SUPREME AUDIT INSTITUTION OF INDIA

लोकहितार्थ सत्यनिष्ठा

Dedicated to Truth in Public Interest

Report of the Comptroller and Auditor General of India on State Revenues for the period ended March 2023

Government of Jharkhand

Report No. 4 of 2026

(Performance and Compliance Audit-Revenue)

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PREFACE

PREFACE

This Report for the year ended March 2023 has been prepared for submission to the Governor of Jharkhand under Article 151 of the Constitution of India.

The Report contains significant results of audit of selected departments of the Government of Jharkhand including the Department of Transport; Excise and Prohibition Department; Department of Commercial Taxes and; Revenue, Registration and Land Reforms Department.

The instances mentioned in this Report are those which came to notice in the course of test audit for the period 2022-23, as well as those which came to notice in earlier years but could not be reported in the previous Audit Reports. Instances relating to the period subsequent to 2022-23 have also been included, wherever necessary.

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

CHAPTER-I

OVERVIEW

CHAPTER I

Overview

1.1 Introduction

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

This Report has been organised in three chapters, as under:

- **Chapter 1** contains the overview of the trend of revenue raised by the Government of Jharkhand and arrears of taxes pending collection, response of the Government to Inspection Reports, Compliance Audits, follow-up of Audit Reports *etc.*, and significant audit observations in this Report.
- **Chapter 2** contains observations relating to Performance Audit on 'E-Way Bills System under GST'.
- **Chapter 3** contains Compliance Audits on 'Departments' oversight on GST payment and return filing' and 'Cross verification of turnover disclosed by the taxpayers under GST with data/information obtained from other Central/State Government departments' and paragraphs relating to the Department of Transport; Excise and Prohibition Department; and Revenue, Registration and Land Reforms Department.

1.2 Trend of receipts

1.2.1 The tax and non-tax revenue raised by the Government of Jharkhand, the State's share of net proceeds of divisible Union taxes and duties assigned to States and grants-in-aid received from the Government of India during 2022-23 and the corresponding figures for the preceding four years, are presented in **Table – 1.1**.

Table – 1.1
Trend of revenue receipts

(₹ in crore)

		2018-19	2019-20	2020-21	2021-22	2022-23
1	**Revenues raised by the State Government**					
	• Tax revenue	14,752.04	16,771.45	16,880.08	21,289.61	25,117.51
	Percentage of growth compared to previous year	**19.42**	**13.69**	**0.65**	**26.12**	**17.98**
	• Non-tax revenue	8,257.98	8,749.98	7,564.01	10,030.75	12,830.05
	Percentage of growth compared to previous year	**5.24**	**5.96**	**(-) 13.55**	**32.61**	**27.91**
	Total	**23,010.02**	**25,521.43**	**24,444.09**	**31,320.36**	**37,947.56**
2	**Receipts from the Government of India**					
	• State's share of divisible Union taxes and duties	23,906.16	20,593.04	19,712.23	27,734.64	31,404.12
	• Grants-in-aid	9,235.52	12,302.67	11,993.41	10,666.86	10,893.54
	Total	**33,141.68**	**32,895.71**	**31,705.64**	**38,401.50**	**42,297.66**

Table – 1.1
Trend of revenue receipts

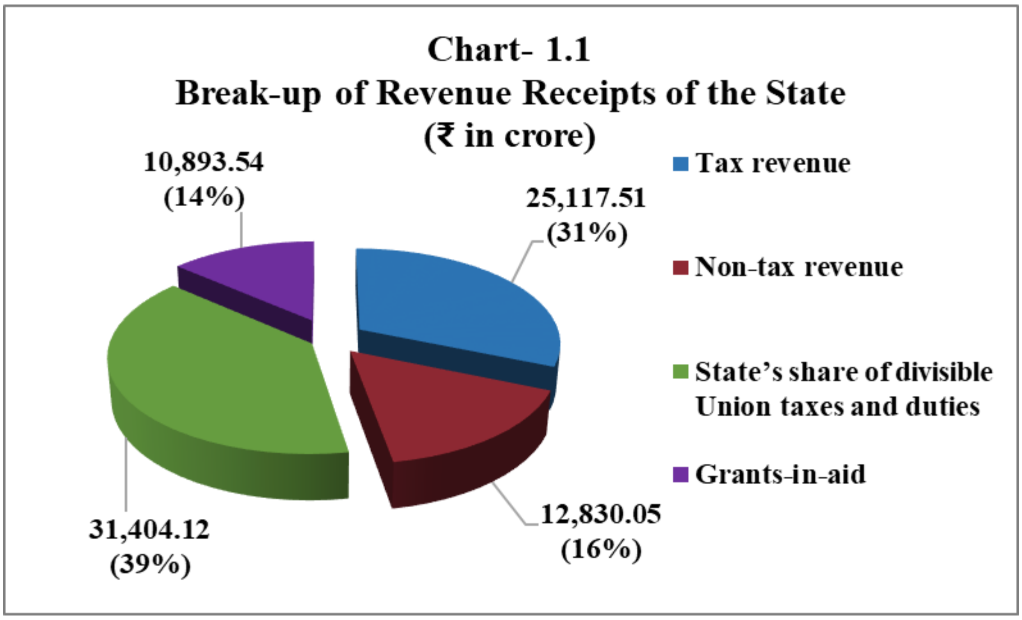
(₹ in crore)

		2018-19	2019-20	2020-21	2021-22	2022-23
3	Total receipts of the State Government (1 & 2)	56,151.70	58,417.14	56,149.73	69,721.86	80,245.22
4	Percentage of 1 to 3	41	44	44	45	47

Source: Finance Accounts of the Government of Jharkhand.

The above table indicates that during the year 2022-23, the revenue raised by the State Government (₹ 37,947.56 crore) was just 47 *per cent* of the total revenue receipts. The balance 53 *per cent* of receipts during 2022-23 was from the Government of India. Tax revenue and non-tax revenue raised by the State Government increased by 17.98 *per cent* and 27.91 *per cent* respectively in 2022-23, over 2021-22.

The break-up of revenue receipts of the State for the year 2022-23 is shown in **Chart - 1.1**.



1.2.2 Details of tax revenue raised during the period 2018-19 to 2022-23 are given in **Table - 1.2**.

Table – 1.2
Details of Tax Revenue

(₹ in crore)

Sl. No.	Head of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage of increase (+) or decrease (-) in 2022-23 over 2021-22
1	Taxes on Sales, Trade *etc.*	3,474.96	3,996.33	4,300.89	5,213.40	6,270.53	20.28
2	State Goods and Services Tax	8,200.84	8,417.72	7,930.56	9,557.40	11,374.02	19.01
3	State Excise	1,082.82	2,009.27	1,821.09	1,806.61	2,056.88	13.85
4	Stamps and Registration Fees	451.04	560.33	708.14	987.24	1,107.64	12.19

Table – 1.2
Details of Tax Revenue

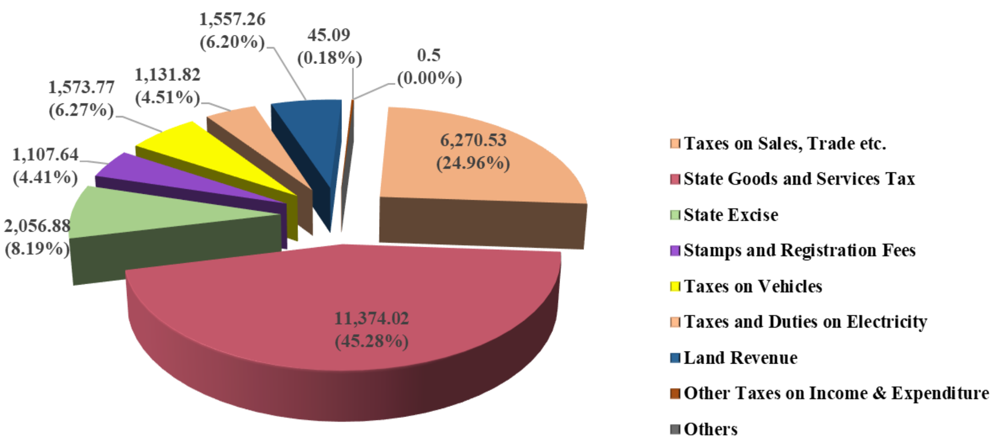
(₹ in crore)

Sl. No.	Head of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage of increase (+) or decrease (-) in 2022-23 over 2021-22
5	Taxes on Vehicles	863.94	1,128.98	976.35	1,262.78	1,573.77	24.63
6	Taxes and Duties on Electricity	209.07	236.24	195.26	791.72	1,131.82	42.96
7	Land Revenue	389.38	337.98	872.93	1,621.21	1,557.26	(-) 3.94
8	Other Taxes on Income & Expenditure	78.61	83.93	74.77	46.15	45.09	(-) 2.42
9	Others	1.38	0.67	0.09	3.10	0.50	(-) 83.87
Total		**14,752.04**	**16,771.45**	**16,880.08**	**21,289.61**	**25,117.51**	**17.98**

Source: Finance Accounts of the Government of Jharkhand.

The break-up of tax revenue for the year 2022-23 is shown in **Chart - 1.2**.

Chart 1.2
Break-up of Tax Revenue for 2022-23
(₹ in crore)



The reasons for variation in receipts in 2022-23, from those of 2021-22, in respect of some principal heads of tax revenue, were as under:

Taxes on Sales, Trade *etc.*: This head showed an increase of 20.28 *per cent*. During 2022-23, receipts under minor head '102- Receipts under State Sales Tax Act' increased to ₹ 6,263.12 crore from ₹ 5,188.95 crore in 2021-22.

State Goods and Services Tax: There was an increase of 19.01 *per cent* under State Goods & Service Tax collected by the Commercial Taxes Department. During 2022-23, receipts from minor head '106-Apportionment of IGST-Transfer-in of Tax component of SGST' increased to ₹ 1,527.90 crore from ₹ 818.32 crore during 2022-23.

State Excise: The increase of 13.85 *per cent* was attributed (October 2023) by the Department to implementation of new excise policy and improvement in the market economy after the COVID 19 pandemic.

Stamps and Registration Fees: 'Stamp and Registration Fees' increased by 12.19 *per cent* in 2022-23, over the previous year. Audit noticed that during 2022-23, receipts under minor head '101- Court Fees realised in stamps' increased to ₹ 17.08 crore from ₹ 7.35 crore in 2021-22. Receipts under minor head '102- Sale of stamps' under sub-head '01-Stamps-Judicial' also increased to ₹ 11.66 crore during 2022-23 from ₹ 5.51 crore during 2021-22.

Taxes on Vehicles: The increase of 24.63 *per cent* was attributed (September 2023) by the Department to implementation of revised fees under Rule 74 of JMV Rules, 2001 and Rule 81 of CMV Rules, 1989.

Taxes and Duties on Electricity: The increase of 42.96 *per cent* was attributed (May 2024) by the Commercial Taxes Department, to change in policy/rates for levy of Electricity duty during 2022-23.

Land Revenue: Under this head, there was a decrease of 3.94 *per cent* in 2022-23 but, reasons for the same were not furnished by the Department.

Other Taxes on Income & Expenditure: The Commercial Taxes Department did not furnish any specific reply regarding decrease of 2.42 *per cent* during 2022-23.

1.2.3 Details of non-tax revenue, raised during the period 2018-19 to 2022-23, are shown in **Table – 1.3**.

Table – 1.3
Details of Non-Tax Revenue

(₹ in crore)

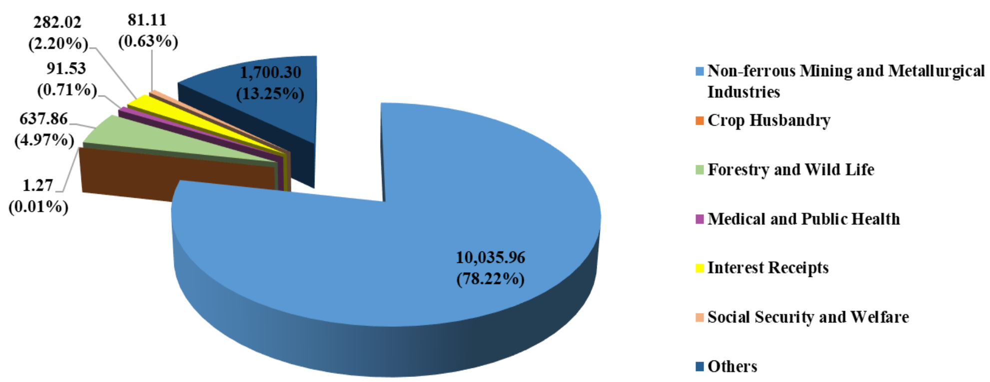
Sl. No.	Head of revenue	2018-19	2019-20	2020-21	2021-22	2022-23	Percentage of increase (+) or decrease (-) in 2022-23 over 2021-22
1	Non-ferrous Mining and Metallurgical Industries	5,934.64	5,461.36	5,012.47	7,535.03	10,035.96	33.19
2	Crop Husbandry	15.23	160.40	555.55	5.34	1.27	(-) 76.13
3	Forestry and Wild Life	14.79	17.59	328.17	655.76	637.86	(-) 2.73
4	Medical and Public Health	25.58	8.75	270.71	8.78	91.53	942.61
5	Interest Receipts	47.20	309.51	81.36	95.54	282.02	195.21
6	Social Security and Welfare	8.46	84.61	18.05	3.21	81.11	2,428.54
7	Others[1]	2,212.08	2,707.76	1,297.70	1,727.09	1,700.30	(-) 1.51
Total		**8,257.98**	**8,749.98**	**7,564.01**	**10,030.75**	**12,830.05**	**27.91**

Source: Finance Accounts of the Government of Jharkhand.

[1] Others include General Services, Social Services and Economic Services.

The break-up of non-tax revenue for the year 2022-23 is shown in **Chart – 1.3**.

Chart-1.3
Break-up of Non-Tax Revenue for 2022-23
(₹ in crore)



The concerned departments did not furnish the reasons for variation despite several requests.

Non-ferrous Mining and Metallurgical Industries: Receipts under 'Non-ferrous Mining and Metallurgical Industries' increased by 33.19 *per cent* in 2022-23, over the previous year. Audit noticed that during 2022-23, receipts under minor head '102- Major Mineral concession fees, rents and royalties' increased from ₹ 7,463.43 crore in 2021-22 to ₹ 9,965.02 crore in 2022-23.

Forestry and Wild Life: Receipts under **'**Forestry and Wild Life' decreased by 2.73 *per cent* in 2022-23 over the previous year. Audit noticed that during 2022-23, receipts under minor head '112-Public Gardens' under sub-head '02-Environment Forestry and Wild Life' decreased to ₹ 379.15 crore from ₹ 493.42 crore in 2021-22.

Medical and Public Health: Receipts under 'Medical and Public Health' increased by 942.61 *per cent* in 2022-23 over the previous year. Audit noticed that receipts under minor head '101- Receipts from Employees State Insurance Scheme' under sub-head '01- Urban Health Services' during 2022-23, increased to ₹ 85.56 crore from ₹ 1.47 lakh in 2021-22.

Social Security and Welfare: Receipts under the head 'Social Security and Welfare' increased by 2,428.54 *per cent* in 2022-23 over the previous year. Audit noticed that recoveries under minor head '800-other receipts under sub head 60- Other Social Security and Welfare Programmes' increased to ₹ 81.04 crore in 2022-23 from ₹ 1.89 crore in 2021-22.

1.3 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2023, in respect of four principal heads of revenue, amounted to ₹ 7,767.37 crore, of which ₹ 6,467.08 crore was outstanding for more than five years, as detailed in **Table-1.4**.

Table-1.4

Arrears of Revenue

(₹ in crore)

Sl. No.	Head of revenue	Arrears as on 31 March 2023	For more than five years as on 31 March 2023	Status of outstanding arrears						
				Demand issued	Stayed by judicial authorities	Stayed by Government	Rectification/ review	Dealer/ party insolvent	Written off	Specific action not intimated
1.	Taxes on Sales, Trade *etc.*	6,739.66	5,690.32	1,188.23	1,616.46	624.42	27.39	74.48	0	3,208.68
2.	Taxes on Vehicles	639.99	435.91	242.15	4.90	---	---	---	---	392.94
3.	State Excise	81.54	38.91	53.43	7.65	0.07	0.11	---	0.16	20.12
4.	Land Revenue	306.18[2]	301.94	Specific action taken in respect of the arrears has not been intimated (March 2026)						
Total		**7,767.37**	**6,467.08**							

The position of arrears of revenue pending collection as on 31 March 2023, in respect of other revenue heads, was not furnished (March 2026), despite active pursuance by Audit.

1.4 Follow up on Audit Reports - summarised position

Discussion of Audit Reports by the Public Accounts Committee

According to the rules of procedure for the internal working of the Committee on Public Accounts, the administrative departments were to initiate *suo moto* action on all Audit Reports/Paragraphs featuring in the Comptroller and Auditor General's Audit Reports, regardless of whether they are taken up for examination by the Public Accounts Committee (PAC) or not. The departments were to furnish detailed Action Taken Notes (ATNs) to PAC, duly vetted by Audit, indicating the remedial action taken or proposed to be taken by them.

The Audit Reports on Revenue for the years 2008-09 to 2019-20 have 287 Audit Paragraphs. Of these, PAC has taken up 89 paragraphs for discussion and made recommendations in respect of three paragraphs and 16 sub-paragraphs. Further, one ATN has been received and action has been taken by the Department concerned in respect to one paragraph.

Further, the Audit Reports of 2000-01 to 2007-08, which were left to the departments for follow-up, had 270 outstanding paragraphs of which 90 paragraphs were taken up for discussion by PAC. Against this, PAC had made recommendations in respect of five paragraphs, ATNs were received in

[2] Data provided upto the year 2021-22.

respect of two paragraphs and action has been taken by the Department in respect of two paragraphs, as detailed in **Table 1.5**.

Table 1.5: Status of PAC discussion

Status	Audit Report for the year 2000-01 to 2007-08	Audit Report for the year 2008-09 to 2019-20
No. of outstanding Audit paragraphs	270	287
Taken up by PAC for discussion	90	89
Not taken up for PAC discussion	180	198
Recommendation made by PAC	5 paras	3 para &16 sub paras
ATN received	2	1[3]
Action taken by the department	2	1[3]

1.5 Response of the departments/Government to Audit

On completion of audit of Government departments and offices, Audit issues Inspection Reports (IRs) to the concerned heads of offices, with copies to their superior officers, for corrective action and their monitoring. Serious financial irregularities are reported to the heads of the departments and the Government.

Review of IRs, issued for the years 2008-09 to 2022-23, revealed that 10,982 paragraphs, relating to 1,167 IRs, remained outstanding at the end of March 2024. The potentially recoverable revenue, as brought out in these IRs, was ₹ 18,471.16 crore, whereas the total revenue receipts of the State were ₹ 37,947.56 crore in 2022-23. Department-wise details, relating to the revenue sector of the State Government, are given in **Table - 1.6**.

Table - 1.6
Department-wise details of outstanding Inspection Reports

(₹ in crore)

Sl. No.	Names of Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved
1	Commercial Taxes	Taxes on Sales, Trade *etc.*	313	5,729	8,938.52
		Entry Tax	5	5	9.54
		Taxes and Duties on Electricity	12	55	93.65
2	Excise and Prohibition	State Excise	185	1,132	1,155.30
3	Revenue, Registration and Land Reforms	Land Revenue	128	954	4,571.41
4		Stamps and Registration Fees	157	779	37.27
5	Transport	Taxes on Vehicles	188	1,449	877.84
6	Mines and Geology	Non-ferrous Mining and Metallurgical Industries	179	879	2,787.63
Total			**1,167**	**10,982**	**18,471.16**

Even the first replies, required to be submitted by the heads of offices within one month from the date of issue of the IRs, were not received for 286 IRs issued from 2008-09 onwards.

3 PAC Report no: 18, Para 7.6.1/AR 2009-10, Non-levy of interest for delayed payment of royalty, Mining Department, GOJ.

1.6 Results of audit

Audit covered four departments[4] of the State Government and test-checked the records of 85 out of 650 auditable units (13 *per cent*) relating to taxes on sales, trade *etc.*, state excise, taxes on vehicles, land revenue and stamp and registration fees during the year 2022-23. In these four departments, revenue of ₹ 10,891.25 crore was collected during 2021-22, out of which 85 audited units collected ₹ 7,748.59 crore (71.15 *per cent*). In the 85 audited units, Audit noticed non- collection of tax from transport vehicles, non-realisation of one-time tax, non-levy of green tax, short levy of one-time tax from construction equipment vehicles, non-realisation of differential excise duty, short levy of establishment cost, incorrect allowance of exemption of stamp duty and registration fees, *etc*. Additionally, Audit conducted a Performance Audit on 'E-Way Bill System under Goods and Services Tax' and two Compliance Audits on 'Cross verification of turnover disclosed by the taxpayer under GST with data/information obtained from other Central/State Government Departments' and 'Departments' oversight on GST payment and return filing'. The financial implication of irregularities noticed in audit amounted to ₹ 4,707.22 crore of which the departments concerned have accepted under-assessment and other deficiencies of ₹ 1,074.98 crore in 1,57,185 cases pointed out by Audit and effected recovery of ₹ 23.56 crore in 2,165 cases.

This Report contains one Performance Audit, two Subject Specific Compliance Audits and 12 selected paragraphs from the local audit conducted during the year including those of earlier years which could not be included in the previous reports. The financial effect of irregularities featuring in the Report amounts to ₹ 4,324.44 crore of which the department/Government have accepted audit observations involving ₹ 859.43 crore and recovered ₹ 23.56 crore.

The errors/omissions pointed out are on the basis of a test audit. The Department/Government may, therefore, undertake a thorough review of all units, to check whether similar errors/omissions have taken place elsewhere, and, if so, rectify them; and put a system in place that would prevent such errors/omissions.

1.7 Significant audit observations in this Report

Significant observations contained in this Report are discussed in brief in the following paragraphs.

Performance Audit on "E-way Bills System under GST"

Performance Audit on E-Way Bills System under GST for the period 2018-19 to 2021-22 was conducted to assess whether EWB mechanism was effective in protecting revenue interest of the Government; and whether the preventive/enforcement activities of the Department in enforcing EWB provisions were efficient and effective.

[4] Commercial Taxes, Excise and Prohibition, Revenue, Registration and Land Reforms and Transport Department.

Significant audit findings are presented below:

For 41 EWBs with assessable value of ₹39.13 crore (2018-22), GSTR-1 contained only the total number of records and invoice value and did not provide invoice-wise details, as required under the Rules, preventing Audit from verifying whether taxes on these EWBs were correctly reported and paid. Accordingly, Audit could not ascertain whether the invoices mentioned in the EWBs were included in the corresponding GSTR-1 and the taxes were paid for these EWBs.

(Paragraph 2.1.10)

In two cases, taxpayers falling under Dhanbad Urban and Jamshedpur circles generated 15 E-way Bills (EWBs) for outward supplies of taxable value amounting to ₹ 2.20 crore between April and July 2018 while filing *nil* returns, evading tax liability of ₹ 64.53 lakh (including interest and penalty) due to absence of system linkage between GSTN and EWB portals.

(Paragraph 2.1.11.1)

There was no system in place to detect outstanding tax liability and auto-refusal of new registration on same PAN where there was outstanding liability, resulting in re-registration of taxpayers, having outstanding liability of ₹ 5.02 lakh, on same PAN, in other States.

(Paragraph 2.1.11.2)

Two taxpayers falling under two circles (Dhanbad Urban and Ramgarh) generated 84 EWBs involving taxable value of ₹ 73.67 lakh after effective date of cancellation of GST registration which resulted in non-payment of tax amounting to ₹ 15.41 lakh (including interest and penalty).

(Paragraph 2.1.11.3)

Four taxpayers pertaining to three circles (Dhanbad, Jamshedpur and Ranchi West) generated multiple EWBs with the support of same invoice involving tax amounting to ₹ 16.63 lakh, indicating lack of validation controls in the EWB Common Portal to restrict generation of multiple EWBs using same invoices.

(Paragraph 2.1.11.4)

Data analysis of 19 taxpayers out of 23 sampled taxpayers indicated that four taxpayers had not reported outward supplies in GSTR 1 in comparison to EWBs generated, six taxpayers had reported outward supply in GSTR 1 but had not discharged their tax liabilities and in case of seven taxpayers there was discrepancy between ITC availed and actual ITC available. The non-discharge of tax liability/incorrect claim of ITC in these cases amounted to ₹ 343.58 crore (including interest and penalty of ₹ 34.90 crore).

(Paragraph 2.1.11.6)

Scrutiny of records of nine taxpayers holding multiple registrations under the same PAN across seven Circles (Hazaribagh, Jamshedpur, Jamshedpur Urban, Pakur, Ranchi East, Ranchi West, and Sahibganj) showed deficiencies in tax compliance in respect of six taxpayers, resulting in a total tax liability of ₹ 2.19 crore, which includes interest and penalty of ₹ 1.69 lakh.

(Paragraph 2.1.11.9)

There was acute shortage of supporting staff, with no provision for dedicated units and patrol vehicles for verification of EWBs in three out of four test-checked IB divisions.

(Paragraph 2.1.12)

Recommendations:

- ***The Department may address GSTN to capture the invoice-wise details in GSTR-1 as per the provisions of Rules.***
- ***The Department may address GSTN and NIC to interlink both the portals to generate notifications/alerts in the E-Way Bills System in case of NIL filers generating E-Way Bills.***
- ***The Department may address GSTN and NIC to interlink both the portals so as to generate notifications/alerts in the E-Way Bills System in case of non-filers generating EWBs and strengthen the GSTN System for detection of outstanding tax liability and auto refusal of new registration on the same PAN where tax liability is outstanding against the earlier registration.***
- ***The Department may address NIC to incorporate validation controls to prevent generation of EWBs by taxpayers whose GST registration is already cancelled.***
- ***The Department may address NIC to modify the EWB portal to prevent generation of multiple EWBs with the same invoice.***
- ***The Department may issue instructions to the proper officers to prioritise the scrutiny of returns of taxpayers whose returns showed mismatch of ITC.***
- ***The Department may ensure that analytical reports covering all key problem areas are generated periodically and shared with the jurisdictional authorities concerned for initiating further necessary action.***
- ***The Department may set up dedicated units for verification of EWB analytical reports to improve the efficiency of preventive function.***
- ***The Department may ensure that proper officers create timely demand of the tax and penalty in the electronic ledger.***

Audit on "Cross Verification of turnover disclosed by the taxpayers under Goods and Services Tax with data/information obtained from other Central /State Government Departments"

The Department had not evolved a mechanism for monitoring of collection of information from external/internal sources by the Bureau of Investigation (IB). Out of five divisions of IB, four divisions had not discharged their function regarding collection of data/information from other external/internal sources during 2018-21.

(Paragraph 3.1.7)

The Department did not identify 23 taxpayers who had disclosed sale of goods and services for ₹ 95.43 crore in their ITRs and were, therefore, liable for registration under JGST Act, 2017. Due to non-registration, tax up to ₹ 31.10 crore, including applicable interest and penalty, was not collected from them.

(Paragraph 3.1.8.1)

There was mismatch in taxable turnover of ₹ 315.42 crore, as per ITRs *vis-à-vis* GST returns in case of 15 taxpayers at 10 CTCs. These taxpayers remained undetected by CTD which had a potential tax implication of ₹ 103.85 crore including applicable interest and penalty.

(Paragraph 3.1.8.2)

Three taxpayers were required to pay GST at the rate of 12 and 28 *per cent* in accordance with nature of business declared by them in the ITR; however, these taxpayers had paid GST at the incorrect rate of 5, 12 and 18 *per cent* resulting in short payment of tax of ₹ 19.62 crore including applicable interest and penalty.

(Paragraph 3.1.8.3)

Three taxpayers registered at three CTCs misclassified taxable supplies as exempted supplies due to the absence of integration between GSTN and ITD databases, which prevented cross-verification of exemptions claimed with the corresponding GST returns. This led to short collection of tax amounting to ₹ 7.38 crore, inclusive of applicable interest and penalty, as per the provisions of the Act.

(Paragraph 3.1.8.4)

In the absence of a mechanism for inter-departmental exchange or access of data and information, the CTD did not identify nine unregistered taxpayers, who were liable to be registered under JGST Act, and two taxpayers, who were granted registration post execution of works contracts. This resulted in a potential implication of GST of ₹ 4.85 crore.

(Paragraph 3.1.9.1)

There was mismatch of ₹ 355.94 crore between taxable turnover disclosed in GST returns in comparison to payments received from execution of works contracts and supplies made from/to other Central/State GDs in case of 96 taxpayers at 23 CTCs and consequentially tax up to ₹ 139.15 crore including applicable interest and penalty was not collected from them.

(Paragraph 3.1.9.2)

In nine CTCs, 13 taxpayers were involved in execution of work contracts, mining support services, transportation of coal, repair and maintenance work *etc*. and were liable to pay GST at the rate of 12 and 18 *per cent* as per provisions of JGST Act, 2017. However, these taxpayers had short paid tax of ₹ 38.46 crore by incorrectly applying GST at the rate of 5 and 12 *per cent*.

(Paragraph 3.1.9.3)

Four taxpayers registered in four CTCs were not eligible for tax exemption as they were involved in supply of taxable services on which TDS under Section 51 of JGST Act was deducted. However, these taxpayers had availed incorrect exemption from GST on taxable supplies of ₹ 27.08 crore and consequential short payment of tax of ₹ 9.80 crore including applicable interest and penalty.

(Paragraph 3.1.9.4)

In the absence of a system for exchange or access of data and information between IBM and CTD, three lessees paid royalty and GST on different turnover despite dispatch quantity being same resulting in short payment of GST of ₹ 64.53 crore by these taxpayers.

(Paragraph 3.1.10)

Three taxpayers registered at three CTCs had short accounted imported goods of ₹ 27.17 crore and consequently, IGST payment including applicable interest and penalty of ₹ 8.48 crore was short paid.

(Paragraph 3.1.11)

Recommendations:

- ***The Department may take necessary steps to prescribe the mechanism in terms of specifying format, manner and periodicity for filing of information returns and monitoring of collection of data/information from external/internal sources and verification thereof with GST returns.***
- ***The Department may implement a system for seamless exchange/access of data/information between ITD and CTD to verify turnover, availment of exemption and application of correct rate of GST.***
- ***The Department may incorporate additional details in Form GSTR-7 regarding nature of services/commodities supplied for cross verifying the application of correct GST rate in the GST returns by the suppliers.***
- ***The Department may consider leveraging the average sales price of minerals as declared by IBM for verification of taxable turnover under GST, in view of large mineral deposits in the State.***

Audit on "Departments' oversight on GST payment and return filing"

Out of 3,675 non-filers identified in 10 Circles during 2020-21, registration of only 1,698 were cancelled with delays ranging between six and 1,907 days.

In the selected 10 CTCs, proper officers identified 2,066 late filers and levied interest of ₹ 0.26 crore during 2020-21. However, as per data available on the Department's backend portal, a total of 14,047 late filers existed in the selected CTCs during the same period, on whom interest amounting to ₹ 21.34 crore was leviable. Consequently, interest of ₹ 21.08 crore remained unrecovered.

(Paragraph 3.2.6.1)

Less than two *per cent* (6,109 of 5,00,785) returns filed during the period 2020-21 were scrutinized. and recovery proceedings were not initiated for dues amounting to ₹ 590.29 crore. During 2018–23, the Department scrutinised 19,421 returns and issued 3,330 demand orders in the selected 10 CTCs, raising an additional demand of ₹ 705.01 crore. Of this, only ₹ 114.72 crore was recovered. However, recovery proceedings in respect of the remaining demand of ₹ 590.29 crore, though required to be initiated as per the provisions of the Act, were not initiated.

(Paragraphs 3.2.6.2)

Out of 5,140 cancellations, 92.67 *per cent* taxpayers did not file final return (GSTR-10). Further, a scrutiny of the liability registers across nine of the ten test-checked CTCs indicated that 299 registrations were cancelled without verifying an outstanding liability of ₹77.55 crore. In addition, while granting re-registrations on the same PAN to the six taxpayers, the proper officers did not verify the outstanding liabilities amounting to ₹11.11 crore pertaining to the previously cancelled registrations on those PANs.

(Paragraph 3.2.6.3)

During 2019–22, only 107 taxpayers (0.1 *per cent*) were selected annually for internal audit across three audit divisions. Of these, audits of only 10 to 14 taxpayers were actually completed during the period, indicating ineffective internal control and inadequate monitoring.

(Paragraph 3.2.6.3)

Audit identified 249 cases of ITC and tax liability mismatches totaling ₹883.80 crore, accounting for more than 83 *per cent* of all inconsistencies addressed by the Department. Major deviations included short interest payments, unsettled liabilities, non-filing of GSTR-3B and ITC mismatch. Additionally, turnover mismatches totaling ₹13,966.60 crore were observed in 90 cases, with the Department initiating action in 79 (87.78 *per cent*) of them. Out of these cases, the Department has recovered or issued demand order for ₹ 205.07 crore in 81 cases and issued show cause notice for ₹ 81.41 crore in 36 cases relating to mismatch of tax liability/ITC.

(Paragraph 3.2.7.1)

There were ITC mismatches between GSTR-2A and GSTR-3B/9, Unreconciled ITC, Reversal of ITC, Mismatch in ISD credit availment, Mismatch in Reverse Charge Mechanism ITC, excess ITC availed on capital goods in 131 cases involving ₹ 1,820.82 crore in eight Circles.

(Paragraph 3.2.8.3)

There were mismatches of tax liability between GSTR-1, GSTR-9 and GSTR-3B, between books of accounts and returns, taxable turnover *etc.* in 81 cases involving ₹ 2,034.31 crore for the period 2018-21.

(Paragraph 3.2.8.4)

Recommendations:

- ***The Department may devise and implement a mechanism for disposal of the cancellation procedure within the prescribed time limit and take necessary steps for verification of outstanding liabilities against previously cancelled registrations, while granting new registrations against the same PANs.***
- ***The Department may take necessary steps for completion of internal audit of the remaining taxpayers and may enhance the sample size of taxpayers for internal audit.***

- ***The Department may initiate remedial action for all the compliance deviation/inconsistencies brought out in this report before they get time barred.***

Individual observations/Paragraphs

Transport Department

Tax and penalty of ₹ 111.24 crore, realisable from defaulting owners of 8,656 transport vehicles, were not collected by the DTOs.

Tax validity of 1,24,436 transport vehicles in the State had expired on 31 March 2022. However, the DTOs had neither generated the list of defaulters from the *VAHAN* application nor had they raised demands for outstanding taxes. This resulted in non-collection of motor vehicle tax, penalty and Green tax (for vehicles more than 12 years old) from defaulting owners of 8,656 transport vehicles amounting to ₹ 111.24 crore.

(Paragraph 3.5)

One-time tax and penalty of ₹ 21.58 crore, realisable from defaulting owners of 8,227 vehicles brought under the purview of One-Time Tax, was not collected by the DTOs.

(Paragraph 3.6)

In the absence of a mechanism for monitoring payment of tax by owners of vehicles plying under reciprocal agreement, tax and penalty of ₹ 2.39 crore from 101 public service vehicles (other States) was not collected.

(Paragraph 3.7)

Inadequate mapping of business rules in the application software resulted in non-levy of Green Tax of ₹ 1.58 crore, realisable from owners of 5,273 transport vehicles (more than 12 years old) for the period May 2019 to September 2024.

(Paragraph 3.8)

One-Time Tax and penalty of ₹ 22.09 crore was short realised due to misclassification of 866 vehicles during the period April 2019 to March 2023.

(Paragraph 3.9)

Lack of monitoring by the Department resulted in loss of revenue amounting to ₹ 4.86 crore against 92,481 temporary registrations in respect of transport vehicles issued by the registering authorities during the period April 2021 to April 2022.

(Paragraph 3.10)

Incorrect mapping of provision for levy of penalty in the application software on delayed payment of taxes resulted in non/short levy of penalty of ₹ 2.93 crore during the period between April 2019 and March 2023.

(Paragraph 3.11)

Lack of due diligence on the part of tax authorities in implementing the revised rates of tax resulted in short levy and collection of taxes amounting to

₹ 2.51 crore from owners of test-checked 778 vehicles during 31 January 2019 to 31 July 2022.

(Paragraph 3.12)

Subsequent authorisation during the currency period of national permits for transport vehicles was not done leading to non-realisation of consolidated fee and authorisation fee of ₹ 3.98 crore from 865 national permit holders during the period between 2018 and 2022.

(Paragraph 3.13)

Excise and Prohibition Department

Non-adherence to Departmental instructions by the authorities concerned and lack of monitoring resulted in non-realisation of differential excise duty amounting to ₹ 1.07 crore on the opening stock of Indian Made Foreign Liquor lying with 38 companies as of 10 February 2021.

(Paragraph 3.16)

The Department did not levy late fee of ₹ 13.52 crore and ₹ 10 crore on delayed payment of Minimum Guaranteed Duty (₹ 2.42 crore) and Excise Transport Duty (₹ 43.85 crore) respectively. Further, Minimum Guaranteed Duty of ₹ 86.06 lakh and Excise Transport Duty of ₹ 3.52 lakh remained outstanding.

(Paragraph 3.17)

Revenue, Registration and Land Reforms Department

Land Revenue

In six out of 21 land acquisition schemes implemented between 2019-20 and 2022-23, the Department levied establishment charge at the rate of 2.5 *per cent* instead of the stipulated five *per cent* of the compensation amount. This resulted in short levy of establishment charges amounting to ₹ 1.28 crore.

(Paragraph 3.20)

CHAPTER-II

PERFORMANCE AUDIT

CHAPTER II

COMMERCIAL TAXES DEPARTMENT

2.1 Performance Audit on E-Way Bills System under GST

2.1.1 Introduction to E-Way Bills

Goods and Services Tax (GST) has been introduced with effect from 01 July 2017, subsuming a wide range of Indirect taxes based on the paradigm of 'One Nation One Tax'. One of the intended objectives of the GST regime was to improve efficiency in movement of goods and services by reducing process-related time delays.

The key objective behind introduction of the E-Way Bills (EWB) System of Government is to safeguard revenue. EWB is a document required for movement of goods and is designed to capture details of goods before being moved. Automation and standardisation of the entire process was intended to help check tax evasion and shore up GST collections.

The EWB was introduced with effect from 1 April 2018 for all inter-State movement of goods having value exceeding ₹ 50,000. In terms of notification issued in September 2018, (effective from 26.9.2018) in respect of Intra-state movement of goods, EWB shall be required where the consignment value exceeded ₹ One lakh, except for the goods mentioned in Sl. No. i to xii to the notification[5].

2.1.2 Information Systems used for EWBs

The EWB Common portal is managed by the National Informatics Centre (NIC). On the EWB Common Portal, one-time registration of the taxpayer is required for the purpose of generation, extension, cancellation and rejection of EWBs.

The Proper Officers[6] can access the EWB Portal through two means: (i) Logging into the EWB Common Portal through a web browser using the login credentials provided or (ii) Logging into the GST EWB System Mobile application. The functions performed by the proper officer are verification of EWBs, unblocking of EWBs, viewing and accessing MIS reports *etc.*

2.1.3 Processes involved in the EWB System

Rule 138 of the Jharkhand Goods and Services Tax (amended from time to time) provides for the EWB mechanism. The EWB system includes various processes such as the Enrolment of the required persons in the portal, Generation of E-Way bill, Extension, Cancellation and Rejection of the EWBs generated. The entire process flow of EWB system under GST is depicted in **Figure 1**.

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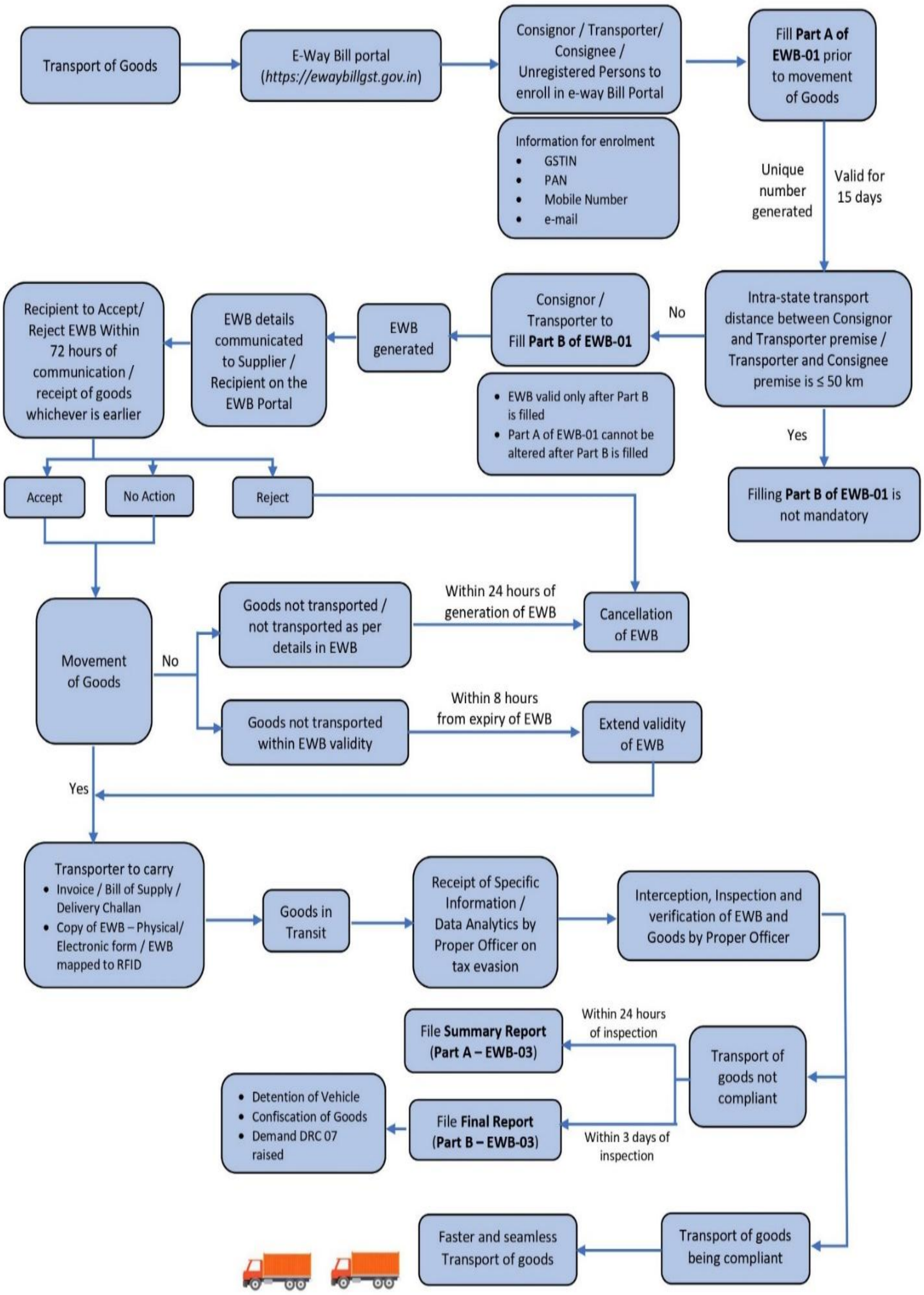
[5] Iron and steel, Sponge iron, Coal including coke in all its forms, Motor parts, All kinds of edible oil, Tobacco/Tobacco products, Cigarette, Gutkha and Pan Masala, Iron Ore, Ferrous and non-ferrous metal and scrap thereof, Cement, Tiles, Marble and granite, Timber and timber products, All types of plywood, block board, flush doors, decorative and laminated sheets.

