SUPREME AUDIT INSTITUTION OF INDIA
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Report of the Comptroller and Auditor General of India on Subject Specific Compliance Audits of "Development of Tourism in Coastal Zone in Odisha" and "Functioning of State Transport Authority and Regional Transport Offices in Odisha" for the year ended 31 March 2024

Government of Odisha

Report No. 2 of the year 2026

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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 has been prepared for submission to the Governor of the State of Odisha under Article 151 of the Constitution of India and under CAG's DPC Act, 1971.

This Report contains significant results of the Subject Specific Compliance Audits of "Development of Tourism in Coastal Zone in Odisha" and "Functioning of State Transport Authority and Regional Transport Offices in Odisha".

The Audit was conducted to assess activities of Department of Tourism in development of sustainable tourism under Blue Economy in the coastal zone of the State. In addition, the Audit also assessed the activities of the State Transport Authority and Regional Transport Offices.

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

Overview

This Report of the Comptroller and Auditor General of India (CAG) include observations related to two Subject Specific Compliance Audits (SSCA), *viz.,* “Development of Tourism in Coastal Zone in Odisha” and “Functioning of State Transport Authority and Regional Transport Offices in Odisha”.

The primary purpose of the Report is to bring to the notice of the State Legislature significant results of Audit. The Audit findings are expected to enable the executive to take timely corrective action. This would help in framing policies and directives that will lead to improved management of the organisations, thus contributing to better governance.

Compliance Audit refers to examination of the transactions relating to expenditure, receipts, assets and liabilities of the audited entities to ascertain whether the provisions of the applicable Rules, Laws, Regulations, various orders and instructions issued by the competent authorities are being complied with.

The Report includes suitable recommendations with the intention to assist the Executive in taking corrective action and improving service delivery to the citizens. Significant audit observations made in the Report are discussed below.

CHAPTER – I

Subject Specific Compliance Audit of “Development of Tourism in Coastal Zone in Odisha”

Odisha has a coastline of 574.71 kms along the shore fringes of the Bay of Bengal spread across the seven coastal districts of Balasore, Bhadrak, Ganjam, Jagatsinghpur, Kendrapara, Khordha and Puri. Subject Specific Compliance Audit was conducted to assess activities of Department of Tourism in development of sustainable tourism under Blue Economy in the coastal zone of the State. This Subject Specific Compliance Audit covering the period from 2019-20 to 2023-24 revealed the following major findings:

From Budgeted Plan allocation of ₹2,278.04 crore for DoT, ₹103.35 crore was surrendered due to non-utilisation of funds allocated under the “New Tourism Policy and Critical Gap Funding. For want of non-clearance from statutory authority, administrative approval and non-availability of land, tourism funds of ₹898.48 crore had been parked in the bank accounts by nine executing agencies for periods ranging between 2014-15 to 2023-24. Further, a major chunk of the fund *i.e.,* ₹ 806.44 crore (89.76 *per cent*) was parked in the bank accounts of OTDC and STDC.

OTDC had not realised dues of ₹10.72 crore from government and ₹72 lakh from private parties for providing different services such as transport, accommodation and lodging. Out of these dues of ₹11.44 crore, 23 *per cent* were outstanding for more than three years. The DoT incurred a loss of ₹207.68 crore in organising seven eco-retreats during 2020-21 to 2023-24.

Four out of the ten restaurants / Yatrinivas managaed by OTDC in coastal zone, had income of ₹10.28 crore during 2019-24, against which expenditure of ₹11.70 crore was incurred, which resulted in loss of ₹1.42 crore. This indicates lack of commercial prudence and poor management.

The failure of both DoT and OTDC in operationalisation of beach shacks led to non-achievement of objective of promotion of beach tourism and resulted in blockage of the funds amounting to ₹1.25 crore besides loss of potential revenue of ₹45.50 lakh each year.

The Department failed to align its Tourism Policy with the Sustainable Development Goals. DoT had not achieved progress on SDG 1.0 indicators even after lapses of five years. Though, GoO identified 358 tourist centres in the State, DoT was not able to execute the Master Plans for development projects to promote tourism in coastal areas due to non-obtaining of prior clearances from the concerned authorities. Centrally sponsored scheme, Pilgrimage Rejuvenation and Spiritual, Augmentation Drive (PRASAD), involving infrastructure development at Puri, Shree Jagannath Dham-Ramchandi-Prachi River at Deuli-Dhauli could not be completed in the State despite an expenditure of ₹6.49 crore. The objectives of Centrally sponsored Swadesh Darshan Scheme to promote cultural and heritage sites, boost economic growth, create jobs, and develop world-class tourist infrastructure remained unfulfilled, despite an expenditure of ₹41.60 crore in Barkul, Satpada, Tampara and Gopalpur.

Due to lack of coordinatin with Odisha Industrial Infrastructure Development Corporation (IDCO) and insufficient persuasion for compliance of timelines by DoT, the project of Floating Musical Fountain at Bindusagar, Bhubaneswar remained incomplete. The intention of attracting more tourists by developing the Bindusagar Lake could not be achieved even after more than nine years and despite incurring an expenditure of ₹8.16 crore. Similarly, the aim of developing the Shamuka special tourist area in Puri district could not be achieved due to the same reasons, rendering the expenditure of ₹11.92 crore unfruitful. The objective of development of three Blue Flag beaches remained unachieved despite expenditure of ₹3.78 crore.

Permanent/ semi-permanent structures such as Beach front promenade at Ramchandi, Widening of approach road from Puri-Konark Marine Drive, Pandhasala at Talasari, falling in Sanctuary / National Park/ PRF areas were constructed incurring an expenditure of ₹28.84 crore in violation of Government instructions and Forest Conservation Act, 1980.

Panthanivas were functioning without mandatory fire safety certificates and due to non-compliance with fire safety measures, the life and property of the public are at risk.

The two coastal district *i.e.,* Puri and Khordha attracted 48 *per cent* of tourists in the State during 2019-24 due to the presence of attractions like Shree

Jagannath Temple, Rath Yatra festival and Puri sea beaches. In order to step up tourist inflow and explore fully the tourist potential of other cultural, ecological and heritage sites in the State, it is important for DoT to develop more tourism projects in other coastal districts of Odisha.

Recommendations

The Government may:

- ***Formulate a Standard Operating Procedure (SOP) so that projects are taken up only after a proper field survey with all clearances from authorities such as MoEF&CC, ASI etc., before award of work to the implementing agencies.***

- ***Frame an action plan with well-defined milestones for implementing SDGs, and to better manage sustainable tourism initiatives, in line with the National Tourism Policy and UN Agenda 2030.***

- ***Strengthen the system of financial control to ensure complete and timely utilisation of funds for the intended objectives and avoid parking of funds outside Government account.***

- ***Ensue that tourism projects are developed in a sustainable and eco-friendly manner to make the State more attractive to the tourists.***

- ***Strictly follow the state eco-tourism policies and provisions of the MoEF&CC's Acts for development of eco-tourism in forest and wildlife areas.***

Chapter – II

Subject Specific Compliance Audit of "Functioning of State Transport Authority and Regional Transport Offices in Odisha"

Taxes on vehicles is the fourth largest revenue source of the State. It contributed about four to six *per cent* of the total tax revenue of the State. Government of Odisha (GoO) has enacted the Odisha Motor Vehicles Taxation (OMVT) Act, 1975 which details the taxes to be levied on motor vehicles. The major regulatory functions envisaged under the MV Act, 1988 are implemented by the Regional Transport Authorities and the taxation powers envisaged under the various State Acts are implemented by the Regional Transport Officers (RTOs), who also act as RTAs and function under the State Transport Authority (STA) constituted under the Commerce and Transport Department, GoO. Subject Specific Compliance Audit was conducted to assess activities of the STA and RTOs. The SSCA covering the period from 2019-20 to 2023-24 revealed the following major findings:

Absence of regulating mechanism to deal with the aggregator services and prescribed base fare led to aggregators operating without licence and fixing of fare by themselves to their convenience. Non-fixation of base price on which the tax is to be levied which in turn led to non-uniformity in levy and collection of Onetime tax on sale of vehicle.

Department accepted MV Tax from the vehicles without ensuring valid Fitness Certificates (FCs) in VAHAN in violation to Motor Vehicles Act. This also resulted in non-realisation of inspection fee of ₹73.18 lakh from 9,760 vehicles.

Registration of public service vehicles without fitment of Vehicle location Tracking Device resulted in compromise with safety and security of women passengers.

Department not only failed to ensure fixing of HSRPs in 17.61 lakh vehicles registered prior to March 2019 but also registered 1.52 lakh vehicles without HSRPs during the period upto 31 March 2024.

Deficiencies in GIS based Planning and Permit Management System / Odisha Public Transport and Integrated commuter System (OPTICS) led to manual intervention for issue of permits to the vehicles.

Deviations in issue of permit resulted in short / non-realisation MV tax and penalty of ₹90.68 lakh. Issue of ordinary permits instead of express permits to stage carriages led to loss of tax and additional tax of ₹14.59 lakh.

Tax Recovery procedure implemented by the Government was not effective towards collection of huge outstanding arrear revenue. Against the targeted amount of ₹530 crore, only arrear of ₹9.71 crore was collected.

There was pendency of e-Challans either with RTOs or in the court of law or with the Police authorities which constitutes 39.55 lakh challans amounting to ₹1,136.62 crore. Vehicles were plying without paying tax and penalty on the date of enforcement.

Though multiple offences under different sections were committed by a single offender, the enforcement officials booked under one or two offences, resulting in non-imposition of fine of ₹640.87 crore.

As per Road Safety Policy 2015, the mission was to reduce road accidents by 50 *per cent* and fatalities by 20 *per cent* by 2020 (base year as 2015) but, the accidents and injuries (except 2020) and fatalities increased when compared to base year 2015 and the target to reduce road accidents, fatalities and injuries fixed was not achieved.

Recommendations

The Government may consider:

- ***taking stringent action against motor vehicle aggregators operating public service vehicles in an unregulated manner, without obtaining the required licence;***

- ***improving the afficiency and effectiveness of VAHAN by mapping appropriate business rules and strengthening in-build controls for input validation for registration, assessment, levy and collection of tax and fee as well as for issue of driving licences through SARATHI;***

- ***establishing Automatic Testing Stations for checking fitness of vehicles and prioritising the improvement of testing tracks for drivers;***

- ***ensuring strict enforcement of installation of Vehicle Location Tracking Devices in public transport vehicles for the safety of women and girl children using public transports;***

- ***ensuring affixation of High Security Registration Plates (HSRPs) in all the vehicles (old and new);***

- ***taking action to correct deficiencies in Odisha Public Transport & Integrated Commuter System (OPTICS), in order to have an efficient and effective regulation for issue of permits;***

- ***taking steps to update the address (Aadhaar) and mobile number of vehicle owners and DL holders to trace violators for timely realisation of arrear revenue;***

- ***redesigning e-Challan software with appropriate validation controls to auto generate the compounding fee for offences booked, and to avoid non / short realisation by manual interventions; and***

- ***improving the monitoring mechanism for timely delivery of citizen centric services and fix responsibility on erring officials.***

CHAPTER I

Subject Specific Compliance Audit of "Development of Tourism in Coastal Zone in Odisha"

CHAPTER I

Subject Specific Compliance Audit of "Development of Tourism in Coastal Zone in Odisha"

1.1 Introduction

Odisha, has untapped potential in its tourism sector, because of its rich cultural history, strategicI geographical location, diverse topography and profound natural bounty. Apart from various temples, festivals, carnivals, local handicrafts *etc.,* Odisha's coasts are famous attraction for tourists. Geomorphology, marine life, and local environment of coastal ecosystems are other criteria which can contribute to the development of coastal economy and tourism in these zones. Odisha has a coastline of 574.71 kms along the shore fringes of the Bay of Bengal spread across the seven districts of Balasore, Bhadrak, Ganjam, Jagatsinghpur, Kendrapara, Khordha and Puri.

Figure 1: Coastal Zone Map of Odisha

1.1.1 Sustainable tourism under Blue Economy

United Nation World Tourism Organisation Guidebook (2015) describes sustainable tourism as "tourism that takes full account of its current and future economic, social and environmental impacts, addressing the needs of visitors, the industry, the environment and host communities" and focuses on five key pillars of sustainable tourism in developing countries *viz.,*tourist policy and governance, trade investment, employment, capacity building, poverty reduction, sustainability of natural and cultural environment *etc*. Sustainability is also the focus area under Blue Economy which is defined as the "sustainable use of ocean resources for economic growth, improved livelihoods, and jobs while preserving the health of ocean ecosystem."

While many sustainable development goals (SDG) have an impact on tourism sector, three SDGs[1], namely, SDG 8, SDG 12 and SDG 14 explicitly include coastal and maritime tourism. The Government of Odisha (GoO) through its Department of Tourism (DoT) has taken steps for the development and promotion of tourism and to make tourism a sustainable industry in the State.

A Subject Specific Compliance Audit was planned and conducted to assess the sufficiency of planning and strategies adopted; implementation of projects; and utilisation of existing infrastructure and impact thereof, with regard to development of tourism in the coastal zone of Odisha.

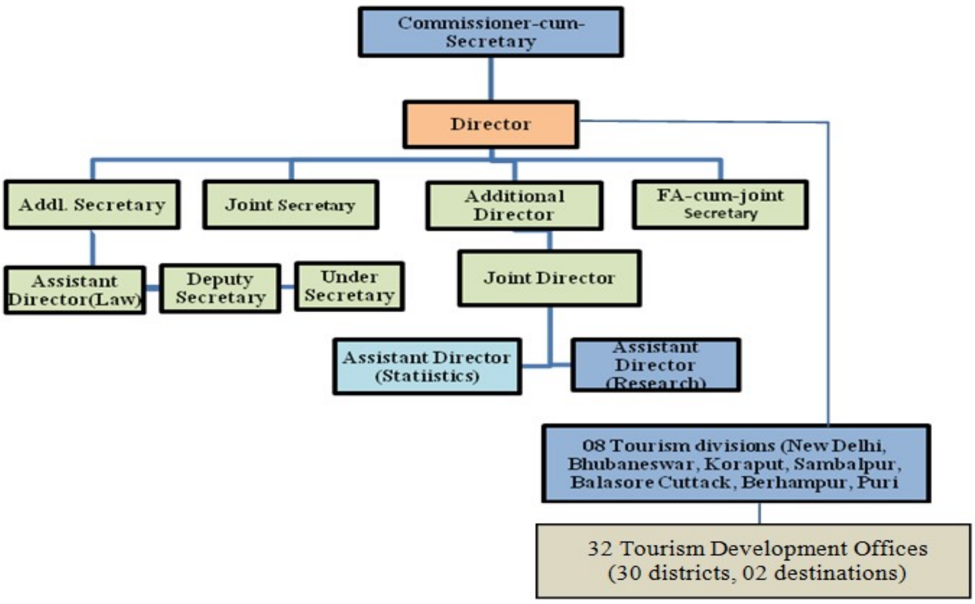
1.1.2 Organisational Structure of Tourism Department

The Department of Tourism is the nodal department for development of tourism in the State, headed by the Commissioner-cum-Secretary. The Directorate of Tourism is a part of the Composite office of the Department, with 32 Tourism Development Offices. Each of the 30 districts[2] in the State has a Tourism Development Office headed by a Tourist Officer or Tourism Development Officer. Out of the 30 districts, seven districts[3] fall in the coastal zone of Odisha and are therefore relevant from the point of sustainable coastal tourism.

Chart 1 below depicts the organogram of the Tourism Department of the State Government.

Chart 1: Organisation of the Tourism Department

<u>Organisational Chart</u>



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1 SDG 8-Economic growth, SDG 12-Sustainable consumption and production & SDG 14-Ocean conservation

2 Puri, Khordha, Nayagarh, Cuttack, Jajpur, Jagatsinghpur, Kendrapada, Balasore, Bhadrak, Mayurbhanj (Baripada), Keonjhar, Sundargarh (Rourkela), Sambalpur, Bargarh, Jharsuguda, Deogarh, Dhenkanal, Angul, Balangir, Sonepur, Kalahandi (Bhawanipatna), Nuapada, Koraput, Rayagada, Malkangiri, Nabarangpur, Kandhamal (Phulbani), Boudh, Ganjam (Berhampur), Gajapati (Paralakhemundi).

3 Balasore, Bhadrak, Ganjam, Jagatsinghpur, Kendrapara, Khordha and Puri.

A public sector undertaking namely, the Odisha Tourism Development Corporation Limited **(**OTDC**)** with the vision of developing and promoting Odisha as one of the premier tourist destinations of India, has been functioning under the administrative control of the Department. As per the Annual Report 2023-24 of OTDC, it operates 14 accommodation facilities (*Panthaniwas / Yatriniwas / Aranyaniwas*) and three restaurants (*Nimantran* at Bhubaneswar, Puri and Sambalpur). Out of these, ten accommodation facilities and two restaurants are situated in the coastal districts of the State.

1.1.3 Audit Scope and Methodology

All the seven coastal districts were selected for the Subject Specific Compliance Audit conducted between the period August 2024 to February 2025, covering the five years period from 2019-20 to 2023-24. During the course of audit, the following records were examined in detail:

(i) Records of the seven coastal District Tourist Offices (DTOs).

(ii) Records relating to two Central schemes-SWADESH DARSHAN and PRASAD under Government of India (GoI) and State scheme projects implemented by various agencies[4].

(iii) Chilika Development Authority (CDA).

(iv) Odisha Coastal Zone Management Authority (OCZMA) under the Forest, Environment and Climate Change (FE&CC) Department.

(v) Odisha Industrial Infrastructure Development Corporation (IDCO).

(vi) Records relating to:

- Eco-retreats[5] organised by the Tourism Department,
- Eco-tourism[6] events organised by the FE&CC Department.

Joint Physical verification (JPV) of five sea beaches and 86 number of selected tourism sites were also conducted during December 2024 to February 2025 with the concerned departmental officers.

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[4] Odisha Tourism Development Corporation Ltd. (OTDC) under Department of Tourism (DoT), Shree Jagannath Temple Administration, Puri (SJTA), and other executing agencies such as Odisha Bridge & Construction Corporation Limited (OBCC), Engineering Projects (India) Ltd (EPIL), seven District Collectors and selected Block Development Officer (BDO), Superintendent Engineer (SE) under Works Department of Odisha, Berhampur Development Authority (BeDA), Odisha Construction Corporation Ltd. (OCC Ltd), National Buildings Construction Corporation Ltd. (NBCC Ltd.)

[5] Odisha tourism organises 'Eco Retreat Odisha', a seasonal tent camping event with facility similar to star category hotel and resort, every year in different locations across the state.

[6] Eco-Tourism is "responsible travel to natural areas that conserves the environment and improves the well-being of local people". Eco-tourism or "Community Managed Nature Tourism in Odisha" aims to support Forest & Wildlife conservation by providing alternative livelihood to forests dependent communities in State.

1.1.4 Audit objectives

The audit objectives of the SSCA were to assess whether:

- Budget was formulated in a realistic and objective manner and expenditure was incurred as per the provisions made under Rules;
- Planning and strategies adopted for development of coastal tourism in Odisha were aligned with SDG and were effective;
- Tourism infrastructure development projects / schemes in coastal zone were implemented economically, efficiently and effectively and there was optimum utilisation of tourism infrastructure; and
- Government initiatives helped in income generation and livelihood improvement of local people / vendors and other stakeholders / coastal communities.

1.1.5 Audit criteria

The audit observations were benchmarked against criteria derived from the following:

- ❖ National Tourism Policy 2002, Odisha Tourism Policy 2022, Eco-tourism policy 2012;
- ❖ Odisha Industries Facilitation Act, 2004, Odisha Right to Public Services Act, 2012; Companies Act, 2013 and the Limited Liability Partnership Act, 2008;
- ❖ Wild Life (Protection) Act (WPA), 1972, Forest Conservation Act,1980;
- ❖ Fiscal Responsibility and Budget Management (FRBM) Act, 2005;
- ❖ Coastal Regulation Zone Notification 2019;
- ❖ Guidelines, instruction, notification *etc.*, issued by Government of India and Government of Odisha from time to time;
- ❖ Roadmap for development of tourism sector in Odisha 2030;
- ❖ United Nations Organisation's Sustainable Development Goals (SDG);
- ❖ Odisha General Financial Rules 2023, Odisha Treasury Code 1959, and Finance Department Notifications; and
- ❖ Odisha Tourism Annual Report, Odisha Tourism statistics bulletin.

1.1.6 Acknowledgement

An Entry Conference with the Commissioner-cum-Secretary, DoT was held on 11 September 2024. Necessary co-operation was extended by the Departments of Tourism and FE&CC, District Collectors in furnishing the records to audit and reply to the queries / observations issued during the course of the audit. Exit conference could not be held due to non-availability of the Commissioner-cum-Secretary, Tourism Department, who had proceeded on election duty for General Election to the Legislative Assembly of Bihar.

1.2 Financial Management

1.2.1 Status of Allotment and Expenditure

The annual budget allotment and expenditure of the Tourism Department with respect to programmes / schemes for the seven Coastal Districts during 2019 to 2024, is tabulated in **Table 1.1** below:

Table 1.1: Funds Allotment and Expenditure of Coastal districts of Tourism Department during 2019-2024

(₹ in crore)

Year	Allotment	Expenditure	Surrender	Percentage of surrender
2019-20	194.09	192.67	1.42	0.73
2020-21	353.02	353.02	0.00	0.00
2021-22	482.99	482.99	0.00	0.00
2022-23	535.44	525.45	9.99	1.87
2023-24	712.50	620.56	91.94	12.90
Total	**2,278.04**	**2,174.69**	**103.35**	

Source: Information furnished by DoT

From the above table, it could be seen that against the allotment of ₹712.50 crore, expenditure of ₹620.56 crore was incurred during 2023-24 leaving a balance of ₹91.94 crore (12.90 *per cent*) which was surrendered due to non-utilisation of funds towards projects under "New Tourism Policy and Critical Gap Funding" (₹56.94 crore) and "Kalinga Institute of Peace and Conflict Resolution" (₹35.00 crore).

The DoT stated (October 2024) that the funds allocated under the "New Tourism Policy and Critical Gap Funding" for disbursement as Capital Investment Subsidy (CIS) were not utilised as the Inter-Ministerial Committee formed to evaluate and finalise the proposals for CIS, could not assess new proposals due to general election and enforcement of the Model Code of Conduct (MCC). However, the Government remained silent about surrender of ₹35.00 crore allocated for the Kalinga Institute of Peace and Conflict Resolution.

The reply is not tenable as the impact of elections and the MCC was only for a month or two, and therefore this could not be the only reason for non-utilisation of funds or non-implementation of projects.

1.2.2 Non-submission of Utilisation Certificates

Rule 173 of Odisha General Financial Rules (OGFR) stipulates that in case of grants where conditions are attached, Utilisation Certificates (UCs) should be furnished by the grantee institutions so as to reach the Administrative Department by 01 June of the succeeding year.

Scrutiny of UC records of DoT revealed that ₹1,160.40 crore for 1,019 projects / components was released to nine Agencies[7] to execute various tourism developmental activities in Odisha, during 2014-23. However, UCs for 948 projects worth ₹1,094.49 crore (94.36 *per cent* of total sanctioned funds) were not submitted and the delays ranged between 14 to 98 months as detailed in ***Appendix I***. The reason for non-submission of UCs were not on record. However, Audit noticed that 948 tourism projects were not executed / completed by these nine agencies, and funds of ₹898.48 crore were parked in their bank accounts, for long periods as discussed in Paragraph No. 1.2.3.

The DoT stated (October 2024) that most of the UCs were not submitted by the different executing agencies and they have been requested to submit the same.

However, non-submission of UCs highlights the fact that the Department did not monitor the execution of the projects by the implementing agencies and failed to take timely action for UC submission. Further, in the absence of UCs, risks of diversion or misappropriation of funds cannot be ruled out.

1.2.3 Unauthorised parking of Tourism Fund / Government money in bank accounts

Rule 141 (3) of the Odisha Budget Manual and Subsidiary Rule 242 of the Orissa Treasury Code, Volume I, stipulated that money should not be drawn from the Treasury unless it is required for immediate payment. Also, Rule 6 of OGFR, Volume-I stipulated that unless otherwise expressly authorised, money may not be removed from Government Account for investment or deposit elsewhere without the consent of the Finance Department. Further, Finance Department had issued (November 2014) circular and reiterated that if any such instance of unauthorised parking of money is noticed, the concerned DDO was liable for disciplinary action. The Heads of Department and Collectors were instructed to cause enquiry and ensure that funds are drawn and transferred to implementing agencies only for actual expenditure and not for parking in bank accounts.

Scrutiny of records revealed that funds released to various executing agencies for tourism related projects, were neither expended fully, nor were balance funds returned after completion of projects to the DoT. Instead, these funds

[7] Odisha Tourism Development Corporation (OTDC), Bhubaneswar Municipal Corporation (BMC), Engineering Projects (India) Ltd. (EPIL), Industrial Infrastructure Development Corporation (IDCO), INTACH, National Building Construction Corporation (NBCC), Utkalika, Works Department and four District Collectors (Bhadrak, Ganjam, Khurda and Puri)

were kept in the bank accounts of various executing agencies. The details of parking of funds by nine executing agencies is tabulated in **Table 1.2**:

Table 1.2 - Details of parking of funds in bank accounts

(₹ in crore)

Sl.No.	Name of the executing agencies	Type of Bank account	Fund Alloted	Funds utilised but UCs not submitted	Total funds parked
1	Odisha Tourism Development Corporation Limited (OTDC)	Fixed Deposit	774.87	18.43	756.44
2	Shamuka Tourism Development Corporation Limited (STDC)	Fixed Deposit	50	0.00	50.00
3	District Collector, Puri	Savings account	12.43	0.00	12.43
4	Shree Jagannatha Temple Administration, Puri	Savings account	0.76	0.10	0.66
5	Engineering Project India Limited	Savings account	35.42	20.43	14.99
6	District Collector, Khordha	Savings account	2.51	0.00	2.51
7	District Collector, Bhadrak	Savings account	0.65	0.00	0.65
8	National Buildings Construction Corporation (NBCC)	Savings account	29.55	0.00	29.55
9	Works Department, Kendrapara	Savings account	31.25	0.00	31.25
	Total		**937.44**	**38.96**	**898.48**
				Interest earned during the period of deposits	**59.25**

Source: *Compiled by Audit from the information of executing agencies*

From the above table, it can be seen that tourism funds of ₹898.48 crore had been parked in the bank accounts by nine executing agencies for periods ranging between 2014-15 and 2023-24. Further, a major chunk of the funds *i.e.,* ₹806.44 crore (89.76 *per cent*) was parked in the bank accounts of OTDC and STDC for five years. The implementing agencies earned interest amounting to ₹59.25 crore, which has neither been utilised for tourism development activities nor refunded to the Department.

The DoT neither reviewed the unauthorised parking of Government money in bank accounts nor did they initiate appropriate action against the executing agencies responsible for such parking of funds. Thus, the failure of DoT in supervising the implementation of tourism projects led to blockage of unspent funds granted for development of tourism in the State.

1.2.4 Improper financial management in respect of tourist facilities managed by OTDC

Fiscal Management Principles contained in Section 4 of the FRBM Act 2005, provides for using Government resources in ways that give best value for money and also where public assets are put to best possible use.

OTDC under DoT functions with an objective of fostering tourism within the State and managing existing tourist accommodations and transportation services on a commercial basis including acquiring, maintaining and developing all places of tourist interest like parks, beaches, places of beauty and recreational spots across the State.

- During scrutiny of records of OTDC, it was noticed that 22 Units (*Panthanivas / Yatrinivas / Aranyanivas* / Transport Unit *etc*.) provided different kinds of services such as transportation, air ticketing, booking of hotels, food, accommodation *etc*., to 706 government[8] and 839 private[9] parties. However, these units had not realised ₹10.72 crore from government and ₹0.72 crore from private parties, as of March 2024. Audit noticed that 23 *per cent* of these dues of ₹11.44 crore were outstanding for more than three years. Non-collection of long due receivables indicates improper financial management at the level of OTDC.

- Scrutiny of records relating to commercial performance of ten restaurants / accommodations being managed by OTDC in the coastal zone, revealed that during 2019-2024, four restaurants / Yatrinivas[10] had income of ₹10.28 crore, against which expenditure of ₹11.70 crore was incurred, which resulted in loss of ₹1.42 crore. This indicates lack of commercial prudence and poor management as was noticed during JPV also. During JPV of these four tourist facilities it was noticed that:

- Chandrabhaga beach café, Konark did not have proper access and parking facilities. Also, instead of having a proper kitchen, cooking was being carried out in a damaged shed.

- At Geetanjali Restaurant, Konark, the access to the unit was blocked due to encroachment by vendors and debris.

- Nimantran Restaurant, Puri was situated at a strategically/ commercially poor location *i.e.,* within the campus of Panthanivas, Puri which itself had a restaurant.

Picture 1: Chandrabhaga Beach Café, poor access and no parking facility

Picture 2: Chandrabhaga Beach Café, Cooking activities in a shed with damaged roof

8 DoT, Gopabandhu Academy, Director of Sports, IPICOL and *etc*.
9 New India Insurance, Tapas IGH, Apollo Hospital, BBSR, Anu Tent House and *etc*.
10 Nimantran Restaurant, Puri; Yatrinivas, Konark; Geetanjali Restaurant, Konark; and Chandrabhaga Beach Café, Konark.

Picture 3: Geetanjali Restaurant, Konark Access blocked by encroachments and burned debris

Picture 4: Poor location of Nimantran Restaurant in Puri in a corner of Panthanivas, Puri campus

Accepting the audit observation, in reply, OTDC stated (December 2024) that most of the debts were due from Government agencies and OTDC was making all sorts of efforts for collection of the same at the earliest. Further, OTDC stated (August 2025) that in order to reduce overhead expenditure, excess staff deployed at Nimantran had already been disengaged and for more business turnover, new services were introduced in these hotels / restaurants such as services via online delivery through apps (Swiggy/ Zomato).

Thus, improper management of the tourist facilities not only resulted in poor financial performance and loss of revenue but also deficient achievement of the objectives of promotion of tourism in coastal zones.

1.2.5 Losses in organising Eco-Retreats

The DoT aims to develop Odisha as one of most preferred tourist destinations in India. With this in mind, DoT introduced Eco-Retreats "a glamping (glamorous camping) project" in Odisha during 2019-20 at seven locations[11] during 2019-24. This provided accommodation in luxury tented cottages and associated facilities such as restaurant, conferencing facilities, land / water sports activities *etc*. The objective was to provide infrastructure and facilities, services and products at par with a 3-star category hotel and resort.

The details of expenditure and revenue collected in Eco-retreats during 2019-2024 is tabulated in **Table 1.3**:

[11] Started at one location in 2019-20 and increased to seven locations in 2023-24. The seven locations included:1-Ramchandi, Konark, 2- Baliput, Satkosia, 3- Bhitarkanika, 4- Daringbadi, Kandhamal, 5- Hirakud, Sambalpur, 6- Pati-Sonapur, Gopalpur and 7- Putsil, Koraput.

