

# **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 receipts<sup>1</sup> 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 VAHAN<sup>2</sup> application. The work relating to issue of driving licenses and renewal of licenses are carried out through SARATHI<sup>3</sup> 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 officers<sup>4</sup> at headquarters,

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

<sup>2</sup> VAHAN is the flagship e-Governance application under National Transport Project.

<sup>3</sup> SARATHI is the flagship e-Governance application under National Transport Project.

<sup>4</sup> 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 Schemes<sup>5</sup>;
- 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 Undertaking<sup>6</sup> (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.;

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

<sup>6</sup> 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, Pune<sup>7</sup>.

### ***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 24<sup>8</sup> depots in operational wing each headed by a GM and 13<sup>9</sup> 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 eight<sup>10</sup> 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

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<sup>7</sup> State Transport Undertakings Profile and Performance (2017-18)

<sup>8</sup> 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.

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

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

eight<sup>11</sup> 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.

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

