

CHAPTER V: OTHER TAX RECEIPTS

5.1 Tax administration

5.1.1 Passengers and goods tax

Registration of motor vehicles, assessments, levy and collection of passengers and goods tax (PGT) are governed under the provisions of the Punjab Passengers and Goods Taxation Act, 1952 (PPGT Act) and the Rules framed thereunder, as applicable to the State of Haryana. The Financial Commissioner and Principal Secretary to Government Haryana, Excise and Taxation Department is the administrative head at the Government level. Overall charge of the department vests with the Excise and Taxation Commissioner (ETC), Haryana, Chandigarh. The work relating to levy and collection of PGT is carried out by the Assistant Excise and Taxation Officers (AETOs) under Deputy Excise and Taxation Commissioners (DETCs) in the field. All the motor vehicles carrying goods and passengers are required to be registered with AETO of the district concerned, in which the owner of the vehicles has residence or place of business where the vehicle is normally kept in the State.

5.1.2 Taxes on vehicles

Registration of motor vehicles, issue of permits for plying stage carriage vehicles for carrying goods and passengers, issue of driving/conductor licences, levy and collection of token tax, permit fee, licence fee etc., are governed under the provisions of the Motor Vehicles Act, 1988 (Central) and the Motor Vehicles Rules, 1989 (Central) and the Punjab Motor Vehicles Taxation Act, 1924 (PMVT Act), as applicable to the State of Haryana, and Haryana Motor Vehicles Taxation Rules, 1993. The Financial Commissioner and Principal Secretary to Government Haryana, Transport Department is the administrative head at the Government level and is responsible for the administration of the Motor Vehicles Acts/Rules in the State and assisted by the State Transport Controller (STC), who exercises general superintendence over the functioning of the department. At district and sub division level, there are 47 registering authorities and 47 Regional Transport Authorities (RTAs). The registering authorities are responsible for registration and licensing of non-commercial vehicles and RTAs are responsible for registering and issuing licences/permits for operating commercial vehicles in the State.

5.2 Trend of receipts

Actual receipts from PGT and Taxes on Vehicles during the years 2005-06 to 2009-10 along with the total tax/non-tax receipts during the same period is

exhibited in the following table:

5.2.1 Passengers and goods tax

(` in crore)

Year	Budget estimates	Actual receipts	Variation Excess(+)/shortfall (-)	Percentage of variation	Total tax/non-tax receipts of the State	Percentage of actual receipts vis-a-vis total tax/non-tax receipts
2005-06	650.00	757.60	(+) 107.60	(+) 17	11,537.21	7
2006-07	730.00	738.41	(+) 8.41	(+) 01	15,518.52	5
2007-08	924.00	379.39	(-) 544.61	(-) 59	16,714.90	2
2008-09	485.25	370.29	(-) 114.96	(-) 24	14,893.73	2
2009-10	425.00	391.45	(-) 33.55	(-) 8	15,960.90	2

The actual receipts of the Excise and Taxation Department relating to PGT to total tax/non-tax receipts during the period 2005-06 to 2009-10 ranged between two and seven *per cent*.

5.2.2 Taxes on vehicles

(` in crore)

Year	Budget estimates	Actual receipts	Variation Excess(+)/shortfall (-)	Percentage of variation	Total tax/non-tax receipts of the State	Percentage of actual receipts vis-a-vis total tax/non-tax receipts
2005-06	155.00	172.13	(+) 17.13	(+) 11	11,537.21	1
2006-07	160.00	223.66	(+) 63.66	(+) 40	15,518.52	1
2007-08	275.00	233.79	(-) 41.21	(-) 15	16,714.90	1
2008-09	275.00	239.30	(-) 35.70	(-) 13	14,893.73	2
2009-10	375.00	277.07	(-) 97.93	(-) 26	15,960.90	2

The actual receipts of the Transport Department relating to Taxes on vehicles to total tax/non-tax receipts during the period 2005-06 to 2009-10 ranged between one and two *per cent*.

