

CHAPTER V

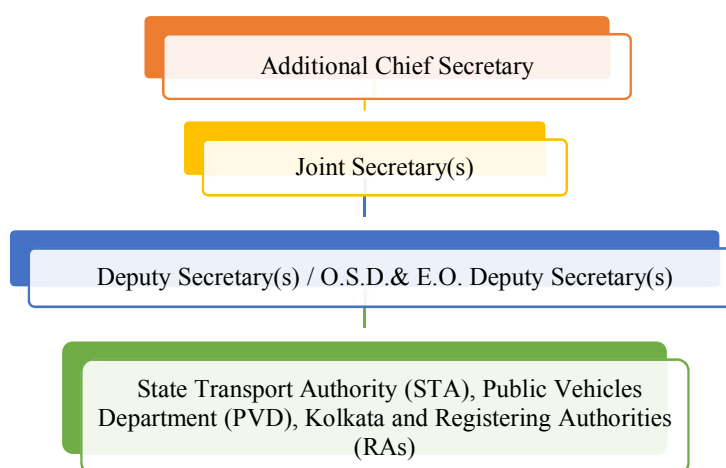
CHAPTER V

MOTOR VEHICLES TAX

5.1 Tax administration

The receipts from the Transport Department are regulated under the provisions of the Central and the State Motor Vehicle Acts and Rules made thereunder and are under the administrative control of the Transport Department as detailed in the chart below:

Chart 5.1: Tax Administration



5.2 Internal audit

The Department, though requested (August 2018), failed to furnish details regarding the Internal Audit Wing (IAW). The performance of internal audit wing could not, therefore, be reviewed and reported.

Absence of internal audit wing in the Department was earlier pointed out in the Audit Report 2010 (No.5 Government of West Bengal) – “Performance audit on collection of Motor Vehicles Taxes, fees and fines of Government of West Bengal” (paragraph 4.15). It was concluded in the said Report, that in absence of internal audit, weakness in the functioning of the department remained undetected (paragraph 5.1). Further Audit recommended establishment of internal audit wing for conducting periodical audit and preparing a manual on internal control mechanism in the Department (paragraph 5.2), which was not done by the Department.

5.3 Results of audit

In 2017-18, test check of the records of 16 units conducted relating to road tax, additional tax, special tax, audio fee, special fee, video fee, dealer’s tax, permit fee and penalties showed under assessment of tax and other irregularities involving ₹ 430.21 crore in 124 cases, which fall under the following categories shown in the **Table 5.1**.

Table - 5.1
Results of audit

(₹ in crore)

Sl. No.	Categories	Number of cases	Amount
1.	Non-realisation of	15	371.53
	• Tax, additional tax and penalty (LMV)		
	• Tax, additional tax and penalty (transport/commercial vehicles)	16	29.54
	• Permit fees	13	24.19
	• Special fee	14	1.17
	• Audio fee	13	0.31
2.	Short realisation of	13	1.72
	• Road taxes from contract carriage vehicles		
	• Road tax from LMV/Omni buses (Pvt. Use)	13	0.18
	• Fines for delayed production of vehicles for Certificate of Fitness (C/F)	15	1.45
3.	Others	12	0.12
Total		124	430.21

During the course of the year, the Department accepted non-realisation/blocking of revenue and other deficiencies of ₹ 277.98 crore in 321 cases, of which 19 cases involving ₹ 13.56 crore were pointed out in audit during the year 2017-18 and the rest in earlier years. An amount of ₹ 1.45 crore was realised in 47 cases at the instance of audit.

5.4 Audit Methodology

Audit Data Analytics

The Transport Department of West Bengal uses an IT application, ‘e-VAHAN’, a software developed by National Informatics Centre (NIC), New Delhi as per the Memorandum of Understanding signed with Ministry of Road Transport and Highways (MoRTH), Government of India, for providing online services to the public. The core functions of the Department, i.e., issue/renewal of driving licenses, registration/cancellation of registration/renewal of registration, insertion/deletion of hypothecation of vehicles, collection of taxes, fees and fines, issue/renewal of Certificate of fitness to motor vehicles etc., have been computerised.

The stakeholders and Regional Transport Authorities (RTAs), access e-VAHAN through a web enabled application. The public (citizens) can access e-VAHAN application through the Government of India website (www.parivahan.gov.in) and app-based software “mParivahan”.

Upto December 2016, data relating to VAHAN was received in dump (dmp). After implementation of e-VAHAN, the data is received in the form of Comma Separated Value (.CSV) files from the Department. On the basis of data received, 16 high risk audit units were planned for audit in 2017-18, using risk parameters such as revenue collections and year of last audit.

The dump data was analysed using data analytic tool (IDEA) using functions in IDEA like extraction, appending, joining, summarisation etc. Hundred *per cent* population of the transaction data was analysed to detect exceptions for the selected 16 high risk units as follows:

1. Extraction of cases where lesser than applicable rates of taxes were realised based on data available in Owner table with Road tax collection tables.
2. Extraction of cases where fees levied is lesser than applicable rates based on data available in Fitness fees table.
3. Extraction of cases where there is no levy of tax based on data in Owner table and Road tax collected tables.
4. Extraction of cases where there is no realisation of Special tax based on data in Owner table and Additional Road tax collected tables.
5. Extraction of cases where there is no realisation of Special fees based on data in Owner table and Special fee tables.
6. Extraction of cases where there is no realisation of Audio fees based on data in Owner table and Audio fee tables.
7. Other similar analysis on additional tax, life tax and any other applicable taxes and fees.

Regular establishment audit, verification of receipts with treasuries and issue audit observations based on the audit analysis of the data was done by the field audits.

A detailed compliance audit on “**Working of check-posts under Transport Department**” with money value ₹ 162.32 crore and audit observations involving ₹ 257.70 crore made on the basis of test check of records in the Transport Department are discussed in the following paragraphs.

5.5 Detailed Compliance Audit on “Working of check-posts under Transport Department”

5.5.1 Introduction

The functioning of the Transport Department is governed by the Motor Vehicles (MV) Act, 1988, the Central Motor Vehicles (CMV) Rules, 1989, the West Bengal Motor Vehicles (WBMV) Rules, 1989 and notifications issued thereunder, from time to time. West Bengal has a road network of 19 State Highways (SH)¹⁴⁰ and 28 National Highways (NH)¹⁴¹ of length of 4505 km and 2997.8 km respectively. As on 31 March 2017, there were six inter-state¹⁴² and intra-state¹⁴³ check-posts¹⁴⁴ and two

¹⁴⁰ Official website of West Bengal Traffic Police, www.wbtrafficpolice.com as on 19.09.2018.

¹⁴¹ Data collected from Ministry of Road Transport and Highways (MoRTH) as on 30.06.2017.

¹⁴² ‘Inter-state’ means relating to two States- referred for the check-post located near State border.

¹⁴³ ‘Intra-State’ means within a State – referred for the check-post not located near State border.

¹⁴⁴ ‘Inter-state’ check-post- Beltala, Baxirhat, Rampur and Srirampur. ‘Intra-state’ check-post- Palsanda and Shaktigarh.

weighbridges¹⁴⁵ on NHs in West Bengal for enforcement of the provisions of MV Acts and Rules as shown in the following table:

Table - 5.2
Motor Vehicles Check-posts and weighbridges as on 31 March 2017

Sl. No	Name of Check- post	Year of establishment of Check-posts	Highway on which Check-post was set up	Whether Weighbridge set up/ Year of operation	Name of the District where the check-post/ weighbridge was set up
Inter-state check-posts					
1.	Rampur	1996	NH-2	No	Paschim Bardhaman
2.	Beltala	1998	NH-6	No ¹⁴⁶	Paschim Medinipur
3.	Barobisa, now Srirampur	2007/2014	NH-31C	Yes, by the concessionaire ¹⁴⁷ , M/s SIPL (2014)	Coochbehar
4.	Baxirhat	2010	NH-31	Yes, by the concessionaire, M/s TCECPL (2014)	Coochbehar
Intra-state check-posts					
5.	Saktigarh	2015	NH-2	No	Purba Bardhaman
6.	Palsanda	2016	NH-34	No	Murshidabad

Under the provisions of MV Acts/Rules any vehicle entering West Bengal from other States/plying within the State is required

- to carry a number of valid documents viz., Certificate of Fitness, national/temporary/special Permit, Pollution Control Certificate, Driving Licence etc.;
- to deposit certain fees and taxes viz., Additional Tax¹⁴⁸, Composition Fee¹⁴⁹;
- to follow certain road safety norms viz., carrying double driver in case of national permit holder, avoiding dangerous/rash driving, carrying side/back projection; and
- not to ply with excess height and excess weight as per Rules prevailing in the State.

¹⁴⁵ Operated by M/s Shamiyana Infrastructure Pvt. Ltd. (SIPL) and M/s Toofanganj Construction and Engineering Co. Pvt. Ltd. (TCECPL) at Coochbehar District near Assam border. Another weighbridge was established in August 2017 at Paschim Medinipur District being operated by M/s. West Bengal Motor Vehicles Weighbridge Corporation Ltd. (WBMVWCL).