[6] Proper officer is an officer who is assigned any function to be performed under the JGST ACT, 2017.

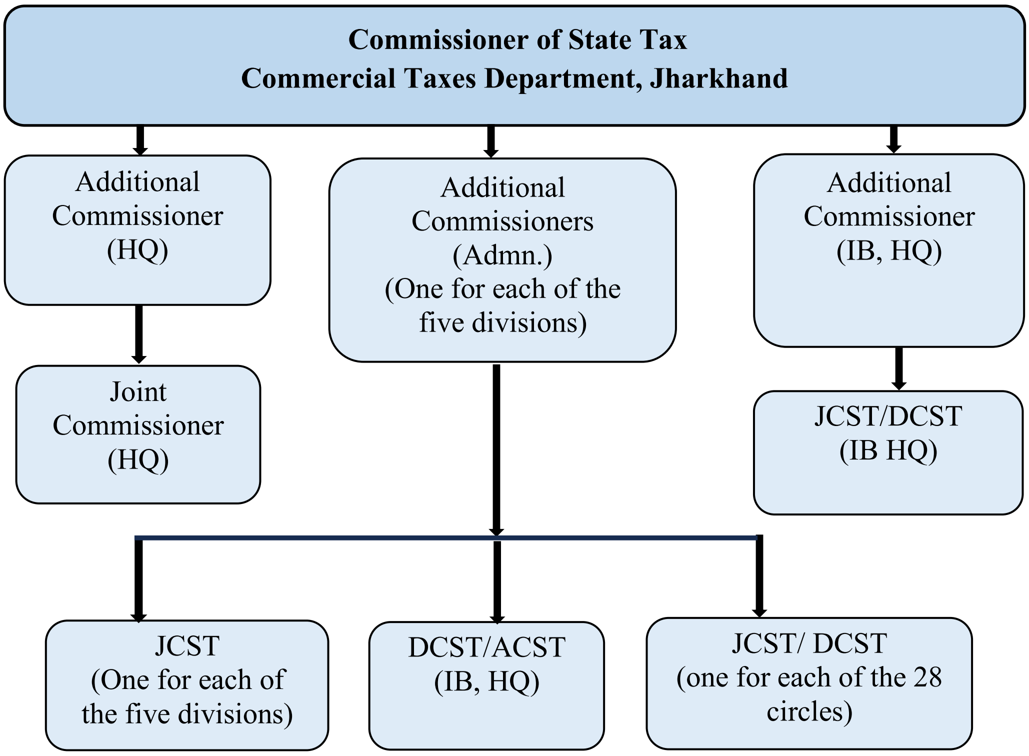
Figure 1: E-Waybill Mechanism - Process Flow Chart



2.1.4 Organisational structure of the Department

The Commercial Taxes Department (CTD), Jharkhand, is administering the JGST Act and JGST Rules in respect of taxpayers allotted to the State of Jharkhand. The Commissioner of State Tax is responsible for administration of the GST Act and Rules and is assisted by an Additional Commissioner, Joint Commissioners, Deputy Commissioners and Assistant Commissioners. The organogram of the Department is depicted in **Chart 2.1**.

Chart 2.1



The State is divided into five State Tax divisions[7], each under the charge of an Additional Commissioner (Administration) and 28 Commercial Taxes circles[8] (CTCs), each under the charge of a Joint Commissioner of State Tax (JCST). The JCST of the Circle, who is responsible for levy and collection of tax due to the Government, besides conducting survey, is assisted by Deputy/Assistant Commissioner of State Tax (DCST/ACST)/State Tax Officers (STO). A DCST, Bureau of Investigation (IB) is posted in each division to assist the Additional Commissioner of State Tax (Administration) and carries out inspection of warehouses or godowns of taxpayers, search and seizure of goods or documents, inspection of goods in movement, arrest a person for an offence punishable under the GST Act, besides collection of data from internal/external sources and cross verification thereof.

[7] Dhanbad, Dumka, Hazaribagh, Jamshedpur and Ranchi.

[8] Adityapur, Bokaro, Chaibasa, Chirkunda, Deoghar, Dhanbad, Dhanbad Urban, Dumka, Giridih, Godda, Gumla, Hazaribagh, Jamshedpur, Jamshedpur Urban, Jharia, Katras, Koderma, Lohardaga, Pakur, Palamu, Ramgarh, Ranchi East, Ranchi South, Ranchi Special, Ranchi West, Sahibganj, Singhbhum and Tenughat.

2.1.5 Audit Objectives

This Performance Audit (PA) was done with the following Audit Objectives:

1. Whether EWB mechanism is effective in protecting revenue interest of the Government; and
2. Whether the Preventive/Enforcement activities of the Department in enforcing EWB provisions are efficient and effective.

2.1.6 Audit Criteria

The PA on the E-way Bills System under GST has been evaluated against the following audit criteria:

» Jharkhand Goods and Services Tax Act, 2017 (JGST Act).

» Jharkhand Goods and Services Tax Rules, 2017 (JGST Rules).

» Notifications / Circulars / Instructions authorized by the GST Council and issued by CBIC/CTD and

» Advisories / Standard Operating Procedures issued by NIC, CBIC/CTD.

2.1.7 Audit Scope

E-Way bill transactions of the persons registered in the EWB portal pertaining to the period between 1 April 2018 and 31 March 2022 were covered in the PA. Audit had examined the overall performance of the E-Way Bill System in the GST regime with reference to the Audit objectives. EWB data (generated) for the Audit period has been extracted from GSTN and analysed. Movement of conveyances by roadways alone have been considered for this Audit and Railway/Airway/Seaway EWBs have been excluded from the scope of this Audit.

The scope of audit also involved evaluation of the preventive functions of the Department with reference to EWBs, *viz.*, interception of vehicles, verification of documents, inspection of goods and action taken thereof.

2.1.8 Audit Sampling Methodology

A Problem-centric approach has been attempted for this PA as EWB generation under GST is a necessary condition to precede any movement of goods subject to the threshold limit.

Samples for Audit Objective-1(AO-1) were evolved based on the Key Problem Areas (KPAs)/ Risk Dimensions identified. The Key Problem Areas that constrain revenue realisation for the Government are provided in **Appendix-I**. Accordingly, 80 EWBs pertaining to 23 taxpayers in five circles[9] and 9 EWBs of cross-PAN pertaining to 8 taxpayers in seven circles[10] were selected for AO-1 for detailed check. Wherever discrepancies were noticed within the selected sample, all E-Way Bills generated by these taxpayers were scrutinised to verify compliance.

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9 Dhanbad, Dhanbad Urban, Jamshedpur, Ramgarh and Ranchi West.

10 Hazaribagh, Jamshedpur, Jamshedpur Urban, Pakur, Ranchi East, Ranchi West and Sahibganj.

Audit Objective-2 (AO-2) evaluated the problems associated with enforcement/ preventive activities *viz.* Operational Preparedness, Effectiveness of Anti-Evasion measures and Intra-Department and Inter-Department coordination. For Audit Objective-2, IB divisions were stratified into two strata based on the median number of EWBs verified by the Department. From each strata, 50 *per cent* of the IB divisions were taken as sample based on stratified sampling method. Accordingly, four[11] out of six[12] IB divisions were selected. In each selected IB division, 50 cases (intercepted and Part-B of GST EWB-03 filed) were selected for detailed checking.

2.1.9 Acknowledgement

An Entry Conference of this PA was held on 15 February 2023 with the Commissioner, CTD, Government of Jharkhand in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 06 June 2024 with the Secretary, CTD, Government of Jharkhand in which the audit findings were discussed. The views expressed by the Secretary, CTD, Government of Jharkhand during the exit conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs wherever applicable.

Audit acknowledges the co-operation and assistance extended by the Commercial Taxes Department and field level functionaries during the course of the Performance Audit.

2.1.10 Scope limitation due to non-inclusion of details of outward supplies of goods in GSTR-1

As per Rule 59(1), read with Rule 59 (4)(a) of JGST Rules, the details of outward supplies of goods or services or both, furnished in Form GSTR-1, shall include the invoice-wise details of all inter-state and intra-state supplies made to the registered persons; and inter-state supplies with invoice value more than two and a half lakh rupees made to unregistered persons.

Audit cross-verified the details of sampled 89 EWBs (including 9 EWBs of cross-PAN) with the corresponding GSTR-1. Audit noticed in 48 EWBs that taxpayers either filed nil return/did not file return or their registration had been cancelled and inward supply *etc.* Audit noticed in the remaining 41 EWBs having assessable value amounting to ₹ 39.13 crore for the period 2018-22, that GSTR-1 for these EWBs contained only the number of records and total invoice value. Audit observed that the provisions of Rules mentioned ibid had not been mapped in the GSTR-1 to record invoice-wise_details of EWBs generated by the taxpayers. Thus, due to deficient GSTR-1, containing insufficient records, Audit could not ascertain whether the invoices mentioned in the EWBs were included in the corresponding GSTR-1 and the taxes were paid for these 41 EWBs.

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[11] Dhanbad, Jamshedpur, Ranchi and Santhal Parganas.

[12] Dhanbad, Hazaribagh, Headquarters', Jamshedpur, Ranchi and Santhal Parganas.

Recommendation No. 1:

The Department may address GSTN to capture the invoice-wise details in GSTR-1 as per the provisions of Rules.

Audit findings

Audit evaluated the EWB mechanism and noticed shortcomings relating to adequacy and effectiveness of the EWB system. The compliance issues highlight deviations and violations of provisions of the Act and the Rules and resultant leakage of revenue. Various system and compliance issues noticed in respect of the test-checked 31 taxpayers[13] and the shortfalls noticed in the enforcement functions of the Department are included in the succeeding paras of the report.

2.1.11 Effectiveness of the EWB System in protection of Revenue

EWB is a document required for movement of goods and is designed to capture details of goods before being moved. The EWBs generated for outward supplies are supported by invoices and the invoice details are required to be reported in the GST returns.

The total number of taxpayers registered under the State jurisdiction and the total number of EWBs generated for outward supply during the period from 2018-19 to 2021-22 is given in **Table 2.1**.

Table 2.1: Total number of EWBs generated by the taxpayers for the period 2018-22

Year	Outward supply	
	Number of taxpayers	Number of EWBs generated
2018-19	69,814	83,25,090
2019-20	70,415	1,03,45,991
2020-21	79,365	1,02,92,045
2021-22	81,364	1,27,42,993
Total		**4,17,06,119**

Source: Data from GSTN and Commercial Taxes Department, Jharkhand.

Results of Audit

Audit selected 31 taxpayers for conducting substantive Audit[14]. **Table 2.2** given below brings out the extent of deficiencies and consequent revenue impact noticed during the detailed scrutiny of sampled cases.

[13] In case of 80 EWBs there were 23 unique taxpayers and there were eight unique taxpayers in case of nine EWBs.

[14] Substantive Audit are cases to be pursued in detail for cause analysis and ascertain current developments.

Table 2.2: Details of observations in sampled cases

Sl. No.	Nature of observation	No. of taxpayers	Amount (₹ in crore)
1.	Non/ short discharge of tax liability by the taxpayers identified as Nil filers	02	0.65*
2.	Non/ short discharge of tax liability by the taxpayers identified as non-filers	01	0.05*
3.	Non/ short discharge of tax liability by the taxpayers who had generated EWBs after cancellation of registration	02	0.15*
4.	Generation of multiple EWBs on the same invoice	04	--
5.	Extension of EWBs beyond 8 hours from expiry of validity period.	02	--
6.	Non-reporting of outward supplies in GSTR-1 and not discharging tax labilities.	04	101.16*
7.	Outward supply reported in GSTR-1 but failed to discharge their tax lability.	06	52.20*
8.	Mismatch of Input tax credit.	07	190.22
9.	E-way bill not generated for outward supplies.	01	0.01
10.	Incorrectly passed on ITC without movement of goods.	02	0.28
Total		**31**	**344.72**

* Includes interest and penalty also.

The audit findings pertaining to a sample of 31 selected taxpayers are discussed in detail in the following paragraphs.

2.1.11.1 Non/short discharge of tax liability by taxpayers identified as Nil filers

As per Section 61 of the JGST Act, various returns filed by the taxpayers have to be scrutinized by the proper officer to verify the correctness of the returns, and suitable action has to be taken on any discrepancies or inconsistencies reflected in the returns.

Audit noticed that in two cases, taxpayers falling under Dhanbad Urban and Jamshedpur circles generated 15 EWBs for outward supplies of taxable value amounting to ₹ 2.20 crore between April and July 2018. On further verification of GSTR 3B filed by the taxpayers, it was noticed that the taxpayer had filed a nil return for the period and had not filed returns for subsequent periods. However, as per EWBs, these taxpayers had a tax liability of ₹ 64.53 lakh (including interest and penalty) **(Appendix-II)**. Audit observed that, in the absence of adequate linkage between GSTN and E-way bill system, GSTN did not capture the details of outward EWBs to auto calculate the tax liability allowing the taxpayers to file nil returns by declaring nil tax liability in GSTR-1. The proper officers also did not cross-verify the return filed by taxpayers with the EWBs System to detect evasion of tax.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-07[15] for both the taxpayers (15 cases) had been issued by the circles.

[15] Summary of order issued by the proper officer, to be uploaded on the GST portal. It specifies the amount of tax, interest, or penalty payable by the person chargeable with tax.

Illustrative case is given below:

Audit noticed (July 2023) in case of a taxpayer (2XXXXXXXXXXXXXU) under Jamshedpur CTC that 14 EWBs had been generated during 2018-19 having an assessable value of ₹ 219.29 lakh involving tax payable in respect of these EWBs amounted to ₹ 64.38 lakh (including interest and penalty). But the taxpayer had filed nil return during the respective tax period. The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-07 had been issued. Further action taken had not been communicated (March 2026).

Recommendation No. 2:

The Department may address GSTN and NIC to interlink both the portals to generate notifications/alerts in the E-Way Bills System in case of NIL filers generating E-Way Bills.

2.1.11.2 Non/short discharge of tax liability by the taxpayers identified as non-filers

As per Section 39(1) of the JGST Act, every registered person, other than an Input Service Distributor or a non-resident taxable person or a person paying tax under the provisions of Section 10 or Section 51 or Section 52 shall, for every calendar month or part thereof, furnish, in such form and manner as may be prescribed, a return, electronically, of inward and outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid and such other particulars as may be prescribed on or before the twentieth day of the month succeeding such calendar month or part thereof.

As per Section 63 of the JGST Act, where a taxable person whose registration has been cancelled; but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgement.

Audit noticed that a taxpayer registered under Dhanbad Circle had generated three EWBs for outward supplies of taxable value amounting to ₹19.25 lakh for the month of April 2019. Audit noticed that the taxpayers had not filed the return for the period mentioned ibid and the registration of the taxpayer was also *suo moto* cancelled by the proper officer on 04 May 2019 despite having outstanding liability of ₹ 5.02 lakh (including interest and penalty). On further scrutiny, it was noticed that the GSTN did not capture outstanding tax liability and allowed re-registration of taxpayers, on same PAN, in other States (**Appendix-III**). It was observed that there was no system in place to detect outstanding tax liability and auto-refusal of new registration, on same PAN, where there was an outstanding liability.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that taxpayer wise updated response obtained from concerned CTCs is being compiled and would be forwarded in due course. Further action taken in this regard had not yet been communicated (March 2026).

Recommendation No. 3:

The Department may address GSTN and NIC to interlink both the portals so as to generate notifications/alerts in the E-Way Bills System in case of non-filers generating EWBs and strengthen the GSTN System for detection of outstanding tax liability and auto refusal of new registration on the same PAN where tax liability is outstanding against the earlier registration.

2.1.11.3 Non/short discharge of tax liability by taxpayers who had generated EWBs after cancellation of registration

As per Section 63 of the JGST Act, where a taxable person whose registration has been cancelled; but who was liable to pay tax, the proper officer may proceed to assess the tax liability of such taxable person to the best of his judgement. A taxpayer whose registration has been cancelled cannot generate E-way bills, as he will be passing on ITC without filing of returns, resulting in non-payment of tax.

Audit noticed that two taxpayers falling under two circles[16] had generated 84 EWBs involving taxable value of ₹ 73.67 lakh. It was, however, noticed that these EWBs were generated after the effective date of cancellation of GST registration which resulted in non-payment of tax amounting to ₹ 15.41 lakh (including interest and penalty). Audit observed that, in the absence of adequate linkage between the GSTN and E-way bill System, the System had no check and control measure and permitted generation of EWBs even after cancellation of the registration which was fraught with the risk of fraudulent or fake transactions **(Appendix-IV)**.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-07 had been issued for one taxpayer (16 cases) and certificate[17] case had been issued for one taxpayer (68 cases).

Recommendation No. 4:

The Department may address NIC to incorporate validation controls to prevent generation of EWBs by taxpayers whose GST registration is already cancelled.

2.1.11.4 Generation of multiple EWBs on the same invoice

As per Rule 46 (b) of JGST Rules, a tax invoice shall be issued by the registered person containing consecutive serial number, not exceeding sixteen characters and unique for a financial year. As per Para 5.1 of the User Manual issued by the NIC, the taxpayer while generating the EWB is required to enter the document number relating to the consignment. The document number entered

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16 Dhanbad Urban and Ramgarh.

17 A certificate case refers to legal process initiated under the Bihar and Orissa Public Demands Recover Act 1914 (BOPDR Act) to recover dues (like taxes, land revenue *etc.*).

should be unique. Invoice number is the document number in respect of consignments relating to supplies. Hence, only one EWB is required to be generated based on each unique invoice number.

Audit noticed that in four cases, taxpayers pertaining to three circles[18] had generated multiple EWBs with the support of the same invoice involving tax amounting to ₹ 16.63 lakh. This indicated lack of validation controls in the EWB Common Portal to restrict generation of multiple EWBs using same invoices. Audit, however, could not verify whether the taxpayers had reported all consignments or reported only one or no consignment in their returns in the absence of invoice wise-details of supplies in GSTR-1.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-07 had been issued for one taxpayer (08 case). Replies were not received for three taxpayers (03 cases) for which the Department stated (June 2024) that replies are being compiled and will be forwarded in due course of time. Further action taken in this regard had not yet been communicated (March 2026).

Recommendation No. 5:

The Department may address NIC to modify the EWB portal to prevent generation of multiple EWBs with the same invoice.

2.1.11.5 Extension of EWBs beyond eight hours from expiry of validity period

As per Proviso under Rule 138(10) of the JGST Rules, validity of EWBs can be extended within eight hours[19] from the time of its expiry under circumstances wherein the goods cannot be transported within the validity period.

Audit noticed that in the case of two taxpayers falling under Dhanbad and Ranchi West circles, the validity of EWBs were extended after eight hours from the time of its expiry. This indicates that necessary validity controls are not available in the EWB Portal to prevent extension of EWBs after the prescribed time limit from its expiry.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that response from concerned CTC is being compiled and would be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

2.1.11.6 Non-reporting of EWB transactions in GST Returns/non-discharge of tax liability

As per Section 37 of the JGST Act, every registered person other than composition levy scheme taxpayers shall, furnish the details of outward supplies of goods or services or both effected during a tax period in GSTR-1, and to discharge tax liability thereon in GSTR-3B. The taxpayers who have opted for

[18] Dhanbad, Jamshedpur and Ranchi West.
[19] Inserted vide Notification No. 31/2019-CT, dt. 28.06-2019.

the composition levy scheme, shall pay tax in GSTR-4/GST-CMP-08. Further, under Section 10(2) (b) of the JGST Act, a taxpayer shall not be eligible to opt for composition levy scheme, if he is engaged in making any inter-state outward supplies of goods.

As per Section 31 of the JGST Act, a registered person supplying taxable goods shall, issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon, and such other particulars as may be prescribed.

Rule 138 of the JGST Rules provides that for generating EWB, every registered person who causes movement of goods of consignment shall furnish information relating to the said goods, electronically, on the common portal. As per Para 5.1 of the User Manual issued by the NIC, the taxpayer while generating the EWB is required to enter the document number relating to the consignment. The document number entered in should be unique. Invoice number is the document number in respect of consignments relating to supplies. Hence, only one EWB is required to be generated based on each invoice.

As per Section 16 of the JGST Act, every registered person shall be entitled to take credit of input tax (ITC) charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person. Further, in terms of Sub-Section 2(e) of the said Section, the claim of ITC is subject to the condition, inter-alia, that the tax charged in respect of such supply has been actually paid to the Government.

Data analysis of 19 taxpayers out of 23 sampled taxpayers indicated that four taxpayers had failed to report outward supplies in GSTR 1 and had not discharged their tax liabilities, six taxpayers had reported outward supply in GSTR 1 but failed to discharge their tax liabilities and in case of seven taxpayers there was discrepancy between ITC availed and actual ITC available. Audit observed that due to inadequate linkage between GSTN and the E-way bill System, GSTN could not detect non-discharge of tax liability/incorrect claim of ITC due to non-filing or irregular filing of details in GSTR 1. The non-discharge of tax liability/incorrect claim of ITC in these cases worked out to ₹ 343.58 crore (including interest and penalty of ₹ 34.90 crore). These are discussed in the following paragraphs.

(A) Non-reporting of outward supplies in GSTR 1 and not discharging tax liabilities

In case of four taxpayers, Audit compared the MIS data (monthly outward e-way bill generated by taxpayer) of these taxpayers with GSTR 1 covering the period of audit to ascertain that all EWB transactions have been reported in the return and the tax liability discharged accordingly. Audit, however, noticed that taxpayers had declared tax liability in GSTR 1 amounting to ₹ 507.43 crore in comparison to MIS data of EWBs generated for outward supplies of ₹ 4,102.70 crore with tax liability of ₹ 588.97 crore resulting in short payment of tax liability of ₹ 101.16 crore (including interest and penalty ₹ 19.61 crore). Audit noticed that the GSTN portal did not capture the details of EWBs generated for outward supply by taxpayers to auto calculate tax liability.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-07 had been issued for one taxpayer (01 case), SCN/DRC-01A[20] had been issued for one taxpayer (03 cases), ASMT-10 [21] had been issued for one taxpayer (02 cases) and in respect of one taxpayer (03 cases), Department has stated (June 2024) that replies are being compiled and would be forwarded in due course of time. Further action taken in this regard had not been intimated/communicated (March 2026).

Illustrative case is given below:

Audit noticed (July 2023) in case of a taxpayer (2XXXXXXXXXXXXXG), registered under Jamshedpur CTC, that the taxpayer had generated 61,584 EWBs during the year 2019-20 to 2021-22. The total assessable value of these supplies was ₹ 3,759.39 crore and the tax payable was ₹ 554.97 crore. The liability as per GSTR 1 declared by the taxpayer was ₹ 481.05 crore. This resulted in short declaration of tax liability amounting to ₹ 73.92 crore. The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that SCN/DRC-01A had been issued.

(B) Outward supply reported in GSTR 1 but did not discharge completely the tax liability

During the substantive audit, records of six taxpayers pertaining to three circles[22] were checked and it was observed that there were discrepancies between the tax liability declared by the taxpayers in GSTR 1/GSTR 9 and the actual liability discharged during the period of audit which indicated that these taxpayers had short discharged their tax liability resulting in short payment of tax liability of ₹ 52.20 crore (including interest and penalty ₹ 15.29 crore).

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-07 had been issued for one taxpayer (01 case), SCN/DRC-01A had been issued for one taxpayer (01 case), ASMT-10 had been issued for one taxpayer (01 case). In respect of three taxpayers (07 cases), the Department stated (June 2024) that replies are being compiled and would be forwarded in due course of time. Further action taken in this regard had not been intimated/communicated (March 2026).

(C) Mismatch of Input tax credit

During the substantive audit, seven unique taxpayers pertaining to three circles[23] were checked and it was observed that there were discrepancies between ITC availed by the taxpayers and actual ITC available during the period of audit which indicates that there was mismatch of ITC amounting to ₹ 190.22 crore.

[20] Intimation of tax ascertained as being payable/ Summary of Show Cause Notice.
[21] Notice for intimating discrepancies in the return after scrutiny.
[22] Jamshedpur, Ramgarh and Ranchi West.
[23] Jamshedpur, Ramgarh and Ranchi West.

- In case of two taxpayers registered under Ranchi West CTC, it was noticed that the ITC paid under Reverse Charge Mechanism (RCM) was ₹ 1,636.14 crore whereas the ITC availed was ₹ 1,798.29 crore, resulting in excess availment of ITC amounting to ₹162.15 crore under RCM.
- In case of three taxpayers registered under two[24] CTCs, it was observed that the ITC availed under Input Service Distributor (ISD) was ₹ 28.46 crore whereas ITC available as per GSTR-2A was ₹ 2.84 crore. This had resulted in excess availment of ITC amounting to ₹ 25.62 crore under ISD.
- In case of three taxpayers registered under three[25] CTCs, it was observed that the ITC availed as per Table 4A (5) of GSTR 3B was ₹ 125.72 crore whereas the ITC available as per Table 8A of GSTR 9 was ₹ 123.27 crore. This had resulted in excess availment of ITC amounting to ₹ 2.45 crore.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-07 had been issued in respect of one taxpayer (one case), SCN/DRC-01A had been issued for two taxpayers (03 case), ASMT-10 had been issued for one taxpayer (03 case). In respect of the remaining taxpayer (12 cases), the Department stated (June 2024) that replies are being compiled and would be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

Recommendation No. 6:

The Department may issue instructions to the proper officers to prioritise the scrutiny of returns of taxpayers whose returns showed mismatch of ITC.

2.1.11.7 E-way bill not generated for outward supplies

Rule 138(1) of JGST Rules, 2017 stipulates that every registered person who causes movement of goods of consignment value exceeding fifty thousand rupees (i) in relation to a supply; or (ii) for reasons other than supply; or (iii) due to inward supply from an unregistered person, shall before commencement of movement of goods, furnish information relating to the said goods in Part A of FORM GST EWB-01. The Commercial Tax Department of the State of Jharkhand issued notification[26] that, E-way Bill (EWB) for intra-State movement of goods shall not be required to be generated where the consignment value does not exceed ₹ one lakh from 26 September 2018. Further, as per Section 122(1) (xiv) of JGST Act, 2017 a taxable person who transports any taxable goods without the cover of specified documents shall be liable to pay a penalty of ₹ ten thousand or the amount of tax sought to be evaded (wherever applicable) whichever is greater. As per Rule 138(A) of the Rules, EWB is one of the specified documents.

Audit selected two out of 23 sampled taxpayers to ascertain whether the taxpayer is generating EWBs for outward supplies. On scrutiny of GSTR 1 and EWBs, it was observed that a taxpayer (2XXXXXXXXXXXXXW) pertaining

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[24] Jamshedpur and Ranchi West.
[25] Jamshedpur, Ramgarh and Ranchi West.
[26] Standing Order No. 66 Dated 26.09.2018.

to Jamshedpur circle had made outward supplies in excess of the threshold limit during the year 2019-20 and 2020-21. However, the taxpayer had not generated EWBs for 10 corresponding transactions (Intra and inter-state supplies). Audit observed that due to inadequate linkage between GSTN portal and the E-way Bill System, GSTN could not detect that the taxpayer who had made outward supplies in excess of threshold limit had not generated EWBs. The taxpayer was liable to pay penalty for outward supplies without generating EWB amounting to ₹ one lakh (ten cases at the rate of ₹ ten thousand) for the period 2019-20 & 2020-21 for cases with single records.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that the replies are being compiled and would be forwarded in due course of time. Further action taken in this regard had not been intimated/communicated (March 2026).

2.1.11.8 Incorrectly passed on ITC without movement of goods

As per Section 37 of the JGST Act every registered person, other than an Input Service Distributor, a non-resident taxable person and a person paying tax under the provisions of Section 10 or Section 51 or Section 52, shall furnish the details of outward supplies of goods or services or both effected during a tax period in GSTR-1.

NIC had integrated *VAHAN* Database with the EWB Portal for tracking the movement of vehicles with Fastag database. With effect from 1 January 2021, NIC also provides movement details of the vehicles concerned indicating the origin and destination of all the EWBs based on the source and destination pin codes.

Audit verified the movement of seven out of 89 sampled EWBs (31 sampled taxpayers) which were generated after 1 January 2021 from the vehicle movement details available in the EWB Portal. It was noticed that in case of two EWBs of two taxpayers involving tax amounting to ₹ 27.71 lakh, the movements of conveyances mentioned in these EWBs were not recorded in the portal. On analysis of GSTR-1 it was noticed that invoice-wise details were not captured in GSTR-1. As a result, Audit could not verify or determine the Input Tax Credit passed thereon.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-01A amounting to ₹ 11.39 lakh had been issued in one case by Jamshedpur CTC. In the other case, the Department stated (June 2024) that replies received from the concerned CTCs are being compiled and would be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

2.1.11.9 Cross-PAN analysis

Audit verified the records of nine taxpayers having multiple registration with the same PAN pertaining to seven[27] Circles and noticed deficiencies in compliance as given in **Table 2.3**.

[27] Hazaribagh, Jamshedpur, Jamshedpur Urban, Pakur, Ranchi East, Ranchi West and Sahibganj.

Table 2.3: Details of observations in sampled Cross-Pan cases

Sl. No.	Details of discrepancy	No. of taxpayers	No. of cases detected	Amount (₹ in crore)
1	*Outward supply reported in GSTR 1 but failed to discharge their tax liability*	02	02	0.05
2	*Non-reporting of outward supplies in GSTR 1 and not discharging tax liabilities*	01	01	0.07
3	*Mismatch of Input tax credit*	04	05	2.07
Total				**2.19**

As per Section 37 of the JGST Act, every registered person other than composition levy scheme taxpayers shall furnish the details of outward supplies of goods or services or both effected during a tax period in GSTR-1, and discharge tax liability thereon in GSTR-3B.

As per Section 31 of the JGST Act, a registered person supplying taxable goods shall issue a tax invoice showing the description, quantity and value of goods, the tax charged thereon and such other particulars as may be prescribed. Rule 138 of the JGST Rules provides that for generating EWB, every registered person who causes movement of goods of consignment shall furnish information relating to the said goods, electronically, on the common portal.

As per Section 16 of the JGST Act, every registered person shall be entitled to take credit of input tax (ITC) charged on any supply of goods or services or both to him which are used or intended to be used in the course or furtherance of his business and the said amount shall be credited to the electronic credit ledger of such person.

Audit noticed discrepancies in tax compliance in respect of six taxpayers involving tax liability of ₹ 2.19 crore (including interest and penalty of ₹ 1.69 lakh). These are discussed in the following paragraphs.

(A) Outward supply reported in GSTR 1 but failed to discharge their tax liability

Audit checked nine taxpayers selected for cross-PAN analysis and noticed that in case of two taxpayers pertaining to Ranchi East and Ranchi West circles there were discrepancies between the tax liability declared by the taxpayers in GSTR-1/GSTR-9 and the actual liability discharged during the period of audit which indicated that these taxpayers had short discharged their tax liability amounting to ₹ 4.70 lakh (including interest and penalty ₹ 1.08 lakh).

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that ASMT-10 had been issued for one taxpayer and in respect of the other taxpayer, the Department stated that (June 2024) taxpayer-wise updated response obtained from concerned CTC is being compiled and would be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

(B) Non-reporting of outward supplies in GSTR 1 and not discharging tax liabilities

Audit noticed (September 2023) that one taxpayer (2XXXXXXXXXXXXXB), registered in Hazaribagh Circle had generated EWB for taxable value of ₹ 34.10 lakh for outward supply of cable drum (HSN 8544) taxable at the rate of 18 *per cent.* However, in EWB, the taxpayer had declared tax liability for the above supply as zero and failed to report invoice in GSTR 1 for the period. As the tax payable amount mentioned in the EWB was zero, Audit worked out the tax payable in respect of EWB to ₹ 6.75 (including penalty) lakh which was not paid by the taxpayer.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that ASMT-10 had been issued by Hazaribagh CTC. Further action taken in this regard had not been communicated (March 2026).

(C) Mismatch of Input tax credit

Audit checked the sample taxpayers for cross-PAN analysis and noticed that in case of four taxpayers pertaining to three circles[28] there were discrepancies between ITC availed by the taxpayers and actual ITC available resulting in mismatch of ITC amounting to ₹ 2.07 crore.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that ASMT-10 had been issued for one taxpayer (01 cases) by Pakur CTC. In case of one taxpayer of Sahibganj CTC, objected amount had been deposited vide DRC-03[29]. In respect of two taxpayers (03 cases), the Department stated (June 2024) that replies are being compiled and would be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

2.1.11.10 Discrepancies identified through analysis of data of E-way Bills (Totality Observations)

A risk based sample was selected from the data-base relating to EWBs and a total of 4,703 cases involving 4,382 taxpayers falling under the jurisdiction of the Commissioner of Commercial Taxes Department, Jharkhand were selected. Audit analysed data on EWBs generated during the period April 2018 to March 2022 on the basis of Key Problem Areas and observed that discrepancies in tax compliance by the taxpayers could be ascertained directly from certain Key Problem Areas. The data extracted under these Key Problem Areas were forwarded to the department as Totality Observations for considering further course of remedial action and summary report on action taken was called for. The details of Totality Observations shared with the department and response received thereon are discussed in the following **Table-2.4**.

[28] Pakur, Ranchi West and Sahibganj.

[29] Intimation of payment made voluntarily or made against the show cause notice (SCN) or statement.

Table 2.4: Discrepancies identified through analysis of data of E-way bills

Sl. No.	Nature of Totality Observation	No. of taxpayers (TPs)	Assessable Value involved (₹ in crore)
1	Generation of Inter-State EWBs by Composition taxpayers	48	2.07
2	Generation of EWBs by Composition taxpayers who had crossed prescribed threshold limit	1	1.01
3	Generation of EWBs by Non-filers of GST Returns	400	278.88
4	Generation of EWBs by Cancelled taxpayers	75	80.68
5	Generation of EWBs using same Invoice	1,309	167.48
6	Generation of EWBs by Nil-filers of GST Returns	2,870	758.91

Audit further observed that the Department did not have any mechanism to identify/monitor unauthorised generation of E-way Bills by ineligible dealers/taxpayers.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that DRC-07/DRC-03/SCN had been issued in six taxpayers and ASMT-10 was issued in 4,638 cases[30]. The Department stated (June 2024) in one case that replies are being compiled and would be forwarded in due course of time while replies in respect of 58 taxpayers was not supported by corroborative evidence.

Recommendation No. 7:

The Department may ensure that analytical reports covering all key problem areas are generated periodically and shared with the jurisdictional authorities concerned for initiating further necessary action.

2.1.12 Enforcement function of the Department

The EWB mechanism has been introduced to check tax evasion which arose due to supply without payment of taxes. In order to make it more powerful and result oriented, Department deploys its officers to check the movement of goods and intercept conveyances for inspection of goods in movement, detain and confiscate such goods and conveyances where non-conformity with rules are observed.

Audit verified the functions *viz.*, operational preparedness, effectiveness of anti-evasion measures and inter and intra departmental co-ordination in monitoring E-Way Bill related transactions. For this purpose, Audit selected four out of six IB divisions which are responsible for preventive functions of the Commercial Taxes Department.

Operational Preparedness of the Department

The check posts operated manually during the pre-GST regime were abolished consequent to introduction of GST. EWB System was introduced with effect from 1 April 2018 to track both the interstate and intra state movement of goods having value above ₹ 50,000.

[30] Some taxpayers may have been issued more than one ASMT.

The observations on verification of records relating to the period 1 April 2018 to 31 March 2022 are discussed below.

2.1.12.1 Dedicated Setup/unit

A dedicated unit for EWB related enforcement activities like verification of EWBs during interception of vehicles and to take follow up action wherever required, utilizing EWB analytical reports in planning the EWB verification, *etc.* would improve the efficiency of preventive functions.

Audit noticed that three IB divisions[31] out of four selected IB divisions taken up for audit, did not have dedicated setup exclusively for the verification of EWBs, under Commissioner of Commercial Taxes Department. Information in respect of Ranchi IB division was awaited (March 2026).

The Department during exit conference stated (June 2024) that replies received from the concerned CTCs are being compiled and will be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

Recommendation No. 8:

The Department may set up a dedicated team for verification of analytical EWB reports to improve the efficiency of preventive function.

2.1.12.2 Adequacy of manpower

The sanctioned and working strength of officers and other support staff (Clerk, MTS *etc.*) as of March 2023 related to three IB divisions[32] (information from Ranchi unit is awaited) is given in **Table 2.5**.

Table 2.5: Position of Officers and Supporting Staff

Name of the posts	Number of sanctioned posts	Actual strength	Number of vacant posts	Percentage of vacant posts
Officers	36	26	10	27.78
Supporting staff	61	9	52	85.25

Source: Information provided by the IB divisions.

As could be seen from the above table there was overall vacancy in staff strength in all the three units and the percentage of vacancies of officers and supporting staff are 27.78 and 85.25 *per cent.* Absence of adequate manpower would adversely impact the working efficiency of the IB divisions for conducting the verification of e-way bills. Non-availability of dedicated set-up coupled with high rate of vacancies in staff strength will have a direct impact on EWB related preventive functions.

[31] Dhanbad, Jamshedpur and Santhal Pargana.

[32] Dhanbad, Jamshedpur and Santhal Pargana.

2.1.12.3 Lack of sufficient patrol vehicles

Audit noticed that three IB divisions[33] out of four selected preventive formations, do not have patrol vehicles exclusively allocated for EWB verifications.

The Department during exit conference stated (June 2024) that replies received from the concerned CTCs are being compiled and will be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

2.1.12.4 Targets and achievements for verification of EWBs

Audit called for details of targets fixed by the Commissioner of Commercial Taxes Department, Jharkhand for verification of EWBs through vehicle interceptions and achievements against them, from four IB divisions. Replies received from three IB divisions[34] revealed that no targets were fixed by the Commissioner for the Preventive formations. The details for verification of EWBs conducted were not furnished to Audit though called for (between June 2023 and September 2023).

The Department during exit conference stated (June 2024) that replies received from the concerned CTCs are being compiled and will be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

2.1.12.5 Usage of MIS Reports

NIC generates Analytical Reports on EWB transactions and shared with the GST Departments under Centre and State formations. Audit called for various details with regard to the extent to which these Reports were utilized by the Preventive Formations for planning the verifications of EWBs in respect of three IB divisions[35] are mentioned below:

(a) The IB divisions informed that access was provided to all officers of the Units. However, no such supporting files/documents were provided to Audit. As such, it could not be ascertained which type of MIS reports were being utilized during verification of EWBs.

(b) The IB divisions informed that they were using the Analytical Reports for planning vehicles interception. However, the details of E-way bill/taxpayers mentioned in the analytical reports, officers entrusted with further verification, details of verification conducted, and final action taken thereof, though called for, were not furnished to Audit for scrutiny. Thus, the effectiveness of MIS Reports for verification of EWB transactions could not be ascertained.

(c) The units informed that the Analytical Reports were being shared with the jurisdictional officers to assist them in scrutiny of Returns. However, the details

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33 Dhanbad, Jamshedpur and Santhal Pargana.
34 Dhanbad, Jamshedpur and Santhal Pargana.
35 Dhanbad, Jamshedpur and Santhal Pargana.

of reports provided to jurisdictional officers, though called for, were not furnished to Audit.

(d) The IB divisions informed that requisitions were made to NIC for generation of new MIS report. However, they did not provide details of requisitions made for audit scrutiny.

The Department during exit conference stated (June 2024) that replies received from the concerned CTCs are being compiled and will be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

Effectiveness of preventive functions

2.1.12.6 Guidelines for Interception of vehicles

As per Circular No. 41/2018 dated 20.04.2018, where the person in charge of the conveyance fails to produce any prescribed document or where the proper officer intends to undertake an inspection, he shall record a statement of the person in charge of the conveyance in FORM GST MOV-01. In addition, the proper officer shall issue an order for physical verification of the conveyance, goods and documents in FORM GST MOV-02, requiring the person in charge of the conveyance to station the conveyance at the place mentioned in such order and allow the inspection of the goods. The proper officer, within twenty-four hours of the issuance of FORM GST MOV-02, prepare a report in PART A of FORM GST EWB-03 and upload the same on the common portal. Further, within a period of three days from the date of issue of the order in FORM GST MOV-02, the proper officer shall conclude the inspection proceedings, either by himself or through any proper officer authorised in this behalf.

Audit checked the extent of adherence to the procedures prescribed by the Commercial Taxes Department, by the field formations. For this, 200 booked cases pertaining to selected IB divisions were selected for scrutiny and the deviations noticed are summarised in **Table 2.6**.

Table 2.6: Deviations noticed in respect of booked cases

Details of deficiencies noticed	IB units	Total No. of Booked cases	No. of Booked cases selected as Sample	No. of Booked cases in which deficiency noticed
Inspection Report in GST - MOV-4 has been delayed served to the person in charge of the conveyance	Dhanbad	524	50	3
	Jamshedpur	377	50	1
	Ranchi	979	50	2
Delay in uploading Part-A of EWB-03 in common portal.	Ranchi	979	50	1
	Santhal Pargana	620	50	3

- In six cases pertaining to three[36] IB divisions, Audit noticed that the physical verification report MOV-04 which was to be served within three days from the issue of order for physical verification of the conveyance MOV-02 was served with delay ranging from 01 to 07 days.

[36] Dhanbad, Jamshedpur and Ranchi.

- In four cases pertaining to two[37] IB divisions, Audit noticed that the PART A of FORM GST EWB-03, which was to be uploaded within 24 hours from the order for physical verification of the conveyance MOV-02 was uploaded with delay ranging from 01 to 17 days.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that replies received from concerned CTCs are being compiled and would be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

2.1.12.7 Non-adherence of provisions of Acts during EWB verification

According to Section 129 (1) of the JGST Act, where any person transports any goods in contravention of the provisions of this Act or the rules made thereunder, all such goods and conveyance used as a means of transport for carrying the said goods and documents relating to such goods and conveyance shall be liable to detention or seizure and after detention or seizure, shall be released, (a) on payment of the applicable tax and penalty equal to 100 *per cent* of the tax payable on such goods[38] and, in case of exempted goods, on payment of an amount equal to two *per cent* of the value of goods or ₹ 25,000, whichever is less, where the owner of the goods comes forward for payment of such tax and penalty.

According to the Guidelines issued by the CTD[39], the order in FORM GST MOV-09 shall be uploaded on the common portal and the demand accruing from the proceedings shall be added in the Electronic Liability Register.

Audit checked 200 booked cases pertaining to four selected IB divisions and noticed discrepancies in respect of 36 Booked Cases as detailed in **Table 2.7**.

