5.8 **Information Technology Review of activities relating to Registration of Vehicles, Collection of Fees and Road Tax and Issue of Driving Licenses by Transport Department of the Government of NCT of Delhi**

Highlights

The Department invested Rs.9.84 crore without constituting a Steering Committee and without a formal IT policy or strategy. Consequently, the system suffered from a number of deficiencies.

(Paragraph 5.8.6)

Networking of Headquarters office with zonal offices and the National Crime Records Bureau could not be achieved despite incurring of expenditure of Rs.72.53 lakh. Expenditure of Rs.28.35 lakh on leasing of MTNL lines proved to be infructuous.

(Paragraph 5.8.7)

There were a large number of cases of duplicate chassis numbers and engine numbers which were not only illegal but was also fraught with risk of plying of invalid/stolen vehicles.

(Paragraph 5.8.8(i))

There was no check to ensure that the insurance cover filed for a particular vehicle was not re-used for registration of other similar vehicles. Test check revealed that there were in fact a large number of cases of registration of two or more vehicles with the same Insurance Cover Note.

(Paragraph 5.8.8(ii))

The system lacked proper validation checks and the database was both unreliable and incomplete. Test check of five zones revealed net short levy of fees of Rs.14.09 lakh attributable to lack of proper validation, incomplete and incorrect information and failure to integrate the database of different zones.

(Paragraphs 5.8.8 (iv) & (viii))

> **Potential revenue of Rs. 26.32 crore was blocked due to non-disposal of challans. Moreover the possibility of unauthorised disposal of challans could not also be ruled out.**

(Paragraph 5.8.8 (vi))

> **The Department failed to realise Rs. 21.44 lakh from M/s HCL Info-systems Ltd for licences issued exceeding 2.5 lakh per year as per the terms of the contract.**

(Paragraph 5.8.10)

5.8.1　Introduction

The Transport department of the Government of NCT of Delhi is responsible for framing policies and implementing programs for improvement of the public transport system in the NCT of Delhi. It is also entrusted with the administration and enforcement of the Motor Vehicles (MV) Act, 1988, and rules made thereunder. The Transport department has undertaken computerisation of all its major operations such as registration of vehicles, collection of road tax and issue of permits, driving licenses, fitness certificates, pollution control certificates etc.

5.8.2　Organizational set up

The Transport department is headed by the Secretary-cum-Commissioner (Transport) who is assisted by two Additional Commissioners, two Joint Commissioner and six Deputy Commissioners. The Department has nine zonal offices[1] headed by Motor Licensing Officers.

The computerisation activities in the Department are under the charge of the Addl.Commissioner (Transport) who is assisted by a Deputy Commissioner (Computers) along with Programmers, Assistant Programmers, Console Operators and Data Entry Operators. The post of System Analyst which is critical to the computerization efforts has been lying vacant since February 2002.

5.8.3　Audit scope and methodology

The scope of Information Technology (IT) audit of the Transport department included examination of controls in selected operational applications, viz. registration of vehicles and its allied activities and collection of fees and road tax with the objective of ensuring the accuracy and comprehensiveness of the

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[1] *Tilak Marg, Sheikh Sarai, Janakpuri, Loni Road, Sarai Kale Khan, Ashok Vihar, Anand Vihar, Palam and Burari*

data and the effectiveness of its application in the management of registration of vehicles and realization of fees/ road tax. Audit also examined the outsourcing of issue of driving licenses. The IT audit of the Department was conducted during July 2003 to December 2003 and covered the period from 1998-99 to 2002-2003. The data pertaining to Headquarters office and four zonal offices[2] was analyzed using Computer Assisted Tool, namely IDEA[3]. In addition, the adequacy of the hardware system and software purchased and the general operational controls were also assessed. The audit findings were communicated to the Government in May 2004. The comments of the Government were received in September 2004 and they have been incorporated in the review.

5.8.4 System acquisition and implementation

In April 1991, the department in consultation with the National Informatics Centre (NIC) decided to computerize and network certain areas of its functioning through an 'On Line Transaction Processing (OLTP)' system. The primary objectives of the computerization were:

➢ to create a sound record management system wherein data was safe, protected, easily assessable and retrievable;

➢ to provide an efficient and reliable OLTP;

➢ to provide one point service to a citizen of any zone at any of the zonal offices;

➢ to improve public orientation and eliminate inconvenience, harassment, discrimination and corruption; and

➢ to improve the effectiveness of implementation of the provisions of the MV Act and the rules made there under.

