



**CHAPTER - IV
TRANSPORT
DEPARTMENT**

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4.1 Administration

The Commissioner of Transport, Assam is responsible to ensure road safety through the implementation of Motor Vehicles Act and Rules and also regulate the road transport sector of surface communications through the State Transport Authority and the Regional Transport Authority in the districts. The Commissioner of Transport needs to ensure proper licensing of Drivers after they fulfil required conditions and also register Motor vehicles. It has also the responsibility of educating the public on road safety norms, so that no lives are lost or impaired because of road accidents.

The Commissioner and Secretary to the Government of Assam (GoA), Transport Department is the Head of the Transport Department. The Commissioner of Transport (CoT), Assam is assisted by two Joint Commissioners of Transport, three Deputy Commissioners of Transport and five Assistant Commissioner of Transport. There are twenty-nine (29) Districts level offices which are headed by District Transport Officers (DTOs) who are assisted by Motor Vehicle Inspectors, Enforcement Inspectors and other officials in discharging their day to day functions. They are empowered to implement Taxes as per Laws and Rules *i.e.* the Motor Vehicles Act, 1988, the Central Motor Vehicles Rules, 1989, the Assam Motor Vehicle Rules, 2003, etc.

The Transport Department is responsible for collection of taxes, fees and fines on motor vehicles in Assam. The 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 owners of 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.

Under the jurisdiction of the CoT, Assam, the total number of registered vehicles in the State as on 31 March 2018 was 35,27,381 against 12,36,257 vehicles as on 31 March 2008. The number of DTOs in the State was 29 as on 31 March 2008 and it has not increased in the last ten years although the number of vehicles has increased almost three fold during the same period. The Government should review the sanctioned strength of the DTOs in view of increased number of vehicles in last ten years to handle the increase in workload.

4.2 Working of internal audit wing

Internal audit, a vital component of the internal control mechanism, functions as the internal oversight 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. However, there is no provision for internal audit as per Assam Motor Vehicles Acts and Rules thereunder.

Recommendation: The State Government may amend the Act and Rules to put in place a system of internal audit to ensure compliance with Acts/Rules/and Regulations.

4.3 Results of audit

Test check of records of 16 offices (out of total 52 offices) of the Transport Department during 2017-18 showed non/short levy and realisation of fine/motor vehicles taxes amounting to ₹ 30.53 crore in 101 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	4	3.74
2.	Outstanding fitness fee and fine	4	0.13
3.	Non-reassignment of new registration number	4	1.37
4.	Other irregularities	89	25.29
Total		101	30.53

During the year, the Department accepted under-assessment and other deficiencies of ₹ 0.30 crore in six cases.

A few cases involving revenue of ₹ 18.29 crore are discussed in the succeeding paragraphs.

Compliance Audit observations

4.4 Plying of unfit vehicles and non-realisation of fitness fee and fine from owners of motor vehicles

Failure of the DTOs to review Fitness Expiry Report generated from ‘VAHAN’ software resulted in non-realisation of fitness fee and fine of ₹ 16.97 crore from 73,072 motor vehicles

[District Transport Officer (DTO), North Lakhimpur and DTO (R&L), Kamrup (Metro), Guwahati; May and October 2017]

Under Section 56 of the Motor Vehicles (MV) Act, 1988, a transport vehicle shall not be deemed to be validly registered, 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 transport 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 the category of vehicles. Similarly, after 15 years from the date of registration, non-transport 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 as per Section 192 of the MV Act.

As per Rule 26 of the Assam Motor Vehicle (AMV) Rules, 2003, the DTO shall maintain record of each fitness certificate issued by him. Further, as per Rule 87(2) of the AMV Rules, 2003, the Motor Vehicle Inspector (MVI) may inspect any transport vehicle at any time at any place to check whether the vehicle is fit for plying on public roads.

The ‘VAHAN’ software has automated the management of complete information relating to vehicle registrations, vehicle fitness, taxation, permits and enforcement. This data, when used efficiently, would result in better monitoring of State revenue generated from the implementation of MV Act and Rules.

