

CHAPTER-III Transport Department

3.1 Tax administration

The receipts from the taxes on motor vehicles payable under the provisions of the Central and the State Motor Vehicles Acts and rules made thereunder are administered at the Government level by Additional Chief Secretary (Transport). The Transport and Road Safety Department (Department) is headed by the Transport Commissioner (CoT) and is assisted by six Additional Transport Commissioners, four Deputy Transport Commissioners and five Joint Transport Commissioners. The entire State is divided into 13 Regions¹, headed by Regional Transport Officers (RTOs) as ex-officio Secretary, Regional Transport Authority.

3.2 Results of Audit

There are 58 Transport Districts² headed by RTOs/DTOs and 1.82 crore vehicles were registered therewith up to December 2022. There were 58 auditable units in the Transport Department. Out of these, 21 units were selected for test check wherein 1.40 crore vehicles were registered. Out of these, 68,122 vehicles were selected for test check. Audit noticed 7,007 cases involving ₹ 32.89 crore of non/short payment of tax, penalty, interest and compounding fees, irregularities relating to non/short determination of tax, computation of motor vehicle tax, etc. Some of the similar omissions were pointed out in earlier years also but not only did the irregularities persist, these remain undetected till audit was conducted. These cases are illustrative and are based on a test-check carried out by Audit. These irregularities noticed broadly fall under the following categories given in **Table 3.1**.

Table 3.1: Statement showing the amount objected by audit during the year 2022-23

| (₹ in crore) | | | |
|--------------|------------------------------------------------------------------------------|-----------------|--------------|
| Sl.No. | Category | Number of cases | Amount |
| 1. | Non/short payment of tax, penalty, interest and compounding fees <i>etc.</i> | 6,588 | 32.62 |
| 2. | Irregularities relating to expenditure | 257 | 0.27 |
| 3. | Other irregularities | 162 | - |
| Total | | 7,007 | 32.89 |

¹ Regions: Ajmer, Alwar, Bharatpur, Bikaner, Chittorgarh, Dausa, Jaipur (First), Jaipur (Second), Jodhpur, Kota, Pali, Sikar and Udaipur.

² Transport Districts: Abu Road, Ajmer, Alwar, Bharatpur, Balotra, Banswara, Baran, Barmer, Beawar, Bhilwara, Bhinmal, Bikaner, Bhiwari, Bundi, Chomu, Churu, Chittorgarh, Deedwana, Dholpur, Dudu, Dausa, Dungarpur, Hanumangarh, Jaisalmer, Jalore, Jodhpur, Jhalawar, Jhunjhunu, Jaipur(I), Jaipur(II), Karauli, Kota ,Kekri, Khetri, Kishangarh, Kotputali, Nagaur, Nohar, Nokha, Pipad city, Pokran, Pali, Phalodi, Pratapgarh, Rajsamand, Ramganj Mandi, Sawai Madhopur, Shahpura (Bhilwara), Shahpura (Jaipur), Sirohi, Sikar, Salumbar, Sumerpur, Sadulshahar, Sri Ganganagar, Sujangarh, Tonk and Udaipur.

During the year 2022-23, the Department accepted non/short payment of tax, penalty, interest and other irregularities of ₹ 56.77 crore in 9,648 cases, out of which 6,550 cases involving ₹ 29.87 crore were pointed out in audit during the year 2022-23 and rest in earlier years. During the year 2022-23 an amount of ₹ 4.93 crore was recovered in 2,156 cases, out of which ₹ 1.99 crore was recovered in 503 cases, these were pointed out in 2022-23 and rest in earlier years.

Some illustrative cases amounting to ₹ 36.37 crore are included as given below:

3.3 Taxes on motor vehicles not realised

Motor Vehicle Tax and Special Road Tax amounting to ₹ 12.10 crore in respect of 1,677 vehicles were not paid by vehicle owners. The Department, however, did not initiate effective action to realise the dues

As per section 4 and 4B of the RMVT Act, 1951 and the rules made thereunder, motor vehicle tax and special road tax are to be levied and collected on transport vehicles used or kept for use in the State at the rates prescribed through notifications issued from time to time by the GoR. Surcharge is also leviable on tax due. This tax is payable annually and due on 1 April of every financial year and it has to be deposited by 31 March of the following year. 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 the year 2022-23, 21 transport offices were test checked and significant irregularities were noticed in 19 transport offices³ regarding collection of Motor Vehicle Tax. A total of 4.66 lakh vehicles (Articulated goods vehicles, Goods vehicles, Contract Carriage Passenger Vehicles and Stage Carriage Passenger Vehicles) were registered in these offices out of which 14,872 vehicles were test-checked. Scrutiny of registration records, tax ledgers, general index registers and VAHAN application⁴ for the period 2016-17 to 2021-22 revealed that owners of 1,677 vehicles did not pay the due tax. 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 effective action to realise the tax due. This resulted in non-realisation of tax and surcharge amounting to ₹ 12.10 crore as mentioned in **Table 3.2**.

