CHAPTER - II

Subject Specific Compliance Audit (SSCA) on Functioning of RTOs and STAs

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TRANSPORT DEPARTMENT

2 Subject Specific Compliance Audit (SSCA) on Functioning of RTOs and STAs

2.1 Introduction

The Transport Department of the Government of West Bengal is responsible for delivering a broad range of public services related to road transport. Its functions include issuing driving licenses, registering motor vehicles, granting permits for passenger and goods transport. It also collects revenue through fees, taxes, and charges associated with these services, contributing to the state's financial resources.

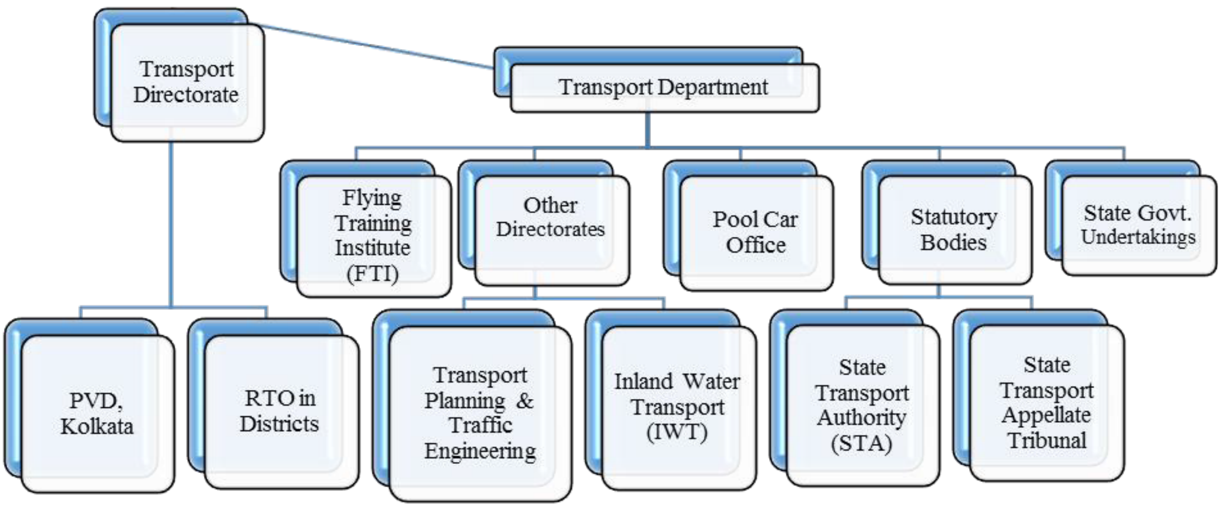
The major regulatory functions envisaged under the Motor Vehicles Act, 1988 and the taxation powers envisaged under the State Acts were implemented by the Regional Transport Offices (RTOs) and the Additional Regional Transport Offices (ARTOs), functioning under the Directorate of Transport, Transport Department (Department), Government of West Bengal (GoWB).

As on 31 March 2024, there were 53 RTOs/ARTOs under the Transport Department.

2.2 Organisational Structure

The organisational structure of the Department is represented in **Chart 2.1**.

Chart 2.1: Organisational Structure of Transport Department in West Bengal



2.3 Revenue receipts of the Department and Cost of Collection

The Motor Vehicle Taxes, cess and various levies collected towards services rendered under the West Bengal Motor Vehicles Tax Acts and Rules, constitute the overall revenue of the Transport Department. The expenses towards administration, pay and allowances of staff, expenses for creation of infrastructure, *etc.*, constitute the expenditure of the Department. The revenue collected and expenditure incurred by the Transport Department in the last five years is shown in **Table 2.1**.

Table 2.1: Revenue and Expenditure of West Bengal Transport Department

Financial Year	Revenue collected (Head 0041) (in ₹ crore)	Expenditure incurred (Head 2041) (in ₹ crore)	Cost of collection/ Expenditure as percentage of revenue collected
2019-20	2,600.81	51.69	1.987
2020-21	2,336.33	44.58	1.908
2021-22	2,647.15	45.25	1.709
2022-23	3,391.85	51.68	1.524
2023-24*	3,789.85	59.37	1.567

(Source: Govt. of WB Budget Publications of respective years)

* *Revised Estimated figure*

It is evident from the **Table 2.1** that the Revenue and the Expenditure of the Department have increased by 45.72 and 14.86 *per cent* respectively from financial year 2019-20 to 2023-24.

2.4 Audit Objectives

The objectives of the SSCA were to assess whether:

- *RTOs managed the issue, renewal and cancellation of licenses effectively as per the Act/ Rules?*
- *Regulation and control over registration and use of vehicles through registration, issuing permits and fitness certificates was implemented by RTOs as per the Act/Rules?*
- *RTOs efficiently assessed, levied, collected and remitted revenue (Motor vehicle taxes, fines, penalties, cess, etc. as per Act/Rules) and took effective actions on arrears?*
- *Enforcement activities were effectively conducted by RTOs to ensure compliance with the motor vehicles Acts/Rules with adequate follow up to deter violations?*
- *RTOs have been provided with required manpower, equipment and other resources to discharge the mandate as also to ensure public service delivery in transparent and efficient manner?*

2.5 Audit Criteria

Audit criteria were derived from the following:

- The Motor Vehicles Act (MVA), 1988
- Central Motor Vehicles Rules (CMVR), 1989
- The West Bengal Motor Vehicles Rules (WBMVR), 1989
- The West Bengal Motor Vehicles Tax Rules (WBMVTR), 1957
- West Bengal Motor Vehicles Tax Act (WBMVTA), 1979

- West Bengal Additional Tax and One-time tax on Motor Vehicles Act (WBATOTMVA), 1989
- West Bengal Treasury Rules (WBTR), 2005
- West Bengal Motor Transport Workers Welfare Cess Act (WBMTWWCA), 2010
- Notifications issued by the RBI, Ministry of Road Transport, Government of India, Transport Department, Government of West Bengal, *etc*., from time to time.

2.6 Sampling Methodology for selection of the Regional Transport Offices

Out of 53 RTO/ARTOs[75], six[76] were selected for audit using the Stratified Random Sampling method through IDEA software. The RTO/ARTOs were divided into three categories (high, medium and low) depending upon revenue collection, number of transport and non-transport vehicles registered, and number of transactions carried out through 'e-Vahan' and 'e-Sarathi' during the period 2019-2024. Out of six Motor Vehicle Check Posts (MVCPs), two were selected by Simple Random Sampling method for detailed examination.

2.7 Audit Scope and Methodology

Field Audit was carried out between June and October, 2024, covering field verification at STA West Bengal, State Transport Appellate Tribunal, PVD (Public Vehicles Department) Kolkata, RTOs Alipurduar, Murshidabad and Purulia, and ARTOs Barrackpore and Kalna. In addition, MVCPs Palsanda and Srirampur under the jurisdiction of RTO, Murshidabad and RTO, Cooch Behar respectively were also selected for audit. Joint physical inspection (JPI) of sampled Motor Training Schools, Auto Emission Testing Centres, Fitness test Centres, Driving test Centres, MVCPs under the jurisdiction of sampled RTO/ARTOs., was done by Audit team and members of the RTOs/ARTOs.

Back-end data of 'e-Vahan'[77] and 'e-Sarathi'[78] applications were analysed, specifically in relation to service-delivery activities (*such as licensing,*

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[75] *23 RTOs and 30 ARTOs.*

[76] *PVD: Kolkata, RTOs: Alipurduar, Murshidabad and Purulia; and ARTOs: Barrackpore and Kalna.*

[77] *The 'Vahan' application was launched by the Ministry of Road Transport and Highways (MoRTH), GoI. 'Vahan' is a flagship application under the e-Transport Mission Mode Project, related to Vehicle Registration, Permit, Taxation, Fitness and allied processes. The latest version, 'e-VAHAN', launched on 2nd June 2015, is a centralized, web enabled application, facilitating easy web-based access to all RTOs, dealers, citizens, transporters, and various other stakeholders, while configurability of the application allows addressing state specific customization.*

[78] *The 'Sarathi' application was also launched by MoRTH, GoI. The 'Sarathi' is a flagship application under the e-Transport Mission Mode Project facilitated for computerization of Driving License related services. It is a one-stop solution for issuance of Driving License, Learner License, Conductor and Driving School licenses in RTOs and related services under types of licenses issued by the Transport Department. The latest version, 'e-Sarathi' launched on 2nd June 2015, is a workflow-based application available in web-based centralized mode.*

registration of vehicles, issue of permits, etc.) and fee-collection responsibilities. In addition, the front-end data available in the e-Vahan portal/ RTOs were also used for Audit.

The Entry Conference to discuss audit objectives and methodologies with the Secretary, Transport Department was held on 16 July 2024. The Exit Conference to discuss audit findings with the Secretary, Transport Department was held on 09 April 2025. The replies received from the Department were suitably incorporated in the Report.

