

## CHAPTER-V: Other Tax Receipts

### 5.1 Results of audit

Test check of records of departmental offices relating to revenue received from taxes on motor vehicles, electricity duty, purchase tax (agriculture), entertainment duty and passengers and goods tax conducted during the year 2005-06, revealed under assessments of tax and duties and loss of revenue amounting to Rs.109.19 crore in 75,150 cases as depicted below:

Sl. No.	Nature of irregularity	Number of cases	Amount (Rupees in crore)
<b>A: Taxes on motor vehicles</b>			
1.	Non/short recovery of permit/countersignature fee	39,646	18.13
2.	Non/short recovery of bid money	38	0.69
3.	Short recovery of token tax	472	0.67
4.	Non/short recovery of token tax and registration fee	730	0.44
5.	Non recovery of trade certificate fee	20,853	0.15
6.	Miscellaneous irregularities	9,792	0.64
	<b>Total</b>	<b>71,531</b>	<b>20.72</b>
<b>B: Electricity duty</b>			
1.	Non/short recovery of electricity duty	1	71.91
2.	Loss of interest due to non deposit of electricity duty in Government account	1	1.06
3.	Miscellaneous irregularities	3,581	3.34
	<b>Total</b>	<b>3,583</b>	<b>76.31</b>
<b>C: Purchase tax (Agriculture)</b>			
1.	Non/short recovery of purchase tax on sugar cane	2	0.77
2.	Non recovery of interest on delayed payments of purchase tax	3	0.01
	<b>Total</b>	<b>5</b>	<b>0.78</b>
<b>D: Entertainment duty</b>			
	Non/short recovery of entertainment duty	2	0.01
	<b>Total</b>	<b>2</b>	<b>0.01</b>
<b>E: Passengers and goods tax</b>			
	• Review on Receipts from passengers and goods tax	1	11.10
	• Other irregularities	28	0.27
	<b>Total</b>	<b>29</b>	<b>11.37</b>
	<b>Grand Total</b>	<b>75,150</b>	<b>109.19</b>

During the year 2005-06, the departments accepted under assessments of Rs.25.04 crore in 75,003 cases and recovered Rs.5.02 crore in 22 cases which pertain to earlier years.

A few illustrative cases highlighting irregularities involving financial effect of Rs.18.69 crore and a review on "Receipts from passengers and goods tax" involving Rs.11.10 crore are mentioned in this chapter.

## **5.2 Receipts from Passengers and Goods tax**

### *Highlights*

**Passengers tax amounting to Rs.5.78 crore including interest in respect of buses of co-operative transport societies, city bus service owners, maxi cabs, taxis and auto rickshaws for the period 2000-01 to 2004-05 was neither deposited nor demanded by the department.**

*(Paragraph 5.2.9)*

**Goods tax of Rs.4.18 crore (including interest) had neither been deposited by the owners of 5,301 goods vehicles nor demanded or recovered by the department.**

*(Paragraph 5.2.11)*

**Due to lack of co-ordination between the registration branch of motor vehicles and PGT branch in DTO offices, 174 maxi cabs registered with seven RTAs/DTOs, were not registered under the Act during the year from 2000-01 to 2003-04 which resulted in evasion of passengers tax of Rs.20.64 lakh.**

*(Paragraph 5.2.12)*

### *Recommendations*

**5.2.1** To improve revenue collection of the State, Government may consider to:

- put in place efficient co-ordination between registration branch of motor vehicles and PGT branch to safeguard and watch the collection of Government revenue.
- make provision of imposing (minimum/maximum) penalty mandatory upto certain percentage of tax in every case of default in payment of PGT to avoid violation of the provisions of the Act/Rules.
- internal audit wing needs to be strengthened to conduct internal audit in detail and guide the departmental officers to finalise recovery cases.

### *Introductory*

**5.2.2** Registration of motor vehicles, assessment, levy and collection of passengers and goods tax (PGT) are regulated under the provisions of the Punjab Passengers and Goods Taxation Act, 1952 (PPGT Act) and Rules made thereunder, as applicable to Haryana. All the motor vehicles carrying goods and passengers are required to be registered with the AETO of the district concerned, in which the owner of the vehicle has residence or place of business where the vehicle is normally kept in the State.

