

THIRTEENTH KERALA LEGISLATIVE ASSEMBLY

**COMMITTEE
ON
PUBLIC ACCOUNTS
(2014-2016)**

EIGHTY NINTH REPORT
(Presented on 30th June, 2015)



**SECRETARIAT OF THE KERALA LEGISLATURE
THIRUVANANTHAPURAM
2015**

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on

**Paragraphs relating to Transport Department contained in the
Report of the Comptroller and Auditor General of India
for the year ended 31st March, 2010 (RR)**

CONTENTS

	<i>Page</i>
Composition of the Committee ..	v
Introduction ..	vii
Report ..	1-43
Appendices : I. Summary of main Conclusion/Recommendation ..	44-46
II. Notes furnished by Government ..	47-94

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INTRODUCTION

I, the Chairman, Committee on Public Accounts, having been authorised by the Committee to present this Report on its behalf, present the Eighty Ninth 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 2010 (RR).

The Report of the Comptroller and Auditor General of India for the year ended 31st March 2010 (RR) was laid on the Table of the House on 28th June, 2011.

The Report was considered and finalised by the Committee at the meeting held on 3rd June, 2015.

The Committee place on record its appreciation of the assistance rendered to it by the Accountant General (Audit) in the examination of the Audit Report.

Thiruvananthapuram,
30th June, 2015.

DR. T. M. THOMAS ISAAC,
Chairman,
Committee on Public Accounts.

REPORT

TRANSPORT DEPARTMENT

TAXES ON VEHICLES

AUDIT PARAGRAPH

Tax Administration

Transport Department is under the control of 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 the taxes on motor vehicles during the years 2005-06 to 2009-10 along with the budget estimates during the same period is exhibited in the following table and graph:

(Rupees in crore)

Year	Budget estimates	Actual receipts	Variation excess(+)/shortfall(-)	Percentage of variation	Total tax receipts of the State	Percentage of actual receipts vis-à-vis total tax receipts
2005-06	771.02	628.51	(-)142.51	(-)18.48	9778.62	6.43
2006-07	730.00	707.74	(-)22.26	(-)3.05	11941.82	5.93
2007-08	835.08	853.17	(+)18.09	(+)2.17	13668.95	6.24
2008-09	1008.64	937.45	(-)71.19	(-)7.06	15990.18	5.86
2009-10	958.63	1131.10	(+)172.47	(+)18.00	17625.02	6.42

We noticed that except during 2005-06 and 2009-10 the variation between budget estimates and actual receipts was less than 10 per cent.

Analysis of arrears of revenue

The arrears of revenue as on 31st March, 2010 amounts to ₹ 684.46 crore of which ₹ 388.89 crore were outstanding for more than five years. The following table depicts the position of arrears of revenue during the period 2005-06 to 2009-10:

(Rupees in crore)

Year	Opening balance of arrears	Additions	Amount collected during the year	Closing balance of arrears	Trend of revenue
2005-06	388.89	91.07	10.07	469.89	628.51
2006-07	469.89	85.24	9.93	545.21	707.74
2007-08	545.21	87.70	10.07	622.84	853.17
2008-09	622.84	72.02	10.40	684.46	937.45
2009-10	684.46		Not available	Not available	Not available

The above table shows that the total collection during the period from 2005-06 to 2008-09 was only ₹ 40.47 crore as compared to the addition in the demand of ₹ 336.03 crore during the period. As compared to the accumulated arrears of ₹ 684.46 crore as on March 2009, the collection was only ₹ 40.47 crore during the four years.

We recommend the department to start a special drive to collect the mounting arrears.

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 2005-06 to 2009-10 along with the all India average percentage of expenditure on collection to gross collection for relevant years are mentioned below:

Year	Collection	Expenditure	Percentage of expenditure to gross collection	All India average percentage
	(Rupees in crore)			
2005-06	628.51	17.73	2.82	2.67
2006-07	707.74	21.61	3.05	2.47
2007-08	853.17	26.00	3.05	2.58
2008-09	937.45	30.05	3.21	2.93
2009-10	1131.10	33.96	3.00	Not available

We noticed that the expenditure on collection in respect of taxes on vehicles was higher than the all India average.

We recommend the Government to examine the reasons for such high costs of 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 ₹ 11.74 crore in 899 paragraphs. Of these, the Department/Government accepted audit observations involving ₹ 13.13 crore and had since recovered ₹ 1.21 crore. The details are shown in the following table:

(Rupees in lakh)

Year of Audit Report	Paragraphs included		Paragraphs accepted		Amount recovered	
	No.	Amount	No.	Amount	No.	Amount
2005-06	188	271.00	37	37.66	156	22.89
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
Total	899	1174.00	521	1312.97	347	121.07

We noticed that the Government failed to recover even the amount it has accepted.

We recommend that the Government may revamp the recovery mechanism to ensure that at least the amount involved in accepted cases are promptly recovered.

Working of Internal Audit Wing

Finance Officer attached to the office of the Transport Commissioner conducts annual audit of RTOs and the office of the Deputy TC conducts internal audit of Sub RTOs. The internal audit team at Commissioner's Office comprises one Accounts Officer, one Senior Superintendent and three Clerks and the team at each of four DTC zones in the State has a strength of one Senior Superintendent and one Clerk for internal audit of the respective zones. The periodicity of audit of all offices is once a year but the department could not achieve the target due to shortage of staff. Against the target of 66 units, 27 units have been audited during 2009-10. The department has not prepared a separate Internal Audit Manual. 868 paragraphs involving ₹ 86.31 lakh relating to 221 IRs remained outstanding at the end of March 2010.

We recommend that the IAW may be strengthened so that they are able to achieve their planned audit target. Besides, a mechanism needs to be installed for timely settlement of the audit observations raised by the IAW.

Results of Audit

We test-checked the records of 63 units relating to motor vehicles department. We detected under assessment of tax and other irregularities involving ₹ 371.49 crore in 453 cases which fall under the following categories:

(Rupees in crore)

Sl.No.	Categories	No. of cases	Amount
1	Levy and collection of Motor Vehicles Tax (A review)	1	362.37
2	Short/non-levy of tax	207	3.21
3	Incorrect classification	58	0.37
4	Irregular exemption	24	0.17
5	Other lapses	163	5.37
	Total	453	371.49

The department accepted under assessment and other deficiencies of ₹ 4.16 crore in 369 cases, of which 164 cases involving ₹ 2.26 crore were pointed out in audit during the year 2009-10 and the rest in earlier years. An amount of ₹ 1.13 crore was realised in 432 cases during the year 2009-10.

A review on '**Levy and collection of Motor Vehicles Tax**' with financial impact of ₹ 362.37 crore and a few illustrative audit observations involving ₹ 41.67 lakh are mentioned in the following paragraphs:

Audit Paragraphs 5.1-5.7. contained in the report of C & AG of India for the year ended 31 March, 2010 (RR).

Regarding the variation between the actual receipts and budget estimates the Committee was informed that due to the payment of one-time tax at the time of purchase of vehicles, the receipts could not be anticipated.

2. The Committee wanted to know the reason for accumulation of the motor vehicle tax arrears. The Joint Transport Commissioner, Transport Department submitted that from the very moment of registering, a vehicle is liable to tax and without clear-cut instruction vehicles could not be exempted from paying tax. Some vehicles would be taken to workshop for a long period for repairing or other reasons without filing g-Form and naturally arrears accumulated. He added that while implementing computerisation, backlog was cleared with the help of Kudumbasree units. At that time it was noticed that most of the vehicles included in the arrear list were motor cycles and since it could not be distinguished as transport and non-transport vehicle, all are included in the arrear list and now the mistake is being rectified.

3. The Committee criticised that the Transport Department could collect ₹ 10 crore as arrear against the collectable amount of ₹ 90 crore. The Committee wanted to know the details of the special drive taken by the Department as recommended in the Accountant General's Report. The Joint Transport Commissioner, Transport Department submitted that works related with the collection of arrears towards tax could not be done effectively due to inadequate staff strength and at present every Wednesday taxation works were being carried out.

4. The Committee enquired whether tax collection is proportionate to the increase in the number of motor vehicles registered. The Joint Transport Commissioner submitted that the target could not be achieved since the target was being fixed 48% more than that of previous year. To a query of the Committee, the Joint Transport Commissioner explained that arrears would increase recurringly, unless the arrears paid it would be accumulated over the years. The vehicles for which the g-Form was not submitted were entered in the DCB and these arrears would be accounted in the succeeding quarters also.

5. To a query of the Committee, the Secretary, Transport Department clarified that arrears were being collected, even though it was not proportionate. The witness, Joint Transport Commissioner supplemented that the dearth of staff

to depute for taxation works is the main reason for the deficient collection. For every 14000 vehicles one MVI is the proportion currently followed in our state and he was optimistic that had a taxation wing formulated in the department, the problem could have been resolved.

6. The Committee stressed the need for setting up an efficient enforcement wing for the better result in tax collection and decided to recommend the Transport Department to appoint sufficient staff in the enforcement wing and to restructure the staff pattern and offices.

7. The Committee directed the Department to submit the details of vehicles plying on road even after the submission of g-Form.

8. The Committee wanted to know the reason behind the non-recovery of arrears even in accepted cases. The Joint Transport Commissioner submitted that initiating RR proceedings would be the only option to resolve the issue. In many cases unauthorised sale without the notice of the Department would be done and thereby tax amount would be accumulated as arrear as per records. Recovery would be easier only if the vehicle could be traced out.

9. To a query of the Committee, the Joint Transport Commissioner submitted that with the completion of computerisation, whole procedures could be streamlined. Currently demand notice was being issued within three months of default and unless reply received, online instruction would be issued to the District Collector to initiate RR proceedings. The Committee opined that had the Transport Department acted timely, most of the objections raised by Audit could have been avoided. It urged the Transport Department to take necessary measures to realise the arrear no sooner than it is reported.

Conclusion/Recommendation

10. **The Committee observes that the tax collection is not proportionate to the increase in the number of motor vehicles registered. It emphasizes the necessity of formulating a taxation wing in the Transport Department and recommends to restructure the staff pattern and offices in such a way to strengthen the enforcement wing.**

11. It urges the Transport Department to furnish the details of vehicles plying on road even after submitting the g-form.

12. The Committee reprimands the officials of the department for their slothful attitude in realising arrears even in accepted cases. It opines that had the department acted upon timely and promptly most of the objection raised by Audit could have been avoided. It advises that Transport Department should take conscientious effort to realise the arrears without delay.

AUDIT PARAGRAPH

Levy and Collection of Motor Vehicles Tax

Highlights

- Automatic renewal of licences to drive non-transport vehicles at the time of renewal of badge had resulted in non-levy of renewal fee of ₹ 3.76 crore.
- Rent payable by the department to the KSRTC was adjusted against tax due from the KSRTC leading to diversion of funds of ₹ 41.54 lakh.
- The enforcement wing in the department is weak and was not able to collect ₹ 2.91 crore leviable from operators of transport vehicles plying without fitness certificates.
- The department failed to collect fee of ₹ 5.61 crore for exhibiting advertisements in transport vehicles.
- The computers and servers have neither bios password nor windows password.
- Resources like the Queue Management System, stock entry module, finger print biometric devices were not used/partially used.
- Revenue is understated by ₹ 36.34 crore due to non-inclusion of old arrears in the computerised DCB.
- Absence of a system to monitor collection of bank drafts and revalidation of time barred bank drafts led to revenue loss of ₹ 1.67 crore.
- Surcharge of ₹ 158.15 crore was not levied from the KSRTC.

- Additional tax of ₹ 186.62 crore was not levied for non-payment of tax.
- Non-compliance of Central Government direction in the case of educational institution buses resulted in short levy of ₹ 3.69 lakh.

Introduction

The functioning of the Motor Vehicles Department (MVD) and the levy and collection of tax and fee in the State are governed by the Motor Vehicles (MV) Act, 1988, the Central Motor Vehicles (CMV) Rules, 1989 and the Kerala Motor Vehicles Taxation (KMVT) Act, 1976. Major activities of the MVD include registration of motor vehicles, levy and collection of motor vehicle taxes, grant of driving licence and road permits and monitoring the transport system in the State. The main source of revenue in the department comprises tax/additional tax on the motor vehicles and fee for registration, grant of driving licences and issue of road permits etc., apart from fines and penalty for default.

The Motor vehicles Department which administers the provisions of the MV Acts and Rules in the State is one of the major revenue earning departments of the State. MVD had undertaken computerisation of all its major operations such as registration of vehicles, collection of road tax, issue of permits, driving licence, fitness certificates, conductor licence etc. Taxes on transport vehicles except motor cabs and auto-rickshaws are levied and collected quarterly and that of motor cabs and auto-rickshaws are levied and collected annually. One time tax for fifteen years is levied and collected in respect of newly registered non-transport vehicles (NTVs). In respect of NTVs more than 15 years old, tax is levied and collected biennially.

We conducted a review on 'Levy and collection of Motor Vehicles Tax' in the State of Kerala which revealed a number of system and compliance deficiencies as discussed in the succeeding paragraphs.

Organisational set-up

The Transport Commissioner is the head of the MVD. A Senior Deputy Transport Commissioner is the State Transport Authority.

The Transport Commissioner is assisted by the Deputy Transport Commissioners at the zonal level and under them there are Regional Transport Officers.

The organisational set-up is explained below:

- Eighteen Regional Transport Offices (RTOs) under the Regional Transport Officers, of which one RTO has State-wide jurisdiction exclusively for nationalised sector.
- Forty two Sub-Regional Transport Offices (SRTOs) under the Joint Regional Transport Officers.
- In addition there are seventeen motor vehicle border check posts headed by Motor Vehicle Inspectors.

Audit Objectives

We conducted the review to ascertain whether:

- the provisions of the MV Act 1988/KMVT Act 1976 and rules/orders made thereunder governing assessment, levy and collection of tax and fees are enforced effectively;
- an efficient and effective public service system was set-up in the department;
- implementation of computerisation was efficient and covered all functions of the department and adequate IT controls are in place; and
- effective internal control mechanism exists in the department.

Scope and Methodology of Audit

We conducted the audit during the period from February to May 2010 covering the period 2004-09. Apart from the office of the Transport Commissioner we collected data from 42 field offices spread all over Kerala. For selection of offices, 81 field offices were divided into four clusters; cluster I consisting of four DTC Offices, cluster II consisting of 18 RTOs, cluster III consisting of 42 SRTOs and cluster IV consisting of 17 motor vehicle check posts. One DTC (25 per cent) from cluster I, 13 RTOs (72 per cent) from cluster II, 13 SRTOs (31 per cent) from cluster III and 13 check posts (75 per cent) from cluster IV were selected by using Probability Proportional to Size Sampling Without Replacement (PPSWOR) method. In addition, RTO, Vadakara and

SRTO, Thalasserry were selected at the request of Transport Commissioner during the entry conference. Audit observations of similar nature, which we noticed during previous audits have also been incorporated in the review.

Acknowledgement

We acknowledge the co-operation extended by the MVD in providing necessary information and records for audit. We held an entry conference on 5th March, 2010 with the Secretary to Government and Transport Commissioner wherein the scope and methodologies of audit were explained. As suggested by the Transport Commissioner, examination of the implementation of the Citizen Charter was also included in the scope of audit. The draft review report was forwarded to the department on 8th June, 2010 with the request for their response. We held an exit conference on 13th July, 2010 to discuss the audit findings and recommendations with the Secretary to Government, Transport Department. The Government accepted most of our findings and recommendations and assured that steps will be taken to implement them. The specific replies received during the exit conference and at other times have been appropriately included under the respective paragraphs.

AUDIT FINDINGS

Trend of Revenue

The Budget estimates and actuals are as shown below:

(Rupees in crore)

Year	Budget Estimates	Actual Collection				Percentage of collection to budget estimates
		Tax	Fee	Other receipts	Total	
2004-05	620.00	507.07	95.79	7.62	610.48	98.46
2005-06	771.02	531.76	95.58	1.17	628.51	81.52
2006-07	730.00	579.83	120.44	7.47	707.74	96.95
2007-08	835.08	730.18	117.06	5.93	853.17	102.17
2008-09	1008.64	793.38	123.07	21.00	937.45	92.94

The Motor Vehicle Tax (MVT) collection in the State showed regular increase during the period 2004-09. The percentage of collection to budget estimates was above 90 during the last five years except in 2005-06.

Loss of revenue due to automatic renewal of licence to drive non-transport vehicles at the time of renewal of badge

According to Section 15 (1) and 15 (4), a driving licence shall be renewed only with effect from its date of expiry even if the application was made prior to its date of expiry.

A driving licence issued or renewed shall, in case of a licence to drive a transport vehicle (Badge) be effective for a period of three years and in case of any other licence, for a period of 20 years from the date of issue or renewal or until the licence holder attains the age of 50 years, whichever is earlier. After attaining the age of 50 years it shall be renewed for a period of five years. A fee of ₹ 250 is also prescribed in Rule 32 of the CMV Rules for renewal. The Transport Commissioner clarified* that separate validity shall be assigned to licences to drive transport vehicle and non-transport vehicle.

