



**PARLIAMENT OF INDIA  
RAJYA SABHA**

**REPORT OF THE SELECT COMMITTEE  
ON  
THE MOTOR VEHICLES (AMENDMENT) BILL, 2017**

*(PRESENTED TO THE RAJYA SABHA ON 22<sup>ND</sup> DECEMBER, 2017)*



**Rajya Sabha Secretariat, New Delhi  
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## COMPOSITION OF THE COMMITTEE

1. Dr. Vinay P. Sahasrabuddhe- *Chairman*

### MEMBERS

2. Shri Ajay Sancheti
3. Shri Shwait Malik
4. Shri Ram Vichar Netam
5. Shri P. Bhattacharya\*
6. Shri B.K. Hariprasad
7. Shri Pramod Tiwari
8. Shri Javed Ali Khan
9. Shri A. Navaneethakrishnan
10. Shri Manish Gupta
11. Shri Harivansh
12. Shri C.P. Narayanan
13. Shri Pratap Keshari Deb
14. Shri C. M. Ramesh
15. Shrimati Vandana Chavan
16. Shri Veer Singh
17. Smt. Kanimozhi
18. Shri Anil Desai
19. Shri Naresh Gujral
20. Shri Nazir Ahmed Laway
21. Shri Ram Kumar Kashyap
22. Shri Rajeev Chandrasekhar
23. Dr. Narendra Jadhav
24. Shri Swapan Dasgupta

### SECRETARIAT

Shri J.G. Negi, Joint Secretary  
Shri Swarabji B., Director  
Smt. Monica Baa, Additional Director  
Smt. Catherine John L., Under Secretary  
Smt. Anamika Das Bora, Committee Officer

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\*Ceased to be a Member *w.e.f.* 18.08.2017

**Representatives of the Ministry of Road Transport & Highways**

1. Shri Yudhvir Singh Malik, Secretary
2. Shri Abhay Damle, Joint Secretary
3. Shri Priyank Bharti, Director

**Representatives of the Ministry of Law and Justice (Department of Legal Affairs)**

1. Shri Suresh Chandra, Secretary
2. Shri S.R. Misra, Additional Secretary

**Representatives of the Ministry of Law and Justice (Legislative Department)**

1. Dr. G. Narayan Raju, Secretary
2. Dr. Reeta Vasishta, Additional Secretary
3. Shri R. Sreenivas, Additional Legislative Counsel

## INTRODUCTION

I, the Chairman of the Select Committee on Motor Vehicles (Amendment) Bill, 2017 having been authorized by the Committee to present the Report on its behalf, do hereby present this Report of the Committee on the Motor Vehicles (Amendment) Bill, 2017.

2. The Motor Vehicles (Amendment) Bill, 2016 was introduced in the Lok Sabha on the 9th August, 2016 further to amend the Motor Vehicles Act, 1988. It was passed in the Lok Sabha on the 10th of April, 2017. The Bill, as passed by the Lok Sabha and renamed as the Motor Vehicles (Amendment) Bill, 2017 was referred\* to the Select Committee comprising 24 Members of the Rajya Sabha on a motion adopted by the House on the 8th August, 2017 for examination of the Bill and report thereon to the Rajya Sabha by the first day of the next Session (Annexure I). Later on the time for presentation of report was extended upto 27<sup>th</sup> December, 2017.

3. For considering the Bill, the Committee examined and took note of the following documents/papers placed before it:-

- (a) The Motor Vehicles (Amendment) Bill, 2017 as passed by Lok Sabha on the 10th April, 2017;
- (b) Brief on the Bill furnished by the Ministry of Road Transport and Highways;
- (c) Information/papers on the Bill furnished by the Ministry of Law and Justice (Department of Legal Affairs and Legislative Department);
- (d) Memoranda furnished by some State Governments; and
- (e) Memoranda submitted by the Experts and other stakeholders

4. The Committee held ten sittings in all. The Committee also undertook a study visit to Chennai and Thiruvananthapuram to interact with the representatives of the State Governments and various unions and Associations.

5. The Committee in its first sitting held on the 21<sup>st</sup> August, 2017 deliberated upon the course of action and procedure for examination of the Bill. The Members also expressed their views and concerns on the provisions of the Bill. The Secretary, Ministry of Road Transport & Highways made a presentation on the provisions of the Bill and its implications. It was also decided that apart from seeking opinion of the concerned Ministries, the views of eminent experts and organizations should be taken for the consideration of the Committee. The Chairman thereafter sought names of the individuals and organizations on which the Committee wanted to take the views into consideration on the subject and directed that they be called for discussion in the subsequent meetings. The Committee received 65 memoranda from various stakeholders on the provisions of the Bill and three Members submitted their amendments to the Bill.

6. In its second sitting held on the 30<sup>th</sup> August, 2017, the Committee heard the views of Secretary, Ministry of Road Transport and Highways and Ministry of Law and Justice (Department of Legal Affairs and Legislative Department) on the impact of the Bill on

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\*Rajya Sabha Parliamentary Bulletin Part-II No 56945, dated 10<sup>th</sup> August, 2017.

Centre-State relations and the provisions of the Bill affecting the federal structure of the country along with other relevant issues. The Committee also sought clarifications on Section 66 A, sought to be inserted by Clause 29 of the Bill, wherein it has been proposed that a National Transportation Policy shall be framed by the Central Government in consultation with the States. It was clarified that this is a policy and not any permit scheme and thus it does not have the force of a statute. Members suggested that instead of ‘in consultation with the State’ ‘in concurrence with the State’ is more appropriate.

7. In its third sitting held on the 8<sup>th</sup> September, 2017, the Committee sought clarifications on Clause Nos. 29, 33 and 91 of the Bill and thereafter discussed the issues of driving schools, testing centres, driving licence, training, minimum educational qualification for being eligible for driving licence, traffic management, parking issues, lane discipline, road safety and road engineering. The Secretary, Ministry of Road Transport and Highways highlighted the steps undertaken to strengthen the process of issuing driving licence and setting up of driving schools. The Committee also took up the issues related to working condition of drivers and suggested that action must be taken to alleviate their stress arising out of fatigue due to climatic factors and long working hours.

8. In its fourth meeting held on the 21<sup>st</sup> September, 2017 the Committee heard the views of the representatives of Ministry of Road Transport and Highways, Delhi Police, Karnataka Police, Madhya Pradesh Police, All India Road Transport Workers Federation, Driver Ekta Local Highway Interstate, All India Transporters’ Welfare Association, Bar Association of MACT, Mumbai and Central Road Research Institute and *inter-alia* sought their feedbacks on various provisions of the Bill. The causes of major accidents in highways, road rage, freewheeling and jaywalking, working conditions of drivers and the issue of ‘Aggregators’ were discussed in detail. The issues of definition of third parties; ‘comprehensive insurance’; compensation to victims of road accidents and effects of deletion of Section 140 of the Act (compensation awarded under ‘no-fault liability’) etc. were also taken up along with the issues of the importance of road design and engineering.

9. In its fifth meeting held on the 24<sup>th</sup> October, 2017 the Committee had wide ranging discussions with the Ministry of Road Transport and Highways and a few representatives of a wide spectrum of organizations working for the improvement in road safety, coming from different walks of life and also from different parts of the country on the provisions of the Bill. Some of the stakeholders *inter alia* raised common apprehensions with respect to Section 44, Section 88A, 211A, 215A, 215B and 215C. The issue of registration of vehicles by dealers and non-production of vehicles for inspection, physical presence of the candidate for obtaining learner’s licence, chances of disparity in getting licence for transport vehicles by the accredited schools and renewal of licences were taken up. NGOs working in the field of road safety highlighted the issues that led to India having the highest number of road crash deaths in the world and stated that the Bill in its current form, does not have any provisions that protect vulnerable road users effectively and the important aspects like

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minimum standards for road design engineering, vehicle engineering and trauma care are not adequately addressed. Further, the issues of drivers engaged under Aggregators and safety of women were taken up.

10. In the sixth meeting of the Committee held on the 31<sup>st</sup> October, 2017, the Hon'ble Minister of Road Transport and Highways addressed the apprehensions pertaining to various clauses of the Bill and informed the Committee of the benefits of the Bill. He stated that the reasons for computerization of licensing process is to do away with the menace of multiple licenses held by one person. The issue of registration by dealers and protecting the interest of RTOs were also taken up. He addressed the issues of corruption in the RTOs, common card applicable throughout the country for travelling in buses, metro train etc; toll collection and digitization of various aspects of road transport. The Hon'ble Minister highlighted the need for promoting public conveyance to combat the menace of pollution and high volume of traffic on roads. He further clarified that nothing is being imposed on the States by the Bill; the States are free to decide according to their need.

11. In its seventh meeting held on the 21<sup>st</sup> November, 2017 the Committee heard a few more stakeholders on the Bill. The representatives of the industry which includes technology platforms in the area of inter-city bus ticketing stated that they are governed currently by the Information Technology Act, 2000 and elaborated the transactional and the contractual relationship between customers and bus operators. They suggested that they should not be brought under the purview of the Bill as the IT Act governs them. A few stakeholders welcomed the Bill with respect to its provisions directly related to road safety such as provisions relating to the five key risk factors, i.e., speed, seat-belt, helmet, child-restraint system and drunken driving. They insisted that though definition of drugs is given in the Bill, modalities to detect drugs should be clarified in the rules. Ongoing programmes for zero fatality and safety of cyclists and vulnerable pedestrians area were discussed alongwith the issues of recall of the motor vehicles and third party insurance of government vehicles. The issues related to transfer of insurance policy on sale of vehicle; compensation in hit and run cases, carriage of excess passengers in the transport vehicles; giving way to ambulance or the fire brigade were also discussed in detail.

12. In its eighth meeting held on 5<sup>th</sup> December, 2017 the Committee took up clause-by-clause consideration of the Bill. The Ministry of Road Transport and Highways and Ministry of Law and Justice (Department of Legal Affairs and Legislative Department) also furnished their comments/clarifications on the points raised by the Members of the Committee. The Committee, after detailed discussion, adopted all the clauses of the Bill except clauses 22, 28 and 33 without any amendments.

13. Accordingly, a draft Report was prepared and circulated to the Members.

14. The Committee in its ninth meeting held on the 12<sup>th</sup> December, 2017 took up clauses 22, 28 and 33 for further consideration. After clarification by the Ministry of Road Transport & Highways and a detailed discussion on the implications of these clauses the Committee

adopted the clauses without any amendment. The Committee thus adopted all the clauses of the Bill without amendment. The Committee partly considered the draft report and after brief discussion, the Committee deferred the consideration of the Report for a future date. The Members sought some more time to study the report. Since the time given to the Committee was expiring on 15<sup>th</sup> December, 2017, it was decided to seek extension of time upto 27<sup>th</sup> December, 2017 for presenting the Report to the House.

15. Accordingly, a Motion was introduced in the House on 15th December, 2017 to seek extension of time of the Committee. The Motion was adopted and the Committee was granted extension of time upto 27<sup>th</sup> December, 2017 for presenting the report to the House.

16. The Committee in its last meeting held on 19th December, 2017 took up the draft Report for consideration. After a detailed discussion, the Committee adopted the Report without any amendments.

17. The amendments moved by Members in the Rajya Sabha on the said Bill during its introduction were also referred to this Committee. The same were forwarded to the Ministry of Road Transport and Highways for their comments/clarifications. The comments/clarifications have since been received from the Ministry and are annexed at (Annexure IV). All such amendments and clarifications were taken into consideration by the Committee while formulating its recommendations.

18. S/Shri Pramod Tiwari, B.K. Hariprasad, C.P. Narayanan, A. Navaneetha Krishnan and Manish Gupta, Members of the Committee submitted Notes of Dissent', which are appended to the Report as Appendix- I to IV.

19. The Notes submitted by Smt. Kanimozhi, Dr. Narendra Jhadav and Shri Harivansh, Members are appended to the Report as Appendix- V to VII.

20. The Committee wishes to place on record its gratitude to the Minister of Road Transport & Highways, Shipping and Water Resources, River Development & Ganga Rejuvenation for appearing before the Committee and clarifying various provisions of the Bill and his valuable guidance to the Committee. The Committee is also thankful to the representatives of Ministries of Road Transport and Highways and Law and Justice (Legislative Department and Legal Affairs) for furnishing necessary information/documents and rendering valuable assistance to the Committee in its deliberations. The Committee wishes to express its gratitude to the Chief Secretary and other representatives of Government of Tamil Nadu and representatives of Government of Kerala, Karnataka, Maharashtra and Delhi Police for appearing before the Committee and offering their valuable views on the provisions of the Bill. The Committee also wishes to express its gratitude to all the distinguished persons who appeared before the Committee and gave their valuable views on the Bill and furnished written notes and information in connection with the examination of the Bill.

**NEW DELHI**

19<sup>th</sup> December, 2017

**Vinay P. Sahasrabuddhe**  
*Chairman,*  
*Select Committee on the Motor*  
*Vehicles (Amendment) Bill, 2017*

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## **ACRONYMS**

API	-	Application Program Interface
CBUs	-	Completely Built Units
CCTNS	-	Crime and Criminal Tracking Networks and Systems
CMVR	-	Central Motor Vehicles Rule
EPF	-	Employees Provident Fund
ESI	-	Employees State Insurance
GDP	-	Gross Domestic Product
GoM	-	Group of Transport Ministers of States
IIBI	-	Industrial Investment Bank of India
IPC	-	Indian Penal Code
IT	-	Information Technology
KELTRON	-	Kerala State Electronic Development Corporation Limited
KYC	-	Know Your Customer
MOPS	-	Multi Option Payment System
MVI	-	Motor Vehicle Inspector
NGOs	-	Non-Government Organizations
NGT	-	National Green Tribunal
NOC	-	No Objection Certificate
NTP	-	National Transportation Policy
OPD	-	Out Patient Department
QR Code	-	Quick Response Code
RLDVS	-	Red Light Violation Detection System
RTA	-	Regional Transport Authority
RTCs	-	Road Transport Corporations
RTH	-	Road Transport and Highways
RTOs	-	Regional Transport Offices
SAS	-	Statistical Analysis System
SMS	-	Short Message Service
STU	-	State Transport Undertaking
SVDS	-	Speed Violation Detection System
TAT	-	Turn Around Time

## **REPORT**

### **I. Background**

1. The Motor Vehicles Act, 1988, is the principal legislation for regulating motor vehicles in the country. It has so far been amended four times, i.e. in the year 1994, 2000, 2001 and 2015 to adapt it to the technological upgradation emerging in road transport, passenger and freight movement and in motor vehicle management.

2. The nation is waiting for the last three decades to bring substantial changes in the Motor Vehicles Act of 1988. The liberalization of Indian economy brought in revolutions in Indian automobile sector. The number of vehicles increased, all the world leaders in automobile industry opened their showrooms in India, the roads have increased, the technology has changed and the number of accidents have also increased. However, to keep pace with the changes, the attempts to change the Motor Vehicles Act were not successful. With rapidly increasing motorization, India is facing an increasing burden of Road Traffic injuries and fatalities. The provisional data for Calendar year for 2016 shows a figure of 1,50,785 deaths as compared to 1,46,133 deaths in the year 2014. The number of people who are seriously injured and disabled is even higher, at about 3 lakhs. The emotional and social trauma caused to the family which loses its bread winner, cannot be quantified. India is signatory to the Brasilia declaration on Road Safety and is committed to reduce the number of road crash fatality by 50 percent by the year 2020. Road Transport sector also plays a major role in the economy of the country. The share of Road Transport in the GDP is around 4.5 percent. However, the sector suffers from archaic rules and practices and needs urgent reforms to support economic development. To address the issues facing the transport sector, the Ministry had initiated the Road Transport and Safety Bill in the year 2014. However, several States expressed apprehensions with regard to provisions relating to opening up of Public Transport as well as issues relating to the control and regulations of permits and taxation. The bill was not pursued further in view of the objections of the States.

3. Keeping in view the grim Road Safety scenario, need to improve and ease the Transport and promote citizen facilitation, the Ministry of Road Transport and Highways constituted a Group of Transport Ministers of States (GoM) to deliberate on the issues facing the transport sector in the country in February, 2016. The GoM was mandated to examine the best practices in the road transport sector with a view to improve safety and mobility and to suggest actionable measures for implementation. The GoM has held three meetings in New Delhi, Bengaluru and Dharamshala. The GoM was of the view that there is urgent need for bringing about changes in the Motor Vehicles Act and CMVR, pending the finalization of the Road Transport and Safety Bill. GoM opined that to address safety and efficiency issues in the Transport sector, necessary amendments may be carried out in the present Act and Rules. The GoM has submitted three interim reports making series of recommendations.

4. On the basis of recommendations of the GoM, Ministry of Road Transport and Highways introduced the Motor Vehicles (Amendment) Bill, 2016 in the Parliament (Lok Sabha) on 9th August, 2016.

5. The Bill was referred to the Department – related Parliamentary Standing Committee on Transport, Tourism and Culture for examination and report. The Committee presented its report on 08.02.2017 to both Houses of Parliament, which was examined in the Ministry of Road Transport and Highways.

6. A total of 89 clauses were included in the Motor Vehicles (Amendment) Bill, 2016. The Standing Committee accepted 57 clauses in totality and no changes are suggested in the bill in respect of these clauses. The clauses mainly deal with strengthening road safety, increased penalties and citizen's facilitation with regard to dealings with transport department.

7. There are 13 clauses in the Bill where the Standing Committee had made specific recommendations, mainly relating to the National Register of Driving Licences, design of training curriculum for drivers, implementation of guidelines for Good Samaritans, road signages etc. The Ministry is in agreement with these recommendations and is of the opinion that these recommendations may be incorporated through rules. To impose stricter punishment in cases of drunken driving, the Committee recommended that a provision may be made to include deaths due to drunken driving as culpable homicide not amounting to murder under the Indian Penal Code. The recommendation has been referred to Ministry of Home Affairs for appropriate action.

8. There are 16 clauses in the Bill where Standing Committee had recommended amendments in the proposed Bill. These relate to removing upper cap on insurers liability, mechanism for verification for online learning driving licence, extended timelines for automated vehicle fitness, powers to states for temporary registration of vehicles and also for controlling access to road and stricter penalties in cases of death arising from drunken driving. The Committee also recommended that a clause be included in the Bill to give effect to increase of fine ten per cent every year. These recommendations were accepted by the Ministry of Road Transport and Highways and are incorporated in the draft of amendments to the Motor Vehicles (Amendment) Bill, 2017.

9. The Standing Committee recommended for a clause to be included in the Bill for setting up a National Road Safety Board. The provision has been included in the amendments to the Motor Vehicles (Amendment) Bill, 2017. The Standing Committee had also recommended for inclusion of penalty provisions for faulty roads design, construction and maintenance leading to fatal accident. The recommendation of the Committee has been accepted and a new section 198A clause 83 was inserted in the Bill.

10. The Standing Committee appreciated the provision relating to the vehicle registration at dealers' end and their non-production before registering authority. Ministry is of the opinion that the registration process should be followed uniformly across the country.

11. The Clause 89 of the amendment Bill proposes to allow filing of all documents and applications in electronic form. The Committee had recommended for phased implementation of IT initiatives in States at their discretion. Ministry is in favour of uniform rules for electronic documentation and filing since it is a move towards simplification. Moreover, this clause is only a specific re-statement of a legal requirement already in force under section 6(1) of the Information Technology Act, 2000 that allows any document to be filed or issued in paper form to be submitted/issued in an electronic form.

12. In the Motor Vehicles Act, 1988, the compensation under no fault liability was provided at very low amount of Rs 25000/- and Rs 50000/- for grievous hurt and death arising from a road accident. In the amendment bill, the compensation has been increased to Rs. 2.5 lacs and Rs. 5 lacs, respectively. The bill also proposed to increase the compensation in the cases of hit and run accidents from present amounts of Rs. 12,500/- and Rs. 50,000/- in the case of grievous hurt and death to Rs. 50,000/- and Rs. 2,00,000/-, respectively.

13. The Motor Vehicles (Amendment) Bill, 2016 alongwith amendments was passed by Lok Sabha on 10th April, 2017 and renamed as the Motor Vehicles (Amendment) Bill 2017. The Bill was listed for discussion in Rajya Sabha on 11th and 12th April, 2017 for consideration and passing but could not be taken.

## **II. The Motor Vehicles (Amendment) Bill, 2017- An Introduction**

14. The Motor Vehicles (Amendment) Bill, 2016 (hereinafter referred to as the Bill) was introduced in the Lok Sabha on the 9th August, 2016 further to amend the Motor Vehicles Act, 1988. It was passed in the Lok Sabha on the 10th of April, 2017. The Bill, as passed by the Lok Sabha and renamed as Motor Vehicles (Amendment) Bill, 2017 was referred to the Select Committee comprising 24 Members of the Rajya Sabha on a motion adopted by the House on the 8th August, 2017 for examination of the Bill and report thereon to the Rajya Sabha (Annexure I).

15. The Statement of Objects and Reasons to the Bill reads as follows:-

- (i) “The Motor Vehicles Act, 1988, was enacted with a view to consolidate and amend the laws relating to motor vehicles. The Act was enacted to give effect to the suggestions made by the Supreme Court in *M.K. Kunhimohammed v. P.A. Ahmedkutty*, (1987) 4 SCC 284.
- (ii) The said Act was amended several times to adapt to the technological up- gradation emerging in road transport, passenger and freight movement and in motor vehicle management. With rapidly increasing motorization, India is facing an increasing burden of road traffic injuries and fatalities. The emotional and social trauma caused to the family which loses its bread winner, cannot be quantified. India is signatory to the Brasilia declaration and is committed to reduce the number of road accident fatality by fifty per cent. by the year 2020. The road transport sector also plays a major role in the economy of the country.
- (iii) Numerous representations and recommendations in the form of grievances and suggestions from various stake holders have been received in the Ministry, citing cases of increase in road accidents, delay in issue of driving licences, the disregard of traffic rules and regulations etc. Therefore, in order to improve road safety and transport system, amendments are required to be made urgently in the Motor Vehicles Act, 1988 to address safety and efficiency issues in the transport sector.
- (iv) In view of the above, it has become necessary to amend certain provisions of the said Act. The proposed Motor Vehicles (Amendment) Bill, 2016 seeks to address the issues relating to road safety, citizen facilitation, strengthening public transport, automation and computerization.
- (v) The Motor Vehicles (Amendment) Bill, 2017, *inter-alia*, provides for the following, namely:— (a) to facilitate grant of online learning license; (b) to replace the existing provisions of insurance with simplified provisions in order to provide expeditious help to accident victims and their families; (c) to increase the period for renewal of transport license from three years to five years; (d) to enable the licensing authority to grant license even to the differently abled persons; (e) to enable the States to promote public transport, rural transport and last mile connectivity by relaxing any of the

provisions of the Act pertaining to permits; (f) to increase the fines and penalties for violation of provisions of the Act; and (g) to make a provision for protection of good samaritans.

(vi) The Notes on clauses explain in detail the various provisions contained in the Bill.

(vii) The Bill seeks to achieve the above objectives.”

### **III. Deliberations of the Select Committee**

16. During the deliberation of the Committee; it was briefed at length on the background in which the Bill under consideration was drafted and highlighted the provisions of the Bill and its implications. Thereafter, the issues of quantum of punishment in case of rash and negligent driving; skills of drivers and minimum qualification required for obtaining driving licence; permits; insurance; solatium fund, balancing the role of State /Regional Road Transport Corporations, efficient road engineering etc. were discussed in detail. The Committee was informed that National Road Safety Board would be set up under the provisions of the Bill.

17. The Committee was informed by the Ministry of Road Transport and Highways that the Bill is neither going to affect the powers of the State nor the powers of the RTOs are going to be diluted. The responsibility of enforcement officers and a quantitative analysis of road accidents was presented to the Committee. The Committee was also informed of the need for strengthening enforcement for road safety, increasing penalties, speedy assistance to accident victims, third party insurance etc.

18. The Committee thereafter sought clarifications on the following issues, i.e., (i) whether any research has been done with the objective of bringing about the changes as contained in the Bill; (ii) whether any comparative study on vehicle make, road safety and road engineering has been done with other developed and developing countries; (iii) what would be the status of the liability of the insurance companies after coming into effect of the Bill under consideration; (iv) whether there is any Institute which is doing research on road safety and analysis of accidents and their causes; (v) whether low penalty is the cause for lack of fear amongst traffic offenders; and (vi) whether it can be made mandatory for the manufacturer to sell protective head gear along with the vehicle.

19. In one of its sitting held on the 30th August, 2017, the Committee deliberated on the impact of the Bill on Centre-State relations and the provisions of the Bill affecting the federal structure of the country along with other relevant issues. The Committee also sought clarifications on Section 66 A, sought to be inserted by Clause 29 of the Bill, wherein it has been proposed that a National Transportation Policy shall be framed by the Central Government in consultation with the States. It was clarified that this is a policy and not any permit scheme and thus it does not have the force of a statute. Members suggested that instead of ‘in consultation with the State’ ‘in concurrence with the State’ is more appropriate.

20. The Committee then sought clarifications on Clause Nos. 29 and 33 of the Bill. It was clarified that this is an enabling provision for the States to exercise in their own judgment and in fact, last-mile-connectivity would help State transport undertakings, because many a time, since for the last one kilometer there is no connectivity, people do not take State transport undertakings and use personal transport. So, if the States are able to provide some good last-mile-connectivity solutions, then it would really improve the ridership of State transport undertakings.

21. The Committee thereafter sought clarifications on the new Section 88A sought to be inserted by Clause 33, i.e., the power of the Central Government to make schemes for national, multi-modal and inter-State transport for passengers and goods and expressed that States have an apprehension that these powers can be exercised by the Central Government not just in the context of inter-State, but also, intra-State, and it will diminish the powers of the State Transport Undertakings and powers of the State Governments which have been vested under Chapter VI of the Act. It was clarified by the Ministry that the scheme which can be made by the Central Government has to be made in the national interest and only for promoting national, inter-State or multi-modal transport. There cannot be an intrusion into the powers of the State with regard to intra-State transport. Therefore, intra-State transport will remain within the domain of the State. Chapter VI of the Act which deals with the specific powers of the State Transport Undertakings remains intact; no amendment has been proposed in any of the Sections, i.e., Section 97 to 108. However, some Members of the Committee raised apprehension that the Section might have negative impact on the freedom of States and suggested that Clause 33 seeking to insert Section 88A should be deleted.

22. While discussing on Clause 89 (seeking to insert Section 211A), which is about the use of electronic forms and documents, an apprehension was raised that this provision would lead to a situation where the power to deal with the applications would be taken away from the States as it also provides that the agency owned or controlled by the Central Government is authorized to collect the fee. It was clarified by the Ministry that the Section is to provide electronic filing of all the documents. This will help in citizens' facilitation. The States are free to have their own formats, if required. The Central Government may provide for the payment mechanism. The Central Government will not retain any part of the payment mechanism and it will be transferred to the States online on real time basis. It was clarified that these provisions already exist in the IT Act and that this is just a reiteration of those provisions in the Motor Vehicles Act, a Central Registry Software application which is developed by NIC and is given to all the States to operate on. Each State is free to have its own customization in it, suiting its own requirements, as long as it is maintaining a central data.

23. The Committee thereafter sought clarification on the proposed new Section 215A which says that notwithstanding anything contained in this Act, the Central Government shall have the power to delegate any power or functions that have been conferred on it by the Act to any person or group of persons or authorize such persons or group of persons to discharge any of its functions and powers under this Act. The Ministry clarified that the delegation has been proposed only to the public authority or public servants only in respect of powers available with the respective Government.

24. On the issue of aggregators, the Committee sought clarifications whether it would impinge on the right of the States to give permission as it was apprehended that corporate bodies like Uber, Ola etc. would replace the three-wheelers/taxis run by individuals. It was clarified by the Ministry that the aggregators were very much in the domain of transport services, but, in many States, they were refusing to be recognized as a transport agent. Therefore, this Act aims to provide for a legal definition, the recognition and licensing for the aggregators. This licensing is to be done by the States. In the Bill it has been provided that the Central Government may provide such guidelines and a State Government may follow such guidelines, and they are free to differ and have their own State-specific guidelines or to improvise on the Central Government guidelines. Regarding Road Transport Corporations, the Ministry briefed that it is purely the domain of the States. It is for the States to decide, in the public interest, the policy they want to frame on the RTCs and were free to provide certain permit conditions or liberalize certain permit conditions in respect of intra-State last-mile connectivity solutions.

25. In its subsequent sitting held on 8<sup>th</sup> September, 2017, the Committee sought clarifications on Clause Nos. 29, 33 and 91 of the Bill and thereafter discussed the issues of driving schools, testing centres, driving licence, training and minimum education qualification for being eligible for driving licence etc. The Ministry highlighted the steps undertaken to strengthen the process of issuing driving licence and setting up of driving schools.

26. The Committee then took up the issues related to working condition of drivers and suggested that action must be taken to alleviate their stress arising out of fatigue due to climatic factors and long working hours. The Committee suggested that the cabins for drivers in heavy vehicles/trailers should be air conditioned so as to reduce the stress level arising out of climatic factors. It was further suggested by the Committee that to reduce the driving hours there should be a provision either for two drivers in one vehicle or swapping of drivers after a particular distance. The Secretary, Ministry of Road Transport & Highways informed the Committee that setting up of stopover points along the highways for the drivers is under consideration.

27. The Committee also sought clarifications from the Secretary on the issues of traffic management, parking issues, lane discipline etc. and suggested that awareness campaign on such issues should be organized along with maintenance of record at State level. The Committee also suggested that the matter of noise pollution caused by engines should be taken up with the manufacturers to reduce the stress caused to drivers and public.

28. The Committee thereafter discussed the issue of road safety, road engineering and related issues in the mining areas. The Committee highlighted the poor maintenance of roads in mining areas and the problems faced by local commuters due to the rash driving of mining trucks etc. The Committee suggested that safety rules in such areas may be implemented by ensuring awareness among the drivers as well as local people in such areas. The driving condition of drivers of garbage trucks and ambulances should also be made better.

29. The Committee in another sitting held on 21<sup>st</sup> September, 2017 heard the views of few stakeholders on the Bill. The Committee heard the opinions of Delhi Police, Karnataka Police and Madhya Pradesh Police together. The Committee was briefed about the steps taken to combat the high rate of accidents happening in Karnataka and was informed that a Monitoring Committee has been formed to deal with the issue and reduce the road accidents by at least 10 % every quarter and suggested that issues related to road rage, freewheeling and jaywalking should be included in the Bill and that the punishment in hit and run cases should be enhanced. It was emphasized that the police should be involved while deciding on road engineering and assessment of anticipated volume of road traffic before constructions of high rise buildings. He stated that faulty roads, lack of traffic sense and lack of trained drivers were responsible for high rates of accidents in Karnataka.

