

**CHAPTER – IV**  
**TRANSPORT DEPARTMENT**





## CHAPTER-IV: TRANSPORT DEPARTMENT

### 4.1 Administration

The collection of road tax is governed by the provisions of the Motor Vehicles Act, 1988 and Rules made thereunder and the Assam Motor Vehicle Taxation Act, 1936. The Transport Department is responsible for collection of taxes, fees and fines on motor vehicles in Meghalaya. Motor vehicle tax is realised primarily from all vehicles registered in the State and One Time Tax of 15 years is realised in case of private vehicles. For commercial vehicles, motor vehicle tax is realised every year and the vehicle owner has the option to pay it quarterly, half yearly or annually. Besides, composite fee in lieu of motor vehicle tax is also collected from commercial vehicles bearing national permit/tourist permit of other States plying in the State. Further, there is provision for levy and collection of fines for various offences which are imposed under the respective Acts and Rules.

The Additional Chief Secretary to the Government of Meghalaya, Transport Department is in overall charge of the Transport Department at the government level. The Commissioner of Transport (CT) is the administrative head of the Department. He is assisted by an Assistant Commissioner of Transport and the Secretary, State Transport Authority. At the district level, the District Transport Officers (DTOs) have been entrusted with the registration of vehicles, issuance of permits including collection of duties.

### 4.2 Results of Audit

Test check of the records of seven units relating to the Transport Department during 2017-18 revealed non-realisation of taxes, fees and fines, *etc.* involving ₹171.72 crore in 33 cases which fall under the following categories:

*Table 4.1 Results of Audit*

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1.	Non/Short realisation of revenue	09	0.74
2.	Loss of revenue	09	17.63
3.	Other irregularities	15	153.35
<b>Total</b>		<b>33</b>	<b>171.72</b>

During the course of the year, the Department accepted under assessments and other deficiencies of ₹45 lakh in seven cases. No recovery was intimated in any of the cases till January 2019.

A few illustrative cases having financial impact of ₹5 crore in terms of under-assessment/short levy/non-levy of tax and other provisions of the Acts are discussed in the paragraphs 4.3 to 4.5.

### **Management of Transport weighbridges**

Section 138(2)(b) of the Motor Vehicles Act, 1988 empowers State Governments to make rules for establishment and use of weighing devices to detect overloading of goods laden vehicles. The Government of Meghalaya laid down (11 September 2003) the procedures to be followed in the matter of installation and operation of weighbridges in Meghalaya pending finalisation of the rules. Subsequently, the Government introduced the Meghalaya Installation, Regulation, Maintenance and Operation of Weighbridge (MIRMOW) Rules, 2009 under which private parties were allowed to operate weighbridges on behalf of the Transport Department on payment of lump sum annual license fee.

The Weighbridge lessees were allowed to levy weighment fee in lieu of weighing of passing trucks. The weighment fee was ₹30 per truck which was revised to ₹50 per truck in January 2010 and to ₹200 per truck in January 2015. Subsequently (January 2017 onwards), the State Government started incorporating revenue sharing provision for 50 per cent of weighment fee with the licensees in addition to the payment of annual license fee by private weighbridge operators.

During the period between July 2007 and February 2018, the Transport Department notified 19 weighbridges throughout the State. The findings of Audit examination in respect of the four (21 per cent) weighbridges namely Ratacherra, Dawki, Borsora and Nongdomprut are discussed in Paragraphs 4.4, 4.5, and 4.6.

#### **4.3 Irregularities in operation of weighbridge lessees**

**An amount of ₹1.73 crore was due from the lessees of four weighbridges, which were allowed to be operated even after expiry of agreement and default on payment of due license fees.**

[Commissioner of Transport, Meghalaya, Shillong, April 2018]

The Transport Department entered into agreements with four lessees for operation of weighbridges at Ratacherra, Dawki, Nongdomprut and Borsora on payment of annual license fee between 23 January 2015 and 22 September 2016. As per the agreement, the license fee had to be paid in monthly/quarterly installments within the seventh day of the succeeding months. In the event of failure to make timely payment, penalty of two per cent of the amount due would be levied. In case of further delay in payment of dues, the contract would be terminated.

