CHAPTER-II: Implementation of Vahan 4.0, Sarathi 4.0 Applications and E-Challan App

Snapshot

Transport Department of Uttar Pradesh has implemented web based Vahan, Sarathi and E-Challan App Softwares with the objective to provide better services to citizen as well as Transport Department itself, for quick implementation of Government policies from time to time and for instant access of Vehicle/DL information to other Government Departments. These softwares are being developed to empower its public users to perform most of the RTO related transactions (including payments) either from the comfort of home or from authorised third party service providers in their vicinity.

The implementation of Sarathi 4.0 was comparatively faster than Vahan 4.0. However, no module for refund of taxes has been incorporated in Vahan 4.0 and refunds were being processed manually. The Department neither developed any software for reconciliation of the amount received and the amount deposited in the Government account nor reconciled transactions manually.

2.1   Introduction

The Vahan application is used for registration/renewal of registration of vehicles, transfer of ownership, change of address, issue of NOC certificate, issue/renewal of fitness certificate, issue/renewal of all types of permits and for collection of taxes and penalty. The Sarathi application is used for issue of learner driving license, issue/renewal of permanent driving license and for collection of fees and penalty. E-Challan App is used for issuing of challans and settlement of compounding fee.

In Uttar Pradesh, the Vahan application (Unix[1] Based) for registration of vehicles was introduced in November 2000 and was implemented (till December 2006) in 25 Regional Transport Offices/Assistant Regional Transport Offices (RTOs/ARTOs) including Transport Commissioner (TC) Office out of 77 offices (including TC Office and one extension counter office). The remaining 52 offices were running without Vahan application. Further, the Department implemented (2006 to 2013) Vahan 1.0 GUI (Graphical User Interface) based application in 76 RTO/ARTO offices while TC office remained on the earlier version (Unix based). Subsequently, the Department implemented (between January 2016 and February 2019) the latest version *viz.* Vahan 4.0 in 78 RTO/ARTO offices including two extension counters and TC office.

Sarathi 2.0 application, for issuing driving license, in GUI (Graphical User Interface) based application was implemented during the period June 2011 to July 2013 in 76 RTO/ARTO offices. Subsequently, the Department

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[1] Computer operating system.

implemented (between October 2016 and May 2018) the latest version *viz.* Sarathi 4.0 in 77 RTO/ARTO offices including two extension counters.

E-Challan App is an integrated enforcement solution to manage traffic violations through an Android based mobile app and back-end web application, for use by the Transport Enforcement wing and traffic police. This App is used for issue of challan and settlement of compounding fee since June 2017.

2.2 Audit findings

2.2.1 Delay in implementation of Vahan 4.0 and Sarathi 4.0

Vahan 4.0 and Sarathi 4.0 applications were launched on 2 June 2015 by MoRTH. However, there was nothing on record for Audit to verify whether any definite timeline for implementation of Vahan 4.0 and Sarathi 4.0 applications in the State was prepared or any committee was constituted to watch timely implementation of these applications. There was delay in implementation of Vahan 4.0 and Sarathi 4.0 applications as discussed below.

