

## CHAPTER-I: General

### 1.1 Introduction

The e-Transport project, under the aegis of the Ministry of Road Transport and Highways (MoRTH), Government of India was included under the National e-Governance Plan in the year 2002 as a Mission Mode Project (MMP). The project envisaged improvement in the quality of service delivery to the citizens and the work environment of the Regional Transport Offices (RTOs). National Informatics Centre (NIC), in the capacity of a Technical Partner, was entrusted with the design, development, roll out and maintenance of the project across all the States and Union Territories and compiling the data of Vehicle Registrations and Driving Licences of all the States in State Register and National Register. Accordingly, Vahan and Sarathi applications were conceptualised to capture the functionalities as mandated by the Central and State Motor Vehicles Acts and Rules as described in Audit Criteria.

The Government of India (GoI), to have National and State Registers<sup>1</sup> of registered vehicles and driving licenses issued and also for providing valuable data for the center and security agencies, directed the State Governments to implement the 'Vahan' and 'Sarathi' application systems developed by the National Informatics Centre (NIC).

**FOR VEHICLES:** The Department is using the Vahan application 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 permit and collection of taxes and penalty. Implementation of Vahan 1.0 application started in October 2006 and was completed by August 2013 in all the districts of Uttar Pradesh. The Department implemented the latest version of Vahan viz. Vahan 4.0 in all its offices between January 2016 and February 2019. It is a web based system.

**FOR DRIVING LICENCES:** The Department is using the Sarathi application for issue of learner driving licence, issue/renewal permanent driving licence and for collection of fees and penalty. Implementation of Sarathi 2.0 application started in June 2011 and was completed by April 2013 in all the districts of Uttar Pradesh. The Department implemented the latest version of Sarathi viz. Sarathi 4.0 in all its offices between October of 2016 and May 2018. It is also a web based system.

**FOR ENFORCEMENT:** E-Challans 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.

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<sup>1</sup> Section 26 and 63 of Motor Vehicle Act, 1988 read with Rule 23 and 75 of Central Motor Vehicle Rules, 1989.

The primary thrust of introducing the new applications was to bring the services to the doorstep of the citizens, to remove the hassles faced in obtaining any kind of services related to the Transport Department and to make the system secure, transparent, cost-effective and user-friendly. To achieve this goal, the existing system was revamped by consolidating the Core Application modules and the On-line Service modules to a centralised platform, improving the range and quality of services, making the processes more rational and citizen-friendly. The on-line services running at the front end are being integrated with the back-end RTO applications to ensure that the need for the citizens to physically visit RTOs/ARTOs is eliminated or minimised. Vahan 4.0<sup>2</sup> and Sarathi 4.0<sup>3</sup> were conceptualised to integrate the earlier citizen centric applications i.e. Vahan/Sarathi versions 1.0/2.0, running on disparate platforms, into a common portal that connects to a Centralised database and provides a comprehensive set of G 2 C<sup>4</sup>, G 2 B<sup>5</sup> and G 2 G<sup>6</sup> services from a single point. The information services offered through the portal are being enhanced through real-time data access and sophisticated presentation tools like dashboards, Geographic Information System (GIS) based more specific representation of data *etc.* The data centre of Vahan 4.0 is located at the National Data Centre (NDC), New Delhi and data center of Sarathi 4.0 is located at NDC, Hyderabad. The disaster recovery site for both the applications is situated at NDC, Bhubaneswar.

The key modules operational in Vahan 4.0 and Sarathi 4.0 are as follows: -

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<sup>2</sup> Vahan 4.0 is a centralised, web enabled application, facilitating easy web-based access to all RTOs, Dealers, Citizens, Transporters and various other stakeholders, while configurability of the application allows addressing state specific customisations.

