



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
on
Revenue Sector
for the year ended 31 March 2019**



लोकहितार्थं सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Bihar
Report No. 1 of the year 2021

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Comptroller and Auditor General of India
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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2019 has been prepared for submission to the Governor of Bihar under Article 151 of the Constitution of India.

The Report contains significant findings of audit of Receipts and Expenditure of major Revenue earning Departments under Revenue Sector conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971.

The instances mentioned in this Report are those, which came to notice in the course of test audit during the period 2018-19 as well as those which came to notice in earlier years, but could not be reported in the previous Audit Reports; instances relating to the period subsequent to 2018-19 have also been included wherever necessary.

The audit has been conducted in conformity with the Auditing Standards issued by the Comptroller and Auditor General of India.

OVERVIEW

OVERVIEW

This Report contains 12 paragraphs and one Detailed Compliance Audit on levy and collection of Motor Vehicles Taxes and Fees. The total financial implication of the Report is ₹ 2,389.53 crore. Some of the major findings in this report are summarised below:

1. General

The total receipts of the Government of Bihar for the year 2018-19 amounted to ₹ 1,31,793.45 crore, of which revenue raised by the State Government from its own sources was ₹ 33,538.70 crore (25.45 per cent). The share of receipts from the Government of India amounting to ₹ 98,254.75 crore (74.55 per cent of the total receipts) comprised of State's share of divisible Union taxes of ₹ 73,603.13 crore (55.85 per cent of the total receipts) and grants-in-aid of ₹ 24,651.62 crore (18.70 per cent of the total receipts).

(Paragraph 1.1)

Arrears of revenue as on 31 March 2019 on taxes on sales, trade etc., taxes on goods and passengers, taxes and duties on electricity, taxes on vehicles, other taxes and duties on commodities and services, land revenue, state excise, Stamps duty and Registration fees and non-ferrous mining and metallurgical industries amounted to ₹ 4,107.32 crore of which ₹ 521.07 crore was outstanding for more than five years.

(Paragraph 1.2)

Audit observed (between April 2018 and February 2020) underassessment/ short levy/loss of revenue aggregating to ₹ 3,658.11 crore in 629 cases. The departments concerned accepted (between April 2018 and April 2020) underassessment and other deficiencies of ₹ 1,336.65 crore in 1,648 cases, out of which 55 cases involving ₹ 366.27 crore were pointed out during 2018-19 and the rest in earlier years. The Departments reported (between April 2018 and April 2020) recovery of ₹ 8.90 crore in 196 cases.

(Paragraph 1.5)

2. Commercial Taxes

Assessing Authorities did not detect suppression of turnover of ₹ 5.64 crore, in case of three dealers which resulted in under-assessment of ₹ 2.36 crore including leviable penalty and interest.

(Paragraph 2.3)

Assessing Authorities failed to detect availing of inadmissible deductions by dealers which resulted in short levy of tax of ₹ 1.60 crore.

(Paragraph 2.4)

Assessing Authorities did not detect short/delayed payment of admitted tax, which resulted in short realisation of tax of ₹ 2.88 crore and non-levy of interest of ₹ 4.38 crore.

(Paragraphs 2.5)

Assessing Authorities did not levy interest of ₹ 1.91 crore on delayed payment of entry tax.

(Paragraphs 2.6)

3. Revenue and Land Reforms

Four District Land Acquisition Officers (DLAOs) failed to remit establishment charges of ₹ 91.03 crore into the Consolidated Fund of the State though the fund was available with them.

(Paragraph 3.3.2)

Four DLAOs either failed to calculate additional compensation from the date of notification to the date of award or date of taking possession of the land, whichever is earlier or committed calculation mistakes. These irregularities resulted in incorrect calculation of additional compensation of ₹ 24.56 crore.

(Paragraph 3.3.3)

The DLAO Khagaria failed to make payment to beneficiaries despite the availability of funds of ₹ 2.24 crore since January 2015.

(Paragraph 3.3.4)

Application of old rates of rehabilitation and resettlement by the DLAO/Collector while finalising the estimates for payment of compensation resulted in the short payment of compensation of ₹ 1.23 crore to the displaced families.

(Paragraph 3.3.5)

Two DLAOs did not exercise due diligence and paid compensation to ineligible person without verification of relevant documents, violating the prescribed conditions, which resulted in fraudulent payments of ₹ 1.18 crore.

(Paragraph 3.3.6)

4. Taxes on Vehicles

A detailed compliance audit on levy and collection of Motor Vehicles Taxes and Fees including data analysis of VAHAN and SARATHI software of the Transport Department was conducted to ascertain that provision of Acts and Rules were adequate to safeguard the revenue and robust internal control and monitoring system exist for levy and collection of taxes, fines and fees. Audit revealed the following:

Irregular notification leading to short levy of Road Safety Cess from one-time tax paying commercial vehicles.

(Paragraph 4.3.8)

Irregular notification for levy of surcharge on various fees caused undue burden of ₹ 18.52 crore on the driving licence and learning licence holders.

(Paragraph 4.3.9)

Due to incorrect mapping of provision of fine for delayed payment of tax from owners of personalised vehicles, the Department collected fine of ₹ 2.83 crore.

(Paragraph 4.3.11)

Despite availability of information in VAHAN database, the DTOs neither initiated action to cancel the registration/permit of these vehicles whose fitness certificate

had expired nor issued any notice to defaulting vehicle owners which resulted in forgoing of revenue of ₹ 187.01 crore.

(Paragraph 4.3.16)

The DTOs concerned did not ensure realisation of due tax of ₹ 1.19 crore at the time of signing and approving the RCs.

(Paragraph 4.3.17.2)

Absence of guidelines/supporting documents for registration of tractor and tractor trailer, seven DTOs registered 8,969 tractors or tractor-trailer combination under agriculture category in arbitrary manner leading to loss of revenue of ₹ 25.22 crore.

(Paragraph 4.3.18)

Despite availability of information of non-payment of motor vehicle taxes by defaulter vehicle owners with the DTOs in *VAHAN* database, they did not monitor or review tax table of *VAHAN* to generate tax defaulter list through MIS. As a result, no demand notice was issued by the DTOs to the tax defaulters and consequently tax of ₹ 22.79 crore (Road tax: ₹ 7.56 crore and RSC: ₹ 9.58 lakh) including penalty of ₹ 15.13 crore remained unrealised.

(Paragraph 4.3.19.1)

Penalty for belated payment of tax was neither calculated/levied by *VAHAN* nor by the DTOs, which resulted in non-levy of OTT of ₹ 1.54 crore.

(Paragraph 4.3.20)

The National Permit Register was neither updated nor physically checked by the concerned RTAs. As a result, composite fee and authorisation fee amounting to ₹ 6.29 crore was not realised.

(Paragraph 4.3.22.1)

Permits were issued to 29,625 Goods Carriage, 1,165 Stage Carriage and 5,571 Contract Carriage vehicles without realising processing fee of ₹ 1,000 which resulted in loss of revenue of ₹ 3.64 crore.

(Paragraph 4.3.22.2)

Due to ineffective follow-up as per Act or Rules, arrears of revenue amounting to ₹ 7.01 crore could not be recovered.

(Paragraph 4.3.25.2)

The Department showed recovery of ₹ 874.81 crores from acquiring the properties of the BSRTC in the gazette notification but it was incorrect presentation of facts to stakeholders, as the properties acquired in form of lands already belonged to the State Government itself and building had no value in the current date.

(Paragraph 4.4)

Three weigh bridges could not be made operational till 2019 after handing over of these weigh bridges to the Transport Department in December 2015/January 2016, despite incurring of expenditure ₹ 8.00 crore. Besides, Government incurred expenditure of ₹ 75.98 lakh in the form of payment of pay and allowances to

officials, originally posted for weigh bridges sites but were deployed at STC/DTO Patna offices.

(Paragraph 4.5)

5. Stamps and Registration fee

The Registration Department illegally made provision for collection of service charge in the Bihar Registration Rules, 2008 and consequently not only collected service charge of ₹ 31.73 crore during 2018-19 by putting undue burden on stakeholders but also kept them in bank account instead of the Consolidated Fund of the State.

(Paragraph 5.3)

Two Registering Authorities failed to detect undervaluation of properties in two instruments executed during May 2018 to June 2019 which resulted in short levy of stamp duty and registration fee of ₹ 90.25 lakh.

(Paragraph 5.4)

6. Mining Receipts

Mining Officers failed to ensure non-payment of the works contractors' bills submitted without forms M and N, and they also failed to levy a penalty of ₹ 46.42 crore on works contractors for procurement of minerals from unauthorised sources.

(Paragraph 6.3)

During brick seasons 2017-18 and 2018-19, 260 brick kilns were operated without valid permit resulting in non-realisation of ₹ 3.85 crore including leviable royalty and penalty.

(Paragraph 6.4)

Failure of Mining Officers to levy interest on delayed/non-payment of royalty, which resulted in the non-realisation of revenue of ₹ 41.85 lakh.

(Paragraph 6.5)

CHAPTER 1

GENERAL

CHAPTER-1: GENERAL

1.1 Trend of receipts

1.1.1 The tax and non-tax revenues raised by the Government of Bihar (GoB), the State's share of net proceeds of divisible Union taxes and duties assigned to the State and Grants-in-aid received from Government of India (GoI) during the period 2014-19 are depicted in **Table-1.1**.

Table-1.1
Trend of receipts

(₹ in crore)

Sl. No.	Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
1.	Revenues raised by the State Government					
	• Tax revenues	20,750.23	25,449.18	23,742.26	23,136.49	29,408.14
	Percentage of growth compared to previous year	3.96	22.65	(-) 6.71	(-) 2.55	27.11
	• Non-tax revenues	1,557.98	2,185.64	2,403.11	3,506.74	4,130.56
	Percentage of growth compared to previous year	0.85	40.29	9.95	45.93	17.79
	Total	22,308.21	27,634.82	26,145.37	26,643.23	33,538.70
2.	Receipts from the Government of India					
	• Share of net proceeds of divisible Union taxes and duties	36,963.07	48,922.68	58,880.59	65,083.38	73,603.13 ¹
	• Grants-in-aid ²	19,146.26	19,565.60	20,559.02	25,720.13	24,651.62 ³
	Total	56,109.33	68,488.28	79,439.61	90,803.51	98,254.75
3.	Total revenue receipts of the State Government (1 and 2)	78,417.54	96,123.10	1,05,584.98	1,17,446.74	1,31,793.45
4.	Percentage of 1 to 3	28	29	25	23	25
5.	Percentage of tax revenue to total revenue receipts	26	26	22	20	22

(Source: Finance Accounts, Government of Bihar)

The above table indicates that the average annual growth rate in respect of tax revenues and non-tax revenues were 8.89 per cent and 22.96 per cent respectively during 2014-19.

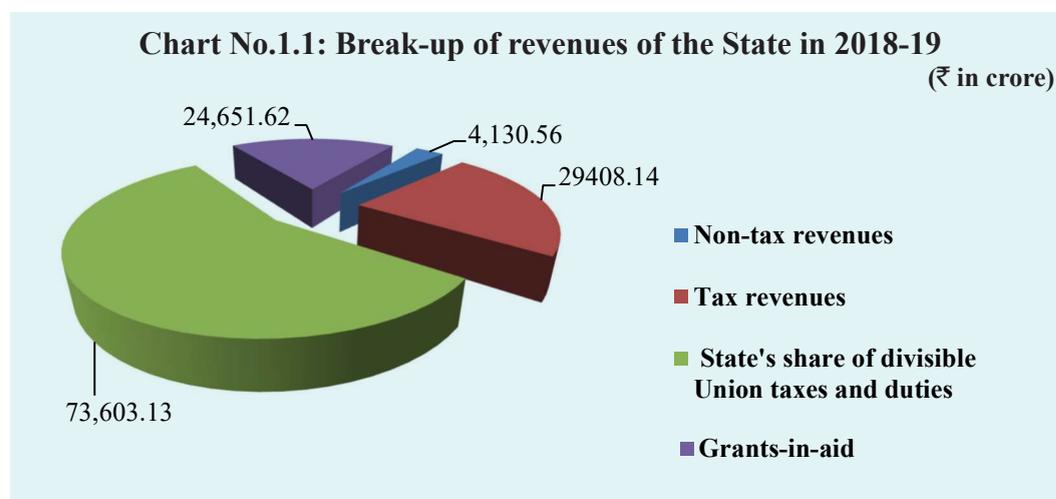
¹ For details, please see Statement No. 14 - Detailed accounts of revenue by minor heads in the Finance Accounts of Government of Bihar for the year 2018-19. Figures under Minor Head 901 - Share of net proceeds assigned to the State under the Major Heads – 0005- Central Goods and Services Tax (₹ 18,166.79 crore), 0008 – Integrated Goods and Services Tax (₹ 1,449.80 crore) 0020 - Corporation Tax (₹ 25,596.84 crore), 0021 - Taxes on income other than Corporation Tax (₹18,850.99 crore), 0028- Other Taxes on Income and Expenditure (₹133.31 crore) 0032 - Taxes on Wealth (₹ 9.40 crore), 0037 – Customs (₹ 5,217.40 crore), 0038 - Union Excise Duties (₹ 3,467.28 crore), 0044 - Service Tax (₹ 673.31 crore) and 0045 – Other taxes and duties on commodities and services (₹ 38.01 crore).

² Centrally sponsored schemes, Finance Commission grants and other transfer/grants (also includes compensation on Goods and Service Tax (GST) received from GoI) to States/Union Territories with Legislatures.

³ Includes compensation of ₹ 2,571 crore towards loss of revenue due to implementation of GST.

The State's share in Central taxes increased by 10 per cent (from 32 to 42 per cent) after the implementation (from 2015-16) of the recommendations of the 14th Finance Commission.

Break-up of revenue of the State for the year 2018-19 is given in **Chart 1.1**:



1.1.2 Details of Budget Estimates (BEs) and tax revenues raised during the period 2014-15 to 2018-19 are given in **Table-1.2**.

Table- 1.2
Details of Tax Revenues

(₹ in crore)

Sl. No.	Head of revenue	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage of increase (+)/ decrease (-) in actuals of 2018-19 in comparison to	
		BE Actuals	BE Actuals	BE Actuals	BE Actuals	BE Actuals	BE of 2018-19	Actuals of 2017-18
1.	State Goods and Services Tax	-	-	-	0.00 6,746.96	15,000.00 15,288.06	1.92	126.59
2.	Taxes on sales, trade etc.	12,820.15 8,607.16	16,025.18 10,603.40	14,021.33 11,873.51	24,400.00 8,298.10	7,890.00 6,584.24	(-) 16.55	(-) 20.65
3.	Taxes on goods and passengers ⁴	4,117.50 4,451.25	5,146.88 6,087.12	7,211.96 6,245.62	0.00 1,644.85	0.00 398.74	-	(-) 75.76
4.	Other taxes and duties on commodities and services	48.59 105.34	45.43 69.36	88.90 81.08	0.01 20.51	0.02 1.16	5,700.00	(-) 94.34
	Sub-total (1, 2, 3 and 4)	16,986.24 13,163.75	21,217.49 16,759.88	21,322.19 18,200.21	24,400.01 16,710.42	22,890.02 22,272.20	(-) 2.70	33.28
5.	State excise ⁵	3,700.00 3,216.58	4,000.00 3,141.75	2,100.00 29.66	0.00 (-)3.43	0.00 (-) 9.63	-	(-) 180.76
6.	Stamps and registration fees	3,600.00 2,699.49	4,000.00 3,408.57	3,800.00 2,981.95	4,600.00 3,725.66	4,700.00 4,188.61	(-) 10.88	12.43

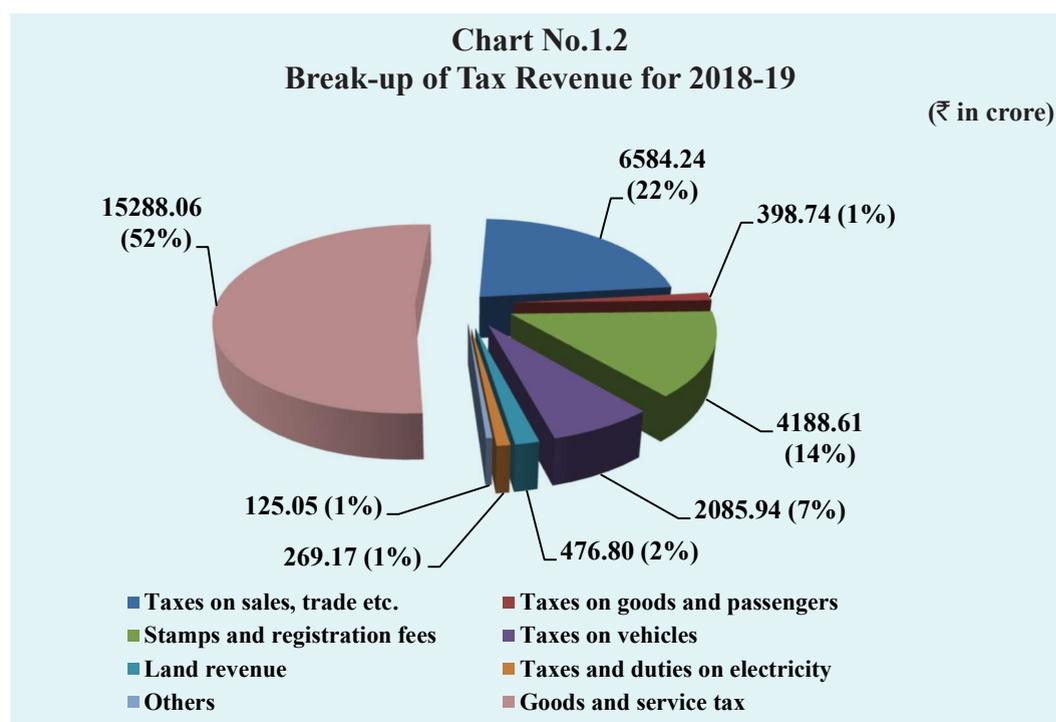
⁴ All receipts under Taxes on goods and passengers is from Entry Tax during the year 2018-19, which has since been abolished and subsumed in GST from 1.7.2017.

⁵ Sale of Liquor has been prohibited in Bihar since April 2016.

Sl. No.	Head of revenue	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage of increase (+)/ decrease (-) in actuals of 2018-19 in comparison to	
		<u>BE</u> Actuals	<u>BE</u> Actuals	<u>BE</u> Actuals	<u>BE</u> Actuals	<u>BE</u> Actuals	BE of 2018-19	Actuals of 2017-18
7.	Taxes on vehicles	<u>1,000.00</u> 963.56	<u>1,200.00</u> 1,081.22	<u>1,500.00</u> 1,256.67	<u>1,800.00</u> 1,599.51	<u>2,000.00</u> 2,085.94	4.30	30.41
8.	Land revenue	<u>250.00</u> 277.13	<u>300.00</u> 695.15	<u>330.00</u> 971.12	<u>600.00</u> 778.65	<u>1,000.00</u> 476.80	(-) 52.32	(-) 38.77
9.	Taxes and duties on electricity	<u>82.70</u> 374.76	<u>102.50</u> 297.99	<u>590.04</u> 223.90	<u>501.09</u> 239.16	<u>310.00</u> 269.17	(-) 13.17	12.55
10.	Other taxes on income and expenditure- taxes on professions, trades, callings and employment	<u>44.00</u> 54.96	<u>55.00</u> 64.55	<u>88.03</u> 78.75	<u>100.00</u> 86.52	<u>102.00</u> 125.05	22.60	44.53
Total		<u>25,662.94</u> 20,750.23	<u>30,874.99</u> 25,449.11	<u>29,730.26</u> 23,742.26	<u>32,001.10</u> 23,136.49	<u>31,002.02</u> 29,408.14	(-) 5.14	27.11

{Source: Finance Accounts, Government of Bihar and Revenue and Capital Receipts}

Break-up of tax revenues of the State for 2018-19 is given in **Chart 1.2**:



It may be seen from table 1.2 that there were wide variations between the budget estimates and actuals during 2018-19 under different heads of tax revenue which indicated that the budget was not prepared on a realistic basis.

Reasons for variations are discussed below:

Commercial Taxes⁶: The Department stated (February 2020) that since GST is a destination based consumption tax, budget was estimated keeping in view that Bihar being a consuming state. The variation in actual collection during 2018-19 with that of budget estimate was due to transition period of GST.

State excise: Audit noticed that there was collection of revenue of ₹ 0.59 crore on account of fines and confiscations, commercial and denatured spirits and medicated wines, malt liquor, medicinal and toilet preparations containing alcohol, opium etc., and other receipts and refund of ₹ 10.22 crore resulting in net refund of ₹ 9.63 crore during 2018-19. Due to implementation of prohibition policy of liquor BE was fixed at 'nil'.

Stamps and registration fees: The Department stated (February 2020) that main reason for decrease of 10.88 *per cent* in receipts from stamp duty and registration fee during 2018-19 over the budget estimates was decrease in number of instruments pertaining to transfer of property from estimated number of instruments.

Taxes on vehicles: Audit observed that the reason for increase of actual receipts during 2018-19 in comparison to actuals of 2017-18 was due to increase in tax on ex-showroom price of vehicles, increase in tax on laden weight of goods vehicles and increase in annual tax on seating capacity of vehicles. Further, the number of vehicles registered during 2018-19 increased by 6.36 *per cent*. The Department also realised ₹ 50 crore under amnesty scheme during 2018-19.

Land revenue: Audit noticed that the main reason for decrease of ₹ 301.85 crore (38.77 *per cent*) in Land Revenue during 2018-19 in comparison to the actual collection (₹ 778.65 crore) of 2017-18 was reduction in the rate of establishment charges⁷.

1.1.3 Details of budget estimates and non-tax revenues raised during the period 2014-15 to 2018-19 are indicated in **Table 1.3**.

⁶ Commercial taxes includes State Goods and Service Tax, Taxes on sales, trade etc., Taxes on goods and passengers and Other taxes and duties on commodities and services.

⁷ Rate of establishment charges was 20 *per cent* if compensation amount was more than ₹ 15 lakh, 25 *per cent* if compensation amount was more than ₹ 10 lakh but less ₹ 15 lakh, 30 *per cent* if compensation amount was more than ₹ five lakh and less than ₹ 10 lakh and 35 *per cent* if compensation amount was less than ₹ five lakh. The rate of establishment charges was revised to 2 *per cent* w.e.f. 27.06. 2018.

Table- 1.3
Details of non-tax revenues

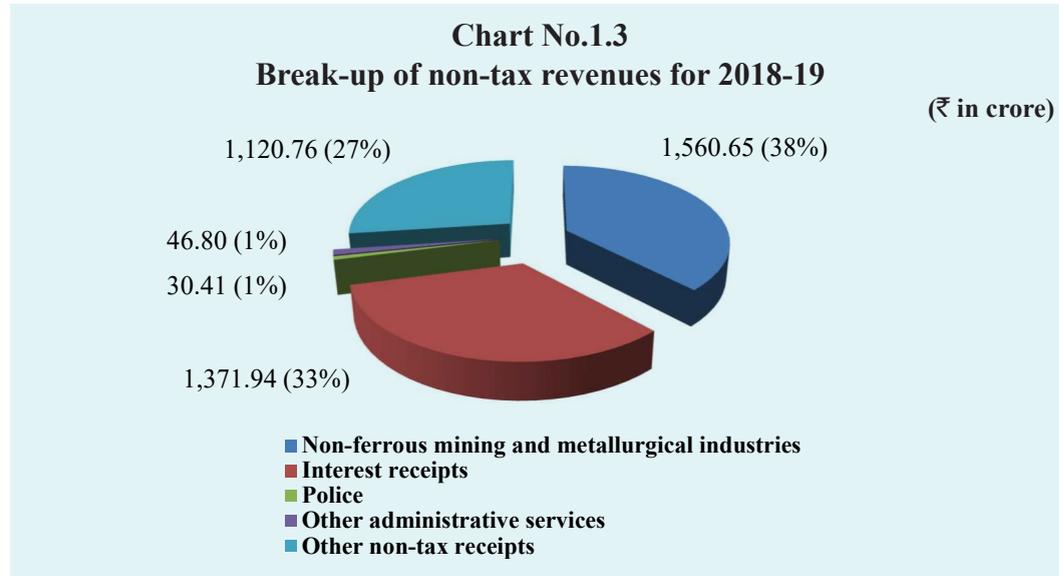
(₹ in crore)

Sl. No.	Head of Revenue	2014-15	2015-16	2016-17	2017-18	2018-19	Percentage of increase (+)/decrease (-) in actual of 2018-19 in comparison to	
		<u>BE</u> Actual	<u>BE</u> Actual	<u>BE</u> Actual	<u>BE</u> Actual	<u>BE</u> Actual	BE of 2018-19	Actuals of 2017-18
1.	Non-ferrous mining and metallurgical industries	<u>750.00</u> 879.87	<u>1,000.00</u> 971.34	<u>1,100.00</u> 997.60	<u>1,350.00</u> 1,082.67	<u>1,600.00</u> 1,560.65	(-) 2.46	44.15
2.	Interest receipts	<u>202.22</u> 344.77	<u>312.13</u> 583.66	<u>365.78</u> 939.91	<u>619.25</u> 1,577.24	<u>2,187.39</u> 1,371.94	(-) 32.28	(-) 13.02
3.	Police	<u>69.74</u> 29.50	<u>28.93</u> 66.05	<u>31.74</u> 42.16	<u>41.53</u> 86.04	<u>46.19</u> 30.41	(-) 34.16	(-) 64.66
4.	Other administrative services	<u>251.60</u> 21.77	<u>51.25</u> 72.61	<u>23.35</u> 99.88	<u>256.32</u> 25.84	<u>20.10</u> 46.80	132.84	81.11
5.	Other non-tax ⁸ receipts	<u>1,797.93</u> 282.07	<u>1,988.80</u> 491.98	<u>819.87</u> 323.56	<u>567.21</u> 734.95	<u>592.21</u> 1,120.76	89.25	52.49
Total Receipts		1,557.98	2,185.64	2,403.11	3,506.74	4,130.56	(-) 7.09	17.79

(Source: Actual receipts as per Finance Accounts and budget estimates as per the Statement of Revenue and Capital Receipts of Government of Bihar).

⁸ Other non-tax receipts includes actual receipts during 2018-19 under the following heads: Road and bridges (₹ 118.06 crore), Medical and public health (₹ 66.61 crore), Other rural development programmes (₹ 62.37 crore), Forestry and wild life (₹ 29.11 crore), Education, sports, arts and culture (₹ 18.85 crore), Public service commission (₹ 34.09 crore), Other general economic services (₹ 21.42 crore), Contribution and recoveries towards pension and other retirement benefits (₹ 558.75 crore), Crop husbandry (₹ 14.99 crore), Major irrigation (₹ 36.92 crore), Medium irrigation (₹ 15.85 crore), Labour employment and skill development (₹ 14.89 crore), Jail (₹ 14.77 crore), Fisheries (₹ 13.17 crore), Miscellaneous general service (₹ 3.73 crore), Water supply and sanitation (₹ 11.41 crore), Housing (₹ 3.47 crore), Urban development (₹ 0.94 crore), Information and publicity (₹ 0.30 crore), Social security and welfare (₹ 0.08 crore), Animal husbandry (₹ 0.65 crore), Cooperation (₹ 20.46 crore), Land reforms (₹ 0.28 crore), Minor irrigation (₹ 11.40 crore), Civil aviation (₹ 6.70 crore), Road transport (₹ 0.19 crore), Tourism (₹ 1.75 crore), Village and small industries (₹ 0.06 crore), Industries (₹ 0.13 crore), Civil supplies (₹ 0.11 crore), Public Works (₹ 25.39 crore), Stationary and Printing (₹ 0.12 crore) and Dividend and Profits (₹ 13.67 crore).

Break-up of non-tax revenues of the State for 2018-19 is given in **Chart 1.3**:



Reasons for wide variations are discussed below:

Mining receipts: Audit observed that the reasons for increase (44.15 *per cent*) of mining receipt during 2018-19 over actuals of 2017-18 were increase in settlement amount of sand ghats, deposit of royalty from works divisions in mining head instead of miscellaneous deposit, imposition of penalties and receipts from lime stone.

Interest receipts: Audit observed that the decrease in interest receipts in 2018-19 was due to less receipts mainly under other receipts. Other receipts include interest accrued on Government money kept in bank accounts and deposited into Government Accounts. During 2017-18, interest earned from bank account was ₹ 742.58 crore whereas during 2018-19 it was ₹ 228.01 crore.

Police Receipts: Audit noticed that the main reason for decrease in actual receipts during 2018-19 over actual receipts of 2017-18 was less receipts mainly under fees, fines and forfeitures.

Other administrative services: Audit noticed that the main reason for increase of 132.84 *per cent* during 2018-19 over budget estimates was increase of ₹ 24.91 crore in receipts towards election sub-head over actual receipts of 2017-18.

