



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 2024**



**Government of Karnataka  
Report No. 3 of 2026  
(Compliance Audit – Civil)**

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Comptroller and Auditor General of India  
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## Preface

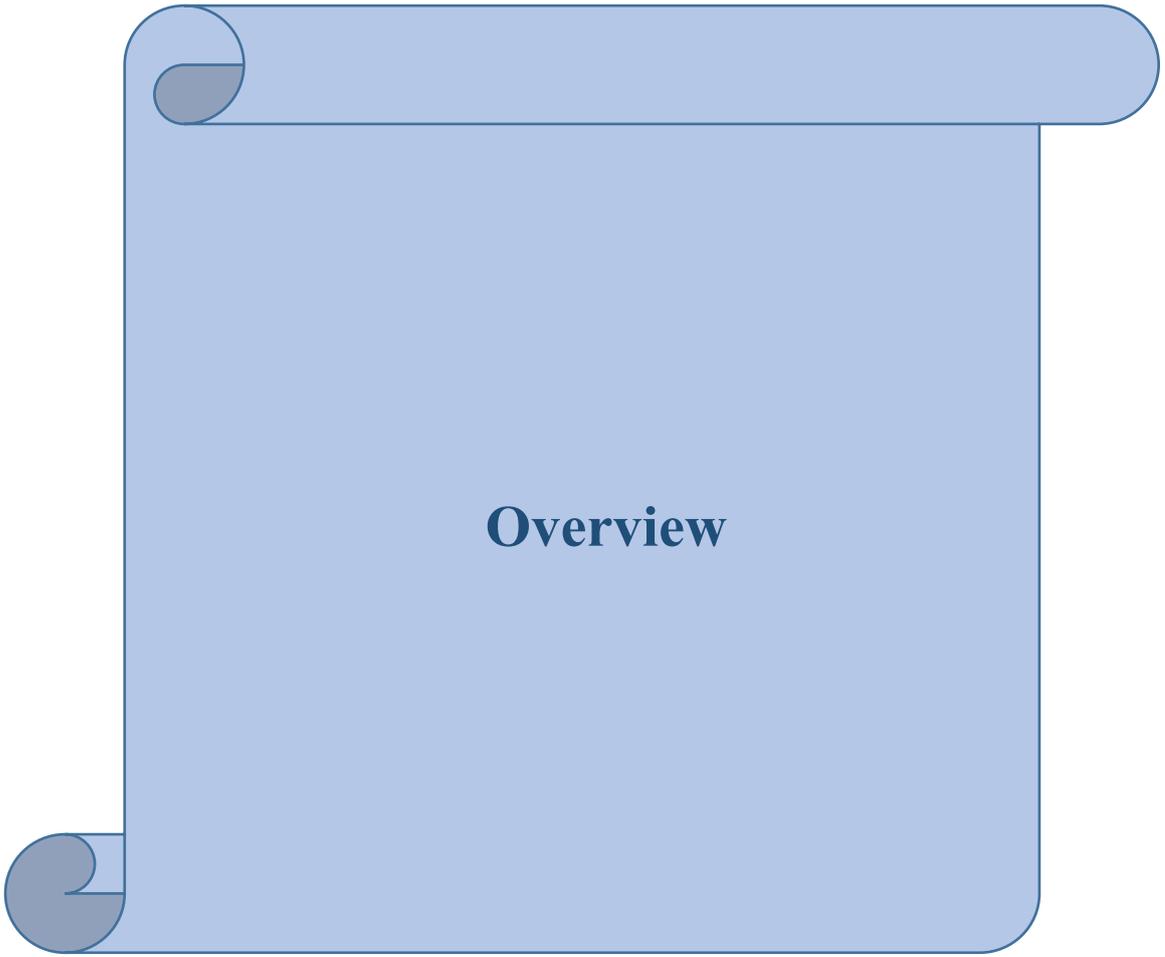
This Report of the Comptroller and Auditor General of India for the year ended 31 March 2024 has been prepared for submission to the Governor of Karnataka under Article 151 (2) of the Constitution to be tabled in the State Legislature.

The Report contains significant results of the Compliance Audit of the Departments of the Government of Karnataka under Revenue Sector including Commercial Taxes Department, Department of Stamps and Registration, State Excise Department and Transport Department.

The instances mentioned in this report are those which came to notice in the course of test-audit for the period 2023-24 as well as those, which came to notice in earlier years, but could not be reported in the previous Audit Reports.

Audit was conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.





**Overview**



## Overview

This Report of the Comptroller and Auditor General of India (C&AG) contains 11 paragraphs including two Subject Specific Compliance Audits. These paragraphs present observations relating to non/short levy of tax, revenue foregone, *etc.*, amounting to ₹ 169.18 crore.

The total revenue receipts of the State Government for the year 2023-24 amounted to ₹ 2,33,342.93 crore against ₹ 2,29,079.74 crore for the previous year. Of this, 76 *per cent* was raised by the State through tax revenue (₹ 1,63,505.04 crore) and non-tax revenue (₹ 13,117.41 crore). The balance 24 *per cent* was received from the Government of India as State's share of divisible Union taxes (₹ 41,192.63 crore) and grants-in-aid (₹ 15,527.85 crore).

A total of 1,451 Inspection Reports, containing 4,966 observations, involving money value of ₹ 3,464.94 crore, were pending for settlement with the Departments of Commercial Taxes, Stamps and Registration and State Excise at the end of June 2024. Test-check of 34 cases under Detailed Audit, cases audited by the Department under Section 65 and five Local GST Offices audited under Commercial Taxes Department, 44 unit offices under Department of Stamps and Registration and eight unit offices under State Excise Department conducted during the year 2023-24 showed under-assessment/short levy/loss of revenue aggregating to ₹ 253.73 crore. Under Transport Department, audit of 30 offices found under-assessment of tax and other irregularities amounting to ₹ 16.49 crore.

## Goods and Services Tax

Under **Goods and Services Tax**, a Subject Specific Compliance Audit on Works Contract/Construction Services under GST was conducted to evaluate the effectiveness of the tax administration in ensuring compliance by taxpayers and the adequacy of scrutiny of returns and departmental audits. In 19 out of the sampled 24 cases for detailed audit, the Local GST Offices did not produce the requisitioned records, which significantly restricted the scope of Audit. Despite this limitation, Audit identified potential risks to revenue realisation in nine cases involving revenue of ₹ 1.75 crore.

Scrutiny of returns by the Local GST Offices was found inadequate with omissions in 12 out of 25 selected cases, involving revenue of ₹ 1.60 crore. In 97 out of the 400 selected cases, interest of ₹ 1.60 crore was not levied for delayed filing and payment in GSTR-3B returns and in 21 out of these 97 cases, though interest was auto-populated, the system permitted other payments despite non-payment of interest.

Departmental audit under Section 65 identified an additional revenue of ₹ 112.16 crore in the 90 cases audited for the tax period 2020-21 but recoveries amounted only to ₹ 9.18 crore, reflecting a recovery rate less than 10 *per cent*. Deficiencies were noticed in seven of the ten sample cases concluded under Section 65. Non-adoption of Open Market Value for construction service in Joint Development Agreement (JDA) led to under valuation of ₹ 118.06 crore and short levy of tax amounting to ₹ 21.26 crore. Departmental audit documentation did not conform to the standards prescribed in the Karnataka

GST Audit Manual as Assessee Master Files, Audit Plan and Verification Report were not maintained.

Cross verification with third party data from Karnataka Residential Educational Institutions Society (KREIS) revealed mismatches in turnover leading to potential shortfall of tax of ₹ 90.34 lakh in eight out of the 28 selected cases of contractors. Further, in non-compliance of the Government notification dated 01 January 2022, nine contractors of KREIS continued to pay tax at older rates despite revision of tax rates for Government Authorities, resulting in short payment of tax of ₹ 6.38 crore.

#### **Recommendations of the Chapter:**

- The Government may strengthen the existing mechanism of scrutinising high-risk areas like valuation of non-monetary transactions to prevent revenue leakage and strengthen outcomes.
- Government may enable system-level tracking of all demands from notice issue stage to recovery status, for timely follow-up action.
- The Government may institutionalise systematic cross-verification of returns with third party data sources such as contract values declared by Government Departments, TDS data, Income Tax Department and Public procurement portals, to strengthen tax compliance.

#### **Stamp Duty and Registration Fee**

Under **Stamp Duty and Registration Fee**, Audit noticed cases of misclassification, undervaluation and suppression of facts across multiple instruments, leading to significant short collection of tax. Misclassification of the Power of Attorney and Agreements of Sale led to short levy of Stamp Duty and Registration Fee amounting to ₹ 15.06 crore and ₹ 18.84 crore respectively. Improper execution or classification of release deeds resulted in short levy of ₹ 14.20 crore, while Mortgage Deeds were incorrectly classified causing short levy of ₹ 6.69 crore. Undervaluation of undivided share resulted in short collection of ₹ 9.00 crore. Adoption of incorrect rates and non-consideration of enhanced value for properties in 99 Joint Development Agreements resulted in short levy of ₹ 32.82 crore. Suppression of facts regarding land status, Power of Attorney and Market Value led to a short levy of ₹ 14.10 crore. Further, undervaluation of the properties due to non-adherence to special instructions and guidance value rates, resulted in short levy of ₹ 4.05 crore.

#### **State Excise**

Under **State Excise**, delayed communication to Karnataka State Beverages Corporation Limited (KSBCL) regarding revision of Declared Price (DP) led to time lag in software updates and belated implementation. This resulted in loss of revenue amounting to ₹ 58.13 lakh in Additional Excise Duty in respect of a distillery.

#### **Taxes on Motor Vehicles**

Under **Taxes on Motor Vehicles**, a Subject Specific Compliance Audit on Functioning of Regional Transport Offices in Karnataka was conducted to assess the efficiency of RTOs in discharging their core responsibilities. Audit

evaluated the processes relating to the issue of driving licenses, vehicle registrations, regulation of transport vehicles including issue and renewal of permits and fitness certificates. It also examined the adequacy of the systems in place for revenue collection, arrear management, and enforcement of compliance with statutory requirements.

The conduct of driving tests was inconsistent across the State with 55 RTOs still using manual testing methods, while only 12 had access to Automated Driving Testing Tracks (ADTTs). In manual testing centres, multiple applicants were sometimes tested simultaneously with little supervision, compromising credibility of the tests. Between 2019–2024, over 47,000 vehicles remained unregistered after expiry of temporary registration due to poor follow-up, and around 29 lakh vehicles failed to renew registration after 15 years. Cross-verification with Traffic Police Challans database revealed that about 17.33 *per cent* of such vehicles were still operating, reflecting poor enforcement.

Though renewal of fitness certificates (FCs) is the responsibility of the vehicle owners, audit observed that 3.87 lakh vehicles with FCs that had expired between April 2019 to March 2024 continued to ply on the road, signifying that RTOs failed to ensure that only road worthy vehicles remain in usage. Similarly, it was observed that about one third (4.7 lakh out of 14.01 lakh) vehicles requiring transport permits, did not have valid permits. Out of these 4.7 lakh vehicles, 3.14 lakh vehicles had paid quarterly tax payments and 2.64 lakh even visited RTOs for renewal of their FCs, highlighting that RTOs did not check the validity of their permits.

Audit also found that no Automated Testing Stations (ATS) had been established despite the amended Motor Vehicles Act mandating ATS by October 2024. Fitness testing continued manually and on cross verification with Traffic Police database, Audit found about 18 *per cent* of 3.88 lakh transport vehicles with expired Fitness Certificates were still plying. Continued references in the Karnataka Motor Vehicles Tax (KMVT) Act to a now-redundant provision in Karnataka Motor Vehicles Rules led to inconsistent tax rates for contract carriages, causing a non/short realization of revenue of ₹ 1.54 crore. Misclassification of leased Private Service Vehicles resulted in short levy of tax of ₹ 82.63 lakh in 76 cases. Non-collection of Green Tax and Road Safety Cess between 2019 and 2024 caused potential revenue losses of ₹ 90.46 crore and ₹ 4.68 crore, respectively.

Audit also observed delays and inefficiencies in the refund process despite the VAHAN application system having automated refund features. Refunds were handled manually, with delays ranging from 12 days to over 2,000 days and no defined timeline existed. The non-integration of Pollution Under Control data and incomplete implementation of VAHAN modules requires intervention of the Authorities. Despite mandatory online applications since November 2021, most transactions were still being processed offline (only 3.5 *per cent* of the applications were processed online) through a limited number of staff login IDs and cash payments remained prevalent amounting to 37.9 *per cent* of the total fees collected. While the GoK claimed that 31 services were being provided faceless since November 2021, Parivahan website MIS report only four faceless services. Further, out of the sampled nine RTOs, audit found that less than

one *per cent* of the applications were processed faceless in VAHAN during November 2021 to March 2024.

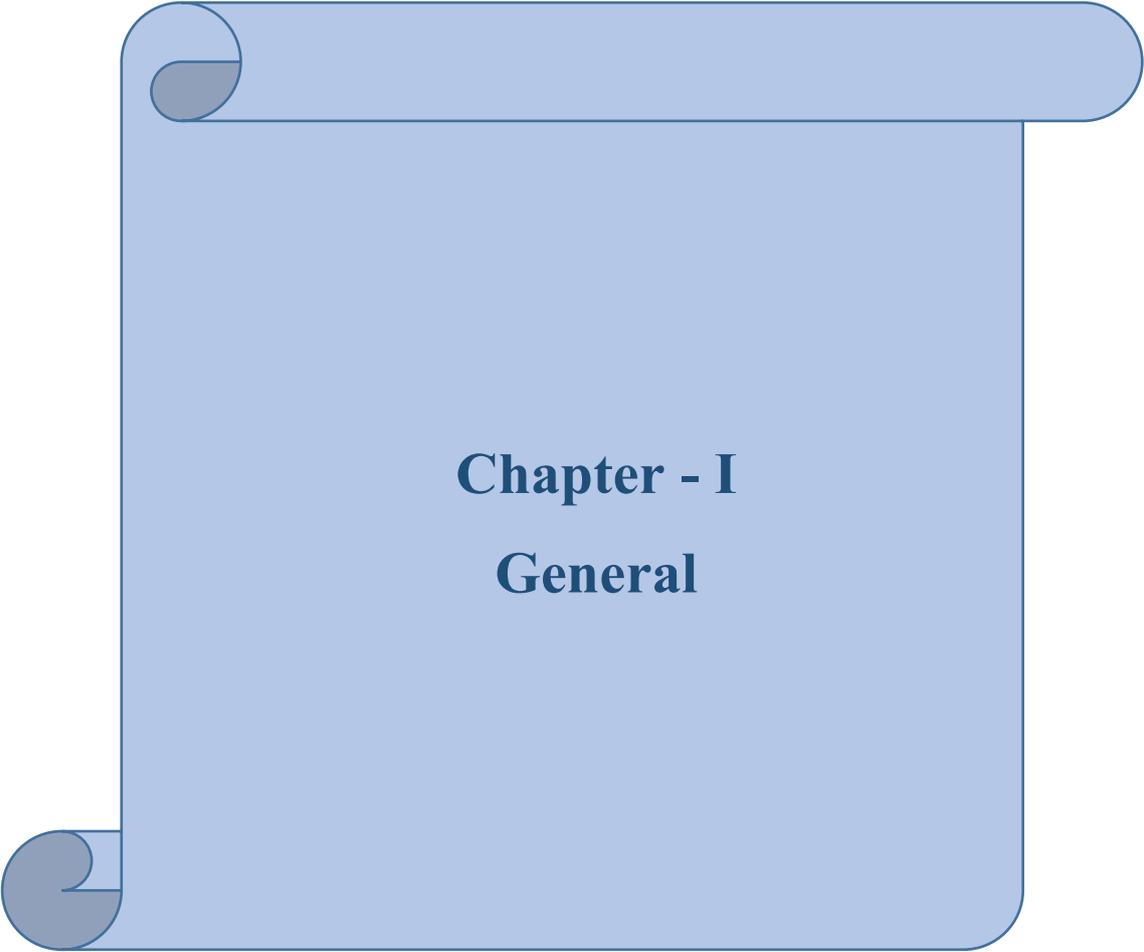
Further, Enforcement activities between 2019 and 2024, covered about 22.2 lakh vehicles annually and collected ₹ 363.46 crore in fines but enforcement was not data-driven or strategically targeted and lacked systematic follow-up, due to which vehicles with expired fitness certificates, unpaid taxes, or missing permits continued to operate with minimal checks.

#### **Recommendations of the Chapter:**

- The Government may investigate the reason for continuation of manual fitness tests by the Inspector of Motor Vehicles (IMVs) at RTOs equipped with Inspection & Certification (I&C) facilities, while simultaneously accelerating the establishment of the planned ATS.
- The Government may instruct the Motor Vehicles Department to take prompt action and build controls in the VAHAN system to monitor the Green Tax dues in the identified cases.
- The Government may mandate regular reviews of the VAHAN database to identify vehicles operating with expired CFs, RCs, or permits, and ensure timely renewal or removal of such vehicles from road operations. This should be supported by coordinated enforcement through sharing of information with Police, toll authorities, and GST officials.
- The Government may activate all VAHAN modules to ensure online transactions in future and also promote contactless services through broad print and electronic media outreach.

#### **Conclusion**

The Audit revealed shortcomings in the State's tax administration, leading to revenue loss. Key issues included poor enforcement of compliance under GST, inadequate scrutiny of returns, and deficiencies in execution of departmental audits. Misclassification and undervaluation contributed to short levy in Stamps and Registration Department. In the Excise sector, delays in implementing revised prices caused loss of duty, while inefficiencies in the Transport Department affected both revenue and public safety. These findings point to the need for stronger internal controls, better use of data for compliance, timely policy implementation, and improved accountability to safeguard government revenue.



**Chapter - I**  
**General**



## Chapter-I

### General

#### 1.1 Trend of revenue receipts

The tax and non-tax revenue raised by the Government of Karnataka during the year 2023-24, the State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-aid received from the Government of India during the year, together with the corresponding figures for the preceding four years are mentioned in **Table 1.1**.

**Table 1.1**  
**Trend of revenue receipts**

(₹ in crore)

Sl. No.	Particulars	2019-20	2020-21	2021-22	2022-23	2023-24
1	<b>Revenue raised by the State Government</b>					
	▪ Tax revenue <sup>1</sup>	1,02,362.79	97,052.54	1,20,738.79	1,43,701.93	1,63,505.04
	▪ Non-tax revenue	7,681.47	7,893.84	11,777.04	13,914.13	13,117.41
	<b>Total</b>	<b>1,10,044.26</b>	<b>1,04,946.38</b>	<b>1,32,515.83</b>	<b>1,57,616.06</b>	<b>1,76,622.45</b>
2	<b>Receipts from the Government of India</b>					
	▪ Share of net proceeds of divisible Union taxes and duties	30,919.00	21,694.11	33,283.58	34,596.18	41,192.63
	▪ Grants-in-aid	34,479.53	30,075.92	29,962.43	36,867.50	15,527.85
	<b>Total</b>	<b>65,398.53</b>	<b>51,770.03</b>	<b>63,246.01</b>	<b>71,463.68</b>	<b>56,720.48</b>
3	<b>Total revenue receipts of the State Government (1 and 2)</b>	<b>1,75,442.79</b>	<b>1,56,716.41</b>	<b>1,95,761.84</b>	<b>2,29,079.74</b>	<b>2,33,342.93</b>
4	<b>Percentage of total revenue raised by the State Government to total revenue receipts (1 to 3)</b>	<b>63</b>	<b>67</b>	<b>68</b>	<b>69</b>	<b>76</b>

Source: State Finance Accounts 2023-24.

The above table indicates that during the year 2023-24, the revenue raised by the State Government (₹ 1,76,622.45 crore) was 76 per cent of the total revenue

<sup>1</sup> Figures under the major heads of account 0005-Central Goods and Service Tax, 0020-Corporation Tax, 0021-Taxes on Income other than Corporation Tax, 0028-Other taxes on Income and Expenditure, 0032-Taxes on wealth, 0037-Customs, 0038-Union Excise Duties, 0044-Service Tax and 0045-Other taxes and Duties on Commodities and Services - Minor head-901, as share of net proceeds assigned to States booked in the Finance Accounts of the Government of Karnataka for 2023-24, under 'A-Tax Revenue' have been excluded from the revenue raised by the State Government and included in the State's share of divisible Union taxes.

receipts (₹ 2,33,342.93 crore). The balance 24 *per cent* of the receipts during 2023-24 came from the Government of India.

**1.1.1** The details of the tax revenue raised during the period 2019-20 to 2023-24 are given in **Table 1.2**.

**Table 1.2**  
**Details of Tax Revenue**

(₹ in crore)

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Percentage of increase (+)/ decrease (-) in 2023-24 over 2022-23	
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual
1.	Taxes on sales, trade, etc.	15,149.00	16,424.32	17,783.00	16,027.59	16,791.00	19,273.70	17,640.00	19,082.45	21,100.00	20,810.88	19.61	9.06
2.	State Goods and Services Tax (SGST)	42,748.00	42,147.23	47,319.00	37,711.18	45,947.00	49,929.02	53,220.00	61,403.30	76,150.00	71041.45 <sup>2</sup>	43.09	15.70
3.	State Excise	20,950.00	21,583.95	22,700.00	23,332.10	24,580.00	26,377.68	29,000.00	29,920.37	36,000.00	34,628.98	24.14	15.74
4.	Stamp Duty and Registration Fee	11,828.00	11,308.34	12,655.00	10,576.43	12,655.00	14,019.66	15,000.00	17,726.07	25,000.00	20,146.71	66.67	13.66
5.	Taxes on Vehicles	7,100.00	6,762.58	7,114.84	5,606.99	7,514.80	6,915.26	8,006.69	10,611.18	11,500.00	11,287.26	43.63	6.37
6.	Others	3,038.98	4,136.37	3,162.99	3,798.25	2,979.18	4,223.47	2,866.07	4,958.56	2,152.60	5,589.76	-24.89	12.73
<b>Total</b>		<b>1,00,813.98</b>	<b>1,02,362.79</b>	<b>1,10,734.83</b>	<b>97,052.54</b>	<b>1,10,466.98</b>	<b>1,20,738.79</b>	<b>1,25,732.76</b>	<b>1,43,701.93</b>	<b>1,71,902.60</b>	<b>1,63,505.04</b>	<b>36.72</b>	<b>13.78</b>

Source: Annual Financial statement and State Finance Accounts 2023-24.

BE: Budget Estimates.

**1.1.2** The details of the non-tax revenue raised during the period 2019-20 to 2023-24 are indicated in **Table 1.3**.

**Table 1.3**  
**Details of Non-Tax Revenue**

(₹ in crore)

Sl. No.	Head of revenue	2019-20		2020-21		2021-22		2022-23		2023-24		Percentage of increase (+)/ decrease (-) in 2023-24 over 2022-23	
		BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual	BE	Actual
1.	Non-ferrous mining and metallurgical Industries	3,550.00	3,629.03	3,750.00	3,893.45	4,000.00	6,308.31	6500.00	5,945.77	9000.00	7,321.59	38.46	23.14
2.	Other Non-tax receipts	4,505.41	4,052.44	4,017.24	4,000.39	4,258.37	5,468.73	4,440.57	7,968.36	3,500.00	5,795.82	(-21.18)	(-27.26)
<b>Total</b>		<b>8,055.41</b>	<b>7,681.47</b>	<b>7,767.24</b>	<b>7,893.84</b>	<b>8,258.37</b>	<b>11,777.04</b>	<b>10,940.57</b>	<b>13,914.13</b>	<b>12,500.00</b>	<b>13,117.41</b>	<b>14.25</b>	<b>(-5.73)</b>

Source: State Finance Accounts 2023-24.

<sup>2</sup> Includes interest (₹ 372.04 crore), penalty (₹ 82.03 crore), fee (₹ 83.49 crore), input tax credit cross-utilization of SGST and IGST (₹ 25570.23 crore), apportionment of IGST transfer-in of tax component to SGST (₹ 9383.43 crore) and advance apportionment from IGST (₹ (-)798.30 crore).

## 1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2024 on some principal heads of revenue amounted to ₹ 30,944.74 crore as detailed in **Table 1.4**.

**Table 1.4**  
Arrears of revenue

(₹ in crore)

Sl. No.	Head of revenue	Total amount outstanding as on 31 March 2024	Replies of Department
1.	0006, 0022, 0028, 0040, 0042, and 0045 <sup>3</sup> Commercial Taxes Department	30,019.73	Out of the total arrears, ₹ 9,443.40 crore was stayed by Courts, ₹ 1,595.75 crore was before NCLAT <sup>4</sup> , ₹ 1,598.36 crore was under liquidation process, ₹ 113.11 crore was covered by Revenue Recovery Certificates and ₹ 17,269.11 crore was under Court and Departmental recovery.
2.	0039 State Excise Department	613.76	Out of the total arrears, ₹ 109.43 crore was stayed by Courts and ₹ 177.07 crore was covered by Revenue Recovery Certificates. The remaining amount of ₹ 327.26 crore was at various other stages.
3.	0030 Department of Stamps and Registration	311.25	Not Furnished
<b>Total</b>		<b>30,944.74</b>	

Source: Information received from the Departments concerned.

## 1.3 Evasion of tax detected by the Departments

The details of cases of evasion of tax detected by the Commercial Taxes Department (CTD), State Excise Department and Department of Stamps and Registration are given in **Table 1.5**.

**Table 1.5**  
Evasion of tax

(₹ in crore)

Sl. No.	Head of revenue	Cases pending as on 31 March 2023	Cases detected during 2023-24	Total	Number of cases in which assessment/investigation completed and additional demand with penalty etc., raised		Number of cases pending for finalisation as on 31 March 2024
					Number of cases	Amount of demand	
1.	Commercial Taxes Department	6,180	15,757	21,937	11,744	3,257.26	10,193
2.	State Excise Department	02 <sup>5</sup>	00	02	00	0.00	02
3.	Department of Stamps and Registration	09	00	09	00	0.40	09

Source: Information received from the Departments concerned.

<sup>3</sup> 0006 - State Goods and Services Tax, 0022 - Taxes on Agricultural Income, 0028 - Expenditure/Other Taxes, 0040 - Taxes on Sale, Trade, etc., 0042 - Taxes on Goods and Passengers and 0045 - Other Taxes and Duties on commodities and services. All the taxes have been subsumed in GST and only arrears are dealt here.

<sup>4</sup> National Company Law Appellate Tribunal.

<sup>5</sup> Number of cases pending for 2022-23 report was shown as 03 but one case was finalised and additional demand of ₹ 9.93 lakh was raised in the year 2022-23 itself; hence, cases pending as on 31 March 2023 is revised to 02.

As seen above, though a considerable number of cases have been settled in CTD during the year, a significant backlog of cases was still outstanding at the end of the year. In respect of State Excise Department, there have been no disposals and only one case has been disposed in the Department of Stamps and Registration during the year 2023-24. Early action may be taken to settle these cases in the interest of revenue.

#### 1.4 Pendency of refund cases

The number of refund cases pending at the beginning of the year, claims received during the year, refunds allowed during the year and the cases pending at the close of the year 2023-24 as reported by the Commercial Taxes Department, State Excise Department and the Department of Stamps and Registration are given in **Table 1.6**.

**Table 1.6**  
Details of pendency of refund cases

(₹ in crore)

Sl. No.	Particulars	Commercial Taxes		State Excise		Stamps and Registration	
		No. of cases	Amount	No. of cases	Amount	No. of cases	Amount
1.	Claims outstanding at the beginning of the year	2,429	2,219.86	0	0	6,483	58.71
2.	Claims received during the year	7,696	6,463.90	NF	18.75	8,117	118.77
3.	Refunds made during the year	6,803	5,143.39	NF	18.75	6,694	101.91
4.	Balance outstanding at the end of the year	3,322	3,540.37	0	0	7,906	75.57

NF - Not furnished.

Source: Information received from the Departments concerned.

As seen above, there are 3,322 refund cases amounting to ₹ 3,540.37 crore in Commercial Taxes Department, 7,906 refund cases amounting to ₹ 75.57 crore in Stamps and Registration Department which are outstanding at the end of the year. Action may be taken to dispose these cases on priority.

#### 1.5 Response of the Government/Departments towards Audit

The Principal Accountant General (Audit-I) conducts periodical inspection of the Government Departments to test-check the transactions and verify the maintenance of the important accounts and other records as prescribed in the rules and procedures. These inspections are followed up with the Inspection Reports (IRs) incorporating irregularities detected during the inspections and those not settled on the spot are issued to the heads of the offices inspected with copies to the next higher authorities for taking prompt corrective action.

The heads of the offices/Government are required to promptly comply with the observations contained in the IRs, rectify the defects and omissions and report compliance through initial reply to the Principal Accountant General within one

month from the date of issue of IRs. Serious financial irregularities are reported to the heads of the departments and the Government.

A total of 4,966 paragraphs<sup>6</sup> involving ₹ 3,465 crore contained in 1,451 IRs (issued upto December 2023), remained outstanding at the end of June 2024. The details along with the corresponding figures for the preceding two years are given in **Table 1.7**.

**Table 1.7**  
**Details of pending Inspection Reports**

	As of June 2022	As of June 2023	As of June 2024
Number of IRs pending for settlement	1,242	1,226	1,451
Number of outstanding audit observations	3,963	3,901	4,966
Amount of revenue involved (₹ in crore)	1,864.17	2,009.39	3,464.94

Source: Information derived from IR Registers maintained in the office of the Principal Accountant General (Audit-I), Karnataka.

**1.5.1** The Department-wise details of the IRs and audit observations outstanding as on 30 June 2024 and the amounts involved are given in **Table 1.8**.

**Table 1.8**  
**Department-wise details of IRs**

(₹ in crore)

Sl. No.	Name of the Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved
1	Finance	Commercial Taxes	866	3,445	2,408.68
2		State Excise	59	107	89.26
3	Revenue	Stamp Duty and Registration Fee	526	1,414	967.00
<b>Total</b>			<b>1,451</b>	<b>4,966</b>	<b>3,464.94</b>

Source: Information derived from IR Registers maintained in the office of the Principal Accountant General (Audit-I), Karnataka.

### **1.5.2 Departmental Audit Committee meetings**

As per the handbook of instructions for speedy settlement of Audit observations issued by the Finance Department 2001, Audit Committee Meetings are to be convened quarterly to facilitate settlement of pending audit observations in Inspection Reports (IRs). These Committees are to be headed by the Secretaries of the Administrative Departments concerned and attended by the designated Officers of the State Government and a nominee of the Principal Accountant General. These Committees are to meet periodically and, in any case, at least once a quarter.

However, Departmental Audit Committee meetings were not convened by the Department of Commercial Taxes, State Excise Department and Department of Stamps and Registration during the year. Action may be taken by the State

<sup>6</sup> Pertaining to Departments of Commercial Taxes, Stamps and Registration and State Excise.

Government to convene Departmental Audit Committee meetings for clearance of outstanding IRs and audit observations.

### 1.5.3 Non-production of records to Audit for scrutiny

The Programme for local audits of Tax Revenue Offices are drawn up and intimations are sent sufficiently in advance, to enable them to keep the relevant records ready for audit.

During 2023-24, 156 Offices under Finance and Revenue Departments were taken up for audit. Out of these, in 23 Offices, the following records were not produced for audit:

**Table 1.9  
Details of non-production of records**

Sl. No.	Name of the Office/Department		Details of records not produced to audit
1.	Department of Stamps and Registration	IGR&CS	Files related to reconciliation of revenue collected electronically by SHCIL <sup>7</sup> , Vehicle log book (KA-02-G-1437), Files relating to office buildings and fixation of rent, Tender Files relating to procurement of vehicles for IGR office and DR offices, Files pertaining to centralized procurement of stationary, consumables, office furniture, Reconciliation of stamp duty collected through e-stamping, etc.
2	Department of State Excise	Commissioner of Excise	Remittance Register and K-2 Challans
		Two offices of Superintendents of Excise (SOE)	Expenditure statements
3.	Department of Commercial Taxes	16 LGSTOs, One SGSTOs, Two Audit Offices	Granular records like invoices, financial statements, sales ledger, ITC ledger, credit/debit notes of taxpayers.

Source: Information received from the vetting sections of office of the Principal Accountant General (Audit-I), Karnataka.

### 1.5.4 Response of the Departments to the Draft Audit Paragraphs

Draft Paragraphs proposed for inclusion in the Audit Report are forwarded by the Principal Accountant General to the Additional Chief Secretary/Principal Secretaries of the Departments concerned through demi-official letters. According to the instructions issued (April 1952) by the Government, all Departments are required to furnish their remarks on the Draft Paragraphs within six weeks of their receipt.

Eleven Draft Paragraphs (which included two Subject Specific Compliance Audits one relating to GST in the Commercial Taxes Department and the other relating to Functioning of Regional Transport Offices in Karnataka, one relating to State Excise Department, and eight observations relating to Department of Stamps and Registration) were proposed for inclusion in the Report of the Comptroller and Auditor General of India (State Revenues) for the year ended March 2024 and forwarded to the Additional Chief Secretary/Principal

<sup>7</sup> Stock Holding Corporation of India Ltd.

Secretaries to the Government with copies endorsed to the heads of Departments concerned between March 2025 and July 2025.

Government replies have been received for all the 11 draft paragraphs corresponding to the Department of Commercial Taxes, Stamps and Registration, State Excise, and Transport.

### **1.5.5 Follow-up on the Audit Reports-Summarised position**

According to the Rules of Procedure (Internal Working) of the Committee of Public Accounts (PAC), the Departments of Government are to furnish detailed explanations (Departmental Notes) on the audit paragraphs to the Karnataka Legislative Assembly Secretariat within four months of an Audit Report being laid on the Table of the Legislature. The Rules further require that before such submission, Departmental Notes are to be vetted by the Principal Accountant General.

Sixty-four paragraphs (including Performance Audits) pertaining to the Commercial Taxes Department, State Excise Department and the Department of Stamps and Registration were included in five<sup>8</sup> Reports of the Comptroller and Auditor General of India on the Revenue Sector of the Government of Karnataka which got placed before the State Legislature between October 2019 and December 2024.

As of September 2025, Departmental Notes<sup>9</sup> have been received for 63 paragraphs. However, these notes were submitted late, with delays ranging from two to twenty-five months. Additionally, no Departmental Notes were received for the paragraphs related to the Commercial Taxes Department (2021-22).

### **1.6 Analysis of the mechanism for dealing with the issues raised by Audit**

To analyse the system of compliance by the Department/Government to the issues highlighted in the Inspection Reports/Audit Reports, action taken on the paragraphs and Performance Audits included in the Audit Reports of the last 10 years for one Department is evaluated and included in this Audit Report.

The succeeding paragraphs 1.6.1 and 1.6.2 discuss the performance of the Commercial Taxes Department in respect of the cases detected in the course of local audit during the last ten years and also the cases included in the Audit Reports for the years 2014-15 to 2023-24.

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- <sup>8</sup> i. Report of the Comptroller and Auditor General of India on Revenue Sector for the year ended March 2018 (Report No. 1 of 2019).
  - ii. Report of the Comptroller and Auditor General of India on Revenue Sector for the year ended March 2019 (Report No. 4 of 2020).
  - iii. Report of the Comptroller and Auditor General of India on Economic and Revenue Sector for the year ended March 2020 (Report No. 3 of 2021).
  - iv. Report of the Comptroller and Auditor General of India-Compliance Audit-for the year ended March 2021 (Report No. 1 of 2023).
  - v. Report of the Comptroller and Auditor General of India for the period ended March 2022 (Report No. 7 of 2024).

- <sup>9</sup> The Department's formal reply (after tabling of Report in the Legislature) outlining the actions it has taken or will take in response to the audit observations is called Departmental Notes or Action Taken Notes (ATNs).

### 1.6.1 Position of Inspection Reports

The summarised position of the Inspection Reports (IRs) issued during the last ten years, paragraphs included in these Reports and their status as of March 2024 are tabulated below in **Table 1.10**.

**Table 1.10**  
**Position of Inspection Reports**

(₹ in crore)

Sl. No.	Year	Opening Balance			Addition during the Year			Clearance during the Year			Closing Balance		
		IRs	Para- graphs	Money value	IRs	Para- graphs	Money value	IRs	Para- graphs	Money value	IRs	Para- graphs	Money value
1.	2014-15	1,916	4,843	496.43	185	865	80.69	4	600	124.76	2,097	5,108	452.36
2.	2015-16	2,097	5,108	452.36	176	926	70.77	63	627	71.45	2,210	5,407	451.68
3.	2016-17	2,210	5,407	451.68	165	778	102.22	19	335	37.61	2,356	5,850	516.29
4.	2017-18	2,356	5,850	516.29	134	596	172.22	1891	4,133	331.79	599	2,313	356.72
5.	2018-19	599	2,313	356.72	129	497	307.77	1	327	29.98	727	2,483	634.51
6.	2019-20	727	2,483	634.51	132	756	290.18	8	406	67.67	851	2,833	857.01
7.	2020-21	851	2,833	857.01	60	368	106.33	4	94	20.09	907	3,107	943.25
8.	2021-22	907	3,107	943.26	137	502	91.26	0	113	37.26	1,044	3,496	997.26
9.	2022-23	1,044	3,496	997.26	7	28	749.38	5	264	81.25	1,038	3,137	1,633.90
10.	2023-24	1,038	3,137	1,633.90	112	810	1,73,671.56	18	73	20.25	1,132	3,874	3,370.62

Source: Information derived from IR Registers maintained in the office of the Principal Accountant General (Audit-I), Karnataka.

During regular inspection of Offices, the pending IRs/paragraphs are reviewed on the spot after obtaining satisfactory replies. Settlements of IRs/paragraphs are also made on receipt of compliance from the Department.

### 1.6.2 Recovery in accepted cases

The position of paragraphs included in the Audit Reports of the last 10 years, those accepted by the Department and the amount recovered during the year, are mentioned in **Table 1.11**.

**Table 1.11**  
**Recovery in accepted cases**

(₹ in crore)

Sl. No.	Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year of Audit Report	Cumulative position of recovery of accepted cases
1	2013-14	10	105	9	14	1.18	3.69
2	2014-15	11	16	11	15	2.84	5.61
3	2015-16	6	282	6	30	3.02	16.62
4	2016-17	6	58	6	52	1.58	13.84
5	2017-18	9	74	9	59	4.39	14.89
6	2018-19	10	1,046	9	289	1.92	52.04 <sup>10</sup>
7	2019-20	9	61	9	58	0.89	3.97

<sup>10</sup> Karasamadhana is included as per Government order No. FD 9 CSL 2019 dtd. 21.02.2019.

Sl. No.	Year of Audit Report	Number of paragraphs included	Money value of the paragraphs	Number of paragraphs accepted	Money value of accepted paragraphs	Amount recovered during the year of Audit Report	Cumulative position of recovery of accepted cases
8	2020-21	7	36	7	18	2.35	19.99 <sup>11</sup>
9	2021-22	1	416	1	10	2.64	2.64
10	2022-23	2	1153	2	437	2.32	2.32
	<b>Total</b>	<b>71</b>	<b>3,246</b>	<b>69</b>	<b>981</b>	<b>23.13</b>	<b>135.61</b>

Source: Information derived from the watch register on audit report paras maintained in the office of the Principal Accountant General (Audit-I), Karnataka.

As seen from the table above, the percentage of recovery by the Commercial Taxes Department from accepted cases in paragraphs, was 13.82 *per cent*. The Department may take further action to pursue recovery of the dues involved in accepted cases.

### 1.7 Audit Planning

The Auditable Units under various Departments are categorised into high, medium and low risk units according to their revenue position, past trends of the audit observations and other parameters. The annual audit plan is prepared on the basis of risk analysis which *inter-alia* includes critical issues in Government revenues, the budget speech, white paper on state finances, Reports of the Finance Commission (State and Central), recommendations of the Taxation Reforms Committee, statistical analysis of the revenue earnings during the past five years, factors of the tax administration, audit coverage and its impact during past five years, *etc.*

During the year 2023-24, there were 791 auditable units, of which 156 units were audited, which was 19.72 *per cent* of the total auditable units. The details are shown in **Table 1.12**.

**Table 1.12**  
**Details of units audited**

Sl. No.	Department	Number of units		
		Auditable Units during the year 2023-24	Units planned for audit during 2023-24	Units audited during 2023-24
1.	Commercial Taxes	458	108	108 <sup>12</sup>
2.	Stamps and Registration	291	40	40
3.	State Excise	42	8	8
	<b>Total</b>	<b>791</b>	<b>156</b>	<b>156</b>

Source: Information received from the Coordination and vetting sections of AMG-III of office of the Principal Accountant General (Audit-I), Karnataka.

<sup>11</sup> Karasamadhana is included as per Government order No. FD 49 CSL 2021 dtd. 29.12.2021.

<sup>12</sup> 58 units planned for audit SSCA DORF(II) during AAP 2023-24 and 12 units for Pilot project-Regular Compliance Audit and 38 Audit Units for SSCA on Works Contract (2024-25).

## **1.8 Results of Audit**

### **Position of local audit conducted during the year**

During the year 2023-24, test-check of the records of 24 cases under detailed Audit, five LGSTOs under LGSTO Audit and ten taxpayers audited by the Department under Section 65 of the KGST Act relating to the Commercial Taxes Department showed under assessment/short levy/loss of revenue aggregating ₹ 62.44 crore in 334 cases which were pointed out through 119 paragraphs. The Department had recovered an amount of ₹ 21.86 crore in 72 paragraphs relating to Karnataka Value Added Tax (KVAT) and GST which were pointed out during earlier years.

In State Excise Department, Audit conducted test-check of records of eight unit offices and noticed short levy/loss of revenue aggregating ₹ 27.48 crore which were pointed out through 18 paragraphs. During the year, an amount of ₹ 4.74 crore was recovered in eight paragraphs including four paragraphs pointed out in the earlier years.

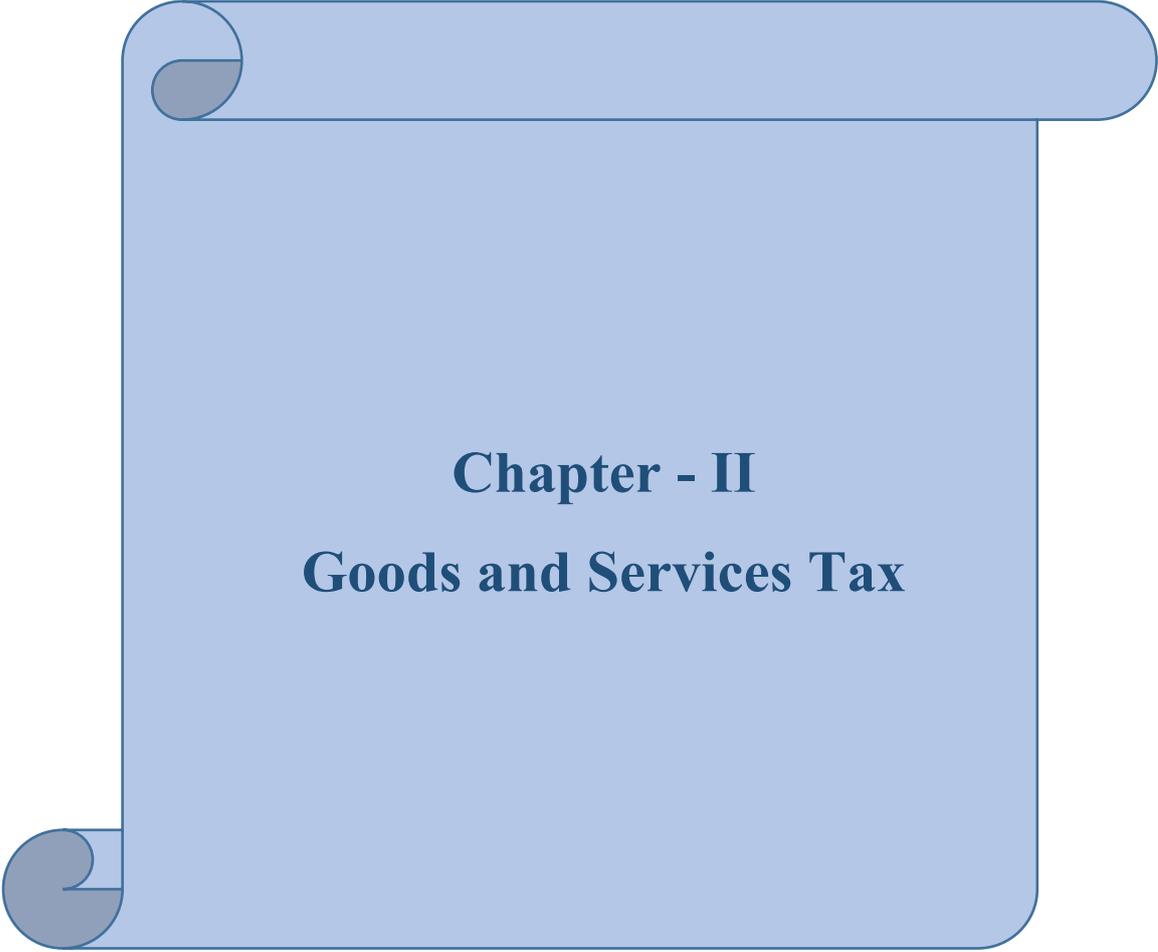
In respect of Department of Stamps and Registration, Audit conducted test-check of records of 44 unit offices and noticed under assessment/short levy/loss of revenue aggregating ₹ 163.81 crore which were pointed out through 237 paragraphs. During the course of the year, the Department accepted and recovered an amount of ₹ 2.09 crore relating to 43 paragraphs pointed out during earlier years.

In respect of Department of Transport, test-check of records of 30 offices of Transport Department disclosed under assessment of tax and other irregularities amounting to ₹ 16.49 crore in 124 cases. During the course of the year, the department accepted under assessments and deficiencies involving ₹ 16.49 crore in 124 cases and an amount of ₹ 2.15 crore was also recovered in 69 cases pointed out in earlier years.

## **1.9 Coverage of this Report**

This Report contains 11 paragraphs selected from the audit observations made during the local audit referred to above and during earlier years, (which could not be included in earlier reports) involving financial effect of ₹ 169.18 crore.

The Departments/Government had accepted audit observations in 407 cases involving ₹ 132.00 crore, out of which ₹ 1.53 crore had been recovered in 63 cases. These are discussed in succeeding Chapters II to V.



**Chapter - II**  
**Goods and Services Tax**



## Chapter-II

### Goods and Services Tax

#### 2.1 Tax Administration

On introduction of Goods and Services Tax (GST), the organizational set-up of the Commercial Taxes Department (CTD) continued as in the Value Added Tax (VAT) regime. The erstwhile Local VAT Offices (LVOs) were re-designated as Local GST Offices (LGSTOs), erstwhile VAT Sub-Offices (VSOs) were re-designated as Sub GST Offices (SGSTOs) and the Audit Offices continued as such. The applicable laws and Rules are administered at the Government level by the Additional Chief Secretary, Finance Department. The Commissioner of Commercial Taxes (CCT) who is the head of the Commercial Taxes Department is assisted by 14 Additional Commissioners. There are 13 Divisional Offices, 13 Appeal Offices, 13 Enforcement/Vigilance Offices and one Minor Acts Division in the State managed by 42 Joint Commissioners (JCCTs). There are 123 Deputy Commissioners (DCCTs), 321 Assistant Commissioners (ACCTs) and 526 Commercial Tax Officers (CTOs) in the State. At the field level, the tax is being administered through 118 Local GST Offices and Sub GST Offices headed by ACCTs and CTOs respectively. The DCCTs, ACCTs and CTOs head 266 Audit Offices where assessments/re-assessments are finalised by the Department.

#### 2.2 Internal Audit

As per the information furnished by the Department, the Internal Audit Wing (IAW) has been functioning since the year 2011-12. During the year 2023-24, 367 Offices were due for audit, of which, 21 Offices were audited. Year-wise details of the number of objections raised, settled and pending along with tax effect, as furnished by the Department, are given in **Table 2.1**.

**Table 2.1**  
**Year-wise details of observations raised by IAW**

Year	Observations raised		Observations settled		Observations pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Upto 2019-20	26,015	450.72	2,345	88.25	23,670	362.47
2020-21	6,300	180.61	1,375	8.33	4,925	172.28
2021-22	4,765	96.23	185	45.68	4,580	50.55
2022-23	6,140	242.40	64	8.53	6,076	233.86
2023-24	19,378	447.81	67	3.58	19,311	444.23
<b>Total</b>	<b>62,598</b>	<b>1,417.76</b>	<b>4,036</b>	<b>154.36</b>	<b>58,562</b>	<b>1,263.39</b>

Source: Information furnished by the Department.

As seen from the table, 58,562 cases involving ₹ 1,263.39 crore were pending for settlement as on 31 March 2024. Early action may be taken to settle pending observations.

### 2.3 Results of Audit

Subject Specific Compliance Audit (SSCA) on ‘Works Contract/Construction Services under GST’ was planned for the year 2023-24. The scope of the SSCA included examining the returns of 2020-21 and 2021-22 of 24 taxpayers under Detailed Audit, five LGSTOs under LGSTO Audit and 10 taxpayers audited by the Department under Section 65 of the KGST Act. Audit of the Commercial Taxes Department revealed non/short payment of taxes, interest, risk of mismatch of ITC, risk of undischarged tax liability. The results of the above SSCA are as detailed below:

**Table 2.2**  
**Results of Audit**

(₹ in crore)			
Sl. No.	Category	No. of cases	Amount
1.	Detailed Audit	86	9.99
2.	LGSTO Audit	201	14.64
3.	Audit findings based on records available with KREIS	30	13.68
4.	Audit findings in respect of cases audited by the Department	17	24.13
<b>Total</b>		<b>334</b>	<b>62.44</b>

Source: Observation Book maintained in office of the Principal Accountant General (Audit-I).

During the year the Department had recovered an amount of ₹ 21.86 crore in 72 paragraphs relating to KVAT and GST which were pointed out during earlier years.

Important audit observations from the above Subject Specific Compliance Audit are brought out below:

### 2.4 Subject Specific Compliance Audit on ‘Works Contract/Construction Services under Goods and Services Tax in Karnataka’

#### 2.4.1 Introduction

Construction is a broad term that encompasses the art and science of creating objects, systems, or organizations. Derived from the Latin word *construere*, which stems from *con* meaning ‘together’ and *struere* meaning ‘to pile up’, the term refers to the entire process involved in bringing buildings, infrastructure, and industrial facilities into existence. This process typically begins with planning, financing and design, followed by the actual building phase, and continues through to the asset’s readiness for use. It also includes subsequent activities such as repairs, maintenance, upgrades, expansions, and ultimately, the demolition or decommissioning of the structure.

In Karnataka, the construction sector stands as a key indicator of the state's economic progress, driving investment across various allied industries such as cement, steel, bricks, electricals, and transport. As a labour-intensive sector, it provides substantial employment opportunities, engaging lakhs of workers across both urban and rural regions. Estimates indicate that the sector employs over 40 lakh people in the State, directly and indirectly, making it one of the largest sources of non-agricultural employment in Karnataka. The construction

industry also plays a crucial role in Karnataka's economy, contributing an estimated five to six *per cent* to the State Gross Domestic Product (SGDP), underscoring its strategic importance in the State's development trajectory.

#### **2.4.1.1 Taxability of Works Contract Services under previously levied Value Added Tax and Service Tax regimes**

Under the Value Added Tax (VAT) in the case of *Gannon Dunkerly*<sup>13</sup>, the Hon'ble Apex Court had held that in case of a works contract, the dominant intention of the contract is the execution of works, which is a service and there is no element of sale of goods (as per Sale of Goods Act). The contract being one indivisible contract, it cannot be broken up to levy VAT on sale of goods involved in the execution of works contract. This decision led the Government to amend the Constitution of India and insert Article 366(29A) (b), which enabled the State Governments to levy tax (VAT) on transfer of property in goods (whether as goods or in some other form) involved in the execution of a works contract.

Under the Service Tax regime, Works Contract has been defined in Section 65B of the Finance Act, 1994 as a contract wherein transfer of property in goods involved in the execution of such contract is leviable to tax as sale of goods and such contract is for the purpose of carrying out construction, erection, commissioning, installation, completion, fitting out, repair, maintenance, renovation, alteration of any moveable or immovable property or for carrying out any other similar activity or a part thereof in relation to such property. By virtue of Section 66E of Finance Act, 1994 (inserted as on 1 July 2012), the service portion involved in the execution of works contract was a declared service. Hence, Service Tax could be levied only on the service element of the works contract. The principles of segregation of the value of goods were provided in Rule 2A of the Service Tax (Determination of Value) Rules, 2006.

#### **2.4.1.2 Taxability of works contract services under Goods and Services Tax**

The concept of a 'Works Contract' is specifically defined in Section 2 (119) of the Karnataka Goods and Services Tax Act, 2017 (KGST Act). According to this definition, a works contract refers to any contract involving the building, construction, fabrication, completion, erection, installation, fitting out, improvement, modification, repair, maintenance, renovation, alteration, or commissioning of any immovable property, provided there is a transfer of property in goods, either as goods or in another form, during the execution of the contract. A crucial requirement for a service to qualify as a works contract under Goods and Services Tax (GST) is the transfer of property.

Further, as per para 6(a) of Schedule II to the KGST Act, works contract shall be treated as a supply of services. Entry No. 5(b) states that construction of a complex, building, civil structure or a part thereof, including a complex or building intended for sale to a buyer will be treated as a supply of services. This means works contract will be treated as service and tax would be charged accordingly (not as goods or part goods/part services).

<sup>13</sup> The State of Madras V. Gannon Dunkerley & Co. (Madras) Ltd., 1959 SCR 379.

A works contract, therefore, is essentially a contract of service, which may also involve supply of goods in the execution of the contract. It is basically a composite supply of both services and goods, with the service element being dominant in the contract between parties. In a general sense, a contract of works, may relate to both movable and immovable property. Under GST law, the definition of ‘Works Contract’ has been restricted to any work undertaken for an ‘Immovable Property’ unlike the erstwhile VAT and Service Tax provisions where works contracts for movable properties were also considered.

#### **2.4.2 Audit objectives**

This Subject Specific Compliance Audit (SSCA) was taken up with the following audit objectives:

- (a) Whether the tax administration was effective in ensuring compliance by taxpayers with the provisions of KGST Act, rules, notifications, and prescribed procedures relating to levy and collection of tax and Input Tax Credit (ITC) availment and exemptions claimed by the taxpayers involved in works contracts/ construction services; and
- (b) Evaluation of the functions of Local GST Offices (LGSTOs) to assess the effectiveness of scrutiny and assessments and compliance on the Directorate General of Analytics and Risk Management (DGARM) reports relating to works contract/construction services.

#### **2.4.3 Audit scope**

The scope of the SSCA included the review of return scrutiny conducted by the Department and verification of taxpayer records for the period April 2020 to March 2022, corresponding to the financial years (FYs) of 2020-21 and 2021-22. For LGSTO audit, the records for the period 2020-21 to 2023-24 were the subject matter of examination.

The taxpayers registered under the Service Accounting Code (SAC) - 9954<sup>14</sup> which were selected for detailed and limited audit during “SSCAs on Department’s oversight on GST payments and Returns filing (DORF) - Phase I<sup>15</sup> and Phase II<sup>16</sup>” have been excluded from selection to avoid duplication. The LGSTOs that were already audited in Phase-I and II of SSCAs on Department’s oversight on GST payments and Returns filing (DORF), were also excluded from the sample.

Entry meeting of this SSCA was held on 5 September 2024 with the Commissioner of Commercial Taxes during which the audit objectives, sample selection, audit scope and methodology were discussed.

Exit meeting of this SSCA was concluded on 19 June 2025 with the Commissioner, wherein draft report of the SSCA was deliberated. The Government submitted consolidated replies on 3 September 2025, which have been suitably incorporated in the paragraphs of the report.

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<sup>14</sup> SAC Code 9954 covers various construction-related services, which involve the creation, modification, or maintenance of physical structures.

<sup>15</sup> Government of Karnataka, Report No.7 of 2024.

<sup>16</sup> Government of Karnataka, Report No.5 of 2025.

#### 2.4.4 Audit methodology

This SSCA covered a sample of taxpayers for detailed audit that involved Desk Review, field visits and scrutiny of taxpayer's records at departmental premises; and a sample of LGSTOs for evaluating the compliance functions of the LGSTOs.

The different parts of this SSCA were:

- **Part I** involved a detailed audit, which was conducted through desk reviews and on-site verification of taxpayer records at the LGSTOs and Departmental Audit Offices.
- **Part II** focused on the audit of LGSTOs, aimed at evaluating the functioning and effectiveness of the respective LGSTOs.
- **Part III** involved cross verification of return data with the data obtained from a State Government Entity.

The SSCA covered only the State administered taxpayers. The field audit was conducted from August 2024 to April 2025.

#### 2.4.5 Sample Selection

The sampling methodology and the scoring mechanism adopted for selection of sample are as below:

##### 2.4.5.1 Sampling methodology

A segregation of taxpayers was carried out as under:

**Financial materiality:** Taxpayers were stratified based on their turnover as described below:

- **L1 Category:** Top one *per cent* of taxpayers (Large taxpayers)
- **L2 Category:** Next two *per cent* of taxpayers (Next tier of large taxpayers)
- **M1 Category:** Next three *per cent* of taxpayers (Medium-sized taxpayers)
- **M2 Category:** Next four *per cent* of taxpayers (Another segment of medium taxpayers)
- **Small Negative Turnover (SNT)/Small Positive Turnover (SPT):** The remaining 90 *per cent* comprised small taxpayers. Within this group, a maximum of two taxpayers with the highest SNT were selected. If such taxpayers were unavailable, those with SPT were chosen as substitutes.

##### 2.4.5.2 Scoring mechanism – Risk Parameters

The scoring model facilitated a risk-based selection of taxpayers for detailed audit, ensuring a focused and effective approach to identifying non-compliance and systemic weaknesses. The risk parameters used for selection of taxpayers are provided in **Table No.2.3**:

**Table 2.3**  
**Risk Parameters**

Sl. No.	Risk Description
1	Non-declaration of new construction project in case of Service Account Code (SAC) 99541 and non-removal of completed projects <i>i.e.</i> , where Occupancy Certificate (OC) is received in REG-06 <sup>17</sup> .
2	Ratio of tax paid at concessional rates <sup>18</sup> ( <i>i.e.</i> , 1-1.5 per cent / 5-7.5 per cent/ 12 per cent) to the normal rates <i>i.e.</i> , 18 per cent.
3	Ratio of taxable value on which tax paid at concessional rates ( <i>i.e.</i> , 1-1.5 per cent / 5-7.5 per cent) to the total taxable value <i>vis-à-vis</i> ITC reversed/ availed under Rule 42 and 43 of Karnataka Goods and Service Tax Rules, 2017 (KGST Rules).
4	Mismatch in Tax deducted at source (TDS) credit in Table 9 of GSTR-2A <i>vis-à-vis</i> the taxable value declared in GSTR-3B.
5	(a) Exemption/concessional rates availed under SAC 995433 (Excavating and earthmoving services) (b) Exemptions/concessional rates availed under SAC 99546 (Installation services)
6	ITC availed after the limitation period
7	Ratio of Nil rated/ Exempted/ Non-GST supply/ Total Outward supply
8	Ratio of credit notes (tax) to tax paid
9	Tax paid under RCM in GSTR-3B is nil or ratio of Total taxable value (GSTR-1) to taxable value on inward supplies liable to tax under RCM (GSTR-3B) is very high.
10	Ratio of tax paid against unregistered suppliers under RCM is less than 20 per cent as compared to ITC availed.
11	Registration date and value of ITC taken is more than ₹ 20 lakh within three months of registration.
12	Availment of Input Service Distributor (ISD) credit.

