

2 x weeks

कार्यालय, महालेखाकार (लेखा परीक्षा), बिहार, पटना

पत्र संख्या:- राजस्व - II -

दिनांक : 31.3.17

सेवा में,

जिला परिवहन पदाधिकारी

सहरसा

विषय :- निरीक्षण प्रतिवेदन संख्या-राजस्व - II 270/2016-17 का अग्रसारण

महोदय,

आपके कार्यालय के शीर्ष "0041" & "2041" पर, जिनकी लेखा परीक्षा श्री नरेश कुमार सिंह

लेखा परीक्षा अधिकारी एवं सर्वश्री राजेश कुमार एवं विजय कुमार - 103

सहायक लेखा परीक्षा अधिकारी ने दिनांक 22.02.17 से 03.03.17 तक की थी, आपको सूचनार्थ एवं आवश्यक कार्रवाई हेतु अग्रसारित की जा रही है।

2. उक्त निरीक्षण प्रतिवेदन की निम्नलिखित कड़िकाओं की ओर आपका ध्यान आकृष्ट किया जाता है।
कड़िका संख्या..... 01 & 08

3. अनुरोध है कि इस प्रतिवेदन पर की गई कार्रवाई को बताते हुए प्रतिवेदन के प्राप्त होने के एक महीने के भीतर पूर्ण उत्तर अपने नियंत्रण पदाधिकारी के गंतव्य के साथ इस कार्यालय को भेज दें।

4. कड़िका 01 & 04 पर उत्तर भेजने में शीघ्रता की जाए, क्योंकि अगले लेखा परीक्षा प्रतिवेदन में शामिल करने के लिए मामले पर ड्राफ्ट पारा बनाये जाने की संभावना है।

5. इस प्रतिवेदन का लेखा परीक्षा टिप्पणी टेस्ट ऑडिट नोट के संबंध में कोई उत्तर देने की आवश्यकता नहीं है, क्योंकि उत्तर की जांच अगली लेखा परीक्षा द्वारा की जायेगी।

6. यह निरीक्षण प्रतिवेदन उप महालेखाकार (राज्य राजस्व) द्वारा अनुमोदित है।

आपका विश्वासभाजन,

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लेखा परीक्षा अधिकारी,
बिहार, पटना

ज्ञापांक संख्या:- राजस्व - II - 713

दिनांक :- 31.3.17

निरीक्षण प्रतिवेदन की प्रति के साथ अग्रसारित

राज्य परिवहन आयुक्त, बिहार, पटना

को प्रतिवेदन की ओर विशेष रूप से ध्यान आकृष्ट कराते हुए।

सचिव, वित्त विभाग, बिहार, पटना

को प्रतिवेदन की ओर विशेष रूप से ध्यान आकृष्ट कराते हुए।

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को प्रतिवेदन की ओर विशेष रूप से ध्यान आकृष्ट कराते हुए।

आयुक्त

लेखा परीक्षा अधिकारी
बिहार, पटना

OFFICE OF THE ACCOUNTANT GENERAL (AUDIT), BIHAR PATNA.

I.R. No.: RS (HQ) 270/2016-17

PART-I

INTRODUCTORY

1. Name of office inspected : District Transport Office, Saharsa
2. Scope of audit : " 0041&2041- Taxes on Motor Vehicles"
3. Period of audit : September 2014 to January 2017
4. General financial position:-

Revenue collected against target for the year 2014-15 to 2016-17 was as under :-

Year	Target fixed (in lakh)	Collection (in lakh)	Percentage
2014-15	912.00	886.99	97.25
2015-16	1191.00	1079.54	90.64
2016-17 (upto January 2017)	1130.00	960.78	85.02

5. Whether account records were inspected by higher departmental authorities / internal audit/ auditors of finance accounts during the period from Sept 14 to Jan 17 : Yes, Joint commissioner cum Secretary, Regional Transport Authority, Munger inspected the office from 24.10.16 to 25.10.16.
6. General remarks : The irregularities noticed during audit and not settled on the spot is incorporated in the Part II of this inspection report.
7. Was the report discussed? Yes, with DTO, Saharsa on 03.03.2017

DISCLAIMER

“The report has been prepared on the basis of information furnished and made available by the Office of the District Transport Office, Saharsa. The Office of the Accountant General (Audit), Bihar, Patna disclaims any responsibility for any misinformation and/ or non-information on the part of auditee Office”.