Audit noticed that the license agreements in respect of three weighbridges (Ratacherra, Dawki and Borsora) expired in January 2016 and for the fourth weighbridge (Nongdomprut) expired in September 2017. The lessees were allowed to continue operations of the weighbridges for an additional period of 3-4 months even after expiry of the contracts. The details of the date of agreement, expiry date and proportionate annual licence fee realisable are as follows:

**Table 4.2 Proportionate license fee due from the lessees**

(₹ in lakh)

Name of Weighbridge	Date of agreement		Date upto which operation allowed	Nos of additional days	Annual licence fee (₹)	Proportionate licence fee (₹)
	Commencement	Expiry				
Ratacherra	23-Jan-15	22-Jan-16	07-Jun-16	137	180.00	67.56
Nongdomprut	22-Sep-16	21-Sep-17	14-Dec-17	84	10.10	2.32
Dawki	27-Jan-15	26-Jan-16	07-Jun-16	133	61.25	22.32
Borsora	28-Jan-15	27-Jan-16	07-Jun-16	132	87.50	31.64
<b>Total</b>						<b>123.84</b>

Further, Audit also noticed that the licensees of Nongdomprut and Dawki had paid less licence fee. Against the total licence fee of ₹71.35 lakh payable by the lessees they actually paid ₹22.90 lakh only. Thus, there was a short payment of ₹48.45 lakh<sup>1</sup>. However, the lessee of Borsora had paid to the Government the entire amount of licence fee due.

Due to non-payment of licence fee, the Transport Department took control of weighbridges at Dawki on 8 June 2016 and Nongdomprut weighbridge on 14 December 2017. The licensee for Ratacherra weighbridge cleared the dues for the annual license fee by paying a sum of ₹1.82 crore<sup>2</sup> on various dates between 31 January 2015 and 6 December 2016. The lessee again applied for renewal of lease agreement with the department and the agreement was renewed on 9 January 2017 for additional one year on annual licence fee of ₹1.80 crore. The agreement was again renewed with the lessee of Ratacherra weighbridge on 9 January 2018 for a period of three years on an annual licence fee of ₹1.80 crore.

Demand notices for payment of outstanding licence fee were issued to the lessee of Dawki Weighbridge in August 2015 and November 2016. The lessee for Dawki weighbridge expressed her inability to clear the pending dues (February 2017) due to huge financial loss in running the weighbridge. The Commissioner of Transport (CT) brought this to the notice of the State Government in March 2017. The Government directed the CT (May 2017) to file a civil suit against the lessee. The action taken by the CT was not found on record.

<sup>1</sup> The annual licence fee of Nongdomprut and Dawki weighbridges were ₹ 10.10 lakh and ₹ 61.25 lakh respectively. However, lessee of Nongdomprut paid ₹ 4.04 lakh and lessee of Dawki paid ₹ 18.86 lakh only.

<sup>2</sup> Annual license fee of ₹ 1.80 crore plus ₹ 1.5 lakh as penalty for delay.

Action taken by the Department against the lessee for Nongdomprut weighbridge was not found on record.

Thus, due to delay in taking action for operation of weighbridges beyond the agreement period, the Department extended undue benefit to the private weighbridge lessees. The cases of operation of weighbridges after expiry of licence period was reported to the Transport Department, Government of Meghalaya in October 2018. The CT in his reply stated (January 2019) that the weighbridges could not have been taken over by the Department on expiry of the licenses, since the weighbridges were required to keep a check on permissible load by the truckers. The CT further stated that the license fee payable for the interim period was accounted during the renewal of the weighbridge licenses.