Other non-tax receipts: Audit noticed that the main reason for excess of actual receipts over BE during 2018-19 was receipt of ₹ 558.75 crore under contribution and recoveries towards pension and other retirement benefits during 2018-19 against ₹ 202.53 crore of the previous year.

1.2 Analysis of arrears of revenue

The arrears of revenue as on 31 March 2019 in respect of the principal heads of revenue amounted to ₹ 4,107.32 crore of which ₹ 521.07 crore was outstanding for more than five years as detailed in **Table-1.4**.

Table- 1.4
Arrears of revenue

(₹ in crore)

Sl. No.	Heads of revenue	Total amount outstanding as on 31 March 2019	Amount outstanding for more than five years as on 31 March 2019	Stages of pendency as stated by the Departments concerned
1.	Taxes on sales, trade etc.	2,919.29	467.38	Out of ₹ 2,919.25 crore, demands for ₹ 349.14 crore were certified for recovery as arrears of land revenue, recoveries of ₹ 796.09 crore and ₹ 425.49 crore were stayed by the courts and the Government respectively, ₹ 5.75 crore was held up due to assessee/dealers becoming insolvent, ₹ 2.45 crore was likely to be written off and ₹ 1,340.37 crore was pending at other stages.
2.	Taxes on goods and passengers	419.49	13.51	Out of ₹ 419.49 crore, demand for ₹ 1.32 crore was certified for recovery as arrears of land revenue, recovery of ₹ 304.00 crore was stayed by the courts and ₹ 114.14 crore was pending at other stages.
3.	Taxes and duties on electricity	1.57	1.52	Out of ₹ 1.57 crore, recovery of ₹ 1.37 crore was stayed by the courts and ₹ 0.20 crore was pending at other stages.
4.	Taxes on vehicles	179.30	NA	Demands of ₹ 178.13 crore were certified for recovery as arrears of land revenue.
5.	Other taxes and duties on commodities and services	10.82	7.69	Out of ₹ 10.82 crore, demands for ₹ 8.55 crore were certified for recovery as arrears of land revenue and ₹ 2.27 crore was pending at other stages.
6.	Land revenue	188.24	NA	The Revenue and Land Reforms Department did not provide details of arrears outstanding for more than five years.
7.	Stamp duty and registration fee	-	2.59	Demands of ₹ 2.87 crore were certified for recovery as arrears of land revenue.
8.	State excise	46.54	28.38	Out of ₹ 46.54 crore, demands for ₹ 27.48 crore were certified for recovery as arrears of land revenue, recovery of ₹ 7.57 crore was stayed by the courts, ₹ 0.14 crore was held up due to assessee/dealers becoming insolvent, ₹ 0.39 crore was likely to be written off and ₹ 10.96 crore was pending at other stages.
9.	Non-ferrous mining and metallurgical industries	342.07	NA	Demands for the entire arrear of ₹ 342.07 crore were certified for recovery as arrears of land revenue.
TOTAL		4107.32	521.07	

(Source: Information from the Departments)

During scrutiny of records pertaining to arrears of revenue, audit observed the following deficiencies:

Commercial Taxes Department: The Department did not furnish dealer-wise details of arrears of revenue despite four reminders (January and February 2020). The Department called for (February 2020) the information of arrears from the field units, which indicated that the Department did not have a database of arrears of revenue at Headquarters level.

Prohibition, Excise and Registration (Excise) Department: The Department intimated (December 2019) arrears of revenue as ₹ 46.54 crore whereas demands certified for recovery as arrears of land revenue was ₹ 55.58 crore as on 31.03.2019. On further enquiry the Department intimated (January 2020) the total arrears of revenue as ₹ 49.32 crore and thereafter as ₹ 52.19 crore but failed to produce individual cases for examination. Variance in figures in respect of the same information given by the Department renders the data unreliable. It was further observed that the Department failed to monitor the progress of collection of arrears, since they do not have a database of outstanding arrears at Headquarters level.

Revenue and Land Reforms Department: The Department intimated (December 2019) arrears of revenue as ₹ 188.24 crore as on 31.3.2019, however audit observed during scrutiny of files that arrears of revenue was ₹ 421.84 crore (₹ 415.27 crore as arrears of land rent and ₹ 6.57 crore as arrear revenue from *sairat*). Thus, it was evident that the Department understated arrears of revenue to the extent of ₹ 233.60 crore which is a serious issue and needs to be addressed immediately. The Department was requested (February and May 2020) to provide reasons for difference in figures of arrears of revenue but no reply was received from the Department till January 2021. It was also observed that the Department did not have a database of outstanding arrears at Headquarters level.

Registration Department: The Department replied (May 2020) that information of arrears of revenue provided earlier (January 2020) was incorrect. This indicated that Department had unreliable information of arrears of revenue and needs to verify the actual position.

Transport Department: The Department did not provide details of individual defaulters despite request. However, the Department introduced (5 July 2017 to 4 January 2018 and 8 March 2018 to 30 January 2019) an amnesty scheme to realise arrears of revenue.

Recommendation: The Departments should create a database of outstanding arrears for periodic review, reconciliation and liquidation of arrears, and ensure that arrears of revenue which are not under dispute are realised on priority basis.

1.3 Follow up on Audit Reports– summarised position

In terms of the Manual of Instructions (1998) of the Finance Department, Departments are required to initiate action on the audit paragraphs contained in the Report of the Comptroller and Auditor General of India (CAG) within two months of their laying in the Legislative Assembly, and Government shall submit explanatory notes thereon for consideration by the Public Accounts Committee (PAC). However, explanatory notes (replies of the Departments) were submitted with delays of more than five months in respect of 252 paragraphs (including performance audits) appearing in the CAG's Revenue Audit reports for the years ended 31 March 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016 and 2017 placed before the State Legislature between July 2010 and November 2018. Details of

pending explanatory notes as on May 2020 pertaining to various Departments⁹ are given in **Table-1.5**.

Table-1.5
Pending explanatory notes

Sl. No.	Audit Report ending on	Date of presentation in the legislature	No. of paragraphs	No. of paragraphs where explanatory notes received	No. of paragraphs where explanatory notes not received
1	31 March 2009	23.07.2010	29	26	3
2	31 March 2010	20.07.2011	26	26	0
3	31 March 2011	06.08.2012	35	35	0
4	31 March 2012	08.01.2013	38	36	2
5	31 March 2013	21.02.2014	41	39	2
6	31 March 2014	24.12.2014	44	39	5
7	31 March 2015	18.03.2016	39	34	5
8	31 March 2016	27.03.2017	42	19	23
9	31 March 2017	29.11.2018	36	6	30
Total			330	260	70

It was observed that though the Departments initiated action for recovery of revenue in the instances pointed out by audit, corrective measures to prevent persistent irregularities were not addressed by the Departments at any level.

The PAC discussed 63 selected paragraphs pertaining to the Audit Reports for the years 2008-09 to 2015-16 and issued recommendations on 47 paragraphs pertaining to Commercial Taxes Department, Prohibition, Excise and Registration Department, Revenue and Land Reforms Department, Mines and Geology Department and Transport Department incorporated in the aforesaid Reports on which no Action Taken Notes (ATNs) have been received from the Departments (May 2020).

The Principal Accountant General (Audit) requested Secretary, Bihar *Vidhan Sabha* (August 2018) and Chief Secretary, Government of Bihar (July 2019) to instruct the concerned Departments for timely submission of self-explanatory notes on audit observations and ATNs on PAC's recommendation. In pursuance to the audit request, the Finance Department issued instructions (August and November 2019) to all administrative Departments to submit self-explanatory notes on audit observations and ATNs on PAC's recommendation.

Recommendation: The State Government may initiate action to address the shortcomings and system defects pointed out by Audit to plug the leakage of revenue, and ensure that all Departments promptly prepare ATNs on recommendations of PAC.

⁹ Commercial Taxes (50 paragraphs); Prohibition, Excise and Registration (two paragraphs); Transport (one paragraph); and Revenue and Land Reforms (17 paragraphs).

1.4 Response of the Departments/Government to Audit

1.4.1 Position of outstanding Inspection Reports

On completion of audit of Government Departments and offices, Audit issues Inspection Reports (IRs) to the concerned heads of offices, with copies to their superior officers for corrective action and their monitoring. Serious financial irregularities are reported to the head of the Departments and the Government. Review of IRs issued during the period 2009-10 to 2018-19 revealed that 22,953 paragraphs relating to 2,745 IRs remained outstanding at the end of March 2019. The potential recoverable revenue in these IRs was as much as ₹ 27,265.93 crore whereas the total revenue collection of the State for 2018-19 is ₹ 33,538.70 crore. Details of IRs relating to major revenue earning Departments of the State Government are given in **Table - 1.6**.

Table - 1.6
Department-wise details of Inspection Reports

(₹ in crore)

Sl. No.	Names of Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit paragraphs	Money value involved
1	Commercial Taxes	Taxes on sales, trade etc.	417	9,848	11,882.41
		Entry tax			
		Electricity duty			
		Entertainment tax etc.			
2	Excise and Prohibition	State excise	361	1,590	1,163.90
3	Revenue and Land Reforms	Land revenue	824	5,282	8,580.46
4	Transport	Taxes on vehicles	371	2,827	1,600.82
5	Registration	Stamps and registration fees	389	1,173	1,118.36
6	Mines and Geology	Mining receipts	383	2,233	2,919.98
Total			2,745	22,953	27,265.93

All six Departments were requested (September 2019) to organise Audit Committee Meetings to settle outstanding audit observations. However, they did not respond to the audit request. Even the first replies, required to be received from the heads of offices within four weeks of receipt of the IRs as per Regulation 197 of the Regulation on Audit and Accounts, 2007, were not received (April 2020) for 1,167 IRs (10,030 audit observations) involving potential revenue of as much as ₹ 15,306 crore, issued from 2009-10 onwards. Department-wise details are given in **Table – 1.7**.

Table - 1.7
Details of Inspection Reports pending first reply
(₹ in crore)

Sl. No.	Names of Department	Nature of receipts	Number of outstanding IRs	Number of outstanding audit observations	Money value involved
1.	Commercial Taxes	Taxes on sales, trade etc.	86	3,067	5,005.97
		Entry tax			
		Electricity duty			
		Entertainment tax etc.			
2.	Excise and Prohibition	State excise	75	395	238.78
3.	Revenue and Land Reforms	Land revenue	539	3,643	7,077.92
4.	Transport	Taxes on vehicles	242	1,847	916.40
5.	Registration	Stamps and registration fees	124	375	882.65
6.	Mines and Geology	Non-ferrous mining and metallurgical industries	101	703	1,184.28
Total			1,167	10,030	15,306

The matter was reported to the Principal Secretary, Finance Department in June 2019, who directed (July 2019) all the revenue Departments for speedy compliance of the pending audit observations.

Recommendation:

The State Government may introduce a mechanism to ensure that departmental officers respond to Audit Inspection Reports promptly, take corrective action, and work closely with Audit to bring about early settlement of audit observations through Audit Committee Meetings.

1.4.2 Response of the Departments to the Statement of Facts and draft audit paragraphs

The draft audit paragraphs proposed for inclusion in the Report of the CAG are forwarded by the Principal Accountant General (PAG) to the Principal Secretaries/ Secretaries of the Departments concerned, drawing their attention to audit findings and requesting them to send their response within six weeks. The fact of non-receipt of the replies from the Departments/Government is invariably indicated at the end of such paragraphs included in the Audit Report.

Out of 352 Statement of Facts (SOF) issued to the Principal Secretaries/Secretaries of the concerned Departments during 2019-20, Audit did not receive (2 June 2020) replies to 280 Statement of Facts (79.55 per cent) as detailed below:

Table 1.8:
Response of the Departments to the Statement of facts

Sl. No.	Names of Department	Number of SOF issued to the department	Number of SOF in respect of which reply received
1.	Commercial Taxes	181	0
2.	Revenue and Land Reforms	59	0
3.	Transport	53	30
4.	Registration	7	7
5.	Mines and Geology	52	35
Total		352	72

Further, 24 draft paragraphs were sent to the Principal Secretaries/Secretaries of the respective Departments in 2019-20 for their reply/response. However, Audit did not receive reply to 22 draft paragraphs (May 2020).

1.5 Results of audit

Position of the local audit conducted during the year

Audit covered six Departments of the State Government and test-checked records of 35 units out of 1,349 auditable units (2.59 *per cent*) relating to commercial taxes, state excise, taxes on vehicles, stamps and registration fees, land revenue and mining receipts during the year 2018-19. Besides, two units of Commercial Taxes Department, 14 units of Revenue and Land Reforms Department, one unit of Transport Department, eight units of Registration Department, and 12 units of Mining Department were audited during September 2019 to January 2020.

Audit observed underassessment/short levy/loss of revenue aggregating to ₹ 3,658.11 crore in 629 cases, which were communicated to the Departments through Inspection Reports. The Departments concerned accepted (between April 2018 and April 2020) underassessment and other deficiencies of ₹ 1,336.65 crore in 1,648 cases, out of which 55 cases involving ₹ 366.27 crore were pointed out during 2018-19 and the rest in earlier years. The Departments reported (between April 2018 and April 2020) recovery of ₹ 8.90 crore in 196 cases pertaining to previous years.

1.6 Coverage of this Report

This Report contains 12 paragraphs and one detailed Compliance Audit on Levy and collection of Motor Vehicles Taxes and Fees. The total financial implication of the Report is ₹ 2,389.53 crore.

The Departments have accepted (up to May 2020) audit observations amounting to ₹ 1,081.49 crore. The audit observations are discussed in Chapters 2 to 6 of this Report.

The errors/omissions pointed out are on the basis of a test audit. The Department/Government may, therefore, undertake a thorough review of all units to check whether similar errors/omissions have taken place elsewhere and, if so, to rectify them; and to put a system in place that would prevent such errors/omissions.

CHAPTER 2
COMMERCIAL TAXES

CHAPTER-2: COMMERCIAL TAXES

2.1 Tax administration

The levy and collection of commercial taxes¹ in the State is governed by the provisions of the following Acts and Rules made thereunder:

- Central Sales Tax (CST) Act, 1956;
- Central Goods and Services Tax (CGST) Act, 2017;
- Bihar Goods and Services Tax (BGST) Act, 2017;
- Integrated Goods and Services Tax (IGST) Act, 2017;
- Bihar Value Added Tax (BVAT) Act, 2005;
- Bihar Tax on entry of goods into local areas (BTEG) Act, 1993;
- Bihar Entertainment Tax Act, 1948;
- Bihar Taxation on Luxuries in Hotels Act, 1988;
- Bihar Electricity Duty Act, 1948;
- Bihar Tax on Professions, Trades, Callings and Employments Act, 2011; and
- Bihar Tax on Advertisement Act, 2007.

At the apex level, the Commercial Taxes Department (CTD) is headed by the Commissioner of State Tax (CST) assisted by Special Commissioners of State Tax, Additional Commissioners of State Tax, Joint Commissioners of State Tax (JCST), and Deputy Commissioners of State Tax (DCST)/Assistant Commissioners of State Tax (ACST). At the field level, the State is divided into nine administrative divisions², nine appeals divisions³ and nine audit divisions⁴ as they were under the VAT period, each headed by an Additional Commissioner of State Tax. The nine administrative divisions are further sub-divided into 50 circles each headed by a JCST/DCST assisted by Assistant Commissioners of State Tax.

2.2 Results of audit

During 2018-19, Audit test-checked records of the office of the CST. Out of 60 units of CTD, two units⁵ were audited during April 2019 to February 2020 in which

¹ Commercial taxes include Taxes on Sales, Trade etc., Taxes on goods and services, Taxes on Goods and Passengers; Taxes and Duties on Electricity; Other Taxes on Income and Expenditure-Taxes on Professions, Trades, Callings and Employment and Other Taxes and Duties on Commodities and Services.

² Bhagalpur, Central, Darbhanga, Magadh, Patna East, Patna West, Purnea, Saran and Tirhut.

³ Bhagalpur, Central, Darbhanga, Magadh, Patna East, Patna West, Purnea, Saran and Tirhut.

⁴ Bhagalpur, Central, Darbhanga, Magadh, Patna East, Patna West, Purnea, Saran and Tirhut.

⁵ Patliputra and Patna Special.

irregularities involving ₹ 869.07 crore in 343 cases were observed which fall under the following categories as detailed in **Table 2.1**.

Table- 2.1			
Results of audit			
(₹ in crore)			
Sl. No.	Categories	No. of cases	Amount
A: Taxes on sales, trade etc./ VAT/CGST/SGST/IGST			
1.	Suppression of turnover	49	257.24
2.	Excess allowance of ITC	41	105.32
3.	Irregular allowance of exemption from tax	05	30.74
4.	Application of incorrect of rates of tax	34	26.00
5.	Non-levy and short levy of taxes	30	25.13
6.	Transitional credit in GST	30	23.30
7.	Non levy of purchase tax	01	15.91
8.	Short levy due to incorrect determination of turnover.	08	13.47
9.	Non-levy or short levy of additional tax & surcharge.	03	1.35
10.	Irregular allowance of concessional rate of tax	01	0.13
11.	Underassessment of CST	01	0.01
12.	Other cases	118	310.82
Total		321	809.42
B: Entry Tax			
1.	Short levy of entry tax due to suppression of import value	16	48.79
2.	Application of incorrect rates of entry tax	06	10.86
Total		22	59.65
Grand Total		343	869.07

During April 2018 to April 2020, the Department accepted underassessment and other deficiencies of ₹ 36.71 crore in 665 cases and recovered ₹ 6.92 crore in 142 cases which were pointed out before 2018-19. The replies in the remaining cases of previous years and all cases of 2018-19 were not received (May 2020).

2.2.1 Access to GST data

Section 16 of C&AG's (DPC) Act, 1971 provides that it shall be the duty of the Comptroller and Auditor General of India to audit all receipts which are payable into the Consolidated Fund of India and of each State and of each Union territory having a Legislative Assembly and to satisfy himself that the rules and procedures in that behalf are designed to secure an effective check on the assessment, collection and proper allocation of revenue and are being duly observed and to make for this purpose such examination of the accounts as he thinks fit and report thereon. As per section 54 of Regulations on Audit and Accounts, 2007, audit of receipts includes an examination of the systems and procedures and their efficacy in respect of identification of potential tax assesses, ensuring compliance with laws as well as detection and prevention of tax evasion etc. Further section 164 of Regulations on Audit and Accounts 2007 also provides that the auditable entity shall ensure that Audit has the right of access to the IT systems, irrespective of the fact whether the systems are owned, maintained and operated by the auditable entity or by any other agency on behalf of the auditable entity.

During the period of this report, Audit did not have access to GST data, in absence of which, audit could not examine the records pertaining to the period of GST except the claim and admittance of transitional credits where audit was conducted in light of the records of VAT period.

In absence of access to the GSTN/GST data, audit could not examine whether the IT system is properly mapped with the GST rules, whether the returns are filed and payment of tax is done in time, whether the ITC is claimed as per norms, whether interest for delayed payment of tax is done by the dealers etc.

2.3 Suppression of turnover

The Assessing Authority did not detect suppression of turnover of ₹ 5.64 crore, in case of three dealers which resulted in under-assessment of ₹ 2.36 crore including leviable penalty and interest.

Under Section 31 (2) of the BVAT Act, 2005, in case of concealment, omission, or failure to disclose correct sale/purchase, the Assessing Authorities (AAs) are empowered to impose penalty at three times the tax payable besides tax and interest on the escaped turnover. Further, as per section 25 (1) of the BVAT Act, the AAs are required to scrutinise every quarterly and annual return as per the six checklists provided therein under clause (a) to (f).

2.3.1 Suppression of sales turnover

Audit test-check of assessment records in Patliputra commercial taxes circle in November 2019 revealed that a dealer had disclosed sales of goods of ₹ 70.75 crore in his annual return during the period 2016-17. However, as per the figures of TAR-IV⁶, his sales turnover was worth ₹ 71.71 crore. Thus, the dealer suppressed sales turnover of ₹ 96.25 lakh which could not be detected during assessment in March 2019. This resulted in under-assessment of tax of ₹ 48.22 lakh, including leviable penalty of ₹ 32.40 lakh and interest of ₹ 5.02 lakh.

The matter was reported to the Department (March 2020); the reply was not received (January 2021).

2.3.2 Suppression of purchase turnover

Audit test-check of assessment records in Patliputra commercial taxes circle in November 2019 revealed that two dealers had actually purchased goods of ₹ 349.58 crore during the period 2016-17 as shown in their Tax Audit Report⁷ and utilisation statement of “*Suvidha*”⁸. They, however, disclosed purchases of ₹ 344.67 crore only in their annual returns, thereby suppressing purchases of goods worth ₹ 4.92 crore. The suppression of purchase turnover of ₹ 4.92 crore was not detected during assessment of the dealers in January and July 2018. This resulted in under-

⁶ Tax Audit Report.

⁷ TAR- Every dealer having gross turnover of ₹ One crore and above is required to submit TAR certified by a Chartered Accountant before the stipulated date.

⁸ Simplified Uses of Vehicle Information Data Harmonised Application. Suvidha is a declaration form used by the dealers for transportation of goods from/to outside the state and from/to within the state.

assessment of tax of ₹ 1.88 crore including penalty of ₹ 1.27 crore and leviable interest of ₹ 19.18 lakh, as detailed in **Annexure-1**.

The matter was reported to the Department (March 2020); the reply was not received (January 2021).

2.4 Short levy of tax due to incorrect availing/claim of deduction

The Assessing Authorities failed to detect availing of inadmissible deductions by dealers which resulted in short levy of tax of ₹ 1.60 crore.

Section 7 of the BVAT Act stipulates that no tax shall be payable on sale or purchase of goods specified in Schedule-I. Further, serial no. 76 of Schedule-I of BVAT Act read with S.O. No. 325 dated 05.12.2008 provide that no tax shall be paid on purchase/sale of goods for the use of members of the Central Paramilitary Forces by Central Master Canteen situated in the State subject to the condition that an officer not below the rank of a Commanding Officer certifies that the sale/purchase has been done for the use of a member of the Central Forces and resale of the sold goods shall not be done.

Test-check of assessment records and other documents such as returns and TAR in two commercial taxes circles⁹ in July and November 2019 revealed that six dealers had availed deductions of ₹ 20.51 crore towards schedule-I goods during the period 2016-17 though they were eligible for deduction of ₹ 11.97 crore only. Out of six, five dealers availed deductions towards the sale of goods to CSD Canteens and others though the exemption certificate was issued by In-Charge of Master Canteen and Canteen Officer and not certified by the Commanding Officer (SHQ). While, in one remaining case deduction was claimed towards sale of Schedule-I goods but as per the invoice actually medicines were sold. The AAs, in five cases, failed to detect the claims of deduction not supported by requisite exemption certificate and in one case disallowed the deduction on account of sale to CSD Canteen in the assessment order but did not levy tax on disallowable deduction between July 2018 to September 2019 while doing the assessment which resulted in short levy of tax of ₹ 1.60 crore including leviable interest of ₹ 46.99 lakh, as detailed in **Annexure-2**.

The matter was reported to the Department (March 2020); the reply was not received (January 2021).

2.5 Non/Short payment of admitted tax and interest

Non-detection of short/delayed payment of admitted tax during assessment resulted in short realisation of tax of ₹ 2.88 crore and non-levy of interest of ₹ 4.38 crore.

As per section 24 of the BVAT Act, the payment of tax by every dealer on or before 15th of the following month failing which, he is required to pay interest at the rate of one and a-half *per cent* per month. Further, as per section 25 (1) of the BVAT Act, the AAs are required to scrutinise quarterly as well as annual returns to ensure payment of tax and interest.

⁹ Patliputra and Patna Special.

- Audit test-check of records in two commercial taxes circles¹⁰ between August and November 2019 revealed that two dealers had paid tax of ₹ 53.08 crore against the admitted tax of ₹ 55.10 crore shown in their returns for the period 2016-17. Thus, there was a short payment of admitted tax of ₹ 2.02 crore. AAs were required to scrutinise the returns and see the evidence of payment of tax and accordingly issue a notice to the dealers. However, they could not detect the short payment during assessment between March 2017 and March 2018 which resulted in short payment of admitted tax of ₹ 2.02 crore and leviable interest of ₹ 86.75 lakh, as detailed in **Annexure-3**.

The matter was reported to the Department (March 2020); the reply was not received (January 2021).

- Audit test-check of assessment records in Patna special circle, between June and July 2019, revealed that two dealers had paid their admitted tax with a delay of six to 714 days during the period 2016-17. However, no interest was paid by them though they were liable to pay interest of ₹ 4.38 crore. The AA failed to detect the delayed payment between December 2018 and March 2019 while doing the assessment, and therefore, did not levy interest for such delayed payment of tax in violation of the provisions of the Act *ibid*. This resulted in non-levy of interest amounting to ₹ 4.38 crore, as detailed in **Annexure-4**.

The matter was reported to the Department (March 2020); the reply was not received (January 2021).

2.6 Interest not levied on delayed payment of Entry tax

Assessing Authorities did not levy interest of ₹ 1.91 crore on delayed payment of entry tax.

Section 24 of the BVAT Act, read with Section 8 of the BTEG Act, 1993, stipulates that payment of tax, by every dealer on or before 15th of the following month failing which he is required to pay interest at the rate of one and a-half *per cent* per month. Further, as per section 25 (1) of the BVAT Act, the AAs were required to scrutinise quarterly as well as annual returns to ensure payment of tax and interest.

Test-check of assessment records in two commercial taxes circles¹¹ between June and November 2019 revealed that three dealers (had paid their admitted entry tax with delays ranging from two to 251 days during the period 2016-17. These dealers against the liability of interest of ₹ 1.93 crore paid interest of ₹ 1.50 lakh only. The AAs did not levy interest on delayed payment of entry tax between March 2017 to March 2019 in violation of the provisions of the Act *ibid* while doing the assessment. This resulted in non-levy of interest amounting to ₹ 1.91 crore as detailed in **Annexure-5**.

The matter was reported to the Department (March 2020); the reply was not received (January 2021).

¹⁰ Patliputra and Patna Special.

¹¹ Patliputra and Patna Special.

CHAPTER 3
REVENUE AND LAND
REFORMS

CHAPTER-3: REVENUE AND LAND REFORMS

3.1 Introduction

The Revenue and Land Reforms Department acquires and alienates land and levies and collects land revenue in Bihar. The Collector who is responsible for the land acquisition is assisted by the District Land Acquisition Officer (DLAO).

The Principal Secretary-cum-Commissioner is the administrative head and is assisted by three Directors, Special Secretary, Joint Secretary and Deputy Secretary at the Headquarters level. At the field level, the Divisional Commissioners, Collectors, Additional Collectors, DLAO, Deputy Collectors, and Circle Officers are responsible for carrying out the work. Circle officers are responsible for the maintenance of land records and collection of land revenue.

3.2 Results of audit

During 2018-19, Audit test-checked the records of 11¹ units out of 952 units of the Revenue and Land Reforms Department. Besides, seven units² of DLAO and seven offices³ of Additional Collectors were also audited during September 2019 and January 2020. Audit scrutiny encompassing audit observations involving ₹ 877.24 crore in 135 cases is shown in **Table-3.1** below.

Table-3.1: Results of Audit

(₹ in crore)

Sl. No.	Categories	No. of cases	Amount
1.	Audit of payment of compensation/Additional compensation in district land acquisition office	1	125.04
2.	Audit of settlement of sairat	1	9.54
3.	Excess Expenditure under Mahadalit Vikas Scheme	1	18.10
4.	Alienation/transfer of Government land	1	108.54
5.	Payment for aerial survey without fulfillment of the preliminary requirement	1	20.93
6.	Lack of monitoring of fund under National Rural Livelihood Mission Programme head.	1	42.48
7.	Fund not received/short released from GoI and State Government	2	68.69
8.	Irregular transfer/parking of fund in different banks	3	39.52
9.	Short/Non-payment of compensation to landowners	1	28.50
10.	Non/Short remittance of establishment charges/Bank interest	9	180.57
11.	Faulty Estimate	2	20.24
12.	Others	112	215.09
	Total	135	877.24

¹ **DLAO:** Araria, Kishanganj, Motihari, Nalanda, Patna, Purnea, Supaul and Vaishali: **Circle Office:** Danapur; **Office of the Principal Secretary Revenue and land reforms Department, Patna** and **Office of the Director Land records and measurement Bihar, Patna.**

² Gaya, Khagaria, Munger, Muzaffarpur, Patna, Saharsa and Saran.

³ Patna, Nalanda, Madhubani, Sitamarhi, Gopalganj, Purnea and Kishanganj.

The Department accepted short levy, short realisation and other deficiencies of ₹ 507.72 crore in 176 cases pertaining to previous years. Five cases involving ₹ 0.27 crore pointed out during 2018-19 were also accepted. The replies in the remaining cases of 2018-19 and those of earlier years not received (May 2020).

