



सत्यमेव जयते

**Report of the
Comptroller and Auditor General of India
Performance Audit
of
Functioning of Transport Department**



लोकहितार्थ सत्यनिष्ठा
Dedicated to Truth in Public Interest



Government of Haryana
Report No. 4 of the year 2022

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Comptroller and Auditor General of India**

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PREFACE

This Report of the Comptroller and Auditor General of India for the year ended 31 March 2020 has been prepared for submission to the Governor of Haryana under Article 151 of the Constitution of India.

The Report contains significant findings of audit of operational wing and regulatory wing of the Transport Department, Government of Haryana, conducted under the Comptroller and Auditor General's (Duties, Powers and Conditions of Service) Act, 1971. The Report covering the period 2015-16 to 2019-20 contains the results of Performance Audit of 'Functioning of Transport Department'.

The Audit has been conducted in conformity with Auditing Standards issued by the Comptroller and Auditor General of India.

Executive Summary

Executive Summary

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

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

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

Significant Audit Findings of Operational Wing

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

(Paragraph 2.2.1)

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

(Paragraph 2.2.3)

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

(Paragraph 2.3.2.1)

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

(Paragraph 2.3.2.6)

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

(Paragraph 2.3.2.7)

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

(Paragraph 2.3.3)

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

(Paragraph 2.4.1)

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

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

(Paragraph 2.4.2)

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

(Paragraph 2.4.3)

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

(Paragraph 2.5.1)

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

(Paragraph 2.5.2)

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

(Paragraph 2.6)

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

(Paragraph 2.6.1)

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

(Paragraph 2.8.1)

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

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

(Paragraph 2.9)

Significant Audit Findings of Regulatory wing

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

(Paragraph 3.2.1)

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

(Paragraph 3.4.2 (a))

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

(Paragraph 3.4.2 (b))

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

(Paragraph 3.5)

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

(Paragraph 3.6.3)

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

(Paragraph 3.7.1)

Recommendations

The Department needs to ensure that:

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

Chapter 1

Introduction

Functioning of Transport Department

Chapter 1

1.1 Introduction

The Transport Department ensures compliance with the provisions of the Central Motor Vehicles Act, 1988 (MV Act), Central Motor Vehicles Rules (CMVR) 1989, the Haryana Motor Vehicles Act, 2016 and Haryana Motor Vehicles Rules 2016. The MV Act vests upon the State Governments the responsibility of providing an efficient public transportation system, registration of vehicles, issue of driving licenses, road permits, fitness certificates of vehicles and collection of road taxes. The major receipts¹ of the Department come from goods carriage, stage carriage, contract carriage and private service vehicles. The work relating to registration of vehicles, permits, fitness certificates of vehicles and collection of motor vehicle taxes are carried out through VAHAN² application. The work relating to issue of driving licenses and renewal of licenses are carried out through SARATHI³ application.

Haryana Roadways (Roadways), a State Government Undertaking which was formed as a commercial wing of Transport Department in November 1966, is the principal service provider for passenger transport in the State. It has a fleet of about 3,592 buses (as on 31 March 2020) operated by 24 depots, each headed by a General Manager, and 13 sub-depots functioning under the depots concerned. These services are being provided to every part of the State as well as to important destinations in the neighbouring States. Buses plied on an average 11.64 lakh Km per day during the period 2015-20. The State Government also allows private operators to provide public transport. The Government has reserved certain routes exclusively for the Roadways and few routes for private operators in the co-operative sector. The fare structure is controlled by the Government which is uniform for both the Roadways and the private operators.

1.2 Organisational set up

The Principal Secretary, Transport is the administrative head of the Transport Department. The operational wing is headed by a Director, State Transport who is appointed by the State Government. The Director is further assisted by two Additional Transport Commissioners (ATCs) and six officers⁴ at headquarters,

¹ Tax on motor vehicles, fees for registration of motor vehicles, issue of driving license and road permit etc.

² VAHAN is the flagship e-Governance application under National Transport Project.

³ SARATHI is the flagship e-Governance application under National Transport Project.

⁴ Senior Mechanical Engineer (SME), Joint Transport Commissioner (JSTC Technical), Chief Accounts Officer, Deputy Transport Controller(Traffic), Deputy Transport Controller (Planning and Design), Flying Squad Officer (FSO Traffic)

General Managers (GMs) lead the 24 depots at the field level. Each GM is the overall incharge of the concerned depot who is responsible for operation and control of the fleet at his/her depot.

The bus body building operation is carried out mainly through the Haryana Roadways Engineering Corporation (HREC), a Government Company under the administrative control of Transport Department.

The Regulatory wing headed by State Transport Commissioner (STC) deals with all policy matters and administration of applicable Acts and Rules. The STC is assisted by an Assistant Transport Commissioner (ATC), along with Secretaries and Sub Divisional Officers (SDOs) at Headquarters level. There are 22 Regional Transport Authority (RTA) offices headed by a Secretary in each district. RTA is responsible for registration of transport vehicles, issue of permits to Commercial Vehicles, issue of driving license, conductor license, levy and collection of various taxes and enforcement of applicable Act. There are 73 Sub Divisional Officers (Civil) (SDOs) notified as Registering and Licensing Authorities for registration and issuance of driving licenses learner/regular of vehicles for private use (non-transport).

1.3 Functions of Operational and Regulatory Wing

Operational Wing has the following responsibilities:-

- To provide efficient bus services to the public by replacing old ones and adding new ones including luxury buses;
- To design and introduce eco-friendly buses;
- To provide city bus services in big cities in order to discourage the use of personal vehicles;
- To construct modern bus terminals, bus queue shelters and modernization of workshops;
- To provide Information Technology based monitoring and control systems; and
- To impart training to the drivers, conductors and other staff.

Regulatory Wing does the following:-

- Registration of Motor Vehicles;
- Issue of certificate of fitness to Motor Vehicles;
- Grant/Renewal of permits to Transport Vehicles;
- Issuance of driving and conductor licences;
- Issuance of licences to Driving Schools;

- Grant of permission to Pollution Check Centers;
- Making Stage Carriage Schemes⁵;
- Promotion of Road Safety;
- Collection of Taxes and Fees; and
- Enforcement of the provisions regarding offences committed by the drivers of Motor Vehicles.

1.4 Audit objectives

The performance audit was conducted to assess whether:

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

1.5 Audit criteria

The performance audit has been conducted with reference to the provisions of the following Acts, Rules, norms and instructions issued by the Government/Management from time to time:

Operational wing

- Performance standards and operational norms fixed by the Association of State Road Transport Undertaking⁶ (ASRTU);
- Physical and financial targets/norms fixed by the Management;
- Manufacturers' specifications, norms for life of a bus, preventive maintenance schedule, fuel efficiency norms, etc.;

⁵ A scheme for the grant of stage carriage permits to the cooperatives of the unemployed youth, on certain routes in Haryana.

⁶ ASRTU is an apex coordinating body working under the aegis of Ministry of Road Transport and Highways Government of India.

- Instructions of the Government of India (GOI) and State Government and other relevant rules and regulations; and
- All India averages for performance parameters as prescribed by Central Institute of Road Transport, Pune⁷.

Regulatory wing

- Motor Vehicles Act, 1988;
- Central Motor Vehicles Rules, 1989;
- Air (Prevention and Control of Pollution) Act, 1981;
- Haryana Motor Vehicle Taxation Act, 2016;
- Haryana Motor Vehicle Taxation Rules, 2016;
- Haryana Road Safety Fund Rules, 2018; and
- Notifications, Circulars, Orders, Guidelines, Manuals issued by the Ministry of Road Transport and Highways, Government of India and Transport Department, Haryana from time to time.

1.6 Audit scope and methodology

Performance Audit (PA) for the period 2015 to 2020 was conducted between September 2020 and August 2021. Operational wing of the Transport Department deals with operational efficiency, financial management, fare policy, non-traffic receipts i.e. receipts from shops and booths and monitoring by top management of the department. There were 24⁸ depots in operational wing each headed by a GM and 13⁹ sub depots functioning under the depot concerned. The audit examination involved scrutiny of records of Director, State Transport (DST), Haryana Roadways Engineering Corporation (HREC) and eight¹⁰ depots out of 24 depots which were selected on the basis of criteria i.e. highest revenue collection district, most polluted district and nearby districts in view of COVID-19 pandemic.

Regulatory wing of the Transport Department deals with levy, assessment, collection and remittance of Government revenues, etc. The audit examination involved scrutiny of records of the State Transport Commissioner, Haryana and

⁷ State Transport Undertakings Profile and Performance (2017-18)

⁸ Ambala, Bhiwani, Chandigarh, Charkhi Dadri, Delhi, Faridabad, Fatehabad, Faridabad (City Bus Service), Hisar, Jhajjar, Jind, Kaithal, Karnal, Kurukshetra, Narnaul, Nuh, Palwal, Panchkula, Panipat, Rewari, Rohtak, Sirsa, Sonapat and Yamunanagar.

⁹ Assandh, Bahadurgarh, Dabwali, Gohana, Hansi, Kalka, Loharu, Naraingarh, Narwana, Pehowa, Safidon, Tohana and Tosham.

¹⁰ (i) Ambala, (ii) Faridabad, (iii) Gurugram, (iv) Kaithal, (v) Karnal, (vi) Kurukshetra, (vii) Panchkula and (viii) Yamuna Nagar

eight¹¹ districts out of 22 districts were selected on the basis of criteria i.e. highest revenue collection district, most polluted district and nearby districts in view of COVID-19 pandemic in respect of regulatory wing. Records for the period from 2015-16 to 2019-20 were test checked and cross verified with data on VAHAN application during audit of regulatory wing.

Data of selected Registering and Licensing Authority/Regional Transport Authority was supplied by the Centre for Data Management and Analytics (CDMA), Office of the CAG of India, and facts and figures were verified on 15 parameters during scrutiny of records of selected units. On the basis of these 15 parameters, audit findings have been included at appropriate places in the report. Besides this, similar audit findings pertaining to selected districts noticed during regular audit have also been included in the Report.

An entry conference was held on 4 September 2020 with the Principal Secretary to Government of Haryana, Transport Department, Transport Commissioner and officials of the Director's office, in which the audit methodology, scope, objectives and criteria were discussed and firmed up. A meeting was also held with Principal Secretary to Government of Haryana, Transport Department on 25 February 2021 for mid-term appraisal of Performance Audit.

An exit conference was held on 3 December 2021 with Principal Secretary to Government of Haryana, Transport Department, Additional Transport Commissioner alongwith the officials of the Transport Department wherein audit observations were discussed. Deliberations of exit conference and responses to audit observations have been appropriately incorporated in the report. However, the Department did not furnish any formal reply to the audit findings.

1.7 Organisation of audit findings

Chapter 2 deal with the audit findings relating to Operational wing of Transport Department. Chapter 3 cover the audit findings relating to Regulatory wing and Chapter 4 is on Internal Control and Chapter 5 relates to audit conclusions.

¹¹ (i) Ambala, (ii) Faridabad, (iii) Gurugram, (iv) Kaithal, (v) Karnal, (vi) Kurukshetra, (vii) Panchkula and (viii) Yamuna Nagar.

Chapter 2

Financial and Operational Performance

Chapter -2

Financial and Operational Performance

2.1 Financial Position and working results

The financial position of the Roadways for the five years' period of 2015-20 could not be worked out as the Proforma accounts are in arrears since 2015-16. The Proforma accounts for 2015-16 submitted by department to audit on 08th September 2021, had certain inconsistencies compared to the tentative working results made available to audit during the Performance Audit. In order to adopt a uniform approach and make a comparable assessment of revenue receipts and expenditure, operating revenues expenditure and other components, data on various financial and operating parameters for the period 2015-16 to 2019-20 compiled by office of the Director State Transport on the basis of monthly working results received from the General Manager of each depot was used for analyses, as given in **Table 2.1**.

Table 2.1: Provisional working results for the period 2015-20

Sr. No.	Description	2015-16	2016-17	2017-18	2018-19	2019-20
1	Total Revenue ¹	1,254.01	1,265.13	1,273.42	1,189.53	1,105.77
2	Operating Revenue ²	1,152.96	1,160.29	1,151.20	1,082.35	998.84
3	Total Expenditure	1,740.63	1,862.86	1,948.39	2,038.15	1,979.73
4	Operating Expenditure ³	1,688.02	1,809.71	1,885.83	1,959.80	1,899.47
5	Operating Loss (4-2)	535.06	649.42	734.63	877.45	900.63
6	Loss for the year (3-1)	486.62	597.73	674.97	848.62	873.96
7	Accumulated Loss	3,767.02	4,364.75	5,039.72	5,888.34	6,762.29
8	Fixed Costs					
	(i) Personnel Costs ⁴	786.35	830.83	890.61	922.77	1,060.71
	(ii) Depreciation	42.75	40.75	43.36	43.75	43.75
	(iii) Interest	37.50	38.50	38.15	38.50	38.50
	(iv) Other Fixed Costs ⁵	195.55	210.68	223.68	230.42	240.83
	Total Fixed Costs	1,062.15	1,120.76	1,195.80	1,235.44	1,383.79
9	Variable Costs					
	(i) Fuel – Diesel	465.89	522.23	516.73	568.03	486.07
	(ii) Tyres and Tubes, oil and spare parts	76.52	78.82	74.63	68.19	71.96
	(iii) Other Variable Costs ⁶	136.07	141.05	161.23	166.49	37.91 ⁷
	Total Variable Costs	678.48	742.10	752.59	802.71	595.94

¹ Figures of Finance Accounts and data included in table do not match as DST Haryana supplied the data on the basis of consolidated monthly working results which were compiled by DST Haryana for the period 2015-20.

² Operating revenue includes sale of tickets, advance booking, passes and season tickets, re-imbursement against concessional passes, etc.

³ Operating expenditure includes expenses on diesel, overtime, Spare parts, repair and maintenance, Salary and wages, Motor Vehicle Tax, etc.

⁴ Salary and wages.

⁵ Ex-gratia, Motor Vehicle Tax and direction charges, etc.

⁶ Overtime (till November 2018), Travelling Allowance and overhauling of bus engines.

⁷ The reason for sharp decline in other variable costs from 2018-19 to 2019-20 was abolition of the overtime policy with effect from November 2018.

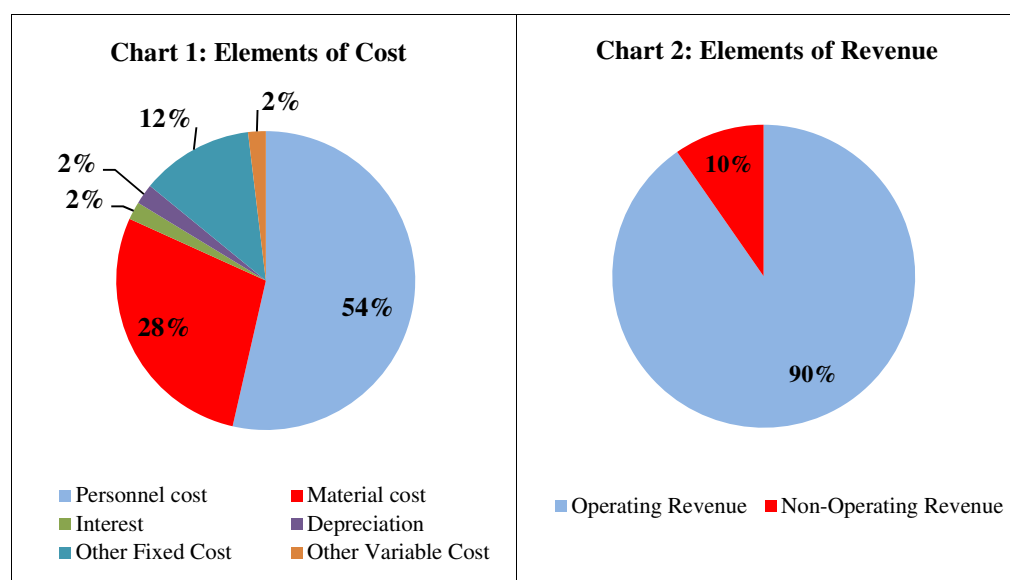
Sr. No.	Description	2015-16	2016-17	2017-18	2018-19	2019-20
10	Effective kms operated (in Lakh)	4,589.28	4,601.87	4,299.96	4,053.07	3,701.41
11	Earnings per km (In ₹) (1/10)	27.32	27.49	29.61	29.35	29.87
12	Fixed Cost per km (In ₹) (8/10)	23.15	24.35	27.81	30.48	37.39
13	Variable Cost per km (in ₹) (9/10)	14.78	16.13	17.50	19.81	16.10
14	Cost per km (in ₹) (3/10)	37.93	40.48	45.31	50.29	53.49
15	Net loss per km (in ₹) (14-11)	10.61	12.99	15.70	20.94	23.62
16	Traffic Revenue per km (in ₹) (2/10)	25.12	25.21	26.77	26.70	26.99
17	Operating loss per km (in ₹) (5/10)	11.66	14.11	17.08	21.65	24.33

Total revenue of Haryana Roadways marginally increased from ₹ 1,254.01 crore in 2015-16 to ₹ 1,273.42 crore in 2017-18 and thereafter the revenue declined to ₹1,189.53 crore in 2018-19 and further decreased to ₹ 1,105.77 crore in 2019-20. Total expenditure has shown a continuous increase during 2015-16 to 2018-19 and showed marginally decrease in 2019-20. The roadways incurred losses in all the years and accumulated losses increased from ₹ 3,767.02 crore to ₹ 6,762.29 crore during 2015-20. The reasons for increase in losses were decreasing vehicle productivity (*Paragraph 2.3.2.2*), decreasing load factors (*Paragraph 2.3.2.3*), increase in manpower cost due to deployment of excess operational staff (*Paragraph 2.6*) and bus fare not commensurate with the increasing operational cost of the roadways (*Paragraph 2.7*).

