

The Motor Vehicles Act, 1988

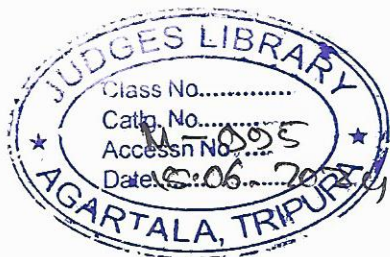
[Act 59 of 1988]

along with

**Comparative Tables between Motor Vehicles Act,
1988 and Motor Vehicles Act, 1939
and vice-versa**

and

Case Law



Book No. 15

Page No. 77

**With
complete
legislative
history**

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Phones: +91-11-23917616, +91-9313080904, Fax: +91-11-23921656

Bengaluru: 25/1, Anand Nivas, 3rd Cross, 6th Main, Gandhinagar,

Bengaluru-560 009; Phone: +91-80-41225368

Prayagraj: Manav Law House, Near Prithvi Garden

Opp. Dr. Chandra's Eye Clinic, Elgin Road, Civil Lines, Prayagraj-211 001

Phones: +91-532-2400877, 2422023, Fax: +91-532-2623584

Ahmedabad: Satyamev Complex-1, Ground Floor, Shop No. 7

Opp. High Court Gate No. 2 (Golden Jubilee gate)

Sarkhej - Gandhinagar Highway Road, Sola, Ahmedabad-380 060

Phones: +91-9228012539, +91-7567903245

Nagpur: F-9, Girish Heights, Near LIC Square, Kampotee Road, Nagpur-440 001

Phones: +91-712-6607650, +91-7028924969

Guwahati: Advika, Unit No. 205, 2nd Floor, M.G. Road, Pan Bazar, Guwahati-781 001

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The Motor Vehicles Act, 1988

List of Amending Acts

1. Motor Vehicle (Amendment) Act, 1994 (54 of 1994).
2. Motor Vehicle (Amendment) Act, 2000 (27 of 2000).
3. Motor Vehicle (Amendment) Act, 2001 (39 of 2001).
4. Motor Vehicle (Amendment) Act, 2015 (3 of 2015).
5. Noti. No. S.O. 2022(E), dt. 22-5-2018.
6. Motor Vehicle (Amendment) Act, 2019 (32 of 2019).
7. Jan Vishwas (Amendment of Provisions) Act, 2023 (18 of 2023).

List of Notification of Dates of Enforcement of Act 32 of 2019

1.	S.O. 3110(E), dated 28-8-2019	2019-CCL-III-532[403]	2019-LLT-III-532[403]
2.	S.O. 3147(E), dated 1-9-2019	2019-CCL-III-518[385]	2019-LLT-III-518[385]
3.	S.O. 3311(E), dated 25-9-2020	2020-CCL-III-698[423]	2020-LLT-III-698[423]
4.	S.O. 4251(E), dated 26-11-2020	2020-CCL-III-880[525]	2020-LLT-III-880[525]
5.	S.O. 1231(E), dated 11-3-2021	2021-CCL-III-334[136]	2021-LLT-III-334[136]
6.	S.O. 1433(E), dated 31-3-2021	2021-CCL-III-334[137]	2021-LLT-III-334[137]
7.	S.O. 2177(E), dated 7-6-2021	2022-CCL-III-686[422]	2022-LLT-III-686[422]
8.	S.O. 2806(E), dated 12-7-2021	2022-CCL-III-686[423]	2022-LLT-III-686[423]
9.	S.O. 691(E), dated 15-2-2022	2022-CCL-III-127[97]	2022-LLT-III-127[97]
10.	S.O. 859(E), dated 25-2-2022	2022-CCL-III-221[145]	2022-LLT-III-221[145]



Motor Vehicles Act, 1988 and Motor Vehicles Act, 1939

New Act		Old Act	New Act		Old Act
1(1)	..	1(1)	2(33)	..	2(22)
1(2)	..	1(2)	2(34)	..	2(24)
2(1)	..	2(1)	2(35)	..	2(25)
2(2)	..	2(1-A)	2(36)	..	2(26)
2(3)	..	2(1-B)	2(37)	..	2(28)
2(4)	..	2(2)	2(38)	..	2(28-A)
2(5)	..	2(2-B)	2(40)	..	2(29)
2(6)	..	2(2-C)	2(43)	..	2(29-A)
2(7)	..	2(3)	2(44)	..	2(30)
2(8)	..	2(4)	2(45)	..	2(31)
2(9)	..	2(5)	2(46)	..	2(32)
2(10)	..	2(5-A)	2(47)	..	2(33)
2(12)	..	2(6)	2(48)	..	2(34)
2(13)	..	2(7)	3(1)	..	3(1)
2(14)	..	2(8)	4(3)	..	4
2(16)	..	2(9)	5	..	5
2(17)	..	2(9-A)	6	..	6
2(18)	..	2(10)	9(1)	..	7(1)
2(20)	..	2(12)	9(2)	..	7(2)
2(21)	..	2(13)	9(3)	..	7(6)
2(23)	..	2(14)	9(6)	..	7(7)
2(24)	..	2(14-A)	9(7)	..	7(8)
2(25)	..	2(15)	10	..	8
2(26)	..	2(16)	11	..	8-A
2(27)	..	2(17)	13	..	9(1)
2(28)	..	2(18)	14(2)	..	10
2(29)	..	2(18-A)	15(1)	..	11(1)
2(30)	..	2(19)	15(2)	..	11(2)
2(31)	..	2(20)	15(3)	..	11(3)
2(32)	..	2(21)	15(4)	..	11(3-A)

New Act	Old Act	New Act	Old Act
15(5) ..	11(3-B)	47 ..	29
15(6) ..	11(4)	48 ..	29-A
16 ..	12	49 ..	30
17 ..	13	50 ..	31
18 ..	14	51 ..	31-A
19 ..	15	52 ..	32
20 ..	17	53 ..	33
21 ..	17-A	55 ..	34
22 ..	17-B	56 ..	38
23 ..	18	57 ..	35
24 ..	19	58 ..	36
25 ..	20	60 ..	39
27 ..	20-A	61 ..	40
28 ..	21	65 ..	41
29 ..	21-A	66 ..	42
30 ..	21-B	67 ..	43
31 ..	21-C	68 ..	44
32 ..	21-D	69 ..	45
33 ..	21-E	70 ..	46
34 ..	21-F	71 ..	47
35 ..	21-G	72 ..	48
36 ..	21-H	73 ..	49
37 ..	21-I	74 ..	51
38 ..	21-J	76 ..	52
39 ..	22	77 ..	54
40 ..	23	79 ..	56
41 ..	24	80 ..	57
42 ..	24-A	81 ..	58
43 ..	25	82(1) ..	59(1)
44 ..	26	82(2) ..	61
45 ..	27	83 ..	59(2)
46 ..	28	84 ..	59(3)

New Act		Old Act	New Act		Old Act
85	..	59-A	119	..	78
86	..	60	120	..	80
87	..	62	121	..	79
88	..	63	122	..	81
89	..	64	123	..	82
90	..	64-A	124	..	82-A
91	..	65	125	..	83
92	..	66	126	..	84
93	..	66-A	128(1)	..	85
95	..	67	129	..	85-A
96	..	68	130(1)	..	86
97	..	68-A	132	..	87
98	..	68-B	133	..	88
99	..	68-C	134	..	89
100	..	68-D	136	..	90
102	..	68-E	138	..	91
103	..	68-F	139	..	92
104	..	68-FF	140	..	92-A
105	..	68-G	141	..	92-B
106	..	68-HH	142	..	92-C
107	..	68-I	143	..	92-D
108	..	68-J	144	..	92-E
109(1)	..	69	145	..	93
109(2)	..	69-A	146	..	94
110	..	69-B	147	..	95
111	..	70	148	..	95-A
112	..	71	149	..	96
113	..	72	150	..	97
114	..	73	151	..	98
115	..	74	152	..	99
116	..	75	153	..	100
117	..	76	154	..	101

New Act		Old Act	New Act		Old Act
155	..	102	188	..	119
156	..	103	189	..	120
157	..	103-A	190	..	121
158	..	106	191	..	122
159	..	107	192(4)	..	123
160	..	109	193	..	123-A
161	..	109-A	194	..	124
162	..	109-B	195	..	124-A
163	..	109-C	196	..	125
164	..	111	197	..	126
165	..	110	198	..	127
166	..	110-A	199	..	127-A
167	..	110-AA	200(2)	..	127-B
168(1)	..	110-B	202	..	128
169	..	110-C	203	..	128-A
171	..	110-CC	204	..	128-B
172	..	110-CCC	205	..	128-C
173	..	110-D	206	..	129
174	..	110-E	207	..	129-A
175	..	110-F	208	..	130
176	..	111-A	209	..	131
177	..	112	210	..	131-A
178	..	112-A	211	..	132-A
179	..	113	212	..	133
180	..	113-A	213	..	133-A
181	..	113-B	214	..	134
182(2)	..	114	217	..	135
183(4)	..	115			
184	..	116			
185	..	117			
186	..	118			
187	..	118-A			

Motor Vehicles Act, 1939 and Motor Vehicles Act, 1988

Old Act		New Act		Old Act		New Act	
1(1)	..	1(1)		2(25)	..	2(35)	
1(2)	..	1(2)		2(26)	..	2(36)	
2(1)	..	2(1)		2(28)	..	2(37)	
2(1-A)	..	2(2)		2(28-A)	..	2(38)	
2(1-B)	..	2(3)		2(29)	..	2(40)	
2(2)	..	2(4)		2(29-A)	..	2(43)	
2(2-B)	..	2(5)		2(30)	..	2(44)	
2(2-C)	..	2(6)		2(31)	..	2(45)	
2(3)	..	2(7)		2(32)	..	2(46)	
2(4)	..	2(8)		2(33)	..	2(47)	
2(5)	..	2(9)		2(34)	..	2(48)	
2(5-A)	..	2(10)		3(1)	..	3(1)	
2(6)	..	2(12)		4	..	4(3)	
2(7)	..	2(13)		5	..	5	
2(8)	..	2(14)		6	..	6	
2(9)	..	2(16)		7(1)	..	9(1)	
2(9-A)	..	2(17)		7(2)	..	9(2)	
2(10)	..	2(18)		7(6)	..	9(3)	
2(12)	..	2(20)		7(7)	..	9(6)	
2(13)	..	2(21)		7(8)	..	9(7)	
2(14)	..	2(23)		8	..	10	
2(14-A)	..	2(24)		8-A(1)	..	11	
2(15)	..	2(25)		9(1)	..	13	
2(16)	..	2(26)		10	..	14(2)	
2(17)	..	2(27)		11(1)	..	15(1)	
2(18)	..	2(28)		11(2)	..	15(2)	
2(18-A)	..	2(29)		11(3)	..	15(3)	
2(19)	..	2(30)		11(3-A)	..	15(4)	
2(20)	..	2(31)		11(3-B)	..	15(5)	
2(21)	..	2(32)		11(4)	..	15(6)	
2(22)	..	2(33)		12	..	16	
2(24)	..	2(34)		13	..	17	

Old Act		New Act	Old Act		New Act
14	..	18	31-A	..	51
15	..	19	32	..	52
17	..	20	33	..	53
17-A	..	21	34	..	55
17-B	..	22	35	..	57
18	..	23	36	..	58
19	..	24	38	..	56
20	..	25	39	..	60
20-A	..	27	40	..	61
21	..	28	41	..	65
21-A	..	29	42	..	66
21-B	..	30	43	..	67
21-C	..	31	44	..	68
21-D	..	32	45	..	69
21-E	..	33	46	..	70
21-F	..	34	47	..	71
21-G	..	35	48	..	72
21-H	..	36	49	..	73
21-I	..	37	51	..	74
21-J(1)	..	38	52	..	76
22	..	39	54	..	77
23	..	40	56	..	79
24	..	41	57	..	80
24-A	..	42	58	..	81
25	..	43	59(1)	..	82(1)
26	..	44	59(2)	..	83
27	..	45	59(3)	..	84
28	..	46	59-A	..	85
29	..	47	60	..	86
29-A	..	48	61	..	82(2)
30	..	49	62	..	87
31	..	51	63	..	88

Old Act		New Act		Old Act		New Act	
64	..	89		82	..	123	
64-A	..	90		82-A	..	124	
65	..	91		83	..	125	
66	..	92		84	..	126	
66-A	..	93		85	..	128(1)	
67	..	95		85-A	..	129	
68	..	96(2)		86	..	130(1)	
		(xxxiii)		87	..	132	
68-A	..	97		88	..	133	
68-B	..	98		89	..	134	
68-C	..	99		90	..	136	
68-D	..	100		91	..	138	
68-E	..	102		92(1)	..	139	
68-F	..	103		92-A	..	140	
68-FF	..	104		92-B	..	141	
68-G	..	105		92-C	..	142	
68-HH	..	106		92-D	..	143	
68-I	..	107		92-E	..	144	
68-J	..	108		93	..	145	
69	..	109(1)		94	..	146	
69-A	..	109(2)		95	..	147	
69-B	..	110		95-A	..	148	
70	..	111		96	..	149	
71	..	112		97	..	150	
72	..	113		98	..	151	
73	..	114		99	..	152	
74	..	115		100	..	153(2)	
75	..	116		101	..	154	
76	..	117		102	..	155	
78	..	119		103	..	156	
79	..	121		103-A	..	157	
80	..	120		106	..	158	
81	..	122					

Old Act		New Act	Old Act		New Act
107	..	159(b)	119	..	188
109	..	160	120	..	189
109-A	..	161	121	..	190
109-B	..	162	122	..	191
109-C	..	163	123	..	192(4)
111	..	164	123-A	..	193
110	..	165	124	..	194
110-A	..	166	124-A	..	195
110-AA	..	167	125	..	196
110-B	..	168(1)	126	..	197
110-C	..	169	127	..	198
110-CC	..	171	127-A	..	199
110-CCC	..	172	127-B	..	200(2)
110-D	..	173	128	..	202
110-E	..	174	128-A	..	203
110-F	..	175	128-B	..	204
111-A	..	176	128-C	..	205
112	..	177	129	..	206
112-A	..	178	129-A	..	207
113	..	179(2)	130	..	208
113-A	..	180	131	..	209
113-B	..	181	131-A	..	210
114	..	182(2)	132-A	..	211
115	..	183(4)	133	..	212
116	..	184	133-A(1)	..	213
117	..	185	134	..	214
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The Motor Vehicles Act, 1988¹

[Act 59 of 1988]

[14th October, 1988]

An Act to consolidate and amend the law relating to motor vehicles

Be it enacted by Parliament in the Thirty-ninth Year of the Republic of India as follows—

Statement of Objects and Reasons.—The Motor Vehicles Act, 1939 (4 of 1939), consolidates and amends law relating to motor vehicles. This has been amended several times to keep it up to date. The need was, however, felt that this Act should now *inter alia*, take into account also changes in the road transport technology, pattern of passenger and freight movements, development of the road network in the country and particularly the improved techniques in the motor vehicles management.

2. Various Committees like National Transport Policy Committee, National Police Commission, Road Safety Committee, Low Powered Two-wheelers Committee, as also the Law Commission have gone into different aspects of road transport. They have recommended updating, simplification and rationalization of this law. Several Members of Parliament have also urged for comprehensive review of the Motor Vehicles Act, 1939, to make it relevant to the modern-day requirements.

3. A Working Group was, therefore, constituted in January 1984 to review all the provisions of the Motor Vehicles Act, 1939 and to submit draft proposals for a comprehensive legislation to replace the existing Act. This Working Group took into account the suggestions and recommendations earlier made by various bodies and institutions like Central Institute of Road Transport Automotive Research Association of India, and other transport organisations including the manufacturers and the general public. Besides, obtaining comments of State Governments on the recommendations of the Working Group, these were discussed in a specially convened meeting of Transport Ministers of all States and Union Territories. Some of the more important modifications so suggested related for taking care of—

- (a) the fast increasing number of both commercial vehicles and personal vehicles in the country;
- (b) the need for encouraging adoption of higher technology in automotive sector;
- (c) the greater flow of passenger and freight with the least impediments so that islands of isolation are not created leading to regional or local imbalances;
- (d) concern for road safety standards and pollution-control measures, standards for transportation of hazardous and explosive materials;
- (e) simplification of procedure and policy liberalizations for private sector operations in the road transport field; and
- (f) need for effective ways of tracking down traffic offenders.

4. The Supreme Court in *M.K. Kunhimohammed v. P.A. Ahmedkutty*, (1987) 4 SCC 284 : AIR 1987 SC 2158, has made certain suggestions to raise the limit of compensation payable as a result of motor accidents in respect of death and permanent disablement in the event of there being no proof of fault on the part of the person involved in the accident and also in hit and run motor accidents and also in hit and run motor accidents and to remove certain disparities in the liability of the insurer to pay compensation depending upon the class or type of vehicles involved in the accident. The above suggestions made by the Supreme Court have been incorporated in the Bill.

1. Received the assent of the President on October 14, 1988 and published in Gazette of India, Extra., Part II, Section 1, dated October 17, 1988, Sl. No. 78.

5. The proposed legislation has been prepared in the light of the above background. Some of the more important provisions of the Bill provide for the following matters, namely—

- (a) rationalization of certain definitions with additions of certain new definitions of new types of vehicles;
- (b) stricter procedures relating to grant of driving licences and the period of validity thereof;
- (c) laying down of standards for the components and parts of motor vehicles;
- (d) standards for anti-pollution control devices;
- (e) provision for issuing fitness certificates of vehicles also by the authorised testing stations;
- (f) enabling provision for updating the system of registration marks;
- (g) liberalised schemes for grant of stage carriage permits on non-nationalised routes, all-India Tourist permits and also national permits for goods carriages.
- (h) administration of the Solatium Scheme by the General Insurance Corporation;
- (i) provision for enhanced compensation in cases of “no fault liability” and in hit and run motor accidents;
- (j) provision for payment of compensation by the insurer to the extent of actual liability to the victims of motor accidents irrespective of the class of vehicles;
- (k) maintenance of State registers for driving licences and vehicle registration;
- (l) constitution of Road Safety Councils.

6. The Bill also seeks to provide for more deterrent punishment in the case of certain offences.

7. The Notes on clauses explain the provisions of the Bill.

8. The Bill seeks to achieve the above objectives.

Statement of Objects and Reasons of Amendment Act 3 of 2015.—Under the Motor Vehicles Act, 1988 (MV Act), no person can be granted a learner’s licence to drive a transport vehicle unless he has held the driving licence for a period of at least one year. E-rickshaws and E-carts are being defined to have three wheels and limited power of 4000 watts. Further, the specification for speed and dimension can be regulated through the rules which can be made under the Motor Vehicles Act, 1988. These vehicles may be allowed to be driven by drivers who have been found eligible to drive E-rickshaws and E-carts through tests.

2. As most of the E-rickshaw and E-cart drivers do not have any licence, the extant provision will debar them from operating E-rickshaws/E-carts for a year. In order to remove this difficulty and facilitate plying of E-rickshaw and E-cart, the Central Government proposes to amend sub-section (1) of Section 7 of the Motor Vehicles Act, 1988, which will give relaxation to E-rickshaw and E-cart drivers only. In addition, the definition of E-rickshaw and E-cart is also proposed to be included under the said Act.

3. Accordingly, a proviso is included in sub-section (1) of Section 7 for relaxation for granting learner’s licences for E-cart and E-rickshaw. The proposal will relax the conditions for issue of learner’s licence for driving a transport vehicle with three wheels and net power not more than 4000 watts.

4. Sub-section (1) of Section 2-A is proposed to be inserted after Section 2 of MV Act. This aims to bring the E-cart and E-rickshaw under the ambit of MV Act. It will provide employment to innumerable people who have upgraded from the manually pulled rickshaws to the electric powered three-wheeled vehicles.

5. It is also proposed to insert sub-section (10) in Section 9 of MV Act, prescribing the manner in which, and conditions subject to which driving licences to drive E-rickshaw or E-cart shall be issued.

6. The Motor Vehicles (Amendment) Bill, 2014, was passed in the Lok Sabha on 18th December, 2014. It was pending in the Rajya Sabha. Based on the said Bill, an Ordinance, namely, the Motor Vehicles (Amendment) Ordinance, 2015 (2 of 2015) was promulgated by the President on 7th January, 2015.

7. The Bill seeks to replace the said Ordinance.

Statement of Objects and Reasons of Amendment Act 32 of 2019.—The Motor Vehicles Act, 1988 (the Act), 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.

2. The Act was amended several times to adapt to the technological upgradation emerging in road transport, passenger and freight movement and in motor vehicle management. With rapidly increasing motorisation, 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.

3. Numerous representations and recommendations in the form of grievances and suggestions from various stakeholders 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, certain amendments are required to be made in the Motor Vehicles Act, 1988 to address safety and efficiency issues in the transport sector.

4. In view of the above, it has become necessary to amend certain provisions of the said Act. The proposed Motor Vehicles (Amendment) Bill, 2019 seeks to address the issues relating to road safety, citizen facilitation, strengthening public transport, automation and computerisation.

5. The Motor Vehicles (Amendment) Bill, 2019, inter alia, provides for the following, namely—

- (a) to facilitate grant of online learning licence;
- (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 time limit for renewal of driving licence from one month to one year before and after the expiry date;
- (d) to increase the period for renewal of transport licence from three years to five years;
- (e) to enable the licensing authority to grant licence even to the differently abled persons;
- (f) 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;
- (g) to increase the fines and penalties for violation of provisions of the Act; and
- (h) to make a provision for protection of Good Samaritans.

6. The Notes on clauses explain in detail the various provisions contained in the Bill.

7. The Bill seeks to achieve the above objectives.

CASE LAW ► Object and Scope.—Motor Vehicles Act, 1988 is a beneficial and welfare legislation, *Ningamma v. United India Insurance Co. Ltd.*, (2009) 13 SCC 710 : (2010) 1 SCC (Cri) 1213.

The Motor Vehicles Act was enacted to consolidate and amend the law relating to motor vehicles. When a law is enacted to consolidate and amend the law, the legislature not only takes into consideration the law as it had then been existing but also the law which was prevailing prior thereto. A suit for damages arises out of a tortious action. For the purpose of such an action, although, there is no statutory definition of negligence, ordinarily, it would mean omission of duty caused either by omission to do something which a reasonable man guided upon those considerations, ordinarily by reason of conduct of human affairs would do or be obligated to, or by doing something which a reasonable or prudent man would not do, *Machindranath Kernath Kasar v. D.S. Mylarappa*, (2008) 13 SCC 198 : (2009) 3 SCC (Cri) 519.

► **Legislative Intent.**—The legislative intent attaching due significance to the “public safety” is evident from the object and reasons of the Act, the provisions of the Act and more particularly, the rules



framed thereunder. Even if it is assumed, for the sake of argument, that Rule 100 is capable of any interpretation, then the Supreme Court should give it an interpretation which would serve the legislative intent and the object of framing such rules, in preference to one which would frustrate the very purpose of enacting the rules as well as undermining the public safety and interest, *Avishek Goenka v. Union of India*, (2012) 5 SCC 321 : (2012) 2 SCC (Cri) 712.

CHAPTER I PRELIMINARY

1. Short title, extent and commencement.—(1) This Act may be called the Motor Vehicles Act, 1988.

Corresponding Law: S. 1(1) of Act IV of 1939

(2) It extends to the whole of India.

Corresponding Law: S. 1(2) of Act IV of 1939

(3) It shall come into force on such date² as the Central Government may, by notification in the Official Gazette, appoint; and different dates may be appointed for different States and any reference in this Act to the commencement of this Act shall, in relation to a State, be construed as a reference to the coming into force of this Act in that State.

2. Definitions.—In this Act, unless the context otherwise requires,—

³[(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;]

Corresponding Law: S. 2(1) of Act IV of 1939

⁴[(1-A) “aggregator” means a digital intermediary or market place for a passenger to connect with a driver for the purpose of transportation;

⁵(1-B) “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;]

(2) “articulated vehicle” means a motor vehicle to which a semi-trailer is attached;

Corresponding Law: S. 2(1-A) of Act IV of 1939

(3) “axle weight” means in relation to an axle of a vehicle the total weight transmitted by the several wheels attached to that axle to the surface on which the vehicle rests;

Corresponding Law: S. 2(1-B) of Act IV of 1939

2. 1-7-1989 [Vide Noti. No. S.O. 368(E), dt. 22-5-1989].

3. Subs. by Act 32 of 2019, S. 2(i) (w.e.f. 1-9-2019). Prior to substitution it read as:

“(1) “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;”

4. Ins. by Act 32 of 2019, S. 2(i) (w.e.f. 1-9-2019).

5. Ins. by Act 32 of 2019, S. 2(i) (w.e.f. 1-9-2019).

- (4) "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;

Corresponding Law: S. 2(2) of Act IV of 1939

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

- (5) "conductor", in relation to a stage carriage, means a person engaged in collecting fares from passengers, regulating their entrance into, or exit from, the stage carriage and performing such other functions as may be prescribed;

Corresponding Law: S. 2(2-B) of Act IV of 1939

- (6) "conductor's licence" means the licence issued by a competent authority under Chapter III authorising the person specified therein to act as a conductor;

Corresponding Law: S. 2(2-C) of Act IV of 1939

- (7) "contract carriage" means a motor vehicle which carries a passenger or passengers for hire or reward and is engaged under a contract, whether expressed or implied, for the use of such vehicle as a whole for the carriage of passengers mentioned therein and entered into by a person with a holder of a permit in relation to such vehicle or any person authorised by him in this behalf on a fixed or an agreed rate or sum—

- (a) on a time basis, whether or not with reference to any route or distance; or
- (b) from one point to another, and in either case, without stopping to pick up or set down passengers not included in the contract anywhere during the journey, and includes—
 - (i) a maxi-cab; and
 - (ii) a motor-cab notwithstanding that separate fares are charged for its passengers;

Corresponding Law: S. 2(3) of Act IV of 1939

CASE LAW ► Interpretation/Construction.—Words "under a contract" refer to a single contract and not more than one contract, *State of A.P. v. B. Noorulla Khan*, (2004) 6 SCC 194.

- (8) "dealer" includes a person who is engaged—

- (a) [* * *]⁷
- (b) in building bodies for attachment to chassis; or
- (c) in the repair of motor vehicles; or

6. Ins. by Act 32 of 2019, S. 2(ii) (w.e.f. 1-9-2019).

7. Omitted by Act 54 of 1994, S. 2 (w.e.f. 14-11-1994). Prior to omission it read as:
"(a) in the manufacture of motor vehicles; or"

- (d) in the business of hypothecation, leasing or hire-purchase of motor vehicle;

Corresponding Law: S. 2(4) of Act IV of 1939

- (9) "driver" includes, in relation to a motor vehicle which is drawn by another motor vehicle, the person who acts as a steersman of the drawn vehicle;

Corresponding Law: S. 2(5) of Act IV of 1939

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

- (10) "driving licence" means the licence issued by a competent authority under Chapter II authorising the person specified therein to drive, otherwise than as a learner, a motor vehicle or a motor vehicle of any specified class or description;

Corresponding Law: S. 2(5-A) of Act IV of 1939

CASE LAW ▶ "Driving Licence".—Vehicles of a totally different class from that specified in the licence is not covered in effective "driving licence", *Oriental Insurance Co. Ltd. v. Zaharulnisha*, (2008) 12 SCC 385 : (2009) 1 SCC (Cri) 431.

"Driving licence" authorizes a person to drive a motor vehicle or a motor vehicle for any specified class or description otherwise than as a learner and "learner's licence" authorizes a person specified therein to drive as a learner a motor vehicle or a motor vehicle of any specified class or description. Though there is some similarity in the language of Section 8 which regulates the grant of "learner's licence" and Section 9 which regulates the grant of "driving licence", very fact that legislature had made separate provisions for grant of two types of licences leads to an irresistible conclusion that a person holding "learner licence" cannot be treated on a par with a person having "driving licence". Moreover, Section 3 which is mandatory in character also lays down that a person shall not drive a motor vehicle in any public place unless he holds an effective driving licence. Learner's licence cannot entitle a person to claim that he holds an effective driving licence, *Alka Ojha v. Rajasthan Public Service Commission*, (2011) 9 SCC 438 : (2011) 2 SCC (L&S) 485 : (2011) 3 SCC (Cri) 701.

- (11) "educational institution bus" means an omnibus, which is owned by a college, school or other educational institution and used solely for the purpose of transporting students or staff of the educational institution in connection with any of its activities;
- (12) "fares" includes sums payable for a season ticket or in respect of the hire of a contract carriage;

Corresponding Law: S. 2(6) of Act IV of 1939

- ⁹[(12-A) "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;]

- (13) "goods" includes livestock, and anything (other than equipment ordinarily used with the vehicle) carried by a vehicle except living

8. Ins. by Act 32 of 2019, S. 2(iii) (w.e.f. 1-9-2019).

9. Ins. by Act 32 of 2019, S. 2(iv) (w.e.f. 1-9-2019).

persons, but does not include luggage or personal effects carried in a motor car or in a trailer attached to a motor car or the personal luggage of passengers travelling in the vehicle;

Corresponding Law: S. 2(7) of Act IV of 1939

- (14) "goods carriage" means any motor vehicle constructed or adapted for use solely for the carriage of goods, or any motor vehicle not so constructed or adapted when used for the carriage of goods;

Corresponding Law: S. 2(8) of Act IV of 1939

- (15) "gross vehicle weight" means in respect of any vehicle the total weight of the vehicle and load certified and registered by the registering authority as permissible for that vehicle;
- (16) "heavy goods vehicle" means any goods carriage the gross-vehicle weight of which, or a tractor or a road-roller the unladen weight of either of which, exceeds 12,000 Kilograms;

Corresponding Law: S. 2(9) of Act IV of 1939

- (17) "heavy passenger motor vehicle" means any public service vehicle or private service vehicle or educational institution bus or omnibus the gross vehicle weight of any of which, or a motor car the unladen weight of which, exceeds 12,000 kilograms;

Corresponding Law: S. 2(9-A) of Act IV of 1939

- (18) ¹⁰[* * *]

Corresponding Law: S. 2(10) of Act IV of 1939

- (19) "learner's licence" means the licence issued by a competent authority under Chapter II authorising the person specified therein to drive as a learner, a motor vehicle or a motor vehicle of any specified class or description;
- (20) "licensing authority" means an authority empowered to issue licences under Chapter II or, as the case may be, Chapter III;

Corresponding Law: S. 2(12) of Act IV of 1939

- (21) "light motor vehicle" means a transport vehicle or omnibus the gross vehicle weight of either of which or a motor car or tractor or road-roller the unladen weight of any of which, does not exceed [7500]¹¹ kilograms;

Corresponding Law: S. 2(13) of Act IV of 1939

- ¹²[(21-A) "manufacturer" means a person who is engaged in the manufacture of motor vehicles;]

10. *Omittetd* by Act 32 of 2019, S. 2(v) (w.e.f. 1-9-2019). Prior to omission it read as:

"(18) "invalid carriage" means a motor vehicle specially designed and constructed, and not merely adapted, for the use of a person suffering from some physical defect or disability, and used solely by or for such a person;"

11. *Subs.* for "6000" by Act 54 of 1994, S. 2 (w.e.f. 14-11-1994).

12. *Ins.* by Act 54 of 1994, S. 2 (w.e.f. 14-11-1994).

- (22) "maxi cab" means any motor vehicle constructed or adapted to carry more than six passengers, but not more than twelve passengers, excluding the driver, for hire or reward;
- (23) "medium goods vehicle" means any goods carriage other than a light motor vehicle or a heavy goods vehicle;

Corresponding Law: S. 2(14) of Act IV of 1939

- (24) "medium passenger motor vehicle" means any public service vehicle or private service vehicle, or educational institution bus other than a motor cycle, ¹³[adapted vehicle], light motor vehicle or heavy passenger motor vehicle;

Corresponding Law: S. 2(14-A) of Act IV of 1939

- (25) "motor cab" means any motor vehicle constructed or adapted to carry not more than six passengers excluding the driver for hire or reward;

Corresponding Law: S. 2(15) of Act IV of 1939

- (26) "motor car" means any motor vehicle other than a transport vehicle, omnibus, road-roller, tractor, motor cycle or ¹⁴[adapted vehicle];

Corresponding Law: S. 2(16) of Act IV of 1939

- (27) "motor cycle" means a two-wheeled motor vehicle, inclusive of any detachable side-car having an extra wheel, attached to the motor vehicle;

Corresponding Law: S. 2(17) of Act IV of 1939

- (28) "motor vehicle" or "vehicle" means any mechanically propelled vehicle adapted for use upon roads whether the power of propulsion is transmitted thereto from an external or internal source and includes a chassis to which a body has not been attached and a trailer; but does not include a vehicle running upon fixed rails or a vehicle of a special type adapted for use only in a factory or in any other enclosed premises or a vehicle having less than four wheels fitted with engine capacity of not exceeding ¹⁵[twenty-five] cubic centimeters;

Corresponding Law: S. 2(18) of Act IV of 1939

- (29) "omnibus" means any motor vehicle constructed or adapted to carry more than six persons excluding the driver;

Corresponding Law: S. 2(18-A) of Act IV of 1939

- (30) "owner" means a person in whose name a motor vehicle stands registered, and where such person is a minor, the guardian of such minor, and in relation to a motor vehicle which is the subject of a hire-purchase, agreement, or an agreement of lease or an agreement of hypothecation, the person in possession of the vehicle under that agreement;

Corresponding Law: S. 2(19) of Act IV of 1939

13. Subs. for "invalid carriage" by Act 32 of 2019, S. 2(vi) (w.e.f. 1-9-2019).
 14. Subs. for "invalid carriage" by Act 32 of 2019, S. 2(vii) (w.e.f. 1-9-2019).
 15. Subs. for "thirty-five" by Act 54 of 1994, S. 2 (w.e.f. 14-11-1994).

