

# APPENDICES

**Appendix – I**  
(Referred to in paragraph 2.4.32)  
**Beneficiary Survey Questionnaire**

**Office of the Accountant General (Economic & Revenue Sector Audit),  
Madhya Pradesh, Bhopal**

**Subject: Survey regarding e-Registration process**

The facility of online registration of document has been commenced in Madhya Pradesh from December 2014/August 2015 to facilitate citizens to get their documents registered easily. In this regard, following information is desired from citizens/service providers.

**Information from citizens:**

- 1 Are you aware of the process of online registration of the documents? – Yes/No
- 2 Are you facing any problems in this new facility? – Yes/No
- 3 Are you getting full co-operation from the Registration office during registration under this new system? – Yes/No
- 4 Is there any compulsion for cash payment of registration fees? – Yes/No
- 5 Have you registered any document online under the new system? – Yes/No  
How much time it took to get documents after registration?
- 6 Are you satisfied with the facility of online registration of the documents? – Yes/No
- 7 Any other comments, if necessary

**Name and Signature**

**Information from service providers:**

- 1 Are you satisfied with e-Registration process? – Yes/No
- 2 Are your complaints addressed in time? – Yes/No
- 3 Are you satisfied with the system of BMC ticketing tool? – Yes/No
- 4 Any other cases/complaints not resolved? – Yes/No
- 5 Do you have any complaint related to credit limits? – Yes/No
- 6 Any other comments, if necessary?

**Name and Signature**

**Appendix II**  
(Referred to in paragraph 2.4.32)  
**BENEFICIARY SURVEY - SUMMARY**

Sl. No.	Name of District where beneficiary survey conducted	Number of forms distributed	Total form received back	Negative Feedbacks Received from		
				Service Provider	Citizens	Total negative feedbacks
1	Burhanpur	10	3	2	-	2
2	Shajapur	15	4	2	-	2
3	Gwalior	30	10	4	1	5
4	Dewas	30	20	6	5	11
5	Indore	35	18	2	7	9
6	Bhopal	35	28	5	7	12
7	Sehore	15	18	5	4	9
8	Dhar	15	14	4	3	7
9	Ujjain	15	14	4	4	8
10	Jabalpur	30	12	2	5	7
11	Tikamgarh	10	1	1	0	1
	<b>Total</b>	<b>240</b>	<b>142</b>	<b>37</b>	<b>36</b>	<b>73</b>

**Appendix III**  
(Referred to in paragraph 2.12)  
**Short levy of Stamp duty and Registration fees due to misclassification**

(Amount in ₹)

Sl. No.	Name & period of Audited Unit	Nature of irregularities	Total no. of instruments	Registered value/value as per guideline	Leviabale SD/RF	Levied SD/RF	Difference SD/RF	Total
1	SR Jabalpur-I 04/14 to 03/15	Gift deed was treated as partition deed	1	<u>10267000</u> 10266900	<u>474845</u> 82140	<u>256700</u> 82140	<u>218145</u> -	2.18lakh
2	SR Jabalpur-II 04/14 to 03/15	Conveyance deed was treated as release Deed	1	<u>7100000</u> 7100000	<u>355000</u> 56975	<u>71000</u> 56975	<u>284000</u> -	2.84lakh
3	SR Gwalior-I 4/14 to 3/15	Instruments relating to several distinct matters were treated as instruments of single matter.	1	--- 23149628	<u>1157581</u> 185442	<u>100</u> 100	<u>1157481</u> 185342	13.43lakh
4	SR Indore-IV 4/14 to 3/15	Gift deed was treated as release deed	1	<u>2405000</u> 2405000	<u>171356</u> -	<u>96200</u> -	<u>75156</u> -	0.75lakh
5	SR Badwani 4/12 to 3/15	Gift deed was treated as partition deed	1	<u>9948000</u> 9948000	<u>708795</u> 79585	<u>454000</u> 79585	<u>254795</u> -	2.55 lakh
6	S R Shadol 03/14 to 03/15	Gift deed was treated as partition deed	2	<u>11633000</u> 15411960	<u>1010211</u> 123615	<u>291000</u> 93070	<u>719211</u> 30545	7.50 lakh
7	S R Shajapur 4/13 to 3/15	Gift deed was treated as partition deed	1	<u>6966000</u> 6966000	<u>337416</u> 34830	<u>248170</u> 34830	<u>89246</u> -	0.89lakh
<b>TOTAL</b>			<b>8</b>	<u><b>48319000</b></u> <b>75247488</b>	<u><b>4215204</b></u> <b>562587</b>	<u><b>1417170</b></u> <b>346700</b>	<u><b>2798034</b></u> <b>215887</b>	<b>30.14 lakh</b>

**Appendix IV**

(Referred to in paragraph 2.15)

**Short realisation of Stamp Duty and Registration fee due to less valuation from market value for renewal of mining lease**

(Amount in ₹)

Vol. / Doc. No. & date	Leaser/Lease holder	Period of lease	Description of land	Registered value/as per guideline value of land	Leviable stamp duty/ registration fee	Levied stamp duty/ registration fee	Short stamp duty/ registration fee
2644/ 137/ 28.04.15  Document Presenting date 25.03.15	Collector (Mining) Panna/ N.M.D.C. Limited Diamond extraction project, Panna  Lease agreement execution date 31.01.2015	15.07.05 to 14.07.2025 (20 Year)	Village Majhgava, TahsilPanna Area 29.546 Hectare and village Hinauta Tehsil Panna area 83.834 hectare total land area 113.38 hectare as per collector guideline 2014-15  Rate of irrigated land 450000/- per hectare village Maghgava (29.546 x 450000 x 1.5 = 1,99,43,550/-) and rate of irrigated land 622600/- per hectare Village Hinauta. (83.834 x 622600 x 1.5 = 7,82,92,573/-) Total 19943550 + 78292573 = 9,82,36,123/-	<u>7,64,99,100</u> 9,82,36,123	<u>39,29,445</u> 29,47,084	<u>30,59,964</u> 22,94,973	<u>8,69,481</u> 6,52,111
<b>Total</b>							<b>15,21,592/- say 15.22 lakh</b>

**Appendix V**

(Refer to paragraph 3.3.7.3)

**Incorrect waiver of penalty under Section 57 of MP VAT Act.**

(₹ in lakh)

Sl. No.	Detail of Appellate Authority	Name of Transporter/Vehicle No	Appeal case No./date of Appeal order	Amount of relief of Penalty	Audit observation	Reply of Appellate Authorities/ Audit Comments
1	DC CT Appeal Jabalpur.	M/s Dorsel Logistics/ UP71B-5514	721/12 04-05-13	4.70	The AA correctly imposed penalty for the reasons that Form 49 passed by check post was not found with the vehicle and appellate authority waived penalty on incomplete forms.	The Appellate Authority replied that downloaded Form 49 from departmental portal are not necessary for passing at check post and relief is granted as per explanation under section 57(8). We do not agree with the reply as the Form 49 is not fully downloaded and not duly filled electronically and not passed by the check post.
2	DC CT Appeal Jabalpur.	M/s S.K. Cargo/ MP28B-2055	277/13 28-05-13	4.39	The AA correctly imposed penalty for the reasons that Form 49 passed by check post was not found with the vehicle and appellate authority waive penalty on incomplete forms.	The Appellate Authority replied that downloaded form 49 from departmental portal are not necessary for passing at check post and relief is granted as per explanation under section 57(8). We do not agree with the reply as the Form 49 is not fully downloaded and not duly filled electronically and not passed by the check post.
3	DC CT Appeal Gwalior	M/s CTO Carrier Limited Delhi/MP15/MA/1001	687/2011 04-11-11	5.61	The AA correctly imposed penalty for the reasons that Form 49 passed by check post was not found with the vehicle and appellate authority waive penalty on incomplete forms.	The Appellate Authority replied that relief granted after verification of facts and figures found in Case file. We do not agree with the reply as the Form 49 is not fully downloaded and not duly filled electronically and not passed by the check post.
4	DC CT Appeal Gwalior	M/s Ghuraiya Freight Carrier Morena, MP06-HC-0276	441/2011 22-08-12	3.76	The AA correctly imposed penalty on the basis of doubtful bills besides purchaser mentioned in the doubtful bill is also denied of those purchases. The appellate authority waive penalty on the basis of above bill.	The Appellate Authority replied that relief granted after verification of facts and figures found in case file. We do not agree with the reply as appellate authority passed the appeal order without verifying the actual purchaser or seller of goods, invoice is also doubtful.
5	DC CT Appeal Indore-III	M/s Siddhi Vinayak Logistic Limited, Kolkatta Vehic	147/13ET 153/13VAT 146/13ET 150/13VAT 152/13ET	6.24 6.20 6.24	The appellant had been explained in appeal that there was no intention of tax evasion and fine charged on the basis of technical /clerical mistake. The appellant also explained that Consignor and Consignee is same and firm	The Appellate Authority replied (May 2016) that after verification of facts action would be intimated. Further reply has not been received.

Sl. No.	Detail of Appellate Authority	Name of Transporter/Vehicle No	Appeal case No./date of Appeal order	Amount of relief of Penalty	Audit observation	Reply of Appellate Authorities/ Audit Comments
		le no. NL01K/8638 NL01K/8636 NL01K/8635  NL01K/8541 2012-13	151/13VAT 148/13 VAT 149/13ET 05-03-14	5.93	transferred unblended tea from Guwahati after blending the tea was packed to sale in MP and out of state and the appellate authority accept appeal in favor of the appellant on the basis that the re-use of form 49 not considered in those conditions if all the other entries are not same in Form 49 and it is only clerical mistake. However, the check post officer correctly imposed penalty on the transporter on the basis of bogus form 49 (used, incomplete download and manipulated forms) available with the No. of four vehicles which were entered in Madhya Pradesh transporting unblended tea and after 12 days they produced relevant form 49 which were downloaded after seizer of vehicles hence the intention of transporter clearly proved evasion of tax .	
6	DC CT Appeal Indore-III	M/s Dekkan Sales & Corporation Service Pvt.Ltd. Transporter M/s Asosiat Road Carriars G.H.01C.U. 9463	407/13 408/13 23-09-14	4.48	The appellant had been explained in appeal that there was no intention of tax evasion and fine charged on the basis of technical /clerical mistake. The appellant also explained that he downloaded one Form 49 and due to mistake official mailed that Form 49 to two dealers. The first Officer of Check Post passed Form49 due to negligence because Form 49 was related to vehicle no. G.H.01C.U. 9463. The appellate authority accepted the appeal and granted relief. Intention of dealer was doubtful because he downloaded only one incomplete Form 49 and used the Form 49 in two transactions and first time passed Form 49 not produced/enclosed in appeal file to verify.	The Appellate Authority replied that after verification of facts action would be intimated. Further reply has not been received.
7	DC CT Appeal	M/s Awagaman	690/14 VAT 689/14 ET	27.81	The appellant had been explained in appeal that there was no intention of tax evasion	The Appellate Authority replied that there was no intention of tax evasion as per "Explanation-clause"

Sl. No.	Detail of Appellate Authority	Name of Transporter/Vehicle No	Appeal case No./date of Appeal order	Amount of relief of Penalty	Audit observation	Reply of Appellate Authorities/ Audit Comments
	Indore-III	Road Carriers, Ltd. M/s SamboyedPharma Lab Ltd. GJ 01 BY 5236	24-02-15		because he was importing Capital Goods for installation and not for sale. He also produced form 49 after seizure of vehicle. The Appellate Authority accepted the appeal and granted relief of penalty. However, the check post officer correctly imposed penalty on the transporter on the basis of non-production of compulsory form 49, hence the intention of transporter clearly proved evasion of tax.	under section 57(2) because goods were not for sale in M.P., hence, penalty was not levied. We do not agree with the reply as dealer knew all provisions very well and he also has facility of download form 49 but he did not download, in the absence of form 49 possibilities of those imported goods remains unaccounted in the books of accounts and also those purchase will hide for the purpose of taxation hence dealer have intention of tax evasion.
8	DC CT Appeal Indore-III	M/s Haryana Delhi Road wings, Indore Vehicle No. MP 09 HP 3499	59/14 VAT 60/14 ET	8.09	The appellant had been explained in appeal that there was no intention of tax evasion because he was transport sale return goods from Gujarat to MP with all other valid documents he was also produced Form 49 after sized of vehicle. The Appellate Authority accepted the appeal and granted relief. Intention of dealer was doubtful because he was downloaded and produced Form 49 after sized of vehicle.	The Appellate Authority replied that there was no intention of tax evasion as per "Explanation-clause" under section 57(2) because goods were not to sale in M.P. hence, penalty could be levied. We do not agree with the reply as dealer knew all provisions very well and he also have facility to download Form 49 but he did not download Form 49. This proves that dealer had intentions of tax evasion.
9	DC CT Appeal Satna	M/s Ritvik Project Pvt. Ltd. HR 35 E 7879	268/15 31-10-2015	9.38	The appellant had been explained in appeal that there was no intention of tax evasion because he was transport plant and machinery from UP to MP to complete civil contract works after completion of works he took back above plant and Machinery, hence Form 49 was not required. The Appellate Authority accepted appeal and granted relief without any detailed explanation in order. The deal was defaulter hence registration was cancelled from 31-05-2014 so he was not produced required Form 49. The penalty order of AO was correct as per section 57(8) of VAT Act.	Appellate Authority replied that the dealer imported machinery for use in contract works only and that there was no intention of tax evasion as per "Explanation-clause" under section 57(8) of MP VAT Act. Reply is not acceptable because machinery is notified goods and Form 49 is mandatory for all notified goods transported for any purpose. In the absence of Form 49, there is a possibility of the imported goods may remain unaccounted for and also in absence of Form 49, the purchase not coming to the notice of the Department in absence of Form 49 for the purpose of taxation. Thus dealer's intention of tax evasion may not be ruled out.



Sl. No.	Detail of Appellate Authority	Name of Transporter/Vehicle No	Appeal case No./date of Appeal order	Amount of relief of Penalty	Audit observation	Reply of Appellate Authorities/ Audit Comments
10	DC CT Appeal Sagar	M/s Jindal Stainless Limited , Hisar M/s Union Roadways Corporation, Kolkatta HR 39 B 6696	2/13 and 3/13 13-02-2014	7.77	The appellant had been explained in appeal that there was no intention of tax evasion because he was already downloaded Form 49 but due to clerical mistake used Form 49 provided to transporter. The Appellate Authority accepted the appeal and granted relief. The order was not according to provision because produced Form 49 was not fully downloaded and as per provision Form 49 was also not available with transporter at the time of checking.	The Appellate Authority replied that Form 49 already downloaded due to human error it could not be produced at the time of checking. We do not agree with the reply as dealer not fully downloaded Form 49 and could use it in other transaction; hence it was not necessary that produced Form 49 could not be related in this transaction.
11	DC CT Appeal Sagar	M/s K. Vaiktaraju AP22AE 6969	45/14 & 46/14 20-05-2015	4.88	The appellant had been explained in appeal that there was no intention of tax evasion because he was transporting Capital Goods with bill and built to use in civil contract works not to sale and he also produced Form 49 after sized of vehicle. The Appellate Authority accepted the appeal and granted relief. The order was not according to provision because Form 49 produced by dealer after sized of vehicle.	The Appellate Authority replied that non availability of Form 49 was not intention of tax evasion and transported goods was not to sale. We do not agree with the reply as utilisation of goods was also taxable and dealer knew all provisions very well and he also have facility of download Form 49 but he not downloaded Form49, This proves that dealer had intention of tax evasion.
12	DC CT Appeal Sagar	M/s Mahavir Transport Company, Sagar RJ 11 A 0604	60/12 & 66/12 30-10-13	2.11	The appellant had been explained in appeal that there was no intention of tax evasion because he was transporting goods with valid bill & built he was also produced Form 49 after sized vehicle. The Appellate Authority accepted the appeal and granted relief. The order was not according to provision because manually issued Form 49 produced by dealer after sized of vehicle.	The Appellate Authority replied that all the valid document are available with transporter and he was also produced Form 49 before enter in MP. We do not agree with the reply as transporter produced manually issued Form 49 after seizure of vehicle.
<b>Total</b>				<b>107.60 lakh</b>		

## Appendix VI

(Refer to paragraph 3.3.7.4)

## Input tax rebate not reversed/short reversed in the cases of goods stock transferred out of State

(₹ in lakh)

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of Appeal order	Amount of ITR Reversible /ITR reversed	Amount of tax relief in favour of dealer	Audit Observation	Reply of the department/Audit comments
1	Additional Commissioner Jabalpur	M/s ShardaMaa Enterprises Pvt ltd Katni, 23716204180 / 2010-11	80/2013-14 VAT & 25/2013-14 CST 21-04-14	<u>39.92</u> 0	39.92	The AA rejected Stock transfer of ₹ 20,58,18,458/- due to non-submission of F forms and levied central tax on such amount treating as interstate sale and allowed full claimed ITR without reversal. During appeal, the Appellate Authority allowed stock transfer value of ₹ 20,58,18,458/- after submission of F forms and grant relief of CST without reversal of ITR in new circumstances as disposal of goods, otherwise than by way of sale.	No specific reply has been provided by the Appellate Authority.
2	Additional Commissioner Jabalpur	M/s Birla Corporation Ltd Satna, 23757000140 / 2008-09	133/12 21-01-13	<u>16.59</u> 0	16.59	The AA reversed ITR on purchases of plant and machinery in respect of stock transferred of manufactured goods in proportionate of stock transfer. During appeal, the Appellate Authority grant relief of such ITR reversal by elaborating that there should be no proportionate reversal of ITR pertaining to plant and machinery even if there is stock of transfer of manufactured goods. Moreover the reversal done by AA as per section 14(5)(a)(i) of the MP VAT Act 2002.	No specific reply has been provided by the Appellate Authority.

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of Appeal order	Amount of ITR Reversible /ITR reversed	Amount of tax relief in favour of dealer	Audit Observation	Reply of the department/Audit comments
3	Additional Commissioner Jabalpur	M/s Birla Corporation Ltd Satna, 23757000140 / 2007-08	132/12 21-01-13	<u>15.02</u> 0	15.02	The AA reversed ITR on purchases of plant and machinery in respect of stock transferred of manufactured goods in proportionate of stock transfer. During appeal, the Appellate Authority grant relief of such ITR reversal by elaborating that there should be no proportionate reversal of ITR pertaining to plant and machinery even if there is stock of transfer of manufactured goods. Moreover the reversal done by AA as per section 14(5)(a)(i) of the MP VAT Act 2002.	No specific reply has been provided by the Appellate Authority.
4	Additional Commissioner Jabalpur	M/s ShardaMaa Enterprises Pvt Ltd Katni, 23716204180 / 2008-09	36/11 27-03-12	<u>15.28</u> 8.77	6.51	The AA rejected Stock transfer of ₹ 2,56,52,362 due to non-submission of F Forms and levied central tax on such amount treating as interstate sale During appeal, the Appellate Authority allowed stock transfer value of ₹ 2,56,52,362 after submission of F Forms and grant relief of CST without proportionate reversal of ITR in new circumstances as disposal of goods, otherwise than by way of sale.	No specific reply has been provided by the Appellate Authority.
5	DC CT Appeal Bhopal	M/s Sanfield India Bhopal, 23893602638 / 2010-11	404/13 26-03-14	<u>5.48</u> 0	5.48	The AA rejected Stock transfer of ₹ 8,73,77,566/-due to non-submission of F forms and levied central tax on such amount treating as interstate sale and allowed full claimed ITR without reversal. During appeal, the Appellate Authority allowed stock transfer	The Appellate Authority replied that reply will be submitted after verification/Final action is awaited in audit.

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of Appeal order	Amount of ITR Reversible /ITR reversed	Amount of tax relief in favour of dealer	Audit Observation	Reply of the department/Audit comments
						value of ₹ 8,73,77,566/- after submission of F forms and grant relief of CST without reversal of ITR in new circumstances as disposal of goods, otherwise than by way of sale.	
6	DC CT Appeal Bhopal	M/s Mapra Laboratories Pvt Ltd Mandideep , 2325410667 / 2010-11	191/13 19-11-13	0.11 0	0.11	The AA reversed ITR on purchases of packing material in respect of stock transferred of manufactured goods in proportionate of stock transfer. During appeal, the Appellate Authority grant relief of such ITR reversal by elaborating that there should be no proportionate reversal of ITR pertaining to packing material even if there is stock of transfer of manufactured goods. Moreover the reversal done by AA as per section 14(5)(a)(i) of the MP VAT Act 2002.	Appellate Authority replied that as per Section 14 (i)(a)(6) there is not need to reversal of the ITR in respect of packing material used in packing of scheduled II goods. We do not agree with the reply as Section 14 (i) (a) (6) disposal of manufactured goods 14(1)a rebate of input tax as provided in this Section shall be claimed by or be allowed to a register dealer in the circumstances specified below,-(a)where a registered dealer purchases any goods specified in Schedule II within the State of Madhya Pradesh from another such dealer after payment to him input tax for-(6) Disposal of:-goods, or Goods specified in Schedule II, manufactured or processed or mined out of such goods, otherwise than by way of sale within the State of Madhya Pradesh or in the course of inter-State trade or commerce or in the course of export out of the territory of India, he shall claim or be allowed in such manner and within such period as may be prescribed, input tax rebate of the amount of such input tax, (ii)in case of goods referred in sub-clauses (6), which is in excess of 4 percent of the purchase price, net of input tax of such goods.