Table-1.3: Expenditure and revenue collected from Eco-retreats during 2019-2024

(₹ in crore)

Year	No. of retreats	Total expenditure incurred	Total revenue collected	Excess expenditure over revenue (Loss)	Excess expenditure (Loss per retreat)
2019-20	1	17.34	3.85	13.49	13.49
2020-21	5	28.05	5.13	22.92	4.58
2021-22	5	38.43	4.43	34.00	6.80
2022-23	7	67.03	5.75	61.28	8.75
2023-24	7	83.39	7.40	75.99	10.85
Total		**234.24**	**26.56**	**207.68**	

Source: Information provided by DoT

The above table indicates that the total expenditure on these units had increased from ₹17.34 crore to ₹83.39 crore due to increase in number of retreats, but the revenue collection increased only from ₹3.85 crore to ₹7.40 crore during five years period from 2019 to 2024. An analysis of per retreat expenditure and revenue revealed that the excess expenditure / loss per retreat increased from ₹4.58 crore (2020-21) to ₹10.85 crore (2023-24) which was an increase of 137 *per cent* between 2020-21 and 2023-24. This indicated non-application of commercial prudence in organising these retreats.

The occupancy rate of tourists in the seven retreats held during 2022-23 and 2023-24, ranged from 14 to 57 *per cent* and 23 to 62 *per cent,* respectively. The reasons for low occupancy include lack of marketing initiatives, non-provision of quality foods by the agencies and power fluctuations / outages in different sites. DoT had not maintained the occupancy records of tourists during 2019-2022[12].

Though organising Eco-retreat events is an appreciable initiative, as it promotes sustainable tourism activities and brings employment opportunities, these should have been organised after due consideration to returns on investments and commercial viability.

1.2.6 Non-realisation of lease rent/ royalty from the lessees of Panthashalas

The Odisha Tourism Policy (OTP) was revised (in November 2022) and broadly comprised of infrastructure development activities under various Central / State schemes, promotion and publicity, incentives, *etc.* Paragraph 11 (J) of the OTP, 2022 provided that, efforts should be made to encourage private sector investors to build high-quality accommodation, such as star hotels, convention centers, heritage hotels, and eco-camps. The Policy aimed to encourage this by offering substantial support, including fiscal and non-fiscal incentives, single-window clearance, and marketing support. Further, it also sought to involve private partners in the operations and maintenance of properties owned by DoT. In this context, Audit observed the following:

[12] The occupancy details for 2019-2022 was handled by contractor.

- **Non-realisation of annual lease rent from Panthasalas:** Panthasalas / Panthanivas were the guest houses of DoT that had already been leased out to private operators. DoT had engaged nine agencies for operation and maintenance of nine different *Panthashalas* in the coastal districts on lease basis after following the bidding process during 2013 to 2023 for a period of thirty years each. The bids were finalised on the basis of the Upfront Consideration quoted by the bidders while bidding for the lease of the property. The Annual Lease Rental (ALR) was fixed as 10 *per cent* of the Upfront Consideration and was payable on the date of signing of the agreement and for subsequent years it was to be paid in advance annually on the appointed date. In case of failure to pay the ALR within 15 days from the appointed date, interest at 18 *per cent* was to be charged per annum for the period of delay, apart from the right to terminate the lease as per the agreement.

  Scrutiny of records in DoT revealed that out of the nine leased properties leased to nine agencies on ALR basis, ALR in respect of four agencies amounting to ₹2.75 crore was outstanding for the period from 2020 to 2025 and remained un-realised ranging from two years to four years including interest as detailed in the ***Appendix II.***

The DoT replied (October 2024) that the lessee had been communicated with, to deposit the due amount at the earliest. However, the fact remains that due to lack of follow up action by DoT, the lease dues remained unrealised, leading to revenue loss to the State Government.

- **Non-realisation of royalty from boat operator agencies:** DoT had signed (August 2019 and October 2019) agreements for operation of water sports activities at four locations with three[13] boat operator agencies for 10 years at an agreed annual royalty payable against the infrastructure and equipment supplied by DoT. As per Clause 3.2 of the agreement, each boat operator agency was to pay the annual royalty on a quarterly on a quarterly basis. The royalty was to be increased by 10 *per cent* annually on compounded basis.

Scrutiny of royalty realisation records in DoT revealed that as against annual royalty payable of ₹1.46 crore, only ₹4.87 lakh was realised for the period 2019-24 (as of October 2024). The balance ₹1.42 crore remained un-realised for more than five years as detailed in ***Appendix III***. In this regard, the annual royalty was neither demanded by the DoT, nor paid by the agencies, leading to revenue loss for the OTDC.

[13] (i) M/s Dunnimaa Engineers & Divers Enterprises Pvt Ltd at Gopalpur (Ganjam) (ii) Amarawati Boating Club at Tampara (Ganjam) and Barkul (Khurda) (iii) M/s Swosti Chilika Resorts at Odia Alapur (Ganjam).

1.2.7 Non operation of Beach Shacks resulting in non-collection of revenue

The Department, as part of its initiatives to promote beach tourism decided (May 2021) to promote Beach Shacks[14] at major beaches of the State. Operation of Beach Shacks was to be either through OTDC or, through private agencies engaged by OTDC. For this purpose, OTDC / DoT was to identify suitable land on the beaches to be allotted to the selected agencies for a period of three years and was also to provide common infrastructure such as power, water, solid waste management facilities *etc*.

OTDC was responsible for constructing the shacks at its own cost as per specifications given by DoT at their own cost. The selected agencies had to pay annual license fees at the rate of ₹2.90 lakh (in Talsari Udaypur, Chandipur and Paradeep), ₹2.65 lakh (for Patisonapur) and ₹3.40 lakh for Gopalpur, as fixed by OTDC for operation of these Beach Shacks. Allotment process was to be completed (July 2021) and the shacks were to be operationalised from October 2021 onwards.

Scrutiny of records revealed that DoT had notified guidelines (May 2021) for operationalising 15 beach shacks through OTDC at five[15] locations in coastal areas and sanctioned (October 2021) ₹2.71 crore to OTDC for development of basic infrastructure of these Shacks. In response to the advertisement of OTDC for selection of operating agencies of proposed shacks, applications were received and 15 selected agencies deposited (November 2021) user fees of ₹45.15 lakh during November 2021 for the first year.

During JPV (December 2024 to January 2025), Audit noticed that out of these 15 Beach Shacks, infrastructure works of only two Shacks had been completed by OTDC but these were not operational due to lack of response from the related two agencies. In the other eight cases, the work was still in progress (November 2024) while work had not commenced in the remaining five cases. Thus, even after a lapse of three years from the scheduled operation month (October 2021) and incurring an expenditure of ₹1.25 crore (out of the ₹2.71 crore allotted by DoT), the OTDC had not been able to operationalise any of the Beach Shacks due to non-completion of infrastructures and non-responsiveness of the licensees.

This resulted in blockage of the funds amounting to ₹1.25 crore and non-collection of potential revenue of ₹45.50 lakh each year due to delay in operations of beach shacks (October 2021-October 2024), in the shape of licence fees from operators.

Thus, the failure of both DoT and OTDC in operation of beach shacks led to non-achievement of objective of promotion of beach shacks at sea beaches to attract tourists.

[14] A beach shack is a simple, often temporary, structure located on or near a beach, typically used as a small restaurant or bar with sea view, that serves food and drinks to beachgoers.

[15] (i) Talsari-Udaypur beach, Balasore, (ii) Paradeep sea beach, Jagatsinghpur, (iii) Chandipur, Balasore, (iv) Pati Sonapur, Ganjam, (v) Gopalpur sea beach, Ganjam.

1.3 Planning and Strategies

1.3.1 Planning

Planning is an essential and preparatory phase to achieve defined objectives and envisaged goals within the stipulated period. It also helps identify the risk factors involved in the execution of projects.

Sustainable tourism aims to be both eco-friendly and tourist-friendly, addressing the inherent conflict between tourism and the environment. Unmanaged tourism often causes overcrowding and waste generation, leading to pollution. An environment planning approach is essential for sustainable tourism development.

1.3.1.1 Absence of SDG related tourism policy

In line with the commitment of GoO to achieve the UN Agenda 2030 for SDGs, the Odisha Sustainable Development Goals Indicator Framework (OSIF-1.0) was introduced (August 2019) by the Planning and Convergence Department, GoO. Out of 367 indicators in the above framework, DoT and the Department of Forest Environment and Climate Change were the lead departments for three SDGs that were as follows:

- **SDG 8.9:** *To devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.*
- **SDG 12.b:** *To develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs and promotes local culture and products;*
- **SDG 14.7:** *To increase economic benefits to small island developing States and least developed countries from the sustainable use of marine resources through sustainable management of tourism.*

The Tourism Department, GoO also announced a revised OTP in November 2022 with the main aim of making tourism an important part of economic activities, promote the brand image of Odisha nationally and internationally, develop / promote tourist products, conserve heritage, natural environment and ensure beneficial outcome for all stakeholders. However, the Department had not mapped the key performance indicators in the revised Tourism Policy (2022), or in the Road map for Development of Tourism in Odisha, 2030 published (December 2022) by DoT with the SDG Indicators Framework (2019) of the State to ensure that planned steps could be taken to achieve the above identified sustainable development goals by 2030.

Audit analysed the status of achievement of SDGs by the DoT, as per the Odisha SDG indicator Framework 1.0 published (2019) by the Planning & Convergence Department. The Gaps in the achievement of SDGs by the DoT were as detailed in **Table 1.4**:

Table 1.4: Analysis of achievement of SDG targets

SDG (Target)	OSIF indicator	State sector schemes	Gaps in SDG achievement
8.9: To devise and implement policies to promote sustainable tourism that creates jobs and promotes local culture and products.	**8.9.1**: Percentage change in number of tourists (Domestic and Foreign)	(i) Promotion, publicity, through Electronic and print media, (ii) participation in international and national tourism trade fairs and exhibitions, (iii) Organising state level events like Konark Fastival, Mukheshwar dance festival, Chilika bird festival *etc*., (iv) Infrastructure development of tourist destinations, (v) Skill Development Training.	Promotion, publicity, exhibitions *etc*., were being carried out. However, in respect of infrastructure development of tourist destinations, the achievement was only 58 *per cent* as during the period 2019-24, out of 313 total tourism development projects, 134 projects were not started, and 47 projects were in progress.
	8.9.2: Direct contribution of Tourism to total GDP and its growth rate		As per the DoT Annual Reports for the years 2019-20 to 2023-24 of DoT, the contribution of the state tourism sector to the GSDP has not grown as number of tourists as well as inflow of money have still not crossed 2019 year figures, as discussed in **Paragraph No. 1.3.2.1** while GSDP of the state has increased 117 *per cent* as compared to the year 2016-17. The contribution of tourism data was also not available with the DoT.
12.b: Develop and implement tools to monitor sustainable development impacts for sustainable tourism that creates jobs, promotes local culture and products.	**12.b.1:** Number of sustainable tourism strategies or policies and action plans implemented with agreed monitoring and evaluation tools.	(i) New Tourism Policy and critical gap funding. (ii) Development and Management of Tourist infrastructures (iii) Publicity of tourism. **Central Scheme** (iv)Tourism Pilgrimage Rejuvenation and Spiritual Augmentation Drive (PRASAD) Central share-₹10 crore State share – ₹0.50 crore	The achievement against implementation of PRASAD scheme was only 14 *per cent* as discussed in subsequent **Paragraph No. 1.3.3.3 (i)**. Further, although funds were allotted (2023-24) in budget under New Tourism Policy and critical gap funding, action plans were not properly monitored and various projects were not completed thereby affecting progress on this indicator.
14.7 By 2030, increase the economic benefits to small island developing states and least developed countries from the sustainable use of marine resources, including through sustainable management of fisheries, aquaculture and tourism.	National / State Indicator not yet evolved.	No specific scheme envisaged.	No specific activity for the achievement of this SDG target in Odisha.

Source: Compiled by Audit on the basis of departmental records

It is evident that even on indicators fixed by the Planning and Convergence Department, DoT had not made significant progress *e.g.,* achievement in infrastructure development of tourist destinations was 58 *per cent* and in implementation of PRASAD scheme was only 14 *per cent.* The Department replied (October 2024) that the applicable SDGs would be incorporated in the next tourism policy.

However, the facts remain that the Department failed to align its Policy with the SDG goals, which clearly indicated lack of a defined road map and timelines for achieving these objectives.

1.3.1.2 Non-execution of Master Plans

The Tourism Department had initiated (2019-2022) six Master Plans[16] for development of tourism in coastal zone of Odisha at an estimated cost of ₹545.35 crore. An amount of ₹80.83 lakh was paid during 2019 to 2022, to six agencies for preparation of DPRs for implementation of these Master Plans. Out of the six DPRs, one DPR for the project "Development of Bakulabana Satyabadi, Puri" was not completed (March 2025). In case of the remaining five Master Plans, although DPRs were submitted by the concerned agencies, execution was not initiated even after three to five years, due to non-approval of related Master Plans. It was noted that these Master Plans could not be approved as prior clearances were not obtained from the concerned authorities for those sites coming under Coastal Regulation Zone (CRZ) regulations, Ramsar (Wetland) site and Archaeological Survey of India controlled areas.

Audit further observed that the DPRs were prepared without getting the Master Plans approved and without considering applicability of Ancient Monuments and Archaeological Sites and Remains (AMSAR) Act 1958 and CRZ norms on the project sites. This indicated lack of proper planning and feasibility study on the part of the Department due to which they could not take up execution of these six Master Plans to promote tourism in coastal areas.

The Department stated (October 2024) that after obtaining permission from the concerned agencies, the plans would be executed. The fact, however, remains that prior feasibility study was not done before sanction of funds for the preparation of DPRs, which led to unfruitful expenditure of ₹80.83 lakh. Due to non-execution of Master Plans, the mission of the department to promote coastal tourism could not be achieved as envisaged.

1.3.1.3 Infructuous expenditure on DPR of Ropeway Projects

Based on the Tourism Policy, the DoT instructed (April 2018) the Odisha Construction Corporation Limited (OCCL) to conduct a feasibility study and prepare DPRs for four ropeway projects at Dhauli, Bhimkund, Kapilas and Barunei. On the basis of the estimates received from OCCL towards

[16] (i) Development of Khandagiri-Udayagiri, (ii) Development in Bhitarkanika National Park, (iii) Development in Rambha Cluster and Satpada Sipakuda Cluster of Chilika Lake, (iv) Development Project for Puri-Konark Marine Beach, (v) Integrated development of Dhauli and (vi) Development of Bakulabana Satyabadi, Puri

conducting feasibility study / preparation of DPR, DoT sanctioned ₹0.37 crore. Further, for execution of "Construction of passenger Ropeway at Dhauli near Bhubaneshwar" DoT sanctioned an amount of ₹16.95 crore. Out of this sanctioned amount, DoT released ₹0.37 crore (3 November 2018) and ₹4.00 crore (19 March 2019) to OCCL.

Although the four DPRs were prepared at a cost of ₹0.37 crore, and submitted to DoT (December 2018), OCCL did not commence the ropeway project even after a lapse of one year since the finalisation of the DPR. DoT finally cancelled (July 2020) the work order and requested OCCL (August 2021) to refund the balance amount of ₹4.00 crore. However, this amount had not been refunded by OCCL even after a lapse of more than four years (March 2025). Thus, not only was the objective of taking up the ropeway projects to attract more tourists not achieved but, funds amounting to ₹4.00 crore remained blocked for more than six years (as of September 2025) and led to unfruitful expenditure of ₹0.37 crore.

1.3.2 Growth of Tourism

Development of tourism is important for overall sustainable economic growth, increasing employment generation and optimum utilisation of the tourist potential of the State.

1.3.2.1 Arrival of tourists

The objective of DoT was to promote Odisha as a one stop tourist destination so as to boost foreign and domestic tourist arrivals in the State. During 2019-2023, the State stood at 20th position nationally in terms of Domestic Tourist Arrivals (DTA) and 22nd position in case of Foreign Tourist Arrivals (FTA). Details of year-wise tourist arrivals and inflow of money[17] in the State during 2019-23 are tabulated in **Table 1.5**.

Table 1.5: Year-wise tourist arrivals and inflow of money in Odisha

(₹ in crore)

Year	No. of DTAs (in lakh)	No. of FTAs (in lakh)	Total No. of Tourists (in lakh)	Inflow of money from DTAs	Percentage inflow of money from DTAs	Inflow of money from FTAs	Percentage inflow of money from FTAs	Total inflow of money to the State
2019	153.07	1.15	154.22	15,240.67	--	479.87	--	15,720.54
2020	46.22	0.1	46.32	4,602.05	30.20	42.54	8.86	4,644.59
2021	37.42	0.02	37.44	3,725.85	24.45	9.46	1.97	3,737.31
2022	78.67	0.22	78.9	7,833.48	51.40	92.2	19.21	7,925.68
2023	97.25	0.45	97.7	9,682.64	63.53	188.29	39.24	9,870.93
Total	**412.65**	**1.94**	**41.46**	**41,089.69**		**812.36**		**41,899.05**

Sources: Annual statistical bulletin of Department of Tourism, GoO

[17] 'Inflow of money' denotes the spending by the tourists in the state which includes the earnings of private entities and revenue of the government towards taxes *etc*.

The above table indicates that tourist arrivals and inflow of money decreased sharply in 2020 due to COVID pandemic. Although it followed an increasing trend during 2021-23, still the number of tourist footfalls prior to COVID could not be achieved till date of audit. Excluding the COVID period (2020 and 2021), the inflow of funds during the years 2022 and 2023, for Domestic Tourists Arrivals (DTAs) ranged from 51.40 to 63.33 *per cent* and for Foreign Tourist Arrivals (FTAs) ranged from 19.21 to 39.24 *per cent* as compared to the year 2019[18].

The above performance in the inflow of foreign and domestic tourist arrivals and revenue earned was indicative of the fact that adequate steps had not been taken by DoT to increase tourist footfall in the State.

It was also noted that a substantial portion of tourist inflow was concentrated only in a couple of districts. The two coastal districts of Puri and Khordha attracted 48 *per cent* of tourists in the State during 2019-24 due to the presence of attractions like Shree Jagannath Temple, Rath Yatra festival and Puri sea beaches. Further, out of 313 tourism projects initiated by DoT during 2019-24 in seven coastal districts, 150 projects *i.e.,* 48 *per cent* were initiated only in Puri and Khordha districts. However, in order to step up tourist inflow and explore fully the tourist potential of other cultural, ecological and heritage sites in the State, it is important for DoT to develop more tourism projects in other coastal districts of Odisha.

The Department replied (October 2024) that from 2021-22, the arrival of tourists has increased. The fact, however, remains that pre-COVID tourist arrival numbers are yet to be achieved.

1.3.2.2 Incorrect compilation of tourist statistics

Accurate and updated tourism statistics help to play a crucial role in policy formulation and designing of schemes and programs for tourism development. These statistics also help in the continuous evaluation of various initiatives taken by the Government, and required course of correction, if any.

As per the Tourism Survey Methodology (TSM), 2019 of the Ministry of Tourism, GoI each State / UT should engage a suitable survey agency as enlisted by MoT, GoI, for conducting tourism survey across all districts in coordination with the National Productivity Council of India, who was to act as the Project Management Unit (PMU). The survey was to be conducted by the survey agency in all districts to assess visitor traffic at various destinations such as temples, fairs, festivals, national parks, picnic spots *etc.* The survey was to be conducted every month, covering a period of seven days. Such monthly data was to be compiled at the State level and shared in the first week of the subsequent month with MoT for all India compilation. Central Financial Assistance for this survey was to be provided by MoT, GoI to the State / UT.

Scrutiny of records revealed the followings:

18 The year 2019 has been considered as bench mark year for calculation of shortfall in flow of money in the state through tourism.

- Despite MoT, GoI instructions issued (August 2019) to DoT, Odisha, no survey agency was engaged by the DoT to conduct the survey (as of September 2025).

- Under the existing framework for collection of tourism data in Odisha, against sanctioned strength of 16 Statistical Investigators / Assistants (SI) for the whole State, only nine SIs were deployed for collecting tourism data at various attractions and its submission to MoT, GoI. Out of these nine, only two SIs were posted in the seven coastal districts of the State.

- As specified in the TSM 2019, data was to be collected from three sources *i.e.,* tourism attractions, exist points and accommodation units for the survey. However, audit noticed that the SIs (in absence of a survey agency) had collected data from accommodation units only, instead of the required three sources, due to which, the tourism data of Odisha collected and reported was not complete and reliable.

- In order to check correctness of the data compiled, Audit selected two main tourist spots namely, "Sun temple at Konark in Puri District" and "Nandankanan Zoological Park at Bhubaneswar in Khorda District". Audit obtained the ticket sales data in respect of the Sun Temple at Konark, from the Archaeological Survey of India and visitor data from the Annual Reports of Nandankanan Zoological Park and compared it with the data contained in the Statistical bulletin of DoT for the year 2021 and 2022 and observed that the DoT had reported the tourist data as mentioned in the table below:

Table 1.6: Discrepancy in tourist data reported by DoT

Tourist Attraction	As reported by DoT		As obtained by Audit		Difference	
	2021	2022	2021	2022	2021	2022
Sun temple at Konark	7,30,090	15,88,326	Not available	16,52,243	Not available	63,917
Nandankanan Zoological Park	15,06,939	31,43,209	15,61,933	32,32,442	54,994	89,233

Source: Compiled by Audit on the basis of departmental records

As is evident from the table, DoT had under reported the tourist data in the Statistical Bulletin for the years 2021 and 2022.

- Further, Audit noticed that there was delay in submission of monthly reports by 18 days to three months to MoT, GoI during the period from January 2020 to May 2024.

Thus, non-engagement of survey agency along with shortage of SIs hampered the comprehensive data collection of important tourism statistics across the State.

DoT while accepting less reporting in total tourist footfall stated (March 2025) that sufficient measures are being taken to avoid such mistakes in future.

1.3.3 Status of Tourism Projects in coastal districts

Scrutiny of records related to development of tourism intrastructure in the seven coastal districts revealed that 313 projects of ₹571.04 crore were planned for execution during 2019-24. Out of this,

- only 131 projects (41.85 *per cent*) were completed,
- 47 projects (15.01 *per cent*) of ₹144.73 crore were in progress, and
- 134 tourism projects (42.18 *per cent*) of ₹299.52 crore were yet to be executed.

Delay in execution of these 134 projects ranged from two to five years during 2019-20 ro 2023-24 (September 2025) from the dates of sanctions. Out of 313 cases, 84 test cases revealed that the reasons for non-execution of projects were related to lack of proper planning, non-identification / demarcation of land, not obtaining statutory clearances from the authorities like FE&CC Department, Coastal Regulation Zone Authority and National Board for Wild life *etc.,* as discussed below:

1.3.3.1 Inadequate planning led to non-execution of tourism projects

The Tourism Department of Odisha develops tourism projects to boost the State's economy by attracting more tourists, creating local employment and promoting the State's unique cultural heritage and natural attractions. These projects aim to build necessary infrastructure, develop attractive tourism products, and implement policies for sustainable and inclusive growth.

Scrutiny of records related to development of tourism infrastructure in the seven coastal districts revealed that 313 projects of ₹571.04 crore were planned for execution during 2019-24. Out of this, only 131 projects (41.85 *per cent*) could be completed, 47 projects (15.01 *per cent*) of ₹144.73 crore were in progress and 134 tourism projects[19] (42.18 *per cent*) of ₹299.52 crore were yet to be executed. Delay in execution of these 134 projects ranged from two to five years during 2019-20 to 2023-24 (September 2025) from the dates of sanctions. Out of 313 cases, 84 test cases revealed that the reasons for non-execution of projects were related to lack of proper planning, non-identification / demarcation of land, not obtaining statutory clearances from the authorities like FE&CC Department, Coastal Regulation Zone Authority and National Board for Wild life *etc*., as discussed in following paragraphs.

[19] One project in respect of Panthanivas, Puri worth ₹1.00 crore was dropped.

1.3.3.2 Lack of feasibility study led to incomplete projects

Scrutiny of records in DoT, OTDC and DTOs of selected Districts, by Audit revealed that seven tourism projects[20] with an estimated cost of ₹9.75 crore in five[21] districts were initiated by DoT during 2019-23. Funds were released to OTDC for five of these projects and to Collector, Puri for two projects. However, the works for projects could not commence due to reasons like encroachment of land by local people, non-finalisation of land by local administration, non-clearance of CRZ (March 2025) *etc.* The details are enclosed as ***Appendix IV***. None of the authorities *i.e.,* DoT, the local administration, IDCO and District Collector resolved these issued which resulted in non-execution of tourism projects.

Further, it was also noticed that these projects were sanctioned without proper planning and carrying out a feasibility study of sites. This oversight, which represented the core reason or cause behind projects not being executed, not only resulted in the blockage of funds, but also restricted tourism promotion and development. Thus, a lack of due diligence at the approval stage directly translated into failure in meeting the intended objectives of the Tourism Department behind taking up these projects.

1.3.3.3 Unfruitful expenditure due to inadequate survey in development of tourism projects

(i) Implementation of PRASAD Scheme: The Government of India (GoI) sanctioned (March 2015) the project "Infrastructure Development at Puri, Shree Jagannath Dham-Ramchandi-Prachi River at Deuli-Dhauli" under the Pilgrimage Rejuvenation and Spiritual, Augmentation Drive (PRASAD) Scheme for ₹50.00 crore and approved seven components[22] as part of this. As per the sanction order of GoI, the Project had to be executed through the India Tourism Development Corporation (ITDC), with the condition that the Project would be commissioned within a maximum period of 24 months from the date of issue of the sanction order. Any cost escalation on account of delay, *etc.*, would be met by the State, and no reimbursement would be made by GoI.

Scrutiny of records revealed that GoI had released ₹10.00 crore against the total project cost of ₹78.54 crore (November 2017) to DoT, GoO. DoT further released (December 2017) ₹10.50 crore[23] (including GoO share of ₹0.50 crore) to ITDC for execution of the project under the PRASAD Scheme. As

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[20] **OTDC:** (i) Construction of Heritage Gate at Laxmi Sagar in Khordha District-₹35.00 lakh, (ii) Renovation and Upgradaton of Way Side Amenity Centers at Ramchandi, Kendrapara- ₹93.96 lakh, (iii) Development of Infrastructure at Paradeep in Jagatsinghpur- ₹3.29 crore, (iv) Construction of Tourist Complex at Antaraipur village, Chikiti, Ganjam- ₹30.00 lakh (v) Development of Infrastructure at Khunteswari, Sorada, Ganjam District- ₹50.00 lakh, **Collector, Puri:** (vi) Installation of Vending Zone for Transitional Rehabilitation of Beach Vendors on Sea Beach from Digabareni Chhak to Light House, Puri- ₹3.41 crore, (vii) Disable friendly facility at Puri Beach- 96.56 lakh.

[21] Ganjam, Jagatsinghpur, Kendrapara, Khordha and Puri.

[22] (i) Tourist Facilitation Centre at Puri, (ii) Shree Jagannath Bisramsthali & Amphitheatre, (iii) Beach Development at Shree Jagannath Dham, Puri, (iv) Ramchandi Temple, (v) Maa Mangala Temple, (vi) Prachi Riverfront, Dhauli and (vii) Gundicha Temple, Puri.

[23] GoI Share - ₹10.00 crore and State share - ₹50 lakh

per Utilisation Certificate submitted by ITDC (October 2024) three components[24] under the project were completed and ITDC had incurred an expenditure of ₹7.72 crore[25] (14 *per cent* of total central and state funds approved for PRASAD Scheme) on total seven components with a balance of ₹2.27 crore. However, ITDC could not complete the remaining components of the project due to reasons like change of allotted land and lack of CRZ clearances. It was noted that MoT, GoI intimated (June 2021) that with the completion of three components of the project, the project under the PRASAD Scheme was declared as 'complete' and that the Ministry would sanction funds for only these three completed components. Funds spent on the incomplete components therefore, were to be borne by the State Government. Audit examined the causes behind non-completion of these four components[26] which revealed that:

a. The work of Development of Shree Jagannath Bisramsthali and Amphitheatre was stopped in November 2019 and was relocated due to redevelopment of Puri under another State project, "Augmentation of Basic Amenities and Development of Heritage and Architecture (ABADHA) Scheme". The relocation not only delayed the work but also caused additional expenditure of ₹3.86 crore on demolitions and construction due to change in site.

b. The work on the remaining three components *i.e.,* Tourist Facilitation Centre, Development of Beach at Jagannath Dham and Ramchandi Temple could not be completed due to lack of clearances from Odisha Coastal Zone Management Authority (OCZMA) and the Puri Konark Development Authority. Obtaining statutory clearances was the responsibility of ITDC, but it was delayed due to selection of sites by the State Government for the work in CRZ areas and non-submission of land documents to OCZMA by DoT.

Thus, out of the seven sanctioned components of the Project, four components could not be completed despite an expenditure of ₹6.49 crore. The PRASAD Scheme was closed by GoI and the balance central share of ₹40.00 crore was also not released to the State. Therefore, due to site selection without proper survey and inadequate approach of both DoT and ITDC in completion of the Project the expenditure of ₹6.49 crore became unfruitful.

(ii) Aquarium-cum-marine conservation education complex, Puri: A Memorandum of Understanding (MoU) was signed by DoT (February 2013) with one registered Society, namely, "Centre for Environment Education" (a national institution established by the GoI) to develop an aquarium-cum-marine conservation education complex in Puri. DoT released (February 2013) ₹50 lakh to CEE for the work but the latter did not initiate the work as agreed upon in the MoU. Due to non-commencement of the work even after lapse of

[24] (i) Maa Mangala Temple, (ii) Prachi Riverfront, Dhauli and (iii) Gundicha Temple, Puri.

[25] ₹1.23 crore towards three completed components and ₹6.49 crore for four incomplete components.

[26] (i) Tourist Facilitation Centre, (ii) Shree Jagannath Bisramsthali & Amphitheatre, (iii) Development of Beach at Jagannath Dham and (iv) Ramchandi Temple.

seven years, DoT issued (November 2020) a termination notice and requested CEE to refund the amount paid along with interest at the rate of 18 *per cent* and ₹10 lakh as penalty. CEE intimated (January 2021) that an open sewerage drain at the site was not shown in the plan supplied to them and hence, the change in the land size necessitated change in timelines, drawing and designs. They also added that an amount of ₹61.44 lakh was utilised towards organising preliminary works like preparation of architectural plans, revised set of drawings, design, travel and meetings *etc*., and claimed reimbursement of the remaining amount of ₹11.44 lakh (₹61.44 lakh-₹50.00 lakh). No further action taken by DoT, for recovery of the advanced amount, interest thereon and amount of penalty, was found on record.

Thus, the failure on the part of the DoT to identify the suitable land for the project with proper survey led to infructuous expenditure of ₹50.00 lakh besides non-achievement of objectives of the project for more than 12 years.

The DoT replied (October 2024) that the CEE was requested to refund the amount.

(iii) Floating Musical Fountain, Bhubaneswar: In another case, DoT had sanctioned (February 2016) the project "Installation of Floating Musical Fountain at Bindusagar, Bhubaneswar" and released ₹8.16 crore in six component-wise instalments[27] to IDCO during 2016-19. The project included installation of floating musical fountain and multimedia laser show, construction of shed for visitors *etc*., to be completed by July 2019 (which was subsequently extended up to June 2023). It was noticed that in spite of repeated requests[28] by the DoT, IDCO did not hand over the completed project due to non-installation of video works, customised story, defects in laser show (as on September 2025) even after lapse of nine years.

The same was also observed by Audit during JPV (December 2024) that the project was incomplete as the construction of sheds for visitors and installation of speakers and accessories for the multimedia laser show had not been done.

