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सत्यमेव जयते

# Annual Report

2011 - 2012



Directorate of Publicity and Public Relations  
Customs & Central Excise  
C.R. Building, I.P. Estate, New Delhi-110109

Directorate General of Audit  
Customs and Central Excise  
New Delhi  
[www.dgauditces.gov.in](http://www.dgauditces.gov.in)

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# **Annual Report 2011-2012**

**Directorate General of Audit  
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Government of India

Department of Revenue  
Central Board of Excise & Customs  
Directorate General of Audit

## FOREWORD

Like earlier years, audit continued to result in detection of evasion of Central Excise duty and Service Tax during 2011-12. The recovery of evaded Central Excise duty detected through audit registered an increase of 4%. The recovery of evasion of Service Tax through audit increased by 15%.

During 2011-12, 81.26% of the Central Excise units in the mandatory category and 90.12% of the units in non mandatory category were audited. However, the percentage of Service Tax assesseees actually audited vis-à-vis required to be audited in the mandatory category and non mandatory category was only 49.80% & 40.08% respectively. Sincere efforts need to be made to audit all the assesseees as per the prescribed norms.

An intelligence cell has also been created in the headquarters of this Directorate to collect information about evasion of Central Excise duties and Service Tax from third party sources and disseminate the same to field formations.

This Directorate has also started compiling important Central Excise and Service Tax audit objections detected by field formations and circulating the same to all the offices under CBEC.

In spite of these steps, there is still room for vast improvement in the audit processes which is one of the corner stones of an efficient tax administration.

New Delhi  
December, 2012

Sd/-  
(Karan K. Sharma)  
Director General



**TABLE OF CONTENTS**

S.No.	Title	Page No.
1.	Organizational Structure	01
2.	Charter of Functions	01
3.	Audit Performance of the Commissionerates – Quantitative Performance of Central Excise	02
4.	Audit Performance of the Commissionerates – Qualitative Performance of Central Excise	07
5.	Audit Performance of the Commissionerates – Quantitative Performance of Service Tax	11
6.	Audit Performance of the Commissionerates – Qualitative Performance of Service Tax	15
7.	Units registered and audited in Central Excise	18
8.	Assessees registered and audited in Service Tax	21
9.	Audit Performance of Large Taxpayer Units (LTUs)	24
10.	Post Clearance Audit in Customs	24
11.	Onsite Post Clearance Audit in Customs	27
12.	Computer assisted audit programme (CAAP)	28
13.	Work done in the zonal units during the year 2011-12	30
14.	Other areas of important work	31



## 1. ORGANIZATIONAL STRUCTURE

The Directorate General of Audit headed by Director General was created in July 2000 with headquarters at New Delhi. The Organization was expanded in November 2002 with the implementation of cadre restructuring when Zonal units were created. Presently, this Directorate has seven Zonal units at Ahmedabad, Bangalore, Chennai, Delhi, Hyderabad, Kolkata and Mumbai each headed by an Additional Director General located.

The area-wise jurisdiction of the seven Zonal units as given below:

**Table-1**

S. No.	Name of the Zonal unit	Chief Commissioner Zones
(1)	(2)	(3)
1.	Ahmedabad	Ahmedabad, Jaipur, Vadodara
2.	Bangalore	Bangalore, Cochin, Mangalore
3.	Chennai	Chennai, Coimbatore
4.	Delhi	Chandigarh, Delhi, Lucknow, Meerut
5.	Hyderabad	Bhubaneshwar, Hyderabad, Visakhapatnam
6.	Kolkata	Kolkata, Ranchi, Shillong
7.	Mumbai	Bhopal, Mumbai I, Mumbai II, Nagpur, Pune

## 2. CHARTER OF FUNCTIONS

**2.1** The functional responsibilities of the Directorate have been delineated in the Charter of Functions approved by the Central Board of Excise & Customs (CBEC) through their letter F.No.206/13/2000-CX.6, dated 30<sup>th</sup> January, 2002. Directorate is to oversee the creation and institutionalization of a credible audit system. On one hand, it aids and advises the Board in policy formulation and on the other, it guides and provides functional direction in planning, co-ordination, supervision and conduct of audits to the field formations. The Charter does not envisage that



the Directorate should conduct primary audits in Central Excise, Service Tax or Customs on its own.

### 3. AUDIT PERFORMANCE OF THE COMMISSIONERATES

#### 3.1 Central Excise

##### 3.1.1 Quantitative Performance

- a) EA 2000 as a system has gradually become an effective tool in the hands of trained Central Excise Officers. This is reflected in the increasing detections and spot recoveries. The audit detections in Central Excise have gone up from Rs. 3,934 Crores in FY 2010-11 to Rs.4755 Crores in 2011-12 registered an increase of 21%. The Recoveries have also increased from Rs.695 Crores to Rs.720 Crores, thus registering a 4% growth during this period. The following table containing the All India audit performance during the last five years reveals the noteworthy performance of the Central Excise audit branches of the Commissionerates:-

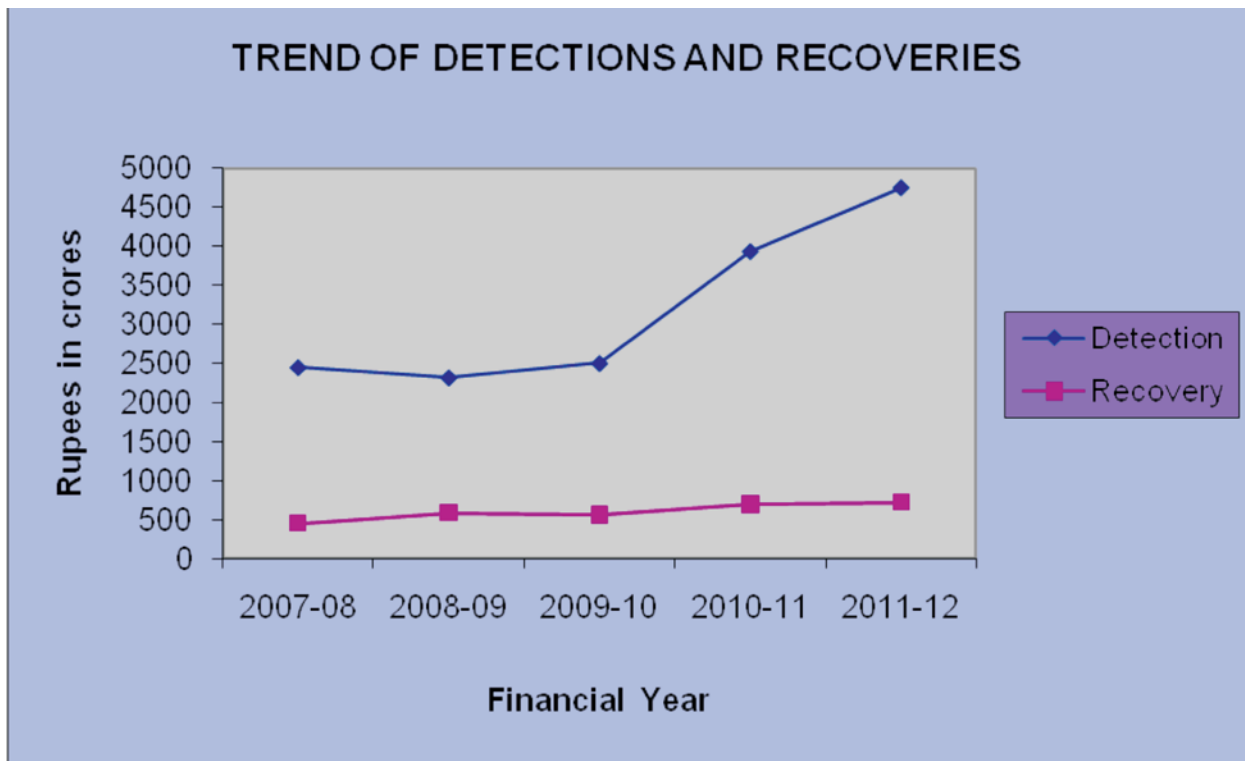
**Table 2**

#### Central Excise

S.No.	Period	No. of Audits Conducted	Growth % in audits conducted	Total Detection (Rs. in Crores)	Growth % of Detection	Total Recovery (Rs. in Crores)	Growth % of recovery
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2007-08	21192	1	2440	7	452	27
2	2008-09	22265	5	2308	-5	585	30
3	2009-10	21904	-2	2493	8	559	-5
4	2010-11	20602	-6	3934	58	695	24
5	2011-12	22045	7	4755	21	720	4

Following chart shows the trend of detection and recoveries for Central Excise during the last five years:-

**Chart-1**



- (b) Detection per audit has increased from Rs.19.10 Lakhs in 2010-11 to Rs.21.57 Lakhs in 2011-12.
- (c) The quantitative parameters of detection and recovery are not only used to study the different trends but also to grade the quantitative performance of the Commissionerates. This grading is done once every quarter followed by Annual Performance Index. The “Annual Performance Index” of Central Excise Commissionerates for the year 2011-12, is shown in **Table 3**.