Table 2.7: Discrepancies noticed in respect of booked cases

Details of discrepancies noticed	No. of IB divisions	No. of cases	Amount involved (₹ in lakh)		
			Tax	Penalty	Total
Release of vehicles on payment of tax or penalty or both without raising demand for the same	04	20	2.92	2.86	5.78
Release of vehicles on under assessment of tax and penalty	02	05	0.65	0.82	1.47
Release of vehicles on short levy of tax and penalty due to application of incorrect rate of tax	01	02	0.51	0.51	1.02
Release of vehicles on short levy of tax and penalty u/s 129 (1) (b) of the SGST Act	02	09	2.23	4.21	6.44
Total		**36**	**6.31**	**8.40**	**14.71**

37 Ranchi and Santhal Pargana.

38 With effect from 1.1.2022, the amount payable was modified as penalty equal to two hundred *per cent* of the tax payable.

39 Para 2(h) of Circular 41/2018 dated 20th April 2018.

- In 20 cases pertaining to four[40] IB divisions, tax and penalty amounting to ₹ 5.78 lakh was not added in the electronic liability register.
- In five cases pertaining to two[41] IB divisions, it was noticed that the tax and penalty was under assessed, resulting in short levy of tax and penalty of ₹ 1.47 lakh.
- In two cases pertaining to Ranchi IB division, the proper officer had applied incorrect rate of tax which had resulted in short levy of tax and penalty amounting to ₹1.02 lakh.
- In nine cases the proper officer had failed to apply Section 129(1)(b) of the SGST Act, which had resulted in short levy of tax and penalty amounting to ₹ 6.44 lakh.

Thus, the proper officer in these cases did not examine the irregularities which resulted in irregular release of vehicles on short levy of tax and penalty amounting to ₹ 14.71 lakh.

The matter was reported to the Government/Department (January 2024). The Department during exit conference, agreed with the objection raised by the Audit. Further, in case of Dhanbad IB division DRC-07 had been issued and the objected amount had been recovered. In respect of remaining 35 cases, the Department stated (June 2024) that replies received from concerned CTCs are being compiled and would be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

Illustrative case is given below:

Audit noticed (September 2023) in case of a vehicle, intercepted by proper officer of Dhanbad IB division, that the order for demand (GST MOV 09) for ₹0.36 lakh (including tax and penalty) was issued on 12.06.2018. However, it was noticed that DRC-07 was not electronically uploaded on the common portal. This resulted in non-creation of liability in the liability register. In response, the Department issued DRC-07 and the objected amount was recovered.

Recommendation No. 9:

The Department may ensure that proper officers create timely demand of the tax and penalty in the electronic ledger.

2.1.12.8 Monitoring movement of goods by unregistered taxpayers

Audit independently identified 21 EWBs generated for outward supply, valuing more than the threshold limit of ₹ 40 lakh prescribed for registration, effected by unregistered persons and the same were shared (June 2023) with the Commissioner of State Tax, Commercial Tax Department, Jharkhand, for examining and taking remedial action.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that replies are being

[40] Dhanbad, Jamshedpur, Ranchi and Santhal Pargana.
[41] Jamshedpur and Ranchi.

compiled and would be forwarded in due course of time. Further action taken in this regard had not been communicated (March 2026).

2.1.13 Conclusion

The PA on E-way bill system under GST was undertaken with the objective to assess the effectiveness of E-way bill mechanism in protecting revenue interest of Government and efficiency in enforcing the enforcement/preventive activities of the Department.

The audit sample comprised 89 EWBs pertaining to 31 taxpayers in 10 CTCs, for the years 2018-19 to 2021-22. Wherever discrepancies were noticed in the selected sample, the E-Way Bills generated by these taxpayers were scrutinised to verify compliance. Similarly, sample related to evaluation of enforcement functions comprised 200 booked cases selected from four IB divisions.

Linkage between GSTN and E-Way Bills System was weak, and E-Way Bills System did not restrict generation of E-Way Bills by non-filers or nil filers. Two taxpayers filed nil returns even though they had generated 15 EWBs for outward supply of goods with tax liability of ₹ 64.53 lakh (including interest and penalty).

There was no system in the GSTN portal to detect outstanding tax liability of ₹ 5.02 lakh in case of non-filers whose registration were *suo-moto* cancelled and allowed re-registration of taxpayers, on same PAN, in other States.

Additionally, E-Way Bills System did not prevent generation of EWBs by taxpayers whose registration has been cancelled. Two taxpayers had generated 84 EWBs with tax implication of ₹ 15.41 lakh (including interest and penalty) even though their registration was cancelled.

The EWB system lacked validation control which allowed four taxpayers to generate multiple EWBs using same invoice.

GSTN could not verify/capture the details of EWBs generated which resulted in non-reporting of outward supplies in GSTR 1, discrepancies in GSTR 1 and GSTR 3B and mismatch of ITC with tax implication of ₹ 343.58 crore.

There was acute shortage of supporting staff in IB divisions with no provision for dedicated set up and patrol vehicles for verification of EWBs.

Instances of delays in serving of GST-MOV-4 and Part-A of GST-EWB-03 were noticed in 10 cases. In 36 booked cases, the proper officers released the vehicles on non/short payment of tax and penalty amounting to ₹ 14.71 lakh.

There was inadequate monitoring of movements of goods by unregistered taxpayers as Audit identified 21 EWBs generated by unregistered persons above the threshold limit.

2.1.14 Recommendations

The Department may:

1. Address GSTN to capture the invoice-wise details in GSTR-1 as per the provisions of Rules.

2. Address GSTN and NIC to interlink both the portals to generate notifications/alerts in the E-Way Bills System in case of NIL filers generating E-Way Bills.
3. Address GSTN and NIC to interlink both the portals so as to generate notifications/alerts in the E-Way Bills System in case of non-filers generating EWBs and strengthen the GSTN System for detection of outstanding tax liability and auto refusal of new registration on the same PAN where tax liability is outstanding against the earlier registration.
4. Address NIC to incorporate validation controls to prevent generation of EWBs by taxpayers whose GST registration is already cancelled.
5. Address NIC to modify the EWB portal to prevent generation of multiple EWBs with the same invoice.
6. Issue instructions to the proper officers to prioritise the scrutiny of returns of taxpayers whose returns showed mismatch of ITC.
7. Ensure that analytical reports covering all key problem areas are generated periodically and shared with the jurisdictional authorities concerned for initiating further necessary action.
8. Set up a dedicated team for verification of EWB analytical reports to improve the efficiency of preventive function.
9. Ensure that proper officers create timely demand of the tax and penalty in the electronic ledger.

CHAPTER-III

COMPLIANCE AUDIT PARAGRAPHS

CHAPTER III

Compliance Audit Paragraphs

COMMERCIAL TAXES DEPARTMENT

3.1 Cross verification of turnover disclosed by the taxpayers under GST with data/information obtained from other central/ state government departments

3.1.1 Introduction

Goods and Services Tax (GST) is a significant reform in the field of indirect taxes in our country and is a destination-based consumption tax on supply of goods or services or both and levied on every value addition wherein the taxes will move along with supply. Tax is levied simultaneously by the Centre and States in respect of taxpayers allotted to them on a common tax base. Central GST (CGST) and Jharkhand GST (JGST) are levied on intra-state supplies and Integrated GST (IGST) is levied on inter-state supplies.

Under GST, the tax administration is fully automated. This facilitates the Department to link data/information disclosed by the taxpayers with one Department to another to enhance transparency and to check evasion of tax. For instance, the correctness of turnover declared by the taxpayer under GST can be ensured by cross verifying data of turnover/profit as declared with Income Tax Department (ITD). Presently, returns filed under JGST Act, 2017 are not synchronized with the information contained in the Income Tax Returns (ITR) and returns filed under Customs Act, 1961 resulting in mismatch of similar information furnished with different Departments. If all the tax departments of the Government act in unison and review taxpayers and their submissions via information collected between them separately, it may enhance tax collection and facilitate reporting.

The Subject Specific Compliance Audit (SSCA) was taken up considering the significance of cross-verification of data/information furnished by the same taxpayers with different Central/State Government Departments and returns filed under JGST Act, 2017 to guard against potential revenue leakage and the mechanism of the Commercial Taxes Department (CTD), Government of Jharkhand in collection of data/information from Departments and verification thereof with returns filed under JGST Act, 2017.

3.1.2 Legal Framework

JGST Act, 2017 and JGST Rules, 2017 primarily govern the GST tax regime in Jharkhand. Integrated Goods and Services Tax (IGST) Act, 2017 and IGST Rules, 2017 are also important to various aspects of GST.

The important provisions relevant to this SSCA are as under:

Department's functions in relation to Returns: Section 61 of JGST Act, 2017 read with Rule 99 of JGST Rules , 2017 stipulate that the Proper Officer may scrutinise the return and related particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation. Section 74 of the JGST Act, 2017 empowers the Proper Officer to determine amount of tax not/short paid by any wilful misstatement or suppression of facts in order to evade tax along with levy of penalty equivalent to amount of tax and interest not exceeding 18 *per cent* under Section 50 of the JGST Act, 2017.

Section 51 of the JGST Act, 2017 read with Rule 66 (1) of JGST Rules, 2017 mandates the Deductor to deduct tax at the rate of one *per cent* from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds ₹ 2.5 lakh and file return in Form GSTR-7 and deposit tax deducted to Government Account.

3.1.3 Audit Objectives

The SSCA was taken up with the following audit objectives, with a view to seeking an assurance on:

i. The adequacy and efficacy of Act, rules, notifications, circulars *etc.* issued in respect of collection of data/information from other Central/State Government/Departments and adequacy/existence of a system in the Department for obtaining and verification of data collected thereof.

ii. Consistency in information furnished in the GST returns *vis-a-vis* information furnished to various Departments and used thereof with respect to tax compliance issues under GST.

3.1.4 Audit Criteria

The sources of audit criteria against which the audit objectives were verified comprises the provisions contained in the JGST Act, 2017, IGST Act, Income Tax Act, 1961, and Rules made thereunder. The significant provisions are given in **Table 3.1**.

Table 3.1: Source of audit criteria

Sl. No.	Subject	Act and Rules
1	Levy and collection	Section 9 of JGST Act, 2017
2	Registrations	Section 22 to 25 of JGST Act, 2017; Rules 8 to 26 of JGST Rules, 2017
3	Supplies	Section 7 and 8 of JGST Act, 2017; Schedule I, II and III of the JGST Act, 2017
4	Payment of tax	Sections 49 to 53 of JGST Act, 2017; Rules 85 to 88A of JGST Rules, 2017
5	Tax Deducted at Source	Section 51 of JGST Act, 2017
6	Penal provisions	Section 73, 74 and 123 of JGST Act, 2017
7	Filing of GST returns	Sections 37 to 47 of JGST Act, 2017; Rules 59 to 68 and 80 to 81 of JGST Rules, 2017
10	Scrutiny of returns	Section 61 of JGST Act, 2017; Rules 99 to 102 of JGST Rules, 2017
11	Collection of statistical information	Section 150 and 151 of JGST Act, 2017
12	Filing of Income tax returns	Section 139 of Income Tax Act, 1961; Rule 12 of Income Tax Rules, 1962

In addition, the notifications and circulars issued by CTD relating to filing of returns, registration, rates of tax on goods and services, exemption from tax, payment of tax, deductions of TDS, scrutiny of returns *etc.* also formed part of the audit criteria.

3.1.5 Audit methodology and scope

The SSCA was conducted to ascertain whether there exists a system in the Commercial Taxes Department (CTD) for constant interaction with the other Central/State departments and if so, whether the same is effective for identifying tax evaders, unearthing suppression of turnover and thereby preventing evasion of tax.

Hence, audit methodology included checking records in the office of the Commissioner of State Tax (CST) to examine the action initiated by the Department under Section 151 of the JGST Act, 2017 for obtaining information from the concerned persons. Audit also examined the prescription and filing of information return under Section 150 of the JGST Act, 2017, analysis of the same at the CST/Divisional level and its utilization while conducting scrutiny under Section 61 of the JGST Act, 2017, read with Rule 99 of JGST Rules, 2017, by the Proper Officers.

Further, Audit obtained data/information for the period from 2018-19 to 2020-21 from the Income Tax Department, Director General of Systems and Data Management (Customs), Indian Bureau of Mines (IBM), Works Divisions[42] of the State Government, Drinking Water and Sanitation Department (DW&SD), Urban Local Bodies (ULBs), Coal India Limited (CIL[43]), AIIMS Deoghar and Jharkhand Urja Sancharan Limited (JUSNL) pertaining to turnover, details of work executed, IGST paid *etc.* Besides, GSTR-7[44] of Tax *Deductor* Departments whose Tax deducted at source (TDS) certificates were accepted by the selected taxpayers were also analysed and cross verified with the details furnished in the GST returns filed by the taxpayers during the said period.

The methodology adopted for cross-verification of turnover, application of correct rate of GST, admissible exemption from GST, deduction of TDS at prescribed rates and registration relating to various departments are detailed in **Table 3.2**.

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42 State Government – Road Construction Department (RCD), Building Construction Department (BCD) and Rural Development Special Division (RDSD).

43 Data/Information obtained from Bharat Coking Coal Limited (BCCL) and Central Coal Field Limited (CCL), subsidiaries of Coal India Limited.

44 Return filed by Tax Deductor under Section 51 of the JGST Act, declaring amount paid to the supplier and TDS deducted against the supplies.

Table 3.2: Details of audit methodology adopted

Sl. No.	Name of the department	Audit methodology adopted
1.	Income Tax Department (ITD)	Data/information relating to turnover/nature of business carried out/commodity supplied *etc.* disclosed in ITR was collected from ITD and verified with GST returns.
2.	(i) Works Divisions of State Government, (ii) Urban Local Bodies (ULBs), (iii) Bharat Coking Coal Limited (BCCL), (iv) Central Coal Limited (CCL), (v) Drinking Water and Sanitation Department (DW&SD), (vi) Jharkhand Urja Sancharan Nigam Limited (JUSNL) and; (vii) AIIMS, Deoghar	Details of work carried out, payment made, TDS deducted and GST paid to works contractors (suppliers) were obtained from these Departments and verified with GST returns.
3.	Director General of Systems and Data Management [DS&DM (Customs)]	Details of value of goods imported and IGST paid were obtained and cross verified with the import turnover and payment of IGST disclosed in GST returns.
4.	Indian Bureau of Mines (IBM)	Details of dispatch of iron-ore by the lessees from the returns filed with IBM were obtained and verified with GST returns.

The SSCA covered the period from April 2018 to March 2021. The field audit was conducted between August and December 2023.

Entry conference of this SSCA was held on 26 July 2023 with the Secretary, CTD, Government of Jharkhand in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 06 June 2024 with the Secretary, CTD, in which the audit findings were discussed. The views expressed by the Secretary during the exit conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

3.1.6 Audit Sample

Audit sample comprised a total of 300 taxpayers/unregistered persons under GST drawn from data maintained by various departments. The sampling approach adopted had two components - stratified sampling and judgmental sampling. The persons who had received total payment of ₹ two crore and above during the financial year (FY) 2018-19 to 2020-21 from the various departments were considered for stratified random sampling and persons who received payment between ₹ one crore twenty lakh to ₹ two crores during FY 2018-21 were considered for judgmental sampling. Additionally, considering that contractual/supplier payment data of some departments was very limited in number, all the receivers of payment were included in the sample selected for this SSCA.

Components of Sampling:

- Stratified Random Sampling (ITD, Works Divisions of the State Government, ULB, BCCL, CCL and DW&SD);
- Judgmental Sampling (ITD, Works Divisions of State Government, ULB, BCCL, CCL and DW&SD); and
- 100 *per cent* selection (JUSNL, DS&DM (Customs), IBM and AIIMS)

Department wise sample size and sampling methodology adopted is detailed in **Table 3.3**.

Table 3.3: Details of Sampling Methodology and Sample Size

Sl. No.	Name of the department	Sampling methodology adopted
1.	**Income Tax Department (ITD)**	Audit obtained scrutinized ITRs of 236[45] assesses from all four Central circles of Income Tax Department of Jharkhand. Out of 236 assesses; 71 taxpayers were sampled (46 taxpayers through stratified random sampling, five taxpayers through judgmental sampling and 20 assesses unregistered with GST).
2.	**(i) Works Divisions of State Government** **(ii)Urban Local Bodies** **(iii) Bharat Coking Coal Limited** **(iv) Central Coal Limited** **(v) Drinking Water and Sanitation Department**	Audit obtained the data of payments received by 6,509 work contractors/suppliers from these Government entities. Out of the 6,509 work contractors/suppliers; 185 taxpayers were sampled (145 taxpayers through stratified random sampling, 30 taxpayers through judgmental sampling and 10 work contractors/ suppliers unregistered with GST).
	(vi) Jharkhand Urja Sancharan Nigam Limited	Audit obtained the data of payments received by 24 contractor/suppliers from JUSNL out of which 22 taxpayers whose turnover exceeded ₹ two crore was considered as sample.
	(vii) AIIMS, Deoghar	The data relating to payments made by AIIMS, Deoghar to the contractor for construction of AIIMS during the period from 2019-21 had been obtained. The taxpayer was registered under State Jurisdiction and considered as audit sample.
3.	**Director General of Systems and Data Management (Customs)**	Details of imports made by 15 taxpayers (registered under State Jurisdiction) were obtained from DS&DM (Customs). All 15 taxpayers were considered as sample.

45 Out of 236 assesses 20 assesses were unregistered under GST.

Table 3.3: Details of Sampling Methodology and Sample Size

Sl. No.	Name of the department	Sampling methodology adopted
4.	**Indian Bureau of Mines**	The data relating to dispatch of iron ore made by six lessees of Jharkhand State during the period from 2018-21 had been obtained from IBM. These six taxpayers were considered as audit sample.

Audit Findings

Audit cross verified the GST returns/records of sampled taxpayers/ other persons with data/information obtained from the departments mentioned in Table 3.3 and noticed that system for obtaining/furnishing of information return/statistics and verification thereof with GST returns by the CTD was absent. This resulted in non-detection of irregularities in registration under GST, declaration and accounting of turnover, payment of GST at correct rate, availment of exemption from GST, payment of IGST on imports, adherence of time of supply and deduction and deposit of TDS under JGST Act, 2017. **Table 3.4** brings out the extent of deficiencies noted during the audit of SSCA.

Table 3.4: Overview of deficiencies noted during the audit

(₹ in crore)

Sl. No.	Nature of audit findings	CTCs in audit sample / CTCs where deficiency noticed	Audit sample	Number of deficiencies noticed		Percentage deficiencies	Amount accepted by the Department[46]
				Number	Amount		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	Irregularities in registration under JGST *vis-à-vis* ITR	NA[47]	71	23	31.10	32.39	0.09
2	Mismatch in turnover under GST *vis-à-vis* ITD	18 / 10	51	15	103.85	29.41	67.07
3	Payment of tax at incorrect rate of GST *vis-à-vis* ITR	18 / 03	51	3	19.62	5.88	4.73
4	Inadmissible exemption availed under GST *vis-à-vis* ITD	18 / 03	51	3	7.38	5.88	6.48
5	Irregularities in registration under JGST *vis-à-vis* payment received	NA[48]	208	11	4.84	5.28	0.29

[46] Amount accepted by the Department denotes the cases where Department had recovered, raised demand or issue SCNs based on Audit observation.

[47] Details of CTC involved could not be ascertained as these cases were not found registered.

[48] These cases were not registered under GST, hence details of CTC involved could not be ascertained.

Sl. No.	Nature of audit findings	CTCs in audit sample / CTCs where deficiency noticed	Audit sample	Number of deficiencies noticed		Percentage deficiencies	Amount accepted by the Department[46]
				Number	Amount		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	from other Department						
6	Mismatch in turnover under GST *vis-à-vis* payment received from other Departments	27/23	197	96	139.15	48.73	25.45
7	Payment of tax at incorrect rate of GST	27/09	197	13	38.46	6.59	25.79
8	Inadmissible exemption availed under GST	27/04	197	4	9.80	2.03	2.59
9	Non-adherence to time and supply provisions of JGST Act	27/20	197	69	1.03	35.02	0.49
10	Incoherency between turnovers disclosed with IBM and GST	03/02	6	3	64.53	50.00	64.53
11	Discrepancy in IGST paid on imports.	12/03	15	3	8.48	20.00	0.00
12	Irregularities in deduction and deposit of TDS	27/04	197	6	1.61	3.04	1.44
Total					**429.85**		**198.95**

As evident from above, Audit noticed irregularities in registration under JGST Act, 2017 *vis-à-vis* ITR in 32 *per cent* cases and *vis-à-vis* other departments in five *per cent* cases, mismatch in turnover under JGST Act, 2017 *vis-à-vis* ITR in 29 *per cent* cases and *vis-à-vis* other departments in 49 *per cent* cases, payment of GST at incorrect rate *vis-à-vis* ITR in six *per cent* cases and *vis-à-vis* other departments in seven *per cent* cases, availment of inadmissible exemption *vis-à-vis* ITR in six *per cent* cases and *vis-à-vis* other departments in two *per cent* cases, non-adherence to time of supply provisions under GST in 35 *per cent* cases *vis-à-vis* payment made by other departments.

The Audit findings, system lapses and remedial measures are discussed in the subsequent paragraphs.

3.1.7 Inadequate Coordination between CTD and other Government Departments

Section 150 of the JGST Act, 2017 prescribes that various persons/authorities who are responsible for maintaining record of registration or statement of accounts or any periodic return or document containing details of payment of tax and other details of transaction of goods or services or both or transactions related to a bank account or consumption of electricity or transaction of purchase, sale or exchange of goods or property or right or interest in a property under any law for the time being in force, shall furnish an "information return" of the same in respect of such periods, within such time, in such form and manner and to such authority or agency as may be prescribed.

Section 151 of the JGST Act, 2017 grants power to Commissioner for issuance of notification for collection of information/statistics relating to the Act from concerned person. After issuance of notification, the Commissioner, or any person authorised by him in this behalf, may call upon the concerned persons to furnish such information or returns, in such form and manner as may be prescribed, relating to any matter in respect of which statistics is to be collected.

IB was constituted in the Department comprising one Additional Commissioner of State Tax at the apex level assisted by JCST/DCST/ACST/STO and one JCST (Administration) at each five divisions assisted DCST/ACST/STO. IB was assigned duties[49], to discharge functions prescribed under various sections of the Act, including collection of statistics relating to any matter under section 151 of the JGST Act, 2017.

The task of collection of data relating to sale/purchase and turnover from internal/external sources and cross verification thereof had been entrusted to Bureau of Investigation (IB)[50]. It was, however, observed that the Department did not prescribe a mechanism/filing information returns for collection of information/data from the concerned persons/authorities.

The matter was reported to the Government/Department (January 2024). The Department during exit conference stated (June 2024) that necessary steps would be taken for collection of data as per Section 150 of the Act.

Audit also evaluated the working of IB in relation to collection of data from external sources and subsequent transmission and verification thereof along with discharge of assigned duties in respect of Inspection, Search, Seizure and Arrest, Demands and Recovery, Penalties and other miscellaneous activities[51]. It was noticed (between October and December 2023) that manual/SOP to administer these sections has not been prescribed. The Department had not evolved mechanism for monitoring of collection of information from external/internal sources by IB. Extent of collection of data and subsequent

[49] Notification issued vide SO. No. 20 dated 08 February 2019.

[50] IB has been constituted in the Department vide Notification issued under SO No.143 dated 05 December 2017.

[51] Section 67 to 72 - Chapter-XIV Inspection, Search, Seizure and Arrest, Section 73 to 74 - Chapter-XV Demands and Recovery, Section 122, 125,129 and 130_Chapter-XIX Offences and Penalties and Section 151 - Chapter-XXI Miscellaneous of the JGST Act, 2017.

transmission of collected data to concerned CTCs during FY 2018-21 is detailed in **Table 3.5**.

Table 3.5: Collection of data/information by IB

<table>
<tr><th>Sl. No.</th><th>Name of IB division</th><th>Number of taxpayers in respect of whom data collected</th><th>Number of Department from whom data has been collected</th><th>Number of taxpayers verified</th><th>Number of taxpayers where discrepancy noticed</th><th>Amount recovered (in ₹)</th></tr>
<tr><td>1</td><td>Ranchi</td><td colspan="5" rowspan="4">Nil[52]</td></tr>
<tr><td>2</td><td>Jamshedpur</td></tr>
<tr><td>3</td><td>Hazaribagh</td></tr>
<tr><td>4</td><td>Santhal Pargana</td></tr>
<tr><td>5</td><td>Dhanbad</td><td>813</td><td>05[53]</td><td colspan="3">Nil</td></tr>
</table>

Thus, from the above it is evident that out of five divisions of IB; four divisions had not discharged their function regarding collection of data/information from other external/internal sources. IB Division, Dhanbad, had alone collected information in respect of 813 taxpayers from five Departments and transmitted to concerned CTCs and concerned CGST Authorities (pertaining to taxpayers of central jurisdiction) for verification. It was observed from analysis of data collected by IB, Dhanbad that data of 813 taxpayers includes 27 taxpayers pertaining to Central jurisdiction and one taxpayer pertaining to another State. Thus, it is evident that sample of taxpayers for collection of data from other departments were identified without any risk-based approach. Further, results of verification of collected data was not pursued. Accordingly, status of verification of these taxpayers was not known (July 2024).

Further, independent verification of data obtained by Audit from various State/Central Government departments indicated that there were discrepancies in information as declared by the taxpayer with the GST department *vis-a-vis* with other Central/State Government departments, which indicated possible non/delay/short accounting of turnover, irregularities in registration, application of incorrect rate of GST, excess exemption. This attracts non/short payment of GST besides levying of interest/penalty as discussed in subsequent paras.

Audit observed that there was no mechanism at the apex level for monitoring of discharge of functions by the IB which resulted in non-identification of sources, and non-collection of information from external data/sources verification thereof with GST returns.

The matter was pointed out (January 2024) to the Government/Department; the Department during exit conference stated (June 2024) that data from various sources *viz.* Mining Department, Transport Department is being collected on requirement basis. The Department further assured to identify risk parameters for selection of departments/taxpayers for collection of data as suggested by Audit.

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52 These IB Divisions had not collected data/information from external/internal sources.

53 DW&SD, BCD, RDSD, Sahid Nirmal Mahto Medical College Hospital and Mandal Jail.

Recommendation No. 1: The Department may consider taking necessary steps to prescribe the mechanism in terms of specifying format, manner and periodicity for filing of information returns and monitoring of collection of data/information from external/internal sources and verification thereof with GST returns.

3.1.8 Discrepancy between GST returns and ITRs

The extent of irregularities with respect to registration, turnover, rate and exemption noticed in the sampled cases obtained from ITD were examined in the context of the following rules as under.

Under Section 139 of Income Tax Act, every person being a company or a firm if his total income during the previous year exceeded the maximum amount which is not chargeable to income tax, shall, on or before the due date, furnish a return of his income in the prescribed Form. Further, Rule 12 of IT Rules prescribes filing of ITR-3 to ITR-7 as under.

- **ITR-3:** Individuals or Hindu Undivided Families (HUF) having income from proprietary business or from carrying out his/her profession.
- **ITR-4:** Taxpayers who have opted for the presumptive income scheme.
- **ITR-5:** Firms, Association of persons (AOP), Body of Individuals (BOI) *etc.*
- **ITR-6:** All Indian companies except Charitable/Religious trusts.
- **ITR-7:** All Charitable/Religious trusts, Political parties, Scientific research institutions, Universities or Colleges *etc.* which are requiring exemptions.

Section 39 of the JGST Act, 2017 requires every registered person to file return, in Form GSTR-3B, of inward and outward supplies of goods or services or both, ITC availed, tax payable, tax paid and such other particulars on monthly basis on or before the twentieth day of the month succeeding calendar month and to pay to the Government the tax due as per such return not later than the last date on which he is required to furnish such return. Further, Section 44 (2) of the JGST Act, 2017 read with Rule 80 (3) of the JGST Rules, 2017 prescribes every registered person, whose turnover exceeded ₹ two crores, to file along with annual return a copy of the annual accounts audited by a chartered accountant and a reconciliation statement in Form GSTR-9C, reconciling the value of turnover, taxable turnover, ITC and tax payable declared in the annual return with financial statements.

The ITR contains information relating to PAN, sale, purchase, turnover, nature of business *etc.* similar to that furnished in the GST returns. Ideally, the information disclosed in both return by a taxpayer is required to be same. Thus, certain information *viz.* nature of business carried out, quantitative details of commodity supplied *etc.* disclosed in the ITR could be of immense importance for proper officers to ensure that applicable persons are in the GST fold and for conducting scrutiny of taxpayer's GST returns.

In order to test check the variation in furnishing of similar information with ITD and CTD, Audit obtained the copies of ITR-3 to ITR-7 filed by 71 sampled taxpayers and cross verified the particulars furnished in ITRs with GST returns.

Audit noticed irregularities in compliance of extant provisions of the JGST Act, 2017 by the taxpayers with regard to registration, turnover, application of correct rate of GST and availment of admissible exemption as discussed in **paragraphs 3.1.8.1 to 3.1.8.4**.

3.1.8.1 Irregularities in registration under JGST Act *vis-à-vis* particulars furnished in ITR

The Department did not identify 23 taxpayers who had disclosed supplies of ₹ 95.43 crore in their ITRs and were liable for registration under JGST Act, 2017. Consequently, tax up to ₹ 31.10 crore was not collected from them.

Section 22 (1) of the JGST Act, 2017 read with Rule 16 of JGST Rules, 2017 prescribes that every supplier making a taxable supply of goods or services or both in the State shall be liable to be registered under this Act if his aggregate turnover in a financial year exceeds ₹ 40 lakh[54]. Further, Section 22 (2) read with Section 139 (1) of the JGST Act, 2017 prescribes that every person who, on the day immediately preceding the appointed day[55], is registered or holds a license under an existing law, shall be liable to be registered under this Act with effect from the appointed day.

Status of GST registration can be verified from the web portal of GSTN (services.gst.gov.in) by utilizing the services of Search Taxpayer by PAN as GSTIN is a PAN based number. GSTN randomly allots jurisdiction of a taxpayer either to State or Centre at the time of registration under GST.

Audit examined issues relating to registration in the sample of 71 Income Tax taxpayers and noted issues with respect to 23 taxpayers as under:

- Audit noticed (December 2023) that 20 taxpayers in their ITRs for FY 2018-21 had disclosed sale of goods for ₹ 11.41 crore and sale of services for ₹ 68.81 crore and were exceeding threshold limit for registration every year under JGST Act, 2017. However, they had not obtained registration under JGST Act. This resulted in non-collection of tax including applicable interest and penalty of ₹ 26.24 crore from these taxpayers.
- Audit noted (October 2023) that two taxpayers at Dhanbad CTC in their ITRs for FY 2018-21, had disclosed sale of goods for ₹ 6.06 crore and sale of services for ₹ 7.48 crore which annually exceeded the threshold limit for registration under JGST Act, 2017. From the scrutiny of status of registration of these two taxpayers in the GST portal, it was noticed that though these taxpayers were registered under the erstwhile Act and were issued provisional certificate of registration, they had not migrated to JGST Act, and the provisional certificate of registration issued for migration was cancelled with effect from date of implementation of GST. However, tax including applicable interest and penalty of ₹ 4.11 crore was not collected from these taxpayers.

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54 Threshold limit of ₹40 lakh for registration under JGST Act had been prescribed vide Notification No.10/2019 dated 07 March 2019.

55 Appointed day means the date on which the provisions of this Act shall come into force.

- Audit noticed that a taxpayer registered at Dhanbad Urban CTC, as per ITR for FY 2019-21, had carried out business of coaching centres and tuitions, taxable under JGST Act, 2017 and had taxable supplies for ₹ 1.67 crore. However, scrutiny of status of registration of the taxpayer on GST portal revealed that registration of the taxpayer was *suo moto* cancelled by the proper officer with effect from December 2019 without determining his tax liability. Therefore, tax including applicable interest and penalty of ₹ 74.93 lakh was not recovered.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that an amount of ₹ 8.16 lakh had been recovered in one case, notice in Form ASMT-14[56] for non-registration had been issued and correspondence had been made with ITD in case of 20 taxpayers.

In the remaining two cases, the Department stated that PAN of these taxpayers was found incorrect. The reply of the Department was not in order as on analysis of ITRs of these taxpayers, it was noticed that this PAN was mentioned in the ITRs of these taxpayers and were therefore correct.

Two illustrative cases are detailed below: -

- Audit observed that a taxpayer (PAN AXXXXXXXXP) in its ITRs for FY 2018-21 had disclosed revenue of ₹ 5.05 crore from business of general commission agents, commodity brokers and auctioneers. The turnover as per ITR exceeded threshold limit for registration under JGST Act in all the three years. However, the taxpayer was not found registered as per status of registration at GSTN. Thus, due to non-registration, tax of ₹ 1.64 crore including applicable interest and penalty was not collected from the taxpayer.

  After the matter was pointed out (September 2023); the Department during exit conference stated (June 2024) that notice in Form ASMT-14 for registration had been issued to the concerned person and correspondence had been made with ITD. Further reply was awaited (March 2026).

- Audit observed that a taxpayer (GSTIN 2XXXXXXXXXXXXXB) in its ITR for FY 2018-21 had disclosed sale of goods for ₹ 2.19 crore and sale of services for ₹ 5.30 crore from business of nursing homes. The turnover as per ITR exceeded the threshold limit for registration under JGST Act in all the three years. Further, scrutiny of status of registration at GSTN, disclosed that the taxpayer did not migrate to JGST regime from being registered earlier under Jharkhand Value Added Tax (JVAT) Act, 2005. Thus, tax of ₹ 2.28 crore including applicable interest and penalty was not collected from the taxpayer.

  When the matter was pointed out (October 2023); the Department during exit conference stated (June 2024) that the matter relates to Bokaro CTC which had been instructed to take necessary action. The Department was

[56] Notice issued by a proper officer under Section 63 of JGST Act assessing tax liability of a taxable person who fails to obtain registration even though liable to do so.

requested (June 2024) to provide the action taken report by the concerned CTC and further response was awaited (March 2026).

3.1.8.2 Mismatch in taxable turnover between Income Tax Returns and GST returns

There was mismatch in taxable turnover of ₹ 315.42 crore, as per ITRs *vis-à-vis* GST returns in case of 15 taxpayers at 10 CTCs. These taxpayers remained undetected by CTD which had a potential tax implication of ₹ 103.85 crore.

As per Section 2 (112) of the JGST Act, 2017 'turnover in State' means the aggregate value of all taxable supplies and exempt supplies made within a State/UT, exports and inter-state supply of goods or services or both. Section 61 of the Act prescribes that the proper officer may scrutinize the return and related particulars furnished by the registered person to verify the correctness of the return and inform him about the discrepancy noticed and to issue show cause notice (SCN) where it appears to the proper officer that any tax has not been paid or short paid by reason of fraud, or any wilful misstatement or suppression of facts to evade tax levying a penalty equivalent to the tax specified in the notice.

Audit, in order to analyse the consistency in declaration of taxable turnover between ITD and GST returns, cross verified the information declared in ITR by 51[57] taxpayers, registered under JGST Act, with their GST returns. It was noticed that 15 taxpayers registered at 10 CTCs[58] had disclosed sale of goods/services/turnover/revenue from operations of ₹ 666.04 crore in their ITRs for FY 2018-21. However, these taxpayers had disclosed turnover including nil/exempt turnover of ₹ 350.62 crore only in their GSTR-9/GSTR-3B filed under JGST Act, 2017 during FY 2018-21. Thus, there was a mismatch in turnover of ₹ 315.42 crore between ITR and GST returns of these taxpayers. Audit observed that State GSTN lacked integration of data/information available with ITD to flag the mismatch of turnover disclosed by the taxpayers. Further, IB of CTD also did not collect data/information from ITD to detect mismatch in turnover of these taxpayers. Consequently, the potential implication of GST was ₹ 103.85 crore including interest and penalty. **(Appendix-V)**.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that an amount of ₹ 29.67 lakh had been partially recovered in case of two taxpayers and demand in Form DRC-07[59] for ₹ 66.77 crore were issued in case of seven taxpayers. Notices in Form ASMT-10[60] had been issued in case of three taxpayers.

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57 Out of 71 sampled taxpayers, 20 taxpayers were not registered in GSTN.

58 Adityapur, Chaibasa, Deoghar, Dhanbad Urban, Jamshedpur, Jamshedpur Urban, Jharia, Palamu, Ranchi Special and Tenughat.

59 Show Cause Notice (SCN) issued under Section 73/74 of JGST Act, detailing the tax including interest and penalty payable by the taxpayer on tax short paid/ITC excess availed.

60 Notice communicated to taxpayer detailing discrepancy noticed by proper officer during scrutiny of returns under Section 61 of JGST Act, 2017.

Further, the Department in one case stated that the turnover as per ITR relates to the taxpayer registered under GST in Karnataka as well as Jharkhand State on the same PAN. However, analysis of GST returns of both the States *vis-à-vis* ITR indicated that difference in turnover was not reconciled for the FY 2019-20 and consequentially the taxpayer was liable to pay GST.

In another case, the Department stated that the turnover depicted in ITR comprises turnover of two units registered with different GSTINs. The difference in turnover could be reconciled by cumulating the turnover of both units. The reply of the Department was analysed and noticed that turnover as per ITR was ₹ 61.85 crore whereas cumulative turnover of both the units was ₹ 60.96 crore. Thus, difference in turnover of ₹ 0.89 crore remained unreconciled on which the taxpayer was liable to pay GST.

In the remaining case, the Department during exit conference stated (June 2024) that the taxpayer had migrated to Central jurisdiction for which correspondence (January 2024) had been made with CGST authorities. Further reply was awaited (March 2026).

Two illustrative cases are detailed below: -

- Audit observed that a taxpayer (GSTIN 2XXXXXXXXXXXXXM) registered at Adityapur CTC had disclosed sale of goods for ₹ 149.56 crore from business of manufacture of ferro alloys in ITR for FY 2018-20. On scrutiny of GST returns of the taxpayer it was noticed that registration of the taxpayer was *suo moto* cancelled by the proper officer with effect from September 2019. Further, in the GST returns filed during the period, the taxpayer had disclosed turnover of ₹ 82.90 crore including nil/exempt turnover. Thus, there was mismatch in turnover of ₹ 66.66 crore in GST returns which was not detected by the Department. Accordingly, GST of ₹ 32.59 crore including applicable interest and penalty was not collected from the taxpayer.

  After the matter was pointed out (November 2023), the Department during exit conference stated (June 2024) that SCN for the objected amount of ₹ 32.59 crore had been issued. Further reply was awaited (March 2026).

- A taxpayer, (GSTIN 2XXXXXXXXXXXXK) registered at Chaibasa CTC during the transaction period 2018-21 was involved in business of mining, quarrying and retail sale of other products and disclosed sale of goods for ₹ 126.60 crore in ITR filed with ITD. However, in GST returns the taxpayer had furnished Nil turnover. Thus, the taxpayer had suppressed turnover of ₹ 126.60 crore on which tax of ₹ 15.79 crore including applicable interest and penalty was not paid.

  After the matter was pointed out (November 2023), the Department during exit conference stated (June 2024) that demand in form DRC-07 for ₹ 3.93 crore had been issued for the period 2018-19 and SCN for ₹ 11.86 crore had been issued for the period 2019-20 and 2020-21.

3.1.8.3 Payment of tax at incorrect rate of GST by the taxpayers

Three taxpayers were required to pay GST at the rate of 12 and 28 *per cent* in accordance with nature of business declared by them in the ITR; however, these taxpayers had paid GST at the incorrect rate of 5, 12 and 18 *per cent* resulting in short payment of tax of ₹ 19.62 crore.

Under the provisions of Sub-section (1) of Section 9, Sub-section (1) of section 11, Sub-section (5) of Section 15 and notifications[61] issued thereunder, as amended from time to time, there shall be levied a tax called the Jharkhand goods and services tax on all intra-state supplies of goods or services or both, on the value determined under Section 15 and at such rates, not exceeding 20 *per cent*, and collected in such manner as may be prescribed and shall be paid by the taxable person.

Audit, in order to analyse the application of correct rate in GST returns with regard to information disclosed in the ITRs, cross verified the declaration of nature of business carried out/details of commodity supplied of 51 sampled taxpayers disclosed in the ITR with GST returns. It was observed that three taxpayers, registered at three CTCs[62], in their ITRs for the FY 2018-21, had declared turnover of ₹ 70.98 crore from business of accommodation in hotels/Inn/Guest house and manufacture of motor vehicles parts. As per notifications issued under JGST Act 2017, GST of ₹ 19.59 crore was payable on aforesaid businesses at the rate of 12 *per cent* and 28 *per cent*. However, these taxpayers in GST returns had paid tax of ₹ 12.32 crore by applying GST rate of 5, 12 and 18 *per cent*. Thus, due to application of incorrect rate of GST, tax of ₹ 7.27 crore was short paid on which interest and penalty of ₹ 12.34 crore was also payable as per provisions of the JGST Act.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that SCN for ₹ 4.73 crore had been issued in case of one taxpayer and notice in Form ASMT-10 had been issued in another case. Further reply was awaited (March 2026).

Audit observed that in the absence of a mechanism to access and verify the information in respect of nature of supplies available with ITD, the CTD did not cross-verify the nature of business disclosed by the taxpayers in GST portal and consequentially, application of incorrect rate remained undetected. This resulted in short payment of tax of ₹ 19.62 crore including applicable interest and penalty as per provisions of the Act.

The Department stated that, in the third case, the taxpayer had inadvertently mentioned HSN 84831010 - Transmission shafts including cam shafts, crank shafts and cranks in its registration certificate (RC) which is taxable at the rate of 28 *per cent*; however, it was found from verification of supply invoices for the FY 2019-20 that the taxpayer had not supplied aforesaid commodities. The response of the Department was not in order as the Department had verified the invoices for the FY 2019-20 while the audit objection pertains to FY 2018-19

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61 Notification No. 01/2017 issued vide S.O. 31 dated 29 June 2017, Notification No. 11/2017 issued vide SO. No. 41 dated 29 June 2017, Notification No. 20 issued vide SO. 70 dated 26 August 2017 and Notification No. 3/2019 dated 29 March 2019.

62 Adityapur, Dhanbad Urban and Jamshedpur.

wherein it was pointed that taxpayer was liable to pay GST at the rate of 28 *per cent* up to 31 December 2018 on outward supply of HSN 84831010 as per Notification No. 01/2017 dated 29 June 2017. However, GST at the rate of 18 *per cent* was applied and paid by the taxpayer.

3.1.8.4 Inadmissible exemption availed under GST *vis-à-vis* ITD

Three taxpayers registered at three CTCs had made taxable supplies of ₹ 15.59 crore as per their ITRs for FY 2018-21 but availed exemption from GST on these supplies, and consequentially short paid tax including interest and penalty of ₹ 7.38 crore.

Under the provisions of Sub-section (1) of Section 11 of the JGST Act, 2017 and notifications[63] issued thereunder as amended from time to time, the Government may exempt, either absolutely or subject to such conditions as may be specified therein, goods or services or both of any specified description from the whole or any part of the GST leviable thereon. Section 7 of the JGST Act, 2017 read with Para 5 (b) of Schedule-II of the Act prescribes that construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer shall be treated as supply of service. Further, as per entry No. 74 of Notification No. 12/2017 dated 28 June 2017 services by way of health care services by a clinical establishment, an authorised medical practitioner or paramedics and services provided by way of transportation of a patient in an ambulance, is exempt from levy of GST.

