



**Report of the
Comptroller and Auditor General of India
on Compliance Audit
for the year ended 31 March 2021**



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



Government of Himachal Pradesh
Report No. 4 of the year 2022

**Report of the
Comptroller and Auditor General of India
on Compliance Audit**

for the year ended 31 March 2021

Government of Himachal Pradesh
Report No. 4 of the year 2022

Table of Contents

Description	Reference to	
	Paragraph	Page(s) No.
<i>Table of Contents</i>	<i>i-iii</i>	
<i>Preface</i>	<i>v</i>	
<i>Overview</i>	<i>vii-xi</i>	
CHAPTER 1: GENERAL		
Introduction	1.1	1
Receipts and Expenditure	1.2	1-4
Authority for audit	1.3	4
Planning and conduct of Audit	1.4	4-5
Lack of response of Government to Audit	1.5	5-6
Response of Departments to Draft Audit Paragraphs and Detailed Compliance Audit Paragraphs	1.6	6-7
Follow-up on Audit Reports	1.7	7-8
Equity holding and Loans in SPSEs	1.8	9-10
Submission of accounts by State SPSEs	1.9	10-12
CHAPTER 2: TRANSITIONAL CREDIT UNDER GST		
State Taxes and Excise Department		
Introduction	2.1	13
Audit Objectives	2.2	13
Audit Criteria	2.3	14
Audit Scope and Methodology	2.4	14
Sample Selection	2.5	14
Results of Audit	2.6	14-15
Audit Observations	2.7	15-18
Conclusion	2.8	18-19
Recommendation	2.9	19
CHAPTER 3: PROCESSING OF REFUND CLAIMS UNDER GST		
State Taxes and Excise Department		
Introduction	3.1	21
Audit Objectives	3.2	21-22
Scope of Audit	3.3	22
Sample Selection	3.4	22
Audit Criteria	3.5	22
Results of Audit	3.6	22
Audit Observations	3.7	23-32
Conclusion	3.8	32
Recommendations	3.9	33

CHAPTER 4: PREPAREDNESS OF DEPARTMENT OF FIRE SERVICES		
Home Department		
Introduction	4.1	35-37
Budget and Expenditure	4.2	37
Planning	4.3	37-40
Infrastructure and Equipment	4.4	40-44
Manpower Management and Capacity Building	4.5	44-45
Response Time	4.6	45-46
Conclusion	4.7	46-47
Recommendations	4.8	47
CHAPTER 5: INDIVIDUAL AUDIT OBSERVATIONS		
State Taxes and Excise Department		
Inadmissible allowance of Input Tax Credit (ITC) on branch transfer	5.1	49
Non-levy of penalty and additional penalty on short lifting of Minimum Guaranteed Quota (MGQ)	5.2	50-51
Non-levy of interest on delayed payment of Retail Excise Duty and Bottling Fee	5.3	51-52
Non-realisation of bottling license fee	5.4	52-53
Suspected Pilferage of Country Liquor	5.5	53
Revenue Department		
Short determination of market value of properties	5.6	54-55
Short realisation of Stamp Duty and Registration Fees on Lease Deeds	5.7	56
Public Works Department		
Short realization of dues for laying of optical fibre cable	5.8	56-57
Unfruitful expenditure and undue favour in construction of road work	5.9	57-65
Undue favour to contractor on work of strengthening/widening of road	5.10	65-70
Jal Shakti Vibhag		
Infructuous and unfruitful/ineffective expenditure on construction of tube wells	5.11	70-72
Infructuous and unfruitful expenditure on execution of sewerage scheme	5.12	72-75
Rural Development Department		
Improper implementation of projects under State Rural Livelihood Mission	5.13	76-83
Transport Department		
Contradiction in provisions resulting in unjust collection of <i>Adda Fees</i> by the Concessionaires of Bus Stands	5.14	83-85

CHAPTER 6: INDIVIDUAL AUDIT OBSERVATIONS ON SPSEs		
Himachal Pradesh Power Transmission Corporation Limited (HPPTCL)		
Non-insertion of suitable clause in the bid resulting in avoidable payment of test charges	6.1	87-88
Himachal Pradesh State Electricity Board Limited (HPSEBL)		
Audit of Contracts relating to System Strengthening under Integrated Power Development Scheme (IPDS) in Himachal Pradesh State Electricity Board Limited	6.2	89-92
Shimla Jal Prabandhan Nigam Limited (SJPNL)		
Avoidable expenditure due to non-revision of Contract Demand and Standard Voltage Supply	6.3	92-97
APPENDICES		99-154
GLOSSARY		155-156

Preface

This Report of the Comptroller and Auditor General of India on Compliance Audit of Social, General, Economic and Revenue Sectors for the year ended 31st March 2021 has been prepared for submission to the Governor of the State of Himachal Pradesh under Article 151 of the Constitution of India.

The Report contains significant results of Compliance Audit of Receipts and Expenditure of the Government of Himachal Pradesh, conducted in terms of the Comptroller and Auditor General of India's (Duties, Powers and Conditions of Services) Act, 1971.

The instances mentioned in this Report are those which came to notice in the course of test audit done for the year 2020-21 as well as those which came to notice for earlier years but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to year 2020-21 have also been included, wherever necessary.

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

Overview

Overview

This Report covers matters arising out of the Compliance Audit of the Departments of the State Government and their Public Sector Undertakings. The Report contains three Subject Specific Compliance Audits and 17 individual compliance audit observations having monetary implication of ₹ 124.43 crore. The Report has been organised into six chapters as under:

Chapter 1: General

This is an introductory chapter, which contains financial profile of the State, planning and conduct of audit and follow-up on Audit Reports.

Chapter 2: Transitional Credit under GST

State Taxes and Excise Department

There were instances of excess carry forward of input tax credit than the last legacy returns and excess claims of transitional credits due to mismatch between Annual and Quarterly returns. It was noticed that transitional credits were allowed without filing of requisite returns. Further, transitional credit on goods in stock was allowed without duty paid documents and excess carry forward of Input tax credit on capital goods was allowed. All these deviations resulted in loss of revenue to the State Government.

Chapter 3: Processing of refund claims under GST

State Taxes and Excise Department

There was significant delay in issue of acknowledgements as well as in sanction of refunds. In several cases, there were deviations from the provisions of Acts and Rules which resulted in irregular refunds. The Department failed to adhere to the provisions for post-audit of refunds. The Department also failed to ensure the collection of all documentary evidence before sanctioning refunds, and refund registers were not maintained in prescribed formats.

Chapter 4: Preparedness of Department of Fire Services

Home Department

The Department had not conducted vulnerability analysis of fire vulnerable buildings as also not prepared database of hazardous industries. The Department had no database of high-rise buildings in the State despite the PAC's recommendation for identification of such buildings. The Himachal Pradesh Fire Fighting Services Act, 1984, empowers the Department to enter/ examine premises for compliance with fire safety norms but are weak as they do not contain provisions to enforce compliance and penal provisions for non-adherence to norms. 23 test-checked fire control centres did not have adequate and reliable source of water. Against approved fleet strength of 115 fire fighting

vehicles in the State, only 85 were available. At the same time, Department surrendered budget of ₹ 6.22 crore under 'Motor Vehicle' during 2018-21. Against required 5,055 personal protection equipment (PPE) for firefighters, only 728 were available. The unique toll-free number (101) assigned to attend first information about fire incidents had not been made available in any of the fire posts in the State which could result in delay in receipt of information and response time. Against sanctioned strength of 938 post of operational staff, 257 (28 *per cent*) posts were lying vacant, adversely impacting the capacity of fire control centres. The Department did not conduct any physical assessment test of firefighters during 2018-21 to ascertain their fitness for the job. In 22 test-checked fire control centres, there was delayed response to fire incidents.

Chapter 5: Individual Audit Observations

State Taxes and Excise Department

Inadmissible allowance of Input Tax Credit (ITC) on branch transfer

Failure of Assessing Authorities to disallow ITC on branch transfer resulted in inadmissible allowance of ITC of ₹ 1.40 crore. Besides, interest was also leviable.

(Paragraph 5.1, page: 49)

Non-levy of penalty and additional penalty on short lifting of Minimum Guaranteed Quota (MGQ)

The Department did not levy penalty of ₹ 37.46 crore and additional penalty of ₹1.58 crore for short lifting of Minimum Guarantee Quota of Country Liquor and Indian Made Foreign Liquor against benchmarks of 100 *per cent* and 85 *per cent* respectively.

(Paragraph 5.2, pages: 50-51)

Non-levy of interest on delayed payment of Retail Excise Duty and Bottling Fee

Interest amounting to ₹ 41.16 lakh on delayed payment of license fee and ₹ 26.30 lakh on delayed payment of bottling fee was not demanded by the Department from the licensees of 69 vends & five manufacturers respectively, resulting in non-levy of interest to the extent of ₹ 67.46 lakh.

(Paragraph 5.3, pages: 51-52)

Non-realisation of bottling license fee

In two distilleries/bottling plants, Deputy Commissioners of State Taxes and Excise recovered bottling license fee of ₹ 34.96 lakh against the recoverable amount of ₹71.86 lakh resulting in non-realization of ₹ 36.91 lakh. In addition, interest was also leviable.

(Paragraph 5.4, pages: 52-53)

Suspected Pilferage of Country Liquor

Mismatch between the quantity sold by the wholesaler and lifted by the retailers resulted in suspected pilferage of 8293.105 proof litres of liquor involving retail excise duty of ₹ 24.05 lakh.

(Paragraph 5.5, page: 53)

Revenue Department

Short determination of market value of properties

Incorrect valuation on the basis of incorrect circle rates and false affidavits regarding distance of the land from road resulted in short realisation of Stamp Duty and Registration Fee of ₹ 3.74 crore.

(Paragraph 5.6, pages: 54-55)

Short realization of Stamp Duty and Registration Fees on Lease Deeds

Market rates were not used to calculate stamp duty and registration fees due on lease deeds resulting in short recovery of ₹ 0.43 crore.

(Paragraph 5.7, page: 56)

Himachal Pradesh Public Works Department

Short realization of dues for laying of optical fibre cable

Failure of the Department to apply correct rates for restoration of road after the laying of optical fibre cable reflects negligence in safeguarding public resources resulting into short recovery of ₹ 0.55 crore and compromising the ability of the department to restore the road to the desired quality standards.

(Paragraph 5.8, pages: 56-57)

Unfruitful expenditure and undue favour in construction of road work

Unfruitful expenditure of ₹ 3.34 crore on incomplete road work including undue favour of ₹ 0.38 crore due to manipulated/collusive bidding, besides making payment for fictitious entries in measurement books.

(Paragraph 5.9, pages: 57-65)

Undue favour to contractor on work of strengthening/widening of road

Undue favour was granted to contractor for road work by making unauthorized/irregular advance payments of ₹ 6.15 crore and not adjusting/recovering the same, not levying liquidated damages of ₹ 0.82 crore for delay and granting inadmissible price escalations of ₹ 0.62 crore; besides, NABARD loan funds for other scheme(s) were diverted for making advance payments to the contractor thereby incurring interest liability.

(Paragraph 5.10, pages: 65-70)

Jal Shakti Vibhag

Infructuous and unfruitful/ ineffective expenditure on construction of tube wells

Not conducting scientific feasibility assessment of discharge at proposed sites for tube well schemes before commencement of work led to infructuous expenditure of ₹ 0.92 crore on abandoned schemes, and inefficient expenditure on marginally functional schemes, besides other schemes remaining incomplete even after lapse of seven years since approval, resulting in denial of irrigation facilities to beneficiaries.

(Paragraph 5.11, pages: 70-72)

Infructuous and unfruitful expenditure on execution of sewerage scheme

Deficient planning and non-ensuring availability of land led to inordinate delay of 12 years in execution of sewerage scheme for Theog town rendering expenditure of ₹ 5.12 crore unfruitful.

(Paragraph 5.12, pages: 72-75)

Rural Development Department

Improper implementation of projects under State Rural Livelihood Mission

State Rural Livelihood Mission (SRLM) asked for lesser performance guarantee by ₹ 2.06 crore from Programme Implementing Agencies (PIAs) and failed to enforce contractual recovery of ₹ 0.74 crore from the defaulter for poor performance. Besides, failing to expedite execution of projects through PIAs, leading to training of only 5,262 (47 *per cent*) candidates against a target of 11,100 and placement of 36 *per cent* candidates against the stipulation of 70 *per cent* of the trained. The SRLM had to terminate three projects without completion, due to poor performance and expenditure of ₹ 2.05 crore incurred thereon did not serve the intended objective.

(Paragraph 5.13, pages: 76-83)

Transport Department

Contradiction in provisions resulting in unjust collection of *Adda Fees* by the Concessionaires of Bus Stands

Unjust enrichment of Concessionaires by ₹ 2.76 crore by allowing them to collect *Adda fees* from the date of signing of Agreement instead of date of completion.

(Paragraph 5.14, pages: 83-85)

Chapter-6: Individual Audit Observations on SPSEs

Himachal Pradesh Power Transmission Corporation Limited (HPPTCL)

Non-insertion of suitable clause in the bid resulting in avoidable payment of test charges

Failure of the Company in inserting suitable clause in the bid resulted in avoidable payment of testing charges of ₹ 10 crore.

(Paragraph 6.1, pages: 87-88)

Himachal Pradesh State Electricity Board Limited (HPSEBL)

Audit of contracts relating to System strengthening under Integrated Power Development Scheme (IPDS) in Himachal Pradesh State Electricity Board Limited

Company awarded (2018-19) contracts relating to solar plants at ₹ 5.14 crore higher than the rates approved by HIMURJA. It approved extension of time on unjustified grounds without levy of liquidated damages (LD), resulting in non-levy of LD amounting to ₹ 57.60 lakh.

GST payment on solar plants was made (January 2019 to December 2019) at 18 *per cent* without any documentary proof against the applicable rate of five *per cent* resulting in extra payment of ₹ 21.03 lakh.

(Paragraph 6.2, pages: 89-92)

Shimla Jal Prabandhan Nigam Limited (SJPNL)

Avoidable expenditure due to non-revision of Contract Demand and Standard Voltage Supply

Failure of Shimla Jal Prabandhan Nigam Limited (SJPNL) to revise Contract Demand as per actual maximum recorded demand in three Lift Water Supply Schemes led to avoidable expenditure/ liability of Demand Charges of ₹ 5.67 crore. Wrongly imposed Contract Demand Violation Charges of ₹ 0.23 crore was paid by SJPNL. Further, the SJPNL availed energy supply at a voltage lower than the Standard Supply Voltage, resulting in avoidable expenditure of ₹ 5.14 crore on account of Low Voltage Supply Surcharge.

(Paragraph 6.3, pages: 92-97)

Chapter-1

General

Chapter 1: General

1.1 Introduction

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

The Report has been organised in six chapters as under:

- **Chapter 1** contains a brief profile of the State Government with the receipt and expenditure for the year 2020-21, the authority for audit, audit jurisdiction, planning and conduct of audit, response of the Government to various audit products namely Inspection Reports, individual observations/ paragraphs and follow up action on Audit Reports.
- **Chapter 2** contains observations of the Subject Specific Compliance Audit on Transitional Credit under GST.
- **Chapter 3** contains observations of the Subject Specific Compliance Audit on Processing of refund claims under GST.
- **Chapter 4** contains observations of the Subject Specific Compliance Audit on Preparedness of Department of Fire Services.
- **Chapter 5** contains individual observations relating to Compliance Audit.
- **Chapter 6** contains individual observations relating to Compliance Audit of Public Sector Undertakings of the State Government.

1.2 Receipts and Expenditure

Himachal Pradesh is a Special Category State (SCS); accordingly, it is entitled to financial assistance from Government of India (GOI) in the ratio of 90 *per cent* grant and 10 *per cent* loan. **Table-1.1** provides the details of actual financial results *vis-à-vis* budget estimates for the year 2020-21:

Table-1.1: Actual Financial Results vis-à-vis Budget Estimates

(₹ in crore)

Sr. No.	Components	2020-21 (Budget Estimates)	2020-21 (Actuals)
1.	Own Tax Revenue	9,090	8,083
2.	Non-Tax Revenue	2,410	2,188
3.	Share of Union taxes/duties	6,266	4,754
4.	Grants-in-aid and Contributions	20,673	18,413
5.	Revenue Receipts (1+2+3+4)	38,439	33,438
6.	Recovery of Loans and Advances	26	23
7.	Other Receipts	0	3
8.	Borrowings and other Liabilities ^(a)	5,460	5,700*
9.	Capital Receipts (6+7+8)	5,486	5,726*
10.	Total Receipts (5+9)	43,925	39,164*
11.	Revenue Expenditure Of which,	39,123	33,535
12.	Interest payments	4,932	4,472
13.	Capital Expenditure	6,614	5,629
14.	Capital outlay	6,255	5,309
15.	Disbursement of Loans and advances	359	320
16.	Total Expenditure (11+13)	45,737	39,164

Source: Finance Account and State's budget documents.

(a) Borrowings and other Liabilities: Net (Receipts-Disbursements) of Public Debt + Net of Contingency Fund + Net (Receipts - Disbursements) of Public Account + Net of Opening and Closing Cash Balance.

* Includes ₹ 1,717 crore as back-to-back loans to State from GOI in lieu of GST compensation shortfall.

The tax and non-tax revenue raised by the Government of Himachal Pradesh during the year 2020-21, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-Aid received from the Government of India during the year and the corresponding figures for the preceding four years are depicted in **Table-1.2**.

Table-1.2: Trend of revenue receipts

(₹ in crore)

Sr. No.	Particular	2016-17	2017-18	2018-19	2019-20	2020-21
1.	Revenue raised by the State Government					
	Tax revenue of which	7,039.05	7,107.67	7,575.61	7,626.78	8,083.32¹
	VAT on sales and trade	4,381.91	2,525.87	1,185.43	1,169.53	1,630.11
	State Goods and Service Tax	-	1,833.16	3,342.68	3,550.34	3,466.58
	State Excise	1,307.87	1,311.25	1,481.63	1,660.02	1,599.74
	Motor vehicles tax	279.58	367.16	408.01	465.52	380.20
	Stamp Duty	209.16	229.18	250.55	259.58	253.36
	Taxes and Duties on electricity	371.67	360.79	487.08	100.86	401.76
	Others	488.86	480.26	420.23	420.93	351.57 ²

¹ This includes amount of ₹ 3,466.58 crore received under Major Receipt Head '0006-State Goods and Services Tax'.

² Other Receipts-Land Revenue: ₹ 6.95 crore, Taxes on Goods and Passengers: ₹ 83.55 crore and Other Taxes and Duties on Commodities and Services: ₹ 261.07 crore (excluding share of net proceeds of divisible Union taxes and duties).

Sr. No.	Particular	2016-17	2017-18	2018-19	2019-20	2020-21
	Non-tax revenue of which	1,717.24	2,363.85	2,830.04	2,501.50	2,188.45
	Power	650.93	687.61	1,134.34	1,021.68	749.12
	Interest receipts	145.56	340.54	385.88	245.36	306.43
	Non-ferrous, Mining and Metallurgical Industries	176.22	441.46	221.05	246.30	252.16
	Forestry and Wildlife	18.50	46.87	76.32	83.61	49.56
	Public works	54.60	55.87	69.92	53.51	58.28
	Other administrative services	42.63	40.45	51.34	49.65	37.05
	Police	50.50	63.33	72.89	55.28	59.77
	Other Non-tax revenue ³	578.30	687.72	818.30	746.11	676.08
	Total	8,756.29	9,471.52	10,405.65	10,128.28	10,271.77
2.	Receipts from the Government of India					
	Share of net proceeds of divisible Union taxes and duties	4,343.70	4,801.31	5,426.97	4,677.56	4,753.92 ⁴
	Grants-in-Aid	13,164.35	13,094.23	15,117.66	15,939.52	18,412.58 ⁵
	Total	17,508.05	17,895.54	20,544.63	20,617.08	23,166.50
3.	Total revenue receipts of the State Government (1 and 2)	26,264.34	27,367.06	30,950.28	30,745.36	33,438.27
4.	State's own revenue as a per cent of total revenue	33.34	34.61	33.62	32.94	30.72

Source: Finance Accounts.

During the year 2020 - 21, 69.28 *per cent* of the receipts was from the Government of India, as share of net proceeds of divisible union taxes and Grants-in-Aid. The percentage of revenue receipts of the State Government, from its own resources to total revenue receipts, showed increasing trend from 33.34 *per cent* in 2016-17 to 34.61 *per cent* in 2017-18 and showed declining trend thereafter coming down to 30.72 *per cent* during 2020-21. The tax revenue increased by ₹ 1,044.27 crore (14.84 *per cent*) during the years 2016-17 to 2020-21 with an average rate of growth of 3.71 *per cent*.

There are 50 departments, 29 State Public Sector Enterprises and 53 autonomous bodies in the State. The status of budget estimates and actual expenditure by the State Government, during 2016-21, is given in **Table-1.3**:

³ The details of Other Non-tax revenue are given in **Appendix-1.1**.

⁴ The details are as shown in **Appendix-1.2**.

⁵ This includes amount of ₹ 1,763.53 crore received from Government of India as compensation of loss due to implementation of Goods and Services Tax. This does not include the amount of ₹ 1,717.00 crore received by the State as back-to-back loan under debt receipts of the State Government with no repayment liability.

Table-1.3: Budget and Expenditure of the State Government during 2016-21

(₹ in crore)

Particulars	2016-17		2017-18		2018-19		2019-20		2020-21	
	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals	Budget Estimates	Actuals
Revenue Expenditure										
General Services	10,135	9,728	11,230	11,009	13,331	11,438	14,351	12,335	15,528	13,454
Social Services	11,388	9,610	11,884	10,337	13,488	11,482	13,895	12,047	15,220	12,844
Economic Services	7,314	5,996	7,734	5,697	9,082	6,512	7,832	6,338	8,364	7,227
Others	5	10	9	10	11	10	11	10	11	9
Total (1)	28,842	25,344	30,857	27,053	35,912	29,442	36,089	30,730	39,123	33,535
Capital Expenditure										
Capital Outlay	3,241	3,499	3,531	3,756	4,298	4,583	4,580	5,174	6,255	5,309
Loans and advances disbursed	428	3,290	448	503	448	468	457	458	359	320
Total (2)	3,669	6,789	3,979	4,259	4,746	5,051	5,037	5,632	6,614	5,629
Grand Total	32,511	32,133	34,836	31,312	40,658	34,493	41,126	36,362	45,737	39,164

Source: Annual Financial Statements and Finance Accounts of State Government.

Revenue expenditure increased by 32 per cent from ₹ 25,344 crore to ₹ 33,535 crore and capital outlay increased by 52 per cent from ₹ 3,499 crore to ₹ 5,309 crore from 2016-17 to 2020-21.

1.3 Authority for audit

Authority for audit by the CAG is derived from Articles 149 and 151 of the Constitution of India and the CAG's (Duties, Powers & Conditions of Service) Act, 1971 (DPC Act). CAG conducts audit of expenditure of State Government Departments under Section⁶ 13 of the CAG's DPC Act. In addition, CAG also conducts audit of other Autonomous Bodies which are substantially financed by the Government under Section⁷ 14 of DPC Act. Section 16 of the CAG's DPC Act authorises CAG to audit all receipts (both revenue and capital) of the Government of India and of Government of each state and of each Union territory having a legislative assembly and to satisfy himself that the rules and procedures are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed. Principles and methodologies for various audits are prescribed in the Regulations on Audit & Accounts (Amendments), 2020 and Auditing Standards issued by the Indian Audit & Accounts Department.

1.4 Planning and conduct of Audit

In Civil Compliance audit, the audit process commences with a risk assessment of various Departments, Autonomous Bodies, schemes/ projects, considering the

⁶ Audit of (i) all expenditure from the Consolidated Fund of State, (ii) all transactions relating to Contingency Funds and Public Accounts and (iii) all trading, manufacturing, profit & loss accounts, balance-sheets & other subsidiary accounts.

⁷ Several non-Commercial Autonomous/ Semi-Autonomous Bodies, established to implement Schemes for employment generation, poverty alleviation, spread of literacy, health for all and prevention of diseases, environment, etc., and substantially financed by the Government, are audited under Section 14.

criticality/ complexity of activities, level of delegated financial powers, internal controls, concerns of stakeholders and previous audit findings. Based on this risk assessment, the scope of audit is decided and an Annual Audit Plan is formulated.

In revenue sector, the auditable entities under various Departments are categorised into high, medium and low risk units according to their revenue position, past trends of the audit observations and other parameters. There are a total of 542 auditable units in the State of Himachal Pradesh, of which 184 units⁸ were planned and audited during 2020-21. The units were selected on the basis of risk analysis. Audit of 184 units of Sales Tax/Value Added Tax, State Excise, Motor Vehicles, and Goods and Passengers Tax were conducted during the year 2020-21 through test check of records. The total revenue loss on account of the deficiencies highlighted by Audit through IRs during 2020-21 amounted to ₹ 360.75⁹ crore in 975 cases. During the year 2020-21, the Departments concerned accepted and recovered an amount of ₹ 13.83 crore in 235 cases¹⁰ pertaining to audit findings of previous years.

During 2020-21, Compliance Audit of 32 departments in General, Social and Economic sector was conducted by the Office of the Principal Accountant General (Audit), Himachal Pradesh under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. Against recovery of ₹ 33.28 crore pointed out in 4,902 cases, the DDOs concerned had accepted recovery of ₹ 32.75 crore in 4,888 cases. Recovery of ₹ 30.08 crore in 1,941 cases was effected during 2020-21.

1.5 Lack of response of Government to Audit

The Principal Accountant General (Audit), Himachal Pradesh (PAG), conducts periodic inspection of the Government Departments to test check the transactions and verify the maintenance of important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with Inspection Reports (IRs) incorporating irregularities detected during the inspection and not settled on the spot, which are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action.

The heads of the offices are required to comply with the observations contained in the IRs within four weeks from the date of receipt of the IRs. Serious financial irregularities are reported to the Heads of the Department and the Government. Draft audit paragraphs proposed for inclusion in the Audit Report of the Comptroller and Auditor General of India are forwarded by the PAG to the Principal Secretaries/Secretaries of the Departments concerned drawing their attention to the audit findings and requesting them to send their response within six weeks.

⁸ These units comprise subordinate offices of three departments - Excise, Transport and Revenue Department, Shimla.

⁹ Taxes/VAT on sales and Trade: amount: ₹ 207.31 crore: cases: 215; State Excise: amount: ₹ 77.84 crore: cases: 109; Stamp Duty: amount: ₹ 17.29 crore: cases: 425; Land Revenue: amount ₹ 3.98 crore: cases 83; Taxes on vehicles, Passenger and Goods: amount: ₹ 54.32 crore cases: 143.

¹⁰ Stamp Duty and Registration fee ₹ 83.62 lakh, cases 166; MVT ₹ 1245.8 lakh, cases 31; Land Revenue ₹ 0.15 lakh, cases 02 and VAT ₹ 53.10 lakh, cases 36.

In revenue sector, 7,765 audit observations involving ₹ 2,002.52 crore relating to 2,272 Inspection Reports issued up to March 2021 remained outstanding as on 30 June 2021. Audit did not receive even the first reply¹¹ from the respective Heads of Offices within the stipulated time of four weeks in respect of all the 184 IRs issued during the year 2020-21. Similarly, in General, Social and Economic sectors, 53,047 audit observations contained in 11,525 IRs were outstanding as on 31 March 2021.

The purpose of audit is to check whether prescribed rules, laws and procedures are being adhered to, and to highlight cases of non-compliance, systemic weaknesses, and failures. The large number of pending IRs and audit observations pending settlement indicate inadequate response to audit observations. The lack of action on these audit observations weakens accountability and raises the risk of loss of revenue. Increasing pendency of audit paragraphs merits urgent attention of the Government for addressing the issues consistently raised by Audit. The departmental officers failed to take action on observations contained in IRs within the prescribed time frame, resulting in erosion of accountability. It is recommended that the Government should ensure prompt and proper response to audit observations.

1.5.1 Departmental audit committee meetings

The Government had set up audit committees under the Chairmanship of the Secretary of the Department concerned to monitor and expedite the settlement of audit observations included in the IRs.

In 2020-21, out of 4,841 outstanding audit observations as of June 2020, 131 observations involving an amount of ₹ 12.52 crore were settled in two Audit Committee meetings held for Departments of Revenue and Transport.

No audit committee meetings were held in Compliance audit of Departments in Social, General and Economic sectors.

The Government may ensure holding meetings of the Audit Committee at regular intervals for all the Departments.

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

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

In the last few years, Audit has reported on several significant deficiencies in implementation of various programmes/ activities as well as on the quality of internal controls in selected departments adversely impacting the success of programmes and functioning of the departments. The focus was on auditing specific programmes/

¹¹ The officer in charge of an auditable entity is supposed to send the reply to an audit note or inspection report within four weeks of its receipt.

schemes in order to offer suitable recommendations to the Executive for taking corrective action and improving service delivery to the citizens.

The draft audit paragraphs proposed for inclusion in the Report of the Comptroller and Auditor General of India are forwarded by the Principal Accountant General (Audit) to the Principal Secretaries/ Secretaries of the Department concerned drawing their attention to the audit findings and requesting them to send their response within six weeks. The fact of non-receipt of replies from the Departments/ Government is invariably indicated at the end of such paragraphs included in the Audit Report.

1.7 Follow-up on Audit Reports

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

1.7.1 Non-submission of Action Taken Notes

According to the Rules and Procedure for the Public Accounts Committee, all administrative departments are to initiate *suo moto* action on all Compliance Audit paragraphs and Performance Audits featuring in the Audit Reports of the Comptroller and Auditor General of India, regardless of whether these are taken up for examination by the Public Accounts Committee or not. They are also to furnish detailed notes, duly vetted by audit, indicating the remedial action taken or proposed to be taken by them within three months of the presentation of the Audit Reports to the State Legislature.

Despite these provisions, the action taken notes on audit paragraphs of the Reports were inordinately delayed. A total of 119 paragraphs (including Performance Audits) included in the Audit Reports on Revenue Sector of the Comptroller and Auditor General of India of the Government of Himachal Pradesh for the years ended 31 March 2014, 2015, 2016, 2017, 2018, 2019 and 2020 were placed before the State Legislative Assembly between 10 April 2015 and 15 December 2021. Action taken notes on these paragraphs were, however, received very late from the Departments as depicted in **Table-1.4:**

Table-1.4: Delay in Receipt of ATNs

Sr. No.	Report of CAG on Revenue Sector for the Year ended	Date of laying of Audit Report in legislature	ATNs received during the period	Delay in Receipt of ATN
1.	2014	10 April 2015	2015 to 2018	1 to 37 Months
2.	2015	07 April 2016	2016 to 2018	2 to 24 Months
3.	2016	31 March 2017	2017 to 2018	5 to 15 Months
4.	2017	05 April 2018	2018 to 2019	0 to 14 Months
5.	2018	14 December 2019	2020 to 2021	6 to 13 Months
6.	2019	13 August 2021	Yet to be received	
7.	2020	15 December 2021	Yet to be received	

The PAC had discussed one paragraph pertaining to the Audit Report (2008-09) on Revenue Sector during the year 2020-21.

In Social, General and Economic sectors, the status regarding non-receipt of Action Taken Notes (ATNs) on the paragraphs included in the previous Audit Reports is given in **Table-1.5:**

Table-1.5: Status regarding non-receipt of ATNs on the paras included in the Audit Reports

C&AG Audit Report	Year	Department(s)	Date of presentation of Audit Report in the State Legislature	Due date for receipt of ATNs	ATNs pending as of 31 st March 2022
Social, General and Economic Sectors (Non-PSUs)	2012-13	Tribal Development	21.02.2014	20.05.2014	01
	2013-14	Health and Family Welfare	10.04.2015	09.07.2015	01
		Tribal Development			01
		Medical Education and Research			01
	2014-15	SC, OBC and Minority Affairs	07.04.2016	06.07.2016	01
	2015-16	Home	31.03.2017	30.06.2017	02
		IPH			03
		Fisheries			01
	2016-17	Information Technology	05.04.2018	04.07.2018	01
		Horticulture			01
		Home			01
	2017-18	Revenue	14.12.2019	13.03.2020	02
	2018-19	Horticulture	13.08.2021	12.11.2021	02
		Urban Development			01
		Education			03
		General Administration			01
		Industries			01
		Labour and Employment			01
		Planning			02
		Public Work Department			01
		Revenue			01
		Technical Education			01

1.7.2 Delays in submission of Accounts/ Separate Audit Reports of Autonomous Bodies/ Authorities

Several autonomous bodies have been set up by the State Government in the fields of Education, Welfare, Law and Justice, Health, etc. Audit of accounts in respect of autonomous bodies/authorities in the State has been entrusted to the Comptroller and Auditor General of India as detailed in **Appendix-1.3**. Detail of bodies/authorities whose accounts are in arrears is given in **Table-1.6**:

Table-1.6: Arrears of accounts of Bodies or Authorities

Sr. No.	Name of Body or Authority	Accounts pending since	No. of Accounts pending up to 2020-21
1.	Himachal Pradesh Building and Other Construction Workers Welfare Board, Shimla	2019-20	01
2.	HP Khadi and Village Industries Board	2013-14	07
3.	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	2015-16	05
4.	HP City Transport and Bus Stand Management and Development Authority	2019-20	01

Delay in finalisation of accounts carries the risk of financial irregularities going undetected and therefore, the accounts need to be finalised and submitted to Audit at the earliest.

1.8 Equity holding and Loans in SPSEs

The sector wise Total Equity, Equity Contribution by State Government and Long Term Loans including the loans given by the State Government to 26 working SPSEs as on 31 March 2021 is given in **Table-1.7**:

Table-1.7: Sector-wise investment in SPSEs as on 31 March 2021

Name of Sector	Investment ¹² (₹ in crore)				
	Total Equity	State Government Equity	Total Long Term Loans	State Government Loans	Total Equity and Long Term Loans
Power	3,814.19	2,087.57	11,636.20	7,223.06	15,450.39
Finance	144.99	138.30	171.30	84.68	316.29
Industries and Infrastructure	62.99	62.87	2.97	2.97	65.96
Agriculture and Allied	69.33	59.80	72.05	71.65	141.38
Service	949.64	933.44	42.61	0.05	992.25
Total	5,041.14	3,281.98	11,925.13	7,382.41	16,966.27

Source: Information provided by the SPSEs.

The thrust of SPSEs investment was mainly on power sector. This sector had received 91.07 per cent (₹ 15,450.39 crore) of total investment of ₹ 16,966.27 crore.

1.8.1 Budgetary Support by Government of Himachal Pradesh to SPSEs

The Government of Himachal Pradesh (GoHP) provides financial support to State Public Sector Enterprises (SPSEs) in various forms through annual budget from time to time. The summarised details of budgetary outgo towards equity, loans, grants/subsidies, loans written off and loans converted into equity in respect of SPSEs during the last three years ending 31 March 2021 are given in **Table-1.8** below:

Table-1.8: Details of budgetary support to all SPSEs

(₹ in crore)

Particulars ¹³	2018-19		2019-20		2020-21	
	No. of SPSEs	Amount	No. of SPSEs	Amount	No. of SPSEs	Amount
Equity Capital	6	312.85	7	335.89	7	263.25
Loans given	2	369.10	2	571.26	2	268.83
Grants/Subsidies provided	11	440.36	9	691.15	9	983.68
Total Outgo	-	1,122.31	-	1,598.30	-	1,515.76
Loan repayment/ written off	-	-	-	-	2	4.18 ¹⁴
Loans converted into equity	-	-	-	-	-	-
Guarantees issued during the year	5	115.60	7	673.60	8	491.44
Guarantee Commitment/ outstanding	1	0.60	8	1,447.15	4	93.74

Source: Compiled based on information received from SPSEs.

¹² Investment includes equity and long-term loans.

¹³ Amount represents outgo from State Budget only.

¹⁴ Repayment of ₹ 1.93 crore and ₹ 2.25 crore was made by Himachal Pradesh State Electronics Development Corporation Limited and Himachal Pradesh Horticultural Produce Marketing and Processing Corporation Limited respectively.

Equity was mainly infused by the State Government during 2020-21 in three Power Sector SPSEs¹⁵ (₹ 196.98 crore) and one 'Other Than Power Sector SPSE' (Himachal Road Transport Corporation: ₹ 62.02 crore). The State Government has also provided loans to one Power Sector SPSE (Himachal Pradesh Power Transmission Corporation Limited: ₹ 266.00 crore). Major portion of grants/subsidies was provided by the State Government to Himachal Road Transport Corporation (₹ 529.20 crore¹⁶) and to Shimla Jal Prabandhan Nigam Limited (₹ 195.24 crore¹⁷).

1.9 Submission of accounts by State SPSEs

1.9.1 Need for timely submission

According to Section 394 of the Companies Act, 2013, Annual Report on the working and affairs of a Government Company is to be prepared within three months of its Annual General Meeting (AGM) and is placed as soon as may be after such preparation before the legislature together with a copy of the Audit Report and any comments upon or supplement to the Audit Report, made by the CAG. Almost similar provisions exist in the respective Acts regulating Statutory Corporations. This mechanism provides the necessary legislative control over the utilisation of public funds invested in the companies from the Consolidated Fund of States.

Section 129 (7) of the Companies Act, 2013 also provides for levy of penalty like fine and imprisonment on the persons including Directors of the Company responsible for non-compliance with the provisions of Section 129 of the Companies Act, 2013. The annual accounts of various SPSEs were pending as on 30 November 2021.

1.9.2 Timeliness in preparation of accounts by Government Companies and Government Controlled Other Companies

As of 31 March 2021, there were 26 Companies (22 Government Companies and four¹⁸ Government Controlled Other Companies -excluding Himachal Worsteds Mills Limited which is under liquidation since 2000-01) under the purview of CAG's audit. Of these, three¹⁹ Companies submitted accounts for the year 2020-21 and remaining 23 SPSEs submitted accounts for the year 2019-20 or prior years. Twenty-three²⁰ annual accounts of 18 SPSEs²¹ were submitted for audit and finalised by CAG on or before

¹⁵ Himachal Pradesh State Electricity Board Limited (₹ 50.77 crore), Himachal Pradesh Power Corporation Limited (₹ 62.21 crore) and Himachal Pradesh Power Transmission Corporation Limited (₹ 84.00 crore).

¹⁶ Grant for reimbursement of cost of free/concessional travel allowed to various categories of population in the Himachal Pradesh.

¹⁷ For meeting out operational and administrative expenses.

¹⁸ Himachal Consultancy Organisation Limited, Himachal Pradesh Power Corporation Limited, Dharamshala Smart City Limited and Shimla Jal Prabandhan Nigam Limited.

¹⁹ Himachal Pradesh State Electricity Board Limited, Beas Valley Power Corporation Limited and Shimla Jal Prabandhan Nigam Limited.

²⁰ Himachal Pradesh State Electricity Board Limited: Three; Beas valley Power Corporation Limited, Shimla Jal Prabandhan Nigam Limited and Himachal Pradesh Minorities and Finance Development Corporation: two each and from other 14 SPSEs: one each.

²¹ Government Companies: 14 and Government Controlled Other Companies: four.

30th November 2021²². The value addition made by Supplementary Audit of financial statements of these SPSEs for the accounts audited was on the net financial impact (₹189.67²³ crore on profitability and ₹2,081.07 crore on assets/ liabilities). 62 annual accounts of 23 SPSEs (excluding statutory corporations) were in arrears for various reasons as of 30 November 2021. Details of annual accounts which are in arrears in respect of 23 SPSEs (Government Companies: 20 and Government Controlled Other Companies: 3) are given in **Table-1.9**:

Table-1.9: Showing the detail of number of Companies, accounts finalised and accounts in arrear as of 30 November 2021

Particulars	Government Companies	Government Controlled Other Companies	Total
Total number of Companies under the purview of CAG's audit as on 31 March 2021	22	04	26
Number of accounts in arrears as on 1 January 2021	52	07	59
Number of Companies, accounts of which became due on for the year 2020-21	22	04	26
Total number of accounts due for Supplementary Audit	74	11	85
Number of companies which presented the accounts for CAG's audit from 1 January 2021 to 30 November 2021	14	04	18
Number of accounts finalised	18	05	23
Number of accounts in arrears as on 30 November 2021	56	06	62
Age-wise analysis of arrears of accounts	Number of SPSEs (accounts in arrears of SPSEs as on 30 November 2021)		
One year	7 (7)	1(1)	8 (8)
Two years and Three years	7(16)	2(5)	9 (21)
More than Three years	6(33)	-	6(33) ²⁴
Total	20 (56)	3 (6)	23 (62)

The matter of arrears of accounts has been taken up (September 2021) with the Additional Chief Secretary (Finance) of Government of Himachal Pradesh and respective Administrative Department/Head of Companies. However, there were still six Companies whose accounts were in arrears for more than three years as of 30 November 2021.

²² Date of holding AGM of Companies for the financial year 2020-21 was extended up to 30 November 2021 by Registrar of Companies, Punjab and Chandigarh in accordance with Government of India, Ministry of Corporate Affairs order dated 23 September 2021.

²³ Overstatement: {Profit (₹ 17.36 crore) and Loss (₹ 47.88 crore)} and understatement: {Loss (₹ 124.20 crore) and Profit (₹ 0.23 crore)}.

²⁴ Himachal Backward Classes Finance and Development Corporation: seven; Himachal Pradesh Mahila Vikas Nigam: five; Himachal Pradesh Minorities Finance and Development Corporation: five; Agro Industrial Packaging India Limited: seven; Himachal Pradesh Tourism Development Corporation Limited: five and Himachal Pradesh Beverages Limited: four.

1.9.3 Timeliness in preparation of accounts by Statutory Corporations

Audit of Statutory Corporations is governed by their respective legislations. Out of the two Statutory Corporations²⁵, CAG is the sole auditor for Himachal Road Transport Corporation (HRTC). In respect of Himachal Pradesh Financial Corporation (HPFC), the audit is conducted by Chartered Accountants and supplementary audit is conducted by CAG. Four accounts of these two Statutory Corporations (HPFC: three and HRTC: one) were pending for audit as on 30 November 2021.

²⁵ Himachal Road Transport Corporation and Himachal Pradesh Financial Corporation.

Chapter-2

Transitional Credit Under GST

Chapter 2: Transitional Credit Under GST

State Taxes and Excise Department

2.1 Introduction

Goods and Services Tax is a significant reform in the field of indirect taxes in our country, which replaced multiple taxes levied and collected by the Centre and States. GST is a destination-based tax on supply of goods or services or both, which is levied at multi-stages wherein the taxes will move along with supply. To ensure the seamless flow of input tax from the existing laws to GST regime, a 'Transitional arrangements for input tax' was included in the GST Acts to provide for the entitlement and manner of claiming input tax in respect of appropriate taxes or duties paid under existing laws. Transitional credit provisions are important for both the Government and business. For business, the transitional credit provisions ensure transition of accumulated credits from the legacy returns, input tax in respect of raw materials, work in progress, finished goods held in stock as on the appointed day as well as credit in respect of capital goods into the GST regime. The provisions enable taxpayers to transfer such input credits only when they are used in the ordinary course of business or furtherance of business. Section 140 of the CGST Act 2017 (and SGST Acts/ UTGST Acts) enables the taxpayers to carry forward the Input Tax Credit (ITC) earned under the existing laws to the GST regime. The section, read with Rule 117 of CGST Rules 2017, prescribes elaborate procedures in this regard. All registered taxpayers, except those who are opting for payment of tax under composition scheme (under section 10 of the Act), are eligible to claim transitional credit by filing TRAN 1 returns within 90 days from the appointed day. The time limit for filing TRAN 1 returns was extended initially till 27.12.2017. The due date for filing TRAN 1 was further extended to 31.03.2020, vide CBIC order No.01.2020-GST dated 07.02.2020, for those taxpayers who could not file TRAN 1 due to technical difficulties and those cases recommended by the GST Council.

2.2 Audit objectives

The audit of transitional arrangements for input tax credit under GST was taken up with the following audit objectives:

- i. Whether the mechanism envisaged by the Department for selection and verification of transitional credit claims was adequate and effective.
- ii. Whether the transitional credits carried over by the assesses into the GST regime were valid and admissible.

2.3 Audit Criteria

The criteria against which the audit objectives and sub-objectives are to be verified are as under:-

- i. The provisions of Section 140 of the CGST Act 2017 and SGST Act 2017 read with Rules 117 of the CGST Rules 2017 and SGST Rules 2017,
- ii. Notifications/Circulars issued by CBIC, Himachal Pradesh State Government Tax Department and relevant instructions issued by the CBIC field formations.

2.4 Audit Scope and Methodology

The audit of Transitional credit claim involved scrutiny of returns, TRAN 1 and TRAN 2, filed by the taxpayers under the transitional arrangements for input tax provided for under Section 140 of the GST Act. Audit verification involves the scrutiny of process and outcomes of departmental verifications along with detailed independent verification of selected claims in 13 Revenue districts in the State.

2.5 Sample Selection

A sample of 592 cases (73 per cent of the cases i.e., 431 were from ITC category 5C) covering high-risk cases pertaining to major industrial hubs/economic centres of the State were selected for audit. The Revenue district wise detail of sample selection is as under:

Bilaspur 20, Chamba nine, Hamirpur 50, Kangra 78, Una 47, Shimla 76, Sirmour 53, Baddi 128, Kullu 22, Mandi 42, Solan 67.

2.6 Results of Audit

A sample of 592 cases were test checked across 11 divisions of Himachal Pradesh State Commissionerate during 2020-21. Test checks of these cases revealed various irregularities under following categories as depicted below in **Table-2.1**:

Table-2.1: Results of Audit

Sr. No.	Nature of Audit Observation (indicative only)	Audit Sample		Number of deficiencies noticed	
		Number	Amount in lakh	Number	Amount in lakh
1.	Excess carry forward of input tax credit	431	7,865.5	79	1,247.00
2.	Excess claim of Transitional Credit due to mismatch between Annual and Quarterly returns	592	16,550.69	22	149.91
3.	Irregular claim of transitional credit without filing TRAN-2	592	16,550.69	6	38.29
4.	Irregular availing of transitional credit without filing the ER-1/ST-3 returns	431	7,865.5	7	52.71

Sr. No.	Nature of Audit Observation (indicative only)	Audit Sample		Number of deficiencies noticed	
		Number	Amount in lakh	Number	Amount in lakh
5.	Irregular claim of transitional credit on goods in stock without duty paid documents	38	636.85	1	9.88
6.	Excess carry forward of Input tax credit on account of capital goods	25	2,441.05	1	9.42

Significant cases have been detailed in following paragraphs:

2.7 Audit Observations

On the examination of records of Transitional Credit cases in eleven Commissionerates, certain deficiencies were noticed which are as under:

2.7.1 Excess carry forward of Input Tax Credit of ₹ 1,247.00 lakh

As per Section 140(1) of the CGST Act 2017 and SGST Act, 2017, a registered person, other than a Composition taxpayer, is entitled to take, in his Electronic Credit Ledger, the amount of VAT credit carried forward in the return relating to the period up to 30 June 2017, furnished under the existing law by filing TRAN 1 return within 90 days from the appointed day. The registered person shall not be allowed to take the credit unless the said credit was admissible as VAT Credit under the existing law (HP VAT Act 2005) and is also admissible as ITC under CGST Act, 2017.

During audit of 11 divisions of HP State Commissionerate, it was noticed that in 79 cases¹ out of 431 selected Transitional Credit cases, transitional credit had been carried forward in TRAN-1 (under Table 5C) in excess than claimed in the last legacy return of June 2017. This resulted in excess carried forward transitional credit of ₹ 1247.00 lakh as per detail attached in **Appendix-2.1**.

This has resulted in non-observance of the provisions of Section 140 of the CGST Act 2017 and SGST Act, 2017.

On this being pointed out (March & April 2021), the DCST&Es concerned stated (March & April 2021) that the cases of carry forward of transitional credits would be examined as per applicable GST Act at the time of assessment of cases.