#### 2.4.5.3 Quantum of sample selected

##### (a) Detailed audit

Audit selected 24 taxpayers for Detailed Audit which involved field visits for verification of records available with the LGSTOs.

<sup>17</sup> REG-06 is a certificate of registration made available to the applicant applying for registration on the common portal showing the principal place of business and additional place or places of business.

<sup>18</sup> The rate of GST for Works Contract service has been prescribed in serial number 3 of Notification (11/2017) No. FD 48 CSL 2017 dated 29 June 2017 as amended from time to time. Certain works contract services are eligible for a concessional GST rate. The applicable rate depends on the nature of the work, the recipient, and the presence of specific exemptions.

**(b) Audit of LGSTOs**

Five LGSTOs<sup>19</sup> with jurisdiction over more than one selected sample of taxpayers for Detailed Audit were considered as the sample of LGSTOs for evaluation of their oversight functions. The period for this part of the Audit was four years from 2020-21 to 2023-24.

**(c) Audit of cases in which Department concluded audit under Section 65 of KGST Act**

Five<sup>20</sup> out of the thirteen Divisions were selected based on the highest number of audits concluded and considering geographical spread<sup>21</sup>. From each Division, two cases were selected, taking the division wise sample to 10 cases. Thus, the overall sample for detailed audit was 34 taxpayers (24 taxpayers selected based on the scoring mechanism and 10 taxpayers, whose cases were audited by the Department).

**(d) Cross verification with other Departments**

To cross-verify the TDS turnovers reported by the Authorities with the turnovers declared by the corresponding taxpayers in their returns, details were sought from two State Government Authorities: the Karnataka Residential Educational Institutions Society (KREIS) and Karnataka Rural Infrastructure Development Corporation (KRIDL). Among them, KREIS submitted the required information and was therefore selected for cross verification for the years 2020-21 and 2021-22. Based on the data provided by KREIS, 28 taxpayers with substantial turnovers were identified and selected for detailed cross verification.

**2.4.6 Audit criteria**

The sources of audit criteria comprised the provisions contained in the KGST Act, IGST Act, and Rules made thereunder. The significant provisions are given under **Table 2.4**:

**Table 2.4**  
**Provisions GST Act/Rules/Notifications**

Sl. No.	Audit Area	Provisions of the Act/Rules/Notification
<b>General Audit criteria</b>		
1	Filing of returns	Section 37, 38, 39 of KGST Act Rule 59, 60, 61, 80 of KGST Rules
2	Undischarged liability	Section 9 and 49 of KGST Act, Rule 85 to 88 of KGST Rules
3	Registration	Section 22 to 25 of KGST Act Rules 8 to 26 of KGST Rules

<sup>19</sup> LGSTO-21-Bengaluru, LGSTO-100-Bengaluru, LGSTO-150-Bengaluru, LGSTO-395- Belagavi and LGSTO-500-Hosapete.

<sup>20</sup> DGSTO-1, 2 and 4 in Bengaluru, DGSTO- Belagavi and DGSTO- Kalaburagi.

<sup>21</sup> Three out of six Divisions in Bengaluru and two out of seven divisions outside Bengaluru.

Sl. No.	Audit Area	Provisions of the Act/Rules/Notification
4	Classification and Rate of Tax	Rule 1 to 5 of General Interpretative Rules (GIR), Notification (11/2017) No. FD 48 CSL 2017 dated 29 June 2017 as amended time to time.
5	Nature of supply	Section 7 of the KGST Act
6	Time of supply	Section 12 and 13 of the KGST Act
7	Value of supply	Section 15 of the KGST Act
8	Place of supply	Section 12(3) and 13(4) of the IGST Act
9	Payment of tax	Section 11(2), 32(1), 49 to 52 and Section 76 of the KGST Act
10	Reverse Charge Mechanism	Section 9(3) of the KGST Act and Section 5(3) of the IGST Act, 2017 read with Notification (13/2017) No. FD 48 CSL 2017 and (8/2017) No. FD 48 CSL 2017 both dated 29 June 2017
11	Input Tax Credit	Section 16 and 17 of the KGST Act
12	Effectiveness of Internal Audit	Section 65 and 66 of the KGST Act and Rule 101 of the KGST Rules
<b>Specific Audit criteria</b>		
1	Valuation	Paragraph 2 of Notification (11/2017) No. FD 48 CSL 2017 dated 29 June 2017
2	Rate of tax	Notification (11/2017) No. FD 48 CSL 2017 dated 29 June 2017
		Notification (20/2017) No. FD 48 CSL 2017 dated 22 August 2017
		Notification (01/2018) No. FD 48 CSL 2017 dated 25 January 2018
		Notification (03/2019) No. FD 48 CSL 2017 dated 29 March 2019
		Notification (15/2021) No. FD 55 CSL 2021 dated 18 November 2021
3	Input Tax Credit	Section 17(5)(c) and 17(5)(d) of the KGST Act
		Notification (11/2017) No. FD 48 CSL 2017 dated 29 June 2017 as amended by Notification (3/2019) No. FD CSL 2017 dated 29 March 2019 and further amended by Notification (15/2021) No. FD 55 CSL 2021 dated 18 November 2021

### Audit Findings

The scheme of classification of services and rate of tax has been notified by Notification (11/2017) No. FD 48 CSL 2017 dated 29 June 2017. The classification of services is based on United Nations Central Product Classification. Under the GST framework, construction services are classified under SAC 9954. This code covers a range of services such as the construction services of buildings (99541), general construction services of civil engineering works (99542), site preparation services (99543), assembly and erection of

prefabricated constructions (99544), special trade construction services (99545), installation services (99546), and building completion and finishing services (99547).

As per Section 17(5)(c) of the KGST Act, ITC shall not be available in respect of the works contract services when supplied for construction of an immovable property (other than plant and machinery) except where it is an input service for further supply of works contract service. Thus, ITC for works contract can be availed only by one who is in the same line of business and is using such services received for further supply of works contract service.

#### 2.4.7 Scope limitation

Verification of records involved two stages. The first stage comprised verification of GST returns and basic records such as financial statements and GST ledgers of taxpayers, which should generally be available digitally in the backend application of Department and the second stage comprised verification of granular taxpayer records such as subsidiary ledgers, agreements, invoices requisitioned based on risks identified at the first stage verification.

##### 2.4.7.1 Non-production of records

In spite of requisitions (between August 2024 and September 2024), in 19 out of the sampled 24 cases, the LGSTOs did not produce the requisitioned records. As a result, audit procedures in these cases, had to be restricted to the information available in the returns filed by the taxpayers. Despite the risks identified and communicated by Audit, LGSTOs did not call for the granular records and cited (between August 2024 and December 2024) the lack of empowerment under Section 61 of the KGST Act, as the reason.

It is pertinent to note that this issue on non-production of granular records was earlier brought out in the ‘SSCA on DORF - Phase I<sup>22</sup>’. When this was brought to the notice of the Government<sup>23</sup> (June 2023), the Government in the current reply (September 2025) reiterated its earlier position that Department would not call for records for Audit by the C&AG.

The reply is not acceptable since the Constitutional provisions (Article 149), the C&AG’s (Duties, Powers and Conditions of Service) Act, 1971 and the Regulations on Audit and Accounts, 2020, clearly mandate production of all records/information required for audit. The Regulations on Audit and Accounts 2020, define ‘information’ to include any data relating to any private entity that is accessible to a public authority under any law in force.

Further, Rule 56(18) of the KGST Rules, stipulates that ‘every registered person shall, on demand, produce the books of account which he is required to maintain under any law for the time being in force’. Thus, read together, the above provisions empower and require the LGSTOs to obtain and provide the granular records necessary for audit in response to identified risks.

<sup>22</sup> As appeared in the Report of the CAG of India, for the period ended March 2022, Government of Karnataka, Report No. 7 of 2024.

<sup>23</sup> Vide letter dated 27 June 2023.

The failure to produce granular records, despite clear audit requisitions and statutory provisions mandating their availability, undermines the effectiveness of audit scrutiny in verifying and drawing conclusive findings in these cases.

**2.4.7.2 Risk Indicators and data mismatches in cases with non-production of records**

As mentioned earlier, records were not produced to Audit in 19 out of the 24 sampled cases. Despite this limitation, Audit identified potential risks to revenue realisation in nine taxpayers (19 cases) of these 19 taxpayers, involving a total amount of ₹ 1.75 crore on a verification of the returns filed by the taxpayers. The details of such cases are summarised in **Table No. 2.5**.

**Table 2.5  
Potential risks to revenue in case of non-production of records**

Dimension	Mismatches Identified			Action taken by the Department		Amount recovered	
	No of tax-payers	No of cases	₹ in crore	No of cases	₹ in crore	No of cases	₹ in crore
Mismatch of RCM ITC (Table 3.1(d) Vs Table 4A (2+3) of GSTR-3B)	03	03	0.25	03	0.25	-	-
Mismatch in Undischarged tax liability (P&L Vs GSTR-9/GSTR-1 Vs GSTR-3B/ and GSTR-9/GSTR-9C)	07	10	1.48	10	1.48	02	0.015
Non-levy of interest/late fee (Delay in filing GSTR-3B/9/9C).	05	06	0.02	06	0.02	03	0.006
<b>Total</b>		<b>19</b>	<b>1.75</b>	<b>19</b>	<b>1.75</b>	<b>5</b>	<b>0.021</b>

Further, in the absence of records of taxpayers engaged in works contracts and construction services under GST, key audit risk areas could not be examined. These included:

- Determination of time of supply;
- Related party transactions under Real Estate Projects;
- Under-reporting of turnover;
- Application of incorrect rates of tax;
- Non-payment of tax under the Reverse Charge Mechanism (RCM);
- Incorrect valuation of contracts;
- Verification of exempted turnovers; *etc.*

Owing to the non-production of records, Audit was constrained to base its findings solely on return data, thereby limiting assurance on compliance in high-risk sectors.

**Recommendation 1: The Government needs to institute a mechanism for obtaining granular records of taxpayers as requested by Audit, based on identified risks.**

#### Summary of audit findings

Notwithstanding the above, Audit reviewed the aspects of discharge of tax and availment of ITC by the taxpayers involved in works contract supplies as well as the functions of the LGSTOs with respect to the taxpayers registered as works contract/construction service suppliers.

The audit findings emanating from this SSCA on Works Contract and Construction services comprised 205 compliance deficiencies involving an amount of ₹ 33.34 crore. Out of these compliance deviations the department accepted 187 deficiencies with revenue implication of ₹ 32.85 crore.

Audit reviewed the aspects of discharge of tax and availment of ITC by the taxpayers involved in works contract/construction supplies as well as the functions of the LGSTOs with respect to the taxpayers registered under SAC code 9954 and the findings have been grouped into following four categories:

- a) Compliance issues specific to works contract/construction services
- b) Other compliance issues
- c) Deficiencies in functions of LGSTOs
- d) Deficiencies in Returns on cross verification with Government Entity (KREIS)

#### 2.4.8 Compliance issues specific to works contract/construction services

Works contract services are governed by specific provisions under the Act relating to valuation of services, applicability of GST rates and availment of ITC.

Out of a sample of 34<sup>24</sup> taxpayers, Audit observed five cases of compliance deficiencies, with a revenue implication of ₹ 21.82 crore, due to undervaluation of construction services, under declaration of construction services, short accounting of Advances, etc. All these five cases were audited by Department under Section 65 of the KGST Act.

In accordance with Section 65 of the KGST Act and Rule 101 of the KGST Rules, the Commissioner or any officer authorized by him either through a general or specific order may undertake an audit of any registered person for a specified period, at such frequency, and in the manner prescribed. The selection of taxpayers for audit under Section 65 is based on a risk-based evaluation and scrutiny mechanism. This facilitates the identification and preparation of a list of taxpayers to be audited during the financial year.

The details of audits conducted by the Department, under section 65, during the year 2020-21 is as detailed in **Table 2.6**.

<sup>24</sup> Twenty-four cases selected for detailed audit and 10 cases selected in which Department concluded audit u/s 65 of KGST Act.

**Table 2.6**  
**Details of Audit concluded under section 65 by the Department for the tax period 2020-21**

Description	Number/Value
Total taxpayers under SAC 9954	5,628
Taxpayers selected for audit	90
Number of observations raised	271
Additional revenue identified	112.16
Revenue recovered	9.18

(₹ in crore)

Source: Data provided by the Department as on 22 October 2024.

Although Departmental Audit for the tax period 2020-21 has identified an additional revenue of ₹ 112.16 crore, actual recoveries amounted only to ₹ 9.18 crore, reflecting a recovery rate of less than 10 *per cent*. This low realisation suggests either inadequate follow-up mechanisms or poor acceptance of the observations.

Apart from the above, the following deficiencies were observed in the cases, which were audited by the Department and were part of the sample selected by Audit for detailed audit.

**(i) Undervaluation of the construction service provided to the landowner in Joint Development Agreements**

A Joint Development Agreement (JDA) is a contract between a landowner and a developer (builder) where:

- The landowner provides development rights over the land to the developer.
- The developer undertakes construction of residential or commercial property.
- In return, the landowner receives a portion of the constructed property (typically in the form of flats/units), while the developer sells the remaining units in the market.

This is a barter-like transaction: land rights in exchange for construction services.

▪ **Taxability of construction services**

Under GST regime, this arrangement is taxable. The construction service provided by the developer to the landowner is treated as supply of service under Section 7 of the KGST Act. The developer is deemed to be supplying construction services to the landowner. The consideration is not monetary but in the form of development rights (land rights).

▪ **Valuation of construction service**

As per Rule 27 of the KGST Rules, when consideration is non-monetary, the value is taken as the Open Market Value (OMV) of similar flats sold by the developer.

### ▪ Time of supply

As per the Notification (4/2018) No. FD 48 CSL 2017 dated 25 January 2018, GST liability on construction services provided to the landowner arises at the time of handing over possession or execution of the conveyance deed (*i.e.*, transfer of ownership/title of the constructed flats to the landowner) or similar instrument (for example allotment letter).

The taxpayer (GSTIN: 29XXXXXXXXXX1ZA), a works contractor engaged in construction services of residential apartments, was audited for the year 2020-21 under Section 65 of KGST Act. The audit proceedings were concluded by the Department during December 2022.

As per the Form ADT-02 issued by the Department, the taxpayer had handed over the apartments to the landowners (representing supply of construction service) during February, March and October 2021. The total super built-up area transferred to the landowner was 4,84,350 sq. ft. which included an undivided share (UDS) measuring 1,93,740 sq. ft. After excluding land component, the net constructed area works out to 2,90,610 sq. ft., which is the taxable portion of the supply.

As per Rule 27 of the KGST Rules, when consideration for supply is non-monetary (as in the case of barter of development rights for construction service), the value of supply should be determined based on the OMV at the time of supply. In this case, the Developer had already sold other apartments in the same project at an average rate of ₹ 4,840 per sq. ft. prior to the transfer to landowners. This price should have been adopted for valuing the supply to the landowners.

However, the Assistant Commissioner of Commercial Taxes (ACCT) adopted a much lower rate of ₹ 1000 per sq. ft. for the constructed area handed over. This resulted in a significant under valuation of the construction service, reducing the taxable value by ₹ 111.59<sup>25</sup> crore. Consequently, there was short levy of tax (at 18 *per cent*) amounting to ₹ 20.09 crore.

This issue was brought (June 2025) to the notice of the ACCT concerned, and the Government (September 2025), in its reply, stated that a Show Cause Notice (SCN) to initiate Adjudication Proceedings under section 74 of the KGST Act, was issued. Further reply was awaited.

### (ii) Undervaluation of construction service due to adoption of outdated Sale Agreement Value

As per the Notification (4/2018) No. FD 48 CSL 2017 dated 25 January 2018, GST liability on construction services provided to the landowner arises at the time of handing over possession or execution of the conveyance deed (*i.e.*, transfer of ownership/title of the constructed flats to the landowner) or similar instrument (for example allotment letter).

The taxpayer (GSTIN: 29XXXXXXXXXX1ZL), a works contractor engaged in construction services of residential apartments, was audited for the year

<sup>25</sup> (₹ 4,840 - ₹ 1,000) \* 2,90,610 sq. ft.\* 0.18 = ₹ 20.09 crore.

2020-21 under Section 65 of KGST Act. The audit proceedings were concluded by the Department during August 2024.

During the Departmental audit, as the taxpayer did not submit the conveyance deed executed with the landowner, the ACCT considered the date of issuance of the Occupancy Certificate (February 2021) by the competent authority as the time of supply. As the consideration for the supply of construction services to the landowner was non-monetary (*i.e.*, a share in the constructed area), the transaction was required to be valued at OMV under Rule 27 of the KGST Rules.

However, audit scrutiny revealed that the ACCT adopted a rate of ₹ 3,079 per sq. ft., based on a sale agreement executed in October 2018. This valuation was inappropriate, as Notification (4/2018) No. FD 48 CSL 2017, stipulates that the time of supply for such construction services is the date of handing over of the completed apartments. Accordingly, the open market value prevailing around February 2021 should have been considered.

As per sale deeds executed in January and February 2021, the applicable OMV was ₹ 4,500<sup>26</sup> per sq. ft. Instead, adopting the outdated rate from 2018 led to a significant undervaluation of the construction services rendered to the landowner, covering 57,097 sq. ft. Excluding the GST component and one-third of the land value, the undervalued taxable supply amounted to ₹ 4.83<sup>27</sup> crore. This resulted in a consequent short levy of GST (at 18 *per cent*) amounting to ₹ 86.90 lakh.

The matter has been brought (June 2025) to the notice of the ACCT concerned, the Government (September 2025), in its reply, stated that SCN to initiate Adjudication Proceedings under Section 74 of the KGST Act was issued. Further reply was awaited.

### **(iii) Discrepancy in construction service turnover concluded in Audit Report**

Section 65 of the KGST Act, mandates that during audit, the proper officer shall verify the correctness of turnover declared and tax paid, and in case of detection of short payment, initiate action for recovery. Audit scrutiny revealed that the turnover adopted in the departmental audit was not in conformity with the figures declared in returns and invoices, leading to short levy of GST.

The taxpayer (GSTIN: 29XXXXXXXXXX1Z5), a works contractor engaged in construction services of residential apartments, was audited for the year 2020-21 under Section 65 of KGST Act. The audit proceedings were concluded by the Department during August 2022.

During the Departmental audit, the ACCT reconciled the turnover declared in the Profit & Loss account with the turnover reported in GSTR-3B. Based on this reconciliation, the turnover from construction services provided to the landowner was concluded as ₹ 5.93 crore. However, discrepancies were noted

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<sup>26</sup> Value of the apartment, ₹ 49.73 lakh/Super built up area, 1,105 sq. ft.

<sup>27</sup>  $(57,097 * 2/3) * (\text{₹ } 4,500 - \text{₹ } 3,079) = \text{₹ } 54.09$  crore. As the ADT order calculated value as inclusive of GST, the value was arrived as  $(\text{₹ } 5.41 \text{ crore}/112) * 100 = \text{₹ } 4.83$  crore.

when comparing this with the turnover declared in GSTR-1 and the invoices listed in Form ADT-02.

As per GSTR-1, the declared turnover for construction services stood at ₹ 7.57 crore, while the invoices issued during February and March 2021 (as detailed in Form ADT-02) reflected a turnover of ₹ 7.35 crore. This indicates that the ACCT incorrectly concluded the turnover in the Audit Report at ₹ 5.93 crore.

On this being pointed out (January 2025), the Government, in its reply (September 2025) stated that the value of invoice copies related to construction services was ₹ 6.99 crore and not ₹ 7.35 crore as mentioned in the observation. Since only ₹ 5.93 crore has been considered as the turnover from construction services as against ₹ 6.99 crore as confirmed by the Department, there still remained an underestimation of ₹ 1.06 crore on which, GST liability amounts to ₹ 19.20 lakh.

**(iv) Short accounting of Advances resulting in short levy of tax**

As per Entry 6 of Schedule II of the KGST Act, works contracts are treated as a supply of service. Under Section 13(2) of the KGST Act, the time of supply of services is the earlier of the date of invoice or the date of receipt of payment (advance). Accordingly, GST becomes payable at the time of receipt of advance, even before the actual rendering of service.

As per accounting principles, advances received from customers are to be recorded as a liability until adjusted against actual supply/invoice. When an invoice is raised, the advance is adjusted accordingly, and GST is levied only on the balance, if any.

The taxpayer (GSTIN: 29XXXXXXXXXX1ZD) in DCCT(Audit-5.4) under DGSTO-5, Bengaluru a works contractor engaged in construction and maintenance of National Highways, rendered services to the National Highways Authority of India (NHAI). The Department had concluded audit of the taxpayer under Section 65 of the KGST Act, for the financial year 2021-22.

Audit scrutiny of the taxpayer's Annual Financial Statements (including the Balance Sheet, Profit & Loss Account, and Notes to Accounts) for 2021-22 revealed that advances amounting to ₹ 13.54 crore were disclosed in the financials. However, only ₹ 7.45 crore was reported as advances in the GSTR-1<sup>28</sup> returns for the same period.

This discrepancy resulted in a short declaration of advances amounting to ₹ 6.09 crore (inclusive of GST). After excluding the tax component, the actual under-declaration of advances was ₹ 5.44 crore, leading to a short payment of tax of ₹ 65.31 lakh at the applicable GST rate of 12 *per cent*.

Although the issue of unadjusted advances was discussed during the Department's audit proceedings, it was erroneously concluded that there was no discrepancy. Audit findings indicate that the incorrect accounting of advances was overlooked during the departmental audit.

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<sup>28</sup> Form GSTR-1 is a monthly/quarterly Statement of Outward Supplies.

On this being pointed out (February 2025), the Government replied (September 2025) that the case has been taken up for adjudication under Section 73 of the KGST Act.

**(v) Other deficiency omitted in the Departmental Audit**

In addition to the major observations, Audit further noticed that in one case where the proceedings under Section 65 of the KGST Act, were concluded, the Department failed to reverse the excess claim of ITC made under RCM, resulting in an undue benefit of ₹ 1.69 lakh.

On this being pointed out (January 2025), the Government, in its reply (September 2025) stated that the taxpayer has accepted the discrepancy and discharged the liability of ₹ 1.69 lakh (vide DRC-03 dated 3 April 2025).

**(vi) Inadequate documentation in Departmental Audit**

As per the Karnataka GST Audit Manual for audits conducted under Section 65 of the KGST Act, ACCTs are expected to maintain certain basic documents to ensure a structured and transparent audit process. These include:

- **Assessee Master file:** A comprehensive file containing all relevant information about the taxpayer collected from different sources, organized in a structured and scientific manner.
- **Audit Plan:** A detailed plan outlining the audit procedures proposed to be followed. It includes the scope of the audit, areas identified for verification, preliminary observations, and the supporting rationale.
- **Verification Report:** A report prepared post-verification, summarising the findings based on the Audit Plan, including any issues identified and the supporting evidences for conclusions drawn.

Audit observed that the above-mentioned documentation, which is critical for ensuring transparency, completeness of coverage, and post-audit verification, was not maintained appropriately in the cases examined.

As a result, some audit issues remained inconclusive due to the lack of supporting records and incomplete analysis. Some examples of such deficiencies include:

- Non-furnishing of documentation related to sundry creditors;
- Non-furnishing of Standalone statements in respect of Consolidated financial data;
- Project wise documentation in respect of work contractors; and
- Discrepancies in returns that could not be resolved due to missing or insufficient documentation.

Audit is of the opinion that once a case is selected, all relevant issues should be thoroughly analysed and findings properly documented. Comprehensive documentation not only improves the quality and efficiency of the audit process but also establishes a standard of transparency and accountability. Furthermore, it provides a strong foundation for internal reviews and external scrutiny, including certification by oversight agencies.

The omissions pointed out indicate gaps in the Department's audit scrutiny and reinforce the need for strengthened audit oversight to safeguard revenue. Besides, the absence of systematic documentation renders the audit process incomplete, and adversely affects the Department's ability to ensure that all risk areas have been adequately addressed.

***Recommendation 2: Government may direct the Department to strengthen its mechanism of scrutinising high-risk areas like valuation of non-monetary transactions to prevent revenue leakage and strengthen Audit outcomes.***

***Recommendation 3: Government may direct the Department to ensure maintenance of adequate documentation in departmental audit formations such as the Assessee Master File, Audit Plan and Verification Report to enable post-audit review.***

#### **2.4.9 Other Compliance Issues**

The KGST Act, mandates registration of businesses with an annual turnover of ₹ 20 lakh from services (₹ 10 lakh in respect of Special Category states) with appropriate disclosure of places of businesses. The KGST Act, further mandates periodic filing of GST returns or statements as required under Sections 37, 38, 39 or 45 of KGST Act, by the prescribed due dates and other compliances on registered taxpayers.

Under Section 61 of the KGST Act, the returns filed by taxpayers are required to be scrutinized by the designated Proper Officer, typically the LGSTO, to verify their accuracy and identify any inconsistencies or discrepancies. Appropriate action is to be initiated wherever such issues are detected.

Audit observed 29 compliance deficiencies involving 20 taxpayers, out of the sample of 34 taxpayers due to non-declaration of service codes in GST Registration, mismatch in availment of ITC and short levy of tax and interest, involving an amount of ₹ 97.34 lakh.

These issues are highlighted in succeeding paragraphs.

##### **2.4.9.1 Registration - Non-declaration of new SAC Code in Registration Certificate**

According to Rule 24(2)(a) of the KGST Rules individuals migrated from the earlier tax regime and granted provisional registration under sub-rule (1) are required to submit an application electronically in Form GST REG-26. This application, along with the necessary information and supporting documents, must be filed on the common portal either directly or through a Commissioner-notified Facilitation Centre.

Rule 24(2)(b) mandates that this information must be submitted within three months or within such extended time as permitted by the Commissioner. Further, under Rule 24(2)(c), if the information provided is found to be accurate and complete by the Proper Officer, a permanent registration certificate in Form GST REG-06 shall be issued electronically. Conversely, Rule 24(3) specifies that if the required information is either not furnished or is found to be incorrect or incomplete, the Proper Officer should issue a SCN in Form GST REG-27

and, after giving the taxpayer an opportunity to be heard, cancel the provisional registration through an order in Form GST REG-28.

Audit observed that in 19 out of the sample of 34 taxpayers continued to declare their services using outdated service tax codes relating to legacy tax regime (00440XXX) rather than the correct SAC codes related to works contract or construction services (9954XX) in GST regime.

When this was pointed out (November 2024 to February 2025), the department updated the new SAC-9954 code in the Registration certificate in one case, endorsements were issued for non-core amendment for updating of SAC codes in two cases and final reply was awaited in the remaining 16 cases (September 2025).

#### **2.4.9.2 Other lapses noticed in the Departmental Audit Reports**

In addition to the specific observations discussed above, Audit also noted other lapses as summarized below:

- Excess allowance/Short reversal of ITC in respect of three taxpayers (four cases) resulting in revenue impact of ₹ 86.55 lakh.
- Short declaration of taxable supply by one taxpayer, leading to a revenue loss of ₹ 5.92 lakh.
- Non-levy of tax under RCM /interest in respect of three taxpayers (four cases), amounting to ₹ 3.40 lakh; and
- Non-amendment of GSTR-7 leading to an excess claim of TDS of ₹ 1.46 lakh in respect of one taxpayer.

The total revenue impact across all these cases works out to ₹ 97.33 lakh

On these issues being pointed out between January 2025 and February 2025, the Government, in its reply (September 2025), stated that an amount of ₹ 4.45 lakh was collected in two cases, and audit/adjudication proceedings were in progress in the remaining eight cases.

#### **2.4.10 Deficiencies in the functions of LGSTOs (Ranges)**

LGSTOs are the lowest organisational hierarchies under the CTD for tax administration and maintaining oversight over taxpayer compliance. LGSTOs entrusted with responsibilities as Proper Officers have to perform a variety of roles in terms of assessment levy and collection of tax, which include scrutiny of returns filed by registered persons, determining tax liability and follow up of recovery of dues, monitoring late/non-filers of GST returns and other compliances vested with taxpayers.

Audit evaluated the adequacy and effectiveness of the system prevailing in the selected sample of five LGSTOs<sup>29</sup> for scrutiny and assessment of returns. Audit observed deficiencies in claim of ITC, payment of tax liability, follow up of demands under scrutinised cases and non/short levy interest in respect of non-filers and late filers amounting ₹ 3.27 crore.

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<sup>29</sup> LGSTO-21-Bengaluru, LGSTO-100-Bengaluru, LGSTO-150-Bengaluru, LGSTO-395-Belagavi and LGSTO-500-Hosapete.

Audit selected a sample of five LGSTOs as a part of this SSCA to review oversight functions of LGSTOs and observed deficiencies in scrutiny, follow up of notices and monitoring of late/non-filers, which are brought out in the following paragraphs.

#### **2.4.10.1 Data Collection Challenges and Analysis for Audit of Works Contracts (SAC 9954)**

The SSCA pertains to ‘Works Contracts/Construction Services under GST’, specifically classified under Service Accounting Code (SAC) 9954. Accordingly, information was sought from the selected LGSTOs regarding scrutiny cases, SCNs, adjudication proceedings initiated under Sections 61, 73, and 74 of the KGST Act, identification of non-filers, issuance of GSTR-3A notices, and best judgment assessments initiated in ASMT-13, for the period from April 2020 to March 2024.

However, it was observed that the LGSTOs did not maintain data categorized by HSN/SAC codes. As a result, they were unable to furnish case-wise details related to scrutiny, action taken against late filers and non-filers, or refund cases specifically under SAC 9954.

Due to the absence of SAC-wise data on scrutiny cases, adjudication proceedings, and ASMT-13 notices issued to non-filers, Audit carried out an exercise to identify relevant cases falling under SAC 9954 by utilising the following MIS reports from GST Prime<sup>30</sup>:

1. Intelligent Report (I 1.8) – HSN-based supply as per GSTR-1 (SAC 9954).
2. Intelligent Report (I 1.8) – HSN-based supply as per GSTR-1 (SAC 0044).
3. Analytic Report (A 3.7) – Cases where taxable value reported in GSTR-3B is less than the value declared by TDS/TCS Authorities.

Audit reviewed the functions of the LGSTOs based on data identified from these MIS reports, and the deficiencies observed are detailed below:

#### **2.4.10.2 Scrutiny of Returns**

##### **(i) Failure to furnish data pertaining to scrutiny of Returns**

In continuation of the data limitations noted earlier, it is relevant to refer to Rule 99 of the KGST Rules, which mandates that where a return is selected for scrutiny under Section 61, the proper officer shall issue a notice in FORM GST ASMT-10 in case of discrepancies, seeking explanation or payment within thirty days. The taxpayer may respond in FORM ASMT-11, and if the explanation is acceptable, the officer shall conclude proceedings via FORM ASMT-12.

For planning and executing the audit of scrutiny functions for the period 2020–21 to 2023-24, the Audit team had requested LGSTOs to provide detailed

<sup>30</sup> GST Prime is an analytical platform developed by National Informatics Centre (NIC) to assist state and central tax administrators in analysing and monitoring taxation and adherence in their jurisdiction under GST.

information on scrutiny cases. However, this was not furnished, preventing an assessment of the effectiveness of the scrutiny verification mechanism specifically for works contracts and construction services (SAC 9954).

Since the date was not forthcoming from the LGSTOs, Audit utilized GST Prime (the analytical platform) and BOWEB portal (the backend application of the Department) to identify relevant taxpayers. Accordingly, five scrutiny cases per LGSTO were selected, totalling 25 cases across five<sup>31</sup> LGSTOs covered under this SSCA.

**(ii) Incomplete scrutiny of returns**

As per Section 61 of the KGST Act, various Returns filed by the Taxpayers are required to be scrutinised by the Proper officer to verify the correctness of the returns, and suitable action to be taken on any discrepancies or inconsistencies reflected in the returns.

Under Section 73(1) of KGST Act, where it appears to the proper officer that any tax has not been paid or short paid or erroneously refunded, or where ITC has been wrongly availed or utilised (other than cases involving fraud or any wilful-misstatement or suppression of facts to evade tax), an SCN shall be issued to the taxpayer. The notice shall require payment of the tax along with applicable interest under Section 50 and any penalty as per the provisions of the Act.

Audit examination of 25 scrutiny cases selected from five LGSTOs revealed that in 12 cases, scrutiny of Returns was incomplete. Although ASMT-10 had been issued by the LGSTOs identifying certain deficiencies, other significant discrepancies were not captured in the scrutiny notices.

Audit observed 12 such cases of omission across these nine taxpayers, including:

- Excess claim of ITC<sup>32</sup> amounting to ₹ 71.27 lakh in six cases;
- Under declaration of tax liability<sup>33</sup> totalling ₹ 40.67 lakh in one case;
- Non-levy of penalty/interest amounting to ₹ 2.25 lakh in two cases; and
- Non-realisation of revenue amounting to ₹ 45.77 lakh due to lack of follow up, even after a lapse of more than one year from the completion of scrutiny procedures in the remaining three cases.

The aggregate tax impact of these discrepancies, including excess ITC and underpaid tax, amounted to ₹ 1.60 crore.

On these cases being pointed out between August 2024 and December 2024, the Government, in its reply (September 2025), stated that an amount of ₹ 2.99 lakh was collected in three cases, recovery action was initiated in six cases and audit/adjudication proceedings were in progress in three cases. Further reply was awaited.

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<sup>31</sup> LGSTOs-21, 100, 150, 395 and 500.

<sup>32</sup> GSTR-3B vs GSTR-2A.

<sup>33</sup> GSTR-1 vs GSTR-3B/R9.

### 2.4.10.3 Action on Late Filers in LGSTOs Selected for Verification

Under Section 50(1) of KGST Act, any person liable to pay tax who fails to do so within the prescribed time shall pay interest at 18 *per cent* per annum on the unpaid amount for the period of default. The Government, in view of COVID-19 pandemic, extended due dates of filing returns for the tax period 2020-21 through notifications along with concessional rates of interest for the tax periods.

Further, under Section 20(xxv) of IGST Act, the provisions of CGST Act, relating to imposition of penalty and interest are also applicable to IGST.

From February 2022 onwards, the GSTN automated the interest computation in GSTR-3B returns. Prior to this, the responsibility of identifying and demanding interest rested with the jurisdictional LGSTOs.

To assist in monitoring of late filers, GST Prime generates an Analytic Report - Late Filers each month. Audit selected top 20 cases of late filers (taxpayers under SAC-9954) from each of the five<sup>34</sup> selected LGSTOs, for each of the years 2020-21 to 2023-24 in LGSTOs, totalling 400<sup>35</sup> cases, based on this Report.

Audit observations on these 400 cases revealed significant lapses, categorised as follows:

#### (i) Non/short demand of interest

Audit noticed that in 97 of the 400 cases, no interest was levied despite delayed filing and payment in GSTR-3B returns. The total interest not demanded was ₹ 1.60 crore.

On these cases being pointed out between October 2024 and January 2025, the Government, in its reply (September 2025), stated that an amount of ₹ 0.43 crore was collected in 38 cases, recovery action was initiated in 27 cases and audit/adjudication proceedings were in progress in 32 cases.

#### (ii) Absence of mechanism to monitor payments

Currently, the GST system does not provide for a Demand, Collection and Balance (DCB) statement at the field level. When a notice is issued demanding interest under Section 50, it does not get reflected in the taxpayer's Electronic Liability Ledger<sup>36</sup> until the matter progresses to the stage of recovery under Section 73 and Form DRC-07<sup>37</sup> is issued.

Due to this system limitation, LGSTOs are unable to track recovery status of demands raised. In the absence of a system-based module to capture Demand, Collection and Balance of the liabilities created by LGSTOs, effective follow up and monitoring of revenue recovery is impaired.

<sup>34</sup> LGSTO-21, LGSTO-100, LGSTO-150, LGSTO-395 and LGSTO-500.

<sup>35</sup> Twenty cases per year from 2020-21 to 2023-24 in each of the five LGSTOs (20 cases\*5LGSTOs\*4 years).

<sup>36</sup> Electronic Ledger which contains the total GST liability and the manner in which it has been paid in cash or through credit.

<sup>37</sup> Form DRC-07 is a document used for the recovery of GST dues from taxpayers.

***Recommendation 4: Government may request GSTN to enable system-level tracking of all demands from the stage of issue of notice to monitor recovery status and timely follow-up action.***

**(iii) Deficiency in the Automated System for Computing Interest**

From February 2022 onwards, GSTN introduced a new functionality to auto-compute minimum interest based on GSTR-3B disclosures. These values are auto-populated in Table-5.1 of the return for the next tax-period. However, auto-populated figures remain editable by taxpayers.

Audit retrieved PDF versions of GSTR-3B filed by taxpayers from the system and observed that in 21 of the 97 cases pertaining to the financial years 2022-23 and 2023-24, interest auto-populated by the system was either modified or the system permitted other payments despite non-payment of interest. This resulted in non-payment of interest amounting to ₹ 33.81 lakh.

No action has been initiated by the LGSTOs to report this system deficiency to GSTN for rectification or to request the implementation of a modification log. The absence of an audit trail for modifications made to system-computed interest values in GSTR-3B undermines the core objective of system-driven compliance and may result in continued revenue loss.

This was pointed out (January 2025) and the response of the Department was still awaited.

***Recommendation 5: Government may request GSTN to review the existing functionality and consider implementing an audit log to capture and track modifications made to system computed interest values in GSTR-3B, to enhance transparency, prevent evasion and strengthen automation effectiveness.***

**2.4.10.4 Action on Non-Filers in LGSTOs Selected for Verification**

As per Section 46 of the KGST Act, read with Rule 68 of KGST Rules, a notice in Form GSTR-3A is required to be issued to a registered person who fails to furnish a return within the due date. This notice requires the taxpayer to file the return within 15 days from the date of service.

If the taxpayer still fails to furnish the return, the proper officer may proceed with best judgment assessment of tax liability based on available material and issue an assessment order in Form ASMT-13 under Section 62 of the Act.

Since filing of returns is inherently linked to payment of tax, default in filing of return implies a risk of non-discharge of liabilities.

Due to non-availability of detailed information specific to works contractors providing services under SAC-9954 for whom ASMT-13 was issued, Audit has segregated relevant cases from the data provided by LGSTOs and conducted verification accordingly.

**Non-demand of interest:** Audit examined a sample of 67 taxpayers to whom ASMT-13 orders had been issued in respect of 272 tax periods across five<sup>38</sup> LGSTOs. The examination revealed that:

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<sup>38</sup> LGSTO-21, LGSTO-100, LGSTO-150, LGSTO-395 and LGSTO-500.

- Fifteen taxpayers, across 43 monthly GSTR-3B returns for the tax periods from September 2020 to January 2024, had not paid or short paid interest on delayed payment of tax, due to late filing of returns.
- The total interest not paid amounted to ₹ 7.06 lakh.

On these cases being pointed out between October 2024 and January 2025, the Government, in its reply (September 2025), stated that an amount of ₹ 0.03 crore was collected in 16 cases, recovery action was initiated in six cases and audit was in progress in the remaining 21 cases. Further reply was awaited.

#### **2.4.10.5 Compliance to DGARM Reports**

The Directorate General of Analytics and Risk Management (DGARM) was set up in July 2018, to provide intelligence inputs and carry out data analytics to assist the tax officers for better policy formulation and nabbing evaders. The DGARM functions under the Central Board of Indirect Tax and Customs (CBIC), mainly to use internal and external sources for detailed data mining to generate actionable inputs and sharing the results with various stakeholders under the Board.

However, in response to the information called for regarding action taken on the DGARM reports for the financial years 2020-21 and 2021-22, the Government, in its reply (September 2025), stated that no reports under the Red Flag Status were received during the said period to be shared with the Divisions concerned.

Audit findings across scrutiny, late/non-filer management, interest recovery, and use of analytical tools reveal that LGSTOs have not effectively discharged key GST functions. Incomplete scrutiny and weak follow-up led to gaps in enforcement and potential revenue loss. Strengthening systems and accountability is essential to improve compliance and safeguard revenue.

#### **2.4.11 Deficiencies in Returns on cross verification with the Government Entity**

Prevention of tax evasion and widening of tax base are two important functions of tax administration for optimum tax realisation. With increasing reliance on voluntary compliance by taxpayers at large, it becomes essential for department to put in place an effective mechanism for collecting information from various sources to detect non-compliance and bring unregistered or under reporting assessees into tax net.

As per provisions of Section 51 of the KGST Act, Government Departments, Local Authorities, Governmental agencies, *etc.*, are required to deduct TDS from the suppliers of goods and for services where the total value of supply, under a contract, exceeds ₹ 2.5 lakh and are required to file monthly return GSTR-7 giving the details of suppliers from whom tax was deducted during a month.

To assess the effectiveness of tax compliance, Audit selected one State Government Authority - the Karnataka Residential Educational Institutions Society (KREIS) - and obtained details of its contracts for construction and works-related services during the years 2020-21 and 2021-22. Based on this

data, Audit identified 28 taxpayers for verification. The objective was to compare the TDS data filed by KREIS in GSTR-7 with the GST returns filed by respective contractors, to detect instances of non-registration, underreporting or suppression of taxable turnover.

Cross-verification with third-party data from KREIS also uncovered under-reporting of turnover and continued application of incorrect tax rates resulting in short collection of tax revenue of ₹ 7.28 crore, that had gone undetected by the Department.

Details of findings are as below:

#### **2.4.11.1 Mismatch of taxable supplies declared by the taxpayers vs consideration received from KREIS**

Audit compared the turnover declared by KREIS through GSTR-7 returns with the taxable value declared by the 28 selected works contractors in their respective GST returns for the years 2020-21 and 2021-22.

In eight taxpayers (10 cases), Audit observed that the taxable value declared by the contractors was less than the consideration reported by KREIS, indicating short declaration of turnover. The total mismatch amounted ₹ 7.37 crore, leading to a potential tax shortfall of ₹ 90.34 lakh.

On these cases being pointed out between October 2024 and February 2025, the Government, in its reply (September 2025), stated that an amount of ₹ 6.88 lakh was collected in one case and adjudication proceedings were in progress in the remaining nine cases. Further reply was awaited.

#### **2.4.11.2 Application of incorrect rate of tax resulting in short payment of tax**

Vide Notification<sup>39</sup> (22/2021) No. FD 55 CSL 2021, dated 01 January 2022, the rate of tax on works contract services provided to Government Authorities and Government Entities was increased from 12 *per cent* to 18 *per cent* with effect from 01 January 2022.

On an examination of the returns filed by the selected contractors, Audit noticed that nine contractors continued to pay tax at the pre-revised rate of 12 *per cent* instead of the applicable 18 *per cent*. This application of incorrect rate resulted in short payment of tax of ₹ 6.38 crore.

On these cases being pointed out between October 2024 and February 2025, the Government, in its reply (September 2025), stated that adjudication proceedings were in progress in eight cases and Suo Moto Revision (SMR) proceedings have been initiated in the remaining case. Further reply was awaited.

A few illustrations are highlighted below:

(i) In one case (GSTN: 29XXXXXXXXXX1ZO) in LGSTO-LTU under DGSTO-LTU, Bengaluru, Audit observed that the taxpayer had rendered

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<sup>39</sup> As per Notification (11/2017) No. 48 CSL 2017 dated 29 June 2017, Notification (20/2017) No. 48 CSL 2017 dated 22 August 2017, Notification (24/2017) No. 48 CSL 2017 dated 21 September 2017 read with Notification (22/2021) No. FD 55 CSL 2021 dated 01 January 2022.

construction services worth ₹ 87.07 crore to Government Authorities/Entities<sup>40</sup> during the tax periods, February 2022 and March 2022. Though 18 per cent was applicable for such supply of services from January 2022, the taxpayer discharged tax at the pre-revised rate of 12 per cent resulting in short payment of tax amounting to ₹ 5.22 crore.

On this being pointed out in December 2025, the Government (September 2025) replied that the Department has initiated adjudication proceedings under Section 73 of the KGST Act. Further reply was awaited.

(ii) In another case (GSTN: 29XXXXXXXXXX1ZY) in LGSTO-310 under DGSTO- Dharwad, the taxpayer had made supplies worth ₹ 1.74 crore to KREIS during January 2022. However, tax was discharged at the pre revised rate of 12 per cent resulting in short payment of tax at the rate of 6 per cent at ₹ 10.45 lakh.

On this being pointed out in February 2025, the Government, in its reply (September 2025), stated that the taxpayer had rendered the services prior to the change of rate of tax on 01 January 2022. Since the payment was received after this date, the taxpayer reported the turnover in January 2022.

Reply is not acceptable since the mere rendering of services is not the determining factor for time of supply under Section 14(a)(i) of KGST Act. In cases where services are supplied before the change in rate of tax, the time of supply is determined as the earlier of the date of invoice or the date of payment. In this case, both the payment and the invoice were issued after the change in rate, and hence, the time of supply falls after 01 January 2022. Therefore, the services were liable for GST at the revised rate of 18 per cent. Further reply was awaited.

The discrepancy between actual payments disbursed by KREIS and the turnover filed by the taxpayers went undetected in real time by the tax Authorities, highlighting the need for proactive monitoring mechanisms. In a system that relies on voluntary compliances, cross-verification with third party information emerges as a crucial measure to enhance tax compliance and detect under statement effectively.

***Recommendation 6: Government may institutionalise systematic cross-verification of returns with third party data sources such as contract values declared by Government Departments, TDS data, Income Tax Department and Public procurement portals to strengthen tax compliance.***

#### 2.4.12 Conclusion

The SSCA was undertaken to examine the compliance by taxpayers involved in works contract/construction services in discharge of tax, availing ITC and exemptions and to evaluate the functions of the Local GST Offices relating to works contract/construction services. A total of 34 taxpayers were selected for detailed audit in this SSCA, including 10 taxpayers whose cases were audited by the department. In 19 out of 24 taxpayers (other than the 10 departmentally audited cases) selected by Audit (79.17 per cent), granular records were not

<sup>40</sup> Karnataka Neeravari Nigam Ltd, Karnataka Housing Board, KREIS, Visvesvaraya Jala Nigam Ltd, Visvesvaraya Technological University.

produced to Audit, posing a significant limitation in verifying and drawing conclusive findings in these cases.

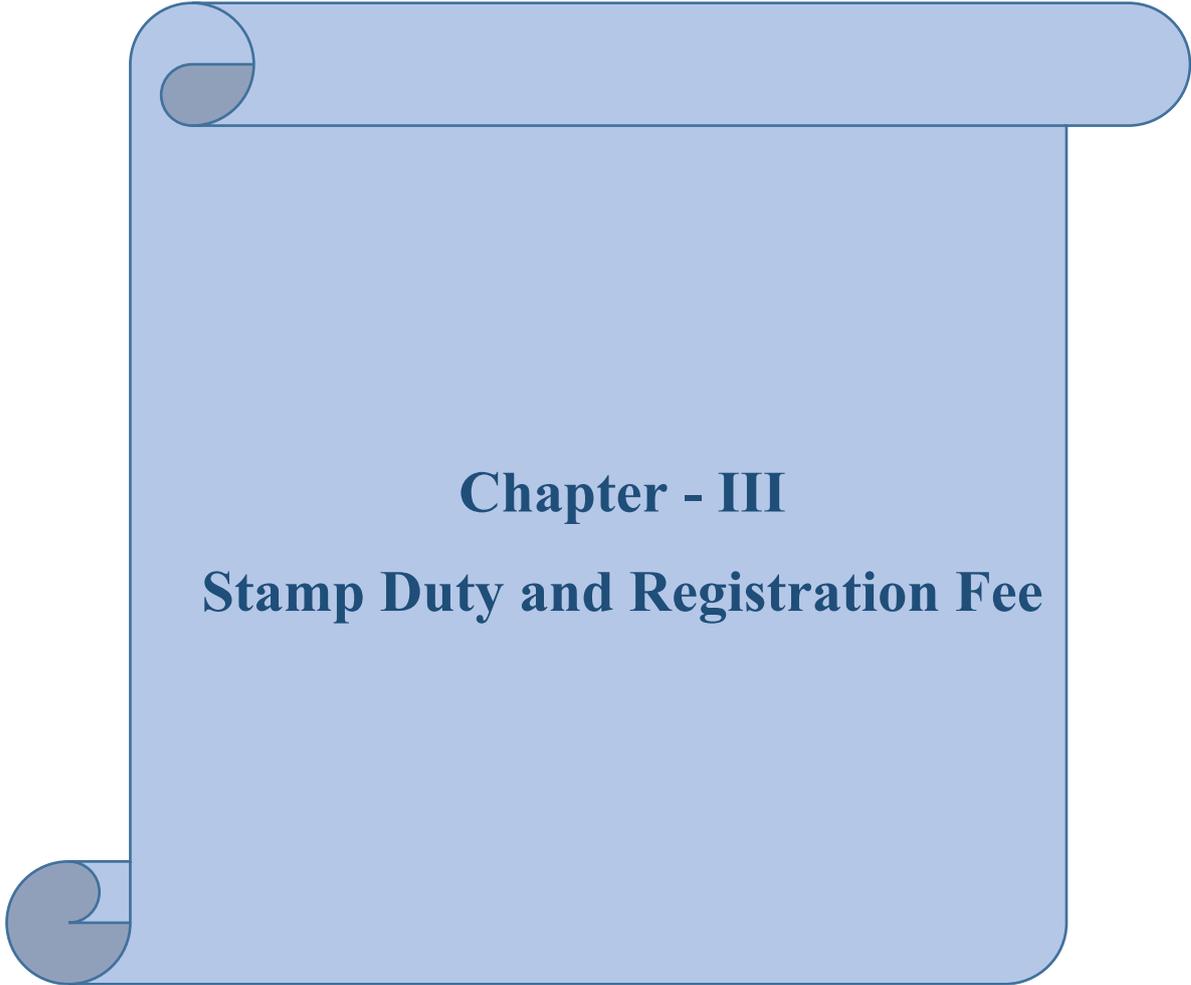
Notwithstanding the above, the audit findings emanating from this SSCA on Works Contract and Construction services comprised 205 compliance deficiencies involving an amount of ₹ 33.34 crore. Out of these compliance deviations the department accepted 187 deficiencies with revenue implication of ₹ 32.85 crore.

Out of a sample of 34 taxpayers, Audit observed five cases of compliance deficiencies specifically related with the works contract services, with a revenue implication of ₹ 21.82 crore due to undervaluation of construction services, under declaration of construction services, short accounting of Advances, *etc.* All these cases were audited by the Department.

Audit also observed 29 other compliance deficiencies, involving 20 taxpayers, out of the sample of 34 taxpayers, due to non-declaration of service codes in GST Registration, mismatch in availment of ITC and short levy of tax and interest, involving an amount of ₹ 97.34 lakh. Further, documentation by the departmental audit formations was inadequate as basic documents such as assessee master file, audit plan and verification reports were not maintained, due to which the process followed and adequacy of departmental audit completeness could not be evaluated in full measure.

Audit also evaluated the adequacy and effectiveness of the system prevailing in the selected sample of five LGSTOs for scrutiny and assessment of returns. Audit observed deficiencies in scrutinised cases like excess claim of ITC, non-payment of tax liability, non-follow up of demands and deficiencies were also noticed under monitoring of late filers and non-filers like non/short levy interest amounting ₹ 3.27 crore.

Cross-verification with third-party data from KREIS also disclosed under-reporting of turnover and continued application of incorrect tax rates resulting in short collection of tax revenue of ₹ 7.28 crore, which was not detected by the Department.



**Chapter - III**  
**Stamp Duty and Registration Fee**



## Chapter-III

### Stamp Duty and Registration Fee

#### 3.1 Tax Administration

Receipts from Stamp Duty and Registration Fee are regulated by the Indian Stamp Act, 1899, the Karnataka Stamp Act, 1957, the Registration Act, 1908, and the Rules framed thereunder. In Karnataka, the levy and collection of Stamp Duty and Registration Fee is administered at the Government level by the Additional Chief Secretary, Revenue Department. The Department of Stamps and Registration under the administrative control of the Revenue Department regulates the levy and collection of Stamp Duty and Registration Fee.

#### 3.2 Internal Audit

The Department stated that though an Internal Audit Cell was constituted in December 2012, it was still not functional due to lack of manpower. But the Department has a mechanism in place where the District Registrars are in charge of circle-wise periodic audits. The results of such audit are reported to the Inspector General of Registration and Commissioner of Stamps (IGR&CS). The position of observations is as shown in **Table 3.1**.

**Table 3.1**  
Year-wise details of observations

(₹ in crore)

Year	Observations raised		Observations settled		Observations pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
2019-20	871	2.35	282	1.22	589	1.14
2020-21	387	0.73	152	0.23	190	0.40
2021-22	276	1.37	93	0.36	183	1.03
2022-23	745	5.99	393	1.34	342	4.45
2023-24	718	5.96	395	1.36	313	4.40
<b>Total</b>	<b>2,997</b>	<b>16.40</b>	<b>1,315</b>	<b>4.51</b>	<b>1,617</b>	<b>11.42</b>

Source: Information furnished by the Department.

As seen from the above, 1,617 observations involving ₹ 11.42 crore<sup>41</sup> were pending settlement as on 31 March 2024. Early action may be taken to settle the pending observations.

#### 3.3 Results of Audit

There are 291 auditable units in the Department of Stamps and Registration. Out of these, audit selected 44 units for test-check during the year 2023-24 and noticed 237 paragraphs of short levy of Stamp Duty and Registration Fee due to undervaluation, suppression, misclassification of documents, incorrect assessment of value of development agreements and other non-observance of provisions of Acts/Rules, etc., involving an amount of ₹ 163.81 crore. These

<sup>41</sup> The figures of observations raised, settled and pending do not reconcile but has been adopted since this is as per the information provided by the Department.

cases are illustrative only as these are based on test-check of records. The observations broadly fell under the following categories:

**Table 3.2**  
**Results of Audit**

(₹ in crore)			
Sl. No.	Category	No. of Paragraphs	Amount
1.	Short levy of SD and RF due to undervaluation	90	86.46
2.	Short levy SD and RF due to suppression	26	24.21
3.	Short levy of SD and RF on Joint Development agreements	31	22.14
4.	Short levy of SD and RF due to Incorrect Assessment	23	3.69
5.	Short levy of SD and RF due to Misclassification	31	21.00
6.	Other irregularities	36	6.31
<b>Total</b>		<b>237</b>	<b>163.81</b>

Source: Observation Book maintained in office of the Principal Accountant General (Audit-I).

During the year an amount of ₹ 2.09 crore was recovered in 43 cases pointed out in earlier years.

A few illustrative cases of non/short realization of Stamp Duty and Registration Fee involving ₹ 114.76 crore are discussed in the following paragraphs:

### **3.4 Short levy of Stamp Duty and Registration Fee while registering General Powers of Attorney - ₹ 15.06 crore**

According to the Section 2(1)(p) of the Karnataka Stamp Act, 1957 (KSA), Power of Attorney is an instrument which empowers a person (Attorney) to act on behalf of another person (Executant) executing it. General Power of Attorney (GPA) is one of the types of such instruments which can handle financial and legal affairs.

#### **Duty and fees chargeable on Powers of Attorney**

Article 41 of the Schedule under the KSA deals with the stamp duty to be charged on the Powers of Attorney as detailed below:

- When Power of Attorney is given to person other than the father, mother, wife or husband, sons, daughters, brothers, sisters in relation to the executant authorizing such person to sell immovable property situated in the State of Karnataka, the duty chargeable at five *per cent* on the market value of the property (Article 41(eb)).
- For all other Powers of Attorney, which cannot be classified under other sub sections of Article 41, duty at ₹ 200 shall be charged (Article 41(h)).

As per the table of Registration Fees under the Karnataka Registration Rules, 1965, the Powers of Attorney in the first two scenarios is at one *per cent* on the market value of the property and at ₹ 200 in respect of the last.

**(a) Incorrect classification of the Powers of Attorney, with a clause including right to sell**

During audit of five<sup>42</sup> Sub-Registrar Offices (SROs) for the period 2019-23, eight cases of GPAs were noticed to be registered at nominal rates mentioned under Article 41(h). From the recitals of these documents, it was found that all these eight cases included a clause authorising the Attorney to sell the property and the Executants were not family members, as defined under Article 41. Thus, these documents were to be classified under Article 41(eb) and charged Stamp Duty (SD) at the rate of five *per cent* and Registration Fee (RF) at the rate of one *per cent* on the market value of the property, instead of nominal rate under Article 41(h). Misclassification of the Powers of Attorney while registering the documents resulted in short levy of SD and RF amounting to ₹ 13.34 crore (Appendix-3.1).

**(b) Incorrect classification and undervaluation of a Power of Attorney executed with JDA**

Article 41 specifies another type of Power of Attorney which is contracted in conjunction with the Joint Development Agreements<sup>43</sup>(JDA). These Powers of Attorney are instruments in which the owner conveys to the developer, the right to sell developer's share of the developed property, divided in the same proportion as stated in the JDA. Stamp duty to be charged in such cases is at the rate of two *per cent* on the market value of the property (Article 41(ea)).

During audit of the Office of the Senior Sub-Registrar, Banaswadi, Bengaluru, for the period 2020-22, a GPA was noticed which was registered along with a JDA, in respect of an undeveloped residentially converted land, measuring 11 Acres-20 Guntas<sup>44</sup>, situated at Bommenahalli Village, Bengaluru. The documents were executed by M/s. GXXXXXXXy RXXXXXy Private Limited and others (Owners) in favour of M/s. SXX TXXXXs Private Limited (Developer).

As per the document, the share was based not on the undivided share of land or the developed property but the Owners and Developer had planned to share the revenue proceeds in the ratio of 5:95. That means the sale proceeds realized on sale of residential apartments constructed on the above properties will be shared in the ratio of 5:95. The Developer was entitled to collect all the sale proceeds and the Owner will be paid only at the end of the project. As per the recitals of the JDA, the Owner empowers the Developer to sell, transfer or otherwise dispose off the undivided share of land in the Schedule Property in favour of the prospective purchasers, and collect all the consideration as provided in this Agreement. Accordingly in the GPA, the owners have given the powers to sell the entire development in Schedule Property including undivided share.

<sup>42</sup> SROs - BTM Layout, Dasanapura, Jala, Rajarajeshwari Nagar, Yelahanka.

<sup>43</sup> Joint Development Agreements are documents relating to construction or development of immovable property, including multi storied unit or building or apartment, executed between the owner of the property and the developer. The constructed or developed property will be shared between the owner and developer in the agreed proportion under the JDA document.