¹⁴⁶ One weighbridge started operation in August 2017 after the completion of audit period.

¹⁴⁷ Right to run a business, especially in a building belonging to another business.

¹⁴⁸ Additional Tax means the tax leviable in respect of all vehicles as described in Schedule I of Section 3 of the WBAT&OT Act, 1989. In case of a motor vehicle registered outside West Bengal and is being used or is plying in West Bengal, additional tax in respect of such vehicle shall be realised at the prescribed rates for the period during which such vehicle is plying or staying in West Bengal.

¹⁴⁹ Section 200 of the MV Act -Any offence punishable u/s 177, 178, 179, 180, 181, 182,183(1&2), 184, 186, 189,190(2),191, 192, 194, 196 and 198 be compounded by such officers/authorities and as such amount the State Government may, by notification in the Official Gazette, specify in this behalf.

Non-observance of any of these conditions makes the driver/owner of vehicle liable to pay penalty and fine as per provisions of Motor Vehicles Acts and Rules. Further in order to ensure follow up of all the conditions, detailed checking of all the vehicles is essential at check-post/weighbridge.

During the period from 2014-15 to 2016-17, revenue realised in the form of penalty and fines from compounding of offences at the six check posts and weighing fees realised at two weighbridges was ₹ 153.53 crore and ₹ 2.80 crore¹⁵⁰ respectively.

5.5.2 Audit objectives, scope and methodology

Audit was undertaken with a view to ascertain whether:

- activities of check-posts and weighbridges conform with the provisions of the Acts, Rules and notifications made there under;
- agencies under Public Private Partnership (PPP) models were working as per extant provisions of Rules; and
- relevant provisions of Acts/Rules are being implemented effectively to safeguard State revenue.

Audit was conducted between January 2018 and June 2018 in the office of Transport Department and five out of the six check-posts¹⁵¹ in the State. It covered the period from April 2014 to March 2017. Information collected from two weighbridges¹⁵² was cross-checked with the records of the check-posts. Information/data from other Departments¹⁵³ were also collected and cross verified with the VAHAN data to ascertain if there were overloading of vehicles.

5.5.3 Audit findings

5.5.3.1 Computerisation of check-posts not done

Computerisation in Motor Vehicles Offices started from the year 2000 with software 'Transport Information System (TIS)' by the Transport Department, West Bengal. Under National e-Governance Plan (NeGP), customised Software 'VAHAN' and 'SARATHI' were implemented from the year 2004 in phased manner in Transport Department.

It was observed that none of the five check-posts, selected in audit, had been computerised. The process of verification of documents, estimation of penalty and its collection at these check-posts were being done manually. Under the manual system, inspection of all vehicles passing through these check-posts was not possible within limited time due to heavy traffic movement. Further, in the absence of digital data of check-posts, it was very difficult to identify the repeat offences¹⁵⁴. In the absence of computerisation of the check-posts, there

¹⁵⁰ **Compounding fees** for 2014-15 ₹ 40.37 crore, 2015-16 ₹ 52.30 crore and 2016-17 ₹ 60.86 crore; **Weighing fees (SIPL)** 2014-15 ₹ 12.88 lakh, 2015-16 ₹ 72.58 lakh and 2016-17 ₹ 60.49 lakh; **Weighing fees (TCECPL)** 2014-15 ₹ 12.08 lakh, 2015-16 ₹ 37.29 lakh and 2016-17 ₹ 84.36 lakh

¹⁵¹ Except Palsanda check post operational from 2016.

¹⁵² SIPL and TCECPL.

¹⁵³ Data/information of Excise Department and Public Works Department relating to vehicles used for carrying goods .

¹⁵⁴ First offence, 2nd offence, 3rd offence and subsequent offences, committed by the vehicle owners.

was bound to be loss of Government revenue in the form of taxes, fees and penalties from vehicles plying in contravention of Act.

After this was pointed out in May 2018, the Additional Secretary, Transport Department stated (August 2018) that a new software namely, e-Challan i.e Computerised system for enforcement activities was undergoing testing phases and was expected to be implemented shortly in this State under e-VAHAN and e-Sarathi which are being used nationally. This issue of non-computerisation of check-posts which defeated the very purpose of introduction of VAHAN, was pointed out in Para 5.7.7 of the C&AG Audit Report 2011 (No. 5 of Government of West Bengal). The Department has, however, failed so far to computerise the check-posts.

5.5.3.2 Shortfall in establishment of Check-posts/weighbridges

The Transport Department identified 17 different locations in 2008 for setting up check-posts with weighbridges. Only one check-post and two weighbridges were, however, set up under Build Own Operate (BOO) basis. Thus, only four check-posts including three existing check-posts and two weighbridges were operational on National Highways (NH) crossing the inter-state border against network of 47 Highways (28 NH and 19 SH) in the State.

Check-posts and weighbridges were to be set up at 17 specified locations on Build Own Operate (BOO) basis under Public Private Partnership (PPP) model. Audit noticed irregularities in establishment of check-posts and weighbridges as detailed in the succeeding paragraphs.

In 2008, the Transport Department, Government of West Bengal, decided to set up check-posts/weighbridges with Motor Vehicle Offices and other facilities on both sides of the National Highway (NH) and State Highway (SH) in West Bengal.

The objective of setting up of weighbridges/check-posts was to enforce the provisions of Motor Vehicles Acts, Rules and regulations related to various kinds of permits, excess weight, realisation of Government revenue¹⁵⁵ etc.

Through bidding process (February 2008), three¹⁵⁶ private partners were selected (February 2008) out of six vendors¹⁵⁷ for installation of the weighbridges and with liability to construct the Motor Vehicle Office/Check-posts with all other facilities. The Department executed “concession agreement” with three parties between March 2008 and July 2008 for 14 locations. For construction of Check-posts/installation of weighbridges at the remaining three locations of existing check-posts, further action, if any, taken was not found on record.

¹⁵⁵ U/s 177 to 198 of MV Act.

¹⁵⁶ TCECPL, SIPL and WBMVWCL.

¹⁵⁷ As per record of West Bengal Transport Infrastructure Development Corporation Limited (WBTIDCL) @ 10,000 for each locations as bid money deposited by the bidders namely- (i) K.S. Softnet for 17 locations, (ii) M/s Amritlal Chatterjee Pvt. Ltd for 12 locations, (iii) M/s Refcon Projects for 12 locations, (iv) M/s West Bengal Motor Vehicles Weigh Bridge Corporation Ltd. for 15 locations, (v) M/s Tufanganj Construction & Engineering Pvt. Ltd. (for one location) and (vi) M/s Shamiyana Infrastructure Pvt. Ltd. (for one location). WBTIDCL is a State Government undertaking corporation functioning under the Transport Department. Recital of the Agreement between Government and concessionaire shows that concessionaires were directed to deposit ‘performance security’ to WBTIDCL.

It was observed that against these 14 check-posts/weighbridges, only one inter-state check-post with one weighbridge at Baxirhat (NH-31) and one weighbridge¹⁵⁸ at Srirampur both in Coochbehar district (NH-31C) were established under the concession agreement.

As regards other 13 check-posts/12 weighbridges¹⁵⁹, the Department in its reply stated (August 2018) that the work was stalled due to court cases/litigation on different issues. At Shaktigarh, Purba Bardhaman (NH-2) and at Palsanda, Murshidabad (NH-34), however, two intra-state check-posts were set up by the Department itself during the year 2015 and 2016, respectively.

The status of establishment of check-posts/weighbridges at Highways is depicted in the following map:



(Not to scale)

Thus, only six check-posts and two weighbridges were operational¹⁶⁰ on 47 highways (28 NHs and 19 SHs) as on 31 March 2017 which cannot be considered adequate to curb various transport offences through enforcement of provisions of MV Acts and Rules. In the absence of check-posts and weighbridges, there was bound to be loss of Government revenue in the form of taxes, fees and penalties from vehicles plying in contravention of Acts.

After inadequacy of check-posts was pointed out (May 2018), the Additional Secretary, Transport Department stated (August 2018) that the Transport Department had engaged concessionaires to install 14 Motor Vehicle check-posts¹⁶¹ through BOO model covering all the major roads/points at the inter-state

¹⁵⁸ Two weighbridges were made operational in June 2014 and December 2014 respectively.

¹⁵⁹ One weighbridge at Beltala, Paschim Medinipur (NH-6) was made operational in August 2017 under Concession agreement.

¹⁶⁰ One weighbridge was made operational in August 2017, after the completion of the Audit period.

¹⁶¹ Only one check-post was established at Baxirhat in Coochbehar district out of these 14 check posts.

borders which was later stalled due to court cases and litigations on different issues. The fact is, Department could not establish the targeted number of check posts and weighbridges even after a lapse of more than 10 years of awarding work. Moreover, the Department could also have established more check-posts like it did in Purba Bardhaman (NH-2) and Murshidabad (NH-34) in the year 2015 and 2016, respectively.

