

CHAPTER-III TAXES ON VEHICLES, GOODS AND PASSENGERS

3.1 Tax administration

The receipts from the Transport Department are regulated under the provisions of the Central and the State Motor Vehicle Acts and rules made thereunder and are under the administrative control of the Transport Department. The receipts from road tax and special road tax are regulated under the provisions of the Rajasthan State Motor Vehicles Taxation (RMVT) Act 1951, the rules framed thereunder and notification issued from time to time which are administered by the Transport Commissioner of the State.

The Transport Department is headed by the Transport Commissioner and is assisted by 5 Additional Transport Commissioners and 13 Deputy Transport Commissioners. The entire State is divided into 11 regions, headed by Regional Transport Officers (RTO) cum *ex officio* Member, Regional Transport Authority. Besides, there are 37 vehicles registration cum taxation offices headed by District Transport Officers (DTO).

3.2 Internal audit conducted by the Department

The Department has an Internal Audit Wing under the charge of Financial Adviser. This Wing has to conduct test check of cases of assessment as per the approved action plan and in accordance with the criteria laid down by the Steering Committee so as to ensure adherence to the provisions of the Act and Rules as well as Departmental instructions issued from time to time.

The position of last five years of internal audit was as under:

Year	Units pending for audit	Units due for audit during the year	Total units due for audit	Units audited during the year	Units remaining unaudited	Shortfall in per cent
2010-11	6	43	49	49	-	-
2011-12	-	43	43	43	-	-
2012-13	-	43	43	43	-	-
2013-14	-	43	43	39	4	9.30
2014-15	4	51	55	45	10	18.18

It was noticed that 13,039 paragraphs upto 2014-15 were outstanding at the end of 2014-15. The year-wise break up of outstanding paragraphs of internal audit reports is as under:

Year	1992-93 to 2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	Total
Paras	8,485	729	823	957	893	1,152	13,039

There were 8,485 paragraphs of internal audit reports which pertained to the period prior to 2009-10. The huge number of outstanding paragraphs indicates

that the Department needs to pay more attention for settlement of the observations raised by the Internal Audit Wing.

The Government may issue appropriate instructions to the Department for early disposal of outstanding observations raised by the Internal Audit Wing.

3.3 Results of audit

During test check of the records of 28 units during the year 2014-15, audit noticed irregularities in 7,470 cases involving ₹ 33.48 crore. These cases broadly fall under the following categories:

(₹ in crore)

Sl. no.	Category	Number of cases	Amount
1.	A Paragraph on 'Road Safety measures in Transport Department'	1	9.51
2.	Non/short payment of tax, penalty, interest and compounding fees, etc.	3,934	10.64
3.	Non/short determination of tax, computation of motor vehicle tax/special road tax.	3,513	12.90
4.	Other irregularities	22	0.43
Total		7,470	33.48

During the year, the Department accepted underassessment and other irregularities of ₹ 14.72 crore in 6,004 cases, of which 1,766 cases involving ₹ 5.08 crore were pointed out in audit during the year 2014-15 and rest in earlier years. During the year 2014-15, an amount of ₹ 5.03 crore was recovered in 2,291 cases, of which ₹ 1.25 crore in 421 cases were pointed out in 2014-15 and the rest in the earlier years.

A paragraph on 'Road Safety measures in Transport Department' involving revenue of ₹ 9.51 crore and few illustrative cases involving ₹ 26.15 crore are discussed in the paragraphs from 3.4 to 3.9.

3.4 Road Safety measures in Transport Department.

3.4.1 Introduction

The Central Government approved a National Road Safety Policy (15 March 2010) which outlines the policy initiatives to be undertaken by the Government at all levels to improve the road safety and traffic management activities in the Country. The policy initiatives included, *inter alia*, raising awareness about road safety issues, ensuring safer road infrastructure, safer vehicles, safer drivers, enforcing safety laws, *etc.*

No road safety policy has been formulated in the State so far. However, the Government of Rajasthan constituted (18 March 2010) a high power committee under the chairmanship of Additional Chief Secretary to make an action plan for enhancing road safety measures and reducing road accidents. The committee prepared short term and long term action plans that were circulated (16 August 2010) by the Government to concerned Departments for compliance.

Though it was the joint responsibility of concerned Departments¹ to ensure that action plans were implemented within the allocated timeframes, the Transport Department was responsible for formulating plans and programmes for ensuring road safety and monitoring their implementation. The salient features of the action plans relating to the Transport Department, in which compliance was not ensured properly within the prescribed time limit, were as below:

Sl. no.	Action Plan	Time Plan
(A) Short Term Action Plan		
1.	Strengthen the process of issuing driving licences.	2 Months
2.	Mandatory use of helmets in the State for driving two wheelers; Provide breath analyser to flying squads of the Department for test of drunken driving.	6 Months
3.	Strict prevention of over loaded goods vehicles; Ensure strict action against use of mobile during driving; Investigate the reasons of accidents.	Continued
(B) Long Term Action Plan		
1.	Establish a Road Safety Fund for road safety measures; Strengthen the Department to make the scheme for investigation of accident cases under Section 135 of the MV Act 1988.	1 Year
2.	Establish checking plaza and computerised weighbridges at tax collection centres on interstate boundaries and residential motor drivers training institutes at zonal and district level; Make available modern equipment <i>viz.</i> interceptors, speed radar gun, breath analyser <i>etc.</i> with all flying squads for testing of vehicles; Create wayside amenities for rest and recuperation of drivers at highways.	2 Years

¹ Finance, Police, Public Works, Education, Health, District Administration, National Highway Authority, Non-Government Organisations (NGOs), *etc.*

3.4.2 Objectives and scope of Audit

The audit of road safety measures undertaken by the Transport Department was taken up with a view to ascertain the efficiency and effectiveness of the Department in implementation of the action plan made for augmenting road safety measures. Out of 33 districts in Rajasthan, we selected eight districts² (25 per cent selection) on the basis of probability proportion to size sampling (PPS) method. Records pertaining to five RTOs and three DTOs for the period from 2011-12 to 2013-14 were test checked during audit.