<sup>44</sup> 33542.99 sq. ft. available as per the khata, after allowance of community spaces and areas.

In this case, the GPA was classified under the Article 41(ea) and charged consolidated duty at the rate of two *per cent*, at ₹ 0.87 crore. Whereas as per the documents, the owners have given all the power to sell or dispose of the entire Schedule Property and hence, the GPA was to be classified under Article 41(eb) of the Karnataka Stamp Act, 1957, and charged Stamp Duty and Registration Fees at six *per cent*.

Further, as verified from the khata of the property at the time of entering the documents (JDA and GPA), the status of the property was “land approved for development by the Competent Authority concerned”. Hence, valuation was to be done at rate applicable for such land, which works out to ₹ 43.27 crore, whereas the document was valued at ₹ 29.18 crore by the SRO. This resulted in undervaluation of ₹ 14.09 crore.

The total short levy of stamp duty and registration fee, in this case, due to incorrect classification and undervaluation was of ₹ 1.72 crore (**Appendix-3.2**).

The total short levy in all the cases works out to ₹ 15.06 crore.

These cases were brought to the notice of the Department (September 2024) and the Government (March 2025). The Government replied that the District Registrars have issued notices to the parties concerned under Section 46A of the Karnataka Stamp Act, 1957 for recovery of deficit amount (August 2025).

### **3.5 Misclassification of Agreements of Sale leading to short levy of Stamp Duty and Registration Fee - ₹ 18.84 crore**

Agreements related to the sale of immovable property are governed by Article 5(e) of the Karnataka Stamp Act, 1957. The applicable stamp duty depends on whether possession of the property is delivered:

- **Sale Agreements with Possession:** If possession is delivered, stamp duty is charged at the same rate as a conveyance<sup>45</sup>, *i.e.*, five *per cent* of the market value of the property (Article 5(e)(i)).
- **Sale Agreements without Possession:** If possession is not delivered, stamp duty is charged at 0.1 *per cent* of the market value<sup>46</sup> (Article 5(e)(ii)).

As per Explanation-I under Article 5(e), if a Sale Agreement references a Power of Attorney (PoA) executed between the same seller and purchaser for the same property, the property is deemed to have been delivered. In such cases, the agreement should be classified under Article 5(e)(i) and charged stamp duty at five *per cent* of the market value.

Additionally, as per the Table of Registration Fees:

- Sale Agreements with possession are subject to a registration fee of one *per cent* of the market value.
- Sale Agreements without possession are charged at a fee of ₹ 200 per document as maximum.

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<sup>45</sup> Article 20 which specifies five *per cent* on the market value of the property.

<sup>46</sup> Subject to a maximum limit of ₹ 20,000.

**(i) Misclassification of Sale Agreements with possession leading to short levy of Stamp Duty and Registration Fee**

During the audit of Sub-Registrar Office (SRO), KR Puram, for the period of 2020-22, two Sale Agreements were noticed, which were charged duty at the rate of ₹ 20,000 each under Article 5(e)(i). These documents titled as “Agreement of Sale without Possession”, were executed on 11 January 2022 and covered a total area of 28 acres 11.6 guntas in Amani Bellandur Khane Village, Ramagondanahalli Village and Siddapura Villages in Bengaluru East Taluk.

On scrutiny of the documents, Audit noticed that the Agreements had explicitly stated<sup>47</sup> that the seller had handed over the physical and vacant possession of the Schedule Properties in favour of the purchaser at the time of execution and registration of the Sale Agreement. This provision indicated that the Agreements were to be classified under Article 5(e)(i) attracting duty at the rate of five *per cent* of the market value of the property.

The correct levy of duty including Registration Fee works out to ₹ 16.19 crore whereas only ₹ 20,000 was levied for each document. The short levy of stamp duty and Registration Fee on the two documents works out to ₹ 16.19 crore (**Appendix-3.3**).

The misclassification of high value documents, despite containing a clause regarding transfer of physical possession, indicates weak controls in the SRO for classification of documents. Immediate review and corrective measures are necessary for preventing such revenue loss in future.

**(ii) Misclassification of Sale Agreements with deemed possession leading to short levy of Stamp Duty and Registration Fee**

During audit of SROs, Tavarakere and SRO, BTM layout, for the period 2020-21, 16 Sale Agreements were registered at nominal stamp duty under the Article 5(e)(ii) as “Agreements without delivery of possession”.

**(a) Findings in SRO, Tavarekere**

- 13 documents were executed between October 2020 and January 2021 in favour of the same purchaser, M/s RXXXXXy and KXXXXa Promoters, from various sellers.
- These agreements covered a total area of 11 acres 13 guntas in the Dodderi village in Bengaluru South Taluk.
- Audit verification revealed that all these documents referenced<sup>48</sup> a Power of Attorney between the same parties for the same properties.

**(b) Findings in SRO, BTM layout**

- Three documents were executed as “Agreements of Sale without possession” covering a total area of 12 acres 20 guntas in Vajrahalli village, Uttarahalli Hobli in Bengaluru South Taluk.

<sup>47</sup> Clause 4(n) of the Agreement in both the documents.

<sup>48</sup> Clause 10 of the Agreement of Sale in all the 13 documents.

- The Agreements had clause<sup>49</sup> referring to execution of irrevocable Power of Attorney coupled with interest in favour of the purchaser.
- The Powers of Attorney were executed by the same parties for same properties mentioned in the corresponding Sale Agreements.

As per Explanation-I under Article 5(e), the possession of the properties have been deemed to be delivered in all the above-mentioned documents. Consequently, the documents were to be charged a stamp duty at the rate of five *per cent* under the Article 5(e)(i) and a registration fee of one *per cent*. However, duty was charged at lower rates under Article 5(e)(ii) leading to short levy of stamp and Registration Fee of ₹ 2.52 crore (**Appendix-3.4**).

This misclassification highlights inadequate scrutiny at the SRO level, necessitating a review of classification practices and corrective action to prevent revenue loss in the future.

### **(iii) Sale Agreement misclassified as MoU leading to short levy of Stamp and Registration Fee**

During the audit of SRO Bommanahalli for the period 2020-22, a Memorandum of Understanding was identified, on which stamp duty of ₹ 1,000 was levied. However, an examination of the document's recitals revealed that it pertained to a property measuring two acres and 10 guntas in Hommadevanahalli, Begur Hobli, Bangalore South Taluk, which was under litigation.

The document stated that the owner executed the agreement to transfer half of the property (one acre and five guntas) to the purchaser, who was responsible for securing a clear title for the entire land. Additionally, the agreement included a clause referencing the execution of a Power of Attorney in favour of the purchaser, granting the right of alienation over the purchaser's share.

Given these stipulations, the document possesses the characteristics of a Sale Agreement and should have been classified under Article 5(e)(i) of the Karnataka Stamp Act, attracting a stamp duty of five *per cent* on the market value of the property. Instead, it was charged a nominal duty of ₹ 1,000, resulting in short levy of stamp duty and Registration Fee of ₹ 0.13 crore (**Appendix-3.5**).

Total Short levy of Stamp Duty and Registration Fee in all the cases works out to ₹ 18.84 crore.

These cases were brought to the notice of the Department (September 2024) and the Government (March 2025). The Government replied that ₹ 0.56 crore was recovered in nine cases out of the 13 cases in SRO, Tavarekere. In the remaining cases, the District Registrars have issued notices to the parties concerned under Section 46A of the Karnataka Stamp Act, 1957 for recovery of deficit amount (August 2025).

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<sup>49</sup> Clause 7 of the Agreement of Sale in all the three documents.

### 3.6 Improper execution/classification of release deeds leading to short levy of Stamp Duty and Registration Fee- ₹ 14.20 crore

#### Release deed and its implications:

A release deed is a legal document used to release or relinquish one party's legal claim, right or interest in a property in favour of another co-owner or co-claimant. The document is commonly used in joint ownerships, where one co-owner decides to give up their share in the property to other co-owner(s).

A release deed is valid only when it is executed in favour of an existing co-owner. It does not create new ownership rights but merely enhances the rights of the recipient co-owners. A sole owner cannot use a release deed to transfer the property to another party. Instead, they must execute gift deeds, sale deeds or wills for such transfers.

#### Stamp Duty on Release deeds:

As per Article 45 of the Karnataka Stamp Act, 1957, the applicable stamp duty on release deeds is as follows:

##### (a) When the release is not between the family members:

- Stamp Duty is charged on the same rate as a conveyance, *i.e.*, five *per cent* on the market value of the property or value of claim renounced, as the case may be or consideration, whichever is higher (Article 45 (a)).
- Registration Fee is one *per cent* of the value.

##### (b) Where the release is between the family members:

- A fixed Stamp Duty ranging from ₹ 1,000 to ₹ 5,000 depending upon the location of the property involved (Article 45(b)).
- Registration Fee is ₹ 1,000 in such cases.

**Definition of Family:** Family in respect of Release Deeds includes husband, wife, son, daughter, father, mother, brother, wife/children of predeceased brother, sister, husband/children of predeceased sister, wife of predeceased son and children of a predeceased son or predeceased daughter.

Instances of shortcomings in release deeds have been observed where release deeds have been executed improperly instead of sale deeds or gift deeds; or release between non-family members were levied duty at lower rates. Details are as mentioned below:

#### (i) Improper execution of release deed resulting in short levy of Stamp Duty and Registration Fee

During Audit of the Sub-Registrar Office (SRO), BTM Layout for the period of 2020-22, a Release Deed classified as executed between family members was identified. Stamp Duty and Registration Fee were levied at lower rates under Article 45(b) at ₹ 5,000 and ₹ 1,000 respectively.

Upon examination, it was found that the above document was executed by GXXXXh B. (Releasor), in favour of his nephew, KXXXXXk B.S. (Releasee)-the son of the Releasor's late brother, SXXXXXXs B. Through this Release

Deed, 10 acres of land located in Sy No 68, Mylasandra Village, Bangalore South Taluk was transferred to KXXXXXXk B.S.

**Background of Ownership:**

- T.N. BXXXXXXXXXa, father of GXXXXh B. (Releasor) and his late brother, SXXXXXXXXs B. (late father of Releasee) originally owned a film studio titled as ‘AXXXXXn CXXXXa SXXXXo’ on 20 acres of converted land in sy.no.68 in Mylasandra village, Kengeri Hobli, Bangalore south taluk.
- After the demise of T.N.BXXXXXXXXXa, his two sons - GXXXXh B and SXXXXXXXXs B. (late) became absolute owners of the said property by execution of a registered partition deed no. 5064/2003-04 in the Sub-Registrar Office, Kengeri.
- As per the partition deed, the 20 acres of land was equally divided among the brothers, conveying 10 acres to each brother.
- Revenue records were updated accordingly in 2003, and joint ownership ceased to exist, making both brothers sole owners of their respective 10 acre portions.

**Improper execution of Release Deed:**

As detailed above, the property of 10 acres mentioned in the Release Deed was under the sole ownership of GXXXXh B. (Releasor) and KXXXXXXk B.S. (Releasee) was neither a joint owner nor a claimant. Hence the transfer of 10 acres to KXXXXXXk under a release deed was not proper. Instead, the transfer should have been executed through a sale deed or a gift deed which attracts stamp duty at five *per cent*<sup>50</sup> and Registration Fee at one *per cent*.

Improper execution of Release Deed at lower duty resulted in the short levy of Stamp Duty and Registration Fee of ₹ 13.71 crore (**Appendix-3.6**).

**(ii) Improper classification of Release Deeds**

During the audit of SRO Dasanapura for the period of 2021-23, discrepancies were identified in the classification of the Release Deeds. As mentioned earlier, Release Deeds executed among the family members (defined under Article 45) qualify for concessional duty whereas those involving individuals outside the prescribed “family” definition attracted duty at the rate of five *per cent*. Instances of ineligible members availing Stamp Duty at concessional rates have been observed in seven documents leading to short levy of revenue. Details are as below:

- Release Deeds involved releasors and the releasee who were cousin brothers or individuals not falling within the definition of the family under Article 45.
- These documents were registered incorrectly under the concessional category of family.

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<sup>50</sup> Additional stamp duty (at 10 *per cent* on Stamp Duty) and Municipal Surcharge (at two *per cent* on Stamp Duty) were also applicable as the document related to transfer of immovable property.

- The resultant short levy of Stamp Duty and Registration Fee in these seven documents amounted to ₹ 0.49 crore (**Appendix-3.7**).

The improper execution/classification of Release Deeds across the two SROs resulted in total short levy in Stamp Duty and Registration Fee of ₹ 14.20 crore. This suggests either:

- (i) Lack of scrutiny of documents beyond the titles or
- (ii) Key details of the cases not considered by the SROs concerned.

While titles of the document implied a lower Stamp Duty, detailed examination would have revealed significant revenue impact.

These cases were brought to the notice of the Department (August 2022 to October 2024) and the Government (March 2025). The Government replied that the District Registrars have issued notices to the parties concerned under Section 46A of the Karnataka Stamp Act, 1957 for recovery of deficit amount (August 2025).

### 3.7 Improper classification of mortgage deeds resulting in short levy of Stamp Duty - ₹ 6.69 crore

As per Section 58 of the Transfer of Property Act, 1882, a **mortgage** is a transfer of an interest in specific immovable property to secure repayment of a loan. Section 58(f) specifically defines a **Mortgage by Deposit of Title Deeds**, wherein a borrower delivers Title Documents to a lender with the intent to create a security interest.

Under the Karnataka Stamp Act, 1957 the applicable Stamp Duty is:

- **Article 34(a):** Mortgages with possession of the property - five *per cent* of the loan amount.
- **Article 34(b):** Mortgages without possession of the property - 0.5 *per cent* of the loan amount.
- **Article 6:** Agreements relating to ‘Deposit of Title Deeds’:
  - 0.1 *per cent* for loans upto ₹ 10 lakh.
  - 0.2 *per cent* for loans above ₹ 10 lakh<sup>51</sup>.

#### Nature of instruments executed in relation to the Deposit of Title Deeds:

##### (i) Agreement to deposit of title deeds:

- A preliminary agreement that creates an obligation to deposit the Title Deeds as security.
- Does not by itself constitute a mortgage.
- Attracts duty under Article 6 of the KSA.

<sup>51</sup> Subject to a maximum of ₹ 10 lakh. Currently the maximum limit of ₹ 10 lakh is removed, and stamp duty is revised to 0.5 *per cent* of the loan amount by Act No. 4 of 2024, with effect from 03.02.2024.

**(ii) Memorandum of Deposit of title deeds:**

- A document executed to record the actual deposit of Title Deeds as security for a loan.
- Serve as evidence of a mortgage created under Section 58(f) of the Transfer of Property Act, 1882.
- Attracts stamp duty under Article 34(b) at 0.5 *per cent* of the loan amount.

Audit scrutiny of records of six Sub-Registrar Offices<sup>52</sup> (SROs) for the period of 2020-22 revealed 12 instances where documents evidencing Mortgage by Deposit of Title Deeds were misclassified as Agreements to Deposit of Title Deeds.

In all 12 cases:

- The documents explicitly recorded the deposit of original Title Deeds.
- They included covenants enabling the lender to initiate recovery, including sale of the mortgaged property, upon default.
- The intent to create a mortgage was clearly established through the combination of debt, deposit and intent to secure.

Despite fulfilling all legal criteria for classification under Article 34(b), these documents were wrongly assessed under Article 6, leading to levy Stamp Duty at 0.2 *per cent* instead of 0.5 *per cent*.

This misclassification resulted in short levy of Stamp Duty amounting to ₹ 6.69 crore (**Appendix-3.8**). These cases were brought to the notice of the SROs concerned, the Inspector General of Registration and Commissioner of Stamps (IGR&CS) and the Government between June 2020 and April 2025. The Government replied that the District Registrars have issued notices to the parties concerned under Section 46A of the Karnataka Stamp Act, 1957 for recovery of deficit amount (August 2025).

**Subsequent Developments:**

Following recent amendments<sup>53</sup> to the KSA, the rate of Stamp Duty on Agreements to Deposit of Title Deeds has been revised to 0.5 *per cent*, aligning it with the rate for Mortgage on Deposit of Title Deeds. Consequently, the scope for loss of revenue due to such misclassification in the future has been eliminated.

**3.8 Undervaluation of Undivided Share (UDS) resulting in short levy of Stamp Duty and Registration Fee - ₹ 9.00 crore**

In property transactions, **Undivided Share (UDS)** refers to the proportional share in the land on which a residential or commercial complex is built, allocated to each unit owner. It is an indivisible and transferable right associated with the property.

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<sup>52</sup> Banashankari, Chamarajpete, Halasuru, Kalaburgi, Mahadevapura, Mysore North.

<sup>53</sup> Act No.04 of 2024 with effect from 03.02.2024.

As per the provisions of the Karnataka Stamp Act, 1957 (KSA),

- Article 20 provides that Stamp Duty for instruments of conveyance, payable at five *per cent* of the higher of sale consideration stated in the document or the market value of the property.
- Additionally, as per the Karnataka Registration Rules, 1965, a Registration Fee of one *per cent* is applicable on the same value.

To ensure fair valuation, the **Guidance Market Value (GMV)** - prescribed in the **Market Value Guidelines**<sup>54</sup> – serves as the minimum price set by the Government for property transactions. The guidelines contain general area-based rates and specific rates for individual properties or survey numbers, wherever possible.

In addition, the **Special Instructions** appended to the Market Value Guidelines prescribe enhancement of property values (at prescribed percentages) based on the nature of the Property (*e.g.*, Commercial or Industrial usage, proximity to highways, *etc.*). **Special Instruction No. 05** prescribes enhancement of the value of a property by 40 *per cent* of the residential rates, for commercial activities.

Audit scrutiny of conveyance deeds registered during 2020-22 in two Sub-Registrar Offices (SROs) revealed deviations from the prescribed valuation procedure, resulting in under valuation of UDS and consequent short levy of Stamp Duty and Registration Fees. Details are as below:

**(i) Non-application of Commercial Usage enhancement**

In the SRO Banasawadi, a sale deed was noticed for transfer of 65 *per cent* of UDS (55,068.65 sq. m.) situated at Doddanekkundi Industrial Phase-I, KR Puram, Bangalore East from M/s. GXXXXXXXxy RXXXXy and Brothers (Seller) to M/s. BXXXXXXe Developers Pvt Ltd (Purchaser). The transaction was carried out subsequent to a Joint Development Agreement (JDA) entered in August 2017, wherein:

- The Purchaser was authorised via Power of Attorney (PoA) to sell or own his share of the property.
- Commercial buildings were constructed (as per the approved plan of Karnataka Industrial Area Development Board- KIADB) by the Purchaser for which Occupancy Certificates were issued between February 2019 and April 2021.
- An Allocation Agreement (June 2021) formalised the division of built-up area and car parkings, as per the JDA terms.
- Accordingly, UDS of 29,663 sq. m.(35 *per cent*) was retained by the Vendor and 55,068.65 sq. m. (65 *per cent*) was conveyed to the Purchaser.

As the UDS conveyed was used for commercial purposes, rather than residential, the applicable GMV had to be enhanced by 40 *per cent* over the residential sites, as per Special Instruction No.5. However, the SRO had failed

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<sup>54</sup> The Market Value Guidelines are provided by the Central Valuation Committee (CVC) which are used to determine minimum value of property values for purpose of calculating stamp duty and registration fee.

to apply this enhancement. The document was valued at ₹ 243.39 crore, instead of the correct enhanced value of ₹ 340.68 crore. This resulted in undervaluation of ₹ 97.30 crore and consequent short levy of Stamp Duty and Registration Fee of ₹ 6.42 crore.

### **(ii) Non-application of the Higher Market Value**

In SRO, Domlur, two sale deeds were noticed conveying Undivided Rights, Title and Interest (UDI) in 4.34 acre out of 46.20 acre land parcel at Varthur Hobli, Bengaluru East Taluk from M/s RXX EXX WXXXd Infrastructure Pvt Ltd (Vendor) to M/s RXX HXXXXs Private Limited (Purchaser).

As per the recitals of the document:

- The land was part of a sanctioned Project by KIADB.
- The Vendor retained the ownership of the building on the land.
- Only UDI in the land was transferred, for optimum utilisation of Floor Space Index (FSI)<sup>55</sup> and development potential available on the Project lands.

While GMV of the UDI transferred was ₹ 162.46 crore, the SRO adopted the consideration value of ₹ 123.31 crore stated in the documents. Thus, non-compliance to Article 20 of the KSA, which specifies to adopt the higher of the two, resulted in undervaluation of the UDI by ₹ 39.15 crore. Consequent short levy of Stamp Duty and Registration Fees worked out to ₹ 2.58 crore.

Non-adherence to the valuation principles prescribed under the KSA led to the cumulative undervaluation of the UDS conveyed in the above mentioned three conveyance deeds. Total short levy of Stamp Duty and Registration Fee due to undervaluation of the documents was ₹ 9.00 crore (**Appendix-3.9**).

Audit also noticed that Internal Audit in the Department was not functional, which would have served as an additional layer for scrutiny of the documents for detection and rectification of valuation lapses.

These cases were brought to the notice of the Department and the Government between June 2023 and April 2025. The Government replied that the District Registrars have issued notices to the parties concerned under Section 46A of the Karnataka Stamp Act, 1957 for recovery of deficit amount (August 2025).

### **3.9 Short levy of Stamp Duty and Registration Fee on Joint Development Agreements - ₹ 32.82 crore**

Joint Development is an arrangement between a Developer and a Landowner, where the Developer forms a layout or builds apartments on the land belonging to the Owner. As per the arrangement, the developed layout or the apartments are shared between the Owner and the Developer as per the agreed ratios mentioned in the document.

As per Article 5(f) and 41(ea) of the Karnataka Stamp Act, 1957, documents (Joint Development Agreement and GPA) pertaining to Joint Development of

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<sup>55</sup> Floor Space Index (FSI) is the ratio of a building's total floor area to the size of the piece of land upon which it is built. It is often used as one of the regulations in city planning to regulate the building-to-land ratio.

property are to be levied Stamp Duty (SD) at two *per cent* on the market value of the developer's share in the land or the market value of the owner's share in the developed property, whichever is higher, including money advanced, if any. Additionally, as per Article III(a) of the Registration Act, 1908, Registration Fee (RF) is also leviable at one *per cent* ad-valorem on the market value of the property which is the subject matter of development or on the consideration, whichever is higher.

An Audit of 2,066 JDAs (out of 5,168 JDAs registered) across 29<sup>56</sup> Sub-Registrar Offices (SRO) upto March 2023, revealed 99 instances of short levy of Stamp Duty and Registration Fee aggregating to ₹ 32.82 crore. The irregularities are categorised as below:

#### **Development of layouts/sites- ₹ 5.27 crore**

Out of the 99 cases, 43 cases in 17 SROs pertained to development of layouts, wherein the Developer forms individual sites after obtaining necessary approvals from competent authorities<sup>57</sup> and land conversion (if applicable). Under the Zoning Regulations Act, 45 *per cent* of the total land in any new residential layout or development must be set aside for public purposes - things like roads, parks, playgrounds, drains, open spaces, and civic amenities (schools, community halls, water tanks, *etc.*). The remaining 55% of the land can only be used for building plots or sites.

The market value guidelines prescribe higher values for sites approved by competent authorities compared to general sites under the jurisdiction of village panchayats. Audit observed that incorrect guideline rates were applied for valuing such sites resulting in short levy in SD and RF of ₹ 5.27 crore (**Appendix-3.10**).

#### **Development of apartments- ₹ 27.55 crore**

The remaining 56 cases in 20 SROs pertained to development of apartments. Here also, the developer obtains all the necessary approvals and constructs apartments as per the floor area ratio<sup>58</sup> (FAR) approved by the competent authorities.

In the 56 cases:

- The ratio of sharing between the owner and the developer were mentioned in all the documents;
- However, the FAR to determine the total built-up area was mentioned only in 33 cases;

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<sup>56</sup> Attibele, Banasawadi, Begur, Bommanahalli, Chamrajpete, Dasanapura, Devenahalli, Doddaballapur, Domlur, Gandhinagar, Halasuru, Hosakote, Hubli North, Jigani, Kacharakannahalli, Kengeri, KR Puram, Mahadevpura, Mulki, Mysore South, Mysore West, Nagarabhavi, Rajajinagar, Ramanagara, Sarjapura, Srirampura, Varthur, Yelahanka and Yeshwanthpur.

<sup>57</sup> Bangalore Development Authority (BDA), Bangalore Metropolitan Region Development Authority (BMRDA), Bangalore International Airport Area Planning Authority (BIAAPA), *etc.*

<sup>58</sup> Floor Area Ratio - is the allowable built-up area for a specific parcel of land, prescribed per sq. m.

- Neither the floor area ratio nor the approximate built-up area was mentioned in the remaining 23 cases.

Despite circular instructions<sup>59</sup> by the Inspector General of Stamps and Commissioner of Registration (IGR&CS), instructing all the Sub-Registrars to refer documents, without FAR, to the jurisdictional District Registrars, no such referrals were made. The Sub-Registrars concerned had not insisted for the FAR and adopted nominal values to determine the SD and RF payable. Further enhancement of the value for converted lands, commercial complexes, sites abutting main roads, *etc.*, as envisaged in the market value guidelines were also not applied.

Audit recalculated the values based on the market value guidelines and estimated a short levy of SD and RF of ₹ 27.55 crore (**Appendix-3.11**).

The above lapses by the Sub-Registrars in applying appropriate market values and in ensuring complete valuation disclosures while registering the JDAs resulted in a total short levy of SD and RF amounting to ₹ 32.82 crore.

These cases were brought to the notice of the Department and the Government between May 2022 and June 2025. The Government replied that ₹ 24.42 lakh was recovered in four cases and in the remaining cases the District Registrars have issued notices to the parties concerned under Section 46A of the Karnataka Stamp Act, 1957 for recovery of deficit amount (September 2025).

### **3.10 Short levy of Stamp Duty and Registration Fee due to non-disclosure of facts - ₹ 14.10 crore**

Stamp Duty (SD) is levied on instruments chargeable with duty as prescribed under various articles in the Schedule of the Karnataka Stamp Act, 1957 and Registration Fee (RF) is levied as per the rates prescribed in the table of Registration Fee under the Registration Act, 1908. As per Section 28(1) of the Karnataka Stamp Act, 1957, the facts and circumstances affecting the chargeability of the instrument shall be fully and truly set forth by the parties. When documents are presented for registration, the Sub-Registrar is responsible for verifying these facts and estimating the correct market value before registration.

Audit test-checked 16,076 sale deeds (out of 1,28,391), 1,914 sale agreements (out of 12,433) and 51 GPAs (out of 190), across 18<sup>60</sup> Sub-Registrar Offices (SROs), executed between 2019 and 2023. In 33 cases, crucial information such as nature of property (residential/commercial/industrial), abutment to major roads, existence of buildings, execution of GPA *etc.*, was not disclosed. Such suppression of the facts affected the chargeability of documents resulting in short levy of SD and RF. Details are as below:

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<sup>59</sup> IGR circular No. IRF/04/2016-17 dated 21.10.2016.

<sup>60</sup> Anekal, Attibele, BTM Layout, Devanahalli, Dharwad, Doddaballapura, Ganganagara, Halasuru, Hoskote, Hubli North, Indi, Kanakapura, Nelamangala, Rajarajeshwarinagara, Srirampura, Tavarekere, Varthur and Yeshwantpur.

**(a) Short levy due to suppression of the actual status of the land - ₹ 11.22 crore**

As per Market Value Guidelines, rates vary depending on whether the land is agricultural or converted, its location (*e.g.*, proximity to major roads), whether buildings exist on the property, *etc.* Accurate disclosure is essential for correct valuation.

Audit observed that in 11 cases across seven SROs, key facts were suppressed, such as:

- Conversion of land for commercial/industrial use was not disclosed in the sale deed.
- Properties abutting major roads (Bannerghatta Main Road and Magadi Road) were undervalued.
- Existence of buildings or actual built-up areas not recorded.
- Suppression of site development, as revealed through linked documents like sale agreements or Khata records.

All the above omissions resulted in the short levy of SD and RF of ₹ 11.22 crore (**Appendix-3.12**).

**(b) Short levy due to non-reckoning of Power of Attorney and suppression of the market value**

Under Article 5(e) of the Schedule of the Karnataka Stamp Act:

- For a sale agreement without delivery of possession of the property, SD is levied at 0.1 *per cent* on consideration (limited to ₹ 20,000) – **Article 5 (e) (ii)**.
- When a reference of a Power of Attorney granted by a seller to the purchaser in respect of the property is made in the agreement, then the possession of the property is deemed to have been delivered and SD is levied at five *per cent* on the market value of the property – **Explanation I under Article 5 (e) (ii)**.
- Further, Market value of a property means the open market value, or the consideration stated in the instrument, whichever is higher – **Section 2(1)(mm)**.

Audit noticed non-reckoning of Power of Attorney and suppression of market value in the following cases:

- 1) In five SROs in five cases, Sale Agreement and GPA were executed on the same day, but the fact of GPA executed was not disclosed in the Sale Agreement to avoid higher duty. This led to short levy in SD and RF of ₹ 2.18 crore (**Appendix-3.13**).
- 2) In two SROs in six cases, GPA with selling clause executed on the same day was not disclosed in the Sale Agreement and the market value of the property was understated in the GPA.
  - Suppression of the fact of execution of GPA with selling clause resulted in short levy of SD of ₹ 29.36 lakh.

- Non-disclosure of exact market value in the GPAs led to an undervaluation of ₹ 5.47 crore and consequent short levy of Registration Fee of ₹ 5.47 lakh.
  - Total short levy in Stamp Duty and Registration fee in these cases was ₹ 0.35 crore (**Appendix-3.14**).
- 3) In six SROs in 11 cases, consideration stated in the Sale Agreement was omitted in the subsequent Sale Deed executed indicating potential undervaluation of the property at the time of conveyance. This led to a short levy of Stamp Duty and Registration Fees of ₹ 0.35 crore in 11 cases (**Appendix-3.15**).

The overall short levy in Stamp Duty and Registration Fees across these cases amounts to ₹ 14.10 crore. Across all categories Audit observed suppression of material facts either related to land status, nature of the property, existence of structures or the execution of allied documents like GPA.

These cases were brought to the notice of the Department between August 2021 and March 2024, the Inspector General of Stamps and Registration (IGR&CS) in June 2024 and December 2024, and the Government in July 2025. The Government replied that ₹ 7.57 lakh was recovered in three cases and in the remaining cases the District Registrars have issued notices to the parties concerned under Section 46A of the Karnataka Stamp Act, 1957 for recovery of deficit amount (September 2025).

### **3.11 Short levy of Stamp Duty and Registration Fee due to undervaluation of the properties in the documents presented - ₹ 4.05 crore**

According to Section 3 of the Karnataka Stamp Act, 1957 (KSA), Stamp Duty (SD) is levied on instruments chargeable with duty as prescribed under various Articles in the Schedule of the Act. SD is computed on the higher of the consideration mentioned in the document or the market value of the property. The Guideline Market Value (GMV), prescribed by the Central Valuation Committee under Section 45-B of the Act, forms the basis for estimation of market value by the Registering Officers.

Special Instructions appended to the GMV provide for enhancement of valuation in specific cases, such as proximity to major roads, change of land use, *etc.*, and SD and Registration Fee (RF) are to be levied on such enhanced value.

Audit scrutiny of 19<sup>61</sup> Sub-Registrar Offices (SROs) for the period between 2019-20 and 2022-23, revealed short levy of SD and RF amounting to ₹ 4.05 crore in 38 documents due to undervaluation arising from non-adherence to GMV and Special Instructions, *etc.* The findings are summarised below:

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<sup>61</sup> Belagavi, BTM Layout, Dasanapura, Dharwad, Doddaballapura, Harihara, Hesarghatta, Hubli North, Hubli South, Kalaburgi, Kanakapura, Laggere, Madanayakanahalli, Mulki, Rajajinagar, Ramanagara, Vijaynagar, Yelahanka and Yeshwantpur.

**(I) Undervaluation due to non-adherence to Special Instructions- ₹ 3.69 crore****(a) Non-application of enhancement in value for properties abutting major roads**

As per Special Instructions, enhancements in value for properties abutting major roads are as below:

Conditions to be satisfied	Enhancement of rates
Abutting National Highway/Ring Road	50 per cent enhancement of the general rates
Abutting State Highway	35 per cent enhancement of the general rates
Abutting 80 feet road (arterial)	30 per cent enhancement of the general rates
With roads on two sides	10 per cent enhancement of the general rates

In 11 cases in eight SROs, prescribed enhancements were not applied though the properties were abutting National Highways/Ring Roads (eight cases), State Highway (one case), and 100 feet Road (two cases) leading to short levy of SD and RF of ₹ 0.84 crore (**Appendix-3.16**).

**(b) Non-application of enhancement in value on land converted for commercial use**

As per Special Instructions, value of converted lands is to be enhanced as follows:

Category	Outside Municipal limits	Within Municipal Limits
Industrial	55 per cent enhancement of general rates	Higher of 55 per cent enhancement or 40 per cent of sital rate
Residential	65 per cent enhancement of general rates	Higher of 65 per cent enhancement or 40 per cent of sital rate
Commercial	80 per cent enhancement of general rates	Higher of 80 per cent enhancement or 40 per cent of sital rate
Commercial sites and buildings	40 per cent enhancement of sital rates and 30 per cent enhancement of apartment rates	

- In six cases in five SROs<sup>62</sup>, enhancement for commercial purpose was omitted though the properties were converted for commercial purposes.
- In two cases in two SROs<sup>63</sup>, where sale permission under Section 109 of Karnataka Land Reforms Act, 1961 (KLR Act) for educational institution (deemed commercial use) was obtained, enhancement towards commercial purpose was not applied.

These cases resulted in a short levy of SD and RF of ₹ 1.42 crore (**Appendix-3.17**).

<sup>62</sup> Belagavi, Kalburgi, Mulki, Rajajinagar and Yeshwanthpur.

<sup>63</sup> Dharwad and Yelahanka.

**(c) Non-application of value enhancement on residentially converted properties**

As per Special Instructions, the rates of residentially converted undeveloped lands within the municipal limits are to be enhanced as shown in the table below:

Land extent	Valuation
10-20 guntas	Higher of 60 <i>per cent</i> of residential site rates or agricultural land rate
20-40 guntas	Higher of 55 <i>per cent</i> of residential site rates or agricultural land rate
Above 40 guntas	Higher of 40 <i>per cent</i> of residential site rates or 165 <i>per cent</i> agricultural land rate

In eight cases across five SROs<sup>64</sup>, residential site rates as prescribed were not considered for valuation resulting in short levy of SD and RF of ₹ 0.78 crore (**Appendix-3.18**).

**(d) Incorrect application of sital rates or incorrect sital rates**

As per Special Instructions or the circular instructions of the Inspector General of Registration and Commissioner of Stamps (IGR & CS), residential site rates of the concerned area is to be applied for valuation of the property:

- Sital rate is applicable when agricultural land or converted un-developed land upto 5 guntas is conveyed;
- Sital rate is applicate when part (bearing separate khata) of converted land is conveyed; and
- Sital rates approved by competent authorities is applicable when Property under specific planning authorities<sup>65</sup>, is conveyed.

In five cases across three SROs, non-compliance in this regard was noticed as below:

- In SRO Dasanapura, sital rates were not applied in two cases, though the properties were less than or equal to five guntas.
- In SRO Vijaynagar, 23 gunta land (having separate khata) out of two acre 15 gunta residentially converted land was conveyed. However, sital rates were not considered for valuation though the property conveyed was a part land with khata.
- In SRO Doddaballapur, sital rates applicable to competent authorities were not applied for properties situated in Bashettishalli and Shivapura villages under the planning authority of Bangalore International Airport Area Planning Authority (BIAAPA). The properties were incorrectly valued at the rates prescribed for local authorities.

Resultant short levy in SD&RF due to non-consideration of sital rates amounted to ₹ 0.65 crore (**Appendix-3.19**).

<sup>64</sup> Harihara, Kalaburgi, Madanayakanahalli, Yelahanka and Yeshwantpur.

<sup>65</sup> BBMP, BDA, BIAPPA, BMRDA, City Municipal Councils and Town Panchayats.

## **II Undervaluation due to adoption of incorrect guidance value rates - ₹ 0.33 crore**

Market Value Guidelines prescribe general rates for the areas within the jurisdiction of individual SROs. Apart from the general rates, the guidelines also contain specific rates for individual properties or survey numbers, wherever possible. These rates are to be applied whenever properties in such specific areas are conveyed.

In five cases across five SROs<sup>66</sup>, conveyance deeds of properties with specific rates were valued at general rates though specific rates were prescribed in the market value guidelines. This led to a short levy in SD and RF of ₹ 0.33 crore (**Appendix-3.20 Part-A**).

## **III Undervaluation due to incorrect share valuation in partnership deed - ₹ 3.34 lakh**

As per Article 40 B of the KSA, in the instance of a reconstitution of a partnership firm, the share of the immovable property of the outgoing partners, remaining with the firm, has to be levied SD and RF at the prescribed rates.

In SRO Ramanagara, in the case of reconstitution of partnership, the share of the immovable property of the outgoing partners remaining with the firm amounted to 76 per cent whereas duty was charged only on 51 per cent of the immovable property leading to short levy of SD and RF amounting ₹ 3.34 lakh (**Appendix-3.20 Part-B**).

The overall short levy in Stamp Duty and Registration Fees in all the above cases was ₹ 4.05 crore. The lapses primarily arose from non-application or incorrect application of enhancement factors, incorrect categorization of land use, and failure to adopt prescribed sital or specific rates. These not only resulted in revenue loss to the Government but also point to weaknesses in oversight mechanisms in the registration process.

These cases were brought to notice of the Department and the Government in March 2025 and July 2025. The Government replied that ₹ 38.47 lakh was recovered in three cases and in the remaining cases the District Registrars have issued notices to the parties concerned under Section 46A of the Karnataka Stamp Act, 1957 for recovery of deficit amount (September 2025).

### **3.12 Conclusion**

Audit revealed deficiencies in the assessment and levy of Stamp Duty and Registration Fee, arising from misclassification and improper execution of various instruments such as Powers of Attorney, Agreements of Sale, Release Deeds, and Mortgage Deeds. Further, undervaluation of properties, non-adherence to prescribed guidance values, and suppression of material facts in Joint Development Agreements and other transactions added to the short collection of revenue. Collectively, these lapses resulted in a short levy of Stamp Duty and Registration Fee amounting to ₹ 114.76 crore. This indicated the need for stricter scrutiny, uniform classification practices, and enhanced monitoring

<sup>66</sup> BTM Layout, Hesarghatta, Hubli South, Laggere, and Mulki.

mechanisms within the Department. Audit proposes the following recommendations in order to rectify the deficiencies pointed out.

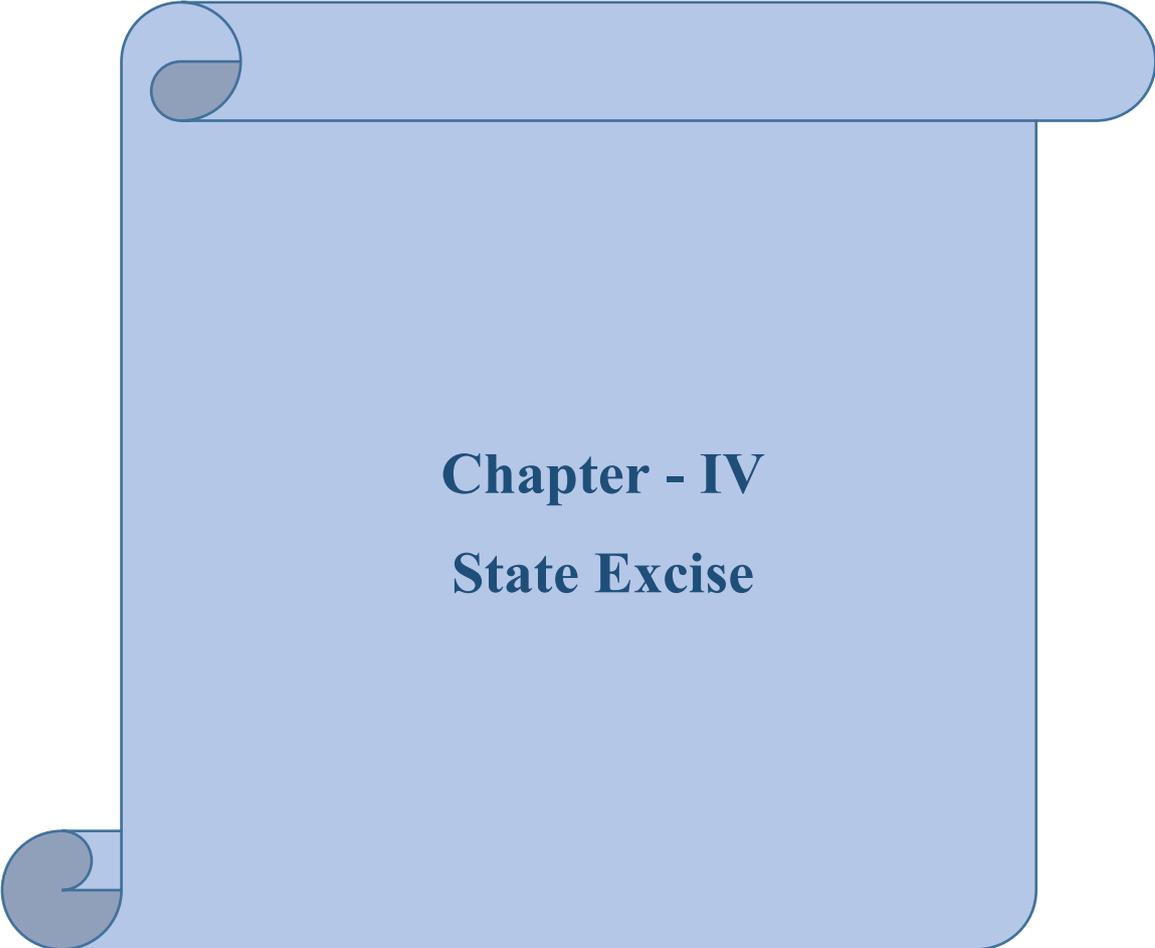
**Recommendation 7:**

***The Department may:***

- ***Issue instructions mandating detailed examination of the documents presented at the SROs to ensure proper classification of documents as per the regulations prescribed and prevent revenue loss in future. Strengthen the Internal Audit Wing with a specific mandate to scrutinise high-value transactions and ensure compliance with valuation norms.***
- ***Automate valuation processes within the KAVERI<sup>67</sup> software to minimise human discretion and prevent revenue leakage. Generate alerts where multiple instruments involving the same property or parties are registered, to flag potential undervaluation or duty evasion.***
- ***Introduce a mechanism in KAVERI to flag Joint Development Agreement (JDA) documents that lack essential valuation parameters such as Floor Area Ratio (FAR), built-up area, or consideration amount, for review by the jurisdictional District Registrar before registration.***
- ***Integrate land-use conversion and planning data from revenue and urban development authorities with KAVERI to enable real-time, automated valuation updates and standardisation.***

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<sup>67</sup> Online property registration software of Karnataka.



**Chapter - IV**  
**State Excise**



## Chapter-IV

### State Excise

#### 4.1 Tax Administration

The State Excise duty is levied on any liquor, intoxicating drug, opium or other narcotics and non-narcotic drugs which the State Government may, by notification, declare to be an excisable article. The Karnataka Excise (KE) Act, 1965 and Rules made thereunder govern the law relating to the production, manufacture, possession, import, export, transport, purchase and sale of liquor and intoxicating drugs and levy of duties of excise thereon. The State Excise Department is working under the administrative control of the Finance Department and is headed by the Excise Commissioner, who is assisted by Joint Commissioners of Excise. The excise duty is administered by the Deputy Commissioners of Excise (DCOE) at the District level and the Superintendents of Excise, Deputy Superintendents of Excise, Inspectors of Excise (IOE) and other sub-ordinate Officers at the distilleries and range Offices.

#### 4.2 Internal Audit

The Internal Audit Wing (IAW) is functional in the Department since 1990. As per the information provided by the Department, none of the 471 offices due for audit in 2023-24 were audited due to the shortage of staff in the Wing.

As per the information furnished, the activities of IAW in the Department are almost nil in the last five years. As per the latest data furnished by the Department, there were 480 cases involving money value of ₹ 16.39 crore pending upto 2017-18. Thereafter, there were no audits conducted by IAW. This indicates that the Department is not according due importance to internal audit.

It is recommended that due importance may be accorded to strengthen IAW, as internal audit is an important mechanism to ensure compliance by the Department of the applicable laws, regulations and approved procedures.

#### 4.3 Results of Audit

Test-check of records of eight offices of State Excise Department during the audit period revealed observations related to issue of licenses, loss of revenue in the form of short levy of duties and other irregularities amounting to ₹ 27.48 crore in 18 Paragraphs. Details are given in **Table 4.1**.

**Table 4.1**  
**Results of Audit**

(₹ in crore)			
Sl. No.	Category	No. of Paragraphs	Amount
1.	Short levy of excise duty and additional excise duty	8	14.42
2.	Short collection of license fee/ transfer of license fee	2	1.54
3.	Miscellaneous	8	11.52
<b>Total</b>		<b>18</b>	<b>27.48</b>

Source: Observation Book maintained in office of the Principal Accountant General (Audit-I).

During the year an amount of ₹4.74 crore was recovered in eight paragraphs including four paragraphs pointed out in the earlier years.

One illustrative case of loss of revenue on duties and issues related to licenses involving ₹ 58.13 lakh is discussed in the following paragraph.

#### **4.4 Loss of revenue on Additional Excise Duty due to delay in adoption of revised Declared Price - ₹ 58.13 lakh**

As per Rule 2 of the Karnataka Excise (Excise Duties and Fees) Rules, 1968, Excise Duty (ED) is leviable on excisable articles at rates specified in the Schedules A and B, when such excisable articles are issued from any Distillery, Warehouse or other place of storage established or licensed in the State. Additionally, Rule 2-AB stipulates the levy of Additional Excise Duty (AED) on excisable articles, which is meant for the purpose of sale within the State of Karnataka. Different rates of AED are prescribed according to the declared price range in Schedule D.

According to Rule 2-AE(1), the Distillery licensee shall declare to the Excise Commissioner, the price of the brands of liquor meant for sale in Karnataka. Such Declared Price (DP) is the basis for the levy of ED and AED. Besides, as per Rule 2-AE(2), any revision in the Declared Price must be declared to the Excise Commissioner in Form DRP, in quadruplicate at least one month in advance. The revised price becomes effective only upon approval by the Excise Commissioner.

In Karnataka, the distribution of Indian Made Liquor (IML) to the retailers from the Distilleries is through M/s. Karnataka State Beverages Corporation Limited (KSBCL). Orders for supplies (OFS), as per demand from the retailers are placed by M/s. KSBCL to the Distilleries concerned. The point of levy of AED was dispatch of IML from the Distilleries to the depots of KSBCL. Therefore, any revision in Declared Price approved by the Excise Commissioner must be reflected in the levy of AED from the date it is made effective.

During the examination of the permit registers maintained in one out of seven selected distilleries, Audit noticed that the Declared Price of its brands (**Appendix-4.1**) were revised during the period 2022-23. Despite this revision, the pre-revised prices were continued to be used for 2 to 10 days for the levy of AED between December 2022 and March 2023. This was due to a delay in updating the prices in the KSBCL software, resulting in AED being levied at lower rates. Consequently, there was loss of revenue on AED to the tune of ₹ 58.13 lakh (**Appendix-4.2**).

The procedural delay arose because under the existing communication framework, the revision of the Declared Price approved by the Excise Commissioner (in quadruplicate in Form DRP) was issued to the Distillery, Excise Officer at the Distillery, Deputy Commissioner of Excise concerned, and one copy is retained by the Office of the Excise Commissioner. KSBCL was not marked a copy and as per the procedure followed, the Distiller, after receipt of the approved copy, in turn submits the same to KSBCL. Thus, lack of direct communication by the Excise Commissioner to KSBCL resulted in the delay in adoption of revised Declared Price by KSBCL.

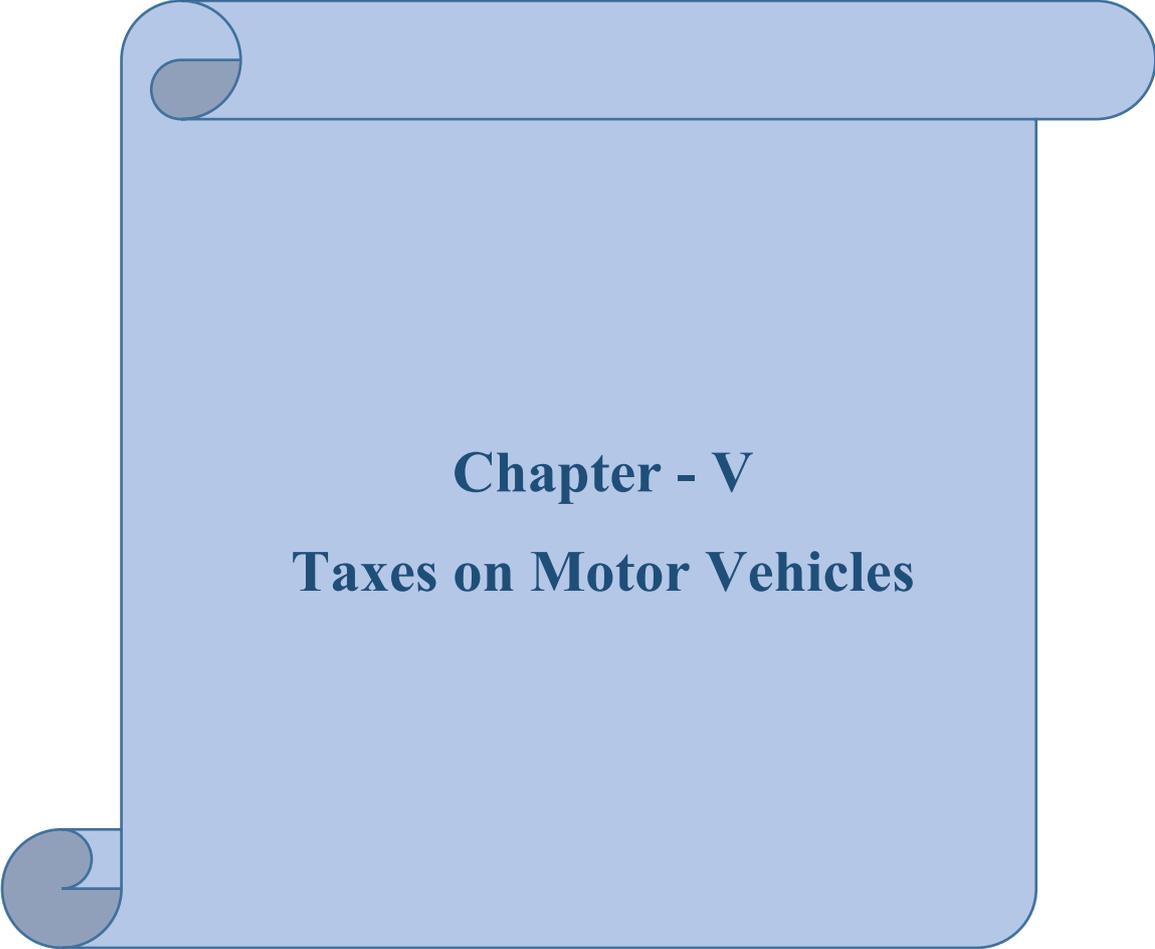
It is important to note that the AED is collected from the end consumer at the point of retail sale. In the present case, the stock in question has already been dispatched and sold. Therefore, the scope for recovery of the differential duty, which would have otherwise been passed on to the end customer, is not a possibility. As the Distilleries followed the prescribed procedure and bore no responsibility for the delay, this revenue shortfall was an avoidable loss to the State exchequer due to the internal procedural lapses.

A paragraph on similar nature was pointed out in the Subject Specific Compliance Audit on functioning of Distilleries, Breweries and Microbreweries in the Audit Report for the year ended March 2023, however the Department has not yet implemented systemic corrective measures.

On this being pointed out (February 2025), the Government (September 2025) replied that the distiller has confirmed the differential AED of ₹ 58.13 lakh and steps were taken to issue demand notice for recovery of the amount. Government also stated that adoption of Version 2 Software in the Department will take care such delays in implementation by uploading revised prices instantaneously on approval.

***Recommendation 8: The Office of the Excise Commissioner, Bengaluru, may institutionalise a system for directly forwarding approvals of Revision of Declared Price to KSBCL for immediate adoption and prevent recurrence of such revenue losses due to communication lapses.***





**Chapter - V**  
**Taxes on Motor Vehicles**



## Chapter-V

### Taxes on Motor Vehicles

#### 5.1 Tax Administration

The provisions of the Karnataka Motor Vehicles Taxation (KMVT) Act, 1957 and rules made thereunder govern the levy and collection of taxes on motor vehicles. The levy of taxes on motor vehicles is administered by the Transport Department headed by the Commissioner for Transport and Road Safety who is assisted by Joint Commissioners of Transport. There are 67 Regional Transport Offices (RTOs)/Assistant Regional Transport Offices (ARTOs) and 15 check posts in the State.

#### 5.2 Internal Audit

The Internal Audit Wing (IAW) has been functioning in the Transport Department since 1960. Year-wise details of the number of objections raised, settled and pending along with tax effect, are as follows.

**Table 5.1**  
Year-wise details of observations

(₹ in crore)

Year	Observations raised		Observations settled		Observations pending	
	Number of cases	Amount	Number of cases	Amount	Number of cases	Amount
Upto 2019-20	176	6.68	1	0.08	175	6.60
2020-21	175	10.53	0	0	175	10.53
2021-22	190	19.63	0	0	190	19.63
2022-23	NIL					
2023-24						
<b>Total</b>	<b>541</b>	<b>36.84</b>	<b>1</b>	<b>0.08</b>	<b>540</b>	<b>36.76</b>

Source: Information furnished by the Department.

NIL: No Internal audit conducted.

As seen from the above, the Department has not undertaken any internal audit assignments in the last two years (2022-23 and 2023-24), and the reasons for the same were not furnished to Audit. As of 31 March 2022, 540 observations involving ₹ 36.76 crore remained unsettled, and position continued to be the same at the end of 2023-24. The non-conduct of internal audit in the recent years indicates that the Department has not accorded due importance to this function, which serves as an assurance mechanism over internal controls. The Department needs to take immediate action to revive the internal audit process and expedite settlement of the pending observations.

#### 5.3 Results of Audit

In 2023-24, test-check of records in 30 Offices of Transport Department, disclosed under assessment of Tax and other irregularities amounting to ₹ 16.49 crore in 124 cases. The observations broadly fell under the following categories given in **Table-5.2**.

**Table 5.2**  
**Results of Audit**

(₹ in crore)			
Sl. No.	Category	No. of Paragraphs	Amount
1.	Non/short levy of Lifetime Tax	25	1.74
2.	Non-demand of quarterly tax	47	12.03
3.	Other irregularities	52	2.72
<b>Total</b>		<b>124</b>	<b>16.49</b>

During the course of the year, the department accepted under assessments and other deficiencies involving ₹ 16.49 crore in 124 cases and an amount of ₹ 2.15 crore was also recovered in 69 cases pointed out in earlier years.

#### 5.4 Subject Specific Compliance Audit Report on Functioning of Regional Transport Offices in Karnataka

##### 5.4.1 Introduction

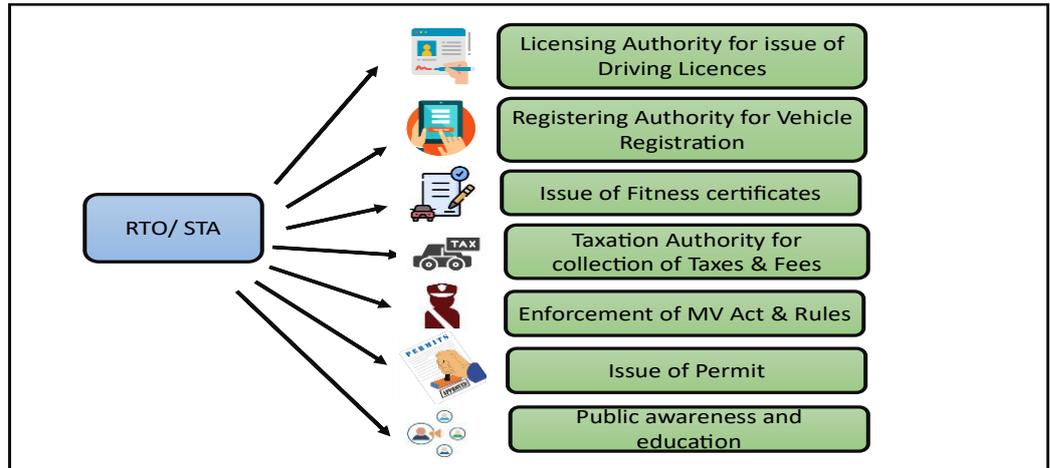
The Motor Vehicles Act, 1988 (MV Act) was enacted by the Parliament to provide a comprehensive legal framework governing the issuance of driving licences, conductor licences for stage carriages, registration of motor vehicles, and the grant of various categories of permits, among other regulatory functions. The State of Karnataka enacted the Karnataka Motor Vehicles Taxation Act, 1957 (KMVT Act), outlining taxes, fees, and cess on motor vehicles. The regulatory functions under the MV Act, 1988, and taxation provisions under the KMVT Act are implemented by Regional Transport Offices (RTOs) under the State Transport Authority (STA).

The KMVT Act, 1957 and Karnataka Motor Vehicle Rules, 1989 (KMVR) govern the levies on motor vehicles in the State. The Transport Department, Government of Karnataka (GoK), is responsible for enforcing these rules and collecting taxes, levies, and cess. As of 31 March 2024, 67 RTOs<sup>68</sup>/ARTOs operate under the Department across the State.

The Motor Vehicles Act, 1988 and the KMMVT Act, 1957 specify the roles and responsibilities of the State Transport Authority (STA) and the RTOs in Karnataka. The key functions of these institutions are presented in **Picture 5.1**.

<sup>68</sup> DCT/Sr. RTOs: 3, Sub-Division RTOs: 44 and Asst. RTOs: 20.