Passengers and goods tax is leviable on every vehicle at such rate as State Government may, by notification, prescribe from time to time under the Act and the Rules. After the close of the financial year or the closure of business, the assessments are framed and orders issued by the assessing authorities (AETOs) on the basis of returns filed and tax paid by the owners of the motor vehicles.

### ***Organisational Set up***

**5.2.3** The Financial Commissioner and Principal Secretary to Government of Haryana, Excise and Taxation\* Department is the administrative head at Government level. Overall charge of the department vests with the ETC, Haryana, Chandigarh, who is assisted by the AETC and JETC at headquarters. The work relating to levy and collection of PGT is carried out by the AETOs under the DETCs (upto June 2003 and from April 2006) and district transport officers (DTOs) (from July 2003 to March 2006) in the field.

### ***Audit Objectives***

**5.2.4** Detailed analysis of levy and collection of PGT was conducted with a view to ascertain:

- whether the motor vehicles have been registered under the PPGT Act and Rules;
- the efficiency and effectiveness of the system of levy and collection of PGT;
- extent of compliance with prescribed rules and procedures under the provisions of the PPGT Act and Rules with consequent revenue loss in the event of deviation thereto;
- whether suitable internal control mechanism exists in the department and the extent to which it was effective in monitoring the levy and collection of PGT and follow up action on prescribed returns/statements received from field offices.

### ***Audit coverage***

**5.2.5** The records of the offices of STC, Haryana, Chandigarh and all the 19\*\* DTOs in the State for the years from 2000-01 to 2004-05 were test checked in audit from May to November 2005.

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\* State Government transferred the work relating to registration of motor vehicles, levy and collection of PGT from Excise and Taxation Department to Transport Department in July 2003 and again transferred to Excise and Taxation Department in April 2006.

\*\* Ambala, Bhiwani, Fatehabad, Faridabad, Gurgaon, Hisar, Jhajjar at Bahadurgarh, Jind, Kaithal, Karnal, Kurukshetra, Mohindergarh at Narnaul, Panchkula, Panipat, Rewari, Rohtak, Sirsa, Sonipat and Yamunanagar at Jagadhari.

**Trend of revenue receipts**

**5.2.6** The budget estimates and actual receipts realised under the revenue head “PGT\*” during the years from 2000-01 to 2004-05 are given below:

(Rupees in crore)

Year	Budget estimates	Actuals	Difference excess (+)/shortfall (-)	Percentage of variation
2000-01	353	360.45	(+) 7.45	(+) 2.11
2001-02	385	488.05	(+) 103.05	(+) 26.77
2002-03	415	411.65	(-) 3.35	(-) 0.81
2003-04	455	416.56	(-) 38.44	(-) 8.45
2004-05	480	432.23	(-) 47.77	(-) 9.95

The reasons for shortfall in actuals during 2002-03 as compared to 2001-02 and variations of 26.77 per cent in actuals as compared to budget estimates in 2001-02 though called for in April 2006 have not been received (August 2006).

**Arrears of revenue**

**5.2.7** The arrears of revenue as on 31 March 2005 under the revenue head “PGT” amounted to Rs.52.06 crore. Year wise break up of arrears of tax for the years from 2000-01 to 2004-05 is as under:

(Rupees in crore)

Year	Opening balance	Addition during the year	Total arrears	Recovery during the year	Closing Balance
2000-01	14.64	NA	NA	NA	23.82
2001-02	23.82	13.96	37.78	5.45	32.33
2002-03	32.33	9.48	41.81	12.47	29.34
2003-04	29.34	14.38	43.72	13.85	29.87
2004-05	29.87	31.14	61.01	8.95	52.06

It would be seen from the above table that there was an increase in arrears during the years 2000-01, 2001-02 and 2004-05. The arrears substantially increased from Rs.14.64 crore during 2000-01 to Rs.52.06 crore (255.6 per cent) at the end of March 2005. As intimated by the department,

\* Figures of budget estimates and actuals relating to minor head “106-Tax on entry of goods into local area” have been excluded as it is levied and collected by Sales Tax Department. This is the reason for the variation in figures in Chapter I and figures as indicated here.

