,87,63,900	1,16,87,63,900	1,16,86,32,526	1,31,374
36	AC, State Tax (GST) Circle-04, Jabalpur	23AGIPA7007R1ZB	Ritu Dhawaj Agrawal	2017-18	99,88,644	99,88,625	99,88,644	99,42,207	46,418
37	DC, State Tax (GST) Circle-01, Bhopal	23AAACT2438A1Z1	Tata Teleservices Limited	2017-18	28,00,99,898	28,00,99,898	28,00,99,898	28,00,62,340	37,558
Total					8,82,39,06,822	8,88,93,10,774	8,90,97,83,076	8,70,28,41,089	20,69,42,074

Appendix 2.22

(Referred to in paragraph 2.6.3.4)

Unreconciled tax payment declared in GSTR 9C

S.N.	Name of the Circle	GSTIN	Name of taxpayer	Year	Tax paid in GSTR 9 as declared in GSTR 9C	Tax paid as per GSTR 9	Unreconciled amount of tax (9R of GSTR 9C)
1	AC, State Tax (GST) Bhopal- Circle 4	23AAAAAM0307R1ZP	MP State Minor Forest Produce and Limited	2017-18	1,90,93,45,031	1,89,17,67,168	1,75,77,863
2	AC, State Tax (GST), Circle-01, Ujjain	23AAAFCK2993L1Z6	M/s Krishna Build space Private Limited	2017-18	1,51,13,747	21,33,226	1,29,80,521
3	AC, State Tax (GST) Circle2, Katni	23ABAFS0896F1ZA	Shri S N Khamparia Contractor	2017-18	1,03,23,806	50,65,032	52,58,774
4	AC, State Tax (GST), Circle-Vidisha	23ACWPS6320D2ZH	M/s Bhupendra Kumar Sharma	2017-18	1,44,45,314	1,04,26,276	40,19,038
5	DC, State Tax (GST), Circle-5, Bhopal	23AAAHCA9581C1ZR	M/s Ananya Engineering Private Limited	2017-18	2,03,35,663	1,81,36,208	21,99,455
6	AC, State Tax (GST) Indore-Circle10	23AAAECT7614G1ZH	Travel Safe Travel Services Private Limited	2017-18	48,63,629	38,31,665	10,31,964
7	AC, State Tax (GST) Jabalpur-Circle4	23AGIPA7007R1ZB	Rirturaj Agrawal	2017-18	1,08,12,330	99,83,390	8,28,940
8	DC, State Tax (GST) Circle - 3 Indore	23ARDPG5921C1ZF	Vinita Gupta	2017-18	40,95,082	40,28,688	66,394
Total					1,98,93,34,602	1,94,53,71,653	4,39,62,949

Appendix 4.1

(Referred to in paragraph 4.5.1)

Extraction in excess of Mining Plans/Environmental Clearances

S.N.	District	Lease Holder S. No.	Name of Lease Holder	Type of Minerals	Approved Quantity as per Mining Plan/EC (in Cu.M/M.T)	Year	Quantity of Production (in Cu.M/M.T)	Excess Quantity (in Cu.M/M.T)	Market Rate/Royalty Rate (₹ per Cu.M/ per M.T)	Market Value (MV)/ Royalty Value (RV)	Amount of penalty (10 times of Market Value/ 20 times of Royalty Value)	Remark
A	B	C	D	E	F	G	H	I=(H-F)	J	K	L=20XK (RV) or 10XK (MV)	
1	Chhindwara	1	Suresh Chachard	Gitti	3,500 cum	2018-19	50,740 cum	47,240 cum	100	47.24	944.80	Royalty value
					3,500 cum	2019-20 (4/19 to 12/19)	9,134 cum	5,634 cum	210	11.83	118.30	Market value
						2019-20 (1/20 to 3/20)	409 cum	409 cum	120	0.49	9.80	Royalty value
		2	Shahid Khan		10,218 cum	2018-19	20,216 cum	9,998 cum	100	10.00	200.00	Royalty value
						2019-20 (1/20 to 3/20)	8,910 cum	6,772 cum	120	8.13	162.60	Royalty value
2	Singrauli	3	Jitendra Singh	Gitti	50,138 cum	2019-20	93,458 cum	43,320 cum	250	108.30	1,083.00	Market value
					50,149 cum	2020-21	53,802 cum	3,653 cum	250	9.13	91.30	Market value
		4	Sunita Singh		11,542 cum	2019-20	26,628 cum	15,086 cum	250	37.72	377.20	Market value
		5	Gyani Devi		18,060 cum	2019-20	25,855 cum	7,795 cum	250	19.49	194.90	Market value
					18,060 cum	2020-21	18,760 cum	700 cum	250	1.75	17.50	Market value
		6	M/s Unique Mines	Gitti	15,171 cum	2020-21	20,051 cum	4,880 cum	250	12.20	122.00	Market value

S.N.	District	Lease Holder S. No.	Name of Lease Holder	Type of Minerals	Approved Quantity as per Mining Plan/EC (in Cu.M/M.T)	Year	Quantity of Production (in Cu.M/M.T)	Excess Quantity (in Cu.M/M.T)	Market Rate/Royalty Rate (₹ per Cu.M/ per M.T)	Market Value (MV)/ Royalty Value (RV)	Amount of penalty (10 times of Market Value/ 20 times of Royalty Value) L=20XK (RV) or 10XK (MV)	Remark
A	B	C	D	E	F	G	H	I=(H-F)	J	K	L=20XK (RV) or 10XK (MV)	
		7	Shankar Pd Vaish	Gitti	15,925 cum	2019-20	19,130 cum	3,205 cum	250	8.01	80.10	Market value
					15,925 cum	2020-21	17,335 cum	1,410 cum	250	3.53	35.30	Market value
3	Shivpuri	8	Jaisiddh Baba	Gitti	9,500 cum	2020-21	10,960 cum	1,460 cum	480	7.08	70.80	Market value
					9,025 cum	2021-22	16,880 cum	7,855 cum	500	39.28	392.80	Market value
4	Sehore	9	Veer Singh	Gitti	30,000 cum	2018-19	40,051 cum	10,051 cum	600	60.31	603.10	Market value
					30,000 cum	2019-20	1,09,058 cum	79,058 cum	600	474.35	4,743.50	Market value
		10	Keshav Mehar	Gitti	23,520 cum	2018-19	28,764 cum	5,244 cum	600	31.46	314.60	Market value
					40,590 cum	2018-19	1,66,711 cum	1,26,121 cum	600	756.73	7567.30	Market value
		12	Snehlata	Gitti	13,500 cum	2019-20	20,800 cum	7,300 cum	600	43.80	438.00	Market value
					13,500 cum	2020-21	14,890 cum	1,390 cum	800	11.12	111.20	Market value
		13	Jagdish Basantani	Gitti	0	2019-20	14,310 cum	14,310 cum	600	85.86	858.60	Market value
		14	Arvind Singh Rajpoot	Gitti	5,400 cum	2019-20	15,055 cum	9,655 cum	600	57.93	579.30	Market value
		15	Baba Stone & Arth Movers	Gitti	11,760 cum	2019-20	18,600 cum	6,840 cum	600	41.04	410.40	Market value
					11,400 cum	2019-20	14,800 cum	3,400 cum	600	20.40	204.00	Market value
		16	Akshay Raghuvanshi	Gitti	19,950 cum	2019-20	56,928 cum	36,978 cum	230	85.05	850.50	Market value
		17	Vishal Yadav	Gitti		2019-20 (4/19 to 12/19)						Market value
5	Bhopal											