**Picture 5.1**  
Key functions/responsibilities of RTOs/STAs



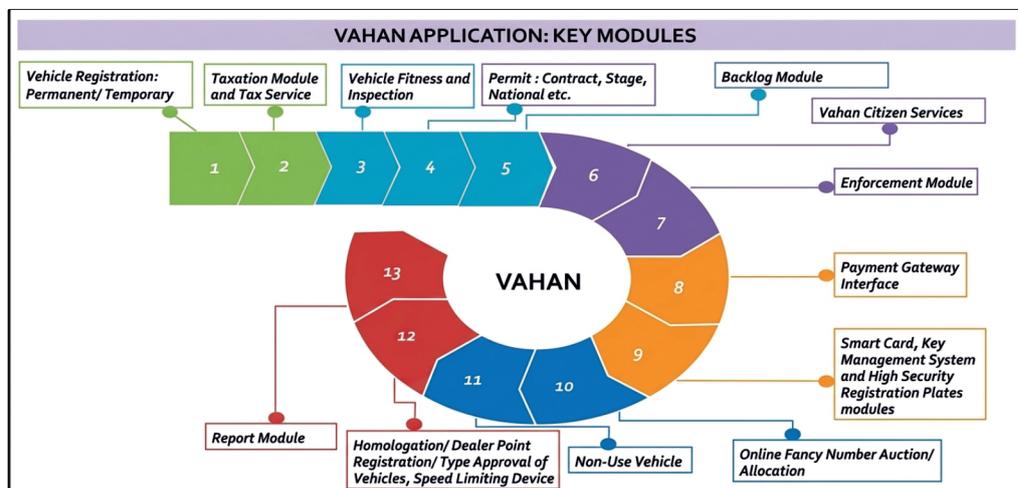
**5.4.1.1 Major initiatives of the Central/State Governments**

The Ministry of Road Transport and Highways (MoRTH) and the State Government have launched several initiatives to improve the functioning of RTOs. These aim to modernise operations, enhance service quality, reduce corruption, and increase efficiency in the transport sector. Key initiatives are highlighted below:

**(1) VAHAN**

VAHAN is an application, focused on vehicle registration, permits, taxation, fitness, and related processes. It is tailored to meet the specific needs of each State and is currently operational in Karnataka. As a centralised, web-enabled application, VAHAN provides easy online access to RTOs, vehicle dealers, citizens, transporters, and other stakeholders. The application's configurability allows for State-specific customisations. Additionally, vehicle insurance companies and Pollution Under Control Certificate (PUC) centres are integrated with VAHAN. The key modules in VAHAN are outlined in **Figure 5.1**.

**Figure 5.1**  
Modules of VAHAN Application

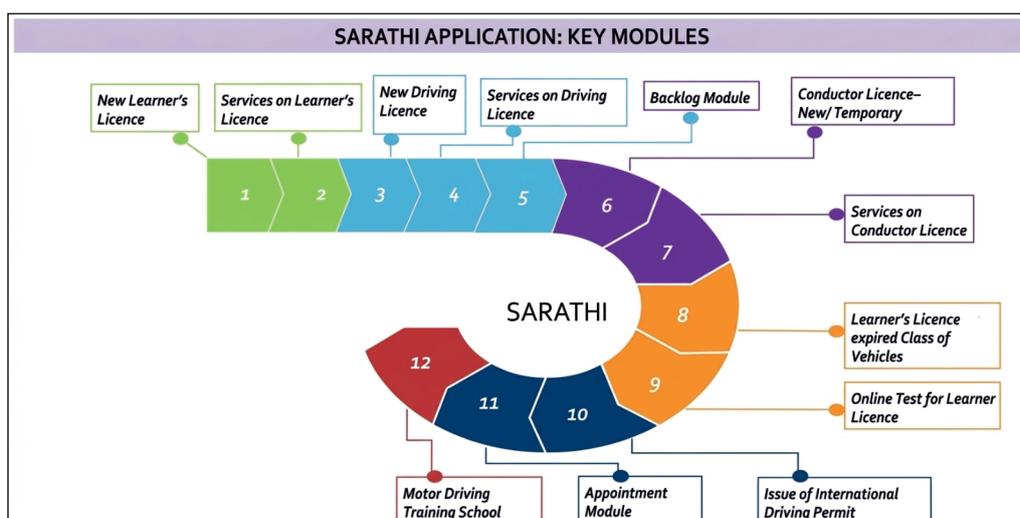


Source: Data Obtained from official website of MoRTH.

## (2) SARATHI

SARATHI is an application, designed to streamline and computerise driving licence-related services. It offers a comprehensive solution for issuing driving licences, learner licences, and other related services provided by the Transport Department. SARATHI operates as a workflow-based, web-enabled, centralised application, featuring a wide range of configurable options to meet the specific needs of different States. It facilitates the management of driving, learner, conductor and driving school licences currently operational in the State. The key modules in SARATHI are shown in **Figure 5.2**.

**Figure 5.2**  
**Modules of SARATHI Application**



Source: Data Obtained from official website of MoRTH

## (3) Faceless/Contactless Service

The MoRTH Annual Report 2021–22 highlights the transformation of existing transport services into Faceless/Contactless mode through advanced technologies such as Aadhaar authentication/eKYC, AI-based face recognition, eSign/DSC, and other business process transformations. Key services offered are online application submission, e-payment, documents upload and appointment booking. This shift aims at significantly reducing the need for RTO visits, eliminating queues and minimising reliance on intermediaries. According to MoRTH, most VAHAN and SARATHI services have been made faceless, with State-specific customizations in conformity with the Central Motor Vehicles Rules. Currently, this facility is provided for more than 80 services and implemented in 34 States/Union Territories<sup>69</sup>. In Karnataka, 31 services<sup>70</sup> are being provided online as mentioned in **Appendix-5.1**.

## (4) Automatic Fitness Management System and Automated Driving Testing Track

In 2023, the Ministry of Road Transport, Government of India, launched the Automatic Fitness Management System (AFMS) to streamline vehicle fitness testing. The system enables vehicle owners to book tests, access results, apply

<sup>69</sup> As per MoRTH Annual Report, 2023-24.

<sup>70</sup> Annual Report 2023-24 of Transport Department, Government of Karnataka.

for re-tests and submit appeals online. Automated Testing Stations (ATS) manage bookings and generate results, while RTOs handle appeals and update vehicle status accordingly. As per the Gazette Notification<sup>71</sup>, the implementation deadline for AFMS across all vehicle categories was 1 October 2024.

The Automated Driving Testing System (ADTS) uses sensor-based technology to objectively assess driving skills on pre-designed test tracks. These tracks, incorporating various shapes, gradients and traffic signals, evaluate a candidate's ability to manoeuvre without triggering sensors. Contact with a sensor results in automatic mark deduction, while exceeding the permitted number of touches or failing to complete the test within the specified time leads to disqualification. Test parameters, including time limits, are defined based on the vehicle category.

#### 5.4.1.2 Financial Outlay

The Transport Department's revenue comprises Motor Vehicle Tax, Green Tax, cess under the KMVT Act and fees collected for services under the Motor Vehicles Act. Cess collections are to be transferred to designated funds earmarked for specific purposes. Departmental expenditure includes administrative costs, staff salaries and infrastructure development.

The revenue collected by the transport department in the last five years are shown in **Table 5.3**.

**Table 5.3**  
**Revenue from Taxes on Motor Vehicles**

(₹ in crore)			
Year	Budget Estimates (BE)	Revenue collected	Excess(+)/Shortfall(-) over (BE) (Percentage of difference)
2019-20	7,100.00	6,762.58	-337.42 (-4.75)
2020-21	7,114.84	5,606.99	-1,507.85 (-21.19)
2021-22	7,514.80	6,915.26	-599.54 (-7.98)
2022-23	8,006.69	10,611.18	2,604.49 (+32.53)
2023-24	11,500.00	11,287.26	-212.74 (-1.85)

Source: Budget documents and Finance Accounts of respective years.

The decrease in revenue collection in 2020-21 and 2021-22 can be attributable to COVID-19 impact. During this period, GoK granted exemption from quarterly tax payable by transport vehicles for two months in 2020-21 and for one and half months in 2021-22.

<sup>71</sup> G.S.R.663(E) issued by the Ministry of Road Transport and Highways on 12 September 2023.

#### **5.4.1.3 Organisational Structure**

The Transport Department, GoK, is headed by the Secretary to Government, who oversees the regulation and enforcement of motor vehicle laws in the State. The Secretary is supported by the Transport Commissioner, who also serves as Chairman of the State Transport Authority and is responsible for the overall functioning of RTOs. Joint Commissioners supervise and guide RTOs/ARTOs within their jurisdictions and act as Appellate Authorities for matters related to licences, vehicle registration, fitness certification, and taxation. RTOs/ARTOs serve as the key interface for public service delivery and play a vital role in efficient tax collection and service facilitation. The organisational structure is detailed in **Appendix-5.2**.

In addition, 15 check posts have been established across Karnataka to monitor inter-state vehicles movement, facilitate revenue collection, and issue temporary permits. Officers at these check posts are also empowered to levy fines and penalties for any violations detected.

#### **5.4.1.4 Audit Objectives**

The objectives of this Audit were to assess whether:

- (i) RTOs managed the issue, renewal and cancellation of licenses effectively as per the Act/ Rules?
- (ii) Regulation and control over registration and use of vehicles through registration, issuing permits and fitness certificates was implemented by RTOs as per the Act/Rules?
- (iii) RTOs efficiently assessed, levied, collected and remitted revenue (Motor vehicle taxes, fines, penalties, cess, *etc.*, as per Act/Rules) and took effective action on arrears?
- (iv) Enforcement activities were effectively conducted by RTOs to ensure compliance with the motor vehicles Acts/Rules with adequate follow up to deter violations?
- (v) RTOs have been provided with required manpower, equipment and other resources to discharge the mandate as also to ensure public service delivery in a transparent and efficient manner?

#### **5.4.1.5 Audit Criteria**

The Audit observations were benchmarked against criteria derived from the following:

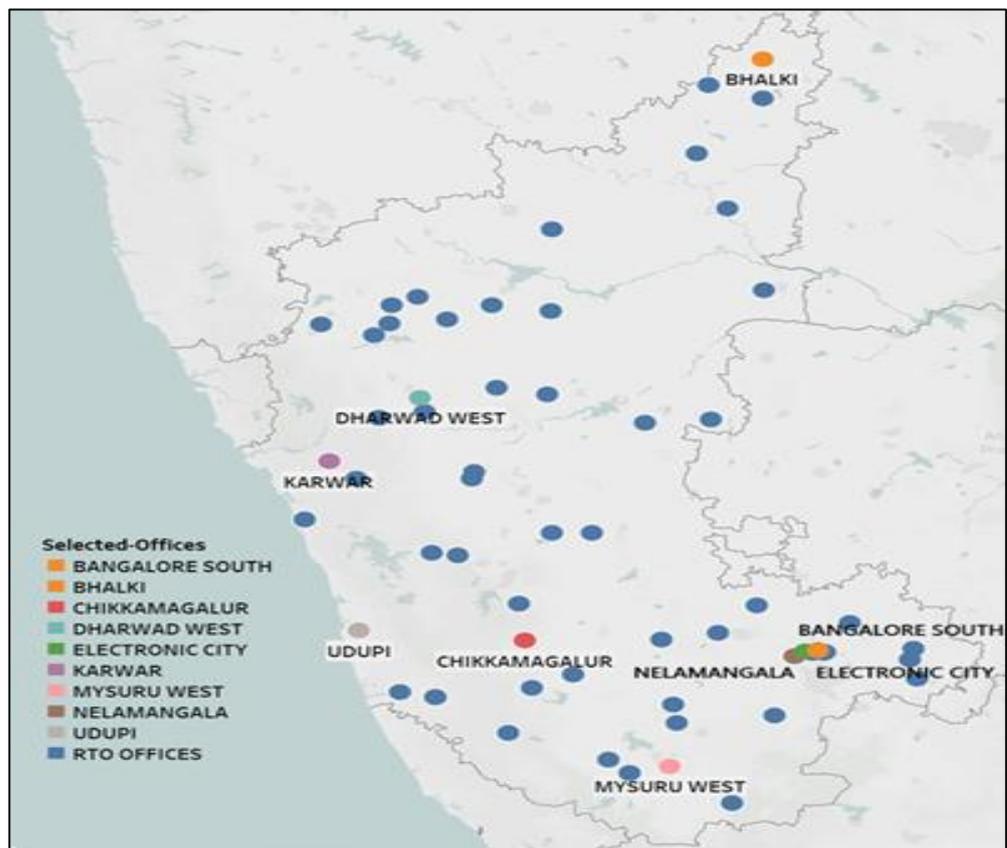
- i. The Motor Vehicles Act, 1988.
- ii. Central Motor Vehicles Rules, 1989.
- iii. The Karnataka Motor Vehicles Rules, 1989.
- iv. The Karnataka Motor Vehicles Taxation Act, 1957.
- v. The Karnataka Motor Vehicles Taxation Rules, 1957.
- vi. The Karnataka Road Safety Act, 2017.
- vii. Notifications issued by the Ministry of Road Transport, Government of India from time to time.

#### 5.4.1.6 Audit Scope, Methodology and Sampling

The Audit covered the five-year period from 2019-20 to 2023-24. Data from the SARATHI and VAHAN applications relating to Karnataka, up to March 2024, was analysed. Records from the offices of the Secretary to Government (Transport), the Commissioner for Transport and Road Safety and the Joint Commissioners overseeing RTOs/ARTOs operations were examined. Additionally, nine RTOs/ARTOs<sup>72</sup> were selected through stratified random sampling, based on risk parameters and detailed verification of exceptions (from data analysis) was carried out through cross-verification of manual records.

Details of data collection and sampling methodology are provided in **Appendix-5.3**. The selected RTOs/ARTOs are shown in **Chart 5.1**.

**Chart-5.1**  
Selected RTOs/ARTOs in the State



Databases of SARATHI and VAHAN were analysed for the entire State. The list of Vahan Tables used for data analysis is detailed in the **Appendix-5.4**. Thirty cases for each of the selected nine RTOs from all the exceptional cases noticed from the data analysis and cross-verified with the manual records maintained at the respective RTOs/ARTOs.

The Entry Conference was held on 25 June 2024 with the Secretary, Transport Department, Government of Karnataka wherein Audit Objectives, Scope and Criteria were discussed. The Exit Conference was held on 11 June 2025 with the Secretary, Transport Department, Government of Karnataka, wherein the

<sup>72</sup> Out of 67 RTOs/ARTOs.

audit findings and recommendations were discussed. The replies of the Government were also received on 11 June 2025 and the same have been incorporated in the report, wherever necessary.

#### 5.4.1.7 Acknowledgement

Audit acknowledges the cooperation extended by the Department of Transport, Government of Karnataka, as well as the test-checked units, for conduct of this Subject Specific Compliance Audit.

#### 5.4.1.8 Audit Findings

The audit findings have been discussed in the succeeding paragraphs. The views of the Department, wherever received, have been considered and suitably incorporated in the Report.

### 5.4.2 Issuance of Licenses in Karnataka

RTOs act as Licensing Authorities<sup>73</sup> and issue four types of licenses (i) Learners' License (LL), (ii) Driving License (DL), (iii) Conductor License and (iv) Driving School license (DSL). An LL is the first step toward obtaining a DL and is issued upon successfully passing a standardised online test. Then, Applicants must pass a practical driving test conducted by the RTO to receive a DL. A person must hold a DL<sup>74</sup> for at least one year to be eligible for a Transport Vehicle Licence. A Conductor Licence is issued to individuals intend to serve as bus conductors on stage carriers. DSL are granted to schools<sup>75</sup> and establishments qualified to provide driver training.

Details of LL/DLs issued/ renewed during the last five years from 2019 to 2024 in Karnataka State are given in **Table 5.4**.

**Table 5.4**  
**Details of LLs/DLs Issued**

Year	New Learners' Licenses Issued	Learners' License Renewed	New Driving License Issued	Driving Licenses Renewed
2019-20	23,44,625	2,163	8,83,393	13,90,548
2020-21	17,74,139	1,392	7,62,277	10,71,731
2021-22	15,86,516	1,485	7,19,770	10,92,567
2022-23	18,65,279	1,737	7,16,746	10,89,119
2023-24	18,72,055	1,604	7,04,604	9,64,358

Source: SARATHI Dashboard as on 26 March 2025.

The RTO-wise number of DLs issued in the State as on 31 March 2024 is given in **Appendix-5.5**. The year-wise details of DLs issued by the nine test-checked RTOs during the year from 2019-20 to 2023-24, are shown in **Appendix-5.6**.

<sup>73</sup> Rule 3 of Karnataka Motor Vehicle Rules, 1989 and under Rule 17 of Karnataka Motor Vehicle Rules, 1989.

<sup>74</sup> As per Section 7 of the MV Act, 1988.

<sup>75</sup> Under Section 12 of the Act.

Important observations made on issue of DLs are detailed in the following paragraphs.

#### 5.4.2.1 Lack of testing facilities at RTOs

Each driving test applicant is required<sup>76</sup> to be assessed on 24 specific skill parameters (**Appendix-5.7**). However, the regulations do not require RTOs to document the evaluation of each parameter, leaving manual testing vulnerable to subjectivity and potential omissions. To address these concerns, Automated Driving Testing Tracks (ADTT), equipped with sensors and video analysis, have been introduced. These systems enhance objectivity, ensure consistency in testing and provide permanent, reviewable records of every test conducted.

As of March 2024, there were seven ADTTs operating in the State and 12 RTOs were authorized to use these ADTTs. The details of ADTTs, date of operationalization, RTOs associated with them are detailed in **Appendix-5.8**. As all RTOs do not have access to ADTTs, driving skill tests are conducted through two different methods in the State, *i.e.*, through the ADTTs in 12 RTOs and manually in other 55 RTOs/ARTOs.

Out of the nine selected RTOs in Audit's sample, four RTOs (Bengaluru South, Electronic City, Mysuru (West) and Dharwad (West)) were equipped with ADTT facilities. The other five RTOs were not equipped with ADTT facilities.

#### 5.4.2.2 Deficiencies noticed in conduct of DL tests

At ADTTs, RTOs are authorised to conduct a maximum of 200 driving skill tests per day. However, analysis of SARATHI data from 2019-20 to 2023-24 revealed that eight<sup>77</sup> out of 12 RTOs exceeded this limit. Across the eight ADTTs the maximum tests per day ranged from 252 to 495 and average of the tests conducted on the days exceeding 200 tests were ranging between 213 to 275. Notably, RTO Electronic City, Bengaluru conducted more than 200 tests on 109 days.

In ADTTs, the maximum time that can be taken by a driving license applicant is approximately 60 seconds for two-wheelers and 662 seconds for LMVs. In order to compare with manual testing, Audit enquired (May 2024) if any standard time was fixed by the Department for conducting skill tests at RTOs without ADTTs. The Department stated (February 2025) that no such standard time was prescribed.

With a view to analyse the methodology of the DL tests conducted, Audit undertook a joint physical verification (JPV) to study the DL tests conducted at the nine selected RTOs. This revealed the following:

(i) In the five RTOs where DL tests were conducted manually, 11 to 16 parameters for Light Motor Vehicles (LMVs) and 11 to 17 for two-wheelers tests only were conducted by the Inspector of Motor Vehicles (IMVs) (out of 24/23<sup>78</sup> prescribed parameters that were to be tested respectively). In ADTTs,

<sup>76</sup> Rule 15 of the CMVR, 1989.

<sup>77</sup> KA01, KA05, KA09, KA32, KA41, KA51, KA55 and KA59.

<sup>78</sup> In case of two-wheeler, testing for reverse gear is not applicable.

21<sup>79</sup> out of 24 skills prescribed under rule 15 of the CMVR 1989 are being tested in five testing modules.

(ii) As per the JPV, the time taken for manual driving test per applicant for two wheelers and LMVs is shown in **Table 5.5**.

**Table 5.5**  
**DL Test Time taken by Applicants for two wheelers and LMVs**

Driving Licence Test Time					
Sl. No.	Name of the RTO/ARTO	Two-Wheelers		LMVs	
		Number of Vehicles	Time Taken (in seconds)	Number of Vehicles	Time Taken (in seconds)
<b>ADTT Stipulated Time:</b>			<b>60</b>		<b>622</b>
1	Bhalki	4	85 - 98	2	95 - 105
2	Chikkamagaluru	5	48 - 58	3	55 - 75
3	Karwar	6	40 - 79	4	60
4	Nelamangala	-	Not Applicable	6	115 - 145
5	Udupi	6	140 - 160	6	208 - 215
<b>Total</b>		<b>21</b>		<b>21</b>	

Source: Joint Physical Inspection of Driving Testing Process.

- In ADTTs, multiple applicants could be tested simultaneously and monitored through sensors and cameras for accurate and reviewable assessment. However, even in RTOs without ADTTs, Audit noted that multiple applicants were being tested concurrently.

**Picture 5.2: Multiple applicants attempting tests simultaneously at RTO Karwar**



<sup>79</sup> The parameters specified in Rule 15 of CMV Rules 1989 sub-clauses 3(d), 3(g) and 3(i) were not incorporated in ADTTs.

- The test tracks used at certain RTOs lacked appropriate infrastructure to assess several mandated driving skills, such as navigating steep inclines, lane changes, overtaking, and giving way to other vehicles. This limited the comprehensiveness of the driving tests.

**Picture 5.3: Driving Test Track at RTO Nelamangala**



**Picture 5.4: Driving Tests Track at RTO, Karwar premises**



- Usage of driving school vehicles during LMV driving test was inappropriate because the dual controls facility was exclusively for purposes of imparting training. Moreover, the presence of another person could interfere with the test and undermine the fairness of assessing the applicant's independent driving ability.

**Picture 5.5 : Driving test taken for a candidate with a co-passenger**



Since all tests were not conducted in manual testing, took more time and involved greater subjectivity, Audit observed that their efficiency was lower, when compared to testing through ADTTs. Thus, establishment of ADTTs for all RTOs would be beneficial and remove subjectivity.

However, even in ADTTs, Audit observed that the testing was not completely fool-proof as detailed below:

- (i) Driving Test for Heavy Motor Vehicles (Transport Vehicles) was not conducted though HMV test track was available in ADTT attached with RTO Electronic City.
- (ii) On the scheduled date, the applicant is required to submit the documents, biometric details, live photo (taken inside the vehicle) that will be updated to an online portal (ADTS<sup>80</sup>) and is to be authenticated through an RFID card issued to the applicant at the entry of the ADTT track. Audit observed that RFID authentication was not made at entry of the ADTT tracks attached to Electronic City RTO. This could result in impersonation.
- (iii) None of the selected ADTTs were equipped with the provision of mirror gazing for checking the rear-view mirror before signaling, beginning maneuvering, moving away, altering the course to overtake, turning right or stopping as per rule 15(3) (r) of the CMV Rules, 1989.
- (iv) In ADTTs, all tests should have configurable parameters for skill assessment in terms of number of sensor pole hits, time taken for completion of test on a particular track/test, inclination angle for up gradient test and number of times the applicants put the feet down in a two-wheeler test. However, Audit observed that the test results did not reflect details such as the inclination angle for upgradient test and the number of times the applicants put their feet down in a two-wheeler test.

The State Government replied (June 2025) that the establishment of 38 more ADTTs was underway at various stages. Upon full implementation across all RTOs, there would be no subjectivity involved in conducting driving tests by IMVs. It would ensure strict compliance with all parameters mandated under Rule 15 of the CMVR, 1989. However, Audit observed that the Government reply did not indicate any timeline for establishment of these ADTTs and the action plan for coverage of all RTOs.

***Recommendation 9: The Government may expedite the provision of ADTT facilities in all licensing RTOs/ARTOs and promptly address deficiencies in existing ADTTs.***

#### **5.4.3 Vehicle Registration in Karnataka**

A vehicle must be registered with the authority in the area where the owner resides or conducts business<sup>81</sup>. The vehicle should also be normally kept at that location. The responsibility for registration lies with the vehicle owner.

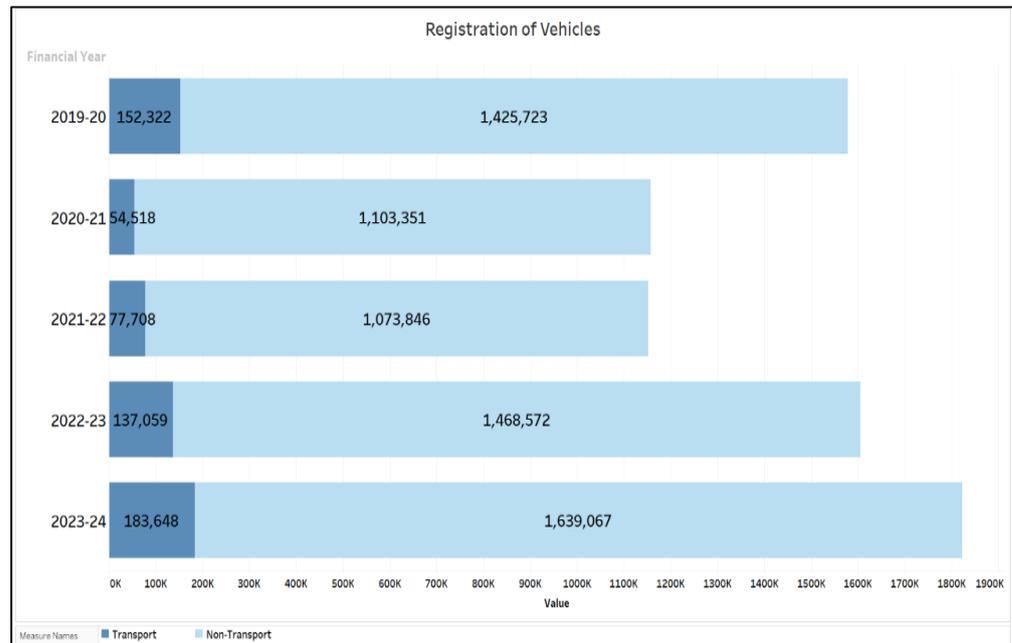
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<sup>80</sup> Automated Driving Test System.

<sup>81</sup> Section 40 of the MV Act.

RTOs are responsible for registering<sup>82</sup> Motor Vehicles including cars, motorcycles, commercial vehicles, *etc.* The number of transport and non-transport vehicles registered in the 67 RTOs of Karnataka during the last five years from April 2019 to March 2024 is given in **Chart 5.2** below:

**Chart 5.2**  
**Number of vehicles registered in Karnataka during April 2019 to March 2024**



Source: VAHAN *dashboard*.

Though the vehicle owners are primarily responsible for registration, the enforcement of related regulations and tax collection lies with the RTOs. Therefore, it is imperative that the Transport Department and RTOs monitor vehicles subject to registration within their jurisdictions.

#### 5.4.3.1 Temporary Registrations not followed by Permanent Registration

Temporary registration of vehicles is permitted<sup>83</sup> for up to six months, extendable by the registering authority. Applicants must submit Form 23-B with details including ownership, vehicle specifications, intended place of permanent registration and the reason for seeking temporary registration.

Driving or use of any motor vehicle in public or other places is prohibited<sup>84</sup> unless it is duly registered, the registration is valid and the vehicle displays the registration mark as prescribed.

As per VAHAN database, 25,16,557 temporary registrations were issued in Karnataka requiring permanent registrations to be completed within six months either in the State of Karnataka or in other States during the period 2019 to 2024. On data analysis, Audit observed that 47,331 (1.88 *per cent*) vehicles did not complete permanent registration under Section 39 of the Act, even though their

<sup>82</sup> Rule 33 of Karnataka Motor Vehicle Rules, 1989.

<sup>83</sup> Rule 53-B of the CMVR, 1989.

<sup>84</sup> Section 39 of the Motor Vehicle Act, 1988.

temporary registrations had expired. Age wise analysis of expired temporary registration is given in the **Table 5.6**.

**Table 5.6**  
**Age wise analysis of expired temporary registration**

Year of Temporary Registration	No. of vehicles whose temporary registration expired
2019-2020	10,848
2020-2021	10,518
2021-2022	12,745
2022-2023	7,882
2023-2024	5,338
<b>Total</b>	<b>47,331</b>

Of these, 8,904 vehicles belong to the nine selected RTOs. Further, 4,411 vehicles were supposed to be permanently registered within the Karnataka State and 4,493 vehicles were to be registered in other States, as per the declarations. Out of the 4,411 vehicles, 1,098 were to be registered in the same RTOs while for the remaining 3,313 vehicles, temporary registration was done in one RTO, but permanent registration was due in another RTO within Karnataka. Details of vehicle classes are given in **Appendix-5.9**.

In order to cross-verify the results of data analysis, Audit checked the Chassis numbers of 263 temporarily registered vehicles (out of 4,411) from the VAHAN portal. This analysis revealed that 254 (97 per cent) vehicles had not been registered with the RTOs as of March 2024.

There was no mechanism to track vehicles temporarily registered in other States but meant to be permanently registered in Karnataka.

The State Government replied (June 2025) that temporary registrations are being monitored through the VAHAN 4 software. The reply also stated that vehicles that have not been permanently registered would be identified from the VAHAN database and instructions would be issued to the respective RTOs to recover any pending taxes from the owners.

***Recommendation 10: The Transport Department may establish a system to take pro-active action on vehicles with expired temporary registrations to get them registered permanently and collect taxes due from them.***

#### **5.4.3.2 Non-renewal of Registration of Non-Transport Vehicles after expiry of 15 Years**

Registration of non-transport vehicles is valid for 15 years<sup>85</sup> and must be renewed thereafter by applying to the registering authority. Upon application, the vehicle must undergo a fitness test by the IMV and renewal is granted only after the fitness certificate (FC) is issued. The renewed registration certificate (RRC) is valid for five years. Further, non-transport vehicles are not considered validly registered after 15 years<sup>86</sup> unless their registration is renewed and cannot be used in public places without such renewal.

<sup>85</sup> As per Section 41(7) of the MV Act, 1988 and the applicable rules.

<sup>86</sup> Section 39 of the MV Act.

Analysis of the VAHAN database revealed that 29,01,566 non-transport vehicles registered between 2004 and 2009 had not renewed their registration after expiry. While owners were responsible for renewal, RTOs must ensure such vehicles do not operate without valid registration. If these vehicles were on the road, ₹ 433.86 crore in renewal fees and ₹ 80.62 crore in Green Tax would be due.

To assess whether non-transport vehicles were plying after RC expiry, Audit randomly selected 300 vehicles from three Bengaluru RTOs from the VAHAN database. These were cross-verified with e-challans generated from the Intelligent Traffic Management System<sup>87</sup>. The analysis showed that 52 vehicles (17.33 per cent) were on the road one to three years after RC expiry.

The State Government (June 2025) stated that some vehicles beyond the renewal period could no longer be in use or the owners' addresses could be unavailable. As a long-term measure, the Department plans to suspend or cancel such registrations. In the short term, these vehicles will be identified during routine enforcement and appropriate action will be taken under the Motor Vehicles Act and Rules.

The reply did not address the following issues adequately:

1. While some of the vehicles could be out of usage, Audit has shown that a substantial portion of vehicles were found on road after expiry of registration.
2. Cancellation of such registration unilaterally would mean that they would fall outside the ambit of Transport Department without any monitoring.

***Recommendation 11: Transport Department must establish a system to coordinate and share data with Police Department to track unregistered vehicles during enforcement activities or through special drives.***

#### **5.4.3.3 Lack of monitoring over registration of imported vehicles**

The CMVR<sup>88</sup> stipulates that an application for registration of a motor vehicle shall be accompanied by custom's clearance certificate in the case of imported vehicles.

Out of 3,768 imported vehicles registered in selected RTOs, Audit selected a random sample of 266 vehicles for test-check. Audit observed that in respect of 249 vehicles, Customs Clearance Certificates were not obtained by the RTOs.

On this being pointed out, RTO Bengaluru (South) and RTO Dharwad stated that the vehicles registered by them were not imported and tax assessments were done based on the homologation<sup>89</sup> price and invoice issued by the local dealers. However, the replies furnished by RTOs are not tenable as these vehicles were shown as "imported" in VAHAN.

<sup>87</sup> Karnataka has implemented an Intelligent Traffic Management System (ITMS) to improve traffic flow and safety. This system uses a combination of AI-powered cameras, sensors, and adaptive traffic control systems to monitor, manage, and enforce traffic rules.

<sup>88</sup> Rule 47(1)(h) of the CMVR, 1989.

<sup>89</sup> Homologation is the process of officially approving or certifying that a product or vehicle meets certain standards.

The State Government accepted the observation and stated (June 2025) that instructions would be issued to the concerned Joint Commissioners and RTOs.

#### 5.4.3.4 Short recovery of registration fee on construction equipment and earth moving vehicle

Excavator (Commercial), Dumper, Excavator (Non-Transport), Construction Equipment Vehicle (CEVs), Crane Mounted Vehicle, Earth Moving Equipment (EMEs) are to be charged with registration fee of ₹ 3,000<sup>90</sup>.

Analysis of registration records of VAHAN database revealed short collection of registration fees in respect of 10,697 CEVs/EMEs registered in the State between April 2019 and March 2024. The fee collected ranged from ₹ 100 to ₹ 2,800 and the reasons for collecting registration fee arbitrarily at different rates were not forthcoming from the records. The total short collection of registration fee on CEVs/EMEs amounted to ₹ 2.07 crore<sup>91</sup>.

Out of 10,697 vehicles, 1,895 vehicles pertained to nine selected RTOs. Further, Audit physically verified records relating to 270 vehicles, which also confirmed that registration fees collected were the same as recorded in VAHAN database. However, it was found that in 33 cases, in addition to the registration fee, fees were collected as miscellaneous amount, difference of fees, *etc.* Further, analysis of VAHAN database with respect to 10,697 CEVs/EME revealed that additional amounts paid in respect of 2,989 vehicles at the time of registration aggregated to ₹ 6.97 lakh. After adjusting this, the net short collection amounted to ₹ 2.01 crore.

The State Government replied (June 2025) that Internal Audit Wing of the Transport Department would verify these cases and any shortfall in registration fees would be recovered by the concerned RTOs.

#### 5.4.4 Inspection of Vehicle for issuing of Fitness Certificates (FCs)

A transport vehicle is not deemed validly registered<sup>92</sup> unless it has a valid Fitness Certificate (FC). There are 19 parameters for inspection of a vehicle, covering aspects such as fitment, make/type/rating as per OEM specifications, and the condition and functioning of components. These parameters are detailed in **Appendix-5.10**. Transport vehicle owners are required to obtain an FC every two years for the first eight years after registration, and annually thereafter. These tests are critical to ensuring vehicles remain roadworthy and meet safety and environmental standards.

Audit analysis revealed that RTOs lacked adequate infrastructure and technical staff, and the time allotted per vehicle was insufficient, raising concerns about the quality of inspections and the reliability of FCs issued. Existing Inspection and Certification (I&C) Centres were underutilized and the Transport Department took little initiative to expand facilities. There were instances of

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<sup>90</sup> Rule 81 of CMVR, 1989.

<sup>91</sup> Fees due (₹ 3,000/- X 10,697 vehicles = ₹ 3.21 crore) - ₹ 1.14 crore (total new Registration fee collected from 10,697 vehicles as per VAHAN database) = ₹ 2.07 crore.

<sup>92</sup> Section 56(1) of the Motor Vehicles Act, 1988.

vehicles operating without valid FCs, delayed renewal, or being issued FCs without mandatory checks. Key audit observations are presented below.

1. Of the nine selected RTOs, all lacked Automated Testing Stations (ATS)<sup>93</sup>: six lacked any such facility, while the remaining three had Inspection and Certification Centres (I&Cs<sup>94</sup>) that are yet to be upgraded to ATS. In these cases, Fitness Certificates were issued based on manual inspections conducted by IMVs.
2. Testing done in I&C data showed that automated testing took 15 to 20 minutes per vehicle. Based on this, Audit arrived at a conservative estimate for manual inspection as at least eight minutes per vehicle. Accordingly, Audit presumed that an IMV could conduct a maximum of 60 tests in an eight-hour workday.
3. With this benchmark, Audit analysed the number of FCs issued by six RTOs (which did not have I&C facilities) from VAHAN database during the period 2019 to 2024 and details are given below in **Table 5.7**.

**Table 5.7**  
**More than 60 vehicles tested for fitness by RTOs without I&Cs/ATS**

RTO	Number of days wherein Fitness Tests were Conducted during 2019-2024	Number of Days with more than 60 Tests per IMV
Bengaluru South	1,742	975
Chikkamagaluru	1,730	149
Udupi	2,229	466
Karwar	1,313	9
Electronic City	2,765	855
<b>Total</b>	<b>9,779</b>	<b>2,454</b>

Source: VAHAN database.

Audit observed that in 2,454 out of 9,779 test days (25 per cent), the number of FCs issued per IMV exceeded 60 per day. Audit, along with IMVs in five selected RTOs, assessed the actual time taken per inspection. The time recorded ranged from just 10 seconds to 282 seconds. This corroborated the findings from data analysis.

The State Government replied (June 2025) that three ATS were currently operational and 32 additional centres are proposed under the PPP model. It also stated that manual inspections will be phased out once all 35 ATSS become functional. However, details regarding action plans and timelines were not given to Audit. Also, in the State there are only three I&Cs functioning which cannot be called as ATSS. Department had not furnished the proof of these I&Cs certified as ATS under Rule 175 of CMV Rules.

<sup>93</sup> An Automated Testing Station (ATS) is an advanced version of I&C backed by Rule 175 of CMV Rules.

<sup>94</sup> I&C Centre is an automated testing station established as model project by MoRTH since 11<sup>th</sup> Finance Commission period which uses mechanical equipment to automate various tests required to check the fitness of vehicles.

#### **5.4.4.1 Non-establishment of ATS in Karnataka**

The MV Act mandates<sup>95</sup> that Fitness Certificates (FCs) be issued only after testing at an ATS, from such date as notified by the Central Government. Further, Central Motor Vehicles (Fifth Amendment) Rules, 2023, effective from 12 September 2023, requires mandatory fitness testing of transport vehicles exclusively through ATS from 1 October 2024. Further, where an ATS is registered under Rule 175, testing must be conducted only through such ATS from 12 September 2023.

The amendment to the MV Act in August 2019, followed by the MV Rules in September 2023, clearly mandated fitness testing of all transport vehicles at ATSS from 1 October 2024. Accordingly, the State was required to establish sufficient number of ATSS based on the vehicular population in each RTO. At least, one ATS per district was necessary to ensure convenience for vehicle owners and to avoid long-distance travel for obtaining FCs or RRCs.

Despite advisories issued in 2019 and a formal mandate from the Government of India (GoI) in September 2023 requiring that all transport vehicle fitness tests be conducted exclusively at Automated Testing Stations (ATSS) from 01 October 2024, no ATS had been established in the State as of September 2024<sup>96</sup>. The three existing Inspection and Certification (I&C) centres had also not been upgraded to ATSS. Although land had been identified in 13 districts<sup>97</sup> and 19 additional ATSS were proposed under the PPP model in 16 districts<sup>98</sup>, they were yet to be set up and functional.

The State Government replied (June 2025) that three ATSS are currently operational in the State and also proposed to set up 32 additional centres under PPP mode. As per revised rules, fitness certificates can be issued by any registering authority in the Country. Vehicle owners may present their vehicles at any location for inspection under this flexibility. Once all 35 ATSS are functional, fitness certification would be mandated exclusively through ATSS.

The reply is untenable as GoI mandated that all fitness inspections be conducted only in ATS from October 2024, with no relaxation under the MV Act. The State has only three I&Cs, none certified as ATS under Rule 175 of CMV Rules. In the absence of ATS, vehicles may have to undergo manual fitness checks, reflecting the Department's limited progress in creating the required infrastructure from April 2019 to March 2024.

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<sup>95</sup> An amendment made to the MV Act in August 2019.

<sup>96</sup> Month and year of finalization of Annual Report 2023-24 of the Transport Department.

<sup>97</sup> Devanahalli, Tumkur, Kolar, Shivamogga, Davanagere, Belagavi, Gadag, Ranibennur, Vijayapura, Bagalkote, Bellari, Bidar and Yadgiri.

<sup>98</sup> Four places in Bangalore, Chikkaballapura, Ramanagara, Mandya, Chamaraanagar, Hassan, Madikeri, Dakshina Kannada, Udupi, Chitradurga, Chikkamagaluru, Uttara Kannada, Kalaburagi, Raichur, Koppal and Hospete.

#### 5.4.4.2 Underutilization of I&C's facilities by RTOs

Rule 64 of the CMVR, 1989 provides for the establishment of testing stations to assess vehicle fitness. The Transport Department set up three I&C Centres under the Public Private Partnership (PPP) model. The details of their locations, dates of operation, and monthly charges payable to the private operator<sup>99</sup> are shown in **Table 5.8**.

**Table 5.8**  
I&C Centers established in Karnataka

Sl. No.	Location of I&C Centre	RTO Jurisdiction	Date of Operation	Monthly O&M charges (in ₹)
1	I&C, Nelamangala	RTO Nelamangala & all RTOs of Bengaluru City	23.08. 2021	17,65,133.00
2	I&C Mysuru	RTO Mysuru East and West	02.08.2021	25,52,824.00 <sup>100</sup>
3	I&C Dharwad	RTO Dharwad East and Dharwad West	02.08.2021	25,52,824.00
<b>Total monthly rent for all three I&amp;Cs</b>				<b>68,70,781.00</b>

Source: Information provided by the Department.

However, the Department and the RTOs in Bengaluru, Mysuru, and Dharwad districts did not fully utilize the available I&C Centres. Between August 2021 and March 2024, only 28,759 vehicles were inspected at these centres, against a potential capacity of 8,84,736. During the same period, 47,452 vehicles over 15 years old were tested and issued Fitness Certificates by these RTOs. The comparison of testing capacity and actual usage at the three I&C Centres is presented in **Table 5.9**.

**Table 5.9**  
Installed capacity and number of vehicles tested at I&Cs between August-2021 and March 2024

Name of the I&Cs	Installed capacity in terms of No. of vehicles that could be inspected <sup>101</sup>	Number of transport vehicles with age more than 15 years fitness checked in RTOs after commencement of I&Cs#	Number of vehicles inspected at I&Cs*
Nelamangala, Bengaluru	2,94,912	33,390	10,821
Mysuru	2,94,912	10,122	8,969
Dharwad	2,94,912	3,940	8,969
<b>Total</b>	<b>8,84,736</b>	<b>47,452</b>	<b>28,759</b>

\* Information provided by the Department.

# Information extracted from VAHAN-4 database.

The analysis indicated that RTOs in Bengaluru did not effectively utilise available facilities to assess vehicle roadworthiness through scientific testing, and opted for manual issuance of Fitness Certificates. Furthermore, the Commissioner's Office did not take sustained or effective follow-up action beyond two reminders issued in October 2021 and February 2022 to ensure that vehicles over 15 years old were tested exclusively at I&C Centres.

<sup>99</sup> M/s. Rosmerta Technologies Limited.

<sup>100</sup> 25,52,824 = 22,84,553 + (8,04,812)/3.

<sup>101</sup> 16 vehicles x 24 hrs x 24 days/month x 32 months = 2,94,912 vehicles.

Further, as per Rule 81 of the CMVR, 1989, the prescribed fee for fitness testing of vehicles older than 15 years ranges from ₹ 1,000 to ₹ 1,500. Had all such vehicles been tested at I&C Centres, the Department could have generated additional revenue of approximately ₹ 0.93 crore<sup>102</sup>, even on a conservative estimate. Besides, the following further observations were made:

- (a) Between 1 October 2023 and 31 March 2024, the RTOs of Bengaluru, Dharwad, and Mysuru renewed 4,612 fitness certificates. Although the existing Inspection and Certification Centres were not registered as ATS under Rule 175<sup>103</sup> of the CMVR, directing most vehicles due for renewal to these centres was important to prepare for the mandatory ATS-based testing regime starting from 1 October 2024. However, the Department and the concerned RTOs did not take adequate steps to leverage this opportunity.
- (b) There was no provision to upload detailed test reports in VAHAN. Further, Gap Analysis Reports were prepared and issued by the Automotive Research Association of India (ARAI) (May 2024) on these I&Cs. As per the Gap Analysis Report, IT infrastructure<sup>104</sup> in these I&Cs were to be upgraded to qualify as ATS with adequate equipment required for compliance with testing process defined under the CMVR, 1989.

The State Government replied (June 2025) that all three I&C Centres have been connected to the AFMS by MoRTH. Integration testing with the VAHAN platform is in progress. Once completed, all transport vehicles in Bengaluru Urban/Rural, Dharwad, and Mysuru districts would undergo fitness tests exclusively at the respective I&C Centres in Nelamangala, Dharwad, and Mysuru.

The I&Cs were designed to inspect a minimum of 16 (10 Light Commercial Vehicles (LCV) and 6 Heavy Commercial Vehicles (HCV)) Vehicles per hour. Although the I&C Centres became operational in August 2021, the Commissioner of Transport and Road Safety, through a circular dated 30 September 2021, instructed RTOs to direct specific categories of vehicles such as transport vehicles older than 15 years, non-transport vehicles over 20 years old (at the time of RRC) and school buses in Bengaluru, Mysuru and Dharwad districts to these centres for inspection. This was a proactive measure to help RTOs and vehicle owners to prepare for the mandatory fitness testing at ATS, as would be notified by the Central Government.

***Recommendation 12: The Transport Department may investigate the reason for the continuation of manual fitness tests by IMVs at RTOs equipped with I&C facilities and seek explanation for their under utilisation.***

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<sup>102</sup> 18,693 (47,452 - 28,759) vehicles not tested at I&Cs X ₹ 500 (difference fee for testing at I&Cs) = ₹ 0.93 crore.

<sup>103</sup> Prescribes registration procedure of ATS.

<sup>104</sup> Such as Server, Desktop, Printer Number Plate Reader camera, Speed Dome Camera, Network Video Recorder.

#### 5.4.4.3 Transport vehicles operating without valid FC

FCs issued are valid for two years<sup>105</sup> for transport vehicles less than eight years old, and one year for those older than eight years. Additionally, the KMVR prescribes<sup>106</sup> an additional fee<sup>107</sup> for delayed applications for fitness certification.

Audit analysis of VAHAN database revealed that fitness of 3,87,831 Transport vehicles (excluding NOC, Age Expire, Replace, Converted, RC Cancelled, RC Surrendered, Theft and Scrapped Vehicles) expired between 1 April 2019 and 31 March 2024. Of these, 67,788 vehicles were registered with the selected nine RTOs.

1. Out of 3,87,831 vehicles, Audit noticed that 20,557 transport vehicles (5.3 *per cent*) continued to pay quarterly tax even after expiry of FC<sup>108</sup>. This proved that vehicles without valid FCs were being operated on roads. Further, from these vehicles, Green Tax of ₹ 47.66 lakh at the rate of ₹ 200 per annum was also due at the time of renewal of FC.
2. Similar to Paragraph 5.4.3.2 for non-transport vehicles, Audit cross-verified a sample of 90 vehicles whose FCs had expired from three<sup>109</sup> Bengaluru RTOs with e-challans issued through the Intelligent Traffic Management System. The analysis revealed that that 16 vehicles (18 *per cent*) were operating on roads even though the FC had expired between 4 to 51 months before challan issue. The presence of these vehicles on public roads also highlights road safety concern and indicates insufficient enforcement by the RTOs and Transport Department.
3. Further, Audit also noticed that 1,71,056 transport vehicles' FCs were renewed belatedly, *i.e.*, after 1 to 170 months from the date of expiry of the previous FC. For these, the additional fee chargeable for belated renewal of FCs under Rule 38(6) of the KMVR, 1989 had not been charged and collected by the RTOs in respect of 28,945 vehicles (17 *per cent*). The additional fee not collected amounted to ₹ 26.23 lakh.

The State Government replied (June 2025) that it is the sole responsibility of the vehicle owner to renew fitness certificates and that the Transport Department enforces violations of the Motor Vehicles Act and Rules through its staff. It also stated that when unfit vehicles were found on public roads, appropriate action was taken, including penalties and seizure and also that notices would be issued to vehicles with expired fitness certificates.

Though renewing of FC is the responsibility of vehicle owners, RTOs are responsible for ensuring that only road-worthy vehicles ply on road. It was observed that vehicles whose FC had expired one to four years before, continued to ply on public roads and this indicated that the Department lacked a robust system for tracking these vehicles.

<sup>105</sup> Rule 62 of the CMVR, 1989.

<sup>106</sup> Rule 38(6) of the KMVR.

<sup>107</sup> Equivalent to 20 *per cent* of the fees prescribed under Rule 81 of CMVR 1989 for the delay of each month not exceeding the amount of fees prescribed for the fitness certificate (*i.e.*, ₹ 200).

<sup>108</sup> For the period ranging from 1 to 57 quarters.

<sup>109</sup> Nelamangala, Bengaluru (South) and Electronic City, Bengaluru.

#### 5.4.4.4 Fitness Certificates issued without ensuring installation of Speed Limiting Device in Transport Vehicles

All transport vehicles (except exempted ones) manufactured on or after 1 October 2015 must be fitted with a speed governor<sup>110</sup> (max speed: 80 km/h, AIS-018/2001 standard). Vehicles manufactured before this date must have speed governors retrofitted. As per MoRTH Guidelines (October 2018), State authorities must ensure installation of speed governors before granting fitness certificates, and RTOs must record the device's Unique Identification Number (UIN) in the VAHAN database during fitness testing.

Audit analysis of VAHAN database for the entire State revealed that 9,32,012 Transport Vehicles were registered in the State prior to 1 October 2015 (excluding exempted vehicles) and were liable to be fitted with Speed Limiting Devices (SLDs). Out of these, FCs of 3,63,375 vehicles were renewed from 1 April 2019 to 31 March 2024. However, the UIN of the SLDs were not updated for 3,63,372 vehicles in VAHAN database. In the sampled nine RTOs, from 1 April 2019 to 31 March 2024, 61,692 vehicles were issued fitness certificates without ensuring installation of speed governor. RTO wise details are given in **Appendix-5.11**.

For detailed verification, physical registration files of 223 Transport Vehicles were test-checked in the sampled nine RTOs. The installation report of SLDs in respect of 205 test-checked cases (92 per cent) were not available in the files maintained in the selected RTOs.

The absence of verification of speed governors and non-updation of SLD's UIN<sup>111</sup> in the VAHAN database indicates that RTOs may not have conducted thorough inspections during fitness certificate renewals.

The State Government replied (June 2025) that although speed governor installation was verified during FC testing, the feature for updation was not available in VAHAN earlier and that the same was now active in VAHAN-4. Government's reply also assured that the Transport Department would take appropriate steps to mandate fitment and verification of speed governors for all transport vehicles (except M1 category) during fitness certification and ensure updation in VAHAN-4.

The Government's reply that the updation of UIN of speed governor in VAHAN earlier is factually incorrect. As per the MoRTH letter dated 10th October 2018, the feature was enabled in VAHAN during 2018. Further, during test-check, Audit found that the details of speed governors were entered in respect of few vehicles.

#### 5.4.5 Transport vehicles without permits

Chapter V of the Motor Vehicles Act, 1988 mandates that transport vehicles operate only with a valid permit issued or countersigned by the appropriate transport authority. The KMVT Act, 1957 further links the quarterly tax rate for buses to the type of permit issued.

<sup>110</sup> Rule 118 of the CMVR, 1989.

<sup>111</sup> Unique Identification Number.

Audit analysis of VAHAN database related to Permits issued to transport vehicles and manual records revealed that one third of transport vehicles which require permit (4,70,028 out of 14,01,202 transport vehicles<sup>112</sup>) did not have valid permits as on 31 March 2024 as detailed in **Table 5.10**.

**Table 5.10**  
**Transport vehicles without permits in the State**

Sl. No.	Type of vehicle	Number of vehicles without valid permits
1	Three-wheeler (Passenger)	1,43,011
2	Motor Cab	82,067
3	Goods Carrier	73,039
4	Bus	46,401
5	Maxi Cab	39,978
6	Omni Bus	16,368
7	Private Service Vehicle	6,214
8	Tractor (Commercial)	17,268
9	Trailer (Commercial)	10,366
10	Articulated Vehicle	2,607
11	Educational Institution Bus	1,763
12	Others	30,946
<b>Total</b>		<b>4,70,028</b>

Source: The data analysis of VAHAN 4.0 database.

Out of these, Audit noticed that 3,14,149 vehicle owners (67 per cent) paid quarterly tax payments for the periods not covered by valid permits and 2,64,031 vehicles (56 per cent) appeared for renewal of the FCs. This suggests that the RTOs and the Department did not check the validity of their permits, which is a crucial regulatory control aspect for transport vehicles under the MV Act.

The State Government replied (June 2025) that the database of VAHAN-1 and VAHAN-4 contain data of motor vehicles from the date of introduction of computerization of the department and that the database may contain many vehicles which are not in use or in existence or covered with manually issued permits. The Government assured to examine the matter and take suitable action.

The reply is not acceptable as Audit analysis had already discounted the vehicles with such issues (Expired/NOC/RC surrendered/cancelled and suspended and manually issued permits) while generating the exceptions for vehicles without permits.

#### **5.4.6 Revenue Management**

KMVT Act 1957 stipulates the rate of tax payable for different classes and types of vehicles. Part 'A' of the Schedule of the Act notifies the quarterly tax payable for different classes of transport vehicles.

RTOs serve as 'Taxation Authorities' under Section 2 of the Karnataka Motor Vehicles Taxation Act, 1957 for non-fleet vehicles. Major revenue sources

<sup>112</sup> Excluding vehicles more than 20 years old, RC cancelled, migrated to other States, scrapped, Ambulances, agricultural tractors and vehicles having All India Tourist permits issued by the Karnataka State Transport Authority and Three Wheelers permit issued by RTO, Shantinagar.

include quarterly tax on transport vehicles, Lifetime Tax on non-transport and certain transport vehicles, and taxes on construction equipment vehicles. Additional revenue comes from cess, green tax, road safety tax, service fees, penalties, and interest. From 2019-20 to 2023-24, Transport Department's revenue increased from ₹ 6,762.58 crore to ₹ 11,287.26 crore. Though SARATHI and VAHAN systems are designed to compute taxes and fees for key transactions accurately, Audit identified issues such as misclassification, data entry errors and unrecognized taxable transactions. In some cases, there were issues in mapping of business rules as per the KMVT Act, leading to non/short collection of dues. Key audit observations with regard to levy and collection of taxes, fees, penalty, *etc.*, based on statewide data analysis and test-checks of records in the selected RTOs, are detailed in the following paragraphs.

#### **5.4.6.1 Lack of clarity to determine the rate of tax for 'Contract Carriages'**

Part A of the Karnataka Motor Vehicle Taxation Act, 1957 prescribes quarterly tax for Contract Carriages. Vehicles carrying more than 20 passengers and complying with Rule 151(2) of KMVR, 1989 are taxed at ₹ 1,500 per passenger, while those carrying more than 12 passengers but not under this category are taxed at ₹ 2,500 per passenger. A similar reference to Rule 151(2) is made in Part B for vehicles operating in Karnataka for less than 30 days.

Rule 151(2) of KMVR prescribes minimum seating capacity based on wheelbase. For instance, vehicles with 294 to 305 cm wheelbase must have at least 20 seats, and those above 561 cm must have 65 seats.

However, motor vehicle body building and approval in India are governed by Rule 125-C of CMVR, 1989, amended on 22 April 2014. It mandated that from 1 October 2014, buses with seating capacity of more than 13 passengers must comply with AIS:052 (Revision 1)-2008 standard, covering seating and other specifications. This provision was fully applicable from 01 January 2017, rendering Rule 151(2) of KMVR redundant.

Thus, continued reference to KMVR in the taxation schedule created ambiguity in levying tax on contract carriage vehicles.

This issue was brought to the notice of the Government vide paragraph 2.9 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2021 (Report No. 7 of 2022). To this, the Government, in their action taken note submitted to the Public Accounts Committee, accepted that after Central Government framed/amended the Rules, the rules of the State Government do not apply.

In this regard, Audit observed the following issues:

(1) The State Government accepted that KMVR became inapplicable after the amendment to Rule 125-C of CMVR. However, the tax schedule for contract carriages remained inconsistent with the revised law. As a result, both lower and higher tax rates became redundant. This left most contract carriages without a valid prescribed tax rate, except for luxury buses, sleeper coaches, and camper vans where no ambiguity existed.

(2) In September 2018, the Commissioner for Transport and Road Safety issued a circular to all RTOs and instructed them to register vehicles built as per Rule 125-C of CMVR, 1989. However, the circular did not specify the applicable quarterly tax for such vehicles.

(3) RTOs did not seek clarification on quarterly tax for contract carriages other than luxury buses, sleeper coaches and camper vans. They levied ₹ 1,500 or ₹ 2,500 per passenger per quarter at their discretion for similar vehicles. Tax variation across nine selected RTOs is detailed in **Table 5.11**.

**Table 5.11**  
**Details of contract carriages for which quarterly tax charged at two different rates**

Sl. No.	Quarterly tax charged (in ₹)	No. of vehicles	Remarks
1.	1,500 per seat	210	Out of 210 vehicles, 155 vehicles had seating capacity as prescribed under Rule 151(2) of the KMVR, 1989. The remaining 55 vehicles had lesser seats but were taxed at the rate prescribed under entry 5(a)(i) of the taxation Schedule.
2.	2,500 per seat	53	The vehicles were taxed under entry 5(a)(ii).

Contract carriages taxed at lower rates could charge lower fares than those taxed higher, creating inconsistency in fares. If the higher tax rate is upheld, charging lower rates for 55 vehicles would lead to revenue loss of ₹ 1.54 crore (**Appendix-5.12**). Conversely, if the lower rate is deemed correct, higher tax collected on 53 vehicles would be irregular.

Audit observed that five RTOs continued to levy concessional quarterly tax on 25 vehicles registered before 01 January 2018, though these vehicles did not comply seating capacity norms under Rule 151(2). This violated the conditions for concessional tax under the KMVT Act, leading to a short recovery of ₹ 1.13 crore (**Appendix-5.13**).

The State Government replied (June 2025) that an expert committee was being formed to review and suggest amendments to the KMVT Act, 1957 and KMV Rules, 1989, as directed by the PAC. Action to amend the Act and Rules would follow after the committee's recommendations.

***Recommendation 13: Government may amend KMVR, 1989 to delink the provision of 151(2) from the taxation schedule to ensure consistency with the provisions of the MV Act and Rules made thereunder.***

#### **5.4.6.2 Short collection of Quarterly tax in respect of Private Service Vehicles**

'Private Service Vehicle (PSV<sup>113</sup>)', is 'a motor vehicle constructed or adapted to carry more than six persons excluding driver and ordinarily used by or on behalf of the owner in connection with his trade or business but does not include a motor vehicle used for public purposes'. Rates of quarterly tax per square

<sup>113</sup> Section 2 of MV Act, 1988 defines.

meter of floor area were prescribed for 'Omni buses and PSVs' under Item No.8 of PART-A of the MVTS.

With effect from 01 April 2000, GoK introduced Item No. 8-A under PART-A of the MVTS. Under the said item, higher rates of quarterly tax per square meter of floor area were prescribed for "Omni buses and PSVs held under lease agreement with industrial undertakings or companies for providing conveyance to their employees from residence to factories/companies and vice versa, where such industrial undertakings or companies were holders of permit of such vehicles".

GoK did not prescribe any specific form or return for reporting vehicle lease agreements with industrial undertakings or companies. Instead, the Transport Department relied on Form 34 under Rule 60 of the CMVR, 1989. However, Form 34 is intended for recording financial leases (hire purchase, lease, or hypothecation) in the Certificate of Registration. Since it does not capture details of operational leases with companies, it did not fulfill the intended purpose.