Audit Findings

2.8 Issue, Renewal and Cancellation of Licenses

2.8.1 Infrastructure at Driving test sites

Licensing Authority (LA) has the legal power to issue and regulate driving licenses under the Motor Vehicles Act, 1988. Rule 15(3) of the Central Motor Vehicle Rules (CMVR), 1989 prescribes various norms (***Appendix-2.1***) to test the competence of a person to drive vehicles. LAs should also have adequate infrastructure like elevated spots, traffic lights, traffic signs/marks on test tracks, adequate number of lanes in place to test the competency of a person to drive a motor vehicle.

However, infrastructure present at various driving test sites (*PVD Kasba, RTO- Murshidabad, Purulia, Alipuduar, ARTO-Barrackpore, Kalna*), were inadequate to test the driving competencies as they lack elevated spots, traffic lights, traffic signs/marks on test tracks *etc*. as shown in the following pictures given below:

Figure 2.1 to 2.8 showing lack of adequate infrastructure at various driving sites

	
Figure *2.1: Driving Test at PVD, Kasba under PVD, Kolkata showing lack of elevated spots, traffic lights, traffic signs/ marks on test tracks, adequate number of lanes, etc.*	***Figure 2.2: Driving Test at RTO, Murshidabad showing lack of elevated spots, traffic lights, traffic signs/marks on test tracks, adequate number of lanes etc.***

Figure 2.3: Driving Test at RTO, Purulia showing lack of elevated spots, traffic lights, traffic signs/marks on test tracks, adequate number of lanes, etc.

Figure 2.4: Driving Test at ARTO, Barrackpore showing lack of elevated spots, traffic lights, traffic signs/marks on test tracks, adequate number of lanes, etc.

Figure 2.5: Driving Test at RTO, Alipurduar showing lack of elevated spots, traffic lights, traffic signs/marks on test tracks, adequate number of lanes, etc.

Figure 2.6: Driving Test Track at RTO, Alipurduar showing lack of elevated spots, traffic lights, traffic signs/marks on test tracks, adequate number of lanes, etc.

Figure 2.7: Driving Test Track at ARTO, Kalna showing lack of elevated spots, traffic lights, traffic signs/marks of test tracks, adequate number of lanes, etc.

Figure 2.8: Driving Test at ARTO, Kalna showing lack of elevated spots, traffic lights, traffic signs/marks on test tracks, adequate number of lanes, etc.

Audit team along with the officials of the Department conducted JPIs (July-August 2024) of six LAs used for testing competencies and revealed the following deficiencies in all six LAs, that were in contravention of the standards prescribed in CMVR, 1989:

- There was no infrastructure to properly test the ability of drivers to stop and re-start vehicles on a steep upward slope or to change quickly to lower gears when driving downhill.

- The testing sites were not equipped with traffic lights or traffic controllers, which are essential to evaluate the competency of applicants in taking correct and prompt action in response to traffic signs, traffic signals, directions of traffic controllers/policemen, as well as signals from other road users.
- The tracks had no adequate lanes to test the competencies of the person to overtake, drive safely keeping in mind other vehicles and take proper caution on the road, while giving appropriate signals.
- The testing sites were equipped with only a single and inadequately sized track/ground, which was insufficient to effectively assess the driving skills required for different classes of vehicles such as two-wheelers, three-wheelers, light motor vehicles, transport vehicles *etc*.
- Facility for video recording of driving tests was not available at the test tracks except the test track used by PVD, Kasba under the PVD, Kolkata.

Thus, inadequate infrastructure at driving test sites hindered effective assessment of the applicants' driving skills. Without proper testing of competence, there was a risk of driving licenses being issued to individuals, who may not be fully competent to drive, impacting safe flow of road traffic and public safety.

The Transport Department in the Exit Conference acknowledged (09 April 2025) the space constraints and recognised the need for infrastructure enhancement.

Recommendation 1: The Government may provide adequate infrastructure at driving testing sites to effectively assess competence of the applicants.

2.8.2 Mapping of age criteria for issue of Driving License to drive motor cycle without gear and with engine capacity above 50 cc

Section 4 of MV Act, 1988 prescribes that no person under the age of 18 years shall drive a motor vehicle in any public place, provided that a motorcycle with engine capacity not exceeding 50 cc may be driven in public place by a person after attaining the age of 16 years.

Analysis of datasets of '*e-Sarathi*' of all 53 LAs for the period 2019-2024 revealed that the minimum eligible age for issuance of Driving License (DL) to drive a motorcycle without gear and with an engine capacity above 50 cc was mapped as 16 years instead of 18 years. As a result, DLs to drive motorcycle with an engine capacity above 50 cc have been issued to 1,271 applicants having age less than 18 years in 46 LAs including 480 cases in five of the six test checked units.

Issuance of DLs to persons less than 18 years of age not only violated the provisions of the Act but also compromised the road safety of persons using public space/roads. Further, the issuance of DLs without ensuring the compliance with provisions of MV Acts and Rules could result in legal and regulatory challenges for the licensing authorities.

The Transport Department in the Exit Conference informed (09 April 2025) that steps had been initiated to upgrade the system and assured that a detailed reply, along with the necessary supporting documents, would be provided. However, the detailed reply was awaited (July 2025).

2.8.3 Incorrect mapping of currency of Conductor Licenses

Section 14 of the MV Act, 1988 stipulated the currency/validity of DL for driving transport vehicles as five years, except for vehicles carrying dangerous or hazardous goods, where it was for three years.

Further, section 36 of the Act stipulated that section 14 shall, so far as may be, apply in relation to a Conductor's Licence[79](CL), as it applies in relation to a driving licence.

Analysis of datasets of 'e-Sarathi' for the period 2019-2024 revealed that the currency of all 9,031 CLs issued during this period, by all 53 LAs was three instead of five years. This indicated that there was incorrect mapping of currency of CL in 'e-Sarathi' database that resulted in issue of CLs with less currency in all the cases.

Fixing of currency of licences for a period lesser than the prescribed period not only violated the provisions of the Act but also resulted in pre-mature requirement of renewal of licenses. This early renewal process would create an inconvenience for license holders and put unnecessary pressure on the testing sites.

The Transport Department in the Exit Conference informed (09 April 2025) that steps were initiated to upgrade the system and such errors would be avoided in the future.

2.8.4 Issuance of Driving License for E-cart/E-rickshaw without any training attended

Rule 8A of CMVR, 1989 prescribes that every applicant seeking a license to drive E-rickshaw or E-cart shall undergo training for a period of at least 10 days as per the curriculum prescribed by the State Government and shall obtain a certificate of training from any institution authorised by the State Government. Analysis of the 'e-Sarathi' database for the period 2019-24 revealed that 8,517 DLs were issued for driving E-rickshaw or E-cart in 33 LAs including 373 cases in four[80] out of six test checked units.

Further, details of training and certificate were available only in one case. In the remaining 8,516 cases, the details of training attended were not available in the database. This indicated that the DLs for driving E-rickshaw or E-cart were issued to the applicants by LAs without ensuring 10 days' training and obtaining certificate of such training. This raised the risk of issuance of driving licences to less competent drivers, besides violating legal provisions and compromising road safety.

The Transport Department in the Exit Conference informed (09 April 2025) that steps had been initiated to upgrade the system and assured that a detailed reply, along with the necessary supporting documents, would be provided. However, the detailed reply was awaited (July 2025).

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[79] *As per section 2 of MV Act, 1988, Conductor is a person engaged in Stage Carriage Buses collecting fares from passengers, regulating their entrance into or exit from stage carriage and perform such other functions as prescribed. for ticket booking, guidance to driver, managing proper conduct of passengers etc.*

[80] *Purulia, Murshidabad, Alipurduar and Kalna.*

2.9 Regulation and Control over Registration and use of Vehicles through Registration, Issuing Permits and Fitness Certificates

2.9.1 Monitoring of Trade Certificate (TC) of Dealers

A Trade Certificate (TC) is an official document issued by the Regional Transport Office (RTO) or the respective STA, to motor vehicle dealers under the CMVR,1989, permitting them to buy, sell, or transport vehicles. It is mandatory for all dealers engaged in the business of trading new or used vehicles. The grant and renewal of TCs to motor vehicle dealers was governed under Rule 35 of the CMVR, 1989. Further, as per Rule 39 of the CMVR, TC can be used for only one vehicle at a time[81]. Scrutiny of the Report generated and extracted from the 'e-Vahan' database, in respect of registration of vehicles from dealers' end for the period 2019-24, revealed following significant issues in monitoring the use of TCs by dealers:

(i) Use of Expired Trade Certificates

81 dealers across the State had expired TCs, of which 20 dealers continued operating under these without renewal of the Certificates. This non-compliance resulted in non-realization of TC fees[82] amounting to ₹1.08 lakh, as these dealers unlawfully conducted business using invalid TCs. This also highlighted systemic lapses in monitoring of TC renewals on the part of RTOs as well as 'e-Vahan' and enforcement of CMVR provisions.