Sarathi 4.0

The implementation of new application started with a delay of 15 months from its launch (June 2015) by MoRTH. ARTO, Barabanki was the first unit to implement (October 2016) Sarathi 4.0. Though the first unit was migrated from Sarathi 2.0 to Sarathi 4.0 in October 2016, the last unit (RTO, Banda) was migrated to Sarathi 4.0 in May 2018 with a time span of 19 months. **Chart 2.1** depicts the month of implementation of Sarathi 4.0 application in the 77 RTOs/ARTOs, including two extension counters, in the State:
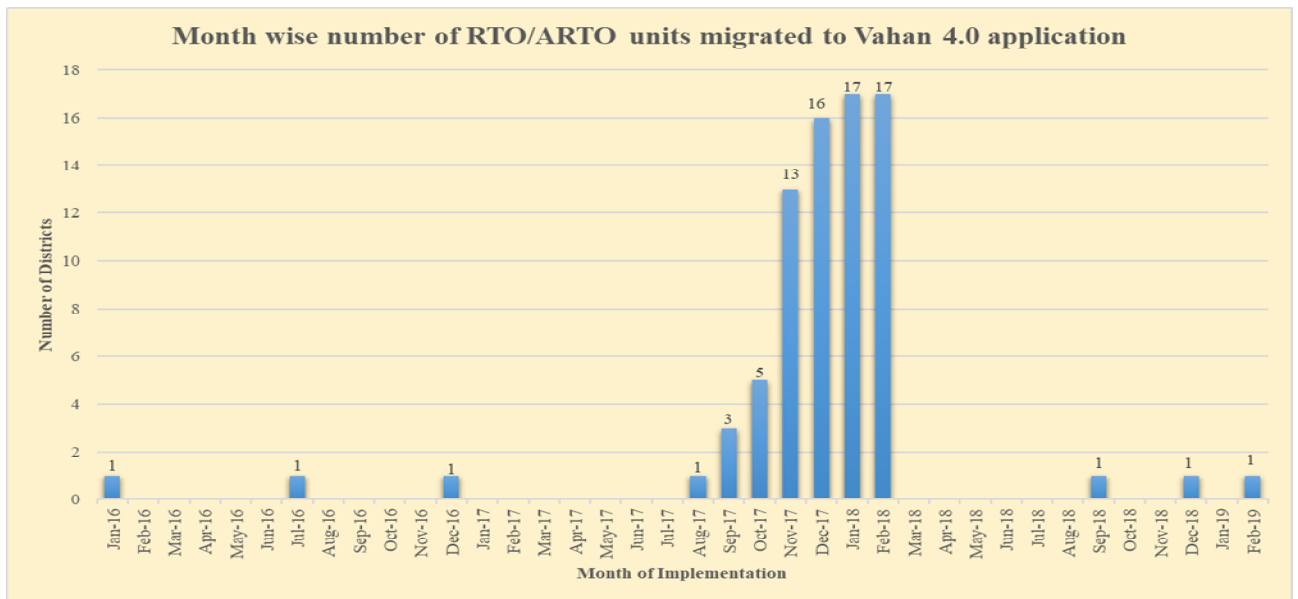
Chart 2.1: Implementation of Sarathi 4.0
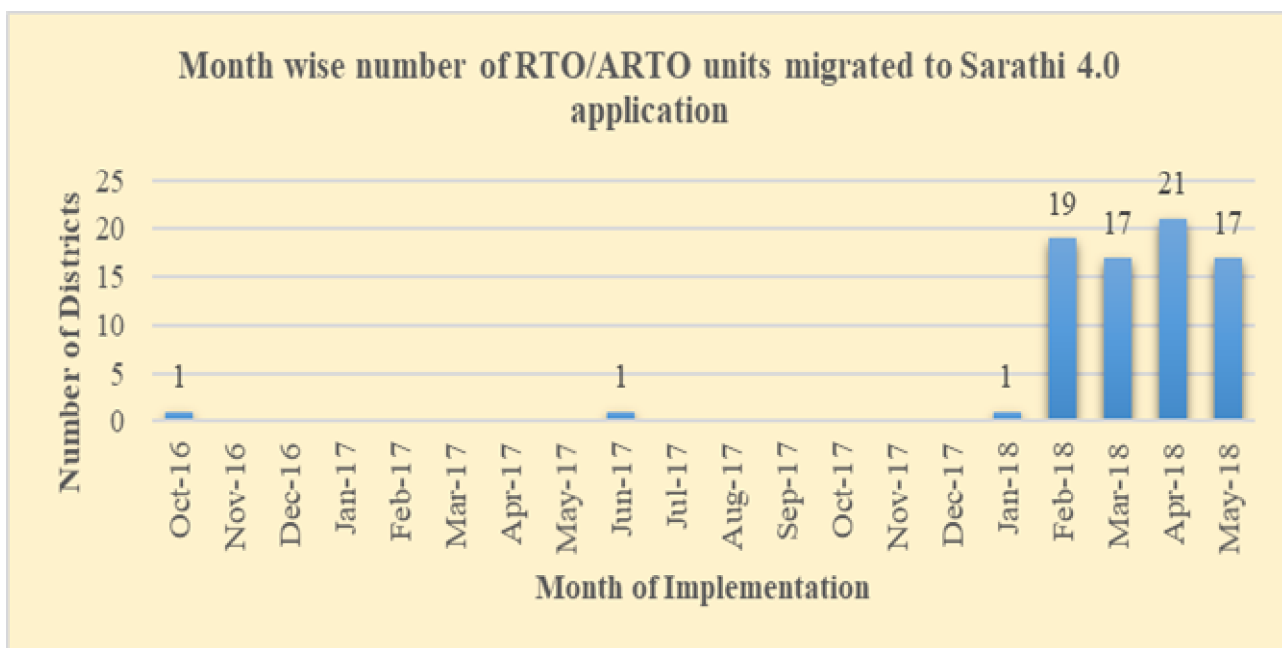
(Source: Information provided by the Department)

Vahan 4.0

The implementation of the new application was started with a delay of seven months from its launch (June 2015) by MoRTH. ARTO, Barabanki was the first unit to implement (January 2016) Vahan 4.0. Though the first unit was migrated from Vahan 1.0 to Vahan 4.0 in January 2016, the last unit (Transport Commissioner Office) was migrated from Vahan 1.0 to Vahan 4.0 in February 2019 with a time span of 37 months. **Chart 2.2** depicts the month of implementation of Vahan 4.0 in the 78 RTOs/ARTOs offices including Transport Commissioner Office and two extension counters in the State.

