3.1 Tax administration

The receipts for the Transport Department (Department) are regulated under the provisions of the Central and the State Motor Vehicles Acts and rules made thereunder, and are under the administrative control of the Department. The receipts from road tax and special road tax are regulated under the provisions of the Rajasthan Motor Vehicles Taxation (RMVT) Act, 1951, the Rules framed thereunder and notification issued from time to time.

3.2 Results of audit

There are 54 Transport Districts headed by RTOs/DTOs and 1,62,80,006 vehicles were registered therewith. There were 122 auditable units including 26 implementing units in the Transport Department. Out of these, 31 units including 09 implementing units were selected for test check wherein 76,87,802 vehicles were registered. Out of these, 97,109 vehicles were selected for test check. During scrutiny, audit noticed non/short payment of tax, surcharge and penalty, etc of `87.17 crore in 11,390 cases. These cases are illustrative and are based on a test check of records. Audit pointed out some of the similar omissions in earlier years, not only these irregularities persist but also remain undetected till an audit is conducted. Thus, there is a need to improve the internal control system including strengthening of internal audit and setting up a monitoring system by way of periodical returns to ensure collection of tax, fee, etc. These irregularities broadly fall under the following categories:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category</th>
<th>Number of cases</th>
<th>Amount (in crore)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Performance Audit on ‘Functioning of Transport Department’</td>
<td>1</td>
<td>56.53</td>
</tr>
<tr>
<td>2</td>
<td>Non/short payment of tax, surcharge and penalty, etc.</td>
<td>11,252</td>
<td>31.38</td>
</tr>
<tr>
<td>3</td>
<td>Irregularities relating to non/short determination of tax, etc.</td>
<td>11</td>
<td>0.03</td>
</tr>
<tr>
<td>4</td>
<td>Other irregularities relating to (i) Revenue (ii) Expenditure</td>
<td>116 10</td>
<td>0.04 0.26</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>11,390</strong></td>
<td><strong>88.24</strong></td>
</tr>
</tbody>
</table>

During the year, the Department accepted underassessment and other irregularities of `33.21 crore in 8,849 cases, out of which 2,601 cases involving `7.19 crore were pointed out in audit during the year 2018-19 and the rest in earlier years. During the year 2018-19, an amount of `3.00 crore were recovered in 2,568 cases, out of which `0.90 crore in 178 cases were pointed out in 2018-19 and rest in earlier years.

A performance Audit on ‘Functioning of Transport Department’ involving `56.53 crore and systemic issues is discussed in succeeding paragraphs.
3.3 Performance Audit on “Functioning of Transport Department”

3.3.1 Introduction

Functions of the Transport Department are laid down under the provision of Section 213 of Motor Vehicles (MV) Act, 1988. The Department has the primary duty to enforce provisions of motor vehicles laws in the State. It deals with activities such as registration of vehicles, issue of licences to drivers, conductors and traders, fitness of vehicles, issue of permits, enforcement of rules, taxation and recovery, operation of routes, implementation of road safety policy and control of vehicular pollution etc. It also assists other organizations in the development of transport facilities and endeavors to provide an efficient, adequate and economic transport service for movement of passengers and goods by road.

Government of India (GoI) developed two standardised software ‘SARATHI’ and ‘VAHAN’ to provide faster, better and transparent services. These were introduced in the State with effect from September 2009 and October 2009 respectively in phased manner. VAHAN is used for processing transactions related to vehicles i.e. registration, permit, tax, fitness and SARATHI is for processing driving licence & related activities.

3.3.2 Organisational set-up

The Department is headed by the Transport Commissioner (CoT) cum Secretary to the Government of Rajasthan (GoR). He is administrative as well as departmental head. For smooth functioning of transport services, the state has been divided into 12 transport regions and 54 transport districts headed by Regional Transport Officers (RTOs)/District Transport Officers (DTOs).

Overall administration of transport activities in the regions lies with the RTO. He is also the Appellate Authority under the RMVT Act, 1951. DTO is the Licensing and Registering Authority for the transport district. He is also taxation officer for the purpose of RMVT Act/Rules, 1951.

Performance of the Department on important activities was as under:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Registration of vehicles</td>
<td>11,94,589</td>
<td>12,53,157</td>
<td>12,68,386</td>
<td>13,79,444</td>
<td>14,29,943</td>
</tr>
<tr>
<td>Issue of Licence</td>
<td>7,52,861</td>
<td>9,06,791</td>
<td>8,78,792</td>
<td>6,25,893</td>
<td>6,04,922</td>
</tr>
<tr>
<td>Mechanical Fitness of vehicle</td>
<td>3,20,065</td>
<td>3,76,971</td>
<td>4,10,232</td>
<td>4,37,813</td>
<td>4,28,004</td>
</tr>
<tr>
<td>Challan of overload vehicles</td>
<td>2,21,538</td>
<td>1,11,440</td>
<td>1,11,441</td>
<td>1,01,141</td>
<td>1,03,635</td>
</tr>
</tbody>
</table>

Source: Statistical Abstract of Transport Department 2018-19

It is evident from the above that the work of the Department has increased significantly during 2018-19 over 2017-18.

---

1 Regions: Ajmer, Alwar, Bharatpur, Bikaner, Chittorgarh, Dausa, Jaipur, Jodhpur, Kota, Pali, Sikar and Udaipur.
2 Districts: Abu Road, Balotra, Banswara, Baran, Barmer, Beawar, Bhilwara, Bhinmal, Bhilwara, Bundi, Chomu, Churu, Dausa, Dholpur, Dungarpur, Hanumangarh, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Karauli, Kekri, Khetri, Kishangarh, Kota, Nagaur, Nohar, Nokha, Phalodi, Pratapgarh, Ramganj Mandi, Ratangarh (TCC), Sawai Madhopur, Shahjahanpur (TCC), Shahpura (Bhilwara), Shahpura (Jaipur), Sirohi, Sri Ganganagar, Sujangarh, Tonk and twelve districts at regional level.
3.3.3 Trend of Revenue

The Transport Department is the third largest tax collecting Department of the State Government. Tax receipts of the State and the Transport Department for the last five years are as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Tax revenue of State (₹ in crore)</th>
<th>Tax on Motor Vehicle (₹ in crore)</th>
<th>Percentage growth over last year (%)</th>
<th>Percentage of Tax Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>38,672.87</td>
<td>2,829.86</td>
<td>13.23</td>
<td>7.32</td>
</tr>
<tr>
<td>2015-16</td>
<td>42,712.92</td>
<td>3,199.44</td>
<td>13.06</td>
<td>7.49</td>
</tr>
<tr>
<td>2016-17</td>
<td>44,371.66</td>
<td>3,622.83</td>
<td>13.23</td>
<td>8.16</td>
</tr>
<tr>
<td>2017-18</td>
<td>50,605.41</td>
<td>4,362.97</td>
<td>20.43</td>
<td>8.62</td>
</tr>
<tr>
<td>2018-19</td>
<td>57,380.34</td>
<td>4,576.45</td>
<td>4.89</td>
<td>7.98</td>
</tr>
</tbody>
</table>

Source: Statistical Abstract of Transport Department 2018-19

During the year 2018-19, the Department contributed 7.98 per cent of the total tax revenue of the State. Although the overall revenue of department in monetary terms has been increasing, its percentage to the total revenue collection has decreased during 2018-19 in comparison to 2017-18.

3.3.4 Audit Objectives

The performance audit (PA) was undertaken with a view to ascertain whether:

- the extant provisions prescribed under the Act and Rules were adequate to safeguard the revenue;
- an adequate procedure is prescribed for levy, assessment, collection and remittances of Government revenues and implementation of Act and Rules;
- the National Road Safety Policy (March 2010) was implemented effectively;
- enforcement wing of the Department was effective in monitoring the transport vehicles plying within the State to ensure conformity with the provisions regarding fitness, carriage capacity and pollution clearance etc.
- adequate and effective monitoring and internal control mechanism including information technology systems are in place to ensure effective and efficient functioning of the Department.

3.3.5 Audit criteria

The Performance Audit (PA) was based on the following criteria:

- The Motor Vehicles Act, 1988
- Central Motor Vehicles Rules, 1989
- Rajasthan Motor Vehicles Taxation Act, 1951
- Rajasthan Motor Vehicles Taxation Rules, 1951
- Rajasthan Motor Vehicles Rules, 1990
- National Road Safety Scheme, 2010
- Rajasthan State Road Safety Policy, 2017
- Rajasthan Pollution Check Centre Scheme (online), 2017
- Air (Prevention and Control of Pollution) Act, 1981
Audit Report (Revenue and Economic Sectors) for the year ended 31 March 2019

- Rajasthan State Environment Policy, 2010 and
- Notifications, Circulars, Orders, Guidelines issued by the Government of India and Transport Department, Rajasthan from time to time.
- Best practices as mentioned in the Motor Vehicle Acts/Rules of Other States (Haryana & Karnataka)

### 3.3.6 Scope and methodology

The PA covered the period from 2014-15 to 2018-19. A sample of Ten RTO offices\(^3\) and six DTO offices\(^4\) were selected for scrutiny of records by adopting Probability Proportionate to Size (Systematic) Method. Apart from this, office of the CoT was also covered. Field study was conducted between November 2018 and July 2019.

Methodology adopted for the PA included scrutiny of files, records maintained in the selected offices, information provided by the Department, previous Audit Reports and Public Accounts Committee (PAC) recommendations etc. Further, the electronic data/dump data of VAHAN for the years 2015-16 to 2018-19 was also analysed.

An Entry Conference was held on 12 March, 2019 with the CoT and other officers of the Department wherein objectives, scope and methodology of PA were explained in detail. Exit conference was held on 28 November 2019, wherein audit findings were discussed in detail with the Department. The replies received in exit conference and at any other point of time have been incorporated appropriately in the respective paras.

### 3.3.7 Acknowledgement

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

### Audit Findings

Deficiencies/irregularities noticed during scrutiny of the record and information of selected 16 transport offices and CoT are discussed in the succeeding paragraphs. These audit findings are based on our analysis of sample cases only and there is a possibility of more such cases occurring in the Department. Therefore, the Government is expected to review all other cases having possibility of similar deficiencies/irregularities and required to take corrective action in cases where similar deficiencies/irregularities are found.