S.N.	District	Lease Holder S. No.	Name of Lease Holder	Type of Minerals	Approved Quantity as per Mining Plan/EC (in Cu.M/M.T)	Year	Quantity of Production (in Cu.M/M.T)	Excess Quantity (in Cu.M/M.T)	Market Rate/Royalty Rate (₹ per Cu.M/ per M.T)	Market Value (MV)/ Royalty Value (RV)	Amount of penalty (10 times of Market Value/ 20 times of Royalty Value)	Remark
A	B	C	D	E	F	G	H	I=(H-F)	J	K	L=20XK (RV) or 10XK (MV)	
						2019-20 (1/20 to 3/20)	5,081 cum	5,081 cum	120	6.10	122.00	Royalty value
		18	Nikhil Kumar Singh	Gitti	73,912 cum	2018-19	1,13,595 cum	39,683 cum	210	83.33	833.30	Market value
					72,755 cum	2019-20 (1/20 to 3/20)	21,800 cum	16,108 cum	120	19.33	386.60	Royalty value
		19	Nikhil Kumar Singh	Gitti	19,950 cum	2020-21	25,657 cum	5,707 cum	250	14.27	142.70	Market value
		20	Rajesh Chouksey	Murum	15,000 cum	2018-19	1,38,435 cum	1,23,435 cum	50	61.67	1,233.40	Royalty value
6	Sagar	21	Yogesh Tripathi	Gitti	10,000 cum	2018-19	24,524 cum	14,524 cum	210	30.50	305.00	Market value
		22	Vandana Modi	Dolomite	7,000 MT	2021-22	1,41,775 MT	1,34,775 MT	900	1,212.98	12,129.80	Market value
		23	Antim Kumar Jain	Gitti	34,681 cum	2019-20	46,730 cum	12,049 cum	280	33.74	337.40	Market value
		24	Brijbhan Singh Dangl	Gitti	11,515 cum	2021-22	32,270 cum	20,755 cum	520	107.93	1,079.30	Market value
		25	Neeraj Singh	Gitti	22,932 cum	2019-20	45,394 cum	22,462 cum	450	101.08	1,010.80	Market value
7	Sidhi	26	Arpit Minerals	Gitti	19,380 cum	2019-20	42,956 cum	23,576 cum	450	106.09	1,060.90	Market value
		27	Chandra Mohan Pandey	Gitti	8,265 cum	2018-19	14,444 cum	6,179 cum	400	24.72	247.20	Market value
		28	Chandra Mohan Pandey	Gitti	5,130 cum	2018-19	20,744 cum	15,614 cum	400	62.46	624.60	Market value
					5,130 cum	2019-20	7,261 cum	2,131 cum	450	9.59	95.90	Market value

S.N.	District	Lease Holder S. No.	Name of Lease Holder	Type of Minerals	Approved Quantity as per Mining Plan/EC (in Cu.M/M.T)	Year	Quantity of Production (in Cu.M/M.T)	Excess Quantity (in Cu.M/M.T)	Market Rate/Royalty Rate (₹ per Cu.M/ per M.T)	Market Value (MV)/ Royalty Value (RV)	Amount of penalty (10 times of Market Value/ 20 times of Royalty Value)	Remark
A	B	C	D	E	F	G	H	I=(H-F)	J	K	L=20XK (RV) or 10XK (MV)	
8	Khargone	29	Manoj Singh Chouhan	Gitti	10,830 cum	2018-19	19,784 cum	8,954 cum	400	35.82	358.20	Market value
		30	Rama Singh	Gitti	5,130 cum	2018-19	11,284 cum	6,154 cum	400	24.62	246.20	Market value
		31	Dhiraj Yadav	Gitti	14,513 cum	2019-20	45,906 cum	31,393 cum	400	125.57	1,255.70	Market value
9	Jabalpur	32	Rahul Mohan Chaubey	Gitti	14,513 cum	2021-22	23,677 cum	9,164 cum	400	36.66	366.60	Market value
		33	Durgesh Yadav	Gitti	20,536 cum	2019-20	29,670 cum	9,134 cum	600	54.80	548.00	Market value
		34	Mukesh Sharma	Gitti	14,723 cum	2020-21	19,868 cum	5,145 cum	600	30.87	308.70	Market value
		35	Bhole shankar Stone	Gitti	12,000 cum	2019-20	41,611 cum	29,611 cum	600	177.67	1,776.70	Market value
					12,000 cum	2020-21	25,720 cum	13,720 cum	600	82.32	823.20	Market value
					20,000 cum	2020-21	20,865 cum	865 cum	600	5.19	51.90	Market value
		36	Murlidhar Bhatija	Gitti	20,000 cum	2021-22	26,950 cum	6,950 cum	600	41.70	417.00	Market value
					9,026 cum	2019-20	13,506 cum	4,480 cum	600	26.88	268.80	Market value
					18,000 cum	2020-21	30,490 cum	12,490 cum	600	74.94	749.40	Market value
		37	Kusumbai	Gitti	18,000 cum	2021-22	31,670 cum	13,670 cum	600	82.02	820.20	Market value
					26,988 cum	2018-19	39,925 cum	12,937 cum	600	77.62	776.20	Market value
					25,001 cum	2020-21	35,084 cum	10,083 cum	600	60.50	605.00	Market value