3.3 Audit of payment of compensation/additional compensation in the district land acquisition offices

3.3.1 Introduction

Land acquisition is the process by which Government acquires land for a public purpose such as the development of industry, infrastructural facilities and urbanisation, and provides compensation to the affected landowners with rehabilitation and resettlement. Land acquisition process is governed by “Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement Act, 2013 (RFCTLARR)” and the subsequent amendments made from time to time by the Union and Bihar Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation, and Resettlement, (BRFCTLARR) Rules, 2014.

Following table depicts component of compensation and their calculation:

Table 3.2

Sl. No.	Component of compensation package in respect of land acquired under the Act	Manner of determination of value
1	Market value of land	To be determined as provided under Section 26 of the RFCTLARR Act, 2013.
2	Factor by which the market value is to be multiplied in the case of rural areas	1.00 (One) to 2.00 (Two) based on the distance of project from urban area.
3	Factor by which the market value is to be multiplied in the case of urban areas.	1 (One)
4	Assets attached to land or building under requisition	To be determined as provided under Section 29 of the RFCTLARR Act, 2013.
5	Solatum	Equivalent to one hundred per cent of the market value of land mentioned against serial number 1 multiplied by the factor specified against serial number 2 for rural areas or serial number 3 for urban areas plus value of assets attached to land or building against serial number 4 under column (2).
6	Final award in rural areas	Market value of land mentioned against serial number 1 multiplied by the factor specified against serial number 2 plus value of assets attached to land or building mentioned against serial number 4 under column (2) plus solatium mentioned against serial number 5 under column (2).
7	Final award in urban areas	Market value of land mentioned against serial number 1 multiplied by the factor specified against serial number 3 plus value of assets attached to land or building mentioned against serial number 4 under column (2) plus solatium mentioned against serial number 5 under column (2).
8	Compensation towards rehabilitation and resettlement	Resettlement allowance of ₹ 50,000, transportation cost of ₹ 50,000 and one time payment of ₹ five lakh for each affected family where residential land or residence is acquired.

Audit was conducted to examine compliance to the provisions of existing Acts/ Rules while making payment of compensation to affected landowners of different/ various land acquisition projects. Seven districts⁴ were selected on random sampling basis using Interactive Data Extraction Analysis (IDEA) software. Audit was conducted between September 2019 to January 2020 for the period 2014-15 to 2018-19. In test-checked districts, there were 40 projects involving 588 *maujas*; audit examined 28 projects involving 334 *maujas* and noticed irregularities in 28 projects involving 249 *maujas*.

Audit findings

3.3.2 Non-remittance of establishment charges into the consolidated fund of the State

Four DLAOs failed to remit establishment charges of ₹ 91.03 crore into the Consolidated Fund of the State though the fund was available with them.

Instruction (May 2006) of the Joint Secretary of the Revenue and Land Reforms Department read with Bihar Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement (BRFCTLARR) Rules, 2014 provides for collection of establishment charges at the prescribed rates in four⁵ slabs ranging between 20 *per cent* to 35 *per cent*, which was revised (27 June 2018) to two *per cent* of compensation amount, from the land requiring body and to deposit the same in Government account under the Land Revenue head of account.

In four land acquisition offices⁶, Audit examined (between October 2019 and January 2020) records of 19 projects and observed that ₹ 1,293.05 crore was received from requiring bodies for the acquisition of land of 19 projects⁷ during the period December 2009 to September 2019. Land acquisition process was not completed in any of these projects till the date of audit. The establishment charges amounting to ₹ 129.30 crore, proportionate to the acquisition costs, were already received in these projects which were required to be remitted into Consolidated Fund of State. However, the concerned DLAOs remitted ₹ 38.27 crore only. Establishment charges of ₹ 91.03 crore were yet to be remitted into the concerned revenue head under the Consolidated Fund of the State which is in violation of the Rules, *ibid*, although an amount of ₹ 893.44⁸ crore was still lying with DLAOs.

⁴ Gaya, Khagaria, Munger, Muzaffarpur, Patna, Saharsa and Saran.

⁵ Rate of establishment charges: 20 *per cent* if compensation amount is more than ₹ 15 lakh, 25 *per cent* if compensation amount is more than ₹ 10 lakh but less ₹ 15 lakh, 30 *per cent* if compensation amount is more than ₹ five lakh and less than ₹ 10 lakh and 35 *per cent* if compensation amount is less than ₹ five lakh.

⁶ Gaya, Khagaria, Saharsa and Saran.

⁷ NH-2, Muchlind Sarovar Vistar Yojna, NH-83 (Patna-Gaya-Dobhi), Bandhua to Paimar Flyover, BSF Quarter Nirman, Rupauli Nauranga Families rehabilitation and resettlement, Resettlement of nayagaon of affected families, Collector Residence, HathiKothi se biraul path, 33/11 Vidyut Shakti upkendra, 132/33 Kv power sub station, 33/11 Kv power sub station, Matsyagandha Jalashay Project, Simari Bakhtiyarpur SDO Bhawan Nirman, NH-107, Approach road at river Koshi between Baluwahaghat and Gandaul, Gandaknadi par RCC pul cum pahunch path nirman, Digha Sonapur Rail cum approach road and Chhapra-Muzaffarpur new badi rail line.

⁸ ₹ 110.41 crore in PD account and ₹ 783.03 crore in saving bank accounts.

The concerned DLAOs also did not prepare any project-wise account of establishment charges and therefore, in its absence, they could not ensure details of establishment charges to be remitted into concerned revenue head against a project. Further, neither District Collectors nor Director of land acquisition who were supervisory officers of the DLAO at the district level and Department level respectively exercised due monitoring to ensure remittance of establishment charges to Government account. Thus, the DLAOs failed in remitting the amount of establishment charges of ₹ 91.03 crore into the Consolidated Fund of the State, as detailed in **Annexure-6**.

Similar audit observations were made in earlier Audit Reports⁹, however, these irregularities persists which reflects lack of internal control in the Department.

After this was pointed out, DLAO, Saharsa stated (June 2020) that establishment charge of ₹ one crore in respect of NH 107 was remitted into government account. DLAO Gaya accepted (May 2020) that establishment charge was not deposited into government account while remaining DLAOs stated (June 2020) that the establishment charge would be remitted into the government account.

The matter was reported to the Department in February 2020, the reply was not received (January 2021).

3.3.3 Incorrect calculation of additional compensation in estimates

Four DLAOs failed to calculate additional compensation or committed calculation mistakes. These irregularities resulted in incorrect calculation of additional compensation of ₹ 24.56 crore.

Section 23 (1) of the LA Act, 1894 read with Section 30 (3) of the RFCTLARR Act, 2013 (Act 2013) provides for payment of additional compensation at the rate of 12 *per cent* of market value of land from date of publication of the notification of the social impact assessment study till the date of award of the Collector or the date of taking possession of the land, whichever is earlier.

- In two districts (Patna and Saran), Audit observed (between October and December 2019) that the DLAOs prepared the estimates of compensation for seven projects involving 57 *Mauzas* for all the affected landowners during the period April 2016 to September 2019. The DLAO Patna calculated additional compensation for the period from the date of notification to the date of approval of estimate instead of the date of award of the Collector or the date of taking possession of the land, whichever is earlier. The DLAO Saran calculated additional compensation on the amount of double the market value of land instead of market value and things attached on land (value of buildings, chapakal, trees etc., lying on the land). These irregularities resulted in excess calculation of additional compensation of ₹ 8.71 crore as detailed in **Annexure-7**.

⁹ Para no. 3.11 of Report No. 2 of 2018 and Para no. 3.3 of Report No. 2 of 2019.

- In three districts¹⁰, Audit observed (between November and December 2019) that the DLAOs prepared the estimates of compensation for 10 projects¹¹ involving 46 *Mauzas* for all the affected landowners during the period December 2009 to September 2019. In case of five projects,¹² the concerned DLAOs did not include additional compensation in the estimates; in cases of three projects,¹³ DLAOs concerned calculated additional compensation from the date of notification to probable date of possession instead of the actual date of award or possession whichever is earlier. In case of two projects (Chhapra Muzaffarpur new rail line and Digha Sonapur Rail cum approach road), the DLAO Saran committed calculation mistakes. These irregularities resulted in short calculation of additional compensation of ₹ 15.85 crore as detailed in **Annexure-8**.

After this was pointed out, DLAO, Patna stated (October 2019) that action would be taken after obtaining direction from the Department. DLAO Saran accepted (June 2020) audit observation and stated that in cases of excess calculation of additional compensation, estimates were revised after being pointed out in audit. The DLAO further stated that in cases of short/non-calculation of additional compensation, guidance from the Department was being taken. DLAO, Muzaffarpur accepted (June 2020) the observation and stated that necessary correspondence would be made with NHAI for additional compensation.

The matter was reported to the Department in February 2020, the reply was not received (January 2021).

3.3.4 Undue delay in acquisition of land

The DLAO Khagaria failed to make payment to landowners despite availability of funds of ₹ 2.24 crore since January 2015.

Section 25 of the RFCTLARR Act, 2013 provides that the Collector shall make an award within twelve months from the date of publication of the declaration under Section 19, and in case of failure, the entire proceedings for the land acquisition shall lapse.

Audit scrutinised (January 2020) the records of the project of 'Resettlement of 400 families at Balkunda' in the office of DLAO Khagaria. This resettlement was due to displacement of families affected from flood of Kosi and Bagmati rivers. It was revealed that requiring body (Disaster Management Department (DMD)) made available ₹ 9.43 lakh on 27.03.2008 for the acquisition of 20 acres of land, the full amount which was surrendered on 30.03.2008 by the DLAO. The requiring body (DMD) again transferred the same amount of ₹ 9.43 lakh on 30.01.2012.

¹⁰ Muzaffarpur, Saharsa and Saran.

¹¹ Madhoura Locomotive Factory, Chhapra Muzaffarpur new rail line and Digha Sonapur Rail cum approach road (**Saran**); NH-102, NH-527C (**Muzaffarpur**); Approach road on Koshi river between Buluwahaghat to Gaundaul, RCC pul at 14th kilometer of Sonbarsa Gwalpara project, Construction of Vidyut sub station, Construction of sub divisional office in Simari Bhakhtiyarpur, Matasyagandha Jalashay project (**Saharasa**).

¹² Madhoura locomotive factory (Saran), approach road on koshi river between Baluahaghat to Gandaul, RCC pul at 14th kilometer of Sonbarsa Gwalpara project, Construction of Vidyut sub station and Construction of sub divisional office in Simari Bhakhtiyarpur (Saharsa).

¹³ NH-102, NH-527C (Muzaffarpur) and Matasyagandha Jalashay project (Saharasa).

The chronology of events in the acquisition of land in DLAO Khagaria is detailed in the following **Table 3.3**:

Table 3.3: Chronology of events

Date	Event
13.11.2007	Requisition for acquisition of land of 20 acres for rehabilitation and resettlement of 400 displaced family at Balkunda was made by the Disaster Management Department.
27.03.2008	Fund of ₹ 9.43 lakh was made available by the the Disaster Management Department through budget allocation.
31.03.2008	DLAO Khagaraia surrendered entire amount ₹ 9.43 lakh as it was not used during the financial year.
06.10.2009	District Collector Khagaria forwarded proposal of notification and declaration for acquisition of land for above project to Commissioner, Munger.
02.03.2010	Director, Land Acquisition of Revenue and Land Reforms Department returned the proposal for rectification.
14.05.2010	Rectified proposal sent to the Director, Land acquisition.
09.06.2010	The proposal again returned by the Director for further rectification
05.06.2010	Report regarding type of land called for from Anchal Adhikari– Chautham by the DLAO.
25.12.2010	Report of Anchal Adhikari received after several reminders by DLAOs.
24.02.2011	Rectification report on proposed Notification and Declaration forwarded to the Director.
18.04.2011	The DLAO published notification of this project.
29.04.2011	The DLAO published declaration for acquisition of said land.
30.01.2012	Fund of ₹ 9.43 lakh again received by DLAO/Collector.
08.02.2012	Proposal for approval of acquisition of land under emergency clause was sent to the Commissioner.
02.05.2012	The Revenue and Land Reforms Department approved the proposal for the acquisition of land under the emergency clause ¹⁴ .
22.05.2012	Estimate of ₹ 2.24 crore prepared in accordance with the existing LA Act, 1894 and forwarded to the Commissioner, Munger division.
31.05.2013	Revised estimate was approved by the Revenue and Land Reforms Department.
10.07.2013	DLAO, Khagaria made Demand of fund from Disaster Management Department.
29.08.2013	The DMD demanded original record related to land acquisition from the DM Khagaria.
16.09.2013	The DM Khagaria made available the records related to the DMD
18.12.2013	The DMD after examination of records detected some discrepancies and asked for the report of the DM thereon.
25.11.2014	The DM made available the report to the DMD.
13.01.2015	Fund of ₹ 2.14 crore after deducting already transferred fund of ₹ 9.43 lakh as per revised estimate was made available to DLAO.
03.07.2015	Collector, Khagaria declared award and notices were issued to landowners to receive the payment of compensation.
July to September 2016	Three more notices were issued to the landowners by the DLAO to receive the payment of compensation.
23.06.2017	As the beneficiaries did not turn up the Collector wrote letter to the Principal Secretary Revenue and Land Reforms Department to seek further direction of the Department.
17.08.2017	The Director Land Acquisition directed to the Collector to revise the estimate as per Act, 2013 and to take action against the responsible officials for the delay in payment and land acquisition process.

¹⁴ Section 17 (1) of the LA Act 1894 stipulates that in cases of urgency the appropriate government can acquire land within 15 days from the publication of the notice mentioned in section 9 (1) for public purpose.

Thus, delay on the part of various state officials including DLAO/Collector in preparing and approving estimate led to delayed release of fund by the DMD. Further, DMD also delayed the release of funds after receipt of estimates from DLAO/Collector. However, by the time DMD made the funds available, the new Land Acquisition Act 2013 came into force which further required a revised estimate as per the new provisions in the Act, as the landowners whose land was acquired had not yet received the compensation at old rates. This led to non-payment of compensation to landowners despite the fact that DMD had transferred the amount of ₹ 2.24 crore to the Collector Khagaria and the land was in possession of DLAO/Collector in March 2013.

On this being pointed out, the DLAO Khagaria stated (January 2020) that action would be taken after reviewing the matter and correspondence with the requisitioning body. The DLAO further stated that as the land acquisition project got lapsed, there was need of fresh requisition from requiring Department which was yet to be received. In respect of action against erring officials, the DLAO stated that proposal for initiating action against them was forwarded (November 2017) to the Commissioner, Munger Division.

Thus, due to delay on the part of various State officials including DLAO/Collector in preparing and approving estimate, cost increased from ₹ 9.43 lakh in March 2008 to ₹ 2.24 crore in May 2012 and still needs to be revised further according to the new Act. Even after more than 13 years of initiation of process and payment of ₹ 2.24 crore to DLAO in January 2015, the intended purpose of rehabilitation and resettlement of 400 displaced family at Balkunda could not be achieved.

The matter was reported to the Department in February 2020, the reply was not received (January 2021).

3.3.5 Short payment of compensation towards resettlement and rehabilitation

Application of old rates of rehabilitation and resettlement by the DLAO/Collector while finalising the estimates for payment of compensation resulted in the short payment of compensation of ₹ 1.23 crore to the displaced families.

The RFCTLARR Act, 2013 provides for payment of compensation towards Rehabilitation and Resettlement (R and R), which includes resettlement allowance of ₹ 50,000, transportation cost of ₹ 50,000 and one-time payment of ₹ five lakh for each affected family where residential land or residence is acquired. Before the Act *ibid* ₹ 10,000 for temporary relief and ₹ 5,000 for transportation assistance was payable as per the Bihar Land acquisition, Resettlement and Rehabilitation Policy, 2007.

In two districts (Munger and Patna), Audit observed (between October 2019 and January 2020) that the residence/residential land of 21 families was acquired by the DLAOs concerned. However, the estimates for land acquisition were finalised (between May and December 2015) after incorporating the temporary cost component of ₹ 10,000 and transport assistance of ₹ 5,000 only as prescribed under Rules *ibid*, though the beneficiaries were to be paid the resettlement allowance of

₹ 50,000, transportation cost of ₹ 50,000 and one-time payment of ₹ five lakh as per the provision of Act *ibid*.

Table 3.4: Details of resettlement allowance

(Amount in ₹)

Name of district	Name of Project	Number of affected families	Payable compensation towards R and R	Paid compensation towards R and R	Short payment of R and R
Munger	Construction of bridge across river Ganga connecting Bakhtiyarpur bypass of NH 31	7	42,00,000	1,05,000	40,95,000
Patna	Construction of bridge at 94 Km on NH 80 across Mani river	14	84,00,000	2,10,000	81,90,000
	Total		1,26,00,000	3,15,000	1,22,85,000
In Patna district, actual payment amounting to ₹ 23.40 lakh was not made in five cases as the beneficiaries did not claim the compensation, though payment was shown in DLAO account.					

Thus the application of old rates by the DLAO/Collector while finalising the estimates for payment of compensation resulted in short payment of compensation of ₹ 1.23 crore towards Rehabilitation and Resettlement to the displaced families.

After this was pointed out, the DLAO Patna stated (October 2019) that compliance would be made after obtaining guidance from the Department, and DLAO Munger stated (January 2020) that after verification, demand would be made from the requisitioning Department and R and R allowance would be paid to affected (displaced) families.

The matter was reported to the Department in February 2020, the reply was not received (January 2021).

3.3.6 Fraudulent payment of compensation

Two DLAOs did not exercise due diligence and paid compensation to ineligible persons without verification of relevant documents and thus violating the prescribed conditions, which resulted in fraudulent payments of ₹ 1.18 crore.

As per condition number 2 of the standard format of estimates adopted by the Revenue and Land Reforms Department, DLAO, Additional Collector and the District Collector concerned are responsible for payment of compensation after verification and confirmation of the actual land rights and entitlements of the claimant landowners.

- In DLAO Saran, Audit observed (December 2019) during scrutiny of vouchers related to payment of compensation to landowners relating to two projects (National Highway-19 and Marhaura Diesel Locomotive Factory), that six landowners were paid a sum of ₹48.05 lakh as compensation between April 2015 to January 2016. The landowners produced Land Possession Certificate (LPC) and rent receipts of the land in support of their claim of land rights. These documents were purported to have been issued by the concerned Circle Offices¹⁵ (Land Record office). The DLAO made the payments of compensation based on documents

¹⁵ Garkha, Marhaura and Sonapur.

mentioned above, without checking their authenticity. In one case (Indu Devi) no LPC was found on record neither it was produced after being called for by the audit. Further, Audit verified from the Circle Office that the LPC was not issued to Indu Devi alias Indu Misra and this was also confirmed by the Circle Officer that Indu Devi does not have any land in mauja Talpuraina, thana Marhaura (June 2020).

However, when Audit verified the documents (other than case of Indu Devi) in the concerned Circle Offices, and observed that the documents forming the basis for payments were not issued by these offices and therefore, were fake. Thus, it was evident that the DLAO did not exercise its due diligence and paid compensation without verification of relevant documents, violating the prescribed conditions which resulted into fraudulent payments of ₹ 48.05 lakh to six landowners.

It was further observed that out of the six landowners who received fraudulent payment, two were the same on whom FIRs were already lodged and certificate cases were instituted (November 2018) on detection of fraudulent payment of compensation related to another land in the same DLAO office. However, the DLAO did not investigate further to check the pervasiveness of such malpractices in his jurisdiction, which indicates significant risks and weakness in exercising control in the office.

On this being pointed out, the DLAO Saran stated (December 2019) that further action would be taken after examination of the matter. The DLAO further stated (June 2020) that the matter was being investigated by the concerned Circle Officer.

Thus, it is clear that compensation was paid without ascertaining veracity of the claimant.

The matter was reported to the Department/Government in February 2020, the reply was not received (January 2021).

- During scrutiny of records of land acquisition of a project (NH-333B) in DLAO, Munger, Audit observed (January 2020) that as per Notifications (3A and 3D) published in August 2015 and May 2016, an area of 0.2016 hectares (0.4981 Acre) of land in plot no. 62, Thana number-163 was acquired in *Mauza* Muzaffarpur Kasimpur. As per the records (verification report of Amin and other relevant records), there were only three landowners/beneficiaries in that plot number 62. However, audit observed that an amount of ₹ 70.44 lakh was paid to a person, who was not among the three beneficiaries, by quoting plot no.62 in the valuation register against his name and in other relevant records, and one of the bonafide beneficiary of that plot did not receive his due compensation of ₹ 36.46 lakh. The LPC and other documents (Rent Receipt, Register II) produced by claimant does not show plot no.62 in any documents and thereby not establishing his entitlement under the said plot. Thus, it was evident that the DLAO did not exercise due diligence and paid compensation to the ineligible person without verification of relevant documents, violating the prescribed conditions, which resulted in fraudulent payments of ₹ 70.44 lakh indicating significant risks and weakness in exercising of control in the Department.

In reply the DLAO, Munger accepted (June 2020) the fact that Md. Mohiuddin was paid ₹ 70.44 lakh in lieu of land of 23.57 decimal of Khesra no. 62 without

entitlement. Thus, it is clearly evident that the action of then DLAO for making payment to beneficiary was bereft of due diligence and smacks of connivance.

The matter was reported to the Department in February 2020), the reply was not received (January 2021).

Recommendation: The Department may consider investigating the pervasiveness of the fraud in DLAO, Chhapra and DLAO Munger from a vigilance angle to ascertain reasons for fraudulent payment, to fix responsibility and to initiate action against erring officials.

CHAPTER 4
TAXES ON VEHICLES

CHAPTER-4: TAXES ON VEHICLES

4.1 Tax administration

The Transport Department levies and collects taxes on vehicles in the State, in terms of the Motor Vehicles (MV) Act, 1988, Central Motor Vehicles (CMV) Rules, 1989, Bihar Motor Vehicle Taxation (BMVT) Act, 1994 and BMVT Rules, 1994. The Department is headed by the Principal Secretary at the Government level and by the State Transport Commissioner (STC) at the apex level of the Department. The STC is assisted by two Joint State Transport Commissioners at the headquarters. The State is divided into nine Regional Transport Authorities¹ (RTAs) and 38 District Transport Offices. Motor Vehicle Inspectors (MVIs) assist them. The main function of the RTAs is to issue road permits to the vehicles and the responsibility of registration of motor vehicles, levy and collection of taxes, fees and grant of driving licences are performed by the District Transport Officers (DTOs) in the State.

4.2 Results of audit

Audit test-checked the records of five² out of 49 units of the Transport Department during 2018-19. Revenue collected by the Department during 2017-18 was ₹ 1,599.51 crore, of which the audited units collected ₹ 378.14 crore. Audit scrutiny of 3,01,720 cases (out of total 3,09,477 cases) revealed non/short realisation of taxes and road safety cess, leviable taxes not realised from transport vehicles, and other irregularities involving ₹ 545.13 crore in 2,70,998 cases (76 observations). Besides Detailed Compliance Audit on levy and collection of motor vehicles taxes and fees was also undertaken between June 2019 and February 2020 in which audit noticed irregularities involving ₹ 281.13 crore. Details are shown in **Table-4.1**.

Table-4.1: Results of Audit

(₹ in crore)			
Sl. No.	Categories	No. of observations	Amount
1.	Detailed Compliance Audit on levy and collection of Motor Vehicles Taxes and Fee	1	281.13
2.	Non-realisation of Motor Vehicles taxes	2	7.59
3.	Loss of Government revenue due to short/non realisation of One Time Tax from Tractor (Commercial)	2	0.38
4.	Loss of Government revenue due to non-renewal of fitness certificate of vehicles	1	7.23
5.	Loss of Government revenue in shape of road safety cess (RSC) due to incorrect mapping of RSC in VAHAN-4.0 software	2	6.13
6.	Irregular withdrawal of fund for payment to supplier for purchase of goods	1	42.23
7.	Non-realisation of principal and interest on loans resulted in loss to Government	1	413.71
8.	Others	67	67.86
	Total	77	826.26

The Department accepted short levy, short realisation and other deficiencies of ₹ 5.65 crore in 43 cases during April 2018 to April 2020 which were pointed out before 2018-19. The replies in respect of cases of 2018-19 and remaining cases of earlier years were not received (May 2020).

¹ Bhagalpur, Darbhanga, Chhapra, Gaya, Munger, Muzaffarpur, Patna, Purnea and Saharsa.

² **DTOs** –Patna and Purnea, **RTAs**-Patna and Purnea and Office of STC.

4.3 Detailed Compliance Audit on levy and collection of Motor vehicles taxes and fee

4.3.1 Introduction

The levy and collection of taxes on vehicles in the State is governed by the provisions of Motor Vehicles (MV) Act, 1988, Central Motor Vehicles (CMV) Rules, 1989, Bihar Motor Vehicle Taxation (BMVT) Act, 1994, BMVT Rules, 1994, Bihar Motor Vehicle Rules (BMV) 1992 and Circulars and Government Orders issued from time to time. Details of annual receipts from taxes on vehicle and its share in government revenue is given in **Table 4.2**.

Table 4.2: Receipts from taxes on vehicles

(₹ in crore)

Year	Annual receipts from taxes on vehicles	Total receipts of the State	Percentage of annual receipts vis a vis total receipts of the State
2016-17	1,256.67	1,05,584.98	1.19
2017-18	1,599.50	1,17,446.74	1.36
2018-19	2,085.94	1,31,793.45	1.58

(Source: Finance Accounts, Government of Bihar)

The main functions of the Transport Department are to regulate motor transport in the State of Bihar through issue of certificate of registration, driving licence, certificate of fitness, trade certificate, national permit, contract carriage permit, state carriage permit etc. and levy and collection of fees, fines and taxes on motor vehicles. The Transport Department is also empowered to ensure that no vehicle shall be kept or maintained, operated or plied in Bihar without pollution under control certificate.

The major functions of the Department were computerised using two computer application software namely *SARATHI* (an application developed for issue of various driving licences and payment of fees) and *VAHAN* (an application developed for registration of vehicles and payment of road tax) for collection of fees and taxes on motor vehicles since May 2008 and February 2009 respectively. Presently upgraded versions i.e. *VAHAN* 4.0 and *SARATHI* 4.0 are being used since January 2017 and March 2018 respectively which have mandatory provisions for realisation of tax/fee before registration of vehicles/issuance of driving licence. Details of number of registered vehicles and number of driving licences issued are as under:

Table 4.3: Details of registered vehicles and issued driving licence

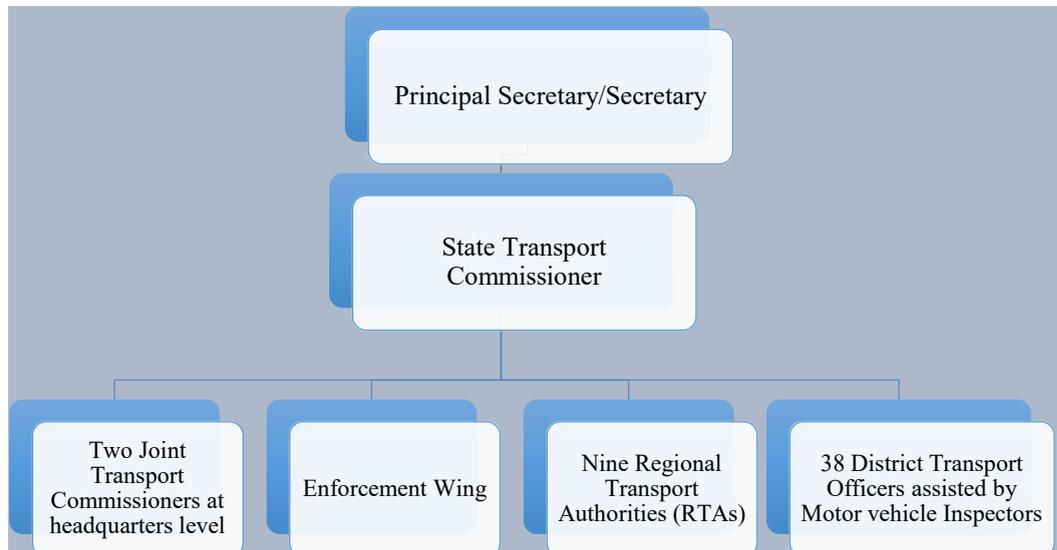
Year	Number of vehicle registered during the year	Number of driving licence issued during the year
2016-17	7,63,618	4,44,295
2017-18	11,18,075	3,28,703
2018-19	11,89,161	2,04,618

4.3.2 Organisational setup

The Transport Department is administrated by the Principal Secretary/Secretary at the Government level and by the State Transport Commissioner (STC) at the apex level of the Department. The State is divided into nine Regional Transport Authorities (RTAs) and 38 District Transport Offices (DTOs) and five check-

post. They are assisted by the Motor Vehicle Inspectors (MVIs) and enforcement sub-inspectors³ in discharging their duties.