(ii) Vehicle Registration with Expired TCs

Despite the expiry of TCs, 7,549 vehicles sold by these 20 dealers were registered under 48 RTOs/ARTOs, including 1,762 cases in five[83] of the six test checked units during 2022-24.

This showed that RTOs/ARTOs did not monitor the status of TCs of dealers and the vehicles were registered without valid TCs. Further, the system unable to prevent this because 'e-Vahan' lacked proper integration with the dealer registration module and the vehicle registration module and also lacked validation controls in the vehicle registration module to check whether a dealer's TC was valid at the time of registration of vehicles. This resulted in inadequate monitoring of registration of vehicles with expired TCs.

(iii) Registrations exceeding permissible Trade Certificate Limits

Between 2019 and 2024, in 627 cases, dealers applied for registration of 19,08,482 vehicles. However, TCs actually available with these dealers during the period were only 8,38,664 (*calculated on the basis of the number of application days and the TCs issued)*. This revealed a wide gap of 10,69,818 vehicles registered without the support of valid TCs. Thus, application for registration of vehicles was made in excess by 10,69,818 more than the number of TCs available with the dealers. Since the TC number was

[81] *A TC can be used for only one vehicle at a time. It can be used again, within its expiry, for another vehicle only after the earlier vehicle gets registered please.*

[82] *₹100, ₹500 and ₹1,000 per TC per annum for adapted vehicles, two wheelers and other vehicles respectively.*

[83] *PVD-1,395, Murshidabad-46, Alipurduar-21, Barrackpur-294, and Kalna-06.*

not required in the registration application, Registering Authorities (RAs) had no way to track whether TCs were being reused on multiple vehicles, which was against CMVR rules. As a result, 'e-Vahan' as well as RAs did not monitor the cases where TCs were utilized more than once at a time.

In the Exit Conference, the Transport Department (09 April 2025), with respect to TCs and e-VAHAN integration stated that the system had been customised and synchronized with the e-VAHAN database. The Department further stated in respect of lack of validation controls, that necessary improvements had been initiated and such errors would be avoided in the future.

Recommendations 2: The Government may strengthen the monitoring of vehicle registrations by dealers to ensure that vehicles are sold only on the basis of valid TCs in compliance with the provisions of the Motor Vehicles Act.

2.9.2 Realisation of re-assignment of registration fee from other States' vehicles

Under Section 47(1) of the MVA, 1988, if a vehicle registered in one State was kept in another State for a period exceeding twelve months, the vehicle owner must apply to the registering authority in the new State for a new registration mark. This application must be submitted within a twelve-month period along with the Registration certificate (RC) and No Objection Certificate (NOC) issued by the original RAs under Section 48 of the MV Act, 1988.

Rule 81 of CMV Rules, 1989 specified the fees for re-assignment of registration mark/Registration number and Rule 69(4) of the WBMVR, 1989, mandated that failure to apply for a new registration mark as per Section 47(1) of MV Act, 1988 would render the vehicle owner liable to pay a penalty as detailed in Schedule A of the WBMVR, 1989.

Audit analysis of the 'e-Vahan' data from September 2016 to March 2024 revealed that 85,686 vehicles entered West Bengal from others States during the period from 2010-11 to 2023-24. Out of these 4,972 vehicles updated their address to West Bengal but did not change their registration mark even after the stipulated period of 12 months, thus violating the MVA, 1988.

Continued operating of these vehicles in the State without adhering to the mandated re-registration process, highlighted inadequate monitoring on the part of the Registration Authorities. Further, the Transport Department also did not collect fees for re-assignment of registration mark and penalties amounting to ₹ 44 lakh for assigning new registration marks to these vehicles (***Appendix-2.2***).

This shortfall highlighted the need for stronger enforcement and monitoring by the RAs and proper mapping of the relevant provisions of the MVA, 1988, in the 'e-Vahan' system, to ensure compliance and revenue collection. The Transport Department has accepted the (09 April 2025) audit observation.

2.9.3 Non-realisation of permit fees of ₹28.77 crore from vehicles

Section 66 of the MVA, 1988 provides that the owner of a transport vehicle can use his vehicle in a public place only after obtaining a permit from the prescribed authority for plying his/her transport vehicles on hire or reward.

Fees for application and grant/renewal of permit in respect of different kinds of vehicles were realisable as per rates specified in Schedule- A of the Rules 126, 127 and 129 of the WBMVR, 1989. Section 81 of MVA, 1988 prescribed that a permit may be renewed on an application made not less than 15 days before the date of its expiry. Further, Rule 151 of the WBMVR, 1989, states that application for renewal of permit may be received after expiry of period of the permit, provided a late fee as prescribed in Schedule E3 is paid. The rates at which such late fees were to be realised by the RTA are mentioned in the **Table 2.2**.

Table 2.2: Types of permits of transport vehicles and amount of fees and late fee for issue/renewal thereof

Sl. No.	Type of fess	Amount (in ₹)		
		Stage carriage permit	Contract carriage permit	Goods carriage permit
1	Application fee for renewal of permit	500.00	500.00	500.00
2	Application fee for countersignature on permit	500.00	500.00	-
3	Renewal of permit for one region (for five years).	4,000.00	2,500.00 (₹1,000.00 for auto-rickshaws)	₹500.00 for one region & ₹1,000.00 for more than one region
4	Fee for countersignature on permit per region (for five years).	1,000.00	750.00	0.00
5	Late fees in case of an application for renewal of permit or beyond 90 days of expiry	₹3,000.00 for 90 days plus ₹500.00 per month or part thereof beyond 90 days		

(Source: Schedule-A of WBMVR, 1989)

The scrutiny of manual records for selected four RTAs[84] & STA, West Bengal and analysis of 'e-Vahan' data for the whole of West Bengal in respect of permits for the period 2019-24 revealed the following:

A. Audit checked 26 out of 277 permit registers of PVD Kolkata, RTOs Murshidabad, Purulia and Alipurduar, and STA West Bengal for the period from 2019-24 (***Appendix-2.3***). Scrutiny of registers revealed that in 446 out of 2,956 cases, permit holders did not turn up to renew their permits after the expiry of the validity period. The permits were neither surrendered nor cancelled. Thus, late fees for delay in renewal of permit, along with permit fees payable, as per schedule E3 of WBMV Rules 1989, were not realised. The 'e-Vahan' database of vehicles showed that vehicle owners were renewing their certificate of fitness/PUCC of these vehicles, despite the fact that permits were not renewed by them. This has resulted in non-realisation of permit fees along with late fees (up to 31-03-2024) to the extent of ₹1.01 crore (***Appendix-2.4***).

B. Audit analysis of the 'e-Vahan' data for the period 2019-24 revealed that 13,971 transport vehicles, under the jurisdiction of 51 RAs, had expired permits as of 31 March 2024 and vehicle owners had paid road tax, renewed their vehicle insurance, pollution under control certificates, or maintained

[84] *PVD: Kolkata, RTOs: Murshidabad, Purulia and Alipurduar.*

valid fitness certificates during the default period. This indicated that the vehicles were operating on the road without renewing their permits. This had resulted in non-realisation of permit fees and late fees of ₹27.76 crore (***Appendix-2.5***).

Audit observed that, although information on expired permits was available in the 'e-Vahan' database, the authorities neither monitored this aspect nor did they review their data.

The Department in the Exit Conference informed (09 April 2025) that new guidelines would be issued for effective monitoring of expired permits. However, the receipt of new guidelines was awaited (July 2025).

2.9.4 Plying of vehicles without permit

A vehicle is registered as a transport vehicle only after the intended owner receives an offer letter from the STA or the RTA, indicating in-principle approval for the permit, subject to the owner possessing the vehicle. However, the RAs did not ensure that vehicle owners subsequently obtained the necessary permits after registration based on these Offer Letters. Consequently, many transport vehicles operated on the roads without valid permits in violation of Section 66 of the MVA, 1988 which provides that the owner of a transport vehicle can use his vehicle in a public place only after obtaining a permit from the prescribed authority.

Further, Rule 141 of WBMVR, 1989 also prescribed that every permit must contain the Registration Mark(s) of the vehicle(s) which shall ply by virtue of the permit granted and during the period prescribed by the Transport Authority granting the permit in the Offer Letter which shall not normally exceed one month from the date on which the Offer Letter is issued.

Fees for application and grant/renewal of permit in respect of different kinds of vehicles were realisable as per rates specified in Schedule-A of the Rules 126, 127 and 129 of the WBMVR, 1989. Further, Rule 124 of WBMVR, 1989 provides for realisation of Security Deposit as prescribed in Schedule E4 in case of new permits. Moreover, Section 81 of MVA, 1988 prescribes that a permit may be renewed on an application made not less than 15 days before the date of its expiry. However, Rule 151 of the WBMVR, 1989, states that application for renewal of permit may be received after expiry of period of the permit, provided a late fee as prescribed in Schedule E3 is paid.