5.5.3.3 Discrepancies/deviations relating to Concessionaire agreement

As discussed in para 5.4.3.2 above, the 'Concession agreements' were executed between the Department and the owners of weighbridges on Build-Own-Operate (BOO) basis to set up weighbridges at different locations in West Bengal. In this connection, we observed as follows:

(i) Uniform percentage of Government share from weighing fees not maintained

Government shares on collection of weighing fee were fixed at different rates for different concessionaires.

Article 6.2 of the "concession agreement" prescribes that the concessionaires were to pay a share of the revenue collected as weighing fees to the State Government on a monthly basis. The weighing fees were to be realised @ ₹ 100 each from all goods vehicles having up to six wheels and @ ₹ 200 each from all goods vehicles having more than six wheels.

The share of Government revenue to be paid by the concessionaires from the weighing fees collected by them at weighbridges was fixed at different rates for the two vendors. While share of revenue from collection of weighing fees from the weighbridge operated by M/s TCECPL was initially seven *per cent*, subsequently revised to 14 *per cent* of the collection, that from other weighbridge operated by SIPL was initially 5.27 *per cent*, subsequently revised to 11.5 *per cent* of the collection. Share of weighing fees of ₹ 84.22 lakh was realised from M/s TCECPL in case of 3,51,215 vehicles and of ₹ 60.25 lakh from M/s SIPL in case of 2,85,742 vehicles in 2016-17.

The basis of fixation of different rates for Government dues to be collected from these two vendors, initially and at the time of revision, could not be ascertained from the records of the Department. Thus, fixation of fees at different rates led to estimated loss of Government revenue amounting to ₹ 13.10 lakh @ 2.5 *per cent* of weighing fee collected from each vehicle that passed through the weighbridges operated by SIPL.

After this was pointed out (May 2018), the Additional Secretary, Transport Department accepted the audit observation and stated (August 2018) that the Transport Department would consider to make government share uniform for all the concessionaires.

(ii) Violation of terms and condition of 'Concession Agreement'

Performance security of ₹ 13 lakh was not deposited by successful bidders.

As per the "Concession Agreement" successful bidders were to pay performance security at the rate of ₹ one lakh for each weighbridge to be set up by them

after seven days of the execution of the agreements. The performance security was payable in the form of Bank Draft or Bank Guarantee in favour of “West Bengal Transport Infrastructure Development Corporation Ltd” (WBTIDCL). Thus, performance security of 14 lakh was payable by the three bidders for 14 specified locations.

Audit found from records maintained by WBTIDCL that except for one bidder who paid ₹ one lakh as performance security in July 2008 for setting up one weighbridge station, the other two bidders did not pay the requisite performance security. As a result, performance security of ₹ 13 lakh for setting up of 13 weighbridge stations remained unrealised from two bidders. Thus, the Department could not monitor and ensure the collection of security deposit from the successful bidders.

After this was pointed out (May 2018), the Additional Secretary, Transport Department accepted the audit observation and stated (August 2018) that the WBTIDCL was being requested to furnish a report to the Department.

(iii) Loss of revenue due to non-realisation of weighing fees during 21 days after demonetisation

There was non-realisation of revenue as share of weighing fees of ₹ 8.44 lakh due to absence of transactions of weighing for 21 days.

Article 6.2 of the “concession agreement” prescribes the percentage of share of Government from weighing fees at seven¹⁶²/ 5.27¹⁶³ *per cent*, payable on a monthly basis, by the concessionaires. The weighing fees was to be collected @ ₹ 100 each from all goods vehicles having upto six wheels and @ ₹ 200 each from all goods vehicles having more than six wheels. The percentage of share of Government was further revised to 14¹⁶⁴/ 11.5¹⁶⁵ *per cent* payable from weighing fees. In the wake of demonetisation¹⁶⁶, Finance Department, Government of West Bengal, issued instructions to the RTOs/ARTOs, to not collect taxes/fees/penalties in cash with effect from 14 November to 2 December 2016. There was however no restriction in making payments by other modes including electronic payment.

During the course of audit, it was noticed from analysis of data in respect of the two weighbridges¹⁶⁷ that weighing fees at these weighbridges were not realised for 21 days from 15 November 2016 to 5 December 2016. The weighbridges attached to these check-posts concerned deferred collection of weighing fees. As a result, non-realisation of revenue as share of weighing fees worked out in audit on average basis, amounted to ₹ 8.44 lakhs (₹ 3.52 lakh¹⁶⁸ and ₹ 4.92 lakh¹⁶⁹) in 21 days.

After this was pointed out (May 2018), the Additional Secretary, Transport Department stated (August 2018) that the DM, Coochbehar was requested to look into the matter.

¹⁶² TCECPL.

¹⁶³ SIPL.

¹⁶⁴ TCECPL.

¹⁶⁵ SIPL.

¹⁶⁶ Indian currency of ₹ 500 and ₹ 1,000.

¹⁶⁷ TCECPL and SIPL.

¹⁶⁸ Average share of GOWB of ₹ 5.04 lakh per month on ₹ 60.49 lakh in the year 2016-17- SIPL.

¹⁶⁹ Average share of GOWB of ₹ 7.03 lakh per month on ₹ 84.36 lakh in the year 2016-17- TCECPL.

5.5.3.4 Irregularities in check-posts at West Bengal-Assam border

There are two weighbridges and two check-posts at the Assam-West Bengal border at Baxirhat and Srirampur. Data of the two weighbridges¹⁷⁰ was obtained from the RTO, Coochbehar and found that 12,51,233 transport vehicles¹⁷¹ crossed the two check-posts during the period from June 2014 to March 2017. This data was cross-checked with the manual data maintained at the check-posts. The audit observations are discussed in the succeeding paragraphs:

(i) Temporary permit and special permit not issued at check-posts

Not a single case was found registered against any vehicle in three years for not having valid permit in either check-post

Under Sections 87 and 88(8) of the Motor Vehicles Act, 1988 temporary permit¹⁷² and Special permit¹⁷³ will be issued by RTA (Regional Transport Authority)/STA (State Transport Authority) to vehicles coming from other States for limited period of time. In cases where transport vehicles enter the State without valid permits, RTA of the check-post concerned shall issue permits after realisation of permit fees and compounding fine under Section 192A of the Act for not carrying permits.

While 12,51,233 vehicle crossed Baxirhat and Srirampur check-posts between June 2014 to March 2017, inspection of the compounding registers of these check-posts, revealed that not a single offence case was registered under Section 192A against any vehicle. It was highly unlikely that out of 12,51,233 goods vehicles entering the state, all of them possessed valid permits or had no offense cases to be registered against them. This indicates that defaulting vehicles were allowed to enter the State through these check-posts without issuing temporary or special permits and without collection of permit fees and compounding fines. Moreover, the DM, Coochbehar in August 2017 had informed the Transport Department that the estimated loss of revenue at the two check-posts due to non- issuance of Temporary Permits was ₹ 55 lakh per month.

After this was pointed out (May 2018), the Additional Secretary, Transport Department accepted the audit observation and stated (August 2018) that issue of permits from check-posts could not be commenced as posting of Motor Vehicle Inspectors (MVIs) at Baxirhat was delayed because of shortage of manpower and time taken for engagement of contractual MVIs. Shortage of manpower, however, cannot justify such huge loss of revenue due to non- issuance of permits at the check posts.

(ii) Short levy of penalty

Cases were not compounded at higher rate for the second and subsequent offences of overloading committed by the owners or drivers of vehicles.

As per Notification¹⁷⁴ issued in November 2004, rate of penalty for compounding

¹⁷⁰ SIPL and TCECPL.

¹⁷¹ 5,21,791 vehicles crossed from Baxirhat check-posts from April 2015 to March 2017 and 7,29,442 vehicles crossed Srirampur check-post from June 2014 to March 2017.

¹⁷² To be issued by RTA/STA for the period not exceeding four months to authorise the use of transport vehicles temporarily in other State.

¹⁷³ To be issued by RTA/STA to any public service vehicles for the convenience of the public for carrying passenger(s) for hire or reward under a contract.

¹⁷⁴ Notification no.4985 WT/3M-80/2002 dated 8 November 2004.

offence committed under section 194(a) and (b) of the Act, i.e., driving vehicle exceeding permissible weight, is prescribed as ₹ 2,000 for first offence, ₹ 3,000 for second offence and ₹ 5,000 for third and subsequent offences.