RTAs issue permit to transport vehicles for plying within State and STC issue inter-state permit after realising applicable permit fee subject to fulfillment of fitness criteria and DTOs perform the work of levy and collection of taxes and fees relating to motor vehicles. The organisational set-up of the Department is as under:



4.3.3 Audit objectives

Audit was conducted with a view to ascertain whether:

- the provisions of the Acts and Rules and instructions of the Department were adequate to safeguard the revenue and properly mapped in the *VAHAN/SARATHI*;
- levy and collection of the motor vehicle taxes, fees and fines and its remittance into government account are done as per the relevant Act and Rules;
- the Department had adequate and robust internal control and monitoring system for levy and collection of taxes, fine and fees and issuance of permits, licences and certificate.

4.3.4 Audit Criteria

The following comprised the audit criteria :

- The Motor Vehicles Act, 1988 (MV Act);
- The Central Motor Vehicles Rules, 1989 (CMV Rules);
- The Bihar Motor Vehicles Taxation Act, 1994 (BMVT Act);
- The Bihar Motor Vehicles Taxation Rules, 1994 (BMVT Rules);
- The Bihar Motor Vehicles Rules, 1992;
- Notifications, circulars, executive and departmental orders and instructions issued by the Department from time to time;

³ There are 39 enforcement sub-inspectors in the State attached to the office of the STC and deployed in districts and 24 motor vehicle inspectors (MVIs) posted at district level under the control and supervision of concerned DTOs.

- The Bihar and Orissa Public Demand and Recovery Act, 1914;
- Bihar Treasury Code, 2011;
- Rules of Executive Business;
- Bihar Financial Rules.

4.3.5 Audit Scope and methodology

Audit was conducted during June 2019 to February 2020 covering the period 2016-17 to 2018-19. For selection of units for audit, 38 districts were stratified into two categories, districts generating revenues of ₹100 crore and above and districts generating revenue below ₹100 crore. From first strata, 10 top revenue generating districts⁴ were selected for audit. In second strata, Nalanda was selected as it topped in this category, Aurangabad was selected as it had Institute of Driving and Training Research, Kaimur was selected as it had check post unit and other two units (Arwal and Sheohar) were randomly selected. Further, three (Patna, Purnea and Muzaffarpur) out of nine RTAs were randomly selected for audit. State Transport Commissioner (STC) Government of Bihar (GoB), being the apex unit, was also selected for audit.

The audit methodology included gaining insight and examination of records related to Tax Administration at the Apex unit (STC), collection of data from the Department/NIC, audit analysis of data, verification and examination with records in field units (DTOs and RTAs) to gather audit evidences, issue of audit memos, questionnaires and obtaining replies from audited entities and holding entry conference and exit conference to arrive at the audit conclusions.

In order to explain the audit objectives, its methodology, scope, coverage, focus and to elicit the departmental view/concerns, an entry conference was held with Deputy Secretary, Transport Department on 27 September 2019. An exit conference was held on 19 August 2020 with the Secretary, Transport Department in which audit findings were discussed. Response of the Department has suitably been incorporated in the report.

4.3.6 Acknowledgement

Indian Audit and Accounts Department acknowledges the co-operation of the Transport Department in providing necessary information and records to audit.

4.3.7 Trends in revenue from taxes on vehicles relative to Gross State Domestic Product (GSDP)

The buoyancy ratio of revenue from taxes on vehicles with respect to GSDP is given in the following **Table 4.4**:

Table 4.4: Trends in taxes on vehicles relative to GSDP

Particulars	2016-17	2017-18	2018-19
GSDP (₹ in crore)	3,23,004	3,56,768	3,94,350
Rate of growth of GSDP	8.94	10.45	10.53
Revenue from taxes on vehicles (₹ in crore)	1,256.67	1,599.51	2,085.94
Rate of growth of revenue from taxes on vehicles	16.23	27.28	30.41

⁴ Begusarai, Bhagalpur, Darbhanga, Gaya, East Champaran, Muzaffarpur, Patna, Purnea, Siwan and Vaishali.

Particulars	2016-17	2017-18	2018-19
Contribution of taxes on vehicle in GSDP in per cent	0.39	0.45	0.53
Buoyancy ratio of revenue from taxes on vehicles with respect to GSDP	1.82	2.61	2.89

(Source: Finance Accounts of the State for the respective years)

Further, it was noticed that buoyancy ratio of tax on vehicles of Bihar is better than its neighbouring States like Jharkhand⁵ and Orissa⁶, which indicates better tax administration of motor vehicle in Bihar in comparison to these states.

SYSTEM ISSUES OF THE TRANSPORT DEPARTMENT

4.3.8 Irregular notification leading to short levy of Road safety cess from one-time tax paying commercial vehicles

As per BMVT Act, personalised vehicles had to pay One Time Tax (OTT) for the whole life of vehicle at the time of registration. Further, vehicles other than personalised vehicles (Commercial Vehicles) had to pay annual tax. The BMVT Act was amended through various Finance Act (2011-2016) for bringing the provision of One Time Tax for certain class of commercial vehicles⁷ which were earlier covered under the ambit of annual tax.

The Transport Department issued a notification for Levy of Road Safety Cess (RSC) in 2016 under the Section 6(A) of BMVT, 1994. The notification provides that:

- every vehicle liable to pay one-time tax (OTT) as per Section 7 (1) (personalised) of the BMVT Act, at the rate of **one per cent of value** of such vehicle and
- every vehicle other than a vehicle liable to pay OTT as per section 7(1) i.e. commercial vehicles, at the **rate of one per cent of annual tax payable** under this act.

Scrutiny of records (note sheet) revealed that the Transport Department had approved for levy of RSC on all OTT paying vehicles at the rate of one *per cent* of value of such vehicles at time of issue of notification. The said proposal also had the approval of the Finance Department. However, audit observed that the said notification was silent on the levy of RSC on the commercial vehicles who were liable to pay OTT at time of their registration.

Scrutiny of VAHAN database in test-checked DTOs and DTO Saran revealed that 81,177 commercial vehicles (Three wheelers-40,528; Light Goods Vehicles-25,297; Cab/Taxi-7,366 and E-rickshaw-7,986) were registered between September 2016 to March 2019 after payment of required OTT. Further, the concerned DTOs realised RSC on these vehicles at the rate of one *per cent* of OTT amounting to of ₹ One crore which was irregular in nature as the notification does not mention for levy of RSC at one per cent of OTT. The notification (2016) only talks about levy of RSC either at the rate of one per cent of cost of personalised vehicles or one per cent of the annual tax payable.

⁵ 0.74 in 2016-17, 1.12 in 2017-18 and 1.57 in 2018-19.

⁶ 1.05 in 2016-17, 3.93 in 2017-18 and 1.66 in 2018-19.

⁷ 2011- Three wheelers and Light Goods Vehicles, 2013- Motor Cabs, 2014- Tractors, 2016- E-Rickshaws.

Had the notification for levy of RSC (2016) stated that the RSC should be levied at one percent of sale value for all OTT paying vehicles rather than limiting it to those only personalised vehicles, the leviable RSC would have come to ₹ 20.48 crore, as the intent of Department was also to levy the RSC at rate of one *per cent* of cost of vehicles from all OTT paying vehicles irrespective of their category.

In response, the Department stated (June 2020) that only private (personalised) vehicles fall under one-time tax category which was factually incorrect as section 7 (3) of the BMVT Act as amended from time to time provides for levy of OTT from certain class of commercial vehicles. The Department further stated in exit conference (August 2020) that there was decision (of the Finance Department and the State Cabinet) of the Government to levy RSC at the rate one per cent of OTT from commercial vehicles in view of not to put extra burden on commercial vehicles as it had cascading effect.

However, the audit could not verify the decision of the Finance Department and the State Cabinet (as stated by the Transport Department in exit conference) as these was not available on record.

Recommendation: Road Safety Cess, on commercial vehicles paying OTT, at the rate of one *per cent* of the OTT or one *per cent* of the value of vehicles needs to be clarified by a requisite notification/amendment.

4.3.9 Irregular notification for levy of Surcharge

Irregular notification for levy of surcharge on various fees caused undue burden of ₹ 18.52 crore on the driving licence and learning licence holders.

Audit scrutinised the notification issued (26 September 2017) for levy of surcharge by the State Government and observed that while Section 211 of the MV Act, 1988⁸ provides for levy of fees etc, it does not provide for levy of any surcharge. However, the GoB invoked the section for issuing of notification for levy of surcharge on various fees prescribed for providing various services. Audit could not examine the concerned file to ascertain and analyse the actual approvals and vetting by the Department due to non-production of related records/files in the office of the STC. As per the data made available by the NIC, Patna, surcharge of ₹ 18.52 crore was collected by the Department on the fees prescribed for issuing driving license (DL) and learner license (LL) during the period from April 2018 to 3 January 2019 thus putting undue burden on the DL and LL holders.

The Department in its replies (June and August 2020) stated that Rules 32 and 81 of the CMV Rules provide for levy of additional amount to cover the cost of automation and technology utilised for conducting the testing or providing value added service. The Department further stated that surcharge was levied under section 211 of the MV Act for realisation of additional amount defined in Rules *ibid*.

Reply of the Department is not correct as both, the above mentioned Rules and section 211 of the MV Act do not provide for levy of any surcharge. Hence, notification for levy of surcharge was not regular.

⁸ Section 211 of the MV Act, 1988 provides that any rule, which the State Government is empowered to make under this Act, may, provide for levy of such fees in respect of rendering of services by the officers or authorities under this Act or any rule made there-under.

4.3.10 Deficiency in system of registration of Vehicles at dealer point

Absence of any return, binding obligation as well as deterrent measures for the dealers to ensure delivery of vehicles after assigning registration mark is indicative of the weak control mechanism in the Department which led to undue delay in payment of taxes and fee as well as registration of vehicles and plying of un-registered vehicles on roads.

Rule 42 of the CMV Rules, 1989, provides that no holder of a trade certificate shall deliver a motor vehicle to a purchaser without registration, whether temporary or permanent.

Audit observed that in *VAHAN-4*, dealer-point registration system was functional in all 38 DTOs of Bihar. These dealers were collecting Motor Vehicle Taxes and registration fee from the purchaser of vehicles and remitting the tax and fees so collected into the account of the State Government through e-payment/on-line system. Thereafter they upload all relevant documents such as Form-21 sale certificate, copy of invoice etc., for registration on *VAHAN* portal. After uploading of all required documents and payment of taxes and fees, the dealers submit hardcopies of uploaded documents to concerned DTO/MVI for approval. On approval, *VAHAN-4* generates registration mark to new vehicle. In this process, two to seven days is mapped in *VAHAN* portal for getting a new vehicle registered.

During scrutiny of dealer table in *VAHAN* database, Audit observed in all test-checked districts that 488 authorised dealers paid MV taxes and fees, in case of 4,23,897 out of 4,38,118 vehicles, with delay ranging between one day to 1,997 days.

Audit verified documents (sale certificate/Form-21) of 2,920 vehicles out of 4,23,897 as uploaded/submitted by dealer and observed that all these vehicles were delivered prior to issue of registration mark from the *VAHAN* system. Audit also observed that in DTO, Sheohar, that an authorised dealer delivered 24 vehicles in December 2018 and uploaded required documents for registration in March 2019 without payment of due tax.

As these vehicles were not allotted permanent registration mark at the time of delivery of vehicle, allotment of temporary registration mark was required as per Rule 42 of CMV Rules. Allotment of temporary registration number would have also brought in additional revenue to the State Government to the tune of ₹ 3.16 crore (**Annexure 9**).

Delivery of vehicles without registration mark not only compromised the objective of dealer-point registration, to ensure delivery of vehicle with registration mark and immediate realisation of road tax, but also posed a risk as such vehicles can be easily misused for unlawful activities.

Audit further observed that no periodic return from dealers (comprising the information of sale of vehicles, remittance of tax/fee, uploading of documents etc.), was prescribed by the Department for monitoring and control purposes. Moreover, no binding obligation or deterrent measures for payment of taxes/fees, uploading of documents was prescribed by the Department in respect of

defaulting dealers who do not deposit the taxes and fee and upload documents within the prescribed time.

During the exit conference (August 2020), the Department stated that Temporary Registration (TR) was not a matter of right instead it was matter of choice of the purchaser of the vehicle and hence the Department did not levy temporary registration fee. The Department further stated that after implementation (between May 2017 and February 2018) of VAHAN 4, vehicles were delivered only after realisation of due tax and fee and allotment of permanent registration mark. In respect of DTO Sheohar, it was informed that necessary instruction had since been issued to remit amount realised from dealer of motor vehicles within a fortnight.

Reply of the Department is not tenable. In the instant case, permanent registration mark was not allotted to any of these vehicles and therefore temporary registration was required before delivery of vehicles. Further, the Department did not reply as to why a system was not put in place to ensure timely remittance of tax/revenue realised by dealers after its realisation from buyer of motor vehicles.

4.3.11 Irregular realisation of fine from owners of personalised vehicles

Due to incorrect mapping of provision of fine for delayed payment of tax from owners of personalised vehicles, the Department collected fine of ₹ 2.83 crore.

As per section 7 (1) of BMVT Act, 1994, OTT for the whole life of the vehicle shall be levied on personalised vehicles at the time of registration at the rate specified in Schedule-I of the Act *ibid*. It further provides that the personalised vehicles, registered prior to February 1, 1992 for which OTT had not been paid, shall have to pay OTT at the rates prescribed in Schedule-I within 30 days of expiry of the existing tax taken, otherwise an interest at the rate of two *per cent* per month shall be charged on tax due together with the arrears and penalty, if any. Thus, it was evident that interest was applicable during particular event of transition and therefore not applicable for any other subsequent tax due.

Audit scrutinised the owner and tax table of VAHAN database in respect of personalised vehicles in test-checked DTOs and observed that the fine for belated payment of tax was mapped in VAHAN at the rate of two *per cent* per month though there was no such provision under the Act/Rules. Thus, VAHAN was incorrectly mapped without any such Business Rules which was not detected by any of the taxing authorities as well as by the Department. The Department continued putting undue burden on the vehicle owners by levying fine and as a result ₹ 2.83 crore was collected as fine by the DTOs between February 2018 and March 2019, from 1,35,467 vehicles for belated payment of tax.

On being pointed out, the Department stated (August 2020) that in view of audit observation action had since been initiated.

4.3.12 Deficiencies in notification relating to stage carriages

4.3.12.1 Absence of classification of company-made stage carriage in accordance with seating capacity resulted into loss of Government revenue

Due to absence of categorisation for company-made stage carriages, these were categorised under the lowest category i.e. ordinary category which impacted the realisation of revenue to the extent of ₹ 1.08 crore.

As per provisions of the BMVT Act as amended from September 2014, stage carriages (buses) were classified as Ordinary, Semi Deluxe and Deluxe category on the basis of number of seats arrived at as per wheelbase. Accordingly, taxes were to be paid by owners of stage carriages, which was further amended with effect from 16 December 2016 which provides that in case of company-made stage carriages, tax shall be calculated on the basis of approved seats by authorised agencies irrespective of wheelbase and category of stage carriages.

Audit observed in 13⁹ test-checked DTOs, that the Registering Authorities calculated tax of 736 company-made stage carriages under lowest i.e. ordinary category due to absence of provision for categorisation of such vehicles. As per the wheelbase of these vehicles and seat assignment by the company, the vehicles should have been categorised either under deluxe or semi deluxe category. This categorization was feasible had the uniform criteria, as was adopted in case of non-company made stage carriage, been adopted for company-made stage carriage also.

Audit further observed in three test-checked DTOs¹⁰, that there was no provision for determination of seating capacity and category in respect of company-made stage carriage of wheelbase below 142 inch, and therefore 299 vehicles having wheelbase below 142 inch were treated under ordinary category though as per this notification they should have been categorised under semi deluxe/deluxe category. Thus, due to absence of categorisation for company made stage carriages these stage carriages were categorised under the lowest category i.e. ordinary category which impacted the realisation of revenue to the extent of ₹ 1.08 crore.

The Department accepted (June and August 2020) the audit observation and stated that necessary action would be taken to bring uniformity in tax from company-made stage carriages and chassis-made stage carriages. The Department further replied that due to absence of provision of categorisation of vehicle for stage carriages having wheelbase below 142 inch, these stage carriages were categorised as ordinary category based on report of concerned MVI and accordingly tax was collected. Thus, it was evident that due to absence of categorisation for company-made stage carriages these stage carriages were categorised under the lowest category i.e. ordinary category.

⁹ Arwal, Aurangabad, Begusarai, Darbhanga, East Champaran, Gaya, Kaimur, Muzaffarpur, Nalanda, Patna, Purnea, Siwan and Vaishali.

¹⁰ Begusarai, Patna and Purnea.

4.3.12.2 Absence of provision for determination of seating capacity and category of chassis-made stage carriage of wheel-base above 228 inch

Levy and collection of motor vehicle taxes from chassis-made stage carriages having wheelbase above 5800 mm (between 6200 to 10220 mm) was done by concerned DTOs/MVIs in an arbitrary manner which resulted in potential short levy of tax of ₹ 69.41 lakh.

As per provisions of BMVT Act as amended from September 2014, the stage carriages (buses) were classified as Ordinary, Semi Deluxe and Deluxe category on the basis of number of seats, which is arrived at on the basis of wheelbase upto 5800 mm (228 inch).

Audit examination of registration records, owner and tax table of *VAHAN* database in 10¹¹ DTOs revealed that levy and collection of motor vehicle taxes from chassis-made stage carriages having wheelbase above 5800 mm (between 6200 to 10220 mm) was done by concerned DTOs/MVIs in an arbitrary manner due to absence of any provisions for determination of category in respect of such stage carriages. This fact was neither detected by the Department nor brought to the notice of the Department by the concerned MVIs. This resulted in potential short levy of tax of ₹69.41 lakh.

The Department accepted (June and August 2020) the audit observation and stated that in view of audit observation necessary action would be taken to bring uniformity in tax from company-made stage carriages and chassis-made stage carriages.

The Department further stated that tax was collected based on seating capacity and wheelbase as reported by concerned MVI and hence there was no short levy of tax between May 2016 and March 2019. The reply of the Department is incorrect as DTO Purnea levied tax on vehicle having wheelbase above 6200 mm in deluxe category with 62 seats; however DTO Begusarai levied tax in similar cases of stage carriages in ordinary category after determining seats between 41 and 62 seats.

4.3.13 Non/incorrect mapping of fees in SARATHI

Rule 4 (2) of the BMV Rules 1992 provides that every application for a test to obtain a learner's licence, driving licence or an authorisation to drive transport vehicle, shall be accompanied by the fee specified in Rule 6 of BMV Rules or Rule 32 of the Central Motor Vehicles (CMV) Rules 1989, which provides fee for issue of driving licence, for test or repeat test, as the case may be for competence to drive each class of vehicle and issue of Smart Card at the rate of ₹200, ₹300 and ₹200 respectively. Further, Rule 32 of the CMV Rules 1989 prescribes fee for issue of learner's licence for each class of vehicle and learner's licence (LL) test or repeat test as the case may be as ₹150 and ₹50 respectively. Further, the BMVT (Amendment) Act, 1994 provides for levy of RSC for renewal of driving licence.

The following are the audit observations in this regard:

¹¹ Aurangabad, Begusarai, Bhagalpur, Gaya, Kaimur, Muzaffarpur, Nalanda, Patna, Siwan and Vaishali.

4.3.13.1 Non levy of Road Safety Cess for renewal of DLs due to non-mapping of RSC in SARATHI software

Due to non-mapping of RSC in SARATHI software, the Department could not ensure levy of RSC of ₹ 2.29 crore on renewal of DL. Besides, concerned DTOs realised excess DL/LL testing fee of ₹ 2.95 crore from applicants.

Audit scrutinised driving licence (DL) renewal cases in SARATHI database in test-checked DTOs and observed that Road Safety Cess (RSC) was not levied in cases of renewal of validity of DLs as RSC was not mapped in SARATHI software in case of renewal of DL. Audit further observed that SARATHI software was not designed to generate class-wise data of renewal of DL. Therefore, in absence of the said information short levy of RSC had been worked out on the basis of rate applicable for lowest classes.

Audit further observed that 91,738 DLs were renewed in the test-checked DTOs during the period from September 2016 to March 2019, without levy and realisation of RSC. The DTOs as well as the Department also could not ensure levy of RSC which resulted into non-realisation of RSC of ₹ 2.29 crore as detailed in **Annexure-10**.

After this was pointed out, the Department stated (June and August 2020) that there was no provision of road safety cess in case of renewal of driving licence.

Reply of the Department is not acceptable as per the provision of the BMVT (Amendment) Act, 2016 read with the Bihar Act 11, 2016, road safety cess shall be levied and collected from every licensee at the rates specified in Schedule IV of this Act for the period of validity of a licence. Thus, it is amply clear that in case of renewal of driving licence where validity is extended, RSC is leviable along with applicable renewal fee. Also, in cases of renewal of Registration Certificates, RSC is levied at time of renewal. Further, driving licenses issued prior to notification of RSC would never pay RSC in their lifetime.

Recommendation: The Department should review whether Road Safety Cess is to be levied on renewal of DLs keeping in view that Road Safety Cess is intended to be levied once during the validity of a licence.

4.3.13.2 Excess realisation of driving licence testing fee due to its incorrect mapping in SARATHI software

Audit scrutinised the driving licence (DL) fee in SARATHI software in test-checked DTOs and observed that new DL (Non-transport) for two class of vehicles were issued to 1,82,319 applicants by the licensing authorities during the period October 2017 to March 2019 by realising ₹ 700 instead of the prescribed rate of ₹ 600. Audit further observed that actually ₹ 700 instead of ₹ 600 was mapped in VAHAN towards testing fee. This resulted into excess realisation of fee of ₹ 1.82 crore from the applicants.

4.3.13.3 Excess realisation of learner's licence testing fee due to incorrect mapping in SARATHI software

Audit scrutinised learning licence (LL) fee in SARATHI software in test-checked DTOs and observed that 2,81,418 LL (non-transport) for two class of vehicles were issued to applicants by the licensing authorities during the period October 2017 to March 2019 by realising an amount of ₹ 140 per LL towards testing fee instead of ₹ 100. This resulted into excess realisation of testing fee of ₹ 1.13 crore from the applicants.

In response to para 4.3.13.2 and 4.3.13.3, the Department stated (June and August 2020) that testing fee was realised in accordance with notification dated 17.11.2016. The Department further stated that there was no provision in any Act/Rules to not levy fee as mentioned in the CMV Rules, 1989 and the BMVT Rules, 1992 together.

Reply of the Department is not acceptable as Rule 4 (2) of the BMV Rules, 1992 provides that every application for a test to obtain a learner's licence, driving licence or an authorisation to drive transport vehicle, shall be accompanied by the fee specified in Rule 6 of the BMV Rules or Rule 32 of the Central Motor Vehicles (CMV), Rules, 1989. However, the Department instead of mapping fee under any one of the provisions *ibid* has mapped fees of both the provisions for their levy, which was excess and irregular.

Recommendation: The Department should examine how incorrect amount of driving licence fee was mapped in the SARATHI without any authority, putting undue burden on the applicants of driving licence and review collecting excess fee and road safety cess forthwith.

4.3.14 Absence of provision for levy of fine for belated payment of trade tax

Need to incorporate provision for levy of fine for belated payment of trade tax.

The BMVT Act provides for levy of trade tax at the rate of ₹ 150, ₹ 200 and ₹ 250 per vehicle, depending on the class of vehicles, in respect of motor vehicles in the possession of a manufacturer or a dealer in the course of his business.

Audit scrutinised extant rules/provisions for levy of penalty for belated payment of tax and observed that there was no provision for levy of fine for belated payment of trade tax by authorised dealers of motor vehicles. In absence of the provision for levy of penalty for belated payment of trade tax, eight¹² test-checked DTOs did not levy penalty from 66 authorised dealers who paid due trade tax with delay ranging between 16 days to 486 days.

In response, the Department stated (August 2020) that provision for levy of fine for belated payment of trade tax was available in Rule 4 (2) of the BMVT Rules, 1994.

¹² Aurangabad, Begusarai, Bhagalpur, Darbhanga, Gaya, Muzaffarpur, Nalanda, and Vaishali.

Rule 4 (2) of the Rules *ibid* provides for levy of penalty for delayed payment of road tax and not in case of delay payment of trade tax.

However, even if applying the rate of penalty applicable for delayed payment of road tax, the Department would have realised fine of ₹ 1.37 crore.

The Department stated that in view of audit observation matter would be referred to Law Department and the Finance Department.

4.3.15 Non-levy of additional fee for delayed submission of NOC in case of change of residence

Due to non-levy of additional fee by DTOs and their non-mapping in VAHAN resulted in non-realisation of additional fee of ₹ 19.53 lakh for delayed submission of NOC in 711 cases.

Section 49 (1) of MV Act, 1988 provides that if the owner of a motor vehicle ceases to reside at the address recorded in the certificate of registration of the vehicle, he shall, within thirty days of any such change of address, intimate his new address, to the registering authority by which the certificate of registration was issued, who shall issue a 'No Objection Certificate' (NOC) to be produced to the new registering authority under whose jurisdiction the new address pertains for entering the new address in the VAHAN. Further, as per a notification (December 2016), in case of delay in submitting NOC for change of address to the new Registering Authority an additional fee of ₹ 300 for each month of delay or part thereof in case of motor cycles and ₹ 500 for other vehicles shall be levied.

Audit scrutinised the AP (Present address) register and owner and fee table of VAHAN database in six¹³ test checked DTOs and observed that 711 (out of 2,060) vehicle owners had applied for change of address (along-with NOC) in their certificate of registration to the new Registering Authority (six DTOs) between January 2017 and December 2019. The NOCs for these vehicles were issued between March 2009 and November 2019 by previous Registering Authority but owners of these vehicles submitted these NOCs to new registering authority with delay ranging between one month to 32 months. As provision of levy of additional fee for delayed submission of NOCs was not mapped in VAHAN, the concerned DTOs did not levy additional fee in these cases of delayed submission of NOCs.

Audit further observed that online NOC was available in VAHAN database from January 2018 only, however the levy of additional fee was not mapped in VAHAN and 2,060 cases prior to January 2018 were verified from the above Register maintained in this regard. Thus, non-levy of additional fee by DTOs and its non-mapping in VAHAN resulted in non-realisation of additional fee of ₹ 19.53 lakh for delay submission of NOC in 711 cases.

After this was pointed out the Department stated (June and August 2020) that provision for levy of additional fee for delay submission of NOC in case of change of residence would be mapped and necessary instructions had since been issued to the concerned DTOs to realise additional fee for delay submission of NOC in case of change of residence.

¹³ Begusarai, East Champaran, Gaya, Nalanda, Patna and Siwan.

4.3.16 Fitness certificate of vehicles not renewed

Despite availability of information in VAHAN database, the DTOs neither initiated action to cancel the registration/permit of these vehicles whose fitness certificate had expired nor issued any notice to defaulting vehicle owners which resulted in forgoing of revenue of ₹ 187.01 crore.

Under Section 56 of MV Act, read with Rule 62 of CMV Rules, 1989 made there-under, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. A fitness certificate granted in respect of a newly registered transport vehicle is valid for two years and is required to be renewed every year on payment of the prescribed test fee of ₹ 400 for three wheelers and light motor vehicles and ₹ 600 for heavy vehicles w.e.f. 29 December 2016. In addition to this, renewal fee of ₹ 200 is also leviable for all categories of vehicles. In case of default, additional fee of fifty rupees for each day of delay was also leviable.

Audit examined the owner, tax and fitness table in VAHAN database in test-checked DTOs and DTO Saran in respect of transport vehicles (three wheelers, LGV, Cab/taxi, E-rickshaw, Goods carriage and Stage carriage) and observed that 91,808 out of test-checked 3,19,575 vehicles plied between January 2017 and January 2020 without valid fitness certificate although the tax due was realised. In VAHAN software information regarding expiry of fitness was available but DTO/MVI neither took any action nor furnished the list to Enforcement wing for interception of the unfit vehicles. The DTOs neither initiated action to cancel the registration/permit of these vehicles whose fitness certificate had expired nor issued any notice to defaulting vehicle owners. Plying of such vehicles is fraught with the risk of public safety.

As a result, Government had to forgo revenue of ₹ 187.01 crore (including testing fee of ₹ 3.85 crore, renewal fee of ₹ 1.84 crore and additional fee of ₹ 181.32 crore) as detailed in **Annexure-11**.

The Department in its reply (August 2020) stated that there was no provision in the MV Act which provides for ensuring fitness certificate before realisation of motor vehicle tax. The Department further stated that there was provision of hefty fines for vehicles plying on road without valid fitness certificate.

As per availability of information regarding expiry of fitness of vehicles in VAHAN software, DTO/MVI should have taken requisite action to prevent plying of unfit vehicles on the road and augment revenue due from such vehicles on account of fitness renewal fee. Additionally such vehicles pose both safety and environmental risks, which should be mitigated timely by responsible authorities.

