



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

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

**Government of Union Territory of Jammu and Kashmir
Report No. 5 of 2025
(Compliance Audit Report - Revenue and
Public Sector Undertakings)**

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TABLE OF CONTENTS

Contents	Paragraph	Page
Preface		v
Executive Summary		vii-x
CHAPTER-I: OVERVIEW		
Introduction	1.1	1
Profile of the Union Territory of Jammu and Kashmir	1.2	1-3
Authority for Audit	1.3	3-4
Planning and conduct of Audit	1.4	4
Lack of response of Government to Audit	1.5	4-6
Response of Departments to Draft Audit Paragraphs and Detailed Compliance Audit Paragraphs	1.6	6
Follow-up on Audit Reports	1.7	6-7
CHAPTER-II: COMPLIANCE AUDIT (REVENUE RECEIPTS)		
Finance Department (State Taxes Department)		
Department's Oversight on GST Payments and Returns Filing	2.1	9-39
CHAPTER-III: FUNCTIONING OF PUBLIC SECTOR UNDERTAKINGS		
Definition of Government Company	3.1	41
Mandate of Audit	3.2	41
PSUs in Jammu and Kashmir	3.3	41-42
Investment in PSUs and Budgetary support	3.4	42-43
Oversight Role of CAG	3.5	43-44
Submission of accounts by PSUs	3.6	44-45
CAG's oversight - Audit of accounts and supplementary audit	3.7	46
Result of CAG's oversight role	3.8	46-47
Recommendations	3.9	47
CHAPTER-IV: COMPLIANCE AUDIT (PUBLIC SECTOR UNDERTAKINGS)		
Finance Department (Jammu and Kashmir Bank Limited)		
Implementation of Interest Subvention Scheme under Business Revival Package 2020 in Jammu and Kashmir	4.1	49-52
Doubtful recovery of ₹ 104.51 crore	4.2	53-55

Contents	Paragraph	Page
Wasteful expenditure in creation of Jammu and Kashmir Asset Reconstruction Limited	4.3	55-56
Industries and Commerce Department (Jammu and Kashmir IT Infrastructure Development Private Limited)		
Parking of surplus funds and loss of interest of ₹ 2.65 crore	4.4	56-58
Power Development Department (Jammu and Kashmir State Power Development Corporation)		
Avoidable interest payment of ₹ 6.88 crore	4.5	58-59
Public Works Department (Jammu and Kashmir Projects Construction Corporation)		
Avoidable interest payment of ₹ 0.32 crore	4.6	60-61
APPENDICES		
Appendix No.	Description	Page
Appendix 2.1.1	[A] Detail of samples selected for 'Circle Audit' [B]-Detail of samples selected for 'Centralised/ Limited Audit' [C]-Detail of samples selected for 'Detailed Audit'	63-70
Appendix 2.1.2	Summary of pan J&K sampled data analysis	71-72
Appendix 2.1.3	Summary of pan J&K sampled data analysis mismatch turnover	73
Appendix 2.1.4	Summary of deficiencies (Tax liability/ ITC)	74-75
Appendix 2.1.5	Summary of deficiencies Mismatch turnover	76
Appendix 2.1.6	Category wise details of cases (I to VIII)	77-89
Appendix 2.1.7	Top case for each dimension of Limited audit	90
Appendix 2.1.8	Non-payment of interest by taxpayers	91
Appendix 2.1.9	Non-payment of late fee by taxpayers	92
Appendix 2.1.10	Data entry errors or technical glitches	93
Appendix 2.1.11	ITC mismatch between GSTR-2A and GSTR-3B/ GSTR-9	94
Appendix 2.1.12	Non/ short-Reversal of ITC as per Rule 42/ 43 of JK GST Act 2017	95
Appendix 2.1.13	Mismatch between ITC as per supplier's details GSTR2-A and Table 8A of GSTR-9	96

Appendix No.	Description	Page
Appendix 2.1.14	Un-reconciled ITC after adjustment	97
Appendix 2.1.15	Un-discharged tax liability on comparing greater of the tax liability of GSTR-1, GSTR-9 with reference to Tax payment in GSTR-9/ 3B	98
Appendix 3.3.1	Detail of PSUs in Jammu and Kashmir under the Audit jurisdiction of CAG	99-100
Appendix 3.3.2	Statement showing position of equity and outstanding loans relating to PSUs	101-105
Appendix 3.3.3	Statement showing position of GoJ&K investment in working PSUs, accounts of which are in arrears.	106-107

PREFACE

This Report of Comptroller and Auditor General of India for the period ended March 2022 has been prepared for submission to Lieutenant Governor of Jammu and Kashmir under Section 72 of the Jammu and Kashmir Reorganisation Act, 2019 for laying in the Legislative Assembly.

This Report contains Four Chapters. Chapter-I gives brief information regarding revenue receipts of the Government of Union Territory of Jammu and Kashmir. Chapter-II contains the significant audit findings noticed during compliance audit on revenue receipts. Chapter-III gives brief information regarding functioning of Public Sector Undertakings. Chapter-IV present significant audit findings noticed during compliance audit of Public Sector Undertakings.

The instances mentioned in this Report are those which came to the notice in the course of test audit during 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

About the Report

This Report covers matters arising out of the Compliance Audit on the Revenue Receipts of the Union Territory (UT) Government and their Public Sector Undertakings (PSUs). The primary purpose of this Report is to bring to the notice of the Legislature the important results of audit.

The Report has been organised in four chapters as under:

Chapter I: Overview

This Chapter contains brief profile of the UT Government with receipts/ expenditure for the year 2021-22, the authority for audit, audit jurisdiction, planning and conduct of audit, response of the Government to various audit products namely Inspection Reports, audit observations/ paragraphs and follow up action on the Audit Reports.

Chapter-II: Compliance Audit (Revenue Receipts)

This chapter covers Subject Specific Compliance Audit on 'Department's Oversight on GST Payments and Returns Filing'. The key findings are as follows:

There was delay of more than five years in issue of Standard Operating Procedure (SOP) for Scrutiny of Returns for the years 2017-18 and 2018-19 which resulted in minimal scrutiny of returns conducted. Special Investigation Unit (SIU) which was responsible for providing of inputs for scrutiny and necessary action taken by State Taxes Officer (STO) was constituted in 2022-23. The intelligence inputs supposed to be forwarded to the concerned jurisdictional authorities from 2017-18 to 2020-21 were left out which might have resulted in chances of non-detection of unrealised revenue. Due to minimal/ non-scrutiny of monthly and annual returns like GSTR 3B and GSTR-9 cases of mismatch of turnover, taxable turnover, tax paid, ITC availed, due to figures reflected in returns and books of account having implication of revenue loss remain unnoticed.

Further cases of non-initiating of action against non-filers, non-cancellation of registration certificates of return defaulter dealers, non-payment of interest for late payment of tax, non-levy of late fee for delay in filing of returns, cases of un-discharged tax liability and cases in which action was initiated but not completed were also noticed.

Differences were noticed in the MIS report (MIS COMP 01) containing details of non-filers and the information provided by the STOs. Further, there were differences between the MIS reports and information provided by the STOs regarding cases of GSTR-3A and ASMT-13 issued and withdrawn.

Administrative passivity resulted in late issuance of SOP for scrutiny of returns and constitution of internal audit wing. Despite several reminders/ requests, the following records of the taxpayers pertaining to the Circle audit were not produced to Audit:

- (i) Red flag reports received from GSTN and shared with Circle authorities.
- (ii) Year wise scrutiny details in UT under GST.

Recommendations:

The Department may:

- ***ensure effective scrutiny of cases based on risk analysis; and***
- ***consider fixing year-wise targets to pursue inconsistencies and deviations pointed out by Audit.***

Chapter-III: Functioning of Public Sector Undertakings

As on 31 March 2022, there were 42 PSUs in Jammu & Kashmir under the audit jurisdiction of the CAG. These include 39 Government Companies (including six inactive Government Companies), two Statutory Corporations and one Government Controlled Other Company. One PSU (Jammu & Kashmir Bank Limited) is listed on the stock exchange. There are six inactive PSUs (including four under liquidation) having investment of ₹ 57.57 crore towards capital (GoJ&K: ₹ 56.59 crore and Others: ₹ 0.98 crore) and long term loans ₹ 0.83 crore (GoJ&K: ₹ 0.83 crore and Others: Nil).

(Paragraph: 3.3)

As of 31 March 2022, there were 40 Companies under the purview of CAG's audit. Of these, accounts for the year 2021-22 were due from 34 Government Companies. However, only three Government Companies submitted their accounts for the financial year 2021-22 for audit by CAG on or before 30 September 2022. The accounts of Jammu & Kashmir Road Transport Corporation and Jammu & Kashmir Financial Corporation for the years 2019-20 to 2021-22 were awaited as on 30 September 2022.

(Paragraph: 3.6)

Chapter-IV: Compliance Audit (Public Sector Undertakings)

This chapter covers six Compliance Audit paragraphs.

(i) Implementation of Interest Subvention Scheme under Business Revival Package 2020 in Jammu and Kashmir

Government of Jammu and Kashmir (GoJ&K), approved (October 2020) scheme of interest subvention of five *per cent* for all borrowers excluding borrowers under

Kissan Credit Card (KCC), Artisans Credit Card (ACC), loan against deposits, loans under personal segments and Non-Banking Financial Corporation (NBFC) for a period of six months w.e.f. 01 April 2020.

It was noticed that the un-utilised amount of ₹ 85.75 crore remained locked up with Union Territory Level Banker's Committee for 341 days though as per the terms and conditions of the sanction, the funds were to be credited immediately to eligible beneficiaries.

Ineligible benefit of interest subvention of ₹ 59.21 crore was extended to 39,136 accounts. Benefit of interest subvention of ₹ 1.91 lakh was granted to 10 KCC accounts which were not to be covered under the scheme. JKBL also provided the benefit of interest subvention of ₹ 1.07 lakh to 22 accounts under personal segment.

(Paragraph: 4.1)

(ii) Doubtful recovery of ₹ 104.51 crore

Sanctioning of credit facilities by Jammu and Kashmir Bank Limited in favour of M/s Zenica Cars India Pvt. Limited without obtaining adequate collateral securities coupled with non-fulfillment of pre-disbursement conditions and poor monitoring of account led to doubtful recovery of ₹ 104.51 crore.

(Paragraph: 4.2)

(iii) Wasteful expenditure in creation of Jammu and Kashmir Asset Reconstruction Limited

Failure of Jammu and Kashmir Bank Limited and GoJ&K in making the Jammu and Kashmir Asset Reconstruction Limited operational resulted in wasteful expenditure of ₹ 82.18 lakh.

(Paragraph: 4.3)

(iv) Parking of surplus funds and loss of interest of ₹ 2.65 crore

Parking of surplus funds in violation of the Board's directives resulted in loss of interest of ₹ 2.65 crore to Jammu and Kashmir IT Infrastructure Development Private Limited (Company).

(Paragraph: 4.4)

(v) Avoidable interest payment of ₹ 6.88 crore

Non-depositing of advance tax on taxable income during the financial years 2015-16, 2017-18 and 2019-20 by Jammu and Kashmir State Power Development Corporation

Limited as per the provisions of the Income Tax Act, 1961 resulted in avoidable interest payment of ₹ 6.88 crore.

(Paragraph: 4.5)

(vi) Avoidable interest payment of ₹ 0.32 crore

Failure of Jammu and Kashmir Projects Construction Corporation Limited to deposit advance tax on taxable income on due dates for the Financial Year 2017-18 in accordance with the provisions of Income Tax Act, 1961 resulted in avoidable interest of ₹ 0.32 crore.

(Paragraph: 4.6)

CHAPTER-I
OVERVIEW

CHAPTER-I

OVERVIEW

1.1 Introduction

This Report covers matters arising out of the Compliance Audit on the Revenue Receipts of the Union Territory (UT) Government and their Public Sector Undertakings (PSUs). The primary purpose of this Report is to bring to the notice of the Legislature the important results of audit. Findings of audit are expected to enable the Executive to take corrective action as also to frame policies and directives that will lead to improved financial management of the organisations contributing to better governance.

The Report has been organised in four chapters as under:

- **Chapter I** contains a brief profile of the UT Government with the receipt/ expenditure for the year 2021-22, the authority for audit, audit jurisdiction, planning and conduct of audit, response of the Government to various audit products namely Inspection Reports, audit observations/ paragraphs and follow-up action on audit reports.
- **Chapter II** contains observations of the Subject Specific Compliance Audit on ‘Department’s Oversight on GST Payments and Returns Filing’.
- **Chapter III** contains a brief profile of investments made in PSUs, audit mandate of PSUs and oversight role of the Comptroller and Auditor General of India.
- **Chapter IV** contains audit observations relating to Compliance Audit of Public Sector Undertakings of UT Government.

1.2 Profile of the Union Territory of Jammu and Kashmir

The Union Territory of Jammu and Kashmir is constituted of 20 Districts. The projected population of Union Territory of Jammu and Kashmir for the year 2022 was 1.35 crore. Kashmiri, Dogri, Hindi, Urdu and English are major languages of UT. GSDP of UT of Jammu and Kashmir during 2021-22 was ₹ 1,95,118 crore.

The overall position of receipts and expenditure of the UT Government during the year 2021-22 is given below in **Table 1.1**.

Table 1.1: Overall receipts and expenditure during the year 2021-22

Sl. No	Components	Amounts (₹ in crore)
1	Own Tax Revenue	11,707
2	Own Non-Tax Revenue	4,840
3	Share of Union taxes/ duties	0
4	Grants-in-aid and Contributions	42,691
5	Additional Resource Mobilisation	0
6	Revenue Receipts (1+2+3+4+5)	59,238
7	Recovery of Loans and Advances	1
8	Other Receipts	0
9	Borrowings and other Liabilities	11,151 [#]
10	Capital Receipts (7+8+9)	11,152
11	Total Receipts (6+10)	70,390
12	Revenue Expenditure, of which	59,269
13	Interest payments	7,360
14	Capital Expenditure	11,121
15	Capital outlay	11,047
16	Loan and Advances	74
17	Appropriation to Contingency Fund	0
18	Total Expenditure (12+14+17)	70,390

Source: Budget 2021-22 and Finance Accounts 2021-22

Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance. Public Debt receipts includes ₹ 3,845.49 crore as back-to-back loans from GoI in lieu of GST Compensation shortfall.

The break-up of the various components of tax and non-tax revenues raised by the Union Territory (UT) of Jammu and Kashmir during the year 2021-22, the UT share of net proceeds of divisible Union taxes and duties assigned to the UT and Grant-in-aid received from the GoI during the year are depicted in **Table 1.2**

Table 1.2: Components of revenue receipts

Sl. No.	Particulars	(₹ in crore) 2021-22
1.	Revenue raised by the UT Government	
	Tax revenue, of which	11,707.28
	Taxes on Sales, Trade etc. including GST	8,300.62
	Taxes on Goods and Passengers	5.73
	State Excise	1,782.79
	Taxes and Duties on Electricity	376.60
	Stamps Duty and Registration Fees	512.02
	Taxes on Vehicles	616.24
	Land Revenue	113.28
	Non-tax revenue, of which	4,840.45
	Power	2,715.75
	Forestry and Wildlife	201.23
	Police	68.68
	Non-ferrous, Mining and Metallurgical Industries	128.78
	Water Supply and Sanitation	111.88
	Public Works	29.62

Sl. No.	Particulars	2021-22
	Medical and Public Health	30.99
	Interest Receipts	16.54
	Other Non-tax Receipts	1,536.98
	Total	16,547.73
2.	Receipts from the Government of India	
	Share of net proceeds of divisible Union taxes and duties	-
	Grants-in-aid	42,690.77
	Total	42,690.77
3.	Total revenue receipts of the State/ UT Government (Total of 1 and 2)	59,238.50
4.	Revenue raised by UT Government as a percentage of total revenue	27.93 %

(Source: UT's Finance Accounts 2021-22)

During the year 2021-22, the revenue raised by the UT Government (₹ 16,547.73 crore) was 27.93 per cent of the total revenue receipts. The balance 72.07 per cent was received from the Government of India (GoI) as Grants-in-aid.

Goods and Services Tax (GST) compensation is the revenue of the UT Government under GST (Compensation to States) Act, 2017. However, in addition to receiving the GST compensation of ₹ 892.56 crore as revenue receipts during the year 2021-22, the UT Government also received an amount of ₹ 3,845.49 crore as back-to-back loan from GoI in lieu of GST compensation shortfall under debt receipts of the UT Government, with no repayment liability for the Union Territory.

During the year 2021-22, the share of Capital Expenditure was 15.69 per cent, Revenue Expenditure was 84.20 per cent and Loans and Advances was 0.10 per cent of total expenditure. The combined share of Social Services (₹ 23,655.75 crore) and Economic Services (₹ 16,361.73 crore) which represented Development Expenditure was 56.85 per cent of total expenditure during 2021-22, and 43.04 per cent of total expenditure was incurred on General Services (₹ 30,298.89 crore).

1.3 Authority for Audit

Authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the CAG's (Duties, Powers & Conditions of Service) Act, 1971 (DPC Act). CAG conducts audit of expenditure of State Government Departments under Section¹ 13 of the DPC Act. In addition, CAG also conducts audit of other Autonomous Bodies which are substantially financed by the Government under Section² 14 of DPC Act. Section 16 of the DPC Act authorises CAG to audit all receipts (both revenue and capital) of the Government of India and of Government of each State and of each Union Territory having a Legislative Assembly. Principles and

¹ Audit of (i) all expenditure from the Consolidated Fund of State, (ii) all transactions relating to Contingency Funds and Public Accounts and (iii) all trading, manufacturing, profit & loss accounts, balance-sheets and other subsidiary accounts.

² Several non-Commercial Autonomous/ Semi-Autonomous Bodies, established to implement Schemes for employment generation, poverty alleviation, spread of literacy, health for all and prevention of diseases, environment, etc., and substantially financed by the Government, are audited under Section 14.

methodologies for various audits are prescribed in the Regulations on Audit and Accounts (Amendments), 2020 and Auditing Standards issued by the Indian Audit and Accounts Department.

1.4 Planning and conduct of Audit

Compliance Audits are conducted as per the Annual Audit Plan (AAP). Units for Compliance Audit are selected on the basis of risk assessment of the Apex units, Audit Units and Implementing Units.

In revenue sector, the auditable entities under various Departments are categorised into high, medium and low risk units according to their revenue position, past trends of the audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter-alia* include critical issues in Government Revenues and Tax administration. During the year 2021-22, there were 148 auditable units (State Taxes: 86; State Excise: 40; Motor Vehicles: 22; Law and Registration³) out of which 30 units were planned for audit and were audited.

Inspection Reports are issued to the heads of auditee units after completion of audit. Based on replies received, audit observations are either settled or further action for compliance is advised. Important audit findings are processed further as individual observations/ paragraphs for inclusion in the Audit Report. Detailed Compliance Audit paragraphs are prepared on issues of significance, selection of issues are done following the analogy explained above.

Formal replies furnished by Departments are carefully considered while finalising the materials for inclusion in the Audit Report. Audit Reports are laid before the State Legislature under Article 151 of the Constitution of India.

1.5 Lack of response of Government to Audit

Principal Accountant General (Audit), Jammu and Kashmir, conducts audit of Government Departments to check for compliance to rules and regulations in transactions and to verify the regularity in maintenance of important accounting and other records as per the prescribed rules and procedures. After these audits, Inspection Reports (IRs) are issued to the Heads of Offices inspected with copies to the next higher authorities. Important irregularities and other points detected during inspection,

³ In Jammu and Kashmir registration of documents and properties was done by the Judicial Officers under the Jammu and Kashmir Registration Act 1977 BK. Upon reorganization of the erstwhile State of Jammu and Kashmir into two Union Territories in terms of the Jammu and Kashmir Reorganization Act, 2019, Jammu and Kashmir Registration Act 1977 BK was repealed and the Registration Act, 1908 made applicable for registration of immovable properties and various types of deeds and documents. Department of Registration under the administrative control of Revenue Department was created as an independent and exclusive Department vide Government order No: 117-Rev (S) of 2019, dated 24th of October, 2019. The creation of cycle of units of Department of Registration has not been initiated yet. Accordingly, figure of auditable units, units planned and units audited of Department of Registration is not included in 148 auditable units. However, the position of IRs/ paragraphs relating to revenue stands included in Table 1.3 (additions during the year 2021-22).

find place in Inspection Reports. Serious irregularities are brought to the notice of the Government by the Office of the PAG.

As per the Regulations on Audit and Accounts (Amendments), 2020, the Officer in-charge of the auditee entity shall send the reply to an Inspection Report (IR) within four weeks of its receipt. On intimation by the PAG of any major irregularity⁴, the Government shall undertake *prima facie* verification of facts and send a preliminary report to the PAG confirming or denying facts within three weeks of receipt of intimation. Where the fact of major irregularity is not denied by the Government in the preliminary report, the Government shall further send a detailed report to PAG within two months of preliminary report indicating the remedial action taken to prevent recurrence and action taken against those responsible for the lapse.

For speedy settlement of audit observations/ Inspection Reports (IRs), the Jammu and Kashmir Budget manual provides for prompt response by the Executive to IRs issued by the Principal Accountant General (Audit) to ensure remedial/ rectification action. The auditee offices and their controlling Administrative Departments are required to comply with the observations contained in the IRs and rectify the defects and report their compliance to the Principal Accountant General (Audit).

The summarised position of the Inspection Reports of various departments as on 31 March 2022 are given in **Table 1.3**.

Table 1.3: Position of outstanding IRs and paragraphs as on 31 March 2022

Name of Sector	Opening Balance (01 April 2021)		Additions during the year 2021-22		Settled during the year 2021-22		Closing Balance (31 March 2022)	
	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs	No. of Inspection Reports	No. of Paragraphs
Revenue Sector	965	5,070	42 ⁵	257 ⁶	19 ⁷	303 ⁸	988	5,024

The pendency of large number of paragraphs indicates lack of adequate response of the Government Departments to Audit. The Government may look into this matter and revamp the system to ensure proper response to the audit observations from the Departments in a time-bound manner.

Four Audit Committee Meetings (ACMs) were held for Revenue Sector settling four Inspection Reports and 35 outstanding paragraphs with a money value of ₹ 7.90 crore.

It is recommended that Government should ensure that a procedure is put in place for (i) prompt replies to IRs/ paragraphs as per the prescribed time schedule, (ii) recovery

⁴ Major irregularity means (a) an instance of suspected material fraud or collusion or corruption coming to notice in audit, or (b) an irregularity of serious nature involving public funds, particularly that relating to mismanagement, loss, waste, nugatory expenditure or loss of revenue, serious breakdown/ violation of internal controls etc.

⁵ State Taxes: 13; State excise: 11; Motor Vehicle: 16; Registration: 02

⁶ State Taxes: 92; State excise: 31; Motor Vehicle: 132; Registration: 02

⁷ State Taxes: 05; State excise: 13; Motor Vehicle: 01

⁸ State Taxes: 175; State excise: 65; Motor Vehicle: 63

of losses/ outstanding advances/ overpayments, *etc.*, in a time-bound manner and (iii) holding at least one meeting of each Audit Committee every quarter.

1.6 Response of Departments to Draft Audit Paragraphs and Detailed Compliance Audit Paragraphs

Regulations on Audit and Accounts (Amendments), 2020 stipulate that responses to Draft Audit Paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India should be sent within six weeks⁹.

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/ activities as well as on the quality of internal controls in selected departments adversely impacting the success of programmes and functioning of the departments. The focus was on auditing specific programmes/ schemes in order to offer suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens.

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General (Audit) to the Principal Secretaries/ Secretaries of the Department concerned drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the Departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report. One compliance paragraph (Revenue sector) and six compliance paragraphs (Public Sector Enterprises) to be included in the Report of the Comptroller and Auditor General of India on Revenue Sector and PSEs for the year ended 31 March 2022 were sent to the Principal Secretaries/ Secretaries of the respective Departments. Out of these, the replies of Government of all these compliance paragraphs were awaited (May 2025).

1.7 Follow-up on Audit Reports

The follow-up on Audit Reports have been found to be inadequate as discussed below:

A. Non-submission of *suo-moto* Action Taken Notes

The erstwhile State Government (Finance Department) had issued instructions in June 1997 to all the Administrative Departments to furnish *suo-moto* Action Taken Notes (ATNs) on all the audit paragraphs featuring in the Audit Reports to the Public Accounts Committee (PAC) irrespective of whether they were taken up for discussion by the Committee or not. These ATNs are to be submitted to the Committee duly vetted by the Principal Accountant General (Audit) within a period of three months from the date of presentation of Audit Reports in the State Legislature.

⁹ State Government's Finance (Budget) Department, in its order dated June 1982, however, directed all the Departments to submit their responses to proposed Draft Paragraphs within one month

It was, however, noticed that out of 143 audit paragraphs related to Revenue Sector included in Audit Reports from 2000-01 to 2020-21, *suo-moto* ATNs in respect of 126 audit paragraphs had not been received up to 31 March 2025.

Similarly, it was, noticed that out of 104 audit paragraphs related to Public Sector Enterprises included in Audit Reports from 2000-01 to 2020-21, *suo-moto* ATNs in respect of 37 audit paragraphs had not been received up to 31 March 2025. The year-wise breakup is given in **Table 1.4**.

Table 1.4: Year-wise breakup of for which ATNs had not been received

Sl. No.	Year of Audit Report	Number of Paragraphs
1	2004-05	1
2	2005-06	1
3	2008-09	2
4	2011-12	1
5	2012-13	1
6	2015-16	4
7	2016-17	7
8	2017-18	8
9	2018-19	5
10	2019-20	1
11	2020-21	6
Total		37

B. Action taken on recommendations of the PAC/ COPU

Action Taken Notes, duly vetted by the Principal Accountant General (Audit) on the observations/ recommendations made by the PAC/ COPU in respect of the audit paragraphs discussed by them are to be furnished to the Committees within six months from the date of such observations/ recommendations.

Out of 143 audit paragraphs featuring in the Revenue Sector of Audit Reports for the years from 2000-01 to 2020-21, only 17 audit paragraphs have been discussed by the PAC up to 31 March 2025. Recommendations in respect of 17 audit paragraphs were made by the PAC, however, ATNs on the recommendations of the Committee is pending from the UT Government in respect of 13 audit paragraphs.

Similarly, out of 104 audit paragraphs featuring in the Audit Reports of Public Sector Enterprises for the years from 2000-01 to 2020-21, only 67 audit paragraphs have been discussed by the Committee on Public Undertakings (COPU) up to 31 March 2025. Recommendations in respect of 66 audit paragraphs were made by the COPU, however, ATNs on the recommendations of the Committee is pending from the UT Government in respect of 50 audit paragraphs.

CHAPTER-II
COMPLIANCE AUDIT
(REVENUE RECEIPTS)

CHAPTER-II

COMPLIANCE AUDIT (REVENUE RECEIPTS)

Finance Department (State Taxes Department)

2.1 Department's Oversight on GST Payments and Returns Filing

2.1.1 Introduction

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 08 July 2017 in J&K, is a destination-based consumption tax on the supply of goods or services or both levied on every stage of value addition. The Centre and States simultaneously levy GST on a common tax base. Central GST (CGST) and State GST (J&K GST)/ Union Territory GST (UTGST) are levied on intra-State supplies, and Integrated GST (IGST) is levied on inter-state supplies.

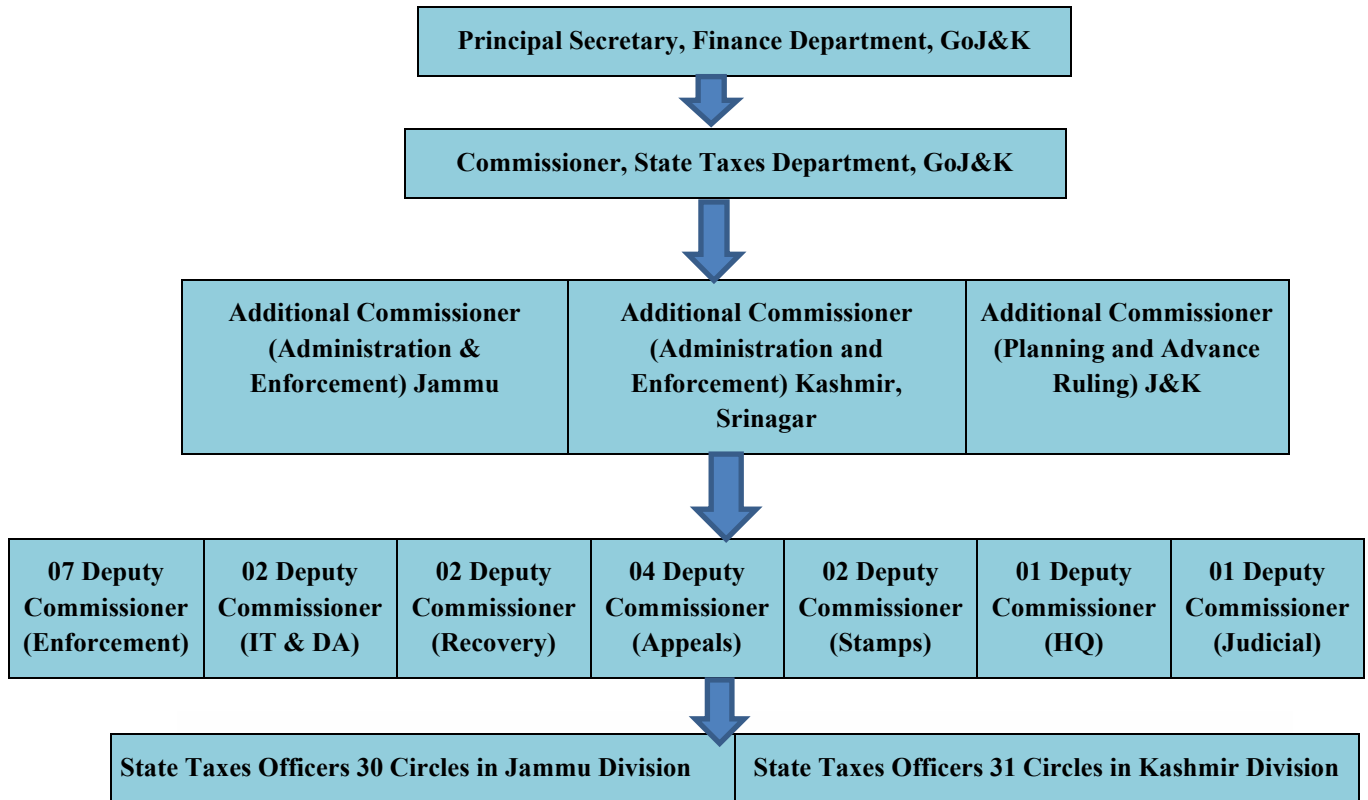
Section 59 of the J&K GST Act 2017 stipulates GST as a self-assessment based tax, whereby the responsibility for calculating tax liability, discharging the computed tax liability and filing returns is vested with the taxpayer. The GST returns must be filed online regularly on the common GST portal, failing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

This Subject Specific Compliance Audit (SSCA) was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Jammu and Kashmir State Taxes Department (STD).

2.1.2 Organisational Setup

The Organisational Setup of Government of Jammu and Kashmir (GoJ&K) Taxes Department is shown in the **Chart 2.1.1**. The Department works under administrative control of the Finance Department and is headed by Commissioner, State Taxes.

Chart: 2.1.1 Organisational Setup



2.1.3 Audit Objectives

This audit was oriented towards providing assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with respect to tax compliance under GST regime. Audit of ‘Department’s Oversight on GST Payments and Return Filing’ was taken up with the following audit objectives to seek an assurance on:

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

2.1.4 Audit Methodology and Scope

This SSCA was predominantly conducted based on data analysis, which highlighted risk areas and red flags pertaining to the period July 2017 to March 2018 in case of Limited Audit and Detailed Audit and from July 2017 to March 2021 in respect of Circle Audit (Departmental Field Formation). Through data analysis, a set of 12 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 State Tax Officers (STOs)/ Circles.

The **centralised audit (Limited Audit)** was supplemented by a detailed audit involving field visits for verification of records available with the jurisdictional field formations/ Circles. Returns and related attachments and information were accessed through the 'SSOID' application of the STD to examine data/ documents relating to taxpayers (viz. registration, tax payment, returns and other departmental functions). Compliance functions of the departmental formation such as scrutiny of returns, were also reviewed in selected circles.

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

Entry conference of this SSCA was held on 16 December 2021 with Commissioner STD in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 21 July 2023 with Commissioner STD in which the audit findings were discussed.

2.1.5. Sampling

A data-driven approach was adopted for planning, as also to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for Limited 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. Besides, a sample of Circles was also selected for evaluating the compliance functions of the Circles.