5.3 Analysis of arrears of revenue

A: Passengers and goods tax

The arrears of revenue relating to PGT as on 31 March 2010 amounted to ` 64.50 crore of which ` 28.32 crore (44 *per cent*) were outstanding for more than five years. The following table depicts the arrears of revenue during the period 2005-06 to 2009-10:

(` in crore)

Year	Opening balance of arrears	Amount collected	Closing balance of the arrears	Actual receipts	Percentage (Col. 3 to Col. 2)	Percentage of closing balance of arrears to actual receipts (Col. 4 to Col. 5)
1	2	3	4	5	6	7
2005-06	52.06	11.29	36.00	757.60	22	5
2006-07	36.00	10.09	51.97	738.41	28	7
2007-08	51.97	22.28	48.55	379.39	43	13
2008-09	48.05	11.52	58.08	370.29	24	16
2009-10	58.08	16.88	64.50	391.45	29	16

We observed that arrears of revenue of PGT had increased from ` 52.06 crore at the beginning of the year 2005-06 to ` 64.50 crore (24 *per cent*) at the end of the year 2009-10. The percentage of realisation of arrears to the arrears outstanding at the beginning of the year ranged between 22 and 43 *per cent* during the years 2005-06 to 2009-10. Though the actual receipts was decreased by 48 *per cent* (from ` 757.60 crore in 2005-06 to ` 391.45 crore in 2009-10), the arrears of revenue was increased by 24 *per cent* (from ` 52.06 crore as on 1 April 2005 to ` 64.50 crore as on 31 March 2010).

The Government may advise the Excise and Taxation Department to take effective steps for collecting the arrears promptly to augment Government revenue.

B: Taxes on vehicles

The Department intimated that there was an arrears of revenue of ` 3.69 crore as on 31 March 2009. Year-wise details of information regarding arrears of revenue viz. arrears pending at the beginning of the year, arrears added and collected during the year and arrears pending at the end of the year for the period 2005-06 to 2009-10 is not available with the Department. Thus, the Department had not maintained centralised database regarding arrears of revenue at the apex level for monitoring and expediting the progress of recovery of arrears.

5.4 Cost of collection

The gross collection in respect of PGT and Taxes on vehicles revenue receipts, expenditure incurred on their collection and the percentage of such expenditure to gross collection during the years 2005-06 to 2009-10 along with the relevant 'All India average percentage' of expenditure of collection to gross collection for the relevant year are mentioned below:

A: Passengers and goods tax

(` in crore)

Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year
2005-06	757.60	7.22	0.95	-
2006-07	738.41	-	-	-
2007-08	379.39	1.13	0.30	-
2008-09	370.29	1.50	0.41	-
2009-10	391.45	1.94	0.50	-

B: Taxes on vehicles

(` in crore)

Year	Gross collection	Expenditure on collection	Percentage of expenditure to gross collection	All India average percentage for the year
2005-06	172.13	6.71	3.89	2.67
2006-07	223.66	6.93	3.10	2.47
2007-08	233.79	5.47	2.34	2.58
2008-09	239.30	8.00	3.34	2.93
2009-10	277.07	11.32	4.08	-

The above table shows that the percentage in respect of Taxes on vehicles was high as compared to All India average percentage during the years 2005-06, 2006-07 and 2008-09.

5.5 Revenue impact of the Audit

5.5.1 Position of Inspection Reports

A: Passengers and goods tax

The performance of the Excise and Taxation Department (PGT) to deal with the irregularities detected in the course of local audit conducted during the year 2008-09 and the corresponding figures for the preceding four years is

tabulated below:

(` in crore)

Year	Units audited			Cases accepted		Recovery made during the year	
	Number	Number of cases	Amount	Number	Amount	Cases	Amount
2004-05	22	472	1.10	169	0.44	7	0.23
2005-06	22	29	11.37	29	11.37	9	0.94
2006-07	22	1,325	2.65	501	0.95	2	0.17
2007-08	22	1,690	3.64	384	1.52	21	0.02
2008-09	22	1,406	1.94	319	0.36	18	0.06
Total	110	4,922	20.70	1,402	14.64	57	1.42

We observed that the recovery in respect of accepted cases during the years 2004-05 to 2008-09 was only 10 *per cent*.

