



SUPREME AUDIT INSTITUTION OF INDIA
लोकहितार्थं 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 Maharashtra
Report No. 6 of 2025
(Compliance Audit - Civil)**

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P r e f a c e

This report of the Comptroller and Auditor General of India for the year ended 31 March 2023 has been prepared for submission to the Governor of the State of Maharashtra under Article 151 of the Constitution of India.

The report contains significant results of audit of the Stamp & Registration, Finance and Home (Excise) Departments of the Government of Maharashtra conducted under the provisions of the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971 and Regulations on Audit and Accounts, 2020 issued thereunder by the Comptroller and Auditor General of India. This report is placed before the State Legislature under Article 151 (2) of the Constitution of India.

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 issued by the Comptroller and Auditor General of India.

EXECUTIVE SUMMARY

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of Finance and Revenue departments of Government of Maharashtra. Compliance Audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the authorities are being complied with.

The primary purpose of this Report is to bring important results of audit to the notice of the State Legislature. The findings of audit are expected to enable the executive to take corrective actions and also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisation, thus contributing to better governance.

The office of the Accountant General (Audit-II), Maharashtra, Nagpur audits 14 departments of Government of Maharashtra (GoM). The audit observations pertaining to commercial undertakings of GoM are reported in Audit Report on State Public Sector Enterprises. The audit observations pertaining to the expenditure are reported in Compliance Audit Report-Expenditure. This report contains significant results of audit of the Stamp & Registration, Finance and Home (Excise) Departments of GoM.

This Report includes audit findings in three chapters. **Chapter I** includes “Introduction, Audited entity profile, Planning and conduct of audit and responsiveness of Government to Audit”, **Chapter II** includes Audit observations related to Compliance Audit Paragraphs and **Chapter III** includes two Subject Specific Compliance Audits.

A synopsis of this report is presented below:

Chapter-I: Introduction

There are three departments viz. Stamp & Registration, Finance and Home (Excise) Departments of the Government of Maharashtra headed by Additional Chief Secretary/Principal Secretaries/Secretaries which are audited by the Accountant General (Audit-II), Maharashtra, Nagpur.

Explanatory Memorandum on 21 paragraphs included in the Audit Report were outstanding. Action Taken Notes on 99 recommendations of Public Accounts Committee were awaited from department.

Chapter –II: Compliance Audit Paragraphs

Accountant General (Audit-II), Maharashtra, Nagpur conducted test check of the records of 217 units of Stamp Duty and Goods and Service Tax (GST)/State Excise/Entertainment duty during the year 2022-23. Audit noticed following shortcomings:

- The Department applied a reduced rate of Stamp Duty due to misclassification of document as Article of Agreement, which resulted in short levy of Stamp Duty of ₹ 10.50 crore.
- The Collector of Stamps, Mumbai, valued a property at ₹ 62.28 crore and levied Stamp Duty of ₹ 3.11 crore under Article 5(g-a). However, Audit

assessed the market value at ₹ 100.11 crore, calculating the Stamp Duty payable as ₹ 5.00 crore. This led to a short levy of ₹ 1.89 crore by the department, due to undervaluation of the property.

- Inspector General of Registration and Controller of Stamps, Maharashtra State, Pune allowed irregular concession of one *per cent*, which led to short levy of Stamp Duty of ₹ 1.50 crore.
- Since the indenture transferred all rights, title, and interest in the entire land to the purchaser, the valuation of the property should have been based on the complete land area. However, the department did not consider the entire plot area when determining the market value which resulted in short levy of stamp duty of ₹ 76.18 lakh.
- The department calculated Stamp Duty based on a five-year license agreement, ignoring the clause that allows renewal for another five years, making the total period 10 years. This resulted in short levy of Stamp Duty and Registration Fee of ₹ 29.71 lakh.
- Excess allowance of set-off under Rule 53(3)(a) of MVAT Rules resulted in a short levy of tax to the tune of ₹ 96.84 lakh including interest of ₹ 44.28 lakh.

Chapter –III: Subject Specific Compliance Audit

➤ E-Way Bill System under GST

E-Way Bill (EWB) system is intended to bring automation and standardisation of the entire process to help check tax evasion and shore up GST collections. EWB system includes various processes such as enrollment of the required persons in the portal, Generation of EWB, Extension, Cancellation and Rejection of the EWBs generated *etc.* The Commissioner of State Tax, Maharashtra State is responsible for implementation of EWB system. SSCA examined the effectiveness of the system in protecting revenue interest of the Government and of the Preventive/Enforcement activities of the Department in enforcing EWB provisions.

Substantive Audit was conducted in respect of 51 taxpayers by detailed examination of records for the year 2018-22. Audit observed deficiencies in effectiveness of EWB system and noticed instances of taxpayers generating EWB after the cancellation of registration, taxpayers generating EWBs but filing nil returns, EWBs generated but returns not filed by the taxpayers, taxpayers using single invoice for generating multiple EWBs, Generation of EWBs using invalid vehicles and abnormal high value EWBs generated by the taxpayers. Significant audit findings in this regard are presented below:

- Out of 51 taxpayers, the Department cancelled the registrations of 43 taxpayers across 10 Divisions. These included cancellation of registration of 11 taxpayers with retrospective effect due to reasons, such as failure to furnish returns for six consecutive months, non-commencement of business, or not operating from the registered place of business (in one case, cancellation was made at the taxpayer's request). The remaining 32 taxpayers were classified as Non-Genuine Taxpayers and their

registrations were cancelled *ab initio* on various grounds. Audit observed that proper officers did not take cognisance of the supplies made by these taxpayers during the intervening period, nor did they ascertain and recover the tax payable before cancellation of the registration. This resulted in non-recovery of tax amounting to ₹ 96.85 crore along with applicable interest.

- Five taxpayers, who had filed 'nil' return during the audit period, were found to have made taxable supplies, as evidenced by their EWBs. Accordingly, they were liable to pay tax of ₹ 3.53 crore which was recoverable with applicable interest.
- Nine taxpayers did not file returns for several months during the audit period despite generating EWBs during the period. These taxpayers transported goods worth ₹ 4.90 crore having tax effect of ₹ 0.72 crore.
- Review of 18 EWBs generated by 18 taxpayers from outside Maharashtra for supplies made to the consignees in Maharashtra having same PAN numbers, showed that in seven cases, goods worth ₹ 10.59 crore having tax effect of ₹ 1.56 crore were not received in Maharashtra. Thus, the authenticity of these seven EWBs and the discharge of the associated tax liability amounting to ₹ 1.56 crore could not be verified.

Based on audit of a sample of 196 interception cases falling under six Joint Commissioner Offices, audit observed administrative deficiencies in the execution of preventive functions such as not having dedicated setup for verification of EWBs, insufficient patrolling vehicles, and insufficient use of analytical reports of NIC on EWBs. Audit also observed deficiencies in interception of vehicles by the Department, involving non/short creation of demand and delayed payment of tax and penalty to the Government account.

Recommendations

Government may:

1. *ensure cognizance of supplies made by the taxpayers in case of retrospective cancellation and accordingly determine tax arrears and interest and raise the demand in the order of cancellation.*
2. *take appropriate action to recover ITC from the ultimate recipients. Also, issue of non-availability of NGTP data on BO portal may be examined and suitable action taken.*
3. *take action to flag messages/report for tax officers about use of invalid vehicles to generate EWBs.*
4. *consider maintaining dedicated vehicles for interception activities.*
5. *issue suitable instructions to Departmental officers for effective use of analytical reports of NIC on EWBs.*
6. *train the departmental officers and reiterate instructions about the proper procedure of creating demand of tax and penalty during interception and payment of the same to government account by adjustment of liability and cash ledgers.*

➤ **Department's Oversight on GST Payments and Returns Filing for the Years 2018-19 to 2020-21**

GST is 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. This audit aimed to derive assurance whether the rules and procedures were designed to secure an effective check on tax compliance and were being duly observed by taxpayers; and whether the scrutiny procedures, internal audit and other compliance functions of the Proper Officer¹ were adequate and effective.

The audit of Department's Oversight on GST Payments and Returns Filing for the Years 2018-19 to 2020-21 was conducted in three distinct parts –

Audit of Charge offices

A review of the functions of 10 Charge Offices for the year 2020-21 disclosed that there were deficiencies in oversight functions of Charges such as non-conduct of scrutiny of returns and audit in nine Charges; delay ranging from nine to 292 days in cancellation of 11 registration pertaining to five Charge offices, and non-filing of GSTR 10 by 15 taxpayers and delayed (ranging from 340 to 813 days) filing by three taxpayers, resulting in non-recovery of revenue.

Result of Centralized Audit

Audit selected a sample of 718 high value data inconsistencies, pertaining to 362 taxpayers. The Department responded to 623 cases. Of these 145 cases relating to ITC/Tax payment and 11 cases relating to turnover mismatches turned out to be compliance deficiencies with amount of mismatches of ₹ 1055.43 crore and ₹ 2793.62 crore respectively. Relatively higher rates of deviations were noticed in non/short payment of interest, mismatch between GSTR 2A and GSTR 3B, ITC availed in GSTR 3B filed after the cut-off period, short payment of tax under RCM versus ITC availed in GSTR 3B/GSTR 9, non-filing of GSTR 3B, and under-declaration of taxable supplies by comparing TDS returns.

Detailed Audit

Detailed audit of GST returns also identified significant non-compliance. Out of 100 selected cases, in 62 cases, granular records such as financial statements, supplementary financial ledgers, invoices, agreement copies *etc.* were not produced, which constituted a significant scope limitation. These cases represented potential risk exposure towards identified mismatches in ITC availment and tax payments. In respect of the taxpayers whose records/returns were examined, Audit observed compliance deficiencies in 20 cases with a revenue implication of ₹ 154.64 crore on account of non-payment of interest and misclassification of supply. This apart, mismatches in availing ITC, discharge of tax liability and turnover were noticed in 119 cases involving mismatch of ₹ 6,666.10 crore.

¹ Proper Officer in relation to any function to be performed under MGST Act means the Commissioner or the officer of the State Tax who is assigned that function by the Commissioner.

Hence, Audit observed deficiencies with respect to systems and procedures adopted by the department for effective checks on tax compliance.

Recommendation

The Government may expeditiously address the deviations in the Department's Oversight of GST Payments and Return Filing, as highlighted by the audit and intimate the results to audit.

Chapter I

Introduction

CHAPTER I

INTRODUCTION

1.1 About this report

This Report of the Comptroller and Auditor General of India (C&AG) relates to matters arising from compliance audit of government departments, of the Government of Maharashtra (GoM) falling under clusters pertaining to Revenue Sector under the jurisdiction of Accountant General (Audit-II), Maharashtra, Nagpur *viz.* Stamp & Registration, Finance and Home (Excise) Departments.

Compliance audit refers to examination of the expenditure and revenue of the audited entities to ascertain whether the provisions of the Constitution of India, applicable laws, rules, regulations and various orders and instructions issued by the competent authorities are being complied with.

The primary purpose of this report is to bring the important results of audit to the notice of the State Legislature. Auditing standards require that the materiality level for reporting should be commensurate with the nature, volume and magnitude of transactions. The findings of audit are expected to enable the executive to take corrective actions as also to frame policies and directives that will lead to improved operational efficiency and financial management of the organisations thus, contributing to better governance.

This report contains significant results of audit of the Stamp & Registration, Finance and Home (Excise) Departments of GoM relating to deviations in respect of assessment, levy, collection and remission of Government Revenue. These are discussed in Chapter II and Chapter III of this report.

1.2 Organisational structure of the offices of the Principal Accountant General (Audit-I), Maharashtra, Mumbai and the Accountant General (Audit-II), Maharashtra, Nagpur

Under the directions of the C&AG, the offices of the Principal Accountant General (Audit-I), Maharashtra, Mumbai and the Accountant General (Audit-II), Maharashtra, Nagpur conduct the audit of various Government departments & offices, autonomous bodies and public sector undertakings (audited entities) under eight clusters falling under their respective jurisdiction as shown in **Table-1.1**.

Table-1.1: Details of clusters

Sr. No.	Clusters falling under the jurisdiction of Principal Accountant General (Audit-I), Maharashtra, Mumbai	Clusters falling under the jurisdiction of Accountant General (Audit-II), Maharashtra, Nagpur
1	Health and Welfare (1)	Energy and Power (7)
2	Education, Skill Development and Employment (2)	Industry and Commerce (8)
3	Rural Development (3)	Transport (9)
4	Agriculture, Food & Allied Industries (4)	Environment, Science & Technology (10)
5	Water Resources (5)	Public Works (11)
6	Urban Development (6)	Finance (12)
7	Culture and Tourism (14)	IT and Communication (13)
8	General Administration (16)	Law and Order (15)

1.3 Audited entity profile

The departments in the State at the Secretariat level are headed by Additional Chief Secretaries/Principal Secretaries/Secretaries and assisted by Directors/Commissioners and sub-ordinate officers.

A summary of the state government's fiscal transactions during 2022-23 *vis-a-vis* the previous years is given in **Table-1.2**.

Table-1.2: Summary of Fiscal operations

(₹ in crore)

Receipts	2021-22	2022-23	Disbursements	2021-22	2022-23
Section-A: Revenue Account					
Revenue receipts	333312*	405678*	Revenue expenditure	349686*	407614#
Own Tax Revenue	220927#	277486#	General Services	121745#	130591*
Non-Tax Revenue	19307*	16776#	Social Services	142523#	163329#
Share of Union Taxes/Duties	54318#	60001*	Economic Services	59455*	80820*
Grants-in-aid from GoI	38760*	51414#	Grants-in-aid and Contributions	25963*	32874#
Section-B: Capital Account and others					
Miscellaneous Capital Receipts	0	0	Capital Outlay	29687	46670#
Recoveries of Loans and Advances	1179*	643*	Loans and Advances disbursed	2342	2436#
Public Debt Receipts	90488# ⁺	87573* [@]	Repayment of Public Debt	26427	35935* [@]
Appropriation from Contingency Fund	0	200	Appropriation from Contingency Fund	1500	0
Contingency Fund	0	200	Contingency Fund	11500	0
Public Account Receipts	119376#	143467*	Public Account Disbursements	74787	100533#
Opening Cash Balance	45738	54734#	Closing Cash Balance		
a) Sinking Fund	22859	23318#	a) Sinking Fund	54374#	60004#
b) Cash Balance			b) Cash Balance	23318#	21487*
Total	612952*	715453	Total	612952	715453

[@] Excluding transaction under Special Drawing facility on 91 days overdraft (Receipt and Disbursement ₹ 98.43 crore)

[@]Excluding transactions under Special Drawing facility on 91 days (Receipt and Disbursement ₹ 7129.25 crore)

* Higher rounding

Lower rounding

Source: Finance Accounts of respective years

1.4 Authority for audit

The authority for audit by the C&AG is derived from Articles 149 and 151 of the Constitution of India and the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The C&AG conducts audit of expenditure and revenue of the departments, Autonomous Bodies and Public Sector Undertakings of GoM under the provisions of the DPC Act and Regulations on Audit and Accounts, 2020 issued by the C&AG.

1.5 Planning and conduct of audit

The audit process starts with the assessment of risk faced by audited entities based on expenditure incurred and revenue generated, criticality and complexity of activities, the levels of delegated financial powers and

assessment of overall internal controls and concerns of stakeholders. Previous audit findings are also considered in this exercise. The frequency and extent of audit are decided, based on this risk assessment.

After completion of audit of each unit, Inspection Reports (IRs) containing audit findings are issued to the Heads of the offices inspected. The Heads of the offices inspected are requested to furnish replies to the audit findings within one month of receipt of the IRs. Whenever replies are received, audit findings are either settled or further action for compliance is advised. The important audit observations arising out of these IRs are processed for inclusion in the audit reports which are submitted to the Governor under Article 151 (2) of the Constitution of India.

1.6 Responsiveness of Government to Audit

1.6.1 Inspection reports outstanding

Periodical inspections in the form of Compliance Audit of Government departments, Autonomous Bodies and Public Sector Undertakings are conducted to test-check their transactions and verify the maintenance of important accounting and other records as per prescribed rules and procedures. These inspections are followed up with IRs which are issued to the heads of the offices inspected, with copies to the next higher authorities. Half-yearly detailed statements of pending IRs are sent to the secretaries of the departments concerned to facilitate monitoring of action taken on the audit observations included in the IRs.

As of June 2023, 2290 IRs (5621 paragraphs) were outstanding for settlement. Year-wise details of IRs and paragraphs are shown in *Appendix 1.1*.

1.6.2 Departmental Audit committee

The Finance Department, GoM instructed (December 1985) all the administrative departments to constitute Audit Committee, to review outstanding IRs and paragraphs and to take prompt action for their settlement. The Audit Committee is chaired by the Joint Secretary of the administrative department with Joint Director, Accounts and Treasuries as member and Deputy Director of Accounts and Treasuries as the convener. A representative from the audit office not below the rank of Deputy Accountant General assists the Audit Committees. The Audit Committee Meetings (ACMs) are required to be held at least once in every quarter.

Despite the pendency of large number of inspection reports and paragraphs only two ACMs were conducted during 2022-23, wherein 142 paras in respect of 63 IRs were settled.

1.6.3 Response of departments to draft paragraphs and compliance audits

Eight draft paragraphs appearing in this report, including two compliance audit paragraphs, were forwarded demi-officially to the Principal Secretaries/ Secretaries of the departments concerned between April 2024 to June 2025 with a request to send responses within six weeks. Final reply in respect of two audit paragraphs featured in this report is still awaited (July 2025).

1.6.4 Follow-up on audit report

According to instructions issued by the Finance Department, GoM in January 2001, administrative departments were required to furnish Explanatory Memoranda (EMs) duly verified by Audit to the Maharashtra Legislature Secretariat in respect of paragraphs included in the Audit Reports of the C&AG of India, within three months of presenting the audit reports to the state legislature. The administrative departments, however, did not comply with these instructions as following EMs were outstanding from 2015-16 to 2021-22 as indicated in **Table-1.3**.

Table-1.3: Status of outstanding EMs for Audit Reports of year from 2015-16 to 2021-22

Audit Report	Date of tabling of Report	Number of paragraphs and SSCA	Number of EMs received	Balance
2015-16	11 August 2017 (RS)	18	17	01
2016-17	20 July 2018 (RS)	27	25	02
2017-18	4 March 2020 (RS)	14	12	02
2018-19	08 September 2020 (RS)	11	10	01
2019-21	04 August 2023 (Compliance Audit)	10	00	10
2021-22	18 July 2025 (Compliance Audit)	05	00	05
Total		85	64	21

Note: RS-Revenue Sector Report

As seen from the **Table-1.3** out of 85 paragraphs and SSCA included in Audit Reports, 21 EMs were outstanding during the period from 2015-16 to 2021-22.

The Public Accounts Committee (PAC) lay down in each case, the period within which action taken notes (ATNs) on its recommendations should be sent by the departments with a view to ensure accountability of the Executive in respect of all the issues dealt with in the Audit Reports.

During 2015-16 to 2022-23 the PAC discussed 48 paragraphs pertaining to Revenue Sector of Audit Reports 2011-12 to 2015-16 and 99 ATNs were pending as indicated in **Table-1.4**.

Table-1.4: Position of outstanding ATNs on PAC/COPU recommendations

Year	Audit Report	PAC Report Number	Year of PAC	Number of PAC/COPU recommendations	Number of ATNs awaited
2011-12	RS	33	2017-18	14	14
2012-13	RS	37	2017-18	34	09
2013-14	RS	19	2015-16	00	00
2014-15	RS	53	2017-18	46	27
		54	2017-18	37	37
2015-16	RS	56	2017-18	12	12
Total				143	99

1.7 Results of audit: Position of local audit of Revenue Sector conducted during the year

Test check of the records of 217 units of Stamp Duty and GST/State Excise/Entertainment duty conducted during the year 2022-23 revealed short levy/ under assessment/loss of revenue as shown in **Table-1.5**:

Table-1.5: Statement showing result of audit 2022-23

(₹ in crore)

Name of Department	Details of audit			Action taken		
	No. of units audited	No. of objections	Money value involved	No. of Paras accepted	Money value involved	Amount recovered
Stamp Duty	123	480	159.00	73	8.84	6.82
GST/State Excise/E.D. etc.	94	330	204.81	38	10.82	1.87
Total	217	810	363.81	111	19.66	8.69

Chapter II

Audit of Transactions: Compliance Audit Paragraphs

CHAPTER II

Audit of Transactions: Compliance Audit Paragraphs

The significant results of audit of the Stamp & Registration, Finance and Home (Excise) Departments of GoM relating to deviations in respect of short levy, under assessment, collection and remission of Government Revenue are discussed below:

STAMP DUTY AND REGISTRATION DEPARTMENT

2.1 Short levy of Stamp Duty of ₹ 10.50 crore due to misclassification of document as Article of Agreement

As per Article 5 (g-a) of Schedule-1 of Maharashtra Stamp Act, 1958 (MS Act), in case of instrument relating to giving authority or power to a promoter or a developer, by whatever name called, for construction on development of or, sale or transfer (in any manner whatsoever) of, any immovable property, the same Stamp Duty is leviable as on a conveyance under clause (b) or (c) as the case may be, of Article 25 on the market value of the property or consideration, whichever is higher, which is the subject matter of transfer.

Further GOM vide Government Order No. Mudrank-2020/CR.No.136/M-1 (Policy) dated 29 August 2020, reduced the stamp duty by three *per cent* in Mumbai District and Mumbai Sub-Urban District and by two *per cent* in rest of the State of Maharashtra for the period starting from 01 September 2020 and ending on 31 December 2020 and by two *per cent* in Mumbai District and Mumbai Sub-Urban District and by one and half *per cent* in rest of the State of Maharashtra, for the period starting from 1 January 2021 and ending on 31 March 2021, as otherwise chargeable under clause (b) of Article 25 of Schedule-I appended to the said Act, on the instrument of Conveyance or Agreement to Sale of any immovable property.

Scrutiny of records (Document No. 5378/2020) of Joint Sub Registrar, Boriwali II, Mumbai, revealed (April 2022) that, an Article of Agreement between– Transferee, and the Transferor –was entered into and registered vide document no. 5378/2020 (September 2020). Article of Agreement was earlier adjudicated vide Case No. 649/2020 by Collector of Stamps Boriwali (September 2020). As per agreement to sale, development rights of 48,557.00 Sq.m. along with all rights and benefit of the property at Survey no 34A, Hissa No 1, CTS no 215, Zone 86/391 in Village Magathane, Taluka Boriwali R/C Ward Boriwali (E) admeasuring plot area 3543 Sq.m. along with 421.80 Sq.m. of undivided interest in the land underneath the common internal layout access is transferred in favour of transferee.

The department worked out the market value of the Floor Space Index involved in development rights of 48,557 Sq.m.at ₹ 334.12 crore and assessed consideration of ₹ 350 crore and accordingly levied Stamp Duty of rupees seven crore at the rate of two *per cent* as per GoM Order dated 29 August 2020.

However, Audit noticed that as per GoM order dated 29 August 2020 the reduced rate of Stamp Duty was applicable to the document coming under Article 25(b) of the MS Act, since the instant document was a development

agreement under Article 5(g-a), this order was not applicable to this document and Stamp Duty was leviable at the rate of five *per cent*. Hence incorrect classification of document resulted in short levy of Stamp Duty of ₹ 10.50 crore (*Appendix 2.1*).

On this being pointed out by audit, the Collector of Stamps, Boriwali (June 2022) in reply accepted the audit observation. The matter was also communicated to Inspector General of Registrations and Controller of Stamps, Maharashtra State, Pune, (July 2023). The reply was still awaited (July 2025).

2.2 Short levy of Stamp Duty amounting to ₹ 1.89 crore due to undervaluation of the property

Article 5 (g-a) of Schedule-1 of Maharashtra Stamp Act, 1958 (MS Act) provides, in case of instrument relating to giving authority or power to a promoter or a developer, by whatever name called, for construction on development of or, sale or transfer (in any manner whatsoever) of, any immovable property, stamp duty as is leviable on a conveyance under clause (b) or (c) as the case may be, of Article 25 shall be charged on the market value of the property or consideration, whichever is higher, which is the subject matter of transfer.

Further as per Valuation Guideline No. 21 and Valuation Circular dated 31 March 2018 the Valuation of the property is to be assessed as under:

A : Area available to the developer (FSI) x land Rate

B : Consideration given to the Member of the society as enumerated in the Valuation Circular.

Stamp duty to be levied on higher of the above two A or B

Scrutiny of records (Document No. 11749/2019) of Joint Sub Registrar Mumbai City-III, Mumbai City revealed that a Development Agreement document was executed (20 December 2019) between '**the Society**' (**One Part**) '**the Developer**' and '**Confirming Parties**' for the land admeasuring 3201.00 Sq.m. situated at Survey No. 52 part old C.S. No. 160 (Pt) new C.S. No. 999(Pt) at Shivajinagar Worli Mumbai together with the building standing thereon. As per clause 6.1 & 6.2 of the recital of the document the Developer would provide a new residential premises admeasuring 540 Sq.ft. carpet *i.e.* 50.18 Sq.m. carpet to each member, and other monetary consideration to every member as detailed in appendix. This document was adjudicated by the Collector of Stamps, Mumbai vide case No. ADJ/M/615/2019/4449/ dated 18 October 2019 and Market Value was worked out as ₹ 62.28 crore and Stamp duty was levied at ₹ 3.11 crore under Article 5(g-a).

Audit worked out the Market value at ₹ 100.11 crore and Consideration at ₹ 68.43 crore. The Stamp Duty is leviable at ₹ 5.00 crore as against ₹ 3.11 crore levied by department, this resulted in short levy of Stamp Duty of ₹ 1.89 crore as detailed in *Appendix 2.2*.

On this matter being brought to the Notice of Inspector General of Registration and Controller of Stamps, Maharashtra State, Pune (IGR)

(March 2024), the IGR in reply stated that matter is pending under section 53A¹ and after the decision necessary action regarding recovery will be taken.

2.3 Short levy of Stamp Duty of ₹ 1.50 crore due to irregular concession of stamp duty

As per Article 25(a) of Schedule-1 of Maharashtra Stamp Act, 1958 (MS Act), conveyance, if relating to movable property, the Stamp Duty is leviable at rate to three *per cent* of the market value of the property or consideration, whichever is higher, which is the subject matter of conveyance.

A Deed of Adherence was executed 25 September 2020 and registered vide Document No. 825/2021 dated 19 January 2021 among Original Developer, Joint Developer and New Developer for confirmation of terms and conditions mentioned in the already executed (September 2020) and registered vide Document No. 823/2021 dated 19 January 2021 *i.e.* Agreement for transfer of business (Slump Sale).

Audit observed relating to Document No. 823 that:

- i) As per clause S balance Built up area admeasuring 5363.04 Sq.m. was sale component.
- ii) As per clause T of the recital a Joint Development Agreement No. 6690/2018 was executed on 26 December 2018 for redevelopment of a portion of said property admeasuring 5498.35 Sq.m. by the Joint Developer to the Developer and the Joint Developer was entitled for apartments admeasuring 1783.20 Sq.m. built up area as consideration.
- iii) Clause 3 of the recital, states that document no. 823 had been executed for lump sum consideration of ₹ 70.00 crore payable by the Purchaser.
- iv) This case was adjudicated by the Collector of Stamps, Andheri (COS Andheri) and computed the market value of the property ₹ 95.55 crore and consideration was ₹ 111.27 crore on which Stamp Duty of ₹ 2.23 crore was levied.

On being pointed out by the audit, IGR (April 2024) adjudicated the classification of document and stated that the document was to be classified under Article 25(a) of schedule-I of the Maharashtra Stamp Act, 1958. Further IGR had also stated that concession of one *per cent* was allowed as per the Gazette notification dated 29 August 2020. Therefore, IGR had stated that the total short levy of stamp duty was ₹ 77.21 lakh, which had been recovered from the purchaser.

Audit observed that the concession of stamp duty as per the notification dated 29 August 2020 by IGR in his adjudication (April 2024) was not correct as applicable concession was available only for document executed under Article 25(b) and not applicable to Article 25(a). Allowing the concession of stamp duty of one *per cent* under the notification was not justifiable and accordingly, the objected amount has been revised and short levy of stamp duty was worked to ₹ 1.50 crore even after the recovery of ₹ 77.21 lakh as detailed in **Appendix 2.3**.

¹ Section 53A of the MS Act, 1958 grants the IGR revisionary powers to call for and examine the record of any inquiry or proceeding under Chapter III (which includes Sections 32 and 33) or Chapter IV (which includes Section 51 regarding allowances for stamps) of MS Act, 1958 to ensure the regularity of the proceedings and the correctness of the order passed.

Revised audit observation was communicated to IGR (November 2024). Compliance from the IGR was awaited (July 2025).

2.4 Short levy of Stamp Duty of ₹ 76.18 lakh due to non-consideration of full plot area for market value of property

As per section 2(na) of Maharashtra Stamp Act, 1958, (MS Act) definition of market value under “market value” in relation to any property which is the subject matter of an instrument, means the price which such property would have fetched if sold in open market on the date of execution of such instrument, or the consideration stated in the instrument whichever is higher. Further as per Article 25(b) of MS Act relating to immovable property situated within the limits of any Municipal Corporation or any cantonment area annexed to it or any urban area not mentioned in sub clause, Stamp Duty at the rate prescribed should be levied on the market value of the property, which is the subject matter of transfer.

Scrutiny of records adjudicated by Collector of Stamps, Andheri revealed that an Indenture of Conveyance (instrument No. ADJ/1100900/78/2019) was made between VENDOR and PURCHASER, for the sale of a land parcel admeasuring 1101.18 Sq.m. The market Value of property was computed at ₹ 3.70 crore and Consideration was ₹ 3.50 crore. Stamp Duty amounting ₹ 22.20 lakh at the rate of six *per cent* was levied on the Market Value.

Scrutiny of the recital of the instrument revealed that Vendor was owner of land and seized and possessed admeasuring 1101.18 Sq.m. alongwith structure standing thereon known as “JxxxxxBxxxx” referred to as the said old Building. Thereafter, vendor entered into development agreement with “ERSTWHILE DEVELOPER” and put up additional construction on said land adjoining the said old building comprising of ground plus three upper floors. All the holders of flats of Old and New Building formed themselves a Co-operative Society. Further, vendor has granted lease of said land in favour of society for a period of 98 years commencing from 1 July 1972 at a monthly rent of ₹ 692 reserved thereby on the terms and conditions retaining *REVERSIONARY OWNERSHIP RIGHTS* onto himself in respect of said land.

The Vendor has agreed to sell, convey and transfer his reversionary rights and Purchaser agreed to acquire himself the reversionary rights, title and interest of said land.

Further, according to this indenture (page no. 17, para 4) on termination of lease period of the society, purchaser shall be solely entitled to receive possession of the said land from society and its members. Now the rights of receiving the rent of ₹ 692 per month till the expiry period of lease *viz.* 30 June 2070 is hereby transferred by vendor to the purchaser alongwith all entitlements of the vendor under this indenture.

As all the rights, title and interest of whole land has been transferred by this indenture to purchaser, the valuation should have been done accordingly considering complete land area, however the department had done the valuation of balance FSI and TDR potential to be loaded on the said land. This resulted in short levy of Stamp Duty amounting to ₹ 76.18 lakh as detailed in *Appendix 2.4*.

The Collector of Stamps Andheri accepted (May 2023) the audit observation.

The matter was communicated to Inspector General of Registration and Controller of Stamps, Maharashtra State, Pune (October 2023). However, reply was awaited (July 2025).

2.5 Short levy of Stamp Duty and Registration Fee of ₹ 29.71 lakh due to misclassification of leave and license

As per Article 36(ii) of the Schedule I appended to the Maharashtra Stamp Act, 1958, any instrument related to lease, including under lease or sub lease and any agreement to let or sublet or any renewal of lease for a period exceeding five years but not exceeding ten years, with a renewal clause contingent or otherwise shall be levied same stamp duty to the extent as is leviable on a conveyance under clause (b) or (c) as the case may be of Article 25 on 25 per cent of the market value of the property. Further as per explanation II of the Article 36 The renewal period, if specifically mentioned, shall be treated as part of the present lease.

Scrutiny of leave and license Documents No. 8479 of 2021 in the office of Joint Sub Registrar, Haveli-V, Pimpri Chinchwad, Pune revealed that the document was executed (July 2021) between "Licensor" and "Licensee" for leave and license of premises admeasuring built up area of 3491.26 Sq.m. in MIDC area within the limits of Pimpri Chinchwad Municipal Corporation area for an initial period of five years and thereafter may be renewed for one more additional period of five years at lessee's sole option.

During scrutiny, audit noticed that while calculating the market value of the property, the department had considered the document as leave and license agreement for a period of 60 months only and accordingly Stamp Duty was levied on market value. However, as per clause three of the document it can be renewed for an additional period of 60 months making the actual period of leave and license agreement as 10 years instead of five years. The Stamp Duty would be leviable on 25 per cent of the market value of the property. However, the Department levied Stamp Duty and Registration fee of ₹ 1.80 lakh considering the agreement for the period of five years only. This resulted in short levy of Stamp Duty and Registration Fee amounting to ₹ 29.71 lakh (*Appendix 2.5*).

In reply, the Joint District Registrar, Pune city, accepted (March 2023) the para.

On being brought to notice (October 23) of Inspector General of Registration and Controller of Stamps, Maharashtra State, Pune (IGR), the IGR in reply did not accept (December 2023) the audit observation and stated that as per Judgement of High Court of Bombay in a similar case, the lease period of further 60 months cannot be counted as renewal period.

The reply of the IGR is not acceptable as explanation-II given below article 36 of the Maharashtra Stamp Act, 1958 says that if specific renewal period is given in the agreement, then it should be considered for calculation of Market Value. Moreover, the Judgement of High Court of Bombay referred in reply is in respect of the renewal clause where it is not automatic but dependent upon mutually acceptable terms and conditions between the parties whereas in this

instant case renewal is possible only at option of the Lessee. Hence, this court order is not identically applicable to this case.

FINANCE DEPARTMENT

2.6 Excess allowance of set-off under Rule 53(3)(a) of MVAT Rules resulted in short levy of tax and interest of ₹ 96.84 lakh

As per Rule 53(3), MVAT if the claimant dealer dispatches any taxable goods outside the State, to any place within India, not by reason of sale, to his own place of business or of his agent or where the claimant dealer is a commission agent, to the place of business of his principal, then an amount equal to four *per cent* of the purchase price of the corresponding taxable goods (not being goods treated as capital assets or used as fuel and natural gas) shall be deducted from the amount of set-off otherwise available in respect of the said purchases.

Further, Section 30(3) states “In the case of a registered dealer, in whose case, any tax other than the tax on which interest is leviable under sub-section (2) has remained unpaid up to one month after the end of the period of assessment, such dealer shall be liable to pay by way of simple interest, for each month or part thereof from the date next following the last date of the period covered by an order of assessment till the date of the order of assessment and where any payment of such unpaid tax whether in full or part is made on or before the date of the order of assessment, the amount of such interest shall be calculated by taking into consideration the amount and the date of such payment”.

The dealer, M/s KLT Automotive and Tabular Products bearing TIN 27910298741V was assessed under Section 23 of MVAT 2002 for the period 2014-15. GTO of sales and purchases were determined at ₹ 299.18 crore and ₹ 255.15 crore respectively. The Assessment order resulted in refund of ₹ 43.74 lakh and Nil dues under MVAT and CST respectively.

During scrutiny of the records of Dy. Commissioner of State Tax, (PAL-VAT-E-002), Palghar, Audit observed that the Assessing Authority had allowed deduction of Branch Transfer of ₹ 27.12 crore and had allowed set-off of ITC ₹ 15.57 crore under Rule 52 of MVAT Rules. The set-off was allowed after reduction of ₹ 41.14 lakh under Rule 53(3)(a) from ITC eligible for set-off. However, audit worked out set-off reduction under Rule 53(3)(a) as ₹ 93.70 lakh. This resulted in excess allowance of set-off of ₹ 52.56 lakh which further resulted in a short levy of tax to the tune of ₹ 96.84 lakh including interest of ₹ 44.28 lakh @ 84.25 *per cent* under Section 30(3). The detailed calculation is at *Appendix 2.6*.

On this being pointed out, the JCST accepted (November 2023) the observation and stated that the revision order under section 25 was under progress.

Chapter III

Audit of Transactions: Subject Specific Compliance Audit

CHAPTER III

Audit of Transactions: Subject Specific Compliance Audit

GOODS AND SERVICES TAX DEPARTMENT

3.1 Subject Specific Compliance Audits on E-Way Bill System under GST

3.1.1 Introduction to E-Way Bills

Goods and Services Tax (GST), introduced with effect from 01 July 2017, ensured uniformity of tax structure throughout the country which facilitated hassle-free movement of goods across the States. E-Way Bill (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. EWB is conceived as a shift from Government-monitored tax administration model to a self-reporting model by the taxpayer.

EWB was introduced in Maharashtra State with effect from 01 April 2018 for all inter-state movement of goods having value exceeding ₹ 50,000. EWB was made mandatory for intra-state movement of goods with value exceeding ₹ 1,00,000 and was implemented from 01 July 2018.

3.1.2 Information Systems used for EWBs

The EWB Common portal was developed for uploading information on movement of goods in relation to supply or for reasons other than supply or due to inward supply from an unregistered person. The portal was developed and managed by National Informatics Centre (NIC) based in Karnataka.