PART – II

“Section-A”

Para 1: **Delivery of motor vehicles without temporary registration;Rs. 198.14 lakh.**

Rule 42 of the CMV Rules provides that no dealer of vehicle can deliver the unregistered motor vehicle to the purchaser. He can only deliver the vehicles which are temporarily/permanently registered in the district transport offices. Further, Section 39 of MV Act provides that no owner of a motor vehicle can allow or permit the use of unregistered vehicle and no person can drive a motor vehicle, which is not registered. The delivery of motor vehicle to a purchaser without registration either temporary or permanent, violates the provisions of Section 39 of the Act *ibid*. The violation of the provisions of Section 39 of the Act entail the consequences contemplated under Rule 44 of the CMV Rules. Transport Department, Government of Bihar has already issued an instruction (28 July 2009) in this regard. Further, in case of not complying the above provisions of the Act a minimum fine of Rs 2,000 shall be levied under the provisions of Section 192, of MV Act.

During scrutiny of registration records of *VAHAN* database in District Transport Office, Saharsha, we observed that 05 bona-fide dealers of two wheelers delivered 9,089 vehicles to the purchasers during Jan 2015 and October 2016 without registration. The Registering Authority Saharsha issued registration mark to these motor vehicles with delay ranging between 01 to 2933 days which were delivered to the purchasers without registration, whether temporary or permanent, in contravention of the aforesaid rules. No action was taken by the Registering Authority against these dealers for

violation of the provisions of the Act/Rules. Further, the owners of these vehicles were liable to pay fine under Section 192 of the MV Act. Thus, there was a loss of revenue in shape of temporary registration fee of Rs 8.18 lakh and also fine of Rs 189.96 lakh was not levied as detailed in **Annexure-I**

On this being pointed DTO, Saharsa stated that necessary action would be taken in this matter. However, temporary registration has been started from January 2017.

Result may be communicated to audit.

Para 2: Non registration of tractor-trailer combination as Transport Vehicles (Goods Carriage);Rs. 39.50 lakh.

“Trailer” is separately defined under section 2 (46) to mean any vehicle drawn or intended to be drawn by motor vehicle. The word “Tractor” is defined in section 2 (44) to mean a motor vehicle which is not itself constructed to carry any load. The word “Motor Vehicle” includes any mechanically propelled vehicle apt for use upon roads irrespective of the source of power and it includes a trailer. Therefore the tractor-trailer would constitute a “goods carriage” under section 2 (14) and consequently, a transport vehicle under 2 (47).

During scrutiny of registration records in VAHAN database of DTO, Saharsa it was observed that 1026 tractor having no trailer were registered as commercial vehicles (Goods Carriage) during September 2014 and October 2016. Although, tractor itself not constructed to carry any load. Therefore, even though a trailer is drawn by a motor vehicle, it by itself a motor vehicle, therefore, tractor-trailer would constitute a “goods carriage” and

consequently, a “transport vehicle”. Registration of tractors without trailer resulted in non-realization of registration and permit fees amounting to Rs 3950100. The details of vehicle are given in **Annexure-II**.

On this being pointed DTO, Saharsha stated that necessary action would be taken.

Result may be communicated to audit.

Para 3 : Non realization of one time tax from tractors (commercial);Rs. 33.00 lakh.

Under section 7 (7) of Bihar Motor Vehicle Taxation Act, 1994 as amended by Finance Act, 2010 one time tax for the life time of the vehicle shall be levied on tractors used or kept for use of other than agricultural purpose at the rate of one per cent of the cost of the vehicle excluding Value Added Tax, which was revised to 2 per cent vide Bihar Finance Act 2013 and consequently 4.5 per cent vide Bihar Finance Act 15 of 2014 (w.e.f 19.09.2014). Further delay in payment of tax beyond 15 days attracts penalty from 25 per cent to twice of the amount of tax due as per the provisions of section 23 ibid read with Rule 4 (2) of BMVT Rule 1994.

During scrutiny of tax clearance table of *VAHAN* database in respect of tractors (commercial), it was observed that 1,693 tractors were registered during July 2014 and October 2016. Out of which 48 tractors didn't pay one time tax so far. The taxing officer didn't issue demand notice to realize the dues. This resulted in non realization of one time tax of Rs 32,99,508.00 including penalty as detailed in **Annexure-III**.

On this being pointed DTO, Saharsha stated that demand notice would be issued.

Result may be communicated to audit.

Para 4: Non realisation of one time tax from three wheelers (commercial); Rs. 6.21 lakh.

As per Bihar Finance Act 2013 three wheeler with seating capacity not more than 4 persons (excluding the driver) a one time tax of Rs. 9000/- shall be levied for 15 Years for new registered vehicle and three wheelers with seating capacity up to 7 persons (excluding the driver) a one time tax of Rs. 13500/- shall be levied for 15 Years from new registered vehicles. Further Delay in payment of tax beyond 15 days attracts penalty from 25 per cent to twice of the amount of tax due as per the provisions of section 23 ibid read with Rule 4 (2) of BMVT Rule 1994.

