

Chapter 4

Department of Transport

4.1 Functioning of Transport Department

4.1.1 Background

Transport Department of the Government of NCT of Delhi is responsible for implementing, coordinating and monitoring policies and programmes on road transport. Its mission is to provide an efficient and safe public road transport system to the residents of Delhi. During the period 2004-05 to 2008-09, the Department spent a total of Rs. 9329 crore for discharging its various functions. The expenditure has substantially increased during the last two years due to Delhi Government's share in Delhi Metro Rail Corporation (DMRC) and investment in Delhi Transport Corporation (DTC). With a view to assessing the extent of improvement in public road transport system vis-à-vis the public money invested, an integrated audit of the functioning of the Transport Department was undertaken for the period 2004-05 to 2008-09.

4.1.2 Audit objectives

The broad objectives of audit were to assess the performance of Transport Department on the following parameters:

- Financial management – budgetary and expenditure controls
- Collection of revenue and its accounting
- Planning and operational management
- Enforcement of provisions of the Motor Vehicles Act, 1988
- Human resource management
- Internal controls

4.1.3 Organisational set-up

The department functions under the overall supervision of the Secretary-cum-Commissioner, Transport assisted by an Additional Commissioner, three Joint Commissioners, 11 Deputy Commissioners and one Assistant Director. The total sanctioned staff strength of the department is 1445. The registration of vehicles and issue of driving licenses is done by 13 zonal offices situated in various parts of Delhi (**Appendix 4.1**).

Audit findings

4.1.4 Financial management

The budgetary allocations for the Transport Department were made under Grant No. 8–Social Welfare and ranged from Rs. 1331 crore to Rs. 3079 crore per year during last five years as shown in the following table:

Table 4.1: Budget provision and expenditure

(Rupees in crore)

| Year | Budget provision | | | Expenditure | Excess (+)/ Saving (-) | Percentage |
|--------------|------------------|---------------|-----------------|----------------|---------------------------|------------|
| | Original | Suppl. | Total | | | |
| 2004-05 | 1331.20 | 0.06 | 1331.26 | 1063.97 | -267.29 | 20.08 |
| 2005-06 | 1406.43 | 271.92 | 1678.35 | 1548.65 | -129.70 | 7.73 |
| 2006-07 | 1620.16 | 17.90 | 1638.06 | 1411.68 | -226.38 | 13.82 |
| 2007-08 | 2115.14 | 282.50 | 2397.64 | 2375.83 | -21.81 | 0.91 |
| 2008-09 | 3078.97 | 2.28 | 3081.25 | 2928.96 | -152.29 | 4.94 |
| Total | 9551.90 | 574.66 | 10126.56 | 9329.09 | -797.47 | |

Source: - Appropriation Accounts

Test check by Audit revealed several deficiencies in financial management including expenditure control as discussed below:

4.1.4.1 Injudicious supplementary grant and re-appropriation

During 2004-09, the department sought supplementary provisions of Rs. 1.58 crore in anticipation of higher expenditure in nine cases. However, the savings under these heads were more than the supplementary grants obtained. Similarly, re-appropriation of funds of Rs.5.62 crore to 15 sub-heads during 2004-09 was injudicious as final savings under these heads were more than the amount re-appropriated.

4.1.4.2 Excess expenditure

Scrutiny of Appropriation Accounts for 2004-09 revealed that funds were re-appropriated from one sub-heads to other sub-heads in four cases. However, the final expenditure under these heads exceeded the balance funds after re-appropriation. The excess expenditure ranged between Rs. 2.07 lakh and Rs. 286.26 lakh.

4.1.4.3 Non-adjustment of advances drawn on AC bills

Rule 118 of Receipts and Payments Rules stipulates that money drawn on abstract contingent (AC) bills for payment of advances to supplier of stores should be adjusted within a period of one month from the date of drawal by submission of detailed bill. A scrutiny of Contingent Advance Register

revealed that 26 advances amounting to Rs. 2.08 crore pertaining to the period 2004-09 were pending adjustment as of May 2009.

Due to failure of the Department to settle the advances for such long periods, possibility of misappropriation or fraud cannot be ruled out.

The Department stated (November 2009) that five bills amounting to Rs. 13.85 lakh, out of 26 outstanding bills had been adjusted and remaining bills would be adjusted very soon.

4.1.4.4 Unauthorised diversion of budget grant

Rule 56(2) of the General Financial Rules states that the savings that cannot be profitably utilized should be surrendered to government immediately without waiting till the end of the year.

Transport Department in March 2009 released Rs. 63 crore to General Manager, Inter State Bus Terminus(GM, ISBT) Kashmere Gate, for two schemes¹ which were to be implemented by M/s DIMTS. The amount was booked as expenditure whereas these funds were lying in the saving account of GM, ISBT upto June 2009. This shows that the funds were withdrawn from the government account to avoid lapse of funds in violation of the Rules *ibid*.

The Department stated (November 2009) that the amount was drawn and kept with GM, ISBT for the amounts that had become due to contractor of the BRT corridor by March 2009. The contention of the Department is not justifiable as drawal of money in anticipation of expenditure is not permitted under the Rules.