We observed from data in respect of renewal of driving licences in the system database in 26 RTOs/SRTOs† covered that at the time of renewal of driving licences to drive transport vehicle (Badge) the system automatically renewed the period of validity of the licences to drive non-transport vehicle also from the date of renewal of badge for a period up to 20 years or five years even beyond the period of validity of the badge issued irrespective of whether the licence holder had attained the age of fifty years, even in cases where the validity to drive the non-transport vehicle had not expired. In the instant cases all the renewals were effected as on the date of renewal of badge and not from the date of expiry of the non-transport licence. In certain cases automatic renewal had happened even beyond the age of 50 years, even though the validity of the badge issued was for the period less than the age of 50 years. We observed in 2347 cases non-transport driving licences were automatically renewed beyond the

* Circular Number 5/98 dated 21-2-1998.

† RTOs Alappuzha, Ernakulam, Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Thiruvananthapuram, Thrissur, Vadakara and SRTOs Aluva, Changanacherry, Chertala, Irinjalakuda, Kanjangad, Karunagapally, Neyyattinkara, Ottappalam, Quilandy, Thalassery, Taliparamba, Tirur and Tiruvalla.

age of 50 years. CMV Rules provide production of medical certificate for renewal of driving licence for persons who attained the age of 50 years. Automatic renewal of driving licence beyond 50 years without medical certificate may cause hazards to the general public. We had already mentioned about the automatic renewal of driving licence in the Report of the Comptroller and Auditor General of India for the year ending 31 March, 2009 (Revenue Receipts).

The erroneous renewal of non-transport driving licences beyond the validity of badge without an application and payment of prescribed fee of ₹ 250 in each case had given undue benefit of extended validity to licence holders in 150341 cases and resulted in loss of revenue of ₹ 3.76 crore.

Short remittance of Government receipts

Kerala Financial Code and Kerala Treasury Rules prescribe that money received by or on behalf of Government either as dues of Government or deposit, remittance or otherwise shall be remitted to treasury and brought into Government account without undue delay. There is no provision to meet any expenditure from the departmental receipts.

Sanction was accorded to occupy the second floor of the Transport Bhavan, Thiruvananthapuram owned by the KSRTC for the accommodation of the Transport Commissioner's Office at a monthly rent of ₹ 30,100. The rent for the above building payable by the TC to the KSRTC was adjusted from the motor vehicle tax due from KSRTC. There is no provision in the Act and Rule to meet any expenditure from the departmental receipts. We had already mentioned about irregular adjustment for the period from October 2006 to March 2008 in the Report of the Comptroller and Auditor General of India for the year ending 31 March, 2009 (Revenue Receipts) Vol. I. Short remittance of tax due to irregular adjustment from October 1997 to March 2009 worked out to ₹ 41.54 lakh.

Motor Vehicles Plying without fitness certificate

Section 56 of the MV Act prescribes the necessity of certificate of fitness for a transport vehicle plying on the road. The validity of the certificate prescribed for a new transport vehicle is two years from the date of registration and it shall be renewed each year. Further, MV Act stipulates that a transport vehicle shall not be

deemed to be validly registered unless it carries a certificate of fitness issued by the competent authority. Government of Kerala had prescribed* a minimum fine of ₹ 500 for two or three wheelers, ₹ 1000 for light motor vehicles, ₹ 2000 for medium vehicles and ₹ 3000 for heavy motor vehicles for violation of provisions of the Act. Besides, inspection fee at the rate of ₹ 200 for two or three wheelers, ₹ 300 for light motor vehicles, ₹ 400 for medium vehicles and ₹ 500 for heavy motor vehicles are collectible. Besides, KMV Rules provide levy of penalty for delay in obtaining fitness certificate at the rate of ₹ 100 in the case of two wheelers and auto-rickshaws, ₹ 150 in the case of motor cab and ₹ 200 for other transport vehicles for every calendar month and part thereof. Government authorised officers above the rank of Assistant Motor Vehicles Inspectors in the MVD to compound the offences punishable under various sections of the Act.

We observed that in 23 RTOs/SRTOs† certificates of fitness issued to 10319 transport vehicles of different categories had expired in March 2009. Tax in respect of these vehicles was accepted even after the expiry of the fitness certificate. There is no system in the department to ensure the fitness of the vehicle before accepting tax. The compounding fee, inspection fee and penalty for delay leviable on these vehicles works out to ₹ 2.91 crore. Permitting vehicles without fitness certificate to ply may imperil public safety. We recommend that the MVD must insist on production of certificate of fitness before accepting tax in respect of transport vehicles.

Enforcement System

The vehicle population of the State is increasing steeply year by year. Since the density of vehicle is far increasing, strict enforcement of traffic rules is essential for the security of the public considering the gravity of the situation. All executive officers in the MVD are acting as enforcement staff also. Further, the Police Department is assisting the MVD by booking traffic offenders.

* G.O. (P) 9/2002 dated 20-3-2002.

† RTOs Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Thiruvananthapuram, Thrissur, Vadakara and SRTOs Aluva, Chertala, Irinjalakuda, Kanjangad, Karunagappally, Neyyattinkara, Ottappalam, Quilandy, Thalassery, Taliparamba, Tirur, and Tiruvalla.

Even though the vehicle population had increased by 45 per cent during 2004-09, the strength of the enforcement wing has almost remained static throughout this period resulting in ineffective enforcement.

Monthly target for booking offences was fixed for RTOs at 20 cases per month and junior officers at 50 cases in March 2004 and the monetary limit for RTOs was ₹ 20000 and for junior officers was ₹ 50000. Even though the vehicle population had increased by 45 per cent, the monthly targets for booking offence fixed for enforcement staff in March 2004 have not been revised. We observed that the enforcement system was deficient as illustrated in the following paragraphs:

Delay in disposal of check reports

Enforcement staff of the MVD is empowered to conduct field check to detect offences committed by the vehicle owners/drivers and to compound such offences after collecting the fine prescribed by the Government.

We observed that 23216 check reports are pending out of 99022 cases booked in 25 offices* as on 31st March, 2009. Out of the pending check reports the nature of offence column in the database was left blank in 8363 cases. The compounding fee leviable in these cases could not be computed due to the absence of sufficient data in the database. The rest of the check reports relates to multiple offences like non-production of licence, insurance certificate, pollution under control certificate, driving without permit, over speeding etc. Check reports from 1979 onwards are still pending in the database. There is no provision in the Kerala Revenue Recovery Act to recover the compounding fees from the offenders.

Therefore in case of non-response to the charge memo within the specified period, prosecution action should be taken against the offenders. The MV Act provides compounding fee of ₹ 2,000 and an additional fine of ₹ 1,000 per ton of excess load for vehicles with overload. We observed that 610 check reports relating to overload were pending disposal in the database for which compounding fee collectible is ₹ 48.29 lakh.

In respect of the remaining 22606 pending check reports where offences were not specified, minimum compounding fee of ₹ 100 per pending check report is collectible which works out to ₹ 22.60 lakh. Total compounding fee collectible in 23216 cases worked out to ₹ 70.89 lakh.

* RTOs Alappuzha, Ernakulam, Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Thrissur, Vadakara and SRTOs Aluva, Changanassery, Chertala, Irinjalkuda, Kanjangad, Karunagappally, Ottappalam, Quilandy, Thalassery, Taliparamba, Thodupuzha, Tirur and Thiruvalla.

Vehicles plying with unauthorised exhibition of advertisements

The Kerala Motor Vehicles Rules, 1989 provides for prior approval of State or Regional Transport Authority for exhibiting advertisements in transport vehicles.

However, KSRTC exhibited advertisements in its stage carriages from 1st February, 2000 to 30th April, 2008 without the prior approval of State/Regional Transport Authority.

The Government had not exempted the KSRTC from payment of the advertisement fees. KSRTC had sold the right to exhibit advertisements on their buses to a private agency and according to the conditions of the agreement, the advertising agency was bound to pay the fees due to the Government. Even though the KSRTC buses with the advertisements are operated all over the State, the enforcement wing of the MVD had not booked any offence against the KSRTC. Failure to book this offence by the MVD resulted in non-levy of advertisement fee at the prescribed rate of ₹ 10 per 100 sq.cms. amounting to ₹ 5.61 crore for the period from 1st April, 2006 to 31st March, 2009 which was realisable from the advertising agency.

Rent a cab scheme

In exercise of the powers conferred by the MV Act, Government of India, Ministry of Shipping, Road Transport and Highways vide notification* introduced a scheme for regulating the business of rent a cab called 'Rent a cab Scheme, 1989'. According to the scheme, a person engaged in the business had to obtain a licence from the State Transport Authority (STA) after remitting the prescribed fee of ₹ 5,000.

As per the data collected from three† Central Excise Commissionerates, 128 agents conducted 'rent a cab' services and paid service tax during 2006-07, but none of these operators are registered with the State Transport Authority. The enforcement wing of the department failed to book any of the unauthorised operators.

* No. S.O.437(E) dated 12th June, 1989.

† Kochi, Kozhikode and Thiruvananthapuram.

Media reports

Media reports appearing frequently in various channels and newspapers highlight the violation of motor vehicle laws, but enforcement wing of the department has not been effectively intervening to check violation of the Traffic Laws.

The enforcement wing of the department may be strengthened to effectively plug the offences committed under the Motor Vehicle Laws.

Computerisation of MVD—General Controls

Fully Automated Services of the Transport Department (FAST) was initially set-up as a "FAST" pilot project at RTO, Thiruvananthapuram and Kochi, for providing end-to-end Government to citizen services. Department extended the coverage of computerisation to all the offices and check posts during 2006-08.

The customised application software Smart-Move was developed by National Informatics Centre (NIC), Kerala, based on 'Vahan' & 'Sarathi'. The comprehensive package is designed to automate all citizen-centric procedures and prevent the necessity to maintain manual records.

The MVD implemented Client-Server Computing in Two-tier Architecture on Microsoft SQL Server hosted on Windows Server 2003 in each RTOs/SRTOs. The client PCs are working on Windows XP. All computers in the department are protected with 'Symantec End Point Protection' to guard against virus infection.

IT Strategy and Policy

We noticed that the department has not evolved a long-term IT strategy that is aligned within the overall organisational strategy. The MVD has also not constituted a steering committee to guide the IT operations. IT policy on key areas of computerisation like system security, access controls, configuration management, business continuity planning, documentation, system testing and acceptance and service level agreement (SLA) have not been formulated as elaborated in the ensuing paragraphs.

Configuration Management

Effective configuration management ensures compatibility between various versions of software and hardware used in IT systems.

We noticed that the Smart-Move application developed by NIC was compatible only with windows XP as a result of which, 20 new computers bought for RTO Ernakulam in February 2009 with VISTA as operating system was not compatible with Smart-Move.

We recommend the MVD to introduce effective management procedures to resolve such compatibility issues.

Lack of documentation

Adequate documentation of IT systems is essential to ensure effective systems operations, change management and for training. We noticed that NIC, the software developer or MVD has not maintained any documentation of the six major changes to the application made between 1st January, 2007 and 1st April, 2010.

We recommend that the MVD should develop documentation for the software Smart-Move in a time bound manner.

Non-recovery of down-time charges as per SLA

The Fully Automated Services of the Transport Department (FAST) was a Build, Operate, Maintain and Transfer (BOMT) project awarded to Electronics Corporation of India Limited (ECIL) as the Service Provider in September 2005 for a period of three years from the date of commissioning (Go Live). Having created the infrastructure at all RTO/SRTO Offices, the project was declared 'Go Live' with effect from 1st January, 2007.

According to SLA, ECIL is expected to provide 97 per cent uptime of all terminal counters including printing facility and photo capturing. In case of default in this regard, the agreement provides for down-time charges. When the down-time provided exceeds the limit, ECIL is bound to pay down-time charges which shall be adjusted from the instalment payable to it.

We noticed that the MVD calculated down-time charges of ₹ 6.06 crore but did not adjust it from the payment due to ECIL as per the SLA.

Ineffective Access Control

Effective access control is necessary to ensure that only authorised users can access IT resources and that users could be held accountable for their activity in IT Systems. Implementing a system of user identification and password which is frequently changing are access control tools. We noticed that the computers and servers in the MVD had neither bios password nor windows password. There is no

physical access control preventing entry of persons into the server room as it is not kept locked. Thus any one has free access even to the server. Lack of user identification and password compromises the security of the System on the LAN and allows free access to users to valuable data stored in computers and server.

The departmental users of computers access the backend server through the Smart-Move application. For this purpose, each user has been allotted a user identification and password.

To make the security of the LAN computers more stringent, a biometric device is also used to log into the system. This was intended to provide fool-proof security.

However, we noticed that 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 in any of the following ways:

- If remote desktop is enabled on the server, every user being administrative user on the client computer can get direct access to the server.
- The server can be accessed from the local computer using the 'get external data option' of Excel. This facilitates import of all the tables into the client computer.
- Using SQL query option in MS Excel, the user can write SQL queries in the Query Window in Excel and modify data in the backend database.
- User can create programmes in the local computer either in Visual Basic script or any windows based programming language to access the backend server.

As providing unrestricted access to application database can seriously compromise the integrity of data, we recommend that the MVD should introduce effective access control immediately.

The MVD accepted (July 2010) the audit finding and replied that security will be put in place as suggested.

Business Continuity Planning

It is essential that every organisation that is heavily dependent on its information systems to carry on its activities, has business continuity plan (BCP) to enable the organisation to function. We observed that the MVD is backing up transaction logs every 10 minutes to a standby server and a differential back-up on everyday and a full database back-up every week which is commendable.

We noticed that the RTO Offices as well as the TC Offices are not presently interconnected. Thus the back-up of data taken on CDs are physically transferred to TC at present. Due to lack of interconnection, it is 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 MVD should seriously think of interconnection of RTO/SRTO and TC Office as well as migrating to a single server based IT Architecture in order to avoid redundancy and duplication of data existing at present as well as to provide improved services across the State. This would also enhance easy back-up of data at one location without the necessity of having to back-up the data of 60 offices.

Anti-virus features either not updated or configured properly

1610 copies of licensed anti-virus programmes protect the server and client computers of the MVD from various virus threats.

We found that the network protection had not been updated since November 2007. The personal firewall feature of Anti-virus programme 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 department had not imposed any penalty on the ECIL.

The department replied that updating of anti-virus definition files was entrusted with service provider.

Though updating was the responsibility of the service provider, the department did not ensure that the service provider was attending to the updating which resulted in server crash at RTO Office, Ernakulam for four days due to virus infection.

Poor Environmental Control

We observed that a number of unnecessary equipments such as monitors, switched mode power supplies and obsolete computers, software media and items not related to the operation of the server were stored in the server room within paper cartons. As poor environmental control may damage IT systems or precipitate fire accident, the MVD should instruct all offices to maintain a clean IT environment.

The MVD replied (July 2010) that the server room will be maintained properly.

Pre-commissioning tests not done and electrical wiring not conforming to standards

ECIL had to conduct pre-commissioning test on all hardware and infrastructure deployed at each office by a team of technical experts appointed by MVD as per the agreement. The department had declared the project 'Go Live' as on 1st January, 2007.

We noticed that in respect of electrical works, the MVD did not carry out necessary tests before declaring 'Go Live'. After commissioning, the evaluation work was entrusted to the PWD Engineers. We observed, based on the reports of the PWD Engineers, that serious defects like the generator connections without grounding, UPS connections without protective devices etc., existed in 16 Offices.

As defective electrical work may damage costly IT hardware and the data present in them, we recommend that the MVD may immediately rectify the defects.

Non-adherence to standardisation testing and quality certification

The Government of Kerala had issued directions to all departments implementing e-governance about initiatives to ensure efficiency, transparency and reliability of such services at affordable costs. Government Circular stated that the e-governance solutions should be assessed for quality before and after the deployment of such services. The standardisation had to be done by the Department of Information Technology. We observed that steps for carrying out the standardisation test have not been done so far.

NON-PARTIAL UTILISATION OF SYSTEM RESOURCES

QUEUE MANAGEMENT SYSTEM

Automatic Queue Management System (QMS) was intended to facilitate speedy and prompt disposal of the customers' requirements from the counter on first come first serve basis. QMS had to be implemented in 12 'A' category RTOs as part of agreement with ECIL. We observed that QMS had not been functional in any of the offices despite the existence of facilities in the Smart-Move application.

After we pointed out the deficiency, the department stated that implementation of QMS was impractical. The reply is not tenable as the system was successfully used in various organisations like Railways, Banks etc. Moreover the QMS has been set-up for use in the department as part of the agreement with ECIL. The department has not used the QMS service and hence cannot claim that the system is impractical.

Stock entry Module

The MVD was using high security holograms with special security features to emboss on RC books, permits, licences, etc., to make them tamper proof. Though Smart-Move application provides computerised accounting of pre-printed stationary like fee receipts, tax tokens, license cards and registration cards, no such provision is made for high security holograms which resulted in non-monitoring of stock inventory.

The MVD accepted (July 2010) audit findings and replied that stock entry module will be incorporated in Smart-Move application.

Non-use of biometric devices

1540 finger print biometric devices were purchased at a cost of ₹ 77 lakh for logging into the computers. At the Transport Commissionerate, 85 devices costing ₹ 4.25 lakh were kept idling for want of installation of its software. Elsewhere, the biometric devices are used only for logging to the Smart-Move application. If the MVD had installed the appropriate software for the biometric device, control of unauthorised access into the client computers on the LAN as well as access to the server through LAN would have enhanced IT Security.