During exit conference, the department confirmed the facts and figures.

2.1.1 Elements of cost and revenue

Personnel costs and material costs constitute the major elements of cost. Break-up of cost and revenue for 2019-20 are given in *Chart 1 and 2*, respectively.



2.2 Fund Management

2.2.1 Trend of revenue receipt and revenue expenditure

The main source of income of Operational wing of Transport Department is operating revenue which is on account of sale of tickets, advance booking, passes and season tickets, re-imbursement against concessional passes, etc. The budget estimates and the actual receipts of the operation wing (Transport Department) during the period 2015-20 are detailed in the **Table 2.2**.

Table 2.2: Details of budget estimates and the actual receipts of the Operational wing
(₹ in crore)

Year	Estimated Receipts submitted by Transport Department to Finance Department	Budget estimates approved by Finance Department	Actual receipts	Short (in per cent)	Operational Revenue (In per cent against actual receipts)
2015-16	1,325.00	1,450.00	1,254.01	195.99 (14)	1,152.96 (92)
2016-17	1,370.00	1,865.00	1,265.13	599.87 (32)	1,160.96 (92)
2017-18	1,365.00	1,970.00	1,273.42	696.58 (35)	1,151.20 (90)
2018-19	1,480.00	2,000.00	1,189.53	810.47 (41)	1,082.35 (91)
2019-20	1,345.00	2,000.00	1,105.77	894.23 (45)	998.84 (90)
Total	6,885.00	9,285.00	6,087.86	3,197.14 (34)	5,546.31 (91)

Source: Budget documents and information regarding actual receipts provided by DST, Haryana.

Actual receipts decreased from ₹ 1,254.01 crore to ₹ 1,105.77 crore during 2015-20 and the shortfall in actual receipts over budget estimates increased from 14 per cent in 2015-16 to 45 per cent in 2019-20. Revenue from operations, which is the main source for receipts, also decreased from ₹ 1,152.96 crore to ₹ 998.84 crore during the same period. Every year, the budgeted estimate of receipts fixed by the Finance Department were substantially higher than the receipts projected by the Transport Department. During the five year period, against the projected receipt of ₹ 6,885 crore by Transport Department, Finance Department budgeted receipt of ₹ 9,285 crore, while the actual receipt was ₹ 6,087.86 crore (34 per cent less than the budgeted estimate). Justification for higher estimation of the receipts by Finance Department was not available on record.

The budget estimates and the actual revenue expenditure of the operational wing (Transport Department) during the period 2015-20 are detailed in the **Table 2.3**.

Table 2.3: Details of budget estimates and actual revenue expenditure
(₹ in crore)

Year	Budget estimates	Actual expenditure	Savings (in per cent)
2015-16	2,029.53	1,740.63	288.90 (14)
2016-17	2,149.43	1,862.86	286.57 (13)
2017-18	2,240.79	1,948.39	292.40 (13)
2018-19	2,253.20	2,038.15	215.05 (10)
2019-20	2,296.30	1,979.73	316.57 (14)
Total	10,969.25	9,569.76	1,399.49 (13)

Source: Budget documents and information regarding actuals provided by DST, Haryana.

As can be seen from the above table that the actual expenditure was lower than the budget estimates during the period 2015-20 and saving ranged between 10 to 14 *per cent* during the corresponding period.

The deviation of the budget estimates from actuals were large both for receipt and expenditure. There was a gap of ₹ 3,197.14 crore between budgeted receipts during the five years period while corresponding gap between budgeted expenditure and actual expenditure was ₹ 1,399.49 crore.

2.2.2 Planning

In order to provide efficient and effective transport services to cope with growing demands of the people, it was essential for the Transport Department to formulate appropriate policy and programmes.

Records relating to preparation of long-term/short-term plan were not available in the department. During exit conference, the department stated that short-term/long-term plans were not being prepared by the department and assured to prepare the same in future for better accomplishment of its objectives/goals. As a result, there were deficiencies in augmentation of fleet, repair and maintenance activities, operational performance and in monitoring as discussed in succeeding paragraphs.

Utilisation of budget on major components which had a bearing on operational performance is given in **Table 2.4**.

Table 2.4: Budget estimates and actual expenditure in respect of major components during 2015-20

(₹ in crore)

Component	Budget estimate	Actual expenditure	Amount unspent (in <i>per cent</i>)
Purchase of chassis	700.45	157.48	542.97 (78)
Major works	475.00	459.75	15.25 (3)
Machinery and equipment	5.50	1.30	4.20 (76)
Total	1,180.95	618.53	562.42 (48)

There were 48 *per cent* savings against the estimated budget for purchase of chassis, major works, machinery and equipment. In absence of planning, the Department could not ensure availability of adequate road worthy bus fleet after assessing the operational requirement of buses and allotment of funds necessary to keep the bus fleet in road worthy conditions. Alongwith this, the delay in finalisation of procurement of bus chassis resulted in underutilisation of budget allotment, which is discussed in detail in **Paragraph 2.4.1**.

During exit conference, the department confirmed the facts and figures. However, reply of the department is awaited in this regard (January 2021).

The Department needs to improve planning and fund management.

2.2.3 Diversion of funds

Haryana Roadways Engineering Corporation (HREC) was established to fabricate bus bodies of various depots of Haryana Roadways. The purchase of bus chassis are finalised by High Powered Purchase Committee (HPPC) and processed by Director, State Transport, Haryana, Chandigarh (DST) and bus chassis are delivered from the chassis manufacturer directly to HREC for body fabrication work and subsequently completed buses for operation are delivered to depots as per allocation done of DST Haryana.

The Jawahar Lal Nehru Urban Renewal Mission (JNNURM) scheme, in which only Faridabad was covered in Haryana, was launched on 3 December 2005 and closed on 31 March 2014. ₹ 32.02 crore were received by Transport Department during the period between April 2008 and February 2014 for specific purposes i.e. purchases of buses under JNNURM (₹ 8.50 crore), purchase of electric bus Ticketing Machine (₹ one crore), computerisation of bus stand (₹ 0.92 crore), purchase of Compressed Natural Gas (CNG) Buses (₹ 4.41 crore), etc. These funds were parked in the books of HREC from time to time to avoid lapse of these funds at the end of each financial year. As of 31 March 2019, HREC had balance of ₹ 32.02 crore which were kept in fixed deposits with banks as given in *Appendix-I*.

During 2019-21, out of ₹ 32.02 crore, an amount of ₹ 21.97 crore was spent by HREC on behalf of Transport Department for purchase of computer hardware, purchase of AC Volvo Buses, mobilization advance of Mercedes Benz buses and mini buses as given in *Appendix II*.

Audit observed (August 2021) that funds of ₹ 32.02 crore were received for specific purpose during the period between April 2008 and February 2014 in which ₹ 21.97 crore were utilised between May 2019 and June 2020 by diverting the funds for the purpose other than for which the grant was made. Reasons for not utilizing the funds in time and diverting the funds for the purpose other than for which the grant was made were not available on the record. Unspent balance which is required to be returned to the grant sanctioning authority along with interest is still lying in fixed deposits.

Copies of sanctions and utilisation certificates for these funds were sought in August 2021 and again in January 2022 from the office of Director, State Transport, Haryana, Chandigarh. However, the information was not received. Consequently the linking of these unutilised funds to sanctions and utilisation certificates for relevant grants could not be examined in Audit.

During exit conference, the department assured that matter would be examined under intimation to audit. No further response from the department communicating results of examination has been received (January 2022).

The department needs to take steps to prevent diversion of funds and ensure that funds are utilised only for the specific purpose for which the funds were received.

2.3 Providing efficient, economical, reliable, safe and environment friendly transport services

2.3.1 Share of Roadways in public transport

Details of the share of public transport in the State is given in **Table 2.5** for the period 2015-20.

Table 2.5: Details of public transport in the State

Sr. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	Roadways Buses held at the end of the year	4,208	4,122	4,142	3,843	3,592
2.	Hired buses on kilometer scheme	-	-	-	-	462
3	Private stage carriage buses held at the end of the year	859	1,041	1,157	1,192	1,192
4	Total buses for public transport (1+2+3)	5,067	5163	5,299	5,035	5,246
5	Percentage share of Roadways	83.05	79.84	78.17	76.33	77.28
6.	Percentage share of private operators	16.95	20.16	21.83	20.67	22.72
7	Estimated Population (in lakh)	273.18	277.12	280.98	284.80	288.55
8.	Vehicle density for total buses per one lakh population (Sr.No.4/7)	18.55	18.63	18.86	17.68	18.18
9	Vehicle density of Roadways bus (including Hired buses on Kilometer scheme) per one lakh population {Sr. No. (1+2)/7}	15.40	14.87	14.74	13.49	14.05

Source: Data provided by DST

Against the sanctioned fleet of 4,500 buses, the available buses provided by Haryana Roadways decreased from 4,208 to 3,592 during the period 2015-20. However, Haryana Roadways augmented the number of buses operated in 2019-20 by hiring 462 buses on Kms scheme, thereby taking the number of available buses to 4,054 which still remained short of the sanctioned fleet strength by 446 buses. Besides, there was reduction in availability of bus service to the public and volume of operation declined from 4,589.28 lakh effective kms in 2015-16 to 3,701.41 lakh effective kms in 2019-20 as discussed in **Paragraph 2.1**. The number of private stage carriage buses showed increase from 859 (2015-16) to 1,192 (2019-20). Resultantly, percentage share of roadways decreased from 83.05 *per cent* to 77.28 *per cent* during the period 2015-16 to 2019-20.

Availability of roadways buses per lakh population reduced from 15.40 in 2015-16 to 13.49 buses in 2018-19. It increased to 14.05 buses in the year 2019-20 due to hiring of 462 buses on kms scheme. Thus, the Roadways faced difficulties in fully achieving its objective to provide adequate transport service to the public.

During exit conference, the department confirmed the facts and figures.

2.3.2 Operational Performance

The operational performance of the Department was evaluated on various parameters such as capacity utilization, vehicle productivity, load factor, fuel cost and repair & maintenance (R&M) of vehicles. Audit observations in this regard are discussed in the succeeding paragraphs:

2.3.2.1 Fleet strength and age profile

The State Government had prescribed (May 2013) that buses which were eight years old and had covered seven lakh kms should be condemned. In case of premature condemnation of buses, permission of State Government was required. Roadways had a fleet strength of 3,592 buses as of March 2020. Summarised details of the fleet strength and age-profile of the buses of the roadways during the five years (2015-20) as well as number of break downs, cost of repair and maintenance and average cost of repair per bus is given in **Table 2.6**.

Table 2.6: Year-wise details of the fleet and age profile of the buses

Sr. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1.	Total No. of buses at the beginning of the year	4,212	4,208	4,122	4,142	3,843
2.	Additions during the year	180	193	269	183	168
3.	Buses scrapped during the year	184	279	249	482	419
4.	Buses held at the end of the year (1+2-3)	4,208	4,122	4,142	3,843	3,592
5.	Average number of buses	4,210	4,165	4,132	3,993	3,718
6.	Number of buses more than eight years old (out of Sr. No. 4)	82	102	194	220	582
7.	No. of break downs	4,118	5,034	4,817	4,784	4,841
8.	Cost of repair and maintenance (₹ in lakh)	8,392.75	8,733.18	8,347.15	7,817.8	8,072.26
9.	Average cost of repair and maintenance per bus (₹ in lakh) (8/5)	1.99	2.10	2.02	1.96	2.17
10.	Average number of breakdowns per bus (Sr.No. 7/Sr.No.5)	0.978	1.209	1.166	1.198	1.302

As evident from the above table, the average number of buses declined gradually from 4,210 in 2015-16 to 3,718 in 2019-20. Also, the number of buses more than eight years old increased gradually from 82 to 582 during the period 2015-20. Average cost of repair increased from ₹ 1.99 lakh to ₹ 2.17 lakh per bus during the corresponding period. As a consequence of increased overage fleet, average number of breakdowns increased to 1.3 per bus during the period reflecting an increase of 33.13 *per cent* over breakdown per bus from 2015-16. The effective kilometres covered by the buses decreased from 4,601.87 lakh kms in 2016-17 to 3,701.41 kms in 2019-20.

During the period 2015-20, the State Government sanctioned ₹ 700.45 crore for purchase of chassis and fabrication of bus bodies but department could utilize only ₹ 157.48 crore from the said amount. The main reason for non-induction of new fleet was the department's indecisiveness and failure to finalise technical specifications as detailed in subsequent **Paragraph 2.4.1**.

During exit conference, the department had confirmed the facts and figures and stated that time period for decommissioning of the buses had been revised to 10 years in place of eight years for meeting social obligations specifically to ferry girl students of Government Schools as per new initiative of Government of Haryana where daily travelling is not expected to be too much and is within capacity of these old buses. The reply of the department was not relevant to the audit issue which related to increased cost of repairs and breakdowns for overage buses being used in regular operation in addition to short distance trips.

2.3.2.2 Vehicle productivity

Vehicle productivity refers to the average km run by each bus per day in a year. The details of the vehicle productivity of the department and percentage of overage fleet above eight years is given in **Table 2.7**.

Table 2.7: Details of the vehicle productivity and percentage of overage fleet

Sr. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1.	Vehicle Productivity (kms run per day per bus)	302	304	290	281	275
2.	Total no. of buses at the end of each year	4,208	4,122	4,142	3,843	3,592
3.	Overage fleet of buses above eight years at the end of the year (in numbers)	82	102	194	220	582
4.	Overage fleet above eight years at the end of the year (in per cent)	1.95	2.47	4.68	5.72	16.20

Source: Data provided by DST Department.

The vehicle productivity had slightly improved from 302 kms in 2015-16 to 304 kms in 2016-17, but then declined gradually to 275 kms by 2019-20 because of increase in overage fleet. The other reasons for decline in vehicle productivity were under-utilisation of fleet available for operations (**Paragraph 2.3.2.7**) and prolonged detention of buses in workshop (**Paragraph 2.5.2**). The low vehicle productivity of buses led to non-recovery of the operational cost and consequential operational losses of the Department during the five years covered in audit.

The data for All India Vehicle productivity was available for the period 2015-16 to 2017-18 and performance of Haryana is detailed in the **Table 2.8**.

Table 2.8: Details of performance of Haryana Roadways as well as all India best performer

Year	Haryana Roadways (kms run per bus day)	Rank	Total no. of SRTU ⁸	All India best performance productivity on fleet held kms run per bus per day (name of State Transport Undertaking)
2015-16	302	16	37	541 (State Express Transport Corporation Limited Tamil Nadu)
2016-17	304	18	41	613 (PEPSU Road Transport Corporation)
2017-18	290	18	35	530 (State Express Transport Corporation Limited Tamil Nadu)

⁸ State Road Transport Undertakings

Haryana Roadways stood at 16th rank out of 37 SRTU in 2015-16 on All India performance in terms of vehicle productivity on fleet held and slipped to 18th rank out of 41 and 35 SRTU during 2016-17 and 2017-18 respectively.