4.1.4.5 Misreporting of expenditure

Transport Construction Division (TCD) under the charge of the GM, ISBT carries out the repair and maintenance work (civil as well electrical) of headquarters and zonal offices of the Transport Department. The year-wise details of funds released to GM, ISBT and expenditure incurred thereagainst

¹ Introduction of electric trolley bus - alternative mode of transport and studies/consultancy services

on various works during 2004-09 were as under:

Table 4.2: Funds released and expenditure incurred
(Rupees in lakh)

| Year | Funds released by the department | Expenditure incurred by the division | Unspent balance |
|--------------|----------------------------------|--------------------------------------|-----------------|
| 2004-05 | 548.44 | 231.36 | 317.08 |
| 2005-06 | 492.35 | 474.01 | 18.34 |
| 2006-07 | 473.13 | 512.83 | -39.70 |
| 2007-08 | 851.22 | 483.82 | 367.40 |
| 2008-09 | 2449.27 | 743.84 | 1705.43 |
| Total | 4814.41 | 2445.86 | 2368.55 |

The total amount of Rs.48.14 crore released upto March 2009 had been booked as expenditure by Transport Department, whereas unspent balance of Rs. 23.69 crore pertaining to 2004-09 was lying in saving account of GM, ISBT as on 31 March 2009.

The Department stated (November 2009) that unspent balance was liability of TCD, which was to be paid to the agencies in due course. The reply is not acceptable as the amount had been reported as expenditure, whereas it was actually lying in the saving account of GM, ISBT.

4.1.4.6 Loss on telecast of TV spot due to non-availing of concession

The Department placed an order with M/s Sahara Samay-Delhi NCR (SS-NCR) to telecast four films w.e.f. 1 February 2008 for 16 days at Directorate of Advertising and Visual Publicity (DAVP) rates without ensuring whether the firm was on the panel of DAVP or not. As the firm was not empanelled with DAVP, the Department had to pay Rs. 25.89 lakh for a total airtime of 15,360 seconds at commercial rate of Rs. 1500 per ten seconds. The films were repeatedly telecast for 15 days in April 2008 also. This time SS-NCR was on the panel of DAVP and as such Rs. 24.27 lakh were released at DAVP rates for a total time of 61,950 seconds. However, 15 per cent concession as envisaged under DAVP rates was not insisted upon and obtained from SS-NCR, though the Department had been getting this concession from other channels viz. Zee TV and CNBC. The casual approach with which the proposal of the firm was approved resulted in loss of Rs. 16.39 lakh on telecast of film for the first stint and Rs. 3.64 lakh on second occasion on account of non-availing of 15 per cent concession.

Similarly, the department got other TV spots also telecast on DAVP rates through other channels – Total TV, IBN7 and CNN-IBN-Awaz and paid Rs. 1.26 crore without availing of 15 per cent concession resulting in avoidable extra expenditure of Rs. 18.96 lakh.

Thus, there was a total loss of Rs. 38.99 lakh on placing the orders for telecast of TV films on commercial rates (Rs. 16.39 lakh) and non-availing of 15 per cent concession (Rs. 22.60 lakh).

The Department stated (November 2009) that as the campaign was conceptualized, created and executed by the TV channel itself, the channel was not liable to pay 15 per cent commission. The contention of the Department is not acceptable as it has been availing of 15 per cent concession from other channels

4.1.5 Collection of revenue and its accounting

4.1.5.1 Targets and achievement

The revenue targets fixed for the Transport Department and achievement thereagainst for last five years were as under:

Table 4.3: Revenue targets and achievements
(Rupees in crore)

| Year | Targets | Achievement |
|---------|---------|-------------|
| 2004-05 | 180.00 | 195.98 |
| 2005-06 | 260.00 | 298.72 |
| 2006-07 | 350.00 | 362.84 |
| 2007-08 | 425.00 | 410.20 |
| 2008-09 | 450.00 | 419.12 |

As seen from the above table the performance of the department in achieving revenue targets had been noteworthy. Revenue collection increased from Rs. 195.98 crore in 2004-05 to Rs. 419.12 crore in 2008-09. A little gap in actual revenue realised and the targets for the last two years could be attributed to decline in expected sale of vehicles due to global economic slowdown.

4.1.5.2 Irregular utilisation of departmental receipts

Rule 6 of the Receipts and Payments Rules stipulates that all moneys received by or tendered to government officers on account of revenue or receipts or dues of the government should not be utilized to meet departmental expenditure except as authorised.

In May 1993 ISBT, Kashmere Gate was transferred from DDA to Delhi Government alongwith all the assets and work charged staff. During the last five years, the department incurred an expenditure of Rs. 41.24 crore (capital - Rs. 38.93 crore and revenue - Rs. 2.31 crore) on ISBTs. However, major revenue expenditure on salaries, wages, security, water, electricity, sanitation, repair and maintenance, etc, was met by utilizing departmental receipts of ISBTs. During the last five years, receipts of ISBTs were Rs. 101.76 crore out of which Rs. 97.04 crore was utilized by GM, ISBT in violation of laid down

rules. As a consequence, government receipts and expenditure were understated by Rs. 101.76 and Rs. 97.04 crore during 2004-09 respectively.

