

~~from operation. The reply was not tenable as the rules do not provide for renewal when tax is in arrears.~~

~~3.2.20 Acknowledgement~~

~~The audit findings as a result of test check of records were reported to Government/ Department in June 2005 with a specific request to attend the meeting of the Audit Review Committee (ARC) for State Revenue Receipts. The meeting of the ARC was held on 31 August 2005 and their view point has been duly incorporated in the review.~~

~~3.2.21 Conclusion~~

~~The review revealed that the Department had not taken adequate action to recover the dues under the BMV Act, as arrears of land revenue and the fines prescribed by the State Government for overloading and emission of excess smoke were lower than that prescribed in the MV Act. The Department also does not have data of vehicles plying on roads without fitness certificate.~~

3.3 Fraudulent registration of motor vehicles in Transport Offices

Under Motor Vehicles Act, 1988, a motor vehicle registered in any State shall not require to be registered again elsewhere in India except in the case of motor vehicle kept in another State for a period exceeding 12 months and a certificate/mark of registration issued under this Act in respect of such vehicle shall be effective throughout India.

Analysis of computerised database of registration of vehicles maintained online on Transport Office On Line System (TOOLS) at six regional transport offices (RTOs) revealed that out of 15,43,730 registration records, engine and chassis numbers were duplicate in 704 cases as detailed under:

RTO Code	Name of RTO	Total number of vehicles registered as on date of audit	No. of cases with duplicate engine and chassis number	No. of cases verified from records
31	Nagpur	51,993	32	6
20	Aurangabad	2,06,832	10	4
09	Kolhapur	2,35,118	118	24
12	Pune	5,84,608	448	4
04	Thane	3,94,280	62	30
27	Amravati	70,899	34	30
Total		15,43,730	704	98

Manual verification of related records in respect of 98 cases (*i.e.* 49 vehicles) revealed that vehicles with the same engine and chassis number were

registered twice and assigned two registration marks by RTOs. There were 17 pairs of registration of vehicles with identical owners and 32 pairs with different owners.

Lacunae/discrepancies in vehicle registration system in RTOs existed in the form of absence of input controls and validations. As the system did not restrict acceptance of identical engine/chassis number and subsequent generation of registration marks (numbers), fraudulent registration went unchecked.

In reply, the RTOs assured to verify the matter in detail under intimation to audit.

The matter was brought to the notice of Government; their reply has not been received (December 2005).

3.4 Non recovery on account of inspection fees

Under the provisions of the Motor Vehicle Act, 1988 and Rules made thereunder, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. A fitness certificate granted under the Act in respect of a newly registered transport vehicle is valid for two years and is required to be renewed every year thereafter on payment of the prescribed fee applicable to the category of the vehicle. Departmental instructions provide that the number of vehicles due for inspection be worked out every month and notices issued for physical production of the vehicles.

Analysis of computerised database of fitness of vehicle at five RTOs revealed that the system was not designed to automatically generate notices for production of vehicles for inspection after expiry of certificate of fitness. 61,436 transport vehicles were not inspected by the RTOs for grant or renewal of fitness certificate as detailed below:

(Amount in lakh of rupees)					
Sl. No.	Name of RTO office	Office code	No. of transport vehicles not inspected	No. of occasions of non renewal of fitness	Inspection fees not recovered
1.	Nagpur	31	4,696	11,000	5.50
2.	Aurangabad	20	4,864	9,731	4.87
3.	Kolhapur	09	8,594	26,111	13.06
4.	Pune	12	8,486	51,281	25.64
5.	Thane	04	34,796	91,660	45.83
Total			61,436	1,89,783	94.90

Non inspection of motor vehicles by RTOs not only resulted in the vehicles plying without valid fitness certificates but also loss of revenue of Rs 94.90

lakh on account of inspection fees calculated at the lowest rate of Rs 50 per inspection per vehicle.

After this was pointed out, the Department stated that the matter would be examined in detail and result intimated to audit.

The matter was brought to the notice of Government; their reply has not been received (December 2005).

~~SECTION B~~ ~~STAMP DUTY AND REGISTRATION FEES~~

~~3.5 Short levy of stamp duty on mortgage deed~~

~~As per the Bombay Stamp Act, 1958 (ACT), stamp duty on mortgage deed, where possession of the property is not given by the mortgagor, is levied at the rate of one per cent of amount secured subject to a minimum of Rs 100 and maximum of Rs 10 lakh.~~

~~3.5.1 In sub-registry III Nagpur, a document was executed in August 2002 for securing a loan of Rs 7 crore. Since the document was a mortgage deed, stamp duty of Rs 7 lakh was to be levied as against which only Rs 1.74 lakh was levied. This resulted in short levy of stamp duty of Rs 5.26 lakh.~~

~~After this was pointed out in April 2003, the Inspector General of Registration (IGR), Pune accepted the audit observation in May 2004. Report on recovery has not been received (December 2005).~~

~~The matter was reported to Government in April 2005; their reply has not been received (December 2005).~~

~~3.5.2 In sub-registry Nandurbar, a document was registered in November 2002 as deed of modification and transfer of second further charge for securing an additional loan of Rs 14.05 crore. Since the document was a mortgage deed, stamp duty of Rs 10 lakh by considering entire amount of loan including further charge was required to be levied. However only Rs 2.27 lakh was levied against stamp duty of Rs 10 lakh. This resulted in short levy of stamp duty of Rs 7.73 lakh.~~

~~After this was pointed out in June 2003, the IGR, Pune accepted the audit observation and directed the authorities concerned to effect the recovery in August 2004. Report on recovery has not been received (December 2005).~~

~~The matter was reported to Government in April 2005; their reply has not been received (December 2005).~~

~~3.6 Short levy of stamp duty due to under valuation of property~~

~~As per the Act, stamp duty and registration fee on conveyance deed is leviable on the true market value of the property at the rates applicable to the area in which the property is situated. These rates are prescribed in the ready~~