3.4.3 Trend of road accidents in the State vis-à-vis causes

The number of road accidents in the State and resultant casualties during 2011-12 to 2013-14 vis-a-vis the all India statistics on road accidents are given below:

(In numbers)

Year	State statistics			National statistics		
	No. of road accidents	Loss of lives	Persons injured	No. of road accidents	Loss of lives	Persons injured
2011	23,245	9,232	28,666	4,97,686	1,42,485	5,11,394
2012	22,969	9,528	28,135	4,90,383	1,38,258	5,09,667
2013	23,592	9,724	27,424	4,86,476	1,37,572	4,94,893
Total	69,806	28,484	84,225	14,74,545	4,18,315	15,15,954

Source: Ministry of Road Transport and Highways, GoI and Statistical Abstract of the Department.

It may be seen from the above that in 69,806 road accidents in the State, 28,484 lives were lost. This was significantly higher than the national average loss of lives in accidents as the fatality ratio in the State was one against 2.45 accidents as against the national ratio of one is to 3.52 accidents. The details of the causes of road accidents are given in the table below:

(In numbers)

Year	Fault of driver	Fault of passengers	Bad road condition	Bad weather	Mechanical defects in vehicles	Cattle/ cattle carts	Others	Total
2011	22,576	5	282	14	16	-	352	23,245
2012	21,939	16	209	30	28	4	743	22,969
2013	22,120	-	203	76	72	14	1,107	23,592
Total	66,635	21	694	120	116	18	2,202	69,806

Source: Statistical Abstract of the Department.

It would be seen from the above that 95 per cent of the road accidents were due to fault of drivers which necessitated better licensing system and its enforcement alongwith training and education for drivers.

However, it was noticed in eight test checked RTOs/DTOs that enforcement measures were lacking and there were many shortcomings in compliance of action plans as well as in other remedial measures essential for road safety as discussed in the succeeding paragraphs.

² RTO: Bikaner, Dausa, Jaipur, Kota and Udaipur; DTO: Banswara, Jhunjhunu and Rajsamand.

Audit Findings

3.4.4 Short Term Action Plan

3.4.4.1 Compulsory wearing of helmets for driving two wheelers

As per Section 129 of MV Act, 1988 read with Rule 8.28 of RMV Rules 1990, every person driving or riding on a motor cycle including any two wheeled motor vehicle shall, while in public place, wear a protective headgear, *i.e.* helmet conforming to the standards of Bureau of Indian Standards to protect from injury in the event of an accident. The State Government *vide* notification dated 5 July 2002 granted relaxation in case of pillion riders and Sikh drivers wearing turban and exempted areas other than the municipal limits of all district headquarters of the State. Further, as per action plan of the Government regarding road safety policy, wearing of helmet by drivers of two wheeled vehicles in the whole State was to be implemented within six months.

During scrutiny of files regarding District Level Traffic Management Committees³ (TMC) meetings at selected units, it was noticed that action plan for wearing of helmets by drivers of two wheeled vehicles was discussed repeatedly in TMC meetings. It was further noticed that the State Government granted (1 April 2015) relaxation to pillion riders in areas other than the municipal limits of Divisional Headquarters of the State and exempted areas other than the municipal limits of all municipalities of Rajasthan State. Finally, the Government implemented (28 October 2015) the provisions of the said rule in the whole State by rescinding the notification dated 1 April 2015. The delay in implementation of the action plan relating to mandatory use of helmets in the State reflected slackness on the part of Department/ Government.

Analysis of data regarding vehicles involved in road accidents disclosed that almost 22 *per cent* of accidents involved two wheelers but no challan for not wearing helmets by two wheeler drivers was found to have been made by the Transport Department in test checked challans at the selected units.

3.4.4.2 Creating public awareness through observance of Road Safety Week

Road Safety Week (RSW) is observed throughout the country during the first week of January every year. In Rajasthan also, various activities such as advertisement on road safety, street plays, cycle rallies, quiz competitions, debate competitions are organised by RTOs/DTOs during RSW.

Audit noticed that during the period 2011-14, though programmes of the RSW were prepared by the Department and the concerned TMCs, yet no funds for the purpose were allocated to RTOs/DTOs by the Department except allocation of ₹ 10.50 lakh during 2012-13 to four RTOs/DTOs⁴.

³ Constituted by the State Government on 28 June 2008 under Section 215(3) for each district in the State to discharge functions relating to the road safety programmes.

⁴ RTO: Chhitorgarh and Jaipur; DTO: Bharatpur and Dholpur.