Recommendation: In the interest of both, revenue collection and safety and environmental concerns, the Department should incorporate necessary automation in the system to issue alerts in respect of vehicles whose fitness period has expired, for prompting necessary action by appropriate authorities.

4.3.17 Registration of vehicles

Due to absence of validation checks and control in registration and printing of certificate of registration in VAHAN software, 2,374 vehicles were registered under

Amnesty scheme¹⁴ (5 July 2017 to 30 June 2018) leading to short realisation of tax and fine and in case of 180 vehicles, certificate of registration were issued without realisation of tax. Further registration number to 396 vehicles were allotted without realisation of tax.

4.3.17.1 Availing of amnesty schemes by newly purchased unregistered vehicles

Due to non-prescribing of cut-off date and extending the amnesty to unregistered vehicles through notification, vehicles registered after notification of amnesty scheme also availed its benefit which resulted in loss of revenue of ₹ 4.30 crore.

The Transport Department notified Amnesty scheme without prescribing the cut-off date of purchase of vehicle for tax defaulter registered/unregistered tractor-trailer and all other types of tax defaulter registered/unregistered commercial/goods carriage vehicle from 05 July 2017 to 04 January 2018 which was further extended till 30 June 2018. The scheme provides that:

- (i) Tax defaulter registered/unregistered tractor-trailer, which is used in agricultural/commercial activities, shall be registered/regulated on deposit of lump sum amount of ₹ 25,000 only within the period of six months from the date of issuance of the notification.
- (ii) All other types of registered/unregistered commercial/goods carriage vehicles, which are tax defaulters, will be registered/regulated and the certificate case thereon shall be withdrawn, on deposit of payable tax with 25 *per cent* penalty within six months from the date of issuance of the notification.

Audit scrutinised the owner and tax table of VAHAN database in test-checked DTOs (except DTOs Gaya and Arwal) and DTO Saran and observed that 2,374 vehicles, (1024-Tractors, 293-Three-wheelers, 385-Light Goods Vehicle (LGV), 303-Maxi cab, and 369-E-rickshaw) registered under the amnesty scheme were those which were purchased after the date of notification of this scheme. These were not tax defaulters prior to the date of notification of Amnesty scheme but due to non-prescribing of cut-off date and extending the amnesty scheme to unregistered vehicles through notification they unduly availed the benefit of this scheme by paying a lump sum amount of ₹ 25,000 instead of 4.5 *per cent* of sale value of vehicle along with leviable penalty in case of tractors. In case of other class of vehicles, they were registered after payment of due tax and penalty of 25 *per cent* only was levied for delayed payment instead of 200 *per cent* leviable under Rule 4 (2) of the BMVT Rules 1994, which resulted in loss of revenue of ₹ 4.30 crore.

¹⁴ As per amnesty scheme, tax defaulter registered/unregistered tractor-trailer, which are used in agriculture/commercial activity, on deposit of lumpsum amount ₹ 25,000 with the period of six months from the date of issuance of the notification, amnesty of payable tax/penalty, which ever will be on such vehicles, will be given and such vehicles will be registered/regulated.
(ii) All other types of registered/unregistered commercial/goods carriage vehicles, which are tax defaulters, will be registered/regulated and the certificate case thereon shall be withdrawn, on deposit of payable tax with 25 *per cent* penalty within six months from the date of issuance of the notification.

The Department in its replies (June and August 2020) stated that necessary instruction had since been issued to concern DTOs to realise penalty.

4.3.17.2 Delivery of Certificate of Registration without realisation of tax

The DTOs concerned did not ensure realisation of due tax of ₹ 1.19 crore at the time of signing and approving the RCs.

Section 7(1) read with section 5 of the BMVT Act, 1994, as amended from time to time, provides that One Time Tax (OTT) for the life time shall be levied at the prescribed rates at the time of registration on the cost of the vehicles, which mean that the DTOs were responsible for ensuring payment of tax at the time of registration of vehicles. Further, Rule 37 of the Bihar Financial Rules provides that all transactions must be brought into account immediately and money received should be duly credited into the Government account.

On scrutiny of registration records, issuance of Registration Certificate (RC) and tax table of VAHAN database in test checked DTOs (except DTOs Bhagalpur and Vaishali), Audit observed that 1,29,853 OTT paying vehicles were registered during the period of March 2015 to March 2019. Out of that, in case of 180 vehicles (115 Tractors, 15 three wheelers, 17 LGV, 12 Motor cab/Maxi cab, 16 Motor Car, and 05 E-rickshaw), RCs were issued to owners of vehicles between August 2016 to September 2019 but their motor vehicle taxes were not found deposited in VAHAN database which was only system of maintenance of realisation of tax. The DTOs concerned did not ensure realisation of due tax at the time of signing and approving the RCs which indicate lack of due diligence on their part while discharging the duties. This also indicates lack of proper validation and input control in VAHAN which resulted in non-levy of tax of ₹1.19 crore as detailed in **Annexure-12**.

The Department stated (June and August 2020) that necessary instructions had since been issued to concerned DTOs to furnish reply. However, the reply was not received (January 2021).

4.3.17.3 Assignment of registration mark without realisation of One Time Tax

The DTOs concerned did not ensure realisation of due tax of ₹ 2.22 crore at the time of acceptance of application and consequent generation of registration mark in VAHAN-2.0.

Section 7(8) and section 5 of the BMVT Act, 1994 as amended from time to time, provides that OTT for the lifetime shall be levied at the prescribed rates on the cost of the vehicles. Further Rule 4 (2) of BMVT Rules 1994 provides for levy of penalty ranging between 25 and 200 *per cent* of the tax due in case of non-payment of tax within 15 days of due date.

Audit scrutinised owner and tax table of VAHAN database in test-checked DTOs and observed that out of 53,644 test-checked OTT paying Commercial vehicles, owners of 396 motor vehicles (202 Tractors, 91 three-wheelers, 22 LGV, 34 maxi/cab and 47 E-rickshaw) did not pay OTT at the time of their registration between January 2016 to February 2018. Though no certificate of registration was found issued to them due to non-payment of applicable OTT, their application for registration were accepted and processed to generate a registration mark in VAHAN-2.0. Audit

observed that the information of non-payment of OTT was available with the DTOs in VAHAN database, however, they did not levy penalty and institute certificate case to recover the OTT. This resulted into non-realisation of OTT of ₹ 2.22 crore including leviable penalty. Moreover, plying of these vehicles without proper registration certificate cannot be ruled out which is a matter of concern for road safety and security also.

On being pointed out, the Department stated (June and August 2020) that necessary instructions had since been issued to the concerned DTOs to issue notices of demand to owners of defaulters vehicles and realise the tax.

Recommendation: The Department should ensure realisation of due tax before registration of vehicles by incorporating necessary checks in VAHAN software.

4.3.18 Absence of Guidelines for Registration of Tractor and Tractor trailer combination in Agriculture class

Absence of guidelines/supporting documents for registration of tractor and tractor trailer, seven DTOs registered 8,969 tractors or tractor-trailer combination under agriculture category in arbitrary manner leading to loss of revenue of ₹ 25.22 crore.

Section 4 of BMVT Act, 1994 provides for exemption from tax to a motor vehicle used solely for the purposes of agriculture, provided a motor vehicle used for transporting agricultural produce shall not for the purpose of this section, be deemed to be used solely for the purpose of agriculture. Further, section 7(7) of the BMVT Act, 1994 provides that the tractor and trailer used for transporting agricultural produce shall be clubbed together for the purposes of OTT to be levied at the rate of ₹ 3,000 for tractors of capacity 25 HP and ₹ 5,000 for tractors having capacity above 25 HP.

Further, as per section 7 (8) of BMVT Act, 1994 as amended by Bihar Finance Act 2014, OTT for lifetime of the vehicle shall be levied on tractor used for commercial purpose at the rate of 4.5 *per cent* of the cost of the tractor excluding value added tax; provided that no road tax shall be levied at the time of registration of trailer of the tractor.

It is evident from the above provisions that two different tax slabs (having substantial difference) are prescribed for tractor or tractor-trailer combination, but no rules were prescribed or guideline framed or documents/declarations prescribed to decide the eligibility criteria for registration under agriculture category or commercial category which led to use of discretionary powers by the DTOs, in an arbitrary manner hampering the revenue prospects as given below:

Audit scrutinised the registration records, owner and tax table of VAHAN database in test-checked DTOs and observed in Seven¹⁵ DTOs that 8,969 (out of 28,684) tractors and tractor-trailer combination were registered between April 2016 and March 2019 under agriculture class by paying OTT either at the rate of ₹ 5,000 or ₹3,000. However, during verification of registration records, audit observed that

¹⁵ Begusarai, Bhagalpur, Darbhanga, Gaya, Kaimur, Purnea and Siwan.

at the time of registration, owners of these vehicles had applied by mentioning tractor only. Audit observed that in these DTOs in 19,715 cases, tax was realised at the rate of 4.5 *per cent* treating them under commercial category whereas in 8,969 cases they realised tax at the rate of ₹ 3,000/5,000 treating them under agricultural category without any supporting documents to ensure that they would be solely used for the purpose of agriculture. Thus, it was evident that the DTOs realised tax in an arbitrary manner due to absence of a specific guideline for registration of tractors under agricultural category.

It was noteworthy that in eight¹⁶, out of 15 test-checked DTOs, no tractor was found registered in agriculture category whereas in four DTOs¹⁷ more than 52 *per cent* (7,667 out of 14,597) of tractor or tractor-trailer combination were registered in agriculture category between April 2016 and March 2019. This includes DTO Bhagalpur, where no tractor or tractor-trailer combination was registered in commercial category since May 2017, which indicate that discretionary powers were misused by these DTOs including DTO, Bhagalpur.

Thus, absence of guidelines/supporting documents resulted in leakage of revenue due to use of discretionary powers by seven DTOs in registering 8,969 tractors or tractor-trailer combination under agriculture category leading to loss of revenue of ₹ 25.22 crore.

After this was pointed out, the Department partially accepted (August 2020) audit observation relating to cases where all tractors were registered either under agriculture category or under commercial category. The department further stated that necessary instruction had since been issued to all DTOs to obtain certificate from the owner of tractor at the time of registration of tractor regarding its use and conduct periodical check to ensure that registered tractors were used for the intended purpose.

Recommendation: The Government may consider prescribing guidelines and specifying type of registration mark for tractors under agriculture category and commercial category, respectively, for easy identification.

¹⁶ Arwal, Aurangabad, East Champaran, Muzaffarpur, Nalanda, Patna, Sheohar and Vaishali.

¹⁷ Bhagalpur, Gaya, Kaimur and Siwan.

4.3.19 Levy of tax/fee

4.3.19.1 Non-realisation of motor vehicle tax

Despite availability of information of non-payment of motor vehicle taxes by defaulter vehicle owners with the DTOs in VAHAN database, they did not monitor or review tax table of VAHAN to generate tax defaulter list through MIS. As a result, no demand notice was issued by the DTOs to the tax defaulters and consequently tax of ₹ 22.79 crore (Road tax: ₹ 7.56 crore and RSC: ₹ 9.58 lakh) including penalty of ₹ 15.13 crore remained unrealised.

Section 5 of the BMVT Act, 1994 provides that every owner of a registered motor vehicle shall pay tax on such vehicle as per prescribed rates.

As per Section 5 and 9 of the BMVT Act, 1994, every owner of a registered commercial motor vehicle is required to pay their annual motor vehicle taxes to the taxing officer in whose jurisdiction the vehicle is registered. Section 6A of the Act *ibid* further provides for levy of road safety cess at the rate of one *per cent* of annual tax payable. The vehicle owner can pay the tax to the new taxing officer in case of change of residence/business, subject to the production of no objection certificate (NOC) from the previous taxing officer. Further, the taxing officer may exempt the vehicle owner from payment of tax. Rule 4 (2) of the BMVT Rules provide that where tax of a vehicle remains unpaid for more than 90 days, the taxing officer may impose penalty at the rates ranging between 25 *per cent* to 200 *per cent* of tax due.

Audit scrutinised defaulter, owner and tax table in VAHAN database in test-checked DTOs and DTO Saran and observed that tax defaulter list was not updated by VAHAN software and incomplete defaulter list was generated. Audit further observed that VAHAN did not issue E-notice to defaulter vehicle owner through automation. Therefore, notices of demand were being issued by concerned DTOs manually.

On scrutiny of records in test-checked DTOs and DTO Saran, Audit observed that out of 26,702 annual tax paying transport vehicle (registered between January 2005 and December 2018) owners of 7,767 transport vehicles did not pay their motor vehicle tax pertaining to the period between April 2016 and March 2019. In none of the case evidence such as change of address, surrender of RC or non-plying of vehicle in the jurisdiction of DTOs concerned was found on record.

Though, the information of non-payment of motor vehicle taxes by defaulter vehicle owners was available with the DTOs in VAHAN database, they did not monitor or review tax table of VAHAN to generate tax defaulter list through MIS. As a result, no demand notice was issued by the DTOs to the tax defaulters and consequently tax of ₹ 22.79 crore (Road tax: ₹ 7.56 crore and RSC: ₹ 9.58 lakh) including penalty of ₹ 15.13 crore remained unrealised.

After this was pointed out, the Department accepted (August 2020) the audit observation and stated that necessary instructions had since been issued to concerned DTOs to realise the outstanding tax.

Recommendation: The Department should ensure that demand notice is issued on real-time basis to the tax defaulters by incorporating necessary checks in VAHAN database to ensure prompt payment of tax.

4.3.19.2 Short levy of One Time Tax

The concerned DTOs didn't ensure realisation of differential OTT, manually in accordance with Section 8 of the BMVT, Act, before issuance of certificate of registration (RC), as RC were issued in all cases after revision of tax which resulted into short levy of tax of ₹ 54.68 lakh.

Section 5 of the BMVT Act, 1994 provides that every owner of a registered motor vehicle shall pay tax on such vehicle as per prescribed rates. Further, as per section 7 of the Act *ibid*, OTT at the rate of eight to 12 *per cent* of ex-showroom price of the vehicle shall be levied (effective from 07 September 2018) at the time of registration of vehicles.

Audit scrutinised the owner and tax table of VAHAN database in test-checked DTOs (except DTO Sheohar) and observed that 2,307 personalised vehicles and 803 OTT paying commercial transport vehicles were registered between September 2018 (on or after 7th September 2018) and February 2019 after payment of OTT at pre-revised rates¹⁸. In all these cases the vehicles were registered after revision of tax rates and therefore owners of these vehicles were required to pay OTT at the revised rate i.e. rate applicable on the date of registration. Audit further observed that revised rate of tax was not mapped in VAHAN software from the date of notification (7 September 2018) rather it was mapped w.e.f. 10 September 2018 except e-rickshaw which was mapped on 25 January 2019. However, the concerned DTOs didn't ensure realisation of differential OTT, manually in accordance with Section 8 of the BMVT, Act, before issuance of certificate of registration (RC), as RC were issued in all cases after revision of tax which resulted into short levy of tax of ₹ 54.68 lakh.

After this was pointed out, the Department stated (June and August 2020) that necessary instructions for issue of e-notice to defaulter's vehicle owners had since been issued to concerned DTOs.

Recommendation: The Department should ensure mapping the notification of change of rate of tax in VAHAN software on the day of issuance of notification.

4.3.19.3 Registration of OTT paying Commercial vehicles after irregular realisation of tax in quarterly mode

Registration of OTT paying Commercial vehicles after irregular realisation of tax in quarterly mode resulted in short levy of tax of ₹ 32.87 lakh including penalty.

Section 5 of the BMVT Act, 1994 provides for levy of tax payable by every owner of a registered motor vehicle at specified rates. As per Bihar Finance Act, 2014 (effective 19 September 2014 and 07 September 2018) OTT for the lifetime on

¹⁸ Before 7 September 2018, rate of tax on personalized vehicles was seven *per cent* of price of the vehicle and rate of tax on e-rickshaw was 3.5 *per cent* of price of vehicles.

Tractor (Commercial) and Motor cab/Jeep taxi shall be levied at the rate specified in the notification. Further, delay in payment of tax beyond 15 days attracts penalty from 25 per cent to 200 per cent of tax due under the provision of Rule 4 (2) of BMVT Rules, 1994 read with Section 7 of BMVT Act, 1994.

Audit scrutinised the owner and tax table in VAHAN database in test-checked DTOs and observed in four¹⁹ DTOs in respect of OTT paying transport vehicles (Tractor and Motor cab/Jeep taxi) registered between February 2016 and February 2019 that 27 Motor cab/Jeep Maxi and two Tractors (Commercial) were registered on payment of quarterly/short tax instead of OTT which is indicative of absence of proper validation in the VAHAN. Audit further observed that nine vehicles did not further pay their taxes and certificate of registration to 16 vehicles out of 29 vehicles was issued for 15 years. Thus RCs were issued by the DTOs without realisation of due tax in gross violation of the provisions of the Act/Rules which is a serious issue which resulted in short levy of tax of ₹ 32.87 lakh including penalty.

After this was pointed out, the Department stated (June and August 2020) that necessary instructions for realisation of outstanding tax had since been issued to concerned DTOs.

4.3.20 Non-realisation of penalty from transport vehicles for belated payment of OTT

Penalty for belated payment of tax was neither calculated/levied by VAHAN nor by the DTOs, which resulted in non-levy of OTT of ₹ 1.54 crore.

Section 23 of the BMVT Act, 1994 read with Rule 4 (2) of BMVT Rules, 1994 provides for levy of penalty ranging between 25 to 200 per cent of the tax due in case of non-payment of tax within due date. This provision was mapped in VAHAN software which was meant to develop the State Register of motor vehicles.

Audit scrutinised the owner and tax table of VAHAN database in test-checked DTOs and observed that the owners of 1,333 vehicles out of 88,931 test-checked vehicles made payment of their OTT with delay of 31 to 3,749 days between April 2016 and March 2019. Delayed payment of OTT attracts penalty as per Rules *ibid* which was duly mapped in the VAHAN software. In spite of that, penalty for belated payment of tax was neither calculated/levied by VAHAN nor by the DTOs, which resulted in non-levy of OTT of ₹ 1.54 crore.

After this was pointed out, the Department accepted (August 2020) the audit observation and stated that necessary instructions had since been issued to the concerned DTOs to realise the penalty. The Department further stated that this problem was in VAHAN 2.0 which had since been rectified in VAHAN 4.0. However, the issue of non-levy of penalty from transport vehicles for belated payment of OTT persisted in VAHAN 4.0 also.

Recommendation: The Department should ensure levy of penalty in case of delayed payment of tax from date of purchase of vehicles.

¹⁹ Bhagalpur, Gaya, Kaimur and Muzaffarpur.

4.3.21 Non-realisation of trade tax from authorised vehicle dealers

Ninety four dealers out of 274 dealers had either not paid their trade tax or paid short in respect of motor vehicles in their possession during the course of their business during the period 2017-18 and 2018-19. This resulted into non/short levy of trade tax of ₹53.06 lakh.

Under the provision of Section 6 of the BMVT Act, 1994, trade tax at the rate of ₹ 150, ₹ 200 and ₹ 250 for each vehicle, depending on the class of vehicles, shall be paid by a dealer in motor vehicles for motor vehicles in his possession in the course of his business.

Audit scrutinised trade tax register, report and returns in test-checked DTOs and observed that seven²⁰ DTOs did not maintain any records for levy and collection of trade tax from authorised dealers holding trade certificates. Out of remaining eight DTOs who had maintained the records, in seven DTOs, scrutiny of returns made available to audit, revealed that 94 dealers out of 274 dealers had either not paid their trade tax or paid short in respect of motor vehicles in their possession during the course of their business during the period 2017-18 and 2018-19. This resulted into non/short levy of trade tax of ₹ 53.06 lakh.

After this was pointed out, the Department stated (June and August 2020) that system had become online and necessary instructions for realisation of fee from defaulter dealers had since been issued to concerned DTOs. The Department further stated that system of realisation of trade tax had been made online. However, after introduction of online system, trade tax was being levied at the time of sale of vehicles instead of at the time of procurement of vehicles by the dealer, which was irregular.

4.3.22 Issuance of permits

Section 81 and 84 of the MV Act provides that no permit shall be granted to vehicles without valid fitness and against which tax was due.

Section 66 of the MV Act read with Rule 80 of BMVT Rule 1992 provided that no owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place without valid permit. As per Section 81 of the MV Act, a permit other than a temporary permit is valid for a period of five years from its date of issuance. Further, the Transport Department revised (May 2017) the application/permit fee for issue/renewal of permit in case of goods carriage, contract carriage and stage carriage etc., and introduced a processing fee for issuance or renewal or change in the condition of a permit for five years.

²⁰ Aurangabad, Begusarai, Bhagalpur, Darbhanga, Gaya, Muzaffarpur and Vaishali.

4.3.22.1 Authorisation of National Permit for goods carriage was not renewed

The National Permit Register was neither updated nor physically checked by the concerned RTAs, as a result, composite fee and authorisation fee amounting to ₹ 6.29 crore were not realised.

Section 81 of MV Act provides that a National Permit (NP) is valid from the date of issue or renewal thereof for five years. Further, Rule 87 of CMV Rules provides that an authorisation for NP shall be made every year and shall not be valid exceeding one year at a time. The authorities concerned shall issue notice to the permit holder within 15 days of expiry of authorisation calling his explanation as to why the permit should not be cancelled if the authorisation was not renewed and cancel the permit in case no explanation being received within fifteen days.

The Composite fee of ₹ 16,500 per annum for authorisation and home state authorisation fee amounting to ₹ 1,000 per annum with effect from April 2012 was leviable for authorisation of NP of a vehicle.

Audit scrutinised the NP Register and VAHAN database in test-checked RTAs (Patna, Purnea and Muzaffarpur) and observed that 2,249 out of 9,759 goods vehicles covered under NP had plied on roads (between March 2014 and March 2019) without renewal of authorisation of NP even after expiry of validity period of more than a year. These vehicle owners did not surrender these permits. All the information was also available in VAHAN software but neither the concerned RTA nor Enforcement wing of the Department traced these vehicles as provided under section 192 of MV Act. The concerned RTAs did not issue notices to those permit holders for cancellation of permits. The National Permit Register was also neither updated nor physically checked by the concerned RTAs which indicated absence of mechanism of control and monitoring of the subsequent authorisation during currency of national permits. As a result, composite fee and authorisation fee amounting to ₹ 6.29 crore were not realised.

The Department accepted (June and August 2020) the audit observation and stated that process of permit fee was being automated (online) to facilitate regular monitoring and further stated that instructions were issued to concerned RTA to verify the data provided by audit and to take required action.

Recommendation: The Department/Government should prescribe monitoring mechanism to ensure updation of national permit register to effect control over plying of vehicles with valid permit and authorisation.

4.3.22.2 Non-realisation of processing fee from permit holders of transport vehicles

Permits were issued to 29,625 Goods Carriage, 1,165 Stage Carriage and 5,571 Contract Carriage vehicles without realising processing fee of ₹ 1,000 which resulted in loss of revenue of ₹ 3.64 crore.

Rule 74 of the BMV Rules, provides for various types of fees related to permit of different class of vehicles. The processing fee was revised in May 2017 to ₹ 1,000 for each application for issue/renewal of permit of Goods Carriage/Contract

Carriage/Stage Carriage, which was mapped in VAHAN software from the month of November 2019.

On scrutiny of Permanent Permit Register and permits issued manually for Goods Carriage, Stage Carriage and Contract Carriage vehicles in test checked RTAs, Audit observed that permits were issued to 29,625 Goods Carriage, 1,165 Stage Carriage and 5,571 Contract Carriage vehicles during the period 23 May 2017 to 31 March 2019 without realising processing fee of ₹ 1,000. Collection of the fee was neither mapped in the VAHAN nor was its collection ensured manually by the concerned RTAs in gross violation of above notification. This is indicative of lack of due diligence on the part of RTAs in complying the provisions of the Act/Rules resulting in loss of revenue of ₹ 3.64 crore.

After this was pointed out, the Department stated (June and August 2020) that necessary instructions for realisation of processing fee from permit holders of transport vehicles had since been issued to concerned RTAs.

4.3.22.3 Non realisation of differential permit fee

The concerned RTAs did not levy revised fee for issuance or renewal or change in the condition of a permit for five years as the related provisions were not mapped in the VAHAN, which resulted in loss of revenue of ₹ 28.90 lakh.

Section 66 of the MV Act read with Rule 80 of BMVT Rule 1992 provides that no owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place without valid permit. As per Section 81 of the MV Act, a permit other than a temporary permit is valid for a period of five years from date of its issuance. Further, the Transport Department revised (May 2017) the application/permit fee for issue/renewal of permit in case of goods carriage, contract carriage and stage carriage etc., and introduced a processing fee for issuance or renewal or change in the condition of a permit for five years.

Audit scrutinised the records of test-checked RTAs and observed that 608 permits were issued during May and November 2017. However, the concerned RTAs did not levy revised fee²¹ for issuance or renewal or change in the condition of a permit for five years as the related provisions were not mapped in the VAHAN, which resulted in loss of revenue of ₹ 28.90 lakh.

After this was pointed out, the Department stated (June and August 2020) that necessary instructions had since been issued to concerned RTAs to realise differential permit fees.

²¹

(Amount in ₹)

Class of vehicle	Pre revised rate	Revised rate (w.e.f. 23.5.2017)
Stage carriage	2,000	7,000
Goods carriage	2,000	7,000
Three wheelers	1,500	3,000
Maxi/Cabs	6,000	15,000

4.3.22.4 Lack of effective control in issuance of stage carriage permit

Due to lack of effective control in issuance of stage carriage permit, in three cases applicant had to apply and deposit permit fee of ₹ 3,000 multiple times to get a permit.

Under the provision of Section 74 of the MV Act 1988, subject to the provision of sub-section (3), a Regional Transport Authority may, on an application, grant a contract carriage permit in accordance with the application or with such modification as it deems fit or refuse to grant such a permit. Further, in compliance of clause (3) (c-a) of Section 68 of the MV Act 1988, GoB vide notification dated 05 February 2018 published a list of 3,284 routes which were identified for plying of stage carriages in which 377 routes further added by departmental notification dated 23 January 2019.

During scrutiny of records/files pertaining to issuance of permits in test-checked RTAs following irregularities were noticed:

- In RTA Patna 1,480 stage carriage permits were issued during 2016-19, out of this 722 applications with disputes were considered in various meetings of RTA. Out of these 722 applications, 384 stage carriage were such in which there were clash of time table. Further audit scrutiny revealed that though a comprehensive list of routes was published by Transport department, time table/route register was not maintained to show route-wise details of stage carriages to know their number and frequency approved on a particular route. In the absence of time table/route register, the office was unable to ascertain whether the desired time table sought by a new applicant had already been allotted to someone. Due to non-maintenance of such record in three cases applicant had to apply and deposit permit fee of ₹ 3,000, multiple times to get a permit. For each reconsideration of permit (due to time table clash), a correction charge of ₹ 3,000 was being charged as fee for correction of time and a fee of ₹ 1,000 was being collected from the person raising objection against the proposed time table.
- Audit observed similar irregularities in RTA, Purnea where time table of a stage carriage was being approved on the recommendation of bus owner association, which was irregular. In RTA, Muzaffarpur, Audit observed that only seven meetings (between owners of stage carriages with RTA/STC to finalise route and timing of operation of stage carriage in order to issue permit) were held during 2016-17 to 2018-19, leading to delay of four months to 11 months in issuing the permits.

Thus due to non/delayed allotment/issue of route permits to stage carriages they could not ply despite having paid up-to-date tax and proper fitness certificate, P.U.C., insurance etc., causing irrecoverable loss to the vehicle owners. Due to non-maintenance of time table/route register in RTA, Patna, the Government may face difficulty in ensuring last mile connectivity, rural transportation, reducing traffic congestion, improving urban transport, safety of road users and protection and enhancement of the environment etc.

After this was pointed out, the Department assured (June 2020) to resolve the issue of plying of vehicle on particular route through automation of permit fee process and automation of process of approval of route/time of stage carriages.

4.3.22.5 Lack of effective control while issuing permanent permits

Due to lack of effective control in issuance of permanent permit, in 16 instances more than one permit was issued without cancellation of previous permit of the vehicles.

Audit scrutinised the permit register and relevant files of stage carriage in RTA, Muzaffarpur and observed that 881 stage carriage permits were issued during October 2018 to November 2019. In case of eight stage carriage (out of 421 test-checked) permanent permits were issued between April and September 2019 without ensuring tax and valid fitness.

Scrutiny of records revealed that owner of these vehicles had applied for permanent permit, however the concerned RTA did not verify details of certificate of registration, challan in proof of payment of tax, fitness certificate etc., as available in VAHAN database before issuing permit for vehicles.