The Department stated (November 2009) that the legal status of ISBTs had not been decided and that the same arrangement as practiced by DDA was being continued. It further stated that there was a proposal to set up a Delhi Urban Metropolitan Transport Authority (DUMTA) and status of ISBT would be decided after the DUMTA is formalized. The contention, however, did not justify the utilisation of departmental receipts of ISBTs.

4.1.5.3 Short levy of road tax on registration of three seater rickshaws (TSR – auto)

As per Part A (II) of schedule II of the Delhi Motor Vehicles Taxation Act 1962, road tax chargeable for the three seater rickshaws plying for hire and used for the transport of passengers is as under:

Table 4.4: Rates of tax for TSR

| Sl. No. | Particulars | Rate per year (in Rs.) |
|---------|---|------------------------|
| 1 | Licensed to carry not more than two (excluding driver) | 305 |
| 2 | Licensed to carry in all more than two but not more than four passengers (excluding driver and conductor) | 605 |

During the scrutiny of the registration records it was noticed that 17030 TSRs were registered during April 2004 to March 2009 and charged one time road tax of Rs. 3050 (Rs. 305 × 10) per vehicle which was in violation of provisions of the Act *ibid* as the TSRs were three seater vehicles. As such, these should have been charged at Rs. 6050 (Rs. 605 × 10). Thus, Transport Department short levied road tax to the tune of Rs. 5.11 crore (17030 × Rs. 300 × 10 = Rs.510.90 lakh), resulting in loss to the Department.

The department accepted (November 2009) the fact and stated that it had been levying road tax on TSRs at the rate of Rs. 305 instead of Rs. 605 as applicable since September 1997.

4.1.5.4 Embezzlement of government receipts

(a) A test-check of data (hard copy) relating to receipt of various kinds of fees for the month of March, 2008 revealed that the Accounts Branch issued 1307 cash receipts for composition fee (late registration fee) and chassis fee (fee for extension of temporary registration of vehicles chassis). Out of 1307, 51 receipts for Rs. 52140 were shown as cancelled whereas record of cancelled receipts was not maintained by Accounts

Branch. However, a cross examination of cancelled receipts with the records in the relevant vehicle registration file in the office of MLO (Headquarters) revealed that seven receipts (five of composition fee and two of chassis fee), for a total amount of Rs. 8800 were available in concerned registration files. This shows that the registering authority had accepted these receipts and registered the vehicles, whereas the dealing assistant after issue of receipts to the depositor, cancelled these receipts in computer system thereby pocketing the amount received thereagainst which amounts to embezzlement.

(b) The Transport Department issues final tax clearance report (TCR) on demand by the vehicle owners. For issue of TCR, a dealing hand receives Rs. 40 at a counter in Accounts Branch from the vehicle owner and issues a draft TCR. The owner submits this draft TCR to a dealing hand at another counter, who enters the draft TCR in his diary. Based on the vehicle number entered in the diary, final TCRs are issued after two-three days by third dealing assistant.

Analysis of data for the month of March 2008, revealed that 6131 receipts for TCR were issued, out of which 1044 were cancelled. However, scrutiny of test checked cancelled receipts and the diary register for two days (1 March 2008 and 3 March 2008) revealed that 26 out of 62 receipts shown as cancelled were found entered in the diary register. Thus, it was clear that Rs. 1040 (26X40) were charged from vehicle owners and draft TCRs were also issued to them, who submitted them at second counter where these were diarized. The dealing assistant, who collected the money, had later on cancelled these receipts and did not deposit the money to the cashier.

The Department while admitting the facts, stated (November 2009) that an FIR had been lodged with Delhi Police on a similar case earlier and that some steps were being taken to prevent its recurrence by getting the software rectified from NIC. A mechanism for cancellation of receipts had been put in place and was being monitored on daily basis. The department should fix responsibility to prevent repeated occurrence of such cases.

4.1.6 Planning and operational management

4.1.6.1 Implementation of Monorail and Light Rail Transport (LRT) projects

The Cabinet (April 2006) gave in principle approval to the recommendations of M/s RITES Ltd on Integrated Multi Modal Public Transport Network

subject to the conditions that modes should be selected carefully restricting them to three or four only out of proposed modes of Metro, Monorail, Light Rail Transport, High Capacity Bus System (HCBS) and Integrated Rail Bus Transport (IRBT).

The Department entrusted (January 2007) the work of Techno Economic Feasibility Study (TEFS) of Monorail project to M/s RITES Ltd and work of LRT project to M/s SEMALY S.E. The reports submitted in February 2008, projected the estimated cost of Monorail and LRT Projects at Rs. 5571 crore and Rs. 5738 crore respectively. The total expenditure on these studies was Rs. 7.81 crore (Monorail Rs. 3.42 crore and LRT Rs. 4.39 crore), including Rs. 1.17 crore as fee of M/s Delhi Integrated Multi-Modal Transit System (DIMTS) who were associated with the studies on the recommendations of EFC.