Reports extracted from 'e-Vahan' report module for Offer Letters revealed that a total of 18,337 such letters were issued to newly registered transport vehicles (other than electric vehicles) across the State of West Bengal.

Scrutiny of records in PVD Kolkata, Purulia, Barrackpore, Murshidabad, Kalna and Alipurduar revealed that owners of 867 transport vehicles[85] out of 5,212 vehicles which were registered as passenger transport vehicles on the basis of the Offer Letters, did not turn up for issue of permits though they were renewing other licenses like Certificates of Fitness (CF) and/or Pollution under Control Certificate (PUCC) and, or were paying taxes.

[85] *PVD-573, Purulia-56, Kalna-25, Barrackpore-52, Murshidabad-93 and Alipurduar-68.*

This indicated that the holders of the Offer Letters were plying their vehicles without permits since registration (January 2022- March 2024). The Offer Letter issuing authorities (STAs and RTAs) as well as the RAs/PVD, did not monitor the status of the same as well as check plying of transport vehicles without permit.

Plying of transport vehicles without permits was not only in violation of statutory provisions but also resulted in loss of revenue in the form of permit fees and late fees amounting to ₹92.92 lakh (***Appendix-2.6***). In addition, Security money[86] of ₹8.67 lakh at the rate of ₹1,000/- per vehicle as prescribed under Schedule-E4 of WBMVR, 1989, was also due from the registered owners of vehicles for obtaining permits.

The Transport Department in the Exit Conference informed (09 April 2025) that the Department was contemplating making it mandatory for vehicle owners to obtain a permit at the time of registration process of the vehicle, or within six months of issuing the offer letter. However, receipt of the notification/guidelines/ order in this regard, if any, was awaited (July 2025).

2.9.5 Realisation of authorisation fee

Rule 83 and Rule 87 of the CMVR, 1989 read with guidelines[87] issued by the Ministry of Road Transport and Highways (MoRTH), Government of India (GoI) lay down the procedure for grant of authorisation for national permits. They also prescribe a fee ₹1,000/- per annum for authorisation of such national permits[88]. They also prescribe that the period of validity of such authorisation shall not exceed one year at a time.

Audit analysis of the 'e-Vahan' data for the period 2019-24 relating to national permits revealed that 13,055 vehicles out of 59,357 vehicles holders of national permits[89] (in 51 Registering Authorities) did not get their authorisation renewed after the expiry of validity of authorisation during the audit period, which resulted in non-realisation of authorisation fees of ₹2.73 crore (***Appendix-2.7***) including an amount of ₹19.03 lakh involving 1,053 cases in six[90] test checked units. The RAs did not realise authorisation fees from these vehicles while collecting other taxes/fees as there was no provision in the system to raise an alert regarding non-payment of authorisation fee at the time of collection of other taxes/fees. This resulted in non-realisation of authorisation fees of ₹2.73 crore.

On this being pointed out (December 2024), the Transport Department in the Exit Conference informed (09 April 2025) that new guidelines would be issued for effective monitoring of expired permits. However, the receipt of new guidelines, if any, was awaited (July 2025).

Recommendation 3: The Government may ensure proper monitoring through 'e-Vahan' to ensure observance to extant rules & provisions while issuing/renewing offer letters, RCs, permits.

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86 ₹1,000 for Contract Carriage vehicles irrespective of the category of vehicle.

87 F. No. RT-16031/3/2009-T dated 27 August 2010.

88 All India Goods Permit.

89 Effective for a period of five years.

90 PVD-59, Purulia-95, Kalna-23, Barrackpore-552, Murshidabad-308 and Alipurduar-16.

2.9.6 Non/Short-realisation of fitness fees

Section 56 of MVA, 1988, stipulated that subject to the provisions of Sections 59 and 60, a transport vehicle shall not be deemed to be registered in a valid manner, unless it carries a Certificate of Fitness (CF). In this regard for obtaining/ renewal of CF, the owner of a transport vehicle shall submit an application and produce the vehicle for conducting the fitness test. Fees[91] for this service were prescribed separately under Rule 81 of the CMVR, 1989.

Further, Rule 57(6) of the WBMVR, 1989 provided that the application for renewal of CF should be submitted, at least one month before the expiry date of the CF. If the owner failed to apply or produce the vehicle within the stipulated time, he shall be liable to pay 150 *per cent* of the prescribed fee for conducting test of fitness. In addition to this, the owner would also be liable to pay an additional fee of 50 rupees for each day of delay after expiry of CF in accordance with Rule 81 of the CMVR, 1989.

A. Audit analysis of 'e-Vahan' data for the period 2019-24 revealed that fitness certificates of 44,132 out of 8,79,027 transport vehicles under 52 Registering Authorities had expired and remained unrenewed as of 31 March 2024. This was evident from the 'FIT_UPTO' field in the 'FITNESS' table of e-Vahan, which reflected validity dates prior to 31 March 2024. Consequently, fitness fees and fines of ₹187.04 crore remain unrealised as of 31 March 2024 (***Appendix-2.8***).

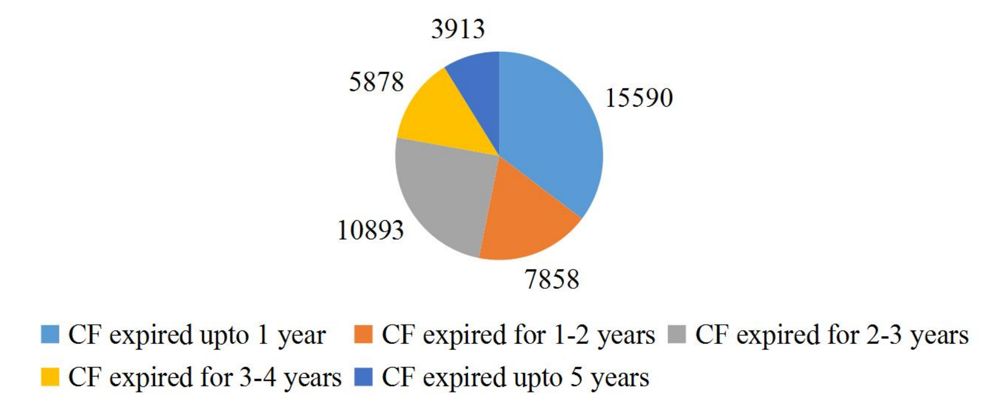
Audit observed that though information about expired certificates of fitness, was available in the 'e-Vahan' database, the authorities neither monitored this aspect, nor did they review the data to initiate any action in this regard.

It is important to note that during the default period, the owners of these vehicles were either paying their road tax or renewing their vehicle insurance/pollution under control certificates/permits as evident from the information available in e-Vahan database, indicating that these vehicles were still in operation on the road and not lying idle. Plying of vehicles with expired fitness certificates may not only harm the environment but also compromise public road safety.

However, the RAs did not realise CF fees from these vehicle owners while collecting other taxes/fees as there was no provision in the system to raise an alert regarding non-payment of CF fees at the time of collection of other taxes/fees. This resulted in non-realisation of fitness fees of ₹4.25 crore and additional fees/ fines of ₹182.79 crore. Age wise expiry of fitness has been shown in ***Chart-2.2***.

[91] *Motorcycle-₹200, Three wheeled or light motor vehicles or quadricycle-₹400 and medium or heavy motor vehicles-₹600.*

Chart 2.2: Certificete of Fitness (CF) expired



B. Audit analysis of 'e-Vahan' data for the period 2019-24 revealed that 3,26,177 transport vehicles under 52 RA, were produced for inspection and renewal of CFs with delays ranging from one day to 83 months. However, the concerned RAs realised only normal fees as specified in Rule 81 of the CMVR, 1989, instead of 150 *per cent* penalty for delayed submission of the vehicle for inspection. This was because the relevant provisions were not mapped in the 'e-Vahan' software and the system was unable to assess penalty as prescribed in Rule 81 of the CMVR, 1989. This resulted in short-realization of fitness fee of ₹10.61 crore (***Appendix-2.9***).

The Transport Department in the Exit Conference informed (09 April 2025) that the system had been updated subsequently and assured that a detailed reply, along with the necessary supporting documents, would be provided. However, the detailed reply was awaited (July 2025).

2.9.7 Issuance of Certificate of Fitness to vehicles with invalid Pollution Under Control Certificate (PUCC)

Under Section 56 of the MVA, 1988 read with Rule 62 of CMVR, 1989 CF shall be renewed only after the Inspecting Officer (IO) or authorised Auto Emission Testing Centres (AETCs) had carried out the specified emission tests.