30. The Commissioner of Police and the Special Commissioner (Traffic), Delhi briefed the Committee that management of traffic has become a very complex problem and made the following specific suggestions: (i) under Section 185 of the Motor Vehicles Act of 1988, the power to impound a vehicle may be extended to those cases in which a vehicle has been intercepted, in respect of whom the driver is found to be under the influence of liquor which is not there presently. (ii) the State Governments may be empowered to notify certain areas, such as central business districts, and certain main roads, which are main arterial roads, which should be declared as 'zero tolerance roads' for obstructive parking, so that road side parking is totally eliminated and heavy penalties can be imposed to check this menace (iii) the power to suspend driving licenses should also be extended to serious traffic violations like dangerous driving (iv) the menace of stunt riding on two-wheelers and

modifying the structural aspects of the motor cycle, to make it very loud in its aspects, may be brought under section 185 (19G) of the Act by giving the traffic police authority to check this menace (v) a requisite legal provision by which the subordinate courts can direct that a vehicle which has been impounded, in violation of NGT order, should actually be scrapped, following the necessary procedure.

31. The representatives of the Madhya Pradesh Police suggested some changes in the renewal of driving license under Section 14, relaxation by Regional Transport Authorities under Section 72 and provisions to check crime and misbehaving with women particularly. It was also suggested that Section 134B should be added authorizing good samaritans to help victims of accidents and there should be some penalty in case they fail to respond to such situations. Further, on Section 161 where hit and run cases are dealt with, it was suggested that the compensation given to a victim should be increased from Rs. 2 lakhs to Rs. 4 lakhs in case of death and in case of grievous injury, it should be increased from Rs. 50,000 to Rs. 1 lakh minimum. They further suggested that a time limit should be fixed for such disbursement. In the case of Section 180, where the penalty is for persons not authorized to drive a vehicle and is driving a vehicle, the punishment should be enhanced from Rs. 1,000 to Rs. 5,000; and in the subsequent offences, it should be increased from the present Rs. 500 to Rs. 10,000 and in the second or third offence, the punishment should be much stricter. In case of drunken driving, in Section 185, in case of grievous nature, the punishment should be a minimum of three years; in case of death, it should be ranging from seven years to ten years.

32. Thereafter, the Committee heard the representatives of All India Road Transport Workers Federation, Driver Ekta Local Highway Interstate and All India Transporters' Welfare Association and inter alia sought their feedback on causes of major accidents in highways, working conditions of drivers and the issue of 'aggregators'.

33. Thereafter, the Committee heard the representatives of Bar Association of MACT, Mumbai on the issues of definition of third parties; 'comprehensive insurance'; compensation to victims of road accidents and effects of deletion of Section 140 of the Act (compensation awarded under 'no-fault liability') etc.

34. During the meeting the Committee heard the representatives of Central Road Research Institute on the issues of inclusion of 900 Km expressway in the definition of National Highways and State Highways for the purpose of traffic signs and in the MV Act; uniform traffic signs; penalty for contractor or consultant or concessionaire in case of non-compliance with the standards of road design construction and maintenance; inclusion of multi axle trucks under the medium and heavy motor vehicles; lane driving etc.

35. In the meeting held on 12<sup>th</sup> October, 2017 during the study visit of the Committee to Chennai, the Committee heard the representatives of State Government of Tamilnadu and various stakeholders from Tamilnadu on the provisions of the Bill. Almost all the stakeholders in Chennai, e.g. Transport Department Gazetted Officers Association, Chennai Tamilnadu Motor Vehicles Inspector (Tech ) Association, State Lorry Owners Federation, Two Wheelers Mechanics Association and Tamilnadu Car Dealer Welfare Association had similar apprehensions with respect to some Clauses, viz, Clause 16(amending section 41(1) of the Act); Clause 18 (Amendment of section 44-Production of vehicle at the time of registration); Clause 29 (Insertion of new sections 66A and 66B-National Transportation Policy); Clause 33 (Insertion of new section 88A-Power of Central Government to make schemes for national, multimodal and inter-State transport of passengers and goods); Clause 89 (Insertion of new section 211A- Use of electronic forms and documents); Clause 91(Insertion of new sections 215A,



215B and 215C-Power of the Central Government and State Government to delegate, Power of Central Government to make rules, Power of State Government to make rules).

36. Federation of Bus Operators Association of Tamilnadu expressed their concerns with regard to the issues of Permit, License and insurance. Tamilnadu Driving School Owners Federation objected to the amending Clause 8 inserting two new sub sections (5) & (6) in Section 12 as the Central Government has proposed for accreditation of driving schools or establishments by a body and the persons completing the training module would be eligible to obtain a driving licence without being required to meet other requirements e.g. driving with light motor vehicle for at least one year before being granted a learner's licence to drive a transport vehicle.

37. Tamilnadu State Transport Employee's Federation; Tamilnadu Road Transport Worker's Federation, Labour Progressive Federation and Tamilnadu Auto Worker's Federation (CITU) were of the view that the insertion of proviso for aggregator is not in public interest. December 3 Movement requested the Committee to incorporate certain provisions in the Motor Vehicles Act upholding the principles enshrined in The Convention on the Rights of Persons with Disabilities (CRPD). The Committee agreed to their concerns and directed the Ministry to take necessary steps so that the needs and necessities of persons with disabilities on roads are addressed.

38. Chief Secretary, Government of Tamilnadu and her team raised concerns with respect to clauses 16, 18, 29 and 33 of the Bill. With regard to Clause 8, which will enable Central Government along with State Governments to establish new driving schools, the apprehension is that establishing two different types of driving schools governed by two different authorities will create unhealthy competition and confusion. With regard to Clause 89 inserting Section 211A, it was suggested that this Section is against entry 56, 57 of List II of Constitution of India as any agency either owned by or controlled by the Central Government are authorized to collect the fees prescribed under the Motor Vehicles Act. As regards Clause 91 inserting Section 215 A, it was suggested that it is an excessive delegation of Government powers to any person or persons without accountability.

39. In the meeting held on 13<sup>th</sup> October, 2017 during the study visit of the Committee to Thiruvananthapuram, the Committee heard the representatives of State Government of Kerala and various stakeholders from Kerala on the provisions of the Bill. Kerala Motor Vehicles Department Gazetted Officers' Association, Kerala Bus Transport Association (KBTA), Kerala State Private Bus Operators Federation and Kerala Assistant Motor Vehicles Inspector Association informed the Committee that the amendments proposed in the Bill in Clause 16(amending section 41(1) of the Act); Clause 18 (Amendment of section 44-Production of vehicle at the time of registration); Clause 29 (Insertion of new sections 66A and 66B-National Transportation Policy); Clause 33 (Insertion of new section 88A-Power of Central Government to make schemes for national, multimodal and inter-State transport of passengers and goods); Clause 89 (Insertion of new section 211A- Use of electronic forms and documents); Clause 91(Insertion of new sections 215A, 215B and 215C-Power of the Central Government and State Government to delegate, Power of Central Government to make rules, Power of State Government to make rules) have serious impacts on public safety and encroach upon the State powers. These provisions are unconstitutional and should be deleted. Kerala State Road Transport Corporation raised apprehension regarding Clause 33.

40. Indian Medical Association, Kerala suggested to the Committee that large number of accidental death can be avoided by providing timely help. There should be trained staff in ambulances catering to accident victims. To encourage people to help accident victims, there should be monetary compensation provided to good Samaritans. Hospitals should be adequately reimbursed for

management of victims of accidents. There should also be legal protection to rescuers. The menace of noise pollution should also be addressed in the Bill. They also suggested that Sections 66, 67, 72, 88 may be deleted.

41. Confederation of Transport Workers Kerala submitted that proposed sections 66A, 66B, 67 (3), 72, 74 and 88A should be deleted and suitable sections be incorporated to strengthen STUs. It was also suggested that due to the aggregators, the single vehicle owner cum drivers like Auto Rickshaw, Taxi, Truck etc. are forgoing their revenue and suffering a lot as they cannot compete with those multinational companies. Lorry Owners Welfare Federation Kerala State raised the issues of exorbitant penalties, capping of third Party Premium for Insurance Companies, Section 215A, fitness and testing to private players and checking of overloading. All Kerala Bus Operators Organisation stated that if this Bill is passed in the present form, Bus operators of Kerala can no longer survive. Kerala Motor Vehicles Dept. Staff Association stated that the new Bill envisages the registration of new vehicle through dealers. In Kerala, registration of vehicle is done effectively. Hence, it was requested that registration of vehicle and assignment of new registration mark may be retained with Motor Vehicles Department and thus ensure the job safety of the employees of Motor Vehicles Department. Kerala Bus Transport Workers' Federation highlighted the issues like Funds for hit and run accidents and stated that the constitution of the Motor Vehicle Accident Fund is to be explained in detail and the sources of income are to be specified in the Bill and that the quantum of the golden hour scheme and compensation to the representatives of a person who died in a hit and run accident is to be specified in the Bill.

42. National Transportation Planning & Research Centre inter alia suggested that there needs to be inter-departmental co-ordination for road safety and that evaluation of the reasons for accidents need to be effectively done. There should be provision for advanced life support system; and, two-wheelers ambulances for faster service can also be introduced. The Secretary, Transport, Government of Kerala stated with regard to Clause 5 amending section 9(4) that minimum educational qualification should be made mandatory. With regard to Clause 8 inserting section 12(6) it was submitted that regulation and administration of driving schools and establishments should be vested with the State Governments. Hence, the provision should be modified accordingly. With regard to Clause 10(iii)(b) amending section 15(4) it has been requested that the proposed period of 'one year' may be enhanced to at least for 'Two Years' as the situation of Kerala is different from other States as a large number of people are working abroad. They also raised concerns with regard to clauses 18, 22 and 33. They stated that Clause 49 omitting Chapter X ( section 140 to 144) is against public interest. Liability of payment under the third party insurance has been limited to 5 lakhs in the case of death and 2.5 lakhs in the case of grievous hurt by Clause 50 amending section 164 (1). This will create severe hardships to ordinary people. The limit may be dispensed with and Sections 163 A and 140 in the existing Act should be retained.

43. In its meeting held on the 24<sup>th</sup> October, 2017 the Committee had wide ranging discussions with the Ministry of Road Transport and Highways and representatives of a wide spectrum of organizations working for the improvement in road safety, coming from different walks of life and also from different parts of the country on the provisions of the Bill, viz., All India Federation of Motor Vehicles Department Technical Executive Officers Association, Executive Officers Association, Motor Vehicles Department, Government of Maharashtra, Karnataka State Transport Association, New Initiatives at Ola Cabs, Save Life Foundation, Road Safety Network, Bus Operators Confederation of India and Society for Indian Automobile Manufacturers.

44. The Department Technical Executive Officers Association submitted to this Committee that they are fully in agreement with 86 clauses of the Bill. They have reservations only in five clauses. All

India Federation of Motor Vehicles Department Technical Executive Officers Association; Executive Officers Association, Motor Vehicles Department, Government of Maharashtra and Karnataka State Transport Association inter alia raised common apprehensions with respect to clauses 4, 8, 16, 18 and 89. Thus, the issues of registration of vehicles by dealers and non-production of vehicles for inspection, physical presence of the candidate for obtaining learner's licence, chances of disparity in getting licence for transport vehicles by the accredited schools and renewal of licences were taken up. It was suggested that as far as the transport vehicles are concerned, the vehicles must be produced before the RTO.

45. Representative of New Initiatives at Ola Cabs stated the amendment of getting the aggregators under the ambit of the Act is a welcome step. He stated that aggregators are very beneficial for taxi drivers as due to automated system mileage is reduced and hence the efficiency of the system improves by which the charges can be reduced to a certain extent. The issues of drivers engaged under Aggregators and safety of women were taken up. The Committee insisted that aggregators are responsible being the primary contractor.

46. Save Life Foundation informed the Committee about the broad issues that lead to India having the highest number of road crash deaths in the world and stated that Bill in its current form, does not have any provisions that protect vulnerable road users effectively. Similarly, there are no minimum standards for road design engineering. They suggested a ten point solution which essentially ranges from protection of vulnerable road users, to protection of children, to robust and scientific enforcement and investigation method, to progressive standards for road and vehicle design and engineering.

47. Road Safety Network which is a coalition of organizations in Maharashtra raised the issues of safety of pedestrians, cyclists and bus users and raised apprehension with regard to clauses 4, 8, 18 and 43. The contradictions in the provisions carrying a child of less than 4 years on a motor cycle was presented before the Committee.

48. Bus Operators Confederation of India shared their apprehensions with respect definitions of aggregators and contract carriage. They appreciated the amendments related to licensing and standardized test throughout the country. They highlighted that there is a lot of lacuna between chassis manufacturing, chassis getting registered and chassis vehicles getting permit. They also raised concern regarding the maintenance and other things, certificate of conformity for spare parts and validation of permit for outside the region. They further stated that no vehicle needs to be stopped for checking validity of its permit or validity of taxation for seamless movement for which a lot of technology needs to be used. They were of the view that if all permits are made national permit is done there will be, at least, three time increase in buses. They suggested that age and speed have to be in relation with the type of vehicle that we are using.

49. Society for Indian Automobile Manufacturers stated that they welcome the comprehensive Motor Vehicles Amendment Bill, 2017 as this was the call of the time and it is in tune with the current ecosystem and the Bill must be passed at the earliest. They were of the view that promotion of innovation and enhancement of driver licensing system would go a long way in promoting road safety. They appreciated the Vehicle registration system, vehicle fitness certification system, National Transport Policy, National Road Safety Board. They were in favour of enhancement of fines for better enforcement. Provisions like improved care for road accident victims, inclusion of aggregate services, enhancement of new vehicle certification system and insurance, etc., have also been appreciated. However, they raised the issue of retrofitting of various devices or parts where they

would like to make the OEM responsible for the warranty to still continue, which is not a right step because OEM, cannot stand for the warranty of the vehicle if any component which is changed doesn't meet our technical specifications. There would be a lot of spurious parts which would be retrofitted.

50. The Ministry further informed the Committee that regulations pertaining to body building of buses and trucks are already in place. Every bus-body builder has to comply with it. A draft to improve the overall quality of the buses in the country is under progress. Regarding disabled-friendly buses, the Committee was informed that there is an Act now in place and that the target is that ten per cent of the buses by the end of March 2018 should be disabled-friendly. One of the important features which is being provided in the new regulation for urban buses is the kneeling feature. The bus will kneel on one side to help the passengers embark and disembark

51. The Ministry informed the Committee that in Rajasthan, Punjab, Andhra Pradesh, Telangana and Delhi registration is being done by dealers and people are largely satisfied. There are very stringent penalties which the Transport Department can levy on the dealers and the registration process remains under the control of Transport Department. The processes would be IT-enabled and the benefits are that the citizens can drive home the vehicle on the day of purchase with a registration number. Further, in the case of Learning Licenses the idea is to prevent unnecessary footfalls at the RTOs. About accredited schools, the Committee was informed that the intention is to ascertain that standardized good schools following a quality curriculum and a quality evaluation process are available. The licences would be granted by the States only. About renewal, a window of two years has been given for renewing licenses. For people staying outside India they can renew their licenses online because for the renewal process a window of two years is available along with an online renewal. This Bill enables the process of getting a permanent registration on the same day that a vehicle is purchased and the major issue of vehicles plying with temporary registration is dealt with.

52. The Hon'ble Minister of Road Transport and Highways addressed the Members of the Committee in its meeting held on the 31st October, 2017 and presented detailed explanation on various clauses of the Bill and informed the Committee of the benefits of the Bill. He stated that the reasons for computerization of licensing process is to do away with the menace of multiple licenses held by people. The issue of registration by dealers and protecting the interest of RTOs were also taken up. He addressed the issues of corruption in the RTOs, common card applicable throughout the country for travelling in buses, metro train etc; toll collection and digitization of various aspects of road transport were also discussed. The Hon'ble Minister highlighted the need for promoting public conveyance to combat the menace of pollution and high volume of traffic on roads. He further clarified that nothing is being imposed on the States by the Bill; the States are free to decide as per their need.

53. In its meeting held on the 21st November, 2017 the Committee heard a few more stakeholders on the Bill. The representatives of redBus which includes technology platforms in the area of inter-city bus ticketing stated that they are governed currently by the Information Technology Act, 2000 and elaborated the transactional and the contractual relationship between customers and bus operators. They suggested that they should not be brought under the purview of the Bill as the IT Act governs them. The representatives of CUTS International welcomed the Bill with respect to its provisions directly related to road safety such as provisions relating to the five key risk factors, i.e., speed, seat-belt, helmet, child-restraint system and drunken driving. They insisted that though definition of drugs is given in the Bill, modalities to detect drugs should be clarified in the rules. The representatives of WRI India informed the Committee of the issues related to road safety and the

ongoing programmes, eg., India Vision-0 programme, which is for zero fatality and safety of cyclists and vulnerable pedestrians area.

54. The representatives of Mumbai Grahak Panchayat raised apprehensions regarding Clause 39, inserting Section 110A and 110B with regard to recall of the motor vehicles and stated that the percentage of the complaints to be reported to the Government has to be specified by the Government; otherwise it would lead to excessive delegation. They also stated that Government vehicles should not be exempted from third party insurance. The issues related to transfer of insurance policy on sale of vehicle; compensation in hit and run cases, carriage of excess passengers in the transport vehicles; giving way to ambulance or the fire brigade were also discussed in detail. The Deputy Commissioner of Police (Traffic) Thane, Mumbai suggested that fine should be increased under various Sections of the Motor Vehicles Act which are commonly violated by the riders or the drivers; traffic NOCs should be sought by various establishments before they start their business like hotels, banquet halls, commercial complexes, malls and housing societies and that there should be provisions in law validating the e-challan to avoid litigation at later stages.

55. In its meeting held on 5<sup>th</sup> December, the Committee took up clause-by-clause consideration of the Bill. The Ministry of Road Transport and Highways and Ministry of Law and Justice (Department of Legal Affairs and Legislative Department) also furnished their comments/clarifications wherever needed on the issues raised by the Members of the Committee. The Committee, after detailed discussion, adopted all the clauses of the Bill except clauses 22, 28 and 33.

56. The Committee in its meeting held on the 12<sup>th</sup> December, 2017 took up clauses 22, 28 and 33 for further consideration. After clarification by the Ministry of Road Transport & Highways and a detailed discussion on the implications of these clauses the Committee adopted the clauses without any amendment. The Committee thus adopted all the clauses of the Bill without amendment. The Committee partly considered the draft report and after brief discussion, the Committee deferred the consideration of the draft for a future date. The Members sought some more time to study the report. Since the given to the Committee was expiring on 15<sup>th</sup> December, 2017, it was decided to seek extension of time upto 27<sup>th</sup> December, 2017 for presenting the Report to the House.

57. Accordingly, a Motion was introduced in the House on 15th December, 2017 to seek extension of time of the Committee. The Motion was adopted and the Committee was granted extension of time upto 27th December, 2017 for presenting the report to the House.

58. The Committee in its last meeting held on 19th December, 2017 took up the draft Report for consideration. After a brief discussion, the Committee adopted the Report without any amendments.

#### **IV VIEWS OF STATE GOVERNMENTS**

59. The Committee considered in details the suggestions and observations submitted by the State Governments of Tamilnadu, West Bengal, Kerala, Maharashtra and Karnataka on various provisions of the Bill.

#### **VI CLAUSE BY CLAUSE EXAMINATION OF THE BILL**

60. The Committee held clause-by-clause consideration of the Bill, the details of which are given below:-

**61. The Committee thereafter took up clause 2 for consideration.**

Clause 2 : Provides for amendment of Section 2.

62. In the Motor Vehicles Act, 1988 (hereinafter referred to as the principal Act), in section 2,—

(i) for clause (1), the following clauses shall be substituted, namely:—

'(1) "adapted vehicle" means a motor vehicle either specially designed and constructed, or to which alterations have been made under sub-section (2) of section 52, for the use of a person suffering from any physical defect or disability, and used solely by or for such person;

(1A) "aggregator" means a digital intermediary or market place for a passenger to connect with a driver for the purpose of transportation;

(1B) "area", in relation to any provision of this Act, means such area as the State Government may, having regard to the requirements of that provision, specify by notification in the Official Gazette;';

(ii) after clause (4), the following clause shall be inserted, namely:—

'(4A) "community service" means an unpaid work which a person is required to perform as a punishment for an offence committed under this Act;';

(iii) after clause (9), the following clause shall be inserted, namely:—

'(9A) "driver refresher training course" means the course referred to in sub-section (2A) of section 19;'

(iv) after clause (12), the following clause shall be inserted, namely:—

'(12A) "golden hour" means the time period lasting one hour following a traumatic injury during which there is highest likelihood of preventing death by providing prompt medical care;';

(v) clause (18) shall be omitted;

(vi) in clause (24), for the words "invalid carriage", the words "adapted vehicle" shall be substituted;

(vii) in clause (26), for the words "invalid carriage", the words "adapted vehicle" shall be substituted;

(viii) after clause (38), the following clause shall be inserted, namely:—

'(38A) "scheme" means a scheme framed under this Act;';

(ix) after clause (42), the following clause shall be inserted, namely:—

'(43A) "testing agency" means any entity designated as a testing agency under section 110B;';

(x) in clause (49), after the word 'rests', the words 'or moves' shall be inserted.

63. *Clause 2 seeks to amend section 2 of the Motor Vehicles Act, 1988(Act) relating to definitions of certain expressions used in the Act such as, “medium passenger motor vehicle”, “motor car” and “weight” and to insert some new definitions in section 2, such as, “adapted vehicle”, “aggregator”, “community service”, “driver refresher training course”, “golden hour”, “scheme” and “testing agency”.*

**64. The Committee adopted Clause 2 without any amendment.**

Clause 3 : Insertion of New Section 2B.

65. After section 2A of the principal Act, the following section shall be inserted, namely:—

"2B. Notwithstanding anything contained in this Act and subject to such conditions as may be prescribed by the Central Government, in order to promote innovation and research and development in the fields of vehicular engineering, mechanically propelled vehicles and transportation in general, the Central Government may exempt certain types of mechanically propelled vehicles from the application of the provisions of this Act."

66. *Clause 3 seeks to insert a new section 2B in the Act to provide flexibility to the Central Government to exempt new technologies, inventions or innovations from the provisions of the principal Act so as to promote innovation and research and development in the fields of vehicular engineering, mechanically propelled vehicles and transportation in general.*

**67. The Committee adopted Clause 3 without any amendment.**

Clause 4 : Provides for amendment of Section 8.

68. In section 8 of the principal Act,—

- (i) in sub-section (1), for the words "the licensing authority having jurisdiction in the area", the words "any of the licensing authority in the State" shall be substituted;
- (ii) in sub-section (2), for the words "and with such fee", the words "with such fee and submit in such manner, including by electronic means" shall be substituted;
- (iii) in sub-section (3),—
  - (a) after the word "application", the words "to drive a transport vehicle made" shall be inserted;
  - (b) the proviso shall be omitted;
- (iv) in sub-section (4), in the proviso, for the words "invalid carriage", the words "adapted vehicle" shall be substituted;
- (v) in sub-section (5), for the words "passes to the satisfaction of the licensing authority such test" the words "satisfies such conditions" shall be substituted;
- (vi) in sub-section (6), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that a licencing authority may issue a learner's licence in electronic form and such manner as may be prescribed by the Central Government.":

Provided also that the licensing authority may, before issuing the license verify the identity of the applicant in such manner as may be prescribed by the Central Government.

69. *Clause 4 seeks to amend section 8 of the Act to simplify the procedure for obtaining a learner's licence. It seeks to enable an applicant to apply to any licensing authority in the State, to use online means to submit the application, fee and other documents, and allow the government flexibility in determining the eligibility to obtain a learner's licence. It also seeks to provide for the issue of a learner's licence in electronic form.*

70. Some Members suggested the amendment that after the word 'prescribed' the words 'in the rules or regulations or notifications' may be inserted.

### **Views of State Governments**

71. The State Government of Tamilnadu has stated that driving licence is an important document which is also considered as a photo identity and as address proof in India and other countries. So, utmost care is taken while issuing the driving licence. If an applicant is allowed to get driving licence from anywhere in the State, the verification/authentication of the particulars relating to the applicant will be much difficult. The under-aged/minor applicants may apply with false documents online.

72. The State Government of Karnataka was of the view that without physical presence of the candidate, it may not be possible to properly assess the candidate's basic knowledge of road signals and safety and also certify the candidate's proper physical fitness.

### **Views of stakeholders**

73. Some stakeholders were of the view that as per the amendment proposed no learner's licence shall be issued to any applicant unless he satisfies such conditions as may be prescribed by the Central Government. The requirement for a learner's licence test has been replaced by only certain conditions. Given that most drivers are not aware of even basic road rules, it is extremely important that the requirement for a test should not be removed.

### **Views of the Government**

74. The Ministry of Road Transport and Highways has stated that the word 'prescribed' is already defined under Section 2(32) of the Motor Vehicle Act, 1988. Therefore, the concerns of the Hon'ble Member are already addressed.

**75. The Committee notes that while providing Learners' License, only theoretical knowledge is tested. That too is tested on a computerized system in most of the places. Therefore, the Learners license test can be taken in a digital online format.**

**76. The Committee adopted Clause 4 without any amendment.**

Clause 5 : Provides for amendment of Section 9.



77. In section 9 of the principal Act,—

- (i) in sub-section (1), for the words "the licensing authority having jurisdiction in the area", the words "any of the licensing authority in the State" shall be substituted;
- (ii) in sub-section (3), for the second proviso, the following proviso shall be substituted, namely:—

"Provided further that a driving licence for driving an adapted vehicle may be issued to the applicant, if the licensing authority is satisfied that he is fit to drive such motor vehicle.";

- (iii) in sub-section (4), the words "such minimum educational qualification as may be prescribed by the Central Government and" shall be omitted;
- (iv) in sub-section (5), in the proviso, after the words "last such test", the words and figures "and such applicant shall be required to complete a remedial driver training course from any school or establishment under section 12" shall be inserted.

78. *Clause 5 seeks to amend section 9 of the Act to simplify the procedure for the grant of a driving licence. It seeks to enable an applicant to apply to any licensing authority in the State, removes the requirement for minimum educational qualification as long as the applicant holds a certificate from a driver training school or establishment. It also seeks to provide that an applicant who fails the test of competence repeatedly shall be required to undergo a remedial driver training course before such applicant can apply again.*

79. In respect of this clause, some Members felt that 5 (iii) should be deleted.

### **Views of State Governments**

80. The State Government of Tamilnadu has stated that there will be a possibility for miscreants and other anti-social elements to submit their applications through online and without verification of their genuineness and correctness of residential proof they can easily obtain the driving licence, which poses a severe threat to national safety and security.

81. The State Government of West Bengal has also stated that safe and efficient driving is a combined outcome of driving skill, judgement skill as well as proper understanding of the road/traffic signage and displayed instructions. Driving training schools impart both theoretical instructions as well as in-car skill training. On the other hand there is parallel drive for digitization, introduction of various IT tools for granting licences etc and for the necessity of modernization for transportation of passengers and goods in general. For that purpose minimum educational qualification of drivers of transport vehicles is one of the basic requirements. The existing provision should continue and the provision for requirement of minimum educational qualification for obtaining driving license should not be changed.

82. The State Government of Kerala expressed that minimum education qualification is prescribed for obtaining authorization to drive transport vehicle. Road safety awareness requires a driver to be aware of various traffic related laws and rules and to be able to read and understand instructions and directions regarding traffic related matters. One time oral testing and certification is

not sufficient since laws and rules change over time. Moreover test for authorization to drive transport vehicles are done on digital platforms now a days. Hence minimum educational qualification should be made mandatory.

### **Views of Stakeholders**

83. Some stakeholders were of the view that road safety awareness requires a driver to be aware of various traffic related laws and rules and to be able to read and understand instructions and directions regarding traffic related matters. Onetime certification is not sufficient since laws and rules change over time. Hence, minimum educational qualification should be made mandatory.

84. On the other hand, some stakeholders were of the view that already there is a acute shortage of drivers and, therefore, it affects the transport and logistics area. Thus it may be ensured that the driver may know the sign board. The minimum education qualification for getting driving license may be removed.

### **Views of Government**

85. In response thereto, the Ministry of Road Transport and Highways has stated that by estimated average there is a severe shortage of drivers (close to 22 lakh) in the country. This is hindering the growth of the transport and logistics sector. Keeping in view the shortage of drivers and to create jobs for rural, uneducated youths, the minimum educational qualification is proposed to be removed. However, the applicant has to hold a certificate from a driver training school or establishment. Effort is to provide him requisite skills. Further, he will have to pass a stringent driving test to obtain the license. Moreover, the employers can always stipulate the requirement of minimum educational qualifications, while hiring the drivers. This will have no impact on the revenue or authority of the State.

86. Ministry of Road Transport and Highways has further stated that driving is more of a skill rather than possession of educational qualifications. There is a severe shortage of drivers in the country. This is hindering the growth of the transport and logistics sector. The educated strata of the society are wary into getting into the transport sector. There are large number of unemployed youth, who are literate but do not possess appropriate educational qualifications. To help such skilled but uneducated youth, the minimum educational qualification is proposed to be removed. However, the applicant has to hold a certificate from a driver training school or establishment. Further, he will have to pass a stringent driving test to obtain the license. It may also be noted that the State government and other employers can always stipulate the requirement of minimum educational qualifications, while hiring the drivers.

**87. The Committee has noted that the population of the educated youths in the country has increased in many folds and also the unemployment. But qualified educated youths don't enter the job of Truck driving due to poor wages and low quality of working conditions. The Committee desires that the Government should come out with appropriate Rules to implement minimum wages, EPF, ESI, gratuity, working hours etc. as per the Motor Transport Workers Act and other legislation so that the educated youths can be attracted towards the profession of driving. In view of the detailed explanation given by the Ministry, the Committee adopted Clause 5 without any amendment.**

Clause 6 : Provides for amendment of Section 10.

88. In section 10 of the principal Act, in sub-section (2), in clause (c), for the words "invalid carriage", the words "adapted vehicle" shall be substituted.

89. *Clause 6 seeks to amend section 10 of the Act to replace the term "invalid carriage" with the term "adapted vehicle".*

**90. The Committee adopted Clause 6 without any amendment.**

Clause 7 : Provides for amendment of Section 11.

91. In section 11 of the principal Act,—

- (i) in sub-section (1), for the words "the licensing authority having jurisdiction in the area", the words "any licensing authority in the State" shall be substituted;
- (ii) in sub-section (2), the following proviso shall be inserted, namely:—

"Provided that the licensing authority may, before issuing the license verify the identity of the applicant in such manner as may be prescribed by the Central Government."

92. *Clause 7 seeks to amend section 11 of the Act so as to allow a licence holder to apply to any licensing authority in the State for the addition of other classes or descriptions of motor vehicles to his or her driving licence.*

93. In respect of this clause, some Members felt that after the word 'prescribed' the words 'in the rules or regulations or notifications' should be inserted.

**Views of State Governments**

94. The State Government of Tamilnadu has stated that if the licenses are issued by the Jurisdictional Authority as it exists now, the official of Authority familiar with the area can easily ascertain the genuineness of the address and other particulars of the applicant. Hence, the proposed amendment should be omitted.

**Views of the Government**

95. In response thereto, the Ministry of Road Transport and Highways has stated that the word 'prescribed' is already defined under Section 2(32) of the Motor Vehicle Act, 1988. Therefore, the concerns of the Hon'ble Member are already addressed.