Some welfare organisation/NGOs were asked to develop audio visual presentations, films in local language, interactive games, quizzes, folk songs, etc. to create road safety awareness amongst the people. The expenditure of ₹ 30.08 lakh incurred on these activities by 12 NGOs during 2012-13 was funded by the Government.

3.4.4.3 Non-implementation of VAHAN Enforcement Module

Manual documentation of enforcement activity against vehicles/drivers poses a challenge in maintaining/retrieving a history of offences/offenders. The VAHAN software was designed by NIC to automate the management of complete information related to vehicle registration. Enforcement Module of VAHAN software was designed to capture the working of the enforcement wings. With the launch of VAHAN enforcement module, offence cases were to be fed daily in the computer database. The database was to be shared on the State and National Register of vehicles for easy retrieval of history of offences and for identifying and taking stringent action against repeat offenders.

During test check of selected offices, it was noticed that though 'VAHAN' was functional in all field offices, yet enforcement module was not in operation. It was further noticed that offline entries of challan issued against the offending vehicles were being captured subsequently in Enforcement Module of VAHAN at RTO Jaipur. Such entries were not made in the remaining selected offices.

3.4.4.4 Composite checking of vehicles

As per administrative report of the Department, campaign for composite checking is conducted from time to time by joint team of the Transport Department, Police and District Administration for prevention of unauthorised operation of passenger vehicles in view of road safety measures. Analysis of performance data during the period from 2011-12 to 2013-14 disclosed that almost 86 *per cent* checking of vehicles pertained to trucks while their involvement in road accidents was below 20 *per cent*. Involvement of car/jeeps in road accidents was almost 28 *per cent* while checking of these vehicles ranged between 3.99 to 5.20 *per cent* which indicated that the focus on other passenger vehicles was lacking.

3.4.4.5 Overloading of vehicles

As per Section 113(3)(b) of MV Act, 1988, no person shall drive or cause or allow to be driven in any public place any motor vehicle or trailer, the laden weight of which exceeds the gross vehicle weight specified in the certificate of registration.

Scrutiny of records disclosed that there was an increasing trend of overloading of vehicles when compared to the total number of vehicles checked during the period from 2010-11 to 2013-14 as evidenced from the details below:

Year	Total number of vehicles registered	No. of vehicles checked	Percentage of vehicles checked	No. of challans made for overloaded vehicles	Composition money realised from overloaded vehicles	
					Total composition (₹ in crore)	Per challan composition (Amount in ₹)
2010-11	79,87,355	36,13,662	45.24	1,55,801	114.96	7,379
2011-12	89,85,568	30,63,995	34.10	1,43,324	86.94	6,066
2012-13	1,00,72,035	26,41,555	26.23	1,42,717	89.78	6,291
2013-14	1,11,84,430	21,44,742	19.18	1,38,495	91.80	6,628

Source: Statistical Abstract of the Department.

Performance of flying squads in checking of vehicles

For compliance of MV Rules, there were 265 flying squads (including 48 Enforcement flying squads) in the Department during 2012-13. A separate Enforcement Wing was also constituted in the Department with effect from 23 July 2012 which was headed by the Additional Transport Commissioner (Enforcement). The main duties of the officers of the Enforcement Wing are to ensure proper enforcement of the provisions of the MV Act and Rules made thereunder, by checking vehicles on road.

It may be seen from the above table that the number of vehicles checked and challans issued by the flying squads of the Department showed a decreasing trend from the year 2010-11 to 2013-14. Though the number of vehicles registered in the State increased by 40.03 *per cent* in 2013-14 when compared to 2010-11, the performance of flying squads in checking of vehicles decreased to 19.18 *per cent* from 45.24 *per cent* of total vehicles registered in the State during the same period.

It was intimated by the Department that as against 265 sanctioned flying squads, only 158 flying squads were working as on 31 March 2014. The Department needs to strengthen its enforcement activities to ensure road safety.

Relaxation granted by the State Government in minimum fine for overloading

Section 194 of MV Act, 1988 prescribes minimum fine of ₹ 2,000 and an additional amount of ₹ 1,000 per ton of excess load, together with the liability to pay charges for off-loading of the excess load.

It was observed that the State Government substituted the above provisions and prescribed a penalty of ₹ 500 upto three ton, ₹ 1,000 above 3 ton to 10 ton and ₹ 1,500 above 10 ton of excess load in July 2010. As a result, the per challan composition money realisation from overloaded vehicles also decreased from ₹ 7,379 in 2010-11 to ₹ 6,628 in 2013-14.

The deterrent impact that was sought to be achieved by imposing minimum and additional fine was, therefore, diluted in 2010. Besides, the State Government was deprived of revenue of ₹ 84.91 crore in 4,24,536 cases of challans issued during the period 2011-14 due to removal of minimum fine of ₹ 2,000 for overloading.

Overloaded vehicles were allowed without off-loading

Under Section 114 of MV Act, 1988 read with Rule 8.3 of RMV Rules, 1990, if a goods vehicle or trailer is found contravening the restriction imposed, then the driver may be directed to off-load the excess weight at his own risk and not to remove the vehicle or trailer from that place until the laden weight has been reduced.