### 3.3.8 Registration

According to Section 39 of the MV Act, 1988, no person shall drive a motor vehicle without registration. Audit observations in registration of vehicles are discussed below:

#### 3.3.8.1 Registration of ‘Omnibuses’

Section 2 (29) of MV Act 1988 defines “omnibus” as any motor vehicle constructed or adapted to carry more than six persons excluding the driver.

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\(^3\) RTOs: Alwar, Bharatpur, Bikaner, Chittorgarh, Jaipur, Jodhpur, Kota, Pali, Sikar and Udaipur.

\(^4\) DTOs: Bhilwara, Chomu, Deedwana, Dholpur, Nohar and Sri Ganganagar.
The GoI vide notification S.O.1248 (e) dated 05.11.2004 classified omnibus in the category of Transport Vehicle.

Rule 62 of the CMV Rules, 1989 provides that a Fitness Certificate (FC) granted in respect of a newly registered transport vehicle is valid for two years and is required to be renewed every year thereafter.

During test check of registration records of selected 16 RTOs/DTOs, it was observed that 20,330 omnibuses were registered as non-transport vehicles. Non-registration of omnibuses in category of transport vehicles was in contravention of provisions of the CMV Rules, 1989.

It was further noticed that due to registration of omnibuses in non-transport category fitness of these vehicles remains valid till the expiry of registration. Thus, irregular registration eventually resulted in non-adherence to fitness norms as provided in Rules ibid. However, in RTOs Udaipur and Chittorgarh, fitness test was being conducted on arrival of such vehicles. Had omnibuses been registered as transport vehicles, the Department would have realised revenue of ₹ 1.53 crore for fitness test and issue of fitness certificate. Further, plying of omnibuses without fitness may lead to risk of life of road users and may cause adverse effect on environment.

The matter was pointed out to the Department and reported to the Government (December 2019). During Exit Conference (November 2019), it was stated by the Department that a detailed explanatory order would be issued for registration of Omnibuses as motor car. Later the Government replied (January 2020) that the vehicles involved in the para were simply Motor Cars and not omnibus. Reply is not tenable as the vehicles involved in the paragraph are ‘omnibuses’ which are constructed or adapted to carry more than six persons excluding driver as defined in Section 2 (29) of the MV Act, 1988. The Government should issue clear directions in this regard.

It is recommended that the Government may consider developing a uniform mechanism for classification and registration of omnibuses vehicles.

3.3.8.2 Lacunae in Rules

Section 41(7) of the MV Act, 1988 prescribes that RC shall be valid only for a period of 15 years from the date of issue of such certificate and shall be renewable. Rule 47(1) of CMVR 1989 provides that application for registration shall be made within a period of seven days from the date of taking delivery of vehicle. Further, Rule 48 provides that on receipt of application and after verification of documents, the registering authority shall issue certificate of registration.

A total of 22,769 vehicles were registered in “E” series during 2014-15 to 2018-19 in the State, out of which 12,357 vehicles were registered in the selected RTOs/DTOs. Of which 4,943 transport vehicles were selected for scrutiny.

During the scrutiny of records of selected offices, it was observed in 11 cases pertaining to five offices that applications for registration of construction equipment vehicles (E series) were submitted after a delay of one to seven

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5 E Series: vehicles fitted with equipment like rig, generator, crane mounted vehicles, fork lift etc. or any other non-transport vehicles not covered under any category.

6 RTOs: Bharatpur, Chittorgarh and Sikar DTOs: Deedwana and Shahpura.
years but RCs were issued with validity upto 15 years from the date of issue of RC. The period during which the vehicle plied without RC was not added to the validity period. The rules do not clearly prescribe this feature. Thus, due to lacuna in rules/law these vehicles would ply for more than 15 years without fitness test compromising safety of road users and pollution norms.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that a lacuna in CMV Rules can only be amended by the Central Government, therefore, a letter pointing out the lacuna and its rectification was being forwarded to MoRTH.

### 3.3.9 Taxes and Fees

There were 9,29,573 transport vehicles registered in the State upto December 2018, out of which 6,00,617 vehicles were registered in the selected RTOs/DTOs. Of which 67,615 transport vehicles were selected for scrutiny. Audit noticed non/short realisation of tax and fee, as enumerated in succeeding paragraphs.

#### 3.3.9.1 Non/Short realisation of MVT and SRT on Transport Vehicles

As per section 4 and 4B of the RMVT Act, 1951 and the rules made thereunder, motor vehicle tax (MVT) and Special Road Tax (SRT) are to be levied and collected on all transport vehicles used or kept for use in the state at the rates prescribed by the GoR from time to time except those transport vehicles which have paid Lump Sum Tax (LST) under section 4C besides surcharge is also leviable on tax due. In case of non-payment of the tax, penalty at the rate of 1.5 \textit{per cent} per month or part thereof subject to twice the amount of tax due is also leviable after the expiry of admissible period. Further, Taxation Officer is empowered to serve notice for recovery of tax under Rule 8 and 33 of the RMVT Rules, 1951 and to recover due tax or penalty by attachment and sale of the movable property of the person liable for payment under Section 13A of the RMVT Act, 1951.

During test-check of records for the period April 2014 to March 2019 in the selected 16 offices, it was noticed that owners of 2,232 vehicles had either not paid or short paid the tax. There was no evidence on record to show that the vehicles were off the roads/were transferred to other Districts/States or their registration certificates were surrendered. Although information of tax defaulters was available in VAHAN software yet there was nothing on record to show that the Taxation Officers initiated action to realise the due tax. This resulted in non-realisation of tax (including surcharge) and penalty amounting to ₹ 17.78 crore.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that ₹ 1.68 crore had been realised in 252 cases in eight RTOs/DTOs\(^7\) and offices concerned had been directed to realise the remaining amount.

\(^7\) RTOs: Bharatpur, Bikaner, Jodhpur, Sikar and Udaipur; DTOs: Deedwana, Dholpur and Nohar.
Chapter-III: Taxes on Vehicles

3.3.9.2 Non/Short realisation of MVT and SRT from vehicles plying on scheme route (Lok Parivahan Seva)

Rajasthan Lok Parivahan Seva (RLPS) was inaugurated on 13 December 2015 to provide accessible, inexpensive and safe transport service to the public. 476 nationalised routes were denationalised\(^8\) for permitting private bus operators to ply on these routes. Under section 102 of the MV Act 1988, schemes have been modified for issuing permit to private stage carriage buses in accordance with scope determined by the GoR and conditions imposed by the state transport authority. A total of 1,563 permits have been sanctioned for single and joint routes of RLPS. 1,435 permits have been granted to vehicle owners upto December 2018.

MVT and SRT are leviable at the rates prescribed by the GoR from time to time under Section 4 and 4B of the RMVT Act, 1951 besides surcharge. Penalty is also leviable after the expiry of admissible period. Further, Taxation Officer is empowered to serve notice for recovery of tax and to recover due tax or penalty by attachment and sale of the movable property of the person liable for payment.

During test-check of the registration record, permit and General Index registers of RLPS, it was noticed that tax was either not paid or paid short in respect of 81 vehicles in 11 RTOs/DTOs\(^9\). There was no evidence on record to show that the vehicles were off the roads/were transferred to other Districts/States or their registration certificates were surrendered. The Taxation Officers, however did not initiate any action to realise the tax due. This resulted in non/short recovery of ` 1.85 crore.

These matters were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that ` 5.56 lakh had been realised in six cases of two RTOs\(^10\) and offices concerned had been directed to realise the remaining amount.

3.3.9.3 Non-realisation of outstanding instalments of LST

According to Section 4-C of RMVT Act, 1951 and the Rules made thereunder, lump-sum tax on transport vehicles is levied at the rate prescribed through notifications\(^11\) issued from time to time by the GoR. The LST payable can be paid at the option of vehicle owner either in full or in six equal instalments with effect from 14 July 2014 within a period of one year. Surcharge is leviable on tax. Penalty is also leviable after the expiry of admissible period. Further, Taxation Officer is empowered to serve notice for recovery of tax and to recover due tax or penalty by attachment and sale of the movable property of the person liable for payment.

LST has been made compulsory to be levied on taxi/maxi cab vehicles, goods vehicles upto 12000 kg GVW and 16500 kg GVW with effect from 1 April 2015, 1 April 2016 and 1 April 2017 respectively.

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\(^8\) Administrative Report 2018-19.
\(^9\) RTOs: Alwar, Bikaner, Chittorgarh, Jaipur, Jodhpur, Kota, Pali, Sikar and Udaipur; DTOs: Nohar and Sri Ganganagar.
\(^10\) RTOs: Bikaner and Udaipur.
During test check of the records of selected offices, it was noticed that out of 83282 vehicle, owners of 761 transport vehicles (267 goods vehicles and 494 Taxi/Maxi) did not pay all the instalments. There was nothing on record in the tax ledger or the registration records or in VAHAN to indicate that the vehicles were transferred to other States or registration certificates of these vehicles were surrendered. However, action was not taken to realise the tax due. This resulted in non/short realisation of LST (including surcharge) and penalty amounting to ₹ 6.95 crore. It was further noticed that in case of short payment of instalments, the vehicles were not displayed in defaulter list in VAHAN software.

These matters were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that ₹ 58.09 lakh had been realised in 85 cases of seven RTOs/DTOs\(^{12}\) and offices concerned had been directed to realise the remaining amount.

### 3.3.9.4 Short realisation of fee for Registration, Hypothecation and Fitness

Section 51 of MV Act, 1988, provides that the registering authority shall make an entry in the registration certificate regarding the existence of hypothecation agreement. Rule 81 of the CMV Rules, 1989 prescribes the fee which shall be charged for grant or renewal of registration certificate, endorsing hypothecation agreement and issue or renewal of fitness certificate. The GoI vide notification\(^{13}\) revised fees in respect of grant or renewal of registration certificate, endorsing hypothecation agreement and issue or renewal of fitness certificate etc.

During test check of the registration and fitness records of the selected offices, it was observed that the Department did not initiate timely action to make necessary changes in the software to realise fees at revised rates.

