

**TWELFTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2008-2011)**

**ONE HUNDRED AND FIFTH REPORT**

(Presented on 17th July, 2009)



**SECRETARIAT OF THE KERALA LEGISLATURE  
THIRUVANANTHAPURAM  
2009**

**TWELFTH KERALA LEGISLATIVE ASSEMBLY**

**COMMITTEE  
ON  
PUBLIC ACCOUNTS  
(2008-2011)**

**ONE HUNDRED AND FIFTH REPORT**

**On**

**Paragraphs relating to Taxes and Transport Departments  
contained in the Reports of the Comptroller and Auditor General  
of India for the years ended 31st March 2002 (RR),  
31st March 2005 (RR) and 31st March 2006 (RR)**

## CONTENTS

	<i>Page</i>
Composition of the Committee	.. v
Introduction	.. vii
Report	.. 1
Appendices :	
I Summary of Main Conclusions/Recommendations	.. 39
II Notes furnished by the Government	.. 45

COMMITTEE ON PUBLIC ACCOUNTS (2008-2011)

*Chairman :*

Shri Aryadan Muhammed

*Members :*

Shri C. T. Ahammed Ali  
,, Anathalavattom Anandan  
,, Babu Paul  
,, K. C. Joseph  
,, K. M. Mani  
,, A. C. Moideen  
,, M. Prakashan Master  
,, Ramachandran Kadannappally  
,, K. K. Shylaja Teacher  
,, M. V. Sreyams Kumar

*Legislature Secretariat :*

Shri P. D. Rajan, Secretary  
Smt. V. Jayalekshmi Amma, Additional Secretary  
Shri Wilson V. John, Deputy Secretary  
Smt. A. Achamma, Under Secretary.

## INTRODUCTION

I, the Chairman, Committee on Public Accounts having been authorised by the Committee to present this Report on their behalf present the One Hundred and Fifth Report on paragraphs relating to Taxes and Transport Departments contained in the Reports of the Comptroller and Auditor General of India for the years ended 31 March 2002 (RR), 31 March 2005 (RR) and 31 March 2006 (RR).

The Reports of the Comptroller and Auditor General of India for the years ended 31 March 2002 (RR) , 31 March 2005(RR) and 31 March 2006 (RR) were laid on the Table of the House on 16th June, 2003, 16th February 2006 and 28th March 2007 respectively.

The Committee considered and finalised this Report at the meeting held on 14th July, 2009.

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

Thiruvananthapuram,  
17th July, 2009.

ARYADAN MUHAMMED,  
*Chairman,*  
*Committee on Public Accounts.*

## REPORT

### TAXES AND TRANSPORT DEPARTMENTS

#### **Incorrect remission of stamp duty**

Section 9 of the Kerala Stamp Act, 1959 provides that Government may, by order published in the Gazette reduce or remit prospectively or retrospectively the stamp duty chargeable under Section 3 of the Act. Such order as soon as it is published is required to be laid before the Legislative Assembly. Stamp duty at Rs. 5 for every Rs. 100 or part thereof of the amount or value secured is leviable on instrument of mortgage when possession is not given or agreed to be given. In 32 Sub Registry offices\* no stamp duty was levied on 66 mortgage deeds (without possession) executed by the employees of Kerala Water Authority for securing house construction advances, on the basis of an order (March 1998) of Government which was neither issued in accordance with the provisions of the Act by any competent authority nor published in the Gazette. This resulted in incorrect remission of stamp duty of Rs. 5.45 lakh.

This was pointed out in audit to the department between February 2000 and January 2002 and reported to Government in February and May 2002. They admitted (April and June 2002) the audit observation. The Government further stated (April 2002) that the incorrect order had been cancelled (January 2002) and realisation of stamp duty on all documents exempted under it had been ordered. Further report has not been received (November 2002).

[Paragraph 7.3 contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2002 (RR)].

Note furnished by Government on the above audit paragraph is included as Appendix II.

1. At the beginning of the examination of the audit paragraphs, the Committee had gone through the case involving incorrect remission of stamp duty amounting to Rs. 5.45 lakh in 32 Sub Registry Offices, wherein stamp duty was exempted on 66 mortgage deeds executed by Kerala Water Authority employees for securing house construction advance, merely on an unauthenticated order which was not in familiarity with the provisions in the Kerala Stamp Act, 1959. The Committee noted that though the authorities of Water Authority had subsequently tried to levy the said amount on

\* Angamali, Anjarakandy, Annamanada, Attingal, Chadayamangalam, Chelakkara, Chevayoor, Edachery, Ettumanoor, Irinjalakkuda, Kadapra, Kallara, Kalloorkadu, Kannanalloor, Kanyakulangara, Kavilampara, Koduvayoor, Koyilandi, Kundara, Kulathur, Kuthiathode, Malayinkeezhu, Manjeri, Mavelikara, Mavoor, Nedumangad, Nemom, Pattom, Shornur, Vadakara, Varkala and West Hill.

the basis of audit objection, the Honourable High Court of Kerala had not allowed this and the Court ordered in favour of the employees. The Committee's observation in this connection was that the Court had ordered in such a way for not to quash the benefit of exemption once granted.

2. Though the Joint Secretary, Taxes Department submitted that the matter was related to Kerala Water Authority, the Committee pointed out that even though it was related to the employees of Kerala Water Authority, the collection of tax from the same would have to come to the Taxes Department. The Committee desired to know whether the Irrigation Department had the right for issuing orders in cases involving Financial commitments and asked whether the Finance Department had approved it and consented to waive the stamp duty. The Additional Secretary, Finance Department answered that the department did not have any idea in this matter. The Committee strongly criticized this type of negligent attitude of the Finance Department in such matters. The Committee scolded the Additional Secretary, Finance Department for not referring anything on the Audit Paragraph before attending the PAC meeting. The Committee asked whether the Administrative Department had the right to issue orders without the approval of the Finance Department in matters having financial commitments.

3. The Additional Secretary, Finance Department stated that such an order could be issued only after the consent and approval of the Council of Ministers. While hearing this, the Committee opined that even if it was approved by the Council, the same should have been forwarded to the Finance Department. The Additional Secretary agreed with it and informed that such orders should be forwarded to the Finance Department at the draft stage itself.

4. The Committee opined that the council would approve orders issued by the departments if it was submitted as outside Agenda. But as per the Rules of business even though it was approved by the Council it should be forwarded to the Finance Department for processing. The Committee asked whether the file relating to this particular case had been forwarded to the Finance Department. To this the Additional Secretary, Finance Department had nothing to answer except repeating her ignorance as usual.

5. Outraged by this indifference, the Committee strongly deplored the irresponsible attitude of the Finance Department in this matter. The Committee blamed that the concerned officer had not referred anything on the audit paragraph to be examined. The Committee also pointed out that the Finance Department had separate wing for dealing such matters. The Committee warned that it would send back such officers if they attended Committee's meeting without referring anything. The Committee added that this irresponsible and negligent attitude of the Finance Department should be highlighted in the Report of the Committee and that minutes should be prepared accordingly.

6. The Joint Secretary, Taxes Department stated that they had consulted Finance Department in this regard. Initially Finance Department did not agree with the Administrative Department. So the Minister for Water Resources had taken up the matter and referred the case to the then Finance Minister. On the basis of this, the Finance Department had approved the same.

7. The Committee opined that the Taxes Department, if needed, could file an appeal petition before the Honourable High Court of Kerala regarding the case. The Joint Secretary, Taxes Department replied that the department had filed appeal but the same was rejected by the court. Later on, the file was referred to the Law Department for further legal advice.

#### Conclusion/Recommendation

**8. The Committee notices that the Finance Department is not showing any responsibility towards matters having Financial Commitments and criticises this negligent attitude. The Committee didn't get any valuable information from the Department on the audit observation though they expected much more. The official who did attend the meeting of the Committee pathetically failed in communicating the facts. The Committee strongly views this as a highly irresponsible attitude in not referring anything on audit paragraph under discussion before coming to PAC Meeting and reminds that the officials do not make themselves objects of the mockery of others.**

#### AUDIT PARAGRAPH

##### Results of Audit

Test check of the records of the offices of the Motor Vehicles Department conducted in audit during 2004-05 revealed short/non levy of tax and other underassessments amounting to Rs.2.52 crore in 164 cases which may broadly be categorised as under:

(In crore of rupees)			
Sl. No.	Category	Number of cases	Amount
1	Short/non levy of tax	113	0.92
26	Other lapses	51	1.60
Total		164	2.52

During 2004-05, the Department accepted underassessments, etc., of Rs. 38.09 lakh involved in 60 cases of which nine cases involving Rs. 5.76 lakh were pointed out in audit during 2004-05 and the rest in earlier years. At the instance of audit, the Department recovered an amount of Rs.14.75 lakh in 58 cases of which six cases involving Rs.1.66 lakh pertained to 2004-05.

In one case entire amount of Rs. 2.20 lakh was recovered after the case was brought to the notice of the Government. A few illustrative cases including review on “Information Technology Audit of Motor Vehicles Department” involving Rs. 71.87 lakh are given in the following paragraphs.

[Paragraph 3.1 contained in the Report of the Comptroller and Auditor General of India for the year ended 31 March 2005 (R.R)].

Note furnished by Government on the above audit paragraph is included as Appendix II.

9. While examining the audit observation on the short/non levy of tax and other under assessments amounting to Rs. 2.52 crore in 164 cases relating to Motor Vehicles Department for the year 2004-05, the Committee understood that an amount of Rs. 2.10 crore related to 78 cases had already been realised. The Committee asked the witness about the latest position of the balance amount of Rs. 42 lakh to be realised in 86 cases. To this the witness did not have any answer.

#### **Conclusion/Recommendation**

**10. While enquiring about short/non-levy of tax in 164 cases relating to Motor Vehicles Department, the Committee urges the Department to furnish the details of the amount realised till date out of the balance amount of Rs. 42 lakh pertaining to 86 cases, to the Committee at the earliest.**

#### AUDIT PARAGRAPH

#### *Review on “Information Technology Audit of Motor Vehicles Department”*

#### **Highlights**

- Government decided in 2001 to computerise the Motor Vehicles Department. Only one out of the seven offices in Thiruvananthapuram district scheduled in phase I is computerised. Service providers for computerisation of remaining offices under build, operate, maintain and transfer mode are yet to be selected.
- Several essential provisions are lacking in the software—SMART MOVE developed by NIC.
- Several irregularities noticed in licence data due to inadequate input control.
- Information generated from the system could not be authenticated as registration data was not properly validated.
- Several vehicles with duplicate engine number and chassis number were entered in the registration data.

- Incorrect/non accounting of remittance of fees/tax at FRIENDS centre.
- Information security was no adequate for smooth functioning of the system as there was not documented password policy, business continuity planning.

### **Introduction of computerisation in Transport Department**

The Motor Vehicles Department, with its head office at Thiruvananthapuram, functions under the Transport Commissioner and is responsible for enforcement of laws governing the registration of motor vehicles, issue of driving licences, permits, collection of vehicle taxes, etc. There are four zonal offices, 18 regional transport offices (RTO), 42 sub regional transport offices (SRTO) and 12 motor vehicle check posts.

Based on a feasibility study report submitted by National Informatic Centre (NIC) in May 2000, Government decided in December 2001 to computerise various functions in the department to ensure efficient, satisfactory, speedy and public friendly services to the general public.

The Department installed eight servers and 87 PCs at a cost of Rs. 2.81 crore till January 2004 for registration of vehicles and driving licences related work at head office, RTO Thiruvananthapuram, Ernakulam and Kozhikode.

The software for computerisation of Motor Vehicles Department SMART MOVE developed by NIC in SQL Server with Visual Basic as front end was installed for on-line operation in RTO, Thiruvananthapuram during October 2002.

### **Objective, Scope and methodology of Audit**

IT Audit was conducted during the period between February and June 2004 to assess the reliability of the information generated and the extent of security provided by the system.

The data stored in SQL Server in RTO, Thiruvananthapuram was made available to audit in MS Access format and the same was analysed using Computer Assisted Audit Technique (IDEA 2001). The data relating to fees and stolen vehicles were also cross checked with the data at FRIENDS<sup>§</sup> centre and Police Commissioner's Office, Thiruvananthapuram respectively, using file comparison method to detect data mismatch.

### **System Development and Implementation**

#### **Delay in implementation of project**

- Delay in Computerisation of offices

Computerisation in the Motor Vehicle Department was taken up in three modes.

---

<sup>§</sup> A common facility centre for collection of tax/fees to be remitted to Government/ authorities.

Firstly, the Department acting on the basis of the feasibility report prepared by NIC, decided to computerise activities like registration of vehicles, issue of driving licences, permits, certificates of fitness and wings for accounts, statutory action, establishment and planning and statistics at its head office, zonal office, RTO and RTO (NS\*\*) and four SRTOs\* and Amaravila check post in Thiruvananthapuram district in phase 1. The other offices were to be covered in phase 2. Out of seven offices scheduled in phase 1, only RTO, Thiruvananthapuram was computerised.

In the second mode, under a project sanctioned by Government of India, Ministry of Information Technology (MIT) in March 2003, offices in Ernakulam district were also taken up for computerisation. This is presently operational.

- Delay in development of software

Till April 2005 NIC had developed software for computerisation of RTO (except modules for establishment, statistical and accounts wings) and installed it at RTO, Thiruvananthapuram. Development of software for use of head office and check post was still due.

- Delay in selecting service provider

On the basis of administrative sanction accorded by Government in February 2003 to implement the project *Fully Automated Services of Transport Department (FAST)* on build operate maintain and transfer (BOMT) mode, computerisation of the remaining offices was also to be taken up and completed within one year. In terms of the administrative sanction, a Consultant cum Service Provider (CSP) would be responsible for supply, delivery and installation of hardware, network equipment etc. Government in August 2003 authorised M/s Wipro Infotech to serve as consulting agency for the project FAST. They were to also prepare bid document for selection of CSP. Government had not selected the CSP till September 2005.

No project has been drawn up for networking of offices to interconnect the district level database for cross verification and generating state level Management Information System (MIS).

Due to delay in computerisation, the Department is not in a position to identify defaulters in tax payment, re-registration of vehicles and renewal of driving licences and to take prompt action to realise revenue due to Government.

Government stated in July 2005 that the delay in computerisation was solely due to paucity of funds, procedural delay and constraints in procurement.

---

\* Nationalised Sector

\*\* Parassala, Neyyattinkara, Attingal.

### **Inadequacies in the software**

- Absence of relevant provisions:

A scrutiny of SMART-MOVE application installed at RTO, Thiruvananthapuram revealed that the system lacked provision for:

- accounting of compounding fees realised and other recoveries made by Motor Vehicle Inspector (MVI)/Assistant Motor Vehicle Inspector (AMVI) during field checking. Hence the figures as per cashbook did not tally with electronic data.
- generating bank wise list of demand drafts to be sent to banks for collection every day from details of drafts entered into the computer. At present the list is prepared manually and this resulted in abnormal delays in sending demand drafts to the bank for timely collection and credit to Government.
- generating Demand Collection Balance (DCB) statement for effective monitoring of collection of tax on vehicles for both transport and non transport, DCB is not maintained on non transport vehicles under the manual system in force.
- capturing quarterly returns of permit holders of stage carriers and goods vehicles to ensure regular submission of returns, identify defaulters, to study road and transport sector economy and furnish data to transport regulatory authority.
- generating reports on the details of tax due on registered vehicles, tax if any, due consequent to revision of tax, short levy of tax due to incorrect fixation of passenger capacity, shortfall in one time tax collection on motor car and two wheelers etc.
- an audit module for viewing data, querying/retrieving information required by audit etc. Manual maintenance of register of vehicles (B Register), subsidiary cashbook, tax endorsement register etc., has been dispensed with after computerisation. There is no facility to generate reports which can substitute these records and hence accuracy of accounting of receipts cannot be verified.

The Department stated (March 2005) that provision to generate DCB would be incorporated.

### **Application Controls**

Application controls include controls that help to ensure the proper authorisation, competence, accuracy and validity of transactions and other types of data input e.g. to check possible invalid input, system enforced transaction controls that prevent users from performing transactions that are not part of the normal duties.

#### ***• Irregularities due to inadequate input control***

Class of vehicles, vehicle description, name of manufacturer and unladen weight are standardised information specific to each type/class of vehicle. For capturing

such information combo boxes have been provided for making appropriate selection with regard to classification of the vehicle in the software. But it was seen that after selecting appropriate classification from combo box, the entries in these fields are altered by the data entry staff based on the details contained in Form 21 submitted by the dealers. Thus there is no input control to prevent such unauthorised changes to the description of master data in combo box.

Government replied (July 2005) that due to frequent introduction of new models of vehicles, the updation in the master table is not possible and hence users have been given privilege of editing the entries of the combo boxes. The reply is not tenable as updating of data tables is a continuous process and related master data is required to be updated regularly.

• ***Incorrect data capture due to lack of input control***

An analysis of database of driving licences of RTO Thiruvananthapuram revealed that in the case of 14,256 licence holders the date of birth was shown prior to 2 January 1901 and in 2,073 cases the licence holders had age less than 16 years at the time of grant of licences. The date of birth and date of issue of licences were shown same in 1,310 cases. In 9,486 records the licence year indicating the year in which licences were issued did not tally with the year in the licence date. Thus the licences generated by the system might not be authentic unless the entire data is validated.

• ***Duplicate demand draft accepted towards tax***

Tax on transport vehicles is remitted by demand draft (DD) and its details are stored in database. Due to lack of provision for data validation to prevent entry of duplicate DD number of the same bank, duplication of DD number, date and issue bank code is possible.

An analysis of database containing records of DDs revealed 193 cases or records with duplicate DD number, bank, branch, amount etc., resulting in potential revenue loss to the extent of Rs.2.24 lakh. Further analysis of these records revealed that 145 duplicate DDs were issued by State Bank of Travancore, Fort Branch.

The Department accepted in March 2005 the mistakes and stated that not a single licence was issued to ineligible persons after computerisation and provision to prevent acceptance of duplicate DD would be incorporated. The errors in legacy data were due to inadequate validation.

**Defect in database**

• ***Non validation of legacy data entry***

RTO is required to maintain a register (B Register) for registration of vehicles containing information such as registration number, registration date, name of the

owner, name of the manufacturer, type of vehicle, chassis number, engine number, unladen weight, registered gross weight, passenger capacity, details of tax paid such as amount and date up to which tax has been paid etc. The software provided for capture of vehicle particulars of B Register in database.

An analysis of registration data of vehicles of RTO, Thiruvananthapuram made available to audit as on 27 February 2004 revealed that in 45 records the registration date was shown later than 27 February 2004, in 37 records the registration date was left blank, and in 107 records it was shown as 1 January 1901. The registration numbers of vehicles were shown as chassis number in 963 records. Registered gross weight was shown as zero in 18,191 records and engine number field was blank in 1145 records.

The aforesaid mistakes in the database evidently due to defective legacy data entry, were not rectified by proper data validation before commencing online transaction. Hence information generated out of the system may not be authentic and reliable.

RTO, Thiruvananthapuram stated in July 2004 that defects have been rectified. The corrections of the reply furnished by the Department could not be verified as most of the B register called for by audit were not traceable.

***• Registration of vehicles with duplicate engine number/chassis number***

Engine number and chassis number are unique numbers allotted by the manufacturer to a vehicle and two vehicles cannot have same engine or chassis number.

Test check of data base relating to registration of vehicles maintained in RTO, Thiruvananthapuram revealed that in 3,833 vehicles the chassis numbers and in 5,064 vehicles the engine numbers were duplicate. Out of these in 2,357 cases both the engine and chassis number were duplicated indicating possible double registration of a vehicle.

Against manual B Registers on 2,361 (1,180 pairs) vehicles requisitioned from RTO, B Registers on only 233 vehicles were made available to audit for cross verification. A cross check of these B Registers with electronic database revealed that engine number and chassis number in both records differed in 51 cases. From the manual B Registers, 38 duplicate pairs in electronic database could be verified and both the engine number and chassis number tallied in five pairs confirming duplication in manual B Register also. As regards remaining 33 pairs they were not actually duplicate with reference to manual register indicating incorrect data entry. This indicates a strong possibility of double registration of the same vehicle.

### **Non verification of data entry**

Under the computerised system of registration of vehicles, the registration details based on application for registration submitted by owner of vehicle is entered in the computer. The MVI/AMVI concerned inspects the vehicle and confirms that the chassis number and the engine number contained in sale letter of the dealer and manufacturer agree with that carved on the vehicle and certify accordingly. A true stencil of the chassis number taken direct from the chassis of the vehicles at the time of inspection is a vital data for registration.

A cross check of the data relating to vehicles registered during January 2004 with the original applications for registration revealed that in six cases the chassis number and engine numbers certified by the inspectors did not tally with the stencil taken from the number carved on the vehicles. In case of 18 non transport vehicles, though the chassis numbers were correctly entered initially, had been modified wrongly while entering the rest of the data after inspection. Further the chassis/engine number in the database were found incorrect in 12 cases and did not tally with the numbers in the sale letters, Form No.22, slip and stencils.

It is evident that the certifying authorities have not taken due care while inspecting the vehicles for identification and there were lapses on the part of the supervisory level staff in verification of data entry. As a result, some vehicle owners are in possession of RC books with wrong chassis/engine numbers.

#### **• *Non maintenance of input data***

The applications for registration submitted at the time of initial registration of the vehicles, which are the main source of input data, were not maintained properly. Though applications of all the 1,627 new registrations made in January 2003 were called for in audit only 207 applications could be made available and the balance could not be produced as these were not traceable. Thus the Department was also not in a position to cross check data with reference to original records for future references.

#### **• *Failure to update database of tax remitted in other offices***

As per the present procedure, vehicles tax in respect of a non transport vehicle can be remitted at any of the RTO or FRIENDS centres. Even though the scrolls of tax collected are sent by the FRIENDS centres to the RTO on a daily basis, the particulars of tax collected at the FRIENDS centres are not keyed into the system. As a result, the position of defaulters could not be correctly generated from the database.

#### **• *Incorrect accounting of fees remitted at FRIENDS centre***

The Department renders different services to vehicle owners after collecting prescribed fees. The data of fees collected at FRIENDS centre is entered on the basis

of the receipts produced by the public alongwith applications instead of daily scroll received from FRIENDS centre.

A cross verification of the data relating to remittance of fee with the data for the period from 1 April 2003 to 31 December 2003 received from the FRIENDS centre, revealed that out of 35,397 remittance aggregating Rs.87.02 lakh made at the FRIENDS centre, Thiruvananthapuram only 12,853 remittances amounting to Rs.18.17 lakh were included in the database of the RTO, Thiruvananthapuram.

In 346 cases the amount remitted (Rs.0.77 lakh) at FRIENDS centre did not tally with the fees (total Rs.2.71 lakh) entered in the database. Out of this in 179 cases the amount remitted at FRIENDS centre (Rs.0.23 lakh) was less than the fees entered in the database (Rs.2.48 lakh) involving excess accounting of Rs.2.25 lakh. 1,653 receipts included in the RTO database during 2003 could not be traced in the FRIENDS scroll. Unauthorised accounting involved Rs.3.06 lakh.

The above disparities would indicate that data entry in the database has not been validated with reference to scroll at supervisory level before rendering services against such remittances. It also indicates a risk of manipulation of data entry in relevant table to render services fraudulently without actually realising the fees prescribed therefor.

***· Deficiency in data on the stolen vehicles***

Database of stolen vehicles reported to RTO is to be maintained to prevent any transaction of these vehicles till the vehicle is reclaimed as normal.

The database of stolen vehicles in RTO Thiruvananthapuram contained only 14 vehicles. Cross check with Police Department revealed that only five out of the 156 theft cases registered under the jurisdiction of Police Commissioner, Thiruvananthapuram City between January 2003 and April 2004 were included in the database of RTO. In 67 cases chassis numbers, which are vital to identify vehicles, did not match these data. As data on stolen vehicles was not updated with reference to Police Department data there was a risk of allowing transactions on vehicles with the same engine numbers and chassis numbers as stolen ones.

