COMMITTEE
ON
PUBLIC ACCOUNTS
(2016-2019)

SEVENTH REPORT
(Presented on 22nd August, 2017)

FOURTEENTH KERALA LEGISLATIVE ASSEMBLY

COMMITTEE
ON
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SEVENTH REPORT

On

Paragraphs relating to Transport Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2011 (Revenue Receipts)

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COMMITTEE ON PUBLIC ACCOUNTS
(2016-2019)

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INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report, on their behalf present the Seventh Report on paragraphs relating to Transport Department contained in the Report of the Comptroller and Auditor General of India for the year ended 31st March 2011 (Revenue Receipts).

The Report of the Comptroller and Auditor General of India for the year ended 31st March 2011 (Revenue Receipts) was laid on the Table of the House on 6th March 2012.

The Committee considered and finalised this Report at the meeting held on 16th August 2017.

The Committee place on records their appreciation of the assistance rendered to them by the Accountant General in the examination of the Audit Report.

V. D. SATHEESAN,

Thiruvananthapuram,   *Chairman,*

22nd August, 2017.   *Committee on Public Accounts.*

REPORT

TRANSPORT DEPARTMENT

AUDIT PARAGRAPH

Tax Administration

The Transport Department is under the control of Principal Secretary (Transport) at Government level and the Transport Commissioner is the head of the Department. The levy and collection of tax and fee in the State are governed by the Motor Vehicles (MV) Act, 1988, Central Motor Vehicles (CMV) Rules 1989 and the Kerala Motor Vehicles Taxation (KMVT) Act, 1976. The activities of the Department include registration of motor vehicles, levy and collection of motor vehicle tax, grant of driving licence and road permits.

Trend of receipts

Actual receipts from taxes on motor vehicles during the years 2006-07 to 2010-11 along with the budget estimates during the same period is exhibited in the following table and graph:

(₹ in crore)

Year	Budget Estimates	Actual receipts	Variation	Percentage of variation	Total tax receipts of the State	Percentage of actual receipts vis-a-vis total tax receipts	Percentage of growth rate
2006-07	730.00	707.74	(-) 22.26	(-) 3.05	11,941.82	5.93	12.60
2007-08	835.08	853.17	(+) 18.09	(+) 2.17	13,668.95	6.24	20.54
2008-09	1,008.64	937.45	(-) 71.19	(-) 7.06	15,990.18	5.86	9.88
2009-10	958.63	1,131.10	(+) 172.47	(+) 18.00	17,625.02	6.42	20.65
2010-11	1,301.88	1,331.37	(+) 29.49	(+) 2.26	21,721.69	6.13	17.70

Budget estimates and actual receipts
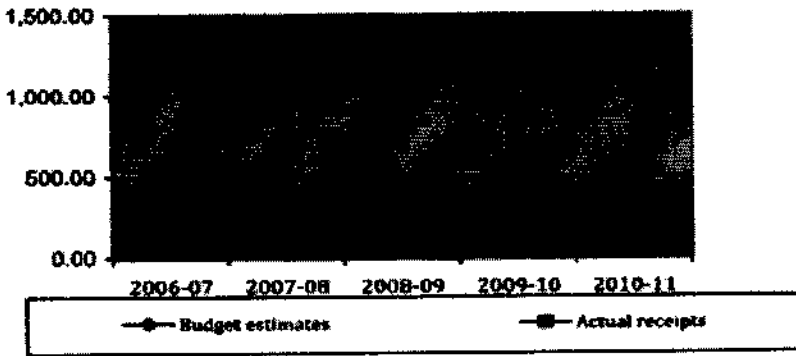
We noticed that except during 2009-10, the variation between the budget estimates and actual receipts was less than 10 per cent.

Cost of collection

The gross collection of revenue receipts under the head Taxes on vehicles expenditure incurred on collection and the percentage of expenditure to gross collection during 2006-07 to 2010-11 along with the all India average percentage of expenditure on collection to gross collection for relevant years are mentioned below:

(₹ in lakh)

Year	Collection	Expenditure on collection of revenue	Percentage of expenditure to gross collection	All India average percentage of the previous year
	(₹ in crore)			
2006-07	707.74	21.61	3.05	2.67
2007-08	853.17	26.00	3.05	2.47
2008-09	937.45	30.05	3.21	2.58
2009-10	1,131.10	33.96	3.00	2.93
2010-11	1,331.37	35.55	2.67	3.07

(Source: Finance Accounts for the relevant years)

We note with appreciation that there is a decline in the *percentage* of expenditure when compared to all India average cost of collection during the year 2010-11 which we consider to be largely due to growth in revenue collection.

Impact of audit

Revenue impact

During the last four years, we pointed out short/non-levy of tax, incorrect classification, irregular exemption etc., with revenue implication of ₹ 380.52 crore in 1,164 paragraphs. Of these, the Department/Government accepted audit observations involving ₹ 17.30 crore and had since recovered ₹ 2.11 crore. The details are shown in the following table:

(₹ in lakh)

Years of Audit Report	Paragraphs included		Paragraphs accepted		Amount recovered	
	No.	Amount	No.	Amount	No.	Amount
2006-07	159	299.00	184	399.24	35	7.45
2007-08	148	206.00	162	271.43	25	13.07
2008-09 Vol I	404	398.00	138	604.64	131	77.66
2009-10	453	37,149.00	369	454.78	432	113.00
Total	**1164**	**38,052.00**	**853**	**1730.09**	**623**	**211.18**

Though the Department accepted 853 cases involving ₹ 17.30 crore against 1164 cases featured in IRs, it could recover ₹ 2.11 crore only which was 12.20 *percent* of the total accepted amount.

Results of audit

In 2010-11 we test checked the records of 65 units relating to Motor Vehicles Department. We detected short/non-levy of tax and other irregularities involving ₹ 6.98 crore in 414 cases which fall under the following categories:

(₹ in crore)

Sl.No.	Categories	No. of cases	Amount
1.	All India review on computerisation in Motor Vehicles Department	1	0
2.	Short/non levy of tax	125	1.37

3.	Incorrect classification	9	0.03
4.	Irregular exemption	11	0.03
5.	Other lapses	268	5.55
	Total	**414**	**6.98**

The Department accepted underassessment and other deficiencies of ₹ 1.16 crore in 93 cases, of which 9 cases involving ₹ 4.97 lakh were pointed out in audit during the year 2010-11 and the rest in earlier years. An amount of ₹ 59.04 lakh was realised in 125 cases during the year 2010-11.

[Audit paragraph 5.1 to 5.5 contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2011 (Revenue Receipts).]

1. To a query regarding short levy in the collection of balance amount ie. ₹15.19 crore out of ₹ 17.30 crore, the Transport Commissioner replied that the Motor Vehicle department is the second highest revenue earning department with a total annual collection of ₹ 2800 crore. But the department do not have adequate staff to do the work. The Transport Commissioner assured that a report would be submitted to the Committee within three months after conducting an adalath to settle the pending cases.

Conclusion/Recommendation

2. The Committee astonished at the fact that though the officials agreed to submit a report before the Committee on levy and collection of tax and fee within three months after conducting an adalath to settle the pending short levy collection, the same was not yet complied with. The Committee expresses its strong displeasure over the negligence from the part of the department and opined that this would make a hurdle to the Committee for decision making. Therefore the Committee recommends that the government should ensure necessary steps to avoid such serious lapse in future. The Committee also directs the department to submit a detailed report on the measures adopted by Government for settling the pending short levy cases and the current status of levy and collection of tax and fee at the earliest.

A review on "Computerisation in the Motor Vehicles Department" and a few illustrative observations involving ₹ 1.11 crore are mentioned in the following paragraphs:"

All India Review on Computerisation in Motor Vehicles Department
Highlights

- Adequate documentation was not maintained for the development of the application SMART MOVE.

- Creation of multiple records for vehicles and licenses in the database resulted in redundancy of data which adversely affected the reliability of information.

- Vehicle particulars and driving license particulars were not captured correctly in the National Register created for vehicles and licenses.

- The online services envisaged in the computerisation project to reduce the rush in the RTO offices were not made fully operational

- Unauthorised access to the database is possible by accessing the tables through backend.

- Smart card prescribed by Government of India for the issue of registration certificate and driving licences was not implemented.

Introduction

The Motor Vehicles Department (MVD) administers the provisions of the Motor Vehicles Acts and Rules in the State and is one of the major revenue earning Departments. MVD had computerised all its major operations such as registration of vehicles, collection of vehicle tax, issue and renewal of permits, driving licences, fitness certificates, conductor licences etc. Sub Regional Transport Office, Pattambi was granted Quality System Certification (ISO:9001:2008) by the Bureau of Indian Standards for the period from 16th March 2011 to 15th March 2014. SMART MOVE (application software for registration of Motor Vehicles, issue of Licences and Permits connected with Motor Vehicles) was also selected as a finalist for the Microsoft's SKOCH Awards (award funded and managed by Microsoft Corporation) for the year 2006.

Organisational setup

The Department is headed by the Transport Commissioner and under him four zonal offices, 18 Regional Transport Offices (RTO), 47 Sub Regional Transport Offices (SRTO) (including five new offices proposed/opened in 2011) and 17 check posts are also functioning.

History of computerisation

The Department signed a Memorandum of Understanding (MoU) with the National Informatics Centre (NIC) for the development of an application software based on the core software provided free of cost by NIC Delhi unit in 2001. Computer Aided Learners Driving Licence System (CALLS) was installed at RTO, Thiruvananthapuram on 23 May 2002, at Ernakulam on 21st November 2002 and at Kozhikode on 13th June 2003. The customised application SMART MOVE based on VAHAN (a software for Registration of Vehicles) and SARATHI (a software for issue of licences connected with Motor Vehicles) software, comprising 97 modules, was installed for automation of all activities in RTO, Thiruvananthapuram as a pilot project in October 2002, funded by State Government. This project was replicated in RTO, Ernakulam under the modernisation of information technology (MIT) project which was financed by the Government of India, Ministry of Information Technology in 2004. The State Government vide G.O. Ms. 7/03-Tran. dated 25th February 2003 decided to roll out computerisation of all other RTOs, SRTOs and Checkposts as a Build Operate Maintenance and Transfer (BOMT) model. Electronic Corporation of India limited (ECIL) was entrusted with the implementation of the project with responsibility to create the infrastructure and provide support manpower and facility management to the MVD for a period of three years from the date of declaration of 'GO LIVE' of the project. The project was declared 'GO LIVE' on 1st January 2007. It was also decided that payment to the service provider (ECIL) was to be made from the service charges collected for each service rendered by the Department. Computerisation was completed in the Transport Commissionerate, 63 field offices and 17 check posts. Four zonal offices were not computerized. M/s. ECIL was the service provider for the period from 1st January 2007 to 31st December 2009 and from 1st July 2010, Centre for Development of Information Technology (C-DIT) is the service provider.