During scrutiny of tax clearance table of *VAHAN* software in respect of three wheelers, it was observed that 876 three wheelers were registered during July 2014 and July 2016. Out of which 22 vehicles did not pay one time tax so far. The taxing officer didn't issue demand notice to realise the dues. This resulted in non realisation of one time tax of Rs 6,21,000.00 including penalty as detailed in **Annexure-VIII**.

On this being pointed DTO, Saharsha stated that demand notice would be issued.

Result may be communicated to audit.

PART – II (B)

Para 5 (a): Non realization of differential one time tax from tractors (commercial); Rs 4.55 lakh.

As per section 8 of BMVT Act 1994 when a motor vehicle, in respect of which tax of any period has been paid, is altered during such period or is proposed to be used during such period in such a manner in respect of which a higher rate of

tax is payable, the owner of the vehicle shall pay to the taxing officer a differential tax of a sum which is equal to the difference between the tax already paid and the tax which becomes payable in respect of such vehicle for the period for which the higher rate of tax is payable in consequence of the alteration or the proposed use as the case may be. Under section 7 (7) of Bihar Motor Vehicle Taxation Act, 1994 as amended by Finance Act, 2010 one time tax for the life time of the vehicle shall be levied on tractors used or kept for use of other than agricultural purpose at the rate of 4.5 per cent vide Bihar Finance Act 15 of 2014 issued on 19.09.2014.

During scrutiny of tax clearance table of VAHAN software in DTO, Saharsha, it was observed that 45 tractors (commercial) were registered during 20.9.14 and 30.9.14 out of which 37 vehicles paid one time tax during aforesaid period. The one time tax on these tractors were charged at pre-revised rate (at the rate of two per cent). The demand notice was not issued to realize the differential tax. This resulted in short realisation of one time tax of Rs. 4, 54,958.00 as detailed in **Annexure-IV**.

On this being pointed DTO, Saharsha stated that necessary action would be taken.

Result may be communicated to audit.

Para 5 (b): Short levy of OTT and short levy of penalty for belated payment of OTT on tractors (commercial); Rs. 0.41 lakh.

Under section 7 (7) of Bihar Motor Vehicle Taxation Act, 1994 as amended by Finance Act, 2010 one time tax for the life time of the vehicle shall be levied on tractors used or kept for use of other than agricultural purpose at the rate of one per cent of the cost of the vehicle excluding Value Added Tax. The rate of tax

was revised from 1st April 13 to two percent of the cost of the vehicle excluding VAT the rate of tax was revised to 4.5 per cent w.e.f. 19th Set 14. Further delay in payment of tax beyond 15 days attracts penalty from 25 per cent to twice of the amount of tax due as per the provisions of section 23 ibid read with Rule 4 (2) of BMVT Rule 1994.

During scrutiny road tax table of *VAHAN* software in respect of commercial tractor, it was observed that 542 tractors were registered during January 2016 and October 2016. Out of which short one time tax were imposed on 02 tractors. Further for belated payment of OTT penalty was imposed 03 vehicles. This resulted in loss of Govt. revenue amounting to Rs 41,450.00 from 03 tractors as detailed in **Annexure-V**.

On this being pointed DTO, Saharsha stated that necessary action would be taken.

Result may be communicated to audit.

Para 6 (a): Non realization of one time tax from newly registered taxis/cabs; Rs. 5.13 lakh.

Section 5 of the BMVT Act, 1994 levies a tax payable by every owner by (of) a registered motor vehicle at specified rates. As per Bihar Finance Act 2013 (effective from 1st April 2013) "One time tax @ 5% of the vehicle cost excluding VAT shall be levied at the time of registration for a period of 15 years for taxi/maxi cab/motor cab. Further delay in payment of tax beyond 15 days attracts penalty from 25 per cent to twice of the amount of tax due as per the provisions of section 23 ibid read with Rule 4 (2) of BMVT Rule 1994.

During scrutiny of tax clearance table of *VAHAN* database in respect of maxi/motor cab (commercial), it was observed that 89 vehicles were registered during December 2014 and August 2016. Out of which 6 vehicles did not pay

one time tax so far. The taxing officer didn't issue demand notice to realise the dues. This resulted in non realization of one time tax of Rs. 5,13,006.00 including penalty as detailed in **Annexure-VI**.

On this being pointed DTO, Saharsha stated that demand notice would be issued.

Result may be communicated to audit.

Para 6 (b): Short levy of OTT and non levy or short levy of penalty for belated payment of OTT on maxi/motor cabs; Rs. 5.50 lakh.