B: Taxes on vehicles

The performance of the Transport Department (Taxes on vehicles) to deal with the irregularities detected in the course of local audit conducted during the year 2008-09 and the corresponding figures for the preceding four years is tabulated below:

(` in crore)

Year	Units audited			Cases accepted		Recovery made during the year	
	Number	Number of cases	Amount	Number	Amount	Cases	Amount
2004-05	81	14,735	21.16	14,735	21.16	-	-
2005-06	81	71,531	20.72	71,529	20.39	11	0.20
2006-07	81	66,261	18.43	-	-	-	-
2007-08	81	58,275	3.30	4,163	0.49	1	0.01
2008-09	81	4,209	2.11	1,523	1.42	81	0.10
Total	405	2,15,011	65.72	91,950	43.46	93	0.31

We observed that the recovery in respect of accepted cases during the years 2004-05 to 2008-09 was only one *per cent*.

5.5.2 Position of Audit Reports

During the last five years (including the current year's report), audit through its Audit Reports had pointed out non/short levy/realisation of PGT, non-levy of interest on delayed/non-payment of tax, non/short realisation of permit fee/token tax/bid money etc., with revenue implication of ` 39.82 crore in 22 paragraphs (including one review). Of these, the Department/Government had accepted audit observations in 19 paragraphs (including one review) involving

₹ 19.09 crore and recovered ₹ 1.33 crore. The details are shown in the following table:

A: Passengers and goods tax

Year of Audit Report	Paragraphs included		Paragraph accepted		Amount recovered	
	(` in crore)				(` in lakh)	
	No.	Amount	No.	Amount	No.	Amount
2005-06	1 (Review)	11.10	1	11.10	1	0.92
2006-07	1	1.12	1	1.12	1	57.22
2007-08	3	1.47	3	1.47	3	25.19
2008-09	1	0.99	1	0.99	1	4.52
2009-10	1	0.65	1	0.65	1	6.32
Total	7	15.33	7	15.33	7	94.17

B: Taxes on vehicles

Year of Audit Report	Paragraphs included		Paragraph accepted		Amount recovered	
	(` in crore)				(` in lakh)	
	No.	Amount	No.	Amount	No.	Amount
2005-06	3	18.69	2	0.24	1	0.53
2006-07	3	1.20	2	0.55	2	18.64
2007-08	5	3.16	4	1.53	1	5.07
2008-09	2	0.63	2	0.63	2	7.78
2009-10	2	0.81	2	0.81	2	7.22
Total	15	24.49	12	3.76	8	39.24

We observed that the recovery of accepted cases in respect of PGT and Taxes on vehicles was six and 10 *per cent* respectively. The slow progress of recovery even in respect of accepted cases is indicative of failure on the part of the heads of offices/departments to initiate action to recover the Government dues promptly.

We recommend that the Government may revamp the recovery mechanism to ensure that at least the amount involved in accepted cases are promptly recovered.

5.6 Working of internal audit wing

A: Passengers and goods tax

The department stated (July 2010) that an internal audit system was set up for control and supervision of expenditure as well as receipts. The department had one Chief Accounts officer, four (against five sanctioned posts) Accounts Officers and 11 (against 14 sanctioned posts) Section Officers. There were 17 Section Officers in the districts level offices who conducted internal audit in respect of the levy of PGT. Internal audit party had conducted 13 audits (against 23 auditable units) of revenue receipts and expenditure. Thus, the

Chief Accounts Officer failed to furnish the details of objections raised and settled along with planning of auditable units and the coverage of internal audit was not adequate. Moreover, the irregularities discussed in the paragraph 5.9.1.1 to 5.9.1.3 are indicators of ineffective internal control mechanism as none of the irregularities pointed out by us were detected by the internal audit parties.

B: Taxes on vehicles

The department stated (July 2010) that an internal audit system was set up for audit of expenditure and receipts. The department had one Senior Accounts Officer (Audit), five Section Officers, one Assistant and one Clerk. There were two vacancies (each) of Assistants and Clerks. Internal audit party had conducted audit of 20 RTAs and 50 registering authorities for the year 2008-09. Thus, the Senior Accounts Officer (Audit) failed to furnish the details of objections raised and settled along with planning of auditable units. The irregularities discussed in the paragraphs 5.10.1.1 to 5.10.1.3 and 5.11 are indicators of ineffective internal audit as none of the irregularities pointed out by us were detected by the internal audit.

The Government may consider strengthening internal audit wing to ensure timely detection and correction of errors in assessments, levy and collection of PGT and Taxes on vehicles revenue.