The Department stated in March 2005 that a website was proposed to be hosted to access the vehicle data by others.

***· Imperfection in data on permits to transport vehicles***

Under the Motor Vehicles Act 1988, every transport vehicle must possess a valid permit. A scrutiny of data in the relevant table showed that only 3,533 records were entered in the table. The details of permits issued prior to computerisation were not entered in computer. In five records, permit numbers were shown as zero and in

222 cases the date of issue of permits and the date up to which the permits were valid were left blank and in three records the date from which permit was valid was shown later than the date up to which it was valid.

Though 1,784 transport vehicles were registered during the year 2003 the details of permits issued to 744 transport vehicles were not available in the database. These included 66 autorickshaws and 82 other vehicles of registered gross weight over 3,000 kg. It is therefore evident that the Department did not correlate the registration data in database with permits data to rule out possible non realisation of permit fees due to Government.

### **General Controls**

General controls create the environment in which the application systems and application controls operate e.g., IT policies, standard and guidelines pertaining to IT security and information protection.

The following deficiencies in general controls were noticed in Audit.

### **Lack of information security**

Audit found that the Department did not take adequate measures for security of the information system to ensure smooth functioning of the system as elucidated below:

- ***Absence of password policy***

Though SMART MOVE restricts access to the system through user ids and password, no document password policy, specifying the need to change the password periodically, was circulated. There was also no restriction of log on attempts to prevent such access by unauthorised users. As such the system was exposed to the risk of unauthorised access and consequent damages.

- ***Inadequate segregation of duties***

There are three levels of users of the system: entry level, verify level and issue level. These levels are used to enable or disable certain functions depending on the duties assigned to different users.

A scrutiny of database, which indicated menu name and access privileges assigned to each user revealed that entry, verification and issue level access was given to the same user in 948 records involving 66 users. Role allocation, menu access in database had no relation to the level of access assigned to the user in relevant table.

- ***Lack of change management control***

Once a system is implemented, change controls should be put in place to ensure that the changes to the system are authorised, tested, documented and to see

that there is adequate audit trail. The requests for changes (RFC) should be signed by the higher level functionary of the Department and all the changes should be tested before they are put to use in the live environment. But there was no documentation of the modifications in the software, its approval and testing, though a lot of modifications had been made in the software for enhancing facilities or for other reasons.

- ***Absence of business continuity planning***

Business continuity planning is essential to ensure that the organisation can prevent disruption of business and resume processing in the event of a total or partial interruption of information availability. Regular back up of data is the backbone of such business continuity planning. But no back up policy has been evolved and circulated by the Department. Though backup is taken on CDs, there is no documented procedure about the frequency of taking backup and its storage away from the premises, as per an approved plan.

The Department has also not evolved any disaster management policy to restore the system in the event of loss of data due to natural disasters.

**Non availability of preprinted stationery with security features**

Pending decision on the acceptance of general format for a computer generated cash receipt applicable to all Government departments, Government approved in October 2002 the use of a new form of computer generated cash receipt in the Motor Vehicles Department, in relaxation of relevant provisions in the KTC. The order stipulated that the cash receipt in TR 5(C) would be in triplicate, with shaded watermark in the original copy so as to prevent fraud and counterfeiting etc. But the TR 5(C) form printed in duplicate is being used even at present.

The Kerala Motor Vehicles Taxation Rules, 1975 was amended in October 2002 to issue computerised tax licence in Form CTL using preprinted and serially numbered stationery. But preprinted stationery required for printing tax licence tokens were not ready till August 2004 and CTLs were printed on ordinary paper. Recommendation of the Empowered Committee on computerisation for introduction of computer based tax licence (tax token) with necessary plastic coating/lamination to prevent tampering of entry has not yet been implemented due to delay in providing preprinted stationery for the purpose.

Government stated in July 2005 that Government press could not take up the printing work due to lack of facility for printing with security features and the work had been entrusted to private parties. During subsequent visit, audit found that even though tax licences have been got printed, they were not being utilised due to incompatibility problems with the printer.

### **Conclusion**

The major objective of computerisation of the Motor Vehicles Department was to ensure efficient and satisfactory services to public avoiding undue delay.

Though the computerised operations in the RTO, Thiruvananthapuram commenced during October 2002, there was delay of over two weeks in issue of the RC books on newly registered vehicles and delay of over one week for other services like change of address in the RC book, issue of driving licence and its duplicate, renewal of driving licence etc.

Apart from introduction of some transparency in the issue of learner's licence and driver's licence, the delay in rendering various services still persists and the customers have not benefited due to computerisation in the RTO.

Under the present system, the data in the system is not verifiable and accuracy is not ensured and hence the certificates generated out of the system could not be treated as reliable with absolute authenticity. The system in the present form is susceptible to fraudulent transaction and continuance of the system involved the risk of revenue loss.

### **Recommendations**

The Department may arrange

- for verification of data entry relating to registration of vehicles, issue of licence and permits to ensure data integrity,
- to modify the software to include essential provisions and input control to prevent duplicate data entry,
- to develop the remaining modules for establishment and statistical wings,
- to replicate the software at other offices only after testing and acceptance of modified version,
- to network offices to interconnect the database with adequate firewall protection,
- for online updating of remittance of fees/tax at FRIENDS centre,
- to provide link to Police Department data on stolen vehicles to prevent transactions on stolen vehicles,
- to formulate suitable password policy, backup policy and business continuity planning and circulate it among staff to create security awareness.

Department stated in April 2005, that the bugs in the software can only be rectified by trial and error after prolonged usage. Department also agreed to carry out the recommendations in consultation with NIC.

[Paragraph 3.2 contained in the Report of Comptroller & Auditor General of India for the year ended 31 March 2005 (R.R.)]

Note furnished by Government on the above audit paragraph is included as Appendix II.

11. The Committee found that in the Motor Vehicles Department, computerisation of offices at the initial phase was taken up by National Informatic Centre (NIC) and later on it was given to 'Keltron'. As Keltron could not do anything even after a period of two years the same was again assigned to 'NIC'. The Committee enquired about the circumstances which led the Transport Department to replace 'NIC' with 'Keltron' and desired to know the action taken by the department in this regard. The Transport Commissioner replied that computerisation had just been completed in all offices except one at Vandiperiyar (Peerumedu). He also added that it took almost 2 years for the completion of the project. Pilot work for computerisation was started at Ernakulam during the year 2004 by Electronics Corporation of India on contract basis. Electronics Corporation of India was entrusted with the work for the formulation of hardware and NIC had formulated only the software for the required project. He informed that very often Keltron was not showing much ardency in the implementation of the project.

12. The Transport Commissioner further informed that the work was assigned to NIC considering the fact that it being a National Level Organisation and on the assumption that the software developed by it for the state would have similarity with the organisations in other states.

13. The Committee understood that initially a software namely 'SMART MOVE' was used, in seven district offices which was fabricated for use in Kerala. The Committee enquired about the emergency that led the department to replace 'SMART MOVE'. The Transport Commissioner replied that they were still continuing with 'SMART MOVE'. At this juncture, the Committee repeated their question regarding reason for the replacement of NIC with 'KELTRON'. The Transport Commissioner replied that he had not examined the concerned file, and agreed to furnish the details to the Committee after examining it.

14. The Committee sought explanation from the witness regarding the differences in the data in respect of amounts remitted towards tax at the 'FRIENDS' Centres and that are available in the database of the department. The Transport Commissioner stated that the State I.T. Mission was working for introducing connectivity between the department and the 'FRIENDS' Centre and that it would come into existence within weeks.

15. The Committee asked whether there was online facility in the Regional Transport Offices. The Transport Commissioner informed that in certain offices online facility was not working due to lack of a main server. The department had recently installed a main server for this purpose and the software for the connectivity was being developed by the National Informatic Centre. The Committee desired to know as to when it would be completed. The Transport Commissioner informed that he was unable to give a correct date in this regard. He maintained that the server for the said project had been installed and the only problem was with the software formulation by NIC. He informed that all efforts would be made to make it functional within one month's time.

16. The Committee enquired whether the Vandiperiyar Motor Vehicles Office (the only office where computerisation was yet to be started) was included in the said project. The Transport Commissioner replied that entire setup for that was completed and the main obstacle was a dispute between the department and Kerala State Electricity Board regarding a transformer. He added that computerisation of the Vandiperiyar Office would be made completed within one or two days soon after the establishment of Mini Civil Station there.

17. The Committee enquired whether the establishment and statistical data had been included in the existing system. The Transport Commissioner informed that the department hadn't fully utilised the system, but the above data could be included in it for which modification of the software was needed.

18. On this being heard, the Committee enquired the reason for the delay. The Transport Commissioner submitted that the main reason was that there were 60 offices. The Committee opined that proper maintenance of the DCB Statement was very important as it is a matter related to the State's revenue. The Transport Commissioner informed that they were feeding the DCB Statement into the system, and that it took 2 years time to complete this work in 60 offices. Establishment details also would be included in it. He clarified that software for administrative work and office automation was not entrusted with NIC and that was being developed by Government, which would be applicable to all departments. The Motor Vehicles department was also waiting for Government's software because of which NIC was not doing this work currently.

19. The Committee learned from the Government reply on the audit paragraph that delay in selecting service provider for the Fully Automated Services of Transport Department (FAST) project was caused due to numerous policy matters. The Committee asked about the policy matters which were hindering the implementation of the project. The Transport Commissioner replied that the implementation of the project was on Build Operate Maintain and Transfer (BOMT) mode. He added that it

could be implemented only after the declaration of policy decision of the government in this regard. As far as the possession of the file in respect of policy decision was concerned, the Transport Commissioner informed that he would furnish a reply after examining the matter.

20. The Committee desired to know the latest position of the computerisation process in the department and asked when it would be completed. The Transport Commissioner repeated the earlier reply that out of the 60 offices, all offices except one were computerised. The Committee enquired as to how much time would be taken for establishing all opportunities including online facility for accessing D.C.B. Statements.

21. The Transport Commissioner stated that they would complete the work within 3 or 4 months. He added that a team from N.I.C. was working in the Commissioner's office for upgrading and changing the software.

22. The Committee enquired as to why there occurred 3 years' delay in computerising Regional Transport Office, Thiruvananthapuram though an MOU was signed in 2001. For this, the Transport Commissioner replied that all the work towards this had been completed.

23. The Committee learned that the SMART-MOVE application installed at Regional Transport Office, Thiruvananthapuram lacked the provision for accounting compounding fee resulting in non-tally of figures with the cash book. The Government had given direction to Motor Vehicle Inspectors and Assistant Motor Vehicle Inspectors for entering the details as and when they reach the office. The Committee enquired whether the feeding of the backlogs to the electronic data been completed. The Transport Commissioner stated that he was not in possession of such details regarding the correct number of offices where computerisation had been completed. He added that the department had entrusted Kudumbasree units for feeding the backlogs and they were continuing the process. He assured the Committee that he would furnish all the details of this particular aspect after examining it.

24. The Committee enquired whether the department had entrusted anybody for monitoring mistakes while entering data into the system. The Transport Commissioner informed that they hadn't authorised anybody in this regard. He added that old data were needed when somebody came for remitting tax or for renewal of registration, and the difference if any in the data could be found out when it is restored. The 'error' mechanism in the system was helpful for its solution.

25. While considering this paragraph and its connected objections, the Committee enquired about the steps taken by the Motor Vehicle Department to correct the defects pointed out by the Accountant General. The Transport Commissioner could not give a satisfactory reply to this but he assured that he would submit a report after examining the details.

26. The Committee pointed out that the examination of the audit report revealed so many irregularities such as entering Registration number of vehicles as their chassis number, not entering gross weight of vehicles and engine numbers etc., which could not be pardoned. The Committee pointed out that usually a company would have a single vehicle with a particular chassis number; but in RTO, Thiruvananthapuram there were more than one vehicle with same chassis number and in certain other cases the date of birth of certain vehicle owners were wrongly entered in the Register. The Committee viewed this as a very serious matter and opined that information generated out of the system was not authentic and reliable as these data were not cross checked and the entries were not supervised by any one or at any level. The Transport Commissioner admitted that there were some glaring mistakes and that many of the data entered by the Kudumbasree units were senile and hence deteriorated or illegible. He also stated that the Kudumbasree units were doing their level best.

27. The Committee opined that this kind of carelessness could not be allowed and expressed its displeasure over the fact that the department was not supervising the entire data before entering them into the system. The Committee pointed out that the above instances were evidences of non supervision on the part of the department. The Committee enquired the latest position of the case and also wanted to know whether the department had taken any steps for correcting the mistakes pointed out by the audit. The Transport Commissioner replied that instructions had already been issued to all subsidiary offices to take remedial action and that he would check the matter once again.

28. The Committee enquired whether the department had taken any steps for updating the data. The Committee also desired to know as to why the department had not thought of a system for checking data with old records. The Transport Commissioner replied that the department had not taken any step for setting up a system for correcting the mistakes occurred during data entry. He also added that the data entered during the year/previous year was almost updated. Not satisfied with the reply, the Committee repeatedly wanted to know the action taken by the department to rectify the specific mistakes pointed out in the Audit Report. The Transport Commissioner informed that he would make necessary checks in this regard and would furnish the details to the Committee.

29. The Committee understood that in the Regional Transport Office, Thiruvananthapuram, the chassis number and engine number of so many vehicles were duplicated indicating the possibility of double registration. The Committee enquired about the steps taken by the department in this matter. The Committee also enquired whether the department had an internal audit wing and if so, was it functioning well.

30. The Transport Commissioner replied that the Internal Audit Wing of the department used to check all the matters. In this context the Committee pointed out that the number of cases pointed out in Audit were related to RTO, Thiruvananthapuram. The Accountant General conducted only a test check of nearly ten percent of the offices. In the remaining offices there might have a large number of cases involving serious manipulations. The Committee further opined that double registration of vehicles was a serious offence and criminal action should be taken against the delinquent officers who purposefully resorted to corruption. The Transport Commissioner assured to take necessary disciplinary action if there was any intentional delinquency and that he would submit a report to the Committee after examining the cases pointed out by the Accountant General. The Committee also directed to correct all irregularities urgently. But the Transport Commissioner was sure that there was no actual duplications in the registration of vehicles happened in the cases pointed out by the Accountant General. Rather, it was a mistake happened during data entry.

31. The Committee contemplated the attitude of the department in not furnishing all the 'B' registers (a Register maintained in the RTO for the registration of vehicles) during audit inspection. The Committee pointed out that it was the duty of the department to produce all the documents and Registers before the audit, if they were asked to do so. The Committee asserted that either it was done deliberately or the offices didn't have any such records at that time. Disagreeing with this observation, the Transport Commissioner informed that usually 'B' registers were being kept in all offices, since all current data had to be entered in it and there was no difficulty in producing it. On this being heard, the Committee asked why they had not furnished the said register, if it was there during inspections. The Committee asked why the department had not initiated any action to correct the mistakes even after they were pointed out in the draft report after the completion of local inspection. Inclusion of those audit objections in the Final Report of the Accountant General could have been avoided if the department tried to clear all the mistakes at the stage of Draft Report. The Committee enquired about the ground on which the witness expressed his opinion that there was no double registration. The Transport Commissioner stated that he had verified the matter and found out that it happened during data entry.

32. The Committee viewed this as a serious lapse on the part of the department both at the Commissionerate and Secretariat levels. The Transport Commissioner stated that he would verify the matter and would furnish the details at the earliest.

33. The Committee reiterated that there was a strong possibility for double registration of vehicles as disclosed in the Audit Report and directed that the internal auditors of the department should urgently verify this matter in all other offices, so as to ascertain whether such flaws occurred there. The Committee recommended that

the department should clearly monitor this, as it causes a heavy revenue loss to the state. It was also suggested to take disciplinary action against those officers who purposefully made double registration and the Transport Commissioner agreed to do so. The Committee desired to know the method adopted by the department for checking records during new registration. The witness stated that usually the Motor Vehicle Inspectors would physically verify the vehicles. When enquired as to whether the higher officers would strictly monitor this, the Transport Commissioner stated that currently there was no such monitoring, but he was sure that all the data entered were cent percent correct.

34. Regarding the observation that registration of vehicles were being made without proper verification of the engine number, the Transport Commissioner stated that there was no reality in this matter and pointed out that not even a single officer would register vehicle without verifying the engine number.

35. When the Committee enquired whether Motor Vehicle Inspector would be responsible, if any duplication occurred, since he was the checking officer, the Transport Commissioner informed that apart from the Motor Vehicle Inspector, the Registering Authorities and RTO would also equally responsible as the responsibility for registration and supervision was vested with them.

36. The Committee's attitude was that as the concerned officer for physical verification and data entry was the Motor Vehicle Inspector, he would be responsible if any duplication occurred. The Transport Commissioner disclosed that no such instances were reported till then.

37. The Committee learned from the Audit Paragraph 'Non verification of data entry' that during the year 2004 in 6 cases the chassis number and the engine number certified by the Inspectors did not tally with the stencil taken from the number carved on the vehicle even though it was physically verified. The Transport Commissioner denied it and stated that they were rightly checking even the minute details regularly. The Committee noted that in another 18 cases regarding non transport vehicles the chassis numbers were initially entered correctly, but later on the numbers were modified. The Committee viewed this very seriously and opined that it was wilfully done and there were serious lapses at the supervisory levels in checking the entries.

38. The Committee contemplated the functioning of the Motor Vehicle Department and asked whether the department would take action against those responsible for the malpractice. The Transport Commissioner assured that he would verify the matter and would take firm action against those responsible in this case. He added that a Report in this respect would be submitted to the Committee in due course.

39. The Committee noticed that in the reply furnished by the department it was stated that during the initial days of computerisation the right data in the software, could not be used due to ignorance about it. The Committee asked whether the

defects were rectified. The Transport Commissioner stated that all those problems had been solved and he claimed 98% perfection in this regard.

40. The Committee asked whether the department had any system for updating the master data. The Transport Commissioner stated that they had no online facility and they were sending the newly introduced system by normal channel.

41. The Committee enquired whether there existed in the department the post of Software Engineer, for updating the data. The Transport Commissioner informed that they did not have any Software Engineer and the process of updating was being done by the N.I.C.

42. When the Committee repeated the question regarding updating of master data, the Transport Commissioner submitted that he had confusion about the term 'master data'. Intervening in the discussion the Deputy Accountant General explained that 'master data' included all the details of newly introduced versions of vehicles, which were approved by the concerned authorities (Automotive Research Association of India and Transport Commissionerate) for registration. As it contained the details of newly introduced vehicles it should be updated regularly.

43. On being understood the term, the Transport Commissioner explained it as a simple procedure, which they were dealing daily. The Committee at this juncture, opined that even though it was an easy job the department was not doing it in their offices. The Transport Commissioner refused it and stated that it couldn't be considered as 'master data' as it was changing daily. He also clarified that they were not feeding it in computer and were unable to update the data due to lack of online facility. Efforts were on to establish online facility and to feed the data in to the computer system.

44. As far as the non-maintenance of input data was concerned, the Committee enquired as to why 1420 applications for new registration submitted in January 2003 were not produced during the time of audit. The Transport Commissioner agreed to submit the latest details in this regard to the Committee within a week as desired by them.

45. The Committee enquired whether the department had introduced any step towards updating the database of the tax remitted at the 'Friends Centre', as the amounts remitted there were not being entered into the database of RTOs, though the FRIENDS centres were sending daily receipts to the RTOs. The Transport Commissioner denied it and stated that the objection raised by audit was related to earlier periods. He added that during the initial periods of computerisation no one was aware of those facts and so many absurdities occurred at that time. But later on 98% of such mistakes were rectified and made up-to-date.

46. But the Committee clinged to its earlier stand that the details from the 'Friends Centres' and that furnished by the 'Kudumbasree Units' were not recorded in the data base in the Regional Transport Offices. Data were entered in the Regional Transport Offices based on the receipt given to the remitters by the FRIENDS centres which were in turn taken to the Regional Transport Offices by agents crawling around that office. The Committee opined that there were ample scope for deception in such a situation and urged the department to be more vigilant in the matter. The Transport Commissioner stated that the data could be accessed automatically by the introduction of online connectivity which was on the anvil. The Committee was very much dissatisfied in the fact that there was no fruitful system in the Regional Transport Offices to supervise whether all data were being entered in the records, and to cross check the correctness of the data thus entered.

47. The Committee learned from the audit paragraph on incorrect accounting of fees that in 346 cases for the period from 4/03 to 12/03 the amount remitted at the 'Friends Centre' did not tally with the fees entered in the data base of RTO, Thiruvananthapuram. The figures entered in the data base was in excess of the figures seen in the records of the Centre. Like wise, in another instance, 1653 receipts included in the RTO database during the same year could not be traced out in the 'Friends' scroll. In this case unauthorised accounting amounted to Rs. 3.06 lakh. The Committee opined that these two instances were wilfully done, and directed to look in to the matter very seriously and to take stringent disciplinary action against those responsible for the fraud. The Transport Commissioner agreed to do so.

48. Regarding the audit paragraph, on stolen vehicles the Committee wanted to know from where the department would get report of stolen vehicles. The Transport Commissioner informed that the data was available from the SCRB (State Crime Records Bureau). The Committee noted that the data available from SCRB and that in the department did not match and opined that either the department was not getting enough data from the Police department or the department was not recording such data received from the SCRB.

49. The Committee found that in Thiruvananthapuram Regional Transport Office, out of the 156 theft cases registered under the jurisdiction of the Police Commissioner, Thiruvananthapuram City between 1/03 and 4/04, only 5 were included in the database of Regional Transport Office. There was mismatch in the chassis numbers also. The Transport Commissioner informed that there was no possibility for such an omission. He assured the Committee that he would verify the case and assumed that the mistake might be due to improper recording of data. The Committee viewed this as a serious issue and asserted that records from SCRB was needed for examining Stolen Vehicles during re-registration of them. The Committee urged the department to take adequate steps for getting the Reports from SCRB at the right time.

50. The Transport Commissioner informed that currently the SCRB was sending data promptly and after the introduction of computerisation, data entry had been improved so much. The Committee pointed out that in certain instances vehicles were re-registered by changing the Chassis number. The Transport Commissioner informed that changing of RC number was a difficult task, and if occurred it was done purposefully and was a failure on the part of the department. He also added that such instances were very rare thanks to adequate checking of vehicles.

51. While going through this audit observation on the data on permits, the Committee understood that there were serious omissions in recording the details of permits issued to transport vehicles like autorikshaws and others. The Committee desired to know the latest position of the case regarding the non-availability of permit details of 784 vehicles. The Transport Commissioner explained that omissions noted in the audit were the mistakes happened at the initial stages of computerisation and that 98% of those mistakes had been rectified. The Committee desired to know the system available in the department for checking the permit details. The Transport Commissioner stated that usually they were conducting regular checking and in every district separate squads were deployed for that. He also added that there was no comparative checking.

52. Regarding the audit paragraph, relating to lack of information security absence of password policy and inadequate segregation of duties the Committee enquired about the measures taken by the department for the safety use of the information entered into the system. The Transport Commissioner stated that the department had password to restrict unauthorised entries into the system. He also informed that there was nothing confidential and every data could be accessed by anybody.

53. The Committee then enquired whether the department had data having secret nature and whether SMART MOVE software would be provided as online facility. Replying to this the Transport Commissioner repeated that there was nothing confidential in the data. He added that the department had formulated password for preventing entry of virus and unauthorised intrusion of out side data. But the Committee pointed out that the audit objection was that there was no password system existed in the software of the department. The Transport Commissioner submitted that the said report was an old one and during the initial days of computerisation so many mistakes had happened, but all of them were rectified subsequently.