The Proper Officers² can perform various functions *viz.* verification of EWBs, unblocking of EWBs, viewing and accessing MIS reports *etc.* by accessing the EWB Portal through two means:

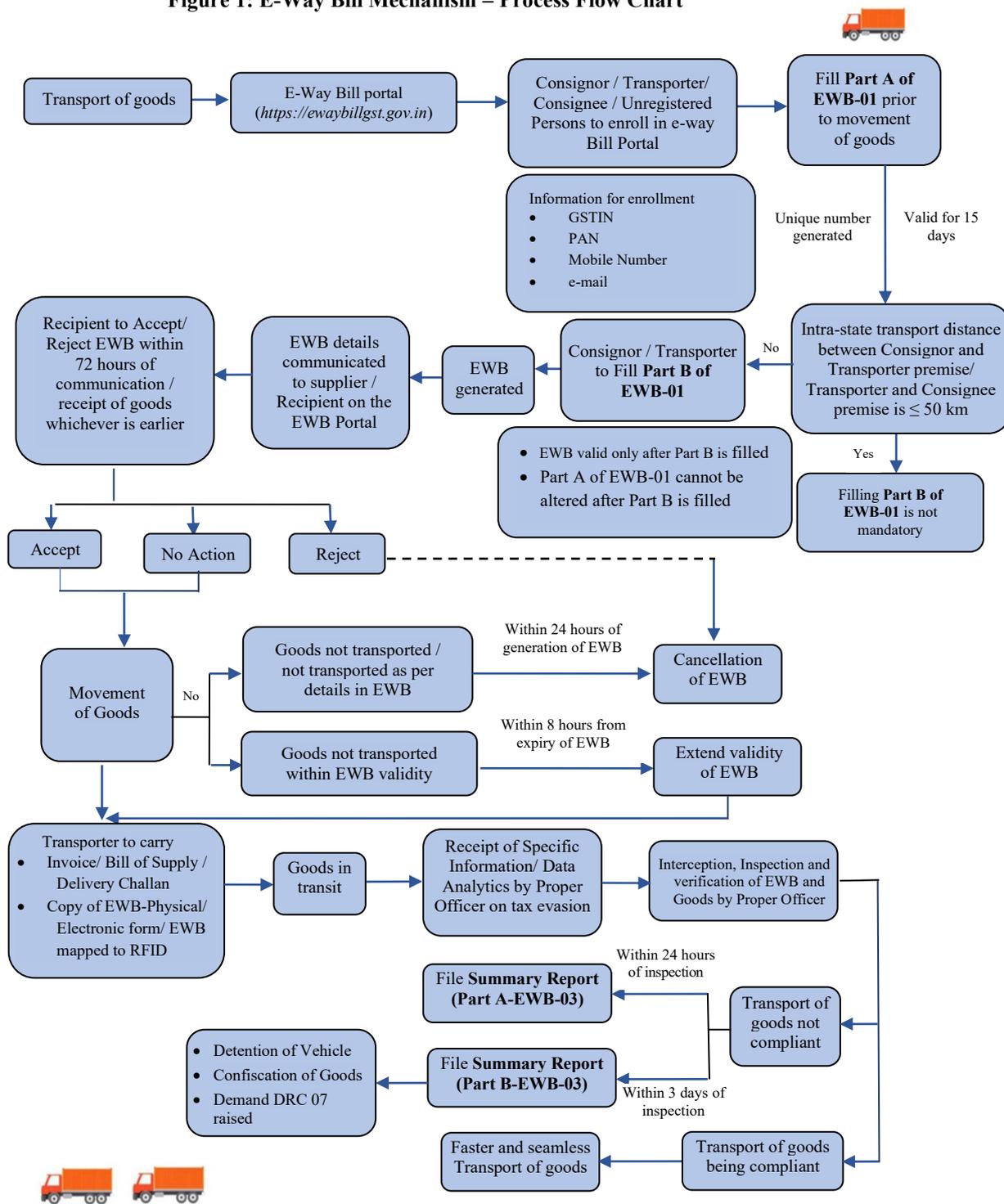
- (i) Logging into EWB Common Portal through a web browser using the login credentials provided or
- (ii) Logging into the GST EWB System Mobile App.

3.1.3 Process involved in the EWB System

Rule 138 of the Maharashtra Goods and Services Tax Rules (MGST Rules), 2017, (amended from time to time) provides for the EWB mechanism. The EWB system includes various processes such as the enrollment of the required persons in the portal, Generation of EWB, Extension, Cancellation and Rejection of the EWBs generated *etc.* The entire process flow of EWB system under GST is depicted in **Figure 1**.

² Proper Officer in relation to any function to be performed under the MGST Act, 2017 means the Commissioner or the officer of the State who is assigned that function by the Commissioner.

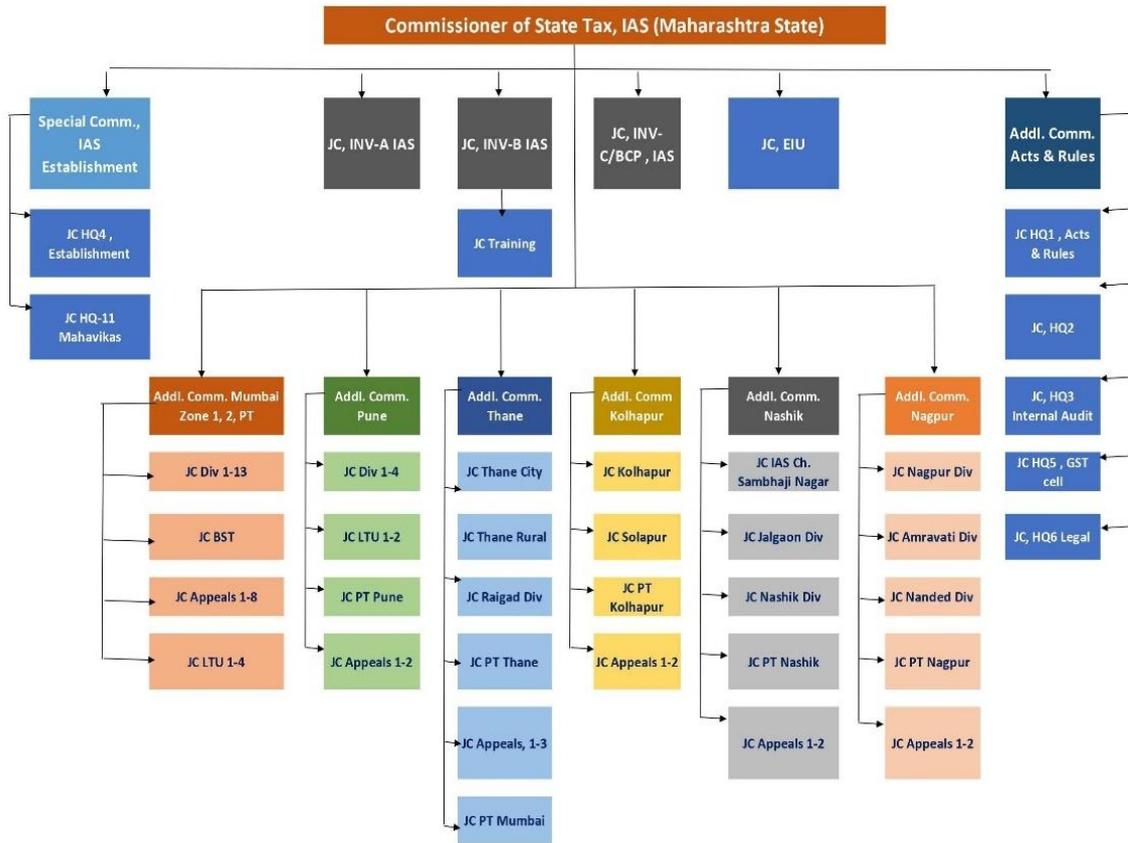
Figure 1: E-Way Bill Mechanism – Process Flow Chart



3.1.4 Organizational Structure of the Department

The Department of Goods and Services Tax function under the administrative control of the Additional Chief Secretary, Finance Department at Government level. The Commissioner of State Tax, Maharashtra State (CST) is the head of the Department. The organisational setup is depicted below in **Figure 2**:

Figure 2: Organizational Structure



(Source: mahagst.gov.in)

The CST, Maharashtra State is responsible for preparation of plan for taking the drives for interception activities in the State and the Joint Commissioner, Border Check Post (BCP) implements it. The work of interception at selected locations is carried out by field Joint Commissioner (JC) Offices by engaging the available staff in their offices.

3.1.5 Audit Objectives

This Subject Specific Compliance Audit (SSCA) was conducted with the following Audit Objectives:

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

3.1.6 Audit Criteria

The SSCA on EWB system under GST has been evaluated against the following audit criteria:

- Maharashtra Goods and Services Tax Act, 2017 (MGST Act),
- Maharashtra Goods and Services Tax Rules, 2017 (MGST Rules),
- Notifications / Circulars issued by Government of Maharashtra,
- Advisories / Standard Operating Procedures issued by NIC, CBIC and CST.

3.1.7 Audit Scope

EWB transactions of the persons registered in the EWB portal pertaining to the period between 1 April 2018 and 31 March 2022 were covered during the audit. EWB data generated for the audit period was extracted from Goods and Services Tax Network (GSTN) and analysed. Movements of conveyances by roadways alone had been considered for this audit. Railway/Airway/Seaway EWBs had been excluded from the scope of this audit.

The scope of audit also includes 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.

3.1.8 Audit Sampling and methodology

A problem-centric approach was attempted for this SSCA as EWB generation under GST is a necessary condition to precede any movement of goods subject to the threshold limit. A total of 160 EWBs pertaining to 51 taxpayers falling under 10 Divisions³ were taken as sample for Audit Objective-1. Wherever discrepancies were noticed within the selected sample of 51 taxpayers, all EWBs generated by these taxpayers were scrutinised to verify compliance.

Audit Objective-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, out of the 31 nodal offices under CST, Maharashtra, 20 *per cent* of the nodal offices *i.e.*, six offices⁴ were taken as sample using stratified sampling method. From the six nodal offices, out of 907 cases, booked by these offices during interception, 196 booked cases were taken for detailed audit using stratified sampling method⁵.

3.1.9 Acknowledgement

An Entry conference was held (February 2023) with the Secretary (Financial Reforms), Finance Department and Commissioner of State Tax in wherein the Audit objectives, and the sampling were discussed. The audit was conducted during June- December 2023. The Exit conference was conducted (June 2024) with the Secretary (Financial Reforms), Finance Department and Commissioner of State Tax in wherein the findings of the SSCA were discussed. The views/comments of the Department have been incorporated in the relevant paragraphs wherever applicable.

Audit acknowledges the cooperation and assistance extended by Secretary (Financial Reforms), Finance Department, Commissioner of State Tax and the Joint Commissioners of Divisions and field level functionaries during the course of the audit.

³ Mumbai LTU-1, Thane City, Thane Rural, Raigad, Nasik, Pune-1, Pune-4, Aurangabad, Kolhapur and Nagpur.

⁴ Mumbai Nodal-1, Mumbai Nodal-10, Thane City, Nasik, Pune-3 and Aurangabad.

⁵ 31 Division offices were arranged in descending order of number of interception cases and stratified into two taking median at number 16. Sample of three Divisions from top 15 and three Divisions from bottom 15 were selected. Intercepted cases in each Division were selected by using random sampling through IDEA Software.

Audit Findings

The Audit findings have been categorized into two perspectives viz. effectiveness of EWB system in protecting the revenue and the shortfalls noticed in the enforcement functions of the Department.

3.1.10 Audit Objective 1 — Whether EWB mechanism is effective in protecting revenue interest of the Government

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 their GST returns.

Substantive Audit⁶ was conducted in respect of 51 taxpayers by detailed examination of records for the year 2018-22 relating to these 51 taxpayers which brought the extent of deficiencies and consequent revenue impact as detailed in **Table-1**:

Table-1: Details of observations in sampled cases

Sl. No.	Nature of Observation	No. of taxpayers	Tax involved (₹ in crore)
1	Generation of EWBs by cancelled taxpayers	43	96.85
2	Generation of EWBs by the taxpayers who had filed Nil Returns	5	3.53
3	Generation of EWBs by Non-filers of GST returns	9	0.72
4	Generation of multiple EWBs on the strength of same invoice	7	0.14
5	Generation of EWBs for the transactions effected through invalid vehicles	4	2.36
6	Abnormally high value EWBs generated by the taxpayers	6	--
7	Non-receipt of goods by the consignee having same PAN number as consignor	8	1.56
8	Non/short creation of demand for tax and penalty during EWB verification	27	0.20
9	Delayed payment of tax and penalty to the Government account	5	0.05

The observations are discussed in detail in the following paragraphs.

3.1.10.1 Generation of EWBs by cancelled taxpayers

As per Section 29 of the MGST Act, the proper officer may, either on his own motion or on an application filed by the registered person cancel the registration from such date, including any retrospective date, as may deem fit, where the registered person has contravened provisions of the Act or has not filed returns for specified periods or the registration was obtained by means of fraud, willful misstatement or suppression of facts. The cancellation of registration under this section shall not affect the liability of the person to pay tax and other dues under this Act. Further, as per Rule 22(3) of MGST Rules, 2017, proper offices will notify the taxpayer, directing him to pay arrear of any tax, interest or penalty.

⁶ Substantive Audit is a scrutiny in detail of relevant records for cause analysis and to ascertain action required thereon.

Audit observed that out of 51 taxpayers, registrations of 43 taxpayers under 10 Divisions were cancelled, however, the taxpayers generated EWBs after date of cancellation, as detailed below:

(i) Out of 43 taxpayers, in case of 11 taxpayers registration was cancelled by the Department (in one case⁷, registration was cancelled on request made by the taxpayers while 10 registrations were cancelled *suo moto* by the proper officers due to reasons such as, failing to furnish returns for continuous six months or non-commencement of business or not conducting business from place of business). In all cases, registrations were cancelled from retrospective date ranging 8 months to 69 months from their date of registration. During this intervening period, the taxpayers were active and conducted business activity, as they generated EWB bills during these periods. These 11 taxpayers generated 132 EWBs having assessable value of ₹ 28.98 crore and ₹ 4.19 crore as tax liability (**Appendix 3.1.1**).

However, proper officers did not take cognizance of supply made during the intervening period and did not ascertain and demand tax payable by the taxpayer while cancelling the registration which resulted in non-recovery of tax of ₹ 4.19 crore along with applicable interest.

On being pointed out (July 2023 to September 2023) by Audit, the Department intimated (July 2023 to April 2024) that in two cases DRC 07 was issued while in another two cases notices under section 63 were issued. In one case, it was informed that audit observation was under examination. In six cases it was replied that since the registrations of taxpayers was cancelled, no ITC was passed.

One case is illustrated below:

Audit observed that a taxpayer, (GSTIN 27XXXXXXXXXX1ZP) under, VASAI-703 Charge⁸ in Thane Rural Division (new Division – Mira-Bhayander⁹) was cancelled on 12 April 2021 *ab initio w.e.f.* from 3 December 2020. The taxpayer had generated 20 EWBs in the months of December 2020 and January 2021 for movement of goods valued ₹ 13.49 crore with tax liability of ₹ 2.42 crore. The taxpayer also filed GSTR 3B and GSTR 1 for the month of December 2020. However, the proper officer did not take cognizance of EWBs generated during December 2020 to January 2021 and did not demand the tax arrears while issuing order of cancellation. Also, no action was taken for recovery of ITC from the recipients of the supplies from the taxpayer.

On being pointed out (August 2023), JC, Thane Rural stated (September 2023) that registration of the taxpayer was cancelled with retrospective effect and as the taxpayer did not file GSTR 1 and GSTR 3B, issue of reversal of ITC did not arise.

The reply is not entirely acceptable, as profile of the taxpayer on GST portal indicated that the taxpayer filed GSTR 3B and GSTR 1 for the month of December 2020. Also, the recipients could avail ITC on the basis of invoices

⁷ GST no. 27 XXXXXXXXXXXXX1ZP.

⁸ Charge is the smallest unit of administration in CST Department headed by State Tax Officer (STO).

⁹ Jurisdictional Division was changed due to restructuring of MGST Department in August 2024.

issued by the taxpayer and same need to be recovered from the recipient due to being ineligible ITC. The reply is silent on both these aspects.

Recommendation 1: Government may issue suitable instruction to the Departmental officer to take cognizance of supplies made by the taxpayers in case of retrospective cancellation and accordingly determine tax arrears and interest and raise the demand the same in the order of cancellation.

(ii) As per a circular¹⁰, issued (November 2019) by CST, Maharashtra, a taxpayer who issues invoice without actual supply of goods or services to pass on inadmissible ITC or who obtain registration by means of fraud, wilful misstatement or suppression of facts or obtain registration for fraudulent purposes, such taxpayers are termed as Non-Genuine Taxpayers (NGTP). The circular envisages that the nodal officers have to undertake verification of the taxpayers to identify NGTP. The details of taxpayers identified as NGTP are shared with Economic Intelligence Unit (EIU) which prepare the list of such NGTP and act as repository and send the list to Mahavikas¹¹ and Mahavikas will publish the list on MAHAGST portal¹². However, the original evidences shall remain in the custody of the nodal officer who shall take all actions as per law.

Out of 43 taxpayers, 32 taxpayers were identified as (NGTP)¹³ by the Department, citing various reasons and their registrations were cancelled *ab initio*. These taxpayers generated 3,577 EWBs for supplies worth ₹ 637.32 crore and tax liability of ₹ 92.66 crore after the date of cancellation of their registration (**Appendix 3.1.2**). However, ITC was not recovered from recipient of supplies from these taxpayers.

On being pointed out by Audit (July 2023 to September 2023), the Department replied (July 2023 to April 2024) that in 15 cases since the taxpayers were declared NGTP, no ITC was passed. The reply is not acceptable as declaration of NGTP does not prohibit availing of ITC by the recipients.

In five cases, it was stated that taxpayers' details were sent to EIU. The replies are silent about action taken for reversal of ITC.

In seven cases, it was stated that letters were sent to jurisdictional tax authorities for reversal of ITC. However, in all cases letters were issued after being pointed out by Audit.

In one case, it was replied that ITC will be blocked while in one other case it was stated that no ITC was passed on as no GSTR 1 was filed.

In three cases, no reply was given regarding reversal of credit from the recipients.

¹⁰ Internal circular 38A of 2019 dated 21 November 2019.

¹¹ Mahavikas – an acronym for Maharashtra Vikrikar Automation System which started from 2006, to help the dealer to get computerized TIN allotment letter under the erstwhile VAT regime. The same is being used for GST.

¹² This portal is designed to streamline the process of filing GST Returns and making payments for businesses in the State. The portal is integrated with the existing GSTN portal and allows businesses to track their GST filings and payments.

¹³ Person does not conduct any business from declared place of business; Registration obtained by means of fraud, wilful misstatement or suppression of facts; Taxpayer found Non-Functioning/Not Existing at the Principal Place of Business.

Further, out of 32 cases, in 12 cases, it was also stated that due to taxpayers being declared as NGTP, details of GSTR 1 and GSTR 3B were not available on BO portal¹⁴. The reply is not acceptable, as according to Circular *ibid* the nodal officer has to maintain all the information.

One case is illustrated below:

Audit observed that a taxpayer, (GSTIN no. 27XXXXXXXXXX1ZN) under Vasai-501 Charge in Thane Rural Division (new Division¹⁵ – Mira-Bhayander) was cancelled on 28 December 2021 *ab initio w.e.f.* from 26 November 2020 as the taxpayer was declared NGTP. The taxpayer had generated 294 EWBs in the months of January, June, July and October 2021 for movement of goods valued ₹ 120.30 crore with tax liability of ₹ 21.65 crore. The taxpayer also filed GSTR 3B between November 2020 and September 2021 for taxable value of goods ₹ 37.60 crore and tax liability of ₹ 6.76 crore. The taxpayer filed GSTR 1 for the months of December 2020, January, February, June, July, August and September 2021 as seen from tax profile on GST portal, but GSTR 1 returns could not be downloaded from BO portal of the Department, as the same were not available on BO portal. It was also observed that no action was taken for recovery of ITC from the recipients of the supplies from the taxpayer.

On being pointed out (August 2023), JC, Thane Rural stated (September 2023) that as the registration was cancelled *ab initio*, details on BO system were not available. It was also added that registration was cancelled *ab initio* and folder was sent to EIU for further necessary action. This action itself safeguarded the Government revenue.

The reply is not acceptable, as merely declaring a taxpayer NGTP does not safeguard the revenue, and the Department needs to take action to recover ITC from the recipients of supplies from the taxpayer. Also, data relating to NGTP should remain available on BO Portal to take appropriate action and proper monitoring of the case.

Government stated (July 2024) that the State had adopted a comprehensive approach in detection of fake entities and the process for recovery of ITC starts when a taxpayer is declared NGTP. It was added that department had initiated procedures to recover ITC passed by the NGTPs from the ultimate beneficiaries who had availed that ITC.

Recommendation 2: Government needs to issue suitable instructions to departmental officers for taking appropriate action to recover ITC from the ultimate recipients. Also, issue of non-availability of NGTP data on BO portal may be examined and suitable action taken.

3.1.10.2 Generation of EWBs by the taxpayers who had filed Nil returns

As per Section 37 of the MGST Act, 2017 read with Rule 59(1) of MGST Rules, 2017, regular taxpayers shall furnish the details of outward supplies in GSTR 1. Further, in accordance with Section 39 of the Act, *ibid*, they are required to furnish Return in GSTR 3B declaring the details of inward and

¹⁴ BO (Back Office) – Backend system used in GST department for all functional activities.

¹⁵ Jurisdictional Division was changed due to restructuring of the Department.

outward supplies of goods or services or both, input tax credit availed, tax payable, tax paid. Section 61 read with Section 63 of Act, *ibid*, mandates the Proper Officer for the scrutiny of returns and assesses the tax liability.

Audit observed that five taxpayers who had filed ‘NIL’ return during the audit period had generated 38 EWBs for movement of goods worth ₹ 24.38 crore having tax effect of ₹ 3.53 crore (**Appendix 3.1.3**). Thus, the taxpayers made supplies as evident from EWBs but filed ‘NIL’ returns which resulted in non-payment of tax of ₹ 3.53 crore which was recoverable with applicable interest.

On being pointed out (July 2023 to September 2023), the Department replied (August 2023 to April 2024) that in one case DRC 07 was issued and in another case best judgment assessment was done and DRC 14 was issued. In the remaining three cases, it was stated that since cancellation was made effective from retrospective date, no ITC was passed. However, no information was provided in these cases on action taken for recovery of tax and interest from these taxpayers.

One case is illustrated below:

The registration of a taxpayer (GSTIN no. 27XXXXXXXXXX1ZE) under Ghansoli-501 charge in Raigad Division was cancelled on 8 December 2020 *suo moto* from 15 February 2020 as the taxpayer was not available at the place of business. Audit observed that the taxpayer had generated 12 EWBs in April 2022 for movement of goods valued ₹ 12.02 crore with tax effect of ₹ 1.44 crore. As per the taxpayer’s profile on the GST portal, the taxpayer had filed GSTR 1 for the period April to August 2020 and GSTR 3B for the months from April to September 2020, but these returns could not be downloaded from BO portal of the Department, as the same were not available on BO portal. It was also observed that while issuing cancellation order, proper officer did not take cognizance of the EWBs generated and the sales shown in GSTR 1 and did not make demand of tax arrears from the taxpayer.

On being pointed out (August 2023), JC, Raigad stated (August 2023) that generation of EWBs by the taxpayer might have been done for passing of ITC, but as the registration was cancelled *ab initio*, ITC will not flow to the vendor. It was also stated that GSTR 1 and GSTR 3B could not be downloaded from BO portal.

Reply is not acceptable as *ab initio* cancellation of registration does not prevent flow of ITC to the recipients and the Department needs to take action to recover ITC from the recipients of supplies from the taxpayer.

3.1.10.3 Generation of EWBs and non-filing of GST Returns

Section 37 of the MGST Act, 2017, read with Rule 59(1) of MGST Rules, 2017, envisages that the details of all outward supplies in form GSTR 1 shall be furnished. Rule 138E of MGST Rules, 2017 restricts the generation of EWB in respect of a registered person who has not filed relevant GST Returns for prescribed consecutive period¹⁶. The auto-check functionality in this regard was enabled in EWB common portal with effect from December 2019.

¹⁶ Form GST-CMP-08 for 2 consecutive quarters in respect of persons paying tax under Section 10 of the MGST Act, *ibid*, and GSTR 3B for normal taxpayers for 2 consecutive tax periods as applicable.

Audit observed that nine taxpayers did not file returns for several months during the audit period despite generating EWBs during these months. These taxpayers generated 97 EWBs for transportation of goods worth ₹ 4.90 crore having tax effect of ₹ 0.72 crore though they did not file the requisite returns under MGST Act (*Appendix 3.1.4*).

On being pointed out (July 2023 to September 2023), the Department replied (July 2023 to April 2024) that in three cases DRC 07 was issued and in one case show cause notice under Section 63 was issued.

In five cases it was stated that the taxpayers had not filed GST returns and therefore no ITC was passed. Reply is not entirely relevant to the audit observation as the issue raised is about not filing GST returns and not discharging the tax liability on supplies made through EWBs.

Government stated (July 2024) that policy guidelines for follow up of return defaulters were in place for non-filer taxpayers with direction to pass non-filer assessment orders.

One case is illustrated below:

The registration of a taxpayer (GSTIN no.27XXXXXXXXXXXXXZ) in Bhayander East-702 charge under Thane Rural Division was cancelled on 25 November 2019 *suo moto* with effect from 1 August 2018 for not filing returns. Audit observed that as per the taxpayer's profile on GST portal, the taxpayer did not file GSTR 1 and GSTR 3B during the months from September 2018 to June 2019, though, the taxpayer had generated 38 EWBs for movement of goods valued ₹ 1.50 crore with tax effect of ₹ 0.18 crore, during these months.

However, the proper officer did not take cognizance of EWBs generated during September 2018 to June 2019 and did not demand tax arrears while issuing order of cancellation. Also, no action was taken for recovery of ITC from the recipients of the supplies from the taxpayer.

On being pointed out (August 2023), JC, Thane Rural stated (September 2023) that as the registration was cancelled retrospectively, the taxpayer generated EWBs up to the initiation of cancellation. However, the taxpayer has not filed GSTR 1 and GSTR 3B, hence, ITC was not available to the recipients. The reply was silent on demanding of tax arrears up to the date of cancellation.

3.1.10.4 Generation of multiple EWBs on the strength of same invoice

As per Rule 46 (b) of MGST Rules, 2017, a tax invoice shall be issued by the registered person containing consecutive serial number, not exceeding 16 characters, 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 and 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.

Audit observed that seven taxpayers used same invoice to generate multiple EWBs for movement of goods. The number of multiple EWBs ranged from

two to three EWBs on a single invoice. A total of 35 EWBs with assessable value of ₹ 1.01 crore with tax of ₹ 0.14 crore were generated using same invoices (*Appendix 3.1.5*).

This indicated lack of validation controls in the EWB Common Portal to restrict generation of multiple EWBs using single invoice numbers.

On being pointed out (June 2023 to September 2023), the Department replied (June 2023 to October 2023) that in two cases DRC 07 was issued, in one case notice under Section 63 was issued while in one case it was stated that due to system glitch, EWB was not visible on the system, hence, the taxpayer generated another bill. In one case it was stated that there is no mechanism to detect generation of multiple EWB.

Government stated (July 2024) that during initial period, very few validations were built in the system which is improving gradually. The same has been confirmed by NIC. The validation of multiple EWB is available now. Also, in the initial period, data entry errors happened as the taxpayers instead of selecting multi-vehicle mode of EWB opted normal mode while generating EWBs against single invoice but added that whenever any incidence of evasion of tax found, adjudication process would be initiated.

3.1.10.5 Generation of EWBs for the transactions effected through invalid vehicles

As per Rule 138(2) of the MGST Rules, where the goods are transported by the registered person as a consignor, whether in his own conveyance or a hired one or a public conveyance, by road, the said person shall generate the EWB in Form GST EWB 01 electronically on the common portal after furnishing information in Part-B of Form GST EWB 01. Where the goods are handed over to a transporter for transportation by road, the registered person shall furnish the information relating to the transporter on the common portal and the EWB shall be generated by the transporter on the said portal based on the information furnished by the registered person in Part-A of Form GST EWB 01. Vehicle number is required to be provided in Part-B of EWB 01.

Audit matched the vehicle details mentioned in Part-B of EWBs with VAHAN database of Ministry of Road Transport and Highways and observed that four taxpayers used two wheelers/surrendered vehicles to generate EWBs. The details are given in **Table-2**.

Table-2: EWB transactions effected through invalid vehicles

SI. No.	Division	GSTIN of the taxpayer	Nature of risky vehicle	No. of EWBs generated	Value of goods transported (₹ in lakh)	Tax effect (₹ in lakh)
1	Thane City	27XXXXXXXXXX1ZZ	Two-wheeler vehicle	1	12.15	1.85
2	Raigad	27XXXXXXXXXX 2ZF	Two-wheeler vehicles	2	345.96	75.68
3	Thane City	27XXXXXXXXXX 1ZH	Vehicle details not found in VAHAN database	1	1,034.55	157.81
4	Nashik	27XXXXXXXXXX 1ZL	Auto Rickshaw RC Surrendered	1	3.30	0.35
Total				5	1,395.96	235.69

On being pointed out (July 2023 to September 2023), the Department replied as follows:

- JC, Thane City stated (August 2023) that the taxpayer (GSTIN no. 27XXXXXXXXXX1ZZ) was indulged in bill trading without any supply of goods and services. Regarding other taxpayer (GSTIN no. 27XXXXXXXXXX1ZH), it was replied that the taxpayer showed sales to six taxpayers in 2018-19 of which four taxpayers were declared NGTP and ASMT 10 was issued for remaining two taxpayers intimating discrepancies in GST returns filed by taxpayers.
- JC Raigad stated (August 2023) that registration of the taxpayer (GSTIN no. 27XXXXXXXXXX2ZF) was cancelled *ab initio* hence no action was taken.
- JC, Nashik stated (September 2023) that there is no mechanism on portal to identify what type of vehicle is being mentioned for generating EWB and whether RC surrendered vehicle is being used for generating EWB. Hence, no action was taken.

Government in reply (July 2024) stated that three of the four taxpayers mentioned in table above were declared NGTP and that in case of one taxpayer (GSTIN 27XXXXXXXXXX1ZL) DRC 07 for recovery of dues of ₹ 6.01 lakh was issued in April 2024. It was also stated that earlier there was no linkage of EWB portal with VAHAN portal. Now, EWB system is linked with VAHAN portal and validation message about vehicle is displayed to the taxpayer when he enters invalid vehicle details.

Reply indicates that validation messages are displayed to the taxpayers only and the taxpayer may avoid the alert message and continue using invalid vehicles and therefore the benefit of such linkage between the VAHAN portal and EWB portal should be available to the proper officer as well.

Recommendation 3: Government may take action to flag messages/report for tax officers about use of invalid vehicles to generate EWBs.

3.1.10.6 Abnormally high value EWBs generated by the taxpayers

Through data analysis, Audit identified that six taxpayers who generated EWBs with abnormally very high assessable value *i.e.* value exceeding ₹ 10,000 crore (**Appendix 3.1.6**). In all cases, the value of EWB was more than the total supply for the month, as reported in GSTR 1 by the taxpayers.

One case is illustrated below:

A taxpayer (GSTIN 27XXXXXXXXXX1ZP) under Charge Bandra-West-506 in LTU-2, Mumbai Division (new Division- Bandra), generated one high value EWB for an amount of ₹ 39100.10 crore during November 2020, whereas, as per GSTR 1, sales during the month of November 2020 was only ₹ 119.10 crore.

On being pointed out by Audit (July 2023), the Government stated (July 2024) that in five cases, generation of high value EWBs was due to data entry mistakes while in one case, high value E-way bill was generated for testing

purpose of E-way Bill software. These data entry mistakes do not have revenue implications. It was also stated that now there is a validation on system to avoid such mistakes. However, details of validation controls introduced were not provided.

Audit is of the view that notwithstanding that there may be no revenue implication, abnormally high values will result in incorrect reporting of statistical data of supplies made and leading to unreliable data for planning and management of the EWB system.

3.1.10.7 Non-receipt of goods by the consignee having same PAN number as consigner

As per Sections 22 read with Section 24 and Section 25(6) of the MGST Act, 2017, a person liable for GST registration in multiple states can obtain multiple GST registrations with the same Permanent Account Number (PAN) in a state or union territory. As per Schedule I(2) of MGST Act, 2017, and Section 25 of the Act, *ibid*, any supply between different GST registrations having the same PAN should be treated as supply and be treated as distinct persons even when made without consideration.

Audit examined 18 EWBs generated by 18 taxpayers from outside Maharashtra state where supplies were made to the consignees in Maharashtra state having same PAN numbers and observed that out of these 18 cases, in seven cases, goods worth ₹ 10.59 crore having tax effect of ₹ 1.56 crore were not received in Maharashtra as seen from the consignee's GST return GSTR 2A (*Appendix 3.1.7*). Thus, genuineness of these seven EWBs could not be authenticated and discharge of tax liability of ₹ 1.56 crore could not be confirmed.

On being pointed out (July 2023), the Department in one case replied (December 2023) that the taxpayer made stock transfer from Odisha to Maharashtra. In another case it was stated (May 2024) that the material was transported from Kashmir to Maharashtra workshop, but ITC was not claimed while in one case it was stated (May 2024) that ASMT 10 had been issued to the taxpayer for scrutiny of returns. Replies for five cases were awaited (January 2025).

Government stated (July 2024) that all transactions of EWBs could not be directly linked to GSTR 1 and GSTR 2A. Many a times, taxpayer undertakes movement of machinery for repair job, from one factory to another, reported wrong GSTIN, taxpayer showing B2C transaction instead of B2B transaction, *etc.* and such EWBs need not be reported in GSTR 1.

The reply is not acceptable as in four cases, assessable value and tax liability was reported in EWBs while in three cases, assessable value was shown but tax liability was not shown, indicating that these were supplies made by distinct persons from one state to another. Department needs to examine these cases in detail to take suitable action for protection of revenue.

3.1.10.8 Discrepancies identified through analysis of data of EWBs

Audit analysed data on EWBs generated during the period April 2018 to March 2022 based on KPAs and observed that discrepancies in tax compliance by the taxpayers could be ascertained directly from certain KPAs. In addition

to the issues discussed in previous paragraphs, the data extracted under these KPAs were forwarded to the department for considering further course of remedial action and summary report on action taken was called for.

The details of these observations shared with the Department are shown in **Table-3** below:

Table-3: Details of Observations identified through data analysis

S. No.	Nature of observation	No. of taxpayers	No. of EWBs generated
1.	Generation of EWBs by Cancelled taxpayers	6078	130784
2.	Generation of EWBs by Non-filers of GST Returns	2976	28512
3.	Generation of duplicate EWBs using same Invoice	19259	88322
4.	Generation of Inter-State EWBs by Composition taxpayers	346	922
Total		28659	248540

On being pointed out (August 2023), the Department intimated that 880 cases were sent to jurisdictional authorities for verification. Out of these, replies were submitted (December 2023 to May 2024) in 290 cases. In 158 cases, notices under section 61 or 63 were issued. In 16 cases, DRC 07 were issued. In 17 cases, recovery amounting to ₹ 25.35 lakh was made. In 14 cases, it was stated that cancellation of the taxpayers' registrations were revoked and they filed all returns. In 85 cases, it was stated that the cases were closed due to being related to purchase return. In 590 cases, reply was awaited (**Appendix 3.1.8**).

In respect of the remaining cases, information on the appropriate action by the department was awaited (January 2025).

3.1.11 Audit Objective 2 — Effectiveness of the Preventive/ Enforcement activities of the Department in enforcing EWB provisions

Audit Objective 2 has been framed by evaluating the problems associated with enforcement/preventive activities – Operational Preparedness, Effectiveness of Anti-Evasion measures and Intra-Department and Inter-Department coordination. For this purpose, Audit selected a sample of 196 interception cases falling under six¹⁷ Joint Commissioner Offices. Audit noticed deficiencies and shortcomings in the interception activities relating to EWBs which are detailed in the following paragraphs:

3.1.11.1 Interception conducted by the Department

Maharashtra continues to report the highest GST collection in the country. The State's EWB generations are also the highest in the country. The State's position for EWB generation and its verification in interception drives from 2018-19 to 2021-22 is given in **Table-4**.

¹⁷ Mumbai Nodal-1, Mumbai Nodal-10, Thane City, Nasik, Pune-3 and Aurangabad.

Table-4: Information of EWB generation and interception of vehicles

Financial year	GST collection in Maharashtra (₹ in crore)	No. of EWBs generated (in crore)	No. Of Interception Drives conducted	No. of vehicles intercepted	No. of vehicles detained and penalised	Amount recovered (₹ in crore)
1	2	3	4	5	6	7
2018-19	1,70,292	6.44	6	38,450	530	12.12
2019-20	1,85,919	7.88	8	97,506	661	9.30
2020-21	1,65,197	7.47	3	2,75,018	294	4.35
2021-22	2,17,993	10.05	6	8,97,078	541	8.36
	7,39,402	31.84	23	13,08,052	2026	34.14

Source: (col. 2) - gst.gov.in/download/gst_statistics; (col. 3) - ewaybillgst.gov.in; (col 4 to 7): Data provided by the Department

3.1.11.2 Lack of Dedicated setup for enforcement activities

There is no dedicated preventive establishment within the GST Department under Government of Maharashtra for enforcement activities relating to EWB verification and supply of goods. JC, BCP under the CST is responsible for planning of interception drives in Maharashtra and the work of interception is carried out by engaging the available staff in the respective field JC. Audit further observed that a Committee was formed (June 2018) for re-organisation/ formation of branches/sections from the existing/new staff in GST Department in Maharashtra. The Committee submitted its report in November 2018 to Finance Department, Government of Maharashtra wherein it was recommended to form a new division for verification of EWBs. However, no action was taken to form the dedicated unit for EWB verification.

Government in exit conference stated (June 2024) that the Committee's recommendation was for overall increase in cadre. The drives are undertaken on the basis of leads of analysis or local inputs. The policy was changed recently which increased the number of interceptions by jurisdictional Divisions which will increase deterrence as well as collection of penalties.

3.1.11.3 Lack of dedicated patrol vehicles

Audit observed (February 2023) that there is no sanction for patrol/roving vehicles for use during the interception drive. Department intimated (March 2023) that the verifications were generally conducted using the vehicles hired at the JC at field level. During 2018-22, 92 vehicles were hired / requisitioned for interception on which an expenditure of ₹ 20.98 lakh was incurred.

Permanent dedicated vehicles for interception purposes may improve the effectiveness to surprise checks and interception based on intelligence information.

Recommendation 4: Government may consider maintaining dedicated vehicles for interception activities.

3.1.11.4 Usage of Analytical Reports and MIS Reports

NIC generates 102 types of Analytical Reports on EWB transactions and shares with the GST Department under Centre and State formations. From 1 January 2019, these analytical reports were accessible to GST authorities.

These reports assist them in increasing the efficiency and effectiveness of Officers by providing real time data for selected parameters and preventing them from doing mundane paper-based verification work, helps in checking tax evasion cases, provides information on rejected and cancelled EWBs, compare the non-filer list to catch the taxpayers, provides an outlook to the total number of inward/outward EWBs generated by any selected transporter within the chosen duration, *etc.*

Audit enquired (February 2023) about the utilization of these analytical reports for planning the interception drives.

The JC, BCP stated (March 2023) that analytical reports were not used for planning EWB interception drives. Government stated (July 2024) that MIS reports are used for identifying the potential defaulter for carrying out investigation at their premises. However, no documentary records were provided for use of MIS reports.