There are three distinct parts of this SSCA as under:

(i) Part I-Audit of Circles

Four circles with jurisdiction over more than one selected sample case for Detailed Audit were considered as the sample of Circles for evaluation of their oversight functions.

(ii) Part II-Centralised Audit (Limited Audit)

The sample for Limited audit was selected by identification of high-value or high-risk deviations from rules and inconsistencies between returns through data analysis for

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

evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. Accordingly, 381 taxpayers were selected for Limited Audit.

(iii) Part III-Detailed Audit

It was conducted by accessing taxpayers’ records through Circles for evaluation of the extent of tax compliance by taxpayers. The sample of taxpayers for Detailed Audit was selected on the basis of risk parameters such as Excess ITC, Tax Liability mismatch, Disproportionate exempted turnover to total turnover and Irregular ITC reversal. The 60 taxpayers selected for Detailed Audit comprised² of large, medium and small strata taxpayers as well as taxpayers selected randomly. The details of sample for Centralised/ limited audit, detailed audit and audit of Circles selected for this SSCA are brought out in *Appendix 2.1.1*.

2.1.6. Audit criteria

The source of audit criteria comprised the provisions contained in the CGST/ J&K GST Act, IGST Act, and Rules made there under. The significant provisions are given in **Table 2.1.1**.

Table 2.1.1: Source of criteria

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

In addition, the notifications and circulars issued by Central Board of Indirect Taxes and Customs (CBIC)/ STD relating to filing of returns, notifying the effective dates of filing of various returns, extending due dates for filing returns, rates of tax on goods and services, payment of tax, availing and utilising ITC, scrutiny of returns and oversight of tax compliance and Standard Operating Procedures (SOP) containing instructions to departmental officers on various aspects related to filing returns, scrutiny

² Sample comprising 36 large taxpayers, 18 medium taxpayers and 6 small taxpayers.

of returns, cancellation of registrations and verification of Director General of Analytics and Risk Management (DGARM) reports etc. also formed part of the audit criteria.

2.1.7. Audit Findings

Audit findings have been categorised into the following three categories: -

- Oversight on returns filing-Audit of Circles
- Limited Audit
- Detailed Audit

2.1.7.1 Oversight on returns filing- Audit of Circles

SSCA on Circle was conducted for the period 2017-18 to 2020-21 covering records of four STD Offices Circle-Baramulla-1, Circle-E Jammu, Circle-I Jammu, and Circle-L Jammu. The five parameters against which records were checked namely, Scrutiny of records, non-filers, cancellation of registrations, DGARM reports and Internal Audit. Audit universe and sample selected are given in **Table 2.1.2**

Table 2.1.2: Records of sample selection Circles

SI. No	Year	Audit Universe		Sample Selection	
		No. of STD Circles	No. of Registered Taxpayers	No. of STD Circles selected	No. of Registered Taxpayers
1	2017-18	61	81,462	04	6,553
2	2018-19	61	1,01,659	04	7,285
3	2019-20	61	1,14,970	04	7,313
4	2020-21	61	1,28,345	04	7,806

(Source: Information collected from Commissioner Office and Backend Portal)

2.1.7.2 Systematic issues observed

(I) Non-production of records

Despite several reminders/ requests, the following records of the taxpayers pertaining to the Circle audit were not produced to Audit.

- (i) Red flag reports received from GSTN and shared with Circle authorities.
- (ii) Year-wise scrutiny details in UT under GST.

On this being pointed out (June 2022), the Department did not reply (June 2023).

(II) Absence of mechanism for scrutiny of returns

As per Section 61(1) of the GST Act, 2017, the proper officer may scrutinise the return and related particulars furnished by the registered person to verify the correctness of the return. On being queried (June 2022) about the Guidelines/ Mechanism devised by

STD for scrutiny of returns, the Department replied (April 2023) that, the SOP were devised in December 2022. It was also stated that scrutiny of returns for the year 2017-18 were done as per the risk score assigned by BIFA (Business Intelligence & Fraud Analytics) module of GAIN (GST Analytics and Intelligence Network).

It is thus evident that the SOP was framed, with 65 months delay as GST got introduced in the month of July 2017, for proper scrutiny of taxpayers. As such, the cases were not scrutinised from 2017-18 to 2020-21 based on selection criteria. The reasons for late framing of SOP were not intimated (June 2023).

Further, Red flag reports of taxpayers belonging to the erstwhile State/ UT were received from GSTN in the form of raw data. These were sorted and sent by the Additional Commissioner Tax Planning to the concerned circle authorities for further necessary action. However, no information regarding the raw data received was made available by the STOs of selected circles. Further, Audit observed that Special Investigation Unit (SIU) was created at UT level to work as Business Intelligence Unit (BIU) in September 2022.

Thus, SIU which was responsible for providing of inputs for scrutiny and necessary action taken by STO was constituted in 2022-23. The intelligence inputs supposed to be forwarded to the concerned jurisdictional authorities from 2017-18 to 2020-21 were left out which might have resulted in chances of non-detection of unrealised revenue.

2.1.7.3 Compliance Issues

(I) Slow Pace of Scrutiny of Returns cases

Section 61 of the J&K GST Act 2017 stipulates that the proper officer may scrutinise the return and related particulars furnished by the taxpayers to verify the correctness of the returns and information. Under Rule 99 of J&K GST Rules 2017, discrepancies noticed, if any, be communicated to the taxpayer for seeking their explanation in form ASMT-10. If the explanation offered, by the tax payer in form ASMT-11, is found acceptable by the proper officer the proceeding shall be dropped, the taxpayer shall be informed accordingly in form ASMT-12, and no further action in the matter shall be taken. However, if the taxpayer does not furnish a satisfactory explanation or does not take any corrective action within the 30 days of being informed, the proper officer may initiate appropriate action, including the issue of demand notices in form DRC-01 under Section 73 or Section 74 of the Act.

Further, as per Section 61 of the J&K GST Act, where no satisfactory explanation is received within 30 days, or the accepted discrepancies are not rectified, the STO may proceed to determine tax under Section 73 or 74 of the Act or refer the matter to Internal Audit Party (IAP), Special Audit or Anti-Evasion.

Details of cases scrutinised during the financial years 2017-18, 2018-19, 2019-20, and 2020-21 in the sample selected State Taxes Circles is shown in the **Table 2.1.3**.

Table 2.1.3: Number of Returns Scrutinised

Sampled Circle	Baramulla	Circle E	Circle I	Circle L
Year	As per STO	As per STO	As per STO	As per STO
2017-18	0	0	0	0
2018-19	0	0	0	0
2019-20	5	0	8	0
2020-21	0	0	0	0
Total	5	0	8	0

(Source: information furnished by STOs)

The following deficiencies were noticed:

- All the STOs stated (April 2023) that the SOP on scrutiny of returns were issued in December 2022. No reasons for late framing of SOP were given.
- As per STO Circle Baramulla-I's information, one taxpayer had admitted and paid the tax liability of ₹ 0.04 lakh. It was also noticed that the due process was not completed in remaining cases.
- Audit observed that the STOs had not initiated any action against tax payers by proceeding to determine tax under Section 73 or 74 of the Act or referred the matter to IAP, Special Audit or Anti-Evasion, where no satisfactory explanation was received within 30 days, or who had not rectified the accepted discrepancies

Further the STOs of Circle-E Jammu, Circle-L Jammu and Circle-I Jammu replied that 22, 22 and 5 cases respectively recommended for the year 2017-18 under Section 61 of J&K GST after issuance of SOP are under process. Baramulla-I did not provide the relevant information.

Overall number of cases being scrutinised by the STOs/ Department are few despite of lapse of six years from the date of implementation of GST.

Recommendation

- ***The Department may ensure higher number of scrutiny of cases based on risk analysis and red flagging of cases.***

(II) Verification of Non-filers

As per Rule 68 of J&K GST Rules, 2017, GSTR-3A has to be issued to the taxpayer, where GST returns has not been filed. If the taxpayer still fails to file the return within 15 days of the receipt of notice, then an assessment order in ASMT-13 under Section 62 of the J&K GST Act read with Rule 100 of the J&K GST Rules has to be issued to determine tax liability of the taxpayers.

(a) Mismatch in data of non-filers

As per information made available (June 2022 to July 2022) by the STOs of selected circles, cases of non-filers of GST returns for years 2017-18 to 2020-21 were ‘Nil’ for Circle-I Baramulla, ‘Nil’ for Circle-E, 453 for Circle-L. For Circle-I, it was ‘Nil’ for year 2017-18 to 2019-20, and 90 for the year 2020-21.

However, examination (June 2022) of MIS report (MIS COMP 01) containing details of non-filers of various GST returns available on the GST backend portal revealed difference in data of non-filers vis-a-vis information provided by the STOs. The details of non-filers of GST returns as per MIS report (non-filers Report) are given in **Table 2.1.4.**

Table 2.1.4: Details of non-filers of GST returns as per MIS Report

Return Forms	GSTR-1	GSTR-3B	GSTR-4	GSTR-9
Circle-I Baramulla	0	0	0	0
Circle E Jammu	1,483	260	487	508
Circle I Jammu	614	133	114	231
Circle L Jammu	2,069	453	598	635
Total	4,166	846	1,199	1,374

(Source: MIS reports from backend portal)

When reasons for mismatch were sought (April 2023), it was stated (April 2023) that the online functionality of non-filer assessment was not available on portal and the same started working from November 2020 only. Further, it was stated that no reports in respect of non-filers were being generated before November 2020.

The reply of the Department does not explain the information mismatch and no reply in this regard was furnished by the Department (June 2023).

(b) Action initiated but assessment not completed

Data available, in respect of notice in GSTR-3A issued but assessment not completed, as per information provided by the STOs (June 2022 to July 2022), and available from MIS report (June 2022) is given in **Table 2.1.5**

Table 2.1.5: Details of cases under Assessment

Sample Particular	Circle E		Circle I		Circle L		Circle-1 Baramulla	
	STO	MIS Report	STO	MIS Report	STO	MIS Report	STO	MIS Report
GSTR-3A Issued	214	44	90	11	00	00	00	NA
ASMT-13 Issued	214	06	06	02	00	00	00	NA
Assessment Completed	26	NA	NA	NA	NA	NA	NA	NA
Demand Issued (₹ in Crore)	1.58	1.03	NA	NA	NA	NA	NA	NA

Sample	Circle E		Circle I		Circle L		Circle-1 Baramulla	
	STO	MIS Report	STO	MIS Report	STO	MIS Report	STO	MIS Report
Recovery Made (₹ in Crore)	00	00	00	00	NA	NA	NA	NA
ASMT-13 Withdrawn	14	02	01	01	NA	NA	NA	NA
Pending Cases	174	NA	84	NA	NA	NA	NA	NA

(Source: information furnished by STOs and MIS report)

Discrepancies between the data provided by the STOs and MIS Report, in cases of GSTR-3A and ASMT-13 issued and withdrawn were noticed. It was seen that no recovery was done in completed cases. Once issued, ASMT-13 should not have been withdrawn, unless the returns are filed within the period of 30 days from the service of assessment order in ASMT-13. Cases were observed where the ASMT-13 is withdrawn, however, system does not reflect reason for withdrawal in such cases. On being pointed out (June 2022), it was stated (April 2023) that the online functionality of non-filer assessment was not available on portal as the same started working from November 2020 only and no reports in this respect were being generated before. Also, the withdrawal of ASMT-13 was allowed by the system itself.

The reply suggests that withdrawal of ASMT-13 is allowed without recording of reason for withdrawal, which suggests that there was lacuna in the system operating in the Department. Moreover, no reasons for the differences pointed out were furnished (June 2023).

The matter was brought (April 2023) to the notice of Additional Commissioner, Tax Policy Planning and Advance Ruling J&K. The reply was awaited (June 2023).

(c) Overview of non-filers and Returns not filed

As per the description of MIS report (Report ID MIS COMP 01³) GSTR-3B non-filers, the report helps to estimate the loss of revenue based on previous year's SGST paid in cash or through ITC of IGST, where GSTR-3B has not been filed.

On examination of these report, Audit observed that 7,219 returns in GSTR-3B were not filed by 846 taxpayers who during previous years had paid tax in cash or through ITC of IGST. The details for the years 2017-18 to 2020-21 is given as per **Table 2.1.6**.

Table 2.1.6: Details of non-filing of return in GSTR-3B

(₹ in lakh)

Sample	Number of non-filers	Number of Returns not filed	Expected SGST
Circle Baramulla-I	0	0	0
Circle E	260	2,175	230.01
Circle I	133	1,214	28.39

³ Based on J&K GST paid by cash and J&K GST paid by IGST for previous years, total average J&K GST paid is calculated.

Sample	Number of non-filers	Number of Returns not filed	Expected SGST
Circle L	453	3,830	155.43
Total	846	7,219	413.83

(Source: GSTR-3B MIS COMP 01 reports from backend portal)

In respect of sampled Circles, the expected SGST was ₹ 413.83 lakh. The STOs did not take any cognizance of the defaulters and no action was initiated.

On being pointed out (June 2022), it was stated (April 2023) that the online functionality of non-filer assessment was not available on portal and the same started working from November 2020 only and no reports in respect of non-filers were being generated before November 2020.

The fact remains that STOs need to ensure issuance of GSTR-3A in case of non-filing of returns and follow it up with necessary actions either resulting in recovery or cancellation of registration with recovery.

(III) Cancellation of registrations

Cancellation of GST registration means that the taxpayer will no longer be a registered person under GST and will not have to pay or collect any GST, claim an input tax credit or file returns. GST registration cancellation is covered under Section 29 of the J&K GST Act and Rules 20 to 22 of the J&K GST Rules.

Following deficiencies were observed by the Audit: -

(a) *Suo-moto/ on-application cancellation of registration*

The information in relation to *suo-moto/ on-application* cancellation of registration provided (June 2022 to July 2022) by the State Taxes Officers (STOs) and information available (June 2022) in MIS Report on GST Backend Portal is depicted in **Table 2.1.7**

Table 2.1.7: Details of Suo-moto and on application cancellation

Particular	Circle I Baramulla		Circle E		Circle I		Circle L	
	STO	MIS REG 1.18	STO	MIS REG 1.18	STO	MIS REG 1.18	STO	MIS REG 1.18
Suo-Moto	882	899	644	507	201	201	598	612
On Application	80	106	206	209	31	31	150	150
Total	962	1,005	850	716	232	232	748	762
Difference	43		134		00		14	

On being enquired (June 2022 to July 2022), no reason for mismatch in data were furnished (June 2023) by STOs.

(b) Due diligence not exercised in cases of suo-moto cancellation of registration.

Rule 22(1) of the J&K GST Rules, 2017 states that in all cases of *suo-moto* cancellation, the STO has to issue a notice in REG-17 requiring the taxpayer to show cause within a period of seven working days as to why the registration shall not be cancelled. Details is depicted in **Table 2.1.8**.

Table 2.1.8: Cases of Cancellation

Particulars	Circle-1 Baramulla	Circle-E Jammu	Circle-I Jammu	Circle-L Jammu	Total
Suo-Moto Cancellation	882	644	201	598	2,325
Issuance of REG-17 SCN	00	11	01	00	12

(Source: information furnished by STOs)

Verification from GST back-end Portal revealed that detailed view of REG-17 was not available. So, in the absence of the details like date of issue, date of receipt of the response from taxpayer etc. related to REG-17, to ascertain whether the due process was followed or not, in all the cancellation cases, was not possible.

In response all, the STOs provided (June 2022 and April 2023) replies which did not pertain to specific query related to viewing of REG-17 information.

(c) Delay in cancellations

As per Rule 22 of the J&K GST Rules, 2017, the cancellation order in REG-19 has to be issued within 30 days from the date of application in case of cancellation on application by taxpayer or date of reply in the form of GST REG-18 to Show cause notice in the form of GST REG-17 in case of *suo-moto* cancellation. Delay in cancellation was noticed in all four sampled circle jurisdictions, the delay from date of application ranged from 01 to 1,076 days, as detailed in **Table 2.1.9**.

Table 2.1.9: Cases of delay in cancellation

Particulars\ Sample	Circle-I Baramulla	Circle-E Jammu	Circle-I Jammu	Circle-L Jammu
Cancellation Cases	1,005	716	232	762
Delayed Cases	232	291	21	87
Range (days)	01 to 307	01 to 497	06 to 495	01 to 1076

(Source: MIS reports from backend portal)

On being pointed out (April 2023), all the circles replied (April 2023) that the delay is caused as the verification of replies is very cumbersome process and delay is not intentional and due care will be taken in future.

(d) Follow-up action on non-filing of GSTR-10

As per Section 45 of the J&K GST Act, 2017, GSTR-10 has to be filed within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. As per the information provided by selected STOs, the details of

GSTR-10 filed and action taken is given in **Table 2.1.10**. The details of GSTR-10 filing status through MIS report was not available during the course of audit.

Table 2.1.10: Details of Action taken against non-filers of Returns

Particulars/ Sample	Circle-I Baramulla	Circle-E Jammu	Circle-I Jammu	Circle-L Jammu
Cancellation Cases	962	850	232	762
GSTR-10 Filed	47	47	09	00
Action Taken against Non-Filers	00	00	00	00

(Source: information furnished by STOs)

As per Rule 68 of J&K GST Rules, 2017, GSTR-3A has to be issued to the taxpayer, where GSTR-10 has not been filed. If the taxpayer still fails to file the final return within 15 days of the receipt of notice, then an assessment order in ASMT-13 under Section 62 of the J&K GST Act read with Rule 100 of the J&K GST Rules shall have to be issued to determine the liability of the taxpayer under sub-section (5) of Section 29 of J&K GST Act. If the taxpayer files the final return within 30 days of the date of service of the order ASMT-13, the said order shall be deemed to have been withdrawn. However, the liability for payment of interest and late fee shall continue. If the said return remains unfurnished within the statutory period of 30 days from the issuance of order ASMT-13, the proper officer may initiate proceedings under Section 78 and recovery under Section 79 of the J&K GST Act.

As per information provided by the sampled circle STOs, no action was taken against non-filers of GSTR-10. The STOs neither issued notice in GSTR-3A nor was any ASMT-13 issued during this period. Thus, no recovery proceedings were initiated by the STO against the defaulters.

STO Circle Baramulla-I replied (June 2022) that proceedings against the dealers wherever applicable have been initiated now. Remaining three Circles' STOs stated (April 2023) that the online functionality of non-filer assessment was not available on portal and the same started working from November 2020 only and no reports in respect of non-filers were being generated before November 2020.

Now as the non-filers report are being generated, efforts to take timely action is required from STOs.

(IV) Compliance to DGARM Reports

With the aim of studying, interpreting and analysing the GST data and sharing the results with various stakeholders, DGARM was formed in July 2017 and it started functioning from June 2018 by generating reports on taxpayers on various risk parameters. The Circle Officer should take action on such reports received by Jurisdictional Executive Commissionerate. After due verification, compliance should be uploaded to the Directorate of Data Management (DDM).

The STOs Circle E, I, & L Jammu informed (June 2022) that they had not received any DGARM reports during 2017-18 to 2020-21 while the STO of Circle Baramulla-I stated (June 2022) that DGARM report for the one dealer had been received during the same period and after verification of same and taking action, the recovery of ₹ 0.66 crore was still pending.

(V) Internal Audit

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

The information regarding the audit undertaken for the financial year 2017-18 was sought (September 2022) from the Department. The Department stated (May 2023) that there was no provision for internal audit by subordinate offices/ ranges. It was further stated that taxpayers were bound to get their accounts audited by Chartered Accountants (CAs). The matter was brought to the notice of Commissioner, STD, J&K for taking up the issue with appropriate authorities. However, Department on suggestion (September 2022) of Audit belatedly constituted (October 2022) the Internal Audit Wing (IAW) which is mandated to conduct audit under Section 65 of J&K GST Act. Thus, the delayed constitution of IAW resulted in non-initiation of internal audit of the taxpayers by the Department during July 2017 to September 2022 and possible delay/ non-detection of revenue evasion and recovery.

Recommendation

- *Year-wise targets under Section 65 of J&K GST Act, 2017, may be fixed to ensure the timely compliance of internal audit along with recovery of pointed out amounts of dues before the time barring of cases.*

2.1.8 Limited Audit

2.1.8.1 Inconsistencies in GST Return

In Limited audit, deviations from rules and inconsistencies in returns filed and evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department was checked.

Audit analysed GST returns data pertaining to 2017-2018 as made available by GSTN. Rule-based deviations, and logical inconsistencies between GST returns filed by

taxpayers were identified on a set of 12 parameters, which can be broadly categorised into two domains - ITC and Tax payments.

Out of the 13 prescribed GST returns⁴, the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/ data:

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

⁴ (i) GSTR-1, (ii) GSTR-3B, (iii) GSTR-4 (taxpayers under the Composition scheme), (iv) GSTR-5 (non-resident taxable person), (v) GSTR-5A (Non-resident OIDAR service providers), (vi) GSTR-6 (Input service distributor), (vii) GSTR-7 (taxpayers deducting TDS), (viii) GSTR-8 (E-commerce operator), (ix) GSTR-9 (Annual Return), (x) GSTR-10 (Final return), (xi) GSTR-11 (person having UIN and claiming a refund), (xii) CMP-08 and (xiii) ITC-04 (Statement to be filed by a principal/ job-worker about details of goods sent to/received from a job-worker).

The pan J&K data analysis pertaining to J&K jurisdiction on the 12 identified parameters and extent of deviations/ inconsistencies observed are summarised in **Appendix 2.1.2 and 2.1.3**. The details of data analysis undertaken is given in **Table 2.1.11 (a) and Table 2.1.11 (b)**.

Table: 2.1.11 (a): Details of Data Analysis undertaken

Sl. No.	Algorithm used	Impact
Domain: ITC		
1.	ITC available as per GSTR-2A with all its amendments was compared with the ITC availed in GSTR-3B in Table 4A (5) (accrued on domestic supplies) excluding the reversals in Table 4B (2) but including the ITC availed in the subsequent year from Table 8C of GSTR-9 and blocked credits.	ITC mismatch between GSTR-2A and GSTR-3B
2.	RCM in GSTR-3B Table 3.1(d) (with proof of tax paid) is compared with ITC availed due to RCM in GSTR-9 Table (6C+6D+6F); OR if GSTR-9 is not available, RCM liability in GSTR-3B Table 3.1 (d) is compared with ITC availed in GSTR-3B Table {4A(2) + 4A(3)}.	Incorrect availing of ITC under RCM
3.	ISD ITC availed in GSTR-9 Table 6G or GSTR-3B Table 4(A)(4) of recipient was compared with the sum of Table 5A, Table 8A, and Table 9A of GSTR-6 of distributor GSTINs	Incorrect availing of ISD credit
Domain: Annual Return and financial statements (FS)		
4.	Negative figure in GSTR-9C Table 9R and examination of reasons provided in Table 10 for mismatch	Mismatch in tax paid between books of accounts and returns
5.	Positive figure in GSTR-9C Table 12F and examination of reasons provided in Table 13 for mismatch	Mismatch of ITC availed between Annual returns and Books of accounts
Domain: Tax and Interest payment		
6.	RCM payments in GSTR-9 Table 4G (tax payable) were compared with ITC availed in GSTR-9 Table 6C, 6D and 6F (ITC availed). In cases where GSTR-9 was not available, RCM payment in GSTR-3B Table 3.1(d) was compared with GSTR-3B 4(A)(2) and 4A(3). Greater of difference in GSTR-9 and GSTR-3B considered where both were available	Short payment of tax under RCM versus ITC availed in GSTR-3B/ GSTR-9
7.	The greater of tax liability between GSTR-1 (Tables 4 to 11), considering advances and amendments, and GSTR-9 (Tables 4N, 10 and 11) was compared with tax paid details in GSTR-3B Tables 3.1(a) and 3.1(b). In cases where GSTR-9 was not available, GSTR-3B tax paid was compared with GSTR-1 liability	Unsettled liabilities
8.	E-commerce GSTR-8 became effective from 1 October 2018 when TCS provisions became effective. GSTINs declared in GSTR-8 who are also filing GSTR-4/CMP-08 under composition scheme.	Composition taxpayers also availing e-commerce facility
9.	Taxpayers who have not filed GSTR-3B but have filed GSTR-1 or where GSTR-2A available, indicating taxpayers carrying on the business without discharging tax	GSTR-3B was not filed but GSTR-1 is available

SI. No.	Algorithm used	Impact
10.	Interest calculated at the rate of 18 <i>per cent</i> on cash portion of tax payment on delayed filing of GSTR-3B vis-à-vis interest declared in GSTR-3B	Short payment of interest

Table 2.1.11 (b): Details of Data Analysis undertaken (Turnover mismatch)

SI. No.	Algorithm used	Impact
1.	Negative figure in GSTR-9C Table 5R and examination of reasons provided in Table 6 for mismatch	Mismatch in taxable turnover declared in GSTR-9C Table 7G
2.	Negative figure in GSTR-9C Table 7G and examination of reasons provided in Table 8 for mismatch	Mismatch in taxable turnover declared in GSTR-9C Table 7G

The pan J&K data analysis depicted many deviations with considerable money value which points towards lack of basic validation control that should have been built into the application software. For example, for unreconciled gross revenue (Table 5R of GSTR-9C), the number of instances for deviations were 50 amounting to ₹ 1,330.89 crore and for unreconciled taxable revenue (Table 7G of GSTR-9C), the number of deviations were 50 with money value of ₹ 1,271.74 crore. These huge money value figures indicated that controls to input and validate data in GST system and E-Way Bill (EWB) system may either not working properly or are entirely absent.

Audit issued 381 audit queries in Limited audit. The replies furnished by the STOs were examined. The audit findings are given as under:

(I) Result of Limited Audit

Out of 381 audit observation issued to the Department under 12 dimensions, initial responses in 368 cases had been received from the Department. In 13 cases, replies were not received from the Department. The 12 audit dimensions have been translated into compliance deviations, and is summarised in *Appendix 2.1.4 and 2.1.5*. The category-wise details of cases are mentioned in *Appendix 2.1.6-(I to VIII)*.

Summary of Centralised/ Limited Audit

Out of 381 audit observations issued, replies were not furnished by the Department in 13 cases amounting to ₹ 9.11 crore (details in *Appendix 2.1.6-I*) which were related to mismatch of tax liability/ input tax credit amounting ₹ 6.05 crore (11 cases) and mismatch of Turnover amounting to ₹ 3.06 crore (two cases). The Department furnished the responses in 368 cases amounting to ₹ 2,760.72 crore, which relates to mismatch of tax liability/ input tax credit amounting to ₹ 163.66 crore in 270 cases and mismatch of Turnover amounting to ₹ 2,597.06 crore in 98 cases.

Out of the 270 responses received in respect of mismatch of tax liability/ input tax credit, in 80 cases the Department accepted the audit findings. Out of these 80 cases, in 30 cases recovery have been affected amounting to ₹ 2.06 crore (Column No 4 and 5 in *Appendix 2.1.4*). In 46 cases, SCN/ ASMT-10 have been issued amounting to

₹ 59.96 crore (Column No 6 and 7 in *Appendix 2.1.4*). In four cases involving amount of ₹ 1.18 crore, the Department accepted audit observation and stated that matter is under correspondence with taxpayer (Column No 8 and 9 in *Appendix 2.1.4*).

Relatively higher rates of deviations were noticed in risk parameters such as mismatch in availing of ITC, mismatch in tax paid between books of accounts and annual return, cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available, short payment of interest on delayed payments, undischarged liability *etc.*

In 184 cases (Column No 12, 14 and 16 in *Appendix 2.1.4*), constituting 68.15 *per cent* of responses regarding tax liability/ Input Tax Credit, where the replies of the Department were acceptable to Audit; data entry errors by taxpayers comprised 83 cases (Column No 12 and 13 in *Appendix 2.1.4*); the Department had proactively taken action in 56 cases (Column No 14 and 15 in *Appendix 2.1.4*) and 45 cases (Column No 16 and 17 in *Appendix 2.1.4*) had other valid explanations.

In six cases (Column No 18 and 19 in *Appendix 2.1.4*), constituting 2.22 *per cent*, the Department did not accept the deviations pointed out by Audit without providing any documentary evidence.

Similarly, Audit also noticed turnover related mismatches in 98 cases (Column No 4, 6, 8, 12, 14, 16 and 18 in *Appendix 2.1.5*). Of these, in two cases recovery has been affected (Column No 4 and 5 in *Appendix 2.1.5*), in four cases SCN including ASMT-10 has been issued to the taxpayers (Column No 6 and 7 in *Appendix 2.1.5*), in two cases Department stated that matter is under correspondence with tax payer (Column No 8 and 9 in *Appendix 2.1.5*).

Out of 85 cases (Column No 12, 14 and 16 in *Appendix 2.1.5*), where the replies of the Department were acceptable to Audit, data entry errors by taxpayers comprised 18 cases (Column No 12 and 13 in *Appendix 2.1.5*); the Department had proactively taken action in one case (Column No 14 and 15 in *Appendix 2.1.5*) and 66 cases (Column No 16 and 17 in *Appendix 2.1.5*) had other valid explanations.

In five cases (Column No 18 and 19 in *Appendix 2.1.5*) the Department did not accept the deviations pointed out by Audit without providing any documentary evidence.

Recommendation

- ***Department may urgently pursue inconsistencies and deviations pointed out by Audit in these 13 cases, for which responses have not been provided.***

One case from each audit dimensions in which the Department had accepted the audit objections are detailed in *Appendix 2.1.7*. The cases are described below.

(i) Dimension-Mismatch of ITC availed GSTR-3B vs GSTR-2A

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

To analyse the veracity of ITC utilisation, relevant data were extracted from GSTR-3B and GSTR-2A for the year 2017-18, and the ITC paid as per suppliers' details was matched with the ITC credit availed by the taxpayer. The methodology adopted was to compare the ITC available as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in Table 4A(5)⁵ considering the reversals in Table 4B(2)⁶ but including the ITC availed in the subsequent year 2018-19 from Table 8C of GSTR-9.

ITC mismatch of ₹ 1.25 crore between GSTR-3B and GSTR-2A noticed in respect of a taxpayer, under STO Circle P-Jammu, was communicated (March 2022) to the STO. In response, the Department issued (December 2023) demand notice DRC-07 for ₹ 2.58 crore to the taxpayer. Further reply/ progress/ recovery was awaited (October 2024).

(ii) Dimension-Mismatch in availment of ITC on RCM

In Reverse Charge Mechanism, the liability to pay tax is fixed on the recipient of supply of goods or services instead of the supplier or provider in respect of certain categories of goods or services or both under Section 9(3) or Section 9(4) of the J&K GST/ CGST Act, 2017 and under sub-section (3) or sub-section (4) of Section 5 of the IGST Act, 2017.

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

To analyse the veracity of ITC availed on tax paid under Reverse Charge Mechanism (RCM) for the year 2017-18, the datasets pertaining to GSTR-3B and annual return GSTR-9 were compared to check whether the ITC availed on RCM was restricted to the extent of tax paid. The methodology adopted was to compare the RCM payments in GSTR-3B Table 3.1(d)⁷ with ITC availed in GSTR-9 Table 6C⁸, 6D⁹ and 6F¹⁰. In cases where GSTR-9 was not available, the check was restricted within GSTR-3B,

⁵ All other eligible ITC

⁶ Other ITC reversed.

⁷ Inward supplies (liable to reverse charge)

⁸ Inward supplies receive from unregistered persons liable to reverse charge.

⁹ Inward supplies received from registered persons liable to reverse charge.

¹⁰ Import of services.

where the tax discharged part in R3B Table 3.1(d) was compared with the ITC availing part of R3B 4A (2)¹¹ and 4A (3)¹².

In case of a taxpayer under STO Circle-E Jammu, the tax paid under in Table 3.1(d) of GSTR-3B was ₹ 0.11 crore and the ITC availed in Table 4A(2) and (3) of GSTR-3B was ₹ 0.28 crore. This resulted in mismatch of ITC of ₹ 0.17 crore which was communicated (March 2022) to the STO. In response, the Department issued (December 2023) demand notice DRC-07 for ₹ 0.35 crore to the taxpayer. Further recovery/ action is awaited (October 2024).

(iii) Dimension-Mismatch of ITC availed on RCM without payment of Tax

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 4G¹³ 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)¹⁴ was compared with GSTR-3B Table 4(A)(2)¹⁵ and 4A(3)¹⁶.

Audit observed that in case of taxpayer under STO Circle-J Kashmir, the RCM payments in Table 6.1 (B) of GSTR-3B was ₹ 0 and the ITC availed in Table 4(A)(3) of GSTR-3B was ₹ 0.02 crore. This resulted in excess in availment of ITC on RCM without payment of tax amounting to ₹ 0.02 crore which was communicated (March 2022) to the State Taxes Office/ Circle. In response, the Department confirmed (April 2022) the recovery of ₹ 0.02 crore.

