

## **Chapter-II**

### **Functioning of Regional Transport Offices in Punjab**



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#### 2.1 Introduction

The Regional Transport Office (RTO) serves as a key governmental body responsible for the regulation, management, and enforcement of road transport laws in India. The law confers several responsibilities and powers to the RTO, including the issuance of driver licenses, vehicle registration, granting permit for commercial vehicles, enforcement of road safety measures, and the collection of motor vehicle taxes. It also empowers the RTO to enforce environmental regulations, including vehicle fitness standards and pollution control measures.

The legal position empowers the RTO to act as a law-enforcing authority tasked with ensuring public safety on the roads. This includes enforcing traffic rules, preventing overloading, ensuring vehicle fitness, and combating illegal activities such as operating unregistered vehicles and unauthorised transport services. The RTO has the power to impose penalties, suspend or revoke licenses, and take corrective actions against violations of the law.

To enhance the efficiency and transparency of its operations, the RTO utilises digital platforms such as VAHAN and SARATHI, which are part of the Government of India's initiative to digitise transport services across the country. These platforms significantly streamline various RTO functions, enabling easier enforcement of legal requirements by digitizing records and tracking violations. By automating tasks such as vehicle registration, license issuance, tax collection, and enforcement of road safety laws, these portals contribute to reducing human errors, improving service efficiency, and promoting accountability in the functioning of the RTO.

#### 2.2 Organisational set up

The Transport Department of Punjab is headed by the Principal Secretary of the Transport Department, who oversees the formulation of policies and acts as a liaison with the State Government. The State Transport Commissioner heads the Department's operations, ensuring adherence to national and state transport laws. He is assisted by two Additional State Transport Commissioners, one Joint State Transport Commissioner, Deputy Controller (Finance and Accounts), Deputy State Transport Commissioner, Service Engineer, Automobile Engineer, and Assistant Transport Commissioner (Technical) in the Head Office. The Regional Transport Officers operate at the district level, executing the day-to-day functions of vehicle registration, issue of permits and licenses.

The State of Punjab was divided in 11 regions during the period from 1 April 2019 to 5 July 2023, and for each region, a Regional Transport Authority

performed the functions of RTO. However, with effect from 6 July 2023<sup>1</sup>, the Department of Transport was restructured into four regions<sup>2</sup>, each headed by a Secretary, Regional Transport Authority controlling 23 Regional Transport Offices in the districts. While the Regional Transport Authorities regulate transport through the issuance of permits, the RTOs are responsible for key administrative functions, including vehicle registration, issuing and renewing driving licenses, and collecting motor vehicle taxes. They also oversee the issuance and renewal of fitness certificates for commercial vehicles, ensuring compliance with safety and environmental standards

### **2.3 Audit objectives**

We conducted audit on functioning of Regional Transport Offices to ascertain whether:

- RTOs managed the issue, renewal and cancellation of licences effectively;
- Regulation and control over registration and use of vehicles through registration, issuing permits and fitness certificates was implemented by RTOs; and
- RTOs efficiently assessed, levied, collected and remitted revenue (motor vehicle taxes, fines, penalties, cess, etc.) and took effective action on arrears;

### **2.4 Audit criteria**

The audit on functioning of Regional Transport Offices was evaluated against the following audit criteria.

- Motor Vehicles Act, 1988; Central Motor Vehicles Rules, 1989;
- Punjab Motor Vehicles Taxation Act, 1924; Punjab Motor Vehicles Taxation Rules, 1925; Punjab Motor Vehicles Rules, 1989; Punjab Financial Rules; and
- Circulars and notifications issued by the Government and the Department from time to time.

### **2.5 Audit scope and methodology**

The Subject Specific Compliance Audit (SSCA) covered offices of the Principal Secretary, State Transport Commissioner, State Transport Authority, two Regional Transport Authorities located at Jalandhar and Patiala, and four Regional Transport Offices located at Jalandhar, Patiala, Pathankot and Ropar for the period from 1 April 2019 to 31 March 2024.

With most activities of the Transport Department becoming digital through the implementation of the VAHAN and SARATHI web portals, the audit analysed the front-end data of these applications through data analytic techniques,

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<sup>1</sup> Notification no. S.O 53/C.A.59/1988/S.68/2023 dated 5 July 2023

<sup>2</sup> Bathinda, Ferozepur, Jalandhar and Patiala

particularly related to service delivery functions such as licensing, vehicle registration, permit issuance and tax collection. In addition, the audit also reviewed manual records maintained at the selected Regional Transport Authorities and Regional Transport Offices to provide a comprehensive assessment of the Department's performance and compliance during the audited period.

An entry conference was held on 8 July 2024 with the Additional State Transport Commissioner to explain the audit objectives, audit criteria, audit scope and audit methodology. During the audit, the findings and observations were issued to the Department for inviting their responses. Further, an exit conference was held on 27 February 2025 with the Additional Chief Secretary, Department of Transport, Government of Punjab. The responses of the Government and the Department have been incorporated under the respective paragraphs in this report.

## 2.6 Trends of motor vehicle tax revenue

The position of motor vehicles tax receipts collected during the last five years from April 2019 to March 2024 is given in the **Table 2.1**.

**Table 2.1: Position of motor vehicle tax receipts**

(₹ in crore)

Year	Budget Estimates	Revised Estimates	Actual Receipts	Per cent variation of actual receipts to revised estimates	State's own tax revenue	percentage of actual MVT receipts to State's own tax revenue
2019-20	2,460.00	2,115.00	1,994.32	(-) 5.71	29,994.79	6.65
2020-21	2,370.00	1,567.94	1,472.13	(-) 6.11	30,052.83	4.90
2021-22	2,200.00	2,155.11	2,358.96	(+) 9.46	37,326.86	6.32
2022-23	2,575.00	2,650.00	2,673.56	(+) 0.89	42,243.17	6.33
2023-24	3,450.00	3,300.00	2,937.59	(-) 10.98	47,252.16	6.22

(Source: Annual Financial Statements and Finance Accounts of the Government of Punjab)

The budget estimates and actual receipts for the years 2019-20 to 2023-24 reflect the State's efforts to manage its transport revenue system. For instance, in 2020-21, the actual motor vehicle tax receipts were ₹ 1,472.13 crore, which was lower than the revised estimate of ₹ 1,567.94 crore, partly due to the impact of Covid-19 on vehicle registrations and renewals. However, the receipts increased significantly in the subsequent years, with 2021-22 recording ₹ 2,358.96 crore and 2022-23 reaching ₹ 2,673.56 crore surpassing the revised estimates of these years. In 2023-24, the receipts further increased to ₹ 2,937.59 crore. The *per cent* share of motor vehicle receipts to the state's own tax revenue has remained above six *per cent* during these years, barring the year 2020-21 where it dropped to 4.90 *per cent* due to Covid-19 pandemic.

## 2.7 Audit findings

### 2.7.1 Registrations, fitness certificates and permits of vehicles

The registration of vehicles is mandatory requirement, and no motor vehicle shall be driven in any public place or any other place without having valid registration. A transport vehicle is required to obtain permit and fitness certificate in addition to a registration certificate.

The audit observations related to registrations, permits and fitness certificates have been discussed in the succeeding sub-paragraphs.

#### 2.7.1.1 Failure to obtain permanent vehicle registration after expiry of temporary registration

Section 43 of the Motor Vehicles Act, 1988 provides that a certificate of temporary registration with validity of one month may be issued to owner of the vehicle on application. In March 2021, Rule 53B(2) was inserted under the Central Motor Vehicles Rules, 1989 providing the validity of temporary registration for six months effective from 1 April 2021. In case of chassis vehicles, the temporary registration was further extendable by 30 days at one or more times, if vehicle remains detained in the workshop beyond six months for the fitting of a body due to any circumstances beyond the control of owner. In April 2023, a proviso was inserted below this rule making the temporary registrations valid only for forty-five days for fully built vehicles subject to alteration or subject to being registered in other State.

As per provisions made under Rule 47(2) of Central Motor Vehicles Rules, 1989, an application for permanent registration of a motor vehicle shall be made before the temporary registration expires.

The VAHAN portal offers real-time insights through a MIS report titled 'Temporary Received Report', which captures the data of temporary registrations. This report serves as a valuable tool for proactive monitoring by the Transport Department. As per this report downloaded by Audit, 60,986 temporary registrations<sup>3</sup> were issued between 2019-20 and 2023-24 for obtaining permanent registration marks in selected four Regional Transport Offices and State Transport Authority. Scrutiny of this data (July to December 2024) revealed that 3,404 vehicle owners<sup>4</sup> (5.58 per cent) did not apply for permanent registrations after expiry of the validity period<sup>5</sup> of temporary registrations till the dates of audit. The average delay since expiry of validity of temporary registrations in these cases was 927 days, with a maximum delay of 2,365 days. A graphical presentation showing delay in applying for

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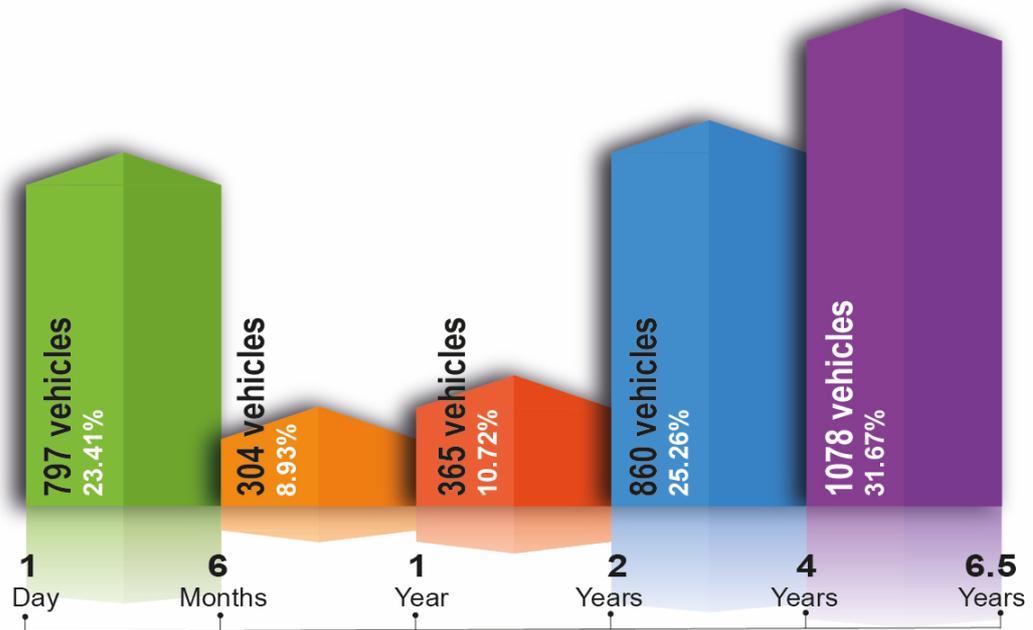
<sup>3</sup> Jalandhar: 15,657, Patiala: 18,972, Pathankot: 2,327, Ropar: 1,582 and STA: 22,448

<sup>4</sup> Jalandhar: 809, Patiala: 1,234, Pathankot: 490, Ropar: 235 and STA: 636

<sup>5</sup> As the data did not contain information to ascertain its validity of forty-five days applicable for fully built vehicles, audit adopted a conservative audit approach and treated validity of six months in all the cases.

permanent registrations after expiry of temporary registrations is shown in Chart 2.1.