To analyse the correctness of exemption availed in the GST returns *vis-à-vis* particulars furnished in ITR, Audit cross verified ITRs of 51 sampled taxpayers, registered under JGST Act, 2017 with GST returns. It was noticed that three taxpayers registered at three CTCs[64], had declared outward supplies of services in GST returns, for the FY 2018-21for ₹18.08 crore and availed exemption from tax. However, on further scrutiny of nature of business indicated in ITRs, it was observed that the taxpayers during the period had carried out business of renting of real estate services, development of real estate, building completion and supplied taxable services of ₹ 15.59 crore. Thus, it was observed that the above-mentioned taxpayers misclassified the taxable supplies as exempted supplies due to lack of integration of GSTN with the data/information of ITD to cross verify the correctness of exemptions claimed with corresponding GST returns. This resulted in short collection of tax of ₹ 7.38 crore including applicable interest and penalty as per provisions of the Act **(Appendix-VI)**.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that demand in Form DRC-07 for ₹ 4.13 crore had been issued in one case, SCN for ₹ 2.34 crore had been issued in another case and notice in Form ASMT-10 had been issued in the remaining one case. Further reply was awaited (March 2026).

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63 Notification No. 01/2017 issued vide S.O. 31 dated 29 June 2017; Notification No. 11/2017 issued vide SO. No. 41 dated 29 June 2017; and Notification No. 14/2021 issued vide S.O. 42 dated 24 June 2021.

64 Jamshedpur, Ranchi South and Ranchi Special.

Recommendation No. 2: The Department may consider implementing a system for seamless exchange/access of data/information between ITD and CTD to verify turnover, availment of exemption and application of correct rate of GST.

3.1.9 Discrepancy between payments received from different departments[65] and their accounting in GST returns

Section 51[66] of the Act prescribes that Government may mandate Deductor to deduct JGST at the rate of one *per cent* from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds ₹ 2.5 lakh.

Information regarding award of works contract services/details of supplies received for execution of works contract and payments made to contractors/suppliers and deduction of tax (JGST/CGST) at source (TDS) thereon was available with the departments. The departments as well as the work contractors/suppliers were required to disclose the same information with CTD in their GST returns filed under Section 39 of JGST Act.

It was observed that there was no mechanism for data/information sharing between CTD and these departments. To analyse the consistency between data/information available with State Works Divisions, BCCL, CCL, JUSNL, ULBs and AIIMS and their disclosure in GST returns, Audit obtained the details of payment made and TDS deducted for works contract executed/supplies for the period 2018-21 in respect of 208 taxpayers and cross verified with GST returns. Besides, GSTR-7 of the Deductors whose TDS certificates were accepted by these taxpayers were also analysed and cross verified with GST returns.

Audit noticed irregularities in registration under JGST Act, 2017, discrepancy in declaration of turnover, irregularities in application of correct rate of GST, availment of exemption under JGST Act, 2017 and non-adherence to time and supply provisions as discussed in the succeeding paragraphs.

3.1.9.1 Irregularities in registration under JGST Act, 2017

In the absence of mechanism for inter-departmental exchange/access of data/ information, the CTD did not identify nine unregistered taxpayers, who were liable to be registered under JGST Act, and two taxpayers, who were granted registration post execution of works contracts. This had a potential implication of GST of ₹ 4.84 crore.

As stated previously, under JGST Act, 2017, suppliers having an aggregate turnover of more than ₹ 40 lakh who were registered under the previous law are required to be registered under JGST.

To analyse the compliance of extant provisions relating to registration under JGST Act, 2017 by the taxpayers and monitoring thereof by proper officers,

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65 State Works Divisions, CCL, BCCL, ULBs, JUSNL and AIIMS.

66 As per Notification No. 50/2018 dated 13 September 2018, provisions of Section 51 of the JGST Act, 2017 was implemented with effect from 01 October 2018.

Audit obtained the details of payment received from various Central/State Government/Departments by 208 taxpayers and cross verified with GST returns. Audit noticed the following irregularities in registration under JGST, 2017.

- Nine taxpayers during the FY 2018-21 had received payment of ₹ 10.03 crore from BCCL, BCD, ULB, RCD and RDSD for execution of works contract and had exceeded the threshold limit of ₹ 40 lakh, required for registration under JGST Act. However, they were not registered under the JGST. This resulted in possible non-collection of tax including applicable interest and penalty of ₹ 4.23 crore from these taxpayers.
- Two taxpayers registered at Koderma and Ranchi South CTCs had received payment of ₹ 1.72 crore from JUSNL and DW&SD during the FY 2019-20. However, on scrutiny of status of registration of the taxpayer at GSTN portal, it was noticed that these taxpayers were granted registration with effect from May 2020 *i.e.* during 2020-21. Thus, turnover of ₹ 1.72 crore received by them prior to the period of registration remained outside the purview of GST which resulted in short collection of tax including applicable interest and penalty of ₹ 61.70 lakh from these taxpayers.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that SCN for ₹ 28.04 lakh had been issued in one case and notice in Form ASMT-10 had been issued in two cases. Further reply was awaited (March 2026).

The Department, further, stated that five taxpayers were registered in other states. In case of another three taxpayers, the Department stated that the taxpayers were registered under Central jurisdiction. The reply of the Department was analysed with verification of PAN of taxpayer at GST portal and it was observed that two taxpayers were not migrated to GST with effect from 01 July 2017. Accordingly, it may be treated as unregistered under JGST Act, 2017. In the remaining one case, the taxpayer was registered in other States but was not registered under JGST Act.

3.1.9.2 Mismatch in taxable turnover under JGST *vis-à-vis* payment received from other Central/State Government /departments

There was mismatch of ₹ 355.94 crore between taxable turnover disclosed in GST returns in comparison to payments received from execution of works contracts/supplies made from/to other Central/State GDs in case of 96 taxpayers at 23 CTCs and consequentially tax up to ₹ 139.15 crore including applicable interest and penalty was not collected.

As stated previously, JGST Act, 2017, empowers the proper officer to verify the correctness of the particulars of turnover declared by the registered person in GST returns and issue SCN if any tax has not been paid or short paid by reason of fraud, or any wilful misstatement or suppression of facts to evade tax.

To analyse the consistencies in declaration of turnover under GST returns and receipt of payment for execution of work contracts from various Central/State Government/departments, Audit obtained the details of payment made and TDS deducted from BCCL, CCL, RCD, BCD, RDSD, ULBs and JUSNL in respect of 197 taxpayers registered under JGST Act, 2017. Besides, GSTR-7 of the departments whose TDS certificates were accepted by these taxpayers were also analysed and cross verified with GST returns.

It was noticed that 96 taxpayers registered at 23 CTCs[67], during the FY 2018-21, had received payment of ₹ 1,944.64 crore from these Departments towards execution of works contract for them. On further analysis of GSTR-1 of these taxpayers, it was noticed that apart from the payment received from the departments towards execution of work contract, these taxpayers had also made outward supplies of ₹ 129.31 crore[68]. Thus, actual turnover of these taxpayers worked out as ₹ 2,073.95 crore. However, the taxpayers in GST returns had disclosed turnover of ₹ 1,718.01 crore only. Thus, there was mismatch of ₹ 355.94 crore between actual turnover and turnover declared in the GST returns. Audit observed that GSTN application was not synchronized for auto fetching data/information of turnover/payments available with other Government/ departments. Further, IB of CTD also did not collect data/information from other Government/departments to detect mismatch in turnovers of these taxpayers. Consequently, tax including applicable interest and penalty of ₹ 139.15 crore was not collected from these taxpayers.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that an amount of ₹ 23.37 lakh has been partially recovered and SCN for the remaining amount of ₹ 17.37 lakh had been issued in six cases. Demand in Form DRC-07 for ₹ 79.98 lakh and SCN for ₹ 32.07 lakh had been issued in other five cases. Further, SCNs for ₹ 23.92 crore had been issued in 35 cases. Notice in Form ASMT-10 had been issued in 42 cases. Further reply was awaited (March 2026).

Further, Department's reply was not tenable in the remaining eight cases which are described in **Table 3.6**.

67 Adityapur, Bokaro, Chirkunda, Deoghar, Dhanbad, Dhanbad Urban, Dumka, Giridih, Godda, Gumla, Hazaribagh, Jamshedpur, Jharia, Katras, Koderma, Lohardagga, Palamu, Ramgarh, Ranchi South, Ranchi Special, Ranchi West, Sahibganj and Tenughat.

68 As per GSTR-1, outward supplies of ₹ 129.31 crore was also made by these taxpayers to other registered taxpayers apart from outward supplies made to Tax Deductor Departments.

Table 3.6: Details of eight cases with Audit remarks

Sl. No.	GSTIN/ Name of taxpayer Period	Amount involved (₹ in crore)	Reply of the Department	Audit remarks
1	2XXXXXXXXXXXX6 2019-20 and 2020-21	0.12	Amount mentioned in GSTR-7 is the invoice value, however, in GST returns the taxpayer had disclosed taxable value	Actual Taxable Turnover (TTO) of the taxpayer for 2019-20 and 2020-21 as per GSTR-7 filed by the concerned tax deductor departments and other outward supplies was ₹ 35.11 crore and ₹ 32.24 crore respectively while TTO of ₹ 34.84 crore and ₹ 32.09 crore was disclosed in GSTR-9. Thus, there was mismatch of turnover of ₹ 0.41 crore on which tax of ₹ 0.12 crore was payable.
2	2XXXXXXXXXXXXXXP 2020-21	0.06	Turnover furnished by the taxpayer in GST returns was reconciled with Form 26AS and found correct.	Reconciliation of Income Tax Return in Form 26AS with GST returns was not correct in the instant case as the taxpayer, apart from ₹ 29.45 crore received from Government departments, had received an amount of ₹ 47.79 lakh from another registered taxpayer who was not eligible for deduction of TDS as per Section 194C of the Income Tax Act, 1961.
3	2XXXXXXXXXXXXH 2020-21	0.19	Tax on difference in turnover amounting to ₹ 3.77 crore had been paid in 2019-20.	The reply did not pertain to FY 2020-21.
4	2XXXXXXXXXXXXX4 2019-20 and 2020-21	0.38	The actual turnover as per GSTR-7 is inclusive of taxes and the turnover declared in GSTR-9 is taxable turnover	Actual TTO for FY 2019-20 and 2020-21 as per GSTR-7 filed by the concerned tax deductor departments and other outward supplies was ₹ 46.51 crore and ₹ 23.69 crore respectively whereas TTO of ₹ 45.61 crore and ₹ 23.34 crore was disclosed in GST returns. Thus, there was mismatch in turnover of ₹ 0.90 crore and ₹ 0.36 crore on which tax including interest and penalty of ₹ 0.38 crore was payable.
5	2XXXXXXXXXXXXX0 2019-20	0.53	Difference amount is paid in FY 2018-19	The reply did not pertain to FY 2019-20.
6	2XXXXXXXXXXXXXT 2018-19 and 2019-20	2.33	Difference amount has been paid in 2017-18	The reply was not relevant as the matter pertained to FY 2018-19 and 2019-20.

Table 3.6: Details of eight cases with Audit remarks

Sl. No.	GSTIN/ Name of taxpayer Period	Amount involved (₹ in crore)	Reply of the Department	Audit remarks
7	2XXXXXXX XXXXXX1 2019-20	0.16	Payment made by the JUSNL for ₹ 1.63 crore was accounted in GST returns.	The taxpayer during 2019-20 had received payment of ₹ 1.94 crore from JUSNL and ₹ 0.05 crore from other taxpayers whereas TTO of ₹ 1.63 crore was accounted in the GST returns. Thus, there was mismatch of ₹ 0.35 crore on which the taxpayer was liable to pay tax of ₹ 0.16 crore.
8	2XXXXXXX XXXXXX7 2019-20	3.38	No discrepancy found	The TTO of the taxpayer was ₹ 58.20 crore which included outward supplies of ₹ 43.33 crore to the tax deductor Departments as well as supplies of ₹ 14.97 crore to other taxpayers. However, TTO of ₹ 47.11 crore was disclosed in GSTR-9. Thus, there was mismatch of ₹ 11.09 crore in TTO on which tax of ₹ 3.38 crore was payable.

3.1.9.3 Payment of Tax at incorrect rate of GST

In nine CTCs, 13 taxpayers were involved in execution of work contracts, mining support services, transportation of coal, repair and maintenance work *etc.* and were liable to pay GST at the rate of 12 and 18 *per cent* as per provisions of JGST Act, 2017. However, these taxpayers had short paid tax of ₹ 38.46 crore by incorrectly applying GST at the rate of 5 and 12 *per cent*.

As stated previously, under the provisions of JGST Act, 2017, JGST shall be levied at rate not exceeding 20 *per cent* on the value of the intra-state supply of goods or services or both.

To analyse the application of correct rate of GST with nature of work contract executed/supplies made to other Central/State Government/departments had, Audit obtained details of work contracts executed and payment received from BCCL, CCL, RCD, RDSD, ULB and JUSNL in respect of 198 taxpayers registered under JGST Act, 2017 and cross verified with GST returns. It was noticed that 13 taxpayers registered at nine CTCs[69], for the FY 2018-21 had executed works of construction, mining support services, goods transportation, maintenance and repair work *etc.* for the aforesaid departments and received payment of ₹ 261.67 crore. Tax of ₹ 45.99 crore was payable on the aforesaid turnover at the rate of 12 and 18 *per cent* respectively as per notifications issued under JGST Act, 2017. On further, scrutiny of GST returns, it was noticed that these taxpayers had paid tax of ₹ 30.90 crore on aforesaid turnover by applying GST at rate of 5 and 12 *per cent* respectively. Thus, these taxpayers, by applying incorrect rate of GST had short paid tax of ₹ 15.09 crore on which

[69] Bokaro, Deoghar, Dhanbad Urban, Katras, Koderma, Palamu, Ranchi South, Ranchi West and Tenughat.

interest and penalty of ₹ 23.37 crore was also payable. This resulted in short collection of tax of ₹ 38.46 crore including applicable interest and penalty as per provisions of the Act **(Appendix-VII)**.

It was observed that Form GSTR-7 does not contain information regarding nature of works executed/ commodities supplied resulting in non-verification of GST rates by the proper officers.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that in case of six taxpayers demand in Form DRC-07 for ₹ 23.31 crore had been issued. In two cases, SCN for ₹ 2.48 crore had been issued. In the remaining five cases, notices in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

Recommendation No. 3: The Department may consider incorporation of additional details in Form GSTR-7 regarding nature of services/ commodities supplied for cross verifying the application of correct GST rate in the GST returns by the suppliers.

3.1.9.4 Inadmissible exemption availed under GST

Four taxpayers registered in four CTCs were not eligible for tax exemption as they were involved in supply of taxable services on which TDS under Section 51 of JGST Act was deducted. However, these taxpayers had availed incorrect exemption from GST on taxable supplies of ₹ 27.08 crore and consequential short payment of tax of ₹ 9.80 crore.

As stated previously, JGST Act, 2017, prescribes that the Government may exempt goods or services or both of any specified description from the whole or any part of the tax leviable thereon. The Act further requires the deductors to deduct JGST at the rate of one *per cent* from the payment made to the supplier of taxable goods or services or both, where the contract value exceeds ₹ 2.5 lakh and file return in Form GSTR-07 electronically at common portal.

To analyse the availment of exemption under JGST with respect to execution of work contract/supplies made to other Central/State Government/Departments, Audit cross verified the details of payment received from BCCL, CCL, RCD, BCD, RDSD, ULBs and JUSNL for the FY 2018-21 in respect of 198 taxpayers registered under JGST Act, 2017, with exemption availed in GST returns. It was noticed that four taxpayers registered at four CTCs[70] had availed exemption from tax on turnover of ₹ 27.08 crore. Audit, however, noticed from the data made available/GSTR-7 filed by these Departments that the above-mentioned turnover pertain to execution of works contract on which TDS was deducted and was taxable under JGST Act, 2017. Accordingly, these taxpayers were not eligible for exemption from tax. Thus, exemption of ₹ 27.08 crore availed by the taxpayers was incorrect.

Audit observed that proper officers did not utilize the information of payment made/TDS deducted available in GSTR-07 of the Deductors to cross verify the correctness of taxable turnover declared/ exemptions claimed by the corresponding taxpayers. Further, the CTD also did not collect data/information

[70] Bokaro, Deoghar, Koderma and Ramgarh.

available with other government departments to cross verify the correctness and remained unaware of the availment of excess exemption of ₹ 27.08 crore by these taxpayers. Consequently, tax of ₹ 9.80 crore including applicable interest and penalty was not collected from these taxpayers.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that SCN for ₹ 2.59 crore has been issued in one case and notice in Form ASMT-10 has been issued in two cases. In remaining one case, the Department stated that the supply is under RCM, hence exemption availed by the taxpayer is correct. The reply of the Department is not in order as the exemption availed by the taxpayer pertains to turnover received by him from execution of work contract service (transportation of coal) to CCL which is not covered under RCM. Further, Section 51 of the JGST Act prescribes deduction of TDS on taxable turnover and in the instant case TDS under Section 51 of the Act was deducted by the CCL. Thus, the turnover of the taxpayer is taxable under JGST Act.

3.1.9.5 Non-adherence to time of supply provisions of JGST Act

In 20 CTCs, 69 taxpayers did not adhere to the provisions of time of supply and accounted receipt of ₹ 175.57 crore and discharged tax liability of ₹ 23.93 crore thereon with delays ranging between 30 to 330 days from the date of receipt of payments. Consequently, these taxpayers were liable to pay interest of ₹ 1.03 crore.

Under the provisions of Section 12 of the JGST Act, 2017, the liability to pay tax shall arise at the time of supply. Time of supply determines the rate of tax applicable on a supply and the month in which tax is due for payment. Time of supply for services shall be earlier of the date of issue of invoice by the supplier, the date of receipt of payment and the date of provision of service if the invoice is not issued within the prescribed period with respect to the supply. Further, Section 50 (1) of the JGST Act, 2017 prescribes that every person who is liable to pay tax but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for the period for which the tax or any part thereof remains unpaid, pay, on his own, interest at such rate, not exceeding 18 *per cent*.

To analyse the compliance of provisions relating to time of supply under JGST Act, 2017, by the taxpayers and monitoring thereof by proper officers, Audit analysed GSTR-7 filed by BCCL, CCL, RCD, RDSD, ULB and JUSNL in respect of 198 taxpayers registered under JGST Act, 2017, and cross verified with GST returns. Further, GSTR-7 of other Departments, whose TDS certificates were accepted by these taxpayers, were cross verified with GST returns of these taxpayers. It was noticed that 69 taxpayers registered at 20 CTCs[71] had accounted payment of ₹ 175.57 crore and discharged tax liability of ₹ 23.93 crore thereon with delays ranging from 30 to 330 days from the date of receipt of payment from these departments. As per provisions of time of supply under JGST Act 2017, the aforesaid receipt and discharge of liability of tax was required to be accounted in the month of receipt of payment. Thus, due

[71] Adityapur, Bokaro, Deoghar, Dhanbad, Dhanbad Urban, Dumka, Giridih, Godda, Gumla, Hazaribagh, Jamshedpur, Jharia, Katras, Lohardagga, Palamu, Ramgarh, Ranchi South, Ranchi West, Sahibganj and Tenughat.

to non-adherence to time of supply provisions of JGST Act, 2017, these taxpayers were liable to pay interest of ₹ 1.03 crore against delay in discharge of tax liability.

Audit observed that proper officers did not utilize the information contained in GSTR-7 of the Deductors and cross verified the GST returns of corresponding taxpayers which resulted in non-identification of these 69 taxpayers not adhering to time of supply provisions and consequent interest of ₹ 1.03 crore was not collected from these taxpayers.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that in case of seven taxpayers an amount of ₹ 3.17 lakh had been recovered. Demand in Form DRC-07 for ₹ 4.81 lakh had been issued in case of three taxpayers. In 23 cases, SCNs for ₹ 41.40 lakh had been issued and in 32 cases notice in Form ASMT-10 had been issued. In four cases, the response of the Department is not acceptable to Audit. Details of cases, response of the Department and rebuttal is detailed in **Table 3.7**.

Table 3.7: Details of Departmental explanations

Sl. No.	GSTIN/ Name of taxpayer	Reply of the Department	Audit remarks
1	2XXXXXXXXXXXXJ	Interest is not payable as the interest was due to difference in taxable value.	The irregularity pertains to non-payment of interest on delay accounting (March 2019) of receipt turnover (December 2018) of ₹ 24.28 lakh.
2	2XXXXXXXXXXXXX6	The actual turnover is inclusive of taxes i.e. invoice value. However, the turnover in GST return is taxable turnover.	The irregularity pertains to non-payment of interest on delay accounting (ranging between 30-150 days) of receipt turnover of ₹ 8.33 crore.
3	2XXXXXXXXXXXX9	No discrepancy found.	The taxpayer had received (between July 2019 and January 2021) payment of ₹ 1.60 crore from DW &SD and accounted it in GSTR-3B with delays ranging between 30-240 days from the date of receipt of payment. However, interest of ₹ 1.16 lakh though payable due to non-adherence of time of supply provisions of the Act was not paid.
4	2XXXXXXXXXXXX7	No discrepancy found.	The taxpayer had received (between April and July 2019) payment of ₹ 4.15 crore from BCD, BCCL and JIADA and accounted it in GSTR-3B with delays ranging between 60-120 days from the date of receipt of payment. However, interest of ₹ 1.90 lakh though payable due to non-adherence of time of supply provisions of the Act was not paid.

3.1.10 Inconsistencies between turnover disclosed with IBM and GST returns

In the absence of a system for exchange/access of data/information between IBM and CTD, three lessees paid royalty and GST on different turnover despite dispatch quantity being the same resulting in short payment of GST of ₹ 64.53 crore by these taxpayers.

As per Section 2 (112) of the JGST Act, 2017, 'turnover in State' means the aggregate value of all taxable supplies and exempt supplies made within a State/UT, exports and interstate supply of goods or services or both. Section 61 of the Act prescribes that the proper officer may scrutinize the return and related particulars furnished by the registered person to verify the correctness of the return and inform him about the discrepancy noticed and to issue SCN where it appears to the proper officer that any tax has not been paid or short paid by reason of fraud, or any wilful misstatement or suppression of facts to evade tax levying a penalty equivalent to the tax specified in the notice. Further, the second schedule of Mines and Minerals (Development and Regulation) (MMDR), Act, 1957, prescribes levy of royalty at the rate of ten *per cent* of sales price on *ad valorem* basis in case of iron ore.

To analyse the coherence in declaration of turnover for the purpose of royalty and GST with IBM and CTD respectively, data of dispatch of iron ore and royalty paid thereon by six lessees was obtained from IBM and cross verified with GST returns. As per aforesaid provision of MMDR Act, royalty is payable on sale price of iron ore on *ad valorem* basis and average sales price is notified by the IBM on a monthly basis. The sales turnover was worked out by multiplying dispatch quantity with average sales price and the turnover so arrived was cross verified with turnover disclosed by the taxpayers in GST returns. It was noticed that:

- A taxpayer registered at Adityapur CTC had disclosed dispatch of 21.24 lakh MT of iron ore during FY 2018-19 and paid royalty in accordance with average sale price notified by IBM. Turnover of the taxpayer as per average sale price notified IBM worked out to ₹ 474.52 crore. However, the taxpayer in GST returns had disclosed nil turnover. It was observed that IBM, being key department of mining, captures monthly figures of extraction, production, dispatch, stock, average sale prices and in the absence of a system of data mapping between IBM and CTD, taxpayer was paying royalty on average sale price of IBM but GST was not paid despite quantity of dispatch of iron ore being same. Thus, there was mismatch of turnover of ₹ 474.52 crore in returns filed with CTD. Audit further observed that the JGST Act and Rules do not have specific provision for payment of GST by taxpayers dealing in major minerals as existed under MMDR Act for payment of royalty by these taxpayers. In absence of which, levy for potentially recoverable revenue of ₹ 64.53 crore including applicable interest and penalty could not be made.

- Two taxpayers registered at Chaibasa CTC had dispatched 9.05 lakh MT of iron ore during FY 2018-20 and paid royalty based on average sale price notified by IBM. The turnover of these taxpayers, on which royalty had been paid, worked out to ₹ 193.42 crore. However, in GST returns filed under JGST Act, 2017, these taxpayers had disclosed turnover of ₹ 173.01 crore only. Thus, there was mismatch of turnover of ₹ 20.41 crore in the GST returns. Audit, however, could not verify the turnover filed by the taxpayers in the GST returns due to unavailability of actual sale price of dispatches and other records.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that SCN for ₹ 64.53 crore has been issued in one case and notice in Form ASMT-10 has been issued in one case. The Department in the remaining one case stated that the audit objection is not found tenable. The reply of the Department was not acceptable as it was not supported by specific reasons/documentary evidence.

Recommendation No. 4: The Department may consider leveraging the average sales price of minerals as declared by IBM for verification of taxable turnover under GST, in view of large mineral deposits in the State.

3.1.11 Discrepancy in IGST paid on imports between data/information of DG&SD (Customs) and GST returns

Section 42 of the JGST Act, 2017 prescribes that the details of every inward supply furnished by a recipient for a tax period shall, in such manner and within such time as may be prescribed, be matched with the integrated goods and services tax paid under Section 3 of the Customs Tariff Act, 1975, in respect of goods imported by him. To analyse coherency of declaration of IGST paid with DG&SD (Customs) and import value/IGST payment declared in GST returns, Audit obtained data of import and IGST paid in respect of 15 taxpayers registered under JGST Act, 2017 and cross verified with GST returns. It was noticed in case of three taxpayers registered at three CTCs[72] that that these taxpayers during 2018-21 had imported steam coal, copper mould tube, demolition machine, wielding wire, pre-buried steel, parts of hydraulic lifting equipment *etc.* for assessable value of ₹ 27.17 crore and paid IGST of ₹ 4.12 core. However, as per GSTR-9/GSTR-9C filed by these taxpayers under JGST Act 2017, these taxpayers did not disclose import value of goods and disclosed IGST paid for ₹ 0.71 crore only. This short accountal of imported goods may be indicative of consequent concealment of outward supplies. Thus, these taxpayers have short accounted imported goods of ₹ 27.17 crore and IGST payment including applicable interest and penalty of ₹ 8.48 crore.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that notice in Form ASMT-10 has been issued in two cases. In the remaining one case, the Department stated that IGST paid on import as pointed out by Audit has been disclosed by the taxpayer in GST returns and ITC has been availed by him, hence short reporting of import turnover does not exist. The reply of the Department was analysed and noticed that as per data provided by DG&SD (Customs) the taxpayer had imported goods of ₹ 8.53 crore and paid IGST of ₹ 1.63 crore. However, the taxpayer had disclosed payment of IGST on import

[72] Chaibasa, Godda and Jamshedpur.

for ₹ 0.71 lakh only in the GSTR-9/GSTR-3B and availed ITC for the same amount.

3.1.12 Irregularities in deduction and deposit of TDS under JGST Act, 2017

The Department did not identify two tax deductors deducting TDS less than prescribed one *per cent* and three tax deductors short deducting TDS due to non-monitoring of compliance of provisions of Section 51 of the JGST Act by tax deductors. Consequently, TDS of ₹ 1.61 crore short deducted by these taxpayers remained unidentified.

Section 51 of the JGST Act, 2017 prescribes that Government may mandate deductor to deduct tax at the rate of one *per cent* from the payment made or credited to the supplier of taxable goods or services or both, where the total value of such supply, under a contract, exceeds ₹ 2.5 lakh. Rule 66 (1) of the JGST Rules prescribes that every registered person required to deduct tax at source shall furnish a return in FORM GSTR-7 electronically through the common portal on or before 10th of every month. Further, if any deductor fails to pay to the Government the amount deducted as tax under sub-section (1), he shall pay interest in accordance with the provisions of Sub-section (1) of Section 50, in addition to the amount of tax deducted.

GSTR-7 is a monthly return filed by individuals who deduct TDS under the GST Act, containing the details of name of the deductee, amount paid to the deductee, tax deducted and remittances made. The amount deducted shall be paid to the Government by the deductor within ten days after the end of the month in which deduction is made. A certificate mentioning therein the contract value, rate of deduction, amount deducted/paid to the Government shall be furnished by the deductor to the deductee within five days of credit of deducted amount to the Government.

To analyse the compliance of extant provisions of Section 51 of the JGST Act by the deductors and monitoring thereof by the proper officers, Audit obtained GSTR-7 filed by RCD, BCD, RDSD, DW&SD, JUSNL, BCCL, and CCL in respect of sampled 208 taxpayers. The obtained data was cross verified with GST returns of sampled taxpayers and irregularities were noticed in deduction of TDS as detailed under.

- It was noticed that two departments[73] registered at Ranchi West and Gumla CTCs deducted TDS of ₹ 1.23 lakh on payment of ₹ 65.07 lakh to two taxpayers as per GSTR-7 filed for FY 2019-21. However, TDS of ₹ 17.38 lakh (being one *per cent* SGST and CGST each) was required to be deducted on actual payment of ₹ 8.69 crore. This resulted in short deduction of TDS for ₹ 16.15 lakh.
- It was noticed that three departments[74] registered at three CTCs[75] in GSTR-7 filed for the FY 2019-20 and 2020-21 have disclosed payment (excluding CGST, SGST and IGST) of ₹ 264.84 crore made to four

[73] CCL and Rural Engineering Organisation (REO).
[74] DW&SD, Chaibasa, JUSNL and Ranchi Municipal Corporation.
[75] Chaibasa, Ranchi South and Ranchi West.

taxpayers and deducted TDS of ₹ 5.30 crore (being one *per cent* SGST and CGST each). Further, on scrutiny of GST returns of corresponding taxpayers it was noticed that these departments have actually paid ₹ 337.24 crore to these taxpayers on which TDS of ₹ 6.74 crore was required to be deducted as per provisions of Section 51 of the Act. Thus, TDS of ₹ 1.45 crore was short deducted.

Audit observed that the mechanism for monitoring of compliance of provisions of Section 51 of the JGST Act by tax Deductors did not exist in the Department. Further, proper officers did not cross verify the information contained in GSTR-07 of the Deductors and GST returns of taxpayers which resulted in non-identification of five Deductors not complying the provisions of Section 51 of the JGST Act and short deducting TDS of ₹ 1.61 crore.

The matter was reported to the Government/Department (January 2024); the Department during exit conference stated (June 2024) that an amount of rupees six thousand was recovered in one case. SCN for ₹ 1.44 crore had been issued in four cases and notice in Form ASMT-10 was issued in one case. Further reply was awaited (March 2026).

3.1.13 Conclusion

The Subject Specific Compliance Audit (SSCA) was taken up considering the significance of cross-verification of data/information furnished by the same taxpayers with different Central/State Government Departments and returns filed under JGST Act, 2017, to assess the adequacy of rules for collection of data/information from other government departments and the consistency of information being provided by taxpayers in GST returns *vis-à-vis* the information provided to other government departments.

The Department had constituted Bureau of Investigation and entrusted it with the task of collection of data/information relating to sale/purchase and turnover from internal/external sources and cross verification thereof. However, the Department did not prescribe a mechanism/'information return' for collection of information/data from concerned persons and had not identified the sources from where information return was required to be collected under provisions of Section 150 of the JGST Act. The existing mechanism for collection of data/information from external/internal sources by IB was not effective which is evident from the fact that four out of five divisions had not collected information from external/internal sources.

The Department had not identified 34 unregistered, non-migrated and cancelled taxpayers who evaded tax, including applicable interest and penalty, of ₹ 35.95 crore, 111 taxpayers who short paid tax, including applicable interest and penalty, of ₹ 243.00 crore due to mismatch in turnover, 16 taxpayers who short paid tax, including applicable interest and penalty, of ₹ 58.08 crore by applying incorrect rate of GST, seven taxpayers who short paid tax, including applicable interest and penalty, of ₹ 17.18 crore by availing inadmissible exemption and 69 taxpayers who due to delay in accounting of receipts and consequent delay in payment of tax did not pay interest of ₹ 1.03 crore, due to not collecting data/ information available with ITD and other Central and State

Government/ Departments or not establishing a mechanism for seamless exchange/access of data/information to cross verify the returns filed in GSTN.

The returns filed under JGST Act, 2017 could not be verified with the information with IBM and imports made under Customs Act which resulted in non-identification of mismatch in import turnover of ₹ 27.17 crore and subsequent short payment of IGST of ₹ 8.48 crore carried out by three taxpayers. Further, three taxpayers declaring short turnover in absence of provision for levy of GST on sale price declared by IBM and consequential short paid GST of ₹ 64.53 crore could not be identified.

The audit findings are those which came to notice within the selected audit sample obtained from ITD and other Central/State Government/Departments and there are possibilities that the same irregularities may persist in other cases. The CTD may examine all other cases thoroughly in all Commercial Taxes Circles and take necessary action.

3.1.14 Summary of recommendations

The Department may consider:

1. Taking necessary steps to prescribe the mechanism in terms of specifying format, manner and periodicity for filing of information returns and monitoring of collection of data/information from external/internal sources and verification thereof with GST returns.
2. Implementing a system for seamless exchange/access of data/information between ITD and CTD to verify turnover, availment of exemption and application of correct rate of GST.
3. Incorporation of additional details in Form GSTR-7 regarding nature of services/commodities supplied for cross verifying the application of correct GST rate in the GST returns by the suppliers.
4. Leveraging the average sales price of minerals as declared by IBM for verification of taxable turnover under GST, in view of large mineral deposits in the State.

3.2 Department's oversight on GST payments and return filing

3.2.1 Introduction

Introduction of Goods and Service Tax (GST) from July 2017, is a destination-based consumption tax on the supply of goods or services or both levied on every value addition. It has replaced multiple taxes levied and collected by the Centre and States. The Centre and States simultaneously levy GST on a common tax rate. Central GST (CGST) and State GST (SGST)/Union Territory GST (UTGST) are levied on intra-state supplies, and Integrated GST (IGST) is levied on inter-state supplies. Five years into the GST, the tax eco-system is evolving to cater to the emerging requirements of administration as well as the taxpayers. With the ever increasing tax base, GST revenue is a significant component of the tax revenue of the Government.

Section 59 of the Jharkhand Goods and Service Tax (JGST) Act, 2017, stipulates GST as a self-assessment-based tax, whereby the responsibility for calculating tax liability, discharging the computed tax liability and filing returns is vested on the taxpayer. The self-assessment mechanism emphasizes the need for an effective verification mechanism to ensure compliance by taxpayers. For this purpose, provisions have been made in Section 61 of the Act to empower the proper officer to scrutinize the returns and related particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation.

Section 42 of JGST Act provided for matching, reversal and reclaim of input tax credit (ITC) and prescribed a mechanism for matching of ITC claimed by the recipient with the output tax liability as declared by the supplier. As per the matching principle laid down under the law, ITC can be taken only if the recipient accepts the information furnished by the supplier and vice versa. To the extent of mismatch and acceptance/suitable rectification is not made, the recipient was required to reverse the ITC on the same. However, this credit matching process in the return filing was formally dispensed with in 2022 due to the technological inadequacies and challenges in its implementation. Non-automation coupled with the mechanism of allowing ITC and tax payments based on self-assessed summary returns of taxpayers enhances the significance of scrutiny of returns by the proper officers of the Department to guard against potential revenue leakage and serve as a deterrent against malpractices by unscrupulous taxpayers.

This Subject Specific Compliance Audit (SSCA) was taken up considering the significance of the control mechanism envisaged for tax compliance and the oversight mechanism of the Commercial Taxes Department (CTD), Government of Jharkhand in this new tax regime.

3.2.2 Audit objectives

Audit of 'Department's oversight on GST payments and return filing' was oriented towards providing assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with respect to significant areas of tax compliance and non-compliance under the GST regime. This audit was taken up with the following audit objectives to seek an assurance on:

i. Whether the rules and procedures were designed to secure an effective check on tax compliance and were being duly observed by taxpayers; and

ii. Whether the scrutiny procedures, internal audit and other compliance functions of the Circles were adequate and effective.

3.2.3 Audit methodology and scope

This SSCA was predominantly conducted based on data analysis, which highlighted risk areas and red flags pertaining to the period April 2018 to March 2021. Through data analysis a set of 15 deviations were identified across the domains of input tax credit, turnover and tax payment, registration, non-filing of returns and non-payment of interest. Such deviations were followed up through a **Centralized Audit**[76], whereby these deviations were communicated to the relevant Commercial Taxes Circles (CTCs) and action taken by them on the identified deviations was ascertained without involving field visits.

The Centralised Audit was supplemented by a **Detailed Audit** involving field visits for verification of records available with the CTCs. Returns and related attachments and information were accessed through the back-end system of the Goods and Services Network (GSTN) as much as feasible to examine data/documents relating to taxpayers (*viz.* registration, tax payment, returns and other departmental functions). The detailed audit also involved accessing relevant granular records from the taxpayers such as invoices through the respective CTCs. Apart from this, compliance functions performed by the Department such as scrutiny of returns, action on late and non-filers, and cancellation of registration were also reviewed in selected Circles.

The review of the scrutiny of returns by the Department and verification of taxpayer's records covered the period from April 2018 to March 2021, while the audit of the functions of selected Circles covered the period from April 2020 to March 2021.The SSCA covered only the State administered taxpayers. The field audit was conducted from February to March 2024.

Entry conference of this SSCA was held on 21 July 2023 with the Secretary, CTD, Government of Jharkhand in which the audit objectives, sample selection, audit scope and methodology were discussed. The Exit Conference was held on 27 September 2024 with the Secretary, CTD, Government of Jharkhand, in which the audit findings were discussed. The views expressed by the Secretary, CTD, Government of Jharkhand during the exit conference and the written replies to the draft report have been suitably incorporated in the relevant paragraphs.

3.2.4 Audit sample

A data-driven approach was adopted for planning to determine the nature and extent of substantive audit. The sample for this SSCA comprised a set of deviations identified through data analysis for Centralised Audit that did not involve field visits; a sample of taxpayers for Detailed Audit that involved field visits and scrutiny of taxpayer's records at departmental premises; and a sample of CTCs for evaluating the compliance functions performed by them.

There were three distinct parts of this SSCA as under:

Part I- Audit of functions of CTCs

The sample for functions of CTCs was selected by identification of circles in which Detailed Audit was also conducted and excluding those circles already covered in the previous year. Accordingly, 10 CTCs[77] were selected for evaluation of their oversight functions.

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

[77] Adityapur, Bokaro, Chaibasa, Chirkunda, Deoghar, Dhanbad Urban, Jharia, Ranchi East, Singhbhum and Tenughat.

Part II –Centralised Audit

The sample for Centralised Audit was selected by identification of high-value or high-risk deviations from rules and inconsistencies between returns through data analysis for evaluation of the adequacy and effectiveness of the scrutiny procedure of the Department. Accordingly, 388 deviations pertaining to 360 taxpayers were communicated to all the 28 CTCs and action taken by them on these deviations was ascertained.

Part III-Detailed Audit

Detailed Audit was conducted by accessing taxpayers' records through CTCs for evaluation of the extent of tax compliance by taxpayers. The sample of taxpayers for Detailed Audit was selected on the basis of risk parameters such as excess ITC, tax liability mismatch, disproportionate exempted turnover to total turnover and irregular ITC reversal. The 70 taxpayers, registered at eight CTCs[78], comprised of large[79], medium[80] and small[81] strata taxpayers were selected for detailed audit.

3.2.5 Audit criteria

The sources of audit criteria comprised the provisions contained in the JGST Act, IGST Act, and Rules made there under. The significant provisions are given in **Table 3.8**.

Table 3.8: Sources of Audit criteria

Sl. No	Subject	Act and Rules
1	Levy and collection	Section 9 of JGST Act, 2017.
2	Reverse Charge Mechanism (RCM)	Section 9(3) of JGST Act, 2017.
3	Availing and utilizing ITC	Sections 16 to 21 of JGST Act, 2017; Rules 36 to 45 of JGST Rules, 2017.
4	Registrations	Section 22 to 25 of JGST Act, 2017; Rules 8 to 26 of JGST Rules, 2017.
5	Supplies	Section 7 and 8 JGST Act, 2017. Schedule I, II and III of the JGST Act, 2017.
6	Place of supply	Section 10 to 13 of IGST Act, 2017.
7	Time of Supply	Section 12 to 14 of JGST Act, 2017.
8	Valuation of supplies	Section 15 of JGST Act, 2017. Rules 27 to 34 of JGST Rules, 2017.

78 Adityapur, Jamshedpur, Jamshedpur Urban, Ranchi East, Ranchi Special, Ranchi South, Ranchi West and Singhbhum.

79 First category comprising large taxpayers (39) – top 0.50 *per cent* of taxpayers based on turnover.

80 Second category comprising medium taxpayers (21) – remaining taxpayers with a minimum turnover of ₹ 10 crore.

81 Third category comprising bottom most layer (10) – remaining taxpayers with a minimum turnover of ₹ 2.5 crore.

Table 3.8: Sources of Audit criteria

Sl. No	Subject	Act and Rules
9	Payment of tax	Sections 49 to 53 of JGST Act, 2017. Rules 85 to 88A of JGST Rules, 2017.
10	Filing of GST returns	Sections 37 to 47 of JGST Act, 2017. Rules 59 to 68 and 80 to 81 of JGST Rules, 2017.
11	Zero-rated supplies	Section 16 of IGST Act, 2017.
12	Assessment and audit functions	Sections 61, 62, 65 and 66 of JGST Act 2017. Rules 99 to 102 of JGST Rules, 2017.

In addition, the notifications and circulars issued by CTD relating to filing of returns, notifying the effective dates of filing of various returns, extending due dates for filing returns, rates of tax on goods and services, payment of tax, availing and utilizing ITC, scrutiny of returns and oversight of tax compliance and Standard Operating Procedures (SOP) containing instructions to departmental officers on various aspects related to filing returns, scrutiny of returns, cancellation of registrations *etc.* also formed part of the audit criteria.

Audit findings:

The audit findings have been categorized into the following three categories:

a. Oversight on returns filing and other oversight functions;

b. Results of centralised audit; and

c. Results of detailed audit.

3.2.6 Oversight on returns filing

A return is a statement of specified particulars relating to the business activity undertaken by taxpayers during a prescribed period. Every taxpayer is legally obligated to furnish a complete and correct return duly declaring the tax liability for a given period and taxes paid within the stipulated time. In a self-assessment regime, the significance of monitoring returns filed by taxpayers acquires greater significance as the returns are the first mode of information about taxpayers and their respective business activities.

Deficient scrutiny mechanism for return filing: Out of a sample of 10 CTCs, Audit had verified the overseeing mechanism on return filing in all the 10 CTCs and observed that the Department did not formulate a Manual/SOP during the period for scrutiny of returns by the proper officers under Section 61 of the JGST Act and thus did not prioritise the returns to be scrutinised based on the risk parameters. This resulted in inadequate identification of taxpayers, subsequent transmission of red-flag cases and non-utilization of data/information available at the backend portal.