In RTA Muzaffarpur, Audit further observed that during the period April 2016 to November 2019, 823 stage carriage permits were issued. Out of these, in 16 instances as evident from permanent permit register, more than one permit was issued without cancellation of previous permit of the vehicles. Besides this, 80 goods carriage and 16 contract carriage permits were also issued without cancellation of previously issued permits.

Similarly, RTA Patna, re-issued permit to 1,451 goods carriage vehicles without cancelling the previous permit. This indicates that due to control weakness permits were issued twice to same vehicles.

After this was pointed out, the Department stated (June 2020) that necessary instructions had since been issued to concerned RTAs to submit clarification so that responsibility against the erring officials can be fixed.

Recommendation: The Department should ensure incorporation of all information such as fitness and permit status relating to stage carriages in VAHAN database to effect proper monitoring of stage carriages.

4.3.23 Collection of Government revenue and its Remittance into Government Account

Rule 37 of the Bihar Financial Rule, 2005 states that it is the primary responsibility of the departmental authority to see that all revenue receipt due to Government are correctly, promptly assessed, realised and credited into Government account under proper head of account without undue delay. Transport department issued (January 2016) instruction for speedy remittance of collected revenue into the account of the State Government. Further, as per the executive instructions issued (February 2018) by Transport Department, all Motor vehicle taxes to be remitted in Government account through Online Government Receipts and Account System (O-GRAS).

4.3.23.1 Revenue not credited into Government account due to pendency in O-GRAS challan

The concerned DTOs did not reconcile challans from the Government treasury and as a result an amount of ₹ 3.00 crore remained outside Government Account.

Audit scrutinised the daily cash collection register, bank statement, O-GRAS challan in test-checked DTOs and observed in two²² DTOs that 11 O-GRAS challans (E-challans) amounting to ₹ 3.00 crore were generated between February 2018 and December 2018 “Over the counter” drop box and deposited in State Bank of India. However, the money related to these O-GRAS challans was not found credited in the Government Account, as these were not found in the relevant treasury schedule. The concerned DTOs did not reconcile these challans from the Government treasury and take any action to bring these money into Government Account as a result an amount of ₹ three crore remained outside the Government Account.

After this was pointed out, the Department stated (June 2020) that necessary instructions had since been issued to concerned DTOs to remit the differential amount after verification from treasury.

4.3.23.2 Parking of collected Government revenue in current bank account

Collected Government revenue ranging between ₹ 97.98 lakh to ₹ 5.65 crore, were left in each month in the current bank account during January 2018 to March 2019.

In DTO Patna, on scrutiny (January 2019) of daily cash/demand draft collection register, Audit observed that daily cash collection/demand draft was deposited into current account of Indian Bank and thereafter amount so collected were transferred into Government account through O-GRAS “Over the counter” drop box.

Scrutiny of daily cash collection register and bank account statement of Indian Bank, Patna Gandhi Maidan revealed that the amount transferred to Government account was based on daily collection of taxes and fee over its cash counters instead of actual balance in the Bank account. As a result, collected Government revenue ranging between ₹ 97.98 lakh to ₹ 5.65 crore, were left in each month in the current bank account during January 2018 to March 2019. Thus, the Government revenue to the extent of ₹ 5.65 crore remained outside the Government account and parked in current account of Indian bank.

After this was pointed out, the Department stated (June 2020) that it took two to three days to remit the amount realised through cheque/drafts of other banks to government account.

The Department further stated (August 2020) that due to convenience and security issue, collection of taxes and fee over its cash counter was first deposited in bank account situated in the same building and subsequently remitted into government account. The Department furthermore stated that necessary instruction had since

²² Gaya and Vaishali.

been issued to DTO Patna to issue instruction to concerned bank to timely remit the entire amount kept in bank account.

However, the fact is that this practice of keeping government revenue initially in bank account and thereafter its remittance into government account prevailed only in DTO Patna out of 15 test-checked DTOs. Further, at no point of time entire balance available in the bank account was transferred to government account. As a result, collected Government revenue ranging between ₹ 97.98 lakh to ₹ 5.65 crore were left in each month in the current bank account during January 2018 to March 2019.

The Department's reply was silent on the balance of money kept continuously outside the Government account and non-adoption of O-GRAS in all cases.

4.3.23.3 Revenue transferred to Government Account in next financial year

An amount of ₹ 4.16 crore were collected as fee and taxes from different cash counters between 29th and 31st March 2019 but was transferred/remitted into the State government account during April 2019 i.e. in next financial year which was irregular.

On scrutiny of remittance register, O-GRAS challan, Bank Statement and Treasury Schedule for the year 2018-19 in eight²³ test-checked DTOs, Audit observed that an amount of ₹ 4.16 crore were collected as fee and taxes from different cash counters between 29th and 31st March 2019. This amount was transferred/remitted into the State government account during April 2019 i.e. in next financial year which was irregular and contrary to the provisions/instruction *ibid*.

After this was pointed out, the Department stated (June and August 2020) that precaution would be taken to avoid such irregularity. The Department further submitted justification for not depositing the amount till 31 March as closure of bank on 29 March and 30 March. The reply was factually incorrect as the bank remained open on 29 March and 30 March.

4.3.23.4 Irregular generation of online receipts

Tax collection receipts were not generated in sequence such as earlier receipt numbers were generated on later dates whereas later receipt numbers were generated on earlier dates. The DTOs also did not detect such generation of irregular numbers.

Audit scrutinised the dealer-point online collection report in *VAHAN* database in seven²⁴ test-checked DTOs and observed that tax collection receipts were not generated in sequence such as earlier receipt numbers were generated on later dates whereas later receipt numbers were generated on earlier dates. Since, these are system generated numbers, there should not be alteration in serial numbers and dates. The DTOs also did not detect such generation of irregular numbers. This lacuna in the validation control of the system does not only generates irregular numbers but is fraught with the risk of fraud also.

²³ Arwal, Begusarai, Bhagalpur, Darbhanga, Gaya, Nalanda, Patna and Vaishali.

²⁴ Aurangabad, Begusarai, Bhagalpur, Darbhanga, East Champaran, Nalanda and Siwan.

Audit further observed that dealer-wise detailed report of collection and remittance of revenue was not being generated under *VAHAN* database as a result tax collected and remitted into government account by individual dealers could not be ascertained and verified.

After this was pointed out the Department stated (August 2020) that matter was being investigated.

Recommendation: The Department should ensure remittance of all Government revenue into the Government Account without any delay.

4.3.24 Non-maintenance of database of pollution testing stations

License of 142 pollution testing stations was not renewed upto November 2018, which resulted in short levy of revenue of ₹ 24.30 lakh in shape of renewal fee.

Rule 115 (7) of the CMV Rules, prescribes that after one year of registration every such vehicle shall carry a valid 'Pollution Under Control' (PUC) certificates issued by an agency authorised for this purpose by the State Government. The validity of the certificate shall be for six months and subsequently, if found within the prescribed limit the pollution testing centers will issue fresh PUC certificate on payment of prescribed fee.

Audit scrutinised the records related to pollution testing stations in test-checked DTOs and in the office of the STC and observed that the Department had authorised (June 2004 to March 2019) 508 private testing centers in Bihar. Out of 508, license of 142 pollution testing stations was not renewed upto November 2018, which resulted in short levy of revenue of ₹ 24.30 lakh in shape of renewal fee. The STC and test-checked DTOs did not have any database regarding number of testing stations working in the State as on 31 March 2019. Audit further observed that test-checked DTOs did not have any database/information regarding vehicles plying with or without PUC as on March 2019 in *VAHAN* software.

After this was pointed out, the Department stated (August 2020) that issues relating to pollution testing station and PUC had since been computerised. The Department further stated that 110 out of 142 pollution testing stations had since been renewed. However, the Department's reply was silent on absence of database and information of all the pollution testing stations and the vehicles plying with or without PUC as on March 2019 in *VAHAN* software.

Internal Control Mechanism

The Department should develop an effective internal control mechanism to ensure proper implementation of Act/Rules. This also helps in the creation of reliable financial and management information system for prompt and efficient decision making and adequate safeguard against proper validation control over *VAHAN* and *SARATHI*.

4.3.25 Arrear of revenue

4.3.25.1 Analysis of arrears of revenue

Scrutiny of Register-IX²⁵ and report/return of arrears of revenue in test-checked DTOs/RTAs revealed that two²⁶ DTOs and RTA, Muzaffarpur did not maintain any record related to arrears of revenue. Audit observed that in 15²⁷ DTOs/RTAs, the arrears of revenue as on 31 March 2019 amounted to ₹ 203.86 crore. The table below depicts the position of arrears of revenue during the period 2016-17 to 2018-19:

Table-4.5: Pending of certificate cases of arrears of revenue during 2016-19
(₹ in crore)

Year	Opening balance		Addition during the year		Amount collected during the year		Closing balance of arrears	
	No. of case	Amount	No. of case	Amount	No. of case	Amount	No. of case	Amount
2016-17	12422	125.20	1766	6.00	185	4.32	14003	126.87
2017-18	14003	126.87	1899	4.91	271	0.81	15630	130.97
2018-19	15630	130.97	5043	73.76	218	0.88	20612	203.86

Audit scrutiny revealed that there was an arrear of ₹125.20 crore against tax defaulter vehicle owners at the beginning of 2016-17 which increased to ₹ 203.86 (62.83 per cent) in 2018-19. During 2016-19, the Department realised only ₹ 6.01crore (2.86 per cent) out of ₹ 209.87 crore arrear of revenue. The details of arrears outstanding for more than three years was not available with the Department. This shows that the Department did not have proper database of arrears of revenue and did not take adequate efforts to reduce the arrears.

After this was pointed out, the Department stated (June 2020) that necessary instruction had since been issued to concerned RTA/DTO to liquidate arrear of revenue.

4.3.25.2 Recovery Certificate case returned without realisation of arrears

Due to ineffective follow-up as per Act or Rules, arrears of revenue amounting to ₹ 7.01crore could not be recovered.

On scrutiny of case records of pending cases of arrears of revenue related to tax defaulting vehicle owner of transport vehicles in RTA Patna, Audit observed that Recovery Certificates were instituted during the period 2009-10 to 2015-16 against 225 vehicle owners (out of 827) for recovery of outstanding arrears amounting to ₹ 7.01 crore. Audit further observed that even after lapse of nine years since institution of Recovery Certificate Cases²⁸, arrears of revenue could not be recovered and returned to District Transport Officer, Patna with the comment of incorrect address/untraceable/death etc., though it was the responsibility of the

²⁵ Register 'IX' is a register of requisitions and is maintained by the requiring officer.

²⁶ Patna and Purnea.

²⁷ **DTOs:** Arwal Aurangabad, Begusarai, Bhagalpur, Darbhanga, East Champaran, Gaya, Kaimur, Muzaffarpur, Nalanda, Sheohar, Siwan, and Vaishali; **RTAs:** Patna and Purnea.

²⁸ **Certificate case:** When the certificate officer is satisfied that any public demand payable to the Collector is due, he may sign a certificate in the prescribed form, stating that the demand is due and shall cause the certificate to be filed in his office.

concerned DTO to maintain full details of the defaulters. The Certificate Officer failed to make recovery of the outstanding arrears and did not take any action against the defaulters. Thus, due to ineffective follow-up as per Act or Rules, arrears of revenue amounting to ₹ 7.01 crore could not be recovered. After this was pointed out, the Department stated (June 2020) that necessary instructions had since been issued to concerned RTA/DTO to realise arrear of revenue. The Department further stated (August 2020) that necessary checks had since been incorporated in the system to capture all relevant information in the VAHAN-4 database. The Department also issued instruction to concerned RTA/DTO to realise arrears of revenue.

4.3.25.3 Absence of monitoring and follow up mechanism for realisation of arrears

Arrears of tax and penalty against tax defaulter vehicle owners amounting to ₹ 1.99 crore in 30 cases were pending for recovery since July 2002 to August 2007 for which Recovery Certificates were instituted during the period 2007-08.

Scrutiny of Revenue recovery certificate (RRC) case register in RTA, Patna revealed that arrears of tax and penalty against tax defaulter vehicle owners amounting to ₹ 1.99 crore in 30 cases were pending for recovery since July 2002 to August 2007 for which Recovery Certificates were instituted during the period 2007-08. These RRCs were instituted by RTA Patna with delay of more than two years after the date when revenues become due, though they were supposed to file certificate case within 45 days of expiry of notice period. Thus, delay on the part of RTA Patna in filing certificate cases, recovery of these outstanding arrears could not be made.

Audit further observed that after lapse of 12 years of institution of RRCs, the dues could not be recovered in the aforesaid 30 cases. Scrutiny of records further revealed that all cases were related to members of only one family and despite intimation (DTO, Kaimur) by requisitioning authority that these vehicles were plying in Bihar upto 2012, no action was taken by certificate officer for recovery of dues by seizure and auctioning of those vehicles. Moreover, the RTA, Patna also had regularly issued permit (between 2017 and 2019) to owners of these defaulter vehicles without taking any action for recovery of arrear of revenue.

It was further observed that the department had no system to monitor the institution and disposal of the RRCs within a specified time frame for effective and speedy realisation of arrears of revenue. Therefore, in the absence of follow up and monitoring mechanism, arrears of revenue amounting to ₹ 1.99 crore was pending for realisation.

After this was pointed out, the Department stated (June and August 2020) that necessary instruction had since been issued to concerned RTA Patna and DTO Kaimur to realise arrear of revenue by auctioning vehicles or immovable properties.

4.3.25.4 Non-recovery of outstanding Government revenue due to improper monitoring of case

Due to absence of effective follow-up and monitoring mechanism either on the part of RTA or the Department, Government dues amounting to ₹ 3.51 crore could not be recovered even after lapse of four years.

During scrutiny of certificate case records in RTA, Patna Audit observed that Bihar State Road Transport Corporation (BSRTC) requisitioned (June 2015) to the Certificate Officer, Patna to file a certificate case for an amount of ₹ 3.51 crore against a debtor M/s Girish Infrastructure Pvt. Ltd, Hyderabad. Subsequently, a certificate case for recovery of arrears was filed (July 2015). However, due to absence of effective follow-up and monitoring mechanism either on the part of RTA or the Department, Government dues amounting to ₹ 3.51 crore could not be recovered even after lapse of four years.

After this was pointed out, the Department stated (June and August 2020) that necessary instruction had since been issued to RTA Patna to realise arrear of revenue by auctioning vehicles or immovable/movable properties. However, the department's reply was silent on the lack of follow-up and monitoring mechanism leading to non-recovery of the Government dues.

4.3.25.5 Lack of follow up mechanism resulted into non-recovery of Government dues

Due to lack of follow-up by the RTA and non-compliance of the order of the RTA by the MVI arrears of ₹ 1.08 crore remained unrealised.

During scrutiny of certificate case records/files at RTA Patna, Audit observed that BSRTC made requisition in December 2011 to the Certificate Officer, Patna to file a certificate case for recovery of arrears of revenue amounting to ₹ 1.21 crore and ₹ 37.13 lakh against a debtor M/s Eden Transport Pvt. Ltd., Kolkata. Subsequently, certificate cases were instituted vide case nos.-07/2011 and 08/2011 against the debtor. The arrears of tax was further revised (July 2013) to ₹ 71.21 lakh and ₹ 36.41 lakh by the BSRTC, Patna and accordingly a revised requisition was forwarded (July 2013) to the Certificate Officer. Hearing for recovery of arrear was made on 16 November 2013 wherein DTO Patna was directed (by RTA Patna) to keep nine buses of the defaulters in its custody till realisation of arrear of revenue. Accordingly, the DTO, Patna seized the buses and intimated (06 December 2013) the RTA who in turn instructed (20 August 2016) the MVI Patna to assess the valuation of seized property. However, even after lapse of two years and five months no action was taken by MVI in this regard. Moreover, no follow-up of the case by the RTA was found on record. Thus, due to lack of follow-up by the RTA and non-compliance of the order of the RTA by the MVI arrears of ₹ 1.08 crore remained unrealised till the date of audit (February 2020).

The Department stated (June and August 2020) that instruction had since been issued to RTA Patna to fix responsibility against concerned motor vehicle inspector. However, the Department was silent on recovery of ₹ 1.08 crore of arrear of revenue.

4.3.26 Absence of monitoring in enforcement wing

Enforcement wing of the Transport department has the responsibility to intercept the vehicle not having valid permit and levy and realise fine as prescribed under CMV Rules, 1989 and BMVT Act, 1994. Enforcement Sub Inspectors (ESI) are posted under control of district transport officer who are given seizure and money receipt (MR) for impounding the vehicles and collecting fines. As per instruction of Transport department, second copy of the seizure receipt is required to be returned after its use.

During scrutiny of records in office of the DTO, Vaishali, Audit observed (June 2019) that the DTO issued (between June 2016 and May 2018) 11 volumes of MR and four volumes of seizure to an ESI. However, the ESI got transferred (June 2018) without submitting required return as to use of MR and seizure to the DTO. In absence of this information, actual collection of revenue could not be verified in audit.

After this was pointed out, the Department stated (August 2020) that collection of compounding fine had since been started from Hand Held Devices. The Department further stated that necessary detailed report in case of DTO Vaishali had since been obtained and would be made available to audit.

Conclusion:

Department needs to take steps to further enforce rules and laws effectively and safeguard the government revenue as the irregularities pointed out in the audit are around ₹ 281.13 crore which is 13 per cent of the total revenue collection from taxes on vehicles during 2018-19. The Department needs to revisit its notification relating to levy of Road safety cess, which led to short realisation of the same. The systems established by the Department for registration of vehicles, issuance of driving licence, issuance of permit, issuance of fitness certificate, realisation of arrear of revenue need to be followed scrupulously. Automation of permit fee process and automation of process of approval of route/time of stage carriages needs to be brought in. The Department needs to address deficiencies observed in non-realisation of trade tax, non/short realisation of motor vehicle tax and non-renewal of fitness certificate etc. and institute practices to exercise adequate control over its field functionaries for detecting and correcting violations on timely basis.

4.4 Misleading presentation of facts by Transport Department in adjustment of loan of BSRTC

The Department showed recovery of ₹ 874.81 crore from acquiring the properties of the Corporation in the gazette notification but it was an incorrect presentation of facts to stakeholders, as the properties acquired in form of lands already belonged to the State Government itself and building had no value in the current date.

During scrutiny of records²⁹ in the office of the State Transport Commissioner, Bihar, Audit observed (January 2019) that in compliance to the order of the Hon'ble Supreme Court and Hon'ble Patna High Court³⁰ the Transport Department granted a loan of ₹ 318.24 crore in February 2016 to BSRTC for payment of emoluments to their retired/deceased employees. As per terms and conditions of the sanction order, the loan was to be repaid in 10 equal instalments by BSRTC, if not converted into share capital by the Government, within a year.

As per Finance Accounts 2017-18 of Government of Bihar, the outstanding loans to BSRTC aggregated to ₹ 874.81 crore as on 31 March 2018, was included loans granted on earlier occasions also. During 2005-12 also, for payment of salary and other benefits, Government of Bihar granted loans to the Corporation. Loans were given to BSRTC, for payment of emoluments, at the rate of 13 *per cent* per annum (while average cost of borrowed funds for the Government ranged between 6 *per cent*-10 *per cent*), for establishment expenditure and expenditure of recurring nature. The BSRTC was in sustained losses during the years, affecting its capacity to repay these loans.

Audit observed that the Department recovered (March 2019) the entire loan amount (principal) of ₹ 874.81 crore outstanding as on 31 March 2018 through taking over physical properties³¹ of BSRTC and issued a notification dated 22.02.2019 in this regard. In the said notification, the actual valuation of the land was shown as ₹ 615.60³² crore and the value of taken over properties was notionally increased to ₹ 874.81 crore, to match the loan amount, by attributing the difference to the value of the building (Sultan Palace).

Finance Department, while approving the proposal to recover the principal amount, had commented that outstanding interest should be adjusted in future through taking over other properties of BSRTC.

In continuance of this transaction, Audit observed that Government of Bihar carried out further adjustments, and through book transfer provided a subsidy to BSRTC, and also showed the same amount as deposited through nine treasury challans towards recovery of the loan outstanding, under head R-7055, "Loan for Road Transport" by Transport Department itself. Thus, the total amount of outstanding principal of ₹ 874.81 crore was shown repaid in the Finance Account for the year 2018-19 and as per notification, assets were shown as obtained against this transaction.

²⁹ Cash book, files relating to loans and advances to BSRTC and other relevant records such as requisition of BSRTC, cabinet note, sanction order, payment vouchers, etc.

³⁰ Supreme Court Civil appeal no.7290 of 1994 and High court CWJC 9207 of 2012.

³¹ Lands at Sultan Palace (4.80 acres) and Banikpur (2.50 acres); Building at Sultan Palace.

³² Sultan Palace ₹ 324 crore – and Banikpur- ₹ 291.60 crore.

Audit also noticed that total amount of interest due on outstanding loan was ₹ 1,011.10 crore as on 28 February 2019. The Department did not raise any demand for recovering this interest amount.

In response to audit observation, the Department stated (July 2020) that as per departmental notification (25 February 2019) ₹ 874.81 crore was granted as subsidy and entire loan amount (principal) of ₹ 874.81 crore had since been adjusted through book transfer. However, the Department was silent on realisation of interest.

Audit observed from the records of BSRTC that Government of Bihar already owned both the lands. Despite this, the Transport Department issued a notification to show resumption of land already belonging to it and valued land at ₹ 615.60³³ crore.

The ownership of building was with BSRTC. Audit noticed that the building of Sultan Palace existed prior to 1962 and as per Significant Accounting Policies in annual accounts of BSRTC, the useful life of the building taken was only 20 years. The building was therefore, notionally valued by State Government at ₹ 259.21 crore, only for the purposes of this transaction.

Therefore, as above, though the department showed recovery of ₹874.81 crores from acquiring the properties of the BSRTC in the gazette notification, it was misleading to the stakeholders, as the properties acquired in form of lands already belonged to the State Government itself and Government did not recover any amount in this regard. This led to burden on exchequer to the extent of ₹ 874.81 crore and ₹ 1,011.10 crore as interest not received. However, as pointed above, the land belonged to the State Government and the building had outlived its life, hence the transaction does not lend itself to prudent financial reporting.

Recommendations: Government should consider giving grants for meeting recurrent establishment expenditure, which is of revenue nature, instead of advancing loans for such purposes to Corporations, to truly reflect the nature of the transaction, and keeping in view the lack of capacity of some entities to repay loans. Such loans overstate the nature of capital expenditure by Government.

2. Loans that cannot be repaid should be written off and suitably treated in Government financial statements and entity accounts, instead of carrying out book adjustments, which hinder true appreciation of the transaction and financial statements at both ends.

3. The Department may review its notification of February 2019, as it presents a misleading picture to taxpayers and other stakeholders.

³³ Sultan Palace ₹ 324 crore – and Bankipur- ₹ 291.60 crore.

4.5 Unfruitful expenditure in construction of weigh bridges

Three weigh bridges could not be made operational till 2019 after handing them over to the Transport Department in December 2015/January 2016, despite incurring expenditure of ₹ 8.00 crore. Besides, Government incurred expenditure of ₹ 75.98 lakh in the form of payment of pay and allowances to officials, originally posted for weigh bridges sites but were deployed at STC/DTO Patna office.

Rule 9 of Bihar Financial Rules (BFR) stipulates that every Government servant incurring or authorising expenditure from public funds should be guided by high standards of financial propriety and was expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During scrutiny (January 2019) of records in the office of the State Transport Commissioner, Audit observed that the Government decided (June 2014) to construct weigh bridges at four locations namely Bihta, Fatuha, Transport Nagar (Patna) and Masaudhi (Patna) to handle the problem of overloading. Accordingly, construction work of these weigh bridges was assigned to the Road Construction Department who further assigned the work to Bihar Rajya Pul Nirman Nigam Limited (BRPNNL) and accordingly administrative approval was issued by the Transport Department in August 2014. Further, technical sanction was accorded (August 2014) for an estimate of ₹ 9.57 crore at the rate of ₹ 2.39 crore per weigh bridge and subsequently the Department transferred ₹ 8.00 crore in instalments to BRPNNL (between December 2014 and December 2015) for their construction.

It was observed that the construction of Masaudhi Weigh Bridge could not be started due to land acquisition related issues. After construction of weigh bridges (two weigh bridge machine at each location) at Fatuha, Transport Nagar (Patna) and Bihta, BRPNNL handed over these bridges to the Transport Department in December 2015 and January 2016. Three Enforcement Sub-Inspectors (one for each location) were authorised (December 2015) by the Department to take possession of the weigh bridges and the officers were made responsible for the care and upkeep of the weigh bridges.

Audit observed that these weigh bridges could not be made operational after being handed over due to lack of manpower³⁴ and infrastructure³⁵. Wear and tear of the installed equipment during the period of non-operation required further repairing. Further, fund of ₹ 27.56 lakh earmarked for Annual Maintenance Contract remained with BRPNNL. The executing agency and the vendor who installed the machine mentioned about the wear and tear of the weigh bridges due to idling and disuse. They stated that these weigh bridges needed further repairing to make them operational and submitted an additional estimate of ₹ 10.03 lakh (September 2017).

³⁴ Officials required for operation of the weigh bridges were either deployed late or not deployed.

³⁵ Lack of electricity connection to the weigh bridges, instances of waterlogging in the weigh bridges, lack of arrangement for parking of confiscated vehicles, lack of approach road (Transport Nagar), etc.

It was further observed that subsequent to a writ petition by an adjacent plot holder challenging the establishment of weigh bridge at Transport Nagar, Patna, the Hon'ble Patna High Court directed (April 2019) the Patna Municipal Corporation to remove the construction of weigh bridges at Transport Nagar as establishment of weigh bridge without obtaining no objection certificate from Patna Municipal Corporation was illegal. Subsequently, the Transport Department decided to shift one weigh bridge of Transport Nagar to Rajuli (Nawada) and an estimate of ₹ 1.04 crore (technically approved) was submitted for administrative approval (January 2020).

Audit found that the Department failed to make the remaining weigh bridges at Bihta and Fatuha operational till January 2020. The Department in the meantime could not check overloading, road accidents and revenue loss due to under weighing, in addition to lack of collection of fines and penalties for overloading. Thus, the purpose of construction of the weigh bridges was defeated and the expenditure of ₹ 8.00 crore became unfruitful.

In response to the audit observation, the Department stated (July 2020) that one weigh bridge at Transport Nagar and weigh bridges at Fatuha had since been made operational. The Transport Department further stated that one weigh bridge of Transport Nagar was being shifted to Rajauli (Nawada) and weigh bridges of Bihta would be operationalised shortly.

During physical verification of the weigh bridges, Audit noticed that the operational weigh bridges were never put to holistic use as on average only two to three vehicles were weighed per day at these weigh bridges.

Audit also noticed that the Government incurred expenditure of ₹ 75.98 lakh in the form of payment of pay and allowances to Executive Assistants³⁶ which were originally posted for weigh bridge sites but were deployed at STC/DTO Patna office. At DTO office sanctioned strength were already operational.

The Department stated that personnel recruited for weigh bridges were deployed at office of DTO, Patna and Headquarters level as the matter of weigh bridge was pending in Hon'ble Patna High Court. However, the fact is that matter of only one weigh bridge of Transport Nagar was pending in Hon'ble Patna High Court and as such these personnel must have been deployed at other weigh bridges.

³⁶ 16 Executive Assistant in November 2016, 16 Executive Assistants from December 2016 to February 2019 and 15 Executive Assistants from March 2019 to March 2020.

CHAPTER 5
STAMPS AND
REGISTRATION FEES

CHAPTER-5: STAMPS AND REGISTRATION FEES

5.1 Tax administration

The levy and collection of Stamp duty and Registration fees in the State is governed by the provisions of the Indian Stamp Act, 1899, the Registration Act, 1908, the Bihar Stamp Rules, 1991 and the Bihar Stamp (Prevention of Undervaluation of Instruments) Rules, 1995.

The Prohibition, Excise and Registration (Registration) Department is headed by the Inspector General, Registration (IGR). The Department functions under the administrative control of the Secretary of the Registration Department. The IGR is assisted by an Additional Secretary, two Deputy Inspectors General (DIGs) and four Assistant Inspectors General (AIGs) at the Headquarters level. Further, there are nine AIGs at the divisional level. At the field level, 38 District Sub-Registrars (DSRs), 87 Sub-Registrars (SRs) and 26 Joint Sub-Registrars (JSRs) at the districts/primary units are responsible for levy and collection of stamp duty and registration fees.

5.2 Results of audit

During the year 2018-19, Audit test-checked the records of AIG (Registration) Patna. Out of 161 units of the Registration Department, eight units¹ were audited during September and December 2019 while auditing the 'Bihar Society for Computerisation of Registration Offices (BISCORE) and District Society for Computerisation of Registration Offices (DISCORE)' and 1,016 documents were test-checked out of total 3,44,020 documents registered during January 2016 to October 2019. Audit observed short realisation and other irregularities involving ₹ 4.14 crore in five cases during April 2018 to March 2019. Besides, audit of BISCORE and DISCORE revealed irregularities of ₹ 31.73 crore discussed in subsequent paragraphs.