Therefore, the fee was not charged in accordance with revised rates as detailed below:

<table>
<thead>
<tr>
<th>S. No.</th>
<th>Purpose</th>
<th>No. of cases (30 December 2016 to 13 January 2017)</th>
<th>Fees short paid (₹ in lakh)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Grant or renewal of registration certificate</td>
<td>2,811</td>
<td>9.56</td>
</tr>
<tr>
<td>2</td>
<td>Endorsing hypothecation agreement</td>
<td>2,019</td>
<td>25.37</td>
</tr>
<tr>
<td>3</td>
<td>Issue and renewal of fitness certificate</td>
<td>934</td>
<td>1.87</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td>5,764</td>
<td><strong>36.80</strong></td>
</tr>
</tbody>
</table>

This resulted in short recovery of fees amounting ₹ 36.80 lakh in 13 RTOs/DTOs\(^{14}\).

These matters were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that

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\(^{12}\) RTOs: Bharatpur, Bikaner, Sikar and Udaipur; DTOs: Deedwana, Dholpur and Nohar.


\(^{14}\) RTOs: Alwar, Bharatpur, Bikaner, Jaipur, Jodhpur, Pali, Sikar and Udaipur; DTOs: Chomu, Deedwana, Dholpur Nohar and Sri Ganganagar.
0.25 lakh had been realised in four cases in two RTO/DTOs\textsuperscript{15} and offices concerned had been directed to realise the remaining amount.

3.3.9.5 Irregular exemption granted under Amnesty Schemes

In exercise of the powers conferred by Section 3 (1) of the RMVT Act, 1951 the GoR introduced three Amnesty Schemes \textit{vide} notifications dated 9 March, 2013, 06 December, 2016 and 12 February, 2018 for destroyed and other than destroyed vehicles. The Department \textit{vide} office order nos. 4/2015, 43/2016 and 6/2018 prescribed terms, conditions and eligibility criteria for rebate of penalty and interest as mentioned in the table below:

<table>
<thead>
<tr>
<th>Scheme</th>
<th>Date on which tax and surcharge was due for payment and is outstanding</th>
<th>Last date to deposit upto date due tax</th>
<th>Period of rebate allowed if tax was paid upto the date mentioned in column 3 (upto the end of)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amnesty Scheme 6 December 2016</td>
<td>31 March 2015</td>
<td>31 December 2016</td>
<td>31 March 2015</td>
</tr>
<tr>
<td>Amnesty Scheme 12 February 2018</td>
<td>31 March 2016</td>
<td>30 September 2018</td>
<td>31 March 2016</td>
</tr>
</tbody>
</table>

(i) During the period 2014-15 to 2018-19 total 1773 vehicle owners granted exemption under the schemes, out of these 422 vehicles were selected for test check. Test-check of files, orders and other records related to amnesty schemes in nine RTOs/DTOs offices\textsuperscript{16}, it was noticed that rebate was granted beyond the period prescribed for exemptions mentioned in column 4 of the table. This resulted in irregular exemption amounting to ₹ 12.86 lakh in 49 cases.

(ii) Amnesty Scheme 2018 prescribed that:

(a) prior to grant of benefit, it should be ensured that no challan or audit paragraph remained outstanding against the vehicle.

(b) interest and penalty is to be exempted if tax and surcharge upto the 31 March 2016 is payable and outstanding.

During test-check of records in RTO Udaipur, it was found that demand of OTT ₹ 13.87 lakh and penalty ₹ 23.15 lakh was raised (February 2017) against M/s Rajasthan State Mines & Minerals Limited (RSMML) due to non-registration of two non-transport vehicles. Tax amount was deposited in March 2017. M/s RSMML applied (May 2018) for rebate of penalty under Amnesty Scheme. Rebate of ₹ 25.46 lakh was granted (September 2018) against leviable penalty of ₹ 27.75 lakh as on that date. Scrutiny revelled that no tax was outstanding against M/s RSMML for the period upto March 2016, therefore it was not eligible for rebate. However, rebate of ₹ 25.46 lakh was granted in contravention of provision of scheme.

These matters were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that out of ₹ 38.32 lakh ₹ 0.70 lakh had been realised in four cases of

\textsuperscript{15} RTO: Sikar and DTO: Dholpur.

\textsuperscript{16} RTOs: Alwar, Bharatpur, Chittorgarh, Kota, Sikar and Udaipur; DTOs: Deedwana, Dholpur and Sri Ganganagar.
two RTO/DTOs and offices concerned had been directed to realise the remaining amount.

### 3.3.10 Licences

According to Section 3 of the MV Act, 1988, no person shall drive a motor vehicle in any public place unless he holds a valid driving licence issued to him by the competent authority. Rule 11 of the CMV Rules, 1989 provides for preliminary test for learner's licence. Rule 15(2) *ibid* prescribe for test of competence to drive. Further, Rule 32 *ibid* prescribes the fee which shall be charged for issue of licence. Rule 2.1 of the RMV Rules 1990 provides that the DTO shall be the licensing authority. Further, Rule 2.2 of the RMV Rules, 1990 provides that for getting authorisation for driving a transport vehicle, a licence holder may apply with the driving certificate issued by an approved school of motoring.

#### 3.3.10.1 Non-operation of Automated Driving Tracks

With the aim to make the test of competence to drive more efficient and transparent the Department decided to develop Automated Driving Tracks for conducting driving test before the issue of driving license.

The steering committee of dedicated road safety fund approved an amount of ₹ 39 crore to build automated driving tracks in 37 RTOs/DTOs (15 September 2017). An amount of ₹ 23.66 crore was sanctioned for building automated tracks in 13 RTOs/DTOs (9 November 2017). The Department awarded two contracts to construct and develop, operate and maintain automation of driving test track centres.

During scrutiny of records and information furnished by the Department, it was observed that automated tracks were completed in 12 offices with delays ranging from two to 13 months. Track was not completed in RTO Chittorgarh.

An expenditure of ₹ 13.23 crore was incurred in constructing these tracks up to March 2019. However, the tracks were not operational at all the 13 locations. Thus, objectives of construction of automated tracks could not be achieved even after more than two years and spending an amount of ₹ 13.23 crore.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that process of determining standards for driving test was under progress and operation would be started after completion of the process. The reply is not tenable as driving test standards would have been determined before awarding contract for construction of automated tracks.

#### 3.3.10.2 Discrepancies in issue of licences

The Department *vide* office order 36/2015 dated 20 November 2015 envisaged that generally a two-wheeler test takes five minutes while a four-wheeler test takes eight to 10 minutes of time for completion. Thus, order prescribed limit of taking driving test per day by one MVI/MVSI. *i.e.* 100 and 50 driving tests per day for two-wheeled and four-wheeled vehicles respectively.

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17 RTO: Sikar and DTO: Dholpur.
18 RTOs: Alwar, Bharatpur, Bikaner, Chittorgarh, Dausa, Kota, Jaipur, Jodhpur, Pali, Sikar and Udaipur; DTOs: Jhalawar and Deedwana.
Scrutiny of records and information furnished by 15 transport offices except RTO Jaipur for the month of December 2018 revealed that:

- DTO Dholpur issued 31 to 52 licences against allotted 30 slots in a day. Excess issue of licence was noticed on 12 days out of 19 working days. No reason was found on record for accepting applications without slot booking. Taking tests and issuing licences in excess of allotted slots defeated the objective of online slot booking system.

In case the DTO had the facility to entertain more applicants, as is seen from the available evidence, the number of slots per day should have been increased. This would have benefitted the applicants also as they would have to wait for less time to book a slot.

- Eight RTOs/DTOs took excess driving tests per MVI/MVSI per day than the prescribed limit of 100. The number of excess tests varied in the range of 102 to 524. Excess tests were taken on five to 14 days out of 20 working days. Six RTOs/DTOs took tests within the limit prescribed. Conduct of test in excess of prescribed norms was likely to affect proper evaluation of the driving skills which would, in turn, would lead to issue of licences to persons with inadequate driving skills.

This issue also needs to be analysed from the perspective of the growing population and demand for licenses (inspite of the Department still maintaining the prescribed limit of 100 tests per day). Another limiting factor is that Department has 38 per cent vacancies in the critical cadre of MVI/MVSI. The strength of MVI/MVSI has also not been revised since the year 2012-13. Going by current trends, the demand for licenses is only likely to increase over time. The Department may consider rationalising the strength of MVI/MVSIIs which are critical operational posts, in the field for providing satisfactory services to the general population.

Excess number of licences issued indicates towards malpractice of issuing licence without driving tests and possibilities of corruption in these offices.

The cases were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that directions issued vide order dated 20 November 2015 would be reiterated to ensure compliance. Fact remains that directions are yet to be issued (May 2020).

### 3.3.10.3 Short recovery of Licence Fees

The GoI vide notification revised fees in respect of issue of learner’s licence, driving licence, renewal of driving licence etc. with effect from 29 December 2016.

During test check of the licence records of nine offices, it was observed that the Department did not revise the fee in software timely accordingly fees was charged at old rates during the period 30 December 2016 to 13 January 2017. This resulted in short recovery of licence fees amounting to ₹ 34.07 lakh in 8,596 cases.
These cases were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that process to start sending mobile messages to the concerned through NIC for recovery of the difference amount was under progress.

### 3.3.11 Fitness of Vehicles

According to Section 56 of MV Act, 1988 read with rule 62 of CMV Rules, 1989, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness (FC) issued by competent authority in the prescribed form. Rule 62 of the CMV Rules provides that a FC granted in respect of a newly registered transport vehicle is valid for two years and is required to be renewed every year thereafter. Rule 81 of the CMV Rules prescribes fees for conducting fitness test and grant renewal of FC. The GOI vide notification dated 29 December 2016 amended these fees.