The mechanism for recovery of demand from non-filers and levy of interest on late filers was deficient in all selected CTCs. In all 10 selected CTCs where the relevant records related to issue of ASMT-13, DRC-07 and recovery details were available, Audit noticed that action was not taken in any case of defaulters. Further, in all the selected CTCs, the process of issuing GSTR- 3A (notice for defaulters who have not filed GST returns) and recovery of interest on late filers was not adhered to. Consequently, interest of ₹21.08 crore was not recovered from them. Also, issuing ASMT-13 (best judgement assessment order in cases where the taxpayers have not complied with GSTR- 3A notices) and DRC-07 (summary of demand order as a follow up of ASMT-13) was also not adhered to resulting in non-recovery of ₹ 4.34 crore from defaulters.

3.2.6.1 Lack of action on late-filers and non-filers

Section 46 of the JGST Act, 2017, read with Rule 68 of JGST Rules, 2017, stipulates issue of a notice in Form GSTR-3A requiring filing of return within 15 days if the taxpayer had failed to file the return within the due date. In case the taxpayer fails to file the returns even after such notice, the proper officers may proceed to assess the tax liability of the said person to the best of their judgment, taking into account all the relevant material which is available or gathered and issue an assessment order in Form ASMT-13. Further, Section 47 of the JGST Act prescribes levy of late fee of ₹ One hundred per day of default in filing of return, subject to a maximum of ₹ five thousand. Filing of returns is related to payment of tax, as the due date for both the actions are the same, which implies risk of non-payment of tax/penalty in the case of non-filers. Further, Section 78 of the JGST Act stipulates that any amount payable by a taxable person in pursuance of an order passed under this Act, shall be paid by such person within a period of three months from the date of service of such order failing which recovery proceedings shall be initiated. The time period can be less than three months in some special circumstances, if it is expedient in the interest of Government.

- ***Action initiated on non-filers but not completed***

During audit of functions of circles, it was noticed from the information furnished by the selected 10 CTCs, 3,371 non-filers taxpayers were identified by the proper officers and registration of 2,008 taxpayers were cancelled by them due to non-furnishing of returns for the period 2020-21.

However, as per the data/information available in the backend portal of the Department, there were a total of 3,675 non-filer taxpayers in the selected CTCs during the period 2020-21, out of which, 1,782 taxpayers were non-filers for a consecutive period of six months. The registration of 1,698 taxpayers were cancelled with a delay ranging between six and 1,907 days while the registration of 61 non-filer taxpayers were cancelled within the prescribed time. In addition, Audit identified 23 non-filer taxpayers on whom action regarding assessment and cancellation of registration was not initiated by the proper officers which may result in availing the benefit of registered taxpayers without filing of returns.

The matter was reported to the Government/Department (May 2024); the Department during exit conference stated (September 2024) that delay in action on non-filers in respect of three[82] CTCs was due to the prevailing COVID-19

[82] Adityapur, Chaibasa and Singhbhum.

pandemic. Further, the audit observation was under verification at remaining seven[83] CTCs. Further reply was awaited (March 2026).

➢ ***Short levy of interest on late-filers of GST return***

During audit of functions of circles, it was noticed from information furnished by the selected 10 CTCs that during 2020-21, 2,066 late-filers were identified by the proper officers and interest of ₹ 0.26 crore was levied. However, as per the data/information available in the backend portal of the Department, there were a total of 14,047 late-filers in the selected CTCs during the period 2020-21 on whom interest leviable was ₹ 21.34 crore. Consequently, interest of ₹ 21.08 crore was not recovered **(Appendix-VIII)**.

The matter was reported to the Government/Department (May 2024). During the exit conference, the Department stated (September 2024) that interest of ₹ 1.68 crore was recovered at Dhanbad Urban CTC and demand of ₹ 2.53 crore had been raised at Chaibasa CTC. Notices had been issued to concerned taxpayers at Adityapur and Singhbhum CTCs and audit observations related to remaining six[84] CTCs are under verification. Further reply was awaited (March 2026).

➢ ***Non-initiation of best judgment assessment***

The due process of issue of notice in GSTR-3A in case of non-filing of returns followed by best judgement assessment in Form ASMT-13 was not observed in all cases. Audit observed that across 10 CTCs, 3,371 non-filers were identified by the proper officers during 2020-21; however, GSTR-3A notices were issued in case of 3,052 non-filers only.

Audit observed that 1,947 taxpayers filed their returns in pursuance of GSTR-3A. The proper officers were required to initiate the best judgement assessments in Form ASMT-13 in case of 1,105 taxpayers for not filing their returns within the stipulated time; however, the proper officer issued ASMT-13 to 118 taxpayers only (10.68 *per cent* cases). Further, the proper officers of these CTCs did not initiate action for recovery proceedings after issuing the best judgement assessment in Form ASMT-13 and summary of orders in Form DRC-07 to pursue recovery of the dues amounting to ₹ 4.34 crore[85].

The matter was reported to the Government/Department (May 2024); the Department during exit conference (September 2024) stated that best judgement assessment in Form ASMT-13 had been issued at three[86] CTCs. Audit observations relating to the remaining seven[87] CTCs are under verification. Further reply was awaited (March 2026).

83 Bokaro, Chirkunda, Deoghar, Dhanbad Urban, Jharia, Ranchi East and Tenughat.
84 Bokaro, Chirkunda, Deoghar, Jharia, Ranchi East and Tenughat.
85 Total recoverable dues were ₹ 4.81 crore, out of which dues of ₹ 0.47crore was recovered by the Department.
86 Adityapur, Chaibasa and Dhanbad Urban.
87 Bokaro, Chirkunda, Deoghar, Jharia, Ranchi East, Singhbhum and Tenughat.

3.2.6.2 Slow pace of scrutiny of returns

As per Section 61 of the JGST Act, various returns filed by taxpayers have to be scrutinized by the proper officer to verify the correctness of the returns, and suitable action has to be taken on discrepancies or inconsistencies reflected in the returns. The proper officer designated for this purpose is the Deputy Commissioner of State Tax (DCST)/Assistant Commissioner of State Tax (ACST). Further, Rule 99 of the JGST Rules, 2017, mandates that, in the case of discrepancies, if any, notice shall be communicated to the taxpayer, to seek his explanation. In case no satisfactory explanation is furnished within a period of thirty days of being informed by the proper officer or such further period as may be permitted by him or where the registered person, after accepting the discrepancies, fails to take the corrective measure in his return for the month in which the discrepancy is accepted, the proper officer may initiate appropriate action including those under Section 65 or Section 66 or Section 67, or proceed to determine the tax and other dues under section 73 or section 74.

Audit scrutinised the information available in the Management Information System (MIS) report of the Department and noticed that during the period 2020-21, a total of 5,00,785 GSTR-3Bs were filed in 10 selected CTCs. However, the proper officers of these CTCs had carried out the scrutiny in respect of 6,109 returns. Thus, it could be seen that less than two *per cent* of total GSTR-3Bs filed were scrutinized by the Department and there was no risk-based approach for selection of taxpayers.

The matter was reported to the Government/Department (May 2024); the Department during exit conference (September 2024) stated that at Adityapur and Chaibasa CTCs, pace of scrutiny was slow due to the prevailing COVID-19 pandemic. Audit observations are under process of verification at remaining eight[88] CTCs. Further reply was awaited (March 2026).

➢ ***Non-scrutiny of mismatch of ITC/tax liability***

Audit scrutinized the data/information available in the backend portal of the Department, relating to mismatch of ITC between GSTR-3B and GSTR-2A and mismatch of tax payable between GSTR-1 and GSTR-3B for the period 2020-21 in respect of all 10 CTCs and noticed that in respect of 29,709 returns, ITC mismatch of ₹ 1,162.82 crore in GSTR-3B *vis-a-vis* eligible ITC available as per GSTR-2A was noticed. Further, the tax payable mismatch between GSTR-1 and GSTR-3B was ₹ 204.12 crore in respect of 19,247 returns. These returns were not scrutinized by the proper officers.

The matter was reported to the Government/Department (May 2024); the Department during exit conference (September 2024) stated that recovery proceedings had been initiated at Adityapur and Chaibasa CTCs. Audit observations are under process of verification at the remaining eight[89] CTCs. Further reply was awaited (March 2026).

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[88] Bokaro, Chirkunda, Deoghar, Dhanbad Urban, Jharia, Ranchi East, Singhbhum and Tenughat.

[89] Bokaro, Chirkunda, Deoghar, Dhanbad Urban, Jharia, Ranchi East, Singhbhum and Tenughat.

➢ ***Delay in issuance of notice of scrutiny***

Audit examined the manual records[90] of 631 taxpayers of 10 selected CTCs, whose returns were scrutinised by the proper officers during 2022-23. It was noticed in six CTCs[91] that notices in Form DRC-01 were issued in case of 30 taxpayers with delays ranging between two and 310 days.

The matter was reported to the Government/Department (May 2024); the Department during exit conference (September 2024) stated that recovery had been made in two cases at Singhbhum CTC. Demand in Form DRC-07 had been issued in three cases at Chirkunda CTC. Notices had been issued in the remaining 25 cases at four[92] CTCs. Further action taken was awaited (March 2026).

It was observed that the Department had not formulated a Manual/SOP for scrutiny of returns by the proper officers under Section 61 of the Act and identification of returns was being done only on the basis of the data/information provided by the GSTN. This resulted in lack of risk-based selection and non-utilization of data/information available at the backend portal.

➢ ***Inadequate efforts to recover dues***

Section 78 of the JGST Act stipulates that any amount payable by a taxable person in pursuance of an order passed under this Act, shall be paid by such person within a period of three months from the date of service of such order failing which recovery proceedings shall be initiated. The time period can be less than three months in some special circumstances, if it is expedient in the interest of Government.

Audit examined the follow-up action taken after scrutiny of returns at 10 selected CTCs. It was noticed in all selected CTCs that during the period from 2018-23, a total number of 19,421 returns were scrutinized by the Department and 3,330 demand orders raising additional demand of ₹ 705.01 crore were issued. Of this, an amount of ₹ 114.72 crore was recovered. However, recovery proceedings in respect of the remaining demand of ₹ 590.29 crore though required to be initiated as per provisions of the Act was not initiated.

Audit observed that there was absence of mechanism to monitor the follow-up action taken by the proper officers on scrutinised returns, resulting in demand of ₹ 590.29 crore remaining unrecovered.

The matter was reported to the Government/Department (May 2024); the Department during exit conference (September 2024) stated that recovery is being made through bank attachment at Chaibasa CTC. Notice in Form DRC-13 had been issued at Adityapur and Bokaro CTCs. Audit observations are under process of the verification at remaining seven[93] CTCs. Further reply was awaited (March 2026).

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90 Order sheet of proper officer, correspondences/notices issued to taxpayer *etc.*

91 Bokaro, Chirkunda, Deoghar, Jharia, Ranchi East and Singhbhum.

92 Bokaro, Deoghar, Jharia and Ranchi East.

93 Chirkunda, Deoghar, Dhanbad Urban, Jharia, Ranchi East, Singhbhum and Tenughat.

3.2.6.3 Other oversight functions

The role of CTCs (Department's field formations) is to provide oversight over taxpayers' compliance with regard to filing of returns, discharging tax liability and other compliance obligations. The CTCs have a broad set of functions to be exercised in this regard such as initiating action on late filers and non-filers, scrutiny of returns and assessment and cancellation of registrations.

The oversight functions relating to return filing, action on late/non-filers and scrutiny have been discussed in the previous sections of this report. This section highlights the audit findings on cancellation of registrations.

➢ ***Cancellation of registration***

Section 29 of the JGST Act read with Rule 20 of the JGST Rules allows for cancellation of registration by the taxpayer in certain situations like closure of business, turnover falling below threshold for registration, transfer of business/merger/amalgamation, change of PAN, non-commencement of business within the stipulated time period, and death of the proprietor. The taxpayer applying for cancellation of registration should apply in REG-16 on the GST common portal within a period of 30 days of the "occurrence of the event warranting the cancellation". Further, Rule 22 of the JGST Rules prescribes that, after submission of an application for cancellation of registration, the proper officer would issue an order in REG-19, within a period of thirty days from the date of application.

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

Section 45 of the JGST Act requires every registered person other than (a) ISD or a non-resident taxable person or (b) Composition taxable person (Section 10) or (c) persons paying tax under Section 51 - TCS or persons paying tax under Section 52 - TDS, whose registration has been cancelled, to file a final return in GSTR-10, within three months of the effective date of cancellation or the date of order of cancellation, whichever is later. The purpose of the final return is to ensure that the taxpayer discharges the outstanding liability. In case of non-filing of GSTR-10, the same procedure as adopted for non-filing of any return must be followed by the tax officer.

Audit evaluated the cancellation functions performed by the selected 10 CTCs during 2020-21 and observed various deficiencies in cancellation of registrations, which are brought out below:

Details of registration cancelled, and final return in Form GSTR-10 filed by taxpayers in the selected 10 CTCs is mentioned in **Table 3.9**.

Table 3.9: Details of cancellation and filing of GSTR-10

No. of cancellations made on application of taxpayer	No. of cancellations made *suo moto*	Total cancellations made	No. of GSTR-10 filed	No. of GSTR-10 not filed	*Per cent* of cancelled taxpayers who had not filed GSTR-10
1,821	3,319	5,140	377	4,763	*92.67*

Audit verified the information furnished by the proper officers of selected CTCs with the backend portal of the Department and observed that, out of 1,821 cases of cancellation at the taxpayers' request, in 640 cases falling under 10 CTCs, the cancellations had been delayed and orders, in Form REG-19, had been issued beyond the stipulated period, with delays ranging from 01 to 964 days. It was, further, noticed in 1,151 cases (63.21 *per cent*) that the effective date of cancellation was prior to the date of filing of application for cancellation ranging between 01 to 1,269 days. It was observed that there was no mechanism to restrict registered persons from making any taxable supplies during the period between the application for cancellation of registration and issue of order of cancellation.

The matter was reported to the Government/Department (May 2024); the Department during exit conference stated (September 2024) that notice for hearing had been issued at eight[94] CTCs and at Chaibasa CTC and delay in action taken was due to the prevailing COVID-19 pandemic. The Department replied that audit observation was not tenable at the Deoghar CTC. However, no supporting documents were provided. Further action taken was awaited (March 2026).

Further, out of the total 5,140 cancelled cases, the final return in Form GSTR-10 was filed by 377 taxpayers out of which 32 taxpayers had belatedly filed GSTR-10 ranging between 03 to 190 days. However, 4,763 taxpayers (92.67 *per cent*) had not filed Final Return in Form GSTR-10 even after expiry of 90 days of cancellation of registration in contravention to the provisions of the Section 45 of the JGST Act.

The matter was reported to the Government/Department (May 2024); the Department during exit conference stated (September 2024) that notice for hearing had been issued at nine[95] CTCs. Audit observation is not found tenable at Deoghar CTC. The Department had been requested (September 2024) to make available the records/details relating to cases not found tenable. Further action was awaited (March 2026).

Audit verified the backend portal of the Department and observed that proper officers had not issued notices in Form GSTR-3A in 4,763 cases of non-filers of GSTR-10 or initiated action for assessment of outstanding liability, if any, or recovery of outstanding dues, if any, from these taxpayers. During scrutiny

[94] Adityapur, Bokaro, Chirkunda, Dhanbad Urban, Jharia, Ranchi East, Singhbhum and Tenughat.

[95] Adityapur, Bokaro, Chaibasa, Chirkunda, Dhanbad Urban, Jharia, Ranchi East, Singhbhum and Tenughat.

of liability register of 5,140 cancelled taxpayers, it was noticed in nine CTCs[96] out of 10 selected CTCs that the registration of 299 taxpayers were cancelled by the proper officers without verifying the outstanding liability of ₹ 77.55 crore.

The matter was reported to the Government/Department (May 2024); the Department during exit conference stated (September 2024) that recovery proceedings through bank attachment had been initiated in 129 cases at Adityapur and Bokaro CTCs. Notice for hearing had been issued in 160 cases at seven[97] CTCs. In one case at Bokaro CTC, the taxpayer preferred an appeal before the competent authority. Nine cases pertain to Central tax authorities.

Further, Audit noticed that there was no tool in the GSTN to calculate the outstanding liability in cases of taxpayers who apply for cancellation of registration, as well as in cases where the Department initiates cancellation of registration on a *suo moto* basis.

➢ ***Re-registration of taxpayers on same PAN without verification of outstanding liability***

Audit scrutiny of records of cancellation of registration by proper officers and re-registration status of these taxpayers with same PAN at 10 selected CTCs indicated that 5,140 registrations were cancelled by proper officers during 2020-21. On further scrutiny of the re-registration status of these taxpayers on the same PANs, it was noticed that six taxpayers registered in three[98] CTCs had been granted re-registration and having active GSTIN status on the same PAN while there was an outstanding liability of tax of ₹ 11.11 crore on their cancelled GSTINs. It was noticed that the registration of all the six taxpayers were cancelled on *suo moto* basis by the proper officers and five out of six taxpayers had taken re- registration in the circles where they were previously registered.

Thus, from the above it could be seen that while granting new registrations on the same PAN, the outstanding liabilities, against previously cancelled registrations on these PANs, had not been verified by the proper officers. It was further noticed that there was no system in the IT application of the Department to auto-refuse the new registration on same PAN in cases where there was outstanding liability of registration cancelled on same PAN.

The matter was reported to the Government/Department (May 2024); the Department during exit conference stated (September 2024) that additional demand for ₹ 0.85 lakh had been issued in case of a taxpayer at Singhbhum CTC. Recovery proceedings through bank attachment had been initiated in four cases at Bokaro CTC. Notice for hearing had been issued in the remaining one case at Jharia CTC. Further reply was awaited (March 2026).

[96] Adityapur, Bokaro,Chirkunda,Deoghar,Dhanbad Urban, Jharia, Ranchi East, Singhbhum and Tenughat.

[97] Chirkunda, Deoghar, Dhanbad Urban, Jharia, Ranchi East, Singhbhum and Tenughat.

[98] Bokaro, Jharia and Singhbhum

Recommendation No. 1: The Department may consider devising a mechanism for disposal of the cancellation procedure within the prescribed time limit and take necessary steps for verification of outstanding liabilities against previously cancelled registrations, while granting new registrations against the same PANs.

➢ ***Delay in audit by tax authorities/internal audit not initiated***

As per Section 65 of the JGST Act, 2017 the Commissioner or any officer authorized by him, by way of a general or a specific order, may undertake audit of any registered person for such period, at such frequency and in such manner as may be prescribed. Section 2(13) of the JGST Act, 2017, defines "Audit" as the examination of records, returns and other documents maintained or furnished by the registered person under this Act or the Rules made thereunder or under any other law for the time being in force to verify the correctness of turnover declared, taxes paid, refund claimed and ITC availed, and to assess the compliance with the provisions of this Act or the Rules made thereunder.

Internal audit wing was constituted in the CTD vide Notification No. S.O-144 (December 2017) to exercise and perform the powers and duties respectively conferred and imposed under Section 65 of the JGST Act. The wing is divided into three internal audit divisions[99]. In this context, an internal audit manual was formulated (March 2021) by the Department to ensure that the internal audit of taxpayers is carried out in a uniform, efficient and comprehensive manner under Section 65 and 66 of the JGST Act 2017.

CTD, issued detailed procedure of audit in the JGST Internal Audit Manual, which incorporated the new norms for selection of taxpayers for conducting internal audit based on risk parameters such as turnover, tax, ITC, refund, sensitive commodities/sector, non-compliances *etc.* It envisages that the selection of the taxpayers will be done by Commissioner of State Tax.

The details of internal audit undertaken by the Department for the period 2019-22 for GST is given in **Table 3.10**.

Table 3.10: Details of Internal Audit undertaken during 2019-22

(₹ in crore)

Financial Year	Total number of taxpayers	No. of taxpayer selected for audit (in *per cent*)	Actual number of audits completed (as of November 2022)	No. of cases in which deficiencies were found	Total amount involved in deficiencies	Total Recovery
2019-20	89,331	107 (0.12)	14	14	1.58	Not furnished.
2020-21	97,258	107 (0.11)	11	11	1.31	
2021-22	1,08,396	107 (0.10)	10	09	0.20	

(Source: Commercial Taxes Department, Government of Jharkhand)

Thus, from the above it is evident that the Department selected only 107 taxpayers for the period 2019-22 under all the three internal audit divisions[100], for internal audit under Section 65 of the Act. It was observed that despite constitution of internal audit wing (December 2017) and formulation of internal

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99 (i) Dhanbad & Santhal Pargana, (ii) Jamshedpur and (iii) Ranchi & Hazaribagh.

100 (i) Dhanbad and Santhal Pargana, (ii) Jamshedpur and (iii) Ranchi & Hazaribagh.

audit manual (March 2021), internal audit of selected taxpayers for the period from 2019-22 was not completed.

The matter was reported to the Government/Department (May 2024); reply of the Department was awaited (March 2026).

Recommendation No.2: The Department may take necessary steps for completion of internal audit of the remaining taxpayers and increasing the sample size of taxpayers for internal audit.

3.2.7 Inconsistencies in GST returns-Centralised Audit and deviations from GST law and rules as found in analysis of system data

Audit analysed GST returns data pertaining to the years 2018-19 to 2020-21 as made available by GSTN. Rule-based deviations, and logical inconsistencies between GST returns filed by taxpayers were identified on a set of 15 parameters, which can be broadly categorised into two domains - ITC and Tax payments.

Out of the 15 prescribed GST returns,[101] the following basic returns that apply to normal taxpayers were considered for the purpose of identifying deviations, inconsistencies and mismatches between GST returns/data:

- **GSTR-1:** monthly return furnished by all normal and casual registered taxpayers making outward supplies of goods and services or both and contains details of outward supplies of goods and services.
- **GSTR-3B:** monthly summary return of outward supplies and ITC claimed, along with payment of tax by the taxpayer to be filed by all taxpayers except those specified under Section 39(1) of the Act. This is the return that populates the credit and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.
- **GSTR-6:** monthly return for ISDs providing the details of their distributed ITC and inward supplies.
- **GSTR-8:** monthly return to be filed by the e-commerce operators who are required to deduct TCS under GST, introduced in October 2018.
- **GSTR-9:** annual return to be filed by all registered persons other than an ISD, TDS/TCS deductors, Casual Taxable Person and Non-Resident taxpayer (NRTP). This document contains the details of all supplies made and received under various tax heads (CGST, SGST and IGST) during the entire year along with turnover and audit details for the same.

[101] GSTR-1; GSTR-2A; GSTR-2B; GSTR-3B; GSTR-4 (taxpayers under the Composition scheme); GSTR-5 (non-resident taxable person); GSTR-5A (Non-resident online information and database access or retrieval (OIDAR) service providers); GSTR-6 (ISD); GSTR-7 (taxpayers deducting TDS); GSTR-8 (E-commerce operator); GSTR-9 (Annual Return); GSTR-10 (Final return); GSTR-11 (person having Unique Identification Number (UIN) and claiming a refund); CMP-08; and ITC-04 (Statement to be filed by a principal/job-worker about details of goods sent to/received from a job-worker).

- **GSTR-9C:** annual audit form for all taxpayers having a turnover above ₹ 5 crore in a particular financial year. It is basically a reconciliation statement between the annual returns filed in GSTR-9 and the taxpayer's audited annual financial statements.
- **GSTR-2A:** a system-generated statement of inward supplies for a recipient. It contains the details of all business to business (B2B) transactions of suppliers declared in their Form GSTR-1/5, ISD details from GSTR-6, details from GSTR-7 and GSTR-8 respectively by the counterparty and import of goods from overseas on bill of entry, as received from Indian Customs Electronic Gateway (ICEGATE) Portal of Indian Customs.
- **GSTR-2B:** It is a month-wise auto-drafted statement for regular taxpayers (whether or not opted into the quarterly return and monthly payment (QRMP) scheme) introduced on the GST portal providing eligible and ineligible ITC for each month, similar to GSTR-2A but remains constant or unchanged for a period. The statement was launched from the August 2020 tax period onwards.

The details of data analysis undertaken on the 15 identified parameters for the period 2018-19 to 2020-21 leading to the deviations/ inconsistencies observed (sample for Centralised Audit) are summarised in **Table 3.11 (a)** and **(b)**:

Table 3.11 (a): Data analysis summary of sampled cases (Mismatch in ITC and discharge of tax)

Sl. No.	Algorithm used	Risk pursued
1	ITC available as per GSTR-2A with all its amendments was compared with the ITC availed in GSTR-3B in Table 4A (5) (accrued on domestic supplies) excluding the reversals in Table 4B (2) but including the ITC availed in the subsequent year from Table 8C of GSTR-9 and blocked credits.	ITC mismatch between GSTR-2A and GSTR-3B
2	ITC available from GSTR-2A was compared with Table 8A of GSTR-9 which captures ITC available from GSTR-2A (as an auto-populated non-editable field) but excludes those entries in GSTR-2A where the supplier has not filed GSTR-1 by due date of its filing and also excludes the ITC for the period during which the recipient taxpayer was under composition scheme.	ITC passed on without supplier remitting tax
3	ISD ITC availed in GSTR-9 Table 6G or GSTR-3B Table 4(A)(4) of recipient was compared with the sum of Table 5A, Table 8A, and Table 9A of GSTR-6 of distributor GSTINs	Incorrect availing of ISD credit
4	Positive figure in GSTR-9C Table 12F and examination of reasons provided in Table 13 for mismatch	Mismatch of ITC availed between Annual returns and Books of accounts
5	Positive figure in GSTR-9C Table 14T and examination of reasons provided in Table 15 for mismatch	Reconciliation between ITC availed in Annual returns with expenses in financial statements

Table 3.11 (a): Data analysis summary of sampled cases (Mismatch in ITC and discharge of tax)

Sl. No.	Algorithm used	Risk pursued
6	Negative figure in GSTR-9C Table 9R and examination of reasons provided in Table 10 for mismatch	Mismatch in tax paid between books of accounts and returns
7	Taxpayers who have not filed GSTR-3B but have filed GSTR-1 or where GSTR-2A available, indicating taxpayers carrying on the business without discharging tax.	GSTR-3B was not filed but GSTR-1 is available
8	The greater of tax liability between GSTR-1 (Tables 4 to 11), considering advances and amendments, and GSTR-9 (Tables 4N, 10 and 11) was compared with tax paid details in GSTR-3B Tables 3.1(a) and 3.1(b). In cases where GSTR-9 was not available, GSTR-3B tax paid was compared with GSTR-1 liability.	Unsettled liabilities
9	Interest calculated at the rate of 18 *per cent* on cash portion of tax payment on delayed filing of GSTR-3B *vis-à-vis* interest declared in GSTR-3B	Short payment of interest
10	E-commerce GSTR-8 became effective from 1 October 2018 when TCS provisions became effective. GSTINs declared in GSTR-8 who are also filing GSTR-4/CMP-08 under composition scheme.	Composition taxpayers also availing e-commerce facility
11	The composition taxpayers whose turnover on all India basis (Central and State jurisdiction) under all GSTINs of the same PAN have crossed the turnover limit of ₹ 1 crore in 2018-19 and ₹ 1.5 crore in 2019-20 were identified.	Ineligible composition levy

Table 3.11 (b): Data analysis summary of sampled cases (Turnover mismatch)

Sl. No.	Algorithm used	Risk pursued
1	Negative figure in GSTR-9C Table 7G and examination of reasons provided in Table 8 for mismatch	Mismatch in taxable turnover declared in GSTR-9C Table 7G
2	Unbilled revenue at the beginning of the year in GSTR-9C Table 5B should tally with the unbilled revenue of the previous GSTR-9C shown in Table 5H. Any mismatch indicates suppression of taxable turnover.	Suppression of taxable value based on unbilled revenue declared in GSTR-9C
3	GSTR-3B Table 3.1(a)+(b) was compared with tax liability declared in the e-way bills and cases where GSTR-3B are less than e-way bills are identified.	Suppression of tax liability based on E-way bill verification
4	Table 3.1(a) of GSTR-3B was compared with Column 6 of Table 9 of GSTR-2A. Cases where GSTR-3B values are less than that of GSTR-2A are identified.	Under-declaration of taxable supplies by comparing TDS returns

3.2.7.1 Results of centralized audit

Based on responses received from the Department to the audit queries, the extent to which deviations identified on each of the 15 parameters translated into validations or acceptance or otherwise by the department is summarized in **Table 3.12 (a) and (b):**

Summary of Centralised Audit

Audit noticed deviations from the provisions of the Act in 249 cases (Column 10 of Table 3.12 (a)) involving mismatches of ITC/Tax liability of ₹ 883.80 crore (Column No 11) constituting 83.56 *per cent* of the 298 inconsistencies/ mismatches in data relating to ITC and tax payment mismatches, for which the Department provided responses. Relatively higher rates of deviations were noticed in short payment of interest, unsettled liabilities, non-filing of GSTR 3B and ITC mismatch.

In the remaining 49 cases (Column No. 12), constituting 16.44 *per cent*, though the Department did not accept the deviations pointed out by Audit, their contention was not borne out by evidence, and was thus not amenable to verification by Audit.

Audit also noticed turnover related mismatches (Table 3.12 (b)), in 90 cases (Column No. 2). Of these, in 79 cases (Column No 10), constituting 87.78 *per cent* the Department had initiated/ taken action on the audit observations. In 11 cases (Column 12) constituting 12.22 *per cent*, Department had not provided relevant documents in support of their contention; hence reply could not be verified.

Table 3.12 (a): Summary of deficiencies (ITC and tax payment mismatch)

Sl. No.	Audit dimension	Cases where reply received#		Accepted by Dept. and status of the case								Department reply not furnished with appropriate documentary evidence	
				Recovered/ Demand Order issued*		SCN issued*		ASMT-10		Total (Col. 10= 4+6+8 and Col. 11 = 5+7+9)			
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	ITC mismatch between GSTR-2A and GSTR-3B	55	405.37	5	0.08	5	27.56	26	196.09	36	223.73	19	111.48
2	ITC passed on without supplier remitting tax	25	240.07	3	12.01	2	6.96	14	77.83	19	96.80	6	143.23
3	Incorrect availing of ISD credit	15	6.22	1	0.24	3	0.64	8	4.87	12	5.75	3	0.43
4	Mismatch of ITC availed between Annual returns and Books of accounts	15	95.26	1	0.44	3	2.42	8	90.03	12	92.89	3	1.56
5	Reconciliation between ITC availed in Annual returns with expenses in financial statements	15	79.08	0	0.00	4	6.88	8	9.63	12	16.51	3	62.57
6	Mismatch in tax paid between books of accounts and returns	15	22.36	0	0.00	1	0.73	12	16.19	13	16.92	2	5.44
7	GSTR-3B was not filed but GSTR-1 is available	40	118.9	23	83.48	7	11.55	10	23.66	40	118.69	0	0
8	Unsettled liabilities	55	324.5	7	83.97	7	23.78	33	173	47	280.75	8	30.45
9	Short payment of interest	55	57.14	41	24.85	2	0.89	9	6.02	52	31.76	3	1.28
10	Composition taxpayers also availing e-commerce facility	5	0	0	0.00	0	0	3	0	3	0.00	2	0
11	Ineligible composition levy	3	0	0	0.00	2	0	1	0	3	0.00	0	0
Total		**298**	**1,348.90**	**81**	**205.07**	**36**	**81.41**	**132**	**597.32**	**249**	**883.80**	**49**	**356.44**

 # col. 2 = col. 10+12
***The amount in above Table under 'recovered' and 'SCN issued' category is as per recoveries made and amount of SCN issued by the Department irrespective of the amount pointed out by Audit.**

Table 3.12 (b): Summary of deficiencies (turnover mismatch)

Sl. No.	Audit Dimension	Accepted by Dept. and status of the case										Department reply not furnished with appropriate documentary evidence	
		Cases where reply received#		Recovered/ Demand Order issued		SCN issued		ASMT-10		Total (Col. 10= 4+6+8 and Col. 11 = 5+7+9)			
		No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
	1	2	3	4	5	6	7	8	9	10	11	12	13
1	Mismatch in taxable turnover declared in GSTR-9C Table 7G	15	8,623.98	0	0	6	6,146.47	6	1,516.32	12	7,662.79	3	961.19
2	Suppression of taxable value based on unbilled revenue declared in GSTR-9C	15	157.00	0	0	3	11.75	10	134.46	13	146.21	2	10.76
3	Suppression of tax liability based on E-way bill verification	40	6,112.60	2	6.24	4	22.29	31	6053.70	37	6,082.23	3	30.35
4	Under-declaration of taxable supplies by comparing TDS returns	20	89.64	3	4.86	6	23.15	8	47.34	17	75.35	3	9.31
Total		**90**	**14,983.22**	**5**	**11.1**	**19**	**6,203.66**	**55**	**7,751.82**	**79**	**13,966.60**	**11**	**1,011.61**

 # col. 2 = col. 10+12

***The amount in above Table under 'recovered' and 'SCN issued' category is as per recoveries made and amount of SCN issued by the Department irrespective of the amount pointed out by Audit.**

- Illustrative cases from each audit dimension of mismatch of ITC, mismatch of tax payment between Annual return and financial statements, shortfall in tax paid or interest and other deviations of Centralised Audit are detailed below:

(i) ITC mismatch between GSTR-2A and GSTR-3B

To analyze the veracity of ITC utilization, relevant data were extracted from GSTR-3B and GSTR-2A for the year 2018-21, and the ITC paid as per suppliers' details (GSTR-2A) was matched with the ITC credit availed (GSTR-3) by the taxpayer. The methodology adopted was to compare the ITC available as per GSTR-2A with all its amendments and the ITC availed in GSTR-3B in Table 4A (5)[102] excluding the reversals Table 4B (2)[103] but including the ITC availed in the subsequent year from Table 8C of GSTR-9.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXP under Ranchi West CTC for the financial year 2020-21, the ITC available as per GSTR-2A was ₹ 8.43 crore and the ITC availed in Table 4A (5) of GSTR-3B was ₹ 33.50 crore (including the ITC availed in the subsequent year 2021-22 from Table 8C of GSTR-9). This resulted in mismatch of ITC availed amounting to ₹ 25.07 crore.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(ii) ITC passed on without supplier remitting tax

In order to analyze the extent of compliance of ITC availment under Section 16(4) of the CGST/SGST Act, an attempt has been made to identify likely cases where the ITC would have been passed on by the taxpayer without actually

102 All other eligible ITC.

103 Other ITC reversed.

remitting the tax. For this purpose, the relevant data from GSTR 9 particularly pertaining to table 8A of GSTR 9 was compared with the ITC data reflected in GSTR 2A. Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXX6, under Koderma CTC, the available ITC as per Table 8(A) of GSTR-9 during 2018-20 was ₹ 45.30 crore and the ITC availed after amendments as per GSTR 2A was ₹ 47.83 crore for the period 2018-20. This resulted in mismatch of ITC availed amounting to ₹ 2.53 crore.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that demand in Form DRC-07 for ₹ 2.53 crore had been issued. Further reply was awaited (March 2026).

(iii) Incorrect availing of ISD credit

In order to analyze whether the ITC availed by the taxpayer is not in excess of that transferred by the ISD, the ITC availed as declared in the returns of the taxpayer was compared with the ITC transferred by the ISD(s) in their GSTR 6. The methodology adopted was to compare GSTR 9 Table 6G (net of Table 7B) with the sum of Table 5A, Table 8A and Table 9A (considering adjustments) of GSTR 6 for respective GSTINs. In cases where Table 7B was null, Table 7H values were considered. In cases where GSTR 9 was not available, GSTR 3B Table 4(A)(4) (net of Table 4(B)(2)) was compared with the sum of Table 5A, Table 8A, and Table 9A (considering adjustments) of GSTR 6 for respective GSTINs.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXG, under Ranchi West CTC for the year 2019-20, the ITC received from ISD was ₹ 13.57 crore and the ITC available as per GSTR-6 filed by ISD was ₹ 10.15 crore. This resulted in excess availment of ITC of ₹ 3.42 crore.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(iv) Mismatch of ITC availed between Annual returns and Books of accounts

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

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of JGST Rules in form GSTR-9C for the year 2018-21 was analysed at data level to review the extent of identified mismatch in ITC declared in the annual return with the financial statements.

It was noticed in case of a taxpayer, GSTIN 2XXXXXXXXXXJ, for the year 2020-21 registered under Godda CTC that availed ITC was ₹ 105.64 crore as per Table 12D (financial statements) of GSTR-9C ITC whereas ITC availed was ₹ 162.88 crore as per Table 12E (annual return) of GSTR-9C. This resulted in mismatch of ITC of ₹ 57.24 crore as per Table 12F of GSTR-9C.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(v) Reconciliation between ITC availed in Annual returns with expenses in financial statements

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

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of JGST Rules in Form GSTR- 9C for the year 2018-21 was analysed at data level to review the extent of identified mismatch in ITC declared in the annual return with the expenses reported in the financial statements.

It was noticed in case of a taxpayer, GSTIN 2XXXXXXXXXXQ, for the year 2018-19 registered under Dumka CTC that availed ITC was ₹ 51.30 crore as per Table 14R (financial statements) of GSTR-9C ITC whereas ITC availed was ₹ 53.54 crore as per Table 14S (annual return) of GSTR-9C. This resulted in mismatch of ITC of ₹ 2.24 crore as per Table 14T of GSTR-9C.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(vi) Mismatch in tax paid between books of accounts and returns

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of JGST Rules in Form GSTR-9C for the year 2018-21 was analysed at data level to review the extent of identified mismatch in tax paid between the annual return and the books of account. Table 9 of the GSTR-9C attempts to reconcile the tax paid by segregating the turnover rate-wise and comparing it with the tax discharged as per annual return (GSTR-9). The unreconciled amounts could potentially indicate tax levied at incorrect rates, incorrect depiction of taxable turnover as exempt or *vice versa* or incorrect levy of CGST/JGST/IGST. There can also be situations wherein supplies/tax declared are reduced through amendments (net of debit notes/credit notes) in respect of 2018-21 transactions carried out in the subsequent year from April to September. Consequential interest payments - both short payments and payments under incorrect heads - also need to be examined in this regard.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXX, under Bokaro CTC, tax paid as per rate wise liability in Table 9P of GSTR-9C was ₹ 73.80 lakh whereas tax paid as per Table 9Q (annual return) of GSTR-9C was ₹ 0.43 lakh for the year 2019-20. This resulted in mismatch in tax paid of ₹ 73.37 lakh as per Table 9R of GSTR-9C.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that SCN for ₹ 73.37 lakh had been issued. Further reply was awaited (March 2026).

(vii) GSTR-3B was not filed but GSTR-1 is available

GSTR 3B return is the instrument through which the liability can be offset, and ITC is credited in the ledger. The very availability of GSTR 1 and non-filing of GSTR 3B indicates that the taxpayers had undertaken/carried on the business during the period but have not discharged their tax liability. It may also include cases of irregular passing of ITC. All these cases, therefore, warrant investigation.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXM under Adityapur CTC, the tax liability as per GSTR-1 filed for the month of December 2018 to March 2019 was ₹ 11.71 crore. However, GSTR-3B through which tax liability was required to be set off was not filed for the corresponding months of December 2018 to March 2019. This indicated that tax liability of ₹ 11.71 crore was not discharged by the taxpayer through GSTR-3B and may also pass the ITC to the recipient through GSTR-1.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-13[104] had been issued. Further reply was awaited (March 2026).

(viii) Unsettled liabilities

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

To analyse the undischarged tax liability, relevant data were extracted from GSTR-1 and GSTR-9 for the year 2018-21 and the tax payable in these returns was compared with the tax paid as declared in GSTR-9. Where GSTR-9 was not available, a comparison of tax payable between GSTR-1 and GSTR-3B was resorted to. The amendments and advance adjustments declared in GSTR-1 and GSTR-9 were also considered for this purpose.

For the algorithm, Tables 4 to 11 of GSTR-1 and Tables 4N, 10 and 11 of GSTR-9 were considered. The greater of the tax liability between GSTR-1 and GSTR-9 was compared with the tax paid declared in Tables 9 and 14 of GSTR-9 to identify the short payment of tax. In the case of GSTR-3B, Tables 3.1(a)[105] and 3.1(b)[106] were taken into account.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXT, under Ranchi West CTC, the tax payable in Table 4 to 11 of GSTR-1 for the period 2018-21 was ₹ 7.62 crore while the taxpayer had not paid tax as declared in Tables 6.1 of GSTR-3B. This resulted in mismatch of tax liability amounting to ₹ 7.62 crore between GSTR-1 and GSTR-3B.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(ix) Short payment of interest

Section 50 of the Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the Rules made there under but fails to pay the tax or any part thereof to the Government within the period prescribed, shall for

104 Notice issued under Rule 100 (1) of JGST Rules detailing the assessed tax to a taxpayer who had failed to file GST return.

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

106 Outward taxable supplies (Zero rated).

the period for which the tax or any part thereof remains unpaid, pay interest at the rate notified.

The extent of short payment of interest on account of delayed remittance of tax during 2018-21 was identified using the tax paid details in GSTR-3B and the date of filing of the GSTR-3B. Only the net tax liability (cash component) has been considered to work out the interest payable.

Audit observed in case of a taxpayer, GSTIN 2XXXXXXXXXXR under Giridih CTC that the GSTR-3B return for the period 2018-21, were filed with delay ranging between one and 90 days. This resulted in short payment of interest amounting to ₹ 37.14 lakh.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that objected amount of ₹ 37.14 lakh has been recovered.

(x) Composition taxpayers also availing e-commerce facility

Section 10 of the JGST Act prescribes that a registered person is eligible to opt for registration under composition levy scheme if he is not engaged in making any supply of goods through an electronic commerce operator who is required to collect tax at source.

To identify the e-commerce benefactors under composition levy, datasets pertaining to GSTR-8 filed by e-commerce operators and CMP-08 filed by the composition taxpayers were compared to check whether the recipient GSTINs mentioned in GSTR-8 have also filed CMP-08.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXV, at Dhanbad Urban CTC was registered under composition levy and filed CMP-08 during the period 2019-20. Further, as per GSTR-8 filed by e-commerce operator GSTIN 2XXXXXXXXXXV the taxpayer had supplied goods through e-commerce operator. This resulted in E-commerce benefactors availing composition levy.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(xi) Ineligible composition levy

Section 10 (1) of the JGST Act prescribes that a registered person whose aggregate turnover in the preceding financial year did not exceed the limit[107] specified by the Government may opt to pay tax at the rate prescribed for the composition dealer. The option availed by a registered person shall lapse with effect from the day on which his aggregate turnover during a financial year exceeds the prescribed threshold limit.

At the data level, the composition taxpayers whose turnover on Pan India basis (Central and State Jurisdiction) under all the GSTINs of the same PAN have crossed the turnover limit but still continue to avail the benefit of composition levy.

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[107] ₹ one crore in 2018-19 and ₹ 1.5 crore in 2019-20.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXM, at Ranchi South CTC during the period 2019-20 was registered under composition levy. However, the turnover of the taxpayer for all the GSTINs under the same PAN was ₹ 3.74 crore, which exceeded the prescribed limit for registration under composition levy. This resulted in incorrect availing of composition levy.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that SCN had been issued. Further reply was awaited (March 2026).

