

CHAPTER-III

TAXES ON VEHICLES

CHAPTER-III : Taxes on Vehicles

3.1 Tax administration

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

The Transport Department is headed by the Transport Commissioner and is assisted by five Additional Transport Commissioners and 12 Deputy Transport Commissioners. The entire State is divided into 12 regions, headed by Regional Transport Officers (RTO) cum *ex officio* Member, Regional Transport Authority. Besides, there are 51 vehicles registration cum taxation offices headed by District Transport Officers (DTO).

3.2 Internal audit

The Department has an Internal Audit Wing under the charge of Financial Advisor. This Wing has to conduct test check of cases of assessment as per the approved action plan and in accordance with the criteria laid down by the Steering Committee so as to ensure adherence with the provisions of the Act and Rules as well as departmental instructions issued from time to time.

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

Year	Units pending for audit	Units due for audit during the year	Total units due for audit	Units audited during the year	Units remaining unaudited	Shortfall in per cent
2012-13	-	43	43	43	-	-
2013-14	-	43	43	39	4	9.30
2014-15	4	51	55	45	10	18.18
2015-16	10	57	67	66	1	1.50
2016-17	1	57	58	50	8	13.79

Source: Furnished by the concerned Department.

There was shortfall in conducting internal audit ranging between 1.50 and 18.18 *per cent* during the years 2013-14 to 2016-17. Department stated that short fall in conducting internal audit was due to vacant posts.

It was noticed that 6,580 paragraphs were outstanding at the end of 2016-17. The year-wise break up of outstanding paragraphs of internal audit reports is as under:

Year	1993-94 to 2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	Total
Paragraphs	2,183	642	570	730	1,237	1,218	6,580

Source: Furnished by the concerned Department.

Out of 6,580 paragraphs, 2,183 paragraphs pertained to the period prior to 2012-13 which indicates that the Department needs to pay more attention

towards settlement of the observations particularly those that are pending for more than five years as with the passage of time, the chances of recovery would become bleak.

The Government may issue appropriate instructions to the Department for early disposal of the outstanding observations raised by the Internal Audit Wing.

3.3 Results of audit

During test check of the records of 28 units during the year 2016-17, audit noticed irregularities in 11,007 cases involving ₹ 51.00 crore, which broadly fall under the following categories:

(₹ in crore)			
Sl. No.	Category	Number of cases	Amount
1	Paragraph on 'Implementation of High Security Registration Plate Scheme in Rajasthan'	1	--
2	Non/short payment of tax, penalty, interest and compounding fees, etc.	10,023	41.71
3	Non/short determination of tax, computation of motor vehicle tax/special road tax.	850	9.25
4	Other irregularities relating to		
	A- Revenue	69	0.01
	B- Expenditure	64	0.03
Total		11,007	51.00

During the year, the Department accepted underassessment and other irregularities of ₹ 45.51 crore in 5,259 cases, out of which 891 cases involving ₹ 4.21 crore were pointed out in audit during the year 2016-17 and the rest in earlier years. During the year 2016-17, an amount of ₹ 33.97 crore was recovered in 1,876 cases, out of which ₹ 0.43 crore in 101 cases were pointed out in 2016-17 and the rest in earlier years.

A paragraph on 'Implementation of High Security Registration Plate Scheme in Rajasthan' and few illustrative cases involving ₹ 35.80 crore are discussed in the succeeding paragraphs.

3.4 Implementation of High Security Registration Plate Scheme in Rajasthan

3.4.1 Introduction

Section 39 of the Motor Vehicles (MV) Act, 1988 provides that no person/owner of a motor vehicle shall cause or permit the vehicle to be driven in any place unless it is registered in accordance with the Act. Section 41 of the Act provides that the registering authority shall assign to the vehicle, a distinguishing mark called the registration mark. It consists of a group of letters followed by figures that are allotted to the State by the Central Government from time to time. This registration mark is displayed and shown on the motor vehicle in such form and in such manner as may be prescribed by the Central Government.

The Central Government amended Rule 50 of the Central Motor Vehicle Rules that prescribed the specification, form and manner of the registration on the motor vehicles. This amendment was done through 'The Motor Vehicles (New High Security Registration Plates) (HSRP) Order, 2001' dated 22 August 2001 published in the Gazette. As per the order, the work of supply and affixation of HSRP was to be started with effect from 28 September 2001 in case of new registered vehicles and in case of already registered vehicles, two years from the date of issue of order *i.e.* 22 August 2001.

A petition for non-compliance with the above provisions by various States was decided by the Supreme Court. The Supreme Court issued directions (7 February 2012) to all State Governments to fully implement the Scheme¹ of affixation of HSRP by 30 April 2012 in relation to new vehicles and 15 June 2012 for old vehicles. The Supreme Court of India (July 2016) directed the Central Government and the State Governments to strictly implement HSRP Scheme in all the States in a time bound manner.