The MVD replied (July 2010) that the finger print biometric device which was used to log into windows was found to be impractical. The reply is not tenable since the MVD is still using finger print biometric partly for logging into Smart-Move application.

Bar code scanners

Bar code scanners were intended to capture data from RC Book, licence, etc. This would enhance the data entry speed and eradicate data entry mistakes. 140 bar code scanners costing ₹ 14.01 lakh were supplied by the Service Provider, ECIL as part of the implementation of the FAST project agreement. These were never put to use in any of the offices due to lack of appropriate training in the use of the Bar code scanner and as well as due to the complex method of menus built in Smart-Move application which does not facilitate ease of use of the Bar code scanner. This resulted in infructuous expenditure.

The MVD replied (July 2010) that staff members have been given training in the use of bar code scanners.

Input controls

IT systems should have built in input control that ensures completeness, accuracy and validity of data entered into the System. We noticed that the three-tier user roles like data entry, verification and issue by staff on the basis of roles assigned to them are strictly followed which deserves appreciation.

Existence of duplicate chassis numbers

The chassis number is a unique identification number documented on the RC of a vehicle. An analysis of data stored in vehicle registration table shows that the chassis number is not unique. The presence of duplicate chassis numbers in the database is due to the fact that the chassis number column in the database was not set with a constraint of unique value. This shows lack of input validation check in the database. We found 11066 cases of duplicate chassis numbers in the Registration table of 12 Offices*.

* RTOs Ernakulam, Kannur, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Vadakara and SRTOs Irinjalakuda, Ottappalam, Quilandy, Thodupuzha and Tirur.

We recommend that the MVD should consider taking action to eliminate duplicates in such a vital field.

Absence of validation checks

The tax for transport buses and rickshaws are determined with respect to their seating capacity while the tax for other vehicles like goods vehicles are determined by their registered gross weight. When a user makes use of the menu provided in the user interface to select the type of vehicles, relevant information relating to that class of vehicle like seating capacity, unladen weight, gross vehicle weight, wheel-base, cubic capacity etc. would automatically become available in the interface. In cases where seats of vehicles are altered, data relating to seating capacity alone need to be manually inserted.

We noticed that all the above details are keyed into the system which could result in non-standardised data being captured into the system. Further non-existence of validity check on the number of seats may result in erroneous calculation of tax.

We recommend that the software should be modified to permit selection of details from menus and range checks on seating capacity may be introduced.

Absence of provision for capturing insurance details

No person shall use, except as a passenger, or cause or allow any other person to use, a motor vehicle in a public place, unless there is in force, in relation to the use of the vehicle, a policy of insurance complying with the requirements of Chapter XI of the MV Act.

A valid insurance certificate is required to be furnished alongwith an application for registration. Moreover, there should be a validation check in the system to ensure that every vehicle owner has taken an insurance to cover the third-party risk before registration.

We observed that there was no provision in the registration module to capture details of insurance cover and the MVD was not having information in respect of insurance coverage of the motor vehicles registered with them. We recommend that the MVD may redesign the database and the input forms to capture details of vehicle insurance at the time of registration.

OTHER IT CONTROL

Incorrect DCB Module

Demand, collection and balance register is an important record to watch the collection and arrears of tax on vehicles. We observed that DCB module in the software SMART-MOVE is not generating true information on arrears of tax in respect of transport vehicles for the following reasons:

- The opening balance at the beginning of each quarter does not tally with the closing balance of the DCB for the previous quarter.
- There is no provision in the software to exclude vehicles which do not come under the jurisdiction of the concerned office for the purpose of generating the DCB statement.

We recommend that a DCB module may be developed where the closing balance of the previous quarter appears as the opening balance of the current quarter and a provision may be installed in the software to exclude vehicles which do not come under the jurisdiction of the concerned office for the purpose of generating the DCB statement.

Arrears of revenue understated

From the date of computerisation, DCB is prepared using the DCB module in the software. We observed that the manual data was not included in the system generated DCB. As a result, arrears of revenue pending collection were understated. The amount of arrears understated in 21 RTOs/SRTOs* worked out to ₹ 36.34 crore.

INTERNAL CONTROL

Arrears in reconciliation of remittances

The Kerala Treasury Code Volume I and the Kerala Financial Code Volume I provide for periodical reconciliation of remittances into the treasury. In the MVD, reconciliation is to be done every month and the reconciled statement of remittances should reach the DTC/TC office before the 20th of the succeeding month.

* RTOs Alappuzha, Ernakulam, Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Thrissur and SRTOs Aluva, Changanassery, Chertala, Irinjalakuda, Kanjangad, Neyyattinkara, Ottappalam, Thalassery, Tirur and Tiruvalla.

We however, noticed that in 22 out of 61 offices from where information was received, the reconciliation was in arrears from one to 30 months.

Internal Audit

Effective internal audit is essential to independently evaluate the working of a department and to suggest ways and means to plug the leakage of revenue. In the Transport Commissionerate, the internal audit wing has been functioning with the staff strength of four officers (one senior superintendent and three clerks). The efficiency of the internal audit wing is very poor with regard to the audit plan as shown below:

Year	Units due for audit during the year	Pending units due for audit	Total units due for audit	Units audited during the year	Units remained unaudited	Shortfall in per cent
2004-05	23	..	23	3	20	86.96
2005-06	23	20	43	1	42	97.67
2006-07	23	42	65	2	63	96.92
2007-08	23	63	86	9	77	89.53
2008-09	23	77	100	2	98	98.00

We observed that no control registers to watch the issue of the inspection reports and the observations raised and settled was maintained by the MVD. The total number of inspection reports and audit observations pending for disposal was not available with the internal audit wing. We also observed that training was not imparted to the audit staff. Internal audit of few offices is pending from September 2001 onwards. The performance of the internal audit wing was not monitored by the higher authorities. The MVD had not taken any steps to strengthen the functioning of internal audit wing.

We recommend that the internal audit wing may be strengthened.

Delay in Services

According to the Citizens' charter issued by the Government of Kerala, time limit has been prescribed for 20 important services related to licences, registration and permits rendered to public by the RTOs. Service charge is also collected from the public for the promptness of the service to be rendered. A sum of ₹ 80.46 crore

has been collected during 2007-08 and 2008-09 from the public by the department as user charges. The time limit ranges from one to a maximum of 15 days for different services. Services like issue of learner's licence, conductor licence and temporary registration and fitness certificate is rendered on the same day itself. In respect of issue of permits, assignment of new registration numbers for vehicles migrated from other States, issue of duplicate registration certificate etc., we could not assess the delay involved because data related to date of production of additional documents is not captured into the system.

We noticed from an analysis of the data collected from 10 RTOs/SRTOs* between 1st April, 2007 and 31st March, 2009 that the time limit as specified in the charter was not adhered to by the MVD. The details are as follows:

Sl. No.	Particulars and time prescribed	No. of cases issued	Issued in time	Percentage of cases issued in time	Delay up to 1 month	Delay up to 6 months	Delay beyond one year
1	Issue of new registration certificate (3 days)	253427	93951	37.07	139513	19360	603
2	Driving License renewal (3 days)	192438	93372	48.52	90371	7959	736
3	Duplicate driving license (7 days)	19341	14553	75.24	3927	737	124
4	Driving license particulars (one day)	2786	2121	76.14	602	61	2

We recommend that the MVD may consider ways to render services to the public within the prescribed time.

Preparation of Departmental Manual

The Manual kept in use by the MVD was prepared in 1975 i.e. before the motor vehicle laws prevailing in the State came into effect. As all the operations in the department are executed through computerised system there is an urgent need to update the departmental manual.

* RTOs Ernakulam, Kannur, Malappuram, Muvattupuzha, Thrissur and Vadamakara and SRTOs Aluva, Irinjalakuda, Ottappalam and Quilandy.

MANAGEMENT OF DEMAND DRAFTS

Blockage/loss of revenue due to non-crediting of demand drafts into Government accounts

The tax due (composite fees) on the vehicles of other States permitted to ply in Kerala on the authority of national permits, corporate permits, short-term temporary permits etc. are received by the State Transport Authority, Kerala in the form of Demand Drafts (DDs) payable at the branches of the banks at Thiruvananthapuram.

We noticed abnormal delay in crediting the Demand Drafts to the Government account. The reason for the delay was either the demand drafts had become time-barred after receipt at the time of receipt in the office or due to delay in presenting demand drafts to the Treasury/Bank. The office was not ensuring that all the DDs sent to the bank were being credited to the Government account. The MVD had not evolved a fool proof system to monitor the collection of DDs and follow-up action in respect of time-barred DDs returned for revalidation.

₹ 1.67 crore was not credited for the years 2007-08 and 2008-09 as detailed below:

Year	No. of DDs received	Amount (₹ in crore)	No. of DDs remitted	Amount (₹ in crore)	No. of DDs pending	Amount (₹ in crore)
2007-08	61519	25.98	60195	25.31	1324	0.67
2008-09	63900	26.01	61922	25.01	1978	1.00
Total						1.67

The details of DDs relating to the years 2004-05 to 2006-07 were not produced to us.

We conducted a detailed analysis of the management of DDs for the year 2008-09 and we observed that out of 50815 DDs amounting to ₹ 21.25 crore received during the year, only 48414 DDs amounting to ₹ 20.11 crore could be

remitted to Government account and 2401 DDs amounting to ₹ 1.14 crore still remain to be credited to Government account (February 2010). The split up of the un-credited DDs is shown in the table:

DDs sent for revalidation and returned without revalidation and kept without further action		Time-barred DDs not sent for revalidation		Revalidated DDs kept without crediting to Government account		DDs kept in office without any action	
Number	Amount (₹ in lakh)	Number	Amount (₹ in lakh)	Number	Amount	Number	Amount (₹ in lakh)
571	26.78	41	1.78	7	3850	1782	85.13

Delay in crediting of DDs—Non-realisation of interest

Transport Commissioner had instructed* levy of interest at 12 per cent from the banks responsible for the delay in crediting the demand drafts. We observed that Vehicle tax collected in 20 offices† in respect of transport vehicles was remitted by DDs to State Bank of India/State Bank of Travancore for encashment and credit to Government account. We noticed delay ranging from five to 116 days in 3893 cases for transfer credit of the amounts to Government account. Though delay was noticed in transfer of credit of the amounts, no action was taken to realise the interest from the banks as directed in the circular.

Non-realisation of interest in 20 offices worked out to ₹ 46.23 lakh.

* Circular No. 8/98 dated 21st April, 1998.

† RTOs Alappuzha, Attingal, Ernakulam, Kollam, Kottayam, Malappuram, Muvattupuzha, Palakkad, Thrissur, Thiruvananthapuram and SRTOs Aluva, Irinjalakuda, Karunagappally, Kodungallur, Pala, Perumbavoor, Ponnani, Punalur, Tirur and Transport Commissionerate.

The MVD replied (July 2010) that the present system of management of DDs had now been dispensed with and a new online system followed.

SHORT/NON-COLLECTION OF TAX

Non-levy of surcharge

The KMVT Act, 1976 provides for levy of surcharge at the rate of 40 per cent on the tax leviable on stage carriages operated by fleet owners. The Kerala State Road Transport Corporation (KSRTC) is the only fleet owner in the State. We observed that no surcharge was levied for the stage carriages of the KSRTC on the total tax demand of ₹ 395.39 crore for the period from 2004-05 to 2008-09. Short levy of surcharge worked out to ₹ 158.15 crore.

Non-levy of additional tax for non-payment of tax

The KMVT Act prescribes levy of the additional tax when tax in respect of a motor vehicle is not paid within the prescribed time limit. According to Rule 5 of the KMVT Rules, time prescribed for remittance of tax in respect of a stage carriage is 45 days from the commencement of the respective quarter. For delay exceeding six months, 50 per cent of the tax is leviable as additional tax. In RTO(NS), Thiruvananthapuram, we observed that the total demand of intrastate stage carriage tax in respect of the KSRTC for the period from 2004-05 to 2008-09 was ₹ 395.39 crore. As the tax amounting to ₹ 373.16 crore was not paid within the six months time, additional tax at the rate of 50 per cent of the pending tax was leviable. Non-levy of the additional tax worked out to ₹ 186.62 crore.

Short collection of permit fee for educational institution buses

Motor Vehicles (Amendment) Act, 2000 prescribes contract carriage permit for educational institution buses (EIB). Government of India, Ministry of Road Transport and Highways in their letter* reiterated and clarified that EIBs are Contract Carriages.

We found that the department issued private service vehicle permit (PSV) for EIBs from 2004 onwards. The fee prescribed for PSV permit is ₹ 500 whereas the fee prescribed for contract carriage permit is ₹ 2,000, ₹ 2,500 and ₹ 3,000 for vehicles having seats up to 13, between 14 and 20 and above 20 respectively.

* Lr. No. RT-11012/32/008 MVT dated 28th August, 2006.

Despite being pointed out repeatedly in local audit reports, MVD complied Central Government direction only with effect from 1st June, 2009. We observed that the non-compliance of Central Government direction resulted in short levy of permit fee in 154 cases in 24 offices* (out of 43 offices) test-checked amounting to ₹ 3.69 lakh.

Incorrect classification of omnibuses as non-transport vehicles

Under the MV Act, "Private Service Vehicle" is a motor vehicle constructed or adapted to carry more than six persons excluding driver and ordinarily by or on behalf of the owner of such vehicle for the purpose of carrying persons for, or in connection with his trade or business otherwise than for hire or reward. It was clarified by Ministry of Shipping, Road Transport and Highways, that "private service vehicle registered in the name of an individual and if declared to be used by him solely for personal use" only can be classified under non-transport vehicles and others would come under transport vehicles.

We observed that the department was classifying motor vehicles owned by an individual as private service vehicle for personal use under non-transport vehicle in 56 offices† test-checked. This classification was against the provisions of the Act and had resulted in recurring revenue loss on fee for certificate of fitness and permit. We had already mentioned about incorrect classification for the period 2006-08 in the Report of the Comptroller and Auditor General for the year ending 31 March 2009 (Revenue Receipts). The total revenue effect worked out to ₹ 78.19 lakh in 8598 cases.

* RTOs Alappuzha, Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Vadakara and SRTOs Changanassery, Chertala, Irinjalakuda, Kanjangad, Karunagappally, Neyyattinkara, Ottappalam, Quilandy, Taliparamba, Thalassery, Thiruvananthapuram, Thodupuzha and Tiruvalla.

† RTOs Alappuzha, Attingal, Ernakulam, Idukki, Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Thiruvananthapuram, Thrissur, Vadakara and Wayanad and SRTOs Alathur, Aluva, Changanachery, Chertala, Chengannur, Guruvayoor, Irinjalakkuda, Kanjangad, Kanjirappally, Karunagappally, Kayamkulam, Kazhakuttam, Kodungallur, Koduvally, Kothamangalam, Kottarakkara, Mannarkad, Mattanchery, Mavelikkara, Nedumangad, Neyyattinkara, North Parur, Ottappalam, Pala, Parassala, Pattambi, Perinthalmanna, Perumbavoor, Ponnani, Punalur, Quilandy, Taliparamba, Thalassery, Thodupuzha, Thripunithura, Tirur, Tiruvalla, Vaikom, Vandiperiyar and Wadakkancherry.

Short collection of fee for conductor licence

The CMV Rules prescribed fee for issue of conductor licence and fee for each renewal thereof shall be half of that for a driving licence. As per Rule 57 and Rule 60 (3) of Kerala Motor Vehicles Rules, 1989, fees of ₹ 50 each for oral test for conductor licence and issue of conductor's badge shall be levied. Therefore the total fee leviable for issue of a conductor licence with badge is ₹ 200 (half of driving licence fees ₹ 100 + 50 + 50).

However, we noticed that only ₹ 125 was levied for issue of conductor licence with badge and ₹ 25 for renewal instead of ₹ 200 and ₹ 125 respectively during the period from 1st April, 2004 to 21st April, 2008. As the fee is automatically generated by the computer system for each service, the short levy was due to an incorrect entry in the 'Fees Master Table' in the database of the system. The total short collection of fees in 4277 cases of issue and in 10,128 cases of renewal in 26 offices* worked out to ₹ 12.37 lakh.

Non-levy of one time tax on percentage basis

The KMVT Act as amended by the Finance Act, 2007 stipulates levy of one time tax in case of motor cars which were originally registered in other State on or after 1st April, 2007 and migrated to Kerala State. In case of motor cars which were registered on or after 1st April, 2007 and reclassified from the category of transport vehicle, tax is calculated on percentage basis depending on the age of the vehicle from the month of original registration.

We observed in 298 cases of assignment of new registration numbers to the migrated/reclassified vehicles, the department inadvertently collected biennial tax applicable to the old vehicles instead of one time tax at the prescribed rate in 48 offices†. The short collection in this regard worked out to ₹ 41.85 lakh.

Non-realisation of arrear tax on violation of instalment conditions

The KMVT Act and the Rules made thereunder do not permit remitting the tax in instalments. But Government, vide various orders granted instalment facility

* RTOs Alappuzha, Emakulam, Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Thrissur, Vadakara, and SRTOs Aluva, Changanacherry, Chertala, Irinjalakuda, Kanjangad, Karunagappally, Neyyattinkara, Ottappalam, Quilandy, Thalassery, Thodupuzha, Taliparamba, Tirur and Tiruvalla.