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of Appeal order	Amount of ITR Reversible /ITR reversed	Amount of tax relief in favour of dealer	Audit Observation	Reply of the department/Audit comments
7	DC CT Appeal Gwalior	M/s Singh Oil Morena, 23135604263 / 2007-08	550/10 22-09-11	<u>2.53</u> 0	2.53	Appellate authority grant relief to appellant on the basis of the stock transfer material purchased out of state, while during audit it was noticed that packing material of ₹ 1,03,86,669 purchased and used in re-packaging of material hence as per ration of stock transfer ITR should be reversed.	Appellate authority replied that relief granted after verification of facts and figures found in case file.  We do not agree with the reply as provision, ITR was not reversed.
8	DC CT Appeal Gwalior	M/s MadanlalNandki shoreNarwar, 23635701182 / 2008-09	335/11 10-08-12	<u>0.63</u> 0	0.63	The AA rejected Stock transfer of ₹ 15,82,789 due to non-submission of F Forms and levied central tax on such amount treating as interstate sale and allowed full claimed ITR without reversal. During appeal, the Appellate authority allowed stock transfer value of ₹. 15,82,789 after submission of F Forms and grant relief of CST without reversal of ITR in new circumstances as disposal of goods, otherwise than by way of sale.	Appellate Authority replied that relief granted after verification of facts and figures found in case file.  We do not agree with the reply as provision ITR was not reversed.
9	DCCT Appeal Jabalpur	M/s Bahubali Marble Jabalpur, 23886004994 / 2010-11	460/13 30-08-14	<u>0.36</u> 0	0.36	The Appellate Authority grant relief to the appellant on the basis of the AA determined wrong GTO due to included branch transaction in GTO. During audit it was noticed that the Appellate Authority had not reversed ITR as per ratio of stock transfer to branch office.	The Appellate Authority replied that during appeal proceedings no action required in respect of ITR reversal.  We do not agree with the reply as the Appellate Authority re-assessed the case during appeal proceeding, hence ITR should be reversed according to ratio of stock transfer.
<b>Total</b>				<b><u>95.92 lakh</u> 8.77 lakh</b>	<b>87.15 lakh</b>		

## Appendix VII

(Refer to paragraph 3.3.7.5)

## Application of Incorrect Rate of tax by the Appellate Authority

(₹ in lakh)

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of order/ Name of commodity	Cost of goods/ TTO	Rate of tax applicable/ applied in Appeal order ( <i>per cent</i> )	Amount of tax relief in favour of dealer	Observation in brief	Reply of Appellate Authority/Audit Comments
1	Additional Commissioner, Jabalpur	M/s Heavy Engineering Workshop Rewa, 23156904246 / 2010-11	47/13-14 18-02-14/ Machinery	896.12	13/5	71.69	In tax audit report and impugned assessment order dealer could not certify the transfer of material i.e. tungsten in job work besides the main business of dealer is sale of manufactured heavy engineering items (13%). However, Appellate Authority without verifying the facts granted relief to dealer on the basis of transfer of material (Tungsten Constraint) (5%) in job-work.	No specific reply has been given by the Appellate Authority.
2	DC CT II Appeal, Indore	M/s Powerline Corporation Indore, 23391000694 /2009-10	115/2011 19-03-12/ Wiring Harness	30.93	12.5/4	3.34	Appellate Authority allowed relief in favour of dealer on the basis of the uses of purchaser.	Appellate Authority replied that reply will be submitted after due verification. Further comments awaited in audit.
3	DCCT Appeal, Jabalpur	M/s S.B Enterprises, 23645808604 / 2006-07	170/12 19-03-13/ Old Motor Vehicle	8.03	12.5/1.5	3.97	On the sale of Old Car by treating Schedule entry No II/III/9 Appellate Authority allows rebate to dealer, However, in the year 2006-07 old car is taxable @12.5 <i>per cent</i> .	Appellate Authority replied that as per second amendment of Act (w.e.f01.04.06) those motor vehicles which were registered under MP Transport department are taxable @ 1.5 <i>per cent</i> as per II/III/9. We do not agree with the reply as schedule VAT tax rate is 1.5 <i>per cent</i> on "old and second hand motor vehicle as the State Government

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of order/ Name of commodity	Cost of goods/ TTO	Rate of tax applicable/ applied in Appeal order (per cent)	Amount of tax relief in favour of dealer	Observation in brief	Reply of Appellate Authority/Audit Comments
								may, by notification, specify" whose principle business is of buying and selling of motor cars. However in the instant case the principle business of the dealer is trading of diesel, petrol and lubricant hence not cover under the said notification.
4	DCCT Appeal, Jabalpur	M/s Shri Govind Industries Madhav Nagar Katni, 23166202397 / 2007-08	219/2013 28-03-14/ Old Motor Vehicle	1.80	12.5/1.5	0.79	On the sale of Old Vehicle by treating Schedule entry No II/III/9. Appellate Authority allows rebate to dealer, However, in the year 2006-07 old vehicle is taxable @ 12.5 per cent.	Appellate Authority replied that as per second amendment of Act (w.e.f.01.04.06) those motor vehicles which were registered under MP Transport Department are taxable @ 1.5 per cent as per II/III/9. We do not agree with the reply as schedule VAT tax rate is 1.5 per cent on "old and second hand motor vehicle as the State Government may, by notification, specify" whose principle business is of buying and selling of motor cars. However in the instant case the principle business of the dealer is manufacturing of pulses (Dal) hence not cover under the said notification.
5	DCCT Appeal, Jabalpur	M/s Kailash Chandra Bagdia, 23856200611	398/12 26-06-13/ Old Motor Vehicle	1.95	12.5/1.5	0.64	On the sale of Old Vehicle by treating schedule entry No II/III/9. Appellate Authority allows rebate to dealer, However, in the year 2006-07 old vehicle is taxable @ 12.5 per cent.	Appellate Authority replied that as per second amendment of Act (w.e.f.01.04.06) those motor vehicles which were registered under MP Transport Department are taxable @ 1.5 per cent as per

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of order/ Name of commodity	Cost of goods/ TTO	Rate of tax applicable/ applied in Appeal order (per cent)	Amount of tax relief in favour of dealer	Observation in brief	Reply of Appellate Authority/Audit Comments
		/ 2006-07						II/III/9. We do not agree with the reply as such schedule VAT tax rate is 1.5 per cent on "old and second hand motor vehicle as the State Government may, by notification, specify" whose principle business is of buying and selling of motor cars. However in the instant case the principle business of the dealer is trading & manufacturing of lime and lime stone hence not cover under the said notification.
6	DCCT Appeal, Jabalpur	M/s Banarsi Das Bhanot and Sons, 23645808119 / 2007-08	235/2012 24-04-13/ Old Motor Vehicle	17.11	12.5/1.5	1.88	On the sale of Old Vehicle by treating Schedule entry No II/III/9. Appellate Authority allows rebate to dealer, However, in the year 2006-07 old vehicle is taxable @ 12.5 per cent.	Appellate Authority replied that as per second amendment of Act (w.e.f 01.04.06) those motor vehicles which were registered under MP Transport Department are taxable @ 1.5 per cent as per II/III/9. We do not agree with the reply as such schedule VAT tax rate is 1.5 per cent on "old and second hand motor vehicle as the State Government may, by notification, specify" whose principle business is of buying and selling of motor cars. However in the instant case the principle business of the dealer is trading of sand hence not cover under the said notification.
7	DCCT Appeal, Satna	M/s Kanhaya Lal	232/2010 21-09-11/	20.66	12.5/4	1.76	The Appellate Authority short levied VAT due to wrong	The Appellate Authority replied that the records of original assessment



Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of order/ Name of commodity	Cost of goods/ TTO	Rate of tax applicable/ applied in Appeal order (per cent)	Amount of tax relief in favour of dealer	Observation in brief	Reply of Appellate Authority/Audit Comments
		Agrawal/238 07204152/20 07-08	Civil Works Contract				calculation of taxable value of higher rate sale.	had been returned to the AO after disposal of appeal; hence no action is required at appeal level. We do not agree with the reply as action should be required as per provision.
8	DCCT Appeal, Satna	M/s S,K.Enterpris es, Sidhi 2340730321/ 2007-08	249/2010 10-06-11/ Old Motor Vehicle	3.90	12.5/0	0.49	The AA levied VAT @ 1.5per cent instead of 12.5 per cent but the Appellate Authority grant relief to appellant on the double taxation basis	The Appellate Authority replied that the records of original assessment had been returned to the AA after disposal of appeal; hence no action is required at appeal level. We do not agree with the reply as action should be required as per provision.
9	DCCT Appeal, Indore-III	M/s AtulTradelink , Indore  23141200506 /2006-07	83/2011 18-10-11/ Old Motor Vehicle	3.00	12.5/1.5	0.33 tax + 0.33 penalty	The AA levied VAT @ 12.5 per cent and he also levied penalty as per section 21(1) the Appellate Authority levied VAT @ 1.5 per cent as per appellant proposal and also waived penalty.	The Appellate Authority accept the audit observation.
10	DCCT Appeal, Sagar	M/s Paras Industries, Sagar  23117403915 /2008-09	54/13 01-10-14/ Home UPS	14.19	12.5/4	Tax 1.21 Intt0.40	The Appellate Authority granted relief to appellant on the basis that Home UPS (Inverter) purchased by the appellant @ 5 per cent. As per circular issued by the Commissioner, CT, Indore vide no./Vat-sale/2004/292 dated 31- 07-2006 explanation no. 17 Home UPS is taxable @ 12.5 per cent.	The Appellate Authority replied that as per entry no.51 and sub-entry (8) of schedule-II of VAT Act, the UPS is taxable @ 5 per cent. We do not agree with the reply as sold goods are Home UPS instead of UPS and As per circular issued by the Commissioner, CT, Indore vide no./VAT-sale/2004/292 dated 31-07-2006 explanation no. 17 Home UPS is taxable @ 12.5 per cent.

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period	Appeal case No./date of order/ Name of commodity	Cost of goods/ TTO	Rate of tax applicable/ applied in Appeal order ( <i>per cent</i> )	Amount of tax relief in favour of dealer	Observation in brief	Reply of Appellate Authority/Audit Comments
11	DCCT Appeal, Sagar	M/s AgrohaEnden , Herpalpur 23027702482 /2006-07	05/2011 10-08-11/ Old Motor Vehicle	1.53	12.5/1.5	0.15	The AA levied VAT @ 12.5 <i>per cent</i> and he also levied penalty as per section 21(1) the Appellate Authority levied VAT @ 1.5 <i>per cent</i> as per appellant proposal.	The Appellate Authority replied that after verification of facts action would be intimated.
<b>Total</b>				<b>999.22</b>		<b>86.98lakh</b>		

**Appendix VIII**  
(Refer to paragraph 3.3.7.6)  
**Entry Tax not levied/short levied**

(₹ in lakh)

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period/ Name of commodity	Appeal case No./date of Appeal order	Cost of goods/TTO	Rate of tax applicable/ applied in Appeal order (per cent)	Amount of tax relief in favour of dealer	Observation in brief	Reply of Appellate Authority and our comments
1	Additional Commissioner CT Jabalpur	M/s ShardaMaa Enterprises Pvt. Ltd. Katni, 23716204180 / 2010-11/ <b>Coal</b>	118/13-14 21-04-2014	147.10	2 / 0	29.42	Appellant claim Entry tax exemption on the basis of declaration certificate provided by dealer M/s Prism cement TIN 2331700844, however, as per sale bills the aforesaid sale certified to another dealer M/s Prism cement TIN 23127002475.	No specific reply has been provided by the Appellate Authority.
2	Additional Commissioner CT Zone II, Indore	Ms Prakash Solvex Indore , 23361400981/ 2008-09/ <b>RBD Palm Oil</b>	08/11 21-03-2012	764.93	1 / 0	7.65	The Appellate Authority grant relief to the appellant on the basis of material of closing stock (2008-09), which had been stock- transfer in the year 2009-10. The Appellate Authority did not verify fact that the dealer also claimed deduction of those stock transferred goods purchase value for computation of ET in the year 2009-10. However the AA also allowed deduction of ET on the basis of stock- transfer in the year 2009-10.	The Appellate Authority replied that the objection is raised on assumption basis only. We do not agree with the reply as it is certified from next year (2009-10) assessment order of ET itself, that the dealer claimed deduction of whole stock transferred goods purchase value for computation of ET and the AA allowed.
3	DC CT Appeal, Gwalior	M/s Arpit Enterprises Gwalior, 23035306528 / 2008-09/ <b>Edible oil</b>	610/11 01-10-2012	551.63	1 / 0	5.52	The Appellate Authority grant relief to the appellant on the basis of inter-state sale, while the AA levied tax because dealer sold all the material at full rate of tax and dealer also failed to produce Bilty and doubtful Bilty in respect of interstate sale.	The Appellate Authority replied that the appeal order passed after verification of the available evidence in original case file and explanation. We do not agree with the reply as evidence had not been provided to audit and the AA also mentioned in assessment order that the dealer was failed to produce Bilty and doubtful Bilty.
4	DC CT Appeal, Gwalior	M/s Tropolite Foods Pvt Ltd Gwalior, 23235207575 / 2008-09/ <b>Plant &amp; Machinery</b>	532/11 10-09-2012	380.77	1 / 0	3.81	The Appellate Authority granted relief to appellant on the basis of the certificate of General Manager of District Industries Center, Gwalior. During test it was found that the plant and machinery was not covered under that certificate.	The Appellate Authority replied that the appeal order passed after verification of the available evidence in original case file and no action has been required. We do not agree with the reply as plant and machineries was not covered that certificate.
5	DC CT Appeal, Jabalpur	M/s Sheela Agro Pvt Ltd Katni, 23686206961/ 2010-11/ <b>Plant &amp; Machinery</b>	148/14 03-07-2014	16.84	1 / 0	0.17	The Appellate Authority grants relief to appellant on the basis of the exemption certificate. During test check it was found that the plant and machinery was not covered under that exemption certificate.	The Appellate Authority replied that the appeal order passed after verification of the available evidence in original case file and no action has been required. We do not agree with the reply as annexure

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period/ Name of commodity	Appeal case No./date of Appeal order	Cost of goods/TTO	Rate of tax applicable/ applied in Appeal order (per cent)	Amount of tax relief in favour of dealer	Observation in brief	Reply of Appellate Authority and our comments
								of exemption certificate machinery was not listed for exemption.
6	DC CT Appeal, Indore-III	M/s Asosiatedalkohal&Br ewaries Limited, Indore, 23581200555/ 2004-05/ <b>Decayed Cereals</b>	173/10 14-11-2011	1661.24	1 / 0	16.61	The AA levied ET on purchases of imported <i>decayed cereals</i> as per entry tax schedule-II, entry no.-57 "all kinds of cereals and pulses". The Appellate Authority grant relief of ET to appellant by treating that <i>decayed cereals</i> are not covered in cereal because it is useless to human as well as animal. However, there was not specific entry of <i>decayed cereals</i> and dealer are used <i>decayed cereals</i> as raw material in manufacture of liquor, hence <i>decayed cereals</i> are taxable as per entry tax schedule-III entry no 1- "all goods other than those specified under schedule-I and II are taxable at the rate of one <i>per cent</i> ".	The Appellate Authority replied that after verification of the facts action would be intimated.
7	DCCT Appeal, Indore-III	M/s Guarav Sales Agencies, Indore 23470822248/ 2010-11/ <b>Skimmed Milk Powder</b>	478/2015 26-09-2015	249.12	2 / 1	24.49	The AA levied @ 2 <i>per cent</i> entry tax on Skimmed Milk Powder as per entry no. 31 of schedule-II of ET ACT. The Appellate Authority granted tax relief to appellant incorrectly treated ET @ 1 <i>per cent</i> on Skimmed Milk Powder on the basis that Skimmed Milk Powder is covered under schedule-III of ET Act.	The Appellate Authority replied that there is no specific entry of Skimmed Milk Powder, hence Skimmed Milk Powder covered under residuary entry. Reply is not acceptable, as per entry tax schedule-II entry no. 31 "vegetable, mineral and other preparations, tonics, food supplements, appetizers, dietician foods and all other food preparations for human consumption in liquid, pill, powder forms, whether prepared according to pharmacopical standards or otherwise (other than those specified elsewhere in this schedule and pickles, past and powder made from fruits vegetable and spices )", hence Skimmed Milk Powder covered under above entry and above facts already been confirmed by Appellate Authority Indore-III (07-07-2015) in the case of M/s Mithalal Multanmal, case no, 539/2014 / entry tax.
8	DCCT Appeal, Satna	M/s Satyasai Medical Hal, Rewa 23576903433/ 2011-12/ <b>Medicine</b>	24/15 27-03-2015	24.25	1 & 2 / 0	Tax3.23 Intt.1.29	The AA levied ET and interest due to URD purchased. The Appellate Authority granted relief on the basis of audited account. As per provision of VAT Act, the Appellate Authority should verify the status of registration before allow relief of ET and interest.	The Appellate Authority replied that the records of original assessment had been returned to the AA after disposal of appeal; hence no action is required at appeal level. We do not agree with the reply as action should be required as per provision.

Sl. No.	Name of Appellate Authority	Name of Dealer, TIN / Period/ Name of commodity	Appeal case No./date of Appeal order	Cost of goods/TTO	Rate of tax applicable/ applied in Appeal order (per cent)	Amount of tax relief in favour of dealer	Observation in brief	Reply of Appellate Authority and our comments
9	DCCT Appeal, Satna	M/s Kasyap Traders & Drug Store, Reva 23426906086/ 2011-12/ <b>Medicine</b>	04/15 27-03-2015	261.91	1 / 0	Tax 2.62 Intt 1.05	The AA was levied ET and interest due to URD purchased. The Appellate Authority granted relief on the basis of audited account. As per provision of VAT Act, the Appellate Authority should verify the status of registration before allow relief of ET and interest.	The Appellate Authority replied that the records of original assessment had been returned to the AA after disposal of appeal; hence no action is required at appeal level. We do not agree with the reply as action should be required as per provision.
10	DCCT Appeal, Satna	M/s Narmada Construction Company, Satna 23427005317/ 2012-13/ <b>Cement</b>	122/15 15-02-2015	1.81	2 / 1	0.18	The Appellate Authority levied @ 1 per cent ET instead of @ 2 per cent.	The Appellate Authority replied that the records of original assessment had been returned to the AA after disposal of appeal; hence no action is required at appeal level. We do not agree with the reply as action should be required as per provision.
11	DCCT Appeal, Sagar	M/s Sagar Cement Pipe Industries, Sagar 23507500458/ 2011-12/ <b>Cement pipe</b>	203/14 13-10-2015	1.60	1 / 0	0.16	The Appellate Authority granted relief on the basis of decision of the Appellate Board in the case of M/s Coca Cola India V/s CCT that producer is not liable to pay ET on the basis he was not marked 'entry tax not paid' seal on invoice because he had not entered the goods in local area of MP. Above decision not applicable in this case because Manufacturer(producer) is register dealer of MP and as per section 7 of ET Act, entry tax should be paid by either producer or purchaser, if producer was not marked 'entry tax not paid' seal on sale invoice then producer is liable to pay entry tax, hence assessment order passed as per provision.	The Appellate Authority replied that as per provision of Act liability of entry tax on manufactured goods does not arises on manufacturer. We do not agree with the reply as Section 7 of ET Act, provided that if producer was not marked 'entry tax not paid' seal on sale invoice then producer is liable to pay entry tax.
12	DCCT Appeal, Sagar	M/s Fashion World, Sagar 2395704915/ 2007-08/ <b>Readymade garments</b>	83/10 08-08-2011	2.70	1 / 0	0.27	The Appellate Authority granted relief of entry tax and determined taxable turnover after deduction of commission/profit on consignment sale, while as per assessment order the relief which was claimed by the dealer already allowed by the AO and determined taxable turnover on the basis of purchase bill.	The Appellate Authority replied that after verification of facts action would be intimated.
<b>Total</b>				<b>566.10 lakh say 5.67 crore</b>		<b>74.47 lakh</b>		

**Appendix IX**  
(Referred to in paragraph 3.4)  
**Irregular grant of deduction**

(Amount in ₹)