Information System

The application SMART MOVE is a two-tier Graphical User Interface (GUI) application written in Visual Basic and supports MSSQL Server 7.0.2000 or higher.

Objectives of computerisation

The objectives of computerisation were as follows:

- Achieve computerisation in all the offices of the Department
- Provide efficient, transparent, faster and quality services to the citizens.
- Provide better facilities and ambience to the citizens in the offices
- Provide better working conditions to the staff.
- Digitize manual records of licences and registration books.
- Achieve total network connectivity through KSWAN between all the offices of the Department.

Background of the review

We had already conducted an integrated review on the functioning of Motor Vehicles Department including IT aspects in 2010 and our observations featured in the Audit Report for the year 2009-2010. The gist of observations relating to IT aspects that appeared in the Report of 2009-2010 are given below:

- Neither NIC, the software developer nor MVD maintained any documentation of the major changes to the application.
- The computers and servers in the MVD had neither bios password nor windows password. There was no physical access control preventing entry of persons into the server room.
- The Windows Server 2003 which hosts the MS SQL database has neither system nor database password and hence access control for initial logging into the SMART MOVE application can be bypassed by a user.
- Due to lack of interconnection, it was not possible to verify the data of a different office when some service has to be rendered in respect of a vehicle registered at another RTO Office.
- The network protection had not been updated since November 2007. The personal firewall preventing internet access had also not been enabled in the computers. Due to lack of timely updating of Anti-Virus software, virus outbreak resulted in system crash at the RTO, Ernakulam in June 2009.

- The MVD did not carry out necessary tests stipulated in the agreement with ECIL before declaring 'GO-LIVE'.

- Despite the Government of Kerala directions on quality assessment on the implementation of e-governance solutions, the steps for carrying out the standardisation test have not been done so far.

- An analysis of data stored in vehicle registration table showed that the chassis number was not unique. The presence of duplicate chassis numbers in the database was due to the lack of input validation check in the database.

- We observed that there was no provision in the registration module to capture details of insurance cover, which was a statutory requirement under Chapter XI of the MV Act.

- We observed that Demand Collection Balance(DCB) module in the software SMART MOVE was not generating true information on arrears of tax in respect of transport vehicles.

- The present review was taken up as part of an All India review to assess the overall achievement of computerisation at the national level and on the compatibility of State and National Register for vehicles and driving licences.

Audit objectives

The audit objectives were to ascertain whether:-

- The overall objectives of computerisation were achieved;

- The variation, if any, of SMART MOVE from VAHAN and SARATHI affected the computerisation objectives of the Ministry of Transport;

- The computerised National Permit System was implemented as planned for the project objectives were achieved;

- Reliable general and security controls exist; and

- An Internal control mechanism is in place with Department.

Audit methodology

We conducted the audit during the period from June to August 2011 covering the period from 2005-06 to 2010-11. Apart from the office of the Transport Commissioner we collected data from 13 field offices [1](including two check posts) spread over Kerala by adopting Simple Random Sampling Method.

Audit criteria

The provisions in the Motor Vehicles Act, 1988, Central Motor Vehicles Rules 1989, Kerala Motor Vehicles Rules 1989, Kerala Motor Vehicles Taxation Act 1976, Kerala Motor Vehicles Taxation Rules 1975, Project Documents, User Requirement Specification (URS), System Requirement Specification (SRS) and System Design Document (SDD) were relied upon as criteria to review the Department's performance.

Acknowledgment

We acknowledge the co-operation extended by the MVD in providing necessary information and records to audit. We held an entry conference on 9th June 2011 with the Transport Commissioner wherein the scope and methodologies of audit were explained. We held an exit conference on 28th October 2011 with the Secretary to the Government wherein key audit findings and recommendations were discussed. The responses made during the exit conference and on other occasions have been suitably incorporated in the report.

[Audit Paragraph 5.6 to 5.6.11 contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2011 (Revenue Receipts).]

3. Regarding Computerisation, the Transport Commissioner said that Motor Vehicle Department was the pioneer among other departments in introducing e-governance in the State. Due to dearth of staff 'SMART MOVE' was implemented through NIC. All other services were provided by KELTRON, C-DAC and C-DIT. But they do not provide proper service and maintenance in time. The Transport Commissioner stressed the need for an independent IT wing for Motor Vehicle Department.

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1   RTO : Palakkad, Vatakara, Thiruvananthapuram and Wayanad.
   SRTOs: Adoor, Chenganoor, Kayamkulam, Nedumangad, Pattambi, Perumbavoor and Ponnani
   Check Posts: Velanthavalam and Walayar

4. To another query regarding internet connectivity in checkposts, the Transport Commissioner replied that at present only web servers were placed in check posts for feeding information from clients. These information were later uploaded to central server. Data was uploaded through 'KSWAN'. If a web based automatic updation system were installed, data connection will become more easier and consolidated. Steps were taken to link the Wahan-Sarathi system with National Data Base. When the Road Safety and Transport Bill 2014 become an Act a National based Wahan-Sarathi system would be established. After that every vehicles and license holders could share one portal.

5. When the Committee suggested that technical experts should be appointed for preparing database, the Transport Commissioner repeated the need of an independent IT wing for protecting the interest of Motor Vehicle Department. An internal group named SSG was formulated in the Department with computer skilled persons for laison and co-ordinating. Now the details of transferred vehicles were passed manually between offices which may cause duplication. Now a special drive has been initiated to check and correct such duplication.

6. The Committee observed that collection of revenue was not properly carried out and hoped that computerisation could solve those problems to an extent. The Committee further enquired about the details of tax imparted for excess seats, cubic capacity and tax for national permit. The Transport Commissioner replied that national permit has been collected by the central government and they remit it to the account of State Motor Vehicle Department. The vehicle owners remit the permit amount of their vehicle directly to the account of the department. Increasing the number of seats after registration has become a practice. Additional fees/fine was levied in such cases and direction had been given to the owners to remove the excess seats. In the light of the explanation given by the official of Transport Department, the Committee decided to recommend to establish an independent and dedicated IT wing to protect the interests of the department.

Conclusion/Recommendation

7. While commenting on the audit objection regarding Computerisation, the Committee observed that the collection of revenue was not properly carried out by the department and hoped that problems regarding tax collection could be solved to

an extent through computerisation. The Committee understands the need of an independent IT wing with technical experts for hastening the modernisation of the department. Therefore the Committee recommends that the department should take effective steps to establish an independent and dedicated IT wing.

Audit findings

No guidelines/specifications or documentation for the customisation of VAHAN AND SARATHI

NIC Kerala unit developed the application SMART MOVE for the Motor Vehicles Department (MVD) by making modifications in the core software VAHAN and SARATHI supplied by the NIC, Karnataka unit. The MoU between the Government of Kerala and NIC Kerala unit (signed on 25 July 2001) required thorough examination of the desired modifications by a team of officials from NIC and MVD and approval of agreed changes/modifications by the Transport Commissioner and the Principal Secretary to the Government. We however noticed that no documentation was maintained of the changes incorporated in the customised application. In the absence of documentation we are unable to express an opinion on the justifications for the changes and whether all the changes decided and agreed upon were actually carried out.

### Deficiency in interconnectivity

All the offices except the check posts were connected to the State Data Centre (SDC) either through the Kerala State Wide Area Network (KSWAN) or through BSNL leased line. Due to lack of connectivity the check post staff could not access the State Consolidated Register (SCR) or National Register (NR) to check the authenticity of the records produced by the vehicle owners in case of a doubt on the genuineness of the records. The Department may consider interconnecting the check posts to strengthen their effectiveness.

Creation of multiple records for vehicles and licences resulted in redundancy of data which adversely affected the reliability of information

Data related to vehicles and licences at each RTO/SRTO in the State are stored in independent servers kept at respective locations. This data is transmitted and updated at the database in the servers at SDC, Thiruvananthapuram maintained

by the Kerala IT Mission every 10 minutes. From the SDC the data is again transmitted to the database of the State Register (SR) maintained by NIC at Poonkulam, Trivandrum. Data from SR is transmitted to the National register maintained in the servers at Hyderabad.

Data in respect of some vehicles or licences were stored in more than one RTO office due to change of address of the vehicle owner/licence holder, transfer of ownership of vehicles, issue of permits from a different office other than the one where the vehicle was registered, remittance of tax in different offices etc. Therefore multiple records in respect of one vehicle or one license were created in the database of the servers in the SDC. The website of the Kerala Motor Vehicles Department was relying up on the data available with the SDC. When the information about a vehicle or driving licence is enquired through the department website more than one record could be retrieved in several cases and it would not be possible to ascertain which data was current and valid. The Ministry of Road Transport and Highways started a website parivahan.nic.in on 20 July 2011. Details of vehicles and licences are also available in this site which is retrieved from the NR to which data is transmitted from the respective SR. Even though multiple records in respect of the same vehicle was noticed in the SCR, only the latest changed record is being transmitted to the NR. Even though the NIC maintained a server at Poonkulam for SR, data from SR was not made available to the website. Department could not explain the process of data transmission from the SCR to SR and from SR to NR.
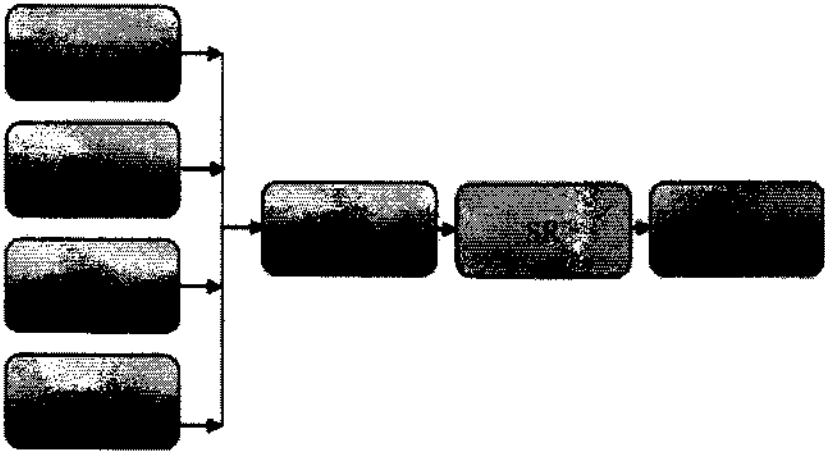
Discrepancies in the National Register

The ultimate objective of computerisation was to create State and National Registers for vehicles and licences. The objectives of creation of such registers were to provide online services to customers, to provide information to State Transport Department, Department of Road Transport and Highways, RTOs, border checkposts, Police Department etc. and to act as backup data in the event of a disaster, as a repository at the State and National level. We found the following discrepancies in the information available in the NR.

