

## Chapter 3

### Levy, assessment, collection and remittance of Government revenues

#### 3.1 Fund Management

##### 3.1.1 Trend of revenue and expenditure

The revised budget estimates and the actual receipts of the regulatory wing of the Transport Department during 2015-20 are given in the **Table 3.1**.

**Table 3.1: Details of Budget Estimates and the Actual Receipts of the regulatory wing**  
(₹ in crore)

Year	Revised Budget Estimates (RBE)	Actual receipts	Increase (+)/ Decrease (-) over RBE (In per cent against RBE)
2015-16	1,316.00	1,400.38	(+) 84.38 (6.41)
2016-17	1,600.60	1,583.06	(-) 16.94 (1.06)
2017-18	2,500.00	2,777.57	(+) 277.57 (11.10)
2018-19	2,950.00	2,908.29	(-) 41.71 (1.41)
2019-20	3,500.00	2,915.76	(-) 584.24 (16.69)
<b>Total</b>	<b>11,866.60</b>	<b>11,585.06</b>	<b>(-) 281.54 (2.37)</b>

Source: Budget documents and finance accounts of respective years.

As evident from above, actual receipts over budget estimates increased in the range of 6.41 per cent to 11.10 per cent during 2015-16 and 2017-18. There was decrease in actual receipts over budget estimates in 2016-17, 2018-19 and 2019-20. The decrease in actual receipt ranged between 1.06 per cent and 16.69 per cent. The Department attributed the decrease in actual receipt over budget estimate to registration of lesser number of vehicles (big trucks) than anticipated. Overall, the actual receipts increased from ₹ 1,400.38 crore in 2015-16 to ₹ 2,915.76 crore in 2019-20. The main reason for increase in actual receipt during 2017-19 was increase in rates of motor vehicle tax with effect from 28 March 2017. The notification in this regard was issued in exercise of the powers conferred by Haryana Motor Vehicle Taxation Act 2016, which was promulgated on 19 September 2016. However, Act was made effective w.e.f. 1 April 2017 through an amendment Act passed on 4 April 2018. Through these Acts, the Punjab Passenger and Goods Tax Act 1952, as applicable to Haryana, was also repealed. The passenger and goods tax was levied in respect of passenger and goods vehicles and was deposited under separate Major Head '0042-Tax on Passenger and Goods'. The administration of passenger and goods tax was with Excise and Taxation Department.

The budget estimate and the actual expenditure of the regulatory wing during the period 2015-20 are detailed in the **Table 3.2**.

**Table 3.2: Details of Budget Estimate and Actual Expenditure of the regulatory wing**  
(₹ in crore)

Year	Revised Budget Estimates	Actuals	Savings (-)/Excess (+) (in per cent)
2015-16	20.16	18.72	(-) 1.44 (7.14)
2016-17	34.44	28.57	(-) 5.87 (17.04)
2017-18	40.32	38.23	(-) 2.09 (5.18)
2018-19	92.85	55.79	(-) 37.06 (39.91)
2019-20	75.88	57.54	(-)18.34 (24.17)
<b>Total</b>	<b>263.65</b>	<b>200.55</b>	<b>63.10 (23.94)</b>

Source: Budget documents and finance accounts of respective years.

Actual expenditure was lower than the Revised Budget Estimate during all these years. The decrease in expenditure ranged between 5.18 *per cent* and 39.91 *per cent* and was mainly because of less expenditure on Road Safety as construction of Institute of Driving, Training & Research (IDTR) was not started by linked departments. However, the actual expenditure increased from ₹ 18.72 crore in 2015-16 to ₹ 57.54 crore in 2019-20.

### Transport Vehicles

#### 3.2 Realization of Motor Vehicle Tax (MVT) from owners of Goods and Passengers Transport Vehicles

Section 3 of Haryana Motor Vehicle Taxation Act, 2016 provides that tax shall be levied and collected on all motor vehicles used or kept for use in the State at such rate and penalty as may be notified by the Government from time to time. The Government notified the rates of motor vehicle tax for all categories of vehicles registered in the State of Haryana by notifications<sup>1</sup> issued from time to time.