**Non-monitoring of renewal of fitness certificate**

Analysis of the dump data of VAHAN software provided by the Department for the period April 2012 to December 2018 related to fitness of transport vehicles revealed that validity of FCs of 1.85 lakh transport vehicles had expired on 31 December 2018. There was nothing on record to show that these vehicles were not plying in the state or transferred to other states. Year wise break up of FCs expired was as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of transport vehicles whose fitness expired during the year</th>
<th>No. of transport vehicles whose fitness required to be renewed during the year</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>11,530</td>
<td>11,530</td>
</tr>
<tr>
<td>2015-16</td>
<td>30,153</td>
<td>41,683</td>
</tr>
<tr>
<td>2016-17</td>
<td>40,163</td>
<td>81,846</td>
</tr>
<tr>
<td>2017-18</td>
<td>71,092</td>
<td>1,52,938</td>
</tr>
<tr>
<td>2018-19</td>
<td>32,051</td>
<td>1,84,989</td>
</tr>
</tbody>
</table>

*Transport vehicle registered prior to 2012-13 have not been taken into consideration.*

Though the data related to vehicles whose validity of FCs expired, was available with the Department, yet it failed to initiate action against the defaulters. Possibility of these vehicles still plying cannot be ruled out. Non-renewal of FCs also resulted in non-realisation of FC fee of ₹ 9.46 crore. Further, fee for conducting test of fitness amounting to ₹ 16.22 crore\(^{24}\) also could not be realised. Thus, the Department failed to monitor renewal of fitness of transport vehicles. Plying of unfit vehicles may lead to serious threat to road safety and environment also.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that fitness of vehicles was being monitored by enforcement staff. The reply is not acceptable as the enforcement staff failed to take action against the defaulters 1.85 lakhs vehicle owners. Further the Department did not use the data to initiate action or issue notices to the defaulters.

\(^{24}\) Calculated on the basis of minimum fee applicable in the rules *i.e.* ₹ 200 up to 29 December 2016 and ₹ 400 thereafter.
3.3.12 Permit

Section 66 of the MV Act 1988 provides necessity of permit for use of transport vehicle in any public place. Further, Section 81 provides that permit shall be effective for a period of five years from the date of issue or renewal and may be renewed on an application made at least 15 days before from the date of its expiry. Rules 87(1) of the CMV Rules 1989 prescribes fees for grant of an authorisation for a national permit. Rule 87(3) ibid provides that the period of validity of an authorisation shall not exceed one year at a time.

3.3.12.1 Non-renewal of permit of Auto-rickshaws

There were 1,67,779 Auto-rickshaw registered in the State up to 31 March 2019, out of which 1,09,274 were registered in the selected 16 transport district.

Test-check of the permit records of 100 auto-rickshaws each in nine RTOs/DTDs25 (total of 900) revealed that 240 auto-rickshaws (26.66 per cent), did not get their permits renewed. There was nothing on record to show that these vehicles were not plying. No action to issue notice was found on record. The authorities failed to monitor the status of renewal of permits of auto-rickshaws. Further, information of permits of these vehicles was not entered in VAHAN software also.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that plying of auto-rickshaw was being monitored by enforcement staff regularly. The Department also stated that issuance and renewal of permits has been made online. The reply is not acceptable as the permits objected were older permits and notices to the defaulters should be issued by the department besides checking through regular enforcement work.

3.3.12.2 Non-compliance of PAC recommendation in respect of renewal of National permits

The Public Accounts Committee (PAC), in its 303rd report, recommended (16 August 2018) that the Department may initiate the process of renewal of authorisation of national permit under new national permit system through new software promptly and issue notices through the software. In compliance of the recommendation, the Department informed (28 February 2019) that two separate web based software, which were synchronized with each other, were being used for issue of national permit and authorisation. RTOs/DTDs can get the list of vehicles whose validity of permit and authorisation had expired. Issue of notices as per the list was expected to be done at their level.

Information regarding issue of notices through software was called for from selected 16 RTO/DTD offices but 12 offices26 did not furnish the information. Scrutiny of information provided by the four RTOs/DTDs27 (May to September 2019) revealed that notices were not being issued through software by these offices. Thus, PAC's recommendation has not been complied by the department in letter and spirit.

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25 RTOs: Alwar, Bikaner, Jaipur, Jodhpur, Kota, Sikar and Udaipur; DTOs: Deedwana and Sri Ganganagar.
26 RTOs : Bikaner, Chittorgarh, Jaipur, Kota, Pali and Udaipur; DTOs: Bhilwara, Chomu, Deedwana, Dholpur, Nohar and Sri Ganganagar.
27 RTOs: Alwar, Bharatpur, Jodhpur and Sikar.
The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that in-charge of the branch concerned had been directed to comply.

### 3.3.13 Renewal of Trade Certificate

As per Rule 35 of the CMV Rules, 1989, on receipt of an application for grant or renewal of a trade certificate, the registering authority may, if satisfy, issue certificate. Rule 6 (1) of the RMVT Rules, 1951 provides that every dealer shall present a declaration in form MTH not later than 7th day after the expiry of time allowed for the payment of tax. Further, Rule 8 provides that the taxation officer shall satisfy himself that declaration presented is complete and correct amount of tax has been paid.

During the scrutiny of renewal of trade certificates in RTO Jaipur for the period 2017-18, it was noticed that trade certificates were renewed on the basis of declaration filed by the dealers. Audit cross linked declarations of 25 dealers with the data available in VAHAN. It was noticed that in case of seven dealers, number of vehicles actually sold during previous year was higher in range of two to 271 vehicles than the declared. The taxation officer renewed trade certificates without checking the declarations presented by the dealers. This resulted in incorrect renewal of trade certificates and short collection of trade certificate fees.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that a circular was being issued to all RTOs/DTOs for compulsory verification of dealers’ declaration with VAHAN database, before renewal of trade certificates.

### 3.3.14 Exemption from payment of taxes for non-use of motor vehicle

Section 4(2) of the RMVT Act, 1951 read with Rule 25 and Rule 25AA of the RMVT Rules, 1951 provides that tax on vehicles (other than vehicles covered by OTT and LST) shall be payable by the owner except for the period during which the owner surrenders the certificate of registration to the taxation officer, in the prescribed manner, that the vehicle has remained out of use for such reasons as may be prescribed, or satisfies the taxation officer that vehicle has not been used.

Out of 16 offices selected for PA, the largest three units i.e. RTO Jaipur, Jodhpur and Udaipur were selected for examining cases of RC surrender. The study covered the period from 2016-17 to 2018-19.

Out of total 2.67 lakh registered passenger and goods vehicles in the selected three transport offices, 2255 vehicles (0.85 per cent) applied for exemption. Among these applications, 68 related to government (RSRTC and JCTSL). Further, RCs of 665 vehicles were pending for release.
Detail of RC surrender cases in selected offices during last three years is as under:

<table>
<thead>
<tr>
<th>S.No.</th>
<th>Category</th>
<th>Total cases</th>
<th>Selected cases</th>
<th>Examined cases</th>
<th>Not-submitted cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>RC surrendered but not released</td>
<td>665</td>
<td>161</td>
<td>154</td>
<td>7</td>
</tr>
<tr>
<td>2</td>
<td>RC released after surrender</td>
<td>1590</td>
<td>383</td>
<td>271</td>
<td>112</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>2255</strong></td>
<td><strong>544</strong></td>
<td><strong>425</strong></td>
<td><strong>119</strong></td>
</tr>
</tbody>
</table>

Audit could not ascertain position of applications for grant of exemption in case of vehicles where RCs were released as copies of requisite documents were not available in record. The Department may consider to ensure that copies of documents submitted with the Form MTG are kept in record for future references.

Scrutiny of records of the selected offices revealed reasons of surrender of RCs as below:

<table>
<thead>
<tr>
<th>Reason</th>
<th>As prescribed in Rules</th>
<th>Not prescribed in rules</th>
<th>Not mentioned</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Mechanical breakdown,</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Repair and Maintenance</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Theft</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Accident</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Irreparable</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Number</td>
<td>352</td>
<td>6</td>
<td>4</td>
<td>36</td>
</tr>
<tr>
<td>Percentage</td>
<td>83.06</td>
<td>1.41</td>
<td>0.94</td>
<td>8.47</td>
</tr>
</tbody>
</table>

It is evident that 14.59 *per cent* of the RCs surrendered were for the reasons was not prescribed in Rules or reasons were not mentioned in applications altogether.

3.3.14.1 Approval of incomplete applications

As per Rule 25 (3) of the RMVT Rules, 1951, the owner shall along with the application submit the RC, tax certificate, tax token, fitness certificate, permit part A and B along with authorisation, insurance certificate *etc.* Rule 25 (4) *ibid* provides that the applicant shall specify the place where the motor vehicle shall be kept during the period of surrender in form MTG. Further, Rule 25 (6) provides that any application which is incomplete or does not satisfy the requirements of sub-rules (1) to (4), shall be returned and deemed as if no application has been submitted.

Scrutiny of 154 cases in which RCs were surrendered but not released, revealed that:

a. Necessary documents were not enclosed with the application in form MTG in 127 cases.

b. Validity of documents enclosed with application such as Fitness Certificate, Insurance Certificate, PUCC and Tax Certificate had expired in 136 cases.

c. Period of surrender was not mentioned in 78 cases.

The Taxation officer however accepted incomplete applications without proper scrutiny. Incomplete applications should have been returned to the applicants but were not returned.

The matter was pointed out to the Department and reported to the Government (January 2020). The Department replied (February 2020) that after the
taxation officer satisfied himself that no tax was outstanding, the requirement of documents did not entail adverse outcome of the rule. Reply is not tenable as applications which did not satisfy the requirements of sub rule 1 to 4, were to be returned according to the provision under Rule 25(6).

3.3.14.2 Approval of application for reasons not prescribed in rules

Rule 25AA prescribes reasons for non-use and provides that the Taxation Officer shall satisfy himself and certify that the vehicle was not used due to being restrained from plying by competent authority, involvement in accident, attachment of vehicle for recovery, suspension or cancellation of RC, mechanical breakdown or repair and maintenance, prohibitory orders under any law and order situation and theft of the vehicle.

Audit noticed that in three offices, 36 applications for surrender of RCs were accepted for the reasons not prescribed in rules i.e. vehicle being irreparable or scrap. Thus, tax exemption allowed in these cases was irregular. As per rules, action for cancellation of RCs was to be initiated in these cases but was not initiated.

Audit worked out the amount of tax exempted as ₹ 1.15 crore in 30 cases. In remaining six cases amount of tax exemption could not be quantified in audit as the permit details were not available on records.