**Chart 2.1: Delay in applying for permanent registrations after expiry of temporary registrations**



Despite having access to real-time information available through MIS report on VAHAN, the Department failed to leverage it to take proactive action. This underscores a critical gap in utilising advanced digital tools for efficient monitoring and enforcement.

On being pointed out, the Department stated (April 2025) that instructions have been issued to all the RTOs to get the vehicles registered keeping in view the statutory provision and ensure strict compliance. The Department further stated that SMS is also sent by the VAHAN portal to the concerned for timely registration of vehicle.

### 2.7.1.2 Discrepancies in the registration of motor vehicles

Rule 122 of Central Motor Vehicles Rules, 1989 provides for assigning unique chassis number and engine number to the manufactured motor vehicles. These unique numbers are crucial for identification of vehicles.

Audit analysed the data of 'Registered Vehicles Report' downloaded from VAHAN in respect of selected four Regional Transport Offices for the period 2019-20 to 2023-24 and noticed (August 2024) that five unique engine numbers were used against 10 vehicles registered under the RTO Patiala. Out of these, in one case, engine number as well as chassis number was used for two vehicles. The case is explained below.

A two wheeler was registered in July 2019 with RTO Patiala with registration number PB11\*\*\*\*72 having engine number H\*1\*E\*J\*M\*7\*4\* and chassis number M\*L\*A\*0\*2\*H\*0\*9\*5. In the month of February 2020, RTO Patiala

registered another two wheeler with registration number PB11\*\*\*\*49 having the same engine and chassis number.

These discrepancies highlight serious lapses in the registration process as well as raising concerns about the accuracy and reliability of the system itself as required validation checks in the VAHAN system appear to be missing which are necessary to avoid capturing duplicate data of engine and chassis number during registration of vehicles.

On being pointed out, the Department stated (April 2025) that presently duplication of data is not possible in VAHAN but data in pointed out case was entered in 2019 at the dealer's end. The matter will be enquired into to fix the responsibility.

### **2.7.1.3 Not renewing of certificates of fitness**

Section 56(1) of the Motor Vehicles Act, 1988 states that a transport vehicle shall not be deemed to be validly registered unless it carries a certificate of fitness. As per Rule 62(1) of Central Motor Vehicles Rules, 1989, transport vehicles are required to undergo fitness test once every two years in case of vehicles up to eight years old and annually for vehicles older than eight years for renewal of certificate of fitness. In case of e-rickshaw and e-cart, the renewal period for certificates of fitness is three years.

Audit analysed the 'Fitness Expired Report' downloaded from the VAHAN in respect of selected four Regional Transport Offices and State Transport Authority for the period 2019-20 to 2023-24, and noticed that 6,665 vehicles<sup>6</sup> with expired certificates of fitness had obtained 'Pollution Under Control Certificate' (PUC). Out of these, Audit test checked 90 vehicles<sup>7</sup> and observed that PUCs in 40 cases<sup>8</sup> were obtained by the vehicle owners after the dates of expiry of certificates of fitness leaving the impression that these vehicles may have plied on roads without renewing certificates of fitness. Movement of vehicles without obtaining certificates of fitness pose significant risks to public safety and environment and highlight lapses in monitoring by transport authorities.

Besides this, to ascertain the efficacy of enforcement mechanism, Audit analysed the records of 4,431 challans<sup>9</sup> issued during the period 2019-20 to 2023-24 by one RTO and two RTAs for various violations and noticed that none out of objected vehicles was issued challans on this aspect.

On being pointed out, the Department stated (April 2025) that directions have been issued to RTOs and State Transport Authority to ensure compliance in the matter.

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<sup>6</sup> Jalandhar: 3,330, Patiala: 1,877 and STA: 1,458

<sup>7</sup> 30 each in Jalandhar, Patiala and STA

<sup>8</sup> Jalandhar: 14, Patiala: 13 and STA: 13

<sup>9</sup> RTA Jalandhar: 1,866, RTA Patiala: 2,531 and RTO Jalandhar: 34

#### 2.7.1.4 Certificates of fitness issued without clearance of motor vehicle tax

Rule 73 of the Central Motor Vehicles Rules, 1989 provides that an application for the grant or renewal of a certificate of fitness shall not be accepted unless the same is accompanied by a tax clearance certificate from the Regional Transport Officer or motor vehicle inspector having jurisdiction in the area to the effect that the vehicle is not in arrears of motor vehicle tax or any compounding fee.

Audit analysed the 'Fitness Issued Report' and 'Tax Defaulter Report' downloaded from the VAHAN in respect of selected four Regional Transport Offices and State Transport Authority for the period 2019-20 to 2023-24 and noticed that 209 instances<sup>10</sup> involving 105 vehicles were in tax defaulters list where fitness certificates were issued. Out of these, Audit examined the vehicle history of 39 vehicles and found that fitness certificates in three vehicles under RTO Patiala were applied and issued without clearing the tax arrears.

On being pointed out, the Department stated (April 2025) that presently VAHAN system have validation checks to ensure tax clearance before issue of fitness certificate and renewal is not possible without tax clearance. However, an enquiry had been marked, and disciplinary action would be taken against the delinquent officials.

#### 2.7.1.5 Pendency and delay in issue of certificates of vehicle registrations

Section 40 of the Motor Vehicles Act, 1988 provides that every owner of a motor vehicle shall cause the vehicle to be registered by any registering authority in the State in whose jurisdiction he has the residence or place of business where the vehicle is normally kept. At the same time, Section 41(3) of the Act provides that the registering authority shall issue a certificate of registration in the name of the owner in the prescribed form. The time limit for issue of certificate of registration is 21 working days as notified<sup>11</sup> by the Department of Governance Reforms, Government of Punjab in February 2019.

[A] **Delay in issue of certificate of vehicle registration:** Audit analysed the 'Approve Transaction Report' downloaded from the VAHAN in respect of selected four Regional Transport Offices and State Transport Authority for the period 2019-20 to 2023-24 and noticed that registration against 24,622 new vehicles was approved with delays after the stipulated timeline of 21 working days<sup>12</sup> from date of payment of fee/tax.

Audit test checked transaction history of 150 vehicles and noticed an average delay of 72 days, with a maximum delay of 543 days in issue of certificate of

<sup>10</sup> Jalandhar: 4, Patiala: 7 and STA: 198

<sup>11</sup> Notification No. 5/7/2018-2GR/152 dated 5 February 2019

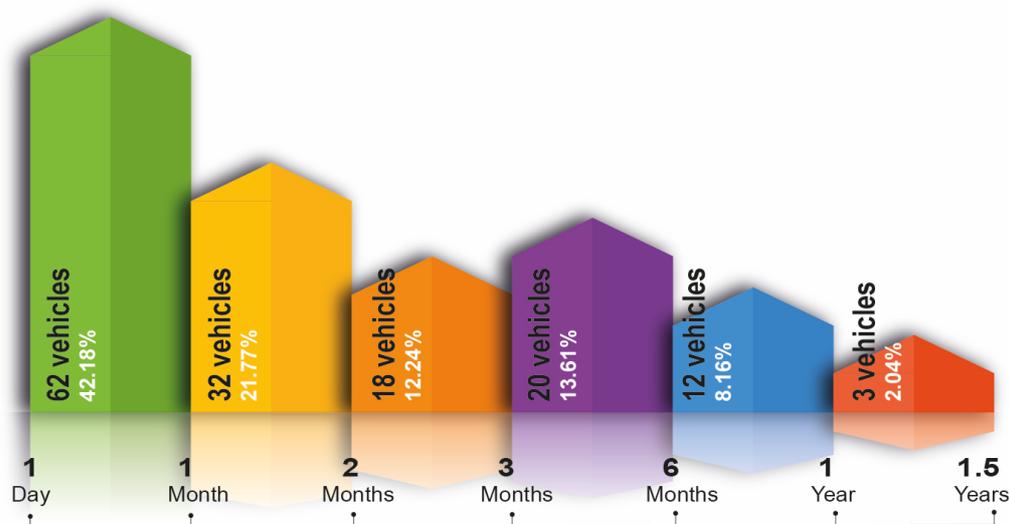
<sup>12</sup> Delay has been worked out by allowing 30 days on account of holidays/weekend

registration against 147 vehicles<sup>13</sup>. The delays are detailed in **Table 2.2** and graphical presentation is shown in **Chart 2.2** below.

**Table 2.2: Regional Transport Office wise delay in issue of vehicle registrations**

Delay	Jalandhar	Patiala	Pathankot	Ropar	State Transport Authority	Total
1 to 30 days	10	0	18	13	21	62
31 to 60 days	7	11	5	4	5	32
61 to 90 days	5	5	1	5	2	18
91 to 180 days	5	7	2	5	1	20
181 to 365 days	2	4	3	3	0	12
More than 365 days	1	2	0	0	0	3

**Chart 2.2: Delay in issue of vehicle registrations**



**[B] Pendency in issue of certificate of vehicle registration:** Audit analysed the ‘Registered Vehicles Report’ downloaded from the VAHAN in respect of selected four Regional Transport Offices and State Transport Authority for the period 2019-20 to 2023-24 and noticed that status of registration in 3,089 cases was shown as ‘Registration number generated, approval in progress’, implying that the approval of these registration certificates was pending.

Of these, the Audit test checked vehicle history of 150 vehicles<sup>14</sup> and found that registration certificates for 96 vehicles<sup>15</sup> were pending for approval for an average of 739 days, with a maximum of 4,966 days. The registration certificates against remaining 54 vehicles<sup>16</sup> had been approved by the time audit examination of vehicle history was completed. The time range for pendency as on dates of Audit is shown in **Chart 2.3**.

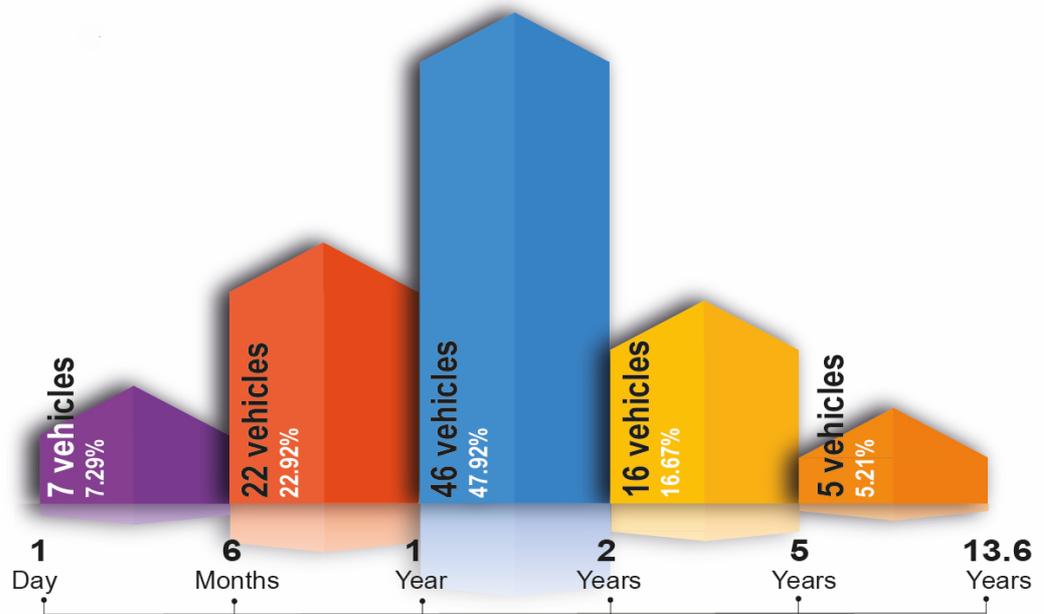
<sup>13</sup> Jalandhar: 30, Pathankot: 29, Patiala: 29, Ropar: 30 and STA: 29

<sup>14</sup> 30 each in four RTOs and STA

<sup>15</sup> Jalandhar: 22, Patiala: 19, Pathankot: 23, Ropar 19 and STA: 13

<sup>16</sup> Jalandhar: 8, Patiala: 11, Pathankot: 7, Ropar: 11 and STA: 17

Chart 2.3: Pendency in issue of certificate of vehicle registration



On being pointed out, the Department replied (April 2025) that the modalities of deemed approval were being worked out besides regular monitoring in order to facilitate citizens.