Note (d) of the notification dated 29 September 2017 provides that:

- In case of new vehicle, tax is payable within 30 days from the date of its purchase;
- In case of transport vehicles, already registered in the State of Haryana, tax is payable quarterly/yearly within 30 days of the commencement of quarter/year and in case of stage carriage buses of Haryana and other States, paying tax monthly, within 10 days of commencement of month; and
- In case of vehicle transferred in Haryana from other State, within 30 days from the date of keeping the vehicle in Haryana.

Note (k) of the notification provides that if owner of a goods carriage, paying tax on monthly/quarterly basis, deposits tax for a year, a rebate of 10 *per cent*

<sup>1</sup> Notification No. 13/15/2010-6T(I) dated 28 March 2017, 29 September 2017 and 31 May 2019

on annual tax is available. However, if the owner of a vehicle does not pay tax timely, then Note (d) of the notification provides for levy of penalty at the rate of 0.5 *per cent* of tax due for each day of delay, subject to the condition that amount of penalty shall not exceed the amount of tax due. In addition to the tax and penalty, simple interest at the rate of one<sup>2</sup> *per cent per month* of the tax due and penalty is also chargeable for the delayed period (Section 10(2) of the Act). A table showing rates of motor vehicle tax imposed on various vehicles during 2015-20 is given at *Appendix XI*.

Audit noticed cases of non/short realisation of motor vehicle tax and penalty in all the selected districts as given in Paras 3.2.1 to 3.2.3 below:

### **3.2.1 Short realization of motor vehicle tax**

Scrutiny of VAHAN data relating to tax due and tax paid in respect of 14,567 cases pertaining to all the eight test checked RTAs disclosed short deposit of tax and penalty of ₹ 6.90 crore in respect of 2,879 vehicles (19.76 *per cent* of 14,567) as given in *Appendix XII*.

The Department did not pursue the cases of non-payment.

The concerned RTAs stated that notices would be issued to the concerned vehicle owners.

### **3.2.2 Non-realization of penalty**

Scrutiny of vehicle history sheets of transport vehicles, as available on VAHAN, for the period from April 2017 to March 2020, in the selected RTAs revealed that the owners of 21 city buses in RTA Gurugram and 44 stage carriage buses in RTA Kaithal deposited motor vehicle tax of ₹ 1.27 crore<sup>3</sup> with delays ranging between 11 and 359 days. Penalty of ₹ 17.03 lakh was recoverable on the delayed payment whereas the RTAs recovered penalty of ₹ 3.92 lakh only which resulted in short realisation of penalty of ₹ 12.24 lakh in 58 cases and non-realisation of penalty of ₹ 0.87 lakh in seven cases.

The RTAs stated that notices would be issued to the vehicle owners and recovery would be made.

### **3.2.3 Motor Vehicle Tax pertaining to intervening period**

Scrutiny of vehicle history sheets relating to goods/passenger vehicles, as available in the selected RTAs revealed that in three<sup>4</sup> RTAs, although owners of 49 commercial vehicles had not deposited motor vehicle tax of ₹ 11.49 lakh for the various intervening months from April 2015 to January 2020, payments

<sup>2</sup> Substituted for 1.5 *per cent* through Haryana Motor Vehicle (Amendment) Act 2018.

<sup>3</sup> RTA Gurugram (₹ 0.24 crore) and RTA Kaithal (₹ 1.03 crore).

<sup>4</sup> RTAs Ambala, Kurukshetra and Gurugram.

for subsequent periods were accepted. Thus, there was no mechanism to enforce the payment of MVT for continuous periods without any gap.

The RTAs stated that the matter would be investigated.