2.7.2 Excess claim of Transitional Credit amounting to ₹ 149.91 lakh due to mismatch between Annual and Quarterly returns

As per Section 140(1) of the CGST Act 2017 and SGST Act, 2017, a registered person, other than a Composition taxpayer, is entitled to take, in his Electronic Credit Ledger, the amount of VAT credit carried forward in the return relating to the period up to 30 June 2017, furnished under the existing law by filing TRAN 1 return within 90 days

¹ Chamba one, Hamirpur three, Una nine, Kangra four, Dharmshala two, Nurpur two, Palampur four, Shimla 11, Sirmour nine, Baddi 21, Kullu two, Mandi two and Solan nine.

from the appointed day. The registered person shall not be allowed to take the credit unless the said credit was admissible as VAT credit under the existing law (HP VAT Act 2005) and is also admissible as ITC under CGST and SGST Act, 2017.

During audit of 11 divisions of HP State Commissionerate, it was noticed in 22 cases² out of 592 selected Transitional credit cases, that the ITC balance shown in the Annual and the Quarterly/ Monthly returns was different. In 21 cases, ITC carried forward in Quarterly return and TRAN 1 was higher than ITC carried forward in the Annual return and in one case, ITC carried forward in Annual return and TRAN 1 was higher than ITC carried forward in Quarterly Return. Thus, the ITC carried forward figures of Annual/Quarterly return do not match with the figures of TRAN-1. This resulted in excess ITC claimed as transitional credit in TRAN 1 amounting to ₹ 149.91 lakh in comparison to the Annual/Quarterly returns as detailed in **Appendix-2.2**.

On this being pointed out (March & April 2021), the DCST&Es concerned stated (March & April 2021) that these cases will be examined as per applicable GST Act.

2.7.3 Irregular claim of transitional credit without filing of TRAN-2 ₹ 38.29 lakh

As per the proviso under Section 140(3) of the CGST Act 2017 and SGST Act, 2017 and Rule 117 (4) of the CGST Rules 2017 and SGST Rules, 2017 TRAN 2 can be filed by the dealer who does not have a VAT invoice for stock held by them on 30 June 2017 to claim tax credit on stock.

During audit of 11 divisions of HP State Commissionerate, it was noticed that in six cases³ out of 592 selected Transitional Credit cases, no TRAN 2 return was available on the GSTN portal but transitional credit amounting to ₹ 38.29 lakh had been claimed in GSTR 9 (annual return) without filing TRAN 2 which was irregular, the details of which are attached in **Appendix-2.3**.

On this being pointed out (March & April 2021), the DCST&Es concerned stated (March & April 2021) that these cases will be examined as per applicable GST Act.

This resulted in non-observance of the provisions of Section 140 of the CGST and SGST Act, 2017.

2.7.4 Irregular carry forward of ITC without filing Annual Return of ₹ 52.71 lakh

As per Section 140(1) of the CGST Act 2017 and SGST Act, 2017, a registered person, other than a Composition taxpayer, is entitled to take, in his Electronic Credit Ledger, the amount of VAT credit carried forward in the return relating to the period up to 30 June 2017, furnished under the existing law by filing TRAN 1 return within 90 days from the appointed day.

² Chamba one, Bilaspur two, Una four, Kangra four, Nurpur one, Dharmshala two, Shimla five and Mandi three.

³ Chamba one, Hamirpur two, Nurpur one, Una one and Shimla one.

The taxpayer should have filed all the returns for the last six months period immediately preceding the appointed date.

During audit of 11 divisions of HP State Commissionerate, it was noticed that in seven cases⁴ out of 431 selected Transitional Credit cases, the dealers had carried forward ITC amounting to ₹ 52.71 lakh in the TRAN-1 form without filing the last Annual return (for the period 2016-2017). The details of which are attached in **Appendix-2.4**.

On this being pointed out (March & April 2021), the DCST&Es concerned stated (March & April 2021) that these cases would be examined as per applicable GST Act. This resulted in non-observance of the provisions of Section 140 of the CGST Act, 2017 and the SGST Act, 2017.

2.7.5 Irregular carry forward of transitional credit under table 7(c) and irregular claim of ITC of ₹ 9.88 lakh

As per Section 140 of the GST Act, 2017, a registered person, other than a Composition taxpayer, is entitled to take, in his Electronic Credit Ledger, the amount of VAT credit carried forward in the return relating to the period up to 30 June 2017, furnished under the existing law by filing TRAN 1 return within 90 days from the appointed day.

As per section 140(3), a registered person, who was not liable to be registered under the existing law, or who was engaged in the manufacture of exempted goods or provision of exempted services, or who was providing works contract service shall be entitled to take, in his electronic credit ledger, credit of eligible duties in respect of inputs held in stock and inputs contained in semi-finished or finished goods held in stock on the appointed day.

During audit of 11 divisions of HP State Commissionerate, it was noticed that in one case⁵ out of 38 selected samples, the input tax credit as per the last legacy return was ₹ 11.69 lakh. However, scrutiny of TRAN-1 revealed that total claim of ₹ 21.57 lakh (₹ 9.88 lakh in table 5c and ₹ 11.69 lakh in table 7c) was carried forward as input tax. The scrutiny of return/invoices revealed that only ₹ 11.69 lakh was admissible as input tax credit under 5c instead of table 7c which resulted in irregular claim of input tax credit of ₹ 9.88 lakh.

On this being pointed out (March & April 2021), the DCST&E Baddi stated that (March & April 2021) the proper officer concerned has been directed to look into the matter and the outcome would be intimated.

2.7.6 Carry forward of Input tax credit on account of capital goods without supporting documents

Rule 140(2) provides that a registered person other than opting to pay tax under section 10, shall be entitled to take in his electronic credit ledger, credit of the unavailed

⁴ Chamba one, Hamirpur two, Una two, Kangra one and Palampur one.

⁵ M/s Smilax Pharmaceuticals, Baddi (GSTIN 02ACNPG5021C1ZD).

input tax credit in respect of capital goods not carried forward in return furnished under the existing law by him, for the period ending with the day immediately preceding the appointed day. The unavailed input tax credit means the amount that remains after subtracting the amount of input tax credit already availed in respect of capital goods under the existing law. As per Section 11 (6) of HP VAT Act 2005, the input tax credit on capital goods shall be limited to plant and machinery directly connected with the manufacturing or processing of the finished goods, the input tax credit as admissible under this section shall commence from the date of commencement of commercial production and shall be adjusted against tax payable on turnover of sales over a period of three years.

Scrutiny of records of TRAN-1 of the dealers of Shimla district revealed in one case⁶ that as per the List of Purchases (LP_1) document the tax paid on purchase of capital goods was ₹ 5.55 lakh. Further, the dealer had not shown any other purchase of capital goods during last three years hence, no unavailed ITC on capital goods of previous years was available. The dealer had claimed ITC of ₹ 5.55 lakh in last quarterly return ending June 2017, which was available to be carried forward to TRAN-1. However, the dealer had also claimed ₹ 9.42 lakh under table 6B in TRAN-1 as unavailed credit on capital goods. Thus, ITC of ₹ 9.42 lakh was carried forward in excess than available.

2.7.7 Non-production of records

During audit of the eleven divisions of HP State Commissionerate, 592 cases of transitional claims were checked and records of 92 taxpayers viz., invoices, books of accounts for verification of claims in respect of transitional credits relating to unavailed credit on capital goods, Credit on duty paid stock and Input/Input Services in transit were not made available to Audit. In the absence of these records, Audit could not verify the correctness of transitional claims of ₹ 3.43 crore of these dealers.

The records were requested (from February 2021 to April 2021) from the Excise and Taxation department, HP Shimla and the reply of the Department was awaited (August 2022).

2.8 Conclusion

There were instances of excess carry forward of input tax credit than the last legacy returns and excess claims of transitional credits due to mismatch between Annual and Quarterly returns. It was noticed that transitional credits were allowed without filing of requisite returns. Further, transitional credit on goods in stock was allowed without duty paid documents and excess carry forward of Input tax credit on capital goods was allowed. All these deviations resulted in loss of revenue to the State Government.

⁶ Shivin C A Store (GSTN NO. 02ADEF57502G1ZF).

The Audit findings mentioned in Paragraphs 2.7.1 to 2.7.5 were referred to the State Government in January 2022 while that mentioned in Paragraph 2.7.6 was referred in April 2022 and reply was awaited for all Audit findings (August 2022).

2.9 Recommendation

A risk-based verification of Transitional Credit cases may be carried out by the department in time bound manner.

Chapter-3

Processing of Refund Claims Under GST

Chapter 3: Processing of Refund Claims Under GST

State Taxes and Excise Department

3.1 Introduction

The provisions pertaining to refund contained in the GST laws aim to streamline and standardise the refund procedures under GST regime. It was decided that the claim and sanctioning procedure would be completely online. As the electronic refund module was not available, a temporary mechanism was devised and implemented. Circular No.12-28/2017-18-EXN-GST-1810-27 dated 17 Jan 2018 and No.12-28/2017-18-EXN-GST-3280-98 dated 03 Feb 2018 were issued prescribing the detailed procedures. In this electronic-cum-manual procedure, the applicants were required to file the refund applications in Form GST RFD-01A on the common portal, take a printout of the same and submit it physically to the jurisdictional tax office along with all supporting documents. Further, processing of those refund applications, *i.e.*, issuance of acknowledgement, issuance of deficiency memo, passing of provisional/final refund orders, payment advice etc. were being done manually. However, various post submission stages of processing of the refund applications continued to be manual.

Accordingly, the Circulars issued earlier laying down the guidelines for submission and processing of Pre-automation refund claims have either been superseded or modified. In order to ensure uniformity in implementation of the provisions of law across field formations, several earlier Circulars viz., No.12-28/2017-18-EXN-GST-1810-27 dated 17 Jan 2018, No.12-28/2017-18-EXN-GST-3280-98 dated 03 Feb 2018, No.12-25/2018-19-EXN-GST-(575)-20774-20792 dated 02 Aug 2019, No.12-25/2018-19-EXN-GST-(575)-6471-88 dated 13 March 2019, No.12-25/2018-19-EXN-GST-(575)-6680-97 dated 13 March 2019, No.12-25/2018-19-EXN-GST-(575)-20834-20852 dated 02 August 2019, No.12-25/2018-19-EXN-GST-(575)-20854-20872 dated 02 Aug 2019 and No.12-25/2018-19-EXN-GST-(575)-20956-20976 dated 02 Aug 2019 have been superseded. However, the provisions of the said Circulars shall continue to apply for all refund applications filed on the common portal before 26 September, 2019 and the said applications shall continue to be processed manually as were done prior to deployment of new system.

3.2 Audit Objectives

Audit of refund cases under GST regime was conducted to assess

- (i) The adequacy of Act, Rules, notifications, circulars etc. issued in relation to grant of refund.
- (ii) The compliance of extant provisions by the tax authorities and the efficacy of the systems in place to ensure compliance by taxpayers.

- (iii) Whether effective internal control mechanism exists to check the performance of the Departmental officials in disposing the refund applications.

3.3 Scope of Audit

The Department processed 1,160 refund cases¹ in pre automation period in the selected five divisions of the State from July 2017 to September 2019 and 183 refund claims² were processed in post-automation period in the selected eight divisions from September 2019 to July 2020.

Files of refund claims processed in pre-automation and post-automation period on sample basis have been extracted for detailed examination by the audit party.

3.4 Sample Selection

A sample of 114 cases (pre automation) was selected for detailed examination initially. Further, fifty-three additional cases were also examined during audit, as similar irregularities were noticed in these cases. Thus, a total of 167 cases³ were examined in five divisions.

For post-automation refund claims under GST, 112 cases⁴ were selected for detailed examination in eight divisions.

3.5 Audit Criteria

The following sections/rules/notifications provide the guidelines/procedure for claiming the refunds:

- (i) Sections 54 to 58 and section 77 of Central Goods and Services Tax (CGST), 2017 and Himachal Pradesh Goods and Services Tax (HP GST) Act, 2017.
- (ii) Rules 89 to 97A of Central Goods and Services Tax Rules, 2017 and Himachal Pradesh Goods and Services Tax Rules, 2017.
- (iii) Sections 15, 16 and 19 of Integrated Goods and Services Tax Act, 2017.
- (iv) Notifications of the CBIC and HP State Government from time to time under GST refund.

3.6 Results of Audit

Test-check of the selected sample cases across eight divisions of Himachal Pradesh State Commissionerate during 2020-21 revealed various irregularities under different categories as shown in **Appendix-3.1**.

¹ Baddi:788 cases, Sirmour:209 cases, Shimla:77 cases, Solan:24 cases and Una:62 cases.

² Baddi:103 cases, Bilaspur: one case, Kangra: nine cases, Kullu: one case, Sirmour:48 cases, Shimla: three cases, Solan: five cases and Una:13 cases.

³ Baddi:94 cases, Sirmour:25 cases, Shimla:20 cases, Solan:14 cases and Una:14 cases.
Inverted Duty Structure: 120 cases, Zero Rated Supply: 20 cases and others: 27 cases.

⁴ Baddi:62 cases, Bilaspur: one case, Kangra: six cases, Kullu: one case, Sirmour:29 cases, Shimla: two cases, Solan: three cases and Una: eight cases.
Inverted Duty Structure: 78 cases, Zero Rated Supply: 11 cases and others: 23 cases.

3.7 Audit Observations

On examination of refund claims under GST following deficiencies were noticed:

3.7.1 Acknowledgment not issued within time

As per Rule 90 of HPGST Rules 2017, on the basis of scrutiny of the refund application filed by the applicant, if the refund application is found to be complete in all aspects, acknowledgement in Form GST RFD-02 will be issued by the Refund Processing Officer, within 15 days from the date of filing of the refund application.

Pre automation: During audit of the five divisions of HP State Commissionerate, 167 refund cases were examined, and it was noticed that there was delay in issue of acknowledgement in 41 cases⁵ (24.55 *per cent*) from five to 364 days with the average and median value of delay being 95 days and 79 days respectively in these cases as detailed in **Appendix-3.2(i)**. Of these, 25 cases, 11 cases and five cases were delayed by upto three months, three to six months and more than six months, respectively.

Post automation: During audit of the eight divisions of HP State Commissionerate, 112 refund cases were examined, and it was noticed that there was delay in issue of acknowledgement in 31 cases⁶ (27.68 *per cent*) from two to 77 days with the average and median value of delay being 21 days and 15 days respectively in these cases as detailed in **Appendix-3.2(ii)**. All these 31 cases were delayed by up to 3 months.

Thus, the Department failed to adhere to the timelines for issuing acknowledgement as prescribed in the rules *ibid*.

3.7.2 Refund orders not sanctioned in time

Rule 92 of the HPGST Rules, 2017 stipulates that where, upon examination of the application, the proper officer is satisfied that a refund is due and payable to the applicant, he shall make an order in Form GST RFD-06, sanctioning the amount of refund to which the applicant is entitled. Further Section 54(7) of HPGST Act, 2017 provides that the proper officer shall issue the order of refund within 60 days from the date of receipt of application complete in all respects.

Pre automation: During audit of the five divisions of HP State Commissionerate, 167 refund cases were examined, and it was noticed that there was delay in sanction of refund orders in 32 cases⁷ (19.17 *per cent*) from six to 355 days with the average and median value of delay being 120 days and 87 days respectively in these cases as detailed in **Appendix-3.3(i)**. Of these, 17 cases, seven cases and eight cases were delayed by upto three months, three to six months and more than six months, respectively.

Post automation: During audit of the eight divisions of HP State Commissionerate, 112 refund cases were examined, and it was noticed that there was delay in sanction of

⁵ Baddi:16 cases, Sirmour: seven cases, Shimla: six cases, Solan: seven cases and Una: five cases.

⁶ Baddi:16 cases, Kangra: three cases, Sirmour:10 cases, Solan: one case and Una: one case.

⁷ Baddi:11 cases, Sirmour: five cases, Shimla: six cases, Solan: eight cases and Una: two cases.

refund orders in 17 cases⁸ (15.18 *per cent*) from six to 140 days with the average and median value of delay being 42 days and 31 days respectively in these cases as detailed in **Appendix-3.3(ii)**. Of these, 15 cases and two cases were delayed by up to three months and three to six months, respectively.

Thus, the Department failed to adhere to the timelines for sanction of refund orders as prescribed in the rules *ibid*.

3.7.3 Provisional refund on account of zero-rated supply not sanctioned within time

As per section 54(6) of HPGST Act 2017, notwithstanding anything contained in sub-section (5), the proper officer may, in the case of any claim for refund on account of zero-rated supply of goods or services or both made by registered persons, other than such category of registered persons as may be notified by the Government on the recommendations of the Council, refund on a provisional basis, ninety percent of the total amount so claimed, excluding the amount of input tax credit provisionally accepted, in such manner and subject to such conditions, limitations and safeguards as may be prescribed and thereafter make an order under sub-section (5) for final settlement of the refund claim after due verification of documents furnished by the applicant. Further, Rule 91 of the HPGST Rules 2017 provides that provisional refund on account of zero rate supply shall be granted subject to the condition that the person claiming refund has, during any period of five years immediately preceding the tax period to which the claim for refund relates, not been prosecuted for any offence under the Act or under an existing law where the amount of tax evaded exceeds ₹ 2.5 crore. Rule 91(2) of the HPGST Rules 2017 provides that the proper officer will scrutinize the application and the evidence submitted. On being *prima facie* satisfied, he shall make a provisional refund order in Form GST RFD-04 sanctioning the amount of refund due to the said applicant on provisional basis within a period of seven days from the date of acknowledgement.

Pre automation: During audit of the five divisions of HP State Commissionerate, 20 refund cases of Zero Rated Supply were examined, and it was noticed that there was delay in sanction of Provisional refund orders in one case⁹ (4.76 *per cent*) of 09 days as detailed in **Appendix-3.4**. Thus, the Department failed to adhere to the timelines for sanction of Provisional refund orders as prescribed in the rules *ibid*.

3.7.4 Delay/non-conduct of post audit of refund claims

The Excise and Taxation Department, HP Circular No.12-28/2017-18-EXN-GST-1810-27 dated 17 January 2018 elaborately laid down the procedure for processing of refunds of zero rated supplies of pre automation period. The circular *inter alia*, stipulated that, the pre-audit of manually processed refund applications is not required

⁸ Baddi: 10 cases, Bilaspur: one case, Kangra: one case, Kullu: one case, Sirmour: two case, and Solan: two case.

⁹ Baddi: Indofarm Equipment Ltd.

till separate detailed guidelines are issued by Board, irrespective of amount involved. However, it was clarified that the Post-audit of refund order shall be continued as per the extant guidelines.

Pre automation: During audit of the five divisions of HP State Commissionerate, 167 refund cases were examined, and it was noticed that no Post-audit was conducted in 167 cases¹⁰ (100 per cent) **Appendix-3.5(i).**

Post automation: During audit of the eight divisions of HP State Commissionerate, 112 refund cases were examined, and it was noticed that no Post-audit was conducted in 112 cases¹¹ (100 per cent) **Appendix-3.5(ii).**

Thus, the Department failed to adhere to the Rules of Post-audit of refunds as prescribed in the rules *ibid*.

3.7.5 Excess refund of ITC of inputs used in zero-rated supplies

Section 54(3)(i) of the HPGST Act, 2017 provides for refund of unutilized input tax credit (ITC) for zero-rated supplies made without payment of tax. Similar provisions are *inter alia* stipulated under Section 16 of the Integrated Goods and Services Tax (IGST) Act in respect of integrated tax which also stipulates that 'zero rated supply' includes 'export of goods or services or both'. Further, explanation (1) below section 54 of HPGST Act *inter alia* states that 'refund' includes refund of tax paid on inputs or input services used in making such zero-rated supplies.

Sub-rule 4 of Rule 89 of HPGST Rules, 2017 provides following formula for grant of refund in case of such zero-rated supply of goods without payment of tax under bond or letter of undertaking:

$$\text{Refund Amount} = (\text{Turnover of zero-rated supply of goods} + \text{Turnover of zero-rated supply of services}) \times \text{Net ITC} \div \text{Adjusted Total Turnover}$$

where, "Net ITC" means input tax credit availed on inputs and input services during the relevant period and refund amount means the maximum refund amount that is admissible.

Section 73 of the HPGST Act, 2017 stipulates that erroneous refund amount has to be recovered from the taxpayer along with applicable interest under Section 50.

Pre automation: During audit of the five divisions of HP State Commissionerate, 20 refund cases of Zero-rated supplies were examined, and it was noticed that in one case¹², office had taken adjusted total turnover on lower side *i.e.*, ₹ 22.20 crore instead of ₹ 28.95 crore and sanctioned the refund of ITC of inputs used in zero-rated supplies

¹⁰ Baddi: 94 cases, Sirmour: 25 cases, Shimla: 20 cases, Solan: 14 cases and Una: 14 cases.

¹¹ Baddi: 62 cases, Bilaspur: one case, Kangra: six cases, Kullu: one case, Sirmour: 29 cases, Shimla: two cases, Solan: three cases and Una: eight cases.

¹² Baddi: M/s. Indo Farm Equipment Ltd.

(made without payment of tax) of ₹ 84.76 lakh which was to be of ₹ 65.00 lakh. This had resulted in excess payment of refund of HPGST of ₹ 19.75 lakh as detailed in **Appendix-3.6(i)**, which was required to be recovered along with applicable interest in terms of section 73 read with section 50 of the HPGST Act, 2017.

Post automation: During audit of the eight divisions of HP State Commissionerate, 11 refund cases of Zero-rated supplies were examined and in one case¹³, refund of ₹ 21.46 lakh on account of zero rated supplies for the period of April, 2018 to June, 2018 was granted on 18 May, 2020. However, Audit noticed that the zero rated turnover and adjusted turnover as claimed by the dealer in refund application (RFD-01) were ₹ 8.36 crore and ₹ 9.95 crore respectively which were not in consonance with the returns filed in GSTR-3B wherein the figures shown by the dealers were ₹ 6.34 crore and ₹ 10.85 crore respectively. Audit worked out the maximum refund allowed on the basis of figures of GSTR-3B as per formula prescribed and observed that refund of ₹ 5.61 lakh was allowed in excess (**Appendix-3.6(ii)**).

3.7.6 Excess grant of refund due to non-consideration of minimum balance in electronic credit ledger at the end of tax period

Section 54 (3) (i) of the HPGST Act 2017, stipulates that refund of ITC in respect of zero-rated supplies can be claimed by registered persons at the end of tax period. Rule 89 (3) of the HPGST Rules, 2017 provides that for refund of input tax credit, the electronic credit ledger shall be debited by the applicant by an amount equal to the refund so claimed. Rule 89(4) of the HPGST Rules, 2017, prescribes the formula in case of zero-rated supply of goods and services as mentioned in para 7.5.

Further, the Excise and Taxation Department of HP vide Circular No. 12-25/2018-19-EXN-GST-(575)-6680-97 dated 13 March 2019 clarified that in case of refund of unutilized input tax credit of zero-rated supplies, the refundable amount is to be calculated as the least of the following amount: -

- a. The maximum refund amount as per the formula laid down in Rule 89(4) of the HPGST Rules, 2017;
- b. The balance in the electronic credit ledger of the claimant at the end of the tax period for which the refund claim is being filed after the return for the said period has been filed; and
- c. The balance in the electronic credit ledger of the claimant at the time of filing the refund application.

Pre automation: During audit of the five divisions of HP State Commissionerate, 20 refund cases of zero-rated supplies were examined, and it was noticed in one DCSTE, that in four cases¹⁴ (20 *per cent*) the Department allowed excess refund with reference to balance in electronic credit ledger at the time of filing of application.

¹³ Baddi: M/s. Regal kitchen Food Ltd.

¹⁴ Baddi: four cases.

However, audit examination revealed that the balance in the electronic credit ledger at the end of tax period after filing of the return was at ₹1.45 crore. This being the least, the claimants were entitled to refund of ₹ 1.45 crore whereas the Department had sanctioned the refund amount of ₹ 2.24 crore. The error led to excess allowance of refund of ₹ 78.39 lakh as detailed in **Appendix-3.7**.

3.7.7 Irregular allowance of refund of inverted duty structure

As per section 54 (3) (ii) of the HPGST Act 2017, a registered person may claim refund of any unutilized Input Tax Credit (ITC) at the end of any tax period where the credit has accumulated on account of rate of tax on inputs being higher than the rate of tax on output supplies (*i.e.*, Inverted Duty Structure). Further, Rule 89(5) of the HPGST Rules 2017 prescribes the formula for maximum refund of unutilized ITC on account of inverted duty structure as under:

$$\text{Maximum Refund Amount} = [(\text{Turnover of inverted rated supply of goods and services}) \times \text{Net ITC} / \text{Adjusted Total Turnover}] - \text{tax payable on such inverted rated supply of goods and services}$$

where, “Net ITC” means input tax credit availed on inputs during the relevant period and does not include credit availed on input services.

Pre automation: During audit of the five divisions of HP State Commissionerate, 120 refund cases of Inverted duty structure were examined, and it was noticed that in two cases¹⁵, Proper Officer had taken adjusted total turnover of ₹ 2.45 crore instead of ₹ 2.73 crore during sanction of refund on account of inverted duty structure. Due to this, refund of ₹ 19.73 lakh was sanctioned instead of ₹14.53 lakh. This had resulted in excess allowance of refund to the tune of ₹ 5.20 lakh¹⁶ as detailed in **Appendix-3.8(i)**.

Post automation: During audit of the eight divisions of HP State Commissionerate, 78 refund cases of Inverted duty structure were examined, and it was observed that in 09 cases¹⁷, the proper officer sanctioned and allowed refunds of ₹ 5.27 crore. Audit, however, noticed that while sanctioning the refund claims, the proper officer did not cross verify the figures declared by the dealers with the supporting documents viz., GSTR-3B, GSTR-1, RFD-01, Statement 1A, Annexure-B, and GSTR-2A. Against the adjusted turnover of ₹ 107.03 crore worked out from the supporting documents (Statement 1A), turnover of ₹ 105.27 crore (as per form RFD-01) was considered and against the inverted turnover of ₹ 104.66 crore, turnover of ₹ 102.63 crore was considered. Tax payable on inverted goods amounting to ₹ 11.73 crore (as per form RFD-01) was considered against the tax payable of ₹ 12.04 crore (as per Statement 1A). Mismatch in the figures of adjusted turnover and inverted supplies of goods provided by the assessee in supporting documents RFD-01 and Statement 1A resulted in excess refund of ITC. Audit worked out the net refunds claimed and allowable as per formula

¹⁵ Sirmour: one case and Solan: one case.

¹⁶ Sirmour: one cases: ₹ 5.10 lakh and Solan: one case: ₹ 0.10 lakh.

¹⁷ Baddi: two cases and Sirmour: seven cases.

referred ibid and observed that against the refund of ₹ 4.62 crore which was permissible, refund of ₹ 5.27 crore was sanctioned. This resulted in excess sanctioning of refund of ₹ 65.13 lakh¹⁸ **Appendix-3.8(ii)**.

3.7.8 Non obtaining required documents in GST refund cases

Rule 89 (2) of HPGST prescribes certain documents to be furnished as per Annexure 1 in Form GST RFD-01 with the refund claims. Further, as per Excise and Taxation Department, HP Circular No.12-25/2018-19-EXN-GST-(575)-6680-97 of March 2019, while submitting the refund claims electronically, the claimant shall also submit the details of the invoices on the basis of which input tax credit had been availed during the relevant period for which the refund is being claimed, in the format enclosed as “Annexure-A”. As per the said circular, refund claim shall also be accompanied by a print-out of FORM GSTR-2A of the claimant for the relevant period for which the refund is claimed.

Pre automation: During audit of the five divisions of HP State Commissionerate, 167 refund cases were examined, and it was noticed that 30 refund cases¹⁹ (17.96 per cent) were sanctioned (29 cases of inverted duty structure and one case of zero rated supply) without required documents as detailed in **Appendix-3.9(i)**. In the absence of these documents, eligibility of ITC for GST refund could not be examined/calculated in audit.

Post automation: During audit of the eight divisions of HP State Commissionerate, 112 refund cases were examined and in 24 refund cases²⁰ (21.43 per cent) all the supporting documents which were required to be uploaded as per the circular ibid were not found uploaded by the dealers. The proper officer sanctioned refunds of ₹ 31.82 crore in these 24 refund cases²¹ without all supporting documents²² as detailed in **Appendix-3.9(ii)**. This was in contravention of the guidelines of the circular ibid. The supporting documents form a vital part for processing refund applications to ascertain the refund claimed and admissible to the dealers.

3.7.9 Improper maintenance of refund registers

As per provisions of Excise and Taxation Department, HP circular No. F.No. 12-28/2017-18-EXN-GST-1810-27 dated 17 January 2018, refund registers in Table Nos. 1, 2 & 3 were prescribed to be maintained registering therein certain details viz., period of refund, date of receipt of application, date of issuing acknowledgement, date of issue of provisional/final refund etc.

¹⁸ Baddi: two cases: ₹6.16 lakh and Sirmour: seven cases: ₹58.97 lakh.

¹⁹ Baddi: 13 cases, Sirmour: nine cases, Shimla: six cases, Solan: one case, Una: one case.

²⁰ Baddi: 24 cases.

²¹ Inverted Duty Structure: 20 cases and Zero Rated Supply: four cases.

²² Inverted Duty Structure: Declaration u/s 54(3), undertaking as per rule 16(2), statement 1, 1A, GSTR 2A, Annexure B and self certified copies of invoices. Zero-Rated Supply: Declaration u/s 54(3), undertaking as per rule 16(2), statement 3, 3A, GSTR 2A, Annexure B and shipping bills.

Pre automation: During audit of the five divisions of HP State Commissionerate, 167 refund cases were examined, and it was noticed that the refund registers were not being maintained in table No.1 to 3 as per the prescribed format during the years 2017-18 to 2019-2020. Due to non-maintenance of the registers in prescribed formats, timelines of certain processes of refund claims cannot be commented upon in audit. Improper maintenance of refund registers resulted in non-observance of the provisions of the circular *ibid*.

3.7.10 Abnormal delay in communicating refund orders to counterpart tax authority

As per Excise and Taxation Department, HP circular No.12-28/2017-18-EXN-GST-3280-98 dated 03 February 2018, refund order issued either by central tax authority or state tax/UT tax authority shall be communicated to the counterpart tax authority concerned within seven working days for the purpose of payment of relevant sanctioned amount of tax or cess, as the case may be. It was also reiterated therein to ensure adherence to timeline specified under Section 54(7) and Rule 91(2) of HPGST Act and Rules respectively for sanction of refund orders.

Pre automation: During audit of the five divisions of HP State Commissionerate, 167 refund cases were examined, and it was noticed that there was delay in communicating to counterpart Central tax authority in four cases²³ (2.40 *per cent*) from 09 to 49 days with the average and median value of delay being 32 days and 36 days respectively. All these four cases were delayed by up to 3 months (**Appendix-3.10**).

Thus, the Department failed to adhere to the timelines for issuing acknowledgement as prescribed in the rules *ibid*.

3.7.11 Non-production of records

Pre automation: During audit of the five divisions of HP State Commissionerate, 167 refund cases were examined, and it was noticed that despite follow up in these divisions four refund cases²⁴ were not made available to audit (**Appendix-3.11**). In the absence of these records, Audit could not verify the Department's performance in these cases.

3.7.12 Delay in issuing Payment Order

As per point no 34 of circular no. 12-15/2018-19-EXN-GST-(575)-32085-32103 dated 10 December, 2019 issued by Excise and Taxation Department, HP and Section 56 of the HPGST, Act 2017 if any tax orders to be refunded to the applicant is not refunded within 60 days from the date of receipt of application, interest at the rate of six *per cent* will be payable as interest. It has been specifically clarified that any tax shall be considered to have been refunded only when the amount has been credited to the bank

²³ Shimla: three cases and Una: one case.

²⁴ Shimla: two cases, Solan: one case and Una: one case.

account of the applicant. Accordingly, all tax authorities are advised to issue the final sanction order in form GST RFD-06 and the payment order in form FSTR FD-05 within 45 days after the date of generation of ARN so that the disbursement is completed within sixty days.

Post automation: During audit of the eight divisions of HP State Commissionerate, 112 refund cases were examined, and it was noticed that there was delay in issue of payment order after the prescribed period of crediting refund to taxpayer account *i.e.*, within 60 days in three cases²⁵ (2.68 *per cent*) from nine to 69 days with the average and median value of delay being 46 days and 60 days respectively in these cases as detailed in **Appendix-3.12**. All these cases were delayed by up to 3 months.

Thus, the Department failed to adhere to the timelines for issuing payment order as prescribed in the rules *ibid*.

3.7.13 Refund amount included ITC availed on capital goods and services in case of Inverted Duty Structure

(A) Refund amount included ITC availed on capital goods

As per Section 54 (3) of the HPGST Act 2017, refund of unutilized input tax credit (ITC) can be claimed by a registered person at the end of any tax period. Rule 89(5) of the HPGST Rules, 2017, prescribes the formula as per which the maximum refund in the case of inverted supply of goods or services shall be granted.

$$\text{Maximum Refund Amount} = [(\text{Turnover of inverted supply of goods and services}) \times \text{Net ITC} \div \text{Adjusted Total Turnover}] - \text{Tax payable on such inverted rated supply of goods and services}$$

Where, "Net ITC" means input tax credit availed on inputs during the relevant period. Thus, ITC availed on capital goods shall not be considered. Section 73 of the HPGST Act, 2017 stipulates that erroneous refund amount has to be recovered from the taxpayer along with applicable interest under Section 50.

Post automation: During audit of the eight divisions of HP State Commissionerate, 78 cases of inverted duty structure were examined, and it was observed that in one case²⁶ of refund claim for the tax-period February 2020, refund of ₹ 31.75 lakh on unutilized input tax credit of ₹ 86.07 lakh was sanctioned. While computing the "Net ITC" for arriving at the refund amount, the taxpayer included the taxable value of capital goods of ₹ 4.62 lakh and ITC of ₹ 1.29 lakh availed on capital goods. This resulted in excess sanction of refund of ₹ 1.29 lakh (**Appendix-3.13(i)**) which was recoverable with interest in terms of section 73 read with section 50 of the HPGST Act, 2017.

²⁵ Baddi: one case, Kangra: one case and Sirmour: one case.

²⁶ Inverted Duty Structure: M/s RSA Technitex Ltd.

(B) Refund amount included ITC availed on input services

During audit of the eight divisions of HP State Commissionerate, 78 refund cases of inverted duty structure were examined and it was observed that in *two cases*²⁷, the dealers claimed refunds of ₹ 2.98 crore, which was allowed by the proper officer. Audit however noticed that while sanctioning the refund claims in these cases, the ITC on input services was also allowed to be availed which was contrary to the rules referred *ibid*. This resulted in excess allowance of refund of ₹ 43.65 lakh (**Appendix-3.13(ii)**).

3.7.14 Irregular refund payment of ₹ 2.28 crore

As per sub-Rule 4A of Rule 86 of the CGST Rules, 2017 read with Para 4.4 of Circular No 135/05/2020-GST of March, 2020, a tax payer is entitled to refund of tax wrongly paid or paid in excess (other than zero rated supplies), in the same mode by which the tax liability was discharged, *i.e.*, if the tax was paid by partly debiting the credit ledger and partly debiting the cash ledger, the refund shall be sanctioned in the same proportion. The cash part has to be sanctioned and credited to the bank account of the tax payer by issuance of RFD-05 and the credit part should be re-credited to the electronic credit ledger of the tax payer through PMT-03.

Post automation: During audit of the eight divisions of HP State Commissionerate, 112 refund cases were examined, and it was noticed that in one case²⁸ of refund under Sirmour division the dealer while filing his return (GST-3B) wrongly entered ₹ 1,15,35,896/- in CGST as well as in HPGST on account of outward taxable supply other than zero rated, nil rate for the period 2/2019 instead of ₹ 1,15,358.96. This led to excess payment of tax of ₹ 2,28,41,074/- (*i.e.*, 1,14,20,537+1,14,20,537) from the Electronic Credit Ledger. The dealer applied refund for the excess debit of his ECL in March 2020. The proper officer sanctioned refund of ₹ 2.28 crore which was credited in the bank account of the dealer. This was not permissible as the refund sanctioned was required to be credited in the ECL instead of payment made into bank account as per the provision of the circular mentioned above.

3.7.15 Non-crediting back of Electronic credit ledger (ECL) on account of improper refund sanctioned

Rule 92 of the HPGST Rules, 2017 stipulated that upon submission of refund application, the officer shall carry out the examination process. He shall examine if the refund claim amount is due and payable to the applicant then he shall make an order in Form GST RFD-06, sanctioning the amount of refund to which the applicant is entitled within 60 days of receipt of application. He should also mention therein the amount, if any, refunded to him on a provisional basis in case of zero-rated supply.

²⁷ Baddi: two cases.

²⁸ M/s Protech Telelinks Ltd.

Amount adjusted from refund against any outstanding demand under the Act or under any existing law and the balance amount refundable. However, in cases where the amount of refund is completely adjusted against any outstanding demand, adjustment shall be issued in Part A of form GST RFD-07.

The refund claim can be withheld as per the provisions and an order in Part B of Form GST RFD-07 issued to applicant informing the reasons for withholding the amount.

Where the proper officer is satisfied, for the reasons to be recorded in writing that the whole or any part of the amount claimed as refund is not admissible or is not payable to the applicant, he shall issue a notice in Form GST RFD-08 to the applicant requiring him to furnish a reply in Form GST RFD-09 within a period of 15 days of the receipt of such note. The proper officer after considering the reply make an order in Form GST RFD-06.

- Sanctioning the amount of refund in whole or part
- Rejecting the said refund claim

Post automation: During audit of the eight divisions of HP State Commissionerate, 112 refund cases were examined, and it was noticed that in one case²⁹ refund of ₹ 38.63 lakh on account of ITC accumulated due to inverted tax structure for the period July 2019 to September 2019 was sanctioned as claimed by the dealer in his application of refund in form RFD-01. This amount was debited from ECL. However, the proper officer issued payment advice of ₹ 4.64 lakh only. No reasons were found recorded for disallowing the remaining amount of refund of ₹ 33.99 lakh. Audit observed that on the basis of taxable turnover, Net ITC, Adjusted turnover the maximum refund that can be allowed worked out to ₹ 4.64 lakh *i.e.*, as per payment advice. It was noticed that dealer's account was debited for ₹ 38.63 lakh on 19-02-2020 whereas the payment advice was issued for ₹ 4.64 lakh. As per provisions under GST the dealer's account was required to be credited by the Proper Officer for the differential amount by making reverse entry of the amount not allowed to the dealer. There was nothing on record to indicate that the amount had been reversed in the dealer's account.

3.8 Conclusion

There was significant delay in issue of acknowledgements as well as in sanction of refunds. In several cases, there were deviations from the provisions of Acts and Rules which resulted in irregular refunds. The Department failed to adhere to the provisions for Post-audit of refunds. The Department also failed to ensure the collection of all documentary evidence before sanctioning refunds, and refund registers were not maintained in prescribed formats.

The Audit findings were referred to the State Government (September 2021) and reply was awaited (August 2022).

²⁹ M/s Azot Life Sciences Ltd.

3.9 Recommendations

- *The Department may consider taking corrective action to minimize the delays in issue of acknowledgement and sanction of refunds and ensure efficiency in sanction of refunds.*
- *The Department may devise systems and procedures to ensure the post audit of refund cases, as provided for.*
- *The Department may ensure that all documentary evidence is obtained before sanctioning refunds.*

Chapter-4
**Preparedness of Department of Fire
Services**

Chapter 4: Preparedness of Department of Fire Services

Home Department

The Department had not conducted vulnerability analysis of fire vulnerable buildings and also not prepared database of hazardous industries. The Department had no database of high-rise buildings in the State despite the PAC's recommendation for identification of such buildings. The Himachal Pradesh Fire Fighting Services Act, 1984, empowers the Department to enter/examine premises for compliance with fire safety norms but are weak as they do not contain provisions to enforce compliance and penal provisions for non-adherence to norms. 23 test-checked fire control centres did not have adequate and reliable source of water. Against approved fleet strength of 115 fire fighting vehicles in the State, only 85 were available. At the same time, Department surrendered budget of ₹ 6.22 crore under 'Motor Vehicle' during 2018-21. Against required 5,055 personal protection equipment (PPE) for firefighters, only 728 were available. The unique toll-free number (101) assigned to attend first information about fire incidents had not been made available in any of the fire posts in the State which could result in delay in receipt of information and response time. Against sanctioned strength of 938 post of operational staff, 257 (28 per cent) posts were lying vacant, adversely impacting the capacity of fire control centres. The Department did not conduct any physical assessment test of firefighters during 2018-21 to ascertain their fitness for the job. In 22 test-checked fire control centres, there was delayed response to fire incidents.

4.1 Introduction

The Himachal Pradesh Fire Services was established in the year 1972. Prior to this, fire services in the State functioned under the control of various Municipal Committees/ Corporations. The Government of Himachal Pradesh enacted the Himachal Pradesh Fire Fighting Services Act, 1984 (amended in 2000) for maintenance of effective fire-fighting service in the state. The department has not drafted any Rules for enactment of Fire Services Act. The primary role of the Department is to protect life and property from fire and other calamities. The responsibilities of the Department include issuance and compliance of fire safety clearances for buildings of above 15 meters of height and industrial and commercial establishments dealing or using explosive and highly inflammable substances, issuance of fire safety guidelines, issuance of fire reports and organizing fire safety demonstrations/ trainings/ awareness programmes towards disaster management preparedness in the State.

The department is headed by the Director, Fire Services who is assisted by a Chief Fire Officer (CFO)¹ and three Divisional Fire Officers (DFO)². The department has 65 fire control centres as of March 2021 consisting of 25 Fire Stations and Sub-Fire Stations in urban areas and 40 Fire Posts in rural areas. The fire control centres are headed by a Station Fire Officer or Leading Fireman who functions under the overall supervision of either the DFO or Commandant Home Guard of the districts.

An earlier performance audit (PA) was carried out and featured in the CAG's Audit Report – Government of Himachal Pradesh - for the year ended 31 March 2016 covering the period 2011-16 to ascertain the preparedness for disaster management in the State. The PA amongst others, assessed and highlighted the shortcomings of the fire department and recommended for strengthening the fire department. This PA was discussed by Public Accounts Committee (PAC) of 13th Himachal Pradesh Legislative Assembly (December 2019) and had made certain recommendations.

With a view to ascertaining the updation/ improvements in overall fire safety preparedness, adherence to norms/ rules and adoption of best practices in view of earlier recommendations, Audit has carried out a review of the current systems and procedures. The objectives of current audit were to assess the further Planning undertaken by the Department to carry out the activities assigned; and compliance with the regulatory framework culminating in higher degree of preparedness and effectively carrying out its role. To achieve the objectives, we examined issues relating to expenditure; planning; legal framework; infrastructure and equipment availability; manpower; training and capacity building; and response time to fire incidents, with reference to relevant criteria prescribed in Himachal Pradesh Fire Fighting Services Act (1984); recommendations of Standing Fire Advisory Committee / Council (SFAC) of M/o Home Affairs; National Disaster Management (NDM) Guidelines on Scaling, Type of Equipment and Training of Fire Services; National Building Code (NBC) of India 2016 (Part-IV). The present status of compliance to PAC recommendations by the Department have also been discussed in relevant topic discussed below.

Audit test checked the capacity building activities undertaken during the period 2018-2021. The test-checked units included the Directorate of Fire Services, State Fire Training Centre, and 23 (12³ Fire Stations and 11⁴ Fire Posts) out of 65 fire control centres⁵.

¹ Posted in the Directorate at Shimla.

² DFO State Fire Training Centre, Baldeyan, Shimla; DFO Shimla; DFO in Directorate at Shimla.

³ Fire Station Rohru, Tilaknagar, Paonta Sahib, Una, Solan, Dharamshala, Bilaspur, Baddi, Kangra, Kullu, Hamirpur, and Manali.

⁴ Fire Post Amb, Dadasiba, Fatehpur, Nagrota Bagwan, Jwalamukhi, Theog, Kumarsain, Tahlial, Jogindernagar, Baijnath and Sujanpur.

⁵ Selected through stratified random sampling with number of fire incidents as the sampling criteria.

The audit methodology included scrutiny of records, analysis of departmental replies, and joint physical inspection in five out of the 23 test-checked fire control centres. During 2018-2021, 5,301 fire incidents occurred in 23 test-checked fire control centres causing a loss of 117 human and 43 cattle lives along with estimated loss of property valued at ₹ 479.28 crore.

4.2 Budget and Expenditure

The Department had a total budget of ₹ 159.03 crore for the years 2018-21 against which it incurred expenditure of ₹140.83 crore. The major heads of expenditure were salaries (₹ 61.77 crore), major works (₹ 25.49 crore), motor vehicle purchase (₹ 6.54 crore) and machinery & equipment (₹ 4.54 crore).

The position of budget and expenditure of the department during 2018-21 is shown in Table-4.1.

Table-4.1: Budget and expenditure

(₹ in crore)					
Year	Budget allocation		Expenditure	Saving	per cent of Saving
2018-19	Plan	14.00	13.99	0.01	0.01
	Non Plan	37.37	35.81	1.56	4.17
2019-20	Plan	10.72	6.51	4.21	39.27
	Non Plan	43.83	34.98	8.85	20.19
2020-21	Plan	10.00	9.53	0.47	4.70
	Non Plan	43.11	40.00	3.11	7.21
Total		159.03	140.82	18.21	0.01 to 39.27

Source: Directorate of Fire Services.

The savings were high during the year 2019-20. The department was not able to spend as much as 39 *per cent* of its plan funds and 20 *per cent* of its non-plan funds which is indicative of poor financial management. Further, savings were also significant under the non-plan head in 2020-21.

Audit Findings

4.3 Planning

4.3.1 Establishing of Fire Station / Fire Post

The State has 12 districts and 108 tehsils. As per State Government norms of 2019, one fire station is to be opened in every district headquarter and one sub fire station/ fire post is to be opened in every tehsil. Thus, the State was to have at least 120 fire control centres (12 fire stations and 108 sub fire stations/ fire posts). However, as of March 2021, only 65 fire control centres (22 fire stations, 3 sub fire stations and 40 fire posts) had been established. Of these 65 fire control centres, 17 had been established during 2018-21.

The department informed that new centres are being established in a phased manner.

4.3.2 Preparation of comprehensive plan for the State

Para 3.3.1 of the National Disaster Management (NDM) Guidelines 2012 provides for preparation of comprehensive plan for the State to work out the complete requirement of manpower and equipment for the entire State. As the first step in this direction, the guidelines provide for accounting and conducting a vulnerability analysis of all industries engaged in dealing with hazardous materials working in urban and rural areas.

Audit scrutiny showed that the department had not conducted any fire vulnerability analysis as also not prepared any database of industries engaged in hazardous activities. The Department, also had no database of high rise buildings in the State though the PAC had recommended to identify the buildings which are vulnerable to fire and maintain records for the same. The Department attributed non-conducting of survey for accounting of hazardous industries and absence of surveys of fire vulnerable buildings to shortage of staff.

4.3.3 Fire safety clearances

Para 3.2.2 of NDM Guidelines recommend for provisions in the legal framework/ Fire Act of the State requiring mandatory clearance from Fire Services department for all high rise buildings, colonies, residential clusters, business centres, malls, etc.; if the buildings/ occupiers do not fulfill fire safety requirements (e.g., proper fire safety equipment, escape routes, parking locations, etc.) there should be provision for sealing of such buildings; and that there should be provision for legal and penal action against defaulters.

Audit observed that the recommendations of NDM guidelines were not adopted in toto. The provisions of Himachal Pradesh Fire Fighting Services Act were weak as they did not provide for mandatory clearance from the Department of Fire Services for all types of buildings, as envisaged in NDM Guidelines. Section 15A of the Act, provided for mandatory clearance/ no-objection certificate (NOC) requirement from the fire department in respect of buildings of only above 15 meters of height and industrial units / commercial establishments dealing with explosive / highly inflammable substances. Besides, the Act did not contain provisions to ensure compliance and penal provisions in the event of non-compliance to norms, even for those buildings where it was applicable.

Before providing NOC, the department is to conduct an inspection of the building / occupancy to satisfy itself of the compliance of fire safety norms and non-compliance will result in denial of the NOC. However, there is no time frame prescribed for compliance by the building owner / occupant of the deficiencies nor any penal provision (e.g., sealing the occupancy) for non-compliance with directions issued during such inspection.