5.7 Results of audit

Test check of the records in the offices of Transport, Excise and Taxation and Agriculture departments relating to revenue received from taxes on vehicles, taxes on goods and passengers, and other tax receipts during the year 2009-10 revealed non/short recovery of tax/duty, fees and penalty etc. amounting to ` 3.64 crore in 2,598 cases which fall under the following categories:

(` in crore)

Sr. No.	Category	Number of cases	Amount
A: Transport Department (Taxes on vehicles)			
1.	Non/short recovery of token tax in respect of stage carriage buses	661	1.06
2.	Short charging of permit/countersignature fees from owners of heavy/light transport vehicles	63	0.02
3.	Non-recovery of bid money	20	0.31
4.	Non/short realisation of registration fee and token tax on vehicles transferred from other States	277	0.06
5.	Miscellaneous irregularities	213	0.18
Total		1,234	1.63
B: Excise and Taxation Department (Taxes on goods and passengers)			
1.	Non-recovery of passengers tax from bus owners of co-operative societies/educational institutions	557	1.35
2.	Non-recovery of goods tax	786	0.39

Sr. No.	Category	Number of cases	Amount
3.	Miscellaneous irregularities	15	0.02
Total		1,358	1.76
C: Excise and Taxation Department (Entertainment duty and show tax)			
1.	Non-recovery of entertainment duty	3	0.04
D: Agriculture Department (Purchase tax on sugarcane)			
1.	Non-deposit of purchase tax	3	0.21
Grand total		2,598	3.64

During the year 2009-10, the departments accepted underassessment and other deficiencies of ` 2.06 crore involved in 1,272 cases of which 1,258 cases involving ` 2.01 crore had been pointed out during 2009-10 and balance in the earlier years. The departments recovered ` 19.33 lakh in 138 cases during the year 2009-10, of which 124 cases involving ` 14.46 lakh related to the year 2009-10 and balance to the earlier years.

A few illustrative audit observations highlighting irregularities involving financial effect of ` 1.46 crore are mentioned in the succeeding paragraphs.

5.8 Audit observations

During scrutiny of the records in the offices of Excise and Taxation and Transport Departments relating to revenue received from taxes on goods and passengers, taxes on vehicles and other tax receipts, we noticed the cases of non-observance of the provisions of the Acts/Rules resulting in non/short levy of tax/penalty/permit fee as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test check carried out in audit. Such omissions are pointed out in audit each year, but not only the irregularities persist; these remain undetected till an audit is conducted. The Government needs to improve the internal control system to avoid occurrence of such cases in future.

EXCISE AND TAXATION DEPARTMENT

5.9 Non-observance of the provisions of Acts/Rules

The PPGT Act and rules framed thereunder, as applicable to the State of Haryana, provide for levy of PGT at the prescribed rate.

While the owners of the vehicles did not pay the tax, the Department also did not issue the demand notice as required in the cases as mentioned in the paragraph 5.9.1. This resulted in non/short realisation of tax of ` 65.27 lakh.

5.9.1 Non/short realisation of passengers tax

Under Section 22 of the PPGT Act and the rules framed thereunder, as applicable to the State of Haryana, the owner of the bus shall pay lump sum tax in advance by 20th of each month either by making deposit into the Government treasury or by furnishing demand draft or pay order to the appropriate authority. PPGT Rules, 1952 provide that if any sum is payable by an owner under the Act or rules, the assessing authority shall serve a demand notice (fix a date not less than 15 days from the date of service) by which the owner shall furnish the receipted challans in proof of such payment. Under Section 14 (B) of the Act, where any tax or penalty is not paid within prescribed time, the owner of the vehicle shall be liable to pay interest at the rate of two *per cent* per month on the amount of tax and penalty remaining unpaid for a period not exceeding three months and also additional interest upto two *per cent* per month for the period of default exceeding three months.

