

## CHAPTER-5

### MOTOR VEHICLE TAX

#### 5.1 Tax administration

The Department of Transport is headed by the Principal Secretary cum Commissioner (Transport) who is responsible to the Government of NCT of Delhi for its administration. The Commissioner Transport exercises general supervision over all the 13 Zonal offices headed by the Motor Licensing Officer. The Zonal offices collect revenue from registration fee of vehicles, permit fee, road tax, issue of driving licenses etc.

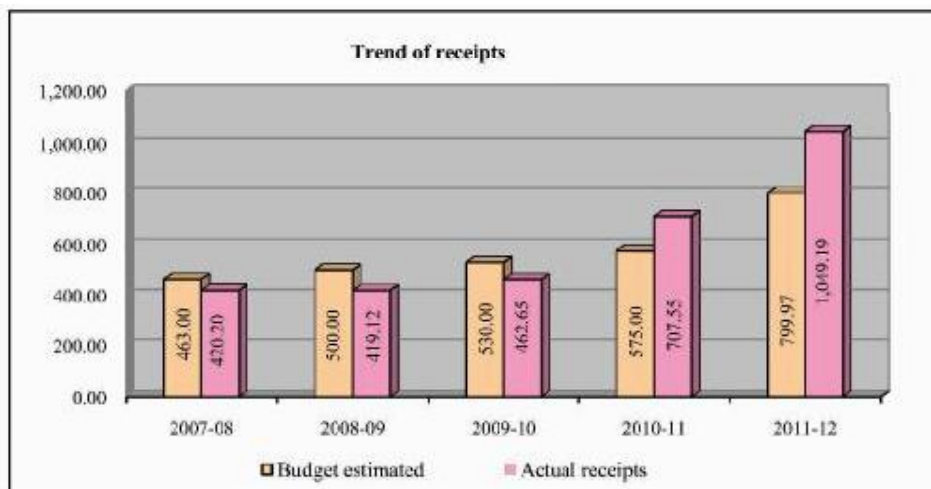
#### 5.2 Trend of receipts

Actual receipts from taxes on vehicles during the period from 2007-08 to 2011-12 along with the total tax/non-tax receipts of the State during the same period are exhibited in the **Table 5.1** and **Graph**.

**Table 5.1: Revenue receipts**

(₹ in crore)

Head of the revenue	Year	Budget estimates (BEs)	Actual receipts	Variation excess (+)/ shortfall (-)	Percentage of variation	Total tax receipts of the State	Percentage of actual receipts vis-a-vis total tax receipts
Taxes on vehicles	2007-08	463.00	420.20	(-) 42.80	(-) 9.24	11782.80	3.57
	2008-09	500.00	419.12	(-) 80.88	(-) 16.18	12180.70	3.44
	2009-10	530.00	462.65	(-) 67.35	(-) 12.71	13447.86	3.44
	2010-11	575.00	707.55	(+) 132.55	(+) 23.05	16477.75	4.29
	2011-12	799.97	1049.19	(+) 249.22	(+) 31.15	19971.67	5.25



It is seen that the variation between BEs and the actual receipts was as low as (-) ₹ 42.80 crore during 2007-08 and as high as ₹ 249.22 crore during 2011-12.

### 5.3 Cost of collection

The gross collection, expenditure on collection and the percentage of such expenditure to gross collection in respect of other tax and non-tax receipts during the year 2009-10 to 2011-12 along with the relevant all India average percentage of expenditure on collection are mentioned in **Table 5.2**:

**Table 5.2: Cost of collection**

(₹ in crore)

Head of revenue	Year	Collection	Expenditure on collection of revenue	Percentage of expenditure on collection	All India average percentage for the year 2010-11
Taxes on vehicles	2009-10	462.65	18.96	4.10	3.71
	2010-11	707.55	19.34	2.73	
	2011-12	1049.19	31.79	3.03	

From the above table it is evident that the percentage of expenditure on collection of taxes on vehicles was less than the all India average percentage for the year 2010-11 and 2011-12.