S.N.	District	Lease Holder S. No.	Name of Lease Holder	Type of Minerals	Approved Quantity as per Mining Plan/EC (in Cu.M/M.T)	Year	Quantity of Production (in Cu.M/M.T)	Excess Quantity (in Cu.M/M.T)	Market Rate/Royalty Rate (₹ per Cu.M/ per M.T)	Market Value (MV)/ Royalty Value (RV)	Amount of penalty (10 times of Market Value/ 20 times of Royalty Value)	Remark
A	B	C	D	E	F	G	H	I=(H-F)	J	K	L=20XK (RV) or 10XK (MV)	
		39	Vijay Kumar Jain	Gitti	26,463 cum	2021-22	29,773 cum	3,310 cum	600	19.86	198.60	Market value
					8,550 cum	2019-20	14,445 cum	5,895 cum	600	35.37	353.70	Market value
					8,550 cum	2020-21	12,466 cum	3,916 cum	600	23.50	235.00	Market value
		40	M/s. Rajas Marble	Marble	3,806 cum	2021-22	13,625 cum	9,819 cum	4,000	392.76	3,927.60	Market value
10	Gwalior	41	M/s Elite Stone Crusher	Gitti	21,880 cum	2018-19	1,03,300 cum	81,420 cum	450	366.39	3,663.90	Market value
11	Betul	42	Rajendra Kiledar	Gitti	5,842 cum	2020-21	10,062 cum	4,220 cum	600	25.32	253.20	Market value
		43	Premrata Agarwal	Gitti	20,482 cum	2020-21	28,906 cum	8,424 cum	600	50.54	505.40	Market value
		44	Balaji Associates	Gitti	63,700 cum	2020-21	66,521 cum	2,821 cum	600	16.93	169.30	Market value
		45	Dijiyana Industries	Sand	93,296 cum	2021-22	95,355 cum	2,059 cum	600	12.35	123.50	Market value
2,10,000 cum	2019-20				2,90,289 cum	80,289 cum	500	401.45	4,014.50	Market value		
		Total				(Gitti) 7,16,642 Cu.M, (Murrum) 1,23,348 Cu.M, (Marble) 13,625 Cu.M, (Sand) 2,90,289 Cu.M and (Dolomite) 1,34,775 M.T		6,147.67	63,006.30			

Appendix 4.2

(Referred to in paragraph 4.5.2)

Extraction of minerals without approved Mining Plans

S.N.	District	S. No. of Lease Holder	Name of Lease Holder	Type of Minerals	Sanction/ Lease Period	Period of Mining Plan	Period in which Mining Plan was not included	Quantity executed without Mining Plan (in Cu.M)	Market Rate/ Royalty Rate (₹ per Cu.M/ per M.T)	Market Value/ Royalty Value	Amount of penalty (10 times of Market Value/ 20 times of Royalty Value)	Remark
1	Chhindwara	1	RK Metals	Gitti	1665/16.12.2016 to 8.5.2017 to 07.5.2027	24.04.2015 to 23.04.2020	2020-21	19,670	120	23.60	472.00	Royalty value
		2	Vishal Kalia	Gitti	1113/09.08.2016 to 01.06.2017 to 31.05.2027	2016-17 to 2020-21	2021-22	23,064	250	57.66	576.60	Market value
		3	Gaurav Rai	Gitti	2461/24.07.2014 to 24.07.2014 to 23.07.2024	1 st 2014-15 to 2018-19 and 2 nd 2020-21 to 2023-24	2019-20 (4/19 to 12/19)	2,309	210	4.85	48.50	Market value
2	Sehore	4	Veer Singh	Gitti	1993-96/04.02.2016 to 23.02.2016 to 22.02.2026	23.02.2016 to 22.02.2021	2021-22	30,827	550	169.55	1,695.50	Market value
		5	NKC-CDS	Gitti	469/06.02.2018 to 06.02.2018 to 05.02.2023	2018-19 to 2019-20	2020-21	19,803	800	158.42	1,584.20	Market value
		6	Devender Singh	Gitti	1411/08.06.2015 to 19.06.2015 to 18.06.2025	2014-15 to 2018-19	2019-20	200	600	1.20	12.00	Market value
						2020-21	5,218	800	42.22	422.20	Market value	
		7	Arvind Singh Rajpoot	Gitti	1600/25.06.2015 to 10.12.2005 to 09.12.2025	2015-16 to 2019-20	2021-22	13,752	550	75.64	756.40	Market value
						2021-22	1,931	800	15.45	154.50	Market value	

S.N.	District	S. No. of Lease Holder	Name of Lease Holder	Type of Minerals	Sanction/ Lease Period	Period of Mining Plan	Period in which Mining Plan was not included	Quantity executed without Mining Plan (in Cu.M)	Market Rate/ Royalty Rate (₹ per Cu.M/ per M.T)	Market Value/ Royalty Value	Amount of penalty (10 times of Market Value/ 20 times of Royalty Value)	Remark
3	Sagar	8	Brijbhan Singh Dangi	Gitti	699/28.10.2014 to 25.05.2015 to 24.05.2025	2014-15 to 2018-19 & 2021-22 to 2024-25	2019-20	5,082	280	14.23	142.30	Market value
							2020-21	10,670	500	53.35	533.50	Market value
		9	Kamlesh Patel	Gitti	30145/20.11.2015 to 10.10.2017 to 09.10.2027	2015-16 to 2019-20 & 2022-23 to 2026-27	2020-21	3,935	500	19.68	196.80	Market value
							2021-22	3,520	520	18.30	183.00	Market value
		10	Abhishek Singh	Flag stone	744/17.06.2016 to 03.09.2016 to 02.09.2026	2016-17 to 2020-21	2021-22	1,520	2,500	38.00	380.00	Market value
Total								(Gitti) 1,77,811 (Flagstone) 1,520		785.14	8,102.10	

Appendix 5.1

(Referred to in paragraph 5.6.1)

Release of capital subsidy to ineligible industries

S. N.	Name of Unit	Name of Industry	Capital Investment Approved by Department			Subsidy Approved	Subsidy Amount Paid	Investment not as per guidelines			Excess Subsidy as per Audit	Reason thereof/ Nature of Industry	(₹ in lakh)
			P&M	Building	Total			P&M	Building	Total			
1	DTIC Ujjain	M/s S.S.Stone Crusher	732.73	0	732.73	293.09	106.73	732.73	0	732.73	106.73	Nature of Industry is "Stone Crusher" which is ineligible as per point 08 in list of ineligible industries (Scheme 2017 guidelines).	
2	DTIC Mandla	M/s Shyam Industries	202.51	0.00	202.51	81.00	48.60	202.51	0.00	202.51	48.60	Ineligible for Capital Subsidy as per list of ineligible industries (Scheme 2017 guidelines).	
Total											155.33		

Appendix 5.2

(Referred to in paragraph 5.6.2)

Release of capital subsidy to industries which contravened the MSME schemes' guidelines

(₹ in lakh)