† RTOs Alappuzha, Atingal, Ernakulam, Idukki, Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Muvattupuzha, Palakkad, Pathanamthitta, Thiruvananthapuram, Thrissur, Vadakara and Wayanad and SRTOs Adoor, Alathur, Aluva, Changanacherry, Chengannur, Chertala, Guruvayoor, Irinjalakuda, Karunagappally, Kayamkulam, Kazhakuttam, Kodungallur, Kottarakkara, Mattanchery, Mavelikkara, Neyyattinkara, North Parur, Ottappalam, Parassala, Pattambi, Perumbavoor, Perinthalmanna, Ponnani, Quilandy, Taliparamba, Thalassery, Thripunithura, Tirur, Tiruvalla, Vaikom and Wadakkancherry.

to remit arrear tax of certain vehicles subject to certain conditions. One such condition was that the Government Order would not be valid if the amount was not remitted within the period prescribed. In such cases, balance tax may be realised through action like seizure of vehicles, revenue recovery etc.

We noticed that in 64 cases though the condition for granting instalment facility was violated, the department did not take action to collect the arrear tax.

Non-realisation of tax in respect of those cases in 18 offices* worked out to ₹ 19.63 lakh.

Excess levy of additional tax due to defects in Smart-Move

The KMVT Act prescribes levy of additional tax when tax is not paid within the grace period prescribed in Kerala Motor Vehicles Taxation Rules, 1975.

The benefit of grace period (45 days, one month or 14 days as the case may be) should be allowed to a vehicle owner for the payment of tax in respect of his newly registered vehicle or a vehicle brought from outside the State for which tax endorsement was made within the grace period of the quarter, but the software 'SMART-MOVE' was so designed to levy additional tax for payment of tax after seven days irrespective of whether the date of remittance falls within the grace period or not. This defect in the software resulted in excess collection of additional tax. In six offices† we observed that in 160 cases there was excess collection of tax amounting to ₹ 1.79 lakh. The excess collection was refunded in 36 cases amounting to ₹ 1.03 lakh by allowing rebate.

We recommend that necessary changes are required to be made in the software to rectify levying excess tax.

CONCLUSION

We found that:

- the enforcement wing in the MVD is weak;
- the system security is compromised due to lack of access controls;
- poor IT general and input controls compromises the confidentiality, integrity and availability of IT resources;

* RTOs Attingal, Ernakulam, Idukki, Kannur, Kasargod, Kollam, Kottayam, Kozhikode, Malappuram, Pathanamthitta, and SRTOs Adoor, Aluva, Changanacherry, Neyyattinkara, Punalur, Thalassery, Thrissur and Vadakara.

† RTOs Kannur, Muvattupuzha, Vadakara and SRTOs Quilandy, Thaliparamba and Thodupuzha.

- there was leakage in revenue assessment and collection due to poor internal controls and non-alignment of IT system with manual provisions;
- prompt service as prescribed in Citizen Chart was not provided to the public; and
- internal control mechanism in the MVD was not effective.

RECOMMENDATIONS

We recommend that:

- Government may consider adequate change in the fee for duplicate driving licence covering the cost of card;
- the enforcement wing may be strengthened to plug the offences committed under motor vehicle laws;
- the computer servers may be made secure by providing necessary passwords;
- strengthening of input controls and validation checks may be done to ensure data completeness and correctness;
- the quality of the infrastructure developed by the service provider may be ensured;
- the department may consider ways to render prompt services to the public without delay; and
- internal control mechanism may be strengthened to avoid compliance deficiency and internal audit wing may be made efficient and effective.

Other audit Observations

We scrutinised the records of various Transport Offices which revealed several cases of non-compliance of the provisions of the Motor Vehicles Act, 1988 (MV Act) and Kerala Motor Vehicles Taxation Act (KMVT Act), 1976 and Government notifications and other cases as mentioned in the succeeding paragraphs in this chapter. These cases are illustrative and are based on a test-check carried out in audit. Such omissions on the part of the Regional Transport Offices (RTOs) are pointed out in audit each year but not only the

irregularities persist; these remain undetected till an audit is conducted. There is need for the Government to improve the internal control system.

Non-compliance of provisions of Acts/Rules

The provisions of the MV Act and KMVT Act and Rules made thereunder provide for:

- (i) collection of revenue on transport vehicles/stage carriages;
- (ii) levy of tax/fees at the prescribed rates within the due dates; and
- (iii) levy of penalty for various offences.

We noticed that the RTOs did not observe some of the above provisions which resulted in non/short levy of tax/fee/fine of ₹ 41.67 lakh as mentioned in paragraphs 5.10.1 to 5.10.5.

Short Levy of one time tax

(13 RTOs and 26 SRTOs†; between April 2009 and January 2010).*

The KMVT Act stipulates that one time tax shall be levied from the date of purchase of vehicle at the rates specified at the time of first registration of the vehicle. The rate for motorcycles, motor cars, three wheelers and omni bus is six per cent of the purchase value of the vehicle as per proviso to Section 3(1) of KMVT Act. Tax is payable in respect of vehicles owned by Government companies, public sector undertakings, autonomous bodies, corporations etc.

We noticed that the department short levied one time tax due to incorrect computation of purchase value in 1339 cases. This resulted in short levy of tax of ₹ 13.68 lakh. After we pointed out the matter, the department stated (between April 2009 and January 2010) that action would be taken to realise the short collection. We have not received further developments from the department (December 2010).

We reported the matter to the Government in February 2010. We have not received any further information from them (December 2010).

* Alappuzha, Attingal, Ernakulam, Idukki, Kannur, Kottayam, Kozhikode, Malappuram, Palakkad, Thiruvananthapuram, Thrissur, Vadakara, and Wayanad.

† Adoor Alathur, Aluva, Chengannur, Cherthala, Kanjirappally, Karunagappally, Kayamkulam, Kazhakuttam, Kodalvally, Kothamangalam, Kottarakkara, Mattancherry, Mavelikkara, Nedumangad, North Parur, Pala, Perinthalmanna, Perumbavoor, Ponnani, Punalur, Quilandy, Thodupuzha, Thripunithura, Tirur and Vandiperiyar.

(RTO, Thiruvananthapuram; July 2009)

We noticed that in the cases of nine vehicles owned by autonomous bodies, public sector undertakings etc. one time tax was not levied on the purchase value of the vehicle. This resulted in non-levy of tax of ₹2.95 lakh.

After we pointed out the matter in July 2009, the department stated that matter would be examined. We have not received further developments from the department (December 2010).

We reported the matter to Government in March 2010. We have not received any further information from them (December 2010).

Incorrect grant of moffusil permits

(10†RTOs; between April 2009 and December 2009)

KMV Rule 269 stipulates that the minimum seating capacity of a stage carriage shall be directly proportionate to the wheel base of the vehicle. The seating capacity determines the tax due on stage carriage. The seating capacity can be reduced by two seats in respect of vehicles with separate entrance and exit and further reduced by one fifth in respect of vehicles operating as City/Town service. However, such vehicles with reduced seating capacity are eligible for moffusil permit only on enhancement of seating capacity to the minimum prescribed in the Rule.

We noticed that while transferring the vehicles to the jurisdiction of other RTOs/SRTOs moffussil permits were granted to 33 vehicles after collecting tax based on the reduced seating capacity of the vehicles instead of collecting tax at the minimum seating capacity of stage carriage proportionate to wheel base prescribed. This resulted in short collection of tax of ₹ 13.60 lakh.

After we pointed out the cases between April 2009 and December 2009, the department stated that action would be taken to realise the balance tax. We have not received further developments from the department (December 2010). We reported the matter to Government in February 2010. We have not received any further information from them (December 2010).

† RTOs, Alappuzha, Attingal, Idukki, Kottayam, Kozhikode, Malappuram, Palakkad, Pathanamthitta, Thrissur and Vadakara.

Non-realisation of tax from stage carriages

(6 RTOs*; between April 2009 and January 2010)

Exemption from payment of tax in respect of a motor vehicle which has not been used for the first month or the first and second months of a quarter or the whole of quarter or year shall be allowable if the owner furnishes a declaration in form 'G' as per Section 5(1) of the KMTV Act. Tax is leviable for the part of the quarter for which declaration in form 'G' is not furnished.

We noticed that on 43 contract carriages tax due was not realised for the period for which non-use intimation had not been filed. This resulted in short levy of tax of ₹ 4.78 lakh. After we pointed out the omission, the department stated that the matter would be examined. We have not received any further information from them (December 2010).

We reported the matter to Government in March 2010. We have not received any further information from them (December 2010).

Short Collection of tax due to registration of contract carriage as educational institution bus

(SRTO, Koduvally; October 2009)

Educational Institution Bus (EIB) means an omnibus which is owned by a college, school or other educational institution and used solely for the purpose of transporting students or staff of the educational institution in connection with any of its activities and the tax payable on such EIBs is ₹ 1,000 per quarter as per Section 2(11) of the MV Act. Contract carriages having seating capacity of more than 20 which are registered as EIBs are liable to pay tax at the rate of ₹ 750 per passenger per quarter.

We noticed that an omnibus registered in the name of a person was altered as educational institution bus and tax had been realised at the rate of ₹ 1,000 per quarter as applicable to EIB. Tax should have been collected at the rate of ₹ 750 per person per quarter applicable for contract carriage as the vehicle continued to be registered in the name of a person. The alteration of contract carriage as EIB

* Ernakulam, Kollam, Kottayam, Kozhikode, Muvattupuzha and Thrissur.

resulted in short collection of tax amounting to ₹ 3.77 lakh. After we pointed out the omission, the department stated that matter would be examined. We have not received any further information from them (December 2010).

We reported the matter to Government in March 2010. We have not received any further information from them (December 2010).

Irregular adjustment of rent against tax

[RTO (NS), Thiruvananthapuram; April 2009]

KMVT Act stipulates that tax shall be levied on every motor vehicle used or kept for use in the State, at the rate specified for such vehicle in the Schedule. Government issued orders in December 1989 granting adjustment of rent of space utilised by Transport Commissioner's Office in Transport Bhavan, a building owned by KSRTC, against the tax due on interstate stage carriages. The rent payable was at the rate of ₹ 30,100 p.m. Accordingly KSRTC is required to remit the tax due on interstate stage carriages to Government after adjusting the rent.

We noticed that KSRTC had been remitting the tax after adjusting the rent even though the Transport Commissioner's Office was shifted in October 2006 and the space utilised by Transport Commissioner's Office was in possession of KSRTC. Further KSRTC deducted income tax at the rate of 20 per cent from the tax payable from the balance rent. We mentioned the irregular adjustment made during the period from October 2006 to March 2008 in the Report of the Comptroller and Auditor General of India for the year ended 31st March, 2009. The Government or KSRTC did not take corrective action on the matter. The irregular adjustment made during the period from April 2008 to March 2009 had resulted in short remittance of tax of ₹ 2.89 lakh.

After we pointed out the matter in April 2009, the department stated that them atter would be informed to the Transport Commissioner. We have not received further developments from the department (December 2010).

We reported the matter to Government in February 2010. We have not received their reply (December 2010).

[Audit Paragraphs 5.8-5.10 contained in the Report of Comptroller and Auditor General of India for the year ended 31st March, 2010 (RR).]

Notes furnished by Government on the above Audit Paragraph is included as Appendix II.

13. The Committee enquired the demerits of automatic renewal of driving license and the loss of revenue thereby and the Joint Transport Commissioner submitted that for Transport and Non Transport vehicles single license would be issued for a period of 20 years or until the license holder attains the age of 50 years, which ever is earlier. After expiry, it should be renewed for a period of 5 years for non-transport vehicle where as the license for transport vehicle (badge) should be renewed every three years. He added that non-transport Vehicle license would automatically be renewed at the time of renewal of transport license for every three years. But Accountant General's view was that the license should be renewed separately which means a license had to be renewed twice.

14. Then the official from the Office of the Accountant General submitted that primary condition for obtaining license for transport vehicle is holding non-transport vehicle license. He added that a person having 48 years old while renewing badge would get his non-transport vehicle license renewed up to 55 years, i.e., five years further from 50 years. When license renewal was done manually, this would not have happened. Automatic renewal of driving license beyond 50 years without medical certificate may cause hazards to general Public.

15. The Joint Transport Commissioner submitted that eye test is being insisted at the time of renewal of license for transport vehicles. If license is to be taken separately the fee @ ₹ 250 had to be paid by the same person twice. He argued that Computerisation did not change the practice which were followed previously.

16. The Committee evaluated that transport drivers would remit double the fees when considering Accountant General's remarks otherwise it will cause loss to Government. The Committee opined that the relevant provisions in the Motor Vehicles Acts was interpreted differently by the Transport Department and the Accountant General. The Committee decided to recommend the Transport Department to seek opinion from the Law Department in this regard and advocated to make necessary changes in the software, if it found necessary.

17. The Committee reiterated the objection raised by Audit that irregular adjustment of rent against motor vehicle tax due from KSRTC was against the provision in the Act/Rules and warned that departmental receipts should invariably be remitted into Treasury and not to repeat such procedural lapses in future. The Committee decided to recommend that the Transport Department should be vigilant in following the rules strictly.

18. The Committee was informed that tax was accepted in respect of vehicles even after the expiry of fitness certificate and directed the Transport Department to evolve a mechanism to ensure the fitness of the vehicle before accepting tax.

19. The Joint Transport Commissioner submitted that rules provided that tax should be issued only on production of Insurance Certificate, Pollution Under Control Certificate and receipt of Welfare Fund, whereas tax receipt is mandatory for Fitness Certificate. He added that it is impractical to insist Fitness Certificate for collecting tax arrears. If a vehicle found plying on the road without having Fitness Certificate after remitting tax, it could be seized and charged.

20. The Committee decided to recommend that the Transport Department should develop a mechanism so that the department could ensure at the time of collecting tax itself, that tax payee would take Fitness Certificate subsequently.

21. To a query of the Committee, the witness, Joint Transport Commissioner deposed that the monthly target of booking offence had been revised.

22. Regarding the Audit paragraph the official from the office of the Accountant General submitted that there was a provision in the Motor Vehicles Act to offload the vehicle up to the stipulated level, if the vehicle is overloaded. But in such cases the usual practise was releasing the vehicle after registering the check reports rather than offloading it. He continued that in such cases compounding fees could not be levied since the vehicle could not be traced out. So check report left pending for years. The Committee opined that it was not tenable that the vehicles are released after charging them. It decided to recommend that overloaded vehicles should be imposed with compounding fees at higher rate. It exhorted the Transport Department to check the feasibility of introducing a conditional clause of either paying compounding fee or offloading the vehicle in the cases of overloaded vehicle plying to our state. It also directed that stringent measures should be taken to ensure that vehicles are not released after registering check reports and were imposed with compounding fee.

23. The Committee was informed that KSRTC had sold the right to exhibit advertisements on buses to a private agency and according to the conditions of the

agreement the advertising agency was bound to pay the fees due to the Government. Even though the KSRTC buses with the advertisements are operated all over the State, the enforcement wing of Motor Vehicles Department had not registered any offence in this regard.

24. The Joint Transport Commissioner, Motor Vehicles Department submitted that the advertisement was permitted for a period of one year. Direction had been given to surrender the advertisements after the expiry of the contract period and Enforcement Squad have been deputed for inspection. The Committee exhorted the Transport Department to take necessary steps to ensure that the exhibited advertisements were surrendered unless it is renewed before the expiry of the stipulated time. It also directed to impose penalty from the stage carriages which were operated without prior approval to exhibit the advertisement.

25. The Committee came to know that 128 rent a cab service agencies had remitted service tax in Central Excise Commissionate in 2006-07 and none of these agencies were registered under the State Transport Authority and thereby causing revenue loss to the State Government.

26. The Committee decided to recommend to obtain a list of agencies from the Central Excise Commissionate operating rent a cab services in Kerala after paying service tax and take immediate steps to realise the tax from them.

27. The Committee enquired the details of steps taken when vehicle with foreign registration is found plying in the State. The Committee criticised the Transport Department for not taking any action even after the news with photograph appeared in the newspaper in this matter. The Joint Transport Commissioner submitted that even though plying of vehicle with foreign Registration in Kerala for a short period was noticed the department was incapable to act upon in such cases since prevailing laws did not provide for any action.

28. The Committee could not digest the contention of the department and remarked that even though there was no provision in the Act, department had the responsibility to enquire about the report of Accountant General. The Committee condemned that it was highly unfortunate that the Transport Department had not taken any action against specific case though all evidence were provided by the Accountant General. Hence it decided to recommend that the department should take appropriate action in this matter immediately.

29. To a query of the Committee, the Joint Transport Commissioner deposed that the case in connection with high security number plate as in foreign countries was pending before the Hon'ble Supreme Court.

30. To a query of the Committee the Witness, Joint Transport Commissioner, Transport Department apprised that steps are being taken to rectify the defects regarding computerisation. The Committee noted with grave concern that despite Accountant General's adverse comments, no steps have been taken by the department regarding computerisation and directed to take immediate steps in this regard and report it to the Committee at the earliest.