Chart 2.2: Implementation of Vahan 4.0

(Source: Information provided by the Department)

From the above charts, it can be seen implementation of Sarathi 4.0 was comparatively faster, which was achieved within a period of 19 months, than the implementation of Vahan 4.0 which took around 37 months.

The Department in its reply (July 2022) stated that Vahan and Sarathi are web based applications. The implementation of the Vahan 4.0 was started in the year 2016 but due to lack of infrastructure, its implementation could not be done timely, However, there has been no delay in the implementation of this scheme at the departmental level; rather, all action has been taken as per the procedural requirement of the plan.

The fact remains that there was no timeline prescribed for implementation of the Vahan 4.0 and Sarathi 4.0. It took 37 months for complete implementation of Vahan 4.0 as compared to 19 months taken for complete implementation of Sarathi 4.0.

2.2.2 Software/Module/Services unavailable/unimplemented

2.2.2.1 Module for Refund of Tax

Section 12 of the UPMVT Act, 1997 provides for refund of taxes on the motor vehicle if such vehicle has not been used for a continuous period of one month or more since the tax was paid. Further, UPMVT Rules, 1998 provides as follows:

(A) Rule 21 of the UPMVT Rules, 1998 provides for the refund of tax or additional tax of a motor vehicle other than a transport vehicle in respect whereof one-time tax has been paid and the vehicle is permanently transferred to another State. The owner of the vehicle has to produce a certificate from the registering authority of other State.

(B) Rule 22 of UPMVT Rules, 1998 provides for refund of tax or additional tax if the owner of a motor vehicle withdraws his motor vehicle from use for period of one month or more. In the case of motor vehicle other than transport vehicle, the certificate of registration and in the case of transport vehicle, the certificate of registration, tax certificate, additional tax certificate, fitness certificate and permit, if any, must be surrendered to the taxation officer.

However, there was nothing on record for Audit to verify whether or not any of the module for processing of applications submitted for refund of taxes has been incorporated in Vahan 4.0 application. Audit noticed that the refunds were being processed manually. As per information made available by the Department, an amount of ₹ 17.98 lakh has been processed for refund manually during the period from 2019 to 2021.

The Department in its reply (July 2022) stated that efforts will be made to make further arrangements by holding meeting with NIC, State Bank of India and Finance Department, Government of Uttar Pradesh.

The reply of the Department confirms the fact stated in the observation. Other modules of Vahan 4.0 and Sarathi 4.0 have been implemented.

2.2.2.2 Reconciliation software for On-line payment

The Department executed (November 2013) an agreement with State Bank of India (SBI) for providing facility of e-payment of Tax/Additional Tax/Fee and collection thereof by SBI. Clause 5 of the agreement provided for remittance of collections by SBI on behalf of the Department to the Government account. SBI had to transfer the same to the Government account in Transaction day+1(T+1)[2] working day. In case of non-compliance of the above, there is a provision for penalty.

Audit noticed that the Department has received an amount of ₹ 20,122.61 crore (64 *per cent* of total revenue) as revenue receipts through on-line mode

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[2] T+1 working day as defined by RBI, where "T" is the day on which the money is made available by tax payer/fee payer to the Bank.

during the period 2016-17 to 2020-21. However, the Department did not develop any software for reconciliation of the amount received and the amount deposited in the Government account by SBI. Thus, the automation to that extent is incomplete. Further, on-line revenue receipts were not reconciled manually too.

The Department in its reply (July 2022) stated that reconciliation software has been developed by NIC and is in testing phase. Its implementation will be ensured soon in coordination with NIC and State Bank of India.

The fact remains that despite receipts of huge amount of revenue through on-line system, no mechanism for its reconciliation has been put in place.

Conclusion

The Department initiated the implementation of Sarathi 4.0 and Vahan 4.0 applications with delay of 15 and 7 months respectively, with a further timeframe of 19 and 37 months respectively for its completion. Inspite of delayed implementation, the application lacked certain modules for reconciliations and refund.