Scrutiny of Fitness Expiry Reports generated by the two DTOs out of 29 DTOs in the State namely North Lakhimpur and DTO (R&L), Kamrup (Metro) from ‘VAHAN’ database on 17 May 2017 and 16 October 2017 respectively showed that 73,072 transport/non-transport vehicles (6.5 per cent) out of 11,23,364 vehicles registered under two DTOs were plying without valid fitness certificates. Thus, the fitness fee of ₹ 2.36 crore⁹⁸ and fine of ₹ 14.61 crore⁹⁹ was realisable from 73,072 transport/non-transport vehicles as fitness of these vehicles had expired. Audit also

⁹⁸ Period of default of fitness certificates ranges between 26 years and one year. To avoid ambiguity, calculation of non-realisation of fitness fee and fine has been taken into consideration for one year only though defaulting period in some cases was more than one year.

⁹⁹ Fine of ₹ 2,000 per vehicle x 73,072 vehicles = ₹ 14,61,44,000

noticed that no application in Form 'H'¹⁰⁰ were submitted by the defaulters before the Registering Authority/DTOs for exemption of taxes for taking vehicles off the roads for more than 30 days to carry out repairs. The details are shown in **Appendix - XVIII**. Further, the DTOs could neither furnish applications to renew fitness certificates submitted by the defaulters nor any records regarding review of Fitness Expiry Reports and issue of notices thereagainst to the defaulters though complete addresses of the defaulters were available with them. Further, the Fitness Expiry Reports were not found shared with the Traffic Police Department to trace out the defaulters on road as unfit vehicles are threats to public and environment.

Thus, due to the failure of the above DTOs to ensure compliance with the provisions of the MV Act, the State has been put not only to a loss of ₹ 16.97 crore in respect of just two DTOs but also the plying of unfit vehicles is a threat to people's safety on roads.

The matter was referred to the Government/Department in July 2018.

During the exit meeting (14 November 2018) the Additional Secretary and the Joint Secretary to the GoA, Transport Department directed (14 November 2018) the DTOs to realise all up-to-date dues immediately and further directed the Deputy Commissioner of Transport (DCoT) to take necessary action regarding updation of 'VAHAN' database in consultation with the NIC, so that, linkage of 'H' forms with the defaulters report can be created in 'VAHAN' software. Further development was awaited (December 2018).

Out of 29 DTOs in the State, Audit has test check the records of two DTOs and noticed failure on the part of DTOs to review Fitness Expiry report generated from 'VAHAN' software on verification of the records. The Department should internally examine similar cases in other DTOs also.

Recommendation: Department may review Fitness Expiry Report generated from 'VAHAN' database periodically and issue notices to defaulters in respect of the State as a whole. They may also issue off-road certificate to vehicles which are 15 years old and share the Report with the Traffic Police Department to realise fine, if the defaulting vehicles are found plying on roads.

¹⁰⁰ Rule 49(2) of the 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.

4.5 Motor Vehicle (MV) tax and fine not realised

DTO failed to issue demand notices to the 178 owners of Commercial Vehicles for collection of MV tax amounting to ₹ 97.20 lakh and fine of ₹ 16.09 lakh. An amount of ₹ 13.83 lakh and fine of ₹ 1.98 lakh was reportedly realised from 26 commercial vehicle owners at the instance of Audit

[DTO, Golaghat; May 2017]

Section 5 of the Assam Motor Vehicle Taxation (AMVT) Act, 1936 provides that MV tax is required to be paid on commercial vehicles 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 and September 2015. 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 in respect of all vehicles plying in his jurisdiction in Form III¹⁰¹ 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 AMV Rules, 2003 provides that if a vehicle owner, decides to withdraw his vehicle off the road for repairs etc., for a period more than 30 days continuously, he 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.

