

TABLE OF CONTENTS

Particulars	Reference to	
	Paragraph	Page
Preface		vii
Overview		ix-xi
Chapter 1		
Excise and Taxation Department		
SSCA on E-Way Bills System under Goods and Services Tax		
E-Way Bills System under Goods and Services Tax	1	1
Introduction	1.1	1
System set up	1.2	1
Information systems used for EWBs	1.2 (i)	1-2
Process involved in the EWB System	1.2 (ii)	2
Organisational set up	1.3	3
Audit Objectives	1.4	3
Scope and Methodology of audit	1.5	3-4
Audit criteria	1.6	4
Trends and Insights of EWB data	1.7	4
Trend of generated EWBs	1.7.1	5
Trend of extended, cancelled and rejected EWBs	1.7.2	5
Audit findings		
Scope limitation due to documents not produced	1.8	5-6
Effectiveness of EWB mechanism in protecting revenue interest of the Government	1.9	6
Ineligible taxpayers continuing under Composition Scheme	1.9.1	6-7
Generation of EWBs by the taxpayers who had filed Nil Returns	1.9.2	7
Generation of EWBs by Non-Filers of GST Returns	1.9.3	7-9
Generation of EWBs by cancelled dealers	1.9.4	9
Generation of multiple EWBs on the strength of same/similar Invoices	1.9.5	9-10
Generation of EWBs for the transactions effected through risky vehicles	1.9.6	10-11
Extension of EWBs beyond 8 hours from the expiry of validity period	1.9.7	11

Particulars	Reference to	
	Paragraph	Page
Cancellation of EWBs beyond twenty four hours of generation of EWB	1.9.8	11-12
Rejection of EWBs beyond seventy-two hours of EWB details being communicated	1.9.9	12
Generating EWBs	1.9.10	12
Taxpayers having disproportionate inward-outward supply ratio	1.9.10 (i)	12-13
Taxpayers with only outward supply EWBs	1.9.10 (ii)	13
Generation of EWBs for risk prone activities	1.9.10 (iii)	13-14
EWB generated by taxpayers whose registrations were subsequently cancelled	1.9.10 (iv)	14
Observations detected in analysis of data of EWBs (Totality Observations)	1.10	14-15
Cross PAN analysis	1.11	15
Non/short discharge of tax liability by taxpayers	1.11 (a)	15-16
Action taken on unblocking EWB requests from taxpayers	1.12	16
Enforcement function of the Department	1.13	16
Whether the enforcement activities of the Department in enforcing E-Waybill provisions are efficient and effective	1.13.1	16-17
Operational Preparedness of the Department	1.14	17
Lack of adequate manpower	1.14.1	17
Effectiveness of Anti-Evasion Measures	1.15	18
Scope limitation due to Documents not produced	1.15.1	18-19
Guidelines for Interception of vehicles	1.15.2	19-20
Non-raising of demand for tax and penalty collected during EWB verification	1.15.3	20-21
Intra Departmental Co-ordination in monitoring EWB related transactions	1.16	22
Passing on information on blocked credits	1.16.1	22
Monitoring movement of goods by unregistered persons	1.16.2	22-23
Non usage of MIS Reports	1.17	23
Conclusions	1.18	23-24

Particulars	Reference to	
	Paragraph	Page
Recommendations	1.19	24
Chapter 2		
Excise and Taxation Department		
SSCA on Department's Oversight on GST Payments and Return Filing-phase II		
Department's Oversight on GST Payments and Return Filing- phase II	2	25
Introduction	2.1	25
Audit objectives	2.2	25
Audit methodology and scope	2.3	26
Audit sample	2.4	26-27
Audit criteria	2.5	28
Audit findings- Audit of Departmental field formations	2.6	28
Action not taken on non-filers of GSTR 3B	2.6.1	28-29
Action not taken against cancellation of Registration	2.6.2	29-30
Scrutiny of returns	2.6.3	30-31
Other issues: Human Resources in State GST Department	2.6.4	31-32
Inconsistencies in Goods and Services Tax returns- Centralised (Limited) Audit	2.7	32-43
Non-submission of reply to Centralised (Limited) cases by the department	2.7.1	43-44
Results of centralised (Limited) audit	2.7.2	44-48
Detailed Audit of GST returns	2.8	48
Scope limitation (Non-production of records)	2.8.1	48-50
Returns	2.8.2	50-51
Utilisation of ITC	2.8.3	51-53
Discharge of tax liability	2.8.4	53
Conclusion	2.9	53-55

