

CHAPTER 4: TAXES ON VEHICLES, GOODS AND PASSENGERS

4.1. Results of audit

Test check of records of the departmental offices, conducted in audit during the year 2002-2003, revealed non/short realisation of tax and other irregularities amounting to Rs.19.36 crore in 246 cases, which broadly fall under the following categories:-

| (Rupees in crore) | | | |
|-------------------|----------------------------------|-----------------|--------------|
| | | Number of cases | Amount |
| 1. | Non/ short realisation of | | |
| | (i) Token tax | 95 | 1.07 |
| | (ii) Composite fee | 9 | 9.12 |
| | (iii) Passengers and Goods Tax | 28 | 0.38 |
| 2. | Evasion of | | |
| | (i) Token Tax | 34 | 2.49 |
| | (ii) Passengers and Goods Tax | 10 | 0.08 |
| 3. | Other irregularities | | |
| | (i) Vehicles Tax | 66 | 6.16 |
| | (ii) Passengers and Goods Tax | 4 | 0.06 |
| | Total | 246 | 19.36 |

During 2002-2003, the Department accepted under-assessments etc., of Rs.0.14 crore involved in 64 cases which had been pointed out in audit in earlier years. A few illustrative cases highlighting important observations involving financial effect of Rs.3.49 crore are given in the following paragraphs.

4.2. Working of National Permit Scheme

Highlights

4,083 bank drafts for Rs.97.74 lakh on account of composite fee received from other states were not credited to government account.

(Paragraph 4.2.9.)

Credit of bank drafts amounting to Rs.2.44 crore to government account had been delayed by 1 to 6 months.

(Paragraph 4.2.12.)

Composite fee of Rs.28.95 lakh was short realised from 14 States.

(Paragraph 4.2.16.)

Late issuance of notification resulted in short realisation of government revenue of Rs.28.24 lakh.

(Paragraph 4.2.17.)

Non provision for levy of interest for delayed remittance of bank drafts to government account led to loss of accrued interest of Rs.0.37 crore.

(Paragraph 4.2.20.)

Introductory

4.2.1. The National Permit Scheme was formulated by the Government of India in 1975 under the provisions of the Motor Vehicles Act, 1988, and the Rules made thereunder, namely, the Motor Vehicles (National Permits) Rules, 1975, to promote and facilitate long distance inter-state transportation of goods by road. Under this Scheme, the States and Union Territories are authorised to grant permits to owners of public carrier vehicles for carriage of goods throughout the territory of India or in such contiguous states not being less than four in number including the home-state.

For issue of National Permit, the intending operators are required to pay the prescribed permit fees and authorization fees to the home-State in addition to the Motor Vehicles Taxes levied by the home-state concerned as specified in their respective Motor Vehicles Taxation Laws. In addition, composite tax is also required to be paid (for each year) in advance to each State/Union Territory in which permission to operate the vehicle is granted as notified by the State/Union Territory concerned either at one time or in two equal six monthly instalments.

The composite fee for tourist permits is required to be paid in advance by a crossed bank draft in four equal instalments on or before 15th April, 15th July, 15th October and 15th January every year, and where the permit holder of tourist vehicle undertakes to pay the tax direct to the concerned State Transport Authority (STA) at the time of entry into his jurisdiction, the authorisation shall expressly state that it has been issued subject to payment of tax to the concerned STA. The composite fee payable to other states is received by the home state in the form of crossed bank drafts payable to the designated authorities of those states and is forwarded to the state concerned.

Organisational set-up

4.2.2. The National Permit Scheme is administered and monitored by the State Transport Department in Himachal Pradesh. Issue of National Permit, collection of all kinds of receipts and other ancillary functions under the scheme are discharged by the office of the STA, located at Shimla and the work of renewal of National Permits is done by the respective Regional Transport Authorities (RTA). The Transport Department consists of one Director Transport, as head of the Department who is assisted by the Secretary, State Transport Authority at Shimla, six Regional Transport Authorities and 51 Registering and Licensing Authorities in 12 districts of the State for the administration of the Central Motor Vehicles Act, 1988 and the Himachal Pradesh Motor Vehicles Taxation Act, 1972.