***The Department may put controls in the system to ensure that pending taxes are realised.***

### **3.3 Transfer of ownership of transport vehicle despite pendency of Motor Vehicle Tax**

#### ***a) Vehicles transferred outside the State***

Section 48(1), Section 50(1) of the Central Motor Vehicle Act 1988 and Rule 55(3) of Central Motor Vehicle Rules 1989 provide that No Objection Certificate (NOC) is required for assignment of new registration mark in case of transfer of a vehicle in a state other than the state in which the vehicle was registered. Rule 58(1)(c) of the Rules provides for payment of motor vehicle tax up to the date of application for issuance of no objection certificate. Further, Note (d) of the notification dated 29 September 2017 provides for levy of penalty at the rate of 0.5 *per cent* of tax due for each day of delay, subject to the condition that amount of penalty shall not exceed the amount of tax due.

Scrutiny of vehicle history sheets of transport vehicles, as available on VAHAN, in the selected RTAs revealed that RTA Gurugram issued no objection certificates in two cases of transfer of vehicles to other States in May 2018 without ensuring up to date payment of motor vehicle tax. Though motor vehicle tax and penalty of ₹ 0.55 lakh for the period ranging between April 2016 and December 2017 were pending against these vehicles, tax for these periods was shown as clear by the RTAs and no objection certificates were issued. This resulted in irregular issue of no objection certificates besides revenue of ₹ 0.55 lakh was foregone.

#### ***b) Vehicles transferred within State***

Section 6 of Haryana Motor Vehicle Taxation Act 2016 provides that if the tax leviable in respect of any motor vehicle remains unpaid by the owner and such owner, before paying the tax has transferred the ownership of such motor vehicle, the person to whom the ownership of motor vehicle has been transferred, shall be liable to pay the said tax.

Scrutiny of vehicle history sheets of transport vehicles, as available on VAHAN, in the selected RTAs revealed that RTA Gurugram allowed transfer of three transport vehicles within the State between April 2018 and August 2018 without ensuring payment of pending motor vehicle tax. Though motor vehicle tax and penalty of ₹ 1.50 lakh for the period ranging between July 2016 and March 2018 was pending against these vehicles, tax for these periods was shown as clear by

the RTAs and transfer was allowed. Moreover, the RTA did not ensure recovery of the pending tax and penalty of ₹ 1.50 lakh from the new owners under the provision, *ibid*.

RTA Gurugram stated that the matter would be investigated.

***The department may initiate appropriate action against the defaulters.***

### 3.4 Non-Transport Vehicles

#### 3.4.1 Recovery of MVT from vehicles purchased from other States/ commercial vehicles converted into personal vehicles

The Government, through notification dated 29 September 2017, notified rate of motor vehicle tax payable on vehicles used for personal purpose as shown in the table given below:

Sr. No.	Category of motor vehicles	Rate of tax
<b>Vehicle for personal purpose</b>		
<b>(i) Two-wheeled vehicle</b>		
(a)	Up to the cost of ₹ 0.75 lakh	Four <i>per cent</i> of the cost of the vehicle payable one-time.
(b)	Above the cost of ₹ 0.75 lakh and up to ₹ 2 lakh	Six <i>per cent</i> of the cost of the vehicle payable one-time
(c)	Above the cost of ₹ 2 lakh	Eight <i>per cent</i> of the cost of the vehicle payable one-time
<b>(ii) Vehicle other than two-wheeled vehicle</b>		
(a)	Up to the cost of ₹ 6 lakh	Five <i>per cent</i> of the cost of the vehicle payable one-time.
(b)	Above the cost of ₹ 6 lakh and up to ₹ 20 lakh	Eight <i>per cent</i> of the cost of the vehicle payable one-time.
(c)	Above the cost of ₹ 20 lakh	10 <i>per cent</i> of the cost of the vehicle payable one-time.

Note (b)(iv) of the notification provides that in case of already registered vehicles, the cost of vehicle shall be the present ex-showroom price of similar vehicle, discounted at rate of eight *per cent* for each year for which tax was paid to a State Government/UT. In case of calculation of tax for a quarter, the rebate should be calculated at the rate of two *per cent* per quarter. The total maximum rebate allowed should not exceed 64 *per cent*.