5.9.1.1 Transport co-operative societies

The permit holder buses on link routes of the State under the scheme of privatisation of passenger road transport are required to pay lump sum passengers tax, based on the seating capacity of the bus on monthly rate of ` 16,000 for 52/54 seater and ` 10,000 for 30/32 seater buses, in advance by 20th of each month. Further, the Government, vide notification issued in April 2002, revised rates of passengers tax to ` 20,000 and ` 14,000 for 52/54 and 30/32 seater buses respectively, in case their routes are extended upto 24 kilometers. With effect from March 2007, the Government revised rates of passengers tax to ` 12,000 for 52/54 seater and ` 6,000 for 30/32 seater buses

and in case their routes extended upto 24 kilometers at the rate of ` 16,000 for 52/54 seater and ` 10,000 for 30/32 seater buses.

During test check of records of six¹ offices of Deputy Excise and Taxation Commissioner (Passengers and Goods Tax) {DETC (PGT)} between November 2007 and August 2009, we noticed that 27 transport co-operative societies² either did not deposit the monthly passengers tax or deposited it short between April 2006 and March 2009. The department, however, did not raise the demand to realise tax from the defaulting societies. This resulted in non/short realisation of tax of ` 27.23 lakh (including interest of ` 10.26 lakh³).

After we pointed out the cases between November 2007 and August 2009, five⁴ DETCs stated between September 2009 and May 2010 that a sum of ` 2.49 lakh had been recovered in nine cases between March 2009 and March 2010 and efforts were being made to recover the balance amount of ` 20.88 lakh. DETC Panipat stated (October 2009) that notices had been issued to recover the dues of ` 3.86 lakh from the defaulting vehicle owners. We have not received report on action taken to levy interest and the recovery of balance amount (August 2010).

5.9.1.2 Educational institutions

As per notification issued in October 2007 (applicable from 1 March 2007), the Government prescribed lump sum tax in respect of private schools owning educational institutional buses on the basis of monthly bus charges per seat exceeding ` 100 but not exceeding ` 200 and exceeding ` 200 at the rate of ` 20 and ` 40 per seat per month respectively for nine months in a year.

During test check of the records of four⁵ offices of DETC (PGT) between March and May 2009, we noticed that the owners of 132 educational institution buses, granted permits for plying buses, either did not deposit the monthly passengers tax or deposited it short between April 2008 and March 2009. The department, however, did not raise the demand to realise tax from the defaulting bus owners. This resulted in non/short realisation of passengers tax of ` 15.17 lakh (including interest³ of ` 5.38 lakh).

After we pointed out the cases between March and May 2009, four DETCs stated between October 2009 and April 2010 that a sum of ` 3.83 lakh had been recovered in 63 cases between April 2009 and April 2010 and notices had been issued to the owners of buses, or efforts were being made, to recover the balance amount of ` 11.34 lakh. We have not received report on recovery of balance amount and action taken to levy interest (August 2010).

¹ Fatehabad, Hisar, Kaithal, Karnal, Panipat and Sirsa.

² As per Haryana Co-operative Societies Act, 1984, a transport co-operative society means a society registered under the Act for plying buses on link routes in the State and granted permit under Section 7 of the Motor Vehicle Act, 1988.

³ Interest calculated upto December 2009.

⁴ Fatehabad, Hisar, Kaithal, Karnal and Sirsa.

⁵ Ambala, Fatehabad, Kaithal and Kurukshetra.

5.9.1.3 City bus operators

Section 9 (2E) of the PPGT (Haryana Amendment) Rules, 2004, as inserted with effect from 24 February 2004, provides that the holders of permit for plying buses on the roads within the municipal corporation limit in Gurgaon and Faridabad districts are required to pay passengers tax at the rates prescribed for ordinary half body⁶ and ordinary full body⁷ buses at ` 4,200 and ` 7,000 per month respectively.

During test check of the records of offices of DETC (PGT), Faridabad (East), Faridabad (West) and Gurgaon between October and December 2009, we noticed that 35 private bus operators who were granted permits for plying buses in city areas did not deposit the monthly passengers tax for different periods between April 2008 and March 2009. The department, however, did not take action to realise the tax from the defaulting bus owners. This resulted in non/short realisation of tax of ` 14.66 lakh. Additionally, interest amounting to ` 8.21 lakh was also leviable for the period between April 2008 and December 2009.

After we pointed out the cases between October and December 2009, DETCs (PGT), Faridabad (East and West) and Gurgaon stated in December 2009 and January 2010 that notices would be issued to the owners of vehicles to recover the dues and amount recovered would be intimated. We have not received further progress of recovery (August 2010).