The argument that weighbridges could not have been taken over by the Department on expiry of the license period was not tenable, as the weighbridges were eventually taken over by the Department and operated departmentally. As regards payment of proportional license fee for the interim period at the time of renewal, the licenses in respect of two weighbridges were not renewed subsequently. No action to calculate the liability of the licensees for the proportional license fee or the proof, that it had been collected, was communicated to Audit by the CT (June 2019).

The case was referred to the Transport Department, Government of Meghalaya in October 2018. The Department in its reply (January 2019) confirmed the outstanding amount for the weighbridge lessees. However, the action taken by the CT to recover the due amount was not communicated to Audit (June 2019).

Thus the lessees of the Ratacherra, Nongdomprut and Dawki weighbridges were liable to pay licence fee of ₹ 1.73 crore<sup>3</sup> to the Government.

Audit noticed failure of the CT to detect irregularities in operation of four weighbridge lessees out of 19 weighbridges in the State on verification of records. The Department should look into similar issues in respect of other weighbridge also.

***Recommendation: The Government should fix the responsibility on the official concerned for extending the undue financial benefits to the lessees of the weighbridges and to initiate action to recover the licence fee along with the interest from the lessees.***

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<sup>3</sup> Proportionate licence fee of ₹ 1.24 crore and less payment of licence fee of ₹ 0.49 crore.

#### 4.4 Short realization of revenue due to under-reporting by Ratacherra Weighbridge

**Under-reporting of trucks by Ratacherra weighbridge lessee resulted in short payment of weighment fee share amounting to ₹1.09 crore.**

[Commissioner of Transport, Meghalaya, Shillong, April 2018]

As per the agreement for Ratacherra weighbridge (20 January 2017<sup>4</sup>) the lessee was required to pay to the Government 50 *per cent* of the weighment fee realized in addition to the annual license fee. To ensure revenue sharing arrangement, Clause 6 of the agreement stipulated that the lessee should maintain audited accounts of weighment fee collected and should furnish a copy of the audited account to the Department every month within 30 days of the following month.

Audit observed that there was under-reporting of collection of weighment fee collected by the lessee. As per the records of Mining Department, during the period of operation of agreement, 200182 trucks passed through the weighbridge against which the weighbridge lessee reported 91806 trucks. The lessee paid ₹91.81 lakh<sup>5</sup> to the Government as 50 *per cent* of the weighment fee between January 2018 and March 2018. The lessee did not submit audited accounts as mandated under the agreement. The CT accepted that the lessee had cleared the dues. It means 91806 vehicles passed through the weighbridge during the period from 20 January 2017 to 19 January 2018 as per lessee's declaration. Thus, there was under reporting of movement of 108376 trucks by the lessee. Due to under reporting by the lessee the Government suffered a revenue loss of ₹1.08 crore<sup>6</sup>.

Audit noticed that the DTO, Khliehriat (May 2017) informed the CT regarding under reporting of movement of 21342 trucks only during the period of January 2017 to April 2017 by the lessee. Audit did not find any efforts made by the CT on record to verify the correctness of the figures furnished by the lessee or the action taken on the report of the DTO. The agreement for weighbridge operation was renewed again on 20 January 2018 for another period of three years. During the period from 22 January 2018 to 21 March 2018 (59 days), Audit observed that the transport weighbridge at the exit point of Meghalaya (Ratacherra), registered movement of only 17 coal trucks. Deputy Commissioner, Cachar District<sup>7</sup>, Assam on receiving complaints from the residents and media reports about overloaded coal trucks coming from Meghalaya, constituted an inspection team (18 January 2018). The inspection team detected 1373 coal trucks exiting from Meghalaya. Thus, there was minimum revenue loss of ₹1.36 lakh<sup>8</sup>.

<sup>4</sup> The agreement was extended on 9 January 2018 for a further period of three years.

<sup>5</sup> 91806 trucks x 50 % of ₹200=91806x100= ₹91,80,600

<sup>6</sup> 200182 trucks- 91806 trucks=108376 trucksx50% of ₹200=108376 trucksx100= ₹1,08,37,600

<sup>7</sup> Cachar District in Assam borders Meghalaya. Coal trucks from Jaintia Hills, Meghalaya exit to Assam through Cachar District.