Rs.80.70 lakh was covered under recovery certificates; Rs.20.23 lakh was stayed by the Courts and other judicial authorities and Rs.0.37 lakh was proposed to be written off. Effective steps are required to recover the arrears which are increasing every year.

***Internal control***

**5.2.8** The STC prescribed returns relating to collection of tax, arrears of revenue, roadside checking, assessment cases and disposal of challan etc. which are required to be sent by field offices to headquarters office by 10<sup>th</sup> of every month. Further, under the PPGT Act, a 'demand and collection register' (DCR) is required to be maintained by each AETO. This register contains details of certificate of registration (RC) number, vehicle number, name and address of vehicle owner, period of validation, date from which liable to pay tax and collection of tax etc. At the time of registration of each vehicle under the Act, the above entries are made in the DCR under the signature of AETO incharge. In order to watch the recovery of tax and issue notices to the defaulters for effecting recovery of tax, AETO incharge is also required to review the DCR periodically. But no demand notices had been issued to defaulters.

It was noticed in audit that field offices had been sending monthly returns regularly to STC Haryana which were merely compiled to review the performance and no further instructions/directions were issued to field offices to reduce the arrears in revenue and dispose of challans promptly to augment Government revenue whereas the arrears of revenue and number of undisposed challans were increasing year after year.

After this was pointed out, the department stated in January 2006 that monthly statements regarding collection, assessment etc. are compiled and discussed in the meeting with the departmental officers to review the performance in respect of each district. But no minutes of meetings were prepared and issued to field offices.

With a view to improve levy and collection of taxes, reduce errors/omissions and irregularities, State Government established internal audit wing in the Transport Department. One post of senior accounts officer and four posts of section officers were sanctioned in the office of STC Haryana, Chandigarh for conducting the audit of PGT. Internal audit wing was required to conduct quarterly post audit before statutory audit by Accountant General (Audit). Audit scrutiny revealed that audit of 16 out of 19 district transport offices for the period from July 2003 to March 2005 was conducted during the years 2004-05 and 2005-06. Internal audit wing issued 108 inspection reports (IRs) during the years 2004-05 and 2005-06 and received replies of two IRs from tax collection point, Dhulkot. Neither the department initiated any action to furnish replies to IRs nor internal audit wing issued any reminder to get the replies. Thus internal audit system was not very effective.

***Non/short realisation of passengers tax***

***Transport co-operative societies***

**5.2.9.1** To provide employment to educated unemployed youth and to augment public transport in Haryana, the State Government formulated a scheme for grant of stage carriage permits to the co-operative societies of unemployed youth, on certain routes in the State in 1993. As per PPGT Act, permit holders plying buses on link roads of the State, are required to pay passengers tax in lumpsum on monthly basis by 20<sup>th</sup> of each month based on seating capacity of the bus at the rate prescribed from time to time. In the event of default, the owner of the motor vehicle is liable to pay interest at the rate of two *per cent* per month on the amount of tax remaining unpaid for a period not exceeding three months and at the rate of four *per cent* per month thereafter.

During test check of records of the offices of DTOs, it was noticed that in 17\* offices of DTOs, 211 transport co-operative societies either did not pay or paid short passengers tax during the years from 2000-01 to 2004-05. The department did not review the DCR to demand tax from the defaulting societies. This resulted in non/short realisation of tax of Rs.2.32 crore. Besides, interest<sup>∅</sup> of Rs.1.99 crore was also leviable.

After this was pointed out, 12\*\* DETCs intimated between March and June 2006 that a sum of Rs.39.91 lakh had been recovered and efforts were being made to recover the balance amount. Reply from the remaining five DETCs had not been received (August 2006).

***Maxi cabs, taxis and auto rickshaws***

**5.2.9.2** Passengers tax is levied and charged on all fares and freights in respect of passengers and goods carried by motor vehicles under PPGT Act and Rules. Passengers tax in respect of maxi cabs, taxis and auto rickshaws is payable in lumpsum at the rate of Rs.10,800, Rs.3,000 and Rs.1,800 per annum respectively which is to be paid in equal quarterly instalments within 30 days of the commencement of the quarter to which the payment relates.

