



**CHAPTER - IV
TRANSPORT
DEPARTMENT**

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4.1 Administration

The Transport Department is responsible for collection of taxes, fees and fines on motor vehicles in Assam. Motor vehicle tax is realised primarily from all vehicles registered in the State and One Time Tax of 15 years is realised in case of private vehicles. For commercial vehicles, motor vehicle tax is realised every year and the vehicle owner has the option to pay it quarterly, half yearly or annually. Besides, composite fee *in lieu of* motor vehicle tax is also collected from commercial vehicles bearing national permit/tourist permit of other States plying in the State. Further, there is provision for levy and collection of fines for various offences which are imposed under the respective Acts and Rules.

4.2 Working of internal audit wing

Internal audit, a vital component of the internal control mechanism, functions as the ‘eyes and ears’ of the Department and is a vital tool which enables the management to assure itself that prescribed systems are functioning reasonably well.

The Department stated that no internal audit wing has been put in place in Transport Department.

4.3 Results of audit

Test check of records in 16 offices (out of total 52 offices) of the Transport Department during 2016-17 revealed non/short levy and realisation of fine/motor vehicles taxes amounting to ₹ 22.15 crore in 97 cases as shown in **Table 4.1**.

Table 4.1
Results of Audit

Sl. No.	Categories	Number of cases	Amount (₹ in crore)
1.	Non-realisation of motor vehicle tax and fine	17	2.40
2.	Outstanding fitness fee & fine	08	17.98
3.	Non-reassignment of new registration number	07	1.47
4.	Other irregularities	65	0.30
Total		97	22.15

During the course of 2016-17, the Department accepted 14 cases involving revenue of ₹ 63.52 lakh and recovered ₹ 6,000 in three cases during 2016-17.

A few cases involving revenue of ₹ 1.66 crore and financial irregularities of ₹ 0.19 crore are discussed in the succeeding paragraphs.

Audit Observations

4.4 Motor Vehicle (MV) tax and fine not realised

Failure in raising demands of MV tax amounting to ₹ 53.23 lakh and fine of ₹ 13.02 lakh from 239 commercial vehicle owners

Section 5 of the Assam Motor Vehicle Taxation (AMVT) Act, 1936 provides that MV tax is to be paid on commercial vehicle in advance each year or the vehicle owner has the option to pay it quarterly, half yearly and annually. The rate of MV tax was revised in May 2011. Further, every owner of a motor vehicle who fails to pay the appropriate road tax in time shall be liable to pay a fine of ₹ 5 per day of such delayed payment.

Section 44 of the AMVT Act, 1936 provides that the licencing officer shall maintain a Combined Register of all vehicles plying in his jurisdiction in Form III⁸⁴ to watch the recovery of MV tax. The licencing officer is also required to review the register at periodic intervals and issue demand notices to defaulters.

Rule 49(2) of the Assam Motor Vehicles (AMV) Rules, 2003 provides that a vehicle owner, if he desires to withdraw his vehicle off the road for repairs etc. for a period more than 30 days continuously, is required to submit an application in Form 'H' in triplicate along with the documents of the vehicle/number plates, before the Registering Authority for temporary exemption of taxes.

[District Transport Officers (DTOs), Nalbari, Karbi Anglong and Lakhimpur; June 2013 - June 2014]

Audit noticed that 239 commercial vehicle owners under the following three DTOs did not pay MV tax of ₹ 56.28 lakh between July 2008 and June 2014. Audit also noticed that the Combined Register was not reviewed periodically by these DTOs. In absence of periodical review of the Combined Registers, the 239 vehicles continued to ply in public places without payment of MV tax. There was also nothing on records to show that the owners of these vehicles surrendered the licences or submitted 'H' forms. Failure of the DTOs to review the Combined Register at periodical intervals and issue demand notices to the defaulters resulted in non-realisation of MV tax of ₹ 56.28 lakh on which fine of ₹ 13.24 lakh from the owners of the vehicles was also leviable. The details are given in **Table 4.2**.