NIC was to undertake the entire process of systems study, systems analysis and designing, software development and implementation on an UNIX/Oracle platform as well as the procurement and installation of the hardware and equipment. No provision for recovery of liquidated damages for default on the part of NIC was however, made in the Memoranda of Understanding (MOU) despite directions of the Standing Finance Committee (SFC). In December 1994, NIC revised the estimate from Rs. 1.64 crore to Rs. 2.43 crore to cover six additional sites. The SFC in October 1995 approved Rs. 1.87 crore subject to the stipulation that provision of time schedule for completion of the project

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[2] *Anand Vihar, Janak Puri, Loni, Burari*
[3] *Interactive Data Extraction and Analysis*

and liquidated damages for non-completion of the project should be incorporated in a revised MOU. However, the department failed to comply with these directions of the SFC and entrusted the job of computerization of the six additional sites to NIC without revising the MOU. An advance payment of Rs. 2.45 crore made to NIC during March 1992 to March 2003 was accounted for as final expenditure without obtaining detailed account supported by suppliers' invoices from NIC.

The computerization project entrusted to NIC was to be completed in four phases within one year of commencement of each phase. The actual date of completion of the activities in each phase along with their present status is as shown in Annex - VII. It was seen in audit that the time frame of one year contemplated in the MOU with NIC could not be adhered to and some of the activities in the last phase of the program have in fact yet to be computerized despite lapse of over 11 years since the initiation of the computerization program.

The department stated that increase in cost was due to currency devaluation and technology up-gradation. It added that a penalty clause was required only where the services were taken on commercial basis and NIC was a government agency and had provided their services without any consideration. The reply is not tenable because the SFC had specially directed the department to include a provision for liquidated damages in event of default. Even if the NIC is a government agency, involvement of public interest and public money requires that unjustified delay is penalised and responsibility fixed.

The department also stated that timeliness could not be adhered to as there was subsequent increase in the scope of work and technology up gradation to meet user requirement. The fact remains that their should have been a regular review of the action plan so as to set time targets taking into account actual user requirements and technology upgrades. A time schedule is rendered meaningless if it is deemed to be open-ended.

5.8.5   *Lack of documentation*

Lack of proper documentation. A proper System Analysis and Design requires that the system proposed to be developed should be properly documented for each module. It was, however, observed in audit that the department did not have a proper written and authenticated documentation of the modules developed and implemented as of April 2004. Resultantly, the system was not user friendly as it lacked the necessary details of installation procedure, screens available for data entry, input and output files, linking of files including remedies for correction of error and generation of reports. The department admitted that NIC had not delivered any technical document and user manuals. It was added that the department will insist on such documentation in future

5.8.6   IT policy and strategy

Lack of Steering Committee or IT strategy necessary to guide and monitor execution of computerization efforts.

Taking into consideration the nature and magnitude of the project, a formal Steering Committee should have been constituted to provide the necessary direction and guidance to the computerization efforts as well as monitor the progress of implementation. There should also be a formal and properly documented `Information Technology Strategy' duly approved by the senior management before any major investment is made in IT.

Rs. 9.84 crore invested without formal IT policy & strategy.

Scrutiny of the records revealed that the Transport department neither initiated any action to constitute a Steering Committee to formalize an IT strategy for computerization of its various activities nor did it carry out a proper documented study of its IT requirements. The department incurred an expenditure of Rs. 9.84 crore during 1988-89 to 2002-03 without having any laid down/formulated Information Technology (IT) policy or strategy. In 1996, NIC had highlighted the lack of adequate involvement of departmental personnel in the computerization process.   In February 2000, while considering the second phase of the computerization programme, the Finance department had observed that the progress was haphazard and that the Transport department needed to review the entire computerization programme and the agreement with NIC. Consequently, the system suffered from the following deficiencies:

➢ there is no system to assess the arrears of road tax and to generate a list of defaulters;

➢ there is no system to work out fines and delayed payment of road tax and delay in registration of vehicles;

➢ there is no system to apply pre-defined/revised rates on various activities; and

➢ there is no system to generate lists of defaulters of fitness certificates i.e. vehicles plying without renewal of fitness certificates which is essential for any valid registration.

The above deficiencies could have been tackled had there been a proper Steering Committee to regularly guide and periodically review the progress and initiate timely remedial steps during execution of the project.