M/s DIMTS further suggested that the projects should be implemented under a public-private partnership (PPP) framework and proposed next phase of studies. The estimated costs of these additional studies for two projects were projected at Rs. 10.01 crore and Rs. 11.10 crore respectively. Accordingly, Transport Department moved the EFC memoranda on which Planning Department as well as Finance Department raised (April 2008) serious concerns as under:

- (i) Cabinet decision of restricting the modes of transport to three or four would get defeated as Monorail and LRT would be the fourth and fifth mode of transport.
- (ii) Monorail network was existing only in 15 cities in the world and it would be a new system in India requiring its know-how to be imported.
- (iii) Cost of construction of Monorail project was very high i.e. approximately Rs. 170 crore per Km. as compared to Rs. 133 crore per Km. for LRT project.
- (iv) The proposed additional studies would take around 18 months making it impossible to complete the projects in time for the Commonwealth Games 2010.
- (v) There was a need to recheck the passenger availability capacity for Monorail in view of the Metro linkage at Inderlok station.

The Managing Director, DMRC also opposed (January 2008) monorail system which had only tourist value. He expressed his reservations about the LRT project too as the M/s DIMTS had no expertise or the experience to plan and

implement the project. He further opined that a tramway line needed right of way along with the roads and Delhi roads had far too many intersections and not wide enough to accommodate both.

The Planning Department thus suggested keeping the monorail project on hold till completion of LRT system and to rethink and relocate the LRT corridors. Thus, the Department rushed into the techno economic feasibility studies of these projects without doing any preliminary deliberations on their viability. The selection of modes was casual as experts in the field were not involved. M/s DIMTS having no expertise or previous experience on such projects, was associated with these projects making the studies further costly. The issues of their high costs and means of funding were not thought of at the planning stage itself. Thus, the ill-conceived planning and casual approach with which the TEFS were assigned for unviable modes of transport resulted in unfruitful expenditure of Rs. 7.81 crore.

The Department agreed (November 2009) with the fact that projects had been put on hold for two to three years due to various constraints which were noticed after the receipt of project report and due to constraints of funds. However, the fact remains that these project reports will have little relevance after a period of two-three years in the fast changing scenario of Delhi.

4.1.6.2 Irrational rate of fees for works assigned to M/s DIMTS

Transport Department had been awarding various works to M/s DIMTS, a private company, who charges consultancy fee for implementing projects and conducting studies. However, there were no fixed norms for deciding the rates of fee charged by M/s DIMTS as it varied from project to project. It had been noticed that in the absence of any standard norms approved by the competent authority, the fee for consultancy work was being approved as claimed by M/s DIMTS although it is a private company. In 10 test checked cases, the department had paid Rs. 174.13 crore as cost of projects/studies to M/s DIMTS, which included Rs. 4.88 crore as its fee on rates varying from one *per cent* to 49.35 *per cent*. However, the justification for the rate of fee was not on record in any of the cases.

The department stated (November 2009) that in case of BRT corridor, fee was paid to M/s DIMTS at the rate of one *per cent* as decided by the cabinet. For other projects management consultancy (PMC) charges are paid at the rate of 5 *per cent* where no feasibility study is involved and 7 *per cent* of project cost where detailed feasibility study was required. It further stated that for other works relating to conducting of studies, fee is paid on the basis of mandays. The contention of the department lacked conviction as it accepted the claims

of M/s DIMTS without evaluating the requirement of mandays and the cost per manday of various categories.

4.1.6.3 Overcharging of fee for smart optical card

The Central Motor Vehicles Rules, 1989 permit the government to charge maximum fee of Rs. 200 per card for supplying registration certificate in smart optical card in Form-23A. However, under Rule 44 B of the Delhi Motor Vehicles Rules, 1993, fee for registration certificate in smart optical card has been fixed at Rs. 370 which includes additional fee of Rs. 170 for inserting additional information² in the card. The additional information was to be collected from various bodies viz. police, excise and other states zonal offices. As per the information provided by the department, it could not start a system to collect additional information for incorporating in smart optical card. However, M/s Shonkh Technologies International Ltd (STIL) to whom the work of preparation of smart card was assigned in June 2003, had been charging Rs. 370 per card and had issued 23,17,547 cards to owners upto May 2009 on new registrations.

Thus, the contractor pocketed Rs. 39.40 crore without providing the services for which Rs. 170 per smart card had been charged from the smart card seekers. The amount overcharged by the contractor was neither deposited with the government nor refunded to the smart card holders. This was facilitated due to deficient agreement entered into by the Transport Department with M/s STIL, as neither Transport Department could start the system to collect additional information nor could amend the agreement to restrain the contractor from overcharging. It may also be added that the notification issued by the department regarding collection of registration fees at the rate of Rs. 370 was in contravention of the Central Motor Vehicles Act, 1988 as the power to make rules regarding fee to be charged vests with the Central Government under Section 64 of the Act.

The department stated (November 2009) that Rs. 370 was being charged as per the Delhi Government Gazette notification of February 2004 and the agreement between government and the contractor. The software for inserting additional information was under process with NIC. The reply is an acceptance of the audit observation that the contractor had been overcharging Rs. 170 per card without providing any additional services.

² The additional information included: the previous details of tax record of card holder; past history of accident by the card holder; biometrics (thumb impression, photographs, etc.); complete database of pending prosecution cases received from other zonal offices and other states; particulars of wanted notes received from other government departments i.e. Police, Excise, etc.; any other relevant information ordered to be included from time to time.