Audit test checked Compounding Registers maintained manually at Baxirhat and Srirampur check-posts. It found that 1,532 cases of overloading at Baxirhat check-post and 5,671 cases of overloading at Srirampur check-post were detected during the period between December 2014 and March 2017. It was observed from analysis of these cases that 53 vehicles were caught overloaded two to seven times (123 cases) at Baxirhat check-post and 439 vehicles were caught overloaded two to eight times (1,013 cases) at Srirampur check-post. Penalty for compounding offence at the rate of ₹ 2,000, applicable for the first offence, was realised from these vehicles even for subsequent offences. Thus, due to non-imposition of penalty at higher rates for second and subsequent offences committed by these vehicles, there was short realisation of penalty of ₹ 10.73 lakh (Baxirhat check-post-₹ 1.38 lakh and Srirampur check-post-₹ 9.35 lakh).

As the check-posts maintained manual records, there was no mechanism to detect vehicles that were repeat offenders, hence, compounding at higher rates was not done.

After this was pointed out (May 2018), the Additional Secretary, Transport Department accepted the audit observation and stated (August 2018) that in absence of a computer system and database of offences already committed, it was hard to detect the second or subsequent offences on spot instantly at the time of checking. After commencement of e-challan system, the new version of software, it would be possible to detect such offences and the system would calculate the compounding fine to prevent such loss of revenue.

(iii) Non-levy of penalty on overloaded vehicles

Penalty from overloaded vehicles was not levied in 3,79,349 cases.

Under Section 194 of the Motor Vehicles Act 1988, whoever drives a motor vehicle or causes or allows a motor vehicle to be driven in contravention of the provision of Section 113 or 114¹⁷⁵ shall be punishable with minimum fine of ₹ 2,000 and an additional amount of ₹ 1,000 per tonne of excess load, together with the liability to pay charges for off-loading of the excess load.

Analysis of data of two weighbridges, M/s SIPL and M/s TCECPL, at Coochbehar revealed that 12,51,233 goods vehicles (M/s SIPL-7,29,442 vehicles and M/s TCECPL-5,21,791 vehicles) were weighed during the period between December 2014 and March 2017. Of these, 3,87,539 goods vehicles were found to have carried load in excess of their registered laden weight. From the records of Srirampur check-post (SIPL) and Baxirhat check-post (TCECPL) it was revealed that penalty amounting to ₹ 3.46 crore was realised in 8,190

¹⁷⁵ Section 113 of MV Act deals with limits of weight and limitations on use. Section 114 provides provisions regarding power to have vehicle weighed.

cases. No penalty was levied in 3,79,349 cases for overloading amounting to ₹ 162 crore as detailed in the table below:

Table - 5.3

Weighbridge operated by	Period	Goods vehicles weighed as per weighbridge data	Vehicles found overloaded	Penalty realised during the period (in ₹)	Non levy of Penalty (in ₹)	Remarks
M/s SIPL Srirampur	December 2014 and March 2017	7,29,442	2,45,197 (33.6 per cent)	2.81 crore (6,640 cases)	80.69 crore (2,38,557 cases)	
M/s TCECPL ¹⁷⁶ Baxirhat	April 2015 to May 2016	2,17,793	1,00,876 (46.32 per cent)	nil	63.62 crore (1,00,876 cases)	Non deployment of Enforcement Wing
	June 2016 and March 2017	3,03,998	41,466 (13.64 per cent)	64.70 lakh (1,550 cases)	17.68 crore (39,916 cases)	
Total		12,51,233	3,87,539	3.46 crore (8,190 cases)	161.99 crore (3,79,349 cases)	

After this was pointed out (May 2018), the Additional Secretary, Transport Department accepted the audit observation and stated (August 2018) that at Baxirhat check-post though the concessionaire completed installation of check-post in time, there was no enforcement activity from April 2015 to May 2016 in absence of any Motor Vehicle officer. Moreover, enforcement activities at both check-posts could not be done round the clock due to inadequate number of officers.

(iv) Non-realisation of compounding fines

Compounding fines were not realised from owners of overloaded tankers due to non-interception at the check-post.

In terms of Section 194 read with Section 113 of the Motor Vehicles Act, 1988 and Notification¹⁷⁷ issued in November 2004, whoever drives a motor vehicle with laden weight in excess of the permissible limit shall be punishable with minimum fine of ₹ 2,000 per vehicle plus an additional amount of ₹ 1,000 for each ton and part thereof.

Audit cross-checked records of two¹⁷⁸ breweries located at Asansol, Paschim Bardhaman, with the records of Rampur and Shaktigarh check-posts. It noticed that 208 tankers of spirit with laden weight in excess of the permissible limit were carried from four states¹⁷⁹ through Rampur check-post between June 2014 and March 2017 for preparation of alcoholic beverages. Further 29 tankers of spirit from a company¹⁸⁰ in South 24 Parganas, Kolkata was carried through Shaktigarh check-post between January 2016 and March 2017 also having

¹⁷⁶ Already incorporated in CAG'S Audit Report 2016-17 para no.4.8.

¹⁷⁷ No. 4985-WT/3M-80/2002 dated 8 November 2004.

¹⁷⁸ M/s United Spirit Ltd and M/s Pincon Spirit Ltd.

¹⁷⁹ Punjab, Bihar, Jharkhand and Chandigarh.

¹⁸⁰ IFB Agro Industries Ltd.

excess load beyond permissible limit prescribed in their RC. The tankers entered West Bengal through these two check-posts, without being intercepted. As a result, no penal action was taken against those defaulting tankers for carrying excess load. This resulted in non-levy of compounding fine amounting to ₹ 8.03 lakh and ₹ 1.37 lakh at the Rampur and Shaktigarh check-posts, respectively. Further, due to non-interception at check-post these tankers continued plying without off-loading of their excess weight.

After this was pointed out (May 2018) the Additional Secretary, Transport Department accepted (August 2018) that the check-post at Rampur was established long before and was still not equipped with the facilities or infrastructure with separate lane and barricades and weighbridge for checking every vehicle passing through. As a result, vehicles were not checked at that check-post and overload offences could not be detected and compounding of such offence could not be done. The reply of the Transport Department is not tenable as it is the responsibility of the Department to develop adequate infrastructure required for revenue collection at the check-posts. In case of Shaktigarh check-post, the Additional Secretary, Transport Department did not furnish specific reply (December 2019).

5.5.3.5 Partial enforcement of Carriage by Road Act leading to improper monitoring of cases of overloading at check-posts

Cases of overloading by common carriage operators were not monitored in the absence of information/returns submitted by them as prescribed in the Carriage by Road Act.

As per Section 4 (1&2) of the Carriage by Road Act, 2007, any person who is engaged or intends to engage in the business of a common carrier, shall apply for the grant or renewal of a certificate of registration for carrying on the business of common carrier to the registering authority (RA)¹⁸¹. As per Section 7 of the Act *ibid*, the holder of certificate under this Act should furnish information and return, giving the details of goods carried by the common carrier to RA as may be prescribed. Further, Section 8(4) of the Act prescribes that a common carrier shall not load the motor vehicles beyond the gross vehicle weight mentioned in the registration certificate. Section 5(3) of the Act authorises the RA to impose penalty in cases of overloading.

It was noticed from Profession Tax data obtained from Directorate of Commercial Taxes (DCT), West Bengal, that 260¹⁸² common carriage operators were registered as transporters. On cross verification of the DCT data with the records of the RA, Purba Bardhaman, it was found that out of 260 operators, only one common carriage operator was registered in this RA. Thus, the remaining 259 common carriage operators, though operated their business as transporters, remained unregistered with the RA concerned. As such, cases of overloading by these operators could not be identified in the absence of information/returns submitted by them.

¹⁸¹ Registering authority means a State Transport Authority or a Regional Transport Authority constituted under Section 68 of the Motor Vehicles Act, 1988.

¹⁸² Registered under schedule 2(h) of profession tax, under Asansol charge, Durgapur charge and Bardhaman charge - (64 transporters).

After this was pointed out (May 2018), the Additional Secretary, Transport Department stated (August 2018) that the DM, Paschim Bardhaman was requested to look into the matter.

These are the results of the test check of records made available to audit. There may be similar irregularities, errors/omissions in other units under the department but not covered in the test audit. Department may, therefore, examine all the units with a view to ensure that the taxes are levied as per provisions of the Act and rules.

5.5.3.6 Lack of Infrastructure and manpower at the check-posts

There was lack of basic infrastructure such as barricades, by-lanes, building, manpower etc. required for enforcement of provisions of Act and Rules of Motor Vehicles effectively.

Basic infrastructure like barricade to stop the vehicles, by-lane attached to the main road, public utility facilities, close circuit television, police personnel, are required at check-posts for enforcement of provisions of Act and Rules of Motor Vehicles.