Section 5 of the BMVT Act, 1994 levies a tax payable by every owner by (of) a registered motor vehicle at specified rates. As per Bihar Finance Act 2013 (effective from 1st April 2013) "One time tax @ 5% of the vehicle cost excluding VAT shall be levied at the time of registration for a period of 15 years for taxi/maxi cab/motor cab. The rate was revised to 7 per cent w.e.f. from 19th Sept 14. Further delay in payment of tax beyond 15 days attracts penalty from 25 per cent to twice of the amount of tax due as per the provisions of section 23 ibid read with Rule 4 (2) of BMVT Rule 1994.

During scrutiny of road tax table of *VAHAN* database in respect of maxi/motor cabs, it was observed that 142 maxi/motor cabs were registered during July 2014 and October 2016. Out of which 133 vehicles paid one time tax. Out of 133 vehicles short tax was imposed on 4 vehicles. Further on 28 vehicles penalty was not imposed for belated payment of OTT for delay ranging between 31 and 675 days and short penalty was imposed on 04 vehicles. The taxing officer didn't issue demand notice to realize the dues. This resulted in short realization of tax and penalty of Rs.5,49,544.00 as detailed in **Annexure-VII**.

On this being pointed DTO, Saharsha stated that necessary action would be taken.

Result may be communicated to audit.

Para 7: Non levy of penalty for belated payment of OTT on three wheelers (commercial); Rs. 1.62 lakh.

As per Bihar Finance Act 2013 three wheeler with seating capacity not more than 4 persons (excluding the driver) a one time tax of Rs. 9000/- shall be levied for 15 Years for new registered vehicle and three wheelers with seating capacity up to 7 persons (excluding the driver) a one time tax of Rs. 13500/- shall be levied for 15 Years from new registered vehicles. Further Delay in payment of tax beyond 15 days attracts penalty from 25 per cent to twice of the amount of tax due as per the provisions of section 23 ibid read with Rule 4 (2) of BMVT Rule 1994.

During scrutiny of tax clearance table of *VAHAN* software in respect of three wheelers, it was observed that 626 three wheelers were registered during September 2014 and January 2016. Out of which 607 vehicles paid one time tax. Out of 607 vehicles 17 vehicles paid one time tax with delay ranging between 35 and 110 days but penalty was not imposed or short imposed. Further, demand notice was not issued to realise the penalty. This resulted in non realisation of penalty of Rs 1,62,000.00 as detailed in **Annexure-IX**.

On this being pointed DTO, Saharsha stated that necessary action would be taken.

Result may be communicated to audit.

Para 8 : Non- realization of motor vehicles taxes from transport vehicles; Rs. 4.11 lakh.

Section 5 of the BMVT Act, 1994 levies a tax payable by every owner by (of) a registered motor vehicle. Under section 9 of the Act, tax is to be paid to the taxing officer in whose jurisdiction the vehicle is registered or to a new taxing authority in case of change of residence / business subject to the production of 'No Objection Certificate' from the previous taxing officer.

The taxing officer shall grant a receipt and tax token under section 11 ibid in the prescribed form in the prescribed manner to every person who pays motor vehicle tax or additional motor vehicle tax. Further under section 20 ibid no motor vehicle shall be used or kept for use within state unless the valid tax token issued under section 11 in respect of the said vehicle has been obtained. To ensure realization of tax in time, the DTO is required to issue demand notice and initiate certificate proceedings where necessary under PDR Act. Delay in payment of tax beyond 15 days attracts penalty from 25 per cent to twice of the amount of tax due as per the provisions of section 23 ibid read with Rule 4 (2) of BMVT Rule 1994.

In course of test check of "tax clearance table of VAHAN database" of DTO Saharsa it was noticed that 19 owners of transport vehicles out of 37 vehicle test checked had not paid taxes for more than a quarter. Although no reasons were found on record for non-payment of tax, the DTO did not raise demand notice against defaulting vehicle owner. This resulted in non-realisation of tax of Rs 411289.00 as detailed in **Annexure-X**.

On this being pointed DTO, Saharsha stated that demand notice would be issued.

Result may be communicated to audit.

DISCUSSION SHEET

The audit of the accounts records of the office of the District Transport Office, Saharsa for the period September 2014 to January 2017 under the Head "0041" and "2041" Taxes on Motor Vehicles was conducted by Shri Chandra Bhushan, AAO and Shri Bijay Kumar No.3 AAO duly assisted by Shri N.K. Pandey Sr. Auditor under supervision of Shri T. K. Singh, Sr. Audit Officer during the period from 22.02.2017 to 03.03.2017.

<u>Name and Designation of Officer incharge of Accounts</u>	<u>Period</u>
(i) Shri Sunil Dutt Jha I/C DTO 19.12.2014	20.03.2014 to
(ii) Shri Daroga Prasad Yadav, DTO 17.08.2015	19.12.2014 to
(iii) Shri Rajiv Kumar, DTO	17.08.2015 to till date.

Amal
31/2/17

Audit Officer/Revenue-II