During exit conference, the department stated that the vehicle productivity had decreased due to overage fleet.

2.3.2.3 Load factor

The capacity utilization of transport department is measured in terms of load factor, which represents the percentage of passengers carried to seating capacity. Details of cost of operating a bus per km, actual load factor, operating revenue to be earned per km at cent *per cent* load factor and break-even factor for the period 2015-20 are given in the **Table 2.9**.

Table 2.9: Cost per km, actual load factor, operating revenue to be earned and break-even load factor

Sr. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1.	Cost per km (In ₹)	37.93	40.48	45.31	50.29	53.49
2.	Actual Load Factor (in <i>per cent</i>)	75.29	68.76	67.87	70.77	69.58
3.	Traffic Receipts (In ₹ per Km)	25.12	25.21	26.77	26.70	26.99
4.	Operating Revenue per km at 100 <i>per cent</i> load factor (In ₹)	33.36	36.66	39.44	37.73	38.79
5.	Break- even ⁹ Load factor considering only operating revenue (in <i>per cent</i>)	113.70	110.42	114.88	133.29	137.90

It was observed that the cost per kilometre increased from ₹ 37.93 to ₹ 53.49 (41.02 *per cent*) during the five year period while revenue per kilometre increased from ₹ 25.12 to ₹ 26.99 (only 7.44 *per cent*). The actual load factor during the period 2015-20 ranged between 67.87 and 75.29 *per cent*. The break-even load factor remains quite high and unachievable.

During exit conference, the department stated that in the present scenario it was not possible to attain break-even point as increase in bus fare was not allowed by the State Government.

2.3.2.4 Recovery of cost of operations

The Roadways was not able to even recover its cost of operations. During the period 2015-20, the net loss per km showed an increasing trend with the recovery of cost of operations remaining stressed year after year. Details of cost of operation per km, earning per km and Net loss per km is depicted in **Table 2.1** for the period 2015-20.

Department had not been able to recover the cost from its earning by running the fleet during the period 2015-20. The net loss per km had increased from ₹ 10.61 per km to ₹ 23.62 per km during the corresponding period due to

⁹ Break-even is the point at which total cost and total revenue are equal.

increase in manpower cost per effective km (**Paragraph 2.6**) and fare not being commensurate to cost of operation (**Paragraph 2.7**).

During exit conference, the department had confirmed the facts and figures.

2.3.2.5 Effective per capita kms of fleet operated by Haryana Roadways

Public transport has definite benefits over personalized transport in terms of cost, congestion on roads and environmental impact. The public transport services have to be adequate to effectively derive those benefits. Effective per capita kms is defined as the ratio of total number of kms run by public transport of a State in a year to the total population of that State. The position of effective per capita kms operated by Haryana Roadways for the period 2015-20 is given in **Table 2.10**.

Table 2.10: Details of effective kms operated, estimated population and per capita km per year during 2015-20

Sr. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1.	Effective kms operated (in lakh)	4,589.28	4,601.87	4,299.96	4,053.07	3,701.41
2.	Estimated Population (in lakh)	273.18	277.12	280.98	284.80	288.55
3.	Per Capita kms per year	16.80	16.61	15.30	14.23	12.83

The above table shows the decline in effective kms operated during the period 2015-20 while estimated population increased during the period. The primary reason for the decrease is reduction in fleet strength (**Paragraph 2.3.2.1**).

During exit conference, the department agreed with the above mentioned facts and stated that more than eight years old buses and failure to purchase new bus chassis were the reasons for decreasing effective kms and decreasing per capita kms.

2.3.2.6 Fuel efficiency and targets

Fuel efficiency is defined as the average kms run by a vehicle per litre of fuel consumed. The State Transport Department held various meetings between December 2015 and May 2018 under Chairmanship of Additional Chief Secretary to Government of Haryana, Transport Department in which Director, State Transport (DST) along with other officers of the department participated and DST reiterated its orders that the Kilometer Per Litre (kmpl) below five for ordinary buses would not be accepted at any cost. The details are given in **Appendix III**.

Average consumption of diesel for all depots of Haryana Roadways slightly improved from 4.73 kmpl in 2018-19 to 4.79 kmpl in 2019-20. The average consumption of diesel in test-checked depots of Haryana Roadways ranged between 4.67 and 4.97 kmpl during the period 2015-20.

On assessing the performance of selected eight depots on fuel efficiency, it was observed that out of eight selected depots, only Kurukshetra depot had achieved

the target of five kmpl during the period 2015-20 while four¹⁰ depots achieved desirable target for one to two years only. Out of these four depots, Faridabad and Karnal depots had achieved 5.16 kmpl in 2015-16 and 5.17 kmpl in 2018-19 respectively. Gurugram and Kaithal depots had achieved targets in 2016-18 and in 2015-17 respectively. Three depots did not achieve the targets in any of the years from 2015 to 2020. Excess consumption of diesel of 39.86 lakh litres valuing ₹ 21.68 crore during the period 2015-20 was assessed in test checked depots against minimum benchmark.

Further, it is seen that universal targets of kmpl were fixed for all depots without any analysis or study of data related to operational conditions in a depot in terms of age profile of fleet of buses, congestion encountered and other relevant factors. Fixing of such universal targets do not assist in monitoring against objectives of enhancing achievable operational efficiencies.

The data for all India Fuel Efficiency was available for the period 2015-16 to 2017-18 and roadways of other States performed better. An illustrative position for the period 2015-16 to 2017-18 is provided in **Table 2.11**.

Table 2.11: Details of performance of Haryana Roadways as well as all India Best performer

Year	Haryana Roadways (kmpl)	Rank	All India Best performer (kmpl) (Name of STU)
2015-16	4.74	17 th	5.62 {Tamil Nadu State Transport Corporation (Kumbakonam)}
2016-17	4.75	20 th	5.68 {Tamil Nadu State Transport Corporation (Kumbakonam)}
2017-18	4.74	18 th	5.69 {Tamil Nadu State Transport Corporation (Kumbakonam)}

Source: State Transport Undertakings Profile and Performance Report prepared by Central Institute of Road Transport, Pune.

As evident from the table that in the All India Fuel efficiency (in kmpl) on gross Kms, rank of Haryana Roadways slipped from 17th (2015-16) to 20th (2016-17) and it improved to 18th in 2017-18 while the Tamil Nadu State Transport Corporation (Kumbakonam) topped the tally with 5.62 kmpl, 5.68 kmpl and 5.69 kmpl during 2015-16, 2016-17 and 2017-18 respectively.

Further, among the neighbouring States, Uttar Pradesh State Road Transport Corporation achieved 5.2, 5.24 and 5.25 kmpl during 2015-16, 2016-17 and 2017-18 respectively. Similarly, Rajasthan State Road Transport Corporation also achieved 5.00, 5.06 and 5.10 kmpl during the corresponding period respectively.

During exit conference (3 December 2021), the department agreed with the above mentioned facts and stated that instructions would be issued to take necessary steps by concerned depots for improvement in kmpl. Further, the department has also assured to fix different norms as per road conditions of the State and other circumstances.

¹⁰ Faridabad, Gurugram, Kaithal and Karnal.

2.3.2.7 Missed kilometers

The total Kilometers (kms) planned to be operated by Roadways buses (including Hired buses on kms scheme) on the allotted routes for a particular period are known as scheduled kms while the distance actually covered by Roadways buses to earn revenue is known as 'Effective kms'. The Roadways at times is not able to operate the full number of routes and trips as scheduled. The distance of such trips which could not be operated is known as 'Missed kms'.

During scrutiny of records in test-checked depots, audit observed that the scheduled kms were not fully operated by Haryana Roadways buses (including Hired buses on kms scheme). Details of scheduled kms as per available buses, effective kms, missed kms, percentage of missed kms and amount not realised¹¹ on account of missed kms are given in **Table 2.12**.

Table 2.12: Details of scheduled kms, effective kms and missed kms and amount not realised due to missed kms

Name of Depots	Scheduled kms	Effective kms	Missed kms	Percentage of missed kms to Scheduled kms	Amount not realised (₹ in crore)
	(In lakh)				
	1	2	3 (1-2)	4	5
Ambala	1,195.02	1,115.34	79.68	6.67	6.09
Faridabad	665.09	643.94	21.15	3.18	1.65
Gurugram	1,091.79	881.25	210.54	19.28	33.64
Kaithal	852.79	773.70	79.09	9.27	6.58
Karnal	1,235.52	962.55	272.97	22.09	27.72
Kurukshetra	171.29	167.11	4.18	2.44	0.32
Panchkula	102.16	98.27	3.89	3.81	0.16
Yamunanagar	993.37	889.61	103.76	10.45	10.76
Total	6,307.03	5,531.77	775.26	12.29	86.92

Audit observed that the test checked depots could not realise ₹ 86.92 crore due to non-operation of 775.26 lakh scheduled kms. These missed kms were mainly due to decrease in fleet in operation (**Paragraph 2.3.2.1**), under-utilisation of fleet available for operation (**Paragraph 2.4.3**) and prolonged detention of buses in the workshops (**Paragraph 2.5.2**).

During exit conference, the department confirmed the facts and figures. The department had also communicated its desire to give a detailed reply which has not been received (December 2021).

2.3.3 Operation of Volvo Buses by Gurugram Depot

Gurugram depot had 20 Volvo buses in its fleet for operation between Gurugram and Chandigarh during 2015-18 and 17 Volvo buses during 2018-20. Three Volvo Buses were condemned during 2017-18. The performance of these Volvo Buses including number of buses, receipt and expenditure, kms operated are given as detailed in **Table 2.13**.

¹¹ Amount not realised= average route receipts per km – average variable cost per km

Table 2.13: Details of receipt and expenditure and kms operated by the Volvo buses

	2015-16	2016-17	2017-18	2018-19	2019-20
Number of buses	20	20	20	17	17
Traffic receipt (₹ in lakh)	2,167.01	2,124.36	2,213.60	1,840.17	1,543.92
Total expenditure (₹ in lakh)	1,940.25	1,909.61	1,849.88	1,697.93	1,627.99
Total kilometers operated (in lakh)	35.97	32.94	32.10	25.56	23.73
Profit/loss (₹ in lakh)	226.76	214.75	363.71	142.25	(-) 84.07
Kilometer run per bus per day	493	451	440	412	382

Source: Data supplied by Gurugram depot.

Profit from operation of these Volvo Buses increased from ₹ 2.27 crore to ₹ 3.64 crore during 2015-18. It declined to ₹ 1.42 crore in 2018-19 and it incurred a loss of ₹ 0.84 crore in 2019-20. Operation of these buses decreased from 493 kms per bus per day to 382 kms per bus per day which affected the delivery of service to the people as well as operational and financial performance. The reasons amongst others for decline in kms per bus per day from 2015-16 to 2019-20 included longer detention in workshop due to break-downs/maintenance, non-deployment and State wide strike in 2018.

Audit observed that receipts per km ranged between ₹ 60.25 and ₹ 72.01 with average of ₹ 65.80 during 2015 to 2020. Contrarily, the expenditure per km ranged between ₹ 53.94 and ₹ 68.61 during 2015 to 2020 with average expenditure of ₹ 60.05 per km. The rate of increase in revenue per km during the period 2015-20 was eight *per cent* and corresponding increase in expenditure per km was 27 *per cent*. This had adversely impacted the financial viability of operation of these services which was linked to decrease in operational performance as reflected in decline of km run per bus per day from 493 in 2015-16 to 382 in 2019-20.

Further, during scrutiny of records (bin cards) in respect of Volvo buses, it was seen that various parts were replaced in seven Volvo buses at frequent intervals. These parts included fuel tank, alternator, engine fly wheel assembly, track rod, turbocharger, valve, brake housing, inter-cooler and compressor with cost ranging between ₹ 0.53 lakh and ₹ 1.61 lakh per part and these were replaced two to four times between seven days and 487 days. Most of these parts¹² had been replaced within short period.

The depot failed to provide documentary evidence of replacements covered by warranty and justification for early replacement. No reason was provided by the department for decrease in operational efficiency from 493 kms per bus per day to 382 kms per bus per day.

¹² Fuel tank of bus No. 1501 costing ₹ 0.71 lakh was replaced within 50 days, alternator of bus no. 5302 costing ₹ 0.55 lakh was replaced four times on 18 April 2019, 16 May 2019, 23 May 2019 and 21 August 2019, brake housing part costing ₹ 1.38 lakh were replaced between 25 and 403 days in bus no. 1503, 4603, 5303.

During exit conference, the department assured to look into the matter and to give a detailed response thereupon. No response has been received from the department (December 2021).

2.4 Purchase of built up buses, fabrication, design and delivery of buses

2.4.1 Non-utilization of budget allotment of funds for purchase and fabrication of bus chassis

Paragraph 5.3 of Punjab Budget Manual as applicable in Haryana State provides that the budget estimates should be as close to accurate as possible and the provision to be included in respect of each item should be based on what is expected to be spent during the financial year.

Director, State Transport Department had incurred an expenditure of ₹ 157.48 crore against the budget provision of ₹ 700.45 crore under Acquisition of fleet scheme on purchase of bus chassis and cost of fabrication of buses to be replaced/added for expansion of bus fleet and departmental vehicles (car/jeeps) during the period 2015-20. The detail of budget provision and actual expenditure during the period 2015-20 is given in **Table 2.14**.

Table 2.14: Detail of budget provision, actual expenditure during 2015-20

(₹ in crore)

Year	Budget Provision	Actual expenditure
2015-16	156.90	21.92
2016-17	163.55	13.59
2017-18	180.00	95.72
2018-19	100.00	22.17
2019-20	100.00	4.08
Total	700.45	157.48

As evident from above table, the department had to surrender an amount of ₹ 542.97 crore against the total budget provision of ₹ 700.45 crore. Audit noticed the following in respect of the process of purchase of ordinary buses during the period 2015-20:

- During 2015-16, the department got a budget of ₹ 156.90 crore for purchase of 995¹³ buses for expansion of bus fleet. However, the department prepared a proposal for purchase of 600 Standard bus chassis only. Accordingly, the Government gave administrative approval (June 2015) for purchase of 600 standard bus chassis (300 each of BS-III and BS-IV emission norms). Ministry of Road Transport and Highways (MoRTH), Government of India (GoI) had issued (August 2015) notification making meeting Bharat Stage IV emission

¹³ 995 Bus chassis: 600 ordinary bus chassis, 10 bus chassis of HVAC, 170 ordinary bus chassis against replacement of condemned and backlog of 215 ordinary bus chassis for the year 2014-15.

norms mandatory for Heavy Commercial Vehicles including buses in Haryana State w.e.f. 1 October 2015. On the basis of this notification, e tender was invited on 28 November 2015 to purchase only 300 bus chassis of BS-IV emission norms. Thereafter, during the pre-bid meeting, technical specifications were proposed to be revised on the request of one bidder. The Committee (January 2016) observed that the existing technical specification given in DNIT indicate that a single firm/source had been favoured. The tender was therefore cancelled by the department. Consequently, the department failed to utilise the budget to purchase the bus chassis for expansion of bus fleet.

- During 2016-17, the department got a budget of ₹ 163.55 crore for purchase of 595¹⁴ ordinary bus chassis. The department invited (May 2016) e-tender for purchase of 300 bus chassis meeting BS-IV emission norms with the revised technical specification. The department placed two supply orders for supply of 50 and 250 bus chassis on 15 December 2016 and 23 December 2016 respectively. The department could take delivery of only 50 buses upto March 2017 and remaining 250 bus chassis were delivered during 2017-18. Due to delay in finalisation of tender process, the department could not utilise the allotted budget for the year 2016-17.
- During 2017-18, the department got a budget of ₹ 180 crore for purchase of 589¹⁵ ordinary bus chassis. However, the department purchased only 150 ordinary bus chassis vide supply order dated 13 September 2017 and received the delivery between January 2018 and April 2018. Due to purchase of a lesser number of bus chassis for reasons not recorded, department could not utilise the allotted budget.
- During 2018-19, the department got a budget of ₹ 100 crore for purchase of bus chassis. The department invited (June 2018) e-tenders for purchase of 367 ordinary bus chassis. However, process of purchasing these 367 ordinary bus chassis was not completed up to March 2019 due to non-finalisation of technical specifications. Thus, department could not utilise the allotted budget.
- During 2019-20, the department got a budget of ₹ 100 crore for purchase of bus chassis. The department could not complete previous process of purchasing of 367 bus chassis due to non-finalisation of technical specifications upto September 2019. Thereafter citing the implementation of BS-VI norms from April 2020, the department

¹⁴ 595 Ordinary bus chassis: 350 ordinary bus chassis, 245 ordinary bus chassis against replacement of condemned.