The department stated that the computerization had been initially started on the recommendation of a committee and the Directorate of Economics and Statistics was coordinating the work and the department had moved in a planned way towards adding functionalities to the software and a number of activities had been computerized over the years. It was however, evident in

audit that given the deficiencies which existed, there was an evident need for a formal Steering Committee to implement and monitor a defined strategy.

5.8.7   Networking of Headquarter office with zonal offices and the National Crime Records Bureau

Networking was not operational even after lapse of five years and expenditure of Rs.72.53 lakh.

The Secretary-cum-Commissioner (Transport) emphasized in July 1995 the need to expeditiously link all zonal offices with the Headquarters and the National Crime Records Bureau (NCRB). The department also proposed in August 1998 the storage of all zonal data relating to registration, permits, road tax and challans, etc. in the central server at the Headquarters along with complete back-up. The linkage with the zonal offices and the NCRB was to be established through the central server to be connected through lines leased from MTNL. Rupees 28.35 lakh was paid to MTNL for 21 leased lines during January 1996 to April 2001. The central server was purchased and installed in February 2001 at a total cost of Rs. 44.18 lakh. However, the MTNL lines were subsequently discontinued in May 2001 as connectivity could not be made operational due to inter-connectivity problems since the zones were spread over different telephone exchanges. The process of connecting all the zones on line is yet to be completed as of April 2004. Thus, the Management Information System envisaged at Headquarters could not be made operational even after an expenditure of Rs. 72.53 lakh and lapse of five years thus defeating one of the primary objectives of computerisation. The expenditure of Rs. 28.35 lakh spent on the MTNL lines also proved to be infructuous. The department stated that the non-availability of leased lines was due to technical fault of MTNL or default in payment by the department and after making pending payments most of the lines are now in working order. The department also stated that it has made advance payment for six months to MTNL for ISDN telephone lines to avoid disconnections. The reply is not tenable as leased lines were discontinued with effect from 1st April 2001 rendering infructuous the expenditure of Rs. 28.35 lakh incurred on them.

5.8.8   Evaluation of application controls and data analysis

There were 6,963 cases of duplicate chassis and engine numbers in five zones.

(i)   Duplicate chassis and engine numbers

Chassis number and engine number are unique identification marks of a vehicle which are essential for the purpose of its registration under the provisions of the MV Act and rules made thereunder. It was, however, noticed in audit that there was no validation check in the system to enable the registering authority to ensure that a vehicle with its unique identification is not re-registered again without cancellation of the previous registration. Moreover, chassis and engine numbers were not being fed in full and only a part of these numbers were fed into the system which left open the possibility of duplicate registration. In addition, it was also observed that due to lack of

networking of headquarters office with zonal offices, the possibility of the same vehicle getting registered in different zones could not be ruled out.

A sample test in audit revealed a large number of cases of duplicate chassis and engine numbers in headquarters office and the four zonal offices as tabulated below:

Table 5.8.8 (i): Duplicate chassis and engine numbers

Zones	Number of records where chassis & engine numbers were found duplicate
Headquarters	2,270
Anand Vihar	233
Janak Puri	1,756
Loni	2,068
Burari	636

Duplicate chassis and engine numbers are suggestive of duplicate registration of a single vehicle. For a more detailed scrutiny, audit requested for 140 files of such cases detected from the system. However despite constant pursuance, the department furnished only 12 files to audit, which revealed duplicate registration made against the same single chassis/vehicle as below:

Table 5.8.8 (i): Details of vehicles having duplicate registration

Sl. No.	Ist regn. number	Name of owner	Common chassis number	IInd regn. number	Name of owner
1	DL1CH 598	Ms JASMEET KAUR	MAH17862-08033355	DL2CX0096	M/S GULATI BROS.
2	DL1CH0816	M/S P.S. CARS (P) LTD	19M03E044089	DL1CH1138	Mr. R.C. PRABHU
3	DL1V6084	M/S GENICHE(P) LTD	LF50100634505/00	DLIV6080	M/S GENICHE(P) LTD
4	DL1P4343	SH KHUSHWANT SINGH	344350422386	DL1P7676	SH KHUSHWANT SINGH
5	DL1CH2035	SH DINESH KR JAIN	MALAC51GR1M136979	DL1CH2181	SH DINESH KR JAIN
6	DL1RF6099	SH ASHOK KUMAR	AFFBGM14708	DL1RF7449	SH JILAY SINGH

Such duplicate registration of the same vehicle is not only illegal but is obviously fraught with the risk of plying invalid/stolen similar vehicles as well as insurance irregularities by declaring non-existent vehicles as stolen. There was an evident need for the department to investigate the matter in depth to root out such irregularities.