CASE LAW ▶ “Owner” of vehicle — Who is.—Having regard to definition of “owner” under Section 2(30) of MV Act, 1988, held, the person in whose name motor vehicle stands registered (i.e whose name is reflected in records of Registering Authority) would be treated as “owner” of vehicle for purposes of MV Act. Only where a person is a minor, the guardian of that minor would be treated as owner, and where a motor vehicle is subject to an agreement of hire purchase, lease or hypothecation or is under requisition, the person in possession of vehicle under that agreement or under requisition is treated as owner. In this regard, departure made by Parliament from definition of “owner” contained in Section 2(19) of old MV Act of 1939, noticed. Considering the principle underlying the provisions of Section 2(30) of new MV Act, held, where a registered owner of vehicle despite transferring/selling his vehicle to another person continues to be reflected in records of Registering Authority as owner of that vehicle, he would be treated as owner of the vehicle for purposes of MV Act and would not stand absolved of his liability as owner under the said Act — To hold otherwise would be to defeat the salutary object and purpose of MV Act, 1988, *Naveen Kumar v. Vijay Kumar*, (2018) 3 SCC 1.

- (31) “permit” means a permit issued by a State or Regional Transport Authority or an authority prescribed in this behalf under this Act authorising the use of a motor vehicle as a transport vehicle;

Corresponding Law: S. 2(20) of Act IV of 1939

CASE LAW ▶ “Permit”.—A permit is a document issued by a certain Regional Transport Authority authorising the use of a transport vehicle in a particular way, *M. Duraiswamy v. Sri Murugan Bus Service*, 1986 Supp SCC 1, 15.

- (32) “prescribed” means prescribed by rules made under this Act;

Corresponding Law: S. 2(21) of Act IV of 1939

- (33) “private service vehicle” means a motor vehicle constructed or adapted to carry more than six persons excluding the driver and ordinarily used by or on behalf of the owner of such vehicle for the purpose of carrying persons for, or in connection with, his trade or business otherwise than for hire or reward but does not include a motor vehicle used for public purposes;

Corresponding Law: S. 2(22) of Act IV of 1939

- (34) “public place” means a road, street, way or other place, whether a thoroughfare or not, to which the public have a right of access, and includes any place or stand at which passengers are picked up or set down by a stage carriage;

Corresponding Law: S. 2(24) of Act IV of 1939

- (35) “public service vehicle” means any motor vehicle used or adapted to be used for the carriage of passengers for hire or reward, and includes a maxi-cab, a motor-cab, contract carriage, and stage carriage;

Corresponding Law: S. 2(25) of Act IV of 1939

- (36) “registered axle weight” means in respect of the axle of any vehicle, the axle weight certified and registered by the registering authority as permissible for that axle;

Corresponding Law: S. 2(26) of Act IV of 1939

- (37) “registering authority” means an authority empowered to register motor vehicles under Chapter IV;

Corresponding Law: S. 2.(28) of Act IV of 1939

- (38) “route” means a line of travel which specifies the highway which may be traversed by a motor vehicle between one terminus and another;

Corresponding Law: S. 2(28-A) of Act IV of 1939

¹⁶[(38-A) “scheme” means a scheme framed under this Act;]

- ¹⁷[(39) “semi-trailer” means a vehicle not mechanically propelled (other than a trailer), which is intended to be connected to a motor vehicle and which is so constructed that a portion of it is super-imposed on, and a part of whose weight is borne by, that motor vehicle;]

- (40) “stage carriage” means a motor vehicle constructed or adapted to carry more than six passengers excluding the driver for hire or reward at separate fares paid by or for individual passengers, either for the whole journey or for stages of the journey;

Corresponding Law: S. 2(29) of Act IV of 1939

- (41) “State Government” in relation to a Union territory means the Administrator thereof appointed under Article 239 of the Constitution;

- (42) “State transport undertaking” means any undertaking providing road transport service, where such undertaking is carried on by,—

- (i) the Central Government or a State Government;
- (ii) any Road Transport Corporation established under Section 3 of the Road Transport Corporations Act, 1950 (64 of 1950);
- (iii) any municipality or any corporation or company owned or controlled by the Central Government or one or more State Governments, or by the Central Government and one or more State Government;

¹⁸[(iv) Zilla Parishad or any other similar local authority.]

Explanation.—For the purposes of this clause, “road transport service” means a service of motor vehicles carrying passengers or goods or both by road for hire or reward;

¹⁹[(42-A) “testing agency” means any entity designated as a testing agency under Section 110-B;]

- (43) “tourist vehicle” means a contract carriage constructed or adapted and equipped and maintained in accordance with such specifications as may be prescribed in this behalf;

Corresponding Law: S. 2(29-A) of Act IV of 1939

16. *Ins.* by Act 32 of 2019, S. 2(viii) (w.e.f. 1-9-2019).

17. *Subs.* by Act 54 of 1994, S. 2 (w.e.f. 14-11-1994).

18. *Ins.* by Act 54 of 1994, S. 2 (w.e.f. 14-11-1994).

19. *Ins.* by Act 32 of 2019, S. 2(ix) (w.e.f. 1-9-2019).

CASE LAW ▶ “Tourist Vehicle”.—The expression ‘tourist cars’ cannot be said to mean ‘tourist vehicles’, having regard to Section 2(16) [Section 2(26) of new Act] and (29-A) [Section 2(43) of the new Act]. While a tourist vehicle may include a motor car, a motor car, by definition, excludes an omnibus, *Karnataka State Tourism Development Corpn. Ltd. v. Karnataka S.T.A.T.*, (1986) 4 SCC 421, 430, 431.

- (44) “tractor” means a motor vehicle which is not itself constructed to carry any load (other than equipment used for the purpose of propulsion); but excludes a road-roller;

Corresponding Law: S. 2(30) of Act IV of 1939

- (45) “traffic signs” includes all signals, warning sign posts, direction posts, markings on the road or other devices for the information, guidance or direction of drivers of motor vehicles;

Corresponding Law: S. 2(31) of Act IV of 1939

- (46) “trailer” means any vehicle, other than a semi-trailer and a side-car, drawn or intended to be drawn by a motor vehicle;

Corresponding Law: S. 2(32) of Act IV of 1939

- (47) “transport vehicle” means a public service vehicle, a goods carriage, an educational institution bus or a private service vehicle;

Corresponding Law: S. 2(33) of Act IV of 1939

CASE LAW ▶ “Owner of vehicle”, Meaning and scope.—A person in possession of vehicle under a hire-purchase agreement, an agreement for lease or an agreement for hypothecation is treated as owner of vehicle under Section 2(30) the Act, *Karnataka SRTC v. New India Assurance Co. Ltd.*, (2016) 2 SCC 382 : (2016) 1 SCC (Cri) 493 : (2016) 2 SCC (Civ) 85.

▶ **“Transport Vehicle”.**—Vehicle registered as “good carrier” will be a “transport vehicle” under Section 2(47), *New India Assurance Co. Ltd. v. Prabhu Lal*, (2008) 1 SCC 696 : (2008) 1 SCC (Cri) 308.

“Motor vehicle” includes any mechanically propelled vehicle apt for use upon roads irrespective of the source of power and it includes a trailer. Hence, even though a trailer is drawn by a motor vehicle, it by itself being a motor vehicle, tractor-trailer would constitute a “goods carriage” under Section 2(14) and consequently a “transport vehicle” under Section 2(47). Test to be applied in such cases is whether the vehicle is proposed to be used for transporting goods. When a vehicle is so altered or prepared that it becomes apt for transporting goods, it can be said to be adopted for carriage of goods. Applying the aforesaid test, held, tractor-trailer is a “goods carriage” and consequently a “transport vehicle”, *Natwar Parikh & Co. Ltd. v. State of Karnataka*, (2005) 7 SCC 364.

Although the definition of the “light motor vehicle” brings within its umbrage both “transport vehicle” or “omnibus”, indisputably, a distinction between an effective licence granted for transport vehicle and passenger motor vehicle exists. The distinction between a “light motor vehicle” and a “transport vehicle” is evident. A transport vehicle may be a light motor vehicle but for the purpose of driving the same, a distinct licence is required to be obtained, *Oriental Insurance Co. Ltd. v. Angad Kol*, (2009) 11 SCC 356 : (2009) 3 SCC (Cri) 1371 : (2009) 4 SCC (Civ) 535.

- (48) “unladen weight” means the weight of a vehicle or trailer including all equipment ordinarily used with the vehicle or trailer when working, but excluding the weight of a driver or attendant; and where

alternative parts or bodies are used the unladen weight of the vehicle means the weight of the vehicle with the heaviest such alternative part or body;

Corresponding Law: S. 2(34) of Act IV of 1939

(49) “weight” means the total weight transmitted for the time being by the wheels of a vehicle to the surface on which the vehicle rests ²⁰[or moves].

Notes on clauses

Clause 2 of Bill No. 53 of 1994 seeks to amend Section 2 of the Motor Vehicles Act, 1988 so as to elaborate certain words and expressions. It also seeks to define manufacturer as a person who is engaged in the manufacture of motor vehicles.

²¹[**2-A. E-cart and e-rickshaw.**—(1) Save as otherwise provided in the proviso to sub-section (1) of Section 7 and sub-section (10) of Section 9, the provisions of this Act shall apply to e-cart and e-rickshaw.

(2) For the purposes of this section, “e-cart or e-rickshaw” means a special purpose battery powered vehicle of power not exceeding 4000 watts, having three wheels for carrying goods or passengers, as the case may be, for hire or reward, manufactured, constructed or adapted, equipped and maintained in accordance with such specifications, as may be prescribed in this behalf.]

²²[**2-B. Promotion of innovation.**—Notwithstanding anything contained in this Act and subject to such conditions as may be prescribed by the Central Government, in order to promote innovation, 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.]

CHAPTER II

LICENSING OF DRIVERS OF MOTOR VEHICLES

3. Necessity for driving licence.—(1) No person shall drive a motor vehicle in any public place unless he holds an effective driving licence issued to him authorising him to drive the vehicle; and no person shall so drive a transport vehicle [other than a motor cab ²³[or motor cycle] hired for his own use or rented under any scheme made under sub-section (2) of Section 75] unless his driving licence specifically entitles him so to do.

Corresponding Law: S. 3(1) of Act IV of 1939

(2) The conditions subject to which sub-section (1) shall not apply to a person receiving instructions in driving a motor vehicle shall be such as may be prescribed by the Central Government.

20. Ins. by Act 32 of 2019, S. 2(x) (w.e.f. 1-9-2019).

21. Ins. by Act 3 of 2015, S. 2 (w.r.e.f. 7-1-2015).

22. Ins. by Act 32 of 2019, S. 3 (w.e.f. 1-9-2019).

23. Ins. by Act 54 of 1994, S. 3 (w.e.f. 14-11-1994).

Notes on clauses

Clause 3 of Bill No. 53 of 1994 seeks to amend Section 3 as a consequence of amendment of Section 75 permitting the renting of motor cycles.

4. Age limit in connection with driving of motor vehicles.—(1) No person under the age of eighteen years shall drive a motor vehicle in any public place:

Provided that a motor cycle ²⁴[with engine capacity not exceeding 50cc] may be driven in a public place by a person after attaining the age of sixteen years.

(2) Subject to the provisions of Section 18, no person under the age of twenty years shall drive a transport vehicle in any public place.

(3) No learner's licence or driving licence shall be issued to any person to drive a vehicle of the class to which he has made an application unless he is eligible to drive that class of vehicle under this section.

Corresponding Law: S. 4 of Act IV of 1939

Notes on clauses

Clause 4 of Bill No. 53 of 1994 seeks to amend Section 4 so as to substitute the words "motor cycles without gear" with the words "motor cycle with engine capacity not exceeding 50 cc".

5. Responsibility of owners of motor vehicles for contravention of Sections 3 and 4.—No owner or person in charge of a motor vehicle shall cause or permit any person who does not satisfy the provisions of Section 3 or Section 4 to drive the vehicle.

Corresponding Law: S. 5 of Act IV of 1939

6. Restrictions on the holding of driving licences.—(1) No person shall, while he holds any driving licence for the time being in force, hold any other driving licence except a learner's licence or a driving licence issued in accordance with the provisions of Section 18 or a document authorising, in accordance with the rules made under Section 139, the person specified therein to drive a motor vehicle.

(2) No holder of a driving licence or a learner's licence shall permit it to be used by any other person.

(3) Nothing in this section shall prevent a licensing authority having the jurisdiction referred to in sub-section (1) of Section 9 from adding to the classes of vehicles which the driving licence authorises the holder to drive.

Corresponding Law: S. 6 of Act IV of 1939

7. Restrictions on the granting of learner's licences for certain vehicles.—²⁵[(1) No person shall be granted a learner's licence to drive a transport vehicle unless he has held a driving licence to drive a light motor vehicle for at least one year.]:

²⁶[Provided that nothing contained in this sub-section shall apply to an e-cart or e-rickshaw.]

24. *Subs.* for the words "without gear" by Act 54 of 1994, S. 4 (w.e.f. 14-11-1994).

25. *Subs.* by Act 54 of 1994, S. 5, for sub-section (1) (w.e.f. 14-11-1994).

26. *Ins.* by Act 3 of 2015, S. 3 (w.r.e.f. 7-1-2015).

(2) No person under the age of eighteen years shall be granted a learner's licence to drive a motor cycle without gear except with the consent in writing of the person having the care of the person desiring the learner's licence.

Notes on clauses

Clause 5 of Bill No. 53 of 1994 seeks to substitute sub-section (1) of Section 7 to provide that to obtain a learner's licence for a transport vehicle the applicant must have a driving licence for light motor vehicles for one year.

8. Grant of learner's licence.—(1) Any person who is not disqualified under Section 4 for driving a motor vehicle and who is not for the time being disqualified for holding or obtaining a driving licence may, subject to the provisions of Section 7, apply to ²⁷[any of the licensing authority in the State]—

- (i) in which he ordinarily resides or carries on business, or
- (ii) in which the school or establishment referred to in Section 12 from where he intends to receive instruction in driving a motor vehicle is situate,

for the issue to him of a learner's licence.

(2) Every application under sub-section (1) shall be in such form and shall be accompanied by such documents ²⁸[with such fee and submit in such manner, including electronic means] as may be prescribed by the Central Government.

(3) Every application ²⁹[to drive a transport vehicle made] under sub-section (1) shall be accompanied by a medical certificate in such form as may be prescribed by the Central Government and signed by such registered medical practitioner, as the State Government or any person authorised in this behalf by the State Government may, by notification in the Official Gazette, appoint for this purpose:

³⁰[* * *]

(4) If, from the application or from the medical certificate referred to in sub-section (3), it appears that the applicant is suffering from any disease or disability which is likely to cause the driving by him of a motor vehicle of the class which he would be authorised by the learner's licence applied for to drive to be a source of danger to the public or to the passengers, the licensing authority shall refuse to issue the learner's licence:

Provided that a learner's licence limited to driving an ³¹[adapted vehicle] may be issued to the applicant, if the licensing authority is satisfied that he is fit to drive such a carriage.

27. Subs. for "the licensing authority having jurisdiction in the area" by Act 32 of 2019, S. 4(i) (w.e.f. 1-9-2019).

28. Subs. for "and with such fee" by Act 32 of 2019, S. 4(ii) (w.e.f. 1-9-2019).

29. Ins. by Act 32 of 2019, S. 4(iii)(a) (w.e.f. 1-9-2019).

30. Omitted by Act 32 of 2019, S. 4(iii)(b) (w.e.f. 1-9-2019). Prior to omission it read as:

"Provided that no such medical certificate is required for licence to drive a vehicle other than a transport vehicle."

31. Subs. for "invalid carriage" by Act 32 of 2019, S. 4(iv) (w.e.f. 1-9-2019).

(5) No learner's licence shall be issued to any applicant unless he ³²[satisfies such conditions] as may be prescribed by the Central Government.

(6) When an application has been duly made to the appropriate licensing authority and the applicant has satisfied such authority of his physical fitness under sub-section (3) and has passed to the satisfaction of the licensing authority the test referred to in sub-section (5), the licensing authority shall, subject to the provisions of Section 7, issue the applicant a learner's licence unless the applicant is disqualified under Section 4 for driving a motor vehicle or is for the time being disqualified for holding or obtaining a licence to drive a motor vehicle:

Provided that a licensing authority may issue a learner's licence to drive a motor cycle or a light motor vehicle notwithstanding that it is not the appropriate licensing authority, if such authority is satisfied that there is good reason for the applicant's inability to apply to the appropriate licensing authority:

³³[Provided further that a licensing 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.]

(7) Where the Central Government is satisfied that it is necessary or expedient so to do, it may, by rules made in this behalf, exempt generally, either absolutely or subject to such conditions as may be specified in the rules, any class of persons from the provisions of sub-section (3), or sub-section (5), or both.

(8) Any learner's licence for driving a motor cycle in force immediately before the commencement of this Act shall, after such commencement, be deemed to be effective for driving a motor cycle with or without gear.

Notes on clauses

Clause 6 of Bill No. 53 of 1994 seeks to add a new proviso to Section 8 to the effect that no medical certificate would be required for licence to drive a vehicle other than a transport vehicle.

9. Grant of driving licence.—(1) Any person who is not for the time being disqualified for holding or obtaining a driving licence may apply to ³⁴[any licensing authority in the State]—

- (i) in which he ordinarily resides or carries on business, or
- (ii) in which the school or establishment referred to in Section 12 from where he is receiving or has received instruction in driving a motor vehicle is situated,

for the issue to him of a driving licence.

Corresponding Law: S. 7(1) of Act IV of 1939

32. Subs. for "passes to the satisfaction of the licensing authority such test" by Act 32 of 2019, S. 4(v) (w.e.f. 1-4-2021).

33. Ins. by Act 32 of 2019, S. 4(vi) (w.e.f. 1-4-2021).

34. Subs. for "the licensing authority having jurisdiction in the area" by Act 32 of 2019, S. 5(i) (w.e.f. 1-9-2019).

(2) Every application under sub-section (1) shall be in such form and shall be accompanied by such fee and such documents as may be prescribed by the Central Government.

Corresponding Law: S. 7(2) of Act IV of 1939

³⁵[(3) If the applicant passes such test as may be prescribed by the Central Government, he shall be issued the driving licence:

Provided that no such test shall be necessary where the applicant produces proof to show that—

- (a) the applicant has previously held a driving licence to drive such class of
 - (i) vehicle and that the period between the date of expiry of that licence and the date of the application does not exceed five years, or
 - (ii) the applicant holds or has previously held a driving licence to drive such class of vehicle issued under Section 18, or
 - (iii) the applicant holds a driving licence to drive such class of vehicle issued by a competent authority of any country outside India, subject to the condition that the applicant complies with the provisions of sub-section (3) of Section 8,
- (b) the applicant is not suffering from any disability which is likely to cause the driving by him to be a source of danger to the public; and the licensing authority may, for that purpose, require the applicant to produce a medical certificate in the same form and in the same manner as is referred to in sub-section (3) of Section 8:

³⁶[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.].]

Corresponding Law: S. 7(6) of Act IV of 1939

(4) Where the application is for a licence to drive a transport vehicle, no such authorisation shall be granted to any applicant unless he possesses ³⁷[* * *] a driving certificate issued by a school or establishment referred to in Section 12.

³⁸[(5) Where the applicant does not pass the test, he may be permitted to re-appear for the test after a period of seven days:

Provided that where the applicant does not pass the test even after three appearances, he shall not be qualified to re-appear for such test before the expiry of a period of sixty days from the date of last such test ³⁹[and such applicant

35. Subs. by Act 54 of 1994, S. 7 (w.e.f. 14-11-1994).

36. Subs. by Act 32 of 2019, S. 5(ii) (w.e.f. 1-9-2019). Prior to substitution it read as:

"Provided further that where the application is for a driving licence to drive a motor vehicle (not being a transport vehicle), the licensing authority may exempt the applicant from the test of competence to drive a vehicle prescribed under this sub-section, if the applicant possesses a driving certificate issued by any institution recognised in this behalf by the State Government."

37. The words "such minimum educational qualification as may be prescribed by the Central Government and" omitted by Act 32 of 2019, S. 5(iii) (w.e.f. 1-9-2019).

38. Subs. by Act 54 of 1994, S. 7 (w.e.f. 14-11-1994).

39. Ins. by Act 32 of 2019, S. 5(iv) (w.e.f. 1-4-2021).

shall be required to complete a remedial driver training course from any school or establishment under Section 12].]

Notes on clauses

Clause 7 of Bill No. 53 of 1994 seeks to substitute sub-sections (3) and (5) of Section 9 regarding test of competence and the period for re-appearance for such test respectively.

(6) The test of competence to drive shall be carried out in a vehicle of the type to which the application refers:

Provided that a person who passed a test in driving a motor cycle with gear shall be deemed also to have passed a test in driving a motor cycle without gear.

Corresponding Law: S. 7(7) of Act IV of 1939

(7) When any application has been duly made to the appropriate licensing authority and the applicant has satisfied such authority of his competence to drive, the licensing authority shall issue the applicant a driving licence unless the applicant is for the time being disqualified for holding or obtaining a driving licence:

Provided that a licensing authority may issue a driving licence to drive a motor cycle or a light motor vehicle notwithstanding that it is not the appropriate licensing authority, if the licensing authority is satisfied that there is good and sufficient reason for the applicant's inability to apply to the appropriate licensing authority:

Provided further that the licensing authority shall not issue a new driving licence to the applicant, if he had previously held a driving licence, unless it is satisfied that there is good and sufficient reason for his inability to obtain a duplicate copy of his former licence.

Corresponding Law: S. 7(8) of Act IV of 1939

(8) If the licensing authority is satisfied, after giving the applicant an opportunity of being heard, that he —

- (a) is a habitual criminal or a habitual drunkard; or
- (b) is a habitual addict to any narcotic drug or psychotropic substance within the meaning of the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985); or
- (c) is a person whose licence to drive any motor vehicle has, at any time earlier, been revoked,

it may, for reasons to be recorded in writing, make an order refusing to issue a driving licence to such person and any person aggrieved by an order made by a licensing authority under this sub-section may, within thirty days of the receipt of the order, appeal to the prescribed authority.

(9) Any driving licence for driving a motor cycle in force immediately before the commencement of this Act shall, after such commencement, be deemed to be effective for driving a motor cycle with or without gear.

⁴⁰[(10) Notwithstanding anything contained in this section, the driving licence to drive e-cart or e-rickshaw shall be issued in such manner and subject to such conditions, as may be prescribed.]

10. Form and contents of licences to drive.—(1) Every learner's licence and driving licence, except a driving licence issued under Section 18, shall be in such form and shall contain such information as may be prescribed by the Central Government.

(2) A learner's licence or, as the case may be, driving licence shall also be expressed as entitling the holder to drive a motor vehicle of one or more of the following classes, namely—

- (a) motor cycle without gear;
- (b) motor cycle with gear;
- (c) ⁴¹[adapted vehicle];
- (d) light motor vehicle;
- ⁴²[(e) transport vehicle;]
- (i) road-roller;
- (j) motor vehicle of a specified description.

Corresponding Law: S. 8 of Act IV of 1939

Notes on clauses

Clause 8 of Bill No. 53 of 1994 seeks to amend Section 10 so as to re-classify the vehicles for the purposes of driving licence.

CASE LAW ► Licence to drive light motor vehicle.—“Light motor vehicle” would include a transport vehicle as per the weight prescribed in Section 2(21) r/w Sections 2(15) and 2(48). A transport vehicle and omnibus, the gross vehicle weight of either of which does not exceed 7500 kg would be a light motor vehicle and also motor car or tractor or a roadroller, “unladen weight” of which does not exceed 7500 kg. Further, holder of a driving licence to drive class of “light motor vehicle” as provided in Section 10(2)(d) is competent to drive a transport vehicle or omnibus, the gross vehicle weight of which does not exceed 7500 kg or a motor car or tractor or roadroller, the “unladen weight” of which does not exceed 7500 kg, *Mukund Dewangan v. Oriental Insurance Co. Ltd.*, (2017) 14 SCC 663.

► **Amendment Act 54 of 1994 to Motor Vehicles Act, 1988 — Effect of, on licences issued prior to amendment.**—*Mukund Dewangan v. Oriental Insurance Co. Ltd.*, (2017) 14 SCC 663.

Effect of amendment made by virtue of Act 54 of 1994 w.e.f. 14-11-1994 while substituting clauses (e) to (h) of Section 10(2) with expression “transport vehicle” as substituted in Section 10(2)(e) relates only to the substituted classes i.e. “medium goods vehicle”, “medium passenger motor vehicle”, “heavy goods vehicle” and “heavy passenger motor vehicle”. It does not exclude transport vehicle, from the purview of Sections 10(2)(d) and 2(41) of the Act i.e. light motor vehicle, *Mukund dewangan v. Oriental insurance co. Ltd.*, (2017) 14 SCC 663.

11. Additions to driving licence.—(1) Any person holding a driving licence to drive any class or description of motor vehicles, who is not for the time being

40. Ins. by Act 3 of 2015, S. 4 (w.e.f. 7-1-2015).

41. Subs. for “invalid carriage” by Act 32 of 2019, S. 6 (w.e.f. 1-9-2019).

42. Subs. for cls. (e) to (h) by Act 54 of 1994, S. 8 (w.e.f. 14-11-1994).

disqualified for holding or obtaining a driving licence to drive any other class or description of motor vehicles, may apply to ⁴³[any licensing authority in the State] in which he resides or carries on his business in such form and accompanied by such documents and with such fees as may be prescribed by the Central Government for the addition of such other class or description of motor vehicles to the licence.

Corresponding Law: S. 8-A(1) of Act IV of 1939

(2) Subject to such rules as may be prescribed by the Central Government, the provisions of Section 9 shall apply to an application under this section as if the said application were for the grant of a licence under that section to drive the class or description of motor vehicles which the applicant desires to be added to his licence.

⁴⁴[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.]

Corresponding Law: S. 8-A(2) of Act IV of 1939

12. Licensing and regulation of schools or establishments for imparting instruction in driving of motor vehicles.—(1) The Central Government may make rules for the purpose of licensing and regulating, by the State Governments, schools or establishments (by whatever name called) for imparting instruction in driving of motor vehicles and matters connected therewith.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely—

- (a) licensing of such schools or establishments including grant, renewal and revocation of such licences;
- (b) supervision of such schools or establishments;
- (c) the form of application and the form of licence and the particulars to be contained therein;
- (d) fee to be paid with the application for such licences;
- (e) conditions subject to which such licences may be granted;
- (f) appeals against the orders of refusal to grant or renew such licences and appeals against the orders revoking such licences;
- (g) conditions subject to which a person may establish and maintain any such school or establishment for imparting instruction in driving of motor vehicles;
- (h) nature, syllabus and duration of course or courses for efficient instruction in driving any motor vehicle;
- (i) apparatus and equipments (including motor vehicles fitted with dual control) required for the purpose of imparting such instruction;
- (j) suitability of the premises at which such schools or establishments may be established or maintained and facilities to be provided therein;

⁴³ Subs. for "the licensing authority having jurisdiction in the area" by Act 32 of 2019, S. 7(i) (w.e.f. 1-9-2019).

⁴⁴ Ins. by Act 32 of 2019, S. 7(ii) (w.e.f. 1-4-2021).

- (k) qualifications, both educational and professional (including experience), which a person imparting instruction in driving a motor vehicle shall possess;
- (l) inspection of such schools and establishments (including the services rendered by them and the apparatus, equipments and motor vehicles maintained by them for imparting such instruction);
- (m) maintenance of records by such schools or establishments;
- (n) financial stability of such schools or establishments;
- (o) the driving certificates, if any, to be issued by such schools or establishments and the form in which such driving certificates shall be issued and the requirements to be complied with for the purposes of issuing such certificates;
- (p) such other matters as may be necessary to carry out the purposes of this section.

(3) Where the Central Government is satisfied that it is necessary or expedient so to do, it may, by rules made in this behalf, exempt generally, either absolutely or subject to such conditions as may be specified in the rules, any class of schools or establishments imparting instruction in driving of motor vehicles or matters connected therewith from the provisions of this section.

(4) A school or establishment imparting instruction in driving of motor vehicles or matters connected therewith immediately before the commencement of this Act whether under a licence or not, may continue to impart such instruction without a licence issued under this Act for a period of one month from such commencement, and if it has made an application for such licence under this Act within the said period of one month and such application is in the prescribed form, contains the prescribed particulars and is accompanied by the prescribed fee, till the disposal of such application by the licensing authority.

⁴⁵[(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 in sub-section (5) and the remedial driver training course referred to in sub-section (5) of Section 9 shall be such as may be prescribed by the Central Government and that Government may make rules for the regulation of such schools or establishments.]

13. Extent of effectiveness of licences, to drive motor vehicles.—A learner's licence or a driving licence issued under this Act shall be effective throughout India.

Corresponding Law: S. 9 of Act IV of 1939

45. *Ins.* by Act 32 of 2019, S. 8 (w.e.f. 1-7-2021).

14. Currency of licences to drive motor vehicles.—(1) A learner's licence issued under this Act shall, subject to the other provisions of this Act, be effective for a period of six months from the date of issue of the licence.

(2) A driving licence issued or renewed under this Act shall,—

(a) in the case of a licence to drive a transport vehicle, be effective for a period of ⁴⁶[five years]:

⁴⁷[Provided that in the case of licence to drive a transport vehicle carrying goods of dangerous or hazardous nature be effective for a period of ⁴⁸[three years and renewal thereof shall be subject to such conditions as the Central Government may prescribe; and]]

⁴⁹[(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:]

⁵⁰[* * *]

Corresponding Law: S. 10 of Act IV of 1939

46. Subs. for "three years" by Act 32 of 2019, S. 9(i)(A) (w.e.f. 1-9-2019).

47. Ins. by Act 54 of 1994, S. 9 (w.e.f. 14-11-1994).

48. Subs. by Act 32 of 2019, S. 9(i)(B) (w.e.f. 1-9-2019). Prior to substitution it read as:

"one year and renewal thereof shall be subject to the condition that the driver undergoes one day refresher course of the prescribed syllabus; and"

49. Subs. by Act 32 of 2019, S. 9(ii) (w.e.f. 1-9-2019). Prior to substitution it read as:

"(b) in the case of any other licence,—

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

(A) be effective for a period of twenty years from the date of such issue or renewal; or
(B) until the date on which such person attains the age of fifty years,

whichever is earlier;

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

50. Omitted by Act 32 of 2019, S. 9(iii) (w.e.f. 1-9-2019). Prior to omission it read as:

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

Notes on clauses

Clause 9 of Bill No. 53 of 1994 seeks to add a proviso to sub-section (2) of Section 14 so as to provide that a driving licence to drive motor vehicles carrying dangerous or hazardous goods shall be effective for a period of one year and at the time of renewal of such licence the driver shall undergo one day's refresher course. The said clause also makes an amendment to raise the period of currency of a driving licence from the present age of 40 years to 50 years.

CASE LAW ► Validity of Licence.—Maximum period of validity licence for transport vehicle is three years, *Oriental Insurance Co. Ltd. v. Angad Kol*, (2009) 11 SCC 356 : (2009) 3 SCC (Cri) 1371 : (2009) 4 SCC (Civ) 535.

15. Renewal of driving licences.—(1) Any licensing authority may, on application made to it, renew a driving licence issued under the provisions of this Act with effect from the date of its expiry:

Provided that in any case where the application for the renewal of a licence is made ⁵¹[either one year prior to date of its expiry or within one year] after the date of its expiry, the driving licence shall be renewed with effect from the date of its renewal:

Provided further that where the application is for the renewal of a licence to drive a transport vehicle or where in any other case the applicant has attained the age of forty years, the same shall be accompanied by a medical certificate in the same form and in the same manner as is referred to in sub-section (3) of Section 8, and the provisions of sub-section (4) of Section 8 shall, so far as may be, apply in relation to every such case as they apply in relation to a learner's licence.

Corresponding Law: S. 11(1) of Act IV of 1939

(2) An application for the renewal of a driving licence shall be made in such form and accompanied by such documents as may be prescribed by the Central Government.

Corresponding Law: S. 11(2) of Act IV of 1939

(3) Where an application for the renewal of a driving licence is made previous to, or not more than ⁵²[one year] after the date of its expiry, the fee payable for such renewal shall be such as may be prescribed by the Central Government in this behalf.

