## TABLE OF CONTENTS

	Paragraph	Page			
Preface		v			
Overview		vii			
CHAPTER-I : General					
Trend of Revenue Receipts	1.1	1			
Analysis of arrears of revenue	1.2	3			
Evasion of tax detected by the Department	1.3	3			
Pendency of refund cases	1.4	4			
Response of the Government/Departments towards Audit	1.5	5			
Analysis of the mechanism for dealing with the issues raised by Audit	1.6	8			
Audit Planning	1.7	9			
Results of Audit	1.8	10			
Coverage of this Report	1.9	10			
CHAPTER-II : Taxes/VAT on Sales, Trade, etc.					
Tax administration	2.1	11			
Internal Audit	2.2	11			
Goods and Services Tax (GST)	2.3	11			
Trend of Revenue under Pre-GST and GST regimes	2.4	13			
Results of Audit	2.5	13			
Paragraphs					
Non-levy of penalty under section 72(1) of the KVAT Act	2.6	14			
Short-levy of tax on sale of liquor	2.7	15			
Non-follow-up of pending tax liabilities declared in the returns	2.8	16			

Non/short-payment of differential tax liability declared in audited statement of accounts  Short-levy of tax in respect of works contractors  Short-levy of tax due to non-declaration of works contract receipts from the Karnataka Residential Educational Institutions Society  Short levy of tax due to incorrect allowance of subcontractor payments  Non-levy of penalty under Section 74(4) of KVAT Act for non-filing of VAT-240  Loss of revenue in the form of input tax credit  CHAPTER-III: Stamp Duty and Registration Fee  Tax administration  3.1 27  Internal Audit  Paragraphs  Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka  Short-levy of Stamp Duty and Registration Fee due to Undervaluation  Short-levy of Stamp Duty and Registration Fee due to Suppression of facts  Short-levy of Stamp Duty and Registration Fee due to Suppression of facts  CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit  4.2 69  Results of Audit  4.3 70					
Non-levy of tax due to non-declaration of works contract receipts from the Karnataka Residential Educational Institutions Society  Short levy of tax due to incorrect allowance of subcontractor payments  Non-levy of penalty under Section 74(4) of KVAT Act for non-filing of VAT-240  Loss of revenue in the form of input tax credit  CHAPTER-III: Stamp Duty and Registration Fee  Tax administration  3.1 27  Internal Audit  Paragraphs  Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka  Short-levy of Stamp Duty and Registration Fee due to Undervaluation  Short-levy of Stamp Duty and Registration Fee due to Suppression of facts  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements  CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit 4.2 69	* *	2.9	17		
receipts from the Karnataka Residential Educational Institutions Society  Short levy of tax due to incorrect allowance of subcontractor payments  Non-levy of penalty under Section 74(4) of KVAT Act for non-filing of VAT-240  Loss of revenue in the form of input tax credit  CHAPTER-III: Stamp Duty and Registration Fee  Tax administration  3.1 27  Internal Audit  Paragraphs  Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka  Short-levy of Stamp Duty and Registration Fee due to Undervaluation  Short-levy of Stamp Duty and Registration Fee due to suppression of facts  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements  CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit  A.2 69	Short-levy of tax in respect of works contractors	2.10	18		
Non-levy of penalty under Section 74(4) of KVAT Act for non-filing of VAT-240  Loss of revenue in the form of input tax credit  CHAPTER-III: Stamp Duty and Registration Fee  Tax administration  3.1 27  Internal Audit  Paragraphs  Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka  Short-levy of Stamp Duty and Registration Fee due to Undervaluation  Short-levy of Stamp Duty and Registration Fee due to suppression of facts  Short-levy of Stamp Duty and Registration Fee due to suppression of facts  CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit  4.2 69	receipts from the Karnataka Residential Educational	2.11	21		
Loss of revenue in the form of input tax credit  CHAPTER-III: Stamp Duty and Registration Fee  Tax administration  3.1 27  Internal Audit  Paragraphs  Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka  Short-levy of Stamp Duty and Registration Fee due to Undervaluation  Short-levy of Stamp Duty and Registration Fee due to suppression of facts  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements  CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit  4.2 69	·	2.12	23		