Audit objectives

4.2.3. Test check of the records of the STA/RTA was conducted for the period 1999-2000 to 2001-2002 with a view to ascertain, in the working of the national permit scheme:

- whether adequate provisions and sufficient controls exist in the Department for monitoring timely receipts and remittance of bank drafts into the government account;
- whether fee/penalty payable to the Government of Himachal Pradesh are realised at the prescribed rates;

Scope of audit

4.2.4. The records of the STA and six* RTAs for the years 1997-98 to 2001-02 were test checked between June 2002 and February 2003. The results are discussed in the following.

Trend of revenue

4.2.5. Revenue realised on account of National Permit Scheme during 1997-98 to 2001-02 was as under.

| Year | Budget estimates (Rs. in crore) | Actuals receipts (Rs. in crore) | % age variation (+) increase (-) decrease |
|-------------|--|--|--|
| 1997-1998 | 0.20 | 0.67 | 235.55 |
| 1998-1999 | 0.58 | 1.50 | 158.38 |
| 1999-2000 | 1.00 | 1.30 | 29.63 |
| 2000-2001 | 1.00 | 1.26 | 25.71 |
| 2001-2002 | 2.53 | 3.28 | 29.74 |

It would be seen from the above table that there was a huge variation (ranging between 25.71 and 235.55 *per cent*) between budget estimates and the actuals. This indicates that budget estimates were not realistic. No reasons were furnished for these huge variations.

4.2.6. A comparison of receipts under National Permit Scheme to the total receipts under MVT is given as under:-

| Year | Total revenue realised under MVT (Rs. in crore) | Receipts under National Permit Scheme (Rs. in crore) | Percentage of receipts under National permit Scheme to the total receipts. |
|-------------|--|---|---|
| 1997-1998 | 15.83 | 0.67 | 4 |
| 1998-1999 | 17.48 | 1.50 | 9 |
| 1999-2000 | 28.37 | 1.30 | 5 |
| 2000-2001 | 61.04 | 1.25 | 2 |
| 2001-2002 | 132.70 | 3.28 | 2 |

Thus, contribution of revenue under National Permit Scheme to the total receipts of the Department was highest in 1998-99 i.e. 9 *per cent*. Excluding this year, the contribution decreased from 5 *per cent* in 1999-2000 to two *per cent* in 2001-2002.

* Dharamsala, Hamirpur, Kullu, Mandi, Shimla and Solan

No reasons were furnished for this relative decline in the receipts.

Growth of permits

4.2.7. According to departmental records, the position of permits issued by the STA, Shimla and renewed by the RTAs during the five years ending March 2002 was as under:-

| Year | No. of permits issued | No. of permits renewed | Total no. of permits in operation at the end of the year | Percentage of increase/decrease of permits over the preceding year |
|-----------|-----------------------|------------------------|--|--|
| 1997-1998 | 2,554 | 2,897 | 5,451 | - |
| 1998-1999 | 1,753 | 6,321 | 8,074 | 48.12 |
| 1999-2000 | 1,917 | 7,443 | 9,360 | 15.93 |
| 2000-2001 | 2,217 | 5,402 | 7,619 | (-) 18.60 |
| 2001-2002 | 1,000 | 4,701 | 5,701 | (-) 25.17 |

The reasons for gradual decrease in the total number of permits in operation over the last 2 years were not furnished.

Remittance of bank drafts into Government account

4.2.8. In the office of the STA, Shimla the database of all bank drafts pertaining to composite fee received from transport authorities of other States were kept in computer before their remittance into bank. Under the Himachal Pradesh Financial Rules, 1971, the head of the office is required to ensure that departmental receipts collected during the day, are credited into the treasury on the same day or on the morning of the next working day. The validity of a bank draft is six months from the date of its issue. No provision has been made for levy of interest for late remittance of bank drafts into Government account.