#### 2.7.1.6 Grant of permits beyond permissible period

Rule 88(1) of the Central Motor Vehicles Rules, 1989 provides that no national permit shall be granted in respect of a goods carriage, other than multi-axle vehicle, which is more than twelve years old at any point of time. Further as per Rule 88(2), national permit in case of multi-axle goods carriage cannot be granted for vehicle more than fifteen years old at any point of time.

Rule 88(3) provides that a national permit shall be deemed to be invalid from the date on which a goods carriage covered by the permit completes fifteen years in case of a multi-axle goods carriage and twelve years where the vehicle is other than a multi-axle goods carriage, unless such goods carriage is replaced.

[A] **Multi-axle Goods Carriages:** Audit analysed the ‘Main Permit Valid Report’ generated from VAHAN in respect of selected Regional Transport Offices and noticed that validity period of national permits in respect of 1,549 multi-axle goods carriage<sup>17</sup> vehicles exceeded the period of fifteen years from the date of vehicle registration.

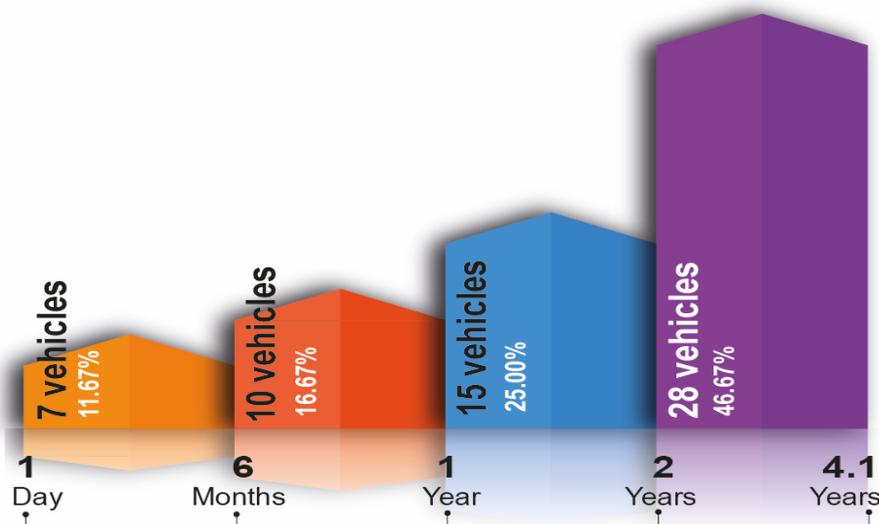
Audit test checked a sample of 60 vehicles<sup>18</sup> and found (December 2024 to January 2025) that the validity period of national permits for these vehicles had exceeded by an average of 667 days, with a maximum of 1,498 days after fifteen

<sup>17</sup> Jalandhar: 235 and Patiala: 1,314

<sup>18</sup> 30 each in Jalandhar and Patiala

years of vehicle registration. The period of permits exceeding beyond 15 years of vehicle registration is shown in **Chart 2.4**.

**Chart 2.4: Permits exceeding 15 years of vehicle registration**



It was further seen that only two vehicles were surrendered in September 2024 and December 2024. Thus, grant of fresh or renewal of national permit with validity exceeding fifteen years from the date of registration of multi-axle goods carriage was in violation of the rules. Audit opines that VAHAN system may be made robust by incorporating adequate validation checks and controls to implement provisions of the motor vehicle rules efficiently and the permits ought to be invalidated in the system automatically in terms of Rule 88(3) of Central Motor Vehicles Rules, 1989.

On being pointed out, the Department replied (April 2025) that matter regarding deemed invalidation of permit on completion of maximum has been raised with the Ministry of Road Transport and Highways of India/National Informatics Centre.

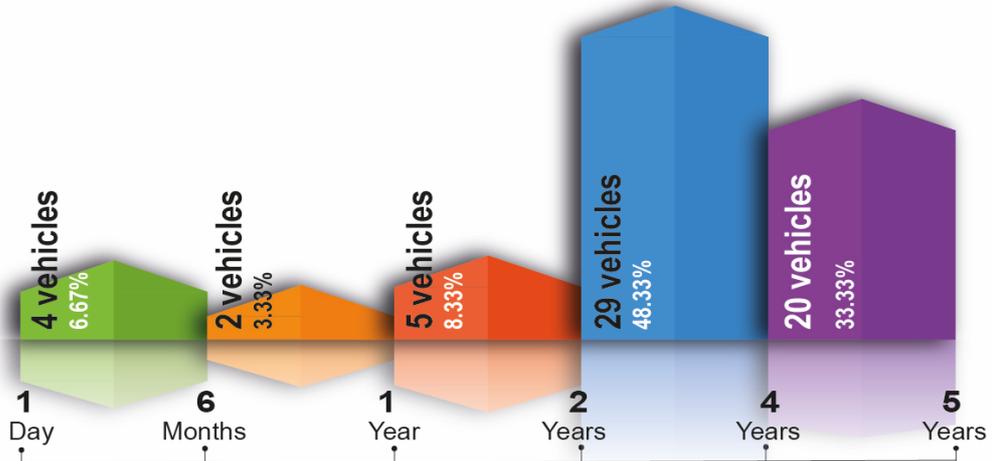
**[B] Goods Carriages other than multi-axle:** Audit analysed the ‘Main Permit Valid report’ generated from VAHAN in respect of selected Regional Transport Offices and noticed that validity period of national permits in respect of 970 goods carriage vehicles<sup>19</sup> (other than multi-axle) exceeded the period of twelve years from the date of vehicle registration. It was further seen that period of twelve years from the date of vehicle registration had already expired in case of 37 goods carriage vehicles<sup>20</sup> even prior to start of validity of national permit, indicating that national permits in these cases were issued to the vehicles which had already exceed the permitted age of twelve years.

<sup>19</sup> Jalandhar: 349 and Patiala: 621

<sup>20</sup> Jalandhar: 32 and Patiala: 5

Audit test checked a sample of 60 goods carriages<sup>21</sup> and observed (November and December 2024) that the validity period of national permits for these goods vehicles had exceeded by an average of 1,127 days, with a maximum of 1,823 days after twelve years of vehicle registration. The period of permits exceeding beyond 12 years of vehicle registrations is shown in **Chart 2.5**.

**Chart 2.5: Permits exceeding 12 years of vehicle registrations**



It was further seen from the vehicle history of above vehicles that the national permits of only two goods carriages were surrendered in September 2024 and November 2024. Thus, grant or renewal of national permit with validity exceeding twelve years from the date of registration of goods carriage vehicles (other than multi-axle) was in violation of the rules. Audit opines that VAHAN system should have adequate validation checks and controls to implement provisions of motor vehicle rules efficiently. In case of goods carriage vehicles (other than multi-axle) exceed 12 years of age, the permits shall not be allowed to be issued or renewed. Further, in case where goods carriage owners fail to replace the vehicle after 12 years of age of vehicle, the permits shall be invalidated in the system automatically in terms of Rule 88(3) of Central Motor Vehicles Rules, 1989.

On being pointed out, the Department replied (April 2025) that matter regarding deemed invalidation of permit on completion of maximum has been raised with the Ministry of Road Transport and Highways of India/National Informatics Centre.

[C] **Tourist permits:** Rule 82(2)(a) of the Central Motor Vehicles Rules, 1989 and Rule 11 of the Motor Vehicles (All India Permit for Tourist Transport Operators) Rules, 1993 provide that a tourist permit shall be deemed to be invalid from the date on which the motor vehicle covered by the permit completes nine years in the case of motor cab and eight years where the motor vehicle is other than a motor cab, unless the motor vehicle is replaced. The

<sup>21</sup> 30 each in Jalandhar and Patiala

period of nine or eight years shall be computed from the date of initial registration of the tourist vehicle concerned.

Rule 4(5) of the All-India Tourist Vehicles (Authorisation or Permit) Rules, 2021 which superseded the Motor Vehicles (All India Permit for Tourist Transport Operators) Rules, 1993 effective from 1 April 2021, provides that permit shall not be granted to a tourist vehicle after the completion of twelve years from the date of first registration of the vehicle. Subsequently, All India Tourist Vehicles (Authorisation or Permit) Rules, 2021 was superseded by All India Tourist Vehicles (Permit) Rules, 2023 in April 2023 effective from 1 May 2023, which also maintained the provision of twelve years.

Audit analysed the ‘Main Permit Valid Report’ generated from VAHAN in respect of State Transport Authority and noticed (January 2025) that 89 permits as detailed in **Table 2.3** were issued beyond permissible period.

**Table 2.3: Issue of tourist permits beyond permissible period of registrations**

Permissible period	No of permits exceeding permissible period	Beyond permissible period		
		Time Range	Permits	Per cent
12 years from registration	43	Up to 3 months	22	51.16
		Above 3 months and up to 6 months	12	27.91
		Above 6 months and up to 1 year	6	13.95
		Beyond 1 year	3	6.98
9 years from registration	37	Up to 3 months	34	91.89
		Above 3 months and up to 1 year	2	5.41
		Beyond 1 year	1	2.70
8 years from registration	9	Up to 3 months	1	11.11
		Above 3 months and up to 1 year	1	11.11
		Beyond 1 year	7	77.78
<b>Total</b>	<b>89</b>			

Grant of permits to tourist vehicles beyond permissible period was in contravention of the rules.

