

CHAPTER – IV
TRANSPORT DEPARTMENT

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4.1 Tax 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 (as adapted by Government of Meghalaya). 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 commercial 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 (ACT) and the Secretary, State Transport Authority (STA). At the district level, the District Transport Officers (DTOs) have been entrusted with the registration of vehicles, issuance of permits and collection of duties. The collection of tax is governed by the provisions of the Motor Vehicles Act, 1988 and Rules made thereunder and the Assam Motor Vehicle Taxation Act, 1936.

4.2 Results of Audit

Test check of the records of six units relating to the Transport Department during 2019-20 revealed non-realisation of taxes, fees and fines, *etc.*, involving ₹ 73.94 crore in 21 cases which fall under the following categories:

Table 4.2.1

(₹ in crore)			
Sl. No.	Category	Number of cases	Amount
1.	Non/Short realisation of revenue	07	20.76
2.	Loss of revenue	08	50.09
3.	Other irregularities	06	3.09
Total		21	73.94

Replies to the cases pointed out by Audit during the year were not furnished by the Department in the year 2019-20. No recovery was intimated in any cases during the year.

An illustrative case having financial impact of ₹ 1.23 crore on loss to the exchequer is discussed in **Paragraph 4.3**.

4.3 Loss to the exchequer

Delay in implementation of revised rates of penalties/fines from defaulting vehicle owners resulted in short collection of penalties/fines to the tune of ₹ 1.23 crore.

Ministry of Law and Justice (Legislative Department), Government of India (GoI) notified the Motor Vehicle (Amendment) Act, 2019 (MVAA) on 09 August 2019. Subsequently, Ministry of Road Transport and Highways, GoI notified (28 August 2019) that different provisions of the MVAA including penal provisions shall be effective from 01 September 2019. The MVAA included new penal provisions as well as revised rates of various existing penalties to protect public safety, check road accidents, ensure convenience and secure protection of the environment. Some of the revised rates of penal provisions under the MVAA are given below:

Table 4.3.1: Details of revised penalty rates (Amount in ₹)

Sl. No.	Section	Offences	Penalty prior to 31 August 2019	Penalty w.e.f. 01 September 2019	Difference
1.	177	General Offence	100	500	400
2.	178	Travel without ticket 3 (b)	200	500	300
3.	179 (1)	Disobedience of order of authorities	500	2000	1500
4.	181	Driving without licence	500	5000	4500
5.	190 (2)	Violating Air and Noise Pollution	1000	10000	9000
6.	192 (A)	Vehicle without permit and violating permit conditions	5000	10000	5000
7.	194 (1)	Overloading goods vehicle	2000 and 1000 per extra tonne	20000 and 2000 per extra tonne	18000 and 1000 per extra tonne
8.	194 (2)	Refusal for weighing of goods carriage	3000	40000	37000
9.	196	Driving without insurance	1000	2000	1000

Scrutiny (July - August 2020) of records of the Commissioner of Transport (CoT) revealed that the new/revised rates of penalties under the MVAA was notified by the Transport Department, Government of Meghalaya on 16 September, 2019 i.e. after a delay of 15 days. Further scrutiny of reports submitted by the Enforcement Inspectors of seven weighbridges/check posts to the Commissioner of Transport (CoT) for the months of September 2019 and October 2019, revealed that even after the revised rates of penalties were notified on 16 September, 2019, the test-checked Enforcement Inspectors did not enforce the revised rates immediately. In fact, the revised rates of penalties were enforced/adopted on different dates even under the same district. The checkpoint-wise/district wise implementation of the revised rates of penalties/fines is shown in the **Table** below:

Table 4.3.2: Delay in enforcement of revised rates

Sl. No.	Name of weighbridge/ Checkpoints	District	Dates from which the revised rates of penalties were enforced	Delay in enforcement of the revised rate (in days)
(1)	(2)	(3)	(4)	(6)
1.	Iewsyiem	East Khasi Hills	25.09.2019	10
2.	Majai	Hills	25.09.2019	10
3.	Byrnihat	Ri-Bhoi	27.09.2019	12
4.	Amsarin	West Jaintia Hills	29.09.2019	14
5.	7 th Mile	Hills	12.10.2019	27
6.	Ratacherra	East Jaintia Hills	08.10.2019	23
7.	Umtyr-a	Hills	09.10.2019	24

Due to failure of both the Transport Department and the Enforcement Inspectors to implement the revised rates of penalties immediately from the date of the same being notified (16 September 2019) by the State Government had resulted in a total loss of ₹ 1.23 crore to the State exchequer. Weighbridges/Check-point wise details of offences and the amount of short collection of penalties is given in **Appendix-4.3.1**.

The CoT in its reply stated (November 2020) that the field officials could not proceed with the imposition of fine without receiving instructions from the GoM as it would cause disagreement from the public and discernment over the implementing officials viz the District Transport Officer or Enforcement Inspector. The CoT further stated that most of the violators are illiterate and were not aware of the high revised rate. They come up with appeal of ignorance and short of cash for settlement of the fine. In order to settle the fine without causing problem of traffic jam, they were allowed to pay the fine at a rate lower than the fixed rate.

The reply is not tenable because (i) the revised rates of penalties were not immediately implemented by the District Transport Officer or Enforcement Inspector even after receiving instructions from the GoM. (ii) Besides, the MVAA is a Statutory law which extends to the whole of India and, the State Government was bound to implement with immediate effect i.e. from 01 September 2019. (iii) The CoT's statement that most of the violators are illiterate, were not aware of the high revised rate and in order to settle the fine without causing problem of traffic jam, were allowed to pay the fine at rate lower than the fixed rate, is unacceptable since the Transport Department and its line department have the mandatory responsibilities to levy the prevalent rates of penalties from the defaulters without exercising any discretion over the rates of penalty. In Audit's opinion, it is the Department's responsibility to widely publicise enhancement of rates of penalties through suitable awareness campaigns as a measure of effective enforcement of the law.

The matter was reported to the Government (December 2021); reply is awaited (March 2022).