A comparison of the data from covering letters of bank drafts received from various states and operators of the home state, challans of remittance of bank drafts into treasury and other related documents revealed that bank drafts valued at Rs.9.60 crore were received during 1997-98 to 2000-2001 against which bank drafts worth Rs.8.01 crore were deposited into Government account as detailed below:-

| Year | Money value as per covering letters of bank drafts etc. | Actuals | Difference |
|--------------|---|-------------|----------------|
| 1997-1998 | 1.53 | 0.67 | (-)0.86 |
| 1998-1999 | 2.04 | 1.50 | (-)0.54 |
| 1999-2000 | 1.35 | 1.30 | (-)0.05 |
| 2000-2001 | 2.20 | 1.26 | (-)0.94 |
| 2001-2002 | 2.48 | 3.28 | (+)0.80 |
| Total | 9.60 | 8.01 | (-)1.59 |

(Rupees in crore)

It would be seen from the above that bank drafts valued at Rs.1.59 crore were not credited to Government account.

Non-remittance of bank drafts into Government account

An analysis of the bank drafts received from STAs of other States but not credited or credited late to Government account is as under:-

4.2.9. Bank drafts received but not credited to Government account

Test check of records revealed that 4083 bank drafts amounting to Rs.97.74 lakh received between March 2000 and March 2002 from transport authorities of other states like Delhi, Uttar Pradesh, Punjab and Haryana etc. were neither credited to Government account nor returned to the issuing states/banks for revalidation.

On this being pointed out, the Department stated in November 2002 that the figures of bank drafts requires reconciliation between the total number of bank drafts received and credited to Government account. It further stated that efforts would be made to reconcile the account of bank drafts and factual position would be intimated. The reply of the department is not tenable as reconciliation should have been carried out well in advance with treasury records.

4.2.10. Bank drafts returned for revalidation but not received back

During test check of records of STA, Shimla it was noticed that 680 bank drafts involving money value of Rs.20.59 lakh returned to the bank for revalidation were not received back. Moreover, 731 bank drafts involving money value of Rs.37.44 lakh sent for revalidation during 2000-01 and 2001-02, were received back. However, there was nothing on record to indicate that the bank drafts received back were credited to Government account. Out of these, 680 number of bank drafts involving money value of Rs.20.59 lakh had not been received back as per details given below:

| Year | BDs not received | Amount (Rs. in lakh) | Delay as on 30.11.2002 ranged between |
|--------------|-------------------------|-----------------------------|--|
| 1997-1998 | 294 | 3.99 | 56 months and 67 months |
| 1998-1999 | 128 | 2.22 | 44 months and 55 months |
| 1999-2000 | 8 | 0.17 | 32 months and 43 months |
| 2000-2001 | 99 | 2.95 | 20 months and 32 months |
| 2001-2002 | 151 | 11.26 | 14 months and 22 months |
| Total | 680 | 20.59 | |

On this being pointed out, the Department stated in November 2002 that 35 bank drafts for Rs.1.41 lakh had been credited to Government account. No reply has been received in respect of the remaining bank drafts.

4.2.11. Bank drafts whose whereabouts were not known

During test check of records of the State Transport Authority, Shimla, it was noticed that bank drafts valued at Rs.24.76 lakh (composite fee: Rs.22.62 lakh, authorisation fee: Rs.2.14 lakh) were received between August 1997 and February 2001. Neither documentary evidence for their deposit into government account nor any information relating to return of these bank drafts to the concerned states/banks for revalidation was made available.

Late remittance of bank drafts into the banks

4.2.12. During review of the records of the STA, Shimla and the six* RTAs, it was noticed between June 2002 and February 2003 that 13455 bank drafts received on account of composite fee/authorisation fee valued at Rs.2.44 crore for years 1997-98 to 2001-02 were not credited to Government account immediately on their receipt (i.e. the month in which these were received). Their deposit into Government account was delayed for periods between one month and six months as detailed below:-

| Sr. No. | Period to which bank drafts relates | Bank drafts relates to | No. of banks drafts | Amount (Rs. in crore) | Delay ranged between |
|---------|-------------------------------------|------------------------|---------------------|-----------------------|----------------------|
| 1. | 2000-01 and 2001-02 | composite fee | 6,938 | 2.11 | 1 and 6 months |
| 2. | 1997-98 to 2000-01 | authorisation fee | 6,517 | 0.33 | 1 and 6 months |
| | Total | | 13,455 | 2.44 | |

Thus, government revenue remained blocked during this period.