Conclusion/Recommendation

31. The Committee observes that there is a confusion in the provision regarding the renewal of driving license for transport and non-transport vehicle with respect to the automatic renewal of driving license since the stance of Accountant General and the department is contradictory. It directs the Transport Department to seek clarification in this regard from the Law Department and make necessary changes in the software if required.

32. The Committee comments that adjusting rent against motor vehicle tax due from KSRTC is improper and warns that departmental receipts should be remitted to treasury rather than adjusted irregularly, as it is against the provisions in the Act and Rules. The Committee recommends that the Transport Department should be vigilant in adhering to the rules strictly.

33. The Committee notes the instances in which vehicles are found plying on the road without having fitness certificate, and recommends that Transport Department should develop a mechanism for ensuring that the Tax Payee will invariably obtain fitness certificate.

34. The Committee is of the opinion that releasing the overloaded vehicle from other states after registering check reports is not tenable. It recommends that overloaded vehicles should be imposed with compounding fees at higher rate. It also suggests that Transport Department should chalk out effective measures to ensure that overloaded vehicles are either levied with compounding fee at higher rate or offloaded.

35. The Committee directs the Transport Department to take necessary steps to remove the advertisements displayed on the buses of Kerala State Road Transport Corporation unless it is renewed before the expiry of the contract and impose penalty on stage carriages which are exhibiting advertisements without prior approval.

36. The Committee directs the Transport Department to obtain the list of agencies operating rent a cab services in Kerala by remitting service tax in Central Excise Commissionerate and take necessary steps to realise the tax due to State Transport Authority from them.

37. The Committee admonishes the officials of the Transport Department for their lackadaisical attitude in not taking action against the owner of the vehicle plying in Kerala with foreign registration even after the Audit pointed out the case with evidence and recommends to take action in this case and report to the Committee.

38. The Committee reiterates the observation of the Audit that the computerisation in the MVD had so many discrepancies like purchase of computers not competent with 'Smart Move', Ineffective access control, substandard electrical wiring etc. The Committee directs the department to redesign the database and the input forms to capture insurance details and to develop a DCB module as per the observation of the Accountant General. The Committee expresses its anguish over the fact that the department had not initiated step to rectify the defects pointed out the Audit. It strongly recommends that computer servers should be made secure by providing necessary passwords and strengthening of input controls and validation check should be done to ensure data completeness and correctness.

Thiruvananthapuram,
30th June, 2015.

DR. T. M. THOMAS ISAAC,
Chairman,
Committee on Public Accounts.

APPENDIX I

SUMMARY OF MAIN CONCLUSION/RECOMMENDATION

Sl. No.	Para No.	Department concerned	Conclusion/Recommendation
1	2	3	4
1	10	Transport	The Committee observes that the tax collection is not proportionate to the increase in the number of motor vehicles registered. It emphasizes the necessity of formulating a taxation wing in the Transport Department and recommends to restructure the staff pattern and offices in such a way to strengthen the enforcement wing.
2	11	..	It urges the Transport Department to furnish the details of vehicles plying on road even after submitting the g-form.
3	12	..	The Committee reprimands the officials of the department for their slothful attitude in realising arrears even in accepted cases. It opines that had the department acted upon timely and promptly, most of the objection raised by Audit could have been avoided. It advises that Transport Department should take conscientious effort to realise the arrears without delay.
4	31	..	The Committee observes that there is a confusion in the provision regarding the renewal of driving license for transport and non-transport vehicle with respect to the automatic renewal of driving license since the stance of Accountant General and the department is contradictory. It directs the Transport Department to seek clarification in this regard from the Law Department and make necessary changes in the software if required.

1	2	3	4
5	32	Transport	The Committee comments that adjusting rent against motor vehicle tax due from KSRTC is improper and warns that departmental receipts should be remitted to treasury rather than adjusted irregularly, as it is against the provisions in the Act and Rules. The Committee recommends that the Transport Department should be vigilant in adhering to the rules strictly.
6	33	„	The Committee notes the instances in which vehicles are found plying on the road without having fitness certificate, and recommends that Transport Department should develop a mechanism for ensuring that the Tax Payee will invariably obtain fitness certificate.
7	34	„	The Committee is of the opinion that releasing the overloaded vehicle from other states after registering check reports is not tenable. It recommends that overloaded vehicles should be imposed with compounding fees at higher rate. It also suggests that Transport Department should chalk out effective measures to ensure that overloaded vehicles are either levied with compounding fee at higher rate or offloaded.
8	35	„	The Committee directs the Transport Department to take necessary steps to remove the advertisements displayed on the buses of Kerala State Road Transport Corporation unless it is renewed before the expiry of the contract and impose penalty on stage carriages which are exhibiting advertisements without prior approval.

1	2	3	4
9	36	Transport	The Committee directs the Transport Department to obtain the list of agencies operating rent a cab services in Kerala by remitting service tax in Central Excise Commissionerate and take necessary steps to realise the tax due to State Transport Authority from them.
10	37	„	The Committee admonishes the officials of the Transport Department for their lackadaisical attitude in not taking action against the owner of the vehicle plying in Kerala with foreign registration even after the Audit pointed out the case with evidence and recommends to take action in this case and report to the Committee.
11	38	„	The Committee reiterates the observation of the Audit that the computerisation in the MVD had so many discrepancies like purchase of computers not compatible with 'Smart Move', Ineffective access control, substandard electrical wiring etc. The Committee directs the department to redesign the database and the input forms to capture insurance details and to develop a DCB module as per the observation of the Accountant General. The Committee expresses its anguish over the fact that the department had not initiated step to rectify the defects pointed out the Audit. It strongly recommends that computer servers should be made secure by providing necessary passwords and strengthening of input controls and validation check should be done to ensure data completeness and correctness.

APPENDIX II
NOTES FURNISHED BY GOVERNMENT

**ACTION TAKEN NOTE ON PARAS OF THE REPORT OF COMPTROLLER AND
AUDITOR GENERAL OF INDIA FOR YEAR ENDED 31.03.2010 (R.R.)**

I

- (a) Motor Vehicles Department
- (b) Loss of revenue due to automatic renewal of licence to drive non-transport vehicles at the time of renewal of badge .
- (c) 5.8.8
- (d) Report (RR)/DP 3933/2010-11/487 dated 07.06.2010.

II

- (a) 11/06/2010.
- (b) -

III Gist of Paragraph / Review

Erroneous renewal of non-transport driving licences beyond the validity of badge without an application and payment of prescribed fee of Rs.250/- in each case had given undue benefit of extended validity to licence holders in 1,50,341 cases and resulted in loss of revenue of Rs.3.76 crores.

IV

- (a) No
- (b) Yes

V

- (a) No
- (b) Yes

VI Remedial Measures Taken

The audit has observed that the Non-Transport Driving License had been renewed on the basis of an application for the renewal of Badge (Transport Vehicle Driving License) thereby occurring revenue loss. In this regard, the following remarks are offered for kind consideration.

1. No separate driving licenses are issued to Non-Transport vehicles and Transport vehicles. But separate validities for Non Transport Vehicles and Transport Vehicles are endorsed in a single license if the holder is entitled to drive Transport vehicles.
2. The currency of a driving license is dealt within section 14(2) of the Motor Vehicles ACT, 1988; which is reproduced hereunder

" 14(2) A driving license issued or renewed under this Act shall-

(a) In the case of a license to drive² a transport vehicle, be effective for a period of three years.

[Provided that in the case of license to drive a transport vehicle carrying goods of dangerous or hazardous nature be effective for a period of one year and renewal thereof shall be subject to the condition that the driver undergoes one day refresher course of the prescribed syllabus and]

(b) In the case of any other license-

(i) if the person obtaining the license, either originally or on renewal thereof, has not attained the age of (fifty years) on the date of issue or, as the case may be renewal thereof-

(A) be effective for a period of twenty years from the date of such issue or renewal; or

(B) until the date on which such person attains the age of (fifty years) whichever is earlier

(ii) If the person referred to in sub clause(i), has attained the age of fifty years on the date of issue or as the case may be, renewal thereof, be effective , on payment of such fee as may be prescribed, for a period of five years from the date of such issue or renewal.

Provided that every driving licence shall, notwithstanding its expiry under the sub - section continue to be effective for a period of thirty days from such expiry.

3. No separate fee is prescribed for the renewal of Transport Vehicles and Non-Transport Vehicles

4. There is no separate application forms prescribed for the renewal of Non-Transport Vehicles and Transport Vehicles. Moreover, it can be seen from the application form (Form -9) that the applicant has to apply for the renewal of driving license stating both the NTV and TV validities simultaneously in a single application and request for renewal of the license having both the validities. Copy of application form for renewal of license is attached herewith.

5. However there are several situations arose due to the inclusion of two separate validities in a single document (Driving License). Some of them are expressed below.

a. If both validities are expired on the same day and apply for renewal, we have to renew both the validities simultaneously on the basis of the single fee for renewal with a single application. Similarly, a driving license for which both the validities are expired shall also be renewed on receiving a single application with single renewal fee. Hence it is clear that both the validities of a driving license can be renewed simultaneously and the law does not prevent it.

b. The following example may kindly be seen:

Consider a license having NTV and TV Validity and authorized to drive HPV & HGV. TV expires on 15/04/2011 and NTV expires on 05/05/2011. The holder applies for renewal of his license on 02/04/2011 with fee of Rs 250/-

According to the audit report:

(i) TV validity alone is renewed. And the person has to apply for the renewal of NTV validity separately by paying Rs250/- again and got the license transport validity renewed.

Here, the license holder has submitted both the applications in time and had remitted Rs. 500/- and undergone the procedures for renewal of license twice.

(ii) But, if the person has delayed his application and submitted only on 07/05/2011, after the expiry of both the validities; both the validities of the license will be renewed simultaneously with single fees and single application. Here Only Rs. 250/- is collected for the renewal of both the validities.

Hence it is clear that the timely application is very much costlier than belated application, which is against any law.

c. If the above license holder has not submitted the second application for renewal of Non transport vehicle, after getting the TV validity alone is renewed. Now the TV validity is up to 15/04/2014 and NTV validity is up to 05/05/2011.

After the expiry of NTV validity, he is not entitled to drive a Motor Car, which is NTV. But he is authorized to drive a Heavy Passenger or Heavy goods vehicles which are TVs. It may kindly be seen that one year experience of LMV (NTV) is the basic qualification for getting authorization to drive Transport Vehicle.

d. Considering all the above situations, and by adopting the law that the person obtaining the license either originally or on renewal be effective for a period as prescribed in the section 14(2), of the Central Motor Vehicles Act, 1988 both the validities of the above license can be renewed on the basis of the single application submitted on 02/04/2011.

Considering all the above facts, it may kindly be seen that there is no revenue loss in these cases and the paragraph may kindly be dropped.

I

- (a) Motor Vehicles Department
- (b) Short remittance of Government Receipts
- (c) 33.9
- (d) Report (RR) DP 3933/2010-11/487 dated 07-06-2010

II

- (a) 11-06-2010
- (b) -----

III Gist of paragraph/Review

Sanction was accorded to occupy the second floor of Transport Bhavan, Thiruvananthapuram owned by Kerala State Road Transport Corporation for the accommodation of Transport Commissioner's Office a monthly rent of ₹30,100/-. The rent for the above building payable by the Transport Commissioner to the Kerala State Road Transport Corporation was adjusted from the Motor Vehicles Tax due from Kerala State Road Transport Corporation. There is no provision in the Act and Rules to meet any expenditure from departmental receipts.

IV

- (a) Yes
- (b) Not applicable

V

- (a) Yes
- (b) Not applicable

VI Remedial Action Taken

Government vide G. O. (Rt.) No. 1460/89/PW&T dated 09-08-1989 had issued sanction to occupy Transport Bhavan for Transport Commissioner's Office.

Vide G.O. (Rt.) No. 2071/89/PW&T dated 05-12-1989 Government had issued orders to adjust the rent of the space allowed to Transport Commissioner's Office at the rate of ₹30,100/- per month from motor vehicles tax payable by Kerala State Road Transport Corporation for inter-state stage carriage vehicles tax. Hence the inter-state stage carriage vehicles tax collected till date as per the Government Order after adjusting rent by the Kerala State Road Transport Corporation and no further orders are given from Government or Transport Commissioner to change the mode of collection of tax.

- I
- (a) Motor Vehicles Department
 - (b) Motor Vehicles plying without certificate of fitness
 - (c) ~~5.8.40~~
 - (d) Report (RR) DP 3933/2010-11/487 dated 07-06-2010

II

- (a) 11-06-2010
- (b) ----

III

Gist of paragraph review

It was observed that in 23 Regional Transport Offices/Sub Regional Transport Offices Certificate of Fitness issued to 10319 transport vehicles of different categories had expired in March, 2009. Tax in respect of these vehicles was accepted even after the expiry of fitness certificate. There is no system in the department to ensure the fitness of the vehicle before accepting tax.

IV

- (a) Yes
- (b) Not applicable

V

- (a) Yes
- (b) Not applicable

VI **Remedial Action Taken.****Sub Regional Transport Office, Thiruvalla**

Sl. No.	Registration number	Receipt number	Validity		CF penalty collected (₹)
			From	To	
1	KL 03 N 2578	33101/10	23/11/2010	22/11/2011	2600
2	KL 03 K 9017	15929/10	08/06/2010	7/6/2011	1000
3	KL 05 S 4709	17323/10	22/06/2010	21/06/2011	700
4	KL 04 Q 3397	15030/10	1/6/2010	31/05/2011	900
5	KL 279059	13188/10	18/05/2010	17/05/2011	700
6	KL 03 N 5141	17006/10	18/06/2010	17/06/2011	2100
7	KL 277222	77062/10	18/06/2010	17/06/2011	800
8	KL 03 N 5341	16277/10	11/6/2010	10/06/2011	700
9	KL 03 K 9956	25306/10	8/9/2010	7/9/2011	1400

10	KL 27 3189	12842/10	14/05/2010	13/05/2011	600
11	KL 27 7234	17018/10	18/06/2010	17/06/2011	800
12	KL 27 803	13644/10	21/05/2010	20/05/2011	1300
13	KL 03 K 5462	17026/10	18/06/2010	17/06/2011	800
14	KL 03 K 9892	7599/12	6/3/2012	5/3/2012	3650
15	KL 277359	17807/10	25/06/2010	24/06/2011	700
16	KL 27 6247	19550/10	13/07/2010	12/07/2011	1200
17	KL 27 384	13641/10	21/05/2010	20/05/2011	600
18	KL 271464	-	-	-	-
19	KL 27 742	28640/10	8/10/2010	07/10/2011	3200
20	KL 03 M 7437	13442/11	13/05/2011	12/5/2012	4550
21	KL 27 4760	36030/10	31/12/2010	30/12/2011	4000
22	KL 27 6073	18168/10	29/06/2010	28/06/2011	2000
23	KL 03 L 5381	-	-	-	-
24	KL 03 L 4195	-	-	-	-
25	KL 03 K 9236	-	-	-	-
26	KL 27 5302	2383/12	20/01/2012	19/01/2013	6150
27	KL 03 L 4583	31532/10	9/11/2010	8/11/2011	2200
28	KL 03 L 4275	15409/10	4/6/2010	3/06/2011	1800
29	KL 27 5328	20690/10	23/07/2010	22/07/2011	2600
30	KL 27 A 1481	6171/11	01/03/2011	28/02/2012	400
31	KL 27 863	26158/10	17/09/2010	16/09/2011	600
32	KL 27 1416	22320/11	19/07/2011	18/07/2012	7150
33	KL 03 M 7908	3379/11	1/2/2011	31/01/2012	5400
34	KL 27 2893	CF obtained from SRTO, Nedumangad			
35	KL 27 1091	CF obtained from SRTO, Nedumangad			
36	KL 27 1088	CF obtained from SRTO, Nedumangad			
37	KL 27 1101	CF obtained from SRTO, Nedumangad			
38	KL 27 1073	CF obtained from SRTO, Nedumangad			
39	KL 27 1079	CF obtained from SRTO, Nedumangad			
40	KL 27 1077	CF obtained from SRTO, Nedumangad			
41	KL 27 1074	CF obtained from SRTO, Nedumangad			
42	KL 03 P 1495	CF obtained from SRTO, Nedumangad			

43	KL 27 1085	CF obtained from SRTO, Nedumangad			
44	KL 03 P 1492	CF obtained from SRTO, Nedumangad			
45	KL 05 U 8006	Clearance certificate issued to RTO, Kottayam	05-08-2010	31-08-2012 issued by RTO, Kottayam	
46	KL 03 K 9775	18999111	28/06/2011	27/06/2012	350
47	KL 03 L 8547	21064/10	27/07/2010	26/07/2011	1150
48	KL 03 N 5628	20695/10	23/07/2010	22/07/2011	1300
49	KL 03 N 5709	30565/10	29/10/2010	28/10/2011	1600
50	KL 04 L 7340	12432/10	11/05/2010	10/05/2011	850
51	KL 03 M 9800	12363/10	11/05/2010	10/05/2011	850
52	KL 27 2161	M/Car			
53	KL 27 2220	38498/11	6/12/2011	05/12/2012	3800
54	KL 01 AG 2333	vehicle is motor car until 25-11-2011			
55	KL 03 M 7350	Altered as M/car with effect from 17-7-2010 after collecting `3000/- vide receipt No. 20070/10 dated 17-07-2010			
56	KL 27 873	CF issued by Joingt Regional Transport Officer, Perumbavoor from 31-08-2009 to 30-08-2010 as per Kerala MVD web site			
57	KL 27 6644	CF issued by SRTO, Koduvally upto 23-02-2013			
58	KL 27 6922	CF issued by Joint RTO, Nedumangad upto 19-01-2013			
59	KL 27 7520	CF issued by Joint RTO, Nedumangad upto 31-03-2013			

Total collected is 770,500/-

- I (a) Motor Vehicles Department
 (b) Delay in disposal of check reports
 (c) 5.8.11.1
 (d) Report (RR)D.P 3933/2010-1/487 dated 07-06-2010
- II (a) 1-06-2010
 (b) ----

III Gist of paragraph/Review

It was observed that 23216 check reports were pending out of 99022 cases booked in 25 offices as on 31-03-2009. Out of the pending check reports the nature of offence column in the data base was left blank in 8363 cases. Total compounding fee collectable in 23216 cases worked out to ₹70.89 lakhs.