The department while admitting the instances of duplicate numbers attributed it to incomplete feeding of data or conversion of vehicles from commercial to private and vice-versa. It added that a unique identification code has since

been implemented. The reply is not tenable because data entry error could not result in both the engine and chassis number being the same. The department remained silent as to the action taken on the specific cases brought out in audit.

(ii)   *Registration of two or more vehicles with same Insurance Cover Note*

Every vehicle has to be insured before registration under the provisions of the MV Act and rules made thereunder. A valid insurance certificate is required to be furnished along with an application for registration. A test check revealed that the registering authorities did not verify whether the insurance cover submitted along with the application for registration of vehicles was actually valid or not. Moreover, there was no validation check in the system to ensure that the insurance cover filed for a particular vehicle is not re-used for registration of other similar vehicles.

Test check in audit revealed that the insurance company and its cover notes for a particular vehicle/owner were common for two or more vehicles in a number of cases as tabulated below:

Table 5.8.8 (ii): Registration of two or more vehicles with same Insurance Cover Note

	Hqrs.	Anand Vihar	Janak Puri	Loni	Burari
Number of records where two or more vehicles were having common Insurance Cover Note	72,016	30,948	47,971	11,347	8377

A physical check of 110 records/files of Burari, Mall Road and Headquarters zones furnished to audit confirmed that there were two or more/multiple registrations of vehicles against one and the same insurance cover note and often the chassis and engine numbers of the vehicle were not mentioned in the cover note for proper identification. In Burari zone, the computerized records showed 28, 33 and 40 cases of registration of vehicles against Insurance Cover Note Nos. 05,75,146, 06,04,569 and 02,30,099 respectively out of which correctness of multiple registrations of 7, 12 and 12 cases against each cover note was test checked and verified in audit as shown in the Annex - VIII.

Department accepted the objection and stated that such checks would be incorporated in the new software. However, it remained silent about the action taken on the specific cases brought out in audit.

(iii)   Lack of continuity of Registration Numbers

Lack of continuity in series created potential for misuse of numbers.

In a single series, 9,999 vehicles (i.e. upto four digits) can be awarded a registration number (0001 to 9999). Registration numbers should be awarded in a sequence to monitor the year of the registration (model) of the vehicle. A test check of the database revealed that registration in a subsequent next series was started even before the ongoing series was exhausted. Hence, numerous registration numbers in a series were found missing. The number of Registration Numbers missing in four series test checked in audit was as under:

Table 5.8.8 (iii): Lack of continuity of registration numbers

Zones	No of registration numbers found missing in a single series test checked
Anand Vihar	866
Janak Puri	539
Loni Road	2,311
Burari	4,105

Under the circumstances, the misuse of these numbers by vehicles not having valid registration could not be ruled out.

Admitting the audit observation, the department stated that the dealers having self-registration facility provided data in floppies and sometimes the system did not read the floppies properly and gaps were created. It was evident from the reply that the system did not have any mechanism to monitor the issue of numbers by the dealers having the self registration facility.

(iv)   Incomplete database

It was observed in audit that the database was incomplete and did not have certain essential information viz.:

➢ information relating to calculation of fines and reasons there for was not available;

➢ the relevant table did not have any column for the date of applicability of the rate of fee; and

➢ mandatory fields that are required to identify the ownership of a vehicle were left blank. The results of test check of the database of five zones are as below:

Table 5.8.8 (iv): Incomplete database

Fields left blank	Hqrs.	Anand Vihar	Janak Puri	Loni	Burari
Owner name	299	9	21	19	4
Father name	1,29,712	51,338	1,01,503	35,682	2,264
Address	5,852	410	1,414	1,456	1,077
Engine number	6,017	412	1,406	1,496	1,281

Inaccurate data relating to Fitness Certificates reflecting violation of Motor Vehicles Act and Rules.

Mandatory fields required to verify the period of road tax were left blank (i.e. the date up to which the road tax was charged). In the absence of this vital information, the Department was unable to generate the list of the defaulter vehicles running without paying the road tax. The field meant for the receipt number was also left blank. During the test check of database of five zones it was observed that both 'From date' & 'To Date' and 'Receipt No' were left blank ranging from 83 to 1,42,896 and three to 1,12,756 records respectively.

The department attributed the incomplete information to huge backlog of data entry. It added that NIC had been instructed to incorporate period of applicability of fee rate in its software and that the mandatory fields should not be left blank.