Corresponding Law: S. 11(3) of Act IV of 1939

(4) Where an application for the renewal of a driving licence is made more than ⁵³[one year] after the date of its expiry, the fee payable for such renewal shall be such amount as may be prescribed by the Central Government:

Provided that the fee referred to in sub-section (3) may be accepted by the licensing authority in respect of an application for the renewal of a driving licence made under this sub-section if it is satisfied that the applicant was prevented by good and sufficient cause from applying within the time specified in sub-section (3):

51. Subs. for "more than thirty days" by Act 32 of 2019, S. 10(i) (w.e.f. 1-9-2019).

52. Subs. for "thirty days" by Act 32 of 2019, S. 10(ii) (w.e.f. 1-9-2019).

53. Subs. for "thirty days" by Act 32 of 2019, S. 10(iii)(a) (w.e.f. 1-9-2019).

Provided further that if the application is made more than ⁵⁴[one year after the driving licence has ceased to be effective, the licensing authority shall] refuse to renew the driving licence, unless the applicant undergoes and passes to its satisfaction the test of competence to drive referred to in sub-section (3) of Section 9.

Corresponding Law: S. 11(3-A) of Act IV of 1939

(5) Where the application for renewal has been rejected, the fee paid shall be refunded to such extent and in such manner as may be prescribed by the Central Government.

Corresponding Law: S. 11(3-B) of Act IV of 1939

(6) Where the authority renewing the driving licence is not the authority which issued the driving licence it shall intimate the fact of renewal to the authority which issued the driving licence.

Corresponding Law: S. 11(4) of Act IV of 1939

CASE LAW ▶ Fake Driving Licence.—Fake driving licence unwittingly renewed by Licensing Authority, does not acquire legal validity thereby; it remains a counterfeit document. Therefore, the Insurance Company would be entitled to recover compensation paid to third-party accident victims or their heirs from insured whose driver had at time of accident a fake licence, renewed under Section 15, *New India Assurance Co. v. Kamla*, (2001) 4 SCC 342 : 2001 SCC (Cri) 701.

16. Revocation of driving licence on grounds of disease or disability.—Notwithstanding anything contained in the foregoing sections, any licensing authority may at any time revoke a driving licence or may require, as a condition of continuing to hold such driving licence, the holder thereof to produce a medical certificate in the same form and in the same manner as is referred to in sub-section (3) of Section 8, if the licensing authority has reasonable grounds to believe that the holder of the driving licence is, by virtue of any disease or disability, unfit to drive a motor vehicle and where the authority revoking a driving licence is not the authority which issued the same, it shall intimate the fact of revocation to the authority which issued that licence.

Corresponding Law: S. 12 of Act IV of 1939

17. Orders refusing or revoking driving licences and appeals therefrom.—(1) Where a licensing authority refuses to issue any learner's licence or to issue or renew, or revokes, any driving licence, or refuses to add a class or description of motor vehicle to any driving licence, it shall do so by an order communicated to the applicant or the holder, as the case may be, giving the reasons in writing for such refusal or revocation.

Corresponding Law: S. 13(1) of Act IV of 1939

(2) Any person aggrieved by an order made under sub-section (1) may, within thirty days of the service on him of the order, appeal to the prescribed authority which shall decide the appeal after giving such person and the authority which

54. Subs. by Act 32 of 2019, S. 10(iii)(b) (w.e.f. 1-9-2019). Prior to substitution it read as:

"five years after the driving licence has ceased to be effective, the licensing authority may"



made the order an opportunity of being heard and the decision of the appellate authority shall be binding on the authority which made the order.

Corresponding Law: S. 13(2) of Act IV of 1939

18. Driving licences to drive motor vehicles, belonging to the Central Government.—(1) Such authority as may be prescribed by the Central Government may issue driving licence valid throughout India to persons who have completed their eighteenth year to drive motor vehicles which are the property or for the time being under the exclusive control of the Central Government and are used for Government purposes relating to the defence of the country and unconnected with any commercial enterprise.

Corresponding Law: S. 14(1) of Act IV of 1939

(2) A driving licence issued under this section shall specify the class or description of vehicle which the holder is entitled to drive and the period for which he is so entitled.

Corresponding Law: S. 14(2) of Act IV of 1939

(3) A driving licence issued under this section shall not entitle the holder to drive any motor vehicle except a motor vehicle referred to in sub-section (1).

Corresponding Law: S. 14(3) of Act IV of 1939

(4) The authority issuing any driving licence under this section shall, at the request of any State Government, furnish such information respecting any person to whom a driving licence is issued as that Government may at any time require.

Corresponding Law: S. 14(4) of Act IV of 1939

19. Power of licensing authority to disqualify from holding a driving licence or revoke such licence.—(1) If a licensing authority is satisfied, after giving the holder of a driving licence an opportunity of being heard, that he—

- (a) is a habitual criminal or a habitual drunkard; or
- (b) is a habitual addict to any narcotic drug or psychotropic substance within the meaning of the Narcotic Drugs and Psychotropic Substances Act, 1985 (61 of 1985); or
- (c) is using or has used a motor vehicle in the commission of a cognizable offence; or
- (d) has by his previous conduct as driver of a motor vehicle shown that his driving is likely to be attended with danger to the public; or
- (e) has obtained any driving licence or a licence to drive a particular class or description of motor vehicle by fraud or misrepresentation; or
- (f) has committed any such act which is likely to cause nuisance or danger to the public, as may be prescribed by the Central Government, having regard to the objects of this Act; or
- (g) has failed to submit to, or has not passed, the tests referred to in the proviso to sub-section (3) of Section 22; or
- (h) being a person under the age of eighteen years who has been granted a learner's licence or a driving licence with the consent in writing of the

person having the care of the holder of the licence and has ceased to be in such care,

it may, for reasons to be recorded in writing, make an order—

- (i) disqualifying that person for a specified period for holding or obtaining any driving licence to drive all or any classes or descriptions of vehicles specified in the licence; or
- (ii) revoke any such licence.

Corresponding Law: S. 15(1) of Act IV of 1939

⁵⁵[(1-A) 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, may 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.]

(2) Where an order under sub-section (1) ⁵⁶[or sub-section (1-A)] is made, the holder of a driving licence shall forthwith surrender his driving licence to the licensing authority making the order, if the driving licence has not already been surrendered, and the licensing authority shall,—

- (a) if the driving licence is a driving licence issued under this Act, keep it until the disqualification has expired or has been removed; or
- (b) if it is not a driving licence issued under this Act, endorse the disqualification upon it and send it to the licensing authority by which it was issued; or
- (c) in the case of revocation of any licence, endorse the revocation upon it and if it is not the authority which issued the same, intimate the fact of revocation to the authority which issued that licence:

⁵⁷[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.]

Corresponding Law: S. 15(2) of Act IV of 1939

⁵⁵ Ins. by Act 32 of 2019, S. 11(i) (w.e.f. 1-4-2021).

⁵⁶ Ins. by Act 32 of 2019, S. 11(ii)(a) (w.e.f. 1-4-2021).

⁵⁷ Subs. by Act 32 of 2019, S. 11(ii)(b) (w.e.f. 1-4-2021). Prior to substitution it read as:

“Provided that where the driving licence of a person authorises him to drive more than one class or description of motor vehicles and the order, made under sub-section (1), disqualifies him from driving any specified class or description of motor vehicles, the licensing authority shall endorse the disqualification upon the driving licence and return the same to the holder.”

⁵⁸[(2-A) 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.

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

(3) Any person aggrieved by an order made by a licensing authority under sub-section (1) ⁵⁹[or sub-section (1-A)] may, within thirty days of the receipt of the order, appeal to the prescribed authority, and such appellate authority shall give notice to the licensing authority and hear either party if so required by that party and may pass such order as it thinks fit and an order passed by any such appellate authority shall be final.

Corresponding Law: S. 15(3) of Act IV of 1939

20. Power of Court to disqualify.—(1) Where a person is convicted of an offence under this Act or of an offence in the commission of which a motor vehicle was used, the Court by which such person is convicted may, subject to the provisions of this Act, in addition to imposing any other punishment authorised by law, declare the persons so convicted to be disqualified, for such period as the Court may specify, from holding any driving licence to drive all classes or description of vehicles, or any particular class or description of such vehicles, as are specified in such licence:

Provided that in respect of an offence punishable under Section 183 no such order shall be made for the first or second offence.

Corresponding Law: S. 17(1) of Act IV of 1939

(2) Where a person is convicted of an offence under clause (c) of sub-section (1) of Section 132, Section 134 or Section 185, the Court convicting any person of any such offence shall order the disqualification under sub-section (1), and if the offence is relatable to clause (c) of sub-section (1) of Section 132 or Section 134, such disqualification shall be for a period of not less than one month, and if the offence is relatable to Section 185, such disqualification shall be for a period of not less than six months.

Corresponding Law: S. 17(4) of Act IV of 1939

(3) A Court shall, unless for special reasons to be recorded in writing it thinks fit to order otherwise, order the disqualification of a person—

- (a) who having been convicted of an offence punishable under Section 184 is again convicted of an offence punishable under that section,
- (b) who is convicted of an offence punishable under Section 189, or
- (c) who is convicted of an offence punishable under Section 192:

58. Ins. by Act 32 of 2019, S. 11(iii) (w.e.f. 1-4-2021).

59. Ins. by Act 32 of 2019, S. 11(iv) (w.e.f. 1-4-2021).

Provided that the period of disqualification shall not exceed, in the case referred to in clause (a), five years, or, in the case referred to in clause (b), two years or, in the case referred to in clause (c), one year.

Corresponding Law: S. 17(5) of Act IV of 1939

(4) A Court ordering the disqualification of a person convicted of an offence punishable under Section 184 may direct that such person shall, whether he has previously passed the test of competence to drive as referred to in sub-section (3) of Section 9 or not, remain disqualified until he has subsequent to the making of the order of disqualification passed that test to the satisfaction of the licensing authority.

Corresponding Law: S. 17(6) of Act IV of 1939

(5) The Court to which an appeal would ordinarily lie from any conviction of an offence of the nature specified in sub-section (1) may set aside or vary any order of disqualification made under that sub-section notwithstanding that no appeal would lie against the conviction as a result of which such order of disqualification was made.

Corresponding Law: S. 17(7) of Act IV of 1939

21. Suspension of driving licence in certain cases.—(1) Where, in relation to a person who had been previously convicted of an offence punishable under Section 184, a case is registered by a police officer on the allegation that such person has, by such dangerous driving as is referred to in the said Section 184, of any class or description of motor vehicle caused the death of, or grievous hurt to, one or more persons, the driving licence held by such person shall in relation to such class or description of motor vehicle become suspended—

(a) for a period of six months from the date on which the case is registered, or

(b) if such person is discharged or acquitted before the expiry of the period aforesaid, until such discharge or acquittal, as the case may be.

(2) Where by virtue of the provisions of sub-section (1), the driving licence held by a person becomes suspended, the police officer, by whom the case referred to in sub-section (1) is registered, shall bring such suspension to the notice of the Court competent to take cognizance of such offence, and thereupon, such Court shall take possession of the driving licence, endorse the suspension thereon and intimate the fact of such endorsement to the licensing authority by which the licence was granted or last renewed.

(3) Where the person referred to in sub-section (1) is acquitted or discharged, the Court shall cancel the endorsement on such driving licence with regard to the suspension thereof.

(4) If a driving licence in relation to a particular class or description of motor vehicles is suspended under sub-section (1), the person holding such licence shall be debarred from holding or obtaining any licence to drive such particular class or description of motor vehicles so long as the suspension of the driving licence remains in force.

Corresponding Law: S. 17-A of Act IV of 1939

22. Suspension or cancellation of driving licence on conviction.—(1) Without prejudice to the provisions of sub-section (3) of Section 20 where a person, referred to in sub-section (1) of Section 21 is convicted of an offence of causing, by such dangerous driving as is referred to in Section 184 of any class or description of motor vehicle the death of, or grievous hurt to, one or more persons, the Court by which such person is convicted may cancel, or suspend for such period as it may think fit, the driving licence held by such person is so far as it relates to that class or description of motor vehicle.

(2) Without prejudice to the provisions of sub-section (2) of Section 20, if a person, having been previously convicted of an offence punishable under Section 185 is again convicted of an offence punishable under that section, the Court, making such subsequent conviction, shall, by order, cancel the driving licence held by such person.

(3) If a driving licence is cancelled or suspended under this section, the Court shall take the driving licence in its custody, endorse the cancellation or, as the case may be, suspension, thereon and send the driving licence so endorsed to the authority by which the licence was issued or last renewed and such authority shall, on receipt of the licence, keep the licence in its safe custody, and in the case of a suspended licence, return the licence to the holder thereof after the expiry of the period of suspension on an application made by him for such return:

Provided that no such licence shall be returned unless the holder thereof has, after the expiry of the period of suspension, undergone and passed, to the satisfaction of the licensing authority by which the licence was issued or last renewed, a fresh test of competence to drive referred to in sub-section (3) of Section 9 and produced a medical certificate in the same form and in the same manner as is referred to in sub-section (3) of Section 8.

(4) If a licence to drive a particular class or description of motor vehicles is cancelled or suspended under this section, the person holding such a licence shall be debarred from holding, or obtaining, any licence to drive such particular class or description of motor vehicles so long as the cancellation or suspension of the driving licence remains in force.

Corresponding Law: S. 17-B of Act IV of 1939

23. Effect of disqualification order.—(1) A person in respect of whom any disqualification order is made under Section 19 or Section 20 shall be debarred to the extent and for the period specified in such order from holding or obtaining a driving licence and the driving licence, if any, held by such person at the date of the order shall cease to be effective to such extent and during such period.

(2) The operation of a disqualification order made under Section 20 shall not be suspended or postponed while an appeal is pending against such order or against the conviction as a result of which such order is made, unless the Appellate Court so directs.

(3) Any person in respect of whom any disqualification order has been made may at any time after the expiry of six months from the date of the order apply to the Court or other authority by which the order was made, to remove the disqualification; and the Court or authority, as the case may be, may, having regard to all the circumstances, either cancel or vary the disqualification order:

Provided that where the Court or other authority refuses to cancel or vary any disqualification order under this section, a second application thereunder shall not be entertained before the expiry of a period of three months from the date of such refusal.

Corresponding Law: S. 18 of Act IV of 1939

24. Endorsement.—(1) The Court or authority making an order of disqualification shall endorse or cause to be endorsed upon the driving licence if any, held by the person disqualified, particulars of the order of disqualification and of any conviction of an offence in respect of which an order of disqualification is made; and particulars of any cancellation or variation of an order of disqualification made under sub-section (3) or Section 23 shall be similarly so endorsed.

Corresponding Law: S. 19(1) of Act IV of 1939

(2) A Court by which any person is convicted of an offence under this Act as may be prescribed by the Central Government, having regard to the objects of this Act, shall, whether or not a disqualification order is made in respect of such conviction, endorse or cause to be endorsed particulars of such conviction on any driving licence held by the person convicted.

Corresponding Law: S. 19(2) of Act IV of 1939

(3) Any person accused of an offence prescribed under sub-section (2) shall when attending the Court bring with him his driving licence if it is in his possession.

Corresponding Law: S. 19(3) of Act IV of 1939

(4) Where any person is convicted of any offence under this Act and sentenced to imprisonment for a period exceeding three months, the Court awarding the sentence shall endorse the fact of such sentence upon the driving licence of the person concerned and the prosecuting authority shall intimate the fact of such endorsement to the authority by which the driving licence was granted or last renewed.

(5) When the driving licence is endorsed or caused to be endorsed by any Court, such Court shall send the particulars of the endorsement to the licensing authority by which the driving licence was granted or last renewed.

(6) Where on an appeal against any conviction or order of a Court, which has been endorsed on a driving licence, the Appellate Court varies or sets aside the conviction or order, the Appellate Court shall inform the licensing authority by which the driving licence was granted or last renewed and such authority shall amend or cause to be amended the endorsement.

25. Transfer of endorsement and issue of driving licence free from endorsement.—(1) An endorsement on any driving licence shall be transferred to any new or duplicate driving licence obtained by the holder thereof until the holder

becomes entitled under the provisions of this section to have a driving licence issued to him free from endorsement.

Corresponding Law: S. 20(1) of Act IV of 1939

(2) Where a driving licence is required to be endorsed and the driving licence is not in the possession of the Court or authority by which the endorsement is to be made, then—

- (a) if the person in respect of whom the endorsement is to be made is at the time the holder of a driving licence, he shall produce the driving licence to the Court or authority within five days, or such longer time as the Court or authority may fix; or
- (b) if, not being then the holder of a driving licence, he subsequently obtains a driving licence, he shall within five days after obtaining the driving licence produce it to the Court or authority,

and if the driving licence is not produced within the time specified, it shall, on the expiration of such time, be of no effect until it is produced for the purpose of endorsement.

Corresponding Law: S. 20(2) of Act IV of 1939

(3) A person whose driving licence has been endorsed shall, if during a continuous period of three years after such endorsement no further endorsement has been made against him, be entitled on surrendering his driving licence and on payment of a fee of five rupees, to receive a new driving licence free from all endorsements:

Provided that if the endorsement is only in respect of an offence contravening the speed limits referred to in Section 112, such person shall be entitled to receive a new driving licence free from such endorsements on the expiration of one year of the date of the endorsement:

Provided further that in reckoning the said period of three years and one year, respectively, any period during which the said person was disqualified for holding or obtaining a driving licence shall be excluded.

Corresponding Law: S. 20(3) of Act IV of 1939

⁶⁰[**25-A. National Register of Driving Licences.**—(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

60. *Ins.* by Act 32 of 2019, S. 12 (w.e.f. 1-4-2021).

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.]

⁶¹[**26. Maintenance of State Registers of Driving Licences.**—Each State Government shall maintain, in such form as may be prescribed by the Central Government, a register to be known as the State Register of Driving Licences, in respect of driving licences issued and renewed by the licensing authorities of the State Government, containing particulars, including—

- (a) names and addresses of holders of driving licences;
- (b) licence numbers;
- (c) dates of issue or renewal of licences;
- (d) dates of expiry of licences;
- (e) classes and types of vehicles authorised to be driven; and
- (f) such other particulars as the Central Government may prescribe.]

27. Power of Central Government to make rules.—The Central Government may make rules—

- ⁶²[(a) specifications relating to e-cart and e-rickshaw under sub-section (2) of Section 2-A;]
- (⁶³aa) regarding conditions referred to in sub-section (2) of Section 3;
 - (b) providing for the form in which the application for learner's licence may be made, the information it shall contain and the documents to be submitted with the application referred to in sub-section (2) of Section 8;
 - (c) providing for the form of medical certificate referred to in sub-section (3) of Section 8;

⁶¹ Subs. by Act 32 of 2019, S. 13 (w.e.f. 1-4-2021). Prior to substitution it read as:

"26. *Maintenance of State Registers of Driving Licences.*—(1) Each State Government shall maintain, in such form as may be prescribed by the Central Government, a register to be known as the State Register of Driving Licences, in respect of driving licences issued and renewed by the licensing authorities of the State Government, containing the following particulars, namely—

- (a) names and addresses of holders of driving licences;
- (b) licence numbers;
- (c) dates of issue or renewal of licences;
- (d) dates of expiry of licences;
- (e) classes and types of vehicles authorised to be driven; and
- (f) such other particulars as the Central Government may prescribe.

(2) Each State Government shall supply to the Central Government a printed copy or copy in such other form as the Central Government may require of the State Register of Driving Licences and shall inform the Central Government without delay of all additions to and other amendments in such register made from time to time.

(3) The State Register of Driving Licences shall be maintained in such manner as may be prescribed by the State Government."

⁶² Ins. by Act 3 of 2015, S. 5(i) (w.r.e.f. 7-1-2015).

⁶³ Clause (a) renumbered as clause (aa) by Act 3 of 2015, S. 5(i) (w.r.e.f. 7-1-2015).

- (d) providing for the particulars for the test referred to in sub-section (5) of Section 8;
- ⁶⁴[(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;]
- (e) providing for the form in which the application for driving licence may be made, the information it shall contain and the documents to be submitted with the application referred to in sub-section (2) of Section 9;
- (f) providing for the particulars regarding test of competence to drive, referred to in sub-section (3) of Section 9;
- ⁶⁵[(ff) the manner and the conditions subject to which the driving licence may be issued under sub-section (10) of Section 9;]
- (g) specifying the minimum educational qualifications of persons to whom licences to drive transport vehicles may be issued under this Act and the time within which such qualifications are to be acquired by such persons;

Corresponding Law: S. 21(2)(aa) of Act IV of 1939

- (h) providing for the form and contents of the licences referred to in sub-section (1) of Section 10;
- (i) providing for the form and contents of the application referred to in sub-section (1) of Section 11 and documents to be submitted with the application and the fee to be charged;
- (j) providing for the conditions subject to which Section 9 shall apply to an application made under Section 11;
- ⁶⁶[(ja) the curriculum of training modules and the regulation of schools and establishments under sub-section (6) of Section 12;
- ⁶⁷(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;
- ⁶⁸(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;]
- (k) providing for the form and contents of the application referred to in sub-section (1) of Section 15 and the documents to accompany such application under sub-section (2) of Section 15;
- (l) providing for the authority to grant licences under sub-section (1) of Section 18;
- (m) specifying the fees payable under sub-section (2) of Section 8, sub-section (2) of Section 9 and sub-sections (3) and (4) of Section 15

64. *Ins. by Act 32 of 2019, S. 14(i) (w.e.f. 1-9-2019).*

65. *Ins. by Act 3 of 2015, S. 5(ii) (w.e.f. 7-1-2015).*

66. *Ins. by Act 32 of 2019, S. 14(ii) (w.e.f. 1-9-2019).*

67. *Ins. by Act 32 of 2019, S. 14(ii) (w.e.f. 1-9-2019).*

68. *Ins. by Act 32 of 2019, S. 14(ii) (w.e.f. 1-9-2019).*

for the grant of learner's licences, and for the grant and renewal of driving licences and licences for the purpose of regulating the schools or establishments for imparting instructions in driving motor vehicles;

Corresponding Law: S. 20-A of Act IV of 1939

- (n) specifying the acts for the purposes of clause (f) of sub-section (1) of Section 19;
- ⁶⁹[(na) the manner of placing in the public domain of the name of the licence holder as referred to in sub-section (1-A) of Section 19;
- (nb) providing for the nature, syllabus and duration of the driver refresher training course as referred to in sub-section (2-B) of Section 19;]
- (o) specifying the offences under this Act for the purposes of sub-section (2) of Section 24;
- ⁷⁰[(oa) all or any of the matters referred to in Section 25-A;]
- (p) to provide for all or any of the matters referred to in ⁷¹[* * *] Section 26;
- (q) any other matter which is, or has to be, prescribed by the Central Government.

28. Power of State Government to make rules.—(1) A State Government may make rules for the purpose of carrying into effect the provisions of this Chapter other than the matters specified in Section 27.

Corresponding Law: S. 21(1) of Act IV of 1939

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the appointment, jurisdiction, control and functions of licensing authorities and other prescribed authorities;
- (b) the conduct and hearing of appeals that may be preferred under this Chapter, the fees to be paid in respect of such appeals and the refund of such fees:

Provided that no fee so fixed shall exceed twenty-five rupees;

- (c) the issue of duplicate licences to replace licences lost, destroyed or mutilated, the replacement of photographs which have become obsolete and the fees to be charged therefor;
- (d) the badges and uniform to be worn by drivers of transport vehicles and the fees to be paid in respect of badges;
- (e) the fee payable for the issue of a medical certificate under sub-section (3) of Section 8;
- (f) the exemption of prescribed persons, or prescribed classes of persons, from payment of all or any portion of the fees payable under this Chapter;
- (g) the communication of particulars of licences granted by one licensing authority to other licensing authorities;

⁶⁹ Ins. by Act 32 of 2019, S. 14(iii) (w.e.f. 1-9-2019).

⁷⁰ Ins. by Act 32 of 2019, S. 14(iv) (w.e.f. 1-9-2019).

⁷¹ The words "sub-section (1) of" omitted by Act 32 of 2019, S. 14(v) (w.e.f. 1-9-2019).

- (h) the duties, functions and conduct of such persons to whom licences to drive transport vehicles are issued;
- (i) the exemption of drivers of road-rollers from all or any of the provisions of this Chapter or of the rules made thereunder;
- (j) ⁷²[* * *]
- (k) any other matter which is to be, or may be, prescribed.

Corresponding Law: S. 21(2) of Act IV of 1939

CHAPTER III

LICENSING OF CONDUCTORS OF STAGE CARRIAGES

29. Necessity for conductor's licence.—(1) No person shall act as a conductor of a stage carriage unless he holds an effective conductor's licence issued to him authorising him to act as such conductor; and no person shall employ or permit any person who is not so licensed to act as a conductor of a stage carriage.

(2) A State Government may prescribe the conditions subject to which sub-section (1) shall not apply to a driver of a stage carriage performing the functions of a conductor or to a person employed to act as a conductor for a period not exceeding one month.

Corresponding Law: S. 21-A of Act IV of 1939

30. Grant of conductor's licence.—(1) Any person who possesses such minimum educational qualification as may be prescribed by the State Government and is not disqualified under sub-section (1) of Section 31 and who is not for the time being disqualified for holding or obtaining a conductor's licence may apply to the licensing authority having jurisdiction in the area in which he ordinarily resides or carries on business for the issue to him of a conductor's licence.

(2) Every application under sub-section (1) shall be in such form and shall contain such information as may be prescribed.

(3) Every application for a conductor's licence shall be accompanied by a medical certificate in such form as may be prescribed, signed by a registered medical practitioner and shall also be accompanied by two clear copies of a recent photograph of the applicant.

(4) A conductor's licence issued under this Chapter shall be in such form and contain such particulars as may be prescribed and shall be effective throughout the State in which it is issued.

(5) The fee for a conductor's licence and for each renewal thereof shall be one-half of that for a driving licence.

Corresponding Law: S. 21-B of Act IV of 1939

31. Disqualifications for the grant of conductor's licence.—(1) No person under the age of eighteen years shall hold, or be granted, a conductor's licence.

(2) The licensing authority may refuse to issue a conductor's licence—

72. Omitted by Act 32 of 2019, S. 15 (w.e.f. 1-4-2021). Prior to omission it read as:

“(j) the manner in which the State Register of Driving Licences shall be maintained under Section 26;”

- (a) if the applicant does not possess the minimum educational qualification;
- (b) if the medical certificate produced by the applicant discloses that he is physically unfit to act as a conductor; and
- (c) if any previous conductor's licence held by the applicant was revoked.

Corresponding Law: S. 21-C of Act IV of 1939

32. Revocation of a conductor's licence on grounds of disease or disability.—A conductor's licence may at any time be revoked by any licensing authority if that authority has reasonable grounds to believe that the holder of the licence is suffering from any disease or disability which is likely to render him permanently unfit to hold such a licence and where the authority revoking a conductor's licence is not the authority which issued the same, it shall intimate the fact of such revocation to the authority which issued that licence:

Corresponding Law: S. 21-D of Act IV of 1939

Provided that before revoking any licence, the licensing authority shall give the person holding such licence a reasonable opportunity of being heard.

33. Orders refusing etc., conductor's licences and appeals therefrom.—(1) Where a licensing authority refuses to issue or renew, or revokes any conductor's licence, it shall do so by an order communicated to the applicant or the holder, as the case may be, giving the reasons in writing for such refusal or revocation.

(2) Any person aggrieved by an order made under sub-section (1) may, within thirty days of the service on him of the order, appeal to the prescribed authority which shall decide the appeal after giving such person and the authority which made the order an opportunity of being heard and the decision of the appellate authority shall be binding on the authority which made the order.

Corresponding Law: S. 21-E of Act IV of 1939

34. Power of licensing authority to disqualify.—(1) If any licensing authority is of opinion that it is necessary to disqualify the holder of a conductor's licence for holding or obtaining such a licence on account of his previous conduct as a conductor, it may, for reasons to be recorded, make an order disqualifying that person for a specified period, not exceeding one year, for holding or obtaining a conductor's licence:

Provided that before disqualifying the holder of a licence, the licensing authority shall give the person holding such licence reasonable opportunity of being heard.

(2) Upon the issue of any such order, the holder of the conductor's licence shall forthwith surrender the licence to the authority making the order, if the licence has not already been surrendered, and the authority shall keep the licence until the disqualification has expired or has been removed.

(3) Where the authority disqualifying the holder a conductor's licence under this section is not the authority which issued the licence, it shall intimate the fact of such disqualification to the authority which issued the same.

(4) Any person aggrieved by an order made under sub-section (1) may, within thirty days of the service on him of the order, appeal to the prescribed authority

which shall decide the appeal after giving such person and the authority which made the order an opportunity of being heard and the decision of the appellate authority shall be binding on the authority which made the order.

Corresponding Law: S. 21-F of Act IV of 1939

35. Power of Court to disqualify.—(1) Where any person holding a conductor's licence is convicted of an offence under this Act, the Court by which such person is convicted may, in addition to imposing any other punishment authorised by law, declare the person so convicted to be disqualified for such period as the Court may specify for holding a conductor's licence.

(2) The Court to which an appeal lies from any conviction of an offence under this Act may set aside or vary any order of disqualification made by the Court below, and the Court to which appeals ordinarily lie from such Court, may set aside or vary any order of disqualification made by that Court, notwithstanding that no appeal lies against the conviction in connection with which such order was made.

Corresponding Law: S. 21-G of Act IV of 1939

36. Certain provisions of Chapter II to apply to conductor's licence.—The provisions of sub-section (2) of Section 6, Sections 14, 15 and 23, sub-section (1) of Section 24 and Section 25 shall, so far as may be, apply in relation to a conductor's licence, as they apply in relation to a driving licence.

Corresponding Law: S. 21-H of Act IV of 1939

37. Savings.—If any licence to act as a conductor of a stage carriage (by whatever name called) has been issued in any State and is effective immediately before the commencement of this Act, it shall continue to be effective, notwithstanding such commencement, for the period for which it would have been effective, if this Act had not been passed, and every such licence shall be deemed to be a licence issued under this Chapter as if this Chapter had been in force on the date on which that licence was granted.

Corresponding Law: S. 21-I of Act IV of 1939

38. Power of State Government to make rules.—(1) A State Government may make rules for the purpose of carrying into effect the provisions of this Chapter.

Corresponding Law: S. 21-J(1) of Act IV of 1939

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the appointment, jurisdiction, control and functions of licensing authorities and other prescribed authorities under this Chapter;
- (b) the conditions subject to which drivers of stage carriages performing the functions of a conductor and persons temporarily employed to act as conductors may be exempted from the provisions of sub-section (1) of Section 29;
- (c) the minimum educational qualifications of conductors; their duties and functions and the conduct of persons to whom conductor's licences are issued;

- (d) the form of application for conductor's licences or for renewal of such licences and the particulars it may contain;
- (e) the form in which conductor's licences may be issued or renewed and the particulars it may contain;
- (f) the issue of duplicate licences to replace licences lost, destroyed or mutilated, the replacement of photographs which have become obsolete and the fees to be charged therefor;
- (g) the conduct and hearing of appeals that may be preferred under this Chapter, the fees to be paid in respect of such appeals and the refund of such fees:

Provided that no fee so fixed shall exceed twenty-five rupees;

- (h) the badges and uniform to be worn by conductors of stage carriages and the fees to be paid in respect of such badges;
- (i) the grant of the certificates referred to in sub-section (3) of Section 30 by registered medical practitioners and the form of such certificates;
- (j) the conditions subject to which, and the extent to which, a conductor's licence issued in another State shall be effective in the State;
- (k) the communication of particulars of conductor's licences from one authority to other authorities; and
- (l) any other matter which is to be, or may be, prescribed.

Corresponding Law: S. 21-J(2) of Act IV of 1939

CHAPTER IV

REGISTRATION OF MOTOR VEHICLES

39. Necessity for registration.—No person shall drive any motor vehicle and no owner of a motor vehicle shall cause or permit the vehicle to be driven in any public place or in any other place unless the vehicle is registered in accordance with this Chapter and the certificate of registration of the vehicle has not been suspended or cancelled and the vehicle carries a registration mark displayed in the prescribed manner:

Corresponding Law: S. 22(1) of Act IV of 1939

Provided that nothing in this section shall apply to a motor vehicle in possession of a dealer subject to such conditions as may be prescribed by the Central Government.

CASE LAW ▶ Transfer of ownership of motor vehicle.—Requirements of transfer of ownership of motor vehicle as prescribed under MV Act, 1988, must be strictly complied with. Mere sale agreement and/or transfer of possession of vehicle are not enough for transfer of ownership. Hence, purported transferor remains "owner" of vehicle until requirements for transfer of ownership under MV Act, 1988 are met. Moreover, the insurance policy does not get transferred until requirements of Section 157 are met, *Surendra Kumar Bhilawe v. New India Assurance Co. Ltd.*, (2020) 18 SCC 224.

40. Registration, where to be made.—Subject to the provisions of Section 42, Section 43 and Section 60, every owner of a motor vehicle shall cause the vehicle

to be registered by ⁷³[any registering authority in the State] in whose jurisdiction he has the residence or place of business where the vehicle is normally kept.

Corresponding Law: S. 23 of Act IV of 1939

41. Registration, how to be made.—(1) An application by or on behalf of the owner of a motor vehicle for registration shall be in such form and shall be accompanied by such documents, particulars and information and shall be made within such period as may be prescribed by the Central Government:

Provided that where a motor vehicle is jointly owned by more persons than one, the application shall be made by one of them on behalf of all the owners and such applicant shall be deemed to be the owner of the motor vehicle for the purposes of this Act:

⁷⁴[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.]