³ RTOs: Ajmer, Alwar, Bikaner, Chittorgarh, Jodhpur, Kota, Pali, Sikar, Udaipur.
DTOs: Beawer, Bhilwara, Bhinmal, Churu, Jhunjhunu, Nagaur, Pratapgarh, PV-II Jaipur, Rajsamand, Sriganganagar.

⁴ Departmental web-based application that takes care of the activities of vehicle *i.e.* registration, fitness, taxes, permits and enforcement.

Table 3.2: Details of motor vehicle tax not released

| Sl. No. | Category of vehicles | No. of vehicles test checked | No. of vehicles (Objected) | Amount (₹ in crore) | Name of offices where irregularities noticed |
|--------------|----------------------------------------------------------------------|------------------------------|----------------------------|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. | Articulated goods vehicles ⁵ | 5,135 | 421 | 2.17 | RTOs: Ajmer, Alwar, Bikaner, Chittorgarh, Sikar and Udaipur DTOs: Beawer, Bhilwara, Bhinmal, Churu, Jhunjhunu, Rajsamand and Sriganganagar |
| 2. | Goods vehicles ⁶ | 8,561 | 909 | 4.38 | RTOs: Ajmer, Alwar, Bikaner, Pali and Sikar DTOs: Beawer, Bhinmal, Bhilwara, Churu, Jhunjhunu, Nagaur, Pratapgarh, Rajsamand and Sriganganagar |
| 3. | Contract Carriage Passenger Vehicles (All India Permit) ⁷ | 469 | 145 | 3.51 | RTOs: Bikaner, Chittorgarh, Jodhpur, Kota, Pali, and Udaipur DTOs: Beawer, Bhilwara, Bhinmal, Churu, Jhunjhunu, PV-II Jaipur and Sriganganagar |
| 4. | Stage Carriage Passenger Vehicles ⁸ | 707 | 202 | 2.04 | RTOs: Bikaner, Jodhpur, Kota and Sikar DTOs: Churu, Jhunjhunu, Nagaur, PV-II Jaipur and Rajsamand |
| Total | | 14,872 | 1,677 | 12.10 | |

Source: Compiled by Audit.

On this being pointed out (between May 2023 and April 2024), the Government replied (between June 2023 and April 2024) that in respect of 17 RTOs/DTOs an amount of ₹ 1.68 crore has been recovered from 276 vehicles. Further progress is awaited (August 2024). No reply was received from the remaining RTOs.

⁵ "Articulated goods vehicle" means a motor vehicle to which a semitrailer is attached.

⁶ "Goods Vehicles" means any motor vehicle constructed or adapted for use solely for the carriage of goods.

⁷ "Contract Carriage Passenger Vehicle" means a motor vehicle which carries a passenger or passengers for hire or reward and is engaged under a contract.

⁸ "Stage Carriage Passenger Vehicle" means a motor vehicle constructed or adapted to carry more than six passengers excluding the driver.

3.4 Infructuous expenditure of ₹ 21.26 crore on procurement of Portable Weighing Machines

The Transport Department incurred an infructuous expenditure of ₹ 21.26 crore on 179 Portable Weighing Machines due to poor monitoring and coordination, leading to non-integration with VAHAN software and rendering them unusable

The Transport Department, Government of Rajasthan submitted a proposal in February 2021 to the Finance Department for procurement of Portable Weighing Machines (PWMs). These PWMs were intended to equip the Department's 'Flying Squads' for enforcing the Motor Vehicle Act, 1988 and various court judgments to control vehicle overloading. The Department citing overloading as a safety concern, highlighted in its proposal that overloading causes damage to road infrastructure and increases pollution. The Department in its proposal stated that as there was shortage of weighing balances on roads and it was inconvenient to escort overloaded vehicles to distant weighing centers, the PWMs would allow on-the-spot weight checks and automatic challan generation. The Department also stated that the procurement would be self-financed, recouping costs within a year through increased penalties from overloaded vehicles, projecting an additional ₹43.20 crore in revenue.