54. Regarding the creation of software for the purpose of audit the Transport Commissioner explained that currently there was no such software. But the department would soon formulate such a system after consultations with the audit wing. He

added that auditing would be an easy task after the introduction of this facility. As far as the precautionary measures taken for protecting the data, was concerned, the Transport Commissioner gave a random reply that all contemporary systems were provided with Norton Anti Virus for protecting data.

55. Regarding the audit objection on lack of business continuity planning including back up policy and disaster management policy to restrict destruction of business, the Committee desired to know the details of the system existed in the department for preventing the destruction of documents fed into the computer system. The Transport Commissioner informed that backup had been completed and was being taken in CDs or tape and kept in different geographic locations. The Committee asked whether there was any internal administrative system in the department for dealing this.

56. The Transport Commissioner stated that at the time there was no internal administrative system but a core group had been constituted by deploying Motor Vehicle Inspectors having computer knowledge for dealing this task.

57. The Committee enquired whether there was the post of Software Engineer for doing the said work. The Transport Commissioner answered in the negative and added that there existed one post of System Analyst. But nobody was willing to take up charge of that post as the salary was negligible compared to that given in the private sector. So the post was held vacant. The Committee noted with grave concern that if the data were destroyed, nobody would be responsible, as there was no authorised custodian of software. The Transport Commissioner stated that it wouldn't happen because in addition to the database in the department, the data were also fed into the main server.

58. The Committee pointed out that the data in the 'Friends Centre' and that in the R.T.O. did not tally, and asked whether the Finance Department had examined this matter. The Additional Secretary, Finance Department answered in the negative but explained that it was the concerned department to take action in this matter.

59. Disagreeing with this contention, the Committee told that it was the duty of the Finance Department to take action in matters having financial commitments. The Committee asked whether the inspection wing of the department had enquired into the aspect. The Additional Secretary, Finance Department answered that they hadn't done anything in this regard.

60. The Committee expressed its displeasure over the irresponsible attitude of the Finance Department in the matter. The Committee blamed the Finance Secretary for regularly abstaining from P.A.C. meetings. The Committee urged the Finance Department to take firm and proper action for examining such irregularities with the help of Inspection Wing of the department.

### Conclusions/Recommendations

61. The Committee finds that initially 'N.I.C.' was entrusted with the work of computerising the officer in the Motor Vehicle Department. But later it was replaced by 'Keltron'. Again the work was assigned to N.I.C. as 'Keltron' could not complete the work even after a period of two years.

62. The Committee is very much dissatisfied in the fact that though the Transport Commissioner agreed to furnish the details regarding the replacement of 'N.I.C.' with 'Keltron', to the Committee after examining the matter, the department has not furnished any details regarding this till date.

63. The Committee notices so many drawbacks and irregularities in the functioning of Motor Vehicles department. Allotment of one chassis number to various vehicles, mistake in the entry of Date of Birth of vehicle owners, double registration of vehicles, mutual change in the engine number and chassis number of vehicles, lack of cross checking of data entered etc. are some examples. The Committee see these irregularities as very grave not only that it is deplorable state of affairs in the department where there is no set up for corrective measures.

64. Regarding the difference in the data in respect of amounts remitted towards tax at the 'FRIENDS CENTRE' and that available in the database of the department, the Committee finds that the department has not maintained establishment and statistical data properly. The Committee suggests that the department should maintain the D.C.B. Statement properly.

65. While the Committee enquired about the delay in selecting service provider for the FAST project (Fully Automated Services of Transport Department), the Transport Commissioner informed that project can be implemented only after the declaration of policy decisions of the Government and he will furnish a reply after examining the matter. But the department has not furnished any details regarding this yet.

66. Towards the audit objection that 'SMART-MOVE' application installed at R.T.O., Thiruvananthapuram lacked the provision for accounting compounding fee resulting in non-tally of figures with the cash book, the Committee was informed by the witness that the feeding of backlogs to the system was being done by the Kudumbashree units and assured that he would furnish all the details regarding the case. But the department has not furnished any details even after a period of one year.

67. Regarding the faulty entry of register number, chassis number, engine number etc., the Committee notices that the department is not supervising the data before it is entered into the system. The Committee expresses its displeasure

towards this irresponsible attitude. The Committee desires to know the steps taken by the Department for updating the data and also wants to know whether there exist any system for checking data with old records. Though the Transport Commissioner assured that he would take necessary checks in this regard and would furnish all the details to the Committee, it is yet to be submitted.

68. Towards the audit objection indicating the possibility of double registration of vehicles, the Committee views this as a serious offence which causes revenue loss to the Government and urges the department to take criminal action against the delinquent officers. In this matter also the Transport Commissioner has not complied with the assurance that a detailed report would be submitted to the Committee.

69. The Committee recommends that the internal auditors of the department should urgently verify the records in all other offices to check the irregularity and suggests that the department should clearly monitor this as it causes a heavy revenue loss to the State. The Committee also recommends to take strong disciplinary action against the delinquent officers if there is any such instances.

70. The Committee notes that in 18 cases the correctly entered chassis numbers were later modified. The Committee views this as very serious and opines that it was wilfully done. While the Committee contemplated the functioning of the Motor Vehicle Department the Transport Commissioner assured that he would verify the matter and would take firm action against those responsible and would submit a detailed report to the Committee. But the Committee regrets that this assurances also proved to be worthless.

71. Regarding the audit observation on non-maintenance of input data the Transport Commissioner agreed that he would submit the latest details of the matter within a week. But it is to be noted that the same has not been furnished till date.

72. The Committee notices that in 346 cases the amount remitted at the 'Friends Centre' did not tally with the amount entered in the database of RTO, Thiruvananthapuram. Likewise 1653 receipts included in the RTO database during the year 2003 could not be traced in the FRIENDS Scroll. The committee opines that these are wilfully done crimes and suggests to conduct proper enquiry into the matter and to take stringent disciplinary action against the delinquent officers.

73. Regarding, the audit objection that out of the 156 theft cases registered under the jurisdiction of the Police Commissioner, Thiruvananthapuram City, only 5 cases are included in the database of R.T.O., Thiruvananthapuram. The Committee views this as a serious issue and asserts that records from SCRB is needed for examining stolen vehicles during re-registration. The Committee urges the department to take adequate steps for getting the proper report regarding stolen vehicles from State Crime Records Bureau at the right time.

74. The Committee wants to know the details of the system existing in the department for preventing the destruction of documents fed into the computer system. The Committee notes with grave concern that if the data are destroyed nobody will be responsible as there is no authorised custodian of software. Hence the Committee suggests to take adequate steps for vesting the responsibility of the custody of data with a responsible officer.

75. The Committee is distressed to note that the Finance Department is not showing much concern towards matters having financial commitments. In fact Motor Vehicles Department is a major income generating source of Government and the financial irregularities there may adversely affect the interest of the State. Finance Department has a pivotal role to play for rectifying such irregularities. Hence, the Committee recommend that the Inspection Wing of Finance Department should strictly supervise the financial transactions in the Motor Vehicle Department.

76. The Committee views with serious concern the fact that an amount of Rupees 15.78 lakh was lost due to non-levy of late fee for renewing driving licence. The Committee cannot approve the argument of the department that this occurred due to delayed receipt of communication from Government of India. Since information technology is very much advanced in our country, it is not difficult to get any information. Hence the Committee recommend that a perfect system should be evolved for collecting fee/ late fee for renewing Driving Licence.

77. The Committee also see that the department had not produced certain records for audit. In addition to this, no proper replies regarding audit findings are submitted at the right time. If the Accountant General's office could be apprised of the actual state of affairs, at the inspection stage itself, so many audit observation could be avoided. Hence the Committee suggests that timely action should be taken to correct the irregularities through cross checking of data and to convince the audit on the actual position of facts.

#### AUDIT PARAGRAPH

##### **Non demand of balance tax**

Under the Kerala Motor Vehicle Taxation (KMVT) Rules, 1975 tax on every transport vehicle shall be paid by crossed demand draft within such period as specified in the rules, Appropriate entries are required to be made in demand, collection and balance (DCB) register. Regional Transport Officer (RTO) is required to prepare list of transport vehicles for which tax is in arrear and issue demand notices to the owners of the vehicles requiring them to clear the arrears within a specified time.

In Regional Transport Office (Nationalised Sector), Thiruvananthapuram, verification of lists for 2002-03 and 2003-04 revealed that tax on 110 interstate stage

carriages of KSRTC<sup>©</sup> was remitted short due to adoption of lower seating capacity and reckoning of fast passenger and express as ordinary services. The Department failed to detect short remittance of tax and demand the balance tax. This resulted in short realisation of tax of Rs.18.19 lakh.

The matter was reported to the Department in September 2003 and September 2004 and to Government in January 2005; their replies have not been received (December 2005).

Under the KMVT Act, composite tax on goods carriage vehicles registered and usually kept in any other State or Union Territory in India and authorised to ply in the State of Kerala under a national permit shall be levied at the rate of Rs.3,000 per annum or the rate at which similar vehicle from Kerala is taxed in their home State, whichever is higher. Haryana, Maharashtra, Rajasthan, West Bengal and National Capital Region (NCR) of Delhi levy composite tax of Rs.5,000 per vehicle per annum for national permit goods carriages registered in the State of Kerala and plying in those states.

Test check of the records of the Transport Commissioner's (TC) Office, Thiruvananthapuram revealed that 541 goods carriages registered in Haryana, Maharashtra, Rajasthan, West Bengal and NCR of Delhi and authorised to ply in Kerala under National Permit during the year 2002-03 plied in the State on payment of composite tax of Rs. 3,000 per annum instead of at the rate of Rs.5,000 per annum. However, the Department did not take any action to demand and collect differential tax through the concerned Regional/State Transport Authorities (STAs). This resulted in short levy of composite tax of Rs.10.82 lakh.

After this was pointed out in February 2004, the Department stated in July 2004 that STAs of concerned States have been addressed for realisation of tax and the motor vehicles inspectors of check posts have been directed to watch such vehicles. Further report has not been received (December 2005).

The matter was reported to the Government in February 2005 ; their reply has not been received (December 2005).

Government by a notification dated 28 June 2003, enhanced the tax payable under the KMVT Act, on motor cars which are not liable to one time tax and on omnibus for private use, with effect from 1 July 2003 as under.

---

<sup>©</sup> Kerala State Road Transport Corporation

Sl. No.	Nature of vehicle	Unladen weight/ seating capacity	Tax per quarter (Rs.)	
			Pre-revised rate	Revised rate
1	Motor cars	Up to 750 kg	290	350
		751-1500 kg	390	450
		Above 1500 kg	480	720
2	Omnibus for private use	Up to 10 seats	70 per seat	105 per seat
		Above 10 seats	290	350

At Regional Transport Office, Thiruvananthapuram and at FRIENDS Janasevana Kendram, Thiruvananthapuram tax for the period from 1 July 2003 to 30 June 2004 on 273 motor cars and 33 omnibuses for private use was realised between 2 June 2003 and 28 June 2003 in advance at pre-revised rates. But the RTO did not demand the balance tax consequent to revision of rates from 1 July 2003. This resulted in short demand of vehicle tax of Rs.1.65 lakh.

After this was pointed out in August 2004, the Department stated that action would be initiated to collect the balance tax. Further reply has not been received (December 2005)

The matter was reported to the Government in January 2005; their reply has not been received (December 2005).

[Paragraph 3.3 contained in the Report of the Comptroller & Auditor General of India for the year ended 31 March 2005 (R.R.)]

Note furnished by Government on the above audit paragraph is included as Appendix II.

78. Regarding this audit paragraph, the Committee noted that the department suffered a loss amounting to Rs.10.82 lakh due to levy of composite tax at a lower rate on goods carriage vehicles registered in other states and authorised to ply in Kerala during 2002-03. The Committee wanted to know how this happened. The Transport Commissioner stated that the tax levied on such vehicles was used to remit to our state as Demand Draft which would become stale when it reached here, so again it should be sent for revalidation. Not satisfied with the reply, the Committee enquired about the steps taken by the department for recovering the pending amount. The Transport Commissioner revealed that the transport authorities of the concerned States were responsible for collecting the balance amount and correspondences were on with all the concerned States in this regard.

79. Then the Committee explored the possibilities of legal action in this matter to make good the loss sustained to the State Government. But the Transport Commissioner's answer was not conducive. The Committee opined that the omission could have been avoided if it was clearly verified at the check post itself. But the Transport Commissioner explained that receipt of tax remitted in other States could not be verified in our check posts except realising additional tax, for which direction was already there.

80. The Committee opined that since the case mentioned in the audit paragraph was related to the year 2003-04, the balance amount of Rs.10.82 lakh had to be collected in the States where the registration of the vehicles were made.

#### **Conclusion/Recommendation**

**81. Regarding the audit objection towards levy of composite tax at a lower rate the Committee suggests that the balance amount of Rs. 10.82 lakh should be collected from the States where the vehicles were registered. Earnest efforts should be made for collecting this amount.**

#### AUDIT PARAGRAPH

##### **Short levy of vehicle tax**

Under the Motor Vehicles Act, 1988 (Central Act), omnibus means any motor vehicle constructed or adopted to carry more than six persons excluding the driver. The Act does not impose any restriction for use of an omnibus as non-transport vehicle, when validity of a permit for use of the same as transport vehicle has lapsed. Hence permit lapsed stage carriages are to be taxed as omnibus for private use at the rate of Rs.130 per quarter up to 30 June 2003 and thereafter at Rs.195 per quarter for every seated passenger. The TC clarified in September 1994 that tax at residual rate only is leviable on vehicles without permit. Public Accounts Committee (PAC) during discussion on para 6.4 included in the Audit Report (Revenue Receipts) for the year ending 31 March 1997 observed that the TC's direction was against the provisions of the Central Act and recommended that Department should issue strict instructions to its officers to be vigilant while issuing such directions in future. Government thereafter informed the PAC that the RTO had been instructed to make good the short levy.

In seven RTOs\* in 250 cases, permit lapsed stage carriages with seated passenger capacity ranging from 13 to 49 were taxed during 2003-04 at Rs.150 to Rs.1,200 per vehicle per quarter based on unladen weight instead of passenger capacity. This resulted in short levy of vehicle tax of Rs. 20.20 lakh.

---

\* Ernakulam, Kannur, Kasargod, Malappuram, Palakkad, Pathanamthitta and Wayanad

After this was pointed out between June and December 2004, RTOs at Malappuram and Kasargod stated that tax was levied as per clarification of the TC given in September 1994. The reply is not tenable in view of the observation of the PAC and action taken note of Government. Further reply has not been received (December 2005).

The matter was reported to the Government in December 2004 ; their reply has not been received (December 2005).

[Paragraph 3.4 contained in the Report of the Comptroller & Auditor General of India for the year ended 31 March 2005 (R.R.)]

Note furnished by Government on the above audit paragraph is included as Appendix II.

82. The Committee considered the Audit Paragraph 3.4 but made no remarks on them.

#### **Conclusion/Recommendation**

83. **No Comments.**

#### AUDIT PARAGRAPH

#### **Short levy of fee for renewal of driving licence**

Under Central Motor Vehicles Rules, 1989 from 10 October 2003 where an application for renewal of a driving licence is made after 30 days from the date of expiry of licence, the fee payable for such renewal shall be Rs.100. Besides an additional fee of Rs. 50 for delay of every year or part thereof reckoned from the date of expiry of grace period of 30 days is also payable.

Test check of records in 30\* transport offices revealed that 31,551 driving licences were renewed between 10 October 2003 and 31 March 2004 based on applications made after 30 days but within one year from date of expiry for licence and the licensing authority levied fees at Rs.100 but failed to levy additional fee at the rate of Rs. 50. This resulted in short levy of Rs.15.78 lakh.

---

\* RTOs: Alappuzha, Kasargod, Kozhikode, Malappuram, Pathanamthitta, Thrissur and Wayanad

SRTOs: Adoor, Alathur, Aluva, Cherthala, Chengannur, Irinjalakkuda, Kanhangad, Kayamkulam, Kazhakootam, Koduvally, Kothamangalam, Mattancherry, Mavelikkara, Nedumangad, North Parur, Ottappalam, Parassala, Perinthalmanna, Perumbavoor, Ponnani, Thiruvalla, Tirur and Tripunithura

After this was pointed out between May and November 2004 the Department stated that the short levy was due to delay in receipt of communication regarding enhancement and realised Rs. 3,250 in 54 cases in two\* offices. Further reply has not been received. The matter was reported to Government in February 2005; their reply has not been received (December 2005).

[Paragraph 3.5 contained in the Report of Comptroller & Auditor General of India for the year ended 31 March 2005 (R.R.)]

Note furnished by Government on the above audit paragraph is included as Appendix II.

84. The Committee noticed that non-levy of additional fee for the renewal of driving licence after the expiry of the same during the period from 10<sup>th</sup> October 2003 and 31st March 2004 resulted in short levy of Rs.15.78 lakh. The Transport Commissioner clarified that the said mistake happened due to a communication gap in getting the details of the revision of fee for the renewal of driving licence, from Government of India. The Committee pointed out that the notification regarding this from the Central Government was also available from the Internet and the same could be downloaded and circulated to the concerned officers.

#### **Conclusion/Recommendation**

**85. The Committee suggested for setting up a systematic mechanism for levying additional fee for the renewal of driving licence after the expiry of the same.**

#### **AUDIT PARAGRAPH**

#### **Defalcation of Government money**

Under the Kerala Treasury Code Volume I (KTC), Government servant who receives any money on behalf of Government shall give the payer a receipt in Form TR 5. A new TR 5 receipt book should be brought to use only after the old one is exhausted. Transport Commissioner in January 1986 directed that the checking officers, who are empowered to compound offences under Central Act and receive the compounding fee in cash on issue of TR 5 receipt should hand over the money collected every day to the Head Accountant of the regional/sub regional transport office on the same day or the next day. They should also hand over the exhausted TR 5 receipt book to the Head Accountant.

Verification of stock register of TR 5 receipt books at sub regional transport office, Neyyattinkara revealed that an Assistant Motor Vehicle Inspector (AMVI) who joined the office on 17 April 2002 and got relieved on transfer on 25 June 2004 did not return counterfoils of 25 out of 26 TR 5 receipt books issued to him, till they were

---

\* Sub Regional Transport Offices Adoor and Chengannur.

called for in audit in September 2004. Between 22 April 2002 and 25 June 2004 he collected Rs. 7.44 lakh as compounding fee, but remitted only Rs. 3.23 lakh to the head accountant. Failure to comply with the provisions of KTC and directions of TC resulted in defalcation of Government money of Rs. 4.21 lakh.

After this was pointed out in September 2004, the Department stated in January 2005 that the AMVI was suspended in September 2004 and a police case filed in October 2004. Further reply has not been received (December 2005).

The matter was reported to Government in December 2004; their reply has not been received (December 2005).

According to KTC all monetary transactions should be entered in the cash book promptly and should be attested by the Head of office. When the number of payments made in a month is more than 10 and the total amount exceeds Rs.1000, as soon as possible after the end of the month, the Head of the office is required to prepare a statement of all remittances made during the month and get it verified and certified by the treasury officer which should be compared with the posting in the cash book.

In Regional Transport Office, Kozhikode and Sub Regional Transport Office, Koduvally, in 10 cases, vehicle tax, fees, compounding fee etc. collected between January 2002 and July 2003 were either not remitted or remitted short to Government account. Government money so defalcated amounted to Rs.1.02 lakh.

After this was pointed out to the Department in October 2003 and November 2003 and reported to the Government in March 2004, the Department stated in May 2005 that Rs. 84,115 had been remitted till November 2004. Further report has not been received (December 2005).

[Paragraph 3.6 contained in the Report of Comptroller & Auditor General of India for the year ended 31 March 2005 (R.R.)]

Note furnished by Government on the above audit paragraph is included as Appendix II.

86. While examining the audit paragraph, the Committee enquired about the latest position of the case in which an Assistant Motor Vehicle Inspector of Neyyattinkara SRTO defalcated Government money (remitted in form TR 5) amounting to Rs. 4.21 lakh and another case of Rs.1.02 lakh in RTO, Kozhikode. The Committee also desired to know whether the department had registered police case regarding this. The Transport Commissioner informed that full amount had been realised from the Assistant Motor Vehicle Inspectors responsible and regarding the registration of the police case, the witness stated that he would verify the matter and report it later.

The Committee urged the department to furnish the correct position of the police case and the service details of the two erring officials. The Transport Commissioner informed that the department had referred the case for Vigilance enquiry and the required details would be submitted to the Committee after verifying the details.

87. Commenting that the internal audit wing of the department was not functioning well, the Committee suggested to introduce an efficient departmental vigilance mechanism in the department to rectify such instances.

#### **Conclusion/Recommendation**

**88. Regarding the defalcation of Government money the Committee wants to be furnished with the correct position of the police case and the service details of the two erring officials. Commenting on the non-functioning of the Internal Audit Wing of the Department, the Committee recommend to introduce a fruitful departmental vigilance mechanism in the Department.**

#### AUDIT PARAGRAPH

#### **Results of audit**

Testcheck of records of the offices of Motor Vehicles Department conducted during 2005-06 revealed short/non-levy of tax, incorrect classification etc, amounting to Rs. 2.71 crore in 188 cases, which may broadly be categorised as under :

*(In crore of rupees)*

<i>Sl. No.</i>	<i>Category</i>	<i>Number of cases</i>	<i>Amount</i>
1	Short/non-levy of tax	123	0.98
2	Incorrect classification	12	0.08
3	Other lapses	53	1.65
Total		188	2.71

During 2005-06, the department accepted under assessments of Rs.35.66 lakh involved in 36 cases of which seven cases involving Rs. 3.56 lakh were pointed out in audit during 2005-06 and the rest in earlier years. During the year, the department recovered an amount of Rs. 22.88 lakh in 155 cases pointed out in audit prior to 2005-06.

A few illustrative cases involving Rs.27.69 lakh are given in the following paragraphs :

[Paragraph 4.1 contained in the Report of Comptroller & Auditor General of India for the year ended 31 March 2006 (R.R.)]

Note furnished by Government on the above audit paragraph is included as Appendix II.

89. Regarding this audit paragraph about short/non levy of tax amounting to Rs.2.71 crore in 188 cases, the Committee understood from the Government reply that out of this amount Rs.2.41 crore in 73 cases was recovered.

90. To a question of the Committee regarding the latest position of the remaining pending cases, the Transport Commissioner stated that in majority of the cases the pending amount had been recovered and for the remaining cases the department had initiated action to recover the amount. When asked about the term 'incorrect classification of tax', the Transport Commissioner clarified that different rates of tax were applicable for Non-transport Vehicles, Private Service Vehicles and Educational Institution Buses. This classification becomes indistinct at certain points. So during assessments there occurs a huge difference in tax.

#### **Conclusion/Recommendation**

91. **No comments.**

AUDIT PARAGRAPH

#### **Non demand of vehicle tax**

Under the Kerala Motor Vehicles Taxation Act, 1976 (KMVT Act), tax on motor vehicles for a quarter or year shall be paid in advance. If a motor vehicle is not intended to be used for the first month or first two months or whole of a quarter or year, no tax is payable for the period of non use provided an intimation in form G has been filed before the concerned Transport Officer. It was judicially held\* that any operator would be entitled to claim exemption even for the second month or second and third month. KMVT Act further provides that if tax in respect of a vehicle has not been paid within prescribed period, additional tax at the rate of 50 per cent shall be payable along with the tax.

In regional transport offices, Kannur and Vadakara, 117 vehicle owners filed non use intimation in form G between April 2002 and March 2005 for the second and third months of a quarter. The owners neither paid tax for the remaining portion of the quarter nor the department raised any demand. This resulted in non realisation of tax of Rs.15.44 lakh and additional tax of Rs. 7.72 lakh.

This was pointed out to the department in November and December 2005 and reported to Government in February 2006; their replies were not received (December 2006).

[Paragraph 4.2 contained in the Report of the Comptroller & Auditor General of India for the year ended 31 March 2006 (R.R.)]