(v)   Lack of monitoring of blank RC forms

Lack of control of Registration certificates.

Registration certificate (RC) is an important document for identification of the vehicle. Every RC has a serial number. During test check, it was observed that the department did not have any mechanism to monitor the use of blank RC forms. For instance in case of Headquarters zone, it was found that the total number of registered vehicles as per the database was 4.43 lakh whereas RCs printed as per the database was only 9,445. Moreover, in 8,725 out of these RCs, the field meant to keep the serial number of the RC form was left blank. Similar position was found in case of other zones also. In the absence of proper monitoring of the RCs, the genuineness of RCs issued could not be ascertained and use of false RCs could not be ruled out.

The department stated that the facility to record the serial number of the RC was not provided by the NIC but a flag is always created when the RC is printed. The reply is not tenable because the field for RC serial number is available in the database and data was entered in some of the cases.

(vi)   Challans not disposed off

Possibility of unauthorized disposal of challans.

The 'CHALLAN' table of the database represents challans issued by the Enforcement Wing of the Transport department for overloading, incomplete documentation, etc. A test check of the data base revealed a number of challans lying undisposed. It was also noticed that in disposed off challan cases, the information regarding 'disposed by' and 'disposal date' was not available in over 50 to 65 *per cent* as tabulated below:

Table 5.8.8 (vi): Challans not disposed off

	Hqrs. Zone	Burari
Total number of records in challan table	5,36,349	3,621
Challans not disposed off	3,12,530	627
Challans disposed off	2,23,819	2,994
Disposed by & disposal date were left blank	1,21,173	1,970

Potential revenue or Rs. 26.32 crore blocked.

The disposed off figure shown above differs from the table depicting disposed of challans along with fine recovered. Considering the fact that the department has received Rs. 10.96 crore from 1,30,592 disposed off challans and taking into account, the revenue recovered by the way of fines from disposed off challans, potential revenue of Rs. 26.32 crore remained blocked due to non-disposal of challans. Moreover, the possibility of unauthorized disposal of challans could not also be ruled out.

The department stated that the discrepancy could be due to the fact that it had no way of confirming from the court about the disposal of challans. The reply is not tenable as the Department should evolve a mechanism to monitor the disposal of challans from the point of view of both enforcement as well as collection of revenue.

(vii)   Inadequate process controls

During a test check of the database, it was revealed that the system lacked adequate process controls. Consequently, the department failed to maintain complete and correct database as could be observed from the following paragraphs.

(viii)   Fee charged not matching with rates given in master tables

A test check revealed that the fee actually charged given in the 'ACCOUNT' table should match with rate of fee to be charged given in 'ACTION' table. But these did not match in all the cases. In some cases, the fee charged was less while in other cases, it was more. The result of a sample test of five zones for the period September 2001 onwards revealed that in 13,702 cases records did not match which resulted in short levy of Rs. 14.09 lakh as tabulated below:

Table 5.8.8 (viii): Fee charged not matching with rates given in master tables

(Rupees in lakh)

Zones	No. of records that did not match	Amount charged in excess	Amount charged short	Net effect (+) Excess (-) Short
Headquarters Office	1,537	0	1.10	(-)1.10
Anand Vihar	9,682	0.02	13.22	(-)13.20
Janak Puri	272	0.25	0.26	(-)0.01
Loni	302	0.31	0.02	(+)0.29
Burari	1,909	0.23	0.28	(-)0.05
Total	**13,702**	**0.81**	**14.88**	**(-) 14.09**

In case of Headquarters office, the fee actually charged did not match with the rate of fee given in 5,769 records out of a total of 18,373 records viz. in over 31 *per cent* of the cases. In case of Burari zone, in 11 records the permit fee charged did not match with rate of permit fee.

The above discrepancies were indicative of the inaccuracy of the fees charged from members of the public arising from inadequate process control of validation checks.

The department stated that to the best of their knowledge all the validation checks were in place. However, the reply of the department is not tenable as it failed to take action on the specific instances brought out in audit which had been brought to their notice way back in October 2003.

(ix) *Incorrect data relating to fitness certificates*

As per the MV Act, and the rules made thereunder, the roadworthiness/fitness of a vehicle and issue of fitness certificate is a pre-requisite for its registration. It was however observed in audit that the actual date of fitness was not available in the database but the next fitness due date was available. The actual fitness date arrived at by subtracting 15 years from the fitness due date was found later than the registration date in a number of cases of private vehicles which indicated that the vehicle was registered without having the fitness certificate. A sample test of four zones of such cases is given as below:

Table 5.8.8 (ix): Incorrect data relating to fitness certificates

Zones	Number of records where fitness date is later than registration date
Headquarters	537
Anand Vihar	2,307
Janak Puri	2,978
Loni	3,376

Such inaccurate data is reflective of violation of the provisions of the MV Act and rules and a pointer to lack of process controls.