The rates of taxes payable under entry 8 and entry 8A of Part A of Schedule of the KMVT Act are shown in **Table 5.12**.

**Table 5.12**  
**Tax rates prescribed for PSVs**

Description of the PSV	(Amount in ₹)	
	Rate of tax paid per sq. mtr (Entry No. 8)	Rate of tax to be paid per sq. mtr (Entry No. 8 A)
Floor area exceeding 5 sq.mtr up to 6 sq.mtr	800	1,650
Floor area exceeding 6 sq.mtr up to 9 sq.mtr	850	1,800
Floor area exceeding 9 sq.mtr up to 12 mtr	950	1,950
Floor area exceeding 12 sq.mtr	1,100	2,250

Source: The Karnataka Taxation Schedule as amended up to 2020.

Audit analysis of VAHAN database related to tax collection and cross-verification of records in the RTOs revealed that out of 238 PSVs registered in sampled nine RTOs, taxes were collected under entry '8' of the Schedule in respect of 76 PSVs (32 per cent) registered at four RTOs. However, the vehicles were under lease agreement and taxes were to be collected as prescribed under entry '8-A' of the Schedule. This resulted in short collection of quarterly tax including cess, amounting to ₹ 82.63 lakh. Details are given in **Appendix-5.14**.

This issue was earlier highlighted in the CAG's Report<sup>114</sup>. However, no action was taken to prescribe a suitable form for capturing lease agreements between industrial undertakings and vehicle owners or companies. Given the dual tax entries for PSVs under the KMVT Act, it is imperative that specific controls are built in VAHAN to ensure accurate classification and tax collection.

The State Government replied (June 2025) that online payments were accepted as entered by the vehicle owners, without system validation. To address this gap, the Department also requested NIC/MORTH to modify VAHAN to

<sup>114</sup> Report No. 7 of 2024.

differentiate between leased and non-leased vehicles. Government's reply further assured that in cases of short collection, notices would be issued to recover the tax difference. However, no documentary proof was provided to Audit.

***Recommendation 14: The Government may prescribe a dedicated form to capture vehicle lease agreements for PSVs and align VAHAN processes to ensure accurate taxation entries.***

#### **5.4.6.3 Non-Levy of Green Tax on Transport Vehicles at the time of renewal of Fitness Certificate**

Under Section 3(B) of the KMVT, 1957, a cess called Green Tax, shall be levied and collected in addition to tax levied under the Act at the rate of ₹ 200 per annum for transport vehicles which completed seven years from the date of its registration, at the time of renewal of FC. The cess collected shall be used for the purpose of implementation of various measures to control air pollution.

Audit analysis of VAHAN database relating to green tax levied on 5,96,734 transport vehicles aged more than 7 years and renewed the fitness from April 2019 to March 2024 revealed the following:

(1) In respect of 1,901 transport vehicles aged more than seven years and the last renewal of FC was done between April 2019 and March 2024, Green Tax was not levied. The total amount of Green Tax due from these vehicles amounted to ₹ 3.80 lakh. The RTO wise details of the number of vehicles for which Green Tax was not levied/collected are given in **Appendix-5.15**.

(2) The data analysis also revealed that arrears of Green Tax were collected at the time of renewal of FC. However, Audit noticed that there were errors in the computation of arrears of Green Tax, which resulted in short collection. In respect of 2,06,876 transport vehicles aged more than seven years, for which FCs were renewed between April 2019 and March 2024, as against Green Tax dues for one to 14 years, Audit noticed short collection amounting to ₹ 9.80 crore. The RTO wise details of the number of vehicles for which Green Tax was short collected are given in **Appendix-5.16**.

Four<sup>115</sup> RTOs accepted the Audit observation and attributed the issue to system limitations in VAHAN and assured that the pending amounts would be recovered. The RTO, Chikkamagalur added that vehicles with unpaid green tax has been blacklisted.

The State Government accepted the observation and replied (June 2025) that the Commissioner for Transport and Road Safety had directed all Registering Authorities to collect green tax during the renewal of fitness certificates for vehicles older than seven years and assured that for vehicles where green tax was not collected, demand notices would be issued for recovery. The Government further stated that as this was a state-specific requirement, NIC would be requested to customize the software to enable green tax collection in Karnataka.

<sup>115</sup> Chikkamagalur, Dharwad, Nelamangala and Udupi.

**Recommendation 15: The Transport Department may seek necessary controls to be built in the VAHAN system to monitor Green Tax dues for transport vehicles over seven years old during FC renewal.**

**5.4.6.4 Lack of monitoring over defaults in quarterly tax payments by transport vehicles**

Under Section 4(1) of the KMVT Act, 1957, quarterly tax on transport vehicles must be paid in advance by the registered owner or person in control, within one month from the beginning of the selected period, whether a quarter, half-year or year. For vehicles with a quarterly tax liability of ₹ 30,000 or more, the tax may be paid on a monthly pro-rata basis before the expiry of the tax validity.

However, Section 16 of the KMVT Act allows exemption from quarterly tax during periods of non-use, subject to approval by the RTO as per Rule 34 of the KMVR, 1957. Without such approval, there should be no break in quarterly tax payments.

To assess continuity in quarterly tax collection from transport vehicles, Audit analysed VAHAN database and noted the following observations:

**5.4.6.4 (a) Unauthorized tax breaks**

As buses were off road during COVID-19 due to lockdowns, GoK issued two Orders in May 2020<sup>116</sup> and May 2021<sup>117</sup> granting exemption from payment of quarterly tax by transport vehicles (both goods and passenger vehicles). The first notification granted exemption for two months from 24 March 2020 to 23 May 2020 and the second notification granted exemption for one month (May 2021).

Analysis of the VAHAN database in nine selected RTOs showed irregularities in tax collection. Six RTOs allowed tax breaks for 64 vehicles, between May 2020 and November 2023. These breaks ranged from one to four quarters. This was in violation of Government of Karnataka orders. Audit found no applications from vehicle owners seeking exemption for non-use. The exemptions were not supported by any official approval. These unauthorized tax breaks were allowed by RTOs. As a result, tax of ₹ 16.80 lakh remained unrecovered.

**5.4.6.4 (b) Inadequate follow-up on defaults in payment of quarterly tax by transport vehicles**

Under Section 4(1) of the KMVT Act, 1957, vehicles with unpaid quarterly tax beyond the due month attract a penalty of 20 *per cent* of the tax due. These dues, along with penalties, are recorded in the Demand, Collection and Balance (DCB) register. RTOs are responsible for monitoring and recovering the arrears.

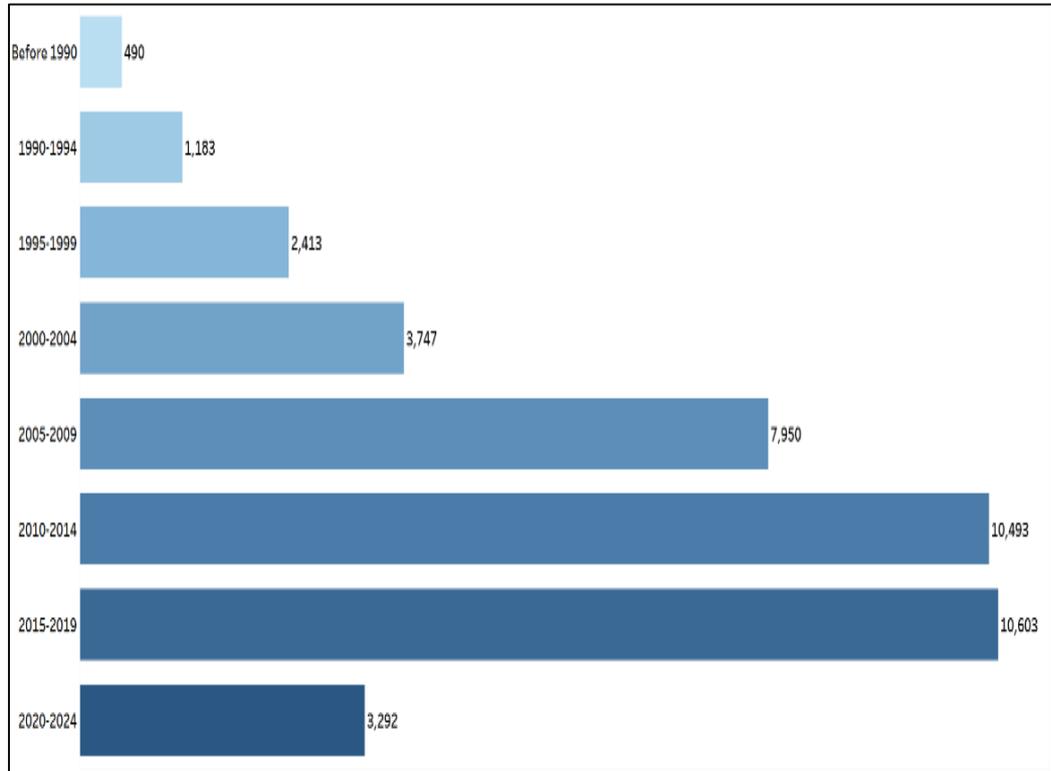
As per the VAHAN MIS Reports (Tax Defaulters), there are about 2.07 lakh tax defaulting vehicles in the entire state. Audit analysis of VAHAN MIS Reports (Tax Defaulters) revealed that 40,171 transport vehicles (6 *per cent*) out of 6.5 lakh transport vehicles did not pay quarterly tax continuously in the

<sup>116</sup> Government Order No. TD09 TDR 2020 dated 19-05-2020.

<sup>117</sup> Government Order No. TD01 TDR 2021 dated 29-05-2021.

selected nine RTOs. The RTO wise number of vehicles and amount of arrears due are detailed in **Appendix-5.17**. The age analysis from registration year for the 40,171 vehicles in default is shown in **Chart 5.3**.

**Chart 5.3**  
**Age-wise default in payment of quarterly tax by transport vehicles**



Source: VAHAN MIS Report (Tax Defaulters).

In VAHAN, quarterly tax and penalty due for each quarter is calculated and reflected as the total amount due. Therefore, as per VAHAN reports, the arrears of tax in the selected nine RTOs was ₹ 258.96 crore as on 31 March 2024, including 20 *per cent* penalty.

Audit observed that the period of default ranged between one quarter to ten years and 7,833 vehicles were older than 20 years, out of 40,171 vehicles in default in the nine selected RTOs, as shown in **Appendix-5.18** and **Appendix-5.19**. Further, there is a possibility that the vehicles could have been scrapped or currently not in use. As tax collection authorities, RTOs need to follow up on default cases rigorously during the initial period of default for better chance of tax collection. The follow up may also reveal whether the vehicle is in unusable condition or is to be scrapped. If this could be updated in VAHAN, a more realistic Tax Defaulter List for the RTO and State as a whole, could be generated.

However, Audit observed that no action was taken by RTOs to tackle the issue of accumulation of tax arrears. The tax defaulter MIS Report generated by

VAHAN in respect of sampled nine RTOs were also found erroneous<sup>118</sup> in 52 out of 311 test-checked cases (17 per cent) as detailed in **Table 5.13**.

**Table 5.13**  
**List of vehicles erroneously included in Tax Defaulter List**

RTO	LTT paid	RC Cancelled	Vehicle surrendered	Quarterly tax already paid	Vehicle transferred	Total vehicles	Tax Arrear and Fine depicted incorrectly (in ₹)
Bengaluru South	0	0	1	0	4	5	24,05,025
Mysuru West	0	0	4	0	0	4	59,33,094
Chikkamagaluru	0	0	3	0	0	3	61,47,474
Udupi	0	0	21	0	0	21	1,11,44,233
Dharwad West	1	0	0	0	0	1	1,18,345
Karwar	0	8	0	0	0	8	43,23,427
Electronic City	0	0	3	2	1	6	37,41,964
Nelamangala	0	0	4	0	0	4	46,05,190
<b>Total</b>	<b>1</b>	<b>8</b>	<b>36</b>	<b>2</b>	<b>5</b>	<b>52</b>	<b>3,84,18,752</b>

Source: VAHAN database.

Audit further observed that RTOs/Department did not report the issue to MoRTH for correction or for proper business rule mapping in VAHAN. This indicated a lack of diligence in identification and recovery of tax arrears.

Further, sharing the list of tax defaulters with the Traffic Police could help in verification of such vehicles' operations. However, no such action was taken by the RTOs or the Department. Audit's cross-verification of a sample of 167<sup>119</sup> defaulting vehicles in five RTOs with E-challan data showed that 12 vehicles (7 per cent) continued to ply on roads.

The State Government replied (June 2025) that the Department follows a multi-step process to recover tax from defaulters, including issuing demand notices, seizing vehicles and filing charge sheets and that the Department was also considering tracking defaulting vehicles, in coordination with the Police. The Government also stated that NIC would be consulted to design follow-up mechanisms in VAHAN and that Dashboards were being developed to monitor tax defaulters daily.

The Government's reply only outlines the follow up activities in case of default in payment of quarterly tax. However, details regarding number of demand notices issued, number of cases charge sheeted and vehicles seized were not furnished along with reply.

<sup>118</sup> Due to inclusion of RC cancelled, surrendered and transferred vehicles, also LTT and quarterly tax already paid vehicles.

<sup>119</sup> Registered in Bengaluru only as AI cameras capturing vehicle movements not available in other districts.

**Recommendation 16: The Transport Department may share the list of tax defaulters with Police, toll authorities, and GST officials, and obtain regular updates on vehicle movements.**

#### 5.4.6.5 Non/short levy of penalty on the delayed payment of quarterly tax

Quarterly tax levied on transport vehicles<sup>120</sup> can be paid for a quarter, half year or year, at owner's choice from commencement of such quarter. A rebate of two and half a *per cent* of tax, is allowed<sup>121</sup> when paid in advance for a year. The tax shall be paid in advance by registered owner or person having possession or control of the Motor Vehicle for a quarter, half year or year, at his choice within one month from the commencement of such quarter, half year or year. For belated payment of quarterly tax 20 *per cent* of the arrears of the tax due in respect of vehicles liable for quarterly tax shall be paid for composition<sup>122</sup> of the offense.

Audit analysis of VAHAN database relating to payment of quarterly tax between 01 January 2022 and 31 March 2024<sup>123</sup> for the entire State revealed that in respect of 31,769 transport vehicles, though the tax payments were made after first month of the respective tax periods, penalty at the rate of 20 *per cent*<sup>124</sup> was not levied and collected by the RTOs. The total amount of penalty applicable in these cases amounted to ₹ 4.45 crore. The RTO wise details of the number of vehicles, delay in payment beyond the first month of the tax periods and amount of penalty not demanded and collected are given in **Appendix-5.20**. Of these 4,494 vehicles were under the sampled nine RTOs. Verification of physical records related to 228 cases scrutinized in these RTOs also confirmed that RTOs did not demand and collect penalty due.

The State Government while accepting the observation replied (June 2025) that the Department would issue directions to all the Registering Authorities in the state to closely monitor short levy of penalty on the delayed payment of quarterly taxes and also have coordination meetings with NIC to design the collection of mandatory penalty in VAHAN by removing the bugs/glitches.

**Recommendation 17: The Transport Department should establish a real-time VAHAN issue-reporting system to escalate problems to MoRTH, notify all RTOs of bugs and interim measures, and generate exception reports for tracking and resolution.**

#### 5.4.6.6 Short levy of Lifetime Tax on non-transport vehicles

Part 'A1' and Part 'A5' of the KMVT Act, 1957 Schedule prescribe Lifetime Tax (LTT) for non-transport vehicles. PART-A5 allows reduced tax based on vehicle age, ranging from a seven *per cent* reduction for vehicles under two years old to 75 *per cent* for those over 15 years. When a transport vehicle is converted to a non-transport category, LTT as per Part A5 is applicable.

<sup>120</sup> Section 4(1) of the KMVT Act, 1957.

<sup>121</sup> Rule 9B of the KMVTR, 1957.

<sup>122</sup> Section 12B of the Act read with Rule 29(1)(a).

<sup>123</sup> Prior period was not considered for penalty analysis due to COVID-19 pandemic.

<sup>124</sup> Of the tax amounts due.

Audit analysis of the VAHAN database revealed incorrect assessment of Lifetime Tax (LTT) for vehicles migrated from other States and for those converted from transport to non-transport category. Errors included incorrect vehicle age and undervaluation of sale price. This led to a short collection of ₹ 50.49 lakh, as detailed in **Table 5.14**.

**Table 5.14**  
**Short collection of LTT on vehicles**

Sl. No.	Type of vehicles liable for LTT (RTO wise number of vehicles)	Tax levied short (₹ in lakh)	Details of short demand and collection
1.	Migrated from other States (Bengaluru South - 04 Karwar – 15 Dharwad West - 04 Nelamangala – 03 Mysuru West - 05 Udupi – 08 Total – 39)	33.38	The sale price on which tax collected in these cases was ₹ 4.20 crore. However, analysis of VAHAN database revealed that the sale price recorded in the States where they were registered before migration to Karnataka was ₹ 7.16 crore. Thus, there was short collection of ₹ 33.38 lakh. The details are given in <b>Appendix-5.21</b> .
2.	Vehicles converted from transport to non-transport category (Bhalki – 11 Chikkamagaluru – 07 Dharwad West -03 Electronic City – 03 Karwar – 01 Mysuru West – 05 Udupi – 13 Total – 43)	17.11	In 12 cases, though conversion of vehicles to non-transport category were approved by the RTOs on collection of prescribed fees, LTT due was not assessed and collected. In the remaining cases, slab rate prescribed on the basis of age of the vehicle was applied incorrectly. The details are given in <b>Appendix-5.22</b> .
<b>Total</b>		<b>50.49</b>	

This showed that both the RTOs and the Department failed to enforce tax collection in line with KMVT Act provisions or to ensure effective system controls in VAHAN. Key issues noted were:

- (i) **Non-levy of LTT post-conversion:** RTOs did not follow up promptly after conversion to non-transport category. VAHAN should have controls to restrict RC generation till due tax was paid.
- (ii) **Incorrect age calculation:** In vehicle conversions, age was wrongly considered, leading to errors in LTT computation under Part-A5 of the Schedule.
- (iii) **Tax below minimum slab:** In 13 out of 43 cases, tax collected was below the lowest prescribed slab, indicating control issues in VAHAN.

RTO Dharwad accepted that the short collection of motor vehicle tax was due to flaws in VAHAN, which calculated tax from the end of the existing tax period instead of the conversion date.

The State Government, in its reply (June 2025), acknowledged the issue and clarified that it affected vehicles registered before the Homologation system was

implemented. Government also stated that the issue was now resolved and that RTOs would be instructed to recover the balance tax as per Section 8A of the KMVT Act, 1957, after due verification.

#### 5.4.6.7 Non-collection of Road Safety Cess

GoK, by a notification<sup>125</sup> under Section 13(1) of the Karnataka State Road Safety Authority Act, 2017, levied a Road Safety Cess (RSC) of ₹ 500 on two/three-wheelers and ₹ 1,000 on all other vehicles at the time of registration. A separate Notification<sup>126</sup> dated 1 April 2016, issued under Section 16(1) of the KMVT Act, 1957, exempted all electric transport and non-transport vehicles, including e-rickshaws and e-karts, from motor vehicle tax. Exemption from Motor Vehicle Tax and levy of Road Safety Cess are governed by separate Acts. Hence, RSC is applicable to electric vehicles as well, similar to other types of vehicles.

On analysis of VAHAN Database, Audit found that RSC amounting to ₹ 4.68 crore was not collected from 73,290 vehicles out of 84.74 lakh vehicles registered in the State. Of these, 16,355 were EVs (22 per cent) and 56,935 were other vehicles. Out of 73,290 vehicles, 13,959 vehicles were registered with the sampled nine RTOs and RSC amounting to ₹ 83.07 lakh was not collected. The details of the number of vehicles and amount of RSC not collected are shown in **Table 5.15**.

**Table 5.15**  
**Non-collection of Road Safety Cess**

Sl. No.	Office	No. of vehicles	Amount in ₹
1	RTO Bengaluru South (KA05) Jayanagar	3,302	18,14,000
2	RTO Mysuru West (KA09)	1,412	8,23,000
3	RTO Chikkamagaluru (KA18)	843	5,42,500
4	RTO Udupi (KA20)	977	5,33,000
5	RTO Dharwad West (KA25)	263	2,09,500
6	RTO Karwar (KA30)	300	1,87,500
7	ARTO Bhalki (KA39)	271	2,49,000
8	RTO Electronic City (KA51)	5,909	35,28,500
9	RTO Nelamangala (KA52)	682	4,20,000
<b>Total</b>		<b>13,959</b>	<b>83,07,000</b>

Source: The data analysis of VAHAN 4.0 database.

<sup>125</sup> Vide notification no. Transport Department/50/Transport Department 2018, dated 06.03.2019.

<sup>126</sup> Vide notification no SARIA76 SAEPA 2016 dated 31.03.2016 with effect from 1<sup>st</sup> day of April 2016.

Further, Audit test-checked the records of 270 vehicles with RSC dues of ₹ 1.64 lakh across nine sampled RTOs. The analysis established that data analysis was accurate to the extent of 96 *per cent* (260 vehicles) and dues of ₹ 1.57 lakh was pending collection.

The State Government accepted the observation and stated (June 2025) that the Department is taking steps to collect the Road Safety Cess on electric and battery-operated vehicles, including outstanding dues. RTOs will be instructed to recover the arrears from already registered vehicles under the supervision of Joint Commissioners.

#### **5.4.6.8 Delay in processing of refund**

Section 7(1) of KMVT Act, 1957, allows a refund of motor vehicle tax if the vehicle remains unused for an entire period or a continuous part of it, not less than one calendar month, subject to prescribed conditions. Additionally, Section 7(3) provides for a refund of Lifetime Tax (LTT) on non-transport vehicles in cases such as transfer to another state, change of ownership or address, or scrapping and cancellation of registration. The refund amount is calculated based on the age of the vehicle, as outlined in tables under Part C-1 to C-5 of the taxation schedule. Although the VAHAN module includes a feature for processing refund cases, Audit found that RTOs were not using this system. Instead, refund applications were processed manually and payments were issued through treasury.

Audit analysed 145 motor vehicle tax refunds processed in selected seven RTOs and found that the time taken to process and issue refunds ranged from 12 days to 2,036 days. The details are given in **Appendix-5.23**.

Delays in processing refunds place undue financial burden on vehicle owners, who are required to pay tax and register their vehicles in the destination State afresh, without receiving a refund from the origin State. Pursuing refunds after relocating adds further inconvenience. Recognizing these challenges, MoRTH, in its letter dated 19 January 2024 to Chief Secretaries and Transport Commissioners of all States/UTs, directed them to establish a time-bound, citizen-friendly procedure for prompt motor vehicle tax refunds.

The State Government, in reply (June 2025) stated that the issue arose from the migration of data from Khajane-1 to Khajane-2 by the Treasury Department. The Government also assured that the matter would be resolved in coordination with the Treasury and that setting a time limit for tax refunds will be considered under the SAKALA Act.

The Government's assurance to resolve the issue "in coordination with the Treasury" lacks a concrete action plan or timeline. The reliance on manual processes, despite available automation, indicates administrative inefficiency. Besides, the absence of a prescribed timeline for refund processing reflects poor service design and disregard for citizen convenience.

***Recommendation 18: The Government may amend the KMVT Act to set a time limit for processing refund claims and provide for interest on delayed refunds.***

### 5.4.7 Enforcement Activities by RTOs

RTOs play a key role in enforcing provisions of the MV Act, 1988, and related rules. Monitoring of transport vehicles to ensure that they operate with valid permits and FCs, that taxes are paid on time, and that registration of non-transport vehicles are valid, to prevent non-compliant vehicles from using public roads. Their responsibilities also include preventing unlicensed driving, overloading of vehicles and unauthorized vehicle modifications. Given the scale of potential violations, RTOs need a robust enforcement system with sufficient manpower, resources, and effective mechanisms for identifying and addressing violations. Enforcement serves as a strong deterrent against future offences. Cases booked during enforcement activities are called Departmental Statutory Action (DSA). Timely disposal of DSA cases essential for effectiveness of the enforcement activities carried out. Analysis of DSA cases booked and disposed of by the Department revealed the following:

#### 5.4.7.1 Trend of enforcement cases booked in the State

The year-wise number of vehicles checked as a part of enforcement activities, number of cases booked for violation of provisions of MV Act and Rules made thereunder or for violation of permit/license conditions, *etc.*, during the period from 2019-20 to 2023-24 is shown in the **Table 5.16**.

**Table 5.16**  
**Enforcement activities in the State during the period from 2019-20 to 2023-24**  
(₹ in crore)

Year	No. of vehicles checked	No. of Case booked	Percentage of cases booked to No. of vehicles checked	Total amount of fine collected	No. of vehicles seized
2019-20	22,86,850	2,63,344	11.52	76.09	10,083
2020-21	17,66,912	2,78,433	15.76	56.36	4,957
2021-22	17,96,903	2,81,917	15.69	64.34	16,938
2022-23	29,79,659	3,47,619	11.67	73.19	4,654
2023-24	22,74,232	3,71,015	16.31	93.48	5,456

Source: Annual Reports of Transport Department.

Although an average of 22.20 lakh vehicles were checked each year, only 11.52 to 16.31 *per cent* were booked for violations. As explained in earlier chapters, there were around 29.01 lakh non-transport vehicles without RRC (para 5.4.3.2), 3.88 lakh transport vehicles with lapsed or delayed fitness certificates (para 5.4.4.3), 4.47 lakh transport vehicles without valid permits (para 5.4.5) and 2.07 lakh vehicles with pending tax dues (para 5.4.6.4). Focusing inspections on such high-risk categories, using data from sources like Mineral Dispatch Permits from the Mines and Geology Department or E-Way bills from the GST portal could result in focused targeting and increase the efficiency of enforcement operations. Audit also observed that the Department did not maintain a consolidated master list of vehicles inspected and these were maintained RTO wise, physically.

The State Government, in its (June 2025) reply, acknowledged the observation and stated that the Transport Department was upgrading its enforcement system to an AI-driven, analytics-enabled model to improve road safety. Government also stated that the Department is planning to implement AI-based smart enforcement at 27 locations in near future, and then it would be expanded to 60 more locations. The system would provide video footage to support the issuance of challans for various traffic offences. However, details of such plans, tenders, systems envisaged were not provided to Audit.

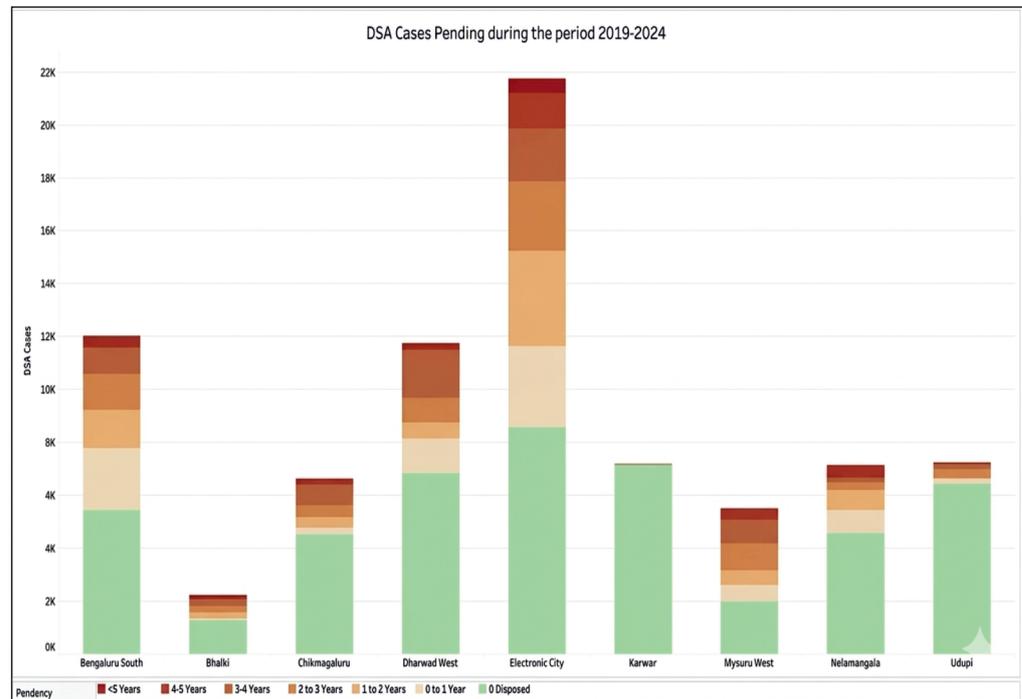
**Recommendation 19: The Transport Department should intercept vehicles, based on sufficient evidence, ensuring justification in coordination with relevant Police Departments.**

**5.4.7.2 Delay in disposal of DSA cases registered by RTOs**

The MV Act, 1988 and the Rules made thereunder empowers<sup>127</sup> the officers of RTOs to levy and collect fines or to prosecute the owners of the vehicles found in violation of the applicable regulations. The Act also empowers the officers to compound the offenses that fall under specified<sup>128</sup> sections, by collecting compounding fee/fines before or after institution of prosecution.

The number of violations noticed in the selected nine RTOs were as shown in the following **Chart 5.4:**

**Chart 5.4**  
Status of DSA cases in selected RTOs with age-wise break-up of pending cases



The RTO wise number of DSA cases booked and disposed during the years from 2019-20 to 2023-24 and the cases pending as of 31 March 2024 is shown in **Table 5.17.**

<sup>127</sup> Sections 177 to 198, Chapter 13 of the Motor Vehicle Act, 1988.

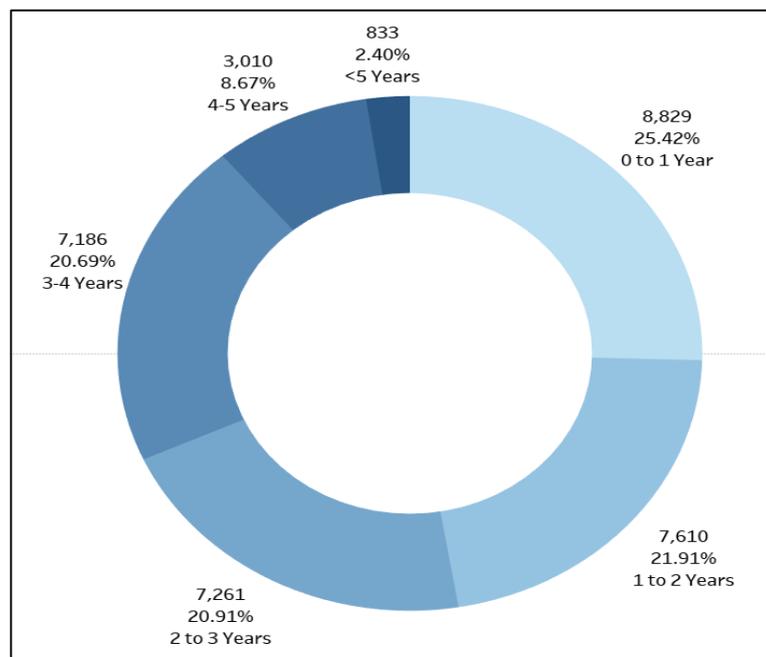
<sup>128</sup> All offenses except those falling under Section 185, 187, 193 & 197.

**Table 5.17**  
**RTO wise DSA cases booked and disposed**

Sl. No.	Name of the RTO/ARTO	Total No. of DSA cases booked	No. of DSA cases disposed	No. of DSA cases Pending	Percentage of pending DSA cases
1	Electronic City	21,747	8,565	13,182	60.64
2	Nelamangala	7,133	4,560	2,573	30.36
3	Karwar	7,182	7,133	49	0.68
4	Chikkamagaluru	6,627	4,497	2,130	32.14
5	Bhalki	2,210	1,247	963	43.57
6	Mysuru West	5,496	1,952	3,544	64.48
7	Dharwad West	11,724	6,814	4,910	41.88
8	Udupi	7,235	6,425	810	10.28
9	Bengaluru South	11,997	5,429	6,568	54.74
<b>Total</b>		<b>81,351</b>	<b>46,622</b>	<b>34,729</b>	<b>42.60</b>

The follow-up and disposal of the cases has a direct bearing on the effectiveness of the overall enforcement function of the Department. Audit observed that about 75 per cent cases were pending for more than a year and more than 40 per cent of the DSA cases booked were pending for more than three years. Age-wise analysis of the pending cases in these nine RTOs is given in Chart 5.5.

**Chart 5.5**  
**Age wise analysis of Pending DSA cases**



Audit randomly selected a sample of 356 DSA cases in nine sampled RTOs for detailed verification and observed that 218 DSA cases (61 per cent) were still pending for disposal (**Appendix-5.24**). The following issues were noticed:

- Of the 254 vehicles (71 per cent) booked under DSA cases in nine RTOs, all continued to pay quarterly tax even though their cases remained undisposed. This indicates that the vehicle owners faced no operational restrictions, in spite of DSA proceedings. Therefore, offenders may be less inclined to respond to RTO notices for hearings or case disposal. Details are provided in **Appendix-5.25**.
- Similarly, 192 vehicles (53.9 per cent) renewed their FCs and permits for 53 of these, were also renewed after DSA cases were booked. FCs require physical inspection and permit renewals often involve the owner or representative appearing in person. RTOs had the opportunity to review pending DSA cases before providing these services.
- 18 vehicles (5.1 per cent) were issued with NOC to migrate to other States, which would render follow-up and disposal of the pending DSA cases by the RTOs more difficult.
- In two cases, applications for alteration of the vehicles and in two cases, tax exemptions claimed for certain period of non-use were also approved even though the DSA cases were pending for disposal.

The State Government replied (June 2025) that the Department follows MoRTH guidelines for disposal of the DSA cases. As per Rule 167(7), renewal of FCs and collection of quarterly tax are allowed, even if DSA cases are pending. However, fines are collected, and cases are closed during ownership transfer. Further, the Government stated that the Department was also developing an IT system to enable faster disposal of pending and new DSA cases in a timely manner.

***Recommendation 20: The Transport Department may upload all pending and new DSA cases to VAHAN and mandate RTOs to dispose of pending cases within a stipulated timeframe.***

#### **5.4.7.3 Non-offloading excess weight from overloaded vehicles**

If a goods vehicle is found overloaded, the excess load must be offloaded before the vehicle is allowed to proceed<sup>129</sup>. A fine of ₹ 5,000 for overloading will be imposed<sup>130</sup>, plus ₹ 2,000 for each additional ton, along with offloading charges. These penalties apply even when the offence is compounded.

Audit observed that 2,339 overloading cases were booked in the selected nine RTOs during the years from 2020-21 to 2023-24. Of these, excess loads were offloaded only in respect of 1,180 cases and in the remaining 1,159 cases, vehicles were allowed to proceed with overloading. This was in violation of the provision of the MV Act.

Audit also test-checked manual records of 179 overloading cases, which revealed that enforcement officers did not levy or collect the applicable

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<sup>129</sup> Sections 113 and 114 of the MV Act.

<sup>130</sup> Section 194 of the MV Act.

compounding fines. This resulted in a non-levy of compounding fine of ₹ 46.61 lakh, as detailed in **Appendix-5.26**. The reasons for non-levy were also not forthcoming from the records.

The State Government (June 2025) stated that some overloaded vehicles carried indivisible goods such as heavy machinery or large granite blocks, which could not be offloaded. Perishable goods were also exempted from offloading during checks. In such cases, compounding fees were collected, and the vehicles were allowed to proceed. The Department had directed enforcement officers to offload excess loads beyond permissible limits and act as per the Motor Vehicles Act and Rules. However, the reply did not include documentary evidence on the nature of goods transported, in the absence of which, Audit could not verify the authenticity of Department's claim.

#### **5.4.7.4 Weak Enforcement Measures on Tax Defaulters**

Rule<sup>131</sup> allows enforcement officers to seize vehicles with unpaid tax by issuing a seizure order in Form-27. However, in the absence of detailed departmental guidelines and as the rule is not mandatory, its use is left to the officer's discretion.

Audit checked 356 sampled DSA cases which revealed that there were 18 such cases<sup>132</sup> where the vehicles defaulted quarterly tax for 1 to 20 quarters. Of these, tax default for 15 vehicles was for more than two quarters. Operating a transport vehicle without payment of quarterly tax within the first month of that quarter is an offense.

Enforcement authorities did not recover the tax dues and penalties as of the inspection date. They also did not use their power to seize the vehicles but allowed them to proceed after booking DSA cases. The records did not explain why the vehicles were released without payment of arrears. Audit reviewed the tax history of 18 such vehicles up to March 2024 and found continued defaults. The number of defaulted quarters of vehicles increased from 3 to 29, with total dues of ₹ 34.94 lakh, including tax, cess and penalties, as detailed in **Appendix-5.27**.

The State Government's reply (June 2025) did not address the issue on non-seizure of the tax-defaulter vehicles. However, during the exit conference, it was stated that the absence of a seizure yard prevented enforcement.

#### **5.4.7.5 Rent a Cab Scheme operators violating regulations**

Section 75 of the Motor Vehicles Act, 1988 empowers the Central Government to regulate the rental of motor cabs or motorcycles for self-drive or with a driver. Based on this, the Rent a Cab Scheme (RCS), 1989 was introduced by Central Government. As per Section 2(25), a "motor cab" is a vehicle designed to carry up to six passengers (excluding the driver) for hire. Under RCS, such vehicles must have valid permits, up-to-date fitness certificates, and be open to inspection. License holders must also maintain required records. As these

<sup>131</sup> Rule 27A(1) of the KMVT rules, 1957.

<sup>132</sup> ARTO Bhalki, RTO Chikkamagaluru, RTO Dharwad West, RTO Electronic City, RTO Karwar, RTO Udupi, RTO Mysuru West.

provisions apply to transport vehicles, only transport vehicles can be operated under RCS.

Test-check of the records in Transport Commissioner's Office revealed that since 2014, an operator<sup>133</sup> under RCS facilitated the owners of non-transport cars to host on its mobile application/website and engage in the business of renting vehicles. Due to these violations, the operators' license under RCS was cancelled by the Department in December 2022.

However, the said operator's business activities were still continued as of February 2025, even after two years of cancellation of license under RCS, 1989. Besides, it was also noticed there were four<sup>134</sup> other mobile/web-based applications engaged in the 'Rent a Cab' business without having a license under RCS, 1989.

The State Government replied (June 2025) that Enforcement activities are being carried out in the form of special squads against the cab operators and aggregator companies violating MV Act and Rules. However, Audit observed that in spite of this, these operations continued without any restrictions.

#### **5.4.7.6 Non-Integration of Emission Centre Data with VAHAN Database**

Rule 115(7) of the CMVR, 1989 mandates that one year after the date of first registration, every motor vehicle must carry a valid Pollution Under Control (PUC) Certificate issued by an agency (Emission Testing Centers) authorized by the state Government. The validity of this certificate is six months except for vehicles manufactured as per BIS IV and BIS VI norms for which the validity is twelve months.

MoRTH, through a June 2018 notification, amended Rule 115 to mandate electronic linkage of PUC data with the VAHAN database. It also advised States to ensure that all PUC centres upload emission data as per Supreme Court<sup>135</sup> guidelines. NIC developed PUC software Version 1.0 for this purpose. In its latest directive (9 May 2024), MoRTH instructed all States to implement Version 2.0, which includes geo-fencing to prevent manipulation of PUCs by testing centres.

Audit observed that the Transport Department has been using software developed by M/s KEONICS for issuing PUCs since 2010. There are 2,239 Emission Testing Centres (ETCs) operating in the State. This software lacks features to link emission data with the VAHAN database and does not support geo-fencing to prevent PUC manipulation. Without integration, enforcement of pollution norms may be weakened due to the absence of a centralized database.

The Commissioner of Transport replied (January 2025) that tenders floated in 2018, 2019 and 2021 to select a service provider for PUC-VAHAN integration were cancelled due to technical issues, as directed by the State Government. A new tender was issued in 2024, and the selected provider had set up the required infrastructure and training was in progress. Further, Commissioner stated that

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<sup>133</sup> Zoomcar – License no. 2/2013-24 under Rent a Cab scheme, 1989.

<sup>134</sup> Hcube Wowcarz private ltd., Onroadz Car rentals ltd., Mylescars, Royalpicks.in.

<sup>135</sup> WP No.13029/1985.

MoRTH approved integration with the VAHAN database, but final approval from the State Government was still pending for rollout.

#### 5.4.7.7 Utilization of key VAHAN Application Modules

The key modules of VAHAN 4.0 inter-alia include an enforcement module and Vehicle non-use module. Audit observed that key modules of VAHAN Applications were not being fully utilised as given below:

1. The Enforcement Module of the VAHAN application includes features like case entry, settlement, fee payment, court referrals, case disposal, document release, and case enquiry. In Karnataka, these functions are still handled manually. The reasons for not using the module were not provided to Audit.

The State Government replied (June 2025) that it has developed an E-Challan system with NIC, with a pilot project underway at the Rajajinagar RTO and that the system would be implemented in phases. However, no specific reason was given for not using the existing Enforcement Module of the VAHAN software.

2. The vehicle non-use module of VAHAN was not fully utilized, as details of surrendered and released transport vehicles were not entered into VAHAN by the RTOs. Audit test-checked surrender files and found that 30 surrendered vehicles<sup>136</sup> listed in the register were not recorded in VAHAN. Due to incomplete entries, surrender status was not reflected correctly and tax clearance was calculated manually. This also led to errors in the defaulters' report as noted in Paragraph 5.4.6.4(b).

***Recommendation 21: The Transport Department may activate all VAHAN modules, set a target date for uploading legacy data, and ensure that all future transactions are conducted online.***

#### 5.4.8. Public Service Delivery by RTOs

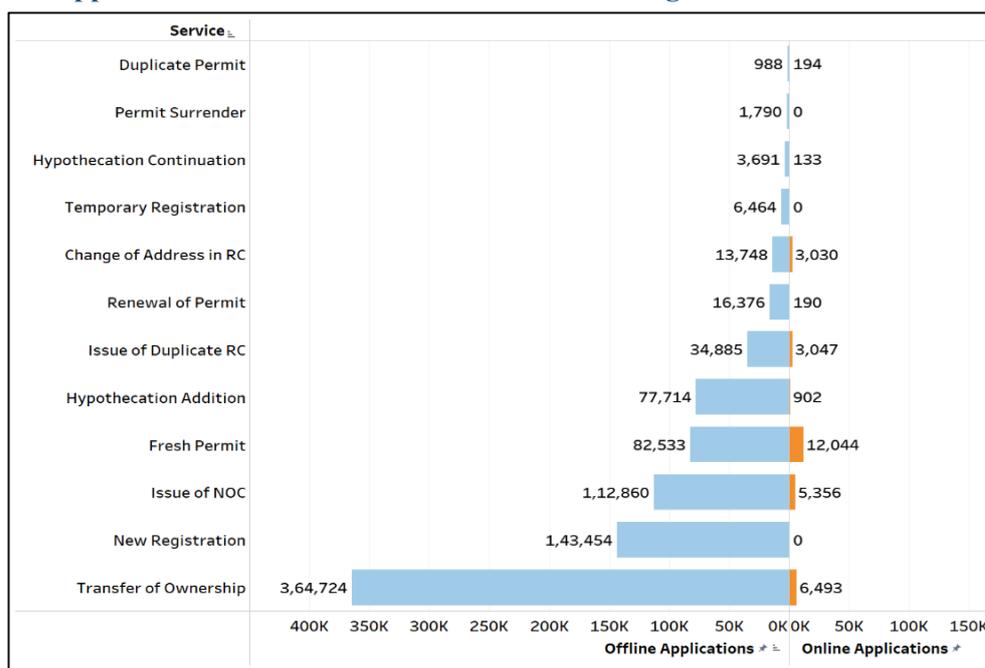
RTOs in Karnataka provide key citizen services like issuing Driving Licenses, RCs, Fitness Certificates, NOCs, and Permits. Many of these are now offered online through VAHAN and SARATHI for faster, transparent service. This chapter discusses the overall performance of RTOs during the Audit period 2019 to 2024 regarding the delivery of public services, with key audit findings detailed in subsequent paragraphs.

##### 5.4.8.1 Continuation of manual records processing at RTOs

After rollout of VAHAN 4.0 in 2019, though GoK made online applications mandatory from November 2021, only 3.5 *per cent* of the total applications were submitted online from 1 November 2021 to 31 March 2024, as per the VAHAN transaction report. The total number of services provided online and offline in the nine sampled RTOs is shown in **Chart 5.6**.

<sup>136</sup> In RTO Electronic City between April 2020 and April 2021.

**Chart 5.6**  
**Applications received online and offline from August 2021 to March 2024**



Source: MIS report downloaded from VAHAN website.

Audit found that physical applications were received at RTOs and later entered into the system by staff to generate application numbers. Of 8,85,683 applications for 12 services during the period, 8,52,252 (96 per cent) were processed through 89 user IDs across the nine sampled RTOs, as shown in the following **Table 5.18**.

**Table 5.18**  
**RTO wise bulk transactions process from User IDs**

Sl. No.	RTO/ARTO	Number of User IDs	Number of Transactions Processed
1	Bengaluru South	15	2,00,983
2	Mysuru West	10	1,29,589
3	Chikkamagaluru	8	64,334
4	Udupi	10	1,03,979
5	Dharwad West	13	58,197
6	Karwar	4	13,658
7	Bhalki	3	19,507
8	Electronic City	20	2,00,452
9	Nelamangala	6	61,553
<b>Grand Total</b>		<b>89</b>	<b>8,52,252</b>

Source: The data analysis of VAHAN 4.0 database.

Further, Audit analysis of VAHAN data on fee collection revealed that a significant portion (37.9 per cent) was collected in cash, which undermines the objective of online services aimed at reducing footfall in RTO offices.

The MoRTH, GoI vide Notification dated 16 September 2022 notified that any individual desirous of availing various services online through the portal<sup>137</sup> is required to undergo Aadhar authentication<sup>138</sup>. As per the *ibid* notification, 58 services were notified to be provided online and faceless<sup>139</sup> through Aadhar authentication.

The Transport Department, GoK in its Annual Report (2021-2022) and official website claimed that 31 services (VAHAN: 16 services and SARATHI: 15 services) were being provided faceless from 1 November 2021. However, an MIS Report in Parivahan website - ‘Without Public Interface Vehicle Related Services Report’ revealed that faceless services were provided only in respect of four<sup>140</sup> services. Further, Audit observed that in all the sampled nine RTOs, only 2,507 applications out of 2,55,366 (0.98 *per cent*) were processed faceless in VAHAN from 1 November 2021 to 31 March 2024. Thus, the Department could not achieve the intended faceless public service delivery in majority of the services.

The State Government replied (June 2025) that RTOs were directed to use online services and awareness efforts were made through videos on the Department’s website and YouTube. Manual applications were still accepted for citizens unfamiliar with the online process. Government also stated that certain services could not be completed online due to data issues arising during entry and migration from VAHAN-1 to VAHAN-4. However, the reply is not acceptable, as only 3.5 *per cent* of applications were submitted online, which defeats the objective of reduced public visits to RTOs.

***Recommendation 22: The Transport Department may promote contactless services through broad print and electronic media outreach.***

#### **5.4.8.2 Non-dispatch of Registration Certificate smart cards to vehicle owners**

Rule 81 of the CMV Rules 1989 stipulated that in the case of issue of Registration Certificates (RCs) through smart cards<sup>141</sup>, an additional fee of ₹ 200 shall be charged for each such card. The GoK, via Order<sup>142</sup> dated 23 May 2022, approved a fee of ₹ 212 per Smart Card. Of this, ₹ 74.34 is payable to the vendor (M/s Rose Marta Technologies Pvt. Ltd.), and ₹ 137.66 is to be credited to the State’s Consolidated Fund. Besides, the GO also allowed the Transport Department to collect ₹ 50 per card for speed post-delivery. Thus, RTOs began collecting ₹ 262 per card from 24 May 2022 for issuance of RC smart card and home delivery.

<sup>137</sup> Parivahan.gov.in or mParivahan applications.

<sup>138</sup> On voluntary basis.

<sup>139</sup> Faceless services are the services availed online through aadhar/e-KYC authentication

<sup>140</sup> Issue of NOC, Duplicate RC, Hypothecation Addition/continuation & Change in Address in RC.

<sup>141</sup> As per Rule 2(s) of CMV Rule 1989 “Smart Card” means a device capable of storing data and executing commands which is a microprocessor chip mounted on a plastic card and the dimensions of the card and chip are specified in the International Organization for Standardization (ISO)/International Electro Technical Commission (IEC) 7816 specifications, as may be amended from time to time.

<sup>142</sup> GO No TD 282 TDO 2021, Bengaluru dated 23<sup>rd</sup> May 2022.

Analysis of VAHAN MIS data (from 24 May 2022 to 31 March 2024) for nine RTOs showed that out of 12,26,756 smart card applications, where fee was collected, 11,57,067 cards (94 per cent) were approved. However, dispatch status for 8,16,143 cards (71 per cent) remained “pending” despite collection of postal fees.

Between November 2021 and May 2022, ₹ 7.12 crore was collected for 3,56,054 vehicles, but no smart cards were issued. Instead, RTOs issued laminated cards without chips, violating CMVR, 1989. No action was taken to ensure proper supply from the vendor.

The State Government replied (June 2025) that MOU has been made with Postal department for dispatch of RC and DL smart cards on 18 August 2023 and accordingly all the RTOs of the States are dispatching all the smart cards printed by the PPP Concessionaire. The orders have been modified on 12 October 2023 for dispatch of New RC and DL smart cards in view of several difficulties faced by the RTOs for dispatch of other transaction cards. Action will be taken on erring officers, if they are not sending the smart cards through postal department, immediately after printing of smart cards.

#### **5.4.8.3 Delay in Issue of NOC**

Vehicle owners intending to move to another state must obtain a No Objection Certificate (NOC) from the registering RTO<sup>143</sup>. The RTO must grant or reject the NOC within 30 days after due verification. Delays in issuing NOCs cause inconvenience and force applicants to shuttle between RTOs in two States.

Audit analysis of VAHAN database related to applications for NOCs submitted by the owners of the vehicles in the state showed that out of 11,82,041 applications received from April 2019 to March 2024, 55,998 (4.73 per cent) applications were delayed by 31 to 1,692 days after completion of 30 days stipulated under the MV Act. In selected nine RTOs/ARTOs, 9,920 (4.45 per cent) applications that out of 2,22,584 applications received during 2019 to 2024 were delayed by 31 to 1,620 days. The office wise details of number of pending vehicles for issue of NOCs and the maximum delay in days in the selected nine RTOs are detailed in **Appendix-5.28**.

The State Government while accepting the observation replied (June 2025) that necessary directions have been issued to all the RTOs in the State and action would be taken on erring officers.

#### **5.4.8.4 Delay in Service Delivery under SAKALA Timeframe**

The Karnataka Guarantee of Services to Citizens Act, 2011 mandates delivery of notified services within a fixed timeframe, starting from the date of submission of application. Service-wise timelines are given in **Appendix-5.29**.

On analysis of VAHAN data, Audit observed that the Department considered the “verification date” as the start of the stipulated time frame for services to be delivered. On analysis of ‘Approved Transaction Report’ in VAHAN Reports

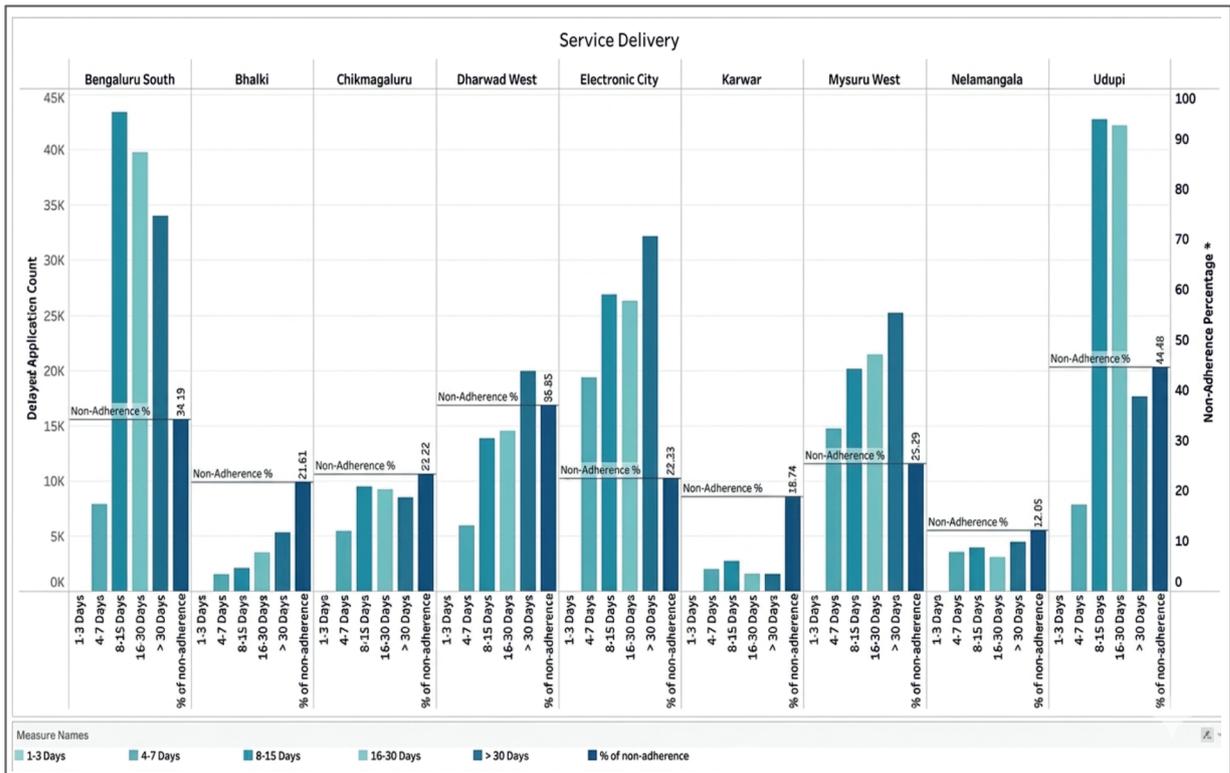
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<sup>143</sup> Section 48 of the MV Act.

in nine sampled RTOs relating to 12 services, 4.71 per cent of the total applications were disposed off<sup>144</sup> beyond the SAKALA time frame.

However, Audit found that the department did not treat the “date of application” or “fee receipt” as the start of the service delivery timeline. For accurate assessment, Audit used the “date of fee receipt” to calculate delays until the “date of approval.” Analysis of VAHAN reports from nine selected RTOs showed that 28.38 per cent of the applications<sup>145</sup> were not processed within the prescribed time. Age-wise delay details are shown in **Chart 5.7**.

**Chart 5.7**  
RTO-wise age analysis of disposal of service applications



Source: Data obtained VAHAN 4 MIS Report.

The State Government (June 2025) stated that some completed transactions were not updated in the SAKALA database due to API issues and assured action against erring officers. However, the reply did not explain the rationale behind using the verification date as the start point instead of the application date, as required under the SAKALA Act.

**5.4.8.5 Shortage of Motor Vehicle Inspectors**

IMVs are responsible for tasks such as vehicle inspection for registration and fitness, certifying of government vehicles, conducting driving tests, and enforcement under the MV Act. Audit of nine selected RTOs revealed that out of 106 sanctioned posts of IMVs, only 57 are filled, leaving 49 vacancies; after accounting for deputations, the actual working strength stood at 74 IMVs with

<sup>144</sup> Disposal of 1.56 lakh out of 33.01 lakh applications not processed within the due dates.  
<sup>145</sup> Disposal of 5.43 lakh out of 19.15 lakh applications not processed within the due dates.

staff deputed from other offices as of 31 March 2024, as detailed in **Appendix-5.30**.

The Second Karnataka Administrative Reforms Commission (June 2021) noted that enforcement was impacted due to staff shortages. As full staffing is unlikely in the short or medium term, it was recommended to leverage technology to strengthen enforcement. The Commission suggested measures like installing CCTV on highways, developing software for fee collection and providing handheld devices for field enforcement. The Transport Department has yet to implement these recommendations (August 2025).

The State Government replied (June 2025) that the Transport Department is upgrading to an AI-driven, analytics-enabled enforcement system to improve road safety and that AI-based smart enforcement would be launched at 27 locations shortly, with plans to extend it to 60 more. Government's reply also stated that the system would provide video footage to support issuance of challans for traffic offences and that e-challan was being piloted at the Rajajinagar RTO in Bengaluru using POS machines.

#### **5.4.9 Conclusion**

Audit on the functioning of RTOs in Karnataka revealed major procedural, infrastructural, and monitoring shortcomings. Audit appreciate the introduction of Automated Driving Testing Tracks (ADTTs), which is a step forward, but their limited coverage and certain inconsistencies continue to hinder objectivity in driving tests. In RTOs without ADTTs, manual testing remained largely subjective and poorly documented, affecting the credibility of driving skill assessments. Audit found that vehicle registration processes also suffered from deficiencies such as temporary registrations not converted to permanent ones, non-renewal of registrations after expiry of registration on completion of 15 years and oversight on registrations of imported and earth moving vehicles.

Systemic deficiencies were found in vehicle fitness testing. Despite statutory requirements under the Motor Vehicles (Amendment) Act, 2019 and CMV Rules, 2023, the State had only three Inspection and Certification Centres as of September 2024, none certified as Automated Testing Stations (ATS). Continued reliance on manual inspections by IMVs compromised the reliability of fitness certifications. Cases of FCs issued without proper inspection, missing checks on Speed Limiting Devices, and vehicles operating without valid FCs indicated weak enforcement and poor monitoring.

Audit found ambiguity in tax rates for contract carriages, inconsistencies in classification of Public Service Vehicles, short collection of Green Tax, and non-levy of penalties for delayed tax payments. These lapses, along with defaults in quarterly payments, non-collection of Road Safety Cess, and delays in refunds, highlight inadequate oversight. Heavy dependence on manual processes and poor utilisation of automated modules led to revenue leakage and inconsistent tax application.

Under enforcement activities, audit noted that checks were not focused on high-risk offenders, and over 40 *per cent* of DSA cases remained pending as of March 2024, which would adversely affect the very purpose of enforcement to be a deterrence. Offenders were able to renew documents despite violations, and

enforcement staff failed to act on overloading and tax default cases. Non-integration of Pollution Under Control data and incomplete implementation of VAHAN modules need immediate attention of the Transport Commissioner. Despite VAHAN 4.0 and SARATHI rollouts, manual processing requiring avoidable visits to RTOs by public is still persistent as evidenced by the processing of only 3.5 *per cent* of applications through online, and 37.9 *per cent* of fees still collected in cash. The Department has accepted these findings and proposed measures such as expanding ADTTs, establishing ATSSs, and strengthening monitoring through VAHAN and SARATHI platforms.