**96. In view of the above the Committee adopted Clause 7 without any amendment.**

Clause 8 : Provides for amendment of Section 12.

97. In section 12 of the principal Act, after sub-section (4), the following sub-sections shall be inserted, namely:—

"(5) Notwithstanding anything contained in any other provision, where any school or establishment has been accredited by a body notified by the Central Government under any other law for the time being in force, any person who has successfully completed a training module at such school or establishment covering a particular type of motor vehicle shall be eligible to obtain a driving licence for such type of motor vehicle.

(6) The curriculum of the training module referred to sub-section (5) shall be such as may be prescribed by the Central Government and the Central Government may make rules for the regulation of such schools or establishments."

98. *Clause 8 seeks to amend section 12 of the Act to allow applicants who have obtained specialized training that has been devised by the Central Government, from accredited schools or establishments, to drive without being required to meet other requirements e.g. driving with light motor vehicle for at least one year before being granted a learner's licence to drive a transport vehicle.*

### **Views of State Governments**

99. The State Government of Tamil Nadu has stated that the proposed sub-sections (5) and (6) would result in creation of another set of parallel Driving Schools or Establishments approved by the body to be notified by the Central Government. This will be in addition to the existing driving schools approved by State Government, with a different curriculum. Hence, two different Establishments, one approved by State Government and another approved by a body notified by the Central Government will exist, creating confusion among the general public. The accreditation of any school or establishment by a body notified by the Central Government is not required since the regulation and control of schools and establishment are already vested with the State Government. Hence, the proposed amendment of insertion of sub-section (5) and (6) should be omitted.

100. The State Government of West Bengal has stated that schools or establishments accredited by a body notified by the State Government under any other law- should also come along side Central Government.

101. The State Government of Kerala has suggested that regulation and administration of driving schools and establishments should be vested with the State Governments. Therefore, the provision may be modified accordingly.

102. The State Government of Karnataka has stated that in order to promote safe driving, no disparity is to be shown among the licensed drivers on the experience required to drive transport vehicles. This may increase the business of the Corporates who will be operating such corporate driving schools. As such road safety will be affected, this amendment is against public interest.

### **Views of Stakeholders**

103. Some stakeholders were of the view that the powers of establishing driving schools were conferred only on State Government. The proposed introduction of the new sub sections (5) & (6) under Section 12 will enable the Central Government also to establish new driving schools. It is not clear what the purpose of the new provision is and it merely abridges the powers which have been conferred on State Governments. Thus, regulation and administration of driving schools and establishments should be vested with the State Governments.

104. The provisions to take over the Regulations and Administration of driving schools and establishments create difficulties to manage driving school at every corner of States far away from our Union capital. These powers may be restored with states for efficient and effective administration.

105. Some stakeholders have informed that the driver training schools are operated as self employment and small scale sector. If the new sub sections (5) & (6) of section 12 are inserted, only corporate houses will survive and others will be thrown out of field.

106. The phrase “notwithstanding anything contained in any other provision” needs to be clarified. It may mean that a person can get a licence without taking a test and disqualified drivers may also be eligible to get a licence if they complete a module at an “accredited” school.

107. Further, the phrase “may make rules” makes it optional to make rules for such. The phrase “notwithstanding anything contained in any other provision” needs to be qualified. The phrase “may make rules” should be replaced with “shall make rules”.

### **Views of Government**

108. In response thereto, the Ministry of Road Transport and Highways has stated that the driving schools shall not be established by the Central Government. They will have to take License from State Government only. Even existing driving schools may upgrade their infrastructure according to the specified standard. States can also accredit such schools. This provision is to cover the Institutions of Excellence created under skill Development Programme to improve quality. Central Government proposes a scheme to provide financial assistance to existing 2000 motor driving schools with the States to improve the driving training standards in the country and particularly in rural areas which is to be launched shortly.

**109. Regarding the issuance of driving licenses by accredited schools and the RTOs it was submitted to the Committee that "the Bill provides facility-that is the action plan of the Ministry-to the extent possible to set up as many driver training schools in the country as possible by taking States on board. The States are competent to accredit all those driver training schools. As a matter of fact, some of the OEMs (Original Equipment Manufacturers) have come forward to set up the driver training schools. If somebody has been able to get a successful driver training certificate from an accredited driving school, he need not appear for a driving test before an ASI. He is fit to be issued a driving license. If he has a successful training certificate from an accredited training school, therefore, he need not appear for a driving test before a licensing authority".**

**110. Regarding the legal validity of two types of driving license certification a doubt was raised regarding legal validity. The Committee was informed that "here the issue is that a driving license in being issued to a person who is suitably equipped to drive a vehicle; and, that is the end object. Now, the issue is whether that driving skill test is taken by the officer who is attached to RTO or the Registering Authority or the Licensing Authority or any other equally, or even more efficacious institutional system where a person goes through a training and then that accredited institution gives a driving competence Certificate. A certificate issued by an accredited driving school is having the same value as one which the certification of an official of the licensing authority has in terms of certifying the driving skills. The Department of Legal Affairs clarified that the two classifications are based on the objective to be achieved. There is a nexus between the objective and classification and, therefore, both the licenses will meet the legal scrutiny.**

**111. The Committee notes that as regards the driving schools, the State Governments are the authority to manage it. As part of skill development if some drivers have been trained by**

**institutions in a better way they should be permitted driving license. The Hon'ble Minister for Road Transport and Highways who appeared before the Committee assured that this will not affect the existing driving schools or for that matter the powers of the State Governments will remain untouched. The State Governments can create as many driving schools as they want.**

**112. The Committee fully agrees with the arguments proposed by the Government and recommends that the original equipment manufacturers may be directed to open driving schools in each of the districts of the country. The Government can decide which OEM should open a driving school in a particular district depending on the volume of sale of their vehicles. The Committee adopted Clause 8 without any amendment.**

Clause 9 : Provides for amendment of Section 14.

113. In section 14 of the principal Act, in sub-section (2),—

(i) in clause (a),—

(A) for the words "three years", the words "five years" shall be substituted;

(B) in the proviso, for the portion beginning with the words "one year" and ending with the word "and" the words "three years and renewal thereof shall be subject to such conditions as the Central Government may prescribe; and", shall be substituted;

(ii) for clause (b), the following clause shall be substituted, namely:—

"(b) in the case of any other licence, subject to such conditions as the Central Government may prescribe, if the person obtaining the licence, either originally or on renewal thereof,—

- (i) has not attained the age of thirty years on the date of issue or, renewal thereof, be effective until the date on which such person attains the age of forty years; or
- (ii) has attained the age of thirty years but has not attained the age of fifty years on the date of issue or, renewal thereof, be effective for a period of ten years from the date of such issue or renewal; or
- (iii) has attained the age of fifty years but has not attained the age of fifty-five years on the date of issue or, renewal thereof, be effective until the date on which such person attains the age of sixty years; or
- (iv) has attained the age of fifty-five years on the date of issue or as the case may be, renewal thereof, be effective for a period of five years from the date of such issue or renewal.";

(iii) the proviso shall be omitted.

*114. Clause 9 seeks to amend section 14 of the Act to increase the length of time for which a driving licence shall remain valid.*

## **Views of Stakeholders**

115. Some stakeholders were of the view that the currency of the license for driving the' non transport vehicle for the different periods is according to the age of the applicant. The insertion may

be avoided and the present provision may be retained as the proposed structure is very complicated and will create confusion in issuing the period of validity and thereby causes unnecessary hassles to the license holders and delay in the office work.

116. The currency of Driving License for non transport vehicle for different periods according to the age of the applicant in the new amendment is an inconvenient one and it is more effective if a fixed period like every 5 year after 50 year of age in the existing Act 1988.

### **Views of Government**

117. The Ministry of Road Transport and Highways has stated that this provision will facilitate longer duration (10 years) license up to the age of 60 years as against the present provision of 50 years. The life expectancy and physical well-being of the individuals has increased. This is a beneficial provision for citizens above 50 years of age. The idea of these provisions is to bring ease of business to common users and bring transparency and reduce corruption.

**118. In view of the explanation given by the Ministry, the Committee adopted Clause 9 without any amendment.**

Clause 10 : Provides for amendment of Section 15.

119. In section 15 of the principal Act,—

(i) in sub-section (1), in the first proviso, for the words "more than thirty days", the words "either one year prior to date of its expiry or within one year" shall be substituted;

(ii) in sub-section (3), for the words "thirty days", the words "one year" shall be substituted; and

(iii) in sub-section (4),—

(a) for the words "thirty days", the words "one year" shall be substituted; and

(b) in the second proviso for the words "five years after the driving licence has ceased to be effective, the licensing authority may", the words "one year after the driving licence has ceased to be effective, the licence authority shall" shall be substituted.

*120. Clause 10 seeks to amend section 15 of the Act to allow a licence holder to apply for renewal of licence any time in a window of six months before expiry of licence and six months after. It also seeks to provide that any applicant who attempts to renew his or her driving licence more than one year after expiry shall have to undergo a test of competence.*

### **Views of State Governments**

121. The State Government of Kerala the proposed period of 'one year' may be enhanced to at least for 'Two Years'. The situation of Kerala is different from other States in this regard. In our State, a large number of people are working abroad. They usually visit their parent State only once in 'Two or Three Years'. Hence it will be difficult for them to renew their license in time. At present they have got 'Five years' to renew their license. But as per the proposed amendment they will get only 'One Year' to renew their license after its expiry which is inadequate.

122. The State Government of Karnataka has stated that if the present proviso of renewal after the period of 5 years with retest is allowed to continue the drivers will get maximum benefit of this Amendment. Otherwise it will be a drawback to the drivers who miss the grace period of one year for renewal. Retesting the candidates after one year of expiry of license will increase the burden on the Licensing Authorities and Drivers as well.

### **Views of stakeholders**

123. Some stakeholders were of the view that the proposed period of 'Six Months' may be enhanced to at least for 'Two Years'. Clause 10 (iii) of section 15(4) reduces the existing 5 years for renewing a driving license after its validity expires, without a test of competence to six months, is highly disadvantageous to the public, mainly those who are NRIs visiting home state once in 2 or 3 years only. This may be changed as at least 2 years to avoid difficulties to Licensing Authority and public.

124. For instance, the situation in Kerala is different from other States in this regard as a large number of people are working abroad. They usually visit their parent State only once in 'Two or Three Years'. Hence it will be difficult for them to renew their license in time. At present, they have got 'Five Years' to renew their license. But as per the proposed amendment they will get only 'Six Months' to renew their license after its expiry which is inadequate. Thus, the existing period may be retained. The existing Act is convenient for all.

125. It is not very clear why a person has to re-take the driving test only because the license is expired. If a person renews on time, he/she does not have to take the test. It is being assumed that if the license has expired it means that the person is not driving and hence must be re-tested. This assumption may not be correct. A person who has been driving for 20-30 years is not going to forget how to drive just because he/she does not drive for one or two years.

126. Further, there is a conflict between this amended section and Section 9(3), proviso (a) (i), where a person is exempted from taking the test if he/she applies for the licence renewal within 5 years of date of expiry.

127. Thus, the amendment should be re-considered. Either condition for re-testing should be removed entirely or at least the period should be increased. Appropriate proviso should be added. There is also need to amend section 9(3) proviso (a) (i) to match the period that is specified in this section.

### **Views of Government**

128. The Ministry of Road Transport and Highways has stated that under existing provisions, the license renewal was permitted only thirty days prior to the expiry. Frequent visits to RTO offices for renewal leads to harassment of people and NRIs in particular as suggested by Kerala government. Hence, a two-year window has been prescribed for renewal, which may be an online process, if provided by the State. The driving license renewal can therefore be carried one year before the expiry or up to one year after the expiry. This shall also bring in transparency and shall reduce corruption.

**129. In view of the above explanation the Committee adopted Clause 10 without any amendment.**

Clause 11: Provides for amendment of Section 19.



130. In section 19 of the principal Act,—

(i) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Where a licence has been forwarded to the licensing authority under sub-section (4) of section 206, the licensing authority, if satisfied, after giving the holder of the driving licence an opportunity of being heard, either discharge the holder of a driving licence or, it may for detailed reasons recorded in writing, make an order disqualifying such person from holding or obtaining any licence to drive all or any class or description of vehicles specified in the licence—

(a) for a first offence, for a period of three months;

(b) for a second or subsequent offence, with revocation of the driving licence of such person:

"Provided that where a driving licence is revoked under this section, the name of the holder of such driving licence may be placed in the public domain in such manner as may be prescribed by the Central Government.";

(ii) in sub-section (2),—

(a) after the word, brackets and figure "sub-section (1)", the words, brackets, figure and letter "or sub-section (1A)" shall be inserted;

(b) for the proviso, the following proviso shall be substituted, namely:—

"Provided that the driving licence shall be returned to the holder at the end of the period of disqualification only if he successfully completes the driver refresher training course.";

(iii) after sub-section (2) the following sub-sections shall be inserted, namely:—

"(2A) The licence holder whose licence has been suspended shall undergo the driver refresher training course from a school or establishment licenced and regulated under section 12 or such other agency, as may be notified by the Central Government.

(2B) The nature, syllabus and duration of the driver refresher training course shall be such as may be prescribed by the Central Government.";

(iv) in sub-section (3) after the word, brackets and figure "sub-section (1)", the words, brackets, figure and letter "or sub-section (1A)" shall be inserted.

*131. Clause 11 seeks to amend section 19 of the Act to provide for disqualification from holding driving licence and revocation of driving licence of drivers found to commit certain offence, such as, jumping red lights, driving under the influence of alcohol and drugs, driving licence using a mobile phone, driving in the wrong way etc. It also seeks to provide that such licence holders shall be required to complete a driver refresher training course, as prescribed by the Central Government.*

*Section 19-New Insertion Amendment in Section 19 provides the procedure to deal with the impounded licenses of the traffic offenders.*

132. Some Members were of the view that this new Section will cause undue delay in obtaining new licenses. Hence, this may be deleted.

### **Views of stakeholders**

133. Some stakeholders were of the view that revoking or permanent seizure of license for the second offence is not justifiable even for not wearing the helmet. So this may be deleted from the proposal.

### **Views of Government**

134. In response thereto, the Ministry of Road Transport and Highways has stated that the provision is for the licenses that are impounded by the traffic police and sent to the Registration authority for suspension and any other action that may be required. The provision is therefore only to deal with specific traffic offenders and not new license applicants.

**135. The Committee noted the Ministry's reply. The Committee adopted Clause 11 without any amendment.**

Clause 12 : Provides for insertion of new Section 25A.

136. After section 25 of the principal Act, the following section shall be inserted, namely:—

"25A. (1) The Central Government shall maintain a National Register of Driving Licences in such form and manner as may be prescribed.

(2) All State Registers of Driving Licences shall be subsumed under the National Register of Driving Licences by a date to be notified by the Central Government.

(3) No driving licence issued, or renewed, under this Act shall be valid unless it has been issued a unique driving licence number under the National Register of Driving Licences.

(4) All State Governments and licensing authorities under this Act shall transmit all information including contained data in the State Register of Driving Licences in such form and manner as may be prescribed by the Central Government.

(5) The State Governments shall be entitled to access the National Register and update their records in such manner as may be prescribed by the Central Government."

*137. Clause 12 seeks to insert a new section 25A in the Act to establish a National Register of Driving Licences containing data on all driving licences issued throughout India and facilitate the grant of licences in a transparent and efficient manner. It also seeks to enable the State Governments to transmit all information contained in the State Register of Driving Licences to the Central Government and to update the National Register in a manner to be prescribed by the Central*

*Government. It also seeks to subsume all State Registers into the National Register by a date to be notified by the Central Government.*

## **Views of stakeholders**

138. Few stakeholders were of the view that adequate time to implement the provision may be given in consultation with the State Governments.

## **Views of the Government**

139. The Ministry of Road Transport and Highways has stated that already, most of the States are using the National Register. Adequate time will be given to the State Governments for implementation. The National register shall be formulated in consultation with the States. This would help in avoiding multiple licenses obtained by drivers from different registration authorities. The issue of new licenses or renewals would be captured in the database on real time basis. It will be ensured that States do not have to face any inconvenience.

**140. In view of the Ministry's clarification the Committee adopted Clause 12 without any amendment.**

Clause 13 : Provides for amendment of Section 26.

141. In section 26 of the principal Act,—

- (i) in sub-section (1), for the words "the following particulars, namely", the words "particulars, including" shall be substituted;
- (ii) sub-section (2), shall be omitted

*142. Clause 13 seeks to amend section 26 of the Act to omit the requirement on the part of the State Government to supply the Central Government with a copy of the State Register of Driving Licences.*

**143. The Committee adopted Clause 13 without any amendment.**

Clause 14 : Provides for amendment of Section 27.

144. In section 27 of the principal Act,—

- (i) after clause (d) the following clause shall be inserted, namely:—

"(da) the form and manner in which a licensing authority may issue a learner's licence under sub-section (6) of section 8;"

(db) the manner in which a licensing authority may verify the identity of the applicant under the third proviso to sub-section (6) of section 8;

- (ii) after clause (j) the following clauses shall be inserted, namely:—

"(ja) the curriculum of training modules and the regulation of schools and establishments under sub-section (6) of section 12;

(jb) the conditions for the renewal of licence to drive transport vehicles carrying goods of dangerous or hazardous nature and other motor vehicles under clause (a) and clause (b) of sub-section (2) of section 14;"

(jc) the manner in which a licensing authority may verify the identity of the applicant under the third proviso to sub-section (2) of section 11;

(iii) after clause (n) the following clauses shall be inserted, namely:—

"(na) the manner of placing in the public domain of the name of the licence holder as referred to in sub-section (1A) of section 19;

(nb) providing for the nature, syllabus and duration of the driver refresher training course as referred to in sub-section (2B) of section 19;"

(iv) after clause (o), the following clause shall be inserted, namely:—

"(oa) all or any of the matters referred to in section 25A;"

(v) in clause (p), after the word, brackets and figure "sub-section (1)", the words brackets and figure "and sub-section (2)" shall be inserted.

145. *Clause 14 seeks to amend section 27 of the Act in consequence of the amendments proposed in Chapter II of the Act.*

**146. The Committee adopted Clause 14 without any amendment.**

Clause 15 : Provides for amendment of Section 40.

147. In section 40 of the principal Act, for the words "a registering authority", the words "any registering authority in the State" shall be substituted.

148. *Clause 15 seeks to amend section 40 of the Act to allow an owner to register his motor vehicle by making an application to any registering authority in the State. The maximum period permitted for renewal of the Driving License after it has expired is reduced to 'Six Months' from 'Five Years'.*

149. Some Members felt that the clause should be deleted.

**Views of the Government**

150. The Ministry of Road Transport and Highways has stated that presently the registration can be done only with the local Registering Authority. The proposed provision would make the process of registration simpler for citizens to apply anywhere in the State. This will not lead to any loss of revenue for the State nor the power of State Government has been taken away. This is only with an objective to provide ease of citizen services.

**151. In view of the Ministry's clarification, the Committee adopted Clause 15 without any amendment.**

Clause 16: Provides for amendment of Section 41.

152. In section 41 of the principal Act,—

(i) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that in the case of a new motor vehicle, the application for registration in the State shall be made by the dealer of such motor vehicle, if the new motor vehicle is being registered in the same State in which the dealer is situated.";

(ii) in sub-section (3),—

(a) for the words "to the owner of a motor vehicle registered by it a certificate of registration", the words "a certificate of registration in the name of the owner" shall be substituted;

(iii) in sub-section (6), the following proviso shall be inserted, namely:—

"Provided that in case of a new motor vehicle, the application for the registration of which was made under the second proviso to sub-section (1), such motor vehicle shall not be delivered to the owner until such registration mark is displayed on the motor vehicle in such form and manner as may be prescribed by the Central Government.";

(iv) in sub-section (7),—

(a) the words "other than a transport vehicle" shall be omitted; and

(b) after the words " date of issue of such certificate", the words "or for such period as may be prescribed by the Central Government" shall be inserted;

(v) in sub-section (8), the words "other than a transport vehicle", shall be omitted;

(vi) in sub-section (10),—

(a) for the words "for a period of five years", the words " for such period, as may be prescribed by the Central Government" shall be substituted;

(b) the following proviso shall be inserted, namely:—

" Provided that the Central Government may prescribe different period of renewal for different types of motor vehicles.";

(vii) in sub-section (11),—

(a) for the words and figures " section 177, such amount not exceeding one hundred", the words, brackets, figures and letter " sub-section (1) of section 192B, such amount not exceeding five thousand" shall be substituted; and

(b) in the proviso, for the word and figures "section 177", the words brackets, figures and letter "sub-section (1) of section 192B" shall be substituted;

(viii) after sub-section (11), the following sub-section shall be inserted, namely:—

"(11A) If a dealer fails to make an application under the second proviso to sub-section (1), the registering authority may, having regard to the circumstances of the case, require the dealer to pay, in lieu of any action that may be taken against him under sub-section (2) of section 192B, such amount not exceeding fifteen thousand rupees as may be prescribed under sub-section (13):

Provided that an action under sub-section (2) of section 192B shall be taken against the dealer where the dealer fails to pay the said amount.";

(ix) for sub-section (12), the following sub-section shall be substituted, namely:—

"(12) Where the owner or the dealer has paid the amount under subsection (11) or sub-section (11A), as the case may be, no action shall be taken against him under sub-section (1) or sub-section (2) of section 192B, as the case may be.";

(x) for sub-section (13), the following sub-section shall be substituted, namely:—

"(13) For the purposes of sub-section (11) and sub-section (11A), the State Government may prescribe different amounts having regard to the period of delay on the part of such owner or dealer in making an application under subsection (1) or sub-section (8), as the case may be.".

*153. Clause 16 seeks to amend section 41 of the Act to provide for the registration of new motor vehicles by dealers and provide for penalties for dealers who fail to register a new motor vehicle. It also seeks to provide that new motor vehicles shall be delivered to the customers only after the affixation of the registration mark. It also seeks to empower the Central Government to prescribe the validity of a registration certificate for different classes of motor vehicles.*

154. Some Members felt that in the proviso to Section 41 (1), after the words ‘by the dealer of such motor vehicle’ the words ‘to the registering authority’ should be inserted.

155. Further, under the new proviso proposed to be inserted to sub-section (7) of Section 41, the need for grant of Certificate of fitness after testing in the Automated Testing Stations is to be extended to non-transport vehicles as well. This would cause considerable hardship to ordinary owners of personal vehicles which are not intended for hire.

### **Views of State Governments**

156. The State Government of Tamil Nadu has stated that as of now, 2.1 crore non-transport vehicles have to compulsorily undergo the test through automated testing stations w.e.f. 1/10/2018 after the Central Government's Notification of different period of renewal of Registration Certificate for different types of motor vehicles comes through. Accordingly, all vehicles will be mandated to get fitness certificate in the automated testing stations. The testing stations particularly for non-transport (LMV car and Motor Cycle) vehicles will be authorized to be run by private persons only, thereby even though, vehicle parts and its condition is road worthy, the vehicle owners may be forced to change the spare-parts as per the standards maintained by the manufacturer by the testing stations. Vehicle owners will have no option to get fitness certificate other than through the automated testing station, which will lead to heavy financial loss to the owner of the vehicles. Automatically, the vehicle manufacturers and their dealers will play a monopoly role. Due to this, original equipment spare-parts will be made as not available in the open market. Thereby existing local vehicles repair

shops and spare-parts vendors' business will be much affected, resulting in non-employment for large number of people who will have to forfeit their means of livelihood. Hence, the proposed amendment to sub-section (10) (vi) should be omitted.

157. The State Government of West Bengal has stated that application should be made by the owner for registration of the vehicle in his favour and the dealer may facilitate processing such application duly signed by the owner. In no case the dealer can be allowed to make application since it may lead to various legal complications. Role and responsibility of owner and dealer in respect of registration of new motor vehicle is to be clearly defined. Privilege of owner to get Registration Certificate (RC) directly from RA is curbed. The amendment makes scope that RC be delivered to the dealer who in turn hand over it to owner. This may lead to exploitation of owners. It may rather be a mandate on the dealer that no motor vehicle shall be delivered to the owner until such registration mark is displayed on the motor vehicle etc. In default the dealer may be penalized. At present for any vehicle, other than transport vehicle, initial registration is valid for 15 years and subsequently renewed for every 5 years period. Validity of registration in case of transport vehicle is controlled by the validity of CF issued under Section 56 of the Act. With this amendment the Central Government assumes the power to limit the validity of registration of any vehicle irrespective of its condition certified under section 56. In other words the power to fix life or age of any motor vehicle already given under section 59 of the Act is used under this section without changing the section 59. As an immediate effect of this amendment life of a large number of vehicles, both transport (bus, truck, auto etc) and non-transport (cars, motor cycles etc) may come to an end immediately or within a specific period by notification issued by the Central Government. Such a decision may affect the transportation system very badly, especially in the rural sectors, causing considerable inconvenience to general public. It will only boost the interest of automobile industries.

158. The State Government of Karnataka has stated that the Government Authorities /RTO's are accountable for any malfunctioning of the vehicles, it is dangerous to empower the vehicle dealers who are profit motive, promoting their sales. They may cheat the Government/customers by violating the rules and regulations. Empowering dealers as "registering authorities" is against State and public interest.

159. The State Government of Maharashtra has stated that the new proviso proposed to be inserted to sub-section (7) of Section 41, the need for grant of Certificate of Fitness after testing in the Automated Testing Stations is to be extended to non transport vehicles as well. This would cause considerable hardship to ordinary owners of personal vehicles which are not intended for hire. Hence, this amendment should be omitted. The proposed introduction of the new sub section (5) and (6) under Section 12 will enable the Central Government also to establish new driving schools. It is not clear what the purpose of the new provision is and it merely abridges the powers which have been conferred on State Governments. Hence, it has been requested that these sub sections may also be omitted.

160. Government of Rajasthan has informed the Committee that under the amended Rajasthan Motor Vehicles Rules, 1990, a dealer for non-transport vehicles has been authorized to act as a Registering Authority, if he holds a valid trade certificate and is a dealer of non-transport vehicles. The power is only for first sale. The dealers have also been authorized to collect the tax payable by the motor vehicle and deposit the said amount of tax in the relevant head under the provision of the Rajasthan Motor Vehicles Taxation Rules, 1951. The tax so collected by the dealer is deposited within two days of collecting the tax in the revenue head of the transport department. The dealer acting as a Registering Authority has to ensure that the application in prescribed form for registration

are complete, verify the address proof and duly inspect and certify that the particulars regarding the vehicle are correct and it complies with the Motor Vehicles Act/Rules. It has also been informed that under this system of dealer registration system the vehicle is not required to be produced in the RTO resulting in saving of time and no vehicle can be delivered unregistered by the dealer. The fitment of high security registration plate is also ensured in the premises of the dealer. However, sometimes there are complaints against the dealer for charging higher amount as handling charge than the prescribed amount and there is probability of loss of revenue to the department on account of financial fraud by the dealer or on account of lapse in supervision by the department. Sometimes the dealer is also at a loss if he fails to charge lesser amount of tax or fees from the vehicle owner as the post recovery after registration of vehicle is very difficult.

161. The Government of Andhra Pradesh (The Transport Commissioner Andhra Pradesh) informed the Committee that the Transport Department, Government of Andhra Pradesh has launched new online web application with cloud service. The main objective is to provide quality service to the citizens with following value additions

- Velocity in Registration processing thereby reducing citizen waiting time
- Accessibility to citizen from anywhere at any time
- Transparency, thereby eliminating the middle men
- Last but not the least good customer experience to the citizens of Andhra Pradesh. The application envisages zero touch points between the citizen and Department. Online vehicle registration was launched on 01.03.2016. Ever since online application has started, 10,22,502 transactions have been processed through online web application as on 8/12/2017.

162. Online application retrieves the data from various other applications like Vahan, Aadhar, PAN card, e-payment gateway through a set of API's (Application Program Interface).

- **Aadhaar e-KYC:-** Online web Application retrieves the Data from Aadhaar e-KYC by finer scanning of the vehicle Owner/Driver to avoid impersonation and establish the identity of the buyer i.e. citizen.
- **Vahan:-** Online Transport web Application has an integration with Vahan Portal, wherein Technical specifications of the vehicles are directly captured by entering chassis number and Engine Number at Dealers Level.

163. Payment Gateway:- Tax, application fee, other fee is being collected through SBI MOPS, Pay-U aggregator Gateway, so that revenue collections from the citizens are directly deposited to the Government Treasury.

164. For insurance details, the Transport Department is mulling to have an integration with IIBI, cover Fox (Insurance Aggregator)

165. E-mail and SMS gateway is helpful to mail Temporary Registration Certificate and Permanent Registration Certificate in pdf format directly to the customer's inbox.

166. CCTNS details will be obtained from Police, PAN details will be obtained from Income Tax Department through integrations.



167. The Motor Vehicle Financiers, vehicle body builders, pollution testing centres are registered with Transport Department for seamless flow and enable hypothecate the vehicles through online web application.

168. All these integrations ensure hassle-free services with zero touch points between citizens and department, thereby eliminating the agents and middle men.

### **Benefits of Registration by Dealers**

- TAT (Turn around Time): The amount of average time taken to process vehicle registration has come down to less than a day i.e. 0.69 day from 72 days in the State. Citizens won't lose their previous productive time.
- Transparency achieved because of zero physical touch points between citizens and the Department. Business process re-engineering paved way to process files online. Further, performance of dealers, employees of Department is being monitored by SAS Data analytics.
- Accessibility: Citizen can avail services from showrooms at any time.
- Reduction in Litigations/Curbing impersonation: As all applicant details, vehicle details are being fetched from integrations with Aadhar, e-KYC, and VAHAN (NIC), there is no scope for impersonation and litigations can be avoid.

169. The registration of the vehicles is not done by the dealer, instead he keys in the DATA into the web application of the Department and the web application verifies and validates the data and generates the Temporary Registration number or a Permanent Registration number automatically and is sent to the citizen. The dealer is just a facilitator for the Department's Web Application and Registration process. The Registration Certificate has a QR Code which when accessed, calls for the data from the Department Web Application Database and produces to the citizen or a cop on the road. This data is authentic and reliable. Secondly, since the document is available in pdf format in the citizen's inbox, he can retrieve this document anytime, anywhere. Thus, this creates qualitative data, establishes identity beyond any doubts and eliminates all touch points between citizen and RTA thereby, reducing corruption.

170. The Government of Telangana (The Principal Secretary to Government of Telangana) informed the Committee that all the Motor Vehicle Dealers in the State are connected to Transport Department and authorized by the department to do the registration of motor vehicles temporarily after remitting all requisite tax and fees to the department online through mee-seva (Government of Telangana) payment gateway. The revenue received by mee-seva is being remitted to Government Account through online. The permanent registration of the vehicle is being done at the RTA offices concerned basing on the address of the owner of the vehicle through online appointment system. Complete data entry like owner name, address, vehicle details, insurance details etc., is being done by Automobile dealers at sale point and generate the Temporary Registration Certificate. Data is fetched by the Department as and when the applicant approach the office for permanent registration based on the Temporary Registration Number assigned and do the registration. Developed online module for the Automobile Dealers to submit the application for the entry of specifications of new model of motor vehicles to avoid delay in processing the application. Entire data is centralized and all the transactions have been made online and cash collection at the office counters was dispensed with w.e.f. 02.08.2016 by the Transport Department.

