

## EXECUTIVE SUMMARY

This Report contains 24 paragraphs with a revenue implication of ₹ 49.48 crore, out of which ₹ 3.21 crore has been recovered. We had also issued another 175 paragraphs involving money value of ₹ 155.26 crore to the Commissionerate/Ministry on which rectificatory action was taken in the form of issue of show cause notices, adjudication of show cause notices and recovery of ₹ 75.55 crore. A few significant findings included in this Report are mentioned in the following paragraphs:-

### Chapter I: Service tax receipts

- In the last five years (including this year's Report), we had included 831 audit paragraphs involving ₹ 1098.21 crore. Of these, the Government had accepted audit observations in 750 audit paragraphs involving ₹ 759.05 crore and had recovered ₹ 290.45 crore.

{Paragraph 1.9.1}

### Chapter II: Un-registered service providers

- Service tax totalling ₹ 24.36 crore was not paid by un-registered service providers.

{Paragraphs 2.1 to 2.4}

### Chapter III: Valuation of taxable services

- Service tax totalling ₹ 9.45 crore was short paid due to incorrect valuation of taxable services.

{Paragraphs 3.1 to 3.3}

### Chapter IV: Non-payment of service tax by registered service providers

- Service tax totalling ₹ 5.64 crore was not paid by registered service providers.

{Paragraphs 4.1 to 4.4}

### **Chapter V: Cenvat credit**

- Instances of irregular utilisation of cenvat credit for payment of tax on input services, availing of credit on ineligible services, non-maintenance of separate account for common input services used in taxable/exempted services, premature availing of cenvat credit of input services etc. were noticed. Service tax involved in these cases amounted to ₹ 5.06 crore.

{Paragraphs 5.1 to 5.4}

### **Chapter VI: Exemptions**

- Cases of short payment of service tax due to incorrect availment of exemption involving money value of ₹ 4.39 crore were noticed in audit.

{Paragraphs 6.1 to 6.2}

### **Chapter VII: Service tax under reverse charge**

- Cases of short payment of service tax under reverse charge method involving money value of ₹ 57.89 lakh were noticed in audit.

{Paragraphs 7.1 to 7.3}