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

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of J&K GST Rules in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in tax paid between the Annual Return and the books of account. Table 9 of the form GSTR-9C attempts to reconcile the tax paid by segregating the turnover rate-wise and comparing it with the tax discharged as per annual return GSTR-9. The unreconciled amounts could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or *vice versa* or incorrect levy of CGST/ SGST/ IGST. There can also be situations wherein supplies/ tax declared are reduced through amendments (net of debit notes/

¹¹ Import of services.

¹² Inward supplies (liable to reverse charge).

¹³ Inward supplies on which tax is to be paid on reverse charge basis.

¹⁴ Inward supplies (liable to be reverse charge).

¹⁵ Import of services.

¹⁶ Inward supplies liable to be reverse charge other than Import of Goods and Services.

credit notes) in respect of the 2017-18 transactions carried out in the subsequent year from April to September 2018. Consequential interest payments both short payments and payments under incorrect heads also need to be examined in this regard.

Audit query on unreconciled payment of Tax in Table 9R of GSTR-9C, amounting to ₹ 0.41 crore was issued in respect of Taxpayer under STO Circle-Kishtwar Jammu and communicated (March 2022) to the STO. In response, the Department confirmed (December 2022) recovery of ₹ 0.41 crore (November 2022).

(v) Dimension-Mismatch of ITC between annual return and 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 J&K GST Rules in form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the Financial Statements.

In one case under STO Circle-P Jammu, unreconciled ITC of ₹ 0.30 crore declared in Table 12F of GSTR-9C, being ITC availed in GST returns in excess of eligible ITC based on Financial Statements, was noticed and communicated (March 2022) to the State Taxes Office. In response, the Department issued (December 2023) demand notice DRC07 for ₹ 0.21 crore to the taxpayer. Further progress/ recovery was awaited (October 2024)

(vi) Dimension-GSTR-3B not filed but GSTR-1 or GSTR-2A available

Taxpayers who have not filed GSTR-3B but have filed GSTR-1 or whose GSTR-2A was available were identified. GSTR-3B return is the only instrument through which the liability is offset and ITC is availed. The very availability of GSTR-1 and 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. These red flags potentially indicate cases of irregular passing on of ITC.

Undischarged Tax liability of ₹ 0.14 crore as a result of non-filing of GSTR-3B but have filed GSTR-1 was noticed in case of one taxpayer under Circle-I Kashmir and the same was communicated (March 2022) to the STO. In response, the Department issued (May 2022) demand notice DRC07 for ₹ 0.27 crore to the taxpayer.

(vii) Dimension-Short declaration of tax liability

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

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

For the algorithm, Tables 4 to 11 of GSTR-1 and Tables 4N, 10 and 11 of GST-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)¹⁷ and 3.1(b)¹⁸ were taken into account.

It was observed that in case of one taxpayer under Circle-J Jammu, the tax payable in Table 4 to 11 of GSTR-1 was ₹ 13.47 crore and the tax payable declared in Tables 3.1(a) and 3.1(b) of GSTR-3B was ₹ 6.65 crore. This resulted in mismatch of tax liability amounting to ₹ 6.82 crore between GSTR-1 and GSTR-3B which was communicated (March 2022) to the State Taxes Office/ Circle. In response, the Department issued (August 2022) DRC07 amounting to ₹ 19.28 crore (Tax liability of ₹ 6.79 crore, Interest ₹ 5.70 and Penalty ₹ 6.79) to the taxpayer. Further progress/ recovery in this regard was awaited (June 2023).

(viii) Dimension-Short payment of interest

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 a taxpayer under STO Circle-K Srinagar had interest liability of ₹ 3.68 crore on account of delayed net discharge of liability via cash of ₹ 16.04 crore. On being pointed out (March 2022), the Department issued (June 2022) DRC-07 for ₹ 3.68 crore to the taxpayer. Further progress was awaited (June 2023).

¹⁷ Outward taxable supplies (other than zero rated, nil rated and exempted).

¹⁸ Outward taxable supplies (zero rated).

(ix) Dimension-Irregular availing of ITC by recipient on 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 6G¹⁹ of GSTR-9 or Table 4(A)(4)²⁰ of GSTR-3B of the recipient taxpayers under the jurisdiction of this erstwhile State/ UT with the sum of Table 5A²¹, Table 8A²², and Table 9A²³ of GSTR-6 of the respective ISD.

In case of taxpayer under Circle-E Jammu, Audit observed that the ITC availed in Table-6G of GSTR-9 was ₹ 1.39 crore and the ITC transferred by the ISD in Table (5A+8A+9A) of GSTR-6 was ₹ 1.17 crore. This resulted in excess availment of ITC transferred by the ISD amounting to ₹ 0.22 crore, which was communicated (May 2022) to the State Taxes Office. In response, the Department issued (December 2023) demand notice DRC07 for ₹ 0.48 crore to the taxpayer.

(x) Dimension-Mismatch of total turnover in 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 return (GSTR-9). Column 5R of this Table captures the unreconciled turnover between the annual return GSTR-9, and that declared in the Financial Statement for the year after the requisite adjustments.

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of J&K GST 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-a-vis* the Financial Statements. The unreconciled amount in cases where the turnover declared in GSTR-9 is less than the Financial Statement indicates non-reporting, under-reporting, short-reporting, omission, error in reporting of supplies leading to evasion or short payment of tax. It could also be a case of non-reporting of both taxable and exempted supplies.

In one case under STO Circle-D Jammu, unreconciled turnover in Table 5R of GSTR-9C, amounting to ₹ 1.62 crore was noticed and communicated (March 2022) to the STO. In response, the Department reported (January 2023) recovery of ₹ 0.03 crore.

¹⁹ ITC received from ISD.

²⁰ Inward supplies from ISD.

²¹ Distribution of the amounts of eligible ITC for the tax period.

²² Mismatch of ITC reclaimed and distributed.

²³ Redistribution of ITC distributed to a wrong recipient.

(xi) Dimension-Mismatch of taxable turnover in 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 J&K GST Rules in Form GSTR-9C for the year 2017-18 was analysed at data level to review the extent of identified mismatch in taxable turnover reported in the Annual Return *vis-à-vis* the Financial Statements. The unreconciled amount in cases where the turnover in GSTR-9 is less than the Financial Statement indicates non-reporting, under-reporting, short-reporting, omission, error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

Audit query on unreconciled taxable turnover in Table 7G of GSTR-9C, amounting to ₹ 7.05 crore was noticed in respect of taxpayer under STO Circle-Budgam Kashmir and communicated (March 2022) to the STO. In response, the Department issued (December 2023) demand notice DRC-07 for ₹ 1.08 crore to the taxpayer. Further progress/ recovery in this regard was awaited (October 2024).

(II) Analysis of causative factors

Considering the Department's response to 368 cases out of the sample of 381 data deviations/ inconsistencies, the factors that caused the data deviations/ inconsistencies are as follows:

(a) Deviations from GST law and Rules

Out of the 12 audit dimensions summarised in *Appendix 2.1.2 and 2.1.3*, the Department accepted the audit observations or initiated examination in 88²⁴ cases with tax effect of ₹ 72.80 crore which represent a mismatch of turnover of ₹ 9.60 crore in 8 cases, mismatch of tax liability/ input tax credit of ₹ 63.20 crore in 80 cases. Out of these cases, the Department recovered ₹ 2.09 crore in 32 cases (*Appendix 2.1.6-II*), issued SCN/ DRC07 and ASMT10 in 50 cases for ₹ 62.97 crore (*Appendix 2.1.6-III*) which relates to mismatch of tax liability/ input tax credit amounting to ₹ 59.95 crore in 46 cases and mismatch of Turnover in four cases amounting to ₹ 3.02 crore. In six cases for ₹ 7.74 crore, Department stated that they are under correspondence with tax payer which relates to mismatch of tax liability/ input tax credit amounting to ₹ 1.18 crore in four cases and mismatch of turnover in two cases amounting to ₹ 6.56 crore (*Appendix 2.1.6-IV*).

²⁴ Recovered: 32 (₹ 2.09 crore), SCN/ASMT10: 50 (₹ 62.97 crore), and case under examination: 6 (₹ 7.74 crore)

(III) Data entry errors by taxpayers:

The data entry errors in 101 cases constituted 27.44 *per cent* of the total 368 responses received and 269²⁵ (73.09 *per cent*) responses out of total 368 responses received from the Department were accepted by the Audit. These data entry errors did not have any revenue implication. These data entry errors relate to mismatches in availing of ITC (74 cases), tax liability (nine cases) and turnover (18 cases) as detailed in *Appendix 2.1.6-V*. An illustrative case is brought out below:

A deviation amounting to ₹ 0.54 crore was identified as unpaid RCM ITC of a taxpayer under Circle-Kupwara and the same was communicated (March 2022) to the STO of the Circle. On receipt of Department's reply (July 2022), it was seen that the deviation was caused due to a typographical error. The dealer had inadvertently mentioned regular ITC of ₹ 0.54 crore in Table 6D instead of Table 6B of GSTR-9 whereas the same has been correctly reflected in Table 4(A)5 of GSTR-3B. The system allowed for such data entry errors, which could have been avoided with proper validation controls.

(IV) Action taken before issue of Audit Queries:

As summarised in *Appendix 2.1.4 and 2.1.5*, the Department had already taken action in 57 cases constituting 15.49 *per cent* of the 368 responses received. Details are mentioned in *Appendix 2.1.6-VI*.

(V) Valid explanations:

The Department had provided satisfactory explanations with relevant documents in 111 cases {Column 16 of (*Appendix 2.1.4 and 2.1.5*)} constituting 30.16 *per cent* of the 368 responses received. Details are mentioned in *Appendix 2.1.6-VII*.

(VI) Cases where department's reply is furnished without documentary evidence

Department's reply in 11 cases amounting to ₹ 13.18 crore representing mismatch of tax liability/ input tax credit and mismatch in turnover in which Department did not accept audit observation without providing documentary evidence in support of its reply. Details of these cases are given in *Appendix 2.1.6-VIII*.

Recommendation:

- *Department may consider introducing validation controls in GST Returns as highlighted above to curb data entry errors, enhance taxpayer compliance and facilitate better scrutiny.*

²⁵ DEE-101, ATBQ-57, Valid reply-111; $269/368*100=73.09$ *per cent*

2.1.9. Detailed Audit of GST Returns

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

From an external audit perspective, Audit also focused on a data driven risk based approach. Thus, apart from identifying inconsistencies/ deviations in GST returns through pan J&K data analysis, a detailed audit of GST returns was also conducted as a part of this review. A risk based sample of 60 taxpayers was selected for this part of the review. The methodology adopted was to initially conduct a desk review of GST returns and Financial Statements filed by the taxpayers as part of the GSTR-9C and other records available in the back end system to identify potential risk areas, inconsistencies/ deviations and red flags. Desk review was carried out in the CAG field audit office. Based on desk review results, detailed audit was conducted and the audit findings are categorised under a) Returns b) Utilisation of ITC and c) Discharge of tax liability.

2.1.9.1 Scope Limitation (Non-Production of Records)

There was scope limitation of Audit due to non-production of granular record by the Department. During the desk review of taxpayers' returns available in the backend 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 none of the selected cases, the Department provided 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.

In none of the cases, requisitioned records were produced to Audit by the Department, due to which the identified risks in 51 cases relating to excess/ irregular ITC availing and undischarged tax liability of ₹ 66.33 crore could not be examined in detail by the Audit.

On being pointed out (September 2022), the Department during Exit Conference stated (June 2023) that the internal Audit under Section 65 of J&K GST Act had not been conducted till date and the required financial statements were not available with them.

It was also stated that the same could not be called for at that stage as there is no provision under the said Act.

2.1.9.2 Returns

Section 50 (1) of J&K GST Act, 2017, provides that every person who is liable to pay tax in accordance with the provisions of this Act or the Rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding 18 *per cent*, as may be notified by the Government on the recommendations of the Council.

(2) The interest under sub-section (1) shall be calculated, in such manner as may be prescribed, from the day succeeding the day on which such tax was due to be paid.

The extent of short payment of interest on account of delayed remittance of tax during 2017-18 was identified using the tax paid details in GSTR-3B and the date of filing of the GSTR-3B. Only the net tax liability (cash component) was considered to work out the interest payable. In this regard, the discrepancies noticed were as below: -

(I) Non-payment of interest by taxpayers

Audit observed in 14 cases out of the 60 cases examined, that taxpayers had either filed their GSTR-3B returns with delay or had paid the net tax liability (cash component) belatedly but the interest amounting to ₹ 0.45 crore was not discharged. Out of the 14 cases, in 11 cases amount of ₹ 0.17 crore was recovered via DRC 03, in one case demand notice DRC07 was issued. In remaining two cases, reply of the Department had not been received. (*Details in Appendix 2.1.8*).

Illustrative Case:

Under STO Circle-H Jammu, a tax payer had filed the GSTR-3B returns for the period August 2017 to February 2018 with delay but interest liability of ₹ 0.09 crore on delayed payment of tax of ₹ 1.69 crore (net liability discharged through cash) was not discharged. On being pointed out (December 2022), the Department stated (December 2023) that DRC-07 has been issued to the taxpayer.

(II) Late fee on belated/ non-filing of returns

Section 47 (2) of J&K GST Act states that any registered person who fails to furnish the return required under Section 44 by the due date shall be liable to pay a late fee of one hundred rupees for every day during which such failure continues subject to a maximum of an amount calculated at a quarter *per cent* of his turnover in the State.

Audit observed in 14 cases out of the 60 cases examined, that taxpayers had filed their GSTR-9/ 9C returns belatedly but late fee amounting to ₹ 0.13 crore was not

discharged. Out of the 14 cases, in six cases amount of ₹ 0.03 crore was recovered via DRC-03, in seven cases DRC-07 were issued and in one case, ASMT-10 was issued (October 2024). (*Details mentioned in Appendix 2.1.9*).

Illustrative case

Under STO Circle-R Kashmir, a tax payer had filed the GSTR-9 returns for the financial year 2017-18 after a delay of 415 days. Late fees on delayed filed returns worked out of ₹ 83,000/-. On being pointed out (November 2022), the Department stated (March 2023) that amount of ₹ 83,000/- was deposited by the taxpayer.

(III) Data entry errors or technical glitches

Audit observed the data entry mistakes were made by the taxpayers while filing GST returns. The data entry errors in the returns were noticed in seven cases involving amount of ₹ 2.10 crore (*detailed in Appendix 2.1.10*), constituting 11.67 per cent of the examined cases. The errors were mainly in the areas such as ITC for Table 4(A)5 which was inadvertently shown against Table 4(A) 3 RCM ITC in GSTR-3B, excess availing of ITC through Table 6J of GSTR-9 was due to wrongly showing the amount under table 8C of GSTR-9 instead of Table 6B, Tax paid under RCM was wrongly shown under Table 4(A)4 ISD of GSRT-3B instead of Table 4(A) 3 etc.

Illustrative case:

Under STO Circle Kathua-I, one dealer exhibited excess ITC in GSTR-9 through Table 6J. On being pointed out (November 2022), the Department stated (March 2023) that amount of ₹ 0.98 crore was inadvertently credited in Table 8C instead of Table 6B of the return GSTR-9, due to which excess ITC was reflected. The reply was found acceptable.

2.1.9.3 Utilisation of Input Tax Credit

Section 16(2) of the J&K GST Act prescribes the conditions for availing ITC, which are (i) Taxpayer should be in possession of tax invoice or any other specified tax-paying document, (ii) Taxpayer has received the goods or services, (iii) Tax has actually been paid by the supplier, (iv) Taxpayer has furnished the return to avail the ITC, (v) The value of the goods or services along with the tax should have been paid to the supplier within 180 days from the date of issue of invoice.

Rule 36 of J&K GST Rules prescribe the documentary requirements for claiming ITC. A tax payer can avail ITC based on the following documents namely (i) Invoice issued by a supplier of goods or services or both, (ii) Invoice issued by recipient along with proof of payment of tax, (iii) A debit note issued by supplier, (iv) Bill of entry or similar document prescribed under Customs Act, (v) Revised invoice and (vi) Document issued by Input Service Distributor.

(I) Mismatches in Input Tax Credit

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 and Reverse Charge Mechanism (RCM) among returns. Audit could not examine mismatches in detail since relevant granular records were not produced by the Department. The details of mismatches in input tax credit noticed by Audit are given in **Table 2.1.12**.

Table -2.1.12: Mismatch in Input Tax Credit claimed by taxpayers

Sl. No	Parameter	No. of cases	No. of Circles	Amount of mismatch (₹ in crore)	Remarks
1	ITC mismatch between GSTR-2A and GSTR-3B/ GSTR-9: The ITC available as per GSTR-2A was compared with the ITC availed under GSTR-3B/ GSTR-9 return. <i>(Appendix 2.1.11)</i>	30	18	64.19	On being pointed out (between November 2022 and January 2023), the Department replied (September 2024) that in seven cases recovery of ₹ 1.94 crore was made, in 22 cases DRC07 had been issued and in one case ASMT-10 was issued to the taxpayer.
2.	Non/ short reversal of ITC availed for exempt and non-GST supplies: As per Section 17(2) of Jammu and Kashmir GST Act 2017, read with Rules 42 of J&K GST Rules 2017, the amount of credit shall be restricted to so much of the input tax as is attributable to the said taxable supplies including zero-rated supplies. <i>(Appendix 2.1.12)</i>	7	5	0.97	On being pointed out (between November 2022 and December 2022), the Department replied (September 2024) that in three cases recovery of ₹ 1.89 lakh was made and in four cases demand notice DRC07 was issued.
3	ITC mismatch between GSTR-2A and GSTR-9: The ITC available as per GSTR-2A was compared with the ITC availed under Table 8A of GSTR-9 return. <i>(Appendix 2.1.13)</i>	2	2	0.90	On being pointed out (between November 2022 and December 2022), the Department replied (September 2024) that in one case recovery of ₹ 0.27 lakh was made and in one case demand notice DRC07 was issued.

Sl. No	Parameter	No. of cases	No. of Circles	Amount of mismatch (₹ in crore)	Remarks
4	Unreconciled ITC in GSTR-9 after adjustments- Table 8D of GSTR-9 captures the difference between ITC available as per GSTR-2A under Table 8A of GSTR-9 and that of availed as per GSTR-3B with subsequent period's adjustments under Table 8C of GSTR-9. The negative figure in Table 8D of GSTR-9 indicates that ITC is availed in excess over eligible. <i>(Appendix 2.1.14)</i>	3	2	0.29	On being pointed out (between November 2022 and December 2022), the Department replied (September 2024) that in two cases recovery of ₹ 0.06 crore was made, in one case demand notice DRC07 was issued.

2.1.9.4. Tax Liability

(I) Un-discharged Tax Liability

The taxable event in the case of GST is supply of goods and/ or services. Section 9 of the Jammu and Kashmir GST 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 J&K GST 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*.

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

(II) Mismatches relating to discharge of tax liability

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 2.1.13**.

Table -2.1.13: Mismatch related to discharge of tax liability

Sl. No	Parameter	No. of cases	No. of Circles	Amount of mismatch (₹ in crore)	Remarks
1.	<p>Un-discharged tax liability on comparing greater of the tax liability of GSTR-1, GSTR-9 with reference to Tax payment in GSTR-9/ 3B</p> <p>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/ 3B. <i>(Appendix-2.1.15)</i></p>	9	7	0.61	The Audit had pointed this out in November 2022 to January 2023, Department replied (September 2024) that in six cases recovery amounting to ₹ 0.14 crore was made, in three cases demand notice DRC07 was issued.(October 2024).

2.1.10. Conclusion

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

This SSCA was predominantly based on data analysis, which highlighted risk areas, red flags and in some cases, rule-based deviations and logical inconsistencies in GST returns filed for 2017-18. The SSCA entailed assessing the oversight functions of Jammu and Kashmir State Tax Department jurisdictional formations (Circles) at two levels i.e. at the data level through pan State/ UT data queries and at the functional level with a deeper detailed audit of Circles, GST returns and internal audit which involved accessing taxpayer records. The audit sample therefore comprised four Circles, 381 high value inconsistencies across 12 parameters selected through Pan-State queries and 60 taxpayers selected on risk assessment for detailed audit of GST returns for the year 2017-18

There was delay in issue of Standard Operating Procedure (SOP) for Scrutiny of Returns for the years 2017-18 and 2018-19 which resulted in minimal scrutiny of returns conducted. Due process not being followed on cancellation of registrations. It was also noticed that internal audit of the taxpayers was not conducted due to delay in constitution of the Internal Audit Wing.

Due to minimal/ non-scrutiny of monthly and annual returns like GSTR-3B and GSTR-9 cases, deviations were noticed in risk parameters such as mismatch in availing of ITC, mismatch in tax paid between books of accounts and annual return, cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available, short payment of interest on delayed payments, undischarged liability *etc.*

Further, non-payment of interest for late payment of tax, non-levy of late fee for delay in filing of returns, mismatches in availing of ITC and cases of un-discharged tax liability were also noticed in the cases selected under detailed audit.

Administrative passivity resulted in late issuance of SOP for scrutiny of returns and constitution of internal audit wing.

2.1.11. Recommendations

- *The Department may ensure higher number of scrutiny of cases based on risk analysis and red flagging of cases.*
- *Year-wise targets under Section 65 of J&K GST Act, 2017, may be fixed to ensure the timely compliance of internal audit along with recovery of pointed out amounts of dues before the time barring of cases.*
- *Department may urgently pursue inconsistencies and deviations for which responses have not been provided.*
- *Department may consider introducing validation controls in GST Returns to curb data entry errors, enhance taxpayer compliance and facilitate better scrutiny.*

CHAPTER-III
FUNCTIONING OF PUBLIC SECTOR
UNDERTAKINGS

CHAPTER-III

FUNCTIONING OF PUBLIC SECTOR UNDERTAKINGS

This chapter discusses the functioning of Public Sector Undertakings (PSUs) in Jammu and Kashmir. PSUs comprise of Government of Jammu and Kashmir (GoJ&K) owned Companies set up under the Companies Act, 2013, Statutory Corporations set up under the statutes enacted by the Parliament and Government Controlled Other Companies (GCOCs).

3.1 Definition of Government Company

A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a Company in which not less than 51 *per cent* of the paid-up share capital is held by Central Government, or by any State Government or Governments, or partly by the State Government and partly by one or more State Governments and includes a Company which is a subsidiary of a Government Company.

Besides, any other Company¹ owned or controlled directly or indirectly, by the Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government Controlled Other Companies.

3.2 Mandate of Audit

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

3.3 PSUs in Jammu and Kashmir

PSUs are established to carry out activities of commercial nature keeping in view the welfare of people and occupy an important place in the economy of J&K. As on 31 March 2022, there were 42 PSUs in Jammu & Kashmir under the audit jurisdiction

¹ Companies (Removal of Difficulties) Seventh Order, 2014 issued by Ministry of Corporate Affairs vide Gazette Notification dated 4 September 2014.

of the CAG. These include 39 Government Companies (including six² inactive Government Companies), two Statutory Corporations and one Government Controlled Other Company³. The names of these PSUs are given in **Appendix 3.3.1**.

One PSU (Jammu & Kashmir Bank Limited) is listed on the stock exchange. There are six inactive PSUs (including four under liquidation) having investment of ₹ 57.57 crore towards capital (GoJ&K: ₹ 56.59 crore and Others: ₹ 0.98 crore) and long term loans ₹ 0.83 crore (GoJ&K: ₹ 0.83 crore and Others: Nil).

3.4 Investment in PSUs and Budgetary Support

(A) Equity holding and Loans given

Details of Investment made in 42 PSUs in form of equity and long term loans upto 31 March 2022 are given in **Appendix 3.3.2**. Sector wise summary of this investment is given in **Table 3.1**.

Table 3.1: Government of J&K investment in PSUs

(₹ in crore)

Name of Sector	Number of PSUs	Investment				Total Investment	Total Investment of GoJ&K
		Equity		Long term loans			
		Total	GoJ&K	Total	GoJ&K		
Power Sector PSUs	6	6,029.99	2,593.54	11,984.80	0.00	18,014.79	2,593.54
Non power Sector PSUs	36	1,127.51	975.87	6,176.05	1,539.42	7,303.56	2,515.29
Total	42	7,157.50	3,569.41	18,160.85	1,539.42	25,318.35	5,108.83

(Source: Compiled based on information received from PSUs)

The thrust of investment was mainly on power sector. This sector had attracted 71.15 per cent (₹ 18,014.79 crore) of total investment of ₹ 25,318.35 crore. The GoJ&K had invested 50.77 per cent (₹ 2,593.54 crore) of its total investment of ₹ 5,108.83 crore in power sector PSUs.

(B) Subsidy and Grant to PSUs

The GoJ&K provides financial support to the PSUs in various forms through the annual budget as equity, loans, grants/ subsidies, loans written off and loans converted into equity.

Summarised details of budgetary outgo towards equity, loans, grants/ subsidies, loans written off and loans converted into equity in respect of PSUs for the last three years ending March 2022 are given in **Table 3.2**.

² (1) Tawi Scooters Limited (2) Himalayan Wool Combers Limited (3) Jammu and Kashmir Handloom Handicrafts Raw Material Supplies Organisation Limited (A Subsidiary of Himalayan Wool Combers Limited) (4) Jammu and Kashmir Road Development Corporation Limited (5) Jammu & Kashmir International Trade Centre and (6) Jammu & Kashmir Asset Reconstruction Limited

³ Chenab Valley Power Projects (Private) Limited (CVPPPL), a joint venture of Jammu and Kashmir Power Development Corporation Limited (JKPDCL), National Hydroelectric Power Corporation (NHPC) and Power Trading Corporation (PTC), wherein Government of Jammu and Kashmir has not made any direct investment

Table 3.2: Details regarding budgetary support by GoJ&K to PSUs during the period 2019-20 to 2021-22

(₹ in crore)

Sl. No.	Particulars	2019-20		2020-21		2021-22	
		Number of PSUs*	Amount	Number of PSUs*	Amount	Number of PSUs*	Amount
1.	Equity Capital outgo	3	2,616.82	7	83.47	3	554.32#
2.	Loans given	8	48.07	7	51.85	9	73.27
3.	Grants/ Subsidy provided	12	100.50	11	3,016.38	14	2,845.52
	Total outgo		2,765.39		3,151.70		3,473.11
4.	Loan repayment written off	-	-	-	-	-	-
5.	Loans converted into equity	-	-	2	152.42	-	-
6.	Guarantees issued	-	-	-	-	3	5,404.59
7.	Outstanding Guarantee Commitment	3	1,580.90	5	7,698.97	7	12,522.72

(Source: Compiled based on information received from PSUs)

* Number of PSUs represents those PSUs which have received outgo from budget under one or more heads i.e. equity, loans and grants/ subsidies.

This includes ₹ 500 crore in respect of J&K Bank. 16,76,72,702 equity share of ₹ one (face value) each issued to GoJK on preferential basis at the issue price of ₹ 29.82 per share (including share premium of ₹ 28.82 per share).

The increase in assistance during 2021-22 was mainly due to grant/ subsidy given to five power sector PSUs viz. Jammu and Kashmir Power Development Corporation, Jammu and Kashmir Power Corporation Limited, Jammu and Kashmir Power Transmission Corporation Limited, Jammu Power Distribution Corporation Limited and Kashmir Power Distribution Corporation Limited.

The increase in guarantee commitments in the year 2021-22 were in case of Jammu and Kashmir Power Development Corporation Limited (₹ 1,209.83 crore), Jammu and Kashmir Power Corporation Limited (₹ 10,321.83 crore), Jammu and Kashmir Infrastructure Development Finance Corporation (₹ 750.00 crore), Jammu and Kashmir SC, ST and Backward Classes Development Corporation Limited (₹ 101.38 crore), Jammu and Kashmir Women's Development Corporation Limited (₹ 91.61 crore), Jammu and Kashmir and Ladakh Financial Corporation Limited (₹ 44.94 crore) and Jammu and Kashmir Cement Limited (₹ 3.13 crore).

3.5 Oversight Role of CAG

Audit of Public Sector Undertakings (PSUs)

Comptroller and Auditor General of India (CAG) appoints the Statutory Auditors of a

State Government Company and State Government Controlled Other Company⁴ under Section 139 (5) and (7) of the Companies Act, 2013. The Statutory Auditors in case of a State Government Company are to be appointed by the CAG within a period of 180 days from the commencement of the financial year. CAG has a right to conduct a supplementary audit and issue comments upon or supplement the Audit Report of the statutory auditor. Statutes governing some Corporations require that their accounts be audited by the CAG and a report be submitted to the State Legislature.

3.6 Submission of accounts by PSUs

(A) Need for timely submission

According to Section 395 of the Companies Act 2013, Annual Report on the working and affairs of a Government Company, is to be prepared within three months of its Annual General Meeting (AGM) and as soon as may be after such preparation laid before both the Houses of State Legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating statutory corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of State.

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

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

Despite above, annual accounts of various PSUs were pending as on 30 September 2022, as detailed in the following paragraph.

⁴ A Government Company is defined in Section 2(45) of the Companies Act, 2013 as a company in which not less than 51 *per cent* of the paid up share capital is held by Central Government, or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments and includes a company which is a subsidiary of a Government Company. Any other company owned or controlled, directly, or indirectly, by the Central Government or by any State Government or Governments, or partly by the Central Government and partly by one or more State Governments are referred to in this Report as Government controlled other Companies.

(B) Timeliness in preparation of accounts by Government Companies

As of 31 March 2022, there were 40 Government Companies under the purview of CAG's audit. Of these, accounts for the year 2021-22 were due⁵ from 34 Government Companies⁶. However, only three Government Companies submitted their accounts for the financial year 2021-22 for audit by CAG on or before 30 September 2022. Accounts of 31 Government Companies were in arrears for various reasons. Details of arrears in submission of accounts of these are given in **Table 3.3**:

Table 3.3: Details of arrears in submission of accounts

Particulars		Total
Total number of Companies under the purview of CAG's audit as on 31.03.2022		40
Less: New Companies from which accounts for 2021-22 were not due		0
Less: Companies under liquidation/ inactive ⁷		6
Number of companies from which accounts for 2021-22 were due		34
Number of companies which presented 2021-22 accounts for CAG's audit by 30 September 2022		3
Number of companies with accounts in arrears		31
Breakup of Arrears	(i) Defunct	0
	(ii) First Accounts not submitted	4
	(iii) Others	27
Age-wise analysis of arrears against 'Others' category	Up to one year (2021-22)	3
	Up to two years (2020-21 and 2021-22)	7
	Three years and more	24

Details of these companies along with the position of GoJ&K investment in these PSUs during the period of arrear accounts are indicated in **Appendix 3.3.3**.

(C) Timeliness in preparation of accounts by Statutory Corporations

As of 31 March 2022, there were two Statutory Corporations under the purview of CAG's audit. Audit of Statutory Corporations is governed by their respective legislations. Out of the two Statutory Corporations, the CAG is the sole auditor for Jammu and Kashmir Road Transport Corporation. In respect of Jammu and Kashmir and Ladakh Financial Corporation, the audit is conducted by Chartered Accountants and supplementary audit is conducted by the CAG.

The accounts of Jammu and Kashmir Road Transport Corporation and Jammu and Kashmir Financial Corporation for the years 2019-20 to 2021-22 were awaited as on 30 September 2022.

Details of these Corporations along with the position of GoJ&K investment in these Corporations during the period of arrear accounts are indicated in **Appendix 3.3.3**.

⁵ The due date for submission of accounts has been considered as 30 September 2022

⁶ Excluding inactive Companies

⁷ Jammu and Kashmir Asset Reconstruction Limited, Tawi Scooters Limited, Himalayan Wool Combers Limited and Jammu and Kashmir State Handloom Handicrafts Raw Materials Supply Organisation Limited (under liquidation); Jammu and Kashmir State Road Development Corporation Limited and Jammu and Kashmir International Trade Centre (inactive)

3.7 CAG's oversight - Audit of accounts and supplementary audit

(A) Financial reporting framework

Companies are required to prepare the Financial Statements in the format laid down in Schedule III to the Companies Act, 2013 and in adherence to the mandatory Accounting Standards prescribed by the Central Government, in consultation with National Advisory Committee on Accounting Standards. The Statutory Corporations are required to prepare their accounts in the format prescribed under the rules, framed in consultation with the CAG and any other specific provision relating to accounts in the Act governing such Corporations.

(B) Audit of accounts of Government Companies by Statutory Auditors

The Statutory Auditors appointed by the CAG under Section 139 of the Companies Act 2013, conduct audit of accounts of the Government Companies and submit their reports thereon in accordance with Section 143 of the Companies Act, 2013.