171. The Government of Punjab has informed that the Government of Punjab is empowered to authorize the Motor Vehicles Dealers for the issue of Registration Certificate of non-transport

vehicles on first sale. Under rule 42 of the Central Motor Vehicles Rules 1989 it has been specified that every motor vehicle dealer shall ensure the delivery of new sold vehicle is subject to registration whether temporary or permanent while delivering the motor vehicle to the purchaser, the motor vehicles dealer shall comply with the following terms and conditions at the time of first sale.

1. That no vehicle which is sold by the dealer to any native of Punjab shall be allowed to be driven/taken out of Show Room unless the Temporary Registration No. is allotted to the vehicle by the dealer after getting the Registration fee, HPA fee and Motor Vehicles Tax (in lump-sum) as fixed by the Government from time to time. The Motor Vehicles Tax and Fee etc received from the purchaser/owner of the vehicle shall be deposited online system into the State bank of India under the relevant head on the same day by the dealer.
2. That the dealer shall ensure the new vehicle (two wheelers and motor car having 6+1 seats) have obtained type approval from the Chairman, State Transport Authority, Punjab, Chandigarh for registration purpose for which the lumpsum Motor Vehicle Tax is to be realized as per Punjab Government notification dated 22.11.07 and as amended from time to time.
3. The registration marks from the current series will be frozen by the dealer online and the same number will be allocated by the DTO/SDM subsequently. The purchaser willing for getting reserved numbers as mentioned at Sixth Schedule under rule 42 A of the Punjab Motor Vehicles Rules, 1989 that are to be auctioned shall be allotted temporary registration certificate for the motor vehicle sold by the dealer after getting the Registration fee HPA fee and the Motor Vehicles tax (in lump-sum) etc. sold by the dealer after getting the Registration fee. HPA fee and the Motor Vehicles Tax (i) lump-sum etc.
4. The dealer shall ensure that the new vehicle to be delivered by them to the purchaser is not a stolen/re-sold vehicle. The new vehicle is not mechanically defective and comply with the requirement of Motor vehicles Act. Rules and instructions made there under from time to time.
5. That the dealer shall ensure that the purchaser/applicant has furnished accurate particulars in the application for the registration of the vehicle are true and correct and there is no reason for the refusal of the registration of the vehicle.
6. That the receipts of the registration mark to be allocated by the Registering authority to the vehicle sold by the dealer may be issued to the purchaser after receiving all the relevant papers.
7. That the dealer shall be fully responsible for the authenticity of all the relevant papers including Motor Vehicles Tax and fee etc. deposited online system forward to the District Transport Officer concerned.
8. That no additional charge/amount shall be realized by the dealer from the purchaser of the vehicle for the allotment of temporary Registration No. deposition of online Tax & fee, allocation of registration number and processing of the application as aforementioned. The dealer shall also undertake to abide by all the terms and conditions issued in this behalf by the Government of Punjab, Department of Transport from time to time. In case of non-compliance, violation or breach of any of the terms and conditions in this regard the authorization for the grant of Temporary Registration Nos. shall be liable to be suspended/revoked.
9. The dealer will indemnify, defend and hold the State Government including its officers and employees harmless against any and all proceedings, actions and third party claims for loss, damage and expense of whatever kind and nature arising out this work. The dealer shall fully indemnify and defend the State Government including its officers, employees from and

against any and all loss and damages arising out of or with respect to failure of the dealer to comply with Applicable Laws, rules and regulations.

10. That the dealer shall have to deposit a sum of Rs. one lac interest free as surety which is refundable and the same shall be forfeited in case of any violation of the terms & conditions or loss to the State Exchequer.

### **Views of stakeholders**

172. Some stakeholders were of the view that the current Section 41 sub-section 1 mentions that the application can be made by the owner or on behalf of the owner. Hence, the dealer can also apply on behalf of owner in the existing framework. The proposed amendments will create issues for the registration of vehicles where direct sale is involved.

173. The Dealer is enabled to register new vehicles without inspection by registering authority. Hence, there are chances for malpractices and the dealer should be made accountable and responsible legally for such acts, if any, detected.

174. In the new proviso proposed to be inserted to sub-section (7) of Section 41, the need for grant of Certificate of Fitness after testing in the Automated Testing Stations is to be extended to non transport vehicles as well. This would cause considerable hardship to ordinary owners of personal vehicles which are not intended for hire. Hence, this amendment should be omitted.

175. Thus, some stakeholders have suggested that the RTO offices may be upgraded and making sure of adequate man power will achieve the purpose of the Act. Each and every vehicle must be inspected by MVI and ensure their safety and compliance to traffic rules. The intention of the dealers is to sell the vehicles and not the safety or following the traffic rules and they charge enormous amount for registration of the vehicles. Hence this clause may be deleted.

176. Government of Delhi has informed the Committee that the required notification has already been issued for appointment/empowerment of Self Registering Authority by the Transport Department, Delhi. The terms and conditions for empowering of Registration Authority provide that the Commissioner may empower employees of the dealers with prescribed qualification and experience to function as registering authority as an alternate registering authority for registration of non-transport vehicle on first sale. The dealer is required to obtain trade certificate from the Transport Department and follow the prescribed procedure. Under the new system the vehicle owner gets the registration number at dealer point only and is not required to visit the Transport Office. The Dealer Registration System is running successfully in Delhi and the Government is further considering to liberalize the terms and conditions for self registration so that all the vehicle dealers can become self registration dealers. The system is applicable only on the sale of non-transport vehicle because in case of transport vehicle, the vehicle has to be taken to fitness unit and only thereafter registration is done. Therefore, self registration powers are not given in case of sale of transport vehicles.

### **Views of the Government**

177. The matter was taken up by the Ministry of Road Transport and Highways. They have stated that the dealer steps into the shoes of the registering authority and acts as the front office on behalf of the registering authority. While the registration has to be done by the dealer, there will be a backend interface with the registering authority. The dealer will also be responsible for any noncompliance on his part.

178. Further, the proposed provision would help permit non-transport vehicles, a longer registration period which may be more than the present period of 15 years. Hence, this is a beneficial provision for private vehicle owners

179. It was submitted before the Committee that the cars and two wheelers which are Completely Built Units (CBUs) by the manufactures are exempted from production before the RTOs for registering the vehicles. The Dealers can register those vehicles.

180. As regards the chassis built vehicles, the Ministry of RTH has come out with two codes. One is bus body code and the other is Truck Body Code. Every bus body manufacturer and truck body manufacturer will have to comply with the particular testing standard, testing protocol etc. as laid down in the respective codes. Every such built up vehicle has to be produced before the RTOs for inspections and registration. The Committee was informed by the representatives of the Ministry that the exemption of production of vehicles at RTOs and dealer registration are permitted only in case of CBUs.

181. Regarding the production of vehicle, the representative of the Ministry of Road Transport & Highways submitted before the Committee "None of the new vehicles are normally registered by the owner himself. They are all registered through the dealer because the delivery of the vehicle is taken by the owner on the day of purchase and after a few days he gets a call from the dealer that your registration number has come and you can come and collect it. I fail to see any kind of production actually happening at the RTOs office...."

182. The Committee has noted that out of two crore vehicles registered in India every year only 2 lakh vehicles or one percent are commercial vehicles. The remaining 99% vehicles are private vehicles and most of them are CBUS.

183. It was also submitted before the Committee that according to Transparency International every year Rs.10,000/-crore in bribe is collected from truck owners/drivers by various RTOs in the country. If we add the licences, Registration, payment of taxes, permits, the amount may multiply. Some other assessments have put Rs.23,000 crore as annual corruption deals by the RTOs.

184. During the interaction with various stakeholders the Committee has realized that registration by dealers may reduce manipulation including corruption at RTO offices. The vehicles may come to the road only with permanent registration number; the concept of temporary registration will come to a stop. In fact the dealers will act as front office of the RTOs and all the records will be connected to the RTOs directly online. All the fees and taxes collected may be deposited online with RTO or to accounts of the concerned State Government on real time basis. And the State Governments will have full control on the activities of the dealers.

185. Considering the rampant corruption in RTOs and Transport Sector the Committee feels that the initiative of registration of vehicles by dealers and non-production of vehicles at RTOs may reduce the difficulties of the citizens substantially.

186. The Commissioner of Transport informed the Committee that this dealer registration system is running successfully in Delhi. Most of the State Governments are in favour of the

**dealer based registration system. States like Rajasthan, Punjab, Andhra Pradesh and Telangana have already implemented the dealer registration system in their States.**

**187. The Committee notes that the fear of malpractices by the dealers is out of place as there are very stringent penalties imposed on the dealers for any kind of malpractices. The Committee also recommends that existing practice of charging some amount by dealers as facilitation charges should be stopped immediately and the Government should formulate appropriate Rules at the Centre and State levels to stop this kind of practices.**

**188. In view of the clarifications given by the Ministry of Road Transport and Highways and the experiences shared by the Governments of Rajasthan, Andhra Pradesh and Delhi and other stakeholders, the Committee adopted Clause 16 without any amendment.**

Clause 17: Provides for amendment of Section 43.

189. For section 43 of the principal Act, the following section shall be substituted, namely:—

“43. Notwithstanding anything contained in section 40, the owner of a motor vehicle may apply to any registering authority or other authority as may be prescribed by the State Government to have the motor vehicle temporarily registered and such authority shall issue a temporary certificate of registration and temporary registration mark in accordance with such rules as may be made by the Central Government:

Provided that the State Government may register a motor vehicle that plies, temporarily, within the State and issue a certificate of registration and registration mark for a period of one month in such manner as may be prescribed by the State Government.”

*190. Clause 17 seeks to amend section 43 of the Act to enable the Central Government to make rules for the issue of temporary certificates of registration and temporary registration marks and it provides for an application for temporary registration to be made to a registering authority or any other authority as may be prescribed by the State Government.. The vehicle with temporary registration cannot ply outside the State.*

### **Views of State Governments**

191. The State Government of West Bengal has stated that the power to make rule for ‘temporary registration’ of a vehicle is at present with the State Government. Superseding these rules by the new amendment is highly prejudicial to the rights of the State Government and not necessary.

### **Views of stakeholders**

192. This amendment is not clear and specific. This will create difficulties to vehicle owners to operate in another state to ply for a period of one month. This can be omitted to avoid serious difficulties.

## Views of Government

193. Registration authority remains with the State Government. The Dealers have been entrusted with additional responsibilities to ensure immediate registration before the delivery and to provide better service to the citizens. The allotment of Registration Number shall still be done by State RTO. In proposed new Section 192B, the Registering authorities of the States have been empowered to levy stringent penalties on defaulting dealers. This amendment is to strengthen the requirement of registration mark for all motor vehicles at the time of delivery. This will facilitate citizens buying the new vehicles as they would get hassle free services.

**194. In view of the clarification provided by the Ministry, the Committee adopted Clause 17 without any amendment.**

Clause 18 : Provides for amendment of Section 44.

195. For section 44 of the principal Act, the following section shall be substituted, namely:—

"44.(1) Subject to such terms and conditions as may be prescribed by the Central Government in this behalf, a motor vehicle sold by an authorised dealer shall not require production before a registering authority for the purposes of registration for the first time.

(2) Subject to such terms and conditions as may be prescribed by the State Government, a person in whose name a certificate of registration has been issued shall not be required to produce the vehicle registered or transferred before a register authority."

196. *Clause 18 seeks to amend section 44 of the Act to remove the requirement of the production of a motor vehicle before the registering authority at the time of registration.*

197. Some Members felt that this clause should be deleted as no further inspection is done by registering authorities and the dealer may be made responsible for any defects and proceeded against.

## Views of State Governments

198. The State Government of Tamilnadu has state that if section 44 is modified as proposed now, then there will be no means to ensure that new Motor Vehicles have been manufactured in accordance with the provisions of the Motor Vehicles Act and the Rules framed there under. If the Registering Authority's power of registration of new vehicle is conferred on to the dealer for the vehicle manufactured by the manufacturer, it is sure that they will definitely compromise with the non-compliance of the conditions and go ahead for the registration as if the vehicle complies all the conditions prescribed in the Motor Vehicles Act and the Rules made there under. No man shall be a judge of his own cause. Hence, the proposed amendment to Section 44 should be omitted.

199. The State Government of West Bengal has suggested that the meaning of the words 'the vehicle registered or transferred' is not clear in the context of sub section (2). Vehicles being transferred from one region to another and also for certificate of fitness and change of address should be produced before the concerned registering authority of the State. This provision should not be deleted as it may create confusion and other infirmities in the system and can also result in wrong doing by owners.

200. The State Government of Kerala has suggested that in case of vehicles built by body builders, the inspection by the registering authorities should continue.

201. The State Government of Karnataka if the existing statute under Sec.44 is removed, as proposed now in the modified version, there will be conflict between the provisions of Sec.44 and other provisions of same statute under Sec.111 and the Rules made there under the State Governments in relation construction of Motor Vehicles. The proposed Amendment is against State and public interest.

### **Views of Stakeholders**

202. Some stakeholders were of the view that the amendment in Section 44 proposes to dispense with the requirement of production of a new Motor vehicle before the competent authority for inspection before registration. It facilitates the completion of the process of registration of a new motor vehicle at the dealers' point without physical inspection by the competent authority. This is a dangerous provision from road safety point of view.

203. As per the comments of the Ministry the statutory registering authority will be allowed to continue to sign the documents without proper physical inspection of the vehicle. As a result, that authority is held solely responsible for accountability and accuracy of the technical specification and roadworthiness of the vehicles.

204. The main objection against Clause 18 which proposes omission of section 44 and substitution by a new section 44 is that the definition of Dealer and his present responsibilities is not clear. The Ministry has not taken into consideration whether any statutory responsibility with regard to the regulation of motor vehicles is conferred upon a 'dealer' under the present Motor Vehicles Act 1988 except selling the vehicles. The Ministry has not proposed to confer powers upon a 'dealer' to perform the statutory duties and functions as Registering Authority. The Ministry has failed to appraise the definition of the term "dealer" as specified in sub section(8) of section 2 of principal Act. The term 'dealer' includes persons involved in carrying on any business or trading activity and transactions effected by them relating to a motor vehicle whether in the course of business or not. So the defined dealers are involved in activities for profit. Procuring motor vehicles from manufacturers and selling them to purchasers is a transaction with profit motive. The Ministry has not proposed to confer powers upon a 'dealer' to perform the statutory duties and functions as Registering Authority. The present competent authorities would be reduced to the level of ministerial cadre by making them to assign registration number and sign the registration certificate automatically based on the particulars furnished by the dealers in the applications prepared by themselves. As such the statutory registering authority has been allowed to continue to sign the documents without proper physical inspection of the vehicle. But that authority is held solely responsible for accountability and accuracy of the technical specification and roadworthiness of the vehicles etc.

205. Main objections are (i) The amendments are against the principles of subsection 2(b) of Section 65 of the Motor Vehicle Act, 1988.(ii) Only if the vehicles are physically inspected by the competent authority appointed for that purpose, any mechanical defect, or non compliance of regulations could be noticed and registration of such vehicles could be refused. (iii) Otherwise, any number of mechanically defective vehicles, vehicles which are not roadworthy and unsafe vehicles are likely to ply in public places endangering the safety of the public. (iv)The proposal to dispense with the production of the vehicle for inspection by the competent authority will not be in public interest. It is only an added benefit to manufacturers to relieve them from the clutches of "recall of

vehicles”. (v) As per sub section (4) of section 2 “certificate of registration” means the certificate issued by a competent authority to the effect that a motor vehicle has been duly registered in accordance with the provisions of Chapter IV. So, without inspecting the vehicle, the certificate that a vehicle complies with the provisions of Act and rules cannot be given and so it cannot be registered.

206. Hence, it has been suggested that the proposed amendment to substitute existing section 44 of the Act by the new section 44 with an object to remove the requirement of the production of a motor vehicle before the registering authority at the time of registration should be withdrawn.

207. Some stakeholders suggested for prescribing some conditions when production of the vehicle before the RTO may not be required. But these should be exceptions, not the rule. The original section should be retained, and the amended sections should be added as provisos.

### **Views of the Government**

208. In response thereto, the Ministry of Road Transport and Highways has stated that for all intents and purposes, the registration authority remains with the State Government. The Dealers have been entrusted with additional responsibilities to ensure immediate registration before the delivery and to provide better service to the citizens. In proposed new Section 192B, the Registering authorities of the States have been empowered to levy stringent penalties on defaulting dealers. This Amendment is to strengthen the requirement of registration mark for all motor vehicles at the time of delivery. This will facilitate citizens buying the new vehicles as they would get hassle free services.

209. In case of new vehicles, there is a standardized testing and approval system as well as a strong IT network regulating the vehicles. Hence, the physical inspection of vehicles does not serve any meaningful purpose. This proposal is only for factory built vehicles. In case of vehicles built by body builders, the inspection by the registering authorities would continue. This provision addresses the complaints/ grievances of consumers regarding the alleged harassment/ corruption/ practices of rent seeking under the existing system.

**210. In view of the above explanations and the observations given against Clause 16, the Committee adopted Clause 18 without any amendment.**

Clause 19: Provides for amendment of Section 49.

211. In section 49 of the principal Act,—

(i) sub-section (1), for the words "registering authority, to that other registering authority" the words "State, to any registering authority in that State" shall be substituted;

(ii) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) The intimation under sub-section (1) may be sent to the appropriate registering authority in electronic form along with the electronic form of such documents, including proof of authentication in such manner as may be prescribed by the Central Government.";

(iii) in sub-section (2), for the words "one hundred rupees", the words "five hundred rupees" shall be substituted.



212. *Clause 19 seeks to amend section 49 of the Act to simplify the process for recording change of residence on registration certificate by means of online application process. It also seeks to enhance the penalty for failure to provide the new information in a timely manner.*

**213. The Committee adopted Clause 19 without any amendment.**

Clause 20: Provides for amendment of Section 52.

214. In section 52 of the principal Act,—

(i) in sub-section (1), for the second proviso, the following proviso shall be substituted, namely:—

“Provided further that the Central Government may prescribe specifications, conditions for approval, retrofitment and other related matters for the alteration of motor vehicles and in such cases, the warranty granted by the manufacturer shall not be considered as void for the purposes of such alteration or retrofitment.”;

(ii) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) A manufacturer of a motor vehicle shall on the direction issued by the Central Government, alter or retrofit safety equipment, or any other equipment in accordance with such standards and specifications as may be specified by the Central Government.";

(iii) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) Notwithstanding anything contained in sub-section (1), any person may, with the subsequent approval of the registering authority, alter or cause to be altered any vehicle owned by him to be converted into an adapted vehicle:

Provided that such alteration complies with such conditions as may be imposed by the Central Government.";

(iv) in sub-section (3), the words, brackets and figure "or by reason of replacement of its engine without such approval under sub-section (2)" shall be omitted.

215. *Clause 20 seeks to amend Section 52 of the principal Act to allow owners to alter or retrofit equipment to their motor vehicle and provides that the warranty granted by the manufacturer shall not be declared void when such alteration or retrofitment is done in accordance with specifications laid down by the Central Government. It also empowers the Central Government to require manufacturers to retrofit safety and emissions control equipment on motor vehicles. It also seeks to enable the conversion of a motor vehicle into an adapted vehicle for use by persons with disabilities.*

216. Some Members felt that the words ‘Central Government’ should be substituted with the words ‘State Government’.

## **Views of State Governments**

217. The State Government of West Bengal has stated that in the present provision, the State Government has the rule making power to authorise owner of not less than ten transport vehicles to replace engine in any vehicle without approval of RA subject to subsequent intimation to the authority as provided under sub-section (3). This provision benefitted the STUs to change engine amongst their fleet to facilitate continuing uninterrupted operations in public interest. Operations by STUs will be affected by this amendment.

## **Views of stakeholders**

218. Some stakeholders were of the view that the vehicle manufacturer will be unable to provide warranty for the parts fitted by the retro-fitter. Alterations/adaptations shall be for a purpose and shall be limited to enhancing safety and reducing adverse environment impact.

## **Views of the Government**

219. In response thereto, the Ministry of Road Transport and Highways has stated that under the existing scheme of the Motor Vehicle Act, 1988, to ensure uniformity, all the standards relating to the Motor Vehicles construction and safety are governed by the Central Government. The proposed clause will enable the continuation of warranty on vehicles, in cases of retro fitment for enhancing road and environment safety. The subject requires in-depth technical knowledge and capacity, which is generally not available with the States. The provisions have to be applicable for the vehicles uniformly across the country. Therefore, the powers have been given to Central Government. Further the RTOs have been empowered to approve all the adaptations carried for the vehicles used by 'Divyaang'.

**220. In view of the explanation given by the Ministry, the Committee adopted Clause 20 without any amendment.**

Clause 21: Provides for amendment of Section 55.

221. In section 55 of the principal Act, after sub-section (5), the following sub-section shall be inserted, namely:—

"(5A) If any registering authority or other prescribed authority has reasons to believe that any motor vehicle within its jurisdiction has been used in the commission of an offence punishable under section 199A, the authority may, after giving the owner an opportunity of making a representation in writing, cancel the certificate of registration of the vehicle for a period of one year:

Provided that the owner of the motor vehicle may apply for fresh registration in accordance with the provisions of section 40 and section 41."

222. *Clause 21 seeks to amend section 55 of the Act to provide for the cancellation of the registration of a motor vehicle which has been used by a juvenile in contravention of the provisions of the principal Act.*

223. Some Members felt that after the words, 'in writing', the words, 'and after hearing him' should be inserted.

## **Views of State Governments**

224. The State Government of West Bengal has stated that after cancellation of registration of a registered vehicle, for subsequent registration of the same in terms of section 41 a new registration number is to be allotted with same engine and chassis numbers, both of which are at present considered as unique for any registration number. It may lead to complexity and so it should not be encouraged. Rather certificate of Registration may not be required to be cancelled; it may be suspended for one year. It is suggested to substitute the word 'cancel' by the word 'suspend' and the proviso may be deleted.

225. The State Government of Karnataka has stated that the new insertion of Sub Section 5(A) leads to penal punishment under Section 199A and also to cancellation of registration certificate for one year and getting a fresh registration after one year. This will be an intricate law to follow by a common man in India. The word "cancellation" may be replaced by "suspension".

## **Views of stakeholders**

226. The new insertion of Sub Section 5(A) leads to penal punishment under Section 199A and also to cancellation of registration certificate for one year and getting a fresh registration after one year. This will be an intricate law to follow by a common man in India. The word "cancellation" may be replaced by "suspension".

## **Views of the Government**

227. In response thereto, the Ministry of Road Transport and Highways has stated that the principles of natural justice and due process of law have to be followed by all the judicial and quasi-judicial authorities. Hence, no specific provision elaborating the procedures for representation needs to be prescribed in the main statute.

**228. The Committee noted the reply of the Ministry and adopted Clause 21 without any amendment.**

Clause 22: Provides for amendment of Section 56.

229. In section 56 of the principal Act,—

(i) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that no certificate of fitness shall be granted to a vehicle, after the 1st day of October, 2019, unless such vehicle has been tested at an automated testing station.";

(ii) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The "authorised testing station" referred to in sub-section (1) means any facility, including automated testing facilities, authorised by the State Government, where fitness testing may be conducted in accordance with the rules made by the Central Government for recognition, regulation and control of such stations.";

(iii) in sub-section (4), for the proviso, the following provisos shall be substituted, namely:—

"Provided that no such cancellation shall be made by the prescribed authority unless,—

(a) such prescribed authority holds such technical qualification as may be prescribed by the Central Government and where the prescribed authority does not hold the technical qualification, such cancellation is made on the basis of the report of an officer having such qualification, and

(b) the reasons recorded in writing cancelling a certificate of fitness are confirmed by an authorised testing station chosen by the owner of the vehicle whose certificate of fitness is sought to be cancelled:

Provided further that if the cancellation is confirmed by the authorised testing station, the cost of undertaking the test shall be borne by the owner of the vehicle being tested and in the alternative by the prescribed authority.";

(iv) after sub-section (5), the following sub-sections shall be inserted, namely:—

"(6) All transport vehicles with a valid certificate of fitness issued under this section shall carry, on their bodies, in a clear and visible manner such distinguishing mark as may be prescribed by the Central Government.

(7) Subject to such conditions as the Central Government may prescribe, the provisions of this section may be extended to non-transport vehicles."

230. *Clause 22 seeks to amend section 56 of the Act to provide for automated testing facilities at authorized testing stations for grant of certificates of fitness to motor vehicles and to ensure that no certificate of fitness shall be granted after October 1, 2019 unless the motor vehicle is tested at such automated testing facilities. It also empowers the Central Government to direct other motor vehicles, in addition to transport vehicles, to carry certificates of fitness. It also seeks to provide that transport vehicles with valid certificates of fitness shall carry clear visible distinguishable marks on their bodies. There is a provision for Cancellation of Fitness certificate on objective evaluation on automated testing station and Provision for fitness for non-transport vehicles.*

231. Some Members suggested that the Central Government may prescribe conditions only after consultation with the State Government. Some Members also suggested that this particular provision may be extended to different category of non-transport vehicles in phased manner, that too in concurrence with the State Governments. It was also suggested that while making the Rules it should be ensured that mandatory consultation with the State Governments is included in the Rules.

### **Views of State Governments**

232. The State Government of Tamilnadu has stated that the cutoff date proposed in the Amendment bill by the Central Government need to be deferred.

233. The State Government of West Bengal has expressed that the provision under sub-section (1) is limited to transport vehicles (bus, truck, taxi, auto etc). The proposed new sub-section (7) creates the scope for CF for non-transport vehicles (car, m/cycle etc) also. More than 80% of total vehicle population in the State is non-transport vehicles. So it will require huge augmentation of infrastructure and manpower under government authority within limited time for granting or renewing CF. In such a situation the feasibility of the proposition may be seriously deliberated.

234. The State Government of Kerala has suggested that the date of implementation may be made 'as may be notified by Central Government. The competency of enforcement officers is made suspect and the need to reconfirm fitness of vehicle at a testing center chosen by vehicle owner will lead to unholy nexus between them. Like the owner/driver may get the vehicle repaired before subjecting it for testing at vehicle testing station. Enforcement officers may be discredited. This will affect the strict enforcement.

235. The State Government of Karnataka has stated that in the Bill by substitution of Proviso to Sub section (4) of Section 56 it is made as the cancellation of fitness certificate of a vehicle by an inspecting authority, when the vehicle found plying with non compliance of Act and rules has to get concurrence of a testing agency chosen by owner of the vehicle. Provided, further that, if the cancellation is confirmed by the authorized testing station, the cost of undertaking the test shall be borne by owner of the vehicle being tested and in the alternative by the prescribed authority, which may lead to inspecting authority to evince interest in checking of unsafe vehicles. Thus this amendment is against State and public interest.

### **Views of stakeholders**

236. Some stakeholders were of the view that there may be a provision to extend the period for implementation of the provision for a period of two years from the date of enactment. Non-transport vehicles may not be brought under the ambit of fitness.

237. The reason recorded in writing while cancellation of certificate of fitness are confirmed by an authorized testing station and the cost should be borne by the testing officer if the Authorised testing agency is of contrary opinion. The proposed clause will defeat the purpose of the law and affect the road safety adversely. Hence, this amendment requires to be omitted.

### **Views of Government**

238. In response thereto, the Ministry of Road Transport and Highways has stated that the provision has been incorporated as per the recommendations of Group of Transport Ministers. Globally, the fitness evaluation of the motor vehicles is carried through automated testing stations. The proposal to provide for automated testing facility for grant of certificate of fitness has been incorporated to provide for objective evaluation of the road worthiness of a transport vehicle. This would also save the transport vehicle owners from harassment and loss of time. Further, on the recommendations of the Standing Committee, the period has been extended to 1st October, 2019. Therefore, adequate time is available for implementation of the provision. So recommendation of providing additional time is already included. This may be helpful to allow older personal vehicles to ply, if they meet the fitness requirements. Ministry is of the opinion that the private vehicles owners need not be subjected to such mandates to cap the life of their vehicles so long as their vehicles are able to remain compliant with the emission norms.

239. In case of private vehicles, no system of periodic fitness evaluation exists. However, these vehicles are subjected to re-registration after 15 years. The Courts and NGT have often imposed restrictions on such vehicles by capping their life. One such example is the ruling of Supreme Court in the case of MC Mehta, wherein the Court has ordered banning more than 10 years diesel vehicles and 15 years petrol vehicles from plying in the NCR area in order to curb air pollution. Similarly, curbs were imposed on registration of 2000 CC & above vehicles on registration within NCR.

240. A system of objective assessment of the road-worthiness of such vehicles may have to be brought into permit them to ply on road, rather than an abrupt ban. As a matter of fact, all the second-hand vehicles sold through the authorised vendors in developed countries have to mandatorily go through this process. The provision for cancellation will provide an objective mechanism for vehicle fitness testing and save the drivers/owners of the transport vehicles from harassment and loss of time.

241. In this context, it has been proposed that Government may provide conditions to bring some categories of non-transport vehicles under the fitness regime. It is an enabling provision keeping in view the technology standards, age of vehicles, their emission standards, roadworthiness etc. as may be required from time to time. The older vehicles may be permitted to continue to ply with such certification of the overall health of the vehicle as it is a necessary requirement even for road safety.

**242. The Committee recommends that while making Rules to implement Clause 22, the Central Government should ensure that the non-transport vehicles may be brought under the ambit of this Clause only after consultation with the State Government. In view of the explanation given by the Ministry, the Committee adopted Clause 22 without any amendment.**

Clause 23: Provides for amendment of Section 59.

243. In section 59 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) The Central Government may, having regard to the public safety, convenience, protection of the environment and the objects of this Act, make rules prescribing the manner of recycling of motor vehicles and parts thereof which have exceeded their life."

*244. Clause 23 seeks to amend section 59 of the Act to enable the Central Government to make rules for the recycling of motor vehicles and motor vehicle parts at the end of their life.*

### **Views of State Government**

245. The State Government of West Bengal has suggested that 'Recycling of motor vehicles and parts thereof' should be clearly defined.

**246. The Committee adopted Clause 23 without any amendment.**

Clause 24: Provides for insertion of new Sections 62A and 62B.

247. After section 62 in the principal Act, the following sections shall be inserted, namely:—

"62A. (1) No registering authority shall register any motor vehicle that contravenes any rule made under clause (a) of sub-section (1) of section 110.

(2) No prescribed authority or authorised testing station shall issue a certificate of fitness under section 56 to any motor vehicle that contravenes any rule made under section 110.

62B. (1) The Central Government shall maintain a National Register of Motor Vehicles in such form and manner as may be prescribed by it:

Provided that all State Registers of Motor Vehicles shall be subsumed under the National Register of Motor Vehicles by such date as may be notified in the Official Gazette by the Central Government.