**Bengaluru**  
**The**

**(Jahangir Inamdar)**  
**Accountant General (Audit-I)**  
**Karnataka**

**Countersigned**



**New Delhi**  
**The**

**(K. Sanjay Murthy)**  
**Comptroller and Auditor General of India**





**Appendices**



**Appendix-3.1**  
**(Reference: Paragraph 3.4)**  
**Misclassification of Powers of Attorney with selling clause**

Sl. No.	SRO	Doc. No.	Market value as per CVC	SD and RF leviable at 6%	SD & RF levied	Short levy of SD and RF (₹ in lakh)
1	Jala	GPA Doc. No. 141/2021-22 dated 24.11.2021	84.76	5.08	0.004	5.08
2	Yelahanka	GPA Doc. No. 14/2021-22 dated 05.04.2021	266.33*	15.98	0.004	15.98
3	Rajarajeshwari Nagar	GPA Doc. No. 88/2021-22 dated 17.08.2021	93	5.58	0.004	5.58
4	BTM Layout	GPA Doc. No. 103/2021-22 dated 18.08.2021	21,318	1,279.06	0.020	1,279.04
5	Dasanapura	GPA Doc. No. 247/2021-22 dated 28.02.2022	252.45	15.147	0.004	15.14
6	Dasanapura	GPA Doc. No. 07/2022-23 dated 18.04.2022	99	5.94	0.004	5.94
7	Dasanapura	GPA Doc. No. 18/2022-23 dated 16.05.2022	54	3.24	0.004	3.24
8	Dasanapura	GPA Doc. No. 92/2022-23 dated 16.12.2022	73.88 <sup>#</sup>	4.43	0.004	4.43
<b>Total</b>						<b>1,334.46</b>

\* Market value is ₹ 355.10 lakh and 3/4<sup>th</sup> of the same is ₹ 266.33 lakh

# Market value is ₹ 369.38 lakh and 1/5<sup>th</sup> of the same is ₹ 73.88 lakh

**Appendix-3.2**  
**(Reference: Paragraph 3.4)**  
**Incorrect classification and undervaluation of Power of Attorney executed with JDA**

Property Details	Area as per Khata	Rate	Value	SD & RF leviable @ 6%	SD & RF levied	Short Levy of SD & RF	Remarks
JDA No.2126/2020-21 and GPA 83/2020-21 dated 19.06.2020, 11 acre 20 gunta residentially converted land in Sy. Nos. 90/1, 90/2, 90/5, 121/1, 121/2, 122/2, 123/2 and 126/1, situated at Bommenahalli Village, Bidarahalli Hobli, Bengaluru East Taluk, Bengaluru	33,542.99 sqmt	12,900 per sqmt	4327.05	259.62	87.49	172.13	As per khata, the area was 33,542.99 sqmt and the status was layout approved by competent authority. Hence corresponding sital rates are considered for valuation.

**Appendix-3.3**  
**(Reference: Paragraph 3.5)**  
**Misclassification of Sale Agreements with Possession**

Sl. No.	SRO	Doc No.	Market value as per CVC	Amount setforth in the SA/MV	SD and RF leviable at 6%	SD levied	RF levied	Short levy of SD and RF
1	KR Puram	Sale Agreement 9417/2021-2022	12,353	4,800	741.18	0.2	0.005	740.98
2	KR Puram	Sale Agreement 9470/2021-2022	14,637	4,500	878.22	0.2	0.005	878.02
<b>Total</b>								
								<b>1,619</b>

**Appendix-3.4**  
**(Reference: Paragraph 3.5)**  
**Misclassification of Sale Agreements with Deemed Possession**

Sl. No.	SRO	Doc No.	Market value as per CVC	Amount sefforth in the SA/MV	SD & RF leviable @ 6%	SD & RF levied	Short levy of SD & RF
1	Tavarekere	Agreement of Sale no. TVR-1-01093-2020-21 AND Power of Attorney no. TVR-4-00036-2020-21	129	219.31	13.1586	0.202	12.9566
2	Tavarekere	Agreement of Sale no. TVR-1-01094-2020-21 AND Power of Attorney no. TVR-4-00037-2020-21	10.50	17.85	1.071	0.02	1.051
3	Tavarekere	Agreement of Sale no. TVR-1-01095-2020-21 AND Power of Attorney no. TVR-4-00038-2020-21	55.50	94.35	5.661	0.0963	5.5647
4	Tavarekere	Agreement of Sale no. TVR-1-01833-2020-21 AND Power of Attorney no. TVR-4-00068-2020-21	42	71.40	4.284	0.0734	4.2106
5	Tavarekere	Agreement of Sale no. TVR-1-01121-2020-21 AND Power of Attorney no. TVR-4-00039-2020-21	99	168.30	10.098	0.1703	9.9277
6	Tavarekere	Agreement of Sale no. TVR-1-01122-2020-21 AND Power of Attorney no. TVR-4-00040-2020-21	66	112.20	6.732	0.1142	6.6178
7	Tavarekere	Agreement of Sale no. TVR-1-01126-2020-21 AND Power of Attorney no. TVR-4-00041-2020-21	33.75	57.38	3.4428	0.0594	3.3834
8	Tavarekere	Agreement of Sale no. TVR-1-01137-2020-21 AND Power of Attorney no. TVR-4-00044-2020-21	24.375	41.82	2.5092	0.04382	2.46538
9	Tavarekere	Agreement of Sale no. TVR-1-01399-2020-21 AND Power of Attorney no. TVR-4-00055-2020-21	90	153.00	9.18	0.155	9.025

Sl. No.	SRO	Doc No.	Market value as per CVC	Amount setforth in the SA/MV	SD & RF leviable @ 6%	SD & RF levied	Short levy of SD & RF
10	Tavarekere	Agreement of Sale no. TVR-1-01400-2020-21 AND Power of Attorney no. TVR-4-00056-2020-21	24.375	41.82	2.5092	0.044	2.4652
11	Tavarekere	Agreement of Sale no. TVR-1-01091-2020-21 AND Power of Attorney no. TVR-4-00034-2020-21	36	61.2	3.672	0.0632	3.6088
12	Tavarekere	Agreement of Sale no. TVR-1-01092-2020-21 AND Power of Attorney no. TVR-4-00035-2020-21	45	76.5	4.59	0.0785	4.5115
13	Tavarekere	Agreement of Sale no. TVR-1-01089-2020-21 AND Power of Attorney no. TVR-4-00033-2020-21	24.375	41.82	2.5092	0.044	2.4652
14	BTM Layout	Sale Agreement 3128/2020-21 dated 02.12.2020	1,863.4	616	111.8	0.202	111.6
15	BTM Layout	Sale Agreement 3123/2020-21 dated 02.12.2020	943.8	312	56.63	0.202	56.426
16	BTM Layout	Sale Agreement 3207/2020-21 dated 07.12.2020	266.2	88	15.97	0.202	15.77
<b>Total</b>							<b>252.05</b>

**Appendix-3.5**  
**(Reference: Paragraph 3.5)**  
**Sale Agreement misclassified as MoU**

<b>Doc No.</b>	<b>SRO</b>	<b>Market value as per CVC</b>	<b>Amount setforth in the SA/MV</b>	<b>SD and RF leviable at 6%</b>	<b>SD levied</b>	<b>RF levied</b>	<b>Short levy of SD and RF</b>
MoU -Book-IV/ 15/2020-21 dated 15.05.2020	Bommanahalli	225	Nil	13.5	0.01	0.005	13.485

(₹ in lakh)

**Appendix-3.6**  
**(Reference: Paragraph 3.6)**  
**Improper execution of Release deed**

<b>Doc No.</b>	<b>SRO</b>	<b>Market Value</b>	<b>SD and RF leviable at 6.6%</b>	<b>SD and RF levied</b>	<b>Short Levy</b>
Release deed No. 3320/2020-21 dated 11.12.2020	BTM Layout	20781.13*	1371.555	0.06	1,371,495

(₹ in lakh)

\* Market value of agricultural land=10 acre x 707.40 lakh/acre = 70,74,00,000

Market value considering 40% of commercial site rate=40,468 sqm x 51,352 per sqm = 2,07,81,12,736

Higher of the above two is considered for market value as per special instruction in the GMV book

**Appendix-3.7**  
**(Reference: Paragraph 3.6)**  
**Improper classification of Release deed**

Sl. No.	SRO	Doc. No.	MV of the property	Share of the releasers	SD&RF to be levied	SD&RF levied	Short levy	
1	Dasanapura	16/2021-22 dated 01.04.2021	154.05	85.583	5.563	0.0655	5.497	
2	Dasanapura	18/2021-22 dated 01.04.2021	156.025	69.344	4.507	0.0556	4.451	
3	Dasanapura	120/2021-22 dated 07.04.2021	248.625	124.3125	8.08	0.043	8.037	
4	Dasanapura	270/2022-23 dated 11.04.2022	201	134	8.71	0.112	8.598	
5	Dasanapura	271/2022-23 dated 11.04.2022	237	158	10.27	0.112	10.158	
6	Dasanapura	391/2022-23 dated 16.04.2022	70	70	4.55	0.061	4.489	
7	Dasanapura	392/2022-23 dated 16.04.2022	127.75	127.75	8.304	0.061	8.243	
<b>Total</b>								<b>49.473</b>

**Appendix-3.8**  
**(Reference: Paragraph 3.7)**  
**Improper classification of Mortgage deeds**

Sl. No.	SRO	Doc. No.	Borrower	Lender	Loan Amount	SD leviable at 0.5%	SD levied	Short levy of SD
1	Mysore North	3417/2020-21, dated 23.09.2020	M/s Annapoorneshwari Residency (Proprietor)	Canara Bank	1,843	9.215	3.686	5.529
2	Chamarajpete	02121-2020-21	Indiabuild Realtors Private Limited,	IDBI Trusteeship Services Limited	6,000	30	10	20
3	Chamarajpete	00346-2020-21	Peninsula Infra Developments Pvt. Ltd. & others	Vistra ITCL (India) Limited	3,500	17.5	7	10.5
4	Halasuru	4533/2021-22 dated 06.12.2021	M/s. Divyasree Town Centre Private Limited, Represented by its Authorised Signatory Mr. G.P.Balaji (Borrower)	M/S Housing Development Finance Corporation Limited, Rep by its Authorised Signatory Mr. Chandrashekar. S (lender)	24,000	120	10	110
5	Mahadevapura	3855/2020-21 dated. 23.10.2020	Bollineni Developers Limited	Vistra ITCL (India) Ltd	1,000	5	2	3
6	Mahadevapura	8453/2020-21 dated 15.03.2021	Dwarakamai Builders Private Limited	Bajaj Finance Ltd	500	2.5	1	1.5
7	Mahadevapura	1928/2021-2022 dated 19.07.2021	Eco Life Developers	Bajaj Housing Finance Limited	2,200	11	4.4	6.6
8	Mahadevapura	3016/2021-22 dated 30.08.2021	Samadhura Homes LLP	Bajaj Housing Finance Ltd.	2,000	10	4	6
9	Mahadevapura	3701/2021-2022 dated 21.09.2021	Sri.H.M. Vijay Kumar	Aditya Birla Finance Limited	2,300	11.5	4.6	6.9
10	Kalaburagi	14466/ 2020-21	M/s Acme Koppal Solar Energy Pvt. Ltd.	M/s SBICAP Trustee Company Ltd.	22,205*	111.025	10.25	100.775
11	Kalaburagi	1182-2021-22	Mr Amaresh & others	M/s Karnataka Bank Ltd.	800	4	1.6	2.4
12	Banashankari	2167/2020-21 dated 28.07.2020	M/s. Gulam Mustafa Enterprises Pvt. Ltd and others	M/s. IDBI Trusteeship Services Ltd.	81,250	406.25	10	396.25
<b>Total</b>								<b>669.454</b>

\* Amount includes loan of ACME Koppal Solar Energy Pvt. Ltd. (₹ 192.65 crore) and VGF amount (₹ 29,39,99,880).

**Appendix-3.9**  
**(Reference: Paragraph 3.8)**  
**Undervaluation of Undivided Share (UDS)**

Sl. No.	SRO	Sale Deed Doc. No.	UDS conveyed in the sale deed (in smt)	Rate	Market Value of UDS conveyed	Valuation in the Sale Deed	Undervaluation	Short Levy in SD and RF @ 6.6%
1	Banaswadi	13830/2021-22 dated 04.01.2022	55,068.65	0.61866	34,068.77	24,338.7	9,730.071	642.1847
2	Domlur	6836/2020-21 dated 05.12.2020	7,122.368	0.925	6,588.19	3,597.329	2,990.861	197.3969
3	Domlur	6837/2020-21 dated 05.12.2020	10,440.744	0.925	9,657.688	8,733.22	924.4682	61.0149
<b>Total</b>								<b>900.60</b>

**Appendix-3.10**  
**(Reference: Paragraph 3.9)**  
**Joint Development Agreement -Development of Layouts/Sites**

Sl. No.	Document details SRO Share of owner and developer (O:D)	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share			Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF	
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable		Levied
1	JDA 4649/2020-21 Dt:01.12.2020 Bommanahalli 70:30	66	36.3	363	19.80	10.00	198.00	150.00	2,570.73	0.236	756.69	15.13	8.64	7.57	4.32	9.74
2	JDA 6374 /21-22 dtd 08.12.2021 Sarjapur 55:45	1171	644.05	660.15	526.95	1.025	540.124	264.60	35,837.20	0.061	2,450.67	49.01	19.44	24.51	9.72	44.36
3	JDA 3718/20-21 dtd: 21.12.2020 Sarjapur 75:25	125	68.75	2,200.44	3,161.56 smt	0.174 lakh/ smt	550.11	0.00	5,216.58	0.435	2,269.21	45.38	12.48	22.69	6.24	49.35
4	JDA 6126/20-21 dt. 18.02.2021 Varthuru 62:38	80	44	418	30.40	5.225	158.84	18.00	2,759.92	0.242	685.90	13.72	8.59	6.86	4.30	7.69
5	254/2021-22 dtd 20.04.2021 Mulki	31.014 acre	NA	1,882.61	70,778.5 smt	0.015 lakh/ smt	1061.98	0.00	54,712.74	0.015	820.69	21.23	3.89	18.83	1.95	34.22

Sl. No.	Document details SRO Share of owner and developer (O:D)	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share				Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
6	6972/21-22 dtd.8-12-2021 Attibele 34:66	156	85.8	405.6	102.96	2.60	267.70	10.00	2,951.33	0.087	266.77	5.35	5.34	4.06	2.68	1.39
7	JDA : 5298/2020-21 dated 11.12.2020 Mahadevpura 40:60	100	55	537.5	60.00	5.375	322.50	90.00	2,225.74	0.237	617.50	12.35	9.68	6.18	1.50	7.35
8	4792/21-22 dt.13.10.2021 SRO Jigani 27.15:72.85	379	208.45	1753.25	276.10	4.626	1,277.24	25.00	5,725.63	0.101425	605.72	25.54	9.08	17.53	4.54	29.45
9	9986/21-22 dt.25.02.2022 SRO Jigani 40:60	197	108.35	625.72	118.20	3.17625	375.43	0.00	2,388.52	0.104	248.41	6.76	4.97	5.63	2.49	4.93
10	1482/20-21 dt.24.06.2020 SRO Jigani 65:35	128	70.4	304	44.80	2.375	106.40	32.00	4,629.54	0.09	448.66	8.97	4.49	4.49	2.25	6.72

Sl. No.	Document details SRO Share of owner and developer (O:D)	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share				Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner's share whichever is higher)		Short levy of SD & RF
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
11	1551/19-20 dt:27.05.2019 SRO Jigani 70:30	67	36.85	147.4	20.10	2.20	44.22	20.00	2,609.68	0.12	333.16	6.66	4.60	3.33	2.30	3.09
12	3423/19-20 dt:05.08.2019 SRO Jigani 60:40	97	53.35	169.75	38.80	1.75	67.90	24.25	3,238.45	0.06	218.56	4.37	2.30	2.185	1.15	3.105
13	9213/20-21 dt: 19.03.2021 SRO Kengeri 60:40	256	140.8	857.6	102.40	3.35	343.04	50.00	8,546.84	0.141	1,255.10	25.10	21.60	12.55	10.81	5.24
14	1392/20-21 dt. 1.7.20 SRO Kengeri 60:40	80	44	340	32.00	4.25	136.00	50.00	2,670.89	0.165	490.70	9.81	6.90	4.91	3.45	4.37
15	4900/2 022-23 Dt:06.07.2022 SRO Ramanagara 70:30	405	222.75	627.75	12,292.1 smt	0.03096 lakh/ smt	380.57	50.00	15,774.93	0.0774	1270.98	25.42	19.93	12.71	9.97	8.23

Sl. No.	Document details	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share				Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner's share whichever is higher)		Short levy of SD & RF
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
16	4663/21-22 dtd 02.09.2021 SRO Rajajinagar 60:40	200	110	425	80.00	2.125	170.00	0.00	6677.22	0.128	854.68	17.09	4.68	8.55	2.34	18.62
17	Docs No 1128/21-22 dtd 14.06.2021 GPA 113/21-22 dtd 14.06.2021 SRO Rajajinagar 44:34: 56.66	3,720.75	2,046.41	1019.34	2111.58	6.6 lakh/acre & 20000/sqmt	601.47	0.00	9,0081.27	3100 & 20000/sqmt	955.93	19.12	14.20	10.19	7.10	8.01
18	13445/2022-23 Dt:2.2.2023 SRO Yelahanka 76:24.	179	98.45	3,876.47	42.96	21.66	930.35	0.00	7,569.74	0.27	2,842.30	56.85	56.85	38.76	11.97	26.79
19	657-2021-22 (JDA) dt. 18.6.21 & 50-2021-22(GPA) SRO Yelahanka 53:47	436	239.8	1,090	204.92	2.50	512.30	0.00	12,858.10	0.108	1,388.67	27.77	10.25	13.89	5.12	26.29
20	14206/2022-23 dt. 2.3.23 SRO Yelahanka 58:42	63	34.65	1023.75	26.46	16.25	429.98	125.00	2033.21	0.115	358.82	8.60	7.18	10.24	1.64	10.02

Sl. No.	Document details SRO Share of owner and developer (O:D)	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share				Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
21	12027/2022-23 dt. 12.1.23 SRO Yelahanka 60:40	118	64.9	236	47.20	2.00	94.40	60.00	3939.56	0.10	454.35	9.09	6.82	4.54	2.36	4.45
22	7191/2022-23 dt. 29.8.22 SRO Yelahanka 73.33:26.67	163	89.65	167.075	43.47	1.025	44.56	0.00	6,650.95	0.079	525.43	10.51	4.67	5.25	1.67	9.42
23	9724/2022-23 dt. 15.11.22 SRO Yelahanka 60:40	40	22	131.25	16.00	3.28125	52.50	0.00	1335.44	0.10	133.54	2.67	1.86	1.34	1.24	0.91
24	14009/22-23 dt. 6.2.2023 SRO Devanhalli 50:50	428	235.4	2,078.44	21650.4 smt	0.048 lakh/ smt	1039.22	550.00	11907.71	0.12	1,978.93	39.58	20.00	20.78	10.00	30.36
25	11508/22-23 dt. 15.12.2022 SRO Devanhalli 62:38	435	239.25	337.125	165.30	0.775	128.11	108.75	15007.05	0.091	1,474.39	29.49	10.00	14.74	5.00	29.23

Sl. No.	Document details	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share			Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner's share whichever is higher)		Short levy of SD & RF	
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable		Levied
26	8675/22-23 dt. 14.10.22 SRO Devanhalli 65:35	651	358.05	634.725	227.85	0.975	222.15	0.00	23545.55	0.091	2,142.64	42.85	23.40	21.43	11.70	29.18
27	12066/22-23 dt. 26.12.22 SRO Devanhalli 52:48	556	305.8	1125.5	266.88	2.024	540.24	900.00	16,087.65	0.09	2,314.03	46.28	33.01	23.14	16.50	19.91
28	11170/2021-22 SRO Devanhalli 59:41	348	191.4	595.99	142.68	1.71	244.36	200.00	11,424.72	0.12	1,570.97	28.28	27.85	14.14	5.00	9.57
29	13022/2021-22 dt. 18.02.2022 SRO Doddaballapur 55:45	122	67.1	204.35	54.90	1.675	91.96	52.00	3,733.68	0.066	298.42	5.37	3.36	2.69	1.68	3.02
30	14229/2021-22 dt. 15.2.2022 SRO Hosakote 62:38	40	22	198	15.20	4.95	75.24	0.00	1,379.96	0.18	248.94	4.48	2.52	2.24	1.98	2.22

Sl. No.	Document details	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share				Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner's share whichever is higher)		Short levy of SD & RF
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
31	Share of owner and developer (O:D) 14228/2021-22 dt. 15.2.2022 SRO Hosakote 62:38	40	22	198	15.20	4.95	75.24	0.00	1,379.96	0.18	248.94	4.48	2.24	1.98	2.22	
32	14231/2021-22 dt. 15.2.22 SRO Hosakote 62:38	195	107.25	683.72	74.10	3.50625	259.81	0.00	6,727.30	0.165	1,110.00	19.98	9.99	0.69	15.57	
33	12317/2021-22 dated 10.12.21 SRO Hubli North 48:52	727	399.85	2353.61	38246.3 smt	0.032 lakh/ smt	1223.88	0.00	19,417.35	0.08	1,553.38	31.07	23.54	9.47	26.20	
34	9413/2021-22 dated 27.12.2021 SRO Hubli North 60:40	229	125.95	491.16	9,267.17 smt	0.0212 lakh/ smt	196.46	120.00	7,645.42	0.053	525.21	10.50	5.25	4.33	2.76	
35	11260/2020-21 dated 19.02.2021 SRO Hubli North 60:40	594.5	326.975	1,275.086	2,4058.2 smt	0.0212 lakh/ smt	510.03	0.00	19,848.04	5.300	1,262.34	25.25	12.75	10.34	6.97	

Sl. No.	Document details	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share				Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner's share whichever is higher)		Short levy of SD & RF
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
36	12636-2022-23 dated 12.12.2022 SRO Hubli North 52:48	90	49.5	229.45	4,370.54 smt	0.0252 lakh/ smt	110.14	0.00	2,604.12	0.063	164.06	3.28	2.29	2.50	1.25	1.82
37	JDA 10614/2022-23 dt. 10.2.2023 & GPA 318/2022-23 SRO Nagarbhavi 60:40	325	19,351.2 smt residential area mentioned	1,005.47	130.00	3.09375	402.19	5.00	11610.72	0.098	1,142.85	22.86	11.43	18.75	9.38	6.16
38	1971/2019-20 dt. 29.5.19 SRO Mysore West 47:53	405.5	223.025	231.135	214.915	0.57	122.50	75.00	10,604.82	0.036	456.77	9.14	4.57	4.08	2.04	7.58
39	6158/2019-20 dt. 16.9.19 SRO Mysore West 50:50	80	44	105.6	40	1.32	52.8	20.00	2,225.74	0.054	140.19	2.80	1.40	1.37	0.69	2.14
40	3742/2019-20 dt. 9.7.2019 SRO Mysore West 40:60	145	79.75	141.375	87.00	0.975	84.825	0.00	3,227.32	0.052	167.82	3.36	1.67	1.70	0.85	2.48

Sl. No.	Document details SRO Share of owner and developer (O:D)	Total area of land in guntas	Total developed area (55%) in guntas	Market value of land under development	Developer's Share			Owner's Share			Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF	
					Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable		Levied
41	5697/2019-20 dt. 4.9.2019 SRO Mysore West 58:42	48	26.4	43.2	20.16	0.90	18.144	24.00	1549.12	0.037	81.32	1.6264	0.95	0.8132	0.475	1.01
42	4764/2021-22 dt. 1.9.2021 SRO Mysore West 67:33	175 + 307	96.25 + 168.85	661.57	57.75 & 101.31	1.32 & 1.4025	218.32	25.00	6,524.20 & 11,445.31	0.05 & 0.0375	780.41	15.61	13.00	7.80	6.50	3.91
43	11665/20-21 dt. 5.2.2021 SRO Mysore West 54:46	547	300.85	676.91	251.62	1.2375	311.38	0.00	16,435.98	0.04	657.44	13.15	12.70	6.77	6.35	0.87
<b>Total</b>															<b>527</b>	

**Appendix-3.11**  
**(Reference: Paragraph 3.9)**  
**Joint Development Agreements – Development of Apartments**

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share			Owner's Share					Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF (₹ in lakh)	
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable		Levied
1	JDA 10123/21-22 Dtd.4.3.2022 SRO Begur 20-22 45:55	1.5	620.55	54.175	6.3	341.3	300.00	56	2.50	6,726.54	0.3618	2,873.66	57.00	41.35	28.74	20.70	24.16
2	Addendum JDA 10396/21-22 Dtd. 11.3.2022 together with JDA no. JAY-2615-2019-20 SRO Begur 20-22 32:68	1.5	1,348.2	145.52	6.3	916.776	200.00	96	2.50	10,392.2	0.3618	4,200.83	84.00	71.20	42.00	35.60	19.20
3	JDA 4471/21-22 Dtd.31.8.2021 SRO Begur 20-22 35:65	1.75	353.125	36.725	6.25	229.531	0.00	35	2.50	3501.11	0.318	1,200.85	24.02	18.44	12.01	9.22	8.37

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF	
				Area (Gunta)	Rate in lakh/gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied		
4	JDA 7416/2021-22 Dt. 05.01.2022 SRO Bommanahalli 2020-2022 50:50	1.75	1,335.24	1,483.60 smt	0.45 lakh/gunta	667.62	0.00	0.00	0.00	0.00	4,645.11	0.423	1,964.88	39.30	24.00	19.65	12.00	22.95
5	JDA 5169/2020-21 Dt. 18.12.2020 SRO Bommanahalli 2020-2022 15:85	1.75	1,033.76	2,235.87 smt	0.393 lakh/gunta	878.70	25.00	0.00	0.00	0.00	690.49	0.397	299.12	17.57	17.57	10.34	8.79	1.55
6	JDA 2313/2020-21 Dt. 02.09.2020 SRO Bommanahalli 2020-2022 40:60	1.75	974.26	1,481.92 smt	0.3944 lakh/gunta	584.56	0.00	0.00	0.00	0.00	1,728.9	0.392	677.73	13.55	12.19	9.74	6.10	5.01
7	JDA 1444/2020-21 dt. 29.07.2020 SRO Chamrajpete 2020-2022 50:50	2.25	4,054.2	1,091.60 smt	1.857 lakh/smt	2,027.10	25.00	0.00	0.00	0.00	2,456.10	1.2298	3,045.51	60.91	57.53	40.54	28.76	15.16

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share		Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF		
				Area (Gunta)	Rate in lakh/gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviabale	Levied	Leviabale		Levied	
8	JDA.2950/2020-21 dtd: 12.11.2020 SRO Sarjapur 2020-2022 36.5:63.5	1.10	676.5	104.14	4.13 (65% increase from 2.5)	429.58	0.00	0.00	0.00	0.00	₹9,300 /smt for site; ₹1,469 0/smt of villa (buildi ng)	₹9,300 /smt for site; ₹1,469 0/smt of villa (buildi ng)	1,057.32	21.15	15.70	10.57	7.85	8.16
9	JDA.2570/21-22 dtd: 26.08.2021 SRO Sarjapur 2020-2022 32:68	1.10	441.79	81.60	100 lakh/acre & 40 lakh/acre	300.415	118.50	0.00	0.00	0.00	2,136.71 smt site (120*101 .17*55% *32%) & 2,350.82 smt (GF), (120*101 .17*55% *32%*1. 1) of builtup area of villa	₹9,300 /smt for site; ₹1,469 0/smt (GF), (120*101 .17*55% *32%*1. 1) of builtup area of villa	662.7 (after including Deposit)	13.25	9.28	6.627	4.64	5.96
10	JDA-2669/20-21 & GPA -102/20-21 SRO Banaswadi 2020-2022 44:56	1.75	681.63	14.00 gunta or 1416.38 sqm	0.2695 lakh/smt	381.71	5.00	0.00	0.00	0.00	1,947.52	0.444	869.70	17.39	9.98	8.697	4.94	11.17

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under develop ment	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
11	JDA-1541/20-21 & GPA-44/20-21  SRO Banaswadi 2020-2022 45:55	1.75	106.23	233.71 smt	0.25 lakh/smt	58.43	0.00	0.00	0.00	334.63	0.318	106.41	2.13	1.35	1.06	0.70	1.14
12	JDA-3525/20-21 & GPA-143/20-21  SRO Banaswadi 2020-2022 44:56	1.75	656.59	1671.33 smt	0.22 lakh/smt	367.69	0.00	0.00	0.00	2,298.08	0.40	912.34	18.25	9.90	9.12	4.95	12.52
13	JDA-4642/20-21 & GPA-204/20-21  SRO Banaswadi 2020-2022 43 : 57	1.75	1402.22	3460.01 smt	0.231 lakh/smt	799.26	0.00	0.00	0.00	4,567.83	0.408	1,863.67	37.27	19.96	14.02	9.98	21.36
14	JDA-2026/20-21 & GPA-77/20-21  SRO Banaswadi 2020-2022 40:60	1.75	1115.57	223.692 smt	0.31 lakh/smt	69.34	0.00	0.00	0.00	260.974	0.35	91.34	1.827	1.40	1.156	0.70	0.883

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under develop ment	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF	
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied		
15	JDA-525/21-22 & GPA-25/21-22  SRO Banaswadi 2020-2022 37:63	2.25	2074.46	134.82	9.6937	1306.91	0.00	0.00	0.00	0.00	18,023.94	0.334	6020.00	120.40	33.61	60.2	16.81	130.18
16	JDA-4443/20-21 & GPA-188/20-21  SRO Banaswadi 2020-2022 50:50	NA	550.07	10.50	26.193	275.03	52.50	24	2.50	1,653.38	0.5369	1,000.20	20.00	13.88	10.00	6.94	9.19	
17	JDA-4448/20-21 & GPA-189/20-21  SRO Banaswadi 2020-2022	NA	2,514.6	52.80	28.575	1,508.76	220.00	99	2.50	6,928.28	0.57	4,421.47	88.43	58.10	44.21	29.05	45.49	
18	JDA : 11303/2020-21 dated 26.03.2021  SRO KR Puram 2020-2022 30:70	1.75	2,635.88	63.00	29.288	1,845.11	0.00	0.00	0.00	4,780.28	0.402	1,921.67	38.43	36.00	26.36	18.00	10.79	

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF	
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied		
19	JDA: 4487/2020-21 dated 19.10.2020 SRO KR Puram 2020-2022 40.27:59.73	1.75	1,514.7	81.2328	11.137	904.7	475.00	0.00	0.00	0.00	9,696.40	0.334	3,713.60	74.27	33.86	37.14	16.93	60.62
20	JDA: 11320/2020-21 dated 26.03.2021 SRO KR Puram 2020-2022 30.58:69.42	1.75	1,230.08	29.16	29.29	853.92	0.00	0.00	0.00	0.00	2,273.93	0.402	914.12	18.28	18.00	12.30	9.00	3.58
21	JDA: 4478/2020-21 dated 19.10.2020 SRO KR Puram 2020-2022 33:67	1.75	690.525	41.54	11.138	462.6	2.50	0.00	0.00	0.00	3,622.39	0.287	1,042.13	20.84	9.53	10.42	4.77	16.96
22	JDA: 7211/2020-21 dated 21.12.2020 SRO KR Puram 2020-2022	1.75	682.9	1,104.70 smt	0.34 lakh/smt	375.60	50.00	0.00	0.00	0.00	1,581.73	0.37	628.91	12.58	9.07	6.83	4.54	5.80

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share		Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF	
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable		Levied
23	JDA: 3018/2020-21 dated 26.08.2020 SRO Domlur 2020-2022 34:66	2.59	5,439.89	25,645.2 smt	0.14 lakh/smt	3,590.33	2,737.50	0.00	0.00	34,243.33	0.371	1,54,41.78	308.84	187.75	154.42	93.88	181.62
24	JDA: 9540/2020-21 dt. 12.2.21 SRO Domlur 2020-2022 46.50:53.50	2.25	30,130.55	(i) 15,263.51 smt (ii) 35,425.69 smt	(i) 69100+50% =103650/smt *40% =41,460 /smt (ii) 69,100*40% =27,640 /smt	16,119.912	5,000	1423	2.50	(i)29,849.45 smt about to ring road (ii)69,278.24 smt remaining	(i)0.9945/smt for sy.no. about to ring road (ii)0.7449/smt for remaining	89,848.13	1,796.96	796.46	898.48	398.23	1,500.75
25	JDA: 7256/2020-21 dated 11.12.2020 SRO Domlur 2020-2022 38:62	1.75	772.11	53.98	8.869	478.75	100.00	0.00	0.00	5,857.23	0.371	2,273.03	45.46	30.39	22.73	15.19	22.61

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF
				Area (Gunta)	Rate in lakh/gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate/ Smt	Market Value	Leviable	Levied	Leviable	Levied	
26	JDA : 5635/2020-21 dated 02.11.2020 SRO Domlur 2020-2022 42:58 & 41:59	1.75	2,673.99	86.24	18.07	1,558.14	0.00	80	2.50	10,920.29	0.371	4,251.43	85.03	26.08	42.51	13.04	88.42
27	JDA 7252/2020-21 dated 11.12.2020 SRO Domlur 2020-2022 38:62	1.75	523.25	36.58	8.869	376.44 (35,000/ smt for 33 gunta and 5.375 lakh/ gunta for 26 gunta used)	159.20	0.00	0.00	3,969.40	0.371	1,631.85	32.64	23.83	16.32	11.92	13.21
28	JDA 9631/2020-21 dated 17.02.2021 SRO Domlur 2020-2022 52.47:47.53	1.75	357.94	19.72	8.625	170.127	50.00	0.00	0.00	3,855.22	0.423	1,680.76	33.62	16.88	16.81	8.44	25.10

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)	Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF		
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value		Leviable	Levied		Leviable	Levied
29	JDA: 4866/2021-22 dated 15.09.2021 SRO Domlur 2020-2022 45:55	NA	1,542.75	102.85	8.25	848.51	0.00	0.00	0.00	0.00	11,891.49	0.36	4,280.94	85.62	29.78	42.81	14.89	83.76
30	1245/2020-21 dt. 13.8.20 SRO Halasuru 2020-2022 41:59	NA	351.12	22.42	9.24	207.16	20.00	0.00	0.00	0.00	866.926 (38*55%*41%*10 1.17) sqmt site area and 866.926 sqmt for GF	0.227	342.50	6.85	4.54	3.51	2.27	3.55
31	JDA 1674/2020-21 dt. 31.7.20 SRO Halasuru 2020-2022 37:63	1.75	198	18.90	6.60	124.74	11.25	0.00	0.00	0.00	1,965.23	0.381	760.00	15.20	6.12	7.60	3.06	13.62
32	JDA 1345/20-21 dt.14.08.2020 SRO Varthuru 2020-2022 44:56	1.75	1,342.28	1,670.40 smt	0.45 lakh/ smt	751.68	40.00	0.00	0.00	0.00	2,296.79	0.423	1,011.54	20.23	21.20	13.42	10.60	1.85

Sl. No.	Document details	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
33	SRO Share of owner and developer (O:D) 5674/20-21 dtd. 7.1.2021	1.75	125.48	17.602	4.826	84.95	120.00	15	2.50	1,486.84	0.26	544.08	10.88	7.25	5.44	3.63	5.44
34	SRO Attibele 20-22 32.30:67.70 8418/21-22 dtd.20.1.2022	1.75	310.869	1,594.20 smt	0.117 lakh/smt	186.52	0.00	30	2.50	1,859.90	0.2295	501.85	10.04	6.10	5.02	3.05	5.91
35	SRO Attibele 20-22 40:60 2280/20-21 dtd.2.9.2020	1.75	213.05	119.69 smt	0.89 lakh/smt	106.52	0.00	0.00	0.00	209.46	0.683	143.06	2.86	2.95	2.13	1.48	0.56
36	SRO Mahadevpura 2020-22 38:62 JDA: 5203/2020-21 dated 10.12.2020	2.24	2,333.23	2,946.24 smt	0.491 lakh/smt	1,446.60	300.00	0.00	0.00	4,044.90	0.5772	2,634.72	52.69	35.94	26.35	17.97	25.13

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
37	1226/21-22 dt. 7.7.21 SRO Gandhinagar 38:62	1.75	689.09	800.82 smt	0.5335 lakh/smt	427.24	0.51	2.00	2.50	858.94	0.6383	553.77	11.075	11.075	6.89	5.54	1.35
38	4496/22-23 dt. 7.10.22 SRO Gandhinagar 45:55	1.75	234.11	214.60 smt	0.60 lakh/smt	128.76	5.00	0.00	0.00	307.27	0.524	166.01	3.32	2.86	2.34	1.43	1.37
39	4495/22-23 dt. 7.10.22 SRO Gandhinagar 45:55	1.75	246.43	225.90 smt	0.60 lakh/smt	135.54	5.00	0.00	0.00	323.45	0.524	174.49	3.49	3.00	2.46	1.50	1.45
40	1095/2022-23 dtd 28.01.2022 SRO Rajajinagar 50:50	1.75	444.125	403.75 smt	0.55 lakh/smt	222.06	0.00	0	0	706.56	0.497	351.16	6.32	5.28	4.00	2.64	2.40
41	4682/21-22 dtd 09.09.2022 SRO Rajajinagar 50:50	1.75	89.78	58.53 smt	0.767 lakh/smt	44.89	0.00	2.00	2.50	102.42	0.617	68.20	1.36	0.95	0.90	0.48	0.84

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
42	11192/22-23 dt. 06.03.2023 SRO Yeshwantpur 65:35	1.75	256.58	93.65 smt	0.959 lakh/smt	89.81	0.00	4.00	2.50	304.35	0.722	229.74	4.59	4.03	2.57	2.01	1.12
43	5675/2022-23, dt. 26.09.2022 SRO Yeshwantpur 50:50	NA	3,472.86	1,810.67 smt	0.959 lakh/smt	1,736.43	0.00	0.00	0.00	5,307.98	0.9386	4,982.07	99.64	66.00	49.82	33.44	50.02
44	8114/2022-23 Dt.26.9.22 SRO Yelahanka 34:66	1.75	924.29	64.02	9.53	610.05	0.00	0.00	0.00	5,839.03	0.271	1,582.38	31.65	23.53	15.82	9.25	14.69
45	3652/2022-23 Dt.16.6.22 SRO Yelahanka 45:55	2.25	1,764.68	51.15	18.975	970.57	0.00	0.00	0.00	9,526.42	0.345	3,286.61	59.16	46.27	29.58	11.14	31.33
46	879/2022-23 Dt.21.4.2022 SRO Yelahanka 40:60	3.25	2,231.73	2,615.3 smt	0.512 lakh/smt	1,339.03	50.00	0.00	0.00	5,666.52	0.624	3,585.91	71.72	33.17	35.86	16.59	57.82

Sl. No.	Document details SRO Share of owner and developer (O:D)	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied	Leviable	Levied	
47	10674/2022-23 Dt.5.12.2022 SRO Yelahanka 40:60	1.25	918.75	50.40	10.938	551.25	200.00	0.00	0.00	4,249.14	0.313	1,529.98	30.60	24.82	15.30	9.19	11.89
48	12651/2022-23 Dt.25.01.2023 SRO Yelahanka 39:61	NA	1277.71	35.99	21.66	779.41	175.00	0.00	0.00	7,755.02	0.329	2,726.40	54.53	19.05	27.264	13.55	49.19
49	885/2022-23 dt. 21.4.22 SRO Yelahanka 43:57	1.75	451.9	429.67 smt	0.5995 lakh/smt	257.59	0.00	0	0	567.24	0.524	297.23	5.94	5.29	4.52	2.65	2.52
50	882/2022-23 dt. 21.4.22 SRO Yelahanka 25:75	1.75	157.38	278.71 smt	0.4235 lakh/smt	118.03	0.00	NA	NA	162.58	0.408	66.33	2.36	2.37	1.57	0.96	0.60
51	5050/21-22 dt. 8.12.2021 SRO Srirampura 50:50	1.75	1,367.23	455.74 smt	1.50 lakh/smt	683.61	590.95	0.00	0.00	797.55	1.018	1,402.86	28.06	11.82	14.03	5.91	24.36

Sl. No.	Document details	FAR	Market value of land under development	Developer's Share			Owner's Share						Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF	
				Area (Gunta)	Rate in lakh/gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate/ Smt	Market Value	Leviabale	Levied	Leviabale	Levied		
52	876/22-23 dtd 28.04.2022 SRO Dasanpura 45:55	1.75	1,232.81	1,356.09 smt	0.50 lakh/smt	678.05	0.00	0.00	0.00	0.00	1,941.68	0.45	873.76	15.73	13.58	11.10	6.79	6.45
53	1147/2021-22 18.6.21 SRO Mysore South 26.25:73.75	NA	10,760.2	20,612.1 smt	0.385 lakh/smt	7,935.64	144	2.50	950.00	9,712.5 residential & 1,312.5 commercial	39,200 and 50,960 for residential and commercial	5786.15	158.71	158.71	107.60	79.36		28.24
54	07423/22-23 dt. 22/12/22 SRO Kacharakahalli 30:70	1.75	7,974.83	5,099.00 smt	1.0948 lakh/smt	5,582.38	0.00	0.00	0.00	3,824.247	0.8164	3,122.12	111.65	115.94	79.75	57.97		17.49
55	9102/21-22 dt. 19.2.2022 SRO Kacharakahalli 32:68	1.75	531.3	76.16	4.7437	361.28	0.00	0.00	0.00	6,345.38	0.245	1554.62	27.98	7.23	13.99	3.61		31.13

Sl. No.	Document details	FAR	Market value of land under development	Developer's Share		Owner's Share					Stamp duty @2% (on market value of developer's share or owner's share whichever is higher)		Registration Fee @1% (on market value of land under development or owner share whichever is higher)		Short levy of SD & RF		
				Area (Gunta)	Rate in lakh /gunta	Market Value	Deposit	No. of car park	Rate/ car park (lakh)	Area (Smt)	Rate / Smt	Market Value	Leviable	Levied		Leviable	Levied
56	7079/2019-20 dt. 14.10.19 SRO Mysore West 40:60	1.75	196.163	1258.80 smt	0.0935 lakh/smt	117.70	0.00	13	1.50	1,468.60	0.239	370.50	7.41	4.46	3.71	2.23	4.42
<b>Total</b>																	
<b>2,755</b>																	

**Appendix-3.12**  
**(Reference: Paragraph 3.10)**  
**Suppression of Actual Status of Land**

Sl. No.	SRO	Document Details	Amount on which SD&RF were to be levied	Amount on which SD&RF was levied	Undervaluation of property	Short levy of SD&RF
1	Rajarajeshwari Nagar	GPA no. 262/2020-21, dt. 12.03.2021 and Sale Agreement no. 7823/2020-21, submitted for registration on 12.03.2021 & registered on 16.03.2021	528.129	218.175	309.954	18.60
2	Nelamangala	Sale deed No.7465-2021-22 dated 23.09.2021	743.09	326.00	417.09	27.74
3	BTM Layout SRO, 2020-22	Sale deed no. 5276/2021-22, dt. 29.01.2022,	10,621.08	4938.00	5,683.08	375.08
4	Yeshwantpura SRO, 2019-21	Sale Deed no. 02966/2019-20, dt. 23.09.2019	10,210.64	7,500.00	2,710.64	178.90
5	Kanakpura	Sale Deed no. 02967/2019-20, dt. 23.09.2019	10,210.64	7,500.00	2,710.64	178.90
6	Nelamangala	Sale deed No 14759/2019-20 dt: 17.02.2020	219.89	157.07	62.82	4.15
7	Anekal	Sale Deed No 2562/01-07-2021	713.51	230.00	483.51	31.91
8	Srirampura	Sale Deed 8635/2019-20 and Rectification deed 5600/2020-21	2,989.77	1606.08	1,383.69	91.32
9	Nelamangala	Sale Deed 83/2022-23/08-04-2022	1,315.06	1,051.13	263.93	17.42
10	Nelamangala	Sale deed No.2497-2021-22 dated 02.07.2021	5,772.86	3,647.00	212.59	141.37
11	Nelamangala	Sale deed No.366-2022-23 dated 11.04.2022	1,573.25	1,015.00	558.25	37.12
	Nelamangala	Sale deed No.5006-2021-22 dated 16.08.2021	1,920.21	1,623.74	296.47	19.72
<b>Total</b>						<b>1,122.20</b>

**Appendix-3.13**  
**(Reference: Paragraph 3.10)**  
**Non reckoning of Power of Attorney and suppression of Market Value**

Sl. No.	SRO	Document details	Higher of MV/consideration in SA	SD&RF to be levied	SD&RF levied	Short levy
1	SRO Tavarikere 2020-22	Agreement of Sale no. TVR-1-01779-2020-21 AND Power of Attorney no. TVR-4-00064-2020-21	480.00 = (320 x 60/40)	28.80	0.20400	28.596
2	SRO Varthur, 2020-22	GPA Doc No. 179/20-21 dtd.01.12.2020 Sale Agreement No. 3990/20-21 dtd.01.12.2020	275.625 = (49 x 225/40)	16.54	0.20400	16.336
3	Doddaballapura SRO	Sale Agreement No 10499/30-12-2021 and GPA No 395/30-12-2021	405.625	24.34	0.077	24.263
4	Halasuru SRO	Sale Agreement no.4653/2020-21 and GPA no. 238/2020-21, dt. 04.12.2020	2,407.369	144.44	0.252	144.19
5	Hubli North SRO	Sale Agreement No 11171/2019-20/12-02-2020 and GPA No 322/2019-20/12-02-2020	82.5	4.95	0.09	4.86
<b>Total</b>						<b>218.245</b>

**Appendix-3.14**  
**(Reference: Paragraph 3.10)**  
**GPA with selling clause executed on same day not disclosed in Sale agreements**

Sl. No.	SRO	Doc. No.	Total Market Value	MV determined in Document	Undervaluation	Short Levy of SD & RF
1	Dharwad	Sale Agreement No 8479/15-12-2020 GPA No 198/15-12-2020	45 45	45 20.8	0 24.2	1.242 0.242
2	Dharwad	Sale Agreement No 13236/24-03-2021 GPA No 330/24-03-2021	96.54 96.54	61 48.43	35.54 48.11	4.41 0.481
3	Dharwad	Sale Agreement No 184/06-04-2021 GPA No 09/06-04-2021	100 100	100 32	0 68	3.4 0.68
4	Dharwad	Sale Agreement No 187/06-04-2021 GPA No 10/06-04-2021	155 155	155 49.6	0 105.4	5.27 1.054
5	Devnahalli	Sale Agreement No 5088/23-09-2021 GPA No 379/23-09-2021	65.625 65.625	65.62 29.535	0 36.09	1.804 0.3609
6	Devnahalli	Sale Agreement No 673/08-04-2021 GPA No 32/08-04-2021	265 265	265 0	0 265	13.245 2.645
<b>Total</b>						<b>34.83</b>

**Appendix-3.15**  
**(Reference: Paragraph 3.10)**  
**Consideration stated in the Sale Agreement omitted in the subsequent Sale Deed**

Sl. No.	SRO	Details of SA	Consideration mentioned in SA	Advance paid in SA	Details of SD	Consideration mentioned in SD	SD&RF to be levied at 6.6% on Consideration in SA	SD&RF paid in SD	Short levy of SD&RF
1	Indi	Sale Agreement No. 02926-2019-20Dt 20/06/2019	14	10	Sale deed No. 00006-2020-21dt. 30/04/2020	1.65	0.924	0.1183	0.8057
2	Indi	Sale Agreement No. 02541-2019-20Dt 12/06/2019	15	14	Sale Deed No. 00680-2020-21Dt 28/05/2020	3.98	0.99	0.2651	0.7249
3	Indi	Sale Agreement No. 02966-2018-19Dt 25/06/2018	14	13	Sale Deed No. 06049-2020-21Dt 07/09/2020	1.35	0.924	0.09	0.83
4	Attibele	No 51/20-21 dtd. 12-08-2020	371	105	ABL-1-01953-2020-21 dtd. 20.8.2020	200	24.486	13.10	11.39
5	Varthuru	Sale Agreement VRT-1-05003-2021-22	160	160	GPA VRT-4-00220-2021-22	63	9.6 (SD&RF levied @6%)	3.78	5.82
6	Hosakote	13182/14-12-2022	24.5	10	19313/23-03-2023	7.31	1.617	0.4862	1.13
7	Hosakote	8855/31-12-2020	24.43	16	572/16-04-2021	7.815	1.61	0.5394	1.07
8	Nelamangala	6396/11-08-2022	28.799	10	10184/28-10-2022	13.95	1.9	0.92	0.98
9	Nelamangala	8645/28-09-2022	90	26	12471/14-12-2022	43.75	5.94	2.91	3.03
10	Nelamangala	15477/04-03-2022	50	20	264/08-04-2022	8.6	3.3	0.5723	2.73
11	Ganganagara	5815/09-03-2020	921.984	85	1517/03-09-2021	823.2	60.85	54.15	6.70
<b>Total</b>									<b>35.21</b>

**Appendix-3.16**  
**(Reference: Paragraph 3.11)**  
**Non-application of enhancement for properties abutting major roads**

Sl. No.	SRO	Document Details	Guidance Value as per CVC	MV as per CVC	SD & RF leviable	SD & RF levied	Short levy of SD&RF	
1	Dasanpura	01242-2021-22 dt. 12.7.21	₹16000/smt as sital rate + 50% for NH4 abutment = 24000/smt	121.40	8.07	3.06	5.01	
2	Kanakpura	8538/2022-23/ Sale Deed dated: 07-10-2022	₹6900/smt	796.23	52.95	40.37	12.58	
3	Laggere	Sale deed No.421/2021-22 dated 14.06.2021	₹12400/smt	35.94	2.37	1.81	0.56	
4	Laggere	Sale deed No.423/2021-22 dated 14.06.2021	₹ 12400/smt	35.94	2.37	1.81	0.56	
5	Rajajinagara	Sale deed No.4678/2021-22 dated 02.09.2021	₹ 20000/smt	3026.61	199.76	172.26	27.50	
6	Yeshwanthpur	Sale deed no2040/22-23 dtd 14.06.2022	₹63500/smt	1274.16	75.69	55.33	20.36	
7	Hubli South	Doc 7438/22-23 (sale) dt 12.12.22	₹3300/smt for industrial Plot and ₹11518 /smt for Building.	388	25.61	22.76	2.85	
8	Hubli South	Doc: 9580/22-23 (sale) dt. 22.02.23	₹24300/smt	302.33	19.95	13.75	6.20	
9	Hubli South	Doc: 8452/22-23 (Sale) dt. 18.01.2023	₹8300/smt	192.43	12.70	11.55	1.15	
10	Hubli North	Sale deed No.1899-2021-22 dated 03.07.2021	₹ 4800/smt	300.69	19.85	13.80	6.04	
11	SRO Dodda-ballapur	Sale deed No.9354-2021-22 dated 04.12.2021	₹ 7200/smt	98.95	6.58	5.08	1.50	
<b>Total</b>							<b>84.31</b>	

**Appendix-3.17**  
**(Reference: Paragraph 3.11)**  
**Non-application of enhancement on land converted for commercial use**

Sl. No.	Office	Document Details	Guidance Value as per CVC	MV as per CVC	SD & RF leviable	SD & RF levied	Short levy of SD&RF	
1	Rajajinagara	Sale deed No.8432/2022-23 dtd 08.02.2023	₹63,500/smt	4,392.84	289.93	273.65	16.28	
2	Yeshwanthpur	Sale deed 7198/22-23 dtd 18.11.2022	₹20,500/smt	1,703.09	112.40	87.00	25.40	
3	Yeshwanthpur	Sale deed No.4394/2022-23 dated 19.08.2022	₹63,100/smt	795.65	52.51	30.14	22.37	
4	Mulki (2018-22)	Sale Deed No 1554/30-09-2020	₹11,500/smt	381.15	25.16	23.35	1.81	
5	Kalaburagi (2017-22)	Sale Deed No 10619/15-12-2020	₹6,500/smt for site and ₹11,518/smt for finished	499.77	33.23	25.79	7.44	
6	Belagavi (2018-22)	Sale Deed No 13415/27-01-2022	₹25,200/smt (₹18,000/smt + 40% for commercial)	1,832.19	108.83	75.90	32.93	
7	Dharwad	Sale deed No.2498-2020-21	₹20 lakh/acre & ₹4,000/smt	541.00	35.71	15.76	19.95	
8	Yelahanka	5928-2022-23 (Sale) dt. 16.06.2022	₹150 lakh/acre	675.00	40.40	24.94	15.46	
<b>Total</b>								<b>141.64</b>

**Appendix-3.18**  
**(Reference: Paragraph 3.11)**  
**Non- application of enhancement on residentially converted properties**

Sl. No.	Office	Document Details	Guidance Value as per CVC	MV as per CVC	SD & RF leviable	SD & RF levied	Short levy of SD&RF	
1	Madanayakanahalli	Sale Deed No 3413/2021-22 dt: 03.09.2021	₹30,000/smt sital rate and ₹220 Lakh/acre agriculture land rate	2,367.38	157.43	117.68	39.75	
2	Madanayakanahalli	Sale Deed No 3762/2022-23 dt. 26.08.22	₹30,000/smt sital rate and ₹220 Lakh/acre agriculture land rate	740.56	49.25	36.81	12.44	
3	Yeshwanthpur	Sale deed no 8319/2022-23 dtd 15.12.2022	₹12300/smt	149.33	9.86	4.39	5.47	
4	Yeshwanthpur	sale deed no 8328 /2022-23 dtd 15.12.2023	₹12,300/smt	149.33	9.86	4.39	5.47	
5	Yelahanka	15354-2022-23 (sale) dt. 16.03.23	₹2,20,000/smt	789.59	52.11	51.27	0.84	
6	Harihara (2017-22)	Sale Deed NO 2979/26-20-2021	Market Value of land ₹40 lakh/acre + 65% for residential conversion= 66 lakh/acre.	482.14	32.06	23.25	8.81	
7	Harihara (2017-22)	Sale Deed No 4211/31-12-2021	Market Value of land ₹ 40 lakh/acre + 65% for residential conversion= 66 lakh/acre.	217.80	14.48	10.85	3.63	
8	SRO Kalaburagi (2017-22)	Sale Deed No 5130/06-08-2021	₹35.20 lakh/acre for agriculture land	232.32	15.33	13.3	2.03	
<b>Total</b>								<b>78.44</b>

**Appendix-3.19**  
**(Reference: Paragraph 3.11)**  
**Incorrect application of sital rates or incorrect sital rates**

Sl. No.	Office	Document Details	Guidance Value as per CVC	MV as per CVC	SD & RF leviable	SD & RF levied	Short levy of SD&RF	
1	Dasanpura	09945-2021-22 dtd. 31.01.2022	₹8,100/smt as sital rate	40.97	2.45	0.66	1.79	
2	Dasanpura	06416-2021-22 dtd. 28.10.2021	₹12,400/smt as sital rate	51.81	3.445	0.70	2.745	
3	Vijaynagar	Doc no 4772/ 2021-22 dtd. 03.12.2021	₹10,500/smt	244.33	16.25	7.83	8.42	
4	Doddaballapur	7726-2022-23 dtd. 29.08.2022	₹9,960/smt	3,525.05	232.65	198.00	34.65	
5	Doddaballapur	Sale deed No.1175-2022-23 dtd.27.04.2022	₹6,600/smt	400.64	23.80	6.62	17.18	
<b>Total</b>								<b>64.78</b>

**Appendix-3.20**  
**(Reference: Paragraph 3.11)**

Sl. No.	SRO	Document Details	Guidance Value as per CVC	MV as per CVC	SD & RF leviabale	SD & RF levied	Short levy of SD&RF
<b>PART-A: Undervaluation due to adoption of incorrect guidance value rates</b>							
1	Laggere	GPA No.28/2021-22 dated 29.07.2021	Rate: ₹77 lakh /acre for land	108.76	6.53	4.39	2.14
2	Hubli South	3080/19-20 dt. 29.7.19	₹23300/smt	218.46	14.42	11.02	3.40
3	Hesarghatta	535/2021-22, 05.08.2021	₹28,500/smt	354.27	23.56	14.96	8.60
4	Mulki (2018-22)	Sale Deed No 4698/24-02-2020	₹2,200/smt in Nadsal Village and ₹1,540/smt in Tenka Village	346.23	22.85	14.49	8.36
5	BTM Layout (2020-22)	Sale Deed No 5754/17-02-2022	₹18,000/smt as sital rate and ₹14,524/smt for RCC building	383.24	22.76	12.30	10.46
<b>Total</b>							<b>32.96</b>
<b>PART-B: Reconstitution of Partnership Deed</b>							
6	Ramanagara	Sale Deed No 5534/2020-21 dt:19.11.2020	₹11,500/smt	279.04	11.16	7.82	<b>3.34</b>

**Appendix-4.1**  
**(Reference: Paragraph 4.4)**  
**Details of revision in Declared Price**

<b>Sl. No.</b>	<b>Distillery Name</b>	<b>Brand Name</b>	<b>Effective date of revised declared price</b>	<b>Pre revised declared price/ BL (in ₹)</b>	<b>Revised declared price /BL (size of bottles)</b>
1	M/s. Pernod Ricard India(P) Ltd	Seagram's Imperial blue superior grain whisky	28/03/2023	1,198	1,298 (90 ml)

**Appendix-4.2**  
**(Reference: Paragraph 4.4)**  
**Loss of revenue on Additional Excise Duty due to delay in adoption of revised Declared Price**

Sl. No.	Permit Number / Date - Invoice Number	Brand Name	Quantity in ML	Number of bottles	Quantity in Bulk in Liters	Declared Price	Slab Rate for Addl Excise Duty	Add. Excise Duty Leviable	Add. Excise Duty levied	Short levy of AED
1	EXE/PRU/1789/2022-23 dtd28.3.2023	Seagram's Imperial blue superior grain whisky	90	18,240	1,641.6	1,298	1,104	18.12	15.07	3.05
2	EXE/PRU/1788/2022-23 dtd28.3.2023	Seagram's Imperial blue superior grain whisky	90	11,040	993.6	1,298	1,104	10.97	9.12	1.85
3	EXE/PRU/1787/2022-23 dtd28.3.2023	Seagram's Imperial blue superior grain whisky	90	24,960	2,246.4	1,298	1,104	24.80	20.62	4.18
4	EXE/PRU/1786/2022-23 dtd28.3.2023	Seagram's Imperial blue superior grain whisky	90	16,800	1512	1,298	1,104	16.69	13.88	2.81
5	EXE/PRU/1785/2022-23 dtd28.3.2023	Seagram's Imperial blue superior grain whisky	90	11,040	993.6	1,298	1,104	10.97	9.12	1.85
6	EXE/PRU/1784/2022-23 dtd28.3.2023	Seagram's Imperial blue superior grain whisky	90	27,840	2,505.6	1,298	1,104	27.66	23.00	4.66
7	EXE/PRU/1783/2022-23 dtd28.3.2023	Seagram's Imperial blue superior grain whisky	90	19,200	1,728	1,298	1,104	19.08	15.86	3.21