Corresponding Law: S. 24(1) of Act IV of 1939

(2) An application referred to in sub-section (1) shall be accompanied by such fee as may be prescribed by the Central Government.

(3) The registering authority shall issue ⁷⁵[a certificate of registration in the name of the owner] in such form and containing such particulars and information and in such manner as may be prescribed by the Central Government.

Corresponding Law: S. 24(2) of Act IV of 1939

(4) In addition to the other particulars required to be included in the certificate of registration, it shall also specify the type of the motor vehicle, being a type as the Central Government may, having regard to the design, construction and use of the motor vehicle, by notification in the Official Gazette, specify.

(5) The registering authority shall enter the particulars of the certificate referred to in sub-section (3) in a register to be maintained in such form and manner as may be prescribed by the Central Government.

(6) The registering authority shall assign to the vehicle, for display thereon, a distinguishing mark (in this Act referred to as the registration mark) consisting of one of the groups of such of those letters and followed by such letters and figures as are allotted to the State by the Central Government from time to time by notification in the Official Gazette, and displayed and shown on the motor vehicle in such form and in such manner as may be prescribed by the Central Government:

⁷⁶[Provided that in case of a new motor vehicle, the application for the registration of which is made under the second proviso to sub-section (1), such motor vehicle shall not be delivered to the owner until such registration mark is

73. Subs. for "a registering authority" by Act 32 of 2019, S. 16 (w.e.f. 1-9-2019).

74. Ins. by Act 32 of 2019, S. 17(i) (w.e.f. 1-4-2021).

75. Subs. by Act 32 of 2019, S. 17(ii)(a) (w.e.f. 1-9-2019). Prior to substitution it read as:
"to the owner of a motor vehicle registered by it a certificate of registration"

76. Ins. by Act 32 of 2019, S. 17(iii) (w.e.f. 1-4-2021).

displayed on the motor vehicle in such form and manner as may prescribed by the Central Government.]

Corresponding Law: S. 24(3) of Act IV of 1939

(7) A certificate of registration issued under sub-section (3), whether before or after the commencement of this Act, in respect of a motor vehicle, ⁷⁷[* * *], shall, subject to the provisions contained in this Act, be valid only for a period of fifteen years from the date of issue of such certificate ⁷⁸[or for such period as may be prescribed by the Central Government] and shall be renewable.

Corresponding Law: S. 24(4) of Act IV of 1939

(8) An application by or on behalf of the owner of a motor vehicle, ⁷⁹[* * *], for the renewal of a certificate of registration shall be made within such period and in such form, containing such particulars and information as may be prescribed by the Central Government.

Corresponding Law: S. 24(5) of Act IV of 1939

(9) An application referred to in sub-section (8) shall be accompanied by such fee as may be prescribed by the Central Government.

Corresponding Law: S. 24(5) of Act IV of 1939

(10) Subject to the provisions of Section 56, the registering authority may, on receipt of an application under sub-section (8), renew the certificate of registration ⁸⁰[for such period, as may be prescribed by the Central Government] and intimate the fact to the original registering authority, if it is not the original registering authority.

⁸¹[Provided that the Central Government may prescribe different period of renewal for different types of motor vehicles.]

(11) ⁸²[* * *]

(12) ⁸³[* * *]

(13) ⁸⁴[* * *]

77. The words "other than a transport vehicle" omitted by Act 32 of 2019, S. 17(iv)(a) (w.e.f. 1-4-2021).

78. Ins. by Act 32 of 2019, S. 17(iv)(b) (w.e.f. 1-4-2021).

79. The words "other than a transport vehicle" omitted by Act 32 of 2019, S. 17(v) (w.e.f. 1-4-2021).

80. Subs. for "for a period of five years" by Act 32 of 2019, S. 17(vi)(a) (w.e.f. 1-4-2021).

81. Ins. by Act 32 of 2019, S. 17(vi)(b) (w.e.f. 1-4-2021).

82. Omitted by Act 32 of 2019, S. 17(vii) (w.e.f. 1-7-2021). Prior to omission it read as:

"(11) If the owner fails to make an application under sub-section (1), or, as the case may be, under sub-section (8) within the period prescribed, the registering authority may, having regard to the circumstances of the case, require the owner to pay, in lieu of any action that may be taken against him under Section 177, such amount not exceeding one hundred rupees as may be prescribed under sub-section (13):

Provided that action under Section 177 shall be taken against the owner where the owner fails to pay the said amount."

83. Omitted by Act 32 of 2019, S. 17(vii) (w.e.f. 1-7-2021). Prior to omission it read as:

"(12) Where the owner has paid the amount under sub-section (11), no action shall be taken against him under Section 177."

84. Omitted by Act 32 of 2019, S. 17(vii) (w.e.f. 1-7-2021). Prior to omission it read as:

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

(14) An application for the issue of a duplicate certificate of registration shall be made to the ⁸⁵[last] registering authority in such form, containing such particulars and information along with such fee as may be prescribed by the Central Government.

STATE AMENDMENTS

Rajasthan.—In its application to the State of Rajasthan, in Section 41—

- (a) in sub-sections (7) and (8), the expression, “other than a transport vehicle,” shall be *deleted*;
- (b) after sub-section (7) so amended, the following proviso shall be *inserted*, namely:—
“Provided that in the case of transport vehicles, State Government may require the transport vehicles to be re-registered in the manner prescribed, subject to the age limit, if any, prescribed under Section 59 of the Act.”; and
- (c) in sub-section (10) after the words “for a period of five years” and before the words “and intimate”, the expression “on payment of all taxes, penalties and interest, if any, levied by the State Government” shall be *inserted*. [Vide Rajasthan Act 1 of 2002, S. 2]

Notes on clauses

Clause 11 of Bill No. 53 of 1994 seeks to amend sub-section (14) of Section 41 so as to provide for making of an application for issue of a duplicate certificate of registration to the last registering authority instead of the original registering authority.

CASE LAW ▶ High Security Registration Plates (HSRP).—There is essential requirement of regulation of manufacture, supply, fixation of new high security registration plates (HSRP) pursuant to new scheme introduced by Central Government in public safety and interest, *Maninderjit Singh Bitta v. Union of India*, (2011) 11 SCC 315.

42. Special provision for registration of motor vehicles of diplomatic officers etc.—(1) Where an application for registration of a motor vehicle is made under sub-section (1) of Section 41 by or on behalf of any diplomatic officer or consular officer, then, notwithstanding anything contained in sub-section (3) or sub-section (6) of that section, the registering authority shall register the vehicle in such manner and in accordance with such procedure as may be provided by rules made in this behalf by the Central Government under sub-section (3) and shall assign to the vehicle for display thereon a special registration mark in accordance with the provisions contained in those rules and shall issue a certificate (hereafter in this section referred to as the certificate of registration) that the vehicle has been registered under this section; and any vehicle so registered shall not, so long as it remains the property of any diplomatic officer or consular officer, require to be registered otherwise under this Act.

(2) If any vehicle registered under this section ceases to be the property of any diplomatic officer or consular officer, the certificate of registration issued under this section shall also cease to be effective, and the provisions of Sections 39 and 40 shall thereupon apply.

(3) The Central Government may make rules for the registration of motor vehicles belonging to diplomatic officers and consular officers regarding the procedure to be followed by the registering authority for registering such vehicles,

85. Subs. for “original” by Act 54 of 1994, S. 11 (w.e.f. 14-11-1994).

the form in which the certificates of registration of such vehicles are to be issued, the manner in which such certificates of registration are to be sent to the owners of the vehicles and the special registration marks to be assigned to such vehicles.

(4) For the purposes of this section, “diplomatic officer” or “consular officer” means any person who is recognised as such by the Central Government and if any question arises as to whether a person is or is not such an officer, the decision of the Central Government thereon shall be final.

Corresponding Law: S. 24-A of Act IV of 1939

⁸⁶[43. **Temporary registration.**—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.]

⁸⁷[44. **Production of vehicle at the time of registration.**—(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

86. *Subs.* by Act 32 of 2019, S. 18 (w.e.f. 1-4-2021). Prior to substitution it read as:

“43. **Temporary registration.**—(1) Notwithstanding anything contained in Section 40 the owner of a motor vehicle may apply to any registering authority or other prescribed authority to have the vehicle temporarily registered in the prescribed manner and for the issue in the prescribed manner of a temporary certificate of registration and a temporary registration mark.

(2) A registration made under this section shall be valid only for a period not exceeding one month, and shall not be renewable:

Provided that where a motor vehicle so registered is a chassis to which a body has not been attached and the same is detained in a workshop beyond the said period of one month for being fitted with a body or any unforeseen circumstances beyond the control of the owner, the period may, on payment of such fees, if any, as may be prescribed, be extended by such further period or periods as the registering authority or other prescribed authority, as the case may be, may allow.

(3) In a case where the motor vehicle is held under hire-purchase agreement, lease or hypothecation, the registering authority or other prescribed authority shall issue a temporary certificate of registration of such vehicle, which shall incorporate legibly and prominently the full name and address of the person with whom such agreement has been entered into by the owner.”

87. *Subs.* by Act 32 of 2019, S. 19 (w.e.f. 1-4-2021). Prior to substitution it read as:

“44. **Production of vehicle at the time of registration.**—The registering authority shall before proceeding to register a motor vehicle or renew the certificate of registration in respect of a motor vehicle, other than a transport vehicle, require the person applying for registration of the vehicle or, as the case may be, for renewing the certificate of registration to produce the vehicle either before itself or such authority as the State Government may by order appoint in order that the registering authority may satisfy itself that the particulars contained in the application are true and that the vehicle complies with the requirements of this Act and of the rules made thereunder.

shall not be required to produce the vehicle registered or transferred before a registering authority.]

45. Refusal of registration or renewal of the certificate of registration.—

The registering authority may, by order, refuse to register any motor vehicle, or renew the certificate of registration in respect of a motor vehicle (other than a transport vehicle), if in either case, the registering authority has reason to believe that it is a stolen motor vehicle or the vehicle is mechanically defective or fails to comply with the requirements of this Act or of the rules made thereunder, or if the applicant fails to furnish particulars of any previous registration of the vehicle or furnishes inaccurate particulars in the application for registration of the vehicle or, as the case may be, for renewal of the certificate of registration thereof and the registering authority shall furnish the applicant whose vehicle is refused registration, or whose application for renewal of the certificate of registration is refused, a copy of such order, together with the reasons for such refusal.

Corresponding Law: S. 27 of Act IV of 1939

46. Effectiveness in India of registration.—Subject to the provisions of Section 47, a motor vehicle registered in accordance with this Chapter in any State shall not require to be registered elsewhere in India and a certificate of registration issued or in force under this Act in respect of such vehicle shall be effective throughout India.

Corresponding Law: S. 28 of Act IV of 1939

47. Assignment of new registration mark on removal to another State.—

(1) When a motor vehicle registered in one State has been kept in another State, for a period exceeding twelve months, the owner of the vehicle shall, within such period and in such form containing such particulars as may be prescribed by the Central Government, apply to the registering authority, within whose jurisdiction the vehicle then is, for the assignment of a new registration mark and shall present the certificate of registration to that registering authority:

Provided that an application under this sub-section shall be accompanied—

- (i) by the no objection certificate obtained under Section 48, or
- (ii) in a case where no such certificate has been obtained, by—
 - (a) the receipt obtained under sub-section (2) of Section 48; or
 - (b) the postal acknowledgement received by the owner of the vehicle if he has sent an application in this behalf by registered post acknowledgement due to the registering authority referred to in Section 48,

together with a declaration that he has not received any communication from such authority refusing to grant such certificate or requiring him to comply with any direction subject to which such certificate may be granted:

Provided further that, in a case where a motor vehicle is held under a hire-purchase, lease or hypothecation agreement, an application under this sub-section shall be accompanied by a no objection certificate from the person with whom such agreement has been entered into, and the provisions of Section 51, so far as may be,

regarding obtaining of such certificate from the person with whom such agreement has been entered into, shall apply.

Corresponding Law: S. 29(1) of Act IV of 1939

(2) The registering authority, to which application is made under sub-section (1), shall after making such verification, as it thinks fit, of the returns, if any, received under Section 62, assign the vehicle a registration mark as specified in sub-section (6) of Section 41 to be displayed and shown thereafter on the vehicle and shall enter the mark upon the certificate of registration before returning it to the applicant and shall, in communication with registering authority by whom the vehicle was previously registered, arrange for the transfer of the registration of the vehicle from the records of that registering authority to its own records.

Corresponding Law: S. 29(2) of Act IV of 1939

(3) Where a motor vehicle is held under a hire-purchase or lease or hypothecation agreement, the registering authority shall, after assigning the vehicle a registration mark under sub-section (2), inform the person whose name has been specified in the certificate of registration as the person with whom the registered owner has entered into the hire-purchase or lease or hypothecation agreement (by sending to such person a notice by registered post acknowledgement due at the address of such person entered in the certificate of registration the fact of assignment of the said registration mark).

Corresponding Law: S. 29(2-A) of Act IV of 1939

(4) A State Government may make rules under Section 65 requiring the owner of a motor vehicle not registered within the State, which is brought into or is for the time being in the State, to furnish to the prescribed authority in the State such information with respect to the motor vehicle and its registration as may be prescribed.

Corresponding Law: S. 29(3) of Act IV of 1939

(5) If the owner fails to make an application under sub-section (1) within the period prescribed, the registering authority may, having regard to the circumstances of the case, require the owner to pay, in lieu of any action that may be taken against him under Section 177, such amount not exceeding one hundred rupees as may be prescribed under sub-section (7):

Provided that action under Section 177 shall be taken against the owner where the owner fails to pay the said amount.

(6) Where the owner has paid the amount under sub-section (5), no action shall be taken against him under Section 177.

(7) For the purposes of sub-section (5), the State Government may prescribe different amounts having regard to the period of delay on the part of the owner in making an application under sub-section (1).

48. No objection certificate.—(1) The owner of a motor vehicle when applying for the assignment of a new registration mark under sub-section (1) of Section 47, or where the transfer of a motor vehicle is to be effected in a State other than the State of its registration, the transferor of such vehicle when reporting

the transfer under sub-section (1) of Section 50, shall make an application in such form and in such manner as may be prescribed by the Central Government to the registering authority by which the vehicle was registered for the issue of a certificate (hereafter in this section referred to as the no objection certificate), to the effect that the registering authority has no objection for assigning a new registration mark to the vehicle or, as the case may be, for entering the particulars of the transfer of ownership in the certificate of registration.

(2) The registering authority shall, on receipt of an application under sub-section (1), issue a receipt in such form as may be prescribed by the Central Government.

(3) On receipt of an application under sub-section (1), the registering authority may, after making such inquiry and requiring the applicant to comply with such directions as it deems fit and within thirty days of the receipt thereof, by order in writing, communicate to the applicant that it has granted or refused to grant the no objection certificate:

Provided that a registering authority shall not refuse to grant the no objection certificate unless it has recorded in writing the reasons for doing so and a copy of the same has been communicated to the applicant.

(4) Where within a period of thirty days referred to in sub-section (3), the registering authority does not refuse to grant the no objection certificate or does not communicate the refusal to the applicant, the registering authority shall be deemed to have granted the no objection certificate.

(5) Before granting or refusing to grant the no objection certificate, the registering authority shall obtain a report in writing from the police that no case relating to the theft of the motor vehicle concerned has been reported or is pending, verify whether all the amounts due to Government including road tax in respect of that motor vehicle have been paid and take into account such other factors as may be prescribed by the Central Government.

⁸⁸[(6) The owner of the vehicle shall also inform at the earliest, in writing, the registering authority about the theft of his vehicle together with the name of the police station where the theft report was lodged, and the registering authority shall take into account such report while disposing of any application for no objection certification, registration, transfer of ownership or issue of duplicate registration certificate.]

Corresponding Law: S. 29-A of Act IV of 1939

Notes on clauses

Clause 13 of Bill No. 53 of 1994 to insert a new sub-section (6) in Section 48 making it obligatory for the owner to inform the registering authority about the theft of the vehicle.

49. Change of residence or place of business.—(1) If the owner of a motor vehicle ceases to reside or have his place of business at the address recorded in the certificate of registration of the vehicle, he shall, within thirty days of any such change of address, intimate in such form accompanied by such documents as

⁸⁸ *Ins. by Act 54 of 1994, S. 13 (w.e.f. 14-11-1994).*

may be prescribed by the Central Government, his new address, to the registering authority by which the certificate of registration was issued, or, if the new address is within the jurisdiction of another ⁸⁹[State, to any registering authority in that State], and shall at the same time forward the certificate of registration to the registering authority or, as the case may be, to the other registering authority in order that the new address may be entered therein.

⁹⁰[(1-A) 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.]

(2) If the owner of a motor vehicle fails to intimate his new address to the concerned registering authority within the period specified in sub-section (1), the registering authority may, having regard to the circumstances of the case, require the owner to pay, in lieu of any action that may be taken against him under Section 177, such amount not exceeding ⁹¹[five hundred rupees] as may be prescribed under sub-section (4):

Provided that action under Section 177 shall be taken against the owner where he fails to pay the said amount.

(3) Where a person has paid the amount under sub-section (2), no action shall be taken against him under Section 177.

(4) For the purposes of sub-section (2), a State Government may prescribe different amounts having regard to the period of delay in intimating his new address.

(5) On receipt of intimation under sub-section (1), the registering authority may, after making such verification as it may think fit, cause the new address to be entered in the certificate of registration.

(6) A registering authority other than the original registering authority making any such entry shall communicate the altered address to the original registering authority.

(7) Nothing in sub-section (1) shall apply where the change of the address recorded in the certificate of registration is due to a temporary absence not intended to exceed six months in duration or where the motor vehicle is neither used nor removed from the address recorded in the certificate of registration.

Corresponding Law: S. 30 of Act IV of 1939

CASE LAW ► Change in address.—The jurisdictional registering authority is under a statutory obligation to effect the entry of the changed address of the owner of a vehicle when required to do so by the latter, without insisting upon him to comply with the requirement of Rule 216 of the Karnataka Rules as a condition precedent, *N. Vasantha Kumar v. Regional Transport Officer, Kolar*, AIR 1988 Kant 110.

⁸⁹. Subs. for "registering authority, to that other registering authority" by Act 32 of 2019, S. 20(i) (w.e.f. 1-9-2019).

⁹⁰. Ins. by Act 32 of 2019, S. 20(ii) (w.e.f. 1-9-2019).

⁹¹. Subs. for "one hundred rupees" by Act 32 of 2019, S. 20(iii) (w.e.f. 1-9-2019).

50. Transfer of ownership.—(1) Where the ownership of any motor vehicle registered under this Chapter is transferred,—

(a) the transferor shall,—

(i) in the case of a vehicle registered within the same State, within fourteen days of the transfer, report the fact of transfer, in such form with such documents and in such manner, as may be prescribed by the Central Government to the registering authority within whose jurisdiction the transfer is to be effected and shall simultaneously send a copy of the said report to the transferee; and

(ii) in the case of a vehicle registered outside the State, within forty-five days of the transfer, forward to the registering authority referred to in sub-clause (i)—

(A) the no objection certificate obtained under Section 48; or

(B) in a case where no such certificate has been obtained,—

(I) the receipt obtained under sub-section (2) of Section 48; or

(II) the postal acknowledgement received by the transferred if he has sent an application in this behalf by registered post acknowledgement due to the registering authority referred to in Section 48, together with a declaration that he has not received any communication from such authority refusing to grant such certificate or requiring him to comply with any direction subject to which such certificate may be granted;

(b) the transferee shall, within thirty days of the transfer, report the transfer to the registering authority within whose jurisdiction he has the residence or place of business where the vehicle is normally kept, as the case may be, and shall forward the certificate of registration to that registering authority together with the prescribed fee and a copy of the report received by him from the transferor in order that particulars of the transfer of ownership may be entered in the certificate of registration.

Corresponding Law: S. 31(1) of Act IV of 1939

(2) Where—

(a) the person in whose name a motor vehicle stands registered dies, or

(b) a motor vehicle has been purchased or acquired at a public auction conducted by, or on behalf of Government,

the person succeeding to the possession of the vehicle or, as the case may be, who has purchased or acquired the motor vehicle, shall make an application for the purpose of transferring the ownership of the vehicle in his name, to the registering authority in whose jurisdiction he has the residence or place of business where the

vehicle is normally kept, as the case may be, in such manner, accompanied with such fee, and within such period as may be prescribed by the Central Government.

(3) If the transferor or the transferee fails to report to the registering authority the fact of transfer within the period specified in clause (a) or clause (b) of sub-section (1), as the case may be, or if the person who is required to make an application under sub-section (2) (hereafter in this section referred to as the other person) fails to make such application within the period prescribed, the registering authority may, having regard to the circumstances of the case, require the transferor or the transferee, or the other person, as the case may be, to pay, in lieu of any action that may be taken against him under Section 177 such amount not exceeding one hundred rupees as may be prescribed under sub-section (5):

Provided that action under Section 177 shall be taken against the transferor or the transferee or the other person, as the case may be, where he fails to pay the said amount.

Corresponding Law: S. 31(1-A) of Act IV of 1939

(4) Where a person has paid the amount under sub-section (3), no action shall be taken against him under Section 177.

Corresponding Law: S. 31(1-B) of Act IV of 1939

(5) For the purposes of sub-section (3), a State Government may prescribe different amounts having regard to the period of delay on the part of the transferor or the transferee in reporting the fact of transfer of ownership of the motor vehicle or of the other person in making the application under sub-section (2).

Corresponding Law: S. 31(1-C) of Act IV of 1939

(6) On receipt of a report under sub-section (1), or an application under sub-section (2), the registering authority may cause the transfer of ownership to be entered in the certificate of registration.

(7) A registering authority making any such entry shall communicate the transfer of ownership to the transferor and to the original registering authority, if it is not the original registering authority.

Corresponding Law: S. 31(2) of Act IV of 1939

51. Special provisions regarding motor vehicle subject to hire-purchase agreement, etc.—(1) Where an application for registration of a motor vehicle which is held under a hire-purchase, lease or hypothecation agreement (hereafter in this section referred to as the said agreement) is made, the registering authority shall make an entry in the certificate of registration regarding the existence of the said agreement.

Corresponding Law: S. 31-A(1) of Act IV of 1939

(2) Where the ownership of any motor vehicle registered under this Chapter is transferred and the transferee enters into the said agreement with any person, the [last]⁹² registering authority shall, on receipt of an application in such form as the Central Government may prescribe from the parties to the said agreement, make

⁹² Subs. for "original" by Act 54 of 1994, S. 14 (w.e.f. 14-11-1994).

an entry as to the existence of the said agreement in the certificate of registration⁹³[and an intimation in this regard shall be sent to the original registering authority if the last registering authority is not the original registering authority.]

Corresponding Law: S. 31-A(2) of Act IV of 1939

(3) Any entry made under sub-section (1) or sub-section (2), may be cancelled by the [last]⁹⁴ registering authority on proof of the termination of the said agreement by the parties concerned on an application being made in such form as the Central Government may prescribe⁹⁵[and an intimation in this behalf shall be sent to the original registering authority if the last registering authority is not the original registering authority.]

Corresponding Law: S. 31-A(3) of Act IV of 1939

(4) No entry regarding the transfer of ownership of any motor vehicle which is held under the said agreement shall be made in the certificate of registration except with the written consent of the person whose name has been specified in the certificate of registration as the person with whom the registered owner has entered into the said agreement.

Corresponding Law: S. 31-A(4) of Act IV of 1939

(5) Where the person whose name has been specified in the certificate of registration as the person with whom the registered owner has entered into the said agreement, satisfies the registering authority that he has taken possession of the vehicle [from the registered owner]⁹⁶ owing to the default of the registered owner under the provisions of the said agreement and that the registered owner refuses to deliver the certificate of registration or has absconded, such authority may, after giving the registered owner an opportunity to make such representation as he may wish to make (by sending to him a notice by registered post acknowledgement due at his address entered in the certificate of registration) and notwithstanding that the certificate of registration is not produced before it, cancel the certificate and issue a fresh certificate of registration in the name of the person with whom the registered owner has entered into the said agreement:

Provided that a fresh certificate of registration shall not be issued in respect of a motor vehicle, unless such person pays the prescribed fee:

Provided further that a fresh certificate of registration issued in respect of a motor vehicle, other than a transport vehicle, shall be valid only for the remaining period for which the certificate cancelled under this sub-section would have been in force.

Corresponding Law: S. 31-A(5) of Act IV of 1939

(6) The registered owner shall, before applying to the appropriate authority, for the renewal of a permit under Section 81 or for the issue of duplicate certificate of registration under sub-section (14) of Section 41, or for the assignment of a new

93. *Ins.* by Act 54 of 1994, S. 14 (w.e.f. 14-11-1994).

94. *Subs.* for "last" by Act 54 of 1994, S. 14 (w.e.f. 14-11-1994).

95. *Ins.* by Act 54 of 1994, S. 14 (w.e.f. 14-11-1994).

96. *Ins.* by Act 54 of 1994, S. 14 (w.e.f. 14-11-1994).

registration mark under Section 47, ⁹⁷[or removal of the vehicle to another State, or at the time of conversion of the vehicle from one class to another, or for issue of no objection certificate under Section 48 or for change of residence or place of business under Section 49, or for the alteration of the vehicle under Section 52,] make an application to the person with whom the registered owner has entered into the said agreement (such person being hereafter in this section referred to as the financier) for the issue of a no objection certificate (hereafter in this section referred to as the certificate).

Explanation.—For the purposes of this sub-section and sub-sections (8) and (9), “appropriate authority”, in relation to any permit, means the authority which is authorised by this Act to renew such permit and, in relation to registration means the authority which is authorised by this Act to issue duplicate certificate of registration or to assign a new registration mark.

Corresponding Law: S. 31-A(5-A) of Act IV of 1939

(7) Within seven days of the receipt of an application under sub-section (6), the financier may issue, or refuse, for reasons which shall be recorded in writing and communicated to the applicant, to issue, the certificate applied for, and where the financier fails to issue the certificate and also fails to communicate the reasons for refusal to issue the certificate to the applicant within the said period of seven days, the certificate applied for shall be deemed to have been issued by the financier.

Corresponding Law: S. 31-A(5-B) of Act IV of 1939

(8) The registered owner shall, while applying to the appropriate authority for the renewal of any permit under Section 81, or for the issue of a duplicate certificate of registration, under sub-section (14) of Section 41, or while applying for assignment of a new registration mark under Section 47, submit with such application the certificate, if any, obtained under sub-section (7) or, where no such certificate has been obtained, the communication received from the financier under that sub-section, or, as the case may be, a declaration that he has not received any communication from the financier within the period of seven days specified in that sub-section.

Corresponding Law: S. 31-A(5-C) of Act IV of 1939

(9) On receipt of an application for the renewal of any permit or for the issue of duplicate certificate of registration or for assignment of a new registration mark in respect of a vehicle which is held under the said agreement, the appropriate authority may, subject to the other provisions of this Act,—

- (a) in a case where the financier has refused to issue the certificate applied for, after giving the applicant an opportunity of being heard, either—
 - (i) renew or refuse to renew the permit, or
 - (ii) issue or refuse to issue the duplicate certificate of registration, or
 - (iii) assign or refuse to assign a new registration mark;
- (b) in any other case,—
 - (i) renew the permit, or
 - (ii) issue duplicate certificate of registration, or

⁹⁷ Ins. by Act 54 of 1994, S. 14 (w.e.f. 14-11-1994).

(iii) assign a new registration mark.

Corresponding Law: S. 31-A(5-D) of Act IV of 1939

(10) A registering authority making an entry in the certificate of registration regarding—

- (a) hire-purchase, lease or hypothecation agreement of a motor vehicle, or
- (b) the cancellation under sub-section (3) of an entry, or
- (c) recording transfer of ownership of motor vehicle, or
- (d) any alteration in a motor vehicle, or
- (e) suspension or cancellation of registration of a motor vehicle, or
- (f) change of address,

shall communicate [by registered post acknowledgement due]⁹⁸ to the financier that such entry has been made.

⁹⁹[(11) A registering authority registering the new vehicle, or issuing the duplicate certificate of registration or a no objection certificate or a temporary certificate of registration, or issuing or renewing, a fitness certificate or substituting entries relating to another motor vehicle in the permit, shall intimate the financier of such transaction.

(12) The registering authority where it is not the original registering authority, when making entry under sub-section (1) or sub-section (2), or cancelling the said entry under sub-section (3) or issuing the fresh certificate of registration under sub-section (5) shall communicate the same to the original registering authority.]

Notes on clauses

Clause 14 of Bill No. 53 of 1994 seeks to make certain amendments in Section 51 of a consequential nature, because of amendments to Sections 41, 43 and 48, etc. It also seeks to modify sub-section (11) regarding intimation to be sent to the financiers in case of certain transactions.

¹⁰⁰[**52. Alteration in motor vehicle.**—(1) No owner of a motor vehicle shall so alter the vehicle that the particulars contained in the certificate of registration are at variance with those originally specified by the manufacturer:

Provided that where the owner of a motor vehicle makes modification of the engine, or any part thereof, of a vehicle for facilitating its operation by different type of fuel or source of energy including battery, compressed natural gas, solar power, liquid petroleum gas or any other fuel or source of energy, by fitment of a conversion kit, such modification shall be carried out subject to such conditions as may be prescribed:

¹⁰¹[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:]

98. *Ins.* by Act 54 of 1994, S. 14 (w.e.f. 14-11-1994).

99. *Subs.* by Act 54 of 1994, S. 14 (w.e.f. 14-11-1994).

100. *Subs.* by Act 27 of 2000, S. 2, for S. 52 (w.e.f. 11-8-2000).

101. *Subs.* by Act 32 of 2019, S. 21(i) (w.e.f. 1-4-2021). Prior to substitution it read as:

“Provided further that the Central Government may prescribe specifications, conditions for approval, retrofitment and other related matters for such conversion kits:”

Provided also that the Central Government may grant exemption for alteration of vehicles in a manner other than specified above, for any specific purpose.

¹⁰²[(1-A) 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.]

¹⁰³[(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 prescribed by the Central Government.]

(3) Where any alteration has been made in motor vehicle without the approval of registering authority ¹⁰⁴[* * *], the owner of the vehicle shall, within fourteen days of the making of the alteration, report the alteration to the registering authority within whose jurisdiction he resides and shall forward the certificate of registration to that authority together with the prescribed fee in order that particulars of registration may be entered therein.

(4) A registering authority other than the original registering authority making any such entry shall communicate the details of the entry to the original registering authority.

(5) Subject to the provisions made under sub-sections (1), (2), (3) and (4), no person holding a vehicle under a hire-purchase agreement shall make any alteration to the vehicle except with the written consent of the registered owner.

Explanation.—For the purposes of this section, “alteration” means a change in the structure of a vehicle which results in a change in its basic feature.]

Corresponding Law: S. 32 of Act IV of 1939

Notes on clauses

Clause 15 of Bill No. 53 of 1994 seeks to amend Section 52 to elaborate the procedure of alteration to be carried in the motor vehicle.

CASE LAW ▶ Alteration of vehicle at variance with particulars contained in the certificate of registration — Impermissibility of.—No vehicle can be altered in a manner where particulars in the certificate of registration are at variance with those “originally specified by the manufacturer”. Also, the rules cannot be so interpreted so as to permit the alteration as prohibited under Section 52(1) of the Act. Further, the provisions of Sections 52(2), (3), (4) and (5) have to be read harmoniously and the Explanation to Section 52 says that “alteration” means a change in the structure of a vehicle which results in a change in its

¹⁰² Ins. by Act 32 of 2019, S. 21(ii) (w.e.f. 1-9-2019).

¹⁰³ Subs. by Act 32 of 2019, S. 21(iii) (w.e.f. 1-4-2021). Prior to substitution it read as:

“(2) Notwithstanding anything contained in sub-section (1), a State Government may, by notification in the Official Gazette, authorise, subject to such conditions as may be specified in the notification, and permit any person owning not less than ten transport vehicles to alter any vehicle owned by him so as to replace the engine thereof with engine of the same make and type, without the approval of registering authority.”

¹⁰⁴ The words “or by reason of replacement of its engine without such approval under sub-section (2)” omitted by Act 32 of 2019, S. 21(iv) (w.e.f. 1-4-2021).

basic feature. Thus, alterations which do not change the basic features are outside the purview of alteration, *Regional Transport Officer v. K. Jayachandra*, (2019) 3 SCC 722.

53. Suspension of registration.—(1) If any registering authority or other prescribed authority has reason to believe that any motor vehicle within its jurisdiction—

- (a) is in such a condition that its use in a public place would constitute a danger to the public, or that it fails to comply with the requirements of this Act or of the rules made thereunder, or
- (b) has been, or is being, used for hire or reward without a valid permit for being used as such,

the authority may, after giving the owner an opportunity of making any representation he may wish to make (by sending to the owner a notice by registered post acknowledgment due at his address entered in the certificate of registration), for reasons to be recorded in writing, suspend the certificate of registration of the vehicle—

- (i) in any case falling under clause (a), until the defects are rectified to its satisfaction; and
- (ii) in any case falling under clause (b), for a period not exceeding four months.

(2) An authority other than a registering authority shall, when making a suspension order under sub-section (1), intimate in writing the fact of such suspension and the reasons therefor to the registering authority within whose jurisdiction the vehicle is at the time of the suspension.