⁸⁴ All the particulars relating to vehicle such as Registration No., Date of registration, Date of purchase, Date of validity of Registration, Engine No., Chassis No. and Name and address of vehicle owner, etc. are noted in Combined Register.

Table 4.2

(₹ in lakh)

Name of DTO	Period	No. of commercial vehicles	Road Tax due	Fine due
DTO, Nalbari	Between January 2009 and April 2014	79 (Appendix - IV)	27.05	4.92 (calculated upto April 2014)
DTO, Karbi Anglong, Diphu	Between July 2008 and June 2014	50 (Appendix - V)	20.04	4.25 (calculated upto June 2014)
DTO, Lakhimpur	Between April 2009 and May 2013	110 (Appendix - VI)	9.19	4.07 (calculated upto May 2013)
Total		239	56.28	13.24

DTO, Lakhimpur stated (April 2016) that out of MV tax of ₹ 9.19 lakh and fine of ₹ 4.07 lakh of 110 vehicles, MV tax of ₹ 3.05 lakh and fine of ₹ 0.22 lakh had been realised partially from 32 commercial vehicles and two vehicles were not in his jurisdiction. Replies of DTOs, Nalbari and Karbi Anglong, Diphu were awaited (February 2018).

The Department stated (August 2017) that instructions were issued to all three DTOs to realise outstanding MV tax of ₹ 53.23 lakh and fine of ₹ 13.02 lakh from 239 vehicles owners and also to review the Combined Register at regular intervals. Report of further recovery was awaited (February 2018).

4.5 Non-realisation of reassignment fee and fine

Non-assignment of local/new registration marks to vehicles entering Assam from other states resulted in non-realisation of ₹ 60.36 lakh from 49 vehicle owners

Section 47 of the Motor Vehicles (MV) Act, 1988 stipulates that a motor vehicle registered in one State and kept in another State for a period exceeding 12 months, must be registered in the latter State. The AMV Rules, 2003 prescribes that if the owner of the vehicle of the other State fails to apply for assignment of a new registration under Section 47 of the MV Act, he shall be liable to pay a fine of ₹ 100 if the application is not submitted within seven days after the expiry of the prescribed period. Further, if the vehicle is not reassigned within seven days of detection of not being registered in the new State by the Department, a fine of ₹ 300 shall be leviable after lapse of seven days and this procedure can be repeated after every seven days till the vehicle is assigned a new registration number.

[DTO, Karbi Anglong and Lakhimpur; June 2013 - June 2014]

Audit noticed from the Combined Registers of DTOs, Karbi Anglong, Diphu and Lakhimpur that 49 commercial vehicles of other States were plying within the State of Assam for more than one year. The owners also failed to apply for a new registration. The DTOs neither took any action to register the vehicles nor review the Combined Registers periodically. This resulted in non-realisation of reassignment fee of ₹ 0.22 lakh on which fine of ₹ 60.39 lakh from the owners of the vehicles was also leviable. The details are given in **Table 4.3**.

Table 4.3

(₹ in lakh)

Name of DTO	No. of commercial vehicles	Reassignment fee due	Fine due
DTO, Karbi Anglong, Diphu	25 (Appendix - VII)	0.15	50.26 (calculated upto May 2014)
DTO, Lakhimpur	24 (Appendix - VIII)	0.07	10.13 (calculated upto March 2013)
Total	49	0.22	60.39

DTO, Lakhimpur stated (April 2016) that reassignment fee of ₹ 0.06 lakh was realised partially from 20 vehicles owners and fine of ₹ 0.19 lakh from one vehicle owner. Reply of the DTO, Karbi Anglong was awaited (February 2018).

No further reply was received from the DTOs regarding realisation of balance amount of reassignment fee of ₹ 0.16 lakh and fine of ₹ 60.20 lakh from 49 vehicle owners.

The Department stated (August 2017) that the DTOs of Karbi Anglong, Diphu and Lakhimpur were instructed to take effective steps. Report on further developments was awaited (February 2018).