Audit noticed that out of 5,727 commercial vehicles registered under DTO, Golaghat, 178 commercial vehicle (3.11 *per cent*) owners did not pay MV tax of ₹ 97.20 lakh between July 2009 and March 2017. Audit also noticed that the Combined Register was not reviewed periodically by the DTO. In absence of periodical review of the Combined Registers, these 178 vehicles continued to ply in public places without payment of MV tax. There was nothing on records to show that the owners of these vehicles surrendered the licences or submitted 'H' forms for exemption of taxes. Failure of the DTO to review the Combined Register at periodical intervals and issue demand notices to the defaulters resulted in non-realisation of MV tax of ₹ 97.20 lakh on which fine of ₹ 16.09 lakh from the owners of the vehicles was also leviable as shown in **Appendix - XIX**. Further, the DTO, Golaghat failed to furnish to Audit the Tax Defaulter Report generated from 'VAHAN' software.

The matter was referred to the Government/Department in July 2018.

¹⁰¹ 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.

During the exit meeting (14 November 2018), the Joint Secretary to GoA, Transport Department while accepting the audit observation stated that demand notices had since been issued to the defaulters. The DTO, Golaghat, stated (14 November 2018) that the Tax Defaulter Report could not be furnished/generated at the time of audit due to some technical problem.

The Additional Secretary and the Joint Secretary to the GoA, Transport Department directed (14 November 2018) the DCoT to fix responsibility for lapses and directed the DTO to realise the balance MV tax as pointed out by Audit. The Joint Secretary to the GoA, Transport Department directed the DTO, Golaghat to generate Tax Defaulter Report on regular basis and review the same so that government revenue can be realised in time. The Under Secretary to the GoA, Transport Department stated (29 November 2018) that the DTO, Golaghat has realised MV Tax of ₹ 13.83 lakh and fine of ₹ 1.98 lakh from 26 defaulting commercial vehicles and the remaining up-to-date MV Tax of ₹ 97.89 lakh and fine of ₹ 14.83 lakh from 152 commercial vehicles was under process. Further development on recovery was awaited (December 2018).

On verification of records of one test checked DTO out of 29 DTOs in the State, audit noticed the DTO had failed to issue demand notices to the owners of the commercial vehicles who failed to pay MV tax. The Department should internally examine similar cases in other DTOs also.

Recommendation: The Department may fix responsibility of the officials for negligence which led to non-realisation of revenue and issue direction to all DTOs of the State to collect MV Tax and fines and review the Combined Registers regularly.

4.6 Short realisation of inspection fee on arrival of vehicles at dealer's point

DTO failed to realise inspection fee of ₹ 10.27 lakh on arrival of vehicles at dealer's point against which ₹ 2.36 lakh only was realised from three dealers

[DTO (R&L), Kamrup (Metro), Guwahati; October 2017]

As per Rule 87(2)(i) of the AMV Rules, 2003, the MVI may inspect any transport vehicle to check whether the vehicle is unfit for plying on public roads and is likely to cause danger to the public.

As per Government Notification of 22 November 2016¹⁰², the dealer shall first make an entry of all new vehicles available in the showroom into the portal after due inspection and approval of the MVI in the system.

As per Rule 87(5)(A) of the AMV (Amendment) Rules, 2016¹⁰³, the State Government shall charge inspection fee for registration of motor vehicles on arrival at dealer's point at the rates as mentioned in the following table.

¹⁰² Notification No. 260/2016/10 dated 22 November 2016

¹⁰³ Notification No. TMV.153/2013/202 dated 30 December 2016

Table 4.2
Rate of Inspection fee

Category of vehicle	Amount of inspection fees per vehicle (in ₹)
2 wheelers	200
4 wheelers	600

Test check of records and information furnished by the DTO (R&L), Kamrup (Metro) in respect of nine (19.57 per cent) out of 46 dealers under the DTO (R&L), Kamrup (Metro) showed that during the period January 2017 to March 2017, 5,851 vehicles were sold on realisation of inspection fee of ₹ 17.49 lakh against realisable amount of ₹ 27.76 lakh at the dealers' point. The inspection fee was deposited by the dealers through treasury challans. This resulted in short realisation of inspection fee of ₹ 10.27 lakh¹⁰⁴.