S. N.	Name of Unit	Name of Industry	Capital Investment Approved by Department		Subsidy Approved	Subsidy Amount Paid	Investment not as per guidelines		Excess Subsidy as per Audit	Reason thereof/ Nature of Industry
			P&M	Building			P&M	Building		
1	DTIC Khargone	M/s Jai Gajanan Foods	50.99	51.43	102.42	25.61	7.35	0.00	7.35	Purchase of P&M after date of production due to which total cost of P&M became less than ₹ 50.00 lakh, subsequently the industry became ineligible for capital subsidy. (19.04 of 2010 and Sl. no. 1 of disqualified list for Capital Subsidy of 2010) Date of production: 15 October 2015.
2	DTIC Mandla	M/s Aash Industries (2nd Expansion)	230.96	13.12	244.08	48.82	230.96	13.12	244.08	Industry was not entitled for Capital Subsidy during expansion as previous production not achieved. (Scheme 2019 guideline point 4.11).
3	DTIC Mandla	M/s Deepak Steel Fabrication	10.02	2.37	12.39	3.72	10.02	2.37	12.39	Industry was not entitled for Capital Subsidy Scheme-2019.
4	DTIC Mandla	M/s K R D Industries	59.00	0.00	59.00	18.84	59.00	0.00	59.00	Industry was not entitled for Capital Subsidy for expansion as the previous production was not achieved.
5	DTIC Bhopal	M/s FAS Food Bakers	36.00	73.59	109.59	15.00	36.00	73.59	109.59	Ineligible due to conditions not fulfilled as per scheme guideline point 5.4. Domestic Electricity Connection in name of owner of building. (para 5.4 of Scheme 2014).
Total									111.99	

Appendix 5.3
(Referred to in paragraph 5.6.3)
Non-recovery of capital subsidy released to closed industries

S.N.	Name of Unit	Name of Industry	Capital Investment Approved by Department			Subsidy Approved	Subsidy Paid	Investment not as per guidelines	Excess Subsidy as per Audit	Reason thereof	Duration since Unit closed (in month)	Penal Interest to be imposed @ 12%	Net recoverable amount with penal interest
			P&M	Building	Total								
1	DTIC Khargone	M/s Lakshya Industries	64.73	101.00	165.73	28.96	28.96	165.73	28.96	Unit closed since 29 January 2019, inspection date on which unit was found closed to Audit Dates i.e. May 2022, total 40 months, after distribution of capital subsidy and Interest Subsidy. (Scheme guideline 2010 point 9(9)).	40	11.58	40.54
2	DTIC Chhindwara	M/s Sahara Textiles, Bargaon	88.53	0.00	88.53	35.41	11.42	88.53	11.42	As per para no.4.13, if unit closed since more than 06 months then subsidy paid will be recovered along with penal interest @ 12% for 10 months (Scheme 2017 guideline point 4.13).	10	1.14	12.56
3	DTIC Shajapur	M/s Balaji Enterprises	48.83	0.00	48.83	7.32	7.32	48.83	7.32	As per para no. 16.7, if unit closed since more than 06 months then subsidy paid will be recovered along with penal interest @ 12% (Scheme 2014 guideline point 16.7) 11 June 2015 (Sanction Date) to 10 April 2022 (Audit date) total time 80 Months.	80	5.85	13.17
Total										47.70			

Appendix 5.4

(Referred to in paragraph 5.7)

Details of excess payment of subsidy on account of violation of GST norms

S.N.	Name of Unit	Name of Industry	Capital Investment Approved by Department			Subsidy Approved	Subsidy Amount Paid	Investment not as per guidelines			Excess Subsidy as per Audit	Reason thereof/ Nature of Industry
			P&M	Building	Total			P&M	Building	Total		
1	DTIC Mandideep	M/s Meharana Industries	279.13	71.42	350.55	140.22	70.10	27.94	0.00	27.94	4.45	Subsidy payment on GST, GoI MSME Act dated 26 June 2020 Scheme- 2019.
2	DTIC Gwalior	M/s Manas Polymers	147.84	5.41	153.25	61.30	34.67	26.61	0.00	26.61	11.18	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.
3	DTIC Dewas	M/s Raja Foods	103.86	9.46	113.32	45.33	11.33	16.43	0.00	16.43	6.57	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.
4	DTIC Indore	M/s Khandelwal Good Food Corporation	159.90	0.00	159.90	63.96	15.99	19.01	0.00	19.01	7.60	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.
5	DTIC Indore	M/s Divine Camphor	91.21	0.00	91.21	36.49	9.12	13.54	0.00	13.54	5.42	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.
6	DTIC Chhindwara	M/s Shri Nath Nets	405.40	24.54	429.94	171.97	25.75	61.83	0.00	61.83	24.73	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.
7	DTIC Chhindwara	M/s Meenakshi Plastic Industries	140.51	49.99	190.50	76.20	11.41	21.40	0.00	21.40	8.56	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.
8	DTIC Chhindwara	M/s K.J.V. Alloy Conductors	243.68	198.26	441.95	176.78	49.39	43.85	0.00	43.85	17.54	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.
9	DTIC Ujjain	M/s Elite Dairy Product Ltd.	602.85	159.90	762.75	305.10	0.00	56.54	0.00	56.54	22.61	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.
10	DTIC Ujjain	M/s Pronton Plast Pack Pvt. Ltd.	333.90	30.00	363.90	145.56	36.39	51.31	0.00	51.31	20.52	Subsidy payment on GST, GoI MSME Act dated 26 June 2020.

S.N.	Name of Unit	Name of Industry	Capital Investment Approved by Department			Subsidy Approved	Subsidy Amount Paid	Investment not as per guidelines			Excess Subsidy as per Audit	Reason thereof/ Nature of Industry
			P&M	Building	Total			P&M	Building	Total		
11	DTIC Ujjain	M/s Jangid Agro Industries	137.11	23.78	160.89	64.35	16.09	22.28	0.00	22.28	8.91	Subsidy payment on GST, Gol MSME Act dated 26 June 2020.
12	DTIC Ujjain	M/s Vijay Laxmi Polymers	82.70	31.22	113.92	45.57	11.39	13.53	0.00	13.53	5.41	Subsidy payment on GST, Gol MSME Act dated 26 June 2020.
13	DTIC Ujjain	M/s Sri Sanwaria Industries	64.21	0.00	64.21	26.96	3.42	9.80	0.00	9.80	4.12	Subsidy payment on GST, Gol MSME Act dated 26 June 2020.
14	DTIC Ujjain	M/s Prashant Paper Industries	40.89	34.53	75.42	30.17	7.54	6.31	0.00	6.31	2.52	Subsidy payment on GST, Gol MSME Act dated 26 June 2020.
15	DTIC Ujjain	M/s Master Leaf	31.02	22.00	52.02	20.80	3.00	4.87	0.00	4.87	1.95	Subsidy payment on GST, Gol MSME Act dated 26 June 2020.
16	DTIC Burhanpur	M/s Photon Transformers	26.72	26.72	53.44	21.38	0.00	3.80	0.00	3.80	1.52	Subsidy payment on GST, Gol MSME Act dated 26 June 2020.
Total											153.61	