MIS reports are an important source of information giving potential cases of tax evasion. Using these reports can help the Proper Officers to get information on unregistered taxpayers, non-filers, tax evaders, rejected and cancelled EWBs, identify risky vehicles *etc.* and thereby increase their efficiency during interception drive.

Recommendation 5: Government needs to issue suitable instructions to Departmental officers for effective use of analytical reports of NIC on EWBs.

3.1.11.5 Scope limitation due to non-production of documents

Section 16 read with Section 18 (2) of the CAG's (Duties, Power and Conditions of Service) Act, 1971 imposes a statutory duty on Offices/Departments to comply with the requests for information in as complete as possible and with all reasonable expedition for audit of receipts.

In this regard, the Chairman, CBIC has also issued instructions vide Board's DO letter F. No. 232/Misc DAP/2018-CX-7 dated 26 April 2018 regarding cooperation with the CAG during audit by procuring and providing complete and comprehensive information.

As mentioned in paragraph 1.8, Audit selected 196 interception cases booked by the Department. Out of 196 cases, the Department did not produce records¹⁸ relating to interception of vehicles in 22 cases (*Appendix 3.1.9*). Due to non-production of records, Audit was not able to draw assurance on the effectiveness of the interception mechanism in these 22 cases.

The jurisdiction wise non-production of records is detailed in **Table-5**:

Table-5: Non production of records / No signature cases

Division	Total number of interception cases	Selected intercepted cases ¹⁹	Non-production of record of interception
Aurangabad	534	50	07
Thane city	150	50	07

¹⁸ MOV forms - These are different forms used by the intercepting officer to record statement of driver, for physical inspection of vehicle, detention, reporting, release of vehicle, etc.

¹⁹ In case of JCs, Nodal-1, Mumbai; Nodal-10, Mumbai and Pune-3 all intercepted cases were selected as the number was less than 50.

Division	Total number of interception cases	Selected intercepted cases ¹⁹	Non-production of record of interception
Nasik	177	50	03
Nodal-1, Mumbai	15	15	01
Nodal-10, Mumbai	05	05	02
Pune-3	26	26	02
Total	907	196	22

Due to non-production of some cases, Audit called for (December 2023) 17 additional cases from three Divisions, Aurangabad (seven cases), Thane City (seven cases) and Nashik (three cases) out of which seven cases relating to, Thane City Division were not produced.

Government stated (July 2024) that remaining records will be submitted in due course of time. However, records pertaining to remaining cases were not provided to audit till date (August 2025).

3.1.11.6 Non/Short creation of demand for tax and penalty during EWB verification

As per section 129 and 130 of MGST Act, 2017 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 shall be liable to detention or seizure and shall be released, on payment of the applicable tax and penalty equal to one hundred *per cent* of the tax payable on such goods (*w.e.f.* 1 January 2022) on payment of penalty equal to two hundred *per cent* of the tax payable on such goods).

CST, Mumbai issued Trade Circular No. 14T of 2018 dated 23 April 2018 describing the procedure for interception of conveyance. Form GST MOV-01 is issued during interception, if the conveyance user fails to produce the prescribed documents. Form GST MOV-02 is issued by the Proper Officer for physical verification of vehicle and reported in Form GST MOV-04. Where no discrepancies are found after inspection of goods and conveyance or the user pays the government tax and penalty, the Proper Officer shall issue release order in Form GST MOV-05. Further, the order in Form GST MOV-09 shall be uploaded in the common portal and the demand accrued from the proceedings shall be added in the electronic liability register. The payment made shall be adjusted by debiting the cash register and crediting liability register.

Audit scrutinised 184²⁰ booked cases under six Divisions and observed that in 21 cases, vehicles were released on payment of tax and penalty of ₹ 17.03 lakh, however, no action was taken by the proper officer to raise demand on common portal (**Appendix 3.1.10**). Thus, amount paid during interception was credited to cash ledger of the taxpayers but same was not paid to Government due to non-creating of demand and adjusting the same from the cash ledger.

Further, in six cases there was short determination of tax and penalty due to incorrect application of tax rate or not demanding either tax or penalty by the

²⁰ 184(Total cases scrutinised)=196(selected cases) -22 (records not produced) + 10 (additional cases).

proper officer, amounting to ₹ 2.96 lakh (*Appendix 3.1.11*). The cases of non/short demand are detailed in **Table-6** below:

Table-6: Non creation of demand in liability register/Short demand

Division	No. of cases where demand was not created	No. of cases where short demand of tax/penalty was made	Total No. of cases	Amount (₹ in lakh)		
				Tax	Penalty	Total
Aurangabad	15	0	15	6.02	6.02	12.04
Pune-3	0	1	01	0.22	0	0.22
Nasik	4	2	06	2.22	2.22	4.44
Nodal-1, Mumbai	2	2	04	1.51	1.51	3.02
Thane City	0	1	01	0.27	0.00	0.27
Total	21	6	27	10.24	9.75	19.99

One case is illustrated below:

A vehicle no. MH13-AX-#### was intercepted on 12 June 2019 by the proper officer of Aurangabad Division. The case was booked for not carrying EWB for the supply of metal scrap. The taxpayer was penalised with tax of ₹ 1.01 lakh, and equal penalty of ₹ 1.01 lakh. The taxpayer deposited the amount which was credited in electronic cash ledger but demand for the same was not created which resulted in non-payment of ₹ 2.02 lakh to the Government.

On being pointed out (August 2023), AC, Aurangabad replied (November 2023) that at the time of interception drive, the taxpayer submitted payment receipt (Challan), hence, vehicle was released.

The reply is not acceptable, as the proper officer should have created the demand and adjusted the same.

The Government stated (July 2024) that out of 27 cases, in 21 cases recovery of tax and penalty was made by concerned field officers while explanation in case of remaining cases was called for.

3.1.11.7 Delayed payment of tax and penalty to the Government account

Trade Circular No. 14T of 2018 dated 23 April 2018 states that the proper officer, after payment of tax and penalty, shall release the vehicle and shall upload the MOV-09 form on the portal. The demand accruing from the proceeding shall be added to liability register and then adjusted by debiting cash ledger and crediting liability ledger.

Audit observed that out of 184 cases, in five cases, intercepted vehicles were released on deposit of amount by the taxpayers without ensuring payment of the tax/penalty to the Government account. In these cases (*Appendix 3.1.12*), amount of tax/penalty was paid to Government account (on filing of DRC 03 by the taxpayers) with delay ranging 10 to 372 days, as detailed in **Table-7** below:

Table-7: Delayed payment of tax and penalty to Government account

Name of Division	No. of intercepted cases	Range of delay in days	Tax and penalty demanded (in lakh)
Pune-03	3	10 to 327	3.89
Aurangabad	2	26 to 27	1.06
Total	5		4.95

One case is illustrated below:

A vehicle number MH-7-AJ-##### was intercepted on 30 January 2021 by the proper officer of Pune-3 Division for not carrying EWB. The vehicle was released on the same day on payment of tax of ₹ 0.59 lakh and equal penalty of ₹ 0.59 lakh. However, the amount was only credited to electronic cash ledger²¹ of the taxpayer on 30 January 2021 but the same was paid to the Government account on 23 December 2021 with delay of 327 days, when DRC 03 was filed by the taxpayer.

The matter was pointed out in August 2023. Reply of the Department was awaited (January 2025).

Government stated (July 2024) that in most of the cases, deposit of penalty amount in cash ledger was confirmed before release of vehicles and that debit to Cash Ledger by DRC 03 remained a technical matter.

The reply is not acceptable as credit to cash ledger results in amount paid to taxpayers account and not to the Government account. Unless the demand is created by debiting liability ledger and adjusting the same from cash ledger, amount is not credited to Government account.

Recommendation 6: Government may consider training for the departmental officers and reiterating instructions about the proper procedure of creating demand of tax and penalty during interception and payment of the same to government account by adjustment of liability and cash ledgers.

3.1.12 Conclusion

During the audit of EWB System under GST, Audit observed deficiencies in effectiveness of EWB system and noticed instances of taxpayers generating EWB after the cancellation of registration, taxpayers generating EWBs but filing nil returns, EWBs generated but returns not filed by the taxpayers, taxpayers using single invoice for generating multiple EWBs, Generation of EWBs using invalid vehicles and abnormal high value EWBs generated by the taxpayers.

In respect of preventive functions of the Department, Audit observed administrative deficiencies such as not having dedicated setup for verification of EWBs, insufficient patrolling vehicles, and insufficient use of analytical reports of NIC on EWBs. Audit also observed deficiencies in interception of

²¹ Electronic Cash Ledger is an account of the taxpayer maintained by GST system reflecting the cash deposits in recognized Banks and payments of taxes and other dues made by the taxpayer. The Tax Deducted at Source (TDS) and Tax Collected at Source (TCS) are also accounted for in the Electronic Cash Ledger as cash deposits of the taxpayer.

vehicles by the Department, involving non/short creation of demand and delayed payment of tax and penalty to the Government account.

3.1.13 Summary of Recommendations

- 1) Government may issue suitable instruction to the Departmental officer to take cognizance of supplies made by the taxpayers in case of retrospective cancellation and determine tax arrears and interest and demand the same in order of cancellation.*
- 2) Government needs to issue suitable instructions to departmental officers for taking appropriate action to recover ITC from the recipients. Also, issue of non-availability of NGTP data on BO portal may be examined and suitable action taken.*
- 3) Government may consider to flag messages/report for tax officers about use of invalid vehicles to generate EWBs.*
- 4) Government may consider maintaining dedicated vehicles for interception activities.*
- 5) Government needs to issue suitable instructions to Departmental officers for effective use of MIS reports.*
- 6) Government may consider training for the departmental officers and reiterating instructions about the proper procedure of creating demand of tax and penalty during interception and payment of the same to government account by adjustment of liability and cash ledgers.*

3.2 Department's Oversight on GST Payments and Returns Filing for the Year 2018-19 to 2020-21

3.2.1 Introduction

Introduction of GST has replaced multiple taxes levied and collected by the Centre and States. GST, which came into effect from 01 July 2017, is a destination-based consumption tax on the supply of goods or services or both levied on every value addition. The Centre and States simultaneously levy GST on a common tax base. 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.

Section 59 of the Maharashtra Goods and Services Tax Act, 2017 (MGST Act) 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 GST returns must be filed online regularly on the common GST portal, failing which penalties will be payable. Even if the business has no tax liability during a particular tax period, it must file a 'nil' return mandatorily. Further, Section 61 of the Act read with Rule 99 of MGST Rules stipulate that the Proper Officer may scrutinize the returns and related particulars furnished by taxpayers, communicate discrepancies to the taxpayers and seek an explanation.

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 Goods and Services Tax Department (Department), Maharashtra in this new tax regime.

3.2.2 Audit objectives

This audit was oriented towards deriving assurance on the adequacy and effectiveness of systems and procedures adopted by the Department with respect to tax compliance under GST regime. Audit of 'Department's oversight on GST Payments and Returns filing' 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 Proper Officer²¹ were adequate and effective.

3.2.3 Audit scope and methodology

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, Discharge of tax liability, Registration and Return filing. Such deviations were followed up through a centralized

²¹ Proper Officer in relation to any function to be performed under MGST Act means the Commissioner or the officer of the State Tax who is assigned that function by the Commissioner.

audit²², whereby these deviations were communicated to the relevant jurisdictional Proper Officers and action taken by the jurisdictional Proper Officer 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 jurisdictional field formations. Returns and related attached records and information were accessed through the Back End Services application - the back-end system of the State taxes department application, 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 field formations. Besides this, oversight functions of the departmental formation such as scrutiny of returns were also reviewed in selected charge²³ offices.

The scrutiny of returns by the Department and verification of taxpayers' records covered the period from April 2018 to March 2021 and the audit of the functions of selected charge offices covered the period 2020-21. The SSCA covered only the state administered taxpayers. The field audit was conducted from September 2023 to January 2024.

Entry conference of this SSCA was held on 28 August 2023 with the Secretary, Financial Reforms, Finance Department, Government of Maharashtra in which the audit objectives, sample selection, audit scope and methodology were discussed.

The Exit conference was held on 6 June 2025 wherein the audit observations were discussed with the Government. The replies of the Government have been incorporated in the Audit Report.

3.2.4 Audit sampling

A data-driven approach was adopted for planning, to determine the nature and extent of substantive audit. The sample for this SSCA comprised:

- (i) a sample of Charge offices for evaluating the oversight functions;
- (ii) a set of deviations identified through data analysis for centralised audit that did not involve field visits; and
- (iii) a sample of taxpayers for detailed audit that involved field visits and scrutiny of taxpayers' records at departmental premises.

Therefore, there were three distinct parts of this SSCA as detailed below:

Part I:- Audit of Charge Offices

Ten Charge offices²⁴, out of 77 charge offices, having jurisdiction over selected cases for detailed audit were considered as the sample for evaluation of their oversight functions.

²² Centralised Audit did not involve seeking taxpayer's granular records such as financial statements related ledger accounts, invoices, agreements etc.

²³ Charge office is the lowest level of department headed by Deputy Commissioner of State Tax/Assistant Commissioner of State Tax/State Tax Officer.

²⁴ Mumbai LTU-514, Mumbai LTU-520, Mumbai LTU-519, Marol-501, Mumbai LTU-537, Mumbai LTU-543, Mumbai LTU-512, Mumbai LTU-501, PEN-501 and Pune LTU-502.

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, a sample of 718 deviations pertaining to 362 taxpayers was selected for centralised audit.

Part III:- Detailed Audit

It was conducted by accessing taxpayers' records through charge offices for evaluation of the extent of tax compliance by the taxpayers. The sample of the taxpayers for detailed audit was selected based on risk parameters such as excess Input tax credit (ITC), tax liability mismatch, disproportionate exempted turnover to total turnover and irregular ITC reversal. The 100 taxpayers selected for detailed audit comprised large²⁵, medium²⁶ and small²⁷ strata taxpayers as well as taxpayers selected randomly.

3.2.5 Audit criteria

The sources of audit criteria comprised the provisions contained in the MGST Act, IGST Act and Rules made thereunder. The significant provisions are given in **Table 8**:

Table 8: Sources of audit criteria

Sl. No.	Subject	Act and Rules
1	Levy and collection	Section 9 of MGST Act
2	Reverse Charge Mechanism	Section 9(3) of MGST Act and Section 5 (3) of IGST Act
3	Availing and utilizing ITC	Section 16 to 21 of MGST Act; Rules 36 to 45 of MGST Rules
4	Registrations	Section 22 to 25 of MGST Act; Rules 8 to 26 of MGST Rules
5	Supplies	Section 7 and 8 of MGST Act. Schedule I, II and III of MGST Act.
6	Place of supply	Section 10 to 13 of IGST Act
7	Time of Supply	Section 12 to 14 of MGST Act
8	Valuation of supplies	Section 15 of MGST Act; Rules 27 to 34 of MGST Rules
9	Payment of Tax	Sections 49 to 53 of MGST Act; Rules 85 to 88A of MGST Rules
10	Filing of GST Returns	Sections 37 to 47 of MGST Act; Rules 59 to 68 and 80 to 81 of MGST Rules prescribes format of returns
11	Zero-rated supplies	Section 8 of IGST Act
12	Assessment and Audit functions	Sections 61, 62, 65 and 66 of MGST Act; Rules 99 to 102 of MGST Rules.

Source: MGST Act 2017, (MGST Act), MGST Rules, 2017 (MGST Rules), IGST Act, 2017 (IGST Act), IGST Rules, 2017 (IGST Rules)

²⁵ First category strata comprising large taxpayers: top 0.25 per cent of taxpayers based on turnover (L1 category) and second category comprising 0.25 per cent of next set of large taxpayers based on turnover (L2 category).

²⁶ Second category strata comprising medium taxpayers: taxpayers with a turnover of ₹ 10 crore or more.

²⁷ Third category strata comprising small taxpayers: taxpayers with a turnover between ₹ 5 crore and ₹ 10 crore.

3.2.6 Audit findings

The audit findings are categorized into the following three categories:

- a. Audit of Charges
- b. Centralised Audit
- c. Detailed Audit

3.2.7 Audit of Charge Offices

3.2.7.1 Non-conduct of scrutiny of returns

As per Section 61 of the MGST 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 any discrepancies or inconsistencies reflected in the returns. Further, Rule 99 of MGST Rules mandates that the discrepancies, if any, noticed shall be communicated to the taxpayer to seek his explanation.

As per Section 73(10) of MGST Act, the proper officer shall issue the order for determining the tax not paid or short paid or input tax credit wrongly availed or utilised within three years from the due date for furnishing of annual return for the financial year.

Department issued an internal circular²⁸ for scrutiny in June 2021 which envisages that cases shall be selected by Economic Intelligence Unit (EIU) based on risk parameters and will be circulated to Divisions who will circulate the cases to nodal officer for scrutiny.

Audit observed, from the information furnished by selected 10 charges, that in nine²⁹ charges, no scrutiny of taxpayers' returns was carried out during 2020-21 and in one³⁰ charge, scrutiny of only one taxpayer was done (*Appendix 3.2.1*).

Regarding not conducting scrutiny, Mumbai LTU-514 Charge stated (January 2024) that it was the initial period of the implementation of GST Act and the department was new to GST laws. Department was busy in disposing of pending works related to VAT and list of selected taxpayers for scrutiny was received from EIU in April 2021 for assessment year 2017-18. Marol-501 charge stated (June 2024) that EIU allotted cases for scrutiny for the period 2017-18 to 2021-22 after FY 2021-22 only hence no scrutiny was conducted during 2020-21. Remaining seven charges stated (January 2024 and July 2024) that no cases were received from EIU for scrutiny in 2020-21.

The information was also requested from the Commissioner, but no information was received.

²⁸ Internal circular no.6A of 2021 issued by Commissioner dated 11 June 2021.

²⁹ Marol-501, Mumbai LTU-519, Mumbai LTU-512, Mumbai LTU-501, PEN-501, PUN LTU-502, Mumbai LTU-514, Mumbai LTU-20 and Mumbai LTU-537.

³⁰ Mumbai LTU-543.

On being pointed out to the Government (February 2025), the Commissioner stated (June 2025) that cases are selected for scrutiny based on analysis of annual returns. The dates of filing annual returns for the years 2017-18 to 2019-20 were 7 February 2020, 31 December 2020 and 31 March 2021 respectively. Analysis of cases for scrutiny was started centrally. In 10 charges, 1384 cases have been taken up for scrutiny covering all financial years from 2017-18 to 2021-22 and adjudication, if any, required in these cases had also been completed within statutory time frame. The scrutiny might not have been done in the year 2020-21 but was done subsequently as per the norms decided by the Department.

3.2.7.2 Non-conduct of Audit by Charge Offices

As per Section 65 of MGST Act, 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 Act, 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 input tax credit availed, and to assess his compliance with the provisions of this Act or the Rules made thereunder.

Department issued an internal circular³¹ detailing the process and function for conducting audit. The circular envisages the process on receipt of cases for audit from EIU through the respective locational or nodal Joint Commissioners office.

Audit noticed from the information furnished by the selected 10 charges that nine charges did not conduct any audit in the year 2020-21 and only one charge (Mumbai LTU-543) conducts audit of one taxpayer (*Appendix 3.2.2*).

In this context, Mumbai LTU-514 Charge stated (January 2024) that it was the initial period of the implementation of GST Act, and the department was new to GST laws. Department was busy in disposing of pending works related to VAT and list of selected taxpayers for audit was received from EIU in April 2021 for assessment year 2017-18. Marol-501 Charge stated (June 2024) that EIU allotted cases for GST audit for the period 2017-18 to 2021-22 after FY 2021-22 only hence no audit was conducted during 2020-21. Mumbai LTU-520 Charge stated (January 2024) that cases for audit were received in July 2022 onwards for the assessment years 2018-19 to 2020-21; and remaining six Charges stated (January and July 2024) that no cases were received for audit from EIU.

On being pointed out (February 2025), the Commissioner stated (June 2025) that in audit also, the same process as that of scrutiny is being followed. Cases are selected for Audit by way of data analysis after filing of annual returns. As per guidelines, up to one *per cent* of cases or of the total taxpayer base, should be selected for audit, which has been adhered to. The 10 charge offices have taken up audit of 622 cases covering all financial years from 2017-18 to 2021-22.

³¹ Internal circular no. 20A of 2020 issued by Commissioner dated 10 December 2020.

3.2.7.3 Delay in cancellation of registration

Section 29 of the MGST Act read with Rule 20 of the MGST Rules allows for cancellation of registration by the taxpayer in certain situations like closure of business, turnover falling below threshold for registration. The taxpayer applying for cancellation of registration should apply in the Form REG 16 on the GST common portal within a period of 30 days of the ‘occurrence of the event warranting the cancellation’.

Section 29 (2) of the MGST Act allows for *suo moto* cancellation of the registration of taxpayers by tax officers on the grounds of contravention of the provisions of Acts or Rules by the taxpayer.

Further, as per Rule 22(3) of MGST Rules, the cancellation order in the Form REG 19 has to be issued by the Proper Officer within 30 days from the date of taxpayer’s request and in case of *suo moto* cancellation from the date of reply to the Form REG 17, also notifying the taxable person to pay arrears of any tax, interest or penalty.

Audit observed that out of 10 selected Charge offices, in eight³² offices, 33³³ registrations were cancelled in 2020-21. Out of 33 cancellations, in 11 cases pertaining to five³⁴ charge offices, the cancellation was done with delay ranging from nine to 292 days as detailed in **Appendix 3.2.3**.

Audit also observed that in cancellation orders examined by Audit, tax arrears were not demanded in any of the cancellation orders.

On being pointed out (between October 2023 and January 2024), charge Pen-501 stated that due to covid situation, office was not working in full, hence there was delay of one month. Remaining charges did not give any reasons for the delay.

On being pointed out (February 2025), the Commissioner stated (June 2025) that in most cases of voluntary cancellation of Registration, the compliance from taxpayer’s side is very poor. Department also issued (February 2025) detailed guidelines on the procedure to be followed for cancellation and the manner of ascertainable liabilities to be included in the orders of cancellation.

One case is illustrated below:

Audit observed that in Marol-501 Charge under Andheri Division, the registration of a taxpayer, (GSTIN 27XXXXXXXXXX1ZA), who was registered under GST on 14 February 2020, was cancelled by the Charge office *suo moto* on 07 October 2021 with effect from 1 April 2020 as the taxpayer did not furnish returns for a continuous tax period of six months. Though notice should have been issued in August 2020, the show cause notice was issued after a delay of three months on 12 November 2020. No reply was submitted by the taxpayer. Hence, Charge officer should have cancelled the registration within one month from 12 November 2020. But the

³² Mumbai-LTU-514, Mumbai-LTU-520, Mumbai-LTU-519, Marol-501, Mumbai-LTU-537, Mumbai-LTU-543, Mumbai-LTU-501 and PEN-501.

³³ On application 27 cases and *suo moto* 6 cases. 26 cases were cancelled in 2020-21 while in 7 cases, applications for cancellation were received or notice for *suo moto* cancellation were issued in 2020-21 but cancellation was done in 2021-22.

³⁴ Mumbai-LTU-519, Marol-501, Mumbai-LTU-543, Mumbai-LTU-501 and PEN-501.

registration was cancelled on 07 October 2021 after a delay of more than nine months. Further, the Charge officer did not make any demand of tax arrears in the cancellation order. In the absence of details of the supplies made and tax paid, Audit could not verify the tax arrears recoverable from the taxpayer.

3.2.7.4 Inadequate follow up on non-filing of GSTR 10

As per Section 45 of the MGST Act, after cancellation of registration, every taxpayer has to file GSTR 10³⁵, the final return within three months of the effective date of cancellation or the date of order of cancellation, whichever is later.

As per Rule 68 of MGST Rules, a notice in Form GSTR 3A has to be issued to the taxpayers, where GSTR 10 has not been filed. If the taxpayer still fails to file the final return within 15 days of the receipt of notice, then the Charge Officer has to carry out best judgment assessments and an assessment order in ASMT 13 under Section 62 of the MGST Act shall be issued to the taxpayer.

Audit observed that in eight³⁶ out of 10 selected Charges, 26 cancellation orders were issued during 2020-21. Out of these, 15 taxpayers did not file GSTR 10 till January 2024. Out of the remaining 11 taxpayers filing GSTR 10, three taxpayers filed the return with delay ranging from 340 to 813 days (*Appendix 3.2.4*). However, the Charge Officers neither issued notice nor conducted best judgment assessments, resulting in non-recovery of revenue.

On being pointed out (between October 2023 and January 2024), Mumbai LTU-514 Charge stated (January 2024) that GSTR 3A was not issued as the taxpayer had filed the return after the prescribed date by paying the late fee and there was no need to issue notice as the taxpayer had declared in its application for cancellation of registration, the closing stock and details of reversal of ITC on stock at the time of closure of business. The reply is not acceptable as the taxpayer filed GSTR 10 after 340 days of the due date and the Department should have initiated action after prescribed period of three months.

Mumbai LTU-520 Charge stated (January 2024) that the taxpayer has filed GSTR 3B and GSTR 1 for the tax period October 2020 on 10 December 2020. The reply, however, does not address the non-filing of GSTR 10 and follow up of the same.

Mumbai LTU-543 Charge stated (April 2025) that in one case (out of three cancellations pertaining to the charge office), GSTR 3A was issued on 15 April 2025. Reply indicated that GSTR 3A was issued not only after more than four years from the due date but also after more than one year and four months from the date of issue being pointed out by Audit. In respect of two cases, no reply was given.

³⁵ GSTR 10 is the final return containing details of inputs held in stocks, inputs contained in semi finished or finished goods and goods on which ITC is required to be reversed and amount to tax payable and paid.

³⁶ Mumbai-LTU-514, Mumbai-LTU-520, Mumbai LTU-519, Marol-501, Mumbai LTU-537, Mumbai LTU-543, Mumbai-LTU-501 and PEN-501.

Four Charge offices³⁷ did not give reasons for not issuing GSTR 3A and best judgement assessment. Reply from Mumbai LTU-501 charge was awaited.

On being pointed out (February 2025), the Commissioner stated (June 2025) that in cases of cancellation on application, the taxpayer discharges such liability in REG 16 whereas in case of *suo moto* cancellations, there would not be liability in every cancelled taxpayer. Therefore, action is to be taken only in potentially risky cases. Department issued (February 2025) detailed guidelines on the procedure to be followed in cases of cancellation and the manner of determination of liabilities to be included in the orders of cancellation. The taxpayers have paid applicable late fees in cases where GSTR 10 was filed after due date. In rest of the cases, there is no potential liability on account of goods held in stock as the balance in Electronic Credit Ledger (ECL) is nil and there is no immediate financial implication.

Reply is not acceptable as ECL only indicates balance ITC and does not indicate the position of available stock. The circular (February 2025) also stipulates verification of stock before cancellation. Therefore, Department needs to verify stock in these cases and take action to recover ITC involved, if any.

One case is illustrated below:

Audit observed that in Marol-501 Charge under Andheri Division, the registration of a taxpayer (GSTIN 27XXXXXXXXXX1Z5), who was registered under GST on 31 October 2019, was cancelled by the charge office on 09 October 2020 with effect from 01 February 2020 on the request (13 September 2020) of the taxpayer. After cancellation of registration taxpayer was required to file GSTR 10 within three months *i.e.* by 07 January 2021. But the taxpayer did not file GSTR 10 till date and no action to issue notice and best judgement assessment was taken by the Charge officer.

The matter was pointed out in October 2023, the reply was awaited (July 2025).

3.2.8 Centralised Audit

Audit analyzed GST returns data pertaining to 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 categorized into two domains - ITC and Tax payments.

³⁷ Mumbai LTU-519, Marol-501, Mumbai LTU-537 and PEN-501.

Out of the 15 prescribed GST returns³⁸, 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 credits and debits in the Electronic Credit Ledger and debits in Electronic Cash Ledger.
- GSTR 6: Monthly return for Input Service Distributors 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.
- GSTR 9C: Annual audit form for all taxpayers having a turnover above rupees five 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 (AFS).
- 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: 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.

³⁸ 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 data base 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).

The details of data analysis undertaken on the 15 identified parameters and impact thereon are given in **Table-9(a)** and **9(b)**.

Table-9(a): Data analysis summary of sampled cases of Maharashtra State (ITC and Tax payment mismatches)

Sr. No.	Algorithm used	Risk pursued
Mismatch in availing of ITC/ Tax payment		
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	ITC availed through Table 4 of GSTR 3Bs pertaining to period 2018-19 to 2020-21 filed after October of the following year.	ITC availed in GSTR 3B filed after the cut-off period.
4	RCM payments in GSTR 9 Table 4G (tax payable) were compared with ITC availed in GSTR 9 Table 6C, 6D and 6F (ITC availed). In cases where GSTR 9 was not available, RCM payment in GSTR 3B Table 3.1(d) was compared with GSTR 3B 4(A)(2) and 4A(3). Greater differences in GSTR 9 and GSTR 3B considered where both were available.	Short payment of tax under RCM versus ITC availed in GSTR 3B/ GSTR 9.
5	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.
6	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.
7	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.
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	Unsettled liabilities (Mismatch in tax liability and tax

Sr. No.	Algorithm used	Risk pursued
	available, GSTR 3B tax paid was compared with GSTR 1 liability.	payment).
9	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 was available.
10	Interest calculated at the rate of 18 <i>per cent</i> on cash portion of tax payment on delayed filing of GSTR 3B <i>vis-a-vis</i> interest declared in GSTR 3B.	Non/Short payment of interest.
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 scheme tax payer.
12	Taxpayers who have cancelled their registrations and re-registered with same PAN again under composition, whenever their turnover was close to or just crossed the thresholds of one crore in 2018-19 and 1.5 crore in 2019-20.	Composition levy scheme taxpayers not migrating to normal levy (canceling and re-registering).

Table-9(b): Data analysis summary of sampled cases of Maharashtra State (Turnover mismatch)

Sr. No.	Algorithm used	Risk pursued
Turnover mismatch in Annual Return and Financial Statements		
1	Negative figure in GSTR 9C Table 7G and examination of reasons provided in Table 8 for mismatch.	Mismatch in taxable turnover declared in Table 7G of GSTR 9C.
2	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	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.

3.2.8.1 Non-submission of reply by the department

Audit selected a sample of 718 deviations which pertained to 362 taxpayers from amongst the top deviations/ inconsistencies in each of the 15 parameters for the year 2018-19 to 2020-21. The audit queries were issued to the respective Charges during July - September 2023 without further scrutiny of taxpayers' records. The audit checks in these cases were limited to verifying the Department's action on the identified deviations/mismatches.

Initial responses were yet to be received (July 2025), for 95 deviations out of 718 deviations communicated to the Department, which represents a potential risk exposure of ₹ 3,296.51 crore.

Considering that the overall rate of conversion of inconsistencies into compliance deviations is significant as brought out in the next paragraph, the department is required to expedite verification of these cases on priority.

On being pointed out (February 2025), the Government stated (June 2025) that replies have already been sent and only 61 cases are pending for which replies would be sent.

3.2.8.2 Result of Centralized Audit

Audit selected a sample of 718 cases from amongst the top deviations/inconsistencies in each of the 15 parameters for the period 2018-19 to 2020-21. The audit queries were issued to the respective charge offices between July 2023 and September 2023 without further scrutiny of taxpayer's records. The audit check in these cases was limited to verifying the Department's action on the identified deviations/mismatches. The Department provided responses in 623 cases.

Based on the responses received from the department to the audit queries, the extent to which each of the 15 parameters translated into compliance deviations are summarized in **Table-10(a)** and **10(b)**.

Table-10(a): Dimension-wise summary of deficiencies (ITC and Tax payment mismatches)

Dimension	Sample		Cases where reply received		Compliance deviations						Total		Department reply accepted by Audit						Deptt. furnished reply without appropriate documentary evidence		Deptt. Stated they are examining the Audit query											
	No.	Amt.	No.	Amt.	Accepted by Deptt. including cases where action is yet to be initiated		SCN (DRC 01) issued	No.	Amt.	ASMT 10/Action initiated	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.	No.	Amt.										
					No.	Amt.																	No.	Amt.								
1	2	3	4	5	6	7	8	9	10	11	12= (6+8 +10)	13= (7+9+11)	14	15	16	17	18	19	20	21	22	23										
ITC mismatch between GSTR 2A and GSTR 3B	94	5897.86	87	4570.46	17	352.30	2	44.31	8	252.89	27	649.50	4	246.04	13	911.52	34	2177.70	8	550.04	1	35.66										
ITC passed on without supplier remitting tax	41	2855.42	33	2508.93	5	31.89	1	0.25	2	23.50	8	55.64	0	0.00	6	55.31	17	2189.70	2	208.28	0	0.00										
ITC availed in GSTR 3B filed after the cut-off period	71	304.08	59	321.06	13	90.34	3	19.77	5	11.07	21	121.18	0	0.00	31	177.85	2	7.74	5	14.29	0	0.00										
Short payment of tax under RCM versus ITC availed in GSTR 3B/GSTR 9	51	824.62	46	716.50	1	0.48	0	0.00	2	14.09	3	14.57	14	377.17	6	98.74	23	226.02	0	0.00	0	0.00										
Mismatch in tax paid between books of accounts and returns	22	338.79	17	289.90	0	0.00	0	0.00	2	11.15	2	11.15	5	183.90	1	0.09	9	94.76	0	0.00	0	0.00										
Mismatch of ITC availed between Annual returns and Books of accounts	24	417.45	17	311.37	2	39.10	0	0.00	2	19.57	4	58.67	0	0.00	0	0.00	11	246.63	2	6.07	0	0.00										
Reconciliation between ITC availed in Annual returns with expenses in financial statements	24	1019.87	23	987.29	3	0.11	1	24.94	0	0.00	4	25.05	6	798.39	0	0.00	13	163.85	0	0.00	0	0.00										
Unsettled liabilities	33	389.03	28	345.40	4	17.45	0	0.00	1	0.19	5	17.64	2	19.06	11	131.05	8	140.14	2	37.51	0	0.00										
GSTR 3B was not filed but GSTR 1 was in available	66	220.01	53	203.66	12	62.04	2	1.31	3	7.07	17	70.42	0	0.00	26	109.35	4	12.53	6	11.36	0	0.00										
Non/short payment of interest	189	144.89	170	133.48	42	28.05	8	2.40	4	1.16	54	31.61	0	0.00	104	94.87	7	3.75	5	3.25	0	0.00										
Ineligible composition levy	2	38.00	2	38.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	2	38.00	0	0.00	0	0.00										
Composition taxpayers not migrating to normal levy (Cancelling and re-registering)	3	NQ	3	NQ	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	0	0.00	3	NQ	0	0.00	0	0.00										
Total	620	12450.02	538	10426.05	99	621.76	17	92.98	29	340.69	145	1055.43	31	1624.56	198	1578.78	133	5300.82	30	830.80	1	35.66										

NQ: Not quantified, as turnover details could not be ascertained through data analysis

Table 10(b): Dimension-wise summary of deficiencies (Turnover mismatch)

Dimension	Sample		Cases where reply received		Compliance deviations						Total		Department reply accepted by Audit						Deptt. furnished reply without appropriate documentary evidence		Deptt. Stated they are examining the AQ	
	No.	Amt.	No	Amt.	Accepted by Deptt. including cases where action is yet to be initiated			ASMT 10/Action initiated			No	Amt.	Data entry errors		Action taken before Audit query		Other valid explanations		No	Amt.	No.	Amt.
					No.	Amt.	No.	Amt.	No.	Amt.			No.	Amt.	No.	Amt.	No.	Amt.				
1	2	3	4	5	6	7	8	9	10	11	12= (6+8+10)	13= (7+9+11)	14	15	16	17	18	19	20	21	22	23
Mismatch in taxable turnover declared in Table 7G of GSTR 9C	33	19521.08	30	18505.49	1	0.01	0	0.00	5	2697.45	6	2697.46	0	0.00	0	0.00	20	15166.41	4	641.62	0	0.00
Short payment of tax (TDS/TCS)	40	1173.37	33	901.13	1	16.32	0	0.00	2	31.38	3	47.70	2	11.66	5	176.44	22	664.06	1	1.27	0	0.00
Suppression of taxable value (Unbilled Revenue)	25	9661.20	22	8611.66	0	0.00	0	0.00	2	48.46	2	48.46	7	852.04	0	0.00	11	7487.38	2	223.78	0	0.00
Total	98	30355.65	85	28018.28	2	16.33	0	0.00	9	2777.29	11	2793.62	9	863.70	5	176.44	53	23317.85	7	866.67	0	0.00

Summary of Centralized Audit

(a) ITC and Tax payment mismatches

Audit noticed deviations from the provisions of the Act/Rule in 145 cases {Col. No. 12 of Table 10(a)} involving mismatch in ITC/Tax liability of ₹ 1055.43 crore (Col. No. 13) constituting 26.95 *per cent* of the 538 inconsistencies/mismatches (Table 10a) in data for which the Department provided responses, wherein, the Department issued notices/demand orders or recovered the amount. Relatively higher rates of deviations were noticed in non/short payment of interest, mismatch between GSTR 2A and GSTR 3B, ITC availed in GSTR 3B filed after the cut-off period and non-filing of GSTR 3B.

In 362 cases (Col. No. 14, 16 and 18), constituting 67.29 *per cent*, where the replies were acceptable to Audit, data entry errors by the taxpayers comprised 31 cases (Col. No. 14), the Department had proactively taken action in 198 cases (Col. No. 16) and 133 cases (Col. No. 18) had other valid explanations.

In 30 cases (Col. No. 20), constituting 5.58 *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. In the remaining one case (Col. No. 22) audit observation was under examination by the Department.

(b) Turnover mismatches

Audit also noticed compliance deviations emanating from turnover related mismatches (**Table 10b**), in 11 cases {(Col. No. 12) of Table 10(b)} of the 85 mismatches where the department provided responses. Of these, in 9 cases (Col. No. 10), constituting 10.59 *per cent* the Department had initiated/taken action on the audit observations. In 67 (78.82 *per cent*) cases (Col. No. 14, 16 and Col. No. 18) replies were acceptable to Audit. In seven cases (Col. No. 20), constituting 8.24 *per cent*, the Department had not provided relevant documents in support of their contention; hence reply could not be verified.

A few high value illustrative cases from each dimension are given below:

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

GSTR 2A is a purchase-related dynamic tax return which is automatically generated for each business by the GST portal, whereas GSTR 3B is a monthly return in which summary of outward supplies along with ITC declared and payment of tax are self-declared by the taxpayer.