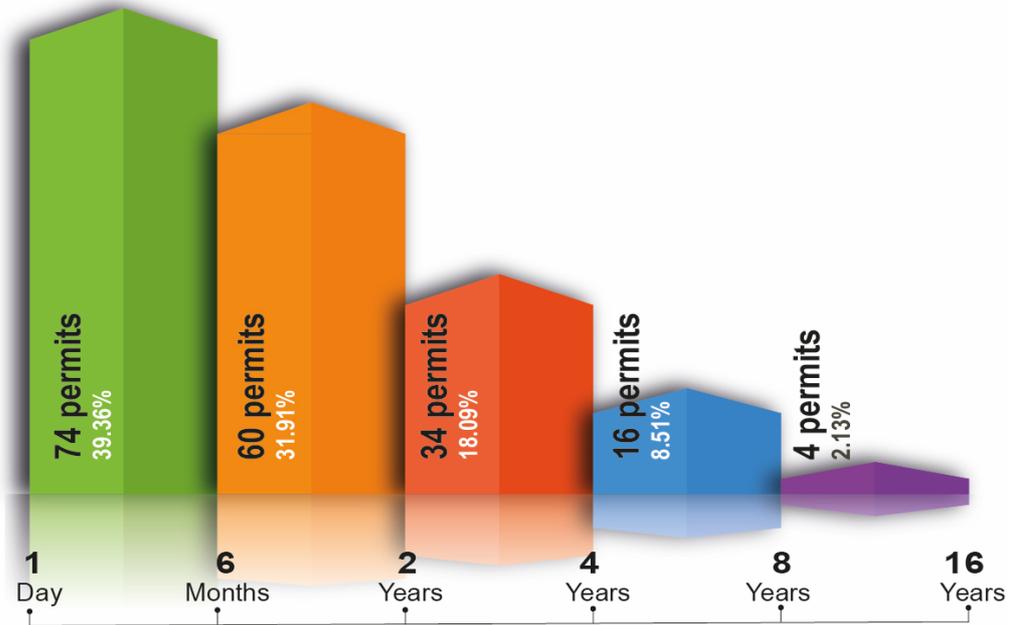
On being pointed out, the Department replied (April 2025) that matter regarding deemed invalidation of permit on completion of maximum permissible period has been raised with the Ministry of Road Transport and Highways of India/National Informatics Centre.

**[D] Motor cabs, maxi cabs and three-wheeler-auto rickshaws permits:** As per Rule 68C of the Punjab Motor Vehicle Rules, 1989, the maximum period for operation of transport vehicles under the category of motor cabs (taxis), maxi cabs, and three-wheeler-auto rickshaws is fifteen years.

Audit analysed the ‘Main Permit Valid Report’ generated from VAHAN for sample Regional Transport Offices and noticed (July to November 2024) that in 188 cases, the validity of permits exceeded beyond 15 years from the date of registration. The average time beyond 15 years in these cases was 572 days,

with a maximum of 5,721 days. A graphical presentation for permits exceeding 15 years from the dates of registrations is shown in **Chart 2.6**.

**Chart 2.6 Permits exceeding 15 years from the date of registration**



Out of above, 12 cases were such cases where permit was issued after expiry of the registration validity period. Thus, grant or renewal of permits beyond permissible period was in violation of motor vehicle rules and at the same time, the VAHAN system also failed to validate the age of the vehicles at the time of grant or renewal of permits.

On being pointed out, the Department replied (April 2025) that the required validation had been implemented in VAHAN 4.0. Besides this, instructions have been issued to concerned RTOs to cancel the permit as per rules.

#### **2.7.1.7 Grant or renewal of permits without valid fitness certificates**

As per conditions prescribed under Section 84(a) of the Motor Vehicles Act, 1988, a vehicle shall carry valid certificate of fitness to which permit relates.

Audit analysed the ‘Permit Issued Report’ and ‘Fitness Expired Report’ generated from VAHAN in respect of sample Regional Transport Offices for the period from 2019-20 to 2023-24 and noticed (August 2024) that eight motor vehicles under RTO Patiala were issued permits, whose fitness certificates had already expired prior to the date of issue of permits. Thus, grant or renewal of permits in respect of vehicles whose fitness certificate had expired, was not in harmony with the provisions of the Act. At the same time, the VAHAN system was deficient in validating this aspect at the time of grant or renewal of permits.

On being pointed out, the Department replied (April 2025) that matter would be taken up with National Informatics Centre to make necessary provisions in the VAHAN to ensure that issue or renewal of permit is granted with valid fitness

certificate. Besides, an enquiry has been marked and disciplinary action would be taken against the delinquent officials.

### **2.7.1.8 Not applying for permits for newly registered transport vehicles**

Section 66(1) of the Motor Vehicles Act, 1988 provides that no owner of a motor vehicle, except category of vehicles<sup>22</sup> mentioned under Section 66(3) of the Act, shall use or permit the use of the vehicle as a transport vehicle in any public place. Further, plying a vehicle without permit is punishable offence under Section 192A of the Act. The first offence is punishable with a fine and imprisonment for a term which may extend to six months. The subsequent offence is punishable with imprisonment which may extend to one year but shall not be less than six months or with fine or both.

Rule 67 and Rule 68 of the Punjab Motor Vehicles Rules, 1989, provide for payment of application fee and permit fee at the prescribed rates<sup>23</sup> for the issue of various categories of transport vehicles.

Audit analysed the 'Registered Vehicles Without Permit' downloaded from the VAHAN for the period 2019-20 to 2023-24 in respect of selected Regional Transport Offices and State Transport Authority and noticed that owners of 1,028 transport vehicles<sup>24</sup> had not applied for permits after the registration of vehicles.

Audit test checked the vehicle history of 90 sample vehicles<sup>25</sup> and observed that the owners of 81 vehicles<sup>26</sup> had not applied for permits even after an average gap of 934 days, with a maximum of 1,940 days from the date of their registrations. The revenue implication on account of not payment of permit fee and application fee in these cases was ₹ 3.76 lakh<sup>27</sup>.

Further analysis of a sample of 90 vehicles showed that motor vehicle tax was paid by owner of 37 vehicles at the time of registration and owner of 44 vehicles paid the taxes continuously after the registration. The deposit of motor vehicle tax by the owners of these vehicles indicated that the vehicles were put to use without having mandatory permits. Not applying for mandatory permits by the owners of transport vehicles was indicative of inefficient monitoring and enforcement by the Department.

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<sup>22</sup> Vehicles owned by Central Government, State Government and used for Government purposes unconnected with any commercial enterprise, transport vehicle owned by local authority, transport vehicle used solely for police, fire brigade, ambulance, conveyance of corpses and the mourners, any goods vehicle the gross vehicle weight of which does not exceed 3,000 kgs etc. Further, e-carts and e-rickshaws used for the purpose of carriage of goods and passengers are also exempt from the requirement of permit.

<sup>23</sup> **Stage carriage big bus:** Application fee ₹ 10,000 and Permit fee ₹ 5,000; **Goods carriage:** Application fee ₹ 200 and Permit fee ₹ 2,700; **Mini-bus:** Application fee ₹ 1,500 and Permit fee ₹ 3,750; **Maxi cab:** Application fee ₹ 400 and Permit fee ₹ 4,000; **Motor cab:** Application fee ₹ 200 and Permit fee ₹ 4,000; **Three-wheeler auto rickshaw:** Application fee ₹ 100 and Permit fee ₹ 1,500.

<sup>24</sup> Jalandhar: 266, Patiala: 376 and STA: 386

<sup>25</sup> 30 each in Jalandhar, Patiala and STA

<sup>26</sup> Jalandhar: 25, Patiala: 28 and STA: 28

<sup>27</sup> Jalandhar: ₹ 1.12 lakh, Patiala: ₹ 1.46 lakh and STA: ₹ 1.18 lakh

Besides this, to ascertain the efficacy of enforcement mechanism, Audit analysed the records of 4,431 challans<sup>28</sup> issued during the period 2019-20 to 2023-24 by one RTO and two RTAs for various violations and noticed that out of 81 sampled vehicles, only one vehicle<sup>29</sup> was issued challan for carrying passengers without having permit.

On being pointed out, the Department replied (April 2025) that they were working on creating a module with the help of National Informatics Centre to award permit certificate prior to issue of registration certificate.

#### **2.7.1.9 Not renewing of permits of transport vehicles**

Section 81 of the Motor Vehicles Act, 1988 provides that a permit remains valid for five years from the date of issue or renewal thereof, and Rule 80(3) of the Punjab Motor Vehicles Rules, 1989 requires that permit shall be surrendered within fourteen days after its expiry.

Audit cross examined the data of 'Permit Expired Report', 'Tax Paid Report' and 'PUCC Report' generated from VAHAN in respect of selected Regional Transport Offices and State Transport Authority for the period from 2019-20 to 2023-24 and noticed that out of 7,370 vehicles<sup>30</sup> with expired permits, 2,075 vehicles<sup>31</sup> had either paid motor vehicle tax or obtained Pollution Under Control Certificate after the expiry of permit indicating possibility of use of vehicles on road.

Audit test checked a sample of 90 vehicles<sup>32</sup> and observed (August 2024 to January 2025) from the vehicle history that owner of 63 vehicles<sup>33</sup> had either paid motor vehicle tax or obtained Pollution Under Control Certificate after expiry of permit. Plying of vehicles without permit was not only violation of motor vehicle rules but these cases also involved a revenue implication of ₹ 4.64 lakh<sup>34</sup> on account of not-payment of permit renewal fee.

To ascertain the efficacy of enforcement mechanism, Audit analysed the records of 4,431 challans<sup>35</sup> issued during the period 2019-20 to 2023-24 by one RTO and two RTAs for various violations and noticed that none out of 90 sample vehicles was issued challan on account of this offense.

On being pointed out, the Department stated (April 2025) that the onus of renewal of permit lies on the permit holder. In case of delay, the Department charges penalty. However, National Informatics Centre has been requested to send reminder SMS to such permit holders.

<sup>28</sup> RTA Jalandhar: 1,866, RTA Patiala: 2,531 and RTO Jalandhar: 34

<sup>29</sup> Challan No. 222843 dated 28 June 2021 by RTA Patiala

<sup>30</sup> Jalandhar: 2,328, Patiala: 2,387 and STA: 2,655

<sup>31</sup> Jalandhar: 622, Patiala: 514 and STA: 939

<sup>32</sup> 30 each in Jalandhar, Patiala and STA

<sup>33</sup> Jalandhar: 17, Patiala: 24 and STA: 22

<sup>34</sup> Jalandhar: ₹ 1.60 lakh, Patiala: ₹ 1.67 lakh and STA: ₹ 1.37 lakh

<sup>35</sup> RTA Jalandhar: 1,866, RTA Patiala: 2,531 and RTO Jalandhar: 34

### **2.7.1.10 Manual processing of permits out of VAHAN system**

VAHAN is a flagship application under the e-Transport Mission Mode Project, related to vehicle registration, permit, taxation, fitness and allied processes. Further, VAHAN is a centralised, web enabled application, facilitating easy web-based access to all RTOs, dealers, citizens, transporters and various other stakeholders, while configurability of the application allows addressing the State specific customisations.

During scrutiny of records of Regional Transport Authorities of Patiala and Jalandhar for the period 2019-20 to 2023-24, it was noticed (January 2025) that the stage carriage permits were granted to the operators manually out of VAHAN system, thereby not harnessing the benefits of VAHAN besides unavailability of electronic services to the stage carriage operators for permits. The manual processing of permits, instead of leveraging VAHAN portal undermines the potential benefits of digitalisation in streamlining operations and improving public service delivery.

On being pointed out, the Department assured (April 2025) that it would make necessary coordination with the State Transport Undertaking and other States to check the modalities keeping in view the complexity of operations and involvement of various players.

### **2.7.2 Licenses**

A driver's license is an official government-issued document that grants a person the legal authority to operate a motor vehicle on public roads. It serves as both proof of identity and permission to drive. Audit findings on discrepancies in issue of licenses are discussed in the sub-paragraphs below.