- Illustrative cases relating to mismatches in turnover noticed in Centralised Audit are detailed below:

(i) Mismatch in taxable turnover declared in GSTR-9C Table 7G

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

The certified reconciliation statement submitted by the taxpayer as required under Rule 80(3) of JGST Rules in Form GSTR- 9C for the year 2018-21 was analysed at data level to review the extent of identified mismatch in taxable turnover reported in the annual return *vis-à-vis* the financial statement. The unreconciled amount in cases where the turnover in GSTR- 9 is less than the financial statement indicates non-reporting, under-reporting, short-reporting, omission, error in reporting of taxable supplies. It could also be on account of non-reporting of both taxable and exempted supplies.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXT, under Ranchi South CTC, taxable turnover as per Table 7E (financial statement) of GSTR-9C was ₹ 4,445.88 crore whereas taxable turnover as per Table 7F (annual return) of GSTR-9C was ₹ 6.75 crore for the year 2020-21. This resulted in mismatch of taxable turnover of ₹ 4,439.13 crore as per Table 7G of GSTR-9C.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that SCN for ₹ 4,439.13 crore had been issued. Further reply was awaited (March 2026).

(ii) Suppression of taxable value based on unbilled revenue declared in GSTR-9C

In order to review the extent of identified mismatch in taxable turnover reported in the Annual Return *vis-à-vis* the Financial Statements, the relevant data points pertaining to Table 5 of the GSTR 9C reconciliation statement pertaining to disclosures of unbilled revenue submitted by the taxpayer as required under Rule 80(3) of CGST/SGST Rules for the years 2018-21 was analyzed. Table 5B figures of GSTR 9C for the years 2018-21 which captures the unbilled revenue at the beginning of the financial year was compared with Table 5H of the previous GSTR 9C returns which captures the unbilled revenue at the end of the year to review the extent of identified mismatch in turnover declared in the Annual Return with the Financial Statements.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXJ, under Godda CTC, the unbilled revenue at the end of financial year 2019-20 as per Table 5(H) of GSTR-9C was zero while unbilled revenue at the beginning of the financial year 2020-21 was (-) ₹ 103.65 crore in Table 5B figures of GSTR 9C. This resulted in suppression of taxable value amounting to ₹ 103.65 crore.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(iii) Suppression of tax liability based on E-way bill verification

In order to analyse the extent of short-payment of tax, relevant data related to tax liability declared in GSTR 3B for the years 2018-21 were compared with disclosures made in E-way bill. For the algorithm, the cases where GSTR 3B Table 3.1 (a) +(b) tax payable were less than the tax liability declared in the e-way bills.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXI, under Adityapur CTC, the tax payable as per Table 3.1 (a) and (b) for the year 2018-19 was ₹ 39.18 crore while tax liability declared in the E-way bills was ₹ 5,112.70 crore. This resulted in suppression of tax liability amounting to ₹ 5,073.52 crore.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(iv) Under-declaration of taxable supplies by comparing TDS returns

Section 51 of the JGST Act states that Tax deducted at Source (TDS) is one of the ways to deduct tax by the deductor[108] at prescribed percentage on the amounts payable to the supplier of goods/services. Further, Section 52 of JGST Act defines Tax collected as source (TCS) is the amount collected by an electronic commerce operator on the consideration received by it on behalf of supplier of goods or services or both.

TDS and TCS details are declared in GSTR 7 and GSTR 8 respectively and communicated to the registered person in Table 9 of GSTR-2A. The cases where the taxable value declared on account of outward taxable supplies (other than zero rated, nil rated and exempted) in GSTR 3B were less than the net amount liable for TCS and TDS credit as per Table 9 of GSTR-2 have been identified.

Audit observed that in case of a taxpayer, GSTIN 2XXXXXXXXXXJ, under Ranchi West CTC, outward taxable supplies as per GSTR-3B were declared as zero for the period 2020-21. However, as per GSTR-2A of the taxpayer, TDS of ₹ 51.00 lakh at the rate of two *per cent* was deducted by the deductor on outward taxable supplies of ₹ 25.50 crore. This indicated the suppression of taxable value amounting to ₹ 25.50 crore.

[108] A department/agency of Central or State Government, local authority and such persons or category of persons as may be notified by the Government on recommendations of the Council.

After the matter was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

3.2.7.2 Analysis of causative factors

Considering the Department's response to deviations/inconsistencies in 388 cases, the factors that caused the data deviations/inconsistencies are discussed below:

➢ ***Deviations from GST law and rules***

Out of the 388 deviations summarized in Table 3.12 (a) and (b) above, the Department accepted the audit observations or initiated examination in 328 cases involving mismatch of tax liability/ITC of ₹ 883.80 crore in 249 cases and mismatch of turnover in 79 cases. Out of these cases, the Department has recovered/ issued demand order for ₹ 205.07 crore in 81 cases and issued SCN for ₹ 81.41 crore in 36 cases relating to mismatch of tax liability/ITC. The Department further initiated recovery proceedings/issued demand order in five cases and issued SCNs in 19 cases relating to mismatch of turnover. Apart from the above, the Department had issued notices conveying discrepancies to the taxpayers in Form ASMT-10 in 132 cases for ₹ 597.32 crore which relates to mismatch of tax liability/ITC and in 55 cases which relates to mismatch of turnover.

The details of two accepted cases are illustrated below:

i. Audit noticed (May 2024) in case of a taxpayer, GSTIN 2XXXXXXXXXXXM, under Ranchi South CTC, that during 2018-19 ITC available as per Table 8A of GSTR-9 was ₹ 1.87 crore, however ITC availed by the taxpayer in GSTR-2A after all amendments was ₹ 5.88 crore. Thus, ITC of ₹ 4.01 crore was availed in excess of availability. In response, the Department during exit conference stated (September 2024) that demand in Form DRC-07 for the objected amount of ₹ 4.01 crore has been issued. Further reply was awaited (March 2026).

ii. A taxpayer, GSTIN 2XXXXXXXXXX5 under Dhanbad CTC had not paid interest amounting to ₹ 0.50 crore on account of delayed filing of GST returns for the period 2020-21 and consequent delayed discharge of tax liability. This was communicated to the Department in May 2024. In response, the Department during exit conference stated (September 2024) that an amount of ₹ 0.50 crore had been recovered.

➢ ***Cases where Department's reply is not acceptable to Audit***

The response of the Department was not acceptable to the Audit in case of 60 taxpayers involving mismatch of ITC/tax liability for ₹ 356.44 crore in case of 49 taxpayer and mismatch of turnover in case of remaining 11 taxpayers. In these cases, the Department did not accept the deviations pointed out by Audit, however, its contention was not borne out by evidences, and was thus, not amenable to verification by Audit.

An illustrative case is detailed below:

Unreconciled turnover of ₹ 266.30 crore declared in Table 5R of GSTR-9C was noticed in respect of GSTIN 2XXXXXXXXXX1, under Ranchi West CTC, which was communicated to the Department (May 2024).

The Department during exit conference (September 2024) furnished a response that audit observation was not tenable without furnishing any documentary evidence to substantiate the replies. Further, supportive evidence for reconciliation of the aforesaid turnover, if any, though called for (September 2024) was not provided (March 2026).

3.2.8 Detailed audit of GST returns

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

From an external audit perspective, Audit also focused on a data-driven risk-based approach. Thus, apart from identifying inconsistencies/deviations in GST returns through pan-India data analysis, a detailed audit of GST returns was also conducted as a part of this review. A risk-based sample of 70 taxpayers was selected for this part of the review. The methodology adopted was to initially conduct a desk review of GST returns and financial statement filed by the taxpayers as part of the GSTR-9C and other records available in the back-end system to identify potential risk areas, inconsistencies/deviations and red flags. Desk review was carried out in CAG field audit offices. Based on desk review results, detailed audit was conducted in CTD field formations by requisitioning corresponding granular records of taxpayers such as financial ledgers, invoices *etc.* to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

As brought out in the previous paragraphs detailed audit involved a desk review of GST returns and other basic records to identify risks and red flags, which were followed up by field audit to identify the extent of non-compliance by taxpayers and action taken by the CTD field formations. Non-compliance by taxpayers at various stages ultimately impacts the veracity of returns filed, utilisation of ITC and discharge of tax payments. The audit findings are therefore categorized under (a) returns (b) utilization of ITC and (c) discharge of tax liability.

3.2.8.1 Scope limitation (partial production of records)

During the desk review of taxpayers' records available in the back-end system, Audit identified the risks related to excess ITC and tax liability mismatches for detailed examination. On the ITC dimension, the mismatches were identified by comparing GSTR-3B with GSTR-2A and GSTR-9, and the declarations made in Table 12 and 14 of GSTR-9C. On the tax liability dimension, the mismatches were identified by comparing GSTR-3B with GSTR-1 and GSTR-9 and the declarations in Table 5, Table 7 and Table 9 of GSTR- 9C.

The granular records were partially produced in all 70 cases; as a result the identified risks relating to mismatch/excess/irregular availing of ITC and undischarged liability could not fully be examined. The revenue implication of the non-payment of interest, ITC and turnover mismatches in the sample of 70 cases involves a revenue implication of ₹ 1,964.96 crore (excluding turnover mismatches- Sl. Nos. 3 and 4 of Table 3.15) discussed in succeeding paragraphs. The top five cases of partial production in terms of mismatch in ITC and tax liability for verification are given below in **Table 3.13**.

Table 3.13: Top five cases of partial production

(₹ in crore)

Sl. No.	GSTIN	Jurisdictional Sectors	List of records not produced	Total mismatch in tax liability	Total mismatch in ITC
1	2XXXXXXXXXXW	Jamshedpur	Financial statements along with notes and annexure. Invoices of supply, invoices of purchase and ledger account of sundry creditors.	2.83	178.91
2	2XXXXXXXXXXE	Jamshedpur	Financial statements along with notes and annexure. Invoices of supply, invoices of purchase and ledger account of sundry creditors.	1.51	108.35
3	2XXXXXXXXXXU	Ranchi West	Financial statements along with notes and annexure. Invoices of supply, invoices of purchase and ledger account of sundry creditors.	3.14	58.76
4	2XXXXXXXXXXG	Jamshedpur	Financial statements along with notes and annexure. Invoices of supply, invoices of purchase and ledger account of sundry creditors.	3.50	32.23
5	2XXXXXXXXXXP	Ranchi South	Financial statements along with notes and annexure. Invoices of supply, invoices of purchase and ledger account of sundry creditors.	27.46	24.72

The Department during entry conference (July 2023) assured to provide requisite records. These records were again requisitioned during conduct of detailed audit (between February to March 2024); however requisite records were partially produced.

The matter was reported to the Government/Department (May 2024). Further reply was awaited (March 2026).

3.2.8.2 Returns

The audit of returns filed by a sample of 70 taxpayers disclosed that interest payments were not discharged by taxpayers and non-filing of returns existed in a significant number of cases, which are brought out below:

- **Non-payment of interest by taxpayers**

Audit observed (between February and March 2024) in case of 19 taxpayers (34 cases), constituting 27.14 *per cent* of the 70 cases audited, that taxpayers had either filed their returns belatedly or had erroneously utilised excess ITC credits, which were reversed, but the interest payments amounting to ₹ 36.56 lakh on belatedly filed returns or reversal of excess input tax credit were not discharged.

The matter was reported to the Government/Department (May 2024); the Department during exit conference (September 2024) stated that an amount of ₹ 0.03 crore was partially recovered in five cases at Adityapur and Singhbhum CTCs. SCNs for ₹ 0.48 crore was issued in four cases at three[109] CTCs. Notices in Form ASMT-10 were issued in seven cases at three[110] CTCs. In remaining three cases at Ranchi Special CTC, audit observation was not found tenable. The Department had been requested (September 2024) to make available the records relating to cases not found tenable. Further action taken was awaited (December 2024).

An illustrative case is featured below:

A taxpayer, GSTIN 2XXXXXXXXXXR under Singhbhum CTC had filed belated returns for the period 2018-21 and paid the tax as per the returns by debiting the cash ledger. However, interest amounting to ₹ 4.08 lakh for delayed payment of tax, was not paid.

The matter was reported to the Government/Department (May 2024); the Department during exit conference stated (September 2024) that an amount of ₹ 2.75 lakh has been recovered. Further reply was awaited (March 2026).

3.2.8.3 Utilisation of ITC

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

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

Audit findings and mismatches noticed related to utilization of ITC are discussed below:

- **Mismatches in ITC**

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

[109] Adityapur, Ranchi South and Ranchi Special.
[110] Adityapur, Jamshedpur and Ranchi East.

Department. The details of mismatches in ITC noticed by Audit are given in **Table 3.14**.

Table 3.14: Details of ITC mismatches

(₹ in crore)

Sl. No.	Parameter	No. of cases	No. of Circles	Amount of mismatch
1	ITC mismatch between GSTR-2A and GSTR-3B /GSTR-9: The ITC available as per GSTR-2A was compared with the ITC availed under GSTR-3B /GSTR-9 return.	63	08[111]	1,045.04
2	Unreconciled ITC as per Table 12F and 14T of GSTR- 9C: Table-12F and 14T of GSTR-9C captures the difference between the total ITC as computed from the books of account (Table-12D and 14R) and ITC as declared in the GSTR-9.	19	06[112]	174.91
3	Reversal of ITC: Section 17(2) of the JGST Act read with Rule 42 and 43 of the JGST Rules prescribes to restrict ITC proportionally where the goods or services or both are used partly for effecting taxable supplies including zero-rated supplies and partly for effecting exempt supplies.	27	07[113]	460.22
4	Mismatch in availing of ITC under ISD credit: As per Section 20(2) of JGST Act 2017, ISD may distribute the credit available for distribution in the same month in which it is availed. Table 4A (4) of GSTR-3B which contains the details of ISD credit availed shall tally with the Table 6G of GSTR- 9.	01	01[114]	0.02
5	Mismatch in ITC availed under RCM: Data of Table 3.1(d) of GSTR-3B, which contains the details of tax paid on inward supplies liable to reverse charge, was compared with RCM ITC availed as per Table 6C, 6D and 6F of GSTR-9.	19	06[115]	140.44
6	Excess ITC availed on capital goods ITC availed under Table 6 (capital goods) were compared with the increase in fixed assets as per balance sheet.	02	02[116]	0.19
Total		**131**		**1,820.82**

The above matter was reported to the Department (May 2024). The replies received from the Department in the above cases are summarised as under:

[111] Adityapur, Jamshedpur,Jamshedpur Urban, Ranchi East, Ranchi South, Ranchi Special, Ranchi West and Singhbhum.

[112] Adityapur, Jamshedpur, Jamshedpur Urban, Ranchi South, Ranchi Special and Ranchi West.

[113] Adityapur, Jamshedpur, Jamshedpur Urban, Ranchi East, Ranchi South, Ranchi Special, and Ranchi West.

[114] Adityapur.

[115] Adityapur, Jamshedpur,Jamshedpur Urban, Ranchi East, Ranchi South and Ranchi West.

[116] Adityapur and Ranchi South.

(1) ITC mismatch between GSTR-2A and GSTR-3B /GSTR-9: On pointing out 63 cases, the Department during exit conference stated (September 2024) that an amount of ₹ 0.20 crore was partially recovered in one case at Ranchi West CTC. SCNs for ₹ 7.25 crore was issued in three cases at Jamshedpur and Ranchi Special CTC. Notices in Form ASMT-10 were issued in 47 cases at seven[117] CTC. In remaining 12 cases at three[118] CTCs, audit observation was not accepted by the Department and the Department was requested (September 2024) to provide records relating to these cases for verification. Further reply was awaited (March 2026).

(2) Unreconciled ITC as per Table 12F and 14T of GSTR- 9C: On pointing out 19 cases, the Department during exit conference stated (September 2024) that an amount of ₹ 0.12 crore was partially recovered in two cases at Ranchi South CTC. SCNs for ₹ 0.01 crore was issued in one case at Ranchi Special CTC. Notices in Form ASMT-10 were issued in 11 cases at four[119] CTCs. In remaining five cases at three[120] CTCs, audit observation was not accepted by the Department and the Department was requested (September 2024) to provide records relating to these cases for verification. Further reply was awaited (March 2026).

(3) Reversal of ITC: On pointing out 27 cases; the Department during exit conference stated (September 2024) that notice in Form ASMT-10 was issued in 25 cases at all seven CTCs. In remaining two cases at Jamshedpur Urban and Ranchi West CTCs audit observation was not accepted. The Department was requested (September 2024) to provide records relating to these cases for verification. Further reply was awaited (March 2026).

An Illustrative case is given below:

Audit observed in case of taxpayer GSTIN 2XXXXXXXXXXE under Jamshedpur CTC that the taxpayer had availed ITC of ₹ 401.44 crore as per Table 6(O) of annual return in Form-GSTR-9 for the period 2019-20. It was further noticed that the taxpayer had made exempted supplies of ₹ 462.09 crore as per Table 5(D) and 5(E) of GSTR-9 out of total turnover of ₹ 2,231.80 crore as per Table 5(N) of GSTR-9. In the instant case, ITC of ₹ 83.12[121] crore was required to be reversed. However, the taxpayer had reversed ITC of ₹ 0.84 crore only as per Table 7 (C) of GSTR-9. Failure of the proper officer to verify the returns resulted in short reversal of short reversal of ITC of ₹ 82.28 crore.

After this was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued.

117 Adityapur, Jamshedpur Urban, Ranchi East, Ranchi South, Ranchi Special, Ranchi West and Singhbhum.

118 Jamshedpur, Jamshedpur Urban and Ranchi West.

119 Adityapur, Jamshedpur, Ranchi Special and Ranchi West.

120 Jamshedpur Urban, Ranchi South and Ranchi Special.

121 ITC to be reversed (₹ 83.12 crore) = ITC availed (₹ 401.44 crore) x (Exempt turnover (₹ 462.09 crore)/Total turnover (₹ 2,231.80 crore).

(4) Mismatch in availing of ITC under ISD credit: On being pointed out, the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

(5) Mismatch in ITC availed under RCM: On pointing out 19 cases, the Department during exit conference stated (September 2024) that SCN for ₹ 44.99 crore had been issued in one case; notices in Form ASMT-10 had been issued in six cases at four[122] CTCs. In the remaining 12 cases at three[123] CTCs, audit observations were not accepted and the Department was requested (September 2024) to make available records relating to these cases. Further reply was awaited (March 2026).

An Illustrative case is given below:

Audit observed in case of a taxpayer GSTIN 2XXXXXXXXXXT under Ranchi West CTC that the taxpayer had made RCM payments of ₹ 401.86 crore as per Table 6 of GSTR-3B for the period 2020-21. However, the taxpayer had availed ITC of ₹ 446.85 crore under RCM as per Table 4(A) (3) of GSTR-3B. Failure of the proper officer to verify the returns resulted in excess availment of ITC under RCM of ₹ 44.99 crore.

After this was pointed out (May 2024); the Department during exit conference stated (September 2024) that SCN for ₹ 44.99 crore had been issued.

(6) Excess ITC availed on capital goods: On pointing out two cases, the Department during exit conference stated (September 2024) that notices in Form ASMT-10 had been issued in both cases at Adityapur and Ranchi South CTCs. Further action taken was awaited (March 2026).

An Illustrative case is given below:

Audit observed in case of a taxpayer GSTIN 2XXXXXXXXXX3 under Adityapur CTC that the taxpayer had availed ITC on capital goods of ₹ 23.10 lakh as per GSTR-9 for the period 2019-20. However, as per notes on fixed assets disclosed by the taxpayer in the financial statements, addition in the plant and equipment was ₹ 24.89 lakh and available ITC thereon at the rate of 18 *per cent* was ₹ 4.48 lakh only. Failure of the proper officer to verify the financial statement resulted in excess availment of ITC on capital goods of ₹ 18.62 lakh.

After this was pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued. Further reply was awaited (March 2026).

3.2.8.4 Discharge of tax liability

The taxable event in case of GST is supply of goods and/or services. Section 9 of the JGST Act is the charging section authorizing levy and collection of tax called Central/JGST on all intra-state supplies of goods or services or both, except on supply of alcoholic liquor for human consumption, on value determined under Section 15 of the Act *ibid* and at such rates not exceeding 20 *per cent* under each Act, i.e., CGST Act and JGST Act. Section 5 of the IGST

[122] Adityapur, Ranchi East, Ranchi South and Ranchi West.
[123] Jamshedpur, Jamshedpur Urban and Ranchi South.

vests levy and collection of IGST on inter-state supply of goods and services with Central Government with maximum rate of 40 *per cent*.

Under Section 8 of the GST (Compensation to States) Act, 2017, a cess is levied on all inter-state and intra-state supply of such goods or services or both which are listed in the schedule of the said Act such as tobacco products, aerated drinks, cigarettes, vehicles *etc.* Section 9(4) of the JGST Act and Sections 5(3) and 5(4) of the IGST Act provide for reverse charge levy on certain goods or services, wherein the recipient instead of supplier becomes liable to pay tax.

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

- **Mismatch in tax liability**

Audit scrutinised GSTR-1, GSTR-3B and GSTR-9 returns filed by the taxpayers for the year 2018-21 and noticed mismatch in discharge of tax liability by comparing the tax liability furnished in the returns. Audit could not examine these mismatches in detail since relevant granular records were not produced by the Department. The details of mismatches are given in **Table 3.15**.

Table 3.15: Mismatches in discharge of tax liability

(₹ in crore)

Sl. No	Parameter	No. of cases	No. of circles	Amount of mismatch
1	Tax liability mismatch between GSTR-1, GSTR-9 and GSTR-3B: The tax liability based on the greater of the amounts furnished in two returns i.e. GSTR-1 and GSTR-9 was compared with actual payment of tax in GSTR-3B **(Appendix-IX)**.	46	08[124]	130.33
2	Mismatch in tax paid between books of accounts and returns captured in Table 9R of GSTR-9C.	12	04[125]	13.44
3	Mismatch in turnover/ taxable turnover declared in GSTR- 9C: Table 5R and 7G of GSTR-9C captures reconciliation between gross turnover/ taxable turnover declared in Annual Return GSTR-9 and audited Annual financial statement.	12	07[126]	374.28
4	Suppression of taxable turnover identified through mismatch in unbilled revenue/ unadjusted advance declared in Table 5 of GSTR 9C.	10	04[127]	1,516.26
Total		**80**		**2,034.31**

124 Adityapur, Jamshedpur, Jamshedpur Urban, Ranchi East, Ranchi South, Ranchi Special, Ranchi West and Singhbhum.

125 Adityapur, Jamshedpur, Ranchi South and Ranchi Special.

126 Adityapur, Jamshedpur, Jamshedpur Urban, Ranchi East, Ranchi South, Ranchi Special and Ranchi West.

127 Adityapur, Jamshedpur, Ranchi South and Ranchi Special.

The above matter was reported to the Department (May 2024). The replies received from the Department in the above cases are summarised as under:

(1) Tax liability mismatch between GSTR-1, GSTR-9 and GSTR-3B: On being pointed out (May 2024); the Department during exit conference stated (September 2024) that an amount of ₹ 4.88 crore was partially recovered in five cases at Ranchi South CTC. Additional demand for ₹ 0.36 crore was issued in respect of four cases at three[128]CTCs. Notice in Form ASMT-10 was issued in respect of 25 cases at six[129] CTCs. In remaining 12 cases at six[130] CTCs audit observation was not accepted, and the Department was requested (September 2024) to provide records relating to these cases for verification. Further reply was awaited (March 2026).

(2) Mismatch in tax paid between books of accounts and returns captured in Table 9R of GSTR-9C: On being pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued in eight cases at all four CTCs. In remaining four cases relating to Jamshedpur and Ranchi South CTCs, the audit observation was not accepted and the Department was requested (September 2024) to provide records relating to these cases. Further reply was awaited (March 2026).

(3) Mismatch in turnover/ taxable turnover declared in GSTR- 9C: On being pointed out (May 2024); the Department during exit conference stated (September 2024) that notice in Form ASMT-10 had been issued in eight cases at six[131] CTCs. In remaining four cases at Jamshedpur and Ranchi South CTC audit observation was not accepted and the Department was requested (September 2024) to make available records relating to these cases for verification (December 2024). Further reply was awaited (March 2026).

(4) Suppression of taxable turnover identified through mismatch in unbilled revenue/ unadjusted advance declared in Table 5 of GSTR 9C: On being pointed out (May 2024); the Department during exit conference stated (September 2024) that SCNs for ₹ 41.31 crore issued in five cases at Ranchi South CTC. Notice in Form ASMT-10 had been issued in two cases at Adityapur and Ranchi Special CTC. In remaining three cases audit observation was not accepted by Jamshedpur CTC. The Department was requested (September 2024) to make available records relating to these cases for verification. Further reply was awaited (March 2026).

Recommendation No. 3: The Department may initiate remedial action for all the compliance deviation/inconsistencies brought out in this report before they get time barred.

128 Jamshedpur Urban, Ranchi South and Ranchi Special.

129 Adityapur, Jamshedpur Urban, Ranchi East, Ranchi South, Ranchi Special and Ranchi West.

130 Jamshedpur, Jamshedpur Urban, Ranchi South, Ranchi Special, Ranchi West and Singhbhum.

131 Adityapur, Jamshedpur Urban, Ranchi East, Ranchi South, Ranchi Special and Ranchi West.

3.2.9 Adequacy of manpower

For efficient functioning of the Department, proper manpower planning to meet its objectives and its proper deployment is necessary.

The sanctioned and working strength of CTD in respect of adjudicating authority (Additional /Joint/Dy./Assistant Commissioners, Commercial Taxes Officer/Assistant Commercial Taxes Officer) and other supporting staff (Clerk, MTS etc.) as of March 2022 is given in **Table 3.16** below:

Table 3.16: Position of Adjudicating Authority and Supporting Staff of CTD, Jharkhand

Name of the posts	Number of sanctioned posts	Actual strength	Number of vacant posts	Percentage of vacant posts
Adjudicating authority	443	277	166	37.47
Supporting staff	712	133	579	81.32

(Source: Information provided by the CTD)

The Table above shows that as of March 2022, the vacant posts in respect of adjudicating authority was 37.47 *per cent.* Further, the vacant posts in respect of supporting staff were 81.32 *per cent.* Absence of adequate manpower may adversely impact the working efficiency of the Department which is evident in the slow pace of scrutiny or returns, lack of action in cases of cancellation of registrations, *etc.*

3.2.10 Conclusion

The SSCA on Department's oversight on GST payments and return filing was undertaken with an objective of assessing the adequacy of the system in monitoring return filing and tax payments, extent of compliance and other departmental oversight functions.

This SSCA was predominantly based on data analysis, which highlighted risk areas and red flags in GST returns filed for the years 2018-19 to 2020-21. The SSCA entailed pursuing the high value and/or high risk deviations through a Centralised Audit that did not involve field visits; Detailed Audit that involved field visits and scrutiny of taxpayer's records at departmental premises and evaluation of compliance functions of Commercial Tax Circles (CTCs).

The audit sample, therefore, comprised 10 CTCs, 388 high value inconsistencies across parameters selected through global queries and 70 taxpayers selected on risk assessment for detailed audit of GST returns for the years 2018-19 to 2020-21.

A review of the 10 CTC disclosed that oversight functions relating to return filing, action on late/non-filers, pursuing recovery of demands raised, scrutiny of returns and cancellation of registrations was deficient. Although Internal Audit Wing has been constituted and an Internal Audit manual has been formulated, the internal audit of selected taxpayers had not been completed.

In Centralised Audit, 388 high value data inconsistencies were pursued, which resulted in 249 compliance deviations relating to ITC and tax payment with revenue implication of ₹ 883.80 crore. Relatively higher rates of deviations were noticed in short payment of interest, unsettled liabilities, non-filing of GSTR 3B and ITC mismatches. This apart, 79 compliance deviations were also noticed on account of turnover mismatches.

Detailed audit of 70 taxpayers also suggested significant non-compliance. At the outset, in all selected taxpayers the granular taxpayer records were not forthcoming, which constituted a significant scope limitation. The revenue implication of the non-payment of interest, ITC and turnover mismatches in the sample of 70 cases amounted to ₹ 1,964.96 crore.

Considering the compliance deficiencies, pointed out in this report, the Department needs to reinforce the mechanism in the CTCs in maintaining oversight on return filing, cancellation of registrations, internal audit, taxpayer compliance and recovery of dues from defaulters.

3.2.11 Summary of recommendations

The recommendations are as follows: -

1. The Department may consider devising a mechanism for disposal of the cancellation procedure within the prescribed time limit and take necessary steps for verification of outstanding liabilities against previously cancelled registrations, while granting new registrations against the same PANs
2. The Department may take necessary steps for completion of internal audit of the remaining taxpayers and may change the sample size of taxpayers for internal audit and may not repeat the same taxpayer in every year.
3. The Department may initiate remedial action for all the compliance deviation/inconsistencies brought out in this report before they get time barred.

TRANSPORT DEPARTMENT

3.3 Tax administration

The levy and collection of motor vehicles tax and fee in the State is governed by the Jharkhand Motor Vehicles Taxation (JMVT) Act, 2001; the Jharkhand Motor Vehicles Taxation (JMVT) Rules, 2001; the Motor Vehicles (MV) Act, 1988; the Central Motor Vehicles (CMV) Rules, 1989; and the Jharkhand Financial Rules.

The Transport Department of Jharkhand is responsible for levy and collection of motor vehicle tax and fees. The main functions of the Department are to issue certificates of registration, certificates of fitness, national permits, permanent and local permits for vehicles, trade certificates to dealers and driving/ conductor licenses to individuals.

The Secretary of the Department is the State Transport Authority who acts as the administrative head of the Transport Department and is responsible for implementation of the Acts and Rules in the State. The State Transport Commissioner (STC) Jharkhand is the executive head and is responsible for administration of Acts and Rules in the Transport Department. The STC is assisted by the Joint Transport Commissioner (JTC) at Headquarters and Regional Transport Authorities (RTAs) of five regions[132], District Transport Officers (DTOs) and Motor Vehicle Inspectors (MVIs) in the 24 transport districts[133]. These department officials are responsible for compounding the offences committed under various MV Acts and Rules, and levying taxes and fines.

3.4 Result of audit

A Compliance Audit of the Transport Commissioner, Jharkhand, for the year ending March 2022 was conducted between July 2022 & March 2023, wherein, out of 33 auditable units, 10 District Transport Offices[134] and two Regional Transport Authorities[135] were selected for audit.

There were 61,81,861 vehicles registered in the State upto 2021-22, out of which 48,42,805 vehicles were registered in the test-checked units. Audit selected and examined the registration and taxation records of 4,44,492 registered vehicles maintained in *VAHAN*, which is the flagship e-Governance software application related to registration and taxation, under the National Transport Project, and is maintained by the Ministry of Road, Transport and Highway.

Revenue collected by the Department during the year 2021-22 aggregated to ₹ 1,262.78 crore on account of tax, fees, fine, penalty and share of Jharkhand in

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132 Chaibasa, Dumka, Hazaribagh, Palamu and Ranchi.

133 Bokaro, Chaibasa, Chatra, Deoghar, Dhanbad, Dumka, Garhwa, Giridih, Godda, Gumla, Hazaribagh, Jamshedpur, Jamtara, Khunti (Notified in March 2015), Koderma, Latehar, Lohardaga, Palamu, Pakur, Ramgarh (Notified in April 2015), Ranchi, Sahibganj, Saraikela-Kharsawan and Simdega.

134 Bokaro, Deoghar, Dhanbad, Giridih, Hazaribagh, Jamshedpur, Khunti, Palamu, Ramgarh and Ranchi

135 Kolhan (Chaibasa) and South Chotanagpur (Ranchi).

composite fee of national permits. Of this, the test-checked units collected ₹ 938.46 crore. Audit scrutiny showed issues related to non or short levy of taxes, short levy due to misclassification of vehicles, *etc.*, amounting to ₹ 188.29 crore in 1,54,104 cases as shown in **Table 3.17**.

Table 3.17: Nature of Irregularities

Sl. No.	Categories	No. of cases	Amount (₹ in crore)
1	Non-collection of tax from Transport Vehicle	8,657	111.25
2	Non-collection of one-time tax	8,227	21.58
3	Short/Non levy of one-time tax due to misclassification of categories of vehicles (such as, construction equipment vehicle categorised as goods vehicle)	866	22.09
4	Others	1,36,354	33.37
	Total	**1,54,104**	**188.29**

(Source: Inspection Reports)

The Department accepted (November 2023) all the audit observations and intimated that a realisation of ₹ 14.72 crore against 2,139 vehicle owners has been made.

Irregularities involving 1,25,103 cases worth ₹ 173.17 crore have been discussed in the succeeding paragraphs.

3.5 Non-collection of taxes from transport vehicles

Tax and penalty of ₹ 111.24 crore, realisable from defaulting owners of 8,656 transport vehicles, were not collected by the DTOs.

Section 5 & 7 of the JMVT Act, 2001, read with Rule 4(2) of the JMVT Rules, 2001, requires the owners of registered transport vehicles to pay the applicable advance motor vehicle tax at the rate specified in Schedule I Part-C. The rate of tax is based on Registered Laden Weight (RLW)[136] of goods vehicles and seating capacity of public service vehicles. If the delay in making payment exceeds 90 days, a penalty, at twice the amount of taxes due, may be imposed, along with the tax. Additionally, Section 5(5) of the JMVT Act, 2001, provides for levy of a green tax on transport vehicles which are more than 12 years old, from January 2019 onwards.

Furthermore, Section 17 of the JMVT Act, 2001, stipulates that a prior intimation along with an undertaking for being off-road due to mechanical breakdown, or any legitimate reason, is to be given by the owners of vehicles on or before the date of expiry of the period for which tax has been paid. In the absence of such an undertaking, every motor vehicle deemed to have been used or, kept for use within the State, is to be taxed accordingly.

The DTOs are responsible for updating the Demand, Collection and Balance registers on a half yearly basis, and issuing demand notices as required under the provisions of Rule 23 of the JMVT Rules, 2001.

[136] Total weight of the vehicle and the load certified and registered by the registering authority as permissible for that vehicle.

The *VAHAN* software enables users to generate a list of defaulters from the system. District Transport Officers (DTOs) are then required to issue demand notices to such defaulters.

On analysis of taxation and registration data maintained in *VAHAN* application, it was noticed that tax validity of 1,24,436 transport vehicles in the State had expired on 31 March 2022, out of which 98,818 vehicles were registered in the selected district transport offices.

Audit test-checked records of 64,643 transport vehicles in 10 DTOs[137] on the basis of the vehicle models and periods of default, and noticed that 8,656 vehicles owners had stopped paying taxes for more than one year. On further verification with real-time data of taxation and registration of vehicles maintained in *VAHAN* application at DTOs, it was noticed that no undertakings regarding these vehicles being off-road, were available on records.

The DTOs had neither generated the list of defaulters from the *VAHAN* application nor had they updated the Demand, Collection and Balance (DCB) registers. Demands for outstanding taxes, had also not been raised. In the absence of an Enforcement Wing[138] for conduct of regular checks and imposition of penalties, the Department could not effectively control the plying of the defaulting vehicles on the roads.

This resulted in non-collection of motor vehicle tax, penalty and Green tax (for vehicles more than 12 years old) from 8,656 transport vehicle owners amounting to ₹ 111.24 crore[139], as detailed in **Table 3.18**.

Table 3.18: Non-Collection of payable taxes and penalty from Transport Vehicles

(Amount in ₹)

Sl. No	DTO	No. of vehicles	Motor Vehicle Tax	Penalty	Green Tax	Total
1	Bokaro	863	5,06,00,844	10,12,01,688	18,11,883	15,36,14,415
2	Deoghar	257	93,39,907	1,86,79,814	2,96,528	2,83,16,249
3	Dhanbad	1,179	6,17,34,068	12,34,68,136	12,93,814	18,64,96,018
4	Giridih	419	1,72,05,928	3,44,11,856	6,36,144	5,22,53,928
5	Hazaribagh	1,842	9,50,65,600	19,01,31,200	17,42,207	28,69,39,007
6	Jamshedpur	1,467	4,89,22,165	9,78,44,330	19,86,556	14,87,53,051
7	Khunti	5	3,27,238	6,54,476	0	9,81,714
8	Palamu	407	1,34,40,311	2,68,80,622	3,02,668	4,06,23,601
9	Ramgarh	33	8,64,210	17,28,420	1,775	25,94,405
10	Ranchi	2,184	6,99,97,978	13,99,95,956	18,71,684	21,18,65,618
Total		**8,656**	**36,69,77,519**	**73,49,96,498**	**99,43,259**	**1,11,24,38,006**

(Source: VAHAN database)

137 Bokaro, Deoghar, Dhanbad, Giridih, Hazaribagh, Jamshedpur, Khunti, Palamu, Ramgarh and Ranchi.

138 Enforcement wing of the Department is responsible to check such motor vehicles plying in contravention of Rules and violation of condition of permit on roads. In absence of this wing, the Department has limited resources to penalise the defaulting vehicles.

139 Including penalty of ₹ 73.50 crore and green tax of ₹ 99.43 lakh.

The Government accepted (November 2023) the audit observation and intimated that nine DTOs[140] had realised ₹ 8.06 crore from 774 vehicle owners. Intimation regarding realisation in the remaining cases was awaited (March 2026).

3.6 Non-realisation of one-time tax from transport vehicles

One-time tax and penalty of ₹21.58 crore, realisable from defaulting owners of 8,227 vehicles brought under the purview of One-Time Tax, was not collected by the DTOs.

Sections 5 & 7 of the JMVT Act, 2001, read with Rule 4(2) of the JMVT Rules, 2001, require the owners of registered transport vehicles to pay the applicable advance motor vehicle tax at the rate specified in Schedule I Part-C. The Government of Jharkhand (GoJ) brought changes in the taxation structure of motor vehicles in January 2019 and, apart from personalised vehicles, some transport vehicles, *viz.* three wheelers (passenger), goods vehicles of up to three tons RLW and construction equipment vehicles (CEVs)[141] were also brought under the purview of One-Time tax (OTT)[142]. Further, the JMVT Act provides that, in case of non-payment of OTT within seven days, simple interest, at the rate of two *per cent* per month on the OTT due, shall be charged.

Further, the DTOs are responsible for updating the Demand, Collection and Balance registers on a half yearly basis, and issuing demand notices as required under the provisions of Rule 23 of the JMVT Rules, 2001. The *VAHAN* software enables users to generate the defaulters list from the system. DTOs are required to issue demand notices to the defaulters.

Audit extracted the registration data of transport vehicles brought under the purview of OTT, and found that 2,21,878 vehicles were registered in the State (up to March 2022), out of which, 1,76,498 vehicles were registered in the 10 selected DTOs.

Audit verified the tax position of 1,76,498 transport vehicles, falling under the purview of OTT, with real-time data and other relevant records in the selected district transport offices, and noticed that 8,227 vehicle owners had not paid the taxes. No undertakings with regard to these vehicles being off-road were found available on records.

It was further observed that the DTOs responsible for issuing demand notices, had not generated the list of defaulters from the *VAHAN* software and had not raised the corresponding demands for outstanding taxes. The STC and JTC had also not monitored the functioning of the transport offices. Thus, the Department did not realise revenue of ₹21.58 crore from 8,227 transport vehicles, as shown in **Table 3.19**.

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140 Bokaro, Deoghar, Dhanbad, Giridih, Jamshedpur, Khunti, Palamu, Ramgarh and Ranchi.

141 Excavator, backhoe loader, skid-steer loader, dumper, motor grader, mobile crane, dozer & paver, concrete mixer *etc.* as detailed in Rule 2 (cab) of CMV Rules, 1989, are construction equipment vehicles.

142 One-Time Tax for 10 years, 12 years and 15 years are levied on goods vehicles upto 3 ton of RLW, 3-wheeler passenger vehicles and construction equipment vehicles, respectively.

Table 3.19: Non-realisation of revenues

(Amount in ₹)

Class of vehicles	No. of vehicles	OTT	Interest	Total
Passenger vehicles	4,664	3,15,92,388	2,42,94,074	5,58,86,462
Goods vehicles upto 3 Ton RLW	3,200	3,22,62,422	2,21,36,094	5,43,98,516
Construction equipment vehicles	363	5,76,09,243	4,79,34,361	10,55,43,604
Total	**8,227**	**12,14,64,053**	**9,43,64,529**	**21,58,28,582**

(Source: VAHAN database)

The Government accepted (November 2023) the audit observation and intimated that 10 DTOs had realised ₹ 1.90 crore from 300 vehicle owners. Intimation regarding realisation in the remaining cases was awaited (March 2026).

3.7 Non-realisation of tax from owners of vehicles plying under reciprocal agreement

In the absence of a mechanism for monitoring payment of tax by owners of vehicles plying under reciprocal agreement, tax and penalty of ₹ 2.39 crore from 101 public service vehicles was not collected.

Section 88(5) of the MV Act, 1988, provides that transport vehicles registered in one State can ply in other States under reciprocal agreements between the State Governments. Accordingly, reciprocal agreements between Jharkhand and the States of Odisha and West Bengal were executed in January 2003; with Bihar in April 2007 and with Chhattisgarh in September 2008, for plying of public service vehicles within their territories. A double point taxation system was adopted for public service vehicles which were granted inter-state permits. Vehicles while operating in the other States were also liable to pay all taxes leviable for the other States. Further, Sections 5 & 7 of the JMVT Act, 2001, read with Rule 4(2) of the JMVT Rules, 2001, requires the owners of registered transport vehicles to pay applicable advance motor vehicle tax at the rate specified in Schedule I Part-C.

On scrutiny of tax position in the office of the STC (in October 2022) of buses of other States[143] plying under reciprocal agreements, it was noticed that out of 1,660 buses, owners of 101 buses had defaulted on payment of tax. Audit further noticed that the *SPERMIT*[144] portal, developed and maintained by the State Transport Department for facilitating online payment of tax, did not have any module to generate a list of defaulters.

The STC also did not establish any alternative mechanism to monitor the payment of this tax. Thus, the absence of a mechanism for monitoring payment of tax resulted in non-realisation of ₹ 2.39 crore including motor vehicle tax of ₹ 0.80 crore and a penalty of ₹ 1.59 crore from owners of 101 other States' buses plying under such agreements, as shown in **Table 3.20**.

143 Bihar, Chhattisgarh, Odisha and West Bengal.

144 *SPERMIT* is an online State permit system initiated by the State Transport Department, which facilitates application and issuance of various State permits through an online mode.

Table 3.20: Non-realisation of tax and penalty from buses plying under reciprocal agreements

(Amount in ₹)

Sl. No.	State	No. of Buses	Tax due	Penalty	Total
1	Bihar	49	36,08,563	72,17,126	1,08,25,689
2	Chhattisgarh	18	16,53,643	33,07,286	49,60,929
3	Odisha	20	17,09,609	34,19,218	51,28,827
4	West Bengal	14	10,00,630	20,01,260	30,01,890
Total		**101**	**79,72,445**	**1,59,44,890**	**2,39,17,335**

(Source: SPERMIT database)

The Government accepted (November 2023) the audit observation and intimated that demand notices have been sent to the vehicle owners concerned. Intimation regarding realisation was awaited (March 2026).

3.8 Non-levy of Green Tax

Inadequate mapping of business rules in the application software resulted in non-levy of Green Tax of ₹ 1.58 crore, realisable from owners of 5,273 transport vehicles.

