

Executive Summary

Transport Department ensures compliance with the provisions of the Central Motor Vehicles Act, 1988 (MV Act), Central Motor Vehicles Rules (CMVR) 1989, the Haryana Motor Vehicles Act, 2016 and Haryana Motor Vehicles Rules 2016. Transport Department, Haryana has two wings, viz. Operational Wing and Regulatory Wing.

The performance audit was conducted to assess whether operational and financial plan to provide transport services was prepared and implemented efficiently by the department; operational wing was providing efficient, economical, reliable, safe and environment friendly transport services; the levy, assessment, collection and remittance of Government revenues were made efficiently as per the extant Act/rules/procedures; the enforcement functions to mitigate road accidents and reduce Vehicular Pollution were performed efficiently; and an adequate internal control system existed in the department to ensure effective and efficient functioning of the Department.

Performance Audit for the period 2015 to 2020 was conducted between September 2020 and August 2021. The Performance Audit consists of five chapters in which Chapter I covers the introduction, functions, audit criteria, organisational set-up, audit scope and methodology, Chapter 2 covers the audit findings relating to Operational wing, Chapter 3 covers the audit findings relating to Regulatory wing, Chapter 4 is on Internal Control and Chapter 5 relates to conclusion.

Significant Audit Findings of Operational Wing

Actual receipts decreased from ₹ 1,254.01 crore to ₹ 1,105.77 crore during 2015-20 and the shortage in actual receipts over budget estimates increased from 14 per cent to 45 per cent during 2015-20. Revenue from operations, also decreased from ₹ 1,152.96 crore to ₹ 998.84 crore during the same period. The deviation of the budget estimates from actuals were large both for receipt and expenditure. There was a gap of ₹ 3,197.14 crore between budgeted receipts while corresponding gap between budgeted expenditure and actual was ₹ 1,399.49 crore

(Paragraph 2.2.1)

During the period 2008 to 2014, funds of ₹ 32.02 crore were received for purchase of buses under JNNURM Scheme, purchase of CNG buses, purchase of e-ticketing machines and other specific purposes. Out of this ₹ 21.97 crore were utilised between May 2019 and June 2020 by diverting the funds for the purposes other than for which the grant was made.

(Paragraph 2.2.3)

Average number of buses declined gradually from 4,210 in 2015-16 to 3,118 in 2019-20. Further, the number of buses more than eight years old increased from 82 to 582 during the same period. As a consequence of increased overage fleet, the number of breakdowns increased from 4,118 to 4,841 during the period despite decrease in average number of buses from 4,210 in 2015-16 to 3,718 in 2019-20.

(Paragraph 2.3.2.1)

Targets of fuel consumption (KMPL) were fixed for all depots without any analysis of operational conditions. Against the department's mandated norms of five KMPL, average consumption of diesel in test-checked depots of Haryana Roadways (except Kurukshetra depot which achieved the target of fuel consumption) ranged between 4.67 and 4.97 kmpl during the period 2015-20. However, average consumption of diesel for all depots of Haryana Roadways slightly improved from 4.73 kmpl in 2018-19 to 4.79 kmpl in 2019-20.

(Paragraph 2.3.2.6)

In all the test checked depots, scheduled kilometers (kms) were not fully operated by Haryana Roadways buses. Non-operation of 775.26 lakh scheduled kms resulted in potential non-realisation of ₹ 86.92 crore. These missed kms were mainly due to decrease in fleet in operation, under-utilisation of fleet available for operation and prolonged detention of buses in the workshops.

(Paragraph 2.3.2.7)

Profit from operation of Volvo Buses increased from ₹ 2.27 crore to ₹ 3.64 crore during 2015-18 but declined to ₹ 1.42 crore in 2018-19 and turned to a loss of ₹ 0.84 crore in 2019-20. Operation of these buses decreased from 493 kms per bus per day to 382 kms per bus per day which affected the delivery of service to the people as well as operational and financial performance.

(Paragraph 2.3.3)

The department had to surrender an amount of ₹ 542.97 crore against the total budget provision of ₹ 700.45 crore under Acquisition of fleet scheme on purchase of bus chassis and cost of fabrication of buses. Due to the indecisiveness and non-finalization of technical specifications by the Transport Department/High Power Purchase Committee, the department purchased only 450 ordinary bus chassis, 150 mini buses and 18 super luxury buses during 2015-20 against the target of introduction of 995 new buses. Further, 1,613 buses were scrapped during the period resulting in reduction of fleet operation from 4,208 in 2015-16 to 3,592 in 2019-20.

(Paragraph 2.4.1)

Abnormal delay in lifting of buses after body fabrication from Haryana Roadways Engineering Corporation was observed. Out of 642 fabricated buses,

529 were lifted by depots with a delay ranging between 10 and 333 days after factoring in a reasonable time of seven days. Due to non-lifting of these buses in time, Haryana Roadways suffered a potential loss of ₹ 12.05 crore during the period 2015-19.