The matter was pointed out to the Department and reported to the Government (January 2020). The Department replied (February 2020) that reason of “mechanical breakdown or repair and maintenance” elucidates that RC of vehicle may be surrendered for repair breakdown reason and whether it is found irreparable after mechanical investigation later. Minor infirmities in the application did not led to tax liability. Reply is not tenable as a vehicle which is already irreparable does not require repair and maintenance. Hence, their classification under repair and breakdown as being done now by the Department is not correct. The Department should initiate action for cancellation of RCs in these cases. Further, accepting surrender of irreparable or scrap vehicles will create unwanted burden of routine monitoring and keeping records of such vehicles which need to be phased out.

3.3.14.3 Improper maintenance of RC Surrender Register

As per Rule 25 (7), acknowledged applications shall be entered serially in a register kept in Form M.T.S. and each entry made therein shall be initialed by an officer authorised in writing on that behalf by the Taxation Officer. The Taxation Officer should on the last day of every month check and sign the register below the last entry made.

The RC Surrender Register was not maintained in form MTGS in RTO Jaipur. Except RTO Jodhpur, complete entries were not made in the register in RTO Jaipur and Udaipur. Thus, in effect the Taxation Officers verified incomplete details in the register. Proper maintenance of the register provides complete information about the vehicles and helps in monitoring. In absence of proper maintenance of the register, the departmental authorities could not get details of the vehicles at a glance.

The matter was pointed out to the Department and reported to the Government (January 2020). The Department accepted and stated (February 2020) that observation was pertinent and the department was making efforts to have the
RC surrendering system as on-line on VAHAN software to eliminate the deficiencies in the present system.

3.3.14.4 Lack of proper monitoring of vehicles whose RCs were surrendered

As per Rule 25 (4), the owner shall not remove the motor vehicle from the specified place to any other place without the prior written permission of the Taxation Officer concerned. Section 4(2) of the RMVT Act, 1951 provides that if a motor vehicle is found plying after the surrender of the RC, the tax on such vehicle shall be payable forthwith for the period of surrender along with a penalty equal to five times the amount of tax.

Rule 25(8) of the RMVT Rules, 1951 provides that at the end of every week, the Taxation Officer shall prepare a list of vehicles kept in non-use and he may himself inspect or by any subordinate officer not below the rank of a MVSI shall get all such motor vehicles inspected and the reports of such inspection thereof shall be entered in the register maintained in form MTS as per Rule 25(7). In case of the vehicles of Rajasthan State Road Transport Corporation, the inspection reports shall be forwarded to the concerned Taxation Officer.

During the scrutiny of records, it was observed that the Taxation Officers were not performing this task. Inspection was carried out only once or twice during entire period of surrender, although RCs were surrendered for a period up to 34 months. Further, inspection reports pertaining to RSRTC vehicles were not available in record. Notices were not issued to RSRTC for furnishing such certificates.

On being enquired, RTO Jodhpur informed that in two cases vehicles were seen plying during the period of surrender of RC. No action was found taken in one case whereas in other case vehicle was ceased by the Department.

Further, scrutiny of vehicle inspection reports in RTO, Jodhpur revealed that in one case vehicle was not found at the place specified in form MTG. Neither permission was granted by the competent authority for removing the motor vehicle to other place nor was the action for removing vehicle without permission initiated.

It was further noticed that 18 vehicle owners surrendered RCs twice or thrice for the purpose of repairing during the period of three years. There was nothing on record to show that the vehicles required repairing frequently.

Timely Inspection of these vehicles was necessary to check the genuineness of reasons mentioned for surrender of RC as well as to protect revenue interest of the Government. In absence of proper monitoring misuse of exemption provisions cannot be ruled out.

The matter was pointed out to the Department and reported to the Government (January 2020). The Department replied (February 2020) that instructions for strict compliance of the procedure had been issued time to time.

The Department may consider to develop a proper system for monitoring these cases and obtain certificate from authorized workshop at the time of application for RC surrender and also before releasing the RC, where the RC was surrendered for one month or more.
3.3.14.5 Lacunae in provisions for RC surrender

Section 4(2) and Rule 25 of the RMVT Act and Rules, 1951 prescribe minimum period for RC surrender or non-use as seven days for stage carriages and one month for other than stage carriages but the rules do not prescribe maximum period.

Statement of objects and reasons under the Rajasthan Motor Vehicle Taxation (Amendment) Bill, 1998 said that provision of “three months” was proposed to be amended by “one month” to make it more practicable as in modern era of technological advancement, period of one month is adequate for repairing of vehicle.

Scrutiny revealed that 83 per cent (353 out of 425) RCs were surrendered under reason of repairs and maintenance of vehicles. It was observed that in 85 cases, applications were submitted without specifying the period of surrender whereas in 257 cases applications were submitted with period up to 12 months and in 10 cases applications were submitted for period of more than 12 months. These applications were approved by the Taxation Officers.

In absence of provision for maximum period of non-use due to repairs and maintenance, RCs were surrendered for unduly long periods. Surrendering RCs for longer periods was not only inconsistent with the spirit of the amendment but also affected revenue collection of the State.

Audit noticed that no document showing that vehicle is fit for plying on road was being submitted at the time of release of RC of such vehicles. Thus long period of surrender of RC of such vehicles could not be justified.

The matter was pointed out to the Department and reported to the Government (January 2020). The Department agreed (February 2020) to consider determination of maximum period.

The Department may prescribe maximum period of non-use of vehicle in rules.

3.3.14.6 Lack of action on expiry of period of surrender

Rule 25 (1) provides that the application for the surrender shall be made in Form M.T.G. The period of surrender of RC is required to be furnished in form MTG.

During the scrutiny of records, it was observed that in 289 cases, either period of surrender had expired or period of surrender was not mentioned in the application. In these cases, application for release of RCs was not submitted. Rules do not provide for extension of period of surrender. However, Taxation Officer did not initiate action to recover tax from the date of expiry of surrender period.

The matter was pointed out to the Department and reported to the Government (January 2020). The Department replied (February 2020) that in absence of prescribed maximum period of surrender, applicants tended to avoid mentioning the exact period. It was further stated that suitable directions would be issued and adopting online system on VAHAN would address such discrepancies.

It is quite evident that irregularities in approval of application, casual monitoring of vehicles by the Department and lacunae in rules resulted in loss
of revenue to the exchequer. If the exemption had not been allowed, the Government would have earned revenue of ₹ 1.15 crore in 30 cases. To analyse this issue, audit referred to MV Rules of other States. It was seen that there is no provision for tax exemption in the State of Haryana whereas facility for tax exemption has been controlled by limiting the power of certifying non-use of a motor vehicle of fleet owner with the Commissioner in the State of Karnataka.

### 3.3.15 Vehicular Pollution

Rule 115 of the CMV Rules 1989 provides that motor vehicle shall be maintained in such condition which comply with the standards of emission. Rule 115(7) *ibid* provides that after the expiry of a period of one year from the date on which the vehicle was first registered every such vehicle shall carry a valid “Pollution under control” (PUC) certificate issued by an agency authorised for this purpose by the State Government. The validity of the certificate shall be for six months. *Rajasthan Motor Vehicle Test Center Scheme (online) 2017* (RMVTC Scheme 2017) was introduced with the objective to prescribe operational process of Pollution Check Centers (PCCs), make the scheme job oriented and control vehicular pollution. As per MoRTH notification dated 23 February 2012, the validity of PUCC shall be one year in case of BS-IV vehicles.

#### 3.3.15.1 Pollution Under Control Certificate

The Department initiated a good practice of keeping the database of Pollution Under Control Certificates (PUCCs) through networking provided by Rajasthan Electronics and Instruments Ltd (REIL) and send mobile text messages to remind vehicles owners for emission test, whenever due.

The detail of PUCC issued and to be issued during 2014-15 to 2018-19 are as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Vehicles registered(^28) (up to the end of previous year)</th>
<th>Number of PUC Certificates to be issued as per norms(^29)</th>
<th>PUC Certificates issued during the year</th>
<th>Number of PUC Certificates issued (in per cent) ((4)/(3))</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>87.4</td>
<td>152.82</td>
<td>3.77</td>
<td>2.47</td>
</tr>
<tr>
<td>2015-16</td>
<td>96.68</td>
<td>181.41</td>
<td>9.66</td>
<td>5.32</td>
</tr>
<tr>
<td>2016-17</td>
<td>106.89</td>
<td>201.25</td>
<td>8.57</td>
<td>4.26</td>
</tr>
<tr>
<td>2017-18</td>
<td>117.03</td>
<td>221.38</td>
<td>12.06</td>
<td>5.45</td>
</tr>
<tr>
<td>2018-19</td>
<td>127.93</td>
<td>242.07</td>
<td>28.28</td>
<td>11.68</td>
</tr>
</tbody>
</table>

Source: Statistical Abstract of the Transport Department 2018-19

Above table indicates that only 2.47 to 11.68 *per cent* PUCCs were issued during the year 2014-15 to 2018-19. Although number of PUCC issued has increased during 2018-19 but still 88.32 *per cent* PUCCs could not be issued.

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\(^{28}\) Vehicles registered upto 15 years ago have been excluded.

\(^{29}\) As per MoRTH notification dated 23 February 2012, validity of PUCC in case of BS-IV vehicles shall be one year. Vehicles registered 2012 onwards have been treated as BS-IV vehicles for purpose of calculating number of PUCCs required to be issued.
as per norms. It was observed that the Department had not utilized the data of vehicles to send messages to owners who failed to appear for emission test.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that action was taken against vehicles found plying without PUCC. The reply is not acceptable as the department should have used the data to issue notices to the defaulters besides regular enforcement work.

### 3.3.15.2 Absence of proper monitoring of vehicles failed in pollution test

Out of 16 selected offices, nine offices did not furnish the information related to vehicles which failed the pollution test. Scrutiny of information furnished by seven offices revealed that 5823 vehicles failed the test in five offices whereas no vehicle failed in the test in two offices.

- In two offices (RTO, Udaipur and DTO, Chomu) out of 624 failed vehicles, only 150 vehicles were sent for re-test. In Pali, all 260 failed vehicles were re-tested. No action to prevent failed vehicles from plying was initiated by the department. It is evident that the department was not properly monitoring the test results.
- In two offices (RTO, Bharatpur and Jodhpur), 4,939 vehicles failed in pollution test but were not sent for re-test.