An agreement was executed (16 May 2012) between Commissioner of Transport (CoT), Government of Rajasthan (GoR) and M/s Real Mazon (Rajasthan) Private Limited (RMRPL) to assemble, establish, procure technology, design, develop, produce, emboss, affix, distribute and create complete infrastructure for the implementation of the Scheme in the State of Rajasthan. The State Government *vide* order dated 28 June 2012 authorised RMRPL for supply and affixation of HSRP on all new and existing vehicles of the whole State for a period of five years and any other extended time permitted by CoT, if any, from the date of signing of agreement. The agreement expired on 15 May 2017. The contractor was granted extension twice (31 May 2017 and 14 August 2017) upto the period ending 31 August 2017. The terms and conditions regarding execution of the contract were mentioned in the tender document.

3.4.2 Objectives

The object of the new Scheme was to ensure public safety, security and to curb the increasing menace of vehicles' theft and their use in criminal and anti national activities. The audit of the Scheme was undertaken with a view

¹ The Motor Vehicles (New High Security Registration Plates) Scheme.

to ascertain the efficiency and effectiveness of the Transport Department in implementation of the Scheme.

3.4.3 Scope of Audit

The State of Rajasthan consists of seven administrative divisions comprising 52 transport units. Out of these, we selected eight units² (two from Jaipur division and one each from remaining six divisions) and the CoT office, covering the period from April 2012 to March 2016. Of these eight units, two units³ could not be audited because of upgradation of VAHAN software during the period of audit scrutiny.

Joint inspection of motor vehicle dealers⁴ and the HSRP stations established by the contractor for embossing and affixation of the plates was conducted by Audit alongwith the officials of the concerned RTO/DTO offices to ascertain that the implementation of the Scheme was done in accordance with the rules made in this regard.

3.4.4 Audit Criteria

The audit findings are based on criteria stipulated in the tender document, agreement, Motor Vehicles Act (MV Act), 1988, Central Motor Vehicles Rules, 1989, Rajasthan Motor Vehicles Taxation Act, 1951, The Rajasthan Motor Vehicles Taxation Rules, 1951, Rajasthan Motor Vehicles Rules, 1990, Motor Vehicles (New High Security Registration Plates) Order, 2001, High Security Registration Plates Operational Manual of the Transport Department, Government of Rajasthan and the Rajasthan General Financial and Accounts Rules.

Audit Findings

Scrutiny of the records/information related to the HSRP Scheme of selected units revealed the following:

3.4.5 Status of implementation of HSRP Scheme

As per the State Government's order dated 28 June 2012, HSRPs were required to be affixed on all vehicles. HSRP had to be affixed immediately after registration of the vehicles registered on or after 15 July 2012. In case of vehicles registered prior to 15 July 2012 the work relating to affixation of HSRP was required to be completed on or before 14 July 2014.

As per the statistical report published by the Transport Department for the year 2015-16, 1.36 crore vehicles were registered in the State upto 31 March 2016. The Department intimated (19 May 2017) that HSRPs were affixed on 36.43 lakh vehicles upto 31 March 2016. All these vehicles were registered after April 2012. Thus, only 27 per cent of the total population of vehicles was covered under the Scheme.

² RTO: Bikaner and Chittorgarh; DTO: Bhilwara, Bundi, Dudu, Karauli, Kotputli and Jaisalmer.

³ DTO: Bundi and Kotputli.

⁴ Those dealers who were authorised to act as registration authority.

3.4.5.1 HSRPs were not affixed on new registered vehicles

As per Clause 3.3 of the tender document, HSRPs were to be affixed on vehicles within two working days from the receipt of documentary evidence from the Registering Authority (RA). Further, as per order dated 3 May 2013 issued by the Department, Registration Certificate (RC) of the vehicles shall be issued after affixing HSRP.

Liquidated damages for non-affixation of HSRP on newly registered vehicles were required to be levied on RMRPL at the rate of 10 *per cent* of the amount of the cost of plates to be affixed.

As per the statistical report for the year 2015-16 published by the Department 35.60 lakh vehicles were registered by the Department during 2013-14 to 2015-16. The Department intimated (19 May 2017) that 35.56 lakh vehicles⁵ were affixed with HSRPs as detailed in following table:

Year	Number of vehicles registered (in lakh)	Number of vehicles fitted with HSRP (in lakh)	Variation (in lakh)
2013-14	11.12	10.90	(-) 0.22
2014-15	11.95	12.54	(+) 0.59
2015-16	12.53	12.12	(-) 0.41
Total	35.60	35.56	(-) 0.04

The above facts indicate that four thousand vehicles were running without HSRPs. The Department may investigate the matter and ensure affixation of HSRPs on all vehicles before issue of RCs.

Liquidated damages for non-affixation of HSRPs on newly registered vehicles may be considered to be imposed on the RMRPL.

3.4.5.2 HSRPs were not affixed on vehicles registered prior to 15 July 2012

The State Government *vide* order dated 28 June 2012 prescribed a period of two years for completion of affixing HSRPs on vehicles registered prior to 15 July 2012. Thus, HSRPs were required to be affixed on all such vehicles by 14 July 2014.