Section 5(5) of the JMVT Act, 2001, provides for levy of Green Tax on transport vehicles which are more than 12 years old, from January 2019 onwards. As per the Transport Department's Circular (August 1993), the District Transport Officers (DTOs) were designated as the taxing officers, and Motor Vehicle Inspectors (MVIs) were responsible for inspection and issuance of certificates of fitness to vehicles.

Registration data of transport vehicles extracted by Audit from *VAHAN* revealed that there were 1,41,439 vehicles registered in the State upto March 2010, that had been registered for 12 years or more (as of March 2022).

Audit test-checked the records for payment of motor vehicle tax from 1,16,138 such transport vehicles in eight DTOs[145] and noticed that 5,273 transport vehicles, which were registered for more than 12 years, had paid motor vehicle taxes for the period May 2019 to September 2024. However, Green Tax amounting to ₹ 1.58 crore was not levied and collected from owners of these 5,273 transport vehicles for the period between May 2019 and September 2024, in eight districts, as shown in **Table 3.21**.

145 Bokaro, Deoghar, Dhanbad, Giridih, Hazaribagh, Jamshedpur, Palamu and Ranchi.

Table 3.21: Non-realisation of Green Tax

(Amount in ₹)

Sl. No.	DTOs	No. of vehicle	Motor vehicle taxes paid between	Motor vehicle tax paid	Green tax not levied
1	Bokaro	703	02.05.2019 to 30.09.2024	1,84,15,110	18,41,511
2	Deoghar	203	24.05.2019 to 17.11.2023	48,50,953	4,85,093
3	Dhanbad	917	30.06.2019 to 29.06.2023	2,47,48,238	24,74,830
4	Giridih	10	27.06.2019 to 23.12.2022	2,51,376	25,138
5	Hazaribagh	920	05.05.2019 to 23.10.2023	2,34,12,153	23,41,220
6	Jamshedpur	537	03.02.2020 to 27.01.2024	1,64,72,600	16,47,247
7	Palamu	163	25.05.2019 to 27.08.2024	47,37,545	4,73,759
8	Ranchi	1,820	20.09.2019 to 16.01.2024	6,50,01,258	65,00,173
Total		**5,273**		**15,78,89,233**	**1,57,88,971**

(Source: VAHAN database)

Further, analysis of the system available in the *VAHAN* application for levy of Green Tax on old vehicles revealed that the module for collection of Green Tax in the application software was provided to the Motor Vehicle Inspectors (MVIs) who were responsible for issuance/renewal of fitness certificate instead of the taxing officers, *i.e.* DTOs. This inadequate mapping led to non-levy of Green Tax amounting to ₹ 1.58 crore on vehicles which did not turn up for renewal of their certificates of fitness even though they may have continued to pay motor vehicle taxes to the taxing officers.

The Department as well as DTOs did not detect this irregularity and remained unaware regarding non-levy of Green Tax.

The Government accepted (November 2023) the audit observation and intimated that three DTOs[146] had realised ₹1.32 lakh from 44 vehicle owners. Intimation regarding realisation in the remaining cases was awaited (March 2026).

The Government/Department, however, remained silent on inadequate mapping of business rules in the *VAHAN* application software.

3.9 Short levy of one-time tax from construction equipment vehicles

One-time tax and penalty of ₹ 22.09 crore was short realised due to misclassification of 866 vehicles.

Section 7(8) of the Jharkhand Motor Vehicle Taxation Act (JMVT), 2001, provides that in case of non-payment of One-Time Tax (OTT) within seven days, simple interest at the rate of two *per cent* per month on the OTT due, shall be charged.

On analysis of data, it was noticed that 1,96,346 transport vehicles were registered as goods vehicles in the State, out of which 1,57,395 vehicles were registered in the selected DTOs.

Audit extracted data relating to updated tax payments of 6,308 goods vehicles, registered between January 2010 and February 2022, with body type CEV in

[146] Deoghar, Dhanbad and Giridih.

10 test-checked DTOs. Scrutiny of the data and registration details showed that these vehicles had been classified as 'goods vehicles', in the 'vehicle class' table of the *VAHAN* application and were paying quarterly taxes as per their RLWs. However, in the 'model' table of the *VAHAN database*, these vehicles had been recorded as 'crane/JCB', which falls under the 'CEV' category of vehicles, wherein OTT has to be paid at the rate of seven *per cent* of the cost price of the vehicles instead of the rate specified for 'goods vehicles'. As the tax rates on CEVs had been revised, with effect from 31 January 2019, the entries in the vehicle class table should have been changed to 'CEV' from 'goods vehicles', to enable the application to calculate the correct OTT amounts realisable from owners of these vehicles.

The Department, however, remained unaware of this fact and did not initiate any action to rectify the misclassification and continued to collect quarterly tax based on RLW, instead of OTT, from owners of these vehicles. This resulted in short levy of OTT of ₹ 22.09 crore from 866 vehicle owners during the period April 2019 to March 2023. Audit could also not ascertain short levy of OTT in case of the remaining 5,442 vehicles due to the absence of their cost prices and invoices.

The Government accepted (November 2023) the audit observation and intimated that five DTOs[147] had realised ₹ 3.78 crore from 205 vehicle owners. Intimation regarding realisation in the remaining cases was awaited (March 2026).

The Government/Department, however, remained silent regarding rectification of categorisation of vehicles in the *VAHAN* application software.

3.10 Short levy of fee for temporary registration

Lack of monitoring by the Department resulted in loss of revenue amounting to ₹ 4.86 crore against 92,481 temporary registrations issued.

Section 39 of Motor Vehicle Act, 1988 read with Rule 42 of Central Motor Vehicle Rules, 1989 states that no vehicle shall be delivered to the purchaser without permanent or temporary registration.

Temporary registration (TR) of motor vehicles was regulated under Section 43 of MV Act, 1988, while Section 65 (f) vested the State Government with the power to regulate provisions of TR of vehicles. Accordingly, the State Government had prescribed a fee for grant of TR vide Rule 44(v) read with Rule 52 A of the JMV Rules, 2001. Necessary amendments were carried out in Sections 43, 64 (fa) and 65(f) of the MV Act, 1988 vide Act 32 of 2019, and the Central Government was vested with the power to regulate the provisions of TR of motor vehicles. Accordingly, fee for grant of TR was prescribed as half of the registration fee under Rule 81(4A) of the CMV Rules, 1989, effective from April 2021.

On analysis of *VAHAN* data in six DTOs[148] and information provided by M/s Tata Motors, it was noticed that 92,481 temporary registrations in respect of transport vehicles were issued by the registering authorities during the period

147 Deoghar, Dhanbad, Giridih, Jamshedpur and Ramgarh.
148 Bokaro, Deoghar, Dhanbad, Hazaribagh, Jamshedpur and Ranchi.

April 2021 to April 2022 and fee of only ₹ 2.04 crore was levied instead of the amount of ₹ 6.90 crore that was payable, as shown in **Table 3.22**.

Table 3.22: Short levy of temporary registration fees between April 2021 and April 2022

(Amount in ₹)

Sl. No.	DTOs	No. of Vehicles	TR fee levied	TR fee leviable	Short levy
1	Bokaro	363	63,150	2,58,750	1,95,600
2	Deoghar	49	9,180	28,000	18,820
3	Dhanbad	265	60,180	1,55,250	95,070
4	Hazaribagh	132	25,670	65,700	40,030
5	Jamshedpur along with M/s Tata Motors	91,034	2,02,13,620	6,82,75,500	4,80,61,880
6	Ranchi	638	66,820	2,59,350	1,92,530
Total		**92,481**	**2,04,38,620**	**6,90,42,550**	**4,86,03,930**

(Source: VAHAN database)

Audit analysed the reasons for short levy of fee for TRs and noticed that fee for temporary registration was being levied at the prescribed rates under Rule 44(v) of the Jharkhand Motor Vehicle Rules, 2001, instead of the fee leviable under amended[149] Rule 81(4A) of CMV Rules, 1989, effective from April 2021. Audit further noticed that the Transport Department, GoJ, revised various fees including temporary registration fee vide JMV (Amendment) Rules, 2021, effective from 11 October 2021, without considering the temporary registration fee prescribed under CMV Rules, 1989, effective from April 2021, for which power was vested in the Central Government.

Thus, lack of monitoring and awareness on the part of the Department resulted in a loss of revenue amounting to ₹ 4.86 crore against 92,481 temporary registrations issued.

After this was pointed out, the DTOs stated that the matter would be referred to the Department for necessary instructions in this regard. However, the Government/Department did not furnish any reply (March 2026).

3.11 Non/short levy of penalty from transport vehicles

Incorrect mapping of provision for levy of penalty on delayed payment of taxes resulted in non/short levy of penalty of ₹ 2.93 crore.

Under the provisions of Rules 4(1) of the JMVT Rules, 2001, in cases where no tax had previously been paid, the date of acquisition of the vehicle or the date when such tax is imposed by law shall be the due date for tax payment. Application for registration of vehicles has to be made within seven days from taking delivery of the vehicle. Further, as per Sections 48 & 49 of the MV Act, 1988, the owner of the vehicle shall produce a No Objection Certificate (NOC) issued by the original registering authority to the new registering authority within a period of thirty days for recording of present address. Rule 4(2) of the JMVT Rules, 2001, stipulates a penalty for non-payment of taxes on time, at the rates prescribed, as shown in **Table 3.23**.

[149] Vide MoRTH's GSR 240(E) dated 31 March 2021.

Table 3.23: Rates of penalty

Sl. No.	Period	Amount of penalty for delay
1	If paid within 15 days from the due date of payment	Nil (Grace period)
2	If paid after 15 days but within 30 days of the due date of payment	25% of the tax.
3	If paid after 30 days but within 60 days of the due date of payment	50% of the tax.
4	If paid after 60 days but within 90 days of the due date of payment	100% of the tax.
5	If paid beyond 90 days after the due date.	200% of the tax.

(Source: Rule 4(2) of JMVT, Rules, 2001)

Further, Rule 6 of JMVT Rules, 2001, stipulates that while accepting the payment of tax, the taxing officer shall ensure correctness of the amount tendered by the payees.

Test-check of Taxation Registers and examination of data in 22 DTOs[150] (between October 2021 and April 2023) revealed that 7,854 out of 8,83,168 tax transactions (done between February 2019 and November 2022) were done with delays of one to nine quarters from the due date of payment.

The registration authority levied tax from the date of possession/expiry of temporary registration/no objection certificate. However, penalty for delayed payment of tax was assessed as ₹ 33.43 lakh instead of ₹ 3.26 crore. Audit analysed the reason for non/short levy of penalty and observed that, although *VAHAN* software calculated the amount of tax from a specified date, it did not calculate the penalty leviable, as per the provisioned rates, for delayed payments of tax. The Department also remained unaware of the discrepancy in the application software and continued to accept tax without imposing penalty for delayed payment. Thus, incorrect mapping of provision for levy of penalty in the application software for registration and taxation of transport vehicles resulted in short levy of ₹ 2.93 crore during the period between April 2019 and March 2023 as detailed in **Table 3.24**.

Table 3.24: Non/Short levy of penalty from transport vehicles

(Amount in ₹)

Sl. No.	DTOs	No. of cases	Tax levied	Penalty levied	Leviable penalty	Short levy of penalty
1	Bokaro	639	40,04,000	3,23,850	27,49,550	24,25,700
2	Chaibasa	103	10,16,428	14,460	5,61,039	5,46,579
3	Chatra	126	7,91,080	1,19,274	5,18,223	3,98,949
4	Deoghar	191	13,21,405	83,750	9,02,443	8,18,693
5	Dhanbad	1,456	90,28,800	4,08,084	56,42,200	52,34,116
6	Garhwa	31	2,49,727	56,174	1,58,219	1,02,045

150 Bokaro, Chaibasa, Chatra, Deoghar, Dhanbad, Garhwa, Giridih, Godda, Gumla, Hazaribagh, Jamshedpur, Jamtara, Khunti, Koderma, Latehar, Pakur, Palamu, Ramgarh, Ranchi, Sahibganj, Saraikela-Kharsawan and Simdega.

Table 3.24: Non/Short levy of penalty from transport vehicles

(Amount in ₹)

Sl. No.	DTOs	No. of cases	Tax levied	Penalty levied	Leviable penalty	Short levy of penalty
7	Giridih	129	6,50,515	84,142	5,04,777	4,20,635
8	Godda	137	6,20,404	93,063	4,57,228	3,64,165
9	Gumla	109	5,48,033	1,11,551	4,08,822	2,97,271
10	Hazaribagh	1,346	93,77,400	7,72,818	65,59,800	57,86,982
11	Jamshedpur	1,391	77,79,800	0	42,97,850	42,97,850
12	Jamtara	24	91,301	8,624	48,569	39,945
13	Khunti	14	1,18,240	1,869	49,687	47,818
14	Koderma	380	25,52,430	1,07,449	19,79,175	18,71,726
15	Latehar	291	21,25,775	94,393	15,07,525	14,13,132
16	Pakur	103	6,00,463	48,260	4,87,863	4,39,603
17	Palamu	20	3,91,400	0	38,700	38,700
18	Ramgarh	48	4,37,800	9,300	4,15,150	4,05,850
19	Ranchi	913	54,09,730	5,79,615	33,61,440	27,81,825
20	Sahibganj	290	21,16,069	3,51,156	14,04,414	10,53,258
21	Saraikela-Kharsawan	48	4,33,950	11,740	1,87,409	1,75,669
22	Simdega	65	4,50,908	63,526	3,62,212	2,98,686
Total		**7,854**	**5,01,15,658**	**33,43,098**	**3,26,02,295**	**2,92,59,197**

(Source: VAHAN database)

The Government accepted (November 2023) the audit observation and intimated that 10 DTOs[151] had realised ₹ 37.33 lakh from 700 vehicle owners. Intimation regarding realisation in the remaining cases was awaited (March 2026). The Government/Department, however, remained silent on incorrect mapping of provision for levy of penalty in application software.

3.12 Application of incorrect rate of tax

Lack of due diligence on the part of tax authorities in implementing the revised rates of tax resulted in short levy and collection of taxes amounting to ₹ 2.51 crore from owners of 778 vehicles.

The GoJ, vide its notification (31 January 2019), dispensed with the levy of additional motor vehicle tax. As per the provisions of the Motor Vehicle Act, 1988, ambulance and camper van had been categorised as transport vehicles. Taxes on quarterly or annual basis were levied and collected for these vehicles based on seating capacity and RLW for ambulances and camper van, respectively.

On analysis of registration data for the period 2013 to 2022, it was noticed that 3,550 transport vehicles were registered as ambulance and camper van in the State, out of which 3,117 vehicles were registered in the test-checked district transport offices. On analysis of the system for levying tax on ambulance and camper vans in the *VAHAN* application, it was noticed that in 10 DTOs[152]

[151] Chaibasa, Deoghar, Dhanbad, Godda, Gumla, Jamshedpur, Khunti, Ramgarh, Sahibganj and Saraikela-Kharsawan.

[152] Bokaro, Deoghar, Dhanbad, Giridih, Hazaribagh, Jamshedpur, Khunti, Palamu, Ramgarh and Ranchi.

pre-revised rates of motor vehicle tax and additional motor vehicle tax were applied during 31 January 2019 to 31 July 2022 even after the revision of the tax structure (effective from 31 January 2019) for levy and collection of taxes from 778 test-checked ambulance and camper vans. The taxing officer did not monitor and verify the rate of tax collected and continued to collect taxes online at the pre-revised rates. The vehicle owners were liable for payment of tax amounting to ₹ 2.91 crore as per applicable rates instead of ₹ 0.39 crore levied and collected, as shown in **Table 3.25**.

Table 3.25: Short levy and collection of taxes due to application of incorrect rates of tax

(Amount in ₹)

Class of vehicle	No. of vehicles	Tax leviable	Tax levied	Short levy
Ambulance	433	2,39,85,653	23,94,193	2,15,91,460
Camper Van	345	50,81,250	15,53,608	35,27,642
Total	**778**	**2,90,66,903**	**39,47,801**	**2,51,19,102**

(Source: VAHAN database)

Thus, lack of due diligence on the part of tax officers in implementing the revised rates of tax resulted in short levy and collection of taxes amounting to ₹ 2.51 crore[153].

The Government accepted (November 2023) the audit observation and intimated that Jamshedpur and Ramgarh DTOs had realised ₹ 29.12 lakh against 44 vehicle owners. Intimation regarding realisation in the remaining cases was awaited (March 2026).

3.13 Renewal of authorisation for national permits

Subsequent authorisation during the currency period of national permits for transport vehicles was not done leading to non-realisation of consolidated fee and authorisation fee of ₹ 3.98 crore from 865 national permit holders.

The MV Act, 1988, and CMV Rules, 1989, prescribe issue of national permits for a period of five years. As per Section 81 of the MV Act read with Rule 87 of CMV Rules, the authorisation for national permits was to be issued for a period not exceeding one year at a time. This authorisation was a continuous process which was to be renewed each year unless the permit expired or was surrendered by the permit holder. Further, authorisation of national permits was to be renewed on advance payment of the prescribed annual consolidated fee and authorisation fee, failing which late fee at prescribed rates would be imposed.

Audit test-checked (between January and February 2023) information provided by Regional Transport Authorities (RTAs), Kolhan and Ranchi, and noticed that 3,887 national permits were issued between 2018 and 2022. Further scrutiny revealed that subsequent authorisation of national permits in 865 cases were not renewed during the periodicity of these permits. There was nothing on record to show that these vehicles were off-road, or the permits had been surrendered.

[153] Short levy of tax from 433 ambulances: ₹ 2.16 crore and from 345 camper vans: ₹ 0.35 crore.

The Department also did not monitor the renewal of authorisation resulting in non-realisation of ₹ 3.98 crore inclusive of consolidated fee, authorisation fee and late fee, as shown in **Table 3.26**.

Table 3.26: Non-realisation of consolidated fee, authorisation fee and late fee

(Amount in ₹)

Sl. No.	RTAs	Cases	Consolidated fee	Authorisation fee	Late fee	Total
1	Ranchi	308	1,02,63,000	6,22,000	38,89,800	1,47,74,800
2	Kolhan	557	1,72,09,500	10,43,000	68,02,000	2,50,54,500
Total		**865**	**2,74,72,500**	**16,65,000**	**1,06,91,800**	**3,98,29,300**

(Source: National Permit database)

The Government accepted (November 2023) the audit observation and intimated that RTAs had realised ₹ 29.52 lakh from 72 vehicle owners. Intimation regarding realisation in the remaining cases was awaited (March 2026).

EXCISE AND PROHIBITION DEPARTMENT

3.14 Tax administration

The levy and collection of excise duty is governed by the Bihar Excise Act, 1915, and the Rules made/ notifications issued thereunder, as adopted by the GoJ. At the Government level, the Secretary of the Excise and Prohibition Department is responsible for administration of the State Excise laws. The Commissioner of Excise (CE) is the head of the Department and is primarily responsible for the administration and execution of State Excise policies and programmes of the Government. He is assisted by a Joint Commissioner of Excise, and Deputy & Assistant Commissioners of Excise at the Headquarters' level.

Further, the State of Jharkhand is divided into three Excise divisions[154], each under the control of a Deputy Commissioner of Excise. The divisions are further divided into 24 Excise districts, each under the charge of an Assistant Commissioner of Excise/ Superintendent of Excise (ACE/SE).

3.15 Results of audit

During 2022-23, Audit test-checked records of 10[155] out of 55 auditable units of the Department. During the financial year 2021-22, 633 retail excise shops were found to have been set up in the test-checked districts. Audit test checked all the 633 retail excise shops. The Department collected revenue of ₹ 1,806.61 crore during 2021-22, as state excise, of which the audited units collected ₹ 990.79 crore. Audit noticed various irregularities in 2,305 cases leading to non/short levy of ₹ 186.43 crore, as detailed in **Table 3.27**.

[154] North Chotanagpur Division, Hazaribagh, South Chotanagpur Division, Ranchi and Santhal Pargana Division, Dumka.

[155] Secretary, Excise and Prohibition Department, Ranchi; Assistant Commissioner of Excise, Bokaro, Dhanbad, Hazaribagh, Ramgarh and Ranchi; Superintendent of Excise, Deoghar, Jamtara and Pakur; and Jharkhand State Beverage Corporation Ltd., Ranchi.

Table 3.27: Irregularities noticed during test check

Sl. No.	Categories	No. of cases	Amount (₹ in crore)
1	Loss of revenue due to non-settlement of excise retail shops	100	73.26
2	Non-levy of late fee (Penalty) for delay deposit of Excise Transport Duty (ETD) & Minimum Guaranteed Duty (MGD)	142	24.48
3	Short levy of excise duty	66	9.64
4	Non-levy of differential security charge	237	4.80
5	Other cases	1,760	74.25
Total		**2,305**	**186.43**

The Department accepted (November 2023) all the audit observations and intimated that they have realised ₹ 0.92 crore in one case. Irregularities involving 360 cases amounting to ₹ 24.59 crore are discussed in the succeeding paragraphs.

3.16 Non-realisation of differential excise duty

Non-adherence to Departmental instructions by the authorities concerned and lack of monitoring resulted in non-realisation of differential excise duty of ₹ 1.07 crore.

As per Section 89 of the Jharkhand Excise Act, 1915, Excise and Prohibition Department issued a notification in February 2021 regarding enhancement of excise duty on all types of liquor for human consumption.

Accordingly, all Assistant Commissioners of Excise (ACEs)/Superintendents of Excise (SEs) of excise districts were instructed (February 2021) to make arrangements for deposit of leviable differential excise duty (ED) on the opening stock of the Jharkhand State Beverage Corporation Limited (JSBCL) depots and 19-C licensed premises by the distributor licensees of foreign liquor and manufacturer cum whole-seller of country liquor under head "0039" State Excise and submit their report to the headquarter. The enhanced duty[156] was leviable with effect from 10 February 2021.

Audit test checked (between December 2021 and November 2022) excise records for the period 2020-21 of 10 Excise districts[157], along with the information regarding stock of Indian Made Foreign Liquor (IMFL) obtained from JSBCL depots and 19-C licensed premises, and noticed that 2,58,401 cases, and 26,132 bottles of different varieties of IMFL were lying as opening stock on 10 February 2021 in 38 companies. JSBCL and the 19-C licensed distributors of IMFL were liable to pay a differential excise duty of ₹ 1.07 crore on the opening stock.

However, it was noticed that the differential ED was not realised from JSBCL and the licensed distributors. Audit further noticed that no action for realisation

156 Notification No.-01/Niti-05-04/2020-261/Ranchi dated 10.02.2021 issued by Secretary-cum-Commissioner, Excise & Prohibition Department, GoJ.

157 Bokaro, Deoghar, Dhanbad, Hazaribagh, Jamtara, Khunti, Latehar, Pakur, Ramgarh and Ranchi.

of differential ED had been taken by the authorities or monitored by the Department.

Thus, non-adherence of Departmental instructions by the concerned authorities and lack of monitoring resulted in non-realisation of differential ED of ₹ 1.07 crore.

The Government accepted (November 2023) the audit observation and intimated that the Department had realised ₹ 0.92 crore from a company and demand notices had been issued to 14 other companies. Intimation regarding realisation in the remaining cases was awaited (March 2026).

3.17 Short lifting of liquor and non-levy of late fee

The Department did not levy late fee of ₹ 13.52 crore and ₹ 10 crore on delayed payment of MGD (₹ 2.42 crore) and ETD (₹ 43.85 crore) respectively. Further, MGD of ₹ 86.06 lakh and ETD of ₹3.52 lakh remained outstanding.

Under the provisions of the Jharkhand Excise (Settlement and Operation of shops for retail sale of liquor) Rules, 2018, read with the Jharkhand Excise (Settlement and Operation of shops for retail sale of liquor) (Amendment) Rules, 2019, each licenced vendor of a retail excise shop is bound to lift liquor, equivalent to the value of the Minimum Guaranteed Excise Duty (MGD) of the month, failing which the vendor is required to pay MGD, equivalent to the short lifted liquor, on the last date of the month. The licenced vendor of a retail excise shop is also required to pay monthly Excise Transport Duty (ETD) in advance up to 25th of the month or as fixed by the Department. The Jharkhand Excise (Settlement and Operation of shops for retail sale of liquor) (Amendment) Rules, 2019, also provide for late fee at the rate of five *per cent* per day for non-deposit/short deposit of MGD/ETD. Further, the MGD and ETD were reduced by 20 *per cent* for the months from October to December 2020 vide GoJ's notification[158] issued in October 2020.

Examination of records[159] of all the 534 retail excise shops, settled[160] in the six test-checked districts[161], revealed that vendors were required to lift liquor, equivalent to MGD of ₹ 17.46 crore in 276 excise shops, in six excise districts[162], during April 2019 to March 2022. However, these excise shops had lifted liquor equivalent to MGD of ₹ 14.18 crore, within the due date. Therefore, these vendors had short lifted liquor amounting to MGD of ₹ 3.28 crore. Of this amount, ₹ 2.42 crore was paid by vendors, with delays ranging between one and 336 days from the due date (last date of the month) and as such ₹ 86.06 lakh was outstanding on which late fee amounting to ₹ 13.52 crore was leviable for delayed/non-payment.

Further, in 220 retail excise shops, against the leviable ETD of ₹ 77.98 crore, vendors had deposited ETD of ₹ 34.09 crore within due date, and ₹ 43.85 crore after the due date, with delays ranging between one to 75 days from their due

158 No. 547 dated 29 October 2020.
159 Settlement register, Revenue files and licensee ledger.
160 Excise retail shops that received their licenses for operation.
161 Bokaro, Dhanbad, Hazaribagh, Pakur, Ramgarh and Ranchi.
162 Bokaro, Dhanbad, Hazaribagh, Pakur, Ramgarh and Ranchi.

date (25th of month or as fixed by the Department). Further, the vendors did not deposit ₹ 3.52 lakh on which late fee amounting to ₹ 10 crore was leviable for delayed/non-payment.

Audit noticed that excise districts had prepared shop-wise reports regarding MGD fixed and ETD leviable, liquor lifted/ETD paid during the month and up to the month and forwarded the reports to the Excise Commissioner. However, the Department did not take any corrective action to levy the excise duty equivalent to short lifted liquor or levy late fee for delayed payment of MGD and ETD. This resulted in non-payment of MGD of ₹ 86.06 lakh as well as ETD of ₹ 3.52 lakh and non-levy of late fee of ₹ 13.52 crore and ₹ 10 crore on non/delayed payment of MGD and ETD, respectively.

After this was pointed out in audit, the Assistant Commissioners of Excise (ACE), Dhanbad and Ranchi, stated (between July and August 2022) that steps would be taken after a detailed verification. The Superintendent of Excise, Pakur and ACE Bokaro, Hazaribagh, Ramgarh, stated (between November 2022 and February 2023) that penalty would be adjusted against the security deposit of the licensees.

The matter was reported to the Government/Department in January 2023; their reply was awaited (March 2026).

REVENUE, REGISTRATION AND LAND REFORMS DEPARTMENT

LAND REVENUE

3.18 Tax administration

The legal framework of Revenue, Registration and Land Reforms Department[163] is administered by the Secretary/Commissioner. Important cases of settlement, framing of policies and sanction of alienation of Government land are decided at the Government level. The State is divided into five divisions[164], each headed by a Divisional Commissioner and 24 districts[165], each headed by a Deputy Commissioner. At the district level, the Deputy Commissioner is assisted by the Additional Collector/Additional Deputy Commissioner (AC/ADC). Districts are divided into sub-divisions headed by a Sub-Divisional Officer (SDO) who is assisted by a Deputy Collector Land Reforms (DCLR). The sub-divisions are divided into circles each headed by a Circle Officer (CO).

163 The Bihar Tenancy Act, 1885, Chotanagpur Tenancy Act, 1908, Santhal Parganas Act, 1949, Bihar Land Reforms Act, 1950, Bihar Land Reforms (Fixation of Ceiling Area and Acquisition of Surplus Land) Act, 1961, Bihar *Bhoodan* Act, 1954, Bihar Government Estate (*Khas Mahal*) Manual, 1953, Bihar Public Land Encroachment Act, 1956, Bengal Cess Act, 1880 and Executive orders issued by the Revenue, Registration and Land Reforms Department.

164 South Chotanagpur (Ranchi), North Chotanagpur (Hazaribagh), Santhal Pargana (Dumka), Palamu (Medininagar) and Kolhan (Chaibasa).

165 Bokaro, Chatra, Dhanbad, Dumka, Deoghar, East Singhbhum, Garhwa, Godda, Giridih, Gumla, Hazaribagh, Jamtara, Koderma, Khunti, Latehar, Lohardaga, Pakur, Palamu, Ramgarh, Ranchi, Sahibganj, Saraikela-Kharsawan, Simdega and West Singhbhum.

The various receipts under 'Land Revenue' include land rent, *salami*[166], commercial/residential rent, cess[167], *sairat*[168] *etc.*

3.19 Results of audit

During 2022-23, Audit test-checked the records of 31 out of 460 auditable units of the 'Land Revenue' of Revenue, Registration and Land Reforms Department pertaining to the period between 2000-2001 to December 2022. Revenue collected by the Department during the year 2021-22 aggregated to ₹ 1,621.21 crore of which the audited units collected ₹ 33.97 crore. Audit scrutiny revealed cases of short levy of establishment cost, excess payment of compensation to *raiyat*[169], short realisation of establishment cost, *etc.*, involving an amount of ₹184.64 crore in 478 cases as detailed in **Table 3.28**.

Table 3.28: Nature of irregularities

Sl. No.	Categories	Number of cases	Amount (₹ in crore)
1	Short levy of establishment cost	1	2.47
2	Excess payment of award to raiyat	1	6.77
3	Other cases	476	175.40
Total		**478**	**184.64**

The Department accepted all the audit observations. Irregularities involving six cases worth ₹ 1.28 crore have been discussed in detail in the succeeding paragraphs.

3.20 Short levy of establishment cost

The Department did not monitor levy of establishment charges resulting in short levy of ₹ 1.28 crore in six schemes.

The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (RFCTLARR) Act, 2013, states that cost of acquisition of land includes administrative cost for acquisition of land both at the project site and out of project area lands, not exceeding such percentage of the cost of compensation as may be specified by the State Government. Further, as per Rule 4(2) of the Jharkhand Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (JRFCTLARR) Rules, 2015, establishment charge for land acquisition shall be five *per cent* of the compensation to be paid.

Audit test checked (July 2022) records related to acquisition of land in the office of District Land Acquisition Officer (DLAO), Giridih, and noticed that in case of six[170] out of 21 schemes of land acquisition (between 2019-20 and 2022-23)

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166 *Salami* is the market value of the land.

167 Education cess: 50 *per cent*, Health cess: 50 *per cent*, Agriculture Development cess: 20 *per cent* and Road cess: 25 *per cent* of the rent (Total 145 *per cent*).

168 The right and interest in respect of revenue earning hat, bazaar, mela, trees, ferries, Ponds.

169 A tenant or cultivator who has acquired the right to hold and cultivate land and pays land revenue to the Government.

170 Dedicated Freight Corridor Corporation of India Limited Scheme (DFCCIL), Doman Pahari Scheme, Govindpur Tundi Giridih Scheme, Chandori Bypass project, ROB on Iraga River and Charaki Pahari Scheme.

involving 45.032 acres of land situated in 20 *mauzas*[171] of six circles[172], the establishment charge was calculated at the rate of 2.5 *per cent* instead of five *per cent* of the compensation amount for acquisition of land, in contravention of the stipulated rules. The Department also did not monitor the levy of establishment charges resulting in short levy of ₹ 1.28 crore from six schemes.

After the matter was pointed out (July 2022), the DLAO, Giridih stated (July 2022) that establishment cost at the rate of five *per cent* would be recovered from the requisitioning Department at the time of actual demand.

The matter was reported to the Government/Department in January 2023; their reply was awaited (March 2026).

Ranchi **(INDU AGRAWAL)**
The 08 May 2026 **Pr. Accountant General (Audit), Jharkhand**

Countersigned

New Delhi **(K. SANJAY MURTHY)**
The 13 May 2026 **Comptroller and Auditor General of India**

171 Revenue Village.
172 Birani, Dumri, Gandey, Jamua, Sariya and Tisri.

APPENDICES

Appendix-I

(Referred to in paragraph 2.1.8; Page 20)

Key Problem Areas

Sl. No.	Key Problem Area
1	Composition taxpayers generating EWBs for inter-State supplies
2	Composition taxpayers generating EWBs for outward supplies exceeding threshold limit
3	Taxpayers with only outward supplies supported by EWBs in any given year.
4	Taxpayers who effect disproportionate outward supplies compared to inward supply (EWBs supported) in any given year.
5	Taxpayers who had generated EWBs using duplicate invoices.
6	Generation of EWBs by Nil Filers of Return.
7	Generation of EWBs by Returns Defaulters (Non-Filers).
8	Taxpayers who have generated EWBs after effective date of cancellation.
9	Taxpayers who have generated EWB whose registration was subsequently cancelled.
10	Taxpayers who had generated EWBs and had cancelled subsequently.
11	Taxpayers who had generated EWBs and were subsequently rejected by the recipients.
12	Taxpayers who had generated disproportionate supplies supported by EWBs on the inward side compared to outward side in any given year.
13	Extension of EWBs by taxpayers.
14	EWBs generated using risky vehicles i.e., 2 wheelers.
15	EWBs generated using theft vehicles.
16	High value of EWBs in first 6 months of registration.
17	EWBs using invalid Pin codes.
18	EWBs generated using suspended, scrapped, surrendered, and cancelled vehicles.
19	E-Way Bills generated by defaulter list of MCA
20	EWBs generated by income tax defaulters.
21	EWBs generated by DGARM-identified/Other agencies-identified taxpayers.
22	EWBs generated by DGFT-blacklisted exporters

Appendix-II

(Referred to in paragraph 2.1.11.1; Page 23)

Non/ short discharge of tax liability by taxpayers identified as Nil filers

(Amount in ₹)

Sl. No	Circle	GSTN	Name of taxpayer	EWB No.	Year	Taxable value	Rate of tax (%)	Tax Amount	Period of wrong availment till 31 March 2022 in days	Interest u/s 50 (3)	Penalty u/s 73 (9)	Total
1	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS.	461019214293	2018-19	78,000.00	5	3,900.00	1075	2,067.53	10,000.00	15,967.53
2	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	461002992913	2018-19	4,67,500.00	18	84,150.00	1075	44,611.03	10,000.00	1,38,761.03
3	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	411003010631	2018-19	7,26,600.00	18	1,30,788.00	1075	69,335.56	13,078.80	2,13,202.36
4	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	451003017324	2018-19	7,86,750.00	18	1,41,615.00	1075	75,075.35	14,161.50	2,30,851.85
5	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	411002992343	2018-19	9,25,440.00	18	1,66,579.20	1075	88,309.80	16,657.92	2,71,546.92
6	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	451002992697	2018-19	4,54,740.00	18	81,853.20	1075	43,393.41	10,000.00	1,35,246.61
7	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	431002956949	2018-19	15,00,000.00	18	2,70,000.00	1075	1,43,136.99	27,000.00	4,40,136.99
8	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	441010440396	2018-19	22,59,300.00	18	4,06,674.00	1075	2,15,592.93	40,667.40	6,62,934.33
9	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	461008749313	2018-19	23,85,680.00	18	4,29,422.00	1075	2,27,652.48	42,942.20	7,00,016.68
10	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	461002970571	2018-19	19,93,480.00	18	3,58,826.00	1075	1,90,226.93	35,882.60	5,84,935.53
11	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	411002970758	2018-19	19,95,920.00	18	3,59,266.00	1075	1,90,460.19	35,926.60	5,85,652.79
12	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	401009070751	2018-19	21,11,100.00	18	3,79,998.00	1075	2,01,450.99	37,999.80	6,19,448.79
13	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	471009651416	2018-19	21,07,200.00	18	3,79,296.00	1075	2,01,078.84	37,929.60	6,18,304.44
14	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	461005043867	2018-19	21,10,800.00	18	3,79,944.00	1075	2,01,422.37	37,994.40	6,19,360.77
15	Jamshedpur	20XXXXXXXXXXXZU	M/s RAGHUVEER IRON TRADING CO.	411007639771	2018-19	21,04,200.00	18	3,78,756.00	1075	2,00,792.56	37,875.60	6,17,424.16
Total						**2,20,06,710.00**		**39,51,067.40**		**20,94,606.96**	**4,08,116.42**	**64,53,790.78**

Appendix -III

(Referred to in paragraph 2.1.11.2; Page 24)

Non/short discharge of tax liability by the taxpayers identified as non-filers

(Amount in ₹)

Sl. No.	Circle	GSTN	Name of taxpayer	EWB No	Period	Taxable value	Rate of tax (%)	Tax Amount	Period of wrong availment till 31 March 2022 in days	Interest u/s 50 (3)	Penalty u/s 73 (9)	Total	Date of cancellation	Name of TP	GSTIN	Effective Date of registration	Date of cancellation	State in which re-registration taken
1	Dhanbad	20XXXXXXXXXXXZV	M/s PANCHAL ENTERPRISES	491062530330	April 2019	6,43,313.00	18	1,15,796.34	709	40,487.48	11,579.63	1,67,863.45	04-05-2019	Shri Radha Rani Trading Co.	24AZGPV3328R1ZN	08-03-2020	24-11-2021	Gujarat
2	Dhanbad	20XXXXXXXXXXXZV	M/s PANCHAL ENTERPRISES	431062205485		6,46,000.00	18	1,16,280.00	709	40,656.59	11,628.00	1,68,564.59						
3	Dhanbad	20XXXXXXXXXXXZV	M/s PANCHAL ENTERPRISES	461061766263		6,36,250.00	18	1,14,525.00	709	40,042.96	11,452.50	1,66,020.46						
Total						**19,25,563.00**		**3,46,601.34**		**1,21,187.02**	**34,660.13**	**5,02,448.50**						

Appendix -IV

(Referred to in paragraph 2.1.11.3; Page 25)

Non/ short discharge of tax liability by the taxpayers who had generated EWBs after cancellation of registration

(Amount in ₹)

Sl. No	Circle	GSTN	Name of taxpayer	Date of cancellation of registration	EWB No	Date of generation of EWB	Year	Taxable value	Tax Amount	Period of wrong availment till 31 March 2022 in days	Interest u/s 50 (3)	Penalty u/s 73 (9)	Total
1	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		491022083577	15-08-2018	2018-19	71,000.00	11,000.00	1,075	5,831.51	10,000.00	26,831.51
2	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		441031775219	15-10-2018	2018-19	74,820.00	3,741.00	1,075	1,983.24	10,000.00	15,724.24
3	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		451031776215	15-10-2018	2018-19	92,070.00	4,603.50	1,075	2,440.49	10,000.00	17,043.99
4	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		471031773506	15-10-2018	2018-19	75,030.00	3,751.50	1,075	1,988.81	10,000.00	15,740.31
5	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		471031854025	16-10-2018	2018-19	75,000.00	3,750.00	1,075	1,988.01	10,000.00	15,738.01
6	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		851023227699	15-10-2018	2018-19	72,000.00	3,600.00	1,075	1,908.49	10,000.00	15,508.49
7	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		841023678753	22-10-2018	2018-19	60,000.00	3,000.00	1,075	1,590.41	10,000.00	14,590.41
8	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS	01-08-2018	411021328165	10-08-2018	2018-19	71,700.00	13,145.00	1,075	6,968.65	10,000.00	30,113.65
9	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		491022645744	19-08-2018	2018-19	73,500.00	13,475.00	1,075	7,143.60	10,000.00	30,618.60
10	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		851015394349	17-08-2018	2018-19	72,900.00	13,365.00	1,075	7,085.28	10,000.00	30,450.28
11	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		871015726915	20-08-2018	2018-19	75,300.00	13,805.00	1,075	7,318.54	10,000.00	31,123.54
12	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		861015781205	20-08-2018	2018-19	87,000.00	15,950.00	1,075	8,455.68	10,000.00	34,405.68
13	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		411035864767	12-11-2018	2018-19	75,000.00	3,750.00	1,075	1,988.01	10,000.00	15,738.01
14	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		421029321408	30-09-2018	2018-19	90,000.00	16,500.00	1,075	8,747.26	10,000.00	35,247.26
15	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		861021006291	29-09-2018	2018-19	75,000.00	13,750.00	1,075	7,289.38	10,000.00	31,039.38
16	Dhanbad Urban	20XXXXXXXXXXXZA	M/s SHARMA COAL TRADERS		871021006322	29-09-2018	2018-19	75,000.00	13,750.00	1,075	7,289.38	10,000.00	31,039.38
17	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		421017791770	15-07-2018	2018-19	76,322.40	3,634.40	1,075	1,926.73	10,000.00	15,561.13
18	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441022624607	18-08-2018	2018-19	99,960.00	4,760.00	1,075	2,523.45	10,000.00	17,283.45
19	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		461017578740	13-07-2018	2018-19	61,264.00	3,063.20	1,075	1,623.92	10,000.00	14,687.12
20	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		471018113837	17-07-2018	2018-19	69,012.00	3,450.60	1,075	1,829.29	10,000.00	15,279.89
21	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		461021737845	12-08-2018	2018-19	1,06,680.00	5,334.00	1,075	2,827.75	10,000.00	18,161.75
22	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		411022700391	19-08-2018	2018-19	64,260.00	3,213.00	1,075	1,703.33	10,000.00	14,916.33
23	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		451022707378	20-08-2018	2018-19	1,15,230.00	5,761.50	1,075	3,054.38	10,000.00	18,815.88
24	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		461023695145	25-08-2018	2018-19	97,440.00	4,872.00	1,075	2,582.83	10,000.00	17,454.83
25	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		471023854046	27-08-2018	2018-19	57,680.00	2,884.00	1,075	1,528.92	10,000.00	14,412.92
26	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401024200995	29-08-2018	2018-19	57,680.00	2,884.00	1,075	1,528.92	10,000.00	14,412.92
27	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES	01-07-2018	441024605923	31-08-2018	2018-19	61,040.00	3,052.00	1,075	1,617.98	10,000.00	14,669.98
28	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		421024840755	02-09-2018	2018-19	1,11,840.00	5,592.00	1,075	2,964.53	10,000.00	18,556.53
29	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		431024847692	02-09-2018	2018-19	60,880.00	3,044.00	1,075	1,613.74	10,000.00	14,657.74
30	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		491024955328	03-09-2018	2018-19	61,520.00	3,076.00	1,075	1,630.70	10,000.00	14,706.70
31	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		481024958337	03-09-2018	2018-19	68,028.00	3,401.40	1,075	1,803.21	10,000.00	15,204.61
32	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		491025272383	05-09-2018	2018-19	61,840.00	3,092.00	1,075	1,639.18	10,000.00	14,731.18
33	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401025546450	07-09-2018	2018-19	2,23,692.00	11,184.60	1,075	5,929.37	10,000.00	27,113.97
34	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		451026003397	11-09-2018	2018-19	1,08,600.00	5,430.00	1,075	2,878.64	10,000.00	18,308.64
35	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441026003477	11-09-2018	2018-19	83,145.00	4,157.25	1,075	2,203.91	10,000.00	16,361.16
36	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401026358078	13-09-2018	2018-19	85,675.00	4,283.75	1,075	2,270.97	10,000.00	16,554.72
37	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401026712935	15-09-2018	2018-19	85,330.00	4,266.50	1,075	2,261.83	10,000.00	16,528.33