Sl. No.	Name of auditee unit/ Dealer	Period/ Month of assessment	Taxable turnover	Rate of Tax	Tax Leviable	Tax levied	Difference	Audit Observation	Reply of the Department/ Audit Remarks
1.	CTO-Bhind M/s Mau Indane , Tin-23224803527	<u>2011-12</u> <u>July-2014</u>	1,17,37,5 81 1,55,14,8 19 4,12,545	13% 5% 4%	15,25,886 7,75,741 16,502	13,51,209 7,38,801 15,867	1,74,677 36,940 635 <u>Interest-82,778</u> <u>Total=2.95 lakh</u>	As per audit report purchase and sale are without VAT. Hence, deduction under Section 2(X)(iii) was irregular.	The AA stated that sales shown in the audit report is inclusive of vat. Reply is not tenable purchase and sale are without vat as per audit report and ITR has also been granted on the net purchase amount recorded in the Trading and Profit & Loss A/c.
2.	CTO-Narsinghpur M/s Shri Chaudhary TradersTin- 23316404026	<u>2012-13</u> <u>Dec.-2014</u>	13,83,042 88357157	13% 5%	1,79,795 44,17,858	1,59,111 42,07,484	20,684 <u>2,10,374</u> <u>Total=2.31 lakh</u>	As per audit report purchase and sale are without VAT. Hence, deduction under Section 2(X)(iii) was irregular.	The AA stated that sales shown in the audit report is inclusive of vat. The AA stated that action would be taken after verification. Final action is awaited in audit.
3.	CTO-Narsinghpur M/s Siddheshwar Agency Tin-23706401823	<u>2012-13</u> <u>Dec.-2014</u>	1,26,57,3 44 95,77,657	13% 5%	16,45,455 4,78,883	14,56,155 4,50,391	1,89,300 28,492 <u>Penalty-6,53,376</u> <u>Total=8.71 lakh</u>	As per audit report purchase and sale are without VAT. Hence, deduction under Section 2(X)(iii) was irregular.	The AA stated that sales shown in the audit report is inclusive of vat. The AA stated that action would be taken after verification. Final action is awaited in audit.
4.	DCCT-Div Ujjain M/s Bank note press, Dewas TIN- 23652305395	<u>2012-13</u> <u>January2015</u>	7,29,10,3 95	5%	36,45,519	34,71,924	36,45,519- 34,71,924 <u>Total=1.74 lakh</u>	Deduction under Section 2(X)(iii) against stock transfer to branch office without "F" form was irregular because vat is not included in the value of stock transfer.	The AA stated that action would be taken after verification. Final action is awaited in audit.
5.	CTO-Cir- 14,Indore	<u>2012-13</u> <u>Feb-2015</u>	22,34,422	13%	2,90,474	----	2,90,474 penalty <u>8,71,422</u>	As per audit report purchase and sale are without Vat. Hence,	The AA stated that action would be taken after

	M/s Jaishree Traders Tin-23871600860						<u>Total=11.62 lakh</u>	deduction under Section 2(X)(iii) was irregular.	verification. Final action is awaited in audit.
7.	DCCT Division 1 Gwalior M/s J S W Steels Limited 23315307732 60/12 (VAT) 451	<u>2011-12</u> <u>June 2014</u>	2,71,21,3 8,435	5%	12,37,61,94 3	11,66,66,097	12,37,61,943 <u>-11,66,66,097</u> <u>Total=70.96 lakh</u>	In VAT audit report cost of goods sold were derived on net purchases without (VAT). And sale value of goods was derived after adding profit to the cost of goods sold so calculated. However auditor wrongly depicted the sale value as with VAT instead of Net Sales.	Action will be taken after verification. Final action is awaited in audit.
7.	DCCT Division 1 Gwalior M/s J S W Steels Limited 23315307732 14/13 (VAT) 451	<u>2012-13</u> <u>Feb 2015</u>	1,83,90,8 6,806	5%	9,14,18,267	8,70,65,016	9,14,18,267 <u>-8,70,65,016</u> <u>Total=43.53 lakh</u>	In VAT audit report cost of goods sold were derived on net purchases without (VAT). And sale value of goods was derived after adding profit to the cost of goods sold so calculated. However auditor wrongly depicted the sale value as with VAT instead of Net Sales.	Action will be taken after verification. Final action is awaited in audit.
8.	DCCT Division 1 Bhopal M/s Nokia Private limited 23843604266 22/12 (VAT) 413	<u>2011-12</u> <u>April 2014</u>	4,13,24,9 5,819	13%	52,16,71,27 9	46,16,55,999	6,00,15,280 <u>Penalty-</u> <u>18,00,45,840</u> <u>Total=2400.61</u> <u>lakh</u>	In VAT audit report cost of goods sold were derived on net purchases without (VAT). And sale value of goods was derived after adding profit to the cost of goods sold so calculated. However auditor wrongly depicted the sale value as with VAT instead of Net Sales. Further as audit report column amount of tax included in GTO mentioned NIL. It's clear that tax not included in GTO.	The AA stated that amount VAT is omitted to write in specific column of Audit report while Taxable sale is classified after deduction of VAT. Reply is not tenable due to VAT audit report certified Gross Turn Over sales without VAT.
9.	DC Division -2 Indore M/s Philips India limited 23481100215 64/13 (VAT) 440	<u>2012-13</u> <u>December</u> <u>2014</u>	1,05,24,2 6,316	13%	9,41,82,942	8,33,47,736	1,08,35,206 <u>Penalty-</u> <u>3,25,05,618</u> <u>Total=433.41 lakh</u>	In VAT audit report cost of goods sold were derived on net purchases without (VAT). And sale value of goods was derived after adding profit to the cost of goods sold so calculated. However auditor wrongly depicted the sale value as with	The AA stated that as per audit report Gross turnover determined including output Tax (VAT) which deduction of tax allow as per Act. In audit report cost of goods amount auto populated. Reply is not tenable, as per 41

								VAT instead of Net Sales.	A audited report sale price has been determined after taking the Gross Profit and goods revived from other state in which tax is not included. If tax was included in sale price then gross profit will reduced while gross profit is fixed in audited account. So it's clear that the tax is not included in sale price.
10.	AC CT Division -1 Indore M/s Shree steels 23740500903 CS000000120849 (VAT) 339	<u>2011-12</u> <u>June 2014</u>	17,37,15, 180	5%	83,80,979	79,81,885	3,99,094 <u>Penalty-</u> <u>1,19,72.82</u> <u>Total=15.96 lakh</u>	In VAT audit report cost of goods sold were derived on net purchases without (VAT). And sale value of goods was derived after adding profit to the cost of goods sold so calculated. However auditor wrongly depicted the sale value as with VAT instead of Net Sales.	The AA stated that that VAT audit report prepare only commercial tax department which seems correct and assessment has done according to VAT audit report. Reply is not tenable due to purchase price of goods without VAT.
11.	ACCT Division 2 Indore M/s AMW Motors Limited 23939061836 CS00000177299 (VAT) 488	<u>2012-13</u> <u>Feb- 2015</u>	25,49,81, 603	13%	2,95,75,429	2,61,72,946	34,02,483 <u>Penalty-</u> <u>1,02,07,449</u> <u>Total=136.10 lakh</u>	In VAT audit report cost of goods sold were derived on net purchases without (VAT). And sale value of goods was derived after adding profit to the cost of goods sold so calculated. However auditor wrongly depicted the sale value as with VAT instead of Net Sales.	The AA stated that the case was reopening previously on rectification of error. Reply is not tenable due to AA has not enclosed the supporting documents with reply.
12.	CTO, Shivpuri M/s Vijay Traders Tin-23215704614 Case No. 428/11	<u>2010-11</u> <u>June 2013</u>	11,32,20, 30	13% & 5%	12,97,074	14,65,427	1,68,353 <u>Penalty 5,05,059</u> <u>Total =6.73 lakh</u>	As per audit report purchase and sale are without Vat. Hence, deduction under Section 2(X)(iii) was irregular.	The AA stated that action would be taken after verification. Final action is awaited in audit.
<b>Total</b>							<b>31.37 crore</b> <b>(including</b> <b>penalty 22.60</b> <b>crore)</b>		



**Appendix X**  
(Referred to in paragraph 3.5)  
**Application of Incorrect rate of tax**

(Amount in ₹)

Sl. No.	Name of the Auditee Unit/Dealer	Assessment Period/Month of assessment	Commodity/Taxable Turnover on which incorrect rate applied (in ₹)	Rate of tax applicable & Applied Rate (in %)	Amount of Short levy of Tax/Penalty (in ₹)	Audit observation	Reply of the Department/ Our comments
1.	CTO Circle XV, Indore M/s Aman Rubber & scrap TIN-23529033456 Case no. CS000000223959	2012-13 Jan 2015	Rubber scrap 8,83,907	13 5	70,712 Penalty 2,12,136 Total= 2.83 lakh	Tax was levied at the rate of 5% of the sale of rubber scrap, whereas it is taxable at the rate of 13%	The AA stated that action would be taken after verification. Final action is awaited in audit.
2.	CTO Khandwa M/s Aradhana agency & Readymade TIN -23942004099 Case no.204/11 VAT	2010-11 Aug 2015	Martin coil and Dettol 27,52,071	13 5	2,20,165 Penalty 6,60,495 Total= 8.81 lakh	Martin coil and Dettol are taxable at the rate of 13% under entry no. II/IV/1	The AA stated that action would be taken after verification Final action is awaited in audit.
3.	C.T.O. Circle-9, Indore M/s Salomi Agencies, Indore TIN No. 23950904065 Case No. CS0000000147407 VAT	2011-12 June 2014	Photocopy machine/ Parts/Accessories 1,09,81,740	13 5	8,78,539 Penalty 26,35,617 Total =35.14 lakh	Tax was levied at the rate of 5% on the sale of photocopy machine whereas it is taxable at the rate of 13%.	The AA stated that it is not a separate photocopy machine as it is used with I.T. for photocopies and therefore it is taxable at the rate of 5%. The reply is not acceptable as photocopy machine is not an I.T. Product.
4.	C.T.O. Circle-Shivpuri M/s Chaudhary & Chaudhary Traders TIN No. 23215702092 Case No. 285/11 VAT	2010-11 June 2013	Batteries 13,34,523	13 5	1.07 lakh	Batteries are taxable under entry no. II/IV/1	The AA stated that action would be taken after verification. Final action is awaited in audit.
5.	CTO, Circle VII Indore M/s VasudeoKishandas, Indore TIN No. 23220700136 Case No. CS00000051327 VAT	2011-12 June 2014	Knives, Gas lighters 57,53,724	13 5	4,60,298 Penalty 13,80,894 Total = 18.41 lakh	Knives, Gas lighters are taxable under entry no. II/IV/1	The AA stated that action would be taken after verification. Final action is awaited in audit.

6.	C.T.O. Circle-Bhind M/s Chambal Tractors TIN No. 23104801071 Case No. CS0000000138073 VAT	<u>2011-12</u> June 2014	Tractor Accessories 6,58,626	<u>13</u> 5	52,690 Penalty <u>1,58,070</u> Total = 2.11 lakh	Tractor accessories are taxable under entry no.II/IV/1 of the act.	The AA stated that action would be taken after verification. Final action is awaited in audit.
7.	CTO-Anuppur M/s Hemco Ind. Tin-23287203468 Case No.42/12	<u>2011-12</u> July 2014	Machinery Parts 8,83,907	<u>13</u> 5	1.71 lakh	AA levied tax @ 5 per cent Instead of 13 per cent	The AA stated that action would be taken after verification. Final action is awaited in audit.
8.	CTO- Waidhan M/s Pragati Associates Tin-23979027882 Case No.4/12	<u>2011-12</u> Mar 2015	Wall/Floor tiles 43,21,299	<u>13</u> 5	3.40 lakh	AA levied tax @ 5 per cent on total sale.	The AA stated that action would be taken after verification. Final action is awaited in audit.
9.	CTO-I Jabalpur M/s Holani spring Ind. Pvt.Ltd. Tin-23115802736 Case No.183418(CST)	<u>2012-13</u> Aug 2014	Leaf spring 48,26,739	<u>2</u> 1	48,267 Penalty <u>1,44,801</u> Total = 1.93 lakh	AA incorrectly levied tax at lower rate as per notification No.16 Dt. 30/3/16(CST) on trailer parts whereas lower rate of tax is for 'all kinds of leaf spring used in all kinds of Motor vehicle'.	The AA stated that action would be taken after verification. Final action is awaited in audit.
10.	C.T.O. Circle-12 Indore M/sSaurashtra Chemical TIN NO-23291204158 Case no.CS50297 VAT	<u>2011-12</u> Apr 2014	Soda-Ash 38,78,17,138	<u>13</u> 5	310 lakh	Tax was levied at the rate 5% instead of 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
11.	CTO-Circle-14 Indore M/s K.G.Gold Spring TIN NO.23471404655 Case no.-1689/2013 kendria CS00000000522768	<u>2012-13</u> Feb/2015	Leaf spring 45,13,907	<u>13</u> 5	3,61,112 Penalty <u>10,83,337</u> Total = 14.44 lakh	Tax was levied at the rate 5% instead of 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
12.	CTO-Circle-14 Indore M/s K.G. Gold Spring Pvt. Ltd TIN NO.23471404655 Case no.-1689/2013 CS00000000522768 VAT	<u>2012-13</u> Feb/2015	Leafspring 58,28,455	<u>13</u> 5	4,66,276 Penalty <u>13,98,828</u> Total = 18.65 lakh	Tax was levied at the rate 5% instead of 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
13.	ACCT-Chindwara M/s AishwaryaAutomobile TIN NO. 23026601144 Case no.CS206583 VAT	<u>2012-13</u> Oct 2014	Tractor,Accessories 9,18,623	<u>13</u> 5	73,489 Penalty <u>2,20,467</u> Total = 2.94 lakh	Tax was levied at the rate 5% instead of 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.

14.	CTO-Circle-12 Indore M/S Universal Digital Connect TIN NO.23571204877 Case no.CS122096	<u>2012-13</u> Dec 2014	Tablets/ 8,63,535	<u>13</u> 5	69,083 Penalty <u>2,07,249</u> Total = 2.76 lakh	Tax was levied at the rate 5% instead of 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
15.	CTO,Cir-Betul M/s Indwell Construction, Sarani Tin-23234702496 case No.773/2013 (VAT)	<u>2012-13</u> Mar 2015	Welding electrodes 1,22,26,535	<u>5</u> 0	6.11 lakh	AA did not levy tax on welding electrodes by treating it as consumable goods, whereas it is a transferable goods as per order dated 19.11.2014 passed by Appellate Authority in case of M/s Furnace Const. Co. Ujjain .	The AA stated that action would be taken after verification. Final action is awaited in audit.
16.	CTO,Cir-Betul M/s Indwell Construction, Sarani Tin-23234702496 case No.CS 99612 (VAT)	<u>2011-12</u> Jan 2014	Welding electrodes 92,66,602	<u>5</u> 0	4.63 lakh		The AA stated that action would be taken after verification. Final action is awaited in audit.
17.	CTO,Cir-Betul M/s Indwell Construction, Sarani Tin-23234702496 case No.39/2011 (VAT)	<u>2010-11</u> April 2013	Welding electrodes 22,22,684	<u>5</u> 0	1.11 lakh		The AA stated that action would be taken after verification. Final action is awaited in audit.
18.	CTO Cir-4 Gwalior M/s M.K.Air Products pvt Ltd Tin 23685405159 Case No.CS331568 VAT	<u>2012-13</u> Feb 2015	Oxygen,Argon 76,31,312	<u>13</u> 5	6,10,505 Penalty <u>18,31,515</u> Total= 24.42 lakh	Tax was levied at 5% whereas Argon and Oxygen gases are taxable at the rate of 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
19.	CTO Circle-2 Indore M/s Vadilal Chemicals Tin 23070201784 Case No. CS 141117	<u>2011-12</u> June 2014	Argon and Helium Gas 66,87,168	<u>13</u> 5	5.35 lakh	Tax was levied at 5% whereas Argon and Helium gases are taxable at the rate of 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
20.	ACCT- Circle IX Indore M/s RV Infrastructure Tin-23530904199 Case No. CS0000000245807	<u>2012-13</u> Feb. 2015	Emulsion 12,85,515	<u>13</u> 5	1,02,841 Penalty <u>3,08,523</u> Total = 4.11 lakh	AA levied tax at the rate of 5 % instead of 13 %.	The AA stated that action would be taken after verification. Final action is awaited in audit.
21.	Asstt. Commissioner, Commercial Tax, Circle- Nimuch M/s Mittal Const. Unit, Mandsaur TIN No. 23383104484 Case No. 149/2012 VAT	<u>2011-12</u> July 2014	Pre Fabricated Steel Building/ P.E. (Poly- Ethylene) Board 5,68,78,846	<u>13</u> 5	48,03,766 Penalty <u>1,44,11,298</u> Total= 192.15 lakh	AA levied tax @ 5 per cent Instead of 13 per cent	The AA stated that action would be taken after verification. Final action is awaited in audit.

22.	C.T.O. Circle-Baidhan, Distt.-Singrauli M/s M K Associates,Singrauli TIN No. 23647300658 Case No. 05/2012 VAT	<u>2011-12</u> July 2014	Machinery Parts 2,80,80,947	<u>13</u> 5	22.46 lakh	AA levied tax @ 5 per cent instead of 13 per cent	AA stated that dealer purchased HEMM parts from other states. Spare parts shown in from 49 are HEMM parts, on which tax is leviable @ of 5 %. Reply is not acceptable as in Form 49, description of goods is m/c parts i.e. machinery parts on which tax is leviable @ 13 % under entry No. II/IV/I.
23.	DCCT Khandwa M/s Setal Motors Khandwa TIN- 23732003972	<u>2010-11</u> Sep 2015	Tractor Accessories 22,44,129	<u>13</u> 5	1,79,530 Penalty <u>5,38,590</u> Total = 7.18 lakh	Tractor accessories are taxable under entry no. II/IV/1 of the act.	The AA Khandwa stated that the tax was levied at the rate of five per cent under entry no. II/II/90. As hood, hooks, Bumper are parts of tractor. We do not agree with the reply as the said commodities are tractor accessories and not parts which are taxable as per entry No. II/IV/I.
24.	DCCT Div 2,Bhopal M/s Vishal Nirmal Pvt. Ltd TIN No. 23464302875 Case No147,148/2013	<u>2012-13</u> Feb 2015	Sleeper Plant and Machinery 16,50,950	<u>13</u> 5	1,32,076 Penalty <u>3,96,228</u> Total = 5.28 lakh	It was levied at 5% instead of 13%	The AA stated that action would be taken after verification. Final action is awaited in audit.
25.	DCCT-2 Indore M/s Heinz India Pvt. Ltd. Tin 23261101306 Case No. CS000092227/2012	<u>2011-12</u> <u>June 2014</u>	Glucose-D 1,16,00,0731	<u>13</u> 5	92,80,058 Pena. <u>2,78,40,174</u> Total 371.20 lakh	It was found that Glucose-D was taxable as per residuary entry II/IV/1 @ of 13% instead of 5%	The AA stated that Glucose-D was industrial Input as per entry no. II/II/55(80). We do agree with the reply as Glucose was being sold under the Brand Name 'Glucon-D' which is an over-the-counter consumer product and not an industrial product.
26.	ACCT, Circle-2 Indore M/s Merico Pvt. Ltd. Tin 23811100731 Case No 35/2013	<u>2010-11</u> <u>Sep 2013</u>	Mediker anti lice treatment 92,07,175	<u>13</u> 5	7.37 lakh	It was found that Mediker anti lice was taxable as per residuary entry II/IV/1 @ of 13% instead of 5%.	The AA stated that tax rate should be 5% on Mediker anti lice. We do not agree with the reply as Medikar is an over-the-counter consumer/cosmetic product (shampoo) and taxable @ of 13 %.
27.	DCCT Div-Khandwa M/s Texmo pipes and products Ltd., Tin 23151910492 Case No.CS 00078038 VAT	<u>2011-12</u> <u>June 2014</u>	Pipes 2,35,08,724	<u>5</u> 0	11,75,436 Pen <u>35,26,308</u> Total 47.02 lakh	It was found that Pipes was Taxable @ of 5% instead of 0%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
<b>Grand Total</b>			<b>70,92,29,512</b>	<b>Tax Penalty Total</b>	<b>5.53 crore 5.70 crore Say 11.23 crore</b>		

**Appendix XI**  
(Referred to in paragraph 3.6.1)  
**Allowance of Inadmissible Input Tax Rebate (ITR)**

(Amount in ₹)

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	ITR as per books OR rules/ ITR determined by the AA (₹)	Excess grant of ITR (₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
1	CTO, Rewa M/s ShashankInfocomPvt. Ltd TIN-23349029594 Case No.532/13 (VAT)	2012-13 January 2015	4,05,626 4,79,155	0.74 lakh	Excess ITR has been granted by the AA, as input tax on purchase recorded in the audited account is lesser than the ITR given.	The AA stated that ITR has been allowed after verification of purchase invoices. The reply is not acceptable as the ITR should have been granted on the purchases certified in audited accounts.
2	CTO, Guna M/s Ghanshyam Das Rajendra Kumar TIN-23705002301 Case No.05/2012 (VAT)	2011-12 July 2014	11,457 59,669	48,212 Penalty 1,44,636 1.93 lakh	As per notification no. A-5-5-07-1-V (2) Dated 4-1-2008, Soyabean is notified under section 26(A) of VAT Act. Hence ITR is not admissible on Soyabean.	The AA stated that action would be taken after verification. Final action is awaited in audit.
3	CTO, Shivpuri M/s Chhtrapal Traders TIN-23535602103 Case No.45/12 (VAT)	2011-12 Self- Assessed	40,79,079 42,29,342	1,50,263 Penalty 4,50,789 6.01 lakh	In the self-assessment, excess ITR has been claimed by the dealer vis-à-vis purchases shown in trading accounts in his returns.	The AA stated that action would be taken after verification. Final action is awaited in audit.
4	CTO, Circle Sagar M/s MadanmohanLaxminarayan TIN-23217500957 Case No.07/2013 (VAT)	2012-13 Self- Assessed	29,71,537 30,18,240	46,703 Penalty 1,40,109 1.87 lakh	Excess ITR claimed in the returns than the ITR shown in the audited accounts.	The AA stated that action would be taken after verification. Final action is awaited in audit.
5	CTO, Itarsi M/s Agrawal Engineering & Containers TIN-23304301993 Case No. CS0000000151837 (VAT)	2011-12 June 2014	3,98,328 4,44,530	46,202 Penalty 1,38,606 1.85 lakh	Due to wrong calculation proposed by the dealer, excess ITR has been allowed by AA (CTO calculated ITR of ₹ 1,72,970 @ 5% on ₹ 33,08,811 and ₹2,71,560 @ 13% on ₹17,91,750).	The AA stated that action would be taken after verification. Final action is awaited in audit.
6	CTO-I, Chhindwara M/s Shree Traders TIN-23126600992 Case No. 101/13(CS0000000169217) (VAT)	2012-13 Nov 2014	41,62,675 42,29,747	67,072	AA did not made reversal for shortage of petrol and diesel due to evaporation and allowed ITR on this evaporated quantity.	The AA stated that action would be taken after verification. Final action is awaited in audit.
7	CTO, Khandwa M/s Narmada Agro Agency TIN-23972005974 Case No. 835/2011 (VAT)	2010-11 July 2013	88,413 1,51,546	63,133 Penalty 1,89,399 2.53 lakh	ITR was allowed on out of state purchases.	The AA stated that action would be taken after verification. Final action is awaited in audit.