<sup>8</sup> 1373 trucks-17 trucks=1356 trucksx50% of ₹200= ₹1,36,600

Audit observed (January 2019) that the under reporting (around 111 *per cent*) communicated by the DTO was only for four months of operation (January 2017 – April 2017). Audit had pointed out evidences from other Government Departments, which reveal a greater picture of the persistent issue of under-reporting by the weighbridges. The Transport Department's lack of responsiveness in acting on the information in timely manner would only embolden the weighbridge licensees to continue with their unscrupulous practices.

Thus, the deliberate under-reporting of weighment figures by the lessee and lack of controls over the functioning of the weighbridge by the CT resulted in short-payment of weighment fee amounting to ₹1.09 crore. Further, the objective to set up weighbridges to detect overloaded goods laden vehicles was defeated as the officials posted in the weighbridge failed to detect overloaded trucks exiting from Meghalaya which were detected by the District Administration of Assam as mentioned above. The integrity of the officials of weighbridge was therefore questionable which calls for fixing their responsibility.

The case was referred to the Transport Department, Government of Meghalaya in October 2018. The CT in his reply (January 2019) stated that the Department was contemplating to send the demand notice to the weighbridge licensee for under-reporting by the weighbridge lessee as pointed out by the DTO, Khliehriat (May 2017).

Audit noticed failure of the CT to detect under reporting of trucks by a weighbridge lessee on verification of records related to one weighbridge out of 19 weighbridges in the State. The Department should look into similar issues respect of other weighbridges also.

***Recommendation: The Department is advised to strengthen its enforcement mechanism to keep a check on the operations of the weighbridges under its control. Vigilance enquiry should be initiated to fix the responsibility of the officials posted at the weighbridge.***

#### **4.5 Loss of revenue due to non-operation of Dawki weighbridge**

**Delay in taking over control of the weighbridge at Dawki resulted in non-realization of weighment fee amounting to ₹2.18 crore.**

[Commissioner of Transport, Meghalaya, Shillong, April 2018]

The Transport Department entered into an agreement for operation of a weighbridge at Dawki for a period of one year from 27 January 2015. The agreement expired on 26 January 2016 and the lessee was allowed to continue operations up to 07 June 2016 despite not paying the license fee (*paragraph 4.3 proportionate licence fee ₹22.31 lakh up to June 2016*). The Government ordered to take over the control of the weighbridge on 08 June 2016.

Audit observed from the records that the DTO, Jowai that the DTO actually took over the control of the weighbridge on 28 October 2016. No reason for the delay was found on record. Thus, during the intervening period from 08 June 2016 to 27 October 2016, there was no monitoring of the movement of goods trucks by the Transport Department and consequently no revenue could be realized by the Department, either from weighment fee or by way of realizing fines for overloading based on weighment slips.

During the period from February 2016 to October 2016, Audit observed that 109118 trucks carrying stone/boulder, limestone, etc., passed through the Land Customs Station (under Customs Department) onwards to Bangladesh. Thus, due to failure of the DTO, Jowai to take over the control of the weighbridge on time and making it operational, the State Government suffered a revenue loss of ₹2.18 crore<sup>9</sup> as weighment fees.

The case was referred to the Transport Department, Government of Meghalaya in October 2018. However, no specific reply was received (June 2019) about reasons for not operating the weighbridge till October 2016, when it was taken over by Department in June 2016, which led to the loss of State revenue.

Audit noticed failure of the CT to detect irregularities in operation of one weighbridge on verification of records related to one weighbridge out of 19 weighbridges in the State. The Department should look into similar issues in respect of other weighbridges also.

***Recommendation: The Department should fix responsibility to the official concerned for not taking timely action to take over the control of the weighbridge on time which resulted in loss of Government revenue.***

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<sup>9</sup> 109118 trucks x ₹200 per truck = ₹12712800.

