

CHAPTER-V
TAXES ON VEHICLES, GOODS AND
PASSENGERS

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5.1 Tax administration

Principal Secretary (Transport) is the administrative head at the Government level. The receipts from the Transport Department are regulated under the provisions of the Central and the State Motor Vehicle Acts and rules made thereunder and are under the administrative control of the Director Transport. The receipts from the goods and passengers tax are regulated under the provisions of the Himachal Pradesh Passengers and Goods Taxation Act, 1955, which are administered by the Excise and Taxation Commissioner of the State.

5.2 Results of audit

During 2015-16, test check of the records of 56 units relating to token tax, special road tax, registration fee, permit fee, driving license fee, conductor license fee, penalties and composite fee under the National Permit Scheme brought out under-assessment of tax and other irregularities involving ₹160.13 crore in 322 cases which are categorized in **Table-5.1** below.

Table 5.1: Results of Audit

			(₹ in crore)
Sr. No.	Categories	Number of Cases	Amount
1.	Non/short realisation of		
	• Token tax and composite fee	138	3.95
	• Special Road Tax	37	55.36
	• Passenger and goods tax	34	7.95
2.	Evasion of		
	• Token tax	22	1.02
	• Passenger and goods tax	27	9.26
3.	Other irregularities		
	• Vehicles tax	30	0.93
	• Passenger and goods tax	34	81.66
	Total	322	160.13

During the year 2015-16, the Department accepted under-assessments and other deficiencies of ₹16.83 crore in 323 cases out of which an amount of ₹4.38 crore was realised in 270 cases. Of this, ₹3.88 crore in 259 cases pertained to earlier years and ₹0.50 crore in 11 cases for the year 2015-16.

Significant cases involving ₹90.61 crore are discussed in the following paragraphs.

5.3 Recovery of Passenger and Goods Tax in Excise and Taxation Department

Poor maintenance of essential records coupled with inadequate enforcement and lack of co-ordination between Motor Vehicle Registering Authorities and the Excise and Taxation Department to ensure registration of all commercial vehicles under the HPPGT Act resulted in non/short levy of revenue amounting to ₹84.90 crore.

Introduction

Levy and collection of receipts from Passenger and Goods Tax (PGT) is regulated under the Himachal Pradesh Passengers and Goods Taxation (HPPGT) Act, 1955, as amended from time to time and the Himachal Pradesh Passengers and Goods (HPPGT) Rules, 1957. PGT leviable on the commercial vehicles (Vehicle) is paid in advance either quarterly or annually in accordance with Rule 9 of HPPGT Rules at rates prescribed by the Government from time to time. As per Rule 9 (8) of the HPPGT Rules, passenger tax in respect of taxis having seating capacity up to twelve is paid in lump sum according to their seating capacity and for capacity above twelve seats, the passenger tax is assessed and paid according to a prescribed formula¹. Goods tax is paid according to the loading capacity of the vehicle. Further, Section 3-B of the HPPGT provides that Additional Goods Tax (AGT) shall be levied, charged and paid to the State Government, on the transportation of the goods specified in column (2) of the Schedule-II at prescribed rates for every slab of two hundred and fifty kilometers or part thereof covered or being covered by road within the State.

An audit on 'Recovery of Passenger and Goods Tax in Excise and Taxation Department' for the period 2012-13 to 2014-15 was conducted between December 2015 and March 2016 in eight Assistant Excise and Taxation Commissioners (AETCs)² to assess the effectiveness of the Department in realisation of revenue. The audit findings are brought out in the succeeding paragraphs.

5.3.1 Non-maintenance of records

Effective and timely levy and collection of revenue is largely dependent on accurate and up-to-date maintenance of records that would enable timely monitoring and recovery. Audit noticed that data and records required to be maintained by various Departmental authorities at different levels were not maintained and this undermined their ability to effectively pursue the arrears as well as provided no assurance as to the efficacy of the revenue collection efforts as detailed below:

(i) **Non-maintenance of centralized data:** A centralised data of total number of vehicles registered with the AETCs in the State is to be maintained at the Commissioner Excise and Taxation (Head of Department) level showing the number of passenger, goods, educational institution and contract carriages registered under the HPPGT Act for effective control and checks for levy, charge

¹ Number of seats x number of scheduled kilometers x average occupancy that is (33) per cent x rate of passenger tax x fare per kilometers

² AETCs Baddi, Bilaspur, Hamirpur, Kullu, Shimla, Sirmour, Solan and Una

and collection of the taxes and other dues. Audit noticed that centralized data of vehicles registered and year-wise/District wise revenue due and revenue realised in respect of vehicles was neither maintained at Headquarters level nor at the unit level. Absence of this data indicated absence of internal control mechanism to ensure realization of revenue to its full potential.

