

CHAPTER – IV  
TRANSPORT DEPARTMENT





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### 4.1 Tax Administration

The Additional Chief Secretary to the Government of Meghalaya, Transport Department is in overall charge of the Transport Department at the government level. The Commissioner of Transport (CT) is the administrative head of the Department. He is assisted by an Assistant Commissioner of Transport and the Secretary, State Transport Authority. At the district level, the District Transport Officers (DTOs) have been entrusted with the registration of vehicles, issuance of permits including collection of duties. The collection of tax is governed by the provisions of the Motor Vehicles Act, 1988 and Rules made thereunder and the Assam Motor Vehicle Taxation Act, 1936.

### 4.2 Internal audit

The Transport Department has no separate Internal Audit Wing (IAW). Despite the same being pointed out in Audit Reports from time to time, no action has been taken by the Department to create an IAW to monitor the working of the Department.

### 4.3 Results of Audit

Test check of the records of 8 units relating to the Transport Department during 2016-17 revealed non-realisation of taxes, fees and fines, *etc.* involving ₹ 152.56 crore in 52 cases which fall under the following categories:

Table 4.1

(₹ in crore)

Sl. No.	Category	Number of cases	Amount
1.	Non/Short realisation of revenue	22	49.35
2.	Loss of revenue	07	1.41
3.	Other irregularities	23	101.80
<b>Total</b>		<b>52</b>	<b>152.56</b>

During the course of the year, the Department accepted under assessments and other deficiencies of ₹ 122.21 crore in 29 cases. No recovery was intimated in any of the cases during the year 2016-17.

A few illustrative cases having financial impact of ₹ 9.34 crore in terms of underassessment/short levy/non-levy of tax and other provisions of the Acts are discussed in the paragraphs 4.4 to 4.6.

**4.4 Short collection of lease amount for weighbridge**

**Failure to enforce the provisions of the lease agreement for the weighbridge at Gasuapara resulted in loss of revenue amounting to ₹ 31.43 lakh.**

**[Commissioner of Transport (CT), Meghalaya; July 2016]**

The CT, Meghalaya floated tender in November 2014 for operation of a transport weighbridge at Gasuapara in Garo Hills for a period of three months. In response to the Notice Inviting Quotation (NIQ), two bidders submitted their bids for operation of the weighbridge as detailed below:

Table 4.2

Sl. No.	Name of the bidder	Bid Value per Qtr. (in ₹)
1.	Shri Nirmol R. Marak	15,00,000
2.	Shri Tangkam M. Sangma	10,00,500

The Transport Department, Government of Meghalaya (GoM) awarded the contract to second highest bidder on the ground that his weighbridge at Gasuapara was ready to use. The CT accordingly entered into an agreement with M/s Tangkam M. Sangma in February 2015 for a period of one year with annual lease amount of ₹ 45 lakh. The agreement *inter alia* contained the following conditions:

- The lessee would pay ₹ 3.75 lakh per month (being one-twelfth of the lump sum amount) within the seventh day of the succeeding month;
- In the event of failure of the licensee to make payment within the due date, a penalty of 2 *per cent* of the said amount would be levied;
- In case of further delay in payment of dues within three weeks from the due date, the lease would be terminated and the second highest bidder would be considered on the same terms and conditions.

As per the agreement, the lessee was authorised to levy weighment fee of ₹ 200 per truck. The lessee paid the advance amount of ₹ 3.75 lakh in February 2015 and commenced operating the weighbridge. However, the lessee failed to pay the monthly lease amounts thereafter.

The CT issued reminders in August 2015 and September 2015 for payment of the due lease amounts. In response, the lessee stated (November 2015) that there was no movement of coal trucks through the weighbridge for a substantial period and sought for renegotiation of the annual lease amount.

Despite not complying with terms of the agreement, the CT did not terminate the contract. Instead, the CT continued to issue reminders (February 2016 and March 2016) for payment of government dues. Eventually the CT took control of the weighbridge from the lessee in June 2016 without collecting the government dues.

The lessee thus continued to operate the weighbridge for a period of 16 months from the date of agreement till it was taken over by the Department. Further it was observed from the records of the Mining Department that 17590 coal laden trucks

passed through the Mining check post at Gasuapara located near the weighbridge during the period from February 2015 to May 2016. The lessee, thus, collected a minimum of ₹ 35.18 lakh<sup>1</sup> from operation of the weighbridge.

Failure of the Department to enforce the provisions of the agreement and consequent delay in termination of the lease thereby deprived the GoM of revenue amounting to ₹ 31.43 lakh<sup>2</sup>

Audit observed that as per the terms of the NIQ floated by the Transport Department for operation of the weighbridge, the agreement would be executed only after payment of one-third of the lump sum amount accepted. As per the agreement, the successful bidder would have to furnish a Security Deposit of 15 *per cent* of the total bid amount on annual basis before execution of the contract. However, as per the terms of contract awarded, the contractor was allowed to operate on advance payment of ₹ 3.75 lakh. Non-adherence with the terms of the NIQ and the agreement thereby deprived the GoM of the opportunity of recovering dues amounting to ₹ 18 lakh<sup>3</sup>.

The case was reported to the Transport Department, Government of Meghalaya in December 2016 and reminded in August 2017 and January 2018; their reply had not been received (February 2018).