Scrutiny of records of personal vehicle in the selected Registering and Licensing Authorities (RLAs) revealed that in 18 RLAs<sup>5</sup>, 103 vehicle owners purchased vehicles from other States and got their vehicles registered in these RLAs or purchased commercial car registered in these RLAs between July 2015 and March 2020 for using these vehicle for personal purposes. However, at the time

<sup>5</sup> Ambala City, Ambala Cantt, Ladwa, Kalayat, Gulha, Kaithal, Pataudi, Gurugram (North), Gurugram (South) at Sohana, Karnal, Assandh, Gharaunda, Badkhal, Ballabgarh, Faridabad, Bilaspur, Jagadhari and Kalka

of registration, department allowed rebate in excess of prescribed rates to these vehicle owners resulting in short recovery of MVT amounting to ₹ 12.47 lakh.

The concerned RAs stated that audit would be intimated after recovery.

### **3.4.2 Impact of ex-showroom prices shown by the dealers of same variant vehicles**

Note (b)(ii) of the notification dated 29 September 2017 provides that the cost of motor vehicle for computation of motor vehicle tax in case of new vehicle shall be the ex-showroom price. Transport Commissioner, Haryana Chandigarh, clarified (18 June 2013) that ex-showroom of a vehicle is the price of vehicle including the Central and State taxes/duties and other expenses.

Audit noticed instances where motor vehicle tax was not levied on ex-showroom prices as given below:

- a) During test check of records relating to registration of personal vehicles in the selected RLAs, it was noticed in the office of Transport Commissioner and nine RLAs<sup>6</sup> that 132 non-transport vehicles were registered on transfer of ownership in the selected RLAs. These vehicles were originally registered in other than selected RLAs. These vehicles were required to be registered at ex-showroom price of ₹ 8.98 crore whereas the RLAs registered these vehicles at the price of ₹ 1.42 crore. Consequently, motor vehicle tax of ₹ 7.01 lakh was levied whereas ₹ 63.51 lakh was required to be levied. This resulted in short levy of MVT of ₹ 56.50 lakh.

The concerned RLAs stated that the matter would be investigated.

- b) During test check of records of MVT levied during registration of personal vehicles in the selected RLAs, it was noticed in the office of Transport Commissioner and 18 RLAs<sup>7</sup> that 560 vehicles were registered at a price lower than the ex-showroom price. Thus, motor vehicle tax of ₹ 3.08 crore in place of ₹ 3.71 crore was levied and collected. This resulted in short levy of motor vehicle tax of ₹ 0.63 crore.

RLAs stated that notices would be issued and audit would be intimated after the recovery.

- c) During the test check of records in the selected RLAs, it was noticed in RLA, Gurugram (North) that in five cases, vehicles were registered

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<sup>6</sup> Thanesar, Ladwa, Pehowa, Kalayat, Gulha, Kaithal, Pataudi, Gurugram (South) and Gurugram (North).

<sup>7</sup> Ambala City, Ambala Cantt, Thanesar, Pehowa, Guhla, Kaithal, Pataudi, Gurugram (South), Gurugram (North), Indri, Karnal, Assandh, Kalka, Faridabad, Naraingarh, Shahabad, Kalayat and Badkhal.

between December 2017 and December 2019 wherein motor vehicle tax was levied and collected at a price higher than the ex-showroom price. Motor vehicle tax of ₹ 3.17 lakh was collected whereas MVT of ₹ 1.44 lakh was required to be levied. This resulted in excess charging of motor vehicle tax of ₹ 1.73 lakh<sup>8</sup> from these vehicle owners.

RLA, Gurugram (North) stated that the matter would be investigated.

### 3.4.3 Recovery of MVT at the time of registration of vehicle

Section 3 of the Haryana Motor Vehicles Taxation Act, 2016 and notification<sup>9</sup> dated 29 September 2017 of the Transport Commissioner, Haryana, Chandigarh provides for levy of motor vehicle tax at the rate of twelve *per cent* of the cost of vehicle in case of camper van.