- Vehicles were wrongly classified in the NR even though the classification was correctly captured in the SCR. For example a vehicle correctly classified as 'Motorcycle above 95 cc' in the SCR was wrongly shown as 'Goods Carriage National Permit' in the NR.

- Details of vehicles with registration numbers starting from 1 to 999 (all series) were not captured in the NR.

- Even though provision was made in the NR to capture 'class of vehicle' in respect of driving license, such data was not updated from the SR.

Variations between the National register and State consolidated register

- The format of License Number in the SCR (like '01/5583/1988' consisting of three fields viz. RTO code, License No., License Year) is different from the format used in the NR (for the above license is KL01 19880005583). Thus the public would be unable to input the license number in the national website to get online service due to the difference in the format of licence number in the State and National register.

- There was no provision in the NR to capture information on permit, validity of certificate of fitness in respect of transport vehicles, validity of registration in respect of non-transport vehicles and tax remittance particulars.

- Provisions to capture the serial number of the present owner of a vehicle was made in the NR, but data in respect of Kerala vehicles were blank due to non-inclusion of this information in the SCR. This information would be helpful in knowing the number of ownership changes for a particular vehicle.

- Provision for incorporating insurance policy particulars such as Policy Number, Name of Insurance Company and date of expiry of policy were made in the NR whereas provision for the same was not available in SCR. Even if the provision was made in the software, the vehicle owners have to approach the field offices to update the validity each year on renewal of insurance policy as there is no connectivity between field offices and Insurance Companies for online updating.

- License for establishing vehicle pollution testing centre and issued by the Department. No provision for issue/renewal of such licence electronically was made in SMART MOVE. Provision for updating the information on Pollution Under Control Certificate (PUCC) issued by such institutions in respect of vehicles in the vehicle registration table was also not made.

- In VAHAN, details of recovery of tax, fees or fine pointed out in audit can be entered, but no such facility exists in SMART MOVE.

Non-operation of online services

The Department provided e-application for 20 services through their website www.keralamvd.gov.in hosted in 2008. Even though it was termed as e-application, the facility provided through the website was only for filling up and taking print out of the application forms. The applicant has still to approach the concerned RTO office along with the applications printed from the site and submit supporting documents for availing the service. As the e-payment facility was also not made operational, the applicant still has to visit the concerned RTO for remitting fees even for the services for which presence of the applicant or production of the vehicle was not required and hence the concept of 'Any where any service' could not be fulfilled.

Insufficient power supply

In the presence of audit on 11 July 2011, the RTO, Thiruvananthapuram could not function up to 1.00 p.m. due to power failure. No generator was installed in the office due to lack of space. The Joint RTO, Perumbavoor, Joint RTO Changannur and Joint RTO, Adoor also stated that the generators installed were not functioning properly. Also in almost all the field offices the generator backup covers only 60 *per cent* of the total systems available. In respect of other systems only UPS backup is available for about an hour.

Security flaw in the software SMART MOVE

All the back end tables in the database stored in the servers of field offices are accessible to anyone from the client machines. Using SQL query option in MS-Excel a user can write SQL Queries in the Query Window in Excel and can modify data, add data or delete data/table from the database. Any user can bypass the SMART MOVE and directly access the backend tables as mentioned above. Therefore the username and password provided to the users in the Department to log on in to SMART MOVE is not effective in restricting unauthorised access to the database.

Even though the lapses in the security of the IT system were pointed out in the Audit Report of 2009-10, the Department introduced new security policy only in 35 offices and rectified the problem. In the remaining offices the flaw was still continuing.

[Paragraphs 5.6.12 to 5.6.19 contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2011 (Revenue Receipts).

Notes received from Government on the above audit paragraphs are included in Appendix II.]

8. Regarding audit paragraph, the Senior Audit Officer commented that NIC has developed this software from the core software contributed by Karnataka. But the customisation of this software were done by the NIC without any documentation which made the correct verification of the project a difficult task.

9. The Transport Commissioner replied that source code was not given specially as source code of the project was available. Karnataka Model Software was implemented as it seemed more suited for Kerala but the tax structure and modules were different in both State which created some difficulties. But this problem was resolved and now many online services were available to the public like driving license, registration etc.

10. To a query regarding interconnectivity the Transport Commissioner detailed about the non-availability of inter connectivity in many places. KSWAN was not effective as e-governance had completed. All files were made online and catered by KSWAN. Due to lack of timely updation of KSWAN connectivity was

interrupted many a time and the department had decided to approach BSNL to provide hindrance-free service in certain areas where KSWAN has no connectivity. As part of modernisation Linkage and internet connectivity of checkposts with the assistance of BSNL was under consideration.

11. The Accountant General pointed out that the Commercial Taxes department provides inter connection facility among their offices and check posts also. In this context the Committee directed the Motor Vehicle Department to take up the matter with the Commercial Taxes department for getting assistance from their part to establish inter connectivity facility at the check posts of Motor Vehicle Department.

12. Regarding query, the Transport Commissioner explained that the problems faced during data transmission could be rectified only by launching the web based connectivity. The software now used by the Department was developed by spending huge amount. So that the updation could only be done with great care without changes to this software.

13. To a query regarding development of computerisation in the department, the Transport Commissioner deposed that there was no significant development as the work has been carried out by NIC. Amount ranging between 30-50 crores has been paid annually to the agencies like NIC and KELTRON by the department. This amount is enough to create an independent IT wing for the department and a proposal has been submitted to the government but the main objection regarding this is the creation of additional posts of software experts.

14. The Committee opined that modernisation process of the Motor Vehicle Department should be hastened to meet the standards since the department is one among the major tax collecting agencies of the State and recommended that an independent IT wing should be created in the department.

15. The Committee enquired whether the server capacity enhanced and connectivity problems were solved. The Transport Commissioner informed the Committee that there had been an Annual Maintenance contract with C-dit for getting generator supply but sometimes the generator won't work properly. The Committee commented that problem in online system arose due to interruption in

power supply and it was the responsibility of C-dit to ensure uninterrupted power supply. The Committee directed the department to initiate legal procedures against C-dit if they fail to provide proper generator supply.

Conclusion/Recommendation

16. The Committee finds that due to lack of interconnection in Motor Vehicles department it was not possible to verify datas of different offices. Hence the Committee directed the department to take up the matter with the Commercial Taxes Department for getting assistance from their part to establish total network connectivity through KSWAN between all the offices of the department.

17. The Committee understands that the department had an annual maintenance contract with C-dit for power supply. But connectivity problem always arises due to interruption in power supply. RT offices couldn't function properly due to lack of sufficient power supply. Therefore the Committee directs the department to initiate legal proceedings against C-Dit if they fail to provide arrangements for ensuring uninterrupted power supply.

Ineffective virus control

According to the agreement signed between the Department and service providers the responsibility for procuring the Antivirus package (Symantec Endpoint Protection 11.0) is vested with the Department and its installation and periodic updation is the responsibility of the service provider. Out of 14 offices test checked, Symantec Endpoint protection was not installed in the servers in three offices. In the other offices even though it was installed in servers, automatic updation in the client machines was not possible as the software was installed with the unmanaged option instead of managed client server option. In SRTO, Nedumangad instead of Symantec Licensed version, free edition of 'Avast Anti-virus' was used. The responsibility to install and update the Symntec Anti-virus package was vested with the service provider and was to be ensured by the head of office. The Transport Commissioner did not monitor the compliance.

Paragraph 5.6.20 contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March, 2011.

Notes received from government on the above audit paragraph is included as Appendix II. 1326/2017.

18. The Committee accepted the reply given by the Transport Commissioner that virus problems were controlled effectively.

Conclusion/Recommendation

No Comments.

Introduction of new National Permit System

According to the new National permit system introduced by the Ministry of Transport and Highways, the registered owner of National permit goods carriages has to remit ₹15,000/- to get an authorisation for plying his vehicle throughout India for one year. The amount shall be remitted through an SBI account opened for the purpose. The payment details shall be updated in the web portal vahan.nic by the bank authorities and authorisation shall be got printed and handed over to the vehicle owner by the concerned RTO by accessing the website. For logging into the website, user ID and password were given to each RTO. The RTOs were unable to extract the list of vehicles authorized by him to ply under new permit system as such a feature was not provided in the website.

Non-introduction of smart card.

The driving license and registration certificate should be printed in the form of smart card as per rule 16(2) and (3) of Central Motor Vehicle Rules, 1989. Smart card should have also the facility to record the offences committed and penalties imposed on the license holder in addition to the data made compulsory by MV Act. Smart card has not been introduced in Kerala till date. The Department replied that tenders have been invited to identify the service provider for introducing smart card.

Defective/non-functioning of modules in SMART MOVE

The following problems were brought to the notice of audit by the field office staff in the working of various modules in SMART MOVE;

i. Closing balance of a preceding quarter in the DCB statement does not tally with the opening balance of the succeeding quarter.

ii. Refund of fee deposited for fancy registration number reservation to the unsuccessful bidder through SMART MOVE was not possible.

iii. When the class of vehicle is altered as non transport, the validity of the changed status is not shown in the Registration Certificate (RC) printout.

iv. In case of issue of license to driving school, heavy goods and passenger vehicle class cannot be added to the license.

v. The change of address in RC/RC cancellation cannot be issued in SMART MOVE 6.0.4.

vi. RMA (Registration Mark Assignment) action/issue-verify window was not active in SMART MOVE 6.0.4.

vii. Printing of RCs and Driving Licenses (DL) through new version in SMART MOVE 6.0.4 was not possible.

viii. To overcome the constraints faced in SMART MOVE 6.0.4, the old version SMART MOVE 6.0.1 is also being used in field offices.

ix. Stock of DL cards, RC forms, Fees receipts, tax tokens cannot be entered and issued through SMART MOVE.

x. Full particulars of vehicle details or driving license details relating to other offices cannot be downloaded from the Department website.

The Department admitted the problems mentioned in item (i) and (ii) as flaws in the software. But in respect of items (iii) to (x) they replied that these could be sorted either by the service provider or by the staff in the Smart Support.