**Table 3**

**Audit Performance Index (API) Grading of the Central Excise Commissionerates for the F Y 2011-12, based on data provided by the Commissionerate.**

<b>S. No.</b>	<b>Commissionerate</b>	<b>Audit Performance Index of Commissionerate</b>	<b>Relative Ranking</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	Chennai-IV	60.77	1
2	Bhubaneswar- II	49.61	2
3	Mumbai-II	45.17	3
4	Chennai-III	44.81	4
5	Bangalore-I	42.89	5
6	Bhopal	41.13	6
7	Ahmedabad-I	41.03	7
8	Raipur	40.95	8
9	Belapur	40.27	9
10	Pune-III	39.66	10
11	Ahmedabad-II	39.14	11
12	Bangalore-III	37.28	12
13	Hyderabad-I	37.00	13
14	Surat-I	36.054	14
15	Allahabad	36.050	15
16	Delhi-II	35.91	16
17	Hyderabad-II	35.50	17
18	Daman	34.80	18
19	Rajkot	34.43	19
20	Vadodara-II	33.77	20
21	Delhi-IV	33.23	21

<b>S. No.</b>	<b>Commissionerate</b>	<b>Audit Performance Index of Commissionerate</b>	<b>Relative Ranking</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
22	Pune-I	32.64	<b>22</b>
23	Bangalore-II	32.61	<b>23</b>
24	Surat-II	32.08	<b>24</b>
25	Delhi-III	32.03	<b>25</b>
26	Nasik	31.76	<b>26</b>
27	Chennai-II	31.74	<b>27</b>
28	Mysore	31.29	<b>28</b>
29	Bhavnagar	30.45	<b>29</b>
30	Bolpur	30.16	<b>30</b>
31	Delhi-I	29.65	<b>31</b>
32	Jalandhar	29.23	<b>32</b>
33	Jamshedpur	28.64	<b>33</b>
34	Vapi	28.62	<b>34</b>
35	Coimbatore	28.14	<b>35</b>
36	Thane-II	28.083	<b>36</b>
37	Belgaum	28.075	<b>37</b>
38	Noida	27.99	<b>38</b>
39	Hyderabad-III	27.73	<b>39</b>
40	Kanpur	27.59	<b>40</b>
41	Ahmedabad-III	27.19	<b>41</b>
42	Vadodara-I	27.18	<b>42</b>
43	Kolkata-VII	26.05	<b>43</b>
44	Ghaziabad	25.77	<b>44</b>
45	Jaipur-I	25.32	<b>45</b>

<b>S. No.</b>	<b>Commissionerate</b>	<b>Audit Performance Index of Commissionerate</b>	<b>Relative Ranking</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
46	Panchkula	25.25	<b>46</b>
47	Thane-I	25.12	<b>47</b>
48	Ranchi	24.93	<b>48</b>
49	Kolhapur	23.44	<b>49</b>
50	Ludhiana	23.33	<b>50</b>
51	Visakhapatnam - I	23.30	<b>51</b>
52	Indore	23.21	<b>52</b>
53	Raigad	23.07	<b>53</b>
54	Goa	23.01	<b>54</b>
55	Chandigarh -I	22.36	<b>55</b>
56	Pondicherry	22.31	<b>56</b>
57	Meerut-II	21.67	<b>57</b>
58	Shillong	21.61	<b>58</b>
59	Lucknow	21.59	<b>59</b>
60	Visakhapatnam - II	21.57	<b>60</b>
61	Jaipur-II	21.45	<b>61</b>
62	Tirupathi	21.29	<b>62</b>
63	Kolkata-V	21.22	<b>63</b>
64	Gauwahati	21.11	<b>64</b>
65	Trivandrum	20.77	<b>65</b>
66	Siliguri	20.41	<b>66</b>
67	Mumbai-V	20.29	<b>67</b>
68	Calicut	20.04	<b>68</b>
69	Kolkata-IV	19.59	<b>69</b>

<b>S. No.</b>	<b>Commissionerate</b>	<b>Audit Performance Index of Commissionerate</b>	<b>Relative Ranking</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
70	Kolkata-II	19.00	<b>70</b>
71	Tiruchirappalli	18.74	<b>71</b>
72	Kolkata-III	18.55	<b>72</b>
73	Aurangabad	18.33	<b>73</b>
74	Hyderabad-IV	18.06	<b>74</b>
75	Rohtak	17.77	<b>75</b>
76	Guntur	17.72	<b>76</b>
77	Meerut-I	17.40	<b>77</b>
78	Jammu & Kashmir	17.38	<b>78</b>
79	Cochin	17.16	<b>79</b>
80	Mangalore	16.75	<b>80</b>
81	Dibrugarh	16.69	<b>81</b>
82	Kolkata-VI	16.64	<b>82</b>
83	Haldia	15.91	<b>83</b>
84	Salem	15.65	<b>84</b>
85	Nagpur	15.55	<b>85</b>
86	Patna	15.29	<b>86</b>
87	Mumbai-III	15.25	<b>87</b>
88	Kolkata-I	15.21	<b>88</b>
89	Mumbai-I	14.52	<b>89</b>
90	Chennai I	14.47	<b>90</b>
91	Bhubaneswar- I	12.78	<b>91</b>
92	Madurai	11.89	<b>92</b>
93	Tirunelveli	10.87	<b>93</b>

### 3.1.2 Qualitative Performance

- (a) EA 2000 is a process-oriented audit system. In this system, the quality of audits is judged not only by the value of detections or recoveries that they yield but also by the extent to which the EA 2000 process has been adhered to by the auditors. With this objective in mind, Quality Assurance Review (QAR) of the Commissionerate was introduced in 2004-05. This has proved to be an effective tool to assess the qualitative performance of the audit wing of the Commissionerates. QARs of all the Commissionerates are conducted by officers of the Zonal units of the Directorate General of Audit every year. The findings of the review are communicated to the concerned Commissioner as well as the Zonal Chief Commissioners for taking remedial action wherever called for.
- (b) Based on the extent of the conformity to the EA 2000 process, the Commissionerates are categorized under one of the following categories on the basis of their performance: **(1) A= Excellent (>90%)**; **(2) B = Very good (80.01-90.00%)**; **(3) C = Good (70.01-80.00%)**; **(4) D = Average (60.01-70.00%)**; or **(5) E = Below Average (d" 60%)**.
- (c) The grades obtained by the Central Excise Commissionerates are detailed in **Table 4**. Two out of 93 Commissionerates have secured Excellent grading whereas 13% of the Commissionerates are still below the conformity level of 60 % and need to improve the quality of the audit processes.

Table 4

**QUALITY ASSURANCE REVIEW (QAR) FOR THE AUDITS OF THE FY 2010-11 (conducted during 2011-12)  
ANALYSIS OF CONFORMITY OF THE INTERNAL AUDIT TO EA 2000 SYSTEM - CENTRAL EXCISE**

S. No.	Commissionerate	Selection of units for audit (%)	Preliminary / Desk Review (%)	Evaluation of Internal Controls (%)	Preparation of Audit Plan (%)	Audit Verification (%)	Technical Issues (%)	Working Papers, Audit Reports & Follow up (%)	Professional Conduct (%)	Timeliness (%)	Final Performance	Grade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
1	BHUBANESWAR-II	87.50	99.30	100.00	73.78	92.00	100.00	96.80	100.00	93.33	93.63	A
2	TIRUCHIRAPPALLI	75.00	87.30	80.00	100.00	82.50	100.00	99.73	100.00	97.30	91.31	A
3	GUNTUR	57.00	89.40	90.00	78.22	83.89	100.00	100.00	100.00	98.67	88.58	B
4	MADURAI	75.00	87.90	80.00	67.11	82.66	100.00	100.00	100.00	100.00	88.07	B
5	CHENNAI-IV	100.00	81.90	76.80	72.00	85.22	100.00	83.46	100.00	92.00	87.93	B
6	BHUBANESWAR-I	71.43	88.40	91.90	72.89	89.00	100.00	93.87	100.00	78.67	87.35	B
7	RAIPUR	75.00	90.00	90.00	77.77	66.66	100.00	86.66	100.00	100.00	87.34	B
8	HYDERABAD-III	71.43	92.00	99.60	72.00	87.78	100.00	97.87	100.00	64.00	87.19	B
9	AURANGABAD	75.00	80.00	90.00	77.77	66.66	100.00	86.66	100.00	100.00	86.23	B
10	VIZAG-I	71.43	65.70	99.60	74.67	84.78	100.00	95.47	100.00	81.33	85.89	B
11	VIZAG-II	71.43	65.70	99.60	74.67	84.78	100.00	95.47	100.00	81.33	85.89	B
12	COIMBATORE	87.50	77.30	78.40	66.22	68.89	100.00	93.60	100.00	100.00	85.77	B
13	BHOPAL	50.00	89.96	90.00	77.77	77.77	100.00	86.11	100.00	100.00	85.73	B
14	HYDERABAD-IV	100.00	66.90	68.60	78.22	77.00	100.00	85.13	99.00	93.33	85.35	B
15	MUMBAI-V	50.00	76.50	83.20	74.22	78.22	100.00	99.47	100.00	100.00	84.62	B
16	PANCHKULA	87.50	93.50	86.00	92.88	62.22	75.22	88.00	100.00	76.00	84.59	B
17	DELHI-I	87.50	94.80	90.40	79.11	62.00	75.00	84.26	100.00	85.33	84.27	B
18	AHMEDABAD-I	75.00	79.00	68.80	79.11	72.44	100.00	98.40	100.00	85.33	84.23	B