In order to analyze the veracity of ITC utilization, relevant data were extracted from GSTR 3B and GSTR 2A for the period 2018-19 to 2020-21 and the ITC available as per suppliers' details was matched with the ITC credit availed 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) including 4 (D) blocked credits and subsequent years from Table 8C of GSTR 9.

Audit observed that in case of a taxpayer under Mumbai-LTU-1 Division (GSTIN 27XXXXXXXXXX3ZK), the ITC available as per GSTR 2A (MIS Summary) was ₹ 458.97 crore and ₹ 437.35 crore for the year 2019-20 and 2020-21 respectively and the ITC availed in GSTR 3B (including ITC availed in subsequent year in GSTR 9) was ₹ 601.27 crore and ₹ 606.03 crore respectively. This resulted in mismatch in availing of ITC amounting to ₹ 142.30 crore and ₹ 168.68 crore respectively, which was communicated to the Department (July 2023).

The Department stated (March 2025) that for the year 2019-20, summary of order in form DRC 07 was issued (August 2024) for ₹ 21.15 crore. For the year 2020-21, Audit of the taxpayer was conducted by the department and the taxpayer paid the mismatched liability of ₹ 0.24 crore with interest of ₹ 0.21 crore and penalty of ₹ 0.02 crore vide DRC 03 (February 2025).

(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 Act, the relevant data from GSTR 9 particularly pertaining to Table 8A of GSTR 9 was compared with the ITC data reflected in GSTR 2A. While GSTR 2A is generated based on the disclosures made by the suppliers in their GSTR 1, Table 8A of the GSTR 9 is auto-populated from Tables 3,4,5 and 6 of the GSTR 2A (Tables 3 and 5 of the old GSTR 2A format) and considers GSTR 2A as available on 31 October of the following financial year.

Audit observed that in case of a taxpayer under Mumbai-LTU-3 Division (GSTIN 27XXXXXXXXXX1ZL), the ITC available as per GSTR 2A (MIS Summary) was ₹ 641.08 crore and the ITC availed in Table 8A of GSTR 9 was ₹ 599.60 crore for years 2020-21. This resulted in mismatch of ITC between GSTR 2A and GSTR 9 return, amounting to ₹ 41.48 crore. This was communicated to the Department (September 2023).

The Department stated (April 2025) that DRC 07 was issued (January 2025) for ₹ 0.90 crore including interest and penalty.

(iii) ITC availed in GSTR 3B filed after the cut-off period

Section 39 of MGST Act provides for availment of ITC only till the due date of furnishing GSTR 3B for the month of September following the end of financial year to which such ITC pertains or furnishing of relevant annual return, whichever is earlier. Accordingly, if any GSTR 3B is furnished after such time ITC availed therein becomes inadmissible.

In order to review the extent of excess/irregular ITC availed on this account, instances of ITC availed through Table 4 of GSTR 3B pertaining to 2018-19, 2019-20 and 2020-21 filed by the taxpayer beyond the due dates of September GSTR 3B return of the following year, were identified.

Audit observed that in case of a taxpayer under Mumbai-LTU-2 Division (GSTIN 27XXXXXXXXXX1ZK), GSTR 3B for the month of March 2019, was filed belatedly in November 2019 and the ITC of ₹ 6.83 crore pertaining to year 2018-19 was availed after limitation period *i.e.* October 2019 which was communicated to the Department (July 2023).

The Department stated (February 2024) that DRC 07 of ₹ 6.83 crore was issued to the taxpayer (August 2023).

(iv) Short payment of tax under RCM versus ITC availed in GSTR 3B/GSTR 9

Under Reverse Charge Mechanism (RCM), the liability to pay tax is fixed on the recipient of supply of goods or services instead of the supplier or provider in respect of certain categories of goods or services or both under Section 9(3) or Section 9(4) of the MGST Act and under sub-section (3) or sub-section (4) of Section 5 of the IGST Act 2017.

In order to analyse the veracity of tax paid under RCM, the datasets in GSTR 3B and annual return GSTR 9 pertaining to RCM was compared to check whether the tax has been discharged fully on the activities/transactions under RCM. In cases where GSTR 9 was filed, the RCM payments in Table 4G was compared with ITC availed in Table 6C, 6D and 6F of GSTR 9. In cases where GSTR 9 was not available, RCM payments in GSTR 3B Table 3.1(d) were compared with GSTR 3B 4(A)(2) and 4A(3).

Audit observed that in case of a taxpayer, under Pune-LTU-2 (GSTIN 27XXXXXXXXXX1ZD), the ITC available for the year 2018-19 in the Table 4G of GSTR 9 was ₹ 12.77 crore and the ITC availed in Table 6C, 6D and 6F of GSTR 9 was ₹ 19.73 crore, resulting in mismatch of ITC of ₹ 6.96 crore which was communicated to the Department (July 2023).

The Department stated (March 2025) that DRC 07 for ₹ 0.48 crore including interest and penalty was issued to the taxpayer (March 2024). Further progress was awaited (July 2025).

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

In order to review the extent of identified mismatch in tax paid reported in the Annual Return *vis-à-vis* the Financial Statements, the relevant data points pertaining to Table 9 of the GSTR 9C reconciliation statement submitted by the taxpayer as required under rule 80(3) of MGST Rules for the years 2018-19 to 2020-21 was analyzed at data level.

Table 9R 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 MGST/IGST. There can also be situations wherein supplies/tax declared are reduced through amendments (net of debit notes/credit notes) in respect of the assessment year transactions carried out in the subsequent year from April to September. In order to rule out the possibility of incorrect disclosure of the tax paid amount in GSTR 9C, the amount was also compared with actual tax payment details in GSTR 9.

Audit observed that in case of a taxpayer under Mumbai-LTU-3 Division (GSTN 27XXXXXXXXXX1Z5), unreconciled payment of tax declared in Table 9R of GSTR 9C, was ₹ 11.15 crore and ₹ 0.19 lakh respectively for unsettled liabilities for the year 2019-20 and 2020-21, which was communicated to the Department (August 2023).

The Department stated (February 2024) that ADT 01 (notice for conduct of Audit) had been issued to the taxpayer (August 2023) for year 2019-20 and verification for the year 2020-21 was under process. Further progress was awaited (July 2025).

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

In order to review the extent of identified mismatch in ITC availed figures reported in the Annual Return *vis-à-vis* the Financial Statements, the relevant datapoints pertaining to Table 12 of the GSTR 9C, reconciliation statement submitted by the taxpayer as required under Rule 80(3) of MGST Rules for the years 2018-19 to 2020-21, was analyzed at data level.

Table 12F of form GSTR 9C captures the unreconciled ITC between the annual return GSTR 9 and that declared in the Financial Statements for the year after the requisite adjustments. Table 12 deals with three aspects of ITC, ITC accounted in the books of accounts (Booked), ITC claimed in returns/ECL (Availed) and ITC utilized for payment (Utilised). Though there is no restriction on utilizing the ITC, the GST law imposes a restriction on the time period to avail the ITC. The unreconciled amount in Table 12F where the ITC claimed in GSTR 9 is more than ITC availed in Financial Statements indicates excess availing of ITC. Since the taxpayer has been provided with an option not to fill the Table 12B to 12C of GSTR 9C, only those cases where at least there is one entry in Table 12B to 12E were considered.

Audit observed that in case of a taxpayer under Pune-LTU-1 Division (GSTIN 27XXXXXXXXXX1Z8), unreconciled ITC of ₹ 11.54 crore declared in Table 12F of GSTR 9C for the year 2019-20, being ITC availed in GST returns in excess of eligible ITC based on AFS, was noticed and communicated to the Department (July 2023).

The Department stated (February 2024) that ADT 01 had been issued (October 2023) and verification was in progress. Further progress was awaited (July 2025).

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

In order to review the extent of identified mismatch in ITC reported in the Annual Return *vis-à-vis* the Financial Statements, the relevant data points pertaining to Table 14 of the GSTR 9C for the years 2018-19 to 2020-21 was analyzed at data level. Since the taxpayer has been provided with an option not to disclose the granular details, only those cases where at least one of the expenses was declared in Table 14 had been considered.

GSTR 9C for the period 2018-19 to 2020-21 was analyzed at data level to review the extent of identified mismatch in ITC declared in the Annual Return with the expenses reported in the AFS.

Audit observed that in case of a taxpayer under Mumbai-LTU-1 Division (GSTIN 27XXXXXXXXXX1ZN), unreconciled ITC of ₹ 11.89 crore was declared in Table 14T of GSTR 9C for the year 2018-19 being the mismatch in ITC reported in the Annual Return *vis-à-vis* the AFS. This was communicated to the Department (July 2023).

The Department stated (February 2024) that the Show Cause Notice in form DRC 01 was issued (December 2023) for ₹ 24.94 crore including interest to the taxpayer. Further progress was awaited (July 2025).

(viii) Unsettled liabilities

In order to analyse the undischarged tax liability, relevant data were extracted from GSTR 1 and GSTR 9 for the years 2018-19 to 2020-21 and the tax payable in these returns was compared with the tax paid 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 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 6.1 minus Table 3.1(d) were taken into account.

Audit observed that in case of a taxpayer under Nashik Division (GSTIN 27XXXXXXXXXX1ZG), for the year 2018-19 and 2019-20, tax liability as per GSTR 1 was ₹ 36.20 crore and ₹ 17.90 crore while the tax liability as per GSTR 9 was ₹ 34.85 crore and ₹ 13.98 crore for the year 2018-19 and 2019-20 respectively. The greater liability was ₹ 36.20 crore and ₹ 17.90 crore as per GSTR 9. However, tax paid as per Table 9 of GSTR 9 was ₹ 32.50 crore and ₹ 8.81 crore for the year 2018-19 and 2019-20 respectively, resulting in mismatch between tax liability and tax payment of ₹ 3.70 crore and ₹ 9.09 crore respectively, which was communicated to the Department (July 2023).

The Department stated (February 2024) that DRC 07 was issued (September 2023) for ₹ 2.93 crore to the taxpayer for the year 2018-19 and DRC 07 was issued (October 2023) for ₹ 9.68 crore to the taxpayer for the year 2019-20.

(ix) GSTR 3B was not filed but GSTR 1 was available

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.

GSTR 3B return is the instrument through which the liability can be offset and ITC is credited in the ledger. It may also include cases of irregular passing on of ITC. At the data level, attempt was made to identify those taxpayers who have not filed GSTR 3B but have filed GSTR 1.

Audit observed that in case of a taxpayer under Thane Rural Division (GSTIN 27XXXXXXXXXX1ZG), did not file GSTR 3B in 2018-19 for four months³⁹, though GSTR 1 was filed for these months. The non-filing of the GSTR 3B and consequent non-discharge of tax liability of ₹ 11.57 crore was communicated to the Department (July 2023).

The Department stated (June 2025) that DRC 07 was issued (April 2024) for ₹ 29.05 crore to the taxpayer.

³⁹ December 2018, January 2019, February 2019 and March 2019.

(x) Non/Short payment of interest

Section 50 of the MGST Act stipulates that every person liable to pay tax in accordance with the provisions of this Act or the MGST Rules made thereunder 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 interest at the rate notified.

The extent of short payment of interest on account of delayed remittance of tax during 2018-19 to 2020-21 was identified through the tax paid details in GSTR 3B and the date of filing of the GSTR 3B. The due date of filing of GSTR 3B for the respective months (including any extension provided) and the actual date of filing of GSTR 3B was taken into account to calculate the interest liability and only the net tax liability (cash component) was considered to work out the interest payable.

All the relaxations, and reduced rate of interest extended to the taxpayer during the COVID -19 Phase I from January to April 2020 and Phase II for March 2021 returns were also considered while working out the interest component. The interest was worked out to the extent the records were made available to Audit. As for the supplies made prior to the tax period and declared in the return for the said tax period, the interest was to be discharged on the entire tax component. Due to the non-availability of such bifurcation, the interest on such supplies was also worked out on the cash component.

Audit observed that in case of a taxpayer under Pune-LTU-1 Division (GSTIN 27XXXXXXXXXX1ZO), non/short payment of interest amounting to ₹ 11.72 crore on account of delayed remittance of tax of ₹ 187.08 crore during the year 2018-19⁴⁰ was identified using the tax paid details in GSTR 3B and the date of delayed filing of the GSTR 3B with ranging from 24 to 201 days.

This was communicated to the Department (August 2023). The Department stated (April 2025) that DRC 07 was issued (April 2024) for ₹ 11.67 crore.

(xi) Mismatch in taxable turnover declared in Table 7G of GSTR 9C

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

GSTR 9C for the period 2018-19 to 2020-21 was analysed at data level to review the extent of identified mismatch in taxable turnover reported in the Annual Return *vis-à-vis* the AFS. The unreconciled amount in cases where the turnover in GSTR 9 was less than the AFS, indicated 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 under Raigad Division (GSTIN 27XXXXXXXXXX1Z4), the unreconciled deviation was ₹ 2012.65 crore, ₹ 205.23 crore and ₹ 209.97 crore respectively for the years 2018-19, 2019-20 and 2020-21 in Table 7G of GSTR 9C, which was communicated to the Department (July 2023).

⁴⁰ April 2018, May 2018, June 2018, July 2018, August 2018, September 2018 and October 2018.

The Department stated (August 2023) that taxpayers had been intimidated about the discrepancy and reply from the taxpayer was awaited. Further progress was awaited (July 2025).

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

Section 51 of MGST Act mandates all Government agencies 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 rupees two lakh and fifty thousand Section 52 of MGST Act mandates that every electronic commerce operator shall collect an amount calculated at such rate not exceeding one *per cent*, as may be notified by the Government on the recommendations of the Council, of the net value of taxable supplies made through it by other suppliers where the consideration with respect to such supplies is to be collected by the operator.

TDS⁴¹ and TCS⁴² details are declared in GSTR 7 and GSTR 8 by the deductors and auto-populated in GSTR 2A of the registered person towards TDS and TCS received. 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 GSTR 2A were identified.

Audit observed that in case of a taxpayer under Aurangabad Division (GSTIN 27XXXXXXXXXX1Z2), the taxable value declared on account of outward taxable supplies (other than zero rated, nil rated and exempted) in GSTR 3B was Nil. However, the net amount liable for TDS credit received was ₹ 106.54 crore for the year 2019-20⁴³ as verified from the GSTR 2A resulting in mismatch of tax payment on value of ₹ 106.54 crore which was communicated to the Department (July 2023).

The Department stated (May 2025) that DRC 07 was issued (August 2024) for ₹ 16.32 crore including interest and penalty.

3.2.9 Detailed Audit

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.

From an external audit perspective, audit is also focused on a data-driven risk-based approach. Thus, apart from identifying inconsistencies/deviations in GST returns through pan-Maharashtra data analysis, a detailed audit of GST returns was also conducted as a part of this SSCA. A risk-based sample of 100 taxpayers was selected for this part of the SSCA. The methodology adopted was to initially conduct a desk review of GST returns and Annual Financial Statements (AFS) 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.

Based on desk review results, a detailed audit was conducted in the field formations by requisitioning corresponding granular records of taxpayers such

⁴¹ TDS is the tax deducted at the source by the buyer while making payments to the supplier.

⁴² TCS is the tax collected at the source by e-commerce operators.

⁴³ April 2019, May 2019, June 2019, August 2019, September 2019, October 2019 and March 2020.

as financial ledgers, invoices *etc.*, to identify causative factors of the identified risks and to evaluate compliance by taxpayers.

Out of 100 sample taxpayers, in 38 taxpayers where records were produced, audit findings relating to GST returns filled by them disclosed compliance deviation in 20 cases with a revenue implication of ₹ 154.64 crore on account of non-payment of interest and misclassification of supply. This apart, mismatches in availing of ITC, discharge of tax liability and turnover were noticed in 119 cases involving mismatch of ₹ 6,666.10 crore, which are brought out below:

3.2.9.1 Scope limitation due to non-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. However, in 62 out of 100 selected cases, the Department did not produce the corresponding granular records such as invoices, financial accounts, *etc.* required for examining the causative factors for mismatches of ITC and tax liability. Audit requisitioned these granular records of the taxpayers through the respective Charges. The jurisdiction-wise non-production of records is summarized in *Appendix 3.2.5*.

Thus, due to non-production of records, Audit was constrained in the conduct of the detailed audit of deviations relating to discharge of tax liability and availment of ITC. These deviations, noticed from the returns filed by the taxpayers, are reported as 'Mismatch', in paragraphs 6.3.4 and 6.3.5.

On being pointed out to the Government (February 2025), the Government stated (June 2025) that compliances have been made for 50 cases shown as pending.

Reply is not tenable as only in seven cases partial records were provided. These few records were also submitted only after the completion of audit. Thus, Audit could not scrutinise the records.

3.2.9.2 Non-payment of interest by taxpayers

As per Section 50 (1) of MGST Act, every person, who is liable to pay tax in accordance with the provisions of this Act or the Rules made thereunder, but fails to pay the tax or any part thereof to the Government within the period prescribed, shall pay for the period for which the tax or any part thereof remains unpaid, on his own with interest at such rate, not exceeding eighteen *per cent*, as may be notified by the Government on the recommendations of the GST Council. As per notification⁴⁴ the rate of interest for delayed payment of tax is 18 *per cent*. A concession in the rate of interest was given for four months by two⁴⁵ notifications.

⁴⁴ Notification No. MGST-1017/C.R. 103(20)/Taxation-1 dated 29 June 2017.

⁴⁵ As per notification No. 51/2020 - State Tax dated 1 July 2020, rate of interest for February 2020 to April 2020 was nil for first 15 days and thereafter at the rate of 9 per cent for taxpayers having an aggregate turnover of more than ₹ 5 crore in the preceding financial year. For taxpayers having an aggregate turnover upto ₹ 5 crore, rate of interest was nil and 9 *per cent* subject to condition of notifications (Notification No. 51/2020 dated 1 July 2020).

As per notification No. 08/2021 - State Tax dated 6 May 2021, rate of interest for March 2021 was 9 *per cent* for first 15 days, and thereafter 18 *per cent* for taxpayers having an aggregate turnover of more than ₹ 5 crore in the preceding financial year. For taxpayers having an aggregate turnover of upto ₹ 5 crore, the rate of interest was nil for the first 15 days from the due date, 9 per cent for the next 15 days, and 18 *per cent* thereafter (Notification No. 8/2021 dated 6 May 2021).

Audit observed that out of 38 taxpayers, 19 taxpayers had filed their monthly GSTR 3B returns belatedly but the interest amounting to ₹ 1.04 crore was not paid (**Appendix 3.2.6**).

On being pointed out (September 2023 to January 2024), the Department reported recovery of ₹ 0.11 crore in eight⁴⁶ cases at the instance of audit. In five⁴⁷ cases, department issued DRC 01/DRC 07/ASMT 10 (notice intimating discrepancies). In remaining six⁴⁸ cases reply was awaited (June 2025).

One case is illustrated below:

A taxpayer (GSTIN 27XXXXXXXXXX1ZF) under Charge Mulund West-502 of Mulund Division had filed the monthly returns GSTR 3B for the financial year 2018-19, 2019-20 and 2020-21 belatedly in 34 out of 36 months and paid the tax dues in these returns by debiting the cash ledger in 25 months. However, the interest amounting to ₹ 55.79 lakh was not paid by the taxpayer.

This was pointed out in October 2023, but the reply from the department was awaited (July 2025).

3.2.9.3 Misclassification of supply

Section 8(a) of the MGST Act provides that the tax liability on a composite supply comprising two or more supplies, one of which is a principal supply, shall be treated as a supply of such principal supply and tax liability for entire supply would be same as principal supply. Section 2(30) defines “composite supply” as supply made by a taxable person to a recipient consisting of two or more taxable supplies of goods or services or both, or any combination thereof, which are naturally bundled and supplied in conjunction with each other in the ordinary course of business, one of which is a principal supply.

Audit observed (September 2023) that a taxpayer (GSTIN 27XXXXXXXXXX1Z9) falling under the Charge Mumbai-LTU-512 in Mumbai LTU-1 Division is engaged in supplying services of Storage Warehousing Services, Other Support Services and Goods Transport Agency (GTA). The taxpayer provided various services to the five companies of a Group. A sample contract between the taxpayer and one⁴⁹ of the companies revealed that the taxpayer agreed to provide services for receiving, storing the goods at warehouse and delivering the goods. The taxpayer charged the GST at 18 *per cent* on warehousing and other support services, but charged transport services at five *per cent*, declaring the same as GTA service. As the GTA was ancillary service to the principal service *i.e.* Storage Warehousing Service, tax was required to be charged at 18 *per cent* on entire component of services. This resulted in short discharge of tax of ₹ 153.60 crore as detailed **Table-11**.

⁴⁶ Sr. No. 2, 5, 6, 7, 8, 9, 11 and 12 of Appendix 3.2.6.

⁴⁷ Sr. No. 1, 4, 10, 15 and 18 of Appendix 3.2.6.

⁴⁸ Sr. No. 3, 13, 14, 16, 17 and 19 of Appendix 3.2.6.

⁴⁹ Company A.

Table-11: Misclassification of supply

(₹ in crore)

Trade name	Period	No. of Invoice	Taxable value	GST charged 5%	GST payable 18%	Short discharge of GST
Company A	2018-19 to 2020-21	17891	1020.33	51.02	183.64	132.62
Company B	2018-19 to 2020-21	89	16.78	0.82	3.02	2.20
Company C	2018-19 to 2020-21	30507	87.94	4.40	15.84	11.44
Company D	2018-19 to 2020-21	475	55.29	2.76	9.96	7.20
Company E	2018-19 to 2020-21	556	1.07	0.06	0.20	0.14
Total		49518	1181.41	59.06	212.66	153.60

On being pointed out (between September 2023 and October 2024), the Department stated (October 2024) that the taxpayer provides various services *i.e.* GTA, storage and warehousing and other support services to various customers and has executed separate agreements for each service with its customers. It further stated that warehouse services are incidental and ancillary to GTA services and GTA was the principal service.

The reply is not acceptable as there is no separate agreement for GTA services and warehouse services. As per the sample agreement between the taxpayer and the Company A, the principal service is warehouse service. Therefore, the services rendered by the taxpayer are in the nature of composite supply and GST is required to be charged at 18 *per cent* on all the services.

3.2.9.4 Mismatch in availing of ITC

Audit analysed GSTR 2A returns of selected taxpayers along with GSTR 3B, GSTR 9 and GSTR 9C returns filed by the taxpayers and noticed mismatches between ITC availed and ITC available under RCM, ISD, import of goods and all other ITC claimed in the returns. However, facts and figures of the returns could not be verified due to non-production of granular records like purchase invoices, purchase register and suppliers' ledger, ISD invoices, bills of entries *etc.* The details of mismatches of ITC noticed in returns are enumerated in **Table-12:**

Table-12: Mismatch in availing of ITC

(₹ in crore)

Sl. No.	Parameter	No. of cases	No. of Divisions	Amount of mismatch
1	Mismatch of ITC as per Table 8D of GSTR 9: Table-8D of GSTR 9 captures the difference between ITC available as per GSTR 2A and that of availed as per GSTR 3B with subsequent period's adjustments. The negative figure in table-8D of GSTR 9 indicates that ITC is availed in excess to eligible ITC (<i>Appendix 3.2.7</i>).	56	20	1062.42
2	Mismatch in reversal of ITC (Inputs/ Input services and Capital goods): The ITC attributable to exempted/Nil supplies was worked out from GSTR 9 and compared with reversal made in GSTR 9 (<i>Appendix 3.2.8</i>).	14	9	120.63
3	Mismatch in availment of ITC under RCM: ITC availed under RCM as per Table 6C+6D+6F of GSTR 9 was compared with the tax paid under RCM as per Table 6.1B of GSTR 3B (<i>Appendix 3.2.9</i>).	5	5	0.95

Sl. No.	Parameter	No. of cases	No. of Divisions	Amount of mismatch
4	Mismatch in availing of ITC distributed by Input Service Distributor (ISD): ITC availed in respect of ISD in Table 6G of GSTR 9 was compared with the ITC available on account of ISD in GSTR 2A (<i>Appendix 3.2.10</i>).	2	2	71.57
5	Mismatch in ITC availed between Annual returns and AFS: Table 12F of GSTR 9C captures the unreconciled ITC between ITC availed in GSTR 9 and ITC availed as per the audited Financial Statement. More ITC claimed in annual return (Table 12E of GSTR 9C) indicates excess availment of ITC (<i>Appendix 3.2.11</i>).	3	3	67.12
	Total	80		1322.69

The replies (between November 2023 and June 2025) of the Department in above mismatches were as under:

(1) Mismatch of ITC as per Table 8D of GSTR 9:

Out of 56 cases, replies were received in 33 cases. In six⁵⁰ cases, an amount of ₹ 1.68 crore was recovered vide DRC 03; in 12⁵¹ cases, DRC 07 was issued and in two⁵² cases, DRC 01 was issued; in one⁵³ case, ASMT 10 was issued; in one⁵⁴ case, the Department stated that taxpayer was selected for audit; and in one⁵⁵ case, the Department stated that the case was under examination. In three⁵⁶ cases, the Department gave reasons for mismatches but the same could not be verified due to not providing the supporting records. In seven⁵⁷ cases, the Department had taken part action for different years by way of issue of DRC 03/ DRC 07/ DRC 01/DRC 01A/ ASMT 10/ reversal of ITC/ initiation of audit *etc.* In remaining 23 cases, replies were awaited.

(2) Mismatch in reversal of ITC (Inputs/ Input services and Capital goods):

Out of 14 cases, reply was received in three cases. In one⁵⁸ case, the Department stated (May 2025) that the taxpayer paid ₹ 2.00 lakh through DRC 03 (August 2024). In one⁵⁹ case, the Department stated (May 2025) that DRC 01A has been issued (May 2025) to the taxpayer. In one⁶⁰ case, the Department stated that out of the total ITC available of ₹ 4,359.78 crore, taxpayer had reversed ITC of ₹ 4,278.13 crore and remaining credit of ₹ 81.66 crore was rightly availed. The reply could not be verified as supporting

⁵⁰ Serial Nos. 11, 12, 19, 21, 25 and 28 of Appendix 3.2.7

⁵¹ Serial Nos 1, 7, 8, 13, 15, 16, 26, 29, 37, 38, 41 and 54 of Appendix 3.2.7

⁵² Serial Nos. 4 and 23 of Appendix 3.2.7

⁵³ Serial No 10 of Appendix 3.2.7

⁵⁴ Serial No 2 of Appendix 3.2.7

⁵⁵ Serial No 24 of Appendix 3.2.7

⁵⁶ Serial Nos. 17, 18 and 20 of Appendix 3.2.7

⁵⁷ Serial Nos. 5, 22, 46, 47, 52, 53 and 56 of Appendix 3.2.7

⁵⁸ Serial No. 3 of Appendix 3.2.8

⁵⁹ Serial No. 8 of Appendix 3.2.8

⁶⁰ Serial No. 6 of Appendix 3.2.8

records indicating ITC required to be reversed were not provided to Audit. In remaining 11 cases, replies were awaited.

(3) Mismatch in availment of ITC under RCM:

Out of five cases, reply was received in two cases. In one case⁶¹, the excess ITC of ₹ 77.62 lakh had been paid by the taxpayer vide DRC 03 (December 2023). In the second case⁶², it was stated that as per reconciliation provided by the taxpayer total liability paid during the year 2018-19 to 2020-21 was ₹ 25.54 lakh whereas ITC under RCM taken was ₹ 24.49 lakh only. The reply could not be verified as year-wise figures provided by the Department did not match with figures of respective years in the returns. In remaining three cases, the replies were awaited.

(4) Mismatch in availing of ITC distributed by ISD:

In one⁶³ case, the Department stated (May 2025) that the DRC 07 has been issued for excess ITC of ₹ 13.83 lakh along with interest of ₹ 12.45 lakh for the year 2019-20 while there was no excess availment of ITC for the year 2020-21. However, out of mismatch of ₹ 32.53 crore for the year 2019-20, DRC 07 was issued for ₹ 13.83 lakh. No explanation / supporting documents were provided. In other case, the Department stated (November 2024) that DRC 07 had been issued (August 2024) for an amount of ₹ 8.31 crore.

(5) Mismatch in ITC availed between Annual returns and AFS:

Out of three cases, replies were received in two cases. In one case⁶⁴, the Department stated (January 2024) that DRC 07 had been issued (August 2024) for ₹ 2.67 lakh including interest and penalty. In other case⁶⁵, the Department stated (April 2025) that audit of the taxpayer was conducted and DRC 07 was issued (April 2024) to the taxpayer. The reply was not tenable as the DRC 07 did not cover the issue raised by Audit.

3.2.9.5 Mismatch in discharge of tax liability

The taxable event in the case of GST is the supply of goods and/or services. Section 9 of the MGST Act is the charging section authorizing levy and collection of tax called Central/State Goods and Services Tax 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 and MGST Act. Section 5 of the IGST vests levy and collection of IGST on interstate supply of goods and services with Central Government with maximum rate of 40 *per cent*. Section 9(4) of the MGST 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.

⁶¹ Serial No 5 of Appendix 3.2.9

⁶² Serial No. 1 of Appendix 3.2.9

⁶³ Serial No. 1 of Appendix 3.2.10

⁶⁴ Serial No 1 of Appendix 3.2.11

⁶⁵ Serial No 2 of Appendix 3.2.11

Audit scrutinized GSTR 1, GSTR 3B and GSTR 9 returns filed by the taxpayers and noticed mismatch between tax liability and payment of tax by comparing the tax liability disclosed by the taxpayers and tax paid. However, facts and figures of the returns could not be verified due to non-production of granular records like invoices for outward supplies, debit and credit notes issued, details of supplies on which tax paid on reverse charge mechanism, documents related to export, exempted supplies *etc.* The details of mismatches of tax liability and tax payment, noticed from returns, are provided in **Table-13**.

Table-13: Mismatch related to discharge of tax liability.

(₹ in crore)				
Sr. No.	Parameter	No. of cases	No. of Divisions	Amount of mismatch
1	Mismatch in turnover between Annual return and AFS Negative figure in Table-7G of GSTR 9C captures unreconciled taxable turnover between annual return and AFS.	1 ⁶⁶	1	16.56
2	Un-discharged tax liability: Tax payable in GSTR 9 (Tables 5N + 10 -11 of GSTR 9 was compared with the tax paid declared in GSTR 9 (Tables 9 and 14) to identify the mismatch in payment of tax (<i>Appendix 3.2.12</i>).	14	7	32.64
3	Mismatch in turnover depicted in GSTR 9 and AFS Table 5A of GSTR 9C is for the turnover as per audited AFS and Table 5O of GSTR 9C is for adjustments in turnover due to reasons not listed in Tables 5B to 5N. A negative entry in table 5O indicates possible reduction in the turnover of the returns (<i>Appendix 3.2.13</i>).	24	11	5294.21
	Total	39		5343.41

The replies (between November 2023 and June 2025) of the Department in above mismatches were as under:

(1) Mismatch in turnover between Annual return and AFS:

In the case, DRC 07 was issued for ₹ 16.56 crore.

(2) Un-discharged tax liability:

Out of 14 cases, reply was received in six cases. Out of these six cases, in one⁶⁷ case, the Department stated (April 2025) that the taxpayer has paid ₹ 69.27 lakh through DRC 03 (December 2023); in three cases⁶⁸, DRC 07 was issued; in one case⁶⁹, DRC 01 was issued (December 2023) for the year 2018-19 and for the year 2019-20, reply was awaited; and in one case⁷⁰, ADT 01 was issued (December 2023). In remaining eight cases, replies were awaited.

⁶⁶ GSTIN 27XXXXXXXXXX1ZS)

⁶⁷ Serial no. 3 of Appendix 3.2.12

⁶⁸ Serial no. 6, 9 and 10 of Appendix 3.2.12

⁶⁹ Serial no. 8 of Appendix 3.2.12

⁷⁰ Serial no. 1 of Appendix 3.2.12

(3) Mismatch in turnover depicted in GSTR 9 and AFS:

Out of 24 cases, reply was received in four cases. In one⁷¹ case, the Department stated (April 2025) that for the year 2020-21, the taxpayer paid ₹ 1.90 crore through DRC 03 (February 2025) and for the year 2019-20, reply was awaited. In one⁷² case, the Department stated (May 2025) that DRC 07 had been issued (January 2025) for ₹ 65.59 lakh including interest. In one⁷³ case, the Department stated (April 2025) that the issue was verified during the audit of the taxpayer and after verification of taxpayers reply for the year 2019-20 and 2020-21, the issue was closed. Audit could not verify the reply as supporting documents were not furnished. In one case⁷⁴, the Department stated (April 2025) that the taxpayer submitted appropriate reasons for adjustments in turnover in Table 5O of GSTR 9C for the years 2019-20 and 2020-21 alongwith its reconciliation and the same was verified. The reply of the Department could not be verified as supporting records were not furnished in support of the reply. In remaining 20 cases, replies were awaited.

3.2.10 Conclusion

This SSCA was predominantly based on data analysis, which highlighted risk areas, red flags and in some cases, rule-based deviations and logical inconsistencies in GST returns filed for 2018-19 to 2020-21. The SSCA entailed assessing the oversight functions of State jurisdictional formation at two levels *viz.* at the data level through data queries and at the functional level with detailed audit of the GST returns and audit of Charges.

A review of the functions of 10 Charges for the year 2020-21 disclosed that there were deficiencies in oversight functions of Charges such as Scrutiny of returns, Audit cancellation of registration and non-filing of GSTR 10.

Further, out of the 718 high value data inconsistencies identified by Audit, the Department responded to 623 cases. Of these 145 cases relating to ITC/Tax payment and 11 cases relating to turnover mismatches turned out to be compliance deficiencies with amount of mismatches of ₹ 1055.43 crore and ₹ 2793.62 crore respectively. Relatively higher rates of deviations were noticed in non/short payment of interest, mismatch between GSTR 2A and GSTR 3B, ITC availed in GSTR 3B filed after the cut-off period and non-filing of GSTR 3B.

Detailed audit of GST returns also identified significant non-compliance. Out of 100 cases, in 62 cases, granular records such as financial statements, supplementary financial ledgers, invoices, agreement copies *etc.* were not produced, which constituted a significant scope limitation. These cases represented potential risk exposure towards identified mismatches in ITC availment and tax payments. Out of the 100 taxpayers whose records/returns were examined, Audit observed compliance deficiencies in 20 cases with a revenue implication of ₹ 154.64 crore on account of non-payment of interest and misclassification of supply. This apart, mismatches in availing ITC,

⁷¹ Serial no. 3 of Appendix 3.2.13

⁷² Serial no. 10 of Appendix 3.2.13

⁷³ Serial no. 13 of Appendix 3.2.13

⁷⁴ Serial no. 8 of Appendix 3.2.13

discharge of tax liability and turnover were noticed in 119 cases involving mismatch of ₹ 6,666.10 crore.

3.2.11 Recommendation

The Government may expeditiously address the deviations in the Department's Oversight of GST Payments and Return Filing, as highlighted by the audit and intimate the results to audit.