(2) No certificate of registration issued, or renewed, under this Act shall be valid unless it has been issued a unique registration number under the National Register of Motor Vehicles.

(3) In order to maintain the National Register of Motor Vehicles, all State Governments and registering authorities under this Act shall transmit all information and data in the State Register of Motor Vehicles to the Central Government in such form and manner as may be prescribed by the Central Government.

(4) State Governments shall be able to access the National Register of Motor Vehicles and update records in accordance with the provisions of this Act and the rules made by the Central Government thereunder."

248. *Clause 24 seeks to insert new provisions, viz., sections 62A and 62B in the Act. Section 62A seeks to prohibit the registration of oversized vehicles and issuance of certificates of fitness to such vehicles. Section 62B seeks to establish the National Register of Motor Vehicles that shall contain data on all motor vehicles registered throughout India. It also provides that no certificate of registration shall be issued or renewed unless it has been issued a unique registration number under the National Register. It also enable the State Governments to transmit information and data contained in the State Registers of Motor Vehicles to the National Register and update the National Register in accordance with rules as may be prescribed by the Central Government.*

### **Views of State Government**

249. The State Government of West Bengal has suggested that Section 47 provides the scope for assignment of new registration number for any registered vehicle removed from one State to another. The provision for unique registration number is in contradiction with the provision under section 47.

### **250. The Committee adopted Clause 24 without any amendment.**

Clause 25: Provides for amendment of Section 63.

251. In section 63 of the principal Act,—

(i) in sub-section (1), for the words "the following particulars, namely", the words "particulars, including" shall be substituted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) Each State Government shall supply the updated details of the State Register of Motor Vehicles to the Central Government in such form as the Central Government may prescribe.";

(iii) after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) All State Registers of Motor Vehicles shall be subsumed under the National Register of Motor Vehicles by such date as may be notified by the Central Government."

252. *Clause 25 seeks to amend section 63 of the Act to enable the Central Government to prescribe the form in which a State Government shall supply the updated details of the State Register of Motor Vehicles to the Central Government.*

**253. The Committee adopted Clause 25 without any amendment.**

Clause 26: Provides for amendment of Section 64.

254. In section 64 of the principal Act,—

(i) after clause (d), the following clause shall be inserted, namely:—

"(da) providing for the period of validity of a certificate of registration under sub-section (7) of section 41;"

(ii) after clause (e), the following clause shall be inserted, namely:—

"(ea) the period of renewal of certificate of registration of different types of motor vehicles under sub-section (10) of section 41;"

(iii) after clause (f), the following clauses shall be inserted, namely:—

"(fa) the issue of temporary certificate of registration and temporary registration mark under section 43;

(fb) the terms and conditions under which a motor vehicle sold by an authorised dealer shall not require production before a registering authority under sub-section (1) of section 44;"

(iv) after clause (j), the following clause shall be inserted, namely:—

"(ja) the form and manner for the electronic submission of the intimation of change of address, documents to be submitted along with such intimation including proof of authentication under sub-section (1A) of section 49;"

(v) after clause (l), the following clauses shall be inserted, namely:—

"(la) specifications, conditions for approval, retrofitment and other related matters for the alteration of motor vehicles under sub-section (1) of section 52;

(lb) the conditions for the alteration of any motor vehicle into an adapted vehicle under sub-section (2) of section 52;"

(vi) after clause (n) the following clauses shall be inserted, namely:—

"(na) the distinguishing mark to be carried on the body of transport vehicles under sub-section (6) of section 56; (nb) the conditions under which the application of



section 56 may be extended to non-transport vehicles under sub-section (7) of section 56; (nc) the recycling of motor vehicles and parts thereof which have exceeded their life under sub-section (4) of section 59;"; (vii) after clause (o), the following clauses shall be inserted, namely:— “(oa) all or any of the matters under in section 62B; (ob) all or any of the matters under sub-section (1) and sub-section (2) of section 63;”

255. *Clause 26 seeks to amend section 64 of the Act in consequence of the amendments proposed in Chapter IV of the Act.*

### **Views of State Governments**

256. The State Government of Tamilnadu has stated that the production of vehicle at the time of temporary registration is essential since the Motor Vehicle Inspector have to ensure the suitability of the vehicle for a particular class i.e. passenger vehicle chassis, goods vehicle chassis, width, height, length and overhang of vehicles and of the loads carried, tyres, brakes, steering gear, safety glasses, signaling appliance. So existing provision is sufficient for providing adequate public service. Hence, the suggested amendment to section 64 may be omitted.

### **Views of Stakeholders**

257. Stakeholders were of the view that Section 64(ea) gives powers to make rule regarding currency of the registration for different types of vehicles. The new amendment is very complicated and will create confusion in issuing the period of validity and every possibility of leading to difficulties and hence needs serious re-writing with clarity. Non transport vehicles may be considered separately.

### **Views of Government**

258. In response thereto, the Ministry of Road Transport and Highways has stated that this would be enabling power to the Central Government for rule making and is a requirement of the law.

**259. The Committee noted the reply of the Ministry and adopted Clause 26 without any amendment.**

Clause 27: Provides for amendment of Section 65.

260. In section 65 of the principal Act, in sub-section (2), in clause (f), after the word "marks", the words and figures "under proviso to section 43" shall be inserted."

261. *Clause 27 seeks to amend section 65 of the Act to give the State Government the power to prescribe rules with regard to temporary certificate of registration which are valid for up to one month and which are for vehicles being used within the state.*

**262. The Committee adopted Clause 27 without any amendment.**

Clause 28: Provides for amendment of Section 66.

263. In section 66 of the principal Act,— (i) in sub-section (1), after the third proviso, the following proviso shall be inserted, namely:— "Provided also that where a transport

vehicle has been issued any permit or permits, as well as a licence under this Act, such vehicle may be used either under the permit, or permits, so issued to it, or under such licence, at the discretion of the vehicle owner.";

(ii) in sub-section (3), after clause (p), the following clause shall be inserted, namely:—

"(q) to any transport vehicle having been issued a licence under a scheme under sub-section (3) of section 67 or sub-section (1) of section 88A, or plying under such orders as may be issued by the Central Government or by the State Government."

264. *Clause 28 seeks to amend section 66 of the Act to exempt transport vehicles, operating with a licence under a scheme for the transportation of goods and passengers made under the provisions of chapter V of the Act from acquiring a permit. It also allows a transport vehicle which has been issued a permit or a licence under a scheme for the transportation of goods and passengers made under the provisions of chapter V of the Act to ply either under such permit or such licence at the discretion of the owner of the transport vehicle.*

265. Some Members were of the view that Clause 28 (i) should be deleted. The Members of the Committee were of the view that this Clause allows the vehicle owner to use such permit or license at his own discretion. This provision giving more than one permit and allowing owner to use at his own discretion will affect public interest as the owner operates only for his benefit and this will also allow to operate in a way disadvantageous to State Transport Undertaking's interest and further the wisdom of State Government has been ignored. It was also suggested that the issue may be addressed while framing Rules.

### **Views of State Governments**

266. The State Government of Tamilnadu has stated that the new proviso to sub-section (1) of said Bill provides that where a transport vehicle has been issued any permit or permits, as well as licence under this Act, it can be used either under the provision of permits or licence at the discretion of vehicle owner.

267. The State Government of West Bengal has stated that in both the sub-sections a new instrument as 'licence under a scheme' has been introduced for operation of transport vehicles in addition to the existing instrument i.e. permit; but nothing detail of the new concept is given. It is not clearly defined if the licence will authorize any person or company to operate public transport within any defined area. It may be an approach to hand over the role of public transport to private agency or corporate bodies instead of individual private operators. It may infringe upon the privileges enjoyed by the State Transport Undertakings under Chapter VI of the Act. Clarity of the new concept is required.

268. The State Government of Kerala has suggested that a vehicle can have more than one permit and license at a time and the operator can operate it at this will. This will work against public interest. Hence this amendment should be dropped.

269. The State Government of Karnataka has suggested that permit system divided in two categories as "license" and "permit". By the amendment permit is exempted for promotion and development of (a) last mile connectivity (b) rural transport (c) reducing traffic congestion (d) improving urban transport (e) safety of road users (f) better utilization of transport assets (g) enhancement of economic vitality (h) increase the accessibility and mobility of people (i) the

protection and enhancement of environment (j) promotion of energy conversion (k) improvement of quality of life (l) enhance integration and connectivity of the transportation system, across and between modes of transport and (m) and such other matters as the Central Government may be deemed. This amendment is against the interest of State Transport Undertakings.

### **Views of Stakeholders**

270. Some stakeholders were of the view that this Clause allows the vehicle owner to use such permit or license at his own discretion.

271. This provision giving more than one permit and allowing owner to use at his own discretion will affect public interest as the owner operates only for his benefit and this will also allow to operate in a way disadvantageous to State Transport Undertaking's interest. Hence, this provision should be deleted.

### **Views of the Government**

272. In response thereto, the Ministry of Road Transport and Highways has stated that this is merely to avoid duplication and to give the choice to a motor vehicle owner to use either the license or the permit, if both are granted.

273. There is a need to put in place a framework, which would grant necessary flexibility to the Government to deal with the dynamic transportation challenges in India. The Bill proposes to permit formulation of Schemes in order to promote the overall efficiency of the transportation sector. Schemes are designed in order to allow State Governments the power to go beyond the two permit system and to address the gaps in the transportation system. The permit system has gradually been slipping into obsolescence with the unprecedented growth of urban areas and advances in transportation. The advances in transportation technologies such as the rise of aggregator services, etc. do not fit into the existing regulatory framework and the two-permit system does not provide adequate regulatory leverage to allow state governments to regulate transportation.

274. At the same time, it must be mentioned that the state governments felt that the permit system still has merit in a limited sense and that it was infeasible to move in totality to a new system of regulation. Instead, a solution was required that would address existing gaps and enable regulatory flexibility so that State Governments may move beyond water-tight compartments of the permit system and be able to adequately regulate any disruptive transportation technologies that may come up in the future. It is in order to enable such a tool that the clause has been inserted in this Amendment Bill.

275. Thus, a scheme is designed so that the State Government can set the conditions to maximize the utility of existing transportation assets and existing road networks in addition to enabling state governments to use the latest technology and innovative methods in order to tailor their transportation systems to the needs of their respective states.

276. The Clause provides flexibility to the owner of the transport vehicle an option to choose between an existing permit or the licence, whichever is beneficial to him. The amendment in section 66 has been proposed to augment the existing transport capacities in States without undermining the infrastructure already in place. The powers are vested with the States to decide in the best interest of the citizens. Thus, in light of the above arguments, the clause and the section therein should be allowed to stand.

**277. The Committee recommends that while framing the Rules to implement the Clause, adequate measures should be taken to ensure that the provision of giving more than one permit to the owner and allowing him to use it at his own discretion should not affect the public interest and interest of the State Transport Undertaking. In view of the explanation given by the Ministry, the Committee adopted Clause 28 without any amendment.**

Clause 29: Provides for insertion of new Sections 66A and 66B.

278. After section 66 of the principal Act, the following sections shall be inserted, namely:—

279. "66A. (1) The Central Government may develop a National Transportation Policy consistent with the objects of this Act in consultation with State Governments and other agencies with a view to—

- (i) establish a planning framework for passengers and goods transportation within which transport bodies are to operate;
- (ii) establish a medium and long term planning framework for all forms of road transport, identify areas for the development of transport improvement infrastructure across India in consultation with the authorities and agencies related to ports, railways and aviation as well as with local and State level planning, land holding and regulatory authorities for the delivery of an integrated multimodal transport system;
- (iii) establish the framework of grant of permits and schemes;
- (iv) establish strategic policy for transport by road and its role as a link to other means of transport;
- (v) identify strategic policies and specify priorities for the transport system that address current and future challenges;
- (vi) provide medium to long term strategic directions, priorities and actions;
- (vii) promote competition, innovation, increase in capacity, seamless mobility and greater efficiency in transport of goods or livestock or passengers, and economical use of resources;
- (viii) safeguard the interest of the public and promote equity, while seeking to enhance private participation and public-private partnership in the transport sector;
- (ix) demonstrate an integrated approach to transport and land use planning;
- (x) identify the challenges that the National Transportation Policy seeks to address;
- (xi) address any other matter deemed relevant by the Central Government.

66B. No person who holds the permit issued under this Act shall—

- (a) be disqualified from applying for a licence under the scheme made under sub-section (3) of section 67 or sub-section (1) of section 88A by reason of holding such permit; and

- (b) be required to get such permit cancelled on being issued a licence under any scheme made under this Act."

281. *Clause 29 seeks to insert new provisions, viz., sections 66A and 66B in the Act. Section 66A seeks to empower the Central Government to develop and implement a National Transportation Policy. Such a policy is to be developed in consultation with State Governments and other agencies.*

282. *Section 66B seeks to provide that permit holders shall not be disqualified from applying for a licence under a scheme for the transportation of goods and passengers made under the provisions of chapter V of the Act nor shall such permit holder be required to surrender the permit on being issued such a licence.*

283. Some Members were of the view that for the words, 'in consultation with the State Governments' the words 'in concurrence with the State Governments' should be substituted; for the words 'promote competition' the words 'strengthen State Owned Transport Corporation and promote' should be substituted and for the words 'while seeking to enhance private participation and public private partnership' the words 'strengthening State owned Transport Corporation' be substituted. Some Members further suggested that provision for establishment of institutes in every major city for training of drivers should also be incorporated in Clause 29. Few Members were of the view that Clause 29 should be deleted.

### **Views of State Governments**

284. The State Government of Tamilnadu has stated that the new section 66 A(1) has been inserted, providing powers to the Central Govt. to develop a national Transportation Policy to "establish a planning frame work for passenger and goods transportation within which transport bodies re to operate". Tamil Nadu has a long legacy of progressive nationalization of public passenger transportation which has been functioning effectively and providing affordable and quality service s to the people in the State. This enables the State Transport undertakings to operate even on uneconomic routes in remote rural areas and hilly areas. The concern is that in the name of introducing competition, the provision of such services to people in remote rural areas by State Transport Undertakings should not get jeopardized. Hence, the proposed insertion of new Section 66A and 66B should be omitted.

285. The State Government of West Bengal has suggested that at present there are provisions under Section 88 of the Act related to inter-state movement of both passenger and goods transport vehicles (All India Tourist permit & National Permit). Public transport within the State depends on local needs and now controlled by the State. Existing powers of the State Governments should continue. National Transport Policy can be developed in consultation with the States and modified from time to time when necessary, instead of giving it additional legislative legitimacy. Further, provision for converting permits to licence system is provided. This provision may enable the licensee under the scheme to engulf the existing permit holders within its ambit and establish monopoly over the defined area.

286. The State Government of Karnataka has suggested that under Sec 88A (2) of the proposed legislation a proviso has been added to the effect of nullifying any scheme of the State Government repugnant to the schemes made by the Central Government. So the present scheme of STUs and Inter-State agreements will be nullified and "transport bodies" will be operating these schemes with

new licensing scheme. The gates might be opened for the private sector for operating passenger transport services under the guise of schemes at the cost of STUs.

287. The State Government of Maharashtra has stated that Section 66A is proposed to be introduced to empower the Central Government to develop a national Transportation Policy. At present, such a policy is to be developed in consultation with State Governments and other agencies. Since there are a number of pre-existing powers with the State Government specifically under the Act, it is suggested that the words "the Central Government may develop a National Transportation Policy consistent with the objects of this Act in consultation with State Governments and other agencies" should be replaced with the words "the Central Government may develop a National Transportation Policy consistent with the objects of this Act with the concurrence of the State Government and in consultation with other agencies".

288. Maharashtra has along legacy of progressive Nationalization of public passenger transportation which has been functioning effectively and providing affordable and quality service to the people in the state. This enables the State Transport Undertaking to operate even on uneconomic routes in remote rural areas and hilly areas. Thus the concern is that in the name of introducing competition, the provision of such services to people in remote rural areas by State Transport undertaking should not get jeopardized.

### **Views of Stakeholders**

289. Sections 66A and 66B propose to take away the powers of the States to control the use of goods carriages and public passenger transport services by grant of necessary permits. A parallel system of licensing of such vehicles by the Central Government has been proposed.

290. Neither the Central Government nor the State Government could formulate schemes unless they have any intention to run and operate their vehicles either within the region or on interstate routes, as the case may be. In the present Bill, the object to empower the Central Government to frame scheme for the benefit of private operators would run counter to the Article 19(1) (g) (6)-(ii) of the Constitution of India. Further, it will contravene the provision of Section 108 of the Motor Vehicles Act 1988.

291. As such the proposed amendment of inserting new sections 66A and 66B should be withdrawn.

### **Views of the Government**

292. In response thereto, the Ministry of Road Transport and Highways has stated that there is a need for public transportation reforms in the country to improve road safety and reduce congestion, in addition to promoting human development indices. The Proposed section 66A aims to create a National Transportation Policy, in consultation with the States, for which a consultative mechanism would be put in place. It may be noted here that the Chapter VI (Section 97 to Section 108) of the Motor Vehicles Act, 1988, deals with the special provisions relating to the State Road Transportation Undertakings. No amendment has been proposed in this part

293. The driver training Institutes are being promoted with the introduction of Clause 8. The Central as well as State Governments are already committed to establishing better training infrastructure for driver training. Therefore, proposed amendment may not be required in the statute. Any policy for National Transportation shall be framed only after thorough consultations with the

States. The Policy will help facilitate Inter State Transport. Ministry would constitute a Committee of Transport Ministers of the States to recommend such a Policy to Central Government

294. Any policy for National Transportation shall be framed only after thorough consultations with the States. The Policy will help facilitate Inter State Transport. Ministry would constitute a Committee of Transport Ministers of the State to recommend such a Policy to Central Government.

**295. In view of the submissions made by the Ministry of Road Transport & Highways, the Committee adopted Clause 29 without any amendment.**

Clause 30: Provides for amendment of Section 67.

296. In section 67 of the principal Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely:—

"(1) A State Government, having regard to —

(a) the advantages offered to the public, trade and industry by the development of motor transport;

(b) the desirability of co-ordinating road and rail transport;

(c) the desirability of preventing the deterioration of the road system;

and

(d) promoting effective competition among the transport service providers,

may, from time to time, by notification in the Official Gazette issue directions both to the State Transport Authority and Regional Transport Authority regarding the passengers' convenience, economically competitive fares, prevention of overcrowding and road safety.";

(ii) in sub-section (2), the following proviso shall be inserted, namely:—

"Provided that the State Government may subject to such conditions as it may deem fit, and with a view to achieving the objectives specified in clause (d) of sub-section (1), relax all or any of the provisions made under this Chapter.";

(iii) after sub-section (2), the following sub-sections shall be inserted, namely:—

"(3) Notwithstanding anything contained in this Act, the State Government may, by notification in the Official Gazette modify any permit issued under this Act or make schemes for the transportation of goods and passengers and issue licences under such scheme for the promotion of development and efficiency in transportation—

(a) last mile connectivity;

(b) rural transport;

- (c) reducing traffic congestion;
- (d) improving urban transport;
- (e) safety of road users;
- (f) better utilisation of transportation assets;
- (g) the enhancement of economic vitality of the area, though competitiveness, productivity, and efficiency;
- (h) the increase in the accessibility and mobility of people;
- (i) the protection and enhancement of the environment;
- (j) the promotion of energy conservation;
- (k) improvement of the quality of life;
- (l) enhance integration and connectivity of the transportation system, across and between modes of transport; and
- (m) such other matters as the Central Government may be deemed fit.

(4) The scheme framed under sub-section (3), shall specify the fees to be charged, form of application and grant of a licence including the renewal, suspension cancellation or modification of such licence."

297. *Clause 30 seeks to amend section 67 of the Act to empower the State Government to issue directions to the State Transport Authority and the Regional Transport Authorities to safeguard the convenience of passengers, prevent overcrowding, promote road safety and provide economically competitive fares. It also empowers the State Government to relax any of the provisions made under Chapter V and modify permits and make schemes for the transportation of goods and passengers to enhance last mile connectivity and rural transport, reduce traffic congestion, improve urban transport, promote safety of road users, better utilization of transport assets, enhance regional economic vitality, increase accessibility and mobility, protect the environment, promote energy conservation, improve the quality of life and enhance multimodal integration among other purposes.*

298. Some Members were of the view that the clause (d) providing for "promoting effective competition among the transport service providers" be replaced with a new Clause (d)" Strengthening State Road Transport Corporation". The State's powers to modify permit should be in the form of directions to the STU only.

### **Views of State Governments**

299. The State Government of Tamilnadu has stated that the Existing Act provides the power to State Government to prevent un economic competition among holders of permit. Whereas the proposed Bill completion among the transport service providers means the existing State Transport undertaking will be affected. In proposed Section 67(3), the State Government is vested with powers by Notification in the Official Gazette to modify and permit issued under this act or make schemes



for the transportation of goods and passengers and issue licenses under such scheme for the promotion of development and efficiency in transportation. Whereas in section 88A, the power to modify permit under this act or to make scheme for National, Multi-modal and inter-state transportation of goods and passengers is vested with Central Government. If any repugnancy between the schemes of State and Central Govt. arise, the scheme made by Central Govt. will prevail. Thus, if making schemes and issuing licenses by the Central Government, the permits issued by the State Govt. will no longer be in existence. The power given in section 88A to Central Govt. is to modify the permits already granted to the licenses. So, the continuance of permits granted by State Govt. will be nullified in a short period of time. Hence, the proposed amendment to Section 67 should be omitted.

### **Views of stakeholders**

300. Some stakeholders were of the view that in the event of any repugnancy between the schemes made by the Central Government under sub-section (1) and the schemes made by two or more States under this sub-section, the schemes made under sub-section (1) shall prevail. The Central Government gets excessive powers to give overriding effect over all the provisions of the Act and the powers that may be given to the State Governments under the new section 67(3) proposed to be inserted by clause 29. This may be modified by including a provision for the concurrence of the State Governments concerned, that too only in the case of national interest.

301. Further, the power of the State Governments to modify any permit or issue licenses “notwithstanding anything contained in this Act” is very dangerous and poorly drafted legislation. This will potentially allow vehicles to ply without complying with various safety regulations in the Act and many other important provisions.

### **Views of the Government**

302. In response thereto, the Ministry of Road Transport and Highways has stated that the powers are given to the States only. It is for the State Governments to decide as to what directions can be issued. The Chapter VI (Section 97 to Section 108) of the Motor Vehicles Act, 1988, deals with the special provisions relating to the State Road Transportation Undertakings. No amendment has been proposed in this part.

303. Moreover, any such scheme shall be made only after thorough consultations with the States. The scheme can be made only for facilitating Inter State Transport. Under the proposed provision, two or more states can also frame a similar scheme. Ministry would constitute a Committee of Transport Ministers of the State to recommend such a scheme to Central government.

304. The protection given to the State Road Transportation Undertakings is fully retained in Chapter VI of the Motor Vehicles (Amendment) Bill, 2017.

**305. In view of the explanation given by the Ministry the Committee adopted Clause 30 without any amendment.**

Clause 31: Provides for amendment of Section 72.

306. In section 72 of the principal Act, in sub-section (2), the following proviso shall be inserted, namely:—

"Provided that the Regional Transport Authority may waive any such condition for a Stage carriage permit operating in a rural area, as it deems fit."

307. *Clause 31 seeks to amend section 72 of the Act to empower the Regional Transport Authority to waive any permit condition for a stage carriage operating in a rural area. Powers of the State to waive the requirement for Stage carriage to promote rural and last mile connectivity.*

308. Some Members were of the view that Clause 31 should be deleted.

### **Views of stakeholders**

309. Some stakeholders were of the view that it is unfortunate that RTA should be allowed to waive conditions when it comes to rural transport. Some of these conditions relate to customer service, standards of comfort and cleanliness, specifications for the bus etc. In any case the RTA is not required to attaché all conditions "Rural areas" is also not defined. It is not clear what happens when a bus runs partly in urban area and partly in rural area. Thus the proviso should be omitted.

### **Views of the Government**

310. In response thereto, the Ministry of Road Transport and Highways has stated that the Chapter VI (Section 97 to Section 108) of the Motor Vehicles Act, 1988, deals with the special provisions relating to the State Road Transportation Undertakings. No amendment has been proposed in this part. All the powers to relax or grant permits and Licenses for transport have been given to the States only. The States are expected to act in the public interest. The proposed provision has been introduced to help States strengthen rural transportation. The provisions would also help create employment for poor sections of the Society.

**311. The Committee noted the reply of the Ministry and adopted Clause 31 without any amendment.**

Clause 32: Provides for amendment of Section 74.

312. In section 74 of the principal Act,—(i) in sub-section (2), the following proviso shall be inserted, namely:—

"Provided that the Regional Transport Authority may in the interests of last mile connectivity waive any such condition in respect of any such types of vehicles as may be specified by the Central Government.":

(ii) in sub-section (3), in the proviso to clause (b), after sub-clause (vi), the following sub-clause shall be inserted, namely:—

"(vii) self-help groups."

313. *Clause 32 seeks to amend section 74 of the Act in order to empower the Regional Transport Authority to waive any permit condition for a contract carriage to promote low cost last mile connectivity solutions. It also seeks to facilitate empowerment of marginalised and vulnerable groups through preference in issuance of permits.*

314. Some Members were of the view that Clause 32 (i) be deleted.

## **Views of State Governments**

315. The State Government of Tamilnadu has stated that the modification of the permit condition in the existing Act is vested with Regional Transport Authority only. Whereas in the above provision a substantial part of the above power is taken by the Central Government. This is again a case of encroachment into powers of State Govt. Hence, the proposed amendment to Section 74 should be omitted.

## **Views of stakeholders**

316. Some stakeholders were of the view that the conditions are all related to maximum number of passengers to be carried, luggage, fares, standards of comfort and cleanliness etc. It is not clear why the Central Government would want to specify certain “types of vehicles” to be eligible for exemption for such conditions. The phrase “in the interests of last mile connectivity” is ambiguous. “last mile connectivity” has not been defined.

## **Views of the Government**

317. In response thereto, the Ministry of Road Transport and Highways has stated that all the powers to relax or grant permits and Licenses for transport have been given to the States only. The States are expected to act in the public interest. The proposed provision has been introduced to help States strengthen last mile connectivity. The provision would also help in better utilisation of the public transport provided by the STUs.

**318. In view of the explanation given by the Ministry, the Committee adopted Clause 32 without any amendment.**

Clause 33: Provides for insertion of new Section 88(A).

319. After section 88 of the principal Act, the following section shall be inserted, namely:—

"88A. (1) Notwithstanding anything contained in this Act, the Central Government may, by notification in the Official Gazette, modify any permit issued under this Act or make schemes for national, multimodal and inter-State transportation of goods or passengers, and issue or modify licences under, such scheme for the following purposes namely:—

- (a) last mile connectivity;
- (b) rural transport;
- (c) improving the movement of freight, and logistics;
- (d) better utilisation of transportation assets;
- (e) the enhancement to the economic vitality of the area, especially by enabling competitiveness, productivity and efficiency;
- (f) the increase in the accessibility and mobility of people;
- (g) the protection and enhancement of the environment;

- (h) the promotion of energy conservation;
- (i) improvement of the quality of life;
- (j) enhancement of the integration and connectivity of the transportation system, across and between modes of transport;
- (k) such other matters as the Central Government may deem fit:

Provided that the Central Government may, before taking any action under this sub-section consult the State Governments.

(2) Notwithstanding anything contained in sub-section (1), two or more States may make schemes for the operation within such States for the inter-State transportation of goods or passengers:

Provided that in the event of any repugnancy between the schemes made by the Central Government under sub-section (1) and schemes made by two or more States under this sub-section, the schemes made under sub-section (1) shall prevail.

320. *Clause 33 seeks to insert a new section 88A in the Act to empower the Central Government to modify permits and make schemes for inter-state transport of goods and passengers.*

321. Some Members were of the view that in 88 A (1), the directions in the official gazette, should be to the STUs through the concerned States Government. Further, the proviso to 88A(2) should be deleted. Some Members were of the view that the entire Clause 33 should be deleted.

322. A few Members were of the view that introduction of private players in the name of last mile connectivity etc. will badly affect SRTCs and deny transport facilities enjoyed by people at present. If at all this is to be implemented, it must be with the concurrence of State Governments and that this amendment might give overriding effect on the powers given to the State under this Act. They insisted that this clause needs to be redrafted and the recommendation of the Department-related Standing Committee on Transport, Tourism and Culture in its 243rd Report on the Motor Vehicles (Amendment) Bill, 2016 should be reiterated. This Clause appears *prima facie* to have the potential to radically change the balance of thing as they exist today and can be disruptive of the administration of transport in all the States. By the very description this provision empowers the Central Government to modify any Permit issued under the Motor Vehicles Act, 1988. The entire description of activities given in Clause 33 seems to indicate that the Central Government is all set to take over these responsibilities in the State rendering the State Governments totally redundant. It is also mentioned that Article 356 of Constitution is being again brought to life. Eclipsing the State Governments in this fashion is a travesty of the federal structure of the Constitution. The fabric that is sought to be woven to the detriment of the States is totally unacceptable in its present form.

### **Views of State Governments**

323. The State Government of Tamilnadu has stated that the provisions of the aforesaid proviso to the section 66(1) and section 88A will render the permits issued by the RTA null and void and obtaining permits from the RTA will no longer be mandatory by virtue of the introduction of 'licence' under a scheme in Section 88A. This will take away the power of State Government in controlling the transport vehicles by way of issuing permits. Hence, this provision may be omitted.

324. The State Government of West Bengal has suggested that these are similar provisions to empower Central Government to make schemes and issue licences for inter-state operations even by modifying the permits issued by States. It is important to note that in the proviso of sub-section (2) the Central Government enjoys the power to override the States in case of any dispute between the states in making any scheme. There is every possibility that only schemes of Central Government for inter-state transport will prevail without guarding the interests of the States. The entire section should be dropped.

325. The State Government of Kerala has also stated that 88A(1) and 88A(2) interferes with the power of State Government under proposed new section 67(3). This may be modified by including a provision for concurrence of the State Governments concerned.

326. The State Government of Karnataka has further stated that this amendment nullifies the schemes formulated and approved by the State Government under the existing provision of Section 100 (3) of the M.V. Act 1988 if there is any repugnancy between the schemes made by the Central Government and by States. In lieu of the provisions under Section 100 (3) and Section 108 of the Motor Vehicles (Amendment) Bill, 2016 Act 1988, there is no need to invoke new proviso under section 88(A). By invoking Section 88(A) may also effect the functions of STUs. This proposed Amendment is against STU interest.

327. The State Government of Maharashtra has further stated that inclusion of the new section 88(A) which gives widespread powers to the Central Government to make schemes for national Multi Modal and Inter State Transport of passengers and goods. Some of the proposals for such schemes include last mile connectivity, rural transport and increase in the accessibility and mobility of people, enhancement of the integration and connectivity to the transportation system across and between the modes of transport etc. This implies that the powers under this section can be exercised by the Central Government not just in the context of Inter-State transportation, but also in the context of transportation within a State. Hence, this should be omitted.