S. No.	Commissionerate	Selection of units for audit (%)	Preliminary/Desk Review (%)	Evaluation of Internal Controls (%)	Preparation of Audit Plan (%)	Audit Verification (%)	Technical Issues (%)	Working Papers, Audit Reports & Follow up (%)	Professional Conduct (%)	Timeliness (%)	Final Performance	Grade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
19	DELHI-III	87.50	94.80	91.20	79.11	60.44	75.00	84.26	100.00	85.33	84.18	B
20	HYDERABAD-I	57.14	89.00	86.00	74.67	73.22	100.00	94.67	100.00	82.67	84.15	B
21	AHMEDABAD-II	75.00	83.50	79.20	77.90	77.30	100.00	96.50	100.00	66.70	84.01	B
22	NASHIK	87.50	59.10	80.00	77.78	80.00	75.00	92.27	100.00	100.00	83.52	B
23	LUDHIANA	87.50	96.40	86.00	86.22	53.55	75.00	86.93	100.00	76.00	83.07	B
24	JAMMU&KASHMIR	87.50	89.80	91.20	79.11	54.22	75.00	84.26	100.00	85.33	82.94	B
25	THANE-I	62.50	91.90	52.40	86.22	77.78	100.00	82.67	99.00	88.00	82.27	B
26	GUWAHATI	75.00	81.00	79.20	77.78	75.56	100.00	88.22	100.00	60.00	81.86	B
27	MUMBAI-III	62.50	95.50	74.40	67.56	76.44	100.00	87.20	100.00	72.00	81.73	B
28	LUCKNOW	87.50	89.20	71.20	84.00	57.80	75.00	84.26	100.00	84.00	81.44	B
29	TIRUNELVELI	62.50	76.60	80.00	66.67	56.78	100.00	87.13	100.00	100.00	81.08	B
30	NOIDA	87.50	93.20	84.40	75.11	53.55	75.00	82.13	100.00	76.00	80.77	B
31	CHANDIGARH	87.50	86.50	78.80	89.77	59.55	75.00	78.93	88.00	81.33	80.60	B
32	COCHIN	62.50	80.00	80.80	63.60	64.00	100.00	90.93	100.00	80.00	80.20	B
33	SALEM	62.50	74.20	68.80	64.44	70.88	100.00	81.06	100.00	97.33	79.91	C
34	PONDICHERY	75.00	79.70	62.40	67.11	68.55	100.00	65.33	100.00	100.00	79.79	C
35	CALICUT	62.50	69.70	86.80	60.80	71.56	100.00	75.73	100.00	89.33	79.60	C
36	DIBRUGARH	75.00	74.00	62.00	73.33	65.77	100.00	85.55	100.00	73.33	78.78	C
37	TRIVANDRUM	75.00	73.20	95.20	58.80	58.67	100.00	73.87	100.00	73.33	78.67	C
38	JALANDHAR	87.50	79.40	69.40	79.55	58.22	75.00	79.20	92.00	78.66	77.66	C
39	DELHI-II	87.50	80.00	77.60	70.60	51.77	75.00	68.26	100.00	85.33	77.34	C

S. No.	Commissionerate	Selection of units for audit (%)	Preliminary / Desk Review (%)	Evaluation of Internal Controls (%)	Preparation of Audit Plan (%)	Audit Verification (%)	Technical Issues (%)	Working Papers, Audit Reports & Follow up (%)	Professional Conduct (%)	Timeliness (%)	Final Performance	Grade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
40	ROHTAK	87.50	67.40	83.60	59.55	50.44	75.00	72.26	100.00	100.00	77.31	C
41	MUMBAI-I	50.00	63.90	65.60	68.44	84.89	87.50	84.67	100.00	85.33	76.70	C
42	CHENNAI-I	87.50	56.20	42.40	64.56	63.67	100.00	73.47	100.00	100.00	76.42	C
43	SURAT-I	75.00	63.70	56.40	74.67	60.00	100.00	73.07	100.00	84.00	76.32	C
44	MUMBAI-II	75.00	66.10	50.40	76.44	77.77	100.00	79.73	99.00	57.30	75.75	C
45	RAIGAD	100.00	42.40	76.60	86.66	56.00	95.00	76.80	100.00	48.00	75.72	C
46	BANGALORE-II	25.00	65.90	87.60	68.44	80.44	100.00	79.46	100.00	72.00	75.43	C
47	RAJKOT	50.00	88.90	78.00	67.10	49.30	100.00	87.20	89.00	64.00	74.83	C
48	INDORE	62.50	90.00	90.00	66.66	68.88	75.00	84.00	100.00	33.33	74.49	C
49	PUNE-I	50.00	66.60	57.20	77.33	58.66	75.00	82.93	100.00	98.66	74.04	C
50	VADODARA-I	50.00	68.40	55.20	80.00	72.90	100.00	69.30	97.00	72.00	73.87	C
51	HYDERABAD-II	50.00	40.00	76.00	65.56	69.56	100.00	93.33	100.00	70.00	73.83	C
52	BHAVNAGAR	37.50	65.60	60.80	76.90	64.40	100.00	77.80	100.00	80.00	73.67	C
53	TIRUPATI	57.00	48.90	69.60	59.55	67.77	100.00	80.73	100.00	77.33	73.43	C
54	MANGALORE	62.50	58.10	66.40	61.20	64.00	100.00	64.53	100.00	78.67	72.82	C
55	KANPUR	87.50	71.50	73.20	68.88	56.88	65.00	65.86	88.00	77.33	72.68	C
56	SURAT-II	37.50	58.50	76.00	66.20	73.80	100.00	89.30	75.00	73.30	72.18	C
57	CHENNAI-II	50.00	61.80	38.00	76.80	43.60	100.00	78.66	100.00	100.00	72.10	C
58	SILIGURI	50.00	53.80	84.00	60.44	66.66	100.00	91.73	100.00	41.33	72.00	C
59	AHMEDABAD-III	50.00	81.70	28.80	60.90	72.00	100.00	73.10	100.00	81.30	71.98	C
60	MYSORE	62.50	76.80	47.20	52.40	61.33	99.00	53.20	100.00	92.00	71.60	C

S. No.	Commissionerate	Selection of units for audit (%)	Preliminary / Desk Review (%)	Evaluation of Internal Controls (%)	Preparation of Audit Plan (%)	Audit Verification (%)	Technical Issues (%)	Working Papers, Audit Reports & Follow up (%)	Professional Conduct (%)	Timeliness (%)	Final Performance	Grade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
61	PUNE-III	50.00	46.80	78.80	65.33	68.00	100.00	92.77	100.00	41.33	71.45	C
62	BANGALORE-I	37.50	80.00	68.80	49.20	62.20	100.00	70.67	100.00	65.33	70.41	C
63	NAGPUR	12.50	44.40	76.80	76.89	56.44	80.00	86.67	100.00	100.00	70.41	C
64	PUNE-II (KOLHAPUR)	50.00	56.80	41.60	74.66	55.11	100.00	71.00	100.00	82.66	70.20	C
65	VADODARA-II	25.00	61.60	49.20	66.70	74.20	100.00	77.60	100.00	77.30	70.18	C
66	GHAZIABAD	75.00	69.80	58.00	62.66	34.33	75.00	65.00	100.00	82.66	69.16	D
67	DAMAN	50.00	42.30	78.40	50.22	47.11	100.00	65.87	100.00	88.00	69.10	D
68	KOLKATA-V	50.00	45.20	100.00	35.56	43.67	100.00	70.40	98.00	72.67	68.39	D
69	THANE-II	25.00	39.60	58.80	67.11	56.44	100.00	67.20	100.00	100.00	68.24	D
70	KOLKATA-III	62.50	65.20	55.20	63.33	64.33	98.67	45.87	100.00	53.33	67.60	D
71	BANGALORE-III	37.50	62.20	59.20	57.33	54.22	96.00	56.75	100.00	84.00	67.47	D
72	KOLKATA-IV	62.50	75.30	0.00	56.00	44.89	100.00	81.58	100.00	85.33	67.29	D
73	JAMSHEDPUR	87.50	89.90	0.00	59.11	56.44	100.00	55.46	98.00	56.00	66.93	D
74	MEERUT-II	75.00	71.50	73.20	68.88	17.33	65.00	64.53	88.00	77.33	66.75	D
75	KOLKATA-II	75.00	51.00	50.00	33.33	55.55	100.00	72.78	100.00	56.00	65.96	D
76	KOLKATA-I	62.50	80.70	0.00	36.00	55.11	97.33	72.00	95.00	85.33	64.89	D
77	RANCHI	50.00	42.70	10.80	55.55	43.55	100.00	90.04	100.00	90.67	64.81	D
78	KOLKATA-VII	75.00	74.30	0.00	36.00	55.55	100.00	78.87	100.00	52.00	63.52	D
79	VAPI	25.00	75.50	64.80	54.20	47.10	100.00	35.50	100.00	52.00	61.57	D
80	JAIPUR-II	37.50	49.30	34.00	68.00	65.00	100.00	43.70	100.00	53.30	61.20	D
81	BELAPUR	25.00	31.60	35.20	64.89	57.78	100.00	54.07	100.00	76.00	60.50	D