4.1.6.4 Loss of revenue due to non-renewal of certificate of fitness of transport vehicles

Section 56 of the Motor Vehicles Act, 1988 stipulates that a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. A certificate of fitness in respect of a transport vehicle is valid for two years for new vehicle and is required to be renewed yearly thereafter.

Test-check of records revealed that a large number of transport vehicles do not turn-up for renewal of their fitness certificates and as a consequence ply without a valid registration certificate. There were 188276 transport vehicles registered as on 31 March 2007, out of which, 4760 vehicles were more than 15 years old, whose registration or fitness certificate cannot be renewed in Delhi. Thus, out of 172617 transport vehicles due for renewal of fitness certificates during 2008-09, 29852 vehicles did not approach Transport Department for renewal of fitness certificates resulting in non-receipt of Rs. 6.95 crore (**Appendix-4.2**) in the shape of renewal fee besides vehicles running on road without valid fitness certificate carry a grave threat/risk to public life.

The department accepted (November 2009) the fact that vehicles might be plying without valid fitness certificate and added that the matter had been taken up with NIC for making necessary changes in the software so that details of vehicles with due date of fitness could be ascertained monthly and necessary action could be initiated against them.

4.1.6.5 Construction of Inter State Bus Terminals (ISBTs)

A large number of inter state buses from other states enter and leave Delhi. To facilitate smooth operation of these buses, three ISBTs have been set-up at Kashmiri Gate, Anand Vihar and Sarai Kale Khan. The department had taken up the schemes of face lifting of ISBT, Kashmiri Gate and construction of building of ISBT at Sarai Kale Khan. Besides, proposals of two new ISBTs at Dwarka and Narela were under consideration. Audit scrutiny of these on-going projects revealed the following:-

(i) ISBT, Sarai Kale Khan - Unfruitful expenditure of Rs. 3.46 crore due to change of executing agency

Expenditure Finance Committee approved (May 2004) an estimate of Rs. 81.30 crore for the construction of a multi-storey ISBT at Sarai Kale Khan (SKK). The work was entrusted (December 2004) to PWD, to be completed within 48 months. The department released first installment of Rs. 12.60 crore including Rs. 25 lakh for consultancy work. M/s A.G.

Krishna Menon, consultant for the project, prepared and submitted (March 2007) detailed drawings for approval of Municipal Corporation Department, Delhi Development Authority (DDA) and other agencies. Consequent upon the revision of norms for ISBTs by DDA, the PWD revised the estimate to Rs. 212.32 crore with 25 *per cent* ground coverage and 100 *per cent* Floor Area Ratio (FAR) alongwith the provision of a hotel for the passengers. The EFC felt (July 2007) that preliminary estimates were on higher side and that the proposal might be considered on PPP basis through M/s DIMTS. Consequently, the work on which Rs. 11.49 crore had already been spent was transferred to M/s DIMTS in February 2008. Details of expenditure incurred by PWD prior to transfer of the project to M/s DIMTS were as under:

Table 4.6:Details of the expenditure on the construction of ISBT at SKK
(Rupees in crore)

| Sl. No. | Particulars | Expenditure incurred |
|--------------|------------------------------|----------------------|
| 1 | Consultancy work | 0.75 |
| 2 | C/o Main work | 2.71 |
| 3 | Cutting and filling of earth | 7.05 |
| 4 | C/o temporary ISBT | 0.98 |
| Total | | 11.49 |

It was further observed that M/s DIMTS entrusted (March 2009) the work of providing planning and design of ISBT to another consultant at the rate of 2.85 *per cent* of the estimated cost or executed value of the work, whichever was minimum. Rs. 1.00 crore was paid to M/s DIMTS for development activities in March 2008.

As per timelines fixed by government in February 2008, the ISBT was to become fully operational by 31 July 2010 considering six months time for preparing design, issue of NIT etc and two years for construction and making the terminals operational. However, the consultant had been appointed in March 2009 only after a delay of 13 months and the work had not been awarded as of July 2009.

The project was, thus, at a high risk of not being completed in the remaining period of 12 months. Moreover, the expenditure of Rs. 3.46 crore (Rs. 0.75 crore plus Rs. 2.71 crore) incurred by PWD on consultancy charges and on construction was rendered unfruitful as the work was entrusted midway to M/s DIMTS.

The department while accepting the facts stated (November 2009) that Rs. 2.71 crore was spent for construction of parking portion being used at existing ISBT and Rs. 0.75 crore on consultancy by PWD. The reply is, however, inconsistent with the reply of the Executive Engineer, Building Project B-113, PWD (June 2009), who had stated that Rs. 2.71 crore was spent on main work and Rs. 0.98 crore was spent on construction of temporary ISBT i.e. existing ISBT.

(ii) ISBT, Dwarka—delay in completion

DDA allotted (March 1997) a piece of land measuring 16.11 hectare costing Rs. 8.17 crore for construction of ISBT at Dwarka. The possession of land measuring 11 hectare was handed over by DDA in May 2000 and remaining land measuring 5.11 hectare was yet to be handed over as of June 2009. M/s RITES Ltd was appointed as project development consultant for the ISBT in July 2003 and was paid Rs. 1.67 lakh in December 2003. Though the work of preparation of detailed feasibility report, inviting pre-qualification/technical/financial bids was processed by the consultant, the work could not be awarded due to change in the development control norms of ISBTs in the MPD-2021 notified in February 2007. Government decided in September 2008 that the ISBT, Dwarka would be constructed by M/s DIMTS for which it would charge its fee and that after completion, the entire revenue from ISBT would go to the Government. The payment of Rs. 50 lakh was made to M/s DIMTS in April 2008 for the development of construction activities.