The matter was referred to the Government/Department in July 2018.

During the exit meeting (14 November 2018), the Joint Secretary to GoA, Transport Department while accepting the observation stated that demand notices were issued to the defaulting dealers. Out of nine dealers, three dealers viz. M/s Sarawgi Motors Pvt. Ltd., M/s Binod Car World and M/s Saraighat Hyundai have deposited ₹ 0.41 lakh, ₹ 0.77 lakh and ₹ 1.18 lakh respectively. Further, the Joint Secretary stated that realisation of balance amount of inspection fee from six defaulting dealers' was under process.

The DTO (R&L), Kamrup (Metro) stated (14 November 2018) that inspection fee could not be realised through system due to non-availability of collection of inspection fee 'field' in updated version of 'VAHAN' software. The reply is not acceptable considering the fact that the dealers paid partial payment through treasury challans they could have paid the entire dues as well through the same method, The Additional Secretary and the Joint Secretary to the GoA, Transport Department directed the DTO (R&L), Kamrup (Metro) to realise all up-to-date dues immediately and also directed the DCoT to take up the matter with NIC, so that,

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(Amount in ₹)

Sl. No.	Name of dealer M/s	Category of vehicle	Vehicles sold during the period from January 2017 to March 2017				Inspection fee realised at dealer's point	Inspection fee realisable at dealer's point	Short realisation of inspection fee at dealer's point
			January 2017	February 2017	March 2017	Total			
1	Sarawgi Motors Pvt. Ltd.	4 wheeler	54	51	57	162	56,400	97,200	40,800
2	Bimal Motors Pvt. Ltd.	2 wheeler	215	190	225	630	1,21,600	1,26,000	4,400
3	D.R Brijmohan & Sons Pvt. Ltd.	2 wheeler	345	335	527	1,207	Nil	2,41,400	2,41,400
4	Poddar Car World - Khanapara	4 wheeler	198	164	239	601	2,07,600	3,60,600	1,53,000
5	Poddar Car World - Gorchuk	4 wheeler	188	190	203	581	2,70,600	3,48,600	78,000
6	Poddar Car World - NEXA	4 wheeler	43	84	83	210	64,800	1,26,000	61,200
7	Binod Car World	4 wheeler	84	76	64	224	57,600	1,34,400	76,800
8	Bimal Auto Agency	4 wheeler	628	608	636	1,872	8,69,400	11,23,200	2,53,800
9	Saraighat Hyundai	4 wheeler	140	114	110	364	1,00,800	2,18,400	1,17,600
Total						5,851	17,48,800	27,75,800	10,27,000

‘field’ for collection of inspection fee can be created in updated version of ‘VAHAN’ software.

On verification of records of the one test checked DTO out of 29 DTOs in the State, audit noticed failure of collection of inspection fee on arrival of new vehicles at the dealer’s point. The Department should internally examine similar cases in other DTOs also.

Recommendation: The Department may take up the matter with NIC to updation of ‘VAHAN’ software by inserting ‘field’ for collection of inspection fee at dealer’s point and also direct all DTOs of the State to realise inspection fee at dealer’s point regularly.

4.7 Plying of vehicles without valid permit

DTO failed to realise permit fee and fine of ₹ 8.01 lakh in respect of 304 vehicles which were plying without valid permit against which ₹ 0.47 lakh was realised

[DTO, Goalpara; September 2017]

As per Rule 45(2) of the AMV Rules, 2003, a public service vehicle including Local and all Assam Taxi is required to obtain a permit to ply the vehicle within the region and before issue of the permit, the State Transport Authority (STA)/Regional Transport Authority (RTA) as the case may be, shall follow the instructions contained under Rule 28(1) and 28 (2) to establish the identity of the applicant.