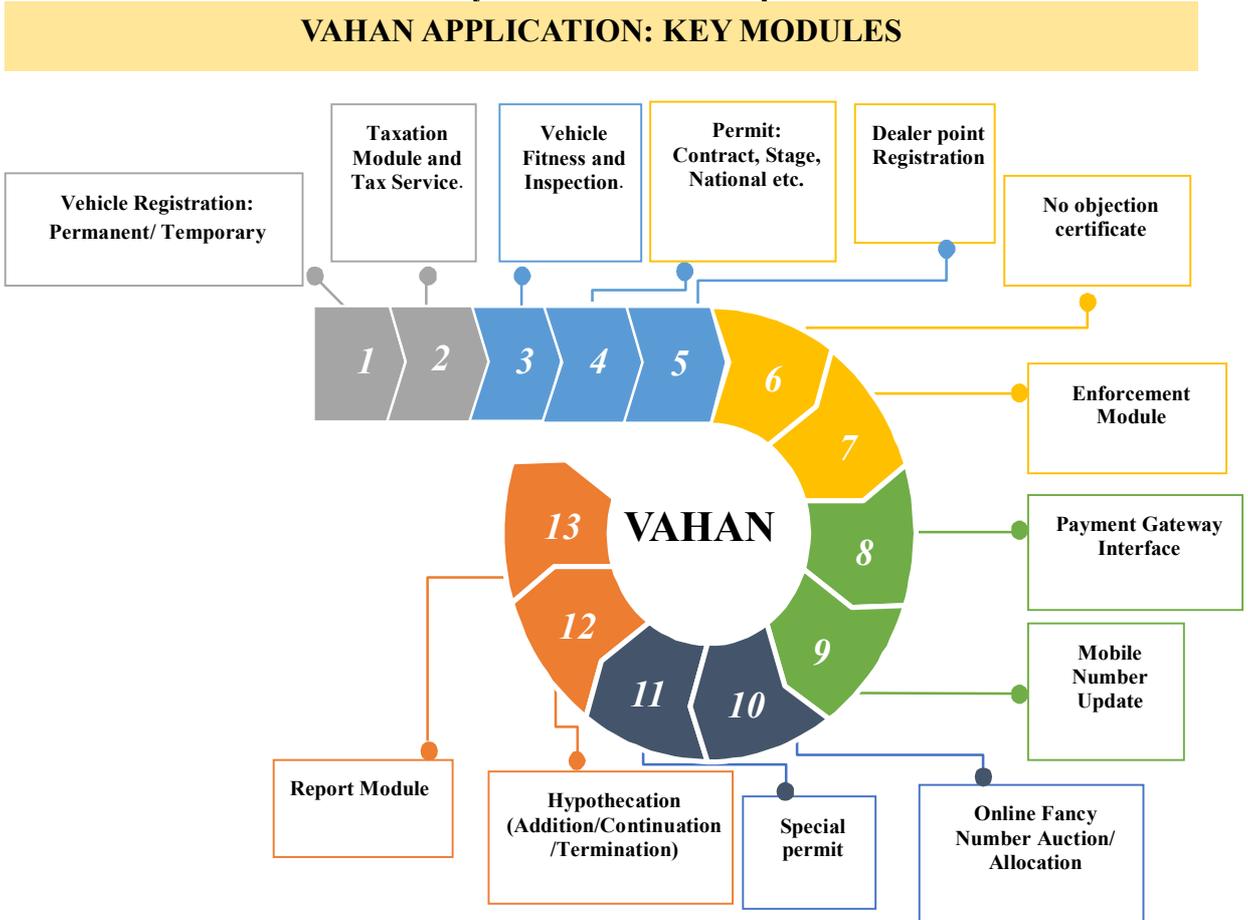
<sup>3</sup> Sarathi 4.0 is a workflow-based application, available in web-based, centralised mode, which helps in management of driving licences, learner licences, conductor licences and driving school licences.

<sup>4</sup> Government to Consumer.

<sup>5</sup> Government to Business.

<sup>6</sup> Government to Government.