Thus, after incurring an expenditure of Rs. 8.69 crore and a lapse of over 12 years, ISBT could not come up at Dwarka due to the slow pace of work depriving Delhi citizens of the intended benefits.

The department while accepting the fact, attributed (November 2009) the reasons for delay in construction of ISBT to revision of development control norms for ISBTs by DDA, withdrawal of project development consultant (PDC) and non-availability of any agency for the project on BOT basis. The department had 10 years of time to complete the project before the norms were revised but failed to do so due to its leisurely way of functioning.

(iii) ISBT, Narela – delay in taking over of land

DDA allotted (October 2003 and May 2005) a piece of land measuring 8.0 hectares costing Rs. 10.30 crore to the department for construction of ISBT at Narela. A sum of Rs. 26.80 lakh was also released (July 2007) to GM, ISBT for construction of boundary wall. However, the possession of land had not been handed over by DDA as of June 2009 even after a lapse of four years. The department did not produce any evidence of active pursuance with DDA for taking possession of land.

The department stated (November 2009) that the land was allotted in June 2007 but DDA intimated in August 2007 that the site was likely to be changed as the new site was having a *mazar* on it. The department took up the matter with DDA either to remove the *mazar* or change the site. The matter has not been resolved till date.

4.1.7 Enforcement of provisions of the Motor Vehicles Act, 1988

The Enforcement Branch of the Transport Department is responsible for enforcing the provisions of the Act and the Rules. It checks vehicles on roads and launches prosecution against offending motorists. Challaning Officers challan the defaulters and submit a copy of challan to the Enforcement Branch, who forward the same to courts of Special Metropolitan Magistrates. In case, the defaulter desires to compound the offence before the due date of hearing in designated court, he can do so by paying the composition fee to the duty officer at Enforcement Branch before the challan is sent to the court.

4.1.7.1 Deficient enforcement system

A scrutiny of records of Enforcement Branch relating to issuance of challans and collection of penalty there against disclosed serious discrepancies. The following table shows the details of challans issued, disposed-off and penalty recovered during the four years ended 2008-09.

Table 4.7:Details of challans issued, disposed-off and penalty recovered

| Year | As per manual records | | | As per computer database | | | Difference | | |
|--------------|-----------------------|-----------------------|----------------------------------|--------------------------|-----------------------|----------------------------------|-----------------|-----------------------|----------------------------------|
| | Challans issued | Challans disposed off | Penalty recovered (Rs. in crore) | Challans issued | Challans disposed off | Penalty recovered (Rs. in crore) | Challans issued | Challans disposed off | Penalty recovered (Rs. in crore) |
| 2005-06 | 101803 | 116157 | 7.54 | 62030 | 13023 | 0.90 | 39773 | 103134 | 6.64 |
| 2006-07 | 183519 | 135879 | 11.40 | 68353 | 12182 | 1.51 | 115166 | 123697 | 9.89 |
| 2007-08 | 134296 | 140675 | 15.30 | 75816 | 12419 | 2.88 | 58480 | 128256 | 12.42 |
| 2008-09 | 136821 | 122644 | 11.16 | 64219 | 9452 | 2.89 | 72602 | 113192 | 8.27 |
| Total | 556439 | 515355 | 45.40 | 270418 | 47076 | 8.18 | 286021 | 468279 | 37.22 |

The table above reveals the following:

There were differences in challans issued, challans disposed-off and penalty recovered amounting to 2.86 lakh, 4.68 lakh and Rs. 37.22 crore respectively in entries of register and entries in computer. In spite of such huge differences the department had not reconciled the two sets of figures. The challans sent to court and challans disposed-off by the court had also not been reconciled.

The feeding of data into the computer system was unreliable and deficient. For instance – some entries were made more than once, irrelevant number and date of challan were fed, against one challan number different vehicles were booked, some columns were left blank, etc. This shows that the computer system lacked input controls to ensure data accuracy. Though, the records of the branch were stated to have been computerized, it could not be relied upon in view of such deficiencies. No periodic reports were being generated from the database for monitoring purposes, which was still dependent on manual records.

The department accepted (November 2009) the discrepancies in two sets of records and attributed these to shortage of staff, untrained staff and non-availability of conviction slips from courts etc. It was also stated that efforts were being made to reconcile the figures after getting data from the courts.

4.1.7.2 Irregularities in issuance of challan books

(i) There was no proper record of issue of challan books. Challan books were issued directly to individual challaning officers randomly making it difficult to know which series was issued to which officer.

(ii) Third copies of the challans (used challan books) were not received back from the challaning officer in the Caretaking Branch or Enforcement Branch. In the absence of such a system, the government records, i.e., used challan books, were kept by challaning officers personally at their homes.