It was noticed that excess weight in case of overloaded vehicles was not being off-loaded as no proof of off-loading was found mentioned in test checked challans of selected units. The statistical data of the Department showed that number of vehicles off-loaded was almost 50 *per cent* during the period from 2011-12 to 2013-14 as per details given below:

Sl. no.	Year	No. of challans	No. of vehicles off-loaded	Vehicles passed without off-loading	
				No. of vehicles	Percentage
1.	2011-12	1,43,324	74,769	68,555	47.83
2.	2012-13	1,42,717	72,571	70,146	49.15
3.	2013-14	1,38,495	65,842	72,653	52.46

Source: Statistical Abstract of the Department.

It may be seen from the above that almost 50 *per cent* overloaded goods vehicles were being allowed to pass without off-loading the excess weight as no action was taken by the Department for off-loading the excess load which not only would have caused significant damage to the road surface but also endangered lives of the road users.

Lack of action against overloaded vehicles involved in mining activities

We collected information regarding vehicles involved in mining activities during the month of March 2014 from the Mining offices of seven selected districts⁵. We selected 100 vehicles of highest gross vehicle weight per district. Cross verification of gross vehicle weight of these vehicles with the registered laden weight specified in the certificate of registration disclosed that all the selected vehicles were overloaded but no action regarding off-loading the excess load and imposing fine was found initiated by the Transport Department against such vehicles. These overloaded vehicles are hazardous to traffic and human life. If the Department had initiated action against such vehicles, revenue of ₹ 2.25 crore⁶ could have been realised as fine/composition amount from these 700 overloaded vehicles. Thus, possibility of realisation of huge revenue from the overloaded vehicles involved in mining activities in the entire State cannot be ruled out.

⁵ Banswara, Bikaner, Dausa, Jaipur, Jhunjhunu, Rajsamand and Udaipur.

⁶ The amount has been calculated in accordance with the notification dated 22 July 2010.

3.4.4.6 Investigation of the reasons of accidents

Section 135 of the MV Act, 1988 empowers the State Government to frame schemes for the investigation of accidents. Further, as per action plan of the Government relating to road safety, the Department was to investigate the reasons of each accident, prepare report and find out solutions to check recurrence of road accidents. During test check of records in selected units, it was noticed that no such works were undertaken by RTOs/DTOs. The Department intimated (June 2015) that no scheme under Section 135 of the MV Act had been framed so far.

It was also observed that no system was evolved in RTO/DTO offices to share or exchange the information regarding road accidents in their jurisdiction with the district police for working out measures to control the rising menace of road accidents. Though TMC meetings were conducted with participation of various stakeholders involved in execution of the action plans regarding road safety, neither any information nor any mechanism for effective coordination was put in place at selected units.

3.4.4.7 Discrepancies in monthly progress reports

For monthly review of work done by RTOs/DTOs, a monthly progress report in 36 mandatory tables was to be submitted to TC. During test check of two tables related with road safety in selected units, it was noticed that:

- Table number 35 was prescribed for measures taken by RTOs/DTOs regarding road safety. This table was found blank in all the selected units. No information regarding number of meetings held at panchayat to district level, awareness programs organised, eye testing of drivers, testing on driving track, testing of school vehicles, *etc.* was furnished in the monthly progress report. The monthly progress report, therefore, did not indicate the road safety measures undertaken at RTOs/DTOs level.
- Table number 34 regarding road accidents in the district was also furnished blank. No mechanism was found at RTOs/DTOs level to get information regarding road accidents from district police. In absence of information regarding road accidents in the district, the RTOs/DTOs were not in a position to identify or address the reasons behind road accidents.

3.4.5 Long Term Action Plans

3.4.5.1 Allocation and utilisation of funds for road safety

The State Government announced creation of a Road Safety Fund in its budget speech of 2012-13 by initial contribution of ₹ 10.00 crore. The fund was meant for implementation of decisions of State Road Safety Council (SRSC) relating to road safety measures undertaken in the State. The Fund was to be utilised mainly for such works of road safety for which regular budget provision was not made or if there was shortage of fund for road safety measures in concerned Departments.

Audit noticed that no budget was allotted prior to 2012-13 for road safety measures. During 2012-13 and 2013-14, an amount of ₹ 500.08 lakh each year

was allocated under Road Safety Fund and an expenditure of ₹ 75.79 lakh and ₹ 24.28 lakh respectively was incurred by the Department towards road safety measures and the remaining amount was surrendered without utilisation of the same for the purpose for which it was allotted. The Department intimated (June 2015) that the budget was surrendered due to non-allotment of the amount in time. As the sanctioned amount was allotted at the fag-end of the financial years, many road safety measures like e-challan, modernisation of traffic police and orientation programme for road safety suffered.

3.4.5.2 Non-establishment of computerised weighbridges

As per action plan of the Government, computerised weighbridges were to be established at tax collection centres (TCC) on interstate boundaries for strict prevention of overloading of vehicles. During scrutiny of challans and information supplied by the Department, it was noticed that no computerised weighbridges were established by the Department and no portable weighbridges were supplied to test checked RTOs/DTOs for detection of overloading of vehicles. It was also observed that challans were issued and fine realised but there was no proof that the weight of vehicles was measured as no slip of weighbridge or other proof of weight measured was found enclosed with 1,697 challans out of 2,400 test checked challans issued in case of overloaded vehicles. Overloaded vehicles were, therefore, allowed to pass after verifying the overloading manually as there was no alternative arrangement for weighing of vehicles. The Department stated (June 2015) that installation of computerised weighbridge at 16 TCCs was under process.