The Department accepted the late remittance of the bank drafts and stated that due to paucity of staff bank drafts could not be remitted into Government account within its validity period. However, the fact remains that revenue amounting to Rs.2.44 crore was kept out of Government account for a period of one month to six months.

Late receipt of bank drafts from other states

4.2.13. A demand and collection register is required to be maintained for watching prompt receipt and disposal of bank drafts received from other states transport authorities.

It was noticed that 1,032 bank drafts valued at Rs.23.94 lakh on account of composite fee payable to the State of Himachal Pradesh as collected by the States of Punjab, Haryana, Jammu and Kashmir, Delhi and Union territory, Chandigarh during the years 1999-2000 and 2001-02 were sent late by one month to eleven months to the STA, Himachal Pradesh by the designated

* Dharamsala, Hamirpur, Kullu, Mandi, Shimla and Solan

authorities of those States. Thus, Government revenue of Rs.23.94 lakh remained blocked during this period.

The Department intimated in November 2002 that to ensure timely deposit of bank drafts of composite fee, meetings were being organised on monthly/bi-monthly basis. The reply of the Department is not tenable, as recoveries are required to be watched through demand and collection register and action for recovery taken accordingly. The authority has not made use of the demand and collection register, thus, defeating the very purpose of this register. Department could not ensure timely remittance of bank drafts.

Bank drafts pertaining to other states

The composite fee payable to other states is received by the home state in the form of crossed bank drafts payable to the designated authorities of those states and is forwarded to the state concerned. Bank drafts require revalidation if not deposited within the currency period of six months.

4.2.14. During the course of audit, it was noticed that 284 bank drafts valued at Rs.7.41 lakh payable to Haryana State received by the STA, Shimla from the operators of home State during the month of March 2000 and April 2000 were transmitted in December 2000 after the expiry of the validity period of six months. The concerned authority returned the bank drafts in February 2001 with the request to send these after revalidation.

On this being pointed out in audit, the STA, Shimla stated that 175 bank drafts were got revalidated and transmitted to the concerned authorities in June 2002. The remaining 109 bank drafts were sent to the concerned banks for revalidation. Further report has not been received.

4.2.15. It was noticed that 47,285 bank drafts valuing Rs.5.69 crore on account of composite fee payable to other states like Uttar Pradesh, Punjab, Rajasthan and Union Territory, Chandigarh etc. received by six* RTAs from the operators of home State during the years 1997-98 to 2001-02 were sent to the concerned states after delay ranging from one month to eighteen months.

Of these, 2,168 bank drafts valued at Rs.9.96 lakh on account of composite fee payable to Uttar Pradesh and Union Territory, Chandigarh received by the RTA, Mandi from the operators of home State during the month of March 1997 were sent to the concerned authorities in February/March 1998 after expiry of the validity period of six months. The concerned authorities returned the bank drafts to the RTA, Mandi in March 1998 for getting these revalidated. Though a period of more than 53 months had elapsed in June 2002 the bank drafts were still lying with the office.

On this being pointed out in audit, the RTA stated that the Director Transport Himachal Pradesh was requested to sanction revalidation charges amounting to Rs.21,680, but the sanction had not been received till August 2003. It was also stated that due to large number of bank drafts, considerable time was required to

* Dharamsala, Hamirpur, Kullu, Mandi, Shimla and Solan

sort out the demand drafts bank-wise and as such these bank drafts were sent late. However, due to the delay the Government would have to incur expenditure on revalidation of these bank drafts.

Thus inaction on the part of RTA resulted in incurring extra expenditure on the revalidation of the bank drafts. From the above facts it is evident that internal control of the department, for receipt, deposit and despatch of bank drafts is poor. There is a need for close monitoring of the disposal of bank drafts at apex level.