Appendix 6.1

(Referred to in paragraph 6.6.4)

Loss of revenue due to presence of stumps

S.L NO	Division	No. of coupes	No. of Marked trees	No. of stumps	Percentage of Stumps	Quantity of Timber (cum)	Rate	Quantity of Fuel Wood (cum)	Rate	Loss of Timber (8x9)	Loss of Fuel wood (10x11)	Total Loss (in lakh) (12+13)
1	2	3	4	5	6	8	9	10	11	12	13	14
1	Dindori (G)	3	1790	375	20.95	0.00	0	10.671	1,960	0	20,915	0.21
2	Hoshangabad (G)	7	912	785	86.07	39.514	2308	15.898	2,480	91,198	39,427	1.31
3	Harda (G)	27	14,022	1,427	10.18	97.31	13,925	0.00	0.00	13,55,042	0.00	13.55
4	Mandla West (G)	12	2310	950	41.13	296.098	18,500	0.00	0.00	54,77,813	0.00	54.78
5	Raisen (G)	18	23,207	6,675	28.76	383.265	2,896	0.00	0.00	11,09,935	0.00	11.10
6	Sehore (G)	2	201	182	90.55	17.659	27,640	8.039	1,854	4,88,095	14,904	5.03
7	Shahdol North (G)	32	32,619	4,190	12.85	208.8045	9,542	139.203	1,455	19,92,413	2,02,540	21.94
8	Shahdol South (G)	4	3,048	346	11.35	9.363	2,422	6.242	1,455	22,677	9,082	0.32
9	Umaria (G)	3	999	999	100	45.6255	205	30.417	1,455	9,353	44,257	0.54
Total		108	79,108	15,929								108.78

Appendix 6.2 (i)
(Referred to in paragraph 6.6.6.1)
Statement showing shortfall in actuals vis-à-vis estimates

SL No.	Division	No. of coupes	No. of Marked trees	Estimated Yield			No. of felled trees	Actual Yield			Difference			Percentage shortfall	Shortfall over and above the acceptable limits of 10 percent	Rate of Timber	Loss	Rate of fuel wood	Loss	Total loss
				Timber	Fuel	Total		Timber	Fuel	Total	Timber	Fuel	Total							
1	Harda (P)	5	1,175	748	117	865	1,175	560	114	674	188	3	191	22.08	12.08	13,925	26,17,900	3,190	9,570	26,27,470
2	Khandwa (P)	34	59,797	3,821	1,590	5,411	59,797	1,896	820	2,716	1,925	770	2,695	49.80	39.81	18,925	3,64,30,625	2,760	21,25,200	3,85,55,825
3	Dewas (G)	3	12,908	325	577	902	12,908	290	244	534	35	333	368	40.79	30.80	20,532	7,18,620	1,509	5,02,497	12,21,117
4	Shahdol South (G)	11	13,284	3,675	2,210	5,885	13,284	2,836	1,754	4,590	839	456	1,295	22.00	12.01	2,422	20,32,058	1,820	8,29,920	28,61,978
5	Raisen (P)	8	10,061	1,754	782	2,536	10,061	1,231	434	1,665	523	348	871	34.34	24.35	10,525	55,04,575	2,256	7,85,088	62,89,663
6	Rewa (G)	2	10,348	0.00	230	230	10,348	0.00	127	127	0.00	103	103	44.78	34.78	0.00	0.00	2,400	2,47,200	2,47,200
	Total	63	1,07,573	10,323	5,506	15,829	1,07,573	6,813	3,493	10,306	3,510	2,013	5,523				4,73,03,778		44,99,475	5,18,03,253

Appendix 6.2 (ii)
(Referred to in paragraph 6.6.6.2)

Statement of loss due to Irregular conversion of timber into fuel wood

S.N.	Division	No. of coupes	No. of Marked trees	Estimated Yield		No. of felled trees	Actual Yield		Less Yield in CuM.					Excess shortage of timber over 10 percent	Minimum rate of Timber	Loss	Excess shortage of Fuel wood over 10 percent	Minimum Rate of fuel wood	Loss	Total loss	
				Timber	Fuel		Timber	Fuel	Percentage	Fuel	Percentage	Total loss									
1	Betul (P)	10	1,106	395	112	1,106	242	311	153	39	-199	-177	-46	113	30,075	46,01,475	-210	3,250	-6,46,750	39,54,725	
2	Satna (G)	43	1,603	83	107	1,603	54	119	29	35	-12	-11	17	21	17,856	5,17,824	-23	2,203	-26,436	4,91,388	
3	Sidhi (G)	1	833	15	39	833	6	47	9	60	-8	-21	1	8	4,020	36,180	-4.1	2,400	-19,200	16,980	
Total		54	3,542	493	258	3,542	302	477	191	-219	-28	-28	51,55,479							-6,92,386	44,63,093

Annexure 6.3
Statement showing details of shortage in the yield of bamboo

SL. No.	Name of Unit	Year	No. of coupes	Estimated Quantity in NT		Total	Extracted Quantity in NT		Total	Loss of Commercial Bamboo			Loss of Industrial Bamboo			Total amount (Amount in ₹)
				Comm.	Inds.		Comm	Inds.		Qty.in NT	Rate	Amount	Qty. in NT	Rat	Amount	
1	2	3	4	5	6	7	8	9	10	11	12	13= (11*12)	14	15	16= (14*15)	17= (13+16)
1	Betul (P)	2018-19 to 2020-21	14	1321.397	428.225	1749.622	483.837	55.039	538.876	837.560	2809	23,52,706	373.186	1352 7	50,48,087	74,00,793
2	Harda (P)	2019-20 to 2020-21	14	2888.86	4711.76	7600.62	449.89	1812.84	2262.73	2438.97	10909	266,06,746	2898.92	3000	86,96,760	353,03,506
3	Khandwa (P)	2019-20	06	166.000	324.000	490.000	134.000	64.000	198.000	32.000	6109	1,95,488	260.000	4300	11,18,000	13,13,488
4	Seoni (P)	2018-19 & 2020-21	19	2927.528	705.989	3633.517	823.761	476.964	1300.725	2103.767	6045	127,17,272	229,025	6575	15,05,839	142,23,111
5	Narmadapuram (G)	2018-19 to 2020-21	2	990.981	660.31	1651.291	617.399	354.256	971.655	373.582	9600	35,86,387	306,054	3651	11,17,403	47,03,790
6	Shahdol North (G)	2019-20 to 2020-21	5	28.09	41.88	69.97	20.233	17.511	37.744	7.863	5236	41,174	24.368	4300	1,04,782	1,45,956
	Total		60	8322.856	6872.164	15195.02	2529.12	2780.61	5309.73	5793.742			4091.553			6,30,90,644

1. Commercial Bamboo (Comm.) and Industrial Bamboo (Inds.)

2. Notional Ton (NT) = 2400 meter

Appendix 7.1

(Referred to in paragraph 7.5.1.3)

Statement showing irregular execution and unauthorized payment without revised TS.