S. No.	Commissionerate	Selection of units for audit (%)	Preliminary / Desk Review (%)	Evaluation of Internal Controls (%)	Preparation of Audit Plan (%)	Audit Verification (%)	Technical Issues (%)	Working Papers, Audit Reports & Follow up (%)	Professional Conduct (%)	Timeliness (%)	Final Performance	Grade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)
82	KOLKATA-VI	50.00	52.00	0.00	51.44	36.67	100.00	48.40	100.00	92.67	59.02	E
83	HALDIA	62.50	33.80	0.00	44.00	54.22	100.00	71.20	100.00	55.33	57.89	E
84	JAIPUR-I	75.00	28.10	10.00	61.78	43.56	100.00	38.67	100.00	48.00	56.12	E
85	DELHI-IV	87.50	60.30	58.80	30.22	22.22	50.00	26.66	100.00	69.33	56.11	E
86	ALLAHABAD	75.00	38.90	42.40	46.22	33.33	50.00	45.86	100.00	69.33	55.67	E
87	PATNA	62.50	35.60	0.00	48.44	48.44	100.00	45.78	100.00	60.00	55.64	E
88	MEERUT-I	62.50	62.20	39.20	33.77	37.33	70.00	66.40	70.00	36.00	53.04	E
89	BELGAUM	62.50	32.90	19.00	27.20	38.22	89.00	33.60	100.00	65.33	51.97	E
90	CHENNAI-III	37.50	35.50	13.60	15.55	37.66	98.33	32.00	100.00	89.33	51.05	E
91	SHILLONG	37.50	17.20	12.00	11.56	48.44	100.00	23.33	100.00	41.33	43.48	E
92	BOLPUR	12.50	21.70	11.00	11.11	33.33	66.67	26.93	92.25	71.00	38.50	E
93	GOA	12.50	0.00	10.80	27.11	9.77	71.00	30.13	100.00	66.00	36.37	E

## 3.2 Service Tax

### 3.2.1 Quantitative Performance

- (a) During 2011-12, the performance of the seven Service Tax Commissionerates viz. Ahmedabad, Bangalore, Chennai, Delhi, Kolkata, Mumbai-I and Mumbai-II and that of composite Commissionerates graded on the basis of performance in the audit of the Service Tax assesses is as below:-

**Table 5**

**Audit Performance Index (API Grading-Service Tax only) of the exclusive Service Tax Commissionerates and Composite Central Excise Commissionerates for the financial year 2011-12**

<b>S. No.</b>	<b>Commissionerate</b>	<b>Audit Performance Index of Commissionerate</b>	<b>Relative Ranking</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
1	Hyderabad-III	60.78	1
2	Hyderabad-I	57.48	2
3	Mumbai ST I	57.18	3
4	Guntur	42.37	4
5	Delhi ST	41.63	5
6	Vapi	39.98	6
7	Surat-II	38.47	7
8	Tirupathi	37.84	8
9	Allahabad	34.17	9
10	Noida	33.35	10
11	Daman	32.60	11
12	Belgaum	31.53	12
13	Bhavnagar	31.37	13
14	Bangalore ST	30.69	14
15	Rohtak	29.96	15
16	Meerut-I	29.77	16

<b>S. No.</b>	<b>Commissionerate</b>	<b>Audit Performance Index of Commissionerate</b>	<b>Relative Ranking</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
17	Hyderabad-IV	29.20	<b>17</b>
18	Pune-I	28.87	<b>18</b>
19	Vadodara-I	28.60	<b>19</b>
20	Coimbatore	28.12	<b>20</b>
21	Nasik	27.88	<b>21</b>
22	Cochin	27.44	<b>22</b>
23	Raipur	27.11	<b>23</b>
24	Ghaziabad	26.87	<b>24</b>
25	Pune-III	26.78	<b>25</b>
26	Chennai ST	26.50	<b>26</b>
27	Mysore	26.40	<b>27</b>
28	Bhubaneswar- II	26.35	<b>28</b>
29	Mumbai ST II	26.34	<b>29</b>
30	Vadodara-II	26.25	<b>30</b>
31	Chennai-III	25.98	<b>31</b>
32	Salem	25.19	<b>32</b>
33	Ahmedabad-III	24.68	<b>33</b>
34	Visakhapatnam - I	24.56	<b>34</b>
35	Tiruchirappalli	24.54	<b>35</b>
36	Hyderabad-II	24.53	<b>36</b>
37	Pondicherry	24.21	<b>37</b>
38	Dibrugarh	23.84	<b>38</b>
39	Trivandrum	23.74	<b>39</b>
40	Kolhapur	23.30	<b>40</b>
41	Visakhapatnam - II	22.22	<b>41</b>
42	Aurangabad	21.86	<b>42</b>
43	Surat-I	21.65	<b>43</b>
44	Mangalore	21.30	<b>44</b>
45	Gauwahati	21.17	<b>45</b>

<b>S. No.</b>	<b>Commissionerate</b>	<b>Audit Performance Index of Commissionerate</b>	<b>Relative Ranking</b>
<b>(1)</b>	<b>(2)</b>	<b>(3)</b>	<b>(4)</b>
46	Jamshedpur	20.31	<b>46</b>
47	Panchkula	20.29	<b>47</b>
48	Jaipur-I	20.27	<b>48</b>
49	Meerut-II	20.19	<b>49</b>
50	Tirunelveli	19.91	<b>50</b>
51	Lucknow	19.79	<b>51</b>
52	Jalandhar	19.72	<b>52</b>
53	Patna	19.67	<b>53</b>
54	Rajkot	19.63	<b>54</b>
55	Bhubaneswar- I	18.87	<b>55</b>
56	Jaipur-II	18.67	<b>56</b>
57	Shillong	18.45	<b>57</b>
58	Bhopal	18.32	<b>58</b>
59	Ahmedabad-ST	18.26	<b>59</b>
60	Indore	17.74	<b>60</b>
61	Goa	17.42	<b>61</b>
62	Calicut	17.38	<b>62</b>
63	Ludhiana	17.34	<b>63</b>
64	Siliguri	17.09	<b>64</b>
65	Chandigarh -I	16.03	<b>65</b>
66	Nagpur	15.85	<b>66</b>
67	Raigad	15.76	<b>67</b>
68	Kanpur	15.24	<b>68</b>
69	Bolpur	15.21	<b>69</b>
70	Kolkata-ST	15.18	<b>70</b>
71	Madurai	14.58	<b>71</b>
72	Ranchi	14.01	<b>72</b>

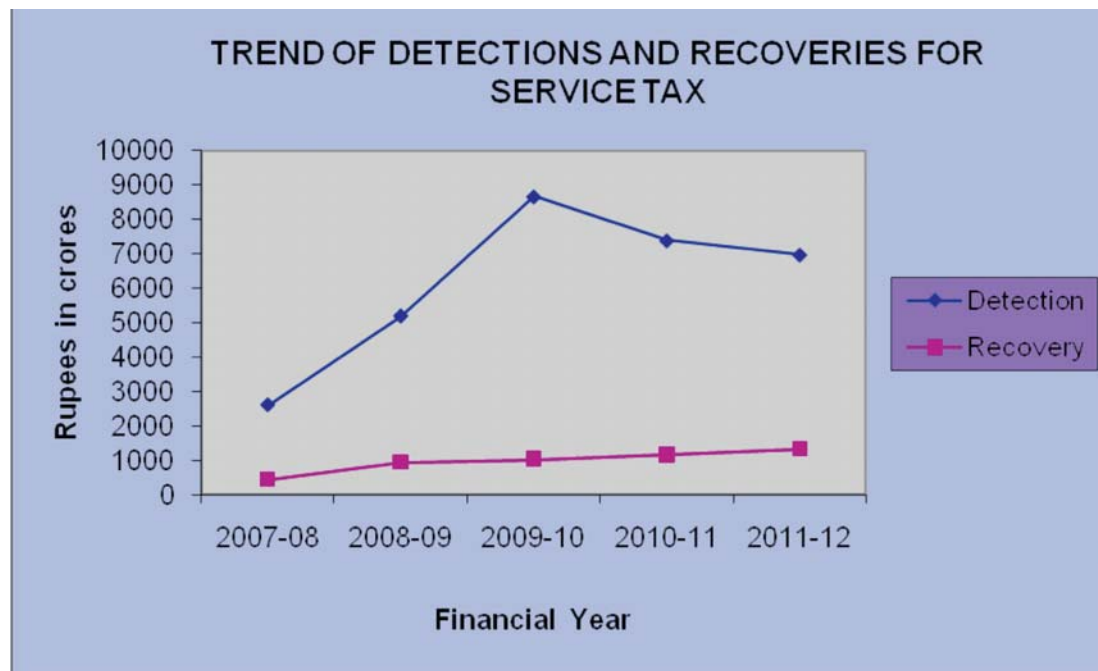
**Please Note: The aforesaid table is prepared on the basis of data supplied by Commissionerates.**

- (b) The detections of evasion of Service Tax have gone down from Rs.7389 Crores in 2010-11 to Rs.6972 Crores in year 2011-12. The recoveries of Service Tax evasion detected through audit, however increased from Rs.1,155 Crores in 2010-11 to Rs.1,326 Crores in 2011-12, registering a 15% growth. The following table 6 containing the All India audit performance during the last five years reveals the noteworthy performance of the Service Tax audit branches of the Commissionerates.