Short recovery of composite fee

4.2.16. The Government of Himachal Pradesh vide notification dated 15th December 1999 levied composite fee at the rate of Rs.2,500 for every six monthly period commencing from 1st April and 1st September every year.

During review of the STA, Shimla it was noticed that composite fee pertaining to the period April 2000 to March 2002 was not paid to Government of Himachal Pradesh at correct rates by the concerned states. As a result, composite fee of Rs.28.95 lakh was short realised. The STA had not taken any action to recover the differential amount from 14^v States.

No reply was furnished by the Department.

Delay in issue of notification

4.2.17. Government of India, Ministry of Surface Transport, communicated on 1st December 1993 to Government of Himachal Pradesh enhancement, the rate of composite fee to Rs.3,000 per year from Rs.1,500 per year in accordance with the decision taken in the meeting of the Transport Development Council. The Government of Himachal Pradesh forwarded the Ministry's communication to the Director Transport on 8th December 1993 for issue of appropriate notification. However, the notification was issued only on 15th December 1999 i.e. after a delay of six years.

During the course of audit it was noticed that during the period of delay the fee was received @ Rs.1,500 per annum instead of Rs.3,000 per annum in respect of 3,668 cases from 1994-95 to 1999-2000 resulting in short realisation of government dues by Rs.28.24 lakh.

On this being pointed out, the Department stated that recommendations of the council were advisory in nature and that the Department had not fixed any rate of composite fee prior to 15th December 1999. The reply of the Department is not tenable as delay in getting the notification issued led to loss of revenue amounting to Rs.28.24 lakh to the State exchequer.

^v Andhra Pradesh, Chandigarh (UT), Delhi (UT), Gujrat, Haryana, Karnataka, Maharashtra, Nagaland, Punjab, Rajasthan, Tamilnadu, Uttar Pradesh, Uttranchal and Jammu and Kashmir

Non levy /short levy of penalty

4.2.18. Under the National Permit Scheme, the prescribed annual composite fee is required to be paid in advance by the permit holders either in full for the whole year on or before 15th March or at the option of the operator in two equal instalments on or before 15th March and 15th September every year. For failure to pay the fee within the prescribed period, the operators, in addition to composite fee, are liable to pay penalty of Rs.100 per month or part thereof till the default continues.

Test check of records of the STA, Shimla revealed that in 769 cases, composite fee payable between 1997-98 and 2000-01 to Himachal Pradesh by the permit holders of the states of Punjab, Haryana, Uttar Pradesh, Delhi and Union Territory of Chandigarh was paid late ranging between one month to five months. However, penalty of Rs.5.97 lakh for late payment of composite fee was either not levied or levied short as detailed below:

(Rupees in lakh)

| Name of State | Year wise penalty | | | | | |
|---------------|-------------------|-------------|-------------|-------------|-------------|-------------|
| | 1997-98 | 1998-99 | 1999-2000 | 2000-01 | 2001-02 | Total |
| Haryana | 0.87 | 1.17 | 0.40 | 0.19 | 0.16 | 2.79 |
| Uttar Pradesh | 0.58 | 0.50 | 0.24 | 0.09 | 0.12 | 1.53 |
| Chandigarh | 0.09 | 0.10 | 0.03 | 0.02 | 0.04 | 0.28 |
| Punjab | 0.48 | 0.40 | 0.14 | 0.13 | 0.07 | 1.22 |
| J&K | 0.02 | 0.04 | 0.01 | -- | 0.03 | 0.10 |
| Delhi | 0.04 | 0.01 | -- | -- | -- | 0.05 |
| Total | 2.08 | 2.22 | 0.82 | 0.43 | 0.42 | 5.97 |

The State Government also did not take up matter with the authorities concerned of the authorising states for levy of penalty.

Short/non recovery of composite fee for other States

4.2.19. The composite fee is payable in accordance with notifications issued from time to time. Government of other States had issued notification to enhance the composite fee from Rs.1,500 to Rs.3,000/ Rs.5,000 per year from time to time.