3.4.5.3 Driving Licences

As per Section 3 of MV Act, 1988, no person shall drive a motor vehicle in any public place unless he holds a valid driving licence issued to him by the competent authority. The deficiencies regarding driving licences are discussed below:

- As per Section 9(3) of MV Act, 1988, no driving licence shall be issued to any applicant unless he passes to the satisfaction of the licensing authority such test as may be prescribed by the Central Government. Norms of such test are prescribed in Rule 15 of CMV Rules, 1989. Such test was to be taken mandatorily on driving tracks in compliance of the Department's order dated 2 February 2009. As per information furnished by the Department, it was noticed that there was no driving track in 21 out of 51 DTO offices (February 2015) which clearly indicate absence of required infrastructure for conducting tests before issue of driving licences.
- As per action plan of the Government regarding road safety policy, residential motor drivers' training institutes at zonal and district level for imparting training with a view to prepare expert drivers in the State were to be established upto March 2013. During scrutiny of records at selected units and information supplied by the Department, it was noticed that only two residential motor drivers' training institutes were established in Ajmer and Udaipur zone. Despite elapse of two years, the scheme was, therefore, not fully implemented.

- As per Section 180 and 181 of MV Act, 1988 allowing unauthorised persons to drive vehicles and driving vehicles without having an effective driving licence respectively shall be punishable with imprisonment for a term which may extend upto three months or applicable fine or with both. It was noticed from 180 out of 5,200 test checked challans contained with offence of plying of vehicles by drivers without having valid driving licences that the vehicles were released by imposing fine only. No action was found to have been taken against owner of the vehicles putting the public life and property at jeopardy.

3.4.5.4 Non-availability of equipment with Flying Squads

As per action plan of the Government regarding road safety policy, strict action should be ensured against drivers using mobile phones during driving and for drunken driving. Driving by a drunken person or by a person under the influence of drugs shall be punishable under Section 185 of MV Act, 1988. Further, under Section 112 of MV Act, 1988, no person shall drive a motor vehicle or allow a motor vehicle to be driven at any place at a speed exceeding the maximum speed or below the minimum speed fixed for the vehicle. The State Government or any other authority authorised on this behalf by State Government may, if satisfied that it is necessary to restrict the speed of motor vehicles in the interest of public safety or convenience or because of the nature of any road or bridge, by notification in official gazette or by causing appropriate traffic signs to be placed or erected at suitable places fix such maximum/minimum speed limits as it thinks fit for the motor vehicles or specified class of motor vehicles.

Interceptors may be used by the Department to detect use of seat belt, use of mobile phones during driving, over speeding, lane jumping, dangerous driving, *etc.* and breath analysers may be used for test in case of drunken driving.

As per information provided (June 2015) by the Department, five interceptors and 17 breath analysers were issued to 5⁷ and 10⁸ RTOs/DTOs respectively. However, the concerned RTOs Bikaner, Dausa, Kota and Udaipur intimated that no such equipment were available in their jurisdiction, which requires investigation.

The flying squads, therefore, lacked necessary equipment to enforce road safety measures relating to over-speeding, drunken driving, *etc.*

3.4.5.5 Certificate of Fitness

Under Section 56 of MV Act, 1988 read with Rule 62 of CMV Rules, 1989, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness (FC) issued by prescribed authority in the prescribed form. Further, under Rule 4.2-A of RMV Rules, 1990, a transport vehicle shall not be deemed to be validly registered after the expiry of 15 years from the

⁷ One interceptor to each RTO Ajmer, Chittorgarh, Pali, Sikar and DTO Barmer.

⁸ RTO Bikaner (2), Jodhpur (2), Alwar (2), Udaipur (2), Sikar (2), Pali (1), Kota (2), Dausa (1), Ajmer (1) and DTO Bhilwara (2).

date of its first registration until the vehicle is re-registered. The deficiencies regarding FCs of motor vehicles are discussed in the succeeding paragraphs.

• **Non-renewal of Certificate of Fitness of transport vehicles**

As per Rule 81 of the CMV Rules 1989, FCs in respect of a new transport vehicle shall be valid for two years; otherwise it shall be renewed every year against payment of prescribed fees of ₹ 100.

During analysis of registration and mechanical fitness of vehicles in the State, it was noticed that FCs in respect of 7,25,854 vehicles registered within 15 years under transport category had not been renewed during 2011-12 to 2013-14 as mentioned in the table below:

(In number)

Sl. no.	Particulars	2011-12	2012-13	2013-14	Total
1.	Transport vehicles registered during the period from last 2 to 15 years which were due for fitness during the year	4,13,933	4,58,002	5,09,580	13,81,515
2.	Total FCs issued during the year	2,96,859	3,06,501	2,64,510	8,67,870
3.	FCs of new registered vehicles during the year	71,666	76,613	63,930	2,12,209
4.	FCs of old vehicles renewed during the year (2-3)	2,25,193	2,29,888	2,00,580	6,55,661
5.	FCs of old vehicles not renewed during the year after due (1-4)	1,88,740	2,28,114	3,09,000	7,25,854
6.	Non realisation of minimum FC fees at the rate of ₹ 100 per vehicle	1,88,74,000	2,28,11,400	3,09,00,000	7,25,85,400

Source: Statistical Abstract of the Department.

It is seen from the above that transport vehicles were plying without having valid FCs and hence these were hazardous to traffic and human life. This also resulted in non-realisation of FCs renewal fee of ₹ 7.26 crore.