Section 9(1) of Himachal Pradesh Fire Fighting Services Act, 1984 reads that State Government may, by notification in the Official Gazette, require owners or occupiers of premises in any area or of any class of premises used for the purpose which in its opinion are likely to cause risk of fire, to take such precautions as may be specified in such notification. It gives the personnel of the department power of entry into any notified place in order to examine/ direct the removal of objects or goods likely to cause a risk of fire, to a place of safety. However, the Act does not provide for any penal provision in case such adherence is found lacking.

Non-obtaining of fire NOCs by schools and hospitals -

The Supreme Court taking note of a fire incident in a school had directed (April 2009) every school to obtain mandatory fire NOC. Government of India taking note of fire incidences in hospitals in various States and MHA issued advisories to the States directing regular inspections of hospitals and nursing homes to ensure compliance with National Building Code (NBC) fire safety norms.

Fire Department informed (September 2021) that out of 2,806 Government Schools in the State, only 55 schools had obtained fire NOC during the period 2018-21. Further, all 99⁶ major Government Hospitals in the State had not obtained fire NOC. However, as there were no penal provisions in the legal framework of the State, no action against defaulters had been taken and compliance with Supreme Court and MHA directions was not ensured. Thus, the lives of general public working in/visiting these buildings remained always in risk.

Non-compliance with directions of Fire Department -

In three⁷ out of the 23 test-checked fire control centres, Audit conducted joint physical inspection of 24 buildings⁸ with officials of the Fire Services department (August - September 2021 and February 2022). The buildings were selected from amongst those that had applied for NOC from the Fire Department.

During joint inspection, it was found that 17 of the 24 buildings had received NOC upon having demonstrated adherence to fire safety norms. In the remaining seven buildings, the department suggestions had not been complied with even after 08 to 93 months of inspections. In the absence of mandatory clearance / NOC requirement and penal provision, the department was unable to initiate any action against the building owners / occupants.

The Fire Department stated that NOCs were being issued to those applicants who approached the department after adoption of fire safety measures in their buildings. The fact remained that the department could not force non-compliant institutions to adopt fire safety measures in a timely manner due to absence of enabling rules. The

⁶ State Government Zonal, Regional and Civil Hospitals

⁷ Fire Stations Baddi, Solan and Tilaknagar

⁸ residential, educational, institutional, assembly, business, mercantile, industrial, storage and hazardous buildings as prescribed in NBC of India 2016 Part-IV

necessary provisions in legal framework may be added to apply fire safety norms to non-compliant institutions

4.4 Infrastructure and Equipment

4.4.1 Building Infrastructure

Para 3.4.2 of NDM guidelines (2012) recommends basic requirements of space for parking vehicles, office/ store rooms, appliance rooms etc. while setting up a fire control centre. Audit test checked infrastructure availability position at 23 fire control centres (12 fire stations and 11 fire posts) against four dimensions – parking facilities, separate office/ control/ store / rest rooms, computer facilities and own building. The position is shown in the **Table-4.2**.

Table-4.2: Availability of basic infrastructure in 23 test-checked fire control centres

Sr. No.	Parameters	Available	Not Available
1.	Parking facilities	13	10
2.	Separate Office/Control/Store rooms	19	04
3.	Computer facilities	12	11
4.	Own building	09	14

The absence of own parking facilities at as many as 10 of the 23 fire institutions test checked is indicator of the neglect of a critical disaster management department. Firefighting vehicles had to be parked on open roads / common areas (see photographs below) as they did not have their own parking spaces. This posed the risk of hindering the movement of fire fighting vehicles at critical junctures thereby adversely impacting response time.



Firefighting vehicles parked on the road at Fire Posts at Theog and Jogindernagar

4.4.2 Water Sources/ Fire Hydrants

Para 3.4.3.1 of NDM guidelines (2012) recommended tapping of available natural resources of water to ensure ready availability of sufficient water for firefighting especially in hilly areas. The guidelines recommend regular check of fire hydrants in towns to ensure their functionality.

At the 23 test-checked fire control centres, it was seen that –

- Six fire control centres⁹ were wholly dependent upon natural / other source of water and in two out of these six centres, the water sources were located 10 and 12 kms away.
- 17 fire control centres¹⁰ were dependent upon Fire Hydrants (FHs) for their water requirements. However, a large proportion of the FHs in these 17 centres were not working as detailed in **Table-4.3**.

Table-4.3: Status of fire hydrants at 17 out of 23 test-checked fire control centres

Year	No. of FHs available	No. of FHs in working condition	No. of FHs not in working condition (per cent)
2018-19	385	264	121 (31)
2019-20	395	321	74 (19)
2020-21	403	326	77 (19)

Source: Fire department records.

- Even in the working FHs, delay in availability of water was noted. In two out of three test-checked FHs in three¹¹ fire control centres, during a joint physical inspection¹² Audit observed that in the fire hydrant test-checked (August 2021) in Solan (installed at Mall road), it took 57 minutes for water to reach the FH. In the fire hydrant test-checked in Jogindernagar (installed at Amartax), it took 18 minutes for water to reach the FH. The delay in water availability in fire hydrants was attributed to absence of dedicated water supply line.

4.4.3 Firefighting Vehicles

The State Government had approved (April 2017) norms¹³ of availability of fire fighting vehicles at each level of fire control centre (fire station/sub fire station/fire post). The Government had also fixed condemnation norms/ parameter(s)¹⁴ for fire tender/vehicles, as recommended by the Standing Fire Advisory Council (SFAC), at 5,000 hours (Stationary operation) or 10 years.

As per norms, the Department was to have a minimum of 115 fire fighting vehicles in its fleet. It was observed in audit that against this required fleet, only 85 vehicles were available and even of the available vehicles, as many as 32 vehicles had outlived their maximum recommended life of 10 years.

⁹ Baijnath- 12 Km., Kumarsain- 10 Km., Dadasiba, Tahliwal, Fatehpur and Theog.

¹⁰ Fire Stations Rohru, Tilaknagar, Paonta sahib, Una, Solan, Dharamshala, Bilaspur, Baddi, Kangra, Kullu, Hamirpur, and Manali; and Fire Posts Amb, NagrotaBagwan, Jwalamukhi, Sujanpur and Jogindernagar.

¹¹ Fire Station Solan, Fire Post Jogindernagar and Sujanpur.

¹² Examined by checking the water availability in the FHs after a call was made by the leading fireman to the Municipal Corporation / Council / local body authority for releasing water in the hydrant for test-check.

¹³ Fire Station- Water tender type-B- 1 No., Water Bouser 1 No., Combined Foam Co2 tender 1 No. and QRV 1 No.; Sub Fire Station- Water tender type-B- 1 No., Water Bouser 1 No., Combined Foam Co2 tender 1 No. and Fire Post- Water tender type-B- 1 No. and QRV 1 No.

¹⁴ No. Fin-F-(A)-(11)-11/2004 dated 7th September 2020.

Table-4.4: Availability of firefighting vehicles in the State

Sr. No.	Type of Fire Fighting Vehicle	Approved fleet strength	Availability of vehicles	Shortfall
1.	Water Tender Type 'B'	70	48	22
2.	Water Tanker / Water Bowser	22	17	5
3.	Combined Foam & CO2 Tender	23	20	3
Total		115	85	30

Scrutiny of records of 23 test-checked fire control centres showed that only 36 vehicles in 3 categories¹⁵ were available against the approved fleet of 47 firefighting vehicles.

The shortage in firefighting vehicles was concomitant with surrender of budget amounting to ₹ 6.22 crore received for motor vehicle purchase during 2018-21, indicating that the department had not adequately planned for purchase of firefighting vehicles despite shortage.

The Department stated (March 2022) that budget had to be surrendered due to delay in receiving necessary approvals from State Government for fabrication of fire fighting vehicles on BS IV chassis as per requirement, purchased during 2019-20, would have taken time which could not have been registered after 1 April 2020 being non BS VI compliant. Vehicles conforming to BS-VI standard were not available on the GeM portal. The reply was not acceptable as permission could have been sought to permit purchase of items from other sources if not available on GeM, and proposals should have been processed in time.

4.4.4 Shortage of Equipment

- Personal Protective Equipment (PPEs) –**

Para 7.5.1 of NDM Guidelines prescribes the requirement of essential personal protective equipment (PPE) for use of firefighting staff.

Audit observed huge shortfall (as of March 2021) in availability of the required PPE in the 23 test-checked fire control centres:

Table-4.5: Availability of Personal Protective Equipment (PPE)

Sr. No.	Name of article (PPE)	Nos. Required	Nos. Available	Shortfall	Percentage Shortfall
1.	Helmet	398	222	176	44
2.	Water bottle with sling	382	0	382	100
3.	Eye protection	402	4	398	99
4.	Ear protection	402	0	402	100
5.	Safety Steel-toe boots	402	0	402	100
6.	Safety whistle	390	103	287	74
7.	Knee pads	402	0	402	100
8.	Work gloves	397	93	304	77

¹⁵ Water tender type-B, Water Bowser and Combined Foam Co2 tender

Sr. No.	Name of article (PPE)	Nos. Required	Nos. Available	Shortfall	Percentage Shortfall
9.	Overall fire-resistant suit/ fire entry suit/fire proximity suit/ fire approach suit	359	47	312	87
10.	Personal safety line ((sash cord) 15" length	375	4	371	99
11.	Gum boot/safety boot/firefighting boot	393	41	352	90
12.	Breathing apparatus	384	45	339	88
13.	Firemen axe	369	169	200	54
	Total	5055	728	4327	86

The shortfall in availability of these critical minimum equipment meant that firefighters were exposed to danger which could adversely affect their capacity.

The department stated that purchase of PPEs could not be affected due to COVID 19 pandemic but orders have been placed through GeM portal in 2020-21 and 2021-22.

• Communication equipment –

Para 7.3.1 of NDM guidelines (2012) provides that fire services must have connectivity equipment like telephone, telefax, computerized voice logger, GIS, Ham radio, static and mobile wireless sets and satellite-based communication.

Audit observed that the unique toll-free number (101) assigned to attend first information about fire incidents had been made available in fire Stations only. Except for landline telephones, no other method of communication was available in any of fire posts in the State which could result in delay in receipt of information and response time.

Non-availability of this equipment was likely to adversely impact communication in the event of fire incidents, especially in remote areas.

The department stated that due to COVID-19 lockdown, procurement of communication equipment could not be initiated. The reply is not acceptable as procurement could have been made before or after such lockdown(s).

• Foam compound –

Firefighting foam compound is a foam used for fire suppression. Its role is to cool the fire and to coat the fuel, preventing its contact with oxygen, resulting in suppression of combustion. As per SFAC recommendation¹⁶, minimum 500 litres of foam compound is to be stocked in every fire station.

Scrutiny revealed that there was shortage of foam compound in 10¹⁷ out of 12 test-checked fire stations ranging from 53 litres to 400 litres as of March 2021.

¹⁶ Compilation of minutes of meetings of the SFAC from 1st meeting to 38th meeting-Page No. 637, Point No. 24.

¹⁷ Total foam compound available in Fire stations Baddi: 100, Bilaspur 330, Dharamshala: 440, Tilak Nagar 160, Solan: 280, Una: 400, Kangra 360, Kullu 447, Manali 270, Rohru 400.

Shortage of foam compound would adversely affect the firefighting capacity of the respective fire stations.

4.5 Manpower Management and Capacity Building

4.5.1 Manpower management

State Government has fixed norms¹⁸ of posting operational staff in fire institutions.

The cadre-wise position of operational staff in Department as of March 2021 was as depicted in **Table-4.6**.

Table-4.6: Position of operational staff in department as of March 2021

Category	Sanctioned Strength	Persons-in-position	Vacant Posts	Percentage shortage
Chief Fire Officer	1	1	0	0
Fire Prevention Officer/ Divisional Fire Officer	3	3	0	0
Station Fire Officer	10	6	4	40
Sub-Fire Officer	35	24	11	31.43
Leading Fireman	123	109	14	11.38
Fireman	578	377	201	34.78
Driver-cum-Pump Operator	188	159	29	15.42
Total	938	679	259	27.61

At the 23 test-checked fire control centres, against sanctioned strength of 353 operational staff, only 280 personnel were in position leaving 73 posts (21 *per cent*) vacant as of March 2021.

The department stated (October 2021) that proposal for filling vacant posts have been sent to HP Public Service Commission and HP Staff Selection Commission. The fact remained that non-recruitment of operational staff was adversely impacting the capacity of the fire control centres.

4.5.2 Training – State Fire Training Centre

The Department has State Fire Training Centre at Baldeyan (Shimla district). The training centre, headed by a Divisional Fire Officer, conducts various refresher training programmes and courses for officers, staff and homeguard volunteers.

NDM Guidelines (2012) recommend for adequate infrastructure and facilities at the training centre to train firefighters in realistic scenarios for different types of fire emergencies.

Audit observed shortcomings in availability of infrastructure, facilities, equipment and courses conducted as detailed in the **Table-4.7**.

¹⁸ Letter No. Home-F(A)1-13/2019 dated 12th March 2020.

Table-4.7: Availability of infrastructure in State Fire Training Centre

Sr. No.	Requirement as per NDM norms	Availability
1.	Laboratory for fire prevention, flammable chemicals and explosives training	No
2.	Outdoor training structure like confined spaces building for firefighting training	No
3.	Rescue tower for practical training	No
4.	Smoke room for familiarisation with fire incident scenario	No
5.	Modern simulators for practical training	No
6.	Library	No
7.	Personal protective equipment	Available in limited number
8.	Breathing apparatus	Available in limited number
9.	Specialized flood rescue equipment	Available in limited number
10.	First-aid-kits	Yes
11.	Conducted specialized courses in radio telephony	No
12.	Conducted communication training	No
13.	Availability of water for live demonstration of hydrant training	No
14.	Turntable ladder, hydraulic platform	No
15.	Assessment of technical proficiency and physical efficiency of fire personnel up to rank of STO	Done at the time of training
16.	Equipment / vehicles used for firefighting	No; only foam tender and one motorcycle are available for training

4.5.3 Physical Assessment Test for operational firefighting Staff

As per SFAC recommendations¹⁹, 45 years should be the upper age limit for firemen who are involved in firefighting and rescue operations, and physical assessment test is to be held every six months to ensure that they are fit to perform duties.

Scrutiny of records of Directorate of Fire Services revealed that out of 679 operational staff in the department, 437 (64%) were above the age of 45 years. The department did not conduct any physical fitness tests during 2018-21 as per recommendations.

4.6 Response Time

Para 7.2.2 of NDM guidelines (2012) recommends response time of 3 to 5 minutes in urban areas and 20 minutes in rural areas. Record of all fire incidents in the department is maintained in Occurrence Book and Fire / Rescue Call Register, in which details of fire incidents viz., intimation of fire, movement of vehicles, estimated loss, etc. are recorded.

Audit scrutinized records relating to fire incidents in 23 test-checked fire control centres for 2018-21 with reference to the prescribed NDM norms and observed –

- Fire Post Theog had not maintained record of reaching time at fire incident site.

¹⁹ Appendix “11-G”, proceedings of sub-committee on medical standards for firemen.

- In the other 22 test-checked fire control centres, there was delayed response in 59 *per cent* cases in urban areas and 41 *per cent* cases in rural areas, as detailed in the Tables-4.8 and 4.9.

Table-4.8: Response time in fire control centres in Urban Areas

Year	No. of cases	No. of cases within stipulated response time (up to 5 minutes) (%)	No. of cases of delayed response				
			6 – 15 minutes	16 – 25 minutes	26 – 35 minutes	Above 35 minutes	Total No. of cases of delayed response (%)
2018-19	733	297 (41%)	362	55	15	4	436 (59)
2019-20	620	218 (35%)	313	67	14	8	402 (65)
2020-21	498	237 (48%)	213	31	10	7	261 (52)
Total	1851	752 (41%)	888	153	39	19	1,099 (59)

Table-4.9: Response time in fire control centres in Rural Areas

Year	No. of cases	No. of cases within stipulated response time (up to 20 minutes) (%)	No. of cases of delayed response				
			21– 30 minutes	31 – 40 minutes	41 – 50 minutes	Above 50 minutes	Total No. of cases of delayed response (%)
2018-19	1219	658 (54%)	247	134	74	106	561 (46)
2019-20	1101	700 (64%)	178	90	64	69	401 (36)
2020-21	1012	620 (61%)	173	90	65	64	392 (39)
Total	3332	1,978 (59%)	598	314	203	239	1,354 (41)

Delayed response to fire incidents would adversely impact the effectiveness of firefighting efforts in preventing loss / damage to life and property.

The test-checked fire control centres stated that delay in reaching the fire incident places was mainly due to large distances from the centres, geographical conditions, bad roads, traffic jams, etc. This indicates that the department had not properly planned / rationalized distribution and location of fire control centres keeping in view geographical conditions, etc. Moreover, the response times as prescribed in NDM guidelines had already considered such factors in urban and rural areas.

4.7 Conclusion

There has not been any significant improvement in preparedness of the fire department in mitigating disasters, even after lapse of six years from recommendations made after audit exercise featured in the CAG's Audit Report of the year 2016. The department had not amended Himachal Pradesh Fire Fighting Services Act as also not drafted rules for enactment of Fire Services Act despite PAC recommendations to the effect. The provisions of the Act were weak as they did not contain provisions to enforce compliance and penal provisions to deter non-compliance. Planning was deficient as the department had not conducted any fire

vulnerability analysis as also not prepared any database of industries engaged in hazardous activities. There was no database of high rise buildings in the State though the PAC had recommended to identify the buildings which are vulnerable to fire and maintain records for the same. The department was not able to spend as much as 39 *per cent* of its plan funds during 2019-20. There were savings in other years also in both plan and non-plan funds indicating inefficient financial management. The required number of fire posts/ stations were not created. There was acute shortage of personal protective equipments for firefighting. Besides there was shortfall in key posts of operational firefighting staff. Expectedly, the response time of fire services was not at par with the prescribed norms.

The Audit findings were referred to the State Government (March 2022) and reply was awaited (August 2022).

4.8 Recommendations

- *Surveys may be conducted periodically to identify hazardous industries and fire vulnerable buildings, and an action plan prepared for risk mitigation in such areas/buildings;*
- *Legal framework should be strengthened to confer powers to enforce mandatory fire clearances, entry and inspection, and imposition of fines and penalties; and*
- *Department may undertake steps to upgrade infrastructure and strengthen manpower at field units to comply with norms.*

Chapter-5

Individual Audit Observations

Chapter 5: Individual Audit Observations

State Taxes and Excise Department

5.1 Inadmissible allowance of Input Tax Credit (ITC) on branch transfer

Failure of Assessing Authorities to disallow ITC on branch transfer resulted in inadmissible allowance of ITC of ₹ 1.40 crore. Besides, interest was also leviable.

Section 11(4) of the Himachal Pradesh VAT Act, 2005, provides that notwithstanding anything contained in sub-section, ITC shall be allowed only to the extent by which the amount of input tax paid in the State exceeds four *per cent* on purchase of goods sent outside the State otherwise than by way of sale in the course of inter-state trade. Section 19 provides that if a dealer fails to pay the tax due by the prescribed date, he becomes liable to pay interest at the rate of one *per cent* and thereafter one and half *per cent* till the default continues.

Audit scrutiny during 2020-21 of five ¹ (out of 11) test-checked Deputy Commissioners of State Taxes and Excise (DCSTE) revealed that Assessing Authorities (AAs), while finalizing assessments (between April 2019 to January 2020) of 14 dealers, for the assessment years 2007-08 to 2016-17, disallowed ITC of only ₹ 0.52 crore on goods sent as branch transfer, whereas, the AAs were required to disallow ITC of ₹ 1.92 crore² of ITC on branch transfers as per Section 11(4), *ibid*. This resulted in excess benefit of ITC of ₹ 1.40 crore³ on branch transfer. Besides, interest under Section 19 of the Act, *ibid* was also leviable.

Government replied (March 2022) that re-assessments had been carried out in four cases of three dealers.⁴ The amount was pending for recovery and the reply in case of one dealer was accepted as the company was liquidated by the order of Hon'ble High Court of Mumbai. In the remaining cases, DCSTEs had been directed by Government to take appropriate action.

The Department may consider issuing necessary directions to the officials concerned to pay due attention to the relevant rule provisions while making adjustment of ITC in the assessments.

¹ DCSTEs Sirmour at Nahan, Una, Baddi, Solan and Nurpur (Kangra).

² ITC to be disallowed on Branch transfer = (4%) / (rate of tax) x (Total ITC - ITC on sales of the corresponding rate of Tax).

³ DCSTE Sirmour: four cases: ₹ 49.92 lakh, DCSTE Una: four cases: ₹ 63.40 lakh, DCSTE Baddi: three cases: ₹ 24.51 lakh, DCSTE Solan: two cases: ₹ 0.92 lakh and DCSTE Nurpur (Kangra): one case: ₹ 1.30 lakh.

⁴ Malwa Cotton, Fewa Electric and Stufa.

5.2 Non-levy of penalty and additional penalty on short lifting of Minimum Guaranteed Quota (MGQ)

The Department did not levy penalty of ₹ 37.46 crore and additional penalty of ₹ 1.58 crore for short lifting of MGQ against benchmarks of 100 per cent and 85 per cent respectively.

Para 5.3 of Excise Announcement (EA) 2019-20⁵ and para 4.3 of EA 2018-19 stipulate that each licensee shall lift 100 per cent of Minimum Guaranteed Quota (MGQ) both of Country Liquor (CL) and Indian made Foreign Liquor (IMFL) as fixed for each vend and shall be liable to pay penalty equivalent to Retail Excise Duty (RED) on un-lifted quota falling short of 100 per cent MGQ. Further, if lifting falls short of 85 per cent of MGQ, he shall be liable to pay in addition to the RED as penalty, an additional penalty of 10 per cent of the RED falling short of 85 per cent of MGQ. District in-charge concerned is required to review the lifting of MGQ on quarterly basis and ensure recovery of penalty as well as additional penalty on un-lifted MGQ.

Para 5.5 (a) of EA 2019-20 also stipulate that, in the event the licensee fails to make the payment of penalty equal to RED on the unlifted monthly Quota, by the due date, the licensee shall pay on the amount which remains unpaid, interest at the rate of 14 per cent per annum for a delay of up to one month from the date of default. If the default in payment of annual Retail Excise Duty exceeds one month, such licensee shall pay interest @ 18 per cent per annum on the unpaid amount from the date of expiry of one month's period from the first date of default.

During 2020-21, scrutiny of records for the period 2018-20 of six (out of 11) test checked DCSTEs⁶ revealed that out of 1041 licensees of CL and IMFL under these six DCSTEs, 714 licensees had lifted quota short of 100 per cent benchmark by 11,58,496 proof litres (pls),⁷ on which penalty of ₹ 37.46 crore was leviable. Out of these 714 licensees, 241 licensees had lifted quota short of 85 per cent benchmark by 4,67,993 proof litres, on which additional penalty of ₹ 1.58 crore was leviable.

Table-5.2.1: MGQ lifted against benchmark of 100 per cent and 85 per cent for CL and IMFL

Type of liquor	MGQ fixed (pls)	MGQ lifted (pls)	Rate of RED leviable as per EA (Per pls)	100 per cent benchmark		85 per cent benchmark	
				MGQ lifted short of 100 per cent	Penalty (₹)	MGQ lifted further short of 85 per cent	Additional penalty (₹)
1	2	3	4	5=2-3	6=4*5	7	8
CL	54,51,629	49,36,246	290	5,15,385	14,94,61,579	1,92,953	55,95,650
IMFL	60,97,909	54,54,797	350	6,43,111	22,50,89,009	2,75,040	1,02,31,684
Total	1,15,49,538	1,03,91,043		11,58,496	37,45,50,587	4,67,993	1,58,27,335

⁵ Extended up to May 2020 due to Covid Pandemic.

⁶ Una, Hamirpur, Kangra at Dharamsala, Kullu, Sirmour at Nahan and Mandi.

⁷ Strength of alcohol is measured in terms of 'Degree Proof'. Strength of such alcohol 13 parts of which weigh exactly equal to 12 parts of water at 51 Degree F. is assigned 100 Degree proof. Apparent volume of a given sample of alcohol when converted into volume of alcohol having strength 100 Degree is called LPL or PL.

Thus, failure of DCSTEs to strictly review the quota lifting position of MGQ on a quarterly basis as required by EA resulted in non-realisation of penalty and additional penalty of ₹ 39.04 crore (₹ 37.46 crore + ₹ 1.58 crore). In addition, interest under para 5.5(a) of Excise Announcement 2019-20 was also leviable.

The DCSTEs concerned accepted the audit observations and replied that action would be taken to recover the penalty and additional penalty from the defaulters.

The Department may fix accountability and ensure recovery of due license fee amounts in light of the above observations.

5.3 Non-levy of interest on delayed payment of Retail Excise Duty and Bottling Fee

Interest amounting to ₹ 41.16 lakh on delayed payment of license fee and ₹ 26.30 lakh on delayed payment of bottling fee was not demanded by the Department from the licensees of 69 vends and five manufacturers respectively, resulting in non-levy of interest to the extent of ₹ 67.46 lakh.

Para 3.35 of Excise Announcement (EA) 2019-20 provides that if a licensee fails to make payment of retail excise duty (RED) by the due date, he shall pay interest on the unpaid amount at 14 *per cent* per annum for delay of up to one month from the date of default. If the default exceeds one month, he shall pay interest at 18 *per cent* per annum on the unpaid amount from the date of expiry of the first month of default. Para 3.36 of EA also provides that if the licensee fails to deposit RED plus interest by last day of the next month, or the last instalment by 15 March, his vend shall be sealed by the DCSTE on the 1st day of the following month or on 16th March.

Rule 9.5(6)(a)(ii) of Punjab Distillery Rules, 1932 as applicable to Himachal Pradesh provides that bottling fee at the rates prescribed shall be payable on quarterly basis. Rule 9.5(8) further provides that in the event of failure to pay the bottling fee or part thereof by the due date, interest at 12 *per cent* per annum for the first month of default shall be payable; and if the default exceeds one month, interest at 18 *per cent* per annum from initial date of default shall be payable till the default continues.

Audit scrutiny of records during 2020-21 of four (out of 11) test checked DCSTEs⁸ revealed that licensees of 69 out of 583 vends under these four DCSTEs had deposited RED of ₹ 53.59 crore with delay ranging from one and 102 days. In 23 cases, the delay was more than one month. These licensees were liable to pay interest of ₹ 41.16 lakh on the delayed payments.

Similarly, five manufacturers under two DCSTEs⁹ had deposited bottling fees of ₹ 5.88 crore with delay ranging from one to 421 days, on which interest of ₹ 26.30 lakh was leviable.

⁸ DCSTEs: Solan 15 Vends; ₹ 11.64 lakh, Nurpur (Kangra): eight Vends; ₹ 2.22 lakh, Mandi 12 Vends; ₹ 4.40 lakh and Kullu 34 Vends; ₹ 22.90 lakh.

⁹ DCSTEs: Baddi: three manufacturers; ₹ 19.80 lakh and Nurpur: two manufacturers; ₹ 6.49 lakh.

Thus, interest of ₹ 67.46 lakh (₹ 41.16 lakh on RED and ₹ 26.30 lakh on bottling fees) was not recovered. DCSTEs accepted the observations and replied that recovery of interest would be initiated.

Despite being repeatedly pointed out by Audit for the last five years, the deficiency persists, indicating negligence in applying the provisions of EA. Government may consider conducting periodic review of recoveries from retailers, distilleries, breweries, bottling plants to safeguard its revenue.

5.4 Non-realisation of bottling license fee

In two distilleries/bottling plants, DCSTEs recovered bottling license fee of ₹ 34.96 lakh against the recoverable amount of ₹ 71.86 lakh resulting in non-realization of ₹ 36.91 lakh. In addition, interest was also leviable.

Rule 9.5(6) of the Punjab Distillery Rules (PDR), 1932 as applicable to Himachal Pradesh provides that the licensee shall pay into the Government treasury, the amount chargeable according to the units of 750 millilitres (mls) of CL and IMFL bottled by them. Rule 9.5 (8) of PDR further provides that if the licensee fails to pay the fee or part thereof by the due date, interest at the rate of 12 *per cent* per annum up to one month and if the default in payment exceeds one month, interest at the rate of 18 *per cent* for the entire delay shall be payable. This fee shall be paid by the licensee quarterly within the seven days of the expiry of each quarter.

Audit scrutiny in 2020-21 of the records for the year 2019-20 of two distilleries under two test checked DCSTE¹⁰ (out of 11) revealed that the units had produced 17.72 lakh proof litres (47.06 lakh bottles) of liquor (CL & IMFL) on which bottling fee of ₹ 71.86 lakh at the prescribed rates¹¹ was payable, against which the units had paid only ₹ 34.96 lakh as given below:

Table-5.4.1: Bottling license fee paid less for CL and IMFL

Name of DCSTEs	Production in proof (Litres)			No. Of Bottles of 750 mls			Payable Bottling Fees			Paid	Amount recoverable (₹)
	IMFL	CL	Total (IMFL+ CL)	IMFL Bottles (750 mls)	CL Bottles (750 mls)	Total Bottles (IMFL+ CL)	Bottling fee @ ₹ 4.50 per unit (IMFL)	Bottling fee @ ₹ 1.50 per unit (CL)	Total Bottling fee (IMFL+ CL)		
Una	12,456	10,13,832	10,26,288	22,143	27,03,552	27,25,693	99,646	40,55,328	41,54,974	7,15,000	34,39,974
Sirmour	11,520	7,34,796	7,46,316	20,481	19,59,456	19,79,937	92,163	29,39,184	30,31,347	27,80,650	2,50,697
Total	23,977	17,48,628	17,72,605	42,625	46,63,008	47,05,633	1,91,812	69,94,512	71,86,324	34,95,650	36,90,670

There was nothing on record to indicate that the heads of the units concerned had initiated any action to recover the remaining bottling fee. This resulted in

¹⁰ Sirmour and Una.

¹¹ CL: ₹ 1.50 and IMFL: ₹ 4.50 per bottle.

non-realisation of bottling fee/bottling license fee of ₹36.91 lakh¹². Besides, interest under rule 9.5(8) of Punjab Distillery Rules (PDR), 1932 was also leviable. On this being pointed out, the DCSTEs confirming the facts and figures as correct, stated that the matter would be looked into, and action would be taken as per excise policy.

5.5 Suspected Pilferage of Country Liquor

Mismatch between the quantity sold by the wholesaler and lifted by the retailers resulted in suspected pilferage of liquor involving retail excise duty of ₹ 24.05 lakh.

Rule 7.13(ix) of Excise Announcement 2019-20 provides that the supply of Country Liquor and High Strength Country Liquor to the retail licensee of the State shall be done through the L-13 wholesale only and that the L-13 Licensee shall be bound to give supplies of CL to any retail sale Licensee of the District in which it is located, if so desired by such retail sale licensee. In case no L-13 vend is open in a district, this condition may be relaxed by the collector of the zone concerned in which case the retailer shall obtain supplies from the L-13 so approved by the collector of the zone.

The liquor/beer can be sold/transported from the warehouse to the retailers by the wholesaler only after obtaining a pass/permit from the excise authority.

During 2020-21, scrutiny of records of two¹³ (out of 11) test checked DCSTEs revealed that retailers under these two DCSTEs had lifted 21.91 lakhs proof litres of country liquor (CL) against the sale of 21.99 lakh proof litres of CL by wholesalers in the district. Difference between quota sold by wholesalers and quota lifted by retailers as per table below:

Table-5.5.1: Details of suspected pilferage of country liquor

Sr. No.	Name of DCSTEs	Quota Sold By Wholesalers (CL)	Quota lifted by Retailers (CL)	Difference	RED @ ₹ 290 Per Pls for CL
1.	Baddi	12,87,967.14	12,87,009.16	957.98	2,77,814.2
2.	Sirmour	9,11,440.125	9,04,105	7,335.125	21,27,186.25
Grand Total		21,99,407.265	21,91,114.16	8,293.105	24,05,000.45

Thus, there was suspected pilferage of 8,293.105 proof litres of CL on part of wholesalers involving retail excise duty of ₹ 24.05 lakh, worked out as per applicable rates of retail excise duty of 2019-20.

On being pointed out in audit (Feb 2021), the DCSTE Sirmour replied that sale figures of wholesalers and lifting of retailers would be reconciled and outcome thereof will be reported to Audit.

The Department should devise a mechanism to cross-check the sale of wholesalers and receipt of retailers to avoid pilferage of liquor.

¹² Sirmour: ₹ 2.51 lakh and Una: ₹ 34.40 lakh.

¹³ DCSTE Baddi and Sirmour at Nahan.

Revenue Department

5.6 Short determination of market value of properties

Incorrect valuation on the basis of incorrect circle rates and false affidavits regarding distance of the land from road resulted in short-realisation of Stamp Duty and Registration Fee of ₹ 3.74 crore.

According to article 23 of Indian Stamp Act 1899, as amended in 2013, Stamp Duty (SD) at six *per cent* for other persons and four *per cent* for women would be leviable on either the market value of the property or the consideration amount, whichever is higher. Similarly, as per Revenue department notification dated January 2012, Registration fees (RF) at two *per cent* would be leviable on either the market value of the property or the consideration amount, whichever is higher, for registration of property. Department of Revenue issued notification in January 2016 classifying land in rural and urban areas into five categories for calculation of Stamp Duty and Registration Fee (SD & RF), depending upon its location/distance from any road viz., land situated (i) up to 25 meters; (ii) 25 metres to 50 metres; (iii) 50 metres to 100 metres; (iv) 100 metres to 1,000 metres; and (v) more than 1,000 metres from any road in the Revenue Estate. The roads are in turn categorised as National Highway (NH), State Highway (SH) and Other Road (OR). The purchaser is required to file affidavit stating the distance of the relevant land or holding from an NH, SH or OR for calculation of Stamp Duty. If the affidavit of purchaser is found false, penalty up to 50 *per cent* of the applicable Stamp Duty/ Registration Fee is to be levied and recovered.

I. Short levy of SD and RF due to application of incorrect circle rates.

Audit scrutiny in 2020-21 of the records of 23 test checked Sub-Registrars (SRs)¹⁴ (out of 78) revealed that 195 deeds were registered (between 2015 and 2020) for a consideration amount of ₹ 25.71 crore, on which SD and RF of ₹ 1.83 crore was levied. The SRs, while registering these sale deeds ignored/overlooked the supporting documents such as self-affidavits declaring location/distance of land from different categories of road and Jamabandis declaring cultivated/uncultivated nature of the land.

Audit found that SR applied incorrect circle rates, resulting in under valuation of properties. As per the applicable circle rates, consideration amount works out to be ₹ 38.30 crore on which SD and RF of ₹ 2.61 crore was required to be levied. However, SD and RF of ₹ 1.83 crore was levied, leading to short realisation of SD and RF of ₹ 77.96 lakh (SD: ₹ 55.72 lakh + RF: ₹ 22.24 lakh).

¹⁴ SR Barsar: two cases ₹ 1.32 lakh, Bhoranj: five cases ₹ 1.78 lakh, Bharari: nine cases ₹ 1.29 lakh, Bilaspur: four cases ₹ 1.86 lakh, Bihru kalan: seven cases ₹ 1.25 lakh, Chhatri: 10 cases ₹ 1.20 lakh, Dharmsala: six cases ₹ 4.69 lakh, Galore: two cases ₹ 0.59 lakh, Hamirpur: three cases ₹ 0.33 lakh, Jubbal: two cases ₹ 1.01 lakh, Kangra: 15 cases ₹ 1.91 lakh, Kangoo: two cases ₹ 5.14 lakh, Kullu: nine cases ₹ 1.21 lakh, Kataula: seven cases ₹ 4.07 lakh, Nagrota Bagwan: 14 cases ₹ 3.99 lakh, Nahan: 11 cases ₹ 4.38 lakh, Nalagarh: 15 cases ₹ 22.30 lakh, Paonta Sahib: 17 cases ₹ 2.83 lakh, Sadar(Mandi): 20 cases ₹ 6.99 lakh, Shimla(R): 27 cases ₹ 6.28 lakh, Sujanpur: three cases ₹ 0.60 lakh, Tauni Devi: three cases ₹ 1.04 lakh and Tikkar: two cases ₹ 1.76 lakh.

II. Short levy of SD and RF due to acceptance of false affidavits-

Audit scrutiny in 2020-21 of the records of 37 test-checked SRs¹⁵ (out of 78) revealed that 420 Deeds were registered between 2015 and 2020 on the basis of self-affidavits filed by the purchasers declaring distance of land holding from different categories of roads. These deeds were registered for a consideration amount of ₹ 78.62 crore, on which SD and RF of ₹ 5.64 crore was levied. Audit cross-verified the affidavits with maps (*latha*) available with the Kanungo (Revenue Authority) and found that the valuation of the properties should have been done at ₹ 118.20 crore on the basis of location/distance of land from different categories of road, on which SD and RF of ₹ 8.60 crore was required to be levied. Audit observed that even though the revenue records (*latha*) and land rates were available with the Department, the SRs did not cross-verify the affidavits before registration of deeds, and instead, relied on the information in the self-affidavits filed by the purchasers. This led to short levy of SD and RF of ₹ 2.96 crore (SD ₹ 2.21 crore + RF ₹ 75.98 lakh). In addition, maximum penalty @ 50 per cent of applicable SD and RF amounting to ₹ 4.29 crore also became leviable.

On this being pointed out, 11 SRs¹⁶ replied that an amount of ₹ 36.62 lakh (April 2020 to March 2021) in 82 cases had been recovered. Remaining Sub-Registrars (SRs) stated that doubtful affidavits would be examined by the revenue authority concerned and action taken accordingly, after ascertaining the exact location of land in due course of time under intimation to audit.

The Government may consider putting in place systems and procedures to simplify the mechanism for identification of different types of roads and calculation of distance from roads to reduce arbitrary interpretation of the rules.

¹⁵ SR Arki: seven cases ₹ 2.46 lakh, Baldwara: 15 cases ₹ 6.20 lakh, Barsar: 10 cases ₹ 3.07 lakh, Bharari: five cases ₹ 3.05 lakh, Bhawarna: 20 cases ₹ 5.37 lakh, Bilaspur: five cases ₹ 17.56 lakh, Chamba: six cases ₹ 7.90 lakh, Chhatri: eight cases ₹ 0.64 lakh, Dharmsala: 19 cases ₹ 7.48 lakh, Galore: 10 cases ₹ 4.33 lakh, Harchakian: six cases ₹ 0.62 lakh, Jubbal: five cases ₹ 8.14 lakh, Junga: seven cases ₹ 1.86 lakh, Kangoo: 14 cases ₹ 4.41 lakh, Kangra: 15 cases ₹ 6.38 lakh, Kasba Kotla: six cases ₹ 2.25 lakh, Kataula: six cases ₹ 1.22 lakh, Kullu: seven cases ₹ 1.02 lakh, Nahan: 12 cases ₹ 37.50 lakh, Nalagarh: 18 cases ₹ 8.55 lakh, Narag: five cases ₹ 1.79 lakh, Nargota Bagwan: four cases ₹ 0.65 lakh, Palampur: nine cases ₹ 3.56 lakh, Pangna: 18 cases ₹ 23.21 lakh, Paonta Sahib: 19 cases ₹ 22.71 lakh, Ramshehar: 14 cases ₹ 3.53 lakh, Sadar(Mandi): five cases ₹ 1.83 lakh, Sarkaghat: 11 cases ₹ 4.22 lakh, Shimla(U): nine cases ₹ 3.54 lakh, Shimla(R): 17 cases ₹ 40.13 lakh, Sihunta: six cases ₹ 3.01 lakh, Solan: 17 cases ₹ 56.33 lakh, Sundarnagar: 53 cases ₹ 18.71 lakh, Tauni Devi: seven cases ₹ 1.63 lakh, Thunag: 17 cases ₹ 5.51 lakh, Thural: six cases ₹ 0.66 lakh and Tikkar: two cases ₹ 0.28 lakh.

¹⁶ Baldwara: ₹ 5.64 lakh, Bharwain: ₹ 2.12 lakh, Chhatri: ₹ 0.70 lakh, Junga: ₹ 1.67 lakh, Mandi (Sadar): ₹ 0.54 lakh, Ramshahar: ₹ 0.23 lakh, Shimla(R): ₹ 6.76 lakh, Sihaunta: ₹ 1.04 lakh, Solan: ₹ 11.46 lakh, Thunag: ₹ 5.07 lakh and Tikkar: ₹ 1.33 lakh.

5.7 Short realisation of Stamp Duty and Registration Fees on Lease Deeds

Market rates were not used to calculate stamp duty and registration fees due on lease deeds resulting in short recovery of ₹ 0.43 crore.

Department of Revenue notified in January 2012 that *Stamp Duty* (SD) at five *per cent*¹⁷ and *Registration Fees* (RF) at two *per cent*¹⁸ would be leviable on the market value of the property for registration of all lease deeds.

Audit scrutiny in 2020-21 revealed that in 10 (out of 78) test-checked Sub-Registrars (SRs), the SRs levied stamp duty and registration fees on 33 lease deeds using arbitrary consideration amount instead of using the market value, even though the circle rates of land and built-up rates of structures needed to determine the market value¹⁹ were available with the Department. As a result, against SD and RF of ₹ 0.73 crore (SD ₹ 0.52 crore + RF ₹ 0.21 crore) that would have been leviable on the basis of market value, (which would have been the higher amount), the SRs levied SD and RF of ₹ 0.30 crore (SD ₹ 0.22 crore + RF ₹ 0.08 crore) on a lower amount for which no justification was found on record, resulting in short realisation of SD and RF of ₹ 0.43 crore²⁰ (SD: ₹ 0.30 crore + RF: ₹ 0.13 crore).

The Department replied (between March and December 2020) that three SRs²¹ had recovered an amount of ₹ 6.82 lakh in seven cases. The remaining SRs stated that cases would be reviewed. The reply of the Government was still awaited (August 2022).

This issue was highlighted in the Audit Report on State Revenues of previous years, but the SRs were continuing to deviate from the departmental instructions. The persistence of such deviations is indicative of weak internal controls. The Government may examine the reasons for persistent non-adherence to the departmental notification by field offices and initiate corrective action.

Public Works Department**5.8 Short realization of dues for laying of optical fibre cable**

Failure of the Department to apply correct rates for restoration of road after the laying of optical fibre cable reflects negligence in safeguarding public resources resulting into short recovery of ₹ 0.55 crore and compromising the ability of the department to restore the road to the desired quality standards.

As per departmental instructions (January 2001), damages caused to the roads are restored by Himachal Pradesh Public Works Department (HPPWD) out of deposit

¹⁷ Formula: Stamp duty @ 5% x Market Value x Period of lease / 100.

¹⁸ Formula: Registration Fees @ 2% x Market Value x Period of lease / 100.

¹⁹ Formula: Market value of property = (Circle Rate * Area) + {Builtup rate * Area (if structure is also being sold)}.

²⁰ Dheera: one case, ₹ 1.93 lakh; Kangra: two cases, ₹ 6.61 lakh; Dharwala: one case, ₹ 1.49 lakh; Hamirpur: Six cases, ₹ 3.92 lakh; Solan: Nine cases, ₹ 8.73 lakh; Dulehar : one case, ₹ 1.51 lakh; Junga: five cases, ₹ 4.38 lakh; Shimla Rural : one case, ₹ 0.98 lakh; Churah: five cases, ₹ 8.72 lakh and Chamba: two cases, ₹ 1.64 lakh.

²¹ Dheera ₹ 1.93 lakh, Junga ₹ 4.15 lakh and Solan ₹ 0.73 lakh.

money received from telecom companies against estimates prepared by the Executive Engineer (EE) of the concerned division. For restoration of road after laying underground cable/optical fibre cable, the Engineer-in-Chief fixed the rate²² for the year 2018-19 at ₹ 1,121 per meter for *pucca* (metalled and tarred²³) road, and ₹ 238 per meter for *katcha* road respectively. Besides, the rates for tribal area were to be 25 per cent above the aforesaid rates.

Scrutiny of records of Bharmour division revealed that an estimate for the restoration of road work²⁴ amounting to ₹ 2.65 crore was prepared in 2018 and sent to Telecom operator²⁵ for a total length of 26.10 km²⁶ falling in tribal area from Garola to Deol. In the estimate, 5.0 km of the road²⁷ was shown as *katcha* road whereas as per records, the road was found to be a *pucca* road. Instead of applying the rate applicable for *pucca* road at ₹ 1,121/- per meter, the Division had wrongly applied the rate for *katcha* road at ₹ 238/- per meter in the estimate. This resulted in short recovery of ₹ 0.55 crore²⁸ on restoration of this stretch of the road. It also compromised the ability of the department to restore the road to the desired quality standards.

The Audit finding was referred to the State Government (April 2021). The Government while accepting the audit observation, endorsed (September 2021) the Engineer-in-Chief's reply in which it was stated that the Executive Engineer had been directed (September 2021) to prepare the revised estimate and issue an appropriate demand notice for the additional amount. The Executive Engineer in compliance had prepared and intimated (September 2021) the revised estimate to the telecom operator with a request to deposit the balance amount of ₹ 0.55 crore at the earliest.

The case pointed out is based on the test check conducted by Audit. The Department/ Government may initiate action to examine similar cases and ensure preparation of estimates as per actual records.

5.9 Unfruitful expenditure and undue favour in construction of road work

Unfruitful expenditure of ₹ 3.34 crore on incomplete road work including undue favour of ₹ 0.38 crore due to manipulated/ collusive bidding, besides making payment for fictitious entries in measurement books.

Administrative approval was granted (April 2011) by Special Secretary (PW) Himachal Pradesh for construction of Jablahi Nalah- Barnota Karkoh road (Km 0/0 to 5/500) including one bridge under NABARD, to provide transport facility in Kotli

²² Engineer-in-Chief HPPWD vide letter no. PW(R) 71-A-Fibre Cable/WS-559-90 dated 23-4-2018.

²³ Pre-mix carpet bituminous concrete.

²⁴ Restoration of road due to laying of OFC along with Khramukh Nayagram road portion Garola to Deol.

²⁵ Reliance Jio Infocom Limited.

²⁶ *Pucca* road: 17.010 and *Katcha* road: 9.090.

²⁷ Lying between 13/000 to 27/200 under Holi Sub division.

²⁸ $5000 \text{ rmt} * (1121 - 238) \text{ ₹ per rmt} + 25 \text{ per cent additional for tribal area} = ₹ 0.55 \text{ Crore.}$

area of Mandi district. Technical sanction was granted (February 2012) for ₹ 1.82 crore by the Chief Engineer (CE). The work was awarded in 2015 and was still in progress (March 2022).

Scrutiny of records (January 2018) of HPPWD Mandi II Division and information obtained thereafter revealed the following irregularities -

5.9.1 Payment for fictitious entries in measurement books

Punjab PWD Code (followed by HPPWD) in para 4.5 and 4.6 stipulates that the measurement book (MB) must be looked upon as the most important record since it forms the basis of all accounts of quantities which have to be counted or measured. MB should be a reliable record as it may have to be produced as evidence in a court of law.

The work²⁹ was first awarded in January 2015 to a Government contractor for ₹ 1.56 crore and was stipulated to be completed in two years (February 2017).

The awarded work *inter alia* had provision for excavation work of 43,800.59 cubic meter to widen the road to a width of five to seven meters from 0/0km to 5/500 km, amounting to ₹ 0.46 crore³⁰. However, it was noticed that the contractor excavated a quantity of 58,017.96 cubic meter (32 *per cent* above scope of work) for which payment of ₹ 0.61 crore was made to him. Thereafter, the contractor abandoned the work in April 2016 and the contract was rescinded by the Executive Engineer (EE) (Mandi Division II) in March 2017.

Subsequently, excavation work for a quantity of 7,490.53 cubic meter amounting to ₹ 0.08 crore³¹ was again awarded in January 2018 to a second contractor in road portion 1/900 to 2/600 as balance work left out by the first contractor. Apart from this, excavation work for 25,679 cubic meter amounting to ₹ 0.38 crore³² was also awarded in September-October 2018 to 36 other contractors as Removal of Formation Deficiency (ROFD) work.