**Table 6**

S.No.	Period	No. of Audits Conducted	Growth % in audits conducted	Total Detection (Rs. in Crores)	Growth % of Detection	Total Recovery (Rs. in Crores)	Growth % of recovery
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
1	2007-08	9692	27	2607	67	443	97
2	2008-09	12992	34	5196	99	937	111
3	2009-10	12663	-3	8670	67	1038	11
4	2010-11	12979	2	7389	-15	1155	11
5	2011-12	11724	-10	6972	-6	1326	15

Following chart shows the trend of detection and recoveries for Service Tax during the last five years:-

**Chart-2**



### 3.2.2 Qualitative Performance

- (a) Quality Assurance Reviews (QARs) were conducted to assess quality of audits conducted by the Service Tax Commissionerates as well as composite Commissionerates (Central Excise + Service Tax). **Based on their conformity to the audit process these Commissionerates were categorised into following five categories i.e. (1) A= Excellent (>90%); (2) B = Very good (80.01-90.00%); (3) C = Good (70.01-80.00%); (4) D = Average (60.01-70.00%); or (5) E = Below Average (d" 60%)** as shown in table 7. Only three out of 73 Commissionerates have scored Excellent grading whereas around 22% of the Commissionerates are still below the conformity level of 60% and need to improve the quality of their audit.

**Table 7**

**ANALYSIS OF CONFORMITY OF THE IAD (INTERNAL AUDIT) TO EA 2000 SYSTEM OF SERVICE TAX FOR THE YEAR 2010-11 (CONDUCTED DURING THE YEAR 2011-12)**

S. No.	Commissionerate	Planning of audit (%)	Conducting of audit (%)	Documentation Working of Papers (%)	Finalization and Follow up (%)	Other functions (%)	Final Performance	Grade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
1	BHUBANESWAR-I	90.00	85.00	95.00	91.43	100.00	92.29	A
2	NASIK	84.38	83.33	92.50	100.00	94.12	90.87	A
3	BHOPAL	87.50	83.33	95.00	100.00	88.23	90.81	A
4	LUDHIANA	87.50	86.66	82.50	97.14	94.11	89.58	B
5	TIRUCHIRAPPALLI	78.75	83.33	100.00	85.71	94.12	88.38	B
6	MADURAI	78.75	83.33	100.00	85.71	94.12	88.38	B
7	AURANGABAD	100.00	83.33	62.50	100.00	94.11	87.99	B
8	BHUBANESWAR-II	90.00	84.17	77.50	87.14	100.00	87.76	B
9	PANCHKULA	87.50	85.00	75.00	97.14	94.11	87.75	B
10	NOIDA	87.50	83.33	73.75	92.85	94.11	86.31	B
11	HYDERABAD-IV	75.00	84.25	88.50	87.57	94.12	85.89	B
12	LUCKNOW	87.50	95.20	70.00	80.00	94.11	85.36	B
13	COIMBATORE	76.00	76.67	87.50	85.71	100.00	85.18	B
14	CHANDIGARH	87.50	85.83	72.50	85.71	94.11	85.13	B

S. No.	Commissionerate	Planning of audit (%)	Conducting of audit (%)	Documentation Working of Papers (%)	Finalization and Follow up (%)	Other functions (%)	Final Performance	Grade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
15	HYDERABAD-III	78.13	76.67	75.00	92.86	94.12	83.36	B
16	JALANDHAR	87.50	76.66	70.00	94.28	88.23	83.33	B
17	TRIVANDRUM	75.00	80.00	85.00	80.00	94.12	82.82	B
18	SALEM	76.25	66.67	82.50	94.29	94.11	82.76	B
19	GUNTUR	64.13	64.17	91.25	92.86	100.00	82.48	B
20	RAIPUR	62.50	83.33	62.50	100.00	94.11	80.49	B
21	PUNE-I	62.50	85.83	57.50	100.00	94.11	79.99	C
22	JAMSHEDPUR	77.50	66.67	72.50	88.57	94.12	79.87	C
23	INDORE	87.50	83.33	58.75	71.43	94.11	79.02	C
24	COCHIN	50.00	76.67	88.75	85.71	88.24	77.87	C
25	MANGALORE	62.50	65.83	75.00	91.43	94.12	77.78	C
26	VIZAG-II	65.50	60.83	88.75	78.57	94.12	77.55	C
27	PONDICHERRY	76.25	72.50	57.50	87.14	94.11	77.50	C
28	HYDERABAD-II	38.75	70.00	87.13	84.57	100.00	76.09	C
29	CALICUT	50.00	66.67	86.25	78.57	94.12	75.12	C
30	DIBRUGARH	62.50	75.42	78.12	75.14	82.35	74.71	C
31	ST MUMBAI-I	37.50	58.67	76.00	100.00	100.00	74.43	C
32	JAIPUR-I	84.38	59.00	47.50	85.71	94.12	74.14	C
33	SURAT-I	68.75	64.67	85.50	84.00	64.71	73.53	C
34	MEERUT-II	87.50	70.00	52.50	61.42	94.11	73.11	C
35	RAIGAD	75.00	56.66	50.00	88.33	94.12	72.82	C
36	TIRUNELVELI	51.38	65.00	91.25	81.43	70.59	71.93	C
37	ST DELHI	62.50	65.00	69.50	68.50	94.11	71.92	C
38	GUWAHATI	62.50	64.58	65.63	82.85	82.35	71.58	C
39	VIZAG-I	65.50	60.83	88.75	78.57	63.22	71.37	C
40	KANPUR	87.50	70.00	25.50	78.57	94.11	71.14	C
41	ST AHMEDABAD	25.75	77.67	61.50	95.43	94.12	70.89	C
42	PUNE-II (KOLHAPUR)	50.00	83.33	61.25	85.71	70.59	70.18	C
43	ROHTAK	87.50	60.83	36.25	71.42	94.11	70.02	C
44	GHAZIABAD	62.50	63.33	56.25	68.57	94.11	68.95	D
45	SILIGURI	62.50	54.58	30.62	87.86	100.00	67.11	D
46	ST CHENNAI	46.25	40.33	73.00	84.00	88.24	66.36	D
47	MYSORE	75.38	42.50	27.50	91.43	94.12	66.19	D

S. No.	Commissionerate	Planning of audit (%)	Conducting of audit (%)	Documentation Working of Papers (%)	Finalization and Follow up (%)	Other functions (%)	Final Performance	Grade
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
48	HYDERABAD-I	50.00	51.17	58.89	76.71	94.12	66.18	D
49	MEERUT-I	75.00	55.00	48.75	55.71	94.11	65.71	D
50	ST BANGALORE	25.00	62.00	62.00	84.00	94.11	65.42	D
51	ALLAHABAD	75.00	50.00	47.50	60.00	94.11	65.32	D
52	VADODARA-II	40.38	54.00	61.00	74.29	94.12	64.76	D
53	ST MUMBAI-II	12.50	60.33	80.50	98.28	64.70	63.26	D
54	TIRUPATI	51.25	25.83	63.75	81.14	94.12	63.22	D
55	AHMEDABAD-III	46.00	68.33	40.50	66.86	94.12	63.16	D
56	DAMAN	14.63	74.50	68.25	60.57	94.12	62.41	D
57	VADODARA-I	28.38	69.17	44.00	70.86	88.24	60.13	D
58	HALDIA	77.50	34.58	25.00	83.28	76.47	59.37	E
59	PATNA	75.00	37.08	18.12	65.71	88.23	56.83	E
60	BHAVNAGAR	27.88	60.67	54.50	62.29	76.47	56.36	E
61	JAIPUR-II	26.88	52.67	26.50	65.71	94.12	53.18	E
62	CHENNAI-III	51.00	29.16	12.50	67.14	88.23	49.61	E
63	SHILLONG	38.88	17.50	36.25	91.14	58.82	48.52	E
64	RANCHI	37.50	37.50	25.00	68.85	70.58	47.89	E
65	VAPI	15.63	62.00	0.00	66.67	94.12	47.68	E
66	BOLPUR	25.00	15.83	12.50	84.57	94.12	46.40	E
67	BELGAUM	50.00	15.00	0.00	60.00	94.12	43.82	E
68	NAGPUR	12.50	25.00	0.00	78.57	94.12	42.04	E
69	GOA	12.50	24.16	0.00	78.57	88.23	40.69	E
70	SURAT-II	3.04	48.33	3.50	58.86	88.24	40.39	E
71	PUNE-III	12.50	33.33	0.00	62.86	88.24	39.39	E
72	ST KOLKATA	0.00	25.42	0.00	75.71	94.12	39.05	E
73	RAJKOT	4.09	48.00	66.00	63.43	5.67	37.44	E

#### 4. UNITS REGISTERED AND AUDITED IN CENTRAL EXCISE

4.1 During 2011-12, **81.26%** Central Excise Units in the mandatory category and **90.12%** in the non - mandatory category were audited. The performance of the Commissionerate in this regard is depicted in Table 8.