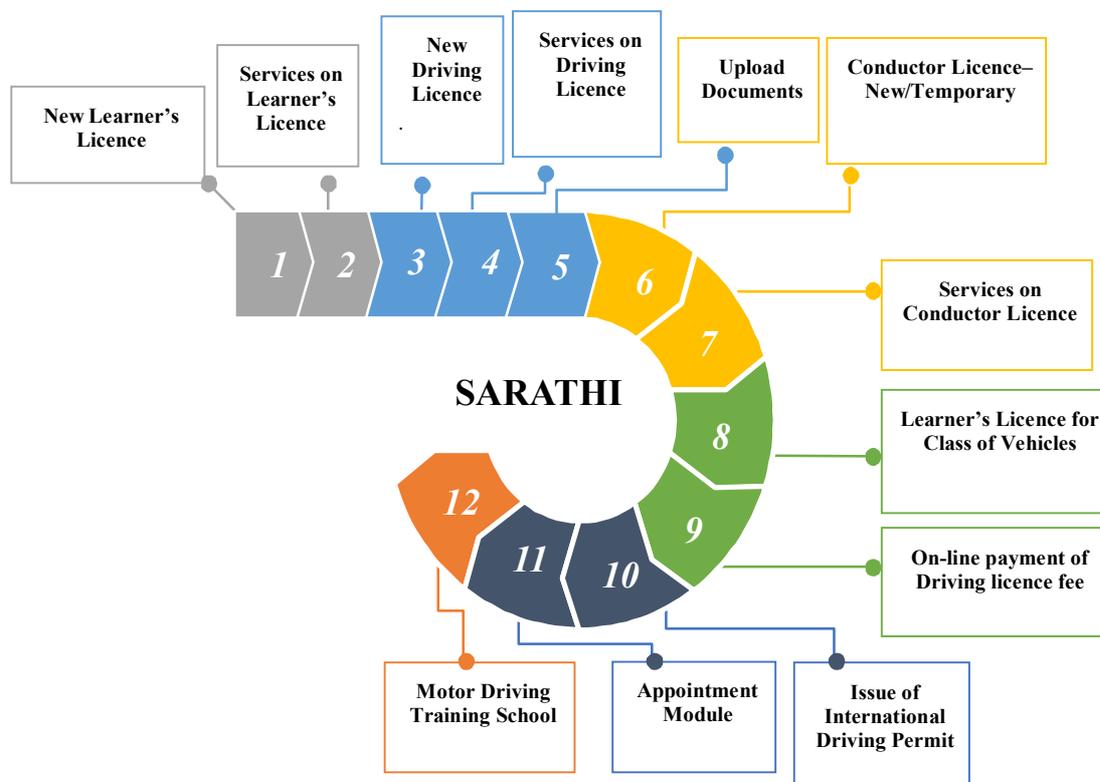
Chart 1.1: Key Modules/Services operational in Vahan 4.0



(Source: Data obtained from official website of MoRTH)

**Chart 1.2: Key Modules/Services operational in Sarathi 4.0**

**SARATHI APPLICATION: KEY MODULES**



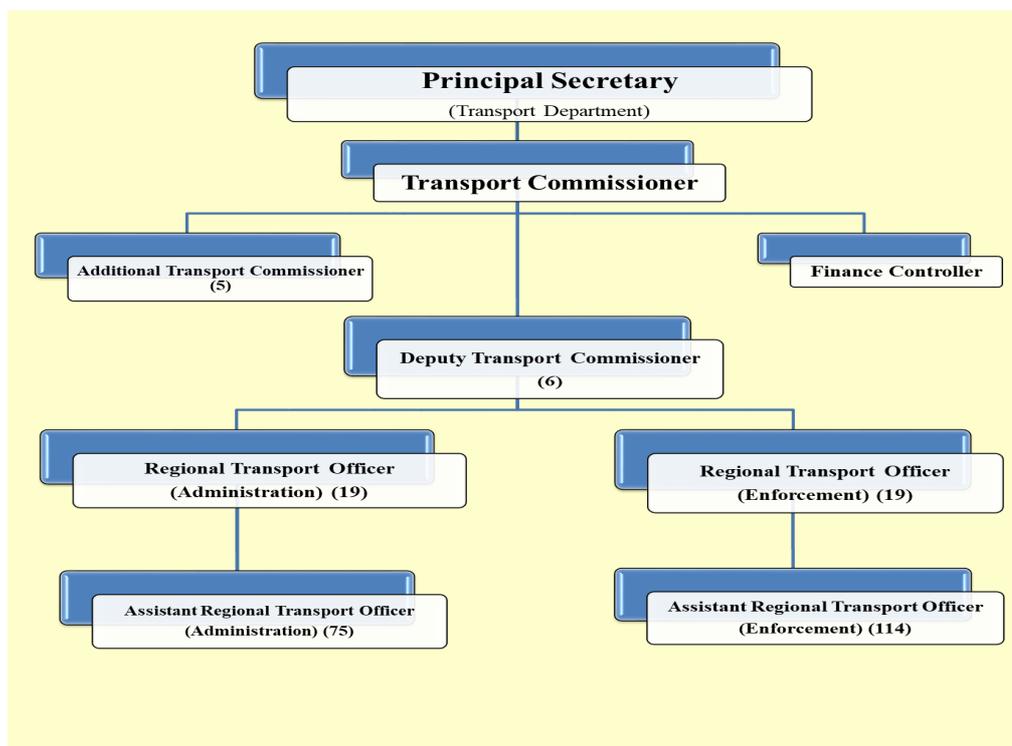
*(Source: Data obtained from official website of MoRTH)*