¹⁵ 589 Ordinary bus chassis: 300 ordinary bus chassis, 289 ordinary bus chassis against replacement of condemned.

decided to purchase 100 bus chassis instead of 367 bus chassis. Purchase process of these 100 bus chassis was not finalised due to the inability of the manufacturer and HREC to supply/fabricate the chassis respectively by March 2020. However, contrary to the decision to abide by the BS-VI norms for standard buses, the department placed supply order on 28 January 2020 for 18 super luxury buses with BS-IV emission norms and received the delivery of these super luxury buses in March 2020 just before the implementation of BS-VI emission norms.

Had the department made strenuous efforts to complete the purchase process of 367 ordinary buses in time, just like it did for the purchase of 18 super luxury buses in 2019-20, the delivery could have been taken much before implementation of BS-VI emission norms.

The inexplicable delay in decision making and in finalising technical specifications by the Transport Department/High Power Purchase Committee led to reduction in fleet strength over the years. Against the target of introduction of 995 new buses, the department could purchase only 450 ordinary bus chassis, 150 mini buses and 18 super luxury buses during 2015-20 whereas 1,613 buses were scrapped during the period. Resultantly, the fleet in operation reduced from 4,208 in 2015-16 to 3,592 in 2019-20.

The department should take steps to expedite the purchase process of bus chassis to increase the fleet strength.

2.4.2 Delay in lifting of buses

The purchase of bus chassis is finalised by High Power Purchase Committee and processing of purchase is done by Directorate State Transport (DST) office. The bus chassis are directly delivered to Haryana Roadways Engineering Corporation (HREC). After fabrication of bus chassis, the buses are delivered to concerned depots as per allotment made by DST.

During scrutiny, it was noticed that depots had not lifted buses in time after fabrication of buses by HREC. In certain cases, there were abnormal delays in lifting of buses from HREC by the concerned depots. The details of fabricated buses lifted by depots with abnormal delay from HREC is given in **Table 2.15**.

Table 2.15: Details of fabricated buses ready for delivery which were lifted with delay

Year	Fabricated buses ready for delivery	Buses whose delivery was taken after delays	Delay in lifting of buses after giving relaxation of seven days	Loss of on-road days	Vehicle utilisation per day (in kms)	Loss of potential ¹⁶ revenue per km (In ₹)	Loss due to non-lifting of buses (₹ in lakh)
	1	2	3	4	5	6	7 = (4 x 5 x 6)
2015-16	167	163	19 to 333	20,829	302	10.34	650.42
2016-17	24	24	85 to 125	2318	304	9.08	63.98
2017-18	321	303	13 to 111	17,544	290	9.27	471.64
2018-19	130	39	10 to 43	953	281	6.90	18.48
Total	642	529					1,204.52

Source: Data provided by HREC, Gurugram

Even after factoring in a reasonable time period of seven days, out of 642 fabricated buses, 529 buses were lifted by depots with delay. The HREC was not maintaining any file/documentary records with regard to intimation to the concerned depots for the buses which were ready for delivery. No reason for delay were found in records of HREC as to why depots were reluctant to take delivery of buses. Thus, due to non-lifting of these buses in time, Haryana Roadways suffered a loss of potential revenue of ₹ 12.05 crore during the period 2015-19.

HREC, Gurugram stated (December 2021) that against the requisition/demand note, the concerned depots were being informed telephonically as and when the buses were ready for delivery.

During exit conference, the department had confirmed the facts and figures.

The department needs to ensure that delivery of buses are taken timely by the concerned depots.

2.4.3 Utilisation and premature condemnation of semi low floor star buses

State Government had prescribed (June 2013) desirable age of a bus as eight years and coverage of seven lakh kms (both conditions to be fulfilled for condemnation). In case of premature condemnation of buses, permission of State Government was required.

DGST, Haryana had purchased 34 semi low floor star buses costing ₹ 5.95 crore¹⁷ during 2008-09. These buses were allocated to five¹⁸ depots and put on road in January-February 2009 by these depots.

¹⁶ The potential loss has been worked out on the basis of bus kilometers lost x contribution per KM for the respective year. Contribution per KM = Traffic receipt per KM less Variable cost per KM.

¹⁷ ₹ 17.50 lakh per bus

¹⁸ Ambala: 9 buses; Kurukshetra: 8 buses, Panipat: 2 buses, Kaithal: 2 buses and Chandigarh: 13 buses.

Audit noticed that these buses did not cover the prescribed mileage of seven lakh kms and their utilisation ranged between 18 and 86 *per cent* upto February 2020 (*Appendix IV*). These were not operated thereafter. Citing reasons including non-availability of spare parts from open market and not having skilled manpower to repair these buses, these Depots requested DST for pre-mature condemnation of buses. Audit noticed that no document was on record to show whether concerned Depots intimated the DST regarding difficulties encountered during operation of these buses.

It was the responsibility of the Department to factor in and ensure the availability of spares and technical manpower to carry out the repairs to ensure roadworthiness of the buses. Resultantly, the department had suffered a potential loss of ₹ 3.33 crore due to putting these buses off road before completion of prescribed norms i.e. seven lakh kilometres as detailed in *Appendix IV*.

During exit conference, the department had confirmed the facts and figures and assured to give a detailed reply. No reply has been received from the department (December 2021).

The department needs to ensure that buses are utilised by the concerned depots as per prescribed limit.

2.4.4 Non-inclusion of safety standards introduced by GoI

MoRTH, GoI notified (May 2014) amendment in ‘Code of Practice for Bus Body Design and Approval’ vide which it was prescribed that all type I, type II and type III public service buses shall be provided with Audio/visual or Audio visual information system to inform passengers inside the bus regarding emergency escape provisions, destination, bus stops etc. This arrangement was introduced to enhance passenger safety. Further, it was also required for public service buses to have an emergency declaration switch to be operated by the driver, audio hooter and visual red blinking light inside, and amber light outside the bus to declare an emergency for speedy evacuation of the passengers. The information provided shall be in the form of pictogram. Words, letters and numbers were to supplement the pictogram in combination on the same sign.

During audit of HREC, six buses of Gurugram depot which were delivered during 2017 or thereafter were randomly checked by audit. The above mentioned safety features were not found in these buses.

The GM, HREC, Gurugram confirmed that these features had not been provided despite inclusion of these features in prototype bus and assured to include these safety features in buses during fabrication work of buses were done in future.

During the exit conference, the department stated that these features are being included in the buses which are being manufactured in HREC at present. The

non-availability of these features in the buses fabricated by HREC continues to be an area of concern.

2.5 Maintenance of Buses

2.5.1 Delay in preventive maintenance of buses resulting into major break down and complete overhauling of engines

Preventive maintenance is essential to keep the buses in good running condition and to reduce breakdowns/other mechanical failures. The Haryana Roadways had prescribed preventive maintenance schedule (A and B Services)¹⁹ of buses at every 18,000 kms. The depots were to strictly adhere to the preventive maintenance schedule and regularly prepare the report.

Prescribed preventive maintenance schedule of A and B Services were not adhered to in seven depots during the period 2015-20 as per details given in *Appendix V*.

Audit observed that preventive maintenance i.e. 'A' and 'B' service was not carried out timely. Shortage of 30 *per cent* in carrying out 'A' service was noticed in five²⁰ depots. In case of 'B' service, shortage of 30 *per cent* was noticed in four²¹ depots. The preventive maintenance was quite low in Ambala depot as 'A' service was short by 36.66 *per cent* and 'B' services by 39.45 *per cent* during selected period. Due to shortfall in carrying out of A and B services, the Department had to incur expenditure of ₹ 1.49 crore on major overhauling of engines. Kaithal depot, however performed comparatively better as it had reported shortage of 9.58 and 8.48 *per cent* of preventive maintenance of 'A' and 'B' service respectively and sent 22 engines for overhauling and incurred an expenditure of ₹ 0.18 crore on major repairs of engines from Central Workshop, Karnal.

Audit further noticed that bus-wise records were not maintained in Ambala and Kaithal depot. In the absence of this, audit could not ascertain that engines sent to Central Workshop, Karnal were of those buses whose preventive maintenance was considerably delayed.

During exit conference (3 December 2021), the department assured to look into the matter and submit the detailed reply thereupon. However, no reply has been received from the department (December 2021).

¹⁹ 'A' services : Engine oil, oil filter change; 'B' Services : Hub greasing and brake inspection

²⁰ Ambala, Karnal, Kurukshetra, Panchkula and Yamunanagar.

²¹ Ambala, Gurugram, Kurukshetra and Yamunanagar.

2.5.2 Loss of revenue due to detention of buses in workshop beyond reasonable time

Buses are required to be taken in the respective workshop for repair and maintenance purposes and the detention of buses in the workshops should preferably be within a reasonable timeframe.

During scrutiny of records of selected depots for the period 2015-20, it was noticed that the buses were detained at the workshops for periods ranging between 16 and 510 days with the average delay being 76 days. The details of number of buses along with detention days in workshop during 2015-20 are given in **Table 2.16**.

Table 2.16: Detail of number of buses alongwith detention period in workshop

(In numbers)

Range in days	2015-16		2016-17		2017-18		2018-19		2019-20		Total	
	Bus	Days	Bus	Days	Bus	Days	Bus	Days	Bus	Days	Bus	Days
16-100	16	920	48	2,256	51	2,421	61	2,931	28	1,652	204	10,180
101-200	5	711	7	816	12	1,609	13	1,710	4	560	41	5,406
201 and above	7	2,521	1	479	1	324	0	0	0	0	9	3,324
Total	28	4,519	56	3,551	64	4,354	74	4,641	32	2,212	254	19,277

Source: Data compiled from the concerned depot

As evident from above table, in 204 instances where the buses were kept in workshop for 16 to 100 days, 10,180 potential operational days were lost. Similarly in 41 instances where the buses were kept in workshop for 101 to 200 days, 5,406 potential operational days were lost. In nine instances, the buses were kept for more than 201 days and 3,324 potential operational days were lost.

Audit observed that due to longer detention of buses in workshops, eight selected depots suffered loss of potential revenue of ₹ 4.23²² crore (**Appendix VI**) which was calculated on the basis of loss of potential operational days after giving a margin of detention of 15 days in workshops. Main reasons for keeping the buses in workshop for relatively longer time were accidental repair, engine repairing, fuel pump repairing, etc. not being completed in time on account of shortage of technical staff in workshop. There was acute shortage of workshop staff over the years in all the selected depots. During 2015-16, against the sanctioned strength of 1,744 posts in workshops in seven depots, men-in-position were only 747 with shortage of more than 50 *per cent*. The shortage further increased to 1,063 and 1,137 during 2016-17 and 2017-19. In 2019-20, the shortage of technical staff slightly decreased to 1,095 but it was still very high.

During exit conference, the department assured to fix parameters with respect to time taken for various repairing jobs undertaken by workshops. However,

²² Ambala: ₹ 123.96 lakh, Faridabad: ₹ 5.11 lakh, Gurugram: ₹ 35.98 lakh, Kaithal: ₹ 27.62 lakh, Karnal: ₹ 50.85 lakh, Kurukshetra: ₹ 21.78 lakh, Panchkula: ₹ 106.84 lakh and Yamunanagar: ₹ 51.05 lakh.

department did not furnish any reply regarding reasons for longer detention of buses in workshops.

2.6 Manpower Cost and productivity

During 2015-20, total fixed²³ and variable²⁴ cost of the Haryana Roadways was ₹ 9,569.76 crore. Manpower²⁵ and fuel cost²⁶ was ₹ 7,050.22 crore which constitute 73.67 per cent of total fixed and variable cost for the period. The manpower cost constituted 46.93 per cent of the total cost. The manpower deputed along with cost, effective kms, number of buses are given in **Table 2.17**.

Table 2.17: Details of manpower cost and productivity

Sr. No.	Particulars	2015-16	2016-17	2017-18	2018-19	2019-20
1	Total Manpower (in numbers)	17,646	16,968	16,004	19,663	19,932
2	Manpower Cost (₹ in crore)	786.35	830.83	890.61	922.77	1,060.71
3	Effective kms (in lakh)	4,589.28	4,601.87	4,299.96	4,053.07	3,701.41
4	Cost per effective km (in ₹) (Sr. No. 2/ Sr. No. 3)	17.13	18.05	20.71	22.77	28.66
5	Productivity per day per person (kms) {Sr. No. 3*1,00,000/(Sr.No. 1 x 365 days)}	71.25	74.30	73.61	56.47	50.88
6	Total Buses (in numbers)	4,208	4,122	4,142	3,843	3,592
7	Manpower per bus (Sr. No. 1/Sr. No. 6)	4.19	4.12	3.86	5.12	5.55

Source: Data provided by the DST department.

The manpower productivity per day has decreased from 71.25 kms in 2015-16 to 50.88 kms in 2019-20. Manpower productivity decreased due to decrease in fleet (**Paragraph 2.3.2.1**), under-utilisation of fleet available for operation (**Paragraph 2.4.3**), excess deployment of operational staff (**Paragraph 2.6.1**) and prolonged detention of buses in workshop (**Paragraph 2.5.2**). Resultantly effective kms also decreased from 4,589.28 lakh kms in 2015-16 to 3,701.41 lakh kms in 2019-20, whereas manpower per bus has increased from 4.19 per bus in 2015-16 to 5.55 per bus in 2019-20. The data on All India average productivity per person per day was available for only 2016-17 which was 59.88 kms. Haryana Roadways stood at 8th rank on All India basis with average productivity of 74.30 kms per day per person in 2016-17. Average productivity of Uttar Pradesh was highest in the tally with 117.60 kms per day per person in 2016-17.

During exit conference, the department stated that non-induction of new buses in the fleet had been main reason for decrease in vehicle productivity.

²³ ₹ 5,997.94 crore.

²⁴ ₹ 3,571.82 crore.

²⁵ ₹ 4,491.27 crore.

²⁶ ₹ 2,558.95 crore

2.6.1 Excess deployment of drivers and conductors

The State Government had fixed norms for driver and conductors in the ratio of 1:2.5 for city buses and 1:1.4 for others according to fleet in operation. Any excess above the norms would cause unnecessary financial burden on the State exchequer.

During scrutiny of records in selected depots, it was noticed that the drivers were in excess of norms ranging between seven and 351 drivers during 2018-19 and 2019-20 which resulted into idle wages payment of ₹ 34.88 crore during 2018-20 (*Appendix VII*). The conductors were deployed in excess in respect of prescribed norms in Kaithal depot during 2015-20 and in remaining seven depots excess conductors were deployed in part of the years for the same period.

However, the drivers were deployed in excess in all the depots beyond the prescribed norms during 2018-19 and 2019-20.

General Manager, Ambala Depot stated (October 2020) that drivers were deployed in accordance with the authorised sanctioned fleet, which was higher in number than the actual fleet strength. Faridabad depot (July 2021) stated that excess drivers and conductors were deployed due to transfer from other depots. Kurukshetra and Yamuna Nagar depots (February-March 2021) stated that excess staff were being deployed on other duties such as posting in cash branch, pass branch, flying duty, yard duty, stand duty, etc. This was irregular as deputing surplus drivers to duties other than that of drivers required a formal process of deputation/surplus absorption. The position of sanctioned strength and men-in-position during 2015-16 to 2019-20 in respect of these positions was sought from all the eight selected depots including Yamunanagar and Kurukshetra depot (4 January 2022) and response was received from only six depots. It was not received from Kaithal and Karnal depots. It is assessed that deputing surplus drivers to cash branch, pass branch, flying duty was irregular and required absorption into those cadres by declaring them as surplus or by taking them on deputation through a formal process. The Department may review its sanctioned strength with respect to fleet in each depot and fix it accordingly. Excess staff may be adjusted in the Department or in any other Departments for performing staff car drivers duty, etc.