To ensure effective implementation of the project, the Department also proposed the constitution of a Project Management Unit⁹ (PMU) headed by the Transport Commissioner to monitor implementation of the project and to coordinate the technical aspects in the implementation of the project.

The Government of Rajasthan accorded (May 2021) an administrative and financial sanction of ₹27.00 crore for the procurement of 179 PWMs. As per the scope of work, these machines were to be integrated with the Transport Department's *e-challan* portal/*VAHAN*¹⁰. The supplier was to provide API¹¹ integration, software, and technical support. Necessary software customization for the integration of portable weighing scales with VAHAN and *e-challan* portal/PoS devices¹² was required to enable automatic generation of *e-challans*.

The Department invited (August 2021) bids for the supply of PWMs and four firms participated in the tender. Being the lowest bidder, a Contractor was issued (December 2021) a work order for supply of 179 PWMs at a cost of ₹ 26.72 crore. As per work order the prices were inclusive of all the costs of supply, installation, testing and commissioning of PWMs including integration with PoS devices, warranty for three years and deployment of service engineers for

⁹ The PMU had additional transport commissioners, financial advisor, technical director from NIC and system analyst of Department of Information Technology as other members.

¹⁰ It is a flexible and comprehensive system that takes care of the activities of vehicle registration, fitness, taxes, permits and enforcement.

¹¹ Application Programming Interface.

¹² Point of Sale Machine

maintenance and technical support. The primary responsibility of the work of integration of PWMs rested with the Contractor. National Informatics Centre (NIC) authorities deputed at the Transport Department were to provide necessary assistance for the integration. Eighty *per cent* payment was to be done after supply of PWMs including stamping, training and software integration and rest 15 *per cent* was to be paid after three months satisfactory work and five *per cent* at the end of the contract.

The PWMs were supplied by the Contractor between December 2021 and February 2022 and the Department paid 80 *per cent* of the work order amount, *i.e.*, ₹ 21.26 crore (January and March 2022). However, during the review of the records at the Commissioner of Transport in December 2022, it was found that the machines were neither integrated with the PoS and VAHAN 4.0 software nor the technical issues¹³ faced being by the field units while using the machines were resolved.

To resolve these issues, a meeting of the Project Management Unit was held (December 2022) in which the representative of the Contractor informed that a hardware device (IOT) was to be installed in each PWM to enable the integration. The Director, NIC stated that further work of integration would be carried out after installation of IOT devices. However, the Department did not ensure the integration of PWMs and the field offices of the Department reported (May to December 2023) serious technical problems in PWMs which were not only making the use of these machines impractical by the Flying Squads but also made negative impact on revenue from collection of compounding fee.

This observation was also verified during the audit of nine RTOs/DTOs¹⁴ offices in 2023-24, and it was noticed that 15 PWMs were provided to these DTOs, however, flying squads were unable to use these machines for generating e-challans due to the lack of integration with the VAHAN 4.0 software by the supplier and various technical issues. The Department also did not recover a penalty¹⁵ of ₹ 3.01 crore (for the period from June 2023 to January 2024) from the Contractor for failure in resolving the complaints within the stipulated time.

Thus, the failure of the Contractor to integrate the PWMs with the VAHAN 4.0 software and PoS devices has resulted in infructuous expenditure of ₹ 21.26 crore. The project fell short of its objectives due to deficiencies in monitoring and coordination by the Transport Department, leaving the PWMs unused. This failure continued to pose risks to road safety and infrastructure.

¹³ Discrepancies in vehicle weight readings, malfunctions in machine pads, motherboards, and indicators, printing issues, faulty chargers, and absence of service engineers.

¹⁴ DTO: Kekri, Jalore, Jaisalmer, Banswara, Dungarpur, Phalodi, Jhalawar, Bundi and Chomu.

¹⁵ As per terms and conditions of RFP a penalty of ₹ 600 per day per complaint remained unresolved for 48 hours and 1,500 per day per complaint remained unresolved for 72 hours was to be recovered from the Contractor.

Furthermore, the Department's inability to recover penalty of ₹ 3.01 crore from the Contractor aggravated the financial losses to the State Exchequer.

On being pointed out (September 2024), the Government replied (September 2024) that various letters had been issued to the Contractor to integrate the PWMs with the *VAHAN* software. However, the Contractor did not comply. The Financial Adviser also expressed concerns about wasteful expenditure and recommended recovering the amount from the Contractor. Action to forfeit the bank guarantee is being taken. Further progress is awaited (February 2025).