During test check of records of the offices of DTOs for the years 2000-01 to 2004-05, it was noticed that in 17\*\*\* offices of DTOs, the owners of 1,898 vehicles (maxi cabs: 497; taxis: 80; auto rickshaws: 1,321) who were granted permits for carrying passengers did not deposit passengers tax. The

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\* Ambala, Bhiwani, Fatehabad, Faridabad, Gurgaon, Hisar, Jhajjar at Bahadurgarh, Jind, Kaithal, Karnal, Kurukshetra, Mohindergarh at Narnaul, Panipat, Rewari, Rohtak, Sirsa and Yamunanagar at Jagadhari.

∅ Interest calculated upto March 2006.

\*\* Ambala, Faridabad, Fatehabad, Gurgaon, Hisar, Kurukshetra, Mohindergarh at Narnaul, Rewari, Rohtak, Sirsa, Sonipat and Yamunanagar.

\*\*\* Ambala, Bhiwani, Faridabad, Gurgaon, Hisar, Jhajjar at Bahadurgarh, Jind, Kaithal, Karnal, Kurukshetra, Mohindergarh at Narnaul, Panchkula, Panipat, Rewari, Rohtak, Sonipat and Yamunanagar at Jagadhari.

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department also did not review the DCR to raise the demand of tax from defaulters. This resulted in non recovery of passengers tax of Rs.75.57 lakh and interest of Rs.56.54 lakh.

After this was pointed out, eight\* DETCs intimated between March and June 2006 that a sum of Rs.8.66 lakh had been recovered and efforts were being made to recover the balance amount. Reply from the remaining nine DETCs had not been received (August 2006).

### *City bus service*

**5.2.9.3** As per PPGT (Haryana Amendment) Rules, 2004, holders of permit for plying buses on roads within municipal corporation limit in Faridabad and Gurgaon districts are required to pay passengers tax at the rates prescribed for ordinary half body, ordinary full body and air conditioned full body buses at Rs.4,200, Rs.7,000 and Rs.12,000 per month respectively with effect from 23 February 2004. Passengers tax shall be payable by 20<sup>th</sup> of the month.

During scrutiny of records of the offices of DTO Faridabad and Gurgaon for the year 2004-05, it was noticed that 44 private bus operators granted permits for plying buses in city areas had neither deposited the monthly passengers tax nor was it demanded by the department. This resulted in non realisation of tax of Rs.9.44 lakh. Besides, interest of Rs.5.44 lakh, though leviable, was also not levied.

After this was pointed out, DETCs, Gurgaon and Faridabad intimated in May and June 2006 that a sum of Rs.3.88 lakh had been recovered and efforts were being made to recover the balance amount. Further progress of recovery had not been received (August 2006).

### *Non levy of interest*

**5.2.10** Under the PPGT Act and Rules, passengers tax is levied and charged on fares or freights in respect of passengers and goods carried by a motor vehicle. The Act further provides that when passengers and goods are carried by a motor vehicle on joint\*\* route (inter State) tax shall be leviable in respect of fare or freight for the distance covered within the State. In Haryana, passengers tax is levied and charged at the rate of 60 *per cent* of the value of fares or freights from 20 July 1973. In case of non payment of tax on due date, interest at the prescribed rate is leviable and recovery of tax and interest is recoverable as arrears of land revenue.

Test check of records of DTO Kaithal, Narnaul and Sirsa for the years 2000-01 to 2004-05 revealed that 91 inter State private transporters plying buses on joint routes were required to pay passengers tax of Rs.2.21 crore. The assessing authorities, while finalising the assessments for the years 1996-97 to 2004-05 between January 2004 and March 2005 assessed tax of

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\* Ambala, Faridabad, Gurgaon, Hisar, Kurukshetra, Mohindergarh at Narnaul, Rewari and Rohtak.

\*\* Joint route means a route which lies partly in the State of Haryana and partly in some other State/Union Territory.