CHAPTER-III: Stamp Duty and Registration Fee  Tax administration 3.1 27  Internal Audit 3.2 27  Results of Audit 3.3 27  Paragraphs  Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka 3.4 29  Short-levy of Stamp Duty and Registration Fee due to Undervaluation 3.6 62  Short-levy of Stamp Duty and Registration Fee due to suppression of facts 3.6 64  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements 3.7 66  CHAPTER-IV: Mineral Receipts  Tax administration 4.1 69  Internal Audit 4.2 69		2.13	24		
Tax administration 3.1 27  Internal Audit 3.2 27  Results of Audit 3.3 27  Paragraphs  Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka 3.4 29  Short-levy of Stamp Duty and Registration Fee due to Undervaluation 3.5 62  Short-levy of Stamp Duty and Registration Fee due to suppression of facts 3.6 64  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements 3.7 66  CHAPTER-IV: Mineral Receipts  Tax administration 4.1 69  Internal Audit 4.2 69	Loss of revenue in the form of input tax credit	2.14	25		
Internal Audit 3.2 27  Results of Audit 3.3 27  Paragraphs  Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka  Short-levy of Stamp Duty and Registration Fee due to Undervaluation 3.5 62  Short-levy of Stamp Duty and Registration Fee due to suppression of facts  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements 3.7 66  CHAPTER-IV: Mineral Receipts  Tax administration 4.1 69  Internal Audit 4.2 69	CHAPTER-III: Stamp Duty and Registration Fee				
Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka 3.4 29  Short-levy of Stamp Duty and Registration Fee due to Undervaluation 3.5 62  Short-levy of Stamp Duty and Registration Fee due to suppression of facts 3.6 64  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements 3.7 66  CHAPTER-IV: Mineral Receipts  Tax administration 4.1 69  Internal Audit 4.2 69	Tax administration	3.1	27		
Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka  Short-levy of Stamp Duty and Registration Fee due to Undervaluation  Short-levy of Stamp Duty and Registration Fee due to suppression of facts  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements  CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit  4.2 69	Internal Audit	3.2	27		
Performance Audit on "Assessment and Implementation of Guidance Market Value" in Karnataka  Short-levy of Stamp Duty and Registration Fee due to Undervaluation  Short-levy of Stamp Duty and Registration Fee due to suppression of facts  Short-levy of Stamp Duty and Registration Fee due to suppression of facts  3.6  CHAPTER-IV: Mineral Receipts  Tax administration  4.1  69  Internal Audit	Results of Audit	3.3	27		
Implementation of Guidance Market Value" in Karnataka3.429Short-levy of Stamp Duty and Registration Fee due to Undervaluation3.562Short-levy of Stamp Duty and Registration Fee due to suppression of facts3.664Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements3.766CHAPTER-IV: Mineral ReceiptsTax administration4.169Internal Audit4.269	Paragraphs				
Short-levy of Stamp Duty and Registration Fee due to suppression of facts  Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements  CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit  4.2 69	Implementation of Guidance Market Value" in	3.4	29		
Short-levy of Stamp Duty and Registration Fee on Joint Development Agreements  CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit  4.2 69		3.5	62		
CHAPTER-IV: Mineral Receipts  Tax administration  4.1 69  Internal Audit  4.2 69		3.6	64		
Tax administration 4.1 69 Internal Audit 4.2 69		3.7	66		
Internal Audit 4.2 69	CHAPTER-IV : Mineral Receipts				
	Tax administration	4.1	69		
Results of Audit 4.3 70	Internal Audit	4.2	69		
	Results of Audit	4.3	70		

Paragraphs					
Performance Audit on "Systematic and Scientific Mining and Protection of Environment in respect of Quarry Leases of Minor Minerals"	4.4	71			
Non/Short-levy of penalty for unauthorised transportation of minor minerals	4.5	112			
Appendix	Appendix				
Appendix-I		115			
Appendix-II		119			
Appendix-III		121			
Appendix-IV		126			
Appendix-V		129			
Appendix-VI		135			
Appendix-VII		140			
Appendix-VIII		143			
Appendix-IX		146			
Appendix-X		156			
Appendix-XI		159			
Appendix-XII		160			
Appendix-XIII		162			