---

\* RKV Motors and Timbers (P) Ltd. Vs RTO, A.I.R. 1982 Ker 156

Note furnished by Government on the above audit paragraph is included as Appendix II.

92. Regarding this audit paragraph describing non-realisation of vehicle tax and additional tax amounting to Rs. 22.06 lakh in 117 cases in which non-use intimation of vehicles in 'G Form' was filed, the Committee enquired the latest position of the cases and desired to know the details of 'G Form'. The Transport Commissioner explained 'G Form' statement as an advance intimation by vehicle owners for showing non-use of vehicle for a specified period in the future, for which tax exemption was allowable under KMVT Act. He added that when G Form was filed then the concerned officer should verify whether the vehicle was there in the garage or not. He also stated that majority of such cases were reported from Kannur.

93. The Committee enquired whether tax would be levied for vehicles under police custody. The Transport Commissioner answered that usually the department would levy tax but if non-use intimation regarding the period of police custody was furnished, then that period would be exempted from the assessment of tax. When the Committee referred the non-submission of reply regarding 59 cases pointed out in audit, the Transport Commissioner stated that replies of 111 cases (73 cases in Kannur and 38 in Vadakara) were already submitted.

#### **Conclusion/Recommendation**

94. **No comments.**

#### **AUDIT PARAGRAPH**

#### **Non levy of application fee**

Under Motor Vehicles Act, 1989, Educational Institution Buses (EIBs) are required to obtain permits from 14 August 2000. Government prescribed in February 2004 application fee for permits at Rs. 500 for each EIB. Transport Commissioner in February 2004 directed the officers of the department to complete the issuance of these permits before 30 April 2004.

Test check of records of 12 transport offices<sup>§</sup> between July and November 2005 revealed that owners of 498 EIBs neither applied for permit nor the department initiated any action to realise permit fees from them despite direction from the Transport Commissioner. This resulted in non realisation of application fee for permits of Rs. 2.49 lakh.

---

<sup>§</sup> Regional Transport Offices: Attingal, Ernakulam, Kasargod and Thiruvananthapuram

Sub Regional Transport Offices: Aluva, Irinjalakkuda, Kanhangad, Kazhakkootam, Mattancherry, Parassala, Pattambi and Wadakkancherry.

This was pointed out to the department between July and November 2005 and reported to Government in November 2005; their reply has not been received (December 2006).

[Paragraph 4.3 contained in the Report of Comptroller & Auditor General of India for the year ended 31 March 2006 (R.R.)]

Note furnished by Government on the above audit paragraph is included as Appendix II.

95. With regard to this paragraph relating to a non-realisation of application fee or permit of educational institutions buses, the Committee enquired about the latest position of the case. The Transport Commissioner replied that the pending amount of Rs. 2.49 lakhs had been realised

#### **Conclusion/Recommendation**

96. **No comments.**

AUDIT PARAGRAPH

#### **Short levy of composite tax**

Goods carriage vehicles registered in other States or union territories in India can ply in Kerala under national permit after remitting composite tax of Rs. 3,000 per annum. Under KMVT Act, composite tax on such national permit vehicles with multi axle shall be 25 per cent less than the rate applicable to two axled vehicles. But this concession is restricted to vehicles of those states which allow similar concession on multi axled vehicles of other states or union territories.

In the office of the Transport Commissioner, Thiruvananthapuram it was observed that during 2004-2005, composite tax at the rate of 75 per cent of the normal rate was remitted on 163 multi axled national permit vehicles of States of Haryana, Madhya Pradesh, Maharashtra and Rajasthan which did not allow similar concession on multi axled vehicles registered in Kerala. This resulted in short realisation of composite tax of 2.04 lakh.

After this was pointed out in December 2005, the department stated that necessary action would be taken to realise the short collection. Further reply has not been received (December 2006)

The case was reported to Government in March 2006; their reply has not been received (December 2006)

[Paragraph 4.4 contained in the Report of the Comptroller & Auditor General of India for the year ended 31 March 2006 (R.R.)]

Note furnished by Government on the above audit paragraph is included as Appendix II.

97. The Committee learned that in the office of the Transport Commissioner, Thiruvananthapuram, during the year 2004-05 composite tax at the rate of 75% of the normal rate was remitted on 163 multi axled national permit vehicle of certain States where similar concession was not allowed on vehicles registered in Kerala. The short realisation in this case was Rs. 2.04 lakh. The Committee wanted to know the latest position of the case. The Transport Commissioner stated that it was the responsibility of the Transport Authorities of the concerned States to realise the amount and to pass on it to our State.

**Conclusion/Recommendation**

98. **No comments.**

Thiruvananthapuram,  
17th July 2009.

ARYADAN MUHAMMED,  
*Chairman,*  
*Committee on Public Accounts.*

## APPENDIX I

**Summary of Main Conclusions/Recommendations**

<i>Sl. No.</i>	<i>Para No.</i>	<i>Department concerned</i>	<i>Conclusions/Recommendations</i>
(1)	(2)	(3)	(4)
1	8	Finance	The Committee notices that the Finance Department is not showing any responsibility towards matters having Financial Commitments and criticises this negligent attitude. The Committee didn't get any valuable information from the Department on the audit observation though they expected much more. The official who did attend the meeting of the Committee pathetically failed in communicating the facts. The Committee strongly views this as a highly irresponsible attitude in not referring anything on audit paragraph under discussion before coming to PAC Meeting and reminds that the officials do not make themselves objects of the mockery of others.
2	10	Transport	While enquiring about short/non-levy of tax in 164 cases relating to Motor Vehicles Department, the Committee urges the Department to furnish the details of the amount realised till date out of the balance amount of Rs.42 lakh pertaining to 86 cases, at the earliest.
3	61	”	The Committee finds that initially 'N.I.C.' was entrusted with the work of computerising the offices in the Motor Vehicle Department. But later it was replaced by 'Keltron'. Again the work was assigned to N.I.C. as 'Keltron' could not complete the work even after a period of two years.
4	62	”	The Committee is very much dissatisfied in the fact that though the Transport Commissioner agreed to furnish the details regarding the replacement of 'N.I.C.' with 'Keltron', to the Committee after examining the matter, the department has not furnished any details regarding this till date.

(1)	(2)	(3)	(4)
5	63	Transport	The Committee notices so many drawbacks and irregularities in the functioning of Motor Vehicles department. Allotment of one chassis number to various vehicles, mistake in the entry of Date of Birth of vehicle owners, double registration of vehicles, mutual change in the engine number and chassis number of vehicles, lack of cross checking of data entered etc are some examples. The Committee sees these irregularities as very grave not only that it is deplorable state of affairs in the department where there is no set up for corrective measures.
6	64	Taxes	Regarding the difference in the data in respect of amounts remitted towards tax at the 'FRIENDS CENTRE' and that available in the database of the department, the Committee finds that the department has not maintained establishment and statistical data properly. The Committee suggests that the department should maintain the D.C.B. Statement properly.
7	65	Transport	While the Committee enquired about the delay in selecting service provider for the FAST project (Fully Automated Services of Transport Department), the Transport Commissioner informed that project can be implemented only after the declaration of policy decisions of the Government and he will furnish a reply after examining the matter. But the department has not furnished any details regarding this yet.
8	66	„	Towards the audit objection that 'SMART-MOVE' application installed at R.T.O., Thiruvananthapuram lacked the provision for accounting compounding fee resulting in non-tally of figures with the cash book, the Committee was informed by the witness that the feeding of backlogs to the system was being done by the Kudumbashree units and assured that he would furnish all the details regarding the case. But the department has not furnished any details even after a period of one year.

(1)	(2)	(3)	(4)
9	67	Transport	Regarding the faulty entry of register number, chassis number, engine number etc., the Committee notices that the department is not supervising the data before it is entered into the system. The Committee expresses its displeasure towards this irresponsible attitude. The Committee desires to know the steps taken by the Department for updating the data and also wants to know whether there exist any system for checking data with old records. Though the Transport Commissioner assured that he would take necessary checks in this regard and would furnish all the details to the Committee, it is yet to be submitted.
10	68	„	Towards the audit objection indicating the possibility of double registration of vehicles, the Committee views this as a serious offence which causes revenue loss to the Government and urges the department to take criminal action against the delinquent officers. In this matter also the Transport Commissioner has not complied with the assurance that a detailed report would be submitted to the Committee.
11	69	„	The Committee recommends that the internal auditors of the department should urgently verify the records in all other offices to check the irregularity and suggests that the department should clearly monitor this as it causes a heavy revenue loss to the State. The Committee also recommends to take strong disciplinary action against the delinquent officers if there is any such instances.
12	70	„	The Committee notes that in 18 cases the correctly entered chassis numbers were later modified. The Committee views this as very serious and opines that it was wilfully done. While the Committee contemplated the functioning of the Motor Vehicle Department the Transport Commissioner assured

(1)	(2)	(3)	(4)
			that he would verify the matter and would take firm action against those responsible and would submit a detailed report to the Committee. But the Committee regrets that this assurances also proved to be worthless.
13	71	Transport	Regarding the audit observation on non-maintenance of input data the Transport Commissioner agreed that he would submit the latest details of the matter within a week. But it is to be noted that the same has not been furnished till date.
14	72	”	The Committee notices that in 346 cases the amount remitted at the ‘Friends Centre’ did not tally with the amount entered in the database of RTO, Thiruvananthapuram. Likewise 1653 receipts included in the RTO database during the year 2003 could not be traced in the FRIENDS Scroll. The Committee opines that these are wilfully done crimes and suggests to conduct proper enquiry into the matter and to take stringent disciplinary action against the delinquent officers.
15	73	”	Regarding, the audit objection that out of the 156 theft cases registered under the jurisdiction of the Police Commissioner, Thiruvananthapuram City, only 5 cases are included in the database of R.T.O., Thiruvananthapuram. The Committee views this as a serious issue and asserts that records from SCRB is needed for examining stolen vehicles during re-registration. The Committee urges the department to take adequate steps for getting the proper report regarding stolen vehicles from State Crime Records Bureau at the right time.
16	74	”	The Committee wants to know the details of the system existing in the department for preventing the destruction of documents fed into the computer system. The Committee notes with grave concern that if the data are destroyed nobody will be

(1)	(2)	(3)	(4)
			responsible as there is no authorised custodian of software. Hence the Committee suggests to take adequate steps for vesting the responsibility of the custody of data with a responsible officer.
17	75	Finance	The Committee is distressed to note that the Finance Department is not showing much concern towards matters having financial commitments. In fact Motor Vehicles Department is a major income generating source of Government and the financial irregularities there may adversely affect the interest of the State. Finance Department has a pivotal role to play for rectifying such irregularities. Hence, the Committee recommends that the Inspection Wing of Finance Department should strictly supervise the financial transactions in the Motor Vehicle Department.
18	76	Transport	The Committee views with serious concern the fact that an amount of Rupees 15.78 lakh was lost due to non-levy of late fee for renewing driving licence. The Committee cannot approve the argument of the department that this occurred due to delayed receipt of communication from Government of India. Since information technology is very much advanced in our country, it is not difficult to get any information. Hence the Committee recommends that a perfect system should be evolved for collecting fee/late fee for renewing Driving Licence.
19	77	”	The Committee also sees that the department had not produced certain records for audit. In addition to this, no proper replies regarding audit findings are submitted at the right time. If the Accountant General’s office could be apprised of the actual state of affairs, at the inspection stage itself, so many audit observation could be avoided. Hence the Committee suggests that timely action should be taken to correct the irregularities through cross checking of data and to convince the audit on the actual position of facts.

(1)	(2)	(3)	(4)
20	81	Transport	Regarding the audit objection towards levy of composite tax at a lower rate the Committee suggests that the balance amount of Rs. 10.82 lakh should be collected from the States where the vehicles were registered. Earnest efforts should be made for collecting this amount.
21	85	„	The Committee suggests for setting up a systematic mechanism for levying additional fee for the renewal of driving licence after the expiry of the same.
22	88	„	Regarding the defalcation of Government money the Committee wants to be furnished with the correct position of the police case and the service details of the two erring officials. Commenting on the non-functioning of the Internal Audit Wing of the Department, the Committee recommends to introduce a fruitful departmental vigilance mechanism in the Department.

## APPENDIX II

**ACTION TAKEN NOTES ON COMPTROLLER AND AUDITOR GENERAL'S REPORTS**

- I (a) Department : Registration
- (b) Subject/Title of the Review/  
Paragraph : Incorrect remission of stamp duty  
allowed to the employees of Kerala  
Water Authority
- (c) Paragraph No. : 7.3
- (d) Report No. year : Report of the Comptroller and  
Auditor General of India for the  
Year ended 31-3-2002 (RR)
- II (a) Date of receipt of the Draft  
Para/Review in the Department : 17-5-2002
- (b) Date of Department's reply : 12-6-2002
- III Gist of Paragraph/Review : Accountant General has remarked  
that on 32 sub Registry offices no  
stamp duty was levied on 66 mort-  
gage deeds executed by the  
employees of Kerala Water  
Authority for securing house con-  
struction advances on the basis of  
an order of Government which was  
neither issued in accordance with  
the provisions of the Act by any  
competent authority nor published  
in the Gazette. This resulted in  
incorrect remission of stamp duty of  
Rs. 5.45 lakh.
- IV (a) Does the Department agree : Yes  
with the facts and figures  
included in paragraph
- (b) If not, please indicate areas :  
of disagreement and also  
attach copies of relevant  
documents in support.

- V (a) Does the Department agree with the audit conclusion. : No
- (b) If not, please indicate specific areas of disagreement with reasons for disagreement and also attach relevant documents, where necessary : As the Sub Registrar's registered the mortgage deeds on the basis G. O. (Ms.) No. 32/98/IRD. dated 23-3-1998 issued by the irrigation department there is no willful negligence on the part of the Sub Registrar's in registering the documents. (Copy of the order enclosed)

VI Remedial Action Taken :

- 1 Improvement in system and procedure including internal controls :
- 2 Recovery of overpayment pointed out by Audit :
- 3 Recovery of under assessment, Short levy or other dues : The Irrigation Department Vide G. O. (Ms.) No. 32/98/IRD dated 23-3-1998 issued orders by exempting the employees of Kerala Water Authority from the payment of stamp duty on execution of House Building Advance deeds and release of deeds as is done in the case of regular employees. The above order was cancelled vide G. O. (Rt. 13/2002/TD dated 7-1-2002 (copy enclosed) and directed that stamp duty at the appropriate rate should be levied on all documents exempted under the order dated 23-3-1998. the district Registrar's were Directed to recoup the revenue loss either from the party concerned or treat it as the personnel liability of the officers concerned.

4. Modifications in the schemes and programmes and including financing pattern : In this case the Sub Registrar's registered the mortgage deeds giving remission of stamp duty merely based on the G. O. (Ms.) No. 32/98/IRD dated 23-3-1998. Hence it is evident that the Sub Registrar's were worked in good faith and there was no willfull negligence on their part in registering the above said documents. As it was the case, Government vide letter No. 3380/E2/2003/TD dated 18-6-2003 (copy enclosed) exempted the officers of registration Department from the employees of Wtater authority. Against this decision Sri P. Vijayakumaran, Metere Reader, P. H. sectio, Kerala Water Authority, Pathanamthitta and three others have filed W.P./3961/05(V) before Hon. HC of Kerala placing the chief Secretary as Ist respondent. The Hon. High Court in its judgment dated 27-2-2007 of the above writ petition has directed the respondent not to recover any stamp duty from the petitioners for the loan documents and release deeds executed prior to 7-1-2002 when Ext.P2 [G. O. (Rt.) No. 13/02/TD dated 7-1-2002] came into force. This has again upheld by the Hon. HC in the Judgement of the Writ Appeal No. 1425/07 dated 19-6-2007.
5. Review of similar cases/complete scheme project in the light of findings of sample check by Audit.

## APPENDIX II

## GOVERNMENT OF KERALA

**Abstract**

KERALA WATER AUTHORITY—ESTABLISHMENT—HOUSE BUILDING ADVANCE TO THE  
EMPLOYEES—EXEMPTION FROM STAMP DUTY ON EXECUTION OF DEEDS—  
ORDERS ISSUED

## IRRIGATION (WSC) DEPARTMENT

G. O. (Ms.) No. 32/98/IRD. *Dated, Thiruvananthapuram, 23rd March, 1998.*

- Read:—*1. Letter No. KWA/JB/E1/5685/97 dated, 22-5-97 from the Managing Director, Kerala Water Authority.
2. Letter dated 12-12-1997 from the General Secretary, Kerala Water Authority Employees Union, Trivandrum.

## ORDER

Government are pleased to exempt the employees of Kerala Water Authority from the payment of stamp duty on execution of House Building Advance deeds and release of deeds as is done in the case of regular employees.

By order of the Governor,

K. S. ANNAMMA,  
*Additional Secretary to Government.*

To

1. The Managing Director, Kerala Water Authority, Thiruvananthapuram.
2. The Accountant General (Audit/A&E), Audit, Kerala, Thiruvananthapuram.
3. The Finance Department, vide U. O. No. 15651/W & M14/98/Fin. dated 16-3-1998.
4. C. A. to Additional Secretary (Irrigation)
5. C. A. to Additional Secretary (Water supply)
6. Irrigation Water Supply (B) Department

Endt. on KWA/JB/E1-5685/97 Dated 16-4-1998.

Copy forwarded to Chief Engineer, KWA Southern Region, Trivnadrum/  
Northern Region, Kozhikode/IPD, Kochi/OECE/HP superintending engineer,  
KWA...../Executive Engineer,KWA,.....for information and necessary action.

Copy to : PA to MD/CA to TM/CA to CE (PS & G1)/AM/FM & CAO/Dy.  
CF(G1)/Secretary

Senior AO/IA/RAO/FO/AA/SSI /SS-II/SS-III/ (Estt.)/Accounts/  
Vigilance/General Section/File/Stock File.

സംഗ്രഹം

കേരള വാട്ടർ അതോറിറ്റി ജീവനക്കാരുടെ ഭവനനിർമ്മാണ വായ്പ സംബന്ധിച്ച പണയാധാരം/ഒഴിവുകുറി രജിസ്ട്രേഷൻ സ്റ്റാമ്പ് ഡ്യൂട്ടി ഒഴിവാക്കിക്കൊണ്ടുള്ള ഉത്തരവ്—റദ്ദാക്കി ഉത്തരവ് പുറപ്പെടുവിക്കുന്നു

നികുതി (ഇ) വകുപ്പ്

ജി. ഒ. (ആർറ്റി.) 13/02/നി.വ തീയതി, തിരുവനന്തപുരം 2002 ജനുവരി 2

പരാമർശം : ഇറിഗേഷൻ വകുപ്പിന്റെ 23-3-1998-ലെ ജി. ഒ. (എംഎസ്.) 32/98/ഇറി. നമ്പർ ഉത്തരവ്

ഉത്തരവ്

കേരള വാട്ടർ അതോറിറ്റി ജീവനക്കാർക്ക് നൽകിയ ഭവന നിർമ്മാണ വായ്പയുടെ പണയാധാരം/ഒഴിവുകുറി രജിസ്ട്രേഷനെ സ്റ്റാമ്പ് ഡ്യൂട്ടിയിൽ നിന്നും ഒഴിവാക്കിക്കൊണ്ട് ഇറിഗേഷൻ വകുപ്പ് പുറപ്പെടുവിച്ച പരാമർശ ഉത്തരവ് റദ്ദാക്കിക്കൊണ്ട് ഉത്തരവാകുന്നു. പരാമർശ ഉത്തരവ് പ്രകാരം സ്റ്റാമ്പ് ഡ്യൂട്ടിയിൽ നിന്നും ഒഴിവാക്കപ്പെട്ട എല്ലാ കാരണങ്ങൾക്കും നിയമാനുസരണമുള്ള സ്റ്റാമ്പ് ഡ്യൂട്ടി ഈടാക്കുവാനും ഉത്തരവാകുന്നു.

ഗവർണ്ണറുടെ ഉത്തരവിൻപ്രകാരം,

രാംസിംഗ്,  
പ്രിൻസിപ്പൽ സെക്രട്ടറി.

പുറത്തെഴുത്ത് നമ്പർ ആർ. ആർ. 4-10025/98  
രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറലുടെ ആഫീസ്,  
തിരുവനന്തപുരം  
23-1-2002

ഉത്തരവിന്റെ പകർപ്പ് അറിവിലേക്കും ആവശ്യമുള്ള നടപടിക്കുമായി അയയ്ക്കുന്നു. ജില്ലാ രജിസ്ട്രാർമാർക്ക് ഉത്തരവ് കൈപ്പറ്റിയ വിവരം റിപ്പോർക്ക് ചെയ്യേണ്ടതും ഉത്തരവിന്റെ പകർപ്പ് തങ്ങളുടെ അധികാരപരിധിയിലുള്ള സബ് രജിസ്ട്രാർമാർക്ക് അയച്ചുകൊടുക്കേണ്ടതുമാകുന്നു.

(ഒപ്പ്)

രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറലിനുവേണ്ടി

- 1. എല്ലാ രജിസ്ട്രാർ (ജനറൽ) മാർക്കും

പുറത്തേഴുത്ത് നമ്പർ ജി1 1398/02  
കണ്ണൂർ ജില്ലാ രജിസ്ട്രാർ (ജനറൽ) ഓഫീസ്,  
തലശ്ശേരി,  
23-3-2002

**ഉത്തരവിന്റെ പകർപ്പ് അറിവിനും ആവശ്യമായ നടപടിക്കുമായി അയയ്ക്കുന്നു.  
കൈപ്പറ്റിയ വിവരം അറിയിക്കേണ്ടതാണ്**

ഒപ്പ്  
ജില്ലാ രജിസ്ട്രാർ (ജനറൽ)

എല്ലാ സബ് രജിസ്ട്രാർ (ജനറൽ) മാർക്കും.

GOVERNMENT OF KERALA

നികുതി (ഇ) വകുപ്പ്

നമ്പർ. 3300/ഇ2/2003/നി.വ.

തിരുവനന്തപുരം, തീയതി, 2003 ജൂൺ 18.

പ്രിൻസിപ്പൽ സെക്രട്ടറി  
രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ ജനറൽ, തിരുവനന്തപുരം

സർ,

വിഷയം :— ഇ രിങ്ങാലക്കുട സബ്ജിസ്റ്റ്രാർ ഓഫീസിലെ 2000-ലെ ലോക്കൽ ഓഡിറ്റ് റിപ്പോർട്ടിലെ വാട്ടർ അതോറിറ്റി ജീവനക്കാരുടെ പണയാധാരത്തിന് മുദ്രവില ചുമത്താതിരുന്നത് സംബന്ധിച്ചുണ്ടായ ബാധ്യതാ സംബന്ധിച്ച്

- സൂചന :— (1) ഉത്തരവ് നമ്പർ ജി. ഒ. (എം.എസ്.)32/98/ഐ.ആർ. തീയതി 23-7-1998
- (2) ഉത്തരവ് നമ്പർ ജി. ഒ (ആർറ്റി.)13/02/റ്റി.ഡി. തീയതി 7-1-2002
- (3) 24-1-2003 തീയതിയിലെ ഇൻസ്പെക്ടർ ജനറൽ ഓഫ് രജിസ്ട്രേഷന്റെ കത്ത് നമ്പർ ഐ.ആർ. 3/495/4957/02

സൂചനകളിലേക്ക് ശ്രദ്ധ ക്ഷണിക്കുന്നു. സൂചന രണ്ടിലെ സർക്കാർ ഉത്തരവ് കർശനമായി പാലിക്കാനും രജിസ്ട്രേഷൻ വകുപ്പിലെ ഉദ്യോഗസ്ഥരെ ബാധ്യതയിൽ നിന്നും ഒഴിവാക്കി സർക്കാരിനുണ്ടായ സാമ്പത്തിക നഷ്ടം വാട്ടർ അതോറിറ്റി ജീവനക്കാരിൽ നിന്ന് ഈടാക്കുവാനും ഇതിനാൽ നിർദ്ദേശിക്കുന്നു.