Rs.6.13 crore including penalty of Rs.3.85 crore and interest of Rs.0.07 crore and adjusted Rs.1.19 crore already deposited by the owners of buses. Additional demand of Rs.4.94 crore was raised which was neither deposited by the transport operators nor any recovery proceedings as arrears of land revenue started. This resulted in non recovery of additional demand of Rs.4.94 crore. In addition, interest of Rs.4.36 crore was also leviable.

After this was pointed out, DETCs, Narnaul and Sirsa intimated between March and May 2006 that a sum of Rs.2.40 lakh had been recovered and efforts were being made to recover the balance amount. Further progress of recovery and reply from DETC Kaithal had not been received (August 2006).

#### ***Non realisation of goods tax and additional tax***

**5.2.11** Goods tax is leviable on public or private carriers used for carrying goods in or through the State of Haryana at the prescribed rates between Rs.3,500 and Rs.10,000 per annum on the basis of the gross laden weight of the vehicle under the provisions of the Act and Rules. Goods tax is recoverable in advance in equal quarterly instalments. In addition, additional tax at the rate of 10 *per cent* of the tax is also leviable. Failure to pay tax by due dates attracts interest and penalty at prescribed rates.

During the audit of records of the offices of 19 DTOs, it was noticed that goods tax was either not deposited or deposited short by the owners of 5,301 vehicles used for carrying goods in or through the State during the period from 2000-01 to 2004-05. The department neither demanded nor recovered goods tax amounting to Rs.2.38 crore for various quarters between April 2000 and March 2005 and interest of Rs.1.80 crore was leviable for non payment of tax due. This resulted in non recovery of goods tax amounting to Rs.4.18 crore including interest.

After this was pointed out, 10<sup>#</sup> DETCs intimated between March and June 2006 that a sum of Rs.37.24 lakh had been recovered and efforts were being made to recover the balance amount. Reply from the remaining nine DETCs had not been received (August 2006).

#### ***Non registration of maxi cabs***

**5.2.12** As per Motor Vehicles Act, 1988 read with the Punjab Motor Vehicles Act, 1924, the owners of stage/contract carriage and goods carriers are required to register their vehicles with the concerned AETOs under the Act and pay PGT at the prescribed rates on all fares and freights in respect of passengers carried and goods transported by motor vehicles. For failure to apply for registration, penalty not exceeding five times the amount of tax so assessed is also leviable. Further under the Punjab Motor Vehicles Act, 1924, regional transport authority (RTA)/DTO is required to ensure before issue of permits that the vehicle has been got registered with AETO under PPGT Act and PGT at the prescribed rates has been paid by the owner.

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<sup>#</sup> Ambala, Faridabad, Fatehabad, Gurgaon, Hisar, Kurukshetra, Mohindergarh at Narnaul, Rewari, Rohtak and Sonipat.



Cross check of records of registration of vehicles by seven\* offices of RTAs/DTOs with the records of concerned AETO (PGT) for the years from 2000-01 to 2004-05 revealed that 174 maxi cabs were issued permits between May 2000 and December 2003 by the RTAs/DTOs. But the owners of these maxi cabs had not got their vehicles registered with AETOs and paid passengers tax under the PPGT Act. Thus lack of co-ordination between the motor vehicles registration branch and the PGT branch in the office of DTO resulted in evasion of passengers tax of Rs.20.64 lakh. Besides penalty is also leviable.

### ***Non disposal of challans***

**5.2.13** Under PPGT Act, the prescribed authority may seize the licence of a driver/conductor, or the registration certificate of the vehicle in case the driver or conductor has contravened any provision of Act/Rules. He may detain such vehicle which is plying in the State without payment of tax or penalty, if any. Where the owner refuses to pay the tax or penalty, if any, or fails to produce any proof regarding the payment thereof, the prescribed authority shall issue challan as acknowledgement of documents or detaining vehicle with a direction to report for release of documents/vehicle within the period specified therein. The Act further provides that a penalty not exceeding Rs.2,000 upto 30 September 2003 and not exceeding Rs.5,000 thereafter shall be imposed for the above contravention.