5.3 Illegal provision for collection of service charge in the Bihar Registration Rules, 2008 leading to irregular collection of service charge

The Registration Department illegally made provision for collection of service charge in the Bihar Registration Rules, 2008 and consequently not only collected service charge of ₹ 31.73 crore during 2018-19 by putting undue burden on stakeholders but also kept these in bank accounts instead of the Consolidated Fund of the State.

The Government of Bihar had decided (March 2005) to computerise all the registration offices in the State through System for Computerised Registration (SCORE) software. As per the Bihar Registration Rules, 2008, computerisation was carried out through the State-level society namely Bihar Society for Computerisation of Registration Offices (BISCORE) and one each at the district level namely District Society for Computerisation of Registration Offices (DISCORE). All members of these societies were government officials, where the District Sub Registrar works as Secretary of DISCORE and Inspector General of Registration works as Secretary

¹ Aurangabad, Begusarai, Bettiah, Muzaffarpur, Nalanda, Patna, Sitamarhi and Siwan.

of BISCORE. These societies were registered under the Societies Registration Act, 1860.

Section 69 of the Registration Act, 1908 prescribes the powers of IGR to superintend registration offices and make rules for (a) providing for safe custody of books, papers and documents, (aa) providing the manner in which and the safeguards subject to which the books may be kept in computer floppies or diskettes or in any other electronic form, (b) declaring what language shall be deemed to be commonly used in each district, etc.

Invoking this section, the IGR with the approval of Government of Bihar (State Cabinet) made the Bihar Registration (BR) Rules, 2008 where in provision was made for levy of service charge on the basis of each page of document registered. However, Section 69 of the Act *ibid* did not authorise the IGR to make provision for levy of any service charge and for keeping this amount in bank account of DISCORE. Thus, the provision for levy of service charge was beyond the legislative intent of Section 69 of the Act and hence illegal.

Audit observed during scrutiny of records of IG Registration that DISCOREs² collected ₹ 31.73 crore as service charges during 2018-19 and were kept in the bank accounts of the concerned DISCOREs. Not depositing the collection from service charges into the Consolidated Fund of the State is a violation of Article 266 (1) of the Constitution of India, which provides that all revenue received by the Government of a State shall be credited into the Consolidated Fund of the State.

Thus, the Government of Bihar illegally framed provision for collection of service charge in the Bihar Registration Rules and allowed collection of service charge to finance the Societies (BISCORE and DISCORE) to undertake its core function which resulted in not only bypassing of legislative oversight in financial matter of the State but also undue burden to stakeholders.

The matter was also pointed out in previous Audit report for the year 2017-18. However, the Department has not taken any action and the same irregularity was persisting till date of audit (September 2020).

In reply, the Department stated (February 2020) that the Bihar Registration Rules, 2008 which provided for levy of service charge was formulated following all due process including due concurrence of the Law Department and the Finance Department and approval of the State Cabinet.

Reply of the Department was incorrect as notification was issued invoking Section 69 (1) (a) and (aa) of the Registration Act, 1908 which did not authorise the State Government to levy any service charge and the Department also did not bring this fact to the notice of the State Cabinet while seeking approval on the Bihar Registration Rules, 2008.

² In all 38 Districts.

5.4 Short realisation of Stamp duty and Registration fee due to undervaluation of property

Two Registering Authorities failed to detect undervaluation of properties in two instruments executed during May 2018 to June 2019 which resulted in short levy of Stamp duty and Registration fee of ₹ 90.25 lakh.

As per the Indian Stamp Act, 1899, the consideration/market value of the property and all other facts and circumstances affecting the chargeability of duty is to be fully and truly disclosed in the instrument. In reference to classification of holdings according to Bihar Municipal Property Tax Rules, 2013, where the properties are located on more than one road, Principal Main Road shall prevail over the Main Road i.e. higher category will prevail.

Audit observed (between September and December 2019) during scrutiny of instruments executed during May 2018 and June 2019 that

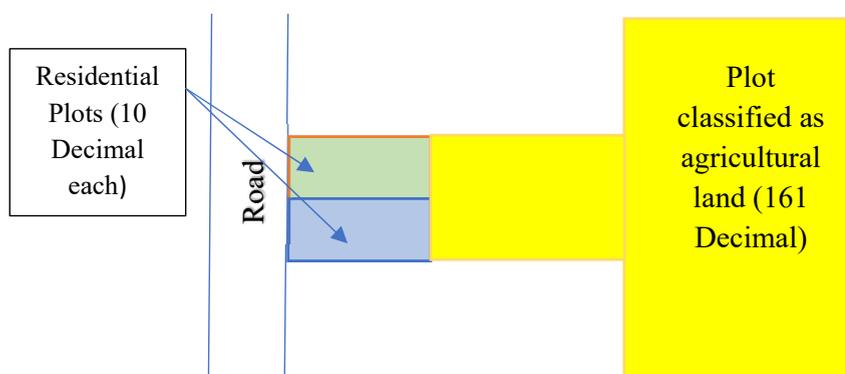
- In one case of sale deed executed under District Sub Registrar (DSR) Patna, the DSR did not detect the splitting of plots for classification of the category under different roads. This led to subsequent misclassification of land as the bigger portion was registered showing them as un-connected from national highway/principal road and thereafter registering the smaller portion adjacent to the bigger portion showing them as situated on national highway/principal road. Both plots were sold by one entity and the same was purchased by single entity through the same deed.

On this being pointed out, the Department replied that audit has treated the whole land (measuring 98 decimal) situated in different *khesras* as situated on Principal Road, although land of *khesra* no. 16 is situated on main road where as land of *khesra* no. 17 is situated on Principal road. The Department further stated that audit incorrectly added value of property of ₹ 7.95 crore twice making the value of property at ₹ 15.89 crore.

The reply of the Department is not acceptable, as both plots were sold through single deed having same seller and same buyer and taking cue from the provisions of classifications relating to properties connected to more than one road, these adjacent plots should have been treated as a single plot connected to road of higher category i.e. principal road, and accordingly stamp duty and registration fee is leviable which resulted in short levy of stamp duty and registration fee of ₹ 44 lakhs.

- In other case of sale deed executed at the DSR Aurangabad, where the DSR considered the classification in three deeds executed by one single purchaser and one seller as three different plots. As a result, two plots of 10 Decimal each were classified as residential plot while the 161 decimal of land adjacent to two residential category plots was classified as an agricultural land. Therefore, these three plots should have been considered as single plot in residential category, as for all the plots buyer and seller are same, and accordingly the stamp duty and registration fee should have been considered on value of ₹ 17.26 crore arrived at on the basis of market value of applicable MVR for residential category instead of consideration

value of ₹ 12.51 crore (two residential and one agricultural), leading to undervaluation of property by ₹ 4.75 crore. This resulted in short levy of stamp duty and registration fee of 46.25 lakh.



On this being pointed out, the Department stated that plot no. 666 (as mentioned in Sale Deed No. 7199 and 7200) was not included in Sale Deed no.7198. Each document contained only one nature of land and none of the *khesra* was categorised in two different categories.

Reply of the Department is not acceptable as it is evident from the documents that these lands were adjacent to each other. In these circumstances, although the lands with different *khesra* numbers situated adjacent to each other should have been treated as one unit rather than in a splitted way, since purchaser of the plots and seller of the plots are same and in this instant case lands were situated within the same boundary. Hence the whole land must be categorised under one category i.e. residential.

These above irregularities resulted in undervaluation of property and consequent short levy of stamp duty and registration fee of ₹ 90.25 lakh as detailed in the **Annexure-13**.

CHAPTER 6
MINING RECEIPTS

CHAPTER-6: MINING RECEIPTS

6.1 Tax administration

Mines and Minerals (Development and Regulation) Act (MMDR Act), 1957, Bihar Minor Mineral Concession Rules (BMMC Rules), 1972 and Mineral Concession Rules (MC Rules), 1960, as amended from time to time, govern mining of minerals in Bihar.

The regulation and development of mines and minerals are administered by the Mines and Geology Department with the Principal Secretary-cum-Mines Commissioner as its head at the Government level. The Director of Mines is the head of the Department and is assisted by one Additional Director of Mines and three Deputy Directors of Mines (DDMs) at the headquarters level.

There are nine Deputy Directors of Mines at Divisional offices. At the district level, 14 District Mining Offices (DMOs) are headed by Assistant Director of Mines/Mining Development Officers whereas Mining Inspectors (MIs) are in-charge of the remaining 24 district mining offices and are responsible for assessment, levy, and collection of royalty and other mining dues. District Collector is the head of the mining administration in the district.

6.2 Results of audit

Audit test-checked records of 15¹ out of 37 units of the Department during 2018-19. Besides, audit of collection of royalty and penalty from works contractors was conducted from September 2019 to January 2020 in six units² and audit of operation of brick kilns was reviewed in another six units³ during September and December 2019. Audit noticed irregularities worth ₹ 1,080.38 crore in 57 cases as detailed in **Table-6.1**:

Table-6.1: Results of Audit			
(₹ in crore)			
Sl. No.	Categories	No. of cases	Amount
1.	Audit on the collection of royalty from works contractors	1	131.48
2.	Non-levy/short levy of auction money due to non-settlement/irregular settlement	6	375.73
3.	Non-realisation of Government revenue due to non-settlement of stone quarries	1	292.94
4.	Non-realisation of Government revenue due to non-settlement of approved stone quarries	1	117.76
5.	Loss of Government revenue due to non-realisation of settlement amount from the settlee of sand ghats/non-levy of fine for continued contravention	6	110.56
6.	Non-adherence of provisions of rules regarding non-levy of penalty for illegal procurement of minerals by works contractors.	1	14.16
7.	Non-realisation of revenue due to non-execution of the settled lease of stone quarry	1	25.68
8.	Others	40	12.07
Total		57	1080.38

¹ **DMOs** – Aurangabad, Bhojpur, Gaya, Gopalganj, Jamui, Lakhisarai, Patna, Purnea, Saharsa, Saran, Sasaram, Siwan, Supaul and Vaishali; **Director of Mines**, Patna.

² Bettiah, Gaya, Jamui, Muzaffarpur, Nawada and Saran.

³ Bhojpur, East Champaran, Madhepura, Madhubani, Patna and Purnea.

The Department accepted short levy, short realisation and other deficiencies of ₹ 716.82 crore in 469 cases between April 2018 and April 2020. Out of these 469 cases, 26 cases involving ₹ 356.34 crore were pointed out during 2018-19 and the rest during earlier years. The Department reported recovery of ₹ 12.04 lakh in five cases. The replies in the remaining cases of 2018-19 and those of earlier years was not received (May 2020).

Audit Findings

6.3 Non-levy of penalty for irregular procurement of minerals by works contractors

Mining Offices failed to ensure non-payment of bills submitted without required Forms 'M' and 'N', and also failed to levy penalty of ₹ 46.42 crore on works contractors for procurement of minerals from unauthorised sources.

The Bihar Minor Mineral Concession (BMMC) Rules, 1972 read with the Mines and Minerals (Development and Regulation) Act, 1957 and direction (January 2016) of the Department require works contractors to procure minerals from authorised lessees/dealers/permit holders and in case of violation, a minimum penalty equivalent to price of the mineral is leviable. The BMMC Rules provide for submission of Form 'M' and 'N'⁴ at the time of submission of bill by the works contractors as token of proof that minerals used were procured from authorised sources. Further, the Mining Department issued (January 2017) direction to the Works Department that in case of non-submission of Forms 'M' and 'N' payment to the works contractors should be stopped.

It shall be the duty of the officer who receives the said bill to send the photocopy of the forms 'M' & 'N' along with challans to the concerned Mining Officer. If the contents of the forms/affidavit on verification by the concerned Mining Officer reveal that the minerals were not purchased from any authorised lessee, it shall be presumed that the concerned minerals were obtained by illegal mining, and in such case the Mining Officer shall take action as prescribed in these Rules against the maker of the affidavit.

Audit observed (between September 2019 and January 2020) in six test-checked District Mining offices⁵ that during the years 2016-17 to 2018-19, 23 works divisions deducted royalty amounting to ₹ 46.42 crore and deposited in Government account (**Annexure-14**) from bills of works contractors who had not submitted the Forms 'M' and 'N'. However, these works divisions neither stopped payment of bills of works contractors nor deducted penalty amounting equal to royalty of ₹ 46.42 crore while making the payment. The works divisions in their reply stated that only royalty was deducted without any penalty. The Mining offices replied that correspondence with concerned works divisions will be made for realisation of penalty.

The Department stated (June 2020) that if the contractors paid the royalty voluntarily, then, as per proviso to Rule 40 (10) of the Rules *ibid* the concerned Mining Officers might not impose penalty. The reply of the Department was incorrect as proviso

⁴ which contains names and addresses of the sellers from whom the minerals were purchased and particulars of minerals.

⁵ Bettiah (West Champaran), Gaya, Jamui, Muzaffarpur, Nawada and Saran.

to Rule 40 (10) of the Rules *ibid* would be applicable only if the works contractor submits affidavits in Form 'M' and 'N', while in the instant case the works contractors did not submit such forms.

Further, Works divisions were required to submit quarterly return as prescribed by the Mining Department (Notification 2016) incorporating project-wise details of the estimated quantity of minor minerals to be used, quantity and types of minerals used, royalty/penalty deducted, etc., for the projects where Forms 'M' and 'N' have not been submitted by the contractor or verified by Division, to District Mining Offices. However, no such quarterly returns were submitted by divisions to Mining offices (Departmental reply June 2020). Further, no follow up action was made by the Mining Department to ensure compliance of this instruction. This resulted in lapse of controls in works divisions as well as Mining Department, at the same time and also increasing the risks of illegal mining activities and its adverse impacts on the environment.

6.4 Non/short realisation of royalty and penalty from brick kiln owners

During brick seasons⁶ 2017-18 and 2018-19, 260 brick kilns were operated without valid permit resulting in non-realisation of ₹ 3.85 crore including leviable royalty and penalty.

As per Rule 26 (A) of the Bihar Minor Mineral Concession (BMMC) Rules, 1972 read with notification (January 2012) of the Mining Department every brick kiln owner has to obtain a permit and is required to pay the consolidated amount of royalty at the prescribed rates (₹ 72,500 for category-III brick kilns situated in rural areas) in two equal installments. If the brick kiln owner fails to make payment of the consolidated amount of royalty in the manner so prescribed, he shall not be allowed to carry on the business. Further, Rule 4 of the Rules *ibid* provides that no person shall undertake mining operation in any area except in accordance with the terms and conditions of a quarrying permit.

As per Section 21(5) of the Mines and Minerals (Development and Regulation) Act, 1957 read with Rule 40 (8) of the Rules *ibid* provides that whenever any person raises without any lawful authority, any mineral from any land, the State Government may recover from such person the minerals so raised or where such minerals have already been disposed of, the price thereof and may also recover from such person rent, royalty or taxes as the case may be. The above interpretation was upheld (August 2015) by the Advocate General on a reference made by the Public Accounts Committee, Bihar.

Further, as per Schedule of Environmental Impact Assessment notification 2016 and O.M. No. L-11011/47/2011-1A.II(M), dated 24.06.2013 issued by Ministry of Environment and Forest, Government of India, environmental clearance is required and essential for excavation of brick earth. Every brick kiln owner has to obtain consent to establish and consent to operate for mining project under Section 21 of Air (Prevention & Control of Pollution), Act, 1981 from State Pollution Control Board.

⁶ Brick season is from October to June of the year.

Audit observed (October 2019) during scrutiny of files relating to brick kiln, permit register and demand, collection and balance register, etc., in District Mining Office, Motihari that 230 and 341 brick kilns were operated during brick seasons 2017-18 and 2018-19 respectively. Out of this, 228 and 340 brick kilns were operated without valid permits as only two and one permit was issued during 2017-18 and 2018-19 respectively. Audit further observed that 95 and 165 brick kilns were operated without even paying royalty during 2017-18 and 2018-19 respectively. Although, the Mining Officer, who was the permit issuing authority as well, had knowledge of the operation of the brick kilns without permit and payment of royalty as evident from the inspection reports, he neither issued notices of demand to realise royalty and penalty nor initiated any action to close these brick kilns. The inaction on the part of the Mining Officer resulted in non-realisation of royalty and penalty of ₹ 3.85 crore⁷ from 260 illegally operative brick kilns. Moreover, illegal operation of brick kilns certainly raises the risk of adverse impact on the environment.

In response to the audit observation, the Department stated (June 2020) that certificate cases had since been instituted for recovery of outstanding arrears of ₹ 2.74 crore and reported recovery of ₹ 2.46 lakh. However, the Department did not reply as to whether operation of these brick kilns were stopped as stipulated in Rule 26 A of the BMMC Rules.

6.5 Non realisation of interest from lessees of stone quarry and sand ghat

Failure of Mining Officers to levy interest on delayed/non-payment of royalty (settlement amount), which resulted in the non-realisation of ₹ 41.85 lakh.

Rule 9 A of the BMMC Rules, 1972, provides that any mineral may be leased out or settled by public auction/tender in the manner prescribed under Rule 52. As per Rule 52 (1), (4), and (5) of the Rules *ibid*, the bid amount shall be deposited on a yearly basis in equal installment, and each installment shall be deposited before 31st January. In case of auction of sand *ghat*, the due installment of each year shall be paid in three installments⁸. If any installment is not deposited before the prescribed period, simple interest at the rate of 24 *per cent* per annum shall be charged up to two months, and after that action for cancellation shall be taken. Further, clause 4 of a model form of mining lease for minor mineral prescribed under Rule 21 of the BMMC Rules provides that the lessee shall be liable to pay interest at the rate of 15 *per cent* per annum on any amount remaining payable to the State Government.

Audit observed (November 2019) from scrutiny of files of leases of stone quarries and sand ghats in two DMOs⁹ that one lease of stone quarry was executed in August

⁷ (₹ in lakh)

Year	Royalty			Penalty			Total of outstanding royalty and penalty
	Leviable	Levied	Short	Leviable	Levied	short	
2017-18	75.25	2.20	73.05	68.88	0	68.88	141.92
2018-19	124.42	0.80	123.62	119.63	0	119.63	243.24
Total	199.67	3	196.67	188.51	0	188.51	385.16

⁸ 1st installment before 15th December of the previous year, 2nd installment before 15th April and 3rd installment before 15th September.

⁹ Gaya and Nawada.

2015 and another lease for sand ghat was executed for five years (2015-19). The leaseholder of the stone quarry had to pay ₹ 7.40 crore as installment amount of each year before 31st January 2017 and 31st January 2018 respectively. However, the leaseholder paid installment amount with delays ranging between six to 37 days. Similarly, the leaseholder of the sand *ghat* had paid due installments with delays ranging between two to 90 days. Though the fact of delayed deposit of royalty was known to the concerned Mining Officers, inspite, they did not levy an interest of ₹ 41.85 lakh as detailed in **Annexure-15** for delayed payments.

In response to the audit observation, the Department stated (June 2020) that in case of DMO Nawada, notice of demand for ₹ 24.43 lakh had since been issued (February 2020) to the lessee of the sand *ghat*. The Department further stated that in case of DMO Gaya, security deposit of the lessee was forfeited, however, the Departmental reply is silent about realisation of due interest.

Patna
The 20 June 2021


(RAMAWATAR SHARMA)
Accountant General (Audit), Bihar

Countersigned

New Delhi
The 23 June 2021


(GIRISH CHANDRA MURMU)
Comptroller and Auditor General of India

ANNEXURES

ANNEXURE -1
(Refer Paragraph:2.3.2)
Suppression of purchase turnover

Sl. No.	Name of the Circle	Name of the dealer/ TIN	Period	Commodity/ Rate (in per cent)	Actual purchase	purchase accounted for	Value Suppressed	Tax	Penalty Interest	Total	Difference found in
1	Patliputra	M/s Tafe Motors & Tractors Ltd./ 10050327044	2016-17	Tractors, Threshers, Harvesters & spare parts 5	1761764626	1728567260	33197366	2006781	<u>6020343</u> 903051	8930175	RT-III and Suvidha
		M/s Sony India (P) Limited/ 10050067084	2016-17	IT products 14.5 & 5	1734083060	1718087652	15995408	2218563	<u>6655689</u> 1014993	9889245	RT-III and Suvidha
		Total			3495847686	3446654912	49192774	4225344	<u>12676032</u> 1918044	18819420	

(Amount in ₹)

ANNEXURE -2
(Refer paragraph :2.4)
Short levy of tax due to incorrect availing/claim of deduction

Sl. No.	Name of the circle	Name of the dealer/TIN	Period	Item of inadmissible deduction	Rate (in Per cent)	Amount of such deduction	Allowance deduction	Excess deduction allowed on which tax is leviable	Tax on excess deduction claimed/ allowed	Interest	Total
1	Patliputra	M/s Sony India (P) Limited/ 10050067084	2016-17	Schedule-I goods	5,14.5 & 15	34674075	22990381	11683694	1620528	741391	2361919
		M/s Panasonic India Private Limited/ 10051222031	2016-17	Schedule-I goods	5,6,14.5 & 15	30297340	24232909	6064431	680429	316399	996828
		M/s Phillips India Limited/ 10050266031	2016-17	Schedule-I goods	6,14.5 & 15	31858718	24602561	7256157	1035453	481486	1516939
2	Patna Special	M/s Proctor & Gamble Home Product L/ 10010196010	2016-17	Schedule-I goods	15	62716123	17716123	4500000	6750000	2683125	9433125
		M/s VIP Industries Limited/ 10010073014	2016-17	Schedule-I goods	14.5 & 15	33539347	30188749	3350598	495004	196764	691768
		M/s Intas Pharmaceuticals Ltd./ 10010194070	2016-17	Schedule-I goods	5 & 6	12040288	0	12040288	678350	279819	958169
		Total				205125891	119730723	85395168	11259764	4698984	15958748

ANNEXURE -3
(Refer paragraph:2.5 1st bullet)
Non/Short Payment of admitted tax and interest

		(Amount in ₹)						
Name of the Circle	Name of the dealer/TIN	Period	Tax payable	Tax paid	Short payment	Interest	Total	
1	Patliputra M/s Guinea Moters Pvt. Ltd./ 10050098027	2016-17	64821721	58047649	6774072	3149943	9924015	
2	Patna Special M/s VST Industries Limited/ 10010573049	2016-17	486134529	472740350	13394179	5525099	18919278	
Total			550956250	530787999	20168251	8675042	28843293	

ANNEXURE -4
(Refer paragraph:2.5 2nd bullet)
Non/Short Payment of admitted tax and interest

Sl. No.	Name of the Circle	Name of the dealer/TIN	Year	Tax Payable	Amount of tax paid with delay	Delay in days	Interest leviable
1	Patna Special	M/s South Bihar Distribution Company Ltd./ 10011238081	2016-17	220815656	26267345	6 to 356 days	1028962
		M/s Bharat Petroleum Corporation Lt./ 10010121029	2016-17	12914232367	5234726966	15 to 714 days	42815395
		Total		13135048023	5260994311		43844357

ANNEXURE -5
(Refer paragraph:2.6)
Interest not levied on delayed payment of entry tax

		(Amount in ₹)							
Sl. No.	Name of the Circle	Name of the dealer/TIN	Year	Tax Payable	Amount of tax paid with delay	Delay in days	Interest payable	Interest paid	Interest leviabale
1	Patliputra	M/s Guinea Motors Pvt. Ltd./ 10050098027	2016-17	19197225	27474291	2 to 251 days	660826	149837	510989
2	Patna Special	M/s Bharat Petroleum Corporation Lt/ 10010121029	2016-17	4163267920	2449921055	13 to 16 days	18225654	0	18225654
		M/s Ahluwalia Contract (India) Limited/ 10011073014	2016-17	25318921	16059086	7 to 156 days	400759	0	400759
		Total		4207784066	2493454432		19287239	149837	19137402

ANNEXURE -6
(Refer: paragraph -3.3.2)
Non-remittance of establishment charges into the consolidated fund of the State

Sl. No.	District	Name of Project	No. of Mauza	Period of approval of estimate	Gross Estimated cost	Compensation Amount	Gross Fund Received	Realisable amount of Establishment charge	Establishment charge proportional to gross fund receipt	Establishment charge deposited	Balance amount of Establishment charges	Balance Amount	Balance amount kept in PD/ Bank
1	Gaya	NH-02	53	April 2015- May-2015	2005674193	1664885351	1613955565	333397476	268283210.5	115612640	152670570.5	972307902	IndusInd Bank
2		Muchlind Sarovar Vistar Yojna	1	Aug-16	116647226	97038731	116647226	19407746	19407746	0	19407746	104705345	PD Account
3		Nh-83 (Patna-Gaya-Dobhi)	51	Jan-2016 to May-2017	4641304548	3856067077	6320603696	771213416	771213416	265524367	505689049	4222031277	IndusInd Bank
4		Bandhua to Paimar Flyover	13	Jan-2018 to Oct-2018	480870436	463215731	518626607	15346120	15346120	0	15346120	465577363	PD Account
5		BSF Quarter Nirman	2	2017	262789548	217913905	262789548	43582781	43582781	659738	42923043	64136355	PD Account
6	Khagaria	Rupauli Nauranga Families rehabilitation and resettlement	1	Oct-14	45575045	37818440	45575045	7563688	7563688	0	7563688	7756605	PD Account
7		Resettlement of naya gaon of affected families	1	Sep-17	26958535	22363153	26095010	4472631	4329365.474	0	4329365.474	6943846	PD Account
8		Collector Residence	2	Oct-2017 to Nov-2017	165699271	137466714	137458895	27493343	22807611.2	0	22807611.2	75493563	PD Account

9	Saharsa	Hathi Kothi se biraal path	2	Oct-18	56770061	55355385.57	83219260	1107108	0	1107108	33823265	PD Account
10		33/11 Vidyut shakti upkendra	2	July 2013 to November 2013	5567309	4620000	5567272	924009.859	0	924009.859	2867272	PD Account
11		132/33 Kv power sub station	1	Apr-18	25374371	21056003.84	35992011	4211200	0	4211200	22676508	PD Account
12		33/11 Kv powerstation	1	Jul-13	2044391	1696440	2055072	339318	0	339318	383952	PD Account
13		Matsyagandha Jalashay Project	4	December 2009 To June 2013	11857833	9753146	15634226	2053544	950199	1103345	6718707	PD Account
14		Simari baktiyarpur SDO Bhawan Nirman	1	Oct-13	24800726	20578890	17828531	2959092.231	0	2959092.231	305624	PD Account
15		NH-107	10	Dec-18	513501071	500866655	562851707	10017688	0	10017688	413884596	IndusInd Bank
16		Approach road at river Koshi between baluwaha ghat and gandaul	6	August-2013 to May-2015	258302067	214444169	283664406	42911406	0	42911406	118569201	PD Account
17	Saran	Gandak nadi par RCC pul cum pahunch path nirman	7	Feb-2019 to July-2019	132658245	129338021	200000000	2586761	0	2586761	194100000	PD Account
18		Digha Sonepur Rail cum approach road	4	June-2018 to November-2108	686200386	646454629	624600000	32839879.38	0	32839879.38	285200000	Axis Bank
19		Chhapra-Muzaffarpur new badi rail line	10	March-2018 to September-2019	1588983334	1540258458	2057359306	40611923	0	40611923	1806100000	Different Bank
		Total			11051578596	9641190899	12930523383	1367435139	382746944	910348924	8934313618	

ANNEXURE -7
(Refer: paragraph. 3.3.3 1st bullet)
Incorrect calculation of additional compensation in estimates

Sl. No.	Name of the district	Name of the project	Name of Mauja	Period between which estimate was approved	Date of Notification	Date of possession	Period during which notification of the social impact analysis was published	Market value of the land on which additional compensation was to be calculated Value on which additional compensation was calculated	Days for which additional compensation is leviable Period for which additional compensation was levied	Additional compensation leviable Additional compensation levied	Excess calculation of additional compensation		
1	Patna	Bakhitiyarpur Khagaria NH 31	Dariyapur	November 2016	06 July 2013	29-Jan-16	Not applicable	22947018	973	7068939	964812		
			Murarpur	November 2016	20-May-13	29-Jan-16	Not applicable	22947018	1065	8033751	368088		
			Auta	November 2016	20-May-13	29-Jan-16	Not applicable	13841469	984	4477810	848140		
			Dharampur	November 2016	20-May-13	29-Jan-16	Not applicable	13841469	1065	4845898	42912		
			Karjan	December 2016	6-Jan-13	8-Aug-15	Not applicable	31893200	944	10317669	1952365		
			Chanda	November 2016	6-Jul-13	29-Jan-16	Not applicable	31893200	1096	11165809	302580		
			Madhopur	December 2016	6-Jan-13	13-Aug-15	Not applicable	1613642	949	522024	1658882		
			Bihari Bigha	December 2016	6-Jan-13	13-Aug-15	Not applicable	1613642	1096	564936	1083037		