It was noticed that out of five¹⁸³ check-posts audited, in three¹⁸⁴ check-posts, there was no basic infrastructure to carry out enforcement activities effectively as detailed below:

- **Barricades:** There was no barricade to stop the vehicles for detailed checking at Rampur and Saktigarh check-posts. Without barricades, it was life threatening for the enforcement officials to stop the speeding vehicles on the highway for verification of documents and penalise the defaulters.
- **By-lanes:** There were no by-lanes on the highway at Rampur and Saktigarh check-posts to stop and queue commercial vehicles for detailed checking without affecting normal movement of other vehicles.
- **Building:** Shaktigarh check-post was a temporarily built, container based housing. Such accommodation seemed insufficient to work and store the office records like seizure lists, compounding slips, case registers, temporary permit registers and other related files. Further, Rampur check-post had no public utility facilities .
- **Police Deployment:** The average daily collection of revenue at Rampur check-post was ₹ 7.26 lakh¹⁸⁵ and at Shaktigarh check-post was ₹ 3.84 lakh. The nearest police station was situated at about six to seven kilometers away from these check-posts. However, no police personnel were deployed at the Rampur check-post to provide security. Audit also found that the Saktigarh check-post was ransacked in July 2016 and staff had to flee to save their lives.
- **CCTV camera:** NO CCTV cameras were installed at Rampur, Saktigarh and Beltala check-posts.
- **Manpower:** Check-posts are to be manned full time for vigilance, monitoring of movement of vehicles and enforcement of provisions of

¹⁸³ Baxirhat, Srirampur, Beltala, Rampur and Shaktigarh.

¹⁸⁴ Rampur, Beltala and Saktigarh check-posts.

¹⁸⁵ Calculated on the basis of annual collection for the year 2016-17.

MV Acts and Rules. As check-posts were yet to be computerised, adequate officials were required for manual processing, assessment and collection of taxes, fees and penalties. Enforcement activity were affected adversely due to shortage of manpower to their sanctioned strength.

Thus, the Department failed to ensure establishment of sufficient infrastructure for smooth working at check-posts. Reason for non-establishment of proper infrastructure could not be ascertained from the records.

After this was pointed out (May 2018), the Additional Secretary, Transport Department stated (August 2018) that infrastructure including public utilities and CCTVs would be set up; police authorities had been requested to provide security at check-posts. He further accepted that there was acute shortage of MVI and ARTO level officers under Transport Department.

Audit had earlier pointed out on the lack of proper infrastructure in Rampur Motor Vehicles Check-post in Para 4.13 of the CA&G Audit Report 2010 (No.5 Government of West Bengal)– “Performance audit on collection of Motor Vehicles Taxes, fees and fines of Government of West Bengal”. The Department, however, had not taken corrective measures and therefore infrastructure was still deficient.

5.6 Other Compliance issues

Apart from detailed compliance audit on “Working of Check posts in Transport Department”, data in respect of 71,03,615 vehicles was obtained from 16 out of 28 Registering Authorities (RAs) during 2017-18 and analysed to ascertain the extent of compliance of provisions of the Acts and rules framed thereunder. The findings in respect of 2,94,263 vehicles (4.14 *per cent*) out of 71,03,615 vehicles across various RAs involving ₹ 257.70 crore are discussed in the following paragraphs:

5.6.1 Non-mapping of provisions of the Acts and Rules in the VAHAN software

Collection of motor vehicles taxes, fees and fines is guided by provisions laid down in the WBMVT Act, 1979, the WBAT&OTMV Act, 1989, the Motor Vehicles (MV) Act, 1988 and the Central Motor Vehicles (CMV) Rules, 1989. For effective implementation of these provisions, it was essential that all the provisions were mapped properly in the VAHAN software to prevent any non/short realisation of Government revenue.

During analysis of data of 16 RAs, it was observed that various provisions of the Acts and Rules (Transport Department) were either not mapped or were mapped partially in VAHAN software for realisation of revenue due at the time of payment of taxes by owners of the vehicles. This resulted in non/short realisation of revenue of ₹ 257.70 crore as detailed in the subsequent sub-paragraphs.

5.6.1.1 Tax, additional tax, penalty and special fee not realised

Tax, additional tax, penalty and special fee of ₹ 240.52 crore were not realised from owners of 1,23,361 vehicles.

Section 3 of West Bengal Motor Vehicles Tax Act (WBMVT) Act, 1979 and Sections 3 and 4 of the West Bengal Additional Tax & One-time Tax on Motor Vehicles (WBAT&OTMV) Act, 1989 prescribe the rates of tax and additional tax on vehicles. Further, Sections 11 and 10 of the Acts respectively, provide for imposition of penalty in case of non-payment of taxes. Rule 26 of the West Bengal Motor Vehicles Tax (WBMVT) Rules, 1957 prescribes that the RA shall maintain a Tax Demand Register (TDR) in Form 'J', showing registration number of the vehicle, name and address of the owner, tax due etc. The RA shall review the register in order to see whether the tax is regularly paid and shall take prompt action against owners for non-payment of tax. However, with the introduction of VAHAN software in July 2004, the RAs discontinued maintenance of TDRs manually.

In addition, Rule 121 of the West Bengal Motor Vehicles (WBMV) Rules, 1989 prohibits plying of heavy goods vehicles having gross vehicle weight (GVW) above 22,542 kg within the State Government of West Bengal relaxed this provision in February 1991. Plying of such vehicles is now permitted on payment of a special fee at varying rates depending on the GVW.

Audit analysed data relating to payment of taxes, fees and fines obtained from 21 RAs during the period between January 2017 and February 2018. It was found that the VAHAN software did not have the provision to maintain TDR electronically to monitor payment of taxes, fees etc., falling due from the owners of vehicles. VAHAN also did not have any provision to generate a report providing information as required in the TDR, by collating data spread across various tables created in the software. However, by analysing the data across different tables in VAHAN software, Audit calculated taxes and penalty of ₹ 239.44 crore which was realisable from the defaulting owners of 1,23,361 vehicles during 2013-2017. Out of these, owners of 5,506 vehicles were also liable to pay special fees¹⁸⁶ of ₹ 1.07 crore during the period. Thus, non-maintenance of TDRs deprived the Department of monitoring and taking necessary action against tax defaulting owners of vehicles. The software only generated the list of defaulting vehicles, without details of the period of default and amount involved therein. Though the Department was aware of these deficiencies in the software, which were pointed out in earlier Audit Reports, no corrective measures were taken to address these.

Thus tax, additional tax¹⁸⁷, penalty and special fee of ₹ 240.52 crore were not realised as detailed in table:

¹⁸⁶ Payable by vehicles having GVW above 22,542 kg plying within the State.

¹⁸⁷ Any motor vehicle in respect of which tax has been paid is altered in such a manner as to cause the vehicle to become a vehicle in respect of which a higher rate of tax is payable, the person who keeps such vehicle shall be liable to pay an additional tax of a sum which is equal to the difference between the tax already paid in respect of vehicle after its being so altered.

Table - 5.4
Tax, additional tax, penalty and special fee not realised

(₹ in lakh)

Sl.No.	Name of the RA	Period of default	Tax, additional tax and penalty		Special fee		Total amount of non-realisation
			Total no. of defaulting vehicles	Amount of non-realisation	Total no. of defaulting vehicles	Amount of non-realisation	
1.	Alipore	2014-17	34,141	7,783.28	1,049	17.23	7,800.51
2.	Bankura	2015-17	1,518	169.72	71	0.85	170.57
3.	Barasat	2015-16	6,422	991.99	244	5.70	997.69
4.	Barrackpore	2015-16	3,621	727.92	520	11.78	739.70
5.	Birbhum	2015-17	2,885	318.27	572	5.91	324.18
6.	Burdwan	2013-16	6,967	1,025.42	384	12.13	1,037.55
7.	Contai	2014-17	1,974	251.23	172	1.78	253.01
8.	Cooch Behar	2015-17	1,638	216.14	Nil	Nil	216.14
9.	Durgapur	2013-16	2,637	778.52	152	4.40	782.92
10.	Howrah	2015-16	3,918	439.66	206	5.72	445.38
11.	Jalpaiguri	2014-16	2,075	223.54	Nil	Nil	223.54
12.	Kalimpong	2014-16	88	11.03	Nil	Nil	11.03
13.	Malda	2015-17	3,834	652.53	493	6.28	658.81
14.	Nadia	2014-17	5,837	667.91	95	2.39	670.30
15.	Paschim Medinipur	2015-17	12,679	1,549.95	785	11.08	1,561.03
16.	Purba Medinipur	2015-16	1,771	297.66	231	5.62	303.28
17.	Purulia	2015-17	1,549	146.05	56	0.61	146.66
18.	Public Vehicles Department (PVD), Kolkata	2015-16	17,446	5,603.81	113	3.55	5,607.36
19.	Siliguri	2013-16	7,797	1,788.60	289	10.50	1,799.10
20.	Uluberia	2015-17	1,761	26.49	Nil	Nil	26.49
21.	Uttar Dinajpur	2014-16	2,803	274.71	74	1.78	276.49
Total			1,23,361	23,944.43	5,506	107.31	24,051.74

After Audit pointed out the cases,

- 15 RAs¹⁸⁸ accepted¹⁸⁹ audit observations in 65,351 cases involving tax, additional tax and penalty of ₹ 143.97 crore. Of these, six RAs¹⁹⁰ intimated realisation of ₹ 1.04 crore in 864 cases.
- In respect of special fees, seven RAs¹⁹¹ accepted¹⁹² audit observations in 1,625 cases involving ₹ 43.27 lakh. Of these, five RAs¹⁹³ realised ₹ 1.95

¹⁸⁸ Alipore, Barrackpore, Burdwan, Contai, Durgapur, Howrah, Jalpaiguri, Kalimpong, Nadia, Purba Medinipur, Purulia, PVD; Kolkata, Siliguri, Uluberia and Uttar Dinajpur.