During exit conference, the department stated that matter regarding excess deployment of drivers was under consideration and that option of adjustment in the Office of the State Transport Commissioner and other departments for the time being were being explored. As far as conductors were concerned, they were already being adjusted in hired buses.

2.7 Fare Policy

As per Section 67 (1)(i) of the Motor Vehicles Act 1988, the State Government may, from time to time, by notification in the official gazette issue directions, fixing maximum and minimum fares of stage carriage.

The State Government increased (June 2016) the fare from 75 paise to 85 paise at the rate of 10 paise per km per passenger (13.33 *per cent*) w.e.f. 30 June 2016. Fare revision exercise was undertaken in 2019 but fare was not revised on the ground that there was no need to increase the bus fare in the interest of general public. Thereafter, the fare was increased (May 2020) from 85 paise to 100 paise per km per passenger upto 100 kms (17.64 *per cent*) and to 105 paise per km per passenger beyond 100 kms.

However, the total cost of operation increased from ₹ 37.93 per km in 2015-16 to ₹ 53.49 in 2019-20 i.e. increase of 41.02 *per cent*. Audit observed that the increase in passenger fare was not commensurate with the increasing cost of the operation of the buses. Therefore the Department should actively optimise and improve the efficiency of the operations to minimise losses.

During exit conference, the department stated that it would explore the option of increase in passenger fare with the increasing cost of operation of the buses.

2.8 Non-Traffic Receipt

2.8.1 Lease of shops and booths

According to the comprehensive policy guidelines for leasing out shops and booths in the bus stands of Haryana Roadways, the period of allotment is three years through auction/allotment for the period. The rent is required to be increased every financial year by 10 *per cent*.

Policy guidelines required the General Manager to execute an agreement with all the shop allottees before taking possession of the shops. Allottees were required to deposit the rent on a quarterly basis in advance. The Accounts Officer is responsible for timeliness and correct recovery of rent. Prescribed timely checks have to be carried out by the GM. Delays in payment of rent involved levy of penalty²⁷ and cancellation of contract²⁸. The bidders were required to submit bank guarantee²⁹/fixed deposit before taking possession of shops. Further, DST had issued instructions (December 2016) that the collection of rent from shops and other rented facilities at bus stand should be done online only.

Short recovery of rent

On the basis of available cash receipts slips relating to lease rent including Service Tax/GST of five shops at Yamuna Nagar Depot for the period 2016-20, audit

²⁷ At the rate of two *per cent* per month on the amount due.

²⁸ If the delay in payment of rent was more than one month.

²⁹ Equivalent to four month rent and with a validity of three months after the expiry of contract.

noticed short recovery as follows:

- Lease rent including Service Tax/GST of five shops recovered was ₹ 66.02³⁰ lakh against the due amount of ₹ 136.82³¹ lakh for the period April 2016 to June 2019 (including extended lease agreement period of three months in view of code of conduct). Thus, an amount of ₹ 70.80 lakh was short recovered from these lessees of five shops (*Appendix VIII*).

Further, lease rent including Service Tax/GST of six shops recovered was ₹ 29.98³² lakh against the due amount of ₹ 73.92³³ lakh for the period July 2019 to March 2021. Thus, amount of ₹ 43.94³⁴ lakh was short recovered from the lessees on account of lease rent and GST (*Appendix IX*).

On this being pointed out, an amount of ₹ 8.46³⁵ lakh was deposited via recovery from two lessees. Records relating to issue of show cause notices and cancelled contract of shops due to non-payment of rent were not available in the depot.

Audit further observed that rent register was neither properly maintained nor signed/checked by the GM as prescribed in lease rent policy. The Accounts Officer also did not monitor the rent recovery.

Thus, lack of compliance with prescribed controls resulted in short recovery of rent including Service Tax/GST ₹ 1.15 crore for the period 2016-21.

During exit conference, the department stated that FIR has been lodged and enquiry officer has been appointed for departmental action. Results of the enquiry would be intimated to audit.

2.9 Traffic receipts on Inter State Routes

The Government decided (February 2014) that the traffic receipt on Inter State Routes should not be less than ₹ 30 per km. If receipt was between ₹ 25 and ₹ 30 per km then permission of Headquarters was necessary. The GMs were directed to consider stopping such Routes which were earning less than ₹ 25 per km.

During scrutiny of performance statements of the interstate route receipts, for the period 2015-20, it was noticed that the test checked/selected depots had been

³⁰ Rent: ₹ 59.51 lakh + Service Tax/GST: ₹ 6.51 lakh.

³¹ Rent: ₹ 117 lakh + Service Tax/GST: ₹ 19.82 lakh.

³² Deposit ₹ 29.98 lakh on account of rent only.

³³ Rent: ₹ 62.64 lakh + GST: ₹ 11.28 lakh

³⁴ Rent: ₹ 32.66 lakh + GST: ₹ 11.28 lakh

³⁵ ₹ 6.75 lakh of rent for the month of November, December 2019 and January 2020 from Cycle stand on 25 March 2021 and 27 March 2021 and ₹ 1.71 lakh for the month of November 2019 from Hot and cold shop on 25 March 2021.

running buses on those interstate routes in which 459 buses received traffic receipt ranging between ₹ 25 per km to ₹ 30 km and 393 buses received traffic receipt less than ₹ 25 per km as per details given in **Appendix X**.

The depots were required to seek permission from Headquarter to run 459 buses where traffic receipt was ranging between ₹ 25 and ₹ 30 per km. However, record relating to permission sought, if any, was not found in selected depots. Further, audit did not find any initiation of proposals by the GMs for consideration of stopping buses where traffic receipts were less than ₹ 25 per km in selected depots. Inaction by the department on the issue resulted in loss of ₹ 37.01 crore.

During exit conference, the department assured to look into the matter and give a detailed response. No response from the department has been received (December 2021).

The department may act in prudent and rational manner by deploying Inter State Route buses on profitable routes in order to reduce its increasing losses year after year.

Chapter 3

Levy, assessment, collection and remittance of Government revenues

Chapter 3

Levy, assessment, collection and remittance of Government revenues

3.1 Fund Management

3.1.1 Trend of revenue and expenditure

The revised budget estimates and the actual receipts of the regulatory wing of the Transport Department during 2015-20 are given in the **Table 3.1**.

Table 3.1: Details of Budget Estimates and the Actual Receipts of the regulatory wing
(₹ in crore)

Year	Revised Budget Estimates (RBE)	Actual receipts	Increase (+)/ Decrease (-) over RBE (In per cent against RBE)
2015-16	1,316.00	1,400.38	(+) 84.38 (6.41)
2016-17	1,600.60	1,583.06	(-) 16.94 (1.06)
2017-18	2,500.00	2,777.57	(+) 277.57 (11.10)
2018-19	2,950.00	2,908.29	(-) 41.71 (1.41)
2019-20	3,500.00	2,915.76	(-) 584.24 (16.69)
Total	11,866.60	11,585.06	(-) 281.54 (2.37)

Source: Budget documents and finance accounts of respective years.

As evident from above, actual receipts over budget estimates increased in the range of 6.41 *per cent* to 11.10 *per cent* during 2015-16 and 2017-18. There was decrease in actual receipts over budget estimates in 2016-17, 2018-19 and 2019-20. The decrease in actual receipt ranged between 1.06 *per cent* and 16.69 *per cent*. The Department attributed the decrease in actual receipt over budget estimate to registration of lesser number of vehicles (big trucks) than anticipated. Overall, the actual receipts increased from ₹ 1,400.38 crore in 2015-16 to ₹ 2,915.76 crore in 2019-20. The main reason for increase in actual receipt during 2017-19 was increase in rates of motor vehicle tax with effect from 28 March 2017. The notification in this regard was issued in exercise of the powers conferred by Haryana Motor Vehicle Taxation Act 2016, which was promulgated on 19 September 2016. However, Act was made effective w.e.f. 1 April 2017 through an amendment Act passed on 4 April 2018. Through these Acts, the Punjab Passenger and Goods Tax Act 1952, as applicable to Haryana, was also repealed. The passenger and goods tax was levied in respect of passenger and goods vehicles and was deposited under separate Major Head '0042-Tax on Passenger and Goods'. The administration of passenger and goods tax was with Excise and Taxation Department.

The budget estimate and the actual expenditure of the regulatory wing during the period 2015-20 are detailed in the **Table 3.2**.

Table 3.2: Details of Budget Estimate and Actual Expenditure of the regulatory wing
(₹ in crore)

Year	Revised Budget Estimates	Actuals	Savings (-)/Excess (+) (in per cent)
2015-16	20.16	18.72	(-) 1.44 (7.14)
2016-17	34.44	28.57	(-) 5.87 (17.04)
2017-18	40.32	38.23	(-) 2.09 (5.18)
2018-19	92.85	55.79	(-) 37.06 (39.91)
2019-20	75.88	57.54	(-) 18.34 (24.17)
Total	263.65	200.55	63.10 (23.94)

Source: Budget documents and finance accounts of respective years.

Actual expenditure was lower than the Revised Budget Estimate during all these years. The decrease in expenditure ranged between 5.18 *per cent* and 39.91 *per cent* and was mainly because of less expenditure on Road Safety as construction of Institute of Driving, Training & Research (IDTR) was not started by linked departments. However, the actual expenditure increased from ₹ 18.72 crore in 2015-16 to ₹ 57.54 crore in 2019-20.

Transport Vehicles

3.2 Realization of Motor Vehicle Tax (MVT) from owners of Goods and Passengers Transport Vehicles

Section 3 of Haryana Motor Vehicle Taxation Act, 2016 provides that tax shall be levied and collected on all motor vehicles used or kept for use in the State at such rate and penalty as may be notified by the Government from time to time. The Government notified the rates of motor vehicle tax for all categories of vehicles registered in the State of Haryana by notifications¹ issued from time to time.

Note (d) of the notification dated 29 September 2017 provides that:

- In case of new vehicle, tax is payable within 30 days from the date of its purchase;
- In case of transport vehicles, already registered in the State of Haryana, tax is payable quarterly/yearly within 30 days of the commencement of quarter/year and in case of stage carriage buses of Haryana and other States, paying tax monthly, within 10 days of commencement of month; and
- In case of vehicle transferred in Haryana from other State, within 30 days from the date of keeping the vehicle in Haryana.

Note (k) of the notification provides that if owner of a goods carriage, paying tax on monthly/quarterly basis, deposits tax for a year, a rebate of 10 *per cent*

¹ Notification No. 13/15/2010-6T(I) dated 28 March 2017, 29 September 2017 and 31 May 2019

on annual tax is available. However, if the owner of a vehicle does not pay tax timely, then Note (d) of the notification provides for levy of penalty at the rate of 0.5 *per cent* of tax due for each day of delay, subject to the condition that amount of penalty shall not exceed the amount of tax due. In addition to the tax and penalty, simple interest at the rate of one² *per cent per month* of the tax due and penalty is also chargeable for the delayed period (Section 10(2) of the Act). A table showing rates of motor vehicle tax imposed on various vehicles during 2015-20 is given at *Appendix XI*.

Audit noticed cases of non/short realisation of motor vehicle tax and penalty in all the selected districts as given in Paras 3.2.1 to 3.2.3 below:

3.2.1 Short realization of motor vehicle tax

Scrutiny of VAHAN data relating to tax due and tax paid in respect of 14,567 cases pertaining to all the eight test checked RTAs disclosed short deposit of tax and penalty of ₹ 6.90 crore in respect of 2,879 vehicles (19.76 *per cent* of 14,567) as given in *Appendix XII*.

The Department did not pursue the cases of non-payment.

The concerned RTAs stated that notices would be issued to the concerned vehicle owners.

3.2.2 Non-realization of penalty

Scrutiny of vehicle history sheets of transport vehicles, as available on VAHAN, for the period from April 2017 to March 2020, in the selected RTAs revealed that the owners of 21 city buses in RTA Gurugram and 44 stage carriage buses in RTA Kaithal deposited motor vehicle tax of ₹ 1.27 crore³ with delays ranging between 11 and 359 days. Penalty of ₹ 17.03 lakh was recoverable on the delayed payment whereas the RTAs recovered penalty of ₹ 3.92 lakh only which resulted in short realisation of penalty of ₹ 12.24 lakh in 58 cases and non-realisation of penalty of ₹ 0.87 lakh in seven cases.

The RTAs stated that notices would be issued to the vehicle owners and recovery would be made.

3.2.3 Motor Vehicle Tax pertaining to intervening period

Scrutiny of vehicle history sheets relating to goods/passenger vehicles, as available in the selected RTAs revealed that in three⁴ RTAs, although owners of 49 commercial vehicles had not deposited motor vehicle tax of ₹ 11.49 lakh for the various intervening months from April 2015 to January 2020, payments

² Substituted for 1.5 *per cent* through Haryana Motor Vehicle (Amendment) Act 2018.

³ RTA Gurugram (₹ 0.24 crore) and RTA Kaithal (₹ 1.03 crore).

⁴ RTAs Ambala, Kurukshetra and Gurugram.

for subsequent periods were accepted. Thus, there was no mechanism to enforce the payment of MVT for continuous periods without any gap.

The RTAs stated that the matter would be investigated.

The Department may put controls in the system to ensure that pending taxes are realised.

3.3 Transfer of ownership of transport vehicle despite pendency of Motor Vehicle Tax

a) Vehicles transferred outside the State

Section 48(1), Section 50(1) of the Central Motor Vehicle Act 1988 and Rule 55(3) of Central Motor Vehicle Rules 1989 provide that No Objection Certificate (NOC) is required for assignment of new registration mark in case of transfer of a vehicle in a state other than the state in which the vehicle was registered. Rule 58(1)(c) of the Rules provides for payment of motor vehicle tax up to the date of application for issuance of no objection certificate. Further, Note (d) of the notification dated 29 September 2017 provides for levy of penalty at the rate of 0.5 *per cent* of tax due for each day of delay, subject to the condition that amount of penalty shall not exceed the amount of tax due.

Scrutiny of vehicle history sheets of transport vehicles, as available on VAHAN, in the selected RTAs revealed that RTA Gurugram issued no objection certificates in two cases of transfer of vehicles to other States in May 2018 without ensuring up to date payment of motor vehicle tax. Though motor vehicle tax and penalty of ₹ 0.55 lakh for the period ranging between April 2016 and December 2017 were pending against these vehicles, tax for these periods was shown as clear by the RTAs and no objection certificates were issued. This resulted in irregular issue of no objection certificates besides revenue of ₹ 0.55 lakh was foregone.

b) Vehicles transferred within State

Section 6 of Haryana Motor Vehicle Taxation Act 2016 provides that if the tax leviable in respect of any motor vehicle remains unpaid by the owner and such owner, before paying the tax has transferred the ownership of such motor vehicle, the person to whom the ownership of motor vehicle has been transferred, shall be liable to pay the said tax.

Scrutiny of vehicle history sheets of transport vehicles, as available on VAHAN, in the selected RTAs revealed that RTA Gurugram allowed transfer of three transport vehicles within the State between April 2018 and August 2018 without ensuring payment of pending motor vehicle tax. Though motor vehicle tax and penalty of ₹ 1.50 lakh for the period ranging between July 2016 and March 2018 was pending against these vehicles, tax for these periods was shown as clear by

the RTAs and transfer was allowed. Moreover, the RTA did not ensure recovery of the pending tax and penalty of ₹ 1.50 lakh from the new owners under the provision, *ibid*.

RTA Gurugram stated that the matter would be investigated.

The department may initiate appropriate action against the defaulters.

3.4 Non-Transport Vehicles

3.4.1 Recovery of MVT from vehicles purchased from other States/ commercial vehicles converted into personal vehicles

The Government, through notification dated 29 September 2017, notified rate of motor vehicle tax payable on vehicles used for personal purpose as shown in the table given below:

Sr. No.	Category of motor vehicles	Rate of tax
Vehicle for personal purpose		
(i) Two-wheeled vehicle		
(a)	Up to the cost of ₹ 0.75 lakh	Four <i>per cent</i> of the cost of the vehicle payable one-time.
(b)	Above the cost of ₹ 0.75 lakh and up to ₹ 2 lakh	Six <i>per cent</i> of the cost of the vehicle payable one-time
(c)	Above the cost of ₹ 2 lakh	Eight <i>per cent</i> of the cost of the vehicle payable one-time
(ii) Vehicle other than two-wheeled vehicle		
(a)	Up to the cost of ₹ 6 lakh	Five <i>per cent</i> of the cost of the vehicle payable one-time.
(b)	Above the cost of ₹ 6 lakh and up to ₹ 20 lakh	Eight <i>per cent</i> of the cost of the vehicle payable one-time.
(c)	Above the cost of ₹ 20 lakh	10 <i>per cent</i> of the cost of the vehicle payable one-time.