(3) Where the registration of a motor vehicle has been suspended under sub-section (1) for a continuous period of not less than one month, the registering authority, within whose jurisdiction the vehicle was when the registration was suspended, shall, if it is not the original registering authority, inform that authority of the suspension.

(4) The owner of a motor vehicle shall, on the demand of a registering authority or other prescribed authority which has suspended the certificate of registration of the vehicle under this section, surrender the certificate of registration.

(5) A certificate of registration surrendered under sub-section (4) shall be returned to the owner when the order suspending registration has been rescinded and not before.

Corresponding Law: S. 33 of Act IV of 1939

CASE LAW ► Imposition of suspension.—Imposition of the penalty of suspension is in its nature punitive. It is a measure of punishment imposed on the owner. Therefore, exercise of that power is quasi-judicial in character inasmuch as the Registering Authority has to give an opportunity to the offender of being heard and thereafter proceed to impose punishment if found guilty of the offence alleged, *K. Krishnappa v. Registering Authority and Regional Transport Officer*, AIR 1988 Kant 21.

► Period of suspension.—There is no mandate in the section which empowers the Registering Authorities to impose four months' suspension, as a matter of course, in all cases. Automatic matter of course

approach in suspending the registration certificate for the maximum period, is arbitrary exercise of power and without the authority of law, *K. Krishnappa v. Registering Authority and Regional Transport Officer*, AIR 1988 Kant 21.

54. Cancellation of registration suspended under Section 53.—Where the suspension of registration of a vehicle under Section 53 has continued without interruption for a period not less than six months, the registering authority within whose jurisdiction the vehicle was when the registration was suspended, may, if it is the original registering authority, cancel the registration, and if it is not the original registering authority, shall forward the certificate of registration to that authority which may cancel the registration.

55. Cancellation of registration.—(1) If a motor vehicle has been destroyed or has been rendered permanently incapable of use, the owner shall, within fourteen days or as soon as may be, report the fact to the registering authority within whose jurisdiction he has the residence or place of business where the vehicle is normally kept, as the case may be, and shall forward to that authority the certificate of registration of the vehicle.

(2) The registering authority shall, if it is the original registering authority, cancel the registration and the certificate of registration, or, if it is not, shall forward the report and the certificate of registration to the original registering authority and that authority shall cancel the registration.

(3) Any registering authority may order the examination of a motor vehicle within its jurisdiction by such authority as the State Government may by order appoint and, if, upon such examination and after giving the owner an opportunity to make any representation he may wish to make (by sending to the owner a notice by registered post acknowledgement due at his address entered in the certificate of registration), it is satisfied that the vehicle is in such a condition that it is incapable of being used or its use in a public place would constitute a danger to the public and that it is beyond reasonable repair, may cancel the registration.

(4) If a registering authority is satisfied that a motor vehicle has been permanently removed out of India, the registering authority shall cancel the registration.

(5) If a registering authority is satisfied that the registration of a motor vehicle has been obtained 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, the registering authority shall after giving the owner an opportunity to make such representation as he may wish to make (by sending to the owner a notice by registered post acknowledgement due at his address entered in the certificate of registration), and for reasons to be recorded in writing, cancel the registration.

¹⁰⁵[(5-A) If any registering authority or other prescribed authority has reason to believe that any motor vehicle within its jurisdiction has been used in the commission of an offence punishable under Section 199-A, 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.]

(6) A registering authority cancelling the registration of a motor vehicle under Section 54 or under this section shall communicate such fact in writing to the owner of the vehicle, and the owner of the vehicle shall forthwith surrender to that authority the certificate of registration of the vehicle.

(7) A registering authority making an order of cancellation under Section 54 or under this section shall, if it is the original registering authority, cancel the certificate of registration and the entry relating to the vehicle in its records, and, if it is not the original registering authority, forward the certificate of registration to that authority, and that authority shall cancel the certificate of registration and the entry relating to the motor vehicle in its records.

(8) The expression "original registering authority" in this section and in Sections 41, 49, 50, 51, 52, 53 and 54 means the registering authority in whose records the registration of the vehicle is recorded.

(9) In this section, "certificate of registration" includes a certificate of registration renewed under the provisions of this Act.

Corresponding Law: S. 34 of Act IV of 1939

56. Certificate of fitness of transport vehicles.—(1) Subject to the provisions of Sections 59 and 60, a transport vehicle shall not be deemed to be validly registered for the purposes of Section 39, unless it carries a certificate of fitness in such form containing such particulars and information as may be prescribed by the Central Government, issued by the prescribed authority, or by an authorized testing station mentioned in sub-section (2), to the effect that the vehicle complies for the time being with all the requirements of this Act and the rules made thereunder:

Provided that where the prescribed authority or the authorized testing station refuses to issue such certificate, it shall supply the owner of the vehicle with its reasons in writing for such refusal.

¹⁰⁶[Provided further that no certificate of fitness shall be granted to a vehicle, after such date as may be notified by the Central Government, unless such vehicle has been tested at an automated testing station.]

Corresponding Law: S. 38(1) of Act IV of 1939

¹⁰⁷[(2) The "authorised testing station" referred to in sub-section (1) means any facility, including automated testing facilities, authorised by the State Government,

105. *Ins.* by Act 32 of 2019, S. 22 (w.e.f. 1-9-2019).

106. *Ins.* by Act 32 of 2019, S. 23(i) (w.e.f. 1-4-2021).

107. *Subs.* by Act 32 of 2019, S. 23(ii) (w.e.f. 1-4-2021). Prior to substitution it read as:

where fitness testing may be conducted in accordance with the rules made by the Central Government for recognition, regulation and control of such stations.]

(3) Subject to the provisions of sub-section (4), a certificate of fitness shall remain effective for such period as may be prescribed by the Central Government having regard to the objects of this Act.

Corresponding Law: S. 38(2) of Act IV of 1939

(4) The prescribed authority may for reasons to be recorded in writing cancel a certificate of fitness at any time, if satisfied that the vehicle to which it relates no longer complies with all the requirements of this Act and the rules made thereunder; and on such cancellation the certificate of registration of the vehicle and any permit granted in respect of the vehicle under Chapter V shall be deemed to be suspended until a new certificate of fitness has been obtained:

¹⁰⁸[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.]

Corresponding Law: S. 38(3) of Act IV of 1939

(5) A certificate of fitness issued under this Act shall, while it remains effective, be valid throughout India.

Corresponding Law: S. 38(4) of Act IV of 1939

¹⁰⁹[(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.]

“(2) The “authorized testing station” referred to in sub-section (1) means a vehicle service station or public or private garage which the State Government, having regard to the experience, training and ability of the operator of such station or garage and the testing equipment and the testing personnel therein, may specify in accordance with the rules made by the Central Government for regulation and control of such stations or garages.”

¹⁰⁸ Subs. by Act 32 of 2019, S. 23(iii) (w.e.f. 1-4-2021). Prior to substitution it read as:

“Provided that no such cancellation shall be made by the prescribed authority unless such prescribed authority holds such technical qualification as may be prescribed or where the prescribed authority does not hold such technical qualification on the basis of the report of an officer having such qualifications.”

¹⁰⁹ Ins. by Act 32 of 2019, S. 23(iv) (w.e.f. 1-4-2021).

Notes on clauses

Clause 16 of Bill No. 53 of 1994 seeks to amend Section 56 so as to provide that the prescribed authority, where it is not technically qualified, shall act on the basis of the report of an officer having technical qualifications.

57. Appeals.—¹¹⁰[(1) Any person aggrieved by an order of the registering authority under Sections 41, 42, 43, 45, 47, 48, 49, 50, 52, 53, 55 or 56 may, within thirty days of the date on which he has received notice of such order appeal against the order to the prescribed authority.]

(2) The appellate authority shall give notice of the appeal to the original authority and after giving an opportunity to the original authority and the appellant to be heard in the appeal pass such orders as it thinks fit.

Corresponding Law: S. 35 of Act IV of 1939

Notes on clauses

Clause 17 of Bill No. 53 of 1994 seeks to amend Section 57 relating to appeals so as to include appeal against the orders, etc. under Sections 41, 42, etc.

58. Special provisions in regard to transport vehicles.—(1) The Central Government may, having regard to the number, nature and size of the tyres attached to the wheels of a transport vehicle, (other than a motor cab), and its make and model and other relevant considerations, by notification in the Official Gazette, specify, in relation to each make and model of a transport vehicle, the maximum [gross vehicle]¹¹¹ weight of such vehicle and the maximum safe axle weight of each axle of such vehicle.

(2) A registering authority, when registering a transport vehicle, other than a motor cab shall enter in the record of registration and shall also enter in the certificate of registration of the vehicle the following particulars, namely:—

- (a) the unladen weight of the vehicle;
- (b) the number, nature and size of the tyres attached to each wheel;
- (c) the gross vehicle weight of the vehicle and the registered axle weights pertaining to the several axles thereof; and
- (d) if the vehicle is used or adapted to be used for the carriage of passengers solely or in addition to goods, the number of passengers for whom accommodation is provided,

and the owner of the vehicle shall have the same particulars exhibited in the prescribed manner on the vehicle.

(3) There shall not be entered in the certificate of registration of any such vehicle any gross vehicle weight or a registered axle weight of any of the axles different from that specified in the notification under sub-section (1) in relation to the make and model of such vehicle and to the number, nature and size of the tyres attached to its wheels:

Provided that where it appears to the Central Government that heavier weights than those specified in the notification under sub-section (1) may be permitted in

110. Subs. by Act 54 of 1994, S. 17 (w.e.f. 14-11-1994).

111. Subs. for "safe laden" by Act 54 of 1994, S. 18 (w.e.f. 14-11-1994).

a particular locality for vehicles of a particular type, the Central Government may, by order in the Official Gazette direct that the provisions of this sub-section shall apply with such modifications as may be specified in the order.

(4) [* * *]¹¹²

(5) In order that the gross vehicle weight entered in the certificate of registration of a vehicle may be revised in accordance with the provisions of sub-section (3), the registering authority may require the owner of transport vehicle in accordance with such procedure as may be prescribed to produce the certificate of registration within such time as may be specified by the registering authority.

Corresponding Law: S. 36 of Act IV of 1939

Notes on clauses

Clause 18 of Bill No. 53 of 1994 seeks to amend Section 58 to specify the maximum gross vehicle weight in respect of transport vehicle, instead of the maximum safe laden weight as at present.

CASE LAW ► Overloaders.—The object for which maximum permissible weights have been fixed is crystal-clear. Overloading causes significant damage to the road surface and also cause pollution through auto-emissions. Besides, overloaded vehicles are safety hazards not only for themselves, but also for other road users. Responsibility for enforcing the provisions of the MV Act and Central Rules being that of the State Government they have been suitably advised by the Central Governments to scrupulously enforce the same. Further, the State Government have also been directed to discontinue the practice of issuing green cards/golden passes purportedly on the basis of power of composition under Section 200, *Paramjit Bhasin v. Union of India*, (2005) 12 SCC 642.

► **Penal nature.**—Nature of provisions under MV Act relating to “laden weight” and “unladen weight” being penal in nature, must be held to be imperative in character, *Jantia Hill Truck Owners Assn. v. Shailang Area Coal Dealer & Truck Owner Assn.*, (2009) 8 SCC 492.

59. Power to fix the age limit of motor vehicle.—(1) The Central Government may, having regard to the public safety, convenience and objects of this Act, by notification in the Official Gazette, specify the life of a motor vehicle reckoned from the date of its manufacture, after the expiry of which the motor vehicle shall not be deemed to comply with the requirements of this Act and the rules made thereunder:

Provided that the Central Government may specify different ages for different classes or different types of motor vehicles.

(2) Notwithstanding anything contained in sub-section (1), the Central Government may, having regard to the purpose of a motor vehicle, such as, display or use for the purposes of a demonstration in any exhibition, use for the purposes of technical research or taking part in a vintage car rally, by notification in the Official Gazette, exempt, by a general or special order, subject to such conditions as may be

¹¹² Sub-section (4) omitted by Act 27 of 2000, S. 3 (w.e.f. 11-8-2000). Prior to omission it read as:

“When by reason of any alteration in such vehicle, including an alteration in the number, nature or size of its tyres, the gross vehicle weight of the vehicle or the registered axle weight of any of its axles no longer accords with the provisions of sub-section (3), the provisions of Section 52 shall apply and the registering authority shall enter in the certificate of registration of the vehicle revised registered weights which accord with the said sub-section.”

specified in such notification, any class or type of motor vehicle from the operation of sub-section (1) for the purpose to be stated in the notification.

(3) Notwithstanding anything contained in Section 56, no prescribed authority or authorized testing station shall grant a certificate of fitness to a motor vehicle in contravention of the provisions of any notification issued under sub-section (1).

¹¹³[(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.]

60. Registration of vehicles belonging to the Central Government.—(1) Such authority as the Central Government may, by notification in the Official Gazette, specify, may register any motor vehicle which is the property or for the time being under the exclusive control of the Central Government and is used for Government purposes relating to the defence of the country and unconnected with any commercial enterprise and any vehicle so registered shall not, so long as it remains the property or under the exclusive control of the Central Government, require to be registered otherwise under this Act.

Corresponding Law: S. 39(1) of Act IV of 1939

(2) The authority registering a vehicle under sub-section (1) shall assign a registration mark in accordance with the provisions contained in the rules made in this behalf by the Central Government and shall issue a certificate in respect of that vehicle to the effect that such vehicle complies for the time being with all the requirements of this Act and the rules made thereunder and that the vehicle has been registered under this section.

Corresponding Law: S. 39(3) of Act IV of 1939

(3) A vehicle registered under this section shall carry the certificate issued under sub-section (2).

Corresponding Law: S. 39(2) of Act IV of 1939

(4) If a vehicle registered under this section ceases to be property or under the exclusive control of the Central Government, the provisions of Sections 39 and 40 shall thereupon apply.

Corresponding Law: S. 39(4) of Act IV of 1939

(5) The authority registering a vehicle under sub-section (1) shall furnish to any State Government all such information regarding the general nature, overall dimensions and axle weights of the vehicle as the State Government may at any time require.

Corresponding Law: S. 39(5) of Act IV of 1939

61. Application of Chapter to trailers.—(1) The provisions of this Chapter shall apply to the registration of trailers as they apply to the registration of any other motor vehicle.

113. *Ins.* by Act 32 of 2019, S. 24 (w.e.f. 1-9-2019).

(2) The registration mark assigned to a trailer shall be displayed in such manner on the side of the drawing vehicle as may be prescribed by the Central Government.

Corresponding Law: S. 40(1) of Act IV of 1939

(3) No person shall drive a motor vehicle to which a trailer is or trailers are attached unless the registration mark of the motor vehicle so driven is displayed on the trailer or on the last trailer in the train, as the case may be, in such manner as may be prescribed by the Central Government.

Corresponding Law: S. 40(2) of Act IV of 1939

62. Information regarding stolen and recovered motor vehicles to be furnished by the police to the State Transport Authority.—The State Government may, if it thinks necessary or expedient so to do in the public interest, direct the submission by the Inspector General of Police (by whatever designation called) and such other police officers as the State Government may specify in this behalf, of such returns containing the information regarding vehicles which have been stolen and stolen vehicles which have been recovered of which the police are aware, to the State Transport Authority, and may prescribe the form in which and the period within which such returns shall be made.

¹¹⁴**[62-A. Prohibition of registration and issuance of certificate of fitness to oversized vehicles.**—(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.]

¹¹⁵**[62-B. National Register of Motor Vehicles.**—(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.]

114. *Ins.* by Act 32 of 2019, S. 25 (w.e.f. 1-4-2021).

115. *Ins.* by Act 32 of 2019, S. 25 (w.e.f. 1-4-2021).

¹¹⁶[63. **Maintenance of State Registers of Motor Vehicles.**—Each State Government shall maintain in such form as may be prescribed by the Central Government a register to be known as the State Register of Motor Vehicles, in respect of the motor vehicles in that State, containing the particulars including—

- (a) registration numbers;
- (b) years of manufacture;
- (c) classes and types;
- (d) names and addresses of registered owners; and
- (e) such other particulars as may be prescribed by the Central Government.]

64. Powers of Central Government to make rules.—The Central Government may make rules to provide for all or any of the following matters, namely—

- (a) the period within which and the form in which an application shall be made and the documents, particulars and information it shall accompany under sub-section (1) of Section 41;
- (b) the form in which the certificate of registration shall be made and the particulars and information it shall contain and the manner in which it shall be issued under sub-section (3) of Section 41;
- (c) the form and manner in which the particulars of the certificate of registration shall be entered in the records of the registering authority under sub-section (5) of Section 41;
- (d) the manner in which and the form in which the registration mark, the letters and figures and other particulars referred to in sub-section (6) of Section 41 shall be displayed and shown;
- ¹¹⁷[(da) providing for the period of validity of a certificate of registration under sub-section (7) of Section 41;]
- (e) the period within which and the form in which the application shall be made and the particulars and information it shall contain under sub-section (8) of Section 41;
- ¹¹⁸[(ea) the period of renewal of certificate of registration of different types of motor vehicles under sub-section (10) of Section 41;]

116. *Subs.* by Act 32 of 2019, S. 26 (w.e.f. 1-4-2021). Prior to substitution it read as:

“63. *Maintenance of State Registers of Motor Vehicles.*—(1) Each State Government shall maintain in such form as may be prescribed by the Central Government a register to be known as the State Register of Motor Vehicles, in respect of the motor vehicles in that State, containing the following particulars, namely—

- (a) registration numbers;
- (b) years of manufacture;
- (c) classes and types;
- (d) names and addresses of registered owners; and
- (e) such other particulars as may be prescribed by the Central Government.

(2) Each State Government shall supply to the Central Government if so desired by it a printed copy of the State Register of Motor Vehicles and shall also inform the Central Government without delay of all additions to and other amendments in such register made from time to time.

(3) The State Register of Motor Vehicles shall be maintained in such manner as may be prescribed by the State Government.”

117. *Ins.* by Act 32 of 2019, S. 27(i) (w.e.f. 1-9-2019).

118. *Ins.* by Act 32 of 2019, S. 27(ii) (w.e.f. 1-9-2019).

- (f) the form in which the application referred to in sub-section (14) of Section 41 shall be made, the particulars and information it shall contain and the fee to be charged;
- ¹¹⁹[(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;]
- (g) the form in which and the period within which the application referred to in sub-section (1) of Section 47 shall be made and the particulars it shall contain;
- (h) the form in which and the manner in which the application for "No Objection Certificate" shall be made under sub-section (1) of Section 48 and the form of receipt to be issued under sub-section (2) of Section 48;
- (i) the matters that are to be complied with by an applicant before no objection certificate may be issued under Section 48;
- (j) the form in which the intimation of change of address shall be made under sub-section (1) of Section 49 and the documents to be submitted along with the application;
- ¹²⁰[(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 (1-A) of Section 49;]
- (k) the form in which and the manner in which the intimation of transfer of ownership shall be made under sub-section (1) of Section 50 or under sub-section (2) of Section 50 and the document to be submitted along with the application;
- (l) the form in which the application under sub-section (2) or sub-section (3) of Section 51 shall be made;
- ¹²¹[(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;]
- (m) the form in which the certificate of fitness shall be issued under sub-section (1) of Section 56 and the particulars and information it shall contain;
- (n) the period for which the certificate of fitness granted or renewed under Section 56 shall be effective;
- ¹²²[(na) the distinguishing mark to be carried on the body of transport vehicles under sub-section (6) of Section 56;

119. *Ins. by Act 32 of 2019, S. 27(iii) (w.e.f. 1-9-2019).*

120. *Ins. by Act 32 of 2019, S. 27(iv) (w.e.f. 1-9-2019).*

121. *Ins. by Act 32 of 2019, S. 27(v) (w.e.f. 1-9-2019).*

122. *Ins. by Act 32 of 2019, S. 27(vi) (w.e.f. 1-9-2019).*

- (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;]
 - (o) the fees to be charged for the issue or renewal or alteration of certificates of registration, for making an entry regarding transfer of ownership on a certificate of registration, for making or cancelling an endorsement in respect of agreement of hire-purchase or lease or hypothecation on a certificate of registration, for certificates of fitness for registration marks, and for the examination or inspection of motor vehicles, and the refund of such fees.
- ¹²³[(oa) all or any of the matters under sub-section (1) of Section 62-B;
- (ob) all or any of the matters under sub-section (1) and sub-section (2) of Section 63;]
 - (p) any other matter which is to be, or may be, prescribed by the Central Government.

65. Power of State Government to make rules.—(1) A State Government may make rules for the purpose of carrying into effect the provisions of this Chapter other than the matters specified in Section 64.

Corresponding Law: S. 41(1) of Act IV of 1939

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the conduct and hearing of appeals that may be preferred under this Chapter (the fees to be paid in respect of such appeals and the refund of such fees);
- (b) the appointment, functions and jurisdiction of registering and other prescribed authorities;
- (c) the exemption of road-rollers, graders and other vehicles designed and used solely for the construction, repair and cleaning of roads from all or any of the provisions of this Chapter and the rules made thereunder and the conditions governing such exemption;
- (d) the issue or renewal of certificates of registration and fitness and duplicates of such certificates to replace the certificates lost, destroyed or mutilated;
- (e) the production of certificates of registration before the registering authority for the revision of entries therein of particulars relating to the gross vehicle weight;
- (f) the temporary registration of motor vehicles, and the issue of temporary certificate of registration and marks ¹²⁴[under the proviso to Section 43];
- (g) the manner in which the particulars referred to in sub-section (2) of Section 58 and other prescribed particulars shall be exhibited;

¹²³ Ins. by Act 32 of 2019, S. 27(vii) (w.e.f. 1-9-2019).

¹²⁴ Ins. by Act 32 of 2019, S. 28(i) (w.e.f. 1-9-2019).

- (h) the exemption of prescribed persons or prescribed classes of persons from payment of all or any portion of the fees payable under this Chapter;
- (i) the forms, other than those prescribed by the Central Government, to be used for the purpose of this Chapter;
- (j) the communication between registering authorities of particulars of certificates of registration and by owners of vehicles registered outside the State of particulars of such vehicles and of their registration;
- (k) the amount or amounts under sub-section (13) of Section 41 of sub-section (7) of Section 47 or sub-section (4) of Section 49 or sub-section (5) of Section 50;
- (l) the extension of the validity of certificates of fitness pending consideration of applications for their renewal;
- (m) the exemption from the provisions of this Chapter, and the conditions and fees for exemption, of motor vehicles in the possession of dealers;
- (n) the form in which and the period within which the return under Section 62 shall be sent;
- (o) ¹²⁵[* * *]
- (p) any other matter which is to be or may be prescribed.

Corresponding Law: S. 41(2) of Act IV of 1939

CHAPTER V

CONTROL OF TRANSPORT VEHICLES

66. Necessity for permits.—(1) No owner of a motor vehicle shall use or permit the use of the vehicle as a transport vehicle in any public place whether or not such vehicle is actually carrying any passengers or goods save in accordance with the conditions of a permit granted or countersigned by a Regional or State Transport Authority or any prescribed authority authorising him the use of the vehicle in that place in the manner in which the vehicle is being used:

Provided that a stage carriage permit shall, subject to any conditions that may be specified in the permit, authorise the use of the vehicle as a contract carriage:

Provided further that a stage carriage permit may, subject to any conditions that may be specified in the permit, authorise the use of the vehicle as a goods carriage either when carrying passengers or not:

Provided also that a goods carriage permit shall, subject to any conditions that may be specified in the permit, authorise the holder to use the vehicle for the carriage of goods for or in connection with a trade or business carried on by him.

¹²⁶[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.]

Corresponding Law: S. 42(1) of Act IV of 1939

125. Omitted by Act 32 of 2019, S. 28(ii) (w.e.f. 1-4-2021). Prior to omission it read as:

“(o) the manner in which the State Register of Motor Vehicles shall be maintained under Section 63;”

126. Ins. by Act 32 of 2019, S. 29(i) (w.e.f. 1-9-2019).

(2) The holder of a goods carriage permit may use the vehicle, for the drawing of any public or semi-trailer not owned by him, subject to such conditions as may be prescribed:

¹²⁷[Provided that the holder of a permit of any articulated vehicle may use the prime-mover of that articulated vehicle for any other semi-trailor.]

(3) The provisions of sub-section (1) shall not apply—

- (a) to any transport vehicle owned by the Central Government or a State Government and used for Government purposes unconnected with any commercial enterprise;
- (b) to any transport vehicle owned by a local authority or by a person acting under contract with a local authority and used solely for road cleansing, road watering or conservancy purposes;
- (c) to any transport vehicle used solely for police, fire brigade or ambulance purposes;
- (d) to any transport vehicle used solely for the conveyance of corpses and the mourners accompanying the corpses;
- (e) to any transport vehicle used for towing a disabled vehicle or for removing goods from a disabled vehicle to a place of safety;
- (f) to any transport vehicle used for any other public purpose as may be prescribed by the State Government in this behalf;
- (g) to any transport vehicle used by a person who manufactures or deals in motor vehicles or builds bodies for attachment to chassis, solely for such purposes and in accordance with such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf;
- (h) [* * *]¹²⁸
- (i) to any goods vehicle, the gross vehicle weight of which does not exceed 3,000 kilograms;
- (j) subject to such conditions as the Central Government may, by notification in the Official Gazette, specify, to any transport vehicle purchased in one State and proceeding to a place, situated in that State or in any other State, without carrying any passenger or goods;
- (k) to any transport vehicle which has been temporarily registered under Section 43 while proceeding empty to any place for the purpose of registration of the vehicle;
- (l) [* * *]¹²⁹
- (m) to any transport vehicle which, owing to flood, earthquake or any other natural calamity, obstruction on road, or unforeseen circumstances is required to be diverted through any other route, whether within or outside the State, with a view to enabling it to reach its destination;

127. *Ins.* by Act 54 of 1994, S. 20 (w.e.f. 14-11-1994).

128. *Omitted* by Act 27 of 2000, S. 4 (w.e.f. 11-8-2000). Prior to omission it read as:

“to any transport vehicle owned by, and used solely for the purposes of, any educational institution which is recognised by the Central or State Government or whose managing committee is a society registered under the Societies Registration Act, 1860 (21 of 1860) or under any law corresponding to that Act in force in any part of India;”.

129. *Omitted* by Act 39 of 2001, S. 2 (w.e.f. 27-9-2001). Prior to omission it read as:

“to any motor vehicle which is operated by electric battery, compressed natural gas or solar energy;”.

- (n) to any transport vehicle used for such purposes as the Central or State Government may, by order, specify¹³⁰;
 - (o) to any transport vehicle which is subject to a hire-purchase, lease or hypothecation agreement and which owing to the default of the owner has been taken possession of by or on behalf of, the person with whom the owner has entered into such agreement, to enable such motor vehicle to reach its destination; or
 - (p) to any transport vehicle while proceeding empty to any place for purpose of repair.
- ¹³¹[(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 88-A, or plying under such orders as may be issued by the Central Government or by the State Government.]

Corresponding Law: S. 42(3) of Act IV of 1939

Note: See Noti. No. S.O. 414(E), 417(E), 418(E), 419(E) dt. 8-6-1989.

(4) Subject to the provisions of sub-section (3), sub-section (1) shall, if the State Government by rule made under Section 96 so prescribes, apply to any motor vehicle adapted to carry more than nine persons excluding the driver.

Corresponding Law: S. 42(4) of Act IV of 1939

Notes on clauses

Clause 20 of Bill No. 53 of 1994 seeks to amend Section 66 so as to allow the owner of an articulated vehicle to use the prime mover of that articulated vehicle for any other semi-trailor.

¹³²[**66-A. National Transportation Policy.**—The Central Government may develop a National Transportation Policy consistent with the objects of this Act in concurrence with the 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;

¹³⁰. In exercise of the powers conferred by clause (n) of sub-section (3) of Section 66 of the Motor Vehicles Act, 1988 (59 of 1988), the Central Government hereby orders that the provisions of sub-section (1) of Section 66 of the said Act shall not apply to any transport vehicle of the category e-cart and e-rickshaw as defined in Section 2-A of the aforesaid Act used, or to be used, for the purpose of carriage of goods and passengers with their personal luggage respectively:

Provided that the State Governments may impose restrictions under appropriate traffic laws on plying of these vehicles in specific areas or specific roads. [Vide S.O. 2812(E), dt. 30-8-2016]

¹³¹. Ins. by Act 32 of 2019, S. 29(ii) (w.e.f. 1-9-2019).

¹³². Ins. by Act 32 of 2019, S. 30 (w.e.f. 1-9-2019).

- (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; and
- (xi) address any other matter deemed relevant by the Central Government.]

¹³³[66-B. No bar against permit holders to apply and hold licences under schemes.—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 88-A 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.]

67. Power to State Government to control road transport.—¹³⁴[(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;

133. *Ins.* by Act 32 of 2019, S. 30 (w.e.f. 1-9-2019).

134. *Subs.* by Act 32 of 2019, S. 31(i) (w.e.f. 1-9-2019). Prior to substitution it read as:

“(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) the desirability of preventing uneconomic competition among holders of permits, may, from time to time, by notification in the Official Gazette, issue directions both to the State Transport Authority and Regional Transport Authority—
 - (i) regarding the fixing of fares and freights (including the maximum and minimum in respect thereof) for stage carriages, contract carriages and goods carriages; [***]
 - (ii) regarding the prohibition or restriction, subject to such conditions as may be specified in the directions, of the conveying of long distance goods traffic generally, or of specified classes of goods by goods carriages;
 - (iii) regarding any other matter which may appear to the State Government necessary or expedient for giving effect to any agreement entered into with the Central Government or any other State Government or the Government of any other country relating to the regulation of motor transport generally, and in particular to its co-ordination with other means of transport and the conveying of long distance goods traffic:

Provided that no such notification in respect of the matters referred to in clause (ii) or clause (iii) shall be issued unless a draft of the proposed directions is published in the Official Gazette specifying therein a date being not less than one month after such publication, on or after which the draft will be taken into consideration and any objection or suggestion which may be received has, in consultation with the State Transport Authority, been considered after giving the representatives of the interests affected an opportunity of being heard.”

(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.]

(2) Any direction under sub-section (1) regarding the fixing of fares and freights for stage carriages, contract carriages and goods carriages may provide that such fares or freights shall be inclusive of the tax payable by the passengers or the consignors of the goods, as the case may be, to the operators of the stage carriages, contract carriages or goods carriages under any law for the time being in force relating to tax on passengers and goods.

¹³⁵[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.]

¹³⁶[(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, through 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 deem 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.]

Notes on clauses

Clause 21 of Bill No. 53 of 1994 seeks to amend Section 67 to allow the owners or operators of stage carriages, contract carriages and goods carriages operated by battery, compressed natural gas or solar energy to fix the fares and freights in respect of such carriages for a specified period.

135. Ins. by Act 32 of 2019, S. 31(ii) (w.e.f. 1-9-2019).

136. Ins. by Act 32 of 2019, S. 31(iii) (w.e.f. 1-9-2019).

CASE LAW ► Powers of State Govt.—In view of Section 67(2) of the Motor Vehicles Act, 1988, there is no substance in the submission that the State Government could not prohibit the recovery of the tax levied under the Act from the passengers. The mere fact that Section 67(2) has not been referred to in the circular would make no difference to the existence of the power in the State Government, *Jai Prakash v. State of U.P.*, (2004) 13 SCC 390.

68. Transport Authorities.—(1) The State Government shall, by notification in the Official Gazette, constitute for the State a State Transport Authority to exercise and discharge the powers and functions specified in sub-section (3), and shall in like manner constitute Regional Transport Authorities to exercise and discharge throughout such areas (in this Chapter referred to as regions) as may be specified in the notification, in respect of each Regional Transport Authority; the powers and functions conferred by or under this Chapter on such Authorities:

Provided that in the Union territories, the Administrator may abstain from constituting any Regional Transport Authority.

(2) A State Transport Authority or a Regional Transport Authority shall consist of a Chairman who has had judicial experience or experience as an appellate or a revisional authority or as an adjudicating authority competent to pass any order or take any decision under any law and in the case of a State Transport Authority, such other persons (whether officials or not), not being more than four and, in the case of a Regional Transport Authority, such other persons (whether officials or not), not being more than two, as the State Government may think fit to appoint; but no person who has any financial interest whether as proprietor, employee or otherwise in any transport undertaking shall be appointed, or continue to be, a member of a State or Regional Transport Authority, and, if any person being a member of any such Authority acquires a financial interest in any transport undertaking, he shall within four weeks of so doing, give notice in writing to the State Government of the acquisition of such interest and shall vacate office:

Provided that nothing in this sub-section shall prevent any of the members of the State Transport Authority or a Regional Transport Authority, as the case may be, to preside over a meeting of such Authority during the absence of the Chairman, notwithstanding that such member does not possess judicial experience or experience as an appellate or a revisional authority or as an adjudicating authority competent to pass any order or take any decision under any law:

Provided further that the State Government may,—

- (i) where it considers necessary or expedient so to do, constitute the State Transport Authority or a Regional Transport Authority for any region so as to consist of only one member who shall be an official with judicial experience or experience as an appellate or a revisional authority or as an adjudicating authority competent to pass any order or take any decision under any law;
- (ii) by rules made in this behalf, provide for the transaction of business of such authority in the absence of the Chairman or any other member and

specify the circumstances under which, and the manner in which, such business could be so transacted:

Provided also that nothing in this sub-section shall be construed as debarring an official (other than an official connected directly with the management or operation of a transport undertaking) from being appointed or continuing as a member of any such authority merely by reason of the fact that the Government employing the official has, or acquires, any financial interest in a transport undertaking.