### **Views of stakeholders**

328. Some stakeholders were of the view that this section as it is presently drafted substantially diminishes the powers accorded to State Governments under Chapter VI of the Motor Vehicles Act, 1988, "Special provisions relating to State Transport undertaking.

329. This amendment is to vest overriding effect over all powers of this Act and powers given to the State, under section 67(3). This is against the federal principle of our Constitution and against the matter in Concurrence list, i.e., Road Transport. Hence, require to be omitted at the earliest or modified with provision for concurrence of the State Governments. In case of Section 88A(2) also the Central Government can override the scheme of the States with any repugnancy between the States. This also requires to be modified with some legally acceptable arbitration system or provisions for concurrence.

330. Some stakeholders suggested that alternatively, this clause would require to be extensively amended. First and foremost, the words "Notwithstanding anything contained in this Act" at the beginning of the clause should be replaced with the words "Subject to the provisions of Chapter VI of this Act" in order to safeguard the existing powers of the State Government. Further, sub-clauses (a) and (b) dealing with last mile connectivity and rural transport should be removed because these are fundamentally concerned with transportation within the State and not Inter-State transportation.

Further, the powers sought to be conferred on two or more States under sub-section (2) of new section 88A is already covered under Sub-sections (4) and (5) of Section 88. Hence, sub-section (2) and the proviso contained there under may also be deleted.

### **Views of the Government**

331. In response thereto, the Ministry of Road Transport and Highways has stated that any such scheme shall be made only after thorough consultations with the States, for which a consultative mechanism would be put in place. The scheme can be made only for facilitating Inter State Transport. Under the proposed provision, two or more States can also frame a similar scheme. The Chapter VI (Section 97 to Section 108) of the Motor Vehicles Act, 1988, deals with the special provisions relating to the State Road Transportation Undertakings. No amendment has been proposed in this part.

332. One of the objectives of this Bill is to bring the regulatory framework in India to that of its peers globally and to enable it to keep pace with fast changing technologies in transportation. Almost all developed countries recognize that transportation is essential to economic and social welfare of a community and that a healthy balance must be achieved between central and state power in regulating transportation in order to create maximum value, economic and social, for its citizens.

333. There is a need to put in place a framework, which would grant necessary flexibility to the Government to deal with the dynamic transportation challenges in India. The proposed sub-section aims to introduce the concept of schemes for inter-state transport goods and passengers, and also to liberalise the prevailing permit system in respect of inter-state transport for goods and passengers. The proposal has been recommended by the Group of Ministers constituted to examine the Motor Vehicles Act. The protection given to the State Road Transportation Undertakings is fully retained in Chapter VIA of the Motor Vehicles (Amendment) Bill, 2017.

334. The transportation sector is going through a transformation phase. There is an urgent need to promote use of non-personalized transport over personalized transport. The number of cars on roads is rapidly increasing adding to the congestion and vehicular pollution, for efficient utilisation of road infrastructure, it is necessary that Central as well as State governments take immediate steps to promote quality public transport services. At present, the inter-state transport suffers from artificial capacity constraints due to lack of co-ordination between the states to grant inter-state permits. In view of increasing mobility needs and technological improvements in the automobiles, the number of passengers commuting across the states is increasing. An efficient, safe, affordable and available public transport can improve the overall productivity of transportation.

335. It has been submitted that any such scheme shall be made only after extensive consultations with the States. The scheme can be made only for facilitating Inter-State Transport; therefore, the intra-state transport is not at all affected. Under the proposed provision, two or more states can also frame a similar scheme. It is further submitted that the Ministry would in the first instance constitute a Committee of Transport Ministers of the States to recommend such a scheme to the Central Government.

**336. The Committee enquired about Clause 33 which introduces Section 88A wherein it seeks powers for the Central Government for various schemes like national, multimodal and interstate transportation of goods and passengers.**

**337. The Secretary, Ministry of Road Transport and Highways submitted before the Committee that "it is limited to national, multimodal and interstate transportations. It does not encroach upon the issues within the State... The proposal to implement it is more like consensual... Any such policy will be notified by the Central Government only when it comes through a platform of the State Transport Ministers. I can give you this assurance". "If a State does not want to follow such policy, it has the liberty not to follow such policy". The Hon'ble Minister of Road Transport and Highways who appeared before the Committee informed the Committee that the Government has no intention to do anything in a State without the permission of that State. The Committee reiterates the following recommendation of the Department-related Standing Committee on Transport, Tourism and Culture in its 243<sup>rd</sup> Report on the Motor Vehicles (Amendment) Bill, 2016:-**

**“The Committee agrees that the insertion of new Section 88 A would empower the Central Government to make schemes for national, multimodal and inter-state transport of passengers and goods but the Committee suggests that the views of State Governments may be solicited before making any type of improvements in this direction.”**

**338. The Committee adopted Clause 33 without any amendment.**

Clause 34: Provides for amendment of Section 92.

339. In section 92 of the principal Act, for the words "stage carriage or contract carriage, in respect of which a permit", the words "transport vehicle, in respect of which a permit or licence" shall be substituted.

*340. Clause 34 seeks to amend section 92 of the Act in order to void any contract for conveyance of a passenger in a transport vehicle licenced under a scheme made under Chapter V that seeks to negative or restrict liability or imposes condition for the enforcement of liability for the death or bodily injury suffered by such passenger arising out of the use of such transport vehicle. In section 92 of the principal Act, for the words "stage carriage or contract carriage, in respect of which a permit", the words ""transport vehicle, in respect of which a permit or licence" shall be substituted.*

341. Some Members were of view that, Clause 34 should be modified to replace the proposed amendment with the words “the State Government shall ensure that the permit rules are strictly followed by the contract carriage permit holder for any violation or deviation, the permit shall be cancelled”.

### **Views of stakeholders**

342. Some stakeholders were of the view that the new substitution be deleted and the existing may be continued.

### **Views of the Government**

343. In response thereto, the Ministry of Road Transport and Highways has stated that the power to cancel or suspend the permits has already been provided in Section 86 of the Motor Vehicles Act, 1988. Hence, the concerns of the Hon'ble Members stand addressed. This provision is proposed on account of editorial requirement

**344. The Committee noted the reply of the Ministry and adopted Clause 34 without any amendment.**

Clause 35: Provides for amendment of Section 93.

345. In section 93 of the principal Act,—

(i) for the marginal heading, the following marginal heading shall be substituted, namely:—

"Agent or canvasser or aggregator to obtain licence.";

(ii) in sub-section (1),—

(a) after clause (ii), the following clause shall be inserted, namely:—

"(iii) as an aggregator;"

(b) the following provisos shall be inserted, namely:—

"Provided that while issuing the licence to an aggregator the State Government may follow such guidelines as may be issued by the Central Government:

Provided further that every aggregator shall comply with the provisions of the Information Technology Act, 2000 and the rules and regulations made thereunder."

346. *Clause 35 seeks to amend section 93 of the Act in order to provide statutory recognition to transport aggregators.*

347. Some Members were of the view that Clause 35 (i) (ii) and (iii) should be deleted.

### **Views of State Government**

348. The State Government of West Bengal has stated that at present the guidelines for licence to aggregators are issued by the State. The Central Government only issues advisory. The position should remain unaltered since the State Government is responsible to accommodate local needs.

### **Views of stakeholders**

349. Some stakeholders were of the view that the Bill defines aggregators as digital intermediaries or market places which can be used by passengers to connect with a driver for transportation purposes (taxi services). State Governments will issue licenses to aggregators in conformity with guidelines issued by the Central Government. However, the Bill does not specify what these guidelines will cover. Currently, all taxi permits (including aggregators, radio taxis) are issued by state transport authorities. The 1988 Act allows the State Transport Authorities to attach additional conditions to these permits, such as the rate of fare, the maximum number of passengers, the requirement of meters in taxis, etc. In accordance with this, states have framed their own guidelines for taxi operations.



## **Views of the Government**

350. In response thereto, the Ministry of Road Transport and Highways has stated that the taxi aggregators such as Ola, Uber are required to be regulated by the States. Hence, the requirement of obtaining license from the States has been incorporated.

**351. The Committee noted the reply of the Ministry and adopted Clause 35 without any amendment.**

Clause 36: Provides for amendment of Section 94.

352. In section 94 of the principal Act, after the word "permit" occurring at both the places, the words "or licence issued under any scheme" shall be inserted.

*353. Clause 36 seeks to amend section 94 of the Act in order to Act to oust the jurisdiction of civil courts to entertain any question or issue injunction relating to the issue of licences under a scheme made under Chapter V.*

354. Some Members were of the view that Clause 36 should be deleted.

## **Views of State Governments**

355. The State Government of Tamilnadu has stated that in the proposed Section 93(b) of the Bill, the State Government should follow the guidelines of the Central Government while issuing the aggregator licence. Most of the contract carriages are operated within the State only. Nearly, 80% of such Contract carriages are operated by single vehicle operators who are owner-cum-drivers. These operators cannot compete with Multi National Company (MNC) operators of contract carriages will vanish from the field. This will create severe unemployment problems. So respective State Govt. shall be given power to formulate further guidelines in addition to that issued by the Central Govt. according to requirement of regulation. Hence, it is suggested that the amendment should be as follows:

356. Provided that while issuing the licence to an aggregator the State Government shall be empowered to make rules in order to have control over them in addition to the guidelines issued by the Central Govt.

## **Views of the Government**

357. In response thereto, the Ministry of Road Transport and Highways has stated that this amendment is merely an editorial requirement to provide equal treatment to the licence, at par with the permit, granted by the States

**358. In view of the Ministry's reply, the Committee adopted Clause 36 without any amendment.**

Clause 37: Provides for amendment of Section 96.

359. In section 96 of the principal Act, in sub-section (2), after clause (xxxii), the following clauses shall be inserted, namely:—

"(xxxiiia) framing of schemes under sub-section (3) of section 67;

(xxxiiib) the promotion of effective competition, passenger convenience and safety, competitive fares and prevention of overcrowding."

360. *Clause 37 seeks to amend section 96 of the Act consequence of the amendment proposed in Chapter V.*

361. Some Members were of the view that the words 'promotion of effective competition' be replaced with the words 'the strengthening of STUs'.

### **Views of the Government**

362. The Ministry of Road Transport and Highways has stated that this clause relates to rule making powers of the State and is a legal requirement.

### **363. The Committee adopted Clause 37 without any amendment.**

Clause 38: Provides for amendment of Section 110.

364. In section 110 of the principal Act,—

(i) in sub-section (1), in clause (k), after the words "standards of the components", the words ", including software," shall be inserted,

(ii) in sub-section (2), after the words "in particular circumstances", the words "and such rules may lay down the procedure for investigation, the officers empowered to conduct such investigations, the procedure for hearing of such matters and the penalties to be levied thereunder" shall be inserted,

(iii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(2A) Persons empowered under sub-section (2) to conduct investigations referred to in sub-section (2) shall have all the powers of a civil court, while trying a suit under the Code of Civil Procedure, 1908 in respect of the following matters, namely :—

(a) summoning and enforcing the attendance of any person and examining him on oath;

(b) requiring the discovery and production of any document;

(c) receiving evidence on affidavit; and

(d) any other matter as may be prescribed."

365. *Clause 38 seeks to amend section 110 of the Act for the enforcement of standards for construction, equipment and maintenance of motor vehicles.*

### **Views of State Governments**

366. The State Government of West Bengal has stated that at present power to approve design of trailer is with the State Government. For agricultural use small trailers are locally manufactured

with designs approved by State Govt. To have 'type approval certificate' from prescribed testing agencies will be difficult and costly. Considering the interest of the farmers small trailers, within certain limit of GVW, used for agriculture may be excluded.

### **Views of stakeholders**

367. In case of Clause 38 Section 110 (13) (3), the Central Government alone is the authority to make rules for the accreditation, registration and regulation of testing agencies. Consultation with State Government has to be included in this case formulating the Rules.

### **Views of the Government**

368. The Department-related Parliamentary Standing on Transport, Tourism and Culture noted the provision to be incorporated. No changes were suggested by the Standing Committee.

### **369. The Committee adopted Clause 38 without any amendment.**

Clause 39: Provides for insertion of new Sections 110A and 110B.

370. After section 110 of the principal Act, the following sections shall be inserted, namely:—

"110A. (1) The Central Government may, by order, direct a manufacturer to recall motor vehicles of a particular type or its variants, if—

- (a) a defect in that particular type of motor vehicle may cause harm to the environment or to the driver or occupants of such motor vehicle or other road users; and
- (b) a defect in that particular type of motor vehicle has been reported to the Central Government by—

(i) such percentage of owners, as the Central Government, may by notification in the Official Gazette, specify; or (ii) a testing agency; or

(iii) any other source.

(2) Where the defect referred to in sub-section (1) lies in a motor vehicle component, the Central Government may, by order, direct a manufacturer to recall all motor vehicles which contain such component, regardless of the type or its variants of such motor vehicle.

(3) A manufacturer whose vehicles are recalled under sub-section (1) or subsection (2), shall—

- (a) reimburse the buyers for the full cost of the motor vehicle, subject to any hire-purchase or lease-hypothecation agreement; or
- (b) replace the defective motor vehicle with another motor vehicle of similar or better specifications which complies with the standards specified under this Act or repair it; and
- (c) pay such fines and other dues in accordance with sub-section (6).

(4) Where a manufacturer notices a defect in a motor vehicle manufactured by him, he shall inform the Central Government of the defect and initiate recall proceedings and in such case the manufacturer shall not be liable to pay fine under sub-section (3).

(5) The Central Government may authorise any officer to conduct investigation under this section who shall have all the powers of a civil court, while trying a suit under the Code of Civil Procedure, 1908 in respect of the following matters, namely:—

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of any document;
- (c) receiving evidence on affidavit; and
- (d) any other matter as may be prescribed.

(6) The Central Government may make rules for regulating the recall of motor vehicles, of a particular type or its variants, for any defect which in the opinion of the Central Government, may cause harm to the environment or to the driver or occupants of such motor vehicle or to other road users.

110B. (1) No motor vehicle, including a trailer or semi-trailer or modular hydraulic trailer or side car shall be sold or delivered or offered for sale or delivery or used in a public place in India unless a type approval certificate referred to in sub-section (2) has been issued in respect of such vehicle:

Provided that the Central Government may, by notification in the Official Gazette, extend the requirement of type approval certificate to other vehicles drawn or intended to be drawn by a motor vehicle:

Provided further that such certificate shall not be required for vehicles which are—

- (a) intended for export or display or demonstration or exhibition; or
- (b) used by a manufacturer of motor vehicles or motor vehicle components or a research and development centre or a test by agency for testing and validation or for data collection, inside factory premises or in a non-public place; or
- (c) exempted by the Central Government.

(2) The manufacturer or importer of motor vehicles including trailers, semi-trailers, modular hydraulic trailers and side cars shall submit the prototype of the vehicle to be manufactured or imported for test to a testing agency for obtaining a type-approval certificate by such agency.

(3) The Central Government shall make rules for the accreditation, registration and regulation of testing agencies.

(4) The testing agencies shall conduct tests on vehicles drawn from the production line of the manufacturer or obtained otherwise to verify the conformity of such vehicles to the provisions of this Chapter and the rules and regulations made thereunder.

(5) Where the motor vehicle having a type-approval certificate is recalled under section 110A, the testing agency which granted the certificate to such motor vehicle shall be liable for its accreditation and registration to be cancelled."

371. *Clause 39 seeks to insert new provisions, viz., sections 110A and 110B in the Act. Section 110A seeks to empower the Central Government to recall vehicles which do not meet standards and for making rules in this behalf. Section 110B seeks to provide for issue of type- approval certificates and the establishment and regulation of testing agencies for testing of motor vehicles and issue of type approval certificates, and for the making of rules in this behalf by the Central Government.*

**372. The Committee adopted Clause 39 without any amendment.**

Clause 40: Provides for amendment of Section 114.

373. In section 114 of the principal Act, in sub-section (1), for the words "authorised in this behalf by the State Government", the words "or any other person authorised in this behalf by the State Government" shall be substituted.

374. *Clause 40 seeks to amend section 114 of the Act in order to enable State governments to designate any other person as the enforcement agency for this section.*

375. Some Members were of the view that Clause 40 should be deleted.

### **Views of the State Governments**

376. The State Government of West Bengal has suggested that at present the power is restricted to the Officers of Motor Vehicles Department authorized in this behalf by the State Government. In the proposed amendment the words 'any other person' should be clearly defined – does it include other than government officer.

### **Views of the Government**

377. In response thereto, the Ministry of Road Transport and Highways has stated that power is given to the State Government only to permit any other authority to tackle the menace of overloading. This provision is also expected to address the problems emanating from monopoly control of the Motor Vehicles Department.

**378. In view of the Ministry's reply, the Committee adopted Clause 40 without any amendment.**

Clause 41: Provides for amendment of Section 116.

379. In section 116 of the principal Act,—

(i) after sub-section (1), the following sub-section shall be inserted, namely:— "(1A) Notwithstanding anything contained in sub-section (1), the National Highways Authority of

India constituted under the National Highways Authority of India Act, 1988 or any other agency authorised by the Central Government, may cause or permit traffic signs, as provided in the First Schedule, to be placed or erected or removed on national highways for the purpose of regulating motor vehicle traffic and may order the removal of any sign or advertisement which in its opinion is so placed as to obscure any traffic sign from view or is so similar in appearance to a traffic sign as to mislead or is likely to distract the attention or concentration of the driver:

Provided that for the purposes of this sub-section the National Highway Authority of India or any other agency authorised by the Central Government may seek assistance from the authorities of the State Government and the said State Government shall provide such assistance."

(ii) in sub-section (3), after the words, brackets and figure "provided by subsection (1)", the words, brackets, figure and letter "or sub-section (1A)" shall be inserted; and

*380. Clause 41 seeks to amend section 116 of the Act in order to enable the NHAI to construct traffic signs for highways and for roads immediately leading up to highways.*

**381. The Committee adopted Clause 41 without any amendment.**

Clause 42 : Provides for amendment of Section 117.

382. In section 117 of the principal Act, the following provisos shall be inserted, namely:—

"Provided that the State Government or the authorised authority shall, give primacy to the safety of road users and the free flow of traffic in determining such places:

Provided further that for the purpose of this section the National Highways Authority of India, constituted under the National Highways Authority of India Act, 1988 or any other agency authorised by the Central Government, may also specify such places."

*383. Clause 42 seeks to amend section 117 of the Act for the establishment of parking facilities for motor vehicles.*

**384. The Committee adopted Clause 42 without any amendment.**

Clause 43: Provides for amendment of Section 129.

385. For section 129 of the principal Act, the following section shall be substituted, namely:—

"129. Every person, above four years of age, driving or riding or being carried on a motor cycle of any class or description shall, while in a public place, wear protective headgear conforming to such standards as may be prescribed by the Central Government:

Provided that the provisions of this section shall not apply to a person who is a Sikh, if, while driving or riding on the motor cycle, in a public place, he is wearing a turban: Provided further that the Central Government may by rules provide for measures for the safety of children below four years of age riding or being carried on a motorcycle. Explanation.—"Protective headgear" means a helmet which,—

(a) by virtue of its shape, material and construction, could reasonably be expected to afford to the person driving or riding on a motor cycle a degree or protection from injury in the event of an accident; and

(b) is securely fastened to the head of the wearer by means of straps or other fastenings provided on the headgear.".

386. *Clause 43 seeks to substitute section 129 of the Act. The new section 129 exempts children below four years of age from the ambit of this provision and empowers the Central Government to make rules for additional measures for the safety of children below four years.*

### **Views of stakeholders**

387. In respect of this Clause some stakeholders were of the view that the existing provision makes it mandatory for every person (driver and rider/pillion) to wear a helmet irrespective of age. The amended provision exempts children below 4 years of age. There is a provision for rules for the safety of children below 4 years of age-but no such standards exist anywhere in the world. The use of the word "may" in the proviso means that it is not binding to specify these measures. The other main problem with this amendment is that Section 128 (which has not been amended) only allows 2 persons on a motorcycle. Thus can a child less than 4 years old sit by itself behind a driver on a motorcycle? Also, there is a problem about how a law enforcement officer will be able to determine the age of a child.

### **Views of the Government**

388. In response thereto, the Ministry of Road Transport and Highways has stated that the safety aspect of the children below 4 year old would be given due consideration while formulating the rules.

**389. The Committee noted the reply of the Ministry and adopted Clause 43 without any amendment.**

Clause 44: Provides for insertion of new Section 134A.

390. After section 134 of the principal Act, the following section shall be inserted, namely:—

"134A. (1) A Good Samaritan shall not be liable for any civil or criminal action for any injury to or death of the victim of an accident involving a motor vehicle, where such injury or death resulted from the Good Samaritan's negligence in acting or failing to act while rendering emergency medical or non-medical care or assistance.

(2) The Central Government may by rules provide for the procedure for questioning or examination of the Good Samaritan, disclosure of personal information of the Good Samaritan and such other related matters.

'Explanation.—For the purpose of this section, "Good Samaritan" means a person, who is in good faith, voluntarily and without expectation of any reward or compensation renders emergency medical or non-medical care or assistance at the scene of an accident to the victim or transporting such victim to the hospital.'.

391. *Clause 44 seeks to insert a new section 134A in the Act to protect Good Samaritans*

**392. The Committee adopted Clause 44 without any amendment.**

Clause 45: Provides for amendment of Section 135.

393. In section 135 of the principal Act,—

(i) in sub-section (1),—

(a) in clause (c), the word "and" shall be omitted;

(b) in clause (d), for the word "highways", the word "highways and" shall be substituted;  
and

(ii) after clause (d), the following clause shall be inserted, namely:—

"(e) any other amenities in the interests of the safety and the convenience of the public.";

(iii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) The Central Government may, by notification in the Official Gazette, make one or more schemes to conduct in-depth studies on the causes and analysis of road accidents.".

394. *Clause 45 seeks to amend section 135 of the Act to empower the State government to make schemes for any amenities that they deem fit in the interests of the public. It also empowers the Central Government to make schemes for in-depth studies and analysis of causes of road accidents.*

**395. The Committee adopted Clause 45 without any amendment.**

Clause 46: Provides for insertion of new Section 136A.

396. After section 136 of the principal Act, the following section shall be inserted, namely:—

"136A. (1) The State Government shall ensure electronic monitoring and enforcement of road safety in the manner provided under sub-section (2) on National highways, State highways, roads or in any urban city within a State which has a population upto such limits as may be prescribed by the Central Government.

(2) The Central Government shall make rules for the electronic monitoring and enforcement of road safety including speed cameras, closed-circuit television cameras, speed guns, body wearable cameras and such other technology.

Explanation.—For the purpose of this section the expression "body wearable camera" means a mobile audio and video capture device worn on the body or uniform of a person authorised by the State Government.".

397. *Clause 46 seeks to insert a new section 136A in the Act in order to allow electronic monitoring and enforcement.*



## Views of the State Governments

398. The State Government of West Bengal has stated that the State Government would require fund for electronic monitoring and enforcement of road safety and should have power to make rules accordingly. So after the words 'shall ensure', the words 'under a centrally sponsored scheme' may be inserted and sub-section (2) may be omitted.

### **399. The Committee adopted Clause 46 without any amendment.**

Clause 47: Provides for amendment of Section 137.

400. In section 137 of the principal Act, —

(i) after clause (a), the following clause shall be inserted, namely:—

"(aa) providing for the standards of protective headgear and measures for the safety of children below the age of four years riding under section 129;"

(ii) after clause (b), the following clause shall be inserted, namely:—

"(c) providing for criteria for the selection of cities by the State Governments where the electronic monitoring and enforcement under in sub-section (1) of section 136A is to implemented; and

(d) providing for electronic monitoring and enforcement under sub-section (2) of section 136A."

401. *Clause 47 seeks to amend section 137 of the principal Act in order to include the additional rule making powers of the Central Government as provided in the Chapter.*

### **402. The Committee adopted Clause 47 without any amendment.**

Clause 48: Provides for amendment of Section 138.

403. In section 138 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:— "(1A) The State Government may, in the interest of road safety, make rules for the purposes of regulating the activities and access of non-mechanically propelled vehicles and pedestrians to public places and national highways: Provided that in the case of national highways, such rules shall be framed in consultation with the National Highways Authority of India."

404. *Clause 48 seeks to amend section 138 of the principal Act in order to empower States to regulate pedestrians and non-motorised transport from the point of view of road safety, including access to roads for different types of vehicles.*

405. Some Members were of the view that after the words "National Highways", the words "by making alternative arrangements of rehabilitation of those dislodged" be inserted.

## Views of stakeholders

406. Some stakeholders were of the view that Item 13 on List II of the Seventh Schedule (State List) includes "vehicles other than mechanically propelled vehicles". As per Article 246 ("Subject-

matter of laws made by Parliament and by the Legislatures of States”) State Legislatures have exclusive power to make laws with respect to this matter and hence inclusion of this section in this Central Act is unconstitutional.

407. Further, there is a widespread erroneous belief that somehow cyclists and pedestrians are unruly and cause traffic accidents. Most safety experts believe that pedestrians and cyclists (and cycle rickshaws) are vulnerable road users and must have adequate protection on the streets. This sub-section will give powers to State Governments. to arbitrarily ban, by notification, pedestrians, cyclists and cycle rickshaws from any public place and highways. Highways are used by cyclists and pedestrians in rural areas. Any ban will affect local people, especially the poor and long-distance cycling enthusiasts.

408. Activists have already raised alarm bells about this proposal. The Ministry, in response has denied any such move and has ruled out any move to ban cycling on roads.

409. Thus, it has been suggested it has been that this sub-section may be deleted.

### **Views of the Government**

410. In response thereto, the Ministry of Road Transport and Highways has stated that this is a rule making power of the States to ensure regulation of access of non-mechanised vehicles and pedestrians in the interest of road safety. There is no question of any person being dislodged in the course of implementation of such rules.

**411. The Committee noted the reply of the Ministry and adopted Clause 48 without any amendment.**

Clause 49: Provides for omission of Chapter X.

412. Chapter X in the principal Act, shall be omitted.

*413. Clause 49 seeks to omit Chapter X of the principal Act because no fault liability has been provided for under section 164 of the new Chapter XI*

### **Views of the State Government**

414. The State Government of Kerala has suggested that this chapter may be retained in public interest for social security. The proposed amendment is against public interest. The provision for unlimited liability of the insurance company may be retained towards third party claim and the possible liability of the owner of vehicle may be avoided.

**415. The Committee notes that the submission of Government of Kerala is based on the provisions of the Motor Vehicles (Amendment) Bill, 2016 as introduced I Lok Sabha. At the time of passing of the Bill, the Government omitted the particular change which limited the liability of the Insurance Companies to Rs. 10 lakh in case of death and Rs. 5 lakh in case of grievous injury. In the Motor Vehicles (Amendment) Bill, 2017 that particular provision is not there. The Committee adopted Clause 49 without any amendment.**

Clause 50: Provides for substitution of new Chapter for Chapter XI.

416. For Chapter XI of the principal Act, the following Chapter shall be substituted, namely:—

*417. Clause 50 seeks to substitute Chapter XI of the principal Act with a new Chapter XI. The new chapter on Insurance of Motor Vehicles against Third Party Risks removes the exclusion of driver-employees from being covered under the third party insurance policy. It also empowers the Central Government to prescribe the minimum premium and the corresponding liability of the insurer for such a policy. It also provides for compensation on the basis of no-fault liability. The new insurance chapter also provides for a scheme for the treatment of accident victims during the Golden hour. It also increases the compensation to accident victims under no fault liability up to a limit of rupees five lakhs in the case of death and rupees two and half lakhs in the case of grievous hurt. It also provides a scheme for interim relief to be given to claimants.*

### **Views of State Governments**

418. The State Government of Tamilnadu has stated that the compensation should not be limited and the claim may be awarded to the victims as per the existing provision.

419. The State Government of Kerala has stated that the proposed amendment is against public interest. Liability of payment under the third party insurance should not be limited to 5 lakhs in the case of death and 2.5 lakhs in the case of grievous hurt. This will create severe hardships to ordinary people. The limit may be dispensed with. Section 163 A and 140 in the existing Act should be retained.

420. The State Government of Karnataka has stated that State Government vehicles are covered by Karnataka Government Insurance Department (KGID) and whereas STUs are operating on corpus fund to meet any claims. Hence, State Government and STUs vehicles should not be brought under the purview of new Chapter-XI of the principal Act.

### **Views of stakeholders**

421. In respect of this Clause some stakeholders were of the view that there is lack of clarity with regard to limited liability for third party insurance. Third party insurance is the liability purchased from an insurer (insurance company) by person A (insured party) to protect himself against claims from person B (third party), in the event of death, injury, or damage to property. Under the 1988 Act, third party insurance is compulsory for all motor vehicles and the liability of the third party insurer is unlimited. This means that the insurer has to cover the entire amount of the liability incurred (compensation), as decided by the courts. Currently, compensation amounts are calculated by courts on the basis of several factors such as age, earning capability of the victim, and may go up to several crore rupees.

422. Central Government prescribing base premium and liability of an insurer would create difficulty to the victims for getting the compensation and hence this provision may be dropped.

423. The third party insurance liability of Insurance company as 5 Lakhs in the case of death and 2.5 Lakhs in the case of serious hurt is not sufficient to compensate various class of people of India and this will also create poor self employed vehicle operators and road accident victims in utter destitute equally and hence we require the urgent amendment to restore the unlimited 3rd party liability Section 163A and 140 shall be retained.

## Views of the Government

424. The recommendation of the Department-related Parliamentary Standing Committee on Transport, Tourism and Culture have been accepted by the Ministry. The drivers and other co-workers of a transport vehicle are included under the definition of the third party in Section 146. The cap on insurer's liability proposed in the Bill has been removed by removing the proviso to sub-section 2 of Section 147.

425. A time line of thirty days for insurance company to make an offer to the claimant under section 149(2).

426. The minimum compensation of Rs.5 lacs and Rs.2.5 lacs has been provided for death and grievous hurt, respectively under section 164(1) as against the present compensation of Rs.50,000/- and Rs.25,000/- respectively.

**427. In view of the explanation given by the Ministry, the Committee adopted Clause 50 without any amendment.**

Clause 51: Provides for amendment of Section 165.

428. In section 165 of the principal Act, in the Explanation, for the words, figures and letter "section 140 and section 163A", the word and figures "section 164" shall be substituted.

429. *Clause 51 seeks to amend section 165 of the principal Act to make editorial changes to keep the cross referencing consistent.*

**430. The Committee adopted Clause 51 without any amendment.**

Clause 52: Provides for amendment of Section 166.

431. In section 166 of the principal Act,—

(i) in sub-section (1), after the proviso, the following proviso shall be inserted, namely:—

"Provided further that where a person accepts compensation under section 164 in accordance with the procedure provided under section 149, his claims petition before the Claims Tribunal shall lapse."

(i) in sub-section (2), the proviso shall be omitted;

(ii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) No application for compensation shall be entertained unless it is made within six months of the occurrence of the accident."

(ii) in sub-section (4), for the words, brackets and figures "sub-section (6) of section 158", the word and figures "section 159" shall be substituted;

(iii) after sub-section (4), the following sub-section shall be inserted, namely:—

"(5) Notwithstanding anything in this Act or any other law for the time being in force, the right of a person to claim compensation for injury in an accident shall, upon the death of the person injured, survive to his legal representatives, irrespective of whether the cause of death is relatable to or had any nexus with the injury or not."