- IV (a) Yes
 (b) Not applicable
- V (a) Yes
 (b) Not applicable

VI Remedial Action Taken

Sub Regional Transport Office, Changanassery

Sl. No.	Registration Number	Compounding fee collected (₹)	Receipt No. & remarks
6	KL 05 D 7623	-	This is an NTV Tractor
17	KL 5 L 2799	-	This vehicle is a M/cycle
18	KL 7 L 2799	6000	33/47108/201
23	KL 33 3873	-	This vehicle is a M/cycle
27	KL 2 R 7909	6000	33/22745/2011
29	KL 5 T 2075	4000	33/36095/2010
30	KL 33 A 9919	4000	33/28881/2011
22	KL 5 L 2736	Clearance certificate issued to Jt. RTO, Thodupuzha on 20-3-07. Check report received from RTO, Kasargode only on 26-10-07 and check report was forwarded to Jt.RTO, Thodupuzha.	
24	KL 3 N 4819	Check report was forwarded to Jt.RTO, Adoor.	
26	KL 4 X 8883	Check report was forwarded to RTO, Alappuzha	
28	KL 3 A 3898	Check report was forwarded to Jt.RTO, Mavelikkara.	

Total collected is ₹20,000/-

Regional Transport Office, Kozhikkode

Sl. No.	Registration number	Collection details
1.	KL 10 C 6062	Collected ₹4,200/- vide Rt. No. 78307/2011 dated 04-05-2011
2.	KL 10 AE 3873	Collected ₹3,000/- vide Rt. No. 7390/11 dated 12-01-2011
3.	KL10 T 3049	Collected ₹2,000/- vide Rt. No. 208189/10 dated 28-12-2010

Total collected is ₹9200/-

Sub Regional Transport Office, Tirur

1.KL-10-N-8359 - Collected ₹5,000/- toward the compounding fee vide Rt. 59688/2011 dated 16-05-2011.

I

- (a) Motor Vehicles Department
- (b) IT Strategy and policy
- (c) 5.8.12.1
- (d) Report (RR)/D.P 3933/2010-11/487 dated 07.06.2010.

II

- (a) 11.06.2010
- (b) -

III. Gist of Paragraph/ Review

We noticed that the department has not evolved a long term IT strategy that is aligned within the over all organizational strategy. The Motor Vehicles Department has also not constituted steering committee to guide the IT operations.

IV

- (a) Yes
- (b) N.A.

V

- (a) Yes
- (b) N.A.

VI Remedial Measures Taken

Efforts for computerizing the department was commenced in 1990. It was planned to develop the licence module first and replicate to all office .Mean while Registration module was to be developed and replicated. Accordingly licence module developed by NIC was introduced in 1994. Efforts for developing further modules were continued but were not successful. Therefore it was decided to find a new firm for developing software which was also not successful even after the efforts of two years. Finally NIC came forward once again and offered to develop the software for the department. NIC Karnataka had developed software with all modules for that State. It was decided to accept the offer and tried to customize the same .But the software was not suitable and hence the NIC, Kerala unit developed comprehensive software based on the Vahan Sarathi software developed by NIC New Delhi. At this point of time it was decided to computerize one RT Office and one sub RT office in Trivandrum district in the first phase and replicate to other offices. Later it was decided to computerize the Trivandrum, Ernakulam and

Kozhikkode RTOs first and then replicate to other offices. As per conditions of FAST project formulated by Govt. of Kerala all the offices, check posts, STA are computerized.

It may be noted that the FAST project was formulated after a detailed study by a professional consultant M/s WIPPRO .They prepared an "As Is Study" and clear road map for the total computerization of the department. There is a plan document as such and the plans had to be amended from time to time, based on various factors .It may also be noted that there cannot be a fiscal plan for E-Governance activities as the scope and requirements keep on changing due to advancement of technology and demands.

I

(a) Motor Vehicles Department

(b) Configuration Management

(c) ~~RR~~ 12.2

(d) Report (RR)/DP 3933/2010-11/487 dated 07.06.2010.

II

(a) 11.06.2010

(b) -

III Gist of Paragraph / Review

We noticed that the SMART MOVE application developed by NIC was compatible only with windows XP as a result of which, 20 new computers bought for RTO, Ernakulam in February 2009 with VISTA as operating system was not compatible with SMART MOVE. We recommended the Motor Vehicles Department to introduce effective management procedures to resolve such capably issues.

IV

(a) Yes

(b) N.A.

V

(a) Yes

(b) N.A.

VI Remedial Measures Taken

Windows Vista itself became obsolete at present due to its demerits and therefore no comments are required on the compatibility issues of SMART-Move with Windows Vista.

SMART MOVE is huge software and some utility software used in SMART-MOVE alone is not working in the Windows-7. This has been modified by procuring the new versions of the utility software, compatible both with windows -7 and Visual Basic -6. Now the SMART- Move can be operated in windows -7 also.

I

(a) Motor Vehicles Department

(b) Lack of documentation

(c) 5.8.12.3

(d) Report (RR)/DP 3933/2010-11/487 dated 07.06.2010.

II

(a) 11.06.2010.

(b)-

III Gist of Paragraph review

We recommend that Motor Vehicles Department should develop documentation for the software SMART MOVE in a time bound manner.

IV.

(a) Yes

(b) N.A.

V

(a) Yes

(b) N.A.

VI Remedial Measures Taken

The matter will be discussed and necessary provision will be taken in this matter. The soft copy of the source code of the software is available at any time.

I

- (a) Motor Vehicles Department
- (b) Non-recovery of down-time charges as per SLA.
- (c) 5.8.12.4.
- (d) Report (RR) DP 3933/2010-11/487 dated 07.06.2010.

II

- (a) 11.06.2010
- (b) -

III Gist of Paragraph / Review

We noticed that the Motor Vehicles Department calculated down time charges of Rs.6.06 crores but did not adjust it from the payment due to ECIL as per the SLA.

IV

- (a) Yes
- (b) N.A.

V

- (a) Yes
- (b) N.A.

VI. Remedial Measures Taken

Motor Vehicles Department could not make the payment to SPMVD quarterly basis as envisaged and the payments were made on adhoc basis and hence the penalty could not be deducted. The department has calculated a Down time penalty of Rs 5, 29, 53,293/- for the period from January 2007 to 31st December 2009 and Rs.1, 64, 17,327/-for the extension period from 01/01/2010 to 30/06/2011,by consolidating the penalty amount calculated by the RTOs and Joint RTOs. The SPMVD has requested to furnish if any specific objection over the penalty calculated by the department and they have raised objection on the ground of incorrect computation. The SPMVD has been requested to furnish the specific objections.

Besides an external Auditor also is appointed to audit the accounts of the Project including the calculation of the down time penalty to be imposed against M/s ECIL Ltd. The final amount can be arrived only after the submission of the report of the Auditor and the final amount will be arrived as soon as possible. An amount of about Rs.9 crore due to the SPMVD withheld to be adjusted against the down time penalty.

I

(a) Motor Vehicles Department

(b) Ineffective Access Control

(c) 5.8.12.5

(d) Report (RR) DP 3933/2010-11/487 dated 07.06.2010.

II

(a) 11.06.2010

(b) -

III Gist of Paragraph / Review

As providing unrestricted access to application database can seriously compromise the integrity of data, we recommended that the Motor Vehicles Department should introduce effective access control immediately.

IV

(a) Yes

(b) N.A.

V

(a) Yes

(b) N.A.

VI Remedial Measures taken

The new security policy has been introduced in Trivandrum and Kazhakkuttom and found that the problem pointed out by the respected audit team has been rectified. The Motor Vehicles Department have given training to the SMEs of SPMVD for the installation of the policy.

I

- (a) Motor Vehicles Department
- (b) Business Continuing Planning.
- (c) 5.8.12.6
- (d) Report (RR)/DP/3933/2010-2011/487 dated 07.06.2010.

II

- (a) 11.06.2010
- (b) -

III Gist of Paragraph / Review

We observed that the Motor Vehicles Department is backing up transaction logs every 10 minutes to a standby server and a differential back up on everyday and full database back up every week which is commendable. We noticed that the R.T. Offices as well as TC Office are not presently interconnected. Thus back up of data taken on CDs are physically transferred to Transport Commissioner at present. The Motor Vehicles Department should think seriously of inter connection of RTO/SRTO and Transport Commissioner Office as well as migrating to a single server based IT Architecture in order to avoid redundancy and duplication of data existing at present as well as to provide improved services across the state. This will also enhance easy back-up of data at one location without the necessity of having to back up the data of 60 offices.

IV

- (a) Yes
- (b) N.A.

V

- (a) Yes
- (b) N.A.

VI Remedial Measures Taken

All offices in the Motor Vehicles Department are computerized and connected with Central Server located at State Data centre using KSWAN connectivity. At present the department was connected in client server model Architecture. The central servers fetch data from each office in every 15 minutes

and sub offices upload data to central server at every 15 minutes using web service programme. Thus all offices can view and fetch data from central server, registration details and driving licence details using web service programme. These facilitate different offices to verify the data and avoid multiple data entry. The Motor Vehicles Department is planning to swatch over to centralized web based architecture to avoid multiplicity of data.

I

(a) Motor Vehicles Department

(b) Queue Management System

(c) ~~RR~~ 13.1

(d) Report (RR) DP 3933/2010-11/487 dated 07.06.2010.

II

(a) 11.06.2010

(b)-

III Gist of Paragraph / Review

We observed that Queue Management system has not been functional in any of the offices despite the existence of facilities in SMART MOVE application.

IV

(a) Yes

(b) N.A.

V

(a) Yes

(b) N.A.

VI. Remedial Measures Taken

SMART MOVE is developed for providing service to the citizen as per MV law and rules and was not intended to manage QMS or any other function of the office. QMS was installed at RTO, Kollam and found to be not effective and hence installation of this in other offices was not insisted. Any counter any service system to the citizen was introduced with effect from 2008, as such the requirement of QMS is not feasible.

I

(a) Motor Vehicles Department

(b) Stock Entry Modules

(c) ~~5.6.13.2~~

(d) Report (RR)/DP 3933/2010-11/487 dated 07.06.2010.

II

(a) 11.06.2010

(b)–

III Gist of Paragraph / Review

SMART MOVE application provides computerized accounting of preprinted stationary like fee receipts, tax tokens etc. No such provision is made for high security holograms with resulted in non-monitoring of stock inventory.

IV

(a) Yes

(b) N.A.

V

(a) Yes

(b) N.A.

VI Remedial Measures Taken

New module has been developed to generate MIS report for the utilization of stationeries introduced in Smart Move.

I

(a) Motor Vehicles Department

(b) Non-use of Bio-Metric Devices

(c) 8.13.3

(d) Report (RR) DP 3933/2010-11/487 dated 07.06. 2010.

II

(a) 11.06.2010

(b)-

III. Gist of Paragraph / Review

If the Motor Vehicles Department had installed the appropriate software for the biometric device control of unauthorized access into client computers on the LAN as well as access to server through LAN would have enhanced IT security.

IV

(a) Yes

(b) N.A.

V

(a) Yes

(b) N.A.

VI Remedial Measures Taken

Strict directions were issued to all officers to use biometric devices for accessing of system.

I

(a) Motor Vehicles Department

(b) Bar code Scanner

(c) 5:8:13:4

(d) Report (RR)DP 3933/2010-11/487 dated 07.06.2010.

II

(a) 11.06.2010

(b) -

III Gist of Paragraph / Review

140 Bar Code Scanners costing Rs.14.01 Lakh supplied by ECIL not put into use.

IV

(a) Yes

(b) N.A.

V

(a) Yes

(b) N.A.

VI Remedial Measures Taken

1. Barcodes are used in licenses and Registration Certificates as a security measure. It is not intended to speed up the data entry process because the present system of entering the license number and registration number is more easy and economical than the usage of barcode scanners. It is intended to verify the suspected licenses and registration certificates. As such only a few scanners are supplied to each office for the above purpose and are intended to use occasionally.

2. SMART MOVE is capable of generating barcodes for driving licenses and registration certificates. These barcodes can be read by any barcode scanners. This can be proved with any number of such items. The readability of barcodes depends upon the print quality, which in turn depends upon the print head of the printer and ink in the cartridge. If a barcode cannot be read it is of course not due to any mistake in the software.

3. A new item is introduced in the latest version of the SMART MOVE which reads the 13 digit postal article identification number in the dispatch module. On introducing this system all the barcode scanners will be used regularly and more effectively all the time. Hence the findings that 'the investment in 140 barcodes is unfruitful' are not correct.

I

- (a) Motor Vehicles Department
- (b) Existence of duplicate chassis numbers
- (c) ~~RR~~ 14.1
- (d) Report (RR) DP 3933/2010-11/487 dated 07.06.2010.

II

- (a) 11.06.2010
- (b) -

III Gist of Paragraph / Review

We found 11,066 cases of duplicate chassis numbers in the registration table of 12 offices.

IV

- (a) Yes
- (b) N.A.

V

- (a) Yes
- (b) N.A.

VI. Remedial Measures Taken

It is complained that the chassis number is not made unique in the database and therefore the same chassis number can be entered several times in the database.

The following situations may be seen.

1. As per RULES, a vehicle registered in Kerala State can be migrated to any another state. On migration of the vehicle it will be assigned with a new Registration Mark of that state.
 - a. On giving NOC for migration to another state the department cannot delete the entire record of that vehicle from the database. It remains in the data base as in the status of 'NOC given to other state'. If the record is deleted it is not possible to understand what is the position of that registration number, who gives the NOC etc. Not only for answering to any investigations or court queries, vehicle once registered in Kerala the data relating to the vehicles needs to be kept in the database.

b. If the same vehicle re-enters the Kerala State by migration, the department have to assign a new registration number to that vehicle. The chassis number of that vehicle cannot be changed. Here a new registration number with duplicate chassis number has to be entered in the database lawfully.

2. A huge number of other state vehicles were transferred to the State by migration. In some States only the last digital part (4 to 6 digits) is entered in the Registration Certificate. For these vehicles, the motor vehicles department is also compelled to enter the available digits in the original records as Chassis number. 4 or 6 digit chassis numbers does not make unique.

3. The Motor Vehicles Department have to register confiscated vehicles after selling it in auction. Chassis number of most of the vehicles may be fraud or punched or without a chassis number. Because the authorities sold the vehicle in a properly conducted auction we have to register those vehicles also with the available chassis number. Here also, need for entry of duplicate chassis number arrive lawfully.

Considering all the above cases the department cannot make the 'chassis number' field as unique. However Smart Move shows a warning message stating that 'same chassis number found' while registering a vehicle with chassis number already in the data base of an office. If the department makes the chassis number field as unique the vehicles comes in the above categories cannot be registered. Since the motor vehicles department have no provision to reject such applications they could not make the Chassis number field as unique. Hence the paragraph may be dropped.

I

- (a) Motor Vehicles Department
- (b) Absence of provision for capturing insurance details.
- (c) ~~5.6.14.3~~
- (d) Report (RR) /DP 3933/2010-11/487 dated 07.06.2010.

II

- (a) 11.06.2010.
- (b) -

III Gist of Paragraph / Review

We recommended that the Motor Vehicles Department may redesign the database and the input forms to capture details of vehicle insurance at the time of registration.

IV

- (a) Yes
- (b) N.A.

V

- (a) Yes
- (b) N.A.

VI Remedial Measures Taken

Provision for capturing insurance at the time of new registration has been incorporated in the new version of SMART MOVE.

I

- (a) Motor Vehicles Department
- (b) Arrears in Reconciliation of Remittances
- (c) ~~16:1~~
- (d) Report (RR)/DP 3933/2010-11/487 dated 07.06.2010.

II

- (a) 11.06.2010
- (b)

III. Gist of Paragraph / Review

In 22 out of 61 offices from where information was received the reconciliation was in arrears from one to 30 months.

IV

- (a) Yes
- (b) N.A.

V

- (a) Yes
- (b) N.A.