Thus, due to lack of coordination with IDCO and sufficient persuasion for compliance of timelines by DoT, the project remained incomplete. The intention of attracting more tourists by developing the Bindusagar Lake could not be achieved even after more than nine years and despite incurring an expenditure of ₹8.16 crore.

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[27] (i) ₹3.34 crore for installation of floating musical fountain on February 2016 (ii) ₹3.81 crore for installation of floating musical fountain on May 2017 (iii) ₹0.39 crore for construction of shed for visitors on Jan 2017 (iv) ₹0.58 crore for construction of shed for visitors on June 2017 (v) ₹0.04 crore for installation of Additional 2 Nos of speakers and accessories for show on Jan 2019

[28] 31 December 2022; 20 March 2023; 06 June 2023

1.3.4 Non-development of caravan tourism and water sports tourism in coastal zone

In accordance with the Odisha Tourism Policy 2022 and the National Tourism Policy 2002, DoT was committed to develop caravan tourism and water sports to promote niche tourism activities in the State.

Scrutiny of related files in OTDC revealed that DoT had sanctioned (February 2023) ₹10 crore for "Support Infrastructure for Caravan Tourism at Ramchandi, Chilika and Deomali" and ₹10 crore for Support Infrastructure for Yacht Tourism at Ramachandi, Chilika and Hirakud". It was noticed that the required infrastructure for development of caravan and water sports tourism at the earmarked locations had not been created (March 2025) as no specific instructions, targets, timelines for completion, parameters to assess achievement *etc*., for the above projects were prescribed in the sanction orders. Even after lapse of two years, OTDC had not even prepared the DPR or, any plan for execution of the projects. The sanctioned funds remained parked with OTDC and no instructions had been issued by the Department for refund of the unutilised amount. Besides, the objectives of promoting caravan and water sports tourism in the State remained unachieved.

OTDC replied that it would utilise the above funds and execute the said project after receipt of instructions from DoT.

1.3.5 Violation of Forest Conservation Act in tourism development projects

As per Section 29 of the Wildlife Protection Act 1972, prior approval of the National Board for Wildlife (NBW) was required for diversion of land for the development of projects inside wildlife sanctuaries and National Parks. Also, prior approval of MoEF&CC was required under the Forest Conservation (FC) Act, 1980 for diversion of forest land for non-forestry activities.

Audit noticed breach of above Acts and provisions in the following test-checked tourism sites as detailed below:

- **Beach front promenade at Ramchandi:** DoT had sanctioned (2021-23) ₹22.90 crore to Engineering Projects (India) Limited (EPIL) for four works[29] of construction and infrastructure development for beach front promenade at Ramchandi in Puri district. EPIL had completed the works in 2021-22. Audit noticed that the development and construction of the

Picture 5: Promonade in Ramchandi, Puri

[29] (i) Infrastructure Development of Beach Front Promenade, (ii) Construction of Embankment Protection for Beach Front Promenade, (iii) Construction of Embankment Protection for Beach Front Promenade, (iv) Peripheral Development of Ramachandi Temple.

promenade had been done inside a wildlife sanctuary area but forest clearance before execution of work had not been obtained by DoT in violation of the Wildlife Protection Act 1972 and the Forest Conservation Act, 1980. It was also noted that the project was to be operationalised by OTDC. However, even after completion of the works and inspite of instructions from DoT, the project was not taken over by OTDC. DoT had sanctioned (February 2023) ₹3.00 crore to OTDC for operation and management of the promenade but the project was neither taken over by OTDC nor opened for tourists (as of March 2025). Audit observed that DoT also did not make any efforts to obtain forest and wildlife clearance from the MoEF&CC and NBW, in violation of the extant provisions.

- **Stone packing work[30] for protection of coastline:** In addition to above four works, DoT sanctioned (February 2022) ₹11.59 crore to EPIL for another work on the same coastline *i.e.,* "Extension of preservation/ protection of coastline and beach near lotus resort/ Eco-retreat at Ramchandi, Konark" in Puri District. In July 2024, the Water Resources Department (WRD), GoO intimated that an environmental study was going on by the National Institute of Ocean Technology (NIOT), Chennai in the eco-retreat area and requested for the work to be stopped. The work was stopped without completion, and an expenditure of ₹5.05 crore had been already incurred (March 2025). Thus, non-coordination between DoT and WRD before execution of the work, resulted in blockage of funds amounting to ₹5.05 crore along with parking of unutilised funds of ₹6.54 crore with EPIL.

- **Widening of approach road from Puri-Konark Marine Drive:** DoT sanctioned (January 2024) ₹4.83 crore to the Collector, Puri for the work of road widening from the Puri-Konark Marine Drive road to Beleswar Sea beach in Puri. The Collector assigned (16 March 2024) the work to the Superintending Engineer (SE), RWD, Nimapara. It was noticed by Audit, that the entire road was being constructed inside the Balukhanda-Konark wildlife sanctuary, for which DoT had not obtained necessary permissions under the Wildlife Protection Act 1972. FE&CC Department also did not detect this violation or take any action. Based on the audit observation, the Divisional Forest Officer, Puri (WL) inspected the construction area and the work was stopped after an expenditure of ₹88.74 lakh. Thus, stoppage of work due to lack of forest clearance before initiating the work, led to unfruitful expenditure of ₹88.74 lakh and blockage of ₹3.94 crore with SE, RWD, Nimapara.

- **Panthsala at Talasari**: The DIG of Forest (C) during field visit (October 2021) highlighted that the DoT had constructed (during the period 1984 to 2015) buildings of Panthsala at Talasari under the Udayapur Protected Reserve Forest area within

Picture 6: Panthasala at Talasari

30 Stone packing to make the embankment stable and with uniform slope

20.84 ha, without prior approval of MoEF&CC. Also, all the building were located at a distance of about 100 m from the HTL[31] and on the Sand Dunes adjacent to the beach having dense plantations of Casuarinas and Eucalyptus which was an eco-sensitive area and where no tourism activities were permissible[32] as per para 2 of CRZ Notification of 2011. At the instructions of DFO, Balasore (WL), proposal for diversion of 20.84 ha of above forest land was filed by DoT (December 2017) after construction of the Pandhasala (1984 to 2015). In this regard, FE&CC Department, GoO, forwarded the diversion proposal (April 2021) for permission from the MoEF&CC, GoI after delay of more than three years. GoI responded in October 2021 and observed the violations of FC Act, 1980, norms of CRZ Notification and clearance for construction of road from CRZ authority, and sought response from FE&CC Department, GoO. No response was sent to GoI (December 2024). Thus, DoT had constructed unauthorised panthsala buildings without prior permission from the concerned authority.

Picture 7: Service road and stone embankment in Udayapur PRF area

The above violations clearly indicated that the DoT did not have proper planning mechanism in place for execution of tourism development projects and had not obtained statutory clearances before commencement of these projects and allotment of funds. Further, the State Forest Department had also failed to detect such violations and protect forest lands from unlawful construction in sanctuary/ PRF area, which adversely affected the wildlife and forest ecology. Sanctioning of projects and allotment of funds to executing agencies without proper planning and without requisite statutory clearances resulted in expenditure of funds of ₹28.84 crore for unauthorised construction activities in forest areas.

1.4 Execution of Tourism Projects

With a view to create tourist infrastructure and facilities within the State, DoT initiated / executed many projects at different locations in the State through different agencies such as OTDC, District Collectors, DFOs, IDCO, National Buildings Construction Corporation (NBCC), EPIL, SJTA, BDOs, and Works Department in concerned districts.

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[31] As per para 2 of CRZ Notification of 2011, the High Tide Line (HTL) means the line on the land up to which the highest water line reaches during the spring tide. Distance beyond 200 meters from HTL is permissible for construction of Hotels with prior approval of MoEF&CC. (As per Annexure III of CRZ-2011).

[32] CRZ notifications 1991, 2011 and 2019 applies.

1.4.1 Execution of tourism projects with Central Funds

The "Swadesh Darshan" scheme was launched by the Ministry of Tourism, GoI with a focus on developing and improving tourism infrastructure at key locations within the State, particularly targeting heritage and pilgrimage sites.

The deficiencies noticed in execution of Swadesh Darshan projects are described in the subsequent paragraphs.

1.4.1.1 Unfruitful expenditure under Swadesh Darshan Scheme

'Swadesh Darshan' a GoI scheme was launched with the objective of enhancing the contribution of tourism to local economies, creating jobs and to enhance skills of local youth in tourism and hospitality sector. Under the Scheme, 100 *per cent* financial assistance was to be provided to the State for development of tourism infrastructure. Four destinations (Gopalpur, Tampara, Barkul and Satapada) under the Coastal circuit were selected by GoO under the scheme. For taking up different components under the Scheme, GoI sanctioned ₹70.82 crore to the State Government. Of this, ₹67.28 crore[33] was released in four instalments by GoI during September 2016 to March 2023. Out of this, ₹59.48 crore had been utilised and a balance of ₹7.80 crore remained[34] unutilised (as of August 2024).

Audit findings based on detailed examination of the scheme executed at the four destinations are as follows:

Barkul: Barkul is one of the major tourist destinations of the State situated along Chilika Lake, attracting substantial number of tourists throughout the year. GoI sanctioned ₹16.51 crore (August 2019) for execution of different components like a Musical fountain, Floating restaurant, Cruise boats, Solid waste management, Solar Street lighting, STP and Golf cart *etc.* DoT engaged OTDC as the implementing agency for this project. Expenditure amounting to ₹10.13 crore was incurred as of July 2024.

OTDC awarded (December 2019) the contract through a tendering process to M/s Samudra Shipyards Private Limited (Agency) on turnkey basis for supply, installation and commissioning of floating restaurant in the Chilike lake. The contracted cost of the work was ₹6.40 crore with scheduled completion by October 2020. An advance of ₹2.56 crore (March 2020) was paid against a Bank Guarantee of 50 *per cent* of the amount of the advance. However, despite a lapse of four years (September 2025), the Agency did not deliver the floating restaurant. Meanwhile, the Bank Guarantee also expired in November 2022, and was neither renewed by the Agency, nor did OTDC pursue for the same.

33 (i) First instalment: September 2016 - ₹15.30 crore, (ii) Second instalment: March 2019 - ₹22.31 crore, (iii) Third instalment: April 2020 - ₹15.35 crore and August 2021 - ₹3.69 crore, (iv) Fourth instalment: March 2022 - ₹6.91 crore and March 2023 - ₹3.71 crore.

34 Only ₹3.29 crore had been refunded to GoI. GoI directed to refund the balance again in January 2025.

Video link No 1*: *Damaged equipment in Barkul

After a gap of nearly four years since the award of work, in July 2024, OTDC issued a Show-cause Notice (SCN) to the Agency for non-supply and non-installation of the floating restaurant. However, the project remained incomplete and OTDC incurred a financial loss of ₹2.56 crore paid as advance to the agency. Neither DoT nor OTDC took any stringent action, except issuance of a SCN, against the Agency for recovery of public funds and completion of work.

During JPV (December 2024) in Barkul, audit noticed that equipments purchased by OTDC for ₹5.06 crore (during 2018-20) were lying idle/ damaged/ non-functional in the stores of Panthanivas, Barkul.

Musical fountain purchased during January 2020 at a cost of ₹1.92 crore was also not made operational and was lying idle due to non-finalisation of the script for the sound system.

Thus, non-installation of floating restaurant coupled with non-functioning of other facilities deprived the tourists of intended benefits and also led to unfruitful use of funds of ₹5.06 crore.

Satpada: Under the Swadesh Darshan Scheme OTDC incurred an expenditure of ₹5.73 crore during 2017-20 on the Yatri Nivas at Satapada in Puri district. Under this scheme, OTDC had constructed roads, tourist reception centre, gazebos and installed solar street lights, solid waste management *etc*.

Video Link No.2 Yatri Nivas, Satpada

DoT leased (July 2023) the Yatri Nivas to a private agency *i.e.,* M/s Sailabala Infrastructure for a lease period of 30 years for operation and maintenance of the assets. As per the Lease-cum-Development Agreement (LDA), signed with the Agency, the upgradation concept, design and layout for upgradation were required to be conceived in consultation with DoT.

During scrutiny of records, it was noticed that DoT had informed (November 2024) the Asst. Director (AD) (Tourism), Puri that the lessee had demolished some of the dilapidated portions of the Yatri Nivas and had not taken any permission from DoT for such demolitions. The AD (Tourism), Puri was instructed to inspect the site and enquire into the matter on violation of LDA. However, no inspection report or action taken report of the AD was found on record. During JPV (January 2025), it was noticed that the lessee had demolished all the works constructed under the Swadesh Darshan Scheme without permission of DoT which led to wasteful expenditure of ₹5.73 crore incurred by DoT.

Picture 8: Damaged infrastructure in Satpada

Tampara: In Ganjam District, Tampara lake is one of the most prominent freshwater lakes and designated (October 2021) as a Ramsar Site[35]. According to the Wetlands (Conservation and Management) Rules, 2017 any construction of permanent nature on wetlands was restricted. Also, prior approval of MoEF&CC was required for use of any forest land for non-forest purpose.

The DoT sanctioned (May 2022) ₹10.07 crore to EPIL for the construction of tourist reception centre block, cafeteria, restaurant, security room, landscaping *etc*. with completion time of 24 months, at Tampara under the Swadesh Darshan Scheme. Further, the DoT sanctioned (February 2022) ₹12.85 crore to EPIL under the State plan for the work "Development of 25 numbers Eco Cottages" with completion time of 12 months at Tampara lake.

While both the works were being executed by EPIL, during verification and demarcation of land (September 2023) by DTO, Ganjam, it was found that the land on which the construction was being done, fell under the land category of "Kisam-Gramya Jungle" which attracts compliance with the provisions of the Forest Conservation Act, 1980 and clearance from MoEF&CC. Besides, clearance from the National Wetland Authority (NWT) was also required because no permanent structure was allowed. However, DoT had not obtained prior clearances either from MoEF&CC or the NWT, before taking up construction activities on forest/ wetland. Meanwhile, the Collector and District Magistrate, Ganjam, issued (August 2023) 'stop-order' for construction works on the basis of the orders of the National Green Tribunal, based on a case filed by the Wildlife Society of Odisha. By then, EPIL had executed substantial portion of the works after an expenditure of ₹7.79 crore and ₹9.37 crore respectively as reported by EPIL (July 2024).

The Collector, Ganjam had also issued orders to DoT (August 2024) to demolish the eco-cottages, tourist reception centre block, cafeteria and restaurant, which had already been constructed in the forest / wetland area.

Audit noticed (January 2025) during JPV, that the constructed eco-cottages and reception centre block were not yet demolished and the project remained incomplete as shown in in the photographs below:

[35] A Ramsar site is a wetland designated to be of international importance, primarily for its ecological value, such as supporting waterfowl habitats or containing rare and unique wetland types. These sites are protected under the guidelines of the Ramsar Convention on Wetlands, an international treaty established in 1971 in Ramsar, Iran held under the auspices of UNESCO.

Picture 9: Construction of Eco-cottages on Tampara lake under State Plan

Picture 10: Construction of Tourist Reception Centre Block at Tampara lake under Swadesh Scheme

Thus, due to poor planning and lack of statutory clearances, construction of permanent structures in prohibited areas were undertaken by DoT that ultimately resulted in wasteful expenditure of ₹17.16 crore[36]. Further, the balance unutilised amount of ₹5.76 crore remained with EPIL and had not been refunded to the Department (March 2024).

Gopalpur: Development of Eco-retreat hub at Gopalpur was completed (October 2021) by the Berhampur Development Authority with an expenditure ₹13.64 crore. However, even after lapse of considerable time (as of Aril 2022), the DTO, Berhampur refused to take over the possession on the ground of shortage of manpower. The DTO requested to DoT to post one person for watch and ward, till finalisation of the leasing process. However, as per records made available to Audit, no further action was found to have been taken by DoT for taking over the eco-retreat hub and its operationalisation. Thus, despite an expenditure of ₹13.64 crore, the eco-retreat hub could not be made operational for tourists for more than three years by DoT (March 2025).

Picture 11 Gopalpur Eco-retreat hub

Thus, the objectives of Swadesh Darshan Scheme to promote cultural and heritage values, boost economic growth, create jobs, and develop world-class tourist infrastructure remained unfulfilled, despite an expenditure of ₹41.60 crore in Barkul, Satpada, Tampara and Gopalpur.

1.4.2 Execution of tourism projects under the State Plan

1.4.2.1 Unfruitful expenditure in Shamuka project

Shamuka located in Puri district has been identified as a special tourism area (STA) by the DoT. The GoO incorporated (October 2015) a joint venture company, Shamuka Tourism Development Corporation Limited (STDC) for development of the STA into a tourism destination of international standards by developing star hotels, resorts, eco-parks, exhibition complex, spas *etc.* STDC was formed with equity participation on 50:50 basis from OTDC and

[36] Fund of ₹9.37crore under Swadesh Scheme and State fund of ₹7.79 crore

Odisha Industrial Infrastructure Development Corporation (IDCO). Both companies had to contribute ₹5.00 crore each, towards investment in the equity of STDC. In addition, DoT released ₹50.00 crore (2020-21) to STDC for construction of a tourist accommodation complex under Shamuka Beach Project.

During the course of audit, it was noticed that for the above project, 972.64 acre of land was leased (April 2018) by IDCO to DoT for 84 years for further sub-lease to STDC. During 2019-20, the following expenditure towards the development of STA was incurred:

Table 1.7: Expenditure incurred on Development of Special Tourism Area, Shamuka

(₹ in lakh)

Sl. No.	Purpose of expenditure	Amount and date of sanction	Incurred by	Total expenditure
1.	Conducting Environment Impact Assessment and obtaining environmental clearance	₹5.90 lakh (17.08.2019)	DoT	5.90
2.	Construction of balance portion of boundary wall*, rest shed, approach road *etc*.	₹996.42 lakh (06.11.2019)	DoT	536.50
3.	Preparation of revised Master Plan	₹649.50 lakh (30.11.2019)	STDC	649.50
Total		**1,651.82**		**1,191.90**

*Expenditure of ₹2.05 crore was incurred during 2011-12 for the boundary wall which remained incomplete.

Source: Records of Department of Tourism

Picture 12 : Boundary walls of STA and Shree Jagannath Intermnational Airport

From the above table it can be seen that the DoT / STDC had incurred an expenditure of ₹11.92 crore on various elements related to the STA. However, while the work on the STA was in progress, IDCO cancelled the lease agreement of the allotted land of 972.64 acre on 27 December 2019. It was seen that the expenditure of ₹11.92 crore on the development project of Special Tourism Area at Shamuka thus became unfruitful as the project was stopped midway and the land was redeveloped for Shree Jagannath International Airport at Puri.

Further, even after cancellation of the lease deed of the allotted land (December 2019), funds of ₹50.00 crore (2020-21) were released by DoT to STDC, which remained unutilised (March 2025).

Thus, due to poor coordination between Government Departments and agencies, expenditure of ₹11.92 crore became unfruitful and the aim of developing the special tourist area of Shamuka could not be achieved.

1.4.2.2 Non-development of Blue Flag beaches in Odisha

The Blue Flag status to beaches is granted by the Foundation for Environmental Education (FEE), which is based in Copenhagen, Denmark. This status can only be earned when as many as 33 guidelines on cleanliness, tourist-friendly amenities, display of Blue Flag, and eco-friendly environment set by the FEE are met by the concerned beach. The beach area must comply with the regulations of the land authority and local building regulations.

Picture 13: Non-functional STP at Chakratirtha beach

Audit noticed that DoT had sanctioned ₹3.83 crore to the Divisional Forest Office (DFO), Puri (Wild Life) during 2020-21 for the development of three beaches at Niladri, Muhan and Pir Jahania at Puri to the standards of Blue Flag beach certification. Audit observed that out of the allotted funds, expenditure of ₹3.78 crore (as of October 2024) was incurred for development of Niladri beach (renamed as Chakratirtha beach) only, but which was also not certified as a Blue Flag beach due to non-development of the beach as per standards of the Blue Flag certificate. Since no development work at the other two beaches *i.e.,* Muhan and Pir Jahania, were executed, none of these three beaches could achieve the Blue Flag certification from FEE (September 2025).

Video Link No.3 chakratirtha Beach

During the JPV of Niladri beach (Chakratirtha beach) in January 2025, following deficiencies were noticed:

- Signages purchased for ₹1.07 lakh were not fixed and the fencing work done for ₹53.36 lakh was found damaged. No entry gate and hoardings, as envisaged, were installed.

- Gym and playing equipment purchased for ₹8.71 lakh and installed at the beach, had rusted due to non-maintenance.

- Solid waste management plant, dustbins, CCTV, public address system valuing ₹27.75 lakh had been purchased during 2021-23 for development of Chakratirtha beach, but those were missing as noticed during the JPV.

Thus, due to improper implementation of the plan to develop the selected beaches to international standards, the objective remained unachieved despite expenditure of ₹3.78 crore during 2020-25.

1.4.2.3 Idle expenditure due to non-utilisation of Wayside Amenity Centres / Public Convenience Centre

Under the Odisha Tourism Policy 2016, with a view to increasing the accommodation facilities for travellers and tourists, Wayside Amenities

Centres (WAC) were to be constructed by OTDC and were to be handed over to Women Self Help Groups (WSHGs), wherever feasible, for operation and maintenance.

Audit noticed that OTDC had constructed two[37] Wayside Amenities Centres (WACs) and six[38] Public Convenience Centres (PCC) including renovation of one existing WAC at a cost of ₹5.86 crore during 2016-24 which was funded by DoT, along major roads in the coastal districts of the State. Those were not handed over to WSHGs for operations and maintenance (February 2025) and were lying idle for a period ranging from one to eight years.

Picture 14:Idle PCC

Video link No.4: Idle PCC

Both the DoT and OTDC had not taken any initiative to hand over the created facilities to the WSHGs which defeated the purpose of providing essential amenities to tourists and generation of income for WSHGs. Non-utilisation of the facilities resulted in an idle expenditure of ₹5.86 crore incurred during the period 2016-24.

1.4.3 Deficiencies in Water Sports Activities

OTDC distributed 116 water sports equipment such as fun station, water zorbing, formula-3, band wagon, *etc*., to two Water Sports Agents (WSAs) at three locations (Tampara, Gopalpur and Barkul) during 2019-24 for water sports activities. Audit conducted JPV (December 2024 to February 2025) to ascertain the status of equipment provided and found that out of 116 equipment, 78 were either damaged or not available.

Picture 15: Representative images of water sports equipment

Fun station Trampoline | *Water Zorbing Ball* | *Formula 3 Boat* | *Band wagon*

Deficient compliance of Safety Norms: As per the Water Sports Guidelines 2018 the operator of boat rides or water sports activity shall make available all life savings equipment such as adequate numbers of life jackets and other safety equipment.

During JPV (January 2025) of water sports activities operated by Private Agencies licensed by DoT at Puri beach, Audit observed the following:

[37] Girisola in Ganjam and Kudanagri in Kendrapara

[38] Sakhibata, Laxman jew Temple, Nilakantheswar Temple, Radhagovinda jew Temple, Kendrapara , Ghateswar Temple, Ganjam and Siali beach Jagatsinghpur

- Four[39] Agencies did not possess safety equipment such as communication devices, surveillance system, first aid box, firefighting system / extinguisher as required.
- Though 98 lifeguards were deployed by the Odisha Fire Services along Puri beach, none of them had certificates of lifesaving technique issued by the National Institute of Water Sports / National Safety Council.
- Lifesaving equipment of ₹10.46 lakh supplied by the DTO, Puri were not utilised but dumped at the fire station office since June 2024. Further, DTO, Puri had not utilised ₹46.20 lakh towards purchasing safety equipment since July 2023.

Operation of tourist boats: OTDC is operating 17 tourist boats with a total seating capacity of 431 (including crew members) at three locations Barkul, Satpada and Rambha in Chilika lake. Audit observed that the boats were purchased between 1986 and 2019 and nine of them were more than 15 years old. Also, no life buoy and fire extinguishers were available in the boats and only 97 life jackets (11.25 *per cent*) were in usable condition against the requirement of 832.

The absence of safety measures in water sports / boats significantly increases the risk to tourists who opt for adventure tourism and has a consequential adverse effect on promotion of tourism in the State.

1.4.4 Non-development of indigenous rural tourism project at Pipili and Raghurajpur

As per the Odisha Tourism Policy 2016 and 2022, the State Government was to identify villages which were rich from the point of view of handicrafts and handlooms, rural life, social habits and culture. Rural tourism would be developed at such villages as per guidelines issued by GoI and the State Government. DoT recognised Pipili and Raghurajpur villages as famous for traditional crafts of the local people, attracting both national and international tourists.

Video Link No. 5 Tourist amenities, Pipli

Test check of records revealed the followings:

- A tourist amenity centre-cum-craft and reception centre building and an artisan lounge *etc.,* constructed at Pipili in May 2015[40] by OTDC at a cost of ₹2.84 crore under the "Development of GoI-UNDP Endogenous Rural Tourism Project", was lying unutilised. After eight years, it was handed over (May 2023) to the Block Development Officer, Pipili under an agreement to

Picture 16: Non-development of Tourist amenities at Pipili

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[39] 1. M/s Puri Seafarers Private Limited, 2. M/s Chetraj Marina & Thrills Private Limited, 3. M/s Amphitrite Subsea Private Limited and 4. M/s Skydive Adventures

[40] The project was sanctioned in 2011-12 and completed in May 2015.

operate, manage and maintain the unit. As per the agreement, BDO, Pipili was responsible for maintenance, upkeep and management of the project assets and was authorised to collect user charges from tourists. In the meantime, DoT requested (April 2023) OTDC to prepare estimates for value addition work and repair of the Centre in consultation with BDO, Pipili. OTDC proposed (July 2023) to improve the existing assets and add value with additions like landscaping, boundary wall, pathways *etc*., at a cost of ₹8.24 crore. DoT sanctioned the amount in February 2024 to OTDC.

It was noted that out of 12.94 acres of land required for the work, 6.5 acres were occupied by the Directorate of Animal Husbandry & Veterinary Services and therefore, the value addition work could not be executed due to this land dispute. During the JPV (February 2025) it was observed that the existing utilities had not been repaired and put to use to supporting the rural artisans and generate tourism.

- Similarly, DoT sanctioned ₹9.24 crore (February 2023) to OTDC for development of road, parking zone, street arts, live workshop area, illumination, community complex *etc.,* for tourism development at Raghurajpur. However, the OTDC had not yet utilised (August 2025) the funds for execution of development works due to which the objective of providing direct and indirect employment to rural artisans and communities could not be achieved. The fund sanctioned by DoT remained parked in OTDC bank account.

Further, Audit observed that in both the cases above, the funds were sanctioned and released in February of the financial year, which clearly indicates that the Department resorted to dumping unutilised funds of the annual budget in order to prevent lapsing of the allotted funds.

1.5 Eco-tourism

As per The International Eco-tourism Society (TIES), Eco-tourism is defined as "responsible travel to natural areas that conserves the environment, sustains the well-being of local people, and involves interpretation and education". Department of EF&CC, GoO stated that eco-tourism or "Community Managed Nature Tourism in Odisha" aims to support forest and wildlife conservation by providing alternative livelihood to forest dependent communities in State. Promotion of eco-tourism included creation of facilities with eco-friendly materials and without pollution. This would boost tourism potential as well as promote utilisation of local materials, local art and craft *etc*. GoO had declared the Forest Department as the Nodal Agency for development of eco-tourism in the State.

1.5.1 Violation of Forest Conservation Act in Eco-tourism projects

In seven coastal districts, 21 eco-tourism destinations were developed by the FE&CC department. The Chief Secretary, GoO instructed (February 2016) that only temporary structures / tents were to be allowed for creation of eco-tourism accommodation inside the protected forest areas. Eco Development

Committees (EDC) and Vana Surakshya Samities (VSS)[41] were to be involved in managing eco-tourism facilities, thereby offering alternative employment to local communities.

Scrutiny of records of eco-tourism in eight out of total nine DFOs in the coastal districts revealed that 20 eco-tourism centres were functioning during 2019-24 under Principal Chief Conservator Forest, Wildlife PCCF (WL). Audit conducted JPV in 18 out of 20 eco-tourism centres during December 2024 to February 2025 and noticed the following deficiencies:

- Out of 141 cottages constructed in 18 eco-tourism centres in the coastal districts during 2019-24, 79 cottages in eight eco-tourism centres[42] were of permanent nature and constructed using materials like iron, concrete, bricks and cement. In ten other eco-tourism centres, 62 cottages were of semi-permanent nature, which meant that the floor and bathrooms of the cottages were permanent. Construction of such permanent / semi-permanent structures in Sanctuary / National Park / PRF areas was in violation of the instructions of Chief Secretary, GoO (February 2016). Further, approval of MoEF&CC as required vide Section 2(ii) of Forest Conservation Act, 1980, had also not been obtained by the State.

- No EDC / VSS were engaged in the management of nine out of 18 eco-tourism centres and these were instead managed by the Forest Department itself, owing to which local communities were deprived of alternative sources of employment.

- As per Department of Forest and Environment (March 2018), standard sharing mechanism was approved as payment of wages (35 *per cent*), recurring expenditure (35 *per cent*), infrastructure development (10 *per cent*), Government Revenue (10 *per cent*), VSS / EDC (10 *per cent*) and corpus fund (10 *per cent*). Audit noticed that in 18 eco-tourism centres, the annual average occupancy rate ranged from 1.68 *per cent* to 58.72 *per cent* during 2019-24 as detailed in ***Appendix V***. Less occupancy in eco-tourism centres led to less collection of revenue and in turn affected wages labour and EDC / VSS share. This indicated that the commercial strategy with respect to these eco-tourism initiatives needed to be reviewed and action like improvement in quality of service, promotion by advertisements/ increased publicity *etc*., needed to be taken to attract more tourists.

- As per instructions issued by the Forest Department (December 2017) suitable solid waste management system was to be adopted in all the eco-complexes.

***Picture 17**: Cottages in Habalikhati Nature Camp constructed on HTL / CRZ area of beach*

[41] VSS and EDC are community-based organisations in Odisha that manage forests through the Joint Forest Management (JFM) programme. VSS are formed in forest fringe villages to protect and manage forests through community participation, while EDCs are established for protected areas.

[42] Chandipur, Cheramaria, Dangamal, Gupti, Godibari, Berhampura, Mangalajodi and Astaranga.

During JPV (December 2024 to February 2025), Audit noticed that, in none of the eco-complexes, were solid waste management systems operational for disposal of waste, so as to minimise the impact of trash and waste on the ambient environment.

- As per CRZ Guidelines 2011, no construction should be undertaken within 200 mts. from the High Tide Line (HTL). During JPV (February 2025), Audit observed that permanent cottages of Habalikhati Nature Camp in Rajnagar were constructed inside the Bhitarkanika National Park area and within four to five meters from the HTL, violating applicable norms.

1.5.2 Infructuous expenditure on eco-tourism projects

DoT sanctioned (December 2020) ₹15.18 crore to PCCF (WL) for "Development of eco-tourism in the State" which included construction of nature camps at 15 locations, purchase of safari vehicles, bicycles with helmets, floating jetty and boats in 13 forest divisions. This included five divisions in four coastal districts. Out of the allotted funds of ₹15.18 crore, ₹9.75 crore were sanctioned for construction of nature camps. However, Audit observed that instead of construction work, the PCCF (WL) had utilised this amount for development of boating infrastructure and procurement of boats/ Jetties (in July 2021). No approval from DoT was obtained for this diversion of funds. Besides, this unauthorised diversion also resulted in failure to achieve the target of construction of 15 nature camps equipped with all civic amenities like toilets, dormitory, drinking water *etc.,* for the tourists.