The department stated that owners do not mostly report for refitness of their vehicles. The reply is not tenable because the audit observation was regarding registration date prior to the fitness date and not about the refitness of the vehicle.

(x) *Blank/wrong registration date*

During the course of test analysis, it was observed that the date of registration date field was left blank in a number of cases. In Burari zone, the registration date was beyond the present date in three records.

The department stated that they were in the process of debugging the system.

(xi) *Modification/change control procedure*

No change control procedure formulated.

It was noticed in audit that the department had carried out need based changes and modifications from time to time without following any such procedure as mentioned above. It also did not maintain any records in respect of the modifications. The department stated that any modification/change required is intimated to NIC which carried out the changes after due testing. The reply is not tenable because there was evidently no set procedure for such changes prescribed formally by the department.

It was also noticed that the system lacks any audit trail to track changes made in the database as well as in the software which is useful in tackling complex technical, legal and financial problems. For instance, during a test check of 'challan' table, it was observed that the 'enter by' field was left blank in 1,21,173 records. The department admitted that NIC had not included the audit trail module in the software on the ground that it would slow down the system. However, proper tracking was included in the software. The reply is not tenable as without audit trail the frequent changes in the database can not be properly tracked.

5.8.9 *Out-sourcing of driving license*

Computerization of driving licenses was assigned to NIC for completion by the end of September 1993. However since NIC had omitted to provide for image processing in driving licenses, the department entrusted in March 1998 the task of computerization of driving licenses to M/s HCL Info-systems Ltd. after inviting open tenders in March 1997. As per the terms of the contract, the firm was to undertake the task on BOOT (Build Own Operate Transfer) basis. The firm was entitled to charge prescribed rates for issue of the driving licenses. After expiry of five years to be reckoned from the date of full operation of the system at all the zonal offices, it was to be transferred to the department on payment of residual charges of five *per cent* of the cost of the system. The detailed cost of the system was to be furnished by the firm within 15 weeks of signing of the agreement to enable calculation of the residual cost at the expiry of the five years period. The system at the zonal offices was installed and commissioned between July and December 1998.

Department had no information as to cost of system which was necessary to assess its residual value.

It was noted in audit that the department had no information as to the detailed cost of the system which was required to assess its residual value. However, M/s HCL projected in December 2003 a total investment of Rs. 1.50 crore on all front-end systems and Finger Print software at the Headquarters. But the department has yet to confirm this figure. Further, though front-end activities meant for issue of driving licenses are carried out by the firm as per the agreement, the department is not in a position to take over the task and operate it on its own.

For the back end system, M/s HCL was to develop application software and furnish application codes of different modules along with a test report within six weeks of commissioning of the central server and acceptance of the application software. However, there is no evidence on record to indicate that this task has been accomplished. Similarly, loading and testing of application software in the back end system was to be completed within nine weeks of installation and commissioning of back end hardware. However, nothing has been done in this respect.

Expenditure of Rs.10.10 lakh rendered unfruitful due to non-completion of prescribed tasks.

The firm was to be paid Rs. 27.10 lakh towards (a) consultancy charges for System Requirement Study (SRS), System Designing Document (SDD) and Information System Planning (ISP), and (b) for system development, testing, implementation, data porting, training and maintenance. It was noticed in audit that the firm failed to carry out the tasks mentioned at (b) for no valid reasons. Tasks given at (a) though completed at a cost of Rs. 10.10 lakh was not fruitful without completion of the other tasks mentioned at (b).

The Department stated that after completion of task (a) above at a cost of Rs. 10.10 lakh, a tender was floated for setting up the central server. But due to objections raised by the Finance department to the participation of HCL in the tender process as it was a consultant for the implementation of backend activity at Headquarters, the tender process was stopped. It was added that the department was now in the process of introducing a Smart Card Based Driving Licenses which would supersede the earlier system

5.8.10 *Non-realisation of dues from M/s HCL Info-systems Ltd.*

According to the terms of the agreement, 2.50 lakh driving licenses were expected to be issued during each year of the contract period. In case of any shortfall due to less number of successful applicants for driving licenses, the firm was to be compensated for the amount equal to the shortfall. In the event of issue of driving licenses in excess of 2.50 lakh, the firm was to pay the department at specified rates. For this purpose, the firm was required to furnish to the department a consolidated monthly report of driving licenses issued by each zonal office.