Group (SSG) which was formed at the Transport Commissionerate to take up the issues related with the IT System.

Non-updation of master table

A master table called "Vehmast" was created in the database containing particulars of all models of vehicles available in the Indian markets. Particulars of the latest models of vehicles could be incorporated in this table only at the office of the Transport Commissioner and patches containing the modification have to be sent to all the RTOs to update their database. We noticed that details of all the latest model vehicles were not incorporated in the master table "Vehmast" which necessitated vehicle details to be keyed in to the system by the counter clerks of the field offices. We are of the view that non-updation of "Vehmast" table and allowing field offices to capture details defeats the data validation controls and could result in wrong/partial entries of vehicle particulars which would in turn result in short/excess levy of tax. For example, tax in respect of motorcars, goods carriages and stage carriages are

calculated based on the cubic capacity unladen weight, gross vehicle weight and number of seats in the vehicle respectively. The Department replied that the "Vehmast" table was made up-to-date. We verified the table again but found that it was not updated.

Incomplete legacy data

We found that transmission of legacy data relating to the period before computerisation, to the database was not completed in most of the field offices (except RTO, Wayanad, SRTO, Kayamkulam, SRTO, Ponnani) and the verification of the data already entered was also not done.

No Provision for generating reports

It was found that statements of collection of fees, tax, cess, service charge, compounding fee etc. for a quarter or year, report of number of driving license issued/renewed, permits issued/renewed, vehicles fined etc. for a quarter/year which are required to be sent to DTC, TC are still prepared manually in all offices since the system has no report generation facility.

Failure of business continuity planning

Business continuity planning is essential to ensure that the organisation can minimise disruption to business and resume processing in the event of natural disaster or other untoward incident. Regular back-up of data is important to achieve business continuity planning. According to the back-up policy evolved and circulated by the Department, differential back-up is to be taken on a daily basis and full back-up on weekly basis and sent to the Transport Commissioner. Back-ups were also to be stored in the main server, back-up server and another computer.

The main server in the SRTO, Perumbavoor was down on 3 December 2010 in the morning before the commencement of the office work. The Department could not resume the functioning of the office till 6 December 2010 as the attempt to restart the work by making use of the back-up server failed. The back-up server could be operationalised only on 6 December 2010 after restoring the data available in the back-up CDs containing data upto 2 September 2010. As a result the data related to the period from 3 September 2010 to 2 December 2010 was lost. Although some portion of the lost data was restored from the server in the State Data Centre, the Department did not restore complete data even after a lapse of six months. In SRTO Adoor, full backup to the tape cannot be taken due to error. The last full back-up

was taken on 2 February 2011. In RTO Wayanad, the office could not function on 16 August 2010 due to server problems. The Transport Commissioner neither replied to the above observations nor fixed responsibility on the respective field officers for the lapses.

We had suggested in the Audit report 2009-2010 (Revenue Receipts, Chapter-V- Taxes on Vehicles, Para 5. 8. 12 6), the necessity of a single server system to be maintained at the Transport Commissionerate to transmit data from all RTO/SRTOs so as to act as a back-up. Had this been implemented the loss of data could have been avoided.

Change control procedures

Change management is a key IT control used to regulate system changes. It reduces the possibility of unauthorised changes to the system without forethought and ensures proper documentation of system changes. We noticed that at least ten versions of application software SMART MOVE and about 40 patches were released by NIC from September 2006 depending on the needs of the Department and changes in the taxation rules. The non maintenance of proper documentations for system changes was commented in the report for the year 2009-2010. The latest version of SMART MOVE 6.0.4 was introduced in 2010-2011. For this version also the Department had not maintained documentation. The Transport Commissioner stated that proper documentation was made for modifications in the software and each modification was introduced only after testing and field trial. However copies of such documentation were not produced to Audit for verification.

Post implementation review (PIR)

A post implementation review (from a project management perspective) evaluates how the project was run and whether or not the goals have been accomplished. The post implementation review results in the PIR report, which is essentially the lessons learned document. A PIR would bring to light the area of weaknesses, deficiencies, flaws, drawbacks, etc based on which the management could take measures to improve the system so that the goals are achieved with limited resources. We observed that no such review was conducted.

Paragraphs 5.6.21 to 5.6.29 contained in the report of Comptroller and Auditor General of India for the year ended March31, 2011.

Notes received from government on the above audit paragraphs are included as Appendix- II.

19. To a query, the witness, the Transport Commissioner replied that tax for National Permit Vehicles were collected centrally through online and the amount was transferred to respective state account but the basic tax calculation was done differently in different states. At present due to connectivity problem the tax remittance details of the vehicles couldn't be checked online at check post instead it was checked manually by verifying data entered in the computer at the check post.

20. To another query, the Transport Commissioner replied that normally vehicles were allowed to pass through check posts after producing tax receipts. Due to connectivity problem data containing permit fee and tax paid receipts were not timely uploaded to the computers at check posts. Eventhough the department had requested NIC HQ to make provision for access of check post officials for verification purpose, they had not done it so far.

21. Regarding query, the witness, the Transport Commissioner deposed that many states had adopted the technology using Nano Chip to issue license and RC book as smart card. To introduce this system in our state, the department had invited tender twice. But the process was delayed due to stay from High Court. The High Power Committee discussed this issue and came to the conclusion that as C-dit was included in the High Power Committee there was no need of inviting tender and C-dit agreed with the proposal. The Committee accepted the explanation.

22. The Senior Audit Officer brought the attention on the objection that the closing balance of a preceding quarter in the DCB statement did not tally with the opening balance of succeeding quarter. The Transport Commissioner informed that the problem arose as fees and fine paid in sub RTOs were not automatically updated at RTO level but now the problem was rectified. The Committee suggested that the department should submit the details to the Accountant General.

23. Regarding the query, the Transport Commissioner replied that it was difficult to check the details of 94 lakh vehicles already registered in Kerala and therefore correction could be done when vehicles were brought for any service. As the Legacy data recorded by Kudumbasree workers were erroneous it could be updated only in the presence of vehicle owners. Updation process has been going on and nearing completion.

24. The Committee enquired whether the reports required to be sent to DTC, TC was prepared electronically, the Transport Commissioner replied that report generating facility was included in the software. As the clerical staff were not adequately trained, proposal was

putforth before C-dit and NIC for giving training for electronic report generation. The Senior Audit Officer commented that even though the computrerisation in the department was almost completed before five years still the department was not capable to work without the assistance of NIC.

25. When the Committee commented on the inefficiency of the department the Transport Commissioner pointed out that it was due to over load of work. Then the Committee commented that department should take steps to ameliorate its performance in tune with the change in technology and it should be well equipped to cope with the increasing vehicle population in the State. The present staff strength in the department was fixed to perform works manually. Taking into account of the growing vehicle population in Kerala the Committee decided to recommend that adequate posts should be created in the department.

26. The Witness, the Transport Commissioner informed the Committee that the enforcement officers of the department were facing many life threatening situations during their duty and they are not permitted to use arms. The Transport Commissioner added that it would not be difficult for those officers to handle arms as they were recruited after police department training and they need only a special training to use the arms. The Committee decided to recommend that enforcement officers of Motor Vehicle Department should be equipped with necessary arms for their safety.

Conclusion/Recommendation

27. The Committee realised that the department had submitted incorrect DCB statement. It directs the department to rectify errors occurred in the statement and to submit the same to the Accountant General without delay.

28. The Committee comments that even though the computerisation in the department was completed before five years, the department was not capable to function properly using modern technologies. The committee understands that the inefficiency of the department is mainly due to the inadequate staff strength. Taking into account of the growing vehicle population and technological changes, the present staff strength in the department are scarce to satisfy the required workforce. The Committee strongly recommends that the department should take necessary steps to create required additional posts in the Motor Vehicles Department.

29. The Committee understands that the enforcement officers of the department are facing many life threatening situations during their duty. The committee recommends that the enforcement officers of the MV Department should be equipped with necessary arms for their safety and special training to use the arms.

Thiruvananthapuram,
22nd August, 2017.

V. D. SATHEESAN,
Chairman,
Public Accounts Committee.

APPENDIX I

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Para. No.	Department	Conclusion/Recommendation
1	2	3	4
1	2	Transport	The Committee astonished at the fact that though the officials agreed to submit a report before the Committee on levy and collection of tax and fee within three months after conducting an adalath to settle the pending short levy collection, the same was not yet complied with. The Committee expresses its strong displeasure over the negligence from the part of the department and opined that this would make a hurdle to the Committee for decision making. Therefore the Committee recommends that the government should ensure necessary steps to avoid such serious lapse in future. The Committee also directs the department to submit a detailed report on the measures adopted by government for settling the pending short levy cases and the current status of levy and collection of tax and fee at the earliest.
2	7	Transport	While commenting on the audit objection regarding Computerisation, the Committee observed that the collection of revenue was not properly carried out by the department and hoped that problems regarding tax collection could be solved to an extent through computerisation. The Committee understands the need of an independent IT wing with technical experts for hastening the modernisation of the department. Therefore the Committee recommends that the department should take effective steps to establish an independent and dedicated IT wing..
3	16	Transport	The Committee finds that due to lack of interconnection in Motor Vehicles department it was not possible to verify datas of different offices. Hence the Committee directed the department to take up the matter with the Commercial Taxes Department for getting assistance from their part to establish total network connectivity through KSWAN between all the offices of the department.

1326/2017.

1	2	3	4
4	17	Transport	The Committee understands that the department had an annual maintenance contract with C-Dit for power supply. But connectivity problem always arises due to interruption in power supply. RT offices couldn't function properly due to lack of sufficient power supply. Therefore the Committee directs the department to initiate legal proceedings against C-dit if they fail to provide arrangements for ensuring uninterrupted power supply.
5	27	Transport	The Committee realised that the department had submitted incorrect DCB statement. It directs the department to rectify errors occurred in the statement and to submit the same to the Accountant General without delay.
6	28	Transport	The Committee comments that even though the computerisation in the department was completed before five years, the department was not capable to function properly using modern technologies. The committee understands that the inefficiency of the department is mainly due to the inadequate staff strength. Taking into account of the growing vehicle population and technological changes, the present staff strength in the department are scarce to satisfy the required workforce. The Committee strongly recommends that the department should take necessary steps to create required additional posts in the Motor Vehicles Department.
7	29	Transport	The Committee understands that the enforcement officers of the department are facing many life threatening situations during their duty. The committee recommends that the enforcement officers of the MV department should be equipped with necessary arms for their safety and special training to use the arms.