We pointed out the matter to the ETC, Excise and Taxation Department between February 2008 and February 2010 and reported to the Government in February and March 2010; we are yet to receive their reply (August 2010).

TRANSPORT DEPARTMENT

5.10 Non-observance of the provisions of Acts/Rules

The PMVT Act/Haryana Motor Vehicle Rules, 1993 provide for:-

- (i) *payment of motor vehicles tax/token tax/permit fee by the owners of vehicles at the prescribed rate; and*
- (ii) *token tax to be paid in advance and within the prescribed period.*

We noticed that the Transport Department did not observe the provisions of the Acts/Rules in the cases for levy and collection of token tax and permit fee as mentioned in the paragraph 5.10.1. This resulted in non/short realisation of tax/permit fee of ` 78.87 lakh.

5.10.1 Non/short recovery of token tax

Under the PMVT Act and the rules framed thereunder, as applicable to the State of Haryana, token tax shall be leviable in advance on every motor

⁶ Half-body bus means an omnibus, which is not a maxi cab, and not a full-body bus.

⁷ Full-body bus means an omnibus whose capacity shall be, with ordinary 3x2 seating arrangement, to carry more than 35 but not more than 54 persons, and with luxury 2x2 seating arrangement to carry more than 12 but not more than 35 persons excluding the driver.

vehicle⁸ in equal instalments for quarterly periods commencing on the first day of April, July, October and January per vehicle for a period of one year. Any broken period in such quarterly periods shall, for the purpose of levying the tax, be considered as a full quarter. In case of omission to comply with the provisions, the Act further provides that the licensing officer may impose a penalty which may extend to twice the amount of tax due. When a person neglects or refuses to pay instalment of tax within one month from the expiry of the period fixed for such payment, the licensing officer may forward to the Collector a certificate specifying the amount of tax recoverable as arrears of land revenue.

5.10.1.1 Private service vehicles

Transport Commissioner Haryana, Chandigarh, issued instructions in May 2000 that the vehicles designed to carry more than six passengers excluding driver in the name of company/firm, shall be registered under the category of transport vehicle only under the Motor Vehicles Act, 1988 (MV Act). These vehicles will be registered as a transport vehicle by the RTA/District Transport Officers (DTOs) concerned and will pay road tax at the rate of ` 400 per seat per annum, besides charging permit fee as required under the provisions of the Act/Rules. In cases when such vehicles are required to be registered as private vehicles (non-transport vehicles), it shall be done after obtaining approval from the Transport Commissioner office and after the applicant declares by way of an affidavit that the vehicle shall be put to use only for personal use.

During test check of the records of the Registering Authorities (Motor Vehicles) {(MVs)}, Ballabhgarh and Faridabad in January and February 2010, we noticed that 157 vehicles having seat capacity of more than six persons excluding driver were got registered in the name of companies/firms as private service (non-transport) vehicles during the year 2008-09. The registering authorities (MVs) had neither complied with the instructions of the Transport Commissioner in May 2000 to register such vehicles under the category of transport vehicles by the RTA concerned nor obtained affidavits from these vehicle owners declaring the use of the vehicles for their personal use only and also obtaining prior approval from the Transport Commissioner office. The registering authorities (MVs) charged lump sum/one time tax amounting to ` 20.10 lakh at the time of registration of these vehicles. Since these vehicles were required to be registered as transport vehicles, token tax amounting to ` 65.94 lakh was recoverable. This resulted in short realisation of token tax of ` 45.84 lakh, besides permit fee.

After we pointed out the cases in January and February 2010, the registering authorities (MVs) Ballabhgarh and Faridabad admitted the audit observations and issued notices to the vehicle owners to recover the outstanding amount of token tax of ` 45.84 lakh. We have not received report on recovery of token tax and action taken to levy permit fee (August 2010).

⁸ Motor vehicle means stage carriage and contract carriage permit holder vehicles.

5.10.1.2 Stage carriage bus owners

Under Section 3 (1) of the PMVT Act, token tax on a stage carriage bus plying for hire and use for the transport of passengers shall be leviable at the rate of ` 550 per seat per annum subject to a maximum of ` 35,000 per vehicle per annum. Further Section 9 of the Act provides that in case of omission to comply with the provisions, the licensing officer may impose a penalty which may extend to twice the amount of tax due.

