

## CHAPTER V MOTOR VEHICLES TAX

### 5.1 Results of audit

Test check of records relating to taxes on motor vehicles, conducted in audit during the year 2002-03, revealed non/short-realisation of revenue amounting to Rs.3.82 crore in 87 cases, which broadly fall under the following categories :

<i>(Rupees in crore)</i>			
Sl. No.	Categories	No. of cases	Amount
1.	Non/short levy/realisation of tax, fee, fine and penalty	77	3.61
2.	Loss of revenue	10	0.21
<b>Total</b>		<b>87</b>	<b>3.82</b>

During the course of the year 2002-03, the concerned Department accepted underassessments etc. of Rs.14.40 crore in 142 cases of which 59 cases involving Rs.2.57 crore had been pointed out in audit during the year 2002-03 and the rest in earlier years. An amount of Rs.2.91 lakh was realised at the instance of audit.

A few illustrative cases involving Rs.1.92 crore highlighting important observations are given in the following paragraphs:

### 5.2 Loss of revenue due to delay in issue of notification relating to fees

The Government of India, Ministry of Road Transport and Highways in a notification dated 28 March 2001 enhanced the rates of fees for grant and renewal of certificate of fitness, driving licence and registration to various types of motor vehicles from 28 March 2001 by an amendment of the Central Motor Vehicles Rules, 1989.

Review of records of seven<sup>1</sup> Regional Transport Offices (RTOs) revealed that the said notification was forwarded by the State Government to various RTOs on or after 25 June 2001. The RTOs actually started realisation of fees at revised rates from different dates between 25 June and 2 September 2001. This delayed

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<sup>1</sup> Asansol, Barasat, Barrackpore, Burdwan, Chinsurah, Howrah and Midnapore.

implementation of enhanced rate of fees resulted in short realisation of fees of Rs.69.24 lakh in 71,615 cases as shown below:

*(Rupees in lakh)*

Fees	No. of cases	Amount
Certificate of fitness	4,248	12.98
Driving licence	53,878	43.69
Registration/assignment of new registration mark	13,489	12.57
<b>Total</b>	<b>71,615</b>	<b>69.24</b>

On this being pointed out, the RTO, Burdwan stated in May 2002 that action would be taken to realise Government dues while other RTOs stated that due to delay in receipt of notification, fees at enhanced rate could not be realised in time. The report on further development had not been received upto November 2003.

The cases were reported to Government between June and September 2002; their reply has not been received (November 2003).

### **5.3 Loss of revenue due to delay in issue of notification relating to fine**

Government of India, Ministry of Surface Transport in their notification dated 5 March 1997 directed all the State Governments to realise minimum fine of Rupees two thousand from each goods carriage detected while plying with load in excess of permissible load, in addition to fine of rupees one thousand per tonne of excess load in accordance with the provisions of the Motor Vehicles Act, 1988. This instruction was circulated by the Transport Department, Government of West Bengal to all the RTOs in April 1997, but no notification was issued in this regard till April 2002 as required under Section 200(1) of the Act.

Scrutiny of records of nine<sup>2</sup> Regional Transport Offices revealed that the Enforcement Authorities did not realise fine at the prescribed rate from 1,208 goods carriages detected plying with excess load between march 1998 and March 2002 as per the instruction circulated. The non-realisation was due to non-issue of notification by the State Government in this regard. This delay in issue of notification resulted in loss of revenue of Rs.24.16 lakh.

<sup>2</sup> Alipurduar, Asansol, Balurghat, Bankura, Burdwan, Durgapore, Malda, Purulia and Raiganj.

On this being pointed out, the Enforcement Authority of Malda stated in September 2002 that they started levy of such fine after issue of notification in April 2002, while the remaining Enforcement Authorities furnished no specific reply.

The cases were reported to Government between January 2001 and November 2002; their reply has not been received (November 2003).

#### **5.4 Non-realisation of road tax, additional tax and penalty from articulated vehicles, breakdown vans , cranes etc.**

Under the provisions of the West Bengal Additional Tax and One-time Tax Motor Vehicles Act, 1989 read with clarificatory orders of the Government dated December 1998 and August 1999, additional tax at the rate of 50 per cent of road tax, leviable under the West Bengal Motor Vehicles Tax Act, 1979, is leviable on articulated vehicles, breakdown vans, cranes, dumpers, tippers etc. Both the Acts provide for levy of penalty of an amount equal to tax in case of non-payment of tax beyond 75 days from the due date of payment.

Scrutiny of records in seven<sup>3</sup> Regional Transport Offices revealed that in 322 cases road tax, additional tax and penalty on articulated vehicles<sup>4</sup>, breakdown vans, cranes, dumpers and tippers for different periods between December 1998 and July 2002 were not realised. This resulted in non-realisation of tax, additional tax and penalty of Rs.50.85 lakh.

On this being pointed out, the Transport Officers of Barrackpore and Howrah stated that there is no provision in the Act for levy of additional tax on tippers and dumpers. The reply is not tenable as specific entry for levying additional tax has been provided in Schedule I of the Act, 1989. Besides, the Department in their orders dated December 1998 and August 1999 had clarified that the additional tax is payable in these cases. The Public Vehicles Department, Kolkata stated in May

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<sup>3</sup> Barrackpore : 84 Tipper, 2 Crane, 1 Dumper; Barasat : 24 Tipper, 9 Dumper, 1 Articulated Vehicle, 3 Crane, 4 Breakdown Van; Durgapore : 56 Tipper, 44 Dumper; Tamluk : 12 Tipper, 6 Dumper; Howrah : 8 Tipper, 14 Dumper; Alipore: 28 Tipper, 8 Dumper, 4 Crane; PVD (Kolkata): 14 articulated vehicles.