The department stated (November 2009) that necessary directions/guidelines had been issued to the custodian and issuing authority to follow the correct procedure in issuing the challan books.

4.1.7.3 Non-release or disposal of impounded vehicles

Enforcement Branch impounds vehicles which are found violating relevant provisions of Act. Rule 123 of the Delhi Motor Vehicle Rules, 1993 stipulates that the concerned person may get the vehicle released within a period of ten days from the date of seizure of vehicle after complying with the requirement of law. In case vehicle is not released within the specified period then rental charges @ Rs. 100 per day subject to a maximum of Rs. 1000 shall be charged.

It was noticed that as of 20 May 2009, 918 vehicles were parked in impounding pit at Burari. Details of length of detention period of these vehicles are given below:

Table 4.8: Age-wise details of impounded vehicles

| Sl. No. | Year in which impounded | No. of vehicles | Sl. No. | Year in which impounded | No. of vehicles |
|---------|-------------------------|-----------------|--------------|-------------------------|-----------------|
| 1 | Not available | 66 | 8 | 2004 | 32 |
| 2 | 1997 | 01 | 9 | 2005 | 114 |
| 3 | 1998 | 07 | 10 | 2006 | 228 |
| 4 | 2000 | 06 | 11 | 2007 | 142 |
| 5 | 2001 | 38 | 12 | 2008 | 105 |
| 6 | 2002 | 37 | 13 | 2009* | 67 |
| 7 | 2003 | 15 | Total | | 918 |

* Upto 20 May, 2009

It may be seen that in 66 cases the department did not have date of impounding. Out of remaining 852 vehicles, 136 were lying unclaimed for over five years and 402 for over two years.

The department accepted (November 2009) the facts and stated that owners of these vehicles were not interested in getting their vehicles released as fine/tax might be more than the actual cost of vehicles. The reply, however, did not specify the next course of action in such a situation.

4.1.7.4 Non-inspection of pollution control centres

Transport Department authorizes private pollution control centres (PCC) for checking vehicular emission and issuing pollution under control certificates (PUCCs) to vehicles, which fulfill the laid down norms.

Scrutiny of the records revealed that 547 PCCs were functioning under the authorization of the department as of 31 March 2009. It was also noticed that there was two tier inspection system being followed in Delhi. Pollution Level Test Inspector (PLTIs) of the department may carry out inspection of PCCs as prescribed in the rules and a joint inspection /audit may also be conducted by a team consisting of members from the agencies like ARAI³, I-CAT⁴ and SAIM⁵. However, no inspection of any PCC was carried out by the PLTIs during the period 2004-09. Only one joint audit/inspection of 20 PCCs was carried out in June 2006 by a joint team. In the absence of a regular inspection/audit of PCCs, it could not be ensured whether PCCs were carrying out their designated functions properly.

The department stated (November 2009) that PLTIs had been conducting inspection of PCCs regularly. However, it did not produce any inspection reports or documents to support its claim.

4.1.7.5 Non-enforcement of norms for vehicular pollution control

Section 190(2) of the Motor Vehicles Act, 1988 provides a penalty of Rs. 1000 for first offence and Rs. 2000 for second offence for driving a motor vehicle which violates the standards of vehicular air and noise pollution. Rule 99 of the Delhi Motor Vehicles Rules, 1993 (DMVRs) further stipulate that every motor vehicle shall carry a valid PUCC issued by the Transport Department or by any PCCs authorized by it. The validity of PUCCs has been fixed as three months by the department. However, new vehicles do not require pollution checking for the first year of registration.

³ Automated Research Association of India

⁴ International - Centre of Automotive Technology

⁵ Society of India Automobile Manufacturers

A scrutiny of records revealed that 58.87 lakh motor vehicles were registered with the department as on 31 December 2008. Considering that vehicles of more than 15 years of age and not re-registered, were no more plying on roads and that new vehicles, less than one year old, did not require any PUC, there were still 36.55 lakh vehicles, which would have been due for pollution checking during January 2009 to March 2009. This figure may be further reduced to 21.93 lakh if it is considered that only 60 per cent vehicles were actually live and plying on roads. However, as per details available with the Pollution Control Division of the department, only 8.47 lakh PUCs were issued by PCCs to the vehicles which came for pollution checking during this period.

Thus, 13.46 lakh vehicles did not approach PCCs for pollution check and were plying without valid PUCs. Transport Department did not have an efficient system to identify and penalize the offending motorists as it could only challan 4166 motorists (0.31 per cent) out of 13.46 lakh, who violated the prescribed norms and remained a constant source of vehicular air pollution on the roads of Delhi. Moreover, the department would have received revenue to the tune of Rs. 134.15 crore in only three months, had it been able to enforce the provisions of the Act on all the vehicles plying without a valid PUC.

The department stated (November 2009) that it could never cover and check 100 per cent of the vehicles plying on the roads but tried to cover maximum number of vehicles. It further stated that some steps had been taken to improve compliance of PUC. The reply is not acceptable as only 0.31 per cent of defaulting vehicles could be challaned.