VI Remedial Measures Taken

The reason for the pendency of reconciliation work is the fault of the treasury department. One reason is due to delay in receiving back of the chalan and delay in receipt of the certificate from the treasury department. Reconciliation of receipts of all offices including R.T. Offices, Sub R.T. Offices and DTC Offices has been completed up to 30.06.2011 except Sub R.T. Office, Nedumangad (only reconciled up to 31.03.2011). Strict instructions were issued on 25.04.2011 to follow the article under KFC volume-I. This may be accepted and further action may be dropped.

I

(a) Motor Vehicles Department

(b) Internal audit

~~11.06.2010~~

(d) Report (RR)/DP 3933/2010-11/487 dated 07.06.2010.

II

(a) 11.06.2010

(b) -

III. Gist of Paragraph / Review

Internal Audit of few offices is pending from September 2001 onwards. The performance of Internal Audit Wing is not satisfactory. Motor Vehicles Department has not taken any steps to strengthen the functioning of Internal Audit Wing.

IV

(a) Yes

(b) N.A.

V

(a) Yes

(b) N.A.

VI Remedial Measures Taken

The audit work could not be completed due to the shortage of staff in the Internal Audit Wing) in Motor Vehicles Department. However earnest efforts are being done for the completion of audit on war footing basis. Against the target of 66 units, 40 units have been audited and cleared the amount of Rs.7.21 lakhs during the year 2011-12. Recently the Motor vehicles Department are preparing the programme for the inspection of Deputy Transport Commissioner, Thrissur. Regional Transport Office, Thrissur, Vadakara and Kannur.

I

- (a) Motor Vehicles Department
- (b) Non-levy of surcharge
- (c) ₹16.1
- (d) Report (RR)D.P 3933/2010-11/487 dated 07-06-2010

II

- (a) 11/6/10
- (b) ---

III Gist of paragraph/Review

No surcharge was levied for stage carriages of KSRTC on the total tax demand of ₹395.39 crore for the period from 2004-2005 to 2008-2009. Short levy of surcharge worked out to ₹158.15 crore.

IV

- (a) Yes
- (b) Not applicable

V

- (a) Yes
- (b) Not applicable

VI Remedial Action Taken.

Surcharge for the period from 2004-2005 to 2008-2009 has been waived by the Government as per G.O. (Ms.)No. 10/08/Trans dated 16-02-2008.

I

- (a) Motor Vehicles Department
- (b) Non-levy of additional tax for non-payment of tax
- (c) ₹18.2
- (d) Report (RR)D.P 3933/2010-11/487 dated 07-06-2010

II

- (a) 11/6/10
- (b) ----

III Gist of paragraph/Review

In Regional Transport Office (Nationalised Sector) it was observed that total demand of intra-state stage carriage tax in respect of KSRTC for 2004-05 to 2008-2009 was ₹395.39 crores. As the tax amounting to ₹373.16 crores was not paid within six months time, additional tax at the rate of 50% of the pending tax was leviable. Non-levy of the additional tax worked out to ₹186.62 crores.

IV

- (a) Yes
- (b) Not applicable

V

- (a) Yes
- (b) Not applicable

VI Remedial Action Taken.

Additional tax for non-payment of tax has been waived by Government as per G.O. (Ms.) No. 10/08/Tran dated 16-02-2008.

I

- (a) Motor Vehicles Department
 (b) Short collection of permit for Educational Institution Buses
 (c) ~~18/18.3~~
 (d) Report (RR)D.P 3933/2010-11/487 dated 07-06-2010

II

- (a) 11/6/10
 (b) ---

III

Gist of paragraph/Review

It was found that the department issued private service vehicle permit (PSV) for Educational Institution Buses from 2004 onwards rather than contract carriages as per M. V (Amendment) Act 2000. It was observed that non-compliance of Central Government direction resulted in short levy of permit fee in 154 cases in 24 offices test checked amounting to ₹ 3.60 lakhs.

IV

- (a) Yes
 (b) Not applicable

V

- (a) Yes
 (b) Not applicable

VI: Remedial Action Taken.**Regional Transport Office, Vadakara**

Sl. No.	Registration number	Balance amount due(₹)	Balance fee collected(₹)	Receipt number	Date
1	KL 11 L 5778	2500	2500	18/49412011	20/01/011
2	KL 18 3597	2000	2000	18/3205/2011	13/01/2011
3	KL 11 H 7851	2000	2000	18/3204/2011	13/01/2011
4	KL 18 3692	2000	2000	18/3203/2011	13/01/2011
5	KL 11 K 9070	2000	2000	18/3202/2011	13/01/2011
6	KL 14 A 6811	1500	1500	18/3201/2011	13/01/2011
7	KL 11 S 935	2500	2500	18/3200/2011	13/01/2011
8	KL 11 M 5047	₹2500	2500	18/3199/2011	13/01/2011
9	KL 10 K 826	₹2500	2500	18/3198/2011	13/01/2011
10	KL 18 8148	₹2500	2500	18/9136/2011	05/02/2011
11	KL 18 7176	₹2500	2500	18/9193/2011	5/2/2011
12	KL 18 E 6428	₹1525	1530	18/8217/2011	2/2/2011
13	KL 13 L 6164	₹2000	2000	18/8180/2011	02/02/2011
14	KL 09 H 135	₹2500	2500	18/7867/2011	01/02/2011

15	KL 18 E 809	₹2500	2500	18/7854/2011	1/02/2011
16	KL 13 G 4275	₹2500	2500	18/9138/2011	5/2/2011
17	KL 18 E 8829	₹1140	1140	18/9370/2011	07/02/2011
18	KL 18 E 8234	₹1705	1705	18/9288/2011	5/2/2011
19	KL 18 E 8257	₹1705	1705	18/9287/2011	5/2/2011
20	KL 11 P 7189	₹2500	2500	18/9288/2011	05/02/2011
21	KL 11 P 7205	₹2500	2500	18/9290/2011	05/02/2011
22	KL 18 3908	₹2500	2500	18/9291/2011	5/2/2011
23	KL 11 K 6694	₹2500	2500	18/9292/2011	5/2/2011
24	KL 11 N 246	₹2500	2500	18/9293/2011	05/02/2011
25	KL 11 Q 2657	₹2500	2500	18/9295/2011	5/2/2011
26	KL 11 Q 2558	₹2500	2500	18/9296/2011	5/2/2011
27	KL 11 E 4680	₹2500	2500	18/9297/2011	5/2/2011
28	KL 18 6148	₹2500	2500	18/9137/2011	05/02/2011
29	KL 18 E 3865	₹2500	2500	18/10182/2011	9/02/2011
30	KL 18 6878	₹2500/-	2500	18/10029/2011	4/2/2011
31	KL 18 6059	₹2500/-	2500	18/10078/2011	9/02/2011
32	KL 18 6879	₹2500/-	2500	18/10077/2011	9/02/2011
33	KL 11 M 6706	₹2500/-	2500	18/11078/2011	9/02/2011
34	KL 11 M 6707	₹2500/-	2500	18/10075/2011	09/02/2011
35	KL 12 B 1008	₹2500/-	2500	18/10632/2011	11/02/2011
36	KL 18 E 6649	₹2500/-	2500	18/10686/2011	10/07/2011
37	KL 18 F 2839	₹2500/-	2500	18/10161/2011	10/01/2011
38	KL 18 E 6807	₹2500/-	2500	18/17320/2011	18/02/2011
39	KL 18 E 6612	₹2500/-	2500	18/12319/2011	18/02/2011
40	KL 11 M 6615	₹2500/-	2500	18/13746/2011	18/02/2011
41	KL 11 P 1504	₹2500/-	2500	18/34754/2011	23/05/2011
42	KL 18 D 256	₹2500/-	2500	18/39985/2011	13/08/2011
43	KL 11 F 8685	₹2500/-	2500	18/48672/2011	15/07/2011
44	KL 18 E 6072	₹2000/-	2000	18/67364/2011	15/07/2011
45	KL 18 E 6085	₹2000/-	2000	18/67365/2011	15/07/2011
46	KL 18 E 6091	₹2000/-	2000	18/67367/2011	13/06/2011
47	KL 11 K 2421	₹2500/-	2500	18/80658/2011	23/06/2011

Total collected is ₹1,08,580/-

Regional Transport Office, Alappuzha

Sl. No.	Registration number	Amount collected(₹)	Receipt number	Date
1	KL-04-Y-92	2500	47286	7/7/2011
2	KL-04-D-8157	2000	48008	11/07/2011
3	KL-04-H-5122	2000	51247	22/07/2011
4	KL-04-F-135	1500	47295	7/7/2011
5	KL-04-L-2282	2500	47293	7/7/2011
6	KL-04-F-8950	2500	48725	14/07/2011
7	KL-04-P-8586	2500	46683	5/7/2011
8	KL-04-C-85 5 5	2000	45085	29/08/2011
9	KL-5-D-7187	2000	50154	19/07/2010
10	KL-04-F-278	2500	46178	27/7/2011
11	KL-04-N-25	2500	45498	30/08/2011
12	KL-04-Y-2771	2500	47294	7/7/2011
13	KL-04-J-7066	2500	47320	7/7/2011
14	KL-04-H-815	2500	47323	7/7/2011
15	KL-04-Y-2825	2500	46637	5/7/2011
16	KL-04-K-5269	2000	9258	31/01/2012
17	KL-04-Y-2722	2500	59150	22/08/2011
18	KL-04-Y-2883	2000	45138	29/08/2011
19	KL-04-N-723	2500	49248	15/07/2011
20	KL-04-X-7196	2500	46730	5/7/2011
21	KL-10-M-8482	2500	71481	10/10/2011
22	KL-04-P-8850	2500	58463	11/8/2011
23	KL-04-A-2957	2500	46701	5/7/2011
24	KL-04-R-8312	2500	49604	18/07/2011
25	KL-08-G-2327	2500	33305	18/04/2012
26	KL-04-D-5558	2700	34899	14/07/2009
Total		₹61200		
Sl. No.	Registration number	Amount collected(₹)	Receipt number	Date
1	KRA 5311	2500	71029	07/10/2011
2	KL-04-M-3765	2500	52247	17/08/2010
3	KL-04-Y-3083	2500	50864	11/8/2010
4	KL-04-L-2581	2000	37757	29/07/2009
5	KL-04-E-5707	2500	37494	28/07/2009
6	KL-04-P-8905	2500	34856	14/07/2009
7	KL-04-P-8945	2000	30521	20/06/2009

8	KL-04-Y-3278	2000	30617	20/08/2009
9	KL-04-Y-3265	2000	30619	20/08/2009
10	KL-4-A-7002	2000	43260	12/07/2010
11	KL-03-H-3522	2000	69732	01/10/2011
12	KL-04-D-5558	2700	34899	14/07/2009
Total		₹27200		

Total collected is ₹88,400/-

Regional Transport Office, Kozhikode

Sl. No.	Registration number	Collection details
1.	KL-11-F-6903	Collected ₹1500/- vide RT No. 2917/2011 dated 05-01-2011
4.	KL-11-D-3867	Collected ₹2000/- vide RT No. 86653/2011 dated 17-05-2011
6.	KL-01-V-186	Collected ₹2500/- vide RT No. 125353/2011 dated 14-07-2011
7.	KL-11-K-4581	Collected ₹800/- vide RT No. 102214/2011 dated 09-06-2011
8.	KL-11-K-4656	Collected ₹2500/- vide RT No. 7345/2011 dated 12-01-2011
9.	KL-11-AD-523	Collected ₹2500/- vide RT No. 60253/2011 dated 01-04-2011
11.	KL-11-G-8644	Collected ₹2500/- vide RT No. 11069/2011 dated 18-01-2011
12.	KL-11-T-557	Collected ₹2500/- vide RT No. 10729/2011 dated 18-01-2011
13.	KL-11-AD-905	Collected ₹2300/- vide RT No. 38914/2010 dated 10-03-2010 Collected ₹200/- vide RT No. 39323/2010 dated 11-03-2010 and ₹500/- vide RT No. 3785/2011 dated 08-02-2011
15.	KL-11-M-7940	Collected ₹2500/- vide RT No. 30807/2011 dated 18-02-2011
17.	KL-11-F-5927	Collected ₹2500/- vide RT No. 2918/2011 dated 05-01-2011

Total collected is ₹24800/-

Sub Regional Transport Office, Thrur

Sl. No.	Sl. No. as per Annexure-I	Registration number	Amount Collected(₹)	Date of remittance	Receipt number
1.	2	KL-07-Q-3909	2000	Collected vide Revenue Recovery	
2.	3	KL-14-8149	2000	Collected vide Revenue Recovery	
3.	4	KL-10-W-341	1500	26-05-201	55/63456/2011
4.	5	KL-55-B-9824	2000	30/04/2011	55/54108/2011
5.	6	KL-10-S-2646	2500	Collected vide Revenue Recovery	
6.	7	KL-10-N-1589	2500	25-04-2011	55/51985/2011
7.	8	KL-11-X-6716	2500	17-05-2011	55/60523/2011
8.	9	KL-02-A-6064	2000	Collected vide Revenue Recovery	
9.	10	KL-10-M-16	2500	28/05/2011	55/64537/2011
10.	11	KL-55-3471	2500	20/04/2011	55/50893/2011
11.	12	KL-55-C-3769	2000	04/11/2011	55/12636/2011
12.	14	KL-10-Q-5392	2500	Collected vide Revenue Recovery	

13.	15	KL-10-H-3346	1500	22/07/2011	55/85352/2011
14.	16	KL-12-A-9414	2500	13/01/2012	55/5310/2012
15.	17	KL-10-G-2214	2500	Collected vide Revenue Recovery	
16.	18	KL-14-D-2	RR taken and collection awaiting		
17.	19	KL-13-J-5993	2500	26/04/2011	55/53316/2011
18.	20	KL-04-L-5431	2500	28/05/2011	55/64594/2011
19.	21	KL-10-D-2790	2000	Collected vide Revenue Recovery	
20.	22	KL-55-C-7592	2500	Collected vide Revenue Recovery	
21.	23	KL-09-K-1401	2500	28/05/2011	55/64596/2011
22.	24	KL-55-C-8254	2500	24/05/2011	55/62778/2011
23.	25	KL-10-K-1085	2500	12/09/2011	55/12469/2011
24.	26	KL-10-H-7086	2500	24/05/2011	55/62790/2011
25.	27	KL-11-H-835	2000	24/05/2011	55/62779/2011
26.	29	KL-10-K-149	2000	25/04/2011	55/52099/2011
27.	30	KL-10-F-1810	2500	25/04/2011	55/52090/2011
28.	31	KL-10-Q-5902	2500	25/04/2011	55/52092/2011
29.	32	KRC 8406	2500	14/07/2011	55/52087/2011
30.	33	KL-10-2429	2500	11/05/2011	55/58441/2011
31.	34	KL-10-L-9783	2500	05/05/2011	55/55991/2011
32.	35	KL-10-D-2437	1500	Collected vide Revenue Recovery	
33.	36	KL-10-C-7115	2600	05/05/2011	55/55990/2011
34.	37	KL-55-D-1864	2500	14/10/2011	55/115518/2011
35.	38	KL-10-J-1100	2500	12/05/2011	55/58933/2011
36.	39	KL-11-L-9370	2500	08/05/2011	55/56769/2011
37.	40	KL-10-F-929	2500	06/05/2011	55/56768/2011
38.	41	KL-11-D-6230	2500	06/05/2011	55/56766/2011
39.	42	KL-55-D-2144	2500	18/05/2011	55/60688/2011
40.	43	KL-55-D-2154	2500	18/05/2011	55/60687/2011
41.	44	KL-55-D-2146	2500	18/05/2011	55/60689/2011
42.	45	KL-55-D-2173	2500	18/05/2011	55/60690/2011
43.	46	KL-10-S-3698	1500	Collected vide Revenue Recovery	
44.	47	KL-55-D-2369	2500	03/05/2011	55/55288/2011
45.	48	KL-10-G-8117	2500	10/05/2011	55/58080/2011
46.	49	KL-11-R-8831	RR taken and collection awaiting		
47.	50	KL-08-J-3921	2500	18/05/2011	55/59462/2011
48.	51	KL-10-L-9852	2500	03/08/2011	55/66856/2011
49.	52	KL-10-N-3235	2500	07/05/2011	55/57044/2011
50.	53	KL-10-D-545	2500	16/05/2011	55/61896/2011
51.	55	KL-10-H-6849	2500	08/05/2011	55/56826/2011