The Department, did not take any step for affixing the HSRPs on such vehicles. Thereafter, the Rajasthan High Court while deciding a public interest litigation on the subject had directed (25 February 2016) the CoT to issue an order prescribing calendar for HSRPs for all the vehicles registered prior to 15 July 2012. The court had directed that necessary orders for this purpose should be passed at the earliest and not later than one month from the date of receipt of copy of that order.

Test check of records of the offices of RTOs/DTOs revealed that the work of affixation of HSRP on vehicles registered prior to 15 July 2012 had not been started in five selected offices⁶. The DTO, Dudu intimated that HSRPs on 84 vehicles were affixed during 2014-16.

⁵ This does not include the figure of 2012-13 as the work started from 15 July 2012 and the information regarding the registration of the vehicles prior 15 July 2012 were not provided by the Department though called for.

⁶ RTO: Bikaner and Chittorgarh; DTO: Bhilwara, Jaisalmer and Karauli.

3.4.5.3 HSRPs were not affixed on renewal of registration certificates

Authorisation slip⁷ for affixing the HSRP on vehicle was required to be issued by the Transport Department to the vehicle owner to enable him to get the HSRP affixed on the vehicle. A format in this regard was prescribed in the tender document.

The RTOs/DTOs of the test checked units intimated that authorisation slip for affixing the HSRP on renewal of RC of vehicles *i.e.* vehicles whose life span of 15 years had expired under Section 41(7) of the MV Act, 1988, had not been issued. Thus, HSRP could not be affixed on the vehicles. The number of vehicles for which RCs were renewed but HSRPs not affixed thereon, however, was not made available to Audit by the Department.

3.4.5.4 Embossed HSRPs were not affixed on the vehicles

Audit called for the information regarding the HSRPs that were embossed but were not affixed on the vehicles.

As per the information provided (19 May 2017) by the Department, 6,005 embossed HSRPs in 35 RA Offices⁸ were lying with the contractor at the end of March 2016 for affixation. The period to which these embossed plates pertained was not furnished by the Department.

Of these, Audit test checked the records in two RAs (RTO Bikaner and Chittorgarh) and selected a sample of 57 vehicles registered by the RTOs during 2014-16 and found that in 46 vehicles, registration was done without affixation of HSRPs. Thus, possibilities of issuance of RCs, in other cases, without affixation of HSRPs cannot be ruled out.

The matter was pointed out to the Department (June 2017) and reported to the Government (August 2017). Their reply is awaited (November 2017).

3.4.6 Non-installation of laser cameras

To achieve the goals of the Scheme, laser detector cameras with Optical Character Readers were required to be installed on important roads and intersections to capture footage of speeding/over loadings/stolen vehicles through scanning of HSRP. These equipments were not found to have been installed anywhere in the State. The Department accepted the fact that it had not prepared any road map for installation of laser cameras. Thus, the purpose of affixation of HSRP on the vehicles could not be achieved.

The matter was pointed out to the Department (June 2017) and reported to the Government (August 2017). Their reply is awaited (November 2017).

3.4.7 Late commencement of new tendering process

The GoR *vide* order dated 28 June 2012 authorised the RMRPL for supply and affixation of HSRP on all new and existing vehicles. Though, the said agreement was expired on 15 May 2017, the Department invited tender for

⁷ It is a slip issued by the Department for authorising HSRP station for affixing the HSRP on the vehicle.

⁸ RTO: Alwar, Bharatpur, Bikaner, Jodhpur, Kota, Pali and Udaipur; DTO: Abu Road, Balotra, Banswara, Baran, Barmer, Beawar, Bhinmal, Bhilwara (Shahpura), Bhiwadi, Chomu, Dholpur, Didwana, Dungarpur, Dudu, Hanumangarh, Jaisalmer, Jalore, Jhalawar, Kekri, Kotputli, Phalodi, Pratapgarh, Nagaur, Nohar, Nokha, Rajsamand, Sawai Modhpur and Sirohi.

new contract on 30 May 2017 *i.e.* after 15 days from the date of expiry of previous contract.

Meanwhile, the old contractor was granted extension twice (31 May 2017 and 14 August 2017) upto the period ending 31 August 2017. Thereafter, no new agreement was executed for affixation of HSRPs in the State till September 2017. The Department did not intimate the arrangements made for affixing the HSRPs after 31 August 2017.

The matter was pointed out to the Department (June 2017) and reported to the Government (August 2017). Their replies are awaited (November 2017).

3.4.8 Non-compliance with provisions of the Motor Vehicles (New HSRPs) Order, 2001 and agreement for implementation of the Scheme

3.4.8.1 Deficiencies in affixation of HSRP

As per condition 4 (ix) of the Motor Vehicles (New HSRP) Order, 2001 no high security registration plate shall be affixed outside the premises of the RA. Further, clause 3.2 (a) of the tender document provides that the contractor shall set up individual embossing stations in or in proximity of the RA and Motor Vehicle Dealers authorised as registering authority by the State Government to ensure proper and easy availability of the HSRP.