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2	Saran	GandankNadi per RCC Pul cum Pahuch Path Nirman	Lakhanpur	March 2019				From 18.08.17 to 28.02.19	<u>788575</u> 1577149	18 Month	<u>141943</u> 283887	141943
			Semri	February 2019				From 18.08.17 to 28.02.19	<u>2405301</u> 4810602	18 Month	<u>432954</u> 865908	432954
			Bairagibhuie	February 2019				From 05.08.17 to 04.02.19	<u>1959605</u> 3919209	12 Month	<u>235153</u> 470305	235153
			PakriNarottam	July 2019				From 18.08.17 to 04.07.19	<u>3207647</u> 6415293	23 Month	<u>737759</u> 1475517	737759
			Belaur	July 2019				From 18.08.17 to 04.05.19	<u>13635044</u> 27270089	21 Month	<u>2863359</u> 5726719	2863359
			Bagdiha	February 2019				From 18.08.17 to 28.02.19	<u>378817</u> 757633	18 Month	<u>68187</u> 136374	68187
			Bijauli	February 2019				From 05.08.17 to 04.02.19	<u>5239093</u> 10478186	12 Month	<u>628691</u> 1257382	628691
			Vishumpura	July 2019				from 08.12.15 to 07.01.2019	<u>123996287</u> 154995359	37 Month	<u>45878626</u> 57348283	11469657
			Parsa	September 2019				from 04.11.17 to 04.09.19	<u>16928591</u> 33857182	22 Month	<u>3724290</u> 7448580	3724290
			Bariyarpur	September 2019				from 04.11.17 to 04.09.19	<u>10395513</u> 20791026	22 Month	<u>2287013</u> 4574026	2287013
			Hela	September 2019				from 04.11.17 to 04.09.19	<u>4537634</u> 9075267	22 Month	<u>998279</u> 1996559	998279

	Arana	September 2019				from 04.11.17 to 04.09.19	3218136 6436271	22 Month	707990 1415980	707990
	Pachlakh	September 2019				from 04.11.17 to 04.09.19	2718040 5436080	22 Month	597969 1195938	597969
	Basatpur	July 2019				from 05.08.17 to 04.02.19	41076419 82152839	18 Month	7393755 14787511	7393755
	Sirshabali	February 2019				from 05.08.17 to 04.02.19	17937357 35874715	18 Month	3228724 6457449	3228724
	Govindchak	November 2018				From 25.11.16 to 06.11.18	68519198 126760519	24 Month	16444607 30422525	13977917
	Karnpura	June 2016				Not applicable	20360399 27303601	24 Month	4886496 6552864	1666368
	SadhpurChhatar	June 2016				Not applicable	16014924 29948148	24 Month	3843582 7187556	3343974
	Banwar	July 2016				Not applicable	13922600 13967000	24 Month	3341424 3352080	10656
	Maki	May 2016				Not applicable	29019808 29440208	24 Month	6964754 7065650	100896
	Repura	June 2016				Not applicable	19807001 24667186	24 Month	4753680 5920125	1166445
	Hela	November 2016				Not applicable	6528020 7829564	24 Month	1566725 1879095	312370
	Takiya	April 2016				Not applicable	1456289 2792079	24 Month	349509 670099	320590
	Katsa	April 2016				Not applicable	4339116 4969778	24 Month	1041388 1192747	151359
	Garkha	May 2016				Not applicable	32535374 32925221	24 Month	7808490 7902053	93563

ANNEXURE -8
(Refer: paragraph 3.3.3 2nd bullet)
Incorrect calculation of additional compensation in estimates

Sl. No.	Name of the district	Name of the project	Name of Mauja	Period between which estimate was approved	Period during which notification of the social impact analysis was published	Market value of the land on which additional compensation to be calculated Value on which additional compensation was calculated	Days for which additional compensation is leviable Period for which additional compensation was levied	Additional compensation leviable Additional compensation levied	short calculation of additional compensation
1	Saran	Madhaura Locomotive Factory	Wajidbohra	May 2016	NA	43312766	From 23-04-2008 to 31-12-2013 (68 Months)	<u>29452681</u> 0	29452681
			Talpuraiyna	May 2016	NA	51293189	From 23-04-2008 to 31-12-2013 (68 Months)	<u>34879369</u> 0	34879369
			Wajidbohra	May 2016	NA	78948800	From 01-01-2014 to 14-08-2015 (20 Months)	<u>15789760</u> 0	15789760
			Talpuraiyna	May 2016	NA	120559600	From 01-01-2014 to 14-08-2015 (20 Months)	<u>24111920</u> 0	24111920
		ChapraMuzaffarpur New Rail line	Sherpur	March-2018	NA	<u>13352573</u> 13352573	24 Months	<u>3204617</u> 1068206	2136411
		DighaSonapur Rail approach road	Chausiya	June-2018	25.11.16 to 09.07.18	<u>48471009</u> 48471009	19 Months	<u>9209492</u> 3877681	5331811
			Kharika	July-2018	25.11.16 to 09.07.18	<u>16381600</u> 16381600	19 Months	<u>3112504</u> 1310528	1801976
			Sultanpur	June-2018	25.11.16 to 09.06.18	<u>10688775</u> 10688775	18 Months	<u>2988024</u> 1328011	1660014

Sl. No.	Name of the district	Name of the project	Name of Mauja	Period between which estimate was approved	Period during which notification of the social impact analysis was published	Market value of the land on which additional compensation was to be calculated Value on which additional compensation was calculated	Days for which additional compensation is leviable Period for which additional compensation was levied	Additional compensation leviable Additional compensation levied	short calculation of additional compensation
2	Muzaffarpur	NH-102	Sadipur	February-2015	NA	13966194 13966194	29 Months	4050196 1638235	2411961
			Marwanbhoj	April-2015	NA	385320 385320	29 Months	111743 57143	54600
			Pokhraira	May-2015	NA	14803945 14803945	29 Months	4293144 2339023	1954121
			Akhtiyarpur	Jan-2016	NA	1705041 1705041	29 Months	494462 372211	122251
			PakuhiKhas	Nov-2015	NA	6082375 6082375	29 Months	1763889 902016	861873
			Unser	Oct-2018	NA	32381102 32381102	607 days	6462026 5297548	1164478
		NH-527C	Basghatta	Nov-2018	NA	39752086 39752086	726 days	9488224 6304681	3183543
			Khangauradih	Oct-2018	NA	6323003 6323003	684 days	1421896 1002829	419068
			Borwara	Oct-2018	NA	884847 884847	602 days	175127 140336	34791
			Jajuar	March-2019	NA	135389010 135389010	745days	33161034 22149642	11011392
			Ramnagar	Oct-2018	NA	32156352 32156352	725 days	7664665 5260779	2403886
			Chakmahiuddin	May-2018	NA	5978388 5978388	595 days	1169471 948172	221299

Sl. No.	Name of the district	Name of the project	Name of Mauja	Period between which estimate was approved	Period during which notification of the social impact analysis was published	Market value of the land on which additional compensation was to be calculated Value on which additional compensation was calculated	Days for which additional compensation is leviable Period for which additional compensation was levied	Additional compensation leviable Additional compensation levied	short calculation of additional compensation
			Nagwara	May-2018	NA	<u>12810421</u> 12810421	725 days	3053443 2031733	1021710
			HasnaGadhi	Oct-2018	NA	<u>15015254</u> 15015254	597 days	2947104 2456496	490608
			Bhusra	May-2018	NA	<u>29215615</u> 29215615	602 days	<u>5782290</u> 4633597	1148694
			Devgan	May-2018	NA	<u>525820</u> 525820	626 days	<u>108218</u> 83395	24823
			Rajdihur f Salempur	June-2018	NA	<u>24515317</u> 24515317	598days	<u>4819779</u> 3888129	931649
			Katra	June-2018	NA	<u>34373388</u> 34373388	633 days	<u>7153432</u> 5623486	1529945
			Dhanaur	June-2018	NA	<u>53730819</u> 53730819	630 days	11128904 8790362	2338542
			Saidpur	June-2018	NA	<u>28897791</u> 28897791	633 days	<u>6013907</u> 4727679	1286229
			Vishunpur	May-2018	NA	<u>9491408</u> 9491408	612 days	<u>1909723</u> 1505337	404386
			Pahsaul	May-2018	NA	<u>15315746</u> 15315746	630 days	<u>3172248</u> 2429077	743170
			Tambolia	June-2018	NA	<u>9070251</u> 9070251	595 days	<u>1774290</u> 1483893	290397
			RaghopurMajha	June-2018	NA	<u>1662281</u> 1662281	602 days	328995 271949	57046

Sl. No.	Name of the district	Name of the project	Name of Mauja	Period between which estimate was approved	Period during which notification of the social impact analysis was published	Market value of the land on which additional compensation was to be calculated Value on which additional compensation was calculated	Days for which additional compensation is leviable Period for which additional compensation was levied	Additional compensation leviable Additional compensation levied	short calculation of additional compensation
			BazidpurMajha	June-2018	NA	11933429 11933429	597 days	2342222 1952309	389913
			Bahlolpur	June-2018	NA	7198199 7198199	602 days	1424652 1177625	247026
			Ram Khangura	May-2018	NA	11871669 11871669	645 days	2517444 1882847	634598
3	Saharsa	Approach road on Koshi river b/w baluwahaghat to Gandaul	Pranpur	Oct-2013	NA	11051331 11051331	316 days	1148127 0	1148127
			Thanvar	Oct-2013	NA	18474005 18474005	304 days	1846388 0	1846388
			Belahi	Oct-2013	NA	14226328 14226328	250 days	1169287 0	1169287
			Badhwah hat	May-2015	NA	20045605 20045605	175 days	1153309 0	1153309
			Khiroh	Nov-2013	NA	16825709 16825709	211 days	1167197 0	1167197
			Gandaul	August-2013	NA	62702 62702	358 days	7380 0	7380
			Atlakha	May 2015	NA	362165 362165	1001 days	119187 0	119187
		RCC Pul at 14 th Km. of Sonarsa Gwalpara Project	Paita	July 2013	NA	1125000 1125000	235 days	86918 0	86918
		Construction of vidut Sub station	Gwalpara	Nov 2013	NA	800000 800000	235 days	61808 0	61808

Sl. No.	Name of the district	Name of the project	Name of Mauja	Period between which estimate was approved	Period during which notification of the social impact analysis was published	Market value of the land on which additional compensation was to be calculated Value on which additional compensation was calculated	Days for which additional compensation is leviable Period for which additional compensation was levied	Additional compensation leviable Additional compensation levied	short calculation of additional compensation
		Construction of Sub Divisional Office in Simri Bakhtiyarpur	Madhuban	Oct 2013	NA	8574537 8574537	386 days	1088144 0	1088144
		Matashyagandha Jalashay Project	Gowargra	Dec 2009	NA	853608 1280412	906 days	254258 153650	100608
			Aguwampur	Dec 2009	NA	681630 1022445	906 days	203033 122693	80340
			Sahpur	Dec 2009	NA	94719 142079	906 days	28213 17050	11163
					Total				158585797

ANNEXURE -9
(Refer: paragraph-4.3.10)

Deficiency in system of registration of Vehicles at dealer point

Sl. No.	Name of DTOs	No. of dealer	No. of vehicle test checked	No. of vehicle sold by authorised dealer			Tax paid between	Vehicle sold between	Delay in days	Temporary registration tax leviable for 2 wheeler at the rate of ₹50	Temporary registration tax leviable for 3 wheeler/ LMV at the rate of ₹100	Temporary fee leviable at the rate of ₹20	Total
				Two wheeler	Three wheeler	LMV & other							
1	Arawal	6	1109	1040	17	12	04/18 to 03/19	01/18 to 03/19	01 to 190	52000	2900	21380	76280
2	Aurangabad	28	10236	9385	231	620	03/18 to 03/19	02/17 to 03/19	01 to 766	469250	85100	204720	759070
3	Begusarai	33	26590	22890	78	1526	02/18 to 04/19	03/17 to 03/19	02 to 639	1144500	160400	489880	1794780
4	Bhagalpur	52	19639	17730	340	1241	02/18 to 03/19	10/17 to 03/19	02 to 512	886500	158100	386220	1430820
5	Darbhanga	44	28471	22078	403	811	02/18 to 04/19	03/16 to 03/19	01 to 783	1103900	121400	465840	1691140
6	East Champaran	29	30267	29455	209	600	03/18 to 03/19	12/15 to 03/19	01 to 1110	1472750	80900	605280	2158930
7	Gaya	54	40012	37172	215	1650	02/18 to 04/19	08/16 to 03/19	01 to 772	1858600	186500	780740	2825840
8	Kaimur	6	3349	3306	0	0	04/18 to 03/19	03/17 to 03/19	01 to 550	165300	0	66120	231420
9	Muzaffarpur	28	73924	60972	0	7222	02/18 to 05/19	03/17 to 03/19	01 to 724	3048600	722200	1363880	5134680
10	Nalanda	45	23199	22564	257	315	02/18 to 03/19	01/18 to 03/19	01 to 368	1128200	57200	462720	1648120
11	Patna	72	83160	75504	30	15721	02/18 to 03/19	08/14 to 03/19	01 to 1402	3775200	1575100	1825100	7175400

Sl. No.	Name of DTOs	No. of dealer	No. of vehicle test checked	No. of vehicle sold by authorised dealer				Tax paid between	Vehicle sold between	Delay in days	Temporery registration tax leviable for 2 wheeler at the rate of ₹50	Temporery registration tax leviable for 3 wheeler/ LMV at the rate of ₹100	Temporery fee leviable at the rate of ₹20	Total
				Two wheeler	Three wheeler	LMV & other	Total							
12	Purnia	28	31056	27168	631	3196	30995	03/18 to 02/19	03/13 to 02/19	01 to 1997	1358400	382700	619900	2361000
13	Sheohar	4	1952	1944	0	0	1944	04/18 to 03/19	03/17 to 03/19	01 to 596	97200	0	38880	136080
14	Siwan	28	33482	31821	27	1327	33175	02/18 to 03/19	03/17 to 03/19	01 to 530	1591050	135400	663500	2389950
15	Vaishali	31	31672	22949	0	1240	24189	02/18 to 04/19	02/17 to 03/19	01 to 414	1147450	124000	483780	1755230
	Total	488	438118	385978	2438	35481	423897				19298900	3791900	8477940	31568740

ANNEXURE -10
(Refer paragraph-4.3.13.1)
Non levy of Road Safety Cess for renewal of DLs due to non-mapping of RSC in SARATHI software

Sl. No.	Name of DTOs	Renewal of DL (₹100+₹150)	Renewed between 01/09/16 and 31/03/2019		RSC leviable
			Sep-16	Mar-19	
1	Arawal	446	Sep-16	Mar-19	111500
2	Aurangabad	2834	Sep-16	Mar-19	708500
3	Begusarai	7025	Sep-16	Mar-19	1756250
4	Bhagalpur	1665	Sep-16	Mar-19	416250
5	Darbhanga	3216	Sep-16	Mar-19	804000
6	East Champaran	2681	Sep-16	Mar-19	670250
7	Gaya	7954	Sep-16	Mar-19	1988500
8	Kaimur	2016	Sep-16	Mar-19	504000
9	Muzaffarpur	8567	Sep-16	Mar-19	2141750
10	Nalanda	1481	Sep-16	Mar-19	370250
11	Patna	33174	Sep-16	Mar-19	8293500
12	Purnia	4776	Sep-16	Mar-19	1194000
13	Sheohar	771	Sep-16	Mar-19	192750
14	Siwan	5252	Sep-16	Mar-19	1313000
15	Vaishali	9880	Sep-16	Mar-19	2470000
	Total	91738			22934500

ANNEXURE -11
(Refer to Para 4.3.16)
Fitness certificate of vehicles not renewed

Sl. No.	Name of DTOs	Period of validity of fitness		No. of vehicle registered	Period of tax paid		No. of vehicles for which fitness were expired		Fitness renewal fee at the rate of ₹200	Testing fee at the rate of ₹400 and ₹600	Period of delay (in days)	Fine at the rate of ₹50 per day	Total
		From	To		From	To	OTT	Annual					
1	Arawal	Mar-17	Jan-20	2608	Mar-10	Jul-36	853	10	863	345600	03 to 1050	15667400	16185600
2	Aurangabad	Jan-17	Oct-19	12315	Aug-02	Jan-37	6671	423	7094	2851600	03 to 1033	175073600	179344000
3	Begusarai	Jan-17	Jun-19	19775	Apr-90	Jul-32	5256	609	5865	2359200	31 to 941	124875700	128407900
4	Bhagalpur	Jan-17	Jul-19	12775	Apr-03	Nov-35	4974	47	5021	2017800	03 to 941	112243900	115265900
5	Darbhanga	Jan-17	Jun-19	26778	Mar-99	May-37	7749	201	7950	3187600	03 to 910	179095000	183872600
6	East Champaran	Jan-17	Sep-19	18769	Apr-03	Jan-37	6969	187	7156	3024600	30 to 1032	204514850	208970650
7	Gaya	Jan-18	Apr-19	18472	Dec-06	May-33	5677	1151	6828	3060600	03 to 479	72397800	76824000
8	Kaimur	Jan-17	Oct-19	10319	May-03	Sep-37	2775	279	3054	1232200	15 to 1048	80432450	82275450
9	Muzaffarpur	Jan-17	May-19	78572	Jan-10	Oct-36	9452	1299	10751	4343200	30 to 910	261167250	267660650
10	Nalanda	Jan-17	Nov-19	14091	Nov-95	Jul-37	5268	432	5700	2298400	15 to 1078	125312700	128751100
11	Patna	Jan-18	Mar-19	45000	Jul-09	Dec-36	8671	2127	10798	5095800	03 to 425	114449800	121705200
12	Purnia	Mar-18	Mar-19	20858	Jan-10	Sep-29	6417	514	6931	3013800	03 to 377	65335300	69735300
13	Saran	Jan-17	Aug-19	15775	Oct-04	Jun-37	3920	334	4254	1872600	03 to 972	97571200	100294600
14	Sheohar	Jun-17	Jan-20	478	Feb-12	Sep-31	319	1	320	128200	05 to 956	7338400	7530600
15	Siwan	Feb-17	Dec-19	10012	Sep-11	Jun-33	4200	76	4276	1710400	03 to 1046	66956100	69521700
16	Vaishali	Jan-17	May-19	12978	Sep-02	Jun-32	4559	388	4947	1995600	03 to 880	110827700	113812700
			Total	319575			83730	8078	91808	38537200		1813259150	1870157950

ANNEXURE-12
(Refer paragraph -4.3.17.2)
Delivery of Certificate of Registration without realisation of tax

Sl. No.	Name of DTOs	Vehicle Class						No. of vehicles test checked	Registered between		Delivery of certificate of registration between	Tax due	Fine due	Total			
		Tractor	3 wheeler	LGV	Motor Cab	Motor Car	E -rickshaw		Total Vehicle	Registered between					Registered between		
1	Arawal	1	2	1	0	0	0	0	4	1408	Apr-16	Jul-16	Feb-18	Sep-19	71050	142100	213150
2	Aurangabad	0	0	0	1	0	0	0	1	390	Jun-16	Jun-16	Apr-18	Apr-18	57325	114650	171975
3	Begusarai	7	2	0	2	0	0	0	11	6598	Jan-16	Oct-18	Jun-17	Sep-18	356870	713740	1070610
4	Darbhanga	1	2	1	0	0	0	0	4	12838	Jan-18	Sep-18	Apr-18	Sep-18	54999	109999	164998
5	East Champaran	17	0	0	0	0	0	1	18	9227	Jan-17	Nov-18	Mar-18	Apr-19	380195	760390	1140585
6	Gaya	6	2	2	0	0	0	0	10	9345	Jul-16	Jul-18	Feb-18	Apr-19	180137	360274	540411
7	Kaimur	16	0	0	0	0	0	0	16	4269	Jul-16	Dec-17	Oct-16	Oct-18	340382	680764	1021146
8	Muzaffarpur	47	4	4	4	16	0	0	75	27636	Aug-17	Mar-19	Mar-18	Jun-19	2459790	2808220	5268010
9	Nalanda	8	0	0	0	0	0	0	8	4643	Jan-16	Aug-16	Jul-18	Dec-18	170357	340714	511071
10	Patna	9	1	4	5	0	0	4	23	35452	May-16	Mar-19	Aug-16	Jul-19	455670	911340	1367010
11	Purnia	1	1	1	0	0	0	0	3	12375	Aug-17	Dec-18	Jun-18	Dec-18	40123	80246	120369
12	Sheohar	2	0	0	0	0	0	0	2	1798	Oct-15	Jul-16	Sep-17	Feb-18	39512	79024	118536
13	Siwan	0	1	4	0	0	0	0	5	3874	Mar-15	Dec-16	May-18	Apr-18	68500	137000	205500
	Total	115	15	17	12	16	5	180	129853						4674910	7238461	11913371

ANNEXURE-13
(Refer: Para No.-5.4)
Short realisation of stamp duty and registration fee due to undervaluation of property

Sl no.	Name of the District Registrar /Sub Registrar	No. of deed/ type	Date of registration	Area of land Valuation of property as per sale deeds	Actual Value of land as per MVR including structure on land if any	Stamp Duty			Registration fee at the rate of two per cent			Total short realisation	Remarks
						Leviable	Paid	Short paid	Leviable	Paid	Short paid		
1	2	3	4	5	6	7	8	9	10	11	12	13 (Col.9+12)	14
1.	DSR/Patna	1/sale	26.06.19	1589000000	1725500000	13804000	10005000	3799000	3451000	2502000	949000	4400000	As per recital of the document entire land of 98 decimal land was situated on principal road and bought for commercial purpose whose market value was ₹ 17.26 crore, however, the DSR calculated SD and RF on consideration value of ₹ 12.51 crore only in spite of the fact that valuation as per recital was ₹ 15.89 crore. This resulted into short levy of SD and RF
2	DSR/Aurangabad	1/Sale	24.05.15	14364000	75222000	4287654	818748	3468906	1429218	272916	1156302	4625208	219.5 decimal of land was registered on 24 May 2018 as three sell deeds. Of this 199.5 decimal of land was a single plot which was split in three parts. Bigger portion 161 decimal was shown as agriculture category whereas smaller portion adjacent to main road was shown as residential category. In all three cases of sale deeds both buyer and seller were same person. Thus it is evident that land was split with a view to evade higher valuation which resulted in short levy of SD and RF
Total												9025208	

**ANNEXURE -14
(Refer: Paragraph- 6.3)**

Non-levy of penalty for irregular procurement of minerals by works contractors

(Amount in ₹)

Sl. No	Name of the Mining Office	Name of the works division	Period	Amount of royalty deducted	Penalty leviable equivalent to royalty
1	Bettiah	EE, Water Drainage Division, Bettiah	2017-18 to 2018-19	63,14,949	63,14,949
		EE, Minor Irrigation Division, Bettiah	2017-18	23,86,027	23,86,027
2	Gaya	EE, RWD works division, Tekari, Gaya	2017-18 to 2018-19	4,53,39,171	4,53,39,171
		EE, RWD works division, NeemchakBathani, Gaya	2017-18 to 2018-19	2,87,26,405	2,87,26,405
		EE, RWD works division, Sherghati, Gaya	2017-18 to 2018-19	4,35,30,874	4,35,30,874
3	Jamui	EE, RCD, Jamui	2016-17 to 2018-19	86,48,415	86,48,415
		EE, Irrigation Division, Sikandra	2016-17	16,21,037	16,21,037
4	Muzaffarpur	EE, RWD works division, (West) Muzaffarpur	2017-18 to 2018-19	2,94,11,700	2,94,11,700
		EE, RWD works division, (East-1) Muzaffarpur	2017-18 to 2018-19	4,73,61,474	4,73,61,474
		EE, RWD works division, (East-2) Muzaffarpur	2017-18 to 2018-19	4,11,25,104	4,11,25,104
		DGM, PIUBSRDCL, Muzaffarpur	2017-18 to 2018-19	21,69,337	21,69,337
		EE, LAEO works division-01, Muzaffarpur	2017-18 to 2018-19	1,01,59,586	1,01,59,586
5	Nawada	EE, RWD works division, Nawada	2017-18 to 2018-19	3,39,11,051	3,39,11,051
		EE, RWD works division, Rajauli	2017-18 to 2018-19	2,48,70,898	2,48,70,898
		EE, DUDA, Nawada	2017-18 to 2018-19	12,91,354	12,91,354
6	Saran	EE, RWD works division-1, Chapra	2017-18 to 2018-19	69,38,271	69,38,271
		EE, RWD works division, Sonapur	2016-17 to 2018-19	3,83,93,036	3,83,93,036
		EE, RWD works division-2, Chapra	2016-17 to 2018-19	2,10,78,841	2,10,78,841
		EE, LAEO division-1, Chapra	2016-17 to 2018-19	67,73,697	67,73,697
		EE, Saran canal division, Chapra	2016-17 to 2018-19	86,93,078	86,93,078
		EE, Saran canal division, Madhaura	2016-17 to 2018-19	2,69,55,520	2,69,55,520
		EE, Flood Control and Drainage Division Chapra	2016-17 to 2018-19	2,66,48,954	2,66,48,954
		EE, NH division, Chapra	2016-17 to 2018-19	18,37,304	18,37,304
Total				46,41,86,083	46,41,86,083

ANNEXURE-15
(Refer: Paragraph- 6.5)
Non-realisation of interest from lessees of stone quarry and sand ghat

Sl. No.	Name of the Mining office	Name of the lessee (Type of Mineral)	Period of lease	Auctioned Amount	Installment No./ Amount of installment	Due date	Amount Paid	Date of payment	Balance Amount	Delay in payment	Interest at the rate of 24 per cent per annum upto 60 days and thereafter at the rate of 15 per cent per annum	Non-realisation of interest
1	ADM, Gaya	IL & FS Engineering and Construction Company Limited (Stone)	5 years from the date of lease execution (17.08.2015)	37,00,00,000	3rd instalments for the year 2017/7,40,00,000	31.01.2017	74000000	06.02.2017	0	6 days	291945	291945
					4th instalments for the year 2018/7,40,00,000	31.01.2018	74000000	08.02.2018 to 09.03.2018	0	8 days to 37 days	1609644	1609644
2	ADM, Nawada	M/s Jai Mata Di Enterprises (Sand)	2015 to 2019	7,66,00,000 (with a condition of enhancement at the rate of 20 per cent of settlement amount of 2015 for the next consecutive years)	Excess royalty for the year 2017/14286694	31.12.2017	14286694	31.03.2018	0	90 days	739776	739776
					(1 st installment of 2018)/66182400	15.12.2017	66182400	15.12.2017 to 27.12.2017	0	12 days	206590	206590
					(2nd instalments of 2018)/ 33091200	15.04.2018	33091200	04.05.2018 to 14.05.2018	0	19 days to 29 days	565246	565246
					Excess royalty for the year 2018/14635082	31.12.2018	14635082	16.03.2019	0	75 days	667600	667600
					(1 st installment of 2019)/79418880	15.12.2018	79418880	17.12.2018	0	2 days	104441	104441
Total							355614256		0		4185242	4185242

GLOSSARY OF ABBREVIATIONS

GLOSSARY OF ABBREVIATIONS

Abbreviations	Full form
AA	Assessing Authority
ACST	Assistant Commissioner of State Taxes
ACE	Assistant Commissioner of Excise
A&E	Accounts & Entitlement
AG	Accountant General
AIG	Assistant Inspector General
ATNs	Action Taken Notes
BE	Budget Estimates
BMMC Rules	Bihar Minor Mineral Concession Rules
BMVT Act	Bihar Motor Vehicles Tax Act
BTEG Act	Bihar Taxes on Entry of Goods into local areas for Consumption, Use or Sale therein Act
BVAT Act	Bihar Value Added Tax Act
CST	Commissioner of State Taxes
CSD	Canteen Stores Department
CTD	Commercial Taxes Department
DCST	Deputy Commissioner of State Taxes
DLAO	District Land Acquisition Officer
DR	District Registrar
DSR	District Sub Registrar
DTO	District Transport Officer
GSTN	Goods and Services Tax Network
IGR	Inspector General of Registration
IR	Inspection Report
ITC	Input Tax Credit
JCST	Joint Commissioner of State Taxes
MMDR Act	Mines and Minerals (Development and Regulation) Act
MI	Mining Inspector
MO	Mining Officer
MV Act	Motor Vehicles Act
MVI	Motor Vehicle Inspector
OTT	One Time Tax
PAC	Public Accounts Committee
PUC	Pollution under control
RSC	Road Safety Cess
RT-III	Annual return under BVAT Act
RTA	Regional Transport Authority
STC	State Transport Commissioner
SUVIDHA	Simplified Usage of Vehicle Information Data Harmonized Application
TAR	Tax Audit Report
<i>VAHAN</i>	An application developed for registration of vehicles and road tax clearance
VAT	Value Added Tax

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