(DATTAPRASAD SHIRSAT)
Accountant General (Audit-II),
Maharashtra

Nagpur
The 23 December 2025

Countersigned



(K. SANJAY MURTHY)
Comptroller and Auditor General of India

New Delhi
The 13 January 2026

APPENDICES

Appendix 1.1
(Reference: Paragraph 1.6.1; page 3)
Statement showing Department wise Outstanding Inspection Report/Paras issued up to December 2022 but outstanding as on 30 June 2023

Sr. No.	Name of Cluster/ Department	Name of Region	Up to 2017-18		2018-19		2019-20		2020-21		2021-22		2022-23		Total	
			IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras	IR	Paras
	Cluster 12- Finance (Finance, Planning)	Stamp & Registration Department Finance Department Home (Excise) Department	615	1050	45	79	69	139	15	39	29	102	146	469	919	1878
878			1899	138	394	138	483	02	02	57	502	70	244	1283	3524	
48			70	10	25	11	31	05	25	01	05	13	63	88	219	
	Total		1541	3019	193	498	218	653	22	66	87	609	229	776	2290	5621

Appendix 2.1

(Reference Paragraph 2.1; page 8)

Short levy of stamp duty of due to misclassification of document as Article of Agreement

Name of the Office	Joint Sub Registrar Boriwali II, Mumbai
Para No. and year of IR	Para-1 of Inspection Report-2019-2022
Document No. & Year	Doc No. 5378/2020, (ADJ NO. 649/2020)
The First Party	M/s XXXXXXXXXXXX Limited
The Second party (Developer)	M/s XXXXXXXXXXXX Limited
Details of property	All that agreed sale development, rights of 48,557.00 Sq.m along with all rights and benefit out of the property at Survey no 34A, Hissa No 1, CTS no 215, Zone 86/391 in Village Magathane, Taluka Boriwali R/C Ward Boriwali (E) admeasuring plot area 3543 Sq.m along with 421.80 Sq.m of undivided interest in the land underneath the common internal layout access.
Calculation by Audit	
Annual Statement of Rates	2020-21
Zone No.	86/391
Mouza/Village	Magathane
Area of Sale Development Rights	48,557.00 Sq.m
Rate of land	₹ 68,810 per Sq.m
MV of the Sale Development Rights 48,557.00 Sq.m x ₹ 68,810/-=	₹ 334,12,07,500/-
Consideration of the Sale Development Rights	₹ 350,00,00,000/-
Stamp duty leviable @ 5% on ₹ 350,00,00,000/-	₹ 17,50,00,000/-
Stamp Duty levied @2%	₹ 7,00,00,000/-
Short levy of Stamp Duty	₹ 10,50,00,000/-
Calculation by Collector of Stamps, Boriwali	
MV of the Sale Development Rights 48,557.00 Sq.m x ₹ 68,810/-=	₹ 334,12,07,500/-
Consideration of the Sale Development Rights	₹ 350,00,00,000/-
Stamp duty levied @ 2% on ₹ 350,00,00,000/-	₹ 7,00,00,000/-

Appendix 2.2
(Reference Paragraph 2.2; page 8)

Short levy of Stamp Duty amounting to ₹ 1.89 crore due to undervaluation of the property

Name of the Office		Joint Sub Registrar, Mumbai City-III	
Paragraph No. and year of IR		Para-3 of Inspection Report-2019-2022	
Document No. & Year		11749/2019	
Name of the Owners		XXXXXXXXXX Limited	
Name of the Developers		XXXXXXXXXX Limited	
Details of property		Land admeasuring 3201.00 Sq.m situated at Survey No. 52 part old C.S. No. 160 (Pt) new C.S. No. 999(Pt) at Shivajinagar Worli Mumbai together with the building standing thereon known as Building No. 6 & 7 and now known as Shivajinagar Shiv-Kiran Co-operative Housing Society Limited comprising of Ground floor plus three floor	
Calculation by Audit			
Annual Statement of Rates	2017-18	Particulars/Details	
Zone No.	13/98		
Mouza/Village	As per details of property above		
Plot area	3201 Sq.m		
Land rates	₹ 1,76,200/-		
Construction rates	₹ 27,500/-		
Basic FSI i.e 3 3201x 3 (As per provision E of the recital of the document maximum permissible FSI could be utilized)	9603 Sq.m		
Fungible FSI 9603 x 0.35	3361.05 Sq.m		
Total FSI available	12964.05 Sq.m		
Existing area of Members	279.97 Sq.m x 1.2/10.76 x 96 members	2997.45 Sq.m	
Total Area of construction to be given to the members (540 Sq.ft i.e. 50.18 Sq.m each member	50.18 Sq.m x 1.1 x 96 members = 5299 Sq.m	5299 Sq.m	
Area available to developer (Total FSI – Area to be Given to members)	12964.05 Sq.m - 5299 Sq.m = 7665.05 Sq.m	7665.05 Sq.m	
Owners Share (Consideration)			
Total Area of construction given (540 Sq.ft i.e 50.18 Sq.m each member 50.18 x 1.1 x 96 members = 5299 Sq.m	5299 Sq.m x ₹ 27,500/-	₹ 14,57,22,720/-	
Car Parking (13.75 x 96 = 1317.12)	1317.12 Sq. m X ₹ 27,500/- x 25%	₹ 90,55,200/-	
Corpus fund - ₹ 24,00,000 per member	₹ 24,00,000/- x 96 members	₹ 23,04,00,000/-	
Temporary Accommodation ₹ 50000 per month per member	₹ 50000/- x 96 members x 36 months	₹ 17,28,00,000/-	
Shifting charges ₹ 25000/- per member	₹ 25,000/- x 96 members	₹ 24,00,000/-	
Brokerage ₹ 50000 per member	₹ 50,000/- x 96 members	₹ 48,00,000/-	
Existing area to the owner	279.97 Sq.ft x 1.2/10.76 x 96 members	2997.45 Sq.m	
Fungible area free of cost	2997.45 Sq.m x 1.35	4046.55 Sq.m	

Name of the Office	Joint Sub Registrar, Mumbai City-III	
Fungible FSI area beyond free fungible area	5299 Sq.m - 4046.55 Sq.m	1252.45 Sq.m
Excess area given to members 5299 –(2997.45 x 1.35 =4046.55) (1252.45 x 176200 x 60%)	1252.45 Sq.m	₹ 13,24,09,014/-
Total consideration		₹ 68,43,39,414/-
Market Value to developer		
Area allocated to the Developer		7665.05 Sq.m
Market value	7665.05 Sq.m x ₹ 1,76,200/-	₹ 135,05,81,810/-(a)
Less :- Construction cost of the area given to members	5299 Sq.m x ₹ 27,500/- = ₹ 14,57,22,720/-	₹ 14,57,22,720/-(b)
Less fungible premium paid (Fungible FSI – Free Fungible FSI) (3361.05 – (2997.45 x 0.35 = 1049.10)	2312 Sq.m x ₹ 1,76,200/- x 50%	₹ 20,36,87,200/- (c)
Market Value (a-b-c)		₹ 100,11,72,110/-
Or 50% of the market value of land	3201 Sq.m x 50% x ₹ 1,76,200 /-	₹ 28,20,08,100/-
Market value to the developer being higher, stamp duty would be leviable on Market Value		
Stamp Duty leviable @ 5%		₹ 5,00,58,605/-
SD levied		₹ 3,11,48,600/-
Short levy of SD		₹ 1,89,10,005/-
Calculation by Joint District Registrar, Mumbai City III, Mumbai City		
Market value determined by department		₹ 62,28,92,000/-
Stamp duty paid @ 5%		₹ 3,11,48,600/-

Appendix 2.3
(Reference Paragraph 2.3; page 9)

Short levy of Stamp Duty of ₹ 1.50 crore due to irregular concession of Stamp Duty

Name of the Office	Joint Sub Registrar Andheri-1, Mumbai
Para No. and year of IR	Para-1 of Inspection Report-2019-22
Document No. & Year	825/202, 823/202 and 6690/2018
Vendor/Original Developer	XXXXXX Limited
Purchaser/New Developer	M/s XXXXXXXXXXXX Limited
Details of property	As per the revised SRA letter of intent dated 09/11/2016, Free sale component of FSI area admeasuring 5363.04 Sq.m generated from land area admeasuring 15205.80 Sq.m bearing CTS No. B/908, B/909, B/910, B/911 of village Bandra B lying being and situate Mount Marry Hills, Kadeshwari Mandir Marg, Mumbai Sub-urban District.
Calculation by Audit	
Document Number	823/2021
Annual Statement of Rates (ASR)	2020-21
Type	Development Agreement
Mauza	Village Bandra B
Zone	21/134
CTS Nos.	B/908, B/909, B/910, B/911
Land rate	₹ 2,66,910/-
Residential rate	₹ 4,67,580/-
Plot Area	15205.80 Sq.m
Free sale component	5363.04 Sq. m
Fungible FSI @ 0.35	1877.06 Sq. m
Total free sale component	7240.10 Sq. m
Area given to Joint Developer	1783.20 Sq. m
Balance/Net free sale component available to the Purchaser	5456.90 Sq. m
Consideration passed on to both the Original Developer and Joint Developer	
Cost of construction area given to joint developer 1486 x 1.2 x 467580 x 1.05	₹ 87,54,78,088/- (i)
Car parking 1783.2/45=40 x 13.75 x 467580 x 25%	₹ 6,42,92,250 /- (ii)
Total (i)+(ii) = 939770338 x 85%	₹ 79,88,04,787/-
Consideration paid in cash to Hubtown Ltd	₹ 70,00,00,000/-
Total consideration	₹ 1,49,88,04,787/- (A)
Market Value of Developers	
Sale component as per LOI dated 09/11/2016	5363.04 Sq.m
Total sale component FSI 5363.04 x 135%	₹ 7,240.10/-
Sale component FSI Sold vide BDR-1/823/2021 (Joint DA)	₹ 1,783.20/-
Net Sale component FSI (7240.10-1783.20)	₹ 5,456.90/-
Value of Total sale component FSI 5456.9 x 266910	₹ 145,65,01,179/-(i)
Less: Fungible premium 1877.06 x 266910 x 0.50	₹ 25,05,03,042/- (ii)
Total Rehabilitation component	13643.96 Sq.m
Rehab component constructed as per Page No 8 Clause No.(o)	3412.70 Sq.m
Net rehab component to be constructed (13643.96-3412.70)	10231.26 Sq.m
Less: Rehabilitation component deduction 10231.26 x 30250	₹ 30,94,95,615/- (iii)
Net value of Developer (i-ii-iii) (1456501179-25050302.30-309495615)	₹ 89,65,02,522/- (a)

Name of the Office	Joint Sub Registrar Andheri-1, Mumbai
Add Refundable Security Deposit 700000000 x 16% x 4 years	₹ 44,80,00,000/- (b)
Value of Developers (a + b)	₹ 134,4503,000/- (B)
Hence stamp duty would be leviable at three <i>per cent</i> on consideration of ₹ 1,49,88,04,787/- as it is higher than market value	₹ 4,49,64,144/-
Stamp duty already paid (₹ 2,22,54,600/- plus ₹ 77,21,496/-)	₹ 2,99,76,096/-
Short levy of stamp duty	₹ 1,49,88,048/-
Valuation done by the Chief Controlling Revenue Authority, Maharashtra State	
Market Value	₹ 149,88,04,787/-
Stamp duty leviable under Article 25(b) @ 2% On ₹ 149,88,04,787/-	₹ 2,99,76,096/-
Stamp duty levied	₹ 2,22,54,600/-
Short levy of stamp duty and levied	₹ 77,21,496/-

Appendix 2.4

(Reference Paragraph 2.4; page 10)

Short levy of stamp duty of ₹ 76.18 lakh due to non-consideration of full plot area for market value of property

Name of the Office	Collector of Stamps, Andheri, Mumbai Suburban
Para No. and year of IR	Para-1 of Inspection Report-2019-2022
Document No. & Year	ADJ/1100900/78/2019
Name of the Vendor	MR. XXXXXXXXXXXX
Name of the Purchaser	XXXXXXXXXXXX, a limited liability Partnership firm
Details of property	All piece and parcel of lands admeasuring 1101.18 Sq.m bearing Final Plot No 25 of Town Planning Scheme No VI of Vile Parle now bearing CTS No. 884/1 to 884/5 of Village Vile Parle (West) Taluka Andheri, Mumbai Sub Urban District
Calculation by Audit	
Annual Statement of Rates	2019-20
Zone No.	37/189
Mouza/Village	Vile Parle (West), Taluka Andheri
Area of property	Admeasuring 1101.18 Sq.m along with structure standing thereon
Land Area	1101.18 Sq.m
Land Rate	₹1,24,100/-
Residential Rate	₹2,08,900/-
Market value Land Area 1101.08 Sq.m * ₹ 1,24,100/-	₹ 13,66,44,028/- Say (A)
TDR potential	550.54 Sq.m (50% as per Road width 9.14 Mtr)
TDR Value 550.54 Sq.m * ₹ 1,24,100/- * 40% 40% of land rate	₹ 2,73,28,805/- Say (B)
Total Market Value (A+B)	₹16,39,72,833/-
Purchase Consideration	₹ 3,50,00,000/-
Stamp duty leviable @ 6% on ₹ 16,39,72,833/-	₹ 98,38,370/-
Stamp duty levied	₹ 22,20,000/-
Short levy of stamp duty	₹ 76,18,370/-
Calculation by Collector of Stamps, Andheri, Mumbai Sub-Urban	
Market Value of Property	₹ 16,39,72,833/- i.e. COS Andheri accepted the Market Value as calculated by audit
Stamp duty leviable @ 6% on ₹ 16,39,72,833/-	₹ 98,38,370/-
Stamp Duty levied	₹ 22,20,000/-
Short levy of Stamp Duty	₹ 76,18,370/-

Appendix 2.5

(Reference Paragraph 2.5; page 11)

Short levy of stamp duty and registration fee ₹ 29.71 lakh due to misclassification of leave and license.

Name of the Office	Joint Sub Registrar, Haveli V, Pune
Paragraph No. and year of Inspection Report	Para-1 of Inspection Report-2019-2022
Document No. & Year	8479/2021
Name of the Licensor	XXXXXXXXXXXX Ltd being the "Licensor"
Name of the Licensee	XXXXXXXXXXXX Company
Details of property	The premises, comprising of ground floor (842.82 Sq.m), first floor, second floor and third floor (2648.44 Sq.m) in A & B Building, total admeasuring 3491.26 Sq.m. Located at Plot No. 18/2, D1 Block, MIDC, Chinchwad, Pune.
Calculation by Audit	
Annual Statement of Rates	2020-21
Zone No.	2/19.1/P-40
Mouza/Village	D1 Block MIDC, Chinchwad
Lease period	For an initial period of sixty months commencing from 15 July 2021 to 14 July 2026 and renewable at the option of the licensee for another period of sixty months. (10 years)
Construction area	3491.26 Sq.m
Land Rate	₹ 38,380/-
Construction Rate	₹ 26,620/-
Valuation of leased area as per VG 6 (iii) of the ASR 20-21 For Industrial structure = ((land rate + Depreciated Construction Rate) x 1.10 x constructed area)	Industrial structure - ((38380+26620) x 1.10 x 3491.26) = 24,96,25,090/- Total = ₹ 24,96,25,090/-
Total market value	₹ 24,96,25,090 Say ₹ 24,96,25,000/-
25 % of MV as per Article 36(ii)	₹ 6,24,06,250/-
Stamp Duty leviable @ 5%	₹ 31,20,312 /-
Stamp Duty levied	₹ 1,78,700/-
Short levy of Stamp Duty	₹ 29,41,612/-
RF leviable	₹ 30,000/-
RF levied	₹ 1,000/-
Short RF	₹ 29,000/-
Total short Levy of Stamp Duty & RF	₹ 29,70,612/-
Calculation by Joint Sub-Registrar Haveli-V, Pune	
Market Value	₹ 63,13,428/-
Consideration	₹ 11,38,523/-
Stamp Duty levied	₹ 1,78,700/-

Appendix 2.6
(Reference Paragraph 2.6; page 12)

Excess allowance of set-off under Rule 53(3)(a) of MVAT Rules resulted in short levy of tax and interest thereon of ₹ 96.84 lakh

Name of the dealer			M/s XXXXXXXXXXXX Products.		
TIN.			27910298741V		
Assessment Period			2014-15		
Assessment Order			16/02/2019		
As per Dept			As per Audit		
GTO Sales	₹ 2,99,18,19,523/-		GTO Sales	₹ 2,99,18,19,523/-	
Less: Goods Return	₹ 1,79,49,178/-		Less: Goods Return	₹ 1,79,49,178/-	
Less: Net Tax amount	₹ 1,79,49,178/-		Less: Net Tax amount	₹ 1,79,49,178/-	
Less: Sales u/s 8(1)	₹ 45,14,86,311/-		Less: Sales u/s 8(1)	₹ 45,14,86,311/-	
Less: Labour Charges	₹ 1,86,355/-		Less: Labour Charges	₹ 1,86,355/-	
Less: Other allowable deductions:	₹ 2,09,987/-		Less: Other allowable deductions:	₹ 2,09,987/-	
Net Turn Over of Sales	₹ 2,28,79,97,050/-		Net Turn Over of Sales	₹ 2,28,79,97,050/-	
Calculation of tax (Amount in ₹)					
Rate of Tax	Taxable Sales	Tax	Rate of Tax	Taxable Sales	Tax
12.5%	1594543862	199317983	12.5%	1594543862	199317983
5%	693453188	34672659	5%	693453188	34672659
Total	2287997050	233990642	Total	2287997050	233990642
GTO Purchases	2551152239		GTO Purchases	255152239	
Less: Interstate purchases against C Form	80616191		Less: Interstate purchases against C Form	80616191	
Less: Purchases from Registered Dealers where tax is not collected separately	1817103		Less: Purchases from Registered Dealers where tax is not collected separately	1817103	
Purchases eligible for set-off	2468718945		Purchases eligible for set-off	2468718945	
Rate-wise breakup of purchases eligible for set-off	Net purchases	Tax Component	Rate of Tax	Net purchases	Tax Component
12.5%	611785743	76473218	12.5%	611785743	76473218
5%	1686331161	84316558	5%	1686331161	84316558
1%	9715085	97151	1%	9715085	97151
Total	2307831989	160886927	Total	2307831989	160886927
Computation of set-off					
Tax amount	160886927		Tax amount	160886927	
Less: mismatch on basis of J2XJ1	188085		Less: mismatch on basis of J2XJ1	188085	
Less: deduction u/r 52B	867289		Less: deduction u/r 53(1) Fuel + 53(7) office equipment	867289(3% of 27591436 + 3% of 1318204)	
Less; Deduction u/r 53	4114776		*Less Deduction u/r 53:	9370751	
Set-off admissible	155716777		Set-off admissible	150460802	
Excess Set-off admitted by Dept				₹ 52,55,974/-	
Interest under 30(3)				₹ 52,55,974 /- * 84.25% = ₹ 44,28,158/-	
Total				₹ 96,84,132/-	

*Calculation for Deduction u/r 53:

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GTO Purchases	₹ 2,55,11,52,239/-
Less: Tax Component	
1%	₹ 97,151/-
5%	₹ 8,61,68,715/-
12.5%	₹ 7,20,13,206/-
Less:	
Fuel	₹ 2,75,91,436/-
Office equipment	₹ 13,18,204/-
Net purchases	₹ 2,36,39,63,527/-
Deduction u/r 53	₹ 2,36,39,63,527/- * 9.91% (Branch Transfer Percentage) * 4% = ₹ 93,70,751/-

Branch Transfer Percentage (Amount in ₹)

GTO Sales	2991819523
Less MVAT	233990642
Less: Goods Return	17949178
Less: Other deduction	209987
Less: Sales Return under CST	649656
Less: CST Collected	2474232
Net Sales	2736545828
Br. Transfer	271242167
Percentage of branch transfer to net taxable turnover	9.91%

+Interest under 30(3)

April 2015 to December 2015 = 9 * 1.25% = 11.25%

January 2016 to February 2016 = 2 * 1.5% = 3

March 2016 to February 2019 = 35 * 2% = 70

Total Percentage = 84.25%

Appendix 3.1.1
(Reference: Paragraph 3.1.10.1, page 18)
Generation of EWBs by cancelled taxpayers

Sr. No.	GSTIN	Division (New Division#)	Charge	Date Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in period of four years	Assessable Value of EWBs of goods generated	Tax value of goods	Reason for cancellation	Reply of the department	Audit Remarks
1.	2XXXXXXXXXX XXXXXXXXXO	Aurangabad (Ch. Sambhaji Nagar)	MIDC_ Waluj_702	01/07/2017	01/07/2017	10/04/2023	5 Year 9 Month	2	6.05	0.3	Failed to furnish returns for continuous six months	As the Taxpayer was cancelled <i>ab initio</i> , assessment order u/s 63 with DRC 07 was issued for recovery of dues ₹ 0.52 lakh in April 2024.	--
2.	2XXXXXXXXXX XXXXXXXXX8	Kolhapur (Kolhapur)	Satara	16/08/2017	16/08/2017	07/12/2019	2 Year 3Month	14	20.23	1.03	Not filed returns for three consecutive tax periods	Adjudication proceedings were done and action to recover outstanding demand was initiated. DRC 07 for ₹ 1.24 lakh dated 25/04/2024 issued	--
3.	2XXXXXXXXXX XXXXXXXXX5	Thane Rural (Mira Bhayander)	Bhayander-East_702	18/08/2017	01/03/2018	01/12/2018	0 Year 9 Month	7	77	0	Non-commencement of business by taxpayer within 6 months from the date of registration	Cancellation has been initiated with retrospective effect. But RTP has generated E-WAY Bill and has not entered GSTR 1 or GSTR 3B Hence there is no availment or passing of ITC	Reply is not acceptable as not filing of return by taxpayer does not restrict availment of ITC by recipient. Action may be taken for recovery of tax and reversal of ITC.
4.	2XXXXXXXXXX XXXXXXXXXZ	Thane Rural (Mira Bhayander)	Bhayander-East_702	19/12/2017	01/08/2018	25/11/2019	1 Year 3 Month	38	150.33	17.87	Non-commencement of business by taxpayer within 6 months from the date of registration.	The cancellation has been initiated with retrospective effect. Hence, the taxpayer has generated E Way bills up to initiation of cancellation. The ITC w.e.f. 01/08/2018 is not eligible to the supplier as M/s. MAGNUM FOOD PRODUCTS is no longer registered person. There is no passing or availment of ITC w.e.f. 01/08/2018 as the R.C. is cancelled w.e.f. 01/08/2018.	Reply is not acceptable as not filing of return by taxpayer does not restrict availment of ITC by recipients. Action may be taken for recovery of tax and reversal of ITC.

Sr. No.	GSTIN	Division (New Division#)	Charge	Date Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of cancellation and date of cancellation	No. of EWBs generated in period of four years	Assessable Value of EWB of generated	Tax Value of goods	Reason for cancellation	Reply of the department	Audit Remarks
5.	2XXXXXX XXXXXXX XXU	Aurangabad (Ch. Sambhaji Nagar)	Csn_City_706	01/07/2017	01/07/2017	10/08/2022	5 Year 1 Month	1	2.2	0.4	Failed to furnish returns continuous six months	Scrutiny of audit observations is in process & compliance will be submitted in due course. DRC 14 issued to taxpayers on 6/12/2023.	Further progress may be intimated
6.	2XXXXXX XXXXXXX XXV	Thane City (Kalyan)	Ulhasnagar_5_702	01/07/2017	01/07/2017	26/11/2019	2 Year 4 Month	5	20.79	3.74	Failed to furnish returns prescribed period	In case of 3 EWBs it was stated that there is illogical generation of EWB & seems to be fake and totally incorrect. Taxpayers only tried to generate EWB.	Further action may be taken and reply for 2 EWBs was awaited.
7.	2XXXXXX XXXXXXX XXF	Raigad (Raigad-North)	Airoli_702	01/07/2017	30/04/2018	25/02/2020	1 Year 9 Month	6	15.76	2.84	Failed to furnish returns prescribed period	In respect of one EWB it was stated that consignee could not be verified as it was inter-state trade. GSTIN cancelled <i>soi-moto</i> w.e.f. 30/04/2014 & EWB generated 09/05/2018.	Reply is not acceptable as department needs to intimate jurisdictional officer. Reply in 5 EWBs is awaited. ITC pass needs to be reversed
8.	2XXXXXX XXXXXXX XXP	Thane Rural (Mira_Bhayander)	Vasai_703	03/12/2020	03/12/2020	12/04/2021	0 Year 4 Month	20	1348.68	242.76	Closure of business by taxpayer, cancellation of taxpayer	Transactions of EWB were verified but the RC is cancelled <i>ab initio</i> . Taxpayers did issue filing of return by reversal of ITC does not restrict availment of ITC by recipients. Recovery of ITC may be intimated	Reply is not acceptable as not filing of return by taxpayer does not restrict availment of ITC by recipients. Recovery of ITC may be intimated
9.	2XXXXXX XXXXXXX XXE	Raigad (Raigad-South)	Ghansoli_501	15/02/2020	15/02/2020	08/12/2020	0 Year 9 Month	12	1201.58	144.19	Taxpayer did not conduct business from declared place of business	Even though taxpayers had generated EWBs, these might be done only for passing the ITC. Taxpayer registration cancelled (order dt 08/12/20) <i>ab initio</i> i.e. 15/02/20, hence GSTR 1 and GSTR 3B cannot be downloaded.	BO portal should have GSTR data. Cancellation of registration does not restrict availment of ITC by recipients. Recovery of ITC may be intimated.

Sr. No.	GSTIN	Division (New Division#)	Charge	Date Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of cancellation and date of cancellation	No. of EWBs generated in period of four years	Assessable Value of EWBs generated	Tax value of goods	Reason for cancellation	Reply of the department	Audit Remarks
10.	2XXXXXX XXXXXXXX XXZ5	Nagpur (Nagpur West)	Trimurti_Nagar_701	26/09/2017	01/05/2018	04/10/2019	1 Year 5 Month	23	51.15	6.14	Failed to furnish returns for prescribed period	RC was cancelled w.e.f. 01/05/2018 but he generated EWB for the period May 2018 for which he is cancelled. Assessment proceeding under section 63 of MGST Act 2017 is initiated for the period 2018-19 & 2019-20 against this taxpayer.	Further progress is awaited
11.	2XXXXXX XXXXXXXX XX2	Nagpur (Chandrapur)	Hingnaghat_702	01/07/2017	30/11/2018	29/12/2021	3 Year 0 Month	4	3.87	0.19	Failed to furnish returns for prescribed period	EWB were generated after cancellation of registration & therefore taxpayer issued EWB in URD period. Notice under ASMT 14 issued u/s per section 63 r/w rule 100(2) on dt.28/12/2023	Further progress is awaited
							Total	132	2897.64	419.46			

Appendix 3.1.2
(Reference: Paragraph 3.1.10.1, page 19)
Generation of EWBs by cancelled taxpayers (NGTP)

Sr. No.	GSTIN	Division (New Division)	Charge	Date Registration	Date Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable in value of EWB generated	Tax value of goods during four years	Reply of the Department	Audit Remarks
1.	2XXXXX XXXXXX XXXXXF	Kolhapur (Kolhapur West)	Ranagiri_703	10/11/2021	10/11/2021	08/06/2022	0 Year 6 Month	16	550.35	99.06	Taxpayers generated EWB in Dec-21 but filed GSTR 1 and 3B for November 2021 as Nil. Taxpayers were declared NGTP hence neither ITC was passed, nor ITC was claimed by taxpayer.	Reply is not acceptable as not filing of return passed, taxpayer does not restrict availment of ITC by recipients. ITC needs to be recovered from recipients.
2.	2XXXXX XXXXXX XXXXXB	Thane City (Kalyan)	Badlapur_703	06/10/2021	06/10/2021	20/12/2021	0 Year 2 Month	21	181.19	32.61	Taxpayers generated EWB in December 2021 & in the same month GSTIN was cancelled. Unable to produce copy of GSTR 1 & GSTR 3B. List of invoices as same not available on BO portal. Being declared NGTP, no ITC was passed.	BO portal should have GSTR data. Declaration of NGTP does not restrict availment of ITC by recipients. Recovery of ITC may be intimated.
3.	2XXXXX XXXXXX XXXXX8	Raigad (Raigad-North)	Panvel_701	01/12/2021	01/12/2021	02/02/2022	0 Year 2 Month	83	1260.58	226.9	RC of taxpayers was cancelled <i>ab initio</i> i.e. 01/12/2021 and declared NGTP, hence no record available on BO system for verification. Electronic folders were sent to EIU to initiate action against beneficiary. It was added that ITC was not available u/s 16(2) of MGST	Reply is not acceptable as EIU acts as repository for NGTPs and the original documents rest with the jurisdictional authority and action should have been taken recovery of ITC Circular 10 A of 2022.
4.	2XXXXX XXXXXX XXXXXJ	Thane City (Bhiwandi)	Rambaug_701	01/06/2020	01/06/2020	09/12/2020	0 Year 6 Month	332	2952.07	205.1	Though dealers had shown transportation of Goods through EWBs in August 2020, the Taxpayer did not fill GSTR 1 in August 2020. ITC is passed on only when the supplier files his GSTR	Reply is not acceptable as not filing of return by taxpayer does not restrict availment of ITC by recipients. ITC needs to be

Sr. No.	GSTIN	Division (New Division)	Charge	Date of Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable value of EWBs generated	Tax of goods during four years	Reply of the Department	Audit Remarks
											1. ITC is not passed on to the recipient merely on the basis of issuance of e-way bills.	recovered from recipients.
5.	2XXXX XXXXXX XXXXXX	Thane Rural (Mira_Bhay ander)	Vasai_501	26/11/2020	26/11/2020	28/12/2021	1 Year 1 Month	294	12030.06	2165.41	No specific reply to Audit query on reversal of ITC was furnished but stated that as the R.C of the taxpayer is cancelled <i>ab initio</i> . The details on BO system are not available.	Reply on recovery of ITC is awaited.
6.	2XXXX XXXXXX XXXXX0	Raigad (Raigad_South)	Kharghar_701	09/05/2021	09/05/2021	14/02/2022	0 Year 9 Month	5	221.54	39.88	RC of taxpayer was cancelled <i>ab initio</i> i.e. 04/06/2021 and declared NGTP, hence no record available on BO system for verification and no ITC passed.	Reply is not acceptable as not filing of return by taxpayer does not restrict availment of ITC by recipients. ITC needs to be recovered from recipients.
7.	2XXXX XXXXXX XXXXXR	Thane Rural (Mira_Bhay ander)	Vasai_703	03/09/2018	03/09/2018	07/01/2020	1 Year 4 Month	684	6138.08	1055.64	Registration was obtained by Taxpayer with fake documents & malafide intentions. Regarding sales shown during September 2018 to September 2019, it was stated that the Dealer had shown tax liability of ₹ 14.97 crore, but matching ITC was ₹ 9.02 crore and paid through cash ₹ 271178. And thus, short discharge of tax liability of ₹ 5.95 crore. But it added that no ITC can be passed by NGTP.	Department accepted availment of fake ITC and its utilization for discharge of tax liability and passing of ITC. Action to reverse the ITC passed may be taken.
8.	2XXXX XXXXXX XXXXXZ	Thane Rural (Mira_Bhay ander)	Mira_707	23/12/2019	23/12/2019	13/10/2020	0 Year 9 Month	103	1473.84	266.16	Since the registration was cancelled <i>ab initio</i> , the ITC credit which has been passed on by the taxpayer through GSTR 01, is nullified automatically. Regarding	Reply acceptable as not filing of return by taxpayer does not restrict availment of ITC by recipients.

Sr. No.	GSTIN	Division (New Division)	Charge	Date of Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable value of EWBS generated	Tax value of goods during four years	Reply of the Department	Audit Remarks
9.	2XXXXX XXXXXX XXXXXZ	Thane City (Thane City)	Wagle I.E., 702	26/02/2019	26/02/2019	01/01/2020	0 Year 10 Month	41	412.64	74.28	sales shown in GSTR 3B during Jan 2020 to September 2020, it was stated that letter to protect ITC credit which has been passed on by M/s. KAVYA ENTERPRISES, send to concern Proper Officer to take appropriate actions to recover ITC.	ITC needs to be recovered from recipients.
10.	2XXXXX XXXXXX XXXXXE	Thane Rural (Palghar)	Virar East_701	15/02/2019	15/02/2019	13/12/2019	0 Year 9 Month	155	10579.68	690.89	JC Thane City Replied (March 2024) that taxpayer had supplied the goods to three taxpayers of which from one taxpayer (Vinayak Industries) proper officer had recovered ₹ 4.71 lakh in July 2023.	Recovery from remaining two taxpayers awaited
11.	2XXXXX XXXXXX XXXXX7	Nagpur (Nagpur_East)	Khapri_7 01	20/05/2019	20/05/2019	26/04/2023	3 Year 11 Month	48	513.41	90.92	The Taxpayer has filed GSTR 1 but not filed GSTR 3B for any period. Regarding passing of ITC, it was stated that it is refrained by GSTIN that no ITC can be availed or passed by NGPT.	Reply acceptable as not filing of return by taxpayer does not restrict availment of ITC by recipients. ITC needs to be recovered from recipients.
											Replied that Registration was cancelled on <i>ab initio</i> i.e. 20/05/2019. Details of recipients of ITC within and outside State are verified by EIU & facts communicated to Nodal officer and respective authority of other state. As per Rule 86-A ITC available in ECL of the recipients shall be blocked	Further progress is awaited

Sr. No.	GSTIN	Division (New Division)	Charge	Date of Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable value of EWb generated	Tax value of goods during four years	Reply of the Department	Audit Remarks
12.	2XXXXX XXXXXX XXXXXG	Nagpur (Nagpur_We est)	Trimurti Nagar_70 2	03/07/2018	03/07/2018	31/08/2019	1 Year 1Month	23	216.67	39	Transaction reported in GSTR 1 & EWb generated from 03/07/2018 to 03/03/2019 and passed ITC to other NGTPs. Letter sent dated 20/06/2023 to concerned Authority in Madhya Pradesh for denial of ITC.	Further progress is awaited
13.	2XXXXX XXXXXX XXXXX6	Thane Rural (Mira_Bhay ander)	Mira_704	15/04/2019	15/04/2019	30/12/2019	0 Year 8 Month	216	1854.73	333.85	The taxpayer showed sales in GSTR 1 to two taxpayers, one who is based in Delhi, and another is CHHATTISGARH. Regarding sales shown in GSTR 3B during September 2019 to November 2019 it was stated that taxpayers had total claimed ITC at ₹ 30254493/-. The taxpayer passed on ITC through sale at ₹ 22830483/- as per GSTR 01 for the period September 19 and October 19 (for which communication letters are issued to the respective Proper Officers) and Tax at ₹ 7244402/- paid as per GSTR 3B for the period November 19 which has not been passed on through GSTR 01 for the said period. Balance ITC has been blocked at ₹179608/- from credit ledger.	Further progress is awaited
14.	2XXXXX XXXXXX XXXXXJ	Thane Rural (Mira_Bhay ander)	Mira_705	26/03/2019	26/03/2019	13/02/2020	0 Year 10 Month	211	1348.97	242.81	GST registration was cancelled <i>ab initio</i> (from 26/03/2019) vide order dated 20/12/2019 & EWBs were generated prior to order for cancellation. Regarding	Further progress is awaited

Sr. No.	GSTIN	Division (New Division)	Charge	Date Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable value of EWB generated	Tax value of goods during four years	Reply of the Department	Audit Remarks
15.	2XXXX XXXXXX XXXXX M	Thane City (Kalyan)	Bhiwandi _709	13/02/2019	13/02/2019	10/12/2019	0 Year 9Month	48	966.52	138.49	sales shown in GSTR 1 and 3B during April 2019 to November 2019, Department accepted passing of ineligible ITC of ₹ 2.19 crore. Wrote letters dated 12/09/2023 to 9 Jurisdictional Authorities for reversal of ITC of ₹ 18991668/-	BO portal should have GSTR data. Declaration of NGTP does not restrict availment of ITC by recipients.
16.	2XXXX XXXXXX XXXXX6	Pune-4 (Pune South)	Dhanori 701	18/12/2019	18/12/2019	18/12/2020	1 Year 0Month	295	2831.5	525.68	Department stated that this office was of the opinion that being declared NGTP, no ITC was passed cannot submit copies of GSTR 1 and GSTR 3B as not available on BO portal	Reply is not acceptable as not filing of return by taxpayer does not restrict availment of ITC by recipients. ITC needs to be recovered from recipients.

Sr. No.	GSTIN	Division (New Division)	Charge	Date of Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable value of EWBs generated	Tax value of goods during four years	Reply of the Department	Audit Remarks
17.	2XXXX XXXXXX XXXXX1	Pune-4 (Pune_South _East)	Khadki_7 01	21/12/2018	21/12/2018	19/12/2019	0 Year 11Month	85	335.69	60.42	any question of ITC reversal. Regarding sales shown in GSTR 3B during May 2019 to October 2019, turnover of ₹ 396.11 lakh is a fraudulent turnover. Regarding reversal of ITC, it was stated that registration was cancelled <i>ab initio</i> and evidence folder given to EIU, hence no action was pending with its office.	Reply is not acceptable as action should have been taken to intimate jurisdictional officer to recover ITC.
18.	2XXXX XXXXXX XXXXXQ	Thane Rural (Mira_Bhay ander)	Bhayand er- East_702	06/02/2019	06/02/2019	03/01/2020	0 Year 2Month	26	153.35	15.07	Taxpayer has taken registration for means of fraud willful misstatement or suppression of facts. Letter written for reversal of ITC (30/10/2023) to jurisdictional tax authority to initiate action against receipt of ITC as per law. Regarding sales of ₹ 4.23 crore shown in GSTR 3B it was stated that since RC was cancelled <i>ab initio</i> , all transactions have become nullified.	Further progress is awaited
19.	2XXXX XXXXXX XXXXXH	Thane City (Thane City)	Wagle I.E._504	26/07/2017	26/07/2017	05/05/2020	2 Year 9Month	1	876.75	157.81	In 2018-19, the dealer claimed ITC of ₹ 4.69 crore from 3 taxpayers who were also declared NGTP. The dealer showed sales to 6 taxpayers in 2018-19 of which 4 taxpayers were declared NGTP and ASMT 10 issued for remaining 2 taxpayers. Since declared NGTP, no ITC will pass.	Reply is not acceptable as action should have been taken to intimate jurisdictional officer to recover ITC.
20.	2XXXX XXXXXX XXXXXL	Thane City (Bhiwandi)	Manpada _701	05/10/2020	05/10/2020	08/01/2021	0 Year 3Month	54	4652.92	232.65	Taxpayers declared NGTP. No ITC passed but added that EWBs were generated fraudulently.	Reply is not acceptable as action should have been taken by the

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Sr. No.	GSTIN	Division (New Division)	Charge	Date of Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable value of EWB generated	Tax value of goods during four years	Reply of the Department	Audit Remarks
21.	2XXXX XXXXXX XXXXXF	Raigad (Raigad-North)	Panvel_7 02	27/09/2018	27/09/2018	NA		33	5080.19	1419.31	Taxpayers declared NGTP. No ITC passed. RC was cancelled <i>ab initio</i> w.e.f. 27/09/2018, hence no record of GSTR 1 and GSTR 3B available on GST portal	intimate jurisdictional officer to recover ITC. BO portal should have GSTR data. Declaration of NGTP does not restrict availment of ITC by recipients. ITC needs to be recovered from recipients.
22.	2XXXX XXXXXX XXXXX3	Thane City (Thane City)	Kalwa_7 01	21/09/2020	21/09/2020	28/01/2021	0 Year 4 Month	21	1439.88	71.99	Taxpayers declared NGTP. No ITC passed. replied that both consignor and consignee in the selected EWBs were declared NGTP, hence the recipient taxpayer could not avail ITC and there is no loss of revenue.	Reply is not acceptable as declaration of NGTP does not restrict availment of ITC. Action may be taken for recovery of ITC.
23.	2XXXX XXXXXX XXXXX2	Thane City (Kalyan)	Ulhasnagar-2_702	06/03/2020	06/03/2020	07/01/2021	0 Year 10 Month	14	1256.16	62.81	Once Taxpayer declared NGTP action against beneficiaries is initiated by EIU through respective proper officer. In reply it was accepted that taxpayer had shown sales before cancellation and added that once he is declared NGTP action against its beneficiaries is taken by EIU through respective proper officer. It was also stated that GSTR 1 could not be downloaded. Hence, we are not able to verify whether ITC passed on or reversed. There is no other documentary evidence available with this office.	Reply is not acceptable as EIU acts as repository for NGTPs and the original documents rest with the jurisdictional authority and action should have been taken recovery of ITC Circular 10 A of 2022.

Sr. No.	GSTIN	Division (New Division)	Charge	Date of Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable value of EWBS generated	Tax value of goods during four years	Reply of the Department	Audit Remarks
24.	2XXXX XXXXXX XXXXX8	Thane City (Kalyan)	Ambemath_701	10/10/2020	10/10/2020	13/01/2021	0 Year 3 Month	180	3076.06	521.05	Taxpayer RC cancelled <i>ab initio</i> & folder sent to EIU to detect the beneficiary and taking action as per Internal circular 10A of 2022. It also stated that it replied that registration was cancelled <i>ab initio</i> , so all the transactions of taxpayers became null, and void and no ITC could be passed. However, in the Inspection Report dated 07/12/2020 attached with reply revealed that TP had stated utilization and passing of ITC	Reply is not acceptable as declaration of NGTP does not restrict availment of ITC. Action may be taken for recovery of ITC.
25.	2XXXX XXXXXX XXXXXZ	Thane Rural (Mira_Bhayander)	Vasai Road_703	01/12/2018	01/12/2018	13/12/2019	1 Year 0Month	165	1034.37	186.19	Registration is cancelled <i>ab initio</i> vide order dated 13/12/2019 & EWBS were generated before cancellation of GSTIN. It is not possible to furnish ITC by recipients. GSTR 1 and GSTR 3B, there is no passing of ITC as declared NGTP.	BO portal should have GSTR data. Declaration of NGTP does not restrict availment of ITC by recipients. Action for recovery of ITC is awaited.
26.	2XXXX XXXXXX XXXXXX	Pune-1 (Pune South)	Vadgaon_701	02/11/2020	02/11/2020	31/12/2020	0 Year 1 Month	32	48.84	11.98	Though taxpayers generated EWBS, no purchases were made and no sales disclosed in GSTR 1 and GSTR 3B, hence no ITC passed. Taxpayers declared NGTP.	BO portal should have GSTR data. Declaration of NGTP does not restrict availment of ITC by recipients. Action for recovery of ITC is awaited.
27.	2XXXX XXXXXX XXXXX4	Thane Rural (Mira_Bhayander)	Mira_701	24/09/2021	24/09/2021	28/12/2021	0 Year 3 Month	5	19.99	2.4	Folder sent to EIU for necessary action. As the RC is cancelled <i>ab initio</i> , details on BO system are not available.	BO portal should have GSTR data. Reply on recovery of ITC is awaited.