• **Non-establishment of fitness centres at RTOs/DTOs level**

As per proviso under Rule 62 of the Central Motor Vehicles Rules 1989, renewal of a fitness certificate shall be done only after the specified tests have been carried out by the Inspecting Officer or authorised testing stations.

It was noticed that no vehicles fitness centres were established by the Department at selected units. The concerned RTOs/DTOs stated that no equipment for specified tests were provided at RTOs/DTOs level to ensure proper mechanical condition of vehicles which also resulted in plying of vehicles without proper fitness. As per information furnished (June 2015) by the Department, one private fitness centre at Kota and two at Udaipur under 'Vehicle Fitness Inspection Centre Regulation Scheme-2011' were authorised for conducting the specified tests.

3.4.6 Conclusion and Recommendations

The Central Government approved a national Road Safety Policy in March 2010. A committee constituted by Government of Rajasthan promptly made an action plan for enhancing road safety measures. The Government made helmet

mandatory for two-wheeler riders across the state with effect from 28 October 2015 by rescinding exemption notification issued earlier. However, several shortcomings in implementations of the action plan by the Transport Department were noticed. The Department may focus its attention on the following issues;

- There was no driving track in 21 out of 51 DTOs for conducting tests before issue of driving licenses. Further, with a view to prepare expert drivers, residential motor drivers' training institutes at zonal and district level for imparting training were to be established.

The Government may strengthen the system of driver licensing and training to improve the competence and capability of drivers. It may augment the required infrastructure by establishing drivers testing tracks.

- Sufficient fund for observance of Road Safety week was not provided in the annual budget of the Department which showed that road safety measures were not given due priority by the Department.

The Government may allocate sufficient fund for creating awareness among public by suitable audio visual media and other means.

- Enforcement module of VAHAN software which was designed to capture the offence cases was not in operation.

The Government may take effective steps for earliest implementation of VAHAN enforcement module in all RTO/DTO offices for easy retrieval of history of offences and for taking stringent action against repeat offenders.

- Sufficient equipment were not provided to RTOs/DTOs for detection of over speeding, dangerous and drunken cases.

The Government may take steps to provide essential equipment to flying squads for detection of over speeding, dangerous and drunken driving, use of mobile phones during driving, etc.

- Fitness Certificates in respect of 7,25,824 vehicles registered within 15 years under transport category had not been renewed during 2011-12 to 2013-14. No vehicles fitness centre was established by the Department at selected units and necessary equipment were not provided at RTOs/DTOs level to ensure proper mechanical condition of vehicles.

The Government may consider implementing a facility to issue notice/SMS alert to vehicle owners not having valid Fitness Certificates on the basis of MIS report of Vahan database. It may also take immediate steps for establishment of fitness centers at RTOs/DTOs level.

- No computerised weighbridges were established by the Department at tax collection centers on interstate boundaries for detection of over-loading cases.

The Government may establish computerised weigh bridges for strict prevention of overloading of vehicles. It may take strict action against overloaded, over height, over dimensioned and overcrowded vehicles.

3.5 Non/short recovery of One Time Tax in respect of non-transport vehicles

As per notification dated 9 March 2010 as amended *vide* notification dated 26 March 2012, One Time Tax (OTT) is to be levied and collected on all non-transport vehicles used or kept for use in the State, at the rates prescribed by the State Government. Further, *vide* notification dated 9 March 2011, surcharge at the rate of 10 *per cent* is also leviable on tax payable.

During test check of the records (between September 2014 and March 2015) of 13 RTOs/ DTOs⁹ for the years 2012-13 to 2013-14, it was noticed that in respect of 108 non-transport vehicles, OTT and surcharge were either not paid or short paid by the owners of these vehicles. This resulted in non/short realisation of OTT and surcharge amounting to ₹ 1.18 crore.

After this was pointed out (between September 2014 and June 2015), the Government replied (July 2015) that in respect of 14 vehicles, ₹ 62.29 lakh was not recoverable as these vehicles were covered under the definition of construction equipment vehicles by virtue of their speed limitation.

The reply is not acceptable because as per the official website of manufacturer, the speed of the vehicles was more than 50 kilometre (Km) per hour and as per explanation given below Rule 2(ca) of Central Motor Vehicles Rules, 1989, a vehicle can be treated as construction equipment vehicle if its speed does not exceed 50 Km per hour. The objected amount, therefore, is leviable from these vehicles.

3.6 Non/short realisation of outstanding instalments of lump-sum tax

Under Section 4-C of the Rajasthan Motor Vehicles Taxation Act, 1951, a lump-sum tax on transport vehicles shall be levied at the rates prescribed by notifications issued from time to time by the State Government. The lump-sum tax payable may be paid in full or in three equal instalments within a period of one year. Further, as per notification dated 9 March 2011, surcharge at the rate of 10 *per cent* is also payable on tax.

During test check of the records (between June 2014 and March 2015) of 10 Regional Transport Offices (RTOs)/District Transport Offices (DTOs)¹⁰ for the years 2011-12 to 2013-14, it was noticed that owners of 312 transport vehicles opted for lump-sum payment of tax in three equal instalments. However, it was observed that either second and/or third instalments were not paid or paid short by the owners of these vehicles. The taxation officers also did not initiate any action to realise the amount of due tax. This resulted in non-realisation of lump-sum tax amounting to ₹ 1.35 crore.