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	ITR as per books OR rules/ ITR determined by the AA (₹)	Excess grant of ITR (₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
8	CTO-3, Gwalior M/s Nidhi (I) Industries TIN-23575304291 Case No. CS000000149832 (VAT)	2011-12 June 2014	6,50,220 7,14,852	64,632 Penalty 1,93,896 2.59 lakh	As per section 14(6)(vi) of the Act, building materials purchased in respect of construction of office/own premises is not eligible for ITR.	The AA stated that action would be taken after verification. Final action is awaited in audit.
9	CTO, Betul M/s Bhajan Shah Contractor TIN-23799014611 Case No. CS000000202056 (VAT)	2012-13 Jan 2015	4,06,183 5,94,294	1,88,111 Penalty 5,64,333 7.52 lakh	ITR has been allowed on excess purchases against the purchases recorded in Audit Report.	The AA stated that action would be taken after verification. Final action is awaited in audit.
10	CTO, Balaghat M/s Anish Enterprises TIN-23346504356 Case No. 129/2012 (VAT)	2011-12 May 2014	Nil 1,43,919	1.44 lakh	ITR was allowed on out of state purchases.	The AA stated that action would be taken after verification. Final action is awaited in audit.
11	ACCT,Sagar-1 M/sMadhya Bharat Agro Products Ltd Tin-23617505587 Case No.-99/2014	2013-14 Feb 2015		6,82,804 Penalty 20,48,412 27.31 lakh	AA allowed ITR on Iron &Steel, treating them as Plant & Machinery, which is not eligible for ITR	The AA stated that action would be taken after verification. Final action is awaited in audit.
12	CTO-Narsinghpur M/s Keshwanand Enterprises Tin-23096403662 Case No.322/12	2011-12 July 2014	5,25,982 14,17,024	7.13 lakh	AA allowed ITR of ₹.1,84,213 @ 13% on purchase of ₹ 14,17,024/Whereas dealer has paid Vat @ 13 % on purchases of ₹.5,25,982/-only'	The AA stated that action would be taken after verification. Final action is awaited in audit.
13	CTO-I, Jabalpur M/s Air Perfection TIN-23435803724 Case No.167454 (VAT)	2011-12 July 2014	88,11,281 95,00,601	87,140 Penalty 2,61,420 Total=3.49 lakh	AA incorrectly allowed ITR on ₹95,00,601 whereas the purchases from registered dealer are of ₹88,11,281only.	The AA stated that action would be taken after verification. Final action is awaited in audit.
14	CTO-I Jabalpur M/s MP Wood Product Tin-23935804031 Case No.194073	2012-13 Dec2014	6,15,718 16,08,908	1,29,115 Penalty3,78,345 Total=5.07 lakh	AA allowed ITR on purchases of timber which was sold outside State, while ITR should have been allowed on sale of timber within Madhya Pradesh.	In reply AA produced a calculation regarding sanction of ITR and stated that less ITR had been Sanctioned. Reply is not acceptable as AA treated sale as gross sale and purchases as net purchases whereas purchases and sale recorded in the account is not inclusive of tax. The rate of profit taken in the calculation is also not as per audited accounts whereas rate of profit taken in observation is as per accounts..
15	CTO-I Jabalpur M/s Standard Timber Tin-23615800812 Case No.19591	2012-13 Mar2015	73,05,479 75,66,415 2(x)(iii)	30,018 Penalty=90,054 Total=1.20 lakh		
16	DCCT,Div-II Bhopal	2012-13	60,48,57,294	21.13 lakh	ITR was allowed @ 13% on	The AA stated that action would be taken after verification

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	ITR as per books OR rules/ ITR determined by the AA (₹)	Excess grant of ITR (₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
	M/s HEG Ltd. Tin-23214100234 Case No.52/13	Feb2015	63,12,04,914		purchase value of ₹ 70,24,22,960 of furnace oil and @ 13% on purchase value of ₹ 95,91,615 of lubricating oil whereas, according to books the purchase value is proved to be ₹ 69,25,84,472 and ₹ 23,08,803 respectively.	Final action is awaited in audit.
17	CTO, Cir-Betul M/s BrijeshkumarShadilya TIN-23824703772 No.412/2011 (VAT)	2010-11 Sept 2013	2,11,320 7,84,138	5,72,818 Penalty 17,18,454 Total= 22.91 lakh	As per audit report VAT paid is ₹ 2,11,320 while ITR allowed by AA is ₹ 7,84,138.	The AA stated that action would be taken after verification. Final action is awaited in audit.
18	CTO, Cir-Betul M/s Radheshyam Agarwal TIN-23404701287 No.CS2771 (VAT)	2010-11 Sept 2013	7,32,615 8,19,877	87,262 Penalty 2,61,786 Total= 3.49 lakh	As per purchase list electrical goods of ₹6,71,249 is purchased from out of State on which ITR should not have been allowed.	The AA stated that action would be taken after verification. Final action is awaited in audit.
19	CTO Cir-4 Gwalior M/s Agarwal Automobiles Tin-23455100657 Case No.780/13	2012-13 Self- Assessment	90,69,575 91,63,356	0.94 lakh	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.
20	CTO Cir-2 Indore M/s SaiKripa Service Tin 2314023540 Case No.CS309331	2012-13 Feb 2015	2,90,86,734 2,91,39,318	0.53 lakh	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.
21	CTO Cir-2 Indore M/s Amol Filling Station Tin 23709067288 Case No.CS311159	2012-13 Feb 2015	34,87,565 34,94,444	0.07 lakh	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.
22	CTO Cir-2 Indore M/s All India Trading Co. Tin 23060200286 Case No.CS237844	2012-13 Feb 2015	3,30,35,007 3,30,64,681	0.30 lakh	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.
23	CTO Cir-2 Indore M/s Jubilee Fuel Station. Tin 23960203865 Case No.CS270475	2012-13 Feb 2015	3,29,82,106 3,30,35,007	0.53 lakh	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	ITR as per books OR rules/ ITR determined by the AA (₹)	Excess grant of ITR (₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
24	CTO-Itarsi M/s Swastik Timber Mart Tin-23154300184 Case No. 443/2013	2012-13 Self- Assessment	NIL 4,05,220	16,00,793 Penalty-48,02,379 <u>Total= 64.03 lakh</u>	AA allowed ITR on purchases of timber which was sold outside State, while ITR should have been allowed on sale of timber within Madhya Pradesh.	The AA stated that action would be taken after verification. Final action is awaited in audit.
25	---- d0 ---- <u>Case No.50/14</u>	2013-14	NIL 6,34,430	9,71,835 Penalty-29,15,505 <u>Total= 38.87 lakh</u>		
26	---- d0 ---- M/s Saraswati Saw Mill Tin-23284300452 Case No. 448/2013	2012-13 Feb- 2015	NIL 7,88,565	20,75,695 Penalty-62,27,085 <u>Total= 83.03 lakh</u>		
27	---- d0 ---- Case No.74/14	2013-14	NIL 8,80,546	16,45,090 Penalty-49,35,270 <u>Total= 65.80 lakh</u>		
28	---- d0 ---- M/s Jyoti Timber Mart Tin-23624302205 Case No. 511/13	2012-13	NIL 3,17,600	11,53,620 Penalty-34,60,860 <u>Total 46.14 lakh</u>		
29	CTO-Anuppur M/s S. R. Trading Tin 23267203188 Case no.34/2013 VAT	2013-14 Self- Assessment	15,70,922 16,19,938	49,016 Penalty-1,47,048 <u>Total 1.96 lakh</u>		
30	ACCT Div.-Ratlam M/s Patel Automobile Tin-23863400458 Case No.CS147566	2012-13 Jan- 2015	9,49,98,761 9,53,20,356	3.22 lakh	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.
31	M/s ShahidGirijesh Gupta Petroleum Tin-23982902879 Case No.CS202298	2012-13 Feb- 2015	62,51,694 62,77,295	0.26 lakh		
32	M/s Esquire Automobile Tin-23193400293 Case No.CS147567	2012-13 Feb-2015	3,39,65,908 3,40,44,986	79,078		



Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	ITR as per books OR rules/ ITR determined by the AA (₹)	Excess grant of ITR (₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
33	M/s UdayRakshak Fuel Tin-23802902105 Case No.CS154859	2012-13 Feb-2015	<u>2,10,77,132</u> 2,11,11,377	<u>34,245</u> 4.61 lakh		
34	ACCT Div-1Gwalior M/s B.C. Automobiles Tin-23535100904 Case No.CS323277	2012-13 Feb-2015	<u>1,73,17,376</u> 1,75,32,364	2.15 lakh	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.
35	CTO,Cr-14 Indore M/s UshaRaj Fuels Tin-23141403527 Case No.30/14(T)	2013-14 Feb-2015	<u>3,55,78,907</u> 3,57,60,087	1,81,180	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.
36	M/s Kumudini Enterprises Tin-23401401153 Case No.76/13(T)	2012-13 Dec-2014	<u>3,02,40,036</u> 3,02,71,804	<u>31,768</u> 2.13 lakh		
37	ACCT Division-2 Indore M/s KhandelwalHighway services Tin 23811100955 Case no.22/2013 VAT	2012-13 Feb. 2015	<u>4,04,65,681</u> 1,87,92,897	0.8 crore <u>1.3 crore</u> 2.1 crore	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that Case opened in Section 54 and action have been taken. The reply is not acceptable as AA did not produce any evidences in support of reply.
38	ACCT Division-2 Indore M/s Manna LalLachhi Ram & Sons Tin 23961001690 Case no.02/2013 VAT	2012-13 Dec-2014	<u>6,31,61,484</u> 6,32,82,822	1.21 lakh	ITR allowed on value of petrol and diesel evaporated or shown Shortage.	The AA stated that action would be taken after verification. Final action is awaited in audit.
39	CTO,Cercle-1 Jabalpur M/s Unity Construction Tin 23315804372 Case no.121/2012 VAT	2011-12 Nov2014	<u>3,60,564</u> 4,85,857	1.25 lakh	AA allowed more ITR than they actually paid Input Tax at the time of purchases.	The AA stated that action would be taken after verification. Final action is awaited in audit.
40	DCCT,Div-1Gwalior M/s SG Motors Pvt.Ltd. Tin-23115303089 Case No.69/13	2012-13 Jan2015	<u>19,76,40,718</u> 19,83,77,923	7,37,205 Penalty= <u>22,11,615</u> Total=29.49 lakh	AA Allowed ITR on excess purchase against the purchases recorded in audited accounts	Action Would be taken after verification. Final action is awaited in audit.

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	ITR as per books OR rules/ ITR determined by the AA (₹)	Excess grant of ITR (₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
41	CTO Circle -9, Indore M/s Rakesh Medical Agency Tin-23420904211 Case No.95/13	2012-13 Feb2015	1,41,094 2,00,318	59,224 Penalty=1,77,672 Total=2.37 lakh	AA allowed ITR on purchase returns.	Action Would be taken after verification. Final action is awaited in audit.
42	ACCT, Div-II, Indore M/s Khandelwal Highway Services Tin-23811100955 Case No.22/13	2012-13 Feb2015	42124358 20821111	2.1 crore	AA granted excess ITR against the ITR claimed by dealer.	AA stated that action had already been taken on the case under Section 54 of Vat Act. The reply is not acceptable as AA did not produce any evidences in support of reply.
43	ACCT, Div-II, Indore M/s AtulPolychem Tin:23051100209 Case no. 03/13	2012-13 Feb 2015	1498910 10123693	86.25 lakh	ITR of ₹14,98,910 claimed in audited account, while ITR allowed by AA is ₹ 1,01,23,693.	AA stated that the figure shown in audit report reflecting difference between tax paid on purchases and tax collected on sales. The reply is not tenable because the purchases and sales are shown in separate schedules as per schedule 26 VAT collected has been recorded on ₹ 1498910.
44	DCCT Div-II, Jabalpur M/s Ajay Food Products Pvt.Ltd.Katni TIN-2392603143 Case No.21/2013	2012-13 Dec 2014	662650 962650	3 lakh	ITR allowed in assessment order for the year 2011-12 was ₹ 6,62,650 but wrongly carry forwarded in 2012-13 at ₹9,62,650.	The AA stated that action would be taken after verification. Final action is awaited in audit.
45	CTO,Damoh M/s Swapnil Arora TIN-23227603432 Case No. 206/11/Provincial	2011-12 Sep 2013	61521 281250	61521 Penalty 184563 2.46 lakh	The AA incorrectly allowed ITR on black stone metal; whereas, it is not eligible goods for ITR being tax paid goods.	The AA stated that action would be taken after verification. Final action is awaited in audit.
46	CTO-2, Katni M/sArchieneIndustries Mineral Supplier TIN-23766206044 Case No. CS000000063659 (VAT)	2010-11 Sep 2013	83336 119456	35920 Penalty 107760 1.43 lakh	The AA allowed ITR on excess purchase then the purchases recorded in audited accounts.	The AA stated that action would be taken after verification. Final action is awaited in audit.
47	CTO,Damoh M/s Chaudhary Uttam Chand Jain TIN-23397600574 Case No. 31/11(VAT)	2010-11 Sep 2013	830409 871930	41521 Penalty 124563 1.66 lakh	The AA incorrectly allowed ITR by treating gross purchase as net purchase	The AA stated that action would be taken after verification. Final action is awaited in audit.

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	ITR as per books OR rules/ ITR determined by the AA (₹)	Excess grant of ITR (₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
48	ACCT, Div.2, Indore M/s Soni and Sons TIN-23811104447 Case No39/2013	2012-13	5998393 6157320	158927 Penalty 476781 6.36 lakh	Excess grant of ITR due to calculation mistake.	The AA stated that action would be taken after verification. Final action is awaited in audit.
49	CTO-2, Gwalior M/s RaghavendraPetrolPump TIN-23265006332 Case No. CS0000000274562 (VAT)	2012-13 Dec 2014	52245142 53070135	8.25 lakh	ITR was accepted without sale of the commodity i.e. Petrol and diesel in this case. ITR was allowed on evaporation also	The AA stated that according to Section 2(v) of the VAT act 2006, sale price (for petrol & diesel) means amount of valuable consideration received or receivable by oil companies. The reply is not acceptable as ITR granted is not justified according to Section 14(1)(c) of the Act. Further, there is no such comment on the sale price of diesel & petrol in the Section mentioned by the AA.
50	ACCT, Div.2, Indore M/s Gas Point,Indore TIN-23650601396 Case No 5/12(VAT)	2011-12 May 2014	6345128 6399156	54028 Penalty 16084 2.15 lakh	ITR allowed on excess purchases against the purchase recorded in Audited Accounts	The AA stated that ITR was allowed on the basis of bill produced. The reply was not tenable as ITR should have been allowed on purchases as per Audited Accounts.
51	ACCT, Div.2, Indore M/s Gold Star Paints Pvt.Ltd.,Indore TIN-23491105011 Case No 43/2013(VAT)	2012-13 Feb 2015	12033334 13075889	1042555 Penalty 3127665 41.70 lakh	ITR allowed on excess purchases against the purchase recorded in Audited Accounts	The AA stated that action would be taken after verification. Final action is awaited in audit.
			<b>TAX Penalty TOTAL</b>	<b>6.76 crore 3.56 crore 10.32 crore</b>		

## Appendix XII

(Referred to in paragraph 3.6.2)

## ITR not reversed/short reversed in the cases of goods stock transferred out of State

(Amount in ₹)

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	ITR as per books OR rules/ ITR determined by the AA (₹)	Excess grant of ITR (₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
1	CTO, Balaghat M/s Ribhaa Tiles TIN-23436506974 Case No.79/2012 (VAT)	2011-12 July 2014	6,416 51,273	44,857 Penalty <u>1,34,571</u> <u>1.79 lakh</u>	As per provisions of ITR, input tax rebate only in excess of 4% is admissible for production of tax free goods. Some purchase bills attached with the case are provisional and unsigned. Hence ITR not admissible on that bills.	The AA stated that action would be taken after verification. Final action is awaited in audit.
2	DCCT, Sagar M/s Diamond Cements TIN-23937600956 Case No. 37/13 (VAT)	2012-13 Jan 2015	(ITR Reversal) <u>1,74,64,206</u> 1,64,60,166	10.04 lakh	AA incorrectly calculated the amount of stock transferred and cost of stock sold. Due to this, the ratio of the stock transferred vis-à-vis ratio of stock sold (cost price) was also calculated incorrectly. This resulted in incorrect and short reversal of ITR.	The AA stated that ITR reversal given according to the ratio of Branch transfer and Gross sale. The reply is not acceptable as the ratio should have been calculated after deducting scrap sale (State + CST)), canteen sale and VAT from GTO.
3	DCCT, Sagar M/s Diamond Cements TIN-23937600956 Case No. 56/11 (VAT)	2010-11 Sep 2013	(ITR Reversal) <u>71,40,969</u> 70,44,108	0.97 lakh	AA incorrectly calculated the amount of stock transferred and cost of stock sold. Due to this, the ratio of the stock transferred vis-à-vis ratio of stock sold (cost price) was also calculated incorrectly. This resulted in incorrect and short reversal of ITR.	The AA stated that ITR reversal has been made according to the ratio calculated after deducting scrap sale from GTO. The reply is not acceptable as the ratio should have been calculated after deducting scrap sale (State + CST)), canteen sale and VAT from GTO.
<b>Total</b>				<b>11.46 lakh</b> <b>Pen <u>1.35 lakh</u></b> <b>12.81 lakh</b>		

**Appendix XIII**  
(Referred to in paragraph 3.7)  
**Incorrect Determination of Turnover**

(Amount in ₹)

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	TTO as per books/ TTO determined by the AA (₹)	Rate of tax (%)	Under determination of taxable turnover (₹)	Amount of short realization(₹)	Audit Observation	Reply of Assessing Authority/ Our comments
1.	DCCT Div-II Gwalior M/s Sharda solvent TIN NO.-23965703765 Case no. CS00000000272190(VAT)	<u>2012-13</u> Jan 2015	<u>40,01,857</u> 15,78,945	1.5%	24,22,912	36,343 Penalty <u>1,09,031</u> Total= 1.44 lakh	Sale of old vehicle (as per statement of fixed assets) not included in gross turnover.	The AA stated that action would be taken after verification. Final action is awaited in audit.
2.	CTO Rewa M/s Bhaiyalal Infrastructures TIN NO-23188900204 Case no. CS000000086499 (VAT)	<u>2011-12</u> July 2014	<u>5,55,39,512</u> 5,46,64,512	5%	8,36,159	0.42 lakh	Sale value of pay loader machine(as per statement of fixed assets) not included in gross turnover.	The AA stated that action would be taken after verification. Final action is awaited in audit.
3.	CTO Circle Betul M/s Indwell Construction Limited TIN-23234702496 Case No. 773/13(VAT)	<u>2012-13</u> March 2015	<u>39,49,266</u> Nil	5%	39,49,266	1.97 lakh	Non levy of tax on transfer of steel pipes in work contract treating the same as consumption in process.	The AA stated that action would be taken after verification. Final action is awaited in audit.
4.	CTO Circle Betul M/s Ganesh Agro HivarkheraBetul TIN-23544704702 Case No.506/11 (VAT)	<u>2010-11</u> July 2013	<u>1,41,12,836</u> 1,29,07,510	5%	12,05,326	60,266 Penalty- <u>1,80,799</u> Total= 2,41 lakh	VAT was not levied on sale shown in the returns.	The AA stated that action would be taken after verification. Final action is awaited in audit.
5.	CTO Circle 2 Chhindwara M/s Tarmac Construction Co TIN-23876801321 Case No. CS00000000218596 (VAT)	<u>2012-13</u> Dec 2014	<u>66,18,446</u> 32,10,000	5%	34,08,446	1,70,422 Interest- <u>48,570</u> Total= 2.19 lakh	The sale value determined on some items @ 5% while it is taxable @ 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
6.	CTO Circle 2 Chhindwara M/s Rajendra Kumar TIN-23056800802	<u>2012-13</u> Dec 2014	<u>85,89,069</u> 72,49,038	13% & 5%	13,40,031	1,56,298 Interest- <u>44,545</u> Total= 2.01 lakh	The sale value determined in the Assessment Order in respect of 13% and 5%	The AA stated that taxation has been done on the purchases of dealer on previous years so,