APPENDIX II

NOTES FURNISHED BY GOVERNMENT

ACTION TAKEN REPORT ON AUDIT REPORT OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA FOR YEAR ENDED 31.03.2011 (REVENUE RECEIPTS)

I

    (a) Motor Vehicles Department

    (b) No guidelines / specific actions or documentation for the customization of VAHAN and SARATHI

    (c) 5.6.12

    (d) Report (RR) DP 4094/2011-12 dated 15.09.2011.

II

    (a) 10.10.2011

    (b) –

III **Gist of Paragraph Review**

    NIC Kerala Unit developed SMART MOVE for Motor Vehicles Department by making modification in the core software VAHAN and SARATHI supplied by NIC Kerala Unit. The MOU signed between the Government of Kerala and NIC Kerala Unit received thorough examination of the desired modifications a team of officials from NIC and Motor Vehicles Department and approved of agreed changes / modifications by Transport Commissioner and Principal Secretary to Government. We however noticed that no documentation was maintained of the changes incorporated.

IV

    (a) Yes

    (b) No

V

(a) Yes

(b) No

VI. **Remedial Measures Taken**

    NIC Karnataka Unit has supplied the core software to the MVD Kerala for the use of MVD Kerala after customisation and development of additional modules, if any, required. As such the team constituted with the members of MVD and NIC has studied the software Vahan and Sarathy and found the need of the customisation for the incorporation of Kerala Motor Vehicles Rules 1989 and the Kerala Motor Vehicles Taxation Act and Rules 1976. Regular weekly meetings had been conducted in the chambers of Principal Secretary to the Government(Transport) and the Transport Commissioner in 2001-2002 and the requirements for customisation were finalised and approved and also reviewed the progress of development/customisation . Thereby the team could implement the new software on 23/05/2002 in Regional transport Office, Thiruvananthapuram in an inaugural function by the Hon. Minister for Transport, Kerala.

The change requirements were done as per the User Active Document prepared and approved by the Department. Following are the basic documentations for the SMART MOVE.

(1). MV ACT & Rules, KMV Rules and KMVT ACT& Rules are the basic documents for the Smart Move.

(2). User Activity Document had been prepared which was the Master- Plan for the software development.

(3). Letter No M2/877/TC/2001 dated 17/01/2001of this office clearly mentioned that the approval of user active document for the requirement of new software.

(4). Report submitted to Hon. Minister of Transport, Kerala by The State Informatics Officer, NIC on 13/05/2002 stating the requirement and details of customization.

(5). It is evident from Letter No A-60015/5/2002-Adm dated 11/07/2003 of Govt. of India that they did not standardised Vahan & Sarathi as standard application. Before that we had introduced the SMART MOVE software.

(6).The User manual for the Vahan Sarathy from the Karnataka Unit.

(7).Source code documentation which goes along with the source codes and available with the project source code.

(8). Proper user manuals also were printed and distributed to all offices.

It is true that the source code is not kept as a printed record. The soft copy of source code of the SMART - MOVE, customised version of Vahan Sarathy Software is available in the server installed at the development centre in the Transport Commissionerate.

In these circumstances further action in this paragraph may be dropped.

I

    (a) Motor Vehicles Department

    (b) Deficiency in interconnectivity

    (c) 5.6.13

    (d) Report (RR) DP 4094/2011-12 dated 15.09.2011

II

    (a) 10.10.2011

    (b) -

III **Gist of Paragraph / Review**

All offices except check posts were connected to State Data Centre either through KSWAN or through BSNL leased line. Department may consider interconnecting check posts to strengthen their effectiveness.

IV

    (a) Yes

    (b) No

V

    (a) Yes

    (b) No

VI Remedial Action Taken

It is accepted that the check posts are not connected to the Departments intranet using either by KSWAN or by BSNL Leased Line. All the check posts are located at the border of the state and most of them are in very remote areas. Connectivity with BSNL leased line requires huge recurring expenses. Hence the department is trying to get connectivity of KSWAN from Kerala state IT Mission and is expected that the KSITM will provide the connection within a year. Intensive action has been initiated by department for the interlinking of All Check Posts with the other offices in the department. However some of the check posts have been connected with BSNL broad band. A facility has been provided to them to retrieve the data by giving a read only access to the central server. Besides the Check Post Officials can get the details of the vehicle through SMS or internet.

I

    (a) Motor Vehicles Department

    (b) Creation of multiple records for vehicles and licences resulted in redundancy of data which adversely offered the reliability of information.

    (c) 5.6.14

    (d) Report (RR)/DP 4094/2011-12 dated 15.09.2011.

II

    (a) 10.10.2011

    (b) -

III Gist of Paragraph / Review

There is instance of details of vehicle / licence etc stored in more than one office. Even though NIC maintained a server at Poonkulam for State Register, data from State Register was not made available to the Website. Department could not explain the process of data transmission from the State Consolidated Register to State Register and from State Register to National Register.

IV

    (a) Yes

    (b) No

V

    (a) Yes

    (b) No

VI **Remedial Action Taken**

SMART MOVE (Customised Vahan-Sarathy) is developed in Microsoft's Visual Basic and SQL-server as a Client Server Model. Data is primarily stored in the Local server of each office. A Driving Licence number or a Vehicle Registration Number is unique for that office. But due to the transfer, change of address, issue of permits, Certificate of fitness this may be again available in other office or offices as observed by the audit. On replication to the central server all the records will be stored in the single database which creates multiple records for the same licence or same vehicle in the central server. But this can be easily differentiated with the 'Office Code' from which office it was replicated to the central database. The latest data is shown as current data and all others are shown in chronological order in history. However the back data captured prior to computerization using the backlog procedure could not ascertain actual date of transaction. When they come for services the data errors are being corrected. On seeing the incorrect data, the vehicle owners also approach the offices and get them corrected. The old records cannot be deleted from the database for ever because they are required as history of transactions.

It is also observed in this paragraph that the State Register data is not available in the website and the department could not explain the process of data transmission from State Consolidated Register to State Register and from State Register to National Register.

Data relating to all the driving licences and Vehicles in the primary storage servers (ie local servers of field offices) are replicated to central server from State Register. The state consolidated register for few offices is available in our State from 2005 onwards. Data from the consolidated register and some online applications (dealer Login) are available from 2005 onwards. In 2008 automatic data replication is started and data from all the offices are synchronized to the central server. In 2008-2010 we have started On-Line applications for most of the services using the data from this Central server.

On getting the National Formats and specifications for State Register of Driving Licenses and Vehicles, we have renamed our State Register as State Consolidated Register (SCR) and new State Registers as per Vahan Sarathy scheme are built. Data from State Consolidated Register is regularly updated to the new State Register (SR) in the National format. Data from the State Consolidated Register of all offices are available in the website from 2008 onwards. All the on-line services are designed and developed using the SCR. The data structure of State Register and National Register has been evolved after the development of all our modules. Therefore we have developed the State Register and National Register in the data formats given by the central team of NIC for the National Register. As the data from the State Consolidated Register and National Register are available in the respective websites, there is no

useful need for publishing the data directly from State Register in the website. However National Register is using State Register for getting the historical data and detailed data like photo etc.

The software developed by NIC, SMART-Sync which is of the concept of Web service technology. is used for the processes for the data transfer from local server to State Consolidated Register. Software named Smart Transfer, transfers the data from State Consolidated Register to State Register at Poonkulam.

The data of State Register is fetched by the National Register using the software developed by NIC Delhi using Oracle Data Integration (ODI) Technology. The process flow is attached herewith. (Annexure - A)

I

    (a) Motor Vehicles Department

    (b) Discrepancies in National Register

    (c) **5.6.15**

    (d) Report (RR)/DP 4094/2011-12 dated 15.09.2011

II

    (a) 10.10.2011

    (b) -

III. **Gist of Paragraph/ Review**

The ultimate objective of computerization was to create State and National Registers for vehicles and Licences. But certain discrepancies existed in the data in National Register.

IV.

    (a) Yes

    (b) No

V

    (a) Yes

    (b) No

VI. **Remedial Action Taken**

The National Register is maintained by the National Informatic Centre, Delhi. It was inaugurated in June 2011. The discrepancies pointed out by the audit will be taken up with NIC and errors will be rectified.

I

    (a) Motor Vehicles Department

    (b) Variations between the National Register and State Consolidated Register

    (c) **5.6.16**

    (d) Report (RR)/DP 4094/2011-12 dated 15.09.2011.

II

(a) 10.10.2011

(b) -

III Gist of Paragraph/ Review

A list of variations between National Register and State Consolidated Register has been pointed out by Comptroller and Auditor General of India.

IV

(a) Yes

(b) No

V

(a) Yes

(b) No

VI. Remedial Action Taken

In the user manual received from the Karnataka State Centre of NIC, along with the Vahan Sarathi software, the number formats of Driving Licence is shown as 'KA-04/DL/1688/2001-2002'. Here 'KA' is state code and 'DL' is document code and are static. Year is in Financial Year format. But our state had followed the License numbering in Calendar Year format. If we accept the financial year format, the old licence numbers issued prior to the computerisation cannot be managed properly and serious problems may occur. Hence we accepted the format given by the Karnataka State avoiding only the financial year concept from the last part. As such the format '02-5-2000' (02 - office code (for Kollam), 5- serial number of licences, and 2000 – year) was introduced. This format was introduced in 2002 in three offices. Same format has been introduced all over Kerala within 31/12/2006.

The format is simple to use in the software and also to use at field while preparing check reports.

But in the National Register they follow a different format, which was introduced after several years of successful computerisation in our State. We can easily concatenate the three fields in our numbering pattern to form to the National Format and upload the licence data in the National Register. This format seems to be very complex and difficult to use by public as well as officers especially in fields while preparing check reports. When the above licence number 'KL-02-5-2000', is re-written in the National Register format, it will be written as 'KL04 20000000005'. The number 'KL-12-4404-1974' will be written as 'KL12 19740004404'. These examples show the difficulty of readability of the numbers when compared to our format.

However Public can gather information from the National Register by giving the number in the National Register format only. Hence the matter will be taken up with NIC, HQ and request them to provide a facility to convert the Kerala based number into the National Register Format for querying purpose.

National Register envisage only limited information and the same is prescribed by central Government. Therefore provisions for certificate of fitness and tax remittance particulars are not included in the format at present. These details can be furnished as and when the Central Government desires.

Regarding the Insurance details, Insurance is issued for a period of one year and is issued by various insurance companies. But we accepts tax for fifteen years for new NTVs and the owners seldom visit MVD office for any other service relating to a Non-transport Vehicle within this fifteen year time. Since there is no methodology for regular updation of insurance data in the MVD server, the insurance data will not be reliable even if we made the provision unless there is an automatic updating provision from all the Insurance companies.