432. *Clause 52 seeks to amend section 166 of the principal Act through insertion of sub-section (5) to ensure that claim for compensation in front of a claims tribunal does not abate on the death of the claimant and may be continued by his legal representatives, and also seeks to make editorial changes to keep the cross referencing consistent.*

**433. The Committee adopted Clause 52 without any amendment.**

Clause 53: Provides for amendment of Section 168.

434. In section 168 of the principal Act, in sub-section (1),—

(i) for the word and figures "section 162", the word and figure "section 163" shall be substituted;

(ii) the proviso shall be omitted.

435. *Clause 53 seeks to amend section 168 of the principal Act to make editorial changes to keep the cross referencing consistent*

**436. The Committee adopted Clause 53 without any amendment.**

Clause 54 : Provides for amendment of Section 169.

437. In section 169 of the principal Act, after sub-section (3), the following sub-section shall be inserted, namely:—

"(4) For the purpose of enforcement of its award, the Claims Tribunal shall also have all the powers of a Civil Court in the execution of a decree under the Code of Civil Procedure, 1908, as if the award were a decree for the payment of money passed by such court in a civil suit."

438. *Clause 54 seeks to amend section 169 of the principal Act in order to confer powers of the Civil court under the Code of Civil Procedure, 1908 upon the Claims tribunals with regard to execution of a decree passed by itself.*

**439. The Committee adopted Clause 54 without any amendment.**

Clause 55: Provides for amendment of Section 170.

440. In section 170 of the principal Act, for the word and figures "section 149" the word and figures "section 150" shall be substituted.

441. *Clause 55 seeks to amend section 170 of the principal Act to make editorial changes to keep the cross referencing consistent.*

**442. The Committee adopted Clause 55 without any amendment.**

Clause 56: Provides for amendment of Section 173.

443. In section 173 of the principal Act, in sub-section (2), for the words "ten thousand", the words "one lakh" shall be substituted.

444. *Clause 56 seeks to amend section 173 of the principal Act in order to enhance the amount in controversy required for an appeal from the decision of the Claims Tribunal to be heard by the High Court to ensure faster disposal of claims involving lower levels of compensation and to account for inflation.*

**445. The Committee adopted Clause 56 without any amendment.**

Clause 57: Provides for amendment of Section 177.

446. In section 177 of the principal Act, for the words "one hundred rupees "and "three hundred rupees ", the words "five hundred rupees "and"one thousand and five hundred rupees " shall respectively be substituted.

447. *Clause 57 seeks to amend section 177 of the principal Act in order to enhance penalties.*

**448. The Committee adopted Clause 57 without any amendment.**

Clause 58: Provides for insertion of new Section 177A.

449. After section 177 of the principal Act, the following section shall be inserted, namely:—

"177A. Whoever contravenes the regulations made under section 118, shall be punishable with fine which shall not be less than five hundred rupees, but may extend to one thousand rupees."

450. *Clause 58 seeks to insert a new section 177A of the principal Act in order to enable Governments to penalise persons who violate the Rules of the Road Regulations and other regulations promulgated under section 118 of the Act.*

**451. The Committee adopted Clause 58 without any amendment.**

Clause 59 : Provides for amendment of Section 178.

452. In section 178 of the principal Act, in sub-section (3), for the words "two hundred rupees ", the words "five hundred rupees " shall be substituted.

453. *Clause 59 seeks to amend section 178 of the principal Act in order to enhance penalties.*

**454. The Committee adopted Clause 59 without any amendment.**

Clause 60: Provides for amendment of Section 179.

455. In section 179 of the principal Act,—

(i) in sub-section (1), for the words "five hundred rupees", the words "two thousand rupees" shall be substituted;

(ii) in sub-section (2), for the words "five hundred rupees ", the words "two thousand rupees" shall be substituted.

456. *Clause 60 seeks to amend section 179 of the principal Act in order to enhance penalties*

**457. The Committee adopted Clause 60 without any amendment.**

Clause 61: Provides for amendment of Section 180.

458. In section 180 of the principal Act, for the words "which may extend to one thousand rupees", the words "of five thousand rupees " shall be substituted.

459. *Clause 61 seeks to amend section 180 of the principal Act. It enhances penalty for allowing unauthorised persons to drive vehicles.*

**460. The Committee adopted Clause 61 without any amendment.**

Clause 62 : Provides for amendment of Section 181.

461. In section 181 of the principal Act, for the words "which may extend to five hundred rupees", the words "of five thousand rupees " shall be substituted.

462. *Clause 62 seeks to amend section 181 of the principal Act. It enhances penalty for driving vehicles in contravention of section 3 and section 4 of the Act.*

**463. The Committee adopted Clause 62 without any amendment.**

Clause 63: Provides for amendment of Section 182.

464. In section 182 of the principal Act,—

(i) in sub-section (1), for the words "which may extend to five hundred rupees ", the words "of ten thousand rupees " shall be substituted;

(ii) in sub-section (2), for the words "one hundred rupees ", the words "ten thousand rupees " shall be substituted.

465. *Clause 63 seeks to amend section 182 of the principal Act. It enhances the penalties for offences relating to licenses.*

**466. The Committee adopted Clause 63 without any amendment.**

Clause 64: Provides for substitution of new section for Section 182A.

467. For section 182A of the principal Act, the following sections shall be substituted, namely:—

"182A. (1) Whoever, being a manufacturer, importer or dealer of motor vehicles, sells or delivers or alters or offers to sell or deliver or alters, a motor vehicle that is in contravention of the provisions of Chapter VII or the rules and regulations made thereunder, shall be punishable with imprisonment for a term which may extend to one year, or with fine of one lakh rupees per such motor vehicle or with both:

Provided that no person shall be convicted under this section if he proves that, at the time of sale or delivery or alteration or offer of sale or delivery or alteration of such motor vehicle, he had disclosed to the other party of the manner in which such motor vehicle was in contravention of the provisions of Chapter VII or the rules and regulations made thereunder.

(2) Whoever, being a manufacturer of motor vehicles, fails to comply with the provisions of Chapter VII or the rules and regulations made thereunder, shall be punishable with imprisonment for a term which may extend to one year or with fine which may extend one hundred crore rupees or with both.

(3) Whoever, sells or offers to sell, or permits the sale of any component of a motor vehicle which has been notified as a critical safety component by the Central Government and which does not comply with Chapter VII or the rules and regulations made thereunder shall be punishable with imprisonment for a term which may extend to one year or with fine of one lakh rupees per such component or with both.

(4) Whoever, being the owner of a motor vehicle, alters a motor vehicle, including by way of retrofitting of motor vehicle parts, in a manner not permitted under the Act or the rules and regulations made thereunder shall be punishable with imprisonment for a term which may extend to six months, or with fine of five thousand rupees per such alteration or with both.

182B. Whoever contravenes the provisions of the section 62A, shall be punishable with fine which shall not be less than five thousand rupees, but may extend to ten thousand rupees."

*468. Clause 64 seeks to amend section 182A of the principal Act. It provides for enhanced penalties for contravention of provisions of Chapter VII by manufacturers, importers, dealers and owners of motor vehicles. This provision penalizes manufacturers for not complying with standards applicable to motor vehicles and components and failure to complying with directions to recall. This provision also tackles the menace of excessively loud horns. Clause 64 also seeks to insert a new section 182B that provides for penalty for registration and issuance of certificate of fitness to oversized vehicles.*

### **Views of State Government**

469. The State Government of West Bengal has stated that the proviso clearly authorizes the manufacturer, importer or dealer to make sale or delivery of any vehicle, even if it contravenes provisions of the Act and Rules, provided he has disclosed the fact to the purchaser – this is absolutely unjustified, since even after sale or delivery, such vehicle cannot be registered. Moreover purchasers can be easily deceived and chances of litigations will be high. This proviso may be deleted.

### **Views of stakeholders**

470. Some stakeholders were of the view that the quantum of penalty be reviewed judiciously and should be based on factors like the class of vehicle, type of safety defect. The punishment of imprisonment should not be applicable to this section as the current section 182A also does not



provide for imprisonment. Furthermore, the elements of *mens rea* and *actus reus* cannot be found to be present in such cases and there is no criminality involved.

471. Penalty must only be per offence and not per vehicle. A failure to recall for any number of vehicles suffering the same safety defect is a single offence and not multiple offences. This is in line with the principles of established laws like the Legal Metrology Act, 2009 as well.

**472. The Committee adopted Clause 64 without any amendment.**

Clause 65: Provides for amendment of Section 183.

473. In section 183 of the principal Act,—

(i) in sub-section (1),—

(a) after the words "Whoever drives", the words "or causes any person who is employed by him or subjects someone under his control to drive" shall be inserted;

(b) for the words "with fine which extend to four hundred rupees, or, if having been previously convicted of an offence under this sub-section is again convicted of an offence under this sub-section, with fine which may extend to one thousand rupees", the following shall be substituted, namely:— "in the following manner, namely:—

(i) where such motor vehicle is a light motor vehicle with fine which shall not be less than one thousand rupees but may extend to two thousand rupees;

(ii) where such motor vehicle is a medium goods vehicle or a medium passenger vehicle or a heavy goods vehicle or a heavy passenger vehicle with fine which shall not be less than two thousand rupees, but may extend to four thousand rupees; and

(iii) for the second or any subsequent offence under this sub-section the driving licence of such driver shall be impounded as per the provisions of sub-section (4) of section 206."

(ii) sub-section (2) shall be omitted.

(iii) in sub-section (3), after the word "mechanical", the words "or electronic" shall be inserted.

(iv) in sub-section (4), for the words, brackets and figure "sub-section (2)", the words, brackets and figure "sub-section (1)" shall be substituted.

474. *Clause 65 seeks to amend section 183 of the principal Act. It enhances penalties for driving at excessive speed. It also provides for different penalties for different classes of motor vehicles.*

**475. The Committee adopted Clause 65 without any amendment.**

Clause 66: Provides for amendment of Section 184.

476. In section 184 of the principal Act,—

(i) after the words "dangerous to the public", the words "or which causes a sense of alarm or distress to the occupants of the vehicle, other road users, and persons near roads," shall be inserted;

(ii) for the words "which may extend to six months or with fine which may extend to one thousand rupees", the words "which may extend to one year but shall not be less than six months or with fine which shall not be less than one thousand rupees but may extend to five thousand rupees, or with both" shall be substituted;

(iii) for the words "which may extend to two thousand rupees", the words "of ten thousand rupees" shall be substituted;

(iv) the following Explanation shall be inserted, namely:—

"Explanation.—For the purpose of this section,—

(a) jumping a red light;

(b) violating a stop sign;

(c) use of handheld communications devices while driving;

(d) passing or overtaking other vehicles in a manner contrary to law;

(e) driving against the authorised flow of traffic; or

(f) driving in any manner that falls far below what would be expected of a competent and careful driver and where it would be obvious to a competent and careful driver that driving in that manner would be dangerous, shall amount to driving in such manner which is dangerous to public."

477. *Clause 66 seeks to amend section 184 of the principal Act to provide for the enhancement of penalties for driving dangerously. It also seeks to insert an explanation giving examples of acts that are considered driving in a manner dangerous to the public, such as jumping a red light, violating a stop sign, use handheld communication devices while driving, passing or overtaking any motor vehicle in violation of law, etc.*

478. Some Members were of the view that to the explanation one more explanation may be inserted, i.e., "leaving vehicles in dangerous position as prescribed under section 122 of the Principal Act".

### **Views of the Government**

479. In response thereto, the Ministry of Road Transport and Highways has stated that the specific penalties have already been provided in Section 201, which is proposed to be increased ten-fold from Rs 50/- per hour to Rs. 500/- per hour

**480. The Committee noted the reply of the Ministry and adopted Clause 66 without any amendment.**

Clause 67: Provides for amendment of Section 185.

481. In section 185 of the principal Act,—

- (i) in clause (a), after the words "breath analyser," the words "or in any another test including a laboratory test," shall be inserted;
- (ii) for the words "which may extend to two thousand rupees ", the words "of ten thousand rupees " shall be substituted;
- (iii) the words "if committed within three years of the commission of the previous similar offence," shall be omitted;
- (iv) for the words "which may extend to three thousand rupees ", the words "of fifteen thousand rupees " shall be substituted;
- (v) for the Explanation, the following Explanation shall be substituted, namely:—

"Explanation.—For the purposes of this section, the expression "drug" means any intoxicant other than alcohol, natural or synthetic, or any natural material or any salt, or preparation of such substance or material as may be notified by the Central Government under this Act and includes a narcotic drug and psychotropic substance as defined in clause (xiv) and clause (xxiii) of section 2 of the Narcotic Drugs and Psychotropic Substances Act, 1985."

*482. Clause 67 seeks to amend section 185 of the principal Act. It enhances the penalties for driving under the influence of alcohol or drugs.*

**483. The Committee adopted Clause 67 without any amendment.**

Clause 68 : Provides for amendment of Section 186.

484. In section 186 of the principal Act, for the words "two hundred rupees "and"five hundred rupees ", the words "one thousand rupees "and"two thousand rupees " shall respectively be substituted.

*485. Clause 68 seeks to amend section 186 of the principal Act. It enhances the penalties for driving when mentally or physically unfit to drive.*

**486. The Committee adopted Clause 68 without any amendment.**

Clause 69: Provides for amendment of Section 187.

487. In section 187 of the principal Act,—

- (i) for the brackets and letter "(c)"the brackets and letter "(a)" shall be substituted;
- (ii) for the words "three months", the words " six months " shall be substituted;
- (iii) for the words "which may extend to five hundred rupees", the words "of five thousand rupees" shall be substituted;
- (iv) for the words " six months ", the words "one year" shall be substituted; and

- (v) for the words "which may extend to one thousand rupees", the words "of ten thousand rupees" shall be substituted.

488. *Clause 69 seeks to amend section 187 of the principal Act. It enhances the penalties for offences relating to accident.*

**489. The Committee adopted Clause 69 without any amendment.**

Clause 70: Provides for amendment of Section 189.

490. In section 189 of the principal Act,—

- (i) for the words "one month", the words "three months" shall be substituted;
- (ii) for the words "which may extend to five hundred rupees", the words "of five thousand rupees" shall be substituted;
- (iii) after the words "with both", the words", and for a subsequent offence shall be punishable with imprisonment for a term which may extend to one year, or with fine of ten thousand rupees; or with both." shall be inserted.

491. *Clause 70 seeks to amend section 189 of the principal Act. It enhances the penalties for racing and trials of speed.*

**492. The Committee adopted Clause 70 without any amendment.**

Clause 71: Provides for amendment of Section 190.

493. In section 190 of the principal Act,—

- (i) in sub-section (1),—
  - (a) for the words "which may extend to two hundred and fifty rupees" the words "of one thousand five hundred rupees" shall be substituted;
  - (b) for the words "which may extend to one thousand rupees" the words "of five thousand rupees" shall be substituted; and
  - (c) after the words "with both", the words, and for a subsequent offence shall be punishable with imprisonment for a term which may extend to six months, or with a fine of ten thousand rupees for bodily injury or damage to property" shall be inserted.
- (ii) in sub-section (2),—
  - (a) for the words "a fine of one thousand rupees", the words "imprisonment for a term which may extend to three months, or with fine which may extend to ten thousand rupees or with both and he shall be disqualified for holding licence for a period of three months" shall be substituted; and

- (b) for the words "a fine of two thousand rupees", the words "imprisonment for a term which may extend to six months, or with fine which may extend to ten thousand rupees or with both" shall be substituted; and

(iii) in sub-section (3),—

- (a) for the words "which may extend to three thousand rupees", the words "of ten thousand rupees and he shall be disqualified for holding licence for a period of three months" shall be substituted; and
- (b) for the words "which may extend to five thousand rupees", the words "of twenty thousand rupees" shall be substituted;

494. *Clause 71 seeks to amend section 190 of the principal Act. It enhances the penalties for using vehicle in unsafe condition.*

**495. The Committee adopted Clause 71 without any amendment.**

Clause 72: Provides for omission of Section 191.

496. Section 191 of the principal Act shall be omitted.

497. *Clause 72 seeks to omit section 191 of the principal Act, which deals with sale of vehicle in or alteration of vehicle to condition contravening the Act*

**498. The Committee adopted Clause 72 without any amendment.**

Clause 73: Provides for amendment of Section 192.

499. In section 192 of the principal Act, the following Explanation shall be inserted, namely:—

"Explanation.—Use of a motor vehicle in contravention of the provisions of section 56 shall be deemed to be a contravention of the provisions of section 39 and shall be punishable in the same manner as provided in sub-section (1)."

500. *Clause 73 seeks to amend section 192 of the principal Act. It states that use of a motor vehicle in contravention of provisions regarding certificate of fitness shall be deemed as use of a motor vehicle not registered under this Act and shall be punishable in the same manner.*

**501. The Committee adopted Clause 73 without any amendment.**

Clause 74: Provides for amendment of Section 192A.

502. In section 192A of the principal Act, in sub-section (1),—

- (i) after the words "for the first offence with", the words "imprisonment for a term which may extend to six months and" shall be inserted;
- (ii) for the words "which may extend to five thousand rupees but shall not be less than two thousand rupees", the words "of ten thousand rupees" shall be substituted;

- (iii) for the words "three months", the words "six months" shall be substituted;
- (iv) for the words "which may extend to ten thousand rupees but shall not be less than five thousand rupees", the words "of ten thousand rupees" shall be substituted.

503. *Clause 74 seeks to amend section 192A of the principal Act. It enhances the penalties for using vehicle without permit.*

504. Some Members suggested to reduce the amount of penalties and imprisonment in cases of using vehicle without permit.

### **Views of the Government**

505. In response thereto, the Ministry of Road Transport and Highways has stated that the penalties and imprisonment periods have been suggested on the basis of detailed deliberations by the group of State Transport Ministers and the recommendations of the Department related Standing Committee to act as an effective deterrence.

**506. The Committee noted the reply of the Ministry and adopted Clause 74 without any amendment.**

Clause 75: Provides for insertion of new Section 192B.

507. After section 192A in the principal Act, the following section shall be inserted, namely:—

"192B. (1) Whoever, being the owner of a motor vehicle, fails to make an application for registration of such motor vehicle under sub-section (1) of section 41 shall be punishable with fine of five times the annual road tax or one-third of the lifetime tax of the motor vehicle whichever is higher.

(2) Whoever, being a dealer, fails to make an application for the registration of a new motor vehicle under the second proviso to sub-section (1) of section 41 shall be punishable with fine of fifteen times the annual road tax or the lifetime tax of the motor vehicle whichever is higher.

(3) Whoever, being the owner of a motor vehicle, obtains a certificate of registration for such vehicle on the basis of documents which were, or by representation of facts which was, false in any material particular, or the engine number or the chassis number embossed thereon are different from such number entered in the certificate of registration shall be punishable with fine of ten times the annual road tax or two-third of the lifetime tax of the motor vehicle whichever is higher with imprisonment for a term which shall not be less than six months but may extend to one year.

(4) Whoever, being a dealer, obtains a certificate of registration for such vehicle on the basis of documents which were, or by representation of facts which was, false in any material particular, or the engine number or the chassis number embossed thereon are different from such number entered in the certificate of registration shall be punishable with imprisonment for a term which shall not be less than six months but may extend to one year and shall also be liable to fine equal to ten times the amount of annual road tax or two-third the lifetime tax of the motor vehicle."

508. *Clause 75 seeks to insert a new section 192B in the principal Act to provide for imposition of penalty on an owner or dealer, as the case may be, for failure to make an application for registration and for false representation of facts or documents.*

### **Views of stakeholders**

509. Some stakeholders were of the view that where the dealer demonstrates that the non-compliance is a chance occurrence despite best controls and not a deliberate non-compliance, he should not be punished.

### **Views of the Government**

510. Amendment has been made to section 192B(3) and (4) as per the recommendation of the Department-related Parliamentary Standing Committee on Transport, Tourism and Culture.

### **511. The Committee adopted Clause 75 without any amendment.**

Clause 76 : Provides for amendment of Section 193.

512. In the principal Act,—

(A) in section 193, in the marginal heading, for the words "agents and canvassers", the words "agents, canvassers and aggregators" shall be substituted;

(B) section 193 shall be numbered as sub-section (1) thereof, and—

(i) in sub-section (1) as so numbered,—

(a) for the words "which may extend to one thousand rupees", the words "of one thousand rupees" shall be substituted;

(b) for the words "which may extend to two thousand rupees", the words "of two thousand rupees" shall be substituted;

(ii) after sub-section (1) as so numbered, the following sub-sections shall be inserted, namely:—

"(2) Whoever engages himself as an aggregator in contravention of the provisions of section 93 or of any rules made thereunder shall be punishable with fine up to one lakh rupees but shall not be less than twenty-five thousand rupees.

(3) Whoever, while operating as an aggregator contravenes a condition of the licence granted under sub-section (4) of section 93, not designated by the State Government as a material condition, shall be punishable with fine of five thousand rupees."

513. *Clause 76 seeks to amend section 193 of the principal Act in order to enhance the penalties for agents, canvassers and aggregators for contravening the provisions of this Act and the conditions of licence.*

### **514. The Committee adopted Clause 76 without any amendment.**

Clause 77: Provides for amendment of Section 194.

515. In section 194 of the principal Act,—

(i) in sub-section (1),—

(a) the word "minimum" shall be omitted;

(b) for the words "of two thousand rupees and an additional amount of one thousand rupees per tonne of excess load", the words "of twenty thousand rupees and an additional amount of two thousand rupees per tonne of excess load" shall be substituted;

(c) the following proviso shall be inserted, namely:—

"Provided that such motor vehicle shall not be allowed to move before such excess load is removed or is caused or allowed to be removed by the person in control of such motor vehicle."

(ii) after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) Whoever drives a motor vehicle or causes or allows a motor vehicle to be driven when such motor vehicle is loaded in such a manner that the load or any part thereof or anything extends laterally beyond the side of the body or to the front or to the rear or in height beyond the permissible limit shall be punishable with a fine of twenty thousand rupees, together with the liability to pay charges for off-loading of such load:

Provided that such motor vehicle shall not be allowed to move before such load is arranged in a manner such that there is no extension of the load laterally beyond the side of the body or to the front or to the rear or in height beyond the permissible limit:

Provided further that nothing in this sub-section shall apply when such motor vehicle has been given an exemption by the competent authority authorised in this behalf, by the State Government or the Central Government, allowing the carriage of a particular load."

(iii) in sub-section (2), for the words, "which may extend to three thousand rupees" the words "of forty thousand rupees" shall be substituted.

516. *Clause 77 seeks to amend section 194 of the principal Act in order to enhance the penalties for driving vehicle exceeding permissible weight. It also provides that a motor vehicle will not be allowed to move before excess load is removed. It further seeks to prohibit motor vehicles from carrying loads which extend laterally beyond the side of the body or to the front or rear or in height of the motor vehicle.*

**517. The Committee adopted Clause 77 without any amendment.**

Clause 78: Provides for insertion of new Sections 194A, 194B, 194C, 194D, 194E and 194F.

518. After section 194 in the principal Act, the following sections shall be inserted, namely:—

"194A. Whoever drives a transport vehicle or causes or allows a transport vehicle to be driven while carrying more passengers than is authorised in the registration certificate



of such transport vehicle or the permit conditions applicable to such transport vehicle shall be punishable with a fine of two hundred rupees per excess passenger: Provided that such transport vehicle shall not be allowed to move before the excess passengers are off-loaded and an alternative transport is arranged for such passengers.

194B. (1) Whoever drives a motor vehicle without wearing a safety belt or carries passengers not wearing seat belts shall be punishable with a fine of one thousand rupees:

Provided that the State Government, may by notification in the Official Gazette, exclude the application of this sub-section to transport vehicles allowed carrying standing passengers or other specified classes of transport vehicles.

(2) Whoever drives a motor vehicle or causes or allows a motor vehicle to be driven with a child who, not having attained the age of fourteen years, is not secured by a safety belt or a child restraint system shall be punishable with a fine of one thousand rupees.

194C. Whoever drives a motor cycle or causes or allows a motor cycle to be driven in contravention of the provisions of section 128 or the rules or regulations made thereunder shall be punishable with a fine of one thousand rupees and he shall be disqualified for holding licence for a period of three months.

194D. Whoever drives a motor cycle or causes or allows a motor cycle to be driven in contravention of the provisions of section 129 or the rules or regulations made thereunder shall be punishable with a fine of one thousand rupees and he shall be disqualified for holding licence for a period of three months.

194E. Whoever while driving a motor vehicle fails to draw to the side of the road, on the approach of a fire service vehicle or of an ambulance or other emergency vehicle as may be specified by the State Government, shall be punishable with imprisonment for a term which may extend to six months, or with a fine of ten thousand rupees or with both.

194F. Whoever—

(a) while driving a motor vehicle—

(i) sounds the horn needlessly or continuously or more than necessary to ensure safety, or

(ii) sounds the horn in an area with a traffic sign prohibiting the use of a horn, or

(b) drives a motor vehicle which makes use of a cut-out by which exhaust gases are released other than through the silencer, shall be punishable with a fine of one thousand rupees and for a second or subsequent offence with a fine of two thousand rupees."

*519. Clause 78 seeks to insert new provisions, viz., section 194A, 194B, 194C, 194D, 194E and 194F in the Act. Section 194A imposes penalty for carriage of more passengers than authorised in the registration certificate. Section 194B imposes a penalty on persons for not wearing seat belts and for not seating children in a safe manner. Section 194C imposes a penalty for carriage of more than two persons, including the driver, on a motor cycle. Section 194D imposes a penalty on persons for not wearing protective headgear while driving or riding a motor cycles. Section 194E imposes a penalty*

*for failing to draw to the side of the road to provide passage for an emergency vehicle. Section 194F imposes a penalty for sounding the horn unnecessarily while driving a motor vehicle.*

520. Some Members suggested that to Penalty may be reduced from Rs. 200/- per excess passenger to Rs. 100/-.

### **Views of the Government**

521. In response thereto, the Ministry of Road Transport and Highways has stated that the penalty was earlier suggested at Rs. 1000/- per excess passenger which was reduced to Rs. 200/- per excess passenger on the recommendations of the Department related Standing Committee.

### **522. The Committee adopted Clause 78 without any amendment.**

Clause 79 : Provides for omission of Section 195.

523. Section 195 of the principal Act shall be omitted

*524. Clause 79 omits section 195 of the principal Act in order to eliminate discretion on the imposition of fine on offender. Offenders are to be penalised in accordance with the penalties provided in the Act.*

### **525. The Committee adopted Clause 79 without any amendment.**

Clause 80: Provides for amendment of Section 196.

526. In section 196 of the principal Act,—

- (i) after the word "shall be punishable", the words "for the first offence" shall be inserted;
- (ii) for the words "which may extend to one thousand rupees", the words "of two thousand rupees," shall be substituted; and
- (iii) after the words "with both", the words", and for a subsequent offence shall be punishable with imprisonment for a term which may extend to three months, or with fine of four thousand rupees, or with both." shall be inserted.

*527. Clause 80 seeks to amend section 196 of the principal Act in order to enhance the penalties for driving uninsured vehicle.*

528. Some Members suggested that penalty may be reduced from Rs. 2000/- to Rs. 1050/-.

### **Views of the Government**

529. In response thereto, the Ministry of Road Transport and Highways has stated that plying of vehicles without legally mandatory third party insurance results in problems in payment of compensation to the accident victims. The penalties and imprisonment periods have been suggested on the basis of detailed deliberations by the group of State Transport Ministers and the recommendations of the Department related Standing Committee.

**530. In view of the Ministry's reply, the Committee adopted Clause 80 without any amendment.**

Clause 81: Provides for amendment of Section 197.

531. In section 197 of the principal Act,—

(i) in sub-section (1), for the words "which may extend to five hundred rupees ", the words "of five thousand rupees " shall be substituted;

(ii) in sub-section (2), for the words "which may extend to five hundred rupees " the words "of five thousand rupees " shall be substituted.

*532. Clause 81 seeks to amend section 197 of the principal Act in order to enhance the penalties for taking vehicle without authority*

**533. The Committee adopted Clause 81 without any amendment.**

Clause 82: Provides for amendment of Section 198.

534. In section 198 of the principal Act, for the words "with fine which may extend to one hundred rupees ", the words "with fine of one thousand rupees " shall be substituted.

*535. Clause 82 seeks to amend section 198 of the principal Act in order to enhance the penalties for unauthorized interference with vehicle.*

**536. The Committee adopted Clause 82 without any amendment.**

Clause 83: Provides for insertion of new Section 198A.

537. After section 198 of the principal act, the following section shall be inserted, namely:—

198A. (1) Any designated authority, contractor, consultant or concessionaire responsible for the design or construction or maintenance of the safety standards of the road shall follow such design, construction and maintenance standards, as may be prescribed by the Central Government from time to time.

(2) Where failure on the part of the designated authority, contractor, consultant or concessionaire responsible under sub-section (1) to comply with standards for road design, construction and maintenance, results in death or disability, such authority or contractor or concessionaire shall be punishable with a fine which may extend to one lakh rupees and the same shall be paid to the Fund constituted under section 164B.

(3) For the purposes of sub section (2), the court shall in particular have regard to the following matters namely:—

(a) the characteristics of the road, and the nature and type of traffic which was reasonably expected to use it as per the design of road;

(b) the standard of maintenance norms applicable for a road of that character and use by such traffic;

- (c) the state of repair in which road users would have expected to find the road;
- (d) whether the designated authority responsible for the maintenance of the road knew, or could reasonably have been expected to know, that the condition of the part of the road to which the action relates was likely to cause danger to the road users;
- (e) whether the designated authority responsible for the maintenance of the road could not reasonably have been expected to repair that part of the road before the cause of action arose;
- (f) whether adequate warning notices through road signs, of its condition had been displayed; and
- (g) such other matters as may be prescribed by the Central Government.

Explanation.— For the purposes of this section , the term "contractor" shall include sub-contractors and all such persons who are responsible for any stage in the design, construction, and maintenance of a stretch of road."

538. *Clause 83 seeks to insert the new provision section 198A in the principal Act in order to hold liable any authority, contractor, consultant or concessionaire responsible for the design, construction or maintenance of a road in cases where their failure to meet relevant standards has resulted in death or disability to any person.*

539. Some Members suggested insertion of ‘(g) whether adequate lighting on the road was made available and was repaired from time to time to ensure that there are no dark stretches, and (h) whether adequate space had been made available on either side of the road for pedestrians, and’

### **Views of the Government**

540. In response thereto, the Ministry of Road Transport and Highways has stated the new sections 210C and 210D provide for the rule making powers for the road construction, design and maintenance, in which the issues raised by Hon’ble member would be addressed, in addition to other requirements.

**541. The Committee noted the reply of the Ministry and adopted Clause 83 without any amendment.**

Clause 84 : Provides for insertion of new Section 199A.