S. N.	Name of Unit	Name of work	Agt. No.	TS*	Contract amount	Value of work done*	Unauthorised expenditure
1	2	3	4	5	6	7	8=7-5
1	Khandwa	Construction of High School at Mohaniya Bham	51/2017-18	96.77	77.18	97.83	1.06
2	Sagar	Construction of 100 Seater Boys & Girls Hostel in Excellence School at Sagar	13/2018-19	654.29	598.81	712.23	57.94
3		Construction of Degree College at Kesli	58/2017-18	578.80	514.32	713.64	134.84
4	Singrauli	Construction of Excellence School at Bardhi	11/2018-19	140.98	143.30	160.61	19.63
5		Construction of 100 Seater Boys Hostel in Excellence School at Singrauli	14/2019-20	330.37	297.37	361.86	31.49
6		Construction of 100 Seater Girls Hostel in Excellence School at Singrauli	11/2019-20	331.20	298.11	354.56	23.36
7		Construction of 50 Seater Boys & Girls Hostel in Model School at Waidhan	32/2020-21	322.86	286.96	355.11	32.25
8		Construction of Degree College at Sarai	13/2017-18	628.26	601.93	665.08	36.82
9	Tikamgarh	Construction of Higher Secondary School at Teharka	07/2018-19	86.96	67.83	108.16	21.20
10	Ujjain	Construction of Higher Secondary School at Suvasa	03/2018-19	89.33	79.95	99.13	9.80
Total							368.39

* Value of work done excluding tender percentage and GST

Appendix 7.2

(Referred to in paragraph 7.5.2)

Statement showing irregular expenditure & unauthorized payment in cases of revised TS.

S.N.	Name of Unit	Name of work	Agt. No.	TS*	Contract amount	Value of work done*	Revised TS	Unauthorised expenditure (₹ in lakh)
1	2	3	4	5	6	7	8	9=7-8
1	Chhattarpur	Construction of Degree College at Chandla	12/2017-18	613.24	508.93	747.56	620.45	127.11
2		Construction of Engineering College at Nowgaon	14/2015-16	1,874.26	1,684.70	2,047.59	1,874.09	173.50
3	Dewas	Construction of 100 Seater Boys & Girls Hostel in Excellence School at Dewas	36/2018-19	654.29	562.30	688.02	591.74	96.28
4		Construction of Girls Higher Secondary School at Bhorasa	30/2018-19	150.86	138.96	162.90	150.05	12.85
5		Construction of Science College at Dewas	15/2017-18	616.47	529.75	681.27	590.39	90.88
6	Sehore	Construction of 100 Seated Girls Hostel in Residential Complex at Sehore	01/2019-20	328.12	274.93	377.86	316.61	61.25
7		Construction of Degree College at Ladkui	20/2017-18	578.75	524.68	734.00	620.15	113.85
8	Shajapur	Construction of 100 Seater Boys & Girls Hostel in Excellence School at Shajapur	25/2018-19	654.29	580.88	718.68	638.05	80.63
9		Construction of Higher Secondary School at Jhonkar	05/2018-19	150.85	141.64	161.26	151.40	9.86
10		Construction of First Floor in High School at Shujalpur	06/2019-20	61.46	46.77	65.56	49.89	15.67

S.N.	Name of Unit	Name of work	Agt. No.	TS*	Contract amount	Value of work done*	Revised TS	Unauthorised expenditure
11		Construction of JNS PG College at Shujalpur	39/2018-19	1,067.43	960.58	1,173.35	1,055.90	117.45
12		Construction of Law College at Shajapur	38/2018-19	545.22	496.69	591.02	538.70	52.32
13		Construction of 4 Lab room in Degree College at Kalapipal	16/2018-19	38.34	32.35	35.56	30.37	5.19
14		Construction of Boundary Wall in ITI at Shujalpur	45/2018-19	48.02	41.04	46.59	39.84	6.75
15	Singrauli	Construction of Degree College at Chitrangi	05/2017-18	635.03	566.02	703.80	622.36	81.44
16	Tikamgarh	Construction of Girls Hostel at Baldeogarh	10/2014-15	125.71	111.88	149.61	133.23	16.38
17		Construction of Higher Secondary School at Futer	11/2018-19	152.18	133.08	164.01	141.74	22.27
18		Renovation & Additional Construction Work in Degree College at Niwari	35/2017-18	132.15	99.34	144.12	123.08	21.04
Total								1,104.72

* Value of work done excluding tender percentage and GST

Appendix 7.3

(Referred to in paragraph 7.8.2)

Statement showing extra payment due to payment at higher amended rates.

S. N.	Name of Unit	Name of work	Agr. No.	Date of NIT	Date of bid submission	Amendment no./date	Item No.	Quantity (in Kg)	Paid rate	Payable rate	Tender percentage	(Amount in ₹)	
												Excess payment	
1	Katni	Construction of High School at Gairtalai	17/2018-19	10-08-18	24-08-18	44/13-08-18	5.16.6	80,235.220	60.00	48.60	-8.86% + 12%	9,33,678	
2	Khandwa	Construction of New Model Degree College at Nahalda	23/2018-19	30-07-18	14-08-18	44/13-08-18	5.16.6	4,14,512.680	60.00	48.60	-17.96% + 12%	43,41,965	
3	Sehore	Construction of Degree College at Sehore	38/2018-19	30-07-18	14-08-18	44/13-08-18	5.16.6	5,25,459.970	60.00	48.60	-10.51% + 12%	60,03,949	
Total												1,12,79,592	

Appendix 7.4

(Referred to in paragraph 7.9.1.1.1)

Statement showing irregular sanction and execution of fibre glass cloth water proofing.