Note (b)(iv) of the notification provides that in case of already registered vehicles, the cost of vehicle shall be the present ex-showroom price of similar vehicle, discounted at rate of eight *per cent* for each year for which tax was paid to a State Government/UT. In case of calculation of tax for a quarter, the rebate should be calculated at the rate of two *per cent* per quarter. The total maximum rebate allowed should not exceed 64 *per cent*.

Scrutiny of records of personal vehicle in the selected Registering and Licensing Authorities (RLAs) revealed that in 18 RLAs⁵, 103 vehicle owners purchased vehicles from other States and got their vehicles registered in these RLAs or purchased commercial car registered in these RLAs between July 2015 and March 2020 for using these vehicle for personal purposes. However, at the time

⁵ Ambala City, Ambala Cantt, Ladwa, Kalayat, Gulha, Kaithal, Pataudi, Gurugram (North), Gurugram (South) at Sohana, Karnal, Assandh, Gharaunda, Badkhal, Ballabgarh, Faridabad, Bilaspur, Jagadhari and Kalka

of registration, department allowed rebate in excess of prescribed rates to these vehicle owners resulting in short recovery of MVT amounting to ₹ 12.47 lakh.

The concerned RAs stated that audit would be intimated after recovery.

3.4.2 Impact of ex-showroom prices shown by the dealers of same variant vehicles

Note (b)(ii) of the notification dated 29 September 2017 provides that the cost of motor vehicle for computation of motor vehicle tax in case of new vehicle shall be the ex-showroom price. Transport Commissioner, Haryana Chandigarh, clarified (18 June 2013) that ex-showroom of a vehicle is the price of vehicle including the Central and State taxes/duties and other expenses.

Audit noticed instances where motor vehicle tax was not levied on ex-showroom prices as given below:

- a) During test check of records relating to registration of personal vehicles in the selected RLAs, it was noticed in the office of Transport Commissioner and nine RLAs⁶ that 132 non-transport vehicles were registered on transfer of ownership in the selected RLAs. These vehicles were originally registered in other than selected RLAs. These vehicles were required to be registered at ex-showroom price of ₹ 8.98 crore whereas the RLAs registered these vehicles at the price of ₹ 1.42 crore. Consequently, motor vehicle tax of ₹ 7.01 lakh was levied whereas ₹ 63.51 lakh was required to be levied. This resulted in short levy of MVT of ₹ 56.50 lakh.

The concerned RLAs stated that the matter would be investigated.

- b) During test check of records of MVT levied during registration of personal vehicles in the selected RLAs, it was noticed in the office of Transport Commissioner and 18 RLAs⁷ that 560 vehicles were registered at a price lower than the ex-showroom price. Thus, motor vehicle tax of ₹ 3.08 crore in place of ₹ 3.71 crore was levied and collected. This resulted in short levy of motor vehicle tax of ₹ 0.63 crore.

RLAs stated that notices would be issued and audit would be intimated after the recovery.

- c) During the test check of records in the selected RLAs, it was noticed in RLA, Gurugram (North) that in five cases, vehicles were registered

⁶ Thanesar, Ladwa, Pehowa, Kalayat, Gulha, Kaithal, Pataudi, Gurugram (South) and Gurugram (North).

⁷ Ambala City, Ambala Cantt, Thanesar, Pehowa, Guhla, Kaithal, Pataudi, Gurugram (South), Gurugram (North), Indri, Karnal, Assandh, Kalka, Faridabad, Naraingarh, Shahabad, Kalayat and Badkhal.

between December 2017 and December 2019 wherein motor vehicle tax was levied and collected at a price higher than the ex-showroom price. Motor vehicle tax of ₹ 3.17 lakh was collected whereas MVT of ₹ 1.44 lakh was required to be levied. This resulted in excess charging of motor vehicle tax of ₹ 1.73 lakh⁸ from these vehicle owners.

RLA, Gurugram (North) stated that the matter would be investigated.

3.4.3 Recovery of MVT at the time of registration of vehicle

Section 3 of the Haryana Motor Vehicles Taxation Act, 2016 and notification⁹ dated 29 September 2017 of the Transport Commissioner, Haryana, Chandigarh provides for levy of motor vehicle tax at the rate of twelve *per cent* of the cost of vehicle in case of camper van.

Where the tax due in respect of any motor vehicle has not been paid by the owner or the person having the possession of vehicles, within the specified time, then in addition to payment of the tax due, he shall also be liable to pay penalty at the rate 0.5 *per cent* of the tax due for each day of delay and simple interest under Section 10 (2) of HMVT Act, 2016 at the rate of one *per cent* per month from the due date till the default continues. The actual amount of penalty shall not exceed the amount of tax due.

During test check of records relating to registration of personal vehicle owners in selected RLAs, in 13 RLAs¹⁰ (MV), it was seen that while registering the vehicles, the RLAs in 41 personal vehicles (camper van) out of 27,900 test checked vehicles levied MVT at a lower rate than prescribed, which resulted into the short MVT collection to the extent of ₹ 15.51 lakh.

RLAs stated that notices would be issued to concerned vehicle owners and audit would be intimated after recovery.

The department may initiate action against the defaulters.

3.5 Deposit of Government revenue into treasury

Rule 2.2 and 2.4 of Punjab Financial Rule (Haryana State) Part 1 provides that all the Government receipts should be entered into cash book as soon as it is collected and the same should be attested by the DDO. Cash book should be closed regularly and completely checked. Cash receipt should be deposited into treasury on the same day or latest by the next working day. A consolidated statement of receipt made into the treasury should be obtained by the 15th of every month, which should be compared with the postings in the cash book.

⁸ ₹ 3,16,740 (Actual MVT levied) - ₹ 1,44,166 (Due MVT).

⁹ No. 13/15/2010-6T(I).

¹⁰ Naraingarh, Thanesar, Ladwa, Pehowa, Shahbad, kalayat, Guhla, Kaithal, Pataudi, Gurugram (north), Faridabad, Badkhal and Ballabgarh.

Thereafter, a signed and dated certificate is to be recorded to that effect. If any discrepancy is found that may be corrected through correspondence with treasury officer.

During verification of records of cash in selected RTAs, it was seen in RTA Ambala that out of total receipt amounting to ₹ 9.99 crore collected at Tax Collection Point (TCP)¹¹ during 2019-20, an amount of ₹ 8.69 crore was seen to have been deposited into the treasury¹², which reflected issues of reconciliation carrying risk of short deposit of ₹ 1.30 crore. The prescribed internal control in form of reconciliation with the Treasury office through Consolidated Treasury Register was not maintained.

Transport Commissioner stated (December 2021) that the relevant data has been obtained from National Informatics Centre (NIC) and discrepancies for the month of September 2019 were reconciled and it was found that these entries pertain to other RTAs. NIC has not enabled any IT enabled mechanism to sort out these discrepancies and each entry is required to be checked individually which would take time. Besides, Transport Commissioner (December 2021) intimated that they had assessed a difference of ₹ 5,842 between money collected and deposited in treasury and the same has been deposited into the treasury.

The department may initiate action to reconcile the deposit of the receipt and take appropriate action for any short receipt. There is also need to maintain Consolidated Treasury Receipt Register and reconcile the receipts with the Treasury Officers.

3.6 Other Irregularities

3.6.1 Recovery of trade fee

Rule 33 of Central Motor Vehicle Rules, 1989 provides that a motor vehicle in the possession of a dealer/manufacturer of vehicles shall be exempt from the necessity of registration subject to the condition that a trade certificate from the concerned RTA is obtained. Rule 37 provides that the trade certificate is issued or renewed for a period of twelve months from the date of issue or renewal. Further, Rule 34 provides that an application for the grant or renewal of a trade certificate shall be accompanied by appropriate fee as specified in Rule 81. The fee for issue/renewal of trade certificate under Rule 81 is as detailed below:

Vehicle	Trade fee per trade certificate	
	Up to 28 December 2016	From 29 December 2016
Two wheeler	₹ 50	₹ 500
Three/Four wheeler	₹ 200	₹ 1,000

¹¹ as reflected in user id available at the office of Transport Commissioner.

¹² as reflected in TCP data of RTA, Ambala.

Scrutiny of records relating to issue and renewal of trade certificate in the selected RTAs revealed that in three RTAs¹³ trade certificates of 83 out of 256 dealers/manufacturers were due for renewal during the period from April 2015 to March 2020 but the dealers did not get the trade certificates renewed. The Department did not take any action to enforce the provision of Rule 33 *ibid* in these cases. Moreover, trade fee of ₹ 2.08 lakh could also not be realised.

RTAs stated that recovery would be made.

3.6.2 Renewal of license of Vehicle Driving Training Centres

Rule 24 of Central Motor Vehicle Rules, 1989 provides that no person shall establish or maintain any driving school or establishment for imparting instruction for hire or reward in driving motor vehicle without a license granted by licensing authority. Rule 25 provides that a license granted shall be in force for a period of five years and may be renewed on an application made not less than sixty days before the date of its expiry. Rule 32 (Sr. No. 10 of the Table given thereunder) provides for levy of fee of ₹ 10,000 w.e.f. 29 December 2016 (₹ 2,500 before that 29 December 2016) for issue/renewal of license to a driving school or establishment.

Scrutiny of records of vehicle driving training register maintained in selected RTAs revealed that in three RTAs¹⁴ licenses of 20 out of 135 Driving Training Centres had expired and were due for renewal during the period from November 2015 to March 2020. However, the Driving Training Centres did not get the licenses renewed. The department did not take any action to enforce the provision of Rule 24, *ibid* in these cases. Moreover, license fee of ₹ 1.78 lakh could not be realised.

The concerned RTAs stated that amount would be recovered from concerned Vehicle Training Centres.

3.6.3 Irregular cancellation of computerised cash receipts

During test check of records of cash receipts of the office of selected RLAs and RTAs, it was noticed in 12 RLAs¹⁵ and two RTAs¹⁶ that 4,957 computerised cash receipts amounting to ₹ 4.81 crore, generated between April 2018 and March 2020, were cancelled by the same persons who generated the receipts. The functionality to cancel a receipt by the same person who generated it, is fraught with the risk of misappropriation of Government money. There must be defined procedure and different authority to cancel a generated receipt. The

¹³ Ambala, Kurukshetra and Kaithal

¹⁴ Kaithal, Faridabad and Gurugram

¹⁵ Ambala City, Ambala Cantt, Shahbad, Panchkula, Radaur, Badkhal, Ballabgarh, Faridabad, Assandh, Karnal, Indri, Gharaunda

¹⁶ Gurugram and Yamuna Nagar

permission of the higher authority was also not taken to cancel these receipts. This resulted in irregular cancellation of computerized cash receipts and chances of misappropriation could not be ruled out.

RLAs and RTAs stated that matter would be investigated.

3.6.4 Non-registration of vehicles within prescribed time and Non-fixation of High Security Registration Plates (HSRP)

The Transport Commissioner issued a notification¹⁷ dated 29 March 2017 which specified that the vehicle owner shall deposit all taxes, fee and HSRP fee to concerned dealer. Rule 50 of CMVR provides that High Security Registration Plates (HSRPs) with prescribed specifications should be affixed on all new registered vehicles. Transport Department, Haryana entered into an agreement with a contractor on 27 April 2012 to supply and affix HSRP in the State. As per Ministry of Road Transport and Highways notification no. G.S.R. 1162(E) dated 4 December, 2018, High Security Registration Plate including third registration mark, wherever required, would be supplied by the vehicle manufacturers along with the vehicle manufactured on or after 1st day of April, 2019 to their dealers and dealers should place a mark of registration on such plates and affix them on vehicle. After completion of file by the dealer, hard copy of the file would be submitted to Registering Authority within two working days positively and Registering Authority will issue registration certificate to the dealer within seven working days. The dealer must ensure that the HSRP was affixed to the vehicle at his premises before registration certificate was handed over to the vehicle owner and no vehicle would leave the premises of the dealer without affixation of HSRP on the vehicle.

Scrutiny of records of the MVT of selected RLAs revealed that in 13 RAs¹⁸ owners of 291 motor vehicles deposited ₹ 62.04 lakh with the dealers on account of MVT and fee for registration of vehicles between May 2017 and March 2020. However, the registration certificates of their vehicles were not issued even after a lapse of 10 to 22 months from the date of the sale/deposit of tax amount. Audit also noticed from data relating to fixation of High Security Registration Plates, as available on VAHAN application, that 13,21,276 authorisation slips were issued during 2019-20 for fixation of HSRP. However, only 10,48,178 HSRPs were fixed on vehicles and 2,73,098¹⁹ vehicles were pending for fixation of HSRP as on 11 August 2021.

¹⁷ No. 17926-18023.

¹⁸ (i) Ambala City, (ii) Ambala Cantt., (iii) Barara, (iv) Gurugram (North), (v) Naraingarh, (vi) Thanesar, (vii) Ladwa, (viii) Pehowa, (ix) Shahbad, (x) Badkhal, (xi) Ballabgarh, (xii) Faridabad and (xiii) Panchkula.

¹⁹ (7,201-dealer + 2,65,897-vendor).

In case of non-registration of vehicles, the concerned RAs stated that notices would be issued to concerned dealers. Reason for non-fixation of High Security Registration Plates on above vehicles were not intimated by the Department.

The department need to establish an effective system for monitoring of fixation of High Security Registration Plates.

3.7 Road safety

3.7.1 Renewal of fitness certificate of transport vehicles

Under Section 56 of the MV Act 1988, it is mandatory for a transport vehicle to carry a Certificate of Fitness for using the vehicle in public place. Necessary checks to be exercised before issuing a fitness certificate are given in table below Rule 62 of Central Motor Vehicles Rules 1989. If the prescribed authority is satisfied that the vehicle no longer complies with the requirements of the Act, they may cancel the fitness certificate at any time with the reasons recorded in writing. On the date of such cancellation, the certificate of registration of the vehicle is deemed to be suspended till the new certificate of fitness is obtained. Ministry of Road Transport and Highways (MoRTH) prescribed²⁰ fee for conducting fitness test of a vehicle and fee for grant/renewal of certificate of fitness as given below:

Sr. No.	Type of Vehicle	Amount
Conducting test for grant/renewal of certificate of fitness		
A	Motorcycle	Manual: ₹ 200 Automatic: ₹ 400
B	Three wheeled or light motor vehicle or quadricycle	Manual: ₹ 400 Automated: ₹ 600
C	Medium or heavy motor vehicle	Manual: ₹ 600 Automated: ₹ 1,000
Grant or renewal of certificate of fitness for motor vehicle		₹ 200 Additional fee of ₹ 50 for each day of delay after expiry of certificate of fitness shall be levied.

Rule 62 of Central Motor Vehicle Rules provides that the validity of certificate of fitness of vehicles is as under:

Sr. No.	Description	Period
1.	New transport vehicle	Two years
2.	Renewal of certificate of fitness in respect of transport vehicles	One year Two years for vehicles up to eight years old and one year for vehicles older than eight years (w.e.f. 2 November 2018)
3.	Renewal of certificate of fitness in respect of E-rickshaw and E-cart	Three years

²⁰

Notification dated 29 December 2016

Scrutiny of information, as available on VAHAN, relating to fitness of 2,110 transport vehicles in the selected RTAs revealed that in seven²¹ fitness certificates of 753 vehicles had expired between May 2015 and March 2020. However, the owners did not turn up for renewal of the fitness certificates of their vehicles. The money value implication due to non-renewal of fitness certificates was ₹ 3.93 crore as on 31 March 2021 including fee and penalty.

Further, in RTAs Kurukshetra and Kaithal, 29 buses of educational institutions were active though the fitness certificates of these buses had expired 12 to 42 months earlier. These vehicles were being utilised by the educational institutions to ferry the school/college going children and running these vehicles in absence of fitness certificate compromised the safety of school/college going children.

The RTAs stated that notice would be issued to the concerned vehicle owners.