52.	57	KL-10-L-4119	2500	28/05/2011	55/64832/2011
53.	58	KL-55-D-2224	2500	12/08/2011	55/93194/2011
54.	59	KL-10-R-519	2500	12/05/2011	55/93194/2011
55.	61	KL-55-D-2623	2000	Collected vide Revenue Recovery	
56.	62	KL-55-D-2896	1500	Collected vide Revenue Recovery	
57.	63	KL-10-K-6999	2500	30/05/2011	55/64895/2011
58.	64	KL-10-L-9271	2500	09/05/2011 04/05/2011	55/55597/2011 55/57340/2011
59.	65	KL-10-L-9272	2500	09/05/2011 04/05/2011	55/57337/2011 55/55598/2011
60.	66	KL-07-AE-4015	2500	31/05/2011	55/85498/2011
61.	67	KL-14-C-6160	2500	30/04/2011	55/54217/2011
62.	68	KRM-2079	2500	Collected vide Revenue Recovery	
63.	69	KL-10-G-3633	2500	10/07/2009	55/76568/2011
64.	70	KL-11-T-1660	2500	18/12/2011	55/136693/2011
65.	71	KL-55-D-3136	2000	08/06/2011	55/68282/2011
66.	72	KL-10-L-7913	2000	28/05/2011	55/63668/2011
67.	73	KL-10-L-7952	2500	Collected vide Revenue Recovery	
68.	74	KL-10-S-8760	2500	08/06/2011	55/68189/2011
69.	75	KL-10-C-6352	2500	27/05/2011	55/63697/2011
70.	76	KL-55-D-8137	2500	Collected vide Revenue Recovery	
71.	77	KRM-5263	2500	Collected vide Revenue Recovery	
72.	78	KL-08-C-3004	2500	Collected vide Revenue Recovery	
73.	79	KL-55-D-3145	1500	22/06/2011	55/73489/2011
74.	80	KL-55-D-3126	1500	22/06/2011	55/73489/2011
75.	81	KL-10-K-565	2000	Collected vide Revenue Recovery	
76.	82	KL-10-Q-8803	2500	Collected vide Revenue Recovery	
77.	83	KL-10-R-429	2500	Collected vide Revenue Recovery	
78.	84	KL-10-L-8146	2500	26/04/2011	55/52666/2011
79.	85	KL-10-N-6415	2500	03/06/2011	55/68826/2011
80.	86	KL-10-L-7584	2500	Collected vide Revenue Recovery	
81.	87	KL-10-C-7131	2500	Collected vide Revenue Recovery	
82.	88	KL-10-F-9929	2500	Collected vide Revenue Recovery	
83.	90	KL-G-5673	2500	23/06/2011	55/68021/2012
84.	91	KL-10-B-9088	RR taken and collection awaiting		
85.	92	KL-10-D-2010	2500	07/06/2012	55/59721/2012
86.	94	KL-10-K-704	2000	13/10/2011	55/114374/2011
87.	95	KL-08-C-6847	2000	12/06/2011	55/58982/2011
88.	96	KL-10-G-9005	2500	02/06/2011	55/65838/2011
89.	97	KL-10-N-6078	2500	03/06/2011	55/66670/2011

90.	98	KL-10-S-8803	2500	03/08/2011	55/66669/2011
91.	99	KL-10-Q-1909	2500	01/08/2012	55/57607/2012
92.	100	KL-10-Q-6267	2500	02/08/2011	55/65986/2011
93.	101	KL-10-N-8995	2500	02/08/2011	55/65835/2011
94.	102	KL-10-7807	2500	14/07/2011	55/81893/2011
95.	103	KL-10-C-6480	2500	12/04/2011	55/48975/2011
96.	104	KL-10-A-9477	2500	12/04/2011	55/78976/2011
97.	108	KL-10-A-1454	2500	02/08/2011	55/65836/2011
98.	197	KL-55-D-3219	2000	18/08/2011	55/71996/2011
99.	108	KL-10-L-7737	2000	28/05/2011	55/64441/2011
100.	110	KL-10-S-1537	2000	02/08/2011	55/65885/2011
101.	111	KL-10-S-8883	2000	22/08/2011	55/73490/2011
102.	112	KL-10-S-6458	1500	31/05/2011	55/65508/2011
103.	114	KL-10-C-7883	2500	31/03/2012	55/34380/2012
104.	115	KL-10-R-391	2500	02/08/2011	55/68185/2011
105.	116	KL-55-D-3522	1500	26/04/2011	55/52865/2011
106.	117	KL-10-N-8374	2500	20/08/2009	55/67241/2009
107.	118	KL-10-L-9211	2500	30/05/2011	55/85121/2011
108.	119	KL-10-N-650	2500	27/05/2011	55/84207/2011
109.	120	KL-10-L-4562	2500	30/05/2011	55/85122/2011
110.	121	KL-10-M-2048	2500	30/05/2011	55/85120/2011
111.	122	KL-02-G-3004	2500	03/05/2011	55/55408/2011
112.	123	KL-07-N-5045	2500	17/09/2012	55/100595/2012
113.	124	KL-10-T-813	2000	09/08/2011	55/68801/2011
114.	126	KL-55-D-3590	2000	07/06/2011	55/67948/2011
115.	127	KL-55-D-3356	2000	31/05/2011	55/65130/2011
116.	128	KL-10-C-9563	2500	08/04/2011	55/47753/2011
117.	129	KL-55-D-3367	2500	31/05/2011	55/65129/2011
118.	130	KL-14-D-9693	2000	19/07/2012	55/77226/2012
119.	131	KL-55-D-3573	2000	09/06/2011	55/68531/2011
120.	132	KL-07-AD-9946	2500	28/05/2011	64802/2011
Total Collection (120 Nos.)			₹2,71,500		

Total collected is ₹2,71,500/-

Sub Regional Transport Office, Thiruvalla

Sl. No.	Registration number	Amount collected(₹)	Receipt number	Date
1.	KL-03-8165	2500	27/345/2011	04/01/2011
2.	KL-03-G-1363	2500	27/18671/2010	03/07/2010
3.	KL-03-J-3640	2500	27/18670/2010	03/07/2010
4.	KL-03-E-3460	2500	27/18669/2010	03/07/2010
5.	KL-03-J-3641	2500	27/18672/2010	03/07/2010
6.	KL-03-J-3642	2500	27/18673/2010	03/07/2010
7.	KL-03-B-1849	2500	27/18990/2010	03/07/2010
8.	KL-03-H-8491	2500	27/19621/2010	07/07/2010
9.	KL-03-K-5325	2500	27/28578/2010	13/07/2010
10.	KL-03-K-5411	2500	27/19671/2010	07/07/2010
11.	KL-03-K-5507	2000	27/19669/2010	14/07/2010
12.	KL-27-A-2809	2500	27/27376/2010	14/07/2010
13.	KL-03-E-7846	2500	27/2120/2011	27/09/2010
14.	KL-03-G-8490	2500	27/2123/2011	20/01/2011
15.	KL-27-A-2693	2500	27/15808/2012	08/05/2012

Total collected is ₹37,000/-

- (a) Motor Vehicles Department
 (b) Non-levy of one time tax on percentage basis
 (c) ~~6~~
 (d) Report (RR)D.P 3933/2010-11/487 dated 07-06-2010

II

- (a) 1-06-2010
 (b) —

III Glut of paragraph/Review

It was observed that in 298 cases of assignment of new registration numbers to the migrated/reclassified vehicles the department inadvertently collected biennial tax applicable to old vehicles instead of one time tax at the prescribed rate in 48 offices. Short collection worked up to ₹41.89 lakh

IV

- (a) Yes
 (b) Not applicable

V

- (a) Yes
 (b) Not applicable

VI Remedial Action Taken.Regional Transport Office, Vatakara

Sl. No.	Registration number	Amount collected (₹)	Receipt number	Date
1.	KL-18-D-2387	335	18/15525/09	06/07/2009
2.	KL-18-4336	1500	18/15850/09	09/07/2009
3.	KL-18-D-2807	940	18/16700/09	15/07/2009
4.	KL-18-D-5055	600	18/28098/09	18/07/2009
5.	KL-18-D-5225	900	18/21841/09	14/11/2009
6.	KL-18-D-4199	1500	18/28166/09	19/11/2009
7.	KL-18-D-6751	1800	18/16717/09	15/07/2009
8.	KL-18-D-4338	660	18/15434/09	04/07/2009
9.	KL-18-D-7708	760	18/17638/09	26/07/2009
10.	KL-18-D-2383	940	18/2383/11	16/09/2009
11.	KL-18-D-4272	1492	Demand Note Issued	-
12.	KL-18-D-2076	935	Demand Note Issued	-
13.	KL-18-D-5622	180	18/27618/11	21/10/2011
14.	KL-18-D-5627	895	Demand Note Issued	-

15.	KL-18-D-4632	900	Demand Note Issued	
16.	KL-18-D-8004	651	Demand Note Issued	
17.	KL-18-D-7011	1300	18/17230/12	20/06/2012
18.	KL-18-D-4499	1200	18/16017/12	01/06/2012
19.	KL-18-D-6869	1498	Demand Note Issued	
20.	KL-18-D-5616	900	18/25532/11	07/10/2011
21.	KL-18-D-6781	1198	18/24079/11	18/09/2011

Total collected is ₹21084/-

Sub Regional Transport Office, Kazhakkuttom

Sl. No.	Registration number	Amount collected(₹)	TL No.	Date
1.	KL-22-5864	5390	TL No.22/2782/2010	20-02-2010
2.	KL-22-6374	34881	TL No.22/15273/2009	18-12-2009
3.	KL-22-8195	18402	TL No.22/3188/2010	08-03-2010
4.	KL-22-9003	43080	TL No.22/12430/2010	27-09-2010

Total collected is ₹1,01,739/-

Sub Regional Transport Office, Pattambi

Sl. No.	Registration number	Amount due(₹)	Collected(₹)	Remarks
1.	KL-52-6788	8448	8090; 390	TL No. 52/240/2011 dated 18/11/2011; TL No. 52/13847/2011 dated 24/07/2010
2.	KL-52-9398	7238	6790; 450	TL No. 52/2389/2011 dated 11/11/2011; TL No. 52/19068/2010 dated 23/09/2010
3.	KL-53-8913	15309	11870; 3870	TL No. 52/23948/2011 dated 16/11/2011; TL No. 52/7400/2010 dated 17/04/2010
4.	KL-57-7462	7035	400; 6635	TL No. 52/672/2010 dated 20/05/2010; TL No. 52/10700/2012 dated 04/05/2012

KL 52 6441 – Demand notice issued on 04/11/2011 and on 27/06/2012
KL 52 9573 – Demand notice issued on 04/11/2011 and on 27/06/2012

Total collected is ₹38465/-

Regional Transport Office, Pathanamthitta

21 cases pointed out by the audit an amount of ₹ 2,79,440/- out of which 19 cases collected an amount of ₹2,56,721/-. Remaining 2 cases an amount of ₹ 22,719/-

I

- (a) Motor Vehicles Department
 (b) Short levy of one time tax
 (c) 9.10.1
 (d) Report (RR)D.P 3933/2010-11/487 dated 07-06-2010

II

- (a) 1-06-2010
 (b) —

III Gist of paragraph/Review

It was noticed that Motor Vehicle Department levied one time tax due to incorrect computation of purchase value in 1339 cases. This resulted in short levy of tax of ₹13.68 lakh

IV

- (a) Yes
 (b) Not applicable

V

- (a) Yes
 (b) Not applicable

VI Remedial Action Taken.

Sl no.	Name of office	No.of cases	Short levy	Amount collected (₹)
1	RTO Vadakara	17	18201	8591
2	Sub RTO Kazhakkuttam	31	23501	23559
3	RTO Alappuzha	12	8390	8390
4	Sub RTO Vandiperiyar	30	37266	4878
5	Sub RTO Tirur	63	103705	57556
6	Sub RTO Mattanchery	50	71010	57320
7	Sub RTO Kothamangalam	12	10122	10122
TOTAL				1,70,416

Short collection (₹)	Collected (₹)
13,68,000/-	1,70,416/-

I

- (a) Motor Vehicles Department
 (b) Incorrect grant of mofussil permits
 (c) ~~-----~~
 (d) Report (RR)D.P 3933/2010-11/487 dated 07-06-2010

II

- (a) 11-06-2010
 (b) ----

III Gist of paragraph/Review

It was noticed that while transferring vehicles to the jurisdiction of other Regional Transport Offices/Sub Regional Transport Offices mofussil/permits were granted to 33 vehicles after collecting tax based on the reduced seating capacity of the vehicles instead of collecting tax at the minimum seating capacity of stage carriage proportionate to wheel base prescribed. Thus resulted in short collection of tax of ₹13.60 lakh.

IV

- (a) Yes
 (b) Not applicable

V

- (a) Yes
 (b) Not applicable

VI Remedial Action Taken.

Sl no.	Name of office	No. of cases	Short levy	Amount collected (₹)
1	RTO Alappuzha	2	36720	7620
3	RTO Kottayam	5	29650	35200
5	RTO Vatakara	4	31620	44135
TOTAL AMOUNT COLLECTED				86,955

Regional Transport Office, Vatakara

- KL-11-W-9099 ₹27,135/- remitted vide TL No. 18/28073/10 dated 16-11-2010 for the period from 01-07-2008 to 30-09-2010. And seating capacity enhanced from 30 to 33 and fresh tax endorsement issued. Hence this case may be dropped.
- KL-11-W-8010 Notice issued to registered owner with direction to produce the vehicle for inspection after rectifying the defects. ₹9000/- tax remitted vide TL No. 18/13382/2011 dated 16-05-2011 for the period 01-10-2009 to 31-03-2011 & seat altered as 33 with effect from 05-02-2011. Hence this case may be dropped.
- KL-08-AC-3326 Notice issued to registered owner with direction to produce the vehicle for inspection after rectifying the defects. ₹8000/- remitted vide TL No. 28526/10 dated 24-11-

2010 for the period 01-01-2007 to 30-09-2010.
Hence this case may be dropped.

4. KL-07-Q-9702 Demand Notice issued to registered owner for realizing the amount of ₹5820/-. The vehicle belongs to Regional Transport Office, Kozhikkode. The details of vehicle was entered in this office only for Issuiong a STP for 20 days. Now the vehicle is a Driving School Bus under Regional Transport Office, Kozhikkode.

Total collected is ₹44.135/-

Regional Transport Office, Alappuzha

1. KL-07-J-7954 This vehicle was originally registered by ARA, Aluva and mofusil temporary Stage Carriage permit was issued on the basis of permit less certificate issued by the Secretary, RTA, Ernakulam. The vehicle is permit less with effect from 01-06-2009 and put under stoppage intimation. Demand notice was issued for the difference of tax for the period from 01-04-2008 to 30-06-2009 amounting to ₹26,170/-. Since the Registered Owner failed to remit the tax arrear, RR has initiated for an aggregate amount of ₹57,070/- on 03-04-2010.
2. KL-07-AN-84 Short collection has subsequently been made good and permit less certificate issued which is mentioned in the report itself.

Regional Transport Office, Kozhikkode

- 1 S/C KL-10-K-1440 Conducted enquiry through the Original Registering Authority, Malappuram and as per the report of K. Ragesh., Assistant Motor Vehicles Inspector, Malappuram, the wheel base of the vehicle is 310cm and Seating capacity is 23 in all and it is as per Law. Necessary corection made in the Back Log entry in the system. Hence this may be dropped.
- 2 S/C KL-09-K-1423 The vehicle is included in the jurisdiction of Regional Transport Office, Malappuram and the class of vehicle is altered as CC(RIB) on 22-05-2008. The Regional Transport Officer, Malappuram has been addressed to clarify the wheel base of the vehicle. As per the report of Sri. Rejimon K.V., Assistant Motor Vehicle Inspector of Vazhikadave Check Post, the wheel base of the vehicle is 502cm 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.

Short collection (₹)	Collected (₹)
13,60,000/-	86,955/-

I

- (a) Motor Vehicles Department
- (b) Non-realization of tax from Stage Carriages
- (c) ~~Motor~~
- (d) Report (RR)D.P 3933/2010-11/487 dated 07-06-2010

II

- (a) 11-06-2010
- (b) ---

III Gist of paragraph/Review

It was noticed that on 43 contract carriages tax due was not realized for the period for which non-use intimation had not been filed. This resulted in short levy of tax of ₹4.78 lakh.

IV

- (a) Yes
- (b) Not applicable

V

- (a) Yes
- (b) Not applicable

VI Remedial Action Taken.Regional Transport Office, Kozhikkode

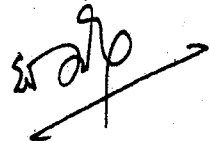
- 1 KL-07-H-4874 The Vehicle was under form G from 01-01-2010 to 31-03-2010 with the request for scrap of the vehicle. As per the report of Assistant Motor Vehicle Inspector, the vehicle was garaged at the place mentioned in the form G from 01-01-2010 to 12-03-2010. Hence tax is exempted upto 28-02-2010 and steps taken to cancel the Registration Certificate. Hence there are no dues.
- 2 KL-10-D-2646 Remitted ₹12,561/- being the tax for 04/2009 vide TL No.25362 dated 16-06-2009. Tax for the period from 01-05-2009 to 31-05-2009 and from 01-06-2009 to 30-06-2009 has been exempted. Hence there is no due.
- 3 KL-11-J-9909 As per the report of Assistant Motor Vehicles Inspector, Koduvally dated 05-10-2009 tax in respect of the vehicle has been exempted from 01-07-2009 to 30-09-2009. Due to the technical error the same cannot be entered in the System. Hence there is no due.
- 4 KL-11-J-9909 Collected ₹10,000/- being the tax for the month of 12/2009 vide TL No. 57/29344/09 dated 28-12-2009 at Joint Regional Transport Office, Koduvally.

Total collected is ₹22561/-

Regional Transport Office, Ernakulam

The audit party has pointed out 8 cases amounting to ₹96,950/-. Out of this ₹81,700/- collected in 6 cases. Balance remaining is ₹15,250/- in two cases and action for the realization is in progress.

Short collection (₹)	Collected (₹)
4,78,000/-	1,04,261/-



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