#### **2.7.2.1 Discrepancies in the issue of learner's licences**

Rule 4 of the Central Motor Vehicles Rules, 1989 provides that every applicant for the issue of a licence shall produce as evidence of his address and age documents in original or relevant extracts thereof duly self-attested.

Rule 5(1) of the Central Motor Vehicles Rules, 1989 provides that every application for the issue of a learner's licence or a driving licence or for making addition of another class or description of a motor vehicle to a driving licence or for renewal of a driving licence to drive a vehicle other than a transport vehicle shall include a self-declaration for physical fitness. In the case of transport vehicles, every such application shall be accompanied by a medical certificate issued electronically on the portal by a registered medical practitioner. The medical certificate includes applicant's colour vision to examine colour blindness.

Audit analysed a sample of 120 cases<sup>36</sup> of learner's licences from the 'MIS Reports on Applications' downloaded from the SARATHI portal in respect of

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<sup>36</sup> 30 learner's licences each in selected RTOs

selected four Regional Transport Offices for the period 2019-20 to 2023-24 and noticed (August to December 2024) the following discrepancies in test checked cases:

- In 17 cases (14.17 *per cent*) under four RTOs<sup>37</sup>, evidence of address and age was not available on records.
- 30 applicants (25.00 *per cent*) under two RTOs<sup>38</sup> did not fill in details in self-declaration form for physical fitness and in one case (0.83 *per cent*) of Patiala<sup>39</sup>, self-declaration form was not available on records.
- In four cases (3.33 *per cent*) under two RTOs<sup>40</sup>, the required electronic medical certificate for the issue of transport driving licence was not available. However, these applications were accompanied with manually issued medical certificates but required vision test certificate was not included in the certificates.
- In one case (0.83 *per cent*) under RTO Pathankot<sup>41</sup>, the medical certificate was not available on records.
- In four cases (3.33 *per cent*) of transport vehicles under RTO Jalandhar<sup>42</sup>, the medical certificate was not signed by the registered medical practitioner.

On being pointed out, the Department replied (April 2025) that issue regarding evidence of address and age has been resolved for future as Aadhar-based seeding of learning license applications has been implemented. Further, the matter regarding electronic generation of medical certificates for learning licenses has been taken up with the National Informatics Centre. Additionally, instructions have been issued to the RTOs concerned to obtain necessary documents where deficiencies exist.

### 2.7.2.2 Discrepancies in the issue of fresh driving licenses

Rule 14(1) of the Central Motor Vehicles Rules, 1989 inter-alia provides that an application for a driving license shall be made in prescribed form and shall be accompanied by an effective learner's licence to drive the vehicle of the type to which the application relates. The timeline for issue of driving licence was seven working days as notified by Department of Governance Reforms, Government of Punjab in February 2019.

Audit analysed a sample of 120 cases<sup>43</sup> of driving licences from the 'MIS Reports on Applications' downloaded from the SARATHI portal in respect of selected four Regional Transport Offices for the period 2019-20 to 2023-24 and

<sup>37</sup> Jalandhar: 6, Pathankot: 7, Patiala: 3 and Ropar: 1

<sup>38</sup> Patiala: 15 and Ropar: 15

<sup>39</sup> Application No. 856185220 dated 27 February 2020

<sup>40</sup> RTO Patiala: 3 (Application No. 1290744123, 3811845322 and 4563578123) and RTO Ropar: 1 (Application No. 477013924)

<sup>41</sup> Application No. 4043447323 dated 20 October 2023

<sup>42</sup> RTO Jalandhar-Application No. 1808585119, 1932558220, 2631178319 and 2849493220

<sup>43</sup> 30 applications each in selected RTOs

noticed (August 2024 to January 2025) following discrepancies in test checked cases:

- In 89 cases (74.16 *per cent*) under three RTOs<sup>44</sup>, self-declaration on physical fitness was not submitted.
- In seven cases (5.83 *per cent*) under two RTOs<sup>45</sup>, the learning licences had already expired prior to the date of submission of applications for grant of regular driving licences.
- In 60 cases (50.00 *per cent*) under four RTOs<sup>46</sup>, there was delay in issue of licences after stipulated time of seven working days. In these cases, average delay was 53 days, with a maximum delay of 980 days as detailed in **Table 2.4**.

**Table 2.4: Delay in issue of licences**

Delay range	Number of licences
Up to 1 month	42
1 - 3 months	15
Beyond 3 months	3

On being pointed out, the Department replied (April 2025) that instructions have been issued to concerned RTOs to obtain necessary deficient documents. In respect of application for regular driving licenses after expiry of learning licenses, the Department stated that system has already necessary checks to ensure submission of applications within stipulated period. The Department further informed that regular monitoring of pendency of driving licenses was being done at Headquarters level and modalities for deemed approval were being worked out to facilitate the citizens.

The reply of the Department about application for regular driving licenses after expiry of learning licenses was not in line with the facts presented by the audit, wherein applications were made beyond the validity of learning licenses.

### **2.7.2.3 Discrepancies in the renewal of driving licences**

Rule 18(1) of the Central Motor Vehicles Rules, 1989 provides that an application for the renewal of a driving licence shall be accompanied by appropriate fee, applicant's recent passport size photograph, expiring driving licence, medical certificate in case of applicant has attained the age of forty years or medical certificate in electronic form on portal in case of transport vehicle, and certificate of fuel efficient driving training in case of heavy goods or heavy passenger motor vehicle. The time prescribed for renewal of a driving licence is seven days as per notification issued on 5 February 2019 by the Department of Governance Reforms, Government of Punjab.

<sup>44</sup> Jalandhar: 29, Patiala: 30 and Ropar: 30

<sup>45</sup> Pathankot: 1 and Ropar: 6

<sup>46</sup> Jalandhar: 19, Pathankot: 14, Patiala: 15 and Ropar: 12

Audit analysed a sample of 120 cases<sup>47</sup> of renewal of licences from the ‘MIS Reports on Applications’ downloaded from the SARATHI portal in respect of selected four Regional Transport Offices for the period 2019-20 to 2023-24 and noticed (August 2024 to February 2025) following discrepancies in the test checked cases:

- One<sup>48</sup> application (0.83 per cent) under RTO Ropar was not signed by the applicant.
- Medical certificates in five cases (4.17 per cent) under three RTOs<sup>49</sup> were not available on record.
- Vision testing details in 32 cases (26.67 per cent) under three RTOs<sup>50</sup> were not available in the medical certificates.
- Physical fitness declarations in 69 cases (57.50 per cent) under three RTOs<sup>51</sup> were not provided by the applicants.
- There was a delay in 36 cases under four RTOs<sup>52</sup> in issue of licences after the stipulated period of seven working days. In these cases, average delay was 175 days, with a maximum delay of 1,506 days. The delays are detailed in **Table 2.5**.

**Table 2.5: Delay in issue of licences**

Delay range	Number of licences
Up to 1 month	21
1 - 3 months	10
Beyond 3 months	5

On being pointed out, the Department replied (April 2025) that instructions have been issued to RTOs to obtain necessary documents and the National Informatics Centre had been asked to develop a module for electronic generation of medical certificates. Regarding delay in dispatch of approvals, the Department stated that modalities of deemed approval are also being worked out, besides regular monitoring.

#### 2.7.2.4 Grant of driving licence to person already holding licence

Section 6(1) of the Motor Vehicles Act, 1988 provides that no person shall hold any driving licence for the time being in force, while he holds any other driving licence except a learner’s licence or a driving licence to drive motor vehicles belonging to the Central Government.

Audit analysed the ‘MIS Reports on Applications’ downloaded from the SARATHI portal in respect of selected four Regional Transport Offices for the

<sup>47</sup> 30 cases each in selected RTOs

<sup>48</sup> Application No. 3751160623 under RTO Ropar

<sup>49</sup> RTO Jalandhar: 1 (Application No. 3242898521); RTO Pathankot: 2 (Application No. 750600221 and 2297122720) and RTO Ropar: 2 (Application No. 2911324121 and 730975121)

<sup>50</sup> Pathankot: 17, Patiala: 1 and Ropar: 14

<sup>51</sup> Pathankot: 26, Patiala: 21 and Ropar: 22

<sup>52</sup> Jalandhar: 16, Pathankot: 3, Patiala: 13 and Ropar: 4

period 2019-20 to 2023-24 and noticed (September 2024 to February 2025) that driving licenses to 214 such persons<sup>53</sup> were issued, who were already holding driving licences. This was in contravention to the provisions of the Act and the SARATHI system was deficient in preventing the grant of driving licence to a person who was already holding another driving licence.

On being pointed out, the Department replied (April 2025) that the concerned RTOs have been instructed to remove the discrepancies highlighted by the Audit. The Department further replied that necessary validation checks were in place in the SARATHI software and now software does not accept such applications. However, the date of implementation of such validation checks was not informed to the Audit.

#### **2.7.2.5 Grant of conductor's licences**

Rule 22(1) of the Punjab Motor Vehicles Rules, 1989 provides that an application for the grant of a conductor's licence shall be accompanied by a medical certificate of fitness from a registered medical practitioner authorised by the State Transport Commissioner on the recommendations of the Chief Medical Officer of the district concerned. Further, Rule 22(3) provides that no person shall be eligible to make application for the grant of conductor's licence, unless he, *inter-alia* is a matriculate with Punjabi as one of the subject and gives satisfactory proof of his good character.

Audit analysed a sample of 60 cases<sup>54</sup> of grant of conductor's licences from the 'MIS Reports on Applications' downloaded from the SARATHI portal in respect of selected four Regional Transport Offices for the period 2019-20 to 2023-24 and noticed (August 2024 and February 2025) the following discrepancies in the test checked cases.

- In three<sup>55</sup> cases (5.00 *per cent*) under RTO Jalandhar, the applicants had not passed matriculation with Punjabi as one of the subjects.
- Medical certificate of fitness in one case (1.67 *per cent*) under RTO<sup>56</sup> Patiala was not available in records.
- Matriculation certificates in four cases (6.67 *per cent*) under two RTOs<sup>57</sup> were not available to ascertain their qualification.
- Character certificates in 40 cases (66.67 *per cent*) under two RTOs<sup>58</sup> were not available on records.

In exit conference, the Department replied that State Government was working on revamping the notification regarding use of only such medical certificates

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<sup>53</sup> Jalandhar: 22, Pathankot: 82, Patiala: 88 and Ropar: 22

<sup>54</sup> 30 cases each in Jalandhar and Patiala

<sup>55</sup> Application No. 949372421, 990985819 and 1643096218

<sup>56</sup> Application No. 1453490719 dated 22 May 2019

<sup>57</sup> RTO Jalandhar: Application No. 4161002421 and RTO Patiala: Application No. 3320950019, 4183512421 and 4733379122

<sup>58</sup> Jalandhar: 11 and Patiala: 29

which were issued by Government-run hospitals. Additionally, the Department stated (April 2025) that instructions have been issued to the concerned RTOs to obtain necessary documents from the applicants

#### **2.7.2.6 Not issuing of conductor's badge**

Rule 29(1) of the Punjab Motor Vehicles Rules, 1989 provides that the conductor of a stage carriage shall display a metal badge issued by the licencing authority, on his chest inscribed with the name of the licensing authority by whom the conductor's licence is granted and the word 'conductor' together with the identification number.