After this was pointed out (between September 2014 and June 2015), the Government stated (July 2015) that in respect of 37 vehicles, ₹ 12.41 lakh had been recovered. Replies in respect of remaining vehicles are awaited (November 2015).

⁹ RTO: Chittorgarh and Pali; DTO: Baran and Kotputli.

¹⁰ RTO: Jodhpur, Pali and Udaipur; DTO: Barmer, Beawar, Jaisalmer, Jalore, Sirohi, Sriganganagar and Rajsamand.

3.7 Embezzlement of Government Money

As per Rules 7 and 27 of General Financial and Accounts Rules (GF&AR), the Controlling Officer has to see that all dues of the Government are correctly and promptly assessed, collected, accounted for and paid into the treasury expeditiously. Further, as per Rule 48(5), when the Government money in the custody of the Government servant is paid into the treasury or the bank, the Head of Office making such payment shall compare treasury/bank records with the entry of the cash book before attesting it to satisfy himself about authenticity of such payment. Transport Department *vide* its office order no. 34/2004 dated 3 July 2004 prescribed that in case fees and taxes received on registration of vehicles were short realised or short deposited, the dealer would have to deposit the differential amount alongwith penalty and interest. The Government *vide* S.O. 50 dated 1 May 2003 prescribed that penalty at the rate of 1.5 per cent per month or part thereof shall be levied on the due amount.

The Transport Commissioner *vide* office order 45/2002 dated 9 October 2002 and 50/2002 dated 23 October 2002 prescribed that the money collected by the office should be deposited by next working day in the Government Account.

3.7.1 (i) During test check of Cash Books, Bank Revenue Collection Register (R.C.R) and T.Y-11 of the DTO, Sriganaganagar for the period from April 2011 to March 2014, it was observed (March 2015) that the Government money was received and shown in cash book as deposited in bank but the actual deposit took place with a delay ranging from 1 to 191 days by the cashier. This resulted in temporary embezzlement of ₹ 11.74 crore on which penalty of ₹ 11.26 lakh was chargeable.

(Amount in ₹)

Sl. no.	Year	Amount deposited with delay	Delay in deposit	Penalty at the rate of 1.5 per cent per month or part of
1.	2011-12	3,25,02,480	2 to 32 days	3,05,785
2.	2012-13	1,51,59,700	11 to 30 days	1,02,150
3.	2013-14	6,96,91,310	1 to 191 days	7,18,466
Total		11,73,53,490		11,26,401

(ii) Test check of Cash Books for the period from March 2011 to March 2014 disclosed that the total amount of opening balance of Cash Book was not deposited in bank within the prescribed time limit. Substantial amount was withheld and partial amounts were deposited on next day without assigning any reason. This resulted in delayed deposit of ₹ 16.63 crore by one to five days and penalty of ₹ 24.95 lakh.

Similar observations were pointed out to the Department through our Inspection Report for the period of April 2010 to March 2011 wherein delayed deposit of ₹ 21.66 crore and loss of interest ₹ 32.50 lakh was highlighted. However, the irregularity still persists indicating therein the Department had not taken any corrective measures.

Thus, poor internal control system and non-compliance of the provision of rules resulted in delayed deposit of Government money into bank causing loss

of ₹ 68.71 lakh during the period from April 2010 to March 2014.

The cases were pointed out to the Department and reported to the Government (between March 2015 and June 2015). The Government stated (August 2015) that efforts were being made for recovery of ₹ 11.26 lakh from defaulting person.

3.7.2 During test check (March 2015) of cash books, bank revenue collection register (R.C.R) and T.Y-11 of DTO, Sriganganagar for the period from 2011-12 to 2013-14, it was observed that as per the cash book, the cashier had collected ₹ 32.74 lakh but had not deposited the same into the treasury. The cash thus remained out of cash chest which resulted in the embezzlement of Government money of ₹ 32.74 lakh due to non-compliance of the instructions issued by the Transport Commissioner and provisions of GF&AR by the DTO Sriganganagar. The summarised position of amount not deposited in bank is given below:

Sl. no.	Date of collection	Cash book page no.	Amount (in ₹)	Remarks
1.	31.10.11	54	20,35,000	Cash book not certified by DTO
2.	2.11.11	54	7,96,000	Cash book not certified by DTO
3.	25.10.12	40	4,43,100	No remarks
Total			32,74,100	

The mater was reported to the department (between March 2015 and April 2015) and the Government (between March 2015 and June 2015). The Department stated (August 2015) that ₹ 12.74 lakh had already been deposited by cashier on different dates but the amount was erroneously not entered in the cash book. It was also stated that ₹ 20.00 lakh had been deposited in the last week of March 2015. This indicates that the amount was deposited after being pointed out by audit on 12 March 2015. Further, scrutiny of challans submitted by the department disclosed that an amount of ₹ 4.43 lakh was deposited on 16 October 2012, prior to its receipt in cash book on 25 October 2012. This indicates that the challan pertained to other transactions. Non-depiction of the cash transaction in cash book shows major system deficiencies in verifying the cash balance with balance as per cash book.

3.8 Taxes on motor vehicles not realised

Under Sections 4 and 4B of the RMVT Act, 1951 and the Rules made thereunder, motor vehicle tax and special road tax are to be levied and collected on all motor vehicles used or kept for use in the State at the rates prescribed by the State Government from time to time. Further, *vide* notification dated 9 March 2011, surcharge at the rate of 5 per cent on tax is also payable.