Where the tax due in respect of any motor vehicle has not been paid by the owner or the person having the possession of vehicles, within the specified time, then in addition to payment of the tax due, he shall also be liable to pay penalty at the rate 0.5 *per cent* of the tax due for each day of delay and simple interest under Section 10 (2) of HMVT Act, 2016 at the rate of one *per cent* per month from the due date till the default continues. The actual amount of penalty shall not exceed the amount of tax due.

During test check of records relating to registration of personal vehicle owners in selected RLAs, in 13 RLAs<sup>10</sup> (MV), it was seen that while registering the vehicles, the RLAs in 41 personal vehicles (camper van) out of 27,900 test checked vehicles levied MVT at a lower rate than prescribed, which resulted into the short MVT collection to the extent of ₹ 15.51 lakh.

RLAs stated that notices would be issued to concerned vehicle owners and audit would be intimated after recovery.

*The department may initiate action against the defaulters.*

### 3.5 Deposit of Government revenue into treasury

Rule 2.2 and 2.4 of Punjab Financial Rule (Haryana State) Part 1 provides that all the Government receipts should be entered into cash book as soon as it is collected and the same should be attested by the DDO. Cash book should be closed regularly and completely checked. Cash receipt should be deposited into treasury on the same day or latest by the next working day. A consolidated statement of receipt made into the treasury should be obtained by the 15th of every month, which should be compared with the postings in the cash book.

<sup>8</sup> ₹ 3,16,740 (Actual MVT levied) - ₹ 1,44,166 (Due MVT).

<sup>9</sup> No. 13/15/2010-6T(I).

<sup>10</sup> Naraingarh, Thanesar, Ladwa, Pehowa, Shahbad, kalayat, Guhla, Kaithal, Pataudi, Gurugram (north), Faridabad, Badkhal and Ballabgarh.

Thereafter, a signed and dated certificate is to be recorded to that effect. If any discrepancy is found that may be corrected through correspondence with treasury officer.

During verification of records of cash in selected RTAs, it was seen in RTA Ambala that out of total receipt amounting to ₹ 9.99 crore collected at Tax Collection Point (TCP)<sup>11</sup> during 2019-20, an amount of ₹ 8.69 crore was seen to have been deposited into the treasury<sup>12</sup>, which reflected issues of reconciliation carrying risk of short deposit of ₹ 1.30 crore. The prescribed internal control in form of reconciliation with the Treasury office through Consolidated Treasury Register was not maintained.

Transport Commissioner stated (December 2021) that the relevant data has been obtained from National Informatics Centre (NIC) and discrepancies for the month of September 2019 were reconciled and it was found that these entries pertain to other RTAs. NIC has not enabled any IT enabled mechanism to sort out these discrepancies and each entry is required to be checked individually which would take time. Besides, Transport Commissioner (December 2021) intimated that they had assessed a difference of ₹ 5,842 between money collected and deposited in treasury and the same has been deposited into the treasury.

***The department may initiate action to reconcile the deposit of the receipt and take appropriate action for any short receipt. There is also need to maintain Consolidated Treasury Receipt Register and reconcile the receipts with the Treasury Officers.***

### 3.6 Other Irregularities

#### 3.6.1 Recovery of trade fee

Rule 33 of Central Motor Vehicle Rules, 1989 provides that a motor vehicle in the possession of a dealer/manufacturer of vehicles shall be exempt from the necessity of registration subject to the condition that a trade certificate from the concerned RTA is obtained. Rule 37 provides that the trade certificate is issued or renewed for a period of twelve months from the date of issue or renewal. Further, Rule 34 provides that an application for the grant or renewal of a trade certificate shall be accompanied by appropriate fee as specified in Rule 81. The fee for issue/renewal of trade certificate under Rule 81 is as detailed below:

Vehicle	Trade fee per trade certificate	
	Up to 28 December 2016	From 29 December 2016
Two wheeler	₹ 50	₹ 500
Three/Four wheeler	₹ 200	₹ 1,000

<sup>11</sup> as reflected in user id available at the office of Transport Commissioner.

<sup>12</sup> as reflected in TCP data of RTA, Ambala.