4.1.8 Human resource management

4.1.8.1 Shortage of staff

The position of sanctioned strength and men-in-position was as under:

Table 4.9: Position of sanctioned strength vis-à-vis men-in-position

| Category | Sanctioned posts | | Men-in-position | | Shortage | | Percentage | |
|--------------|------------------|-------------|-----------------|------------|------------|------------|------------|----------|
| | Cadre | Ex-cadre | Cadre | Ex-cadre | Cadre | Ex-cadre | Cadre | Ex-cadre |
| Gazetted | 41 | 49 | 35 | 34 | 6 | 15 | 15 | 31 |
| Non-gazetted | 308 | 1047 | 154 | 419 | 154 | 628 | 50 | 60 |
| Total | 349 | 1096 | 189 | 453 | 160 | 643 | | |

The table shows acute shortage of staff in the department that was vested with the responsibility of providing an efficient and smooth public transport system. Out of 1445 posts, as many as 803 posts (56 per cent) were vacant as of May 2009. The shortage was more severe in ex-cadre category where 31

per cent of gazetted and 60 *per cent* of non-gazetted posts were lying vacant. It was seen that all the five ex-cadre posts of Deputy Commissioner (Transport) were vacant. Out of these five posts, three had been filled-up by cadre officers for pay purpose only. This obviously hampers the functioning of the department so far as technical aspects are concerned. The Enforcement Branch was worst affected by the scarcity of staff as out of 808 sanctioned posts, 593 posts (73 *per cent*) were vacant.

The department accepted the facts and stated (May & November 2009) that the process of filling-up of posts had been initiated.

4.1.8.2 Training

Training of the officers/officials at regular intervals is necessary to update their knowledge of the provisions of Acts, rules, circulars and latest orders, in order to enable them to perform effectively. Physical training for the enforcement personnel is also necessary to keep them physically fit for enforcement work.

The department confirmed (May and November 2009) that no training was being conducted by it except for enforcement officers. In the absence of training, it cannot be ensured that the staff was fully equipped with the necessary skills to discharge their duties effectively and efficiently.

4.1.9 Internal Control

4.1.9.1 Physical verification of stores and stocks

As per Rule 192 of General Financial Rules, physical verification of all the consumable/non-consumable goods and materials should be undertaken at least once in a year in the presence of the officer responsible for the custody of the inventory being verified and discrepancies noticed, if any, should be recorded in the stock registers for appropriate action by the competent authority.

Test-check of stock register of consumable/non-consumable items maintained by caretaking branch and computer branch revealed that physical verification of stock had not been conducted by the department for the period under review. As such, discrepancies including shortages, damages and unserviceable goods could not be ruled out.

The department stated (November 2009) that the process for physical verification of stock items had been initiated.

4.1.9.2 Poor maintenance of stock register

Scrutiny of stock register of consumable items revealed various discrepancies such as (i) balances were not worked out and recorded after issue of items, (ii) previous balances were not brought forward at the start of next page, (iii) there were cases where items were issued in excess of available balances, and (iv) in respect of issue of certain items, entries were made more than once.

The department stated (November 2009) that instructions had been issued to the concerned officials.

4.1.9.3 Use of vehicles

The department had a fleet of 54 vehicles (36 four wheelers and 18 two wheelers) attached with officers/officials of the department. Scrutiny of log books of the vehicles revealed that petrol accounts were not recorded in any of the logbooks. Month-wise summary having details of kilometers covered, mileage, average fuel consumption etc was also not prepared and recorded. In almost all the cases the purpose had been entered as 'official', which did not convey the actual purpose of journey. Thus, the monitoring mechanism for ensuring proper use of government vehicles was deficient and weak.

The department stated (November 2009) that a circular had been issued to all concerned officers/officials for proper maintenance of log book of vehicles.

Conclusion

Financial management in the Transport Department was slack as funds were withdrawn unauthorisedly Government suffered revenue loss due to short levy of taxes. As the status of ISBTs was not decided even after sixteen years of their transfer to Delhi Government, GM, ISBT unauthorisely retained and utilized departmental receipts. A weak internal control system left scope for embezzlement of government receipts. Management of operations was poor and the department released extra funds to M/s DIMTS and to a contractor for services rendered. The enforcement mechanism in the department was ineffective as vehicle owners did not turn-up for re-registration or fitness check of their vehicles. It could also not check effectively vehicles for violation of norms for pollution control.

Recommendations

Financial management

- Expenditure in excess of allocations should be avoided.
- Parking of funds outside Government Account should not be allowed.
- Fund requirement should be assessed realistically.

Collection of revenue and its accounting

- Segregation of duties should be done to ensure a system of check in handling departmental receipts and prevent misappropriation of funds..
- The status of ISBTs may be settled in unequivocal terms and issue of utilisation of departmental receipts by GM, ISBT decided by the department urgently.

Planning and operational management

- Department may bring out a clear-cut policy on assignment of works/ projects/ studies to M/s DIMTS keeping in view safe guards for the public interest and compatibility with government rules and practices.
- The agreement with contractor supplying optical smart cards may be amended so as to ensure that not more than Rs. 200 per card is charged for the service being rendered.

Enforcement of provisions of the Motor Vehicles Act, 1988

- Department may impound vehicles plying without registration certificates to force owners of vehicles to re-register their vehicles.
- An MIS to provide the list of vehicles whose fitness is to be renewed should be developed to help department enforce provisions of the Motor Vehicles Act.