No action was found initiated against the vehicles failed in pollution test and which did not turn up for re test. This shows that departmental officers were not sensitive on the issue of pollution.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that issue of PUCCs was being monitored continuously and 0.30 lakh vehicles failed the emission test out of 25.33 lakh vehicles tested during April 2019 to December 2019. The reply is not acceptable as the department only monitored the data of emission test results but did not issue reminders to the defaulters for re-test.

### 3.3.15.3 Non-issue of authorisation letter for pollution test centre to authorized vehicle dealers having workshop

RMVTCS (online) 2017 provides that (i) the authorisation letter shall be issued by DTO; (ii) Fees of ₹ 5,000 shall be charged for authorisation of each center for diesel and petrol vehicles separately. (iii) Validity period of authorisation letter shall be two years and it is renewable on payment of renewal fee of ₹ 5,000 (iv) It is mandatory for authorized dealers having workshops to have pollution test center and; (v) New and existing dealers shall compulsorily submit authorisation letter at the time of application for issue and renewal of trade certificate respectively.

During analysis of the record of pollution check centers with the motor vehicle dealers having workshop in 16 selected RTO/DTO offices, it was observed that no dealer obtained the authorisation letter under the scheme in 15 offices whereas in RTO Jaipur, out of 231 dealers 224 dealers did not obtain the same. Thus, the authorisation letter was not obtained by 996 dealers. There was

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30 RTOs: Alwar, Bikaner, Chittorgarh and Jaipur; DTOs: Bhilwara, Chomu, Deedwana, Dholpur and Nohar.
31 RTOs: Bharatpur, Jodhpur, Pali and Uaipur; DTOs: Bhilwara, Chomu and Sri Ganganagar.
32 RTOs: Bharatpur, Jodhpur, Pali and Uaipur; DTO: Chomu.
33 DTOs: Bhilwara and Sri Ganganagar.
nothing on record to show that efforts were made to get authorization letter by these dealers. In absence of authorisation letter, trade certificate of dealers was renewed in contravention of condition prescribed in the Scheme. This indicates that the Departmental authorities failed to implement the scheme properly. This also resulted in non-realisation of authorization fee amounting to ₹ 49.80 lakh in 996 cases.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that ₹ 0.70 lakh had been realised in 14 cases. It was further stated that there was no loss of revenue because establishment of test centre was not mandatory for dealers as per CMVR. Reply is not tenable as it is clearly mentioned in the scheme that obtaining authorisation letter for PCC by the motor vehicle dealers having workshop was mandatory.

### 3.3.16 Internal Control

#### 3.3.16.1 Internal Audit

Internal audit is an essential part of internal control mechanism. The Department has an Internal Audit Wing to conduct audit of records maintained in the transport offices to ensure adherence to the provisions of the Act and Rules as well as departmental instructions issued from time to time.

The four to five inspection parties were deployed for audit against sanctioned seven parties.

- **Arrear of Internal Audit**

The position of internal audit for the last five years was as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Pending units at the beginning of year</th>
<th>Units selected for audit during the year</th>
<th>Total units due for audit</th>
<th>Units audited during the year</th>
<th>Units remained un-audited</th>
<th>Shortfall in percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014-15</td>
<td>4</td>
<td>51</td>
<td>55</td>
<td>45</td>
<td>10</td>
<td>18.18</td>
</tr>
<tr>
<td>2015-16</td>
<td>10</td>
<td>57</td>
<td>67</td>
<td>66</td>
<td>1</td>
<td>1.49</td>
</tr>
<tr>
<td>2016-17</td>
<td>1</td>
<td>57</td>
<td>58</td>
<td>50</td>
<td>8</td>
<td>13.79</td>
</tr>
<tr>
<td>2017-18</td>
<td>8</td>
<td>57</td>
<td>65</td>
<td>44</td>
<td>21</td>
<td>32.31</td>
</tr>
<tr>
<td>2018-19</td>
<td>21</td>
<td>57</td>
<td>78</td>
<td>71</td>
<td>7</td>
<td>8.97</td>
</tr>
</tbody>
</table>

Source: Information furnished by the CoT

It is seen from the above that there were arrears in internal audit ranging from one unit to 21 units. Further, there were significant arrears in the years 2014-15 and 2017-18. Further, it was also seen that in the year 2018-19 total 71 units were audited by four parties against the 57 selected. Thus, quality of work done cannot be assured as audit of excess units than planned with lesser number of parties was conducted.

- **Outstanding paragraphs of Internal Audit**

Year wise break up of outstanding paragraphs of internal audit was as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Upto 2014-15</th>
<th>2015-16</th>
<th>2015-16 (Supplementary)</th>
<th>2016-17</th>
<th>2017-18</th>
<th>2018-19</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paras</td>
<td>3,262</td>
<td>833</td>
<td>866</td>
<td>801</td>
<td>1,057</td>
<td>220</td>
<td>7,039</td>
</tr>
</tbody>
</table>

Source: Information furnished by the CoT
Total 7,039 internal audit paragraphs were outstanding at the end of 2018-19, out of these 3,262 paras (46.34 per cent) were outstanding for more than five years. The huge number of outstanding paragraphs indicates that the Department did not make effective compliance of the observations raised by the Internal Audit Wing. Thus very purpose of internal audit was defeated to that extent.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that paragraph settlement camps were being organized for disposal of outstanding paragraphs.

### 3.3.16.2 Non-updation of Departmental Manual

With the objective of compiling departmental rules, structure, activities and duties of departmental officers/officials, Departmental Manual was prepared in the year 2001 by the Transport Department.

During the scrutiny of records in CoT, it was observed that the departmental manual used by the department was published in 2001. No reason was found on records for non-updation of manual.

Functioning of the Transport Department has changed comprehensively with introduction of Information Technology, amendments in rules and regulations, change in departmental structure etc. The purview of the Department is also expanding with focus on new aspects like road safety, pollution control etc. Therefore, in order to ensure proper functioning of various wings and help officials to cope with the new aspects by providing related guidance at one place, manual is required to be updated timely.

The cases were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that work of updating the manual was in progress.

### 3.3.16.3 Inspection of private fitness test centers

According to point 7 of the Vehicle Fitness Test Centre Regulation Scheme FIZA 2018, inspection of private fitness centre is to be conducted once in every three months by DTO and once in a six month by RTO/ARTO.

Information regarding inspection of the private centres was provided only by seven offices though called for from the selected 16 RTOs/DTOs. There were 12 private centres functioning under the jurisdiction of these offices except RTO Sikar and DTO Nohar where private fitness center was not established. Scrutiny of the information revealed that 12 inspections were conducted during 2018-19. As per the norms, 48 inspections of these centres were to be done by DTO during the year but only 10 inspections were conducted. Inspecting authority was not mentioned in remaining two cases. No inspection was conducted by RTOs against the prescribed number of 24 inspections. Reasons for non-conduct of inspection were also not available on record. Thus, it was evident from the above that functioning of these fitness centers was not properly monitored by the Department.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government accepted (January 2020) that according to

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34 RTOs: Jodhpur, Kota, Sikar and Udaipur; DTOs: Dholpur, Nohar and Sri Ganganagar.

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the scheme, private fitness centers should be inspected by DTO and ARTO/RTO concerned once in a quarter and half year respectively.

3.3.16.4 Inspections of Pollution Check Centres (PCCs)

According to point 8 of the RMVTC Scheme 2017, each PCC is required to be inspected twice a year by a transport official not below the rank of sub-inspector and the report of inspection have to be submitted to the respective RTO/DTO.

Scrutiny of the information provided (July 2019) by the CoT revealed that 1359 PCCs were functioning in the State (except RTO Dausa). There were 507 transport officials not below the rank of sub-inspector working in the Department as on 02 April 2019. As per the prescribed norms, 5436 inspections were to be conducted during the period 2017-19, however only 1249 inspections were conducted during the said period which was far away from the target. Had six inspections in a year was conducted by an official, target would have been achieved. But the department could not ensure compliance to the provision of the scheme *ibid*, accordingly control of department over functioning of these PCCs was ineffective to that extent.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that PCCs were being inspected in every six months regularly and 869 inspections of 1409 centers were conducted recently. The reply is not tenable as inspection were not conducted as per norms.

3.3.16.5 Non maintenance of Demand and Collection Register

As per Rule 36A (7) of RMVT Rules, 1951, the taxation officer shall enter the details of the tax, penalty and interest in demand and collection register (DCR).

During the test-check of records, it was noticed that DCR was not maintained by DTO Chomu. On being asked, DTO Chomu stated that DCR was to be maintained by the RTO, Jaipur as permit were issued by them. However, according to extant rules DCR was to be maintained by the DTO being the Taxation officer.

In absence of DCR effectiveness of the office in identification of defaulters, issue of demand notices and collection of revenue could not be ascertained.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that DCR would be generated digitally as tax arrears/demands would be monitored online and tax would be auto calculated. The reply is not tenable as Department did not maintain so far.

3.3.17 Software

‘VAHAN’ and ‘SARATHI’ softwares were introduced in the State in phased manner with effect from October 2009 and September 2009 respectively. Presently VAHAN 4.0 software is being used in 61 offices and SARATHI software in 75 offices (including 18 sub offices). The Department did not provide access to SARATHI software, therefore functioning of software could not be analysed. Study of VAHAN software revealed following deficiencies:
3.3.17.1 Partial utilisation of VAHAN

The VAHAN software was designed to automate the data management of information related to vehicles. There are five modules\textsuperscript{35} provided in the software. However, Enforcement Module had not been made operational yet. Due to non-operation of the module, the Department could not analyse the offences, breach of MV laws by the vehicle drivers/owners and the outstanding challans for compounding. Thus, the Department failed to reap full benefits of the software.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that e-challan application was being implemented in field offices in a phased manner.

3.3.17.2 Partial integration of e-GRAS with VAHAN

The Finance (Economic Affairs) Department, GoR vide circular dated 25 July 2018 instructed the revenue Departments to integrate departmental application with e-GRAS and provide auto-deface facility for challans thereafter.

On being inquired (February 2019) regarding integration of departmental application with e-GRAS, the Department informed that departmental application of services related to licences and registration of non-transport vehicles (only at the level of dealer) had been integrated with e-GRAS. Further, the department stated that NIC had linked the VAHAN to provide auto-deface facility. Auto-deface facility was available for e-GRAS challans related to services provided through departmental application. Defacing of rest of the challans after providing the service was being done by offices concerned.