(ii) **Non-maintenance of Demand and Collection Registers:** Rules 19 (A) and (B) of the HPPGT Rules provides that the Excise and Taxation office of each District should maintain a daily collection register and Demand and Collection Register (DCR) in which the particulars of every challan received as proof of payment of tax made by the owners of motor vehicles shall be recorded. Audit noticed that AETCs, Baddi, Shimla and Una (ETO Amb) Hamirpur (ETO Nadaun) had not maintained the DCR under IT application during the audit period. Further, these AETCs did not maintain DCRs on manual basis in respect of vehicles registered between 2012-13 and 2014-15. In the absence of DCRs, the status of tax payment in respect of 15,295 vehicles³ registered during this period could not be verified in audit.

(iii) **Incomplete Demand and Collection Registers:** Audit scrutiny of records of two AETCs⁴ revealed that 75 contract carriages owned by hotels/private firms were registered under HPPGT Act between 2008-09 and 2011-12. The tax paid by these contract carriages was not appearing in the Demand and Collection Register/daily collection register. The vehicles owners did not file any returns as required under Rule 17-A of HPPGT Rules. However, the AAs did not take any action to get the returns filed and finalise the assessment of vehicle owners for the period 2012-13 to 2014-15 nor to detain these vehicles to realise the passenger tax.

(iv) **Non-filing of monthly returns:** Scrutiny of records of AETC, Shimla revealed that 23 contract carriages of Himachal Pradesh Tourism Development Corporation remitted PGT of ₹1.15 crore on self-declaration basis during the period April 2012 to March 2015. However, these vehicles were not registered under HPPGT Act and as such were not furnishing monthly returns under Rule 17-A of the Rules *ibid*. The AETC did not take any action to get these vehicles registered, filing of periodical returns and finalise their assessment under Rule 21. Thus, accuracy of payment of PGT of ₹1.15 crore could not be verified in audit.

(v) **Non-submission of details of tax recovery by Inspectorate Staff:** The Inspectorate staff of six AETCs⁵ detected 7,350 cases of non-payment of PGT from whom ₹3.34 crore was realised. Audit noticed that only consolidated statements i.e. number of detections made and revenue realised were submitted and no vehicle wise detail was furnished to their respective AETCs for updation in DCRs. As such, tax status of 7,350 vehicles was not updated.

(vi) **Non-submission of returns by in-charge of check posts/barriers:** As per Rule 19 (2, 3 and 4) of HPPGT Rules, a person in-charge of the vehicle may make the payment of tax in cash at the office of the AA of the District concerned

³ AETCs Baddi: 7,450, Shimla: 5,865, ETO Nadaun (Hamirpur): 425 and ETO Amb (Una): 1,555

⁴ Baddi and Kullu

⁵ Bilaspur: 1,264 cases, Hamirpur: 297 cases, Shimla: 3,008 cases, Sirmour: 679 cases, Solan: 1,630 cases and Una: 472 cases

or the prescribed authority or the office-in-charge of the check-post/barrier and a statement in Form PGT-22 before the seventh of the following month is required to be sent to the AA of the District who issued the certificate of registration. Audit observed that in-charges of barriers/check-posts had not sent any return of PGT deposited by the vehicle owners during audit period to the AETCs with whom the vehicles were registered. These AETCs also did not take up the matter with the respective in-charges of the barriers/check-posts to furnish such returns regularly. In the absence of non-furnishing of returns, the status of PGT payments by vehicle owners at the barriers was not posted in their individual accounts.