542. After section 199 of the principal Act, the following sections shall be inserted, namely:—

"199A. (1) Where an offence under this Act has been committed by a juvenile, the guardian of such juvenile or the owner of the motor vehicle shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing in this sub-section shall render such guardian or owner liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

Explanation.—For the purposes of this section, the Court shall presume that the use of the motor vehicle by the juvenile was with the consent of the guardian of such juvenile or the owner of the motor vehicle, as the case may be.

(2) In addition to the penalty under sub-section (1), such guardian or owner shall be punishable with imprisonment for a term which may extend to three years and with a fine of twenty-five thousand rupees.

(3) The provisions of sub-section (1) and sub-section (2) shall not apply to such guardian or owner if the juvenile committing the offence had been granted a learner's licence under section 8 or a driving licence and was operating a motor vehicle which such juvenile was licensed to operate.

(4) Where an offence under this Act has been committed by a juvenile, the registration of the motor vehicle used in the commission of the offence shall be cancelled for a period of twelve months.

(5) Where an offence under this Act has been committed by a juvenile, then notwithstanding section 4 or section 7, such juvenile shall not be eligible to be granted a driving licence under section 9 or a learner's licence under section 8 until such juvenile has attained the age of twenty-five years.

(6) Where an offence under this Act has been committed by a juvenile, then such juvenile shall be eligible to be punished by fines as provided in the Act while any custodial sentence may be modified as per the provisions of the Juvenile Justice Act, 2000."

199B. the fines provided in this Act shall increase by such amount not exceeding ten per cent in value of the existing fines, on an annual basis on 1st day of April of each year from the date of commencement of the Motor Vehicles (Amendment) Act, 2017, as may be notified by the Central Government."

543. *Clause 84 seeks to insert new provision section 199A in the principal Act to provide for liability of guardian or owner of vehicle, as the case might be, for any offences under this Act committed by a juvenile. Clause 84 seeks to insert new provision section 199B in the principal Act to provide for the annual increment of existing fines at a rate not exceeding 10 per cent per annum, as may be notified by the Central Government.*

**544. The Committee adopted Clause 84 without any amendment.**

Clause 85: Provides for amendment of Section 200.

545. In section 200 of the principal Act,—

(i) in sub-section (1),—

(a) for the words, figures and brackets "punishable under section 177, section 178, section 179, section 180, section 181, section 182, sub-section (1) or sub-section (2) of section 183, section 184, section 186, section 189, subsection (2) of section 190, section 191, section 192, section 194, section 196, or section 198," the words, brackets, figures and letters "punishable under section 177, section 178, section 179, section 180, section 181, section 182, sub-section

(1) or sub-section (3) or sub-section (4) of section 182A, section 182B, sub-section (1) or sub-section (2) of section 183, section 184 only to the extent of use of handheld communication devices, section 186, section 189, sub-section (2) of section 190, section 192, section 192A, section 194, section 194A, section 194B, section 194C, section 194D, section 194E, section 194F, section 196, section 198, shall be inserted;

(b) the following proviso shall be inserted, namely:—

"Provided that the State Government may, in addition to such amount, require the offender to undertake a period of community service."

(ii) after sub-section (2) the following provisos shall be inserted, namely:—

"Provided that, notwithstanding compounding under this section, such offence shall be deemed to be a previous commission of the same offence for the purpose of determining whether a subsequent offence has been committed:

Provided further that compounding of an offence will not discharge the offender from proceedings under sub-section (4) of section 206 or the obligation to complete a driver refresher training course, or the obligation to complete community service, if applicable."

*546. Clause 85 seeks to amend section 200 of the principal Act to provide for the composition of certain offences under the Act including provision of community service as a condition for composition of an offence. It also provides that an offence may still be considered as a repeat offence despite composition and that the composition of an offence shall not discharge the offender from disqualification from holding a licence, or the obligation to complete a driver refresher training course or render community service.*

**547. The Committee adopted Clause 85 without any amendment.**

Clause 86: Provides for amendment of Section 201.

548. In section 201 of the principal Act,—

(i) in sub-section (1),—

(a) the word "disabled" shall be omitted;

(b) for the words "fifty rupees per hour", the words "five hundred rupees", shall be substituted;

(ii) in proviso to sub-section (1), for the words "Government Agency, towing charges", the words "an agency authorised by the Central Government or State Government, removal charges" shall be substituted.

(iii) after sub-section (2), the following sub-section shall be inserted, namely:—

"(3) Sub-section (1) shall not apply where the motor vehicle has suffered an unforeseen breakdown and is in the process of being removed."

(iv) after sub-section (3) the following Explanation shall be inserted, namely:—

"Explanation.—For the purposes of this section, "removal charges "includes any costs involved in the removal of the motor vehicle from one location to another, including by way of towing and also includes any costs related to storage of such motor vehicle."

549. *Clause 86 seeks to amend section 201 of the principal Act to enhance the penalties for causing obstruction to free flow of traffic*

**550. The Committee adopted Clause 86 without any amendment.**

Clause 87: Provides for amendment of Section 206.

551. In section 206 of the principal Act, after sub-section (3) the following sub-section shall be inserted, namely:—

"(4) A police officer or other person authorised in this behalf by the State Government shall, if he has reason to believe that the driver of a motor vehicle has committed an offence under any of sections 183, 184, 185, 189, 190, 194C, 194D, or 194E, seize the driving licence held by such driver and forward it to the licensing authority for disqualification or revocation proceedings under section 19:

Provided that the person seizing the licence shall give to the person surrendering the licence a temporary acknowledgement therefor but such acknowledgement shall not authorise the holder to drive until the licence has been returned to him."

552. *Clause 87 seeks to amend section 206 of the principal Act to enable police officers to impound the driving licence of a person accused of certain offences such as driving dangerously (section 184), etc. and forwarding the same for disqualification proceedings under section 19 of the Act.*

553. Some Members were of the view that after the words, 'licence held by such driver' the words, 'after ascertaining from the available evidence' be inserted.

### **Views of the State Government**

554. The State Government of West Bengal has stated that barring the driver to drive vehicle during pendency of disposal of the offences committed will be too harsh for the driver since he will be deprived of his livelihood. In this process disqualification or revocation of the licence will be practically effective with seizure of licence, even before the Licensing Authority takes the decision as per law. The proviso should be reviewed.

### **Views of the Government**

555. In response thereto, the Ministry of Road Transport and Highways has stated that sufficient safeguards have been provided against misuse of powers by enforcement authority, in the said clause, as well as, in Section 19. Therefore, the proposed amendment may not be required.

**556. The Committee noted the reply of the Ministry and adopted Clause 87 without any amendment.**

Clause 88: Provides for insertion of new Sections 210A and 210B.

557. After section 210 of the principal Act, the following sections shall inserted, namely:—

"210A. Subject to conditions made by the Central Government, a State Government, shall, by notification in the Official Gazette, specify a multiplier, not less than one and not greater than ten, to be applied to each fine under this Act and such modified fine, shall be in force in such State and different multipliers may be applied to different classes of motor vehicles as may be classified by the State Government for the purpose of this section.

210B. Any authority that is empowered to enforce the provisions of this Act shall, if such authority commits an offence under this Act, shall be liable for twice the penalty corresponding to that offence under this Act.

"210C. The Central Government may make rules for—

- (a) design, construction and maintenance standards for National highways;
- (b) such other factors as may be taken into account by the Court under sub-section (3) of section 198A;
- (c) any other matter which is, or has to be, prescribed by the Central Government.

210D. The State Government may make rules for design, construction and maintenance standards for roads other than national highways, and for any other matter which is, or may be, prescribed by the State Government."

558. *Clause 88 seeks to insert a new section 210A in the principal Act to empower the State Governments to apply different multipliers to different fines and for different classes of motor vehicles provided in the Act. Clause 88 also seeks to insert a new section 210B in the principal Act to provide for the imposition of twice the fine provided in the Act whenever an offence is committed by any person entrusted with the enforcement of the Act. Clause 88 also seeks to insert a new section 210C the power of central government to make rules for design, construction and maintenance standards for National Highways. Clause 88 also seeks to insert a new section 210D power of the State Governments to make rules for design and construction and maintenance standards for roads other than National Highways.*

**559. The Committee adopted Clause 88 without any amendment.**

Clause 89: Provides for insertion of new Section 211A.

560. After section 211 of the principal Act, the following section shall be inserted, namely:—

"211A. (1) Where any provision of this Act or the rules and regulations made thereunder provides for—

- (a) the filing of any form, application or any other document with any office, authority, body or agency owned or controlled by the Central Government or the State Government in a particular manner;
- (b) the issue or grant of any licence, permit, sanction, approval or endorsement, by whatever name called in a particular manner;



- (c) the receipt or payment of money in a particular manner, then notwithstanding anything contained in such provision, such requirement shall be deemed to have been satisfied if such filing, issue, grant, receipt or payment, as the case may be, is effected by means of such electronic form as may be prescribed by the Central Government or the State Government, as the case may be.

(2) The Central Government or the State Government shall, for the purpose of sub-section (1), prescribe—

- (a) the manner and format in which such electronic forms and documents shall be filed, created or issued; and
- (b) the manner or method of payment of any fee or charges for filing, creation or issue of any electronic document under clause (a)."

561. *Clause 89 seeks to insert a new section 211A in the principal Act to provide that all documents, forms and applications under this Act may be filed in an electronic format to be prescribed by the Central or state governments, as may be applicable.*

562. Some Members were of the view that the clause should be deleted.

### **Views of the State Governments**

563. The State Government of Maharashtra has stated that the new amendment proposes section 211A wherein, any agencies either owned by or controlled by the Central Government are authorized to collect the fees prescribed under the Motor Vehicles Act. The said amendment is against the entry 56, 57 of List II of Constitution of India. At present, Govt. of Maharashtra has allowed the filing of applications, collection of Fees and Tax is being carried through electronic format only through the Parivahan application provided by NIC. Any excessive delegation in this regard will do away with the power of State to levy fees, which is a sovereign function of the State.

564. The State Government of Karnataka has stated that what the Central Government could not achieve its object to take over the control of transport system in the entire country early by RTS Bills is now sought to be achieved by creating new Section 211A, 215A, 215B & 215C in an indirect way. Since Section 211A provides fees collection in electronic form for the issue or grant of any license, permit, sanction approval or endorsement by whatever name called by a body or agency owned for controlled by Central/State Governments, it will become the financial responsibility of such body or agency to serve for the fees collected. Since Section 211 (present) has not empowered the officers or authorities to collect fees or render service in electronic forms, the entire Department constituted under Section 213 will be expelled out and only the body or agency in otherwise a person or Group of persons prescribed under Section 215A with a newly constituted officers empowered to handle electronic forms under Section 215C.

### **Views of Stakeholders**

565. Some stakeholders are of the view that the proposed amendment in section 211-A will take away the powers of States to levy and collect fees pertaining to all matters connected with motor vehicle laws and empower the Central Government to exercise such powers. This proposal is against Constitutional provisions in Entry 57 and would enable the Central Government to make rules or regulations requiring the general public to file applications or documents by electronic mode only

and that too with the authority or body or agency owned or controlled by the Central Government. Further, the amendment is silent on the question why the general public should not file applications or remit the fees to the Motor Vehicles Department officers who are statutory authorities appointed under section 213 of the Motor Vehicles Act.

566. The Ministry has not clarified why the general public should be forced to file documents by electronic mode only with the authority, body or agency owned or controlled by the Central Government and not with the officers of Motor Vehicle Department. The Ministry has not clarified why Central Government should take over the powers of the States to provide for payment mechanism, and why the general public should be forced to remit the fees, taxes etc. with an authority, body or agency to be nominated by Central Government for the purpose. By this amendment, the powers of the State to levy and collect fees and taxes on motor vehicles as protected in the Constitutional provisions will be taken away by the Central Government. Therefore, the proposed amendment in section 211-A will take away the powers of the State to levy and collect fees and taxes on motor vehicles. Only a meager amount of the revenue collected by the Central Government through the agency/body would be apportioned to the States. This will have a serious impact on the State revenue resources.

567. Even though the Ministry has commented that the object of the proposed amendment in Section 211-A is to facilitate the public to file documents in electronic format the amendments travel beyond that scope and it is proposed to put in place private agencies under the guise of 'public servant' and 'public authority'. Upgrading the infrastructure and digitalization of the functioning of the existing Motor Vehicles Department alone will yield the desired result. Only through the Government Department established under the statute, the social welfare benefits could reach the unreached and under privileged sector of the society. Delegating all the powers of the Central Government and State Governments to 'public servant' or 'public authority' whose identity has not yet been disclosed is against constitutional provisions and public safety.

### **Views of the Government**

568. In response thereto, the Ministry of Road Transport and Highways has stated that the new section is to provide electronic filing of all documents. This will help in citizen's facilitation. This Section is merely a specific re-statement of a legal requirement already in force under section 6(1) of the Information Technology Act, 2000 that allows any document suggested to be filed or issued, etc. to be submitted in an electronic form specified by the Central Government.

569. Central Government may provide for payment mechanism. Central Government will not retain any fee and the same will be remitted to the States on real times basis.

**570. In view of the submissions made by the Ministry of Road Transport & Highways, the Committee adopted Clause 89 without any amendment.**

Clause 90: Provides for amendment of Section 212.

571. In section 212 of the principal Act,—

(i) in sub-section (4),—

(a) after the words, brackets and figures "the proviso to sub-section (1) of section 112", the words and figures "section 118" shall be inserted;

- (b) for the words, brackets, figures and letter" sub-section (4) of section 163A", the words, figures and letter" section 164, section 177A" shall be inserted;

(ii) after sub-section (4), the following sub-section shall be inserted, namely:—

"(5) Every notification issued by the State Government under section 210A shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, the House agrees or both Houses agree, as the case may be, in making any modification in the notification or the House agrees or both Houses agree, as the case may be, that the notification should not be issued, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification."

572. *Clause 90 seeks to amend section 212 of the principal Act to provide for the placing in the State Legislature of notifications made under section 210A for legislative approval.*

**573. The Committee adopted Clause 90 without any amendment.**

Clause 91: Provides for insertion of new Sections 215A, 215B and 215C.

574. After section 215 of the principal Act, the following sections shall be inserted, namely:—

"215A. (1) Notwithstanding anything else contained in this Act the Central Government shall have the power to delegate any power or functions that have been conferred upon it by the Act to any public servant or public authority and authorise such to discharge any of its powers, functions and duties under this Act.

(2) Notwithstanding anything else contained in this Act the State Government shall have the power to delegate any power or functions that have been conferred upon it by the Act to any public servant or public authority and authorise such public servant or public authority to discharge any of its powers, functions and duties under this Act.

215B. (1) The Central Government may make rules for the purposes of carrying into effect, the provisions of this Chapter.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the use of electronic forms and means for the filing of documents, issue or grant of licence, permit, sanction, approval or endorsements and the receipt or payment of money as referred to in section 211A; and
- (b) the minimum qualifications which the Motor Vehicles Department officers or any class thereof shall be required to possess for appointment as such, as referred to in sub-section (4) of section 213.

215C. (1) The State Government may make rules for the purposes of carrying into effect, the provisions of this Chapter other than the matters specified in section 215B.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the use of electronic forms and means for the filing of documents, issue or grant of licence, permit, sanction, approval or endorsements and the receipt or payment of money as referred to in section 211A;
- (b) the duties and functions of the officers of the Motor Vehicle Department and the discharge thereof, the powers to be exercised by such officers (including the powers exercisable by police officers under this Act) and the conditions governing the exercise of such powers, the uniform to be worn by them, the authorities to which they shall be subordinate as referred to in sub-section (3) of section 213; and
- (c) such other powers as may be exercised by officers of the Motor Vehicles Department as referred to in clause (f) of sub-section (5) of section 213.

"215D. (1) The Central Government shall, by notification in the Official Gazette, constitute a National Road Safety Board consisting of a Chairman, such number of representatives from the State Governments, and such other members as it may consider necessary and on such terms and conditions as may be prescribed by the Central Government.

(2) The National Board shall render advice to the Central Government or State Government, as the case may be, on all aspects pertaining to road safety and traffic management including, but not limited to,—

- (a) the standards of design, weight, construction, manufacturing process, operation and maintenance of motor vehicles and of safety equipment;
- (b) the registration and licensing of motor vehicles;
- (c) the formulation of standards for road safety, road infrastructure and control of traffic;
- (d) the facilitation of safe and sustainable utilisation of road transport ecosystem;
- (e) the promotion of new vehicle technology;
- (f) the safety of vulnerable road users;
- (g) programmes for educating and sensitizing drivers and other road users; and
- (h) such other functions as may be prescribed by the Central Government from time to time."

215E. The Central Government may make rules—

- (a) regarding terms and conditions of appointment of Chairman and members of the National Road Safety Board under sub-section (1) of section 215D;

(b) other functions of the National Road Safety Board under sub-section (2) of section 215D;

(c) any other matter which is, or has to be, prescribed by the Central Government.

575. *Clause 91 seeks to insert new provisions, viz., sections 215A, 215B, 215C, 215D and 215E in the principal Act. Section 215A enables the Central Government and State Governments to delegate to any person or group to discharge any of the powers, functions, or duties conferred under the Act. Section 215B enumerates the rule making powers granted to the Central Government under this Chapter in consequence of the amendments proposed by this amendment Act. Section 215C enumerates the rule making powers granted to the State Government under this Chapter in consequence of the amendments proposed by this amendment Act. Section 215D provides for the creation of a National Road Safety Board. 215E provides for Central Government to make rules regarding terms and conditions of appointment of chairman and members of the Road Safety Board.*

576. Some Members were of the view that newly inserted Sections 215A, 215B and 215C should be deleted and for the words 'public servants or public authority' the words 'government servants or government authorities' should be substituted.

### **Views of State Governments**

577. The State Government of Tamilnadu has stated that inducting the Corporate as a parallel in the administration of transport department will dilute power vested with State Government. This is a very blatant encroachment of State Government powers.

578. The State Government of Karnataka has stated that by this amendment the control of transport system in the entire country would be taken by Central Government. The resultant extract is that the executors and administrators would be the Body Corporate to accomplish the fruits of the motor industries in the country. The whole Government staff would be thrown out from the Department as jobless or retrenched.

579. The State Government of Maharashtra has stated that the new amendment proposes to add Section 215A, B, C in which the Central Government shall have the power to delegate any power or functions that have been conferred to any Public servant or Public Authority and authorize such to discharge any of its power functions and duties to any person or group of persons. The State of Maharashtra has strong reservation against any such inclusion as it will lead to giving away the State Authority to persons or group of persons without any accountability which will finally lead to anarchy in sovereign government function. Such a delegation of power will lead in deterioration of quality and standards of functions without any remedies and accountability. Hence this may be omitted in wider public interest.

### **Views of stakeholders**

580. Some stakeholders were of the view that insertion of new Section 215-A in the Principal Act provides for delegation of powers to a public servant or public authority. Such excessive delegation without any restriction may defeat the purposes of the Act and public interest. Therefore, it may be recommended that the power of the Central or State Government in this regard may be delegated to the Government Agencies alone. Any such delegation would be permissible only in respect of powers conferred upon the Central Government in the Motor Vehicles Act. The Public Servant is defined in Section 21 of the Indian Penal Code.

581. Further, the objection against insertion of new section 215-B is that in section 215A, 215 B, 215 C, the words ‘ any person or group of persons’ have been substituted by the words “ public servant” or “public authority” . Section 215 B is intended to empower the Central Government to make rules with regard to ” the use of electronic forms and means for the filing of documents, issue or grant of licence, permit, sanction, approval or endorsements and the receipt or payment of money as referred to in section 211A” and also to prescribe “ the minimum qualifications which the Motor Vehicles Department officers or any class thereof shall be required to possess for appointment as such, as referred to in sub-section (4) of section 213” The existing Section 213 already contains provisions empowering the Central and State Governments to make rules for the purpose of this section. There is no necessity to insert another amendment in sections 215 B and 215 C. The insertion of section 211-A has already been opposed on various grounds. Therefore the reference to section 211-A in section 215B and 215 C is irrelevant

582. Further, grounds for objection for insertion of section 215-A is that reasons and objects are not transparent. The words “to any person or group of persons ” wherever they occur in clause 89 were also substituted by the words “ to any public servant or public authority” in clause 91. The object and reasons for substitution the words “to any person or group of persons ” by the words “ to any public servant or public authority” have not been spelt out clearly. No statement of reasons and objectives or Memorandum regarding Delegated Legislation were annexed to the Bill 214 C of 2016. The procedure for constitution of such public servant or public authority, their qualification, the service conditions, powers and functions have not been made clear. The question whether such public servant or public authority will be constituted as autonomous bodies to be conferred with statutory powers or they would function as an outsourcing agency under the control of the officers appointed under section 213 of the Motor vehicles Act 1988 is also not made clear.

583. Thus, the proposal to delegate the powers of the Central Government and State Governments to private persons named as public servant/public authority is an excessive delegation of power without any restriction. The Ministry has failed to justify why the powers of Central Government and State Governments should be delegated to the said public servant/public authority when the Motor vehicle Department established under section 213 for the purpose of carrying into effect of the provisions of the said Act is in existence. The Ministry has also failed to demarcate the areas in which the powers and functions of the officers of Motor vehicles Department which is already in place and the public servant/public authority to be nominated are to be exercised. Thus there is no transparency in the proposal to delegate the powers of Central Government and State Governments to private persons or groups of persons even though they could be given the nomenclature as ‘public servant’ or ‘public authority’.

584. The proposed amendments in sections 211-A and 215-A are interrelated. The provisions in section 215A is a sequence to give effect to the provisions in section 211-A. It is intended to enable the Central and State Governments to delegate their powers and functions to any person or group of persons call 'public servant' or 'public authority'.

### **Views of the Government**

585. In response thereto, the Ministry of Road Transport and Highways has stated that any such delegation would be permissible only in respect of powers conferred upon the Central or State Government in the Motor Vehicles Act. The powers can be delegated only to the Public Servant or Public Authority. The Public servant is adequately defined in Section 21 of the Indian Penal Code. Public authority has been defined by Section 2 (h) of the Right to Information Act, 2005. From the

above definitions, it can be seen that no private person or agency can be delegated any powers of the government.

**586. The Committee notes that the State Governments are free to exercise the powers conferred in Clause 91 to the extent to which the powers belong to the domain of the State. The States are free to decide the quantum of delegation of powers and to the public authorities or public servants to whom they have to delegate the powers. In view of the clarification given by the Ministry of Road Transport & Highways, the Committee adopted Clause 91 without any amendment.**

Clause 92: Provides for omission of Second Schedule of Principal Act.

587. In the principal Act, the Second Schedule shall be omitted.

**588. The Committee adopted Clause 92 without any amendment.**

Clause 1: Short title and commencement.

589. (1) This Act may be called the Motor Vehicles (Amendment) Act, 2017.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different provisions of this Act and any reference in any such provision to the commencement of this Act shall be construed as a reference to the coming into force of that provision.

*590. Clause 1 provides for the short title of the Bill as “the Motor Vehicles (Amendment) Act, 2017”, and seeks to provide for the commencement of the provisions of the Bill from such date as may be notified by the Central Government and different dates may be appointed for different States for different provisions of the Bill.*

**591. The Clause 1 Enacting Formula and the Title of the Bill was adopted without any amendments.**

## **General Recommendations**

**592.** The Committee feels that the fresh amendments proposed in the Motor Vehicles (Amendment) Bill, 2017 to strengthen public transport, road safety, automation and computerization, online learning licence, registration of new vehicles at the dealer's end, renewal of driving licence from one month to sixth month before and after the expiry date, National Permit System and the concept of last mile connectivity are very citizen friendly features of the Bill which would help in further boosting the concept of cooperative federalism between the Central and the State Governments. The Committee further observed that the amendments proposed in the Bill will not in any way affect independent functioning of Regional Transport Offices (RTOs) of State Governments, rather they will continue to exercise their power unhindered and these provisions will further strengthen the hands of the existing RTOs of the State Governments by taking an affirmative action in favour of the citizens of the country. Their functioning could be made more transparent and accountable.

## **Electronic Monitoring**

**593.** The Committee welcomes the initiative being taken to introduce Electronic Monitoring and enforcement of road safety by using devices like speed cameras, closed circuit television camera, speedguns, body wearable cameras and such other technology (Clause 46). The Committee notes that whilst many States and cities in India have already incorporated technology in electronic monitoring and enforcement of road safety, it is a matter of time that all States start using the same.

**594.** The Committee during its visit to Kerala has noticed that the process of electronic monitoring system is already in place. The automated Traffic Enforcement Project, which Kerala State electronic Development Corporation Limited (KELTRON) implemented for the State Government has a "city surveillance and Traffic Monitoring System like RLDVS-Redlight Violation Detection System and SVDS -Speed Violation Detection System in Kerala. The Automated Traffic Enforcement Project with KELTRON is implementing, also has Kerala Motor Vehicle Department and Kerala Road Safety Authority as partners. The Committee recommends that this electronic monitoring system can be replicated on State Highways as well as national highways.

**595.** The Committee also recommends that every traffic policeman or RTO official who is enforcing the provisions of Motor Vehicle Act and Rules should have body wearable cameras and the offences recorded should be digitally stored and monitored in the control room. The Committee feels that this will reduce arbitrariness and corruption by the enforcement officials.

## **Protection to pedestrians, cyclists and bus users**

**596.** Pedestrians, Cyclists and bus users should be protected. It was submitted to the Committee that the Amendment Bill makes the Motor vehicle law even better. The focus should be on sustainable mobility wherein the pedestrians, cyclists and bus users should be the centre of policy making. The increase of penalties indicates that one need to drive properly because the drivers are causing accidents. The focus worldwide has shifted to creating safety systems where it is understandable that people will make mistakes, people won't be perfect



driver, but still people should not lose lives or result in serious injuries. The Committee notes that the law is good and there are sufficient rule and regulations to promote road safety; enforcement still remains the key factor to improve the road safety. The Committee is aware that pedestrians and cyclists and non-mechanically propelled vehicles are coming under the domain of the State Government.

597. The Committee, therefore, recommends that the enforcement agencies of the States should scrupulously implement the law to protect the pedestrians, cyclists and the bus users.

#### **Consultative Mechanism**

598. Section 212 of the Motor Vehicle mandates the publications, comment and laying of rules and notification. It was brought to the notice of the Committee that other than Rules and notifications, other types of Subordinate Legislations are not be laid on the Table of the legislature. The submission was that in the interest of transparency, accountability and public participation the powers under the section should be broadened. The Committee feels that the Government should invite comments and suggestions from the general public before making any Rules, notification and schemes. The Committee notes that public participation is vital for democracy and once the people feel that they have got an opportunity to express their views and the concerned authorities have heard and incorporated the good points there will across the board acceptance of law.

599. Yet another aspect brought before the Committee is that the consultative mechanism with the stakeholders is very poor as regards the Motor Vehicle Act is concerned. For instance, Bus Operators Confederation of India which represents more than 23 federations of different States and cumulatively run more than 10 lakh buses and 11 lakh ears need to be consulted before formulations of any scheme which are involving the bus operators. The Committee also noted that there are a number of stakeholders who are involved in one or other aspects of Motor Vehicle Act. The Committee recommends that the Government should think, while making subordinate legislations, to implement the provisions of the Motor Vehicles Act, to create a consultative mechanism involving the major stakeholders.

#### **One nation, one permit, one tax**

600. The Committee was informed that the interstate and national permits requires cumbersome procedures and payment of hefty amount as taxes and fees. It was submitted before the Committee that if a bus has to ply in five southern States then it has to pay Rs.42 lakhs of permit fee very year. It was also submitted that the bus operators are demanding an open road policy just like the open sky policy and all permits should be made national permits and the objective should be one nation, one permit and one tax. The Ministry of road transport and Highways informed the Committee that if the States agree for one nation, one permit, one tax then the revenues of the States will increase. This will also reduce the chances of one operator taking a few permits and running large number of buses.

601. The Committee notes the one nation, one permit, one tax involve the domain of the State Governments. The Committee appreciates the idea of one nation one permit, one tax especially if it increases the revenue of the States. The Committee, therefore, call upon the Governments both Central and States to workout modalities to bring the idea of one nation, one permit, one tax to fruition.

## **Toilets in long distance buses**

**602.** This suggestion was brought before the Committee that the manufacturing technologies of the buses have changed and many of the modern buses have inbuilt toilets. In India we are having very few buses fitted with toilets. The Committee recommends that the long distance buses should invariably have inbuilt toilets. The Committee further recommends that the concerned Ministry should take initiative to implement the recommendation of the Committee.

## **Contract Carriage**

**603.** It was brought to the notice of the Committee that there are certain ambiguities whether the 'contract carriage' can do individual ticketing for the conducted tours etc. Presently ticketing is done by some intermediates and the buses are hired. Only homogeneous groups are permitted to use contract carriages. Some stakeholders have pleaded for clarity regarding the ticketing of contract carriages. The Committee recommends that while formulating the rules the Governments may make appropriate provisions to incentivise the contract carriages to become part of public transport system.

## **Suggestion to include in the Rules**

**604.** The Committee was informed by the Ministry of Road Transport and Highways that at the time of framing subordinate legislation the following issues will be addressed:-

- (i)** To make appropriate guidelines for transport of goods of hazardous and dangerous nature and also specialized training programme will be introduced for those drivers who are involved in driving of oversized vehicles.
- (ii)** Strict guidelines and checklist will be prescribed for properly functioning of the vehicle dealers.
- (iii)** The Government may take due care and separate format may be prepared while formulating the Rules for change or retrofitment in the vehicle.
- (iv)** The Government may formulate Rules to ensure the safety of the below four year old child riding on a two wheeler regardless of any socio economic situation prevailing in our country.
- (v)** The punishment in case of death in an accident by drunken driver is proposed to be enhanced upto seven years in line with proposed amendments in IPC.
- (vi)** Rules will be framed to provide for standards to measure the breath alcohol analysers.
- (vii)** Appropriate Rules may be framed to control the speed of vehicles especially those involved in racing and showing stunts on roads.
- (viii)** To check overloading of public and goods transports the technical aspects of axle load will be examined while framing subordinate legislation in this regard.

- (ix) The framing of rules may be considered to ensure that every new vehicle purchased should be made to pay at the time of Registration the third party insurance for life time of the vehicles.
- (x) Community service as a composition of an offence. The violators of traffic rules may be compelled to spend time in surgical OPD of road accident victims.
- (xi) The proposal for making provision of two drivers for heavy commercial vehicles which are running more than 500 km shall be made in the Rules.
- (xii) Government should lay down clear cut policies/rules for segregation of different type of vehicles on specific lanes on the roads to avoid accidents.
- (xiii) Provision for providing of Insurance manual and traffic Rule books by Original Equipment Manufacturers will be included in the Rules.
- (xiv) The Committee is of the view that in most of the hit and run cases lives are lost due to sheer negligence of the culprits and the culprits are rarely caught. The Committee recommends that the Government should explore the possibility of enhancing the compensation to the victims of hit and run cases. Appropriate proposals may be included while making the Rules.
- (xv) The Committee noted that the issue of protection of rights of State Road Undertakings should be addressed while framing Rules.

**605. With these observations the Committee recommends enactment of the legislation without any modification.**

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