The firm issued 3.06 lakh licenses during the period from 23 December 1998 to 22 December 1999 and paid Rs. 4.58 lakh to the department for 55,508 licenses issued in excess of 2.50 lakh. It was however noticed in audit that the firm did not disclose the number of licenses issued during the earlier period from 22 July 1998 to 22 December 1998 when it was installing and operationalising the system at the eight zonal offices. Similarly, no information about driving licenses made/issued each year after 22 December 1999 was made available to the department and the department also did not insist on furnishing of this critical information.

After this was pointed out by audit in November 2003, the department furnished in February 2004 information in respect of total number of driving licenses issued by the firm during the three years from 23 December 1999 to 22 December 2002. Though the department stated that the backup copy was available with its computer branch, it could not furnish the requisite information for the periods from July 1998 to 22 December 1998 and from 23 December 2002 to 23 December 2003. However, as per information supplied

by department in respect of the licences issued[4] during the last four years, a sum of Rs. 21.44 lakh was due from the firm. The department had not initiated any action to realize the dues.

The department stated that due to unsatisfactory performance of the Finger Print Matching software, the Finance and IT departments had recommended withholding of the payment of Rs. 50 lakh for M/s HCL. Consequently, HCL stopped the payment in respect of excess issuance of driving licenses. The matter was under discussion with HCL. The reply is not tenable as both the activities were different from each other and the department should have insisted for its dues arising from excess issuance of driving licenses without linking it to the matter of the finger print matching software issue.

5.8.11   *Conclusion*

The Transport department had incurred an expenditure of Rs. 9.84 crore as of March 2003 on computerisation of its activities including registration of vehicles and allied services, calculation/collection of fees and road tax, issue of permits, etc. In absence of a formal IT strategy and supporting policies and procedures, the applications lacked essential internal controls and validation checks. In the absence of the integrated database at Headquarters as well as in the 10 zonal offices, the very purpose of computerization to provide an efficient and reliable OLTP or to provide one point service to the applicant of any zone at any of the zonal offices without undue inconvenience or harassment remained unachieved.

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[4] *Licenses issued during 23/12/99 to 22/12/2000, 23/12/2000 to 22/12/2001,23/12/2001 to 22/12/2002, 23/12/2002 to 23 12/2003 were 312776,306780,313690 and 309688 respectively*

Annex - VII
(Referred to in paragraph 5.8.4)
Details of actual date of completion of activities relating to computerization of Transport
Department in each phase alongwith their present status

Phase	Activities to be computerized	Starting date	Status as of April 2004
I	Registration and road tax payments of non commercial and commercial vehicles at Headquarter.	23 March 1992	The on-line registration of non-commercial and commercial vehicles was started with effect from 1 September 1992 and 1 January 1993 respectively while road tax activity was started with effect from 1 December 1995.
II	Registration and road tax payments at zones.	Ist week of April 1992	Registration work in zones was started between February 1995 and January 1998 while road tax activity was started from December 1995.
III	All operations of Permits.	To be implemented gradually	Issue of permits of commercial vehicles commenced with effect from January 1994 while collection of permit fees was computerized from October 1996.
IV	All other activities like driving licenses, pollution control, fitness checking of vehicles enforcement of provisions of MV Act and Rules etc. at the Headquarters and zonal offices.	--	While activities like pollution check, enforcement, fitness checks were computerized during May 1995 to December 1997, other activities like administration & accounts, planning, research & development, file management and vigilance were yet to be computerized.

Annex -VIII
(Referred to in paragraph 5.8.8 (ii))
Registration of two or more vehicles against the single Insurance Cover Note