<sup>4</sup> Articulated vehicle means a tractor to which a trailer is attached in such a manner that a part of the trailer is superimposed on, and a part of the weight of the trailer is borne by the tractor.

2003 that demand notices were being issued while the Transport Officers of remaining cases furnished no specific reply.

The cases were reported to Government between September 2001 and March 2003; their reply has not been received (November 2003).

### **5.5 Non/short realisation of road tax, additional tax and penalty from different kinds of vehicles**

The West Bengal Motor Vehicles Tax Act, 1979 and the West Bengal Additional Tax and One-time Tax on Motor Vehicles Act, 1989 prescribe the rate of taxes on motor vehicles according to their use, seating capacity and weight as the case may be. Both the Acts provide for levy of penalty also at an equal rate of tax in case of non-payment of tax beyond 75 days from the due date for payment of tax.

Scrutiny of records of nine<sup>5</sup> Regional Transport Offices revealed that an amount of Rs.35.37 lakh was realisable from 210 vehicles on account of road tax, additional road tax and penalty. Of this, Department realised Rs.7.48 lakh only. This resulted in non-realisation of Rs.27.87 lakh as detailed below:

*(Rupees in lakh)*

No. and type of vehicles	Realisable			Realised			Non/short realisation of tax, additional tax and penalty
	Road Tax	Additional Tax	Penalty	Road Tax	Additional Tax	Penalty	
65 goods carriages	7.64	--	5.58	0.93	--	Nil	12.29
21 express buses	--	5.04	5.04	--	Nil	Nil	10.08
124 omnibuses	6.43	5.62	--	5.01	1.54	--	5.50
<b>Total: 210</b>	<b>14.27</b>	<b>10.66</b>	<b>10.62</b>	<b>5.94</b>	<b>1.54</b>	<b>Nil</b>	<b>27.87</b>

On this being pointed out in audit, the Regional Transport Officers of Asansol and Barasat stated between August 2001 and May 2002 that action would be taken to realise the amount. The Regional Transport Officers of Jalpaiguri, Midnapore and Public Vehicles Department, Kolkata stated that demand notices were issued/would be issued while the other RTOs furnished no specific reply. Report on further development had not been received till November 2003.

<sup>5</sup> Asansol : 14; Barasat : 2; Midnapore : 46, Jalpaiguri : 6, PVD (Kolkata):21; Suri :4; Howrah:96; Krishnanagar : 6 and Alipore : 15.

The cases were reported to Government between September 2002 and January 2003; their reply has not been received (November 2003).

#### **5.6 Non-realisation of fine due to non-prosecution of offence cases in the Court of Law**

In pursuance of power conferred by the Motor Vehicles Act, 1988, the State Government prescribed rates of fines effective from July 1995 for compounding various offences while plying motor vehicles, which are punishable with imposition of fine in accordance with the provisions of the Act. As per provisions of the West Bengal Motor Vehicle Rules, 1989, the Compounding Officer<sup>6</sup> shall compound the offence with the consent of the offender and issue notice for payment of compounded fine, within seven days from the date of issue of the notice. In case of non-payment of tax within the said period, he shall refer the case to the Court of Law for the prosecution of the offender.

Audit of records in three<sup>7</sup> Regional Transport Offices revealed that the Compounding Officers did not prosecute the offending drivers/owners of motor vehicles for their failure to pay compounded fines of Rs.13.85 lakh after expiry of the period of notices in 361 offence cases detected between April 1997 and January 2002. This resulted in non-realisation of fine of Rs.13.85 lakh.

On this being pointed out, Compounding Officer of Midnapore admitted in May 2002 the fact of non-reference of offence cases to the Courts of Law. However, steps taken for prosecution of the offence cases were not intimated. Reply had not been received from other Compounding Officers till November 2003.

The cases were reported to Government between June and September 2002; their reply has not been received (November 2003).

#### **5.7 Non/short realisation of fine on vehicles in course of renewal of expired certificates of fitness**

Under the Motor Vehicles Act, 1988 no transport vehicle can ply without a valid certificate of fitness (CF). For renewal of certificate of fitness the owner of a

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<sup>6</sup> Compounding Officer means the officer vested with the powers of compounding offences.

<sup>7</sup> Tamluk, Howrah and Midnapore.

vehicle is required to apply one month before its expiry. The State Government by a notification issued in July 1995 prescribed fine at the rate of Rs.3,000 on goods carriages for compounding of such offences by the enforcement authorities.

Scrutiny of records of two<sup>8</sup> Regional Transport Offices revealed that the CFs of 224 goods carriages were renewed between September 1996 and December 1999 after expiry of their validity periods with a delay upto three years. The Enforcement Authority failed to detect such vehicles in the course of their illegal plying with lapsed/expired CFs. Thus, failure to detect illegal plying of vehicles resulted in non-levy of fine of Rs.6.16 lakh.

On this being pointed out, the Regional Transport Officer, Siliguri stated that strict vigil would be kept on the vehicles plying without CF for realisation of fine. No reply was received from the other RTO.

The cases were reported to Government between August 1999 and November 2002; their reply has not been received (November 2003).

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<sup>8</sup> Kolkata, Siliguri.