**1.2 Organisational Set-up**

The Principal Secretary, Transport Department, Uttar Pradesh is the administrative head at the Government level. The entire process of assessment and collection of taxes, fees and penalty is administered and monitored by the Transport Commissioner (TC) Uttar Pradesh, who is assisted by five Additional Transport Commissioners at Headquarters and six Deputy Transport Commissioners (DTCs) at zones, 19 Regional Transport Officers (RTOs) and 75 Assistant Regional Transport Officers (ARTOs) (Administration) at district level. RTOs perform the overall work of issue of permits for operation of transport vehicles. ARTOs perform the work of assessment and levy of taxes and fees regarding transport vehicles and non-transport vehicles.

There are 114 enforcement squads in the State, deployed at the district level. In addition, there are two special enforcement squads posted at Headquarters. These enforcement squads work under 19 Regional Transport Officers, (Enforcement) posted at Regional level, ultimately attached to Headquarters. The organisational setup is described below in **Chart 1.3**.

Chart 1.3 – Organisational Chart



(Source: Departmental Official website)

IT activities are administered and monitored by the Additional Transport Commissioner, IT, who is assisted by one Regional Transport Officer and one Data Base Administrator (DBA) at Headquarters and 76 DBAs at the district level.

### 1.3 Revenue Receipts of the Department

The Department has registered 3.77 crore vehicles<sup>7</sup>, issued 1.02 crore driving licenses (DL) and issued challans for 21.56 lakh vehicles up to March 2021. The details of Revenue Receipts of the Department during 2016-17 to 2020-2021 are shown in Table - 1.1.

**Table -1.1**  
Revenue receipts during last five years

| (₹ in crore) |                        |                         |  |                          |
|--------------|------------------------|-------------------------|--|--------------------------|
| Years        | Total revenue receipts | On-line revenue receipt | Percentage of on-line revenue receipt to total revenue receipt | Off-line revenue receipt |
| 2016-17      | 5,148.32               | 2,112.37                | 41.03  | 3,035.95                 |
| 2017-18      | 6,349.52               | 3,251.18                | 51.20  | 3,098.34                 |
| 2018-19      | 6,929.93               | 4,523.36                | 65.27  | 2,406.57                 |
| 2019-20      | 7,173.20               | 5,345.88                | 74.53  | 1,827.32                 |
| 2020-21      | 5,905.98               | 4,889.82                | 82.79  | 1,016.16                 |
|              | <b>31,506.95</b>       | <b>20,122.61</b>        | <b>63.87</b>   | <b>11,384.34</b>         |

(Source: Information provided by Transport Department)

<sup>7</sup> Transport Vehicle and Non-Transport Vehicle.

Contribution of the Transport Department to the total Tax Revenue (₹ 5,46,203.91 crore) of the State was approx. six *per cent* during the five years *i.e.* 2016-17 to 2020-21. Revenue collection from the On-line system was 20,122.61 crore and the Off-line system was 11,384.34 crore. During this period the revenue collection through On-line has increased from 41.03 *per cent* to 82.79 *per cent*.

#### **1.4 Audit Objectives**

The Performance Audit was conducted with a view to ascertain whether

- the implementation of Vahan, Sarathi and E-Challan App led to the achievement of the objectives<sup>8</sup> of the Department;
- the Security and other general controls for Vahan, Sarathi and E-Challan App were defined and adhered to in line with business requirements; and
- business rules were properly mapped and all required functionalities were provided in the IT application.