During the course of audit it was noticed that composite fee of Rs.6.35 crore pertaining to other States was due from 1,414 operators from Himachal Pradesh during the period October 1993 to March 2002. The state-wise detail of composite fee payable to states concerned was not available on record as such composite fee payable to each could not be ascertained. However, the amount recoverable by each RTAs of Himachal Pradesh from the operators is detailed below :-

| Sr. No. | Name of the RTA | No. of operators | Amount of composite fee (Rs. in crore) |
|---------|-----------------|------------------|--|
| 1. | Dharamsala | 158 | 0.53 |
| 2. | Hamirpur | 366 | 1.62 |
| 3. | Mandi | 348 | 1.69 |
| 4. | Kullu | 228 | 1.15 |
| 5. | Shimla | 244 | 0.89 |
| 6. | Solan | 70 | 0.47 |
| | Total | 1,414 | 6.35 |

No action was taken by all the six RTAs for recovery of composite fee. However, the Department stated between 2002 and February 2003 that efforts would be made to effect the recovery by issuing notices to defaulters. Further report has not been received (August 2003).

Loss of revenue due to delayed remittances

4.2.20. Test check of records revealed that some of the bank drafts were either not credited at all or were credited late into the treasury. Timely remittance into banks and credit to Government account would have resulted in saving of government revenue of Rs.37.20 lakh by way of interest (calculated at the minimum borrowing rates of 12.5 per cent per annum). The details are given below:-

(Rupees in crore)

| Sr.No. | Period during which Bank Drafts received | No. of Bank Drafts | Amount of Bank Drafts | Date of deposit | Delay in months | Loss from Interest accrued |
|--------|--|--------------------|-----------------------|-----------------------------------|-----------------------|----------------------------|
| 1. | March 2000 and March 2002 | 4,083 | 0.98 | Not yet deposited (November 2002) | 8 months to 32 months | 0.28 |
| 2. | 1997-98 to 2001-2002 | 13,455 | 2.44 | May 1997 and September 2001 | 1 month to 6 months | 0.09 |
| | Total | 17,538 | 3.42 | | | 0.37 |

On this being pointed out in audit, the Department did not furnish any reasons for non/late remittance of these bank drafts into the Government account.

Recommendations

4.2.21. The State Government may consider taking following steps to improve the effectiveness of the system:

- internal control mechanism should be devised in the Department to ensure timely remittance of bank drafts and their credit to Government account;
- treasury reconciliation should be carried out every month well in time;
- there should be co-ordination among the states to exchange information regarding number of operators who are authorised to ply their vehicles in other states;
- the State Government should develop a strong internal control system to check the deficiencies and lapses in implementation of the various provisions of Acts, Rules and of instructions issued by the State Government/department so that the revenue receipts due to the Government are collected forthwith.

The above findings were reported to the Department and to the Government in April 2003; their replies have not been received (August 2003).

4.3. Short realisation of token tax

Under the Motor Vehicles Taxation Act, 2001, the rates of tax on goods vehicles and stage carriages were revised with effect from 18th October 2001. Besides, rebate of tax at the rate of 10 *per cent* in respect of person holding more than 25 vehicles was withdrawn. By another notification of 10 September 2002, the rates in respect of stage carriage were again revised.

During audit of twenty three[@] Registering and Licensing Authorities, it was noticed that in 4,436 cases of token tax in respect of stage and goods carriage, between October 2001 and January 2003 was charged incorrectly either by applying pre-revised rate or by allowing inadmissible rebate. This resulted in short realisation of token tax amounting to Rs.55.99 lakh.

The matter was reported to the Department and to the Government between April 2002 and March 2003; replies have not been received (August 2003).

4.4. Non/short realisation of special road tax

The Himachal Pradesh Motor Vehicles Taxation Act, 1972, as amended in 1999 provides for levy and collection of special road tax in advance at specified rates, for stage carriage transport vehicles plying on the National Highways, Intra-State/Inter-State routes, State Highways, and rural roads, and for local buses/mini-buses operating within a radius of 30 kilometers.

During audit of 4* RTAs, it was noticed that special road tax was either not levied at all or was levied short. This resulted in non/ short realization of revenue amounting to Rs.37.86 lakh.