- It was observed that three embossing and affixation stations⁹ were established two to five kilometers away from the RA premises. This was in violation of condition 4 (ix) of the Motor Vehicles (New HSRP) Order, 2001 which stipulated that no high security registration plate shall be affixed outside the premises of the RA.
- Nine RTOs/DTOs¹⁰ had informed the CoT that the RMRPL had shifted its office to another place without the permission of CoT. In all the cases, the contractor had not informed the concerned RTOs/DTOs about the shift. Though these RTOs/DTOs duly informed the CoT, no action was seen to have been taken. This was in violation of a Government Order dated 28 June 2012 which prescribed that the HSRP was required to be affixed on vehicles at the designated place.
- Schedule-I of agreement indicated the number of dealers authorised to affix HSRP in the jurisdiction of each registering authority. This schedule was revised from time to time. This schedule did not contain the name of dealers who were authorised to act as Registering Authorities. The RTO, Chittorgarh intimated that no dealer was authorised to act as registering authority for registration of the vehicles.

During joint inspection of a dealer of Chittorgarh district it was found that HSRPs were being affixed by a motor vehicle dealer. The team was informed that the dealer had obtained the necessary equipments alongwith the snaplocks from a HSRP station. It was further stated that embossed HSRPs were also being sent to their branch office situated at Badi Sadri, Nimbahera and Rawatbhata for affixation for HSRP. Joint Inspection team

⁹ DTO: Bhilwara, Duda and Karauli.

¹⁰ RTO: Bharatpur; DTO: Balotra, Barmer, Bhilwara, Bhiwadi, Dausa, Hanumangarh, Karauli and Sawai Madhopur.

also observed that HSRPs were being affixed on old plates with nut-bolts instead of snaplocks. Thus, the safety of HSRPs could not be ensured.

The contractor informed the joint inspection team that embossed HSRPs were sent to the dealers for affixation of HSRP occasionally but the work of affixation was being done by them.

Thus, the fact indicates that HSRPs were being affixed at the places other than the designated ones.

3.4.8.2 Non-monitoring of HSRP affixing work

Audit noticed that affixing work of HSRPs was not monitored by the RTOs/DTOs which resulted in number of deficiencies in the affixation of HSRPs. A few are enumerated below:

- **Third Registration Plate Stickers were not affixed:** Condition 4 (vii) of the Motor Vehicles (New HSRP) Order, 2001 provides that the third registration plate in the form of a self-destructive type chromium based hologram sticker shall be affixed on the inner side of left hand corner of windshield of the vehicle. The details on the sticker shall include (i) name of registering authority, (ii) registration number of the vehicle, (iii) laser branded permanent identification number, (iv) engine number and (v) chassis number. The concerned RTOs, however, intimated that no third registration plate was affixed in all test checked offices.
- **Discrepancies in replacement of HSRP:** Condition 4 (xiii) of the Motor Vehicles (New HSRPs) Order, 2001 envisages that proper record of the registration plates issued by the manufacturer or the vendor, authorised by the State Government, should be maintained on a daily basis. These were to be tallied periodically with the records of the Transport Office. Further, clause 2.5.3 of tender document provides that replacement shall be done by charging cost as per item wise rates approved by the Department from the vehicle owner only upon receipt of documentary evidence in proof thereof issued by the registering authority.

During the joint inspections of selected six offices conducted with the departmental officials, the concerned RTOs/DTOs stated that they were not issuing authorisation slip for replacement of the HSRP. The team found that in one case the contractor himself replaced the HSRP. Joint Inspection team was also informed that HSRPs were replaced without issue of authorisation slips by the Department. The contractor had not intimated the Department about the replacement, hence necessary changes could not be carried out in software (VAHAN) by the Department. This would defeat the very purpose of the HSRP scheme as vehicles could not be traced in the system.

- **Delay in installation of Centralised Network Connectivity Terminal:** As per condition 6(v) of the agreement, ‘in addition to connectivity of embossing stations, affixation stations and RTO/DTO offices, one network connectivity terminal (centralised for the entire State) would be provided by the contractor to the Transport Department with access code at designated places to enable the Department to access the information, as may be required.’ Additional Commissioner, Transport Department *vide*

his letter dated 25 July 2012 allotted space in CoT office for establishment of centralised network connectivity terminal. But it was established in RTO Jaipur office on 4 January 2016 instead of the CoT office after a lapse of 43 months. This resulted in non-access to the data related to the Scheme for a long period. The Department could not monitor the progress of the Scheme on a real time basis.