During JPV (October 2024 - February 2025) of two divisions at Ghumsur (North), and Balasore WL, where the purchased equipment like boats, jetties, safari vehicles and bicycles were allotted for use by the PCCF (WL). Audit observed that the equipment valued at ₹75.61 lakh were either not being properly utilised or were in non-functional condition as detailed in ***Appendix VI.***

Thus while eco-tourism projects in the coastal districts of Odisha have significant tourist potential, at present they failed to generate employment for local communities or community participation, had low occupancy rates, were poorly maintained and generated very low revenue.

1.6 Internal Control and Monitoring Mechanism

For efficient execution and operation of tourism projects, an effective monitoring system was a pre-requisite. The district authorities were required to ensure proper maintenance of the facilities created by the Department for tourists in their district / area, as well as quick implementation of tourism development activities. The deficiencies noticed in monitoring are discussed in subsequent paragraphs.

1.6.1 Delay in formation of State Tourism Promotion Council

Paragraph 16.1 of the Odisha Tourism Policy (OTP) 2022, stipulated that there shall be a State Tourism Promotion Council (STPC) to act as the Apex Body to guide and monitor the development of tourism in the State. The STPC was to comprise of the Chief Secretary as the Chairman, Secretary of Tourism as member-convener and other members[43]. The STPC was to meet at least once a year to review and monitor the implementation of the Tourism Policy and suggest changes as required in the Policy framework.

Scrutiny of records revealed (August 2024) that DoT had issued a notification (July 2024) for the constitution of the STPC after a delay of more than $1^1/_2$ years from the date of notification of the OTP 2022 (November 2022) but no meeting of the Council was conducted even after six months of its formation (March 2025). Thus, delay in formation of STPC coupled with non-conduct of review meeting, led to improper and delayed review of tourism issues such as non-formation of master plans, DPRs progress, linking SDGs *etc.* Issues such as removing bottlenecks, inter-departmental or inter-agency coordination matters *etc.,* also could not be addressed in the absence of STPC meetings.

1.6.2 Non-functioning of Tourist Police Cells to monitor safety in tourist spots

The Ministry of Tourism, GoI aimed to provide a safe and secure environment to tourists in order to make their visit pleasant and memorable. The Tourism Department intimated (September 2013) Department of Home, GoO that over the last few years, tourist traffic to Odisha had been increasing and there had been reports and growing instances of misbehaviour, ill-treatment, physical assaults and manhandling of tourists by anti-socials and miscreants in Odisha, which was disturbing. The Department requested (June 2019) to all collectors and superintendents of police to take appropriate steps to ensure safety and security of the tourists.

Picture 18: Non-functional of Police kiosk at Sea Beach, Gopalpur, Ganjam

Video link No. 6: Damaged and non-functional Tourist Police Kiosks

Accordingly, the Home Department, GoO created (May 2015) 72 different posts (Sub-Inspector- 08, Assistant Sub-Inspector- 08, Havildar- 08 and Constable- 48) for setting up and operationalisation of Tourist Police Cells (KIOSK) in eight police stations[44] in the coastal districts. Tourism Department had released (September 2019) ₹8.51 lakh to OTDC for orientation training programme of the police officers and also allotted two All-terrain vehicles (ATVs) of ₹18.00 lakh. A sum of ₹2.10 crore was sanctioned to Odisha State Police Housing and Welfare Corporation Limited (June 2019) for construction of the eight tourist police cells.

43 Development Commissioner, Secretaries of Finance, Forest and Environment, Commerce & Transport, Handloom, Textiles & Handicrafts, General Managers of Railway Division covering Odisha, Senior Representative from FICCI, CII, Airport Authority of India, ASI and Director of Tourism.

44 1. Sea Beach, Puri, 2. Brahmagiri at Satpada, 3. Konark at Chandrabhaga, 4. Nandankanan at Bhubaneswar, 5. Dhauli at Bhubaneswar, 6. Shree Lingaraj at Bhubaneswar, 7. Gopalpur and 8. Chandipur.

Audit noted that as of March 2024, out of eight, only two cells were handed over to the Home Department and construction of other six cells were not taken up due to non-identification of suitable sites. Meanwhile, the trained police officers had either retired or had been transferred from these eight police stations. As such, ₹16.52 lakh incurred on training and purchase of vehicles became unfruitful. Thus, non-operationalisation of tourist police cells led to failure in meeting the prime objective of safety of tourists in the coastal districts.

1.6.3 Non-conduct of fire inspection in Panthanivas

It is mandatory for owners and occupiers of hotels, lodgings and guest houses to adopt specified precautions and measures for fire prevention and fire safety as per Rules 9, 13 and 14 of the Odisha Fire Prevention and Fire Safety Rules, 2017 and State Government Notification, 1997.

During scrutiny of records in OTDC, Audit noticed that the Director General, Fire service, Odisha had not issued fire safety certificates to 20 Panthanivas which were functioning in the coastal districts during 2019-24. The fire safety certificates were denied due to shortfall and deficiencies, such as non-approval of building plan, non-availability of wide roads, non-provision of parking area, insufficient open space, lack of fire extinguishers *etc*., noticed during inspection of buildings. The details are shown in ***Appendix VII***.

Functioning of Panthanivas without mandatory fire safety certificates and non-compliance with fire and safety measures put public life and property at risk and required remedial measures to be taken on priority by DoT.

1.7 Conclusion

The State is known for its exotic tourist locations and popular sea beaches, but the State Tourism Policy is not aligned with the Odisha Sustainable Development Goals Indicator Framework. The State needs to implement policies aligned with SDGs to promote sustainable tourism by creating jobs and promoting local culture and products. Lack of feasibility study reports coupled with improper planning of tourism development projects led to non-approval of Master Plans by concerned authorities. Further, DoT did not have an idea of the exact number of tourists visiting the State. Incorrect tourist statistics also affected the comprehensive planning of tourism development in the State.

The implementation of tourism projects by OTDC and other executing agencies were marred by inordinate delays due to poor project management despite availability of funds. Huge parking of funds with executing agencies indicated imprudent financial management of DoT. Organising annual eco-retreats was not viable due to low occupancy rates, and resulted in extra burden on the State exchequer besides violation of the Forest Conservation Act.

Execution of Central Tourism Schemes such as PRASAD and Swadesh Darshan Scheme were not fruitful either due to damage of infrastructure or non-completion of approved components. Also, state funded tourism projects such as Blue Flag beaches, water sport activities, caravan and yacht tourism were also affected due to land issues and absence of statutory clearances from the concerned departments/ Ministry. Non-execution of these Schemes led to non-achievement of objectives of the DoT to enhance the contribution of tourism to the local economies, job creation including self-employment for local communities and to improve the brand image of Odisha nationally and internationally.

1.8 Recommendations

The Government may:

- Formulate a Standard Operating Procedure (SOP) so that projects are taken up only after a proper field survey with all clearances from authorities such as MoEF&CC, ASI *etc*., before award of work to the implementing agencies.

- Frame an action plan with well-defined milestones for implementing SDGs, and to better manage sustainable tourism initiatives, in line with the National Tourism Policy and UN Agenda 2030.

- Strengthen the system of financial control to ensure complete and timely utilisation of funds for the intended objectives and avoid parking of funds outside Government account.

- Ensure that tourism projects are developed in a sustainable and eco-friendly manner to make the State more attractive to the tourists.

- Strictly follow the state eco-tourism policies and provisions of the MoEF&CC's Acts for development of eco-tourism in forest and wildlife areas.

CHAPTER II

Subject Specific Compliance Audit

of

"Functioning of State Transport Authority and Regional Transport Offices in Odisha"

CHAPTER II

Subject Specific Compliance Audit of Functioning of State Transport Authority and Regional Transport Offices in Odisha

2.1 Introduction and Audit Framework

2.1.1 Introduction

"Mechanically propelled vehicles including the principles on which taxes are to be levied" is under the Concurrent list (Entry number 35 under List III) as per Schedule 7 of the Indian Constitution. Accordingly, both Centre and State have jurisdiction over rules, regulations and their implementation relating to motor vehicles (MVs). Motor Vehicles Act, 1988 (MV Act) was enacted by the Parliament which *inter alia* provides the framework regarding issue of licence to drivers of MVs, issue of licence to Conductors of stage carriages, issue of various types of permits and registration of MVs *etc.* Ministry of Road Transport and Highways, Government of India (GoI) is responsible for formulation of broad policies relating to road transport and enforcement of MV Act, 1988, and Central Motor Vehicles (CMV) Rules, 1989. Section 68 of the MV Act also mandated the constitution of a State Transport Authority (STA) for the State and Regional Transport Authorities (RTAs) at the regional level.

Government of Odisha (GoO) has enacted the Odisha Motor Vehicles Taxation (OMVT) Act, 1975 which details the taxes to be levied on motor vehicles. The major regulatory functions envisaged under the MV Act, 1988 are implemented by the Regional Transport Authorities and the taxation powers envisaged under the various State Acts are implemented by the Regional Transport Officers (RTOs), who also act as RTAs and function under the STA constituted under the Commerce and Transport Department, GoO.

Taxes on vehicles is the fourth largest revenue source of the State. It contributed about four to six *per cent* of the total tax revenue of the State during the previous five years (2018-23). The Department is responsible for levy and collection of taxes on MVs under MV Act 1988, OMVT Act 1975 and rules made thereunder. Besides, fees for licence, registration, fitness certificate, permit, appeal and compounding of offences are also levied and collected under the provisions of the MV Act, 1988, CMV Rules, 1989 and Odisha Motor Vehicles Rules, 1993 (OMV) framed thereunder. Motor Vehicles tax in respect of non-transport vehicles[45] and some specified transport vehicles is realised in lump sum as one-time tax (OTT), whereas the tax and additional tax[46] from other transport vehicles are realised monthly/ quarterly/ annually at rates specified under the OMVT Act. As the number of

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45 Transport vehicle means a public service vehicle, a goods carriage, an educational institution bus or a private service vehicle. Vehicles other than transport vehicles are non-transport vehicles.

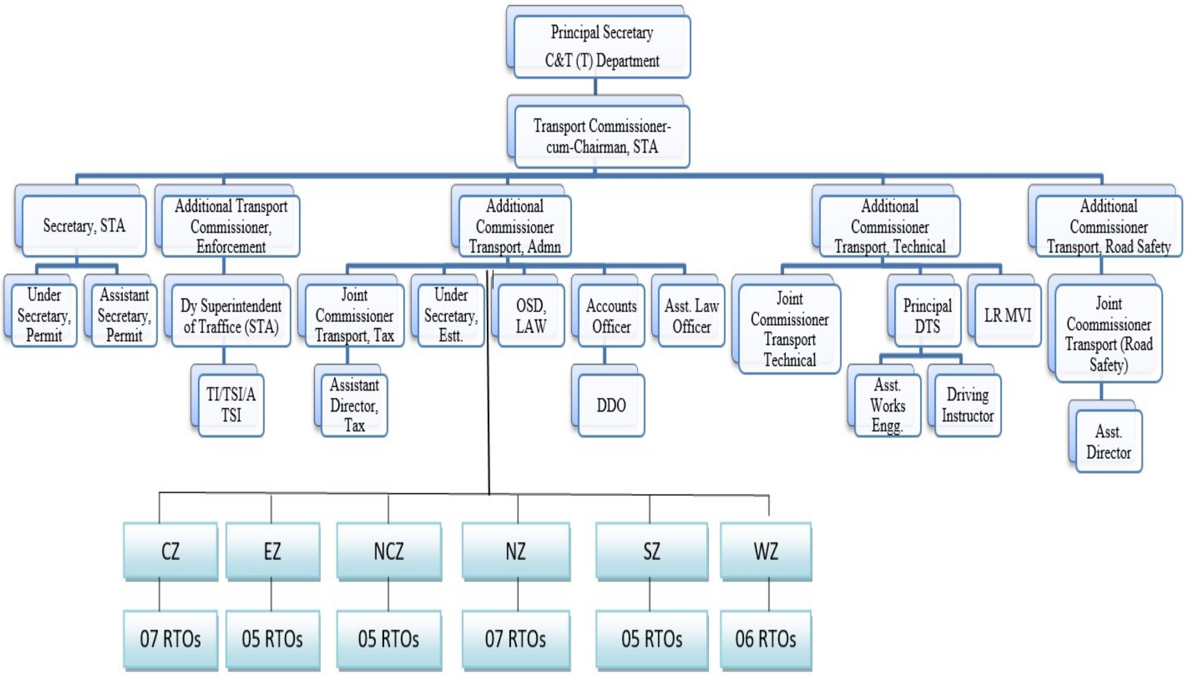
46 Additional tax with reference to Section 3A of OMVT Act. 1975 is levied along with tax on every public service vehicle and goods carriage used or kept for use within the state with regard to Schedule-I of Act.

vehicles on road is increasing day by day, road safety has assumed a greater significance. Transport Department is also responsible for formulating plans through the State Road Safety Council for ensuring road safety and monitoring its implementation.

2.1.2 Organisational structure

The Transport Department is headed by the Principal Secretary to the Government of Odisha. He is assisted by the Transport Commissioner-cum-Chairman (Commissioner), State Transport Authority and is responsible for overall functioning of the RTAs in the State. The Additional Transport Commissioners, Administration, Technical and Enforcement, assist the Transport Commissioner in discharging his duties. Further, these officers also function as Appellate Authorities in respect of driving licence, conductor licence, registration of vehicle, renewal of registration certificate of non-transport vehicle, renewal, suspension and cancellation of fitness certificate of transport vehicles and tax matter. The RTOs / the Additional RTOs are the final frontier of service delivery to the public and for ensuring efficient tax collection and providing seamless services to citizens.

The organisational structure of the Transport Department, Government of Odisha is given in the organogram below:



2.1.3 Major Functions of STA and RTAs

The MV Act, 1988 and OMVT Act, 1975 define the role and responsibilities of the STA and the RTAs in the State. The key functions of these institutions are shown in **Figure 1.1**.

Figure 1.1: Functions of STA and RTAs

Source: Activity Report of Transport Department

2.1.3.1 Issuance of licences

The RTOs act as 'Licensing Authorities' under Rule 3 of the OMV Rules and issue four types of licences, namely learners' licence[47] (LL), driving licence[48] (DL), conductor's licence[49] and driving school licence[50].

2.1.3.2 Vehicle Registration and Fitness Certificates

The RTOs act as 'Registering Authorities' under Rule 9 of the OMV Rules and are responsible for registration of MVs including motor cars, motorcycles, commercial vehicles *etc.*, issue of certificate of fitness to the effect that the vehicle complies with all the requirements of the OMV Act and rules thereunder.

2.1.3.3 Issuance of permits to Transport Vehicles

The STA is empowered to grant all India permits to tourist vehicles and interstate permit to stage carriages and goods carriages as per the terms of the interstate agreements. RTAs are authorised to grant different types of permits for different purposes within their jurisdiction.

2.1.3.4 Collection of taxes and fees

The RTOs also act as 'Taxing Officer' for vehicles under Section 2 of the OMVT Act and are responsible for levy, assessment and collection of taxes and fees related to vehicle registrations, fitness certifications and other services as per different sections of Acts, Rules and executive orders.

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47 Learners' licence is issued to a person to drive motor vehicle as a learner.
48 Driving licence is issued to the person to drive a motor vehicle other than a learner.
49 Conductor licence is issued to persons who act as a conductor of a stage carriage.
50 Driving school licence is issued to those individuals who wish to impart training to drive motor vehicles.

2.1.3.5 Enforcement Activities

The RTOs play a primary role in enforcing various provisions of the MV Act and Rules made thereunder and are empowered to impose various penalties for offences under different Sections of the Act / Rules. Besides, GoO authorised officers above the rank of Sub-Inspector of Police in Urban Local Bodies (ULB) and above the rank of Assistant Sub-Inspector of Police posted at Police Stations and all traffic police stations in the State to compound offences[51] committed under different provisions.

2.1.4 Audit Framework

2.1.4.1 Financial Outlay

The tax, fee and other levies collected towards services rendered under the MV Act constitute the overall revenue of the Transport Department. The expenses towards administration, pay and allowances of staff, expenses for creation of infrastructure, *etc.* constitute the expenditure of the Department.

The revenue collected and expenditure incurred by the Transport Department during the last five years is tabulated in **Table 2.1** below:

Table 2.1: Revenue and Expenditure of Transport Department

(*₹ in crore*)

Year	Revenue collected			Budget and Expenditure	
	Tax	Non-Tax	Total	Budget Provision	Expenditure
2019-20	1,532.25	359.42	1,891.67	46.00	45.00
2020-21	1,273.74	260.89	1,534.63	69.00	61.00
2021-22	1,321.63	351.32	1,672.95	66.00	66.00
2022-23	1,714.70	406.44	2,121.14	139.00	95.00
2023-24	2,023.08	444.93	2,468.01	230.00	230.00
Total	**7,865.40**	**1,823.00**	**9,688.40**	**550.00**	**497.00**

Source: Information furnished by STA

The increase in expenditure during the year 2023-24 in comparison to the previous year was due to additional expenditure on construction of new Automated Testing Stations (ATS), Automated Driving Testing Stations (ADTSs), Implementation of Permit Management through Odisha Public Transport & Integrated Commuter System (OPTICS), allowing subsidy to electric vehicle purchasers *etc.*

2.1.4.2 Audit Objectives

The Audit was conducted with the objective of assessing whether:

[51] Compounding of an offense refers to the process where the offender is allowed to settle the matter, typically by paying a sum of money, rather than going through a full trial.

RTOs managed the issue, renewal and cancellation of licenses effectively as per the Act / Rules;

Regulation and control over registration and issuing permits and fitness certificates was implemented by RTOs as per the Act / Rules;

RTOs efficiently assessed, levied, collected and remitted revenue (Motor vehicle taxes, fines, penalties *etc*., as per Act / Rules) and took effective action on arrears;

Enforcement activities were effectively conducted by RTOs to ensure compliance with the motor vehicles Acts / Rules with adequate follow up to deter violations; and

RTOs have been provided with required manpower, equipment, and other resources to discharge the mandate as also to ensure public service delivery in a transparent and efficient manner.

2.1.4.3 Audit Criteria

The Audit criteria were sourced from:

- The Odisha Motor Vehicles Taxation Act, 1975;
- The Odisha Motor Vehicles Taxation Rules, 1976;
- The Motor Vehicles Act,1988;
- The Central Motor Vehicles Rules, 1989;
- The Odisha Motor Vehicles Rules, 1993;
- Government of Odisha Road Safety Policy, 2015;
- Government of Odisha Road Safety Action Plan, 2021;
- Registered Vehicle Scrapping Policy of Odisha, 2022;
- Motor Vehicles Aggregators Guidelines 2020;
- Odisha General Financial Rules; and
- Notifications / Orders / Circulars issued by the Ministry of Road Transport and Highways, GoI and the GoO from time to time.

2.1.4.4 Audit Scope and Methodology

This Subject Specific Compliance Audit was conducted between June and October 2024, covering the five years period from April 2019 to March 2024.

Out of 35 RTOs, nine RTOs[52] (26 *per cent*) were selected for examination of records as per stratified random sampling method based on the number of transport and non-transport vehicles registered and revenue collected by the RTOs and number of transactions carried out through VAHAN[53] and SARATHI[54] during 2019-24.

Audit methodology involved examination of related records at two apex units *viz.*, the Transport Department and the STA, Odisha. Most of the activities of the RTOs have become digital through VAHAN, SARATHI and e-Challan[55] systems. Therefore, data and applications specifically in relation to service delivery activities (such as issue of licence, registration of vehicles, issue of permits *etc.*), fee collection responsibilities were analysed, and were cross examined with front end data. Joint field verification of automated driving test tracks and testing stations at the select field offices were also conducted.

An Entry conference was held with the Commissioner on 29 August 2024 in which the objectives, criteria, scope and methodology of audit were discussed. The Exit conference was held on 22 May 2025. Views of the Government were obtained on audit observations and suitably incorporated in the Report.

2.1.5 Acknowledgement

Audit acknowledges the co-operation and assistance extended by the Transport Department in conducting the Subject Specific Compliance Audit.

2.2 Regulation and Control of Licence and Permits

2.2.1 Operation of Motor Vehicle Aggregators without licence

Ministry of Road Transport & Highways (MoRTH), GoI had issued a guiding framework for State Governments to consider for issuance of licences to transport aggregators[56] and for the purposes of regulating the business conducted by such aggregators. MoRTH notified (November 2020) the Motor Vehicle Aggregator Guidelines 2020, vide which it was mentioned that while issuing the licence to an aggregator, the State may follow such guidelines issued by the Central Government. Accordingly, the Transport Department issued (April 2023) 'the Odisha on-demand Transportation Technology Aggregators Guidelines, 2023' to regulate the operational activities of motor vehicle aggregators.

As per clause 2(1) of above guidelines, no person shall act or permit any other person to act as an aggregator unless he holds an effective licence issued to

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52 Bhubaneswar-I, Bhubaneswar-II, Cuttack, Ganjam, Kalahandi, Keonjhar, Mayurbhanj, Rourkela and Talcher.

53 VAHAN is an application software which caters to all the requirements for registration of vehicles and collection of taxes by the Transport Department.

54 SARATHI is an application software which caters to all the requirements for issue of licences by the Transport Department.

55 e-Challan is an application software developed for providing a comprehensive solution for Transport Enforcement Officers and Traffic Policemen.

56 An 'Aggregator' is defined as a digital intermediary or marketplace for a passenger to connect with a driver for the purpose of transportation.

him. Clause 4(3) stipulated that the applicant shall not own or lease any vehicle, employ any driver or represent himself as an aggregator service provider, unless he holds the licence.

Scrutiny of records in STA, Odisha on the operation of aggregator services in the State revealed that after issuance of these Guidelines in April 2023, four agencies[57] had applied for licence during May 2023 to January 2024 to operate as aggregators in the State but these applications were pending with the Department for approval (June 2024) for no reasons on record. Despite the fact that none of the aggregators had been issued any licence / approvals to operate, Audit observed from their online service applications that three of the applicant aggregators[58] were continuing their services without any approval/ licence from the Department as of July 2024, out of which two aggregators[59] were operating since August 2016 in Bhubaneswar. In the absence of required licences, compliances to the provisions with regard to safety of drivers, vehicles and regulation of fare could not be monitored and accountability on operators for any deviation in adhering to the provisions could not be fixed by the department.

The Government replied (June 2025) that licences were issued in favour of two agencies[60]. Regarding unauthorised operation of vehicles, two FIRs had been lodged by RTO, Bhubaneswar-I against the aggregators and 1,496 challans had been issued against the agencies operating without aggregator licences. Out of the four applicants, licences were reported to be issued to two aggregators after Audit pointed out. However, the remaining aggregators are continuing operations without licence despite FIRs and Challans. The STA needs to install a robust system to ensure compliance to the relevant provisions.

2.2.2 Mapping of business rules in VAHAN

VAHAN is an initiative by the GoI that focuses on transforming and digitising various aspects of vehicle registration and related services. It is an integrated platform with the aim to modernise and streamline the process of vehicle registration by bringing efficiency and transparency to the system. All relevant rules and procedures were required to be identified and suitably incorporated in the VAHAN to avoid the requirement of manual control and intervention.

However, Audit noticed deficiencies in the VAHAN as discussed below:

2.2.2.1 One Time Tax on sale of vehicles

Section 4A of the OMVT Act, 1975, stipulates that One Time Tax (OTT) at the rate specified in Schedule III of the Act shall be levied and paid in respect

[57] M/s Ani Technologies Private Limited (OLA), M/s Uber India Systems Private Limited, M/s Roppen Transportation Service Private Limited (RAPIDO) and M/s SBBR Technologies Private Limited

[58] M/s Ani Technologies Private Limited (OLA), M/s Uber India Systems Private Limited and M/s Roppen Transportation Service Private Limited (RAPIDO)

[59] M/s Ani Technologies Private Limited (OLA) and M/s Uber India Systems Private Limited

[60] M/s Uber India Systems Private Limited and M/s Roppen Transportation Service Private Limited (RAPIDO)

of vehicles kept for personal use. The rate of tax to be levied on such vehicles[61] ranged from six to ten *per cent* of their cost.

Further amendment to Section 4(A), 2017 clarified that the OTT should be calculated on cost of such vehicles prevalent on the date of purchase (including taxes and duties charged by the dealer) as mentioned in the invoice.

Audit analysis of VAHAN data of nine selected RTOs revealed that 14.25 lakh vehicles falling under the above category were registered during 2019-24. Audit verified 2,164 vehicles out of 14.25 lakh vehicles having sale value more than 10 lakh and observed that in 191 cases, (8.8 *per cent*) sale value in VAHAN was more than the value mentioned in dealers invoices uploaded in VAHAN, which resulted in excess levy of OTT of ₹14.26 lakh. Similarly, in 69 cases (3.2 *per cent*) the sale value considered for levy of OTT was less than the dealers invoice value*,* resulting in less levy of ₹1.71 lakh as detailed in ***Appendix VIII.*** Thus, the sale value *i.e.,* cost of the vehicles was not correctly captured from the dealer invoices in the VAHAN for levy of OTT.

In reply the Government stated (June 2025) that as per clarification issued to the RTOs (October 2020), OTT is to be realised on the highest sale value amongst homologation[62] and invoice price.

The reply is not acceptable as the clarification issued was not in consonance with the provisions contained in Section 2 of the OMVT (Amendment) Act 2017 amending Section 4A of the OMVT Act 1975, according to which the OTT was to be calculated on the basis of the cost of such vehicle prevalent on the date of its first registration. There is no provision for considering any alternative cost / price, whatsoever, in the Act.

2.2.2.2 Motor Vehicle Tax on Electric Vehicles

Considering the need for reduction in the use of fossil fuels and preventing pollution due to emissions, GoO implemented (September 2021) the Odisha Electric Vehicle Policy, in line with Ministry of Power, GoI, with an aim to adopt *20 per cent* electric vehicles (EV) by the end of 2025. The Government also allowed exemption of MV taxes and registration fees in respect of all EVs in the State and extended further incentives by amending the policy during April 2023.

Scrutiny of VAHAN data revealed that 91,899 EVs were registered in the State (between 29 October 2021 and March 2024). MV Tax of ₹73.75 lakh and registration fee of ₹1.22 lakh was collected from 653 EVs which included MV Tax of ₹44.09 lakh and fees of ₹0.62 lakh from 379 EVs in nine selected RTOs (details in ***Appendix IX*****).** As the EVs were exempted from payment of tax and fees for their registration, collection of tax and fees in respect of some of the vehicles was not in order. This indicated the failure of RTOs to correctly grant exemptions and implement Government orders while assessing

[61] New Motorcycle / Motor Vehicle

[62] As per MoRTH circular No. RT-11036/82/2017-MVL dated 01 May 2019, VAHAN system is linked with the homologation system being provided by the Ministry through NIC, wherein the domestic vehicle manufacturer provides the details of each vehicle sold in the country and those details are used by the dealers selling the vehicles to the citizens.

tax in VAHAN. Levy of MV tax and registration fee on the exempted vehicles also indicated that VAHAN was not properly customised as per the revised provisions.

In reply the Government stated (June 2025) that tax was collected inadvertently from the vehicles registered during customisation of VAHAN software by NIC for exemption of tax from Electric vehicles. Accordingly, RTOs have been instructed to be more meticulous at the time of approving new registration of vehicles. It was also stated that in some cases the refund to EV owners has also been made on receipt of applications under section 11 of OMVT Act 1975.

The fact remains that the exemption was not correctly mapped in VAHAN while assessing tax. Refund of incorrectly charged tax and fee should also have been made by the Government to all EV owners instead of limiting it to only those who apply for it.

2.2.2.3 MV Tax for BH Series non-transport vehicles

Rule 51(b) of CMV Rules, 1989 (amended) and Commissioner's orders dated 14 September 2021 provide that MV tax in respect of BH series[63] non-transport vehicles shall be calculated on the basis of invoice price excluding GST, and shall be levied by the States or Union Territories at the time of registration, and shall be levied for two years, or in multiples of two, as the case may be.

Audit test checked 118 out of 12,286 vehicles registered in BH series, in nine selected RTOs during 2019-2024 and noticed excess collection of ₹11.36 lakh of MV tax in 69 cases (58 *per cent*) due to inclusion of GST as detailed in ***Appendix X.*** This indicated the failure of RTOs to check correctness of data entered in VAHAN with reference to dealers invoices uploaded in the system while assessing the tax.

In reply, the Government stated (June 2025) that NIC while developing the Software for registration of BH Series mark had not customized the tax calculation process. Initially the VAHAN Software was calculating the tax on the basis of the total invoice value *i.e.,* including the GST. Later on, NIC has debugged the process and now the taxes are being calculated after excluding GST. Owners of BH Series vehicle who had applied for adjustment of onetime tax paid to the RTOs have also been considered.

The reply neither specified from when the customisation was done nor the period from which taxes were calculated correctly. Audit noticed instances of excess collection of MV taxes due to inclusion of GST continuing up to March 2024. Thus, the RTOs failed to check the correctness of invoice data entered in VAHAN during tax assessment.

[63] Registration of motor vehicle in BH series vide MoRTH Notification GSR 594 (E) dated 26 August 2021

2.2.2.4 Renewal of Fitness Certificates of Transport vehicles

Section 56 of MV Act, 1988, stipulated that a transport vehicle shall not be deemed to be validly registered unless it carries a Fitness Certificate (FC) issued by a competent authority. Such FC shall be renewed every two years for vehicles up to eight years old and every year for vehicles more than eight years old against a prescribed inspection fee in terms of Rules 62 and 81 of CMV Rules. The vehicle must hold a valid certificate of registration while making payment of tax in terms of Section 4(4)(a) of the OMVT Act 1975.

Analysis of VAHAN data revealed that 1.65 lakh vehicles from which MV tax was collected during 2019-24, included 20,256 vehicles without valid FCs across the State. In nine selected RTOs out of 84,438 vehicles for which MV tax was collected during 2019-24, 9,760 vehicles were without valid FCs on the date of payment of tax. This indicated that those vehicles were plying without FCs on the date of payment of tax, in violation of the above Act. VAHAN did not have provisions to raise an alert whenever a transport vehicle owner tried to make online payment of tax, while the registration of that vehicle was deemed to be invalid due to non-obtaining of FC. Plying of vehicles, fitness of which has not been checked and found roadworthy, is a potential threat to the safety of the other people on the road. Further, if RTOs had ensured timely renewal of FCs, revenue of ₹73.18 lakh could have been realised as inspection fee.

In reply the Government stated (June 2025) that presumption to treat a vehicle without fitness as live merely based on payment of tax may not be correct unless the vehicle is found physically plying on the road. In this regard a guideline of MoRTH (04 October 2024) was also referred to wherein MoRTH has considered that a vehicle not having valid fitness shall be treated as inactive.

The reply is not tenable as the status of these vehicles in VAHAN data were shown as active vehicles and their registration was not deemed invalid. Further, payment of MV tax/ permit fee to obtain permit to ply clearly indicates plying of these vehicles. Therefore, VAHAN needs to implement input controls to check and restrict payment of MV tax / permit fee for the vehicles not having valid FCs on the date of payment of MV tax. Reference to MoRTH guidelines was irrelevant as any guidelines, if existed, pertained to the period subsequent to the period of audit.