Scrutiny of records relating to issue and renewal of trade certificate in the selected RTAs revealed that in three RTAs<sup>13</sup> trade certificates of 83 out of 256 dealers/manufacturers were due for renewal during the period from April 2015 to March 2020 but the dealers did not get the trade certificates renewed. The Department did not take any action to enforce the provision of Rule 33 *ibid* in these cases. Moreover, trade fee of ₹ 2.08 lakh could also not be realised.

RTAs stated that recovery would be made.

### 3.6.2 Renewal of license of Vehicle Driving Training Centres

Rule 24 of Central Motor Vehicle Rules, 1989 provides that no person shall establish or maintain any driving school or establishment for imparting instruction for hire or reward in driving motor vehicle without a license granted by licensing authority. Rule 25 provides that a license granted shall be in force for a period of five years and may be renewed on an application made not less than sixty days before the date of its expiry. Rule 32 (Sr. No. 10 of the Table given thereunder) provides for levy of fee of ₹ 10,000 w.e.f. 29 December 2016 (₹ 2,500 before that 29 December 2016) for issue/renewal of license to a driving school or establishment.

Scrutiny of records of vehicle driving training register maintained in selected RTAs revealed that in three RTAs<sup>14</sup> licenses of 20 out of 135 Driving Training Centres had expired and were due for renewal during the period from November 2015 to March 2020. However, the Driving Training Centres did not get the licenses renewed. The department did not take any action to enforce the provision of Rule 24, *ibid* in these cases. Moreover, license fee of ₹ 1.78 lakh could not be realised.

The concerned RTAs stated that amount would be recovered from concerned Vehicle Training Centres.

### 3.6.3 Irregular cancellation of computerised cash receipts

During test check of records of cash receipts of the office of selected RLAs and RTAs, it was noticed in 12 RLAs<sup>15</sup> and two RTAs<sup>16</sup> that 4,957 computerised cash receipts amounting to ₹ 4.81 crore, generated between April 2018 and March 2020, were cancelled by the same persons who generated the receipts. The functionality to cancel a receipt by the same person who generated it, is fraught with the risk of misappropriation of Government money. There must be defined procedure and different authority to cancel a generated receipt. The

<sup>13</sup> Ambala, Kurukshetra and Kaithal

<sup>14</sup> Kaithal, Faridabad and Gurugram

<sup>15</sup> Ambala City, Ambala Cantt, Shahbad, Panchkula, Radaur, Badkhal, Ballabgarh, Faridabad, Assandh, Karnal, Indri, Gharaunda

<sup>16</sup> Gurugram and Yamuna Nagar

permission of the higher authority was also not taken to cancel these receipts. This resulted in irregular cancellation of computerized cash receipts and chances of misappropriation could not be ruled out.

RLAs and RTAs stated that matter would be investigated.

#### **3.6.4 Non-registration of vehicles within prescribed time and Non-fixation of High Security Registration Plates (HSRP)**

The Transport Commissioner issued a notification<sup>17</sup> dated 29 March 2017 which specified that the vehicle owner shall deposit all taxes, fee and HSRP fee to concerned dealer. Rule 50 of CMVR provides that High Security Registration Plates (HSRPs) with prescribed specifications should be affixed on all new registered vehicles. Transport Department, Haryana entered into an agreement with a contractor on 27 April 2012 to supply and affix HSRP in the State. As per Ministry of Road Transport and Highways notification no. G.S.R. 1162(E) dated 4 December, 2018, High Security Registration Plate including third registration mark, wherever required, would be supplied by the vehicle manufacturers along with the vehicle manufactured on or after 1<sup>st</sup> day of April, 2019 to their dealers and dealers should place a mark of registration on such plates and affix them on vehicle. After completion of file by the dealer, hard copy of the file would be submitted to Registering Authority within two working days positively and Registering Authority will issue registration certificate to the dealer within seven working days. The dealer must ensure that the HSRP was affixed to the vehicle at his premises before registration certificate was handed over to the vehicle owner and no vehicle would leave the premises of the dealer without affixation of HSRP on the vehicle.