S.N.	Name of Unit	Name of work	Agr. No.	Qty.	Rate	Tender percentage	Excess payment
1	Chhattarpur	Construction of Degree College at Chandla	12/2017-18	1,802.660	338.00	-17.01%	5,05,657
2		Construction of Degree College at Buxwaha	27/2017-18	2,175.220	338.00	-14.95%	6,25,308
3	Gwalior	Construction of Higher Secondary School for Drashiti Badhit & Shrawan Badhit at Gwalior	21/2018-19	2,188.290	304.20	-11.26% + 12%	6,61,609
4		Construction of 100 Seated Girls Hostel at Mohana	05/2019-20	576.210	304.20	-19.55% + 12%	1,57,937
5		Construction of 100 Seated Girls Hostel at Kariyawati	04/2019-20	631.260	304.20	-20.70% + 12%	1,70,553
6		Construction of Lab & Additional Room in Higher Secondary School at Chinor (Bhitwarwar)	09/2020-21	315.440	304.20	-22.59% + 12%	83,194
7		Construction of Degree college at Chinnor	25/2018-19	2,113.430	304.20	-7.07% + 12%	6,69,146
8		Construction of 12 Classrooms in Degree College at Gwalior	18/2018-19	1,613.095	304.20	-14.18% + 12%	4,71,656
9	Khandwa	Construction of Excellence Higher Secondary School at Khandwa	02/2019-20	963.440	304.20	-18.00% + 12%	2,69,163
10		Construction of New Model Degree College at Nahalda	23/2018-19	3,521.540	304.20	-17.96% + 12%	9,84,318
11	Mandsaur	Construction of Degree College at Pandhana	40/2017-18	2,220.570	338.00	-20.30%	5,98,190
12		Construction of 100 Seater Boys & Girls Hostel in Excellence School at Neemuch	41/2018-19	2,030.548	304.20	-6.27% + 12%	6,48,439
13		Construction of 100 Seater Boys & Girls Hostel in Excellence School at Mandsaur	37/2018-19	1,992.615	304.20	-9.90% + 12%	6,11,682
14		Construction of Degree College at Sitamau	06/2017-18	2,141.452	338.00	-11.97%	6,37,171
15		Construction of Degree College at Suwasara	11/2017-18	2,093.972	338.00	-16.55%	5,90,628
16		Construction of Degree College at Shamgadh	10/2017-18	2,105.690	338.00	-17.55%	5,86,816

S.N.	Name of Unit	Name of work	Agr. No.	Qty.	Rate	Tender percentage	Excess payment
17	Raisen	Construction of 6 Classrooms in Swami Vivekanand College at Raisen	28/2018-19	1,643.070	270.00	-8.06% + 12%	4,56,817
18	Sagar	Construction of Extension of Degree College at Garhakota	31/2018-19	1,137.930	304.20	-7.01% + 12%	3,60,520
19	Sehore	Construction of 100 Seater Boys Hostel in Excellence School at Sehore	16/2018-19	1,037.610	304.20	-12.99% + 12%	3,07,596
20		Construction of 100 Seated Girls Hostel in Residential Complex at Sehore	01/2019-20	1,551.180	304.20	-16.21% + 12%	4,42,824
21		Construction of Degree College at Sehore	38/2018-19	3,910.560	304.20	-10.51% + 12%	11,92,314
22		Construction of Degree College at Ladhui	20/2017-18	1,996.010	338.00	-15.51%	5,70,013
23		Construction of Degree College at Jawar	19/2017-18	2,397.230	338.00	-14.77%	6,90,588
24		Construction work at Dr. Ambedkar woman ITI College at Sehore	24/2018-19	3,104.510	304.20	-12.86% + 12%	9,21,696
25	Shajapur	Construction of 100 Seater Boys & Girls Hostel in Excellence School at Shajapur	25/2018-19	2,936.540	304.20	-11.22% + 12%	8,88,236
26		Construction of Law College at Shajapur	38/2018-19	2,800.300	304.20	-8.90% + 12%	8,69,161
						Total	1,49,71,232

Appendix 7.5

(Referred to in paragraph 7.9.1.2)

Statement showing extra cost due to superfluous execution of items and quantities.

S.N.	Name of Unit	Name of work	Agt. No.	Item No.	Qty.	Unit	Rate	Tender percent age	Amount	Remarks
1	Dewas	Construction of Degree College at Khategaon	54/2018-19	6.4-R	125.538	Cu m	4,491	-8.80% + 12%	5,75,879	CC pavement of road was laid in a thickness of 250 mm instead of 200 mm thickness in designed crust.
2	Sagar	Construction of 100 Seater Boys & Girls Hostel in Excellence School at Sagar	13/2018-19	2.6	745.610	Cu m	116.10	-8.48% + 12%	88,732	Superfluous items were executed without mentioning the location and requirements.
				2.28.1	745.610	Cu m	270		2,06,352	
				2.27	596.660	Cu m	604.80		3,69,890	
				4.1.2.2	27.500	Cu m	3,427.20		96,606	
3		Construction of 100 Seater Boys & Girls Hostel in Model School at Khurai	01/2020-21	2.20-R	0.19	Sq m	39,368	-13.32% + 12%	7,262	Superfluous items of road work was executed in right & left side of girls and boys hostel and item of filling in plinth with crusher stone dust was also executed between boys and girls hostel without any requirement.
				3.1-R	342.22	Cu m	49.50		16,446	
				3.10-R	554.09	Cu m	144		77,460	
				4.12-R	191.88	Cu m	956.70		1,78,214	
				2.27	487.2	Cu m	604.80		2,86,059	
4		Construction of Degree College at Makronia	22/2018-19	4.2.1.4	99.372	Cu m	3,720.60	-11.24% + 12%	3,67,547	Sunken portion of roof of boys and girls toilet was filled with PCC superfluously which was to be removed on upgradation/extension of building and serve no purpose.
				4.2.1.3	28.392	Cu m	4,242.60		1,11,847	
5		Construction of Degree Extension of College at Garhakota	31/2018-19	3.13	141.07	Cu m	3,621.60	-7.01% + 12%	5,32,095	Costlier item of mortar on lime, surkhi and marble dust was paid