#### **1.5 Sources of Audit Criteria**

The sources of audit criteria for assessing the achievements of audit objectives were the following Acts and Rules which govern the process of system of registration of vehicles, issue of license, fitness certificate, permit, assessment, levy and collection of motor vehicles tax/additional tax, *etc.*, and other related documents:

- Motor Vehicles Act, 1988 and Central Motor Vehicles Rules, 1989;
- Uttar Pradesh Motor Vehicles Taxation Act, 1997 (UPMVT Act);
- Uttar Pradesh Motor Vehicles Taxation Rules, 1998 (UPMVT Rules) framed thereunder;
- Uttar Pradesh Motor Vehicles Rules, 1998;
- Carriage by Road Act, 2007 (CBR Act) and Carriage by Road Rules, 2011 (CBR Rules);
- Notifications, Circulars and Orders issued by Government and Department;
- The Information Technology Act, 2000.

#### **1.6 Scope of Audit**

The Performance Audit covered a period of five years *i.e.* from 2016-17 to 2020-21. Audit examined/validated the records maintained in the offices of the

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<sup>8</sup> Department will follow the objectives of MoRTH *viz.* better services to citizen, quick implementation of government policies from time to time, Improved image of Government & Department and Instant access of vehicle to other Government Departments.

Transport Commissioner (TC) and 12 sampled Regional Transport Offices (RTO)/Assistant Regional Transport Offices (ARTO) during February 2021 to January 2022<sup>9</sup> to ascertain the level of implementation and monitoring of the information technology system.

### 1.7 Audit methodology

An entry conference was held on 08 February 2021 with the Department in which audit scope, criteria and methodology were discussed. Data analysis has been carried out in Tableau<sup>10</sup> and IDEA<sup>11</sup> application on receipt<sup>12</sup> of the dump data of Vahan, Sarathi and E-Challan App for the entire State. The data analysis revealed 30 audit findings which were cross verified/validated on a sample basis with the records of 20 cases per finding maintained at the seven RTOs/five ARTOs. The selection of offices of the RTOs/ARTOs were done through SRSWOR (Simple Random Sampling Without Replacement) method on the basis of normalisation of data (two variables namely Collected Revenue and Number of Vehicles) and 12 Districts (seven RTO<sup>13</sup> and five ARTO<sup>14</sup> Offices) out of 75 Districts were selected<sup>15</sup>. An exit conference was held on 26 July 2022 with the Department in which the audit findings were discussed. Replies of the Department have been suitably incorporated in the concerned paragraphs.

### 1.8 Content of this Report

This Performance Audit Report contains five chapters. **Chapter I** presents the introduction, organisational setup of the Department, Revenue Receipts, audit objectives, the audit criteria and the scope and methodology of audit. **Chapter II** deals with Implementation of applications & On-line services, **Chapter III** highlights deficiencies in security and general controls and **Chapter IV** deals with short realisation of transport revenue due to incorrect mapping of business rules in Vahan and E-Challan App. **Chapter V** highlights deficiencies in application control and other irregularities. Financial impact of the Report is ₹ 1,033.37 crore.

### 1.9 Acknowledgement

Audit acknowledges the cooperation extended by the Transport Department in providing necessary information and records.

<sup>9</sup> The audit work remained suspended intermittently due to the Covid - 19 pandemic.

<sup>10</sup> It is a Business Intelligence Data visualisation Analytics tool.

<sup>11</sup> Interactive Data Extraction and Analysis application.

<sup>12</sup> From CDMA Wing, O/o Comptroller and Auditor General of India, New Delhi

<sup>13</sup> RTO Bareilly, RTO Ghaziabad, RTO Gonda, RTO Kanpur Nagar, RTO Meerut, RTO Prayagraj, and RTO Varanasi.

<sup>14</sup> ARTO Hamirpur, ARTO Kushinagar, ARTO Lakhimpur Kheri, ARTO Sant Ravidas Nagar and ARTO Sitapur.

<sup>15</sup> Approved by Statistical Advisor.