During test check of records of the offices of 13\*\* DTOs, it was noticed that 2,026 vehicles were challaned for various offences under the Act/Rules during the period between 2000-01 and 2004-05 and the owners of the vehicles against whom offences were booked were required to report to the DTO/DETC office concerned within 7 to 10 days as stipulated in the challan for release of documents seized and vehicles detained. Year wise pendency of challans was as under:

<b>Year</b>	<b>Number of challans</b>
2000-01	Nil
2001-02	25
2002-03	44
2003-04	790
2004-05	1,167
<b>Total</b>	<b>2,026</b>

\* Fatehabad, Hisar, Jind, Karnal, Narnaul, Panchkula and Panipat.

\*\* Bhiwani, Fatehabad, Hisar, Jind, Kaithal, Karnal, Kurukshetra, Mohindergarh at Narnaul, Panipat, Rewari, Rohtak, Sonipat and Yamunanagar at Jagadhari.

Neither the offenders reported to the DTOs for deciding the challans nor any AETO issued notices after reviewing the challan register periodically for disposal of these pending cases (delay ranged between 12 and 54 months). This resulted in non levy/realisation of penalty of Rs.92.66 lakh.

After this was pointed out, six\* DTOs intimated in March and June 2006 that 180 (out of 1,467) challans had been disposed off and efforts were being made to dispose of remaining challans. But revenue realised in 180 challans disposed off was not intimated. Reply from remaining DETC offices had not been received (August 2006).

### ***Conclusion***

**5.2.14** The lapses enumerated in the foregoing paragraphs indicate lack of internal control mechanism in non/short realisation of PGT from vehicle owners and non follow up of suitable action to recover additional demand of tax raised after assessment. Lack of co-ordination between the registration branch of motor vehicles and PGT branch resulted in evasion of passengers tax due to non registration of maxi cabs under PPGT Act. As a result of these failures, the department lost revenue to the extent of Rs.11.10 crore in respect of test checked cases only.

### ***Acknowledgement***

**5.2.15** Audit findings as a result of test check of records of Excise and Taxation Department, Haryana were reported in May 2006 to Government with a specific request in June 2006 for attending the meeting of the Audit Review Committee so that the viewpoint of Government may be taken into account before finalising the review. The meeting was held on 21 June 2006 which was attended by the ETC, Haryana. The review was not discussed in the meeting and no comments were offered as PGT branch was transferred from Transport Department to Excise and Taxation Department in April 2006.

<b>Taxes on Motor Vehicles</b>
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### **5.3 Short realisation of permit and countersignature fee**

Under the Punjab Motor Vehicles Rules, 1940, as applicable to Haryana, DTOs are to issue permits after charging permit fee and countersignature fee at the rates prescribed for the regions under their jurisdiction and countersignature fee for each additional region of the State. The amount of fee is payable on the basis of number of regions included in the permit in the State. Government increased the number of regions from six to 10 in March 1999 and to 19 in February 2001. The permit and countersignature fee for heavy/light motor vehicles was payable at the rate of Rs.2,625/Rs.1,750 upto March 1999 and Rs.4,125/Rs.2,750 upto February 2001 and thereafter at the

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\* Hisar, Kurukshetra, Mohindergarh at Narnaul, Rewari, Rohtak and Sonipat.

rate of Rs.7,500/Rs.5,000 respectively for each block of five years. Further, in similar cases, the Public Accounts Committee (PAC) in its 44<sup>th</sup> Report relating to Audit Report 1991-92 presented to the State legislature on 21 March 1997 directed the department to effect recoveries on the basis of number of regions included in the permits. But no action has been taken so far.

During test check of records of 19\* DTOs, it was noticed between March 2004 and January 2006 that permits were granted for plying vehicles in 19 regions of the State. However, permit fee/countersignature fee in respect of 40,421 vehicles was recovered on the basis of six regions only. The fee was recovered at the rate of Rs.2,625/Rs.1,750 for each heavy/light motor vehicle instead of at the rate of Rs.7,500/Rs.5,000 for permits issued during the year 2003-04 and 2004-05. In spite of observations of the PAC, the department did not effect recoveries on the basis of number of regions included in the permit. This resulted in short realisation of permit fee/countersignature fee of Rs.18.45 crore.