In all instances, the excavation work was claimed to have been executed and completed. It would appear that against the original estimate/award of 43,800.59 cubic meter of excavation work for ₹ 0.46 crore, the department apparently got a total quantity of 91,187.49 cubic meter³³ excavated for ₹ 1.07 crore.

However, when Audit scrutinized and compared the excavation work recorded in the respective measurement books (MBs) of the various contractors, it was found that the road width recorded as already cleared by the first contractor was again recorded as

²⁹ SH: F/C 5/7 Mtr wide, CD works, V shape *katcha* drain, P/L Essential soling & C/O 19.75 Mtr. RCCT beam bridge.

³⁰ RD 0/0 to 5/500 at the rate of ₹ 105.76 per cubic meter.

³¹ RD 1/900 to 2/600 at the rate of ₹ 109 per cubic meter.

³² All the road from RD 0/0 to 5/500 (except 1/900 to 2/420) at an average rate of ₹ 146 per cubic meter.

³³ 58017.96 cubic meter + 7490.53 cubic meter + 25679 cubic meter.

having been cleared by second contractor/36 ROFD contractors. This is illustrated from a few examples in **Table-5.9.1**.

Table-5.9.1: Overlap of Excavation work (as per Measurement Books)

	Excavation by first contractor			Excavation by Second Contractor/ ROFD work by various contractors		
1	2	3	4	5	6	7
RD	Width shown already clear	Width cleared by first contractor	Total clear width after execution (April 2016)	Width shown already clear (Aug 2018)	Width cleared by second/ ROFD contractor	Total clear width after execution
0/0	4	3	7	4.2	0.6	4.8
0/30	3	2.7	5.7	0	6.0	6.0
0/60	3	4	7	0	7.3	7.3
0/90	0	5.6	5.6	0	6.5	6.5
0/120	0	5.2	5.2	0	5.5	5.5
0/150	2.7	3	5.7	5	1	6
0/180	0	6	6	3.5	2.3	5.8
0/210	0	6	6	6	0.8	6.8
0/240	0	7	7	0	5.5	5.5
0/270	2.5	3.1	5.6	3	2.0	5.0

It is clear from the above table that after showing road width cleared to the required extent in 2016 (column 4), the division showed a lesser extent of road width clear in 2018 (column 5). For the same excavation work, measurements and payments have been recorded twice in two different MBs.

5.9.2 Manipulated/ collusive bidding

According to Competition Act 2002 “bid rigging” means any agreement, between enterprises or persons, which has the effect of eliminating or reducing competition for bids or adversely affecting or manipulating the process for bidding.

Section 8 (b) of Himachal Pradesh Prevention of Specific Corrupt Practices Act, 1983 (hereafter HP Corrupt Practices Act), provides that any tenderer for a work under a works department who enters into a conspiracy with any other tenderer to eliminate competition for pushing a collusive low-rate tender for acceptance, shall face punitive action.

Section 9 (a) of the Act *ibid* stipulates that any officer of a works department, having authority to accept a tender on behalf of a works department, who abets the commission of an offence under Section 8 by accepting such tender, shall also face punitive action.

As referred in para 5.9.1, after the first contractor abandoned the work and his contract was rescinded, the work was split-up in 36 parts and separate tenders were floated for each as ROFD work. The entire process of split-up and award has several indicators of manipulated/collusive bidding as detailed below:

5.9.2.1 Irregular splitting and award of ROFD work

As per section 13 of the HP Corrupt Practices Act, an officer of the works department, who resorts to splitting of purchase order with malafide intention, in order to enable him to affect purchases which would have otherwise been beyond the pale of his financial authority to do so, or to do so in flagrant breach of the established procedure shall face punitive action.

Para 6.44 of Punjab Public Works Manual of Orders specifies that only that authority can allow/approve split up of a work who is competent to accord technical sanction to the whole work/project. Notwithstanding the *ibid* rule, there exist departmental instructions³⁴ that EEs are not authorized to split up the works at their own level even if the technical sanction of the whole project rests under their authority.

As mentioned earlier, technical sanction for the work had been granted by CE in February 2012. So, only the CE was competent to grant split-up sanctions in respect of the work. However, a sanction³⁵ of ₹ 0.39 crore was taken from the Superintending Engineer (SE) in May 2018 for splitting the work into two ROFD works. Thereafter, the excavation component of these two ROFD works were further split up into 36 works (Table-5.9.2) without justification by the EE at the division level and the Assistant Engineers at the subdivision level in June and August 2018, beyond their respective delegated powers.

Executive Engineer (EE) accepted (March 2022) that EEs are not authorized to split-up the works but stated further that the work was split up due to urgency of work and *ex-post facto* split-up sanction of work would be obtained from the competent authority.

However, no documents were provided to support the claim of urgency leading to splitting-up of the work.

5.9.2.2 Failure to advertise the tenders and ensure wide publicity

As per Punjab Public Works Manual of Orders (followed by the HPPWD), the Detailed Notice Inviting Tender (DNIT) for works costing above 50,000 should be sent to Director Information and Public Relations (IPR), approved contractors, offices of other divisions etc. and some proof of dissemination should be obtained. Further, there are departmental instructions³⁶ that all tender

³⁴ No. PW/CTR/32-20/Genl.Instructions/2012-1877-1976 dated 23/04/2012.

³⁵ vide letter No PW-SEI-R-25-26-M-11/2017- 3615-16 dated 3-5-18 for 0.39 crore.

³⁶ No. PW-CTR-32-20/Genl.Inst/2014/6006-105 dated 08/07/2014.

notices should be sent to Director IPR in soft copy³⁷, and that in case of non-compliance, the officers concerned of the department would be responsible for consequences of non-publication of tender notices.

Audit observed that for the 20 out of 36 works, DNIT notices/letters were endorsed to director IPR and other recipients in diary entries at the division.

However, for these 20 works with tendered value over ₹ 50,000, no proof was found of actual dispatch of tender notices like a postal certificate/speed post/registry slip or an email trail of soft copy dispatch, as required by *ibid* Manual of Orders. Moreover, the Director IPR denied receiving DNIT letters for publication in any form/medium (post, email/pen drive etc.). The other intended recipients, such as Superintending Engineer (1st Circle Mandi), also denied receiving DNIT notices/letters from the division. The Sub divisional offices under the control of the division also did not have any record of receipt of *ibid* DNIT notices/letters in their diary entry. The remaining 16 works were tendered below ₹ 50,000 which dispensed with the requirement for wide publicity. Thus, due publicity was not given to the DNIT notices by the division/subdivision concerned which aided collusive bidding as substantiated by the subsequent points.

The EE replied (March 2022) that tenders above ₹ one lakh are sent through Registered post/e-mail to director IPR and tenders below ₹ one lakh are not required to be published in the Giriraj or any other newspaper as per Government instructions.

The reply is unacceptable as no documentary proof was submitted in support of this claim and the *ibid* Manual of Orders clearly specifies that tenders above ₹ 50,000 are to be publicized and proof of dissemination is to be obtained. Moreover, sending soft copy to the Director IPR and ensuring publication was the responsibility of the divisional officer which had not been carried out.

Further, non-publication of tender notices tantamount to abetting the elimination of competition from bidding process, which is an offence under Section 9(a) of HP Corrupt Practices Act.

5.9.2.3 Suspected collusive bidding through bid rotation

In bid rotation schemes, the conspirators agree to distribute the share of the spoils amongst themselves and thus all conspirators submit their bids but take turns to be the lowest bidder. CCI explains that “a strict bid rotation pattern defies the law of chance and suggests that collusion is taking place.”

Scrutiny by Audit revealed certain suspicious patterns, which indicate a high probability of collusive bidding through bid rotation in the tender of these 36 works as shown in Table-5.9.2.

³⁷ No. I&PR- H-(F)6 (Advt.)-2(W)/2013-1919 dated 09 June 2014.

Table-5.9.2: Bidding and award of ROFD work

(Amount in ₹)

Sr. No.	Name of ROFD contractor ³⁸ (L1 bidder)	RD (from- to)		Negotiated rate agreed by L1	Rates quoted by			Estimated cost	Awarded amount
					L1	L2	L3		
(1)	(2)	(3)		(4)	(5)			(6)	(7)
1.	Girdhari Lal	0/000	0/150	185	225	230	240	89,938	1,28,168
2.	Dhyan Singh	0/150	0/330	190	230	235	245	92,013	1,31,122
3.	Girdhari Lal	0/330	0/480	231	280	290	300	99,093	1,41,034
4.	Dhyan Singh	0/480	0/615	206	250	255	260	97,512	1,38,593
5.	Bhuvnesh Thakur	0/615	0/735	240	310	320	330	95,599	1,35,008
6.	Bhuvnesh Thakur	0/735	0/870	223	280	290	300	95,584	1,35,520
7.	Ravinder Kumar	0/870	1/015	197	240	250	265	96,109	1,36,269
8.	Ravinder Kumar	1/015	1/210	196	250	255	260	95,263	1,35,210
9.	Jitender Kumar	1/210	1/435	169	200	210	215	91,670	1,30,000
10.	Jitender Kumar	1/435	1/645	185	225	230	240	89,282	1,26,282
11.	Mast Ram	1/645	1/795	225	275	280	290	89,544	1,26,461
12.	Mast Ram	1/795	1/900	199	240	245	250	78,585	1,11,263
13.	Dhanjay	2/420	2/510	187	225	230	235	95,771	1,35,884
14.	Jeevan Lal	2/510	2/675	213	265	270	275	96,018	1,36,689
15.	Mast Ram	2/675	2/820	203	250	270	280	49,271	69,833
16.	Mast Ram	2/820	2/893	202	250	270	280	49,219	69,864
17.	Girdhari Lal	2/893	2/937	228	300	310	320	48,954	69,569
18.	Girdhari Lal	2/937	2/977	184	225	235	250	48,088	68,433
19.	Ravinder Kumar	2/977	3/064	209	260	290	300	49,980	71,152
20.	Ravinder Kumar	3/064	3/078	246	320	350	360	48,801	69,351
21.	Jitender Kumar	3/078	3/122	214	270	280	290	48,919	70,080
22.	Jitender Kumar	3/122	3/160	250	325	350	360	49,192	70,044
23.	Bhuvnesh Thakur	3/160	3/187	231	290	300	310	48,886	69,402
24.	Bhuvnesh Thakur	3/187	3/231	222	285	290	300	49,579	70,555
25.	Dhayan Singh	3/231	3/269	186	240	250	260	48,908	69,230
26.	Dhayan Singh	3/269	3/297	244	310	320	330	47,820	67,936
27.	Yadav Singh	3/297	3/425	191	240	250	260	48,692	69,193
28.	Yadav Singh	3/425	3/504	198	260	280	300	49,961	70,776
29.	Dhanjay	3/504	3/630	165	250	260	270	47,349	67,494
30.	Dhanjay	3/630	3/780	164	250	260	270	47,021	67,105
31.	Jitender Kumar	3/780	4/015	177	198	200	210	90,530	1,29,361
32.	Girdhari Lal	4/015	4/330	188	215	220	225	99,817	1,42,515
33.	Ravinder Kumar	4/330	4/615	156	190	200	210	93,295	1,33,570
34.	Ravinder Kumar	4/615	4/765	152	170	180	200	92,308	1,32,342
35.	Dhayan Singh	4/765	5/135	152	170	180	190	95,419	1,37,002
36.	Dhayan Singh	5/135	5/500	147	160	170	180	83,266	1,19,368
Total								26,37,256	37,51,678

i. Instructions of Government of Himachal Pradesh³⁹ direct that “the number of bids received in the advertised tender system shall not be less than three. If the number of bids received is less than three, then normally such tender may be rejected, and process of re-tendering may be initiated.”. In the bidding of 36 ROFD works, there were in total 17 participating contractors. But for each of the 36 works, exactly three contractors participated in each bid

³⁸ Rates quoted by the various contractors have been shown in the following colour scheme:-
Girdhari Lal, Dhyan Singh, Bhuvnesh Thakur, Ravinder Kumar, Jitender Kumar, Mast Ram, Jeevan Lal, Dhanjay, Roshan Lal, Gayatri, Dharamender Kumar, Bhagat Ram, Harish Kumar, Bhag Singh, Khem Chand, Yadav Singh, Hem Singh.

³⁹ No. Ind/SP (Misc)F (6-10)4/80-111 dated 24.10.2013.

(column 4 in table above). This suggests that these 17 contractors were taking turns to fulfill the *ibid* requirement of three minimum bids and to avoid having to re-tender.

ii. For each of the 36 works, three tender application forms were sold. Details⁴⁰ in one form was filled in original (in blue pen), and the other two forms were sold in carbon copies. It was found that the bidder who was sold the original form became the L1 bidder in each of the 36 works, while the L2 and L3 bidders always had the forms in carbon copies. This was possible only when the L1 bidder was pre-decided and his paperwork was prepared first, while the paperwork for L2 and L3 bidders in carbon copy was prepared to show compliance with *ibid* requirement of minimum three bids. This suggests that bidding was not held in fair and transparent manner as the law of probability dictates that if the forms had been sold randomly then the L1 bidder would have ended up being sold a carbon copy form in at least some of the cases.

iii. In 28 out of the 36 works, bidders managed to be the L1 bidders for two consecutive stretches 14 times. This pattern of award of consecutive stretches of road to the same bidder 14 times was an unlikely occurrence in a fair and transparent bidding process and the only rational explanation for its occurrence was that collusion/ bid rotation was taking place.

iv. In all 36 works, the average difference between originally quoted rate (column 5, Table-5.9.2) and negotiated rate of L1 bidder (column 4) was 21.02 per cent (ranging from 8.13 per cent to 34 per cent). It was not clear why all the L1 bidders would agree to reduce their rates by such a high margin if they had won the contract fairly on their originally quoted rates. If the L1 bidders had the capacity to reduce the quoted rate so steeply after winning the bid, there was no logic of originally quoting higher rates as the average difference between L1 and L2 bidder was only 4.55 per cent (ranging from 1 per cent to 10.34 per cent) and the L1 bidder could have risked losing the tender with such a small margin. This suggests that the originally quoted rates of L1 bidders were anti-competitive and illusory rates, and the lowest bidder in each bid may have been pre-decided.

v. Even after negotiations, the negotiated rates of L1 bidders for all 36 works were consistently 41-43 per cent above the estimated rates (column 6 & 7, Table-5.9.2). This suggests that all bidders had colluded to quote very high rates in the tender and derive high profit margins even after negotiations.

vi. As per Para 18.7 of CPWD Manual, “The Register of the Sale of the Tender Documents should contain a chronological record of the issue of tender documents, showing the names of the persons to whom issued, the number of forms issued and the amount received. Further, the register should be treated as a Subsidiary Cash Book and its pages should be machine numbered”. It was

⁴⁰ Like name of division, sub-division, name of work with Road RD, estimated cost of work, earnest money etc.

noticed that sale entries for all the three forms sold for a particular work were made combined in the tender sale register. This indicated that either the tender sale register was created after the award of all the tenders to complete the paperwork, or that all the three forms for a particular work were sold at the same time further supporting the indications of collusive bidding. Moreover, all the entries in the register were undated and all the pages were unnumbered in violation of the *ibid* manual.

The above facts, viz., splitting of the contract into multiple works without approval by competent authority, lack of publicity to the tenders, the several indicators of manipulated tenders, all suggest that the division had violated rules and procedures and facilitated collusive bidding in the award of all the works at very high rates in order to benefit the contractors.

The EE replied (March 2022) that:

- It was a coincidence that only three numbers contractors participated and applied for each job of this work and accordingly this office was not able to cancel tender or refuse to issue the bid documents to these contractors.
- He also said that tender forms had been issued to the participant contractors as and when they applied for the jobs in routine, but by chance the contractors to whom the pen written tender forms were issued in routine, the quoted rates were found lowest and to whom the carbon copies tender forms were issued in routine, the quoted rates were found on the higher side. All measures of transparency as per Government instructions had been followed up during the tendering process but sometimes this type of situation comes co-incidentally.
- Further, it was by chance that the rates quoted by same bidders were found lowest for consecutive road stretches and the same had been awarded to the lowest bidder/contractor accordingly.

The reply was unacceptable because probability of all three coincidences occurring individually was virtually zero ⁴¹ and fall in the category of impossible/rarest of the rare. Moreover, these three events happening at the same time in the same bidding process was even rarer. Thus, the events are not mere “coincidences” but defy the law of chance and indicated collusion/bid rigging.

5.9.3 Delay in execution of bridge work

After the first contractor abandoned the work, the tender for construction of 19.75-meter span RCC T-beam bridge over Jablahi Nallah at RD 0/357 was awarded at the cost of ₹ 0.55 crore in August 2017 and was stipulated to be completed in six months (February 2018). However, it was noticed that even after a delay of more than four years the work amounting to only ₹ 0.36 crore had been executed (March 2022)

⁴¹ Mathematically, the probability is zero even if considered up to 20th place of decimal.

and the work was still incomplete, which rendered unfruitful the entire expenditure of ₹ 3.34 crore (December 2021) on the construction of road.

Thus, undue favour was granted by making payment for fictitious entries in measurement books, undue favour of ₹ 0.38 crore due to manipulated/collusive bidding and unfruitful expenditure of ₹ 3.34 crore due to non-completion of road work after a delay of 11 years since administrative approval besides people of the area have been deprived of the intended benefits.

The Audit findings were referred to the State Government (March 2022) and reply was awaited (August 2022).

Recommendations:

- *Splitting of works by Executive Engineers despite having no power to do so should be strictly checked and accountability fixed.*
- *Proof of posting the letters (email/ registry/speed post) to different addresses for tender publicity/advertisement must be made compulsory and accountability fixed.*
- *Publication of tenders in Giriraj (Weekly publication of State Government)/ other newspapers must be ensured and accountability of divisional/subdivisional officials ensured for non-publication.*
- *Thorough investigation may be conducted to investigate collusive bidding as pointed out in the audit test check and accountability fixed.*
- *Fake entries in measurement books as pointed out in the test check by the audit may be investigated and suitable action may be taken.*

5.10 Undue favour to contractor on work of strengthening/widening of road

Undue favour was granted to contractor for road work by making unauthorized/ irregular advance payments of ₹ 6.15 crore and not adjusting/ recovering the same, not levying liquidated damages of ₹ 0.82 crore for delay, granting inadmissible price escalations of ₹ 0.62 crore; besides, NABARD loan funds for other scheme(s) were diverted for making advance payments to the contractor thereby incurring interest liability.

For widening and strengthening of a 10-kilometre stretch (RD 20/0 km to 30/0 km) of Sainj Chopal Nerwa Shallu road in Shimla district, Government of India accorded (May 2017) administrative approval and expenditure sanction of ₹10.00 crore through the Central Road Fund (CRF) scheme, and the Chief Engineer HPPWD (Shimla Zone) accorded (September 2017) technical sanction of ₹ 10.12 crore. The work was awarded by Executive Engineer (EE) HPPWD Chopal division to a contractor for ₹ 8.15 crore in June 2018, with the stipulation to complete it within one year *i.e.*, by July 2019. The items of work to be completed consisted of – formation cutting in

extended width, retaining structures, extension of existing cross-drainage, providing/ laying of granular sub-base, water bound macadam grade-II and III, bitumen macadam, bitumen concrete, essential drains and parapets.

Scrutiny of records (January 2021) of HPPWD Chopal division revealed that the work was still incomplete as of March 2022, even after lapse of more than 2.5 years since the stipulated date of completion. Further, whereas work worth only 10 *per cent* of contract value had been executed and measured, payment amounting to 86 *per cent* of contract value had already been made to the contractor (March 2022) by the division besides payment for escalation, thereby extending undue favour as discussed in the following paragraphs:

5.10.1 Unauthorized and irregular advance payments, ₹ 6.15 crore

Punjab PWD Code and Central Public Works Account (CPWA) Code (both followed by HPPWD) have provision for three kinds of advances – *mobilization advance* for specialized and capital-intensive works, *secured advance* on security of materials brought to site, and *advance payments* for “work executed but not measured.” Both Codes direct that “advances to contractors are as a rule prohibited and every endeavor should be made to maintain a system under which no payments are made except for works done⁴²”.

- For advance payments in respect of “*work executed but not measured*”, the Punjab PWD Code stipulates that government sanction is mandatory, while the CPWA Code stipulates that sanction of at least Superintending Engineer (SE) is mandatory. Such advance payments should be followed by detailed measurement within two months at the most with a view of adjusting the advance within three months from the date it was made. CPWA Code also stipulates that a second advance before recovering the first one should only be permitted in very exceptional circumstances.

Audit observed that the EE made first advance payment to the contractor of ₹ 1.65 crore in September 2019 (after expiry of stipulated date of completion, viz., July 2019) and then a second advance payment of ₹ 4.50 crore in March 2020 without recovering the first advance payment. In both instances, the EE was not authorized to make such advance payments without previous sanction of superior officers. Moreover, advance payment had not been adjusted/recovered even after a delay of two years (March 2022).

- As per Clause 42 & 43 of agreement, the contractor was to submit to the engineer monthly statements of the estimated value of work completed.

Audit observed that no such bills were submitted by the contractor from the date of award (June 2018) up to the date of second advance payment (March 2020) and the

⁴² Punjab PWD Code in Chapter II Works Rule 2.105, and CPWA in 10.2.22 and 10.2.23.

division granted advance payments without any receipt of bill from the contractor for the *ibid* work.

- CPWA prescribes that an advance payment for work actually executed may be made on the certificate of an officer (not below the rank of Sub Divisional Officer) to the effect that not less than quantity of work paid for has actually been executed and the officer granting such certificate will be held personally responsible for any overpayment which may occur on the work in consequence.

Audit observed that Assistant Engineer (sub-divisional officer) had certified that work worth ₹ 8.15 crore was executed by the contractor, but not measured. On the strength of the certificate, advance payments (September 2019 and March 2020) were made worth ₹ 6.15 crore (out of total contract amount of ₹ 8.15 crore). However, report of the State Quality Management Wing (February 2020) showed that work worth approximately ₹ 0.49 crore only had been executed by February 2020 (**Appendix-5.1**). This clearly showed that the advance payment was made for work that had largely not been executed at the time of payment, which was highly irregular.

Thus, advance payment amounting to ₹ 6.15 crore was made to the contractor in violation of rules, without obtaining necessary authority/ sanction, and for work which had been executed to a much lesser extent than claimed at the time of making such advance payments, as was revealed subsequently in quality check inspection.

5.10.2 Incorrect accounting and non-adjustment of advance payments

- Under clause 10.5.14 of CPWA Code, advance payments made to a contractor should not be charged as final outlay on the work. A suspense head, “Contractors – Advance Payments”, should be opened in the Works Abstract for the record of advance payments and their subsequent adjustments. Clause 10.2.23 of CPWA Code prescribes that Divisional Officer should submit a monthly statement for the information of the SE concerned giving details of advances made to contractors for work done but not measured so that clearance may be watched.

Audit observed that the two advance payments had been charged directly to the work instead of placing in Suspense Head “Contractors - Advance Payment” in violation of the above provision. This meant that monitoring of status of the advance payments was dispensed with and adjustment/recovery of the same could not be watched.

- It was further observed that the division passed the first running account bill of the contractor for ₹ 0.85 crore in February 2021 on the basis of detailed measurements for 77,272.72 cubic meter quantity of excavation carried out in September, October, November, December 2020 and January 2021. However, at the time of passing the bill, the division did not adjust the bill amount against the advance payments. Instead, payment of ₹ 0.85 crore was made to the contractor over and above the advance payment already made to him, which was irregular.

5.10.3 Non-levy of liquidated damages, ₹ 0.82 crore

As per clause 49 and Section 4 (Contract Data) of the DNIT/agreement, the contractor was liable to pay liquidated damages at the rate of 1/2000th of the contract price for each day of delay subject to a maximum of 10 *per cent* of contract price.

Detailed measurements were carried out in September-December 2020 and January 2021, and first running account bill of the contractor was passed by the division in February 2021. Audit observed that work worth only ₹ 0.85 crore out of a total contract amount of ₹ 8.15 crore had been executed. Thus, as of February 2021, the contractor had executed only about 10 *per cent* of the total scope of work, even after lapse of more than 1.5 years from the stipulated date of completion (July 2019).

As the contractor had delayed the execution of work significantly, liquidated damages of ₹ 0.82 crore (10 *per cent* of contract price of ₹ 8.15 crore) should have been levied/recovered from the contractor. However, the same was not done by the division thereby extending undue favour to the contractor.

5.10.4 Escalation payments made on advance payments, ₹ 0.62 crore

It is a usual practice for contracts of *more than one year duration* to have a “price adjustment” clause for adjustment/escalation in contract value on account of increase/decrease in prices of labour, material, fuel etc., whereas contracts of one year duration do not require this “price adjustment” clause⁴³. Since the period of contract in the current case was only 12 months, it did not have any provision for “price adjustment/escalation.” However, the division, rather than levying liquidated damages for delay in execution of work, instead paid (March 2021) the contractor ₹ 0.09 crore and ₹ 0.53 crore for price escalations on the amounts of advance payments made to him, without any justification and in clear violation of the contract agreement, thereby extending further undue favour to the contractor.

5.10.5 Irregular diversion of NABARD funds with interest liability, ₹ 0.32 crore

Whereas the work had been sanctioned under Central Road Fund (CRF), Audit observed that funds amounting to ₹ 4.50 crore were diverted from NABARD loan head for making payments to the contractor. This was a serious financial irregularity and meant that interest liability⁴⁴ of approximately ₹ 0.32 crore (as of March 2022) became incumbent on the state exchequer for the advance payment made from NABARD head for work which was not even sanctioned under NABARD.

Thus, as of March 2021, the division had extended undue favour to the contractor on account of –

- advance payments (₹ 6.15 crore),

⁴³ Clause 33.10 (2) of Central Public Works Manual 2014

⁴⁴ ₹ 0.17 crore of interest in first year + ₹ 0.15 crore of interest in second year (@ Interest rate of 3.9 *per cent* = 5.40 - 1.5 (bank rate prevalent at the time of fund disbursal – 1.5 *per cent*) for two years upto March 2022 for loan amount to be repaid in seven equal annual installments)

- non-levying of liquidated damages (₹ 0.82 crore) for delay in execution of work,
- price escalation payments (₹ 0.62 crore) for execution of only 10 *per cent* of the scope of work,
- diversion of NABARD loan funds for interest-free advance to the contractor, on which the state exchequer will incur interest liability of approximately ₹ 0.32 crore (upto March 2022).
- besides, irregular payment of first running account bill (₹ 0.85 crore) without recovering/adjusting the advance payments.

The work was incomplete as of March 2022. The division had made payments totaling ₹ 7.62 crore⁴⁵ (93 *per cent* of the total contract value of ₹ 8.15 crore) to the contractor, and in the event of abandonment of work by the contractor, there was a risk that the department would not be able to recover the amount of advance payments, escalation payments and liquidated damages from the contractor.

The Executive Engineer (EE) first stated (January 2021) that advance payments were made because the contractor had executed the work in different reaches in a haphazard manner which could not be measured. The reply was unacceptable because it was not clear how haphazard execution could hinder measurement of work; if work can be executed, then it can be measured.

Next, the EE stated (February 2022) that advance payment could not be adjusted by actual measurement of work done because of non-receipt of approval from Forest Department. This reply was also unacceptable. It was not clear how pending approval from Forest Department could create hindrance in taking detailed measurement of work for advance payments, because as per submission by the division to forest department, only 22 trees⁴⁶ were standing on HPPWD/ Government non-forest land on a stretch of 10 Km.

In his third reply, the EE stated (March 2022) that measurements from November 2019 to March 2020 could not be carried out due to snowfall and Covid-19 pandemic related lockdowns and that he was authorized to make advance payments.

This reply was unacceptable as detailed measurement was done in September, October, November, December 2020 and January 2021 (snow bound months) for finalizing first running account bill (₹ 0.85 crore). Moreover, Covid-19 related lockdowns were imposed only at the end of March 2020. Lastly, no documents were submitted in support of the claim that EE was authorized to make advance payments without approval of higher authority.

⁴⁵ ₹ 6.15 crore+ ₹ 0.62 crore + ₹ 0.85 crore.

⁴⁶ As per submission of the division to forest department (first made in January 2020) 22 trees were required to be cut on a stretch of 10 KM (20/0 to 30/0).

Thus, the replies of the EE to the para were neither consistent nor tenable and cannot be accepted.

The Audit findings were referred to the State Government (March 2022) and reply was awaited (August 2022).

The matter may be investigated, and accountability of officials concerned fixed. Steps may be also taken to complete the work so that the envisaged benefits can be realized.

Jal Shakti Vibhag

5.11 Infertuous and unfruitful/ineffective expenditure on construction of tube wells

Not conducting scientific feasibility assessment of discharge at proposed sites for tube well schemes before commencement of work led to infertuous expenditure of ₹ 0.92 crore on abandoned schemes, and inefficient expenditure on marginally functional schemes, besides other schemes remaining incomplete even after lapse of seven years since approval, resulting in denial of irrigation facilities to beneficiaries.

Bureau of Indian Standards (BIS) guidelines are applicable to the Jal Shakti Vibhag, Government of Himachal Pradesh. Paras 4.2 and 4.2.1 of “Location, Operation and Maintenance of Tube / Bore wells – Guidelines” by BIS (SP(QAWSM) 56:1994) state that geophysical methods using physical characteristics such as density, elasticity, magnetic susceptibility, electrical resistivity, radioactivity, etc. can delineate hydro-geologic features and pin-point locations for drilling of boreholes to help identify areas having good aquifers / groundwater potential and thereby provide information on groundwater potential in the surveyed area. It further states that “Geophysical surveys though costlier than hydrogeological investigations, can appreciably reduce much more costly infertuous drilling, especially in hard rock areas.”

Two irrigation projects⁴⁷ (Project-I: C/o Six tube wells for ₹ 4.09 crore and Project-II: C/o Seven tube wells for ₹ 5.33 crore) were approved under NABARD loan scheme⁴⁸ in August 2009 and March 2015 respectively to provide irrigation facilities to farmers of villages in Nalagarh (Solan district). As per the Detailed Project Reports (DPRs), a total of 13 tube wells were to be drilled under the two projects with each tube well having assumed water discharge of 30 litres per second (LPS) for irrigating 30 hectares of land. In addition, civil works (construction of pump house, delivery tanks, outlets, *pucca & kutcha* field channels) were to be executed and equipment (pumping machinery and pipes) were to be purchased.

⁴⁷ C/o 6 tube wells in Nalagarh area for ₹4.09 crore (August 2009), C/o 7 tube wells (Rajpura, Miyanpur Baglehar, Kalyanpur Harizan Basti in GP Goel Jamala, Bhogpur, Gharoti (Bypass), Naggar in GP Khillian and Plasra Kalu) for 5.33 crore (March 2015).

⁴⁸ RIDF XIV and RIDF XX.

Scrutiny of records (February 2018 and March 2021) of Jal Shakti Division, Nalagarh revealed that scientific methods (geo-physical tests - electrical resistivity method, magnetic or remote sensing techniques, etc.) as recommended in BIS guidelines *ibid* were not used for ascertaining the available groundwater potential (discharge) at the proposed tube well sites. Instead, the department relied entirely on feasibility reports submitted (April 2008 and April 2009) by its Hydrology wing based only on hydrogeological survey consisting of preliminary topographic field surveys and geological conditions and discharge data from tube wells in nearby areas.

On the basis of the feasibility reports prepared by its Hydrology wing, the department undertook drilling work on all 13 tube wells in the two irrigation projects, after which it was discovered that the actual discharge at all the tube well sites ranged between 4 LPS and 16 LPS as against the assumed discharge of 30 LPS. Consequently, seven tube wells were abandoned after the drilling work, whereas the department decided to undertake civil work in the other six tube wells notwithstanding the low discharge. The detailed status of the tube wells projects is discussed in the **Table-5.11.1** and paragraphs below –

Table- 5.11.1: Status of tube well projects

Sr. No.	Tube well scheme at village	Drilling completed	Assumed discharge (LPS)	Actual discharge (LPS)	Expenditure (₹ in crore)			Status as of February 2022
					Drilling	Civil work	Total	
Project-I: C/o 6 tube wells (Seri Pahad, Seri Desh, Rakh Ghansot, Dattowal, Ambwala and Jaiwala)								
1.	Seri Pahad	March 2011	30	5	0.18	-	0.18	Abandoned
2.	Seri Desh			8				
3.	Rakh Ghansot			8				
4.	Dattowal			7.28	0.22 ⁴⁹	1.79	2.01	Functional at low discharge
5.	Ambwala			13				
6.	Jaiwala			16				
Project-II: C/o 7 tube wells (Rajpura, Miyanpur Baglehar, Kalyanpur Harizan Basti in GP Goel Jamala, Bhogpur, Gharoti (Bypass), Naggur in GP Khillian and Plasra Kalu)								
7.	Rajpura	July 2016	30	4	0.26	-	0.74	Abandoned
8.	Miyanpur Baglehar	March 2016		7.28	0.17			
9.	Kalyanpur Harizan Basti	February 2016		10	0.18			
10.	Plasra Kalu	August 2016		9	0.13			
11.	Bhogpur	May 2016		12	0.20	.38	0.79	In progress ⁵⁰
12.	Gharoti (bypass)	July 2016		14	0.11			
13.	Nagar	August 2016		14	0.10			

• **Abandoned tube wells –**

As shown in the above table, the actual discharge after completion of drilling work in the case of seven tube wells (Sr. No. 1, 2, 3, 7, 8, 9, 10) was found to be ranging between only 4 and 10 LPS. As such, the schemes were not feasible and no civil work

⁴⁹ ₹ 0.40 (total expenditure on drilling of 6 tube wells) - ₹ 0.18 (three abandoned) = ₹ 0.22 crore.

⁵⁰ Providing/laying of pipes in distribution system and construction of pump house & outlets.

was carried out. Expenditure of ₹ 0.92 crore⁵¹ incurred on drilling work was rendered infructuous and these seven tube-wells were lying abandoned.

• **Functional / work in progress tube wells –**

The actual discharge after completion of drilling work in six tube wells (Sr. No. 4, 5, 6, 11, 12, 13) was found to range between 7.28 LPS and 16 LPS, despite which the department had undertaken civil work for these tube well schemes.

As of February 2022, civil work for three tube wells (Sr. No. 11, 12, 13) was still in progress after incurring expenditure of ₹ 0.79 crore. The other three tube wells (Sr. No. 4, 5, 6) on which expenditure of ₹ 2.01 crore had been incurred, were functional with very low discharge. However, in view of the low discharge in the three functional tube wells, it was unlikely that these tubewells would be able to adequately irrigate the envisaged 30 hectares of land.

Thus, non-adoption of more reliable geophysical methods as prescribed in the *ibid* BIS guidelines for assessment of groundwater potential resulted in infructuous expenditure of ₹ 0.92 crore on seven abandoned tube well schemes, and inefficient use of ₹ 2.01 crore on three functional tube well schemes having low discharge, whereas three tube well schemes remained incomplete after expenditure of ₹ 0.79 crore. The objective of providing irrigation facilities to beneficiaries remained unachieved in the case of the seven abandoned tube well schemes, and only marginally achieved in the three functional schemes in view of the low coverage. Besides, submission of false claims to NABARD in respect of schemes constituted financial irregularity and additional interest liability on the state exchequer.

In respect of the Project 1, The Executive Engineer (EE) stated (November 2019 and November 2020) that only survey had been conducted by Hydrology wing to assess water discharge and CCA was ascertained proportionately for tube wells having lesser discharge than the assumed. Justification for delay in scheme completion and failure in feasibility assessment of discharge was not provided. In respect of Project 2, the reply was awaited.

The Audit findings were referred to the State Government (March 2022) and reply was awaited (August 2022).

The department should ensure scientific feasibility assessment of water discharge at proposed sites of schemes before execution so that expenditure on drilling and civil works is not rendered infructuous at subsequent stage.

5.12 Infructuous and unfruitful expenditure on execution of sewerage scheme

Deficient planning and non-ensuring availability of land led to inordinate delay of 12 years in execution of sewerage scheme for Theog town rendering expenditure of ₹ 5.12 crore unfruitful.

Para 1.4 of CPHEEO⁵² Manual on Sewerage and Sewage Treatment 1993 stipulates that the period between design and completion of sewerage scheme should be

⁵¹ ₹ 0.92 crore = ₹ 0.18 crore + ₹ 0.74 crore.

between three and six years depending upon the type and size of the sewerage projects.

Scrutiny of records (December 2020) of Matiana division of Jal Shakti Vibhag (JSV) revealed that due to poor planning and non-execution of work, and despite overall total expenditure of ₹ 5.12 crore incurred on the scheme⁵³, the sewerage scheme for Theog town remains incomplete and non-operational even 12 years after the stipulated date of completion.

5.12.1 Poor planning and revised technical sanction

The sewerage scheme for Theog town was administratively approved in June 2006 for ₹ 4.23 crore. It was planned in two zones (Zone I and Zone II) with provision for laying of sewerage network and construction of sewage treatment plant (STP) in each zone. It was stipulated to be completed within four years *i.e.*, by June 2010 and had a designed life of 30 years to cater to projected population of 12,019 people by 2041.

For construction of two STPs in Zones I and II (one STP in each zone), technical sanction of ₹ 0.98 crore was accorded in June 2007. However, there was no progress on the work for four years after technical sanction. In 2011, the department decided to abandon the plan of construction of STP in Zone I due to involvement of private land and unsuitable location of the identified site⁵⁴. Instead, it was decided to:

- connect major portion of sewerage network of Zone I with sewerage network and STP in Zone II, and
- provide septic tanks for left-out portions in Zone I which were not feasible to be connected with Zone II.

Revised technical sanction of ₹ 2.32 crore was accorded (April 2012) by Chief Engineer (South Zone) for construction of STP with expanded capacity in Zone II, and construction of two septic tanks in Zone I. The work was awarded (December 2013) to a contractor for ₹2.64 crore to be completed in 18 months (by May 2015). Only the STP was constructed till date (February 2020), with a delay of five years. The two septic tanks have not yet been constructed.

The position of work done against the scope is given in the **Table-5.12.1**.

Table-5.12.1: Status of work on STP and Septic Tanks as of February 2022

Component	Scope of Work	Actual Work Executed	Balance
STP in Zone II	One STP (1.15 MLD capacity)	One STP (1.15 MLD capacity) (February 2020)	-
Septic Tanks for left-out areas in Zone I	Septic Tank 1 - 150 users Septic Tank 2 - 300 users	Nil	2 Septic Tanks

⁵² Central Public Health & Environmental Engineering Organization (CPHEEO), MoUD, Government of India.

⁵³ Out of this ₹ 0.63 crore on the buried pipes and manholes was rendered infructuous.

⁵⁴ Non-sunny area where performance of STPs was sub-optimal.

5.12.2 Inordinate delay and non-functional scheme

As can be seen from the above table, the required STP was completed only in February 2020 after a delay of nearly five years from the stipulated date of completion (May 2015).

However, the STP was non-functional and the entire scheme remained non-operational even after lapse of two years since completion of STP in February 2022. The status of work could be summarised as given below:

- (i) Less than 50 *per cent* of work on sewerage network was executed and the work was suspended since 2009 due to land disputes at various stretches of the network alignment.
- (ii) Out of this, a significant portion of the constructed sewerage network viz., 91 manholes and 2,160 running meters (r. mt.) pipes laid along the national highway (erstwhile NH 22; now NH 5, on the road stretch from Rahighat to Janogghat) got buried under the NH since 2012-13 due to metalling and tarring work carried out by the Public Works Department (PWD) (NH division). The JSV division had not taken any steps to prevent the manholes and pipes from getting buried at the time of metalling and tarring work by PWD.
- (iii) Thereafter, the JSV division was unable to locate the manholes buried under the national highway because the running distances (RD) capturing their exact location were not recorded in the measurement books.
- (iv) The JSV division had been soliciting permission from the PWD (NH division) to dig the required stretch of road, but it does not know the exact location of the manholes in that stretch of the road.

In effect, no work had been done on the balance portion of sewerage network since 2009.

The scope of work and extent of execution is shown in the **Table-5.12.2**.

Table-5.12.2: Status of work on Sewerage Network as of February 2022

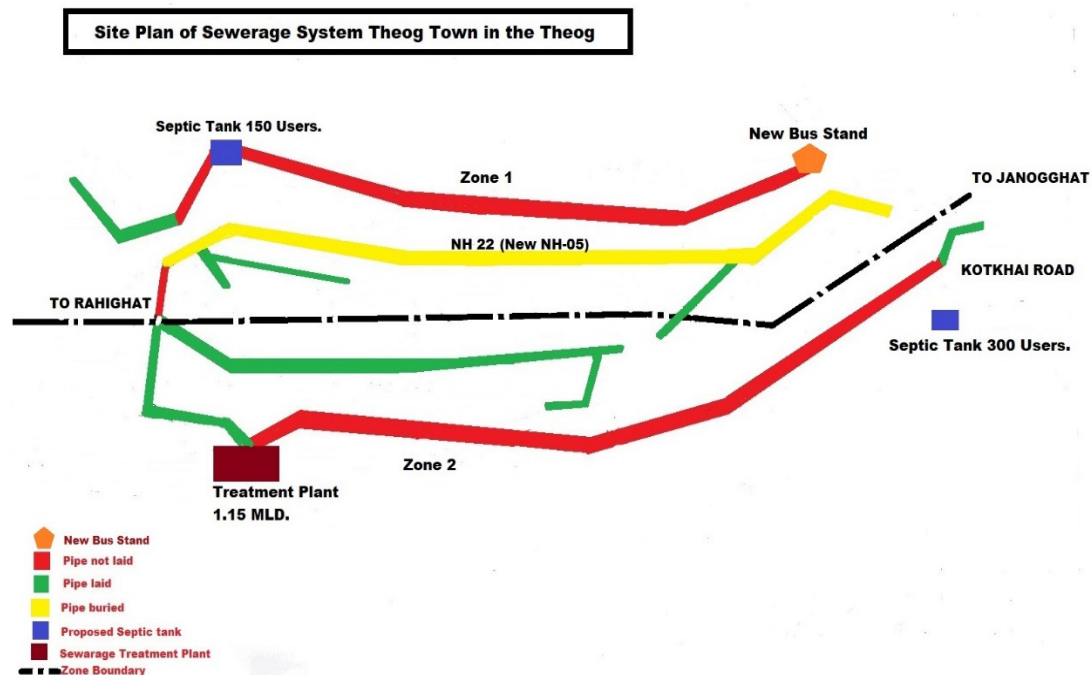
Component	Scope of Work	Actual Work Executed	Work buried under NH 22	Balance work remaining (%)
(1)	(2)	(3)	(4)	(5) = (2) – (3)
Providing and laying pipes	12,020 r.mt.	6,265 r.mt.	2160 r.mt.	5,755 r.mt. (48%)
Manholes	403 nos.	283 nos.	91 nos.	120 nos. (30%)
Flushing Tank	46 nos.	Nil	-	46 nos. (100%)

5.12.3 Unfruitful and infructuous expenditure

Thus, the scheme for Theog town remains incomplete and non-operational even after lapse of over 12 years since its stipulated date of completion (June 2010). Even though the STP was completed in February 2020, only 52 *per cent* of the sewerage network was laid (**Table-5.12.2** above), and neither of the septic tanks were constructed. Therefore, the scheme was not able to service the intended beneficiaries as originally envisaged. Out of the designed life of 30 years (starting from 2011),

11 years (37 per cent) have already elapsed without providing any service / benefit to the population as no sewerage connections could be released as of March 2022. Expenditure of ₹ 5.12 crore incurred on the incomplete scheme remained unfruitful, out of which ₹ 0.63 crore on the buried pipes and manholes was rendered infructuous.

A diagrammatic depiction of the status of the scheme is shown below –



The Executive Engineer, JSV Division, Theog attributed the delay to land disputes at the site of construction and in regard of STP, he replied that no connection had been released till date (March 2022) due to non-connectivity of sewerage line with STP.

The reply was not acceptable as land availability for STP and other components should have been ensured before awarding the work in order to avoid inordinate delay and possible cost escalation. Further, it had been more than two years since the STP was completed (February 2020) and non-functioning of STP has rendered the entire scheme non-operational. No justification was provided for the negligence in allowing components to get buried and remain untraceable, for planning deficiencies, and for non-construction of septic tanks.

The Audit findings were referred to the State Government (March 2022) and reply was awaited (August 2022).

Land availability for STP and laying of sewerage pipes should be ensured while preparing DPR and before awarding of work. Feasibility assessment must be undertaken at the planning stage in order to avoid subsequent changes in design/ scope and consequent time delay and possible cost escalation.

Rural Development Department

5.13 Improper implementation of projects under State Rural Livelihood Mission

State Rural Livelihood Mission (SRLM) asked for lesser performance guarantee by ₹ 2.06 crore from Programme Implementing Agencies (PIAs) and failed to enforce contractual recovery of ₹ 0.74 crore from the defaulter for poor performance. Besides, failing to expedite execution of projects through PIAs, leading to training of only 5,262 (47 per cent) candidates against a target of 11,100 and placement of 36 per cent candidates against the stipulation of 70 per cent of the trained, the SRLM had to terminate three projects without completion, due to poor performance and expenditure of ₹ 2.05 crore incurred thereon did not serve the intended objective.

Government of India (GOI) introduced (September 2014) a youth employment scheme named as Deen Dayal Upadhyaya Grameen Kaushalya Yojana (DDU-GKY) as a part of National Rural Livelihood Mission, with the aim of providing skills to rural youth and provide them with jobs having regular monthly income. For the State of Himachal Pradesh, the GOI provides 90 per cent of the training cost and the balance 10 per cent is borne by the State Government. The scheme provides training in various trades including textiles, tourism and hospitality, health care, accounting, beauty wellness, retail business, supply chain management, etc.

The DDU-GKY National Unit at Ministry of Rural Development is the agency responsible for national policymaking, funding, technical support and facilitation. The scheme in the State is implemented by the State Rural Livelihood Mission (SRLM), a registered society⁵⁵ under the State Rural Development Department (RDD) which is responsible for providing co-funding and implementation support to the Project Implementing Agencies (PIAs)⁵⁶ who implement the programme through skill training and placement projects. The role of PIAs was mobilisation, counselling, skill training and placement of the eligible candidates in different trades.

Scrutiny (July 2020) of records of the office of the Director, RDD and further information received (February and July 2021) revealed the following:

(i) Under-utilisation of funds

Details of availability of funds and expenditure incurred there against by the SRLM under the scheme during 2016-20 are given in **Table-5.13.1**.

⁵⁵ Registered on 28 March 2011 under Himachal Pradesh Societies Registration Act, 2006.

⁵⁶ Entities registered under Indian Trust Acts or any State Society Registration Act or any State Cooperative Societies or Multi-State Cooperative Acts or the Companies Act 2013 or the Limited Liability Partnerships Acts 2008 or a government or a semi-government organization at the State and National Level to be selected by Project Approval Committee under the Chairmanship of Principal Secretary (Rural Development) of the State.

Table-5.13.1: Availability of funds and expenditure incurred during 2016-20

(₹ in crore)

Year	Availability of funds					Expenditure	Closing balance
	Opening balance	Receipts			Total		
		GOI	State	Interest			
2016-17	--	39.32	4.37	0.24	43.93	0.09 (0)	43.84
2017-18	43.84	3.62	--	1.56	49.02	9.24 (19)	39.78
2018-19	39.78	1.84	5.86	1.10	48.58	12.29 (25)	36.29
2019-20	36.29	25.83	--	1.13	63.25	7.72 (12)	55.53
2020-21	55.53	NA	NA	NA	55.53	3.50 (06)	52.03
Total		70.61	10.23	4.03	84.87	32.84	

Source: Information supplied by Department. Note: Figures in parentheses represent percentage.

Percentage of utilisation of funds during 2017-21 ranged between six and 25. Thus, the utilisation of the funds was low which indicated that the projects were not implemented as required as indicated in the succeeding sub-paragraphs.

(ii) Non-recovery of penalties for non-compliance of scheme guidelines

As per the guidelines, PIAs were to complete the target of training and placement, failing which penalty will be imposed on PIAs. The details of penalties imposed on ongoing projects is given in **Appendix-5.2**.