¹⁸⁹ Between November 2017 and April 2018.

¹⁹⁰ Alipurduar, Burdwan, Cooch Behar, Hooghly, Howrah and PVD, Kolkata.

¹⁹¹ Barrackpore, Burdwan, Durgapur, Howrah, Nadia, Purba Medinipur and Uttar Dinajpur.

¹⁹² Between November 2017 and April 2018.

¹⁹³ Barrackpore, Burdwan, Howrah, Nadia and Raiganj.

lakh in 101 cases. In respect of the 289 cases involving ₹ 10.50 lakh, ARTO, Siliguri contested the audit observation stating that enforcement programme were being made on a regular basis and vehicles had been blacklisted. As such, non-realisation of special fee did not arise. The reply of ARTO, Siliguri was not tenable, as special fees were not realised, although the vehicles involved in these cases were blacklisted. Moreover, there is no provision under the Act for blacklisting of defaulting vehicles.

- In the remaining cases, RAs did not furnish any specific reply (December 2019).

The matter was reported to the Government in July 2018. Their reply was awaited.

5.6.1.2 Permit fee not realised

RAs did not realise permit fee of ₹ 12.87 crore from owners of 15,011 transport vehicles plying with expired permits.

Section 66 of the Motor Vehicles (MV) Act, 1988 provides that the owner of a transport vehicle¹⁹⁴ can use his vehicle in a public place only after obtaining a permit from the prescribed authority. Rules 126 and 127 of the WBMV Rules, 1989 prescribe that fees for application and grant/renewal of permit in respect of different kinds of vehicles are realisable as per rates specified in Schedule-‘A’ of the Rules.

Audit checked permit registers and analysed data of 15 RAs between February 2017 and February 2018. It was found that 15,011 public transport vehicles were plying with expired permits during 2013-17. Audit also noticed that owners of those vehicles were paying fitness fees and road taxes, indicating that those vehicles were plying on road and were not lying idle. The RAs, however, did not realise permit fees from them while collecting other taxes as there was no provision in the system to raise an alert regarding non-payment of permit fee at the time of collection of other taxes. Thus, there was non-realisation of permit fee of ₹ 12.87 crore as detailed in the following table:

Table - 5.5
Permit fee not realised

(₹ in lakh)

Sl. No.	Name of the RA	Period of default	No. of vehicles	Permit fee not realised (including fines)
1.	Alipore	2014-17	604	54.04
2.	Bankura	2015-17	2,644	224.46
3.	Barasat	2015-16	372	33.52
4.	Birbhum	2015-17	1,522	127.80
5.	Burdwan	2013-16	58	3.75
6.	Cooch Behar	2015-17	139	11.75
7.	Howrah	2015-16	227	24.19
8.	Malda	2015-17	2,780	234.23
9.	Nadia	2016-17	1,970	177.69

¹⁹⁴ Vehicle used for plying on hire or reward.

(₹ in lakh)

Sl. No.	Name of the RA	Period of default	No. of vehicles	Permit fee not realised (including fines)
10.	Paschim Medinipur	2015-17	3,763	318.01
11.	Purba Medinipur	2015-16	49	3.22
12.	Purulia	2015-17	620	52.27
13.	PVD, Kolkata	2015-16	145	12.77
14.	Siliguri	2013-16	11	0.69
15.	Uttar Dinajpur	2015-16	107	8.89
Total			15,011	1,287.28

Though similar observations were made in earlier Audit Reports, Department has not intimated about any action initiated to customise the VAHAN software.

After the cases were pointed out, six RAs¹⁹⁵, admitted (between November 2017 and March 2018) the audit observations in 1,110 cases involving ₹ 0.97 crore. Out of the accepted cases, RAs, Burdwan, Howrah and PVD, Kolkata realised dues of ₹ 0.05 crore¹⁹⁶ in 66 cases. In the remaining 13,901 cases, involving dues of ₹ 11.90 crore, the RAs did not furnish any reply/specific reply (December 2019).

The matter was reported to the Government in July 2018. Their reply was awaited.

5.6.1.3 Short realisation of fitness fee

RAs realised fee for conducting test of fitness at normal rates instead of 150 *per cent* of the fee for delayed production of vehicles. This resulted in short realisation of fitness fee of ₹ 1.86 crore in case of 1,46,053 vehicles.

Rules 62 and 81 of the Central Motor Vehicles (CMV) Rules, 1989, prescribe that for obtaining/renewal of certificate of fitness (CF), the owner of a transport vehicle shall make application and produce the vehicle for inspection for conducting test of fitness. The periodicity of obtaining CF is two years for new vehicles¹⁹⁷ and one year for renewal thereof in other cases. Rates of fee are also prescribed for application and conducting test of fitness. Further, Rule 57(6) of the WBMV Rules, 1989, provides that the application for renewal of CF should be made, not less than one month before the date of expiry of the CF. If the owner fails to apply or fails to produce the vehicle within stipulated time¹⁹⁸, he shall be liable to pay 150 *per cent* of prescribed fee for conducting test of fitness.

Audit analysed data of 20 RAs between January 2017 and February 2018 and found that in case of 1,46,053 transport vehicles, the owners delayed in submission of application and production of vehicles for inspection for renewal of CF between April 2013 and March 2017. The duration of delay ranged from

¹⁹⁵ Burdwan, Howrah, Purba Medinipur, Purulia, PVD; Kolkata and Siliguri.

¹⁹⁶ Burdwan: ₹ 1.06 lakh in 16 cases, Howrah: ₹ 0.44 lakh in five cases, and PVD, Kolkata: ₹ 3.34 lakh in 45 cases.

¹⁹⁷ Two years from the date of first registration of new vehicles.

¹⁹⁸ Date and time mentioned in the CF. If no date and time for next inspection is endorsed on the CF, an application for the renewal of a CF shall be made not less than one month before the date of expiry of the certificate.

15 days to more than two months in each RA. RAs, however, realised the higher fee for delay in application only. Fee for conducting test for fitness was charged at normal rates instead of 150 per cent, as the relevant provisions were not mapped in the VAHAN software. This resulted in short realisation of fitness fee of ₹ 1.86 crore as detailed in the following table:

Table - 5.6
Short realisation of fitness fee

(₹ in lakh)

Sl. No.	Name of the RA	Period of default	No. of Vehicles involved in delay	Fee realisable (inclusive of application fee @ ₹ 100 per vehicle)	Fee realised (inclusive of application fee @ ₹ 100 per vehicle)	Short realisation
1	2	3	4	5	6	7= (5-6)
1.	Alipore	2014-17	21,994	89.44	66.95	22.49
2.	Bankura	2015-17	3,969	18.37	13.57	4.80
3.	Barasat	2015-16	11,195	53.62	39.48	14.14
4.	Barrackpore	2015-16	7,591	45.71	33.00	12.71
5.	Birbhum	2015-17	3,195	17.87	12.98	4.89
6.	Burdwan	2013-16	13,935	74.97	54.63	20.34
7.	Contai	2014-17	2,543	12.39	9.11	3.28
8.	Cooch Behar	2015-17	2,217	9.66	7.18	2.48
9.	Durgapur	2013-16	4,656	25.88	18.81	7.07
10.	Howrah	2015-16	4,907	25.52	18.65	6.87
11.	Jalpaiguri	2014-16	2,504	11.93	8.79	3.14
12.	Kalimpong	2014-16	381	1.96	1.44	0.52
13.	Malda	2015-17	6,619	34.49	25.20	9.29
14.	Nadia	2014-17	8,009	38.45	28.30	10.15
15.	Paschim Medinipur	2015-17	12,183	63.74	46.56	17.18
16.	Purba Medinipur	2015-16	3,122	17.38	12.63	4.75
17.	Purulia	2015-17	1,802	8.21	6.07	2.14
18.	PVD, Kolkata	2015-16	18,568	73.81	55.40	18.41
19.	Siliguri	2013-16	12,828	62.12	45.69	16.43
20.	Uttar Dinajpur	2014-16	3,835	19.58	14.33	5.25
Total			1,46,053	705.10	518.77	186.33

Though similar observations were made in earlier Audit Reports, Department has not intimated any action initiated to customise the VAHAN software.

After this was pointed out, four RAs¹⁹⁹, admitted (between November 2017 and February 2018) the audit observation in 14,598 cases involving ₹ 20.56 lakh. They, however, did not furnish any report on realisation (December 2019).

