

# **Executive Summary**



## Executive Summary

### About this Report

The Transport Department of Uttarakhand is structured into two primary divisions: the Operational Wing and the Regulatory Wing. The Operational Wing is responsible for the day-to-day transport services, including managing State-run buses and ensuring smooth passenger and freight transport. On the other hand, the Regulatory Wing handles governance-related functions within the department. This wing is headed by the Transport Commissioner, who oversees the implementation and enforcement of transport-related laws and regulations. It is tasked with framing and administering policies, as well as ensuring compliance with the Motor Vehicles Act and other relevant rules. The Regulatory Wing also supervises Regional Transport Offices (RTOs) and ensures uniformity in regulatory practices across the State. Its role is crucial in maintaining transparency in transport-related administrative matters.

Audit focuses exclusively on examining the activities and operations of the Regulatory Wing within the Department. The audit does not cover the entire Department but is limited to specific regulatory functions. These functions are primarily carried out through the RTOs and Assistant Regional Transport Offices (ARTOs). The audit aims to assess how effectively these offices are complying with established rules, regulations, and procedures. It evaluates whether the regulatory responsibilities, such as vehicle registration, issuance of driving licences, and enforcement of transport laws, are being executed properly. Any lapses, deviations, or irregularities in the functioning of RTOs/ARTOs fall within the scope of this audit. The findings of this audit are intended to ensure better governance, transparency, and accountability within the regulatory framework.

### Why did we take up this Audit?

This office conducted Subject Specific Compliance Audit on “Functioning of Regional Transport Offices” covering the period 2019-24, to assess how effectively RTOs regulate and control vehicle registration and usage. The audit examined whether RTOs followed the provisions of the applicable Acts and Rules in issuing vehicle registrations, permits, and fitness certificates. It also evaluated the efficiency of RTOs in assessing, levying, collecting, and remitting revenue such as motor vehicle taxes, fines, penalties, and cess, including their efforts to recover arrears. Additionally, the audit reviewed the process of issuing, renewing, and cancelling driving licences to ensure compliance with legal requirements. Enforcement activities were scrutinised to determine if RTOs conducted effective inspections and took timely follow-up actions to prevent violations. The audit also considered whether RTOs were adequately staffed and equipped with necessary resources to fulfill their responsibilities efficiently. Overall, the audit aimed to ensure that RTOs were functioning transparently and in accordance with the law.

This scrutiny promotes transparency and accountability within RTOs, leading to better governance and reduced corruption.

## **What have we found?**

Audit found that there is scope for improvement in functioning of RTOs in Uttarakhand, as highlighted below:

### **A. Regulation and Control over Registration and Use of Vehicles**

Audit revealed significant irregularities in vehicle registration and fitness management in the State. A total of 67,603 vehicles (561 ambulances, 34 educational institutional buses, and 67,008 other transport vehicles) with active status on the Vahan portal were found without valid fitness certificates. Similarly, the registration of 43,821 non-transport vehicles, due for renewal, had not been renewed. Further, 2,362 temporary registrations had not been converted into permanent registration numbers, despite more than six months having elapsed since their issue. Wrong classification of 361 Construction Equipment Vehicles as Heavy, Medium, or Light Motor Vehicles instead of “Others” led to short realisation of registration fees. In addition, 12,001 transport vehicles registered up to 30 September 2015 were issued fitness certificates during 2019-24, without ensuring installation of speed governors. Permits of 6,343 active transport vehicles (excluding vehicles marked as NOC, age-expired, replaced/converted, Registration Certificate cancelled or surrendered, theft, or scrapped) were not renewed after expiry. Audit also noticed that 20 educational institution buses were registered in the name of individuals instead of the respective institutions, and 1,110 vehicles were registered in more than one RTO/ARTO office.

### **B. Revenue Collection**

The department failed to achieve its revenue collection targets during 2019-24, except in 2022–23. Audit observed that 65,931 vehicles had pending tax arrears of ₹ 361.86 crore, of which ₹ 176.81 crore pertaining to 18,892 vehicles remained outstanding for more than five years. Green cess of ₹ 209.20 crore was collected up to 31 March 2024 for implementation of air pollution control measures and improvement of the urban transport system; however, only ₹ 10 crore was released by the Government during this period. Further, the revised rates of green cess were updated in the Vahan application with a delay of 26 days, resulting in levy at lesser rates and short collection of green cess from 2,960 vehicles. The department received ₹3,819.00 crore as vehicle tax during 2019–24, of which ₹ 76.38 crore was required to be deposited in the Accident Relief Fund. Against this, only ₹ 30.02 crore (39 per cent) was deposited, leaving a balance of ₹ 46.36 crore. Audit also noticed that tax refunds continued to be processed manually due to the absence of an online provision in the Vahan 4.0 application. In addition, although ₹ 95.75 crore was collected in the Road Safety Fund till March 2024, only ₹ 39.75 crore was released to various departments for road safety measures.