As per Rule 46 (C) of the AMV Rules, 2003, a periodic permit for carrying goods and passenger shall be issued by Regional Transport Authority/District Transport Authority for a duration of minimum one year and upto a maximum period of three/five¹⁰⁵ years. Otherwise, a temporary permit shall be issued for a maximum duration of four months, but it cannot be renewed for more than three times on payment of fee as shown in the following table.

**Table 4.3
Rate of permit fee**

Type of vehicle	(Amount in ₹)	
	Periodic permit fee for more than one year and upto three years	Temporary permit fee for four months
For four wheeler vehicles (Local Taxi)	1,000	300
For three wheeler vehicles (Auto rickshaw)	300	100

¹⁰⁵ As per Rule 46 (B) of the AMV Rules, 2003, a periodic permit fee payable as follows:

Sl. No.	Name of permit	Maximum Duration	Amount (in ₹)
(A) Periodic permit (Passenger/Goods carriage) within the State			
(i)	Three Wheelers (Passenger Vehicles)	Upto 3 years	300
(ii)	Local Taxi		1000
(B) Periodic permit (Passenger/Goods carriage) within the State			
(i)	Three Wheelers (Passenger Vehicles)	Above 3 years and upto 5 years	600
(ii)	Local Taxi		1000

In case of non-renewal of permit, fine of minimum of ₹ 2,000 is leviable from the vehicle owners under Section 192(A) of the MV Act, 1988.

Scrutiny of Temporary Permit Register maintained by the DTO, Goalpara showed that validity of temporary permit of 304 (7.80 per cent) out of 3,896 commercial vehicles¹⁰⁶ lapsed during the period between 22 May 2015 and 4 July 2017. No action was initiated by the DTO to re-validate the permit of the vehicles under his jurisdiction till the date of audit (September 2017) which led to not only non-identification of the vehicles resulting in non-realisation of temporary permit fee of ₹ 1.93 lakh¹⁰⁷ and fine of ₹ 6.08 lakh as shown in **Appendix - XX (A) and XX (B)** but it led to plying of such vehicles on roads in an unauthorised manner.

The matter was referred to the Government/Department in July 2018.

During the exit meeting (14 November 2018), the Joint Secretary to the GoA, Transport Department while accepting the observation stated that most of the temporary permit of vehicles have been converted into periodic permit on realisation of fee, tax, etc., by the DTO, Goalpara.

The Additional Secretary and the Joint Secretary to the GoA, Transport Department directed (14 November 2018) the DCoT to take up the matter with the Secretary to the GoA, Police Department to trace out the defaulters who were plying vehicle without valid permit as illegal plying of vehicle may lead to non-identification of vehicle in case of accidents, etc. Further, the Under Secretary to the GoA, Transport Department stated (29 November 2018) that out of 141 numbers of auto rickshaw and 163 numbers of four wheelers, temporary permit of 13 numbers of auto rickshaw and 30 numbers of four wheelers were converted into periodic permit by realising permit fee of ₹ 0.38 lakh and fine of ₹ 0.09 lakh and for the remaining vehicles, demand notices were issued and the Enforcement Inspectors and Police Stations in Goalpara were directed to seize those defaulting vehicles. Report on recovery of balance amount of permit fee of ₹ 1.55 lakh and fine of ₹ 5.99 lakh was awaited (December 2018).

On verification of records of one DTO out of 29 DTOs in the State, audit noticed failure in realisation of permit fee and fine from commercial vehicles which were plying without valid permit. The Department should internally examine similar cases in other DTOs also.

Recommendation: Department may share defaulters list with the Traffic Police Department to realise fine if the defaulting vehicles are found plying on road.

¹⁰⁶ Local Taxi: 163 out of 1,359 and Auto rickshaw: 141 out of 2,537

¹⁰⁷ Periodic permit fee upto three is considered, if, defaulting periods exceed one year as in most of case defaulting period was upto three years.