During test check of the registration records, tax ledgers and general index registers of eight RTOs¹¹ and 16 DTOs¹² for the period 2011-12 to 2013-14, it

¹¹ Alwar, Ajmer, Bikaner, Chittorgarh, Jodhpur, Kota, Pali and Udaipur.

¹² Barmer, Baran, Beawar, Bundi, Didwana, Jaipur Jaisalmer, Jalore, Jhunjhunu, Karauli, Kotputli, Pratapgarh, Rajasamand, Sirohi, Sriganganagar and Sawai madhopur.

was noticed (between May 2014 and March 2015) that in respect of 5,538 vehicles for the period from April 2011 to March 2014, tax was not paid by the owners of these vehicles. There was no evidence on record to prove that the vehicles were off the road or were transferred to other District/States. The taxation officers did not initiate any action to realise the due tax. This resulted in non/short realisation of tax and surcharge amounting to ₹ 18.05 crore as mentioned below:

Sl. no.	Category of vehicles	No. of vehicles	Period of tax	Amount (₹in crore)	Name of offices where irregularities noticed
1.	Goods vehicles	1,547	April 2011 to March 2014	3.04	RTOs - Alwar, Ajmer, Bikaner, Chittorgarh, Jodhpur, Kota, Pali and Udaipur; DTOs - Barmer, Baran, Beawar, Bundi, Didwana, Jaisalmer, Jalore, Jhunjhunu, Karauli, Kotputli, Rajasamand, Sirohi, Sriganganagar and Sawai madhopur.
2.	Contract carriages (seating capacity upto 13 persons excluding driver)	2,103	April 2011 to March 2014	3.85	RTOs - Alwar, Ajmer, Bikaner, Chittorgarh, Jodhpur, Kota, Pali and Udaipur; DTOs - Barmer, Baran, Beawar, Bundi, Didwana, Jaisalmer, Jalore, Jhunjhunu, Karauli, Kotputli, Pratapgarh, Rajasamand, Sirohi, Sriganganagar and Sawai madhopur.
3.	Contract carriages (seating capacity more than 13 persons excluding driver)	81	April 2011 to March 2014	2.13	RTOs - Alwar, Jodhpur, Chittorgarh and Udaipur; DTOs - Barmer, Beawar, Bundi and Jhunjhunu.
4.	Stage carriages	575	April 2011 to March 2014	3.90	RTOs - Alwar, Ajmer, Jodhpur and Udaipur; DTOs - Barmer, Baran, Didwana, Jaipur, Jalore, Jhunjhunu, Karauli, Rajasamand, Sriganganagar and Sawai madhopur.
5.	Articulated goods vehicles	441	April 2011 to March 2014	1.42	RTOs - Ajmer, Bikaner, Chittorgarh, Jodhpur, Kota, Pali and Udaipur; DTOs - Beawar, Didwana, Jhunjhunu, Kotputli, Rajasamand, Sirohi, Sriganganagar and Sawai madhopur.
6.	Passenger vehicles kept without permits	97	April 2011 to March 2014	1.19	RTOs - Alwar, Jodhpur and Bikaner; DTOs - Jaipur, Jhunjhunu, Karauli, Kotputli and Sriganganagar.
7.	Dumpers/tippers	694	April 2011 to March 2014	2.52	RTOs - Alwar, Ajmer, Bikaner, Chittorgarh, Jodhpur, Kota, Pali and Udaipur; DTOs - Barmer, Baran, Beawar, Didwana, Jaisalmer, Jalore, Jhunjhunu, Kotputli, Rajasamand, Sirohi, and Sawai madhopur.
Total		5,538		18.05	

After being pointed out (between June 2014 and June 2015), the Government stated (July 2015) that in respect of 900 vehicles, ₹ 2.24 crore had been recovered and in respect of 67 vehicles, ₹ 0.30 crore was not recoverable due to deposit of lump-sum tax, etc. The report on progress of recovery in the remaining cases was awaited (November 2015).

3.9 Short realisation of special road tax (SRT) and surcharge in respect of stage carriage vehicles of Rajasthan State Road Transport Corporation (RSRTC)

As per the Government of Rajasthan, Transport Department's notification dated 11 June 2008, special road tax on stage carriages owned by a fleet owner shall be payable at the rate of 2.05 *per cent* of the cost of chassis of the entire fleet of vehicles used or kept for use as stage carriages. Further, as per notification dated 9 March 2011, surcharge as prescribed was also leviable on the tax payable. The monthly tax was required to be deposited on or before 14th day of each month.

Scrutiny of monthly returns (between October and November, 2014) of RTO, Jaipur for the year 2013-14 disclosed that SRT in respect of operational 1,738 stage carriage vehicles owned by RSRTC (the fleet owner) was not levied due to non-reconciliation of the position of vehicles, registration of which were surrendered or released during the month, with reference to the position of vehicles available for taxation during the preceding month. This resulted in non-levy of SRT and surcharge amounting to ₹ 4.56 crore.

After this was pointed out (between October 2014 and June 2015), the Government in its reply (July 2015) furnished revised position of new RCs issued, RCs cancelled and vehicles available with RSRTC. However, reasons for differences were not explained. Further, the revised position furnished by the Government did not tally with the returns submitted by RSRTC.