	Case No.CS0000000302640 (VAT)						materials is incorrect. So, taxable receipts has been worked out by audit on the basis of material consumed (Opening stock + purchase-closing stock + profit).	closing stock is tax free in view of reply of AA. In view of the reply, the Para has been revised and taxable receipt is again worked out by adding profit to purchase.
7.	CTO Circle 2 Chhindwara M/s Yogesh KrishiSewa Kendra TIN-23976801072 Case No. CS000000156736 (VAT)	<u>2012-13</u> July 2014	<u>6,85,80,687</u> 6,81,74,796	13%	4,05,891	52,766 Interest- <u>11,081</u> Total= 0.64 lakh	Tax was not levied on oil being used in servicing of vehicles.	The AA stated that action would be taken after verification. Final action is awaited in audit.
8.	CTO Circle 2 Chhindwara M/s NiketUdyog Ltd. TIN-23086801804 Case No. CS0000000294126 (VAT)	<u>2012-13</u> Dec 2014	<u>3,87,77,856</u> 3,1812,314	13%	69,65,542	9,05,520 Interest <u>2,58,073</u> Total= 11.66 lakh	Deduction of ₹ 69,65,542 given in respect of 'Delivery Charges' not separately charged in the bills. Hence this deduction is not admissible.	The AA stated that action would be taken after verification. Final action is awaited in audit.
9.	CTO Circle 1 Chhindwara M/s HemkuntConstrnCo.Nagpur TIN-23326602919 Case No. 2/re-open/13/350/12 (VAT)	<u>2011-12</u> June 2014	<u>29,98,611</u> 20,97,402	5% & 13%	9,01,209	55,288 Penalty- <u>1,65,864</u> Total= 2.21 lakh	The sale value determined by the AA in respect of Iron & steel is less than the purchase value of the same. Further, profit is not included in the sale value calculation.	The AA stated that action would be taken after verification. Final action is awaited in audit.
10.	ACCT Div.-II Gwalior M/s Rajmarg Creations TIN-23125005827 Case No. CS0000000094603 (VAT)	<u>2011-12</u> July 2014	<u>13,00,000</u> Nil	5%	13,00,000	65,000 Penalty- <u>1,95,000</u> Total= 2.60 lakh	The Assessing Officer did not levy tax on the sale of Tata Hitachi (earth moving machine) as per statement of fixed assets.	The AA stated that action would be taken after verification. Final action is awaited in audit.
11.	ACCT Circle-IX Indore M/s Asian Paints Agency TIN-23460901182 Case No. CS0000000077616 (VAT)	<u>2011-12</u> July 2014	<u>7,43,94,224</u> 6,69,26,139	5% & 13%	74,68,085	9,70,851 Penalty- <u>29,12,553</u> Total= 38.83 lakh	The deduction allowed by treating Sales inclusive of VAT shown in books, however, in audited accounts, sales was without VAT.	The AA stated that action would be taken after verification. Final action is awaited in audit.
12.	ACCT Circle-IX Indore M/s Ramdin Ultra Tech Pvt Ltd TIN-23160905033 Case No. CS0000000074820 (VAT)	<u>2011-12</u> July 2014	<u>1,90,35,300</u> 1,36,21,416	5% & 13%	54,13,884	1.31 lakh	Incorrect sale value determined by the AA by adding non-composition work with composition work.	The AA stated that action would be taken after verification. Final action is awaited in audit.

13.	CTO Circle Rewa M/s Vijay Kumar Mishra Const. Pvt. Ltd. TIN-23136902802 Case No. CS000000086544 (VAT)	<u>2011-12</u> July 2014	<u>8,05,07,347</u> 7,77,90,559	5% & 13%	27,16,788	2.21 lakh	The Assessing Officer determined sale value (turn over) by adding 10% profit to the cost of materials whereas the Gross Profit (GPR) is 13.83% as per audited account.	The AA stated that the profit on material is 3.10% and profit on labour is 10.73% however in this case 10% profit is added to arrive at sale value. The reply is not tenable because the AA did not produce any evidence in support of reply.
14.	CTO Circle Sagar M/s Sagar Enterprises TIN-23647502612 Case No.193/12 (VAT)	<u>2011-12</u> Self- Assessment	<u>4,04,46,929</u> 4,00,38,035	5% & 13%	4,08,894	47,039 Penalty- <u>1,41,117</u> Total= 1,88 lakh	Turn over shown in the returns submitted by the dealer is less than the sale figures shown in the P&L Account.	The AA stated that action would be taken after verification. Final action is awaited in audit.
15.	DCCT Sagar M/s Rohit Surfactants Pvt Ltd TIN-23157504482 Case No.19/11 (VAT)	<u>2010-11</u> September 2013	5,99,89,10,986+ 1,27,01,130 = <u>6,01,16,12,116</u> 5,99,89,10,986	1.5% 13%	1,25,45,169 1,55,961	2,08 lakh	The Assessing Officer did not levy Tax on the sale of old vehicles and plant & machinery (as per statement of fixed assets).	The AA stated that action would be taken after verification. Final action is awaited in audit.
16.	DCCT Sagar M/s K.P.Solvex Pvt Ltd TIN-23367800556 Case No.11/13 (VAT)	<u>2012-13</u> Dec 2014	1,77,74,43,792+ 91,92,561= <u>1,78,66,36,353</u> 1,77,74,43,792	13%	91,92,561	11.95 lakh	The Assessing Officer did not levy Tax on the sale of old plant and machinery.	The AA stated that action would be taken after verification. Final action is awaited in audit.
17.	ACCT Div- I Indore M/s Nav Bharat Fertilizers TIN No. 23730104324 Case No. CS213616	<u>2012-13</u> 24.09.14	<u>12,21,16,441</u> 12,04,75,726	5	16,40,715	0.82 lakh	The AA has less determined sale against the sale recorded in audited accounts.	The AA stated that action would be taken after verification. Final action is awaited in audit.
18.	CTO Balaghat M/s RaiBahadur Sri Ram co.pvt.ltd TIN – 23416503687 Case No. CS290986	<u>2012-13</u> 22.12.14	<u>4,47,81,817</u> 1,52,74,136	1.5	1,52,74,136	2.29 lakh	AA did not include the sale value (as per statement of fixed assets) of old vehicle in turnover.	The AA stated that action would be taken after verification. Final action is awaited in audit.
19.	CTO Balaghat M/s Radheshyam Minerals TIN – 23836506948 Case No. 202/12 (VAT)	<u>2011-12</u> 30.07.14	<u>1,59,71,641</u> 97,86,941	5	61,84,700	3,09 lakh	Dealer is a trader of Manganese ore, he received contract receipt of ₹ 59,26,560, which was not included in GTO by the AA.	The AA stated that action would be taken after verification. Final action is awaited in audit.
20.	CTO Circle – 3 Gwalior I/c M/s Express Highway Filling Centre TIN – 23225306569 Case No. CS80382	<u>2011-12</u> 09.06.14	<u>24,53,49,937</u> 24,41,63,437	1.5	11,86,500	17,797 Penalty- <u>53,391</u> Total= <u>0.71 lakh</u>	AA did not include the sale (as per statement of fixed assets) value of old vehicle in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
21.	CTO Circle – 3 Gwalior I/c M/s MGRG Automobiles	<u>2011-12</u> 02.07.14	<u>10,02,53,883</u> 9,72,02,707	1.5	30,51,176	45,768 Penalty <u>1,37,304</u>	AA did not include the sale (as per statement of fixed	The AA stated that action would be taken after verification.

	Pvt. Ltd. TIN – 23785308007 Case No. CS93154					Total= <u>1.83 lakh</u>	assets) value of old vehicle in GTO.	Final action is awaited in audit.
22.	CTO Circle – 3 Gwalior I/c M/s. Parimitra Electronics Pvt. Ltd. TIN – 23425303452 Case No. 23425303452	2011-12	<u>8,97,38,841</u> 8,86,14,396	13	11,24,445	1,46,177 Penalty <u>4,38,531</u> Total= <u>5.85 lakh</u>	AA did not include the sale value (as per statement of fixed assets) of plant and machinery in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
23.	CTO Circle – 3 Gwalior I/c M/s. MalanpurIntek Pvt. ltd. Unit II TIN – 23795305528 Case No. CS174037	<u>2011-12</u> 18.07.14	<u>2,48,38,592</u> 2,46,58,592	13	1,80,000	23,400 Penalty <u>70,200</u> Total= <u>0.94 lakh</u>	AA did not include the sale value (as per statement of fixed assets) of plant and machinery in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
24.	CTO Circle Nawgaon M/s.Rahmaniya Agency TIN – 2337701099 Case No. 17/2011	<u>2010-11</u> Self-Assessment	<u>1,21,94,320</u> 1,13,60,675	13	8,33,645	0.96 lakh	The dealer has shown less sale in the returns against the sale recorded in audited accounts and deposited less tax accordingly.	The AA stated that action would be taken after verification. Final action is awaited in audit.
25.	ACCT Div- 3 Indore M/s Prestige Fabrication TIN No. 2374900252 Case No. CS65479 VAT	<u>2011-12</u> Apr – 2014	<u>24,98,68,350</u> 24,32,66,528	5	66,01,822	3,30,091 Penalty <u>9,90,273</u> Total= <u>13.20 lakh</u>	The deduction allowed by treating Sales inclusive of VAT shown in books, however, in audited accounts, sales was without VAT.	The AA stated that action would be taken after verification. Final action is awaited in audit.
26.	ACCT Div- 3 Indore M/s Satguru Iron & Steel TIN No. 23300904665 Case No. 112/13 VAT	<u>2012-13</u> Nov – 2014	<u>20,79,89,876</u> 20,64,08,088	13	15,81,788	2,05,633 Penalty <u>6,16,899</u> Total= <u>8.22 lakh</u>	The dealer has shown less sale in the returns against the sale recorded in audited accounts and deposited less tax accordingly.	The AA stated that action would be taken after verification. Final action is awaited in audit.
27.	CTO Hoshangabad M/s Venkatesh&Developer TIN No. 23879053403 Case No. 454/13 VAT	<u>2012-13</u> March – 2015	<u>90,52,882</u> 12,94,314	13 & 5	77,58,568	7,11,706 Penalty <u>21,35,118</u> Total= <u>28.47 lakh</u>	The dealer has shown sale of plot (piece of land), in its trading account, however, it was not shown in opening stock in books of accounts. Thus it was suppression of taxable sale.	The AA stated that action would be taken after verification. Final action is awaited in audit.
28.	CTO Circle Hoshangabad M/s Prachir Infrastructure TIN No. 23099042811 Case No. 448/13 VAT	<u>2012-13</u> March – 2015	<u>5,41,81,327</u> 4,37,01,228	13	1,04,80,099	13,62,413 Penalty <u>40,87,239</u> Total= <u>54.50 lakh</u>	Under determination of turnover due to addition of profit at lower rate while calculating sale value.	The AA stated that action would be taken after verification. Final action is awaited in audit.
29.	CTO Circle Mandasour M/s Gupta Stationery TIN No. 23303102006 Case No. 98/12 VAT	<u>2011-12</u> June – 2014	<u>2,88,95,207</u> 2,56,06,881	13 & 5	32,88,326	4,22,220 Penalty <u>12,66,660</u> Total= <u>16.89 lakh</u>	In audited accounts Purchase and sale was inclusive of VAT, however, AA allowed deduction by adding VAT in	The AA stated that action would be taken after verification. Final action is awaited in audit.



							sales.	
30.	CTO Circle Mandsour M/s Mahabir Plastic TIN No. 23403002526 Case No. 271/12 VAT	<u>2011-12</u> May – 2014	<u>2,11,99,730</u> 1,93,16,004	13 & 5	18,83,726	2.15 lakh	In audited accounts Purchase & sale was inclusive of VAT, but, AA allowed deduction by adding VAT in sales.	The AA stated that action would be taken after verification. Final action is awaited in audit.
31.	CTO Circle -2 <u>Ratlam</u> M/s Balbirsinghathore TIN No. 23773403078 Case No. 461/12VAT	<u>2012-13</u> March 2015	<u>3,78,28,391</u> 3,52,05,339	5	26,22,992	1,31,150 Penalty- <u>3,93,450</u> Total= 5.26 lakh	Royalty expenses not included while calculating turnover.	The AA stated that action would be taken after verification. Final action is awaited in audit.
32.	AC Div III Indore M/s Modi Marketing TIN No. 23060903924 Case No. 180919/12VAT	<u>2012-13</u> Feb 2015	<u>27,54,12,926</u> 24,71,27,821	13	2,82,85,105	36,77,064 Penalty <u>1,10,31,192</u> Total= 147.08 lakh	As per audited accounts output tax was not included in sales but AA allowed deduction of tax u/s 2X(iii) of VAT Act amounting to ₹ 2,82,85,105 therefore TTO is less determined.	The AA stated that action would be taken after verification. Final action is awaited in audit.
33.	AC Division -1Sagar M/s Jainam Auto link Tin No. 23897505045 Case no. 137/12 VAT	<u>2012-13</u> Dec 14	<u>12,79,46,330</u> 12,75,22,539	13	4,23,791	55,093 Penalty <u>1,65,279</u> Total= 2.20 lakh	Incorrect deduction of ₹4,23,791 given in respect of free service.	The AA stated that action would be taken after verification. Final action is awaited in audit.
34.	CTO Circle-2Indore M/s Balaji,Tractor,House TIN-23920203693 Case No. 830/12(VAT)	<u>2011-12</u> April 2014	<u>6,91,00,685</u> 6,72,24,353	5	1876332	93,816 Penalty <u>2,81,448</u> Total= <u>3.75 lakh</u>	Receipt from warranty claim not included in taxable turnover.	The AA stated that action would be taken after verification. Final action is awaited in audit.
35.	CTO Circle-14Gwalior M/s New Himalaya Refrigeration Gwalior TIN-23735402270 No.294/2012 (VAT)	<u>2011-12</u> July 2014	<u>1,78,94,315</u> 1,58,89,175	13	20,05,140	2.61 lakh	As per Audit report Job work receipt is ₹96,49,622 is not included in taxable turnover.	The AA stated that action would be taken after verification. Final action is awaited in audit.
36.	CTO Circle-Betul M/s Radheshyam Agrawal TIN-23404701287 Case No.CS2771 (VAT)	<u>2010-11</u> Sept 2013	<u>96,61,268</u> 88,94,829	4 5 13	68,359 4,810 6,93,270	2,629 229 <u>79,756</u> Total= 0.83 lakh	In assessment order 8% profit is added in purchase amount whereas gross profit is 17.62% as per balance sheet.	The AA stated that action would be taken after verification. Final action is awaited in audit.
37.	CTO Circle 14 Indore M/s Dev Agro Chemical TIN-23531404137 No.560/2012 (VAT)	<u>2011-12</u> June 2014	<u>3,80,04,200</u> 2,91,89,230	5	58,14,970	2,90,748 Penalty <u>8,72,244</u> Total= <u>11.62 lakh</u>	Determination of less turnover vis-à-vis sales shown in audited accounts.	The AA stated that action would be taken after verification. Final action is awaited in audit.
38.	ACCT Div- 2 Gwalior M/s Anurag Dal Mill TIN-23975003177 No.CS171765 (VAT)	<u>2012-13</u> Feb 2015	<u>16,54,95,702</u> 16,41,18,664	5	13,77,038	0.69 lakh	Determination of less turnover vis-à-vis sales shown in audited accounts.	The AA stated that action would be taken after verification. Final action is awaited in audit.
39.	ACCT Div- 2 Gwalior M/s S K Industries	<u>2012-13</u> Feb 2015	<u>1,29,60,209</u> 1,21,47,578	1.5%	8,12,631	12,189 Penalty <u>36,567</u>	AA did not include the sale value (as per statement of	The AA stated that action would be taken after verification.

	TIN-23644802132 No.CS167377 (VAT)					Total= 0.49 lakh	fixed assets) of old vehicle in GTO.	Final action is awaited in audit.
40.	CTO-I Jabalpur M/s VrahatakarPrathmikSah kariSamiti Tin-23145800343	2011-12 Jun2014	88,04,471 59,39,787	5	28,64,684	1.43 lakh	AA under determined the turnover against the turnover recorded in Audit Report	Action would be taken after verification. Final action is awaited in audit.
41.	CTO-Anuppur M/s ShriRam Construction Tin-23077203244 Case No.4/12	2011-12 Jul2014	5,07,22,379 1,21,79,329	5	3,42,12,940	17.11 lakh	AA under determined the turnover against the turnover recorded in Audit Report	Action would be taken after verification. Final action is awaited in audit.
42.	CTO-Anuppur M/s Anil Construction Tin-23137204181 Case No.45/12	2011-12 Jul2014	1,61,06,530 1,47,64,319	5	13,42,211	0.67 lakh	AA incorrectly gave deduction of earth work from GTO and then deducted 40% labour again from GTO. Whereas labourcharge should have been deducted from the balance amount after deducting earthwork.	Action would be taken after verification. Final action is awaited in audit.
43.	ACCT Div-II Indore M/S Rajshree Engineering Pvt.Ltd. Tin-23300601540 Case No.72/13	2012-13 Feb2015	15,72,34,193 15,48,75,228	1.5 & 5	23,58,965	0.84 lakh	AA didn't include the sale value of Vehicle, Computer and software in GTO	AA stated that the dealer has sold the vehicle in respect of which action would be taken after verification, while sale of computer and software as shown in the account is actually depreciation and book value which is only adjustment and not sale. The reply is not tenable as it evident from the Schedule of fixed asset that these commodities have been sold.
44.	DCCT-Chhindwara M/s Safal Foods Tin-23376803827 Case No.166257/13	2013-14 Jan 2015	83,30,520 87,22,490	13	3,91,970	0.51 lakh	AA didn't include the sale value of Storage Drum in GTO.	AA stated that these sales are not related to MP state hence not considered for taxation. The reply is not tenable as the audit report depicts the complete business of dealer in MP state.
45.	CTO Circle-6 Bhopal M/s Bhopal Stone Crusher TIN-23333704311 Case No. 50/13(VAT)	2012-13 February 2015	Nil 2,73,18,637	1.5 13	3,75,000 4,65,715	5,625 60,543 Total= 0.66 lakh	Sale of Vehicle (as per statement of fixed assets) and machinery not included in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
46.	CTO Circle Burhanpur M/s Jain FertiliserShahpur TIN-23611908493	2010-11 September 2013	NIL 4,35,42,096	5	8,62,186	43,109 Penalty- 1,29,327 Total= 1,72,lakh	Amount received from rate difference not included in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.