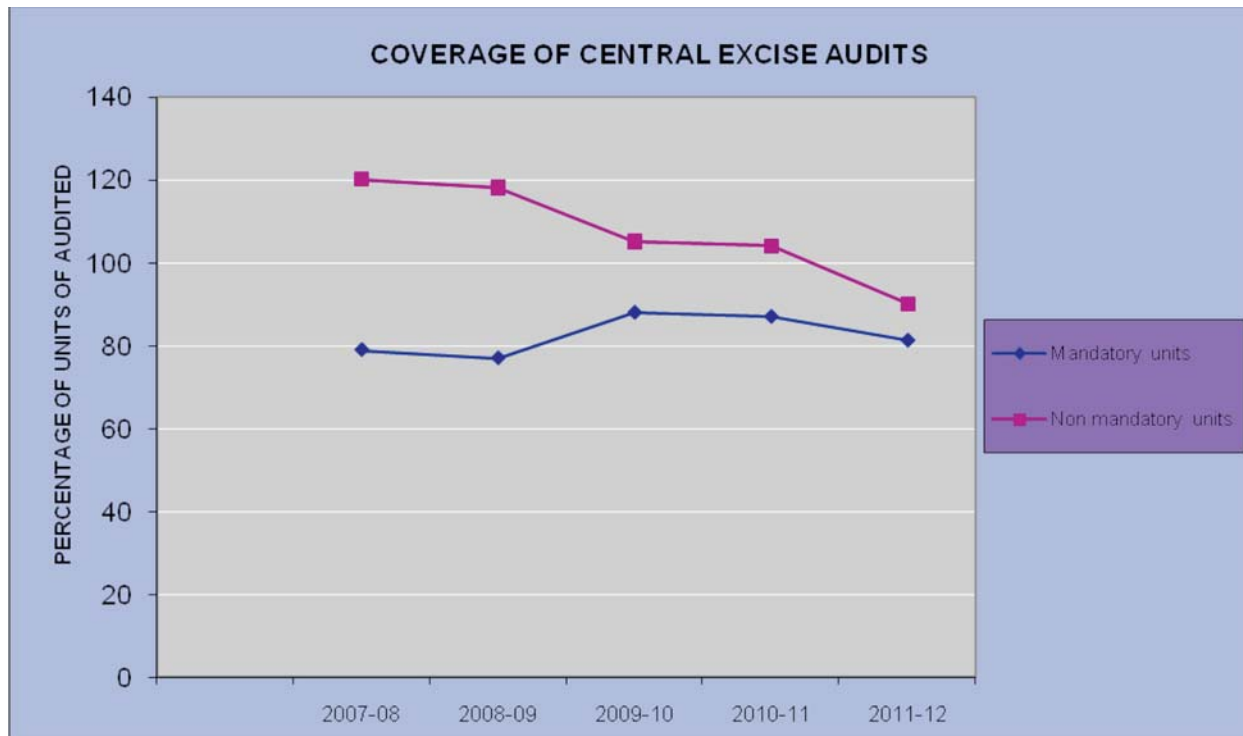
**Table 8**  
**REPORT ON UNITS AUDITED DURING THE YEAR 2011-12 (CENTRAL EXCISE)**

S. No	Name of the CC Zone	Units Registered as on 01/04/2011				Units scheduled to be Audited (As per Norms)				Units Audited				Percentage of Non-Mandatory Units Audited (Col.17/Col.7*100)	Percentage of Mandatory Units Audited (Col.3*100)			
		Mandatory		Non Mandatory		Mandatory		Non Mandatory		Mandatory		Non Mandatory						
		>3 Crores	Between Rs. 1 crore to 3 crore	Between Rs. 50 lakhs to 1 crore	Total (Col.4-6)	>3 Crores	Between Rs.1 crore to 3 crore (To be Audited once in two Years)	Between Rs.50 lakhs to 1 crore (To be Audited once in 5 years)	Below Rs.50 lakhs (10% to be audited every year)	Total (Col. 9-11)	>3 Crores	Between Rs.1 crore to 3 crore lakhs to 1 crore	Below Rs.50 lakhs			Total (Col. 14-16)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	Ahmedabad	694	953	936	4714	6603	641	477	187	471	1135	608	405	296	219	910	87.61	80.17
2	Bangalore	380	600	601	4042	5243	311	300	120	404	824	299	318	90	154	562	78.68	68.17
3	Bhopal	473	449	409	2806	3664	473	225	82	281	587	417	210	87	90	387	88.16	65.94
4	Bhubaneshwar	174	123	98	720	936	174	62	19	72	152	100	50	10	2	62	57.47	40.76
5	Chandigarh	510	602	485	2537	3624	536	301	97	254	652	520	339	122	188	649	101.96	99.59
6	Chennai	574	618	671	3820	5109	572	309	134	382	825	547	287	134	308	729	95.30	88.34
7	Cochin	63	115	81	1274	1470	63	58	16	127	201	63	59	21	83	163	100.00	81.05
8	Coimbatore	210	332	341	3379	4052	210	166	68	338	572	210	153	68	274	495	100.00	86.52
9	Delhi	729	938	838	5837	7713	687	469	168	594	1230	617	479	274	1043	1796	84.64	145.98
10	Hyderabad	357	483	449	3004	3886	357	242	90	300	632	331	238	108	171	517	92.72	81.84
11	Jaipur	325	335	330	2383	3067	321	168	68	239	475	274	158	78	249	485	84.31	102.19

S. No	Name of the CC Zone	Units Registered as on 01/04/2011						Units scheduled to be Audited (As per Norms)						Units Audited					Percentage of Non-Mandatory Units Audited (Col.17/Col.7*100)	Percentage of Mandatory Units Audited (Col.13/Col.3*100)
		Mandatory			Non Mandatory			Mandatory			Non Mandatory			Mandatory			Non Mandatory			
		>3 Crores	Between Rs. 1 crore to 3 crore	Between Rs. 50 lakhs to 1 crore	Total (Col.4-6)	>3 Crores	Between Rs. 1 crore to 3 crore Audited once in two years)	Between Rs. 50 lakhs to 1 crore Audited once in 5 years)	Below Rs.50 lakhs (10% to be audited every year)	Total (Col.9-11)	>8 Crores	Between Rs.1 crore to 3 crore	Between Rs.50 lakhs to 1 crore	Below Rs.50 lakhs	Total (Col.14-16)					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19		
12	Kolkata	485	596	472	6613	7681	470	298	94	661	1054	331	220	99	307	626	68.25	59.41		
13	Lucknow	230	225	162	2484	2881	230	113	32	249	394	221	110	49	229	388	96.09	98.40		
14	Meerut	474	511	453	2641	3605	451	256	91	264	610	442	252	93	212	557	93.25	91.28		
15	Mumbai-I	322	428	541	3707	4676	320	214	108	371	693	256	198	72	432	702	79.50	101.31		
16	Mumbai-II	336	359	417	2016	2792	219	180	83	202	465	234	93	49	255	397	69.64	85.47		
17	Mysore	182	160	132	1457	1809	132	80	38	146	264	168	104	47	92	243	92.31	92.01		
18	Nagpur	447	511	462	4117	5090	447	256	92	412	760	366	218	97	501	816	81.88	107.42		
19	Pune	791	773	804	5791	7368	768	387	161	579	1126	361	286	130	241	657	45.64	58.33		
20	Ranchi	193	179	135	1143	1457	170	90	27	114	231	125	78	32	73	183	64.77	79.29		
21	Shillong	91	84	74	579	737	88	42	15	58	115	87	48	18	86	152	95.60	132.52		
22	Vadodara	928	958	809	4278	6045	922	479	162	428	1069	681	420	164	578	1162	73.38	108.74		
23	Visakhapatnam	201	159	147	1089	1395	135	80	29	109	218	193	75	42	117	234	96.02	107.44		
	<b>TOTAL</b>	<b>9169</b>	<b>10491</b>	<b>9911</b>	<b>70551</b>	<b>90953</b>	<b>8807</b>	<b>5245.5</b>	<b>1982.2</b>	<b>7055</b>	<b>14283</b>	<b>7451</b>	<b>4798</b>	<b>2170</b>	<b>5904</b>	<b>12872</b>	<b>81.26</b>	<b>90.12</b>		

The trend of audit coverage during the last five years and percentage of Central Excise units audited in mandatory and non mandatory category in 2011-12 are reflected below in **Chart 3**.

**Chart-3**



**5. ASSESSES REGISTERED AND AUDITED IN SERVICE TAX**

5.1 During 2011-12, only **49.80%** of the Service Tax assessees in the mandatory category and **40.08%** of the assessees in the non-mandatory category were audited. The performance of the Commissionerates in this regard is depicted in Table 9.