However, considering the suggestions of Audit, necessary provision has been made in the new version 7.0.2 for entering the Insurance details of all the vehicles registered in the State.

I

    (a) Motor Vehicles Department

    (b) Non-operation of online services

    (c) 5.6.17

    (d) Report (RR) DP 4094/2011-12 dated 15.09.2011

II

    (a) 10.10.2011

    (b) -

III **Gist of Paragraph / Review**

The Department provided e-application for 20 services through their Website www.kerala.mvd.gov.in hostel in 2008. That system is not working and the concept 'anywhere any service' could not be fulfilled.

IV

    (a) Yes

    (b) No

V

    (a) Yes

    (b) No

VI **Remedial Action Taken**

Department has been taking all efforts to utilize the latest Information Technology. But is a not humanly possible to introduce all the technology available at one go. Improvement is a gradual process. The finding of the audit that the e-application facility has been not introduced to the customer service is against the facts. One of major reason for public to approach middleman is to get the forms, filling

it up and to know the supporting document .In the e-application facility introduced by the department the form filling is done by the software when the registration number or licence number is entered.

E-Applications for 24 services have been introduced and five lakh and six lakh applications are received for vehicle and license related services respectively in each year of 2010 and 2011. Regarding the Fresh learners Licence, fresh driving licenses and fresh registration, Re-registration and Certificate of Fitness personal appearance of persons or production of vehicle is essential. Besides there is no way to verify the genuiness of the supporting document online. Hence a visit of the applicant even if he had submitted on line application is unavoidable. The online application presently intends to fill up application get the printout with data as per the Motor Vehicles Act and minimise the data entry in the office and the applicant can get speedy services. Department is trying to share data base of other departments who issues supportive documents like proof of address, date of birth ,address, insurance etc.

When e-payment facility is Introduced fully the e-applications can be more effectively utilised. Pilot implementation of E-payment facility has been successfully completed and the evaluation process of the same has been going on (testing of Treasury reconciliation software and internal audit process). The E-payment facility in all offices of Trivandrum District will be introduced soon and the State wide roll out will only possible after the strengthen of the present infrastructure,ie installation of additional server and improving connectivity solutions.

I

(a) Motor Vehicles Department

(b) Insufficient power supply

(c) 5.6.18

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011

II

(a) 10.10.2011

(b) -

III **Gist of Paragraph / Review**

In the presence of audit on 11ᵗʰ July 2011, the Regional Transport Office, Thiruvananthapuram could not function upto 1.00 P.M. due to power failure. No generator was installed due to lack of space. Joint Regional Transport Officer, Perumbavoor, Joint Regional Transport Officer, Chengannur and Joint Regional Transport Officer, Adoor also stated that the generators installed were not functioning properly. Also in almost all the field officers, the generator back up covers only 60% of

all systems available. In respect of other systems only UPS back up is available for about an hour.

IV

    (a) Yes

    (b) No

V

    (a) Yes

    (b) No

VI Remedial Action Taken

Allotment of space form KSRTC for the installation of generators is awaited At RTO Trivandrum, generator backup was planned only for limited number of machine just to avoid total disruption of the office work. The cost factor for purchasing the generator and maintenance also was a factor taken into consideration.

Maintenance of Generators and all other equipment has been entrusted with M/s C-DIT. Failure of equipment is normal and cannot be avoided.

I

    (a) Motor Vehicles Department

    (b) Security flaw In the software SMART MOVE

    (c) 5.6.19

    (d) Report (RR)/ DP 4094/2011-12 dated 15.09.2011

II

    (a) 10.10.2011

    (b)

III Gist of Paragraph / Review

Certain lapses in security of IT system were pointed out in the Audit Report of 2009-2010; the department introduced new security policy only in 35 offices and rectified the problem. In the remaining offices the flow was still continuing.

IV

    (a) Yes

    (b) No

V

    (a) Yes

    (b) No

VI Remedial Measures Taken

The problem pointed out by the Audit Team has been identified and remedial measures have been formulated. This new security policies being introduced in all offices.

I

(a) Motor Vehicles Department

(b) Ineffective Virus control

(c) **5.6.20**

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011.

II

(a) 10.10.2011

(b) –

III **Gist of Paragraph / Review**

The responsibility to installed and update the Symantec Anti Virus package was vested with the service ~~provider was to be ensured by the~~ head of office. The Transport Commissioner did not monitor the compliance.

IV

(a) Yes

(b) No

V

(a) Yes

(b) No

VI **Remedial Action Taken**

To monitor and update antivirus definition file department has procured a central server which is installed and maintained at Transport Commissionerate. Configuration of other office Is completed. The trial run of the same has been going on.

After the implementation of the same antivirus updation in respect of servers installed at sub offices can be done from central server.

I

(a) Motor Vehicles Department

(b) Introduction of new National Permit System

(c) **5.6.21**

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011

II

(a) 10.10.2011

(b) –

III **Gist of Paragraph / Review**

According to new National Permit system introduced by Ministers of Transport and Highways, the registered owner of National Permit, Goods Carriages has to remit Rs.15,000/- to get an authorization for plying his vehicle throughout India for one year. The amount shall be remitted through on SBI account opened for the purpose. The

payment details shall be updated in the web portal vahen.nic by bank authorities and authorization shall be get printed and handed over to vehicle owner by Regional Transport Officer by accessly the website. For logging on to the website user ID and password are given to each Regional Transport Officer. The Regional Transport Officer were unable to extract the list of vehicles authorized by him to ply under new permit system as such a feature was not provided in the website.

IV

    (a) Yes

    (b) No

V

    (a) Yes

    (b) No

VI Remedial Action Taken

The Govememient of India has introduced the new system for National Permit. The audit has observed that (i) there is no provision to extract list of vehicles authorised by individual offices in the new scheme. (ii) check post officials were unable to access for verifying the genuineness of the National Permit Authorisation.

    (i)   A list by selecting a particular day is available under the Report Menu.

    (ii)   The NIC HQ will be requested to make provisions for the access of check post officials for verifiacation purposes only.

I

    (a) Motor Vehicles Department

    (b) Introduction of Smart Card

    (c) **5.6.22**

    (d) Report (RR).DP 4094/2011-12 dated 15.09.2011

II

    (a) 10.10.2011

    (b) -

III Gist of Paragraph / Review

Smart Card for driving licence and registration certificate as per CMV Rule 1989 has not been introduced in Kerala till date.

IV

    (a) Yes

    (b) N.A.

V

    (a) Yes

    (b) N.A.

VI Remedial Action Taken

Rule 16(2) of Central Motor Vehicle Rules do not insist for issue of driving Licence in Smart Card. It envisages issue of smart card only if the licencing authority has the apparatus for the purpose. Tenders were invited on 29.06.2011 for implementation of smart cards. The last date for submission of bids was 15.09.2011. But the Honourable High Court of Kerala has issued two interim orders staying all process for implementation of the Smart Card Project for three months vide I.A. No.12281/2011 in W.P.(C) 31909/2007 filed by M/s. Leap Techno systems, Tirur and I.A.No.12608/2011 in W.P.(C) No.36231/2007 filed by M/s Zodiac.Com Solutions Private Limited, New Delhi.

Again, the Hon'ble High Court has cancelled the Government Order issued in 2007 cancelling the tender and ordered the Government to negotiate with the consortiums who were awarded the contract, both on technology and rate. Government have constituted a Technical Committee with the following composition to examine the technology and rate mentioned in the contract, for the compliance of the judgment of the Honourable High Court.

Secretary (Transport Department)	Chairman
Transport Commissioner	Convenor
Additional Chief Secretary (IT Department)	Member
Joint Transport Commissioner	Member
State Informatics Officer, NIC	Member
Director, Kerala State IT Mission	Member
Director, C- DAC	Member
Director, C - DIT	Member

Action is being taken to convene the above Committee.

I

(a) Motor Vehicles Department

(b) Defective / non functioning of modules in SMART MOVE

(c) 5.6.23

(d) Report (RR).DP 4094/2011-12 dated 15.09.2011

II

(a)10.10.2011

(b) -

III Gist of Paragraph / Review

Audit has pointed out certain defective / non functioning of modules like DCB, Fancy Number registration etc (total 10 numbers)

IV

   (a) Yes

   (b) No

V

   (a) Yes

   (b) No

VI **Remedial Action Taken**

i. <u>Incorrect DCB</u> – Some vehicles are available in several offices, stage carriage tax demand is in District Headquarters but tax can be paid at Sub R.T.Office. These procedures, introduced prior to computerisation, are still in existence. Therefore the demand for such vehicle raised in multiple offices but remittance is in only one office, which creates mistakes in the DCB statements. This can be permanently rectified only on the introduction of Web based software for a tax remittance is developed. The matter has been taken up with NIC and it is expected that the problems will be rectified shortly.

ii. It is observed that the refund of fee for unsuccessful bidder is not possible through SMART move. The SMART move is first introduced in 2002 and several thousands of refund bills had been generated through the SMART Move so far. If any error in a particular case is reported due to the introduction of New Reservation Rules, such problems are rectified in new version of SMART-MOVE.

iii. Registration validity not been printed in RC after alteration from TV to NTV. The matter is being examined and will be rectified.

iv. Heavy vehicles cannot be added to driving school licenses. The matter has been examined and rectified.

v. No error in the issuance of Change of address and RC cancellation is reported so far, as observed in the report. However any errors in any particular case reported will be rectified.

vi. No error is reported in RMA action window as observed in the Audit Report.

vii. Printing of Registration Certificates and Driving Licences was not possible in SMART MOVE 6.0.4. This error has been rectified in the new version 7.0.0. This version has been installed in all offices.

viii. Version control has been introduced in new versions of SMART MOVE.

ix. Development of Stock module is being analysed.

x. Essential details are allowed to download to another office. This is to avoid data redundancy.

Possibility of introducing more facilities cannot be taken as difficult especially due to the limited manpower for developing /modifying modules.

I

(a) Motor Vehicles Department

(b) Updation of Master Table

(c) 5.6.24

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011.

II

(a) 10.10.2011

(b) -

III Gist of Paragraph / Review

A master table called 'Venmast' was created in the database containing particulars of all models of vehicles available in Indian markets. The table is not upto date as per audit findings.

IV

(a) Yes

(b) No

V

(a) Yes

(b) No

VI Remedial Measures Taken

Maximum efforts are being taken to update the Master Table of vehicles upto date.