S.N.	Name of Unit	Name of work	Agt. No.	Item No.	Qty.	Unit	Rate	Tender percent age	Amount	Remarks
										below flooring in toilets without requirement.
6		Construction of Degree College at Malthone	38/2017-18	4.12-R	813.350	Cu m	1,063	-12.16%	7,59,457	Road works were executed in extra quantity without requirement by execution of CRM in other open areas with embankment construction and DLC and PQC in extra length and width than designed.
				3.1-R	2507.450	Cu m	160		3,52,407	
				6.1-R	98.540	Cu m	2,443		2,11,460	
				6.4-R	313.150	Cu m	5,379		14,79,607	
7		Construction of Degree College at Kesli	58/2017-18	3.10-R	2981.64	Cu m	160	-11.14%	4,23,917	Superfluous items were recorded in measurement as last mentioning the location and requirements.
				3.3-R	984.18	Cu m	50		43,727	
				2.27	198.166	Cu m	672		1,18,333	
8	Shajapur	Construction of 100 Seater Boys & Girls Hostel in Excellence School at Shajapur	25/2018-19	2.28.1	66.265	Cu m	270	-11.22%	17,790	Item no. 11.74 was shown executed in open courtyard and around building of girls hostel and boys hostel and some superfluous items were also executed below paver blocks but item no. 11.74 was complete item with bed of stone dust and CC M-15.
				2.27	29.214	Cu m	604.80	+ 12%	17,569	
				4.2.1.3	81.204	Cu m	4,242.60		3,42,565	
				2.28.1	66.265	Cu m	270		17,790	
				2.27	29.214	Cu m	604.80		17,569	
				4.1.2.1	98.593	Cu m	3,962.70		3,88,482	
				4.1.1.3	114.584	Cu m	4,023.90		4,58,463	
				4.12-R	108.98	Cu m	957		1,03,703	
Total									76,67,228	

Appendix 7.6

(Referred to in paragraph 7.10.2)

Statement showing list of works in which below specification steel was used

S.N.	Name of Unit	Name of work	Agt. No.
1	Chhattarpur	Construction of Degree College at Chandla	12/2017-18
2		Construction of Degree College at Buxwaha	27/2017-18
3	Gwalior	Construction of High School at Baretha	04/2018-19
4		Construction of Degree College at Chinnor	25/2018-19
5		Construction of 12 Classrooms in Degree College at Gwalior	18/2018-19
6	Khandwa	Construction of High School at Mohaniya Bham	51/2017-18
7		Construction of Degree College at Pandhana	40/2017-18
8	Raisen	Construction of Higher Secondary School at Kharbai	10/2018-19
9	Shore	Construction of 100 Seated Girls Hostel in Residential Complex at Sehore	01/2019-20
10		Construction of Chandrashekher Azad PG College at Sehore	38/2018-19
11		Construction of Degree College at Jawar	19/2017-18
12	Tikamgarh	Construction of Higher Secondary School at Laron	10/2018-19
13		Construction of Higher Secondary School at Teharka	07/2018-19
14		Construction of Law College at Tikamgarh	40/2017-18
15	Ujjain	Construction of Higher Secondary School at Kanasiya	25/2018-19
16		Construction of Degree College at Makdon	21/2018-19

GLOSSARY

Glossary of Abbreviations	
AA	Assessing Authority
AA	Administrative Approval
ACS	Additional Chief Secretary
Add EC	Additional Excise Commissioners
AEC	Assistant Excise Commissioner
AG	Accountant General
AMO	Assistant Mining Officer
APCCF	Additional Principal Chief Conservator of Forest
APD	Additional Project Director
ARN	Acknowledgement Receipt Number
BG	Bank Guarantee
BOQ	Bill of Quantity
CA	Compensatory Afforestation
CAMPA	Compensatory Afforestation Management and Planning Authority
CBIC	Central Board of Indirect Taxes & Customs
CBS	Core Banking Solution
CCF	Chief Conservator of Forest
CF	Conservator of Forest
CGST	Central Goods and Services Tax
CPWD	Central Public Works Department
CRM	Crusher Run Macadam
CTD	Commercial Tax Department
CTR	Consolidated Treasury Receipt
DDO	Drawing and Disbursing Officer
DEC	Deputy Excise Commissioner
DEO	District Excise Officer
DFO	Divisional Forest Officer
DGARM	Directorate General of Analytics and Risk Management
DLP	Defects Liability Period
DMF	District Mineral Foundation
DMO	District Mining Officer
DPE	Divisional Project Engineers
DPR	Detailed Project Report
DRC	Demand and Recovery Forms
DTIC	District Trade and Industries Centre
EC	Environmental Clearance
EDP	Ex-Distillery Price

E-in-C	Engineer in Chief
FCA	Forest Conservation Act
FDC	Forest Development Cess
FP	Forest Produce
GCC	General Conditions of Contract
GD	General Division
GoMP	Government of Madhya Pradesh
GST	Goods and Services Tax
GSTIN	Goods and Services Tax Identification Number
GSTN	Goods and Services Tax Network
GSTR	Goods and Services Tax Return
HOD	Head of Department
HoFF	Head of Forest Force
HSN	Harmonized System of Nomenclature
IAB	Internal Audit Branch
ICEGATE	Indian Customs Electronic commerce Gateway
IFA	Indian Forest Act
IGST	Integrated Goods and Services Tax
ISD	Input Service Distributor
ITC	Input Tax Credit
JPD	Joint Project Director
LOA	Letters of Approval
MI	Mining Inspector
MP	Madhya Pradesh
MoEFCC	Ministry of Environment, Forests & Climate Change
MPFC	Madhya Pradesh Financial Code
MPFFR	Madhya Pradesh Forest Financial Rules
MPFM	Madhya Pradesh Forest Manual
MPPCB	Madhya Pradesh Pollution Control Board
MPSFDC	Madhya Pradesh State Forest Development Corporation
MPTC	Madhya Pradesh Treasury Code
MPWD	Madhya Pradesh Works Department
MRD	Mineral Resources Department
MSME	Micro, Small & Medium Enterprises
MT	Metric Ton
NBC	National Building Code
NIT	Notice Inviting Tender
OIDAR	Online Information Database Access and Retrieval

PAC	Public Accounts Committee
PC	Principal Secretary
P&M	Plant & Machinery
PCC	Plain Cement Concrete
PCCF	Principal Chief Conservator of Forest
PD	Project Director
PD	Production Division
PED	Public Education Department
PHE	Public Health Engineering
POR	Preliminary Offence Report
PS	Principal Secretary
RA	Range Assistant
RCC	Reinforced Cement Concrete
RCM	Reverse Charge Mechanism
RMC	Ready Mix Concrete
RO	Range Officer
RRC	Revenue Recovery Certificate
RTGS	Real Time Gross Settlement
SCN	Show Cause Notice
SDO	Sub Divisional Forest Officer
SFF	Social and Farm Forestry
SGST	State Goods and Services Tax
SoP	Standard Operating Procedures
SOR	Schedule of Rates
SRN	Service Request Number
SSCA	Subject Specific Compliance Audit
SQC	Supervision and Quality Control
TCS	Tax collection at source
TDS	Tax deducted at source
TP	Transit Pass
TS	Technical Sanction
UA	User Agency
UTGST	Union Territory Goods and Services Tax
WP	Working Plan
WPT	Water Proofing Treatment

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