(3) The State Transport Authority and every Regional Transport Authority shall give effect to any directions issued under Section 67 and the State Transport Authority shall, subject to such directions and save as otherwise provided by or under this Act, exercise and discharge throughout the State the following powers and functions, namely—

- (a) to co-ordinate and regulate the activities and policies of the Regional Transport Authorities, if any, of the State;
- (b) to perform the duties of a Regional Transport Authority where there is no such Authority and, if it thinks fit or if so required by a Regional Transport Authority, to perform those duties in respect of any route common to two or more regions;
- (c) to settle all disputes and decide all matters on which differences of opinion arise between Regional Transport Authorities;

¹³⁷[(ca) Government to formulate routes for plying stage carriages; and]

- (d) to discharge such other functions as may be prescribed.

(4) For the purpose of exercising and discharging the powers and functions specified in sub-section (3), a State Transport Authority, may, subject to such conditions as may be prescribed, issue directions to any Regional Transport Authority, and the Regional Transport Authority shall, in the discharge of its functions under this Act, give effect to and be guided by such directions.

(5) The State Transport Authority and any Regional Transport Authority, if authorised in this behalf by rules made under Section 96, may delegate such of its powers and functions to such authority or person subject to such restrictions, limitations and conditions as may be prescribed by the said rules.

Corresponding Law: S. 44 of Act IV of 1939

Notes on clauses

Clause 22 of Bill No. 53 of 1994 seeks to amend Section 68 to empower the Government to formulate routes for plying stage carriages.

CASE LAW ▶ Interpretation/Construction.—The expression “financial interest” occurring in Section 68(2) is capable of a narrower as well as a wider meaning. In the narrower sense, it implies direct personal benefit of an economic nature. In the wider sense, it may include any interest direct or indirect which a person has in relation to the finances of the undertaking. Such an interest may be the interest of an official who manages the finances of the undertaking or on whom rests the burden of financial accountability. The intention of the legislature must be found by reading the statute as a whole. The court must ascertain the

137. *Ins.* by Act 54 of 1994, S. 22 (w.e.f. 14-11-1994).

intention of the legislature by directing its attention not merely to the clauses to be construed but to the entire statute; it must compare the clause with the other parts of the law, and the setting in which the clause to be interpreted occurs. The rule is of general application as even the plainest terms may be controlled by the context. The expressions used in a statute should ordinarily be understood in a sense in which they best harmonize with the object of the statute, and which effectuate the object of the legislature. Therefore, when two interpretations are feasible, the court will prefer that which advances the remedy and suppresses the mischief as the legislature envisioned, *Mor Modern Coop. Transport Society Ltd. v. Financial Commr. & Secy.*, (2002) 6 SCC 269.

69. General provision as to applications for permits.—(1) Every application for a permit shall be made to the Regional Transport Authority of the region in which it is proposed to use the vehicle or vehicles:

Provided that if it is proposed to use the vehicle or vehicles in two or more regions lying within the same State, the application shall be made to the Regional Transport Authority of the region in which the major portion of the proposed route or area lies, and in case the portion of the proposed route or area in each of the regions is approximately equal, to the Regional Transport Authority of the region in which it is proposed to keep the vehicle or vehicles:

Provided further that if it is proposed to use the vehicle or vehicles in two or more regions lying in different States, the application shall be made to the Regional Transport Authority of the region in which the applicant resides or has his principal place of business.

(2) Notwithstanding anything contained in sub-section (1), the State Government may, by notification in the Official Gazette, direct that in the case of any vehicle or vehicles proposed to be used in two or more regions lying in different States, the application under that sub-section shall be made to the State Transport Authority of the region in which the applicant resides or has his principal place of business.

Corresponding Law: S. 45 of Act IV of 1939

CASE LAW ▶ Application for permit.—Under Section 57(8) (as amended by T. N. Act 3 of 1964)—Application to vary conditions of stage carriage permit for inter-regional route RTA which issued the original permit has initial jurisdiction to accord sanction irrespective of whether the major portion of the route or even the entire route in respect of which the variation is sought lies within the jurisdiction of another RTA. RTA within whose jurisdiction such route lies would then either countersign the permit or refuse to do so. Expression “shall be treated as an application for the grant of a new permit”—Import of. Words ‘new permit’ in the context of the expression indicate applicability of sub-sections (3) to (7) of Section 57 and not of Section 45, *M. Duraiswami v. Murugan Bus Service*, 1986 Supp SCC 1.

70. Application for stage carriage permit.—(1) An application for a permit in respect of a stage carriage (in this Chapter referred to as a stage carriage permit) or as a reserve stage carriage shall, as far as may be, contain the following particulars, namely—

- (a) the route or routes or the area or areas to which the application relates;
- (b) the type and seating capacity of each such vehicle;
- (c) the minimum and maximum number of daily trips proposed to be provided and the time-table of the normal trips.

Explanation.—For purposes of this section, Section 72, Section 80 and Section 102, “trip” means a single journey from one point to another, and every return journey shall be deemed to be a separate trip;

- (d) the number of vehicles intended to be kept in reserve to maintain the service and to provide for special occasions;
- (e) the arrangements intended to be made for the housing, maintenance and repair of the vehicles, for the comfort and convenience of passengers and for the storage and safe custody of luggage;
- (f) such other matters as may be prescribed.

Corresponding Law: S. 46 of Act IV of 1939

(2) An application referred to in sub-section (1) shall be accompanied by such documents as may be prescribed.

CASE LAW ▶ Grant of Permit.—Authority is an independent quasi-judicial body which is required to act only in terms of the Act. State or Minister/Chief Minister cannot make recommendations for granting permit to any particular person, nor can Director (Transport) forward such recommendation to the authority to take necessary action as the same would amount to interference with the functioning of the quasi-judicial authority. Authority also cannot take any stand one way or the other and affirm affidavit along with State before the court, *Pancham Chand v. State of H.P.*, (2008) 7 SCC 117.

71. Procedure of Regional Transport Authority in considering application for stage carriage permit.—(1) A Regional Transport Authority shall, while considering an application for a stage carriage permit, have regard to the objects of this Act.

[* * *]¹³⁸

(2) A Regional Transport Authority shall refuse to grant a stage carriage permit if it appears from any time-table furnished that the provisions of this Act relating to the speed at which vehicles may be driven are likely to be contra-vened:

Provided that before such refusal an opportunity shall be given to the applicant to amend the time-table so as to conform to the said provisions.

(3) (a) The State Government shall, if so directed by the Central Government having regard to the number of vehicles, road conditions and other relevant matters, by notification in the Official Gazette, direct a State Transport Authority and a Regional Transport Authority to limit the number of stage carriages generally or of any specified type, as may be fixed and specified in the notification, operating on city routes in towns with a population of not less than five lakhs.

(b) Where the number of stage carriages are fixed under clause (a), the Government of the State shall reserve in the State certain percentage of stage carriage permits for the scheduled castes and the scheduled tribes in the same ratio as in the case of appointments made by direct recruitment to public services in the State.

138. Proviso omitted by Act 54 of 1994, S. 23 (w.e.f. 14-11-1994). Prior to omission it read as:

“Provided that such permit for a route of fifty kilometers or less shall be granted only to an individual or a State transport undertaking.”

(c) Where the number of stage carriages are fixed under clause (a), the Regional Transport Authority shall reserve such number of permits for the scheduled castes and the scheduled tribes as may be fixed by the State Government under sub-clause (b).

Corresponding Law: S. 47(1-A) & (1-B) of Act IV of 1939

(d) After reserving such number of permits as is referred to in clause (c), the Regional Transport Authority shall in considering an application have regard to the following matters, namely—

- (i) financial stability of the applicant;
- (ii) satisfactory performance as a stage carriage operator including payment of tax if the applicant is or has been an operator of stage carriage service; and
- (iii) such other matters as may be prescribed by the State Government:

Provided that, other conditions being equal, preference shall be given to applications for permits from—

- (i) State transport undertakings;
- (ii) co-operative societies registered or deemed to have been registered under any enactment for the time being in force; or
- (iii) ex-servicemen; [or]¹³⁹
- ¹⁴⁰[(iv) any other class or category of persons, as the State Government may, for reasons to be recorded in writing, consider necessary.]

(4) ¹⁴¹[* * *]

(5) ¹⁴²[* * *]

Explanation.—For the purposes of this section “company” means any body corporate, and includes a firm or other association of individuals; and “director”, in relation to a firm, means a partner in the firm.

Notes on clauses

Clause 23 of Bill No. 53 of 1994 seeks to amend the proviso to Section 71 to remove the existing restrictions regarding grant of permits for a route of 50 kms. or less only to the individuals. It also empowers the State Governments to give preference to any class or category of persons in the matter of grant of permits.

State Amendment

Kerala—Amendment of Section 71.—In Section 71 of the Motor Vehicles Act, 1988 in sub-section (4),—

- (i) for the words “five” and “ten”, the words “ten”, and “fifty” shall, respectively, be substituted;

139. Ins. by Act 54 of 1994, S. 23 (w.e.f. 14-11-1994).

140. Ins. by Act 54 of 1994, S. 23 (w.e.f. 14-11-1994).

141. Omitted by Act 54 of 1994, S. 23 (w.e.f. 14-11-1994). Prior to omission it read as:

“(4) A Regional Transport Authority shall not grant more than five stage carriage permits to any individual or more than ten stage carriage permits to any company (not being a State transport undertaking).”

142. Omitted by Act 54 of 1994, S. 23 (w.e.f. 14-11-1994). Prior to omission it read as:

“(5) In computing the number of permits to be granted under sub-section (4), the permits held by an applicant in the name of any other person and the permits held by any company of which such applicant is a director shall also be taken into account.”

- (ii) for the words "any company", the words "any cooperative society or to any company" shall be substituted.

Vide Kerala Act No. 12 of 1993, S. 2 (w.e.f. 26-2-1993).

CASE LAW ▶ Grant of stage carriage permit.—Section 47(1-H) [Section 71(3) of new Act] requires the RTA to arrive at its satisfaction not subjectively but on an objective consideration of the various facts and circumstances placed before it in a quasi-judicial enquiry. It is only the private operators, who are seeking permits for themselves, that may be in a position to place material which would show that the Corporation does not have the capacity to take up this additional responsibility of running buses on the inter-State route for which it seeks a permit. It is therefore, the duty of the RTA to consider the evidence placed by both the parties, allow each party an opportunity to rebut the material placed by the other and arrive at its satisfaction one way or the other (Para 11), *Kan Singh v. STAT*, 1987 Supp SCC 671, 676 to 678.

▶ **Number of permits.**—A notification inviting applications for grant of one additional permit on existing route constitutes a decision under Section 47(3) [Section 71(3) of 1988 Act] fixing the number of permits. Grant of more permits than fixed is illegal, *Patiala Bus (Sirhand) (P) Ltd. v. STA*, AIR 1988 P&H 32.

▶ **Issue of permit.**—Grant and issue of permit, held, are distinct acts and not the same. Issue of permit is only a ministerial act and cannot be equated with grant of permit, *APSRTC v. STAT*, (1998) 7 SCC 353.

72. Grant of stage carriage permits.—(1) Subject to the provisions of Section 71, a Regional Transport Authority may, on an application made to it under Section 70, grant a stage carriage permit in accordance with the application or with such modifications as it deems fit or refuse to grant such a permit:

Provided that no such permit shall be granted in respect of any route or area not specified in the application.

Corresponding Law: S. 48(1) of Act IV of 1939

(2) The Regional Transport Authority, if it decides to grant a stage carriage permit, may grant the permit for a stage carriage of a specified description and may, subject to any rules that may be made under this Act, attach to the permit any one or more of the following conditions, namely—

- (i) that the vehicles shall be used only in a specified area, or on a specified route or routes;
- (ii) that the operation of the stage carriage shall be commenced with effect from a specified date;
- (iii) the minimum and maximum number of daily trips to be provided in relation to any route or area generally or on specified days and occasions;
- (iv) that copies of the time-table of the stage carriage approved by the Regional Transport Authority shall be exhibited on the vehicles and at specified stands and halts on the route or within the area;
- (v) that the stage carriage shall be operated within such margins of deviation from the approved time-table as the Regional Transport Authority may from time to time specify;
- (vi) that within municipal limits and such other areas and places as may be prescribed, passengers or goods shall not be taken up or set down except at specified points;

- (vii) the maximum number of passengers and the maximum weight of luggage that may be carried on the stage carriage, either generally or on specified occasions or at specified times and seasons;
- (viii) the weight and nature of passengers' luggage that shall be carried free of charge, the total weight of luggage that may be carried in relation to each passenger, and the arrangements that shall be made for the carriage of luggage without causing inconvenience to passengers;
- (ix) the rate of charge that may be levied for passengers' luggage in excess of the free allowance;
- (x) that vehicles of a specified type fitted with body conforming to approved specifications shall be used:

Provided that the attachment of this condition to a permit shall not prevent the continued use, for a period of two years from the date of publication of the approved specifications, of any vehicle operating on that date;

- (xi) that specified standards of comfort and cleanliness shall be maintained in the vehicles;
- (xii) the conditions subject to which goods may be carried in the stage carriage in addition to or to the exclusion of passengers;
- (xiii) that fares shall be charged in accordance with the approved fare table;
- (xiv) that a copy of, or extract from, the fare table approved by the Regional Transport Authority and particulars of any special fares or rates of fares so approved for particular occasions shall be exhibited on the stage carriage and at specified stands and halts;
- (xv) that tickets bearing specified particulars shall be issued to passengers and shall show the fares actually charged and that records of tickets issued shall be kept in a specified manner;
- (xvi) that mails shall be carried on the vehicle subject to such conditions (including conditions as to the time in which mails are to be carried and the charges which may be levied) as may be specified;
- (xvii) the vehicles to be kept as reserve by the holder of the permit to maintain the operation and to provide for special occasions;
- (xviii) the conditions subject to which the vehicle may be used as a contract carriage;
- (xix) that specified arrangements shall be made for the housing, maintenance and repair of vehicle;
- (xx) that any specified bus station or shelter maintained by Government or a local authority shall be used and that any specified rent or fee shall be paid for such use;
- (xxi) that the conditions of the permit shall not be departed from, save with the approval of the Regional Transport Authority;
- (xxii) that the Regional Transport Authority may, after giving notice of not less than one month,—
 - (a) vary the conditions of the permit;

(b) attach to the permit further conditions:

Provided that the conditions specified in pursuance of clause (i) shall not be varied so as to alter the distance covered by the original route by more than 24 kilometres, and any variation within such limits shall be made only after the Regional Transport Authority is satisfied that such variation will serve the convenience of the public and that it is not expedient to grant a separate permit in respect of the original route as so varied or any part thereof;

(xxiii) that the holder of a permit shall furnish to the Regional Transport Authority such periodical returns, statistics and other information as the State Government may from time to time prescribe:

(xxiv) any other conditions which may be prescribed.

¹⁴³[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.]

Corresponding Law: S. 48(3) of Act IV of 1939

CASE LAW ▶ Short period permits.—Practice of granting stage carriage permits for short periods repeatedly where need for increasing number of regular services in public interest is made out, deprecated. Proper action to be taken in such cases stated. However, interim order of High Court not interfered with, *Basant Roadways v. S.T.A.T.*, (1986) 4 SCC 504.

▶ **Alteration of stage carriage permits** — Supreme Court upheld Calcutta High Court judgment holding that notification altering stage carriage permits, is an administrative order and a policy decision of the State and the same is not ex facie unconstitutional, *Sk. Sajed Ali v. State of W.B.*, 2023 SCC OnLine SC 1224

73. Application for contract carriage permit.—An application for a permit in respect of a contract carriage (in this Chapter referred to as a contract carriage permit) shall contain the following particulars, namely—

- (a) the type and seating capacity of the vehicle;
- (b) the area for which the permit is required;
- (c) any other particulars which may be prescribed.

Corresponding Law: S. 49 of Act IV of 1939

74. Grant of contract carriage permit.—(1) Subject to the provisions of sub-section (3), a Regional Transport Authority may, on an application made to it under Section 73, grant a contract carriage permit in accordance with the application or with such modifications as it deems fit or refuse to grant such a permit:

Provided that no such permit shall be granted in respect of any area not specified in the application.

Corresponding Law: S. 51(1) of Act IV of 1939

(2) The Regional Transport Authority, if it decides to grant a contract carriage permit, may, subject to any rules that may be made under this Act, attach to the permit any one or more of the following conditions, namely—

- (i) that the vehicles shall be used only in a specified area or on a specified route or routes;

¹⁴³ Ins. by Act 32 of 2019, S. 32 (w.e.f. 1-9-2019).

- (ii) that except in accordance with specified conditions, no contract of hiring, other than an extension or modification of a subsisting contract, may be entered into outside the specified area;
- (iii) the maximum number of passengers and the maximum weight of luggage that may be carried on the vehicle, either generally or on specified occasions or at specified times and seasons;
- (iv) the conditions subject to which goods may be carried in any contract carriage in addition to, or to the exclusion of, passengers;
- (v) that, in the case of motor cabs, specified fares or rates of fares shall be charged and a copy of the fare table shall be exhibited on the vehicle;
- (vi) that, in the case of vehicles other than motor cabs, specified rates of hiring not exceeding specified maximum shall be charged;
- (vii) that, in the case of motor cabs, a specified weight of passengers' luggage shall be carried free of charge, and that the charge, if any, for any luggage in excess thereof shall be at a specified rate;
- (viii) that, in the case of motor cabs, a taximeter shall be fitted and maintained in proper working order, if prescribed;
- (ix) that the Regional Transport Authority may, after giving notice of not less than one month,—
 - (a) vary the conditions of the permit;
 - (b) attach to the permit further conditions;
- (x) that the conditions of permit shall not be departed from save with the approval of the Regional Transport Authority;
- (xi) that specified standards of comfort and cleanliness shall be maintained in the vehicle;
- (xii) that, except in the circumstances of exceptional nature, the plying of the vehicle or carrying of the passengers shall not be refused;
- (xiii) any other conditions which may be prescribed.

¹⁴⁴[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.]

Corresponding Law: S. 51(2) of Act IV of 1939

(3) (a) The State Government shall, if so directed by the Central Government, having regard to the number of vehicles, road conditions and other relevant matters, by notification in the Official Gazette, direct a State Transport Authority and a Regional Transport Authority to limit the number of contract carriages generally or of any specified type as may be fixed and specified in the notification, operating on city routes in towns with a population of not less than five lakhs.

(b) Where the number of contract carriages are fixed under clause (a), the Regional Transport Authority shall, in considering an application for the grant of permit in respect of any such contract carriage, have regard to the following matters, namely—

- (i) financial stability of the applicant;

144. *Ins.* by Act 32 of 2019, S. 33(i) (w.e.f. 1-9-2019).

- (ii) satisfactory performance as a contract carriage operator including payment of tax if the applicant is or has been an operator of contract carriages; and
- (iii) such other matters as may be prescribed by the State Government:

Provided that, other conditions being equal, preference shall be given to applications for permits from—

- (i) the India Tourism Development Corporation;
 - (ii) State Tourism Development Corporations;
 - (iii) State Tourism Departments;
 - (iv) State transport undertakings;
 - (v) co-operative societies registered or deemed to have been registered under any enactment for the time being in force;
 - (vi) ex-servicemen.
- ¹⁴⁵[(vii) self-help groups.]

75. Scheme for renting of motor cabs.—(1) The Central Government may, by notification in the Official Gazette, make a scheme for the purpose of regulating the business of renting of ¹⁴⁶[motor cabs or motor cycles to persons desiring to drive either by themselves or through drivers, motor cabs or motor cycles] for their own use and for matters connected therewith.

(2) A scheme made under sub-section (1) may provide for all or any of the following matters, namely—

- (a) licensing of operators under the scheme including grant, renewal and revocation of such licences;
- (b) form of application and form of licences and the particulars to be contained therein;
- (c) fee to be paid with the application for such licences;
- (d) the authorities to which the application shall be made;
- (e) condition subject to which such licences may be granted, renewed or revoked;
- (f) appeals against orders of refusal to grant or renew such licences and appeals against orders revoking such licences;
- (g) conditions subject to which motor cabs may be rented;
- (h) maintenance of records and inspection of such records;
- (i) such other matters as may be necessary to carry out the purposes of this section.

Notes on clauses

Clause 24 of Bill No. 53 of 1994 seeks to amend Section 75 to include motor cycles in the scheme for Renting of Motor Cabs.

76. Application for private service vehicle permit.—(1) A Regional Transport Authority may, on an application made to it, grant a private service

145. *Ins.* by Act 32 of 2019, S. 33(ii) (w.e.f. 1-9-2019).

146. *Subs.* by Act 54 of 1994, S. 24, for “motor cabs to persons desiring to drive the cabs” (w.e.f. 14-11-1994).

vehicle permit in accordance with the application or with such modification as it deems fit or refuse to grant such permit:

Provided that no such permit shall be granted in respect of any area or route not specified in the application.

(2) An application for a permit to use a motor vehicle as a private service vehicle shall contain the following particulars, namely—

- (a) type and seating capacity of the vehicle;
- (b) the area or the route or routes to which the application relates;
- (c) the manner in which it is claimed that the purpose of carrying persons otherwise than for hire or reward or in connection with the trade or business carried on by the applicant will be served by the vehicle; and
- (d) any other particulars which may be prescribed.

Corresponding Law: S. 52 of Act IV of 1939

(3) The Regional Transport Authority if it decides to grant the permit may, subject to any rules that may be made under this Act, attach to the permit any one or more of the following conditions, namely—

- (i) that the vehicle be used only in a specified area or on a specified route or routes;
- (ii) the maximum number of persons and the maximum weight of luggage that may be carried;
- (iii) that the Regional Transport Authority may, after giving notice of not less than one month—
 - (a) vary the conditions of the permit;
 - (b) attach to the permit further conditions;
- (iv) that the conditions of permit shall not be departed from, save with the approval of the Regional Transport Authority;
- (v) that specified standards of comforts and cleanliness shall be maintained in the vehicle;
- (vi) that the holder of the permit shall furnish to the Regional Transport Authority such periodical returns, statistics and other information as the State Government may, from time to time, specify; and
- (vii) such other conditions as may be prescribed.

77. Application for goods carriage permit.—An application for a permit to use a motor vehicle for the carriage of goods for hire or reward or for the carriage of goods for or in connection with a trade or business carried on by the applicant (in this Chapter referred to as a goods carriage permit) shall, as far as may be, contain the following particulars, namely—

- (a) the area or the route or routes to which the application relates;
- (b) the type and capacity of the vehicle;
- (c) the nature of the goods it is proposed to carry;
- (d) the arrangements intended to be made for the housing, maintenance and repair of the vehicle and for the storage and safe custody of the goods;

- (e) such particulars as the Regional Transport Authority may require with respect to any business as a carrier of goods for hire or reward carried on by the applicant at any time before the making of the application, and of the rates charged by the applicant;
- (f) particulars of any agreement, or arrangement, affecting in any material respect the provision within the region of the Regional Transport Authority of facilities for the transport of goods for hire or reward, entered into by the applicant with any other person by whom such facilities are provided, whether within or without the region;
- (g) any other particulars which may be prescribed.

Corresponding Law: S. 54 of Act IV of 1939

78. Consideration of application for goods carriage permit.—A Regional Transport Authority shall, in considering an application for a goods carriage permit, have regard to the following matters, namely—

- (a) the nature of the goods to be carried with special reference to their dangerous or hazardous nature to human life;
- (b) the nature of the chemicals or explosives to be carried with special reference to the safety to human life.

Corresponding Law: S. 55 of Act IV of 1939

79. Grant of goods carriage permit.—(1) A Regional Transport Authority may, on an application made to it under Section 77, grant a goods carriage permit to be valid throughout the State or in accordance with the application or with such modifications as it deems fit or refuse to grant such a permit:

Provided that no such permit shall be granted in respect of any area or route not specified in the application.

Corresponding Law: S. 56(1) of Act IV of 1939

(2) The Regional Transport Authority, if it decides to grant a goods carriage permit, may grant the permit and may, subject to any rules that may be made under this Act, attach to the permit any one or more of the following conditions, namely—

- (i) that the vehicle shall be used only in a specified area, or on a specified route or routes;
- (ii) that the gross vehicle weight of any vehicle used shall not exceed a specified maximum;
- (iii) that goods of a specified nature shall not be carried;
- (iv) that goods shall be carried at specified rates;
- (v) that specified arrangement shall be made for the housing, maintenance and repair of the vehicle and the storage and safe custody of the goods carried;
- (vi) that the holder of the permit shall furnish to the Regional Transport Authority such periodical returns, statistics and other information as the State Government may, from time to time, prescribe;
- (vii) that the Regional Transport Authority may, after giving notice of not less than one month,—

- (a) vary the conditions of the permit;
- (b) attach to the permit further conditions;
- (viii) that the conditions of the permit shall not be departed from, save with the approval of the Regional Transport Authority;
- (ix) any other conditions which may be prescribed.

Corresponding Law: S. 56(2) of Act IV of 1939

(3) The conditions referred to in sub-section (2) may include conditions relating to the packaging and carriage of goods of dangerous or hazardous nature to human life.

80. Procedure in applying for and granting permits.—(1) An application for a permit of any kind may be made at any time.

Corresponding Law: S. 57(1) of Act IV of 1939

(2) A Regional Transport Authority ¹⁴⁷[, State Transport Authority or any prescribed authority referred to in sub-section (1) of Section 66] shall not ordinarily refuse to grant an application for permit of any kind made at any time under this Act:

Provided that the Regional Transport Authority ¹⁴⁸[, State Transport Authority or any prescribed authority referred to in sub-section (1) of Section 66] may summarily refuse the application if the grant of any permit in accordance with the application would have the effect of increasing the number of stage carriages as fixed and specified in a notification in the Official Gazette under clause (a) of sub-section (3) of Section 71 or of contract carriages as fixed and specified in a notification in the Official Gazette under clause (a) of sub-section (3) of Section 74:

Corresponding Law: See Proviso to S. 57(3) of Act IV of 1939

Provided further that where a Regional Transport ¹⁴⁹[, State Transport Authority or any prescribed authority referred to in sub-section (1) of Section 66] refuses an application for the grant of a permit of any kind under this Act, it shall give to the applicant in writing its reasons for the refusal of the same and an opportunity of being heard in the matter.

(3) An application to vary the conditions of any permit, other than a temporary permit, by the inclusion of a new route or routes or a new area or by altering the route or routes or area covered by it, or in the case of a stage carriage permit by increasing the number of trips above the specified maximum or by the variation, extension or curtailment of the route or routes or the area specified in the permit shall be treated as an application for the grant of a new permit:

Provided that it shall not be necessary so to treat an application made by the holder of stage carriage permit who provides the only service on any route to increase the frequency of the service so provided without any increase in the number of vehicles:

Corresponding Law: S. 57(8) of Act IV of 1939

147. *Ins.* by Act 54 of 1994, S. 25 (w.e.f. 14-11-1994).

148. *Ins.* by Act 54 of 1994, S. 25 (w.e.f. 14-11-1994).

149. *Ins.* by Act 54 of 1994, S. 25 (w.e.f. 14-11-1994).

Provided further that,—

- (i) in the case of variation, the termini shall not be altered and the distance covered by the variation shall not exceed twenty-four kilometres;
- (ii) in the case of extension, the distance covered by extension shall not exceed twenty-four kilometres from the termini,

and any such variation or extension within such limits shall be made only after the transport authority is satisfied that such variation will serve the convenience of the public and that it is not expedient to grant a separate permit in respect of the original route as so varied or extended or any part thereof.

(4) A Regional Transport Authority ¹⁵⁰[, State Transport Authority or any prescribed authority referred to in sub-section (1) of Section 66] may, before such date as may be specified by it in this behalf, replace any permit granted by it before the said date by a fresh permit conforming to the provisions of Section 72 or Section 74 or Section 76 or Section 79, as the case may be, and the fresh permit shall be valid for the same route or routes or the same area for which the replaced permit was valid:

Provided that no condition other than a condition which was already attached to the replaced permit or which could have been attached thereto under the law in force when that permit was granted shall be attached to the fresh permit except with the consent in writing of the holder of the permit.

Corresponding Law: S. 57(9) of Act IV of 1939

(5) Notwithstanding anything contained in Section 81, a permit issued under the provisions of sub-section (4) shall be effective without renewal for the remainder of the period during which the replaced permit would have been so effective.

Corresponding Law: S. 57(10) of Act IV of 1939

Notes on clauses

Clause 25 of Bill No. 53 of 1994 seeks to amend Section 80 so as to provide for making of applications etc. for grant of permits not only to the Regional Transport Authority, but also to the State Transport Authority or any other prescribed authority.

CASE LAW ▶ Variation of conditions of permit of existing permit holders—Legality.—State Transport Undertaking as well as the permit holders operating on an inter-State route, part of which covered by the scheme. Permit holders applying for variation of conditions of their permits. State Transport Authority hearing the applicants and the objectors and *prima facie* complying with the procedure under Section 57(8) [Section 80(3) of new Act] permitting the applicants to make more trips. Such an order, held, legal. Objections, if any, against extension of the trips could be agitated before the appellate authority under the Act, *Karnataka S.R.T.C. v. Karnataka S.T.A.*, 1987 Supp SCC 648.

▶ **Publishing the application.**—The act of publishing the application under Section 57 [Section 80 of new Act] does not require any application of mind by the Regional Transport Authority. It is purely a ministerial act. No specific authorisation of the Authority in favour of the Secretary is needed for the

150. *Ins.* by Act 54 of 1994, S. 25 (w.e.f. 14-11-1994).

purposes and the Secretary of the Regional Transport Authority is fully competent to publish the applications, *Jamindara Motor Transport Cooperative Society v. Superintendent, Govt. Central Press*, AIR 1988 Raj 91.

► **Refusal of permit.**—Permits cannot ordinarily be refused except where State Government is of view that in public interest, State transport undertaking must run and operate transport service generally or in a particular area and formulates a proposal regarding such scheme, *Jagdeep Singh v. Jagir Chand*, (2001) 8 SCC 437.

► **Grant of variation in permit.**—Application for variation of permit must be treated as application for grant of new permit since sub-sections (1) to (7) mandate compliance with various specific requirements which are intricately connected with grant of new permit which are to be “mutatis mutandis” complied with, *G.T. Venkataswamy Reddy v. State Transport Authority*, (2016) 8 SCC 402.

81. Duration and renewal of permits.—(1) A permit other than a temporary permit issued under Section 87 or a special permit issued under sub-section (8) of Section 88 shall be effective ¹⁵¹[from the date of issuance or renewal thereof] for a period of five years:

Provided that where the permit is countersigned under sub-section (1) of Section 88, such counter-signature shall remain effective without renewal for such period so as to synchronise with the validity of the primary permit.

Corresponding Law: S. 58(1) of Act IV of 1939

(2) A permit may be renewed on an application made not less than fifteen days before the date of its expiry.

Corresponding Law: S. 58(2) of Act IV of 1939

(3) Notwithstanding anything contained in sub-section (2), the Regional Transport Authority or the State Transport Authority, as the case may be, may entertain an application for the renewal of a permit after the last date specified in that sub-section if it is satisfied that the applicant was prevented by good and sufficient cause from making an application within the time specified.

Corresponding Law: S. 58(3) of Act IV of 1939

(4) The Regional Transport Authority or the State Transport Authority, as the case may be, may reject an application for the renewal of a permit on one or more of the following grounds, namely—

- (a) the financial condition of the applicant as evidenced by insolvency, or decrees for payment of debts remaining unsatisfied for a period of thirty days, prior to the date of consideration of the application;
- (b) the applicant had been punished twice or more for any of the following offences within twelve months reckoned from fifteen days prior to the date of consideration of the application committed as a result of the operation of a stage carriage service by the applicant, namely—

- (i) plying any vehicle—

- (1) without payment of tax due on such vehicle;

151. Subs. by Act 54 of 1994, S. 26 (w.e.f. 14-11-1994).

- (2) without payment of tax during the grace period allowed for payment of such tax and then stop the plying of such vehicle;
 - (3) on any unauthorised route.
- (ii) making unauthorised trips:

Provided that in computing the number of punishments for the purpose of clause (b), any punishment stayed by the order of an appellate authority shall not be taken into account:

Provided further that no application under this sub-section shall be rejected unless an opportunity of being heard is given to the applicant.

(5) Where a permit has been renewed under this section after the expiry of the period thereof, such renewal shall have effect from the date of such expiry irrespective of whether or not a temporary permit has been granted under clause (d) of Section 87, and where a temporary permit has been granted, the fee paid in respect of such temporary permit shall be refunded.

Corresponding Law: S. 58(4) of Act IV of 1939

Notes on clauses

Clause 26 of Bill No. 53 of 1994 seeks to amend Section 81 so as to provide that the temporary permit shall be effective from the date of issuance or renewal thereof for a period of five years.