4.8 Systemic deficiency in calculation of MV tax at prescribed rate in Tax Defaulter Report generated from 'VAHAN' database

DTO calculated MV tax in Tax Defaulter Report incorrectly due to lack of validation check

[DTO, Goalpara; September 2017]

Mention was made in para 4.8.9.3 of the Report of the Comptroller and Auditor General of India for the year ended 31 March 2011 (Revenue Receipts) - Government of Assam regarding 'non-validation of data entry resulting in key fields containing incorrect value' where it was pointed out that the absence of validation checks allowed entry of invalid data making the database unreliable. The Government while accepting the audit observation stated (December 2011) that the software would be modified to block incorrect entries.

Section 5 of the Assam Motor Vehicle Taxation (AMVT) Act, 1936 provides that MV tax is to be paid in respect of commercial vehicle in advance each year or the vehicle owner has the option to pay it quarterly, half yearly and annually. Minimum quarterly rate of MV Tax¹⁰⁸ is leviable as shown in the following table.

**Table 4.4
Rate of Motor Vehicle Tax fee**

(Amount in ₹)

Type of vehicle (commercial)	Description of vehicle (seat/load capacity)	Rate of annual MV tax	Rate of quarterly MV tax
Three wheeler (passenger)	Three wheeler with passenger carrying capacity upto 3 excluding driver	1,500	400
Tractors	Not exceeding 2 M.T.	1,000	250
Trailers	Light trailer, carrying capacity less than 2 MT	1,000	250
Mechanical crane mounted on motor vehicle	Not exceeding 3 M.T.	5,000	1,250
Vehicle used for carriage of goods (General unrestricted goods, water tanker etc.)	Authorised to carry 1 MT or less	2,400	600
Vehicle used for carriage of petroleum products, LPG, CNG and Hazardous goods	Authorised to carry less than 9 MT	12,000	3,000

Scrutiny of Tax Defaulter Report generated by the DTO, Goalpara from 'VAHAN' database on 23 September 2017 showed that out of 8,281 commercial vehicles, 3,898 vehicle owners did not pay MV tax of ₹ 3.74 crore during the period between April 2011 and September 2017. Audit noticed from the said report that there was lack of validation check in the database as the report generated neither specified the prescribed rate of MV tax nor seat/load capacity of commercial vehicles. Further, out of 3,898 commercial vehicles (47.07 per cent), MV tax of 260 vehicles was calculated at the rate of tax ranging between ₹ 75 and ₹ 0, though quarterly rate of MV tax was ranging between ₹ 3,000 (9 MT vehicle) and ₹ 250 (2 MT tractor). Thus, Audit could not ascertain the basis on which MV tax of ₹ 3.74 crore was

¹⁰⁸ Gazette Notification No. LGL.3/2010/80 dated 30 September 2015

generated in Tax Defaulter Report from 'VAHAN' database. Also the said report did not generate any information as to whether any demand notice was issued by the DTO to realise the outstanding MV tax from the defaulters. Thus, without such basic data in the 'VAHAN' database, genuineness of Tax Defaulter Report could not be vouchsafed by Audit.

Further, the Government though assured (December 2011) the Audit that the software would be modified to block incorrect entries, it is observed that the position of software remains same, as unreliable data was still captured in the database even after a lapse of seven years.

The matter was referred to the Government/Department in July 2018.

During the exit meeting (14 November 2018), the Joint Secretary to GoA, Transport Department, while accepting the audit objection, stated that the DTO, Goalpara has requested the Department to impart training to the officials regarding generation of MIS reports from 'VAHAN'.

On verification of records of one DTO out of 29 DTOs in the State, audit noticed incorrect entries of MV tax rates due to lack of validation check in the 'VAHAN' software. The Department should internally examine similar cases in other DTOs also.

Recommendation: (i) The 'VAHAN' software should be modified to block incorrect entries of MV tax rates.

(ii) Fresh demand notices may be issued to defaulters and the details of the demand notice may be updated in the VAHAN database. Further, tax defaulters report generated through system may be shared with the Enforcement Wing and Traffic Police Department to effect recovery of pending dues.