3.8 Vehicular Pollution

3.8.1 Non-recovery of license fees/penalty from Pollution Check Centres

As per Rule 162A of Haryana Motor Vehicle Rules 1993, the pollution under control (PUC) certificate shall be issued by the Transport Department or by an authorised pollution checking centre. The authorisation to Pollution Check Centres is issued/renewed on payment of fee of ₹ 500 per year as per Haryana Government notification dated 24 May 2016. An application for renewal of authorisation by the pollution checking centre is required to be submitted at least 15 days in advance of the expiry of licence, failing which late fee at the rate of ₹ 100 per week is to be charged.

During test check of records relating to Pollution Check Centres of selected RTAs, it was seen in six RTA²² that 418 out of 933 Pollution Check Centres had not renewed their authorisation after expiry period between January 2017 and January 2020. The department did not take any action to recover the authorisation fee from the defaulters nor took steps to prevent the unauthorised operation of these pollution checking control centres. The non-renewal of authorisation had the revenue implication of ₹ 32.52 lakh including penalty.

The RTAs stated that notices would be issued and recovery would be made.

3.8.2 Joint inspection of Pollution Check Centres

The Transport Department in September, 2015²³ had issued detailed directions to all RTAs under its jurisdiction for improvement in working of Pollution

²¹ Yamunanagar, Faridabad, Ambala, Kurukshetra, Kaithal, Panchkula and Gurugram.

²² Ambala, Kurukshetra, Kaithal, Panchkula, Faridabad and Gurugram.

²³ Letter No.39663-95 dated 4th September 2015.

Checking Centre which included the provision that the officer of the Transport Department may inspect the pollution checking centre at any time.

In order to derive a reasonable assurance of compliance with these directions, a joint inspection by Transport Department and Audit was conducted on 22 July 2021 in four Pollution Check Centres falling under the jurisdiction of the Regional Transport Authority, Gurugram. The working of the four Pollution Check Centres was checked against eight parameters of the directions dated 4 September 2015. The result of the joint inspection is tabulated below:

Sr. No.	Issues checked	Remarks
1	Certificate to grant permission to conduct test	Two centres showed the certificate while two did not
2	Display of banners/boards/hoarding about centre's name for public view	One centre displayed while three did not
3	Display of charges fixed for pollution test	Two centres displayed while two did not
4	Operator training certificate issued by manufacturer	No centre showed the certificate
5	Latest calibration certificate	One centre showed while three did not
6	Display of emission norms	No centre displayed
7	AMC for gas analyser/smoke meter with the manufacturer/supplier	Two centre showed while two did not
8	Submission of monthly reports to RTA	No centre was submitting the monthly report

The Department needs to ensure that the Pollution Check Centre adhere to the prescribed rule provisions.

The result of joint inspection was issued to the Department. The Department stated that appropriate action would be taken against Pollution Check Centres.

3.8.3 Irregularities in the Pollution Check Centre

Transport Department, Government of Haryana in September 2015²⁴ had directed the Pollution Check Centres (PCCs) to send the monthly report in Form 8 to concerned RTA. Further, the officer of the transport department was authorised to inspect the PCC at any time.

During test check of records of the selected RTAs, it was seen in RTAs Kurukshetra, Kaithal, and Gurugram that during 2019-20, neither the PCCs have sent the required monthly report in Form 8 to the concerned RTA nor the concerned RTA had taken any step to obtain or follow up on the pending reports from the PCCs. There was nothing on record to confirm whether the officers of the Department carried out any inspection of the PCCs under their jurisdiction.

The RTAs stated that matter would be investigated.

The department need to establish an effective system for monitoring on Pollution Check Centre.

²⁴ Letter No.39663-95 dated 4th September 2015.

Chapter 4

Internal Control

Chapter 4

4.1 Internal Control

Internal Control and monitoring are essential components of management activity. Internal controls must be properly designed and implemented to be useful in achieving the organisation's strategic, operating, compliance and reporting objectives. Further, monitoring internal controls is essential to ensure that controls are operating efficiently. Monitoring involves the use of evaluations to identify issues and communicate these issues to the appropriate parties for corrective action to be taken. The irregularities, deficiencies and non-compliances discussed in Chapter 2 and Chapter 3 are the indicators of inadequate internal control mechanism. The internal audit which is integral part of internal control mechanism was also found deficient. The deficiencies noticed in the internal control mechanism with regard to operational and regulatory functions are detailed below:

- Persistent savings in budget over the years with 48 *per cent* savings on items required for operations of buses was observed. The grant received for specific purposes under JNNURM was not utilised and diverted for other purposes. The proforma accounts of Roadways were in arrears since 2015-16. These were the indicators of poor financial management.
- There was inadequate planning and indecisiveness in finalising the tenders for purchase of new buses required to keep adequate bus fleet on road.
- Declining share of roadways in public transport, ageing fleet, declining vehicle productivity, load factor, non-operation of scheduled kilometers, decrease in effective kilometer and non-achievement of targets indicated of weak operational controls. Inadequate control over consumption of fuel above norms and declining fuel efficiency also pointed towards weak control mechanism.
- Abnormal delay in lifting of buses after fabrication of body, premature condemnation of buses and detention of buses for longer period in workshops showed weak monitoring by the department.
- Excess deployment of drivers and conductors beyond required staff strength on one hand and shortage of more than 50 *per cent* in technical staff required for smooth operations, points out to deficient manpower management.
- Department could not realise due amount of Motor Vehicles Tax from various types of commercial vehicles. This indicates weak regulatory controls and monitoring.

- Cases of non-recovery of trade fee from dealers/manufactures of vehicles, license fee from vehicles driving training school and non- issue of registration certificate of vehicles, indicates weak regulatory control.
- Short deposit of Government revenue and cancellation of cash receipts without approval of competent authority exposed the department to risk of misappropriation.
- Non-renewal of fitness certificate of vehicles and cases of violation of provisions of CMVR 1989 by pollution control centre (PCCs) indicates that norms were not adopted by the department.
- There was shortfall of 39 per cent in conducting internal audit against the planned units.

The irregularities discussed in Chapter 2 and Chapter 3 shows that there is a significant scope for improvement in internal control mechanism.

Chapter 5

Conclusion and Recommendations

Chapter 5

Conclusion and Recommendations

5.1 Conclusion

- The department failed to strategize operational requirements of buses and allocation of funds necessary to carry out regular repair and maintenance works to keep the adequate fleet of roadways in healthy condition.
- There was overall underutilisation of budget over the years and the underutilization of budget was high for the components impacting operational performance. Due to indecisiveness and non-finalization/frequent revision of technical specifications by the transport department/Haryana Power Purchase Committee, department could utilize only ₹ 157.48 crore for purchase of chassis and fabrication of bus bodies against the sanctioned ₹ 700.45 crore. Only 450 ordinary bus chassis were purchased while 1,613 buses were scrapped during the same period resulting in reduction in fleet strength.
- The vehicle productivity had slightly improved from 302 kms in 2015-16 to 304 kms in 2016-17 and declined to 275 kms in 2019-20 due to increase in overage fleet, under-utilisation of fleet available for operation and prolonged detention of buses in workshop, overage buses, under-utilisation of available buses and delayed preventive maintenance of buses, adversely impacted the operational and financial performance of the department.
- The department did not have mechanism/internal control to ensure compliance of various provisions of Motor Vehicles Act and cases of non/short deposit of motor vehicle tax from various types of commercial vehicles were observed. Further cases of non-recovery of trade fee from dealers/manufactures of vehicles, license fee from vehicles driving training school were also observed. This adversely impacted realisation of revenue.
- Instances were noticed where department could not ensure compliance to legal/ regulatory requirements such as non-fixation of High Security Registration Plates, non-renewal of fitness certificate of vehicles, non-compliance of provisions of CMVR 1989 by pollution control centre.

5.2 Recommendations

The Department needs to ensure that:

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

Chandigarh

Dated:

(VISHAL BANSAL)

Principal Accountant General (Audit) Haryana

Countersigned

New Delhi

Dated:

(GIRISH CHANDRA MURMU)

Comptroller and Auditor General of India

Appendices

Appendix I

(Reference: Paragraph 2.2.3; Page 11)

Details of unspent funds lying with HREC

Sr. No.	Particulars	Month of receiving	Amount (₹ in crore)
1	Purchase of Electric Bus Ticketing Machine and Computerisation of Bus Stand	April 2008	1.00
2	Computerisation of Haryana Roadways, HREC	April 2009	0.92
3	Purchase of Buses under JNNURM Scheme (15 No. AC Volvo low floor buses)	December 2009	1.45
4	Purchase of Buses under JNNURM Scheme (15 No. AC Volvo low floor buses)	December 2009 to March 2013	7.05
5	30 per cent share of department for purchase of buses under JNNURM Scheme	April 2010 to March 2013	1.90
6	Balance amount received for chassis during the year 2013-14	May 2010 to March 2013	0.76
7	Purchase of workshop machinery and equipment for the workshop of Haryana Roadways	April 2009	0.25
8	Three Silent Generating sets	April 2009	0.25
9	Four wheel balancing machine 02 ETP	April 2009	0.15
10	Purchase of 50 nos. of CNG Buses including Fabricated cost	April 2009	4.41
11	Payment of consultancy charges	April 2010	1.96
12	E-Ticketing machines	May 2011	4.25
13	Work of face lifting of Government Buildings received funds on the recommendation of 12 th Finance Commission	February 2010 to February 2014	6.67
14	Fabrication of buses	May 2010	1.00
	Total		32.02

Appendix II

(Reference: Paragraph 2.2.3; Page 11)

Details of payment of material which were kept in fixed deposit with HREC

Sr. No.	Particulars	Date of payment	Amount (₹ in crore)
1	Haryana State Electronics Development Corporation limited	28 May 2019	1.13
2	M/s Volvo Group India Pvt. Ltd. against mobilization advance for supply of 6 nos. fully built up Super Luxury buses @ Rs. five lakh per bus	7 March 2020	0.30
3	M/s Daimler India Commercial Vehicles Pvt. Ltd Against mobilization advance for supply of 12 nos. fully built up Super Luxury buses @ Rs. 5 lakh per bus.	6 March 2020	0.60
4	M/s Oriental Insurance Co., Chandigarh for payment of insurance premium	6 March 2020 to 23 March 2020	0.67
5	Haryana Medical Services Corporation Ltd., Panchkula	18 May 2020	0.03
6	M/s VE Commercial Vehicles Ltd. against 60 <i>per cent</i> advance for purchase of 150 nos. fully built up mini buses	27 May 2020	14.96
7	M/s HARTRON against supply of computer hardware and its allied items.	4 June 2020	1.36
8	M/s Volvo Group India Pvt. Ltd. For purchase of 6 nos. of fully built up buses	18 June 2020	4.24
	Total		23.29
9	Less amount received from depots against insurance of mini buses	0.40	1.32
10	Less grant for computerization of Haryana Roadways	0.92	
	Net diversion of funds		21.97

Appendix III

(Reference: Paragraph 2.3.2.6; Page 16)

Details of actual kmpl against the targeted kmpl

	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Target (in kmpl)	5.00	5.00	5.00	5.00	5.00	5.00
Ambala						
Actual kmpl	4.88	4.84	4.80	4.79	4.84	4.83
Diff	0.12	0.16	0.20	0.21	0.16	0.17
Excess/Less diesel consumed (In lakh litre)	1.32	1.63	1.89	1.79	1.27	7.90
Excess/Less cost of Diesel (₹ in lakh)	60.23	83.63	102.64	112.36	77.26	436.12
Faridabad						
Actual kmpl	5.16	4.98	4.97	4.81	4.92	4.97
Diff	-0.16	0.02	0.03	0.19	0.08	0.03
Excess/Less diesel consumed (In lakh litre)	-0.84	0.09	0.18	0.89	0.39	0.71
Excess/Less cost of Diesel (₹ in lakh)	-38.66	4.53	9.71	56.37	24.14	56.09
Gurugram						
Actual kmpl	3.12	5.06	5.01	4.94	4.91	4.61
Difference	1.88	-0.06	-0.01	0.06	0.09	0.39
Excess/less diesel consumed (In lakh litre)	6.97	-0.24	-0.04	0.27	0.38	7.34
Excess/Less cost of Diesel (₹ in lakh)	321.65	-12.15	-2.13	16.90	23.09	347.36
Kaithal						
Actual kmpl	5.01	5.01	4.98	4.82	4.85	4.93
Difference	-0.01	-0.01	0.02	0.18	0.15	0.07
Excess/Less diesel consumed (In lakh litre)	-0.11	-0.08	0.15	1.15	0.76	1.87
Excess/Less cost of Diesel (₹ in lakh)	-5.06	-3.95	8.03	72.40	46.12	117.54
Karnal						
Actual kmpl	4.88	4.80	4.73	5.17	4.83	4.88
Difference	0.12	0.20	0.27	-0.17	0.17	0.12
Excess/Less diesel consumed (In lakh litre)	1.04	1.91	2.29	-1.20	1.11	5.15
Excess/Less cost of Diesel (₹ in lakh)	47.26	98.46	123.91	-84.77	66.56	251.42
Kurukshetra						
Actual kmpl	5.02	5.00	5.03	5.02	5.02	5.02
Difference	-0.02	0.00	-0.03	-0.02	-0.02	-0.02
Excess/Less diesel consumed (In lakh litre)	-0.15	0.00	-0.22	-0.16	-0.12	-0.65
Excess/Less cost of Diesel (₹ in lakh)	-6.76	0.00	-11.99	-10.10	-7.27	-36.12
Panchkula						
Actual kmpl	0.00	0.00	0.00	4.54	4.58	1.82
Difference	0.00	0.00	0.00	0.46	0.42	3.18
Excess/Less diesel consumed (In lakh litre)	0.00	0.00	0.00	2.08	2.42	4.50
Excess/Less cost of Diesel (₹ in lakh)	0.00	0.00	0.00	132.10	147.47	279.57
Yamunanagar						
Actual kmpl	4.68	4.70	4.61	4.61	4.74	4.67
Difference	0.32	0.30	0.39	0.39	0.26	0.33
Excess/Less diesel consumed (In lakh litre)	2.81	2.56	3.17	2.88	1.62	13.04
Excess/Less cost of Diesel (₹ in lakh)	128.99	132.42	172.90	182.82	98.90	716.03
Excess diesel consumed (In lakh litre)						39.86
Excess cost of Diesel (₹ in lakh)						2,168.01
Average consumption of diesel Roadways as a whole (kmpl)	4.74	4.75	4.74	4.73	4.79	4.75

Source: Data provided by selected depots and DST department.

