## Report of the Comptroller and Auditor General of India

for the year ended March 2015

## Working of Automation of Central Excise and Service Tax

Union Government

Department of Revenue

Indirect Taxes – Central Excise and Service Tax

Report No. 46 of 2015

Laid on the table of Lok Sabha/Rajya Sabha \_\_\_\_\_

## **Table of Contents**

|                                            | Contents                                | Page  |
|--------------------------------------------|-----------------------------------------|-------|
| Preface                                    |                                         | i     |
| Executive summary                          |                                         | iii   |
| Chapter 1 : Introduction 1-4               |                                         |       |
| 1.1                                        | Background                              | 1     |
| 1.2                                        | Organisational set-up                   | 1     |
| 1.3                                        | Structure and status of working of ACES | 2     |
| 1.4                                        | Why we chose this topic                 | 2     |
| 1.5                                        | Audit objectives                        | 3     |
| 1.6                                        | Scope of audit and coverage             | 3     |
| 1.7                                        | Audit coverage                          | 3     |
| 1.8                                        | Acknowledgement                         | 4     |
| Chapt                                      | er 2 : System design                    | 5-13  |
| 2.1                                        | System Issues                           | 5     |
| 2.2                                        | Business Processes Re-engineering       | 9     |
| Chapter 3 : Observations on Modules 15-3   |                                         | 15-36 |
| 3.1                                        | Access Control Logic                    | 15    |
| 3.2                                        | Registration                            | 18    |
| 3.3                                        | Return                                  | 20    |
| 3.4                                        | Provisional Assessment                  | 24    |
| 3.5                                        | Export                                  | 25    |
| 3.6                                        | Refund                                  | 26    |
| 3.7                                        | Claims and Intimations                  | 28    |
| 3.8                                        | Reports                                 | 30    |
| 3.9                                        | Dispute Settlement Resolution           | 31    |
| 3.10                                       | Audit                                   | 33    |
| 3.11                                       | General conclusion on modules           | 36    |
| Chapter 4 : Awareness and Evaluation 37-41 |                                         |       |
| 4.1                                        | Training                                | 37    |
| 4.2                                        | Seminars/workshops                      | 37    |
| 4.3                                        | Working of ACES                         | 38    |
| 4.4                                        | Evaluation of man hour saving           | 38    |
| 4.5                                        | Feedbacks                               | 39    |
| 4.6                                        | Conclusion                              | 40    |
| Abbreviations 43-4                         |                                         |       |