Audit analysis of 'e-Vahan' data for the period 2019-24, in respect of 51 RAs revealed that in case of 5,231 vehicles (***Appendix-2.10***) including 603 cases involving six test checked units, CFs of the vehicles were renewed despite the fact that these vehicles did not have valid Pollution Under Control Certificates (PUCCs). IOs did not take into account the validity of PUCCs while issuing CFs. This lapse was primarily due to inadequate integration of Automated Emission Testing Centres (AETCs)[92] with the 'e-Vahan' database, which prevented the system from identifying vehicles with invalid PUCCs and alerting the IOs accordingly.

As a result, RAs lacked the necessary system-based validation controls to effectively monitor the issuance of CFs. Consequently, vehicles without valid PUCCs continued to operate on the roads, undermining pollution control measures and adversely affecting the environment.

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[92] *AETCs are the agencies authorized to test the emission norms of the vehicles and issue PUCC to vehicles.*

The Transport Department in Exit Conference informed (09 April 2025) that the system had been updated subsequently and assured that a detailed reply, along with the necessary supporting documents, would be provided. The Department further stated that necessary improvements had been initiated and Validation Controls had been put in place and such errors would be avoided in future. However, the detailed reply, was awaited (July 2025).

2.10 Assessment, Levy, Collection and Remittance of Revenue

2.10.1 Monitoring of realisation of tax and penalty from dealers and/ or manufacturers

Section 3(2) of the WBMVTA, 1979, prescribed imposition of dealers' tax on dealers or manufacturers, who keep in their possession or control, any motor vehicle, whether or not the motor vehicle is driven in a public place on the basis of a trade certificate, at the rate[93] specified in part-H of schedule to the Act. The tax was to be collected by the Taxing Officer, at the time of first registration (either temporary or permanent) of the motor vehicle, as a lump sum, irrespective of the period of use, and was not refundable. Further, Section 11 of the WBMVTA, 1979 provides for imposition of penalty in case of non-payment of taxes on time.

Non-collection of Dealers' tax: Audit analysis of 'e-Vahan' data for the period 2019-24 revealed that 45,61,529 motor vehicles were registered for the first time (either temporary or permanent), by 52 RAs with the Transport Department and were therefore liable to pay dealers' tax. However, it was noticed that dealers' tax was not paid in case of 40,11,280 cases. Further, out of 40,11,280 defaulting vehicles, permit type of 1,380 vehicles, which was essential for fixing dealer's tax liability on vehicles, was not updated in the 'e-Vahan' database. Hence, Audit was unable to comment on the liability of payment of dealers' tax in these cases. In the remaining 40,09,900 vehicles, dealers' tax liability amounting to ₹181.87 crore (***Appendix-2.11***) including ₹27.50 crore in 6,11,342 cases was neither assessed nor realised as seen during audit examination of six test checked RAs.

Failure to monitor and recover the tax was primarily due to the absence of features in 'e-Vahan', like lack of functionality to generate lists of defaulting vehicles or trigger alerts to RAs and dealers/owners regarding non-payment.

Short-realisation of penalty: During 'e-Vahan' data analysis, it was observed that dealers' tax was collected for 5,86,014 motor vehicles[94] during the period from 2019-20 to 2023-24. This tax was collected in respect of vehicles that had been purchased/registered during the period 2004-24. Of these, data analysis revealed that in case of 3,661 motor vehicles, the dealers' tax was paid with delay of 21 to 183 days under 50 RAs and as such they were liable to pay penalty at the rate prescribed in section 11 of WBMVTA, 1979.

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[93] *At the rate of ₹200 for motor cycle, ₹300 for Three wheelers, ₹800 for Light Motor Vehicles, ₹2,000 for medium motor vehicles and ₹3,000 for Heavy motor vehicles.*

[94] *5,50,249 vehicles registered during 2019-24 and 35,765 vehicles were of prior period.*

However, penalties for delayed payments were assessed at the rate prescribed in section 10[95] of WBATOTMVA, 1989 instead of the applicable rate prescribed in section 11 of WBMVTA, 1979. The improper mapping of penalty in case of dealers' tax in 'e-vahan' resulted in short-realisation of revenue of ₹9.59 lakh as the actual realisation was ₹2.85 lakh instead of ₹12.44 lakh. (***Appendix-2.12***).

The Transport Department in the Exit Conference informed (09 April 2025) that a detailed reply, along with necessary key documents, would be provided. The Department further stated that penalty for delay would be mapped in the system and would be collected. However, the detailed reply, was awaited (July 2025).

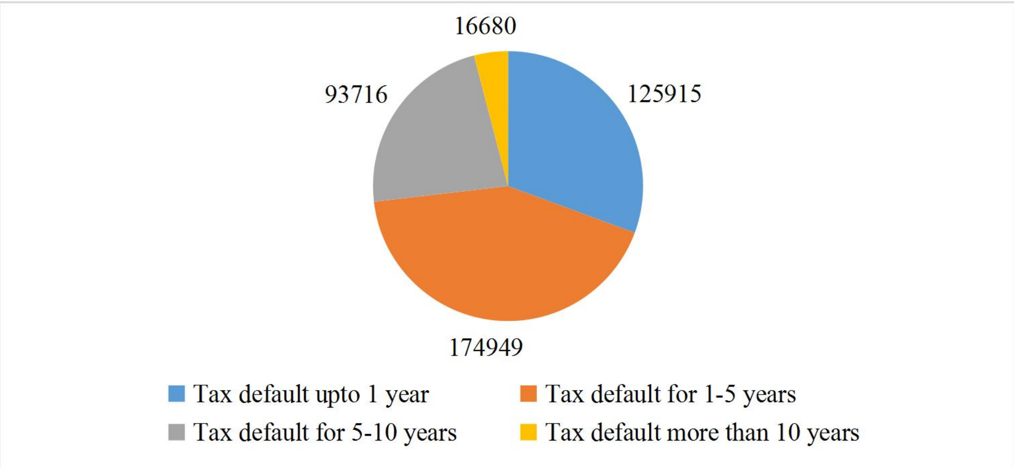
2.10.2 Realisation of road taxes and penalty

Section 3 of the WBMVTA, 1979 and Section 3 & 4 of the WBATOTMVA, 1989 specified that every owner of a registered motor vehicle or every person who owns or keeps in his possession or control any motor vehicle shall pay tax, on quarterly or yearly basis, at a prescribed rate.

Further, Section 11 of the WBMVTA, 1979 and Section 10 of the WBATOTMVA, 1989 prescribed imposition of penalty, amounting to twice the amount of tax due, after expiry of the admissible period.

Audit analysis of 'e-Vahan' data revealed that the vehicle owners of 4,11,260 vehicles out of 19,17,497 (other than vehicles registered by payment of lifetime tax) pertaining to 52 RAs, had not paid road taxes and penalties amounting to ₹1,074.23 crore as of 31 March 2024 (***Appendix-2.13***). Age wise period of default has been shown in ***Chart-2.3***.

Chart 2.3: Period of tax default



The Tax Authorities did not monitor the assessment and collection of taxes from defaulting owners despite the availability of defaulters' list in 'e-Vahan'. Further, the owners of those vehicles during the default period were either renewing their vehicle insurance/ pollution under control certificates/ permit or were in possession of valid fitness certificates of the vehicles indicating that these vehicles were plying on the road. There was no provision in the system to raise an alert regarding non-payment of road taxes and penalties at the time of collection of other fees.

[95] *Related to additional tax, one-time and life time tax.*

The Transport Department in the Exit Conference informed (09 April 2025) that a detailed reply, along with necessary key documents, would be provided. However, the detailed reply, was awaited, despite reminders issued (as of August 2025).

2.10.3 Assessment and collection of additional tax from contract carriages

Part B (3) of Schedule-I of WBATOTMVA, 1989 prescribes levy of additional tax in respect of contract carriages excluding tourist taxi, luxury taxi and omnibus (with seats up to 14 and not registered as transport vehicle). In accordance with Part B (3), annual additional tax is ₹400 for auto rickshaw, ₹800 for meter taxi and ₹3,000[96] for other contract carriages[97] of seating capacity (including driver) up to six and ₹7,000 for seating capacity (including driver) above six.

During audit analysis of 'e-Vahan' data from the period 2019-20 to 2023-24, it was noticed that in 46,874 cases out of 1,48,519 cases pertaining to 51 TAs, no additional tax had been collected from contract carriages due to improper mapping of Sections 3 and 4 of the WBATOTMVA, 1989 in 'e-Vahan' software. This resulted in non-realisation of additional tax of ₹8.05 crore (***Appendix-2.14***) including ₹73.57 lakh in 4,215 cases involving six test checked units.

Since the assessment and collection of additional tax depended on multiple factors such as vehicle type, seating capacity and permit type, the improper mapping of applicable rate of additional tax led to irregular exclusion of vehicles liable for payment of additional tax. Further, this systemic issue would likely affect the accuracy of assessment and collection of taxes in subsequent periods also.