[@] Arki, Barsar, Baijnath, Bilaspur, Chamba, Dehra, Dharamsala, Hamirpur, Kullu, Kangra, Mandi, Nahan, Nadaun, Nurpur, Palampur, Rampur, Rekong Peo, Rohroo, Sarkaghat, Shimla(U), Sundernagar, Theog and Una

* Shimla, Solan, Kullu and Dharamsala

The matter was reported to the Department and to the Government in February 2003; reply has not been received.

4.5. Short realisation of one time token tax

Under the Himachal Pradesh Motor Vehicles Taxation (Amendment) Act, 2001, effective from 18th October 2001, a one time token tax based on the price of personal motor vehicle and motor cycle/scooter was levied. Category wise rates of tax were notified on 15th December 2001, to be applied retrospectively with effect from 18th October 2001.

During audit of 11^s Registering and Licensing Authorities, it was noticed that in the case of 547 vehicles registered between 18th October 2001 and 25th March 2002, one time token tax was realised on the basis of unladen weight of the vehicles instead of price of the vehicles. This resulted in short realisation of token tax amounting to Rs.11.68 lakh.

The matter was reported to the Department/Government between July 2002 and April 2003; replies have not been received.

4.6. Non levy of special registration fee

Under the Himachal Pradesh Motor Vehicles (Amendment) Rules, 2001, special registration fee for the allotment of registration mark of choice is chargeable with effect from 10th August 2001.

During audit of six^c Registering and Licensing Authorities, it was noticed that special registration fee amounting to Rs.1.82 lakh chargeable for the allotment of registration marks to 145 vehicle owners, during 10th August 2001 to 27th March 2002 was not levied.

On this being pointed out in audit, the authorities concerned stated that necessary action would be taken. Further report had not been received till August 2003.

The matter was reported to the Department/Government between July 2002 and February 2003; replies have not been received.

4.7. Non realisation of token tax

Under the provisions of the Motor Vehicles Act, 1988, before granting the no objection certificate to a owner of a motor vehicle, the registering authority shall verify whether all the amounts due to Government including road tax in respect of that motor vehicle have been paid.

During audit of the records of Registering and Licensing Authority, Palampur, it was noticed that two vehicles owners were issued no objection certificates

^s Barsar, Baijnath, Dharamsala, Hamirpur, Kullu, Nadaun, Palampur, Sundernagar, Solan, Theog and Una.

^c Barsar, Baijnath, Dharamsala, Hamirpur, Nadaun and Theog

without realising token tax amounting to Rs.1.14 lakh for the period April 1997 to December 2001.

On this being pointed out, the Registering and Licensing Authority stated in February 2002 that recovery would be effected. Further report has not been received (August 2003).

The matter was reported to the Department/ Government in March 2002; reply has not been received (August 2003).

4.8. Vehicles not registered with the Excise and Taxation Department

As per Motor Vehicles Act, 1988, read with the Himachal Pradesh Motor Vehicles Taxation Act, 1972, the owners of goods carriers are required to register their vehicles with the concerned Excise and Taxation Officers under the Himachal Pradesh Passengers and Goods Taxation Act, 1955, and pay goods tax at the prescribed rates on all freights in respect of goods transported by motor vehicles. For failure to apply for registration, penalty not exceeding five times the amount of tax so assessed, subject to a minimum of five hundred rupees is also leviable.

During test check of records of five* Assistant Excise and Taxation Commissioners, it was noticed that 342 goods vehicles registered with the Registering and Licensing Authorities, were not registered with the Excise and Taxation Department. As a result, goods tax of Rs.6.64 lakh for the period falling between January 2001 and March 2002 was not paid by the owners of the vehicles. A minimum penalty of Rs.1.71 lakh was also leviable.

On this being pointed out in audit, the department stated between November 2002 and May 2003 that goods tax amounting to Rs.0.84 lakh had been recovered. Reports of recovery of remaining amount and replies in respect of Mandi and Una have not been received (August 2003).

The matter was reported to Government between August 2002 and April 2003; replies have not been received (August 2003).

* Bilaspur, Hamirpur, Mandi, Shimla and Una.