During the years 2019-20 to 2023-24, 2,961 conductor licenses under two RTOs were issued. Audit observed (August 2024 to December 2024) that badges were not issued in 2,879 cases under RTO Patiala. Further, the status of the remaining 82 cases under RTO Jalandhar could not be ascertained as no reply was furnished to audit though called for.

On being pointed out, the Department replied (April 2025) that the matter has been taken up with the National Informatics Centre to incorporate Conductor's badge service in Conductor's Licenses. Further, instructions have been issued to the concerned RTOs to ensure compliance with the points highlighted by the Audit.

#### **2.7.2.7 Grant of driving school licences**

Rule 24(1) of the Central Motor Vehicles Rules, 1989 provides that no person shall establish or maintain any driving school or establishment for imparting instructions for hire or reward in driving motor vehicles without a licence granted by the licensing authority. Further, Rule 24(2) *ibid* provides that an application for the grant of a driving school licence shall be made in a prescribed form to the licensing authority having jurisdiction in the area in which the school or establishment is situated.

Rule 24(3)(viii) of the Central Motor Vehicles Rules, 1989 provides that licensee of driving school or any member of the staff employed by him for imparting instructions should possess the minimum educational qualification of 10<sup>th</sup> standard and minimum driving experience of five years in addition to a certificate in a course in motor mechanics or any other higher education in mechanical engineering from an institution established by the Central or a State Government or from an institution recognised by the board of technical education of a State Government.

Audit analysed the 'MIS Reports on Applications' downloaded from the SARATHI portal in respect of selected four Regional Transport Offices for the period 2019-20 to 2023-24 and noticed (August 2024 to February 2025) that

31 applications for driving school licences were approved under two RTOs<sup>59</sup>. Scrutiny of these cases revealed following discrepancies.

- In all cases, the applicants did not fill in vital particulars such as father's/husband's name, address, place of business, nature and extent of facilities available, qualifications of staff engaged for imparting instructions, make and model of engine to be used for training purposes, details of the registration of the vehicles used for imparting driving instructions and fee paid.
- 30 applicants<sup>60</sup> did not sign their applications.
- Proof of minimum educational qualification of 10<sup>th</sup> standard was not available in 27 applications.
- Proof of driving experience was not available in 26 applications<sup>61</sup>.

On being pointed out, the Department stated (April 2025) that necessary instructions have been issued to the concerned RTOs to obtain the relevant documents and disciplinary action would be taken for lapses in monitoring the functioning of driving schools' licenses.

#### **2.7.2.8 Endorsement in driving licences to drive another class of vehicle**

Rule 5(1) of the Central Motor Vehicles Rules, 1989 provides that every application for making addition of another class or description of a motor vehicle to a driving licence shall include a self-declaration for physical fitness or a medical certificate issued electronically<sup>62</sup> on the portal by a registered medical practitioner in case of transport vehicle. Further, Rule 17(1) provides that such application shall be accompanied by applicable fee, an effective learner's licence, driving licence and driving certificate in case of an application for addition of a transport vehicle excluding e-rickshaw or e-cart.

Audit analysed a sample of 120 cases<sup>63</sup> of endorsement in driving licences from the 'MIS Reports on Applications' downloaded from the SARATHI portal in respect of selected four Regional Transport Offices for the period 2019-20 to 2023-24 and noticed (August 2024 to February 2025) following discrepancies in the test checked cases.

- In two cases (1.67 *per cent*) under two RTOs<sup>64</sup>, the learner's licences had already expired prior to submission of application for endorsement.

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<sup>59</sup> RTO Jalandhar: 25 and RTO Patiala: 6

<sup>60</sup> RTO Jalandhar: 25 and RTO Patiala: 5

<sup>61</sup> RTO Jalandhar: 25 and RTO Patiala: 1

<sup>62</sup> Notification no. G.S.R. 240(E) dated 31 March 2021 (effective from 1 April 2021)

<sup>63</sup> 30 cases each in selected RTOs

<sup>64</sup> Application No. 104996321 dated 7 January 2021 under RTO Patiala: Learner's licence expired (19 August 2020) prior to submission of application (7 January 2021) and Application No. 3150447820 dated 29 October 2020 under RTO Ropar: Learner's licence expired (27 August 2020) prior to submission of application (29 October 2020)

- Medical certificates in 52 cases (43.33 per cent) under three RTOs<sup>65</sup> were not available on records.
- Driving certificates in 60 cases (50.00 per cent) under three RTOs<sup>66</sup> were not available on records.
- Self-declaration for physical fitness in 52 cases (43.33 per cent) under three RTOs<sup>67</sup> was not provided by the applicants.

The Department further stated (April 2025) that two cases of expired licenses were from the year 2020-21 and at present, necessary checks are in place in the SARATHI software to ensure that applications for regular license are not received beyond stipulated time. The Department also stated that instructions have been issued to the concerned RTOs to remove the discrepancies highlighted by the Audit.

### **2.7.2.9 Endorsement in driving licences for carrying goods of dangerous or hazardous nature to human life**

Rule 9(1) of the Central Motor Vehicles Rules, 1989 provides that any person driving a goods carriage carrying goods of dangerous or hazardous nature to human life shall, in addition to being the holder of a driving licence to drive a transport vehicle, inter-alia also possess a certificate of having successfully passed a three-days course connected with the transport of such goods at any institute recognised by the State Government.

Audit observed (December 2024) that no institute was authorised in the State of Punjab to provide training to the applicants desirous of obtaining a license to drive a goods carriage carrying goods of dangerous or hazardous nature to human life.

In exit conference (February 2025), the Department stated that it was contemplating to get the State Government-run institutions to provide training to drivers regarding the transportation of goods carriage carrying hazardous materials. The Department also stated (April 2025) that the matter had already been taken up with the Government for recognition of institutes for providing course to drivers carrying goods of dangerous or hazardous nature. Besides, the Punjab Pollution Control Board would be consulted in framing the policy.

### **2.7.2.10 Shortcomings in the automated tracks for driving test**

In the State of Punjab, automated tracks are under operation to conduct driving tests for the applicants desirous of obtaining a driver's licence. Such competency test is required to be conducted as per provisions of Rule 15 of the Central Motor Vehicles Rules, 1989.

It was seen in audit that there were four automated tracks for conducting driving tests in the selected RTOs. Joint inspections for these four automated tracks

<sup>65</sup> Jalandhar: 23, Patiala: 25 and Ropar: 4

<sup>66</sup> Jalandhar: 30, Patiala: 26 and Ropar: 4

<sup>67</sup> Pathankot: 13, Patiala: 17 and Ropar: 22

were conducted<sup>68</sup> by Audit between August and November 2024, which brought out following issues requiring attention of the Department for efficient and correct driving tests.

- Radio frequency identification readers were not available at the automated tracks to automatically track vehicle's movements and identify the driver during the test.
- Face recognition cameras were not installed at automated tracks to match the person taking driving test with the applicant.
- Video facilities for the guidance of applicants taking driving test were not available, however, charts and pictures were displayed at the automated tracks for the applicants to understand the driving test procedure.
- Track surface markings such as lines and arrows had faded.
- There was lack of cleanliness on the automated tracks.
- Driving tests on automated tracks under two RTOs<sup>69</sup> were not monitored by the Motor Vehicles Inspectors.
- Automated tracks under three RTOs<sup>70</sup> were damaged and had weeds grown over the surface.

On being pointed out, the Department replied (April 2025) that agreement of the vendor managing driving test tracks has been terminated. Further, Harnessing Automated Monitoring System will be implemented as a pilot project at the Automated Driving Test Track in Mohali to enhance transparency, accuracy, efficiency and eliminate human intervention in the driving test process through artificial intelligence (AI) and smart video analytics. To facilitate a better understanding of the test process, the Department stated that video displays would be installed. Moreover, recarpeting of the track and road markings have been carried out by PWD to ensure proper infrastructure.

#### **2.7.2.11 Absence of training for e-rickshaw or e-cart drivers**

Rule 8-A of the Central Motor Vehicles Rules, 1989 provides that every applicant for obtaining a license to drive e-rickshaw or e-cart shall undergo training for at least ten days and obtain a certificate of training from authorised institute. The curriculum for such training shall be prescribed by the State Government.

Audit observed (December 2024) that no institute was authorised in the State of Punjab to provide training to the applicants desirous of obtaining a license to drive e-rickshaw or e-cart. However, in three RTOs, it was seen that 160 such

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<sup>68</sup> Jalandhar: 11 September 2024, Pathankot: 7 November 2024, Patiala: 23 August 2024 and Ropar: 24 September 2024

<sup>69</sup> Pathankot and Patiala

<sup>70</sup> Jalandhar, Pathankot and Patiala

licenses were issued<sup>71</sup> to the applicants without undergoing the mandatory training required under the rules.

On being pointed out, the Department replied (April 2025) that it was coordinating with neighbouring states and the syllabus for imparting instruction in the driving of e-Rickshaw and e-Cart would be finalised and intimated to the Audit.

#### **2.7.2.12 Short realisation of fee on issuance and renewal of conductor's licences**

Section 30(5) of the Motor Vehicles Act, 1988 provides that fee for issue and renewal of a conductor's licence shall be one-half of that for a driving licence. The fee for issue and renewal of a driving licence has been fixed at the rate of ₹ 200 under Rule 32 of the Central Motor Vehicles Rules, 1989. As such, a fee of ₹ 100 is applicable for issue and renewal of a conductor's licence.

Audit analysed a sample of 121 cases (60 cases<sup>72</sup> for issue and 61 cases<sup>73</sup> for renewal of conductor's licence) from the 'MIS Reports on Applications' downloaded from the SARATHI portal in respect of selected four Regional Transport Offices for the period 2019-20 to 2023-24 and noticed (January and February 2025) that the RTOs had charged fee at the rate of ₹ 50 for issue and renewal of conductor's licence against the applicable rate of ₹ 100 resulting in short realisation of fee of ₹ 6,050.

On being pointed out, the Department replied (April 2025) that the National Informatics Centre has been requested to update the rates and instructions have been issued to the concerned RTOs for recovery of the pending dues.

#### **2.7.3 Levy and collection of motor vehicle tax**

Tax on motor vehicles is one of the sources of tax revenue receipts of the State. The audit findings related to levy and collection of motor vehicle tax have been discussed in the succeeding sub-paragraphs.

##### **2.7.3.1 Not/short realisation of motor vehicle tax**

Section 3 of the Punjab Motor Vehicles Taxation Act, 1924 as amended by the Punjab Motor Vehicles Taxation (Amendment Act) 2007, provides for imposition of annual tax on every motor vehicle and empowers the State Government to fix the rates of motor vehicle tax. Further, in accordance with Section 3(iii) of the Punjab Social Security Act, 2018, a Social Security Surcharge at a rate of ten *per cent* on the tax for transportation vehicles is also leviable<sup>74</sup>. The rates of motor vehicle taxes applicable to different categories of vehicles are detailed in **Appendix 2.1**.