Scrutiny of records of the MVT of selected RLAs revealed that in 13 RAs<sup>18</sup> owners of 291 motor vehicles deposited ₹ 62.04 lakh with the dealers on account of MVT and fee for registration of vehicles between May 2017 and March 2020. However, the registration certificates of their vehicles were not issued even after a lapse of 10 to 22 months from the date of the sale/deposit of tax amount. Audit also noticed from data relating to fixation of High Security Registration Plates, as available on VAHAN application, that 13,21,276 authorisation slips were issued during 2019-20 for fixation of HSRP. However, only 10,48,178 HSRPs were fixed on vehicles and 2,73,098<sup>19</sup> vehicles were pending for fixation of HSRP as on 11 August 2021.

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<sup>17</sup> No. 17926-18023.

<sup>18</sup> (i) Ambala City, (ii) Ambala Cantt., (iii) Barara, (iv) Gurugram (North), (v) Naraingarh, (vi) Thanesar, (vii) Ladwa, (viii) Pehowa, (ix) Shahbad, (x) Badkhal, (xi) Ballabgarh, (xii) Faridabad and (xiii) Panchkula.

<sup>19</sup> (7,201-dealer + 2,65,897-vendor).

In case of non-registration of vehicles, the concerned RAs stated that notices would be issued to concerned dealers. Reason for non-fixation of High Security Registration Plates on above vehicles were not intimated by the Department.

*The department need to establish an effective system for monitoring of fixation of High Security Registration Plates.*

### 3.7 Road safety

#### 3.7.1 Renewal of fitness certificate of transport vehicles

Under Section 56 of the MV Act 1988, it is mandatory for a transport vehicle to carry a Certificate of Fitness for using the vehicle in public place. Necessary checks to be exercised before issuing a fitness certificate are given in table below Rule 62 of Central Motor Vehicles Rules 1989. If the prescribed authority is satisfied that the vehicle no longer complies with the requirements of the Act, they may cancel the fitness certificate at any time with the reasons recorded in writing. On the date of such cancellation, the certificate of registration of the vehicle is deemed to be suspended till the new certificate of fitness is obtained. Ministry of Road Transport and Highways (MoRTH) prescribed<sup>20</sup> fee for conducting fitness test of a vehicle and fee for grant/renewal of certificate of fitness as given below:

Sr. No.	Type of Vehicle	Amount
<b>Conducting test for grant/renewal of certificate of fitness</b>		
A	Motorcycle	Manual: ₹ 200 Automatic: ₹ 400
B	Three wheeled or light motor vehicle or quadricycle	Manual: ₹ 400 Automated: ₹ 600
C	Medium or heavy motor vehicle	Manual: ₹ 600 Automated: ₹ 1,000
<b>Grant or renewal of certificate of fitness for motor vehicle</b>		₹ 200 Additional fee of ₹ 50 for each day of delay after expiry of certificate of fitness shall be levied.

Rule 62 of Central Motor Vehicle Rules provides that the validity of certificate of fitness of vehicles is as under:

Sr. No.	Description	Period
1.	New transport vehicle	Two years
2.	Renewal of certificate of fitness in respect of transport vehicles	One year Two years for vehicles up to eight years old and one year for vehicles older than eight years (w.e.f. 2 November 2018)
3.	Renewal of certificate of fitness in respect of E-rickshaw and E-cart	Three years

<sup>20</sup> Notification dated 29 December 2016

Scrutiny of information, as available on VAHAN, relating to fitness of 2,110 transport vehicles in the selected RTAs revealed that in seven<sup>21</sup> fitness certificates of 753 vehicles had expired between May 2015 and March 2020. However, the owners did not turn up for renewal of the fitness certificates of their vehicles. The money value implication due to non-renewal of fitness certificates was ₹ 3.93 crore as on 31 March 2021 including fee and penalty.

Further, in RTAs Kurukshetra and Kaithal, 29 buses of educational institutions were active though the fitness certificates of these buses had expired 12 to 42 months earlier. These vehicles were being utilised by the educational institutions to ferry the school/college going children and running these vehicles in absence of fitness certificate compromised the safety of school/college going children.