As evident from **Appendix-5.2**, in eight projects (Excluding Sr. No. 9), penalty of ₹ 29.00 lakh (ranging from ₹ 0.50 lakh to ₹ 5.50 lakh) was imposed and in case of PIAs at Sr. No. 2, 3, 4, 5, 6 and 7 penalty had been recovered fully while in case of PIAs at Sr. No. 1 and 8, penalty amounting to ₹ 11.00 lakh was still pending to be recovered. While on PIA at Sr. No. 9, penalty was not imposed despite poor performance. To complete the targets for training and placement, spillover of funds to the above PIAs was granted in 2019-22 action plan.

In Nalanda Institute for Computer and Vocational Training, the achievement of targets of training and placement was low as detailed under sub-paragraph (v). Due to poor performance of the above PIA, the SRLM terminated (February 2019) the project by imposing penalty/ recovery of ₹ 0.63 crore in terms of provision of the Memorandum of Understanding (MoU). In the absence of adequate Performance Guarantee (PG) as required under the provision of State Financial Rules/ GOI instructions (September 2017) *ibid*, the SRLM could not enforce the execution of the projects and enforce recoveries from the PIAs.

The matter for recovery of ₹ 0.58 crore (excluding penal recovery amount of ₹ 0.05 crore) paid to the PIA as advance (first installment) along with interest thereon was taken up (September 2019) by the Department with the Collector-cum-District Magistrate, Indore, to effect recoveries from assets of the PIA as arrears of land revenue under Revenue Recovery Act of the State.

Hence, SRLM failed to enforce the recoveries of ₹ 0.74 crore⁵⁷ from the PIAs, as of March 2021.

(iii) Non- recovery of interest due to non-commencement of project

The SRLM and AFC India Limited had signed MoU on 19 July 2017 for implementation of project at a cost of ₹ 4.11 crore. First installment of ₹ 1.03 crore was released to the PIA in September 2017. However, the PIA backed out (December 2017) without implementing the project and accordingly, the SRLM terminated the contract in February 2018. The PIA refunded (February 2018) the first installment of ₹ 1.03 crore to the SRLM, but the SRLM refunded (February 2018) the PG of ₹ 0.10 crore to the PIA without effecting recovery of the interest of ₹ 0.05 crore from PIA, on ₹ 1.03 crore, which remained with PIA for six months (From September 2017 to February 2018 at the rate of 10 *per cent* per annum). The SRLM had failed to effect recovery of the interest as of March 2021.

The Director, Rural Development stated (February 2021) that the interest amount was calculated on the assumption that interest may have been earned by the PIA. But it was confirmed that no interest had been earned by PIA as it was an overdraft account and there was no question of recovery of interest. The fact, however, remained that the PIA concerned had kept the amount of ₹ 1.03 crore with it for six months. Though the PIA had not earned interest on its overdraft account in bank, the same was liable to pay interest at the rate of 10 *per cent* per annum in terms of provision (condition No.12.5) of the MoU. Accordingly, the SRLM should have effected recovery of interest from the PIA.

(iv) Short receipt of performance bank guarantee from PIAs

Central Government General Financial Rules (GFRs)/ Himachal Pradesh Financial Rules (HPFRs) provide for obtaining of PG from successful contractor on award of the contract for an amount between five and 10 *per cent* of the value of the contract. Further, with an objective to ensure an assurance to the Government in the event of inadequate or delayed performance or a violation of guidelines and protocols by a PIA in DDU-GKY project, the GOI had introduced (September 2017) obtaining of PG from the PIA for a minimum value of 6.25 *per cent* of the total approved cost of the project.

However, the SRLM had neither changed the MoU by inserting performance guarantee clause from PIAs at minimum value of 6.25 *per cent* of the total approved cost of the project as per above GOI instructions (September 2017) nor obtained performance guarantee at minimum rate of five *per cent* of the total approved cost of the project in terms of GFRs/ HPFRs *ibid*. Contrarily, the SRLM had obtained PG on the first instalment released to the PIAs resulting in shortfall of PG of ₹ 2.06 crore from the PIAs as detailed in **Table-5.13.2**.

⁵⁷ ₹ 0.63 crore to be recovered from Nalanda Institute for Computer and Vocational Training and ₹ 0.11 crore from ongoing nine projects as detailed in **Appendix-5.2**.

Table-5.13.2: Short-obtaining of performance guarantee from PIAs

(₹ in crore)

Sr. No.	PIA	Project cost	First instalment released	PG required*	PG obtained #	Short PG
1.	AFC India Ltd.	4.11	1.03	0.21	0.10	0.11
2.	Apollo Medskills Ltd.	9.44	2.36	0.48	0.24	0.24
3.	Cardiac Research and Edu. Foundation	11.78	2.95	0.59	0.29	0.30
4.	Disha Education Society	8.76	2.19	0.44	0.22	0.22
5.	Heraud Trg. and Edu. India Pvt. Ltd.	4.55	1.14	0.23	0.11	0.12
6.	Manav Vikas Evam Sewa Sansthan	3.23	0.81	0.16	0.08	0.08
7.	Mass Infotech Society	7.17	1.79	0.36	0.18	0.18
8.	Nalanda Institute for Comp. & Voc. Trg.	2.31	0.58	0.12	0.06	0.06
9.	Orion Security Solutions Pvt. Ltd.	7.06	1.77	0.35	0.18	0.17
10.	Power to Empower Skills Pvt. Ltd.	4.52	1.13	0.23	0.11	0.12
11.	Smart Brains	4.24	1.06	0.21	0.11	0.10
12.	Samvit Edu. Trust	4.22	1.05	0.21	0.11	0.10
13.	Team Lease Service India Ltd.	10.43	2.61	0.52	0.26	0.26
Total		81.82	20.47	4.11	2.05	2.06

Source: Information supplied by Department.

*At the rate of minimum five per cent of total project cost as per provision of General Financial Rules (GFRs)/ Himachal Pradesh Financial Rules (HPFRs).

At the rate of 10 per cent of first instalment.

Short receipt of PG (being an instrument of deterrent) from the PIAs had put the Government money at risk, in case of failure of the PIAs to comply with the guidelines of the scheme, in implementation of the projects. As a result, the SRLM could not get the projects implemented from the PIAs on time and had to terminate the projects of three PIAs without completion as indicated below under sub-paragraph (v).

(v) Selection of PIAs and non-achievement of targets

➤ Selection of PIAs

Selection of PIAs includes issuance of Request for Proposals (RFP) by SRLM, online submission of proposal by PIAs, appraisal of proposal by appraisal agency (screening, qualitative appraisal, field visit to PIAs headquarters and submission of reports to SRLM), approval of projects by project approval committee (PAC) headed by Secretary (Rural Development).

After approval of the action plan for 2016-19, the SRLM floated (August 2016) RFP and assigned the appraisal of proposals to Himachal Pradesh Kaushal Vikas Nigam (HPKVN) as appraisal agency as it was a 100 per cent Government owned corporation and fulfilled the requisite requirements for selecting PIAs. After detailed evaluation of the proposals, HPKVN submitted recommendations in respect of 22 PIAs (First Phase: eight and Second Phase: 14) to the SRLM for approval of the PIAs by the PAC chaired by the Secretary (Rural Development). In the first phase, the

PAC approved (March 2017) six⁵⁸ (out of eight) PIAs and in the second phase, the PAC approved seven⁵⁹ (out of 14) PIAs.

➤ **Non-achievement of targets**

As per Action Plan for 2016-19, target of imparting training to 15,000 candidates at a projected cost of ₹ 135.04 crore was allocated to Himachal Pradesh SRLM. As per approval of Project Approval Committee, the SRLM engaged (between May 2017 and August 2017) above 13 PIAs to impart training in placement linked skill development courses⁶⁰ and to ensure job placement through post placement support. As per training capability and placement tie-ups of these PIAs, target of training 11,100 candidates with project cost of ₹ 81.82 crore was allocated to them. The PIAs were to provide placement to 70 per cent of the trained candidates. In case, placement was below 70 per cent, costs would be admissible to the PIAs proportionately.

The projects were to be implemented by the PIAs within two years from the date of sanction (May 2017 and August 2017). The payments to PIAs were to be released in four instalments in the ratio of 25:50:15:10 as per the sanction order issued. First instalment was provided to all the 13 PIAs (₹ 20.45 crore) and second instalment was provided to seven PIAs (₹ 15.43 crore) up to July 2020. The project-wise details of achievement of training targets and placement are given in **Table-5.13.3**.

Table-5.13.3: Details of achievement of training targets and placement in jobs during May 2017 to March 2021

Sr. No.	PIA	Date of sanction	Project cost	Exp.	(Project cost ₹ in crore)		
					Training targets, achievement and placement in numbers		
					Target	Trained	Placed
1.	AFC India Ltd.	August 2017	4.11	0	700	0	0
2.	Apollo Medskills Ltd.	May 2017	9.44	1.00	800	221 (28)	0
3.	Cardiac Research and Edu. Foundation	August 2017	11.78	5.32	1,400	611 (44)	176 (29)
4.	Disha Education Society	August 2017	8.76	0.25	1,300	224 (17)	26 (12)
5.	Heraud Trg. and Edu. India Pvt. Ltd.	May 2017	4.55	2.03	800	286 (36)	181 (63)
6.	Manav Vikas Evam Sewa Sansthan	August 2017	3.23	3.14	500	406 (81)	170 (42)
7.	Mass Infotech Society	May 2017	7.17	2.85	1,300	627 (48)	248 (40)
8.	Nalanda Institute for Computer and Vocational Training	August 2017	2.31	0.80	400	148 (37)	44 (30)
9.	Orion Security Solutions Pvt. Ltd.	May 2017	7.06	5.37	1,200	950 (79)	256 (27)
10.	Power to Empower Skills Pvt. Ltd.	August 2017	4.52	2.13	700	541 (77)	124 (23)
11.	Smart Brains	May 2017	4.24	2.75	500	411 (82)	223 (54)
12.	Samvit Edu. Trust	August 2017	4.22	0.75	700	324 (46)	212 (65)
13.	Team Lease Service India Ltd.	May 2017	10.43	7.54	800	513 (64)	232 (45)
Total			81.82	33.93	11,100	5,262 (47)	1,892 (36)

Source: Information supplied by Department.

⁵⁸ Apollo Medskills Ltd.; Team Lease; Heraud Trg. and Edu. India Pvt. Ltd.; Orion Security Solutions Pvt. Ltd.; Mass Infotech Society and Smart Brains.

⁵⁹ AFC India Ltd.; Cardiac Research and Edu. Foundation; Disha Education Society; Manav Vikas Evam Sewa Sansthan; Nalanda Institute for Computer and Vocational Training; Power to Empower Skills Pvt. Ltd. and Samvit Edu. Trust.

⁶⁰ Agriculture, health care, automotive, electronics, hospitality, construction, travel and tourism, etc.

- For achievement of targets of training as per action plan 2016-19, the SRLM had not allocated the overall target of training 15,000 candidates, which indicated shortfall of 3,900 candidates at the outset.
- One of the PIAs (AFC India Limited) had backed out (December 2017) without implementing the project. The achievement of target of training by three PIAs (Apollo Medskills Limited, Disha Education Society and Nalanda Institute for Computer and Vocational Training) ranged between 17 and 37 *per cent*. None of the trained candidates were facilitated for placement by Apollo Medskills Limited. The percentage of placement by Disha Education Society and Nalanda Institute of Computer and Vocational Training was 12 and 30 respectively. Due to slow pace of execution of these three projects, the Department terminated (September 2019) these projects. Thus, the expenditure of ₹ 2.05 crore⁶¹ incurred by the PIAs on the projects did not result in training and placement of the intended number of candidates.
- The remaining nine PIAs had achieved 36 to 82 *per cent* of the allocated target of training as of March 2021. Achievement of target of placement by these PIAs ranged between 23 and 65 *per cent*. This indicated that in spite of lapse of period of 19 to 22 months from the stipulated date of completion, none of the PIAs had achieved the target of training and placement.

➤ **Lack of monitoring**

Non-achievement of target of training and placement as discussed above can be attributed to lack of monitoring as indicated below:

(a) Review Meetings of SRLM

The SRLM had not prescribed the periodicity of review meetings of the PIAs by the officers of the SRLM. Details of achievement of target of training and placement were not discussed in certain review meetings of SRLM held during July 2018, October 2018, December 2018 and July 2019 under the chairmanship of Chief Executive Officer, SRLM/ Director-cum-Special Secretary (Rural Development).

(b) Inspection of PIAs/ training centres

As per paragraph 5.2.1.2 of Standard Operating Procedure of DDU-GKY, Quality team will inspect a training centre at least six times in a year.

For financial years 2017-19, inspection of PIAs (training centres) were conducted on online platform- MRIGS (Monitoring and Regulation of Improved Governance of Skill Development) owned by Hardshell Private Limited recommended by GOI Ministry of Rural Development. However, due to some technical issues online inspection reports were not available. As a result, the authenticity of inspections

⁶¹ Apollo Medskills Limited: ₹ 1.00 crore, Disha Education Society: ₹ 0.25 crore and Nalanda Institute for Computer and Vocational Training: ₹ 0.80 crore.

conducted during above period could not be verified in audit. As per data of inspection reports provided by the SRLM, against the prescribed 54 inspections of nine PIAs to be conducted by Quality Team of SRLM during 2019-20, it had conducted only 31 inspections⁶² resulting in shortfall of 23 inspections. However, the inspection reports for August-October 2019 and January-February 2020 made available to audit by SRLM do not specify the non-achievement of targets by the PIAs. No inspection was conducted during 2020-21 due to COVID-19 Pandemic.

Thus, the implementation of the projects under the scheme was marred by the following deficiencies:

- Against available funds of ₹ 84.87 crore during 2016-21, the SRLM had incurred an expenditure of ₹ 32.84 crore (39 *per cent*) leaving unspent balance of ₹ 52.03 crore, which indicated slow pace of execution of projects.
- The SRLM had failed to enforce penalty/ recovery of ₹ 0.74 crore from the defaulters (PIAs) for non-performance/ poor performance.
- Against PG of ₹ 4.11 crore required to be obtained from the PIAs on the total project cost, the SRLM had obtained PG of ₹ 2.05 crore resulting in shortfall in PG of ₹ 2.06 crore.
- In spite of availability of adequate funds, the SRLM failed to expedite implementation of the projects for the last five years resulting in training of 5,262 (47 *per cent*) candidates out of the target of 11,100 candidates (3,900 less against the initial target of 15,000). Further, against the required job placement of 70 *per cent* of the trainees, the PIAs could facilitate placement of 36 *per cent* only.
- Due to poor performance both in respect of training and placement, the SRLM had to terminate three projects and expenditure of ₹ 2.05 crore did not serve the intended objective of the scheme.

The Additional Chief Secretary (Rural Development) stated (April 2022) that the requisite targets could not be achieved due to exhaustive criteria and sudden break out of COVID-19 Pandemic. Further, recovery of the amount due from the three defaulter PIAs of the terminated projects could not be made as the matter in respect of two PIAs (Apollo Medskills Limited, Hyderabad and Disha Education Society, Raipur) was sub-judice in High Court of Himachal Pradesh and the action for recovery against the third PIA (Nalanda Institute for Comp. & Voc. Trg., Indore) was under progress. The fact, however, remains that due to lack of monitoring, the SRLM had failed to ensure the execution of the project from the PIAs in time. As per State Financial Rules the performance guarantee was to be obtained on the total value of the project cost and not on the amount released so as to secure public money against loss/ mis-utilisation of funds.

⁶² Team Lease: four; Cardiac: three; Orion: four; Power to Empower: three; Mass Infotech: three; Samvit: five; Manav Vikas: four; Smart Brains: three and Heraud: two.

The Government may consider:

- *Putting in place systems and procedures to ensure the proper monitoring of progress of the scheme.*
- *Making appropriate changes in contracts to make the provisions enforceable in respect of performance guarantee and recover it at appropriate rates from the PIAs on total cost of the project.*

Transport Department

5.14 Contradiction in provisions resulting in unjust collection of *Adda fees* by the Concessionaires of Bus Stands

Unjust enrichment of Concessionaires by ₹ 2.76 crore by allowing them to collect *Adda fees* from the date of signing of Agreement instead of date of completion.

Himachal Pradesh City Transport and Bus Stands Management and Development Authority (HPCTBSMDA) invited proposals for construction and development of Modern Bus Terminus with Commercial Complex at the existing bus stands at Chintpurni (March 2016), Dharmshala (July 2017) and Kullu (March 2017) through Public Private Partnership (PPP⁶³) on Design, Build, Finance, Operate and Transfer (DBFOT) basis. The works were awarded to two concessionaires followed by signing of concession agreements (agreement).

As per the clause 3.4 of the agreements / decision of Board of Directors (BOD), the concession period for the projects was 30 years from the date of completion of construction. The construction period was to be 36 months from the date of signing the agreement. This was further extendable for another ten years if the concessionaire applies for the same in writing.

As per clause 32.1 (a) of the agreements, the concessionaires were entitled to levy, collect, retain and appropriate *Adda fees*⁶⁴ (at the year-wise pre-determined rates) from the users from the operation date *i.e.*, the date on which the Independent Engineer appointed by the HPCTBSMDA issues a provisional certificate and the concessionaire commences the commercial operations. Hence, the concessionaires could levy *Adda fees* and user charges⁶⁵ only upon the completion of the project and the right to collect *Adda fees* during the period of construction rested with the HPCTBSMDA.

⁶³ State Government had only to provide the encumbrance free land.

⁶⁴ *Adda fees* is the charge or tariff payable by all the buses with or without passengers at the exit gate of the Bus Terminal.

⁶⁵ User Charges means the charges, levies, tariffs, prices, sub-licenses fees, parking fees, night parking fees, advertisement revenues or all sources of revenue or amounts of money other than *Adda fees* by whatever name called levied, demanded, collected, retained and appropriated by the Concessionaire from Users.

Further, clause 32.1(e) conferred the right to the concessionaires of Dharmshala and Kullu to levy the *Adda fees* from the date of signing of agreements. However, this provision was absent in respect of Chintpurni.

Scrutiny of the records (November 2020) revealed that the concessionaires started charging *Adda fees* right after signing the agreements. It was noticed that an amount of *Adda fees* of ₹ 2.76 crore (excluding GST) was collected by the concessionaires by 31 March 2021 as given below:

Table-5.14.1: Detail of Projects and *Adda fees* collected

(₹ in crore)

Sr. No.	Name of the Bus Stand	Name of the Contractor	Date of Award	Date of agreement	Period of collection of <i>Adda fees</i>	<i>Adda fees</i> collected (excluding GST)	Status of operation
1	Chintpurni	M/s Mukesh Ranjan contractors, Punjab	10.08.2016	29.11.2016	01.12.2016 to 23.09.2017	0.07	24.09.2017
2	Dharmshala	--do--	23.08.2017	25.08.2017	06.09.2017 to 31.03.2021	1.44	Work not started
3	Kullu	CSA Infratech Pvt. Ltd., New Delhi	13.06.2017	16.08.2017	22.09.2017 to 31.03.2021	1.25	Under progress
Total						2.76	

While in cases of Dharmshala and Kullu, the collection before the operation date was made under clause 32.1(e) of the contract; in case of Chintpurni, the collection was made despite there being no clause in the original agreement. The irregular collection in case of Chintpurni was ratified by the BOD in its 58th meeting (27.05.2017). However, after it was pointed out by audit, the decision of BOD was withdrawn (03.12.2019) and HPCTBSMDA worked out a recovery of ₹ 0.89 crore from the concessionaire. The recovery was later modified to ₹ 0.07 crore based on the representation of the concessionaire.

Thus, inclusion of contradictory provisions in the agreements in cases of Dharmshala and Kullu and irregular allowance in case of Chintpurni resulted in unjust enrichment of the concessionaires by ₹ 2.76 crore. It was logical that the concession period started after completion of construction. This would have allowed the concessioning authority to have a clearcut view of allowable cost recovery time frame to the concessionaire. Without this, the concessionaire would be incentivised to delay construction. This was also evident from the fact that the concessionaire had already collected *Adda fees* from 06.09.2017 to 31.03.2021 without starting the work at Dharmshala. Similarly, the work at Kullu was still under progress from 22.09.2017 to 31.03.2021. As per the contract, the construction work was to be completed within 36 months. Thus, the conflicting clauses were acting as enabling tools for unjust enrichment for the concessionaire.

The Government, in its reply (May 2022) stated that collection was rightly made in terms of the RFP in terms of Dharmshala and Kullu; however, directions had been issued (March 2019) to examine the involvement of HRTC officers in framing such a

faulty bid document, bid conditions and terms of the agreement. It further stated that the amount collected in case of Chintpurni of ₹ 0.07 crore was yet to be recovered from the concessionaire.

The Government must put in place, systems and procedures, to avoid repeat of such acts in future and avoid unnecessarily burdening the common people.

Chapter-6
Individual Audit Observations on
SPSEs

Chapter 6: Individual Audit Observations on SPSEs

Himachal Pradesh Power Transmission Corporation Limited (HPPTCL)

6.1 Non-insertion of suitable clause in the bid resulting in avoidable payment of test charges

Failure of the Company in inserting suitable clause in the bid resulted in avoidable payment of testing charges of ₹ 10 crore.

A Short Circuit withstand test¹ is conducted to validate the quality and design of the transformer. As per regulations² issued (August 2010) by the Central Electricity Authority (CEA), Short Circuit withstand test of each type and rating³ of power transformers was required to be conducted⁴. The requirement for testing under the above regulations was also reiterated by the CEA in September 2014.

Himachal Pradesh Power Transmission Corporation Ltd. (Company) commissioned a sub-station⁵ at Gumma during November 2020. The bids for this sub-station (including four 105 MVA, single phase, 400/220 KV power transformers), were invited during October 2011. As per terms of the contract⁶, the bidder was required to submit certificates of the Short Circuit Test on transformers if already done, on the offered / higher design and rating. In case the transformer was not short circuit tested, the bidder was to conduct short circuit test free of cost in the presence of owners' representative before supplying the same. The contract was awarded (25 October 2013) on the basis of certificate for short circuit test of 315 MVA, 400 KV three phase auto transformer, submitted by the contractor.

Audit scrutiny (December 2020) revealed that the above-mentioned regulation of CEA required the short circuit withstand test to be done or certificate to that effect furnished by the contractor for each type and rating of power transformers. However, condition (4.52 A) of the bid also allowed bidders to submit test report of higher rating of power transformer, which the selected bidder provided with the bid. In the meantime, reiterating the regulation of 2010, the CEA asked (September 2014) Government of Himachal Pradesh to advise all the utilities to ensure that the transformers being supplied by manufacturers were subjected to Short Circuit test in order to meet the requirement of regulations. The Company then decided

¹ To ensure transformers are designed and constructed to withstand without damage the thermal and dynamic effects on external short circuits for 5 seconds under conditions specified in IS: 2026 (Part I) -1977.

² Sub-regulation 10(3) (g), 37(4) (k) and 43(2) (vi) of the Regulation 2010 (Technical Standard for construction of Electrical Plants and Electric Lines).

³ Single phase / three phase / auto transformer / step-down / step-up (type) and capacity of the transformer (rating).

⁴ Unless such test had been conducted within last five years on transformer of same design and rating.

⁵ 400 /220 KV Gas Insulated Switchgear (GIS) substation.

⁶ clause 4.52 (A) of Section-4 of the technical specifications.

(October 2014) that the supplier shall conduct the Short Circuit Test on one 105 MVA, single phase, 400/220 KV transformer having financial implication of ₹ 10 crore⁷ to be borne by the Company. The test was conducted during May 2016 for which the Company made payments during October 2016 and December 2019.

As the regulations were issued in August 2010, the Company while inviting bids during October 2011 should have inserted a suitable clause, only allowing the bidders to submit the certificate regarding Short Circuit withstand test for the design and rating to be supplied *i.e.*, for 105 MVA, 400 / 220 KV transformer. Had this been ensured, the payment of test charges of ₹ 10 crore could have been avoided. It is pertinent to mention here that the Company while inviting bids for 132 KV GIS Chambi (July 2014) had inserted the suitable clause.

On the issue of short circuit test, the contractor clarified (May 2014) that if the Company wants test to be conducted, the same can be done on chargeable basis *i.e.*, for ₹ 10 crore. The Company held a meeting with the contractor on 18 October 2014 in which it was decided that in lieu of charges of short circuit test, the contractor will increase the warranty of transformer from 540 days to 1080 days. However, the extension of warranty period could not set off the charges of short circuit test as the same could have been got extended by paying two *per cent* per annum of the cost of transformers, as was done by HPPCL in the case of Sainj HEP, which in this case works out to ₹ 54.40 lakh. Thus, had the Company inserted the suitable clause in the bid and even if had gone for extension of warranty, it could have saved ₹ 9.46 crore⁸.

Management, in its reply, stated (October 2021) that in view of the mandatory requirement of short circuit test issued by CEA during September 2014, the test was necessary. The reply was not tenable as the requirement as issued in August, 2010 specified each type of transformer to be mandatorily tested and was hence applicable before invitation of the bids. The Company also inserted a suitable clause in case of 132 KV GIS Chambi. Thus, the Company should have inserted suitable clause regarding test report of transformer of specific design and rating instead of accepting test certificate of higher design and rating thereby avoiding payment of test charges.

Recommendation: To safeguard against avoidable payments, Company should ensure compliance of relevant regulations before awarding the works.

⁷ Rate for test quoted by the contractor at bidding stage which did not form part of the bid amount.

⁸ ₹ 10 crore minus ₹ 54.40 lakh.

Himachal Pradesh State Electricity Board Limited (HPSEBL)

6.2 Audit of Contracts relating to System Strengthening under Integrated Power Development Scheme (IPDS) in Himachal Pradesh State Electricity Board Limited

Company awarded (2018-19) contracts relating to solar plants at ₹ 5.14 crore higher than the rates approved by HIMURJA. They approved extension of time, on unjustified grounds, resulting in non-levy of LD amounting to ₹ 57.60 lakh. GST payment to contractors on solar plants was made (January 2019 to December 2019) at 18 per cent against the applicable rate of five per cent resulting in extra payment of ₹ 21.03 lakh.

Ministry of Power (MoP), Government of India (GOI) launched Integrated Power Development Scheme (IPDS) on 3 December 2014. The main objectives of IPDS were:

- Strengthening of Sub-transmission and Distribution system, including provisioning of solar panels in the urban areas;
- Metering of distribution transformers/ feeders/ consumers in the urban areas; and
- IT enablement of distribution sector and strengthening of distribution network.

There were five parts of the scheme of which System Strengthening was one major part. Twelve projects amounting to ₹ 111.15 crore in 12 Circles were sanctioned (21 March 2016) by the Power Finance Corporation (PFC) under system strengthening against which the Company awarded circle wise contracts / packages. The scheduled completion period as per guidelines of the scheme was 20 September 2018.

A summary of grant received and actual expenditure including loan and own share till 31 March 2022 in IPDS was as detailed in the **Table-6.2.1** given below:

Table-6.2.1: Receipt and expenditure of funds

Sanctioned Grant	Grant received	Expenditure			(₹ in crore)
		Grant utilised	Company's share	Loan amount	Total Expenditure
94.49	94.13	94.13	5.60	10.79	110.52

The audit of contracts for system strengthening was carried out during September 2021. Major audit observations noticed during audit have been discussed in the following paragraphs:

1. Award of work at higher rates –

As per regulations⁹, Himachal Pradesh Energy Development Agency (HIMURJA) was the state nodal agency for the purpose of implementation of solar plants.

⁹ HPERC (Rooftop Solar PV Grid Interactive System based on Net Metering) Regulation, 2015 notified on dated 31st July 2015.

HIMURJA empanels vendors and fixes the rates for installation of solar plants with net metering of capacities ranging from one kilowatt (KW) power output to 500 KW. The solar plant as an item (which was not dependent on any other component) included in the packages awarded for system strengthening in nine out of 12 projects. Being an independent item, contract for the Solar plants could have been awarded separately as was done in other three (Kangra, Una and Dalhousie) circles.

The rates awarded for solar plants under consolidated contract for system strengthening in nine circles were extraordinarily higher as compared to HIMURJA approved rates. Whereas, in remaining three circles¹⁰, the solar plants was awarded separately by the Company on rates approved by the HIMURJA while the remaining works were awarded on turnkey basis. Knowing the rates for solar plants fixed by the HIMURJA the Company could have issued separate work orders for solar plants at the rates fixed by HIMURJA in all the twelve circles as was done in case of three circles *ibid*. Had the Company awarded work of solar plants separately at HIMURJA rates, it could have saved ₹ 5.14 crore. Details of excess expenditure are given in **Table-6.2.2**:

Table-6.2.2: Details of excess payment

(Amount in ₹)

Name of Firm	Name of the Circle	Rates approved by HIMURJA (per KW)	Rate as per LoA (per KW)	Excess rate (per KW)	Quantity as per LoA (in KW)	Excess expenditure
M/s Shyam Indus Power Solutions	Shimla	47,000	1,29,388	82,388	98	80,74,024
M/s Shyam Indus Power Solutions	Rohru	47,000	1,27,138	80,138	64.4	51,60,887
M/s Rutu Enterprises	Solan	42,000	88,438	46,438	443	2,05,72,034
M/s UTRI	Rampur	49,700	79,198	29,498	21.2	6,25,358
M/s PK Enterprises	Mandi	49,700	1,43,217	93,517	34	31,79,578
M/s PK Enterprises	Kullu	49,700	1,31,987	82,287	42	34,56,054
M/s Ratwan Light House	Bilaspur	47,000	1,33,011	86,011	60.2	51,77,862
M/s Devraya Engineering	Hamirpur	47,000	1,01,135	54,135	73.4	39,73,509
M/s Chaudhary Associates	Nahan	49,700	96,500	46,800	24.3	11,37,240
Total						5,13,56,546

In nine circles, the Company awarded (2018-19) contracts relating to solar plants at 117 *per cent* to 217 *per cent* higher rates in comparison to approved rates of HIMURJA for 2018-19. It was also noticed that in three (Kangra, Una and Dalhousie) circles, Company awarded (during 2018-19) the work of solar panels to the empanelled vendors at rates approved by HIMURJA.

Management in its reply stated that tenders were invited on turnkey basis and offers were accepted on the basis of overall price and not on the basis of the individual items.

Reply was not tenable as the rate of solar panels of approved vendors by HIMURJA were in the knowledge of management and Company could have saved ₹ 5.14 crore

¹⁰ Kangra, Una and Dalhousie.

by awarding separate contracts for solar plants as done for Kangra, Una and Dalhousie circles.

2. Undue favor to the contractor –

The contract for system strengthening in Kullu circle was awarded to a contractor in May 2018. As per clause 26 of Special Conditions of contract, the contractor shall pay liquidated damages (LD), for delay in completion of works, at the rate of half *per cent* per week, subject to maximum of 10 *per cent* of the contract price.

The work was to be completed by 31 March 2019. However, the pace of work by the contractor was very slow right from the beginning and the office of Superintending Engineer (Op) Circle, Kullu and Sr. Executive Engineer (Electrical Division), Manali regularly communicated that the work was getting delayed due to the reasons attributable to the contractor. However, later as per recommendation of field office, the Chief Engineer (Op), taking plea that the material¹¹ to be supplied by the Company was delayed, approved (March 2021) extension of time up to 30.09.2020 without levy of LD, resulting in non-levy of LD amounting to ₹ 57.60 lakh. There was no evidence on record to suggest that field offices sent requisitions/indent of materials to the stores and subsequent denial by stores regarding non availability of materials. Moreover, scrutiny of stock showed that the material to be supplied by the Company was available in store of the Company during that period.

The contractor has not completed many components of the scheme upto the extension granted *i.e.*, up to 30.09.2020. This was evident from the fact that the contractor submitted erection bill in February 2021. Thus, the time extension granted without levy of any liquidated damages amounted to undue favour to the contractor.

Management in its reply (April 2022) stated that work could not be got completed due to late availability of materials to be supplied by HPSEBL and nationwide lockdown due to COVID 19. Reply of the Management was not acceptable as it was noticed that officers of the Company wrote various letters/notices to the contractor that work was getting delayed. Moreover, up to the scheduled completion period (March 2019) no requisition of the contractor was turned down due to non-availability of material. As far as nation-wide lockdown due to Covid19 is concerned, the same is not tenable for delay in completion as the lockdown was imposed on 25 March 2020 *i.e.*, after one year of scheduled date of completion.

3. Overpayment of GST –

The work for supply and erection of solar panels with net metering of capacity of 162 KW¹² for Shimla and Rohru circles was awarded during March and April 2018. The LoA specified¹³ that bid prices are inclusive of GST and other taxes (if any) and

¹¹ Steel Tubular Poles, LT AB cables, Energy Meters etc.

¹² Shimla 98 KW+ Rohru: 64.4 KW.

¹³ Condition No.8.

the same shall be payable as per actual, against documentary proof only¹⁴. GST on solar power plants was reduced (to five *per cent*) in June 2017.

Audit noticed that payments for supply between January 2019 and December 2019, were made by the Company by considering GST at 18 *per cent* without any documentary evidence. This resulted in extra / overpayment of GST amounting to ₹ 21.03 lakh as detailed in **Table-6.2.3**.

Table-6.2.3: Detail of overpayment of GST

(Amount in ₹)						
Description	Circle office	Quantity KW	Ex-works rate per KW	GST Rates paid @18%	GST payable @5%	Excess paid
1	2	3	4	5	6	7 (5-6 x 3)
Solar panels with net metering	Rohru	64.4	98,547	17,738	4,927	8,25,028
	Shimla	98	1,00,291	18,052	5,015	12,77,626
Total						21,02,654

Management in its reply stated (April 2022) that excess amount whatsoever was paid to the contractors is being recovered from the firm. However, the recovery has not been made so far (August 2022).

Audit of contract thus showed that the Company could not ensure economy by awarding the contract for solar panel separately thereby incurring extra expenditure of ₹ 5.14 crore. Similarly, it failed to safeguard its financial interests by not recovering the due liquidated damages and releasing excess GST.

Recommendation: *Company may ensure execution of contracts in an economical manner.*

Shimla Jal Prabandhan Nigam Limited (SJPNL)

6.3 Avoidable expenditure due to non-revision of Contract Demand and Standard Voltage Supply

Failure of Shimla Jal Prabandhan Nigam Limited (SJPNL) to revise Contract Demand as per actual maximum recorded demand in three Lift Water Supply Schemes led to avoidable expenditure/ liability of Demand Charges of ₹ 5.67 crore. Wrongly imposed Contract Demand Violation Charges of ₹ 0.23 crore was paid by SJPNL. Further, the SJPNL availed energy supply at a voltage lower than the Standard Supply Voltage, resulting in avoidable expenditure of ₹ 5.14 crore on account of Low Voltage Supply Surcharge.

Shimla Jal Prabandhan Nigam Limited (SJPNL), incorporated (June 2018) as a jointly promoted company of Government of Himachal Pradesh and Municipal Corporation, Shimla, under Companies Act, 2013, is solely responsible for water and sewerage services in the greater Shimla area. It operates Lift Water Supply Schemes (LWSSs) through its three Sub-divisions at Gumma, Giri and Ashwini *Khad*. The water is lifted

¹⁴ Clause No.13 of section-II.

by operating centrifugal pumps installed at these LWSSs. Expenditure of ₹ 203.09 crore was incurred on these pumps during 2018-19 (₹ 99.64 crore) and 2019-20 (₹ 103.45 crore) towards energy charges paid to the Himachal Pradesh State Electricity Board Limited (HPSEBL), which works out to 70 *per cent* (approximately) of total operation and maintenance cost of the SJPNL.

State Financial Rules as applicable to the SJPNL, envisage that every officer incurring expenditure from public moneys shall be guided by high standards of financial propriety. Every officer shall also enforce strict economy and see that all relevant rules and regulations are followed.

The General conditions of tariff of HPSEBL stipulate that:

- (a) Consumers whose energy consumption is billed in ₹ / kVAh, shall in addition to the kVAh charges, be charged 'Demand Charges' at the rates¹⁵ calculated on the actual maximum (in kVA) recorded demand on energy meter during any consecutive 30 minute block period of the month or at 90 *per cent* of the Contract Demand¹⁶ (in kVA), whichever is higher but up to a ceiling of the Contract Demand as currently applicable. In the event, the actual Maximum Demand recorded on the energy meter exceeds the Contract Demand, the consumer shall be charged "Contract Demand Violation Charges" at the rate of three times of the Demand Charges to the extent the violation has occurred in excess of the Contract Demand.
- (b) Consumers availing electricity supply at a voltage lower than the 'Standard Supply Voltage'¹⁷ shall, in addition to other charges, be also charged a Low Voltage Supply Surcharge (LVSS) at the rate of two, three, and five *per cent* on the amount of energy charges billed, for 'each level of step down'¹⁸ from the 'standard supply voltage' to the level of actually availed supply voltage as per details given in **Table-6.3.3** under sub-paragraph (iv) below.

Scrutiny (August 2020) of records of the office of the Managing Director, SJPNL, Shimla in respect of 18 electric meters of LWSSs Gumma (14), Giri (two) and Ashwani *Khad* (two) revealed the following:

(i) Existing Contract Demand in excess of maximum demand recorded

During the period from June 2018 to May 2020, '90 *per cent* of Contract Demand' of four meters at Gumma (two), and Ashwani *Khad* (two) was much higher than the maximum recorded / consumed demand in the meters installed (**Appendix-6.1**) briefly indicated in **Table-6.3.1**.

¹⁵ Rate of Demand Charges applicable in LWSSs of SJPNL: June 2018 to June 2019 at the rate of ₹ 400 per kVA/ month and from 01 July 2019 and onwards at the rate of ₹ 300 per kVA/ month.

¹⁶ Contract demand is the amount of electric power that a consumer demands from utility in a specified interval (Unit used is kVA or kW) while the maximum kVA requirement over billing cycle is called as maximum demand.

¹⁷ Standard voltage at which electricity shall be given to the consumer through a common or dedicated or joint dedicated feeder without payment of any lower voltage supply surcharge.

¹⁸ Expression 'for each level of step down' as an example shall mean that in a particular case if the Standard Supply Voltage is 33 kV and the Actually Availed Supply Voltage is less than 11 kV, then the number of step down will be two and the rate of LVSS applicable shall be eight *per cent* (five *per cent* + three *per cent*).

Table-6.3.1: Details of Contract Demand and Maximum Recorded Demand

LWSS unit (period)	K.No. / meter No.	Contract Demand (kVA)	90 per cent of Contract Demand (in kVA)	Actual Maximum demand recorded (in kVAh)	Revised/Proposed Contract Demand based on recorded Demand (in kVA)
Gumma (June 2018 to April 2020)	1112605289	4557.77	4101.99	525 to 2415.6	1500
	1112605290	5868.61	5281.75	2750 to 3980*	4000
Ashwani Khad (July 2019 to July 2020)	12383282	718	646.2	320 to 362.1	400**
	12249906	1470	1323	362.1 to 384.8	400**

Source: Information supplied by SJPNL.

*During August 2018 to April 2020 as actual demand had exceeded the Contract Demand during June and July 2018.

**Probable proposed based on meter reading trends.

Further, an energy and water audit conducted (2017) by Development Environenergy Services Limited (DESL) had recommended to reduce Contract Demand based on historical data of actual maximum demand recorded so as to minimise energy costs. The SJPNL, however, took up the matter with HPSEBL only in June 2019, for reduction of Contract Demand of the meters at Gumma. The HPSEBL advised (December 2019) SJPNL to take up the matter with the Electrical Division concerned at Mashobra. However, SJPNL took another five months (due to shortage of technical manpower) in sending proposal for reduction of Contract Demand, to Electrical Division at Mashobra in May 2020. The HPSEBL revised (June 2020) the Contract Demand (as per actual requirement) in respect of Meters (1112605289: 1500 kVA and 1112605290: 4000 kVA) from May 2020 onwards. Audit scrutiny in August 2020 pointed out the non-revision of Contract Demand of other meter at Ashwini Khad, however, at Ashwini Khad Contract Demand had not been revised as of September 2021.

Thus, the SJPNL had not taken timely action for reduction of the Contract Demand based on actual recorded demand which resulted in avoidable expenditure of ₹ 3.70 crore on account of Demand Charges paid to HPSEBL during June 2018 to July 2020 (**Appendix-6.1**) as briefly indicated in **Table-6.3.2**.

Table-6.3.2: Avoidable payments of Demand Charges

(₹ in crore)

LWSS unit (period)	K.No./ meter No.	Period	Rates of Demand Charges (₹ kVA/month)	Demand Charges paid	Demand Charges payable* (Appendix-6.1)	Avoidable payment of Demand Charges
Gumma	1112605289	June 2018 to June 2019	400	2.13	0.78	1.35
		July 2019 to April 2020	300	1.23	0.47	0.76
	1112605290	August 2018 to June 2019	400	2.32	1.66	0.66
		July 2019 to April 2020	300	1.58	1.14	0.45
Ashwani Khad	12383282	July 2019 to July 2020	300	0.25	0.14	0.11
	12249906	June 2019 to July 2020	300	0.52	0.14	0.37
Total				8.03	4.33	3.70

Source: Information supplied by SJPNL.

*Demand Charges payable on actual recorded demand or 90 per cent of Revised/ Proposed Contract Demand.

(ii) Wrong imposition of Contract Demand Violation Charges

During July 2019 and May 2020, the actual maximum demand recorded at LWSS Gumma was 1663.2 kVAh against Contract Demand of 1848 kVA, however, the HPSEBL had wrongly imposed Contract Demand Violation Charges of ₹ 0.23 crore for these two months and this was paid by SJPNL. Though the SJPNL had taken up (April 2021) the matter with HPSEBL for wrong imposition of Contract Demand Violation Charges, the same had not been adjusted as of September 2021. The case was pointed out by Audit in August 2020 whereas the SJPNL took the matter with HPSEBL in April 2021 and the adjustment of this amount was pending.

Thus, failure of SJPNL to take timely action on wrong imposition of Contract Demand Violation Charges, led to avoidable payment of ₹ 0.23 crore.

(iii) Demand Charges on nil consumption of electricity

Under LWSS, Gumma, SJPNL lifts water from Gumma (first stage) to Drabla (second stage) to Craignano. For pumping at Drabla, the electricity supply is being recorded in Meter (K.No. 1112605291).

It was observed that another Meter (K.No.1112605321) was also installed on standby feeder line at Drabla Pumping Station at 66 KV/ 22KV (substation at Goshu Gumma). As the electricity supply was being recorded in Meter (K.No. 1112605291), the consumption of electricity in standby feeder line Meter (K.No.1112605321) was nil from June 2018 to June 2020, which needed to be uninstalled and the supply of standby feeder line could have been connected to Meter (K.No.1112605291) at Drabla.

However, the SJPNL had not taken timely action to un-install the standby feeder line Meter (K.No. 1112605321). When the SJPNL took up (August 2019) the issue with HPSEBL, HPSEBL sent a demand of ₹ 9.73 lakh for construction of four Pole structure for providing CT/ PT¹⁹ unit which would club the feeder line with Meter (K.No.1112605291) at Drabla. The SJPNL had deposited ₹ 9.73 lakh (November 2019) with HPSEBL. However, the matter was not pursued further and HPSEBL had not un-installed the standby feeder line Meter as of May 2022. Further, the HPSEBL had raised bills claiming Demand Charges of ₹ 1.97 crore (Demand Charges: ₹ 1.93 crore²⁰ at the rate of 90 per cent of the Contract Demand 2819 kVA and surcharge for not paying the amount by due date: ₹ 0.04 crore) of standby feeder line Meter (K.No. 1112605321) September 2018 to June 2020, though the consumption was nil. Against this amount, Demand Charges of ₹ 1.02 crore upto June 2019 had been paid and ₹ 0.95 crore (Demand Charges: ₹ 0.91 crore and surcharge for not paying the amount by due date, etc. ₹ 0.04 crore) were outstanding as of August 2020.

(iv) Low Voltage Supply Surcharge

For availing electricity supply at a voltage lower than the 'Standard Supply Voltage'²¹, the HPSEB shall charge a Low Voltage Supply Surcharge (LVSS) at the

¹⁹ Current transformer/ potential transformer.

²⁰ September 2018 to June 2019: 2537.10 kVAhX400X10= ₹ 1,01,48,400 and July 2019 to June 2020=2537.10 kVAhX300X12= ₹ 91,33,560.

²¹ Standard voltage at which electricity shall be given to the consumer through a common or dedicated or joint dedicated feeder without payment of any lower voltage supply surcharge.

rates given in **Table-6.3.3** on the amount of energy charges billed, for 'each level of step down' from the 'standard supply voltage' to the level of actually availed supply voltage.

Table-6.3.3: Rate of Low Voltage Supply Surcharge against Standard Supply Voltage

Standard Supply	Actually availed supply voltage	LVSS (per cent)
11 KV or 15 KV or 22 KV	10.23 KV or 30.415 KV or 2.2 KV	5
33 KV	11 KV or 22 KV	3
66 KV	33 KV	2
>= 132 KV	66 KV	2

Audit observed that six meters (Gumma: 04 and Giri: 02) were levied LVSS at the rate of three *per cent* or eight *per cent* (in case of actual utilised voltage is two steps below the level of Standard Supply Voltage) from June 2018 to March 2021 as detailed in **Table-6.3.4**.

Table-6.3.4: Details of Low Voltage Supply Surcharge

Sr. No.	Metre No. (K.No.)	LWSS	Connected Load (kW)*	Standard supply voltage	Actual availed voltage	Rate of LVSS (per cent)	LVSS imposed (₹ in crore)
1.	1112605289	Gumma	4102.00	33 KV	15 KV	3	0.06
2.	1112605290	Gumma	5281.70	33 KV	2.2 KV	8	1.69
3.	1112605291	Gumma	2819.67	33 KV	2.2 KV	8	1.38
4.	1112605293	Gumma	3319.12	33 KV	2.2 KV	8	0.74
5.	HPU00318	Giri	2425.00	33 KV	11 KV	3	0.64
6.	HPU00204	Giri	2816.00	33 KV	11 KV	3	0.63
Total							5.14

Source: Information supplied by SJPNL.

* Standard Supply Voltage : <=50 kW-2.2 kV or 400 Volts; 51 kW to 2000 kW- 6.6 kV, 11 kV, 15 kV or 22 kV; 2001 kW to 10000 kW- 33 kV or 66 kV and >10000 kW- >=132 kV.

The SJPNL availed energy supply at a voltage lower than the Standard Supply Voltage resulting in avoidable expenditure of ₹ 5.14 crore on account of LVSS actually paid to HPSEBL during June 2018 to March 2021 (**Appendix-6.2**).

In July 2020, SJPNL requested Executive Engineer, HPSEBL Division-Theog to waive off Lower Voltage Supply Surcharges and Violation Charges in respect of meter No. HPU00318 and HPU00204, but no action was taken as of February 2021.

Evidently, contrary to the provision of State Financial Rules *ibid*, the Management of SJPNL had failed to enforce strict economy with regard to energy cost of its LWSSs.

- The SJPNL had not taken timely action for revision of Contract Demand as per actual maximum recorded demand in energy meters which resulted in avoidable expenditure/ liability of Demand Charges of ₹ 3.70 crore.
- Due to wrong imposition of Contract Demand charges, SJPNL had to pay ₹ 0.23 crore.
- The SJPNL had not taken timely action to uninstall Standby feeder line Meter leading to liability of Demand Charges of ₹ 1.97 crore even after nil consumption.

- The SJPNL availed energy supply at a voltage lower than the Standard Supply Voltage resulting in avoidable expenditure of ₹ 5.14 crore on account of LVSS.

The Principal Secretary (Urban Development) stated (September 2021) that timely action for reduction of Contract Demand could not be taken due to shortage of technical manpower and proper examination of the DESL Report being a time-consuming process. Regarding Contract Demand Violation Charges, the matter for correction of Contract Demand has been taken up with HPSEBL. In the case of LVSS, the Managing Director, SJPNL stated (February 2021) that correspondence had been made with HPSEBL to resolve the issues at the earliest. The fact, however, remains that due to non-revision of the Standard Supply Voltage as per actual availed voltage of the energy meters, the SJPNL had to bear the avoidable payment of LVSS to the HPSEBL.