(vii) **Non-furnishing of returns:** Rule-9-D (4) of HPPGT Rules provides that the authorized⁶ person shall furnish every month a return in Form PGT-25 to the AETC or ETO in-charge of the District within five days after the close of the month to which the collection pertain along with treasury challan in form PGT-9 and shall produce the certificate in form PGT-21-A and on the production of the same no tax shall be payable under Section 3-B of the Act. Test check of the records of AETCs, Sirmour and Una showed that out of 296 notified firms, 190 firms⁷ had not furnished the prescribed monthly returns. The AETCs had neither issued any notices for submission of returns to these firms nor finalized their assessments under Rule 9-E. Thus, possibility of evasion of AGT by these firms could not be ruled out in audit.

5.3.2 Non-realisation of Passenger and Goods Tax due to non-registration of vehicles with Excise and Taxation Department

Under Section 3 of the HPPGT Act and the Rules made thereunder, owners of stage/contract carriages and goods carriers are required to register their vehicles with the concerned excise and taxation offices and pay PGT at the prescribed rates. Section 8 of the Act provides that no vehicle owners shall ply his vehicle in the State unless he is in possession of a valid certificate of registration issued by the AETC. Section 9-B(5) of the Act *ibid* further provides that if the vehicle owners fail to apply for registration, penalty not exceeding five times the amount of tax so assessed, subject to a minimum of ₹500, is also leviable.

Vehicle registration is handled by the Regional Transport Offices (RTOs) and Registering and Licensing Authorities (RLAs) and collection of passenger and goods tax is handled by AETCs. Cross check of the registration records of 26 RLAs and seven RTOs with those of concerned AETCs revealed that out of 32,956 vehicles registered with RLAs/RTOs during 2012-13 to 2014-15, 12,098 vehicles liable to pay fixed PGT were not registered with the concerned AETCs. Lack of co-ordination between AETCs and concerned RLAs/RTOs resulted in non-realisation of PGT of ₹8.11 crore⁸ for these 12,098 vehicles. In addition, a minimum penalty of ₹0.60 crore was also leviable for non-registration as per details given in **Table-5.2** below.

⁶ A person authorised to collect tax under section 4-A of HPPGT Act.

⁷ Sirmour: 109 firms and Una: 81 firms

⁸ AETCs Baddi: ₹1.89 crore, Bilaspur: ₹0.84 crore, Hamirpur: ₹40.25 lakh, Kullu: ₹41.55 lakh, Shimla: ₹2.06 crore, Sirmour: ₹0.61 crore, Solan: ₹1.03 crore and Una: ₹0.87 crore

Table- 5.2: Details of vehicles not registered with Excise and Taxation Department

(₹ in crore)							
Sr. No.	Nature of vehicle	No. of vehicles registered under MVT Act	No. of vehicles not registered with Excise & Taxation Department	Amount recoverable			
				Passenger tax	Goods tax	Total amount recoverable	Minimum penalty @ ₹500/-per vehicle
1.	Passenger Vehicles (Maxi Cabs/Taxi)	7,030	2,003	1.23	--	1.23	0.10
2.	Passenger Vehicles (Educational Institution Buses)	477	209	0.23	--	0.23	0.01
3.	Goods vehicles (HGV/MGV/LGV/ Tractors)	25,449	9,886	--	6.65	6.65	0.49
Total		32,956	12,098	₹1.46	₹6.65	₹8.11	₹0.60

On being pointed out, the Department intimated (October 2016) that AETC Kullu had recovered an amount of ₹2.92 lakh out of ₹49.14 lakh from the owners of 44 vehicles and had issued directions to ETOs/Inspectors to recover the remaining amount of tax. The AETCs Hamirpur and Shimla stated that efforts would be made to bring the vehicles under HPPGT Act whereas the remaining AETCs did not furnish any reply (November 2016).

5.3.3 Non-realization of Passenger and Goods Tax

Under Section 3 of the HPPGT Act, owners of vehicles are required to pay PGT on all fares and freight at the prescribed rates either quarterly or annually. Rule 9 (7) (ii) (c) (i & ii) of the HPPGT Rules provides that vehicle owners shall inform the Assessing Authorities (AAs) concerned as soon as the vehicles goes out of use for exemption from payment of tax for that period. Section 12 of the Act *ibid* further provides that any arrears or penalty imposed under this Act shall be recoverable as an arrear of land revenue.