RA, Barrackpore replied (November 2017) that in 7,591 cases involving ₹ 12.71 lakh the vehicles had paid fitness fees as per Rule 81 of CMV Rules and hence there were no dues. Reply of the RA was not tenable, as Rule 57(6) of the WBMV Rules, 1989, provides that the owner of the vehicle shall be

¹⁹⁹ Howrah, Paschim Medinipur, Purba Medinipur and Purulia.

liable to pay 150 *per cent* of fee prescribed under Rule 81 of CMV Rules for conducting test of fitness if he fails to produce the vehicle within the prescribed time limit, which was not insisted upon by the RA in case of the vehicles in question.

RAs, Jalpaiguri and Siliguri stated²⁰⁰ in 15,332 cases involving ₹ 19.57 lakh that all fees and fines were auto-generated through the system and had been fully realised as mapped in the system, hence, there was no short realisation of fee. The replies were not tenable as the relevant provision regarding realisation of fee for CF at the rate of 150 *per cent* in case of delayed production of vehicles was not customised in the VAHAN software.

In the remaining 1,08,532 cases involving ₹ 133.49 lakh, the RAs did not furnish any specific reply (December 2019).

The matter was reported to the Government in July 2018. Their reply was awaited.

5.6.1.4 Short realisation of tax from contract carriage vehicles

RAs realised tax of ₹ 19.76 lakh instead of ₹ 1.20 crore from the owners of 1,344 contract carriage vehicles. This was due to incorrect mapping in VAHAN software. This resulted in short realisation of tax of ₹ one crore.

Schedule to Section 3 of the WBMVT Act, 1979, prescribes different rates of annual tax for stage carriage vehicles²⁰¹ and contract carriage vehicles²⁰² to be paid in advance for the whole year. Tax prescribed for contract carriage vehicles is higher than that prescribed for stage carriage vehicles. An amendment²⁰³ made in August 2012 prescribes tax for contract carriage vehicles including luxury taxis at 1.2 *per cent* of the value of the vehicle or ₹ 8,000, whichever is higher, for vehicles with seating capacity up to seven. Tax for vehicles with seating capacity beyond seven is prescribed at 1.2 *per cent* of the value of the vehicle or ₹ 14,000, whichever is higher. Amendments in WBAT&OTMV Act, 1989, were to be updated and mapped in the VAHAN software to ensure correct assessment and realisation of revenue.

Audit analysed data of 10 RAs for the period 2013-17 and found²⁰⁴ that the RAs realised²⁰⁵ tax ₹ 19.76 lakh instead of ₹ 1.20 crore, from the owners of 1,344 contract carriage vehicles. The vehicles comprised 1,326 maxi cabs²⁰⁶ registered as contract carriage vehicles, 17 luxury taxis and a bus of an educational institute. It also observed that in case of maxi cabs, the system incorrectly mapped them as stage carriage vehicles, on which lower rates of taxes were applicable. Similarly, the amended rate of tax on luxury taxis was also not found mapped

²⁰⁰ In December 2017 and March 2018 respectively.

²⁰¹ A motor vehicle constructed or adapted to carry more than six passengers excluding the driver for hire or reward at separate fares paid by or for individual passengers.

²⁰² A motor vehicle which carries a passenger or passengers for hire or reward and is engaged under a contract, whether expressed or implied, for the use of such vehicle as a whole.

²⁰³ West Bengal Motor Vehicles Tax (Amendment) Act, 2012 vide notification no. 1181-L dated 10 August 2012.

²⁰⁴ Between February 2017 and February 2018.

²⁰⁵ Between April 2013 and March 2017.

²⁰⁶ Maxi cab means any motor vehicle constructed or adapted to carry more than six passengers, but not more than 12 passengers, excluding the driver, for hire or reward.

in the system. This resulted in short realisation of tax of ₹ one crore as detailed in the following table:

Table - 5.7
Short realisation of tax from contract carriage vehicles

(₹ in lakh)

Sl. No.	Name of the RA	Period of default	No. of Cases	Tax realisable	Tax realised	Short realisation 7= (5-6)
1	2	3	4	5	6	
1.	Barasat	2015-16	8	0.59	0.20	0.39
2.	Birbhum	2015-17	7	0.85	0.13	0.72
3.	Contai	2014-17	337	26.89	4.78	22.11
4.	Cooch Behar	2015-17	133	11.49	1.98	9.51
5.	Kalimpong	2014-16	4	0.24	0.04	0.20
6.	Malda	2015-17	332	35.95	5.53	30.42
7.	Nadia	2014-16	23	2.29	0.37	1.92
		2016-17	311	24.65	3.70	20.95
8.	Paschim Medinipur	2016-17	157	13.99	2.51	11.48
9.	Siliguri	2013-16	29	2.35	0.38	1.97
10.	Uttar Dinajpur	2014-16	3	0.63	0.14	0.49
Total			1,344	119.92	19.76	100.16

Though similar observations were made in earlier Audit Reports, Department has not intimated about any action initiated to customise the VAHAN software. After this was pointed out, three²⁰⁷ RAs admitted (between February 2018 and April 2018) the audit observations in 364 cases involving ₹ 24.23 lakh. However, they did not furnish any report on realisation. In the remaining cases, concerned RAs did not furnish any specific reply (December 2019).

The matter was reported to the Government in July 2018. Their reply was awaited.

5.6.1.5 Audio fees not realised

RAs did not realise audio fees of ₹ 42.77 lakh from the owners of 7,578 vehicles fitted with audio sets.

Schedule F to Rule 218(7) of the WBMV Rules, 1989 provides for realisation of annual audio fees at prescribed rates for installation of radio set, gramophone, tape recorder, cassette recorder or any kind of apparatus producing sound effect or voice in vehicles. However, the State Government by a notification issued in August 2012 exempted payment of audio fees by the owners of motor cars and omnibuses (with seats up to 14 and not registered as transport vehicles), other than battery operated motor vehicles with effect from 3 September 2012.

Audit analysed data of 12 RAs between January 2017 and February 2018 and found that audio fees were not realised from the owners of 7,578 vehicles²⁰⁸ fitted with audio sets due to non-customisation of the VAHAN software. This

²⁰⁷ Contai, Kalimpong and Nadia.

²⁰⁸ Registered as transport vehicles.

resulted in non-realisation of audio fees of ₹ 42.77 lakh for the period from 2013-14 to 2016-17 as detailed in the following table:

Table - 5.8
Audio fees not realised

(₹ in lakh)

Sl. No.	Name of the RA	Year of default	Total No. of defaulter Vehicles	Audio fee realisable
1.	Alipore	2014-17	1,988	12.06
2.	Barasat	2015-16	1,069	5.27
3.	Barrackpore	2015-16	621	3.07
4.	Burdwan	2013-16	49	0.61
5.	Durgapur	2013-16	93	1.07
6.	Howrah	2015-16	455	2.26
7.	Nadia	2014-17	499	3.60
8.	Paschim Medinipur	2016-17	149	0.75
9.	Purba Medinipur	2015-16	380	1.87
10.	PVD, Kolkata	2015-16	1,987	9.94
11.	Siliguri	2013-16	236	1.80
12.	Uttar Dinajpur	2014-16	52	0.47
Total			7,578	42.77

Though similar observations were made in earlier Audit Reports, no action has yet been initiated to customise the VAHAN software.

After Audit pointed out the cases, 10²⁰⁹ RAs accepted audit observations in 5,280 cases involving ₹ 31.31 lakh. RA, Burdwan, PVD, Kolkata and RA, Uttar Dinajpur also reported realisation of ₹ 3.15 lakh in 616 cases.

Further, RA, Barrackpore, in 426 cases involving ₹ 2.12 lakh, stated that the vehicles had paid the fees due up to 2 September 2012 and were not liable to pay audio fees any further. The reply was not tenable as the vehicles involved were transport vehicles, which were not exempt from payment of audio fees.

The replies furnished by the RAs also indicate differences in interpretation of provisions of the Act within the Department.

In the remaining 1,872 cases involving ₹ 9.34 lakh, four²¹⁰ RAs did not furnish any specific reply (December 2019).

The matter was reported to the Government in July 2018. Their reply was awaited.

²⁰⁹ Alipore, Barasat, Barrackpore, Burdwan, Durgapur, Howrah, Nadia, PVD, Kolkata, Siliguri and Uttar Dinajpur.

²¹⁰ Alipore, Nadia, Paschim Medinipur and Purba Medinipur.

5.6.1.6 Short realisation of road tax from Light Motor Vehicle (LMV)/Omni bus (Private use)

Improper mapping of the provisions of the Act/notification in the system resulted in short realisation of road tax of ₹ 76.77 lakh in 705 cases.

The WBAT&OTMV (Amendment) Act, 2012 prescribes the rates of tax for non-transport vehicles²¹¹ according to engine capacity, value, age, option exercised for payment of tax etc. However, in case of the non-transport light motor cars and Omni buses having seating capacity upto 14 persons, the payment of taxes has been made mandatory as one-time or life-time tax with effect from 3 September 2012. Further, the Act provides for rebate to non-AC vehicles having engine capacity upto 800 cc at the time of payment of taxes.