Appendices

Appendix	Particulars	Reference to	
		Paragraph	Page
1.1	Key Problem Areas	1.5	57
1.2	List of samples for Audit Objective-I	1.5	58-59
1.3	List of non-production of specific records	1.8	60-63
1.4	Generation of EWBs by the taxpayers who had filed Nil Returns	1.9.2	64
1.5	Generation of EWBs by Non-Filers of GST Returns	1.9.3	65
1.6	Generation of EWBs by cancelled dealers	1.9.4	66-67
1.7	Generation of multiple EWBs on the strength of same/similar invoices	1.9.5	68
1.8	Generation of EWBs for the transactions effected through risky vehicles	1.9.6	69
1.9	Extension of EWBs beyond 8 hours from the expiry of validity period	1.9.7	70
1.10	Cancellation of EWBs beyond twenty four hours of generation of EWB	1.9.8	70
1.11	Rejection of EWBs beyond seventy-two hours of EWB details being communicated	1.9.9	70
1.12	Taxpayers having disproportionate inward-outward supply ratio	1.9.10 (i)	70
1.13	Taxpayers with only outward supply E-Way Bills	1.9.10 (ii)	71
1.14-A	High value EWBs generated by taxpayers within six months of registration	1.9.10 (iii)	72
1.14-B	EWBs generated with high distance PIN to PIN	1.9.10 (iii)	72
1.14-C	EWBs generated by taxpayers belonging to MCA defaulters	1.9.10 (iii)	72
1.14-D	E-way bills generated by DGFT blacklisted entities	1.9.10 (iii)	72
1.14-E	E-way bills generated by taxpayers booked for offences by DGARM	1.9.10 (iii)	73
1.14-F	E-way bills generated using invalid PIN-codes	1.9.10 (iii)	73

Appendix	Particulars	Reference to	
		Paragraph	Page
1.15	EWB generated by taxpayers whose registrations were subsequently cancelled	1.9.10 (iv)	74
1.16-A	EWBs generated by taxpayer in Haryana to supply goods to taxpayers with same PAN in jurisdiction other than Haryana	1.11 (a)	74
1.16-B	EWBs generated by taxpayer in jurisdiction other than Haryana to supply goods to taxpayers with same PAN in Haryana	1.11 (a)	74
1.17	Scope limitation due to documents not produced	1.15.1	75
1.18-A	Booked cases where GST MOV - 1, 2, 4 were not issued	1.15.2	76
1.18-B	Booked cases where GST MOV - 11 was not issued	1.15.2	76
1.19-A	Tax and penalty deposited but not debited in electronic cash ledger (PMT-05) through DRC-03	1.15.3	76
1.19-B	Release of vehicles on payment of tax or penalty or both without raising demand for the same	1.15.3	77
1.20-A	Haryana State Jurisdictional EWB	1.16.1	77
1.20-B	Other than Haryana State Jurisdictional EWB	1.16.1	78-79
2.1	Detail Audit Sample	2.4	80-81
2.2	GSTR-3B Non-filers	2.6.1	82
2.3	Action not taken against cancellation of Registration	2.6.2	83
2.4	Details of Human Resources	2.6.4	83
2.5	Summary of Sample data analysis (Centralised Audit)	2.7	84-86
2.6	Cases where replies not received	2.7.1	87-88
2.7	Summary of centralised (Limited) audit	2.7.2	89
2.8	Summary of Sample data analysis (Centralised Audit)	2.7.2	90-96

Appendix	Particulars	Reference to	
		Paragraph	Page
2.9	Non-production of Records	2.8.1	97-100
2.10	Non-payment of Interest	2.8.2	101
2.11	Excess availing of ITC as mis-match in R2A and R3B	2.8.3	102-104
2.12	RCM tax not being discharged or excess availing of ITC on RCM	2.8.3	105-106
2.13	Mismatch between ITC available in GSTR 9 (8A) and ITC available in GSTR 9 (8B & 8C)	2.8.3	107-110
2.14	Mismatch of ITC availed in GSTR3B as declared in GSTR 9 (6A) and ITC available in GSTR 9 (6I)	2.8.3	111-112
2.15	Mismatch of ITC availed between GSTR 2A and GSTR 9 (8A)	2.8.3	113-116
2.16	Undischarged tax liability (Comparing R3B with R1 and R9)	2.8.4	117-120