The Transport Department in the Exit Conference informed (09 April 2025) that a detailed reply, along with necessary key documents, would be provided. The Department also laid emphasis on strengthening enforcement while simultaneously citing shortage of man-power for strengthening the same. However, the detailed reply was awaited (July 2025).

2.10.4 Short-realisation of additional tax from the other State goods vehicles

Schedule-I appended to Section 3 and Section 4 of the WBATOTMVA, 1989 prescribed levy of 50 *per cent* of annual tax payable under the WBMVTA, 1979 as additional tax in respect of goods carriages registered in the State of West Bengal and levy of 80 *per cent* of annual tax payable under the WBMVTA, 1979 as additional tax in respect of goods carriages registered in any State other than the State of West Bengal till allotment of a new registration mark by the appropriate authority in West Bengal.

Audit analysis of 'e-Vahan' data for the period 2019-20 to 2023-24 showed that in 4,509 cases out of 6,123 cases pertaining to 30 TAs, the 'e-Vahan' software incorrectly assessed the additional tax at a rate of 50 *per cent* of annual tax, instead of the prescribed 80 *per cent* for goods carriages of other States plying in West Bengal without changing their registration mark, due to improper

[96] *₹1,500 for the three hilly sub-divisions of the district of Darjeeling.*

[97] *Maxi Cab, Bus, Camper Van, Omni Bus.*

mapping of Sections 3 and 4 of the WBATOTMVA, 1989 in the 'e-Vahan' software. This resulted in short levy and realisation of revenue of ₹51.68 lakh (***Appendix-2.15***).

The Transport Department in the Exit Conference informed (09 April 2025) that a detailed reply would be provided. However, the detailed reply was awaited (July 2025).

2.10.5 Realisation of additional tax from the stage carriages

Schedule-I to Section 3 and Section 4 of the WBATOTMVA, 1989 prescribed levy of 10 *per cent* of annual tax payable under the WBMVTA, 1979 as additional tax in respect of ordinary stage carriages and special stage carriages (Mini Bus) and levy of ₹7,000/- per annum as additional tax in respect of express/ limited stage carriages, plying with permits issued by the State Transport Authority or by Regional Transport Authority.

During analysis of 'e-Vahan' database for the period 2019-20 to 2023-24, it was noticed that in 60,035 out of 81,199 cases, the service type was not available in the 'e-Vahan' dataset. Since the amount of tax depends on the type of service the vehicle provides, Audit could not comment on the 60,035 vehicles. For the remaining 21,164 vehicles, it has been observed that in 2,256 cases pertaining to 34 TAs, the 'e-Vahan' software incorrectly assessed additional tax and charged tax at a rate of 10 *per cent* of annual tax payable under WBMVTA, 1979 instead of the prescribed ₹7,000/- per annum in respect of express/ limited stage carriages due to improper mapping in 'e-Vahan' software. This has resulted in short levy and realisation of revenue of ₹38.78 lakh (***Appendix-2.16***).

The Transport Department in the Exit Conference informed (09 April 2025) that a detailed reply would be provided. However, the detailed reply was awaited (July 2025).

2.10.6 Assessment of realisation of road tax from light motor vehicles

Part-1A of the Schedule-IV appended to Section 9BB of the WBATOTMVA, 1989 prescribed levy of 5.50 *per cent* of the value of the vehicle or the minimum prescribed amount[98] whichever is higher as one-time tax for a period of five years.

Part-1A of the Schedule-IV also prescribed levy of 10 *per cent* of the value of the vehicle or the minimum prescribed amount[99], whichever is higher as life-time tax. The owner has to decide whether to opt for one-time or life-time payment. Further, the Act provided for rebate of tax to non-AC vehicles (rebate of ₹3,000 for one-time tax and ₹10,000 for life-time tax) having engine capacity up to 800 cc at the time of payment of one-time/ life-time taxes. During audit analysis of the 'e-Vahan' database for the period 2019-20 to 2023-24, following has been noticed:

[98] *Subject to minimum of ₹17,000, ₹25,000, ₹35,000 and ₹45,000 for vehicles having engine capacity up to 900 cc, 1,490 cc, 2,000 cc and engine capacity above 2,000 cc, respectively.*

[99] *₹40,000, ₹55,000, ₹80,000 and ₹1,00,000 for vehicles having engine capacity up to 900 cc, 1,490 cc, 2,000 cc and engine capacity above 2,000 cc, respectively.*

- **One-time taxes**: Out of 8,93,247 cases of one-time taxes, in 521 cases the tax was collected at the minimum tax prescribed by the Act. However, it was observed that the prescribed tax (*i.e,* 5.50 *per cent* of sale value of vehicle) was higher than tax collected at the minimum prescribed amount by the Act. This has resulted in short levy and realisation of revenue of ₹44.53 lakh (***Appendix- 2.17***) in 43 TAs.
- **Life-time taxes:** It was also noticed that in 71 out of 62,892 cases of life-time taxes, the tax was collected at the minimum prescribed amount by the Act, which was less than 10 *per cent* of sale value of Vehicle. This has also resulted in short levy and realisation of revenue of ₹7.24 lakh (***Appendix- 2.17***) in 25 TAs.

The Transport Department in the Exit Conference (09 April 2025) citing shortage of man-power in strengthening the enforcement activities and also stated that a detailed reply would be provided. However, the detailed reply was awaited (July 2025).

2.10.7 Non-realisation of special tax and penalty

Section 3(3) of the WBMVTA, 1979 prescribes that every owner of a registered motor vehicle and every dealer or manufacturer who keeps in his possession or control any motor vehicle shall, in addition to the tax payable under sub-section (1), pay a special tax at the rate[100] specified in Part-I of the schedule, if any air-conditioning machine has been fitted in such motor vehicle.

Further, Section 9BA (5) of the WBATOTMVA, 1989 prescribes that every owner of a battery operated motor vehicle registered under the Motor Vehicles Act, 1988, and every person who owns or keeps in his possession or under his control, any such battery operated motor vehicle, shall, in addition to the one-time tax payable under sub-sec (1), pay a special tax at the rate specified in Part I of schedule VI, if such battery operated motor vehicle is air-conditioned.

Thereafter, Section 11 of the WBMVTA, 1979 and Section 10 of the WBATOTMVA, 1989 prescribe imposition of penalty, amounting to twice the amount of tax due, after expiry of the admissible grace period of fifteen days.

However, the Transport Department vide Notification No. 1181 L dated 10-08-2012 exempted non-transport vehicles (motor cars and omnibus) and Tourist Taxi, Luxury Taxi or Contract Carriages with seats up to 14, from payment of such special tax.

Audit analysis of the 'e-Vahan' database for the period 2019-24 revealed that 19,110 non-exempted vehicles were fitted with air-conditioning machine (under 50 Registering Authorities). Of these, the owners of 5,755 vehicles had not paid any special tax. However, the permit details of 4,432 out of 5,755 vehicles were not available in the database. As such, Audit was unable to comment on the status of these vehicles. For the remaining 1,323 vehicles under 50 Registering Authorities, vehicle owners had not paid special tax along with penalty amounting to ₹2.86 crore, as of 31 March 2024 (***Appendix-2.18***).

[100] *Passenger transport vehicles: (i) seats upto 35- ₹3,000 p.a.; (ii) seats above 35- ₹6,000 p.a.; Goods vehicles- ₹6,000 p.a.; and Battery operated motor cars and omni bus (not registered as transport vehicles: (i) power of battery upto 2.5 KW- ₹4,000 for five years; and (ii) power of battery above 2.5 KW- ₹7,500 for five years.*

The Taxing Authorities did not monitor and recover special tax from defaulting vehicle owners as the 'e-Vahan' lacked the functionality to generate a special tax defaulter report. Additionally, there was no provision in the system to issue alert messages to defaulting owners or notify the TAs about non-payment of special tax, leading to lack of oversight in enforcement activities. It was noted that the owners of these vehicles, during the default period were either paying road tax or renewing vehicle insurance/ pollution under control certificates/ permits or, they were in possession of valid fitness certificates of the vehicles indicating that they were plying on the road.

The Transport Department in the Exit Conference (09 April 2025) stated that a detailed reply would be provided. However, the detailed reply is awaited (July 2025). The Department also cited shortage of man-power in strengthening the enforcement activities.

2.10.8 Realisation of audio and Video fees

Schedule F to Rule 218 (7) of the WBMVR, 1989 provides for realisation of annual audio fees at prescribed rates of ₹300 per annum for motor cars[101] and ₹500 per annum for vehicles other than motor cars for installation of radio set, gramophone, tape recorder, cassette recorder or any kind of apparatus producing sound effect or voice in vehicles.

Similarly, Schedule F of the West Bengal Motor Vehicles rules, 1989 prescribes ₹500 per annum for motor car and tourist motor cab and ₹2,000 per annum for any other motor vehicle as fees for installation of video set, television, or any kind of apparatus to display any object on the screen with or without amplification of any sound or voice.