Recommendation: The Government may consider expediting the rationalization/ revision of Contract Demand of energy meters of Lift Water Supply Schemes of SJPNL as per actual maximum recorded demand, so as to minimise the energy costs, and to avail supply at prescribed Standard Supply Voltage for Lift Water Supply Schemes of SJPNL so as to avoid recurring payment of Low Voltage Supply Surcharge.

Shimla
Dated: 03 December 2022


(Chanda Madhukar Pandit)
Principal Accountant General (Audit)
Himachal Pradesh

Countersigned

New Delhi
Dated: 13 December 2022


(Girish Chandra Murmu)
Comptroller and Auditor General of India

Appendices

Appendices

Appendix-1.1

(Reference: Paragraph 1.2)

Details of Other Non-Tax Revenue Receipts

(₹ in crore)

Sr. No.	Major Receipt Head	Actual Amount 2019-20	Actual Amount 2020-21
1.	0050-Dividends and Profit	248.44	245.43
2.	0051- Public Service Commission	8.65	5.86
3.	0056- Jails	0.23	0.24
4.	0057- Supplies and Disposals	0.03	0.01
5.	0058- Stationery and Printing	12.04	8.27
6.	0071-Contributions & Recoveries towards Pension and other Retirement benefits	12.02	14.04
7.	0075-Miscellaneous General services	5.17	11.41
8.	0202-Education, Sports, Art and Culture	238.59	196.08
9.	0210- Medical and Public Health	24.79	13.21
10.	0211- Family Welfare	-0.02	0.008
11.	0215-Water Supply and Sanitation	67.07	66.93
12.	0216-Housing	3.55	3.91
13.	0217-Urban Development	6.62	5.95
14.	0220-Information and Publicity	2.41	1.12
15.	0230-Labour and Employment	7.8	8.2
16.	0235-Social Security and Welfare	38.79	11.15
17.	0250- Other Social Services	0.02	0.07
18.	0401-Crop Husbandry	8.48	11.92
19.	0403-Animal Husbandry	0.98	0.99
20.	0405-Fisheries	3.16	3.16
21.	0407-Plantations	0.01	0.01
22.	0408-Food Storage and Warehousing	0.03	0.71
23.	0425-Cooperation	6.84	9.51
24.	0435-Other Agricultural Programmes	0.63	0.77
25.	0515-Other Rural Development Programmes	3.51	20.41
26.	0575-Other Special Areas Programmes	0.11	0.41
27.	0700-Major Irrigation	1.36	0.01
28.	0701-Medium Irrigation	0.15	0.23

Sr. No.	Major Receipt Head	Actual Amount 2019-20	Actual Amount 2020-21
29.	0702-Minor Irrigation	0.84	1.17
30.	0851-Village and Small Industries	1.89	1.3
31.	0852-Industries	7.3	8.15
32.	1054-Roads and Bridges	12.44	12.89
33.	1055-Road Transport	0.64	0.24
34.	1425-Other Scientific Research	0.21	0.002
35.	1452-Tourism	5.89	6.46
36.	1456-Civil Supplies	2.08	0.2
37.	1475-Other General Economic Services	13.36	5.65
Grand Total		746.11	676.08

Appendix-1.2

(Reference: Paragraph 1.2)

Details of Share of net proceeds of divisible Union taxes and duties

(₹ in crore)

Sr. No.	Major Receipt Head	Actual Amount 2020-21
1.	0005-901-Central Goods and Services Tax	1,419.55
2.	0008-901- Integrated Goods and Services Tax	0
3.	0020-901-Corporation Tax	1,429.44
4.	0021-901-Taxes on Income other than Corporation Tax	1,464.84
5.	0028-901-Other Taxes on Income and Expenditure	0
6.	0032-901-Taxes on Wealth	0
7.	0037-901-Customs	257.07
8.	0038-901-Union Excise Duties	160.44
9.	0044-901-Service Tax	19.39
10.	0045-901- Other Taxes and Duties on Commodities and Services	3.19
Grand Total		4,753.92

Appendix-1.3

(Reference: Paragraph 1.7.2)

List of Autonomous bodies/authorities/ institutions

Sr. No.	Name of the body/ authority	Section in which audit has been conducted
1.	Himachal Pradesh Building and Other Construction Workers Welfare Board, Shimla	Audit conducted under Section 19(3) and SARs prepared.
2.	HP Khadi and Village Industries Board	
3.	Compensatory Afforestation Fund Management and Planning Authority (CAMPA)	
4.	HP City Transport and Bus Stand Management and Development Authority	
5.	HP State Electricity Regulatory Commission	
6.	Himachal Pradesh State Veterinary Council, Shimla	
7.	Himachal Pradesh Legal Services Authority, Shimla	
8.	District Legal Services Authority, Hamirpur	
9.	District Legal Services Authority, Bilaspur	
10.	District Legal Services Authority, Nahan	
11.	District Legal Services Authority, Una	
12.	District Legal Services Authority, Shimla	
13.	District Legal Services Authority, Kinnaur at Rampur	
14.	District Legal Services Authority, Mandi	
15.	District Legal Services Authority, Kullu	
16.	District Legal Services Authority, Dharamshala at Kangra	
17.	District Legal Services Authority, Solan	
18.	District Legal Services Authority, Chamba	
19.	Controller, CSK, HPKVV, Palampur	Audit conducted under Section 14 & 15 and IRs are prepared and issued.
20.	Dr. Y.S. Parmar Horticulture University, Nauni, Solan	
21.	Seed and Organic Produce Certification Agency, Boileauganj, Shimla	
22.	Livestock Development Board, Boileauganj, Shimla	
23.	HP State Milkfed Co-operative, Totu, Shimla	
24.	HP State Cooperative Marketing and Consumers Federation Ltd. (HIMFED)	
25.	HP State Council for Science, Technology and Environment, Kasumpti, Shimla	

Sr. No.	Name of the body/ authority	Section in which audit has been conducted
26.	District Rural Development Authority, Hamirpur	
27.	District Rural Development Authority, Bilaspur	
28.	District Rural Development Authority, Nahan	
29.	District Rural Development Authority, Una	
30.	District Rural Development Authority, Shimla	
31.	District Rural Development Authority, Kinnaur	
32.	District Rural Development Authority, Mandi	Audit conducted under Section 14 & 15 and IRs are prepared and issued.
33.	District Rural Development Authority, Kullu	
34.	District Rural Development Authority, Dharamshala at Kangra	
35.	District Rural Development Authority, Solan	
36.	District Rural Development Authority, Chamba	
37.	District Rural Development Authority, Keylong	
38.	AIDS Control Society	
39.	HP Nursing Reg. Council	
40.	NRHM, Shimla	
41.	Academy of Language, Art and Culture	
42.	SC/ST Corporation, Solan	
43.	Social Welfare Board, Shimla	
44.	Council of Child Welfare, Shimla	
45.	SSA, Shimla	
46.	Himachal Pradesh University	
47.	Rin Chen Zen Po Society, Kangra	
48.	State Water & Sanitation Mission (HP)	
49.	RMSA	
50.	Employees State Insurance Society, Shimla	
51.	RUSA	
52.	State Disaster Management Authority	
53.	HP Ayurveda and Unani Practitioner Board	

Appendix-2.1

(Reference: Paragraph 2.7.1)

Statement showing details of Excess ITC carried forward

Sr. No.	Audit unit/ Commissionerate	GSTIN	NAME	TIN	CIRCLE	Balance of credit as per Legacy returns in ₹	Credit carried over as eligible SGST In TRAN return in ₹	Excess Transitional Credit availed in ₹
1	DCST&E Chamba	02AAACN0149C1ZB	NHPC	2070400695	Chamba Circle	0	2,66,03,770	2,66,03,770
					SUB-TOTAL	0	2,66,03,770	2,66,03,770
2	DCST&E Nurpur	02AXAPS6730J1ZI	SK ENTERPRISES	2060600699	Damtal Circle	0	13,44,078	13,44,078
3		02AEKPA1659R1ZB	ANAND AND SONS JASSUR	2060500841	Nurpur Circle	2,10,390	3,28,702	1,18,312
					SUB-TOTAL	2,10,390	16,72,780	14,62,390
4	DCST&E Kangra	02AEFPK8648M2Z4	SHUBHAM CONSTRUCTION	2060201879	Kangra Circle	0	6,29,244	6,29,244
5		02DJJPS3239E1ZB	SOOD ELECTRONICS	2060400739	Dehra Circle	0	6,68,099	6,68,099
6		02BNAPK1616C1ZX	MS SAI ENTERPRISES	2060200096	Kangra Circle	1,41,089	2,48,458	1,07,369
7		02ABJPG7387A1ZY	SANT RAM CHAMAN LAL	2060200262	Kangra Circle	0	3,37,336	3,37,336
					SUB-TOTAL	1,41,089	18,83,137	17,42,048
8	DCST&E Hamirpur	02AABCU1732D1Z2	UNIPRO TECHNO INFRASTRUCTURE PRIVATE LIMITED	2110200068	Hamirpur	0	1,40,92,227	1,40,92,227
9		02ABQPA1486M1ZK	HIMACHAL ELECTRONICS	2110200149	Hamirpur	2,94,110	3,28,158	34,048
10		02ABKFS0205N1ZC	SATYA TRADING COMPANY	2110200558	Hamirpur	0	1,03,139	1,03,139
					SUB-TOTAL	2,94,110	1,45,23,524	1,42,29,414
11	DCST&E Una	02AAAFN6760E1ZO	NATHU RAM JANKI DASS UNA	2080200419	Mehatpur Circle	1,51,690	5,65,596	4,13,906
12		02ALDPK6128K1Z9	RAJESH TRADING COMPANY	2080100445	Bangana Circle	1,55,349	4,86,806.00	3,31,457
13		02AEMPB9868H1ZA	BHAYANA AND COMPANY	2080300770	Amb Circle	65,132	3,80,645	3,15,513
14		02BYRPS4262E1ZA	M S KAUSHAL TYRE WORKS	2080300164	Amb Circle	4,13,000	7,98,660	3,85,660
15		02AXGPB1343N1ZU	BHUSHAN ALLUMINIUM & HARDWARE STORE	2080301264	Amb Circle	0	1,40,348	1,40,348
16		02BCEPS3403E1Z7	JAI DURGA ELECTRONICS	2080300098	Amb Circle	2,08,986	2,14,061.00	5,075
17		02AIQPM4807P1ZS	AGGARWAL (V.K.) STEELS	2080100466	Una Circle	2,36,421	6,46,918.00	4,10,497
18		02AJMPL9827F1Z2	SHIV STEELS	2080301266	Gagret	0	7,84,651.00	7,84,651
19		02AVBPK0065H1Z6	NADDA TRADERS	2080101487	Una Circle	0	3,03,670.00	3,03,670
					SUB-TOTAL	12,30,578	43,21,355	30,90,777

Sr. No.	Audit unit/ Commissionerate	GSTIN	NAME	TIN	CIRCLE	Balance of credit as per Legacy returns in ₹	Credit carried over as eligible SGST In TRAN return in ₹	Excess Transitional Credit availed in ₹
20	DCST&E Dharmshala	02AFLPS0085H1ZH	KAMLA ENTERPRISES	2060100326	Dharmshala-I	2,52,415	31,61,22	63,707
21		02AFMPK5434P2Z3	NEW AABSAR WOODEN INDUSTRY	2060300622	Dharmshala-II	4,92,601	5,72,371	79,770
					SUB-TOTAL	7,45,016	8,88,493	1,43,477
22	ACST&E Palampur	02ADBPk4464A1ZA	SANGAM AGENCIES	2060700108	Palampur	4,37,091	8,20,336	3,83,245
23		02ADXPk8516D1ZH	SRK TRADING CO.	2060702326	Palampur	5,05,800	5,37,472	31,672
24		02ABXPJ8634M1Z0	KARUNA FILLING STATION	2060700207	Palampur	36,130	3,40,682	3,04,552
25		02AODPN4937L1ZT	D N GENERAL STORE	2060701550	Palampur	0	3,12,677	3,12,677
					SUB-TOTAL	9,79,021	20,11,167	10,32,146
26	DCST&E Shimla	02AAXPA3284F1ZU	ROHINI ENTERPRISES(RAKESH AHUJA)SANJAULI	2011200603	Theog	3,31,599	10,24,925	6,93,326
27		02ALLPK3913E1ZJ	TOP GEAR AUTO (RANDEEP SINGH KANWAR)	2010300019	cart road	3,38,276.21	3,39,487.21	1,211
28		02AAACB8917G1ZZ	BHARTI AIRTEL SERVICES LTD.	2010300630	Sanjauli	0	3,22,923	3,22,923
29		02APHPs3178P1ZB	RAHUL FURNITURE(jagtar Singh)	2011200088	Sanjauli	3,61,475.82	6,41,694.53	2,80,218.71
30		02AZIPS7704G1ZD	HANS CONSTRUCTIONS	2011201152	Sanjauli	0	2,84,462	2,84,462
31		02AIPPT8249R1Z6	THAKUR HARDWARE	2011100590	Rohru	7,26,745.56	7,30,795.00	4,049.44
32		02ABXPG0724F1ZZ	HIMACHAL TYRES	2011000089	Rampur	2,71,300	3,61,020.14	89,720.14
33		02AAWPL2156Q1Z4	KUMAR GENERAL STORE	2011000479	Rampur	33,050	2,11,831.00	1,78,781
34		02AAACB4146P1ZR	BHARAT HEAVY ELECTRICALS LTD	2011000622	Rampur	0.00	3,25,258.00	3,25,258
35		02AABCD7169H1ZS	RELIANCE CORPORATE IT PARK LIMITED	2020100692	Cart Road	0	1,04,53,095	1,04,53,095
					SUB-TOTAL	20,62,446	1,46,95,490	1,26,33,044
36	DSCT&E Nahan	02AAAFI1856J2ZM	INTEC CORPORATION	2040400206	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Industrial Area Kala Amb.)	0	72,89,973	72,89,973
37		02AADFL7429H1ZH	LOUIS INDUSTRIES	2040400404	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Industrial Area Kala Amb.)	0	23,42,409	23,42,409
38		02AADCV1654M1ZB	VARAV BIOGENESIS PVT LTD	2040400376	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Industrial Area Kala Amb.)	9,88,678	13,12,863	3,24,185
39		02AAECK1941M1ZN	KANSAL BUILDING SOLUTIONS (P) LTD	2040201439	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Paunta Circle-II)	0	26,39,198.99	26,39,198.99
40		02ABUPB9135C2ZX	BHANDARI ROSIN & TURPENTINE	2040100297	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Sarahan Circle)	0	17,15,535	17,15,535

Sr. No.	Audit unit/ Commissionerate	GSTIN	NAME	TIN	CIRCLE	Balance of credit as per Legacy returns in ₹	Credit carried over as eligible SGST In TRAN return in ₹	Excess Transitional Credit availed in ₹
41		02AAYPK3585A1ZP	MADAN LAL AND SONS	2040500067	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Nahan Circle-II)	0	55,128	55,128
42		02AADCS4846E1ZN	SABOO CYLINDERS PVT. LTD.	2040400442	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Industrial Area Kala Amb.)	10,14,247	15,40,979	5,26,732
43		02AAEFI5181Q1Z3	INDO RAMA ENGINEERS	2040400651	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Industrial Area Kala Amb.)	0	38,900	38,900
44		02AGJPG0372L1ZM	VINAY PACKAGING	2080200322	(Himachal Pradesh),(South Zone, Shimla),(Sirmour),(Industrial Area Kala Amb.)	38,25,027	38,56,463.04	31,435.25
					SUB-TOTAL	58,27,952	2,07,91,449	1,49,63,496
45	DCST&E Baddi	02AACCG3312Q1ZS	GARG SONS ESTATE PROMOTERS PVT LTD	2030202088	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-I)	0	20,47,076	20,47,076
46		02AKRPR2488J1ZL	LIBRA ASSOCIATES	2030201898	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-II)	0	17,44,214	1,74,4213
47		02AAFFV8570P1ZK	VINCA LIFE SCIENCES	2030201428	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-IV)	0.00	14,65,129	14,65,129
48		02AABPJ2901Q1ZY	JAIN INDUSTRIES	2030200727	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-II)	0	12,81,965	12,81,965
49		02AGKPK8208Q1Z0	SOUBHAGYA STEEL	2030200133	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-III)	10,09,424	11,53,906	1,44,481
50		02AAFFI2911K2ZP	IVM PHARMACIA	2030202627	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-II)	0	11,39,250	11,39,250
51		02AECPP8256K1ZB	GREEF FORMULATIONS	2030100639	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-I)	0	23,49,184	23,49,184
52		02AAGCC0680D1ZA	CREST LIFESCIENCES PRIVATE LIMITED	2030101784	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Barotiwala)	0	16,01,082	16,01,081
53		02AANFP6841P2ZN	POLESTAR POWER INDUSTRIES	02030100067	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-I)	0	13,24,656	13,24,656
54		02AAHFN4318F2ZO	NUTECH APPLIANCES	02030200342	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-I)	0	11,97,979	11,97,978

Sr. No.	Audit unit/ Commissionerate	GSTIN	NAME	TIN	CIRCLE	Balance of credit as per Legacy returns in ₹	Credit carried over as eligible SGST In TRAN return in ₹	Excess Transitional Credit availed in ₹
55		02AANPJ3071F1Z2	JAINA AND CO	2030300759	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Nalagarh Circle-II)	1,31,060	11,95,308	10,64,248
56		02ABGFS3429J1Z8	SWASTIK WIRE PRODUCT	02030100653	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Barotiwal)	11,39,293	11,40,537	1,243.55
57		02AAACC6253G1Z5	CADILA HEALTHCARE LTD.	2030100520	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-III)	0	45,43,960.00	45,43,960
58		02AANFM9530E2ZD	M/S SALUS PHARMACEUTICALS	2020501018	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Nalagarh Circle-II)	0	4,59,234.00	4,59,234
59		02AAHFT6449D2ZA	TOTAL PHARMA SOLUTION	2030101259	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Barotiwal)	0	5,12,978.00	5,12,978
60		02AAWCS3532J1Z4	SMAYAN HEALTHCARE PRIVATE LIMITED	2030200847	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-IV)	0	6,47,824	6,47,824
61		02AAEFE0922H1Z3	ENVIRO ENTERPRISES	2030400029	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-IV)	4,56,573	5,08,893	52,320
62		02AAGFG7182F2ZK	GOPAL LIFE SCIENCES(UNIT-II)	2030100716	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Barotiwal)	0	4,81,620	4,81,620
63		02AACCC5704E1ZD	CUREWELL PACKAGING PVT. LTD.	2030100231	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-I)	3,51,598	3,74,914	23,316
64		02AAHFK8962A1ZK	KUNDLAS LOH UDYOG	2030100540	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-II)	4,87,253	9,81,127	4,93,874
65		02AAEFC4390H1ZR	CLASSIC BINDING INDUSTRIES	02030300567	(Himachal Pradesh),(South Zone, Shimla),(BBN Baddi),(Baddi-IV)	93,791	3,15,910	2,22,119
					SUB-TOTAL	36,68,992	2,64,66,745	2,27,97,752
66	DCST&E Kullu	02ABBPA0544K2ZD	ANAND TRADING CO	2100100564	(Himachal Pradesh),(Central Zone, Mandi),(Kullu),(Kullu Circle.)	5,49,153	5,53,287.00	4,134
67		02ABBPM4334R1ZK	MEHTA MOTORS	2100200977	(Himachal Pradesh),(Central Zone, Mandi),(Kullu),(Kullu/Banjar)	4,46,099	4,47,640.00	1,541
					SUB-TOTAL	9,95,252	10,00,927	5,675

Sr. No.	Audit unit/ Commissionerate	GSTIN	NAME	TIN	CIRCLE	Balance of credit as per Legacy returns in ₹	Credit carried over as eligible SGST In TRAN return in ₹	Excess Transitional Credit availed in ₹
68	DCST&E Mandi	02AAQFG7471F2ZA	GUPTA MEDIAL AGENCIES	2090100025	(Himachal Pradesh),(Central Zone, Mandi),(Mandi),(Mandi-III AETC Mandi)	2,04,256	8,15,891.00	6,11,635
69		02ABUPV2465K1Z2	CHETAN VAIDYA	2090100534	(Himachal Pradesh),(Central Zone, Mandi),(Mandi),(Mandi-I)	4,53,845	4,68,757.47	14,912
					SUB-TOTAL	6,58,101	12,84,648	6,26,547
70	DCST&E Solan	02AAACS0623C1ZB	SHIVALIK BIMETAL CONTROLS LIMITED	2020100450	Kandaghat Circle	2,49,909	10,66,098	8,16,189
71		02ABGPY7751B2ZO	S S TRADING	2020500915	Parwanoo Circle -II	0	9,78,975	9,78,975
72		02ABLPG9224G1ZW	TECNO SALES	2020600789	Parwanoo Circle -II	0	36,65,425.85	36,65,426
73		02AABCP0770A1Z9	PREM BUILDERS INDIA PRIVATE LIMITED	2020600450	Parwanoo Circle-I	0	15,26,141	15,26,141
74		02AIVPG2315H1ZJ	VIDYA INFRASTRUCTURE DEVELOPERS	2020100170	Solan Circle-I	5,00,000	1,46,30,415.67	1,41,30,416
75		02AAWFS4629M1ZK	SOLAN RADIO SERVICE	2020100453	Solan Circle-I	6,10,150	8,58,802	2,48,652
76		02AABFY7754J1ZX	YESTER PHARMA	2020200904	Solan Circle-II	0	8,40,107	8,40,107
77		02AABCA9599A1ZV	ANWESHA ENGINEERING & PROJECTS LIMITED	2020201509	Solan Circle-II	0	6,90,705	6,90,705
78		02AAGFC5284L1ZD	CHIROS PHARMA	2020200285	Solan Circle-II	0	24,52,036	24,52,036
					SUB-TOTAL	13,60,059	2,67,08,706	2,53,48,647
					GRAND-TOTAL	1,81,73,008	14,28,52,192	12,46,79,184

Appendix-2.2

(Reference: Paragraph 2.7.2)

Statement showing details of excess ITC availed due to mismatch in Annual and Quarterly/Monthly return

Sr. No.	Audit unit/ Commissionerate	GSTIN	NAME	TIN	CIRCLE	Balance of credit as per Legacy returns in ₹	Balance of Credit as per Quarterly returns in ₹	Credit carried over as eligible SGST TRAN return in ₹	Excess Transitional Credit availed in ₹
1	DCST&E Chamba	02ARHPP3647C1Z3	RADHA KRISHAN ELECTRONICS	2070101768	Chamba Circle	3,08,326	4,52,138	4,52,138	1,43,812
					SUB-TOTAL	3,08,326	4,52,138	4,52,138	1,43,812
2	DCST&E Nurpur	02ABBFS0775J1ZA	CHANAN SINGH AND COMPANY	2060500885	Nurpur circle	0	0	6,80,507	6,80,507
					SUB-TOTAL	0		6,80,507	6,80,507
3	ACST&E Kangra	02AFPS0069R1ZW	SHARMA ELECTRONICS	2060200955	Kangra Circle	7,24,712	7,79,855	7,49,275	24,563
4		02AAEFM3371Q1Z3	MANIK CHAND DHIAN CHAND	2060200526	Kangra Circle	5,88,518	6,26,123	6,26,123	37,605
5		02AABZPA4913G1ZU	KANGRA TRADING CO.	2060200497	Kangra Circle	0	13,24,996	13,24,996	13,24,996
6		02ADYPS8311H1Z7	SOAMI ELECTRONICS	2060200303	Kangra Circle	0	6,02,510	6,02,510	6,02,510
					SUB-TOTAL	13,13,230	33,33,484	33,02,904	19,89,674
7	DCST&E Bilaspur	02AAFFJ6392M1Z2	JANDU CONSTRUCTION COMPANY	2120302003	Ghumarwin Circle	22,08,271	55,68,277	68,05,929	45,97,658
8		02AHJPA4870E1ZU	BHAGWATI TRADERS	2120200622	Bilaspur Circle-II	6,29,363	15,41,309	15,41,309	9,11,946
					SUB-TOTAL	28,37,634	71,09,586	83,47,238	55,09,604
9	DCST&E Una	02AFKPS8870B1ZD	KATHURIA ELECTRONICS	2080100756	Una Circle	6,85,455	8,46,779	8,04,267	1,18,812
10		02AAXFM2066P1ZO	MAHALAKSHMI TRADING COMPANY	2080101664	Bangana Circle	4,56,947	9,59,121	6,15,250	1,58,303
11		02AASPM0618E1Z1	M S MEHTA HARDWARE SOTRE	2080300488	Amb Circle	4,92,129	6,05,175	5,84,432	92,303
12		02AAMPD3321M1Z1	M S R.K. TRADERS	2080100060	Una Circle	2,99,722	3,39,871	3,39,871	40,149
					SUB-TOTAL	19,34,253	27,50,946	23,43,820	4,09,567
13	DCST&E Dharmshala	02AJTPK9323J1ZW	SHIVA ENTERPRISES	2060300625	Dharmshala-II	9,30,176	9,60,348	9,59,696	29,520
14		02AOHPR5004E1ZG	TIRUPATI TRADERS	2060101320	Dharmshala-I	0	6,04,657	3,59,553	3,59,553

Sr. No.	Audit unit/ Commissionerate	GSTIN	NAME	TIN	CIRCLE	Balance of credit as per Legacy returns in ₹	Balance of Credit as per Quarterly returns in ₹	Credit carried over as eligible SGST TRAN return in ₹	Excess Transitional Credit availed in ₹
					SUB-TOTAL	9,30,176	15,65,005	13,19,249	3,89,073
15	DCST&E Shimla	02AUPPS8790Q1ZF	NEW JASPAL ROLLING SHUTTER & TRADERS	2011200476	State (Shimla)(Sanjauli)	2,90,334	30,897	10,62,530	10,31,633
16		02ACSPV8187F1ZY	J S TRADING CO.	2010300375	State (Shimla)(Cart Road)	0	8,11,617	8,11,617	8,11,617
17		02AUPPS8811A1ZQ	M.S. INFOTECH	2011200024	(Himachal Pradesh),(South Zone, Shimla),(Shimla),(Sanjauli)	0	25,724	5,05,265	5,05,265
18		02AGDPC3356J1ZU	K.C. TRADING CO	2010500338	(Himachal Pradesh),(South Zone, Shimla),(Shimla),(Dhalli Circle)	0	4,80,118	3,30,150	3,30,150
19		02AAEAT2855R1ZI	THE NICHAR COOPERATIVE MULTIPURPOSE SOCIETY LIMITED	2050300282	(Himachal Pradesh),(South Zone, Shimla),(Kinnaur),(Nichar Circle, Bhabanagar)	57,733	10,30,069	10,30,069	9,72,335
					SUB-TOTAL	3,48,067	23,78,425	37,39,631	36,51,000
20	DCST&E Mandi	02AAACM9786A1ZN	M. G. CONTRACTORS PRIVATE LIMITED	2090100227	(Himachal Pradesh),(Central Zone, Mandi),(Mandi),(Mandi-I)	0	12,01,680	12,01,680	12,01,680
21		02AHOPS3238F1ZD	RAM HARI PLYWOOD STORE	2090100004	(Himachal Pradesh),(Central Zone, Mandi),(Mandi),(Mandi-III AETC Mandi)	7,999	7,12,300	7,12,300	7,04,301
22		02ADVPK1214G1ZW	PAWAN KUMAR CO.	2090300016	(Himachal Pradesh),(Central Zone, Mandi),(Mandi),(Sunder Nagar Circle-II)	0	3,11,943	3,11,943	3,11,943
SUB-TOTAL						7,999	22,25,923	22,25,923	22,17,924
GRAND TOTAL						76,79,685	1,98,15,507	2,24,11,410	1,49,91,161

Appendix-2.3

(Reference: Paragraph 2.7.3)

Statement showing the details of assessee's availed transitional credit without filling TRAN-2

Sr. No.	Audit unit/Commissionerate	GSTIN No.	Name of Dealer	Tin No	Circle	Amount availed as transitional credit in TRAN-2 in ₹
1	DCST&E UNA	02AKGPV7010F1ZH	M/s AMITA HEALTHCARE	2010100261	Una Circle	16,01,141
2	DCST&E Chamba	02AAHFK1819Q1Z5	M/s KASTURI LAL MAHAJAN AND SONS	2070400138	Dalhousie	6,69,392
3	DCST&E Hamirpur	02AAVFR5686A1Z0	M/s RCS LOGISTICS	2110100958	Nadaun Circle	2,17,915
4		02AACCH8870J4ZD	M/s HI-TECH SATLUJ MOTORS PVT LTD	2110401022	Bhoranj and Sujanpur	15,435
5	DCST&E Nurpur	02ADBFS3173N1Z0	M/s Sanjay Electricals	2060500007	Nurpur	9,01,793
6	DCST&E Shimla	02BGGPS8577M1ZN	M/s Shubham Sales	2010100261	Lower Bazar	4,23,172
Total						38,28,848

Appendix-2.4

(Reference: Paragraph 2.7.4)

Statement showing the details of assesses availed transitional credit without filling returns

Sr. No.	Audit unit/ Commissionerate	GSTIN No.	Name of Dealer	Tin No	Circle	Amount availed as transitional credit in ₹
1	DCST&E Una	02AAGCP8468C1ZH	CREMICA FOOD PARK PVT. LTD.	02080201009	Industrial Area Mehatpur	20,13,853
2		02AABCH6304C2ZE	H.N. STEEL CASTING PVT. LTD.	02080200710	Industrial Area Mehatpur	7,33,414
SUB-TOTAL						27,47,267
3	DCST&E Chamba	02AACFM1336R1ZA	MAHAJAN GENERAL STORE	02070100218	Chamba circle	2,76,199
SUB-TOTAL						2,76,199
4	DCST&E Hamirpur	02AAZPC1766E2ZS	KAY ESS SALES	02110300009	Barsar	7,48,972
5		02AAVFR5686A1Z0	RCS LOGISTICS	02110100958	Nadaun	3,96,048
SUB-TOTAL						11,45,020
6	ACST&E Kangra	02AAQFM3605B1ZT	MEGA STORE	02060100223	Kangra circle	4,11,705
SUB-TOTAL						4,11,705
7	ACST&E Palampur	02AHOPS2803A1ZU	SANJAY KUMAR SONI GOVT. CONTRACTOR	2060101060	Dharamshala-I	6,91,193
SUB-TOTAL						6,91,193
GRAND TOTAL						52,71,384

Appendix-3.1

(Reference: Paragraph 3.6)

Sr. No.	Nature of Audit Findings (indicative only)	Pre-Automation					Post Automation				
		Extent of Deficiencies noticed (deviation)		(Amount in ₹ lakh)			Extent of Deficiencies noticed (deviation)		(Amount in ₹ lakh)		
		Audit Sample		Number of deficiencies noticed		Deficiencies as percentage of Sample	Audit Sample		Number of deficiencies noticed		Deficiencies as percentage of Sample
		No.	Amt	No.	Amt		No.	Amt	No.	Amt	
1	Acknowledgment not issued within time.	167	8,360	41	NA	24.55%	112	8,099	31	2113	27.68%
2	Refund orders not sanctioned in time	167	8,360	32	NA	19.16%	112	8,099	17	NA	15.18%
3	Provisional refund on account of zero-rated supply not sanctioned within time	20	2,125	1	NA	5.00%	11	1,625	0	NA	0.00%
4	Delay/non-conducting of post audit of refund claims	167	8,360	167	8360.45	100.00%	112	8,099	112	NA	100.00%
5	Excess refund of ITC of inputs used in zero-rated supplies.	20	2,125	1	19.75	5.00%	11	1,625	1	5.61	9.09%
6	Excess grant of refund due to non-consideration of minimum balance in electronic credit ledger at the end of tax period.	20	2,125	4	78.39	20.00%	112	8,099	0	0.00	0.00%
7	Irregular allowance of refund of inverted duty structure	120	5,649	2	5.2	1.67%	78	5,575	9	65.13	11.54%
8	Non obtaining required documents in GST refund cases	167	8,360	30	1845.71	17.96%	112	8,099	24	3182	21.43%
9	Improper maintenance of refund registers.	167	8,360	167	8360.45	100.00%	NA	NA	NA	NA	NA

Sr. No.	Nature of Audit Findings (indicative only)	Pre-Automation					Post Automation				
		Extent of Deficiencies noticed (deviation)		(Amount in ₹ lakh)			Extent of Deficiencies noticed (deviation)		(Amount in ₹ lakh)		
		Audit Sample		Number of deficiencies noticed		Deficiencies as percentage of Sample	Audit Sample		Number of deficiencies noticed		Deficiencies as percentage of Sample
		No.	Amt	No.	Amt		No.	Amt	No.	Amt	
10	Abnormal delay in communicating refund orders to counterpart tax authority	167	8,360	4	13.71	2.40%	NA	NA	NA	NA	NA
11	Non production of records	167	8,360	4	NA	2.40%	112	8,099	0	0	0
12	Delay in issuing Payment Order	167	8,360	0	0	0.00%	112	8,099	3	241.41	2.68%
13 A	Refund amount included ITC availed on capital goods	167	8,360	0	0	0.00%	78	5,575	1	1.29	1.28%
13 B	Refund amount included ITC availed on input services	167	8,360	0	0	0.00%	78	5,575	2	43.65	2.56%
14	Irregular refund payment ₹2.28 crore	167	8,360	0	0	0.00%	112	8,099	1	228	0.89%
15	Non-crediting back of Electronic credit ledger (ECL) on account of improper refund sanctioned	167	8,360	0	0	0.00%	112	8,099	1	33.99	0.89%

Appendix-3.2 (i)

(Reference: Paragraph 3.7.1)

List of Refund cases in which deficiency noticed (Delay in acknowledgement of applications) (pre-automation)

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No	ARN No. & Date	Date of filing Refund Application	Date of issue of acknowledgment in For GST RFD-02	Refund amount claimed in ₹	Period of delay (in days)	Reasons for delay
DCSTE, Solan	DCSTE, Solan	AZOT LIFE SCIENCES	02AOWPT4974NIZV	AA020819004501N/ 21-08-2019	21-08-2019	07-01-2020	6,83,434	124	NIL
		AZOT LIFE SCIENCES	02AOWPT4974NIZV	AA020819005294D/24-08-2019	24-08-2019	07-01-2020	7,01,148	122	NIL
		AZOT LIFE SCIENCES	02AOWPT4974NIZV	AA0208190051995/23-08-2019	23-08-2019	07-01-2020	7,57,839	122	NIL
		DABUR INDIA LIMITED	02AAACD0474CIZH	AA021217000489K/02-12-2017	02-12-2017	01-06-2018	33,77,879	166	NIL
		MMC HEATHCARE PVT. LTD.	02AAECM3106E2Z8	AA021017077920H/03-03-2018	03-03-2018	05-06-2018	9,68,074	79	NIL
		TRITRONICS PVT. LTD.	02AAACT3280G2ZQ	AA020717187549P/19-01-2018	19-01-2018	09-05-2018	8,15,300	95	NIL
		J.S. ENTERPRICES	02AASPM3951C1ZV	AA020219000095W/ 01-02-2019	01-02-2019	01-07-2019	2,39,805	135	NIL
DCST&E, Baddi	DCST&E, Baddi	SRIRAM HEALTHCARE PVT CARE	02AAMCS5840H1ZC	AA0208190068148/31.08-2019	31-08-2019	15-10-2019	42,39,451	30	NIL
		SRIRAM HEALTHCARE PVT CARE	02AAMCS5840H1ZC	AA0206190028790/ 18.06.2019	18-06-2019	15-10-2019	21,54,988	104	NIL
		PREET REMEDIES	02AADCP4799BZZJ	AA020819002257E/11.08.2019	11-08-2019	17-09-2019	57,36,563	22	NIL
		VMT SPINNING COMPANY	02AABCV8087C1ZH	AA021018006145Y/22.01.2019	22-01-2019	11-02-2019	90,93,734	5	NIL
		SHERVOTEC PHARMA	02AAPFM6384AZZD	AA0207190056369/ 25.07.2019	25-07-2019	21-09-2019	35,06,596	43	NIL
		CELEBRITY BIO PHARMA	02AABCE5492Q1ZA	AA021018012931T/ 09.04.2019	09-04-2019	02-05-2019	42,16,816	8	NIL
		VARDHMAN TEXTILE LTD.	02AABCM4692E1ZR	AA020918161201J/ 23.11.2018	23-11-2018	15-03-2019	1,04,96,988	97	NIL
		SCOTT EDIL PHARMA	02AAHCS1643K1ZH	AA021218173823A/ 07.03.2019	07-03-2019	25-05-2019	97,71,796	19	NIL
		CAMPUS ACTUVEWEAR PVT. LTD	02AAHCA3072C1ZD	AA021218170535E/ 21.02.2019	21-02-2019	16-04-2019	80,66,133	39	NIL
		ANKIT INTERNATIONAL	02AAMFA3178P1Z4	AA0206180124897/ 11.04.2019	11-04-2019	04-05-2019	22,80,872	8	NIL
		LOGOS PHARMA	02AADFL5062A1Z2	AA020818088671W/ 01.12.2018	01-12-2018	16-02-2019	61,25,308	62	NIL
		LOGOS PHARMA	02AADFL5062A1Z2	AA021118056300W/ 09.01.2019	09-01-2019	16-02-2019	55,32,721	23	NIL
		VARDHMAN POLYTEX LTD.	02AAACV5821H2ZN	AA020618000628F/ 27.12.2018	27-12-2018	27-03-2019	89,25,448	75	NIL
		APLEX SOLAR PVT LTD	02AABCA0842N1Z0	AA021190836648/ 05.09.2019	23-02-2019	05-09-2019	16,88,062	179	NIL
		VARDHMAN POLYTEX LTD.	02AAACV5821H2ZN	AA020119099150J/ 13.06.2019	13-06-2019	24-07-2019	50,99,113	26	NIL
		ALKEM LABORATORIES LTD.	02AABCA9521E1Z9	AA020619002630Q/17.06.2019	17-06-2019	27-09-2019	1,04,222	87	NIL

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No	ARN No. & Date	Date of filing Refund Application	Date of issue of acknowledgment in For GST RFD-02	Refund amount claimed in ₹	Period of delay (in days)	Reasons for delay
DCST&E, Nahan	DCST&E, Nahan	SIDDHI VINAYAK INDUSTRIES	02ABRFS6609K1ZR	AA0209170002001/28.12.2018	28-12-2018	10-04-2019	4,66,008	88	NIL
		BIMAL INDUSTRIES	02ACEPK7246A1Z7	AA020318005423U/13.03.2019	13-03-2019	30-07-2019	65,68,473	124	NIL
		NANZ MED SCIENCE PHARMA	02AACN5552B1Z2	AA0209190038743/ 17.09.2019	17-09-2019	01-11-2019	23,76,139	30	NIL
		PHARMA FORCE LAB	02AAHFP6700H1ZL	AA021017080364M/ 28.04.2018	28-04-2018	22-03-2019	20,88,849	313	NIL
		PHARMA FORCE LAB	02AAHFP6700H1ZL	AA021117084386A/ 28.04.2018	28-04-2018	22-03-2019	46,88,660	313	NIL
		RELAX PHARMA PVT. LTD.	02AAACR9253R2ZW	AA0210170799734/ 17.04.2018	17-04-2018	21-01-2019	39,57,693	264	NIL
		KONARK PRODUCTS	02AAJFK8082B1ZL	AA0210170003858Y/ 15.01.2019	15-01-2019	28-02-2019	14,15,850	29	NIL
DCST&E, Una	DCST&E, Una	YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	AA020119084653A/ 20.03.2019	20-03-2019	17-04-2019	40,43,891	13	NIL
		YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	AA020918000562J/ 17.12.2018	17-12-2018	29-01-2019	64,51,285	28	NIL
		YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	AA021018002763S/ 28.12.2018	28-12-2018	29-01-2019	66,55,050	17	NIL
		VIJAY KUMAR LAW	02AAEPL1395B1ZA	AA0212180012506/ 07-12-2018	07-12-2018	07-06-2019	57,004	167	NIL
		HIM BIO AGRO	02AAGFH2928G2ZP	AA020318011477J/ 01.05.2019	01-05-2019	02-06-2019	15,18,868	17	NIL
DCST&E, Shimla	DCST&E, Shimla	JK ENTERPRISES	02AVXPS3354F1ZA	AA0210180032350/ 21.10.2018	21-10-2018	30-01-2019	3,68,802	86	NIL
		NEW SHIMLA EMPORIUM	02ACEPK6664L1ZG	AA0207180028782/ 18.07.2018	18-07-2018	30-01-2019	59,056	181	NIL
		TOMKYA TRADERS	02ABNPS8079H1Z1	AA021217003031A/ 19.12.2017	19-12-2017	28-03-2018	43,487	84	NIL
		HP HORTICULTURE DEV. SOCIETY	02AABAH3797B1DB	AA0207190003181/ 02.07.2019	02-07-2019	15-07-2020	14,10,631	364	NIL
		ANAND MEDICAL STORE	02AGFPS2513P1ZB	AA020917130140S/ 30.10.2018	30-10-2018	28-01-2019	48,758	75	NIL
		STATE GOVT. XEN SHIMLA DIVISON I	02PTLS11694E1D0	AA020619005711L/ 29.06.2019	29-06-2019	03-09-2019	3,81,977	51	NIL

Appendix-3.2(ii)

(Reference: Paragraph 3.7.1)

List of Refund cases in which deficiency noticed (Delay in acknowledgement of applications) Post-automation

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTN No	ARN No. & Date	Date of filing Refund Application	Date of issue of acknowledgment in For GST RFD-02	Refund amount claimed in ₹	Period of delay (In days)	Reasons for delay
1	BADDI	SHIMLA	SAROJ PACKAGINGS	02ABDFS9952K1ZT	AA020120000779V dtd 03-01-2020	03-01-2020	22-01-2020	12,589	4	Refund acknowledged after scrutiny of documents uploaded
2	BADDI	SHIMLA	VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	AA0205200006822 dtd 11-05-2020	11-05-2020	22-06-2020	4,99,37,955	27	
3	BADDI	SHIMLA	MANISH KOHLI	02BGLPK8333E1ZL	AA0205200017118 dtd 21-05-2020	21-05-2020	17-06-2020	43,01,805	12	
4	BADDI	SHIMLA	THEON PHARMACEUTICALS LIMITED	02AACCT2692J1ZC	AA020520003122F dtd 30-05-2020	30-05-2020	17-06-2020	2,49,00,790	3	
5	BADDI	SHIMLA	THEON PHARMACEUTICALS LIMITED	02AACCT2692J1ZC	AA0201200067830 dtd 25-01-2020	25-01-2020	26-02-2020	2,18,17,949	17	
6	BADDI	SHIMLA	THEON PHARMACEUTICALS LIMITED	02AACCT2692J1ZC	AA020220004846W dtd 20-02-2020	20-02-2020	13-03-2020	78,89,410	7	
7	BADDI	SHIMLA	ULTRATECH PHARMACEUTICALS	02AABFU9404B1ZR	AA020220006971Z dtd 28-02-2020	28-02-2020	16-03-2020	76,84,190	2	
8	BADDI	SHIMLA	SRIRAM HEALTHCARE PRIVATE LIMITED	02AAMCS5840H1ZC	AA020520001371A dtd 18-05-2020	18-05-2020	05-06-2020	44,43,805	3	
9	BADDI	SHIMLA	G.M.H. LABORATORIES	02ABFPG9454L1ZJ	AA021119002852P dtd 18-11-2019	18-11-2019	10-12-2019	34,39,939	7	
10	BADDI	SHIMLA	CAMPUS ACTIVEWEAR PRIVATE LIMITED	02AAHCA3072C1ZD	AA020220000127E dtd 03-02-2020	03-02-2020	27-02-2020	88,96,134	9	
11	BADDI	SHIMLA	SUN AID SOLAR ENERGY LLP	02ADEFS4784N1ZM	AA0203200028721 dtd 13-03-2020	13-03-2020	08-05-2020	67,65,844	41	
12	BADDI	SHIMLA	PREET REMEDIES LTD.	02AADCP4799B2ZJ	AA020320003887P dtd 17-03-2020	17-03-2020	17-06-2020	46,45,995	77	
13	BADDI	SHIMLA	SCOTT-EDIL PHARMACIA LTD	02AAHCS1643K1ZH	AA020220007093A dtd 28-02-2020	28-02-2020	06-05-2020	40,82,722	53	
14	BADDI	SHIMLA	REGAL KITCHEN FOODS LIMITED	02AABCS6174P1Z1	AA0203200040949 dtd 18-03-2020	18-03-2020	29-04-2020	22,78,354	27	
15	BADDI	SHIMLA	SCOTT-EDIL PHARMACIA LTD	02AAHCS1643K1ZH	AA0202200071384 dtd 28-02-2020	28-02-2020	06-05-2020	96,93,771	53	
16	BADDI	SHIMLA	COLUMBUS PREMIER SHOES PVT. LTD.	02AADCP5685N1Z0	AA020320002944Y dtd 13-03-2020	13-03-2020	29-04-2020	71,82,176	32	

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTN No	ARN No. & Date	Date of filing Refund Application	Date of issue of acknowledgment in For GST RFD-02	Refund amount claimed in ₹	Period of delay (In days)	Reasons for delay
17	SIRMOUR	SHIMLA	NITIN LIFESCIENCES LIMITED	02AACCN0725G1Z3	AA0204200001593 dtd 06-04-2020	06-04-2020	11-05-2020	91,98,482	20	
18	SIRMOUR	SHIMLA	SUNVET HEALTH CARE	02ABZFS6012L1ZS	AA020320003796S dtd 17-03-2020	17-03-2020	05-05-2020	55,25,877	34	
19	SIRMOUR	SHIMLA	SUNVET HEALTH CARE	02ABZFS6012L1ZS	AA020320002359Z dtd 11-03-2020	11-03-2020	05-05-2020	36,32,549	40	
20	SIRMOUR	SHIMLA	R S A TECHNITEX	02AANFR2696E1Z4	AA0204200003672 dtd 13-04-2020	13-04-2020	06-05-2020	31,74,747	8	
21	SIRMOUR	SHIMLA	PROTECH TELELINKS	02AATFP2061M1Z0	AA0212190000351 dtd 01-12-2019	01-12-2019	31-12-2019	28,64,899	15	
22	SIRMOUR	SHIMLA	SUNVET PHARMA PRIVATE LIMITED	02AAICS5117K2ZE	AA021219006091X dtd 20-12-2019	20-12-2019	17-01-2020	23,07,300	13	
23	SIRMOUR	SHIMLA	VELLINTON HEALTHCARE	02AANFV7960P1ZC	AA020620000686S dtd 04-06-2020	04-06-2020	06-07-2020	17,25,676	17	
24	SIRMOUR	SHIMLA	GNOSIS PHARMACEUTICALS PVT LTD	02AACCK5406H1Z0	AA020420000205E dtd 07-04-2020	07-04-2020	06-05-2020	16,22,141	14	
25	SIRMOUR	SHIMLA	SURYA TEXTTECH	02ABFFS6596M1ZL	AA020220005548X dtd 24-02-2020	24-02-2020	18-03-2020	33,09,398	8	
26	SIRMOUR	SHIMLA	PUSHKAR PHARMA	02AANFM8460D1ZD	AA020220006993T dtd 28-02-2020	28-02-2020	18-03-2020	18,05,031	4	
27	UNA	SHIMLA	YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	AA0201200071667 dtd 26-03-2020	26-03-2020	04-05-2020	28,14,735	24	
28	KANGRA	SHIMLA	BEDI ENTERPRISES	02AGTPB7104R1Z5	AA021219001671S dtd 07-12-2019	07-12-2019	07-01-2020	31,022	16	
29	KANGRA	SHIMLA	QUALITY SHOE STORE	02BWSPS5436D1ZD	AA021219002802S dtd 12-12-2019	12-12-2019	04-01-2020	2,100	8	
30	KANGRA	SHIMLA	RESEARCH AID INSTRUMENTS SERVICES	02AACFR9306A1ZU	AA0204200004745 dtd 17-04-2020	17-04-2020	11-05-2020	15,20,557	9	
31	SOLAN	SHIMLA	AZOT LIFESCIENCES	02AOWPT4974N1ZV	AA020220004650B dtd 19-02-2020	19-02-2020	04-05-2020	38,62,957	60	
TOTAL								21,13,70,899		