- **Non-appointment of Auditor:** As per clause 3.11.3 of the tender document, the Department had the right to appoint independent auditor at the cost of the contractor for examination of books, premises and operations of the contractor. Further, as per the operational manual of the Transport Department, such auditor would audit the books and accounts of the contractor at least once in a year. It was observed that no auditor was appointed (29 May 2017).
- **Publicity programme:** Condition 17 of the agreement provides that information, education, communication and publicity programme as approved by transport authorities were to be undertaken for bringing to public attention, the law and necessity of affixation of HSRP. It was stated by the CoT that RMRPL neither got approval from the Department nor conducted any programme for publicity through local newspapers, local news channels, *etc.* This resulted in lack of awareness about the process, approved rates and other details of the Scheme.
- **Non-verification of vehicles:** As per the Operational Manual on HSRP issued by the Transport Department, the DTO or Inspector /Sub-Inspector was to ensure that a particular HSRP was affixed on the vehicle for which it was meant. He was required to carry out a physical verification of the vehicle in this regard. However, the concerned six RTOs/DTOs¹¹ test checked intimated that no verification of vehicles was carried out by DTO or Inspector /Sub-Inspector in this regard.
- **Inspection not conducted by RTO/DTO:** As per clause 3.11.2 of the tender document, RA reserves the right to inspect the embossing stations and other infrastructural arrangement of the contractor under its jurisdiction at any time.

The RTOs/DTOs of six selected offices intimated that inspections of HSRP stations were not regularly conducted during the period from 2012-13 to 2015-16. Thus, the RTOs/DTOs remained unaware of the deficiencies like affixation of HSRP on old plates, affixation of nut bolt in place of snaplock, replacement of old plates without any authority as mentioned in the earlier paragraphs.

The matter was pointed out to the Department (June 2017) and reported to the Government (August 2017). Their reply is awaited (November 2017).

¹¹ RTO: Bikaner and Chittorgarh; DTO: Bhilwara, Dudu, Karauli and Jaisalmer.

3.4.9 Deficiency in Public Grievances Redressal Mechanism

Condition 9 of the agreement prescribes that as the contract for installation and affixation of registration plates involves public at large on day to day basis, for the benefit of public and to give best services and obtain feedback, a public grievance redressal mechanism shall be operational at the respective district transport offices and the complaints received therein should be handled as far as possible by the CoT and contractor on recurring basis. Further, clause 4.15 of the tender document provides that the State Government shall have the right to terminate the contract if the contractor commits breach of any or all conditions of the contract.

Thus, as agreement, a grievance redressal mechanism in each RTO/DTO office was to be evolved to ensure solution of the problems on recurring basis. It was observed that no grievance redressal cell was evolved for looking after complaints. Even complaint register was not maintained in any of the selected offices. Adequate and proper platform was, therefore, not provided to the vehicle owners for lodging complaints. This resulted in non-monitoring of complaints at all levels of the Department. We found that complaints received were bundled up in volumes. The total number of volumes was not made available to Audit. Only two volumes of the complaints were made available by the CoT office to Audit. These complaints were lodged against the contractor on various issues to departmental authorities/agencies¹². A few are discussed in the following paragraphs:

3.4.9.1 Overcharging of rates

Condition 20 of the agreement prescribes that the rates charged by the contractor from the vehicle owners/customers shall in no case be more than the approved rates and the rates shall be in lump-sum of total cost towards goods, services, taxes (all), any other expenses and nothing extra shall be charged. The rates, however, were not circulated and the general public was not aware of the correct rates.

- It was noticed that complaints for overcharging of rates received in 29 RTO/DTO offices¹³ were forwarded to CoT office. Scrutiny of complaints revealed that the contractor was charging rates more than the

¹² DTOs/RTOs/CoT, Transport Minister as well as others District Collectors, Chief Minister, Governor, Anti-Corruption Bureau and also on online portals MORTH-online (Ministry of Road Transport and Highways), PMOPG-online (Prime Minister Office Public Grievances), Sampark Portal-online, *etc.*

¹³ RTO: Ajmer, Alwar, Bharatpur, Bikaner, Chittorgarh, Dausa, Jodhpur, Kota and Sikar; DTO: Balotra, Barmer, Baran, Beawar, Bhilwara, Bhiwadi, Dholpur, Hanumangarh, Jagatpura, Jaisalmer, Jalore, Jhalawar, Karauli, Nagaur, Nohar, Ramgunjmandi, Sri Ganganagar, Sawai Madhopur, Sujangarh and Tonk.

approved rates as stated below:

Item	Prescribed rates (₹)	Rates charged (₹) (Range)
Complete set of Registration Plates inclusive of Snap Lock and fixing for two-wheeler	75	100 to 350
Complete set of Registration Plates inclusive of Snap Lock, 3 rd Registration Plate and fixing for three-wheelers (Passenger and goods and invalid carriages)	96	250 to 350
Complete set of Registration Plates inclusive of Snap Lock, 3 rd Registration Plate and fixing for Light Motor Vehicles/Passenger Car (excluding tractors)	220	300 to 1,320
Complete set of Registration Plates inclusive of Snap Lock, 3 rd Registration Plate and fixing for tractor	90	100 to 400
Complete set of Registration Plates inclusive of Snap Lock, 3 rd Registration Plate and fixing for Medium Commercial Vehicles/Heavy Commercial Vehicles/ Trailer combination	232	300 to 800

Source: Rates charged have been taken from the complaints received while rates prescribed are mentioned in the agreement.