Test check of records of 15,442 vehicles from the DCR maintained by eight AETCs revealed that PGT in respect of 4,642 vehicles⁹ amounting to ₹5.46 crore for the period from 2012-13 to 2014-15 was not paid by the vehicle owners. The vehicle owners had also not sought exemption from tax for non-use of the vehicles during this period. However, neither did the AAs issue demand notices to the vehicle owners to deposit the PGT nor were these cases referred to the Collector for recovery of PGT as arrears of land revenue (ALR). This resulted in non-realisation of PGT of ₹5.46 crore¹⁰ as per the details given in **Table- 5.3** below:

⁹ Baddi: 313 vehicles, Bilaspur: 950 vehicles, Hamirpur: 1,161 vehicles, Kullu: 420 vehicles, Shimla: 481 vehicles, Sirmour: 449 vehicles, Solan: 621 vehicles and Una: 247 vehicles

¹⁰ Baddi: ₹42.57 lakh, Bilaspur: ₹1.56 crore, Hamirpur: ₹0.63 crore, Kullu: ₹34.79 lakh, Shimla: ₹0.57 crore, Sirmour : ₹0.64 crore, Solan: ₹0.97 crore and Una: ₹32.34 lakh

Table- 5.3: Details of vehicles for which Passenger and Goods Tax was not realized

(₹in crore)				
Sr. No.	Category of vehicles	Total No. of vehicles test checked	No. of vehicles not paying PGT	Amount of tax due
1.	Passenger Vehicles (Maxi Cabs/Taxi)	5,775	1,269	1.06
2.	Passenger Vehicles (Educational Institution Buses)	846	150	0.26
3.	Goods vehicles (HGV/MGV/LGV/Tractors)	8,821	3,223	4.14
Total		15,442	4,642	₹5.46

On being pointed out, the Department intimated (October 2016) that out of ₹45.37 lakh an amount of ₹6.30 lakh had been recovered from the owners of 103 vehicles by AETC Kullu and efforts were being made to recover the remaining amount of tax. The AETCs Hamirpur and Shimla stated that notices were being issued to the defaulters and efforts would be made to recover the tax due. The remaining five AETCs did not furnish any reply.

5.3.4 Non-monitoring of recovery of PGT

Audit scrutiny of DCR maintained by AETCs Baddi and Solan revealed that out of 2,806 test checked passenger and goods vehicles registered with the Excise and Taxation Department between 2005 to 2010, the owners of 891 vehicles liable to pay PGT on fixed rates annually did not pay any PGT since their registration. The Department had not issued demand notices to the vehicle owners for payment of PGT. Failure to monitor the payment of PGT from 891 vehicles resulted in non-realisation of PGT amounting to ₹1.40 crore¹¹. Further, the Department had neither taken any action to impound these vehicles nor referred the names of defaulters to Collector for recovery under ALR.

5.3.5 Additional Goods Tax

Section 3-B of the HPPGT Act, stipulates that Additional Goods tax (AGT) is to be levied, charged and paid to the State Government on the transport of goods specified in column (2) of the Schedule-II of HPPGT Act at the rates prescribed for each item. The payment of AGT shall be made by the person-in-charge or the driver of the vehicle. Rule 9-D of HPPGT Rules, further provides that a person selling or causing, or authorizing to cause dispatch for transport of goods specified in Schedule-II to the Act and duly authorised by the State Government by notification shall be duly registered by the AETC or ETO in-charge of the District under the HP General Sales Tax Act, 1968, and HP Value Added Tax Act, 2005, in the concerned district office. The authorised person shall collect AGT and deposit it into the Government treasury. Further, Rule 9-E provides that the concerned AA shall scrutinise every return filed under Section 4-A of the Act by the person authorised to collect tax under the Act, after the close of each month and the AA shall assess every case on half-yearly basis. Audit noticed short/non-recovery of AGT of ₹69.92 crore as detailed below.

(a) Audit scrutiny of records collected from Mining Officers (MOs) Solan and Bilaspur showed that three cement companies authorised for collection of AGT were using limestone and shale as raw material for manufacturing of

¹¹ Baddi: ₹17.31 lakh and Solan: ₹1.23 crore

cement and clinker. These cement companies transported 1,89,48,993 MT of lime-stone and 24,59,606 MT of shale from mining areas to their cement plants during audit period on which AGT of ₹68.04 crore was leviable.

These firms were submitting AGT returns regularly since their authorisation but had not deposited the AGT under the HPPGT Act. The AETCs had neither scrutinised the monthly returns nor finalised their assessments on half-yearly basis resulting in failure to detect non-payment of AGT. This resulted in loss of revenue of ₹68.04 crore due to non-recovery of AGT.