2.2.3 Delay in establishment of Vehicle Testing Stations

Due to rapid increase in public means of transportation, the improvement of vehicle performance capability and servicing becomes necessary. Decrease of vehicles emissions and improvement of roadworthiness can be achieved by the implementation of an effective vehicle inspection system. Accordingly, the MoRTH proposed (June 2014) to set up one model Inspection and Certification Centre (I&C) in each State / UT with Central assistance. Accordingly, the GoO decided (January 2016) to set up eight Automated

Testing Stations (ATS) at seven places[64] for testing of vehicles and issuing Fitness Certificates to reduce pollution and check road accidents. The primary objective of implementing ATS was to automate and streamline the process of fitness testing of vehicles. The ATS uses mechanical equipment to automate the various tests required to check the fitness of the vehicles. In manual testing process only the visual inspection was carried out by the Inspectors.

Out of the planned eight ATS, one under RTO, Cuttack was established (October 2021) with a delay of more than five years, in three RTOs[65] the lands for ATS were yet to be alienated; in two RTOs[66] construction works of ATS are in progress and in the remaining two RTOs[67] the ATS projects are yet to be taken up. Out of the total eight ATS, five ATS[68] were to be established in nine RTOs selected for audit. Owing to non-establishment of ATS, testing of vehicles under eight RTOs[69] out of the nine selected RTOs, were being done manually (November 2024) which defeated the very purpose of automation of testing of vehicles.

As per guidelines prescribed by MoRTH, 11 automated tests[70] per vehicle were to be conducted apart from visual inspection for 160 transport vehicles per day by each ATS. Against the above target, the Commissioner fixed (November 2022) nine automated tests[71] per vehicle for 124 transport vehicles per day at ATS, Cuttack. The two tests *viz,* Steering gear test and Opacimeter test[72] were not conducted. Steering gear test is a critical test of vehicle safety and performance to ensure reliability and functionality.

Thus, owing to non-establishment of planned number of ATS, reduction in number of tests and number of vehicles tested per day, the objective to build a sustainable ATS system to reduce emissions and improve the vehicle safety to diminish road accident rates by enforcing stricter vehicle safety norms is yet to be achieved as discussed in **para 2.4.4.**

In reply the Government stated (June 2025) that the delay was due to legal disputes in the High Court, Orissa (April 2024) between the Government and one unsuccessful bidder for the construction work. However, after disposal of the case, work order has been issued to the successful bidder (December 2024) and construction work of ATS is under process. However, the reply is silent about the delay of more than seven years in setting up of the remaining seven out of eight ATS that they had decided to establish in 2016 *i.e.,* prior to the

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64 Angul, Bhubaneswar, Berhampur (Ganjam), Cuttack, Keonjhar, Rourkela (Sundergarh) and Sambalpur. Two ATS were decided to be established in Bhubaneswar.

65 Bhubaneswar-I, Berhampur (Ganjam) and Keonjhar

66 Bhubaneswar-II and Rourkela

67 Kalahandi and Mayurbhanj

68 Cuttack, Bhubaneswar, Berhampur (Ganjam), Keonjhar and Rourkela

69 Rourkela, Bhubaneswar-I, Bhubaneswar-II, Ganjam, Kalahandi, Keonjhar, Mayurbhanj and Talcher

70 1. Brake test, 2. Axle weight test, 3. Suspension test, 4. Side slip test, 5. Joint play test, 6. Steering gear test, 7. Headlight test, 8. Opacimeter test, 9. Exhaust gas analyse test, 10. Speedometer test and 11. Sound level test.

71 1. Brake test, 2. Axle weight test, 3. Suspension test, 4. Side slip test, 5. Joint play test, 6. Headlight test, 7. Speedometer test, 8. Exhaust gas analyse test and 9. Sound level test.

72 Opacimeter test is conducted to measure the density of smoke or particulate matter in exhaust gases, helping to assess the combustion efficiency and emissions compliance

legal dispute and, reasons for reduction in number of tests and number of vehicles to be tested per day.

2.2.4 Deficiencies in testing of fitness of transport vehicles

As per Section 56(1) of the MV Act 1988, a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness in such form containing such particulars and information as may be prescribed by the Central Government, issued by the prescribed authority. Rule 62 of CMV Rules defines the specified checks to be conducted by the inspecting officer before granting of FC to the vehicles. As per Rule 22 of the OMV Rules 1993, a certificate of fitness shall be granted or renewed by an IMV.

Analysis of VAHAN data revealed that during 2019-24, 5.73 lakh fitness tests were conducted in nine selected RTOs. The following deficiencies were noticed in the process of fitness testing of vehicles and issuance of FCs at the selected RTOs.

- Except RTO, Cuttack, in none of the selected RTOs, conducive fitness testing ground or place was provided for conducting the defined tests. The tests were conducted in open fields, roadsides, office campuses or places where suitable testing of speed, brake, suspension *etc.*, was not feasible.
- The test results were uploaded into the VAHAN system online by the inspecting authorities based on the manual tests conducted. Since the proper facilities for testing and uploading of test results were not available in eight test checked RTOs, as stated above, the test results could not be uploaded in VAHAN in real time basis. Further, in the absence of manual records on the results of each component of tests, the efficacy of the tests conducted could not be ascertained in audit.
- Time required for conducting different component of fitness tests of a vehicle was not defined by the Department. The basis of fixing slot timings by the Department was not found on record.
- The details of slots assigned to the RTOs for conduct of fitness tests by the Department and time taken per test during the period is tabulated in **Table 2.2** below:

Table 2.2: Target and tests conducted per day during 2019-24 by nine selected RTOs

Sl. No.	Name of RTO	No. of slots/ applications per week	No. of slots per day (Six working days per week)	Slot timing per day (in hrs)	Average time assigned per test in minutes (approx.)
1	RTO, Bhubaneswar-I &	672	112	3	2
	ARTO, Khordha	235	39	2	3
2	RTO, Bhubaneswar-II	420	70	2	2
3	RTO, Cuttack	790	132	5	2
4	RTO, Ganjam	364	61	3	3
5	RTO, Kalahandi	175	29	2	4
6	RTO, Keonjhar &	420	70	4	3
	ARTO, Barbil	246	41	2.30	3
7	RTO, Mayurbhanj &	182	30	1.30	3

Sl. No.	Name of RTO	No. of slots/ applications per week	No. of slots per day (Six working days per week)	Slot timing per day (in hrs)	Average time assigned per test in minutes (approx.)
	ARTO, Rairangpur	121	20	2	6
8	RTO, Rourkela	436	73	3	2
9	RTO, Talcher	239	40	3.30	5

Source: Analysis of VAHAN data

From the above it may be seen that there was no rationality in allotment of slots for each test among all the inspecting authorities. Audit worked out that time provided for conducting a test of fitness of a vehicle before issuing FCs on an average ranged between two to six minutes. Besides, conducting 20 tests per vehicle, as per VAHAN data, by one inspecting officer, within the provided time that too in addition to other duties (without availability of adequate infrastructure) was not humanly possible and raised doubts about the quality of fitness tests being conducted.

Joint physical inspection of the fitness test infrastructure revealed that the physical condition of the testing sites was not conducive for carrying out proper fitness tests. Some of the photographs of testing tracks without proper facility like the fitness tests conducted at the (i) road sides at RTO, Rourkela, RTO, Keonjhar and RTO, Kalahandi (Picture 1, 3 and 5), (ii) open fields at Additional RTO, Barbil under RTO, Keonjhar (Picture 4), (iii) within the office premises at RTO, Talcher (Picture 2) and at the driving testing track at RTO, Bhubaneswar (Picture 6), are as depicted below:

Picture-1: Fitness test at road sides at RTO, Rourkela

Picture-2: Fitness test within the office premises of the RTO, Talcher

Picture-3: Fitness test at the approaching road of the DL testing track at RTO, Keonjhar

Picture-4: Fitness test at the open field of Addl. RTO, Barbil

Picture-5: Fitness test at the approaching road of the DL testing track at RTO, Kalahandi

Picture-6: Fitness test at the driving testing tract at RTO, Bhubaneswar

The lapses on the part of the Transport Department in not ensuring that vehicle fitness tests are conducted with proper infrastructure is a failure and need to be addressed to ensure public road safety.

Accepting the audit observation, the Government stated (June 2025) that the observation of Audit is noted. Accordingly, RTOs have been instructed to carry out proper inspection of vehicles.

2.2.5 Deficiencies in issuing driving licences

As per Section 3(1) of the MV Act 1988, no person shall drive a motor vehicle in any public place unless he holds an effective DL authorising him to drive a MV and no person shall so drive a transport vehicle unless his driving licence specifically entitles him so to do. Section 4(1) and (2) of the Act *ibid* provides that no person under 18 years shall drive a MV in any public place, except a motorcycle with engine capacity not exceeding 50 Cubic Capacity (CC) that may be driven by a person after attaining 16 years. The minimum age limit for driving a transport vehicle is 20 years. The DLs are issued to the applicants after qualifying the driving test at the specified driving tracks.

Analysis of SARATHI[73] data revealed that during 2019-24, 6.67 lakh DLs were issued against 9.86 lakh driving tests conducted in nine selected RTOs. Following deficiencies were noticed in the process of issuance of DLs:

- In 29,154 cases, the vehicles for which DLs requested were different from the vehicles on which the driving tests were conducted. For instance, if the applicant had requested for DL for a four-wheeler, the driving test was conducted for two-wheeler and *vice versa.*
- 318 licences were issued to 158 individuals for driving different categories of vehicles which indicated that these individuals were holding multiple driving licences due to absence of proper validation control in SARATHI.

Joint physical inspection of the driving test infrastructure revealed that out of nine selected RTOs, in case of six[74] the physical condition of the testing tracks was not conducive for proper driving tests. Some of the photographs of testing tracks without proper facility like (i) the track under RTO, Bhubaneswar being uneven, waterlogged and weeds covering the gradient (Picture 7 and 8), (ii) in RTO, Kalahandi the track was damaged (Picture 9), (iii) in RTO, Keonjhar the track was damaged while in ARTO, Barbil (under RTO, Keonjhar) there was an open field track (Picture 10 and 11), (iv) in RTO, Cuttack the testing track was uneven and the gradient was covered with weeds (Picture 12 and 13) and (v) in RTO, Talcher the direction marks on the track were absent (Picture 14), as depicted below:

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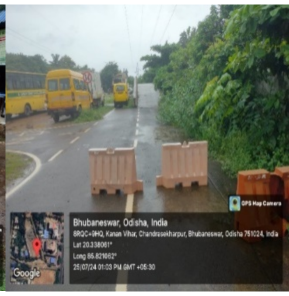
[73] Sarathi is a software package introduced in 2011 by National Informatics Centre and Ministry of Road Transport & Highways for the creation of a complete computerised database of driving licences, conductors' licences, driving school licences and fees.

[74] Bhubaneswar-I & II, Cuttack, Talcher, Kalahandi, Keonjhar

***Picture-7:* Waterlogged, uneven testing track at Bhubaneswar**



***Picture-8:* Weeds covering the gradient at Bhubaneswar**

***Picture-9:* Damaged Testing track at Kalahandi (Bhawanipatna)**

***Picture-10:* Damaged testing track at Keonjhar**

***Picture-11:* Open testing track at Barbil (Keonjhar)**

***Picture-12:* Uneven testing track at Cuttack**

***Picture-13:* Unusable gradient at the testing track at Cuttack**

***Picture-14 :* No direction sign at the testing track at Talcher**

The lapses on the part of the Transport Department in ensuring that driving skill tests are conducted on proper test tracks is a serious failure and needs immediate attention.

Accepting the audit observation, the Government stated (June 2025) that wrong entries of the vehicle class used for driving tests had been made by the IMVs at the time of entering the test results due to which the type of vehicle for which test was requested, and test conducted were different. However, all RTOs have been instructed to record the correct vehicle number in future.

No reply with regard to issuance of multiple licences to single person was offered by the Government. With reference to the driving testing tracks it was stated that corrective measures were taken, and Automated Driving Testing System was also implemented for tracks at Talcher and Kalahandi (Bhawanipatna). New testing tracks at Keonjhar (Barabil), Bhubaneswar and Cuttack were under construction.

2.2.6 Registration of transport vehicles without Vehicle Location Tracking devices

Rule 125 H of CMV Rules 1989 amended vide CMV (Twentieth Amendment) Rules 2016 (effective from 01 April, 2018) provided for fitment of Vehicle Location Tracking (VLT) device and emergency buttons in all public service vehicles except two wheelers, e-Rikshaws, three wheelers and transport vehicles for which no permit is required. MoRTH reiterated under Nirbhaya

Framework[75] that in order to enhance the safety of women and girl children while travelling in public passenger transport vehicles and for raising an alert in case of emergency, VLT devices and emergency buttons were mandated to be fitted in all public service vehicles. In line with MoRTH notification, the Transport Department (July 2023 and December 2023) and the Transport Commissioner (September 2023) issued public notice stipulating mandatory fitting of VLT devices and panic buttons in all vehicles[76]. As per GoO notification (December 2023), the specified vehicles.

- Registered on or after 01 January 2024 were to comply with the requirement at the time of registration, failing which, the vehicles would not be registered.
- Vehicles registered on or before 31 December 2023 were to comply with the requirement by 30 June 2024.

On verification of VAHAN data and VAHAN 4.0 Report for the period from January 2024 to March 2024, Audit noticed that 5,057 vehicles were registered at different RTOs, of which only 3,811 vehicles were fitted with VLT devices across the State. The registration of the remaining 1,246 vehicles including 554[77] out of 2,741 specified vehicles registered in eight out of nine selected RTOs, without VLT devices was not in order. The details are enclosed as ***Appendix XI***.

Thus, registration of vehicles without VLT devices by RTOs defeated the objectives of enhancing safety of women and girl children during their travel, identifying over speeding vehicles and the vehicles involved in hit and run cases *etc.*

In reply, the Government stated (June 2025) that Ambulances are excluded from fitment of VLT devices in the State of Odisha. In case of other class of vehicles, instructions have been issued to all RTOs to ensure fitment of VLTDs.

The reply is not tenable because, ambulances had not been excluded from the list of specified vehicles circulated vide public notice issued by the Commissioner-cum-Chairman, STA (September 2023).

2.2.7 Deficiencies in classification of vehicles while registering in VAHAN

Section 39 of the MV Act 1988 envisaged that no person shall drive any motor vehicle, and no owner of a motor vehicle shall cause or permit the vehicle to be driven in any public place or in any other place unless the vehicle is validly

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75 Scheme for implementation of "Development, Customisation, Deployment and Management of State-wise vehicle tracking platform for Safety and Enforcement as per AIS 140 Specifications", in States / UTs under Nirbhaya Framework" vide No. RT-16011/1/2018-T dated 15 January 2020 of MoRTH.

76 Bus, Educational Bus, Luxury cab, Maxi Cab, Motor Cab, Omni Bus, Private Service vehicle, Goods Carriage operating on National Permit, Vehicles carrying Hazardous and Explosive materials and Ambulances.

77 Bhubaneswar I-75, Bhubaneswar II-4, Cuttack-183, Ganjam-82, Kalahandi-4, Keonjhar-95, Mayurbhanj-109 and Rourkela-2.

registered. As per Section 41(4) of the Act, in addition to other particulars required to be included in the certificate of registration, it shall also specify the type of MV having regard to the design construction and use.

Analysis of VAHAN data revealed that 33.50 lakh vehicles of different categories[78] were registered including 15.20 lakh vehicles at nine selected RTOs during 2019-24. Audit observed that:

- In 316 cases under nine selected RTOs, the vehicles were not registered under appropriate class defined in the MV Act, as per their seating capacity as tabulated in **Table 2.3** below:

Table 2.3: Incorrect classification of vehicles registered during 2019-24

Sl. No.	Class of vehicle as registered in VAHAN	Class of vehicle as defined in the MV Act according to seating capacity	No. of Vehicles registered
1	Maxi Cab	Motor Cab[79]	70
2	Omni Bus	Motor Cab	08
3	Motor Cab	Maxi Cab[80]	178
4	Maxi Cab	Omni Bus[81]	56
5	Motor Cab	Omni Bus	04
Total			**316**

Source: Extracted from VAHAN

- Further, both laden and unladen weight of the vehicles in 167 cases[82] and the laden weight in 4,368 cases[83] were shown as zero instead of the actual weight.

The above deficiencies indicated incorrect mapping of vehicle class and lack of input controls in VAHAN due to which the vehicles were not registered under appropriate class and with correct laden/ unladen weight. Hence, it rendered the data incomplete and unreliable, besides highlighting failure on the part of the RTOs in ensuring the correct class of vehicles by matching it with the vehicle specification data provided by the vehicle manufacturers in VAHAN.

Accepting the audit observation, Government stated (June 2025) that data quality correction drive as per the direction of MoRTH is under process for correction of vehicle class.

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78 Motorcycles, stage carriages, contract carriages, private service vehicles, educational institution buses and others.

79 Motor cab means any motor vehicle constructed or adopted to carry not more than six passengers excluding the driver for hire or reward.

80 Maxi cab means any motor vehicle constructed or adopted to carry more than six passengers, but not more than twelve passengers, excluding driver, for hire or reward.

81 Omnibus means any motor vehicle constructed or adopted to carry more than six persons excluding the driver.

82 Bhubaneswar-62, Bhubaneswar-II-29, Cuttack-21, Kalahandi-31, Keonjhar-14, Mayurbhanj-8 and Rourkela -2.

83 Bhubaneswar - 789, Bhubaneswar II - 1,348, Cuttack - 240, Ganjam - 207, Kalahandi - 414, Keonjhar - 558, Mayurbhanj -168, Rourkela - 410 and Talcher - 234.

2.2.8 Affixation of High Security Registration Plate

The Central Government notified the Motor Vehicles (High Security Registration Plates) Order, 2018 with effect from 06 December 2018. As per this, the high security registration plate (HSRP) for a motor vehicle shall conform to certain standards with reference to the Central Motor Vehicles Rules, 1989. Besides, MoRTH, while amending the CMV Rules, 1989 notified (December 2018) that the HSRP including the third registration mark, shall be supplied by the vehicle manufacturers to their dealers, who shall place a mark of registration on such plates and affix them on the automobiles manufactured on or after 01 April 2019. The STA, Odisha issued orders (May 2022) for affixation of HSRP with third registration mark on old vehicles registered prior to 01 April 2019, by the Original Equipment Manufacturers (OEMs) or their authorised dealers. The deadline for completion of affixation of HSRPs in the State was 31 December 2022 which was further extended till February 2023.

During scrutiny of records at the STA along with VAHAN data for the period 2019-24, the following deficiencies were observed:

- In respect of the four vendors supplying HSRPs for vehicles of different makes in the State, the Government did not ensure if these were authorised by OEMs as no such authorisation details were found available in the records.
- There were 53.26 lakh vehicles registered prior to 31 March 2019 where HSRPs were to be affixed by February 2023 but the Department failed to meet this target. As per VAHAN data, out of these 53.26 lakh vehicles registered prior to 31 March 2019, 17.61 lakh vehicles were yet to be affixed with HSRPs as detailed in **Table 2.4** below.

Table 2.4: Status of registered vehicles vis-à-vis HSRPs affixed as of 31 March 2024

	No. of vehicles registered prior to 31 March 2019	No. of vehicles registered during 2019-2024	As of 31 March 2024
No. of vehicles registered in the State	53,26,058	33,46,098	86,72,156
No. of vehicles affixed with HSRP	35,64,622	31,93,332	67,57,954
No. of vehicles not affixed with HSRP	17,61,436	1,52,766	19,14,202

Source: Analysis of VAHAN data

From **Table 2.4**, it may be seen that as of March 2024, out of 86.72 lakh active vehicles in the State, HSRPs were affixed in respect of 67.58 lakh vehicles (78 *per cent*) only, and 19.14 lakh vehicles were not fixed with HSRPs. It is also pertinent to mention that while these 19.14 lakh vehicles included 17.16 lakh vehicles that were registered prior to the orders of mandatory fixing of HSRPs, 1.52 lakh vehicles were registered after 01 April 2019 and should have been delivered by the dealers only after fixing of HSRPs.

- e-Challans were to be issued against offending vehicles that did not affix HSRPs. Further, this would also attract fine of ₹5,000 or ₹10,000 under Section 192 of MV Act 1988 as the case may be. However, in

2.92 lakh cases, e-Challans were not issued against the vehicles without HSRP, though challans were issued for other offences against the same vehicles.

- There was no system to ensure the quality of plates being supplied despite complaints from various quarters regarding the poor quality of HSRP indicating absence of specific regulations to control HSRP's quality.

In reply, the Government stated (June 2025) that regular enforcement drives were being conducted, and 39,698 cases were detected for plying of vehicles without HSRP and challans were issued against them. User credential of 568 numbers had been blocked for non-fitment of HSRPs in new vehicle.

The reply is not tenable as the Department not only failed to ensure fixing of HSRPs in 17.61 lakh vehicles registered prior to March 2019 but also registered 1.52 lakh vehicles without HSRPs during the period upto 31 March 2024. Issuance of challans to a small number of offending vehicles and blocking of the user credentials might not be the solution for violating registration norms.

2.2.9 Deficiencies in GIS-based Planning and Permit Management System for stage carriages

GIS based planning and permit management system for stage carriage permits in Odisha included mapping of all stage carriage permits in a GIS environment for better visualisation and to help the management / monitoring of such permits across the State. It not only facilitates preparation of a scientific transport plan for better connectivity across the State but also brings in better governance in allotment of routes, rationality of service and timings through internet / mobile devices. The nomenclature of 'GIS-based Planning and Permit Management System' was changed (December 2020) by STA, to 'Odisha Public Transport and Integrated Commuter System (OPTICS)' with some value additions.

The STA entered into an agreement (July 2015) with the Odisha Space Application Centre (ORSAC) for developing and implementing the above application in the State at a cost of ₹5.27 crore, with a stipulated date of completion by October 2016. For further value addition to the above application, purchase of software worth ₹66.33 lakh was also approved (September 2020) by the STA. The project was completed in March 2018 after a delay of more than one and half years and has been in operation since then.

Audit analysed the OPTICS data pertaining to the period 2019-24 and examined relevant records at STA. The following deficiencies in this regard, were noticed:

- OPTICS accepted the application data without any standard format. In 1,537 out of 6,244 permit cases, the dates of submission of applications were later than the permit issue dates. This rendered the data redundant besides indicating lack of input controls in system.

- Absence of referential integrity was also noticed as in 601 cases, application numbers of the applications for grant of permit by the vehicle owners were not available in the permit master table but despite that, OPTICS issued permits. In 60 cases, the application numbers were captured in the permit master table, but the application details were not available in the application table. Further, in 24 cases permit numbers were not captured in the permit master table. These indicated manual interventions and absence of automated process in OPTICS.
- Non-capture of mandatory details in the permit master table like 'route permitted' in 35 cases, 'owner of the vehicle' in 198 cases, 'service frequency at that permitted route' in 2,644 cases, were noticed. These lack of details rendered the permits incomplete.
- The permits consist of timing charts indicating the total time to be taken (with journey time, number of stoppages and time for each stoppage) by the vehicle on the permitted route. The permits were issued without timing chart in 43 cases whereas in 302 cases pertaining to 129 routes, permits were issued with timing charts but different distance for the same route was mentioned.

  Similarly, in 543 cases, the sum of distances between the permitted stoppages was different from the total distance of permitted route. In 32 cases out of these 543 cases, the distance covered was more than 10,000 kms in a day, while in 23 cases the distance covered was mentioned as 'Null'. This was because of incorrect calculation of distance based on timings, by the system.

  The discrepancies and data inconsistencies indicate deficiencies in input and processing controls, respectively, in the system.

The above deficiencies in the permit data also indicated that the RTOs did not verify the correctness of details while issuing permits.

The Government accepted (June 2025) that in cases of renewal and conversion of permits, the issued permit was being shown from the date of the expiry of the previous permit which was before the date of grant of permit. It also accepted that despite implementation of automated permit management system (OPTICS), permits were issued manually and in such manual update cases, there was no application number available in the database. Further, it was stated that non-availability of time chart in some permits was due to some technical glitch. The reply also mentioned that the distance difference between two bus stops was due to improper functioning of Arc GIS Application for which steps are being taken for upgrading and integrating Arc GIS Software with OPTICS Application.

While accepting the Audit observations, no reasons for manual interventions in the automated system data was provided by the Government and nor was any assurance given for implementing any corrective measures to prevent such practices.

2.3. Assessment, Levy and Collection of Taxes

2.3.1 Assessment, levy and collection of taxes towards permit

Section 66(1) of the MV Act, 1988, stipulated that no owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place whether or not such vehicle is actually carrying any passenger or goods save in accordance with the conditions of a permit granted or countersigned by a RTA / STA / any prescribed authority authorising him the use of the vehicle in that place. Further, Section 81 stipulated that the validity of a regular permit issued is five years and it may be renewed on an application made not less than 15 days before the expiry of permit. Under Section 192A of the Act, vehicles plying without a valid permit would attract penalty of ₹10,000 and / or imprisonment which may extend up to one year.

2.3.1.1 Short / non-realisation of motor vehicles tax due to deviation in issue of permits

Scrutiny of records relating to permits issued to stage carriages and taxation details thereof with reference to OPTICS data in STA and nine selected RTOs pertaining to the period 2019-24, revealed short / non-realisation of tax, additional tax, differential tax and penalty of ₹90.66 lakh from stage carriages as tabulated in **Table 2.5** below:

Table 2.5: Statement showing short / non-realisation of MV Taxes

(₹in lakh)

Sl. No.	Description	Total cases examined	Number of cases of short/ non-realisation of tax	Amount of Short/ non-realisation of tax	Penalty	Total	Appendix
1.	Non-adoption of prescribed rates led to short realisation of tax and additional tax	896	41	22.87	45.74	68.59	**XII**
2.	Non-realisation of differential tax from vehicles issued with special permits	1,632	23	0.62	1.24	1.86	**XIII**
3.	Short realisation of tax from Stage Carriages issued with inter-state permits	117	4	1.13	2.26	3.39	**XIV**
4.	Short realisation of tax from Stage Carriages issued with Contract Carriage Permits	225	7	5.61	11.21	16.82	**XV**
	Total	**2,870**	**75**	**30.23**	**60.45**	**90.66**	

Source: Data extracted from VAHAN database and VAHAN portal

As is evident from the information compiled in the table above, examination of 2,870 cases revealed that in 75 cases of stage carriage permits, the applicable tax amounting to ₹30.23 lakhs was not / short levied and on this a maximum penalty amount of ₹60.45 lakh was also leviable.

Audit also noticed that out of 896 cases test checked in nine selected RTOs, 239 stage carriages under two RTOs[84] were plying without the required permits. Those stage carriages were plying unauthorisedly and without payment of permit fee. In the absence of permit details like route, distance *etc*., Audit could not calculate loss of revenue towards non-payment of permit fee.

Thus, the RTOs failed in adhering to Acts / Rules and in conducting proper assessment, levy and realisation of taxes. Unauthorised plying of vehicles could also not be effectively detected by RTOs.

In reply the Government stated (June 2025) that at present the bus permit issuance software (OPTICS), vehicle registration and tax collection software (VAHAN) are different. Steps were being taken to integrate these softwares so as to prevent such leakages.

Thus, the fact remained that non-integration of the stage carriage permit system with the vehicle registration and tax collection system, led to improper assessment, levy and realisation of taxes from vehicles.

2.3.1.2 Loss of revenue due to issue of permits to Stage Carriages without rationalisation of distances

As per Rule 2(d) of the OMV Rules 1993, Express Stage Carriages means a stage carriage with a permit to stop, pick up and set down passengers once in an average distance of 25 kms covered under its route with the exception of district, sub-division, tehsil, block headquarters en-route and the place of its starting and terminus point.

Rule 2(f)(i) provides that the average distance of such stoppage was to be five kms for Ordinary Service Carriage. The rates of tax / additional tax for Ordinary and Express services were prescribed under item 4A of the Taxation Schedule-I appended to the OMVT Act, 1975 and as amended in November 2017 and July 2018 respectively. The difference of additional tax[85] between the ordinary and express services ranged from ₹319 to ₹600.

During scrutiny of records along with analysis of VAHAN data in nine selected RTOs during 2019-2024, Audit observed that 30 stage carriages were issued with ordinary permits instead of express service permits, although the average distances of pickup of passengers for these stage carriages was more than 25 kms in each case. Thus, issuance of ordinary permits and realisation of tax at lower rates than the qualified rates in 30 cases led to loss of tax revenue towards additional tax of ₹14.59 lakh as detailed in ***Appendix XVI.***

Accepting the audit observation, the Government stated (June 2025) that steps are being taken for upgrading and integrating GIS Software with OPTICS

[84] RTO, Kalahandi (152 cases) and RTO, Rourkela (87 cases)

[85] Payable annually for each seat in the vehicle, on the basis of the distance permitted to be covered.

application for better permit management system with accurate distance calculation. After GIS integration and upgradation, distance of all permits will be corrected.

The fact, however, remained that the RTOs failed to detect the deficiencies in the system which facilitated incorrect permits for stage carriages without considering distances, subsequently leading to loss of revenue.

2.3.1.3 Incorrect category of permits issued to vehicles registered as Educational Institution Buses

Permits of different categories like Goods Carriages, Contract Carriages, Special permits to Stage Carriages, Private Service Vehicles, Educational Institution Buses, National Permits *etc.,* are issued online to transport vehicles through VAHAN. Different rates of taxes were leviable for different categories of permits. Further, under Section 13(1) of the OMVT Act, 1975, read with Rule-9(2) of the OMVT Rules, 1976, penalty at the rate of 200 *per cent* is also leviable for defaults in payment of taxes on vehicles.

Audit examined permit data sourced from VAHAN in respect of 3,465 cases in nine selected RTOs and observed that instead of issuing permits under Educational Institution Bus (EIB) category, Private Service Vehicle (PSV) permits were issued for 210 vehicles registered as Educational Institution Buses on payment of MVT at lower rates applicable to EIBs. Audit calculated the tax due per seat *per annum* and found short realisation of tax and penalty of ₹1.58 crore, as detailed in ***Appendix XVII***.

Also, it was noticed in the VAHAN data that in 19 cases the 'permit type' issued to the vehicles registered as 'Educational Institution Buses' were shown as 'Contract Carriage' or 'PSVs' whereas the 'service type' has been shown as 'Goods Carriage Services'. Similarly, in 32 cases 'service type' was shown as 'luxury', 'deluxe' or 'express' services which is irrational as these types of services were not applicable to the permits for 'EIBs', 'Contract Carriages' or 'PSVs'. Due to lack of input validation in the VAHAN, permits were granted in incorrect categories and authorising the ineligible services, consequently adversely impacting the assessment, levy and realisation of tax.

Accepting the audit observation, the Government stated (June 2025) that due to wrong entry of vehicle class in VAHAN, wrong permits were issued. All RTOs have been instructed to rectify the classification and to issue demand notices followed by institution of TR cases for realisation of differential tax with penalty.