After this was pointed out between March 2004 and January 2006, nine\*\* DTOs stated between October and December 2005 that the matter is under consideration of the headquarters (Transport Commissioner Haryana, Chandigarh) and permit fee would be charged on new rates on receipt of instructions from headquarters/Government. The reply was not tenable as no separate orders of Government/department were required to charge permit/countersignature fee at enhanced rates. DTOs Jind and Rohtak stated in September and October 2005 that permit fee is being charged on the basis of six regions. This reply was also not tenable as permit/countersignature fee was required to be charged on the basis of number of regions included in the permit for plying vehicles in the State. DTO Panipat stated in October 2005 that the notices of recovery will be issued. Further report and reply from remaining DTOs\*\*\* had not been received (August 2006).

The matter was referred to Government between May 2004 and February 2006; reply had not been received (August 2006).

#### **5.4 Non realisation of token tax from private service vehicles**

Under Motor Vehicles Act, 1988, motor vehicle having seating capacity between six and twelve (excluding driver) registered in the name of firms/companies are to be treated as “private service vehicles” and are required to be registered with RTA/DTO. Token tax at the rate of Rs.400 per seat per annum is chargeable instead of one time token tax chargeable for personal vehicles.

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*	2003-04	DTO Jind.
	2004-05	DTO Ambala, Bhiwani, Faridabad, Fatehabad, Gurgaon, Hisar, Jagadhri, Jhajjar, Jind, Karnal, Kaithal, Kurukshetra, Narnaul, Panipat, Panchkula, Rewari, Rohtak, Sirsa and Sonipat.
**		Ambala, Faridabad, Gurgaon, Karnal, Kaithal, Narnaul, Panchkula, Rewari, and Sonipat.
***		Bhiwani, Fatehabad, Hisar, Jagadhari, Jhajjar, Kurukshetra and Sirsa.

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During test check of records of three registering authorities (RAs)\*, for the year 2004-05, it was noticed in July and August 2005 that 118 private services vehicles were registered in the name of firms/companies and one time token tax was charged by the RAs irregularly instead of charging Rs.400 per seat per annum. This resulted in non realisation of token tax amounting to Rs.14.01 lakh.

After this was pointed out in July and August 2005, RAs Karnal and Hisar intimated in January 2006 that efforts were being made to recover the token tax due from the firms/companies. Further RA Panipat intimated in January 2006 that all the cases in which token tax was recoverable annually have been sent to DTO Panipat to effect recovery of tax from the defaulters. Further progress of recovery had not been received (August 2006).

The matter was referred to Government in September 2005; reply had not been received (August 2006).

### **5.5 Short realisation of bid money on stage carriage permits**

Under Motor Vehicles Act, 1988, "Private Bus Service Scheme in Haryana – Year 2001" was introduced for the grant of stage carriage permits to the existing co-operative societies under 1993 scheme, general public and new transport co-operative societies of unemployed youth on certain routes. The permits and rights of operation were to be given to the operators on lease for a period of five years by inviting bids and the route was to be allotted to the highest bidder. The bid money was required to be deposited before 10<sup>th</sup> of each month. In case of non payment of bid money, the authority may initiate action for suspension/cancellation of permit/imposition of penalty.

During test check of records of three DTOs\*\*, for the years 2002-03 and 2004-05, it was noticed between March 2004 and December 2005 that 15 transport co-operative societies were issued permits between February 2001 and May 2003 for a period of five years. These co-operative societies were required to deposit bid money in equal monthly instalments which was not deposited regularly. No action was taken either to suspend/cancel the permit or to levy penalty. This resulted in short realisation of bid money of Rs.10.19 lakh for the period between August 2002 and March 2005 besides penalty leviable.

After this was pointed out between March 2004 and December 2005, DTO Karnal intimated in February 2006 that recovery of Rs.52,800 had been made in one case and efforts were being made to recover the balance bid money. Further progress of recovery and replies from other DTOs had not been received (August 2006).

The matter was referred to Government between May 2004 and January 2006; reply had not been received (August 2006).

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\* Hisar, Karnal and Panipat.

\*\* Jind, Kaithal and Karnal.