Audit analysed data of 15 RAs²¹² between January 2017 and February 2018. It found that road tax of ₹ 2.43 crore was assessed and realised in place of ₹ 3.19 crore in case of 705 light motor cars/omni buses during 2013-17. Of these, in 62 cases, the system allowed rebate to AC vehicles/vehicles having engine capacity of more than 800 cc, which were not eligible for rebate under the provisions of the Act. In the remaining 643 cases, the system failed to calculate the realisable tax as per the prescribed rate due to improper mapping of the provisions of the Act/notification in VAHAN software. This resulted in short realisation of road tax of ₹ 76.77 lakh in 705 cases as detailed in the following table:

Table - 5.9
Short realisation of road tax

(₹ in lakh)

Sl. No.	Name of the RA	Total no. of cases	Tax realisable	Tax realised	Short realisation of road tax 6= (4-5)
1	2	3	4	5	
1.	Alipore	28	9.70	7.32	2.38
2.	Bankura	10	3.11	2.46	0.65
3.	Barasat	42	15.58	12.05	3.53
4.	Barrackpore	7	1.66	1.33	0.33
5.	Birbhum	15	3.88	3.19	0.69
6.	Burdwan	74	32.78	21.95	10.83
7.	Contai	17	4.83	4.12	0.71
8.	Durgapur	29	19.29	13.52	5.77
9.	Howrah	16	5.34	4.37	0.97
10.	Jalpaiguri	4	1.60	1.00	0.60
11.	Malda	7	2.79	2.08	0.71
12.	Nadia	8	2.33	1.87	0.46
13.	Paschim Medinipur	5	1.08	0.88	0.20
14.	PVD, Kolkata	385	196.89	150.89	46.00
15.	Siliguri	58	18.62	15.68	2.94
Total		705	319.48	242.71	76.77

Though similar observations were made in earlier Audit Reports, Department has not intimated any action initiated to customise the VAHAN software.

²¹¹ Vehicles not used for plying on hire or reward.

²¹² Alipore, Bankura, Barasat, Barrackpore, Birbhum, Burdwan, Contai, Durgapur, Howrah, Jalpaiguri, Malda, Nadia, Paschim Medinipur, PVD, Kolkata and Siliguri.

RAs, Barrackpore and Burdwan, while admitting²¹³ the observation in 81 cases involving ₹ 11.16 lakh reported realisation of ₹ 0.23 lakh in six cases. Four RAs²¹⁴ admitted²¹⁵ the audit observation in 45 cases involving ₹ 2.74 lakh, but did not furnish any report on realisation of the road tax.

PVD, Kolkata, in 385 cases involving ₹ 46 lakh, accepted (March 2018) the short realisation and reasoned that it occurred due to incorrect sale value of vehicles in the database. It further stated that sale values had been rectified. The reply of PVD, Kolkata is not tenable as sale values of a vehicle is not the only criterion for determination of road tax of a vehicle. Therefore, even after the rectification of sale value in the database, revenue of ₹ 46 lakh in 385 cases remained short realised. In the remaining 194 cases involving ₹ 16.87 lakh, the RAs did not furnish any specific reply (December 2019).

The matter was reported to the Government in July 2018. Their reply was awaited.

5.6.1.7 Special tax from air-conditioned vehicles not realised

RAs did not realise special tax and penalty of ₹ 24.63 lakh from the owners of 211 vehicles.

Section 3 of the WBMVT Act, 1979 and Sections 9B and 10 of the WBAT&OTMV Act, 1989 provide for realisation of special tax from air-conditioned vehicles. Rates of the tax have been prescribed based on their use, seating capacity, engine capacity and category of the vehicle. Sections 11 of the WBMVT Act, 1979 and 10 of WBAT&OTMV Act, 1989 provide for imposition of penalty in case of non-payment of taxes. The owner of motor car and omnibus (with seats up to 14 and not registered as transport vehicles), other than battery operated motor vehicles and contract carriage vehicles with seating capacity up to 14, however, shall not be liable to pay special tax with effect from 3 September 2012²¹⁶.

Audit analysed data of six RAs between February 2017 and March 2017. It found that owners of 211²¹⁷ vehicles were liable to pay special tax for different periods between 2013-14 and 2015-16, which they did not pay and for which they were liable to pay penalty also. The RAs also failed to monitor such non-payments and did not issue demand notices to the defaulters for realisation of dues as the relevant provisions were not mapped in the VAHAN software. Thus, special tax and penalty of ₹ 24.63 lakh remained unrealised as detailed in the following table:

²¹³ In November 2017 and February 2018 respectively.

²¹⁴ Contai, Howrah, Jalpaiguri and Nadia.

²¹⁵ Between March 2017 and February 2018.

²¹⁶ Government Notification Nos.1181 L and 1182 L both dated 10 August 2012.

²¹⁷ Which included goods vehicles, heavy public vehicles and vehicles with seating capacity of more than 14.

Table - 5.10
Special tax from air-conditioned vehicles not realised

(₹ in lakh)

Sl. No.	Name of the RA	Period of default	No. of defaulter vehicles	Amount not realised
1.	Alipore	2014-16	20	1.74
2.	Burdwan	2014-16	9	0.60
3.	Durgapur	2014-16	18	1.50
4.	Howrah	2015-16	114	11.61
5.	PVD, Kolkata	2015-16	16	1.77
6.	Siliguri	2013-16	34	7.41
Total			211	24.63

Though similar observations were made in earlier Audit Reports, Department has not intimated any action initiated to customise the VAHAN software.

RAs, Burdwan and PVD, Kolkata, while admitting²¹⁸ the observation involving an amount of ₹ 2.37 lakh in 25 cases, reported realisation of ₹ 0.12 lakh in one case and ₹ 0.20 lakh in nine cases respectively. Four²¹⁹ RAs admitted²²⁰ the audit observation in 186 cases involving ₹ 22.26 lakh. They, however, did not furnish any report on realisation (December 2019).

The cases were reported to the Government in July 2018; their reply was awaited.

5.7 Inaction of Government in taking remedial action on deficiencies in VAHAN

Audit observations of similar nature on deficiencies in VAHAN software were reported upon previously also as detailed in the following table:

Table - 5.11
Deficiencies in VAHAN reported in earlier Audit Reports

Para No.	Nature of observation	Year of Audit Report	Para no. of the Audit Report	Money Value (₹ in crore)
5.6.1.1	Tax, additional tax, penalty and special fee not realised	2009-10	3.13	750.48
		2010-11	5.9 , 5.10	73.84
		2012-13	4.8 , 4.10	200.38
		2013-14	4.10	125.68
		2014-15	4.3	202.22
		2015-16	4.5	205.64
5.6.1.2	Permit fee not realised	2016-17	4.5	272.41
		2011-12	4.11	0.33
		2012-13	4.11	0.29
		2013-14	4.12	0.78
		2014-15	4.4	12.75
		2015-16	4.4.6, 4.7	5.57
		2016-17	4.6	20.15

²¹⁸ In February 2018 and December 2017.

²¹⁹ Alipore, Durgapur, Howrah and Siliguri.

²²⁰ Between November 2017 and March 2018.

Para No.	Nature of observation	Year of Audit Report	Para no. of the Audit Report	Money Value (₹ in crore)
5.6.1.3	Short realisation of fitness fee	2009-10	3.3	2.53
		2011-12	4.10	0.44
		2012-13	4.9.2	0.98
		2013-14	4.5	1.04
		2014-15	4.8	1.26
		2015-16	4.8	1.19
		2016-17	4.9	1.69
5.6.1.4	Short realisation of tax from contract carriage vehicles	2016-17	4.12	0.53
5.6.1.5	Audio fees not realised	2009-10	3.7	0.33
		2011-12	4.12	0.29
		2012-13	4.9.5	1.08
		2013-14	4.4	1.83
		2014-15	4.7	1.98
		2016-17	4.13	0.17
5.6.1.6	Short realisation of road tax from Light Motor Vehicle (LMV)/Omni bus (Private use)	2014-15	4.9	0.29
		2015-16	4.9	0.77
		2016-17	4.11	0.72
5.6.1.7	Special tax from air-conditioned vehicles not realised	2009-10	3.6	2.93
		2011-12	4.9	0.89
		2013-14	4.11	20.77
		2014-15	4.6	4.77
		2016-17	4.14	0.12
Total				1,917.12

Government did not take any remedial action, which led to recurrence of similar irregularities over the years resulting in loss/non-realisation of revenue to Government.

In all the paragraphs discussed above, the primary reason for non/short realisation of revenue was the failure of the Department to ensure that the VAHAN software was kept updated with the revised provisions of the relevant Acts and Rules. Accordingly, corrective measures need to be taken immediately to make good the deficiencies in the software, to ensure that there is no shortfall in revenue realisation.