CASE LAW ▶ Grant of renewal of stage carriage permit : Nature of.—Grant of renewal is a fresh grant though it breathes life into the operation of the previous lease or licence granted as per existing appropriate provisions of the Act, rule or orders or acts *intra vires* or as per the law in operation as on the date of renewal, *Gajraj Singh v. STAT*, (1997) 1 SCC 650.

82. Transfer of permit.—(1) Save as provided in sub-section (2), a permit shall not be transferable from one person to another except with the permission of the transport authority which granted the permit and shall not, without such permission, operate to confer on any person to whom a vehicle covered by the permit is transferred any right to use that vehicle in the manner authorised by the permit.

Corresponding Law: S. 59(1) of Act IV of 1939

(2) Where the holder of a permit dies, the person succeeding to the possession of the vehicle covered by the permit may, for a period of three months, use the permit as if it had been granted to himself:

Provided that such person has, within thirty days of the death of the holder, informed the transport authority which granted the permit of the death of the holder and of his own intention to use the permit:

Provided further that no permit shall be so used after the date on which it would have ceased to be effective without renewal in the hands of the deceased holder.

(3) The transport authority may, on application made to it within three months of the death of the holder of a permit, transfer the permit to the person succeeding to the possession of the vehicles covered by the permit:

Provided that the transport authority may entertain an application made after the expiry of the said period of three months if it is satisfied that the applicant was prevented by good and sufficient cause from making an application within the time specified.

83. Replacement of vehicles.—The holder of a permit may, with the permission of the authority by which the permit was granted, replace any vehicle covered by the permit by any other vehicle of the same nature.

Corresponding Law: S. 59(2) of Act IV of 1939

84. General conditions attaching to all permits.—The following shall be conditions of every permit—

- (a) that the vehicle to which the permit relates carries valid certificate of fitness issued under Section 56 and is at all times so maintained as to comply with the requirements of this Act and the rules made thereunder;
- (b) that the vehicle to which the permit relates is not driven at a speed exceeding the speed permitted under this Act;
- (c) that any prohibition or restriction imposed and any fares or freight fixed by notification made under Section 67 are observed in connection with the vehicle to which the permit relates;
- (d) that the vehicle to which the permit relates is not driven in contravention of the provisions of Section 5 or Section 113;
- (e) that the provisions of this Act limiting the hours of work of drivers are observed in connection with any vehicle or vehicles to which the permit relates;
- (f) that the provisions of Chapters X, XI and XII so far as they apply to the holder of the permit are observed; and
- (g) that the name and address of the operator shall be painted or otherwise firmly affixed to every vehicle to which the permit relates on the exterior of the body of that vehicle on both sides thereof in a colour or colours vividly contrasting to the colour of the vehicle centered as high as practicable below the window line in bold letters.

Corresponding Law: S. 59(3) of Act IV of 1939

85. General form of permits.—Every permit issued under this Act shall be complete in itself and shall contain all the necessary particulars of the permit and the conditions attached thereto.

Corresponding Law: S. 59-A of Act IV of 1939

86. Cancellation and suspension of permits.—(1) The transport authority which granted a permit may cancel the permit or may suspend it for such period as it thinks fit—

- (a) on the breach of any condition specified in Section 84 or of any condition contained in the permit, or
- (b) if the holder of the permit uses or causes or allows a vehicle to be used in any manner not authorised by the permit, or

- (c) if the holder of the permit ceases to own the vehicle covered by the permit, or
- (d) if the holder of the permit has obtained the permit by fraud or misrepresentation, or
- (e) if the holder of the goods carriage permit, fails without reasonable cause, to use the vehicle for the purposes for which the permit was granted, or
- (f) if the holder of the permit acquires the citizenship of any foreign country:

Provided that no permit shall be suspended or cancelled unless an opportunity has been given to the holder of the permit to furnish his explanation.

Corresponding Law: S. 60(1) of Act IV of 1939

(2) The transport authority may exercise the powers conferred on it under sub-section (1) in relation to a permit granted by any authority or person to whom power in this behalf has been delegated under sub-section (5) of Section 68 as if the said permit was a permit granted by the transport authority.

Corresponding Law: S. 60(1-B) of Act IV of 1939

(3) Where a transport authority cancels or suspends a permit, it shall give to the holder in writing its reasons for the action taken.

Corresponding Law: S. 60(2) of Act IV of 1939

(4) The powers exercisable under sub-section (1) (other than the power to cancel a permit) by the transport authority which granted the permit may be exercised by any authority or person to whom such powers have been delegated under sub-section (5) of Section 68.

Corresponding Law: S. 60(2-A) of Act IV of 1939

(5) Where a permit is liable to be cancelled or suspended under clause (a) or clause (b) or clause (e) of sub-section (1) and the transport authority is of opinion that having regard to the circumstances of the case, it would not be necessary or expedient so to cancel or suspend the permit if the holder of the permit agrees to pay a certain sum of money, then, notwithstanding anything contained in sub-section (1), the transport authority may, instead of cancelling or suspending the permit, as the case may be, recover from the holder of the permit the sum of money agreed upon.

Corresponding Law: S. 60(3) of Act IV of 1939

(6) The powers exercisable by the transport authority under sub-section (5) may, where an appeal has been preferred under Section 89, be exercised also by the appellate authority.

Corresponding Law: S. 60(4) of Act IV of 1939

(7) In relation to a permit referred to in sub-section (9) of Section 88, the powers exercisable under sub-section (1) (other than the power to cancel a permit) by the transport authority which granted the permit, may be exercised by any transport authority and any authority or persons to whom power in this behalf has been delegated under sub-section (5) of Section 68, as if the said permit was a permit granted by any such authority or persons.

CASE LAW ▶ Cancellation of permit.—A person who has obtained a stage carriage permit exposes himself to the cancellation of the permit itself under Section 60 of the Act (Section 86 of new Act) if he carries passengers in excess of the maximum number of passengers that he is permitted to carry under the permit, *M. Narasimhaiah v. Dy. Commr. for Transport*, 1987 Supp SCC 452, 457.

▶ **Personal hearing.**—Section 60 (Section 86 of new Act) only contemplates explanation to be furnished by the affected party. It does not contemplate personal hearing, *G.K.T. Bus Service v. S.T.A.T., Madras*, AIR 1988 Mad 127.

87. Temporary permits.—(1) A Regional Transport Authority and the State Transport Authority may without following the procedure laid down in Section 80, grant permits, to be effective for a limited period which shall, not in any case exceed four months, to authorise the use of a transport vehicle temporarily—

- (a) for the conveyance of passengers on special occasions such as to and from fairs and religious gatherings, or
- (b) for the purposes of a seasonal business, or
- (c) to meet a particular temporary need, or
- (d) pending decision on an application for the renewal of a permit, and may attach to any such permit such condition as it may think fit:

Provided that a Regional Transport Authority or, as the case may be, State Transport Authority may, in the case of goods carriages, under the circumstances of an exceptional nature, and for reasons to be recorded in writing, grant a permit for a period exceeding four months, but not exceeding one year.

Corresponding Law: S. 62(1) of Act IV of 1939

(2) Notwithstanding anything contained in sub-section (1), a temporary permit may be granted thereunder in respect of any route or area where—

- (i) no permit could be issued under Section 72 or Section 74 or Section 76 or Section 79 in respect of that route or area by reason of an order of a Court or other competent authority restraining the issue of the same, for a period not exceeding the period for which the issue of the permit has been so restrained; or
- (ii) as a result of the suspension by a Court or other competent authority of the permit of any vehicle in respect of that route or area, there is no transport vehicle of the same class with a valid permit in respect of that route or area, or there is no adequate number of such vehicles in respect of that route or area, for a period not exceeding the period of such suspension:

Provided that the number of transport vehicles in respect of which temporary permits are so granted shall not exceed the number of vehicles in respect of which the issue of the permits have been restrained or, as the case may be, the permit has been suspended.

Corresponding Law: S. 62(2) of Act IV of 1939

CASE LAW ▶ Grant of temporary permit.—A temporary permit can be granted only if the permit is required for the purposes or reasons mentioned in clauses (a) to (d) of Section 62(1) of the Act (Section

87 of new Act) or in the circumstances referred to in sub-section (2) thereof. Revalidation or renewal of a temporary permit or extension of the period for which a temporary permit is issued is not contemplated by law. The issue of temporary permits by the State Transport Authority in the instant case continuously for a number of years is clearly in violation of the statute, *A. Viswanathan v. S.T.A.T.*, (1987) 2 SCC 63, 68, 69.

Grant of temporary stage carriage permits instead of regular permits on applications made under Section 46 (Section 70 of new Act) even when there is permanent need for grant of regular permits in respect of the route or the area, merely because new transport policy of the State Government is in the offing, held, not justified, *Jagjit Bus Service v. S.T. Commissioner*, (1987) 4 SCC 131.

Temporary permit pending grant of a permanent permit. Such a permit, could not ensure beyond four months from the date of grant, *Karnataka SRTC v. Karnataka State Transport Authority*, 1987 Supp SCC 728, 731.

Where application for grant of additional trip by way of variation of conditions of permit is rejected the R.T.A. cannot grant temporary permit on the same route, *Bharath Motor Service v. R.T.A.*, AIR 1988 Kant 190.

88. Validation of permits for use outside region in which granted.—(1) Except as may be otherwise prescribed, a permit granted by the Regional Transport Authority of any one region shall not be valid in any other region, unless the permit has been countersigned by the Regional Transport Authority of that other region, and a permit granted in any one State shall not be valid in any other State unless countersigned by the State Transport Authority of that other State or by the Regional Transport Authority concerned:

Provided that a goods carriage permit, granted by the Regional Transport Authority of any one region, for any area in any other region or regions within the same State shall be valid in that area without the countersignature of the Regional Transport Authority of the other region or of each of the other regions concerned:

Provided further that where both the starting point and the terminal point of a route are situate within the same State, but part of such route lies in any other State and the length of such part does not exceed sixteen kilometres, the permit shall be valid in the other State in respect of that part of the route which is in that other State notwithstanding that such permit has not been countersigned by the State Transport Authority or the Regional Transport Authority of that other State:

Provided also that—

- (a) where a motor vehicle covered by a permit granted in one State is to be used for the purposes of defence in any other State, such vehicle shall display a certificate, in such form, and issued by such Authority, as the Central Government may, by notification in the Official Gazette, specify, to the effect that the vehicle shall be used for the period specified therein exclusively for the purposes of defence; and
- (b) any such permit shall be valid in that other State notwithstanding that such permit has not been countersigned by the State Transport Authority or the Regional Transport Authority of that other State.

Corresponding Law: S. 63(1) of Act IV of 1939

(2) Notwithstanding anything contained in sub-section (1), a permit granted or countersigned by a State Transport Authority shall be valid in the whole State or in such regions within the State as may be specified in the permit.

Corresponding Law: S. 63(1-A) of Act IV of 1939

(3) A Regional Transport Authority when countersigning the permit may attach to the permit any condition which it might have imposed if it had granted the permit and may likewise vary any condition attached to the permit by the authority by which the permit was granted.

Corresponding Law: S. 63(2) of Act IV of 1939

(4) The provisions of this Chapter relating to the grant, revocation and suspension of permits shall apply to the grant, revocation and suspension of countersignatures of permits:

Provided that it shall not be necessary to follow the procedure laid down in Section 80 for the grant of countersignatures of permits, where the permits granted in any one State are required to be countersigned by the State Transport Authority of another State or by the Regional Transport Authority concerned as a result of any agreement arrived at between the States after complying with the requirements of sub-section (5).

Corresponding Law: S. 63(3) of Act IV of 1939

(5) Every proposal to enter into an agreement between the States to fix the number of permits which is proposed to be granted or countersigned in respect of each route or area, shall be published by each of the State Governments concerned in the Official Gazette and in any one or more of the newspapers in regional language circulating in the area or route proposed to be covered by the agreement together with a notice of the date before which representations in connection therewith may be submitted, and the date not being less than thirty days from the date of publication in the Official Gazette, on which, and the authority by which, and the time and place at which, the proposal and any representation received in connection therewith will be considered.

Corresponding Law: S. 63(3-A) of Act IV of 1939

(6) Every agreement arrived at between the States shall, in so far as it relates to the grant of countersignature of permits, be published by each of the State Governments concerned in the Official Gazette and in any one or more of the newspapers in the regional language circulating in the area or route covered by the agreement and the State Transport Authority of the State and the Regional Transport Authority concerned shall give effect to it.

Corresponding Law: S. 63(3-B) of Act IV of 1939

(7) Notwithstanding anything contained in sub-section (1), a Regional Transport Authority of one region may issue a temporary permit under Section 87 to be valid in another region or State with the concurrence, given generally or for the particular occasion, of the Regional Transport Authority of that other region or of the State Transport Authority of that other State, as the case may be.

Corresponding Law: S. 63(4) of Act IV of 1939

(8) Notwithstanding anything contained in sub-section (1), but subject to any rules that may be made under this Act by the Central Government, the Regional Transport Authority of any one region or, as the case may be, the State Transport Authority, may, for the convenience of the public, grant a special permit ¹⁵²[to any public service vehicle including any vehicle covered] by a permit issued under Section 72 (including a reserve stage carriage) or under Section 74 or under sub-section (9) of this section for carrying a passenger or passengers for hire or reward under a contract, express or implied, for the use of the vehicle as a whole without stopping to pick up or set down along the line of route passengers not included in the contract, and in every case where such special permit is granted, the Regional Transport Authority shall assign to the vehicle, for display thereon, a special distinguishing mark in the form and manner specified by the Central Government and such special permit shall be valid in any other region or State without the countersignature of the Regional Transport Authority of the other region or of the State Transport Authority of the other State, as the case may be.

Corresponding Law: S. 63(6) of Act IV of 1939

(9) Notwithstanding anything contained in sub-section (1) but subject to any rules that may be made by the Central Government under sub-section (14), any State Transport Authority may, for the purpose of promoting tourism, grant permits in respect of tourist vehicles valid for the whole of India, or in such contiguous States not being less than three in number including the State in which the permit is issued as may be specified in such permit in accordance with the choice indicated in the application and the provisions of Sections 73, 74, 80, 81, 82, 83, 84, 85, 86, ¹⁵³[clause (d) of sub-section (1) of Section 87 and Section 89] shall, as far as may be, apply in relation to such permits.

Corresponding Law: S. 63(7) of Act IV of 1939

(10) [* * *]¹⁵⁴

152. Subs. by Act 54 of 1994, S. 27, for "grant of special permit in relation to a vehicle covered" (w.e.f. 14-11-1994).

153. Subs. by Act 54 of 1994, S. 27, for "and 89" (w.e.f. 14-11-1994).

154. Omitted by Act 54 of 1994, S. 27 (w.e.f. 14-11-1994). Prior to omission it read as:

"(10) Without prejudice to the provisions of Section 74, the State Transport Authority shall, in considering an application for a permit under sub-section (9) in respect of tourist vehicles other than motor cabs have regard to the following matters, namely:—

(a) no such permit shall be issued—

- (i) to an individual owner so as to exceed ten such valid permits in his own name,
- (ii) to a company so as to exceed twenty such valid permits in its own name;

(b) the restriction under clause (a) regarding the number of permits to be granted shall not apply to the India Tourism Development Corporation, State Tourism Development Corporations, State Tourism Departments or State transport undertakings;

(c) in computing the number of permits for the purposes of clause (a), the number of permits held by an applicant in the name of any other person and the permits held by any company of which such applicant is a director shall also be taken into account.

Explanation.—For the purposes of this sub-section and sub-section (13), "company" means a body corporate, and includes a firm or other association of individuals; and "director", in relation to a firm, means a partner in the firm."

(11) The following shall be conditions of every permit granted under sub-section (9), namely—

- (i) every motor vehicle in respect of which such permit is granted shall conform to such description, requirement regarding the seating capacity, standards of comforts, amenities and other matters, as the Central Government may specify in this behalf;
- (ii) every such motor vehicle shall be driven by a person having such qualifications and satisfying such conditions as may be specified by the Central Government; and
- (iii) such other conditions as may be prescribed by the Central Government.

Corresponding Law: S. 63(10) of Act IV of 1939

NOTE ▶ See Noti. No. S.O. 415(E) dt. 8-6-1989.

(12) Notwithstanding anything contained in sub-section (1), but, subject to the rules that may be made by the Central Government under sub-section (14), the appropriate authority may, for the purpose of encouraging long distance inter-State road transport, grant in a State, national permits in respect of goods carriages and the provisions of Sections 69, 77, 79, 80, 81, 82, 83, 84, 85, 86, ¹⁵⁵[clause (d) of sub-section (1) of Section 87 and Section 89] shall, as far as may be, apply to or relation to the grant of national permits.

Corresponding Law: S. 63(11) of Act IV of 1939

(13) [* * *]¹⁵⁶

(14) (a) The Central Government may make rules for carrying out the provisions of this section.

(b) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters namely—

- (i) the authorisation fee payable for the issue of a permit referred to in sub-sections (9) and (12);
- (ii) the fixation of the laden weight of the motor vehicle;
- (iii) the distinguishing particulars or marks to be carried or exhibited in or on the motor vehicle;
- (iv) the colour or colours in which the motor vehicle is to be painted;
- (v) such other matters as the appropriate authority shall consider in granting a national permit.

155. Subs. by Act 54 of 1994, S. 27, for "and 89" (w.e.f. 14-11-1994).

156. Omitted by Act 54 of 1994, S. 27 (w.e.f. 14-11-1994). Prior to omission it read as:

"(13) The appropriate authority shall, in considering an application for a national permit, have regard to the following matters, namely:—

(a) no national permit shall be issued—

- (i) to an individual owner so as to exceed five national permits in its own name;
- (ii) to a company so as to exceed ten valid national permits in its own name;

(b) the restriction under clause (a) regarding the number of permits to be issued shall not apply to the State transport undertakings;

(c) in computing the number of permits for the purposes of clause (a), the number of permits held by an applicant in the name of any other person and the permits held by any company of which such applicant is a director shall also be taken into account."

Explanation.—In this section,—

- (a) “appropriate authority”, in relation to a national permit, means the authority which is authorised under this Act to grant a goods carriage permit;
- (b) “authorisation fee” means the annual fee, not exceeding one thousand rupees, which may be charged by the appropriate authority of a State to enable a motor vehicle, covered by the permit referred to in sub-sections (9) and (12) to be used in other States subject to the payment of taxes or fees, if any, levied by the States concerned;
- (c) “national permit” means a permit granted by the appropriate authority to goods carriages to operate throughout the territory of India or in such contiguous States, not being less than four in number, including the State in which the permit is issued as may be specified in such permit in accordance with the choice indicated in the application.

Corresponding Law: S. 63(15) of Act IV of 1939

Notes on clauses

Clause 27 of Bill No. 53 of 1994 seeks to amend Section 88 to include public service vehicles for grant of permits. It also provides for application of provisions of Section 87 in the case of tourist permits, etc., in certain situations.

CASE LAW ▶ Permission of State Transport Authority.—Unless Regional Transport Authority (RTA) of other region or State Transport Authority (STA) of other State gives concurrence valid temporary permits cannot be issued for that region or State, *State of W.B. v. Mani Bhushan Kumar*, (2011) 10 SCC 147.

▶ **Issuance of inter-State route permit.**—For issuance of inter-State route permit, reciprocal agreement between the two States within which the proposed inter-State route lies, mandatory. In absence of any such agreement as contemplated under Section 88(5) between the two States, STA of one State has no jurisdiction to grant the permit. Where such permit was granted by one STA, application filed before the other STA for countersigning the permit was rightly rejected, *A. Venkatakrishnan v. State Transport Authority*, (2004) 11 SCC 207.

¹⁵⁷**[88-A. Power of Central Government to make schemes for national, multimodal and inter-State transport of passengers and goods.—(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;

157. *Ins.* by Act 32 of 2019, S. 34 (w.e.f. 1-9-2019).

- (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; and
- (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 seek concurrence of 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.]

89. Appeals.—(1) Any person—

- (a) aggrieved by the refusal of the State or a Regional Transport Authority to grant a permit, or by any condition attached to a permit granted to him, or
- (b) aggrieved by the revocation or suspension of the permit or by any variation of the conditions thereof, or
- (c) aggrieved by the refusal to transfer the permit under Section 82, or
- (d) aggrieved by the refusal of the State or a Regional Transport Authority to countersign a permit, or by any condition attached to such countersignature, or
- (e) aggrieved by the refusal of renewal of a permit, or
- (f) aggrieved by the refusal to grant permission under Section 83, or
- (g) aggrieved by any other order which may be prescribed,

may, within the prescribed time and in the prescribed manner, appeal to the State Transport Appellate Tribunal constituted under sub-section (2), who shall, after giving such person and the original authority an opportunity of being heard, give a decision thereon which shall be final.

Corresponding Law: S. 64(1) of Act IV of 1939

¹⁵⁸[(2) The State Government shall constitute such number of Transport Appellate Tribunals as it thinks fit and each such Tribunal shall consist of a judicial officer who is not below the rank of a District Judge or who is qualified to be a Judge of the High Court and it shall exercise jurisdiction within such area as may be notified by that Government.]

Corresponding Law: S. 64(2) of Act IV of 1939

(3) Notwithstanding anything contained in sub-section (1) or sub-section (2), every appeal pending at the commencement of this Act, shall continue to be proceeded with and disposed of as if this Act had not been passed.

158. Subs. by Act 54 of 1994, S. 28 (w.e.f. 14-11-1994).

Explanation.—For the removal of doubts, it is hereby declared that when any order is made by the State Transport Authority or the Regional Transport Authority in pursuance of a direction issued by the Inter-State Transport Commission under clause (c) of sub-section (2) of Section 63-A of the Motor Vehicles Act, 1939 (4 of 1939), as it stood immediately before the commencement of this Act, and any person feels aggrieved by such order on the ground that it is not in consonance with such direction, he may appeal under sub-section (1) to the State Transport Appellate Tribunal against such order but not against the direction so issued.

Corresponding Law: S. 64(3) of Act IV of 1939

Notes on clauses

Clause 28 of Bill No. 53 of 1994 seeks to amend Section 89 to empower the State Governments to appoint one or more Transport Appellate Tribunals.

90. Revision.—The State Transport Appellate Tribunal may, on an application made to it, call for the record of any case in which an order has been made by a State Transport Authority or Regional Transport Authority against which no appeal lies, and if it appears to the State Transport Appellate Tribunal that the order made by the State Transport Authority or Regional Transport Authority is improper or illegal, the State Transport Appellate Tribunal may pass such order in relation to the case as it deems fit and every such order shall be final:

Provided that the State Transport Appellate Tribunal shall not entertain any application from a person aggrieved by an order of a State Transport Authority or Regional Transport Authority, unless the application is made within thirty days from the date of the order:

Provided further that the State Transport Appellate Tribunal may entertain the application after the expiry of the said period of thirty days, if it is satisfied that the applicant was prevented by good and sufficient cause from making the application in time:

Provided also that the State Transport Appellate Tribunal shall not pass an order under this section prejudicial to any person without giving him a reasonable opportunity of being heard.

Corresponding Law: S. 64-A of Act IV of 1939

91. Restriction of hours of work of drivers.—¹⁵⁹[(1) The hours of work of any person engaged for operating a transport vehicle shall be such as provided in the Motor Transport Workers Act, 1961 (27 of 1961).]

(2) A State Government may, by notification in the Official Gazette, grant such exemptions from the provisions of sub-section (1) as it thinks fit, to meet cases of emergency or of delays by reason of circumstances which could not be foreseen.

(3) A State Government or, if authorised in this behalf by the State Government by rules made under Section 96, the State or a Regional Transport Authority may require persons employing any person whose work is subject to any of the provisions of sub-section (1) to fix beforehand the hours of work of such persons so

159. Subs. by Act 54 of 1994, S. 29 (w.e.f. 14-11-1994).

as to conform to those provisions, and may provide for the recording of the hours so fixed.

(4) No person shall work or shall cause or allow any other person to work outside the hours fixed or recorded for the work of such persons under sub-section (3).

(5) A State Government may prescribe the circumstances under which and the period during which the driver of a vehicle although not engaged in work is required to remain on or near the vehicle may be deemed to be an interval for rest within the meaning of sub-section (1).

Corresponding Law: S. 65 of Act IV of 1939

Notes on clauses

Clause 29 of Bill No. 53 of 1994 seeks to amend Section 91 so as to provide that the provisions of the Motor Transport Workers' Act, 1961 relating to hours of work shall apply to any person engaged for operating a transport vehicle.

92. Voidance of contracts restrictive of liability.—Any contract for the conveyance of a passenger in a ¹⁶⁰[transport vehicle, in respect of which a permit or licence] has been issued under this Chapter, shall, so far as it purports to negative or restrict the liability of any person in respect of any claim made against that person in respect of the death of, or bodily injury to, the passenger while being carried in, entering or alighting from the vehicle, or purports to impose any conditions with respect to the enforcement of any such liability, be void.

Corresponding Law: S. 66 of Act IV of 1939

93. ¹⁶¹[**Agent or canvasser or aggregator to obtain licence**].—(1) No person shall engage himself—

- (i) as an agent or a canvasser, in the sale of tickets for travel by public service vehicles or in otherwise soliciting custom for such vehicles, or
- (ii) as an agent in the business of collecting, forwarding or distributing goods carried by goods carriages,

¹⁶²[(iii) as an aggregator,]

unless he has obtained a licence from such authority and subject to such conditions as may be prescribed by the State Government.

¹⁶³[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 (21 of 2000) and the rules and regulations made thereunder.]

160. Subs. for "stage carriage or contract carriage, in respect of which a permit" by Act 32 of 2019, S. 35 (w.e.f. 1-9-2019).

161. Subs. for "Agent or canvasser to obtain licence" by Act 32 of 2019, S. 36(i) (w.e.f. 27-11-2020).

162. Ins. by Act 32 of 2019, S. 36(ii)(a) (w.e.f. 27-11-2020).

163. Ins. by Act 32 of 2019, S. 36(ii)(b) (w.e.f. 27-11-2020).

(2) The conditions referred to in sub-section (1) may include all or any of the following matters, namely—

- (a) the period for which a licence may be granted or renewed;
- (b) the fee payable for the issue or renewal of the licence;
- (c) the deposit of security—
 - (i) of a sum not exceeding Rupees Fifty thousand in the case of an agent in the business of collecting, forwarding or distributing goods carried by goods carriages;
 - (ii) of a sum not exceeding Rupees Five thousand in the case of any other agent or canvasser,

and the circumstances under which the security may be forfeited;

- (d) the provision by the agent of insurance of goods in transit;
- (e) the authority by which and the circumstances under which the licence may be suspended or revoked;
- (f) such other conditions as may be prescribed by the State Government.

(3) It shall be a condition of every licence that no agent or canvasser to whom the licence is granted shall advertise in any newspaper, book, list, classified directory or other publication unless there is contained in such advertisement appearing in such newspaper, book, list, classified directory or other publication the licence number, the date of expiry of licence and the particulars of the authority which granted the licence.

CASE LAW ▶ Two-wheelers being facilitated without proper license—Supreme Court reinstated stay on operation of aggregators facilitating two-wheelers in Delhi without proper license or permit, until a specific policy was brought up by the government, *State (NCT of Delhi) v. Roppen Transportation Services (P) Ltd.*, 2023 SCC OnLine SC 902

Corresponding Law: S. 66-A of Act IV of 1939

94. Bar on jurisdiction of Civil Courts.—No Civil Court shall have jurisdiction to entertain any question relating to the grant of a permit ¹⁶⁴[or licence issued under any scheme] under this Act, and no injunction in respect of any action taken or to be taken by the duly constituted authorities under this Act with regard to the grant of a permit ¹⁶⁵[or licence issued under any scheme], shall be entertained by any Civil Court.

95. Power of State Government to make rules as to stage carriages and contract carriages.—(1) A State Government may make rules to regulate, in respect of stage carriages and contract carriages and the conduct of passengers in such vehicles.

(2) Without prejudice to the generality of the foregoing provision, such rules may—

164. Ins. by Act 32 of 2019, S. 37 (w.e.f. 1-9-2019).

165. Ins. by Act 32 of 2019, S. 37 (w.e.f. 1-9-2019).

- (a) authorise the removal from such vehicle of any person contravening the rules by the driver or conductor of the vehicle, or, on the request of the driver or conductor, or any passenger, by any police officer;
- (b) require a passenger who is reasonably suspected by the driver or conductor of contravening the rules to give his name and address to a police officer or to the driver or conductor on demand;
- (c) require a passenger to declare, if so demanded by the driver or conductor, the journey he intends to take or has taken in the vehicle and to pay the fare for the whole of such journey and to accept any ticket issued therefor;
- (d) require, on demand being made for the purpose by the driver or conductor or other person authorised by the owners of the vehicle, production during the journey and surrender at the end of the journey by the holder thereof of any ticket issued to him;
- (e) require a passenger, if so requested by the driver or conductor, to leave the vehicle on the completion of the journey the fare for which he has paid;
- (f) require the surrender by the holder thereof on the expiry of the period for which it is issued of a ticket issued to him;
- (g) require a passenger to abstain from doing anything which is likely to obstruct or interfere with the working of the vehicle or to cause damage to any part of the vehicle or its equipment or to cause injury or discomfort to any other passenger;
- (h) require a passenger not to smoke in any vehicle on which a notice prohibiting smoking is exhibited;
- (i) require the maintenance of complaint books in stage carriages and prescribe the conditions under which passengers can record any complaints in the same.

Corresponding Law: S. 67 of Act IV of 1939

96. Power of State Government to make rules for the purposes of this Chapter.—(1) A State Government may make rules for the purpose of carrying into effect the provisions of this Chapter.

(2) Without prejudice to the generality of the foregoing power, rules under this section may be made with respect to all or any of the following matters, namely—

- (i) the period of appointment and the terms of appointment of and the conduct of business by Regional and State Transport Authorities and the reports to be furnished by them;
- (ii) the conduct of business by any such authority in the absence of any member (including the Chairman) thereof and the nature of business which, the circumstances under which and the manner in which, business could be so conducted;
- (iii) the conduct and hearing of appeals that may be preferred under this Chapter, the fees to be paid in respect of such appeals and the refund of such fees;

- (iv) the forms to be used for the purposes of this Chapter, including the forms of permits;
- (v) the issue of copies of permits in place of permits lost, destroyed or mutilated;
- (vi) the documents, plates and marks to be carried by transport vehicles, the manner in which they are to be carried and the languages in which any such documents are to be expressed;
- (vii) the fees to be paid in respect of applications for permits duplicate permits and plates;
- (viii) the exemption of prescribed persons or prescribed classes of persons from payment of all or any portion of the fees payable under this Chapter;
- (ix) the custody, production and cancellation on revocation or expiration of permits, and the return of permits which have been cancelled;
- (x) the conditions subject to which, and the extent to which, a permit granted in another State shall be valid in the State without counter-signature;
- (xi) the conditions subject to which, and the extent to which, a permit granted in one region shall be valid in another region within the State without counter-signature;
- (xii) the conditions to be attached to permits for the purpose of giving effect to any agreement such as is referred to in clause (iii) of sub-section (1) of Section 67;
- (xiii) the authorities to whom, the time within which and the manner in which appeals may be made;
- (xiv) the construction and fittings of, and the equipment to be carried by, stage and contract carriages, whether generally or in specified areas;
- (xv) the determination of the number of passengers a stage or contract carriage is adapted to carry and the number which may be carried;
- (xvi) the conditions subject to which goods may be carried on stage and contract carriages partly or wholly in lieu of passengers;
- (xvii) the safe custody and disposal of property left in a stage or contract carriage;
- (xviii) regulating the painting or marking of transport vehicles and the display of advertising matter thereon, and in particular prohibiting the painting or marking of transport vehicles in such colour or manner as to induce any person to believe that the vehicle is used for the transport of mails;
- (xix) the conveyance in stage or contract carriages of corpses or persons suffering from any infectious or contagious disease or goods likely to cause discomfort or injury to passengers and the inspection and disinfection of such carriages; if used for such purposes;

- (xx) the provision of taxi meters on motor cabs requiring approval or standard types of taxi meters to be used and examining, testing and sealing taxi meters;
- (xxi) prohibiting the picking up or setting down of passengers by stage or contract carriages at specified places or in specified areas or at places other than duly notified stands or halting places and requiring the driver of a stage carriage to stop and remain stationary for a reasonable time when so required by a passenger desiring to board or alight from the vehicle at a notified halting place;
- (xxii) the requirements which shall be complied with in the construction or use of any duly notified stand or halting place, including the provision of adequate equipment and facilities for the convenience of all users thereof; the fees, if any, which may be charged for the use of such facilities, the records which shall be maintained at such stands or places, the staff to be employed thereat, and the duties and conduct of such staff, and generally for maintaining such stands and places in a serviceable and clean condition;
- (xxiii) the regulation of motor cab ranks;
- (xxiv) requiring the owners of transport vehicles to notify any change of address or to report the failure of or damage to any vehicle used for the conveyance of passengers for hire or reward;
- (xxv) authorising specified persons to enter at all reasonable times and inspect all premises used by permit holders for the purposes of their business;
- (xxvi) requiring the person in charge of a stage carriage to carry any person tendering the legal or customary fare;
- (xxvii) the conditions under which and the types of containers or vehicles in which animals or birds may be carried and the seasons during which animals or birds may or may not be carried;
- (xxviii) the licensing of and the regulation of the conduct of agents or canvassers who engage in the sale of tickets for travel by public service vehicles or otherwise solicit custom for such vehicles;
- (xxix) the licensing of agents engaged in the business of collecting for forwarding and distributing goods carried by goods carriages;
- (xxx) the inspection of transport vehicles and their contents and of the permits relating to them;
- (xxxi) the carriage of persons other than the driver in goods carriages;
- (xxxii) the records to be maintained and the returns to be furnished by the owners of transport vehicles; and
- ¹⁶⁶[(xxxia) framing of schemes under sub-section (3) of Section 67;
- (xxxib) the promotion of effective competition, passenger convenience and safety, competitive fares and prevention of overcrowding;]

166. *Ins. by Act 32 of 2019, S. 38 (w.e.f. 1-9-2019).*

(xxxiii) any other matter which is to be or may be prescribed.