It was observed that the VAHAN was not integrated with e-GRAS for other services except registration of non-transport vehicles at the level of dealer. Hence, the e-GRAS challan related to all other services has to be presented in transport office in person by the vehicle owner and entry is made after verification of receipt. Thus public at large could not be facilitated due to non-integration of these two system.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that a proposal had been sent to the Finance Department for complete integration of VAHAN 4.0 with e-GRAS.

3.3.17.3 Absence of provision in the software for allowing rebate

The GoR vide notification 1 V dated 8 March 2017 provides that in case of new vehicle/chassis, the cost of vehicle for computation of tax shall be the ex-showroom price inclusive of all taxes and levies as shown in the purchase bill but excluding any discount, rebate or concession in price given under any promotional scheme or otherwise by any manufacturer or dealer. The Department vide office order dated 20 September 2018 directed the RTOs/DTOs and registering authorities to ensure computation of OTT on the basis of price provided by the manufacturer on VAHAN 4.0 by capturing it from homologation\textsuperscript{36} with effect from 1 October, 2018.

\textsuperscript{35} Vehicle Registration, Permit, Taxes, Fitness and Enforcement Modules.

\textsuperscript{36} Homologation is a portal in VAHAN software from where vehicle detail is captured through chassis number.
During review of registration records and VAHAN software, it was observed that OTT was being computed on price captured through homologation without excluding the rebate given by dealers. Thus, the department’s order *ibid* abandoned the benefit given to public vide notification *ibid*.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that in-charge of the branch concerned had been directed to verify/comply the facts.

### 3.3.18 Road Safety

On the lines of the National Road Safety Policy (2010), the State Government approved Rajasthan State Road Safety Policy (21 March 2017). The Department prepared an action plan (October 2017) to achieve the goals of the state policy and fixed the targets.

Scrutiny of the records and information furnished by the Department revealed the following:

#### 3.3.18.1 Short Utilization of Road Safety Fund

A Dedicated Road Safety Fund, 2016 was created (April 2017) to help in reduction of road accidents, implement road safety policy & activities, strengthen institutional infrastructure and make transport system safe. The transport department is the nodal department for management and operation of the fund. Road Safety Cell was empowered to accord sanction from the fund. Position of allotment and utilization of the fund during 2017-19 is as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget allotted (₹ in crore)</th>
<th>Budget utilized (₹ in crore)</th>
<th>Budget unutilized (₹ in crore)</th>
<th>Percentage of non-utilisation</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017-18</td>
<td>89.42</td>
<td>37.14</td>
<td>52.28</td>
<td>58.47</td>
</tr>
<tr>
<td>2018-19</td>
<td>80.52</td>
<td>9.12</td>
<td>71.40</td>
<td>88.67</td>
</tr>
</tbody>
</table>

It is evident that the fund was not utilized effectively.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that 2017-18 was the very first year of establishment of this fund, therefore, it could not be utilized during the year while in the year 2018-19, it could not be utilized due to time taken in opening appropriate budget head and enactment of model code of conduct. The reply is not acceptable as the budget allocation was as per detailed budget head.

#### 3.3.18.2 Target for reducing road accident fatalities

The State policy committed to reduce the road accident fatalities in the state by 50 per cent of the base line figure of 2015, by 2020. Annual targets of 15, 15 and 20 per cent for the year 2018, 2019 and 2020 respectively were fixed to achieve the policy target.

The position of road accidents in the state is as under:

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of accidents</th>
<th>No. of casualties</th>
<th>Percentage decrease from base year <em>i.e.</em> 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>24,072</td>
<td>10,510</td>
<td>-</td>
</tr>
<tr>
<td>2016</td>
<td>23,066</td>
<td>10,465</td>
<td>0.43</td>
</tr>
<tr>
<td>2017</td>
<td>22,112</td>
<td>10,444</td>
<td>0.62</td>
</tr>
<tr>
<td>2018</td>
<td>21,743</td>
<td>10,320</td>
<td>1.80</td>
</tr>
</tbody>
</table>

Source: Administrative Report 2018-19
It is evident that there was only 1.80 per cent decrease in accidents fatalities even after three years. Thus, the slow pace, in first three years, reduced the feasibility of achieving the target within time.

States like Tamil Nadu and Andhra Pradesh have achieved decrease of 32.26 and 6.67 per cent respectively in number of casualties in road accidents during 2017-18 whereas the number has decreased only by 1.80 per cent in Rajasthan.

Casualties in road accidents involve high human suffering and socio-economic costs in terms of premature deaths, injuries, loss of productivity for individuals concerned and their families. Therefore, reduction in number of casualties should be taken into serious consideration.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government accepted (January 2020) the fact that there was no significant progress in achieving the desired targets and further stated that sincere efforts were being made by the stakeholder departments.

### 3.3.18.3 Driving Training Facility

Section 12 of the MV Act, 1988 and Rule, 24 to 31A deal with the provisions of licensing and regulation of Motor Driving Schools (MDS). GoR vide notification dated 30 June 2004 and 1 July 2004 empowered MDS for issue of learner’s licence. Further, the Transport Department introduced (April 2018) Motor Driving School Control and Regulations Scheme (MDSR)-2018.

Audit observed that as per MDSR-2018, indoor training for non-transport vehicles is 21 days and 30 days for transport vehicle and outdoor training for non-transport vehicles is 10 hours and 15 hours for transport vehicles are compulsory. Instructions for practical and theoretical training have also been prescribed. However, the Department has not established any driving training centre. Further, Training for non-transport vehicle is not mandatory for acquiring licence. Further, as per Section 2(21), driver of light motor vehicle can drive transport vehicle upto the 7500 kg GVW.

Scrutiny of the data related to the road accident collected from 11 Superintendent/Dy. Superintendent of police revealed that out of the 8,964 accidents which took place during 2017-18, non-transport vehicles were involved in 5968 accidents (67 per cent). Licences to drive such vehicles were granted on the basis of a test which takes 5-10 minutes without compulsion of any prior training. Further, in 208 cases the drivers did not have valid licence. Further 93 per cent accidents were caused due to rash driving and negligence on the part of driver.

This indicated lack of driving skills and bad driving habits among non-transport vehicle drivers. This also indicates need of training and refresher courses at regular interval for the purpose of road safety.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that 343 Motor Driving Schools had been sanctioned by the Department.

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37 Bharatpur, Bhilwara, Bikaner, Chittorgarh, Dholpur, Kota, Nohar, Pali, Sikar, Sri Ganganagar and Udaipur.
3.3.18.4 Non-phasing out of old vehicles

Growth in number of vehicles and expansion of roads are inherent component for growing economy. But on the other side, uncontrolled growth in vehicle population also has certain adverse side effects. To overcome the problem of traffic congestion the department should design and implement vehicle phase out policy to remove old and unfit vehicles from the road.

The Department had initiated (September 2016) action for phasing out of old vehicles in two phases.

Scrutiny of the records and information furnished by the 15 selected transport offices except RTO Jaipur revealed that validity of RCs of 9.65 lakh vehicles had expired by the end of March 2018. Out of these, RCs of 1.89 lakh vehicles were renewed and 2.42 lakh were cancelled. However, no action was initiated by the Department to phase out the remaining 5.34 lakh old vehicles. Further, no mechanism existed for disposal of vehicles whose RCs were cancelled.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that the remaining 5.34 lakh old vehicles would be phased out as per the provisions of circular dated 30 September 2016.

3.3.18.5 Best practices

The Department has made considerable progress under some of the targets listed under the action plan i.e. road safety audit, rectification of black spots, capacity building programs, awareness campaign for use of helmet and seat belt, special drives for schools situated on highways, training for commercial drivers etc.

To achieve goals of road safety policy, the Department may also consider to adopt following practices as used by the Government of Madhya Pradesh:

- Compulsory training of First Aid before issue of licence;
- Refresher course for renewal of licence of heavy vehicle;
- Awareness courses for illiterate drivers, heavy vehicle drivers and school bus drivers;
- To promote use of Simulator and driving track for training;
- To establish drivers training facilities i.e. Motor Driving Schools etc. in Public Private Partnership mode.

3.3.19 Awareness and Co-ordination

3.3.19.1 Inadequate efforts to prevent vehicle owners from incidents of fraudulent payment of tax through forged receipts

The Department vide order 03/2015 dated 26 February, 2015 provided facility to the vehicles registered in other states to pay taxes online through check post portal.

During test check of records in RTO Bharatpur, audit observed four cases (occurred in 2016 and 2018) where the vehicle owners made the payment through private operator but enforcement teams of the Department found the receipts issued by private operators as forged.
It was observed that the Department did not make efforts to prevent such incidents such as spreading awareness among vehicle owners, publicising facility of tax payment online through the check post portal and in cash through tax collection centres near border areas etc.

On being pointed out, the DTO Bharatpur stated that efforts for spreading awareness among vehicle owners for preventing such incidents were being made through hoardings, banners and press communiques. However, there was nothing on record to show that such efforts were being made by the office.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that RTOs of boarder districts and check posts had been directed to publicise about online payment facility.

3.3.19.2 Sensitisation of other Departments for implementation of Motor Vehicle laws

Transport Department is responsible for implementation of MV laws in the State. Further, for absolute implementation of MV laws, the Department needs to sensitise other Departments/agencies, where vehicles are used.

State Government prescribed rate of One Time Tax on agriculture tractor/combine harvester as 0.30 per cent of the cost of the vehicle. Further, under Section 4-C of the Act *ibid*, the GoR prescribed rate of lump-sum tax on non-agricultural tractor-trailers used as goods vehicle as nine per cent of the cost of the tractor to which the trailer is attached (14.07.2014) and revised the same at one per cent with effect from 8 March, 2016.

Information related to vehicles engaged in various activities *i.e.* sanitation, water supply, transportation of liquor and minerals etc. was collected from the concerned Departments. Scrutiny of information obtained from these Departments revealed the following:

- It was noticed that 998 tractors under the jurisdiction of 13 RTOs/DTOs and 12 PHED offices were hired for non-agricultural activities in seven Local bodies and 12 PHED offices. These vehicles were paying tax prescribed for agriculture tractors instead of rates prescribed for non-agricultural use.
- In State Excise Department 622 non-transport vehicles were engaged in transporting liquor in the month of January 2019, under the jurisdiction of 15 transport offices. One Time Tax was paid by these vehicles prescribed for non-transport vehicles in place of paying LST.