These complaints were also verified by the concerned RTOs/DTOs. No further action, however, was taken. A few instances are mentioned below:

Name of Office	Nature of complaint	Action taken by RTO/DTO
RTO, Ajmer	The contractor charged ₹ 1,220 in place of ₹ 220 from light motor vehicle (RJ 01 UA 7665) and gave receipt of ₹ 1,220 to the vehicle owner.	The complaint was investigated by the inspector of RTO Ajmer and he stated that the contractor charged ₹ 1,220 i.e. ₹ 1,000 more than the prescribed amount. The complaint was forwarded to the CoT.
DTO, Bhilwara	₹ 920 were charged in place of ₹ 220 and receipt for ₹ 920 was given to the vehicle owner in respect of light motor vehicle (RJ 06 CC 4417).	The complaint was forwarded to the CoT.

- A case (FIR No. 1/2015) was lodged by the Anti-Corruption Bureau, Tonk against the embossing station established at DTO Tonk for overcharging, subletting, unnecessary delay *etc.* Anti-Corruption Bureau confirmed the facts. The Superintendent of Police, Anti-Corruption Bureau intimated the Secretary cum Commissioner Transport Department that RMRPL was overcharging the rates for affixation of the HSRP and proposed for blacklisting the company. However, no action was taken by the Department.
- During the joint inspection done by Audit and departmental officials of a two wheeler dealer at DTO Jaisalmer, it was found that the contractor supplied the HSRPs from Jodhpur station and charged ₹ 92,315 for supply of 499 plates of this category (₹ 185 per plate) against ₹ 37,425 (₹ 75 per plate). Further, 100 plates were also supplied from the local embossing station at the rate of ₹ 225 per plate. Thus, the contractor was charging more amount than prescribed from the dealer responsible for registration of the vehicle.

3.4.9.2 Absence of rate list

As per condition 19 of the agreement, the contractor shall display the approved rates of HSRPs and replacement items at all affixation stations, visible to the public and shall charge strictly according to the rates as per agreement. During joint inspection, it was found that HSRP rates were not displayed at the HSRP stations at Bikaner and Karauli. Similarly, these were not displayed in all test checked eight affixation stations¹⁴ situated at dealers premises under the jurisdiction of selected offices. Further, complaints relating to non-display of rate lists at 13 embossing stations¹⁵ were also forwarded to the CoT office by the concerned RTOs/DTOs who had found the complaints true after verification. In absence of the rate list, the vehicle owners were not aware of the amount to be paid.

The matter was pointed out to the Department (June 2017) and reported to the Government (August 2017). Their reply is awaited (November 2017).

3.4.10 Delay in affixing of HSRP

As per clause 3.3 of the tender document, the time limit for affixation of HSRP is two working days from the receipt of documentary evidence from the RA. Further, condition 21(iii) of the agreement gives power to the Department for termination of contract and appointment of new agency in case of work remaining suspended for more than 48 hours without permission.

- During scrutiny of the complaint files, it was found that embossing stations established under the jurisdiction of five DTO offices¹⁶ remained closed for three to 30 days. The concerned transport authorities reported the facts to the CoT after inspection of the stations. No action was found taken in all five cases.
- It was observed that complaints relating to delay in affixation of HSRP were investigated in four HSRP stations established under the jurisdiction of four offices¹⁷. The facts were found correct and the delay ranged between 10 days to three months. The concerned RTOs/DTOs reported the fact to the CoT but no action was found taken against the contractor.

The matter was pointed out to the Department (June 2017) and reported to the Government (August 2017). Their reply is awaited (November 2017).

¹⁴ M/s Vinod Agency - Bhilwara, M/s Akashdeep Agency - Bhilwara, M/s Jagdamba Motors - Hindoncity Karauli, M/s Shriram Motors Agency-Jaisalmer, M/s Ganesh Motors- Dudu, M/s Bharat Tractors-Bikaner, M/s Rajaram Dharniya – Bikaner and M/s Audi Motors - Bikaner.

¹⁵ RTO: Ajmer, Bikaner and Sikar; DTO: Bhiwadi, Baran, Barmer, Karauli, Jalore, Jaisalmer, Ramgunjmandi, Sri Ganganagar, Sawai Madhopur and Sujangarh.

¹⁶ DTO: Hanumangarh, Jaisalmer, Karauli, Nohar and Sirohi.

¹⁷ RTO: Bikaner (10-20 days) and Jodhpur (three months); DTO: Barmer (22 days) and Dausa (22 days).

3.4.11 Irregular sub-letting of HSRP Stations

It was found during the scrutiny of the complaints that out of 52 HSRP stations¹⁸ in the State, complaints of sub-letting in respect of 12 stations¹⁹ were received by different RTOs/DTOs. The concerned RTOs/DTOs investigated the facts and forwarded the complaints to the CoT office for necessary action. The first complaint in this regard was forwarded by RTO Jodhpur on 6 December 2013. Further, the Anti-Corruption Bureau investigated the facts of sub-letting (FIR No. 1/2015 lodged in Tonk) and after confirmation of the facts, recommended to blacklist the firm and to take appropriate action against officer responsible for negligence. No action was found to have been taken.