The RTAs stated that notice would be issued to the concerned vehicle owners.

### **3.8 Vehicular Pollution**

#### **3.8.1 Non-recovery of license fees/penalty from Pollution Check Centres**

As per Rule 162A of Haryana Motor Vehicle Rules 1993, the pollution under control (PUC) certificate shall be issued by the Transport Department or by an authorised pollution checking centre. The authorisation to Pollution Check Centres is issued/renewed on payment of fee of ₹ 500 per year as per Haryana Government notification dated 24 May 2016. An application for renewal of authorisation by the pollution checking centre is required to be submitted at least 15 days in advance of the expiry of licence, failing which late fee at the rate of ₹ 100 per week is to be charged.

During test check of records relating to Pollution Check Centres of selected RTAs, it was seen in six RTA<sup>22</sup> that 418 out of 933 Pollution Check Centres had not renewed their authorisation after expiry period between January 2017 and January 2020. The department did not take any action to recover the authorisation fee from the defaulters nor took steps to prevent the unauthorised operation of these pollution checking control centres. The non-renewal of authorisation had the revenue implication of ₹ 32.52 lakh including penalty.

The RTAs stated that notices would be issued and recovery would be made.

#### **3.8.2 Joint inspection of Pollution Check Centres**

The Transport Department in September, 2015<sup>23</sup> had issued detailed directions to all RTAs under its jurisdiction for improvement in working of Pollution

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<sup>21</sup> Yamunanagar, Faridabad, Ambala, Kurukshetra, Kaithal, Panchkula and Gurugram.

<sup>22</sup> Ambala, Kurukshetra, Kaithal, Panchkula, Faridabad and Gurugram.

<sup>23</sup> Letter No.39663-95 dated 4<sup>th</sup> September 2015.

Checking Centre which included the provision that the officer of the Transport Department may inspect the pollution checking centre at any time.

In order to derive a reasonable assurance of compliance with these directions, a joint inspection by Transport Department and Audit was conducted on 22 July 2021 in four Pollution Check Centres falling under the jurisdiction of the Regional Transport Authority, Gurugram. The working of the four Pollution Check Centres was checked against eight parameters of the directions dated 4 September 2015. The result of the joint inspection is tabulated below:

Sr. No.	Issues checked	Remarks
1	Certificate to grant permission to conduct test	Two centres showed the certificate while two did not
2	Display of banners/boards/hoarding about centre's name for public view	One centre displayed while three did not
3	Display of charges fixed for pollution test	Two centres displayed while two did not
4	Operator training certificate issued by manufacturer	No centre showed the certificate
5	Latest calibration certificate	One centre showed while three did not
6	Display of emission norms	No centre displayed
7	AMC for gas analyser/smoke meter with the manufacturer/supplier	Two centre showed while two did not
8	Submission of monthly reports to RTA	No centre was submitting the monthly report

The Department needs to ensure that the Pollution Check Centre adhere to the prescribed rule provisions.

The result of joint inspection was issued to the Department. The Department stated that appropriate action would be taken against Pollution Check Centres.

### 3.8.3 Irregularities in the Pollution Check Centre

Transport Department, Government of Haryana in September 2015<sup>24</sup> had directed the Pollution Check Centres (PCCs) to send the monthly report in Form 8 to concerned RTA. Further, the officer of the transport department was authorised to inspect the PCC at any time.

During test check of records of the selected RTAs, it was seen in RTAs Kurukshetra, Kaithal, and Gurugram that during 2019-20, neither the PCCs have sent the required monthly report in Form 8 to the concerned RTA nor the concerned RTA had taken any step to obtain or follow up on the pending reports from the PCCs. There was nothing on record to confirm whether the officers of the Department carried out any inspection of the PCCs under their jurisdiction.

The RTAs stated that matter would be investigated.

***The department need to establish an effective system for monitoring on Pollution Check Centre.***

<sup>24</sup> Letter No.39663-95 dated 4<sup>th</sup> September 2015.