Appendix-3.3(i)

(Reference: Paragraph 3.7.2)

List of Refund cases in which deficiency noticed (Interest due-paid/not paid) Pre-automation

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	ARN No. & Date	Date of filing Refund Application in case of manual filing	Date of issue of acknowledgment in For GST RFD-02	Date of order in Form GST RFD-06	Refund amount claimed in ₹	Refund amount sanctioned in ₹	Period of delay	Reasons for delay	Interest due paid	Interest due not paid
DCSTE, Solan	DCSTE, Solan	AZOT LIFE SCIENCES	02AOWPT4974NIZV	AA020819004501N/21-08-2019	21-08-2019	07-01-2020	07-01-2020	6,83,434	1,64,405	79		NIL	NIL
		AZOT LIFE SCIENCES	02AOWPT4974NIZV	AA020819005294D/24-08-2019	24-08-2019	07-01-2020	07-01-2020	7,01,148	6,57,326	77		NIL	NIL
		AZOT LIFE SCIENCES	02AOWPT4974NIZV	AA0208190051995/23-08-2019	23-08-2019	07-01-2020	07-01-2020	7,57,839	5,97,114	77		NIL	NIL
		DABUR INDIA LIMITED	02AAACD0474CIZH	AA021217000489K/02-12-2017	02-12-2017	01-06-2018	13-06-2018	33,77,879	33,77,879	133		NIL	NIL
		MMC HEATHCARE PVT. LTD.	02AAECM3106E2Z8	AA021017077920H/03-03-2018	03-03-2018	05-06-2018	27-12-2018	9,68,074	9,19,636	239		NIL	NIL
		SOLCHROME PVT. LTD.	02AAACS0328JIZU	AA0206190045489/25-06-2019	25-06-2019	05-07-2019	09-12-2019	5,39,000	5,10,756	107		NIL	NIL
		TRITRONICS PVT. LTD.	02AAACT3280G2ZQ	AA020717187549P/19-01-2018	19-01-2018	09-05-2018	10-10-2018	8,15,300	5,37,917	204		NIL	NIL
		J.S. ENTERPRICES	02AASPM3951C1ZV	AA020219000095W/01-02-2019	01-02-2019	01-07-2019	02-09-2019	2,39,805	2,39,805	153		NIL	NIL
DCST&E, Baddi	DCST&E, Baddi	VARDHMAN TEXTILE LTD.	02AABCM4692E1ZR	AA020918161201J/23-11-2018	23-11-2018	15-03-2019	25-03-2019	1,04,96,988	1,04,96,988	62		NIL	NIL
		SCOTT EDIL PHARMA	02AAHCS1643K1ZH	AA021218173823A/07-03-2019	07-03-2019	25-05-2019	25-05-2019	97,71,796	97,71,796	19		NIL	NIL

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	ARN No. & Date	Date of filing Refund Application in case of manual filing	Date of issue of acknowledgment in For GST RFD-02	Date of order in Form GST RFD-06	Refund amount claimed in ₹	Refund amount sanctioned in ₹	Period of delay	Reasons for delay	Interest due paid	Interest due not paid
		ANROSE PHARMA	02AFYPA8167P1ZQ	AA020618003336L/16-01-2019	16-01-2019	28-06-2019	28-06-2019	18,02,934	17,64,145	103		NIL	NIL
		SRIRAM HEALTHCARE PVT CARE	02AAMCS5840H1ZC	AA0209190026558/12-09-2019	12-09-2019	26-05-2020	26-05-2020	40,78,078	33,08,190	197		NIL	NIL
		PARK PHARMA	02AAJFP3473H1ZB	AA021118068342K/07-05-2019	07-05-2019	05-07-2019	08-08-2019	28,30,617	28,10,500	33		NIL	NIL
		ANKIT INTERNATIONAL	02AAMFA3178P1Z4	AA0206180124897/11-04-2019	11-04-2019	04-05-2019	27-06-2019	22,80,872	22,80,872	17		NIL	NIL
		LOGOS PHARMA	02AADFL5062A1Z2	AA020818088671W/01-12-2018	01-12-2018	16-02-2019	16-02-2019	61,25,308	61,25,308	17		NIL	NIL
		VARDHMAN POLYTEX LTD.	02AAACV5821H2ZN	AA020618000628F/27-12-2018	27-12-2018	27-03-2019	27-03-2019	89,25,448	89,25,448	30		NIL	NIL
		APLEX SOLAR PVT LTD	02AABCA0842N1Z0	AA021190836648/23-02-2019	23-02-2019	05-09-2019	05-09-2019	16,88,062	16,88,062	134		NIL	NIL
		ALKEM LABORATORIES LTD.	02AABCA9521E1Z9	AA020619002630Q/17-06-2019	17-06-2019	27-09-2019	30-10-2019	1,04,222	1,04,222	75		NIL	NIL
		INDO FARM	02AAACW1982A1ZV	AA020918012219C/28-02-2019	28-02-2019	05-03-2019	03-07-2019	84,76,296	84,76,296	65		NIL	NIL
DCST&E, Nahan	DCST&E, Nahan	SIDDHI VINAYAK INDUSTRIES	02ABRFS6609K1ZR	AA0209170002001/28.12.2018	28-12-2018	10-04-2019	27-05-2019	4,66,008	3,60,926	90		NIL	NIL
		BIMAL INDUSTRIES	02ACEPK7246A1Z7	AA020318005423U/13.03.2019	13-03-2019	30-07-2019	03-08-2019	65,68,473	60,42,010	83		NIL	NIL
		PHARMA FORCE LAB	02AAHFP6700H1ZL	AA021017080364M/28.04.2018	28-04-2018	22-03-2019	27-03-2019	20,88,849	16,02,453	273		NIL	NIL

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	ARN No. & Date	Date of filing Refund Application in case of manual filing	Date of issue of acknowledgment in For GST RFD-02	Date of order in Form GST RFD-06	Refund amount claimed in ₹	Refund amount sanctioned in ₹	Period of delay	Reasons for delay	Interest due paid	Interest due not paid
		PHARMA FORCE LAB	02AAHFP6700H1ZL	AA021117084386A/28.04.2018	28-04-2018	22-03-2019	27-03-2019	46,88,660	42,04,252	273		NIL	NIL
		RELAX PHARMA PVT. LTD.	02AAACR9253R2ZW	AA0210170799734/17.04.2018	17-04-2018	21-01-2019	06-02-2019	39,57,693	37,76,270	235		NIL	NIL
DCST&E, Una	DCST&E, Una	VIJAY KUMAR LAW	02AAEPL1395B1ZA	AA0212180012506/07-12-2018	07-12-2018	07-06-2019	29-06-2019	57,004	57,004	144		NIL	NIL
		HIM BIO AGRO	02AAGFH2928G2ZP	AA020318011477J/01.05.2019	01-05-2019	02-06-2019	19-06-2020	15,18,868	15,18,868	355		NIL	NIL
DCST&E, Shimla	DCST&E, Shimla	JK ENTERPRISES	02AVXPS3354F1ZA	AA0210180032350/21.10.2018	21-10-2018	30-01-2019	30-01-2019	3,68,820	3,68,802	41		NIL	NIL
		NEW SHIMLA EMPORIUM	02ACEPK6664L1ZG	AA0207180028782/18.07.2018	28-07-2018	30-01-2019	30-01-2019	59,056	59,056	126		NIL	NIL
		TOMKYA TRADERS	02ABNPS8079H1Z1	AA021217003031A/19.12.2017	19-12-2017	28-03-2018	28-03-2018	43,487	43,487	39		NIL	NIL
		HP HORTICULTURE DEV. SOCIETY	02AABAH3797B1DB	AA0207190003181/02.07.2019	02-07-2019	15-07-2020	15-07-2020	14,10,631	14,10,631	319		NIL	NIL
		ANAND MEDICAL STORE	02AGFPS2513P1ZB	AA020917130140S/30.10.2018	30-10-2018	28-01-2019	28-01-2019	48,758	48,758	30		NIL	NIL
		STATE GOVT. XEN SHIMLA DIVISON 1	02PTLS11694E1D0	AA020619005711L/29.06.2019	29-06-2019	03-09-2019	03-09-2019	3,81,977	3,81,977	6		NIL	NIL

Appendix-3.3(ii)

(Reference: Paragraph 3.7.2)

List of Refund cases in which deficiency noticed (Applications not disposed within time Interest due-paid/not paid) Post automation

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTN No.	ARN No. & Date	Date of filing Refund Application	Date of issue of acknowledgment in For GST RFD-02	Date of order in Form GST RFD-06	Refund amount claimed in ₹	Refund amount sanctioned in ₹	Period of delay	Reasons for delay	Interest due paid in ₹	Interest due not paid in ₹
1	BADDI	SHIMLA	CAMPUS ACTIVEWEAR PRIVATE LIMITED	02AAHCA3072C1ZD	AA020220000127E dtd 03-02-2020	03-02-2020	27-02-2020	04-05-2020	88,96,134	88,96,134	31	NA	NIL	45,334
2	BADDI	SHIMLA	SUN AID SOLAR ENERGY LLP	02ADEF54784N1ZM	AA0203200028721 dtd 13-03-2020	13-03-2020	08-05-2020	07-07-2020	67,65,844	66,99,986	56	NA	NIL	61,677
3	BADDI	SHIMLA	PREET REMEDIES LTD.	02AADCP4799B2ZJ	AA020320003887P dtd 17-03-2020	17-03-2020	17-06-2020	08-07-2020	46,45,995	40,14,849	53	NA	NIL	34,979
4	BADDI	SHIMLA	SCOTT-EDIL PHARMACIA LTD	02AAHCS1643K1ZH	AA020220007093A dtd 28-02-2020	28-02-2020	06-05-2020	08-05-2020	40,82,722	39,80,352	10	NA	NIL	6,543
5	BADDI	SHIMLA	JSTI TRANSFORMERS PRIVATE LIMITED	02AACCJ1285D1Z4	AA0202200071780 dtd 28-02-2020	28-02-2020	16-03-2020	06-05-2020	19,89,506	19,89,506	8	NA	NIL	2,616
6	BADDI	SHIMLA	SCOTT-EDIL PHARMACIA LTD	02AAHCS1643K1ZH	AA0202200071384 dtd 28-02-2020	28-02-2020	06-05-2020	13-05-2020	96,93,771	91,05,189	15	NA	NIL	22,451
7	BADDI	SHIMLA	COLUMBUS PREMIER SHOES PVT. LTD.	02AADCP5685N1Z0	AA020320002944Y dtd 13-03-2020	13-03-2020	29-04-2020	27-05-2020	71,82,176	61,11,709	15	NA	NIL	15,070
8	BADDI	SHIMLA	AFFY PARENTERELS	02AAPFA5004K1ZQ	AA020320000533B dtd 03-03-2020	03-03-2020	18-03-2020	25-06-2020	33,00,535	42,21,820	54	NA	NIL	37,476
9	BADDI	SHIMLA	OPTIMUS PHARMA PRIVATE LIMITED	02AAACO7014R1ZD	AA0210190050061 dtd 26-10-2019	26-10-2019	02-11-2019	31-12-2019	38,54,410	38,54,410	6	NA	NIL	3,802
10	BADDI	SHIMLA	AFFY PARENTERELS	02AAPFA5004K1ZQ	AA020320000108C dtd 02-03-2020	02-03-2020	17-03-2020	14-07-2020	33,00,535	33,00,535	74	NA	NIL	40,149
11	SIRMOUR	SHIMLA	SURYA TEXTTECH	AA020220005548X	02ABFFS6596M1ZL dtd 24-02-2020	24-02-2020	18-03-2020	04-05-2020	33,09,398	33,09,398	10	NA	NIL	5,440
12	SIRMOUR	SHIMLA	PUSHKAR PHARMA	AA020220006993T	02AANFM8460D1ZD dtd 28-02-2020	28-02-2020	18-03-2020	30-05-2020	18,05,031	18,05,031	32	NA	NIL	9,495
13	KULLU	SHIMLA	PARI ENTERPRISES	02ANDPL1389B1ZI	AA0211190021507 dtd 10-11-2019	10-11-2019	10-11-2019	05-05-2020	9,218	9,218	117	NA	NIL	177

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTN No.	ARN No. & Date	Date of filing Refund Application	Date of issue of acknowledgment in For GST RFD-02	Date of order in Form GST RFD-06	Refund amount claimed in ₹	Refund amount sanctioned in ₹	Period of delay	Reasons for delay	Interest due paid in ₹	Interest due not paid in ₹
14	BILASPUR	SHIMLA	M/S BHARAT ELECTRICAL WORKS	02DQAPK0531H1ZJ	AA0202200055073 dtd 23-02-2020	23-02-2020	23-02-2020	20-06-2020	4,500	4,500	58	NA	NIL	43
15	KANGRA	SHIMLA	BEDI ENTERPRISES	02AGTPB7104R1Z5	AA021219001671S dtd 07-12-2019	07-12-2019	07-01-2020	24-06-2020	31,022	31,022	140	NA	NIL	714
16	SOLAN	SHIMLA	HIM AUTO PRODUCTS LTD.,	02AAACH3748R1ZB	AA021219006569A dtd 21-12-2019	21-12-2019	21-12-2020	09-03-2020	1,31,430	1,31,430	19	NA	NIL	410
17	SOLAN	SHIMLA	AZOT LIFESCIENCES	02AOWPT4974N1ZV	AA020220004650B dtd 19-02-2020	19-02-2020	04-05-2020	04-05-2020	38,62,957	38,62,957	15	NA	NIL	9,525
TOTAL									6,28,65,184	6,13,28,046				2,95,901

Appendix-3.4

(Reference: Paragraph 3.7.3)

List of Refund cases in which deficiency noticed Provisional refund on account of zero-rated supply not sanctioned within time Pre-automation

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	ARN No. & Date	Date of filing Refund Application in case of manual filing	Date of issue of acknowledgment in For GST RFD-02	Date of provisional refund in Form GST RFD-04	Refund amount claimed in ₹	Provisional Refund amount sanctioned in ₹	Period of delay
DCST&E, Baddi	DCST&E, Baddi	INDOFARM EQUIPMENT LTD.	02AAACW1982A1ZV	AA0203181478356/ 27.11.2018	27-11-2018	22-Dec-18	07-Jan-19	68,87,901	61,99,111	9

Appendix-3.5(i)

(Reference: Paragraph 3.7.4)

Delay/non-conducting of post audit of refund claims (for all type of refunds) Pre-automation

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	Refund amount claimed in ₹	Refund amount Sanctioned in ₹
1	DCST&E, Shimla	DCST&E, Shimla	JK ENTERPRISES	02AVXPS3354F1ZA	3,68,802	3,68,802
2			ANAND MEDICAL STORE	02AGFPS2513P1ZB	48,758	48,758
3			CHENNAI NETWORK INFRASTRUCTURE LIMITED	02AADCC8088Q1Z4	20,33,308	20,33,308
4			S.K. ENTERPRISES	02AIDPK6725B1ZV	68,460	68,460
5			NEW SHIMLA EMPORIUM	02ACEPK6664L1ZG	59,056	59,056
6			TOMKYA TRADERS	02ABNPS8079H1Z1	43,487	43,487
7			HP HORTICULTURE DEV. SOCIETY	02AABAH3797B1DB	14,10,631	14,10,631
8			STATE GOVT. XEN SHIMLA DIVISON 1	02PTLS11694E1D0	3,81,977	38,19,77
9			M/S RENUKA TRADING CO. KOTKHAI	02AQSPJ9880FIZ	1,00,228	1,00,228
10			M/S SH. DEEPAK SANAN R/O PURANI KOTI MASHOBRA SHIMLA	02ADNPS3956M1ZY	45,000	45,000
11			M/S VISA ENTERPRISES PLOT NO.-77, INDUSTRIAL AREA, SHOGI, SHIMLA.	02BDXPS3571F2Z6	71,740	71,740
12			M/S AWESOME TRIPS PVT. ANAND NIWAS, DHALLI	02AAMCA2420P1ZA	97,475	97,475
13			M/S SANKET HEIGHTS DOGRA COMMERCIAL	02AFVVK9665F1ZZ	36,986	36,986
14			M/S VINAYAK BEARINGS AGENCY, NEAR POST OFFICE, DHALLI	02AHAPS6854R1ZQ	8,996	6,747
15			M/S JAGDISH BOOT HOUSE LOWER BAZAR	02AKBPS8566L1ZP	60,000	60,000
16			M/S MAEX (MANOJ KUMAR SHARMA) CENTRAL PARK, BY PASS ROAD, KASUMPTI, SHIMLA.	02A2CPS1691L1Z6	48,318	48,318
17			M/S NSN FINACIAL SERVICES PVT LTD, B-19, PHASE-1 MAIN ROAD SHIMLA.	02AACCN3047M1ZL	61,592	61,592
18			M/S MAEX (MANOJ KUMAR SHARMA) CENTRAL PARK, BY PASS ROAD, KASUMPTI, SHIMLA.	02A2CPS1691L1Z6	48,218	48,218
19			M/S EXECUTIVE OFFICER MUNICIPAL COUNCIL, THEOG	02AAALE0390H1Z0	43,928	43,928
20			M/S SANJAY KHANNA, KHANNA CLOTH HOUSE, SANJULI	02AGPPK9114L1Z6	29,744	29,744
21	DCSTE, Solan	DCSTE, Solan	BLESSING HEALTHCARE PVT. LTD.	02AADCB1618F1ZE	38,606	13,094
22			J.S. ENTERPRICES	02AASPM3951C1ZV	2,39,805	2,39,805

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	Refund amount claimed in ₹	Refund amount Sanctioned in ₹
23			SAPT RISHI PACKAGING LTD.	02AAIFP8355P3ZM	56,480	56,480
24			NILORN INDIA PRIVATE LIMITED	02AACCN7831P2Z6	1,08,673	1,08,673
25			AZOT LIFE SCIENCES	02AOWPT4974NIZV	6,83,434	1,64,405
26			AZOT LIFE SCIENCES	02AOWPT4974NIZV	7,01,148	3,28,663
27			AZOT LIFE SCIENCES	02AOWPT4974NIZV	7,57,839	2,98,557
28			DABUR INDIA LIMITED	02AAACD0474CIZH	33,77,879	33,77,879
29			MMC HEATHCARE PVT. LTD.	02AAECM3106E2Z8	9,68,074	9,19,636
30			TRITRONICS PVT. LTD.	02AAACT3280G2ZQ	8,15,300	5,37,917
31			MIRACLE LIFE CARE	02CMHPM9518C1Z	2,48,458	2,48,458
32			SOLCHROME PVT. LTD.	02AAACS0328J1ZU	2,59,756	2,59,756
33			GOKUL AGRI INTERNATIONAL LTD.	02AAFCG6211K1ZX	37,54,777	37,54,777
34			GOPI NATH & SONS MURARI MARKET THE MALL SOLAN	02AACFG8885D2ZG	15,905	15,905
35	DCST&E, Una	DCST&E, Una	YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	40,43,891	40,43,891
36			YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	64,51,285	64,51,285
37			YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	66,55,050	66,55,050
38			YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	38,26,533	38,26,533
39			SATGURU PRINT & PACKERS	02BSQPS9668K1ZQ	51,69,322	51,69,322
40			MARS BOTTLERS	02ALKPK1366Q2ZR	23,98,675	23,98,675
41			C & C CONSTRUCTIONS LTD.	02AAACC4543R2ZK	2,40,33,230	2,40,33,230
42			SATGURU PRINT & PACKERS	02BSQPS9668K1ZQ	51,69,322	51,69,322
43			SARUP INDUSRIES	02AABCS8749J2Z3	14,84,905	14,84,905
44			SARUP INDUSRIES	02AABCS8749J2Z3	2,37,849	2,37,849
45			SARUP INDUSRIES	02AABCS8749J2Z3	10,10,515	10,10,515
46			SARUP INDUSRIES	02AABCS8749J2Z3	5,77,775	5,77,775
47			VIJAY KUMAR LAW	02AAEPL1395B1ZA	57,004	57,004
48			HIM BIO AGRO	02AAGFH2928G2ZP	15,18,868	8,94,521
49	DCST&E, Nahan	DCST&E, Nahan	MARICO LIMITED	02AAACM7493G2ZI	3,09,96,233	3,09,96,233
50			H.M.STEELS LIMITED	02AABCH0164Q1ZO	68,07,835	68,07,835
51			SIDWAL TECHNOLOGIES	02ABIPS8247G1ZI	56,66,316	56,66,316
52			SURYA TEXTTECH	02ABFFS6596M1ZL	69,475	69,475
53			SURYA TEXTTECH	02ABFFS6596M1ZL	59,724	59,724
54			SIDDHI VINAYAK INDUSTRIES	02ABRFS6609K1ZR	4,66,008	3,60,926
55			BIMAL INDUSTRIES	02ACEPK7246A1Z7	65,68,473	60,42,010
56			NANZ MED SCIENCE PHARMA	02AACN5552B1Z2	23,76,139	23,76,139
57			PHARMA FORCE LAB	02AAHFP6700H1ZL	20,88,849	16,02,453
58			PHARMA FORCE LAB	02AAHFP6700H1ZL	46,88,660	42,04,252

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	Refund amount claimed in ₹	Refund amount Sanctioned in ₹
59			RELAX PHARMA PVT. LTD.	02AAACR9253R2ZW	39,57,693	37,76,270
60			KONARK PRODUCTS	02AAJFK8082B1ZL	14,15,850	14,15,850
61			BIMAL INDUSTRIES UNIT-II	02ACEPK7246A1Z7	19,59,435	19,59,435
62			VIMAL INDUSTRIES	02AAFFV6407R1ZS	46,14,786	46,14,786
63			SHREE BALAJI TEX FAB	02AADCF51237J1ZE	1,55,650	1,55,650
64			SURYA TEXTTECH	02ABFFS6596M1ZL	54,60,705	54,60,705
65			VIMAL INDUSTRIES	02AAFFV6407R1ZS	17,00,873	17,00,873
66			ALPS COMMUNICATION PVT LTD	02AAACH8801M1ZP	29,05,844	28,75,778
67			SURYA TEXTTECH	02ABFFS6596M1ZL	42,63,167	42,63,167
68			NANZ MED SCIENCE PHARMA	02AACN5552B1Z2	42,98,870	42,98,870
69			KONARK PRODUCTS	02AAJFK8082B1ZL	14,15,850	9,39,312
70			KONARK PRODUCTS	02AAJFK8082B1ZL	42,00,384	32,17,732
71			ATHENSE LIFE SCIENCES	02AAOFV7387B1ZZ	8,37,307	8,37,307
72			ATHENSE LIFE SCIENCES	02AAOFV7387B1ZZ	22,46,118	22,46,118
73			TIRUPATI MEDICARE LTD	02AAACC6076B2Z9	1,09,733	1,09,733
74	DCST&E, Baddi	DCST&E, Baddi	NIPPON PAPER FOODPAC PRIVATE LIMITED	02AABCM8267B1ZU	25,473	25,473
75			TARGET COMPONENTS & EQUIPMENTS	02AAFFT7645B2ZG	56,494	56,494
76			POOJA COTSPIN LTD.	02AACCP5507G1ZV	7,20,406	7,20,406
77			MEDIPOLE PHARMACEUTICAL INDIA PRIVATE LIMITED	02AABCM8501G2ZY	25,00,000	25,00,000
78			GURUDEV MEHTA CONTRACTOR & SUPPLIER	02BQAPS1032F1ZJ	73,193	73,193
79			VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	1,04,96,988	1,04,96,988
80			VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	39,90,940	39,90,940
81			VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	4,47,74,800	4,47,74,800
82			VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	3,57,16,271	3,57,16,271
83			VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	2,78,55,343	2,78,55,343
84			VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	2,40,43,290	2,40,43,290
85			VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	1,89,98,300	1,89,98,300
86			VMT SPINNING COMPANY LTD	02AABCV8087C1ZH	90,93,734	90,93,734
87			INDO FARM EQUIPMENT LIMITED	02AAACW1982A1ZV	84,76,296	84,76,296
88			INNOVA CAPTAB	02AAFFV6014N2Z4	76,47,953	76,47,953
89			INDO FARM EQUIPMENT LIMITED	02AAACW1982A1ZV	68,87,901	68,87,901
90			INDO FARM EQUIPMENT LIMITED	02AAACW1982A1ZV	68,04,921	68,04,921
91			JSTI TRANSFORMERS PRIVATE LIMITED	02AACCJ1285D1Z4	56,37,798	56,37,798
92			ACME GENERICS LLP	02ABCFA2649A1Z9	18,16,986	18,16,986

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	Refund amount claimed in ₹	Refund amount Sanctioned in ₹
93			ACME GENERICS LLP	02ABCFA2649A1Z9	88,25,831	88,25,831
94			ANKIT INTERNATIONAL	02AAMFA3178P1Z4	2,07,93,341	2,07,93,341
95			MEDICEF PHARMA	02AARFM0588N1ZR	1,88,39,304	1,88,39,304
96			THEON PHARMACEUTICALS LTD	02AACCT2692J1ZC	1,50,63,576	1,50,63,576
97			THEON PHARMACEUTICALS LTD	02AACCT2692J1ZC	1,47,80,608	1,47,80,608
98			DEWCON INDUSTRIES	02AAHFD0619D1Z7	1,42,22,663	1,42,22,663
99			DEWCON INDUSTRIES	02AAHFD0619D1Z7	13,27,6100	1,32,76,100
100			ANKIT INTERNATIONAL	02AAMFA3178P1Z4	1,28,75,171	1,28,75,171
101			THEON PHARMACEUTICALS LTD	02AACCT2692J1ZC	1,24,48,328	1,24,48,328
102			JUPITER INTERNATIONAL LIMITED	02AAACJ6956B1ZY	1,12,71,309	1,12,71,309
103			MEDICEF PHARMA	02AARFM0588N1ZR	1,10,68,403	1,10,68,403
104			THEON PHARMACEUTICALS LTD	02AACCT2692J1ZC	1,10,16,350	1,10,16,350
105			INNOVA CAPTAB	02AAFFV6014N2Z4	1,04,54,241	1,04,54,241
106			LOGOS PHARMA	02AADFL5062A1Z2	1,04,23,075	1,04,23,075
107			THEON PHARMACEUTICALS LTD	02AACCT2692J1ZC	98,73,309	98,73,309
108			KINGSTON AQUA INDUSTRIES PRIVATE LIMITED	02AADCK4688A2ZU	98,29,845	98,29,845
109			SCOTT-EDIL PHARMACIA LTD	02AAHCS1643K1ZH	97,71,796	97,71,796
110			CAMPUS ACTIVEWEAR PRIVATE LIMITED	02AAHCA3072C1ZD	89,68,576	89,68,576
111			VARDHMAN POLYTEX LIMITED	02AAACV5821H2ZN	89,25,448	89,25,448
112			THEON PHARMACEUTICALS LTD	02AACCT2692J1ZC	88,65,248	88,65,248
113			LOGOS PHARMA	02AADFL5062A1Z2	85,67,985	85,67,985
114			CAMPUS ACTIVEWEAR PRIVATE LIMITED	02AAHCA3072C1ZD	80,66,133	80,66,133
115			CELEBRITY BIOPHARMA LIMITED	02AABCE5492Q1ZA	64,18,191	64,18,191
116			LOGOS PHARMA	02AADFL5062A1Z2	61,25,308	61,25,308
117			PREET REMEDIES LTD.	02AADCP4799B2ZJ	57,36,563	57,36,563
118			KINGSTON AQUA INDUSTRIES PRIVATE LIMITED	02AADCK4688A2ZU	57,19,105	57,19,105
119			ANG LIFE SCIENCES (I) PVT LTD	02AAHCA5390H2ZT	56,27,297	56,27,297
120			LOGOS PHARMA	02AADFL5062A1Z2	55,32,721	55,32,721
121			SUN AID SOLAR ENERGY LLP	02ADEFS4784N1ZM	53,98,502	53,98,502
122			SRIRAM HEALTHCARE PRIVATE LIMITED	02AAMCS5840H1ZC	53,45,357	53,45,357
123			G.M.H. LABORATORIES	02ABFPG9454L1ZJ	52,46,264	52,46,264
124			Celebrity Biopharma Limited	02AABCE5492Q1ZA	51,67,230	51,67,230
125			VARDHMAN POLYTEX LIMITED	02AAACV5821H2ZN	50,99,113	50,99,113
126			CELEBRITY BIOPHARMA LIMITED	02AABCE5492Q1ZA	50,20,891	50,20,891

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	Refund amount claimed in ₹	Refund amount Sanctioned in ₹
127			SUN AID SOLAR ENERGY LLP	02ADEF54784N1ZM	50,16,073	50,16,073
128			CAMPUS ACTIVEWEAR PRIVATE LIMITED	02AAHCA3072C1ZD	47,58,132	47,58,132
129			ACME GENERICS LLP	02ABCFA2649A1Z9	44,80,717	44,80,717
130			INNOVA CAPTAB	02AAFFV6014N2Z4	44,50,810	44,50,810
131			SRIRAM HEALTHCARE PRIVATE LIMITED	02AAMCS5840H1ZC	42,39,451	42,39,451
132			CELEBRITY BIOPHARMA LIMITED	02AABCE5492Q1ZA	42,16,816	42,16,816
133			SRIRAM HEALTHCARE PRIVATE LIMITED	02AAMCS5840H1ZC	41,65,695	41,65,695
134			SRIRAM HEALTHCARE PRIVATE LIMITED	02AAMCS5840H1ZC	40,78,078	40,78,078
135			LOGOS PHARMA	02AADFL5062A1Z2	37,15,070	37,15,070
136			CELEBRITY BIOPHARMA LIMITED	02AABCE5492Q1ZA	36,71,415	36,71,415
137			JUPITER INTERNATIONAL LIMITED	02AAACJ6956B1ZY	35,26,584	35,26,584
138			SHERVOTEC PHARMACEUTICALS (EARLIER KNOWN AS MURPHY LIGHTINGS)	02AAPFM6384A2ZD	35,06,596	35,06,596
139			PREET REMEDIES LTD.	02AADCP4799B2ZJ	34,22,142	34,22,142
140			JUPITER INTERNATIONAL LIMITED	02AAACJ6956B1ZY	33,96,114	33,96,114
141			SUN AID SOLAR ENERGY LLP	02ADEF54784N1ZM	30,55,282	30,55,282
142			DEWCON INDUSTRIES	02AAHFD0619D1Z7	30,52,824	30,52,824
143			ALIVE HEALTH CARE	02AANFA7812R1Z2	30,45,000	30,45,000
144			SAMA BIOTECH	02ABKFS9957K1ZH	28,46,000	28,46,000
145			M S PARK PHARMACEUTICALS	02AAJFP3473H1ZB	28,30,617	28,30,617
146			ARION HEALTH CARE	02AALFA7634D1ZT	25,50,000	25,50,000
147			POOJA COTSPIN LTD.	02AACCP5507G1ZV	24,49,765	24,49,765
148			PLENA REMEDIES	02AVUPK5123D1ZU	24,38,945	24,38,945
149			UNISPEED PHARMACEUTICALS PRIVATE LIMITED	02AAACU7620B2ZZ	24,37,046	24,37,046
150			MEDICEF PHARMA	02AARFM0588N1ZR	23,28,817	23,28,817
151			ANKIT INTERNATIONAL	02AAMFA3178P1Z4	22,80,872	22,80,872
152			CREST LIFESCIENCES PRIVATE LIMITED	02AAGCC0680D1ZA	21,78,865	21,78,865
153			SRIRAM HEALTHCARE PRIVATE LIMITED	02AAMCS5840H1ZC	21,54,988	21,54,988
154			VAPI CARE PHARMA PRIVATE LIMITED	02AAACV8291M1ZZ	21,43,048	21,43,048
155			G.M.H. LABORATORIES	02ABFPG9454L1ZJ	21,24,644	21,24,644
156			ASTAM HEALTHCARE PRIVATE LIMITED	02AADCA9308H1Z0	20,99,967	20,99,967
157			G.M.H. LABORATORIES	02ABFPG9454L1ZJ	19,98,253	19,98,253
158			ALIVE HEALTH CARE	02AANFA7812R1Z2	19,16,277	19,16,277
159			ANROSE PHARMA	02AFYPA8167P1ZQ	18,02,934	18,02,934

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No.	Refund amount claimed in ₹	Refund amount Sanctioned in ₹
160			SUN AID SOLAR ENERGY LLP	02ADEF54784N1ZM	17,80,771	17,80,771
161			M S PARK PHARMACEUTICALS	02AAJFP3473H1ZB	17,24,368	17,24,368
162			ALPEX SOLAR PRIVATE LIMITED	02AABCA0842N1Z0	16,88,062	16,88,062
163			ACME GENERICS LLP	02ABCFA2649A1Z9	16,80,327	16,80,327
164			SRIRAM HEALTHCARE PRIVATE LIMITED	02AAMCS5840H1ZC	15,99,345	15,99,345
165			JUPITER INTERNATIONAL LIMITED	02AAACJ6956B1ZY	31,31,839	31,31,839
166			VARDHMAN TEXTILES LIMITED	02AABCM4692E1ZR	26,20,987	26,20,987
167			ALKEM LABORATORIES LIMITED	02AABCA9521E1Z9	1,04,222	1,04,222
Total					83,60,45,066	83,04,43,313

Appendix-3.5(ii)

(Reference: Paragraph 3.7.4)

List of online refund cases not sent for post audit

Sr. No.	Division	GSTIN	ARN	NAME	FROM PERIOD	TO PERIOD	AMOUNT OF REFUND CLAIM in ₹
1	Sirmour	02AABCG2367A2ZC	AA0201200050984	GILL CHEMICALS PRIVATE LIMITED	-	-	5,23,446
2	Sirmour	02AATFP2061M1Z0	AA0203200032954	PROTECH TELELINKS	01-02-2019	01-02-2019	2,28,41,074
3	Sirmour	02AAJFK8082B1ZL	AA020120003256A	KONARK PRODUCTS	01-07-2019	01-07-2019	1,73,84,725
4	Sirmour	02AAJFK8082B1ZL	AA021219001481V	KONARK PRODUCTS	01-08-2019	01-08-2019	1,25,10,705
5	Sirmour	02AATFP2061M1Z0	AA0202200076607	PROTECH TELELINKS	01-10-2018	01-12-2018	85,71,174
6	Sirmour	02AAFFV6407R1ZS	AA0211190010245	VIMAL INDUSTRIES (REGD)	01-09-2019	01-09-2019	83,60,422
7	Sirmour	02AAJFK8082B1ZL	AA021119001618M	KONARK PRODUCTS	01-06-2019	01-06-2019	46,25,257
8	Sirmour	02AAACH8801M1ZP	AA021119002183Y	ALPS COMMUNICATION PRIVATE LIMITED	01-09-2019	01-09-2019	43,78,787
9	Sirmour	02ABZFS6012L1ZS	AA020320002359Z	SUNVET HEALTH CARE	01-06-2018	01-09-2018	36,32,549
10	Sirmour	02AATFP2061M1Z0	AA0212190000351	PROTECH TELELINKS	01-10-2017	01-12-2017	28,64,899
11	Sirmour	02AATFP2061M1Z0	AA0202200003379	PROTECH TELELINKS	01-05-2018	01-05-2018	17,84,940
12	Sirmour	02AAACR9253R2ZW	AA020620002729O	RELAX PHARMA CEUTICALS PRIVATE LIMITED	01-03-2020	01-03-2020	1,79,50,362
13	Sirmour	02AACCN0725G1Z3	AA0204200001593	NITIN LIFESCIENCES LIMITED	01-08-2018	01-08-2018	91,98,482
14	Sirmour	02AADCM3639H2ZP	AA020620002735V	MEDIFORCE HEALTHCARE PRIVATE LIMITED	01-02-2020	01-02-2020	76,14,078
15	Sirmour	02AACCN0725G1Z3	AA020220005304D	NITIN LIFESCIENCES LIMITED	01-05-2018	01-05-2018	63,01,694
16	Sirmour	02AAACR9253R2ZW	AA020520000020O	RELAX PHARMA CEUTICALS PRIVATE LIMITED	01-02-2020	01-02-2020	55,43,956
17	Sirmour	02ABZFS6012L1ZS	AA020320003796S	SUNVET HEALTH CARE	01-10-2018	01-01-2019	55,25,877
18	Sirmour	02ABFFS6596M1ZL	AA021219001629H	SURYA TEXTECH	01-07-2019	01-07-2019	54,33,589
19	Sirmour	02ABZFS6012L1ZS	AA020520001520D	SUNVET HEALTH CARE	01-10-2019	01-12-2019	49,39,964
20	Sirmour	02ABFFS6596M1ZL	AA020220005548X	SURYA TEXTECH	01-01-2020	01-01-2020	33,09,398
21	Sirmour	02AANFR2696E1Z4	AA0204200003672	R S A TECHNITEX	01-02-2020	01-02-2020	31,74,747
22	Sirmour	02AANFR2696E1Z4	AA020120000598Z	R S A TECHNITEX	01-11-2019	01-11-2019	30,78,411
23	Sirmour	02AACCN5552B1Z2	AA020220001909V	NANZ MED SCIENCE PHARMA (P) LTD.	01-05-2019	01-05-2019	26,87,938
24	Sirmour	02AAICS5117K2ZE	AA021219006091X	SUNVET PHARMA PRIVATE LIMITED	01-03-2019	01-03-2019	23,07,300
25	Sirmour	02ABZFS6012L1ZS	AA0205200007143	SUNVET HEALTH CARE	01-07-2019	01-09-2019	22,52,374
26	Sirmour	02ABFFS6596M1ZL	AA021219001657I	SURYA TEXTECH	01-09-2019	01-09-2019	19,29,766
27	Sirmour	02AANFM8460D1ZD	AA020220006993T	PUSHKAR PHARMA	01-12-2017	01-03-2018	18,05,031
28	Sirmour	02AANFV7960P1ZC	AA020620000686S	VELLINTON HEALTHCARE	01-12-2018	01-03-2019	17,25,676
29	Sirmour	02AACCK5406H1Z0	AA020420000205E	GNOSIS PHARMACEUTICALS PVT LTD	01-12-2018	01-12-2018	16,22,141
30	Baddi	02ABDFS9952K1ZT	AA020120000779V	SAROJ PACKAGINGS	01-06-2019	01-06-2019	12,590
31	Baddi	02AAUFM1452A1ZQ	AA020620001688N	MAX FABRIC	01-03-2018	01-03-2018	8,92,589
32	Baddi	02AABCG3365J3ZS	AA020620004586Q	GODREJ CONSUMER PRODUCTS LTD.	-	-	1,54,798

Sr. No.	Division	GSTIN	ARN	NAME	FROM PERIOD	TO PERIOD	AMOUNT OF REFUND CLAIM in ₹
33	Baddi	02AAHCA5390H2ZT	AA020320003008B	ANG LIFE SCIENCES (I) PVT LTD	-	-	23,81,439
34	Baddi	02AACCN3799E1ZJ	AA0201200053839	CMI ENERGY INDIA PVT. LTD.	-	-	10,81,308
35	Baddi	02AABCM4692E1ZR	AA0207200008311	VARDHMAN TEXTILES LIMITED	01-10-2019	01-03-2020	2,53,11,599
36	Baddi	02AABCM4692E1ZR	AA021219006483M	VARDHMAN TEXTILES LIMITED	01-06-2019	01-09-2019	2,19,19,488
37	Baddi	02AABCM4692E1ZR	AA0205200006822	VARDHMAN TEXTILES LIMITED	01-12-2019	01-12-2019	4,99,37,955
38	Baddi	02BGLPK8333E1ZL	AA0205200017118	MN OVERSEAS	01-04-2020	01-04-2020	43,01,805
39	Baddi	02AACCJ1285D1Z4	AA021219002761Q	JSTI TRANSFORMERS PRIVATE LIMITED	01-03-2019	01-03-2019	20,48,743
40	Baddi	02AABCS6174P1Z1	AA0203200040949	REGAL KITCHEN FOODS LIMITED	01-04-2018	01-06-2018	22,78,354
41	Baddi	02AACCJ1285D1Z4	AA0202200071780	JSTI TRANSFORMERS PRIVATE LIMITED	01-12-2018	01-01-2019	19,89,506
42	Baddi	02AAHFK7881Q2ZM	AA020220004817X	KRM TYRES	01-04-2018	01-03-2019	1,02,53,521
43	Baddi	02AAHCS1643K1ZH	AA020520000819R	SCOTT-EDIL PHARMACIA LTD	01-12-2019	01-12-2019	1,40,51,928
44	Baddi	02AABCM4692E1ZR	AA020620001489P	VARDHMAN TEXTILES LIMITED	01-01-2020	01-01-2020	3,35,07,332
45	Baddi	02AABCM4692E1ZR	AA020720000348W	VARDHMAN TEXTILES LIMITED	01-02-2020	01-02-2020	3,69,69,655
46	Baddi	02ABCFA2649A1Z9	AA020320000044I	ACME GENERICS LLP	01-09-2019	01-09-2019	14,03,510
47	Baddi	02AACCT2692J1ZC	AA020520003122F	THEON PHARMACEUTICALS LTD	01-01-2020	01-01-2020	2,49,00,790
48	Baddi	02AACCT2692J1ZC	AA0201200067830	THEON PHARMACEUTICALS LTD	01-08-2019	01-08-2019	2,18,17,949
49	Baddi	02AACCT2692J1ZC	AA020220004846W	THEON PHARMACEUTICALS LTD	01-09-2019	01-09-2019	78,89,410
50	Baddi	02AABFU9404B1ZR	AA020220006971Z	ULTRATECH PHARMACEUTICALS	01-04-2019	01-12-2019	76,84,190
51	Baddi	02AAMCS5840H1ZC	AA020520001371A	SRIRAM HEALTHCARE PRIVATE LIMITED	01-06-2019	01-06-2019	44,43,805
52	Baddi	02ABFPG9454L1ZJ	AA021119002852P	G.M.H. LABORATORIES	01-04-2019	01-06-2019	34,39,939
53	Baddi	02AAHCA3072C1ZD	AA020220000127E	CAMPUS ACTIVEWEAR PRIVATE LIMITED	01-10-2019	01-12-2019	88,96,134
54	Baddi	02ADEF54784N1ZM	AA0203200028721	SUN AID SOLAR ENERGY LLP	01-04-2019	01-09-2019	67,65,844
55	Baddi	02AADCP4799B2ZJ	AA020320003887P	PREET REMEDIES LTD.	01-10-2019	01-12-2019	46,45,995
56	Baddi	02AAHCS1643K1ZH	AA020220007093A	SCOTT-EDIL PHARMACIA LTD	01-11-2019	01-11-2019	40,82,722
57	Baddi	02AAHCS1643K1ZH	AA0202200071384	SCOTT-EDIL PHARMACIA LTD	01-12-2019	01-12-2019	96,93,771
58	Baddi	02AAMFA3178P1Z4	AA020120001561F	ANKIT INTERNATIONAL	01-07-2019	01-09-2019	4,00,79,485
59	Baddi	02AAJCS9364F1Z8	AA0204200008531	SHIVA BIOGENETIC PHARMACEUTICALS PVT LTD	01-04-2018	01-03-2019	2,92,18,304
60	Baddi	02AACCT2692J1ZC	AA021219008254P	THEON PHARMACEUTICALS LTD	01-07-2019	01-07-2019	2,58,64,872
61	Baddi	02AACCT2692J1ZC	AA0204200003739	THEON PHARMACEUTICALS LTD	01-10-2019	01-10-2019	2,28,53,452
62	Baddi	02AARFM0588N1ZR	AA020220007518Y	MEDICEF PHARMA	01-09-2019	01-10-2019	1,05,51,827
63	Baddi	02AARFM0588N1ZR	AA020220005008B	MEDICEF PHARMA	01-12-2019	01-12-2019	1,00,44,378
64	Baddi	02AACCT2692J1ZC	AA020520002498R	THEON PHARMACEUTICALS LTD	01-12-2019	01-12-2019	80,19,662

Sr. No.	Division	GSTIN	ARN	NAME	FROM PERIOD	TO PERIOD	AMOUNT OF REFUND CLAIM in ₹
65	Baddi	02AACCT2692J1ZC	AA020420000497X	THEON PHARMACEUTICALS LTD	01-11-2019	01-11-2019	75,47,040
66	Baddi	02AAHFD0619D1Z7	AA020620003756Q	DEWCON INDUSTRIES	01-02-2020	01-02-2020	75,12,783
67	Baddi	02AAJCS9364F1Z8	AA020120004894X	SHIVA BIOGENETIC PHARMACEUTICALS PVT LTD	01-07-2017	01-12-2017	73,94,914
68	Baddi	02AADCA9308H1Z0	AA0202200013477	ASTAM HEALTHCARE PRIVATE LIMITED	01-04-2019	01-08-2019	72,47,286
69	Baddi	02AAMCS5840H1ZC	AA0205200005551	SRIRAM HEALTHCARE PRIVATE LIMITED	01-04-2019	01-04-2019	99,16,094
70	Baddi	02AAACJ6956B1ZY	AA0202200061294	JUPITER INTERNATIONAL LIMITED	01-01-2020	01-01-2020	65,34,533
71	Baddi	02AADFL5062A1Z2	AA020120003181J	LOGOS PHARMA	01-11-2019	01-11-2019	63,10,319
72	Baddi	02AAACU7620B2ZZ	AA020520000557X	UNISPEED PHARMACEUTICALS PRIVATE LIMITED	01-03-2020	01-03-2020	58,89,474
73	Baddi	02AAJCS9364F1Z8	AA020220004558X	SHIVA BIOGENETIC PHARMACEUTICALS PVT LTD	01-01-2018	01-03-2018	43,03,965
74	Baddi	02AAPFM6384A2ZD	AA020120005155C	SHERVOTEC PHARMACEUTICALS (EARLIER KNOWN AS MURPHY LIGHTINGS)	01-07-2019	01-09-2019	43,03,518
75	Baddi	02ABCFA2649A1Z9	AA0201200051487	ACME GENERICS LLP	01-07-2019	01-07-2019	40,70,810
76	Baddi	02AAACJ6956B1ZY	AA0201200009428	JUPITER INTERNATIONAL LIMITED	01-11-2019	01-11-2019	39,64,489
77	Baddi	02AACCB3897K1ZJ	AA020720000972T	BIOGENETIC DRUGS PVT. LTD.	01-03-2019	01-03-2019	39,57,766
78	Baddi	02AAHCA5390H2ZT	AA0201200022983	ANG LIFE SCIENCES (I) PVT LTD	01-10-2019	01-11-2019	38,73,921
79	Baddi	02ADEFS4784N1ZM	AA021219008206Q	SUN AID SOLAR ENERGY LLP	01-01-2019	01-01-2019	36,61,954
80	Baddi	02AAMCS5840H1ZC	AA020320004278Z	SRIRAM HEALTHCARE PRIVATE LIMITED	01-02-2019	01-02-2019	50,32,316
81	Baddi	02AAACJ6956B1ZY	AA0212190069791	JUPITER INTERNATIONAL LIMITED	01-10-2019	01-10-2019	34,79,336
82	Baddi	02AARFM0588N1ZR	AA020120007774Y	MEDICEF PHARMA	01-07-2019	01-07-2019	34,72,165
83	Baddi	02AAFCA3941C3ZB	AA0205200003935	AVENUE REMEDIES INDIA PRIVATE LIMITED	01-07-2017	01-03-2018	34,71,416
84	Baddi	02AAHCA5390H2ZT	AA0206200012835	ANG LIFE SCIENCES (I) PVT LTD	01-02-2020	01-02-2020	33,56,674
85	Baddi	02AAHCA3072C1ZD	AA0211190013405	CAMPUS ACTIVEWEAR PRIVATE LIMITED	01-07-2019	01-09-2019	1,45,09,387
86	Baddi	02AADCP5685N1Z0	AA020320002944Y	COLUMBUS PREMIER SHOES PVT. LTD.	01-10-2019	01-12-2019	71,82,176
87	Baddi	02AAPFA5004K1ZQ	AA020320000533B	AFFY PARENTERELS	01-07-2019	01-09-2019	42,45,896
88	Baddi	02AAACO7014R1ZD	AA0210190050061	OPTIMUS PHARMA PRIVATE LIMITED	01-12-2017	01-12-2017	38,54,410
89	Baddi	02AAPFA5004K1ZQ	AA020320000108C	AFFY PARENTERELS	01-04-2019	01-06-2019	33,00,535
90	Baddi	02AAACJ6956B1ZY	AA021019005107X	JUPITER INTERNATIONAL LIMITED	01-09-2019	01-09-2019	51,31,112
91	Baddi	02AAACJ6956B1ZY	AA0201200054853	JUPITER INTERNATIONAL LIMITED	01-12-2019	01-12-2019	33,65,524
92	Kullu	02ANDPL1389B1ZI	AA0211190021507	PARI ENTERPRISES	-	-	9218
93	Una	02AMQPM2016A1ZQ	AA0211190040820	GAGNUR LIFE SCIENCES	01-09-2018	01-09-2018	27,000
94	Una	02AALPC9780C1ZX	AA0204200005090	GRIP EXPORTS	-	-	18,09,514
95	Una	02ABDFS0457R2ZW	AA021119009467F	M S SWISS GARNIER LIFE SCIENCES	01-04-2018	01-03-2019	1,08,14,477