However, *vide* Notification No. 1182 L dated 10 August 2012, the Transport Department, GoWB exempted the owners of motor cars and omnibuses (with seats up to 14 and not registered as transport vehicles), other than battery operated motor vehicles, from payment of audio fees and video fees, for fitment of audio system/ video system in the vehicle.

Audit analysis of the 'e-Vahan' database for the period 2019-24 revealed that, 1,34,199 vehicles and 6,767 vehicles at 52 Registering Authorities were fitted with audio systems and video systems respectively and were liable to pay audio fees and video fees.

However, as of 31 March 2024, the owners of 41,050 vehicles and 3035 vehicles at 52 RAs had not paid audio fees of ₹531.81 lakh and video fees amounting to ₹83.56 lakh respectively (***Appendix-2.19*** & ***Appendix 2.20***). Further, in six test checked units, owners of 7,153 and 751 vehicles had not paid an amount of ₹89.28 lakh and ₹11.23 lakh as audio fees and video fees respectively.

During the default period, the vehicle owners were either paying road tax or renewing vehicle insurance/ pollution under control certificates/permits or were in possession of valid fitness certificates of the vehicles indicating that these vehicles were plying on road.

The RAs failed to monitor the defaulters of audio fees/video fees as the 'e-Vahan' report module neither had a provision to generate audio fee defaulter report nor was there a provision in the system to send an alert message to the owner and

[101] *Having seat capacity more than 14 or battery operated.*

raise an alert for the RAs regarding non-payment of audio fee. This resulted in non-realisation of audio fees and video fees of ₹6.15 crore.

The Transport Department during the Exit Conference (09 April 2025) agreed to furnish a detailed reply within four weeks. However the detailed reply was awaited (July 2025).

2.10.9 Realisation of special fees

Rule 121 of WBMVR, 1989 prohibits plying of heavy goods vehicles having gross vehicle weight (GVW) above 22,542 kg within the State. However, *vide* Notification dated 22 February 1991 the Government of West Bengal relaxed this restriction and permitted plying of such vehicles in the State on payment of a special fee at varying rates (***Appendix-2.21***) depending on the GVW.

Audit analysis of 'e-Vahan' data for the period 2019-24 revealed that 1,08,667 heavy goods vehicles (at 51 RAs) had gross vehicles weight more than 22,542 kgs and were liable to pay special fees. However, the vehicle owners of 15,722 heavy goods vehicles at 51 RAs had not paid special fees amounting to ₹14.54 crore, as of 31 March 2024 (***Appendix-2.22***). Further, the vehicles owners during the default period were either paying road tax or renewing vehicle insurance/ pollution under control certificates/ permits or were holding valid fitness certificates, indicating that these vehicles were plying on the road.

The TAs, failed to realise special fees while collecting other taxes/fees as 'e-Vahan' report module lacked essential features, including the ability to generate defaulter reports, send alert messages to vehicle owners, and raise notifications to RAs regarding non-payment of special fees.

Failure of RAs to assess and realise special fees defeated the purpose of safeguarding revenue of the Government.

The Transport Department agreed (09 April 2025) to furnish a detailed reply within four weeks. However, the detailed reply was awaited (July 2025).

2.10.10 Assessment and collection of transport workers' welfare cess, interest and penalty

The Schedule to Section 4 of the WBMTWWCA, 2010, prescribes a transport workers' welfare cess not exceeding 10 *per cent* of the annual tax payable under the WBMVTA, 1979, and the WBATOTMVA, 1989, for motor vehicles transporting passengers or goods for hire or reward. The Transport Department assessed and collected this cess at a maximum rate of 10 *per cent* of the annual road tax as per the applicable Acts. Rule 4(4) of the WBMTWWC Rule, 2010, mandated that vehicle owners liable for cess must pay it along with the road tax under the WBMVTA, 1979, within the timeframe specified under Section 11 of the same Act. If an owner fails to pay the cess on time, Section 7 stipulated a monthly interest charge of two *per cent* on the overdue amount from the due date until payment. Additionally, Section 8 stated that unpaid cess was deemed arrears, and the prescribed authority may impose a penalty of up to the cess amount after due inquiry.

A. Audit analysis of the 'e-Vahan' database for the period 2019-24 revealed that out of 8,51,028 transport vehicles pertaining to 52 RAs, the vehicle owners in respect of 2,64,974 vehicles had not paid transport workers' welfare cess and interest amounting to ₹68.56 crore, as of 31 March 2024 (***Appendix-2.23***) including ₹10.74 crore in 35,753 cases involving six test checked units. The TAs did not monitor the non-payment of cess due to absence of any provisions in the system to generate TW Welfare cess defaulter list. Further, the system had no provisions to raise an alert to TAs regarding non-payment of transport workers' welfare cess at the time of collection of taxes nor is there any provision to send alert message to the defaulters.

B. During audit analysis of the 'e-Vahan' data for the period 2019-24, it was noticed that in 3,13,612 cases, although the cess was paid with delays ranging from 7 to 553 days, only penalties were collected for the delayed payments. However, the interest on the delayed payment of the transport workers' welfare cess was not assessed or collected due to non-mapping of Section 7 of the WBMTWWCA, 2010 in the 'e-Vahan' software, which resulted in loss of revenue of ₹22.63 lakh (***Appendix-2.24***) including ₹3.68 lakh in 53,632 cases involving six test checked units.

This shortfall highlights the need for improved and adequate integration of the relevant provisions of the WBMTWWC Act, 2010, in the 'e-Vahan' system, to ensure proper compliance and revenue collection.

Short-fall in collection of revenue due to non-realisation of Transport Workers' welfare cess and interest may impact provisions of separate funds by the Government for transport workers' welfare.

The Transport Department agreed (09 April 2025) to furnish a detailed reply within four weeks. However the detailed reply was awaited (July 2025).

2.10.11 Adequacy of action taken for recovery of tax and penalty

Section 14 of WBMVTA, 1979 prescribes that any tax, penalty or fine may be recovered in the same manner as an arrear of land revenue. Accordingly, the motor vehicle in respect of which the tax, penalty or fine is due may be distrained or sold whether or not such motor vehicle or accessories are in possession or control of the person liable to pay the tax, penalty or fine.

During audit, the selected RAs were requested to share details of actions initiated under section 14 of WBMVT Act, 1979 for recovery of taxes, penalty or fines. However, details as required by audit were not produced by Registering Authorities,

This indicated that the competent authorities had not initiate any action for certificate proceedings to realise revenue as provided for in the extant Act.

Thus, insufficient action for recovery of dues under section 14 led to huge pendency of recovery of tax and penalty of ₹1074.23 crore from 4,11,260 defaulter vehicle owners (***Appendix-2.13***) as discussed in **paragraph 2.10.2**.

PVD, Kolkata and RTO Purulia stated that no action was taken for recovery of dues under section 14 of WBMVT Act, 1979. PVD, Kolkata further stated that action could not be taken because there was no certificate officer available in Kolkata to do so.

The Transport Department agreed (09 April 2025) to furnish a detailed reply within four weeks, however the same was awaited (July 2025).

2.11 Enforcement activities and monitoring of compliance with motor vehicles acts/rules

2.11.1 Assessment of compliance to provisions by Private Custodian

The Government of West Bengal had laid down a detailed procedure[102] for appointment of a custodian (Private/Govt. Agency) for keeping vehicles seized under the Motor Vehicles Act 1988.

As per paragraph 5(a) of the notification, the private custodian shall make an Earnest Money Deposit (EMD) of ₹3.00 lakh in the form of Demand Draft or Bank Guarantee at the time of application to the Government, which was returnable if the applicant was not selected. In case of applicant being selected, such EMD would be converted to Security Deposit (SD). This SD was liable to be forfeited in case of breach of any condition mentioned in the notification *ibid*.

In pursuance to the above notification, a tender was invited (December 2013) by the District Magistrate (DM), Murshidabad for engagement of a Private Custodian at Palsanda, MVCP and an agency was engaged for the purpose.

In terms of the condition (d) of the offer letter, an agreement was to be submitted to the authority (DM) and necessary infrastructure was to be arranged by 25 February 2014. The custodian was selected initially for a period of one year and on satisfactory performance, the engagement could be renewed on yearly basis, subject to the fulfilment of all terms and conditions set forth in the offer letter.

Further, in terms of clause 2 of the offer letter, the custodian was liable to pay 25 *per cent* of the detention charges collected from the owners of the seized vehicles kept in custody to the concerned taxing officer through Treasury Challan on a monthly basis.

Moreover, in terms of clause 5&6, there should be sufficient round the clock security, adequate provisions of fire-fighting equipment as well as insurance coverage in respect of the premises and for the vehicles to be kept therein against flood, earthquake, fire *etc*.