The matter was pointed out to the Department (June 2017) and reported to the Government (August 2017). Their reply is awaited (November 2017).

3.4.12 Conclusion and Recommendations

The Department partially implemented HSRP Scheme in the State as HSRP was not affixed on vehicles registered prior to 15 July 2012. Third registration plate sticker was also not affixed. This resulted in limited success of the Scheme in the State. Laser detector cameras with Optical Character Readers were not installed on important roads and inter-sections to capture footage of speeding/overloading/stolen vehicles through scanning of HSRP. This defeated the purpose of affixation of HSRP on the vehicles. Grievance redressal cell was not set up for looking after complaints. This resulted in non-monitoring of complaints at all levels of the Department. Lack of publicity programmes and non-display of rate list resulted in lack of creating awareness in public about the process, approved rates and other details of the Scheme. There was lack of co-ordination between the Department and the Contractor in the cases of replacement of HSRP which resulted in non-matching of data in the system of the Department and the system of the contractor. Centralised Network Connectivity Terminal was installed after much delay which resulted in non-access to the data related to the HSRP Scheme for a long period and the Department could not monitor the progress of Scheme on a real time basis.

It is recommended that the Government may take necessary action to ensure affixation of HSRP on all vehicles and ensure compliance with provisions of the order, agreement and tender documents. The Government may also consider instituting a wide spread publicity programme about the HSRP Scheme and its objective through print and electronic media to increase public awareness about benefits and processes of the Scheme besides rates and other details. It may establish a specific portal for the redressal of grievances in a time bound manner; ensure proper co-ordination between the Department and the Contractor to avoid mismatch in data, ensure display of rate list at all affixation stations and install laser detector cameras.

¹⁸ RTO: Ajmer, Alwar, Bharatpur, Bikaner, Chittorgarh, Dausa, Jaipur, Jodhpur, Kota, Pali, Sikar and Udaipur; DTO: Abu Road, Balotra, Banswara, Baran, Barmer, Beawar, Bhilwara, Bhinmal, Bhiwadi, Bundi, Chomu, Churu, Didwana, Dholpur, Duda, Dungarpur, Sri Ganganagar, Hanumangarh, Jaipur- Jhalana, Jaipur- Jagatpura, Jaisalmer, Jalore, Jhalawar, Jhunjhunu, Karauli, Kekri, Kishangarh, Kotputali, Nagaur, Nohar, Nokha, Phalodi, Pratapgarh, Rajasmand, Ramgunjmandi, Sawai Modhpur, Shahpura (Jaipur), Shahpura (Bhilwara), Sirohi and Sujangarh.

¹⁹ RTO: Bikaner and Jodhpur; DTO: Beawar, Bhilwara, Dausa, Dholpur, Hanumangarh, Jaisalmer, Karauli, Kotputali, Sri Ganganagar and Tonk.

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

Under Section 4-C of the RMVT Act, 1951 and the Rules made thereunder, a lump-sum tax on transport vehicles shall be levied at the rates prescribed by notifications²⁰ issued from time to time by the State Government. The lump-sum tax payable may be paid at the option of vehicle owner either in full or in three equal instalments up to 13 July 2014 and in six equal instalments with effect from 14 July 2014 within a period of one year. Further, *vide* notification dated 9 March 2015, transport vehicles registered or assigned in the State on or after 1 April 2007 shall be required compulsorily to pay lump-sum tax with effect from 1 April 2015 and *vide* notification 9 March 2011, surcharge at the rate of 10 *per cent* on tax is also payable.

During test check of the records of 23 RTOs/DTOs²¹ for the period 2013-14 to 2015-16, it was noticed (between October 2016 and March 2017) that in respect of 4,289 transport vehicles, 378 vehicle owners opted for payment of lump-sum tax in instalments. These vehicle owners after paying first or second instalments had not paid the remaining instalments. Further, it was also observed that the remaining 3,911 vehicles owners had defaulted in payment of tax. There was nothing on record in VAHAN or in the tax ledger or registration record to indicate that any of the vehicle owners had exercised any option for payment of tax in instalment or the vehicles were transferred to other States. The taxation officer, however, did not initiate any action to realise the due tax. This resulted in non/short realisation of lump-sum tax amounting to ₹ 18.08 crore.

The cases were pointed out to the Department and reported to the Government (between November 2016 and June 2017); the Department stated (September 2017) that in respect of 314 vehicles, ₹ 1.45 crore had been recovered. Replies in respect of remaining vehicles are awaited (November 2017).

3.6 Taxes on motor vehicles not realised

Under Sections 4 and 4-B of the RMVT Act, 1951 and the Rules made thereunder, motor vehicle tax and special road tax are to be levied and collected on all motor 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 opted lump-sum tax payable under Section 4-C. Further, *vide* notification dated 9 March 2011, surcharge at the rate of five *per cent* on tax is also payable.