	Case No. 16/2011 (VAT)							
47.	DCCT Div-2 Indore M/s Piramal Enterprises TIN-23571100893 Case No. 72/2013 (VAT)	<u>2012-13</u> Feb 2015	Nil 10,78,08,927	5	12,44,04,473	0.6 crore Int- <u>1.8 crore</u> Total= 2.4 crore	AA under determined the turnover against the turnover recorded in Audited accounts by ₹ 12,44,04,473.	The AA reply that gross sale is determined as per audit account. Reply is not acceptable as we audit has reckoned the GTO recorded in the audited accounts and that AA has not determined.
48.	DCCT(LTPU) Indore M/s Navin Infra solution TIN:23911004191 Case No. CS66901 (VAT)	<u>2011-12</u> June 2014	<u>NIL</u> 11,73,31,951	5	54,80,565	Total= 2.74 lakh	AA did not include in GTO the amount of warranty claim received by dealer.	The AA reply that other income was not included as the goods sold was not taxable. The reply is not acceptable as warranty claim is taxable and should be treated as sale.
49.	ACT Div-2 Indore M/s Sameer Industry Tin 23211100994 Case no. 27/2012 (VAT)	<u>2011-12</u> June 2014	<u>2,17,69,786</u> 2,12,59,786	13 0	5,10,000	66,300 Pen <u>1,98,900</u> Total= 2.65 lakh	Sale of Plant & Machinery (as per statement of fixed assets) was not included in gross turnover.	The AA stated that action would be taken after verification. Final action is awaited in audit.
50.	CTO Circle- Burhanpur M/s Chakradhar Construction Tin 23881909557 case no. 18/11 (vat) CS000000001223 18/11 (ET) CS000000001224	<u>2010-11</u> Sep. 2013	<u>1,14,08,016</u> 97,51,143	5 & 13 0	11,33,049	60,867 Penalty <u>1,82,601</u> Total= 2.43 lakh	AA did not work out the GTO by taking percentage of profit as per audited accounts.	The AA stated that in salary and allowance gross profit is added and so in gross purchase 10% gross profit is correct. Reply not tenable as per audit report GP is 22.13%.
51.	ACCT Division –I Gwalior M/s Puri Agency Tin 23915404499 Case no. 105/13	<u>2012-13</u> Feb 2015	7,18,07,816 6,93,69,767	---- ----	24,38,049	2.62 lakh	AA incorrectly allowed excess deduction of sales returns.	The AA stated that action would be taken after verification. Final action is awaited in audit.
52.	CTO Khandwa M/s Raj Kumar Gupta Tin 230720055693 Case no.CS0000000128400 (VAT)	<u>2011-12</u> June 2014	<u>59,90,272</u> 27,86,303	5 & 13	32,03,969	2,02,060 Penalty <u>6,06,180</u> Total= 8.08 lakh	AA worked out the GTO by taking less opening stock.	The AA stated that action would be taken after verification. Final action is awaited in audit.
53.	ACCT Div- 3, Indore M/s Parekh Powers and pumps Ltd,Indore TIN-23090900949 No.60/2012 (VAT)	<u>2011-12</u> April 2014	<u>5,55,28,930</u> 5,53,91,580	13	1,37,350	17,855 Penalty <u>53,565</u> Total= 0.71 lakh	It was found that Input Tax Rebate on purchase return was not deducted.	The AA stated that action would be taken after verification. Final action is awaited in audit.

54.	ACCT Div- 1, Sagar M/s Jainaum Auto Link,Sagar TIN-23897505045 No.103/2012 (VAT)	<u>2011-12</u> July 2014	<u>15,78,10,420</u> 15,70,42,077	13%	7,68,343	99,885 Penalty <u>2,99,665</u> Total= <u>3,99 lakh</u>	It was found that Free replacement amount was deducted in Tax assessment order submitted by trader.	The AA stated that action would be taken after verification. Final action is awaited in audit.	
55.	DCCT ,Khandwa M/s Texmo pipes and product ltd. TIN-23151910492 No.61/2012 (VAT)	<u>2011-12</u> June 2014	<u>1,07,20,43,309</u> 91,75,59,275	5%	15,44,84,034	77,24,202 Penalty <u>2,31,72,606</u> Total= 308.97 lakh	It was found that Tax assessment was less as per actual sales in audited accounts.	The AA stated that action would be taken after verification. Final action is awaited in audit.	
56.	CTO 4, Gwalior M/s New Himalaya Refrigeration Tin-23735402270 Case No. 24/11	<u>2010-11</u> July 2013	<u>2,02,45,203</u> 1,44,72,659	13%	57,72,544	7,50,430 Penalty <u>22,51,290</u> Total= 30.01lakh	On commodities like Battery, inverters, gas lighters etc. VAT @5 % was levied instead of 13%.	The AA stated that action would be taken after verification. Final action is awaited in audit.	
<b>Total</b>					<b>5,162.96 lakh</b>	<b>Tax</b> <b>Penalty</b> <b>Interest</b> <b>Total</b>	<b>3.12 crore</b> <b>5.22 crore</b> <b>1.90 crore</b> <b>10.24 crore</b>		

**Appendix XIV**  
(Referred to in paragraph 3.8)  
**Entry Tax not levied/short levied/exempted without declaration Form**

(Amount in ₹)

Sl. No.	Name of Audit Unit Dealer	Assessment period month of assessment	Commodity/ TTO (In ₹)	Differential rate of tax (%)	Amount of non/short levy of tax /Penalty/intt. (In ₹)	Observation of Audit	Reply of Assessing Authority/ Our Comments
1.	CTO, Circle-II Satna M/s Piyush & Company TIN No. 2349001455 Case No. 470/13	2012-13 Jan 15	Machinery/ 48,50,000	1	48,500	AA levied ET @ 1 per cent instead of 2 per cent.	The AA stated that action would be taken after verification. Final action is awaited in audit.
2.	CTO, Circle-II, Jabalpur M/s F.L. Smith Pvt. Ltd TIN No. 23316106624 Case No. 24/13	2012-13 Feb 15	Iron & Steel/ 40,61,386	1	40,614 Penalty 1,21,842 Total 1,62,456	AA levied ET @ 1 per cent instead of 2 per cent.	The AA stated that ET at the rate of two per cent has been levied on Iron and Steel (Profile Sheet). The reply of AA is not in consonance with the fact as evident from the purchase list and calculation sheet that ET is levied at the rate of 1% by AA.
3.	CTO Narsinghpur M/s PanaBhandar TIN No. 23936402715 Case No. 54/13	2012-13 Nov 14	TMT Bar/ 34,90,040	3	1,04,701	AA levied ET @ 2per cent instead of 5per cent.	The AA stated that action would be taken after verification. Final action is awaited in audit.
4.	DCCT, Div. Ujjain M/s Bank Note Press. TIN No. 23652305395 Case No. 17/12 ET& 22/13ET	2011-12 2012-13 Jul 14 Jan 15	Machinery 74,77,373 HDPE W Sacks/ 12,77,622 Total 94,60,835	1 4	74,774 51,104 Total 1,25,878	The AA levied ET @ 1 per centon Machinery whereas rate of ET is 2 per centas per entry no. II/IV/I and levied ET @ 1 per cent on HDPEwhereas rate of ET is 5per centas per entry no. II/II/12	The AA stated that action would be taken after verification. Final action is awaited in audit.
5.	CTO, Circle II Jabalpur M/s Khanna Properties & Infrastructure Pvt. Ltd TIN No. 23379051707 Case No. 32/13	2012-13 Feb 2015	Tiles and Machinery/ 1,13,94,147	2	2,27,883 Penalty 6,83,694 Total 9,11,532	AA treated the import purchase of Tiles and Machinery as ET free purchase.	The AA stated that action would be taken after verification. Final action is awaited in audit.
6.	CTO - Hoshangabad M/s Kamal Agrawal TIN - 23664200430 Case No. 307/2012	2011-12 7/ 2014	Road Marking Material/ 14,485,987	1	Tax 1,44,860 Penalty 4,34,580 Total 5,79,440	AA levied ET @ 1 whereas Road Marking Material are taxable at the rate of 2% as per entry No. II/II/26	Action would be taken after verification. Final action is awaited in audit.
7.	CTO-2, Jabalpur M/s KailashDev Build India Pvt.Ltd. Tin-23855807179 Case No.165701	2012-13 2/2015	Steel Bars and Angles/ 13,706,554	5.2 4.1	Tax 2,39,472 Penalty 7,18,416 Total 9,57,888	Steel Bars and Angles are taxable at rate of 5% and 2% respectively, if purchased from outside state	Action would be taken after verification. Final action is awaited in audit.
8.	DCCT, TAW-2 Indore M/s SiddhartFibres Tin-23342205025	2013-14 3/2015	Plant & Machinery/ 22,202,633	2 2	Tax 4,44,053	Purchase of Plant &Machinery not included in GTO.	Action would be taken after verification. Final action is awaited in audit.

	Case No. 87/14						
9.	<u>CTO, Circle III, Indore</u> M/s Indore treasure TIN No. 23860905812 Case No. CS000000066847 ET	<u>2011-12</u> April 14	T.M.T. Bar/ 23203425-  Fly Ash/ 717576-	3  4	696103 Penalty <u>2088309</u> Total <u>2784412</u>  28703 Penalty <u>86109</u> Total <u>114812</u>	The AA levied ET @ 2per cent on T.M.T. Bar whereas rate of ET is 5per centas per entry no. II/I/1(b) and levied ET @ 1 per cent on Fly Ashwhereas rate of ET is 5 per centas per notification underSection 4(a)	The AA stated that as per notification no. A-3-11-2011-V(22) dated 01.04.2011, Entry Tax on T.M.T. Bars is reduced to 2 % and tax is leviable as per notification at the rate of 1% on Fly ash. Reply is not tenable because according to said notification Entry Tax on T.M.T. Bar reduced to 2 %, when entered into local area from inside the State of Madhya Pradesh only and as per notification entry tax on Fly ash is reduced to 1 % in case of manufacturers only.
10.	<u>CTO, Circle IX, Indore</u> M/s R V Infrastructure TIN No. 23530904199 Case No. CS000000078247 ET	<u>2011-12</u> July 14	Light Diesel Oil (L.D.O.)/ 3323300-	9	299097 Penalty <u>897291</u> Total 1196388	The AA levied ET @ 1 per cent on Light Diesel Oil (L.D.O.) whereas rate of ET is 10per centas per notification under Section 4(a)	The AA stated that action would be taken after verification. Final action is awaited in audit.
11.	<u>C.T.O., Circle, Shahdol</u> M/s Patel Agency TIN No. 23307204136 Case No. CS000000154176 ET	<u>2011-12</u> July 14	Power Tiller/ Power Reaper/ 24013662-	1	240137 Penalty <u>720411</u> Total 960548	The AA levied ET on Power Tiller/ Power Reaper considering it as Tractor.	The AA stated that assessment is done considering Tax Free purchase as per Schedule-1 entry 1-B (14) of VAT Act 2002. Reply is not tenable as entry 1 (1-A, 1-B) of schedule-1 of VAT Act 2002 refers to Agriculture implements (Reaper) which are manually operated or animal driven. Trader has purchased Power Reaper/Tiller, which are not Manually operated, or animal driven but operated by diesel/electricity and therefore Entry Tax is leviable as per entry no. II/III/I.
12.	<u>C.T.O., Circle-IV, Jabalpur</u> M/s Unnati Enterprises TIN No. 23806105239 Case No. CS000000140496 ET	<u>2011-12</u> Jun 14	Submersible pumps 29665978-	1	296660 Penalty <u>889980</u> Total 1186640	AA treated the import purchase of submersible pumpsas ET free purchase whereas ET is leviable @ 1% as per entry no. II/III/I	The AA stated that since all kinds of submersible pump, mono-block pump are covered under pumping sets, therefore, action will be taken after verification regarding levy of Entry Tax. Final action is awaited in audit.
13.	<u>C.T.O., Circle-VII, Indore</u> M/s Asian Enterprises TIN No. 23130701204 Case No. CS00000064954 ET	<u>2011-12</u> Jun 14	Submersible pumps 23566155-	1	235661 Penalty <u>706983</u> Total 942644	AA treated the import purchase of submersible pumpsas ET free purchase whereas ET is leviable @ 1% as per entry no. II/III/I	The AA stated that action would be taken after verification. Final action is awaited in audit.
14.	<u>C.T.O., Circle-VII, Indore</u> M/s P.S.G. Industrial Institute, Indore	<u>2011-12</u> Jun 14	Submersible pumps 26192351-	1	261924 Penalty <u>785772</u> Total 1047696	AA treated the import purchase of submersible pumpsas ET free purchase whereas ET is leviable @ 1% as per entry no. II/III/I	The AA stated that action would be taken after verification. Final action is awaited in audit.

	TIN No. 23420702645 Case No. CS00000145638 ET						
15.	<u>A.C.C.T. Dn.-II, Sagar</u> M/s Om Construction Co. Ltd. Tikamgarh TIN No. 232227801797 Case No. 345/13 ET	<u>2012-13</u> May. 14	D.I. Pipe/ 6157332 Cement/ 1035142	1	Penalty 71925 215775 Total 287700	AA levied ET on DI pipe and Cement @ 1% whereas ET is levied @ 2% as per entry no. II/II/4 and II/III/1 respectively	The AA stated that Entry Tax on D.I. pipe and Cement is levied @ 2 %, which is clearly mentioned in Assessment Order. Reply is not tenable as E.T. on D.I. pipe and Cement is levied @ 1%.
16.	<u>C.T.O., Circle-VI, Bhopal</u> M/s AlankarJewellers TIN No. 23424104047 Case No. 97/11 ET	<u>2010-11</u> Sep. 13	Precious stone/ 25582595	1	Penalty 255825 767475 Total 1023300	AA treated the import purchase of Precious stoneas ET free purchase whereas ET is leviable @ 1% as per entry no. II/III/I	The AA stated that precious stones studded with gold and silver new ornaments hence, tax free under entry no. 4 of schedule I. Reply is not tenable as precious stone are liable to ET as per schedule II/III/I of the Act.
17.	<u>A.C.C.T. Dn.-II, Indore</u> M/s NavbharatFertilizers TIN No. 23730104324 Case No. CS0000000213620 ET	<u>2012-13</u> Sep. 14	Plant Growth Promoters/ 4377465 Micro nutrients/ 22784483	1	Penalty 271619 814857 Total 1086476	AA treated the import purchase of Plant Growth Promoters and Micro nutrientsas ET free purchase whereas ET is leviable @ 1% as per entry no. II/III/I	The AA stated that action would be taken after verification. Final action is awaited in audit.
18.	<u>C.T.O., Circle-VI, Bhopal</u> M/s Shivam Traders TIN No. 23033702924 Case No. 19/13 ET	<u>2012-13</u> (self- assessment case)	Cement/ 17414388	2	Penalty 86255 258765 Total 345020	AA levied ET of ₹262032 whereas ET is leviable @ 2% of TTO	The AA stated that action would be taken after verification. Final action is awaited in audit.
19.	<u>C.T.O., Circle-VIII, Indore</u> M/s Patidar Trading Corporation TIN No. 23940800911 Case No.CS00000087198 ET	<u>2011-12</u> July 14	Submersible pumps 18166058-	1	181660	AA treated the import purchase of submersible pumpsas ET free purchase whereas ET is leviable @ 1% as per entry no. II/III/I	The AA stated that action would be taken after verification. Final action is awaited in audit.
20.	<u>DCCT, Sagar</u> M/s Jaiprakash Power Ventures Ltd.Bina TIN No. 23977404509 Case No. 34/13/ET	<u>2012-13</u> Feb 15	Coal 16,90,36,951 LDO <u>19,92,16,561</u> LDO 28,50,07,126 Total 65,32,60,638	2 10 9	4,89,53,036	AA treated the import purchase of Coal and LDOas ET free purchase whereas ET is leviable @ 2% and 10% respectively as per notification under Section 4(a)	The AA stated that action would be taken after verification. Final action is awaited in audit.
21.	<u>CTO-Balaghat</u> M/s Shubham Rice Udyog Tin-23316506264 C.No.CS000000225811	<u>2012-13</u> Mar- 2015	<u>Plant &amp;Machinery</u> 1,06,10,608	2	2,12,213	Purchase price of Plant and Machinery not included in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
22.	<u>CTO-Balaghat</u> M/s Chittorh Singh Chauhan Tin-23876503240 Case No. 33/12	<u>2011-12</u> July-2014	Excavator/ 83,94,997	1	83950	Purchase price of Excavator not included in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
23.	<u>CTO- Balaghat</u> M/s Aneesh Enterprises Tin-23340504305	<u>2011-12</u> May-2014	PP Fabrics/ 38,34,489	4	1,53,379	The AA levy tax at the rate of 1 per cent on PP Fabrics, whereas entry tax at enhance rate is leviable when it is consumed or used	The AA stated that action would be taken after verification. Final action is awaited in audit.

24.	CTO-Balaghat M/s RadheyshyamMinerals Tin- 23836506948 Case No. 202/12	2011-12 July 14	Material For Work Contract/ 59,26,570	1	59,266	Purchase price of Material purchased for work Contract not included in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
25.	CTO-Anuppur M/s Shri Ram Construction Co. Tin-23077203244 Case No. 40/12	2011-12 July 14	Material For Work Contract,Mach/ 3,28,65,249 Lub,Tyre/ 7,142,71	1 2	3,28,652 14,285 Total 342937	Purchases of material, Machinery,Lubricant, Tyreetc., not included in GTO	The AA stated that action would be taken after verification. Final action is awaited in audit.
26.	DCCT Div.-II Bhopal M/s Mahaprabhandhak Security Tin-23134202419 Case No.151/13	2012-13 Dec2014	Machinery,Furnitu re 90,05,558 Furnace oil 24,61,164	1 10	90,056 2,46,116 Total 3,36,172	The AA levied ET @ 1 per cent on Machinery and Furniture whereas Rate of ET is 2 per cent on the said goods. AA underdetermined the purchase value of Furnace oil as ₹ 22,79,84,821 and levied ET on the same whereas it is evident from the Purchase list that the purchase value is ₹23,04,45,985	The AA stated that action would be taken after verification. Final action is awaited in audit.
27.	DCCT Div.-II Bhopal M/s DaulatramEngg. Services PvtLtd Tin-23124104697 Case No.158/13	2012-13 Feb2015	Machinery,Testing Equipment 39,02,849 Alluminium Casting, Copper tube,Poly carbonated sheet,Wire Mesh 3,68,87,874 Transformer 11,11,689 Freight not included in GTO by AA 50,31,630	1 1 4 1	39029 368884 44465 50316 Penalty 13,57,125 Total 18,59,819	AA levied ET @1 per cent on Machinery and Furniture, and gave incorrect deduction by treating Aluminum and other as Iron and Steel. Levied ET @ 4 per cent on Transformer and didn't include freight in GTO	The AA stated that action would be taken after verification. Final action is awaited in audit.
28.	DCCT Div.-II Bhopal M/s Sanwariya Agro oils Ltd. Tin-23354104619 Case No.22/12	2011-12 July2014	Coal 1,10,46,959	1	1,10,470	AA levied ET @ 1 per cent on Coal Whereas Coal is taxable @ 2 per cent.	The AA stated that action would be taken after verification. Final action is awaited in audit.
29.	DCCT Div.-II Bhopal M/s Sanwariya Agro oils Ltd. Tin-23354104619 Case No.22/12	2012-13 Feb2015	Machinery,Coal 1,23,30,295 Iron &steel 14,31,076 PEB 14,60,265 Machinery Parts 19,61,186	1 2 2 1	123303 28622 29205 19612 Penalty 2,32,317 Total 4,33,059	AA levied ET @ 1 per cent on Coal Whereas Coal is taxable @ 2 per cent. The dealer tried to hide the purchase of iron & steel, PEB and didn't mention the name of consumable goods in purchase list.	The AA stated that action would be taken after verification. Final action is awaited in audit.



30.	DCCT Div.-II Bhopal M/s Satya Sai Agro oils Ltd. Tin-23874406585 Case No.128/13	2012-13 Feb 2015	Plant& Machinery , Computer 13,57,69,206	1	13,57,692	AA levied ET @ 1 per cent whereas is taxable @ 2 per cent	The AA stated that action would be taken after verification. Final action is awaited in audit.
31.	CTO-Waidhan M/s National Building Construction Corp. Ltd. Tin-23377302116 Case No.133/12	2011-12 June2014	MS Pipe 5,54,86,539	1	5,54,865	AA levied ET @ 1 per cent whereas is taxable @ 2 per cent	The AA stated that action would be taken after verification. Final action is awaited in audit.
32.	CTO-Waidhan M/s Anand Traders Tin-23167301504 Case No.119/12	2011-12 June2014	Iron and Glass Scrap 93,46,125 Tyre and tube 5,92,250	1 2	93461  11845 Total 1,05,306	AA levied ET @ 1 per cent on iron and glass scrap whereas it is taxable @ 2percent. Not included the purchase of Tyre in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
33.	CTO-Waidhan M/s Pragati and Associates Tin-23979027882 Case No.4/12	2011-12 Mar2014	Wall/Floor tiles 43,95,000	1	43,950	AA levied ET @ 1 per cent instead of 2 per cent.	The AA stated that action would be taken after verification. Final action is awaited in audit.
34.	ACCT,Div II Indore (Smt. RakhiKasera) M/s VoraWres industries Ind.Ltd. Tin-23841100502 Case No. 40/12	2011-12 June2014	Diesel 10,82,740	26	2,81,512	AA levied ET @ 1 per cent on Diesel being purchased for Boiler whereas it is taxable @ of 27 per cent under section 4-A of the Act.	The AA stated that the dealer has purchased Divyol 505 which is different from Diesel and doesn't cover under section 4-A. The reply is not tenable as it is evident from the Audit report and Other details submitted by the dealer that the purchased commodity is diesel and it is taxable @ 27 per cent as per Noti. No. 14 Dated 14/7/07 issued under section 4-A
35.	DCCT,Div-I Bhopal M/sAnik Industries Tin-23464105286 Case No. 90/12	2011-12 July2014	Skimmed Milk Powder 88135211	1	881352	AA levied ET @ 1 per cent on SMP whereas it is taxable @ 2 per cent as per entry No.II/II/31	AA stated that the said entry is related to Food and Food supplement and as SMP is used by the dealer in production of other goods. It is also mentioned as a raw material in Registration of dealer. The reply is not tenable as the AA has himself mentioned in Assessment order that SMP is not recorded as raw material in the registration of the dealer. Hence it is taxable @ 2 per cent under entry no.II/II/31 of the Act.
36.	CTO-Damoh M/sDilipRai Contractor Tin23857603328 Case No.274/13	2012-13 Jan 2015	Cement,Timber,Fa b. Iron, Red stone Self-loading Concrete Mixer (AjexFiori) 79,55,418 Gitti,Bricks Pipe ,royalty,JCB etc.	2  1	1,59,108 79524 Total 238632 (-)-1,64,828, (=) 73,804	AA levied ET @ 1percent on ₹1,64,68,861/- whereas some commodities are taxable @ 2 per cent.	The AA stated that action would be taken after verification. Final action is awaited in audit.