### 5.4 Internal audit

The Departments had no Internal Audit Mechanism of their own. The Directorate of Audit of the Finance Department of Government of NCT of Delhi is entrusted with Internal Audit function for all the Offices/Departments of Government of NCT of Delhi including Transport Department.

### 5.5 Results of audit

Test check of records relating to Department of Transport, Government of NCT of Delhi conducted during the year 2011-12 revealed non-transfer of revenue of ₹ 8.93 crore to the Government Account in a case which falls under the category given in **Table 5.3**:

**Table 5.3: Category wise cases**

(₹ in crore)

Sl. No.	Category	No. of cases	Amount
<b>Motor Vehicle Tax</b>			
1.	Non-transfer of revenue to Government Account	1	8.93
2.	Others	42	00
Total		43	8.93

The case involving ₹ 8.93 crore is discussed in the following paragraph.

## 5.6 Other audit observations

Scrutiny of records in the Department of Transport, Government of NCT of Delhi relating to revenue receipt revealed a case of non-observance of provisions of Acts/Rules resulting in non-transfer of revenue to the Government Account as mentioned in the succeeding paragraph of this chapter. This case is illustrative and is based on a test check carried out in audit. There is, therefore, a need for the Government to improve the internal control system so that occurrence of such cases can be avoided.

## 5.7 Non-transfer of revenue amounting to ₹ 8.93 crore to Government Account

As per Rule 7 of the General Financial Rules, 2005, all moneys received by or on behalf of the Government either as dues of Government or for deposit, remittance or otherwise, should be brought into Government Account without delay. Rule 6 of Central Government Account (Receipts and Payment) Rules, 1983 also stipulates that all receipts of the Government should, without undue delay, be paid in full into the accredited bank for inclusion in Government Account. It further stipulates that moneys received as aforesaid shall not be utilized to meet departmental expenditure nor otherwise kept apart from the accounts of the Government.

In a meeting held on 11 February 2008 under the chairmanship of Chief Secretary, Government of NCT of Delhi, it was decided to assign the responsibility for operation and maintenance of Bus Rapid Transit (BRT) corridor from Ambedkar Nagar to Mool Chand to M/s Delhi Integrated Multi Model Transit System Ltd. (DIMTS) on nomination basis without following open tendering. In this regard, a proposal was moved by DIMTS for approval of the expenses by the Government subject to subsequent adjustment to the extent of revenues realised by DIMTS through advertisements on Bus Queue Shelters, Public Utility etc. The minutes of this meeting were prepared and circulated by DIMTS itself, and not by the Transport Department. The acceptance of these minutes by the Transport Department was not found on record either.

Audit noticed (March 2012) during the test check of the records of the office of the Commissioner of Transport, Government of NCT of Delhi that the decision taken in the aforesaid meeting was neither translated into a formal agreement nor were terms and conditions governing the entrustment of work to M/s DIMTS framed and mutually agreed. Nevertheless, DIMTS had been taking care of the operation and maintenance of the BRT corridor with effect from April 2008 and collected a sum of ₹ 8.93 crore during the period 2008-11 on account of advertisement revenue from Bus Queue Shelters on BRT corridor. DIMTS did not deposit this amount into Government Account but adjusted against the expenses on operation and maintenance of the corridor on the plea of decision taken in the meeting of February 2008.

Thus, the government revenue amounting to ₹ 8.93 crore remained out of government accounts as DIMTS did not deposit the amount collected by it on behalf of the Government.

On it being pointed out, the Department forwarded a copy of the reply received from DIMTS, which stated that DIMTS was to be compensated for operation and maintenance of the BRT corridor on the basis of actual expenditure minus the revenue generated through advertisements as per the decision taken in the meeting held in the office of Chief Secretary, Government of NCT of Delhi on 11 February 2008. The reply is not acceptable as the decision of the Government allowing DIMTS to set off the government revenue against the expenditure was inconsistent with the provisions of prescribed Receipt and Payment Rules.

Audit reported the matter to the Government in September 2012, their reply was awaited.