<sup>71</sup> RTO Jalandhar: 108; RTO Pathankot: 1 and RTO Patiala: 51

<sup>72</sup> Jalandhar: 30 and Patiala: 30

<sup>73</sup> Jalandhar: 30, Patiala: 30 and Ropar: 1

<sup>74</sup> Notification No S.O./150/P.A.8/2018/S.3/2018 dated 22 October 2018

The Government of Punjab exempted<sup>75</sup> all types of transport vehicles from payment of motor vehicle tax from 23 March 2020 to 19 May 2020 on account of national lock down. Thereafter, an exemption<sup>76</sup> from payment of motor vehicle tax was allowed to all stage carriage buses, educational institutes and college buses, contract carriage vehicles (up to 16-seater) from 20 May 2020 to 31 December 2020. Buses registered under religious organisations were also exempted<sup>77</sup> from payment of motor vehicle tax from 23 March 2020 to 31 December 2020. Contract carriage (lesser than 16-seater) were exempted<sup>78</sup> from payment of motor vehicle tax from 1 April 2021 to 31 July 2021. Educational institutes/school/college and religious institute buses were further exempted<sup>79</sup> from payment of motor vehicle tax from 1 April 2021 to 31 October 2021. The stage carriage buses up to 2,500 allotted kilometres were given 100 *per cent* exemption<sup>80</sup> from payment of motor vehicle tax from 1 April 2021 to 31 July 2021.

Section 14-B of the Punjab Motor Vehicles Taxation Act, 1924 empowers any authorised officer of the Transport Department, not below the rank of Assistant District Transport Officer, to stop, seize and detain any vehicle for which tax due has not been paid.

Audit examination of sample 322 vehicles/operators under the selected RTOs for the period 2019-20 to 2023-24 revealed (August 2024 to February 2025) that motor vehicle tax of ₹ 55.99 crore was not realised from 221 vehicles/operators of various categories, as tax of only ₹ 109.80 crore was collected against the due tax of ₹ 165.79 crore<sup>81</sup>. A summary of unrealised motor vehicle tax is provided in **Table 2.6**.

**Table 2.6: Details of unrealised motor vehicle tax**

(₹ in crore)

Sr. No.	Category of vehicle	RTOs STA	Sample	Vehicles/Operators objected in Audit			
				No. of vehicle/ Operators	Amount due	Amount paid	Amount short paid
1.	Tourist Buses	One	30	30 <sup>82</sup>	2.97	0.90	2.07
2.	Maxi/Motor Cabs						
	Tourist Vehicles	One	30	19 <sup>83</sup>	0.02	0.01	0.01
	Contract Carriages	Four	65	33 <sup>84</sup>	0.06	0.02	0.04
3.	Goods Carriages	Three	84	59 <sup>85</sup>	0.41	0.24	0.17

<sup>75</sup> Notification No. 3/2/2011-2T2/589 dated 2 June 2020

<sup>76</sup> Notification No. 3/2/2011-2T2/1393 dated 15 December 2020 and 3/2/2011-2T2/1540 dated 29 December 2021

<sup>77</sup> Notification No. 3/2/2011-2T2/1540 dated 29 December 2021

<sup>78</sup> Notification No. 3/2/2011-2T2/1545 dated 29 December 2021

<sup>79</sup> Notification No. 3/2/2011-2T2/1545 dated 29 December 2021

<sup>80</sup> Notification No. 3/2/2011-2T2/1550 dated 29 December 2021

<sup>81</sup> Including Social Security Surcharge

<sup>82</sup> STA: 30 operators

<sup>83</sup> STA: 19 operators

<sup>84</sup> **Jalandhar:** 3 operators, **Pathankot:** 2 operators and **Patiala:** 28 operators

<sup>85</sup> **Jalandhar:** 30 operators and **Patiala:** 29 operators

(₹ in crore)

Sr. No.	Category of vehicle	RTOs STA	Sample	Vehicles/Operators objected in Audit			
				No. of vehicle/ Operators	Amount due	Amount paid	Amount short paid
4.	Private Service Vehicles	Three	61	48 <sup>86</sup>	0.41	0.19	0.22
5.	Stage Carriages <sup>87</sup>						
	Big Buses	Two	51	31 <sup>88</sup>	161.06	107.72	53.34
	Mini Buses	One	1	1 <sup>89</sup>	0.86	0.72	0.14
<b>Total</b>			<b>322</b>	<b>221</b>	<b>165.79</b>	<b>109.80</b>	<b>55.99</b>

To ascertain the efficacy of enforcement mechanism, Audit analysed 4,431 challans<sup>90</sup> issued during the period 2019-20 to 2023-24 by one RTO and two RTAs for various violations and noticed that RTA Jalandhar had issued challans to four<sup>91</sup> vehicles for not-payment of motor vehicle tax.

On being pointed out, the Department replied (April 2025) that the concerned RTOs have been directed to recover the arrears. Besides this, messages will be triggered to the vehicle owners on their registered mobile numbers through the VAHAN portal to pay their dues and the Department is also focusing on strengthening the enforcement drive.

### 2.7.3.2 Short realisation of additional fee fixed for assigning registration marks of choice

Rule 42A of the Punjab Motor Vehicle Rules, 1989 provides that the Registering Authority shall assign a registration mark of choice to the owner of a motor vehicle on payment of such additional fee, as may be fixed by the Government. In October 2020, the Government notified<sup>92</sup> additional fee for registration marks of choice as ₹ 5,000 when obtained from same district, where vehicle owner resides or has place of business where the vehicle is normally kept and ₹ 10,000 when obtained from another district. The registration marks of choice are available through Government portal<sup>93</sup>.

Audit analysed a sample of 116 vehicles<sup>94</sup> from the 'Fancy/Advance Registration Fee Statement Report' downloaded from VAHAN in respect of four selected RTOs for the period from 2019-20 to 2023-24 and noticed (September 2024 to February 2025) that fee in respect of 76 vehicles<sup>95</sup> was paid at the rate of ₹ 5,000 instead of applicable rate of ₹ 10,000 at the time of

<sup>86</sup> Jalandhar: 19 operators; Pathankot: 1 operator and Patiala: 28 operators

<sup>87</sup> Data analysis of these vehicles with challan records could not be conducted due to not-mapping of permits with vehicles in VAHAN.

<sup>88</sup> Jalandhar: 15 and Patiala: 16

<sup>89</sup> Patiala: 1

<sup>90</sup> RTA Jalandhar: 1,866, RTA Patiala: 2,531 and RTO Jalandhar: 34

<sup>91</sup> Challan No. 287423 dated 16 August 2019; Challan No. 288538 dated 30 September 2021; Challan No. 255649 dated 17 February 2020; and Challan No. 255650 dated 17 February 2020

<sup>92</sup> Notification No. 10/51/2017-1T2/1163 dated 19 October 2020

<sup>93</sup> <https://fancy.parivahan.gov.in>

<sup>94</sup> Jalandhar: 30, Patiala: 30, Pathankot: 24 and Ropar: 32

<sup>95</sup> Jalandhar: 16, Patiala: 15, Pathankot: 17 and Ropar: 28

applying for registration mark of choice from another district. Thus, existing controls in VAHAN system were deficient which caused short realisation of fee amounting to ₹ 3.80 lakh.

On being pointed out, the Department replied (April 2025) that instructions have been issued to the RTOs for realisation of the pending amount. Besides this, the matter will be taken up with the National Informatics Centre for ensuring incorporation of necessary validation checks for the realisation of prescribed fee from the vehicles owners of other districts applying for a registration mark of choice in another district.

### **2.7.3.3 Interest not realised on delayed payments of tax**

Section 11A(1) of the Punjab Motor Vehicles Taxation Act, 1924 provides for charging simple interest at the rate of one and a half *per cent* per month on the outstanding tax amount following the due date of payment of tax until the actual date of payment. In case of stage carriages, the tax is payable<sup>96</sup> at the end of every month.

Audit observed (August 2024) in RTO Patiala that PEPSU Roadways Transport Corporation paid motor vehicle tax amounting to ₹ 89.07 crore of stage carriage buses pertaining to the period 2019-20 to 2023-24 with delay ranging between seven and 1,013 days. However, interest amounting to ₹ 16.63 crore due on account of delayed payment of motor vehicle tax was not realised by the RTO.

On being pointed out, RTO Patiala stated (August 2024) that efforts would be made for the recovery of interest after verifying the records.

### **2.7.4 Internal controls and monitoring mechanism**

Internal control and monitoring at various levels of governance enables the entity to identify key problems areas, constraints and managerial needs for improvement in the policy information, for effective allocation of resources. During this audit, deficiencies in internal controls and monitoring mechanism were noticed, which are discussed in the succeeding sub-paragraphs.

#### **2.7.4.1 Lack of monitoring of motor vehicle dealers**

The Department of Transport, Government of Punjab issued a notification<sup>97</sup> in July 2022 and authorised motor vehicle dealers having valid trade certificates to issue temporary or permanent registration certificates through VAHAN web portal as Special Registration Authorities while delivering the new motor vehicles to the purchaser at the time of first sale. As per terms and conditions at serial number 28 of notification, the motor vehicle dealers were required to submit a complete monthly report of new vehicles registered by them with relevant information on taxes, fees and any other charges deposited against each vehicle in office of the Registering Authority of his jurisdiction.

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<sup>96</sup> Order No. 2/46/08-1T2/6873 dated 26 September 2008

<sup>97</sup> Notification No. 10/14/2022-1T2/705 dated 12 July 2022

As per 'Dealer Valid Report' generated from VAHAN in February 2025, there were 261 motor vehicle dealers<sup>98</sup> under the jurisdiction of four selected Regional Transport Authorities. Audit observed (July 2024 to January 2025) that motor vehicle dealers under the jurisdiction of RTOs of Jalandhar, Patiala and Ropar did not submit monthly reports of vehicles registered by them to the RTOs during the period from July 2022 to March 2024. Further, it was seen that concerned RTOs did not pursue the matter with motor vehicle dealers to submit monthly reports showing lack of monitoring of the motor vehicle dealers. In absence of monthly reports from the dealers, reconciliations of taxes, fees and other charges paid by the dealer with IFMS receipts were not being done by the Department. Status of monitoring by RTO Pathankot of the motor vehicle dealers could not be ascertained in audit as the relevant information was not made available to audit.

In addition to above, every motor vehicle dealer shall undergo financial audits, technical audits, workflow audits, inspections, including tax/fees surprise checks and physical stock audits by the Registering Authority or any other empowered officer as per terms and conditions at serial number 29 of notification *ibid*. However, it was seen that no such audits were conducted by the RTOs Patiala and Ropar. Status of audit by RTO, Pathankot could not be ascertained because relevant information sought in February 2025 was not made available.

In exit conference (February 2025), the Department stated that action against defaulting motor vehicle dealers had already been initiated by blocking them on VAHAN portal. The Department further replied (April 2025) that necessary instructions have been issued to the RTOs for ensuring audits and monitoring of the motor vehicle dealers.

#### **2.7.4.2 Functioning of driving schools**

Rule 27 of the Central Motor Vehicles Rules, 1989 prescribes general conditions to be observed by licensed driving schools. According to these conditions, the driving schools are required to maintain records in respect of students admitted during a year. The rule also provides for inspection of driving schools by licensing authority, or any person authorised for this purpose.

Out of selected Regional Transport Offices, only Patiala and Jalandhar have driving schools. Audit observed (August 2024) that RTO Patiala did not conduct inspection of driving schools during the audited period falling under its jurisdiction showing lack of monitoring of the driving schools by the RTO. However, RTO Jalandhar did not provide any reply regarding monitoring of driving schools under its jurisdiction.