			79,52,128				
37.	<u>DCCT, Div-11 Indore</u> M/s Turkiya Metal Pvt. Ltd. Tin-23110501104 Case No.3/14	<u>2012-13</u> Feb2015	Iron & steel 4266381	2	Penalty 85388 Total 255984 341312	The AA incorrectly gave deduction of sale price instead of purchase price of goods sold on declaration.	AA stated that the purchase value and stock transferred value of goods sent on 'F' was same. Reply is not tenable as the observation is not regarding the goods sent on 'F' form but on the goods sold on declaration issued under notification.
38.	<u>DCCT-Chhindwara</u> M/sEMC Ltd. Tin-23116603277 CaseNo. 191905	<u>2012-13</u> Feb2015	Safety item, Templates 19323258	1	193233	AA levied ET @ 1 per cent instead of 2 percent.	No reply given in this matter.
39.	<u>DCCT-Chhindwara</u> M/s Safal foods Tin-23376803827 Case No.166257	<u>2012-13</u> Jan2015	Repair & maintenance of Machinery, Factory Building and Other assets. 4561318	2	91226	AA did not include purchases in GTO.	AA stated that the said purchase belongs to Maharashtra state. Reply is not tenable as the Audited account picturise the complete business in Madhya Pradesh State according to whichsale of goods manufactured in MP and purchases related to manufacturing are proved to be of Madhya Pradesh state.
40.	<u>DCCT,Div-II Bhopal</u> M/s HEG Ltd. Tin-23214100234 Case No.52/13	<u>2012-13</u> Feb2015	Tools 1,08,36,321	1	108363	AA levied tax @ 1 per cent instead of 2 percent.	The AA stated that action would be taken after verification. Final action is awaited in audit.
41.	<u>ACCT, Div.III, Indore</u> M/sDarshanTraders Indore TIN No.235170801066 112/11-12,ET	<u>2011-12</u> 06/2014	Skimmed Milk Powder/7793626	1	Penalty 77936 Total 233808 311744	The AA levied tax at the rate of 1% instead of 2%.	The AA stated that the Action would be taken after verification. Final action is awaited in audit.
42.	<u>CTO-Betul</u> M/S Raja Stone-House TIN NO.23654702459 323/2012--ET.	<u>2010-11</u> 06/2014	Ceramic tiles, Vitrifiedtiles,Floor tiles/6891995	1,2	Penalty 68920 Total 227826 296746	AA levied tax at the rate of 1% on the purchase of tiles whereas it is taxable at the rate of 2% as per entry no. II/II/15	The AA stated that the Action would be taken after verification. Final action is awaited in audit.
43.	<u>ACCT Div.-3,Indore.</u> M/S PanchsheelOrganic, Indore. TIN NO. 23870700409 C.no. CS00000000279186 ET	<u>2012-13</u> 12/2014	Steel and Lab testing Equipment/ 5501561	1	Penalty 55015 Total 165045 220060	AA levied ET at the rate of 1% on Iron, steel and lab testing equipment instead of 2%.	The AA stated that the Action would be taken after verification. Final action is awaited in audit.
44.	<u>CTO-MORENA</u> M/S Shivani Agency Sheopur TIN NO.23975605159 Case NO.954/2011 ET	<u>2010-11</u> 09/2013	Matches/5958149	1	Penalty 59581 Total 178744 238325	AA treated the import purchase of matches as ET free purchase.	The AA stated that the Action would be taken after verification. Final action is awaited in audit.
45.	<u>CTO-MORENA</u> M/S Roshan Gas Service Morena TIN NO.23085501228	<u>2011-12</u> 06/2014	L.P.G.(H)/L.P.G.( C)/1799222(17092 60+110589)	6.47 &1	110589 899 Total 117495	AA did not consider the transport charges on LPG for ET	The AA stated that the action would be taken after verification.

	Case NO. CS126694 ET						
46.	<u>ACCT-RATLAM</u> M/S Rajendra Seles Agency TIN NO.23953503859 Case NO.CS152229 ET	<u>2012-13</u> 11/2014	Submersible Pump & Mono Block /89618147	1	896181 Penalty <u>2688543</u> Total 3584724	AA did not levy tax on purchase price of pumps	The AA stated that the dealer has purchased the complete pump set which is tax free as per entry I/26 of the Act. Reply is not acceptable as submersible pumps were purchased, which is different from pumping sets therefore it is taxable. As per decision CCT MP in the case of M/s Perfect Pump Pvt. Ujjain(2005) 7 STJ 217.
47.	<u>CTO-4 GWALIOR</u> M/S Ravj Kant Bansal,Gwl. TIN NO. 23145402061 Case No.CS0000000175868 ET	<u>2011-12</u> 07/2014	Iron &Steel / 1934440	3	58033 Penalty <u>174099</u> Total 232132	AA levied ET at the rate of 2% on import purchase of steel bar.	The AA stated that the Action would be taken after verification. Final action is awaited in audit.
48.	<u>CTO-CIRCLE-14 INDORE</u> M/S Jai Steel Indore TIN NO. 2323881400598 Case no. CS0000000069442 ET	<u>2011-12</u> 05/2014	M.S.BAR/ 32429435	3	972883 Penalty <u>2918649</u> Total 3891532	AA levied tax at the rate of 2% instead of 5%.	The AA stated that the Action would be taken after verification. Final action is awaited in audit.
49.	<u>ACCT Chhindwara</u> M/s Krishnaping Alloys Pvt. Ltd, Chhindwara Tin-23456803007	<u>2011-12</u> July 14	Explosives/ 4660542	1	46605 Penalty <u>139815</u> Total 186420	AA levied tax at the rate of 1% instead of 2%.	The AA stated that the Action would be taken after verification.
50.	<u>DCCT Div-Ujjain</u> M/s Ultratech Cement Ltd Tin 23762701822 Case No.34/2013 ET	<u>2012-13</u> <u>Dec 2014</u>	Limestone/ 43122547	9	3881029	AA incorrectly grant the exception of excess purchase of limestone against the purchase recorded in Audit Report	The AA stated that the Action would be taken after verification. Final action is awaited in audit.
51.	<u>ACCT-I Sagar</u> M/s Essel Vidyut Vitran (Sagar) Pvt. Ltd. TIN No. 23659066908 Case No. 87/2014	<u>2013-14</u> April-15	Plant & Mach., Computers, office equip., Fur.&Fix. / 92760174, 3359648, 244478, 974961	<u>2, 1,</u> <u>2, 2</u> ---	1855203 33596 4889 Penalty <u>19499</u> Total 1913187	Purchase price of Plant & Machinery and computer not included in GTO.	The AA stated that action would be taken after verification. Final action is awaited in audit.
52.	<u>CTO Balaghat</u> M/s Chaitanya Prasad TIN No. 23826501279 Case No. CS00000010752	<u>2012-13</u> March 2015	Plant & Machinery/ 6640241	<u>2</u> -	130831	AA did not include the total purchase value of plant & machinery.	The AA stated that action would be taken after verification. Final action is awaited in audit.
53.	<u>CTO, Circle.-8 Indore</u> M/s Patidar Enterprises TIN No. 2343950440 Case No. CS000000319952	<u>2012-13</u> Feb. 2015	Submersible Pump / 10002423	<u>1</u> -	100024 Penalty <u>300072</u> Total 400096	Non levy of ET on Submersible Pump.	The AA stated that action would be taken after verification. Final action is awaited in audit.
54.	<u>ACCT, Div.-II Sagar</u> M/s Eastern Refractories Ltd. TIN No. 23107800699 Case No. 40/12	<u>2011-12</u> May 2014	Furnace Oil / 24620534	<u>10</u> -	2462053	AA did not levy tax on import purchase of Furnace oil	The AA stated that action would be taken after verification. Final action is awaited in audit.

55.	CTO, Circle.-9 Indore M/s Reinforced Earth India Pvt. Ltd. TIN No. 23570904856 Case No. 456/13	2012-13 Nov. 2014	Less taxable amount taken in ET assessment/ 1,00,14,050	<u>1</u> -	Penalty 1,00,141 Total <u>3,00,423</u> 4,00,564	AA assessed ET on purchase value of ₹4,64,73,481 whereas the purchase value is proved to be ₹ 5,64,87,531 as per Form 49.	The AA stated that ET is not leviable for shifting of old machineries on Form-49. Reply is not tenable as ET is leviable on the goods entered into the local for use and consumption.
56.	ACCT, Div.-I Gwalior M/s Puri Agencies TIN No. 23915404499 Case No. CS000000188476	2012-13 Feb. 2015	Motor Parts / 2,57,61,510	<u>2</u> 1	Penalty 2,57,615 Total <u>7,72,845</u> 10,30,460	AA levied ET @ 1 per cent instead of 2 percent.	The AA stated that action would be taken after verification. Final action is awaited in audit.
57.	DCCT, Div.-II Indore M/s SKM Steels Ltd. TIN No. 23120903503 Case No. 06/13	2012-13 Sep. 2014	Plant & Machinery / 6165324	<u>2</u> 1	61654	ET was levied at the rate of 1% instead of 2%.	The AA stated that action would be taken after verification. Final action is awaited in audit.
58.	CTO Damoh M/s Jakhotia Plastics Pvt. Ltd. TIN No. 23817603932 Case No. 219/12	2011-12 July 2014	Less SSO TTO taken in ET assessment/ 34518329	<u>1</u> -	345183	AA assessed ET on purchase value of ₹7,47,55,008 whereas the purchase value is proved to be ₹ 10,92,73,337 as per Form 49	The AA stated that action would be taken after verification. Final action is awaited in audit.
59.	ACCT, Div. 21, Indore M/s Standard Conducts Private Ltd. TIN-23530502619 Case No CS000000012391/13 (ET)	2011-12 June 2014	Iron& Steel/ 163102734	2	2319339	The AA incorrectly granted exemption of ET to the dealer on the purchase value of goods sold to unit exempted under ET Exemption Scheme 2004, although the dealer did not submit the prescribed declaration form	The AA stated that the dealer has sold the goods to the exempted unit and that the exemption certificate issued to unit exempted under the scheme is enclosed in the case. The reply is not acceptable as the purchase of schedule II goods sold to exempted unit are exempted from Entry tax, if supported by declaration form specified in the notification.
			<b>10,277.40 lakh</b>		<b>TAX 7.26 crore PENALTY 2.01 crore TOTAL 9.27 crore</b>		

**Appendix XV**  
(Referred to in paragraph 3.9)  
**Penalty not imposed**

(Amount in ₹)

Sl. No.	Name of Unit/ Name of Dealer	Assessment period/ Assessment month	Month of assessment u/s 21	Tax, Interest & Penalty imposed	Penalty Leviable (3 times of Tax) Difference Amount	Audit observation	Reply of AA/ Our Comments
1.	CTO-Waidhan M/s Gajraj Chemicals Tin-23187304985 Case No.276/12	2011-12 July 2014	Dec 2014	Tax-21879045 Int-13455613 Penalty-2000 u/s 18(4)(c) Penalty-10000 u/s 39(5)	65637135 <b>52169519</b> {65637135- (13455613+2000+1000)}	In spite of the fact that the dealer has been under assessed and omission leading to assessment is attributable to the dealer, the AA didn't impose penalty as per provision of Section 21 of the Act.	The AA stated that taxation has been done as per Section 21 and Rule 31(2)(3) to the best of judgement after considering the surrounding circumstances. The reply of CTO-Waidhan is not acceptable because the said rule and sub-rule does not hold good to the case as the dealer has neither submitted any accounts/presented himself nor raised any objection. So the penalty under Section 21(2) is leviable on the dealer.
2.	CTO-Damoh M/s Md. Iqbal Tin-23377603398 Case No.2/14	2011-12 Self-assessed	Feb 2015	Tax-393287 Int-141583	1179861 <b>1038278</b> (1179861-141583)	In spite of the fact that the dealer has availed the benefit of 'C' form supported interstate sale on Fake 'C' form the AA didn't impose penalty as per provisions of Section 21 of the Act.	The AA stated that action would be taken after verification. Final action is awaited in audit.
3.	CTO-Dhar M/s Indore Steel Furniture Tin-23181603422 Case No.670/11	2010-11 -	Nov 2014	Tax-172760 Int-23084 Pen-1000	518280 <b>494196</b> {518280-(23084+1000)}	In spite of the fact that omission leading to assessment is attributable to the dealer, the AA didn't impose penalty as per provisions of Section 21 of the Act.	The AA stated that the dealer has not concealed the sale but has classified the sale at lower rate. The Reply of AA is not tenable as the dealer, in spite of having composition facility, charged VAT on sale bills. This is against the Rule.
4.	ACCT Div-II, Indore M/s Vaishno Devi Paper Products Tin-2336000537 Case No.02/2012	2009-10 Self-assessed	Dec 2013	Tax-76354 Int-53560 Pen-26780	229062 <b>148722</b> [229062-(53560+26780)]	In spite of the fact that the dealer was self-assessed and took the benefit of E-I & C form supported transaction without these forms the AA didn't imposed penalty as per provisions of Section 21 of the Act.	The AA stated that, as the intention of dealer was not wrong interest was imposed, instead of penalty. The reply is not tenable as the dealer was self-assessed and took the benefit of E-I & C form supported transaction without these forms and deposited only ` 1965 as a tax. The case was reopened and additional tax has been imposed on him. As the omission leading to assessment is attributable to the dealer So the penalty was leviable on the dealer.
<b>Total</b>					<b>5.39 crore</b>		

**Appendix XVI**  
(Referred to in paragraph 3.11)  
**Short levy of tax/ irregular grant of exemption/concession under Central Sales Tax Act**

**Part (i)**

(Amount in ₹)

Sl. No.	Name of Auditee/Dealer	Period/month of assessment	Turnover on which concessional rate is applicable Turnover Determined (₹)	Rate applicable Rate Applied	Amount of short realisation	Audit observation	Reply of AA/Our Comments
1	ACCT Div-III, Indore M/s Wipro Ltd. Tin-23871300063 Case No.-5/2012	2011-12 July 2014	94596 771352	13 2	74,443	AA incorrectly allowed concessional rate on State sale supported by State C form	Action would be taken after verification. Final action is awaited in audit.
2	DCCT, Div-II Indore M/s Maan Aluminium Ltd. Tin-23471101338 Case No. 56/2014	2012-13 Feb 2015	377561462 605551125	5 2	63,76,641	AA incorrectly allowed concessional rate on stock transfer not supported by F form considered as interstate sale by AA	AA stated that taxation has been done by assuming the sale as inclusive of tax. The reply is not tenable as central sale has been enhanced due to non-receipt of F form on stock transfer, while taxation has been done on the basis of Form 'C' supported sale.
3	DCCT, Div-II Indore M/s Gaytri Project Ltd. Tin-23422106332 Case No. 121/13	2012-13 Feb 2015	246442125 289822087	13 2	47,71,795	AA allowed concessional rate on excess turnover.	AA stated that concessional rate has been applied on the production of prescribed E-I, Form 'C'. The reply is not tenable because the AA enhanced the turnover as there is huge difference in purchase and sale. It is evident that sale of ₹ 43379962 is not supported by Form 'C'
4	DCCT(TAW) Indore M/s United Steel Co. Tin-23771604989 Case No. 15/13	2012-13 Feb 2015	28510360	2	3,00,000	AA had incorrectly calculated the tax @2% of turnover ₹ 270207, whereas is correctly calculated to be ₹ 0207.	AA stated that it is due to typing mistake.
<b>Total</b>					<b>115.23 lakh</b>		

Part (ii)-

(Amount in ₹)

Sl. No.	Name of the Auditee Unit/Dealer	C-Form Nos. No. Of C-Forms	Assessment Period/ Month of assessment	Declaration amount as per C Form (Rs.)	C-form issued to other party Amount as per TINXSYS	Leviable tax as per applicable Rate (%) of objected C form Amount	Amount of levy of tax and Penalty (Rs.)	Audit observation	Reply of the Department/ Our Comments
1	CTO Morena, M/s Kaila Devi Rolar floor Mill Morena Tin 23085603757 (CST)	<u>16 P 115735</u> 1	2011-12/6/2014	13250828	..	(5-2) 3% of 13250828	1590096 (397524+1192572)	In verification, it was found that the 'C' form was issued to other dealer.	The AA stated that action would be taken after verification. Final action is awaited in audit.
2	Assistant Commissioner Commercial Tax Dn-2 Gwalior M/s Madhusudhan Traders Datia Tin 23794901329 case no. 90351 (CST)	<u>MH-11/A3329218</u> 1	2011-12/6/2014	7213368	.. --	(5-2) 3% of 7213368	865604 (216401+649203)		
3	Dy. Commissioner, Tax Audit Wing Gwalior M/s ShriNathji edible oil products Morena Tin 23935503428 case no-	<u>AS/2010/13712</u> 43 1	2012-13/1/2015	3943605	1971803	(5-2) 3% of 1971802	236616 (59154+177462)		

4	CTO circle 12 Indore M/s Uttam Distributor Network Pvt Ltd Indore Tin 23811205230 Case no CS00000000130372	<u>MH-12/145656</u>  1	2011-12 6/2014	2734602	..	(5-2) 3% of 2734602	328152 (82038+ 246114)	The 'C' form was unsigned and the value shown on it was incorrect as compared to the returns (CST return Form V).	The AA stated that action would be taken after verification.  Final action is awaited in audit.
5	ACCT Ratlam  M/s Malwa oxygen and Industrial Gases Pvt. Ltd.  TIN 23493401292  Cases No. 149843/13	<u>MH-13/607405</u>  1	2012-13 12/2014	10056784	2154159	(13- 2)11%of 10056784	4424984 (1106246+ 3318738)	In verification, it was found that the 'C' form was issued to other dealer.	The AA stated that action would be taken after verification. Final action is awaited in audit.
		<b>No. of C-Forms</b>  5	<b>Total</b>	<b>37199187</b>	<b>4125962</b>	<b>35227384</b>	<b>74.45 lakh</b> <b>(1861363+</b> <b>5584089)</b>		
<b>Grand Total Appendix XI {Part (i) + Part (ii) }</b>							<b>₹ 1.9 0 crore</b> <b>(1.15 crore</b> <b>+ 0.75 crore)</b>		



**Appendix XVII**

(Referred to in paragraph 3.12)

**Tax not levied on sales incorrectly treated as tax free/tax paid**

(Amount in ₹)

Sl. No.	Name of auditee unit/ Dealer	Period/ month of assessment	Month of audit/ month of issue of IR	Commodity Taxable Amount	Rate of Tax (in per cent)	TAX (in ₹)	Observation of Audit	Reply of Assessing Authority
1	CTO-I Jabalpur M/s Amir Singh and Sons Tin-23705800035 Case No.84555/12	2011-12 Jun2014	Aug2015 Sep 2015	Lubricant 18,00,744	13	2,34,097	AA incorrectly treated the goods as tax paid goods.	Action would be taken after verification. Final action is awaited in audit.
2	CTO- Balaghat M/s Aneesh Enterprises Tin-23346504356 Case No.129/12	2011-12 May2014	Sep2015 Oct2015	Jute 19,93,425	5	99,671	AA incorrectly treated the goods as tax free goods.	Action would be taken after verification. Final action is awaited in audit.
3	CTO-15-Indore M/s Netwin Agro& Biotech Pvt. Ltd. Tin-23569000957 Case No.148408/12 148409/12	2011-12 Jun2014	May2015 Jun2015	Sprinkler pipe, lateral 61,35,594 (VAT + CST)	5	3,06,779  Penalty= 9,20,338  Total= 12,27,117	AA incorrectly treated the goods as tax free goods.	Action would be taken after verification. Final action is awaited in audit.
4	CTO- Betul M/s Vaishnav Traders Tin-23574705219 Case No.1734/11 1876/12 (Self-assessment)	2010-11 2011-12 Self- Assessed	Sep2015 Nov2015	Sprinkler pipe, lateral 43,39,727	5	2,16,986  Penalty= 6,50,958  Total= 8,67,944	AA incorrectly treated the goods as tax free goods.	Action would be taken after verification. Final action is awaited in audit.
5	CTO-Balaghat M/sshrimahamaya Fuels Tin-23959025556 Case No.10300002319044/12	2012-13 Sep2014	Sep2015 Oct2015	Petrol 1,08,29,487 Diesel 1,35,95,213	27  23	29,23,961  31,26,899  Total=60,50,860	AA incorrectly treated the goods as tax paid goods.	AA stated that proceedings on application given u/s 54(rectification of mistakes) by the dealer is pending. Action would be taken after verification. Final action is awaited in audit.
<b>TOTAL</b>				<b>386.94 lakh</b>		<b>TAX 69.08 lakh PENALTY 15.71lakh TOTAL 84.79 lakh</b>		