Sl. No.	Cover note number	Regd no of vehicle	Owner name	Model	Date of Regd.
1	**0575146**	DL1RF7857	RAKESH	TSR	18.5.01
2	-DO-	DL1RF2169	RAKESH KUMAR	LGV	9.4.03
3	-DO-	DL1RF9127	ASHOK KUMAR	TSR	6.6.01
4	-DO-	DL1LF2212	PAPER &CARD WARES	LGV	16.4.03
5	-DO-	DL1LF2141	DHARAM SINGH	LGV	7.4.03
6	-DO-	DL1LF2207	YOGESH UMAR	LGV	16.4.03
7	-DO-	DL1RC1463	OM PRAKASH	TSR	30.7.98
8	**0604569**	DL1LF2008	CHOTTU PARSAD	LGV	21.3.03
9	-DO-	DL1LF2388	M/S CUSINE	LGV	7.5.03
10	-DO-	DL1LF2300	ASHOK KUMAR SHARMA	LGV	24.4.03
11	-DO-	DL1LF0782	MANISH KUMAR	LGV	22.12.02
12	-DO-	DL1LF2148	DIMPLE CREATIONS	LGV	7.4.03
13	-DO-	DL1RG8422	PREM PRAKASH	TSR	14.8.03
14	-DO-	DL1RD8979	ROHAN LAL	TSR	3.12.01
15	-DO-	DL1LF2420	AMIR AHMED	LGV	2003
16	-DO-	DL1LF2366	MANJEET SINGH	LGV	3.5.03
17	-DO-	DL1LF0888	MANISH KUMAR	LGV	21.11.02
18	-DO-	DL1LF0882	RAMESH	RGV	3.2.03
19	-DO-	DL1LF2372	M/S PREMIER	LGV	5.5.03
20	**0230099**	DL1LF2210	SABIA OVERSEAS	LGV	16.4.03
21	-DO-	DL1RD0493	S.CHAND	TSR	16.3.99
22	-DO-	DL1LF2269	AKASH PAPER AGN	LGV	21.4.03
23	-DO-	DL1LF2216	KHILLU RAM	LGV	16.4.03
24	-DO-	DL1LF2299	SUNIL KHURANA	LGV	24.4.03
25	-DO-	DL1LF2511	MUSTKEEM AHMED	LGV	24.8.03
26	-DO-	DL1LF2506	SWANPAPER PRODUCTS	LGV	26.5.03
27	-DO-	DL1LF2264	SUMAN	LGV	21.4.03
28	-DO-	DL1LF2324	SUSANPAL	LGV	5.5.03
29	-DO-	DL1LF2203	SURESH CHAND	LGV	16.4.03
30	-DO-	DL1LF2418	RAJ SINGH	LGV	12.5.03
31	-DO-	DL1LF2298	UNITED WORLDWIDE	LGV	27.11.03
32	**0502838**	DL1RC4698	MOHD J AREET	TSR	10.11.98
33	-DO-	DL1RD8859	PRAKASH SHAH	TSR	27.12.99
34	**0292609**	DL1RF6719	HANS RAJ	TSR	2.5.01
35	-DO-	DL1RF5227	MOHD HAIDER	TSR	31.3.01
36	**0393665**	DL8SY0049	SANJAY DHIR	CAR	19.3.02
37	-DO-	DL9CG0070	V.C. MAINI	CAR	14.3.02
38	**0806559**	DL1CH4112	INDER SAIN & SONS	CAR	24.9.01
39	-DO-	DL1CH4101	ASIAN STEEL	CAR	21.9.01
40	**0654642**	DL1SM7895	RAJAN GUPTA	CAR	8.6.01
41	-DO-	DL1SM7872	BIL TECH ENG	CAR	4.6.01
42	**0686581**	DL1SM7810	PRAMOD DABRAL	CAR	23.5.01
43	-DO-	DL1SM7875	MAHARAJ SINGH	CAR	6.6.01
44	**0942531**	DL1CH2035	DINESH KR JAIN	CAR	22.01.01
45	-DO-	DL1CH2181	DINESH KR JAIN	CAR	3.2.01

46	**0408673**	DLICH3715	BUNNY AGENCIES	CAR	27.7.01
47	-DO-	DL1CH2576	JOGINDER SINGH	CAR	21.03.01`
48	**0729171**	DL1SM7946	KUBER ENTERPRISES	SCOOTER	21.06.01
49	-DO-	DLISM7995	AZIZ AHMED	SCOOTER	30.06.01
50	**0902909**	DL1SM9262	ARVIND YADAV	SCOOTER	29.1.02
51	-DO-	DL1SM9257	PARSURAM PRAJAPATI	SCOOTER	29.1.02
52	**0851499**	DL1CH5174	MINDA FINANCE	CAR	2.3.02
53	-DO-	DL1CH5178	MINDA FINANCE	CAR	2.3.02
54	**0906970**	DLISM9293	SHIV KUMAR	SCOOTER	4.2.02
55	-DO-	DL1SM9276	RAJBEER SINGH	SCOOTER	31.1.02