The CAG plays an oversight role by monitoring the performance of the statutory auditors in audit of Public Sector Undertakings with the overall objective that the Statutory Auditors discharge the functions assigned to them properly and effectively. This function is discharged by exercising the power:

- to issue directions to the Statutory Auditors under Section 143 (5) of the Companies Act, 2013 and
- to supplement or comment upon the Statutory Auditor's report under Section 143 (6) of the Companies Act, 2013.

Supplementary Audit of accounts of Government Companies

The prime responsibility for preparation of Financial Statements in accordance with the financial reporting framework prescribed under the Companies Act, 2013 or other relevant Act is of the management of an entity.

The certified accounts of selected Government Companies along with the report of the Statutory Auditors are reviewed by CAG by carrying out a supplementary audit. Based on such review, significant audit observations, if any, are reported under Section 143 (6) of the Companies Act, 2013 to be placed before the Annual General Meeting.

3.8 Result of CAG's oversight role

Position of supplementary audit of the Financial Statements of the PSUs conducted by the Comptroller and Auditor General (CAG) of India for the year 2021-22 (or of earlier years which were finalised during current year) is discussed in the next paragraph.

(A) Audit of accounts of Government Companies under Section 143 of the Companies Act, 2013

Financial statements for the year 2021-22 were received from two⁸ Government Companies and one Government Controlled Other Company⁹ by 30 September 2022. Of these, Financial Statements of two¹⁰ Government Companies were reviewed in audit by the CAG.

31 accounts of previous years in respect of 11 PSUs were also received during the period 1 December 2021 to 30 September 2022, of which comments were issued in case of 21 accounts and 10 accounts were pending as of 30 September 2022. Further, 36 accounts of six PSUs relating to previous years which were received before 1st December 2021 were also reviewed during current year and comments were issued for all these 36 accounts of six PSUs.

3.9 Recommendations

- *The Government may impress upon those PSUs with arrear in accounts to ensure early finalisation of their Financial Statements as in the absence of their finalisation, Government investments in such PSUs remain outside the legislative oversight; and*
- *The Government needs to take an early decision regarding commencement of liquidation process in respect of the inactive PSUs as they are neither contributing to economy nor meeting the objectives for which they were set up.*

⁸ Jammu and Kashmir Bank Limited and JKB Financial Services Limited

⁹ Chenab Valley Power Projects Private Limited

¹⁰ Non-review certificate was given to JKB Financial Services Limited for the year 2021-22

CHAPTER-IV
COMPLIANCE AUDIT
(PUBLIC SECTOR UNDERTAKINGS)

CHAPTER-IV

COMPLIANCE AUDIT (PUBLIC SECTOR UNDERTAKINGS)

Finance Department

Jammu and Kashmir Bank Limited

4.1 Implementation of Interest Subvention Scheme under Business Revival Package 2020 in Jammu and Kashmir

4.1.1 Introduction

Considering the difficulties being faced by the various sectors of the economy in Jammu and Kashmir, a committee was constituted (August 2020) by the Industries and Commerce Department, Government of Jammu and Kashmir (GoJ&K) for preparing a proposal for relief and revival of the Business sector in the Union Territory. The Committee submitted (September 2020) its report after deliberations with various business associations in the UT.

Based on the recommendations of the Committee, the Finance Department, GoJ&K approved (October 2020) scheme of interest subvention of five *per cent* for all borrowers excluding borrowers under Kissan Credit Card (KCC), Artisans Credit Card (ACC), loan against deposits, loans under personal segments and Non-Banking Financial Corporation (NBFC) for a period of six months w.e.f. 01 April 2020. The benefit under the scheme was to be provided to those borrowers whose accounts were standard¹ as on 31 July 2019 or 31 March 2020, whichever is applicable. The scheme also provided for pending interest subvention under the rehabilitation schemes of 2014 and 2016.

The scheme was floated by Industries and Commerce Department, GoJ&K whereas the Finance Department, GoJ&K was the implementing agency and the Union Territory Level Banker's Committee (UTLBC)² acted as a monitoring agency for the scheme.

4.1.2 Audit Scope, Methodology and Criteria

The records relating to the implementation of Interest Subvention Scheme of 2020 were test checked in Industries and Commerce Department, Finance Department, UTLBC and four selected banks/ financial institutions³. The records of selected banks/ financial institutions for the period from July 2019 to February 2023 were examined between

¹ Credit Accounts for which the repayments of principal and/ or interest are being made on time or within the allowed grace period

² UTLBC is a committee comprising of representatives from financial institutions operating in the UT Government.

³ Jammu and Kashmir Bank Limited, Jammu and Kashmir Gramin Bank, Anantnag Central Co-operative Bank, Jammu and Kashmir and Ladakh Financial Corporation.

November 2022 and March 2023. Business loan accounts in the selected banks/ financial institutions were evaluated against the sanction of the scheme.

The audit findings are discussed in the succeeding paragraphs.

4.1.3 Release and Utilization of Funds

The Finance Department, GoJ&K approved (October 2020) the Business Revival Package with financial implication of ₹ 950 crore for the Interest Subvention Scheme of 2020 and an amount of ₹ 139.24 crore for rehabilitation schemes of 2014 and 2016. The Finance Department, GoJ&K however, released ₹ 750 crore in three⁴ tranches during October 2020 to May 2021 to UTLBC which included an amount of ₹ 138.03 crore, earmarked for rehabilitation schemes of 2014 and 2016.

Out of ₹ 750 crore, an amount of ₹ 526.50 crore was utilised towards five *per cent* Interest Subvention Scheme of 2020 and an amount of ₹ 137.75 crore was utilised for the Interest Subvention Schemes of 2014 and 2016. It was also noticed that the unutilised amount of ₹ 85.75 crore remained locked up with UTLBC for 341 days⁵ though as per the terms and conditions of the sanction, the funds were to be credited immediately to eligible beneficiaries and were not to be parked unnecessarily. The UTLBC refunded the balance amount in April 2022.

On being pointed out by audit (April 2023), Government attributed (December 2023) the reasons for parking of funds to the receipt of representations by UTLBC from the trade bodies, individuals and firms claiming their eligibility under the scheme.

The reply of the Government is not satisfactory as the funds were required to be credited immediately to the eligible beneficiaries and were not to be parked as per terms and conditions of the sanction order, whereas the unutilised funds remained parked for 341 days with the UTLBC.

4.1.4 Interest Subvention to ineligible accounts

4.1.4.1 Providing Interest Subvention to sub standard accounts

As per the conditions of the Scheme, the benefit was to be provided to those borrowers whose accounts were standard as on 31 July 2019 or 31 March 2020 whichever is applicable.

It was noticed that Jammu and Kashmir Bank Limited (JKBL) provided interest subvention to 2.43 lakh accounts under the Scheme which included 1,243 accounts that were restructured by the JKBL in February 2017 under the Rehabilitation Package rolled out by it. Audit analysis showed that these 1,243 accounts were wrongly considered as standard accounts as on 31 July 2019 by the JKBL and were provided

⁴ ₹ 250 crore on 28 October 2020; ₹ 250 crore on 29 January 2021; and ₹ 250 crore on 6 May 2021

⁵ From 14 May 2021 to 19 April 2022

interest subvention of ₹ 6.78 crore under the scheme of 2020. These accounts were classified as Non-Performing Assets (NPA) by the Bank in March 2020 with retrospective effect in accordance with the RBI norms.

By considering these 1,243 accounts as standard accounts on 31 July 2019, the Bank extended undue benefit of interest subvention of ₹ 6.78 crore under the scheme of 2020, against the conditions governing the Scheme as these accounts were NPA as on 31 July 2019 as well as on 31 March 2020.

On being pointed out by audit (April 2023), JKBL confirmed that these accounts were downgraded as NPA w.e.f. February 2017. The Government replied (December 2023) that these accounts have been provided interest subvention as per the guidelines of the scheme as they were 'standard' as on 31 July 2019.

The reply of the Government has not taken into account the fact that the effective NPA classification dates of these accounts were when they were restructured (between November 2016 and February 2017).

4.1.4.2 Interest Subvention to more than one account of beneficiaries

The terms and conditions of the sanction orders for release of three tranches aggregating to ₹ 750 crore stipulated that only one account of beneficiary shall be eligible for relief under interest subvention. However, the Finance Department, GoJ&K neither framed the guidelines for implementation of the scheme nor communicated the terms and conditions for release of interest subvention to the banks, as a result of which, benefit was provided to more than one account of the beneficiaries. Audit noticed that

- An amount of ₹ 202.47 crore was credited by the JKBL to 65,456 accounts. Scrutiny of these accounts revealed that 30,019 beneficiaries, who had more than one account were provided subvention of ₹ 57.80 crore. This resulted in providing interest subvention of ₹ 57.80 crore to 35,437 ineligible accounts by the JKBL.
- Similarly, the J&K Grameen Bank (JKGB) credited an amount of ₹ 5.08 crore to 7,151 accounts of 3,452 beneficiaries who had more than one account. As a result, interest subvention amounting to ₹ 1.41 crore was provided to 3,699 ineligible accounts of these beneficiaries by JKGB.

On being pointed out in audit, the JKGB admitted (March 2023) that as per the guidelines received from UTLBC, there was no mention of any condition with regard to providing of benefit to only one account of the beneficiary. However, it can be seen that this condition was mentioned in the sanction of GoJ&K of October 2020.

The Government while endorsing the replies of JKBL and JKGB, stated (December 2023) that the condition regarding disbursement of interest subvention to more than one account of the beneficiary was not mentioned in the sanction order.

The Government's reply may be seen in light of the fact that all three sanction orders of the Finance Department contain the condition that only one account of the beneficiary was eligible for relief under the scheme.

4.1.4.3 Interest Subvention to KCC, ACC and loans under personal segment

As per the sanction order (October 2020) for the scheme, interest subvention was not to be provided to borrowers under KCC, ACC, loan against deposits and loan under personal segments.

Audit observed that JKBL violated the conditions for the release of interest subvention despite the same being clearly mentioned in the original sanction order for the Scheme. Scrutiny of beneficiary accounts revealed that benefit of interest subvention of ₹ 1.91 lakh was granted to 10 KCC accounts which were not to be covered under the scheme. It was also observed that JKBL provided the benefit of interest subvention of ₹ 1.07 lakh to 22 accounts under personal segment.

On being pointed out by audit (April 2023), the Government replied (December 2023) that out of 10 KCC accounts, eight accounts were eligible under the scheme as these were wrongly opened in KCC GL Head and the recovery of ₹ 1.41 lakh against the remaining two accounts shall be made. Further, it was stated that 22 accounts were eligible under the scheme as they were wrongly opened under GL Head '*Personal Saholiat*' instead of GL Head '*Saral Finance*'.

The reply of the Government regarding extending of benefit of interest subvention to 22 accounts opened under Personal segment is not acceptable as at the time of extending the scheme benefit, these accounts were categorised under the personal segment, rendering them ineligible for the benefits as per the scheme guidelines.

4.1.5 Conclusion

The scheme was formulated without conducting any survey with regard to its financial requirements. The guidelines/ terms and conditions for the release of the benefit under the scheme were not communicated to the Banks. Interest subvention of ₹ 6.78 crore was provided to 1,243 ineligible accounts which were substandard on 31 July 2019 as well as on 31 March 2020. Ineligible benefit of interest subvention of ₹ 59.21 crore was extended to 39,136 accounts by providing interest subvention in more than one account.

Finance Department

Jammu and Kashmir Bank Limited

4.2 Doubtful recovery of ₹ 104.51 crore

Sanctioning of credit facilities in favour of M/s Zenica Cars India Pvt. Limited without obtaining adequate collateral securities coupled with non-fulfillment of pre-disbursement conditions and poor monitoring of account led to doubtful recovery of ₹ 104.51 crore.

M/s Zenica Cars India Pvt. Limited (Borrower Company) was dealing in sale of Audi cars purchased from the manufacturer and the cars were pre-financed by M/s Volkswagen Finance Private Limited (VFPL) upto a period of 90 days. Jammu and Kashmir Bank Limited (Bank) sanctioned (March 2017) Cash Credit (CC) facility of ₹ 40 crore in favour of the Borrower Company for refinancing the inventories funded by VFPL. As per the arrangement, the finance to be granted by the Bank was for the maximum period of 90 days after the expiry of 90 days finance extended by VFPL. The Borrower Company was also availing various credit facilities from other lenders under the Multi Banking Arrangement.

The CC facility was granted against the primary security by way of hypothecation of inventories and book debts created out of funding of inventories of VFPL. The collateral security was also obtained by way of personal guarantee of the Directors of the Borrower Company and a property at Gurugram valuing ₹ 10.97 crore.

The Borrower Company availed (April 2017) CC facility of ₹ 39.95 crore from the Bank which was due for repayment by 28 July 2017. However, the Borrower Company could not repay the due amount and the outstanding balance as on 20 September 2017 was ₹ 39.89 crore. The Borrower Company requested (20 and 28 September 2017) for sanctioning of *ad hoc* facility of ₹ 10 crore for purchase of stocks in order to meet the demand of upcoming festival season and Bank Guarantee (BG) of ₹ five crore to be provided to VFPL. The Bank sanctioned (4 October 2017) the *ad hoc* facility of ₹ 10 crore for a period of 45 days against existing securities and BG of ₹ five crore against security of two plots at Chandigarh valuing ₹ 2.14 crore. The Borrower Company could not repay the credit facilities⁶ within the stipulated time and the Bank granted extension for adjustment of account thrice⁷ upto 8 June 2018.

Owing to non-servicing of the credit facilities⁸ by the Borrower Company, the account was declared (31 August 2018) as NPA with outstanding balance of ₹ 55.65 crore and notice under SARFAESI Act, 2002 was issued (28 September 2018) followed by lodging (1 March 2019) of FIR against the Borrower Company for committing fraud.

⁶ Including *ad hoc* facility of ₹ 10 crore

⁷ Extended up to 5 January 2018 and further extended up to 3 April 2018 and then up to 8 June 2018

⁸ Including BG of ₹ five crore encashed (20 June 2018) by VFPL

One of the lenders, HDFC Bank Limited had also lodged (29 August 2018) an FIR against the Borrower Company with the Economic Offence Wing, New Delhi.

The outstanding balance against the Borrower Company as of May 2023 was ₹ 118.48 crore⁹ whereas the value of securities available with the Bank was ₹ 13.97 crore¹⁰. An application for resolution under Insolvency and Bankruptcy Code, 2016 was filed (March 2021) by M/s VFPL in National Company Law Tribunal (NCLT) and the Resolution Professional had taken over the mortgaged properties of the Borrower Company.

Audit observed (November 2021) that:

- The Bank extended (October 2017) *ad hoc* facility of ₹ 10 crore to the Borrower Company against extension of charge on existing securities and BG of ₹ five crore against security of two plots valuing ₹ 2.14 crore despite the fact that the Borrower Company had defaulted, was irregular in servicing of existing credit facilities and was showing early warning signs of stress.
- The Bank granted three extensions to the Borrower Company for adjustment of its account and the due date for repayment was rescheduled from 28 July 2017 to 8 June 2018. As a result, the account escaped the NPA classification during the period between October 2017 and August 2018.
- The Bank assigned (March 2017) internal rating of 7 (moderate degree of default) to the Borrower Company. Further, ICRA Limited¹¹, an external rating agency had also assigned (October 2016) BBB rating for ₹ 150 crore bank facilities of the Borrower Company, which according to the Bank's Credit Policy carried a moderate degree of safety with moderate degree of credit risk. The Bank, however, did not obtain adequate tangible collateral security considering the credit risk perception as evident from the fact that against the outstanding NPA balance of ₹ 55.64 crore as of May 2023, the collateral securities were valued at ₹ 13.97 crore.
- As per the pre-disbursement conditions, the Borrower Company was to furnish a No Objection Certificate (NOC) from other lenders within three weeks of sanction certifying that inventories financed by the Bank would have exclusive charge over them. However, the Bank released the funds to the Borrower Company without obtaining NOC from other lenders as a result of which it could not take possession of the stocks.
- As per the sanction order, the Branch Management was required to disburse the credit as per the drawing powers available on stocks, debtors and creditors

⁹ NPA balance: ₹ 55.64 crore and Unapplied Interest: ₹ 62.84 crore

¹⁰ Primary Security: Nil and Collateral Security: ₹ 13.97 crore

¹¹ formerly Investment Information and Credit Rating Agency of India Limited

computed on monthly basis. However, the Drawing Power Register was not maintained by the Branch. Further, the stock audit which was required to be conducted on annual basis as per the Bank's credit policy was not conducted by the Bank indicating poor post-disbursement monitoring.

The Management replied (June 2023) that external rating of BBB assigned to the Borrower Company does not in any way infer that lenders cannot extend further exposure to the Borrower Company. Further, the Management admitted that the NOC from other lenders was not obtained by the Branch as per the sanction stipulation and the stock audit of the account was not conducted.

The Management's reply may be seen in light of the fact that the Bank did not obtain adequate collateral securities to safeguard its interest especially considering the credit risk involved in extending credit facilities to the Borrower Company and despite default in payment of credited loan. Further, non-fulfillment of pre-disbursement conditions and poor post-disbursement monitoring of account resulted in doubtful recovery of ₹ 104.51 crore¹² from M/s Zenica Cars India Pvt. Limited and undue favour.

The matter was referred to the Government in June 2023. The reply was awaited (April 2025).

Finance Department

Jammu and Kashmir Bank Limited

4.3 Wasteful expenditure in creation of Jammu and Kashmir Asset Reconstruction Limited

Failure of Jammu and Kashmir Bank Limited and GoJ&K in making the Jammu and Kashmir Asset Reconstruction Limited operational resulted in wasteful expenditure of ₹ 82.18 lakh

Pursuant to the Hon'ble Supreme Court's judgement (December 2016) wherein SARFAESI Act, 2002¹³ was made applicable to Jammu and Kashmir, the Government of Jammu and Kashmir (GoJ&K) alongwith Jammu and Kashmir Bank Limited (JKBL) started (January/ February 2017) the process of setting up Jammu and Kashmir Asset Reconstruction Limited (Company). The Company was to purchase Non-Performing Asset (NPA) accounts from the banks in Jammu and Kashmir and to help them in releasing the funds blocked in NPAs. The initial capital of the Company was to be ₹ two crore, out of which GoJ&K was to subscribe ₹ 1.02 crore (51 per cent) and JKBL ₹ 0.98 crore (49 per cent). The JKBL applied (19 April 2017) for incorporation of the Company with the Registrar of Companies (RoC) and the Certificate of Incorporation was issued to the Company on 28 April 2017.

¹² Outstanding amount of ₹ 118.48 crore less value of securities available ₹ 13.97 crore

¹³ The Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002

Scrutiny (April 2021) of the records of JKBL revealed that expenditure of ₹ 82.18 lakh¹⁴ was incurred by the JKBL towards pre-incorporation expenses of the Company. Moreover, neither of the promoters viz. GoJ&K and JKBL paid the subscribed amount (equity). Further, the Board and Managing Director of the Company were not appointed by the GoJ&K and the Company did not obtain certificate of registration from the Reserve Bank of India to commence the business of Asset Reconstruction.

As the company was not able to start its operations within the stipulated period of one year, GoJ&K and JKBL decided (October 2019) to wind up the Company. Accordingly, JKBL took up the matter regarding removal of the Company with RoC. The formal notification/ order regarding the same was awaited (July 2024). JKBL requested (December 2019 and February 2020) GoJ&K to reimburse its share (51 *per cent*) of pre-incorporation expenses amounting to ₹ 41.91 lakh to JKBL. However, the GoJ&K had not reimbursed its share of expenses (July 2024).

Audit noticed that lackadaisical approach of the JKBL and GoJ&K in making the company operational rendered the pre-incorporation expenditure of ₹ 82.18 lakh as wasteful.

On being pointed out, the JKBL Management stated (July 2022) that GoJ&K failed to subscribe their share of Capital and delay in nomination of the Managing Director of the Company led to winding up of the Company.

The reply of the JKBL Management confirmed the audit contention that adequate measures were not taken by both the stakeholders to make the Company operational leading to wasteful expenditure of ₹ 82.18 lakh.

The matter was referred to the Government in June 2023. The reply was awaited (April 2025).

Industries and Commerce Department

Jammu and Kashmir IT Infrastructure Development Private Limited

4.4 Parking of surplus funds and loss of interest of ₹ 2.65 crore

Parking of surplus funds in violation of the Board's directives resulted in loss of interest of ₹ 2.65 crore.

Jammu and Kashmir IT Infrastructure Development Private Limited (Company) was incorporated (March 2019) with the mandate to develop IT infrastructure in the UT of J&K by way of establishing IT Parks/ Towers and Business Process Operations.

¹⁴ Registration fee: ₹ 76.33 lakh; fee for hiring of professional services for drafting of Memorandum of Association/ Article of Association: ₹ 5.85 lakh

Accordingly, Government of Jammu and Kashmir (GoJ&K) released (March 2019) ₹ 5.50 crore (₹ five crore for construction of IT Towers and ₹ 0.50 crore as Equity contribution) to the Company. The GoJ&K further released (March 2022) ₹ 50 crore for construction of IT Towers at Jammu and Srinagar.

The Board of Directors (BoDs) of the Company in its first meeting (March 2019) resolved that the idle funds should not be kept in current account but income must be generated by way of secured investments exclusively like in liquid investments as permitted under Companies Act, 2013. Secured investment in liquid assets shall be treated as investment policy of the Company which includes investment in Fixed Deposits with Bank but not an investment in equity shares.

In order to construct IT Towers at Jammu and Srinagar, NBCC India Limited (Contractor) was engaged (January 2020) for planning, designing and execution of IT Towers and a Memorandum of Understanding (MoU) was also signed (January 2021) between the Company and the Contractor. The cost of IT Towers was estimated at ₹ 149.85 crore for Jammu and ₹ 168.47 crore for Srinagar. The sites were identified and possession of the sites at Jammu and Srinagar was handed over to the Company by Industries and Commerce (I&C) Department, GoJ&K in February 2021 and August 2021 respectively.

The BoDs in its 4th meeting (December 2021) decided to put the construction of IT Towers on hold and advised the Company Management to explore the larger market for IT investment in J&K. Meanwhile, the land identified for construction of IT Towers in Jammu and Srinagar was transferred back (March 2022) to I&C Department, GoJ&K. Subsequently, the land was allotted (February 2023) by the I&C Department to M/s Magna Buildtech Private Ltd. for establishment of IT Multipurpose Tower.

The Company parked the surplus funds¹⁵ in its Current Account which not only violated the Board's directives but also resulted in interest loss of ₹ 2.65 crore¹⁶ to the Company. Although the Company took up (November 2022) the matter regarding the investment of ₹ 50 crore as Fixed Deposits with the GoJ&K, there was no communication from the GoJ&K and the Company invested (June 2023) the amount of ₹ 50 crore in Fixed Deposits with the Jammu and Kashmir Bank Limited. Thus, the funds remained parked in the current account of the Company during the period between March 2022 and May 2023.

Further, due to indecisiveness on part of GoJ&K, the Company which was incorporated with the main objective to develop IT infrastructure in J&K could not achieve its objective even after lapse of more than four years from date of its incorporation and despite availability of funds of ₹ 55 crore. In May 2023, the Industries and Commerce

¹⁵ ₹ 5.25 crore parked in current account between December 2019 and March 2021; ₹ 50 crore remained parked in the current account from March 2022 to April 2023

¹⁶ ₹ 0.25 crore*0.04*572/365 + ₹ five crore*0.04*469/365= ₹ 0.27 crore; ₹ 50 crore*0.04*435/365 = ₹ 2.38 crore. Simple interest is calculated on the amount at rate of four *per cent* per annum

Department passed (May 2023) instructions for closure of the Company. However, the Company was still operational.

The Management replied (April 2022) that due to frequent changes of Managing Director, decision to invest the funds could not be taken. The Management further stated (June 2023) that the Company could not achieve its objective due to change (February 2022) in Government's policy with regards to Promotion of Foreign Investment in Industrial Sector in J&K.

Thus, idle parking of surplus funds by the Company in violation of its BoDs directives resulted in loss of interest of ₹ 2.65 crore.

The matter was referred to the Government in June 2023. The reply was awaited (April 2025).

Jammu and Kashmir Power Development Department

Jammu and Kashmir State Power Development Corporation Limited

4.5 Avoidable interest payment of ₹ 6.88 crore

Non-depositing of advance tax on taxable income during the financial years 2015-16, 2017-18 and 2019-20 by Jammu and Kashmir State Power Development Corporation Limited as per the provisions of the Income Tax Act, 1961 resulted in avoidable interest payment of ₹ 6.88 crore

Section 208 of the Income Tax Act, 1961 provides that advance tax shall be payable during a financial year in every case where the amount of such tax payable by the assessee during that year is ten thousand rupees or more. Further, Section 234A provides that in case the return of income for any assessment year is furnished after a due date or is not furnished, the assessee shall be liable to pay interest. Moreover, Section 234B of the Act stipulates that where in any financial year, an assessee who is liable to pay advance tax under section 208 has failed to pay such tax or where the advance tax paid by such assessee under the provisions of section 210 is less than 90 *per cent* of the assessed tax, the assessee shall be liable to pay interest for defaults in payments of advance tax. Section 234C further provides that where the advance tax paid by an assessee on its current income on or before the 15th day of June is less than fifteen *per cent* of the tax due or the amount of such tax paid on or before the 15th day of September is less than forty five *per cent* of the tax due or the amount of such tax paid on or before the 15th day of December is less than seventy five *per cent* of the tax due or the advance tax paid by the assessee on the current income on or before the 15th day of March is less than the tax due on the returned income then the assessee shall be liable to pay interest for deferment of advance tax.

Scrutiny of the records (December 2021) of the Jammu and Kashmir State Power Development Corporation Limited (Company) revealed that the Company had failed to deposit 90 per cent of the tax due on the assessed income as the advance tax during the financial years (FY) 2015-16, 2017-18 and 2019-20 as per the provisions of Sections 234B of Income Tax Act, 1961. Further, the Company did not timely pay the advance tax for these financial years as per the requirement of section 234C of the Act. As a result, it had to pay penal interest of ₹ 6.88 crore¹⁷ at the time of filing of Income Tax Returns (ITRs) for the respective financial years.

The Income Tax Department, while assessing the Company under section 143(3) of the Act for the FYs 2015-16 (December 2018), 2017-18 (August 2021) and 2019-20 (August 2023) assessed that the Company was liable to pay penal interest of ₹ 8.17 crore¹⁸ against the penal interest of ₹ 6.88 crore actually paid by the Company for these financial years under sections 234B and 234C of the Act. Further, the Tax Department also imposed penalty of ₹ 0.27 crore¹⁹ on the Company under section 234A of the Act for FYs 2015-16 and 2017-18. The Company filed for Appeals under section 246A against the Assessment Orders for the FYs 2015-16 (January 2019), 2017-18 (September 2021) and 2019-20 (September 2023). However, the final outcome of the Appeals was awaited (September 2024).

The Management while accepting the audit contention stated (January 2022) that due to delay in receipt of dues of power sold to Power Development Department, Govt. of Jammu and Kashmir, the Company was facing liquidity crisis and was not in position to pay advance tax.

The reply may be viewed in light of the fact that the Company had bank balances of ₹ 48.46 crore, ₹ 39.75 crore and ₹ 203.61 crore as on 31 March 2016, 31 March 2018 and 31 March 2020, respectively. Further, despite being pointed out in the Report of the Comptroller and Auditor General of India on Revenue and Public Sector Undertakings of the Government of Jammu and Kashmir for the year ended 31 March 2018, the Company has continued with the practice of non-deposition of advance tax as per the provisions of the Act resulting in avoidable interest payment of ₹ 6.88 crore.

The matter was referred to the Government in June 2023. The reply was awaited (April 2025).

¹⁷ 2015-16 (234B: ₹ 0.52 crore and 234C: ₹ 0.47 crore); 2017-18 (234B: ₹ 1.24 crore and 234C: ₹ 0.78 crore); 2019-20 (234B: ₹ 1.77 crore and 234C: ₹ 2.10 crore)

¹⁸ 2015-16 (234B: ₹ 1.13 crore and 234C: ₹ 0.58 crore); 2017-18 (234B: ₹ 1.72 crore and 234C: ₹ 0.78 crore) and 2019-20 (234B: ₹ 1.86 crore and 234C: ₹ 2.10 crore)

¹⁹ 2015-16: ₹ 0.26 crore and 2017-18: ₹ 0.01 crore

Public Works Department

Jammu and Kashmir Projects Construction Corporation Limited

4.6 Avoidable interest payment of ₹ 0.32 crore

Failure of Jammu and Kashmir Projects Construction Corporation Limited to deposit advance tax on taxable income on due dates for the Financial Year 2017-18 in accordance with the provisions of Income Tax Act, 1961 resulted in avoidable interest of ₹ 0.32 crore

Section 208 of the Income Tax Act, 1961 provides that advance tax shall be payable during a financial year in every case where the amount of such tax payable by the assessee during that year is ten thousand rupees or more. Section 234C of the Income Tax Act provides that where the advance tax paid by an assessee on its current income on or before the 15th day of June is less than fifteen *per cent* of the tax due or the amount of such tax paid on or before the 15th day of September is less than forty five *per cent* of the tax due or the amount of such tax paid on or before the 15th day of December is less than seventy five *per cent* of the tax due or the advance tax paid by the assessee on the current income on or before the 15th day of March is less than the tax due on the returned income then the assessee shall be liable to pay interest for deferment of advance tax.

Audit scrutiny (March 2022) of records of the Jammu and Kashmir Project Construction Corporation Limited (Company) revealed that the Company had deposited²⁰ advance tax for financial year 2017-18, however, the timelines fixed under section 234C of the Act were not adhered to. As a result, the Company had to pay interest of ₹ 0.32 crore for deferment of payment of advance tax under section 234C for the financial year 2017-18.

The Management replied (March 2022) that due to nature of activity being carried out and unpredictability associated with it, it is very difficult to anticipate volume of business to be achieved during the year and the profits to be earned thereon. For the year 2017-18, it was more difficult as the Company suffered loss of ₹ 3.95 crore and ₹ 25.24 crore during 2014-15 and 2015-16, respectively whereas profit of ₹ 3.33 crore was booked during 2016-17. Further, the system of accounting being manual and unorganized and poor Management Information System (MIS) of the Company had made it difficult to estimate the profit for the year 2017-18.

Reply of the Management may be seen in view of the fact that profitability of the Company depends on value of work done and there is a system in place to prepare the physical and financial progress reports covering all the works under execution by the Company on monthly basis. During the year 2016-17, the value of work done was

²⁰ ₹ 4.50 crore on 15th November 2017 and ₹ six crore on 28th of March 2018

recorded as ₹ 250.65 crore while the same was booked as ₹ 464.67 crore during 2017-18 implying that the Company was aware of sharp increase in its value of work done on monthly basis and the impact thereof on the Company's profitability during 2017-18. Further, devising and putting in place an organised system of accounting and proper MIS is the responsibility of the Company Management.

The matter was referred to the Government in June 2023. The reply was awaited (April 2025).