On being pointed out, RTOs Jalandhar and Patiala replied (August 2024) that appropriate instructions would be issued to the Motor Vehicles Inspectors for

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<sup>98</sup> Jalandhar: 63, Pathankot: 9, Patiala: 174 and Ropar: 15

ensuring periodic inspection of driving schools. The Department also issued instructions to all the RTO (April 2025) to conduct physical inspections of the driving schools.

#### **2.7.4.3 Lack of monitoring of collection and deposit of cow cess**

The cow cess was levied in Punjab under Section 7 of the Punjab Prohibition of Cow Slaughter Act, 1955, for the purpose of care and maintenance of uneconomic cows. The Department of Local Government, Government of Punjab, levied<sup>99</sup> cow cess at the rate of ₹ 200 on two wheelers and ₹ 1,000 on four-wheelers at the time of sale of new vehicle within the municipal limits of Municipal Corporations / Council Patiala, Pathankot and Ropar. Further, Local Government levied<sup>100</sup> cow cess of ₹ 1,000 on the sale of new four-wheeler vehicles within the municipal limits of Municipal Corporation, Jalandhar. As per these notifications, RTOs (erstwhile District Transport Officers) concerned were responsible for collection of cow cess and deposit it with the respective municipalities.

In the State of Punjab, motor vehicle dealers having valid trade certificates have been authorised<sup>101</sup> to collect the taxes and fees from the purchaser of vehicles and deposit in the treasury during registration of new vehicles.

Scrutiny of records in RTOs Jalandhar, Patiala and Ropar revealed (July to November 2024) that there was no monitoring mechanism in the Department to ensure that cow cess was being collected by the motor vehicle dealers during the sale of new vehicles and deposited with the respective municipalities.

On being pointed out, the Department stated (April 2025) that the matter had already been taken up with the Director, Local Government, Punjab and the National Informatics Centre to collect cow cess through the VAHAN portal. Besides this, RTOs have been directed to recover the amount of cow cess.

#### **2.7.4.4 Deficiencies in enforcement activities**

Effective enforcement activities act as deterrence for the violators of motor vehicle provisions and Regional Transport Authorities (RTAs) in the State of Punjab play a vital role in enforcing various provisions of motor vehicle acts. Irregularities in enforcement activities of the Department noticed during this Audit are discussed below.

**[A] Challans against overloading of vehicles:** A Supreme Court Committee on road safety issued directions to the States for suspending driver's licences for a minimum period of three months for violating loading limit of the vehicles. The Government of Punjab had also issued a notification in July 2022 to suspend

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<sup>99</sup> **Municipal Corporation, Patiala** vide Notification no. 14/118/14-5SS1/1399 dated 25 October 2016  
**Municipal Council, Ropar** vide Notification no. 16/41/2019-4SS3/286 dated 27 January 2020  
**Municipal Corporation, Pathankot** vide Notification number 14/118/14-5SS1/607 dated 15 June 2016

<sup>100</sup> Notification No. 14/118/14-5SS1/613 dated 15 June 2016

<sup>101</sup> Notification No. 10/14/2022-1T2/705 dated 12 July 2022

driver's licence for three months in case of overloading of vehicle apart from levy of fine.

In Regional Transport Authorities at Patiala and Jalandhar, 127 challans were issued during 2019-20 to 2023-24<sup>102</sup> against the overloading of vehicles. There was no record of the suspension of the driver's licences concerned in these cases. It was further seen that the quantum of overload was not mentioned in 69 challans and in case of 58 challans, quantum of overload was mentioned but weighing slip was not available on records.

**[B] Challans against over speeding of vehicles:** A Supreme Court Committee on road safety issued directions to the States for suspending driver's licences for a minimum period of three months for violating specified speed limits. The Government of Punjab had also issued a notification in July 2022 to suspend driver's licence for three months in case of over speeding of vehicle apart from levy of fine.

In two<sup>103</sup> cases, where challans were issued by Regional Transport Authority Patiala and Jalandhar in October 2023 and December 2019 respectively, against over speeding of vehicles, there was no record of suspension of driver's licence.

**[C] Miscellaneous issues:** Miscellaneous issues noticed in enforcement challans are mentioned below.

- In RTA Patiala, a challan at serial number 236157 of challan book of February 2020 was missing.
- In RTA Patiala, date of issue of challan was not mentioned in challan at serial number 391897 of challan book of October 2023.
- In 597 challans<sup>104</sup>, time of issue was not mentioned.
- In 28 challans<sup>105</sup>, place of issue was not mentioned.
- In 411 challans<sup>106</sup>, place of detention of vehicles was not mentioned such as nearest police station or in the premises of Government Department.
- In 173 enforcement challans<sup>107</sup>, amount of compounding fee was not mentioned.

On being pointed out, no response was furnished by the Government or the Department.

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<sup>102</sup> Excluding period from 27 October 2023 to 31 March 2024 in respect of RTA Patiala, as challan records for this period were not produced to Audit.

<sup>103</sup> RTA Jalandhar: Challan no. 282202 dated 5 December 2019 and RTA Patiala: Challan no. 391871 dated 13 October 2023

<sup>104</sup> Jalandhar: 245, Patiala: 352

<sup>105</sup> Jalandhar: 16, Patiala: 12

<sup>106</sup> Jalandhar: 177, Patiala: 234

<sup>107</sup> Jalandhar: 79, Patiala: 94

### 2.7.4.5 Delay in publication of notifications in the official e-gazette

The gazette published by a State Government is the legal newspaper of the State to disseminate the information regarding decisions of the State Government to the public.

During the years 2019-20 to 2020-24, the Department of Transport uploaded 65 notifications/orders on the Government web portal covering various matters on levy of motor vehicles tax, formulation of routes, administrative and regulatory matters, registration and scrapping of vehicles, etc. Audit scrutiny (October 2024) of these notifications revealed delays and shortcomings in publication of notifications in the official e-gazette.

- 50 notifications were issued with an average delay of 4 days, with a maximum of 34 days after their signing by the Administrative Secretary. The delays are detailed in **Table 2.7**.

**Table 2.7: Delay in issue of notifications**

Delay range	Number of notifications
Up to 7 days	36
Above 7 days and up to 14 days	13
Above 14 days	1

- 59 notifications were published with an average delay of 95 days, with a maximum of 568 days in the official e-gazette after the date of their issue. The delays are detailed in **Table 2.8**.

**Table 2.8: Delay in publication of notifications in e-gazette**

Delay range	Number of notifications
Up to 6 months	49
Above 6 months and up to 1 year	3
Beyond 1 year	7

- A notification regarding ‘one-time waiver of interest and penalty on motor vehicle tax on old vehicles scrapped at registered vehicles scrapping facility’ was issued<sup>108</sup> on 28 June 2023 with the validity of one year, but it was published in the official e-gazette on 12 July 2024 after the expiry of its validity period.
- In 47 notifications, the date of implementation of notification was not mentioned, whereas it is desirable that the date from which a notification becomes effective, should be specifically mentioned in the notification itself to avoid unnecessary litigation.

Publication of notifications/orders with delay and discrepancies was indicative of weak internal controls in the Department.

<sup>108</sup> Notification No. 3/2/2023-2T2/1119 dated 28 June 2023

On being pointed out, the Department replied (April 2025) that the audit observations has been noted for compliance in future.

#### **2.7.4.6 Missing controls in VAHAN to ensure applicable validity of Pollution Under Control Certificates**

Rule 115(7) of the Central Motor Vehicles Rules, 1989 provides that after the expiry of a period of one year from the date on which the motor vehicle was first registered, every vehicle shall carry a valid 'Pollution Under Control Certificate' issued by an agency authorised for this purpose by the State Government. The validity of the certificate shall be for six months. However, as per proviso to this Rule, the validity of the certificate shall be twelve months for the vehicles manufactured as per Bharat Stage-IV or Bharat Stage-VI norms.

Audit selected a sample of 150 vehicles out of 'PUC Certificate Report' generated from VAHAN portal for the year 2023-24 and examined the details of respective vehicles from the 'Motor Vehicle Register'. Audit analysis revealed (August 2024 to February 2025) that validity of Pollution Under Control Certificates issued to 43 vehicles belonging to Bharat Stage-IV/Bharat Stage-VI was six months instead of prescribed period of 12 months. Out of these, 23 vehicles<sup>109</sup> were manufactured as per Bharat Stage-IV norms and 20 vehicles<sup>110</sup> were manufactured as per Bharat Stage-VI norms. This shows that controls in the VAHAN system to ensure correct application of rules was missing.

On being pointed out, the Department stated (April 2025) that the National Informatics Centre has been requested to make necessary provision in the VAHAN software as per provisions of Rule 115(7) of the Central Motor Vehicles Rules.

## **2.8 Conclusion**

The Audit brought out deficiencies in the VAHAN system due to missing validation checks. It was seen that introduction of proper validation checks in the VAHAN system could have avoided non-compliance of motor vehicle rules, such as issue of vehicles registration certificates with duplicate vehicle chassis and engine numbers, issue of certificate of fitness to transport vehicles without clearing arrears of motor vehicle tax, grant of fresh or renewal of permits to transport vehicles beyond permissible period of vehicle's age, renewal of permits to transport vehicles without valid certificate of fitness, short levy of fee on registration marks of choice and issue of Pollution Under Control certificate for six months instead of applicable 12 months in case of Bharat-IV and Bharat-VI vehicles. Similarly, SARATHI system was deficient in preventing grant of driving licence in case of missing documents or to a person who was already holding another driving licence. These issues require attention

<sup>109</sup> Jalandhar: 4, Pathankot: 7, Patiala: 3, Ropar: 2 and STA: 7

<sup>110</sup> Jalandhar: 7, Patiala: 6, Ropar: 3 and STA: 4

of the Government and the Department to take corrective measures to make VAHAN and SARATHI system robust enough to enforce requirements of the motor vehicle laws.

In addition to above, issues of non-compliance by owners of vehicles were seen. These issues include not obtaining of permanent registration by vehicle owners after the expiry of temporary registration, not renewing of certificates of fitness for transport vehicles, not applying for permits in case of newly registered transport vehicles and not renewing of permits. These issues require pro-active action on the part of the Department to make owners of the vehicles compliant to motor vehicle rules.

Audit also observed inefficiencies and omissions on the part of the Department. These issues include delays in issue of vehicle registrations, discrepancies in processing of driver's and conductor's licences, deficiencies in automated driving test tracks, not monitoring of motor vehicle dealers and driving schools.

## **2.9 Recommendations**

1. The requirements of the motor vehicle rules may be ingrained in the VAHAN system by introducing validation checks to check following issues.
  - a. Prevent grant of permits to transport vehicles beyond permissible period of vehicle's age.
  - b. Prevent renewal of permits of transport vehicles without valid certificate of fitness.
  - c. Prevent short payment of fee by applicants in case of registration marks of choice.
  - d. Issue of Pollution Under Control certificates with applicable validity to the Bharat Stage-IV and Bharat Stage-VI vehicles.
2. Processing of vehicle registrations and driver's licences be completed in prescribed timeline for better service delivery.
3. Ensure compliance to the required training certificate for driver licences of e-rickshaw, e-cart, transportation of dangerous or hazardous goods.
4. Strengthen monitoring and enforcement mechanisms to ensure timely collection of motor vehicle taxes.
5. Equip the automated driving test tracks with the technologies required for conducting driving tests efficiently and in transparent manner.