വിശ്വസ്തതയോടെ,

എം. മനോഹരൻ,

അണ്ടർ സെക്രട്ടറി  
പ്രിൻസിപ്പൽ സെക്രട്ടറിക്കുവേണ്ടി

Endorsement No.  
ARA3.4957/02

രജിസ്ട്രേഷൻ ഐജിയുടെ കാര്യാലയം  
തിരുവനന്തപുരം 4-7-2000

സർക്കാർ കത്തിന്റെ പകർപ്പ് അറിവിലേക്കും അനന്തര നടപടിക്കുമായി  
ഇതോടൊപ്പം ചേർക്കുന്നു.

(ഒപ്പ്)

രജിസ്ട്രേഷൻ ഇൻസ്പെക്ടർ  
ജനറലിനുവേണ്ടി

**Action Taken Notes on Audit Report of Comptroller and Auditor General of India for the year ended 31-3-2005**

- I. (a) Motor Vehicles Department  
 (b) Review on Information Technology Audit of Motor Vehicles Department  
 (c) 3.2.  
 (d) DP 3342/05-06/283, dated 29-6-2005
- II. (a) AG (AU)/IT Audit/MVD/2004-05/143, dated 9-8-2004  
 (b) 5-3-2005, 11-4-2005, 16-7-2005 and 19-1-2006.

**III. Gist of Paragraph/Review**

During 1994 the department decided to computerise all Regional Transport Office in a phased manner. Issue of Driving Licenses was computerised on a limited scale during 1994 to 1997 at Regional Transport Offices, Thiruvananthapuram and Ernakulam using software supplied by NIC. As the system started malfunctioning the development of new software was entrusted to Keltron during 1998. Keltron could not complete the software till March 2000. Based on a feasibility study report submitted by NIC during May 2000, Government decided in December 2001 to computerise various functions in the department to ensure efficient satisfactory, speedy and public friendly service to the general public.

The department installed eight servers and 87 PCs at a cost of the Rs. 2.81 Crores till January 2004 for registration of vehicles and issue of Driving Licence and related work at head office, Regional Transport Offices, Thiruvananthapuram, Ernakulam and Kozhikode.

The software of computerisation of Motor Vehicles Department SMART MOVE developed by NIC in SQL— Server 2000 with visual basic as front-end was installed for online operation in Regional Transport Office, Thiruvananthapuram during October 2002.

- IV. (a) Yes  
 (b) NA

- V. (a) Yes  
(b) NA

**VI. Remedial Action Taken**

3.2.1. No remarks

3.2.2. No remarks

**3.2.3 Delay in Implementation of Project**

Delay in computerisation of Motor Vehicles Department is attributable to many reasons. The first obstacle was to find out a suitable software development agency. Though the module for Driving Licence was launched as early as 1994 by NIC, their continued support was not available. Therefore, M/s. Keltron was entrusted with the work on 6-10-1998 vide G.O. (Rt.) 346/98/Tran. dated 6-10-1998. But they could not do anything even after two years of time. Thereafter Department tried to find out some private software companies and that had also failed. Finally, the NIC any forward offering the development of software, free of cost and a Memorandum of Understanding was signed on 24-7-2001. Thereafter the project has been progressing steadily though at slow pace. As per the initial plan, all the offices in Thiruvananthapuram District were to be computerised.

But this was dropped due to the impressive success of computerised services in Regional Transport Office, Thiruvananthapuram and it was decided to replicate it to major cities of Ernakulam and Kozhikode. Thus module of Driving Licence was replicated to Regional Transport Office, Ernakulam and Kozhikode. Meanwhile Department of IT in Government of India offered assistance for replication of successful E-governance programmes and extended financial assistance for setting up a model computerised office at Regional Transport Office, Ernakulam. Project 'FAST' was approved by Government of Kerala for rolling out the computerised services at Regional Transport Office, Ernakulam to all offices of the Department and the same is in progress.

**Delay in developing software**

Software for administrative work and office automation is not entrusted with NIC since it is learnt that a software for this purpose is being developed by the Government which will be applicable for all Departments.

**Delay in selecting service provider**

There was only procedural delay in selecting the Service Provider for implementation of FAST Project. This was caused due to the numerous policy

matters involved in the subject matter. Now the service provider has been selected and the implementation of FAST Project is in progress.

#### **3.2.4. Inadequacies in the Software**

(a) *Accounting of collection of tax during field checking*

The provision for accounting the compounding fee collectable in the field is available in the software. The Motor Vehicle Inspector of the Assistant Motor Vehicles Inspector who collect compounding fees and other recoveries from the field has to enter the details as and when they reach the office. This practice is strictly being followed now. The supervisory officers have been strictly directed to see that the figures in the cash book and electronic data should match.

(b) *Generating bank wise list of drafts to be sent for collection every day from the computer*

There is provision in the software to generate bank wise list Demand Drafts. The officers on duty can generate this report on a daily basis.

(c) *Generating DCB*

There is provision in the existing software to verify any shortfall on the part of vehicle owners. The software itself will deny service if there is any short fall on the part of the vehicle owner. DCB for Transport vehicles at present are being maintained manually. Simplification of the format of DCB was required for incorporating the same in the software. The software has since been modified and is ready for launching

(d) *Defaulters on payment of tax*

There is facility to generate Arrears List and Demand Notice in the software. For this, the supervisory officers and concerned personals are being trained to use this provision.

(e) *Absence of audit module*

Software for an audit module is yet to be developed Assistance of the audit experts is required for developing the same. Necessary steps will be taken for providing assistance of audit personal for designing the module.

#### **3.2.5. Application controls**

Combo boxes are provided with a view to reduce data entry by the Department Staff. It is true that updation of combo boxes will reduce the data entry. But the data entered by entry level officers are scrutinised by supervisory level and the passing level officers. Therefore, provisions for editing data in

combo boxes will not affect the security or correctness of the details entered. Department is taking all steps to update the combo boxes as frequently as possible. This can be made up to date only if a term of software engineers are available in the Department. Necessary steps will be taken to form software cell in the Department with adequate software engineers to update the software as and when new specifications are to be incorporated in the software.

In the report certain instances of incorrect data which happened to be captured with regard to Driving Licences are mentioned. Irregularities such as noting the Date of Birth as 2-1-1901, issue of licences to candidates with less than 16 years, the issue date not tallying with the year of issue etc. are some of them. The data of licences and registration was done with the manual records available with the Department. Due to deterioration of the registers many records were either not available or not legible. In such cases assumed data was entered to fill the fields with the expectation that the data can be corrected as and when the original Driving Licence or Registration Certificate is produced for some services. The irregularity pointed out will be corrected over a period of time. Provision is made in the software to restore the issued Driving Licence or Registration Certificate if the assumed data is not corrected. Therefore, the irregularities pointed out are not due to lack of input control but due to lack of data itself.

### **3.2.6. Defect in Data Base**

The following defects in database were pointed out in the Audit Report.

#### **Non validation of legacy data entry**

##### **Registration of vehicles with duplicate engine number**

The data entry was done with the manual data available with the Department. Due to deterioration or illegibility of manual records, there are cases in which all the details could not be entered or assumed data has been entered. Such omissions or incorrect data supplied, will be corrected or modified as and when records of such vehicles Driving Licence etc. are brought to the office for some services. The software is so designed that no services can be done unless such omissions are furnished or mistakes are corrected. Each record will become correct over a period and the data will be refined in due course. It is impractical to correct each record unless sufficient manpower is made available.

##### **Non-maintenance of input data**

Regional Transport Office, Thiruvananthapuram has been directed to furnish explanation for the lapse. Final reply will be submitted on receipt of the same.

**Failure to update database of tax remitted in other office**

No record of the arrears in respect of Non Transport Vehicles are being maintained by the Department. Since the tax in respect of Non-Transport Vehicles can be remitted at any office of the Department, it is impossible to maintain such records until all the offices are computerised and interconnected. At present tax in respect of Non-Transport Vehicles along is being accepted in FRIENDS Counter.

**Incorrect accounting of fees remitted at FRIENDS Centre**

Fees for various services rendered by other offices also can be remitted in the FRIENDS Centre. Therefore, the total amount remitted at FRIENDS will not tally with the total amount accounted at Regional Transport Office. Remittances relating to the service rendered by Regional Transport Office, Thiruvananthapuram alone will be accounted in Regional Transport Office, Thiruvananthapuram

Regarding the excess accounting of fees remitted in FRIENDS, a report is being called for from Regional Transport Office, Thiruvananthapuram. However, it may be noted that the Smart-Move software is designed in such a way that unless the prescribed fee is not remitted, the system will refuse to render the service.

A report is being called for regarding the remittance accounted in the Regional Transport Office, Thiruvananthapuram but not available with 'FRIENDS'.

**Deficiency in data on stolen vehicles**

Data regarding stolen vehicles can be updated only if the information is passed on to the Regional Transport Offices. The chassis numbers recorded by the Police need not be correct and hence matching is not possible. However the data can be updated once the system transferring of data from Police to Regional Transport Office is introduced.

**Imperfection in data on permits to Transport Vehicles**

Department has not digitised the data relating to existing permits. Therefore, data relating to permits issued after computerisation alone will be available in the database. Missing of data after computerisation will be looked into and remedial measures will be taken.

## **General controls**

### **3.2.7. Lack of Information Security**

#### *Password Security*

1. Password policy has been formulated. It is envisaged that biometrics log—in facility will be provided so as to avoid misuse of the password.
2. Inadequate segregation of duties. One user may have multiple level of access. For example Regional Transport Officer, can access all three levels. In cases of utilising this facility three records will come in the user menu table Roll assignment and menu assignment are entirely different. Any user can access only such menu which are specifically authorised for him to access.
- 3.
4. **Lack of change management control**
- 5.
6. Any changes made to the software are being clearly recorded by NIC. A committee has been formed to recommend changes and approval of the same. However, it is to be noted that the software cannot be made final since frequent modifications will be required to overcome problems which arise during the course of implementation.

#### **Absence of business continuity planning**

Back up policy is in place and is documented. Back up is being taken in CD or tape everyday and is kept in different geographical locations. Moreover, the system will not allow log in on the next day if the back up of the previous day is not taken. Over and above there is an automatic database scheduling available to copy the whole transaction in the back up server and in another node at 1.30 P.M. everyday and a transaction log is automatically generated and copied to the back up server and a node at every 10 minutes interval. Thus disaster management is incorporated in the software itself.

### **3.2.8 Non-availability of Pre-printed stationery with security features**

Pre-printed stationery has been made available

It is true that the benefits of computerisation has not been provided for the public fully. There are issues yet to be redressed, Shortage of consumable, stationery and procedural delay in maintaining the equipment are contributing to this situation. However, the Department is taking all possible efforts to provide speedy and transparent service to the public.

**Action Taken Notes on the Audit Report of Comptroller and Auditor General of India for the year ended 31-3-2005**

- I. (a) Motor Vehicles Department
  - (b) Non-demand of balance tax
  - (c) 3.3 (3.3.1)
  - (d) DP 3292/05-06/104, dated 28-4-2005
- II. (a) SRA(HQ)/MVT/DN-3/04-05/409, dated 18-1-2005.
  - (b) 7-2-2005, 19-5-2005, 24-6-2005, 7-12-2005 and 17-3-2006.

**III. Gist of Paragraph/Review**

In Regional Transport Officer (NS), verification of list from 2002-03 and 2003-04 revealed that tax on 110 inter state Stage Carriages of Kerala State Road Transport Corporation was remitted short due to adoption of lower seating capacity and reckoning of fast passenger and express as ordinary services. This resulted in short realisation of tax Rs. 18.191akh.

- IV. (a) Yes
  - (b) NA
- V. (a) Yes
  - (b) NA

**VI. Remedial Action Taken**

The Managing Director, Kerala State Road Transport Corporation has reported that most of the vehicles mentioned in the list are now being operated as intra-state Stage Carriage services consequent on replacement by new vehicle and would take some time to collect the Registration Certificate Books to verify the endorsement and to furnish the final reply. But in spite of letters no specific reply is received from Kerala State Road Transport Corporation.

- I. (a) Motor Vehicles Department
- (b) Non-demand of balance tax
- (c) 3.3 (3.3.2)
- (d) DP 3291/05-06/91, dated 26-4-2005
- II. (a) SRA (HQ)I/MVT/DN-1/04-05/585, 586 dated 28-2-2005
- (b) 19-5-2005

### III. *Gist of Paragraph/Review*

The audit of the records of the Transport Commissioner's Office, Thiruvananthapuram revealed that 541 Goods Carriages registered in Haryana, Maharashtra, Rajasthan, West Bengal and Delhi and authorised to ply in Kerala under National Permit during the year 2002-03. Plied in the State on payment of Composite Tax of Rs. 3000 per annum instead of at the rate of Rs. 5000 per annum. This resulted in short levy of Composite Tax of Rs. 10.82 lakhs.

- IV. (a) Yes
- (b) NA
- V. (a) Yes
- (b) NA

### VI. *Remedial Action Taken*

The Composite Tax in respect of Goods Carriages covered by National Permit due to other states are collected by the permit issuing authority of the respective states at the time of issuing permit or at the time of renewal of authorisation. The vehicles mentioned in the audit paras belong to the states of Haryana, Maharashtra, Rajasthan, West Bengal and Delhi. The State Transport Authorities concerned have already been addressed for realisation of the balance tax pointed out in respect of the vehicles. But in spite of letters sent to the states concerned no reply is received in the matter so far.

- I. (a) Motor Vehicles Department
- (b) Non-demand of balance tax
- (c) 3.3 (3.3.3)
- (d) DP 3309/05-06/179, dated 30-4-2005
- II. (a) SRA (HQ)I/MVT/DN-6/04-05/506, dated 27-1-2005
- (b) 17-2-2005 and 30-5-2005

### III. Gist of Paragraph/Review

As per G. O. (P) No. 29/2003/Tran. dated, 28-6-2003 vehicle tax in respect of motor cars and Omni Bus for Private Use was enhanced with effect from 1-7-2003.

At Regional Transport Office, Thiruvananthapuram and Friends Janasevanakendram, Thiruvananthapuram tax for the period from 1-7-2003 to 30-6-2004 on 273 Motor Cars and 33 Omni Bus for Private use was realised between 2nd and 28th June, 2003 in advance at pre-revised rates. But the Regional Transport Officer did not demand the balance tax consequent to revision of rates from 1st July 2003. This resulted in short demand of vehicle tax of Rs. 1.65 lakh.

- IV. (a) Yes
- (b) NA
- V. (a) Yes
- (b) NA

### VI. Remedial Action Taken

On Publication of the revised tax rate as per G.O. (P) No. 29/03, dated 28-6-2003 steps to realise the balance amount pointed out by the audit were taken. But in the meantime Government as per the letter No. 14448/B3/04/Tran., dated 27-12-2004 have intimated that Government have decided not to implement the enhanced rates prescribed as per G.O. (P) No. 29/03/Tran. dated 28-6-2003, published as SRO 584/2003 dated 28-6-2003. This fact has already been reported to Government on 17-2-2005.

- I. (a) Motor Vehicles Department
- (b) Short levy of Vehicle Tax
- (c) 34
- (d) DP 3281/05-06/79, dated 19-4-2005
- II. (a) SRA (HQ)/MVT/DN-1/04-05/443, dated 20-12-2004
- (b) 30-5-2005 and 11-5-2006

### III. Gist of Paragraph/Review

The audit has pointed out short levy of vehicle tax in 250 cases permit lapsed stage carriages with seated passenger capacity ranging from 13 to 49 were taxed during 2003-04 of Rs. 150 to Rs. 1200 per vehicle per quarter based on

unladen weight instead of passenger capacity. This resulted in short levy of vehicle tax Rs. 20.20 lakh.

- IV. (a) Yes  
 (b) NA
- V. (a) Yes  
 (b) NA

VI. *Remedial Action Taken*

When a Motor Vehicle is registered it has to be classified as any one of the classes mentioned in the Motor Vehicles Act and Rules. Once a vehicle is classified in one class it will remain in the same class until the alteration of class of vehicle is recorded in the Registration Certificate. As such, if a vehicle is classified as Stage Carriage the classification will continue until alteration as any other class of vehicle is recorded in the Registration Certificate and the register of Motor Vehicles Department. Therefore, a Stage Carriage will not become Omni Bus for Private Use in the expiry or surrender of permit issued to the vehicle. Hence, tax for Stage Carriage without permit cannot be demanded at the rate applicable to Omni Bus for Private Use. In view of the above, it is pointed out on cessation of the validity of Stage Carriage permit, tax cannot be levied under item 6 of the taxation schedule since permit less Stage Carriage cannot be treated as Omni Bus for Private Use as the vehicle is not operating as Omni Bus for Private Use during the permit less period.

There is no class of vehicle as Omni Bus for Private Use as per the definition under section 2 of the Motor Vehicles Act, only 'Omni Bus' as per section 2 (29) of Motor Vehicles Act. The 'Omni Bus for Private Use' is a class included for taxation in the Kerala Motor Vehicles Taxation Act.

In their Lr. No. RT.11036/13/97 MVL, dated 24-7-1998 the Ministry of Surface Transport, New Delhi, have clarified that the vehicles having seating capacity of 6-12 passengers plus driver registered in the name of companies and used for private purposes only may be categorised as Non-Transport Vehicle after getting an undertaking from the applicant that such vehicles shall be used only for private purposes and not for any hire or reward.

As per Lr. No. RT 11036/13/97 MVL dated 15-3-2000, the Ministry of Surface Transport, New Delhi have further clarified that as per section 2 (29) of the Motor Vehicles Act, 1988 any vehicle constructed or adapted to carry more than six passengers excluding the driver may be categorised as 'Omni Bus'. The letter also clarified that while considering the Registration of such vehicles in the name of the individual owner the same may be allowed under the category of Non-Transport Vehicles or Transport Vehicles depending upon the declaration given

by the individual owner regarding their use. In case Registration of such vehicle is to be considered in the name of company, it may be allowed under the category of Transport vehicle only as per section 2 (47) read with section 2 (33) of the Motor Vehicles Act.

It may be noted that Stage Carriages are usually having more than 12 passenger capacities and companies too are Registered Owner of Stage Carriages.

In the circumstances, stated above tax shall not be levied under item 6 of the taxation schedule considering the vehicle as Omni Bus for Private Use during permit less period of Stage Carriages.

- I. (a) Motor Vehicles Department
- (b) Short levy of fee for renewal of Driving Licence
- (c) 3.5
- (d) DP 3289/05-06/90 dated 26-4-2005
- II. (a) SRA (HQ)/MVT/DN-8/04-05/581, dated 16-2-2005
- (b) 14-3-2005, 7-5-2005, 22-8-2005, 22-2-2006 and 15-6-2006

### III. *Gist of Paragraph/Review*

Test check of records in 30 Transport Offices revealed that 31551 Driving Licences were renewed between 10th October, 2003 and 31st March 2004 based on applications made after 30 days but within one year from date of expiry of licence and the licencing authority levied fee at Rs. 100 but failed to levy additional fee at the rate of Rs. 50. This resulted in short levy of Rs. 15.78 lakhs.

- IV. (a) Yes
- (b) NA
- V. (a) Yes
- (b) NA

### VI. *Remedial Action Taken*

Government of India vide notification No. GSR 720 (E), dated 10-9-2003 have revised the fee for renewal of driving licence in form 6 as per Rule 32 of Central Motor Vehicles Rules, 1989 giving effect from 10-10-2003 from the date of publication of the notification. But the orders regarding the said enhancement was received by this Department only one 19-4-2004 and the enhancement was implemented in the offices functioning under the Motor Vehicles Department with effect from 20-4-2004. In this case there happened a delay of more than 6 months

for the receipt of the orders issued by Government of India in the office of the Transport Commissioner. During the course of audit the Accountant General had verified the loss of revenue sustained by government during the period from 10-10-2003 to 31-3-2004 due to the levying of pre-revised rate for the renewal of 31551 Driving Licences in 30 offices functioning under the Motor Vehicles Department. The loss of revenue sustained by Government on this account is Rs. 15,78,050. The audit has pointed out that the Government had issued a circular No. 11651/B3/2003/Tran., dated 21-11-2003 to avoid this sort of delay in future. But in the said circular there is no indication how delay in receipt of the orders in Transport Commissioner's Office can be avoided. Immediately on receipt of this order enhancing the fee rate of renewal of Driving Licence, all the subordinate officers were directed to take urgent steps to make good the loss sustained by short levy of fee for renewal of Driving License. As a result of the maximum efforts made by the department a total amount of Rs. 46,500 had been realised by the Department so far. Chances to realise the balance amount of Rs. 1531550 is very remote. However this position has already been taken up with Government to examine the case in detail and to give a reply to Accountant General in the matter.

Accordingly Government as per letter No. 6234/B3/2005/Tran., dated 10-1-2006 had intimated the Accountant General that steps were already taken to avoid such delay in future by entrusting the Resident Commissioner, New Delhi on 10-8-2005 to obtain and forward copies of orders issued by Government of India in these matters.

In the circumstances the Accountant General as per letter No. SRA (HQ)/MVT/GI/485, dated 24-3-2006 has directed the Transport Commissioner to take up the issue with the Government in order to write off the loss involved in such cases.

Accordingly Government have been requested to write off the balance amount of Rs. 15,31,550 being the loss sustained due to the delay in receipt of Government of India Notification revising the fee for the renewal of Driving Licence.

- I.
  - (a) Motor Vehicles Department
  - (b) Defalcation of Government money
  - (c) 3.6
  - (d) DP 3308/05-06/178, dated 30-4-2005
- II.
  - (a) SRA (HQ)/MVT/DN-2/04-05/470, dated 31-12-2004.
  - (b) 17-2-2005, 7-5-2005, 28-5-2005, 7-1-2005, 7-1-2006 and 23-2-2006.

III. *Gist of Paragraph/Review*

On verification of Stock Register of TR 5 receipt Books at the Sub Regional Transport Office, Neyyattinkara revealed that an Assistant Motor Vehicles Inspector who joined the office on 17th April 2002 and got relieved on transfer on 25th June 2004 did not return counterfoils of 25 out of 26 TR5 receipts books issued to him, till they were called for in audit in September 2004. Between 22nd April 2002 and 25th June 2004 he collected Rs. 7.44 lakhs as compounding fee but remitted only Rs. 3.23 lakh to the Head Accountant. Failure to comply with the provisions of KTC and directions of Transport Commissioner resulted in defalcation of government money of Rs. 4.21 lakhs.

- IV. (a) Yes  
(b) NA
- V. (a) Yes  
(b) NA

VI. *Remedial Action Taken*

The loss of revenue of Rs. 4,20,830 pointed out by the Audit had made good by realising the same from Sri Padmaprasd (AMVI) who involved in the issue. The said amount had been remitted in District Treasury, Thiruvananthapuram on 28-12-2005 vide chalan No. 953. The case registered against the Assistant Motor Vehicles Inspector is still pending.

- I. (a) Motor Vehicles Department  
(b) Defalcation of Government money  
(c) 3.6  
(d) DP 3233/04-05/257, dated 11-6-2004.
- II. (a) SRA (HQ)/MVT/DN-8/03-04/524, dated 31-3-2004.  
(b) 26-4-2004, 26-5-2004, 30-6-2004, 1-10-2004, 5-3-2005, 9-6-2005, 6-3-2006 and 18-5-2006.

III. *Gist of Paragraph/Review*

In Regional Transport Office, Kozhikode and Sub Regional Transport Office, Kodaluvally, in 10 cases vehicle tax, fees, compounding fee etc. collected

between January 2002 and July 2003 were either not remitted or remitted short to Government account. Government money so defalcated amounted to Rs. 1.02 lakh.