Srinagar/ Jammu
Dated: 21 October 2025



(K. P. Yadaw)
Principal Accountant General (Audit),
Jammu and Kashmir

Countersigned



New Delhi
Dated: 10 November 2025

(K. Sanjay Murthy)
Comptroller and Auditor General of India

APPENDICES

Appendix 2.1.1

(Referred to in Paragraph: 2.1.5)

[A] Detail of samples selected for ‘Circle Audit’

Sl. No.	Circle	Return Year
1	Circle E-Jammu	2017-18 to 2020-21
2	Circle I-Jammu	2017-18 to 2020-21
3	Circle L-Jammu	2017-18 to 2020-21
4	Circle Baramulla I-Kashmir	2017-18 to 2020-21

[B]-Detail of sample selected for ‘Centralized/ Limited Audit’

Sl. No.	GSTIN	Circle	Return Year
1	01XXXXXXXXXXN1ZK	Circle A-Jammu	2017-18
2	01XXXXXXXXXXN1ZK	Circle A-Jammu	2017-18
3	01XXXXXXXXXXE1ZS	Circle A-Kashmir	2017-18
4	01XXXXXXXXXXC1ZK	Circle A-Kashmir	2017-18
5	01XXXXXXXXXXP1ZY	Circle A-Kashmir	2017-18
6	01XXXXXXXXXXJ1ZD	Circle A-Kashmir	2017-18
7	01XXXXXXXXXXF1ZO	Circle A-Kashmir	2017-18
8	01XXXXXXXXXXM1ZV	Circle A-Kashmir	2017-18
9	01XXXXXXXXXXM1ZN	Circle Anantnag III-Kashmir	2017-18
10	01XXXXXXXXXXJ1ZM	Circle Anantnag III-Kashmir	2017-18
11	01XXXXXXXXXXA1ZU	Circle Anantnag II-Kashmir	2017-18
12	01XXXXXXXXXXP1Z1	Circle Anantnag II-Kashmir	2017-18
13	01XXXXXXXXXXH2Z5	Circle Anantnag I-Kashmir	2017-18
14	01XXXXXXXXXXA1ZO	Circle Anantnag I-Kashmir	2017-18
15	01XXXXXXXXXXP1ZY	Circle Anantnag I-Kashmir	2017-18
16	01XXXXXXXXXXD1ZU	Circle Anantnag I-Kashmir	2017-18
17	01XXXXXXXXXXA1ZR	Circle Bandipora-Kashmir	2017-18
18	01XXXXXXXXXXA1ZR	Circle Bandipora-Kashmir	2017-18
19	01XXXXXXXXXXQ1ZS	Circle Bandipora-Kashmir	2017-18
20	01XXXXXXXXXXL1ZY	Circle Baramulla I-Kashmir	2017-18
21	01XXXXXXXXXXD1Z8	Circle Baramulla I-Kashmir	2017-18
22	01XXXXXXXXXXC2Z1	Circle Baramulla I-Kashmir	2017-18
23	01XXXXXXXXXXC2Z1	Circle Baramulla I-Kashmir	2017-18
24	01XXXXXXXXXXK1ZU	Circle Baramulla I-Kashmir	2017-18
25	01XXXXXXXXXXQ1ZJ	Circle Baramulla I-Kashmir	2017-18
26	01XXXXXXXXXXL1ZR	Circle Baramulla I-Kashmir	2017-18
27	01XXXXXXXXXXK1ZU	Circle Baramulla I-Kashmir	2017-18
28	01XXXXXXXXXXF1Z1	Circle Baramulla II-Kashmir	2017-18
29	01XXXXXXXXXXK1ZO	Circle Baramulla-II-Kashmir	2017-18
30	01XXXXXXXXXXK1ZO	Circle Baramulla II-Kashmir	2017-18
31	01XXXXXXXXXXE1ZL	Circle Baramulla II-Kashmir	2017-18
32	01XXXXXXXXXXF1ZZ	Circle Baramulla III-(Sopore) Kashmir	2017-18
33	01XXXXXXXXXXH1ZB	Circle Baramulla III-(Sopore) Kashmir	2017-18
34	01XXXXXXXXXXP1ZA	Circle Baramulla III-(Sopore) Kashmir	2017-18
35	01XXXXXXXXXXN1ZB	Circle Baramulla III-(Sopore) Kashmir	2017-18
36	01XXXXXXXXXXF1ZJ	Circle Baramulla III-(Sopore) Kashmir	2017-18
37	01XXXXXXXXXXR1ZJ	Circle Baramulla III-(Sopore) Kashmir	2017-18
38	01XXXXXXXXXXF1ZJ	Circle Baramulla III-(Sopore) Kashmir	2017-18
39	01XXXXXXXXXXB1ZH	Circle Baramulla III-(Sopore) Kashmir	2017-18
40	01XXXXXXXXXXD1ZQ	Circle B-Jammu	2017-18
41	01XXXXXXXXXXK1ZL	Circle B-Jammu	2017-18
42	01XXXXXXXXXXJ2Z1	Circle B-Jammu	2017-18
43	01XXXXXXXXXXJ1ZW	Circle B-Jammu	2017-18
44	01XXXXXXXXXXB1ZZ	Circle B-Kashmir	2017-18
45	01XXXXXXXXXXG1Z5	Circle B-Kashmir	2017-18
46	01XXXXXXXXXXJ1ZC	Circle B-Kashmir	2017-18
47	01XXXXXXXXXXF1ZZ	Circle B-Kashmir	2017-18
48	01XXXXXXXXXXJ1ZB	Circle B-Kashmir	2017-18

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sl. No.	GSTIN	Circle	Return Year
49	01XXXXXXXXXXM1ZS	Circle B-Kashmir	2017-18
50	01XXXXXXXXXXL3Z0	Circle Budgam-Kashmir	2017-18
51	01XXXXXXXXXXK2ZR	Circle Budgam-Kashmir	2017-18
52	01XXXXXXXXXXF1ZU	Circle Budgam-Kashmir	2017-18
53	01XXXXXXXXXXF1ZU	Circle Budgam-Kashmir	2017-18
54	01XXXXXXXXXXG1ZX	Circle Budgam-Kashmir	2017-18
55	01XXXXXXXXXXJ1ZM	Circle Budgam-Kashmir	2017-18
56	01XXXXXXXXXXF1ZZ	Circle C-Jammu	2017-18
57	01XXXXXXXXXXG3Z9	Circle C-Jammu	2017-18
58	01XXXXXXXXXXF1ZQ	Circle C-Jammu	2017-18
59	01XXXXXXXXXXM1ZE	Circle C-Jammu	2017-18
60	01XXXXXXXXXXQ1Z7	Circle C-Kashmir	2017-18
61	01XXXXXXXXXXB1ZV	Circle D-Jammu	2017-18
62	01XXXXXXXXXXB1ZB	Circle D-Jammu	2017-18
63	01XXXXXXXXXXG1ZL	Circle D-Jammu	2017-18
64	01XXXXXXXXXXJ2ZG	Circle D-Jammu	2017-18
65	01XXXXXXXXXXC1ZA	Circle D-Jammu	2017-18
66	01XXXXXXXXXXQ1ZY	Circle D-Kashmir	2017-18
67	01XXXXXXXXXXF1ZY	Circle D-Kashmir	2017-18
68	01XXXXXXXXXXD2Z4	Circle D-Kashmir	2017-18
69	01XXXXXXXXXXC1ZU	Circle D-Kashmir	2017-18
70	01XXXXXXXXXXJ1ZA	Circle D-Kashmir	2017-18
71	01XXXXXXXXXXE1ZH	Circle D-Kashmir	2017-18
72	01XXXXXXXXXXL1ZA	Circle Doda-Jammu	2017-18
73	01XXXXXXXXXXH1ZZ	Circle Doda-Jammu	2017-18
74	01XXXXXXXXXXA2ZD	Circle Doda-Jammu	2017-18
75	01XXXXXXXXXXK2ZQ	Circle E-Jammu	2017-18
76	01XXXXXXXXXXB1ZE	Circle E-Jammu	2017-18
77	01XXXXXXXXXXH2ZO	Circle E-Jammu	2017-18
78	01XXXXXXXXXXE1ZX	Circle E-Jammu	2017-18
79	01XXXXXXXXXXC1Z3	Circle E-Jammu	2017-18
80	01XXXXXXXXXXM1ZG	Circle E-Jammu	2017-18
81	01XXXXXXXXXXH2Z9	Circle E-Jammu	2017-18
82	01XXXXXXXXXXG1ZD	Circle E-Jammu	2017-18
83	01XXXXXXXXXXK1ZL	Circle E-Jammu	2017-18
84	01XXXXXXXXXXC1ZM	Circle E-Jammu	2017-18
85	01XXXXXXXXXXK1ZL	Circle E-Jammu	2017-18
86	01XXXXXXXXXXG1ZD	Circle E-Jammu	2017-18
87	01XXXXXXXXXXC1ZM	Circle E-Jammu	2017-18
88	01XXXXXXXXXXC1Z8	Circle E-Jammu	2017-18
89	01XXXXXXXXXXH2Z9	Circle E-Jammu	2017-18
90	01XXXXXXXXXXG5ZZ	Circle E-Jammu	2017-18
91	01XXXXXXXXXXE1ZC	Circle E-Jammu	2017-18
92	01XXXXXXXXXXP1ZB	Circle E-Jammu	2017-18
93	01XXXXXXXXXXC1ZV	Circle E-Jammu	2017-18
94	01XXXXXXXXXXG1Z1	Circle E-Jammu	2017-18
95	01XXXXXXXXXXA1Z2	Circle E-Jammu	2017-18
96	01XXXXXXXXXXH2Z9	Circle E-Jammu	2017-18
97	01XXXXXXXXXXP1ZG	Circle E-Jammu	2017-18
98	01XXXXXXXXXXC1ZV	Circle E-Jammu	2017-18
99	01XXXXXXXXXXK2ZQ	Circle E-Jammu	2017-18
100	01XXXXXXXXXXL2ZB	Circle E-Jammu	2017-18
101	01XXXXXXXXXXR1ZY	Circle E-Kashmir	2017-18
102	01XXXXXXXXXXE1ZS	Circle E-Kashmir	2017-18
103	01XXXXXXXXXXP1Z4	Circle E-Kashmir	2017-18
104	01XXXXXXXXXXD1ZI	Circle F-Jammu	2017-18
105	01XXXXXXXXXXP1ZQ	Circle F-Jammu	2017-18
106	01XXXXXXXXXXN1ZC	Circle F-Kashmir	2017-18
107	01XXXXXXXXXXA1Z0	Circle F-Kashmir	2017-18
108	01XXXXXXXXXXF1Z8	Circle F-Kashmir	2017-18
109	01XXXXXXXXXXF1Z8	Circle F-Kashmir	2017-18
110	01XXXXXXXXXXA1ZN	Circle F-Kashmir	2017-18
111	01XXXXXXXXXXF1Z8	Circle F-Kashmir	2017-18

Sl. No.	GSTIN	Circle	Return Year
112	01XXXXXXXXXXN1ZC	Circle F-Kashmir	2017-18
113	01XXXXXXXXXXF1ZT	Circle Ganderbal-Kashmir	2017-18
114	01XXXXXXXXXXH1ZH	Circle G-Jammu	2017-18
115	01XXXXXXXXXXG1ZZ	Circle G-Jammu	2017-18
116	01XXXXXXXXXXN1Z6	Circle G-Jammu	2017-18
117	01XXXXXXXXXXJ1ZD	Circle G-Jammu	2017-18
118	01XXXXXXXXXXC1Z9	Circle G-Jammu	2017-18
119	01XXXXXXXXXXL1Z2	Circle G-Jammu	2017-18
120	01XXXXXXXXXXM1Z9	Circle G-Jammu	2017-18
121	01XXXXXXXXXXG1ZZ	Circle G-Jammu	2017-18
122	01XXXXXXXXXXA1ZV	Circle G-Jammu	2017-18
123	01XXXXXXXXXXM1ZR	Circle G-Jammu	2017-18
124	01XXXXXXXXXXG1ZT	Circle G-Jammu	2017-18
125	01XXXXXXXXXXA1ZV	Circle G-Jammu	2017-18
126	01XXXXXXXXXXR1Z0	Circle G-Jammu	2017-18
127	01XXXXXXXXXXR1ZI	Circle G-Kashmir	2017-18
128	01XXXXXXXXXXC1ZZ	Circle G-Kashmir	2017-18
129	01XXXXXXXXXXC1ZD	Circle G-Kashmir	2017-18
130	01XXXXXXXXXXH1ZD	Circle G-Kashmir	2017-18
131	01XXXXXXXXXXB1Z5	Circle G-Kashmir	2017-18
132	01XXXXXXXXXXC1ZZ	Circle G-Kashmir	2017-18
133	01XXXXXXXXXXR1ZV	Circle H-Jammu	2017-18
134	01XXXXXXXXXXC1ZR	Circle H-Jammu	2017-18
135	01XXXXXXXXXXF1ZV	Circle H-Jammu	2017-18
136	01XXXXXXXXXXN1ZM	Circle H-Jammu	2017-18
137	01XXXXXXXXXXF1ZV	Circle H-Jammu	2017-18
138	01XXXXXXXXXXR1ZV	Circle H-Jammu	2017-18
139	01XXXXXXXXXXJ1ZV	Circle H-Jammu	2017-18
140	01XXXXXXXXXXQ1ZW	Circle H-Jammu	2017-18
141	01XXXXXXXXXXQ1ZW	Circle H-Kashmir	2017-18
142	01XXXXXXXXXXB1Z8	Circle H-Kashmir	2017-18
143	01XXXXXXXXXXK1ZY	Circle H-Kashmir	2017-18
144	01XXXXXXXXXXE1ZY	Circle H-Kashmir	2017-18
145	01XXXXXXXXXXB1Z8	Circle H-Kashmir	2017-18
146	01XXXXXXXXXXC1ZJ	Circle I-Jammu	2017-18
147	01XXXXXXXXXXN3ZQ	Circle I-Jammu	2017-18
148	01XXXXXXXXXXR2ZG	Circle I-Jammu	2017-18
149	01XXXXXXXXXXF1ZU	Circle I-Jammu	2017-18
150	01XXXXXXXXXXP1Z4	Circle I-Jammu	2017-18
151	01XXXXXXXXXXK1ZE	Circle I-Jammu	2017-18
152	01XXXXXXXXXXC1ZJ	Circle I-Jammu	2017-18
153	01XXXXXXXXXXK1ZD	Circle I-Jammu	2017-18
154	01XXXXXXXXXXG2ZL	Circle I-Kashmir	2017-18
155	01XXXXXXXXXXR1Z2	Circle I-Kashmir	2017-18
156	01XXXXXXXXXXP1ZP	Circle I-Kashmir	2017-18
157	01XXXXXXXXXXM1ZF	Circle I-Kashmir	2017-18
158	01XXXXXXXXXXE1Z6	Circle I-Kashmir	2017-18
159	01XXXXXXXXXXC1ZF	Circle I-Kashmir	2017-18
160	01XXXXXXXXXXM1ZU	Circle I-Kashmir	2017-18
161	01XXXXXXXXXXB1ZV	Circle I-Kashmir	2017-18
162	01XXXXXXXXXXK1ZL	Circle I-Kashmir	2017-18
163	01XXXXXXXXXXH1ZM	Circle I-Kashmir	2017-18
164	01XXXXXXXXXXQ1ZQ	Circle I-Kashmir	2017-18
165	01XXXXXXXXXXF1ZA	Circle J-Jammu	2017-18
166	01XXXXXXXXXXA1ZQ	Circle J-Jammu	2017-18
167	01XXXXXXXXXXP1ZY	Circle J-Jammu	2017-18
168	01XXXXXXXXXXR1ZG	Circle J-Jammu	2017-18
169	01XXXXXXXXXXM2Z5	Circle J-Jammu	2017-18
170	01XXXXXXXXXXF1ZA	Circle J-Jammu	2017-18
171	01XXXXXXXXXXG1ZH	Circle J-Jammu	2017-18
172	01XXXXXXXXXXL1ZE	Circle J-Jammu	2017-18
173	01XXXXXXXXXXL1ZO	Circle J-Jammu	2017-18
174	01XXXXXXXXXXA1ZJ	Circle J-Jammu	2017-18

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sl. No.	GSTIN	Circle	Return Year
175	01XXXXXXXXXXF1ZA	Circle J-Jammu	2017-18
176	01XXXXXXXXXXM1Z7	Circle J-Kashmir	2017-18
177	01XXXXXXXXXXM1ZF	Circle J-Kashmir	2017-18
178	01XXXXXXXXXXC1ZG	Circle Kargil-Kashmir	2017-18
179	01XXXXXXXXXXG1ZM	Circle Kathua II-Jammu	2017-18
180	01XXXXXXXXXXH1ZC	Circle Kathua II-Jammu	2017-18
181	01XXXXXXXXXXH1ZL	Circle Kathua II-Jammu	2017-18
182	01XXXXXXXXXXK1ZQ	Circle Kathua II-Jammu	2017-18
183	01XXXXXXXXXXH1ZL	Circle Kathua II-Jammu	2017-18
184	01XXXXXXXXXXG1ZX	Circle Kathua II-Jammu	2017-18
185	01XXXXXXXXXXH1ZL	Circle Kathua II-Jammu	2017-18
186	01XXXXXXXXXXD1ZT	Circle Kathua II-Jammu	2017-18
187	01XXXXXXXXXXH1ZD	Circle Kathua II-Jammu	2017-18
188	01XXXXXXXXXXC2ZI	Circle Kathua I-Jammu	2017-18
189	01XXXXXXXXXXK1ZN	Circle Kathua I-Jammu	2017-18
190	01XXXXXXXXXXQ1ZC	Circle Kathua I-Jammu	2017-18
191	01XXXXXXXXXXR1Z2	Circle Kathua I-Jammu	2017-18
192	01XXXXXXXXXXL1ZZ	Circle Kathua I-Jammu	2017-18
193	01XXXXXXXXXXG1Z7	Circle Kathua I-Jammu	2017-18
194	01XXXXXXXXXXN1ZB	Circle Kathua I-Jammu	2017-18
195	01XXXXXXXXXXB1ZD	Circle Kathua I-Jammu	2017-18
196	01XXXXXXXXXXK1ZG	Circle Kathua I-Jammu	2017-18
197	01XXXXXXXXXXG1ZP	Circle Kathua I-Jammu	2017-18
198	01XXXXXXXXXXL1ZI	Circle Kathua I-Jammu	2017-18
199	01XXXXXXXXXXH1ZJ	Circle Kathua I-Jammu	2017-18
200	01XXXXXXXXXXE1Z4	Circle Kathua I-Jammu	2017-18
201	01XXXXXXXXXXR1ZK	Circle Kathua I-Jammu	2017-18
202	01XXXXXXXXXXJ1ZA	Circle Kathua I-Jammu	2017-18
203	01XXXXXXXXXXL1ZU	Circle Kathua I-Jammu	2017-18
204	01XXXXXXXXXXF1ZD	Circle Kathua I-Jammu	2017-18
205	01XXXXXXXXXXC2ZJ	Circle Kishtwar- Jammu	2017-18
206	01XXXXXXXXXXL1ZV	Circle Kishtwar- Jammu	2017-18
207	01XXXXXXXXXXF1Z9	Circle K-Jammu	2017-18
208	01XXXXXXXXXXF1Z9	Circle K-Jammu	2017-18
209	01XXXXXXXXXXR1ZU	Circle K-Jammu	2017-18
210	01XXXXXXXXXXE2Z2	Circle K-Jammu	2017-18
211	01XXXXXXXXXXA1ZT	Circle K-Kashmir	2017-18
212	01XXXXXXXXXXK1ZY	Circle Kulgam-Kashmir	2017-18
213	01XXXXXXXXXXL1ZE	Circle Kulgam-Kashmir	2017-18
214	01XXXXXXXXXXP1ZI	Circle Kupwara-Kashmir	2017-18
215	01XXXXXXXXXXR1Z3	Circle Kupwara-Kashmir	2017-18
216	01XXXXXXXXXXM1ZZ	Circle Kupwara-Kashmir	2017-18
217	01XXXXXXXXXXQ1ZS	Circle Leh-Kashmir	2017-18
218	01XXXXXXXXXXH2ZB	Circle Leh-Kashmir	2017-18
219	01XXXXXXXXXXH2ZB	Circle Leh-Kashmir	2017-18
220	01XXXXXXXXXXF1ZX	Circle Leh-Kashmir	2017-18
221	01XXXXXXXXXXG1ZS	Circle Leh-Kashmir	2017-18
222	01XXXXXXXXXXM1ZR	Circle Leh-Kashmir	2017-18
223	01XXXXXXXXXXH2ZB	Circle Leh-Kashmir	2017-18
224	01XXXXXXXXXXG1ZI	Circle Leh-Kashmir	2017-18
225	01XXXXXXXXXXD2Z3	Circle Leh-Kashmir	2017-18
226	01XXXXXXXXXXF1ZX	Circle Leh-Kashmir	2017-18
227	01XXXXXXXXXXJ1ZH	Circle Leh-Kashmir	2017-18
228	01XXXXXXXXXXA3ZO	Circle Leh-Kashmir	2017-18
229	01XXXXXXXXXXM1Z7	Circle L-Jammu	2017-18
230	01XXXXXXXXXXM1ZT	Circle L-Jammu	2017-18
231	01XXXXXXXXXXF1ZI	Circle L-Jammu	2017-18
232	01XXXXXXXXXXR1ZF	Circle L-Jammu	2017-18
233	01XXXXXXXXXXG1ZN	Circle L-Jammu	2017-18
234	01XXXXXXXXXXD2ZM	Circle L-Jammu	2017-18
235	01XXXXXXXXXXR1ZM	Circle L-Jammu	2017-18
236	01XXXXXXXXXXC1Z4	Circle L-Jammu	2017-18
237	01XXXXXXXXXXD1Z3	Circle L-Jammu	2017-18

Sl. No.	GSTIN	Circle	Return Year
238	01XXXXXXXXXXJ1ZY	Circle L-Jammu	2017-18
239	01XXXXXXXXXXD1ZU	Circle L-Jammu	2017-18
240	01XXXXXXXXXXH1Z2	Circle L-Jammu	2017-18
241	01XXXXXXXXXXK1Z7	Circle L-Jammu	2017-18
242	01XXXXXXXXXXH2ZW	Circle L-Jammu	2017-18
243	01XXXXXXXXXXN1ZY	Circle L-Jammu	2017-18
244	01XXXXXXXXXXH1Z2	Circle L-Jammu	2017-18
245	01XXXXXXXXXXA1Z8	Circle L-Jammu	2017-18
246	01XXXXXXXXXXN1ZY	Circle L-Jammu	2017-18
247	01XXXXXXXXXXK1Z7	Circle L-Jammu	2017-18
248	01XXXXXXXXXXM1Z7	Circle L-Jammu	2017-18
249	01XXXXXXXXXXH1Z2	Circle L-Jammu	2017-18
250	01XXXXXXXXXXR1ZN	Circle L-Jammu	2017-18
251	01XXXXXXXXXXB1ZS	Circle L-Jammu	2017-18
252	01XXXXXXXXXXK1Z7	Circle L-Jammu	2017-18
253	01XXXXXXXXXXN1ZY	Circle L-Jammu	2017-18
254	01XXXXXXXXXXD1Z2	Circle L-Jammu	2017-18
255	01XXXXXXXXXXH1Z2	Circle L-Jammu	2017-18
256	01XXXXXXXXXXE1Z9	Circle L-Jammu	2017-18
257	01XXXXXXXXXXR1ZZ	Circle L-Jammu	2017-18
258	01XXXXXXXXXXC1Z5	Circle L-Jammu	2017-18
259	01XXXXXXXXXXL1Z2	Circle L-Jammu	2017-18
260	01XXXXXXXXXXA1Z7	Circle L-Jammu	2017-18
261	01XXXXXXXXXXH1ZF	Circle L-Kashmir	2017-18
262	01XXXXXXXXXXE1Z9	Circle L-Kashmir	2017-18
263	01XXXXXXXXXXJ1ZR	Circle L-Kashmir	2017-18
264	01XXXXXXXXXXH3Z8	Circle L-Kashmir	2017-18
265	01XXXXXXXXXXM1ZT	Circle L-Kashmir	2017-18
266	01XXXXXXXXXXF1ZX	Circle M-Jammu	2017-18
267	01XXXXXXXXXXL1ZZ	Circle M-Jammu	2017-18
268	01XXXXXXXXXXK1ZY	Circle M-Jammu	2017-18
269	01XXXXXXXXXXQ2ZJ	Circle M-Jammu	2017-18
270	01XXXXXXXXXXC2ZE	Circle M-Jammu	2017-18
271	01XXXXXXXXXXB1Z8	Circle N-Jammu	2017-18
272	01XXXXXXXXXXC1ZR	Circle N-Jammu	2017-18
273	01XXXXXXXXXXB1ZS	Circle N-Jammu	2017-18
274	01XXXXXXXXXXR1ZA	Circle N-Jammu	2017-18
275	01XXXXXXXXXXQ1Z8	Circle N-Jammu	2017-18
276	01XXXXXXXXXXG1ZK	Circle N-Kashmir	2017-18
277	01XXXXXXXXXXP1ZR	Circle O-Jammu	2017-18
278	01XXXXXXXXXXP1Z7	Circle O-Jammu	2017-18
279	01XXXXXXXXXXF1Z1	Circle O-Jammu	2017-18
280	01XXXXXXXXXXR2ZU	Circle O-Jammu	2017-18
281	01XXXXXXXXXXD1Z5	Circle O-Jammu	2017-18
282	01XXXXXXXXXXH2ZS	Circle O-Jammu	2017-18
283	01XXXXXXXXXXG2Z7	Circle O-Jammu	2017-18
284	01XXXXXXXXXXA1ZL	Circle O-Kashmir	2017-18
285	01XXXXXXXXXXC1ZD	Circle O-Kashmir	2017-18
286	01XXXXXXXXXXC1ZD	Circle O-Kashmir	2017-18
287	01XXXXXXXXXXA1Z8	Circle P- Kashmir	2017-18
288	01XXXXXXXXXXN1ZM	Circle P- Kashmir	2017-18
289	01XXXXXXXXXXB1ZK	Circle P- Kashmir	2017-18
290	01XXXXXXXXXXB1ZK	Circle P- Kashmir	2017-18
291	01XXXXXXXXXXC1ZU	Circle P- Kashmir	2017-18
292	01XXXXXXXXXXM1ZQ	Circle P- Kashmir	2017-18
293	01XXXXXXXXXXR1ZX	Circle P-Jammu	2017-18
294	01XXXXXXXXXXH1Z2	Circle P-Jammu	2017-18
295	01XXXXXXXXXXQ1ZV	Circle P-Jammu	2017-18
296	01XXXXXXXXXXK1ZP	Circle P-Jammu	2017-18
297	01XXXXXXXXXXE1Z3	Circle P-Jammu	2017-18
298	01XXXXXXXXXXK1ZP	Circle P-Jammu	2017-18
299	01XXXXXXXXXXE1Z3	Circle P-Jammu	2017-18
300	01XXXXXXXXXXB1ZW	Circle P-Jammu	2017-18

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sl. No.	GSTIN	Circle	Return Year
301	01XXXXXXXXXR3ZW	Circle P-Jammu	2017-18
302	01XXXXXXXXXXK1Z6	Circle P-Jammu	2017-18
303	01XXXXXXXXXXG1ZM	Circle P-Jammu	2017-18
304	01XXXXXXXXXXG1Z5	Circle P-Jammu	2017-18
305	01XXXXXXXXXXC1ZE	Circle Poonch-Jammu	2017-18
306	01XXXXXXXXXXL1Z3	Circle Poonch-Jammu	2017-18
307	01XXXXXXXXXXC1Z5	Circle Poonch-Jammu	2017-18
308	01XXXXXXXXXXC1ZE	Circle Poonch-Jammu	2017-18
309	01XXXXXXXXXXC1ZJ	Circle Poonch-Jammu	2017-18
310	01XXXXXXXXXXG1ZN	Circle Poonch-Jammu	2017-18
311	01XXXXXXXXXXG2ZP	Circle Poonch-Jammu	2017-18
312	01XXXXXXXXXXF1ZX	Circle Poonch-Jammu	2017-18
313	01XXXXXXXXXXJ2Z7	Circle Pulwama-Kashmir	2017-18
314	01XXXXXXXXXXD1ZV	Circle Pulwama-Kashmir	2017-18
315	01XXXXXXXXXXD1ZV	Circle Pulwama-Kashmir	2017-18
316	01XXXXXXXXXXA1Z2	Circle Q- Kashmir	2017-18
317	01XXXXXXXXXXN3ZE	Circle Q- Kashmir	2017-18
318	01XXXXXXXXXXM1ZA	Circle Q-Jammu	2017-18
319	01XXXXXXXXXXN2Z9	Circle Q-Jammu	2017-18
320	01XXXXXXXXXXG1Z9	Circle Q-Jammu	2017-18
321	01XXXXXXXXXXE1ZW	Circle Q-Jammu	2017-18
322	01XXXXXXXXXXD1ZQ	Circle Q-Jammu	2017-18
323	01XXXXXXXXXXN2Z9	Circle Q-Jammu	2017-18
324	01XXXXXXXXXXG1Z9	Circle Q-Jammu	2017-18
325	01XXXXXXXXXXK1ZG	Circle Q-Jammu	2017-18
326	01XXXXXXXXXXH1ZJ	Circle Q-Jammu	2017-18
327	01XXXXXXXXXXD1ZT	Circle R- Kashmir	2017-18
328	01XXXXXXXXXXE1ZB	Circle R- Kashmir	2017-18
329	01XXXXXXXXXXH2ZM	Circle R- Kashmir	2017-18
330	01XXXXXXXXXXB2ZL	Circle R- Kashmir	2017-18
331	01XXXXXXXXXXN2Z3	Circle Rajouri-Jammu	2017-18
332	01XXXXXXXXXXB1ZO	Circle Rajouri-Jammu	2017-18
333	01XXXXXXXXXXH1Z3	Circle Ramban-Jammu	2017-18
334	01XXXXXXXXXXC1Z5	Circle Ramban-Jammu	2017-18
335	01XXXXXXXXXXP1ZN	Circle Ramban-Jammu	2017-18
336	01XXXXXXXXXXM1ZN	Circle Ramban-Jammu	2017-18
337	01XXXXXXXXXXD1ZF	Circle Reasi-Jammu	2017-18
338	01XXXXXXXXXXC1ZI	Circle Reasi-Jammu	2017-18
339	01XXXXXXXXXXF1Z4	Circle Reasi-Jammu	2017-18
340	01XXXXXXXXXXM3Z9	Circle Reasi-Jammu	2017-18
341	01XXXXXXXXXXF1Z4	Circle Reasi-Jammu	2017-18
342	01XXXXXXXXXXM3Z9	Circle Reasi-Jammu	2017-18
343	01XXXXXXXXXXL1Z4	Circle Reasi-Jammu	2017-18
344	01XXXXXXXXXXC1ZK	Circle Reasi-Jammu	2017-18
345	01XXXXXXXXXXL1ZU	Circle R-Jammu	2017-18
346	01XXXXXXXXXXP1ZB	Circle R-Jammu	2017-18
347	01XXXXXXXXXXN1ZK	Circle R-Jammu	2017-18
348	01XXXXXXXXXXM1ZM	Circle R-Jammu	2017-18
349	01XXXXXXXXXXB1ZZ	Circle R-Jammu	2017-18
350	01XXXXXXXXXXQ1Z2	Circle R-Jammu	2017-18
351	01XXXXXXXXXXR1ZL	Circle R-Jammu	2017-18
352	01XXXXXXXXXXA1ZZ	Circle R-Jammu	2017-18
353	01XXXXXXXXXXK1Z4	Circle R-Jammu	2017-18
354	01XXXXXXXXXXG1Z7	Circle Samba II-Jammu	2017-18
355	01XXXXXXXXXXE1ZD	Circle Samba II-Jammu	2017-18
356	01XXXXXXXXXXE2ZE	Circle Samba II-Jammu	2017-18
357	01XXXXXXXXXXE1ZD	Circle Samba II-Jammu	2017-18
358	01XXXXXXXXXXB1ZC	Circle Samba II-Jammu	2017-18
359	01XXXXXXXXXXN1ZM	Circle Samba II-Jammu	2017-18
360	01XXXXXXXXXXE2ZE	Circle Samba II-Jammu	2017-18
361	01XXXXXXXXXXE1ZD	Circle Samba II-Jammu	2017-18
362	01XXXXXXXXXXN1ZM	Circle Samba II-Jammu	2017-18
363	01XXXXXXXXXXE2ZE	Circle Samba II-Jammu	2017-18

Sl. No.	GSTIN	Circle	Return Year
364	01XXXXXXXXXC1ZL	Circle Samba II-Jammu	2017-18
365	01XXXXXXXXXB1ZC	Circle Samba II-Jammu	2017-18
366	01XXXXXXXXXK1ZZ	Circle Samba II-Jammu	2017-18
367	01XXXXXXXXXE1Z9	Circle Samba II-Jammu	2017-18
368	01XXXXXXXXXC1ZF	Circle Samba II-Jammu	2017-18
369	01XXXXXXXXXA1ZS	Circle Samba I-Jammu	2017-18
370	01XXXXXXXXXD1ZI	Circle Samba I-Jammu	2017-18
371	01XXXXXXXXXD1ZI	Circle Samba I-Jammu	2017-18
372	01XXXXXXXXXP1Z2	Circle Samba I-Jammu	2017-18
373	01XXXXXXXXXK1ZE	Circle Samba I-Jammu	2017-18
374	01XXXXXXXXXR1ZV	Circle Samba I-Jammu	2017-18
375	01XXXXXXXXXE1ZO	Circle Shopian-Kashmir	2017-18
376	01XXXXXXXXXB1ZK	Circle S-Jammu	2017-18
377	01XXXXXXXXXG1ZR	Circle Udhampur-Jammu	2017-18
378	01XXXXXXXXXE2Z0	Circle Udhampur-Jammu	2017-18
379	01XXXXXXXXXH1ZR	Circle Udhampur-Jammu	2017-18
380	01XXXXXXXXXL1ZC	Circle Udhampur-Jammu	2017-18
381	01XXXXXXXXXD1ZS	Circle Udhampur-Jammu	2017-18