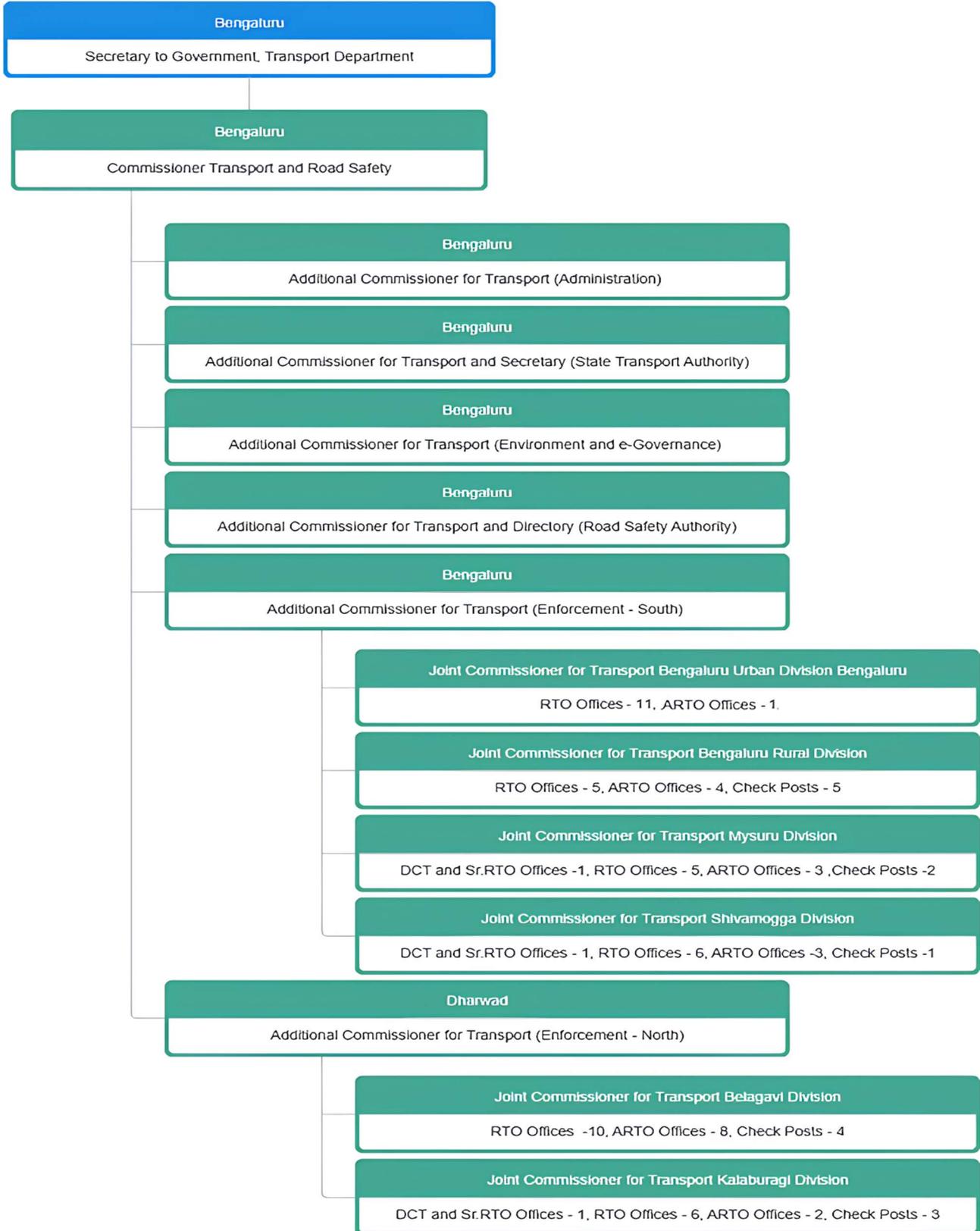
Sl. No.	Permit Number / Date - Invoice Number	Brand Name	Quantity in ML	Number of bottles	Quantity in Bulk Liters	Declared Price	Slab Rate for Addl Excise Duty	Add. Excise Duty Leviable	Addl. Excise Duty levied	Short levy of AED
8	EXE/PRU/1782/2022-23 dtd28.3.2023	Seagram's Imperial blue superior grain whisky	90	28,800	2,592	1,298	1,104	28.62	23.79	4.82
9	EXE/PRU/1790/2022-23 dtd 29.3.2023	Seagram's Imperial blue superior grain whisky	90	19,200	1,728	1,298	1,104	19.08	15.86	3.21
10	EXE/PRU/1797/2022-23 dtd 30.3.2023	Seagram's Imperial blue superior grain whisky	90	13,440	1,209.6	1,298	1,104	13.35	11.10	2.25
11	EXE/PRU/1796/2022-23 dtd29.3.2023	Seagram's Imperial blue superior grain whisky	90	1,9392	1,745.28	1,298	1,104	19.27	16.02	3.25
12	EXE/PRU/1795/2022-23 dtd29.3.2023	Seagram's Imperial blue superior grain whisky	90	31,680	2,851.2	1,298	1,104	31.48	26.17	5.30
13	EXE/PRU/1794/2022-23 dtd29.3.2023	Seagram's Imperial blue superior grain whisky	90	11,520	1,036.8	1,298	1,104	11.45	9.52	1.93
14	EXE/PRU/1793/2022-23 dtd29.3.2023	Seagram's Imperial blue superior grain whisky	90	24,000	2,160	1,298	1,104	23.85	19.83	4.02
15	EXE/PRU/1792/2022-23 dtd29.3.2023	Seagram's Imperial blue superior grain whisky	90	9,600	864	1,298	1,104	9.54	7.93	1.61
16	EXE/PRU/1791/2022-23 dtd29.3.2023	Seagram's Imperial blue superior grain whisky	90	18,240	1,641.6	1,298	1,104	18.12	15.07	3.05

Sl. No.	Permit Number / Date - Invoice Number	Brand Name	Quantity in ML	Number of bottles	Quantity in Bulk in Liters	Declared Price	Slab Rate for Addl Excise Duty	Add. Excise Duty Leviable	Addl. Excise Duty levied	Short levy of AED
17	EXE/PRU/1800/2022-23 dtd30.3.2023	Seagram's Imperial blue superior grain whisky	90	8,640	777.6	1,298	1,104	8.58	7.14	1.45
18	EXE/PRU/1799/2022-23 dtd30.3.2023	Seagram's Imperial blue superior grain whisky	90	8,640	777.6	1,298	1,104	8.58	7.14	1.45
19	EXE/PRU/1798/2022-23 dtd30.3.2023	Seagram's Imperial blue superior grain whisky	90	12,960	1,166.4	1,298	1,104	12.88	10.71	2.17
20	EXE/PRU/1801/2022-23 dtd30.3.2023	Seagram's Imperial blue superior grain whisky	90	12,000	1,080	1,298	1,104	11.92	9.91	2.01
<b>Total</b>										<b>58.13</b>

**Appendix-5.1**  
**(Reference: Paragraph 5.4.1.1)**  
**Services being provided online in Karnataka**

Sl. No.	Services
1.	Issue of learners' license
2.	Change of address in learners' license
3.	Change of name in learners' license
4.	Duplicate learners' license
5.	International driving permit
6.	Driving license extract
7.	Renewal of driving license
8.	Issue of duplicate driving license
9.	Change of address in driving license
10.	Change of name in driving license
11.	Issue of new conductor license
12.	Renewal of conductor license
13.	Issue of duplicate conductor license
14.	Change of address in conductor license
15.	Change of name in conductor license
16.	New registration of motor vehicle at dealer point(non-transport)
17.	Issue of duplicate registration certificate
18.	Change of address in registration certificate
19.	Endorsement of hire-purchase agreement /hypothecation
20.	Continuation of hire-purchase agreement /hypothecation
21.	Issue of NOC / CC for motor vehicle
22.	B register extract
23.	Issue of permit for goods vehicle
24.	Issue of permit for motorcab
25.	Renewal of permit for goods vehicle
26.	Renewal of permit for motor cab
27.	Renewal of permit for auto – rickshaw cab
28.	Issue of duplicate permit for goods vehicle
29.	Issue of duplicate permit for motor cab
30.	Issue of duplicate permit for auto- rickshaw cab
31.	Surrender of permit (permit cancellation)

**Appendix-5.2**  
**(Reference: Paragraph 5.4.1.3)**  
**Organisational Structure of Transport Department in Karnataka**



Source: Annual Report of the Transport Department 2023-24

**Appendix-5.3**  
**(Reference: Paragraph 5.4.1.6)**  
**Sampling Methodology**

Information obtained from all RTOs in the State relating to the following parameters:

- i. Number of transport and non-transport vehicles registered in the RTOs (relating to Audit Objective 2).
- ii. Revenue collected by RTOs in the last five years from 2019 to 2024 (relating to Audit Objective 3).
- iii. Number of transactions carried out through VAHAN, and number of applications done through SARATHI in the RTOs from 2019 to 2024 (relating to Audit Objectives 1, 2 & 3).

Data to the extent available in VAHAN and SARATHI Dashboards in public domain, has also been used for stratified sampling as explained below:

- *Computation of weightages:* Equal weightages were given to the three parameters mentioned above.
- *Stratification:* Combined weightage calculated on a score of 100% and RTOs classified based on high, medium, low risk.
- *Selection of RTOs:* 9 RTOs were sampled, selecting randomly 4 RTOs from High-risk strata, 3 RTOs from medium risk strata and 2 RTOs from low-risk strata to ensure that number of high-risk RTOs selected > number of medium risk RTOs > number of low-risk RTOs.

**Appendix-5.4**  
**(Reference: Paragraph 5.4.1.6)**  
**List of Vahan tables used for Data Analysis**

Para Number	Para Description	Table Used	Brief Description
5.4.3.1	Temporary Registrations not followed by Permanent Registration	vt_owner	Table contains data related to Owner Detail
		vt_owner_temp	Table contains data related to Temp Regn Owner Detail
5.4.3.2	Non- renewal of Registration of Non-Transport Vehicles after expiry of 15 Years	vt_owner_ka	Table contains data related to Owner Detail registered in Karnataka
		vt_fee	Table contains data related to Fee Detail
5.4.3.4	Short recovery of registration fee on construction equipment and earth moving vehicles.	vt_owner	Table contains data related to Owner Detail
		vt_fee	Table contains data related to Fee Detail
5.4.4.3	Transport vehicles operating without valid FC	vt_fitness	Table contains data related to Fitness
		vt_fee	Table contains data related to Fee Detail
5.4.4.4	Fitness Certificates issued without ensuring installation of Speed Governors in Transport Vehicles	vt_owner	Table contains data related to Owner Detail
		vt_fitness	Table contains data related to Fitness
5.4.5	Transport vehicles without permits	vt_owner	Table contains data related to Owner Detail
		vt_permit	Table contains data related to Permit Detail
5.4.6.1	Lack of clarity to determine the rate of tax for 'Contract Carriages'	vt_owner	Table contains data related to Owner Detail
		vt_tax	Table contains data related to Tax Detail
5.4.6.2	Short collection of Quarterly Tax in respect of Private Service Vehicles	vt_owner	Table contains data related to Owner Detail
		vt_tax	Table contains data related to Tax Detail
		vt_hyph	Table contains data related to history table for hypothecation data from vt_hyph moved to this table
5.4.6.3	Non-Levy of Green Tax on Transport Vehicles at the time of renewal of Fitness Certificate	vt_owner	Table contains data related to Owner Detail
		vt_fitness	Table contains data related to Fitness
		vt_fee	Table contains data related to Fee Detail

Para Number	Para Description	Table Used	Brief Description
5.4.6.4(a)	Unauthorized Tax Break	vt_owner	Table contains data related to Owner Detail
		vt_tax	Table contains data related to Tax Detail
5.4.6.5	Non/short levy of penalty on the delayed payment of quarterly tax	vt_tax	Table contains data related to Tax Detail
5.4.6.6	Short levy of Lifetime Tax on non-transport vehicles		
	Conversion	vh_conversion	Table contains data related to history table for conversion of vehicle
		vt_tax	Table contains data related to Tax Detail
	Re-assignment	vh_reassign	Table contains data related to history table for reassigned vehicle details after reassign vehicle information stored in this table. Only table to get old vehicle reference after reassign of vehicle
		vt_tax	Table contains data related to Tax Detail
5.4.6.7	Non-collection of Road Safety Cess	vt_fee	Table contains data related to Fee Detail
5.4.8.3	Delay in issue of NOC	vt_noc	Table contains data related to Noc
		va_details	Table contains data related to reference of application for every action

**Appendix-5.5**  
**(Reference: Paragraph 5.4.2)**  
**RTO wise number of Driving licenses issued in Karnataka as on 31.03.2024**

Sl. No.	RTO Code	Name Of RTO Office	Total
1	KA01	RTO Bengaluru (Central), HSR Layout	9,05,682
2	KA02	RTO Bengaluru (West), Rajajinagar	10,51,031
3	KA03	RTO Bengaluru (East), Kasturi Nagar	9,78,324
4	KA04	RTO Bengaluru (North), Yeshwanthpura	8,93,780
5	KA05	RTO Bengaluru (South), Jayanagar	14,23,612
6	KA06	RTO, Tumkur	6,537,39
7	KA07	RTO, Kolar	4,047,77
8	KA08	RTO, K.G.F.	2,42,271
9	KA09	RTO, Mysuru West	7,73,709
10	KA10	RTO, Chamarajanagar	2,57,126
11	KA11	RTO, Mandya	5,62,798
12	KA12	RTO, Madikeri	2,72,929
13	KA13	RTO, Hassan	5,29,317
14	KA14	RTO, Shivamogga	4,82,202
15	KA15	ARTO, Sagar	2,68,310
16	KA16	RTO, Chitradurga	3,04,216
17	KA17	RTO, Davanagere	6,84,635
18	KA18	RTO, Chikkamagalur	4,03,436
19	KA19	RTO, Mangalore	8,93,206
20	KA20	RTO, Udupi	6,70,327
21	KA21	RTO, Puttur	3,79,479
22	KA22	RTO, Belagavi	6,05,277
23	KA23	RTO, Chikkodi	3,50,613
24	KA24	ARTO, Bailhongal	1,54,214
25	KA25	RTO, Dharwad	5,27,040
26	KA26	RTO, Gadag	2,50,482
27	KA27	RTO, Haveri	2,88,877
28	KA28	RTO, Vijayapura	6,20,216
29	KA29	RTO, Bagalkot	2,82,200
30	KA30	RTO, Karwar	1,69,486
31	KA31	RTO, Sirsi	1,89,301
32	KA32	RTO, Kalaburagi	6,46,159
33	KA33	RTO, Yadagiri	1,98,889
34	KA34	RTO, Bellary	3,26,737
35	KA35	RTO, Hospete	2,79,166
36	KA36	RTO, Raichur	4,14,619
37	KA37	RTO, Koppal	2,15,258
38	KA38	RTO, Bidar	2,75,567
39	KA39	ARTO, Bhalki	1,45,427
40	KA40	RTO, Chikkaballapura	2,59,664
41	KA41	RTO, Jnanabharathi	7,36,873

Sl. No.	RTO Code	Name Of RTO Office	Total
42	KA42	RTO, Ramanagara	310,430
43	KA43	ARTO, Devanahalli	1,55,334
44	KA44	ARTO, Tiptur	2,04,383
45	KA45	ARTO, Hunsur	2,55,041
46	KA46	ARTO, Sakaleshpura	1,17,055
47	KA47	ARTO, Honnavara	1,64,560
48	KA48	ARTO, Jamakhandi	1,59,655
49	KA49	ARTO, Gokak	1,60,129
50	KA50	RTO, Yelahanka	4,08,868
51	KA51	RTO, Electronic City	8,46,811
52	KA52	RTO, Nelamangala	3,31,359
53	KA53	RTO, KR Puram	7,92,159
54	KA54	ARTO, Nagamangala	1,15,578
55	KA55	RTO, Mysuru East	3,02,642
56	KA56	ARTO, Basavakalyan	81,605
57	KA59	RTO, Chandapura	1,27,430
58	KA63	RTO, Dharawad East	1,11,376
59	KA64	ARTO, Madhugiri	1,51,361
60	KA65	ARTO, Dandeli	52,296
61	KA66	ARTO, Tarikere	83,966
62	KA67	ARTO, Chintamani	37,727
63	KA68	ARTO, Ranibennur	51,212
64	KA69	ARTO, Ramadurga	25,268
65	KA70	ARTO, Bantwala	1,53,682
66	KA71	ARTO, Athani	37,028
<b>Grand Total</b>			<b>2,52,07,926</b>

Source: The Annual Reports 2023-24 of Transport Department

**Appendix-5.6**  
**(Reference: Paragraph 5.4.2)**  
**No. of DLs issued in the Selected RTOs**

Sl. No.	RTO/ARTO & Date of Commencement of ADTTs	2019-20	2020-21	2021-22	2022-23	2023-24	Total
<b>RTOs with ADTTs</b>							
1.	Bengaluru (South), Jayanagar (Oct 2021)	1,00,133	40,085	67,944	46,027	33,886	2,88,075
2.	Electronic City (October 2017)	63,395	42,526	67,723	69,884	41,273	2,84,801
3.	Mysuru West (February 2020)	67,799	23,338	31,327	26,285	22,103	1,70,852
4.	Dharwad West (August 2021)	34,415	14,550	23,671	16,235	20,476	1,09,347
	<b>Total</b>	<b>2,65,742</b>	<b>1,20,499</b>	<b>1,90,665</b>	<b>1,58,431</b>	<b>1,17,738</b>	<b>8,53,075</b>
<b>RTOs without ADTTs</b>							
5.	Bhalki	12,509	9,017	7,396	7,460	7,528	43,910
6.	Karwar	13,021	6,892	7,879	7,042	5,978	40,812
7.	Udupi	64,716	32,534	41,183	32,346	30,521	2,01,300
8.	Chikkamagaluru	32,200	21,437	19,309	16,806	16,285	1,06,037
9.	Nelamangala	39,561	27,219	25,586	30,324	26,361	1,49,051
	<b>Total</b>	<b>1,62,007</b>	<b>97,099</b>	<b>1,01,353</b>	<b>93,978</b>	<b>86,673</b>	<b>5,41,110</b>

Source: The Annual Reports of the Transport Department

**Appendix-5.7**  
**(Reference: Paragraph 5.4.2.1)**  
**List of skill parameters as per Rule 15 of CMVR, 1989**

Sl. No.	Requirement
1	Adjust rear-view mirror.
2	Take suitable precautions before starting the engine.
3	Move away safely and smoothly straight ahead at an angle, while at the same time engaging all gears until the top gear is reached.
4	Change to the lower gears quickly from the top gear when the traffic conditions warrant such change.
5	Change quickly to lower gears when driving downhill.
6	Stop and re-start the vehicle on a steep upward incline making proper use of the hand-brake or of the throttle and the footbrake without any rolling back, turn right and left corners correctly and make proper use of the rear-view mirror before signaling.
7	Overtake, allow to be overtaken, meet or cover the path of other vehicles safely and take an appropriate course of the road with proper caution giving appropriate signals.
8	Give appropriate traffic signals at the appropriate time, in a clear and unmistakable manner by hand or by electrical indicators fitted to the vehicle.
9	Change the lanes with proper signals and with due care.
10	Stop the vehicle in an emergency or otherwise, and in the latter case, bring it to rest at an appropriate course on the road safely, giving appropriate signals.
11	In the case of vehicle having a reverse gear, driving the vehicle backwards, reverse it into a limited opening either to the right or left under control and with reasonable accuracy.
12	Cause the vehicle to face in the opposite direction by means of forward and reverse gears.
13	Take correct and prompt action on the signals given by traffic signs, traffic lights, traffic controllers, policemen and take appropriate action on signs given by other road users.
14	Act correctly at pedestrian crossings, which are not regulated by traffic lights or traffic police, by giving preference to persons crossing the roads.
15	Keep well to the left in normal driving.
16	Regulate speed to suit varying road and traffic conditions.
17	Demonstrate general control of the vehicle by confident steering and smooth gear changing and braking as and when necessary.
18	Make proper use of the rear-view mirror before signaling, beginning maneuvering, moving away, altering the course to overtake, turning right or stopping.
19	Use proper side when driving straight, turning right, turning left and at junction of the road.
20	Make proper use of accelerator, clutch, gears, brakes (hand and foot), steering and horn.
21	Anticipate the actions of pedestrians, drivers of other vehicles and cyclists.
22	Take precautions at cross roads and on road junctions with regard to: (i) adjustment of speed on approach, (ii) proper use of rear-view mirror, (iii) correct positioning of the vehicle before and after turning to the right or left, (iv) avoidance of cutting right-hand corners, (v) looking right, left and right again before crossing or emerging.
23	Concentrate in driving without attention being distracted and demonstrate presence of mind.
24	Show courtesy and consideration for the safety and convenience of other road users, such as pedestrians, drivers of other motor vehicles or cyclists.

**Appendix-5.8**  
**(Reference: Paragraph 5.4.2.1)**  
**Details of ADTT associated with RTOs**

Sl. No.	ADTT	Components- Tracks and Other Equipment's										RTOs Associated	
		2W	LMV	HMV	AMC	Insurance	Warranty	Land Availability	Space for IT Room	Sensors	Civil Works		Date of Operationalization
1	Jnanabharthi	Yes, 2 Tracks	Yes, 1 Track	Yes, 1 Track	Yes	Yes	Yes	Available	Yes	installed	KEONICS	22.10.2021	Jnanabharthi & Bengaluru South (Jayanagar)
2	Shivamogga	Yes, 2 Tracks	Yes, 1 Track	Yes, 1 Track	Yes	Yes	Yes	Available	Yes	installed	PWD & KSRTC	24.07.2021	Shivamogga
3	Hassan	Yes, 2 Tracks	Yes, 1 Track	Yes, 1 Track	Yes	Yes	Yes	Available	Yes	installed	KSRTC	01.08.2021	Hassan
4	Kalaburagi	Yes, 2 Tracks	Yes, 1 Track	Yes, 1 Track	Yes	Yes	Yes	Available	Yes	Installed	NEKRTC	01.09.2020	Kalaburagi
5	Electronic City	Yes, 4 Tracks	Yes, 2 Tracks	Yes, 1 Track.	Yes	Yes	Yes	Available	Yes	installed	Completed by BMTC	01.10.2017	Electronic City, Chandapura and Bengaluru Central
6	Mysuru	Yes, 2 Tracks	Yes, 1 Track	Yes, 1 Track	Yes	Yes	Yes	Available	Yes	Instilled	KSRTC	01.02.2020	Mysuru East & Mysuru West
7	Dharwad	Yes, 2 Tracks	Yes, 1 Track	Yes, 1 Track	Yes4	Yes	Yes	Available	Yes	Installed	KSRTC	01.08.2021	Dharwad East & Dharwad West

Source: Information furnished by the Transport Commissioner

**Appendix-5.9****(Reference: Paragraph 5.4.3.1)****Class of vehicles registered temporarily in Karnataka in nine Selected RTOs**

<b>Vehicle Class</b>	<b>No of Vehicles</b>
Adapted Vehicle	60
Agricultural Tractor	1,306
Ambulance	3
Articulated Vehicle	2
Bus	168
Construction Equipment Vehicle	197
Crane Mounted Vehicle	12
Earth Moving Equipment	71
Educational Institution Bus	3
e-Rickshaw(P)	1
Forklift	1
Goods Carrier	357
Maxi Cab	45
M-Cycle/Scooter	745
Moped	6
Motor Cab	10
Motor Car	142
Private Service Vehicle	20
Private Service Vehicle (Individual Use)	1
Three-Wheeler (Goods)	20
Three-Wheeler (Passenger)	40
Tractor (Commercial)	32
Trailer (Agricultural)	706
Trailer (Commercial)	461
Trailer For Personal Use	2
<b>Total</b>	<b>4,411</b>

**Appendix-5.10**  
**(Reference: Paragraph 5.4.4)**  
**19 Parameters to be checked during Fitness Inspection**

Sl. No.	Item	Check Fitment	Check make /type/rating etc. as per original equipment recommendations	Check conditions	Check Functioning	Test	Remarks
1	Spark Plug/Suppress or cap/ High Tension cable	Yes	Yes	Yes	No	No	-
2	Head Lamp Beams	Yes	No	Yes	Yes	Check	(a)Beam focus as per Annexure VII;(b) in case of authorised testing station using headlight tester, testing procedure and requirement shall be as per AIS-128:2014.
3	Other Lights	Yes	No	Yes	Yes	No	Also ensure that unauthorised lights are not fitted.
4	Reflectors	Yes	No	Yes	No	No	Ensure colour of reflectors and reflective tapes are as per rule 104
5	Bulbs	Yes	Yes	Yes	No	No	Ensure that head light bulbs wattage, especially halogen, is not higher than those indicated in IS 1606-1993 and also ensure that halogen bulbs with P45t caps are not used in all vehicles
6	Rear View Mirror	Yes	No	Yes	No	No	-
7	Safety Glass	Yes	Yes	Yes	No	No	Laminated windscreen glass is used for vehicles manufactured from April,1996 onwards
8	Horn	Yes	No	Yes	Yes	No	-
9	Silencer	Yes	No	Yes	Yes	No	Ensure no leakage
10	Dashboard Equipment	Yes	No	Yes	Yes	No	-
11	Wind shield wiper	Yes	No	Yes	Yes	No	-

Sl. No.	Item	Check Fitment	Check make /type/rating etc. as per original equipment recommendations	Check conditions	Check Functioning	Test	Remarks
12	Exhaust emission	No	No	No	No	Yes	Pollution Under Control Certificate.
13	Braking System	Yes	No	Yes	Yes	Yes	(a)As per rule 96 (8); (b) in case of authorized testing station using roller brake tester, testing procedure, and requirements shall be as per AIS-128:2014.
14	Speedometer	Yes	No	Yes	Yes	No	As per rule 117.
15	Steering gear	Yes	No	Yes	Yes	Check free play	Check free play as per rule 98 for vehicles with steering wheel.
16	Rear Under run Protecting Device for N2, N3, T3 and T4 gear	Yes	No	Yes	No	No	As per rule 124 (1A)
17	Lateral Side Protection Device for N2, N3, T3 and T4	Yes	No	Yes	No	No	As per rule 124 (1A)]
18	Fastag	Yes	Yes	Yes	No	No	To be affixed on the front wind screen]
19	Priority Seats, Signs, securing of crutches/canes /walker, handrail/ stanchions, controls at priority seats for differently abled passengers and passengers with reduced mobility.	Yes	No	Yes	Yes	No	Ensure that the provisions of sub-rules (1) and (7) of rule 125C of the Central Motor Vehicles Rules, 1989 are complied with]

Source: Rule 62 of the Central Motor Vehicle Rules, 1989

**Appendix-5.11**  
**(Reference: Paragraph 5.4.4.4)**  
**RTO wise number of vehicles without Speed Governor**

Sl. No.	RTO/ARTO	No. of Vehicles without Speed Governor
1	Bengaluru South	9,243
2	Electronic City	12,494
3	Udupi	11,203
4	Dharwad West	5,367
5	Karwar	2,810
6	Bhalki	1,887
7	Nelamangala	5,434
8	Mysuru West	6,417
9	Chikkamagaluru	6,837
<b>Total</b>		<b>61,692</b>

Source: Vahan Database

**Appendix-5.12**  
**(Reference: Paragraph 5.4.6.1)**  
**Loss of revenue in case of Vehicles whose registration date is after 01 January 2018**

Sl. No.	Reg. no.	Reg. date	Wheelbase in mm	Minimum seating capacity as per rule 151(2)	Actual Seating capacity	Applicable Quarterly tax as per item 5a(ii) of taxation schedule	Collected Quarterly tax	Quarterly Tax difference	Monthly Tax difference	Tax from	Tax to	No. of months	Total Tax less paid (including 11% cess)
1	KA05AM8682	15-09-2023	3335	25	23	58,275	34,965	23,310	7,770	07-Sep-23	31-Aug-24	12	93,240
2	KA05AM8684	15-09-2023	3335	25	23	58,275	34,965	23,310	7,770	07-Sep-23	31-Aug-24	12	93,240
3	KA05AM8683	15-09-2023	3335	25	23	58,275	34,965	23,310	7,770	07-Sep-23	31-Aug-24	12	93,240
4	KA05AN7097	07-03-2024	4240	35	31	80,475	48,285	32,190	10,730	05-Mar-24	31-Aug-24	6	64,380
5	KA09AA7024	06-10-2023	4320	35	34	88,800	53,280	35,520	11,840	05-Oct-23	30-Sep-24	12	1,42,080
6	KA20AA6019	03-11-2018	4920	45	38	99,900	59,940	39,960	13,320	25-Oct-18	31-Jul-24	31.5	4,19,580
7	KA20AA6527	14-01-2019	4920	45	38	99,900	59,940	39,960	13,320	14-Jan-19	31-Oct-24	39	5,19,480
8	KA20AA6790	08-02-2019	4920	45	37	97,125	58,275	38,850	12,950	08-Feb-19	31-Jan-24	35.5	4,59,725
9	KA20AA7354	10-04-2019	5200	50	42	1,11,000	66,600	44,400	14,800	10-Apr-19	31-Jul-24	33	4,88,400
10	KA20AA7526	10-05-2019	5200	50	39	1,02,675	61,605	41,070	13,690	10-May-19	31-May-24	35	4,79,150
11	KA20AA7727	17-06-2019	5200	50	39	1,02,675	61,605	41,070	13,690	17-Jun-19	31-Aug-24	39	5,33,910
12	KA20AA7834	01-07-2019	5200	50	39	1,02,675	61,605	41,070	13,690	01-Jul-19	29-Feb-24	39	5,33,910
13	KA20AA7835	01-07-2019	5200	50	39	1,02,675	61,605	41,070	13,690	01-Jul-19	31-Oct-24	42.5	5,81,825
14	KA20AA8107	03-08-2019	5200	50	38	99,900	59,940	39,960	13,320	03-Aug-19	29-Feb-24	31	4,12,920
15	KA20AA8629	17-10-2019	5200	50	38	99,900	59,940	39,960	13,320	17-Oct-19	30-Sep-24	52	6,92,640
16	KA20AA9183	04-01-2020	5300	50	38	99,900	59,940	39,960	13,320	04-Jan-20	31-Oct-24	47	6,26,040
17	KA20AB1537	05-03-2021	5400	55	38	99,900	59,940	39,960	13,320	05-Mar-21	30-Sep-24	31	4,12,920
18	KA20AB2489	06-09-2021	5400	55	38	99,900	59,940	39,960	13,320	03-Sep-21	31-Oct-24	37	4,92,840
19	KA20AB3199	10-12-2021	5200	50	36	94,350	56,610	37,740	12,580	09-Dec-21	31-Jul-24	28	3,52,240
20	KA20AB3203	10-12-2021	5400	55	38	99,900	59,940	39,960	13,320	07-Dec-21	31-Aug-24	33	4,39,560
21	KA20AB3343	04-01-2022	5400	55	38	99,900	59,940	39,960	13,320	04-Jan-22	30-Jun-24	30	3,99,600

Sl. No.	Reg. no.	Reg. date	Wheelbase in mm	Minimum seating capacity as per rule 151(2)	Actual Seating capacity	Applicable Quarterly tax as per item 5a(ii) of taxation schedule	Collected Quarterly tax	Quarterly Tax difference	Monthly Tax difference	Tax from	Tax to	No. of months	Total Tax less paid (including 11% cess)
22	KA20AB3345	04-01-2022	5200	50	35	91,575	54,945	36,630	12,210	01-Jan-23	31-Dec-24	24	2,93,040
	KA20AB3345	04-01-2022	5200	50	35	91,575	16,484	75,092	25,031	01-Jan-22	31-Dec-22	12	3,00,366
23	KA20AB3536	19-01-2022	5200	50	38	99,900	59,940	39,960	13,320	18-Jan-22	30-Sep-24	33	4,39,560
24	KA20AB8130	05-04-2023	4320	35	34	88,800	53,280	35,520	11,840	05-Apr-23	30-Sep-24	18	2,13,120
25	KA20AB9136	13-07-2023	5400	55	34	88,800	53,280	35,520	11,840	13-Jul-23	31-Oct-24	16	1,89,440
26	KA20AB9785	06-09-2023	5260	50	39	1,02,675	61,605	41,070	13,690	02-Sep-23	30-Nov-24	15	2,05,350
27	KA20AC0006	20-09-2023	5400	55	39	1,02,675	61,605	41,070	13,690	18-Sep-23	31-Aug-24	12	1,64,280
28	KA20AC0718	13-11-2023	5400	55	38	99,900	59,940	39,960	13,320	13-Nov-23	31-May-24	7	93,240
29	KA20AC0719	13-11-2023	5400	55	38	99,900	59,940	39,960	13,320	13-Nov-23	30-Sep-24	11	1,46,520
30	KA20AC0720	13-11-2023	5400	55	38	99,900	59,940	39,960	13,320	13-Nov-23	31-Oct-24	12	1,59,840
31	KA20AC0725	16-11-2023	5400	55	38	99,900	59,940	39,960	13,320	01-Feb-24	31-Oct-24	9	1,19,880
32	KA20AC0726	16-11-2023	5334	50	37	97,125	58,275	38,850	12,950	01-Feb-24	31-Oct-24	9	1,16,550
33	KA20AC0797	18-11-2023	5400	55	38	99,900	59,940	39,960	13,320	13-Nov-23	31-Oct-24	12	1,59,840
34	KA20AC1009	05-12-2023	5400	55	38	99,900	59,940	39,960	13,320	04-Dec-23	31-Oct-24	11	1,46,520
35	KA20AC1096	16-12-2023	5400	55	38	99,900	59,940	39,960	13,320	15-Dec-23	31-Oct-24	11	1,46,520
36	KA20AC1124	19-12-2023	5400	55	38	99,900	59,940	39,960	13,320	18-Dec-23	31-Aug-24	9	1,19,880
37	KA20AC1157	22-12-2023	5400	55	38	99,900	59,940	39,960	13,320	20-Dec-23	31-Aug-24	10	1,33,200
38	KA20AC1288	06-01-2024	5400	55	38	99,900	59,940	39,960	13,320	05-Jan-24	30-Sep-24	9	1,19,880
39	KA20AC1432	17-01-2024	5400	55	38	99,900	59,940	39,960	13,320	17-Jan-24	30-Sep-24	9	1,19,880
40	KA20AC1551	25-01-2024	4500	45	35	91,575	54,945	36,630	12,210	19-Jan-24	31-Dec-24	12	1,46,520
41	KA20AC1639	01-02-2024	5400	55	38	99,900	59,940	39,960	13,320	01-Feb-24	31-Oct-24	9	1,19,880
42	KA20AC1674	02-02-2024	5400	55	37	97,125	58,275	38,850	12,950	01-Feb-24	31-Oct-24	9	1,16,550
43	KA20AC1675	02-02-2024	5400	55	37	97,125	58,275	38,850	12,950	02-Feb-24	30-Apr-24	3	38,850
44	KA20AC2487	03-04-2024	5400	55	38	99,900	59,940	39,960	13,320	02-Apr-24	30-Nov-24	8	1,06,560
45	KA48A3635	01-02-2018	3400	25	23	58,275	34,965	23,310	7,770	18-Sep-23	30-Nov-24	15	1,16,550

Sl. No.	Reg. no.	Reg. date	Wheelbase in mm	Minimum seating capacity as per rule 151(2)	Actual Seating capacity	Applicable Quarterly tax as per item 5a(ii) of taxation schedule	Collected Quarterly tax	Quarterly Tax difference	Monthly Tax difference	Tax from	Tax to	No. of months	Total Tax less paid (including 11% cess)
46	KA22D1890	09-04-2019	5200	50	42	1,11,000	66,600	44,400	14,800	01-Jul-21	31-Oct-24	38.5	5,69,800
47	KA51AC3156	11-09-2018	3520	30	25	63,825	38,295	25,530	8,510	01-Dec-18	30-Nov-24	69.5	5,91,445
48	KA51AG4536	07-10-2021	3600	30	25	63,825	38,295	25,530	8,510	08-Oct-21	30-Sep-24	36	3,06,360
49	KA05AH2568	05-05-2018	4200	35	23	58,275	34,965	23,310	7,770	01-Nov-23	28-Feb-25	16	1,24,320
50	KA18C4430	21-08-2019	4020	30	27	69,375	41,625	27,750	9,250	17-Aug-19	31-Oct-24	59.5	5,50,375
51	KA18C5119	13-03-2020	6200	65	34	88,800	53,280	35,520	11,840	01-Jan-21	30-Sep-22	16	1,89,440
52	KA18C5129	13-03-2020	6200	65	34	88,800	53,280	35,520	11,840	01-Jan-21	30-Sep-22	16	1,89,440
53	KA18C7555	22-08-2022	5200	50	40	1,05,450	63,270	42,180	14,060	08-Aug-22	28-Feb-23	7	98,420
54	KA18C9759	08-11-2023	5340	55	50	1,33,200	79,920	53,280	17,760	08-Nov-23	31-Jan-25	15	2,66,400
55	KA18D0719	05-04-2024	5400	55	37	97,125	58,275	38,850	12,950	05-Apr-24	28-Feb-25	11	1,42,450
<b>Total</b>													<b>1,53,91,186</b>

**Appendix-5.13**  
**(Reference: Paragraph 5.4.6.1)**  
**Short recovery of tax in case of Vehicles whose registration date is prior to 01 January 2018**

Sl. No	Registration no.	Registration date	Wheelbase in mm	Minimum seating capacity as per rule 151(2)	Seating capacity	Applicable Quarterly tax as per item 5a(ii) of taxation schedule	Collected Quarterly tax	Quarterly Tax difference	Monthly Tax difference	Tax from	Tax to	No of months	Total Tax less paid (including 11% cess)
1	KA09C3535	13-11-2015	4200	35	34	88,800	53,280	35,520	11,840	01-May-16	31-Aug-24	70	8,28,800
2	KA19AC0493	12-06-2017	5260	50	41	1,08,225	64,935	43,290	14,430	01-Dec-23	31-Aug-24	9	1,29,870
3	KA19AC0989	22-07-2017	5260	50	41	1,08,225	64,935	43,290	14,430	01-Jan-24	30-Sep-24	9	1,29,870
4	KA448424	23-09-2017	4200	35	34	88,800	53,280	35,520	11,840	23-Sep-17	30-Sep-24	66	7,81,440
5	KL05T4485	31-01-2005	5639	65	50	1,33,200	79,920	53,280	17,760	01-Mar-17	31-May-23	56	9,94,560
6	KL07AY1388	05-09-2005	4200	35	33	86,025	51,615	34,410	11,470	01-Nov-16	30-Jun-19	15	1,72,050
	KL07AY1388	05-09-2005	4200	35	33	86,025	34,410	51,615	17,205	01-Jul-14	31-Mar-16	21	3,61,305
7	KA20AB6059	05-08-2015	5200	50	37	97,125	58,275	38,850	12,950	01-Mar-22	31-Jul-24	30	3,88,500
8	KA20AB7843	30-03-2017	5200	50	37	97,125	58,275	38,850	12,950	01-Sep-22	30-Nov-24	27	3,49,650
9	KA20AB8464	20-05-2016	5200	50	30	77,700	46,620	31,080	10,360	28-Apr-23	31-Oct-24	16	1,65,760
10	KA20AC1095	01-08-2015	3900	30	26	66,600	39,960	26,640	8,880	10-Oct-23	31-Oct-24	13	1,15,440
11	KA20B9036	08-10-2010	4200	35	30	77,700	46,620	31,080	10,360	01-Apr-16	30-Sep-24	95.5	9,89,380
	KA20B9036	08-10-2010	4200	35	30	77,700	31,080	46,620	15,540	01-Oct-12	01-Mar-16	42	6,52,680
12	KA52B7691	01-12-2010	5640	65	50	1,33,200	79,920	53,280	17,760	11-May-23	30-Sep-24	14	3,01,920
13	KA52B5638	15-12-2017	5640	65	55	1,47,075	88,245	58,830	19,610	29-Sep-22	31-Aug-24	24	4,70,640
14	KA51AJ2283	20-09-2016	5550	60	50	1,33,200	79,920	53,280	17,760	06-Apr-23	31-Jul-24	15	2,66,400
15	KA52B8232	23-03-2017	5340	50	40	1,05,450	63,270	42,180	14,060	26-May-23	31-Jul-24	15	2,10,900
16	KA16B7049	17-01-2013	5640	65	52	1,38,750	83,250	55,500	18,500	01-Mar-23	31-Oct-24	20	3,70,000
17	KA51AB1378	06-08-2012	5690	65	50	1,33,200	79,920	53,280	17,760	01-Oct-23	30-Sep-24	12	2,13,120
18	KA51AD6928	03-08-2016	4320	35	32	83,250	49,950	33,300	11,100	01-Apr-19	31-Oct-24	52	5,77,200
19	KA51AG0206	13-06-2017	4390	45	34	88,800	53,280	35,520	11,840	08-Dec-20	30-Nov-24	46.5	5,50,560
20	KA51AG7849	03-03-2011	5640	65	50	1,33,200	79,920	53,280	17,760	31-Dec-21	31-Oct-24	35	6,21,600

Sl. No	Registration no.	Registration date	Wheelbase in mm	Minimum seating capacity as per rule 151(2)	Seating capacity	Applicable Quarterly tax as per item 5a(ii) of taxation schedule	Collected Quarterly tax	Quarterly Tax difference	Monthly Tax difference	Tax from	Tax to	No of months	Total Tax less paid (including 11% cess)
21	KA51AJ7387	18-12-2010	4950	45	35	91,575	54,945	36,630	12,210	01-Dec-23	31-Aug-24	9	1,09,890
22	KA51B7902	07-05-2014	5640	65	50	1,33,200	79,920	53,280	17,760	01-Apr-19	30-Apr-21	20	3,55,200
23	KA51C8817	18-11-2015	4200	35	23	58,275	34,965	23,310	7,770	01-Apr-19	31-Oct-22	16	1,24,320
24	KA51D3789	01-06-2016	4200	35	32	83,250	49,950	33,300	11,100	01-Apr-19	31-Oct-24	60	6,66,000
25	KA51D2334	05-04-2016	4200	35	32	83,250	49,950	33,300	11,100	01-Jul-22	31-Oct-24	32	3,55,200
<b>Total</b>													<b>1,12,52,255</b>

**Appendix 5.14**  
**(Reference: Paragraph 5.4.6.2)**  
**Short collection of Quarterly Tax in respect of Private Service Vehicles**

Sl. No.	Registration No.	Floor Area (Sq.m)	Lease Agreement	Tax from	Tax upto	No of months	Applicable monthly tax rate	Collected monthly tax	Monthly tax rate difference (incl 11% cess)	Applicable Tax including Cess for the Period	Collected Tax including Cess for the Period	Short levy of Tax
1	KA01B3593	15	Shashi Exports Pvt Ltd	01-10-2022	31-12-2022	3	12,488	6,105	6,383	37,463	18,315	19,148
		15.8	Shashi Exports Pvt Ltd	01-10-2021	30-09-2022	12	13,154	6,431	6,723	1,57,842	77,167	80,675
		15.8	Shashi Exports Pvt Ltd	01-07-2021	30-09-2021	1.5	13,154	6,431	6,723	19,730	9,646	10,084
		15.8	Shashi Exports Pvt Ltd	01-02-2019	30-06-2021	27	13,154	6,431	6,723	3,55,145	1,73,626	1,81,518
2	KA02AB1224	10	M U S Shoe Makers	01-01-2022	31-12-2022	12	7,215	3,515	3,700	86,580	42,180	44,400
3	KA05AB0291	12.6	Pest Control Pvt Ltd	01-02-2021	31-01-2023	24	10,490	5,128	5,361	2,51,748	1,23,077	1,28,671
4	KA04A3538	15.3	Khoday R C A Industries	01-02-2019	31-07-2019	6	12,737	6,227	6,510	76,424	37,363	39,061
5	KA433474	18.5	Himatsingka Seide Limited	01-09-2018	31-05-2020	21	15,401	7,530	7,872	3,23,426	1,58,120	1,65,307
		18.5	Himatsingka Seide Limited	01-06-2021	31-08-2021	1.5	15,401	7,530	7,872	23,102	11,294	11,808
6	KA02A7032	9	Shahi Expo Rts Pvt Ltd	01-01-2019	31-03-2020	15	5,994	2,831	3,164	89,910	42,458	47,453
7	KA05AJ6711	10	Shahi Exports Pvt. Ltd	05-04-2019	30-06-2021	25	7,215	3,515	3,700	1,80,375	87,875	92,500
		10	Shahi Exports Pvt. Ltd	01-07-2021	30-09-2021	1.5	7,215	3,515	3,700	10,823	5,273	5,550
		10	Shahi Exports Pvt. Ltd	01-10-2021	31-12-2022	15	7,215	3,515	3,700	1,08,225	52,725	55,500
8	KA01A4028	11.7	M U S Shoe Makers	22-11-2018	31-03-2020	17	8,442	4,113	4,329	1,43,506	69,913	73,593
		11.7	M U S Shoe Makers	01-04-2020	30-09-2021	14.5	8,442	4,113	4,329	1,22,402	59,632	62,771
		11.7	M U S Shoe Makers	01-10-2021	31-12-2021	3	8,442	2,233	6,208	25,325	6,700	18,625
		11.7	M U S Shoe Makers	01-01-2022	30-09-2022	9	8,442	4,113	4,329	75,974	37,013	38,961
9	KA03C6781	10.8	M U S Shoe Makers	20-12-2021	31-12-2022	13	7,792	3,796	3,996	1,01,299	49,351	51,948
10	KA09A3595	12.6	M U S Shoe Makers	01-09-2020	30-06-2021	10	10,490	5,128	5,361	1,04,895	51,282	53,613
		12.6	M U S Shoe Makers	01-07-2021	30-09-2021	1.5	10,490	5,128	5,361	15,734	7,692	8,042
		12.6	M U S Shoe Makers	01-10-2021	31-03-2023	18	10,490	5,128	5,361	1,88,811	92,308	96,503
11	KA05C5264	15.4	M U S Shoe Makers	09-12-2021	31-01-2022	2	12,821	6,268	6,553	25,641	12,536	13,105

Sl. No.	Registration No.	Floor Area (Sq.m)	Lease Agreement	Tax from	Tax upto	No of months	Applicable monthly tax rate	Collected monthly tax	Monthly tax rate difference (incl 11% cess)	Applicable Tax including Cess for the Period	Collected Tax including Cess for the Period	Short levy of Tax
12	KA05ANI1030	15.6	Micropack Private Limited	18-10-2023	30-06-2024	9	12.987	6,349	6,638	1,16,883	57,143	59,740
13	KA05AB1645	12.6	Zomato Hyperpure Pvt Ltd	01-12-2023	31-08-2024	9	10,490	5,128	5,361	94,406	46,154	48,252
14	KA09D6820	15.4	B9 Beverages Pvt Ltd	03-01-2020	30-09-2023	43	12.821	6,268	6,553	5,51,282	2,69,515	2,81,766
15	KA09D6821	15.4	B9 Beverages Pvt Ltd	03-01-2020	30-06-2023	40	12.821	6,268	6,553	5,12,820	2,50,712	2,62,108
16	KA01B1298	9.9	Amba Garments Pvt Ltd	10-06-2015	31-07-2018	38	4,762	3,480	1,282	1,80,952	1,32,234	48,718
		9.9		01-08-2018	31-05-2020	22	7,143	3,480	3,663	1,57,143	76,557	80,586
17	KA05AC4350	15	Turning Point Pvt Ltd	01-08-2023	31-10-2024	15	12,488	6,105	6,383	1,87,313	91,575	95,738
18	KA35A3747	10.7	Silver Spark Apparel Ltd	09-08-2023	31-08-2024	13	7,720	3,761	3,959	1,00,361	48,894	51,467
19	KA504962	13.93	Indigo Blues	07-08-2023	31-08-2024	13	11,597	5,670	5,927	1,50,757	73,704	77,054
20	KA518016	12.8	Sln Enterprises	01-03-2024	31-08-2024	6	10,656	5,210	5,446	63,936	31,258	32,678
21	KA51AB2699	12.6	Yokogawa India Limited	19-02-2024	30-06-2024	5	10,490	5,128	5,361	52,448	25,641	26,807
22	KA51AB3596	12.5	Hcl Hcl Infosys Ltd	01-10-2020	31-01-2021	4	10,406	5,088	5,319	41,625	20,350	21,275
23	KA51AB4332	14.2	Wistron Infocomm Manufacturing	01-04-2022	31-07-2022	4	11,822	5,779	6,042	47,286	23,118	24,168
24	KA51AC5623	14.1	Badve Engineering Ltd	01-01-2024	30-09-2024	9	11,738	5,739	6,000	1,05,644	51,648	53,996
25	KA51AC5624	14.1	Badve Engineering Ld	01-01-2024	30-09-2024	9	11,738	5,739	6,000	1,05,644	51,648	53,996
26	KA51AC5627	14.1	Badve Engineering Ld	01-01-2024	30-09-2024	9	11,738	5,739	6,000	1,05,644	51,648	53,996
27	KA51AD0609	20.008	M/S Wistron Infocomm Manufacturing	10-02-2021	31-01-2024	34.5	16,657	8,143	8,513	5,74,655	2,81,149	2,93,505
28	KA51AF8515	22.1	Yazaki India Private Limited	01-04-2021	31-12-2023	31.5	18,398	8,995	9,404	5,79,545	2,83,333	2,96,212
29	KA51AJ5402	22	Instakart Services Pvt Ltd	01-01-2024	30-09-2024	9	18,315	8,954	9,361	1,64,835	80,586	84,249
30	KA51AJ5403	22	Instakart Services Pvt Ltd	01-01-2024	30-09-2024	9	18,315	8,954	9,361	1,64,835	80,586	84,249
31	KA51B1762	8	Amba Garments Pvt Ltd	23-01-2015	31-07-2018	42	3,552	2,516	1,036	1,49,184	1,05,672	43,512
		8		01-08-2018	30-04-2020	21	5,328	2,516	2,812	1,11,888	52,836	59,052
32	KA51C0715	13.3	M K Fasteners	01-03-2021	30-09-2022	19	11,072	5,413	5,659	2,10,373	1,02,849	1,07,524
33	KA51C0720	13.3	M K Fasteners	01-04-2024	30-09-2024	6	11,072	5,413	5,659	66,434	32,479	33,955
34	KA51C0722	12.6	Flipkart India Pvt Ltd	01-04-2019	30-09-2022	40	10,490	5,128	5,361	4,19,580	2,05,128	2,14,452

Sl. No.	Registration No.	Floor Area (Sq.m)	Lease Agreement	Tax from	Tax upto	No of months	Applicable monthly tax rate	Collected monthly tax	Monthly tax rate difference (incl 11% cess)	Applicable Tax including Cess for the Period	Collected Tax including Cess for the Period	Short levy of Tax
35	KA51C1360	13.3	Flipkart India Pvt Ltd	01-03-2024	30-11-2024	9	11,072	5,413	5,659	99,650	48,718	50,932
36	KA51C1361	13.9	Flipkart India Pvt Ltd	01-12-2023	30-11-2024	12	11,572	5,657	5,914	1,38,861	67,888	70,973
37	KA51C2272	14.1	Biss Itw Pvt Ltd	01-07-2020	30-11-2022	23	11,738	5,739	6,000	2,69,980	1,31,990	1,37,990
38	KA51C6558	12.1	Athena Cars & Tours Pvt Ltd	01-07-2020	30-09-2022	27	10,073	4,925	5,149	2,71,978	1,32,967	1,39,011
39	KA51D3984	11.8	Biss Itw Pvt Ltd	01-09-2018	29-02-2024	58	8,514	4,148	4,366	4,93,795	2,40,567	2,53,228
40	KA51D4740	14.5	Tvs Credit Services Ltd	01-10-2018	30-06-2023	53	12,071	5,902	6,170	6,39,776	3,41,638	2,98,139
41	KA51D8910	21.79	M/S. Shahi Exports Pvt Ltd	01-08-2019	30-11-2019	4	18,140	8,869	9,272	72,561	35,474	37,087
		21.79	M/S. Shahi Exports Pvt Ltd	01-09-2020	28-02-2021	6	18,140	8,869	9,272	1,08,841	53,211	55,630
42	KA53B3633	10.2	S V T Enter Prises	01-03-2020	30-06-2020	4	7,359	3,585	3,774	29,437	1,181	28,257
		10.2	S V T Enter Prises	01-10-2020	28-02-2021	5	7,359	3,585	3,774	36,797	17,927	18,870
43	KA53B3634	10.2	S V T Enter Prises	01-03-2020	30-06-2020	4	7,359	3,585	3,774	29,437	1,181	28,257
		10.2	S V T Enter Prises	01-01-2021	30-06-2021	6	7,359	3,585	3,774	44,156	21,512	22,644
44	KA02B5030	11.9	Maf Clothing Pvt Ltd	13-09-2023	31-10-2024	14	8,586	4,183	4,403	1,20,202	50,899	69,303
45	KA02C4127	11.8	Wild Craft	01-09-2020	31-08-2024	46.5	8,514	4,148	4,366	3,95,887	1,92,868	2,03,019
46	KA02D7212	11.9	Manque Global Services Pvt Ltd	01-04-2023	30-09-2023	6	8,586	4,183	4,403	51,515	25,097	26,418
47	KA05AK4457	13	Recaero India Pvt Ltd	01-08-2020	30-06-2022	23	10,823	5,291	5,532	2,48,918	1,21,693	1,27,225
		13	Nidec Industrial Automation India	11-07-2022	28-02-2025	32	10,823	5,291	5,532	3,46,320	1,69,312	1,77,008
48	KA05D0058	12.6	Shahi Exports Pvt Ltd	02-04-2019	31-10-2019	7	10,490	5,128	5,361	73,427	30,877	42,549
49	KA06B3542	11	Shahi Exports Pvt Ltd. Unit	01-06-2022	28-02-2025	33	7,937	3,867	4,070	2,61,905	1,27,595	1,34,310
50	KA35C4164	9.9	Needs Manpower Support Services Pvt	23-11-2023	28-02-2025	16	7,143	3,480	3,663	1,14,286	55,678	58,608
51	KA418774	7.8	Sri Srimivasa Enterprises	17-05-2022	28-02-2025	34	5,195	2,453	2,742	1,76,623	83,405	93,218
52	KA520230	15.21	Manque Global Services Pvt Ltd	01-04-2023	30-09-2023	6	12,662	6,190	6,472	75,974	37,143	38,831
53	KA522544	23	Sjs Enterprises Pvt Ltd	01-01-2021	31-03-2021	3	19,148	9,361	9,787	57,443	28,083	29,360
54	KA526963	11.79	Needs Manpower Support Services Pvt	01-09-2021	30-04-2025	44	8,506	4,144	4,362	3,74,285	1,82,344	1,91,941

Sl. No.	Registration No.	Floor Area (Sq.m)	Lease Agreement	Tax from	Tax upto	No of months	Applicable monthly tax rate	Collected monthly tax	Monthly tax rate difference (incl 11% cess)	Applicable Tax including Cess for the Period	Collected Tax including Cess for the Period	Short levy of Tax
55	KA52A2108	19.5	Ucam Pvt Ltd	01-01-2021	31-03-2021	3	16,234	7,937	8,297	48,701	23,810	24,892
		19.5	Ucam Pvt Ltd	01-07-2021	30-09-2023	27	16,234	7,937	8,297	4,38,311	2,14,286	2,24,026
56	KA52A2795	10	Satrac Engineering Pvt Ltd	01-12-2020	30-11-2022	24	7,215	3,515	3,700	1,73,160	84,360	88,800
57	KA52A2833	20.4	H And R Johnson India	01-09-2019	30-11-2019	3	16,983	8,303	8,680	50,949	24,908	26,041
58	KA52A3763	15.7	Brilliant Printers Pvt Ltd	01-09-2018	31-05-2020	18	13,070	6,390	6,680	2,35,265	1,15,018	1,20,246
59	KA52A3826	23	Biocon Limited	01-01-2021	29-06-2022	18	19,148	9,361	9,787	3,44,655	1,68,498	1,76,157
60	KA52A8092	17.7	Micromatic Grinding Technologies Lt	01-01-2021	30-09-2023	30	14,735	7,204	7,531	4,42,058	2,16,117	2,25,941
61	KA52A8780	20.8	Bpe Biotree India Pvt Ltd	01-01-2021	30-09-2023	30	17,316	8,466	8,850	5,19,480	2,53,968	2,65,512
62	KA52A8781	11.6	Nidec Industrial Automation India	01-07-2021	30-09-2023	27	8,369	4,077	4,292	2,25,974	1,10,090	1,15,884
63	KA52B0307	20.5	Nidec Ind Automation Ind Pvt Ltd	01-02-2021	31-10-2023	30	17,066	8,344	8,723	5,11,988	2,50,305	2,61,683
64	KA52B0556	14	Toyota Boshoku Automotive India (P)	01-12-2021	28-02-2022	3	11,655	5,698	5,957	34,965	17,094	17,871
		14	Toyota Boshoku Automotive India (P)	01-09-2022	30-11-2022	3	11,655	5,698	5,957	34,965	17,094	17,871
		14	Toyota Boshoku Automotive India (P)	01-06-2023	31-08-2023	3	11,655	5,698	5,957	34,965	17,094	17,871
65	KA52B0717	17.4	Dynamatic Technologies Ltd	01-05-2023	31-07-2023	3	14,486	7,082	7,404	43,457	21,245	22,211
66	KA52B0718	17.4	Dynamatic Technologies Ltd	01-05-2023	31-07-2023	3	14,486	7,082	7,404	43,457	21,245	22,211
67	KA52B0719	17.4	Dynamatic Technologies Ltd	01-05-2023	31-07-2023	3	14,486	7,082	7,404	43,457	21,245	22,211
68	KA52B5030	21.5	Silk Software Pvt Ltd	01-05-2023	31-07-2023	3	17,899	8,751	9,148	53,696	26,252	27,445
69	KA52B5032	21.5	Silk Software Pvt Ltd	01-05-2023	31-07-2023	3	17,899	8,751	9,148	53,696	26,252	27,445
70	KA52B5033	21.5	Silk Software Pvt Ltd	01-05-2023	31-07-2023	3	17,899	8,751	9,148	53,696	26,252	27,445
71	KA52B5034	21.5	Silk Software Pvt Ltd	01-05-2023	31-07-2023	3	17,899	8,751	9,148	53,696	26,252	27,445
72	KA52B5035	21.5	Silk Software Pvt Ltd	01-05-2023	31-07-2023	3	17,899	8,751	9,148	53,696	26,252	27,445
73	KA52B8413	19.25	Hitachi Terminal Solutions (P) Ltd	01-11-2023	31-01-2025	15	16,026	7,835	8,191	2,40,384	1,17,521	1,22,863
74	KA52B8414	13.45	Indo Us Mim Tek Pvt Ltd	01-11-2023	31-01-2025	15	11,197	5,474	5,723	1,67,957	82,112	85,845