(b) Scrutiny of the information collected from MO, Sirmour, showed that 16 lessees were granted leases in mining area Sataun and Kamraho for extraction of limestone for the years 2012-13 and 2013-14. These lessees had extracted 11,20,768 MT limestone on which AGT of ₹3.92 crore was due to be recovered. These lessees had not been notified by the Government to collect the AGT under Rule 9-D and were depositing the AGT at Multipurpose Barrier (MPB), Rajban which was the only barrier for these mining areas. However, the MPB, Rajban, showed AGT realisation of ₹2.11 crore during the same period. This resulted in short recovery of AGT of ₹1.81 crore from the lessees.

(c) Test check of the records of AETC, Bilaspur, revealed that a firm paid AGT on 77,068.14 MT of shale purchased from the contractor during 2014-15. However, the records of MO, Bilaspur showed the actual shale extraction of 1,74,166 MT. Thus, the firm made short payment of AGT of ₹6.80 lakh on 97,097.66 MT of shale. In addition, penalty of ₹13.60 lakh was also leviable for non-payment of AGT. The Department had not taken any measures to verify the quantity of shale actually extracted from Industries Department to whom the contractor was paying the royalty on extraction of shale and detect the evasion of AGT.

5.3.6 Conclusion

Thus, poor maintenance of essential records coupled with inadequate enforcement and lack of co-ordination between Motor Vehicle Registering Authorities and the Excise and Taxation Department to ensure registration of all commercial vehicles under the HPPGT Act resulted in non/short levy of revenue amounting to ₹84.90 crore.

5.4 Non-realisation of Token Tax

Token tax ₹4.09 crore in respect of 11,018 vehicles for the years 2012-13 to 2014-15 was neither demanded by the Department nor paid by the vehicle owners.

Under the Himachal Pradesh Motor Vehicles Taxation (HPMVT) Act, 1972 and rules made thereunder, token tax by vehicle owners is payable in advance quarterly or annually in the prescribed manner. As per Transport Department's notification dated 15 March 2012, different rates of tax is prescribed for different types of vehicles. As per Rule 4-A of HPMVT Rules, 1974, if an owner of motor vehicle fails to pay the tax due within the prescribed period, the taxation authority after giving him an opportunity of being heard, shall direct him to pay in addition to tax a penalty at the rate of 25 per cent per annum of the tax due.

Test check of the Token Tax Registers and data maintained in 'VAHAN' software of 28 Registering and Licensing Authorities (RLAs)¹² and nine Regional Transport Offices (RTOs)¹³ revealed that out of 21,894 test checked vehicles, token tax amounting to ₹4.09 crore in respect of 11,018 vehicles for the years 2012-13 to 2014-15 was not deposited by the vehicle owners. No initiative had been taken by the taxation authorities to recover the tax from the defaulters. This resulted in non-recovery of token tax of ₹4.09 crore as detailed in **Table-5.4** below.

Table - 5.4: Details of vehicles not paid the token tax

Sr. No.	Category of vehicle	Name of RLAs/RTOs	Period	No. of vehicle not paid tax/ Total test checked vehicles	Amount recoverable (₹in crore)
1.	Private Stage Carriages -Buses/ Mini Buses/Maxi Cabs/Taxi (Passenger Vehicles)	RLAs-Bajjnath, Churah, Dharamshala, Dalhousie, Ghumarwin, Hamirpur, Jaisinghpur, Jawali, Kullu, Paonta Sahib, Sundernagar, Solan, Shimla (U) and Una and	2012-13 to 2014-15	508/1,625	0.97
		RTOs- Bilaspur, Kangra Kullu, Nahan, Solan and Una		1,814/3,324	0.74
Total A				2,322/4,949	1.71
2.	Heavy Goods Vehicle / Medium Goods Vehicles / Light Goods Vehicles/Tractors (C) (Goods vehicles)	RLAs-Anni, Bajjnath, Bharmour, Chamba, Chowari, Churah, Dharamshala, Dalhousie, Ghumarwin, Jaisinghpur, Jogindernagar, Jawali, Karsog, Kaza, Kullu, Nadaun, Nahan, Nalagarh, Nichar, Nurpur, Paonta Sahib, Pooh, Shimla (U), Solan, Sundernagar, Theog and Una		7,180/14,220	1.75
		RTOs-Bilaspur, Chamba, Hamirpur, Kangra, Kullu, Mandi, Nahan, Solan and Una		1,188/2,015	0.27
3.	Construction Vehicles (Goods vehicles)	RLAs-Kullu, Paonta Sahib, Theog and Una RTOs- Bilaspur, Chamba, Kullu and Solan		328/710	0.36
Total B				8,696/16,945	2.38
Total A + B				11,018/21,894	₹4.09