2.3.2 Short realisation of fee on reservation of registration number other than the notified number

Rule 14(4) of OMV Rules, 1993 stipulated that the registering authority may on an application made to it online by the owner of a MV or by any person who intends to purchase a MV, for reservation of registration number other than the notified numbers, can reserve a registration number on payment of ₹5,000 for two wheelers and ₹10,000 for motor vehicle other than two wheelers, in addition to the fee prescribed under Rule 81 of CMV Rules, 1989.

Analysis of VAHAN data revealed that out of 1.11 lakh registration numbers reserved during 2019-24, in 109 cases reservation fee of ₹5.45 lakh was short realised. This included 69 cases of ₹3.45 lakh in seven out of nine selected RTOs for MVs other than two wheelers as detailed in ***Appendix XVIII***. Thus, in the absence of proper inbuilt validation control in VAHAN *i.e.,* accepting the reservation fee, in accordance with the type of vehicle, the system accepted the reservation fee applicable to two wheelers for grant of numbers to vehicle other than two wheelers *e.g.,* cars *etc*.

While accepting the audit observation, the Government stated (June 2025) that due to difference in mapping in software developed by NIC, such discrepancies have taken place which have already been rectified by NIC. All RTOs have been directed to issue demand notice for realisation of fee short collected. However, Audit noted that no recovery / collection had been effected (as of June 2025).

2.3.3 Short realisation of one-time tax on non-transport vehicles

As per Section 4A of OMVT Act 1975, One Time Tax (OTT) at rate specified in Schedule III of the Act shall be levied on the sale value of the vehicles which are used personally and kept for personal use. The OTT was to be realised at the time of registration of the vehicle. The processes of registration, levy and realisation of tax were automated. Any short levy or short payment of OTT, would attract penalty at the rate of 10 *per cent* of the OTT due in respect of the defaulting vehicle, for every month or part thereof, after expiry of the grace period of one month, subject to the maximum of twice the annual tax due under Rule 9(2) of the OMVT Rules 1976.

Analysis of VAHAN data revealed that out of 29.37 lakh non-transport vehicles registered during the period 2019-24, 13.10 lakh non-transport vehicles were registered in nine selected RTOs. Audit analysed the data pertaining to the selected RTOs and found that there was variation in tax due and tax realised in 175 cases. Further, scrutiny revealed that OTT amounting to ₹17.14 lakh with penalty of ₹3.43 lakh was short realised from 154 vehicles as detailed in ***Appendix XIX***. This indicated that even though the VAHAN system was automated, there was scope for short payment of OTT. Further, the RTOs failed to monitor the correctness of the OTT levied by the system.

Accepting the audit observation, the Government stated (June 2025) that RTOs have been instructed to issue demand notices to the vehicle owners and initiate tax recovery cases against vehicle owners who default in making payment of tax / penalty within the stipulated date.

However, the Government's reply did not recognise the deficiencies in VAHAN and the need for rectification of the same.

2.3.4 Short realisation of tax from Omnibus

Sections 3, 3A and 4 of OMVT Act 1975, provide that there shall be levied MV tax and additional tax on every MV used or kept for use within the State. Such tax would be paid in advance within such time and such manner as may be prescribed, to the Taxing Officer by the registered owner or person having possession or control of the vehicle. Where such tax is paid on or after the due date of payment, the registered owner or the person having possession or control of the vehicle, shall be liable to pay penalty which may extend to twice the tax due, depending upon the period of delay as per the provisions contained in Section13(1) of the Act, *ibid*, read with Rule 9(2) of the OMVT Rules, as amended. The MV tax / additional tax for different classes of vehicles were to be realised as per the rates specified in item-3 of the taxation Schedule-I appended to the Act, *ibid*.

During scrutiny of VAHAN database and records at nine selected RTOs pertaining to the period 2019-24, Audit observed that tax was realised at lower rates applicable to the vehicles of class other than Omnibuses, in cases of 41 vehicles in the category of Omnibuses with seating capacity of more than 25 persons excluding driver. This resulted in short realisation of tax of ₹18.66 lakh in five RTOs. Besides the tax, penalty of ₹37.33 lakh was also leviable, totalling ₹55.99 lakh as detailed in ***Appendix XX***.

Thus, although the process of assessment, levy and realisation of tax was automated in VAHAN, it still had issues of inappropriate calculation of tax, indicating incorrect mapping of business rules, leading to incorrect assessment and short levy of taxes. Neither the STA nor the concerned RTOs noticed the short levy.

Accepting the audit observation, the Government stated (June 2025) that all RTOs had been instructed to initiate tax recovery cases against the vehicle owners who had defaulted in making payment of tax / penalty within the due date. However, the Government's reply did not recognise the deficiencies in VAHAN and the need for rectification of the same.

2.3.5 Short levy of MV registration fee due to incorrect classification of Construction Equipment Vehicles

Rule 81 of the CMV Rules 1989 prescribed rates of registration fee for issue or renewal of certificate of registration of different categories of vehicles. Construction Equipment Vehicles (CEVs)[86] were required to be categorised under 'any other vehicle' and attracted the registration fee of ₹3,000 as per MoRTH Notification issued during December 2016.

Analysis of VAHAN database revealed that 15,239 CEVs were registered in the State during 2019-2024, out of which 7,054 CEVs were registered in nine selected RTOs. Audit noticed that out of these 7,054 CEVs, 1,775 CEVs were registered as light / medium / heavy motor vehicles instead of in the category of "any other vehicle", which resulted in short levy of ₹34.67 lakh towards registration fee as detailed in ***Appendix XXI***.

[86] 'Construction Equipment Vehicle' means a self-propelled machine with rubber tyred (including pneumatic tyred), self-propelled or concrete pumps or any other construction equipment vehicle primarily designed to perform earth moving, excavational loading, transportation, drilling, spreading, compacting or trenching of earth, rock, other materials, off-highway operations in mining, industrial undertaking, irrigation and general construction but modified and manufactured with 'on or off' or 'on and off' highway capabilities.

Accepting the audit observation, the Government stated (June 2025) that short collection of registration fees on Construction Equipment Vehicles was due to wrong mapping in the software developed by NIC and software had already been rectified and all RTOs had been instructed to initiate Tax Recovery cases against vehicle owners who have defaulted in payment of tax / penalty within the due date.

However, the reply did not provide the change management documentation in support of the rectifications carried out in the software. Information about the number of cases identified in RTOs other than the nine RTOs, test checked by Audit, have also not been provided.

2.3.6 Non-realisation of MV tax and penalty from vehicles

As per Section 3, 3A, 4(1) and 10 of the OMVT Act, 1975, motor vehicles tax and additional tax due on every MV used or kept for use, has to be paid in advance at rates[87] prescribed for different classes of vehicles, unless exemption from payment of such tax is allowed for the period covered under 'off-road undertaking'[88]. As per Section 13(1) of the Act and Rule 9(2) of OMVT Rules, 1976, if the tax is not paid within two months after expiry of the grace period of 15 days from the due date of payment, the registered owner or the person having possession or control thereof shall, in addition to payment of tax due, be liable to pay penalty which may be extended up to double the tax due. Further, as per STA instructions, the RTOs were required to issue demand notices within 30 days from the expiry of the grace period for payment of tax. In case of default, Tax Recovery Certificate (TRC) had to be instituted within a period not exceeding 30 days from the date of serving the demand notice for payment.

Audit analysed the VAHAN database and taxation records in nine selected RTOs for the period 2023-24 and observed that in 4,726 out of 4.84 lakh cases, there was non-realisation of MV tax, additional tax as well as the related penalty amount, for various types of vehicles. The details of tax and penalty to be collected are tabulated in the **Table 2.6** below:

Table 2.6: Non-realisation of MV tax, Additional tax and penalties during 2023-24

(₹in lakh)

Sl. No.	Description of Vehicles	Total cases	No. of cases	Tax	Addl. tax	Total	Penalty	Total
1.	Goods carriage[89]	2,38,647	2,863	334.12	140.82	474.94	949.88	1,424.82
2.	Vehicle other than those liable to tax under description (1 to 5)[90] of Schedule 1	63,668	950	56.02	N.A	56.02	112.04	168.06

87 As per taxation Schedule-I of the Act, as amended (21 November 2017)

88 An undertaking given by the owner of the vehicle to the RTO under Section 10(1) of OMVT Act, 1975 and prior permission obtained from him for not plying the vehicle for a temporary period and for not to pay tax for the said period.

89 Vehicles constructed or adapted for use and use solely for the transport of goods in course of trade.

90 Motor Vehicle other than those liable to tax under the foregoing provisions of Schedule-I of the OMVT

Sl. No.	Description of Vehicles	Total cases	No. of cases	Tax	Addl. tax	Total	Penalty	Total
3.	Contract Carriages	1,77,774	835	19.10	25.70	44.80	89.60	134.40
4.	Educational Institution Bus	3,143	62	1.74	N.A	1.74	3.48	5.22
5.	Private Service	1,057	16	2.66	N.A	2.66	5.31	7.97
	Total	**4,84,289**	**4,726**	**413.64**	**166.52**	**580.16**	**1,160.31**	**1,740.49**

Source: Extracted from VAHAN and information provided by RTOs

It is pertinent to mention here that although the VAHAN software allows RTOs to generate tax defaulter lists at any point of time, the concerned RTOs neither issued demand notices nor did they initiate TRCs against the defaulting vehicle owners for realisation of tax and penalty thereon. This resulted in non-realisation of MV tax and additional tax of ₹5.80 crore and penalty of ₹11.60 crore from the defaulters.

Accepting the audit observation, the Government stated (June 2025) that RTOs had been instructed to initiate Tax Recovery Cases against vehicle owners who have defaulted in payment of tax / penalty within the due date.

2.3.7 Non-realisation of Green Tax due to non-renewal of Fitness Certificate and Registration of vehicles

As per Section 4D of the OMVT Act 1975, a surcharge called 'Green Tax' was to be levied on all vehicles that had completed 15 years of age from the date of registration, at the time of renewal of fitness certificate (in case of transport vehicles) and renewal of certificate of registration (in case of vehicles other than transport vehicles). The rate of 'Green Tax' fixed was ₹4,000 and ₹1,000 in respect of transport and other than transport vehicles respectively.

Analysis of VAHAN data revealed that out of 22.34 lakh vehicles registered in the State, 8.53 lakh vehicles registrations had expired during 2019-24 as these were the vehicles that had attained the age of 15 years as of March 2024. However, in the VAHAN database, registrations of these vehicles were not cancelled. Further, MV tax was realised in 7,548 cases and challans were issued for committing violation of MV Act in 47,004 cases. This indicated that these vehicles with expired registration certificates were plying on roads, violating Section 56 of the MV Act for transport vehicle and Rule 52(3) of the CMV Rules, 1989 for non-transport vehicles. Green Tax amounting to ₹126.60 crore from these 8.53 lakh vehicles (7.16 lakh non-transport and 1.37 lakh transport vehicles) was also realisable. In the nine selected RTOs, with reference to 4.52 lakh such vehicles, Green Tax of ₹66.45 crore was pending, as detailed in ***Appendix XXII***.

Accepting the audit observation, the Government stated (June 2025) that under the OMVT Act, collection of Green Tax was to be made at the time of renewal of fitness or renewal of registration of 15 years old vehicles only. All RTOs were instructed to detain the vehicle for the offence of plying without valid fitness or valid Registration Certificate.

The reply clearly indicated that vehicles which were plying on the road without valid fitness or registration had not only defaulted on the payment of

Green Tax, but also with regard to renewal fee for fitness certificates and registration.

2.3.8 Ineffective tax recovery procedure of arrear revenue

Section 14 of the OMVT Act, 1975, stipulated that any tax due and not paid and any sum directed to be recovered by way of penalty may be recovered as arrears of public demand. According to Schedule II of the above Act, Government dues could be recovered by attaching and selling defaulter's movable / immovable property or, by arrest and detention of the defaulter.

With a target for realisation of ₹530 crore of the accumulated arrears of MV tax revenue, GoO implemented (December 2023) a 'Onetime settlement of Arrears of MV tax / Additional tax and Penalty' for a period of one year from the date of the notification (27 December 2023), with concessions for defaulters who may come forward to settle their dues. Against this target, only ₹9.71 crore (1.83 *per cent*) was collected as of August 2024.

Audit analysed the reasons for this slow progress during the eight months period (January to August 2024) by test checking recovery registers and tax recovery procedure in five selected RTOs[91] and noticed the following deficiencies:

- The records maintained did not contain relevant information *viz.,* date of filing of TRC, date of issue of notices / warrants, recovery status, follow up action *etc.,* and exact number of defaulters with the amount involved;
- Despite provisions to generate tax defaulter list in VAHAN, the defaulters were not identified, and recovery process was not monitored;
- Filing of multiple TRCs against the same vehicle without merging with or closure of previous cases, delayed the process of follow up;
- In most of the TRCs, the address of the defaulters was not traceable due to which the Demand Notices could not be delivered in time; and
- In none of the TRCs, action was taken for seizing movable / immovable property or imprisonment *etc.,* wherever required.

From the above reasons, it can be deduced that the meagre percentage of recovery despite the special drive was attributable to the lackadaisical approach of the Department in realisation of revenue. This also highlighted the absence of strict enforcement for collection of arrears.

Accepting the audit observation, the Government stated (June 2025) that instructions have been issued to all RTOs for adherence to taxation provision under OMVT Act along with updating defaulters' information, and rectifying deficiency of records regarding TRCs.

[91] Bhubaneswar-II, Keonjhar, Rourkela, Kalahandi and Talcher

2.4 Enforcement and Road Safety

2.4.1 E-Challan application

E-Challan is a sophisticated software comprising android based mobile app and web interface, developed for the purpose of providing a comprehensive solution for Transport Enforcement Officers and Traffic Policemen. This app-cum-application is integrated with VAHAN and SARATHI portals and provides user-friendly features while covering all major functionalities of Traffic Enforcement System. E-Challan is an end-to-end automated system with digital interface for all stakeholders[92]. The Commissioner in October 2018 intimated that manual vehicle checking reports should be discontinued and e-Challans should be issued from December 2018 onwards. The Transport Department issued notification (September 2019) authorising police authorities[93] in the State to enforce different provisions prescribed under various Sections[94] of MV Act.

2.4.1.1 Non-disposal of e-Challans

Regulation of MV offences have been prescribed under various sections of Chapter-XIII of the MV Act. As per the standing procedure, the undisposed offence cases are to be forwarded to the Court of Law for their disposal within 15 days of issue of challans.

The number of offence cases booked, and e-Challans issued by the designated authorities in the State during 2019-24 and pending as of March 2024 is tabulated under **Table 2.7**:

Table 2.7: Status of e-Challans during 2019-24

(No. of challans in lakh and amount in ₹ crore)

e-Challans issued by	Year	Total e-Challans issued	Disposed		Pending		Pendency percentage
			No. of e-Challans	Amount	No. of e-Challans	Amount	
Transport Department (RTOs)	2019-20	3.62	3.38	93.61	0.24	13.93	6.63
	2020-21	2.17	1.00	50.38	1.17	53.73	53.92
	2021-22	2.96	1.07	59.90	1.89	100.10	63.85
	2022-23	5.61	1.52	85.90	4.09	248.80	72.91
	2023-24	7.42	1.37	79.92	6.05	397.60	81.54
Total e-Challans issued by Transport Department		**21.78**	**8.34**	**369.71**	**13.44**	**814.10**	**61.71**

92 Enforcement Officers, Citizens, State Transport Office, Regional Transport Office, NIC Admin and MoRTH

93 Police authorities of and above the rank of Sub-Inspector of Police posted at the Police Stations in all Urban Local Bodies of the State and the Police Officers of and above the rank of Assistant Sub-Inspector of Police posted at the Police Stations other than the Police Stations in Urban Local Bodies of all Districts and all Traffic Police Stations in the State to compound through e-Challan, offences committed under different provisions of the said Act and punishable under various sections of the MV Act within their respective jurisdiction.

94 Section 177, 179, Under clauses (i) and Section 183(1), Section 184 (only to the extent of use of handheld communication devices while driving as explained in Explanation (c)), under Section 194 B (1) & (2), Section 194C, 194D, 194E and 194F.

e-Challans issued by	Year	Total e-Challans issued	Disposed		Pending		Pendency percentage
			No. of e-Challans	Amount	No. of e-Challans	Amount	
Police Department	2019-20	1.24	0.84	7.81	0.40	4.53	32.26
	2020-21	6.35	2.56	25.75	3.79	41.25	59.69
	2021-22	8.44	2.25	26.87	6.19	69.97	73.34
	2022-23	9.50	2.20	28.26	7.30	92.82	76.84
	2023-24	10.04	1.61	20.35	8.43	113.97	83.96
Total e-Challans issued by Police Department		**35.57**	**9.46**	**109.00**	**26.11**	**322.54**	**73.40**
Total	2019-20	4.86	4.22	101.42	0.64	18.46	13.17
	2020-21	8.52	3.56	76.13	4.96	94.98	58.22
	2021-22	11.40	3.32	86.77	8.08	170.02	70.88
	2022-23	15.11	3.72	114.16	11.40	341.64	75.38
	2023-24	17.46	2.98	100.27	14.50	511.52	82.93
Total e-Challans issued during 2019-20 to 2023-24		**57.35**	**17.80**	**478.75**	**39.60**	**1,136.62**	**68.96**

Source: Extracted from e-Challan data

As can be seen from the above table, 68.96 *per cent* (RTOs-61.71 *per cent* and Police Authorities-73.40 *per cent*) of e-Challans were pending for disposal at the end of March 2024.

Audit further observed that out of 39.55 lakh e-Challans pending as of 09 July 2024, 12.50 lakh e-Challans for ₹409.44 crore were pending in the court of law which included 7.12 lakh e-Challans for ₹88.03 crore issued by the Police authorities. Out of the remaining 27.06 lakh pending e-Challans, 26.59 lakh[95] involving amount of ₹708.06 crore were pending at the level of different issuing authorities. These pending challans had not been forwarded to the Court of law for their disposal after 15 days from the date of issue of challans. The delay in forwarding the challans to the courts ranged between one and 1,808 days after the stipulated period, indicating ineffective and weak monitoring with regard to disposal of e-Challans.

It was further noticed that the Police authorities had issued challans for various offences including 79,806 challans under Sections[96] 181, 190(1)(a), 192, 194(A), 196, 199A (2) and 201 of MV Act (during September 2019-2024), for which they were not empowered.

Accepting the audit observation, the Government stated (June 2025) that as per orders passed in WP(C) 23200/2013 dated 15 January 2014 by the High Court of Odisha, Prosecution Reports (PRs) are submitted to the concerned Courts of SDJM / JMFC[97] for adjudication. All RTOs were instructed to follow the order of High Court for submission of PRs on time. However, most of the RTOs have informed that the Courts were not accepting the PRs, resulting in accumulation of a huge number of PRs. Further, the Transport Department has taken initiatives for disposal of e-Challans by sending SMSs

95 Including 18.67 lakh challans of ₹229.89 crore issued by Police authorities

96 Sections 181- Driving without licence, Section 190(1)(a) - Using vehicle in unsafe condition, Section 192 - Using vehicle without registration and fitness certificate, Section 194(A)- Carrying excess passenger in transport vehicles, Section 196- Driving without insurance, Section 199A (2)- Offences by Juvenile and Section 201- Obstruction to free flow of traffic.

97 SDJM / JMFC: Sub-Divisional Judicial Magistrate / Judicial Magistrate of First Class.

to the defaulting owners and by detaining vehicles committing repeated offences. Also, a proposal for one time settlement of e-Challans pending for years together for disposal was under consideration at the Government level.

2.4.1.2 Incorrect booking of offences

Section 129 of the MV Act, 1988 read with Rule 172 of OMV Rules stipulated that 'every person driving or riding a motorcycle of any class or description, shall, while in a public place, wear protective ISI marked headgear'. Further, Section 194B(1) and Section 194(D) stipulated that 'whoever drives a motor vehicle without wearing a safety belt or carries passengers not wearing seat belts shall be punishable with a fine of ₹1,000 and whoever drives a motorcycle or causes or allows a motorcycle to be driven in contravention to above section or the rules or regulations made thereunder shall be punishable with a fine of ₹1,000 and he shall be disqualified for holding licence for a period of three months.

Analysis of VAHAN and e-Challan data pertaining to 2019-24 revealed that 2,988[98] cases were booked for driving vehicle 'without seat belt' and fine of ₹29.88 lakh[99] was imposed whereas the vehicles were registered as two-wheelers and 4,786[100] cases were booked for 'not wearing helmet' and a total fine of ₹47.86 lakh[101] was imposed, whereas the vehicles were registered as three / four wheelers. This indicated the casual approach of the authorities while booking the offences and lack of validation control in VAHAN, which allowed issuance of Challans for an offence which could not have been committed by that category of vehicle.

In reply the Government stated (June 2025) that Audit may provide the details of such e-Challans for further course of action. However, the audit observation had already been communicated to the STA with the data analysed by Audit (November 2024). Corrective action such as cancellation of incorrect e-Challans and necessary action against the officers responsible for issuing e-Challans under incorrect sections needs to be taken.

2.4.1.3 Non-seizure of vehicles for non-payment of tax

Section 17(1)(b) of OMVT Act stipulated that any officer of the State MV Department specially authorised by the Commissioner may require the driver of any motor vehicle in any public place to stop such vehicle and cause it to remain stationary so long as may reasonably be necessary, for the purpose of satisfying himself that the amount of tax including penalty, if any, has been paid and the tax has been obtained. Also, as per Section 17(1), while proceeding, the officer may, if the tax or the penalty, if any, or both tax and penalty has not been paid in accordance with the provisions of Act, seize the motor vehicle and detain it till the tax or the penalty, or both, as the case may be, is paid.

[98] Police - 2,678 and RTOs - 310
[99] 2,988 X ₹1,000
[100] Police - 4,008 and RTOs - 778
[101] 4,786 X ₹1,000

Analysis of VAHAN and e-Challan data during 2019-24 revealed that out of 55,723 challans booked under various offence sections, 33,920 vehicles were plying without paying the tax and penalty on the date of enforcement, but such vehicles were neither seized nor was a fine imposed under the OMVT. Audit test checked 561 vehicles in nine selected RTOs and found that in 438 cases, these were plying without paying tax of ₹0.53 crore and penalty of ₹1.05 crore, totalling ₹1.58 crore as detailed in ***Appendix XXIII.***

In reply the Government stated (June 2025) that RTOs while detaining/ seizing vehicles were facing constraints such as inadequate space at various police stations. However, RTOs, have initiated tax recovery cases against all the defaulting vehicle owners. Further, e-Challans are issued against defaulting vehicle owners for not paying MV tax on time, through an e-detection system and SMSs are sent to vehicle owners as demand notice.

The reply is not tenable as organising space for keeping seized vehicles is the responsibility of the Department. Though, the Department is initiating tax recovery cases in respect of collection of tax and penalty against defaulting vehicle owners, the action is ineffective, as Audit found 33,920 (61 *per cent*) of vehicles were active as of March 2024, and plying on roads without payment of taxes.

2.4.1.4 Imposition of less penalty for second and subsequent offences

Penal provisions under the MV Act with higher amount of fine were prescribed for second and subsequent MV offences under different sections of MV Act 1988, and the penalty amount for the MV offences was amended and effective from September 2019 onwards as follows:

Table 2.8: List of offences with higher amount of fine for second and subsequent MV offences

Sl. No.	Sections	Offences	Penalty (₹)	Penalty for second and subsequent offences (₹)
1	177	General Offences	500	1,500
2	184	Dangerous Driving	5,000	10,000
3	184(a)	Jumping Red Light	5,000	10,000
4	184(b)	Violating Stop sign	5,000	10,000
5	184(c)	Using mobile phone while driving	5,000	10,000
6	184(d)	Overtaking at no overtaking zone	5,000	10,000
7	184(e)	Driving against Flow of Traffic	5,000	10,000
8	184(f)	Driving in any manner that would be dangerous	5,000	10,000
9	185	Drunken Driving	10,000	15,000
10	187	Offences relating to accident	5,000	10,000
11	189	Racing and trials of speed without permission	5,000	10,000
12	190(3)	Unauthorised carrying of dangerous or hazardous goods	10,000	20,000
13	192	Using vehicles without registration and fitness certificate and transporting passengers in goods vehicles	5,000	10,000
14	194f(a)	Using horn needlessly or continuously / prohibited area	1,000	2,000

Sl. No.	Sections	Offences	Penalty (₹)	Penalty for second and subsequent offences (₹)
15	194F(b)	Release of exhaust gas other than silencer	1,000	2,000
16	196	Release of exhaust gas other than silencer	1,000	2,000

Source: Records of Department

Analysis of e-Challans data of 2019-24 revealed that 3.30 lakh challans were issued to 1.11 lakh vehicles for repeat offences. Audit analysed the data in respect of 968 challans issued to 456 vehicles during September 2019 to March 2024 in nine selected RTOs and observed that appropriate fines for second and subsequent offences were not issued which resulted in short levy of fines of ₹11.60 lakh in contravention of above penal provisions, as detailed in ***Appendix XXIV.*** Though there was a facility available to check the number of offences committed by the person, the same was not verified to impose appropriate fine for second and subsequent offences.

In reply the Government stated (June 2025) that e-Challans are issued using different methods such as e-Challan device, IEMS, and e-detection systems through e-Challan application designed by NIC. As the e-Challan application was designed by NIC, the e-Challans are issued from single business engine where penalty amount for 1st and 2nd and subsequent offence is shown and realised.

The reply is not tenable as the cases under audit observation were those where appropriate penalty had not been imposed for second and subsequent offences.

2.4.1.5 Non-imposition of penalty for all offences while booking challans

Section 158 of the MV Act stipulated that duties of enforcement officials would include verification of the validity of documents like driving licence, registration certificate, FC, insurance *etc.* Deficiencies, if any, identified were to be booked as MV offence under different sections of Chapter-XIII of MV Act 1988 and fine was to be levied accordingly.

Analysis of e-Challan and VAHAN data for the period 2019-24 revealed that although multiple MV offences were committed, as reflected in the system, while booking challans against the offences, the enforcement officials booked only one or two offences without considering the others while issuing challans. This resulted in non-imposition of fines amounting to ₹640.87 crore as tabulated in **Table 2.9** below:

Table 2.9: Non-imposition of penalty for multiple MV offences during 2019-24

Nature of Offence committed	Related section of the MV offence	Number of cases	Rate of fine (₹)	Total Amount (₹ in crore)
Using vehicles without Pollution Under Control Certificate	190(2)	3,31,809	10,000	331.81
Using vehicles without fitness certificate	192	2,91,536	5,000	145.77

Nature of Offence committed	Related section of the MV offence	Number of cases	Rate of fine (₹)	Total Amount (₹ in crore)
Using vehicles without insurance certificate	196	7,03,537	2,000	140.71
Non-affixation of High Security Registration Plate	192	31,320	5,000	15.66
Using vehicles without permit	192A	6,934	10,000	6.92
Total		**13,65,136**		**640.87**

Source: e-Challan data

The Government replied (June 2025) that as per the notification (April 2023), the Department has specified that the police officers posted at the police stations in urban / Local bodies and all traffic police stations of the State are authorised to compound offences committed under section 177, 179, 183, 184, 194(B), 194(C), 194(D), 194(E) and 194(f) within their respective police station jurisdiction, but not authorised to compound the offences under section 190(2), 192,192(A) and 196 of the Act.

The reply is not acceptable as the offences highlighted in the observation include cases booked by the officers of Transport Department, who are authorised to book offences under section 190(2), 192, 192(A) and 196 of the Act, hence, these offences should have been included in the challans issued.

2.4.2 Deficiencies in issue of e-Challan

Analysis of the e-Challan data of the State for the period 2019-24 revealed the following deficiencies:

- Out of 8.98 lakh challans issued under Section 177 (General Offences), there were cases of both higher and short levy of prescribed fee in 1,925 and 151 cases leading to excess collection of ₹251.14 lakh and less collection of ₹0.57 lakh.
- In case of offences booked under Sections 194(1) for overloading of vehicles and 194(1A) for over dimension of vehicles, the vehicles shall not be allowed to move before such excess load is removed or is caused or allowed to be removed by the person in control of such motor vehicle. But no such evidence in support of unloading the excess loads on the spot was found on record in respect of 19,583 cases.
- In the challan database there was one challan master table containing the details of challan with challan status updated as per change in status of challan and a transactional challan status table to capture the transactional status of challan. Audit observed that in 1,719 out of 57.35 lakh challans the status of challan master table was active, however, in the challan status table, the status was inactive, indicating improper master child relationship and possible backend manipulation.
- The names of the offenders were not mentioned in 56.18 lakh challans including 23.95 lakh cases where the drivers of the vehicles had committed the offences. As the accused were not identified at the time of booking offences, it would be difficult to penalise the offenders.

- Images evidencing the offences committed were not uploaded in 43.88 lakh cases and geographical information of occurrence of the offence cases was not mentioned in the database in 9.80 lakh cases.

In reply the Government stated (June 2025) that the particulars of e-Challans are being examined to find out the deficiencies in their issuance and collection of fees. RTOs have been instructed to adhere to the provisions of section of 194(1) of MV Act scrupulously. At present, in each and every case, images are captured in the e-Challan application. Geographical information and non-availability of latitude and longitude are due to internet issues. However, the reply was silent on the issue of showing of live challans as inactive.

2.4.3 Road Safety

2.4.3.1 Road Safety Policy

The increasing number of road accidents, resultant loss of lives and resources necessitated the State to frame the Road Safety Policy, 2015 to act as a guide for the concerned departments and public. The vision of the policy was to provide a safe road network for all road users with priority to pedestrians and cyclists and to achieve zero road accidents in the long run. The policy also aimed to reduce road accidents by 50 *per cent* and fatalities by 20 *per cent* by 2020 (base year as 2015).

The data regarding road accidents[102] and the fatalities occurring in the State during the period 2019-24 was as given in **Table 2.10** below:

Table 2.10: Details of road accidents and fatalities occurred

Year	No. of accidents	No. of fatalities	No. of injuries
2015	10,542	4,303	11,825
2019	11,064	5,333	11,177
2020	9,817	4,738	8,822
2021	10,983	5,081	9,782
2022	11,663	5,467	10,302
2023	11,992	5,739	10,369

Source: Road accidents in India by MoRTH and information furnished by the Department

From the above table, it is evident that the accidents (except 2020) and fatalities increased during 2019-2023 when compared to the base year 2015. Thus, the target to reduce road accidents, fatalities and injuries by 20 *per cent* by 2020 could not be reached.

Details of road accidents, fatalities and injuries occurred during 2019-2024 in nine selected RTOs is tabulated in **Table 2.11** below:

[102] Road accident is an unintentional incident involving at least one vehicle on a road open to public traffic, resulting in injury or death.

Table 2.11: Details of Road accidents, fatalities and injuries during 2019-2024

Sl No.	Name of RTO	Name of the District	No. of accident cases reported	No. of person died	Percentage of fatalities	No. of injuries	Percentage of injuries
1	Bhubaneswar-I	Khordha	4,650	1,634	35.14	3,799	81.70
2	Bhubaneswar-II						
3	Cuttack	Cuttack	3,886	1,469	37.80	2,919	75.12
4	Ganjam	Ganjam	3,674	1,944	52.91	3,142	85.52
5	Kalahandi	Kalahandi	1,603	747	46.60	1,288	80.35
6	Keonjhar	Keonjhar	3,417	1,810	52.97	2,875	84.14
7	Mayurbhanj	Mayurbhanj	2,708	1,598	59.01	2,531	93.46
8	Rourkela	Sundargarh	3,999	2,023	50.59	3,380	84.52
9	Talcher	Angul	2,036	941	46.22	1,585	77.85
	Total		**25,973**	**12,166**	**46.84**	**21,519**	**82.85**

Source: Information provided by STA

The above table depicted that amongst the selected RTOs, though the number of accident cases reported was lower in Mayurbhanj, the percentage of fatalities and injuries was higher in comparison to other RTOs.