During test check of the registration records, tax ledgers and general index registers of 9 RTOs²² and 14 DTOs²³ for the period 2013-14 to 2015-16, it was noticed (between October 2016 and March 2017) that in respect of 4,945 vehicles, tax for the period from April 2013 to March 2016 was not paid by the owners of these vehicles. There was no evidence on record to prove that

²⁰ Notifications: 22 dated 16 February 2006, 22-A dated 9 March 2007 and 22-C dated 14 July 2014.

²¹ RTOs: Ajmer, Alwar, Bikaner, Chittorgarh, Dausa, Jodhpur, Kota, Pali, and Udaipur; DTOs: Banswara, Barmer, Bhinmal, Churu, Duda (Jaipur), Dungarpur, Jhalawar, Jhunjhunu, Karauli, Kotputli, Nagaur, Rajasamand, Sri Ganganagar and Tonk.

²² RTOs: Ajmer, Alwar, Bikaner, Chittorgarh, Dausa, Jodhpur, Kota, Pali and Udaipur.

²³ DTOs: Banswara, Barmer, Churu, Duda, Dungarpur, Jaipur (stage carriage), Jhalawar, Jhunjhunu, Karauli, Kekri, Kotputli, Nagaur, Sri Ganganagar and Tonk.

the vehicles were off the road or were transferred to other District/States. The taxation officers, however, did not initiate any action to realise the tax due to the State Government. This resulted in non-realisation of tax and surcharge amounting to ₹ 16.13 crore as mentioned below:

Sl. No.	Category of vehicles	Number of vehicles	Period of tax	Amount (₹in crore)	Name of offices where irregularities noticed
1	Goods vehicles	1,290	April 2013 to March 2016	2.56	RTOs- Ajmer, Alwar, Bikaner, Chittorgarh, Dausa, Jodhpur, Kota and Udaipur. DTOs- Barmer, Karauli, Kotputli and Tonk.
2	Contract carriages (seating capacity upto 13 persons excluding driver)	1,675	April 2013 to March 2016	1.99	RTOs- Chittorgarh, Dausa, and Pali. DTOs- Banswara, Barmer, Dungarpur, Kotputli, Nagaur and Tonk.
3	Contract carriages (seating capacity more than 13 persons excluding driver)	100	April 2014 to March 2016	2.38	RTOs- Jodhpur, Pali and Udaipur. DTOs- Barmer, Jhunjhunu and Sri Ganganagar.
4	Stage carriages	482	April 2013 to March 2016	3.66	RTOs- Jodhpur and Udaipur. DTOs- Barmer, Churu, Dudu, Jaipur (stage carriage), Jhunjhunu, Karauli, Nagaur and Sri Ganganagar.
5	Articulated goods vehicles	576	April 2014 to March 2016	1.81	RTOs- Ajmer, Bikaner, Chittorgarh, Jodhpur and Udaipur. DTOs- Barmer, Kekri and Kotputli.
6	Passenger vehicles kept without permits	58	April 2014 to March 2016	1.00	RTO- Jodhpur. DTOs- Barmer, Jaipur (stage carriage), Jhunjhunu and Kotputli.
7	Dumpers/tippers	764	April 2013 to March 2016	2.73	RTOs- Ajmer, Alwar, Bikaner, Chittorgarh, Jodhpur, Kota, Pali and Udaipur. DTOs- Barmer, Jhalawar, Jhunjhunu, Kotputli, Nagaur and Tonk.
Total		4,945		16.13	

The cases were pointed out to the Department and reported to the Government (between November 2016 and June 2017); the Department stated (September 2017) that in respect of 541 vehicles ₹ 1.30 crore had been recovered and in respect of 286 vehicles, ₹ 0.83 crore was not recoverable due to deposit of lump-sum tax *etc.* The reasons for not making the relevant entries

in the VAHAN or in the registers maintained for this purpose were not furnished to Audit. The report on progress of recovery in the remaining cases was awaited (November 2017).

3.7 Non-realisation of penalty on late deposit of special road tax and surcharge by fleet owner

Section 4 of the Rajasthan Motor Vehicles Tax (RMVT) Act, 1951, provides that all the taxes shall be payable in advance. In respect of fleet owner, special road tax (SRT) shall be paid on or before 14th day of each month. Further, Section 6 of RMVT Act stipulates that if the tax due in respect of a vehicle is not paid within the period allowed, the defaulter shall be liable to pay in addition to the tax due, a penalty at the rate of 1.5 *per cent* per month or part thereof for delayed payment.

During test check of records of RTO, Jaipur for the year 2015-16, it was noticed (January 2017) that the Rajasthan State Road Transport Corporation (RSRTC) deposited/adjusted tax and surcharge for the period from April 2015 to September 2015 amounting to ₹ 47.63 crore after a delay of two to three months. It was, therefore, liable to pay penalty on such delayed payment of tax and surcharge. RSRTC, however, had not paid the penalty amounting to ₹ 1.59 crore. Further, there was nothing on record to indicate that the RTO had initiated any action for imposition and recovery of the penalty.

The matter was pointed out to the Department and reported to the Government (between February 2017 and June 2017); the Department stated (September 2017) that efforts for recovery from RSRTC was being initiated.