IV. (a) Yes

(b) NA

V. (a) Yes

(b) NA

VI. *Remedial Action Taken*

In the case of loss of revenue Rs. 10,785 pointed out in Regional Transport Office, Kozhikode the entire amount has been remitted to Government account by Sri K. Pankajakshan (AMVI) who involved the issue vide chellan No. 38, dated 22-3-2003 at District Treasury, Kozhikode.

In Sub RT Office, Koduvally, embezzlement of Government money of Rs. 91,661 was pointed out. The entire amount had been remitted by the persons who were found to be responsible for the loss. The details of the remittance are as follows:

<i>Sl. No.</i>	<i>Amount Remitted (Rs.)</i>	<i>Head of Account</i>	<i>Chellan No. and date</i>	<i>Name of Treasury</i>
1	1,421	0041-101-99	104/9-2-2004	District Treasury, Kasargode
2	25,435	0041-101-99	6/20-2-2004	Addl. Sub Treasury, Kozhikode
	6,646	0041-102-98	7/20-2-2004	„
3	5,19	0041-102-98	9/8-9-2004	District Treasury, Malappuram
4	1,381	0041-102-98	52/8-9-2004	District Treasury, Kozhikode
	5,847	0041-101-99	53/8-9-2004	
5	25,435	0041-101-99	488/25-11-2004	District Treasury, Trivandrum
	6,646	0041-102-98	487/25-11-2004	
6	3,797	0041-102-98	41/28-3-2006	District Treasury, Kozhikode
	8,020	0041-101-99	42/28-3-2006	
7	6,514	0041-101-99	43/28-3-2006	District Treasury, Kozhikode

**Action Taken Note on the Audit Report of Comptroller and Auditor General of India for the year ending 31-3-2006**

**4.1 Results of Audit**

Under this introductory paragraph the audit has categorized the lapses noticed in the office of the Motor Vehicles Department, in 3 ways viz. 1. Short levy of tax, 2. Incorrect classification of vehicles and 3. other lapses.

As regards the remarks on the above mentioned lapses, it is reported that separate files are being maintained for each cases and action taken report received from the offices mentioned in each item are being furnished to Government then and there. Hence no separate remarks are furnished.

**Action taken notes on Comptroller and Auditor General of India's Report for 31-3-2006**

- I. (a) Motor Vehicles Department  
 (b) Non demand of vehicle tax  
 (c) 4.2  
 (d) DP. 3387/06-07/90, dated 24-4-2006.
- II. (a) SRA(HQ)MVT/DN-6/05-06/272, dated 22-2-2006.  
 (b) 16-3-2006, 3-5-2006, 17-8-2006, 18-9-2006, 29-9-2006

III. *Gist of Paragraph/Review*

During the local audit of the offices of the Regional Transport Officer, Kannur and Vadakara during 2005-2006, it was noticed that certain registered owners of Stage Carriages submitted non-use intimation for a portion of the quarter and the tax due for the remaining portion of the quarter during which the vehicle had conducted service was remitted only on disposal of the 'G' forms. Delay in disposal of 'G' forms resulted in delay in collection of tax.

- IV. (a) Yes  
 (b) NA

- V. (a) Yes  
(b) NA

VI. *Remedial Action taken*

In Regional Transport Offices Kannur and VadaKara, 117 vehicle owners who were allowed to file non-use intimation in form 'G' (between April 2002 and March 2005) for the second and third months of a quarter did not remit the tax for the remaining portion of the quarter when the vehicle was in use on the ground that form 'G' was pending and the same was also not demanded. This resulted in non remittance of tax of Rs.15.44 lakhs and additional tax of Rs.7.72 lakh details of remedial action taken by the offices are detailed below :

**Regional Transport Office, Kannur .**

Out of the 73 cases of non-demand of vehicle tax in respect of Stage Carriages. The Regional Transport Officer has furnished collection details/remarks in respect of all the vehicles.

1. *KL-13/4000* : Tax Rs. 59820 collected vide chalan No. dated, 7-10-2003 at SBT, Thaliparamba by way of Revenue Recovery for the period from 1-1-2002 to 30-4-2002.
2. *KL-13/H 8803* : Tax Rs.31366 remitted vide DDR No. 1918, dated 7-10-2003 for the period from 1-10-2003 to 31-10-2003 with additional tax.
3. *KL-13/D 2448* : Tax Rs.20,000 remitted vide DDR 3571, dated 13-8-2004 for the period from 1-1-2004 to 28-2-2004.
4. *KL-13/E 6889* : Tax Rs. 34,050 remitted vide DDR No. 594, dated 2-9-2006 for the month of 10/2004 and 02/2005.
5. *KL-13/D 3735* : Tax Rs.30,000 collected vide chalan 264, dated 31-3-2006 at Sub Treasury, Thalassery for the period from 1-1-2005 to 28-2-2005 by way of Revenue Recovery.
6. *KL-13/2106* : Tax Rs.15,000 remitted vide DDR No. 4165 on 11-6-2004 for the period from 1-7-2004 to 31-7-2004.

7. *KL-13/A 7209* : The Registered Owner of the vehicle availed instalment facility and remitted tax for the period from 1-3-2002 to 31-3-2002 and 1-3-2005 to 31-3-2005. Collection details are as follows:
- |                  |           |         |      |       |            |
|------------------|-----------|---------|------|-------|------------|
| 25% of total tax | Rs. 14950 | DDR No. | 1219 | Dated | 12-5-2005  |
| 1st instalment   | Rs. 8971  |         | 1855 |       | 30-5-1005  |
| 2nd instalment   | Rs. 8971  |         | 1923 |       | 30-6-2005  |
| 3 rd instalment  | Rs. 8971  |         | 52   |       | 30-7-2005  |
| 4th instalment   | Rs. 8971  |         | 518  |       | 30-8-2005  |
| 5th instalment   | Rs. 8971  |         | 1    |       | 1-10-2005. |
8. *KL-13/A 3515* : Tax Rs. 29,910 remitted vide DDR No.763 dated 14-2-2005 for the period from 1-1-2005 to 31-3-2005.
9. *KL-13/G 992* : Tax Rs. 29,910 remitted vide DDR 1338, dated 23-8-2004 for the period from 1-7-2004 to 30-9-2004.
10. *KL-13/B 3673* : Tax exempted for the period from 1-7-2004 to 28-2-2005 Hence, no tax arrears is due.
11. *KL-13/A 2655* : Tax exempted for the period from 1-9-2004 to 31-10-2004 on 24-11-2004 and 1-11-2004 to 31-11-2004 on 7-1-2005. Hence, no an-ear tax is due. . .
12. *KL-13/6689* : Tax exempted for the period from 1-2-2005 to 31-3-2005 on 8-7-2005. Hence, no tax arrear is due.
13. *KL-13/1834* : Tax Rs. 30,000 remitted vide DDR No. 988 on 26-4-2005 for the period from 1-7-2004 to 31-8-2004.
14. *KL-13/B 3069* : This vehicle is a Tourist Taxi.
15. *KRC 9192* : Revenue Recovery steps were initiated against the registered owner of the vehicle for Rs.17,800 for the period from 1-11-2002 to 31-12-2002 on 1-6-2004.
16. *KL-13/A 6460* : Revenue Recovery steps were initiated against the Registered Owner of the vehicle for Rs.44,865 for the period from 1-1-2004 to 31-3-2004 on 4-8-2005.
17. *KL-13/B 2619* : Revenue Recovery steps, were initiated against the registered owner of the vehicle for the period from 1-1-2004 to 30-6-2004 for Rs. 90,000 on 12-7-2006.

18. *KRM 707* : Tax Rs.32,040 collected vide TR5 11/618/2002, dated 28-1-2003 for the period from 1-10-2003 to 30-11-2002.
19. *KRD/5927*: Revenue Recovery steps have been taken to realise the balance amount for the period from 1-10-2002 to 31-12-2002. An OP WP(C) No. 3049/05 is pending before the Hon'ble High Court of Kerala against RR proceeding.
20. *KL-10/B 7038* : Idle rate of tax endorsement issued to the vehicle w.e.f. 1-8-2002 since the vehicle has no valid permit.
21. *KL-13/F 4154* : Remitted Rs.29,910 vide DDR No. 3089, dated 13-11-2002 for the Q. E. 31-12-2002.
22. *KL-08/M 5875* : Remitted Rs. 34,050 vide DDR No. 2301 on 14-11-2002 for Q. E. 31-12-2005.
23. *KL-IO/G 9612* : Remitted Rs. 10,000 vide DDR No. 1068 on 9-5-2002 for the period from 1-4-2003 to 31-4-2003 and idle note of tax endorsement issued w.e.f. 1-5-2003.
24. *KRC 6471*: Idle rate of tax endorsement issued w.e.f. 1-1-2004 since the vehicle has no valid permit.
25. *KL-10/B 7657*: Remitted Rs. 29,910 vide DDR No. 3630 on 13-5-2002 for the period from 1-4-2002 to 31-5-2002.
26. *KRC 2192* : Remitted Rs. 27,900 vide DDR No. 775 on 13-8-2002 for the Q. E. 30-9-2002.
27. *KL-IO/A 3177*: Remitted Rs.20,000 vide DDR No. 2472 on 29-10-2002 for the period from 1-7-2002 to 31-8-2002.
28. *KRC 1695* : Remitted Rs. 27,600 vide DDR No. 8056, dated 14-8-2002 for Q.E. 30-9-2002.
29. *KL-IO/F 345*: Remitted Rs. 15,000 vide DDR 634 on 13-1-2004 for the period from 1-1-2004 to 31-1-2004.
30. *KL-14/6368* : Remitted Rs. 30,895 vide DDR No. 601, dated 4-11-2004 for the period from 1-1-2004 to 28-2-2004 and 1-3-2004 to 31-12-2004 (at NTV rate)
31. *KL-13/G 6252* : Idle rate of tax endorsement issued w.e.f. 1-1-2005 and the registered owner of the vehicle has remitted idle rate of tax Rs. 840 vide DDR No. 5012 of tax for Q.E. 31.-3-2005 to 25-5-2006.

32. *KL-13/H 7346* : Remitted Rs. 50,580 vide DDR No. 17, dated 27-4-2006 for the period from 1-1-2005 to 31-3-2005.
33. *KL-13/L 1351*: Remitted Rs. 23,450 vide DDR No. 630, dated 17-6-2006 for Q.E. 31-3-2005.
34. *KL-13/H 6767* : Collected Rs. 25,170 vide Rt. No. 23/116/06 and DDR No.622, dated 17-6-2005 for the period from 1-1-2005 to 28-2-2005.
35. *KL-13/H 194* : Tax exempted for 01/2005 and tax Rs. 11,350 remitted vide DDR 555 dated 20-9-2005.
36. *KL-13/B 7155* : Tax exempted for the period from 1-4-2004 to 31-8-2005. Hence, no tax arrear is due.
37. *KL-13/806* : Tax exempted for the period from 1-7-2004 to 30-11-2004. Hence, no tax arrear is due.
38. *KL-13/B 360* : Remitted Rs. 18,000 vide DDR No. 525, dated 6-5-2005 for the period from 1-4-2004 to 30-4-2004.
39. *KL-13/B 840*: This vehicle has no valid permit w.e.f. 1-4-2004 onwards.
40. *KL-13/K 2967* : Remitted Rs. 16,105 vide DDR 4, dated 2-5-2006 for the period from 1-7-2004 to 31-7-2004 and tax exempted for 9/2004.
41. *KL-13/B 456*: idle rate of tax endorsement issued w.e.f. 1-7-2004 on 21-7-2004.
42. *KL-13/3717* : Remitted Rs. 20,880 vide DDR No.1434, dated 20-8-2004 for Q.E. 30-9-2004.
43. *KL-13/B 1456* : Remitted Rs. 29,910- vide DDR No.1462, dated 24-8-2004 for Q. E. 30-9-2004.
44. *KL-13/B 6349* : Remitted Rs. 29,910 vide DDR 1341, dated 23-8-2004 for Q. E. 30-9-2004.
45. *KL-13/ 7076* : Revenue Recovery steps have been taken to realise the balance amount for the period from 1-4-2004 to 31-5-2004 amounting to Rs. 30,000.
46. *KL-13/A 4410* : Revenue Recovery steps have been taken to realise the balance amount for the period from 1-7-2004 to 31-8-2004 an amount of Rs. 30,000.

47. *KL-13/A 3588*: Tax exempted for 11/04 and remitted Rs. 54,000 vide DDR No.1921 for 10/2004, 12/2004, 04/2005 and 05/2005 dated 30-6-2005.
48. *KL-13/A 7815* : Remitted Rs. 12,000 vide DDR No. 905, dated 15-4-2005 for the period from 1-1-2005 to 31-1-2005.
49. *KL-13/9649* : Remitted Rs. 15,000 vide DDR 1224, dated 12-5-2005 for the period from 1-7-2004 to 31-7-2004.
50. *KL-14/8919* : Remitted Rs. 30,000 vide DDR No. 11, dated 18-7-2005 for the period from 1-10-2004 to 30-11-2004.
51. *KRN 288* : Revenue Recovery steps were initiated for recovery of tax arrears for the period from. 1-4-2002 to 30-4-2002, 1-7-2002 to 31-7-2002 and 1-10-2002 to 31-10-2002 in the consolidated amount of Rs. 96,787 .
52. *KL-13/B 938* : Revenue Recovery steps have been initiated for recovery of tax arrears of Rs.15000 for the period from 1-10-2004 to 31-10-2004.
53. *KL-13/J 326* : Tax in respect of vehicle for Q.E. 30-6-2003 was paid on 24-2-2005. The vehicle obtained clearance certificate on 9-3-2005 and moved to Regional Transport Office, Malappuram after clearing tax arrears up to 2/2004.
54. *KL-13/A 677* : Revenue Recovery steps initiated for recovery of arrear tax for Rs. 15,000 for 10/2004.
55. *KL-13/K 758* : Tax for the period from 1-10-2004 to 30-11-2004 collected in the consolidated amount of Rs. 1,21,478 vide DDR No. 22, dated 7-1-2006.
56. *KL-13/1627* : Revenue Recovery steps have been initiated to realise arrear tax of Rs. 30,000 being tax + AT for the period from 1-1-2004 to 29-2-2004.
57. *KL-13/1333* : Revenue Recovery steps .have been initiated to realise arrear tax of Rs. 15,000 for the period from 1-10-2004 to 31-10-2004.
58. *KL-13/H 1693* : RR steps have been initiated to recover the dues for the period from 1-1-2004 to 28-2-2004.
59. *KL-10/C 1688* : Revenue Recovery steps have been initiated to recover. the arrear tax of Rs. 10,000 for the period from 1-10-2004 to 31-10-2004.

60. *KL-13/K 8918* : The registered owner has remitted Rs. 30,425 being tax + AT for 4/2004 and 5/2004 and tax from 1-6-2004 to 30-6-2004 and 1-12-2004 to 31-12-2004 at the rate of NTV vide DDR No.790 (TR5 100/314/2004 dated 21-2-2005).
61. *KRM 6449* : The registered owner of the vehicle remitted Rs. 8900 being tax for the month 1/2004 vide DDR No. 102, dated 3-2-2004.
62. *KL-13/G6726* : Tax exemption granted for the period from 1-2-2004 to 31-3-2004 since the vehicle was off road as per the report of Regional Transport Officer, Malappuram. Hence, no arrears are outstanding.
63. *KL-13/H 6342* : Tax for the period from 1-7-2004 to 31-8-2004 has been collected. The vehicle was replaced by a later model vehicle KL-13/L 9304 on 10-11-2004 when tax of the outgoing vehicle was paid up to 31-8-2004.
64. *KLN 5079* : Tax was paid up to 28-2-2003 when replacement was effected KRN 5839 w.e.f. 1-3-2003. Hence, no tax is due for the vehicle KLN 5079.
65. *KL-13/B 5515* : Revenue Recovery steps initiated to recover the tax due for the period from 1-4-2004 to 31-5-2004 and 1-9-2004 to 30-9-2004 in the consolidated amount of Rs. 49910 + AT.
66. *KRN 5529* : The vehicle got transferred to the name of the Principal, Kadambur HS w.e.f. 26-7-2004 and altered as Educational Institution Bus and then obtained EIB permit. Hence, no Stage Carriage rate of tax is due for 09/2004.
67. *KL-08/K 1629* : The registered owner has filed non use intimation for the Q.E. 30-6-2003 and as per the report of Regional Transport Officer, Thrissur dated 19-2-2004, the vehicle was off road and tax for the above period exempted. Hence, no tax is due in respect of the vehicle.
68. *KL-13/J 1235* : Registered owner has filed non use intimation for the period from 1-1-2005 to 31-3-2005 and in the light of the service verification report of AMVI, Thalassery, tax from 1-1-2005 to 31-3-2005 is exempted. Hence, no tax is due in respect of the vehicle for 01/2005.

69. *KL-13/B 1161*: The vehicle was replaced by *KL-13/L 2700* on 19-7-2004 when tax was paid up to 30-6-2004. The registered owner requested for idle rate of tax endorsement since the date of replacement and filed form 'G' from 1-11-2004. The vehicle has not obtained any permit since it became idle after 19-7-2004 and hence follow up action is not possible to realise the arrears at Stage Carriage rate tax. Now the vehicle is under the possession of the financier and garaged.
70. *KL-13/H 696* : The undelivered demand notice issued for the period from 1-4-2004 to 30-4-2004 and from 1-12-2004 to 31-12-2004 was forwarded to Joint RTO, Thalassery for serving to the registered owner physically and report from Joint RTO, Thalassery is due in this regard.
71. *KL-13/D 8487* : Undelivered Demand notice issued has been forwarded to Joint Regional Transport Officer, Thaliparamba for serving to the registered owner physically. The report is awaited from Joint Regional Transport Officer.
72. *KL-13/A 5958* : In response to the demand notice sent to the registered owner he has stated that the vehicle was not in her possession during the period for 7/2004 and hence fresh demand notice sent to the present possessor and report will be furnished in due course.
73. *KL-13/J 9792* : The registered owner of Stage Carriage *KL-13/J 9792* has remitted tax Rs. 10000 for 3/2005 at Regional Transport Officer, Kannur along with the balance tax up to Q.E 30-6-2004 in the consolidated amount of Rs. 32435 vide DDR No. 6, dated 5-4-2005.

**Regional Transport Office, Vadakara**

Out of the 44 cases of non-demand of vehicle tax in respect of Stage Carriages, the Regional Transport Officer has furnished the collection details / remarks in respect of the following 38 vehicles.

1. *KEZ 3746* : Non collection of tax for the period from 1-4-2003 to 31-5-2003 Rs. 17,780 Revenue Recovery steps were initiated Rs. 80100 i.e. from 1-1-2003 to 31-5-2003 and 1-7-2003 to 31-7-2003 on 28-5-2004. Out of which Rs. 38,925 collected. Action is in progress to collect the remaining amount.
2. *KL-II/B 5882* : Non collection of tax for the period from 1-1-2004 to 31-1-2004 Rs.10,000 Tax for the period from 1-1-2004 to 31-3-2004 amounting to Rs. 73280 remitted vide DDR No.17415, dated 25-6-2005 at Regional Transport Office, Vadakara.

3. *KL-II/A 8559* : Non collection of tax for the period from 1-1-2004 to 31-1-2004 Rs. 10,000. Tax for the period from 1-1-2004 to 31-3-2004 remitted vide DDR 1073, dated 7-5-2004 at Regional Transport Office, Vadakara.
4. *KL-II/2979* : Non collection of tax for the period from 1-1-2004 to 28-2-2004 amounting to Rs. 20,000 Tax for the period from 1-1-2004 to 31-3-2004 an amount of Rs. 29,910 remitted vide DDR No. 197, dated 16-2-2004 at Regional Transport Office, Vadakara.
5. *KL-II/A 8557*: Non collection of tax for the period from 1-1-2004 to 31-1-2004 Rs. 10,000. Tax Rs. 35,892 remitted vide DDR 353, dated 26-4-2006 at Sub Regional Transport Office, Koyilandy.
6. *KL-07/AG 6411*: Non collection of tax for the period from 1-1-2004 to 28-2-2004 Rs. 11,640. Tax Rs. 17,550 remitted vide DDR No. 702 dated 3-3-2005 at Sub Regional Transport Office, Koyilandy.
7. *KL-II/N 9501* : Non collection of tax for the period from 1-1-2004 to 31-1-2004. Tax Rs. 7,125 remitted vide DDR No. 127, dated 16-8-2004 at Sub Regional Transport Office, Koyilandy.
8. *KL-II/D 7367* : Non collection of tax for the period from 1-7-2004 to 31-7-2004 Rs. 5620. Tax Rs. 33,720 remitted vide DDR No. 98, dated 30-1-2006 at Sub Regional Transport Office, Vadakara. .
9. *KL-II/B 7574* : Non collection of tax for the period from 1-10-2004 to 30-11-2004 Rs. 20,000. Instalment facility availed vide Order 976/C1/2005/Tran., dated 28-1-2005 for Rs. 37,388 Tax arrears Rs. 9,347 only remitted on 8-2-2005. Revenue Recovery advised for realization of balance arrears on 3-6-2005.
10. *KL-13/J 775* : Non collection of tax for the period from 1-1-2005 to 31-1-2005 Rs. 16860. Tax Rs. 25665 remitted vide DDR No. 273, dated 5-12-2005 at Regional Transport Office, Vadakara.
11. *KL-II/A 2188* : Non collection of tax for the period from 1-1-2005 to 31-1-2005 Rs. 1,0000. Tax Rs.10000 remitted vide DDR No.1762, dated 10-6-2005 at Regional Transport Office, Vadakara.

12. *KL-11/C 9549*: Non collection of tax for the period from 1-1-2005 to 31-1-2005 Rs. 10,000 Tax Rs. 20,000 remitted vide DDR No. 747, dated 14-3-2005 at Regional Transport Office, Vadakara for the period from 1-1-2005 to 31-1-2005 and 1-3-2005 to 31-3-2005 and tax exempted for the period from 1-2-2005 to 28-2-2005.
13. *KL-11/M 4838* : Non collection of tax for the period from 1-1-2005 to 31-1-2005 Rs. 5620. Tax Rs. 7125 remitted vide DDR No. 28, dated 23-7-2005 at Regional Transport Office, Vadakara.
14. *KED 5079* : Non collection of tax for the period from 1-7-2003 to 31-7-2003 Rs. 9,300. Tax Rs. 9,300 remitted vide DDR 688, dated 25-2-2005 at Sub Regional Transport Office, Koyilandy.
15. *KL-11/M 6434*: Non collection of tax for the period from 1-1-2004 to 31-1-2004 Rs. 10000 tax Rs. 12500 remitted vide DDR No.2643 dated 5-8-2004 at Sub Regional Transport Office, Koyilandy.
16. *KL-11/2003* : Non collection of tax for the period from 1-4-2004 to 30-4-2004 Rs. 8900 Tax Rs. 10680 remitted vide DDR No.47, dated 22-7-2004 at Sub Regional Transport Office, Koyilandy.
17. *KL-11/C 4059* : Non collection of tax for the period from 1-10-2004 to 31-10-2004 Rs. 10,000. Tax Rs. 10000 remitted vide DDR No. 01, dated 13-4-2005 at Sub Regional Transport Office, Koyilandy.
18. *KL-11/Q 3994* : Non collection of tax for the period. from 1-10-2004 to 30-11-2004 Rs.11240. Tax Rs. 5700 remitted vide DDR No. 02 dated, 30-7-2005 at Sub Regional Transport Office, Koyilandy. Tax for the period from 1-11-2004 to 31-3-2005 is exempted.
19. *KL-10/L 8062* : Non collection of tax for the period from 1-10-2004. to 30-11-2004 Rs. 11,240. Tax Rs. 17,130 remitted vide DDR No.1777, dated 17-6-2005 at Sub Regional Transport Office, Koyilandy. Regional Transport Officer, Vadakara has also reported that out of the 8 cases, Revenue Recovery steps were already initiated to realise the tax arrears pointed out by the Audit.
20. *KRZ 5787* : Non collection of tax for the period from 1-4-2003 to 31-5-2003 Rs. 18,200 Revenue Recovery steps were initiated against the registered owner of the vehicle for Rs. 59,820 on 21-10-2004.