[C]-Detail of samples selected for 'Detailed Audit'

Sl. No	GSTIN	Jurisdiction	Financial year
1	01XXXXXXXXXK1Z3	Circle E-Jammu	2017-18
2	01XXXXXXXXXC3Z3	Circle E-Jammu	201-18
3	01XXXXXXXXXQ2Z3	Circle E-Jammu	2017-18
4	01XXXXXXXXXC1Z1	Circle E-Jammu	2017-18
5	01XXXXXXXXXG1ZZ	Circle E-Jammu	2017-18
6	01XXXXXXXXXC2ZW	Circle E-Jammu	2017-18
7	01XXXXXXXXXJ3ZC	Circle G-Jammu	2017-18
8	01XXXXXXXXXB1ZQ	Circle P-Jammu	2017-18
9	01XXXXXXXXXK1ZR	Circle I-Jammu	2017-18
10	01XXXXXXXXXN2ZR	Circle I-Jammu	2017-18
11	01XXXXXXXXXJ2ZD	Circle I-Jammu	2017-18
12	01XXXXXXXXXH1ZM	Circle I-Jammu	2017-18
13	01XXXXXXXXXB1ZC	Circle L-Jammu	2017-18
14	01XXXXXXXXXA1ZN	Circle L-Jammu	2017-18
15	01XXXXXXXXXQ2ZB	Circle L-Jammu	2017-18
16	01XXXXXXXXXH1ZQ	Circle L-Jammu	2017-18
17	01XXXXXXXXXN1ZQ	Circle L-Jammu	2017-18
18	01XXXXXXXXXP1ZR	Circle L-Jammu	2017-18
19	01XXXXXXXXXD1ZT	Circle E-Jammu	2017-18
20	01XXXXXXXXXN1ZQ	Circle L-Jammu	2017-18
21	01XXXXXXXXXM1ZB	Circle S-Jammu	2017-18
22	01XXXXXXXXXP1ZT	Circle Kathua I-Jammu	2017-18
23	01XXXXXXXXXL1ZM	Circle Kathua II-Jammu	2017-18
24	01XXXXXXXXXB1ZA	Circle R-Jammu	2017-18
25	01XXXXXXXXXP1ZT	Circle H-Jammu	2017-18
26	01XXXXXXXXXH1ZU	Circle L-Jammu	2017-18
27	01XXXXXXXXXP1Z1	Circle Samba II-Jammu	2017-18
28	01XXXXXXXXXC1ZT	Circle Udhampur-Jammu	2017-18
29	01XXXXXXXXXL1ZM	Circle-Reasi	2017-18
30	01XXXXXXXXXN1Z2	Circle E-Jammu	2017-18
31	01XXXXXXXXXE1Z3	Circle H-Jammu	2017-18
32	01XXXXXXXXXB1ZO	Circle Udhampur-Jammu	2017-18
33	01XXXXXXXXXQ3ZU	Circle F-Kashmir	2017-18
34	01XXXXXXXXXC1ZX	Circle Ramban-Jammu	2017-18
35	01XXXXXXXXXF1ZM	Circle Baramulla I-Kashmir	2017-18
36	01XXXXXXXXXH1ZE	Circle Baramulla I-Kashmir	2017-18
37	01XXXXXXXXXA1Z9	Circle E-Jammu	2017-18
38	01XXXXXXXXXL1ZM	Circle H-Jammu	2017-18
39	01XXXXXXXXXM1Z8	Circle B-Kashmir	2017-18
40	01XXXXXXXXXF1ZX	Circle N-Jammu	2017-18
41	01XXXXXXXXXM1ZB	Circle J-Jammu	2017-18

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sl. No	GSTIN	Jurisdiction	Financial year
42	01XXXXXXXXXXH4ZD	Circle Kathua I-Jammu	2017-18
43	01XXXXXXXXXXA1ZF	Circle Kathua I-Jammu	2017-18
44	01XXXXXXXXXXJ1ZO	Circle Kathua I-Jammu	2017-18
45	01XXXXXXXXXXR1ZS	Circle Kathua II-Jammu	2017-18
46	01XXXXXXXXXXG1Z3	Circle Samba II-Jammu	2017-18
47	01XXXXXXXXXXL1ZW	Circle P-Jammu	2017-18
48	01XXXXXXXXXXD1ZB	Circle D-Kashmir	2017-18
49	01XXXXXXXXXXF1ZY	Circle P-Jammu	2017-18
50	01XXXXXXXXXXB1ZX	Circle F-Kashmir	2017-18
51	01XXXXXXXXXXE2ZI	Circle I-Kashmir	2017-18
52	01XXXXXXXXXXP2ZA	Circle R-Kashmir	2017-18
53	01XXXXXXXXXXC1ZZ	Circle C-Kashmir	2017-18
54	01XXXXXXXXXXJ1Z9	Circle Baramulla I-Kashmir	2017-18
55	01XXXXXXXXXXH1ZS	Circle E-Jammu	2017-18
56	01XXXXXXXXXXL1ZK	Circle H-Jammu	2017-18
57	01XXXXXXXXXXE1ZS	Circle L-Jammu	2017-18
58	01XXXXXXXXXXR1ZA	Circle Baramulla I-Kashmir	2017-18
59	01XXXXXXXXXXC1ZK	Circle Udampur-Jammu	2017-18
60	01XXXXXXXXXXJ4ZI	Circle B-Jammu	2017-18

Appendix 2.1.2

(Referred to in Paragraph: 2.1.8.1 and 2.1.8.1(II)(a))

Summary of pan J&K sampled data analysis

Sl. No.	Parameter Algorithm used	Number of deviations	Amount (₹ in crore)
Mismatch in availing of ITC			
1	Mismatch ITC GSTR2A v GSTR3B: ITC available as per GSTR-2A (with all its amendments) is compared with the ITC availed in GSTR-3B {Table 4A(5) for domestic supplies) after considering (i) reversals of ITC (Others pertaining to Table 4(B)(2)) and (ii) ITC availed in subsequent year (Table 8(C) of GSTR-9)	50	51.09
2	Under Reverse Charge Mechanism ¹ (RCM): RCM in GSTR-3B Table 3.1(d) (with proof of tax paid) is compared with ITC availed due to RCM in GSTR-9 Table (6C+6D+6F); OR if GSTR-9 is not available, RCM liability in GSTR-3B Table 3.1 (d) is compared with ITC availed in GSTR-3B Table {4A(2) + 4A(3)}.	50	5.43
3	Annual check of Reverse Charge Mechanism (ignoring proof of tax paid) RCM liability declared in GSTR-9 Table 4G is compared with ITC availed in GSTR-9 Table (6C+6D+6F); (in case GSTR-9 is not available it reverts to Parameter No. 2)	17	0.38
Mismatch in Annual Return and Financial Statements (FS)			
4	Negative figure in GSTR-9C Table 9R: Lower figure of tax paid between books of accounts and annual return	50	12.55
5	Positive figure in GSTR-9C Table 12F: Higher amount of ITC claimed than credit that is due when compared between annual return and financial statements (Table 12F of GSTR-9C)	25	16.72
Shortfall in Tax paid or Interest and Other deviations			
6	Tax not remitted due to GSTR-3B not filed: 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.	13	0.53
7	Tax short-paid: Compare GSTR-1 (Table 4 to 11) or GSTR-9 (Table 4N, 10 & 11) with tax paid details declared in Tables 9 and 14 of GSTR-9. In cases where GSTR-9 is not available, tax paid details declared in Table 3.1(a) ² and 3.1(b) in GSTR-3B ³ is compared with GSTR-1 liability. The amendments and advance adjustments declared in GSTR-1 and GSTR-9 are duly considered.	25	77.53
8	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-à-vis interest declared in GSTR-3B Table 6.1.	25	8.46

¹ In Reverse Charge Mechanism the liability to pay tax is fixed on the recipient of supply of goods or services or both instead of the supplier or provider for certain notified categories of goods or services or both

² Outward taxable supplies (other than zero-rated, nil rated and exempted)

³ Outward taxable supplies (zero-rated)

Sl. No.	Parameter Algorithm used	Number of deviations	Amount (₹ in crore)
9	Composition taxpayers also availing e-commerce facility E-commerce GSTR-8 became effective from 01.10.2018 when TCS provisions became effective. GSTINs declared in GSTR-8 who are also filing GSTR-4 under composition scheme.	1	NA
10	ISD credit incorrectly availed by the recipients ISD received in GSTR-9 Table 6G or GSTR-3B Table 4(A) (4) of the recipients was compared with ITC transferred in GSTR-6 of the distributor.	25	6.37
Total		281	179.06

Appendix 2.1.3

(Referred to in Paragraph: 2.1.8.1 and 2.1.8.1(II)(a))

Summary of pan J&K sampled data analysis mismatch turnover

S No.	Turnover mismatch in Annual Return and Financial Statements (FS)	Number of deviations	Amount (₹ in crore)
1	Negative in GSTR-9C Table 5R: Comparison of turnover furnished in GSTR9 with GSTR-9C and cases are identified where 9C shows lower figure than FS i.e. negative.	50	1,330.89
2	Negative in GSTR-9C Table 7G: Taxable turnover that is unreconciled after adjustments made from turnover in the Financial statements and turnover under GSTR9 is lower i.e negative	50	1,271.74
	Total	100	2,602.63

Appendix 2.1.4

(Referred to in Paragraph: 2.1.8.1 (D),(IV),(V))

Summary of deficiencies (Tax liability/ ITC)

(₹ in crore)

Sl. No.	Audit Dimension	Cases where reply received		Accepted by Dept. and status of the case												Department reply accepted by Audit						Department's reply not acceptable to Audit (Rebuttal) & reply not furnished with appropriate documentary evidence	
		No.	Amount	Recovered		SCN/Demand Order issued/ASMT10		Under correspondence with taxpayer		Total (Col. 10= 4+6+8 and Col. 11 = 5+7+9)		Data entry errors		Action taken before query		Other valid explanations		No.	Amount				
				No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount			No.	Amount		
1	Mismatch in availing of ITC	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19				
1	Mismatch in availing of ITC	49	48.015	4	0.064	11	31.02	1	0.67	16	31.75	7	4.94	8	12.19	16	11.34	2	0.86				
2	Mismatch in availing of ITC under Reverse Charge Mechanism (RCM)	49	5.177	4	0.071	3	0.46	0	0	7	0.530	34	4.57	7	0.26	1	0.04	0	0				
3	Mismatch in availing of ITC under RCM without payment	17	0.38	5	0.086	0	0	0	0	5	0.0864	10	0.21	2	0.04	0	0	0	0				
4	Mismatch in tax paid between books of accounts and annual return (Table 9R of GSTR-9C)	45	10.35	6	0.733	2	0.170	0	0	8	0.90	3	0.622	24	6.92	7	0.629	3	1.28				
5	Mismatch in ITC availed between annual	24	15.10	3	0.040	1	0.21	1	0.24	5	0.490	10	4.18	5	8.80	3	1.51	1	0.05				

Sl. No.	Audit Dimension	Cases where reply received		Accepted by Dept. and status of the case										Department reply accepted by Audit						Department's reply not acceptable to Audit (Rebuttal) & reply not furnished with appropriate documentary evidence	
		No.	Amount	Recovered	SCN/Demand Order issued/ASMT10		Under correspondence with taxpayer		Total (Col. 10= 4+6+8 and Col. 11 = 5+7+9)		Data entry errors		Action taken before query		Other valid explanations		No.	Amount			
					No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount			No.	Amount	
		2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		
	return and financial statements (Table 12F of GSTR-9C)																				
6	Cases where GSTR-3B not filed but GSTR-1 or GSTR-2A available	13	0.53	1	0.019	9	0.92	1	0.02	11	0.95	0	0	0	0	2	0.00169	0	0		
7	Unsettled liabilities	24	69.89	2	0.067	1	19.28	0	0	3	19.34	6	32.52	6	8.40	9	22.04	0	0		
8	Short payment of interest on delayed payments	23	7.83	5	0.98	14	6.7	1	0.25	20	7.93	0	0	3	0.92	0	0	0	0		
9	Composition taxpayers also availing e-commerce facility	1	0	0	0	0	0	0	0	0	0	0	0	0	0	1	0	0	0		
10	ISD credit incorrectly availed by the recipients	25	6.37	0	0	5	1.2	0	0	5	1.2	13	5.49	1	0.26	6	0.19	0	0		
	Total	270	163.64	30	2.06	46	59.96	4	1.18	80	63.18	83	52.53	56	37.79	45	35.75	6	2.19		

Appendix 2.1.5

(Referred to in Paragraph: 2.1.8.1 (D),(IV),(V))

Summary of deficiencies Mismatch turnover

(₹ in crore)

S No.	Audit Dimension	Accepted by Dept. and status of the case						Department reply accepted by Audit						Department's reply not acceptable to Audit (Rebuttal) & reply not furnished with appropriate documentary evidence					
		Cases where reply received		Recovered		SCN/Demand Order issued/ASMT10		Under correspondence with taxpayer		Total (Col. 10= 4+6+8 and Col. 11 = 5+7+9)		Data entry errors		Action taken before query		Other valid explanations		No.	Amount
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
1	Mismatch in turnover between annual return and financial statements (Table 5R of GSTR-9C)	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	Mismatch in taxable turnover between annual return and financial statements (Table 7G of GSTR-9C)	49	1,327.76	1	0.027	1	1.59	1	5.83	3	7.44	6	113.58	0	0	37	1,201.15	3	5.59
2	Mismatch in taxable turnover between annual return and financial statements (Table 7G of GSTR-9C)	49	1,269.29	1	0.001039	3	1.42	1	0.737	5	2.15	12	135.17	1	1.13	29	1,117.41	2	5.40
	Total	98	2,597.05	2	0.0280	4	3.01	2	6.56	8	9.59	18	248.75	1	1.13	66	2,318.56	5	10.99

Appendix 2.1.6

(Referred to in Paragraph: 2.1.8.1 (I), (II) (a),(III),(IV),(V),(VI))

Category wise details of cases

☞ Audit Dimension Number has been mentioned against each case detailed below in Tables I to VIII. Please correlate Audit Dimension Number with serial number of Appendix 2.1.4 & 2.1.5 under Para 2.1.8.1 of this report for getting gist of Audit Dimension and details of algorithm used by Audit on datasets of sample cases.

☞ Tables I to VIII included in this Appendix are listed below:

- I Details of cases where reply is not received
- II Detail of cases, where Department had accepted audit queries and recoveries were made
- III Detail of cases, where Show Cause Notices/ DRC-07/ ASMT-10 were issued in response to audit queries
- IV Detail of cases, where Department stated that they were examining the audit query
- V Details of cases, where mismatches were due to data entry errors
- VI Detail of cases, where action had been taken before audit query
- VII Detail of cases, where Department had valid explanations
- VIII Detail of cases, in which Department's replies were not acceptable (Audit Rebuttal) and appropriate documentary evidences were not furnished

I-Details of cases where reply is not received

(₹ in crore)

S.NO	GSTIN	Circle	Mismatch amount
1	01XXXXXXXXXX1ZS	Circle Leh-Kashmir	0.14
2	01XXXXXXXXXX2Z3	Circle Leh-Kashmir	0.5
3	01XXXXXXXXXX1ZX	Circle Leh-Kashmir	1.96
4	01XXXXXXXXXX1ZS	Circle Leh-Kashmir	0.32
5	01XXXXXXXXXX1ZR	Circle Leh-Kashmir	0.16
6	01XXXXXXXXXX2ZB	Circle Leh-Kashmir	0.076
7	01XXXXXXXXXX1ZI	Circle Leh-Kashmir	0.0509
8	01XXXXXXXXXX1ZX	Circle Leh-Kashmir	1.96
9	01XXXXXXXXXX1ZH	Circle Leh-Kashmir	0.1
10	01XXXXXXXXXX3ZO	Circle Leh-Kashmir	0.14
11	01XXXXXXXXXX1ZT	Circle P-Jammu	0.64
Mismatch in Turnover			
12	01XXXXXXXXXX2ZB	Circle Leh-Kashmir	1.53
13	01XXXXXXXXXX2ZB	Circle Leh-Kashmir	1.53
Total			9.11

II-Detail of cases, where Department had accepted audit queries and recoveries were made

Sr. No.	GSTIN	Jurisdiction	Audit Dimension Number	Recovered Amount at instance of audit (₹ in crore)
1	01XXXXXXXXXF1ZZ	Circle Baramulla III-(Sopore) Kashmir	Excess_ITC	0.037
2	01XXXXXXXXXH1ZB	Circle Baramulla III-(Sopore) Kashmir	ITC_RCM_Avail	0.032
3	01XXXXXXXXXF1ZJ	Circle Baramulla III-(Sopore) Kashmir	Unrec_ITC_9C_9R	0.065
4	01XXXXXXXXXF1ZJ	Circle Baramulla III-(Sopore) Kashmir	Undischarged Tax liability	0.065
5	01XXXXXXXXXJ1ZB	Circle B-Kashmir	Unrec_ITC_9C_12F	0.00368
6	01XXXXXXXXXJ1ZC	Circle B-Kashmir	Unrec_ITC_9C_9R	0.02
7	01XXXXXXXXXQ1Z7	Circle C-Kashmir	ITC_RCM_Avail	0.029
8	01XXXXXXXXXR1ZY	Circle E-Kashmir	ITC_RCM_Avail	0.0022
9	01XXXXXXXXXP1Z4	Circle E-Kashmir	ITC_RCM_Ratio	0.00086
10	01XXXXXXXXXQ1ZW	Circle H-Jammu	Interest on delayed payment	0.079
11	01XXXXXXXXXC1ZF	Circle I-Kashmir	Unrec_ITC_9C_12F	0.011
12	01XXXXXXXXXK1ZL	Circle I-Kashmir	Interest on delayed payment	0.098
13	01XXXXXXXXXR1ZG	Circle J-Jammu	ITC_RCM_Ratio	0.021
14	01XXXXXXXXXM1Z7	Circle J-Kashmir	ITC_RCM_Ratio	0.022
15	01XXXXXXXXXC2ZJ	Circle Kishtwar-Jammu	Unrec_ITC_9C_9R	0.41
16	01XXXXXXXXXN1ZM	Circle P-Kashmir	ITC_RCM_Ratio	0.024
17	01XXXXXXXXXG1ZM	Circle P-Jammu	Interest on delayed payment	0.175
18	01XXXXXXXXXQ1Z2	Circle R-Jammu	Unrec_ITC_9C_9R	0.13
19	01XXXXXXXXXC1ZF	Circle Samba II-Jammu	Interest on delayed payment	0.48
20	01XXXXXXXXXE1ZO	Circle Shopian-Kashmir	Undischarged Tax liability	0.045
21	01XXXXXXXXXN1ZC	Circle F Kashmir	Excess_ITC	0.0118
22	01XXXXXXXXXE1ZC	Circle E-Jammu	Unrec_ITC_9C_9R	0.0246
23	01XXXXXXXXXH1ZL	Circle Kathua II-Jammu	Unrec_ITC_9C_9R	0.0622
24	01XXXXXXXXXL1ZU	Circle R-Jammu	Excess_ITC	0.0021
25	01XXXXXXXXXE1ZB	Circle R- Kashmir	ITC_RCM_Avail	0.0046
26	01XXXXXXXXXK1ZY	Circle Kulgam-Kashmir	ITC_RCM_Ratio	0.0254
27	01XXXXXXXXXG2ZP	Circle Poonch-Jammu	Unrec_R3B_R1_R2_Range	0.019
28	01XXXXXXXXXD1Z8	Circle Baramulla I-Kashmir	Excess_ITC	0.0112
29	01XXXXXXXXXB1ZC	Circle Samba II-Jammu	Unrec_ITC_9C_12F	0.0198
30	01XXXXXXXXXH1ZR	Circle Udampur-Jammu	Interest on delayed payment	0.14
Mismatch Turnover				
31	01XXXXXXXXXN1ZB	Circle Baramulla-III (Sopore) Kashmir	Unrec_ITC_9C_7G	0.001039
32	01XXXXXXXXXB1ZB	Circle D-Jammu	Unrec_ITC_9C_5R	0.027
Total				2.09

III-Detail of cases, where Show Cause Notices/DRC07 and ASMT-10 were issued in response to audit queries

Sr. No.	Jurisdiction	GSTIN	Dimension No.	Demand Order Value (₹ in crore)
1	Circle J-Jammu	01XXXXXXXXXXA1ZQ	Excess_ITC	0.16
2	Circle B-Jammu	01XXXXXXXXXXK1ZL	Excess_ITC	22.92
3	Circle B-Jammu	01XXXXXXXXXXJ2Z1	Excess_ITC	0.01
4	Circle E-Jammu	01XXXXXXXXXXB1ZE	Excess_ITC	1.02
5	Circle E-Jammu	01XXXXXXXXXXH2ZO	Excess_ITC	0.84
6	Circle H-Jammu	01XXXXXXXXXXR1ZV	Excess_ITC	0.16
7	Circle L-Jammu	01XXXXXXXXXXF1ZI	Excess_ITC	1.77
8	Circle Baramulla I-Kashmir	01XXXXXXXXXXL1ZY	Excess_ITC	1.4
9	Circle Kupwara-Kashmir	01XXXXXXXXXXP1ZI	Excess_ITC	0.14
10	Circle P-Jammu	01XXXXXXXXXXR1ZX	Excess_ITC	2.58
11	Circle R-Jammu	01XXXXXXXXXXN1ZK	Excess_ITC	0.02
12	Circle A-Kashmir	01XXXXXXXXXXM1ZV	Interest on delayed payment	0.11
13	Circle Anantnag III-Kashmir	01XXXXXXXXXXM1ZN	Interest on delayed payment	0.21
14	Circle Budgam-Kashmir	01XXXXXXXXXXJ1ZM	Interest on delayed payment	0.09
15	Circle C-Jammu	01XXXXXXXXXXF1ZQ	Interest on delayed payment	0.09
16	Circle D-Kashmir	01XXXXXXXXXXE1ZH	Interest on delayed payment	0.1
17	Circle I-Kashmir	01XXXXXXXXXXH1ZM	Interest on delayed payment	0.09
18	Circle K-Kashmir	01XXXXXXXXXXA1ZT	Interest on delayed payment	3.67
19	Circle Kulgam-Kashmir	01XXXXXXXXXXL1ZE	Interest on delayed payment	0.1
20	Circle Ramban – Jammu	01XXXXXXXXXXM1ZN	Interest on delayed payment	0.13
21	Circle L-Jammu	01XXXXXXXXXXN1ZY	Interest on delayed payment	0.53
22	Circle N-Jammu	01XXXXXXXXXXQ1Z8	Interest on delayed payment	0.53
23	Circle Udhampur-Jammu	01XXXXXXXXXXL1ZC	Interest on delayed payment	0.19
24	Circle Udhampur-Jammu	01XXXXXXXXXXD1ZS	Interest on delayed payment	0.14
25	Circle Anantnag III-Kashmir	01XXXXXXXXXXJ1ZM	ISD ITC	0.02
26	Circle Anantnag I-Kashmir	01XXXXXXXXXXD1ZU	ISD ITC	0.12
27	Circle E-Jammu	01XXXXXXXXXXK2ZQ	ISD ITC	0.48
28	Circle E-Jammu	01XXXXXXXXXXL2ZB	ISD ITC	0.57
29	Circle Doda-Jammu	01XXXXXXXXXXL1ZA	ITC_RCM_Avail	0.04

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sr. No.	Jurisdiction	GSTIN	Dimension No.	Demand Order Value (₹ in crore)
30	Circle Baramulla-II-Kashmir	01XXXXXXXXXXF1Z1	ITC_RCM_Avail	0.07
31	Circle E-Jammu	01XXXXXXXXXXE1ZX	ITC_RCM_Avail	0.35
32	Circle J-Jammu	01XXXXXXXXXXA1ZJ	Undischarged Tax liability	19.29
33	Circle P-Jammu	01XXXXXXXXXXK1Z6	Unrec_ITC_9C_12F	0.21
34	Circle K-Jammu	01XXXXXXXXXXE2Z2	Unrec_ITC_9C_9R	0.09
35	Circle Poonch-Jammu	01XXXXXXXXXXG1ZN	Unrec_ITC_9C_9R	0.078
36	Circle Anantnag I-Kashmir	01XXXXXXXXXXH2Z5	Unrec_R3B_R1_R2_Range	0.01
37	Circle Baramulla I-Kashmir	01XXXXXXXXXXL1ZR	Unrec_R3B_R1_R2_Range	0.05
38	Circle I-Kashmir	01XXXXXXXXXXM1ZU	Unrec_R3B_R1_R2_Range	0.27
39	Circle I-Kashmir	01XXXXXXXXXXB1ZV	Unrec_R3B_R1_R2_Range	0.15
40	Circle Poonch-Jammu	01XXXXXXXXXXF1ZX	Unrec_R3B_R1_R2_Range	0.0010334
41	Circle Ramban-Jammu	01XXXXXXXXXXH1Z3	Unrec_R3B_R1_R2_Range	0.16
42	Circle Ramban-Jammu	01XXXXXXXXXXC1Z5	Unrec_R3B_R1_R2_Range	0.1
43	Circle O-Jammu	01XXXXXXXXXXG2Z7	Unrec_R3B_R1_R2_Range	0.1
44	Circle Anantnag II-Kashmir	01XXXXXXXXXXP1Z1	ISD ITC	0.02
45	Circle R-Jammu	01XXXXXXXXXXA1ZZ	Unrec_R3B_R1_R2_Range	0.08
46	Circle Samba II-Jammu	01XXXXXXXXXXE1Z9	Interest on delayed payment	0.71
Mismatch Turnover				
47	Circle Q-Jammu	01XXXXXXXXXXE1ZW	Unrec_ITC_9C_5R	1.59
48	Circle Budgam-Kashmir	01XXXXXXXXXXF1ZU	Unrec_ITC_9C_7G	1.09
49	Circle E-Jammu	01XXXXXXXXXXC1ZM	Unrec_ITC_9C_7G	0.17
50	Circle E-Jammu	01XXXXXXXXXXC1Z8	Unrec_ITC_9C_7G	0.17
Total				62.97

IV-Detail of cases, where Department stated that they were examining/under correspondence

Sr. No.	Jurisdiction	GSTIN	Audit Dimension Number	Mismatch Amount (₹ in crore)
1	Circle Doda-Jammu	01XXXXXXXXXXH1ZZ	Unrec_R3B_R1_R2_Range	0.02
2	Circle E-Jammu	01XXXXXXXXXXC1ZV	Unrec_ITC_9C_12F	0.24
3	Circle E-Jammu	01XXXXXXXXXXC1ZV	Interest on delayed payment	0.25
4	Circle Kathua II-Jammu	01XXXXXXXXXXG1ZM	Excess_ITC	0.67
Mismatch in Turnover				
5	Circle L-Jammu	01XXXXXXXXXXH2ZW	Unrec_ITC_9C_5R	5.83
6	Circle G-Jammu	01XXXXXXXXXXG1ZZ	Unrec_ITC_9C_7G	0.73
Total				7.74

V-Details of cases, where mismatches were due to data entry errors

Sr. No.	Jurisdiction	GSTIN	Audit Dimension Number	Mismatch Amount (₹ in crore)
1	Circle A-Kashmir	01XXXXXXXXXXE1ZS	ITC_RCM_Avail	0.04
2	Circle A-Kashmir	01XXXXXXXXXXC1ZK	ITC_RCM_Ratio	0.02
3	Circle A-Kashmir	01XXXXXXXXXXP1ZY	ITC_RCM_Ratio	0.02
4	Circle A-Kashmir	01XXXXXXXXXXJ1ZD	Unrec_ITC_9C_12F	0.27
5	Circle Baramulla III-(Sopore) Kashmir	01XXXXXXXXXXB1ZH	ISD ITC	0.01
6	Circle B-Kashmir	01XXXXXXXXXXB1ZZ	ITC_RCM_Avail	0.11
7	Circle B-Kashmir	01XXXXXXXXXXM1ZS	Undischarge Tax liability	0.95
8	Circle C-Jammu	01XXXXXXXXXXM1ZE	ISD ITC	0.01
9	Circle D-Jammu	01XXXXXXXXXXB1ZV	Excess_ITC	0.37
10	Circle D-Jammu	01XXXXXXXXXXC1ZA	ISD ITC	0.01
11	Circle D-Kashmir	01XXXXXXXXXXF1ZY	ITC_RCM_Avail	0.13
12	Circle D-Kashmir	01XXXXXXXXXXJ1ZA	Unrec_ITC_9C_12F	0.31
13	Circle Baramulla I-Kashmir	01XXXXXXXXXXQ1ZJ	Unrec_ITC_9C_9R	0.07
14	Circle Doda-Jammu	01XXXXXXXXXXA2ZD	Undischarge Tax liability	18
15	Circle E-Jammu	01XXXXXXXXXXM1ZG	ITC_RCM_Avail	0.15
16	Circle E-Jammu	01XXXXXXXXXXP1ZB	Unrec_ITC_9C_12F	0.27
17	Circle E-Kashmir	01XXXXXXXXXXE1ZS	ITC_RCM_Ratio	0.02
18	Circle F-Jammu	01XXXXXXXXXXP1ZQ	ITC_RCM_Avail	0.08
19	Circle F-Kashmir	01XXXXXXXXXXA1Z0	ITC_RCM_Avail	0.19
20	Circle G-Jammu	01XXXXXXXXXXN1Z6	Excess_ITC	0.52
21	Circle G-Jammu	01XXXXXXXXXXC1Z9	Excess_ITC	0.63
22	Circle G-Jammu	01XXXXXXXXXXL1Z2	ITC_RCM_Avail	0.12
23	Circle G-Jammu	01XXXXXXXXXXA1ZV	Unrec_ITC_9C_12F	0.35
24	Circle G-Jammu	01XXXXXXXXXXR1Z0	ISD ITC	0.02
25	Circle G-Kashmir	01XXXXXXXXXXC1ZD	ITC_RCM_Avail	0.05
26	Circle G-Kashmir	01XXXXXXXXXXH1ZD	ITC_RCM_Avail	0.03
27	Circle H-Kashmir	01XXXXXXXXXXB1Z8	ITC_RCM_Avail	1.61
28	Circle H-Kashmir	01XXXXXXXXXXE1ZY	Unrec_ITC_9C_12F	0.26
29	Circle I-Jammu	01XXXXXXXXXXR2ZG	Excess_ITC	0.37
30	Circle I-Jammu	01XXXXXXXXXXF1ZU	ITC_RCM_Avail	0.03
31	Circle I-Kashmir	01XXXXXXXXXXP1ZP	ITC_RCM_Avail	0.08
32	Circle J-Jammu	01XXXXXXXXXXP1ZY	ITC_RCM_Avail	0.03
33	Circle J-Jammu	01XXXXXXXXXXM2Z5	ITC_RCM_Ratio	0.02
34	Circle J-Jammu	01XXXXXXXXXXL1ZE	Unrec_ITC_9C_12F	0.46
35	Circle J-Jammu	01XXXXXXXXXXL1ZO	Unrec_ITC_9C_12F	0.29
36	Circle J-Kashmir	01XXXXXXXXXXM1ZF	Undischarge Tax liability	1.83
37	Circle Kathua I-Jammu	01XXXXXXXXXXK1ZN	ITC_RCM_Avail	0.04
38	Circle Kathua I-Jammu	01XXXXXXXXXXQ1ZC	ITC_RCM_Ratio	0.02
39	Circle Kathua I-	01XXXXXXXXXXR1Z2	ITC_RCM_Ratio	0.02

