

**CHAPTER – IV: MOTOR VEHICLE TAX, STAMP DUTY
AND REGISTRATION FEE**

4.1 Results of audit

Test check of the records relating to motor vehicle tax, stamp duty and registration fee conducted during the year 2006-07 revealed short levy of duty and loss of revenue and other deficiencies involving Rs. 32.83¹ crore in 13 cases which fall under the following categories:

(Rupees in crore)

Sl. No.	Categories	No. of cases	Amount
A	Motor vehicle		
1.	Loss of revenue due to non-renewal of registration of transport vehicle	1	32.76
B	Stamp duty		
1.	Short collection of stamp duty on sale of agricultural land	12	0.07
Total		13	32.83

A few illustrative cases involving Rs. 32.83 crore are mentioned in the succeeding paragraphs.

¹ Accepted and recovered figure from concerned departments is nil.

A. MOTOR VEHICLES TAX

4.2 Loss of revenue due to non-renewal of registration of transport vehicles

As per the provisions contained in the Motor Vehicles Act, 1988, and rules made thereunder, a transport vehicle shall not be deemed to be validly registered for the purpose of being driven in any public place or in any other place unless it carries a valid certificate of fitness/registration issued by the State Transport Authority (STA). In case the fitness certificate is not renewed by the due date, the registration of a vehicle becomes invalid and the vehicle cannot thereafter ply on the public roads.

A fitness certificate issued by the transport authority for commercial transport² vehicles is valid for two years and is required to be renewed thereafter. The renewal of the registration/fitness certificate is made after the payment of the road tax, registration fees and fee for fitness certificate at the stipulated rates. Delay in renewal of registration attracts levy of penalty upto 100 *per cent* of the road tax leviable under Section 3 of the Delhi Motor Vehicle Taxation Act, 1962. In addition, late fee at the rate of Rs. 20 per day is also leviable for delay in renewal of the fitness certificate for transport vehicle as per the Delhi Motor Vehicle Rules, 1993.

Test check of the records for the year 2006-07 of the Transport Department conducted during May 2007 revealed that out of 1,63,081 commercial transport vehicles registered in Delhi as of March 2005, fitness certificates of 99,350 vehicles were due for renewal (as per details in the appendix IV). The owners of these vehicles, however, did not renew their fitness certificates. The Transport Department did not have any mechanism to verify the whereabouts of the motor vehicles to detect the vehicles whose fitness/registration certificates had expired and which had not been renewed. The department failed to take any action to enforce the mandatory provisions of the Act and recover the fees and road tax chargeable for renewal of registration. The Government, therefore, could not recover Rs. 32.76 crore leviable for re-validation of registration certificates and issue of fitness certificates. This also exposed the citizens of Delhi to the dangers due to commercial vehicles plying on the streets of Delhi without valid fitness certificates.

The case was pointed out to the department and the Government between May 2007 and June 2007, their reply has not been received (December 2007).

² Section 2(47) stipulates that transport vehicles means a public service vehicle, a goods carriage, an educational institutional bus or a private service vehicle.

B. STAMP DUTY AND REGISTRATION FEE

4.3 Short collection of stamp duty on the sale of agricultural land

The Government of NCT of Delhi notified in August 2001 that the minimum rates for the agricultural land for the purpose of calculating stamp duty shall be Rs. 15.70 lakh per acre for agricultural land and Rs. 5.05 lakh per acre for agricultural land situated in the river bed between the forward *bunds*³ with effect from 03 August 2001. These were revised to Rs. 17.58 lakh per acre for agricultural land and Rs. 5.70 lakh per acre for land situated in river bed between the forward *bunds* with effect from 30 August 2005.

Test check of the records of Sub-Registrar (SR), Kapashera for the year 2005-06 revealed that in 12 cases the sale consideration of agricultural land was calculated at the pre-revised rate of Rs. 15.70 lakh per acre instead of the revised rate of Rs. 17.58 lakh per acre for computing stamp duty. This resulted in short collection of stamp duty of Rs. 6.61 lakh on the sale of agricultural land.

The cases were reported to the department and the Government between May 2007 and June 2007, their reply has not been received (November 2007).

³ an embankment.