## Appendix XVIII

(Referred to in first bullet of paragraph 4.2.12)

## Loss of revenue due to non-installation of separate meters for dutiable and non-dutiable consumption of electricity

(Amount in ₹)

Sl. No.	Name of consumer	Period	Total units	Dutiable units	Dutiable per cent	Non dutiable Units	Non dutiable per cent	Duty Payable	Duty paid	Balance duty
1	Garrison Engineer, No. 1, Mhow	Apr-11 to July-15	36855693	26935835	73	9919858	27	27249295	19910115	7339180
2	Divisional Superintendent, Mhow	Apr-11 to July-15	8588208	5075947	60	3512261	40	7113038	4208070	2904968
3	Divisional Superintendent, WR, Indore	Apr-11 to July-15	3533810	883088	25	2650722	75	3014580	753057	2261523
4	Sr. Divisional Electrical Engg. (WCR), Jabalpur	March-14 to June-15	8500279	850028	10	7650251	90	7136859	713686	6423173
5	Sr. divisional Electrical Engg. (G) CR, Bhopal (Bina Station) for Offices and Qutrs.	Apr-12 to Dec-15	1595846	564190	35	1031656	65	1374019	485888	888131
6	Divisional Electrical Engg. (DEE) G Central Railway, Bhopal (Bina Station)	Apr-12 to Dec-15	9927926	4963966	50	4963960	50	8363692	4181849	4181843
7	DEG (G) CR Bhopal (Bina river)	Apr-12 to Dec-15	1634931	817463	50	817468	50	1340856	670430	670426
8	Divisional Suptd. Central Railway, Katni	Apr-12 to Nov-15	19085432	4771363	25	14314069	75	15736763	3906311	11830452
9	Divisional Suptd. SE Railway, Mandla	Apr-12 to Nov-15	4971249	2982623	60	1988626	40	4265707	2552405	1713302
10	Divisional Suptd. Western Railway, 1st point, Ratlam	Sept-11 to March-15	23991300	9009271	37.5	14982029	62.5	19569017	7345898	12223119
11	Divisional Suptd. Western Railway Station, Ujjain	Apr-11 to March-15	4241562	1055422	25	3186140	75	3470682	862911	2607771
12	DRM (WR) Kota Shamgarh Station	Apr-11 to Feb-15	1047795	576132	55	471663	45	841962	472922	369040
13	DRM (WR) Kota Ratlam, Neemuch Station	Apr-11 to Feb-15	1094042	328213	30	765829	70	878340	270279	608061
14	The Sr. DEE Railway Station, Harda	Jan-12 to Oct-15	2314051	1589803	69	714254	31	1971852	1354594	617258
15	Divisional Supt. (CR)	May-12 to	8919219	4307871	47 percent	4611348	53 percent	7545782	3649745	3896037

Sl. No.	Name of consumer	Period	Total units	Dutiable units	Dutiable per cent	Non dutiable Units	Non dutiable per cent	Duty Payable	Duty paid	Balance duty
	Gwalior Railway Station	Aug-15			upto April-15 and thereafter 60 percent		upto April-15 and thereafter 40 percent			
16	DEE Maint. (CR) Battery Charger, Gwalior	May-12 to Jun-15	6496955	3671476	62 percent from August-12	2250072	38 percent from August-12	5317702	3009844	2307858
17	The DRM, CR BPL Bara Tawa	Jan-12 to Oct-15	3643762	731053	20	2915020	80	2969804	595597	2374207
<b>Total</b>			<b>146442060</b>	<b>69113744</b>		<b>76745226</b>		<b>118159950</b> Say 11.81 crore	<b>54943601</b> Say 5.49 crore	<b>63216349</b> Say 6.32 crore

### Appendix XIX

(Referred to in Second bullet of paragraph 4.2.12)

#### Loss of revenue due to non-installation of separate meters for dutiable and non-dutiable consumption of electricity

(Amount in ₹)

Sl. No.	Name of consumer	Period	Total units	Dutiable units	Dutiable fixed units	Non dutiable Units	Payable of duty	Duty paid	Balance duty
1	Garrison Engineer, MES, Mhow	Apr-11 to March-15	52599348	16573596	345284 units per month	36025752	39123441	12340303	26783138
2	Superintendent, M.Y. Hospital, Indore	Apr-11 to March-15	7147917	48000	1000 units per month	7099917	6061758	40645	6021113
3	Garrison Engineer, MES West, Jabalpur	Apr-11 to Jun-15	36038158	6281160	123160 units per month	29756998	23408635	4076124	19332511
4	Garrison Engineer, MES West, Jabalpur	Apr-11 to Jun-15	54833144	20803512	407912 units per month	34029632	36595482	13890067	22705415
5	Station Commandant CRPF, Neemuch	Apr-11 to Feb-15	15667500	391283	8504 units per month	15011663	12010801	303879	11706922
6	Joint Director, Medical College, Jabalpur	Apr-11 to June -15	10192179	8446602	34227 units per month	1745577	8723156	1490159	7232997
7	Sr. Divisional Electricity Engineer, Habibganj	Apr-11 to Feb-14	4543289	708820	20252 units per month	3834469	3533567	550937	2982630
<b>Total</b>			<b>181021535</b> <b>Say 18.10</b> <b>crore</b>	<b>53252973</b> <b>Say 5.33</b> <b>crore</b>		<b>127504008</b> <b>Say 12.75</b> <b>crore</b>	<b>129456840</b> <b>Say 12.95</b> <b>crore</b>	<b>32692114</b> <b>Say 3.27</b> <b>crore</b>	<b>96764726</b> <b>Say 9.68</b> <b>crore</b>

**Appendix XX**  
(Referred to in paragraph 5.4)  
**Exempted Stamp Duty and Registration Fees not recovered**

(Amount in ₹)

Details of Stamp Duty and Registration Fees for Mining Leases of M/s Abhijeet Cement Ltd., Nagpur (ACL)							
Sl. No.	<u>Name of the Village</u> Area	Leviable Stamp Duty	Leviable Cess	Registration Fees	Total Exemption	Interest (at the rate of 18 per cent)	Total recoverable
1	<u>Baghreta</u> 190.326 Hectare (According to the letter no. 76 dated 24 June 2009 of Sub-Registrar, Morena)	75,93,750	3,79,688	56,95,343			
2	<u>Sahadpura, Itora</u> 186.79 Hectare (According to the letter no. 77 dated 24 June 2009 of Sub-Registrar, Morena)	3,03,75,000	15,18,750	2,27,81,280			
3	<u>Baghreta, Maheva, Saipura, Bheelpura</u> 268.520 Hectare (According to the letter no. 78 dated 24 June 2009 of Sub-Registrar, Morena)	1,51,87,500	7,59,375	1,13,90,655			
<b>Total</b>		<b>5,31,56,250</b>	<b>26,57,813</b>	<b>3,98,67,278</b>			
<b>Levied Stamp Duty, Cess and registration Fees</b>		<b>6,00,000</b>	<b>30,000</b>	<b>4,72,590</b>			
<b>Difference</b>		<b>5,25,56,250</b> Say 5.26 crore	<b>26,27,813</b> Say 26.28 lakh	<b>3,93,94,688</b> Say 3.94 crore			

## Appendix XXI

(Referred to in paragraph 5.5.1)

## Stamp Duty &amp; Registration Fees not realised/short realised (Mining leases/ Quarry leases)

(Amount in ₹)

Mining Leases										
Sl. No.	Name of unit, period of audit	Name of lessee	Lease period	Name of Mineral and rate	Quantity of mineral to be excavated per annum	Annual royalty	Stamp duty and Registration fees			
							Leviable	Levied	Short Levied	Total amount recoverable
1.	DMO Chhatarpur 04/14-03/15	Bhagyawanti Granites & Stone Private Ltd.	1.12.2013 to 30.11.2033	Granite / 800 per cu.m.	3000 cum.	24,00,000	(3*24,00,000 = 72,00,000 *5/100) =3,60,000 2,70,000	<u>81,060</u> 60,800	<u>2,78,940</u> 2,09,200	4,88,140
2.		Maple Mines & Minerals	(for 20 years)				(3*24,00,000 = 72,00,000 *5/100) =3,60,000 2,70,000	<u>81,060</u> 60,800	<u>2,78,940</u> 2,09,200	4,88,140
3.	DMO Chhindwara 04/14-03/15	M/s Murlidhar Minerals	10.05.2014 to 09.05.2033 (for 20 years)	Dolomite / 63 per tonne	1,73,931 tonne	1,09,57,653	(3*1,09,57,653= 3,28,72,959*5/100) =16,43,648 12,32,736	<u>1,95,500</u> 1,43,655	<u>14,48,148</u> 10,89,081	25,37,229
<b>Total</b>							<u>23,63,648</u> 17,72,736	<u>3,57,620</u> 2,65,255	<u>20,06,028</u> 15,07,481	<b>35,13,509</b> say 35.13 lakh

Quarry leases										
Sl. No.	Name of unit, period of audit	Name of lessee	Lease period	Name of Mineral and rate	Quantity of mineral to be excavated per annum	Annual royalty	Stamp duty and Registration fees			
							Leviable	Levied	Short Levied	Total amount recoverable
1.	DMO Dindori 4/11-3/15	Shri Bhuvan Singh Rathore	17.12.2013 to 16.12.2023(10 years)	Stone crusher/ 44 per cum.	18824 Cum.	8,28,256	(1.5*828256= 1242384 *5/100) = <u>62,119</u> 46,590	<u>19,880</u> 14,957	<u>42,239</u> 31,633	73,872
2.	DMO Singrauli 4/14-3/15	M/s Janta Construction	13.03.2015 to 12.03.2025(10 years)	Stone crusher/ 100 per cum.	6550 Cum.	6,55,000	(2% of Market value= 2/100*3326400) = <u>66528</u> 49896	<u>13100</u> 9830	<u>53428</u> 40066	93,494
3.	DMO Harda	MP State Mining Corp. Ltd (14 Quarry leases)	22.09.2010 to 21.09.2020(10 years)	Sand / 53 per cum.	5345250 Cum.	28,32,98,250	(283298250*1.5= 424947375*5/100) = <u>21247369</u> 15935527	<u>00</u> 00	<u>21247369</u> 15935527	3,71,82,896
4.	DMO Umaria	MP State Mining Corp. Ltd (3 Quarry leases)	05.06.2004 to 04.06.2024(20 years)	Sand / 100 per cum.	289600 Cum.	2,89,60,000	(2% of Annual Royalty= 2/100*28960000) = <u>579200</u> 434400	<u>00</u> 00	<u>579200</u> 434400	10,13,600
<b>Total</b>							<b><u>2,19,55,216</u></b> <b>1,64,66,413</b>	<b><u>32,980</u></b> <b>24,787</b>	<b><u>2,19,22,236</u></b> <b>1,64,41,626</b>	<b>3,83,63,862</b> say 383.64 lakh
<b>Grand Total</b>							<b><u>24318864</u></b> <b>18239149</b>	<b><u>390600</u></b> <b>290042</b>	<b><u>23928264</u></b> <b>17949107</b>	<b>4,18,77,371</b> say 4.19 crore

Appendix XXII

(Referred to in paragraph 5.5.2)

**Stamp Duty & Registration Fees not realised/short realised (Trade Quarries)**

(Amount in ₹)

Trade Quarry leases										
Sl. No.	Name of unit, period of audit	Name of lessee/sub-lessee	Lease period	Name of Mineral and rate	Quantity to be quarried in First year / second Year	Contract money First Year / Second Year	Stamp duty and Registration fees			
							Leviable	Levied	Short Levied	Total amount recoverable
1.	DMO Harda 04/14-03/15	MP State Mining Corp. Ltd /Kuber Kamna Marble Pvt. Ltd.	15.03.13 to 14.03.15	Sand / 150 per cum.	7,53,000 cum. / 8,28,300 cum.	11,29,50,000 / 12,42,45,000 Total : 23,71,95,000	<u>1,18,59,750</u> 88,94,813	<u>100</u> 00	<u>1,18,59,650</u> 88,94,813	2,07,54,463
2.		MP State Mining Corp. Ltd /Digiana Electro telecom Ltd.	15.03.13 to 14.03.13	Sand / 150 per cum.	7,01,000 cum./ 7,71,100 cum.	10,51,50,000/ 11,56,65,000 Total : 22,08,15,000	<u>1,10,40,750</u> 82,80,563	<u>100</u> 00	<u>1,10,40,650</u> 82,80,563	1,93,21,213
3.		MP State Mining Corp. Ltd /M/s. Shiva Corporation	29.09.13 to 28.09.15	Sand / 150 per cum.	13,26,000 cum./ 14,58,600 cum.	19,89,00,000/ 21,87,90,000 Total : 41,76,90,000	<u>2,08,84,500</u> 1,56,63,375	<u>100</u> 00	<u>2,08,84,400</u> 1,56,63,375	3,65,47,775
<b>Total</b>							<b><u>4,37,85,000</u></b> <b>3,28,38,751</b>	<b><u>300</u></b> <b>00</b>	<b><u>4,37,84,700</u></b> <b>3,28,38,751</b>	<b>7,66,23,451</b> say 7.66 crore



**Appendix XXIII**  
(Referred to in paragraph 8.5)  
**Process expenses not recovered**

(Amount in ₹)

Sl. No.	Name of Office and Period of audit	Period of year for calculation	RRC amount recovered	Non recovery of process expenses	Recovered process expenses	Balance to be recovered
1	Tehsildar Sonkatchh 04/15 to 6/16	10/14 to 06/16	37757584	1132728	0	1132728
2	Tehsildar Pansemal 04/15 to 6/16	07-08 to 09/14	20341341	610240	338564	271676
3	Tehsildar Niwari 04/15 to 6/16	10/13 to 06/16	31320739	939622	0	939622
4	Tehsildar Pathriya 04/15 to 6/16	2013-14	8484475	254534	76920	177614
5	Tehsildar Shivpuri 04/15 to 6/16	12-13 to 09/13	24409633	732289	0	732289
6	Tehsildar Neemuch 04/15 to 6/16	10/14 to 06/16	38265000	1147950	251286	896664
7	Tehsildar Mandsaur 10/11 to 09/14	12-13 to 09/14	14218000	426540	37091	389449
8	Tehsil Guna 10/12 to 09/14	12-13 to 09/14	43691832	1310755	0	1310755
9	Tehsil Shujalpur 10/09 to 09/14	10/14 to 04/16	9421270	282633	0	282633
10	Tehsil Suwasara 10/09 to 09/14	2009/10-2013/14	6555000	196650	0	196650
11	Tehsil Panna 10/09 to 09/14	2010/11-2014/15	5711761	171352	0	171352
12	Tehsil Gulana 10/09 to 09/14	2010/11-2013/14	13172101	395163	0	395163
13	Collector Raisen 10/05 to 09/14	2009/10-2013/14	77747810	2332434	0	2332434
14	Tehsil Bhanpura 04/02 to 03/15	2010/11-2014/15	7887000	236610	0	236610
15	Tehsil Mohan Bododiya	2009/10-2014/15	7837587	235128	0	235128

	10/09 to 09/14					
16	Collector Ratlam 10/11 to 09/14	2014-15	5572818	167184	0	167184
17	Tahsil Betul 10/14 to 09/15	2014-15	2034789	61044	0	61044
18	Collector Agar Malwa 08/13 to 09/15	8/13-09/15	9786000	293580	0	293580
19	Tahsil Ashok Nagar 10/14 to 09/15	2014-15	19311648	579349	0	579349
20	Tahsil Dewas 04/12 to 03/15	2012-14	8515500	255465	0	255465
21	Collector Dindori 10/06 to 09/14	2014-15	10204000	306120	0	306120
<b>Total</b>			<b>40.23 crore</b>	<b>1.21 crore</b>	<b>7.04 lakh</b>	<b>1.14 crore</b>

**Appendix XXIV**  
(Referred to in paragraph 8.6)  
**Under assessment of diversion rent and premium**

(Amount in ₹)

Sl. No.	Name of Office	Case No./Diversion year	Name of Place	Market Value (MV)	Leviable Diversion Rent/Leviable Premium	Levied Diversion Rent/Levied Premium	Short levy Diversion Rent	Short levy Premium
1.	Tahsil Alirajpur	<u>A-2/206</u> 2013-14	Ram singhki Chauki	200743 Residential	<u>1920</u> 9600	<u>4920</u> 4686	0	4914
2.		<u>A-2/207</u> 2013-14	Palasada	4800000 Residential	<u>401</u> 2007	<u>527</u> 188	0	1819
3.		<u>A-2/15</u> 2013-14	Borkhad	14697000 Residential	<u>2939</u> 14697	<u>437</u> 624	2502	14073
4.		<u>A-2/204</u> 2013-14	Kachhwa	487918 Residential	<u>976</u> 4879	<u>294</u> 105	682	4774
5.		<u>A-2/202</u> 2013-14	Balpur	112442 Residential	<u>225</u> 1124	<u>110</u> 39	115	1085
6.		<u>A-2/195</u> 2013-14	Lakhankot	252756 Residential	<u>506</u> 2527	<u>158</u> 225	348	2302
7.		<u>A-2/92</u> 2013-14	Borkhad	650510 Residential	<u>1301</u> 6505	<u>196</u> 279	1105	6226
8.		<u>A-2/95</u> 2013-14	Aambua	487900 Residential	<u>976</u> 4879	<u>294</u> 106	682	4773
9.		<u>A-2/208</u> 2013-14	Garat	195153 Residential	<u>390</u> 1951	<u>196</u> 70	194	1881
10.		<u>A-2/209</u> 2013-14	Kathiwara	836431 Residential	<u>1672</u> 8364	<u>439</u> 157	1233	8207
11.		<u>A-2/211</u> 2013-14	Borkhad	1170960 Residential	<u>2342</u> 11709	<u>353</u> 504	1989	11205
12.		<u>A-2/212</u> 2013-14	Aambua	325255 Residential	<u>651</u> 3252	<u>196</u> 70	455	3182
13.		<u>A-2/213</u> 2013-14	Aambua	487918 Residential	<u>976</u> 4879	<u>294</u> 105	682	4774
14.	Collectorate Chhindwara	<u>529/A-2/</u> <u>2014-15</u>	Lehgadua	3,96,14,900 Commercial	<u>158459</u> 792298	<u>23645</u> 118224	134814	674074
15.	Tahsil Dabra	<u>148/A-2</u> <u>2014-15</u>	Bujurg	3818000 Com	<u>15272</u> 76360	<u>7912</u> 39560	7360	36800
16.		<u>139/A-2</u> <u>2014-15</u>	Tekanpur	966966 Residential	<u>1934</u> 9670	<u>830</u> 4150	1104	5520
17.		<u>137/A-2</u> <u>2014-15</u>	Pathapanihar	331500 Commercial	<u>1326</u> 6630	<u>263</u> 1312	1063	5318
18.		<u>151/A-2</u> <u>2014-15</u>	Chhapra	1254600 Commercial	<u>5018</u> 25092	<u>3346</u> 16728	1672	8364
19.	Collectorate Ratlam	<u>10/A-2</u> 2013-14	Kharakhedi	Commercial	0 46500	0 23250	0	23250
20.		<u>08/A-2</u> 2013-14	Chandni Chauk	Commercial	<u>57243</u> 0	<u>5725</u> 0	51518	0
21.		<u>23/A-2</u> 2013-14		Commercial	<u>40673</u> 25200	<u>4200</u> 21000	36473	4200

22.		<u>21/A-2</u> 2013-14		Commercial	<u>17560</u> 72000	<u>13766</u> 68862	3794	3138
23.		<u>14/A-2</u> 2013-14		Commercial	<u>30279</u> 60300	<u>16221</u> 30150	14058	30150
24.	Tahsil Piparia	<u>36/A-2</u> 2014-15	Piparia	41808000 Residential	<u>83618</u> 418080	<u>81396</u> 406980	2222	11100
25.		<u>36/A-2</u> 2014-15	Piparia	30252000 Residential	<u>60504</u> <u>302520</u>	<u>58284</u> 291420	2220	11100
26.		<u>89/A-2</u> 2014-15	Piparia	23313000 Commercial	<u>93252</u> <u>466260</u>	<u>10867</u> 54336	82385	411924
27.		<u>99/ A-2</u> 2014-15	Piparia	6553200 Residential	<u>131064</u> <u>655320</u>	<u>64284</u> 321420	66780	333900
28.		<u>34/ A-2</u> 2014-15	Piparia	43134000 Residential	<u>95868</u> <u>479340</u>	<u>54184</u> 208420	41684	270920
29.	Tahsil Kurwai	<u>23/A-2</u> 2013-14	Hinota	826920 Commercial	<u>2888</u> 14438	<u>5016</u> 12540	0	1898
30.		<u>28/A-2</u> 2013-14	Keshopur	212550 Commercial	<u>850</u> 4251	<u>1500</u> 3750	0	501
31.		<u>25/ A-2</u> 2013-14	Kurwai	5994975 Residential	<u>11990</u> 59949	<u>6688</u> 25080	5302	34869
<b>Total</b>							<b>462436</b>	<b>1936421</b>
<b>Grand Total</b>							<b>23,98,677</b>	