

PRESS NOTE

The tax sleuths from the Commercial Tax Department, Karnataka across State conducted 242 inspections of several Hotels, Restaurants, Bakeries and Resorts engaged in providing accommodation and other hospitality services and areas of Nethrani island engaged in providing scuba diving services in Karnataka coast along the Arabian sea. The purpose of such a special operation was to take up pre-emptive measures to plug possible evasion of tax payment. These business entities ~~usually~~ have resorted to suppression of taxable turnover during the peak holiday season including the Christmas and the New Year celebration.

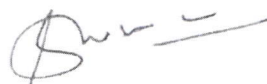
The Officers of the Enforcement Division of the State have conducted inspection of the Hotels, Resorts etc., in different parts of the State which is known for hospitality services. The special operation was called for on the eve of peak holiday seasons.

During these operations, the Departmental officers have un-earthed suppression of taxable turnover to the tune of 150 crores of Rupees having substantial GST implications. The modus-operandi included outright suppression of turnover, retention of collected tax, the wrong full claim of input tax credit, misclassification of rate of tax, under invoicing, issuing coupons and tokens instead of tax invoices, concealing transaction data in cloud storage willful default in obtaining registration although the statutory limit being exceeded etc.

Some of the business entities have employed modern information technologies to store the details of suppressed turnover. The officers have seized incriminating materials stored in digital form in Laptops, Mobile phones, storage devices etc. Some of the registered persons were keeping multiple UPI QR codes and accounting for transactions effected through very few QR codes. The officers were successful in un-earthing the suppressed turnover effected through QR codes. The robust analytical platform has immensely contributed in identifying the cases vulnerable for evasion.

The processing of the seized materials and regular books of accounts is underway to quantify the quantum of tax evaded. Many tax payers have started discharging the tax liability voluntarily on an ad-hoc basis.

The Commercial Tax Department will continue to strive to prevent tax evasion by unscrupulous traders and initiate appropriate measures in plugging the loopholes. Time and again the Department has exhibited high efficiency and professionalism in protecting the interest of Governmental revenue.



Sd/-

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Commissioner of Commercial Taxes (Karnataka)