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sr. No.	Jurisdiction	GSTIN	Audit Dimension Number	Mismatch Amount (₹ in crore)
	Jammu			
40	Circle Kathua I-Jammu	01XXXXXXXXXR1ZK	Undischarge Tax liability	1.04
41	Circle Kupwara-Kashmir	01XXXXXXXXXR1Z3	ITC_RCM_Avail	0.54
42	Circle L-Jammu	01XXXXXXXXXD2ZM	ITC_RCM_Avail	0.04
43	Circle L-Jammu	01XXXXXXXXXR1ZM	ITC_RCM_Avail	0.03
44	Circle L-Jammu	01XXXXXXXXXC1Z4	ITC_RCM_Avail	0.07
45	Circle L-Jammu	01XXXXXXXXXJ1ZY	ITC_RCM_Avail	0.07
46	Circle L-Jammu	01XXXXXXXXXH1Z2	ISD ITC	5.37
47	Circle L-Jammu	01XXXXXXXXXR1ZZ	ISD ITC	0.01
48	Circle L-Kashmir	01XXXXXXXXXH1ZF	ITC_RCM_Avail	0.1
49	Circle L-Kashmir	01XXXXXXXXXJ1ZR	ITC_RCM_Avail	0.14
50	Circle N-Jammu	01XXXXXXXXXB1Z8	ITC_RCM_Avail	0.05
51	Circle N-Jammu	01XXXXXXXXXC1ZR	ITC_RCM_Avail	0.04
52	Circle N-Jammu	01XXXXXXXXXB1ZS	ITC_RCM_Ratio	0.02
53	Circle N-Kashmir	01XXXXXXXXXG1ZK	ITC_RCM_Avail	0.12
54	Circle O-Kashmir	01XXXXXXXXXA1ZL	Excess_ITC	0.48
55	Circle P- Kashmir	01XXXXXXXXXA1Z8	ITC_RCM_Avail	0.03
56	Circle P-Jammu	01XXXXXXXXXG1Z5	ISD ITC	0.01
57	Circle Pulwama-Kashmir	01XXXXXXXXXD1ZV	ITC_RCM_Avail	0.17
58	Circle Q-Jammu	01XXXXXXXXXM1ZA	ITC_RCM_Avail	0.15
59	Circle R- Kashmir	01XXXXXXXXXD1ZT	ITC_RCM_Avail	0.06
60	Circle R- Kashmir	01XXXXXXXXXB2ZL	ISD ITC	0.01
61	Circle Rajouri-Jammu	01XXXXXXXXXB1ZO	ITC_RCM_Ratio	0.03
62	Circle Reasi-Jammu	01XXXXXXXXXD1ZF	ITC_RCM_Avail	0.05
63	Circle Reasi-Jammu	01XXXXXXXXXC1ZI	ITC_RCM_Avail	0.03
64	Circle R-Jammu	01XXXXXXXXXK1Z4	ISD ITC	0.01
65	Circle Samba II-Jammu	01XXXXXXXXXE2ZE	Unrec_ITC_9C_9R	0.1
66	Circle Samba II-Jammu	01XXXXXXXXXK1ZZ	Undischarged Tax liability	7.36
67	Circle Samba I-Jammu	01XXXXXXXXXR1ZV	ISD ITC	0.01
68	Circle Rajouri-Jammu	01XXXXXXXXXN2Z3	Excess_ITC	0.41
69	Circle Kathua II-Jammu	01XXXXXXXXXD1ZT	Unrec_ITC_9C_12F	0.75
70	Circle Kathua I-Jammu	01XXXXXXXXXE1Z4	Unrec_ITC_9C_12F	0.86
71	Circle Kathua I-Jammu	01XXXXXXXXXL1ZU	ISD ITC	0.0094
72	Circle Kathua I-Jammu	01XXXXXXXXXF1ZD	ISD ITC	0.0079
73	Circle L-Jammu	01XXXXXXXXXR1ZF	Excess_ITC	2.16
74	Circle O-Jammu	01XXXXXXXXXP1ZR	ITC_RCM_Avail	0.061
75	Circle O-Jammu	01XXXXXXXXXP1Z7	ITC_RCM_Avail	0.042

Sr. No.	Jurisdiction	GSTIN	Audit Dimension Number	Mismatch Amount (₹ in crore)
76	Circle O-Jammu	01XXXXXXXXXXF1Z1	ITC_RCM_Ratio	0.021
77	Circle O-Jammu	01XXXXXXXXXXR2ZU	ITC_RCM_Ratio	0.021
78	Circle Budgam-Kashmir	01XXXXXXXXXXK2ZR	ITC_RCM_Avail	0.061
79	Circle P-Jammu	01XXXXXXXXXXQ1ZV	ITC_RCM_Avail	0.034
80	Circle P-Jammu	01XXXXXXXXXXB1ZW	Unrec_ITC_9C_9R	0.45
81	Circle Udhampur-Jammu	01XXXXXXXXXXE2Z0	Undischarge Tax liability	3.34
82	Circle S-Jammu	01XXXXXXXXXXB1ZK	Unrec_ITC_9C_12F	0.36
83	Circle Anantnag I-Kashmir	01XXXXXXXXXXP1ZY	ISD ITC	0.0087
Mismatch Turnover				
84	Circle L-Jammu	01XXXXXXXXXXH1Z2	Unrec_ITC_9C_5R	94.1
85	Circle L-Jammu	01XXXXXXXXXXK1Z7	Unrec_ITC_9C_5R	6.76
86	Circle Baramulla I-Kashmir	01XXXXXXXXXXC2Z1	Unrec_ITC_9C_5R	1.29
87	Circle Q-Kashmir	01XXXXXXXXXXA1Z2	Unrec_ITC_9C_5R	4.34
88	Circle Q-Kashmir	01XXXXXXXXXXN3ZE	Unrec_ITC_9C_5R	2.89
89	Circle F-Kashmir	01XXXXXXXXXXF1Z8	Unrec_ITC_9C_5R	4.2
90	Circle D-Kashmir	01XXXXXXXXXXC1ZU	Unrec_ITC_9C_7G	0.97
91	Circle F-Kashmir	01XXXXXXXXXXA1ZN	Unrec_ITC_9C_7G	0.58
92	Circle L-Jammu	01XXXXXXXXXXH1Z2	Unrec_ITC_9C_7G	94.1
93	Circle L-Jammu	01XXXXXXXXXXA1Z8	Unrec_ITC_9C_7G	8.22
94	Circle L-Jammu	01XXXXXXXXXXK1Z7	Unrec_ITC_9C_7G	0.85
95	Circle M-Jammu	01XXXXXXXXXXF1ZX	Unrec_ITC_9C_7G	3.71
96	Circle M-Jammu	01XXXXXXXXXXL1ZZ	Unrec_ITC_9C_7G	2.35
97	Circle M-Jammu	01XXXXXXXXXXK1ZY	Unrec_ITC_9C_7G	2.05
98	Circle N-Jammu	01XXXXXXXXXXR1ZA	Unrec_ITC_9C_7G	2.74
99	Circle Poonch-Jammu	01XXXXXXXXXXC1Z5	Unrec_ITC_9C_7G	10.83
100	Circle Poonch-Jammu	01XXXXXXXXXXC1ZE	Unrec_ITC_9C_7G	1.74
101	Circle Samba I-Jammu	01XXXXXXXXXXP1Z2	Unrec_ITC_9C_7G	7.03
Total				301.30

VI-Detail of cases, where action had been taken before audit query

Sr. No.	Jurisdiction	GSTIN	Audit Dimension Number	Mismatch Amount (₹ in crore)
1	Circle Bandipora- Kashmir	01XXXXXXXXXXQ1ZS	Undischarged Tax liability	1.15
2	Circle Baramulla-I- Kashmir	01XXXXXXXXXXK1ZU	Unrec_ITC_9C_9R	1.54
3	Circle Baramulla I- Kashmir	01XXXXXXXXXXK1ZU	Undischarged Tax liability	1.54
4	Circle Baramulla III- (Sopore) Kashmir	01XXXXXXXXXXR1ZJ	Unrec_ITC_9C_9R	0.42
5	Circle B-Jammu	01XXXXXXXXXXD1ZQ	Excess_ITC	0.83
6	Circle B-Kashmir	01XXXXXXXXXXG1Z5	Unrec_ITC_9C_9R	0.15
7	Circle B-Kashmir	01XXXXXXXXXXF1ZZ	Unrec_ITC_9C_9R	0.04
8	Circle Budgam-Kashmir	01XXXXXXXXXXL3Z0	Excess_ITC	0.44
9	Circle D-Jammu	01XXXXXXXXXXJ2ZG	Unrec_ITC_9C_9R	0.17
10	Circle D-Kashmir	01XXXXXXXXXXQ1ZY	Excess_ITC	0.42
11	Circle E-Jammu	01XXXXXXXXXXC1Z3	ITC_RCM_Avail	0.03
12	Circle E-Jammu	01XXXXXXXXXXH2Z9	Unrec_ITC_9C_9R	0.85
13	Circle E-Jammu	01XXXXXXXXXXH2Z9	Undischarged Tax liability	0.66
14	Circle G-Jammu	01XXXXXXXXXXM1Z9	ITC_RCM_Avail	0.03
15	Circle G-Jammu	01XXXXXXXXXXA1ZV	Unrec_ITC_9C_9R	0.13
16	Circle G-Jammu	01XXXXXXXXXXM1ZR	Unrec_ITC_9C_9R	0.08
17	Circle G-Kashmir	01XXXXXXXXXXR1ZI	Excess_ITC	0.77
18	Circle G-Kashmir	01XXXXXXXXXXC1ZZ	Excess_ITC	6.19
19	Circle G-Kashmir	01XXXXXXXXXXB1Z5	ITC_RCM_Avail	0.06
20	Circle G-Kashmir	01XXXXXXXXXXC1ZZ	Unrec_ITC_9C_12F	6.28
21	Circle H-Jammu	01XXXXXXXXXXR1ZV	Unrec_ITC_9C_12F	0.56
22	Circle H-Kashmir	01XXXXXXXXXXK1ZY	Unrec_ITC_9C_9R	0.11
23	Circle H-Kashmir	01XXXXXXXXXXB1Z8	Undischarge Tax liability	3.21
24	Circle I-Jammu	01XXXXXXXXXXN3ZQ	Excess_ITC	0.68
25	Circle I-Jammu	01XXXXXXXXXXP1Z4	ITC_RCM_Ratio	0.02
26	Circle I-Jammu	01XXXXXXXXXXC1ZJ	Interest on delayed payment	0.12
27	Circle I-Kashmir	01XXXXXXXXXXQ1ZQ	ISD ITC	0.26
28	Circle I-Kashmir	01XXXXXXXXXXM1ZF	Unrec_ITC_9C_9R	0.28
29	Circle I-Kashmir	01XXXXXXXXXXE1Z6	Unrec_ITC_9C_9R	0.14
30	Circle J-Jammu	01XXXXXXXXXXF1ZA	Excess_ITC	1.91
31	Circle J-Jammu	01XXXXXXXXXXF1ZA	Unrec_ITC_9C_12F	1.04
32	Circle J-Jammu	01XXXXXXXXXXF1ZA	Interest on delayed payment	0.62
33	Circle Kathua II-Jammu	01XXXXXXXXXXH1ZC	Excess_ITC	0.95
34	Circle Kathua II-Jammu	01XXXXXXXXXXH1ZD	Interest on delayed payment	0.18
35	Circle Kathua I-Jammu	01XXXXXXXXXXG1ZP	Unrec_ITC_9C_9R	0.18
36	Circle Kathua I-Jammu	01XXXXXXXXXXL1ZI	Unrec_ITC_9C_9R	0.06
37	Circle Kathua I-Jammu	01XXXXXXXXXXH1ZJ	Unrec_ITC_9C_9R	0.05
38	Circle Kishtwar-Jammu	01XXXXXXXXXXL1ZV	Undischarge Tax liability	0.72

Sr. No.	Jurisdiction	GSTIN	Audit Dimension Number	Mismatch Amount (₹ in crore)
39	Circle Kupwara-Kashmir	01XXXXXXXXXXM1ZZ	Unrec_ITC_9C_9R	0.12
40	Circle L-Jammu	01XXXXXXXXXXD1Z3	ITC_RCM_Avail	0.04
41	Circle L-Jammu	01XXXXXXXXXXD1ZU	ITC_RCM_Ratio	0.02
42	Circle L-Jammu	01XXXXXXXXXXH1Z2	Unrec_ITC_9C_9R	0.14
43	Circle L-Jammu	01XXXXXXXXXXK1Z7	Unrec_ITC_9C_9R	0.04
44	Circle L-Kashmir	01XXXXXXXXXXE1Z9	ITC_RCM_Avail	0.04
45	Circle L-Kashmir	01XXXXXXXXXXH3Z8	Unrec_ITC_9C_9R	0.3
46	Circle M-Jammu	01XXXXXXXXXXC2ZE	Unrec_ITC_9C_12F	0.3
47	Circle M-Jammu	01XXXXXXXXXXQ2ZJ	Unrec_ITC_9C_9R	0.1
48	Circle Pulwama-Kashmir	01XXXXXXXXXXJ2Z7	ITC_RCM_Avail	0.03
49	Circle Ramban-Jammu	01XXXXXXXXXXP1ZN	Undischarged Tax liability	1.12
50	Circle R-Jammu	01XXXXXXXXXXM1ZM	ITC_RCM_Avail	0.03
51	Circle Samba I-Jammu	01XXXXXXXXXXK1ZE	Unrec_ITC_9C_9R	0.22
52	Circle F-Kashmir	01XXXXXXXXXXN1ZC	Unrec_ITC_9C_12F	0.62
53	Circle E-Jammu	01XXXXXXXXXXG5ZZ	Unrec_ITC_9C_9R	0.37
54	Circle G-Jammu	01XXXXXXXXXXG1ZT	Unrec_ITC_9C_9R	0.064
55	Circle Kathua I-Jammu	01XXXXXXXXXXK1ZG	Unrec_ITC_9C_9R	1.27
56	Circle L-Jammu	01XXXXXXXXXXR1ZN	Unrec_ITC_9C_9R	0.09
Mismatch Turnover				
57	Circle R-Jammu	01XXXXXXXXXXB1ZZ	Unrec_ITC_9C_7G	1.13
Total				38.92

VII-Detail of cases, where Department had valid explanations

S No.	Jurisdiction	GSTIN	Audit Dimension	Mismatch Amount (₹in crore)
1	Circle A-Kashmir	01XXXXXXXXXXF1ZO	Undischarged Tax liability	0.66
2	Circle Anantnag I-Kashmir	01XXXXXXXXXXA1ZO	Undischarged Tax liability	1.56
3	Circle Budgam-Kashmir	01XXXXXXXXXXG1ZX	Unrec_ITC_9C_12F	0.3
4	Circle E-Jammu	01XXXXXXXXXXG1Z1	Undischarged Tax liability	14.97
5	Circle E-Jammu	01XXXXXXXXXXA1Z2	Undischarged Tax liability	0.65
6	Circle E-Jammu	01XXXXXXXXXXP1ZG	Undischarged Tax liability	1.02
7	Circle F-Jammu	01XXXXXXXXXXD1ZI	Excess_ITC	0.56
8	Circle F-Kashmir	01XXXXXXXXXXF1Z8	Unrec_ITC_9C_9R	0.07
9	Circle Ganderbal-Kashmir	01XXXXXXXXXXF1ZT	Undischarged Tax liability	0.77
10	Circle G-Jammu	01XXXXXXXXXXJ1ZD	Excess_ITC	0.37
11	Circle H-Jammu	01XXXXXXXXXXJ1ZV	Unrec_R3B_R1_R2_Range	0
12	Circle I-Jammu	01XXXXXXXXXXK1ZD	ISD ITC	0.01
13	Circle I-Kashmir	01XXXXXXXXXXG2ZL	Excess_ITC	0.54
14	Circle J-Jammu	01XXXXXXXXXXG1ZH	Unrec_ITC_9C_12F	0.82
15	Circle Kargil-Kashmir	01XXXXXXXXXXC1ZG	Undischarged Tax liability	0.79
16	Circle Kathua II-Jammu	01XXXXXXXXXXG1ZX	Unrec_ITC_9C_9R	0.13
17	Circle Kathua I-Jammu	01XXXXXXXXXXJ1ZA	Undischarged Tax liability	0.92
18	Circle Kathua I-Jammu	01XXXXXXXXXXC2ZI	Excess_ITC	0.37
19	Circle L-Jammu	01XXXXXXXXXXM1Z7	Excess_ITC	0.4
20	Circle L-Jammu	01XXXXXXXXXXA1Z7	ISD ITC	0.01
21	Circle L-Jammu	01XXXXXXXXXXD1Z2	ISD ITC	0.01
22	Circle L-Jammu	01XXXXXXXXXXE1Z9	ISD ITC	0.09
23	Circle L-Kashmir	01XXXXXXXXXXM1ZT	Unrec_R3B_R1_R2_Range	0.00169
24	Circle Reasi-Jammu	01XXXXXXXXXXC1ZK	Undischarged Tax liability	0.7
25	Circle Samba I-Jammu	01XXXXXXXXXXA1ZS	Excess_ITC	0.52
26	Circle R-Kashmir	01XXXXXXXXXXH2ZM	E Commerce	0
27	Circle Anantnag II-Kashmir	01XXXXXXXXXXA1ZU	Excess_ITC	0.73
28	Circle H-Kashmir	01XXXXXXXXXXQ1ZW	Excess_ITC	0.37
29	Circle G-Jammu	01XXXXXXXXXXH1ZH	Excess_ITC	0.84
30	Circle I-Jammu	01XXXXXXXXXXC1ZJ	Excess_ITC	0.46
31	Circle L-Jammu	01XXXXXXXXXXG1ZN	Excess_ITC	0.39
32	Circle L-Jammu	01XXXXXXXXXXC1Z5	ISD ITC	0.06

S No.	Jurisdiction	GSTIN	Audit Dimension	Mismatch Amount (₹in crore)
33	Circle L-Jammu	01XXXXXXXXXXL1Z2	ISD ITC	0.01
34	Circle P-Jammu	01XXXXXXXXXXH1Z2	Excess_ITC	2.44
35	Circle R-Jammu	01XXXXXXXXXXP1ZB	Excess_ITC	0.52
36	Circle Samba II-Jammu	01XXXXXXXXXXG1Z7	Excess_ITC	0.48
37	Circle Q-Jammu	01XXXXXXXXXXH1ZJ	Unrec_ITC_9C_9R	0.06
38	Circle Reasi-Jammu	01XXXXXXXXXXL1Z4	Unrec_ITC_9C_9R	0.08
39	Circle Samba II-Jammu	01XXXXXXXXXXC1ZL	Unrec_ITC_9C_9R	0.06
40	Circle P-Jammu	01XXXXXXXXXXR3ZW	Unrec_ITC_9C_12F	0.39
41	Circle Udhampur-Jammu	01XXXXXXXXXXG1ZR	Excess_ITC	0.46
42	Circle I-Kashmir	01XXXXXXXXXXR1Z2	ITC_RCM_Avail	0.04
43	Circle E-Jammu	01XXXXXXXXXXK2ZQ	Excess_ITC	1.9
44	Circle O-Jammu	01XXXXXXXXXXD1Z5	Unrec_ITC_9C_9R	0.06
45	Circle Poonch-Jammu	01XXXXXXXXXXC1ZJ	Unrec_ITC_9C_9R	0.16
Mismatch Turnover				
46	Circle A-Jammu	01XXXXXXXXXXN1ZK	Unrec_ITC_9C_5R	2.56
47	Circle A-Jammu	01XXXXXXXXXXN1ZK	Unrec_ITC_9C_7G	2.56
48	Circle Bandipora-Kashmir	01XXXXXXXXXXA1ZR	Unrec_ITC_9C_5R	13.27
49	Circle Bandipora-Kashmir	01XXXXXXXXXXA1ZR	Unrec_ITC_9C_7G	13.27
50	Circle Baramulla I-Kashmir	01XXXXXXXXXXC2Z1	Unrec_ITC_9C_7G	1.29
51	Circle Baramulla II-Kashmir	01XXXXXXXXXXK1Z0	Unrec_ITC_9C_5R	3.14
52	Circle Baramulla II-Kashmir	01XXXXXXXXXXK1Z0	Unrec_ITC_9C_7G	3.14
53	Circle Baramulla II-Kashmir	01XXXXXXXXXXE1ZL	Unrec_ITC_9C_7G	0.58
54	Circle Baramulla III-(Sopore) Kashmir	01XXXXXXXXXXP1ZA	Unrec_ITC_9C_5R	6.89
55	Circle B-Jammu	01XXXXXXXXXXJ1ZW	Unrec_ITC_9C_5R	4.81
56	Circle C-Jammu	01XXXXXXXXXXF1ZZ	Unrec_ITC_9C_5R	10.34
57	Circle C-Jammu	01XXXXXXXXXXG3Z9	Unrec_ITC_9C_5R	1.4
58	Circle D-Jammu	01XXXXXXXXXXG1ZL	Unrec_ITC_9C_7G	0.74
59	Circle D-Kashmir	01XXXXXXXXXXD2Z4	Unrec_ITC_9C_5R	1.77
60	Circle F-Kashmir	01XXXXXXXXXXF1Z8	Unrec_ITC_9C_7G	4.21
61	Circle H-Jammu	01XXXXXXXXXXC1ZR	Unrec_ITC_9C_5R	4.8

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

S No.	Jurisdiction	GSTIN	Audit Dimension	Mismatch Amount (₹in crore)
62	Circle H-Jammu	01XXXXXXXXXXF1ZV	Unrec_ITC_9C_5R	1.64
63	Circle H-Jammu	01XXXXXXXXXXN1ZM	Unrec_ITC_9C_7G	5.93
64	Circle H-Jammu	01XXXXXXXXXXF1ZV	Unrec_ITC_9C_7G	1.64
65	Circle I-Jammu	01XXXXXXXXXXK1ZE	Unrec_ITC_9C_7G	0.7
66	Circle Kathua II-Jammu	01XXXXXXXXXXH1ZL	Unrec_ITC_9C_5R	8.1
67	Circle Kathua II-Jammu	01XXXXXXXXXXK1ZQ	Unrec_ITC_9C_5R	1.56
68	Circle Kathua II-Jammu	01XXXXXXXXXXH1ZL	Unrec_ITC_9C_7G	8.1
69	Circle Kathua I-Jammu	01XXXXXXXXXXL1ZZ	Unrec_ITC_9C_5R	14.82
70	Circle Kathua I-Jammu	01XXXXXXXXXXB1ZD	Unrec_ITC_9C_5R	1.88
71	Circle Kathua I-Jammu	01XXXXXXXXXXG1Z7	Unrec_ITC_9C_5R	6.46
72	Circle Kathua I-Jammu	01XXXXXXXXXXN1ZB	Unrec_ITC_9C_5R	5.64
73	Circle K-Jammu	01XXXXXXXXXXF1Z9	Unrec_ITC_9C_5R	7.85
74	Circle K-Jammu	01XXXXXXXXXXF1Z9	Unrec_ITC_9C_7G	7.85
75	Circle O-Kashmir	01XXXXXXXXXXC1ZD	Unrec_ITC_9C_5R	1.66
76	Circle O-Kashmir	01XXXXXXXXXXC1ZD	Unrec_ITC_9C_7G	1.66
77	Circle P-Kashmir	01XXXXXXXXXXB1ZK	Unrec_ITC_9C_5R	3.68
78	Circle P-Kashmir	01XXXXXXXXXXB1ZK	Unrec_ITC_9C_7G	3.68
79	Circle P-Kashmir	01XXXXXXXXXXC1ZU	Unrec_ITC_9C_7G	2.94
80	Circle P-Kashmir	01XXXXXXXXXXM1ZQ	Unrec_ITC_9C_7G	0.63
81	Circle P-Jammu	01XXXXXXXXXXK1ZP	Unrec_ITC_9C_5R	10.48
82	Circle P-Jammu	01XXXXXXXXXXE1Z3	Unrec_ITC_9C_5R	6.66
83	Circle P-Jammu	01XXXXXXXXXXK1ZP	Unrec_ITC_9C_7G	10.48
84	Circle P-Jammu	01XXXXXXXXXXE1Z3	Unrec_ITC_9C_7G	6.66
85	Circle Poonch-Jammu	01XXXXXXXXXXC1ZE	Unrec_ITC_9C_5R	1.74
86	Circle Pulwama-Kashmir	01XXXXXXXXXXD1ZV	Unrec_ITC_9C_5R	16.04
87	Circle Reasi-Jammu	01XXXXXXXXXXM3Z9	Unrec_ITC_9C_5R	1.51
88	Circle Reasi-Jammu	01XXXXXXXXXXM3Z9	Unrec_ITC_9C_7G	1.51
89	Circle Samba II-Jammu	01XXXXXXXXXXB1ZC	Unrec_ITC_9C_5R	4
90	Circle Samba II-Jammu	01XXXXXXXXXXE2ZE	Unrec_ITC_9C_5R	655.98
91	Circle Samba I-Jammu	01XXXXXXXXXXD1ZI	Unrec_ITC_9C_5R	9.1
92	Circle Samba II-Jammu	01XXXXXXXXXXE2ZE	Unrec_ITC_9C_7G	655.98

S No.	Jurisdiction	GSTIN	Audit Dimension	Mismatch Amount (₹ in crore)
93	Circle Samba I-Jammu	01XXXXXXXXXD1ZI	Unrec_ITC_9C_7G	9.1
94	Circle E-Jammu	01XXXXXXXXXH2Z9	Unrec_ITC_9C_5R	12.54
95	Circle E-Jammu	01XXXXXXXXXG1ZD	Unrec_ITC_9C_5R	4.79
96	Circle E-Jammu	01XXXXXXXXXK1ZL	Unrec_ITC_9C_5R	2.36
97	Circle E-Jammu	01XXXXXXXXXG1ZD	Unrec_ITC_9C_7G	2.16
98	Circle K-Jammu	01XXXXXXXXXR1ZU	Unrec_ITC_9C_7G	0.73
99	Circle L-Jammu	01XXXXXXXXXN1ZY	Unrec_ITC_9C_5R	5.53
100	Circle L-Jammu	01XXXXXXXXXN1ZY	Unrec_ITC_9C_7G	5.53
101	Circle E-Jammu	01XXXXXXXXXC1ZM	Unrec_ITC_9C_5R	1.74
102	Circle Budgam-Kashmir	01XXXXXXXXXF1ZU	Unrec_ITC_9C_5R	7.06
103	Circle Q-Jammu	01XXXXXXXXXN2Z9	Unrec_ITC_9C_5R	347.63
104	Circle Q-Jammu	01XXXXXXXXXG1Z9	Unrec_ITC_9C_5R	3.6
105	Circle Samba II-Jammu	01XXXXXXXXXE1ZD	Unrec_ITC_9C_5R	6.57
106	Circle Q-Jammu	01XXXXXXXXXN2Z9	Unrec_ITC_9C_7G	347.63
107	Circle Samba II-Jammu	01XXXXXXXXXE1ZD	Unrec_ITC_9C_7G	6.57
108	Circle Q-Jammu	01XXXXXXXXXK1ZG	Unrec_ITC_9C_7G	1.16
109	Circle Samba II-Jammu	01XXXXXXXXXN1ZM	Unrec_ITC_9C_5R	1.55
110	Circle Samba II-Jammu	01XXXXXXXXXN1ZM	Unrec_ITC_9C_7G	1.55
111	Circle Q-Jammu	01XXXXXXXXXG1Z9	Unrec_ITC_9C_7G	9.42
Total				2,354.30

VIII-Detail of cases, where Department's replies were not furnished with appropriate documentary evidences and audit rebuttal

Sr. No.	Jurisdiction	GSTIN	Audit Dimension Number	Mismatch Amount (₹ in crore)
1	Circle G-Jammu	01XXXXXXXXXG1ZZ	Excess ITC	0.42
2	Circle Samba II-Jammu	01XXXXXXXXXE1ZD	Excess ITC	0.43
3	Circle O-Jammu	01XXXXXXXXXH2ZS	Unrec_ITC_9C_9R	0.05
4	Circle L-Jammu	01XXXXXXXXXM1Z7	Unrec_ITC_9C_9R	1.19
5	Circle L-Jammu	01XXXXXXXXXB1ZS	Unrec_ITC_9C_9R	0.07
6	Circle R-Jammu	01XXXXXXXXXR1ZL	Unrec_ITC_9C_12F	0.03
Mismatch Turnover				
7	Circle Poonch-Jammu	01XXXXXXXXXL1Z3	Unrec_ITC_9C_5R	1.25
8	Circle Q-Jammu	01XXXXXXXXXD1ZQ	Unrec_ITC_9C_5R	1.3
9	Circle Reasi-Jammu	01XXXXXXXXXF1Z4	Unrec_ITC_9C_5R	3.04
10	Circle Reasi-Jammu	01XXXXXXXXXF1Z4	Unrec_ITC_9C_7G	3.04
11	Circle E-Jammu	01XXXXXXXXXK1ZL	Unrec_ITC_9C_7G	2.36
Total				13.18

Appendix 2.1.7

(Referred to in Paragraph: .2.1.8.1 (I) (i to xi))

Top case for each dimension of Limited audit

S. No.	GSTIN	Dimension	Jurisdictional Circle	Mismatch (₹ in crores)	Action taken
1	01XXXXXXXXXXR1ZX	ITC mismatch between GSTR 2A and GSTR 3B	Circle P-Jammu	1.256	DRC-07 issued ₹ 2.58 crore
2	01XXXXXXXXXXE1ZX	ITC availed under RCM vs payment of tax in GSTR 3B/ GSTR 9	Circle E-Jammu	0.16548	DRC-07 issued ₹ 0.35 crore
3	01XXXXXXXXXXM1Z7	Short payment of tax under RCM vs ITC availed in GSTR 3B/ GSTR 9	Circle J-Kashmir	0.02	DRC-03 recovery
4	01XXXXXXXXXXC2ZJ	Mismatch in taxpaid Table 9R of GSTR9C between books of accounts and returns	Circle Kishtwar-Jammu	0.41	DRC-03 filed
5	01XXXXXXXXXXK1Z6	Mismatch of ITC 12F of GSTR9C availed between Annual returns and Books of accounts	Circle P-Jammu	0.30	DRC-07 issued ₹ 0.21 crore
6	01XXXXXXXXXXM1ZU	GSTR 3B was not filed but GSTR 1 is available	Circle I-Kashmir	0.27	DRC-07 issued ₹ 0.27 crore
7	01XXXXXXXXXXA1ZJ	Unsettled liabilities	Circle J-Jammu	19.28	DRC-07 issued ₹ 19.28 crore
8	01XXXXXXXXXXA1ZT	Short payment of interest	Circle K-Kashmir	3.68	DRC-07 issued ₹ 3.66 crore
9	01XXXXXXXXXXK2ZQ	Incorrect availment of ISD credit	Circle E-Jammu	0.227	DRC-07 issued ₹ 0.48 crore
10	0XXXXXXXXXXB1ZB	Mismatch in turnover declared in GSTR 9C Table 5R	Circle D-Jammu	0.027	DRC-03 recovery
11	01XXXXXXXXXXF1ZU	Mismatch in taxable turnover declared in GSTR 9C Table 7G	Circle Budgam-Kashmir	7.05	DRC-07 issued ₹ 1.08 crore

Appendix 2.1.8
(Referred to in Paragraph: 2.1.9.2 (I))
Non-payment of interest by taxpayers

(Amount in ₹)

Sl. No.	GSTIN	Name of circle	Amount of tax Discharged by Electronic Cash ledger	Range of delay (in days)	Interest due	Action taken
1	01XXXXXXXXXXC2ZW	Circle E-Jammu	62,06,533	426	13,03,882.00	No Reply
2	01XXXXXXXXXXE1Z3	Circle H-Jammu	1,69,95,208	16 to 167	10,92,000.00	DRC-07
3	01XXXXXXXXXXB1ZC	Circle L-Jammu	84,430	10 to 41	830.00	DRC-03
4	01XXXXXXXXXXQ2ZB	Circle L-Jammu	2,63,21,520	0 to 32	3,94,683.67	No Reply
5	01XXXXXXXXXXP1ZR	Circle L-Jammu	61,04,607	1	6,770.00	DRC-03
6	01XXXXXXXXXXF1ZX	Circle N-Jammu	33,47,739	26 to 161	81,474.00	DRC-03
7	01XXXXXXXXXXM1ZB	Circle S-Jammu	50,72,500	1 to 133	1,806.00	DRC-03
8	01XXXXXXXXXXH4ZD	Circle Kathua-I Jammu	7,79,512	36	33,273.00	DRC-03
9	01XXXXXXXXXXD1ZT	Circle E-Jammu	9,74,58,210	8 to 60	2,81,996.00	DRC-03
10	01XXXXXXXXXXK1ZR	Circle I-Jammu	6,14,746	1 to 26	7,882.00	DRC-03
11	01XXXXXXXXXXN1ZQ	Circle L-Jammu	2,21,784	31 to 61	3,811.00	DRC-03
12	01XXXXXXXXXXL1ZM	Circle Kathua II-Jammu	3,13,49,065	19 to 117	7,64,369.00	DRC-03
13	01XXXXXXXXXXF1ZY	Circle P-Jammu	31,39,919	15 to 38	31,005.00	DRC-03
14	01XXXXXXXXXXB1ZO	Circle Udhampur-Jammu	29,09,484	19 to 497	5,16,002.00	DRC-03
Total					45,19,783.67	

Appendix 2.1.9

(Referred to in Paragraph: 2.1.9.2 (II))

Non-payment of late fee by taxpayers

(Amount in ₹)