Sr. No.	GSTIN	Division (New Division)	Charge	Date of Registration	Date of Cancellation of registration	Date of order for cancellation of registration	Intervening period between date of order of cancellation and date of cancellation	No. of EWBs generated in audit period of four years	Assessable value of EWB generated	Tax value of goods during four years	Reply of the Department	Audit Remarks
28.	2XXXXX XXXXXX XXXXX M	Raigad (Raigad- North)	Airoli_70 1	28/10/2021	28/10/2021	24/12/2021	0 Year 1 Month	15	107.62	19.37	RC cancelled <i>ab initio</i> . Dealer RC cancelled dated 28/10/2021, hence not possible to produce.	BO portal should have GSTR data. Reply on recovery of ITC is awaited.
29.	2XXXXX XXXXXX XXXXX6	Raigad (Raigad- North)	Vashi- Turbhe_7 01	28/10/2021	28/10/2021	28/12/2021	0 Year 2 Month	2	15.27	2.75	RC cancelled <i>ab initio</i> . Dealer RC cancelled dated 28/10/2021, hence it is not possible to produce GSTR 1 and GSTR 3B.	BO portal should have GSTR data. Reply on recovery of ITC is awaited.
30.	2XXXXX XXXXXX XXXXX5	Thane City (Kalyan)	Badlapur _703	17/10/2018	17/10/2018	10/12/2019	1 Year 1 Month	255	1785.1	211.75	Replyed that dealer had filed GSTR 1 for October 2018 and November 2019 (copies not furnished). Added that dealer being declared NGTP, no ITC was passed, hence no loss of revenue.	BO portal should have GSTR data. Declaration of NGTP does not restrict availment of ITC by recipients. Action for recovery of ITC is awaited.
31.	2XXXXX XXXXXX XXXXX0	Raigad (Raigad- North)	Panvel_7 01	30/12/2020	30/12/2020	18/10/2021	0 Year 9 Month	19	178.69	38.75	Case was investigated & Taxpayer was declared NGTP and RC cancelled <i>ab initio</i> hence no record on BO system.	BO portal should have GSTR data. Declaration of NGTP does not restrict availment of ITC by recipients.
32.	2XXXXX XXXXXX XXXXXP	Pune-1 (Pune_East)	Aundh_C amp_702	12/10/2020	12/10/2020	3/12/2020	0 Year 2 Month	94	140.17	25.23	The Department had initiated action for reversal of ITC passed incorrectly by taxpayer It was also added- there is no mechanism to check other State Consignee records on BO Portal to GST Authority.	Further progress for ITC reversal is awaited. Reply for other state consignee is not acceptable as jurisdictional officer of other state to be intimated for reversal of ITC.
						Total		3577	63732.88	9266.21		

Appendix 3.1.3
(Reference: Paragraph 3.1.10.2; page 21)
Generation of EWBs by NIL Return Filer

Sr. No.	GSTIN	Division (New Division)	Charge	Date of Registration	Date of cancellation	Date of cancellation of order	Months for which Nil returns were filed despite generation of EWBs	No. of EWBs generated during the months	Assessable value of goods in EWBs generated	Tax value of goods in EWBs generated	Reply of the Department	Audit Remarks
1	2XXXXXXXXXX XXXXX5	Raigad (Raigad_South)	Panvel_7 06	30/07/2017	10/03/2018	03/09/2018	Jun-18	2	2149072	386832	DRC 07 issued	Further progress may be intimated
2	2XXXXXXXXXX XXXXX5	Thane Rural(Mira_Bh ayander)	Bhayand er- East_702	18/08/2017	18/08/2017	01/12/2018	May-18 June-18 July-18 Aug-18	7	7700000	0	The cancellation has been initiated with retrospective effect. But taxpayers had not filed GST return	Reply not acceptable as not filing of return does not restrict availment of ITC by recipients
3	2XXXXXXXXXX XXXXXU	Aurangabad(C h. Sambhaji Nagar)	CSN_Cit y_706	01/07/2017	01/07/2017	10/08/2022	Aug-18	1	220000	39600	Verification of audit observation was done but DRC 14 was issued on 06/12/2023	Further progress may be intimated
4	2XXXXXXXXXX XXXXXP	Thane Rural(Mira_Bh ayander)	Vasai_70 3	03/12/2020	03/12/2020	25/08/2021	Dec-20	16	113595045	20447108	The cancellation has been initiated with retrospective effect. But taxpayers have not filed GST return. No ITC was passed	Reply not acceptable as not filing of return does not restrict availment of ITC by recipients
5	2XXXXXXXXXX XXXXXE	Raigad(Raigad _South)	Ghansoli _501	15/02/2020	15/02/2020	18/12/2020	Apr-20	12	120157500	14418900	May be taxpayer generated EWB for passing of ITC. GSTR 1 and 3B could not be downloaded from BO system but since registration cancelled <i>ab initio</i> , hence no passing of ITC	Reply not acceptable as not filing of return does not restrict availment of ITC by recipients
							Total	38	243821617	35292440		

Appendix 3.1.4
(Reference: Paragraph 3.1.10.3, page 22)
Generation of EWBs by Non filer taxpayers

Sr. No	GSTIN	Division (New Division)	Charge	Date of Registration	Date of cancellation	Date of order of cancellation	Months of Generation of EWB where return were not filed	No. of EWBs generated during the months	Assessable Value of goods	Tax value of goods	Reply of the Department	Audit Remarks
1	2XXXXXXXXXX XXXXX5	Raigad (Raigad_South)	Panvel_706	30/07/2017	30/07/2017	10/03/2018	Mar-19	1	918225	165280	DRC 07 issued	Further progress may be intimated
2	2XXXXXXXXXX XXXXXXXXX0	Aurangabad (Ch. Sambhaji Nagar)	MIDC_Waluj_702	01/07/2017	01/07/2017	10/04/2023	April-18 May-18	2	605070	30254	DRC 07 dated 18/04/2024 issued for recovery of dues of ₹ 0.52 lakh	Further progress may be intimated
3	2XXXXXXXXXX XXXXX8	Kolhapur (Kolhapur)	Satara	16/08/2017	16/08/2017	07/12/2019	July-18 Sept-18 Nov-18 Dec-18 Jan-19 Feb-19 April-19 May-19 June-19 Aug-19 Nov-19	14	2023164	103262	Adjudication proceedings were done and DRC 07 dated 25/04/2024 issued for recovery of ₹ 1.24 lakh	Further progress may be intimated
4	2XXXXXXXXXX XXXXXXZ	Thane Rural (Mira_Bhayand er)	Bhayander-East_702	19/12/2017	01/08/2018	15/11/2019	Sep-18 Oct-18 Dec-18 Jan-19 March-19 April-19 May-19 June-19	38	15033106	1787259	As the taxpayer was non-filer, registration was cancelled with retrospective effect from 01/08/2018 and there is no passing of ITC	Reply is not acceptable as not filing of return does not restrict availment of ITC by recipients
5	2XXXXXXXXXX XXXXXXV	Thane City (Kalyan)	Ulhasnagar-5_702	01/07/2017	01/07/2017	26/11/2019	Nov-18 Dec-18 March-19	5	2078870	373904	There is possibility that taxpayers have put wrong information to mislead tax authorities	Action taken for reversal of ITC may be stated.

Sr. No	GSTIN	Division (New Division)	Charge	Date of Registration	Date of cancellation	Date of order of cancellation	Months of Generation of EWB where return were not filed	No. of EWBs generated during the months	Assessable Value of goods	Tax value of goods	Reply of the Department	Audit Remarks
6	2XXXXXXXXXX XXXXXXF	Raigad (Raigad-North)	Airoli_702	01/07/2017	30/04/2018	25/02/2020	May-18 June-18 Sept-18	6	1576270	283729	Taxpayers filed GSTR 3B for April 2018.	Action taken for reversal of ITC may be stated.
7	2XXXXXXXXXX XXXXXXP	Thane Rural (Mira_Bhayander)	Vasai_703	03/12/2020	03/12/2020	25/08/2021	Jan-21	4	21272722	3829090	Taxpayer had not filed any return since its registration; hence transaction cannot be identified	Reply is not acceptable as return does not restrict availment of ITC by recipients
8	2XXXXXXXXXX XXXXXX5	Nagpur (Nagpur_West)	Trimurti_Nagar_701	26/09/2017	01/05/2018	04/10/2019	May-18 June-18 July-18 Aug-18	23	5114680	613762	Did not file GST returns for invoice period and hence not passed credit to his customer	Reply is not acceptable as return does not restrict availment of ITC by recipients
9	2XXXXXXXXXX XXXXXX2	Nagpur (Chandrapur)	Hinganghat_702	01/07/2017	30/11/2018	19/12/2021	Dec-18	4	387400	19370	Show cause notice u/s 63 for ₹ 0.90 lakh issued on 27/12/2023	Further progress may be intimate
							Total	97	49009507	7205909		

Appendix 3.1.5
(Reference: Paragraph 3.1.10.4, page 23)
Generation of multiple EWBs on the strength of same invoice

Sr. No.	Taxpayer GSTIN	Division (New Division)	Charge	Generation of more than one EWB on one single invoice	No. of EWBs generated on Single Invoice	Assess value of goods in Duplicate EWBs	Tax liability	Reply of the Department	Audit Remarks
1.	2XXXXXXX XXXXXXXXXO	Aurangabad (Ch. Sambhaji Nagar)	MIDC_Waluj_702	Invoice no 05 dated 26/04/2018- two EWB-231007993589, 211008447274	2	3.1	0.15	DRC 07 issued in April 2024 for recovery of dues.	Further progress may be intimated
2.	2XXXXXXX XXXXXXXXX5	Nagpur (Nagpur West)	Trimurti_Nagar_701	(i) Invoice No-3- dated 26/05/2018- two EWB-251011124960, 201011166628 (ii) Invoice No-4- dated 26/05/2018- two EWB-211011168333, 291011126869	4	2.19	0.26	Assessment u/s 63 was undertaken and whenever any incidence of evasion of tax was found further adjudication action was initiated.	Further progress may be intimated
3.	2XXXXXXX XXXXXXXXXZ	Thane Rural(Mira_Bhayander)	Bhayander-East_702	(i) Invoice number 036 dated 08/09/2018- two EWB-261039846292, 281041545255 (ii) Invoice number 41 dated 17/09/2018 - two EWB - 231042009643, 251042764342 (iii) Invoice number 21 dated 06/08/2018- two EWB - 291030732887, 281030855280 (iv) Invoice number 25 dated 13/08/2018- two EWB - 271033473130, 261032748078 (v) Invoice number 24 dated 13/08/2018 - three EWB - 221034236722, 221033477140, 251032751903	11	17.6	2.11	Goods were transported from factory to main transporter; then to godown and from there through light vehicle to the destination.	Reply for one single invoice no. 24 was given but replies for other four invoices are awaited
4.	2XXXXXXX XXXXXXXXX5	Raigad(Raigad_South)	Panvel_706	Invoice no 7510801554 dt 4/6/2018 - two EWB - 241013469303, 291013472067	2	10.74	1.93	The case is selected for scrutiny for 2018-19 and DRC 07 for recovery of ₹ 8.20 lakh was issued 15/06/2022. The dealer went in appeal.	Further progress may be intimated
5.	2XXXXXXX XXXXXXXXXN	Raigad (Raigad-North)	Belapur_503	(i) Invoice no HLD-10459 dt 10/09/20 - two EWB - 211220170794, 271220174145 (ii) Invoice no EOU-2/010/2020-21 dt 16/07/20 - three EWB - 611207488434, 621207506320, 661207505572	5	50.5	7.45	The taxpayers do not require generation of EWB, however, EWBs were generated in its name by another taxpayer who comes under central jurisdiction and issue is communicated to Central authority	Reply is not acceptable as the consignor in EWB was JNPT

Sr. No.	Taxpayer GSTIN	Division (New Division)	Charge	Generation of more than one EWB on one single invoice	No. of EWBs generated on Single Invoice	Assess value of goods in Duplicate EWBs	Tax Liability	Reply of the Department	Audit Remarks
6.	2XXXXXXXXXX XXXXXXZ	Pune-1 (Pune_North_West)	Bhosari_613	(i) invoice no. 18190192 - Dated 18.09.2018 - three EWB - 281042308222, 291042308353, 151071237069 (ii) invoice no. 18190324 - Dated 21.12.2018- two EWB - 211067840766, 251066832456	5	13.31	2.39	Due to system glitch EWB prepared by taxpayer was not visible on the system, hence, the taxpayer generated another EWB but did not cancel earlier bills.	Reply is not acceptable as the taxpayer has generated 5 EWBs on two occasions.
7.	2XXXXXXXXXX XXXXXXL	Nashik (Nashik)	Ambad_501	(i) invoice no. NS10610 dated 27/06/2018 - two EWB - 221020107809, 261020136706 (ii) invoice no. NS10814 dated 28/06/2018 - two EWB - 271020477947, 281020482618 (iii) invoice no. NSA10 dated 26/09/2018 two EWB - 231044536082, 291044537137	6	3.44	0.14	There is no mechanism to detect generation of multiple EWBs on single invoices. EWB was generated with such vehicle number that was not readily available; hence taxpayer generated another EWB.	Mechanisms to detect generation of multiple EWBs on single invoice may be developed
					35	100.88	14.43		

Appendix 3.1.6
(Reference: Paragraph 3.1.10.6, page 24)
High Value EWBs Generated by Certain Taxpayers

Sr. No.	From Name	Generator GSTIN	Division	EWB No.	EWB Date	EWB Assessable Value	Sale as per GSTR 1 of the dealer in the EWB month
1.	CG Power and Industrial Solutions Limited	2XXXXXXXXXXXXXXXXXP	Bandra	271239230409	10/11/2020	39100100000000.00	1191077495.00
2.	Craftman	2XXXXXXXXXXXXXXXXXP	Pune South	271238962222	09/11/2020	120790044144.00	211890654.00
3.	Rise Tex IndustiresLjp	2XXXXXXXXXXXXXXXXXT	Fort	271165460662	23/12/2019	44617508066560.00	7737589.00
4.	Myntra Jabong India Private Ltd.	2XXXXXXXXXXXXXXXXXG	Bhiwandi	221131834221	21/08/2019	16474591647459.00	1373234048.00
5.	Sai Service Private Limited	2XXXXXXXXXXXXXXXXXJ	Pune East	291164318032	18/12/2019	2010420200644.00	495066912.00
6.	Sai Service Private Limited	2XXXXXXXXXXXXXXXXXJ	Pune East	281048473256	10/10/2018	1910427900316.00	504485702.00

Appendix 3.1.7
(Reference: Paragraph 3.1.10.7, page 25)
Generation of EWBs -Consignor and Consignee with same PAN Number -Consignee

Sr. No.	Division	EWB Number	EWB Date	EWB Assessable Value	Tax liability	From Taxpayer GSTIN	Document Date	To Taxpayer GSTIN	Reply of the Department	Audit Remarks
1.	Pune_West	531028525805	07/04/2018	70000000	12600000	3XXXXXXXXXXXXXXXXX1	07/04/2018	2XXXXXXXXXXXXXXXXXXV	Reply awaited.	Action taken for reversal of ITC may be intimated
2.	Nashik	811019422219	18/09/2018	8640000	0	2XXXXXXXXXXXXXXXXXP	18/09/2018	2XXXXXXXXXXXXXXXXXXE	Matter was communicated to the taxpayer in Form ASMT 10 and the taxpayer replied that he had 30 branches in India of which 22 were active. Company transferred stock from Odisha to Maharashtra.	Reply is not acceptable as in the case of stock transfer, GST was required to be paid.
3.	Nagpur	531271905177	24/06/2021	5380375	269018	3XXXXXXXXXXXXXXXXXB	24/06/2021	2XXXXXXXXXXXXXXXXX2	Notice in Form ASMT 10 for Scrutiny of return proceedings has been initiated by the Department.	Further progress may be intimated
4.	Mumbai-Ltu-3	331209429779	16/06/2020	4752771	855498	0XXXXXXXXXXXXXXXXXQ	16/06/2020	2XXXXXXXXXXXXXXXXXC	Transfer of material from Jammu & Kashmir to Butibori workshop Nagpur Maharashtra but have not claimed ITC.	Reply is not acceptable as EWB has details of assessable value and IGST, but the goods were not shown as received by the Taxpayer.
5.	Mulund	831181753986	30/09/2021	6917400	0	1XXXXXXXXXXXXXXXXXU	30/09/2021	2XXXXXXXXXXXXXXXXXX	Reply awaited.	Action taken for reversal of ITC may be intimated
6.	Mumbai-Ltu-1	861021535810	02/10/2018	5428000	977040	0XXXXXXXXXXXXXXXXXP	02/10/2018	2XXXXXXXXXXXXXXXXXP	Reply awaited.	Action taken for reversal of ITC may be intimated
7.	Aurangabad	701107362416	06/12/2019	4796209	863317	0XXXXXXXXXXXXXXXXX7	05/12/2019	2XXXXXXXXXXXXXXXXX7	Reply awaited.	Action taken for reversal of ITC may be intimated

Appendix 3.1.8
(Reference: Paragraph 3.1.10.8, page 26)
Totality observations and responses

Sr. No.	Nature of Totality Observation	No. of Taxpayers (TPs)	No. of EWBs generated	No. of EWBs sent on sample basis by JC, BCP to jurisdictional tax authorities	Replies received	Jurisdictional Tax Authorities Response	Response yet to be received
1.	Generation of EWBs by Cancelled taxpayers	6078	130784	219	62	Notices u/s 61 or 63 issued – 44 cases DRC 07 issued -2 case (₹ 75.31 lakh) Recovery made -1 case (₹ 18.69 lakh) Filed returns before cancellation or after revocation of cancellation - 10 cases. Cases closed by department due to purchases return-5 cases	157
2.	Generation of EWBs by Non-filers of GST Returns	2822—Normal Taxpayer And 154—Composition Taxpayer	28100 EWBs— Normal Taxpayer And 412 EWBs— Composition Taxpayer	151	43	Notices u/s 61 or 63 issued – 20 cases DRC 07 issued -6 case (₹ 614.98 lakh) Cases closed by department due to purchases return-13 cases Four taxpayers declared NGTP	108
3.	Generation of duplicate EWBs using same Invoice	19259	88322	165	50	Notices u/s 61 or 73 issued – 16 cases. Cases closed by department due to purchases return-34 cases	115
4.	Generation of Inter-State EWBs by Composition Taxpayers	346	922	345	135	Notices u/s 61, 63 or 73 issued – 78 cases. DRC 07 issued – 8 cases (₹ 65.94 lakh) Recovery made -16 case (₹ 6.66 lakh). Cases closed by department due to purchases return-33 cases	210
	Total	28659	248540	880	290		590

Appendix 3.1.9
(Reference: Paragraph 3.1.11.5, page 28)
Non-production of documents

Sr. No.	Date of Interception	Interception Location	Division	Vehicle Number	GSTIN of Consignor	GSTIN of Consignee	Originating state	Destination state	Description of Commodities
1.	11/06/2019	Hivargaon Pawasa Sangamner Dist- Ahmadnagar	Nashik	MH-04 DK-8274	Not mentioned	Not mentioned	Maharashtra	Maharashtra	Paper Bag Making Machine
2.	11/06/2019	Hivargaon Pawasa Sangamner Dist- Ahmadnagar	Nashik	RJ-14 GI-5568	Not mentioned	Not mentioned	Gujarat	Maharashtra	Ceramic Tiles
3.	20/04/2019	Supa Toll Plaza	Nashik	GJ-06-AY-2045	Not mentioned	Not mentioned	Maharashtra	Maharashtra	Textile Machinery
4.	26/04/2019	Dahisar Toll Naka	Nodal-10	MH 02 ER 6367	Not mentioned	Not mentioned	Maharashtra	Maharashtra	Acrylic Pannel Resin
5.	28/01/2020	Dahisar Toll Naka	Nodal-10	MH 04 GR 6578	2XXXXXXXXXX XXXX7	2XXXXXXXXXX XXXXO	Gujarat	Maharashtra	Readymade Garments
6.	12/07/2021	Khed-Shivapur Toll Plaza, Pune-Bengaluru Highway Nh-48	Pune-3	MH 11 M 5392	2XXXXXXXXXX XXXXX1	Not mentioned	Maharashtra	Maharashtra	Paper
7.	21/09/2021	Talegaon Toll Plaza, Pune (Old Mumbai - Pune Highway)	Pune-3	MH-7-AJ-6186	2XXXXXXXXXX XXXXXW	2XXXXXXXXXX XXXXXF	Maharashtra	Maharashtra	Cement
8.	02/04/2019	Kasheli Toll Plaza, Bhiwandi	Thane City	MH 05 AM 2452	Not mentioned	Not mentioned	Maharashtra	Maharashtra	Duplon Pvc Hosc
9.	11/10/2018	Padgaon	Thane City	MH 28 B 8595	Not mentioned	Not mentioned	Maharashtra	Maharashtra	Tur Dal Branded
10.	30/10/2018	Thane - Ghodbundar Road Toll Plaza	Thane City	MH 48 AY 1613	Not mentioned	Not mentioned	Maharashtra	Maharashtra	Painted Pipes
11.	02/04/2019	Kasheli Toll Plaza, Bhiwandi	Thane City	DL-01 LY 4217	Not Available	Not Available	Maharashtra	Chandigarh	Medicine
12.	12/10/2018	Padgha Toll Plaza	Thane City	MH 14 BJ 4563	Not Available	Not Available	Maharashtra	Maharashtra	Wooden pallet
13.	14/12/2018	Kasheli Toll Naka, Bhiwandi & Arihant Warehouse Commercial Complex, Bhiwandi	Thane City	MH-04 GF-9903	Not Available	Not Available	Maharashtra	Maharashtra	Furniture
14.	30/10/2018	Thane - Ghodbundar Road Toll Plaza	Thane City	MH 12 LT 0120	Not Available	Not Available	Gujarat	Maharashtra	Ceramic Tiles
15.	07/10/2019		Nodal-01	MH 46 BB 5984	3XXXXXXXXXX XXXXXT	2XXXXXXXXXX XXXXXH	Not mentioned	Not mentioned	Hydra Landing Soor Panel
16.	05/02/2022	Midc Toll Plaza, Jalana (Flying Squad)	Aurangabad	MH21BH1478	2XXXXXXXXXX XXXXXE	2XXXXXXXXXX XXXXXK	Maharashtra	Not mentioned	M S Scrap
17.	10/02/2022	Midc Toll Plaza, Jalana (Flying Squad)	Aurangabad	MH451999	2XXXXXXXXXX XXXXXZJ	2XXXXXXXXXX XXXXXN	Maharashtra	Not mentioned	M S Scrap
18.	11/10/2018	Ladgaon Toll	Aurangabad	MH/20/TMP/2018 /8243	Not Available	Not Available	Maharashtra	Not mentioned	Tata Lpk 2523 Cr HdBs Iv Chassis
19.	10/02/2022	Midc Toll Plaza, Jalana (Flying Squad)	Aurangabad	MH26H8386	2XXXXXXXXXX XXXXX5	URP	Maharashtra	Not mentioned	M S Scrap
20.	05/02/2020	Limbe-Jalgaon Toll Naka Near, WalunjMidc Toll	Aurangabad	MH16AY0357	2XXXXXXXXXX XXXXX4	2XXXXXXXXXX XXXXY	Maharashtra	Not mentioned	Aluminum Extraction Profile
21.	01/02/2022	Midc Toll Plaza, Jalana	Aurangabad	MH14EM9423	2XXXXXXXXXX XXXXXP	2XXXXXXXXXX XXXXXN	Maharashtra	Not mentioned	M S Scrap
22.	04/02/2022	Midc Toll Plaza, Jalana (Flying Squad)	Aurangabad	MH18T0162	2XXXXXXXXXX XXXXX5	2XXXXXXXXXX XXXXX5	Maharashtra	Not mentioned	M S Scrap

Appendix 3.1.10
(Reference: Paragraph 3.1.1.6, page 29)
Non-creation of demand for tax and penalty during EWB interception

Sr. N.	Division	Vehicle Number	Date of Interception	GSTIN of Consignor	GSTIN of Consignee	Description of Commodities	Applicable Tax	Penalty	Total	Reply of the Department
1.	Aurangabad	MH21 9577	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	29753	29753	59506	Dealer has made payment in form DRC 03 on 06/10/23
2.	Aurangabad	MH20EG9730	24/07/2019	2XXXXXXX XXXXXXM	2XXXXXXX XXXXXX3	Outer Tube Cast	17676	17676	35352	Dealer has made payment in form DRC 03 on dated 25/09/2023
3.	Aurangabad	MH 20 CT 8616	12/10/2018	Not mentioned	Not mentioned	Paints	34400	34400	68800	Taxpayer has paid the dues on 9/10/23 vide DRC 03.
4.	Aurangabad	MH13AX3577	12/06/2019	Not mentioned	Not mentioned	Scrap	100872	100872	201744	Taxpayers have been communicated about filing of DRC 03 taxpayers reply awaiting accordingly.
5.	Aurangabad	MH-20-CT-3142	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	44294	44294	88588	Dealer has made payment in form DRC 03 on dated 10/10/2023
6.	Aurangabad	MH30 B2649	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	40824	40824	81648	Dealer has made payment in form DRC 03 on 26/09/23
7.	Aurangabad	MH04 BU6281	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	23342	23342	46684	Dealer has made payment in form DRC 03 on dated 26/09/23
8.	Aurangabad	MH15AG 9495	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	28470	28470	56940	Dealer has made payment in form DRC 03 on dated 10/10/23
9.	Aurangabad	MH-10 Z-1086	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	47084	47084	94168	Taxpayers have been communicated about filing of DRC 03 taxpayers reply awaiting accordingly.
10.	Aurangabad	MH-20 BT-4441	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	29174	29174	58348	Dealer has made payment in form DRC 03 on 04/10/23
11.	Aurangabad	MH20EG5137	24/07/2019	2XXXXXXX XXXXXXO	27AGRPJ5564 DIZ4		26252	26252	52504	Dealer has made payment in form DRC 03 on 26/09/23
12.	Aurangabad	MH48AY8292	12/06/2019	Not mentioned	Not mentioned	Scrap	42940	42940	85880	Dealer has made payment in form DRC 03 on dated 27/09/23
13.	Aurangabad	UP51 AT4070	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	43912	43912	87824	Dealer has made payment in form DRC 03 on 04/10/23
14.	Aurangabad	MH-20 AT -7280	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	27540	27540	55080	Dealer has made payment in form DRC 03 on dated 27/09/23
15.	Nodal-01	MH 12-QG-4552	01/11/2018	Not mentioned	Not mentioned	M. S. Scrap	65092	65092	130184	Dealer has made payment in form DRC 03 on 26/09/23
16.	Nodal-01	MH-11-BL-4327	07/10/2019	2XXXXXXX XXXXXXK	Not mentioned	Choke Coils Inductor	50160	50160	100320	Reply Awaited
17.	Nashik	MH-43-Y-8039	07/10/2019	2XXXXXXX XXXXXXM	Not mentioned	LicLago Paper	15096	15096	30192	Reply Awaited
18.	Nashik	MH-20-EG-0869	26/04/2019	Not mentioned	Not mentioned	Medicines	11484	11484	22968	Reply Awaited
19.	Nashik	MH-04-DD-6733	22/02/2019	Not mentioned	Not mentioned	M S Scrap	75592	75592	151184	Reply Awaited
20.	Nashik	MH-15-TC-0622	14/12/2018	Not mentioned	Not mentioned	Teactor	60505	60505	121009	Reply Awaited
21.	Nashik	GJ09Z8447	02/11/2018	Not mentioned	Not mentioned	Cotton	37050	37050	74100	Due to technical Error taxpayer failed to file DRC.03 dt-20/09/2023
						Total	851512	851511	1703023	

Appendix 3.1.11
(Reference: Paragraph 3.1.1.1.6, page 30)
Short creation of demand for tax and penalty during EWB interception

Sr. No.	Division	Vehicle Number	GSTIN of Consignor	GSTIN of Consignee	Assessable Value	Tax Paid	Tax Payable	Tax Short Paid	Reasons for payment	short	Reply of the Department
1.	Thane City	MH-46/R-7931	2XXXXXXX XXXXXXI	2XXXXXXX XXXXXXE	2230212	27090	54180	27090	Penalty paid but tax amount not paid		Recovery ₹0.27 lakh made September 2023
2.	Pune-3	MH-14/HG 4486	2XXXXXXX XXXXXXN	2XXXXXXX XXXXXXY	124321	22372	44744	22372	Penalty paid but tax amount not paid		Reply is awaited
3.	Nodal-1, Mumbai	MH-01/CV 5926	2XXXXXXX XXXXXX0	USA	3877407	287352	387740	100388	USD Dollar to Rupee conversion rate taken less		Reply is awaited
4.	Nodal-1, Mumbai	MH-01/CR 5233	2XXXXXXX XXXXXX5	URD	401800	72324	144648	72324	Tax paid but penalty amount not recovered		Reply is awaited
5.	Nashik	MH-12/QC 5644	Not mentioned	Not Mentioned	766708	209100	276014	66914	Tax and penalty calculated at 12% instead of 18%		Wrongly mentioned HSN code
6.	Nashik	MH-04/EQ 4353	2XXXXXXX XXXXXXO	2XXXXXXX XXXXXXE	117947	36000	42460	6460	Tax and penalty calculated at 12% instead of 18%		Recovery effected dt 28/08/2023
				Total	7518395	654238	949786	295548			

Appendix 3.1.12
(Reference: Paragraph 3.1.11.7, page 30)
Delayed payment of tax and penalty to the Government account

Sl. No.	Division	Vehicle Number	Date of interception	Date of Release	GSTIN of Consignor	Name of the Consignor	GSTIN of Consignee	Name of the Consignee	Description of Commodities	Date of DRC 03	Delay (in days) in payment of tax & penalty to Government account	Tax amount	Reply of the Department
1.	Pune-3	MH-7-AJ-6186	30/01/2021	30/01/2021	2XXXXXXXXXX XXXXXX0	Sagar Subhash Parab	URD	Nitin Dalvi	Forest Wood	23/12/2021	327	117000	Reply Awaited
2.	Pune-3	MH 11 CH 3408	03/02/2021	03/02/2021	2XXXXXXXXXX XXXXXX8	Orgatma Organic Science Pvt Ltd	3XXXXXXXXX XXXXXXN	Harish Electronics	Kalchekku Machine Semi-Automatic Stone	13/02/2021	10	49320	Reply Awaited
3.	Pune-3	MH 14 HG 4486	03/02/2021	03/02/2021	2XXXXXXXXXX XXXXXXN	M/S Surya Electronics India Pvt. Ltd.	2XXXXXXXXX XXXXXXY	Shree Electronics and Mobile	Electronics Goods	17/02/2021	14	222372	Reply Awaited
4.	Aurangabad	MH20EL3681	10/12/2020	10/12/2020	2XXXXXXXXXX XXXXXX0	JK Tyre & Industries Limited	2XXXXXXXXX XXXXXXL	Rajendra Tyre Service	Tyre, tubes	05/01/2021	27	105888	Challan (credit to Cash ledger) was prepaid on 10/12/2020 but DRC 03 was credited on 05/01/2021
					Not mentioned	Cavendish	Not mentioned	not mentioned	PRKTT, tube, flap	06/01/2021	26		
									Total			494580	

Appendix 3.2.1
(Reference: Paragraph 3.2.7.1, page 36)
Non-conduct of scrutiny

Sr. No.	Charge Office	Year	No. of taxpayers with Charge Office	No. of tax-payers whose returns were scrutinized	No. of returns scrutinized	No. of cases where discrepancy found	Amount involved	No. of cases where ASMT 10 were issued	No. of cases where discrepancy accepted by taxpayer	Amount recovered	No. of cases where SCNs issued	Amount	No. of cases completed	Amount	Remarks
1.	Mumbai-LTU-514	2020-21		0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated (January 2024) that it was the initial period of the implementation of GST Act, and the department was new to GST laws. Department was busy in disposing of pending works related to VAT and list of selected taxpayers for scrutiny was received from EIU in April 2021 for assessment year 2017-18.
2.	Mumbai-LTU-520	2020-21	104	0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated (January 2024) that no cases were received from EIU for scrutiny in 2020-21.
3.	Marol-501	2020-21	444	0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated (June 2024) that EIU allotted cases for scrutiny for the period 2017-18 to 2021-22 after FY 2021-22 only hence no scrutiny was conducted during 2020-21.
4.	Mumbai-LTU-519	2020-21	113	0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated (July 2024) that no cases have been directed by EIU for scrutiny in 2020-21.
5.	Mumbai-LTU-537	2020-21	115	0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated no cases were received for scrutiny from EIU in 2020-21.
6.	Mumbai-LTU-543	2020-21	93	1	12	1	521294	1	0	0	1	521294	1	521294	--

Report No. 6 of 2025 (Compliance Audit Report on State Revenues for the period ended March 2023)

Sr. No.	Charge Office	Year	No. of taxpayers with Charge Office	No. of tax-payers whose returns were scrutinized	No. of returns scrutinized	No. of cases where discrepancy found	Amount involved	No. of cases where ASMT 10 were issued	No. of cases where discrepancy accepted by taxpayer	Amount recovered	No. of cases where SCNs issued	Amount	No. of cases completed	Amount	Remarks
7	Mumbai-LTU-512	2020-21	81	0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated (January 2024) no cases were received for scrutiny from EIU in 2020-21.
8.	Mumbai-LTU-501	2020-21	107	0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated (January 2024) no cases were received for scrutiny from EIU in 2020-21.
9.	Pen-501	2020-21	57	0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated (January 2024) no cases were received for scrutiny from EIU in 2020-21.
10.	Pune-LTU-502	2020-21	68	0	0	0	0	0	0	0	0	0	0	0	Charge Officer stated (January 2024) no cases were received for scrutiny from EIU in 2020-21.
		Total	1182	1	12	1	521294	1	0	0	1	521294	1	521294	

Appendix 3.2.2
(Reference: Paragraph 3.2.7.2, page 37)
Non-conduct of audit by Charges

Sl. No.	Charge Office	Year	No. of taxpayers with Charge Office	No. of taxpayers selected for conducting audit	No. of audits conducted during the year	Actual no. of audits completed	No. of cases in which deficiencies were found	Amount involved in deficiencies	Recovery	Reply of the Department
1.	Mumbai-LTU-514	2020-21	95	0	0	0	0	0	0	Charge Officer stated (January 2024) that it was initial period of implementation of GST laws. Further, department was busy in disposing of the pending work related to VAT. No cases have been directed by EIU for audit between July 2017 and March 2021. List of selected taxpayers for audit was received in April 2021 for assessment year 2017-18.
2.	Mumbai-LTU-520	2020-21	104	0	0	0	0	0	0	Charge Officer stated (January 2024) that cases for audit were received from July 2022 onwards for the assessment years 2018-19 to 2020-21.
3.	Marol-501	2020-21	444	0	0	0	0	0	0	Charge Officer stated (June 2024) that EIU has allotted cases on SAP module for GST audit for the period 2017-18 to 2021-22 after FY 2021-22. Neither audit cases were allotted on SAP module nor disposed of any case during FY 2020-21.
4.	Mumbai-LTU-519	2020-21	113	0	0	0	0	0	0	Charge Officer stated (July 2024) no cases have been directed by EIU for audit during 2020-21.
5.	Mumbai-LTU-537	2020-21	115	0	0	0	0	0	0	Charge Officer stated (September 2023) that no cases were received for audit from EIU in 2020-21.
6.	Mumbai-LTU-543	2020-21	93	1	1	0	1	28390172	0	--
7.	Mumbai-LTU-512	2020-21	81	0	0	0	0	0	0	Charge Officer stated (January 2024) that no cases were received for audit from EIU in 2020-21.
8.	Mumbai-LTU-501	2020-21	107	0	0	0	0	0	0	Charge Officer stated (January 2024) that no cases were received for audit from EIU in 2020-21.
9.	Pen-501	2020-21	57	0	0	0	0	0	0	Charge Officer stated (January 2024) that no cases were received for audit from EIU in 2020-21.
10.	Pune-LTU-502	2020-21	68	0	0	0	0	0	0	Charge Officer stated (January 2024 and April 2025) that no cases were received for audit from EIU in 2020-21.
	Total		1078	1	1	0	1	28390172	0	

Appendix 3.2.3
(Reference: Paragraph 3.2.7.3, page 38)
Delay in cancellation of Registration

Sr. No.	Charge Office	GSTIN	Type of Cancellation	Date of Registration	Date of application by taxpayer	Date of Initiation of Notice (REG 17)	Date of reply to REG17	Due date of registration to be cancelled (as per Act)	Reason of Cancellation	Date of Order (Actual registration cancelled on)	Delay in cancellation (in days)	Remarks
1.	Marol-501	27XXXXXX XXXXX1 Z7	On Application by the taxpayer	01/07/2017	16/01/2020	NA	NA	15/02/2020	Discontinuance of business/ Closure of business	12/09/2020	210	Charge Officer did not give any reasons for the delay.
2.	Marol-501	27XXXXXX XXXXX2 Z7	On Application by the taxpayer	24/08/2017	11/12/2019	NA	NA	01/10/2020	Discontinuance of business/ Closure of business	28/05/2020	139	Charge Officer did not give any reasons for the delay.
3.	Marol-501	27XXXXXX XXXXX1 Z7	On Application by the taxpayer	01/07/2017	26/06/2020	NA	NA	26/07/2020	Discontinuance of business/ Closure of business	12/09/2020	48	Charge Officer did not give any reasons for the delay.
4.	Marol-501	27XXXXXX XXXXX1 Z0	On Application by the taxpayer	01/07/2017	05/03/2021	NA	NA	04/04/2021	Discontinuance of business/ Closure of business	07/10/2021	186	Charge Officer did not give any reasons for the delay.
5.	Marol-501	27XXXXXX XXXXX1 ZP	On Application by the taxpayer	15/10/2019	26/01/2021	NA	NA	25/02/2021	Discontinuance of business/ Closure of business	07/10/2021	224	Charge Officer did not give any reasons for the delay.
6.	Marol-501	27XXXXXX XXXXX2 ZV	Sto moto by the Department	11/02/2020	NA	12/11/2020	Reply not submitted	19/12/2020	Returns not furnished for continuous six tax period	07/10/2021	292	Charge Officer did not give any reasons for the delay.
7.	Marol-501	27XXXXXX XXXXX1 ZA	Sto moto by the Department	14/02/2020	NA	12/11/2020	Reply not submitted	19/12/2020	Returns not furnished for continuous six tax period	07/10/2021	292	Charge Officer did not give any reasons for the delay.
8.	Mumbai-LTU-519	27XXXXXX XXXXX1 Z6	On Application by the taxpayer	01/07/2017	12/08/2020	NA	NA	11/09/2020	Transfer of business on account of amalgamation,	28/09/2020	17	Charge Officer did not give any reasons for the delay.
9.	Mumbai-LTU-543	27XXXXXX XXXXX1 ZP	On Application by the taxpayer	01/07/2017	30/07/2020	NA	NA	29/08/2020	Others	07/09/2020	9	Charge Officer did not give any reasons for the delay.
10.	Mumbai-LTU-501	27XXXXXX XXXXX2 Z5	Sto moto by the Department	01/07/2017	15/07/2020	15/07/2020	--	21/08/2020	Returns not furnished for continuous six tax period	21/09/2020	31	Charge Officer did not give any reasons for the delay.
11.	PEN-501	27XXXXXX XXXXX1 ZA	On Application by the taxpayer	01/07/2017	18/03/2021	NA	NA	18/04/2021	Merger	19/05/2021	31	Due to covid situation, office was not working in full, hence there was delay of one month.

