

TABLE OF CONTENTS

		Reference to	
		Paragraph	Page
	Preface		v
	Overview		vii
CHAPTER – I : GENERAL			
	Revenue Receipts	1.1	1
	Analysis of Arrears of Revenue	1.2	2
	Arrears in Assessments	1.3	3
	Evasion of Tax detected by the Departments	1.4	3
	Pendency of Refund Cases	1.5	3
	Response of the Government / Departments towards Audit	1.6	4
	Analysis of the mechanism for dealing with the issues raised by Audit	1.7	7
	Audit Planning	1.8	7
	Results of Audit	1.9	8
CHAPTER – II : VALUE ADDED TAX AND CENTRAL SALES TAX			
	Tax Administration	2.1	9
	Internal Audit	2.2	9
	Results of Audit	2.3	10
	Input Tax Credit	2.4	11
	Under-declaration of tax due to adoption of incorrect rate of tax	2.5	14
	Non-declaration of VAT on Taxable Turnover	2.6	15
	Interstate Sales	2.7	15
	Short levy of Tax due to incorrect determination of Taxable Turnover	2.8	20
	VAT on Works Contract	2.9	21
	Non-forfeiture of excess collection of Tax	2.10	23
	Non-levy / Short Levy of VAT on transfer of right to use goods	2.11	24
	Short realisation of tax for failure to register as VAT dealers	2.12	24
	Levy of Penalty and Interest under VAT	2.13	25

		Reference to	
		Paragraph	Page
CHAPTER – III : STATE EXCISE DUTY			
	Tax Administration	3.1	29
	Internal Audit	3.2	29
	Results of Audit	3.3	30
	Short Levy of Licence Fee in a distillery	3.4	30
	Non-levy / Short Levy of Licence Fee	3.5	31
	Non-levy / Short levy of Fee towards transfer of licence	3.6	32
	Non-levy / Short Levy of Toddy Rentals	3.7	33
CHAPTER – IV : STAMP DUTY AND REGISTRATION FEE			
	Tax Administration	4.1	35
	Internal Audit	4.2	35
	Results of Audit	4.3	36
	Performance Audit on “Revision and Implementation of Market Value Guidelines”	4.4	36
	Short levy of Duties and Fees on Documents involving Agricultural Lands converted for Non-agricultural Purposes	4.5	49
	Short Levy of Duties and Fees due to Undervaluation of Properties	4.6	50
	Loss of Revenue due to Short Declaration of value of improvements in Lease Deed	4.7	51
	Short Levy of Stamp Duty on Documents of Development Agreement-cum-General Power of Attorney	4.8	52
	Short levy of Duties and Fees due to Misclassification of Documents	4.9	53
	Short Levy of Stamp Duty and Registration Fee on Lease Deeds	4.10	54
	Non-registration of Compulsorily Registrable Documents	4.11	55
CHAPTER – V : TAXES ON VEHICLES			
	Tax Administration	5.1	57
	Internal Audit	5.2	57
	Results of Audit	5.3	58

		Reference to	
		Paragraph	Page
	Non-realisation of Quarterly Tax and Penalty	5.4	58
	Non-renewal of Fitness Certificates	5.5	59
	Non-realisation of Compounding Fee	5.6	60
	Non-collection of Bilateral Tax and Penalty	5.7	60
	Non-levy of Green Tax	5.8	61
	Short Levy of Tax in respect of Second or Subsequent Personalised Vehicles owned by individuals	5.9	62
	Arrears of Revenue	5.10	63
CHAPTER – VI : LAND REVENUE			
	Tax Administration	6.1	67
	Internal Audit	6.2	67
	Results of Audit	6.3	68
	Maintenance of Land Records	6.4	68
	Non-realisation of Cost of Land	6.5	81
	Non-levy / Short levy of Conversion Tax and Non-levy of Penalty	6.6	82
	Failure to execute Lease Deed and Non-collection of Lease Rent	6.7	83
CHAPTER – VII : OTHER TAX AND NON-TAX RECEIPTS			
	Results of Audit	7.1	85
	REVENUE DEPARTMENT		
	Non-levy of Interest on Arrears of Water Tax	7.2	86
	REGISTRATION AND STAMPS DEPARTMENT		
	Non-collection of Profession Tax	7.3	86
	INDUSTRIES AND COMMERCE DEPARTMENT		
	Short levy of Royalty / Seigniorage Fee on Minerals	7.4	87

		Reference to	
		Paragraph	Page
CHAPTER – VIII : FOLLOW-UP AUDIT			
	Follow-up Audit on Audit Recommendations pertaining to the Performance Audit on “Functioning of the Prohibition and Excise Department”	8.1	89
ANNEXURES AND GLOSSARY			
	Annexure I	4.6	93
	Annexure II	4.9	94
	Annexure III	6.4.11	95
	Annexure IV (a)	6.4.14.4	95
	Annexure IV (b)	6.4.14.4	95
	Annexure IV (c)	6.4.14.4	96
	Annexure IV (d)	6.4.14.4	96
	Annexure V (a)	6.4.14.5	97
	Annexure V (b)	6.4.14.5	97
	Annexure VI	6.4.16	98
	Glossary		99