21. *KL-14/7144* : Non collection of tax for the period from 1-10-2004 to 31-10-2004 Rs. 10,000 Revenue Recovery steps were initiated for the period from 1-10-2004 to 31-10-2004 for Rs. 15,000 on 7-4-2006.
22. *KL-11/4957*: Non collection of tax for the period from 1-1-2005 to 31-1-2005 Rs. 10,000 Advised Revenue Recovery for the period from 1-1-2005 to 31-3-2005 for Rs. 30,000 on 22-2-2006. .
23. *KL-11/B 4707* : Non collection of tax for the period from 1-7-2004 to 31-8-2004 Rs. 20,000. Advised revenue Recovery steps for the period from 1-7-2004 to 31-8-2004 Rs. 20,000 on 22-4-2005.
24. *KL-11/A 8717* : Non collection of tax for the period from 1-10-2004 to 31-10-2004 Rs. 10,000. Revenue Recovery steps were initiated for Rs. 20,000 on 31-3-2006.
25. *KL-11/F 8946* : Non collection of tax for the period from 1-1-2005 to 31-1-2005 Rs. 10,000. Advised revenue. Recovery for the period from 1-7-2004 to 31-10-2005 an amount of Rs.10,4730. Tax arrears Rs. 10,4730 collected vide chalan No. 60 dated 22-2-2006 by Revenue Recovery, Tahsildar, Koyilandy.
26. *KRN 4615* : Non collection of Tax from 1-7-2003 to 31-7-2003 Rs. 8,900. Tax exemption granted for the period from 1-7-2003 to 30-9-2003 since the vehicle was off road during the period.
27. *KED 495* : Non collection of Tax for the period from 1-7-2003 to 31-8-2003 Rs. 18,600. Exempted from payment of tax from 1-4-2003 to 31-7-2003 and idle rate from 1-8-2003 onwards, since the vehicle is permitless from 1-8-2003.
28. *KL-11/A 4705* : Non collection of tax from 1-8-2004 to 30-9-2004 Rs. 20,000. The vehicle KL-11/A 4705 is continuous stoppage from 1-4-2004 onwards. Regional Transport Officer, Thrissur was requested to furnish the Service Verification report for the period from 1-4-2004 to till date. But the report received is not specific and hence further request made to furnish specific verification report. No tax is due at present.

29. *KL-11/4797*: Non collection of tax from 1-7-2004 to 31-7-2004 Rs. 10,000 Tax remitted for Q.E. 30-9-2004 Rs. 29,910 vide DDR No. 399 dated 14-11-2004 at Regional Transport Officer, Vadakara.
30. *KL-11/B 5168* : Non collection of tax from 1-7-2004 to 31-7-2004 Rs. 10,000. The vehicle is not included at RT Office, Vadakara. Hence form 'G' filed is not related to the office demand.
31. *KL-11/L 6715* : Non collection of tax from 1-4-2003 to 31-5-2003 Rs. 20,000. The vehicle is included at Regional Transport Office, Kozhikode. As per the report from RTO, Kozhikode, tax remitted at Regional Transport Office, Kozhikode.
32. *KRZ6066* : Non collection of tax from 1-7-2003 to 31-7-2003 Rs. 9,300. Tax Rs. 11,160 from 1-7-2003 to 31-7-2003 remitted vide DDR. No. 53 dated 10-11-2003 at Regional Transport Office, Vadakara.
33. *KED 5153* : Non collection of tax from 1-7-2003 to 31-8-2003 Rs. 18,600 Exempted from payment of tax from 1-5-2003 to 31-7-2003 as per Form 'G' and Service Verification Report. Idle rate tax endorsement issued from 1-8-2003 since the vehicle is permitless w.e.f. 1-8-2003.
34. *KL-11/F 8727* : Non collection of tax from 1-7-2003 to 31-7-2003 Rs. 10,000 Tax for Q.E. 30-6-2003 and QE 30-9-2003 with due. Additional tax remitted on 18-8-2006 vide DDR No. 2787, dated 18-8-2006 at Sub Regional Transport Office, Koyilandy.
35. *KRG 1240*: Non collection of tax for the period from 1-10-2003 to 31-10-2003 Rs. 8,900. Tax paid up to 30-9-2003 and clearance certificate issued to Regional Transport Office, Kozhikode on 30-10-2003.
36. *KL-13/A 9511* : Non collection of tax from 1-1-2004 to 28-2-2004 Rs. 20,000. Revenue Recovery advised Rs. 30,000 for the period from 1-1-2004 to 28-2-2004 on 28-2-2007.
37. *KEZ 1292* : The vehicle was scrapped on 29-12-2002 (before the Audit).
38. *KEZ 3746* : This vehicle is included in the Audit Report twice as S1. No. 1 and 6.

Report on the remaining cases will be furnished shortly.

**Action Taken Note on the Audit Report of Comptroller and Auditor General  
of India for the year ending 31-3-2006**

- I. (a) Motor Vehicles Department.  
(b) Non levy of application fee.  
(c) 4.3.  
(d) DP 3388/06-07/91, dated 24-4-2006
- II (a) SRA (HQ) MVT/DN 1/05-06/224, dated 29-11-2005.  
(b) 26-12-2005, 13-2-2006, 16-3-2006, 23-6-2006, 13-7-2006, 14-8-2006, 26-9-2006 and 7-9-2007
- III. *Gist of Paragraph*  
During the local audit conducted in the offices of the Motor Vehicles Department during 2005-06, it was noticed that permits to Educational Institution Buses have not been issued in many cases. The loss of revenue involved in 498 cases test checked in 12 offices amounted to Rs. 2.49 Lakhs.
- IV. (a) Yes  
(b) NA
- V. (c) Yes  
(d) NA
- VI. Test check of records of 12 offices between July and November, 2005 revealed that owners of Educational Institution Buses neither applied for permit nor the department initiated any action to realise permit fees from them. This resulted in non-realisation of application fee for permits of Rs. 2.49 Lakhs. .

*Details of Remedial action taken*

The details of action taken to realise the short levy of the amount as furnished by the 12 offices are detailed hereunder.

**Regional Transport Office, Thiruvananthapuram**

The Regional Transport Officer has furnished the details of action taken/ remarks in respect of the following 134 cases (out of 280 cases)

<i>Sl.No.</i>	<i>Registration No.</i>	<i>Details of Remittance</i>
(1)	(2)	(3)
1	KL-01/R 212	Permit No. 1/1241/2004 valid from 4-6-2004 to 3-6-2009 and fee Rs. 500 remitted vide Receipt No. 1/20927/04 dated 4-3-2004.
2	KL-07/A 8845	Permit No. 1/1593/2004 valid from 29-7 2004 to 28-7-2009 and fee Rs. 500 remitted vide Receipt No. 1/50243/04 dated 31-5-2004.
3	KL-01/Y 310	Permit No. 1/1593/2004 valid from 29-7-2004 to 28-7-2009 and fee Rs. 500 remitted vide Receipt No. 1/65872/04 dated 9-7-2004.
4	KL-01/V 288	Permit No. 1/1480/2004 valid from 2-7-2004 1-7-2009 and fee Rs. 500 remitted vide Receipt No. 1/60890/04 dated 26-6-2004.
5	KL-01/U 1231	Permit No. 1/796/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/36237/04 dated 20-4-2004.
6	KL-01/U 1031	Permit No. 1/801/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No.1/36280/04 dated 20-4-2004.
7	KL-01/T 469	Permit No. 1/1012/2004 valid from 6-5-2004 to 5-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/42015/04 dated 6-5-2004.
8	KL-01/T 3188	Permit No. 1/434/2005 valid from 25-8-2005 to 24-8-2010 and fee Rs. 500 remitted vide Receipt No. 1/46276/05 dated 5-5-2005.
9	KL-01/S 7791	Permit No. 1/783/2004 valid from 30-4-2004 to 29-4-2009 and fee Rs. 500 remitted vide Receipt No. 1/35128/04 dated 16-4-2004.

(1)	(2)	(3)
10	KL-01/S 476	Permit No. 1/1/42/2004 valid from 24-5-2004 to 23-5-2009 and fee Rs. 500 remitted vide Receipt No. 1146727/04 dated 21-5-2004.
11	KL-01/S 226	Permit No. 1/1/153/2004 valid from 25-5-2004 to 24-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/43695/04 dated 13-5-2004.
12	KL-01/S 172	Permit No. 1/761/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/34561/04 dated 15-4-2004.
13	KL-01/S 131	Permit No. 1/957/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No. 1134569/04 dated 15-4-2004.
14	KL-01/P 9181	Permit No. 1/923/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/37668/04 dated 23-4-2004.
15	KL-01/P 9163	Permit No. 1/92112004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/37295/04 dated 22-4-2004.
16	KL-01/P 9074	Permit No. 1/982/2004 valid from 6-5-2004 to 5-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/41979/04 dated 6-5-2004.
17	KL-01/N 9499	Permit No. 1/779/2004 valid from 30-4-2004 to 29-4-2009 and fee Rs. 500 remitted vide Receipt No.1/35343/04 dated 17-4-2004.
18	KL-01/N 601	Permit No. 1/1923/2003 valid from 5-8-2004 to 4-8-2009 and fee Rs. 500 remitted vide Receipt No.1/100799/03 dated 26-8-2003.
19	KL-01/N 518	Permit No. 1/869/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No.1/36921/04 dated 21-4-2004.
20	KL-01/N 2802	Permit No. 1/846/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vide Receipt No.1/37280/04 dated 22-4-2004.

(1)	(2)	(3)
21	KL-01/N 2502	Permit No. 1/2874/2004 valid from 1-1-2005 to 31-12-2009 and fee Rs. 500 remitted vide Receipt No.1/126394/04 dated 24-12-2004.
22	KL-01/N 2448	Permit No. 1/1235/2004 valid from 5-6-2004 to 4-6-2009 and fee Rs. 500 remitted vide Receipt No.1/48738/04 dated 27-5-2004.
23	KL-01/N 2380	Permit No. 1/1087/2004 valid from 18-5-2004 to 17-5-2009 and fee Rs. 500 remitted vide Receipt No.1/40512/04 dated 30-4-2004.
24	KL-11/D 1663	Permit No. 1/1254/2005 valid from 17-6-2005 to 16-6-2010 and fee Rs. 500 remitted vide Receipt No.1/60911/05 dated 10-6-2005.
25	KL-09/A 9927	Permit No. 1/1063/2004 valid from 14-5-2004 to 13-5-2009 and fee Rs. 500 remitted vide Receipt No.1/41437/04 dated 4-5-2004.
26	KL-08/B 6161	Permit No. 1/933/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No.1/40418/04 dated 30-4-2004.
27	KL-07/D 4280	Permit No. 1/1119/2004 valid from 25-5-2004 to 24-5-2009 and fee Rs. 500 remitted vide Receipt No.1/45038/04 dated 15-5-2004.
28	KL-07/C 6901	Permit No. 1/931/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No.1/40414/04 dated 30-4-2004.
29	KL-07/B 8197	Permit No. 1/932/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No.1/40413/04 dated 30-4-2004.
30	KL-05/M 4634	Permit No. 1/763/2004 valid from 7-5-2004 to 6-5-2009 and fee Rs. 500 remitted vide Receipt No.1/35095/04 dated 16-4-2004.
31	KL-05/A 7932	Permit No. 1/1640/2004 valid from 22-7-2004 to 21-7-2009 and fee Rs. 500 remitted vide Receipt No. 1/68039/04 dated 15-7-2004.

(1)	(2)	(3)
32	KL-03/C 223	Permit No. 1/1005/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/37100/04 dated 22-4-2004.
33	KL-01/Z 4180	Permit No.1/800/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/36279/04 dated 20-4-2004.
34	KL-01/Y 2084	Permit No. 1/995/2004 valid from 6-5-2004 to 5-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/42008/04 dated 6-5-2004.
35	KL-01/N 2374	Permit No. 1/1233/2004 valid from 4-6-2004 to 3-6-2009 and fee Rs. 500 remitted vide Receipt No. 1/49927/04 dated 29-5-2004.
36	KL-01/N 1242	Permit No. 1/1244/2004 valid from 4-6-2004 to 3-6-2009 and fee Rs. 500 remitted vide Receipt No. 1/47086/04 dated 22-5-2004.
37	KL-01/M 9819	Permit No.1/784/2004 valid from 30-4-2004 to 29-4-2009 and fee Rs. 500 remitted vide Receipt No. 1/34855/04 dated 16-4-2004.
38	KL-01/M 9697	Permit No. 1/730/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/34297/04 dated 15-4-2004.
39	KL-01/M 646	Permit No. 1/972/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38740/04 dated 26-4-2004.
40	KL-01/L 4439	Permit No. 1/2451/2004 valid from 24-12-2004 to 23-12-2009 and fee Rs. 500 remitted vide Receipt No. 1/106381/04 dated 1-11-2004.
41	KL-01/L 3569	Permit No. 1/971/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38709/04 dated 26-4-2004.
42	KL-01/L 2230	Permit No. 1/1259/2005 valid from 11-7-2005 to 10-7-2010 and fee Rs. 500 remitted vide Receipt No. 1/33757/04 dated 2-4-2005.

(1)	(2)	(3)
43	KL-01 /K 722	Permit No.1/755/2004 valid from 7-5-2004 to 6-5-2009 and fee Rs. 500 remitted vide Receipt No.1/34856/04 dated 16-4-2004.
44	KL-01/K 3479	Permit No.1/997/2004 valid from 6-5-2004 to 5-5-2009 and fee Rs. 500 remitted vide Receipt No.1/42020/04 dated 6-5-2004.
45	KL-01/J 4189	Permit No. 1/895/2004 valid from 11-5-2004 to 10-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/37666/04 dated 23-4-2004.
46	KL-01/F 2455	Permit No.1/1720/2005 valid from 18-8-2005 to 17-8-2010 and fee Rs. 500 remitted vide Receipt No. 1/83193/05 dated 9-8-2005.
47	KL-01/E 7927	Permit No.1/918/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vid Receipt No.1/37114/04 dated 22-4-2004.
48	KL-01/W 3929	Permit No.1/740//2004 valid from 21-5-2004 to 20-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/34939/04 dated 16-4-2004.
49	KL-01/V 139	Permit No. 1/773/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No.1/35334/04 dated 17-4-2004.
50	KL-01/T 260	Permit No. 1/2433/2004 validfrom 7-12-2004 to 6-12-2009 and fee Rs. 500 remitted vide Receipt No.1/105348/04 dated 29-10-2004.
51	KL-01/S 481	Permit No. 1/1368/2005 validfrom 28-6-2005 to 27-6-2010 and fee Rs. 500 remitted vide Receipt No. 1/66837/05 dated 27-6-2005.
52	KL-01/Q 3028	Permit No. 1/979/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38699/04 dated 26-4-2004.

(1)	(2)	(3)
53	KL-01/Q 3027	Permit No.1/1001/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted No.1/38710/04 dated 26-4-2004.
54	KL-01/N 8759	Permit No. 1/949/2004 valid from 6-5-2004 to 5-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38734/04 dated 26-4-2004.
55	KL-01/N 293	Permit No.1/772/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No.1/35127/04 dated 16-4-2004.
56	KL-01/N 288	Permit No.1/1049/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/43187/04 dated 11-5-2004.
57	KL-01/N 2708	Permit No.1/1069/2004 valid from 14-5-2004 to 13-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38745/04 dated 26-4-2004.
58	KL-01/N 2701	Permit No. 1/975/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No.1/38747/04 dated 26-4-2004.
59	KL-01/L 4572	Permit No.1/1008/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No.1/36233/04 dated 20-4-2004.
60	KL-01/K 8494	Permit No. 1/920/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/37292/04 dated 22-4-2004.
61	KL-01/C 9372	Permit No. 1/1209/2004 valid from 29-5-2004 to 28-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/49692/04 dated 28-5-2004.
62	KL-01/C 4915	Permit No. 1/985/2005 valid from 17-5-2005 to 16-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/42927/04 dated 28-4-2005.

(1)	(2)	(3)
63	KL-01/B 6829	Permit No.1/2199/2004 valid from 1-10-2004 to 30-9-2009 and fee Rs. 500 remitted vide Receipt No. 1/87085/04 dated 9-9-2004.
64	KL-01/B 6365	Permit No.1/965/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/33806/04 dated 13-4-2004.
65	KL-01/B 1732	Permit No.1/896/2004 valid from 11-5-2004 to 10-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/37671/04 dated 23-4-2004.
66	KL-01/AJ 3873	Permit No.1/2038/2005 valid from 24-10-2005 to 23-10-2010 and fee Rs. 500 remitted vide Receipt No. 1/100399/05 dated 27-9-2005.
67	KL-01/AJ 3011	Permit No.1/1841/2005 valid from....to.... and fee Rs. 500 remitted vide Receipt No. 1/89725/05 dated 29-8-2005.
68	KL-01/AH 7696	Permit No.1/1243/2005 valid from 30-9-2005 to 29-9-2010 and fee Rs. 500 remitted vide Receipt No. 1/59046/05 dated 7-6-2005.
69	KL-01/AG 9780	Permit No.1/581/2005 valid from 12-4-2005 to 11-4-2010 and fee Rs. 500 remitted vide Receipt No. 1/27304/05 dated 17-3-2005.
70	KL-01/AG 8034	Permit No.... valid from.....to.....and fee Rs. 500 remitted vide Receipt No.1/47057/05 dated 7-5-2005.
71	KL-01/H 6377	Permit No.1/1061/2004 valid from 14-5-2004 to 13-5-2009 and fee Rs. 500 remitted vide Receipt No.1/43285/07 dated 14-5-2004.
72	KL-01/H 2709	Permit No.1/873/2004 valid from 19-5-2004 to 18-5-2009 and fee Rs. 500 remitted vide Receipt No.1/36809/04 dated 21-4-2004.
73	KL-01/G 1713	Permit No.1/797/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No.1/36239/04 dated 20-4-2004.

(1)	(2)	(3)
74	KL-01/F8978	Permit No.1/1060/2004 valid from 14-5-2004 to 13-5-2009 and fee Rs. 500 remitted vide Receipt No.1/43284/04 dated 11-5-2004.
75	KL-01/F4586	Permit No.1/883/2004 valid from 7-5-2004 to 6-5-2009 and fee Rs. 500 remitted vide Receipt No.1/36812/04 dated 21-4-2004.
76	KL-01/F4559	Permit No.1/998/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/39739/04 dated 28-4-2004.
77	KL-01 /F 4447	Permit No.1/1052/2004 valid from 14-5-2004 to 13-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/39733/04 dated 28-4-2004.
78	KL-01/F 4059	Permit No.1/10501/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/43246/04 dated 11-5-2004.
79	KL-01/F 3940	Permit No. 1/999/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38700/04 dated 26-4-2004.
80	KL-01/C 4541	Permit No. 1/792/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No.1/36587/04 dated 20-4-2004.
81	KL-01/C 2235	Permit No.1/876/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/37095/04 dated 22-4-2004.
82	KL-01/B 3574	Permit No.1/2651/2005 valid from ... to... and fee Rs.500 remitted vide Receipt No. 1/118361/05 dated 19-11-2005.
83	KL-01/AF 9886	Permit No.1/110/2005 valid from 4-3-2005 to 3-3-2009 and fee Rs. 500 remitted vide Receipt No.1/5568/05 dated 14-1-2005.
84	KL-01/AE 2562	Permit No.1/1827/2004 valid from 20-8-2004 to 19-8-2009 and fee Rs. 500 remitted vide Receipt No. 1/73643/04 dated 5-8-2004.

(1)	(2)	(3)
85	KL-01/AE 2254	Permit No.1/1425/2004 valid from....to....and fee Rs. 500 remitted vide Receipt No.1/57953/04 dated 19-6-2004.
86	KL-01/AB 7646	Permit No.1/2182/2005 valid from 31-10-2005 to 30-10-2010and fee Rs. 500 remitted vide Receipt No. 1/104725/05 dated 7-10-2005.
87	KL-01/AB 2049	Permit No.1/1303/2005 valid from 17-6-2005 to 16-6-2010 and fee Rs. 500 remitted vide Receipt No.1/62346/05 dated 16-6-2005.
88	KL-01/AA 2931	Permit No.1/1054/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No.1/42180/04 dated 6-5-2004.
89	KL-01/A 9045	Permit No. 1/2694/2004 valid from 7-12-2004 to 6-12-2009 and fee Rs. 500 remitted vide Receipt No.1/118534/04 dated 3-12-2004.
90	KL-01/AC 5488	Permit No. 1/981/2004 valid from 6-5-2004 to 5-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/41978/04 dated 6-5-2004.
91	KL-01/AB 5644	Permit No. 1/984/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vid Receipt No. 1/37101/04 dated 22-4-2004.
92	KL-01/AB 458	Permit No.1/1009/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38695/04 dated 26-4-2004.
93	KL-01/A 2923	Permit No.1/770/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No.1/35130/04 dated 16-4-2004.
94	KL-01/3507	Permit No.1/1032/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/39284/04 dated 27-4-2004.
95	KET 9992	Permit No.1/916/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No.1/36816/04 dated 21-4-2004.

(1)	(2)	(3)
96	KCT 6684	Permit No.1/1267/2004 valid from 16-8-2004 to 15-8-2009 and fee Rs. 500 remitted vide Receipt No. 1/52779/04 dated 5-6-2004.
97	KCT 6005	Permit No. 1/988/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/39288/04 dated 27-4-2004.
98	KCT 6007	Permit No. 1/989/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vide Receipt No.1/39855/04 dated 29-4-2004.
99	KCT 501	Permit No.1/1721/2004 valid from 30-7-2004 to 29-7-2009 and fee Rs. 500 remitted vide Receipt No.1/71017/04 dated 26-7-2004.
100	KBV 804	Permit No.1/2684/2005 valid from ..... to..... and fee Rs. 500 remitted vide Receipt No. 1/128653/05 dated 17-12-2005.
101	KBT 9853	Permit No. 1/986/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vide Receipt No.1/39286/04 dated 27-4-2004.
102	KBT 8633	Permit No.1/1124/2004 valid from 24-5-2004 to 23-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/40496/04 dated 30-4-2004.
103	KRA 5553	Permit No. 1/930/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/40409/04 dated 30-4-2004.
104	KL-07/S 8017	Permit No.1/1569/2004 valid from 5-8-2004 to 4-8-2009 and fee Rs. 500 remitted vide Receipt No. 1/64562/04 dated 6-7-2004.
105	KL-01/B 4811	Permit No. 1/1053/2004 valid from 13-5-2004 to 12-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/41438/04 dated 4-5-2004.
106	KL-01/AJ 78	Permit No.1/1211/2005 valid from 21-6-2005 to 20-6-2010 and fee Rs. 500 remitted vide Receipt No.1/58114/05 dated 4-6-2005.