Appendix 3.2.4
(Reference: Paragraph 3.2.7.4, page 39)
Inadequate Follow-up on non-filing of GSTR 10

Sr. No.	Charge Office	GSTIN	Date of Issue of cancellation order	Due Date of Filing GSTR 10	Date of filing of GSTR 10	Delay in filing GSTR 10	Details of action taken on Non filing of GSTR 10			Late fee paid
							Issue of GSTR 3A	Assessment order issued (ASMT 13)		
1.	Mumbai-LTU-514	27XXXXXXXXXXXX1ZR	16/06/2020	14/09/2020	20/08/2021	340	Not issued	Not issued	Not issued	Late fee 5000 CGST & SGST was paid
2.	Mumbai-LTU-520	27XXXXXXXXXXXX1ZD	27/10/2020	25/01/2021	Not filed	Not filed	Not issued	Not issued	Not issued	
3.	Mumbai-LTU-520	27XXXXXXXXXXXX1ZO	28/12/2020	28/03/2021	13/04/2023	746	-	-	-	1000 Late fee was paid
4.	Mumbai-LTU-520	27XXXXXXXXXXXX2Z7	29/12/2020	29/03/2021	Not filed	Not filed	Not issued	Not issued	Not issued	
5.	Mumbai-LTU-520	27XXXXXXXXXXXX1ZX	30/12/2020	20/01/2021	Not filed	Not filed	Not issued	Not issued	Not issued	
6.	Mumbai-LTU-520	27XXXXXXXXXXXX1Z5	31/12/2020	07/01/2021	Not filed	Not filed	Not issued	Not issued	Not issued	
7.	Mumbai-LTU-520	27XXXXXXXXXXXX1ZY	01/01/2021	29/11/2020	Not filed	Not filed	NA	NA	NA	
8.	Mumbai-LTU-520	27XXXXXXXXXXXX1ZB	02/01/2021	03/02/2021	Not filed	Not filed	Not issued	Not issued	Not issued	
9.	Mumbai-LTU-520	27XXXXXXXXXXXX3Z8	03/01/2021	06/01/2021	Not filed	Not filed	NA	NA	NA	
10.	Mumbai-LTU-520	27XXXXXXXXXXXX1ZP	04/01/2021	06/12/2020	Not filed	Not filed	Issued	Issued	NO	
11.	Mumbai-LTU-520	27XXXXXXXXXXXX1ZP	05/01/2021	06/04/2021	28/06/2023	813	NA	NA	NA	
12.	Mumbai-LTU-543	27XXXXXXXXXXXX1Z7	06/01/2021	06/04/2021	Not filed	Not filed	NA	NA	NA	
13.	Mumbai-LTU-501	27XXXXXXXXXXXX1ZO	26/11/2020	25/02/2021	Not filed	Not filed	NA	NA	NA	
14.	Mumbai-LTU-501	27XXXXXXXXXXXX1Z9	21/10/2020	20/01/2021	Not filed	Not filed	NA	NA	NA	
15.	Mumbai-LTU-501	27XXXXXXXXXXXX2ZB	02/10/2020	31/12/2020	Not filed	Not filed	NA	NA	NA	
16.	Mumbai-LTU-501	27XXXXXXXXXXXX1ZI	28/09/2020	27/12/2020	Not filed	Not filed	NA	NA	NA	
17.	Mumbai-LTU-501	27XXXXXXXXXXXX2Z5	21/09/2020	20/12/2020	Not filed	Not filed	NA	NA	NA	
18.	Pen-501	27XXXXXXXXXXXX1ZA	24/11/2020	22/02/2021	Not filed	Not filed	NA	NA	NA	

Appendix 3.2.5
(Reference: Paragraph 3.2.9.1, page 54)
Scope Limitation

Sl. No.	Division	Charge Office	GSTIN	Records not produced
1	Mumbai-LTU-2	Mumbai-LTU-514	27XXXXXXXXXX2Z2W	Bills of supplies, receipt and payment vouchers, Agreement, debit and credit notes of selected two months, ITC reversal working sheet u/r 42 & 43, ITC register, sales register & RCM register with 15-20 high end invoice.
2	Mumbai-LTU-2	Mumbai-LTU-514	27XXXXXXXXXXXXXIZY	GSTR 1 invoices, bills of supplies, receipt and payment vouchers, Agreement, debit and credit notes of selected two months, Purchase invoices, zero rated invoices, job work challan, invoices of exempted supplies, Notes to accounts, ITC reversal working sheet u/r 42 & 43, ITC register, sales register & RCM register with 15-20 high end invoice.
3	Mumbai-LTU-2	Mumbai-LTU-514	27XXXXXXXXXXXXXZ0	GSTR 1 invoices, bills of supplies, receipt and payment vouchers, Agreement, debit and credit notes of selected two months, job work challan, invoices of exempted supplies, Notes to accounts, ITC reversal working sheet u/r 42 & 43, ITC register, sales register & RCM register with 15-20 high end invoice.
4	Mumbai-LTU-2	Mumbai-LTU-514	27XXXXXXXXXXXXXIZS	Invoices of GSTR 1, bills of supplies, receipt and payment vouchers, Agreement, debit and credit notes of selected two months, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, ITC reversal working sheet u/r 42 & 43, ITC register, sales register & RCM register in with 15-20 high end invoice.
5	Mumbai-LTU-2	Mumbai-LTU-517	27XXXXXXXXXXXXXIZI	Receipt and payment vouchers, Agreement, debit and credit notes of selected two months, ITC reversal working sheet u/r 42 & 43, ITC register, sales register & RCM register in with 15-20 high end invoice.
6	Mumbai-LTU-2	Mumbai-LTU-517	27XXXXXXXXXXXXXIZ2	Invoices of GSTR 1, bills of supplies, receipt and payment vouchers, Agreement, debit and credit notes of selected two months, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, Notes to accounts with Directors / Auditors report, ITC reversal working sheet u/r 42 & 43, ITC register, sales register & RCM register in with 15-20 high end invoice.
7	Mumbai-LTU-2	Mumbai-LTU-518	27XXXXXXXXXXXXXIZM	Bills of supplies, receipt and payment vouchers, Agreement, debit notes of selected two months, Purchase invoices, Job work challans, ITC reversal working sheet u/r 42 & 43, ITC register (2018-19 and 2020-21), sales register (2018-19 and 2020-21) and RCM register with 15-20 high end invoice.
8	Mumbai-LTU-2	Mumbai-LTU-519	27XXXXXXXXXXXXXIZ5	Sales register with 15-20 high end invoice.
9	Mumbai-LTU-2	Mumbai-LTU-519	27XXXXXXXXXXXXXIZ5	Receipt and payment vouchers, Agreement, debit and credit notes of selected two months, zero rated invoices, Job work challans, invoices of exempted supplies, Notes to accounts, ITC reversal working sheet u/r 42 & 43, sales register & RCM register with 15-20 high end invoice.
10	Mumbai-LTU-2	Mumbai-LTU-523	27XXXXXXXXXXXXXIZ4	Receipt and payment vouchers, Agreement, debit and credit notes of selected two months, Purchase invoices, zero rated invoices, invoices of exempted supplies, Notes to accounts, ITC reversal working sheet u/r 42 & 43 & sales register with 15-20 high end invoice.
11	Mumbai-LTU-2	Mumbai-LTU-523	27XXXXXXXXXXXXXIZ3	GSTR 1 invoices, bills of supplies, receipt and payment vouchers, Agreement, debit and credit notes of selected two months, Purchase invoices, zero rated invoices, Job work challans, invoices of exempted supplies, Notes to accounts, ITC reversal working sheet u/r 42 & 43, ITC register (2018-19), sales register (2018-19) & RCM register with 15-20 high end invoice.
12	Mumbai-LTU-2	Mumbai-LTU-524	27XXXXXXXXXXXXXIZ6	GSTR 1 invoices, bills of supplies, receipt and payment vouchers, Agreement, debit and credit notes of selected two months, Purchase invoices, zero rated invoices, Job work challans, invoices of exempted supplies, Notes to accounts, ITC reversal working sheet u/r 42 & 43, ITC register, sales register & RCM register with 15-20 high end invoice.
13	Mumbai-LTU-3	Mumbai-LTU-531	27XXXXXXXXXXXXXIZI	Export and SEZ related documents (Shipping bills, Bill of export, EGM, BRC, FIRC), Job-work challan, Register (ITC, Sale, RCM), Credit/Debit Notes, Director's Report, 3CEB Report.

Sl. No.	Division	Charge Office	GSTIN	Records not produced
14	Mumbai-LTU-3	Mumbai-LTU-534	27XXXXXXXXXX1ZC	Invoices (Outward-Sept 2020 & Nov 2020), Invoices (Inward- September 2019), Credit/ Debit Note, Register (ITC, Sales & RCM 2018-19 to 2020-21), Annual Report, Schedules to Financial Statements, Director's & Auditor Reports (2019-20 and 2020-21), Details of exempted supplies with HSN (2019-20 & 2020-21), Auditor's report on Foreign exchange Earning, 3CEB reports (2018-19 to 2020-21), Ledger/details of trade receivable & trade payable (2018-19 to 2020-21).
15	Mumbai-LTU-3	Mumbai-LTU-535	27XXXXXXXXXX1ZS	Invoices (Outward - July 2019 & July 2020), Invoices (Inward - March 2019 & July 2019), Job-work challans (April 2018 & December 2020), Debit/Credit Notes 2018-19 to 2020-21), Details of exempted supplies with HSN.
16	Mumbai-LTU-3	Mumbai-LTU-532	27XXXXXXXXXX1Z8	Zero rated invoices (Outward -October 2020), Export and SEZ related documents (EGM, BRC, FIRC), Job-work challan (October 2018 & May 2019), Debit/Credit Notes, Schedule to Financial Statements, Related party discloser, Director's report, Auditor's report on Foreign Exchange Earnings, 3 CEB reports (2018-19 to 2020-21).
17	Mumbai-LTU-3	Mumbai-LTU-535	27XXXXXXXXXX1ZN	Credit notes, Debit notes, Details of exempted supplies with HSN, Schedule to Financial Statements, Related party discloser, Director's report, ITC reversals working sheet u/r 42 & 43.
18	Mumbai-LTU-2	Mumbai-LTU-545	27XXXXXXXXXX1Z7	Job-work challan (Sep 2018 & Feb 2019), Details of exempted supplies with HSN, Ledger/details of trade payables/receivable, Registers (ITC, Sales & RCM), Credit/Debit Notes (2018-19 to 2020-21), ITC reversals working sheet u/r 42 & 43.
19	Jalgaon	Dhule-602	27XXXXXXXXXXZ2	Invoices (Outward - November 2019), Invoices (Inward - Sep 2019 & Dec 2019), Details of nil rated supplies with HSN, Ledger/details of trade payable/receivable, Financial Statements (BS, P/L A), Schedules to FS, Related party discloser, Director's report, 3CB report, Credit/Debit notes, Registers (ITC, Sale & RCM).
20	Andheri	Azad-Nagar-602	27XXXXXXXXXX1Z3	Invoices (Outward - August 2018 and August 2020), Bills of supplies, PO, and connected E-way bills & Invoices (Inward - Feb 2020 & March 2021), 3 CEB reports, Debit Note/Credit Note, Registers (ITC, Sales & RCM) (2018-19 to 2020-21).
21	Mumbai-LTU-3	Mumbai-LTU-525	27XXXXXXXXXX1Z7	Invoices (Inward - July 2019 & September 2020), Export and SEZ related documents (EGM, BRC, FIRC), 3CEB reports, Details of trade receivables accounts and advances received (2019-20), Details of exempted/Nil rate supplies along with HSN/SAC (2018-19), Debit Note/Credit Note, ITC reversals working sheet u/r 42 & 43.
22	Andheri	Mumbai-Marol-501	27XXXXXXXXXX1ZE	Director's Report (2018-19 to 2020-21), Auditor's Report on Foreign Exchange Earnings, 3CEB reports, Related party discloser, Ledger/Details of trade payables /trade receivables, Debit/Credit Notes, Registers (ITC, Sale, RCM 2018-19 to 2020-21).
23	Mumbai-LTU-3	Mumbai-LTU-536	27XXXXXXXXXX1ZI	Invoices (Inward - September 2018), Zero rated invoices (Outward - August 2020 & March 2021), Export and SEZ related documents (Shipping bills, Bill of export, EGM, BRC, FIRC), Ledger/Details of trade payables /trade receivables, Director's report, Credit/Debit Note, Registers (ITC-2018-19 to 2020-21, RCM (2018-19 & 2020-21, Sales-2018-19 to 2020-21).
24	Mumbai-LTU-3	Mumbai-LTU-536	27XXXXXXXXXX1ZP	Auditor's Report on Foreign Exchange Earnings, 3CEB reports (u/s 92E of IT Act, 1961), Director's Report (2018-19 to 2020-21).
25	Mumbai-LTU-3	Mumbai-LTU-531	27XXXXXXXXXX1ZF	Zero rated invoices (Outward - June 2018), Export and SEZ related documents (Shipping bills, Bill of export, EGM, BRC, FIRC), 3CEB reports (u/s 92E of IT Act, 1961).
26	Kandivali	Malad-West-501	27XXXXXXXXXX1ZP	Invoices (Inward - November 2020), Details of exempted /NIL rated supplies with HSN, Ledger/Details of trade payables /trade receivables, Director's report, Auditor's report on Foreign Exchange Earnings, 3CEB reports (u/s 92E of IT Act, 1961), Credit/Debit Notes, Registers (ITC, Sales, RCM) 2018-19 to 2020-21, ITC reversals working sheet u/r 42 & 43.
27	Kandivali	Kandivali-West-604	27XXXXXXXXXX1ZV	Director's report, Auditor's report, Schedules & Notes to Financial statements, Related party discloser, Debit/Credit Notes.

Sl. No.	Division	Charge Office	GSTIN	Records not produced
28	Mumbai-LTU-2	Mumbai-LTU-521	27XXXXXXXXXXXXX1Z3	Invoices (Outward - August 2020) Bills of supplies, Invoices (Inward - December 2018 & January 2020), Zero rated invoices (Outward - December 2018 and November 2019), Export related documents (Shipping bills, Bill of export, EGM, BRC, FIRC), Details of exempted /NIL rated supplies with HSN, Ledger/Details of trade payables /trade receivables, Director's report, Auditor's report, Auditor's report on Foreign Exchange Earnings, 3 CEB reports, Standalone Balance Sheet and Profit and Loss Account, Related party disclosure, Schedule to Financial Statements, Credit/Debit Notes, Registers (ITC, Sales, RCM), ITC reversals working sheet u/r 42 & 43.
29	Mumbai-LTU-4	Mumbai-LTU-537	27XXXXXXXXXXXXX2ZQ	Invoices of GSTR 1, Purchase invoices, zero rated invoices, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/ receivables, Report on Foreign Exchange Earnings, 3 CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.
30	Mumbai-LTU-4	Mumbai-LTU-539	27XXXXXXXXXXXXX2ZH	Invoices of GSTR 1, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/ receivables & creditors/sales / advances received, Report On Foreign Exchange Earnings, 3 CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.
31	Thane Rural	Boisar-501 (Palghar)	27XXXXXXXXXXXXX1ZE	Invoices of GSTR 1, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/ receivables & creditors/sales / advances received, Report On Foreign Exchange Earnings, 3CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.
32	Thane City	Wagle I.E. 501	27XXXXXXXXXXXXX1Z0	Invoices of GSTR 1, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/ receivables & creditors/sales / advances received, Report On Foreign Exchange Earnings, 3CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.
33	Mumbai-LTU-4	Mumbai-LTU-539	27XXXXXXXXXXXXX1ZL	Invoices of exempted supplies, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/ receivables & creditors/sales / advances received, Report On Foreign Exchange Earnings, 3CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.
34	Mazgaon	Mazgaon-606	27XXXXXXXXXXXXX1ZA	Invoices of GSTR 1, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/ receivables & creditors/sales / advances received, Report On Foreign Exchange Earnings, 3CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.

Sl. No.	Division	Charge Office	GSTIN	Records not produced
35	Mumbai-LTU-4	Mumbai-LTU-543	27XXXXXXXXXX1ZIR	Invoices of GSTR 1, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/receivables & creditors/sales / advances received, Report On Foreign Exchange Earnings, 3CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.
36	Nanded	Nanded-501	27XXXXXXXXXXXXXIZS	Invoices of GSTR 1, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/receivables & creditors/sales / advances received, Report On Foreign Exchange Earnings, 3CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.
37	Thane City	Bhiwandi-703 (Kalyan)	27XXXXXXXXXXXXXIZW	Invoices of GSTR 1, Purchase invoices, zero rated invoices, job work challans, invoices of exempted supplies, Refund claimed / sanctioned, Standalone Balance Sheet of the unit with P&L Account, Related party discloser (Pure Agent)/supplies made between closed group along with invoices, Schedules & Notes to Fin. statements to accounts with Directors / Auditors report, Records of trade payables/receivables & creditors/sales / advances received, Report On Foreign Exchange Earnings, 3CEB reports, ITC reversals (with worksheets) on common inputs/capital goods for taxable and exempted/nil rated supplies.
38	Mumbai-LTU-1	Mumbai-LTU-503	27XXXXXXXXXXXXXIZF	Statement of Exports confirming the details provided in ICEGATE for checking. SEZ supplies if any with statement and 15-20 sample high value invoices, Statement of exempted supply if 5D of GSTR 9 is not blank together with 15 to 20 high value invoices.
39	Ghatkopar	Ghatkopar-West-504	27XXXXXXXXXXXXXIZI	ITC register, sales register & RCM register with 15-20 high end invoices for the years 2018-19 to 2020-21. Statement of Exports conforming to the details provided in ICEGATE for checking.
40	Santaacruz	Bandra-West-502	27XXXXXXXXXXXXXIZP	Highest 50 invoices for each month of January 2020 and August 2020 (Outward) & for August 2019 and December 2019 (Inward), Downloaded GSTR 2A for each month of August 2019 and December 2019, Form 3CD of Tax Audit Report for all years, ITC register.
41	Santaacruz	Bandra-West-504	27XXXXXXXXXXXXX4Z3	Form 3CD of Tax Audit Report for all the years 2018-19, ITC register, sales register & RCM register with 15-20 high end invoices for the year 2018-19, Statement with 15-20 high end invoices of import of services if any with FIRC received.
42	Sakinaka	Sakinaka-502	27XXXXXXXXXXXXXIZW	Downloaded GSTR 2A for each month of November 2020 and March 2021, Form 3CD of Tax Audit Report for 2018-19 & 2019-20. SEZ supplies if any with statement and 15-20 sample high end invoices, Statement of exempted supply if 5D of GSTR 9.
43	Mumbai-LTU-1	Mumbai-LTU-503	27XXXXXXXXXXXXXIZC	Highest 50 invoices each for the months of September 2019 and March 2020 (outward invoices) with 50 invoices each for the months of September 2019 & October 2020 (Inward), Downloaded GSTR 2A for each month of February 2021 and March 2021, Form 3CD of tax audit report.
44	Mumbai-LTU-1	Mumbai-LTU-501	27XXXXXXXXXXXXXIZF	Highest 50 invoices each for the months of September & October 2019 (outward invoices) with July 2018 and August 2018 (inward invoices), Form 3CD of Tax Audit Report for all years, Statement of Bills of Entries and Exports conforming to the data.
45	Mumbai-LTU-1	Mumbai-LTU-501	27XXXXXXXXXXXXX2Z3	Highest 50 invoices each for the months of December 2020 & March 2021 (outward invoices) with January 2021 and February 2021 (inward invoices), Form 3CD of Tax Audit Report for all years, SEZ supplies if any with statement and 15-20 sample high value invoices.

Sl. No.	Division	Charge Office	GSTIN	Records not produced
46	Mumbai-LTU-2	Mumbai-LTU-515	27XXXXXXXXXX1ZD	Highest 50 invoices each for the months of May 2018 & October 2020 (outward invoices) with June 2018 and September 2020 (inward invoices), Downloaded GSTR 2A for each month of March 2020 and March 2021, Form 3CD of Tax Audit Report for all years.
47	Mumbai-LTU-1	Mumbai-LTU-509	27XXXXXXXXXX1Z7	Highest 50 invoices each for the months of June 2019 & August 2019 (outward invoices) with June 2019 & September 2020 (inward invoices), Downloaded GSTR 2A for each month of June 2019, September 2020, Form 3CD of Tax Audit Report for all years.
48	Bandra	Bandra-East-502	27XXXXXXXXXX1ZP	Highest 50 invoices for each month of Outward Invoices for March 2019, March 2020 & Inward invoices for March 2020, March 2021, Downloaded GSTR 2A for each month of March 2020, March 2021, ITC register & RCM register with 15-20 high value invoices.
49	Mulund	Mulund-West-503	27XXXXXXXXXX1ZZ	Notes to accounts for the year 2018-19 to 2020-21.
50	Bandra	Bandra-East-702	27XXXXXXXXXX1Z8	Highest 50 invoices for each month of Outward Invoices for March 2019 & March 2020 and Inward invoices for March 2019 & March 2021, R9C for 2019-20 & 2020-21, Downloaded GSTR 2A for each month of March 2019 & March 2021, Financial Statements.
51	Mulund	Mulund-West-502	27XXXXXXXXXX1ZF	Highest 50 invoices for each month of Outward Invoices for Aug 2019 & March 2020 and Inward invoices for Dec 2020 & Feb 2021, Downloaded GSTR 2A for each month of Dec 2020 & Feb 2021, ITC register, sales register & RCM register with 10-15 high value invoices.
52	Bandra	Bandra-East-501	27XXXXXXXXXX1ZE	Highest 50 inward invoices for Sep 2020, 15-20 high end invoices of ITC register, Sales Register /sales invoice 2020-21, Form 3CD of Tax Audit Report for the year 2018-19, Statement of Bills of Entries and Exports conforming to the details.
53	Raigad	Pen-501	27XXXXXXXXXX1ZH	Statement of Bills of Entries conforming to the details provided in IEGATE for checking. Statement with 15-20 high end invoices of import of services if any with FIRC received inter alia including date of invoice, date of payment & date of entry.
54	Raigad	Pen-501	27XXXXXXXXXX1ZG	SEZ supplies if any with statement and 15-20 sample high end invoices, Statement of exempted supply if 5D of GSTR 9 is not blank together with 15 to 20 high end bills of supply, Statement with 15-20 high value invoices of import of services if any.
55	Raigad	Pen-501	27XXXXXXXXXX1ZW	Highest 50 invoices for each month of Oct 2020, Mar 2021 (Outward) & July 2019, Dec 2020 (Inward), Downloaded GSTR 2A for each month of July 2019, Dec 2020, Form 3CD of Tax Audit Report for all years, ITC register & RCM register with 15-20 high end invoices.
56	Raigad	Sanpada-503	27XXXXXXXXXX1ZX	Highest 50 invoices for each month of outward Invoices for July 2020, Dec 2020 & Inward invoices for March 2019, July 2020, Downloaded GSTR 2A for each month of March 2019, July 2020, Notes to accounts and Form 3CD of Tax Audit Report for all three years.
57	Pune-North	Bibvewadi-601	27XXXXXXXXXX1ZD	Highest 50 invoices for each month of outward Invoices for Sept 2018, Jan 2019 & Inward invoices for Dec 2020, Feb 2021, Downloaded GSTR 2A for each month of Dec 2020, Feb 2021 Notes to accounts and Form 3CD of Tax Audit Report for all years.
58	Pune-LTU-2	Pune-LTU-524	27XXXXXXXXXX1ZF	Highest 50 invoices for each month of Aug 2018, Feb 2019 (outward) & for months of January 2019 and September 2020 (Inward), Downloaded GSTR 2A for each month of Sep 2020 & March 2021, Notes to account and form 3CD of Tax Audit Report for all the years.
59	Pune-LTU-1	Pune-LTU-505	27XXXXXXXXXX1Z4	Highest 50 invoices for each month of Sep 2020, March 2021 (Outward) & for Sep 2020, March 2021 (Inward), Downloaded GSTR 2A for each month of Sep 2020 & March 2021, Notes to account and form 3CD of Tax Audit Report for all years.

Sl. No.	Division	Charge Office	GSTIN	Records not produced
60	Pune-LTU-2	Pune-LTU-514	27XXXXXXXXXXXX1ZF	Highest 50 invoices for each month of April 2018, April 2019 (Outward) & August 2018, January 2020 (Inward), Downloaded GSTR 2A for each month of August 2018, January 2020, Form 3CD of Tax Audit Report for all years, Statement of Bills of Entry.
61	Pune-South	Pune-Cantt-501	27XXXXXXXXXXXX2ZJ	Highest 50 invoices for each month of Sept. 2020 and Oct. 2020 (Outward) and Sept. 2020 & January 2021 (Inward), Downloaded GSTR 2A for each month of Sept. 2020 & January 2021, Form 3CD of Tax Audit Report for 2020-21, Statement of Bills of Entry.
62	Pune-LTU-2	Pune-LTU-519	27XXXXXXXXXXXX1Z4	Highest 50 invoices each for the months of December 2020 and March 2021 (outward invoices) & Oct. 2018 and March 2019 (inward), Notes to Financial Statements or Financial Statements for all the year 2018-19 to 2020-21.

Appendix 3.2.6
(Reference: Paragraph 3.2.9.2, page 55)
Non-payment of interest

Sl. No.	GSTIN	Division	Charge Office	Year	Interest due on delayed filing (6)	Interest already paid (7)	Balance interest liability (8)=(6)-(7)	Interest demanded/recovered by the department (9)	Reply of the department (10)
1.	27XXXXXXXXXX1ZS	Mumbai-LTU-2	Mumbai-LTU-514	2020-21	5607260	5382506	224754	349927	Department stated (March 2025) that DRC 07 has been issued (August 2024) raising demand for ₹3.50 lakh.
2.	27XXXXXXXXXX1ZQ	Fort	Fort-705	2018-19	44007	12806	31201	31201	Department stated (January 2024) that taxpayer has paid ₹ 30,857 and will pay remaining liability for remaining two years.
				2019-20	11970	0	11970	11970	Department stated (January 2024) that the taxpayer has agreed to pay the ₹.14336
				2020-21	7252	0	7252	7252	Department stated (January 2024) that the taxpayer has agreed to pay the ₹.7841
3.	27XXXXXXXXXX1Z5	Mumbai-LTU-2	Mumbai-LTU-519	2018-19	21251	0	21351	21351	Reply awaited
4.	27XXXXXXXXXX1Z6	Mumbai-LTU-2	Mumbai-LTU-520	2018-19	56	0	56	56	Department stated that (January 2024) scrutiny notice was issued in Form ASMT 10 intimating discrepancies in GST returns.
				2019-20	493	0	493	493	Department stated that (January 2024) scrutiny notice was issued in ASMT 10 intimating discrepancies in GST returns.
5.	27XXXXXXXXXX1ZK	Mandvi	Mandvi-503	2019-20	16168	0	16168	19261	The Department stated (April 2025) that taxpayers have paid the interest liability of ₹19,261 vide DRC 03 (December 2024).
				2020-21	2992	0	2992	3100	The Department stated (April 2025) that taxpayers have paid the interest liability of ₹3,100 vide DRC 03 (December 2024).
6.	27XXXXXXXXXX1ZC	Nashik	Panchavati-701	2018-19	3969	0	3969	3878	Department stated (December 2024) that the taxpayer paid amount of ₹ 3878 vide DRC 03 dated 19/01/2024
7.	27XXXXXXXXXX1Z5	Mandvi	Mumbai-Central-704	2019-20	59576	0	60018	60698	The Department stated (March 2025) that the taxpayer paid the liability of ₹ 61036 vide DRC 03 (February and March 2024).
8.	27XXXXXXXXXX1ZS	Mumbai-LTU-3	Mumbai-LTU-535	2019-20	13306	0	13306	13306	Department stated (April 2025) stated that the taxpayer had made payment against short payment of interest through DRC 03(March 2024).
				2020-21	7540	0	7540	7540	Department stated (April 2025) that the taxpayer had made payment against short payment of interest through DRC 03 (March 2024)
9.	27XXXXXXXXXX1Z7	Mumbai-LTU-3	Mumbai-LTU-525	2019-20	11244	0	11244	11244	Department stated (December 2023) that the taxpayer has accepted the liability of interest and paid through Form DRC 03 (December 2023).

Sl. No.	GSTIN	Division	Charge Office	Year	Interest due on delayed filing (6)	Interest already paid (7)	Balance interest liability (8)=(6)-(7)	Interest demanded/recovered by the department (9)	Reply of the department (10)
10.	27XXXXXXXXXX1ZV	Mumbai-LTU-3	Mumbai-LTU-550	2018-19	23151	0	23151	23151	Department stated (December 2023) that short payment of interest was made (March 2023) by the taxpayer in cash.
11.	27XXXXXXXXXX2Z2	Jalgaon	Dhule-602	2019-20	178161	18788	159373	159373	Department stated (December 2023) that order levying interest in Form DRC 07 was passed on 03-03-2023. TP filed appeal on 29-05-2023.
				2018-19	307	0	307	468	Department stated (January 2024) that the taxpayer has accepted the liability and paid (December 2023) the dues of ₹.468 vide DRC 03.
12.	27XXXXXXXXXX1Z2	Jalgaon	Jalgaon-609	2020-21	1293	92	1201	1230	Department stated (January 2024) that the taxpayer has accepted the liability and paid the dues of ₹.1230 vide DRC 03 (January 2024).
13.	27XXXXXXXXXX2ZH	Mumbai-LTU-4	Mumbai-LTU-539	2019-20	8430	0	8430	8430	Department stated (January 2024) that the taxpayer has accepted the liability, interest is paid vide DRC 03.
14.	27XXXXXXXXXX1ZE	Thane Rural	Boisar-501 (Palghar)	2018-19	5943	4678	1265	1265	Reply awaited
15.	27XXXXXXXXXX1Z0	Thane City	Wagle I.E-501	2019-20	19835	386	19449	19449	Reply awaited
				2018-19	5906	0	5906	5906	Department stated (April 2025) that DRC 07 has been issued (April 2024).
				2019-20	857329	0	857329	1439181	Department stated (April 2025) that DRC 07 has been issued (July 2024).
				2020-21	452729	0	452729	452729	Department stated (April 2025) that DRC 07 has been issued (September 2024).
16.	27XXXXXXXXXX1ZW	Sakinaka	Sakinaka-502	2018-19	145631	0	145631	145631	Reply awaited
				2019-20	270300	0	270300	270300	Reply awaited
17.	27XXXXXXXXXX1ZW	Mulund	Mulund West-502	2020-21	289388	0	289388	289388	Reply awaited
				2018-19	2249846	0	2249846	2249846	Reply awaited
				2019-20	2292622	0	2292622	2292622	Reply awaited
18.	27XXXXXXXXXX1ZZ	Mulund	Mulund West-502	2020-21	1036088	0	1036088	1036088	Reply awaited
				2019-20	190068	0	190068	190068	The Department stated (April 2025) that DRC 07 has been issued (April 2025) for ₹ 1900068.
19.	27XXXXXXXXXX1ZD	Pune North	Bajirao road-502	2019-20	105862	0	105862	105862	Reply awaited
				2020-21	298287	106749	191538	191538	Reply awaited
						Total	10371846		

Appendix 3.2.7
(Reference: Paragraph 3.2.9.4; page 56)
Mismatched ITC as per Table 8D of GSTR 9

Sr. No	GSTIN	Division	Charge Office	Year	Central Tax	State tax	Integrated tax	Cess	Excess claim as per table 8D	Revised amount after Department's reply	Reply of the Department
1	27XXXXXX XXXXXIZS	Mumbai-LTU-2	Mumbai-LTU-514	2020-21	-	-	-12204303	-	-12204303	-22577960	The Department stated (March 2025) that DRC 07 was issued (November 2024) and liability was raised on the taxpayer for ₹ 1.22 crore and interest (9153227) and penalty thereon.
2	27XXXXXX XXXXXIZY	Mumbai-LTU-2	Mumbai-LTU-514	2019-20	-94630037	-95533790	-7465522	-	-197629349	-197629349	The Department stated (January 2024) that ADT 01 issued (August 2023) to the taxpayer.
	27XXXXXX XXXXXIZY	Mumbai-LTU-2	Mumbai-LTU-514	2020-21	-165095589	-165095590	-143084186	-	-473275365	-473275365	The Department stated (January 2024) that ADT 01 issued (December 2023) to the taxpayer.
3	27XXXXXX XXXXXIZ3	Mumbai-LTU-2	Mumbai-LTU-523	2018-19	-21837157	-21837105	-2201189	-	-45875452	-45875452	Reply awaited
	27XXXXXX XXXXXIZ3	Mumbai-LTU-2	Mumbai-LTU-523	2019-20	-31644915	-31644915	-2334235	-	-65624064	-65624064	Reply awaited
	27XXXXXX XXXXXIZ3	Mumbai-LTU-2	Mumbai-LTU-523	2020-21	-10579060	-10579059	-11935793	-	-33093913	-33093913	Reply awaited
4	27XXXXXX XXXXXIZW	Mumbai-LTU-2	Mumbai-LTU-514	2020-21	-755776	-755776	-461845	-	-1973397	-1973397	The Department stated (March 2025) that DRC 01 has been issued (November 2024) to the taxpayer.
5	27XXXXXX XXXXXIZI	Mumbai-LTU-2	Mumbai-LTU-517	2018-19	-42679692	-42679693	-627810668	-	-7113170053	-55265017	The Department stated (April 2025) that the liability works out to ₹ 2.36 crore and taxpayer paid ₹ 5.53 crore including interest through DRC 03 (October 2023).
	27XXXXXX XXXXXIZI	Mumbai-LTU-2	Mumbai-LTU-517	2019-20	-73058922	-73058927	-526815357	-	-672933206	-672933206	Reply awaited
	27XXXXXX XXXXXIZI	Mumbai-LTU-2	Mumbai-LTU-517	2020-21	-27487195	-27487195	-207354976	-	-262329365	-13928633	The Department stated (April 2025) that DRC 07 has been issued for excess ITC amounting to ₹ 13928633 including penalty.
6	27XXXXXX XXXXXIZD	Mumbai-LTU-2	Mumbai-LTU-519	2020-21	-81757707	-81757707	-537969018	-	-701484432	-701484432	Reply awaited
7	27XXXXXX XXXXXIZM	Mumbai-LTU-2	Mumbai-LTU-518	2020-21	-14917505	-14917508	-30148556	-	-59983568	-116589744	The Department stated (April 2025) that DRC 07 has been issued for ₹ 11,65,89,744 including interest and penalty.
8	27XXXXXX XXXXXIZ6	Mumbai-LTU-2	Mumbai-LTU-524	2020-21	-	-	-1119067	-	-1119067	-1950141	The Department stated (April 2025) that DRC 07 has been issued (February 2025) for ₹ 19.50 lakh along with interest wherein issue raised audit is covered.

Sr. No	GSTIN	Division	Charge Office	Year	Central Tax	State tax	Integrated tax	Cess	Excess claim as per table 8D	Revised amount after Department's reply	Reply of the Department
9	27XXXXXXX XXXXX1Z5	Mumbai-LTU-2	Mumbai-LTU-519	2018-19	-2251803	-2251803	-1343174	-	-5846780	-5846780	Reply awaited
	27XXXXXXX XXXXX1Z5	Mumbai-LTU-2	Mumbai-LTU-519	2019-20	-4382833	-4382833	-2921227	-	-11686894	-11686894	Reply awaited
	27XXXXXXX XXXXX1Z5	Mumbai-LTU-2	Mumbai-LTU-519	2020-21	-2891747	-2891747	-2615848	-	-8399343	-8399343	Reply awaited
10	27XXXXXXX XXXXX1Z6	Mumbai-LTU-2	Mumbai-LTU-520	2018-19	-637575	-637575	-1908856	-	-3184006	-3184006	The Department stated (January 2024) that scrutiny notice in Form ASMT 10 was issued (January 2024) intimating discrepancies in GST returns.
	27XXXXXXX XXXXX1Z6	Mumbai-LTU-2	Mumbai-LTU-520	2019-20	-	-	-4778811	-	-4778811	-4778811	The Department stated (January 2024) that scrutiny notice in Form ASMT 10 was issued (January 2024) intimating discrepancies in GST returns.
11	27XXXXXXX XXXXX1Z5	Mandvi	Mandvi-608	2018-19	-12894471	-12894471	-292249	-	-26081191	-202842	The Department stated (January 2024) that GSTR 2A is dynamic and as per current 2A, the excess ITC availed works out to ₹ 2.03 lakh which has been recovered through DRC 03 (January 2024).
12	27XXXXXXX XXXXX1Z7	Mumbai-LTU-2	Mumbai-LTU-520	2020-21	-290628198	-290628198	-111510749	-	-692767146	-3324399	The Department stated (March 2025) that after considering the reversal excess ITC is worked out at ₹ 1708975 and the taxpayer paid ₹ 3324399 including interest and penalty through DRC 03 (January and February 2025).
13	27XXXXXXX XXXXX2Z0	Mumbai-LTU-2	Mumbai-LTU-514	2019-20	-	-	-2320864356	-	-2320864356	-868090384	The Department stated (December 2024) that liability is raised on the taxpayer for ITC mismatch of ₹ 86.81 crore for the period 2019-20 and DRC 07 has been issued (August 2024).
14	27XXXXXXX XXXXX1Z1	Mumbai-LTU-3	Mumbai-LTU-531	2019-20	-1764721	-1764721	-1779558	-	-5309001	-5309001	Reply awaited
	27XXXXXXX XXXXX1Z1	Mumbai-LTU-3	Mumbai-LTU-531	2020-21	-5013335	-5013335	-8120371	-	-18147042	-18147042	Reply awaited
15	27XXXXXXX XXXXX1Z5	Mumbai-LTU-3	Mumbai-LTU-535	2018-19	-471636	-471636	-340271	-	-1283544	-2823796	The Department stated (April 2025) that DRC 07 has been issued (April 2024) for ₹2823796 including interest and penalty. An appeal has been filed against DRC 07.
16	27XXXXXXX XXXXX1Z8	Mumbai-LTU-3	Mumbai-LTU-535	2020-21	-63350167	-63350165	-	-	-126700332	-267382325	The Department stated (April 2025) that DRC 07 has been issued (February 2025) for ₹26.74 crore including interest and penalty.