Thus, non-sensitization of user offices by the Transport Department resulted in violation of motor vehicle laws.

The cases were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that letters were being sent to other departments to avoid non-transport vehicles for
transportation purpose and circulars/office orders were being issued to Treasury and Accounts Department for not appropriating bills of such vehicles.

### Other issues

#### 3.3.20 Avoidable expenditure due to hiring of staff on contract

The Department accorded (March 2017 and March 2018) administrative approval for hiring of 10 Security guards and two Drivers on contract for Central Flying Squads (CFSs) for the period March 2017 to February 2019. As per condition number 3 of the order two security guards were required for one CFS. In case, CFS is not working than allocation of staff will be curtailed accordingly.

During audit of records maintained at CoT office, it was observed that the contract for supply of Security guards and Driver was awarded to the contractor M/s Rajasthan Ex-servicemen Corporation. The contractor supplied 8 to 10 security guards and two drivers during the period of March 2017 to February 2019 for CFSs. Audit noticed that no CFS was constituted during the period. Therefore, services of security guards and Drivers supplied by the contractor were not required and hiring of these personnel could have been avoided. This resulted in avoidable expenditure of ₹ 34.88 lakh towards payment made for hiring of these guards and drivers.

The cases were pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that the services of these security guards were utilised in other departmental activities, therefore, the expenditure remained useful for smooth operation of government work. Reply is not acceptable as the security guards were hired for the enforcement purpose and not for official work.

#### 3.3.21 Manpower Management

The sanctioned strength and men-in-position of selected cadres of the Department (as on 02 April 2019) showed that significant vacancies exist in operational *i.e.* Addl. Regional Transport Officer (ARTO), District Transport Officer, Motor Vehicle Inspector, Motor Vehicle Sub Inspector as well as ancillary staff. Against 1608 sanctioned posts, 1038 officers/officials were working, leaving a vacancy of around 35 *per cent*. Further, almost 90 *per cent* of the positions in the cadre of drivers are vacant. However, the Department hired guards and drivers on contract to cater to the operational services.

Despite the acute shortage of MVI/MVSI it was noticed that one MVI/MVSI was deployed against 120 slots for issue of driving licenses in DTO Bhilwara whereas three/two MVIs/MVSIs were deployed against 60 slots in DTO Deedwana.

Thus, appropriate assessment and allocation of manpower is required for proper functioning of the Department.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that filling of vacant posts of MVSIs was in process and letter had been written to RPSC for
organising review meeting of Departmental Promotion Committee for filling vacant posts of ARTOs.

### 3.3.22 Non recovery of arrear

Para 5.6.7(f) of the Departmental Manual provides that DTO is responsible for realising 95 per cent of current demand and 80 per cent of outstanding demand.

During the scrutiny of DCRs of passenger vehicles in selected transport offices except DTO Chomu, it was observed that an amount of ₹ 25.35 crore was outstanding in 3231 cases till the date of audit. It was further noticed that an amount of ₹ 16.48 crore was outstanding for more than five years in 1814 cases. However, reasons for such non-recovery of arrears was not available on the record.

The matter was pointed out to the Department and reported to the Government (December 2019). The Government replied (January 2020) that taxation officers were directed to take all necessary steps to neutralize the old demands and old arrears were recovered to some extent every month.

### 3.3.23 Conclusion and Recommendation

The Department has taken certain proactive steps like issue of mobile SMS to vehicle owners to alert them about impending pollution check, conduct of road safety audit etc. However, Audit scrutiny revealed that there are many areas where the Department can improve its functioning. Taxes and Fees prescribed in rules were not/short realized. The Department failed to monitor the renewal of fitness certificate of transport vehicles. Automated Driving Tracks were not made operational in the State though constructed in 12 locations. Deficiencies were noticed in the process of issue of licences. Inspections of private fitness centres and PCCs were not being done as per the prescribed norms.

VAHAN was partially integrated with e-GRAS. Only 2.47 to 11.68 per cent PUCCs were issued during the year 2014-15 to 2018-19. Action was not taken to phase out old vehicles. Utilization of Road Safety Fund was in the range of 11.33 to 41.53 per cent only during the years 2017-19.

Therefore, it is recommended that the Government may consider:

- to start operation of Automated Driving Tracks in all transport offices to make the test more efficient and transparent;
- to streamline the process of registration of vehicles which were not registered timely;
- to make provision in rule for imposition of penalty on vehicle owners who do not come for re-test within prescribed time after the vehicle declared unfit in emission test;
- to send text message to vehicle owners for reminding them about impending expiry of FC, Permits and tax due;
- to repeal or amend the relevant provisions of Section 4(2) and Rule 25 of RMVT Act and Rules, 1951 by formulating stringent rules and regulations to ensure effective control over the procedure and stop misuse of the provision as available in the State of Haryana and Karnataka;
- better utilisation of IT systems e.g. ensure entries of all permits in VAHAN for proper monitoring; timely updation of revision of tax/fees in
departmental softwares; tax payment status of vehicles through VAHAN in real time;
• to develop a mechanism in coordination with local bodies and other departments for disposal of obsolete vehicles.

3.4 Non/short realisation of outstanding instalments of lump-sum tax

According to Section 4-C of the Rajasthan Motor Vehicles Taxation Act, 1951 and the Rules made thereunder, lump-sum tax on transport vehicles is levied at the rates prescribed through notifications issued from time to time by the State Government. The lump-sum tax payable can be paid at the option of vehicle owner either in full or in six equal instalments (with effect from 14th July 2014) within a period of one year. Surcharge at the rate of 10 per cent on the lump-sum tax was also payable upto 10 October 2017, thereafter as per notification dated 11 October 2017, surcharge at the rate of 12.5 per cent is payable. According to notification dated 1 May 2003 penalty at the rate of 1.5 per cent per month or part thereof limited to twice the amount of tax due is also to be levied after the expiry of admissible period. Rule 8 and 33 of the Rajasthan Motor Vehicles Taxation Rules, 1951 empowers the Taxation Officer to serve notice for recovery of tax.

During test check (between June 2018 and January 2019) of the records of eight Transport Offices for the years 2014-15 to 2017-18, it was noticed that in respect of 372 transport vehicles, the vehicle owners opted for payment of lump-sum tax in instalments. However, 75 vehicle owners did not pay the remaining instalments after paying the first or second instalments and 297 vehicle owners did not pay any instalment. There was nothing on record in the tax ledgers or registration records or in VAHAN to indicate that the vehicles were transferred to other States or registration certificates of these vehicles were surrendered. The taxation officers, however, did not initiate any action to realise the tax due. This resulted in non/short realisation of lump-sum tax (including surcharge) and penalty amounting to ₹ 4.09 crore.

The cases were pointed out to the Department and reported to the Government (between July 2018 to February 2019). The Government replied (October 2019) that the amount of ₹ 0.73 crore had been recovered by seven RTO/DTO in respect of 85 vehicles. Further, Progress is awaited (May 2020).

3.5 Taxes on motor vehicles not realised

As per Section 4 and 4-B of the Rajasthan Motor Vehicles Taxation Act, 1951 and the Rules made thereunder, motor vehicle tax and special road tax are to be levied and collected on all transport vehicles used or kept for use in the State at the rates prescribed by the State Government from time to time except those transport vehicles which have paid lumpsum tax under Section 4-C. As

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43 RTO: Ajmer and DTOs: Bundi, Hanumangarh, Jalore, Kishangarh, Ramganj Mandi, Sahapura (Jaipur) and Sawai Madhopur.
44 255 (Goods Vehicle) + 114 (Taxi/ Maxi) + 03 (Bus).
45 VAHAN is used for processing transactions related to vehicles i.e. registration, permits, tax, fitness etc.
46 RTO: Ajmer and DTOs: Kishangarh, Jalore, Shahpura, Bundi, Sawai Madhopur and Hanumangarh.
per notification dated 9 March 2011, surcharge at the rate of 5 per cent on tax due was also payable upto 10 October 2017, thereafter as per notification dated 11 October 2017, surcharge at the rate of 6.25 per cent, is payable. Penalty at the rate of 1.5 per cent per month or part thereof subject to twice the amount of tax due is also leviable after the expiry of admissible period vide notification dated 1 May 2003. Further, Rule 8 and 33 of the Rajasthan Motor Vehicles Taxation Rules, 1951 empowers the Taxation Officer to serve notice for recovery of tax.

During test check (between June 2018 and February 2019) of the registration records, tax ledgers of seven Transport Offices and VAHAN software for the period 2014-15 to 2017-18, it was noticed that owners of 504 vehicles did not pay the tax for the period April 2014 to March 2018. There was no evidence on record to prove that the vehicles were off the road/were transferred to other District/States or their registration certificates were surrendered. The taxation officers, however, did not initiate any action to realise the tax due. This resulted in non realisation of tax (including surcharge) and penalty amounting to ₹ 2.46 crore as mentioned below:

<table>
<thead>
<tr>
<th>Sl. No.</th>
<th>Category of vehicles</th>
<th>No. of vehicles</th>
<th>Amount (₹ in crore)</th>
<th>Name of offices where irregularities noticed</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Goods vehicles</td>
<td>174</td>
<td>0.74</td>
<td>RTO- Ajmer DTOs-Bundi, Jalore, Sawai Madhopur and Ramganj Mandi</td>
</tr>
<tr>
<td>2.</td>
<td>Articulated goods</td>
<td>249</td>
<td>1.03</td>
<td>RTOs – Ajmer DTOs–Hanumangarh, Sawai Madhopur and Shahpura (Jaipur)</td>
</tr>
<tr>
<td>3.</td>
<td>Dumpers/Tippers</td>
<td>81</td>
<td>0.69</td>
<td>DTOs–Bundi, Jalore, Sawai Madhopur and Ramganj Mandi</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>504</strong></td>
<td><strong>2.46</strong></td>
<td></td>
</tr>
</tbody>
</table>

The cases were pointed out to the Department and reported to the Government (between July 2018 and March 2019). The Government replied (October 2019) that the amount of ₹ 50 lakh had been recovered by seven RTO/DTOs in respect of 159 vehicles. Further, progress is awaited (May 2020).