Appendix IV

(Reference: Paragraph 2.4.3; Page 23-24)

Details of less utilisation of TATA Low Floor Star buses against the prescribed norms

Sr. No.	Vehicle No.	date of put on road	date of condemnation / put off road	KM covered	short covered	Percentage of utilisation of buses	Percentage of non-utilisation of buses	Loss (₹ in Lakh)
Ambala								
1.	HR 37 B 9438	05 February 2009	31 March 2017	2,45,266	4,54,734	35	65	11.38
2.	HR 37 B 9439	05 February 2009	31 March 2017	2,36,525	4,63,475	34	66	11.55
3.	HR 37 C 1949	05 February 2009	31 March 2017	1,25,797	5,74,203	18	82	14.35
4.	HR 37 C 1950	05 February 2009	31 March 2017	1,82,866	5,17,134	26	74	12.95
5.	HR 37 C 1951	05 February 2009	31 March 2017	1,72,423	5,27,577	25	75	13.13
6.	HR 37 C 1952	05 February 2009	31 March 2017	2,90,451	4,09,549	41	59	10.33
7.	HR 37 C 1955	05 February 2009	31 March 2017	2,56,434	4,43,566	37	63	11.03
8.	HR 37 C 1957	05 February 2009	31 March 2017	2,08,714	4,91,286	30	70	12.25
9.	HR 37 C 1958	05 February 2009	31 March 2017	2,25,304	4,74,696	32	68	11.90
Chandigarh								
10.	HR 68-9356	17 February 2009	19 April 2017	3,41,776	3,58,224	49	51	8.93
11.	HR 68-9357	17 February 2009	07 January 2017	3,60,196	3,39,804	51	49	8.58
12.	HR 68-9358	17 February 2009	07 April 2017	2,94,045	4,05,955	42	58	10.15
13.	HR 68-9359	17 February 2009	11 January 2017	2,81,004	4,18,996	40	60	10.50
14.	HR 68-9360	17 February 2009	31 May 2017	2,39,550	4,60,450	34	66	11.55
15.	HR 68-9361	17 February 2009	06 April 2017	2,21,999	4,78,001	32	68	11.90
16.	HR 68-9362	17 February 2009	28 May 2017	3,57,806	3,42,194	51	49	8.58
17.	HR 68-9363	17 February 2009	07 March 2017	2,90,587	4,09,413	42	58	10.15
18.	HR 68-9364	17 February 2009	31 March 2017	3,70,261	3,29,739	53	47	8.23
19.	HR 68-9365	17 February 2009	31 March 2017	2,78,918	4,21,082	40	60	10.50
20.	HR 68-9366	17 February 2009	20 May 2017	3,76,505	3,23,495	54	46	8.05
21.	HR 68-9367	17 February 2009	31 March 2017	2,34,902	4,65,098	34	66	11.55
22.	HR 68-9369	17 February 2009	20 May 2017	2,80,383	4,19,617	40	60	10.50

Sr. No.	Vehicle No.	date of put on road	date of condemnation / put off road	KM covered	short covered	Percentage of utilisation of buses	Percentage of non-utilisation of buses	Loss (₹ in Lakh)
Kaithal								
23.	HR 64-9370	13 February 2009	12 February 2019	4,46,064	2,53,936	64	36	6.30
24.	HR 64-9371	13 February 2009	12 February 2019	6,01,038	98,962	86	14	2.45
Kurukshetra								
25.	HR 65-3020	29 January 2009	31 March 2017	4,79,069	2,20,931	68	32	5.60
26.	HR 65-3581	29 January 2009	31 March 2017	3,17,154	3,82,846	45	54	9.45
27.	HR 65-3582	29 January 2009	31 March 2017	3,43,520	3,56,480	49	51	8.93
28.	HR 65-3583	29 January 2009	31 March 2017	4,49,845	2,50,155	64	36	6.30
29.	HR 68-9352	04 February 2009	31 March 2017	2,94,545	4,05,455	42	58	10.15
30.	HR 68-9353	04 February 2009	31 March 2017	2,91,031	4,08,969	42	58	10.15
31.	HR 68-9354	04 February 2009	31 March 2017	3,99,182	3,00,818	57	43	7.53
32.	HR 68-9355	04 February 2009	31 March 2017	3,34,234	3,65,766	48	52	9.10
Panipat								
33.	HR 68-9368	24 February 2009	23 February 2017	3,13,754	3,86,246	45	55	9.63
34.	HR 37C- 1956	13 February 2009	12 February 2019	3,12,903	3,87,097	45	55	9.63
Total								333.20

Appendix V

(Reference: Paragraph 2.5.1; Page 25)

Details of A and B services records of selected depots

Name of depot	Ambala	Gurugram	Kaithal	Karnal	Kurukshetra	Panchkula ¹	Yamunanagar
Gross kilometers covered (In lakh kms)	1,131.11	56.54	787.11	983.52	1,046.79	235.8	908.19
Total A services due	6,284	314	4,373	5,465	5,815	1,310	5,045
Actually carried out	3,980	272	3,954	3,765	3,522	816	3,529
Shortage (In numbers)	2,304	42	419	1,700	2,293	494	1,516
Shortage (In <i>per cent</i>)	36.66	13.38	9.58	31.11	39.43	37.71	30.05
Total B services due	6,284	314	4,373	5,465	5,815	1,310	5,045
Total B services carried out	3,805	102	4,002	4,432	3,906	986	3,442
Shortage (In numbers)	2,479	212	371	1,033	1,909	324	1,603
Shortage (In <i>per cent</i>)	39.45	67.52	8.48	18.9	32.83	24.73	31.77
Expenditure incurred on major repairs i.e. 'C' service (₹ in lakh)	149.23	4.17	17.75	58.02	15.19	4.93	15.62
No. of engines sent for 'C' service to Central Workshop Karnal	355	10	22	119	25	6	22

¹ Panchkula depot was established in May 2018. Therefore, details were given in table only for the period 2018-20.

Appendix VI

(Reference: Paragraph 2.5.2; Page 26)

Details in respect of detention of buses in selected depots

Year	Revenue realised (per KMs)	Bus utilisation per day in KMs	Buses detained in workshop	Loss of revenue (₹ in lakh)
Ambala				
2015-16	8.95	326.98	1,314	38.45
2016-17	8.48	328.24	1,099	30.59
2017-18	8.35	301.63	1,227	30.90
2018-19	5.56	284.90	873	13.83
2019-20	5.97	296.47	576	10.19
Total				123.96
Faridabad				
2015-16	8.78	286.25	26	0.65
2016-17	8.46	281.06	141	3.35
2018-19	6.84	233.55	33	0.53
2019-20	6.00	247.70	39	0.58
Total				5.11
Gurugram				
2017-18	17.95	293.56	355	18.70
2018-19	12.45	276.55	126	4.33
2019-20	13.44	340.58	283	12.95
Total				35.98
Kaithal				
2015-16	8.42	350.61	166	4.90
2016-17	8.98	345.75	233	7.23
2017-18	9.45	325.22	173	5.32
2018-19	7.88	330.21	334	8.69
2019-20	7.63	285.98	68	1.48
Total				27.62
Kurukshetra				
2015-16	8.70	340.44	167	4.90
2016-17	8.86	351.99	93	2.90
2017-18	9.35	316.66	193	5.71
2018-19	7.70	313.82	159	3.84
2019-20	7.67	291.91	194	4.43
Total				21.78
Karnal				
2015-16	9.08	343.58	106	3.31
2016-17	8.68	341.67	861	25.53
2017-18	9.40	325.92	326	9.99
2018-19	7.86	320.26	332	8.35
2019-20	26.23	291.19	48	3.67
Total				50.85
Panchkula				
2015-16	8.66	426.83	1483	54.82
2016-17	5.85	400.29	75	1.75
2017-18	7.63	410.56	718	22.49
2018-19	4.04	404.78	1389	22.71
2019-20	4.38	333.22	348	5.07
Total				106.84
Yamunanagar				
2015-16	10.20	341.73	470	16.38
2016-17	9.92	340.12	212	7.15
2017-18	11.63	329.74	377	14.45
2018-19	9.91	300.41	269	8.00
2019-20	10.77	267.89	176	5.07
Total				51.05
Grand Total				423.19

Appendix VII**(Reference: Paragraph 2.6.1; Page 28)****Details of excess payment made to excess drivers in selected depots**

Year	Excess range (In numbers)	Minimum Gross Salary (In ₹)	Avoidable expenditure (₹ in lakh)
Ambala			
2018-19	9 to 38	30,029	73.67
2019-20	37 to 53	33,125	178.88
Total			252.55
Faridabad			
2018-19	15 to 224	31,013	264.85
2019-20	8 to 351	35,033	682.98
Total			947.83
Gurugram			
2018-19	94 to 144	25,061	359.88
2019-20	101 to 143	28,785	425.15
Total			785.03
Kaithal			
2018-19	7 to 26	28,916	63.62
2019-20	14 to 29	31,875	88.1
Total			151.72
Karnal			
2018-19	13 to 42	30,029	109.61
2019-20	41 to 55	34,125	188.37
Total			297.98
Kurukshetra			
2018-19	30 to 77	29,805	228.90
2019-20	46 to 76	33,125	280.24
Total			509.14
Panchkula			
2018-19	28 to 65	31,013	131.46
2019-20	33 to 65	34,125	245.9
Total			377.36
Yamunanagar			
2018-19	13 to 31	30,029	73.27
2019-20	20 to 31	31,875	92.76
Total			166.03
Grand Total			3,487.64

Appendix VIII

(Reference: Paragraph 2.8.1; Page 29-30)

Details of short recovery of rent, Service Tax/GST during 2016-19

(In ₹)

Sr. No.	Particulars	Rent due	Rent deposited as per receipts available	Short deposit of rent	Service Tax due	GST due	Total ST and GST	Actual deposit of GST/ST as per receipts available	Short deposit of ST/GST
1	Cycle Stand, Yamunanagar	54,18,750	28,15,000	26,03,750	2,86,875	6,31,125	9,18,000	2,35,410	6,82,590
2	Cycle Stand, Jagadhri	38,14,800	17,36,820	20,77,980	2,01,960	4,44,312	6,46,272	2,39,385	4,06,887
3	Gaurav Cold Drink, Jagadhri	4,29,165	1,68,680	2,60,485	22,721	49,985	72,706	3,960	68,746
4	Cycle Stand, Radaur	7,15,275	1,47,200	5,68,075	37,868	83,309	1,21,176	7,425	1,13,751
5	Agro Juice, Yamunanagar	13,22,175	10,83,440	2,38,735	69,998	1,53,995	2,23,992	1,64,414	59,578
	Total	1,17,00,165	59,51,140	57,49,025	6,19,421	13,62,725	19,82,146	6,50,594	13,31,552

₹ 70.80 lakh :- ₹ 57.49 lakh + ₹ 13.31 lakh

Appendix IX

(Reference: Paragraph 2.8.1; Page 29-30)

Details of short recovery of rent, Service Tax/GST during 2019-21

(In ₹)

Sr. No.	Particulars	Rent due	Rent deposited as per receipts available	Short deposit of rent	GST due	GST recovered	Total amount due including GST
1	Cycle Stand, Yamunanagar	20,25,900	9,00,200	11,25,700	3,64,662	Nil	14,90,362
2	Cycle Stand, Jagadhri	15,36,000	2,88,000	12,48,000	2,76,480	Nil	15,24,480
3	Harish Kumar Hot and Cold, Yamuna Nagar	15,30,000	11,90,000	3,40,000	2,75,400	Nil	6,15,400
4	Cycle Stand, Radaur	4,09,500	2,72,500	1,37,000	73,710	Nil	2,10,710
5	Maniyari Shop, Yamuna Nagar	4,89,600	2,25,700	2,63,900	88,128	Nil	3,52,028
6	Canteen, Jagadhri	2,73,600	1,21,600	1,52,000	49,248	Nil	2,01,248
	Total	62,64,600	29,98,000	32,66,600	11,27,628		43,94,228

Appendix X

(Reference: Paragraph 2.9; Page 30-31)

Details of buses which did not earn traffic receipt as prescribed

Year	Number of buses earning		Less received Traffic receipt (calculated on the basis of difference between actual earning and to be earning at the rate of ₹ 30 per km)		Total
	less than ₹ 25 per km	Between ₹ 25 to ₹ 30 per km	Earning less than ₹ 25 per km (₹ in lakh)	Earning between ₹ 25 and ₹ 30 per km (₹ in lakh)	
Ambala					
2015-16	15	26	219.71	194.09	413.80
2016-17	23	19	78.62	32.55	111.17
2017-18	9	23	37.52	37.42	74.94
2018-19	8	25	63.42	72.34	135.76
2019-20	6	27	31.6	87.74	119.34
Total (₹ in Lakh)		120	430.87	424.14	855.0
Faridabad					
2015-16	29	12	281.05	71.43	352.48
2016-17	23	9	53.95	6.85	60.80
2017-18	27	13	72.32	42.38	114.70
2018-19	14	13	85.13	64.83	149.96
2019-20	15	7	129.82	42.85	172.67
Total (₹ in lakh)		54	622.27	228.34	850.61
Gurugram					
2015-16	28	10	85.20	44.89	130.09
2016-17	12	8	20.31	6.14	26.45
2017-18	15	10	36.78	26.07	62.85
2018-19	14	7	39.85	11.06	50.91
2019-20	14	12	60.29	23.69	83.98
Total (₹ in crore)		47	242.43	111.85	354.28
Kaithal					
2015-16	2	7	39.25	56.23	95.48
2016-17	4	5	15.09	4.24	19.33
2017-18	3	4	34.93	11.76	46.69
2018-19	3	4	22.46	16.31	38.77
2019-20	1	5	2.73	16.14	18.87
Total (₹ in lakh)		25	114.46	104.68	219.14
Karnal					
2015-16	12	14	79.11	124.84	203.95
2016-17	13	10	27.25	21.45	48.70
2017-18	9	12	14.56	26.35	40.91
2018-19	6	14	19.62	36.41	56.03
2019-20	3	21	8.1	69.75	77.85
Total (₹ in lakh)		71	148.64	278.80	427.44
Kurukshetra (including Pehowa)					
2015-16	9	11	142.84	102.46	245.30
2016-17	10	10	33.24	25.01	58.25
2017-18	4	13	33.57	67.13	100.70
2018-19	1	9	28.85	31.32	60.17
2019-20	0	16	0	62.44	62.44
Total (₹ in lakh)		59	238.50	288.36	526.86
Panchkula					
2015-16	3	3	33.82	9.87	43.69
2016-17	4	2	9.65	1.53	11.18
2017-18	2	6	1.69	23.9	25.59
2018-19	1	4	0.17	6.03	6.20
2019-20	1	3	1.21	4.31	5.52
Total (₹ in lakh)		18	46.54	45.64	92.18
Yamunanagar					
2015-16	14	12	80.8	57.72	138.52
2016-17	13	14	21.09	17	38.09
2017-18	9	10	41.54	22.49	64.03
2018-19	10	13	68.25	26.13	94.38
2019-20	4	16	20.45	20.45	40.90
Total (₹ in crore)		65	232.13	143.79	375.92
Grand Total (₹ in lakh)		459	2,075.84	1,625.60	3,701.44

Appendix XI**(Reference: Paragraph 3.2; Page 34-35)****Statement showing rates of Motor Vehicle Tax imposed on various vehicles during 2015-20**

Sr. No.	Description of Vehicle	Criteria for levy of tax	Range of Tax Collection
1	Goods Vehicle	Loading Capacity (i) Upto 25 tonnes and above (ii) Upto 28 tonnes and above	₹ 300 to ₹ 22,500 per year ₹ 300 to ₹ 25,300 per year Annually/quarterly payable
2	Maxi Cab	Seating Capacity four to Twelve seats excluding driver	₹ 600 to ₹ 1,450 per seat per year payable quarterly
3	Ambulance	Government/Statutory/Private	one <i>per cent</i> to six <i>per cent</i> of the cost of the vehicle (One Time)
4	Stage Carriage Buses	(i) Having 30 to 32 seats excluding Driver (ii) Having 52 and above seats excluding Driver	₹ 6,000 and ₹ 12,000 per month payable monthly
5	Educational Institutional Vehicle	Six to thirty three and above seats excluding driver	₹ 3,000 to ₹ 7,000 (Ordinary) Annually ₹ 6,000 to ₹ 15,000 (AC Bus) Annually Payable annually
6	Educational Institutional Vehicle (Contract Buses)	Six to thirty three and above seats excluding driver	₹ 5,000 to ₹ 10,000 (Ordinary) Annually ₹ 12,000 to ₹ 30,000 (AC Bus) Annually Payable annually
7	Contract Carriage vehicle /Tourist Bus	Ordinary/Deluxe/Luxury AC Buses	₹ 2,050 to ₹ 4,750 per Seat per year payable monthly/Quarterly
8	Private Service Vehicle	Having six to Twelve and above Twelve seats excluding driver	₹ 1,450 to ₹ 2,050 per seat per annum Payable Quarterly
9	City Bus Service	Ordinary/Deluxe/ AC Buses	₹ 6,270 to ₹ 17,390 per Month Payable monthly

Appendix XII
(Reference: Paragraph 3.2.1; Page 35)
Detail of unrealised Motor Vehicle Tax

Sr. No.	Type of vehicle	Audit sample test checked	Cases involved in objection	RTAs involved in objection	Amount of short paid tax and penalty (₹ in crore)
1	Goods Vehicle	9,599	1,496	All eight RTAs	4.17
2	Maxi Cab	3,191	929	All eight RTAs	1.37
3	Ambulance	190	54	Five ² RTAs	0.25
4	Stage Carriage	114	23	Three ³ RTAs	0.15
5	Educational Institution	1,218	322	All eight RTAs	0.38
6	Contract Carriage	130	43	Two ⁴ RTAs	0.53
7	Private Service Vehicles	125	12	Three ⁵ RTAs	0.05
Total		14,567	2,879		6.90

² Ambala, Kurukshetra, Kaithal, Gurugram and Faridabad.

³ Ambala, Yamuna Nagar and Gurugram.

⁴ Gurugram and Faridabad.

⁵ Ambala, Faridabad and Kaithal.

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