Sr. No.	Division	GSTIN	ARN	NAME	FROM PERIOD	TO PERIOD	AMOUNT OF REFUND CLAIM in ₹
96	Una	02AAAFY8750B2ZG	AA021219007346L	YOUNGMAN SYNTHETICS	01-11-2019	01-11-2019	60,28,678
97	Una	02AAAFY8750B2ZG	AA021119007505P	YOUNGMAN SYNTHETICS	01-10-2019	01-10-2019	44,13,125
98	Una	02AAAFY8750B2ZG	AA020320002610F	YOUNGMAN SYNTHETICS	01-01-2020	01-01-2020	42,97,507
99	Una	02AAAFY8750B2ZG	AA0203200053934	YOUNGMAN SYNTHETICS	01-02-2020	01-02-2020	28,14,735
100	Una	02AAAFY8750B2ZG	AA0201200071667	YOUNGMAN SYNTHETICS	01-12-2019	01-12-2019	24,92,874
101	Bilaspur	02DQAPK0531H1ZJ	AA0202200055073	M/S BHARAT ELECTRICAL WORKS	-	-	4,500
102	Solan	02AAACH3748R1ZB	AA021219006569A	HIM AUTO PRODUCTS LTD.,	-	-	1,31,430
103	Solan	02AABCL7528A2Z2	AA0206200001482	LENUS LIFECARE PVT LTD	01-01-2019	01-03-2019	33,95,014
104	Solan	02AOWPT4974N1ZV	AA020220004650B	AZOT LIFESCIENCES	01-07-2019	01-09-2019	38,62,957
105	Shimla	02AACCT5231D1Z0	AA021119000196T	TEJASSARNIKA HYDRO ENERGIES PRIVATE LIMITED	01-06-2019	01-07-2019	60,588
106	Shimla	02ABPFS3915G1Z7	AA020120007480B	SAMAST TRUCK OP UNION	-	-	7,28,396
107	Kangra	02AGTPB7104R1Z5	AA021219001671S	BEDI ENTERPRISES	01-07-2017	01-07-2017	31,022
108	Kangra	02BWSPS5436D1ZD	AA021219002802S	QUALITY SHOE STORE	01-10-2019	01-10-2019	2,100
109	Kangra	02AAIFV1693A2ZH	AA0202200038532	VICTORY OIL GRAM UDYOG ASSOCIATION	-	-	54,08,818
110	Kangra	02AACFR9306A1ZU	AA020720000090D	RESEARCH AID INSTRUMENTS SERVICES	-	-	4,36,514
111	Kangra	02AAYFS1954M2ZJ	AA0203200032863	SANJAY WEAVING INDUSTRIES	01-02-2020	01-02-2020	10,60,358
112	Kangra	02AACFR9306A1ZU	AA0204200004745	RESEARCH AID INSTRUMENTS SERVICES	01-03-2019	01-03-2019	15,20,557
TOTAL							82,95,06,606

Appendix-3.6 (i)

(Reference: Paragraph 3.7.5)

List of Refund cases in which deficiency noticed (Excess refund due to considering invoice value in place of FOB value) Pre-automation

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No	ARN No. & Date	Date of order in Form GST RFD-06	Excess amount refunded in ₹		
						IGST	CGST	SGST
DCSTE, Baddi	DCSTE, Baddi	INDO FARM EQUIPMENT LTD.	02AAACW1982A1ZV	AA020918012219C/ 28.02.2019	03.07.2019	0	19,75,306	0

Appendix-3.6 (ii)

(Reference: Paragraph 3.7.5)

Statement showing grant of excess refund in case of Zero-rate supply of goods

Sr. No.	Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No	ARN No. & Date	Zero rated supply as per RFD 01 in ₹	Adjusted turnover as per RFD 01 in ₹	Net ITC claimed in ₹	Refund sanctioned as per RFD 06 in ₹	Zero rated supply as per GSTR 3B in ₹	Adjusted turnover as per GSTR 3B in ₹	Net ITC as per Annexure B in ₹	Max Refund to be allowed in ₹	Excess Refund allowed in ₹	Remarks
1	Baddi	Shimla	REGAL KITCHEN FOODS LIMITED	02AABCS6174P1Z1	AA0203200040949 dtd 18.03.2020	8,35,89,523	9,95,39,898	27,13,105	21,46,680	6,33,90,322	10,84,94,480	27,13,105	1,58,51,92	5,61,488	Reason for excess refund is due to variation in the figures of Zero Rated supplies and Adjusted turnover in RFD01 and GSTR 3B
TOTAL														5,61,488	

Appendix-3.7

(Reference: Paragraph 3.7.6)

List of Refund cases in which deficiency noticed (Excess grant of refund due to non consideration of minimum balance in electronic credit ledger at the end of tax period) Pre-automation

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No	ARN No. & Date	Date of final/provisional refund in Form GST RFD-06/04	Refund amount sanctioned by department in ₹	Refund amount admissible as per Board Cir. No.59 in ₹	Excess refund allowed in ₹
DCST&E, Baddi	DCST&E, Baddi	SRIRAM HEALTHCARE PVT CARE	02AAMCS5840H1ZC	AA020218002345V / 18.03.2019	29.04.2019	15,99,345	13	15,99,332
		SRIRAM HEALTHCARE PVT CARE	02AAMCS5840H1ZC	AA0203180062120 / 23.03.2019	29.04.2019	53,45,357	0	53,45,357
		ANKIT INTERNATIONAL	02AAMFA3178P1Z4	AA020918019818V / 25.04.2019	11.07.2019	1,28,75,171	1,22,67,235	6,07,936
		ARION HEALTHCARE	02AALFA7634D1ZT	AA020819006687Z / 30.08.2019	30.08.2019	25,50,000	22,63,661	2,86,339
Total						2,23,69,873	1,45,30,909	78,38,964

Appendix-3.8(i)

(Reference: Paragraph 3.7.7)

List of Refund cases in which deficiency noticed (Irregular allowance of refund of inverted duty structure)

Name of Division	Name of the Commissionerate	Name of the assessee	GSTIN No	ARN No. & Date	Date of final refund in Form GST RFD-06	ITC of services considered by department in net ITC	Refund amount sanctioned by department in ₹			Irregular allowance of refund in ₹		
							IGST	CGST	SGST	IGST	CGST	SGST
DCSTE, Solan	DCSTE, Solan	BLESSING HEALTHCARE PVT. LTD.	02AADCB1618F1ZE	AA0210190001816/ 01-10-2019	09.10.2019	NIL	0	0	13,094	0	0	9,420
DCST&E, Nahan	DCST&E, Nahan	BIMAL INDUSTRIES UNIT-II	02ACEPK7246A1Z7	AA0207171911087/28.03.2018	05.09.2019	NIL	19,59,435	0	0	5,10,544	0	0

Appendix-3.8 (ii)

(Reference: Paragraph 3.7.7)

As per GSTR- 3B (Refund claimed by Assesse in RFD 01) Calculation worked out as per Statement 1A/ Annexure B attached

Sr. No.	PLACE	GSTIN	ARN and date of ARN	Tax Period of refund	Adjusted Turnover in ₹	ITC on inputs only in ₹	Refund Sanctioned in ₹	Adjusted Turnover in ₹	NET ITC in ₹	Net ITC on inputs as declared by assessee in ₹	Turnover of inverted duty on goods in ₹	TAX PAYABLE on inverted goods in ₹	Refund to be allowed in ₹	Excess Refund granted in ₹
1	Sirmour	02ABZFS6012L1ZS	AA020320003796S dated 17.03.2020	Oct 2018 to Jan 2019	12,43,68,287	1,88,16,995	55,25,877	12,69,08,524	1,89,72,212	1,88,16,995	12,36,23,128	1,30,81,171	52,48,691	2,77,185
2	Sirmour	02ABZFS6012L1ZS	AA020320002359Z dtd 11.03.2020	June 2018 to Sept 2018	11,40,06,583	1,60,48,067	36,32,549	11,59,41,492	1,62,17,745	1,60,48,067	10,91,63,115	1,16,57,499	34,52,338	1,80,211
3	Sirmour	02AAFFV6407R1ZS	AA021119001024S dtd 06.11.2019	Sept, 2019	3,17,35,707	1,21,84,319	83,60,422	3,25,62,010	1,21,84,319	1,21,84,319	3,25,62,010	39,03,301	82,81,018	79,404
4	Sirmour	02ABFFS6596M1ZL	AA021219001629H dtd	July, 2019	6,47,06,201	1,31,93,649	54,33,588	6,47,31,942	94,30,722	1,31,93,649	6,47,31,942	77,63,150	16,67,572	37,66,016
5	Sirmour	02AAACH8801M1ZP	AA021119002183Y dtd 11.11.2019	Sept, 2019	6,97,71,490	1,37,14,536	43,78,787	7,01,56,728	1,41,08,125	1,37,14,536	,75,76,728	69,09,207	43,46,137	32,650
6	Sirmour	02ABFFS6596M1ZL	AA021219001657I dtd 7.12.2019	Sept, 2019	6,25,51,562	94,30,722	19,29,766	6,34,26,629	94,64,162	94,30,722	6,32,40,832	75,83,669	18,19,428	1,10,338
7	Sirmour	02AATFP2061M1Z0	AA0202200076607 dtd 29-02-2020	October 2019 to December 2019	15,95,22,143	2,62,68,323	85,71,174	16,64,81,320	2,61,55,457	2,62,68,323	16,64,75,992	1,90,34,790	71,19,830	14,51,344
8	Baddi	02AABFU9404B1ZR	AA020220006971Z dtd 28-02-2020	APR 2019 To DEC 2019	31,07,49,772	4,40,69,332	76,84,190	31,44,40,312	4,40,69,332	4,40,69,332	31,41,30,524	3,69,16,686	71,09,228	5,74,962
9	Baddi	02AADCA9308H1Z0	AA0202200013477 dtd 07-02-2020	APR 2019 To AUG 2019	11,53,29,596	2,08,65,126	72,47,286	11,56,72,904	2,08,65,126	2,08,65,126	11,51,82,214	1,35,70,713	72,05,902	41,384
					1,05,27,41,341	17,45,91,069	5,27,63,639	1,07,03,21,861	17,14,67,200	17,45,91,069	1,04,66,86,485	12,04,20,185	4,62,50,145	65,13,494

Appendix-3.9 (i)

(Reference: Paragraph 3.7.8)

Statement showing the refund claims sanctioned without required documents

Sr. No.	Name of Division	Name of the Commissionerate	Name of the Assessee	GSTIN No	ARN No. & Date	Amount of Refund claimed in ₹	Amount of Refund Sanctioned in ₹	Date of Sanctioned	Required Document not attached
1	DCST&E, Baddi	DCST&E, Baddi	VARDHMAN TEXTILE LTD.	02AABCM4692E1ZR	AA02081833502R/ 22.12.2018	2,40,43,290	2,40,43,290	15.01.2019	Without Electronic Credit Ledger
2			MEDICEF PHARMA	02AARFM058891ZR	AA020319174695Z/ 21.05.2019	1,10,68,403	1,10,68,403	10.06.2019	Statement I ,GSTRFR-01, outward supply details are not available in file
3			MEDICEF PHARMA	02AARFM058891ZR	AA0211180638871/ 07.03.2019	1,88,39,304	1,88,39,304	04.04.2019	Statement I ,GSTRFR-01, outward supply details are not available in file
4			LOGOS PHARMA	02AADFL5062A1Z2	AA020918004283H/ 08.01.2019	37,15,070	37,15,070	16.02.2019	Without Electronic Credit Ledger
5			LOGOS PHARMA	02AADFL5062A1Z2	AA021118056300W/ 09.01.2019	55,32,721	55,32,721	16.02.2019	Without Electronic Credit Ledger
6			VAPI CARE PHARMA	02AAACV8291M1ZZ	AA0209190003035L/ 13.09.2019	21,43,048	21,43,048	25.09.2019	Without any documents only refund order
7			THEON PHARMA LTD.	02AACCT2692JIZC	AA021218183008G/ 20.04.2019	98,73,309	98,73,309	29.04.2019	Electronic Credit Ledger, GSTR-1 and Outward supplies details are not available
8			THEON PHARMA LTD.	02AACCT2692JIZC	AA0210801315W/ 17.04.2019	1,50,63,576	1,50,63,576	29.04.2019	Electronic Credit Ledger, GSTR-1 and Outward supplies details are not available
9			THEON PHARMA LTD.	02AACCT2692JIZC	AA0211180676178/ 19.04.2019	1,47,80,608	1,47,80,608	29.04.2019	Electronic Credit Ledger, GSTR-1 and Outward supplies details are not available
10			THEON PHARMA LTD.	02AACCT2692JIZC	AA0206190025320/ 15.06.2019	88,65,248	88,65,248	06.07.2019	Electronic Credit Ledger, GSTR-1 and Outward supplies details are not available
11			THEON PHARMA LTD.	02AACCT2692JIZC	AA0207180934806/ 12.0.2019	1,10,16,350	1,10,16,350	25.04.2019	Electronic Credit Ledger, GSTR-1 and Outward supplies details are not available

Sr. No.	Name of Division	Name of the Commissionerate	Name of the Assessee	GSTIN No	ARN No. & Date	Amount of Refund claimed in ₹	Amount of Refund Sanctioned in ₹	Date of Sanctioned	Required Document not attached
12			THEON PHARMA LTD.	02AACCT2692JIZC	AA0207190064578/ 29.07.2019	1,24,48,328	1,24,48,328	09.08.2019	Without Electronic Credit Ledgers and Outward supplies details
13			DEWCON INDUSTRIES	02AAHFD0619D1Z7	AA020319163281J/ 09.05.2019	1,32,76,100	1,32,76,100	09.05.2019	Statement I, GSTRFR-01 and electronic ledger are not available in file
14	DCST&E, Nahan at Sirmour	DCST&E, Nahan at Sirmour	VIMAL INDUSTRIES	02AAFFV6407R1ZS	AA020619002891E/ 18.06.2019	46,14,786	46,14,786	16.07.2019	Without electronic ledger of the period for which refund is claimed.
15			SHREE BALAJI TEX FAB	02AADCF51237J1ZE	AA0206180138682/ 10.06.2019	1,55,650	1,55,650	19.07.2019	Without electronic ledger of the period for which refund is claimed.
16			SURYA TEXTTECH	02ABFFS6596M1ZL	AA020819003365E/ 17.08.2019	54,60,705	54,60,705	30.08.2019	Without electronic ledger of the period for which refund is claimed.
17			VIMAL INDUSTRIES	02AAFFV6407R1ZS	AA0212181210604/ 21.01.2019	17,00,873	17,00,873	12.02.2019	Without electronic ledger of the period for which refund is claimed.
18			ALPS COMMUNICATION PVT LTD	02AAACH8801M1ZP	AA020819002128H/ 10.08.2019	2,90,5,844	28,75,778	23.08.2019	Without electronic ledger of the period for which refund is claimed.
19			SURYA TEXTTECH	02ABFFS6596M1ZL	AA0203191690776/ 09.05.2019	42,63,167	42,63,167	22.05.2019	Without electronic ledger of the period for which refund is claimed.
20			NANZ MED SCIENCE PHARMA	02AACN5552B1Z2	AA020819003257D/ 16.08.2019	42,98,870	42,98,870	28.08.2019	Without electronic ledger of the period for which refund is claimed.
21			KONARK PRODUCTS	02AAJFK8082B1ZL	AA0210170003858Y/ 15.01.2019	14,15,850	9,39,312	06.03.2019	Without electronic ledger of the period for which refund is claimed.
22			KONARK PRODUCTS	02AAJFK8082B1ZL	AA020719003871D/ 18.07.2019	42,00,384	32,17,732	22.08.2019	Without electronic ledger of the period for which refund is claimed.
23	DCST&E, Una	DCST&E, Una	YOUNGMAN SYNTHETICS	02AAAFY8750B2ZG	AA020119084651H/ 18.08.2019	38,26,533	38,26,533	04.09.2019	Electronic credit ledger are not available in file

Sr. No.	Name of Division	Name of the Commissionerate	Name of the Assessee	GSTIN No	ARN No. & Date	Amount of Refund claimed in ₹	Amount of Refund Sanctioned in ₹	Date of Sanctioned	Required Document not attached
24	DCST&E, Solan	DCST&E, Solan	M/S.J.S. ZZENTERPRISES	02AASPM3951C1ZV	AA020219000095W	2,39,805	2,39,805	02-09-2019	Electronic Credit Ledger, GSTR-1 and Outward supplies details are not available
25	DCST&E, Shimla	DCST&E, Shimla	JK ENTERPRISES	02AVXPS3354F1ZA	AA0210180032350/ 21.10.2018	3,68,802	3,68,802	30-01-2019	Without any supporting documents
26			NEW SHIMLA EMPORIUM	02ACEPK6664L1ZG	AA0207180028782/ 18.07.2018	59,056	59,056	30-01-2019	Without any supporting documents
27			TOMKYA TRADERS	02ABNPS8079H1Z1	AA021217003031A/ 19.12.2017	43,487	43,487	28-03-2018	Without any supporting documents
28			HP HORTICULTURE DEV. SOCIETY	02AABAH3797B1DB	AA0207190003181/ 02.07.2019	14,10,631	14,10,631	15-07-2020	Without any supporting documents
29			ANAND MEDICAL STORE	02AGFPS2513P1ZB	AA020917130140S/ 30.10.2018	48,758	48,758	28-01-2019	Without any supporting documents
30			STATE GOVT. XEN SHIMLA DIVISON 1	02PTLS11694E1D0	AA020619005711L/ 29.06.2019	3,81,977	3,81,977	03-09-2019	Without any supporting documents

Appendix-3.9(ii)

(Reference: Paragraph 3.7.8)

Statement showing deficiency of documents required for the sancation of refund from Proper Officer

Sr. No.	Division	GSTIN	Name of Assessee	ARN	Period of Refund	Category of Refund	Amount of Refund	Relevant documents provided as per Circular no 125/44/2019-GST dated 22.11.2019						
								Declaration under Section 54(3)	Undertaking as per 162 (c)	Statement 1 (in xls) (Inverted supply)	Statement 1 A (inverted supply)	GSTR 2A	Annexure B	Self certified copies of invoices mentioned in Annexure B
1	Baddi	02AACCT2692J1ZC	THEON PHARMACEUTICALS LTD	AA020520003122F	1/2020	INVITC	24900790	Y	Y	Y	incomplete	Y	Y	incomplete
2	Baddi	02AACCT2692J1ZC	THEON PHARMACEUTICALS LTD	AA0201200067830	8/2019	INVITC	21817949	Y	Y	improper	Y	Y	Y	incomplete
3	Baddi	02AACCT2692J1ZC	THEON PHARMACEUTICALS LTD	AA020220004846W	9/2019	INVITC	7889410	Y	Y	incomplete	Y	Y	Y	Y
4	Baddi	02AABFU9404B1ZR	ULTRATECH PHARMACEUTICALS	AA020220006971Z	4/19 to 12/19	INVITC	7684190	Y	Y	Y	N	Y	Y	N
5	Baddi	02AAMCS5840H1ZC	SRIRAM HEALTHCARE PRIVATE LIMITED	AA020520001371A	6/19	INVITC	3986023	Y	Y	N	Y	Y	Y	incomplete
6	Baddi	02ABFPG9454L1ZJ	G.M.H. LABORATORIES	AA021119002852P	4/19 to 6/19	INVITC	3439939	N	N	Y	N	N	N	N
7	Baddi	02AAHCA3072C1ZD	CAMPUS ACTIVEWEAR PRIVATE LIMITED	AA020220000127E	10/19 to 12/19	INVITC	8896134	Y	N	N	Y	Y	Y	N
8	Baddi	02ADEF54784N1ZM	SUN AID SOLAR ENERGY LLP	AA0203200028721	4/19 to 9/19	INVITC	6699986	Y	N	Y	Y	Y	Y	Y
9	Baddi	02AADCP4799B2ZJ	PREET REMEDIES LTD.	AA020320003887P	10/10 12/19	INVITC	4014849	Y	N	Y	Y	Y	Y	N
10	Baddi	02AAHCS1643K1ZH	SCOTT-EDIL PHARMACIA LTD	AA020220007093A	11/19	INVITC	3980352	Y	N	N	Y	Y	Y	N
11	Baddi	02AAHCS1643K1ZH	SCOTT-EDIL PHARMACIA LTD	AA0202200071384	12/19	INVITC	9105189	Y	Y	Y	Y	Y	Y	N
12	Baddi	02AAMFA3178P1Z4	ANKIT INTERNATIONAL	AA020120001561F	7/19 to 9/19	INVITC	40079485	N	N	N	N	N	N	N

Sr. No.	Division	GSTIN	Name of Assessee	ARN	Period of Refund	Category of Refund	Amount of Refund	Relevant documents provided as per Circular no 125/44/2019-GST dated 22.11.2019						
								Declaration under Section 54(3)	Undertaking as per 162 (c)	Statement 1 (in xls) (Inverted supply)	Statement 1 A (inverted supply)	GSTR 2A	Annexure B	Self certified copies of invoices mentioned in Annexure B
13	Baddi	02AAJCS9364F1Z8	SHIVA BIOGENETIC PHARMACEUTICALS PVT LTD	AA0204200008531	3/19	INVITC	29218304	Y	N	N	Y	Y	Y	Y
14	Baddi	02AACCT2692J1ZC	THEON PHARMACEUTICALS LTD	AA021219008254P	7/19	INVITC	25864872	Y	Y	N	N	Y	Y	Y
15	Baddi	02AACCT2692J1ZC	THEON PHARMACEUTICALS LTD	AA0204200003739	10/19	INVITC	19295811	N	N	N	Y	Y	Y	Y
16	Baddi	02AARFM0588N1ZR	MEDICEF PHARMA	AA020220007518Y	9/19 to 10/19	INVITC	10551827	N	N	N	Y	N	N	N
17	Baddi	02AARFM0588N1ZR	MEDICEF PHARMA	AA020220005008B	12/19	INVITC	10044378	Y	Y	N	Y	Y	N	Y
18	Baddi	02AACCT2692J1ZC	THEON PHARMACEUTICALS LTD	AA020520002498R	12/19	INVITC	8019662	Y	Y	Y	Y	Y	Y	Y
19	Baddi	02AACCT2692J1ZC	THEON PHARMACEUTICALS LTD	AA020420000497X	11/19	INVITC	7547040	Y	Y	Y	Y	Y	Y	Y
20	Baddi	02AAHFD0619D1Z7	DEWCON INDUSTRIES	AA020620003756Q	2/2020	INVITC	7512783	Y	Y	N	Y	N	Y	Y
		GSTIN	Name of Assessee	ARN	Period of Refund	Category of Refund	Amount of Refund	Declaration under Section 54(3)	Undertaking as per 162 (c)	Statement 3	Statement 3A	GSTR 2A	Annexure B	Shipping bills
21	Baddi	02AABCM4692E1ZR	VARDHMAN TEXTILES LIMITED	AA0205200006822	12/19	EXPWOP	49937955	Y	Y	Y	Y	Y	Y	N
22	Baddi	02BGLPK8333E1ZL	MN OVERSEAS	AA0205200017118	4/2020	EXPWOP	4301805	Non exist dealer		to be verified other refunds				
23	Baddi	02AACJ1285D1Z4	JSTI TRANSFORMERS PRIVATE LIMITED	AA021219002761Q	3/19	EXPWOP	2048743	Y	Y	Y	Y	Y	Y	N
24	Baddi	02ABCFA2649A1Z9	ACME GENERICS LLP	AA020320000044I	9/19	EXPWP	1403510	Y	Y	Y	Y	N	N	Y
						TOTAL	318240986							

Appendix-3.10

(Reference: Paragraph 3.7.10)

Data in respect of refund orders received from State Tax Authority (Abnormal delay in communicating refund orders to counterpart tax authority)

Sr. No.	Name of the Commissionerate	Name of the assessee	GSTIN No.	ARN NO. & Date	Date of issue of Provisional refund order in Form GST - RFD-04	Date of issue of Refund Sanction Order in Form GST - RFD-06	Total Amount of Refund sanctioned in ₹			Date of receipt of refund order from the State nodal officer to the Central nodal officer	Delay in forwarding
							IGST	CGST	Cess		
1	DCST&E, Una	DCST&E, Una	HIM BIO AGRO	02AAGFH2928G2ZP	AA020318011477J/ 01.05.2019	19-06-2020	15,713	8,78,808	0	18-07-2020	22
2	DCST&E, Shimla	DCST&E, Shimla	JK ENTERPRISES	02AVXPS3354F1ZA	AA0210180032350/ 21.10.2018	21-10-2018	0	0	3,68,802	27-03-2019	49
3			NEW SHIMLA EMPORIUM	02ACEPK6664L1ZG	AA0207180028782/ 18.07.2018	18-07-2018	59,056	0	0	27-03-2019	49
4			ANAND MEDICAL STORE	02AGFPS2513P1ZB	AA020917130140S/ 30.10.2018	30-10-2018	48,758	0	0	13-02-2019	9

Appendix-3.11

(Reference: Paragraph 3.7.11)

Non-production of records Pre-automation

Name of Division	Name of the Commissionerate	No of records(files/registers) requisitioned by audit	No of records(files/registers) not received in audit	Reasons for non-production
DCSTE, Solan	DCSTE, Solan	14	1	File has been sent to CGST
DCSTE, Una	DCSTE, Una	15	1	
DCSTE, Shimla	DCSTE, Shimla	20	2	

Appendix-3.12

(Reference: Paragraph 3.7.12)

Statement showing cases where refund sanctioned in time but payment advice issued late

Sr. No.	Division	GSTIN	ARN	ARN_DT	NAME	REFUND_RSN	FROM PERIOD	TO PERIOD	ACK_DT	SANCTIONED_DATE	DT_RFD05	PMTAMTDTL_RFD05 in ₹	Delay in days (exceeding 60 days)	Interest @ 6% p.a. in ₹
1	Sirmour	02AATFP2061M1Z0	AA0202200076607	29-02-2020	PROTECH TELELINKS	INVITC	01-10-2018	01-12-2018	03-03-2020	03-03-2020	07-07-2020	85,71,174	69	97,218
2	Kangra	02AAYFS1954M2ZJ	AA0203200032863	15-03-2020	SANJAY WEAVING INDUSTRIES	EXPWOP	01-02-2020	01-02-2020	17-03-2020	13-04-2020	23-05-2020	10,60,358	9	1,569
3	Baddi	02AAHCA3072C1ZD	AA0211190013405	07-11-2019	CAMPUS ACTIVE WEAR PRIVATE LIMITED	INVITC	01-07-2019	01-09-2019	15-11-2019	10-12-2019	06-03-2020	1,45,09,387	60	1,43,106
TOTAL												2,41,40,919		2,41,893

Appendix-3.13(i)

(Reference: Paragraph 3.7.13)

Calculation showing excess refund due to inclusion of ITC on capital goods in Net ITC in case of M/s RSA Technitex

Name of Division	Name of firm	GSTIN	ARN & date		Turnover of inverted rates supply of goods (1) in ₹	Tax payable on such inverted rated supply (2) in ₹	Adjusted total turnover (3) in ₹	Net input tax credit (4) in ₹	Maximum Refund amount sanctioned (5) =((1)*(4)/(3))-(2) in ₹
Sirmour	M/S RSA TECHNITEX	02AANFR2696E1Z4	AA0204200003672 DT. 13-4-2020	As per RFD 01 or RFD-06	4,52,96,552	54,25,590	4,53,31,552	86,06,982	31,74,747
				Refund allowed after deduction of ITC on capital goods	4,52,96,552	54,25,590	4,53,31,552	84,77,622 *as per annexure B	30,45,487
				Excess Refund allowed					1,29,260/-

Appendix-3.13(ii)

(Reference: Paragraph 3.7.13)

Statement showing excess refund of accumulated ITC on inverted duty structure due to inclusion of ITC on services in Net ITC

Sr. No.	PLACE	GSTIN	ARN and date of ARN	Tax Period of refund	NAME	As per RFD-01				As per annexure B		Refund to be allowed in ₹	Excess Refund granted in ₹
						Adjusted Turnover in ₹	Turnover of inverted duty on goods in ₹	TAX PAYABLE on inverted goods in ₹	ITC claimed by Assessee in ₹	NET ITC on inputs in ₹	Refund Sanctioned by department in ₹		
1	Baddi	02AACCT2692J1ZC	AA0201200067830 dtd 25-01-2020	AUGUST 2019	THEON PHARMACEUTICALS LIMITED	34,54,60,335	34,50,19,845	3,29,63,279	5,60,28,445	5,46,28,489	2,18,17,949	2,15,95,554	2,22,394
2	Baddi	02AACCT2692J1ZC	AA020520002498R dtd 27-05-2020	DEC 2019	THEON PHARMACEUTICALS LIMITED	37,60,56,102	37,58,37,502	3,99,25,741	4,79,73,291	4,38,28,140	80,19,663	38,76,922	41,42,741
											TOTAL		43,65,136

Appendix-5.1

(Reference: Paragraph 5.10.1)

Approximate value of work as per status by State Quality Management Wing
(February 2020)

Sr. No.	Item/ Constituent Items	Scope as per Estimate/agreement (in the item)	Rate as per agreement	Percentage Status of Completion	Payment due (₹)
1.	Earth Work in Excavation			40 per cent work	for 40 per cent work
1.1	Excavation	96503 cum	110 per cum	38601.2	42,46,132
2.	C.D. Works			10 per cent work	for 10 per cent work
2.1	Excavation of foundation	1019.10 cum	240	101.91	24,458
2.2	C.C 1:3:6	367.43 cum	4000	36.74	1,46,960
2.3	Backfilling	391.72 cum	500	39.17	19, 585
2.4	R/R masonry 1:3 and flooring	1048.61cum	3200	104.86	3,35,552
2.5	Dry Masonry	114.24 cum	3800 per cum	11.42	43,396
2.6	Pipe NP2	215 rmt	4500 per rmt	21.5	96,750
Total					49,12,833

Appendix-5.2

(Reference Paragraph: 5.13)

Details of penalty and recovery from PIAs of ongoing projects

(₹ in lakh)

Sr. No.	PIA	Date of sanction	Penalty	Recovery
1.	Cardiac Research and Edu. Foundation	August 2017	5.50	Incomplete
2.	Heraud Trg. and Edu. India Pvt. Ltd.	May 2017	5.50	Completed
3.	Manav Vikas Evam Sewa Sansthan	August 2017	5.50	Completed
4.	Mass Infotech Society	May 2017	5.50	Completed
5.	Orion Security Solutions Pvt. Ltd.	May 2017	0.50	Completed
6.	Power to Empower Skills Pvt. Ltd.	August 2017	0.50	Completed
7.	Smart Brains	May 2017	0.50	Completed
8.	Samvit Edu. Trust	August 2017	5.50	Incomplete
9.	Team Lease Service India Ltd.	May 2017	-	-
Total			29.00	

Appendix-6.1

(Reference: Paragraph 6.3)

Details of avoidable payments of demand charges

(Amount in ₹)

Month	Metre No.	Contract Demand	90 per cent of Contract Demand	Actual consumption	Proposed Reduction/ reduced Contract Demand	90 per cent of Contract Demand	Actual Consumption	Rates of Demand Charges	Demand Charges paid	Demand charges payable as per revised contract demand	Avoidable payments
Lift Water Supply Scheme, Gumma											
Jun-18	1112605289	4,557.77	4,101.99	2,415.6	1,500	1,350	2,415.6	400	16,40,797	9,66,240	6,74,557
Jul-18		4,557.77	4,101.99	707.6	1,500	1,350	707.6	400	16,40,797	5,40,000	11,00,797
Aug-18		4,557.77	4,101.99	bill unavailable	1,500	1,350	bill unavailable	400	16,40,797	5,40,000	11,00,797
Sep-18		4,557.77	4,101.99	0	1,500	1,350	0	400	16,40,797	5,40,000	11,00,797
Oct-18		4,557.77	4,101.99	0	1,500	1,350	0	400	16,40,797	5,40,000	11,00,797
Nov-18		4,557.77	4,101.99	0	1,500	1,350	0	400	16,40,797	5,40,000	11,00,797
Dec-18		4,557.77	4,101.99	0	1,500	1,350	0	400	16,40,797	5,40,000	11,00,797
Jan-19		4,557.77	4,101.99	0	1,500	1,350	0	400	16,40,797	5,40,000	11,00,797
Feb-19		4,557.77	4,101.99	0	1,500	1,350	0	400	16,40,797	5,40,000	11,00,797
Mar-19		4,557.77	4,101.99	bill unavailable	1,500	1,350	bill unavailable	400	16,40,797	5,40,000	11,00,797
Apr-19		4,557.77	4,101.99	1,575	1,500	1,350	1,575	400	16,40,797	6,30,000	10,10,797

Month	Metre No.	Contract Demand	90 per cent of Contract Demand	Actual consumption	Proposed Reduction/ reduced Contract Demand	90 per cent of Contract Demand	Actual Consumption	Rates of Demand Charges	Demand Charges paid	Demand charges payable as per revised contract demand	Avoidable payments
May-19		4,557.77	4,101.99	1,625	1,500	1,350	1,625	400	16,40,797	6,50,000	9,90,797
Jun-19		4,557.77	4,101.99	1,625	1,500	1,350	1,625	400	16,40,797	6,50,000	9,90,797
Jul-19		4,557.77	4,101.99	1,650	1,500	1,350	1,650	300	12,30,598	4,95,000	7,35,598
Aug-19		4,557.77	4,101.99	0	1,500	1,350	0	300	12,30,598	4,05,000	8,25,598
Sep-19		4,557.77	4,101.99	525	1,500	1,350	525	300	12,30,598	4,05,000	8,25,598
Oct-19		4557.77	4101.99	1625	1500	1350	1625	300	1230598	487500	743098
Nov-19		4557.77	4101.99	1625	1500	1350	1625	300	1230598	487500	743098
Dec-19		4557.77	4101.99	bill unavailable	1500	1350	bill unavailable	300	1230598	405000	825598
Jan-20		4557.77	4101.99	1650	1500	1350	1650	300	1230598	495000	735598
Feb-20		4557.77	4101.99	1650	1500	1350	1650	300	1230598	495000	735598
Mar-20		4557.77	4101.99	1700	1500	1350	1700	300	1230598	510000	720598
Apr-20		4557.77	4101.99	1825	1500	1350	1825	300	1230598	547500	683098
Total (A)									33636341	12488740	21147601
Aug-18	112605290	5868.61	5281.75	bill unavailable	4000	3600	bill unavailable	400	2112700	1440000	672700
Sep-18		5868.61	5281.75	3625	4000	3600	3625	400	2112700	1450000	662700

Month	Metre No.	Contract Demand	90 per cent of Contract Demand	Actual consumption	Proposed Reduction/ reduced Contract Demand	90 per cent of Contract Demand	Actual Consumption	Rates of Demand Charges	Demand Charges paid	Demand charges payable as per revised contract demand	Avoidable payments
Oct-18		5868.61	5281.75	3625.4	4000	3600	3625.4	400	2112700	1450160	662540
Nov-18		5868.61	5281.75	3922.1	4000	3600	3922.1	400	2112700	1568840	543860
Dec-18		5868.61	5281.75	3948	4000	3600	3948	400	2112700	1579200	533500
Jan-19		5868.61	5281.75	4012	4000	3600	4012	400	2112700	1604800	507900
Feb-19		5868.61	5281.75	3886	4000	3600	3886	400	2112700	1554400	558300
Mar-19		5868.61	5281.75	bill unavailable	4000	3600	bill unavailable	400	2112700	1440000	672700
Apr-19		5868.61	5281.75	3728.9	4000	3600	3728.9	400	2112700	1491560	621140
May-19		5868.61	5281.75	3807	4000	3600	3807	400	2112700	1522800	589900
Jun-19		5868.61	5281.75	3807	4000	3600	3807	400	2112700	1522800	589900
Jul-19		5868.61	5281.75	3810	4000	3600	3810	300	1584525	1143000	441525
Aug-19		5868.61	5281.75	0	4000	3600	0	300	1584525	1080000	504525
Sep-19		5868.61	5281.75	3870	4000	3600	3870	300	1584525	1161000	423525
Oct-19		5868.61	5281.75	3750	4000	3600	3750	300	1584525	1125000	459525
Nov-19		5868.61	5281.75	3750	4000	3600	3750	300	1584525	1125000	459525
Dec-19		5868.61	5281.75	3860	4000	3600	3860	300	1584525	1158000	426525

Month	Metre No.	Contract Demand	90 <i>per cent</i> of Contract Demand	Actual consumption	Proposed Reduction/ reduced Contract Demand	90 <i>per cent</i> of Contract Demand	Actual Consumption	Rates of Demand Charges	Demand Charges paid	Demand charges payable as per revised contract demand	Avoidable payments
Jan-20		5868.61	5281.75	3980	4000	3600	3980	300	1584525	1194000	390525
Feb-20		5868.61	5281.75	3980	4000	3600	3980	300	1584525	1194000	390525
Mar-20		5868.61	5281.75	3690	4000	3600	3690	300	1584525	1107000	477525
Apr-20		5868.61	5281.75	2750	4000	3600	2750	300	1584525	1080000	504525
Total (B)									39084950	27991560	11093390
Lift Water Supply Scheme, Ashwani Khad											
Jul-19	12383282	718	646.2	320	400	360	320	300	193860	108000	85860
Aug-19		718	646.2	bill unavailable	400	360	bill unavailable	300	193860	108000	85860
Sep-19		718	646.2	bill unavailable	400	360	bill unavailable	300	193860	108000	85860
Oct-19		718	646.2	340	400	360	340	300	193860	108000	85860
Nov-19		718	646.2	360	400	360	360	300	193860	108000	85860
Dec-19		718	646.2	350	400	360	350	300	193860	108000	85860
Jan-20		718	646.2	347.3	400	360	347.3	300	193860	108000	85860
Feb-20		718	646.2	362.1	400	360	362.1	300	193860	108630	85230
Mar-20		718	646.2	337.6	400	360	337.6	300	193860	108000	85860

Month	Metre No.	Contract Demand	90 <i>per cent</i> of Contract Demand	Actual consumption	Proposed Reduction/ reduced Contract Demand	90 <i>per cent</i> of Contract Demand	Actual Consumption	Rates of Demand Charges	Demand Charges paid	Demand charges payable as per revised contract demand	Avoidable payments
Apr-20		718	646.2	350	400	360	350	300	193860	108000	85860
May-20		718	646.2	bill unavailable	400	360	bill unavailable	300	193860	108000	85860
Jun-20		718	646.2	bill unavailable	400	360	bill unavailable	300	193860	108000	85860
Jul-20		718	646.2	bill unavailable	400	360	bill unavailable	300	193860	108000	85860
Total (C)									2520180	1404630	1115550
Jun-19	12249906	1470	1323	364.1	400	360	364.1	400	529200	145640	383560
Jul-19		1470	1323	bill unavailable	400	360	bill unavailable	300	396900	108000	288900
Aug-19		1470	1323	362.1	400	360	362.1	300	396900	108630	288270
Sep-19		1470	1323	bill unavailable	400	360	bill unavailable	300	396900	108000	288900
Oct-19		1470	1323	367	400	360	367	300	396900	110100	286800
Nov-19		1470	1323	bill unavailable	400	360	bill unavailable	300	396900	108000	288900
Dec-19		1470	1323	366.6	400	360	366.6	300	396900	109980	286920
Jan-20		1470	1323	367.8	400	360	367.8	300	396900	110340	286560
Feb-20		1470	1323	369	400	360	369	300	396900	110700	286200
Mar-20		1470	1323	367.5	400	360	367.5	300	396900	110250	286650

Month	Metre No.	Contract Demand	90 <i>per cent</i> of Contract Demand	Actual consumption	Proposed Reduction/ reduced Contract Demand	90 <i>per cent</i> of Contract Demand	Actual Consumption	Rates of Demand Charges	Demand Charges paid	Demand charges payable as per revised contract demand	Avoidable payments
Apr-20		1470	1323	370	400	360	370	300	396900	111000	285900
May-20		1470	1323	bill unavailable	400	360	bill unavailable	300	3,96,900	108000	288900
Jun-20		1,470	1,323	bill unavailable	400	360	bill unavailable	300	3,96,900	1,08,000	2,88,900
Jul-20		1,470	1,323	bill unavailable	400	360	bill unavailable	300	3,96,900	1,08,000	2,88,900
Total (D)									51,59,700	14,19,000	37,40,700
Grand Total (A+B+C+D)											3,70,97,241

Appendix-6.2

(Reference: Paragraph 6.3)

Details of Low Voltage Supply Surcharge at LWSS, Gumma and Giri

(Amount in ₹)

Sr. No.	Month/ Year	LVSS of LWSS, Gumma				LVSS of LWSS, Giri	
		Meter No. 1112605289	Meter No. 1112605290	Meter No. 1112605291	Meter No. 1112605293	Meter No. HPU00318	Meter No. HPU00204
1.	June 2018	18806	567101	562656	429646	118993	116789
2.	July 2018	19979	620850	656822	455196	57007	56637
3.	August 2018	0	0	0	0	64512	72159
4.	September 2018	0	0	0	0	125449	124741
5.	October 2018	0	0	0	0	229218	231038
6.	November 2018	0	0	0	0	228765	232120
7.	December 2018	0	0	0	0	283522	284658
8.	January 2019	0	0	0	0	200098	199840
9.	February 2019	0	0	0	0	167541	170097
10.	March 2019	0	0	0	0	189540	183747
11.	April 2019	0	0	0	0	207532	217907
12.	May 2019	0	0	0	0	156901	281020
13.	June 2019	88227	702853	519613	640922	171867	----
14.	July 2019	41094	662183	527960	49872	197868	194435
15.	August 2019	24650	703880	605548	43524	181897	178482
16.	September 2019	25819	758978	614136	40761	155536	179704
17.	October 2019	35375	795844	602696	34658	213410	213410
18.	November 2019	29326	726009	586327	38338	202297	200664
19.	December 2019	0	745108	606506	37996	204363	202867
20.	January 2020	34024	831091	620810	43835	178638	169422
21.	February 2020	57931	698564	629200	388241	169131	168766
22.	March 2020	93636	664733	591284	415440	196329	168849
23.	April 2020	95289	619674	551957	395716	171087	176757
24.	May 2020	547	616339	567167	46966	174400	261194
25.	June 2020	475	625465	619377	50552	195597	108414
26.	July 2020	631	600900	----	497987	257653	186247
27.	August 2020	649	584947	531865	519334	165777	225574
28.	September 2020	607	593306	586033	437798	250134	245508
29.	October 2020	643	676133	663443	482059	178821	182536
30.	November 2020	852	817896	638733	475692	204912	200850
31.	December 2020	854	799441	688497	476192	227052	218228
32.	January 2021	917	849570	658386	496907	201867	244810
33.	February 2021	805	770920	558996	429299	208454	198649
34.	March 2021	883	842582	639495	474862	254343	240279
Total		572019	16874367	13827507	7401793	6390511	6336398
Grand Total		51402595					

Glossary

GLOSSARY OF ABBREVIATIONS

AAs	Assessing Authorities
ACSTE	Assistant Commissioner of State Taxes and Excise
AD	Additional demand
ALR	Arrears of Land Revenue
ATN	Action taken notes
BBMB	Bhakra Beas Management Board
BBN	Baddi, Barotiwala and Nalagarh
BEs	Budget Estimates
CBIC	Central Board of Indirect Taxes and Customs
CGST	Central Goods and Services Tax
CL	Country Liquor
CS	Country Spirit
CST	Central Sales Tax
CSTE	Commissioner of State Taxes and Excise
CZ	Central Zone
DC	Deputy Commissioner
DCR	Demand and Collection Register
DCSTE	Deputy Commissioner of State Taxed and Excise
DDO	Drawing and Disbursing Officers
DROs	District Revenue Officers
EA	Excise Announcement
ECL	Electronic Credit Ledger
ED	Electricity Duty
EDP	Ex-Distillery Price
EIU	Economic Intelligence Unit
ENA	Extra Neutral Alcohol
ETD	Excise and Taxation Department
ETI	Excise and Taxation Inspector
GoHP	Government of Himachal Pradesh
GOI	Government of India
GST	Goods and Services Tax
GTO	Gross Turn Over
HIMTAS	Himachal Pradesh Tax Administration System
HoD	Head of the Department
HP	Himachal Pradesh
HPLCRS	Himachal Pradesh Legacy Cases Resolution Scheme
HPLR	Himachal Pradesh Lease Rules
HPGST	Himachal Pradesh Goods Sales Tax
HPVAT	Himachal Pradesh Value Added Tax
HPMVR	Himachal Pradesh Motor Vehicle Rules
HPMVT	Himachal Pradesh Motor Vehicles Taxation
HPPGT	Himachal Pradesh Passengers and Goods Taxation
HPPGTR	Himachal Pradesh Passengers and Goods Tax Rules
HPPWD	Himachal Pradesh Public Works Department
HPSEBL	Himachal Pradesh State Electricity Board Ltd.
HPSFDCL	Himachal Pradesh State Forest Development Corporation Limited
HRTC	Himachal Road Transport Corporation
HSN	Harmonized System of Nomenclature
IAC	Internal Audit Cells
ICDP	Integrated Co-operative Development Projects

IGR	Inspector General of Registration
IGST	Integrated Goods and Services Tax
IMFL	Indian Made Foreign Liquor
IR Act	Indian Registration Act
IRs	Inspection Reports
IS Act	Indian Stamp Act
ISS	Inter State Sales
IT	Information and Technology
ITC	Input Tax Credit
LRA	Land Revenue Act
MGQ	Minimum Guaranteed Quota
MPP & Power	Multi-Purpose Projects and Power
MT	Metric Tone
MVT	Motor Vehicles Tax
NH	National Highway
NOC	No Objection Certificate
NZ	North Zone
OR	Other Road
OTD	Other Taxes and Duties
PA	Performance Audit
PAG	Principal Accountant General
PAC	Public Accounts Committee
PDR	Punjab Distillery Rules
PGT	Passenger and Goods Tax
PLs	Proof Liters
PSCs	Private Stage Carriages
RC	Registration Certificate
RED	Retail Excise Duty
RF	Registration Fee
RLAs	Registering and Licensing Authorities
RR	Rural Road
RTOs	Regional Transport Officers
SD	Stamp Duty
SED	State Excise Duty
SGST	State Goods and Services Tax
SH	State Highway
SOP	Standard Operating Procedure
SRs	Sub Registrars
SRT	Special Road Tax
SSA	Sarv Siksha Abhiyan
SSCA	Subject Specific Compliance Audit
STA	State Transport Authority
SZ	South Zone
TDN	Tax Demand Notice
TDS	Tax Deducted at Source
TTO	Taxable Turn Over
VAT	Value Added Tax
WCT	Work Contract Tax

**© COMPTROLLER AND
AUDITOR GENERAL OF INDIA
<https://cag.gov.in>**

<https://cag.gov.in/ag/himachal-pradesh>