Sl. No.	Registration No.	Floor Area (Sq.m)	Lease Agreement	Tax from	Tax upto	No of months	Applicable monthly tax rate	Collected monthly tax	Monthly tax rate difference (incl 11% cess)	Applicable Tax including Cess for the Period	Collected Tax including Cess for the Period	Short levy of Tax
75	KA30A2344	8.5	Managing Director, Larsen & Toubro Co Ltd	01-11-2019	31-01-2022	27	5.661	2,673	2,988	1,52,847	72,178	80,669
76	KA30A5322	8.99	NPCIL Kaiga	01-07-2023	31-03-2025	21	5.987	2,827	3,160	1,25,734	59,374	66,360
<b>Total</b>												<b>82,63,089</b>

Source: Vahan Database

**Appendix-5.15**  
**(Reference: Paragraph 5.4.6.3)**  
**Non-Levy of Green Tax**

Sl. No.	RTO/ARTO	Non-levy of Green tax in ₹	Sl. No.	RTO/ARTO	Non-levy of Green tax in ₹
1	RTO Bengaluru Central	11,600	34	RTO Bellary	4,800
2	RTO Bengaluru West	3,600	35	RTO Hospete	4,000
3	RTO Bengaluru East	2,400	36	RTO Raichur	9,400
4	RTO Bengaluru North	4,800	37	RTO Koppal	6,200
5	RTO Bengaluru South	5,800	38	RTO Bidar	4,600
6	RTO Tumkur	11,200	39	ARTO Bhalki	2,600
7	RTO Kolar	17,400	40	RTO Chikballapura	10,000
8	ARTO K.G.F	5,600	41	RTO Jnanabharathi	5,000
9	RTO Mysuru West	6,600	42	RTO Ramanagara	21,400
10	RTO Chamrajnagara	7,800	43	ARTO Devanahalli	3,600
11	RTO Mandya	13,200	44	ARTO Tiptur	3,800
12	RTO Madikere	6,000	45	ARTO Hunasuru	11,800
13	RTO Hassan	14,400	46	ARTO Sakaleshpur	1,800
14	RTO Shivamogga	3,000	47	ARTO Honnavara	4,800
15	ARTO Sagar	6,200	48	ARTO Jamkhandi	2,600
16	RTO Chitradurga	3,400	49	ARTO Gokak	1,800
17	RTO Davanagere	6,200	50	RTO Yelahanka	3,400
18	RTO Chikkamagaluru	3,800	51	RTO Electronic City	13,000
19	RTO Mangaluru	4,200	52	RTO Nelamangala	12,000
20	RTO Udipi	4,400	53	RTO K.R Puram	7,600
21	RTO Puttur	7,400	54	ARTO Nagamangala	6,200
22	RTO Belagavi	5,600	55	RTO Mysuru East	8,000
23	RTO Chikkodi	3,800	56	ARTO Basavakalyana	7,800
24	ARTO Bailhongal	1,400	57	RTO Chandapura	4,800
25	RTO Dharwad	1,000	58	RTO Dharwad (East)	2,000
26	RTO Gadag	4,400	59	ARTO Madhugiri	3,200
27	RTO Haveri	4,800	60	ARTO Dandeli	1,600
28	RTO Vijayapura	6,600	61	ARTO Tarikere	2,800
29	RTO Bagalkote	4,200	62	ARTO Chintamani	4,800
30	RTO Karwar	2,400	63	ARTO Ranebennur	2,600
31	RTO Sirsi	2,000	64	ARTO Ramdurga	800
32	RTO Kalaburagi	6,400	65	ARTO Bantwal	3,000
33	RTO Yadgiri	5,000	66	ARTO Athani	1,800
<b>Total</b>					<b>3,80,200</b>

Source: Vahan Database

**Appendix-5.16**  
**(Reference: Paragraph 5.4.6.3)**  
**Short collection of Green Tax**

Sl. No.	RTO/ARTO	Short Collection of Green Tax	Sl. No.	RTO/ARTO	Short Collection of Green Tax
1.	RTO Bengaluru Central	82,95,459	35.	RTO Hospete	18,91,830
2.	RTO Bengaluru West	40,32,215	36.	RTO Raichur	14,26,040
3.	RTO Bengaluru East	19,99,200	37.	RTO Koppal	10,00,378
4.	RTO Bengaluru North	14,24,578	38.	RTO Bidar	10,73,818
5.	RTO Bengaluru South	34,91,133	39.	ARTO Bhalki	6,65,160
6.	RTO Tumkur	20,31,930	40.	RTO Chikaballapura	10,09,678
7.	RTO Kolar	27,44,498	41.	RTO Jnanabharathi	12,92,200
8.	ARTO K.G.F	8,08,237	42.	RTO Ramanagara	14,46,876
9.	RTO Mysuru West	24,15,600	43.	ARTO Devanahalli	3,84,740
10.	RTO Chamrajnagara	14,41,369	44.	ARTO. Tiptur	6,53,420
11.	RTO Mandya	29,43,722	45.	ARTO Hunasuru	9,86,540
12.	RTO Madikere	10,75,960	46.	ARTO Sakaleshpur	6,37,200
13.	RTO Hassan	27,20,200	47.	ARTO Honnavara	5,60,105
14.	RTO Shivamogga	18,28,208	48.	ARTO Jamkhandi	7,78,040
15.	ARTO Sagar	9,29,508	49.	ARTO Gokak	8,54,409
16.	RTO Chitradurga	6,73,010	50.	RTO Yelahanka	4,74,500
17.	RTO Davanagere	10,52,043	51.	RTO Electronic City	17,84,170
18.	RTO Chikkamagaluru	14,66,218	52.	RTO Nelamangala	11,89,534
19.	RTO Mangaluru	16,12,968	53.	RTO K.R.Puram	14,46,730
20.	RTO Udupi	24,53,344	54.	ARTO Nagamangala	6,98,160
21.	RTO Puttur	8,29,696	55.	RTO Mysuru East	50,79,460
22.	RTO Belagavi	35,29,910	56.	ARTO Basavakalyana	6,15,120
23.	RTO Chikkodi	11,40,440	57.	RTO Shantinagar	13,000
24.	ARTO Bailhongal	4,46,700	58.	RTO Chandapura	9,61,978
25.	RTO Dharwad	8,96,840	59.	RTO, Dharwad (East)	11,65,120
26.	RTO Gadag	8,20,280	60.	ARTO Madhugiri	5,77,818
27.	RTO Haveri	10,10,480	61.	ARTO Dandeli	2,34,100
28.	RTO Vijayapura	26,41,978	62.	ARTO Tarikere	8,29,300
29.	RTO Bagalkote	16,46,880	63.	ARTO, Chintamani	8,98,800
30.	RTO Karwar	5,99,640	64.	ARTO Ranebennur	6,24,760
31.	RTO Sirsi	4,61,640	65.	ARTO Ramdurga	2,35,780
32.	RTO Kalaburagi	34,74,664	66.	ARTO, Bantwal	9,55,710
33.	RTO Yadgiri	10,50,280	67.	ARTO, Athani	5,40,300
34.	RTO Bellary	10,53,390	<b>Total</b>		<b>9,80,26,992</b>

Source: Vahan Database

**Appendix-5.17**  
**(Reference: Paragraph 5.4.6.4)**  
**Non-Payment of Quarterly tax & Penalty**

<b>RTO/ARTO</b>	<b>No. of Vehicles</b>	<b>Tax Arrear in ₹</b>	<b>Tax Arrear Fine in ₹</b>	<b>Tax Arrear Amount and Fine in ₹</b>
Bengaluru South	10,106	35,15,74,364	6,03,97,244	41,19,71,608
Mysuru West	4,872	20,45,44,260	3,78,15,773	24,23,60,033
Chikkamagaluru	1,552	12,00,97,294	2,19,89,794	14,20,87,088
Udupi	3,668	17,85,92,141	3,07,49,902	20,93,42,043
Dharward West	2,959	17,95,35,238	3,34,54,558	21,29,89,796
Karwar	825	4,85,72,304	87,39,399	5,73,11,703
Bhalki	1,200	8,49,92,007	1,60,06,505	10,09,98,512
Electronic City	11,265	83,71,91,837	14,82,52,726	98,54,44,563
Nelamangala	3,724	19,22,36,137	3,48,26,595	22,70,62,732
<b>Total</b>	<b>40,171</b>	<b>2,19,73,35,582</b>	<b>39,22,32,496</b>	<b>2,58,95,68,078</b>

**Appendix 5.18**  
**(Reference: Paragraph 5.4.6.4)**  
**Number of vehicles and Vehicle's age wise default status**  
**RTO Bengaluru South**

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
02-08-1959	01-01-1990	100	0.99	80,01,290	1.94
01-01-1990	01-01-2000	724	7.16	5,66,19,638	13.74
01-01-2000	01-01-2005	1,022	10.11	9,25,08,991	22.46
01-01-2005	01-01-2010	1,661	16.44	10,37,27,713	25.18
01-01-2010	01-01-2015	2,677	26.49	9,42,63,771	22.88
01-01-2015	01-01-2020	3,272	32.38	5,11,14,399	12.41
01-01-2020	01-01-2021	98	0.97	10,08,203	0.24
01-01-2021	01-01-2022	92	0.91	8,06,956	0.20
01-01-2022	01-01-2023	246	2.43	17,41,831	0.42
01-01-2023	01-01-2024	214	2.12	21,78,816	0.53
01-01-2024	01-04-2024	0	0.00	0	0.00
<b>Total</b>		<b>10,106</b>	<b>100.00</b>	<b>41,19,71,608</b>	<b>100.00</b>

**RTO Mysuru West**

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
05-12-1966	01-01-1990	134	2.75	1,22,50,718	5.05
01-01-1990	01-01-2000	669	13.73	5,58,21,694	23.03
01-01-2000	01-01-2005	419	8.60	3,07,79,484	12.70
01-01-2005	01-01-2010	847	17.40	4,58,92,276	18.94
01-01-2010	01-01-2015	1,242	25.49	5,43,19,082	22.41
01-01-2015	01-01-2020	1,034	21.22	3,59,88,189	14.85
01-01-2020	01-01-2021	105	2.15	13,43,599	0.55
01-01-2021	01-01-2022	91	1.87	10,32,456	0.43
01-01-2022	01-01-2023	172	3.53	32,64,819	1.35
01-01-2023	01-01-2024	158	3.24	16,67,887	0.69
01-01-2024	01-04-2024	1	0.02	883	0.00
<b>Total</b>		<b>4,872</b>	<b>100.00</b>	<b>24,23,61,087</b>	<b>100.00</b>

**RTO Chikkamagaluru**

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
11-11-1970	01-01-1990	17	1.10	12,31,273	0.87
01-01-1990	01-01-2000	123	7.93	1,09,37,596	7.70
01-01-2000	01-01-2005	144	9.28	1,94,28,471	13.67
01-01-2005	01-01-2010	305	19.65	4,89,27,931	34.44
01-01-2010	01-01-2015	429	27.64	3,74,09,136	26.33
01-01-2015	01-01-2020	379	24.42	2,18,88,999	15.41
01-01-2020	01-01-2021	19	1.22	4,37,052	0.31
01-01-2021	01-01-2022	28	1.80	4,06,198	0.29
01-01-2022	01-01-2023	43	2.77	8,30,997	0.58
01-01-2023	01-01-2024	65	4.19	5,89,435	0.41
01-01-2024	01-04-2024	0	0.00	0	0.00
<b>Total</b>		<b>1,552</b>	<b>100.00</b>	<b>14,20,87,088</b>	<b>100.00</b>

## RTO Udupi

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
04-11-1965	01-01-1990	64	1.74	46,75,236	2.23
01-01-1990	01-01-2000	359	9.79	2,78,06,986	13.28
01-01-2000	01-01-2005	402	10.96	3,39,91,836	16.24
01-01-2005	01-01-2010	1,023	27.89	6,71,53,054	32.08
01-01-2010	01-01-2015	1,109	30.23	4,95,93,444	23.69
01-01-2015	01-01-2020	509	13.88	2,29,61,122	10.97
01-01-2020	01-01-2021	50	1.36	4,71,056	0.23
01-01-2021	01-01-2022	47	1.28	5,71,125	0.27
01-01-2022	01-01-2023	52	1.42	12,59,529	0.60
01-01-2023	01-01-2024	53	1.44	8,58,655	0.41
01-01-2024	01-04-2024	0	0.00	0	0.00
<b>Total</b>		<b>3,668</b>	<b>100.00</b>	<b>20,93,42,043</b>	<b>100.00</b>

## RTO Dharward West

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
01-10-1964	01-01-1990	71	2.40	59,88,535	2.81
01-01-1990	01-01-2000	331	11.19	2,95,59,301	13.88
01-01-2000	01-01-2005	305	10.31	2,22,32,901	10.44
01-01-2005	01-01-2010	684	23.12	10,37,40,405	48.71
01-01-2010	01-01-2015	861	29.10	3,87,25,088	18.18
01-01-2015	01-01-2020	487	16.46	95,29,722	4.47
01-01-2020	01-01-2021	45	1.52	5,02,531	0.24
01-01-2021	01-01-2022	48	1.62	8,72,026	0.41
01-01-2022	01-01-2023	83	2.81	12,86,616	0.60
01-01-2023	01-01-2024	44	1.49	5,52,671	0.26
01-01-2024	01-04-2024	0	0.00	0	0.00
<b>Total</b>		<b>2,959</b>	<b>100.00</b>	<b>21,29,89,796</b>	<b>100.00</b>

## RTO Karwar

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
13-05-1981	01-01-1990	11	1.33	8,96,922	1.56
01-01-1990	01-01-2000	142	17.21	1,93,39,663	33.74
01-01-2000	01-01-2005	74	8.97	58,48,622	10.20
01-01-2005	01-01-2010	220	26.67	1,48,30,514	25.88
01-01-2010	01-01-2015	201	24.36	82,43,048	14.38
01-01-2015	01-01-2020	148	17.94	72,62,451	12.67
01-01-2020	01-01-2021	6	0.73	76,937	0.13
01-01-2021	01-01-2022	5	0.61	1,80,807	0.32
01-01-2022	01-01-2023	7	0.85	2,41,469	0.42
01-01-2023	01-01-2024	11	1.33	3,91,270	0.68
01-01-2024	01-04-2024	0	0.00	0	0.00
<b>Total</b>		<b>825</b>	<b>100.00</b>	<b>5,73,11,703</b>	<b>100.00</b>

## ARTO Bhalki

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
29-01-1959	01-01-1990	21	1.75	18,81,136	1.86
01-01-1990	01-01-2000	291	24.25	2,84,70,741	28.19
01-01-2000	01-01-2005	165	13.75	1,81,87,999	18.01
01-01-2005	01-01-2010	352	29.33	3,63,42,941	35.98
01-01-2010	01-01-2015	186	15.50	1,17,63,968	11.65
01-01-2015	01-01-2020	135	11.25	33,50,794	3.32
01-01-2020	01-01-2021	13	1.08	3,95,863	0.39
01-01-2021	01-01-2022	12	1.00	2,63,445	0.26
01-01-2022	01-01-2023	4	0.33	37,739	0.04
01-01-2023	01-01-2024	21	1.75	3,03,886	0.30
01-01-2024	01-04-2024	0	0.00	0	0.00
<b>Total</b>		<b>1,200</b>	<b>100.00</b>	<b>10,09,98,512</b>	<b>100.00</b>

## RTO Electronic City

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
07-11-1967	01-01-1990	43	0.38	35,50,310	0.36
01-01-1990	01-01-2000	598	5.31	5,44,29,795	5.52
01-01-2000	01-01-2005	878	7.79	9,20,72,562	9.34
01-01-2005	01-01-2010	2,046	18.16	17,20,23,606	17.46
01-01-2010	01-01-2015	2,908	25.81	24,82,29,356	25.19
01-01-2015	01-01-2020	3,873	34.38	37,44,42,276	38.00
01-01-2020	01-01-2021	249	2.21	2,02,75,988	2.06
01-01-2021	01-01-2022	205	1.82	69,84,180	0.71
01-01-2022	01-01-2023	247	2.19	67,48,224	0.68
01-01-2023	01-01-2024	217	1.93	66,78,963	0.68
01-01-2024	01-04-2024	1	0.01	9,303	0.00
<b>Total</b>		<b>11,265</b>	<b>100.00</b>	<b>98,54,44,563</b>	<b>100.00</b>

## RTO Nelamangala

Registered from	Registered upto	No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
14-10-1969	01-01-1990	29	0.78	24,90,443	1.10
01-01-1990	01-01-2000	359	9.64	4,65,90,302	20.52
01-01-2000	01-01-2005	338	9.08	3,97,62,605	17.51
01-01-2005	01-01-2010	812	21.80	6,25,58,154	27.55
01-01-2010	01-01-2015	880	23.63	3,99,35,026	17.59
01-01-2015	01-01-2020	766	20.57	2,60,40,014	11.47
01-01-2020	01-01-2021	73	1.96	13,62,486	0.60
01-01-2021	01-01-2022	183	4.91	30,80,419	1.36
01-01-2022	01-01-2023	166	4.46	28,60,355	1.26
01-01-2023	01-01-2024	112	3.01	22,74,912	1.00
01-01-2024	01-04-2024	6	0.16	1,08,016	0.05
<b>Total</b>		<b>3,724</b>	<b>100.00</b>	<b>22,70,62,732</b>	<b>100.00</b>

**Appendix 5.19**  
**(Reference: Paragraph 5.4.6.4)**  
**Number of vehicles and year from default status**

**RTO Bengaluru South**

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
01-08-2014	01-04-2019	3,381	33.46	24,55,50,343	59.60
01-04-2019	01-04-2020	960	9.50	6,73,71,814	16.35
01-04-2020	01-04-2021	1,267	12.54	4,40,23,813	10.69
01-04-2021	01-04-2022	744	7.36	1,86,86,503	4.54
01-04-2022	01-04-2023	1,038	10.27	1,59,59,664	3.87
01-04-2023	01-04-2024	2,716	26.88	2,03,79,471	4.95
<b>Total</b>		<b>10,106</b>	<b>100.00</b>	<b>41,19,71,608</b>	<b>100.00</b>

**RTO Mysuru West**

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
01-09-2014	01-04-2019	1,761	36.14	13,81,80,071	57.01
01-04-2019	01-04-2020	415	8.52	2,94,13,983	12.14
01-04-2020	01-04-2021	434	8.91	3,09,05,679	12.75
01-04-2021	01-04-2022	405	8.31	1,64,71,009	6.80
01-04-2022	01-04-2023	530	10.90	1,25,88,567	5.19
01-04-2023	01-04-2024	1,327	27.23	1,48,01,778	6.11
<b>Total</b>		<b>4,872</b>	<b>100.00</b>	<b>24,23,61,087</b>	<b>100.00</b>

**RTO Chikkamagaluru**

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
31-10-2014	01-04-2019	530	34.15	7,21,92,870	50.81
01-04-2019	01-04-2020	156	10.05	4,82,56,897	33.96
01-04-2020	01-04-2021	115	7.41	69,95,218	4.92
01-04-2021	01-04-2022	97	6.25	36,43,679	2.56
01-04-2022	01-04-2023	191	12.31	40,75,724	2.87
01-04-2023	01-04-2024	463	29.83	69,22,700	4.87
<b>Total</b>		<b>1,552</b>	<b>100.00</b>	<b>14,20,87,088</b>	<b>100.00</b>

**RTO Udupi**

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
13-08-2014	01-04-2019	1,292	35.22	9,67,82,549	46.23
01-04-2019	01-04-2020	309	8.42	3,27,77,141	15.66
01-04-2020	01-04-2021	274	7.47	3,04,57,174	14.55
01-04-2021	01-04-2022	289	7.88	1,97,98,318	9.46
01-04-2022	01-04-2023	407	11.10	1,40,89,716	6.73
01-04-2023	01-04-2024	1,097	29.91	1,54,37,145	7.37
<b>Total</b>		<b>3,668</b>	<b>100.00</b>	<b>20,93,42,043</b>	<b>100.00</b>

## RTO Dharward West

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
31-07-2014	01-04-2019	1,135	38.36	16,72,46,179	78.52
01-04-2019	01-04-2020	226	7.64	1,09,38,793	5.14
01-04-2020	01-04-2021	252	8.52	1,06,36,140	4.99
01-04-2021	01-04-2022	258	8.72	81,48,584	3.83
01-04-2022	01-04-2023	348	11.76	69,28,011	3.25
01-04-2023	01-04-2024	740	25.01	90,92,089	4.27
<b>Total</b>		<b>2,959</b>	<b>100.00</b>	<b>21,29,89,796</b>	<b>100.00</b>

## RTO Karwar

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
04-12-2014	01-04-2019	326	39.52	3,58,46,191	62.55
01-04-2019	01-04-2020	60	7.27	58,10,461	10.14
01-04-2020	01-04-2021	57	6.91	53,48,634	9.33
01-04-2021	01-04-2022	40	4.85	15,78,688	2.75
01-04-2022	01-04-2023	73	8.85	25,22,989	4.40
01-04-2023	01-04-2024	269	32.61	62,04,740	10.83
<b>Total</b>		<b>825</b>	<b>100.00</b>	<b>5,73,11,703</b>	<b>100.00</b>

## ARTO Bhalki

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
01-01-2015	01-04-2019	514	42.83	6,49,12,110	64.27
01-04-2019	01-04-2020	121	10.08	1,03,46,303	10.24
01-04-2020	01-04-2021	136	11.33	1,04,09,746	10.31
01-04-2021	01-04-2022	97	8.08	54,36,287	5.38
01-04-2022	01-04-2023	126	10.50	53,40,044	5.29
01-04-2023	01-04-2024	206	17.17	45,54,022	4.51
<b>Total</b>		<b>1,200</b>	<b>100.00</b>	<b>10,09,98,512</b>	<b>100.00</b>

## RTO Electronic City

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
01-12-2014	01-04-2019	4,244	37.67	32,83,22,565	33.32
01-04-2019	01-04-2020	965	8.57	14,74,47,479	14.96
01-04-2020	01-04-2021	1,479	13.13	26,48,46,083	26.88
01-04-2021	01-04-2022	879	7.80	9,90,23,698	10.05
01-04-2022	01-04-2023	1,193	10.59	6,86,93,959	6.97
01-04-2023	01-04-2024	2,505	22.24	7,71,10,779	7.82
<b>Total</b>		<b>11,265</b>	<b>100.00</b>	<b>98,54,44,563</b>	<b>100.00</b>

**RTO Nelamangala**

Default started during		No. of vehicles	Percentage of vehicles	Tax and Fine due (in ₹)	% of amount
01-01-2015	01-04-2019	1,106	29.70	10,98,15,737	48.36
01-04-2019	01-04-2020	310	8.32	3,31,20,934	14.59
01-04-2020	01-04-2021	448	12.03	3,77,47,965	16.62
01-04-2021	01-04-2022	261	7.01	1,17,49,741	5.17
01-04-2022	01-04-2023	464	12.46	1,43,53,604	6.32
01-04-2023	01-04-2024	1,135	30.48	2,02,74,751	8.93
<b>Total</b>		<b>3,724</b>	<b>100.00</b>	<b>22,70,62,732</b>	<b>100.00</b>

**Appendix-5.20**  
**(Referred to in Paragraph 5.4.6.5)**  
**Non/short levy of penalty on the delayed payment of Quarterly tax**

Sl. No.	RTO/ARTO	No of transactions in which Penalty was not collected	Non-collection of Penalty (in ₹)
1	Bengaluru Central	2,084	34,13,958
2	Bengaluru West	1,074	9,18,569
3	Bengaluru East	169	1,45,163
4	Bengaluru North	551	4,55,332
5	Bengaluru South	672	5,51,021
6	Tumkur	772	9,87,445
7	Kolar	366	4,50,504
8	KGF	226	3,16,714
9	Mysuru West	242	1,31,801
10	Chamarajanagara	445	7,26,907
11	Mandya	824	9,46,296
12	Madikeri	314	3,13,653
13	Hassan	751	10,25,014
14	Shivamogga	278	2,72,550
15	Sagar	449	4,10,799
16	Chittradurga	833	15,07,343
17	Davanagere	553	6,66,706
18	Chikkamagalur	292	3,01,662
19	Mangaluru	847	9,00,399
20	Udupi	508	3,57,753
21	Puttur	366	3,64,391
22	Belagavi	1,483	19,02,849
23	Chikkodi	537	8,55,026
24	Bailhongal	95	98,168
25	Dharwad	287	5,51,881
26	Gadag	300	3,94,391
27	Haveri	105	73,616
28	Vijayapura	872	17,21,776
29	Bagalkote	429	6,74,489
30	Karwar	226	3,15,107
31	Sirsi	26	24,423
32	Kalaburagi	1,099	22,91,958
33	Yadgiri	29	37,394
34	Bellary	652	13,99,850
35	Hospete	1,857	54,71,401
36	Raichur	785	11,66,918
37	Koppal	95	1,69,024
38	Bidar	278	5,38,503
39	Bhalki	46	1,01,658

Sl. No.	RTO/ARTO	No of transactions in which Penalty was not collected	Non-collection of Penalty (in ₹)
40	Chikkaballapura	216	2,34,315
41	Jnanabharathi	964	10,18,305
42	Ramanagara	367	4,78,209
43	Devanahalli	267	3,49,406
44	Tiptur	170	2,24,413
45	Hunasur	164	1,37,752
46	Sakaleshpur	130	1,62,279
47	Honnagara	266	2,94,687
48	Jamkhandi	375	6,38,813
49	Gokak	67	65,334
50	Yelahanka	216	2,07,932
51	Electronic City	1,668	19,49,941
52	Nelamangala	553	5,26,871
53	KR Puram	1,221	13,14,345
54	Nagamangala	164	1,78,449
55	Mysuru East	255	1,90,731
56	Basavakalyana	394	9,52,441
57	Chandapura	469	3,27,091
58	Dharwad (East)	705	7,17,231
59	Madhugiri	167	1,87,877
60	Dandeli	32	26,263
61	Tarikere	218	3,09,893
62	Chintamani	119	1,63,735
63	Ranebennur	70	66,198
64	Ramdurga	31	41,254
65	Bantwal	410	3,95,134
66	Athani	274	4,25,027
<b>Total</b>			<b>4,45,36,338</b>

**Appendix 5.21**  
**(Reference: Paragraph 5.4.6.6)**  
**Short Collection of Lifetime Tax in migrated vehicles**

(Amount in ₹)

Sl. No.	RTO/ARTO	Regn No.	Regn Date	Sale Amt	Noc Date	Tax Amt paid in Karnataka	Old Regn No.	Sale amount (in previous state)	Applicable Tax as per sale price of Previous state	Sort collection of Tax as per old sale price
1	Bengaluru South	KA05NC2874	14-05-2007	10,000	24-02-2021	476	GJ06CB5218	45,00,000	2,96,703	2,96,227
2	Bengaluru South	KA05NC5955	08-11-2013	9,99,585	30-06-2021	1,14,897	DL10CE5670	14,53,136	1,61,782	46,885
3	Bengaluru South	KA05ND2632	29-11-2012	8,86,000	14-10-2021	74,350	DL10CE3265	13,84,884	1,41,117	66,767
4	Bengaluru South	KA05NE2438	28-03-2014	10,000	23-03-2020	17,591	TN58AF7330	14,38,060	1,87,240	1,69,649
5	Dharwad West	KA25MC8245	09-11-2012	4,65,577	25-02-2020	39,640	GA04C6198	6,10,882	56,009	16,369
6	Dharwad West	KA25MD1070	29-08-2011	6,95,263	03-08-2020	58,344	GA03H7023	7,94,350	66,659	8,315
7	Dharwad West	KA25MD1845	27-09-2012	8,50,175	06-02-2020	77,950	GA03P1727	15,89,070	1,76,916	98,966
8	Dharwad West	KA25MD3127	29-03-2016	4,92,526	22-01-2021	53,305	GA04E0266	6,03,145	70,297	16,992
9	Karwar	KA30N0491	13-09-2012	5,91,035	04-03-2020	54,190	GA09A7832	9,60,000	88,019	33,829
10	Karwar	KA30N0494	27-02-2008	6,37,386	12-07-2019	40,612	MH01AE6312	11,86,910	91,828	51,216
11	Karwar	KA30N0552	23-10-2012	3,42,687	14-02-2020	29,176	GA08K2780	6,67,523	61,202	32,026
12	Karwar	KA30N0648	28-08-2014	9,87,160	20-07-2020	98,181	WB07J0581	25,55,809	3,52,349	2,54,168
13	Karwar	KA30N0701	25-06-2015	5,16,570	23-09-2020	55,390	GA04C9209	6,38,303	68,442	13,052
14	Karwar	KA30N0789	05-10-2010	3,42,687	22-09-2020	24,231	GA07E0994	6,27,743	47,800	23,569
15	Karwar	KA30N0794	09-09-2010	4,97,070	29-10-2020	32,279	GA07E0775	6,24,476	43,670	11,391
16	Karwar	KA30N1036	17-04-2013	5,13,595	31-12-2020	47,091	GA08K4819	6,98,899	64,079	16,988
17	Karwar	KA30N1097	02-01-2012	4,52,937	01-02-2021	32,027	GA03H8678	5,73,041	43,635	11,608
18	Karwar	KA30N1115	22-11-2005	8,32,431	10-11-2020	37,516	DL3CAK3909	14,78,112	80,887	43,371
19	Karwar	KA30N1168	29-05-2013	4,57,667	29-01-2021	38,965	GA08K9594	6,47,589	59,375	20,410
20	Karwar	KA30N1668	17-02-2012	3,79,000	07-09-2021	24,231	GA03H9274	6,36,653	48,479	24,248
21	Karwar	KA30N2400	28-03-2013	4,60,196	02-11-2022	32,540	GA08K4558	5,99,599	45,657	13,117
22	Karwar	KA30N2401	08-08-2012	4,60,196	01-11-2022	29,884	GA08K1894	5,81,747	40,681	10,797
23	Karwar	KA30N2747	09-03-2015	4,73,398	27-03-2023	36,889	GA07K5111	5,85,899	49,166	12,277
24	Mysuru West	KA09MF4546	29-05-2017	29,00,000	29-09-2020	4,69,330	HR26DE8299	37,77,228	6,11,299	1,41,969
25	Mysuru West	KA09MG0312	18-04-2012	10,000	15-01-2021	779	HR51BA0995	4,16,385	32,445	31,667
26	Mysuru West	KA09MH0100	05-05-2015	1,06,00,000	26-08-2021	13,55,443	DD03AD0096	1,95,00,000	24,93,504	11,38,061
27	Mysuru West	KA09MH0361	29-03-2012	10,000	21-12-2021	707	DL9CT5086	4,64,990	32,878	32,171
28	Mysuru West	KA09MJ1960	29-01-2018	25,49,998	19-07-2023	3,51,548	HR26DL3827	32,70,000	4,50,809	99,261
29	Nelamangala	KA52N1193	01-03-2017	4,23,916	10-05-2019	53,220	TN22DF2551	4,52,893	56,857	3,637
30	Nelamangala	KA52N7131	21-04-2015	12,35,000	21-10-2022	1,37,496	HR06AF7754	15,84,068	1,76,359	38,863
31	Nelamangala	KA52S9199	22-08-2013	96,000	05-03-2020	8,184	MH16BD9999	14,58,708	1,86,528	1,78,344
32	Udupi	KA20MC7322	01-06-2010	1,12,348	26-06-2018	34,360	MH43AB6738	5,73,314	48,110	13,750
33	Udupi	KA20MD1563	25-03-2013	10,10,000	17-03-2020	1,21,975	MH04FZ6217	14,32,235	1,72,968	50,993
34	Udupi	KA20MD4024	10-05-2018	5,10,732	18-01-2020	73,814	MH01DB2810	12,55,990	2,20,415	1,46,601

Sl. No.	RTO/ARTO	Regn No.	Regn Date	Sale Amt	Noc Date	Tax Amt paid in Karnataka	Old Regn No.	Sale amount (in previous state)	Applicable Tax as per sale price of Previous state	Sort collection of Tax as per old sale price
35	Udupi	KA20MD7101	11-07-2011	20,80,533	23-03-2021	2,03,688	DL3CBV3901	24,90,000	2,43,776	40,088
36	Udupi	KA20ME7485	18-12-2012	36,30,000	06-02-2023	3,26,373	DL6CM3570	39,90,000	3,58,741	32,368
37	Udupi	KA20MF0016	12-08-2021	30,50,000	27-03-2023	1,88,910	TN66AH4159	36,64,785	2,26,989	38,079
38	Udupi	KA20MF0437	21-04-2012	9,50,000	04-05-2023	60,528	UP14BQ5859	13,54,244	1,04,774	44,246
39	Udupi	KA20MF3587	26-10-2015	5,00,000	17-10-2023	26,695	MH03BC4546	5,00,000	42,569	15,874
<b>Total</b>				<b>4,20,21,668</b>				<b>7,16,20,670</b>		<b>33,38,209</b>

**Appendix-5.22**  
**(Reference: Paragraph 5.4.6.6)**  
**Short Collection of Lifetime Tax in vehicles converted from transport to non-transport**

(Amount in ₹)

Sl. No.	RTO/ ARTO	Regn No.	Regn date	Sale Amount	Conversion Date	Tax Paid at Conversion	Applicable Tax	Difference In Tax
1	Bhalki	KA39A1253	31-08-2020	3,50,000	02-02-2021	17,254	46,970	29,716
2	Bhalki	KA39A5005	30-08-2019	19,17,270	05-10-2019	3,19,225	3,36,464	17,239
3	Bhalki	KA39A5055	02-07-2019	15,15,748	05-07-2019	2,52,374	2,66,000	13,626
4	Bhalki	KA399934	10-01-2017	5,47,945	01-07-2019	21,290	74,081	52,791
5	Bhalki	KA01AF3455	14-03-2016	8,30,000	10-02-2020	12,872	1,04,475	91,603
6	Bhalki	KA07A7138	21-11-2016	4,25,455	01-01-2020	15,350	49,728	31,358
7	Bhalki	KA41B2889	13-04-2015	6,50,000	24-09-2019	25,252	75,758	50,266
8	Bhalki	KA39M2811	07-07-2013	5,50,000	21-05-2020	21,367	54,701	33,334
9	Bhalki	KA39M2908	17-08-2012	2,50,000	11-03-2020	9,018	21,284	12,266
10	Bhalki	KA397841	24-04-2011	5,24,420	31-03-2020	20,374	44,007	23,633
11	Bhalki	KA03AA4570	03-10-2012	5,92,900	14-02-2022	-	45,147	45,147
12	Chikkamagaluru	KA18C1712	22-09-2017	4,62,605	13-08-2020	16,689	58,076	41,387
13	Chikkamagaluru	KA04AB1696	23-02-2017	6,23,807	27-10-2020	24,236	78,521	54,285
14	Chikkamagaluru	KA18B0500	21-05-2012	9,52,000	30-04-2019	36,985	94,682	57,697
15	Chikkamagaluru	KA18B3787	10-09-2013	2,72,000	13-08-2020	9,812	25,120	15,308
16	Chikkamagaluru	KA18B7678	12-06-2015	4,23,631	27-04-2021	15,284	39,123	26,896
17	Chikkamagaluru	KA27A2557	06-03-2009	3,85,644	04-06-2019	13,913	25,042	11,129
18	Chikkamagaluru	KA14M8793	11-12-2007	4,99,000	23-11-2023	1,001	18,002	17,001
19	Dharward West	KA51C9588	01-01-2016	5,25,103	30-07-2020	49,250	61,201	11,951
20	Dharward West	KA25C4602	21-12-2009	5,65,500	06-06-2020	21,969	39,546	17,577
21	Dharward West	KA25C0326	06-03-2008	3,27,126	11-09-2019	-	19,354	19,354
22	Electronic City	KA51AA0967	14-02-2017	6,10,567	02-11-2020	-	76,854	76,834
23	Electronic City	KA51D1963	24-03-2016	6,12,756	20-05-2020	-	71,417	71,417
24	Electronic City	KA51D2614	18-04-2016	6,10,679	02-11-2020	-	71,175	71,155
25	Karwar	KA473535	11-10-2010	3,24,794	27-07-2020	-	22,965	22,965
26	Mysuru West	KA09C6659	02-02-2017	7,02,192	16-01-2019	-	1,01,483	1,01,483
27	Mysuru West	KA09C3270	06-10-2015	8,75,459	18-07-2022	-	87,070	87,070
28	Mysuru West	KA508070	17-01-2013	4,44,132	04-12-2019	-	41,016	41,016
29	Mysuru West	KA09AB9999	27-10-2021	31,55,000	28-10-2021	5,63,763	5,86,243	22,480
30	Mysuru West	KA09AA1111	24-03-2022	15,09,000	07-07-2022	2,51,249	2,64,816	13,567
31	Udupi	KA04AC3615	04-03-2020	8,67,285	28-04-2022	-	1,17,255	1,17,255
32	Udupi	KA05AG3585	02-01-2017	15,11,497	16-02-2021	1,25,832	2,13,914	88,082
33	Udupi	KA03AC8738	04-01-2016	13,50,594	24-08-2023	75,785	1,50,366	74,581
34	Udupi	KA03AH2865	26-07-2019	10,95,000	07-10-2023	94,013	1,54,970	60,957
35	Udupi	KA03AG1076	29-11-2018	9,99,900	08-02-2024	69,923	1,07,215	37,292
36	Udupi	KA01AJ9711	21-12-2018	8,41,800	28-03-2024	58,868	90,263	31,395
37	Udupi	KA20N7307	20-01-2009	5,26,534	02-02-2024	-	20,456	20,456
38	Udupi	KA20C7718	04-07-2008	5,05,826	27-11-2023	-	19,651	19,651

Sl. No.	RTO/ ARTO	Regn No.	Regn date	Sale Amount	Conversion Date	Tax Paid at Conversion	Applicable Tax	Difference In Tax
39	Udupi	KA19AA1292	12-07-2013	6,09,952	21-07-2023	23,698	42,654	18,956
40	Udupi	KA15A1312	21-08-2015	5,36,648	20-03-2024	27,522	45,033	17,511
41	Udupi	KA20B9716	10-12-2010	9,99,999	03-12-2019	66,872	83,916	17,044
42	Udupi	KA20C1763	28-06-2011	4,50,000	19-04-2021	18,151	31,818	13,667
43	Udupi	KA20MF3587	26-10-2015	5,00,000	09-11-2023	26,695	38,961	12,266
<b>Total</b>								<b>17,10,664</b>

**Appendix-5.23**  
**(Reference: Paragraph 5.4.6.8)**  
**Time taken in processing refunds**

Sl. No.	RTO/ARTO	Regn. No/Chassis No.	Form 16 Application date	Refund sanction/Bil l Date	No. of days from Form-16 to refund date
1.	Bengaluru South	22BH9724A	10-05-2022	26-05-2022	16
2.	Bengaluru South	KA05LR8539	16-02-2023	23-08-2023	188
3.	Bengaluru South	KA05MN8845	31-01-2023	23-02-2024	388
4.	Bengaluru South	KA05MS0288	06-04-2022	02-02-2023	302
5.	Bengaluru South	KA05MW7936	20-12-2022	07-09-2023	261
6.	Bengaluru South	KA05NA5499	24-08-2022	16-09-2022	23
7.	Bengaluru South	KA05NA6421	23-12-2021	26-05-2022	154
8.	Bengaluru South	KA05NB4134	08-02-2022	26-05-2022	107
9.	Bengaluru South	KA05NC8483	25-04-2023	16-10-2023	174
10.	Bengaluru South	KA05ND0976	07-06-2023	28-11-2023	174
11.	Bengaluru South	KA05ND5555	14-03-2022	16-09-2022	186
12.	Bengaluru South	KA05NF6351	21-12-2022	07-06-2023	168
13.	Mysuru West	KA09HN3454	16-02-2019	31-07-2019	165
14.	Mysuru West	KA09HU4403	28-01-2019	31-07-2019	184
15.	Mysuru West	KA09HW7036	28-11-2019	20-05-2022	904
16.	Mysuru West	KA09MA7870	03-09-2019	04-01-2022	854
17.	Mysuru West	KA09MB3884	29-10-2021	02-09-2023	673
18.	Mysuru West	KA09MB6613	23-09-2020	05-05-2021	224
19.	Mysuru West	KA09MB6619	23-09-2020	05-05-2021	224
20.	Mysuru West	KA09MC2564	14-12-2018	04-09-2019	264
21.	Mysuru West	KA09MC6624	28-01-2019	31-07-2019	184
22.	Mysuru West	KA09MC9740	20-10-2018	05-05-2021	928
23.	Mysuru West	KA09MD0157	20-09-2017	14-09-2019	724
24.	Mysuru West	KA09MD0840	20-05-2020	05-05-2021	350
25.	Mysuru West	KA09MD1329	10-12-2020	06-05-2021	147
26.	Mysuru West	KA09MD2268	08-03-2022	20-05-2022	73
27.	Mysuru West	KA09MD5180	22-04-2021	05-03-2023	682
28.	Mysuru West	KA09MD6309	27-10-2020	07-01-2022	437
29.	Mysuru West	KA09MD6450	26-05-2018	29-08-2019	460
30.	Mysuru West	KA09MD6521	30-03-2021	05-05-2023	766
31.	Mysuru West	KA09MD6609	21-03-2020	30-06-2020	101
32.	Mysuru West	KA09MD6843	30-06-2018	22-08-2019	418
33.	Mysuru West	KA09MD7958	01-04-2019	22-07-2019	112
34.	Mysuru West	KA09MD9523	09-07-2020	03-03-2023	967
35.	Mysuru West	KA09MD9661	05-10-2020	05-05-2021	212
36.	Mysuru West	KA09ME3122	11-02-2021	08-09-2022	574
37.	Mysuru West	KA09ME5277	26-06-2019	14-08-2019	49
38.	Mysuru West	KA09MF0309	20-01-2021	14-10-2022	632
39.	Mysuru West	KA09MF0411	29-04-2022	16-03-2023	321
40.	Mysuru West	KA09MG0372	09-02-2022	08-09-2022	211
41.	Mysuru West	KA12A6623	28-06-2023	01-09-2023	65

Sl. No.	RTO/ARTO	Regn. No/Chassis No.	Form 16 Application date	Refund sanction/Bil l Date	No. of days from Form-16 to refund date
42.	Mysuru West	TN33K2223	25-06-2019	30-07-2019	35
43.	Chikkamagaluru	KA18EK4054	25-10-2022	17-11-2022	23
44.	Chikkamagaluru	KA18MA3217	09-09-2022	21-02-2024	530
45.	Chikkamagaluru	KA18Z0008	03-09-2021	21-02-2024	901
46.	Chikkamagaluru	KA18Z4591	21-08-2018	16-11-2022	1,548
47.	Udupi	KA19AE5727	30-07-2019	07-06-2021	678
48.	Udupi	KA20A4702	10-12-2019	07-06-2021	545
49.	Udupi	KA20A7890	07-09-2022	17-06-2023	283
50.	Udupi	KA20B0081	26-07-2022	08-12-2022	135
51.	Udupi	KA20B0456	30-10-2023	24-01-2024	86
52.	Udupi	KA20EN9523	17-06-2019	23-07-2021	767
53.	Udupi	KA20EU1219	20-06-2020	24-06-2021	369
54.	Udupi	KA20MA0574	21-11-2019	18-09-2021	667
55.	Udupi	KA20MB3727	28-06-2023	05-09-2023	69
56.	Udupi	KA20MB5905	23-12-2020	23-07-2021	212
57.	Udupi	KA20MB8170	03-02-2020	08-12-2022	1,039
58.	Udupi	KA20MB8555	14-02-2020	25-08-2022	923
59.	Udupi	KA20MB8867	16-03-2019	14-06-2019	90
60.	Udupi	KA20MB9060	23-11-2020	23-07-2021	242
61.	Udupi	KA20MB9245	07-11-2020	23-07-2021	258
62.	Udupi	KA20MC0972	03-07-2019	12-09-2019	71
63.	Udupi	KA20MC1854	19-11-2019	06-03-2020	108
64.	Udupi	KA20MC2572	16-03-2019	05-02-2020	326
65.	Udupi	KA20MC3548	30-07-2019	04-06-2021	675
66.	Udupi	KA20MC4669	21-10-2020	24-06-2021	246
67.	Udupi	KA20MC5316	01-02-2023	17-06-2023	136
68.	Udupi	KA20MC7452	27-10-2023	15-02-2024	111
69.	Udupi	KA20MC7974	20-04-2023	17-06-2023	58
70.	Udupi	KA20MC8145	27-04-2021	09-07-2021	73
71.	Udupi	KA20MC8183	06-01-2024	01-03-2024	55
72.	Udupi	KA20MC8661	16-08-2022	17-06-2023	305
73.	Udupi	KA20MC8769	07-03-2022	17-06-2023	467
74.	Udupi	KA20MC8979	23-12-2019	08-07-2021	563
75.	Udupi	KA20MC9533	15-06-2022	20-06-2023	370
76.	Udupi	KA20MC9647	23-12-2019	06-02-2020	45
77.	Udupi	KA20MD0119	06-02-2024	01-07-2024	146
78.	Udupi	KA20MD2185	19-10-2020	24-06-2021	248
79.	Udupi	KA20MD2615	15-03-2021	10-05-2021	56
80.	Udupi	KA20MD2713	13-03-2023	16-06-2023	95
81.	Udupi	KA20MD4775	16-08-2022	16-06-2023	304
82.	Udupi	KA20MD7425	12-01-2024	30-01-2024	18
83.	Udupi	KA20MD9881	28-11-2023	24-01-2024	57
84.	Udupi	KA20ME0292	17-08-2023	24-02-2024	191
85.	Udupi	KA20ME0478	22-11-2023	24-01-2024	63

Sl. No.	RTO/ARTO	Regn. No/Chassis No.	Form 16 Application date	Refund sanction/Bil l Date	No. of days from Form-16 to refund date
86.	Udupi	KA20ME1877	29-01-2024	01-07-2024	154
87.	Udupi	KA20ME6108	24-05-2023	28-06-2023	35
88.	Udupi	KA20P8553	23-12-2020	25-08-2022	610
89.	Udupi	MAJGXXMTKGJJ68365	07-02-2020	23-07-2021	532
90.	Udupi	MALFC81ALLM130862	27-02-2021	17-05-2021	79
91.	Dharwad West	KA25AA1253	11-01-2021	05-12-2023	1,058
92.	Dharwad West	KA25AA1254	11-01-2021	16-12-2023	1,069
93.	Dharwad West	KA25AA1255	11-01-2021	01-12-2023	1,054
94.	Dharwad West	KA25AA1256	11-01-2021	29-11-2023	1,052
95.	Dharwad West	KA25AA1258	11-01-2021	01-12-2023	1,054
96.	Dharwad West	KA25B5573	04-08-2022	13-11-2023	466
97.	Dharwad West	KA25B5574	04-08-2022	15-11-2023	468
98.	Dharwad West	KA25B5575	04-08-2022	10-11-2023	463
99.	Dharwad West	KA25B5617	04-08-2022	13-11-2023	466
100.	Dharwad West	KA25B5618	04-08-2022	13-11-2023	466
101.	Dharwad West	KA25B5619	04-08-2022	13-11-2023	466
102.	Dharwad West	KA25B7590	27-01-2021	10-10-2023	986
103.	Dharwad West	KA25B7591	27-01-2021	09-10-2023	985
104.	Dharwad West	KA25B7592	27-01-2021	11-10-2023	987
105.	Dharwad West	KA25B7593	27-01-2021	07-10-2023	983
106.	Dharwad West	KA25B7654	27-01-2021	09-10-2023	985
107.	Dharwad West	KA25B7655	29-01-2021	09-10-2023	983
108.	Dharwad West	KA25D1122	11-01-2021	05-12-2023	1,058
109.	Dharwad West	KA25D1127	11-01-2021	05-12-2023	1,058
110.	Dharwad West	KA25D1130	04-08-2022	05-12-2023	488
111.	Dharwad West	KA25D1396	11-01-2021	04-12-2023	1,057
112.	Dharwad West	KA25D1399	04-08-2022	01-12-2023	484
113.	Dharwad West	KA25D4878	04-08-2022	23-11-2023	476
114.	Dharwad West	KA25EY6599	14-06-2023	02-03-2024	262
115.	Dharwad West	KA25EZ4119	18-07-2017	13-02-2023	2,036
116.	Dharwad West	KA25MA4023	11-07-2022	14-08-2023	399
117.	Dharwad West	KA25MA8286	22-06-2022	28-06-2023	371
118.	Dharwad West	KA25MB0879	12-05-2022	14-08-2023	459
119.	Dharwad West	KA25MB3899	24-12-2019	14-08-2023	1,329
120.	Dharwad West	KA25MB4525	23-09-2022	29-04-2023	218
121.	Dharwad West	KA25MB8918	17-03-2022	13-02-2023	333
122.	Dharwad West	KA25MB9753	10-03-2022	01-07-2022	113
123.	Dharwad West	KA25MB9806	13-04-2022	16-07-2022	94
124.	Dharwad West	KA25MC1543	04-01-2023	02-03-2024	423
125.	Dharwad West	KA25MD2062	15-09-2022	13-02-2023	151
126.	Dharwad West	KA25MD2129	26-03-2023	01-07-2023	97
127.	Dharwad West	KA25MD3970	28-11-2023	22-02-2024	86
128.	Karwar	22BH5736E	07-10-2023	07-07-2024	274
129.	Karwar	23BH0684A	20-12-2023	07-07-2024	200

Sl. No.	RTO/ARTO	Regn. No/Chassis No.	Form 16 Application date	Refund sanction/Bil l Date	No. of days from Form-16 to refund date
130.	Karwar	KA308808	05-09-2020	03-07-2021	301
131.	Karwar	KA30M6468	07-08-2018	27-04-2019	263
132.	Karwar	KA30M7489	07-08-2018	27-04-2019	263
133.	Karwar	KA30M7707	27-02-2020	08-09-2023	1,289
134.	Karwar	KA30M7750	11-02-2019	06-10-2023	1,698
135.	Karwar	KA30M9270	09-10-2019	09-09-2021	701
136.	Karwar	KA30M9385	16-10-2019	09-09-2021	694
137.	Karwar	KA30M9421	16-10-2021	25-02-2022	132
138.	Karwar	KA30V1491	05-03-2020	03-07-2021	485
139.	Karwar	KA30V2692	07-12-2019	19-12-2019	12
140.	Karwar	KA30V6353	21-06-2019	18-12-2019	180
141.	Karwar	KA30W3362	25-07-2023	06-12-2023	134
142.	Nelamangala	KA52M7629	20-02-2020	14-08-2023	1,271
143.	Nelamangala	KA52N3694	31-07-2021	23-08-2022	388
144.	Nelamangala	KA52N4220	28-12-2022	14-12-2023	351
145.	Nelamangala	KA52N7863	04-11-2023	14-12-2023	40

**Appendix-5.24**  
**(Reference: Paragraph 5.4.7.2)**  
**Pendency of DSA cases in sampled cases in nine selected RTOs**

<b>Sl. No.</b>	<b>RTO/ARTO</b>	<b>Selected sample</b>	<b>Disposed</b>	<b>Pending</b>
1	Bhalki	13	8	5
2	Bengaluru south	95	62	33
3	Chikkamagaluru	23	4	19
4	Dharward west	17	3	14
5	Electronic city	79	19	60
6	Karwar	37	14	23
7	Mysuru west	16	9	7
8	Nelamangala	40	4	36
9	Udupi	36	15	21
<b>Total</b>		<b>356</b>	<b>138</b>	<b>218</b>

**Appendix-5.25**  
**(Reference: Paragraph 5.4.7.2)**  
**Payment of quarterly tax after registering DSA Case**

<b>Sl. No.</b>	<b>RTO/ARTO</b>	<b>Number of DSA cases booked against vehicles</b>	<b>Total fine paid (₹)</b>	<b>Total tax paid (₹)</b>
1	Bhalki	10	32,371	4,15,265
2	Bengaluru South	69	2,95,560	1,23,49,348
3	Chikkamagaluru	15	23,622	2,86,553
4	Dharwad West	12	43,515	8,05,246
5	Electronic City	57	4,19,619	1,01,97,593
6	Karwar	24	1,07,510	12,26,133
7	Mysuru West	13	68,149	19,33,662
8	Nelamangala	30	92,666	13,42,155
9	Udupi	24	14,86,38	13,31,215
<b>Total</b>		<b>254</b>	<b>12,31,650</b>	<b>2,98,87,170</b>

**Appendix-5.26**  
**(Reference: Paragraph 5.4.7.3)**  
**Statement showing non-levy of overloading Compounding Fine**

(Amount in ₹)

Sl. No.	RTO/ARTO	Number of vehicles	Non-levy of overloading compounding fine
1	Bhalki	8	2,22,000
2	Bengaluru south	5	1,47,000
3	Chikkamagaluru	19	3,91,000
4	Dharwad west	9	1,85,000
5	Electronic city	65	18,65,000
6	Karwar	9	2,13,000
7	Mysuru	6	2,14,000
8	Nelamangala	39	9,09,000
9	Udupi	19	5,15,000
<b>Total</b>		<b>179</b>	<b>46,61,000</b>

Source: Check Reports furnished by the Department

**Appendix-5.27**  
**(Reference: Paragraph 5.4.7.4)**  
**Non-seizure of vehicles of Tax Defaulters**

Sl. No.	RTO/ARTO	Registration No.	Vehicle Type	CR No.	CR Date	Quarterly Tax + Cess	MV Tax Due From	No. of Quarters due till CR date	Tax + Cess + Penalty due till CR Date	No. of Quarters due till 31-03-2024	Tax + Cess + Penalty due till Date (31-03-2024)
1	Bhalki	KA395998	MGV	608654	24-09-2020	2,859	01.05.2020	2	6,862	16	54,892.80
2	Bhalki	AP0417576	MGV	608779	13-11-2020	2,859	01.09.2019	5	17,154	19	65,185.20
3	Bhalki	KA508448	EIB	486254	19-08-2022	1,421	01.09.2018	16	27,283	23	39,219.60
4	Bhalki	KA28C2558	HGV	481791	28-06-2022	9,102	01.05.2022	1	10,922	8	87,379.20
5	Chikkamagaluru	KA502061	HGV	225497	23-12-2022	2,859	01.08.2022	2	6,862	7	24,015.60
6	Chikkamagaluru	KA04B5446	HGV	225604	08-01-2023	2,859	01.06.2022	3	10,292	8	27,446.40
7	Chikkamagaluru	KA18C5818	HGV	225967	30-03-2023	5,772	01.06.2021	7	48,485	12	83,116.80
8	Chikkamagaluru	KA565151	HGV	1934695	19-09-2021	6,771	01.04.2020	6	48,751	16	1,30,003.20
9	Chikkamagaluru	KA18B0846	HPV	224510	13-06-2022	47,952	01.04.2019	13	7,48,051	20	11,508,48.00
10	Chikkamagaluru	KA188250	PSV	226447	03-08-2023	16,728	01.07.2020	13	2,60,957	15	3,01,104.00
11	Dharwad West	KA25AA1449	Motor Cab	333779	23-04-2021	444	01.12.2020	2	1,066	14	7,459.20
12	Dharwad West	KA22C3393	HGV	333747	23-08-2021	9,102	01.05.2021	1	10,922	12	1,31,068.80
13	Electronic City	KA185678	Maxi Cab	682179	06-12-2021	9,091	01.02.2020	8	87,274	17	1,85,456.40
14	Karwar	KA304457	Maxi Cab	403212	03-02-2023	8,004	01.08.2019	14	1,34,467	19	1,82,491.20
15	Udupi	KL60H3486	LGV	1263907	15-08-2020	1,998	01.01.2017	15	35,964	29	69,530.40
16	Udupi	KA20A7729	HPV	1266003	03-12-2021	47,952	01.04.2021	3	1,72,627	12	6,90,508.80
17	Mysuru West	KA424071	HGV	653347	03-09-2023	2,860	01.07.2023	1	3,432	3	10,296.00
18	Mysuru West	KA520088	HGV	653337	29-08-2023	9,185	01.09.2018	20	2,20,440	23	2,53,506.00
<b>Total</b>											<b>34,93,527.60</b>

Source: Reports furnished by the Department

**Appendix-5.28**  
**(Reference: Paragraph 5.4.8.3)**  
**Delay in issue of NOC in sampled RTOs**

<b>Sl. No.</b>	<b>RTO/ARTO</b>	<b>Number of Vehicles where NOC was delayed</b>	<b>Minimum Delay (in Days)</b>	<b>Maximum Delay (in Days)</b>
1	RTO Bengaluru South	3,794	31	1,515
2	RTO Mysuru West	826	31	1,421
3	RTO Chikkamagaluru	192	31	254
4	RTO Udupi	624	31	644
5	RTO Dharwad West	909	31	900
6	RTO Karwar	82	31	1,537
7	ARTO Bhalki	120	31	422
8	RTO Electronic City	2,958	31	1,620
9	RTO Nelamangala	415	31	545
<b>Total</b>		<b>9,920</b>		

Source: Vahan Database

**Appendix-5.29**  
**(Reference: Paragraph 5.4.8.4)**  
**SAKALA Timelines for Transport Department**

Sl. No.	List of Services	Designated officer	Stipulated time for designated Officer
1	Registration of Vehicle	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	03 Working Days
2	Duplicate Registration Certificate	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	07 Working Days
3	Temporary Registration	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	03 Working Days
4	Transfer for Ownership	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	07 Working Days
5	Transfer note for ownership after the death of Vehicle Owner	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	60 Working Days
6	Change Ownership of the Vehicle purchasing in public auction	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	15 Working Days
7	B-Register (Extract)	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	02 Working Days
8	Hypothecation Entry/Lease Agreement	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	03 Working Days
9	Distributing Clearance/ Releasing Certificate	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	10 Working Days
10	Renewal Registration Certificate (NT)	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	07 Working Days
11	Renewal Fitness Certificate (TR)	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	15 Working Days
12	Goods Carriage Permit	Deputy Commissioner for Transport / Senior Regional Transport Officer (Sr. R.T.O) / Regional Transport Officer (R.T.O) / Assistant Regional Transport Officer (A.R.T.O)	03 Working Days

**Appendix-5.30**  
**(Reference: Paragraph 5.4.8.5)**  
**Statement showing status of manpower for enforcement activities (IMV/Sr. IMV)**

Sl. No.	RTO/ARTO	Sanctioned Strength	Working Strength	Vacancy	Staff on Deputation to Other Office	Staff on Deputation from Other Office	Actual Working Strength
1	Bhalki	4	4	0	0	0	4
2	Chikkamagaluru	8	6	2	0	0	6
3	Dharwad West	13	2	11	0	4	6
4	Electronic City	8	6	2	0	4	10
5	Nelamangala	9	6	3	0	2	8
6	Jayanagar	36	18	18	9	15	24
7	Karwar	5	3	2	1	0	2
8	Mysuru West	14	6	8	2	3	7
9	Udupi	9	6	3	0	1	7
<b>Total</b>		<b>106</b>	<b>57</b>	<b>49</b>	<b>12</b>	<b>29</b>	<b>74</b>

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