I

(a) Motor Vehicles Department

(b) Incomplete Legacy Data

(c) 5.6.25

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011

II

(a) 10.10.2011

(b) -

III Gist of Paragraph / Review

It is found that transmission of legacy data relating to the period before computerization, to the database was not completed in most of the field officers (except RTO, Wayanad, SRTO, Kayamkulam, SRTO, Ponnani) and the verification of the data already entered was also not done.

IV

    (a) Yes

    (b) No

V

    (a)Yes

    No

VI **Remedial Action Taken**

    All the field offices were directed to complete the legacy data before 31/12/2012 and as such special efforts are being made by Kudumbasree units. Only a few are remaining. This will be updated as and when they appear for a service.

I

(a) Motor Vehicles Department

(b) No provision for generating reports

(c) **5.6.26**

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011

II

    (a) 10.10.2011

    (b)-

III **Gist of Paragraph / Review**

    There are no provision for generating reports of fee, tax etc collected for a quarter, or year etc are still prepared manually in all offices since the system has no report generation facility.

IV

    (a)Yes

    (b) No

V

    Yes

    No

VI **Remedial Action Taken**

    Several provisions are available in the SMART MOVE for generating reports locally. Similarly provisions have been incorporated in the MVD website for generating reports. The collection reports are developed in such a way that the collection details between any two days can be generated. Licence details, vehicle details, learners license details, learners pass/ fail statistics etc are available in the MVD website for MVD employee login. Any other specific reports are necessary, it can also be developed when requirement arise.

1326/2017.

I

(a) Motor Vehicles Department

(b) Failure of business continuity planning

(c) **5.6.27**

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011

II

(a) 10.10.2011

(b) -

III **Gist of Paragraph / Review**

Audit suggests the necessity of a single server system to be maintained at Transport Commissionerate to transmit data from all Regional Transport Officers / Joint Regional Transport Officers so as to act as a back up. Earlier in some offices due to failure of server data was lost or work disturbed.

IV

    (a) Yes

    (b) N.A

V

    (a) Yes

    (b) N.A.

VI **Remedial Action Taken**

A back up policy has been made and is properly maintained. In Perumbavoor Sub R.T.Office an unfortunate event took place and the office could not resume functions immediately for want of database back-up. Later the entire data has been retrieved from the damaged hard disk. But at that time it was not possible to integrate this data to the running data base. However the retrieved database is kept as reference. This incident has to be treated as rare and unfortunate event. The department has taken all the steps against any data loss in future. Now the department is planning to switch over to centralised web based architecture to avoid multiplicity of data and to avoid such instances pointed out by the Audit team.

I

(a) Motor Vehicles Department

(b) Change Control Procedure

(c) **5.6.28**

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011

II

(a) 10.10.2011

(b) -

III. **Gist of Paragraph / Review**

Change management is a key IT control used to regulate system changes. It reduces the possibility of unauthorized changes to the system, without forethought ensures proper documentation of system changes. We noticed that at least ten versions of application software SMART MOVE and about 40 patches were released by NIC from September 2006 depending on the needs of the department and changes in taxation rules. Documents regarding changes are not maintained or copies of such documentation were not produced to audit for verification.

IV

    (a) Yes

    (b) N.A

V

    (a) Yes

    (b) N.A.

VI **Remedial Action Taken**

Changes are made only on approval from the headquarters. But sudden Rule Changes and requirement of immediate implementation compels the software development team to priorities development and implementation consequent to the change. Taxation changes, Fancy number Rule amendment etc. had to be developed and implemented in a time bound manner; and hence there has been some errors / inadequacy in software development process. This has to be taken with the Government with request to allow sufficient time for development and implementation of New Rules while fixing implementation date of a changed Rule.

It is true that the source code is not been kept as a printed record, The soft copy of source code of the SMART MOVE(customised version of Vahan - Sarathy) software is available in the server installed at the development centre in the Transport Commissionerate. The source code documentation can be verified at any time at the development centre in the Transport Commissionerate.

I

(a) Motor Vehicles Department

(b) Post Implementation Review (PIR)

(c) **5.6.29**

(d) Report (RR)/DP 4094/2011-12 dated 15.09.2011

II

(a) 10.10.2011

(b) -

III **Gist of Paragraph / Review**

Post implementation review was not conducted regarding the software from a project management perspective.

IV

    (a) Yes

    (b) N.A.

V

    (a) Yes

    (b) N.A.

VI **Remedial Action Taken**

Proper documentation etc can be done only with sufficient number of staff. All the offices of Motor Vehicles Department has been computerised. In addition to all the existing work, work relating to hardware purchasing and maintaining, work-study for software implementation, training, call management etc. has been added in the Transport Commissionerate. But staff strength has not been increased for the management of computerisation issues. A team with qualified IT professionals is essential for the proper Business Continuity Planning, Proper management of change control procedures and Post Implementation review.

However discussion is in progress with IMG to conduct a detailed evaluation of the fast project which will be finalised shortly.

Annexure- A
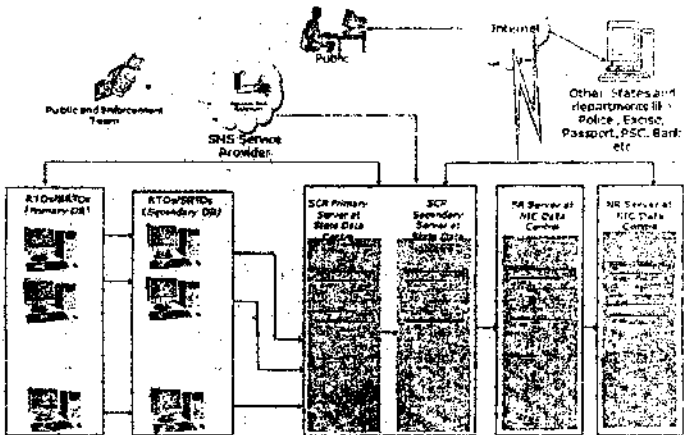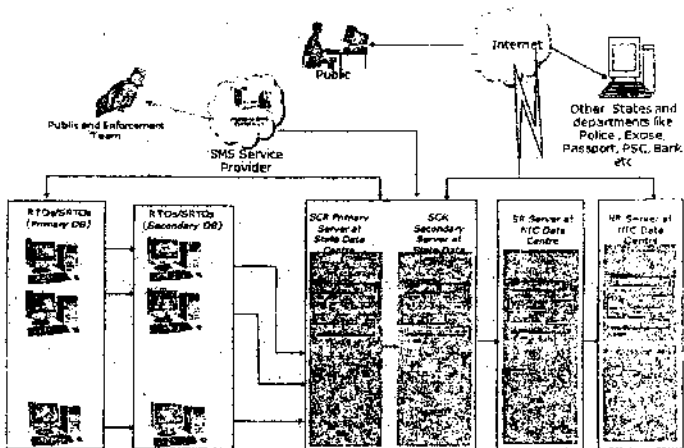
I
    a) Motor Vehicles Department
    b) Short Levy of one time tax
    c) 5.8.1
    d) Report (RR)/DP-3961/2011-12 dated 8-02-2011

II
    a) 14-02-2011
    b) 25-02-2011

III Gist of Paragraph/Review
It was noticed that the Registering Authority short levied one time tax in 258 cases during 2009-2010 due to difference in computing tax on purchase value of vehicles migrated from other States. This resulted in short levy of tax of ₹45.14 lakhs.
IV

    a) Yes

    b) N.A

V

    a) Yes

    b) N.A

VI Remedial Action Taken

Sl No.	Name of office	Short levy		Collected	
		No. of cases	Amount (₹)	No. of cases	Amount (₹)
1.	RTO ALAPPUZHA	8	104355	8	104355
2.	RTO ERNAKULAM	47	679711	39	287609
3.	RTO KOTTAYAM	15	255131	14	246551
4.	RTO KOZHIKODE	2	25758	2	25758
5.	RTO PATHANAMTHITTA	6	127772	4	123414
6.	RTO THIRUVANANTHAPURAM	3	90556	2	84996
7.	RTO THRISSSUR	7	132311	7	132311
8.	RTO WAYANAD	13	142488	9	106727

9.	SRTO ALUVA	2	14836	2	14480
10.	SRTO CHERTHALA	19	299904	17	278507
11.	SRTO IRINJALAKUDA	38	979109	12	250142
12.	SRTO GURUVAYUR	2	62510	2	62510
13.	SRTO KODUVALLY	3	52234	1	22033
14.	SRTO KOTHAMANGALAM	4	44110	4	44110
15.	SRTO MALLAPALLY	7	120152	7	120152
16.	SRTO MATTANCHERY	10	96371	10	96371
17.	SRTO NEYYATTINKARA	5	35543	5	41000
18.	SRTO PALA	22	424651	22	424651
19.	SRTO PERUMBAVUR	2	34339	1	12725
20.	SRTO KOYILANDY	2	25267	2	25267
21.	SRTO VAIKOM	7	127087	4	45044
22.	SRTO WADAKKANCHERY	3	56143	3	56143
23.	SRTO KANJIRAPALLY	21	406766	18	376185
24.	SRTO KAYAMKULAM	2	40662	2	44248
25.	SRTO KODUNGALLUR	1	9606	1	9610
	TOTAL			198	3034899

Short collection of ₹30,34,899/- has been made good.

No of cases(as in Account in/ General's annexure	Short levy of tax/fees(₹)	Details of collection till date (₹)		Details of pending collection till date	
		No of cases	Amount(₹)	No of cases	Amount(₹)
258	45,13,962	198	30,34,899	60	14,79,063

I

    a) Motor Vehicles Department

    b) Short collection of permit fee for Educational Institution Bus

    c) 5.8.2

    d) Report (RR)/DP-4033/2011-12/192 dated 16-05-2011

II

    a) 21-05-2011

    b) 08-06-2011

III Gist of Paragraph/Review

It was noticed that 32 RTOs/SRTOs issued Private Service Vehicle permits to 1417 EIBs at the rate of ₹500/- from June 2009 instead of issuing contract carriage permits from August 2008 onwards. The delay in implementation of the direction of Government pertaining to contract carriage permits for EIBs resulted in short levy of ₹32.78 lakhs. This continued even after June 2009 to 419 EIBs. This resulted in short levy of ₹9.65 lakhs.

IV

    a) Yes

    b) N.A

V

    a) Yes

    b) N.A

    c)

VI Remedial Action Taken.