The custodian was also to maintain a register duly authenticated by the competent authority for recording every detail including receipt and release of the vehicles and amount collected as detention fees and had to produce the same for inspection as and when called for, by the competent authority.

Scrutiny of records in respect of the private custodian during joint inspection (August 2024) of MVCP by Audit team at Palsanda under the jurisdiction of RTO, Murshidabad revealed the following deficiencies:

i) A provision for realisation of EMD from the private custodian agency was not included in the offer letter issued by the District Magistrate. As such, no document regarding payment of the same could be produced to Audit. Further, non-realisation of EMD left the Government at the risk of non-realisation of penalty in case of non-compliance of conditions by the custodian.

ii) There was no formal agreement signed between the GoWB and the private custodian. The custodian started operation simply on the basis of the offer letter issued on 28 January 2014 and subsequent affidavit filed before

[102] *vide Notification No. 1246-WT/3M-116/2003 dt. 01 March 2005.*

the Executive Magistrate, Lalbag, Murshidabad. Moreover, neither fresh affidavit was filed nor was the engagement renewed after completion of the engagement period of one year, and the same agency continued (April 2025) its custodian business.

iii) The custodian was to remit Government's share of detention charges to the taxing officer on a monthly basis. However, the payment receipt generated from e-Vahan revealed that the last payment made was for the period 2018-19. No remittances have been made for the Government's share during the subsequent period from 2019 to 2024. Consequently, an outstanding amount of ₹10.41 lakh, as detailed in **Table 2.3**, remains pending for payment by the custodian (as of August 2024).

Table 2.3: Non-remittance of Government share by the Custodian

Period	Detention fee collected by the custodian (in ₹)	Government share (in ₹) @25% of detention charge
2019-20	1,69,350.00	42,337.50
2020-21	1,22,775.00	30,693.75
2021-22	8,98,955.00	2,24,738.75
2022-23	15,46,245.00	3,86,561.25
2023-24	14,26,765.00	3,56,691.25
Total	**41,64,090.00**	**10,41,022.50**

(Source: Collection register maintained by the Private Custodian)

iv) There was no sufficient round the clock security at the custodian's parking for seized vehicles. Further, adequate provision of fire-fighting devices to safeguard the seized vehicles was also not available. Only two fire-fighting cylinders were installed. The cylinders were rusted, and the expiry date was not legible.

Figure 2.9: Picture showing inspection of parking of MV Check Post

Figure 2.10: Picture showing rusted and expired fire-fighting devices

v) Copy of insurance coverage in respect of the premises and for the vehicles against flood, earthquake, fire *etc*., was not made available to Audit.

vi) The register maintained by the Private Custodian for the period 2019-24 was not authenticated by the competent authority. Further, no copy of the inspection report in respect of inspection of the register (if any), was made available to Audit.

Thus, absence of a formal agreement would limit the competent authority from taking any action against the custodian in case of non-compliance with the applicable terms and conditions. Further, there was undue favour to the agency due to non-inclusion of an EMD clause in the offer letter.

Further, inadequate infrastructure and lack of insurance coverage, coupled with the absence of security and safety arrangements, compromised the safety and security of seized vehicles. Moreover, non-compliance and non-monitoring of the private custodian by RTO Murshidabad led to withholding of Government revenue of ₹10.41 lakh by the custodian beyond the scheduled period.

The Transport Department conveyed (09 April 2025) in the Exit Conference that the Secretary had instructed to finalise a standard agreement. However, receipt of a copy of the standard agreement, if any, was awaited (July 2025).

2.11.2 Monitoring of Weighbridge

Sections 113 and 114 of the Motor Vehicles Act, 1988, lay down provisions regarding weight restrictions and enforcement related to overloaded vehicles:

- **Section 113** specifies that a vehicle must not be used on public roads if its laden or unladen weight exceeds the limit specified in its Certificate of Registration.
- **Section 114** empowers enforcement authorities to weigh a vehicle, if there is reason to believe it is carrying excess load. If the vehicle was found to be overloaded, appropriate directions could be taken, including unloading of the excess weight.

Further, Section 194 of the MVA, 1988, states that whoever drives a transport vehicle or causes or allows the vehicle to be driven in contravention of the provision of Section 113 or 114 shall be punishable with minimum fine of ₹20,000 and an additional amount of ₹2,000 per tonne of excess load, together with the liability to pay charges for off-loading of the excess load.

Moreover, Rule 287(11) of WBMVR, 1989 prescribes that a weighing device for the purpose of section 114 of the Act shall be tested as to its accuracy every six months by such person as may be appointed in this behalf by the Registering Authority.

As the enforcement team must depend upon the weighment of the vehicle for assessing excess load and compounding, the accuracy of the weighing device is of great importance. However, JPI (July-August 2024) of MVCPs by Audit team at Palsanda and Srirampur, under the jurisdiction of RTO, Murshidabad and Coochbehar respectively, revealed that the testing of accuracy of weighing devices was being carried out on an annual basis instead of the prescribed half-yearly interval. As weighing of load has a relation to compounding of offences, any inaccuracy in the weighing process has direct impact on realisation of Government revenue and effectiveness of enforcement activities.

The Transport Department agreed (09 April 2025) to furnish a detailed reply within four weeks. However, the detailed reply was awaited (July 2025).

> ***Recommendation 4: The Transport Department may ensure half-yearly testing and proper monitoring of weighing devices at all check posts to safeguard accuracy of weighment, revenue realisation and effectiveness of enforcement.***

2.11.3 Assessment of e-challan module

Section 200 of MVA, 1988 prescribes the composition of offences for violation of any provisions of the MV Acts and Rules. For better monitoring and compliance of provisions of MV Acts/rules, e-challan module was made operational in West Bengal in a phased manner since September 2021. The module was subsequently integrated with the 'e-Vahan' system.

Audit observed (August 2024) during verification of the procedure for composition of offences through e-challan using Point of Sale (POS) machines in the Enforcement Section of PVD, Kolkata that details relating to expiry of tax, fitness, PUCC, insurance, etc. of vehicles were being auto-populated in the system upon entry of the vehicle registration number in the POS machine. However, in cases of offences involving violation of provisions relating to the issuance or use of driving licences while operating a vehicle, the inspecting authority was required to record such entries manually

Further, Section 56 of the Motor Vehicles Act, 1988 stipulates that a vehicle plying without a valid CF shall not be deemed to be validly registered. Such vehicles are also liable to be compounded for operating without a RC. However, analysis of reports generated from the e-challan module in respect of Purulia, PVD, Kolkata, Kalna and Barrackpore revealed that in case of vehicles plying without valid CF, compounding amount was only ₹10,000 instead of ₹15,000 (₹5,000 for vehicles without RC plus ₹10,000 for vehicles without CF) due to mapping of compounding amount of ₹10,000 only for plying vehicle without CF. E-challan Reports were not provided by RAs Alipurduar and Murshidabad and hence, no comment could be offered by Audit. However, the risk of similar incorrect compounding at other units cannot be ruled out.

The Transport Department stated (09 April 2025) that a portal "SANJOG" was being developed in collaboration with Kolkata Traffic Police, West Bengal Traffic Police and Transport Department for proper monitoring of offence cases in respect of violation of MV Acts and Rules *etc*.

2.11.4 Issuance of Pollution Under Control Certificates to vehicles defaulted on payment of Tax

Transport Department prescribes[103] that vehicles produced at an Automated Emission Testing Centre (AETC) for issuance of Pollution Under Control certificate (PUCC) can only be entertained in respect of those vehicles that

[103] *Notification No. 4505-WT/TPT-18011/107/2023 dated 11 October 2023 of Government of West Bengal.*

are free from any demand of tax, fine, penalty and pending e-challan. From analysis of data in respect of 51 RAs, Audit noted that in case of 2,514 vehicles PUCCs were issued even though such vehicles defaulted in payment of MV Tax of ₹9.83 crore. Since, AETCs were not adequately linked with the 'e-Vahan' database, the system was not able to identify vehicles which were free from tax obligations. Consequently, PUCCs were issued to even those vehicles with outstanding road tax.

Thus, RAs could not monitor the process of granting PUCC to tax-defaulted vehicles due to lack of necessary validation controls in the 'e-Vahan' portal. This allowed vehicles to have PUCC issued without payment of Tax like MV tax, MV additional tax, special fees *etc*.

In respect of lack of Validation Controls, the Department stated (09 April 2025) in Exit Conference that necessary improvements had been initiated and such errors would be avoided in the future. The Department further agreed to furnish a detailed reply within four weeks. However, the detailed reply was awaited (July 2025).

Recommendation 5: The Government may ensure proper integration of 'e-Vahan' with AETCs to prevent issuing of PUCC to vehicles with outstanding road tax.

KOLKATA

The 12 January, 2026

(MANISH KUMAR)
Principal Accountant General
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West Bengal

Countersigned

NEW DELHI

The 14 January, 2026

(K. SANJAY MURTHY)
Comptroller and Auditor General of India