#### **4.5 Loss of revenue on non-realization of penalty on overloading of limestone**

**Delay in issuing instructions for weighing trucks carrying limestone resulted in loss of revenue due to non-realisation of penalty amounting to ₹ 10.51 crore on overloading.**

**[CT, Meghalaya; July 2016]**

As per Section 194 read with Section 113 of the Motor Vehicle Act, 1988 (as amended), whoever drives a motor vehicle or causes or allows a motor vehicle to be driven in any public place where the laden weight of the vehicle exceeds the gross vehicle weight specified in the certificate or registration, he shall be punishable with a minimum fine of ₹ 2000 and an additional amount of ₹ 1000 per tonne of excess load.

The Transport Department entered into an agreement with two private parties<sup>4</sup> in January 2015 for operation of two new weighbridges at Dawki<sup>5</sup> and Ratacherra<sup>6</sup>. As per the Government notification, the weighbridges were to issue weighing slips only to coal laden trucks in violation of Section 194 of the Act *ibid*.

Audit examination of records revealed that the CT in May 2015 sought approval from the State Government for issue of instructions to the weighbridges to weigh trucks

<sup>1</sup> 17590 trucks x ₹ 200 per truck = ₹ 3518000

<sup>2</sup> ₹ 3518000 – ₹ 375000 (advance payment) = ₹ 3143000

<sup>3</sup> ₹ 1500000 (one-third of leased amount) + ₹ 675000 (Security deposit at 15 *per cent* of leased amount) - ₹ 375000 (advance paid) = ₹ 1800000

<sup>4</sup> M/s Badapkupar Marbaniang (for Ratacherra) and M/s Cheba Pala (for Dawki)

<sup>5</sup> Located in Jaintia Hills on the international border with Bangladesh

<sup>6</sup> Located in Jaintia Hills on the National Highway 44 bordering southern part of Assam

carrying goods other than coal. The State Government, after a delay of six months, directed the CT in November 2015 to take action for weighing of all the trucks. Subsequently, the CT, after delay of one month and four months, issued instructions in December 2015 and March 2016 respectively to the weighbridge lessees at Dawki and Ratacherra to weigh all the trucks.

Audit cross checked it with the records of the check gates operated by Mining Department located at Dawki and Umkiang<sup>7</sup>. It revealed that during the period from April 2015 to March 2016, the mining check gates detected 0.67 lakh MT of excess quantity of limestone transported by 19165 trucks. The delay in rectification of the original notification by the Transport Department, authorising weighment of trucks carrying goods other than coal, resulted in 19165 overloaded trucks carrying excess limestone of 66796 MT passing undetected through the two weighbridges. Thus, minimum fine amounting to ₹ 10.51 crore<sup>8</sup> could not be levied. This resulted in loss of revenue to that extent.

The case was reported to the Transport Department, Government of Meghalaya in December 2016 and reminded in August 2017 and January 2018; their reply had not been received (February 2018).

#### **4.6 Unfruitful expenditure on electricity charges**

**The Transport Department incurred unfruitful expenditure on electricity charges amounting to ₹ 43.50 lakh on a non-functional airport.**

**[CT, Meghalaya; July 2016]**

The construction of Baljek Airport in West Garo Hills was taken up in July 1997 by the Airport Authority of India (AAI). The airport was completed in February 2008 at a total cost of ₹ 12.54 crore and was handed over to the Government of Meghalaya (GoM) in October 2008. The airport was conceived as a Short Take-off and Landing (STOL) project with a runway capable of handling 20-seater Dornier 228 aircrafts only. The airport remained inoperative (December 2017) as none of the scheduled airlines operated Dornier 228 aircrafts any longer.

Subsequently, the State Government decided to upgrade the airport with a view to accommodate the 50-seater ATR aircrafts. The Transport Department assessed the total cost for upgradation of the airport at ₹ 114.25 crore and submitted the Detailed Project Estimate to the GoM (July 2011). Accordingly, an amount of ₹ 3.02 crore was sanctioned in March 2012 for acquisition of additional 58 acres of land. The Deputy Commissioner, West Garo Hills completed the proceedings for land acquisition and handed over the same to the Transport Department in July 2014.

After more than nine years since completion of the original project, the Department had not made any effort to make the airport operational. No additional funds had been

<sup>7</sup> Umkiang is located approximately 20 Kms. from Ratacherra on the same National Highway.

<sup>8</sup> [19165 trucks x ₹ 2000] + [66796 MT x ₹ 1000] = ₹ 10.51 crore.

sanctioned by the GoM for upgradation of the airport. The additional land, acquired for expansion of the airport had also not been handed over to the AAI.

Between October 2008 and July 2015, State Electricity Corporation raised electricity bills amounting to ₹ 74.02 lakh in respect of Baljek Airport, against which, the CT made the payment of ₹ 43.50 lakh. The Department, thus, continued to incur expenditure on payment of electricity bills for the non-operational airport. The payment of electricity bills over the years on an idle project had resulted in unfruitful expenditure amounting to ₹ 43.50 lakh along with additional liability of ₹ 30.52 lakh yet to be paid (July 2017).

Further delay in project implementation would result in added increase in the cost of upgradation. The Deputy Commissioner, West Garo Hills had noted (May 2013) in the Status Report on the airport that the buildings were getting damaged owing to non-maintenance since the airport had been lying unutilised.

The case was reported to the Transport Department, Government of Meghalaya between July 2016 and July 2017 and reminded in August 2017 and January 2018; their reply had not been received (February 2018).