### **C. Issuance, Renewal and Cancellation of Licences**

Analysis of *Sarathi* data revealed that 144 individuals were issued 288 driving licences (DLs) indicating that an individual was holding more than one DL. These DLs were issued either from the RTO/ARTO of the State or in some cases one DL from the State of Uttarakhand and the other one from another State. Format of DLs issued by the Department was not in conformity with the format prescribed by the Ministry of Road

Transport and Highways, as it did not contain fields regarding Organ donor, Invalid Carriage, Hill validity and Emergency contact number. Three test-checked RTO/ARTOs did not dispatch the driving licences through post to the applicants and therefore, the applicants had to come to the Transport office to collect them physically. RTO, Dehradun did not provide information on the subject. Three test-checked RTOs in the State, except the office of RTO, Dehradun, did not have automated driving testing tracks for conducting the driving tests. The data of four test-checked RTOs revealed that unusually high number of tests (up to 628 tests) were conducted in a single day during the period 2019-24. Regular periodic inspections of the Motor Driving Training Schools were not conducted by the competent authority during the audit period 2019-24. Hill Endorsement in the driving licence is required to drive a public transport vehicle in the hilly terrain of the State. During the period 2019-24, drivers coming from outside Uttarakhand were applying for Hill Endorsement and depositing prescribed fees online, and the Hill Endorsements were being granted without any efficiency test or checking of credentials. Thus, the process of granting Hill Endorsement was limited to earning revenue only.

#### **D. Enforcement Activities and Human Resource Management**

Analysis of e-Challan data provided by the Transport Commissioner, Uttarakhand, revealed a significant increase in the number of challans during 2023-24 compared to previous years, primarily due to the introduction of the Automatic Number Plate Recognition (ANPR) camera system in May 2023. However, no instances were observed where higher compounding fees were imposed for repeat offences, while cases of levy of incorrect compounding fee rates were also noticed.

As per existing practice, the RTOs/ARTOs forward the pending challans to the Hon'ble Court for onward settlement after 90 days but before 180 days period. Further, 1,65,861 challans amounting to ₹ 58.02 crore, pertaining to the period from 1 April 2019 to 31 December 2024, had not been forwarded to the Hon'ble Court and remained pending at the Department level as of 31 July 2024.

As per information provided by the Transport Commissioner office, total 32,19,518 vehicles were checked and 4,19,052 violations were detected by the cameras during the month of September 2024. However, only 16,052 (3.8 per cent) cases were forwarded for enforcement action and 15,425 challans were issued. Out of total issued challans, 13,528 (87.7 per cent) were for driving without helmet and triple riding of two-wheelers. Thus, low forwarding rate (3.8 per cent) of violations to enforcements officers defeats the intended purpose of using ANPR cameras. It was also observed that ANPR cameras were detecting only five types of traffic violations (not wearing helmets by driver and pillion rider, triple riding, wrong lane driving, and over-speeding) and were not being used for detecting other violations like plying without fitness, permit, Pollution Under Control certificate, insurance, paying taxes, etc. due to the lack of integration of ITMS software of ANPR cameras with Vahan 4.0. This defeats the intended purpose of using ANPR cameras to monitor and replace closed check posts at border points.

It was also observed that vehicles seized during enforcement activities were not auctioned in a timely manner and had been lying idle for more than three years in the test-checked units. These seized vehicles were parked in open areas without adequate security arrangements. Significant delays were noticed in the deposit of the Government dues recovered from the auction of seized vehicles into the Government Account, as well as in the refund of balances to the owners of such vehicles, reflecting weak financial controls and poor enforcement of statutory provisions. The Vehicle Location Tracking Command and Control Centre was found underutilised, with the system not being used effectively for its intended purpose of enhancing road safety. Audit also observed that 40 alcolometers procured in July 2018 to check drunk driving cases were not distributed in a timely manner; while 22 were issued in December 2018, the remaining 18 were distributed only after delays exceeding five years. In addition, no inspections of Pollution Under Control centres were carried out in the test-checked units during 2019-24.

The analysis of Vahan data revealed 15 cases where the registration date of the vehicle is prior to the purchase date. These instances indicate critical deficiencies in system validations and checks.

#### **What do we recommend?**

The State Government may ensure that:

1. A system should be developed to send notices or alerts via SMS at specified intervals to vehicle owners whose vehicle fitness validity has expired.
2. A system should be developed to send notices or alerts via SMS at specified intervals to vehicle owners whose vehicle permit validity has expired.
3. The Department should prepare an annual action plan for the utilisation of Green Cess funds on eligible projects, as the accumulation of unutilised Green Cess defeats its intended purpose.
4. The Department may strengthen validation checks in Sarathi application to ensure that more than one driving licence is not issued to an individual.
5. The provisions regarding grant of hill endorsements may be reviewed and a clear policy may be formulated, outlining the procedure and validity period for such endorsements.
6. The Department may establish a Standard Operating Procedure for the sharing and utilisation of the data of Vehicle Location Tracking System, a critical indicator for analysing risky behaviour of drivers, to prevent and mitigate potential road accidents.
7. The Department may review its system to strengthen input and validation controls, ensuring the accuracy of vehicle data and challan amounts. This will help rectify data entry errors and maintain the credibility and accuracy of the system.