(1)	(2)	(3)
107	KL-01/AH 1915	Permit No.1/793/2005 valid from 22-4-2005 to 21-4-2010 and fee Rs. 500 remitted vide Receipt No. 1/38538/05 dated 15-4-2005.
108	KL-01/AE 3816	Permit No. 1/1623/2004 valid from ..... to ..... and fee Rs. 500 remitted vide Receipt No.1/66519/04 dated 13-7-2004.
109	KL-01/AF 4827	Permit No.1/2439/2004 valid from 1-11-2004 to 31-10-2009 and fee Rs. 500 remitted vide Receipt No. 1/105435/04 dated 29-10-2004.
110	KL-01/AA 7311	Permit No. 1/1033/2004 valid from 4-6-2004 to 3-6-2009 and fee Rs. 500 remitted vide Receipt No. 1/38276/04 dated, 24-4-2004.
111	KL-07/AA 1571	Permit No.1/799/2004 valid from 3-5-2004 to 2-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/36278/04 dated 20-4-2004.
112	KL-01/7955	Permit No. 1/96/2005 valid from 10-2-2005 to 9-2-2010 and fee Rs. 500 remitted vide Receipt No. 1/5112/05 dated 14-1-2005.
113	KBT 5217	Permit No. 1/925/2005 valid from ..... to ..... and fee Rs. 500 remitted vide Receipt No.1/43893/05 dated 29-4-2005.
114	KL-01/J 4131	Permit No.1/1029/2004 valid from 15-7-2004 to 3-6-2009 and fee Rs. 500 remitted vide Receipt No. 1/20927/04 dated 4-3-2004.
115	KL-01/N 1117	Permit No. 1/1096/2004 valid from 22-5-2004 to 21-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38741/04 dated 26-4-2004.
116	KL-01/A 6696	Permit No.1/1091/2004 valid from 28-5-2004 to 27-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/43608/04 dated 12-5-2004.
117	KL-01/AH 7277	Permit No. 1/1059/2005 valid from 21-5-2005 to 20-5-2010 and fee Rs. 500 remitted vide Receipt No. 1/50931/05 dated 17-5-2005.

(1)	(2)	(3)
118	KL-01/N 8597	Permit No. 1/808/2004 valid from 29-4-2004 to 28-4-2009 and fee Rs. 500 remitted vide Receipt No. 1/36439/04 dated 20-4-2004.
119	KL-01/P 9003	Permit No. 1/776/2004 valid from 30-4-2004 to 29-4-2009 and fee Rs. 500 remitted vide Receipt No. 1/36202/04 dated 20-4-2004.
120	KL-01/P 9006	Permit No. 1/777/2004 valid from 30-4-2004 to 29-4-2009 and fee Rs. 500 remitted vide Receipt No. 1/36203/04 dated 20-4-2004.
121	KL-01/AD 1326	Permit No. 1/1380/2006 valid from....to...and fee Rs. 500 remitted vide Receipt No. 1/59532/06 dated 3-6-2006.
122	KL-01/U 1461	Permit No. 1/1092/2004 valid from 18-5-2004 to 17-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/38696/04 dated 26-4-2004.
123	KL-01/T 361	Permit No. 1/627/2006 valid from 30-3-2006 to 29-3-2011 and fee Rs. 500 remitted vide Receipt No. 1/26364/04 dated 10-3-2006.
124	KL-01/U 1231	Permit No. 1/796/2004 valid from 4-5-2004 to 3-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/36237/04 dated 20-4-2004.
125	KRU 5374	Permit No. 1/990/2004 valid from 12-5-2004 to 11-5-2009 and fee Rs. 500 remitted vide Receipt No. 1/39854/04 dated 29-4-2004.
126	KBT 5116	Vehicle dismantled
127	KBT 8613	Vehicle dismantled
128	KCT 9758	Vehicle dismantled
129	KRV 8574	Class of vehicle is Motor Cycle
130	KL-01/D 5905	Class of vehicle is Motor Cycle
131	KL-01/M 3690	Government owned vehicle
132	KL-01/M 3691	Government owned vehicle
133	KEV 6751	Issued clearance certificate to Sub Regional Transport Office, Kottarakkara on 8-7-2004.
134	KL-01/A 9766	Issued clearance certificate to Regional Transport Office, Thrissur on 3-2-2005.

**Regional Transport Office, Attingal**

The Regional Transport Officer, Attingal has furnished the collection details/remarks of the vehicle as shown below:

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
1	KL-01/E 3155	Permit issued on 5-2-2004 after realizing the prescribed fee
2	KL-01/G 5880	Permit issued on 6-8-2004
3	KL-01/J 3572	Permit issued on 22-6-2004
4	KL-01/R 1179	Permit issued on 7-2-2005
5	KL-01/U 1195	Permit issued on 13-5-2004
6	KL-01/X 8216	Permit issued on 13-5-2004
7	KL-01/X 8711	Permit issued on 7-5-2005
8	KL-01/T 1997	Permit issued on 7-5-2005
9	KL-16/5756	Permit issued on 23-2-2006
10	KL-01/D 8866	Permit issued on 27-6-2005
11	KL-16/894	The registered owner of the vehicle has applied for permit on 29-7-2006 along with prescribed fee.
12	KL-01/K 5247	Permit issued after realizing the prescribed fee.
13	KL-01/C 7510	Class of vehicle altered as Contract Carriage w.e.f. 2-3-1993 and clearance certificate issued 6-8-1996.
14	KL-01/S 3303	Class of vehicle is Motor Cycle.
15	KL-01/V 1735	Class of vehicle is Motor Cycle.
16	KL-01/S 3571	Class of vehicle is Motor Cycle.
17	KL-01/884	Class of vehicle is Motor Cycle.
18	KL-01/T 9447	Class of vehicle is Motor Cycle.
19	KL-01/4965	Class of vehicle is Motor Cycle.
20	KL-01/S 3511	Class of vehicle is Omini Bus for private use.
21	KL-01/S 2459	Class of vehicle is Autorickshaw
22	KL-01/4585	Private Service Vehicle Permit (EIB) issued on 15-6-2004.
23	KL-01/A 3222	Private Service Vehicle Permit (EIB) issued on 26-11-2004.
24	KL-01/K 4995	Private Service Vehicle Permit issued on 7-6-2004 after collecting prescribed fee.

The collection details of remaining 2 cases will be furnished soon.

**Regional Transport Office, Kasargod**

The audit has pointed out a short levy of Rs. 2000 in respect of 4 vehicles. The details are furnished below:

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
1	KL-14/7032	The Permit was issued to the vehicle on 30-8-2002 after collecting permit fee Rs. 500 subsequently the permit was surrendered on 18-6-2005 for cancellation and clearance certificate issued to Joint RTO, Pattambi.
2	KL-14/A 9362	Permit No. C5/40/2005 issued on 28-11-2005 after collecting the permit fee Rs. 500.
3	KL-14/C 7640	Permit No. C5/41/2005 issued on 28-11-2005 after collecting the prescribed fee Rs. 500.
4	KRC 3839	The vehicle was altered as Educational Institution Bus on 4-6-2003 and later the registered owner surrendered the RC for cancellation and vehicle scrapped during 7/2003. The permit fee has been realised vide TR5 58/179/05 dated 15-5-2005.

**Sub Regional Transport Office, Parassala**

The Joint Regional Transport Officer, Parassala has furnished the collection details/remarks of the 10 vehicles as shown below: (Out of 10)

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
(1)	(2)	(3)
1	KRU 4565	The Permit was issued on 30-11-2004 and remitted Rs. 500 vide TR5 45/38.
2	KRV 3438	The permit was issued after collecting fee Rs. 500 vide TR5 No. 10/303/05 dated 20-5-2006.
3	KL-03/B5317	The vehicle was altered as Educational Institution Bus w.e.f. 30-6-2001.
4	KL-01/3690	The Registered owner of the vehicle had applied for dismantling of the vehicle and Rs. 500 collected vide TR 5 No. 10/300/05 dated 16-5-2006.

(1)	(2)	(3)
5	KL-01/B 3690	The class of vehicle Motor car. The question of permit fee not arises.
6	KL-01/M 1211	Tax endorsement was issued to the vehicle on the strength of proceedings of State Transport Authority, Thiruvananthapuram vide No. D1/3511/STA/03 dated 19-9-2003 and also EV permit granted to the vehicle.
7	KL-01/N 4146	Class of vehicle is motor cycle.
8	KL-01/W 3505	The permit was issued after collecting permit fee Rs. 500 vide TR 5 No. 33/258-05 dated 6-3-2006.
9	KL-01/V 3505	Class of vehicle is Motor Cycle.
10	KL-01/9982	This register No. is seen blank in Computer; where as KL-01-Y-9982 is an Educational Institution Bus and permit issued and realised Rs. 500 vide TR 5 No. 28/234-03 dated 3-4-2004.

**Sub Regional Transport Office, Kazhakuttom**

The Joint Regional Transport Officer, Kazhakuttom has furnished the collection details/remarks in respect of 14 cases are given below: (Out of 14).

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
(1)	(2)	(3)
1	KL-07/5948	Permit No. C2/03/TP/03 valid from 8-1-2003 to 7-1-2008 and Rs. 500 collected vide receipt No. 50/152/02 dated 27-11-2002.
2	KEV 6036	Permit No. C2/82/TP/04 valid from 15-6-2004 to 14-6-2009 and Rs. 500 collected vide receipt No. 2/10/2004 dated 19-4-2004.
3	KL-01/A 4633	Permit No. C2/85/TP/04 valid from 15-6-2004 to 14-6-2009 and Rs. 500 collected vide receipt No. 43/46/04 dated 10-6-2004.
4	KL-01/C 3680	Permit No. C2/103/TP/04 valid from 5-8-2004 to 4-8-2009 and Rs. 500 collected vide receipt No. 9/81/04 dated 2-8-2004.
5	KL-01/E 7702	Permit No. C2/46/TP/04 valid from 28-4-2004 to 27-4-2009 and Rs. 500 collected vide receipt No. 4/14/2004 dated 24-4-2004.

(1)	(2)	(3)
6	KL-01/H 1076	Permit No. C2/73/TP/04 valid from 15-6-2004 to 14-6-2009 and Rs. 500 collected vide receipt No. 2/10/2004 dated 19-4-2004.
7	KL-01/J 6892	Permit No. C2/58/TP/04 valid from 4-5-2004 to 3-5-2009 and Rs. 500 collected vide receipt No. 82/16/04 dated 29-4-2004.
8	KL-01/J 1242	Permit No. C2/100/TP/04 valid from 30-7-2004 to 29-7-2009 and Rs. 500 collected vide receipt No. 12/74/04 dated 22-7-2004.
9	KL-01/K 8820	Permit No. C2/65/TP/04 valid from 13-5-2004 to 12-5-2009 and Rs. 500 collected vide receipt No. 40430/17/34245 dated 30-4-2004.
10	KL-01/V 2376	Permit No. C2/52/TP/05 valid from 19-12-2005 to 18-12-2010 and Rs. 500 collected vide receipt No. 50728/3/16912 dated 28-7-2005.
11	KL-01/Y 3298	Permit No. C2/51/TP/05 valid from 19-12-2005 to 18-12-2005 and Rs. 500 collected vide receipt No. 50728/3/169117 dated 28-7-2005.
12	KL-01/Z 9888	Permit No. C2/29/TP/04 valid from 27-4-2004 to 26-4-2009 and Rs. 500 collected vide receipt No. 9/11/04 dated 20-4-2004.
13	KL-01/H 2110	The vehicle was stolen before June 2003 and a case is pending before the Sub Inspector of Police, Kadinamkulam.
14	KL-01/H 2634	The vehicle was under 'G' form from 1-7-2005. Now the registered owner has remitted the fee for Educational Institution Bus permit (Rs. 700) on 2-8-2007 vide Rt. No. 22/25503/07.

**Sub Regional Transport Office, Aluva**

The Audit has pointed out a short levy of Rs. 2000 in respect of 5 vehicles. The collection particulars are furnished below.

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
(1)	(2)	(3)
1	KL-07/U 2194	Permit No. C2/118/04/EA valid from 18-5-2004 to 17-5-2009 and fee Rs. 500 remitted vide TR5 No. 15/175/04 dated 20-4-2004.

(1)	(2)	(3)
2	KL-07/Z 9340	Permit No. C2/82/04/EA valid from 7-5-2004 to 6-5-2009 and fee Rs. 500 remitted vide TR5 No. 49/166/04 dated 26-4-2004.
3	KL-07/J 6127	Permit No. C2/86/EA/02 valid from 5-9-2002 to 4-9-2007 and fee Rs. 500 collected vide TR5 No. 23/213/02 dated 26-8-2002.
4	KL-07/Q 7975	Permit No. C2/218/04/EA valid from 20-9-2004 to 19-9-2009 and fee Rs. 500 remitted vide TR5 No. 41/357/04 dated 16-9-2004.
5	KL-07/Y 9727	The class of vehicle is Motor Car.

**Sub Regional Transport Office, Irinjalakkuda**

The Audit has pointed out a short levy of Rs. 11500 in respect of 23 vehicles. The collection particulars are furnished below.

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
(1)	(2)	(3)
1	KL-13/D 231	Permit No. 291/05 valid up to 28-7-2010 and Rs. 500 collected vide Receipt No. 9/248/05 dated 29-7-2005.
2	KL-08/Z 2785	Permit No. 21/06 valid up to 26-1-2011 and Rs. 500 collected vide Receipt No. 96/24/06 dated 25-1-2006.
3	KRO 3629	Permit No. 108/2004 valid up to 2-6-2009 and Rs. 500 remitted vide Receipt No. 25/286/04 dated 1-6-2004.
4	KL-01/J 3756	Permit No. 164/2004 valid up to 10-6-2009 and Rs. 500 remitted vide Receipt No. 33/238/04 dated 5-6-2004.
5	KL-08/X 4069	Permit No. 131/2004 valid up to 4-6-2010 and Rs. 500 remitted vide Receipt No. 13/294/04 dated 5-6-2004.
6	KL-08/L 6226	Permit No. 6/99 valid up to 21-9-2009 and Rs. 500 remitted vide Receipt No. 72/530/04 dated 17-9-2004.
7	KL-08/F 6246	Permit No. 137/2004 valid up to 4-6-2009 and Rs. 500 remitted vide Receipt No. 85/268/04 dated 5-6-2004.

(1)	(2)	(3)
8	KL-08/U 7642	Permit No. 150/06 valid up to 1-6-2011 and Rs. 500 remitted.
9	KL-08/D 7686	Permit No. 494/04 valid up to 27-12-2009 and Rs. 500 remitted. vide Receipt No. 52/760/04 dated 28-12-2004.
10	KL-07/H 9327	Permit No. 203/2005 valid up to 8-6-2010 and Rs. 500 remitted. vide Receipt No. 61/101/2005 dated 9-6-2005.
11	KL-08/Y 9946	Permit No. 479/05 valid up to 22-12-2010 and Rs. 500 remitted. vide Receipt No. 90/562/05 dated 23-12-2005.
12	KL-08/Y 9947	Permit No. 478/05 valid up to 22-10-2010 and Rs. 500 remitted. vide Receipt No. 91/562/05 dated 23-12-2005.
13	KL-08/B 9955	Permit No. 93/2004 valid up to 31-5-2009 and Rs. 500 remitted. vide Receipt No. 81/278/04 dated 1-6-2005.
14	KL-08/Y 9985	Permit No. 477/05 valid up to 22-12-2010 and Rs. 500 remitted. vide Receipt No. 92/562/05 dated 23-12-2005.
15	KER 3812	The vehicle was dismantled.
16	KBE 6503	The vehicle is not in road working condition.
17	KEV 7603	The vehicle was dismantled.
18	KL-08/D 7636	The class of vehicle is Motor Cycle.
19	KRH 9293	Since in a dilapidated condition, not operated or even used on roads after the introduction of permit for Educational Institution Bus (after 30-4-2004).
20	KBR 196	Rs. 500 collected vide Rt. No. 45/53637/07 dated 24-7-2007.
21	KL-08/F 3054	Rs. 500 collected vide Rt. No. 45/53638/07 dated 24-7-2007.
22	KEK 7734	Rs. 500 collected vide Rt. No. 45/53639/07 dated 24-7-2007.
23	KLN 7983	Rs. 500 collected vide Rt. No. 45/53640/07 dated 24-7-2007.

**Sub Regional Transport Office, Wadakkancherry**

The Audit has pointed out a short levy of 11 cases.

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
1	KL-08/A 2739	Permit was issued after realizing the prescribed fee Rs. 500 vide receipt No. 86 dated 9-6-2005.
2	KRP 8313	Permit issued on 19-8-2004 after realizing the prescribed fee.
3	KL-08/B 8728	Permit issued on 11-10-2002 after realizing the prescribed fee.
4	KL-08/B 2401	Permit issued after collecting prescribed fee Rs. 500 vide TR 5 No. 31 dated 24-2-2006.
5	KL-04/A 4572	Permit issued after collecting prescribed fee Rs. 500 vide TR 5 No. 161/06 dated 3-6-2006.
6	KL-07/C 165	Class of vehicle is 3 wheeler
7	KL-08/N 6291	Class of vehicle is Excavator.

The collection details of remaining 4 vehicles will be furnished soon.

**Sub Regional Transport Office, Kanhangad**

The Audit has pointed out a short levy of Rs. 2000 in respect of 4 vehicles. The details are furnished below:

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
1	KL-14/A 8345	Rs. 500 remitted vide TR5 7/775/05 dated 2-3-2006.
2	KLM 7884	Rs. 500 remitted vide TR5 No. 97/93/06 dated 12-5-2006.
3	KRC 911	Rs. 500 remitted vide TR5 No. 56/95/06 dated 12-5-2006.
4	KLS 4581	Rs. 500 remitted vide TR5 No. 7/95/06 dated 12-6-2006.

**Sub Regional Transport Office, Mattancherry**

The Audit has pointed out a short levy of 5 cases.

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
(1)	(2)	(3)
1	KL-07/3541	Class of vehicle M/cab (Mahindra Jeep).

(1)	(2)	(3)
2	KL-07/8411	Permit issued after collecting permit fee Rs. 500 dated 28-6-2004.
3	KEF 4537	Permit No. C3/31/04/EMT valid up to 17-6-2009 and permit fee Rs. 500 collected vide TR 5 No. 79/118/04 dated 30-4-2004.
4	KL-07/C 6605	This vehicle was dismantled.
5	KRE 4302	Class of vehicle is Motor Cycle.

**Sub Regional Transport Office, Pattambi**

The Audit has pointed out a short levy of 8 cases.

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
1	KER 6618	Permit No. C3/301/05/PP valid from 31-10-2005 to 20-10-2010 and Rs. 500 remitted vide TR5 62/210/05 dated 8-8-2005.
2	KL-09/D 1268	Permit No. C3/239/05/PP valid from 18-8-2005 to 17-8-2010 and Rs. 500 remitted vide TR5 No. 7/207/05 dated 24-7-2005.
3	KL-09/K 9150	Permit No. C3/256/05/PP valid from 1-9-2005 to 31-8-2010 and Rs. 500 remitted vide TR5 No. 27/231/05 dated 30-8-2005.
4	KL-09/N 1759	Permit No. C3/214/05/PP valid from 29-7-2005 to 28-7-2010 and Rs. 500 remitted vide TR5 No. 18/194/05 dated 22-7-2005.
5	KL-09/N 1759	Permit No. C3/215/05/PP valid from 29-7-2005 to 28-7-2010 and Rs. 500 remitted vide TR5 No. 19/194/05 dated 22-7-2005.
6	KL-09/M 3037	Permit No. C3/25/03/PP valid from 18-6-2003 to 17-6-2008 and Rs. 500 remitted vide TR5 No. 88/121/03 dated 4-6-2003.
7	KL-10/D 639	Permit No. C3/360/05/PP valid from 16-12-2005 to 15-12-2010 and Rs. 500 remitted vide TR5 No. 76/323/05 dated 13-12-2005 dated 24-7-2005.
8	KL-01/A 9545	Tax in respect of the vehicle is in arrears w.e.f. 1-10-2004 hence RR steps were initiated to realise the tax arrears.

**Regional Transport Office, Ernakulam**

The Audit has pointed out a short levy of Rs. 54,000 in respect of 108 vehicles. The collection details/remarks received from Regional Transport Officer, Ernakulam in respect of 32 cases are furnished below:

<i>Sl. No.</i>	<i>Vehicle No.</i>	<i>Remarks</i>
(1)	(2)	(3)
1	KL-07-1687	Permit issued after collecting the permit fee.
2	KL-07-970	The vehicle was dismantled.
3	KL-07-D-383	Rs. 500 remitted vide Rt. No. 62131 dated 29-6-2004.
4	KL-07-9042	Permit issued after collecting the permit fee.
5	KL-07-F-8103	Rs. 500 remitted vide Rt. No.85/22 dated 9-8-2004.
6	KL-07-F-8753	Permit issued after collecting the permit fee.
7	KL-07-G-7119	Permit issued after collecting the permit fee.
8	KL-07-H-886	Permit issued after collecting the permit fee.
9	KL-07-H-8866	Permit issued after collecting the permit fee.
10	KL-07-J-7884	Permit issued after collecting the permit fee.
11	KL-07-K-516	Permit issued after collecting the permit fee.
12	KL-07-K-6037	Permit issued after collecting the permit fee.
13	KL-07-K-637	Rs. 500 remitted vide Rt. No. 77684/05 dated 15-7-2005.
14	KL-07-R-6489	Rs. 500 remitted vide Rt. No. 68674/06 dated 6-6-2006.
15	KL-07-S-4149	Permit issued after collecting the permit fee.
16	KL-07-N-4143	Permit issued after collecting the permit fee.
17	KL-07-Z-7950	Rs. 500 remitted vide Rt. No. 56042/06 dated 14-6-2004.
18	KL-07-AE-462	Permit issued after collecting the permit fee.
19	KL-07-AH-8224	Permit issued after collecting the permit fee.
20	KL-07-AJ-3880	Rs. 500 remitted vide Rt. No. 46395/06 dated 18-4-2006.

(1)	(2)	(3)
21	KL-07-AN-698	Permit issued after collecting the permit fee.
22	KL-07-AN-3503	Rs. 500 remitted vide Rt. No. 52530/06 dated 13-5-2005.
23	KL-07-AQ-6874	The class of vehicle is Motor Cab.
24	KL-09-4969	Rs. 500 remitted vide Rt. No. 41066/06 dated 30-4-2006.
25	KL-13-D-2189	Permit issued after collecting the permit fee.
26	KCE 603	Permit issued after collecting the permit fee.
27	KLF 7782	Rs. 500 remitted vide Rt. No. 52845/04 dated 5-6-2004.
28	KLH 2093	The vehicle was dismantled.
29	KRF 3902	Rs. 500 remitted vide Rt. No. 46395/06 dated 18-4-2006
30	KRR 986	The vehicle was dismantled.
31	KL-07-AE-881	Permit issued after collecting the permit fee.
32	KCE 3247	Permit issued after collecting the permit fee.

Report on the remaining cases will be furnished shortly.

**Action Taken Note on the Audit Report of Comptroller and Auditor  
General of India for the year ending 31-3-2006**

- I. (a) Motor Vehicles Department  
 (b) Short levy of composite tax  
 (c) 4.4  
 (d) DP. 3364/06-07/30 dated 19-4-2006
- II. (a) SRA (HQ)/MVT/DN 4/05-06/482 dated 1-3-2006  
 (b) 19-5-2006, 16-8-2006 and 18-11-2006.

III. *Gist of Paragraph*

During the audit of the offices of the Transport Commissioner it was revealed that composite tax of 75 percent of the normal rate only was collected

from 163 multi-axled National Permit vehicles of State of Haryana, Madhya Pradesh, Maharashtra and Rajasthan which did not allow similar concession on multi-axled vehicles registered in Kerala. This resulted in short realization of composite tax of Rs. 2.04 lakhs.

IV. (a) Yes

(b) NA

V. (a) Yes

(b) NA

VI. *Remedial Action Taken*

The composite tax in respect of Goods Carriages covered by National Permit due to other states are collected by the permit issuing authority of the respective states at the time of issuing permit or at the time of renewal of authorization. But in the instant case the said states had realised only 75 percent of the normal rates. Therefore the State Transport Authorities of the concerned states were already addressed for realization of the balance tax pointed out in respect of the vehicles which belongs to those States. The Motor Vehicles Inspectors of Border Check Posts were also directed to watch the service of the vehicle in question and to realize the amount due in respect of the vehicles. But the State Transport Authorities have not yet furnished any reply in the matter. They are being reminded.

---