(Paragraph 2.4.2)

Premature condemnation of low floor star buses was observed. Due to putting these buses off-road before completion of prescribed norms i.e. seven lakh kilometres, the Department suffered a potential loss of ₹ 3.33 crore.

(Paragraph 2.4.3)

Preventive maintenance schedule prescribed by Haryana Roadways was not adhered to in test checked depot. Shortage of 30 *per cent* in carrying out 'A' service was noticed in five depots. In case of 'B' service, shortage of 30 *per cent* was noticed in four depots.

(Paragraph 2.5.1)

Due to longer detention of buses in workshops for their repair and maintenance, all the eight test checked depots suffered potential loss of ₹ 4.23 crore. Main reason for keeping the buses in workshop for larger time was shortage of technical staff in the workshops.

(Paragraph 2.5.2)

The manpower productivity per day decreased from 71.25 kms in 2015-16 to 50.88 kms in 2019-20. This resulted in decrease of effective kilometers from 4,589.29 lakh kms in 2015-16 to 3,701.41 lakh kms in 2019-20.

(Paragraph 2.6)

In test checked depots, drivers were deployed in excess of norms in all depots beyond prescribed norms during 2018-19 and 2019-20. Excess ranged between seven to 351 drivers and resulted into idle wage payment of ₹ 34.88 crore during 2018-20.

(Paragraph 2.6.1)

Lack of internal controls as prescribed in comprehensive policy guidelines for leasing out of shops/booths, on the bus stands of Haryana Roadways, resulted in short recovery of lease rent, including Service Tax/GST of ₹ 1.15 crore.

(Paragraph 2.8.1)

The Government decided that the traffic receipt on Inter State Routes should not be less than ₹ 30 per km. If receipt was between ₹ 25 and ₹ 30 per km then permission of Headquarters was necessary. In all the test checked depots, the traffic receipt of 459 buses were between ₹ 25 to ₹ 30 per km. Further, in

393 buses, the receipt was below ₹ 25 per km. Inaction of the Department of the issue resulted in loss of ₹ 37.01 crore.

(Paragraph 2.9)

Significant Audit Findings of Regulatory wing

In eight test checked RTAs, out of 14,567 vehicles, owners of 2,879 numbers of vehicles had not deposited due amount of Motor Vehicles Tax of ₹ 6.90 crore including penalty during April 2017 to March 2020.

(Paragraph 3.2.1)

Motor vehicles tax for 132 non-transport vehicles which were originally registered in RLAs other than test checked and transferred to test checked RLAs, was not levied on ex-showroom prices at the time of original registration, which resulted in short recovery of Motor Vehicle Tax of ₹ 56.50 lakh.

(Paragraph 3.4.2 (a))

560 vehicles were registered at a price lower than ex-showroom price which resulted in short recovery of Motor Vehicle Tax of ₹ 0.63 crore.

(Paragraph 3.4.2 (b))

In RTA Ambala, out of ₹ 9.99 crore collected at Tax Collection Point, an amount of ₹ 8.69 crore only was deposited into the treasury. There were reconciliation issues carrying risk of short deposit of ₹ 1.30 crore.

(Paragraph 3.5)

In 12 RLAs and two RTAs, 4,957 computerized cash receipts issued between April 2018 and March 2020 amounting to ₹ 4.81 crore were cancelled by the same person who generated the receipts. This resulted in irregular cancellation of computerized cash receipts and chances of misappropriation could not be ruled out.

(Paragraph 3.6.3)

753 transport vehicle owners did not renew the fitness certificate of their vehicles. Money value implication due to non-renewal of fitness certificate was ₹ 3.93 crore. Further in RTA Kurukshetra and Kaithal, 29 buses were being used by educational institutions, though the fitness certificates of these vehicles were expired, which compromised the safety of school/college going children.

(Paragraph 3.7.1)

Recommendations

The Department needs to ensure that:

- ❖ planning is integrated with budget and the budget is optimally utilised;
- ❖ funds are utilised only for the specific purpose for which the funds were sanctioned;
- ❖ Necessary steps are taken to expedite the purchase process of bus chassis to increase the fleet strength;
- ❖ delivery of buses is accepted timely by the concerned depots;
- ❖ terms and conditions of the agreement/contract relating to leasing of shops should be followed by the concerned depots; and
- ❖ Inter State Route buses are deployed on profitable routes in order to reduce losses.
- ❖ action for recovery of the outstanding amount of Motor Vehicle Tax and fee from the concerned vehicle owners is initiated and appropriate action against defaulters is taken; and
- ❖ an effective mechanism is established to ensure deposit of remittance from dealers and timely issuance of Registration.