Sl. No.	GSTIN	Name of circle	Date of filing GSTR9/GSTR 9C	Range of delay (in days) {Due date 05.02.2020}	Late fee due	Action taken
1	01XXXXXXXXXXF1ZX	Circle N-Jammu	16.07.2020	161	20,000.00	DRC-07 issued
2	01XXXXXXXXXXR1ZS	Circle Kathua II-Jammu	31.10.2022	999	50,000.00	DRC-07 issued
3	01XXXXXXXXXXD1ZB	Circle D Kashmir	29.02.2020/31.10.2022	24 to 999	50,000.00	DRC-07 issued
4	01XXXXXXXXXXB1ZO	Circle Udhampur- Jammu	11.05.2022	95	19,000.00	ASMT- 10
5	01XXXXXXXXXXB1ZX	Circle F- Kashmir	31.12.2020/01.07.2022	333 to 877	1,91,504.00	DRC-03
6	01XXXXXXXXXXC1ZZ	Circle C- Kashmir	30.11.2022	1029	1,79,589.00	DRC-07 issued
7	01XXXXXXXXXXF1ZM	Circle Baramulla-I- Kashmir	29.03.2021/01.07.2022	418 to 877	2,82,200.00	DRC-07 issued
8	01XXXXXXXXXXJ1Z9	Circle Baramulla-I- Kashmir	31.10.2020	251	50,200.00	DRC-07 issued
9	01XXXXXXXXXXH1ZE	Circle Baramulla-I- Kashmir	24.09.2020/01.07.2022	232 to 877	2,72,600.00	DRC-07 issued
10	01XXXXXXXXXXD1ZT	Circle E-Jammu	10.07.2020/11.07.2020	155 to 156	62,200.00	DRC-03
11	01XXXXXXXXXXK1ZR	Circle I-Jammu	12.03.2020	36	7,200.00	DRC-03
12	01XXXXXXXXXXN2ZR	Circle I-Jammu	10.02.2020	5	1,000.00	DRC-03
13	01XXXXXXXXXXN1ZQ	Circle L-Jammu	25.02.2020	20	4,000.00	DRC-03
14	01XXXXXXXXXXP2ZA	Circle R- Kashmir	26.03.2021	415	83,000.00	DRC-03
Total				5 to 1029	12,72,493.00	

Appendix-2.1.10

(Referred to in Paragraph: .2.1.9.2 (III))

Data entry errors or technical glitches

(Amount in ₹)

S. No.	GSTIN	Jurisdiction	Amount
1	01XXXXXXXXXXH1ZS	Circle E-Jammu	7,12,043.00
2	01XXXXXXXXXXB1ZQ	Circle P-Jammu	4,66,673.00
3	01XXXXXXXXXXJ3ZC	Circle G-Jammu	66,370.06
4	01XXXXXXXXXXA1ZF	Circle Kathua I-Jammu	98,60,764.00
5	01XXXXXXXXXXA1ZF	Circle Kathuab I-Jammu	97,89,515.08
6	01XXXXXXXXXXG1Z3	Circle Samba II-Jammu	89,833.00
7	01XXXXXXXXXXG1Z3	Circle Samba II-Jammu	89,833.60
Total			2,10,75,031.74

Appendix 2.1.11

(Referred to in Paragraph: 2.1.9.3 (I))

ITC mismatch between GSTR-2A and GSTR-3B/ GSTR-9

(Amount in ₹)

Sl. No.	GSTIN	Name of circle	ITC availed through GSTR-3B {Table 4A (5)-4B (2) + Table 8C of GSTR -9}	ITC available as per GSTR-2A	Mis-match of ITC claimed	Action taken
1	2	3	4	5	6	7
1	01XXXXXXXXXXA1Z9	Circle E-Jammu	95,30,593.09	76,00,805.6	41,816.00	DRC-07 issued
2	01XXXXXXXXXXC3Z3	Circle E-Jammu	7,74,79,509.32	6,20,45,003	5,06,74,149.00	DRC-07 issued
3	01XXXXXXXXXXQ2Z3	Circle E-Jammu	22,27,32,142.9	20,99,40,708	16,83,55,688.00	DRC-07 issued
4	01XXXXXXXXXXC1Z1	Circle E-Jammu	21,12,029.46	9,90,400.78	25,96,060.00	DRC-07 issued
5	01XXXXXXXXXXN1Z2	Circle E Jammu	8,56,51,761.82	7,39,26,645	1,66,06,472.00	DRC-03
6	01XXXXXXXXXXL1ZM	Circle H-Jammu	39,10,740	34,41,416.4	10,486.00	DRC-03
7	01XXXXXXXXXXL1ZK	Circle H-Jammu	77,96,291.94	40,97,234.6	12,21,096.00	DRC-07 issued
8	01XXXXXXXXXXP1ZT	Circle H-Jammu	3,29,64,366.67	85,06,322.9	1,17,89,700.00	DRC-07 issued
9	01XXXXXXXXXXE1Z3	Circle H-Jammu	1,22,15,555.68	96,25,940	14,67,166.10	DRC-07 issued
10	01XXXXXXXXXXJ2ZD	Circle I-Jammu	31,69,54,183	31,65,62,124	3,92,059.38	ASMT-10
11	01XXXXXXXXXXM1Z8	Circle B -Kashmir	1,20,88,922	90,99,008.4	60,20,856.00	DRC-07 issued
12	01XXXXXXXXXXH1ZU	Circle L-Jammu	19,91,18,162	17,83,75,995	1,52,324.00	DRC-07 issued
13	01XXXXXXXXXXH1ZQ	Circle L-Jammu	1,79,25,014	1,41,94,712	74,17,040.00	DRC-07 issued
14	01XXXXXXXXXXP1ZR	Circle L-Jammu	1,51,58,593	1,01,88,328	1,54,183.00	DRC-03
15	01XXXXXXXXXXF1ZX	Circle N-Jammu	1,12,44,560.62	1,07,91,886	17,50,226.00	DRC-07 issued
16	01XXXXXXXXXXJ1ZO	Circle Kathua I-Jammu	43,03,117.41	42,87,520.4	15,597.05	DRC-07 issued
17	01XXXXXXXXXXP1ZT	Circle Kathua I-Jammu	1,71,41,377	72,53,245.1	12,86,000.40	DRC-07 issued
18	01XXXXXXXXXXR1ZS	Circle Kathua II-Jammu	12,71,829.34	1,07,501.24	10,34,760.00	DRC-03
19	01XXXXXXXXXXB1ZA	Circle R-Jammu	44,04,78,108	27,21,77,444	13,53,55,798.00	DRC-07 issued
20	01XXXXXXXXXXP1Z1	Circle Samba II . Jammu	8,96,54,985.7	7,58,76,698	2,97,45,624.00	DRC-07 issued
21	01XXXXXXXXXXG1Z3	Circle Samba II . Jammu	30,39,401.04	17,08,848.4	30,11,216.58	DRC-07 issued
22	01XXXXXXXXXXF1ZY	Circle P-Jammu	1,14,76,322	95,11,437	15,10,428.00	DRC-03
23	01XXXXXXXXXXL1ZM	Circle-Reasi	7,07,99,743.16	3,67,88,545	11,29,32,682.00	DRC-07 issued
24	01XXXXXXXXXXD1ZB	Circle D Kashmir	1,84,03,726.34	1,60,45,130	46,45,986.00	DRC-07 issued
25	01XXXXXXXXXXB1ZO	Circle Udhampur-Jammu	5,15,48,585	3,63,54,398	3,40,15,156.00	DRC-07 issued
26	01XXXXXXXXXXC1ZX	Circle Ramban – Jammu	94,81,505	80,54,486.2	1,16,506.00	DRC-03
27	01XXXXXXXXXXC1ZZ	Circle C-Kashmir	23,37,707	6,09,160.19	47,01,182.00	DRC-07 issued
28	01XXXXXXXXXXF1ZM	Circle Baramulla-I Kashmir	34,46,425.5	25,000	59,70,918.00	DRC-07 issued
29	01XXXXXXXXXXH1ZE	Circle Baramulla-I Kashmir	76,45,806.3	3,72,944.75	3,89,16,652.00	DRC-07 issued
30	01XXXXXXXXXXP2ZA	Circle R- Kashmir	84,49,237.95	69,07,977.5	25,004.00	DRC-03
Total					64,19,32,832	

Appendix 2.1.12

(Referred to in Paragraph: 2.1.9.3 (I))

Non/ short Reversal of ITC as per Rule 42/43 of JK GST Act 2017

Sl. No.	GSTIN	Name of circle	Total turnover	Nil and Exempt turnover	Common ITC	ITC liable to reverse	ITC reversal	Objection amount	Action taken
1	2	3	4	5	6	7=5/4*6	8	9	10
1	01XXXXXXXXXXC2ZW	Circle E-Jammu	61,94,72,069	40,47,712	3,39,80,861	2,22,030	1,63,272	58,757.76	DRC-07 issued
2	01XXXXXXXXXXQ2ZB	Circle L-Jammu	87,23,61,118	89,92,209	7,89,19,473	8,13,492	0	33,432.00	DRC-03
3	01XXXXXXXXXXF1ZX	Circle N-Jammu	8,24,08,825	39,943	112,44,560	5,450	0	10,464.00	DRC-03
4	01XXXXXXXXXXR1ZS	Circle Kathua II-Jammu	4,39,60,899	3,57,69,992	12,71,829	10,34,760	0	10,01,695.70	DRC-07 issued
5	01XXXXXXXXXXF1ZM	Circle Baramulla-I-Kashmir	9,04,09,999	6,68,81,199	34,46,425	25,49,493	0	25,49,493.26	DRC-07 issued
6	01XXXXXXXXXXH1ZE	Circle Baramulla-I-Kashmir	18,95,48,280	14,62,81,152	76,45,806	59,00,498	0	59,00,498.09	DRC-07 issued
7	01XXXXXXXXXXG1ZZ	Circle E-Jammu	2,87,63,53,819	8,20,704	27,01,95,764	1,45,322	0	1,45,322.00	DRC-03
	Total							96,99,662.81	

Appendix 2.1.13

(Referred to in Paragraph: 2.1.9.3 (I))

Mismatch between ITC as per supplier's details GSTR2A and Table 8A of GSTR9

Sl. No.	GSTIN	Name of circle	GSTR-9 table 8A {ITC eligible in GSTR-2A (Table 3 & 5)}	ITC Reversal as per GSTR 9 table 7	ITC available as per GSTR- 2A data extracted during September 2022	Mis-match claim of ITC	Acton taken
1	2	3	4	5	6	7	8
1	01XXXXXXXXXXN1Z2	Circle E-Jammu	7,76,18,121	0	7,39,26,645	89,31,470.00	DRC-07 issued
2	01XXXXXXXXXXN2ZR	Circle I-Jammu	21,29,265	0	21,02,369	26,896.00	DRC-03
	Total					89,58,366.00	

(Amount in ₹)

Appendix- 2.1.14

(Referred to in Paragraph: 2.1.9.3 (I))

Unreconciled ITC after adjustment

Sl. No.	GSTIN	Name of circle	GSTR-9 table 8A {ITC eligible in GSTR-2A (Table 3 & 5)}	GSTR-9{Table 8B+ Table 8C}	Objection Amount as per Table 8D of GSTR 9	Action taken
1	2	3	4	5	6	7
1	01XXXXXXXXXXC2ZW	Circle E-Jammu	54,67,464	62,95,072	22,28,555.00	DRC-07 issued
2	01XXXXXXXXXXBIZC	Circle L-Jammu	20,42,64,104	20,43,37,128	1,46,052.00	DRC-03
3	01XXXXXXXXXXDIZT	Circle E-Jammu	3,88,37,833	3,93,23,539	4,85,710.00	DRC-03
Total					28,60,317.00	

(Amount in ₹)

Appendix 2.1.15

(Referred to in Paragraph: 2.1.9.4 (II))

Undischarged tax liability on comparing greater of the tax liability of GSTR 1, GSTR 9 with reference to Tax payment in GSTR-9/ 3B

(Amount in ₹)

Sl. No.	GSTIN	Name of circle	Tax liability as per GSTR-1	Tax liability as per GSTR-9	Greater tax liability between GSTR 1 and GSTR 9	Tax payment as per GSTR-9/ GSTR-3B	Short admittance of tax liability	Action taken
1	2	3	4	5	6	7	8	9
1	01XXXXXXXXXXC1Z1	Circle E-Jammu	12,31,197.28	11,22,044	12,31,197.28	11,22,044	1,09,153	DRC-07 issued
2	01XXXXXXXXXXP1ZR	Circle L-Jammu	6,04,73,696.00	6,04,69,940.37	6,04,73,696.00	6,04,70,137.00	23,484.00	DRC-03
3	01XXXXXXXXXXF1ZX	Circle N-Jammu	1,45,90,538.54	1,45,83,301.00	1,45,90,538.54	1,45,83,101.00	14,284.00	DRC-03
4	01XXXXXXXXXXM1ZB	Circle N-Jammu	6,31,51,224	6,31,45,908.62	6,31,51,224	6,13,15,217	10,78,757.00	DRC-07 issued
5	01XXXXXXXXXXH4ZD	Circle Kathua I-Jammu	1,68,10,462.00	2,11,91,460.00	2,11,91,460.00	1,75,39,012	2,15,724.00	DRC-03
6	01XXXXXXXXXXD1ZB	Circle D kashmir	2,08,38,876.00	1,87,72,485.25	2,08,38,876.00	1,84,98,234	34,74,445.00	DRC-07 issued
7	01XXXXXXXXXXJ1Z9	Circle Baramulla-I Kashmir	43,85,086.5	43,68,649.54	43,85,086.5	43,68,650	15,238.00	DRC-03
8	01XXXXXXXXXXH1ZE	Circle Baramulla-I Kashmir	54,39,431	4,39,431.5	54,39,431	44,18,185	10,21,247.00	DRC-03
9	01XXXXXXXXXXP2ZA	Circle R-Kashmir	62,49,556.5	62,89,794.5	62,89,794.5	55,66,950	1,28,000.00	DRC-03
Total							60,80,332	

Appendix 3.3.1
(Referred to in Paragraph: 3.3)

Detail of PSUs in Jammu & Kashmir under the audit jurisdiction of the CAG as on 31 March 2022

Sl. No.	Sector type and Name of PSU	Remarks
A	Power Sector	
I	Working Government Companies	
1.	Jammu and Kashmir Power Development Corporation Limited	-
2.	Jammu and Kashmir Power Transmission Corporation Limited	-
3.	Jammu Power Distribution Corporation Limited	-
4.	Kashmir Power Distribution Corporation Limited	-
5.	Jammu and Kashmir Power Corporation Limited	-
II	Working Government Controlled Other Company	
6.	Chenab Valley Power Projects Private Limited	-
B	Social Sector	
I	Working Government Companies	
7.	Jammu and Kashmir Agro Industries Development Corporation Limited	-
8.	Jammu and Kashmir Horticulture Produce Marketing and Processing Corporation Limited	-
9.	Jammu and Kashmir Scheduled castes, Scheduled Tribes and Back-ward Classes Development Corporation Limited	-
10.	Jammu and Kashmir Women's Development Corporation Limited	-
11.	Jammu and Kashmir Small Scale Industries Development Corporation Limited	-
12.	Jammu and Kashmir State Industrial Development Corporation Limited	-
13.	Jammu and Kashmir Industries Limited	-
14.	Jammu and Kashmir Overseas Employment Corporation Limited	-
15.	Jammu and Kashmir Handicrafts (Sales and Export) Development Corporation Limited	-
16.	Jammu and Kashmir Handloom Development Corporation Limited	-
17.	Jammu and Kashmir Trade Promotion Organisation	-
18.	Jammu and Kashmir Infrastructure Development Finance Corporation Pvt. Limited	-
19.	Jammu and Kashmir I.T. Infrastructure Development Pvt. Limited	-
20.	Jammu and Kashmir Forest Development Corporation Limited	The Company was incorporated under the Companies Act, 2013 in December 2020 after repeal of J&K State Forest Corporation Act, 1978.

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sl. No.	Sector type and Name of PSU	Remarks
21.	Jammu and Kashmir Medical Supplies Corporation Limited	The Company has not submitted its accounts since inception.
22.	AIC-Jammu and Kashmir EDI Foundation	The Company has not submitted its accounts since inception.
II	Inactive Government Companies	
23.	Jammu and Kashmir Asset Reconstruction Limited	The Govt. has accorded sanction to voluntary winding up of the Company vide order no FD 453 of 2019 dated 24 October 2019.
24.	Jammu and Kashmir Handloom Handicrafts Raw Material Supplies Organisation Limited (A Subsidiary of Himalayan Wool Combers Limited)	The Company is under liquidation
C	Competitive Environment Sector	
I	Working Government Companies	
25.	Jammu and Kashmir Cements Limited	-
26.	Jammu and Kashmir Minerals Limited	-
27.	Jammu and Kashmir Cable Car Corporation Limited	-
28.	Jammu and Kashmir Bank Limited	-
29.	JKB Financial Services Limited	-
30.	Jammu and Kashmir Tourism Development Corporation Limited	-
II	Working Statutory Corporation	
31.	Jammu and Kashmir and Ladakh Financial Corporation	-
32.	Jammu and Kashmir Road Transport Corporation	-
III	Inactive Government Companies	
33.	Tawi Scooters Limited	The Company is under liquidation
34.	Himalayan Wool Combers Limited	The Company is under liquidation
D	Others	
I	Working Government Companies	
35.	Jammu and Kashmir Projects Construction Corporation Limited	-
36.	Jammu and Kashmir Police Housing Corporation Limited	-
37.	Srinagar Smart City Limited	-
38.	Jammu Smart City Limited	-
39.	Jammu Mass Rapid Transit Corporation Private limited	The Company has not yet started its business operations
40.	Srinagar Mass Rapid Transit Corporation Private limited	The Company has not yet started its business operations
II	Inactive Government Companies	
41.	Jammu and Kashmir Road Development Corporation Limited	The Company has not yet started its business operations
42.	Jammu and Kashmir International Trade Centre	The Company has not yet started its business operations

Appendix 3.3.2

(Referred to in Paragraph: 3.4)

Statement showing position of equity and outstanding loans relating to PSUs as on 31 March 2022

Sl. No.	Sector and Name of PSU	Name of Department	Month and year of Incorporation	Equity at the end of year 2021-22				Long term Loans at the end of year 2021-22					
				GoJ&K 5(a)	Gol 5(b)	Others 5(c)	Total 5(d)	GoJ&K 6(a)	Gol 6(b)	Others 6(c)	Total 6(d)		
1	2	3	4										
A. Power Sector													
I. Working Government Companies													
1.	Jammu and Kashmir Power Development Corporation Limited	Power Development Department (PDD)	February-1995	2,593.34	0	0	2,593.34	0	0	1,064.40	0	1,064.40	1,064.40
2.	Jammu Power Distribution Corporation Limited	PDD	June-2013	0.05	0	0	0.05	0	0	0	0	0	0.00
3.	Kashmir Power Distribution Corporation Limited	PDD	June-2013	0.05	0	0	0.05	0	0	0	0	0	0.00
4.	Jammu and Kashmir Power Transmission Corporation Limited	PDD	March-2013	0.05	0	0	0.05	0	0	0	0	0	0.00
5.	Jammu and Kashmir Power Corporation Limited	PDD	March-2013	0.05	0	0	0.05	0	0	10,321.83	0	10,321.83	10,321.83
II. Working Government Controlled Other Company													
6.	Chenab Valley Power Projects (Pvt.) Ltd.	PDD	June-2011	0	0	3,436.45*	3,436.45	0	0	598.57	0	598.57	598.57
Total A				2,593.54	0	3,436.45	6,029.99	0	0	11,984.80	0	11,984.80	11,984.80
B. Social Sector													
I. Working Government Companies													
7.	Jammu and Kashmir Agro Industries Development	Agriculture production	30.01.1970	2.6	0.94	0	3.54	25.19	0	0	0	25.19	25.19

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sl. No.	Sector and Name of PSU	Name of Department	Month and year of Incorporation	Equity at the end of year 2021-22				Long term Loans at the end of year 2021-22											
				GoJ&K 5(a)	GoI 5(b)	Others 5(c)	Total 5(d)	GoJ&K 6(a)	GoI 6(b)	Others 6(c)	Total 6(d)								
1	2	3	4																
	Corporation Limited																		
8.	Jammu and Kashmir Horticulture Produce Marketing and Processing Corporation Limited	Agriculture production	10 April 1978	6.80	3.20	0	10.00	11.75	0	0	0	11.75							
9.	Jammu and Kashmir Scheduled castes, Scheduled Tribes and Other Back-ward Classes Development Corporation Limited	Social Welfare	01 April 1986	21.97	28.05	0	50.02	61.03	0	101.38		162.41							
10.	Jammu and Kashmir Women's Development Corporation Limited	Social Welfare	10 May 1996	10.00	0	0	10.00	28.91	0	91.61		120.52							
11.	Jammu and Kashmir Small Scale Industries Development Corporation Limited	Industries and Commerce	28 November 1975	89.91	0	0	89.91	0	0	0		0							
12.	Jammu and Kashmir State Industrial Development Corporation Limited	Industries and Commerce	17 March 1969	17.64	0	0	17.64	22.72	0	0		22.72							
13.	Jammu and Kashmir Industries Limited	Industry and Commerce	04 October 1960	16.27	0	0	16.27	264.99	0	0		264.99							
14.	Jammu and Kashmir Overseas Employment Corporation Limited	Finance	10 October 2010	4.06	0	0	4.06	0	0	0		0							
15.	Jammu and Kashmir Handicrafts (Sales and Export) Development Corporation Limited	Industries and Commerce	06 January 1970	7.08	0.89	0	7.97	64.72	0	0		64.72							
16.	Jammu and Kashmir Handloom Development Corporation Limited	Industries and Commerce	29 June 1981	3.49	1.5	0	4.99	71.46	0	0		71.46							
17.	Jammu and Kashmir Trade Promotion Organisation	Industries and Commerce	30 May 2018	2.55	2.68	0	5.23	0.63	0	0		0.63							
18.	Jammu and Kashmir Infrastructure Development Finance Corporation Pvt. Limited	Finance	25 September 2018	0.50	0	0	0.50	0	0	2,372.77		2372.77							

Sl. No.	Sector and Name of PSU	Name of Department	Month and year of Incorporation	Equity at the end of year 2021-22				Long term Loans at the end of year 2021-22					
				GoJ&K 5(a)	Gol 5(b)	Others 5(c)	Total 5(d)	GoJ&K 6(a)	Gol 6(b)	Others 6(c)	Total 6(d)		
1	2	3	4										
19.	Jammu and Kashmir Medical Supplies Corporation Limited	Health	31 March 2014	0.05	0	0	0.05	0	0	0	0	0	0
20.	AIC-Jammu and Kashmir EDI Foundation	Industries and Commerce	07 September 2018	0.05	0	0	0.05	NA	NA	NA	NA	NA	0
21.	Jammu and Kashmir I.T. Infrastructure Development Pvt. Limited	IT and Communication	07 March 2019	0.50	0	0	0.50	0	0	0	0	0	0
22.	Jammu and Kashmir Forest Development Corporation Limited	Forest	01 July 1979	9.03	0	0	9.03	18.06	0	0	0	0	18.00
	Total I B			192.50	37.26	0	229.76	569.46	0.00	2565.76	3135.22		
II. Inactive Company													
23.	Jammu and Kashmir Asset Reconstruction limited	Finance	28 April 2017	1.02	0.00	0.98	2.00	0.00	0.00	0.00	0.00	0.00	0.00
24.	Jammu and Kashmir State Handloom Handicrafts Raw Material Supplies Organisation Limited (A Subsidiary of Himalayan Wool Combers Limited)	Industries and Commerce	29 November 1991	0.40	0	0	0.40	NA	NA	NA	NA	NA	NA
	Total II B			1.42	0	0.98	2.40	0	0	0	0	0	0
	Total B(I+II)			193.92	37.26	0.98	232.16	569.46	0	2565.76	3135.22		
C. Competitive Sector													
I. Working Government Companies													
25.	Jammu and Kashmir Cements Limited	Industries and Commerce	24 December 1974	49.86	0	0	49.86	0	0	3.13	0	3.13	3.13
26.	Jammu and Kashmir Minerals Limited	Industries and Commerce	05 February 1960	8.00	0	0	8.00	169.78	0	0	0	0	169.78

Compliance Audit Report (Revenue and Public Sector Undertakings) for the period ended March 2022

Sl. No.	Sector and Name of PSU	Name of Department	Month and year of Incorporation	Equity at the end of year 2021-22				Long term Loans at the end of year 2021-22					
				GoJ&K 5(a)	Gol 5(b)	Others 5(c)	Total 5(d)	GoJ&K 6(a)	Gol 6(b)	Others 6(c)	Total 6(d)		
1	2	3	4										
27.	Jammu and Kashmir Cable Car Corporation Limited	Tourism	28 November 1988	23.57	0	0	23.57	0	0	0	0	0.00	
28.	Jammu and Kashmir Bank Limited	Finance	10 October 1938	65.41	0	27.88	93.29	0	0	2,015.20	2015.20		
29.	Jammu and Kashmir Bank Financial Services Limited	Finance	27 August 2009	0	0	20.00	20.00	0	0	7.60	7.60		
30.	Jammu and Kashmir and Ladakh Financial Corporation	Finance	02 December 1959	172.35	0	0.53	172.88	10.48	0	44.94	55.42		
31.	Jammu and Kashmir Road Transport Corporation	Transport	01 September 1976	387.86	15.01	49.98	452.85	780.61	0	0	780.61		
32.	Jammu and Kashmir Tourism Development Corporation Limited	Tourism	13 February 1970	15.96**	0	0	15.96	8.26	0	0	8.26		
	Total I C			723.01	15.01	98.39	836.41	969.13	0	2070.87	3040		
	II. Inactive Companies												
33.	Tawi Scooters Limited	Industries and Commerce	15 December 1976	0.8	0	0	0.8	0.83	0	0	0.83		
34.	Himalayan Wool Combers Limited	Industries and Commerce	24 January 1978	1.37	0	0	1.37	0	0	0	0		
	Total II C			2.17	0	0	2.17	0.83	0	0	0.83		
	Total C (I+II)			725.18	15.01	98.39	838.58	969.96	0	2070.87	3040.83		
D. Others													
	I. Working Government Companies												
35.	Jammu and Kashmir Projects Construction Corporation Limited	Public Works	22 May 1965	1.53	0	0	1.53	0	0	0	0.00		
36.	Jammu and Kashmir Police Housing Corporation Limited	Home	26 December 1997	2.00	0	0	2.00	0	0	0	0.00		

Sl. No.	Sector and Name of PSU	Name of Department	Month and year of Incorporation	Equity at the end of year 2021-22				Long term Loans at the end of year 2021-22					
				GoJ&K 5(a)	Gol 5(b)	Others 5(c)	Total 5(d)	GoJ&K 6(a)	Gol 6(b)	Others 6(c)	Total 6(d)		
1	2	3	4										
37.	Jammu Smart City Limited	Urban Development	08 September 2017	0.10	0	0	0.10	0	0	0	0	0.00	
38.	Srinagar Smart City Limited	Urban Development	08 September 2017	0.10	0	0	0.10	0	0	0	0	0.00	
39.	Jammu Mass Rapid Transit Corporation Pvt. limited	Urban Development	12 March 2019	0.02	0	0	0.02	0	0	0	0	0.00	
40.	Srinagar Mass Rapid Transit Corporation Pvt. limited	Urban Development	13 March 2019	0.02	0	0	0.02	0	0	0	0	0.00	
	Total I D			3.77	0	0	3.77	0	0	0	0	0	
	II. Inactive Companies												
41.	Jammu and Kashmir Road Development Corporation Limited	Public Works	31 March 2014	5.00	0	0	5.00	0	0	0	0	0.00	
42.	Jammu and Kashmir International Trade Centre Corporation Limited	Industries and Commerce	01 February 2014	48.00	0	0	48.00	NA	NA	NA	NA	NA	
	Total II D			53.00	0	0	53.00						
	Total I D (I+II)			56.77	0	0	56.77						
	Grand Total (A+B+C+D)			3,569.41	52.27	3,535.82	7,157.50	1,539.42	0.00	16,621.43	18,160.85		

Source: Compiled based on information received from PSUs)

*This includes ₹ 100.00 crore share application money pending allotment.

** This includes ₹ 10.96 crore share application money pending allotment.

Appendix 3.3.3
(Referred to in Paragraph: 3.6)
Statement showing position of GoJ&K investment in working PSUs accounts of which are in arrears as of 30 September 2022

Sl. No.	Name of the Public Sector Undertakings	Year up to which accounts finalised	Paid-up capital	Period of accounts pending finalisation	Investment made by Government of J&K during the period for which accounts are in arrears			Total
					Equity	Loans	Grant	
A	Working Government Companies							
1	J&K Agro Industries Development Corporation Limited	2018-19	3.54	3	0	0	0	0
2	J&K Horticultural Produce Marketing and Processing Corporation Limited	2016-17	9.20	5	0.80	14.90	10.00	25.70
3	J&K Small Scale Industries Development Corporation Limited	2016-17	3.12	5	0	0	1.37	1.37
4	J&K State Industrial Development Corporation Limited	2013-14	17.64	8	0	0	272.58	272.58
5	J&K Project Construction Corporation Limited	2018-19	1.97	3	0	0	0	0
6	J&K Police Housing Corporation Limited	2014-15	2.00	7	0	0	0	0
7	J&K Handloom Development Corporation Limited	2018-19	4.99	3	0	8.90	11.80	20.70
8	J&K Handicrafts (Sale and Export) Development Corporation Limited	2018-19	8.52	3	0	11.25	15.89	27.14
9	J&K Industries Limited	2018-19	16.27	3	0	0	38.90	38.90
10	J&K Minerals Limited	2010-11	8.00	11	0	12.69	39.34	52.03
11	J&K Tourism Development Corporation Limited	2019-20	15.96	2	0	0	13.56	13.56
12	J&K Scheduled Castes, Scheduled Tribes and Backward Classes Development Corporation Limited	2018-19	47.37	3	2.40	21.55	1.10	25.05
13	J&K Women's Development Corporation Limited	2020-21	10.00	1	0	3.00	0	3.00
14	J&K Cements Limited	2011-12	45.77	10	0	5.82	2.63	8.45
15	J&K Cable Car Corporation Limited	2013-14	23.57	8	0	0	26.19	26.19
16	J&K Overseas Employment Corporation Limited	2010-11	2.56	11	0	0	0	0
17	J&K Infrastructure Development Finance Corporation Limited	2019-20	0.50	2	0	0	337.26	337.26
18	J&K I.T. Infrastructure Development Private Limited	2020-21	0.50	1	0	0	0	0
19	J&K Trade Promotion Organization	2020-21	5.23	1	0	0.63	0	0.63

Sl. No.	Name of the Public Sector Undertakings	Year up to which	Paid-up capital	Period of accounts	Investment made by Government of J&K during the period for which accounts are in arrears	J&K during the			
20	J&K Power Development Corporation Limited	2015-16	5.00	6	0	743.86			
21	J&K Power Transmission Corporation Limited	2018-19	0.05	3	0.05	427.07			
22	Kashmir Power Distribution Corporation Limited	2018-19	0	3	0	1,196.02			
23	J&K Forest Development Corporation Ltd.	2019-20	9.03	2	0	0			
24	Srinagar Smart City Limited	2018-19	0.10	3	0	84.20			
25	J&K Power Corporation Limited	2018-19	0.05	3	0.05	4,165.26			
26	Jammu Power Distribution Corporation Limited	2018-19	0	3	0.05	1,095.57			
27	Jammu Smart City Limited	2019-20	0	2	0.10	106.27			
28	J&K Medical Supplies Corporation Limited	*	*	8	0	0			
29	AIC-Jammu and Kashmir EDI Foundation ⁺	*	*	4	0	0			
30	Jammu Mass Rapid Transit Corporation Private Limited	*	*	3	0	0			
31	Srinagar Mass Rapid Transit Corporation Private Limited	*	*	3	0	0			
	Total A		240.94	133	3.45	78.74	8,588.87	1,500.00	10,171.06
B	Working Statutory Corporations								
32	J&K State Road Transport Corporation	2018-19	207.96	3	146.96	105.50	0	0	252.46
33	J&K and Ladakh Financial Corporation	2018-19	172.89	3	0	5.55	0	0	5.55
	Total B		380.85	6	146.96	111.05	0	0	258.01
	Total (A+B)		621.79	139	150.41	189.79	8,588.87	1,500.00	10,429.07

(Source: Latest finalised accounts of the companies for paid up capital and information provided by the Companies for Investment made by Government of J&K during the period for which accounts are in arrears)

*These companies have not submitted its account since inception

+ The Company has not furnished the information for 2021-22

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