Sl No.	Name of office	Short Levy		Collected	
		No.of cases	Amount (₹)	No.of cases	Amount (₹)
1.	RTO ATTINGAL	64	101000	64	101000

2.	RTO ERNAKULAM	305	739500	297	716400
3.	RTO MUVATTUPUZHA	59	138500	67	157500
4.	RTO PATHANAMTHITTA	68	156500	44	110000
5	RTO THIRUVANANTHAPURAM	44	95000	40	86000
6.	RTO THRISSUR	143	321000	110	249500
7.	RTO WAYANAD	59	130500	48	105000
8.	SRTO ADOOR	37	88500	37	90000
9.	SRTO ALUVA	66	167500	65	156000
10.	SRTO CHENGANNUR	25	61000	25	62000
11.	SRTO GURUVAYUR	67	152000	67	152000
12.	SRTO KAYAMKULAM	35	81500	33	76500
13	SRTO KAZHAKUTTOM	37	85500	37	85500
14.	SRTO KOTHAMANGALAM	69	160000	68	158000
15.	SRTO KOTTARAKARA	53	127500	53	127500
16.	SRTO KODUVALLY	54	132000	49	116000
17.	SRTO MALLAPALLY	20	44500	19	42000
18.	SRTO MANNARKAD	27	63500	27	63500
19.	SRTO MATTANCHERY	16	37500	16	37500
20.	SRTO MAVELIKARA	42	99500	39	93000

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21	SRTO NORTH PARUR	58	130000	57	127500
22.	SRTO PALA	63	132900	19	46000
23	SRTO PARASSALA	24	56500	21	52500
24.	SRTO PATTAMBI	25	57500	15	34500
25.	SRTO PERUMBAVUR	70	160000	62	142000
26.	SRTO THRIPUNITHURA	63	148500	55	129500
27.	SRTO VAIKOM	30	71500	30	71500
28.	SRTO WADAKANCHERY	30	71500	30	71500
29.	SRTO KANJIRAPALLY	44	106000	42	104500
30.	SRTO KODUNGALLUR	19	43000	18	41000
	TOTAL			1554	36,05,400

Short collection of ₹36,05,400/- has been collected

No.of cases(as in Accountant General's annexure	Short levy of tax/fees (₹)	Details of collection till date (₹)		Details of pending collection till date	
		No of cases	Amount(₹)	No of cases	Amount(₹)
1836	42,43,900	1554	36,05,400	282	6,38,500

I

    a) Motor Vehicles Department

    b) Non - Levy of Penalty

    c) 5.8.3

    d) Report (R.R)/DP-3967/2011-12/808 dated 14-02-2011

II

    a) 17-02-2011

    b) 25-02-2011

III Gist of Paragraph/Review

    It was noticed that fine was not collected in certain cases by enforcement Officials of the Department when they intercepted overload vehicles on road as drivers were not having sufficient money with them. In such cases a check report was sent to the RTOs / SRTOs concerned fine of ₹13.79 lakhs was not realized in 263 checkreports in 17 RTOs/JRTOs during 2009-2010.

IV

    a) Yes

    b) N.A

V

    a) Yes

    b) N.A

VI Remedial Action Taken

SI No.	Name of office	Short Levy		Collected	
		No.of cases	Amount (₹)	No.of cases	Amount (₹)
1.	RTO ERNAKULAM	18	106000	16	102000
2.	RTO KOTTAYAM	44	215000	15	72400
3.	RTO MUVATTUPUZHA	16	100000	9	51000
4.	RTO PATHANAMTHITTA	22	74000	3	14000
5.	RTO THRISSUR	34	177000	30	153000
6.	RTO WAYANAD	3	8000	1	2000

7.	SRTO CHANGANASSERY	30	95000	6	29500
8.	SRTO CHERTHALA	24	82000	24	82000
9.	SRTO GURUVAYUR	5	26000	5	26000
10.	SRTO IRINJALAKUDA	18	135000	4	29500
11	SRTC KOTHAMANGALAM	12	54000	12	54000
12.	SRTO MAVELIKKARA	4	41000	3	39000
13.	SRTO PALA	14	212000	11	36000
14.	SRTO PERUMBAVUR	14	32000	3	12100
15.	SRTO WADAKKANCHERY	2	8000	2	8000
16.	SRTO KODUNGALLUR	1	9000	1	9500
	TOTAL			145	720000

Short collection of ₹7,20,000/- has been collected

No.of cases(as in Accountant General's annexure	Short levy of tax/fees (₹)	Details of collection till date (₹)		Details of pending collection till date	
		No of cases	Amount(₹)	No of cases	Amount(₹)
263	13,79,000	145	7,20,000	118	659000

I

    a) Motor Vehicles Department

    b) Short Levy of one time tax on value on percentage basis

    c) 5.8.4

    d) Report (R.R)/DP-3966/2011-12/807 dated 14-02-2011

II

    a) 10-02-2011

    b) 10-02-2011

III <u>Gist of Paragraph/Review</u>

It was noticed that the purchase value of vehicles was entered in the computer manually. While capturing the data, the purchase value was entered wrongly without adding discount/sales tax, during 2009-2010. This resulted in short levy of tax ₹6.58 lakhs.

IV

    a) Yes

    b) N.A

V

    a) Yes

    b) N.A

VI <u>Remedial Action Taken</u>

Sl No.	Name of Office	Short Levy		Collected	
		No. of cases	Amount(₹)	No. of cases	Amount(₹)
1.	RTO ALAPPUZHA	6	4574	6	4574
2.	RTO ATTINGAL	24	33467	17	24445
3.	RTO ERNAKULAM	70	125865	60	112244
4.	RTO KOTTAYAM	15	9419	14	9038
5.	RTO KOZHIKODE	23	35333	16	18059
6.	RTO PATHANAMTHITTA	70	79598	58	70540
7.	RTO THIRUVANANTHAPURAM	10	38510	6	32340
8.	RTO WAYANAD	39	49582	20	11566
9.	SRTO ALUVA	54	14113	54	9410
10.	SRTO CHERTHALA	39	26660	39	26660
11.	SRTO GURUVAYUR	40	25447	37	25516
12.	SRTO KAYAMKULAM	22	33873	20	29683

13.	SRTO KAZHAKUTTOM	18	11567	18	11567
14.	SRTO KODUVALLY	29	21589	15	7039
15.	SRTO MALLAPALLY	15	8080	12	7900
16.	SRTO MATTANCHERY	13	4605	13	4605
17.	SRTO MAVELIKARA	19	19561	18	18361
18.	SRTO NORTH PARUR	22	11541	22	11541
19.	SRTO NEDUMANGAD	14	7469	11	5110
20.	SRTO PALA	26	16145	26	16231
21.	SRTO THRIPUNITHURA	15	13887	14	11320
22.	SRTO VAIKOM	30	21045	30	21045
23.	SRTO WADAKKANCHERY	5	3220	5	3220
24.	SRTO KANJIRAPALLY	12	8028	10	6139
	TOTAL			541	498153

Short collection of ₹4,98,153/- has been collected

No.of cases(os in Accountant General's annexure	Short levy of tax/fees (₹)	Details of collection till date (₹)		Details of pending collection till date	
		No of cases	Amount(₹)	No of cases	Amount(₹)
658	6,58,397	541	4,98,153	117	1,60,244

I

    a) Motor Vehicles Department

    b) Incorrect grant of moffusil permits.

    c) 5.8.5

    d) Report (R.R)/DP-3975/2011-12/843 dated 22-02-2011

II

    a) 24-02-2011

    b) 17-03-2011

III List of Paragraph/Review

It was noticed that while transferring the vehicles to the jurisdiction of 3 RTOs, moffussil permits were granted to seven vehicles after collecting tax based on the reduced seating capacity of the vehicles instead of collecting tax at the minimum seating capacity of the stage carriage proportionate to the wheel base prescribed. This resulted in short collection of tax of ₹3.26 lakh,

IV

    a) Yes

    b) N.A

V

    a) Yes

    b) N.A

    c)

VI Remedial Action Taken

Name of office	Amount Collected (₹)	Action Taken	Amount outstanding collection (₹)	Non collectable amount (₹) & Reason	Any lapse in initiating RR steps in MVD & Dist.Collectorate

RTO Ernakulam	111524	collected	0	KL-36-A-2770-Stage carriage- -is a super deluxe.As per the 3rd provision of Rule 269(1) of KMV Rules.such a minimum number of seating capacity shall not apply to luxury service and super deluxe service.Hence there is no irregular fixation of seating capacity and no loss of revenue occurred.Hence this para may be dropped	NA
RTO Kozhikode	49020	collected	0	KL 10 K 1440-Stage carriage-: Conducted enquiry through the Original Registering Authority, Malappuram and as per the report of Sri.K.Ragesh, Asst. Motor Vehicles Inspector, Malappuram, the wheel base of the vehicle is 310 cm and Seating capacity is 23 in all and it is as per Law. Necessary corrections made in the Back Log entry in the system. KL 09 K 1423- Stage carriage : The vehicle is included in the jurisdiction of Regional Transport Office, Malappuram and the class of vehicle is altered as Contract Carriage (EIB) on 22-05-2008. The Regional Transport Officer, Malappuram was addressed to clarify the wheel base of the vehicle. As per the report of Sri.Rejimon K.V, AMVI of Vazhikadavu check post, the wheel base of the vehicle is 502 cm with seating capacity 38 in all. On the basis of the report necessary correction is made in the Backlog entry in the system. Hence there is no short collection&the para may be DROPPED	NA
RTO VADAKARA	12000	collected	0	1. KL 13 N 3906 Notice sent to the registered owner directing fit 38 seats as per the wheel base and produce the vehicle for inspection. The registered owner remitted balance tax vide 18/19994/2011 dtd 29.07.2011 up to the period 31.03.2011.Revised tax endorsement endorsed 2. KL 18 3513 The Registration file of S/C KL 18 3513 was traced out and as per Form 21, wheel base of the vehicles is 4200 mm. As such the seating	NA

				capacity allotted is 33, is accordance with Rule 269 of KMV rules 1989. The backlog entry was wrongly entered as per the B-register in which wheel base was wrongly entered as 4700mm. The copy of Form 21 attached for kind perusal. Hence this Para may be dropped.	
TOTAL	172544				

₹ 1,59,000/- had already been collected

Present collection is ₹1,72,544/-

Total collection is ₹ 3,31,544/-

Collected 2 cases ,No short collection in the remaining 5 cases

No of cases(es in Accountant General's annexure	Short levy of tax/fees (₹)	Details of collection till date (₹)		Details of pending collection till date	
		No of cases	Amount(₹)	No of cases	Amount(₹)
7	3,26,100	2	1,72,544	0	0