On this being pointed out, the Department intimated (August 2016) that an amount of token tax of ₹23.93 lakh in 242 vehicles had been recovered by the six RLAs and one RTO¹⁴ and efforts were being made to recover the balance amount. The remaining taxation authorities intimated (January 2016) that notices would be issued to the defaulters to deposit the tax.

The matter was reported to the Government between June 2015 and April 2016; their replies were still awaited (November 2016).

¹² RLA: Anni, Bajjnath, Bharmour, Chamba, Chowari, Churah, Dharamshala, Dalhousie, Ghumarwin, Hamirpur, Jaisinghpur, Jogindernagar, Jawali, Karsog, Kaza, Kullu, Nadaun, Nahan, Nalagarh, Nichar, Nurpur, Paonta Sahib, Pooh, Shimla (Urban), Solan, Sundernagar, Theog and Una

¹³ RTOs- Bilaspur, Chamba, Hamirpur, Kangra, Kullu, Mandi, Nahan, Solan and Una

¹⁴ RLAs Ghumarwin: 142 vehicles: ₹10.60 lakh, Kullu: one vehicle: ₹11,000, Nahan: six vehicles: ₹12,500, Nalagarh: 26 vehicles: ₹90,000, Nichar: 17 vehicles: ₹35,875, Paonta Sahib: 38 vehicles: ₹11.46 lakh and RTO Kangra: 12 vehicles: ₹37,670

5.5 Short deposit of user charges

The e-Governance societies collected receipt of ₹43.02 lakh on account of user charges of which ₹10.76 lakh was to be deposited in the Government account. However, only ₹1.79 lakh was deposited resulting in ₹8.97 lakh remaining outside Government account.

The Government of Himachal Pradesh vide Notification dated 3 September 2005 accorded approval to the formation of e-Governance Societies, one at the level of Directorate of Transport and one each at the District level, for computerisation of all transport related activities in the offices of the RTOs and RLAs. These e-Governance Societies have been functioning since September 2005 under the chairmanship of the Deputy Commissioner (DC) of the respective District. The societies collect user charges as approved by the Government and 25 per cent of these charges is to be deposited in the Government account.

Audit test checked the service charges collection registers of RTO, Bilaspur and two RLAs¹⁵ between August 2015 and March 2016 and noticed that e-Governance Societies collected ₹43.02 lakh as user charges during 2012-13 to 2014-15. However, only ₹1.79 lakh was deposited into Government account instead of ₹10.76 lakh viz. 25 per cent of the user charges resulting ₹8.97 lakh¹⁶ remaining outside government account.

On being pointed out, the Department intimated (August 2016) that out of ₹8.97 lakh, an amount of ₹2.77 lakh had been deposited by RLA, Hamirpur and reply from the RLA, Rampur and RTO, Bilaspur had not been received.

The matter was reported to the Government between September 2015 and April 2016; their replies were still awaited (November 2016).

5.6 Non/short recovery of Special Road Tax

Special Road Tax was not recovered from Himachal Road Transport Corporation, private stage carriers and stage carriages of other States amounting to ₹1.53 crore.

Under Section 3-A of HPMVT Act, 1972, State Government shall levy a monthly Special Road Tax (SRT) on all transport vehicles used or kept for use in State. This will be payable in advance by 15th of every month at the prescribed rates¹⁷. As per Transport Department notification dated 26 July 2006 which came into force with retrospective effect from 31 July 2002, if a vehicle owner fails to pay the SRT due within the prescribed period, the taxation authority shall direct the owner to pay penalty at the rate of 25 per cent per annum of the tax due. Further, section 14 (2) of the Act provides for exemption from SRT if the registered owner intimates in writing to the taxation authority that the motor vehicle would not be used in any public place for a particular period and deposits the certificate of registration (RC) of such motor vehicle along with route permit.