**Table 9**  
**REPORT ON UNITS AUDITED DURING THE YEAR 2011-12 (SERVICE TAX)**

S. No	Name of the CC Zone	Units Registered as on 01/04/2011				Units scheduled to be Audited (As per Norms)				Units Audited				Percentage of Non-Mandatory Units Audited (Col.17/Col.7*100)	Percentage of Mandatory Units Audited (Col.3*100)			
		Mandatory		Non Mandatory		Mandatory		Non Mandatory		Mandatory		Non Mandatory						
		>3 Crores	Between Rs. 1 crore to 3 crore	Between Rs. 50 lakhs to 1 crore	Total (Col.4-6)	>3 Crores	Between Rs.1 crore to 3 crore (To be Audited once in two Years)	Between Rs.50 lakhs to 1 crore (To be Audited once in 5 years)	Below Rs.50 lakhs (10% to be audited every year)	Total (Col.9-11)	>3 Crores	Between Rs.1 crore to 3 crore	Between Rs.50 lakhs to 1 crore			Total (Col.14-16)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19
1	Ahmedabad	76	163	650	38239	39082	75	82	130	765	977	54	79	118	221	418	7105	42.79
2	Bangalore	126	309	1136	3526	4971	126	155	227	71	452	113	137	121	69	327	89.68	72.31
3	Bhopal	79	87	251	47327	47665	79	43.5	50	947	1040	64	70	105	172	347	81.01	33.36
4	Bhubaneshwar	47	63	174	20328	20565	42	32	35	407	473	18	5	37	33	75	38.30	15.86
5	Chandigarh	127	134	414	35554	36102	127	67	83	711	861	126	121	43	89	253	99.21	29.39
6	Chennai	159	329	1257	66860	68446	159	165	251	1337	1753	131	116	220	738	1074	82.39	61.26
7	Cochin	34	65	310	17603	17978	34	33	62	352	447	32	16	50	525	591	94.12	132.35
8	Coimbatore	39	102	359	15092	15553	39	51	72	302	425	30	44	113	559	716	76.92	168.61
9	Delhi	468	814	14055	70741	85610	501	407	2811	1415	4633	281	49	50	205	304	56.09	6.56
10	Hyderabad	95	201	313	13127	13641	95	101	63	263	426	61	58	72	169	299	64.21	70.25
11	Jaipur	27	60	263	39751	40074	27	30	53	795	878	28	27	53	457	537	103.70	61.19

S. No	Name of the CC Zone	Units Registered as on 01/04/2011						Units scheduled to be Audited (As per Norms)						Units Audited						Percentage of Non-Mandatory Units Audited (Col.17/Col.7*100)	Percentage of Mandatory Units Audited (Col.13/Col.3*100)
		Mandatory			Non Mandatory			Mandatory			Non Mandatory			Mandatory			Non Mandatory				
		>3 Crores	Between Rs. 1 crore to 3 crore	Between Rs. 50 lakhs to 1 crore	Total (Col.4-6)	>3 Crores	Between Rs. 1 crore to 3 crore (To be Audited once in two years)	Between Rs. 50 lakhs to 1 crore (To be Audited once in 5 years)	Below Rs.50 lakhs (10% to be audited every year)	Total (Col.9-11)	>8 Crores	Between Rs.1 crore to 3 crore	Between Rs.50 lakhs to 1 crore	Below Rs.50 lakhs	Total (Col.14-16)						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19			
12	Kolkata	66	405	391	30768	31564	66	203	78	615	896	35	66	54	212	332	53.03	37.05			
13	Lucknow	27	54	388	18638	19080	27	27	78	373	477	19	46	126	179	351	70.37	73.53			
14	Meerut	53	127	428	17396	17951	44	64	86	348	497	39	52	72	691	815	73.58	163.98			
15	Mumbai-I	1007	1321	3053	204856	209230	925	661	611	4097	5368	123	146	85	18	249	12.21	4.64			
16	Mumbai-II	21	22	74	1142	1238	17	11	15	23	49	9	7	20	43	70	42.86	143.91			
17	Mysore	24	44	133	9117	9354	23	22	39	132	243	23	27	72	218	317	95.83	130.48			
18	Nagpur	22	70	398	25104	25572	22	35	80	502	617	12	28	82	397	507	54.55	82.21			
19	Pune	68	170	1673	57750	59593	67	85	335	1155	1575	17	62	62	146	270	25.00	17.15			
20	Ranchi	66	107	135	27463	27765	66	54	39	549	642	63	35	54	395	484	95.45	75.42			
21	Shillong	17	42	101	11007	11150	17	21	20	220	261	17	6	33	174	213	100.00	81.50			
22	Vadodara	40	89	472	34227	34788	40	45	94	685	823	24	23	76	575	674	60.00	81.85			
23	Visakhapatnam	39	49	229	5750	6028	40	25	46	115	185	39	17	75	302	394	100.00	212.63			
	<b>TOTAL</b>	<b>2727</b>	<b>4827</b>	<b>26777</b>	<b>811396</b>	<b>843000</b>	<b>2658</b>	<b>2414</b>	<b>5355</b>	<b>16228</b>	<b>23997</b>	<b>1358</b>	<b>1237</b>	<b>1793</b>	<b>6587</b>	<b>9617</b>	<b>49.80</b>	<b>40.08</b>			



## 6. AUDIT PERFORMANCE OF LARGE TAXPAYER UNITS (LTUs)

As per instructions contained in letter F.No.381/11/2008/Pt, dated 30.11.2009 duly approved by the Board, the LTUs are to be audited once in two years. LTUs can also seek the assistance from the Jurisdictional Commissioner in this regard.

### 6.2 Performance of Audit of LTU for FY 2011-12

During 2011-12, out of 1188 units required to be audited, 168 audits (Central Excise & Service Tax) were conducted leading to detection of evasion of Rs.248.38Crores and recovery of 16.41Crores. Performance of LTUs is as below:-

S. No.	LTU	No. of units required to be audited	No of Audits conducted	Detection [Fig. in Crores]	Recovery [Fig. in Crores]
(1)	(2)	(3)	(4)	(5)	(6)
1	Bangalore	214	48	65.21	7.42
2	Chennai	295	28	7.05	3.38
3	Delhi	131	5	0.42	0.42
4	Mumbai	549	87	175.70	5.19
	Total	1188	168	248.38	16.41

## 7. POST CLEARANCE AUDIT IN CUSTOMS

7.1 Post Clearance Audit (PCA) is functional at 35 major custom locations where Risk Management System (RMS) has been launched by the Directorate General of Systems, Customs & Central Excise. During 2011-12, duty evasion of Rs.927.00 Lakhs was detected out of which Rs.605.50 Lakhs was recovered as detailed in Table 10.

**Table 10**

S. No.	Name of Customs location	O/B of Bs/E Pending for PCA	Total Bs/E for which E.O.D report is generated during the month	No. of RMS' Bs/E selected for PCA during the month	Total Bs/E provided for PCA col (2+4)	Total of Bs/E for which PCA was conducted during the month	No. of Bs/E pending PCA at the end of the month (col 6-7)	Duty Evasion detected (Rs in Lakhs)	Amount of duty recovered (Rs in Lakhs)
1	2	3	4	5	6	7	8	9	10
<b>I</b>	<b>C C CUSTOMS AHMEDABAD</b>								
1	AIR CARGO	8173	21471	9793	17966	17350	616	33.27	4.22
2	ICD KHODIYAR	3105	15205	6591	9696	7193	2503	24.66	24.66
3	KANDLA CUSTOMS	37870	59700	28114	65984	65496	488	112.71	24.53
4	MUNDRA (PORT)	7911	28989	12670	20581	10926	9655	17.15	18.42
<b>II</b>	<b>C C VADODARA</b>								
5	ICD DASHARTH	814	6547	1674	2488	2132	356	0.00	0.00
6	ICD SANAD	113	331	102	215	209	6	0.00	0.00
7	ICD SURAT	111	324	94	205	0	205	0.00	0.00
8	ICD VALVADA	49	0	52	101	51	50	0.00	0.00
9	ICD ANKLESHWAR	21	74	19	40	0	40	0.12	0.12
<b>III</b>	<b>C C CUSTOMS BANGALORE</b>								
10	AIR CARGO	41808	317027	68291	110099	74074	36025	19.34	2.08
11	MANGALORE	1303	0	4831	6134	3330	2804	8.48	9.48
12	ICD	3923	42961	20983	24906	17560	7346	26.96	2.03
13	COCHIN CUSTOMS	5422	26912	16597	22019	18818	3201	302.90	368.85
<b>IV</b>	<b>C C CUSTOMS CHENNAI</b>								
14	CHENNAISEA	14	CHENNAISEA	14	CHENNAI SEA	14	CHENNAI SEA	14	CHENNAI SEA
15	AIR CARGO	15	AIR CARGO	15	AIR CARGO	15	AIR CARGO	15	AIR CARGO
<b>V</b>	<b>C C CUSTOMS DELHI</b>								
16	ICD TKD	16	ICD TKD	16	ICD TKD	16	ICD TKD	16	ICD TKD