4.6 Non-realisation of fitness fees

Non-realisation of fitness fees of ₹ 39.41 lakh from 1,714 vehicle owners

[DTO, Nalbari; October 2015]

Under Section 56 of the MV Act, 1988, a transport vehicle shall not be deemed to be validly registered for the purpose of registration, unless it carries a certificate of fitness in such form containing such particulars and information as may be prescribed by the Central Government. As per Rule 62 of the Central Motor Vehicle Rules, 1989, the certificate of fitness issued at the time of registration of a new commercial vehicle is valid for two years and it is to be renewed every year on payment of renewal fee of ₹ 100 and inspection fee ranging between ₹ 100 and ₹ 400 depending on category of vehicles. Similarly, after 15 years from the date of registration, non-commercial vehicles are required to be inspected and certificates of

fitness required to be issued on payment of prescribed fees. In case of non-renewal of the certificate of fitness, fine of minimum of ₹ 2,000 is leviable from the vehicle owners under Section 192 of the MV Act.

Audit noticed from the data of VAHAN software that the DTO Nalbari failed to inspect fitness of 1,545 commercial vehicles and 169 non-commercial/private out of 31,495 vehicles till the date of audit (October 2015). This resulted in non-realisation of ₹ 5.13 lakh⁸⁵ as fitness fee and ₹ 34.28 lakh as fine and from 1,714 motor vehicles⁸⁶ which were plying without valid fitness certificates since March 2013 onwards.

The Department stated (August 2017) that the DTO, Nalbari was instructed to verify fitness certificates as well as to furnish an action taken report. Report on further developments was awaited (February 2018).

4.7 Undue financial benefit to the government employees

Undue financial benefit of ₹ 18.63 lakh to 27 employees due to non-realisation of house rent and payment of House Rent Allowance despite occupying government quarters

[DTO, Kokrajhar; June 2014]

As per Office Memorandum (O.M.) of 19 February 2010⁸⁷ of Finance (Audit and Fund) Department, GoA, every government servant shall have to furnish a certificate to the Drawing and Disbursing Officer identifying the mode of accommodation availed by him, such as, rented house/own house/Government quarter. The O.M. *ibid* further stipulates that the State Government employees residing in a government quarter will be required to pay house rent equivalent to 10 *per cent* of his basic pay or the standard rent whichever is less. Further, rate of House Rent Allowances (HRA) was revised for employees serving in District/Sub-Divisional Headquarters at the rate of 12 *per cent* of basic pay with minimum of ₹ 1,000 and maximum of ₹ 4,800 per month with effect from 4 February 2010⁸⁸ by GoA.

Audit noticed that 32 officers/officials were posted during March 2011 and March 2014 under the DTO, M.V. Checkgate, Srirampur, out of which 27 officers/officials were staying in government quarters. Scrutiny of records revealed that the DTO paid an amount of ₹ 10.16 lakh at the rate of 12 *per cent* of basic pay as HRA to these officers/officials. Thus, the payment of HRA to the tune of ₹ 10.16 lakh was irregular. Further, the DTO did not realise house rent of

⁸⁵ Total fitness fee and fine = ₹ 5,12,900 (fitness fee on 1,714 vehicles at different rate) + ₹ 34,28,000 (fine of ₹ 2,000 per vehicle X 1,714 vehicles) = ₹ 39,40,900.

⁸⁶ As certified by DTO, Nalbari on 15 October 2015.

⁸⁷ O.M. No. FM. 5/2010/02 dated 19 February 2010.

⁸⁸ Notification No. FPC. 85/2009/1 dated 4 February 2010.

₹ 8.47 lakh at the rate of 10 *per cent* of basic pay or the standard rent from the pay and allowances of the 27 officers/officials. This resulted in undue financial benefit of ₹ 18.63 lakh to 27 employees as shown in **Appendix - IX**.

The DTO, Kokrajhar (July 2015) intimated that some of the officers/officials were since transferred from his jurisdiction and requested the Commissioner of Transport, Assam to take necessary step to recover the government moneys from the officers/officials. Status of realisation was awaited (February 2018).

The Department stated (August 2017) that the DTO, Kokrajhar was instructed to furnish a detailed report on the matter; further development was awaited (February 2018).