¹⁵ RLAs Hamirpur and Rampur

¹⁶ RTO: Bilaspur: ₹4.60 lakh, RLAs: Hamirpur: ₹2.77 lakh and Rampur: ₹1.60 lakh

¹⁷ The rates of SRT are based on the classification of routes on which vehicles are plying such as National Highways, State Highways, Rural Roads and Local buses/mini buses operating within a radius of 30 kilometers. The rates of SRT for the above routes are as ₹6.04, ₹5.03 and ₹4.03 per seat per kilometer respectively effective from 1st April 2005

5.6.1 Short assessment of SRT leviable on Himachal Road Transport Corporation

(a) Test check of records of three RTOs revealed that permits for 15 routes issued/renewed by the RTOs to stage carriages of HRTC for the period 2013-14 and 2014-15 were not accounted for assessment of SRT. There was nothing on the record to indicate that RCs/route permits were surrendered with the concerned RTOs for exemption from the payment of SRT. The RTOs failed to detect this omission during the scrutiny of SRT assessment statements furnished by HRTC. Thus, SRT of ₹32.93 lakh¹⁸ escaped assessment.

(b) Test check of records of route permits and SRT assessment statements furnished by the HRTC units of two RTOs¹⁹ for the period 2013-14 and 2014-15 revealed that SRT was not calculated as per the route or the distance covered as per the route permits in 11 cases and SRT assessment statements were accepted as correct. This resulted in short assessment of SRT of ₹19.40 lakh²⁰.

5.6.2 Private Stage Carriages

Audit scrutiny of SRT registers of six RTOs²¹ showed that SRT amounting to ₹1.18 crore was recoverable from the owners of private stage carriages (PSCs) in 93 cases pertaining to the period 2013-14 and 2014-15. But the Department could recover only ₹0.50 crore and the balance amount of SRT ₹0.68 crore was lying unrecovered as on March 2016. There was nothing on records to indicate that any initiative had been taken by the taxation authorities to recover the balance SRT. This resulted in non-recovery of SRT of ₹0.68 crore. In addition, a minimum penalty of ₹17.00 lakh at the prescribed rate was also recoverable.

The matter was reported to the Government and the Department between September 2015 and April 2016; their replies were still awaited (November 2016).

5.6.3 Short realisation of SRT from the stage carriages of other States

As per sub-section 4 of Section 3A of the HPMVT (Amendment) Act, 1999 if a transport vehicle registered in a State other than the State of Himachal Pradesh, enters and is used on any public road, or is kept for use in the State, SRT shall become chargeable on such entry in the prescribed manner. The SRT shall also be applicable and charged in respect of stage carriages of other States on the entire distance covered in Himachal Pradesh on the basis of route permits issued by the State Transport Authority (STA) of other States, duly countersigned by the RTOs of Himachal Pradesh under whose jurisdiction the vehicle is plied.

¹⁸ RTOs-Mandi: five routes: ₹9.87 lakh, Shimla: five routes: ₹14.70 lakh and Solan: five routes: ₹8.36 lakh

¹⁹ Shimla and Solan

²⁰ HRTC Shimla: ₹6.89 lakh and Solan: ₹12.51 lakh

²¹ Kullu: three cases: ₹3.10 lakh, Mandi: six cases: ₹1.68 lakh, Nahan (Sirmour): 20 cases: ₹9.71 lakh, Shimla: 27 cases: ₹22.12 lakh, Solan: 17 cases: ₹25.28 lakh and Una: 20 cases: ₹6.12 lakh

Audit scrutiny of the records of route permits countersigned by the RTOs and SRT registers maintained in the two RTOs²² for the period 2014-15 revealed that assessments of SRT in 22 cases was not made correctly as per the distance covered by the other State carriages²³ plying on different routes of Himachal Pradesh. This resulted in short levy of SRT of ₹32.51 lakh by the stage carriages of other States as per details given in the **Appendix-III**.

The matter was reported to the Department and the Government between October and December 2015; their replies were still awaited (November 2016).

²² RTOs-Mandi: seven cases: ₹6.57 lakh and Solan: 15 cases: ₹25.94 lakh

²³ Haryana Roadways: four permits, Punjab Roadways: three permit and Chandigarh Transport Undertaking: 15 permits