The failure of the Department in reducing accidents, fatalities and injuries by way of strict enforcement and road safety measures is discussed in the subsequent paragraphs.

- **Driving without valid licence**

Vehicles driven by untrained and unqualified drivers create serious traffic hazards. The details of road accidents in the State during 2019-22[103] classified by type of driving licence are tabulated in the **Table 2.12** below:

Table 2.12: Road accidents by holders of different types of Licences during 2019-2022

Type of licence	2019	2020	2021	2022	Total
Valid Driving Licence	6,955	6,594	6,966	7,381	27,896
% share in total	62.86	67.17	63.43	63.29	64.09
Learner's Licence	886	713	871	875	3,345
% share in total	8.01	7.26	7.93	7.50	7.69
Without Valid Licence	1,721	1,102	1,175	1,283	5,281
% share in total	15.55	11.23	10.70	11.00	12.13
Not Known	1,502	1,408	1,971	2,124	7,005
% share in total	13.58	14.34	17.94	18.21	16.09
Total	**11,064**	**9,817**	**10,983**	**11,663**	**43,527**

Source: Road accidents in India published by MoRTH

During 2019-22, road accidents involving drivers with learners' licence and those without valid licences together constituted 19.82 *per cent* of total accidents in the State. Accidents involving drivers with valid driving licences increased from 6,955 in 2019 to 7,381 (6.13 *per cent*) in 2022.

It is evident from the above that the major contributors for the road accidents were the persons having valid driving licences. This indicated the need for improving the quality of testing in driving schools and more stringent tests in

103 Data uploaded in MoRTH up to 2021-22

the testing centres in the State. Accidents involving persons without valid Licences indicated lack of adequate enforcement.

➢ **Non-use of safety devices – Helmets and Seat belts**

Usage of safety devices such as helmets and seat belts is critical for averting fatal and grievous injuries in the event of road accidents. A helmet is mandatory for all motorists on two-wheelers. The details of road accident victims classified by non-usage of helmets and seat belt are tabulated in the **Table 2.13** below:

Table 2.13: Number of persons died and injured due to non-use of safety devices (Helmets and seat belt) during 2019-22

Category	2019		2020		2021		2022		Total	
	Death	Injured	Death	Injured	Death	Injured	Death	Injured	Death	Injured
Non-wearing of Helmet										
Drivers	1,423	1,770	767	1,172	868	1,104	1,103	1,474	4,161	5,520
Percentage of total	66.00	50.80	60.39	50.71	66.36	54.46	65.07	56.37	64.72	52.89
Passengers	733	1,714	503	1,139	440	923	592	1,141	2,268	4,917
Percentage of total	34.00	49.20	39.61	49.29	33.64	45.54	34.93	43.63	35.28	47.11
Total	**2,156**	**3,484**	**1,270**	**2,311**	**1,308**	**2,027**	**1,695**	**2,615**	**6,429**	**10,437**
Non-wearing of Seat Belt										
Drivers	380	819	190	502	159	460	234	651	963	2,432
Percentage of total	42.89	35.49	41.48	34.20	47.04	37.43	46.52	46.27	44.07	37.93
Passengers	506	1,489	268	966	179	769	269	756	1,222	3,980
Percentage of total	57.11	64.51	58.52	65.80	52.96	62.57	53.48	53.73	55.93	62.07
Total	**886**	**2,308**	**458**	**1,468**	**338**	**1,229**	**503**	**1,407**	**2,185**	**6,412**

Source: Road accidents in India published by MoRTH

As can be seen from the above table, during 2019-2022, a total of 6,429 persons had died due to not wearing a helmet, of which 4,161 (64.72 *per cent*) persons were drivers and 2,268 (35.28 *per cent*) were passengers. During the same period, about 2,185 persons were killed due to not wearing of seat belts. Of these, 963 (44.07 *per cent*) were drivers and the remaining 1,222 (55.93 *per cent*) were passengers. Non-wearing of helmets and seat belts also caused injuries to 10,437 and 6,412 persons respectively.

Thus, there was need for strict enforcement of road safety rules across the State including ensuring wearing of helmets and seat belts by the public.

In reply the Government stated (June 2025) that IEMS had been implemented at most accident-prone road stretches. It will also be implemented on other road stretches in a phased manner. Further, RTOs have been directed to conduct strict enforcements to check against helmet and seat belt law violations. Further, 37 Interceptor vehicles have been deployed at RTOs for strict enforcement and, special enforcement drives are being undertaken.

The fact, however, remained that the accident and death cases are on an increasing trend due to which further stringent action is required to be taken by the Department / RTOs.

2.4.3.2 State Road Safety Fund

The Supreme Court of India set up a committee under the Chairmanship of Justice Shri K.S. Radhakrishnan to deliberate and make recommendations on creation of a dedicated body on road safety and traffic management. The Committee directed (November 2016) the State to set up a non-lapsable Road Safety Fund and ensure that a steady flow of money accrues to the fund by diversion of significant portion of fines / compounding fee collected from traffic violations to manage the Road Safety Fund and ensure that the fund is effectively utilised.

In pursuance of the above direction, a dedicated fund for Road Safety was created by the State during 2015-16. For proper utilisation and maintenance of funds, the Government issued (July 2019) the 'Odisha Road Safety Fund Management Regulations, 2019' nearly two and half years after creation of the funds. Twenty *per cent* of the amount collected towards compounding fees was to be allocated as grants-in-aid to the Odisha Road Safety Society (ORSS) every year for utilisation under various road safety measures. The Administrative Department for the fund was to be the C&T (T) Department and the fund was to be operated by Management Committee under the Chairmanship of the Principal Secretary, C&T (T) Department.

Audit observed that grants-in-aid of ₹228 crore was provided to the Society during 2015-24 of which ₹141.61 crore was utilised and ₹86.39 crore remained unspent (March 2024). In addition to this, the accrued interest amount of ₹17.40 crore was also kept idle in the bank account (March 2024) of the Society.

This available amount could have been utilised by the Society in strengthening enforcement activities and enhancing road safety measures to fulfil the objectives of reducing accidents and fatalities.

In reply, the Government stated (June 2025) that the Road Safety Fund was utilised in the implementation of IEMS at the most vulnerable stretches of NH / SH in a phased manner, for procurement of interceptor vehicles for stringent enforcement, for procurement of highway patrolling vehicles by the Police and purchasing road safety equipment.

However, the reply is silent on the issue of unutilised amount of ₹86.39 crore and bank interest of ₹17.40 crore.

2.5 Internal Control

Internal controls are intended to provide reasonable assurance of proper enforcement of laws, rules and departmental instructions. They also help in creation of reliable financial as well as management information systems for prompt and efficient services and for adequate safeguard against evasion of taxes and duties. It is, therefore, the responsibility of the department to ensure that a proper internal control structure is instituted, reviewed and updated from time to time to make it effective.

2.5.1 Delayed delivery of Citizen Centric Services

Government of Odisha introduced (December 2012) the Odisha Right to Public Services Rule 2012, specifying timelines for delivery of various citizen centric services in the State and accordingly the Transport Department prescribed (November 2015) timelines for 31 such services in the State.

Scrutiny of VAHAN data and test check of records in nine selected RTOs on delivery of the following five services taking into consideration the occurrences and importance revealed delay in delivery of services during 2019-24 as tabulated in **Table 2.14** below:

Table 2.14: Delay in delivery of timely services during 2019-24

Type of Service	Prescribed timelines (in days)	State			Selected nine RTOs		
		Cases (in lakh)	Services delayed (in lakh)	Delay ranged between (in days)	Total cases (in lakh)	Services delayed (in lakh)	Delay ranged between (in days)
Learners' Licence	Three	20.71	0.57	one and 837	8.34	0.30	one and 694
Driving Licence	Five	13.58	1.89	one and 1,106	3.07	0.61	one and 1,065
Fitness Certificate	Three	11.09	0.33	one and 1,149	5.49	0.19	one and 1,035
Temporary Registration Certificates	Three	0.98	0.06	one and 592	0.58	0.01	one and 314
Registration Certificates	Seven	33.50	2.73	one and 1,181	15.20	0.86	one and 1,020

Source: Extracted from VAHAN and SARATHI data

The above table indicated that there was delay in delivery of timely services across the State and in nine selected RTOs. The range of delay in delivery of services (beyond the stipulated period) during 2019-24 in the State, was as tabulated in **Table 2.15** below:

Table 2.15: Range of delay in delivery of timely services during 2019-24

Type of service	1 day	2-6 days	7-14 days	15-30 days	1-3 month	3-6 months	6-12 months	More than 1 year	Total
Learners' Licence	8,010	18,296	11,960	6,070	4,029	482	8,063	286	57,196
Driving Licence	25,985	78,278	38,028	21,870	15,107	4,672	3,459	1,181	1,88,580
Fitness Certificate	6,746	13,337	5,798	3,225	2,652	776	665	257	33,456
Temporary Registration certificate	1,465	2,779	878	343	181	69	38	14	5,767
Registration Certificate	38,257	1,17,427	70,640	29,565	13,483	2,348	784	245	2,72,749
	80,463	**2,30,117**	**1,27,304**	**61,073**	**35,452**	**8,347**	**13,009**	**1,983**	**5,57,748**
Percentage	14.43	41.26	22.82	10.95	6.36	1.50	2.33	0.36	100.00

Source: Extracted from VAHAN and SARATHI data

It is evident from the data mentioned in **Table 2.15** that out of the 5.57 lakh cases of 2019-24 where delivery of services were not in time, in 41 *per cent* cases the delay ranged from two to six days. Majority of delayed cases pertained to issuance of Registration Certificates (2.73 lakh cases) and issuance of Driving Licences (1.89 lakh cases). Thus, the failure in providing timely citizen centric services indicated poor internal control mechanism of the Department.

Accepting the audit observation, the Government stated (June 2025) that, after passing the test, the Licence gets generated instantly and the applicant is required to download the same. On successful downloading, SARATHI software considers the case as completed. However, in many cases, as the applicants download it after the test date with delays, such cases were shown as pending although the cases were not actually pending.

In case of Fitness Certificate, the certificates for fit vehicle get generated instantly, but if the applicants after booking the slot do not produce their vehicle and do not reschedule the slot, such cases are shown as pending. Steps have been taken through NIC to rectify the MIS report. Regarding Temporary Registration / Registration Certificate, in case of any deficiencies with the uploaded documents, the RTO reverts those cases to the applicant, however, in the VAHAN portal such cases are shown as pending. Steps are being taken to rectify such errors in reporting.

Reply of the Government is not tenable as the Audit has taken the date of approval by the RTOs and not the date of downloading by the applicant as the date of delivery of service. Similarly, with regard to issuance of Fitness Certificate and Registration Certificates, the applications were required to be disposed of by rejection, if the applicant had not fulfilled the document requirements. Keeping them pending indicates delay in delivery of service.

2.5.2 Human Resources

The details of sanctioned strength and men-in-position in the Apex offices and nine selected RTOs are tabulated in **Table 2.16** below:

Table 2.16: Sanctioned strength and men-in-position in Apex offices and selected RTOs

Sl. No.	Office Name	Sanctioned Strength	Men in position	Vacancies	Percentage of vacancy
1	Transport Department	100	55	45	45
2	State Transport Authority	120	57	63	53
	Sub Total	**220**	**112**	**108**	**49**
3	RTO, Bhubaneswar-I	45	27	18	40
4	RTO, Bhubaneswar-II	11	5	6	55
5	RTO, Cuttack	45	28	17	38
6	RTO, Ganjam	46	27	19	41
7	RTO, Kalahandi	17	11	6	35
8	RTO, Keonjhar	34	22	12	35
9	RTO, Mayurbhanj	35	22	13	37
10	RTO, Rourkela	37	23	14	38
11	RTO, Talcher	8	3	5	63
	Sub Total	**278**	**168**	**110**	**40**
	Grand Total	**498**	**280**	**218**	**44**

Source: Compiled from information provided by Department and RTOs

The above table indicated that there were vacancies in various cadres of the Department. In particular, against the sanctioned posts for enforcement activities in nine selected RTOs, only 89 posts were filled (as of March 2024). Audit observed that shortage of human resources was also one of the reasons for failure to check non-adherence to provisions of Acts and Rules and in conducting regular enforcement activities to bring down MV offences and road accidents. Further, vacancies also affected timely delivery of citizen centric services.

Accepting the audit observation, the Government stated (June 2025) that steps are being taken for filling up different vacant posts.

2.5.3 Internal Audit

The Internal Audit Wing of the Department is responsible for evaluating internal control measures within the Department and its field offices. It conducts audit of the field units related to MV tax, fee, registration and other aspects aiming to identify deficiencies and assesses the effectiveness of control measures and submits the reports to the Department.

Audit noticed that against the sanctioned post of two Audit Officers (AO), four Assistant Audit Officers (AAOs) and eight Auditors, there was one AAO and five Auditors in the wing. Out of 180 units to be audited during 2019-20 to 2023-24, 59 units were planned for audit and of which 36 units were audited during the above period. The audit units planned for audit were only 32.77 *per cent* and audit coverage was 20 *per cent* during the five years period. The details of units planned and audited during 2019-24 are tabulated in **Table 2.17**:

Table 2.17: Details of units planned and audited during 2019-24

Year	Total No. of units	No. of units to be audited annually	No. of units planned for audit	No. of units audited	No. of units not audited
2019-20	36	36	10	10	26
2020-21	36	36	11	04	32
2021-22	36	36	10	05	31
2022-23	36	36	12	07	29
2023-24	36	36	16	10	26
Total	**180**	**180**	**59**	**36**	**144**

Source: Compiled from records and information furnished by the Department

The above table indicated that there was shortfall of units planned when compared to units audited during 2019-24 and the overall percentage of audit coverage was between 11.11 and 27.77 only. There was also poor response in furnishing compliance to the audit observations during 2019-24 as only 10 paras were settled out of 374 paras raised during 2019-20 to 2023-24 and 364 paras (97.33 *per cent*) are still pending for disposal till the date of audit. 97.33 *per cent* of objections were pending as detailed in the **Table 2.18** below:

Table 2.18: Status of Internal Audit reports during 2019-24

Year	Number of reports submitted	Number of objections raised	Number of compliances received	Number of objections settled	Number of pending objections
2019-20	10	94	5	10	84
2020-21	04	40	1	0	40
2021-22	05	52	1	0	52
2022-23	07	71	0	0	71
2023-24	10	117	0	0	117
Total	**36**	**374**	**7**	**10**	**364**

Source: Compiled from records and information furnished by the Department

The Government replied (June 2025) that Internal Audit of STA and its Subordinate office as is being conducted regularly by the Internal Audit Wing. However, the reply is silent on the issue of poor response in furnishing compliance and disposal of pending audit objections.

2.6 Recommendations

The Government may consider:

- taking stringent action against motor vehicle aggregators operating public service vehicles in an unregulated manner, without obtaining the required licence;

- improving the efficiency and effectiveness of VAHAN by mapping appropriate business rules and strengthening in-built controls for input validation for registration, assessment, levy and collection of tax and fee as well as for issue of driving licences through SARATHI;

- establishing Automatic Testing Stations for checking fitness of vehicles and prioritising the improvement of testing tracks for drivers;

- ensuring strict enforcement of installation of Vehicle Location Tracking Devices in public transport vehicles for the safety of women and girl children using public transports;
- ensuring affixation of HSRPs in all the vehicles (old and new);
- taking action to correct deficiencies in OPTICS, in order to have an efficient and effective regulation for issue of permits;
- taking steps to update the address (Aadhaar) and mobile number of vehicle owners and DL holders to trace violators for timely realisation of arrear revenue;
- redesigning e-Challan software with appropriate validation controls to auto generate the compounding fee for offences booked, and to avoid non / short realisation by manual interventions; and
- improving the monitoring mechanism for timely delivery of citizen centric services and fix responsibility on erring officials.

अतुल प्रकाश

Bhubaneswar
The 07 APR 2026

(ATUL PRAKASH)
Accountant General (Audit-II), Odisha

Countersigned

New Delhi
The 09 APR 2026

(K. SANJAY MURTHY)
Comptroller and Auditor General of India

Appendices

APPENDIX-I

(Refer paragraph 1.2.2)

Non-submission of UC

(₹ in lakh)

SL No.	Organisation	Period	Total No. of UC	Total Sanction of all UC	No. of pending UC	Sanction amount of pending UC
1.	Bhubaneswar Municipal Corporation	2015-19	10	1,562.18	10	1,562.18
2.	Engineers Projects (India) Limited	2021-23	9	4,335.91	9	4,335.91
3.	Odisha Industrial Infrastructure Development Corporation (IDCO)	2015-18	9	1,819.75	4	800.58
4.	INTACH	2017-20	4	280.29	1	105.48
5.	National Building Construction Corporation (NBCC)	2018-21	3	293.95	3	293.95
6.	UTKALIKA	2016-19	4	124.09	4	124.09
7.	The Chief Engineers (Buildings)	2018-23	5	8,915.53	5	8,915.53
8.	Other than OTDC	2014-23	261	21,221.044	245	20,537.09
9.	Odisha Tourism Development Corporation (OTDC)	2014-23	714	77,487.387	667	73,244.53
Total			**1,019**	**1,16,040.13**	**948**	**1,09,919.34**

APPENDIX-II
(Refer paragraph 1.2.6)
Annual Lease Rent

(Amount in ₹)

Sl. No.	Name of the unit	Name of the lessee / agency	Period of lease		Period of Rent due		Upfront Fee	ALR	Interest	Total rent due	Amount paid by lessee	Balance due
			From	To	From	To						
1.	Panthasala Taratarini, Ganjam	Tavasya Ventura Partner Private limited	26.07.2013	25.07.2043	08.08.2023	07.08.2025	0	2,12,921	38,170	2,51,091	-	2,51,091
2.	Panthanivas Balasore	M/S Utkal Keshari Mohanty	23.12.2020	22.12.2050	23.12.2020	23.12.2023	0	92,85,102	3,85,000	96,70,102	96,56,202	13,900
3.	Panthanivas Bhadrak	M/s Eglobetech India Private Limited	12.01.2021	11.01.2051	12.01.2021	12.01.2024	2,50,44,600	1,04,07,600	16,88,879	3,71,41,079	1,07,38,000	2,64,03,079
4.	AWC, Rameswar, Khordha	Boudha Infra Ventures, Bhubaneswar	December 2017	2047	22.12.2020	21.12.2024		7,32,198	69,328	8,01,526.	-	8,01,526
	Total							**2,39,41,821**	**21,81,377**	**6,21,81,131**	**3,47,11,535**	**2,74,69,596**

APPENDIX-III

(Refer paragraph 1.2.6)

Outstanding Annual Royalty from Boat operators

Details of Outstanding Annual Royalty from three Boat operators agencies in Ganjam and Khordha District

Sl. No.	Name of the Boat operator Agency	Period	Amount to be paid (In ₹)	GST @18%	Total	Amount paid (In ₹)	Balance royalty to be paid (In ₹)
1.	M/s Dunnimaa Engineers & Divers Enterprises Private Limited at Gopalpur.	07.08.2019 to 06.08.2024	76,37,480	13,74,746	90,12,227	0	90,12,227
2.	Amarawati Boating Club at Tampara.	07.08.2019 to 06.08.2024	20,14,683	3,62,643	23,77,326	0	23,77,326
3.	M/s Swosti Chilika Resorts at Odia Alapur, Ganjam	11.10.2019 to 10.10.2024	18,01,005	3,24,181	21,25,185	3,82,910	17,42,275
4.	Amarawati Boating Club at Barkul	07.08.2019 to 06.08.2024	9,58,501	1,72,530	11,31,031	1,03,840	10,27,191
	Grand Total		**1,24,11,668**	**22,34,100**	**1,46,45,769**	**4,86,750**	**1,41,59,019**

APPENDIX-IV

(Refer paragraph 1.3.3.2)

Irregularities in execution of Tourist infrastructure projects

Sl. No.	Name of the project	Type	District	Executing agency	Cost of the project (in ₹ lakh)	Year	Status	Reason
1.	Construction of Heritage Gate at Laxmi Sagar in Khordha District	Infrastructure Development	Khordha	OTDC	35.00	2022-23	Yet to start	Due to land problem in traffic area and non-shifting of 11 KV LT line and loss of ₹9.98 lakh
2.	Renovation and Upgradation of Way Side Amenity Centres at Ramchandi in Kendrapara District	Infrastructure Development	Kendrapara	OTDC	93.96	2022-23	Work not started	Land encroached by local people. Renovation work not conducted due to local problem and not handed over to SSG. OTDC instructed to the Department demolish the structure due to deplicated condition. The old building cost ₹14.29 lakh is to be demolished and the renovation work of ₹93.96 lakh to be started.
3.	Development of Infrastructure at Paradeep in Jagatsinghpur District	Infrastructure Development	Jagatsinghpur	OTDC	328.76	2020-21	Land not finalised	Land not finalised by local administration cafeteria, toilet, promenade, drinking water facility to be constructed in bali yatra in Paradeep was to be constructed.
4.	Installation of Vending Zone for Transitional Rehabilitation of Beach Vendors on Sea Beach from Digabareni Chhak to Light House, Puri.	Infrastructure Development	Puri	Puri Collector	340.72	2019-20	Work started by IDCO	Non-execution by IDCO for last five years due to non finalisation of District Collector.
5.	Construction of Tourist complex at Antaraipur village Chikiti, Ganjam	Infrastructure Development	Ganjam	OTDC	30.00	2018-19	Work not started	Due to non- CRZ clearance of the first selected land the work was shifted to another patch for which RoR has been issued on 10.06.2022, but till date, the work has not been started by the OTDC.
6.	Development of Infrastructure at Khunteswari, Sorada, Ganjam District	Infrastructure Development	Ganjam	OTDC	50.00	2018-19	Work not started	Due to non-finalisation of the suitable patch of land, till date the work has not started by the OTDC.
7.	Disable friendly facility at Puri beach	Infrastructure Development	Puri	Puri Collector	96.56	2023-24	Work not started	Project not started due to land finalisation
	Total				**975.00**			
	Total		**Five districts**					

APPENDIX-V

(Refer paragraph 1.5.1)

Details of Eco-tourism projects

SL. No. of DFOs	Name of the DFO	Sl. No.	Name of the Eco-tourism	Number of Cottage	Percentage of Concrete Cottage	Name of EDC/ VSS engaged	Whether functioning or not	Percentage occupancy
1.	DFO, WL Balasore	1	Chandipur Eco-Tourism, Chandipur RF	Concrete Cottage- 06	100%	Mirzapur VSS	Yes	7.97
		2	Bichitrapur Nature Camp, Ranakhuta PRF	Concrete Cottage- 04 & Semi Concrete Cottage - 06	40%	Khadibil VSS	Yes	14.88
		3	Risia Nature Camp	Semi concrete Cottage- 09	0%	Maa Dukhilapart EDC	Yes	19.77
2.	DFO, Ghumsur South	4	Blackbuck Nature Camp, Cheramaria, Pakidi DPF	Concrete Cottage- 02	100%	Charmeria VSS.	Yes	1.68
3.	DFO, Ghumsur North	5	Giant Squirrel Nature Camp, Kaliamba, Kaliamba RF	Concrete Cottage- 02, Semi Concrete Cottage - 04, Tree Cottage-1	28%	No VSS / EDC managed by Forest Department	Yes	24.16
		6	Saluapalli Nature Camp, Bhanjanagar, (Kaliamba RF)	Concrete Cottage- 02 & Semi concrete Cottage - 03 (Damaged)	40%	No VSS / EDC managed by Forest Department	Yes	8.58
		7	Blackbuck Nature Camp, Dam site, Bhanjanagar, Gallery RF	Concrete cottage- 02, Semi Concrete Cottage-6, Timber Cottage - 01	22%	No VSS / EDC managed by Forest Department	Yes	3.54
4.	DFO, MFD, Rajnagar	8	Dangamal Nature Camp	Concrete Cottage - 09	100%	ETG Dangamal	Yes	58.71
		9	Habalikhati Nature Camp (Rajnagar Range)	Concrete Cottage- 04 & Semi Concrete Cottage – 05	44%	Gajalaxmi EDC	Yes	38.01
		10	Gupti Nature Camp	Concrete Cottage- 01	100%	Maa Guptachanda EDC	Yes	17.62
5.	DFO, Kordha	11	Berbera	Concrete Cottage- 3 Semi Concrete Cottage- 4	42%	Yes	Yes	7.67
6.	DFO WL Chandaka	12	Deras	Concrete Cottage- 5 Semi Concrete Cottage- 2 Bamboo hut- 1	62%	No VSS / EDC managed by Forest Department	Yes	21.92
		13	Godibari	Concrete Cottage- 8	100%	No VSS / EDC managed by Forest Department	Yes	6.12

SL. No. of DFOs	Name of the DFO	Sl. No.	Name of the Eco-tourism	Number of Cottage	Percentage of Concrete Cottage	Name of EDC/ VSS engaged	Whether functioning or not	Percentage occupancy
7.	DFO WL Chilika	14	Rajhans	Semi Concrete Cottage- 10	0	No VSS / EDC managed by Forest Department	Yes	14.24
		15	Berhampura	Concrete Cottage- 8	100%	No VSS / EDC managed by Forest Department	Yes	2.59
		16	Mangalajodi	Concrete Cottage- 12	100%	Yes	Yes	9.49
8.	DFO WL Puri	17	Gangadevi Nature Camp, Astaranga	Concrete Cottage- 10	100%	No VSS / EDC managed by Forest Department	Yes	8.71
		18	Nuanai Nature Camp, Balukhand	Concrete Cottage- 1 Semi Concrete Cottage- 10	9%	Yes	Yes	16.08
	Total			**Total Concrete Cottage- 79** **Total Tent cottage- 59** **Total Timber house- 3** **(G. Total-141)**				

APPENDIX VI

(Refer paragraph 1.5.2)

Details of Infructuous expenditure

Name of the Division	Name of the nature camp	Name of the items	Cost (in ₹ Lakh)	Remarks
Balasore (WL) Division	Risia Nature Camp	Boats (02) Floating Jetties (01)	20.36	The two boats of Risia Nature camp were transferred to Bichitrapur Nature camp. However, the boats were kept idle at the new location. Due to overflow of water in the Risia Dam, part of the jetty being displaced to other side.
		Bicycle (20)	1.60	Kept idle and also in deteriorated condition due to non-use.
Ghumsur, North (T) Division, Bhanjanagar	Damsite Nature Camp	Boats (02) Floating Jetty (01)	27.90	Non-operational since purchase. The boats were found to be filled with rain water causing deterioration. Floating Jetty was also not in use due to non-operation of Boats.
		Safari Vehicles (2)	25.75	One vehicle had been booked four times since its purchase on 25 February 2022, covering 1,040 kilometers distance and another vehicle was not in operation till date and kept idle.
		Total:	**75.61**	

APPENDIX-VII

(Refer paragraph 1.6.3)

Non-conduct of Fire inspection in Panthanivas

Sl. No.	Name of Panthanivas	Date of application for fire safety certificate	Reasons for non-conduct of Inspection
1.	Panthanivas, Bhubaneswar	28.08.2017	Problem of Gate width, Staircase width, Fire resistance of lift car not done
2.	Panthanivas, Barkul	28.08.2017	Internal road width problem, lightening protection system not done
3.	Panthanivas, Puri	28.08.2017	Non submission of approved building plan
4.	Aranyanivas, Chandbali, Bhadrak	25.01.2018	
5.	Panthanivas, Chandipur	25.01.2018	
6.	Panthasala, Chandaneswar	25.01.2018	
7.	Panthanivas, ISBT, Bhubaneswar	15.02.2018	
8.	Air Ticketing, Bhubaneswar	15.02.2018	
9.	Nimantran, Bhubaneswar	15.02.2018	
10.	Gitanjali restaurant, Konark	15.02.2018	
11.	Chandrabhaga Beach Café, Konark	15.02.2018	
12.	Yatrinivas, Konark	15.02.2018	
13.	Gundicha Bhaktanivas, Puri	15.02.2018	
14.	Niladri Bhaktanivas, Puri	15.02.2018	
15.	Purushottam Bhakatnivas, Puri	15.02.2018	
16.	Whitecrab, Puri	15.02.2018	
17.	Nimantran, Puri	15.02.2018	
18.	Panthanivas, Gopalpur	15.02.2018	
19.	Panthanivas, Rambha	15.02.2018	
20.	Aranyanivas, Bhitarkanika	15.02.2018	

APPENDIX- VIII

(Refer paragraph 2.2.2.1)

Statement showing more and less one time tax collected on sale of vehicles during 2019-24 in selected RTOs

(₹in lakh)

Office Name	Number of vehicles checked	More Tax collected		Less tax collected	
		Number of vehicles	Amount of tax	Number of vehicles	Amount of Tax
RTO, Bhubaneswar-II	181	134	11.40	40	1.16
RTO, Kalahandi	33	17	0.60	8	0.20
RTO, Keonjhar	11	2	0.04	3	0.05
RTO, Rourkela	45	28	1.93	14	0.17
RTO, Talcher	14	10	0.29	4	0.13
Grand Total	**284**	**191**	**14.26**	**69**	**1.71**

APPENDIX-IX

(Refer paragraph 2.2.2.2)

Statement showing collection of tax and / or fees from Battery Operated Vehicles during 2019-24 in selected RTOs

(₹in lakh)

Sl. No.	Name of the RTO	Total Number of cases	No. of cases detected	Tax		Fee		Total
				No. of cases detected	Amount	No. of cases detected	Amount	
1	RTO, Bhubaneswar	14,435	91	81	16.49	39	0.17	16.66
	ARTO, Khordha	1,074	7	7	0.30	0	0	0.30
2	RTO, Bhubaneswar-II	10,972	49	49	6.27	21	0.06	6.33
3	RTO, Cuttack	12,492	74	73	7.85	31	0.13	7.98
4	RTO, Ganjam	4,847	51	51	3.17	20	0.10	3.27
5	RTO, Kalahandi	553	3	3	0.39	0	0	0.39
6	RTO, Keonjhar	2,417	6	6	0.40	0	0	0.40
	ARTO, Badbil	17	2	2	0.69	0	0	0.69
7	RTO, Mayurbhanj	4,169	40	40	2.91	13	0.05	2.96
	ARTO, Rairangpur	106	1	1	0.07	0	0	0.07
8	RTO, Rourkela	5,490	53	53	5.52	36	0.11	5.63
9	RTO, Talcher	293	2	2	0.03	0	0	0.03
	Total	**56,865**	**379**	**368**	**44.09**	**160**	**0.62**	**44.71**

APPENDIX- X

(Refer paragraph 2.2.2.3)

Statement showing excess / short collection of tax from vehicles registered with Bharat Series

(₹in lakh)