During test check of the records of eight offices⁹ of the Secretary, RTA between September 2008 and August 2009, we noticed that 110 buses of the co-operative transport societies plied as stage carriages during the period April 2007 to March 2009. However, token tax was either not deposited or deposited short by the societies. No action was taken by the RTAs to recover the tax. This resulted in non/short realisation of token tax of ` 22.95 lakh. Additionally, maximum penalty of ` 45.90 lakh was also leviable.

After we pointed out the cases between September 2008 and August 2009, six RTAs¹⁰ stated between November 2009 and February 2010 that ` 5.23 lakh had been recovered in 27 cases between October 2008 and February 2010 and efforts were being made to recover the balance amount of ` 11.56 lakh. RTA Panipat stated in August 2009 that notices would be issued to the concerned parties to recover the amount of ` 2.50 lakh. We have not received the report on recovery and penalty of ` 3.66 lakh (August 2010).

5.10.1.3 City bus owners

As per notification issued in March 2004 under Section 3 (1) of the PMVT Act, a stage carriage or contract carriage plying under a permit issued under Faridabad and Gurgaon city 'Private Bus Service Scheme, 2004' is required to pay token tax prescribed for a half body bus and for a full body bus at the rate of ` 18,000 and ` 30,000 per annum respectively.

During test check of the records of the offices of Secretary, RTA, Faridabad and Gurgaon in June and July 2009, we noticed that 70 private bus operators who were granted permits for plying buses in city areas did not deposit token tax for different periods between April 2008 and March 2009. No action was taken by the RTAs to recover token tax from the defaulting bus owners. This resulted in non/short realisation of token tax of ` 10.08 lakh. Additionally, maximum penalty of ` 20.16 lakh was also leviable.

After we pointed out the cases in June and July 2009, the Secretary, RTAs Faridabad and Gurgaon stated in January 2010 that a sum of ` 1.94 lakh had been recovered in 13 cases between June and December 2009 and efforts were being made to recover the balance amount of ` 8.14 lakh. We have not received any report on recovery of balance amount and action taken to levy penalty (August 2010).

We pointed out the matter to the STC, Transport Department between October 2008 and February 2010 and reported to the Government in February and March 2010; we are yet to receive their reply (August 2010).

⁹ Bhiwani, Faridabad, Gurgaon, Hisar, Jhajjar, Jind, Panipat and Rewari.

¹⁰ Bhiwani, Faridabad, Gurgaon, Jhajjar, Jind and Rewari.

5.11 Non-realisation of additional fee for retention of choice registration mark

We noticed that the Department did not observe provisions of the Government notification in the cases at the time of allowing the registration of choice numbers which resulted in non-levy of additional fee of ` 2.25 lakh.

As per notification issued by the Government in December 2005 under Section 65 of the MV Act and the Haryana Motor Vehicles Rules, 1993 framed thereunder, the registering authority shall allot to the owner of non-transport vehicle¹¹, a registration mark of his choice on payment of prescribed additional fee. However, if the motor vehicle with choice registration mark is being transferred in the name of other person, the same may be allowed by the registering authority on payment of additional fee as prescribed.

During test check of the records of four¹² registering authorities (MVs) between May 2009 and March 2010, we noticed that in 34 cases, the motor vehicles with choice registration marks were transferred in the name of other persons during the year 2008-09. Registering authorities transferred the vehicles with choice registration marks without charging the additional fee as prescribed. This resulted in non-realisation of additional fee of ` 2.25 lakh.

We pointed out these cases between May 2009 and March 2010, four registering authorities¹³ (MVs) stated in March 2010 that a sum of ` 5,000 had been recovered in one case of Sonipat in January 2010 and notices had been/would be issued to recover the balance amount of ` 2.20 lakh. We have not received further report on recovery of balance amount (August 2010).

We pointed out the matter to the STC, Transport Department in November 2009 and March 2010 and reported to the Government in May 2010; we are yet to receive their reply (August 2010).

¹¹ Non-transport vehicle means private service vehicle registered in the name of an individual and if declared to be used by him solely for personal purposes.

¹² Gohana, Jagadhari, Palwal and Sonipat.