Appendix -IV

(Referred to in paragraph 2.1.11.3; Page 25)

Non/ short discharge of tax liability by the taxpayers who had generated EWBs after cancellation of registration

(Amount in ₹)

Sl. No	Circle	GSTN	Name of taxpayer	Date of cancellation of registration	EWB No	Date of generation of EWB	Year	Taxable value	Tax Amount	Period of wrong availment till 31 March 2022 in days	Interest u/s 50 (3)	Penalty u/s 73 (9)	Total
38	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401026901179	16-09-2018	2018-19	62,600.00	3,130.00	1,075	1,659.33	10,000.00	14,789.33
39	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		471026954921	16-09-2018	2018-19	1,10,760.00	5,538.00	1,075	2,935.90	10,000.00	18,473.90
40	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		411027263109	18-09-2018	2018-19	88,200.00	4,410.00	1,075	2,337.90	10,000.00	16,747.90
41	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441027263319	18-09-2018	2018-19	89,160.00	4,458.00	1,075	2,363.35	10,000.00	16,821.35
42	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401027263531	18-09-2018	2018-19	86,640.00	4,332.00	1,075	2,296.55	10,000.00	16,628.55
43	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		491027263723	18-09-2018	2018-19	1,11,840.00	5,592.00	1,075	2,964.53	10,000.00	18,556.53
44	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		461027626112	20-09-2018	2018-19	63,600.00	3,180.00	1,075	1,685.84	10,000.00	14,865.84
45	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441027652773	21-09-2018	2018-19	99,940.00	4,997.00	1,075	2,649.09	10,000.00	17,646.09
46	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		451028035471	23-09-2018	2018-19	89,160.00	4,458.00	1,075	2,363.35	10,000.00	16,821.35
47	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441028035519	23-09-2018	2018-19	87,960.00	4,398.00	1,075	2,331.54	10,000.00	16,729.54
48	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		461028035601	23-09-2018	2018-19	91,800.00	4,590.00	1,075	2,433.33	10,000.00	17,023.33
49	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401028035661	23-09-2018	2018-19	1,08,600.00	5,430.00	1,075	2,878.64	10,000.00	18,308.64
50	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		431028039927	24-09-2018	2018-19	79,072.00	3,953.60	1,075	2,095.95	10,000.00	16,049.55
51	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		491028210421	25-09-2018	2018-19	89,280.00	4,464.00	1,075	2,366.53	10,000.00	16,830.53
52	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		471028276708	25-09-2018	2018-19	89,880.00	4,494.00	1,075	2,382.44	10,000.00	16,876.44
53	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401028603583	27-09-2018	2018-19	87,960.00	4,398.00	1,075	2,331.54	10,000.00	16,729.54
54	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441028812248	28-09-2018	2018-19	1,08,600.00	5,430.00	1,075	2,878.64	10,000.00	18,308.64
55	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401028994726	28-09-2018	2018-19	69,360.00	3,468.00	1,075	1,838.52	10,000.00	15,306.52
56	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		481029361824	01-10-2018	2018-19	1,08,840.00	5,442.00	1,075	2,885.01	10,000.00	18,327.01
57	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441029594051	02-10-2018	2018-19	64,341.00	3,217.05	1,075	1,705.48	10,000.00	14,922.53
58	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441029594262	02-10-2018	2018-19	91,098.00	4,554.90	1,075	2,414.72	10,000.00	16,969.62
59	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		451029594377	02-10-2018	2018-19	93,492.00	4,674.60	1,075	2,478.18	10,000.00	17,152.78
60	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		411029594458	02-10-2018	2018-19	93,114.00	4,655.70	1,075	2,468.16	10,000.00	17,123.86
61	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401029777085	03-10-2018	2018-19	92,484.00	4,624.20	1,075	2,451.46	10,000.00	17,075.66
62	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		431029979635	05-10-2018	2018-19	1,09,560.00	5,478.00	1,075	2,904.09	10,000.00	18,382.09
63	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		451030151835	05-10-2018	2018-19	91,098.00	4,554.90	1,075	2,414.72	10,000.00	16,969.62
64	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		451030416383	07-10-2018	2018-19	89,838.00	4,491.90	1,075	2,381.32	10,000.00	16,873.22
65	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		481030416535	07-10-2018	2018-19	90,720.00	4,536.00	1,075	2,404.70	10,000.00	16,940.70
66	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441030416658	07-10-2018	2018-19	76,986.00	3,849.30	1,075	2,040.66	10,000.00	15,889.96
67	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		421030606422	09-10-2018	2018-19	91,130.00	4,556.50	1,075	2,415.57	10,000.00	16,972.07
68	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		491030796146	10-10-2018	2018-19	91,650.00	4,582.50	1,075	2,429.35	10,000.00	17,011.85
69	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		491030980781	10-10-2018	2018-19	91,130.00	4,556.50	1,075	2,415.57	10,000.00	16,972.07
70	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		431030983089	10-10-2018	2018-19	96,450.00	4,822.50	1,075	2,556.59	10,000.00	17,379.09
71	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		441030983277	10-10-2018	2018-19	94,800.00	4,740.00	1,075	2,512.85	10,000.00	17,252.85
72	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		431031571081	14-10-2018	2018-19	1,53,000.00	7,650.00	1,075	4,055.55	10,000.00	21,705.55
73	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		401031638361	14-10-2018	2018-19	81,664.00	4,083.20	1,075	2,164.66	10,000.00	16,247.86
74	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		431031814874	15-10-2018	2018-19	91,910.00	4,595.50	1,075	2,436.24	10,000.00	17,031.74

Appendix -IV

(Referred to in paragraph 2.1.11.3; Page 25)

Non/ short discharge of tax liability by the taxpayers who had generated EWBs after cancellation of registration

(Amount in ₹)

Sl. No	Circle	GSTN	Name of taxpayer	Date of cancellation of registration	EWB No	Date of generation of EWB	Year	Taxable value	Tax Amount	Period of wrong availment till 31 March 2022 in days	Interest u/s 50 (3)	Penalty u/s 73 (9)	Total
75	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		431031816531	15-10-2018	2018-19	1,08,840.00	5,442.00	1,075	2,885.01	10,000.00	18,327.01
76	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		421031817487	15-10-2018	2018-19	72,393.00	3,619.65	1,075	1,918.91	10,000.00	15,538.56
77	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		491032013676	16-10-2018	2018-19	92,690.00	4,634.50	1,075	2,456.92	10,000.00	17,091.42
78	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		471032013951	16-10-2018	2018-19	93,990.00	4,699.50	1,075	2,491.38	10,000.00	17,190.88
79	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		471032014066	16-10-2018	2018-19	91,260.00	4,563.00	1,075	2,419.02	10,000.00	16,982.02
80	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		411032023022	17-10-2018	2018-19	88,400.00	4,420.00	1,075	2,343.21	10,000.00	16,763.21
81	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		411021333325	10-08-2018	2018-19	1,05,800.00	5,290.00	1,075	2,804.42	10,000.00	18,094.42
82	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		481032013785	16-10-2018	2018-19	91,650.00	4,582.50	1,075	2,429.35	10,000.00	17,011.85
83	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		871029628962	06-12-2018	2018-19	93,990.00	4,700.00	1,075	2,491.64	10,000.00	17,191.64
84	Ramgarh	20XXXXXXXXXXXZZ	M/s PRIYA ENTERPRISES		851024341745	26-10-2018	2018-19	87,960.00	4,398.00	1,075	2,331.54	10,000.00	16,729.54
Total								**73,67,128.40**	**4,58,107.20**		**2,42,859.57**	**8,40,000.00**	**15,40,966.77**

Appendix – V

(Referred to in paragraph-3.1.8.2; Page 53)

Mismatch in taxable turnover between Income Tax Returns and GST returns

(Amount in ₹)

Sl. No.	Name of CTC	GSTIN	Nature of buisness as per ITR	Period	Revenue from operations/ turnover disclosed in ITR	Turnover furnished in GST returns	Concealed turnover	Rate of GST (in *per cent*)	Tax	Interest	Penalty	Total
1	Adityapur	20XXXXXXXXXXXXX	04054-Manufacture of Ferro Alloys	2018-19	1,47,98,91,348.00	82,90,10,344.81	65,08,81,003.19	18	11,71,58,580.57	8,43,54,178.01	11,71,58,580.57	31,86,71,339.16
2	Adityapur	20XXXXXXXXXXXXX	04054-Manufacture of Ferro Alloys	2019-20	1,57,25,806.00	0.00	1,57,25,806.00	18	28,30,645.08	15,28,548.34	28,30,645.08	71,89,838.50
3	Chaibasa	20XXXXXXXXXXXXX	03016-Other mining and quarrying and 09028-Retail sale of other products	2018-19	28,93,15,951.00	0.00	28,93,15,951.00	5	1,44,65,797.55	1,04,15,374.24	1,44,65,797.55	3,93,46,969.34
4	Chaibasa	20XXXXXXXXXXXXX	03016-Other mining and quarrying and 09028-Retail sale of other products	2019-20	37,10,81,320.00	0.00	37,10,81,320.00	5	1,85,54,066.00	1,00,19,195.64	1,85,54,066.00	4,71,27,327.64
5	Chaibasa	20XXXXXXXXXXXXX	03016-Other mining and quarrying and 09028-Retail sale of other products	2020-21	60,56,47,280.00	0.00	60,56,47,280.00	5	3,02,82,364.00	1,09,01,651.04	3,02,82,364.00	7,14,66,379.04
6	Deoghar	20XXXXXXXXXXXXX	09011-Wholesale of construction materials	2018-19	16,14,30,569.00	15,49,63,004.80	64,67,564.20	18	11,64,161.56	8,38,196.32	11,64,161.56	31,66,519.43
7	Deoghar	20XXXXXXXXXXXXX	09011-Wholesale of construction materials	2019-20	14,16,08,186.00	13,46,60,356.76	69,47,829.24	18	12,50,609.26	6,75,329.00	12,50,609.26	31,76,547.53
8	Deoghar	20XXXXXXXXXXXXX	09011-Wholesale of construction materials	2020-21	13,77,53,681.00	12,84,88,728.10	92,64,952.90	18	16,67,691.52	6,00,368.95	16,67,691.52	39,35,751.99
9	Deoghar	20XXXXXXXXXXXXX	04009-Rice milling	2018-19	23,15,56,617.00	23,13,53,411.85	2,03,205.15	5	10,160.26	7,315.39	10,160.26	27,635.90
10	Deoghar	20XXXXXXXXXXXXX	04009-Rice milling	2019-20	19,99,07,250.00	19,98,52,581.50	54,668.50	5	2,733.43	1,476.05	2,733.43	6,942.90
11	Deoghar	20XXXXXXXXXXXXX	06010-other Construction activity	2018-19	29,98,34,165.00	26,73,19,025.41	3,25,15,139.59	18	58,52,725.13	42,13,962.09	58,52,725.13	1,59,19,412.34
12	Dhanbad Urban	20XXXXXXXXXXXXX	09027-Wholesale of other products	2018-19	5,01,38,755.00	0.00	5,01,38,755.00	18	90,24,975.90	64,97,982.65	90,24,975.90	2,45,47,934.45
13	Dhanbad Urban	20XXXXXXXXXXXXX	09027-Wholesale of other products	2019-20	7,28,83,958.00	0.00	7,28,83,958.00	18	1,31,19,112.44	70,84,320.72	1,31,19,112.44	3,33,22,545.60
14	Dhanbad Urban	20XXXXXXXXXXXXX	09027-Wholesale of other products	2020-21	3,53,80,875.00	0.00	3,53,80,875.00	18	63,68,557.50	22,92,680.70	63,68,557.50	1,50,29,795.70
15	Dhanbad Urban	20XXXXXXXXXXXXX	17006-Coaching centres and tuitions	2018-19	1,02,98,995.00	85,15,249.28	17,83,745.72	18	3,21,074.23	2,31,173.45	3,21,074.23	8,73,321.90
16	Dhanbad Urban	20XXXXXXXXXXXXX	17006-Coaching centres and tuitions	2019-20	1,21,81,022.00	0.00	1,21,81,022.00	18	21,92,583.96	11,83,995.34	21,92,583.96	55,69,163.26
17	Dhanbad Urban	20XXXXXXXXXXXXX	17006-Coaching centres and tuitions	2020-21	45,29,519.00	0.00	45,29,519.00	18	8,15,313.42	2,93,512.83	8,15,313.42	19,24,139.67
18	Jamshedpur	20XXXXXXXXXXXXX	04097-Other manufacturing	2020-21	61,85,13,980.00	60,96,29,167.00	88,84,813.00	18	15,99,266.34	5,75,735.88	15,99,266.34	37,74,268.56
19	Jamshedpur	20XXXXXXXXXXXXX	21008-Other services	2018-19	1,49,71,910.00	0.00	1,49,71,910.00	18	26,94,943.80	19,40,359.54	26,94,943.80	73,30,247.14
20	Jamshedpur	20XXXXXXXXXXXXX	21008-Other services	2019-20	1,03,55,000.00	0.00	1,03,55,000.00	18	18,63,900.00	10,06,506.00	18,63,900.00	47,34,306.00

Appendix – V

(Referred to in paragraph-3.1.8.2; Page 53)

Mismatch in taxable turnover between Income Tax Returns and GST returns

(Amount in ₹)

Sl. No.	Name of CTC	GSTIN	Nature of buisness as per ITR	Period	Revenue from operations/ turnover disclosed in ITR	Turnover furnished in GST returns	Concealed turnover	Rate of GST (in *per cent*)	Tax	Interest	Penalty	Total
21	Jamshedpur Urban	20XXXXXXXXXXXXX	06010-Other construction activity	2019-20	68,87,60,737.00	68,87,38,164.53	22,572.47	18	4,063.04	2,194.04	10,000.00	16,257.09
22	Jharia	20XXXXXXXXXXXXX	09028-Retail sale of other products n.e.c	2018-19	21,01,48,226.00	3,06,933.65	20,98,41,292.35	18	3,77,71,432.62	2,71,95,431.49	3,77,71,432.62	10,27,38,296.73
23	Jharia	20XXXXXXXXXXXXX	09028-Retail sale of other products n.e.c	2019-20	18,59,03,441.00	2,75,193.24	18,56,28,247.76	18	3,34,13,084.60	1,80,43,065.68	3,34,13,084.60	8,48,69,234.88
24	Jharia	20XXXXXXXXXXXXX	09028-Retail sale of other products n.e.c	2020-21	18,75,60,667.00	3,48,029.62	18,72,12,637.38	18	3,36,98,274.73	1,21,31,378.90	3,36,98,274.73	7,95,27,928.36
25	Jharia	20XXXXXXXXXXXXX	11008-Freight transport by road& 11012- cargo handling	2018-19	56,98,066	6,21,070.45	50,76,995.55	18	9,13,859.20	6,57,978.62	9,13,859.20	24,85,697.02
26	Jharia	20XXXXXXXXXXXXX	11008-Freight transport by road& 11012- cargo handling	2019-20	88,43,197	60,64,542.94	27,78,654.06	18	5,00,157.73	2,70,085.17	5,00,157.73	12,70,400.64
27	Jharia	20XXXXXXXXXXXXX	11008-Freight transport by road& 11012- cargo handling	2020-21	1,89,96,196	1,42,66,198.46	47,29,997.54	18	8,51,399.56	3,06,503.84	8,51,399.56	20,09,302.95
28	Palamau	20XXXXXXXXXXXXX	18010 - Medical clinics	2018-19	1,75,05,594.00	1,22,80,964.55	52,24,629.45	12	6,26,955.53	4,51,407.98	6,26,955.53	17,05,319.05
29	Palamau	20XXXXXXXXXXXXX	18010 - Medical clinics	2019-20	1,29,83,299.00	47,33,999.14	82,49,299.86	12	9,89,915.98	5,34,554.63	9,89,915.98	25,14,386.60
30	Palamau	20XXXXXXXXXXXXX	18010 - Medical clinics	2020-21	1,07,11,770.00	64,61,709.52	42,50,060.48	12	5,10,007.26	1,83,602.61	5,10,007.26	12,03,617.13
31	Ranchi Special	20XXXXXXXXXXXXX	06004-Building completion	2019-20	1,00,42,100.00	0.00	1,00,42,100.00	18	18,07,578.00	9,76,092.12	18,07,578.00	45,91,248.12
32	Ranchi Special	20XXXXXXXXXXXXX	06004-Building completion	2020-21	66,56,000.00	0.00	66,56,000.00	18	11,98,080.00	4,31,308.80	11,98,080.00	28,27,468.80
33	Tenughat	20XXXXXXXXXXXXX	06005-Construction and maintenance of roads constructions or parts- civil contractors	2018-19	11,47,38,461.00	3,73,88,999.00	7,73,49,462.00	18	1,39,22,903.16	1,00,24,490.28	1,39,22,903.16	3,78,70,296.60
34	Tenughat	20XXXXXXXXXXXXX	06005-Construction and maintenance of roads constructions or parts- civil contractors	2019-20	16,40,68,539.00	8,98,79,205.01	7,41,89,333.99	18	1,33,54,080.12	72,11,203.26	1,33,54,080.12	3,39,19,363.50
35	Tenughat	20XXXXXXXXXXXXX	06005-Construction and maintenance of roads constructions or parts- civil contractors	2020-21	25,48,29,820.00	8,10,88,574.00	17,37,41,246.00	18	3,12,73,424.28	1,12,58,432.74	3,12,73,424.28	7,38,05,281.30
Total					**6,66,04,52,300.00**	**3,50,62,45,453.62**	**3,15,42,06,846.38**		**40,20,74,477.76**	**23,43,39,592.35**	**40,20,80,414.71**	**1,03,84,94,484.82**

Appendix – VI

Referred to in paragraph-3.1.8.4; Page 56)

Inadmissible exemption availed under GST *vis-a-vis* ITD

(Amount in ₹)

Sl. No.	Name of CTC	GSTIN	Principal Commodity dealt in/ services provided as per ITR	Period	Exemption availed in GST Returns	Exemption allowable as per JGST Act	Excess claim of exemption	Rate of GST (in *per cent*)	Tax	Interest	Penalty	Total
1	Jamshedpur	20XXXXXXXXXXXXX	007005- Renting of real estate services and 007003-Development and dividing real estate into lots	2018-19	4,89,59,219.00	0.00	4,89,59,219.00	18	88,12,659.42	63,45,114.78	88,12,659.42	2,39,70,433.62
2	Jamshedpur	20XXXXXXXXXXXXX	007005- Renting of real estate services and 007003-Development and dividing real estate into lots	2019-20	3,80,05,200.00	0.00	3,80,05,200.00	18	68,40,936.00	36,94,105.44	68,40,936.00	1,73,75,977.44
3	Ranchi South	20XXXXXXXXXXXXX	18010 - Medical clinics	2018-19	2,72,56,012.00	68,78,500.00	2,03,77,512.00	18	36,67,952.16	26,40,925.56	36,67,952.16	99,76,829.88
4	Ranchi South	20XXXXXXXXXXXXX	18010 - Medical clinics	2019-20	2,62,82,620.00	44,16,250.00	2,18,66,370.00	18	39,35,946.60	21,25,411.16	39,35,946.60	99,97,304.36
5	Ranchi South	20XXXXXXXXXXXXX	18010 - Medical clinics	2020-21	2,17,76,089.00	1,36,06,192.00	81,69,897.00	18	14,70,581.46	5,29,409.33	14,70,581.46	34,70,572.25
6	Ranchi Special	20XXXXXXXXXXXXX	06004-Building completion	2018-19	1,84,96,473.00	0.00	1,84,96,473.00	18	33,29,365.14	23,97,142.90	33,29,365.14	90,55,873.18
Total					**18,07,75,613.00**	**2,49,00,942.00**	**15,58,74,671.00**		**2,80,57,440.78**	**1,77,32,109.17**	**2,80,57,440.78**	**7,38,46,990.73**

Appendix – VII

(Referred to in paragraph-3.1.9.3; Page 61)

Payment of tax at incorrect rate of GST

(Amount in ₹)

Sl. No.	Name of CTC	GSTIN	Principal commodity dealt in/ services provided	Period	Taxable turnover	GST rate declared in returns (in *per cent*)	Tax paid	Applicable GST rate (in *per cent*)	Tax payable	Short payment of tax	Interest	Penalty	Total
1	Bokaro	20XXXXXXXXXXXX	Works Contract	2018-19	2,44,56,055.64	12	31,76,910.00	18	44,02,090.02	12,25,180.02	8,82,129.61	12,25,180.02	33,32,489.64
2	Bokaro	20XXXXXXXXXXXX	Works Contract	2019-20	1,98,24,954.00	12	23,78,998.00	18	35,68,491.72	11,89,493.72	6,42,326.61	11,89,493.72	30,21,314.05
3	Bokaro	20XXXXXXXXXXXX	Works Contract	2020-21	2,07,81,391.00	12	26,16,918.00	18	37,40,650.38	11,23,732.38	4,04,543.66	11,23,732.38	26,52,008.42
4	Deoghar	20XXXXXXXXXXXX	Works Contract	2018-19	33,35,58,178.05	12	4,00,26,981.30	18	6,00,40,472.05	2,00,13,490.75	1,44,09,713.34	2,00,13,490.75	5,44,36,694.84
5	Deoghar	20XXXXXXXXXXXX	Works Contract	2019-20	22,26,76,602.34	12	2,73,81,192.28	18	4,00,81,788.42	1,27,00,596.14	68,58,321.92	1,27,00,596.14	3,22,59,514.20
6	Deoghar	20XXXXXXXXXXXX	Works Contract	2020-21	16,90,18,428.14	12	2,02,82,211.40	18	3,04,23,317.07	1,01,41,105.67	36,50,798.04	1,01,41,105.67	2,39,33,009.37
7	Deoghar	20XXXXXXXXXXXX	Sub-contracting	2019-20	3,57,04,845.71	12	40,90,362.60	18	64,26,872.23	23,36,509.63	12,61,715.20	23,36,509.63	59,34,734.45
8	Dhanbad Urban	20XXXXXXXXXXXX	Other support service to Mining	2018-19	1,58,95,300.00	12	19,07,436.00	18	28,61,154.00	9,53,718.00	6,86,676.96	9,53,718.00	25,94,112.96
9	Dhanbad Urban	20XXXXXXXXXXXX	Other support service to Mining	2019-20	1,27,11,464.32	12	15,25,375.72	18	22,88,063.58	7,62,687.86	4,11,851.44	7,62,687.86	19,37,227.16
10	Dhanbad Urban	20XXXXXXXXXXXX	Other support service to Mining	2020-21	1,10,60,768.92	12	13,27,292.27	18	19,90,938.41	6,63,646.14	2,38,912.61	6,63,646.14	15,66,204.88
11	Dhanbad Urban	20XXXXXXXXXXXX	Goods transport agency services	2018-19	17,47,61,202.00	12	2,09,71,344.24	18	3,14,57,016.36	1,04,85,672.12	75,49,683.93	1,04,85,672.12	2,85,21,028.17
12	Dhanbad Urban	20XXXXXXXXXXXX	Goods transport agency services	2019-20	18,95,27,881.00	12	2,27,43,345.72	18	3,41,15,018.58	1,13,71,672.86	61,40,703.34	1,13,71,672.86	2,88,84,049.06
13	Dhanbad Urban	20XXXXXXXXXXXX	Goods transport agency services	2020-21	21,01,63,786.00	12	2,52,19,654.32	18	3,78,29,481.48	1,26,09,827.16	45,39,537.78	1,26,09,827.16	2,97,59,192.10
14	Dhanbad Urban	20XXXXXXXXXXXX	Mining Services	2018-19	24,66,95,074.00	12	2,96,03,408.88	18	4,44,05,113.32	1,48,01,704.44	1,06,57,227.20	1,48,01,704.44	4,02,60,636.08
15	Dhanbad Urban	20XXXXXXXXXXXX	Mining Services	2019-20	32,57,63,291.00	12	3,90,91,594.92	18	5,86,37,392.38	1,95,45,797.46	1,05,54,730.63	1,95,45,797.46	4,96,46,325.55
16	Dhanbad Urban	20XXXXXXXXXXXX	Mining Services	2020-21	22,40,19,414.00	12	2,68,82,329.68	18	4,03,23,494.52	1,34,41,164.84	48,38,819.34	1,34,41,164.84	3,17,21,149.02
17	Katras	20XXXXXXXXXXXX	Works Contract	2019-20	20,65,316.00	12	2,47,837.92	18	3,71,756.88	1,23,918.96	66,916.24	1,23,918.96	3,14,754.16
18	Koderma	20XXXXXXXXXXXX	Works Contract	2019-20	12,28,42,082.58	5& 12	1,15,67,796.88	12	1,47,41,049.91	31,73,253.03	17,13,556.64	31,73,253.03	80,60,062.70
19	Palamau	20XXXXXXXXXXXX	Works Contract	2020-21	6,22,28,986.00	12&5	51,55,788.18	12	74,67,478.32	23,11,690.14	8,32,208.45	23,11,690.14	54,55,588.73
20	Ranchi South	20XXXXXXXXXXXX	Works Contract	2018-19	42,65,167.00	5&12	2,40,873.34	18	7,67,730.06	5,26,856.72	3,79,336.84	5,26,856.72	14,33,050.28
21	Ranchi South	20XXXXXXXXXXXX	Works Contract	2019-20	21,06,421.00	12	2,52,770.52	18	3,79,155.78	1,26,385.26	68,248.04	1,26,385.26	3,21,018.56
22	Ranchi West	20XXXXXXXXXXXX	Works Contract	2019-20	9,89,000.00	12	1,18,680.00	18	1,78,020.00	59,340.00	32,043.60	59,340.00	1,50,723.60
23	Ranchi West	20XXXXXXXXXXXX	Works Contract	2020-21	2,50,58,550.00	12	30,07,026.00	18	45,10,539.00	15,03,513.00	5,41,264.68	15,03,513.00	35,48,290.68
24	Tenughat	20XXXXXXXXXXXX	Maintenance and repair service	2018-19	1,42,09,290.00	12	17,25,336.00	18	25,57,672.20	8,32,336.20	5,99,282.06	8,32,336.20	22,63,954.46
25	Tenughat	20XXXXXXXXXXXX	Maintenance and repair service	2019-20	17,04,713.00	12	1,02,282.00	18	3,06,848.34	2,04,566.34	1,10,465.82	2,04,566.34	5,19,598.50

Appendix – VII

(Referred to in paragraph-3.1.9.3; Page 61)

Payment of tax at incorrect rate of GST

(Amount in ₹)

Sl. No.	Name of CTC	GSTIN	Principal commodity dealt in/ services provided	Period	Taxable turnover	GST rate declared in returns (in *per cent*)	Tax paid	Applicable GST rate (in *per cent*)	Tax payable	Short payment of tax	Interest	Penalty	Total
26	Tenughat	20XXXXXXXXXXXXX	Transport Service	2018-19	3,38,39,608.00	12	38,39,118.00	18	60,91,129.44	22,52,011.44	16,21,448.24	22,52,011.44	61,25,471.12
27	Tenughat	20XXXXXXXXXXXXX	Transport Service	2019-20	7,32,24,466.00	12	87,85,138.00	18	1,31,80,403.88	43,95,265.88	23,73,443.58	43,95,265.88	1,11,63,975.34
28	Tenughat	20XXXXXXXXXXXXX	Transport Service	2020-21	3,75,59,472.40	12	47,53,898.68	18	67,60,705.03	20,06,806.35	7,22,450.29	20,06,806.35	47,36,062.99
Total					**2,61,67,11,708.10**		**30,90,21,900.85**		**45,99,03,843.34**	**15,08,81,942.49**	**8,27,88,356.07**	**15,08,81,942.49**	**38,45,52,241.06**

Appendix -VIII

(Referred to in paragraph 3.2.6.1 (2nd Bullet); Page 74)

Short levy of interest on late-filers of GST return

(₹ in crore)

Sl. No.	Name of the CTC	No. of taxpayers belatedly filing GST returns as per backend portal	Interest payable on belated payment of tax	No. of belated filers identified by the Proper officer	Interest levied by the proper officers	Non-identified belated filers	Interest not recovered from belated filers
1	Adityapur	1,879	3.66	236	0	1,643	3.66
2	Bokaro	2,207	3.19	11	0	2,196	3.19
3	Chaibasa	1,062	2.53	848	0	214	2.53
4	Chirkunda	529	0.86	289	0	240	0.86
5	Deoghar	2,410	4.52	323	0.16	2,087	4.35
6	Dhanbad Urban	1,719	1.68	48	0	1,671	1.68
7	Jharia	727	0.87	0	0	727	0.87
8	Ranchi East	1,283	1.39	38	0.002	1,245	1.39
9	Singhbhum	1,295	1.25	154	0.10	1141	1.15
10	Tenughat	936	1.40	119	0	817	1.40
Total		**14,047**	**21.34**	**2,066**	**0.26**	**11,981**	**21.08**

Appendix – IX

(Referred to in paragraph 3.2.8.4 (1st Bullet); Page 99)

Tax liability mismatch between GSTR-1, GSTR-9 and GSTR-3B

(Amount in ₹)

SL. No.	Name of the circle	GSTIN	Name of the taxpayer	Period	Greater of Liability b/w R1 and R9	Payment of tax made	Undischarged tax liability
1	Adityapur	20AAACI5950L1ZO	ITC Limited	2018-19	3,22,65,35,816.00	3,22,64,02,311.00	1,33,505.00
2	Adityapur	20AAACI5950L1ZO	ITC Limited	2020-21	2,91,01,50,039.00	2,90,38,94,380.00	62,55,659.00
3	Adityapur	20AALFS8001L1Z9	Singhbhum Refractory	2019-20	1,24,90,005.86	1,24,67,173.00	22,832.86
4	Adityapur	20AALFS8001L1Z9	Singhbhum Refractory	2020-21	1,36,11,409.50	1,36,05,887.50	5,522.00
5	Jamshedpur	20AABCT0596J1ZG	Timken India Limited	2018-19	1,58,82,77,120.00	1,55,46,23,996.00	3,36,53,124.00
6	Jamshedpur	20AABCT0596J1ZG	Timken India Limited	2019-20	1,70,69,96,100.00	1,70,60,61,312.00	9,34,788.00
7	Jamshedpur	20AABCT0596J1ZG	Timken India Limited	2020-21	1,14,34,65,090.00	1,14,30,07,944.00	4,57,146.00
8	Jamshedpur	20AABCL5967D1ZS	L&T Hydrocarbon Engineering Limited	2020-21	1,21,77,78,235.00	1,21,77,78,114.00	121.00
9	Jamshedpur	20AAACT6353L1ZE	Tata Cummins Private Limited	2018-19	7,68,51,36,900.00	7,67,00,21,352.00	1,51,15,548.00
10	Jamshedpur	20AACCK2667G1ZV	K. K. Builders Pvt Ltd.	2019-20	5,17,19,560.00	5,15,45,440.20	1,74,119.800
11	Jamshedpur	20AABCA2392K1ZZ	Johnson Controls-Hitachi Air Conditioning India Limited	2018-19	6,56,81,668.00	6,56,32,709.00	48,959.00
12	Jamshedpur	20AAACL0140P2ZW	Larsen And Toubro-Infrastructure Vertical	2019-20	1,58,12,98,050.00	1,55,30,15,908.00	2,82,82,142.000
13	Jamshedpur Urban	20AAECV9657M1ZT	Prime Metals Technologies India Pvt. Ltd.	2020-21	5,09,91,592.00	5,01,17,502.00	8,74,090.00
14	Jamshedpur Urban	20AAACR9627B1ZU	Ramky Infrastructure Pvt. Ltd.	2018-19	10,72,89,712.00	10,72,05,232.00	84,480.00
15	Jamshedpur Urban	20AAACR9627B1ZU	Ramky Infrastructure Pvt. Ltd.	2019-20	19,90,89,088.0000	19,55,46,074.0000	35,43,014.00
16	Jamshedpur Urban	20AABCT9406B1ZY	Conneqt Business Solutions Pvt. Ltd.	2018-19	6,00,05,248.00	5,99,13,815.00	91,433.00
17	Jamshedpur Urban	20AABCT9406B1ZY	Conneqt Business Solutions Pvt. Ltd.	2019-20	6,12,81,412.000	5,49,03,034.000	63,78,378.00
18	Jamshedpur Urban	20AABCT9406B1ZY	Conneqt Business Solutions Pvt. Ltd.	2020-21	5,65,19,576.00	5,04,99,788.00	60,19,788.00
19	Jamshedpur Urban	20AABFD4967A1Z2	Dee Dee Transport	2020-21	78,59,948.50	78,58,959.00	989.50
20	Jamshedpur Urban	20AAACG8040K1ZX	Gayatri Projects Ltd.	2019-20	14,59,20,703.00	14,22,91,816.00	36,28,887.00
21	Jamshedpur Urban	20AABCR6747B1ZU	Reliance General Insurance Co. Ltd.	2019-20	10,18,10,448.00	10,16,70,538.50	1,39,909.50
22	Jamshedpur Urban	20AAACV2809D1Z0	Voltas Ltd.	2018-19	50,87,07,616.00	50,86,84,969.00	22,647.00
23	Ranchi East	20AAACH8025R1ZH	Herbalife International India Pvt Ltd	2020-21	6,63,25,617.58	6,63,21,616.00	4,001.58
24	Ranchi East	20AADCB0147R1ZT	Bharti Telemedia Limited	2019-20	12,19,88,592.00	12,16,89,966.00	2,98,626.00
25	Ranchi South	20AADCJ3112A1ZP	Jharkhand Urja Sancharan Nigam Ltd.	2019-20	28,33,51,376.00	15,05,91,808.00	13,27,59,568.00
26	Ranchi South	20AADCJ3112A1ZP	Jharkhand Urja Sancharan Nigam Ltd.	2020-21	14,69,16,636.00	50,99,942.00	14,18,16,694.00
27	Ranchi South	20AAACJ0866E1Z5	Johnson & Johnson Private Limited	2019-20	4,95,10,640.00	4,95,10,488.06	151.94
28	Ranchi South	20AAACI6515M1ZR	Indo Nabin Projects Limited	2018-19	6,33,02,920.00	3,50,60,408.00	2,82,42,512.00
29	Ranchi South	20AAACI6515M1ZR	Indo Nabin Projects Limited	2019-20	2,16,80,444.00	59,534.00	2,16,20,910.00
30	Ranchi South	20AAACA6412D1ZM	Airports Authority of India	2018-19	10,89,53,568.00	10,76,64,912.00	12,88,656.00
31	Ranchi South	20AAACA6412D1ZM	Airports Authority of India	2019-20	9,86,13,540.80	9,84,55,092.00	1,58,448.80
32	Ranchi South	20AAHCS4281K1ZB	Shiva Prints Private Limited	2020-21	4,01,24,008.00	3,56,65,678.00	44,58,330.00
33	Ranchi South	20AAACM9786A1ZP	M.G. Contractors Pvt Ltd	2018-19	40,80,45,184.00	38,29,08,104.00	2,51,37,080.00
34	Ranchi South	20AACCG1395F1Z2	Gkc Projects Limited	2018-19	4,90,15,400.00	3,48,60,750.00	1,41,54,650.00
35	Ranchi South	20AACCG1395F1Z2	Gkc Projects Limited	2019-20	8,22,61,376.00	5,41,15,418.00	2,81,45,958.00

Appendix – IX

(Referred to in paragraph 3.2.8.4 (1st Bullet); Page 99)

Tax liability mismatch between GSTR-1, GSTR-9 and GSTR-3B

(Amount in ₹)

SL. No.	Name of the circle	GSTIN	Name of the taxpayer	Period	Greater of Liability b/w R1 and R9	Payment of tax made	Undischarged tax liability
36	Ranchi South	20AACCG1395F1Z2	Gkc Projects Limited	2020-21	3,27,32,772.00	3,27,30,036.00	2,736.00
37	Ranchi South	20AAECP2697K1Z9	Pace Digitek Infra Private Limited	2020-21	7,74,45,288.00	1,84,22,050.00	5,90,23,238.00
38	Ranchi South	20AABCI2726B1ZG	Interglobe Aviation Limited	2018-19	12,71,39,096.00	12,71,24,098.00	14,998.00
39	Ranchi South	20AABCI2726B1ZG	Interglobe Aviation Limited	2019-20	13,48,22,592.00	13,46,51,423.00	1,71,169.00
40	Ranchi South	20AABCI2726B1ZG	Interglobe Aviation Limited	2020-21	9,56,00,896.00	9,54,60,173.00	1,40,723.00
41	Ranchi South	20AABCC5460A2ZI	Il&Fs Transportation Networks Limited	2018-19	21,10,67,592.00	9,91,87,574.00	11,18,80,018.00
42	Ranchi South	20AABCC5460A2ZI	Il&Fs Transportation Networks Limited	2020-21	3,26,65,076.00	3,25,98,628.00	66,448.00
43	Ranchi South	20AADCJ3148A1ZD	Jharkhand Bijli Vitran Nigam Limited	2018-19	17,57,472.00	15,60,674.00	1,96,798.00
44	Ranchi South	20AAAAG0251C1ZT	Ginni Industries	2018-19	7,77,27,846.50	7,77,15,093.50	12,753.00
45	Ranchi South	20AACCS2475A1Z1	Shivalaya Construction Co Pvt Ltd	2020-21	3,88,45,028.00	3,88,30,748.00	14,280.00
46	Ranchi South	20AADCK0785C1Z3	Kmv Projects Limited	2018-19	4,34,16,958.00	3,79,93,279.00	54,23,679.00
47	Ranchi South	20AADCK0785C1Z3	Kmv Projects Limited	2019-20	11,30,23,586.00	10,32,98,071.00	97,25,515.00
48	Ranchi South	20AADCK0785C1Z3	Kmv Projects Limited	2020-21	7,85,75,236.00	7,85,15,304.00	59,932.00
49	Ranchi Special	20ELMPS2227C1ZF	Mahaveer Steel Industries	2020-21	3,48,51,036.00	1,28,48,526.00	2,20,02,510.00
50	Ranchi Special	20AAACS8577K1Z3	State Bank Of India Nonihat	2019-20	58,77,50,530.00	54,55,87,904.00	4,21,62,626.00
51	Ranchi Special	20AAACS8577K1Z3	State Bank Of India Nonihat	2020-21	57,84,14,210.00	57,46,45,356.00	37,68,854.00
52	Ranchi Special	20AADCR4945F1ZO	Rama Auto Dealers Private Limited	2019-20	25,56,89,520.00	25,46,12,328.00	10,77,192.00
53	Ranchi Special	20AAACA6990Q1ZC	Apollo Tyres Limited	2018-19	1,90,84,82,022.00	1,90,84,69,788.00	12,234.00
54	Ranchi Special	20AAACA6990Q1ZC	Apollo Tyres Limited	2019-20	1,34,39,38,690.00	1,34,39,38,553.00	137.00
55	Ranchi Special	20AAACA6990Q1ZC	Apollo Tyres Limited	2020-21	1,35,73,83,170.00	1,35,73,83,063.00	107.00
56	Ranchi Special	20AADCH9938G1ZL	Hmd Mobile India Private Limited	2020-21	3,57,94,806.66	3,57,88,331.00	6,475.66
57	Ranchi West	20AAACC7476RHZT	Central Coalfields Ltd.	2019-20	35,02,90,94,000.00	34,75,12,31,960.00	27,78,62,040.00
58	Ranchi West	20AAACC7476RHZT	Central Coalfields Ltd.	2020-21	33,17,13,10,600.00	33,10,10,61,390.00	7,02,49,210.00
59	Ranchi West	20AAFCA2578R1ZD	Ambey Mining Pvt. Ltd.	2018-19	89,97,05,600.00	88,65,41,463.80	1,31,64,136.20
60	Ranchi West	20AAFCA2578R1ZD	Ambey Mining Pvt. Ltd.	2019-20	1,10,13,34,530.00	1,01,08,79,041.00	9,04,55,489.00
61	Ranchi West	20AAFCA2578R1ZD	Ambey Mining Pvt. Ltd.	2020-21	1,06,03,98,270.00	1,05,16,92,217.00	87,06,053.00
62	Ranchi West	20BDRPS1310Q2ZA	International Housekeeping and Maintenance Service	2018-19	3,75,89,368.00	1,74,59,746.00	2,01,29,622.00
63	Ranchi West	20BDRPS1310Q2ZA	International Housekeeping and Maintenance Service	2019-20	2,92,75,317.500	44,00,857.000	2,48,74,460.50
64	Ranchi West	20BDRPS1310Q2ZA	International Housekeeping and Maintenance Service	2020-21	2,34,70,939.30	2,00,70,333.00	34,00,606.30
65	Ranchi West	20AFWPS9603J1ZX	Sidhi Vinayak	2020-21	89,89,979.000	86,40,015.180	3,49,963.82
66	Ranchi West	20AAACT0627R3ZB	The Oriental Insurance Co. Ltd.	2018-19	12,23,65,528.00	12,23,48,833.00	16,695.00
67	Ranchi West	20AAACT0627R3ZB	The Oriental Insurance Co. Ltd.	2020-21	8,69,28,424.00	8,66,31,205.00	2,97,219.00
68	Ranchi West	20AABCD7169H1ZU	Reliance Corporate It Park Ltd.	2019-20	86,79,51,230.000	83,64,99,587.000	3,14,51,643.00
69	Ranchi West	20AABCR1718E1Z3	Reliance Retail Ltd.	2018-19	2,03,70,70,963.00	2,03,70,68,540.00	2,423.00
70	Ranchi West	20AABCR1718E1Z3	Reliance Retail Ltd.	2019-20	3,60,67,01,820.00	3,60,58,69,820.00	8,32,000.00

Appendix – IX

(Referred to in paragraph 3.2.8.4 (1st Bullet); Page 99)

Tax liability mismatch between GSTR-1, GSTR-9 and GSTR-3B

(Amount in ₹)

SL. No.	Name of the circle	GSTIN	Name of the taxpayer	Period	Greater of Liability b/w R1 and R9	Payment of tax made	Undischarged tax liability
71	Ranchi West	20AAACU5552C1ZX	United India Insurance Co. Ltd.	2018-19	12,67,91,120.00	12,67,40,041.00	51,079.00
72	Ranchi West	20AAACU5552C1ZX	United India Insurance Co. Ltd.	2020-21	12,41,73,308.00	12,41,06,394.00	66,914.00
73	Ranchi West	20AAGCA8588G1ZL	Awadh Associates Pvt. Ltd.	2018-19	78,86,476.000	67,68,150.000	11,18,326.00
74	Ranchi West	20AAGCA8588G1ZL	Awadh Associates Pvt. Ltd.	2019-20	61,50,630.00	56,40,572.00	5,10,058.00
75	Singhbhum	20AAACL4159L1ZM	Nuvoco Vistas Corporation Limited	2019-20	5,25,04,32,000.00	5,25,04,29,028.00	2,972.00
76	Singhbhum	20AAACL4159L1ZM	Nuvoco Vistas Corporation Limited	2020-21	4,55,44,17,612.00	4,55,44,17,352.00	260.00
Total					**1,19,36,18,65,777.20**	**1,18,05,86,09,515.74**	**1,30,32,56,261.46**

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