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Sr. No	GSTIN	Division	Charge Office	Year	Central Tax	State tax	Integrated tax	Cess	Excess claim as per table 8D	Revised amount after Department's reply	Reply of the Department
17	27XXXXXXX XXXXX1Z3	ANDHE RI	Azad- Nagar-602	2020-21	-	-	-29439531	-	-29439531	-29439531	The Department replied (May 2025) that taxpayer had reversed ITC of ₹ 10.22 crore in September 2018 and April 2019 out of which ₹ 2.92 crore was re-claimed in 2020-21 and therefore taxpayer has not availed excess credit of ITC.
18	27XXXXXXX XXXXX1ZE	ANDHE RI	Marol-501	2020-21	-1734995	-1734995	-13699932	-	-17169922	-17169923	The Department stated (May 2025) that for FY 2020-21, ITC reconciliation of ITC claimed in GSTR 3B vis-à-vis ITC available in GSTR 2A as well as re-availed ITC provided by RTP is accepted.
19	27XXXXXXX XXXXX1ZI	Mumbai- LTU-3	Mumbai- LTU-3	2018-19	-3418435	-3709672	-	-	-7128107	-7128107	The Department stated (January 2024) that audit for FY 2018-19 is already completed by their office considering the issue raised by AG Audit. After detail verification, DRC 01 amounting to ₹ 0.72 crore issued (December 2023) to taxpayers which was paid by filing DRC 03 (December 2023).
20	27XXXXXXX XXXXX1Z0	Andheri	Andheri- East-701	2019-20	-1134039	-1134040	-7244331	-	-9512410	-9512410	The Department stated (February 2024) that the company has duly filed the return in Form GSTR 1 and GSTR 3B and furnished the details of ITC availed during the tax period 2019-20 in GSTR 3B which includes ITC pertaining to FY 2018-19 availed in FY 2019-20.
21	27XXXXXXX XXXXX1ZZ	Mumbai- LTU-3	Mumbai- LTU-527	2018-19	-3651140	-3651140	-222410	-	-7524690	-1465042	The Department stated (April 2025) that the taxpayer had already reversed (January 2022) the ITC of ₹ 32.25 lakh which was not reflected in GSTR 2A. The taxpayer also paid (December 2023) interest of ₹ 1465042 vide DRC 03.
22	27XXXXXXX XXXXX1ZN	Mumbai- LTU-3	Mumbai- LTU-532	2018-19	-693657	-693757	-132480	-	-1519894	-1519894	The Department stated (January 2024) that DRC 01 was issued (November 2023) for ₹6.41 lakh along with interest and penalty. The taxpayer filed an appeal in April 2023.
	27XXXXXXX XXXXX1ZN	Mumbai- LTU-3	Mumbai- LTU-532	2020-21	-1888919	-1888919	-241033	-	-4018871	-4018871	The Department forwarded (February 24) the taxpayer's reply stating the taxpayer was already in receipt of scrutiny notice in ASMT 10 to which the response submitted by them is attached.
23	27XXXXXXX XXXXX1Z3	Mumbai- LTU-2	Mumbai- LTU-521	2018-19	-634832	-634832	-37808	-	-1307472	-1307472	The Department stated (January 2024) that DRC 01 was issued (December 2023).

Sr. No	GSTIN	Division	Charge Office	Year	Central Tax	State tax	Integrated tax	Cess	Excess claim as per table 8D	Revised amount after Department's reply	Reply of the Department
24	27XXXXXXX XXXXXIZP	Kandivali	Malad West-501	2019-20	-255055	-255054	-	-	-510109	-510109	The Department stated (February 2024) that reconciling of latest GSTR 2A with the ITC claimed in GSTR 3B is in process at taxpayer level.
	27XXXXXXX XXXXXIZP	Kandivali	Malad West-501	2020-21	-	-	-4257594	-	-4257594	-4257594	The Department stated (February 2024) that reconciling of latest GSTR 2A with the ITC claimed in GSTR 3B is in process at taxpayer level.
25	27XXXXXXX XXXXXZQ	Mumbai-LTU-4	Mumbai-LTU-537	2018-19	-	-	-17816325	-	-17816325	-95321	The Department stated (April 2025) that after verification, the ineligible ITC worked out to ₹ 26099 and paid ₹ 95321 vide DRC 03 (November 2023).
26	27XXXXXXX XXXXXZH	Mumbai-LTU-4	Mumbai-LTU-539	2019-20	-1652426	-1652426	-30206750	-	-33511603	-104090	The Department stated (April 2025) that the issue has been covered under DRC 07 issued in August 2024.
27	27XXXXXXX XXXXXIZE	Thane Rural	Boisar-501 (Palghar)	2019-20	-217311	-217311	-	-	-434623	-434623	Reply awaited
	27XXXXXXX XXXXXIZE	Thane Rural	Boisar-501 (Palghar)	2020-21	-2528390	-2528390	-649591	-	-5706371	-5706371	Reply awaited
28	27XXXXXXX XXXXXIZL	Mazgaon	Delisle-Road-501	2018-19	-9143485	-9276485	469385	-	-18419969	-4574607	The Department accepted the para and stated (December 2023) that the taxpayer has paid (December 2023) ₹ 4574607 with interest through DRC 03.
29	27XXXXXXX XXXXXIZ0	Thane City	Wagle I.E.-501	2018-19	-3095959	-3095959	-3494112	-	-9686030	-10857903	The Department stated (April 2025) that DRC 07 has been issued (April 2024) for ₹10857903 including interest and penalty.
	27XXXXXXX XXXXXIZ0	Thane City	Wagle i.e.-501	2019-20	-278325	-278325	-	-	-556650	-1143821	The Department stated (April 2025) that DRC 07 has been issued (July 2024) for ₹ 1143821 including interest and penalty. Recovery proceedings have been initiated, and bank account is attached.
30	27XXXXXXX XXXXXIZL	Mumbai-LTU-4	Mumbai-LTU-539	2020-21	-10169	-10169	-361	-	-20698	-20698	The Department stated (April 2025) that DRC 07 has been issued (September 2024) for ₹20698. Recovery proceedings have been initiated, and bank account is attached.
	27XXXXXXX XXXXXIZL	Mumbai-LTU-4	Mumbai-LTU-539	2018-19	-121088908	-51628606	-47671178	-	-220388692	-220388692	Reply awaited
31	27XXXXXXX XXXXXIZZ	Mumbai-LTU-4	Mumbai-LTU-540	2020-21	-168071721	-168071721	-349554108	-	-685697550	-685697550	Reply awaited
	27XXXXXXX XXXXXIZZ	Mumbai-LTU-4	Mumbai-LTU-540	2018-19	-10021116	-10008521	-17246466	-	-37276102	-37276102	Reply awaited
32	27XXXXXXX XXXXXIZS	NANDE D	Nanded-501	2018-19	-99879	-99879	-	-	-199758	-199758	Reply awaited

Sr. No	GSTIN	Division	Charge Office	Year	Central Tax	State tax	Integrated tax	Cess	Excess claim as per table 8D	Revised amount after Department's reply	Reply of the Department
33	27XXXXXXX XXXXX1Z0	Mumbai-LTU-4	Mumbai-LTU-538	2018-19	-296783511	-295524166	-431432684	-	-1023740361	-1023740361	Reply awaited
	27XXXXXXX XXXXX1Z0	Mumbai-LTU-4	Mumbai-LTU-538	2019-20	-145478064	-145478064	-254978457	-	-545934585	-545934585	Reply awaited
	27XXXXXXX XXXXX1Z0	Mumbai-LTU-4	Mumbai-LTU-538	2020-21	-704562182	-704562182	-734676423	-	-2143800787	-2143800787	Reply awaited
34	27XXXXXXX XXXXX1Z1	Mumbai-LTU-4	Mumbai-LTU-537	2018-19	-1864204	-1852392	-	-	-3716596	-3716596	Reply awaited
	27XXXXXXX XXXXX1Z1	Mumbai-LTU-4	Mumbai-LTU-537	2019-20	-1583371	-1583371	-76828	-	-3243569	-3243569	Reply awaited
	27XXXXXXX XXXXX1ZW	Thane City	Bhiwandi-703 (Kalyan)	2019-20	-2082908	-2082908	-	-	-4165815	-4165815	Reply awaited
	27XXXXXXX XXXXX1ZW	Thane City	Bhiwandi-703 (Kalyan)	2020-21	-3742812	-3742812	-1738940	-	-9224565	-9224565	Reply awaited
36	27XXXXXXX XXXXX2Z3	Mumbai-LTU-1	Mumbai-LTU-501	2018-19	-716220	-716175	-36793224	-	-38225619	-38225619	Reply awaited
37	27XXXXXXX XXXXX1ZC	Mumbai-LTU-1	Mumbai-LTU-512	2018-19	-2151274	-2151275	-19075856	-	-23378406	-87217801	The Department stated (Feb 2025) that DRC 07 was issued (April 2024) for an amount of ₹8.91 crores including interest and penalty.
38	27XXXXXXX XXXXX1ZC	Mumbai-LTU-1	Mumbai-LTU-503	2018-19	-85718737	-85688804	-43616215	-	-215023756	-14639646	The Department stated (May 2025) that DRC 07 has been issued (April 2025) for excess ITC of ₹ 14639646 including interest.
	27XXXXXXX XXXXX1ZC	Mumbai-LTU-1	Mumbai-LTU-503	2019-20	-95075811	-95075811	-253961	-	-190405583	-29113962	The Department stated (May 2025) that DRC 07 has been issued (August 2024) for excess ITC of ₹ 29113962 including interest.
	27XXXXXXX XXXXX1ZC	Mumbai-LTU-1	Mumbai-LTU-503	2020-21	-81526982	-81526982	-92797483	-	-255851446	-1645798	The Department stated (May 2025) that DRC 07 has been issued (August 2024) for excess ITC of ₹ 1645798 including interest.
39	27XXXXXXX XXXXX1Z7	Mumbai-LTU-1	Mumbai-LTU-503	2018-19	-179742636	-179730326	-163938804	-	-523411766	-523411766	Reply awaited
40	27XXXXXXX XXXXX1Z7	Mumbai-LTU-1	Mumbai-LTU-509	2018-19	-5026930	-5026929	-3836828	-	-13890687	-13890687	Reply awaited
	27XXXXXXX XXXXX1Z7	Mumbai-LTU-1	Mumbai-LTU-509	2019-20	-2495538	-2495538	-	-	-4991076	-4991076	Reply awaited
	27XXXXXXX XXXXX1Z7	Mumbai-LTU-1	Mumbai-LTU-509	2020-21	-4052925	-4052926	-2805372	-	-10911223	-10911223	Reply awaited
41	27XXXXXXX XXXXX1Z1	Ghatkopa	Ghatkopa-West-503	2019-20	-4719474	-4719474	-12702601	-	-22141550	-5827094	The Department stated (February 2025) that DRC 07 has been issued (August 2024) for ₹58,27,094 including interest and penalty.

Sr. No	GSTIN	Division	Charge Office	Year	Central Tax	State tax	Integrated tax	Cess	Excess claim as per table 8D	Revised amount after Department's reply	Reply of the Department
42	27XXXXXXX XXXXX1ZW	Sakinaka	Sakinaka-502	2018-19	-140093	-139328	-	-	-279420	-279420	Reply awaited
	27XXXXXXX XXXXX1ZW	Sakinaka	Sakinaka-502	2020-21	-45315	-45315	-	-	-90629	-90629	Reply awaited
43	27XXXXXXX XXXXX1ZP	Santaacruz	Bandra-West-502	2018-19	-26774158	-23929163	-2729985	-	-53433307	-53433307	Reply awaited
	27XXXXXXX XXXXX1ZP	Santaacruz	Bandra-West-502	2019-20	-22960044	-21242044	-	-	-44202088	-44202088	Reply awaited
	27XXXXXXX XXXXX1ZP	Santaacruz	Bandra-West-502	2020-21	-13990404	-13990404	-16800403	-	-44781211	-44781211	Reply awaited
44	27XXXXXXX XXXXX4Z3	Santaacruz	SV-Marg-701	2018-19	-166288341	-166288341	-6514800	-	-339091482	-339091482	Reply awaited
45	27XXXXXXX XXXXX1ZE	Bandra	Bandra-East-501	2018-19	-9019717	-9019717	-5461476	-	-23500910	-23500910	Reply awaited
	27XXXXXXX XXXXX1ZE	Bandra	Bandra-East-501	2019-20	-5962152	-5962152	-28673724	-	-40598027	-40598027	Reply awaited
	27XXXXXXX XXXXX1ZE	Bandra	Bandra-East-501	2020-21	-19003465	-19003465	-10094032	-	-48100961	-48100961	Reply awaited
46	27XXXXXXX XXXXX1ZF	Mulund	Mulund-West-502	2018-19	-	-	-923925	-	-923925	-923925	Reply awaited
	27XXXXXXX XXXXX1ZF	Mulund	Mulund-West-502	2020-21	-914471	-914471	-21481117	-	-23310060	-23310060	The Department stated (April 2025) that the taxpayer has paid ₹ 23310060 through DRC 03 (June 2023).
47	27XXXXXXX XXXXX1ZZ	Mulund	Mulund-West-503	2019-20	-	-	-123264	-	-123264	-212296	The Department stated (April 2025) that the taxpayer has been paid 102776 through DRC 03 (April 2025) and for interest liability of ₹109520, DRC 01 has been issued (April 2025).
	27XXXXXXX XXXXX1ZZ	Mulund	Mulund-West-503	2020-21	-	-	-58946	-	-58946	-88587	The Department stated (April 2025) that the tax has been paid ₹ 46464 through DRC 03 (April 2025) and for interest liability of ₹ 41123, DRC 01 has been issued (April 2025).
48	27XXXXXXX XXXXX1ZL	Pune-LTU-1	Pune-LTU-502	2018-19	-	-	-167966565	-	-167966565	-167966565	Reply awaited
	27XXXXXXX XXXXX1ZL	Pune-LTU-1	Pune-LTU-502	2020-21	-	-	-16703464	-	-16703464	-16703464	Reply awaited
49	27XXXXXXX XXXXX1ZD	Pune-North	Bajirao-Road-502	2019-20	-	-	-4471387	-	-4471387	-4471387	Reply awaited
50	27XXXXXXX XXXXX1Z4	Pune-LTU-1	Pune-LTU-505	2018-19	-637311	-637311	-1320282	-	-2594905	-2594905	Reply awaited

Sr. No	GSTIN	Division	Charge Office	Year	Central Tax	State tax	Integrated tax	Cess	Excess claim as per table 8D	Revised amount after Department's reply	Reply of the Department
	27XXXXXX XXXX1Z4	Pune-LTU-1	Pune-LTU-505	2019-20	-173019	-173019	-9502161	-	-9848199	-9848199	Reply awaited
50	27XXXXXX XXXX1Z4	Pune-LTU-1	Pune-LTU-505	2020-21	-1603018	-1603018	-4121062	-	-7327098	-7327098	Reply awaited
51	27XXXXXX XXXX1Z0	Pune-LTU-1	Pune-LTU-502	2018-19	-1597996	-1596807	-2086400	-459986	-5741190	-5741190	Reply awaited
52	27XXXXXX XXXX1ZH	Raigad	Pen-501	2018-19	-389818262	-389818262	-240385538	-	-1020022062	-120300041	The Department stated (January 2024) that SCN in form DRC 01 was issued (December 2023) for ₹ 12.03 crore.
52	27XXXXXX XXXX1ZH	Raigad	Pen-501	2019-20	-126062817	-126062817	-168161426	-	-2337385	-2730907	The Department stated (Nov 2024) that an amount of ₹ 0.27 crore has been paid vide DRC 03 (Apr & Aug 2024).
	27XXXXXX XXXX1ZH	Raigad	Pen-501	2020-21	-	-	-300021	-91759603	-92059624	-92059624	The Department stated (Nov 2024) that DRC 01A has been issued (November 2024) for ₹ 4589327 under IGT.
	27XXXXXX XXXX1ZG	Raigad	Pen-501	2018-19	-599229892	-599228694	-201644860	-	-1400103446	-455200000	The Department stated (February 2024) that DRC 01 has been issued (January 2024) for ₹ 45.52 crore.
53	27XXXXXX XXXX1ZG	Raigad	Pen-501	2019-20	-1383531484	-1383531480	-1689796375	-	-11008509	-11008509	The Department stated (Nov 2024) that during the adjudication proceedings, taxpayers made ITC reversal for excess claim of ITC at ₹ 1,10,08,509/- (IGST at ₹ 33,33,201/-, CGST at ₹ 38,37,654/- & SGST at ₹ 38,37,654/-) and paid the same in DRC 03 (August 2024)
54	27XXXXXX XXXX1ZW	Raigad	Pen-501	2019-20	-198018	-198018	-	-	-396036	-316564	The Department stated (December 2024) that DRC 07 has been issued (August 2024) for ₹ 31,65,64.
55	27XXXXXX XXXX1ZX	Raigad	Sandpada-503	2018-19	-	-	-679709	-	-679709	-679709	Reply awaited
55	27XXXXXX XXXX1ZX	Raigad	Sandpada-503	2019-20	-130373	-130373	-	-	-260746	-260746	Reply awaited
56	27XXXXXX XXXX1ZQ	Pune-South	Pune Cantt-702	2019-20	-67688	-67688	-	-	-135376	-459000	The Department stated (February 2025) that the excess ITC is ₹ 538638 out of which ITC of ₹ 2.67 lakh was reversed (September 2020) in GSTR 3B. After scrutiny the taxpayer payer paid ₹ 0.64 lakh through DRC 03 (July and August 2024) and DRC 07 was issued (August 2024) for ₹ 3.95 lakh including interest and penalty.
									TOTAL	-10624186545	

Appendix 3.2.8
(Reference: Paragraph 3.2.9.4; Page 56)
Mismatch in reversal of ITC (Inputs / Input services and capital goods)

Sr. No.	GSTIN	Division	Charge office	Year	GSTR 9 (5D+5E)	GSTR 9 (5N-5F)	Factor (5D+5E)/(5N-5F)	GSTR 9 (6B+6C+6D+6E+6F+6G+8C) - GSTR 3B(4D (2) + 7E+12)	Reversal to be made	Reversal made as per Table 7 of GSTR 9	Non / Short reversal	Revised amount after Department's reply	Reply of the department	Audit Remark
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
1	27XXXXXX XXXXXX X1ZS	Mumbai-LTU-3	Mumbai-LTU-535	2020-21	6601461	324298482	0.02	17400159	354200	0	354200	354200	Reply awaited	
2	27XXXXXX XXXXXX X1ZP	Kandivali	Malad West-501	2019-20	18833870	160648728	0.12	32935611	3861251	0	3861251	3861251	Reply awaited	
				2020-21	10652624	69268836	0.15	16307195	2507829	0	2507829	2507829	Reply awaited	
				2018-19	24903449	110303418	0.23	13828552	3122103	0	3122103	3122103	Reply awaited	
3	27XXXXXX XXXXXX X1Z3	Mumbai-LTU-2	Mumbai-LTU-521	2019-20	21689798	1184778136	0.02	10940847	200295	0	200295	200294	The Department stated (May 2025) that the taxpayer paid 200294 vide DRC 03 (August 2024).	
4	27XXXXXX XXXXXX X1ZN	Mumbai-LTU-3	Mumbai-LTU-532	2018-19	26300911	433869222	0.06	36345275	2203230	254357	1948873	1948873	Reply awaited	
				2019-20	47548467	339194051	0.14	38521626	5399989	74281	5325708	5325708	Reply awaited	
5	27XXXXXX XXXXXX X1Z0	Andheri	Andheri-East-701	2018-19	2326263	2756429675	0.00	344443691	290690	184069	106621	106621	Reply awaited	
				2019-20	3978969	2642072765	0.00	362054073	545254	0	545254	545254	Reply awaited	
6	27XXXXXX XXXXXX X1ZV	Mumbai-LTU-3	Mumbai-LTU-530	2020-21	206195063777	208625597058	0.99	43597813084	43089889142	42781253438	308635704	308635704	The department stated (April 2024) that out of the total ITC available of ₹ 4359.78 crore, calculation of ITC reversed has of ₹ 4278.13 crore required to be reversed and remaining of ₹ 81.66 crore was rightly provided to Audit.	

Sr. No.	GSTIN	Division	Charge office	Year	GSTR 9 (5D+5E)	GSTR 9 (5N-5F)	Factor (5D+5E)/(5N-5F)	GSTR 9 (6B+6C+6D+6E+6F+6G+8C) - GSTR 3B(4D (2) + 7E+12)	Reversal to be made	Reversal made as per Table 7 of GSTR 9	Non / Short reversal	Revised amount after Department's reply	Reply of the department	Audit Remark
7	27XXXX XXXXX X1Z7	Mumbai-LTU-2	Mumbai-LTU-529	2020-21	81634	449845243	0.00	49024666	8897	600	8297	8297	Reply awaited	
8	27XXXX XXXXX D1ZC	Mumbai-LTU-1	Mumbai-LTU-503	2019-20	549230434	8075873547	0.07	1519233328	103321229	21059520	82261709	82261709	The Department stated (May 2025) that DRC 01A has been issued (May 2025) to the taxpayer.	
9	27XXXX XXXXX X1ZW	Sakinaka	Sakinaka-502	2020-21	6425803337	12985371169	0.49	1371389792	678631437	86537614	592093823	592093823	The Department stated (May 2025) that DRC 01A has been issued (May 2025) to the taxpayer.	
10	27XXXX XXXXX X1ZD	Mumbai-LTU-2	Mumbai-LTU-515	2019-20	192983312	874469915	0.22	37999483	8385956	0	8385956	8385956	Reply awaited	
11	27XXXX XXXXX X1ZO	Pune-LTU-1	Pune-LTU-502	2020-21	72966532	719980968	0.10	59227840	6002450	92829	5909621	5909621	Reply awaited	
				2018-19	159329440	3270549009	0.05	917999052	44721628	0	44721628	44721628	Reply awaited	
				2019-20	183719738	2897306659	0.06	671921398	42606889	0	42606889	42606889	Reply awaited	
				2020-21	104494684	2289387150	0.05	584381742	26672983	0	26672983	26672983	Reply awaited	
12	27XXXX XXXXX X1ZP	Santacruz	Bandra-West-502	2020-21	501998738	529614431	0.95	118728325	112537472	37312241	75225231	75225231	Reply awaited	
13	27XXXX XXXXX X1ZF	Mulund	Mulund-West502	2018-19	6781435	1397961937	0.00	201630794	978100	0	978100	978100	Reply awaited	
14	27XXXX XXXXX X1ZF	Mumbai-LTU-2	Pune-LTU-524	2019-20	12247976	486753993	0.03	10737377	270180	9838	260342	260342	Reply awaited	
				2020-21	9598089	248744590	0.04	11288574	435582	0	435582	435582	Reply awaited	
					TOTAL						1206273282			

Appendix 3.2.9
(Reference: Paragraph 3.2.9.4; page 56)
Mismatch in availing of ITC under RCM

Sr. No.	GSTIN	Division	Charge Office	Year	GSTR 3B 3.1(D) (Tax paid)	GSTR 9 6C (Tax availed)	GSTR 9 6D (Tax availed)	GSTR 9 6F (Tax availed)	Total (6C+6D+6F)	Mismatch amount in availing of ITC	Revised amount after Department's reply	Reply of the Department	Audit Remarks
1	2	3	4	5	6	7	8	9	10	11	12	13	14
1	27XXXXXXXXXX XXXX1Z3	Andheri	Azad- Nagar- 602	2019-20	599708	1121062	0	0	1121062	521354	521354	The department stated (December 2023) that taxpayer submitted the reconciliation of liability year-wise and ITC taken under RCM as per GSTR 3B which is verified and found correct and as per reconciliation total liability paid during the year 2018-19 to 2020-21 was of ₹ 25.54 lakh whereas ITC under RCM taken was ₹ 24.49 lakh only.	Reply could not be verified as figures provided by Department did not match the figures of the respective years in the returns.
2	27XXXXXXXXXX XXX2Z1	Kolhapur	Karad- 702	2019-20	0	58025	0	0	58025	58025	58025	Reply awaited	
3	27XXXXXXXXXX XXX1ZF	Mumbai- LTU-1	Mumbai- LTU-501	2018-19	102843854	0	6941604	96989931	103931535	1087682	1087682	Reply awaited	
4	27XXXXXXXXXX XXX4Z3	Bandra	Bandra East-504	2018-19	60766	0	0	82883	82883	22117	22117	Reply awaited	
5	27XXXXXXXXXX XXX1ZG	Raigad	Pen-501	2018-19	521975005	5999847	79116704	444651132	529767683	7792678	7762125	The Department stated (February 2024) that the excess ITC of ₹ 77.62 lakh has been paid through DRC 03 (December 2023).	
										TOTAL	9451302		

Appendix 3.2.10
(Reference: Paragraph 3.2.9.4; page 57)
Mismatch in availing of ITC distributed by Input Service Distributor (ISD)

Sr. No.	GSTIN	Division	Charge Office	Year	6G of GSTR 9	ITC Distributed in GSTR 6 of ISD Distributor for all group companies	Turnover in GSTR 9	Consolidated Turnover in AFS	ITC Restricted for Taxpayer as per GSTR 9/ Consolidated Turnover as per AFS multiplied by ITC distributed as per GSTR 6)	Excess ITC with reference to Distribution for Taxpayer	Revised amount after Department's reply	Reply of the department
1	2	3	4	5	6	7	8	9	10 (8/9x7)	11	12	13
1	27XXXXXX XXXXX1ZC	Mumbai -LTU 1	Mumbai -LTU- 503	2019-20	326657165	3558163	8077176365	21872586000	1313969	325343196	325343196	The Department stated (May 2025) that DRC 07 has been issued for excess ITC of ₹ 1383012 along with interest of ₹ 1244711. Out of mismatch of ₹ 32.53 crore, DRC 07 was issued for ₹ 13.83 lakh. However, no explanation / supporting documents was provided for the balance amount.
				2020-21	365934965	103009831	12985371169	22808216000	58646450	307288516	307288515	The Department stated (May 2025) that the case was investigated and no excess availment of ITC was noticed on verification for the year 2020-21. However, no explanation / supporting documents was provided for the balance amount.
2	27XXXXXX XXXXX1ZG	RAIGAD	PEN-501	2019-20	480858877	1253775873	189272182145	62315000000	380815045	100043832	83077210	The Department stated (November 2024) that DRC 07 (August 2024) has been issued for an amount of ₹ 8.31 crores.
										TOTAL	715708921	

Appendix 3.2.11
(Reference: Paragraph 3.2.9.4; page 57)
Mismatch in ITC availed between Annual returns and Audited Financial Statements

Sr. No.	GSTIN	Division	Charge Office	Year	Unreconciled ITC as per table 12F of GSTR 9C	Revised amount after Department's reply	Reply of the department	Audit Remarks
1	27XXXXXXXXXXXX1ZS	Mumbai-LTU-2	Mumbai-LTU-514	2019-20	135357	267241	Department stated (January 2024) that DRC 07 has been issued (August 2024) raising demand for ₹ 2.67 lakh including interest and penalty	
2	27XXXXXXXXXXXX1Z0	Thane City	Wagle I.E-501	2018-19	5000000	5000000	The Department stated (April 2025) that audit proceedings were conducted, and DRC 07 has been issued (April 2024) to the taxpayer.	The reply is not acceptable as the DRC 07 did not cover the issue raise by Audit.
3	27XXXXXXXXXXXX1ZH	Raigad	PEN- 501	2020-21	665912375	665912375	Reply awaited	
					TOTAL	671179616		

Appendix 3.2.12
(Reference: Paragraph 3.2.9.5; page 59)
Undischarged tax liability

Sr. No.	GSTIN	Division	Charge Office	Year	Liability as per GSTR 9 (Total turnover (5N +10-11) shown below T13 i.e., tax (I+C+ S+C)	Tax paid in GSTR 9 (9) + GSTR 9 (14)	Excluding RCM (GSTR 9 4G)	Net tax paid	Mismatch in tax liability and tax paid	Revised amount after Department's reply	Reply of the Department
1	2	3	4	5	6	7	8	9 (7-8)	10 (6-9)	11	12
1	27XXXXXXXXXXIZY	Mumbai-LTU-2	Mumbai-LTU-514	2020-21	297682837	272415400	112881866	159533534	138149303	138149303	The Department stated January 2024) that ADT 01 has been issued (December 2023).
2	27XXXXXXXXXXIZ3	Mumbai-LTU-2	Mumbai-LTU-523	2019-20	323221673	300289476	14247204	286042272	37179401	37179401	Reply awaited
3	27XXXXXXXXXXIZI	Mumbai-LTU-2	Mumbai-LTU-517	2018-19	14483849153	14537373527	66112922	14471260605	12588548	6926770	The Department stated (April 2025) that the taxpayer has paid ₹ 69.26 lakh through DRC 03 (December 2023)
4	27XXXXXXXXXXIZD	Mumbai-LTU-2	Mumbai-LTU-519	2018-19	7131763528	7127315711	1166064	7126149647	5613881	5613881	Reply awaited
5	27XXXXXXXXXXIZ2	Mumbai-LTU-2	Mumbai-LTU-517	2020-21	953355837	929478341	355067	929123274	24232563	24232563	Reply awaited
6	27XXXXXXXXXXIZ6	Mumbai-LTU-2	Mumbai-LTU-524	2020-21	147101167	127307483	29376488	97930995	49170172	63444000	The department stated (April 2025) that DRC 07 was issued (February 2025) for ₹ 6.34 crore along with interest and penalty
7	27XXXXXXXXXXIZ6	Mumbai-LTU-2	Mumbai-LTU-520	2020-21	335358970	335292603	43255	335249348	109622	109622	Reply awaited
8	27XXXXXXXXXXIZI	Mumbai-LTU-3	Mumbai-LTU-531	2018-19	166871029	198738693	33496004	165242689	1628340	1628340	The Department stated (January 2024) that SCN in Form DRC 01 has been issued (December 2023) for FY 2018-19
				2019-20	170940344	203687121	45381255	158305866	12634478	12634478	Reply awaited

Sr. No.	GSTIN	Division	Charge Office	Year	Liability as per GSTR 9 (Total turnover (SN +10-11) shown below T13 i.e., tax (I+C+S+C)	Tax paid in GSTR 9 (9) + GSTR 9 (14)	Excluding RCM (GSTR 9 4G)	Net tax paid	Mismatch in tax liability and tax paid	Revised amount after Department's reply	Reply of the Department
9	27XXXXXXXXXX1ZS	Mumbai-LTU-3	Mumbai-LTU-535	2019-20	55914975	55920556	299668	55620888	294087	606707	The department stated (April 2025) that DRC 07 was issued in August 2024 for 2019-20 which included tax liability of ₹ 6.07 lakh. Currently, there is an appeal against order DRC 07 with First Appellant which is pending for disposal.
10	27XXXXXXXXXX1ZE	Andheri	Marol-501	2020-21	50189396	49519062	462561	49056501	1132895	1925920	The Department stated (May 2025) that DRC 07 has been issued (January 2025) for ₹ 19.26 lakh
11	27XXXXXXXXXX1ZO	Thane City	Wagle I.E-501	2018-19	29766678	10717598	2200742	8516856	21249822	21249822	Reply awaited
				2019-20	19932342	16461805	5016960	11444845	8487497	8487497	Reply awaited
				2020-21	5015608	4999262	2097636	2901626	2113982	2113982	Reply awaited
12	27XXXXXXXXXX1ZS	Nanded	Nanded-501	2019-20	32491860	32446644	0	32446644	45216	45216	Reply awaited
13	27XXXXXXXXXX2ZJ	Kolhapur	Karad-702	2020-21	599117	588136	63450	524686	74431	74431	Reply awaited
14	27XXXXXXXXXX1Z4	Pune-LTU-2	Pune-LTU-519	2020-21	188648830	188995472	2299320	186696152	1952678	1952678	Reply awaited
									TOTAL	326374621	

Appendix 3.2.13
(Reference: Paragraph 3.2.9.5; page 59)
Mismatch in turnover in GSTR 9 and AFS

Sr. No.	GSTIN	Division	Charge Office	R 9C (5 O) 2018-19	R 9C (5 O) 2019-20	R 9C (5 O) 2020-21	Unreconciled turnover (only negative entries)	Reply of the Department	Audit Remarks
1	27XXXXXXXXXXXXX1Z3	Mumbai-LTU-2	Mumbai-LTU-523	-1243951090	-670656792	-14664424501	-16579032383	Reply awaited	--
2	27XXXXXXXXXXXXX1ZD	Mumbai-LTU-2	Mumbai-LTU-519	-	-69917910	-73141750	-143059660	Reply awaited	--
3	27XXXXXXXXXXXXX1Z6	Mumbai-LTU-2	Mumbai-LTU-524	-	-1343983051	-881856808	-2225839859	The Department stated (April 2025) that the taxpayer paid ₹ 1.90 crore through DRC 03 (February 2025) for the year 2020-21 and for the year 2019-20, reply was awaited.	--
4	27XXXXXXXXXXXXX1Z5	Mumbai-LTU-2	Mumbai-LTU-520	-	-	-1149125035	-1149125035	Reply awaited	--
5	27XXXXXXXXXXXXX1ZI	Mumbai-LTU-3	Mumbai-LTU-531	-	-	-26775378	-26775378	Reply awaited	--
6	27XXXXXXXXXXXXX1ZS	Mumbai-LTU-3	Mumbai-LTU-535	-	-	-26284257	-26284257	Reply awaited	--
7	27XXXXXXXXXXXXX1Z8	Mumbai-LTU-3	Mumbai-LTU-535	-2214984951	-	-903778919	-3118763869	Reply awaited	--
8	27XXXXXXXXXXXXX1Z7	Mumbai-LTU-3	Mumbai-LTU-525	-	-1310683811	-141006850	-1451690661	The department stated (April 2025) that it is verified that the taxpayer has submitted appropriate reasons for adjustments in turnover in Table 5O of GSTR 9C for the year 2019-20 and 2020-21 along with its reconciliation.	The reply could not be verified as copies of sale registers, invoices, and financial statements were not furnished.
9	27XXXXXXXXXXXXX1Z3	Andheri	Azad-Nagar-602	-	-576332171	-	-576332171	Reply awaited	--
10	27XXXXXXXXXXXXX1ZE	Andheri	Marol-501	-	-	-22942108	-22942108	The Department stated (May 2025) that DRC 07 has been issued (January 2025) conforming the tax liability of ₹ 65.59 lakh including interest.	--
11	27XXXXXXXXXXXXX1Z0	Andheri	Andheri East-701	-	-772676	-44746497	-45519173	Reply awaited	--
12	27XXXXXXXXXXXXX1ZN	Mumbai-LTU-3	Mumbai-LTU-532	-	-5868147	-7401756	-13269903	Reply awaited	--

Sr. No.	GSTIN	Division	Charge Office	R 9C (S O) 2018-19	R 9C (S O) 2019-20	R 9C (S O) 2020-21	Unreconciled turnover (only negative entries)	Reply of the Department	Audit Remarks
13	27XXXXXXXXXX1ZZ	Mumbai-LTU-4	Mumbai-LTU-540	-	-7856709360	-1581198033	-9437907393	The Department stated (April 2025) that the issue was verified during the audit of the taxpayer and after verification of taxpayers reply for the year 2019-20 and 2020-21, the issue was closed.	Audit could not verify as details of the department along with the reconciliation of the turnover mismatch wherein the taxpayer has stated to have excluded the income does not attracting GST were not furnished.
14	27XXXXXXXXXX2Z3	Mumbai-LTU-1	Mumbai-LTU-501	-15125713	-	-576542	-15702255	Reply awaited	--
15	27XXXXXXXXXX1ZF	Mumbai-LTU-1	Mumbai-LTU-503	-5929444180	-	-	-5929444180	Reply awaited	--
16	27XXXXXXXXXX1Z7	Mumbai-LTU-1	Mumbai-LTU-509	-	-1518208	-	-1518208	Reply awaited	--
17	27XXXXXXXXXX1ZW	Sakinaka	Sakinaka-502	-	-	-1544003	-1544003	Reply awaited	--
18	27XXXXXXXXXX2Z4	Sakinaka	Sakinaka-601	-61082	-	-	-61082	Reply awaited	--
19	27XXXXXXXXXX1ZP	Santaacruz	Bandra-West-502	-5156282911	-3160642950	-1342871886	-9659797747	Reply awaited	--
20	27XXXXXXXXXX1ZD	Mumbai-LTU-2	Mumbai-LTU-515	-187870458	-49070407	-397617850	-634558715	Reply awaited	--
21	27XXXXXXXXXX1ZF	Pune-LTU-2	Pune-LTU-524	-85937101	-	-	-85937101	Reply awaited	--
22	27XXXXXXXXXX2ZJ	Pune South	Pune Camt-501	-	-	-1719898666	-1719898666	Reply awaited	--
23	27XXXXXXXXXX1ZV	Pune North	Bajirao Road-609	-11156176	-13431894	-16402354	-40990424	Reply awaited	--
24	27XXXXXXXXXX1ZX	Raigad	Sanpada-503	-20016738	-3532954	-12590286	-36139978	Reply awaited	--
						TOTAL	-52942134209		

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