S. No.	Name of Customs location	O/B of Bs/E Pending for PCA	Total Bs/E for which E.O.D report is generated during the month	No. of RMS' Bs/E selected for PCA during the month	Total Bs/E provided for PCA col (2+4)	Total of Bs/E for which PCA was conducted during the month	No. of Bs/E pending PCA at the end of the month (col 6-7)	Duty Evasion detected (Rs in Lakhs)	Amount of duty recovered (Rs in Lakhs)
<b>VI</b>	<b>C.C CUSTOMS &amp; EX HYDERABAD</b>								
17	ICD SANTHANAGAR	41421	9896	6147	47568	1516	46052	0.00	0.00
18	AIR CARGO	166388	61189	8003	174391	18557	155834	0.00	0.00
<b>VII</b>	<b>C.C. CUSTOMS KOLKATA</b>								
19	PORT	3960	74564	32293	36253	36100	153	126.01	54.19
20	AIR	22457	58591	22819	45276	16666	28610	31.10	18.73
<b>VIII</b>	<b>C.C. CUSTOMS MUMBAI- 1</b>								
21	NCH	11176	45695	17601	28777	11315	17482	42.10	10.89
22	CFS MULUND	4994	6795	2691	7685	1907	5778	0.00	0.00
<b>IX</b>	<b>CC (CUSTOMS) MUMBAI-II</b>								
23	JNPT (JNCH)	481614	149506	39899	4527	6103	104769	1.23	1.23
<b>X</b>	<b>C.C. CUSTOMS MUMBAI-III</b>								
24	AIR CARGO	72065	481239	56491	128556	37257	91299	6.75	6.75
<b>XI</b>	<b>C C CUSTOMS (PREV) CHENNAI</b>								
25	TUTICORIN .	2876	32638	12515	15391	12571	2820	5.28	1.37
<b>XII</b>	<b>C.C. CUSTOMS &amp; EXCISE VISHAKHAPATNAM</b>								
26	GANGAVARAM	683	495	408	1091	360	731	66.00	0.01
27	VIZAG CUSTOM HOUSE	12748	13810	7998	20746	8122	12624	80.22	2.30
<b>XIII</b>	<b>C.C. CUSTOMS &amp; EXCISE MEERUT</b>								
28	ICD LONI	0	271	8	271	0	271	0.00	0.00
29	ICD DADRI	13802	0	13314	27116	4837	22279	0.30	0.30
30	ICD MORADABAD	0	0	236	236	183	53	0.26	0.26
						Total	1095175	927.00	605.50

**8. ONSITE POST CLEARANCE AUDIT IN CUSTOMS**

OSPCA was introduced w.e.f. 01.10.2011 as a trade facilitation measure aimed at expediting clearances while safeguarding the revenue. This facility has initially been extended to 260 importers registered under Accredited Client Programme (ACP). During 2011-12, 51 Importers/Exporters were audited leading to detection of short levy of Rs.1004.64Lakhs and recovery of Rs.21.46Lakhs. The Zone wise details of OSPCA for FY 2011-12 are as under:-

S.No.	Name of CC Zone	No. of ACP Clients located in Zone	No. of Importers/Exporters Audited	No. of Paras Raised	Total Short Levy Detected (Rs. In Lakhs)	Total Recovery (in Lakhs)
[1]	[2]	[3]	[4]	[5]	[6]	[7]
1	AHMEDABAD	3	1	0	0	0
2	BANGALORE	49	9	18	104.06	14.44
3	BHOPAL	1	0	0	0	0
4	CHANDIGARH	1	0	0	0	0
5	CHENNAI	64	31	0	0	0
6	COCHIN	4	1	2	50.66	0
7	COIMBATORE	2	0	0	0	0
8	DELHI	45	2	2	16.34	0.04
9	HYDERABAD	6	1	1	0.5	0
10	JAIPUR	1	1	1	0.08	0.08
11	KOLKATA	9	1	4	213.76	0
12	MEERUT	4	0	0	0	0
13	MUMBAI	49	3	13	619.24	6.9
14	MYSORE	1	0	0	0	0
15	NAGPUR	2	0	0	0	0
16	PUNE	11	0	0	0	0
17	VADODARA	6	0	0	0	0
18	VISHAKHPATNAM	2	1	0	0	0
	<b>TOTAL</b>	<b>260</b>	<b>51</b>	<b>41</b>	<b>1004.64</b>	<b>21.46</b>

## 9. COMPUTER ASSISTED AUDIT PROGRAMME (CAAP)

**9.1** With the growth of economy and information technology (IT), more and more assessees have started maintaining electronic records of their business transactions in electronic format. In view of the difficulties faced in manually auditing this electronic data comprehensively, it has become imperative to analyze the electronic data of the assessee with the help of auditing software to reduce non compliance by the assessee.

**9.2** During the year sustained efforts were made by Directorate General of Audit to spread the CAAP literacy in the department. Intensive Training programmes were launched by this Directorate from Nov.2011 to March 2012, wherein Five (5) officers from each Commissionerates were trained over a period of 11 days. There after each Commissionerate is required to conduct at least five CAAP audits every month.

During 2011-12, 2425 Central Excise units were audited using CAAP methodology which resulted in detection of evasion of Rs.408Crores Central Excise duties and recovery of Rs.99.79Crores as per detailed below:-

S.No.	CC ZONE	No. of CAAP audited	Total short levy detected (Rs. in Crores)	Total Recovery (Rs. in Crores)
[1]	[2]	[3]	[4]	[5]
1	AHMEDABAD	109	3.12	2.38
2	VADODARA	62	2.89	1.22
3	JAIPUR	55	3.46	1.02
4	BANGALORE	650	63.02	30.61
5	MYSORE	80	4.74	2.43
6	COCHIN	23	1.11	0.48
7	CHENNAI	303	24.29	11.77
8	COIMBATORE	149	11.23	0.95
9	MEERUT	27	3.65	1.38
10	LUCKNOW	6	0.02	0.04
11	DELHI	42	9.11	7.20
12	CHANDIGARH -I	152	5.79	3.11

S.No.	CC ZONE	No. of CAAP audited	Total short levy detected (Rs. in Crores)	Total Recovery (Rs. in Crores)
13	HYDERABAD	99	29.04	6.24
14	VISHAKHAPATNAM	77	7.70	3.75
15	BHUBANESHWAR	38	8.16	6.06
16	KOLKATA	34	39.39	1.36
17	RANCHI	0	0.00	0.00
18	SHILLONG	10	0.51	0.05
19	MUMBAI-I	64	14.50	0.75
20	MUMBAI-II	82	149.21	2.80
21	BHOPAL	79	9.90	6.04
22	NAGPUR	173	11.47	5.17
23	PUNE	111	5.67	4.97
	TOTAL	2425	408.00	99.79

756 Service Tax assessee were also audited during 2011-12, using CAAP methodology which resulted in detection of evasion of Rs.863Crores Service Tax and recovery of Rs.251Crores as per detailed below:-

S.No.	CC ZONE	No. of CAAP audited	Total short levy detected (Rs. in Crores)	Total Recovery (Rs. in Crores)
1	AHMEDABAD	18	0.94	0.43
2	VADODARA	1	0.02	0.00
3	JAIPUR	36	1.63	0.39
4	BANGALORE	51	81.65	13.89
5	MYSORE	59	47.03	6.59
6	COCHIN	42	4.91	3.39
7	CHENNAI	117	19.64	20.01
8	COIMBATORE	78	17.27	2.79
9	MEERUT	0	0.00	0.00
10	LUCKNOW	5	5.52	0.23
11	DELHI	0	0.00	0.00
12	CHANDIGARH	15	1.71	0.34
13	HYDERABAD	72	49.76	18.01

S.No.	CC ZONE	No. of CAAP audited	Total short levy detected (Rs. in Crores)	Total Recovery (Rs. in Crores)
14	VISHAKAPATNAM	58	19.59	18.03
15	BHUBANESHWAR	1	0.00	0.00
16	KOLKATA	3	0.12	0.07
17	RANCHI	0	0.00	0.00
18	SHILLONG	3	0.03	0.00
19	MUMBAI-I	132	600.52	160.15
20	MUMBAI-II	0	0.00	0.00
21	BHOPAL	20	3.28	1.76
22	NAGPUR	17	4.00	1.40
23	PUNE	28	5.42	3.77
	TOTAL	756	863.03	251.23

## 10. WORK DONE IN THE ZONAL UNITS DURING THE YEAR 2011-12

**10.1** During 2011-12, the seven Zonal units of the Directorate have conducted the Quality Assurance Review (QAR) of all of the 93 Central Excise Commissionerates and 7 Service Tax Commissionerates as per detailed below:-

S.No.	Name of the Zonal Unit	No. of the Commissionerates falling under the jurisdiction of the Zonal Unit	No. of QARs conducted during 2011-12
[1]	[2]	[3]	[4]
1.	Ahmedabad	14	14
2.	Bangalore	10	10
3.	Chennai	11	11
4.	Delhi	18	18
5.	Hyderabad	10	10
6.	Kolkata	17	17
7.	Mumbai	20	20

**10.2** The Zonal Units have also coordinated audit of 44 Multi Location Units (MLUs), which resulted in detection of Rs.48.50Crores and recovery of Rs.5.41Crores as detailed below:-

S.No.	CC ZONE	No. of MLUs audited	Detection (Fig. in Crores)	Recovery (Fig. in Crores)
(1)	(2)	(3)	(4)	(5)
1	Ahmedabad	7	1.22	0.25
2	Bangalore	5	0.23	0.16
3	Chennai	8	3.26	0.70
4	Delhi	9	4.00	1.85
5	Hyderabad	5	37.21	1.37
6	Kolkata	5	2.35	0.93
7	Mumbai	5	0.25	0.16
	Total	44	48.51	5.41

## 11. CREATION OF INTELLIGENCE CELL

An intelligence cell has been created at the Headquarters to collect information from third party sources, analyse the same and to generate actionable intelligence. During the current year more than 100 instances of likely evasion of Service Tax and duties were identified and intimated to field formations for further action.

## MONTHLY BULLETIN

A monthly compilation of important Central Excise and Service Tax audit objections detected by the field formations in the form of Monthly Audit Bulletin is being regularly uploaded on Directorate General (Audit) website [www.dgauditces.gov.in](http://www.dgauditces.gov.in) and is also circulated among field formations.