Name of the RTO	No. of vehicles registered	No. of vehicles checked	Excess Tax			
			No. of vehicles detected	Tax to be paid	Tax realised	Excess tax collected
RTO, Bhubaneswar-I	4,117	21	14	8.83	10.73	1.90
RTO, Bhubaneswar-II	3,626	11	6	4.85	6.48	1.63
RTO, Cuttack	3,335	11	8	8.51	10.10	1.59
RTO, Ganjam	406	10	6	1.71	2.39	0.68
RTO, Kalahandi	101	10	6	0.80	1.07	0.27
RTO, Keonjhar	60	18	10	1.99	5.20	3.21
RTO, Mayurbhanj	112	17	9	1.44	2.17	0.73
RTO, Rourkela	471	10	5	1.77	2.88	1.11
RTO, Talcher	58	10	5	0.58	0.82	0.24
Grand Total	**12,286**	**118**	**69**	**30.48**	**41.84**	**11.36**

APPENDIX- XI

(Refer paragraph 2.2.6)

Statement showing new vehicles not fitted with VLT Device as of March 2024

Class of vehicles	No. of vehicles registered	No. of vehicles fitted with VLT Device	No. of vehicles not fitted with VLT Device
Ambulance	215	25	190
Articulated Vehicle	376	360	16
Bus	1,210	256	954
Educational Institution Bus	70	68	2
Goods Carrier	905	861	44
Luxury Cab	1	1	0
Maxi Cab	237	235	2
Motor Cab	1,762	1,730	32
Omni Bus	255	249	6
Private Service Vehicle	26	26	0
Total	**5,057**	**3,811**	**1,246**

APPENDIX-XII

(Refer paragraph 2.3.1.1)

Statement showing short realisation of tax against prescribed rates

(₹ in lakh)

Sl. No.	Name of the RTO	Total cases examined	No. of cases	Short realisation of tax	Penalty	Total
1	RTO, Bhubaneswar-II	56	4	2.17	4.33	6.50
2	RTO, Keonjhar	285	8	4.68	9.36	14.03
	ARTO, Barbil	32	2	1.50	3.00	4.50
3	RTO, Rourkela	347	6	3.76	7.53	11.29
4	RTO, Kalahandi	111	11	5.01	10.02	15.02
5	RTO, Talcher	65	10	5.75	11.50	17.25
	Total	**896**	**41**	**22.87**	**45.74**	**68.59**

APPENDIX-XIII

(Refer paragraph 2.3.1.1)

Statement showing short/ non-realisation of differential tax from stage carriages issued with special permits

(Amount in ₹)

Sl. No.	Registration No.	Registration Date	Vehicle Class	Seating Capacity	Permit No.	Period of permit		Month	Tax due	Tax paid	Balance tax due	Penalty leviable	Total
						From	To						
RTO, Kalahandi													
1	OD08U3056	04.04.2023	Bus	51	OR2023-SPL-2463B	01.05.2023	06.05.2023	May 2023	10,350	7,500	2,850	5,700	8,550
2	OD08U8793	23.03.2017	Bus	47	OR2023-SPL-7854B	26.07.2023	09.08.2023	July 2023	9,522	7,350	2,172	4,344	6,516
3	OD08V9902	15.04.2023	Bus	43	OR2024-SPL-0723A	04.01.2024	17.01.2024	January 2024	8,694	6,300	2,394	4,788	7,182
		15.04.2023	Bus	43	OR2023-SPL-3924C	25.11.2023	08.12.2023	December 2023	8,694	6,300	2,394	4,788	7,182
		15.04.2023	Bus	43	OR2023-SPL-2183C	08.11.2023	21.11.2023	November 2023	8,694	6,300	2,394	4,788	7,182
		15.04.2023	Bus	43	OR2023-SPL-1058C	19.10.2023	01.11.2023	Oct, 2023	8,694	6,300	2,394	4,788	7,182
		15.04.2023	Bus	43	OR2023-SPL-9314B	05.09.2023	18.09.2023	September 2023	8,694	6,300	2,394	4,788	7,182
		15.04.2023	Bus	43	OR2023-SPL-8698B	21.08.2023	03.09.2023	September 2024	8,694	6,300	2,394	4,788	7,182
		15.04.2023	Bus	43	OR2023-SPL-4472B	01.06.2023	14.06.2323	September 2025	8,694	6,300	2,394	4,788	7,182
		15.04.2023	Bus	43	OR2023-SPL-3489B	02.05.2023	15.05.2023	September 2026	8,694	6,300	2,394	4,788	7,182
4	OD08U1122	21.01.2023	Bus	36	OR2023-SPL-1361B	10.04.2023	11.04.2323	September 2027	7,245	5,250	1,995	3,990	5,985
		21.01.2023	Bus	36	OR2023-SPL-3658B	19.05.2023	26.05.2023	September 2028	7,245	5,250	1,995	3,990	5,985
5	OR08C4688	03.05.2006	Bus	33	OR2024-SPL-7981A	14.08.2023	20.08.2023	September 2029	6,624	2,342	4,282	8,564	12,846
	Total										**32,446**	**64,892**	**97,338**
RTO, Rourkela													
6	OD14AB5074	07.12.2022	Bus	45	OR2023-SPL-9688B	09.05.2023	10.05.2023	May 2023	9,108	4,301	4,807	9,614	14,421
			Bus	45	OR2024-SPL-6358B	04.01.2024	10.01.2024	January 2024	9,108	4,301	4,807	9,614	14,421
7	OD14X3368	22.03.2021	Bus	45	OR2023-SPL-8449B	16.08.2023	22.08.2023	August	9,108	4,576	4,532	9,064	13,596

Sl. No.	Registration No.	Registration Date	Vehicle Class	Seating Capacity	Permit No.	Period of permit		Month	Tax due	Tax paid	Balance tax due	Penalty leviable	Total
						From	To						
								2023					
8	OD14AA0485	10.10.2016	Bus	40	OR2023-SPL-0188C	29.09.2023	02.10.2023	September 2023	8,073	5,850	2,223	4,446	6,669
			Bus	40	OR2023-SPL-5892B	23.06.2023	25.06.2023	June 2023	8,073	5,850	2,223	4,446	6,669
			Bus	40	OR2023-SPL-0814C	13.10.2023	19.10.2023	October 2023	8,073	5,850	2,223	4,446	6,669
			Bus	40	OR2023-SPL-7320B	14.07.2023	17.07.2023	July 2023	8,073	5,850	2,223	4,446	6,669
			Bus	40	OR2023-SPL-3238B	11.05.2023	12.05.2023	May 2023	8,073	5,850	2,223	4,446	6,669
			Bus	40	OR2023-SPL-0972B	03.04.2023	04.04.2023	April 2023	8,073	5,850	2,223	4,446	6,669
9	OD14AA1057	18.01.2016	Bus	34	OR2023-SPL-0524C	24.06.2023	30.06.2023	June 2023	6,831	4,950	1,881	3,762	5,643
	Total										**29,365**	**58,730**	**88,095**
	Grand Total										**61,811**	**1,23,622**	**1,85,433**

APPENDIX-XIV

(Refer paragraph 2.3.1.1)

Statement on short realisation of tax / additional tax from stage carriages issued with interstate permit

(Amount in ₹)

Sl No.	Registration No.	Seating + Standees Capacity	Service Type	Permit No.	Period of Permit	Route distance	From	To	Tax due from	Tax due upto	No. of Month	Tax realised per month	Tax leviable per month	Tax Short realised	Penalty leviable	Total
1	OD14M6177	40	Deluxe	PP99/180066/G	18.02.2023 to 17.02.2028	40	Rourkela	Sashram	01.02.2023	31.03.2024	14	1,467	4,229	38,668	77,336	1,16,004
2	OD09V9177	41	AC Deluxe	25-G-2019	11.12.2019 to 11.12.2024	174	J.K. Road	Ranchi	01.04.2023	31.03.2024	12	5,634	6,315	8,172	16,344	24,516
3	OD08U9358	22+16 (sleeper)	Deluxe	02-R-2024	11.10.2023 to 10.10.2028	307	Kantabanji	Rajnandagaon	01.10.2023	31.03.2024	6	1,261	6,780	33,114	66,228	99,342
4	OD08U9369	22+16 (sleeper)	Deluxe	03-R-2024	11.10.2023 to 10.10.2028	307	Kantabanji	Rajnandagaon	01.10.2023	31.03.2024	6	1,261	6,780	33,114	66,228	99,342
		Total												**1,13,068**	**2,26,136**	**3,39,204**

APPENDIX-XV

(Refer paragraph 2.3.1.1)

Statement showing short realisation of tax from Stage Carriages issued with contract carriage permits

(Amount in ₹)

Sl. No.	Registration number	Registration date	Body type	Seating capacity	Service type	Tax from	Tax upto	No. of month	Tax due	Tax paid	Tax short realised	Penalty leviable	Total	Remarks
1	OD08G9882	20.01.2018	TYPE-IV SKOOL	57	Contract Carriage	01.02.2021	31.03.2024	36	4,16,304	3,02,400	1,13,904	2,27,808	3,41,712	Tax exemption from 08/21 to 09/21 due to pandemic Covid 19.
2	OD08T5571	19.01.2023	MONOCOQUE	55	Contract Carriage	19.01.2023	31.03.2024	15	1,67,265	1,21,500	45,765	91,530	1,37,295	
3	OR25A1305	03.10.2007	PSNGER	53	Contract Carriage	01.04.2019	31.03.2024	60	6,44,280	4,68,000	1,76,280	3,52,560	5,28,840	
4	OD08T8540	17.02.2023	BUS	51	Contract Carriage	17.02.2023	31.03.2024	14	1,44,550	1,05,000	39,550	79,100	1,18,650	
5	OD08T5502	20.01.2023	BUS	45	Contract Carriage	20.01.2023	31.03.2024	15	1,36,290	99,000	37,290	74,580	1,11,870	
6	OD08J8289	28.09.2018	FULLY BUILT BUS	42	Contract Carriage	01.04.2019	31.03.2024	58	4,91,086	3,56,700	1,34,386	2,68,772	4,03,158	Tax exemption from 08/21 to 09/21 due to pandemic Covid 19.
7	OD08K0708	28.11.2018	MONOCOQUE	27	Contract Carriage	01.04.2019	31.03.2024	57	3,06,033	2,92,500	13,533	27,066	40,599	Off road from 05/20 to 07/20
		Total							**23,05,808**	**17,45,100**	**5,60,708**	**11,21,416**	**16,82,124**	

APPENDIX- XVI
(Refer paragraph 2.3.1.2)
Statement on loss of revenue due to issue of permits to stage carriage without rationalisation of distances

(Amount in ₹)

Sl. No.	Registration No.	Seating + Standees Capacity	Permit No.	Period of Permit		Route length (Kms)	No. of Stops	Tax due at 'EXPRESS' per month (in ₹)	Tax paid at ORDINARY' per month (in ₹)	Tax period		Total Month	Short tax paid (in ₹)	Remarks
				Valid from	Valid upto					Tax from	Tax upto			
1	OR13D6947	46+11	PP99/170654/G	12.09.2022	11.09.2027	372	8	7,948	5,612	01.09.2022	31.03.2024	19	44,384	
2	OD11C3703	48+12	SC/SARP11/ 00060/2023	29.06.2023	28.06.2028	358	8	8,330	5,881	01.07.2023	31.03.2024	9	22,041	
3	OR11F6859	36+10	SC/PP/11/26/17	10.08.2022	09.08.2027	176	4	3,993	2,757	01.08.2022	31.03.2024	20	24,720	
4	OD07AC8525	53+14	PP99/150301/G	01.07.2020	30.06.2025	328	6	9,265	6,542	01.07.2020	31.03.2024	33	89,859	Off road from 04/20 to 08/20 and 09/22 to 10/22, Tax exempted from 04/21 to 09/21, 2021 vide G.O. No. 6936 dtd. 09.08.2021.
5	OR22E1398	47+11	PP99/160599/G	07.08.2021	06.08.2026	172	4	5,237	3,606	01.08.2021	31.03.2024	26	42,406	Tax exempted from August to September, 2021 vide G.O.No.6936 dtd. 09.08.2021 and off road from 11/2021 to 02/2022
6	OR05AT1149	41+10	PP99/130955/G	23.12.2023	21.12.2028	252	6	6,208	3,134	01.12.2023	31.03.2024	4	12,296	
7	OD08A3235	40+10	SC/SARP08/ 00012/2019	31.05.2019	30.05.2024	319	6	6,058	3,059	01.06.2019	31.03.2024	44	1,31,956	Off road from 04/20 to 11/20, Tax exempted from 04/2021 to 09/2021 vide 2021 vide G.O. No. 6936 dtd. 09.08.2021, tax adjustment for the month of 10/21 & 11/21 with 04/2021 & 05/2021
8	OD094745	35+9	SC/PP/09/61/14	23.01.2024	21.01.2029	294	4	5,273	3,526	01.01.2024	31.03.2024	3	5,241	
9	OR13F2299	46+11	PP99/171183/G	01.01.2023	31.12.2027	370	8	7,948	5,612	01.01.2023	31.03.2024	15	35,040	
10	OD05AZ6101	45+10	PP99/160469/G	26.07.2021	25.07.2026	367	8	7,735	5,462	01.07.2021	31.03.2024	30	68,190	Tax exempted from 07/21 to 09/21 vide G.O. No. 6936 dtd. 09.08.2021, tax adjustment for the month of 10/21 with April, 2021

Sl. No.	Registration No.	Seating + Standees Capacity	Permit No.	Period of Permit		Route length (Kms)	No. of Stops	Tax due at 'EXPRESS' per month (in ₹)	Tax paid at ORDINARY' per month (in ₹)	Tax period		Total Month	Short tax paid (in ₹)	Remarks
				Valid from	Valid upto					Tax from	Tax upto			
11	OD082250	41+11	SC/PP/08/ 04/13/14	07.05.2023	05.05.2028	230	4	4,579	3,153	01.05.2023	31.03.2024	11	15,686	
12	OR02BD6532	52+14	PP99/140813/G	23.11.2019	21.11.2024	431	8	10,370	9,257	01.11-2019	31.03.2024	40	44,520	off road from 04/20 to 08/20 and 09/22 to 10/22, Tax exempted from 04/21 to 09/21, 2021 vide G.O. No. 6936 dtd. 09.08.2021,
13	OD13L6818	41+11	PP99/170659/G	11.09.2022	10.09.2027	365	8	7,098	5,012	01.09.2022	31.03.2024	19	39,634	
14	OR13E8558	46+11	PP99/160605/G	19.09.2021	18.09.2026	389	8	7,948	5,612	01.09.2021	31.03.2024	30	70,080	Tax exempted of 09/21 vide G.O. No. 6936 dtd. 09.08.2021
15	OR139119	48+12	PP99/160387/G	10.06.2021	09.06.2026	385	8	8,330	5,881	01.07.2022	31.03.2024	21	51,429	Off road from 07/2021 to 06/2022 and tax exexmpted of 06/2021 vide G.O No. 6936 dtd: 09.08.2021
16	OD05BK9022	43+10	PP99/130795/G	12.11.2023	10.11.2028	614	8	10,980	5,222	01.11.2023	31.03.2024	5	28,790	
17	OD08T3154	46+11	PP99/130953/G	03.01.2024	01.01.2029	342	6	7,948	4,351	01.01.2024	31.03.2024	3	10,791	
18	OD04J3018	42	PP99/160657/G	26.10.2021	25.10.2026	385	8	6,800	4,800	01.11.2021	31.03.2024	28	56,000	off road on 02/22 and tax adjusment for the month of 11/2021 with 05/2021
19	OR10H5836	43+14	PP99/171173/G	23.12.2022	22.12.2027	208	4	4,880	2,774	01.12.2022	31.04.2023	5	10,530	off road from 5/2023 and onward
20	OR05AB8950	26+7	SC/PP/05/14/14	19.01.2024	17.01.2029	360	4	4,378	2,576	19.01.2024	31.03.2024	3	5,406	
21	OD350069	52+15	SC/PP/19/2/15	09.01.2020	07.01.2025	255	4	8,040	5,376	01.11.2021	31.03.2024	29	77,256	Off road upto 09/2021 and tax paid at higher rate for the month 10/2021
22	OD23C6696	34+10	PP99/160468/G	01.08.2021	31.07.2026	381	8	5,865	4,142	01.08.2021	31.03.2024	30	51,690	Tax exempted from 08/21 to 09/21 vide G.O. No. 6936 dtd. 09.08.2021 and Adjustment for the month of 10/2021 with 04/2021

Sl. No.	Registration No.	Seating + Standees Capacity	Permit No.	Period of Permit		Route length (Kms)	No. of Stops	Tax due at 'EXPRESS' per month (in ₹)	Tax paid at ORDINARY' per month (in ₹)	Tax period		Total Month	Short tax paid (in ₹)	Remarks
				Valid from	Valid upto					Tax from	Tax upto			
23	OR13F5007	34+10	SC/SARP08/ 00017/2019	05.07.2019	04.07.2024	250	6	5,161	2,606	01.07.2019	31.03.2024	38	97,090	Tax exempted from 04/2020 to 06/2020 vide G.O. No- 4308 dtd: 29.05.2020 & No.5633 dtd: 20.07.2020. Off road of 07/2020 & 12/2020 & from 01/2021 to 07/2021 and 11/2023. Tax exempted from 08/2021 to 09/2021 vide G.O.No 6936 dtd. 09.08.2021.
24	OD13Q6276	45+12	PP99/160637/G	25.10.2021	24.10.2026	384	8	7,820	5,522	01.03.2022	31.03.2024	25	57,450	Tax paid at high rate upto 02/2022
25	OD05W5257	56+12	PP99/140067/G	31.01.2024	29.01.2029	310	6	8,527	5,701	01.02.2024	31.03.2024	2	5,652	
26	OR02AZ5835	27+7	SC/PP/02/ 158/14	27.08.2019	25.08.2024	360	8	4,548	1,668	01.08.2019	31.03.2024	47	1,35,360	Tax exempted from 04/2020 to 06/2020 vide G.O No.4308 dtd: 29.05.2020 and 04/21 to 09/21 vide G.O.No 6936 dtd. 09.08.2021 and adjustment of April moth tax to 10/2021
27	OR22D4207	38+10	PP/99/187 -G-2022	26.09.2022	25.09.2027	160	4	3,646	2,908	01.09.2022	31.03.2024	19	14,022	
28	OR25A1248	42+10	PP99/ 140571/G	09.09.2019	07.09.2024	370	6	7,225	5,102	01.09.2019	31.03.2024	29	61,567	Off road from 04/2020 to 09/2020 and 11/2020 to 04/2022 and 07/2022 to 08/2022
29	OD07A3940	53+13	PP99/170249/G	21.04.2022	20.04.2027	379	8	9,223	4,098	01.04.2022	31.03.2024	24	1,23,000	
30	OD15G9021	34+10	PP99/170289/G	15.05.2022	14.05.2027	180	4	3,783	2,606	01.05.2022	31.03.2024	23	27,071	
			Total										**14,59,157**	

APPENDIX- XVII

(Refer paragraph 2.3.1.3)

Statement on issue of permit to Educational Institutional Buses as Private Services Vehicles

(₹in lakh)

Sl. No.	Name of the RTO	No. of Edu Inst Bus registered as on March 2024	No. of cases Checked	No. of cases to which improper permit issued as PSV	Tax due as Education Bus	Tax due as PSV	Short realisation of Tax as PSV	Penalty leviable	Tax and Penalty Short realised as PSV
1	RTO, Bhubaneswar- I	919	919	28	7.50	0.82	6.68	13.36	20.03
	ARTO, Khordha	95	95	1	0.16	0.02	0.14	0.28	0.43
2	RTO, Bhubaneswar- II	590	590	15	3.86	0.42	3.44	6.87	10.31
3	RTO, Cuttack	577	577	2	0.39	0.04	0.35	0.70	1.04
4	RTO, Ganjam	649	649	119	33.43	3.60	29.83	59.66	89.49
5	RTO, Kalahandi	141	141	3	0.59	0.06	0.53	1.06	1.59
6	RTO, Keonjhar	133	133	6	2.14	0.23	1.91	3.83	5.74
	ARTO, Barbil	13	13	0	0	0	0	0	0
7	RTO, Mayurbhanj	68	68	1	0.38	0.04	0.34	0.67	1.01
	ARTO, Rairangpur	33	33	3	0.86	0.09	0.77	1.54	2.31
8	RTO, Rourkela	212	212	28	8.78	0.97	7.81	15.62	23.43
9	RTO, Talcher	35	35	4	0.94	0.11	0.83	1.68	2.52
	Total	**3,465**	**3,465**	**210**	**59.03**	**6.40**	**52.63**	**105.27**	**157.90**

APPENDIX- XVIII

(Refer paragraph 2.3.2)

Short realisation fees on reservation of registration numbers

(Amount in ₹)

Sl. No.	Name of the RTO	No. of Vehciels	No. of Vehicles detected	Fee due	Fee realised	Short realised
1	RTO, Bhubaneswar-I	29,745	45	4,50,000	2,25,000	2,25,000
2	RTO, Bhubaneswar -II	7,470	6	60,000	30,000	30,000
3	RTO, Cuttack	12,070	4	40,000	20,000	20,000
4	RTO, Ganjam	3,984	2	20,000	10,000	10,000
5	RTO, Kalahandi	1,764	2	20,000	10,000	10,000
6	RTO, Keonjhar	7,814	4	40,000	20,000	20,000
7	RTO, Mayurbhanj	1,701	0	0	0	0
8	RTO, Rourkela	4,925	6	60,000	30,000	30,000
9	RTO, Talcher	3,467	0	0	0	0
	Total	**72,940**	**69**	**6,90,000**	**3,45,000**	**3,45,000**

APPENDIX- XIX

(Refer paragraph 2.3.3)

Short realisation of onetime tax from non-transport vehicles

(Amount in ₹)

Sl.No.	Name of the RTO	No. of cases	No. of vehicles checked	No. of vehicles detected	Tax Due	Tax Received	Tax short received	Penalty	Total
1	RTO, Bhubaneswar-I	3,37,821	58	57	27,78,754	14,06,099	13,72,655	2,74,539	16,47,194
2	RTO, Bhubaneswar-II	1,23,512	11	5	1,27,112	94,026	33,086	6,617	39,703
3	RTO, Cuttack	2,31,126	32	32	4,73,976	2,67,997	2,05,979	41,197	2,47,176
4	RTO, Ganjam	1,64,044	21	21	95,406	61,241	34,165	6,832	40,997
5	RTO, Kalahandi	96,051	17	6	26,242	21,869	4,373	874	5,247
6	RTO, Keonjhar	97,695	15	14	63,265	39,014	24,251	4,850	29,101
7	RTO, Mayurbhanj	1,16,139	12	12	68,175	41,508	26,667	5,333	32,000
8	RTO, Rourkela	1,11,844	8	7	44,895	31,858	13,037	2,608	15,645
9	RTO, Talcher	32,217	1	0	0	0	0	0	0
	Total	**13,10,449**	**175**	**154**	**36,77,825**	**19,63,612**	**17,14,213**	**3,42,850**	**20,57,063**

APPENDIX-XX

(Refer paragraph 2.3.4)
Short realisation of tax from Omni Buses

(Amount in ₹)

Sl No	Name of the RTO	Tax from	Tax Upto	No. of vehicles	Tax due	Tax realised	Tax short realised	Penalty leviable	Total
1	RTO, Bhubaneswar-I	01.09.2021	31.03.2024	27	16,75,128	4,75,151	11,99,977	23,99,954	35,99,931
	ARTO, Khordha	01.12.2022	31.03.2024	1	85,904	24,976	60,928	1,21,856	1,82,784
2	RTO, Bhubaneswar-II	01.12.2022	31.03.2024	11	6,97,970	202,926	4,95,044	9,90,088	14,85,132
3	RTO, Rourkela	01.12.2022	31.03.2024	1	85,904	24,968	60,936	1,21,872	1,82,808
4	RTO, Talcher	15.03.2023	31.03.2024	1	69,797	20,293	49,504	99,008	1,,48,512
	Total			**41**	**26,14,703**	**7,48,314**	**18,66,389**	**37,32,778**	**55,99,167**

APPENDIX- XXI

(Refer paragraph 2.3.5)

Short realisation of fee on registration of Construction Equipment Vehicles

(Amount in ₹)

Sl. No.	Name of the RTO	No. of vehicles registered	No. of cases detected	Short realisation of Registration fee
1	RTO, Bhubaneswar-I	1,509	398	8,01,300
2	RTO, Bhubaneswar-II	1,790	204	4,07,700
3	RTO, Cuttack	444	19	36,500
4	RTO, Ganjam	274	79	1,58,000
5	RTO, Kalahandi	579	264	5,34,100
6	RTO, Keonjhar	916	259	4,92,500
7	RTO, Mayurbhanj	239	53	1,04,900
8	RTO, Rourkela	693	370	7,03,400
9	RTO, Talcher	610	129	2,29,000
	Total	**7,054**	**1,775**	**34,67,400**

APPENDIX- XXII

(Refer paragraph 2.3.7)

Non-realisation of green tax due to non-renewal of fitness certificate of vehicles

(₹in lakh)

Sl. No.	Name of the RTO	No. of Non-transport Vehicles	No. of Transport Vehicles	Total	Green Tax due
1	RTO, Bhubaneswar-I	1,25,318	14,847	1,40,165	1,847.02
2	RTO, Bhubaneswar-II	581	2,832	3,413	119.09
3	RTO, Cuttack	82,089	12,051	94,140	1,302.87
4	RTO, Ganjam	49,824	7,377	57,201	793.3
5	RTO, Kalahandi	18,675	4,195	22,870	354.55
6	RTO, Keonjhar	32,972	13,361	46,333	864.15
7	RTO, Mayurbhanj	26,270	5,722	31,992	491.58
8	RTO, Rourkela	45,586	9,558	55,144	838.18
9	RTO, Talcher	305	791	1,096	34.69
	Total	**3,81,620**	**70,734**	**4,52,354**	**6,645.43**

APPENDIX- XXIII

(Refer paragraph 2.4.1.3)

Non-seizure of vehicles during enforcement for non-payment of taxes

(Amount in ₹)

Sl. No.	Name of the RTO	No. of challans	Annual rate of tax	Annual rate of Additional tax	Total	Penalty leviable	Total
1	RTO, Bhubaneswar-I	46	3,26,298	1,04,235	4,30,534	8,61,068	12,91,601
	ARTO, Khordha	14	1,07,428	34,640	1,42,068	2,84,136	4,262,04
2	RTO, Bhubaneswar-II	14	67,208	18,335	85,543	1,71,086	2,56,629
3	RTO, Cuttack	103	4,91,029	1,47,638	6,38,667	12,77,334	19,16,002
4	RTO, Ganjam	38	2,52,260	81,213	3,33,473	6,66,945	10,00,418
5	RTO, Kalahandi	17	91,680	25,648	1,17,328	2,34,655	3,51,983
6	RTO, Keonjhar	43	6,93,081	2,98,227	9,91,309	19,82,617	29,73,926
	ARTO, Barbil	38	7,38,891	3,16,903	10,55,794	21,11,588	31,67,382
7	RTO, Mayurbhanj	31	1,84,380	53,373	2,37,753	4,75,505	7,13,258
	ARTO, Rairangpur	26	2,32,240	75,023	3,07,263	6,14,525	9,21,788
8	RTO, Rourkela	60	6,07,748	2,17,295	8,25,043	16,50,086	24,75,129
9	RTO, Talcher	8	65,998	27,622	93,620	1,87,241	2,80,861
	Total	**438**	**38,58,241**	**14,00,152**	**52,58,395**	**1,05,16,786**	**1,57,75,181**

APPENDIX- XXIV

(Refer paragraph 2.4.1.4)

Less imposition of fine for second and subsequent offences

(₹in lakh)

Sl. No.	Name of the RTO	No. of vehicles	No. of Challans	Fee due	Fee realised	Fee short realised
1	RTO, Bhubaneswar	131	262	5.44	2.57	2.87
2	RTO, Bhubaneswar-II	6	16	0.60	0.30	0.30
3	RTO, Cuttack	73	150	4.35	2.11	2.24
4	RTO, Ganjam	59	118	1.42	0.58	0.84
5	RTO, Kalahandi	31	84	3.45	1.71	1.74
6	RTO, Keonjhar	61	124	2.23	1.06	1.17
7	RTO, Mayurbhanj	53	108	1.37	0.58	0.79
8	RTO, Rourkela	38	96	2.99	1.52	1.47
9	RTO, Talcher	4	10	0.42	0.24	0.18
	Grand Total	**456**	**968**	**22.27**	**10.67**	**11.60**

Glossary of Abbreviations

Glossary of abbreviations

Sl. No.	Abbreviations	Description
1	ALR	Annual Lease Rental
2	AMSAR	Ancient Monuments and Archaeological Sites and Remains
3	ATS	Automated Testing Stations
4	CDA	Chilika Development Authority
5	CEVs	Construction Equipment Vehicles
6	CIS	Capital Investment Subsidy
7	CMV	Central Motor Vehicles
8	CRZ	Coastal Regulation Zone
9	DL	Driving licence
10	DoT	Department of Tourism
11	DTA	Domestic Tourist Arrivals
12	DTOs	District Tourist Offices
13	EDC	Eco Development Committees
14	EIB	Educational Institution Bus
15	EPIL	Engineering Projects (India) Ltd
16	EV	Electric vehicles
17	FC	Fitness Certificate
18	FEE	Foundation for Environmental Education
19	FTA	Foreign Tourist Arrivals
20	GoI	Government of India
21	GoO	Government of Odisha
22	HSRP	High Security Registration Plates
23	HTL	High Tide Line
24	IDCO	Odisha Industrial Infrastructure Development Corporation
25	ITDC	India Tourism Development Corporation
26	JPV	Joint Physical verification
27	LDA	Lease cum Development Agreement
28	LL	Learners' licence
29	MCC	Model Code of Conduct
30	MoRTH	Ministry of Road Transport & Highways
31	NBCC	National Buildings Construction Corporation
32	NBW	National Board for Wildlife
33	NIOT	National Institute of Ocean Technology
34	NWT	National Wetland Authority
35	OCCL	Odisha Construction Corporation Ltd.
36	OCZMA	Odisha Coastal Zone Management Authority
37	OEMs	Original Equipment Manufacturers

Sl. No.	Abbreviations	Description
38	OGFR	Odisha General Financial Rules
39	OMVT	Odisha Motor Vehicles Taxation
40	OPTICS	Odisha Public Transport & Integrated Commuter System
41	ORSAC	Odisha Space Application Centre
42	ORSS	Odisha Road Safety Society
43	OTDC	Odisha Tourism Development Corporation Limited
44	OTP	Odisha Tourism Policy
45	OTT	One-time tax
46	PMU	Project Management Unit
47	PRASAD	Pilgrimage Rejuvenation and Spiritual, Augmentation Drive
48	PRs	Prosecution Reports
49	PSV	Private Service Vehicle
50	RTAs	Regional Transport Authorities
51	RTO	Regional Transport Officer
52	SDG	sustainable development goals
53	STA	State Transport Authority
54	STA	Special tourism area
55	STDC	Shamuka Tourism Development Corporation Limited
56	STPC	State Tourism Promotion Council
57	TIES	The International Eco-tourism Society
58	TRC	Tax Recovery Certificate
59	TSM	Tourism Survey Methodology
60	ULB	Urban Local Bodies
61	VAHAN	Vehicle registration and tax collection software
62	VLT	Vehicle Location Tracking
63	VSS	Vana Surakshya Samities
64	WAC	Wayside Amenities Centre
65	WACs	Wayside Amenities Centres
66	WRD	Water Resources Department
67	WSHGs	Women Self Help Groups

https://cag.gov.in/ag2/odisha/en