Corresponding Law: S. 68 of Act IV of 1939

CASE LAW ► Bus stand.—District Magistrate is not competent to determine Bus stand or halting place. RTA is the competent authority. Section 68(r) [96(2)(xxi) of new Act] attracted. Neither Sections 76 and 91(2) (e) of the Act nor Rule 93 of U.P. Motor Vehicles Rules, 1940 applicable, *Hari Om Gautam v. District Magistrate, Mathura*, (1987) 2 SCC 397.

CHAPTER VI

SPECIAL PROVISIONS RELATING TO STATE TRANSPORT UNDERTAKINGS

97. Definition.—In this Chapter, unless the context otherwise requires, “road transport service” means a service of motor vehicles carrying passengers or goods or both by road for hire or reward.

Corresponding Law: S. 68-A of Act IV of 1939

CASE LAW ► Overriding effect.—Provisions of Chapter IV-A (Chapter VI of 1988 Act) are devised to override provisions of Chapter IV (Chapter V of 1988 Act) and it is expressly so enacted. Provisions of Chapter IV-A are clear and complete regarding manner and effect of “takeover” of operation of road transport service by State transport undertaking in relation to any area, or route or portion thereof, *G.T. Venkataswamy Reddy v. State Transport Authority*, (2016) 8 SCC 402.

98. Chapter to override Chapter V and other laws.—The provisions of this Chapter and the rules and orders made thereunder shall have effect notwithstanding anything inconsistent therewith contained in Chapter V or in any other law for the time being in force or in any instrument having effect by virtue of any such law.

Corresponding Law: S. 68-B of Act IV of 1939

CASE LAW ► Applicability.—Section 68-B [Section 98 of new Act] does not bar to applicability of the General Clauses Act, 1897 to Chapter IV-A (Chapter VI of new Act), *H. Pattabhi Rami Reddy v. Secretary to Govt. Transport and R.B. Department*, AIR 1988 AP 129 (FB).

99. Preparation and publication of proposal regarding road transport service of a State transport undertaking.—[(1)]¹⁶⁷ Where any State Government is of opinion that for the purpose of providing an efficient, adequate, economical and properly co-ordinated road transport service, it is necessary in the public interest that road transport services in general or any particular class of such service in relation to any area or route or portion thereof should be run and operated by the State transport undertaking, whether to the exclusion, complete or partial, of other persons or otherwise, the State Government may formulate a proposal regarding a scheme giving particulars of the nature of the services proposed to be rendered, the area or route proposed to be covered and other relevant particulars respecting thereto and shall publish such proposal in the Official Gazette of the State formulating such proposal and in not less than one newspaper in the regional language circulating in the area or route proposed to be covered by such scheme

167. Ins. by Act 54 of 1994, S. 30 (w.e.f. 14-11-1994).

and also in such other manner as the State Government formulating such proposal deem fit.

¹⁶⁸[(2) Notwithstanding anything contained in sub-section (1), when a proposal is published under that sub-section, then from the date of publication of such proposal, no permit shall be granted to any person, except a temporary permit during the pendency of the proposal and such temporary permit shall be valid only for a period of one year from the date of its issue or till the date of final publication of the scheme under Section 100, whichever is earlier.]

Corresponding Law: S. 68-C of Act IV of 1939

Notes on clauses

Clause 30 of Bill No. 53 of 1994 seeks to amend Section 99 that where a proposal for nationalisation has been published, a temporary permit valid for one year from the date of its issue or till the date of final publication of the proposal under Section 100, whichever is earlier, shall be issued.

CASE LAW ▶ Validity of Scheme.—Scheme published under Section 68-C [Section 99 of new Act] neither specifying any notified routes or areas nor stating whether private operators would be excluded from any particular route or area. Held, the scheme incomplete and ineffective, *Jagjit Bus Service v. State Transport Commr.*, (1987) 4 SCC 131.

Scheme pending finalisation for eight years without proper explanation quashed, *Devki Nandan v. State of Rajasthan*, 1987 Supp SCC 438.

Notification publishing draft scheme under Section 68-C [Section 99 of new Act] quashed on ground of unexplained inordinate delay in publishing approved scheme under Section 68-D [Section 100 of new Act], *Ashfaq Ullah v. State of U.P.*, 1987 Supp SCC 38.

▶ **Right to operate vehicles.**—After publication of approved scheme under Section 68-D [Section 100 of new Act], apart from STU no person, other than those authorised by the terms of the scheme itself, is entitled to operate his vehicle on the entire notified route or any part thereof, *Pandiyan Roadways Corpn. Ltd. v. M.A. Egappan*, (1987) 2 SCC 47, 52.

▶ **Withdrawal of scheme.**—In view of Section 21, General Clauses Act, the State transport undertaking has power to withdraw a draft scheme published in Gazette, *Chavali Shivaji v. Govt. of A.P.*, AIR 1988 AP 124.

▶ **Formulation of scheme.**—Object of formulation of scheme to be prepared and published by State transport undertaking is for providing efficient, adequate, economical and properly coordinated road transport service in public interest, *G.T. Venkataswamy Reddy v. State Transport Authority*, (2016) 8 SCC 402.

100. Objection to the proposal.—(1) On the publication of any proposal regarding a scheme in the Official Gazette and in not less than one newspaper in the regional language circulating in the area or route which is to be covered by such proposal any person may, within thirty days from the date of its publication in the Official Gazette, file objections to it before the State Government.

(2) The State Government may, after considering the objections and after giving an opportunity to the objector or his representatives and the representatives

168. *Ins. by Act 54 of 1994, S. 30 (w.e.f. 14-11-1994).*

of the State transport undertaking to be heard in the matter, if they so desire, approve or modify such proposal.

(3) The scheme relating to the proposal as approved or modified under sub-section (2) shall then be published in the Official Gazette by the State Government making such scheme and in not less than one newspaper in the regional language circulating in the area or route covered by such scheme and the same shall thereupon become final on the date of its publication in the Official Gazette and shall be called the approved scheme and the area or route to which it relates shall be called the notified area or notified route:

Provided that no such scheme which relates to any inter-State route shall be deemed to be an approved scheme unless it has the previous approval of the Central Government.

(4) Notwithstanding anything contained in this section, where a scheme is not published as an approved scheme under sub-section (3) in the Official Gazette within a period of one year from the date of publication of the proposal regarding the scheme in the Official Gazette under sub-section (1), the proposal shall be deemed to have lapsed.

Explanation.—In computing the period of one year referred to in this sub-section, any period or periods during which the publication of the approved scheme under sub-section (3) was held up on account of any stay or injunction by the order of any Court shall be excluded.

Corresponding Law: S. 68-D of Act IV of 1939

CASE LAW ▶ Section 100(4) : Applicability.—Draft scheme already approved by Supreme Court, held, question of its lapse under Section 100(4) would not arise, *Nishar Ahmad v. State of U.P.*, 1994 Supp (3) SCC 460 (462).

▶ **Sub-section (4) : Failure to public approved scheme within one year.**—Draft scheme published under Section 68-C of the repealed Act would stand lapsed only if it is not approved within one year from the date when the new Act came into force i.e. July 1, 1989, *Ram Krishna Verma v. State of U.P.*, (1992) 2 SCC 620.

▶ **Sub-section (2) : Power to approve or modify.**—Despite the approval of the scheme under Section 68-D (2) [Section 100 of new Act], the State Government may at any time, if it considers necessary in public interest so to do, modify any scheme published under Section 68-D(3). The exercise of that power would be dehors the approval granted under Section 68-D(2) and published under Section 68-D(3), *Chandra Mohan Tiwari v. State of Madhya Pradesh*, (1992) 2 SCC 105.

▶ **Validity of Scheme.**—Scheme for inter-State route approved by one State Government under sub-section (3) [Section 100(3) of new Act] but pending approval of the other State Government and Central Government under proviso to sub-section (3) and not yet published under sub-section (3) even after 13 years without any satisfactory explanation—Hence scheme quashed—Directions issued, *Madan Lal v. M.P.S.R.T.C.*, 1987 Supp SCC 35.

The fact that the draft schemes, prepared and got published by the Corporation earlier, remained without being disposed of by the Government, would not by itself make the later draft schemes approved

by the Government invalid. On the promulgation of the new scheme the earlier schemes stand modified by implication *protanto*, *H. Pattabhirami Reddy v. Secretary to Govt., Transport and R & B Department, Hyderabad*, AIR 1988 AP 129 (FB).

The Government hearing objections is only a quasi judicial body. It need not give detailed reasons for rejection of objection, *H. Pattabhirami Reddy v. Secretary to Govt., Transport and R & B Department*, AIR 1988 AP 129 (FB).

► **Objection to scheme.**—Objection to proposed nationalization scheme must relate only to those relevant factors about which the State Government is required to form an opinion under the statute. Any objection which is irrelevant and extraneous to the provisions of the statute is not permissible, *M. Madan Mohan Rao v. Union of India*, (2002) 6 SCC 348.

► **Jurisdiction of hearing authority.**—Hearing Authority has exclusive jurisdiction under Section 68-D [Section 100 of new Act] to decide merits of a scheme or desirability of bringing such scheme—Civil Court's jurisdiction to issue injunction restraining Hearing Authority from proceeding under Section 68-D impliedly barred—Where aggrieved private operators raising objections under Section 68-D *inter alia* on ground of violation of Article 19(g), writ petition before High Court instead maintainable, *Anwar v. First Addl. District Judge*, (1986) 4 SCC 21.

► **Right to claim permission.**—A combined reading of Sections 99, 100 and 104 in the light of Section 2(38), MV Act, makes it clear that once a scheme is published under Section 100, routes are notified, no persons other than STUs may operate on the notified area or route except as provided in the scheme itself. The scheme once published under Section 100 is law and operates against everyone unless it is modified or cancelled by the State Government under its powers under Section 102.

The provisions of the Scheme including the list of routes notified and the ratio fixed therein between STUs and private operators are statutory in character and legally binding and cannot be tinkered with by the RTAs and have overriding effect over the powers of RTAs under Chapter V, MV Act.

Private operators have no right to claim regular permits upsetting the ratio fixed. Private operators may get regular permits on the notified route or a portion thereof as per the scheme and within the quota earmarked for them, *Punjab Roadways v. Punja Sahib Bus & Transport Co.*, (2010) 5 SCC 235.

► **Delay.**—Inordinate delay in approving draft scheme—Effect—Delay of 25 years, in absence of sufficient explanation, fatal—Scheme quashed, *Onkar Singh v. R.T.A.*, (1986) 3 SCC 259.

► **Operation of service.**—No private operator can operate his services on any part or portion of a notified area or notified route unless authorized so to do by the terms of the scheme itself, *M. Madan Mohan Rao v. Union of India*, (2002) 6 SCC 348.

101. Operation of additional services by a State transport undertaking in certain circumstances.—Notwithstanding anything contained in Section 87, a State transport undertaking may, in the public interest operate additional services for the conveyance of the passengers on special occasions such as to and from fairs and religious gatherings:

Provided that the State transport undertaking shall inform about the operation of such additional services to the concerned Transport Authority without delay.

102. Cancellation or modification of scheme.—(1) The State Government may, at any time, if it considers necessary, in the public interest so to do, modify any approved scheme after giving—

- (i) the State transport undertaking; and
- (ii) any other person who, in the opinion of the State Government, is likely to be affected by the proposed modification,

an opportunity of being heard in respect of the proposed modification.

(2) The State Government shall publish any modification proposed under sub-section (1) in the Official Gazette and in one of the newspapers in the regional languages circulating in the area in which it is proposed to be covered by such modification, together with the date, not being less than thirty days from such publication in the Official Gazette, and the time and place at which any representation received in this behalf will be heard by the State Government.

Corresponding Law: S. 68-E of Act IV of 1939

CASE LAW ▶ Cancellation of the Scheme.—Where relaxation granted up to a distance of 25 kms. on nationalised route to private operators without picking up or setting down the passengers on notified route strictly subject to terms and conditions mentioned therein—Supreme Court cannot give any direction or relief to the petitioners—If they have any right in the modified scheme the RTA or STA may go into the matter after notice to the State Transport Undertaking and all other interested persons, *Afsar Jahan Begum v. State of M.P.*, (1996) 8 SCC 38.

▶ **Partial exemption.**—Where in a scheme for nationalisation some routes are exempted, partial exemption cannot be questioned as discriminatory as it is controlled and regulated by the proviso. *A.P. State Road Transport Corpn. v. P.V. Ramamohan Chowdhary*, (1992) 2 SCC 235.

103. Issue of permits to State transport undertakings.—(1) Where, in pursuance of an approved scheme, any State transport undertaking applies in such manner as may be prescribed by the State Government in this behalf for a stage carriage permit or a goods carriage permit or a contract carriage permit in respect of a notified area or notified route, the State Transport Authority in any case where the said area or route lies in more than one region and the Regional Transport Authority in any other case shall issue such permit to the State transport undertaking, notwithstanding anything to the contrary contained in Chapter V.

(2) For the purpose of giving effect to the approved scheme in respect of a notified area or notified route, the State Transport Authority or, as the case may be, the Regional Transport Authority concerned may, by order,—

- (a) refuse to entertain any application for the grant or renewal of any other permit or reject any such application as may be pending;
- (b) cancel any existing permit;
- (c) modify the terms of any existing permit so as to—
 - (i) render the permit ineffective beyond a specified date;
 - (ii) reduce the number of vehicles authorised to be used under the permit;

(iii) curtail the area or route covered by the permit insofar as such permit relates to the notified area or notified route.

(3) For the removal of doubts, it is hereby declared that no appeal shall lie against any action taken, or order passed, by the State Transport Authority or any Regional Transport Authority under sub-section (1) or sub-section (2).

STATE AMENDMENTS

Karnataka.—In Section 103, after sub-section (1), the following shall be *inserted*, namely:—

“(1-A) It shall be lawful for the State Transport undertaking to operate on any route as stage carriage under any permit issued therefor to such undertaking under sub-section (1), any vehicle placed at the disposal and under the control of such undertaking by the owner of such vehicle under any arrangement entered into between such owner and the undertaking for the use of the said vehicle by the undertaking.” [Vide Karnataka Act 11 of 1996, S. 2].

Corresponding Law: S. 68-F of Act IV of 1939

CASE LAW ▶ Variation of permit.—Variation of permit by including the whole route or a part thereof in respect of which a scheme is published under Section 68-C, cannot be granted, *Pandiyan Roadways Corpn. Ltd. v. M.A. Egappan*, (1987) 2 SCC 47, 50, 51.

104. Restriction on grant of permits in respect of a notified area or notified route.—Where a scheme has been published under sub-section (3) of Section 100 in respect of any notified area or notified route, the State Transport Authority or the Regional Transport Authority, as the case may be, shall not grant any permit except in accordance with the provisions of the scheme:

Provided that where no application for a permit has been made by the State transport undertaking in respect of any notified area or notified route in pursuance of an approved scheme, the State Transport Authority or the Regional Transport Authority, as the case may be, may grant temporary permits to any person in respect of such notified area or notified route subject to the condition that such permit shall cease to be effective on the issue of a permit to the State transport undertaking in respect of the area or route.

Corresponding Law: S. 68-FF of Act IV of 1939

CASE LAW ▶ Right to claim permit.—After a scheme is approved and published, private operators have no right to claim permit to operate their vehicles on the notified area, route or portion thereof except to the extent permitted by the scheme itself. The scheme is law and prevails till varied according to law. Where SRTC has already obtained permits and commenced plying their vehicles on the notified routes in accordance with the scheme, private operators cannot be allowed to enter into the prohibited area, routes or portions thereof covered by the scheme through backdoor by seeking temporary permits under proviso to Section 104 for a new route by fusing two notified routes, *U.P. SRTC v. Anwar Ahmed*, (1997) 3 SCC 191.

▶ Temporary permit.—Temporary permit for an inter-State route, partly covering a route under for intra-State routes. Issuance of such a permit to a private operator after the enforcement of the Scheme, held, impermissible, *Karnataka SRTC. v. Secy., Karnataka STA.*, 1987 Supp SCC 728, 730.

▶ Variation of permit.—Variation of permit after publication of approved scheme, not permissible. Hence, existing operators cannot seek increase in number of trips or vehicles beyond what was permitted

and stood frozen under the approved scheme, *G.T. Venkataswamy Reddy v. State Transport Authority*, (2016) 8 SCC 402.

105. Principles and method of determining compensation and payment thereof.—(1) Where, in exercise of the powers conferred by clause (b) or clause (c) of sub-section (2) of Section 103, any existing permit is cancelled or the terms thereof are modified, there shall be paid by the State transport undertaking to the holder of the permit, compensation, the amount of which shall be determined in accordance with the provisions of sub-section (4) or sub-section (5), as the case may be.

(2) Notwithstanding anything contained in sub-section (1), no compensation shall be payable on account of the cancellation of any existing permit or any modification of the terms thereof, when a permit for an alternative route or area in lieu thereof has been offered by the State Transport Authority or the Regional Transport Authority, as the case may be and accepted by the holder of the permit.

(3) For the removal of doubts, it is hereby declared that no compensation shall be payable on account of the refusal to renew a permit under clause (a) of sub-section (2) of Section 103.

(4) Where, in exercise of the powers conferred by clause (b) or sub-clause (i) or sub-clause (ii) of clause (c) of sub-section (2) of Section 103, any existing permit is cancelled or the terms thereof are modified so as to prevent the holder of the permit from using any vehicle authorised to be used thereunder for the full period from which the permit, would otherwise have been effective, the compensation payable to the holder of the permit for each vehicle affected by such cancellation or modification shall be computed as follows—

- (a) for every complete month or part of a month exceeding fifteen days of the unexpired period of the permit—Two hundred rupees;
- (b) for part of a month not exceeding fifteen days of the unexpired period of the permit—One hundred rupees:

Provided that the amount of compensation shall, in no case, be less than four hundred rupees.

(5) Where, in exercise of the powers conferred by sub-clause (iii) of clause (c) of sub-section (2) of Section 103, the terms of an existing permit are modified so as to curtail the area or route of any vehicle authorised to be used thereunder, the compensation payable to the holder of the permit on account of such curtailment shall be an amount computed in accordance with the following formula, namely—

$$\frac{Y \times A}{R}$$

Explanation.—In this formula,—

- (i) “Y” means the length or area by which the route or area covered by the permit is curtailed;
- (ii) “A” means the amount computed in accordance with sub-section (4);

(iii) "R" means the total length of the route or the total area covered by the permit.

(6) The amount of compensation payable under this section shall be paid by the State transport undertaking to the person or persons entitled thereto within one month from the date on which the cancellation or modification of the permit becomes effective:

Provided that where the State transport undertaking fails to make the payment within the said period of one month, it shall pay interest at the rate of seven per cent per annum from the date on which it falls due.

Corresponding Law: S. 68-G of Act IV of 1939

106. Disposal of articles found in vehicles.—Where any article found in any transport vehicle operated by the State transport undertaking is not claimed by its owner within the prescribed period, the State transport undertaking may sell the article in the prescribed manner and the sale proceeds thereof, after deducting the costs incidental to sale, shall be paid to the owner on demand.

Corresponding Law: S. 68-HH of Act IV of 1939

107. Power of State Government to make rules.—(1) The State Government may make rules for the purpose of carrying into effect the provisions of this Chapter.

(2) In particular and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely—

- (a) the form in which any proposal regarding a scheme may be published under Section 99;
- (b) the manner in which objections may be filed under sub-section (1) of Section 100;
- (c) the manner in which objections may be considered and disposed of under sub-section (2) of Section 100;
- (d) the form in which any approved scheme may be published under sub-section (3) of Section 100;
- (e) the manner in which application under sub-section (1) of Section 103 may be made;
- (f) the period within which the owner may claim any article found left in any transport vehicle under Section 106 and the manner of sale of such article;
- (g) the manner of service of orders under this Chapter;
- (h) any other matter which has to be, or may be, prescribed.

Corresponding Law: S. 68-I of Act IV of 1939

108. Certain powers of State Government exercisable by the Central Government.—The powers conferred on the State Government under this Chapter shall, in relation to a corporation or company owned or controlled by the Central Government or by the Central Government and one or more State Governments, be exercisable only by the Central Government in relation to an inter-State route or area.

Corresponding Law: S. 68-J of Act IV of 1939

CHAPTER VII CONSTRUCTION, EQUIPMENT AND MAINTENANCE OF MOTOR VEHICLES

109. General provision regarding construction and maintenance of vehicles.—(1) Every motor vehicle shall be so constructed and so maintained as to be at all times under the effective control of the person driving the vehicle.

Corresponding Law: S. 69 of Act IV of 1939

(2) Every motor vehicle shall be so constructed as to have right hand steering control unless it is equipped with a mechanical or electrical signalling device of a prescribed nature.

Corresponding Law: S. 69-A of Act IV of 1939

¹⁶⁹[(3) If the Central Government is of the opinion that it is necessary or expedient so to do in the public interest, it may by order publish in the Official Gazette, notify that any article or process used by a manufacturer shall conform to such standard as may be specified in that order.]

Notes on clauses

Clause 31 of Bill No. 53 of 1994 seeks to amend Section 109 to empower the Central Government to prescribe the standards of articles or process used by a manufacturer.

CASE LAW ► Interpretation/Construction.—An article which is adjunct to or necessarily attached to a motor vehicle would also be covered by words “any article or process used by a manufacturer” in Section 109(3) in the said expression in Section 109(3). Hence, a high security registration plate is covered. Moreover, “in the context”, “manufacturer” cannot be restricted to only manufacturers of motor vehicles as defined in Section 2(21-A). Registration plates are not manufactured by the manufacturer of motor vehicle, but for maintenance and operation of motor vehicles, registration plates are necessary. Therefore manufacturers of registration plates can be subjected to certain standards by a statutory order to be notified and published in accordance with Section 109(3). Hence the Motor Vehicles (New High Security Registration Plates) Order, 2001 was intra vires Section 109(3), *Assn. of Registration Plates v. Union of India*, (2005) 1 SCC 679.

110. Power of Central Government to make rules.—(1) The Central Government may make rules regulating the construction, equipment and maintenance of motor vehicles and trailers with respect to all or any of the following matters, namely—

(a) the width, height, length and overhang of vehicles and of the loads carried;

¹⁷⁰[(b) the size, nature, maximum retail price and condition of tyres including embossing thereon of date and year of manufacture and the maximum load carrying capacity;]

(c) brakes and steering gear;

(d) the use of safety glasses including prohibition of the use of tinted safety glasses;

(e) signalling appliances, lamps and reflectors;

¹⁶⁹. Ins. by Act 54 of 1994, S. 31 (w.e.f. 14-11-1994).

¹⁷⁰. Subs. by Act 54 of 1994, S. 32 (w.e.f. 14-11-1994).

- (f) speed governors;
- (g) the emission of smoke, visible vapour, sparks, ashes, grit or oil;
- (h) the reduction of noise emitted by or caused by vehicles;
- (i) the embossment of chassis number and engine number and the date of manufacture;
- (j) safety belts, handle bars of motor cycles, auto-dippers and other equipments essential for safety of drivers, passengers and other road users;
- (k) standards of the components ¹⁷¹[, including software,] used in the vehicle as inbuilt safety devices;
- (l) provision for transportation of goods of dangerous or hazardous nature to human life;
- (m) standards for emission of air pollutants;
- ¹⁷²(n) installation of catalytic convertors in the class of vehicles to be prescribed;
- (o) the placement of audio-visual or radio or tape recorder type of devices in public vehicles;
- (p) warranty after sale of vehicle and norms therefor:]

Provided that any rules relating to the matters dealing with the protection of environment, so far as may be, shall be made after consultation with the Ministry of the Government of India dealing with environment.

(2) Rules may be made under sub-section (1) governing the matters mentioned therein, including the manner of ensuring the compliance with such matters and the maintenance of motor vehicles in respect of such matters, either generally in respect of motor vehicles or trailers or in respect of motor vehicles or trailers of a particular class or in particular circumstances ¹⁷³[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].

¹⁷⁴[(2-A) 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 (5 of 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.]

(3) Notwithstanding anything contained in this section,—

- (a) the Central Government may exempt any class of motor vehicles from the provisions of this Chapter;

171. *Ins.* by Act 32 of 2019, S. 39(i) (w.e.f. 1-4-2021).

172. *Ins.* by Act 54 of 1994, S. 32 (w.e.f. 14-11-1994).

173. *Ins.* by Act 32 of 2019, S. 39(ii) (w.e.f. 1-4-2021).

174. *Ins.* by Act 32 of 2019, S. 39(iii) (w.e.f. 1-4-2021).

- (b) a State Government may exempt any motor vehicle or any class or description of motor vehicles from the rules made under sub-section (1) subject to such conditions as may be prescribed by the Central Government.

Corresponding Law: S. 69-B of Act IV of 1939

Notes on clauses

Clause 32 of Bill No. 53 of 1994 seeks to amend Section 110 so as to empower the Central Government to provide for, by rules, embossing of price, etc., on tyres, installation of catalytic converters in the class of vehicles to be prescribed, placement of audio-visual equipment, etc., in public vehicles, warranty after sale of vehicle and norms therefor.

CASE LAW ► Criminal complaint of a vehicle purchaser.—In this case criminal complaint filed by a purchaser of motor vehicle (an independent party), inter alia, alleging misrepresentation regarding use of defeat devices in vehicle was held to be maintainable, even when appeal against National Green Tribunal (NGT) proceeding, also involving use of such device, is sub judice. Interim relief restraining coercive steps against the manufacturer in the context of NGT's order is not a deterrent for a third party (independent party) to lodge a police complaint and seek an investigation. Criminal complaint of a purchaser and NGT related proceedings are independent and distinct actions, *Skoda Auto Volkswagen (India) (P) Ltd. v. State of U.P.*, (2021) 5 SCC 795.

¹⁷⁵[**110-A. Recall of motor vehicles.**—(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 variants of such motor vehicle.

(3) A manufacturer whose vehicles are recalled under sub-section (1) or sub-section (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).

175. *Ins.* by Act 32 of 2019, S. 40 (w.e.f. 1-4-2021).

(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 (5 of 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.]

NOTIFICATIONS

Noti. No. S.O. 1232(E), dated 11-3-2021.—In exercise of the powers conferred by sub-clause (i) of clause (b) of sub-section (1) of Section 110-A of the Motor Vehicles Act, 1988 (59 of 1988) read with sub-rule (2) of Rule 127-C of the Central Motor Vehicles Rules, 1989, the Central Government hereby specifies the percentage of owners as follows:

1. The manager of the Vehicle Recall Portal shall inform the designated officer under Rule 127-C of the Central Motor Vehicle Rules, 1989, if the number of owners reporting an identical defect in particular motor vehicle mentioned in column (2) of the table, is equal to or more than the percentage for the category of the motor vehicle in column (1) of Table.

TABLE

Category	Percentage of owners reporting identical defect
(1)	(2)
2W	For vehicle models whose annual sales is: <ul style="list-style-type: none"> • Upto 3,000 Units — 20 percent of sales • 3,001 — 60,000 units — (6,00 nos) + 10 percent of sale beyond 3000 • < 60,000 units — (6300 nos) + 2 percent of sale beyond 60000
3W & L7	For vehicle models whose annual sales is: <ul style="list-style-type: none"> • Upto 500 units : 20 percent of sales • 501 -10,000 units : (100 nos) + 10 percent of sales beyond 500 • 10,000 units : (1050 nos) + 2 percent of sales beyond 10000
M1	For vehicle models whose annual sales is <ul style="list-style-type: none"> • Upto 500 units : 20 percent of sales • 501-10,000 units : (100 nos) + 10 percent of sales beyond 500 • > 10,000 units : (1050 nos) + 2.5 percent of sales beyond 10000
M2, M3, N1, N2, N3, T3, T4	3 percent (of annual sales)

2. For the purposes of calculating the percentage of applications received, the following formula shall be employed:

$$\frac{\text{percent of Applications for an identical defect in a motor vehicle}}{\text{Number of motor vehicles sold in a rolling year}} = \frac{\text{Number of Applications received stating the identical defect in a particular motor vehicle}}{\text{Number of motor vehicles sold in a rolling year}}$$

¹⁷⁶[110-B. Type approval certificate and testing agencies.—(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 110-A, the testing agency which granted the certificate to such motor vehicle shall be liable for its accreditation and registration to be cancelled.]

111. Power of State Government to make rules.—(1) A State Government may make rules regulating the construction, equipment and maintenance of motor vehicles and trailers with respect to all matters other than the matters specified in sub-section (1) of Section 110.

(2) Without prejudice to the generality of the foregoing power, rules may be made under this section governing all or any of the following matters either generally in respect of motor vehicles or trailers or in respect of motor vehicles or trailers of a particular class or description or in particular circumstances, namely—

- (a) seating arrangements in public service vehicles and the protection of passengers against the weather;
- (b) prohibiting or restricting the use of audible signals at certain times or in certain places;
- (c) prohibiting the carrying of appliances likely to cause annoyance or danger;
- (d) the periodical testing and inspection of vehicles by prescribed authorities [and fees to be charged for such test]¹⁷⁷;
- (e) the particulars other than registration marks to be exhibited by vehicles and the manner in which they shall be exhibited;
- (f) the use of trailers with motor vehicles; and
- (g) [* * *]¹⁷⁸

Corresponding Law: S. 70 of Act IV of 1939

Notes on clauses

Clause 33 of Bill No. 53 of 1994 seeks to amend Section 111 to empower the State Governments to prescribe, by rules, fees to be charged for periodical testing/inspection of vehicles.

CHAPTER VIII CONTROL OF TRAFFIC

112. Limits of speed.—(1) No person shall drive a motor vehicle or cause or allow a motor vehicle to be driven in any public place at a speed exceeding the maximum speed or below the minimum speed fixed for the vehicle under this Act or by or under any other law for the time being in force:

Provided that such maximum speed shall in no case exceed the maximum fixed for any motor vehicle or class or description of motor vehicles by the Central Government by notification in the Official Gazette.

(2) The State Government or any authority authorised in this behalf by the State Government may, if satisfied that it is necessary to restrict the speed of motor vehicles in the interests of public safety or convenience or because of the nature of any road or bridge, by notification in the Official Gazette, and by causing appropriate traffic signs to be placed or erected under Section 116 at suitable places, fix such maximum speed limits or minimum speed limits as it thinks fit for motor vehicles or any specified class or description of motor vehicles or for motor vehicles to which a trailer is attached, either generally or in a particular area or on a particular road or roads:

Provided that no such notification is necessary if any restriction under this section is to remain in force for not more than one month.

177. *Ins.* by Act 54 of 1994, S. 33 (w.e.f. 14-11-1994).

178. *Omitted* by Act 54 of 1994, S. 33 (w.e.f. 14-11-1994). Prior to omission it read as:

“(g) the placement of audio-visual or radio or taperecorder type of devices in the vehicle.”

(3) Nothing in this section shall apply to any vehicle registered under Section 60 while it is being used in the execution of military manoeuvres within the area and during the period specified in the notification under sub-section (1) of Section 2 of the Manoeuvres, Field Firing and Artillery Practice Act, 1938 (5 of 1938).

Corresponding Law: S. 71 of Act IV of 1939

113. Limits of weight and limitations on use.—(1) The State Government may prescribe the conditions for the issue of permits for [transport vehicles]¹⁷⁹ by the State or Regional Transport Authorities and may prohibit or restrict the use of such vehicles in any area or route.

(2) Except as may be otherwise prescribed, no person shall drive or cause or allow to be driven in any public place any motor vehicle which is not fitted with pneumatic tyres.

(3) No person shall drive or cause or allow to be driven in any public place any motor vehicle or trailer—

- (a) the unladen weight of which exceeds the unladen weight specified in the certificate of registration of the vehicle, or
- (b) the laden weight of which exceeds the gross vehicle weight specified in the certificate of registration.

(4) Where the driver or person in charge of a motor vehicle or trailer driven in contravention of sub-section (2) or clause (a) of sub-section (3) is not the owner, a Court may presume that the offence was committed with the knowledge of or under the orders of the owner of the motor vehicle or trailer.

Corresponding Law: S. 72 of Act IV of 1939

Notes on clauses

Clause 34 of Bill No. 53 of 1994 seeks to amend Section 113 to substitute the words “heavy goods vehicles or heavy passenger vehicles” by the words “transport vehicles”.

114. Power to have vehicle weighed.—(1)¹⁸⁰ [Any officer of the Motor Vehicles Department¹⁸¹ or any other person authorised in this behalf by the State Government] shall, if he has reason to believe that a goods vehicle or trailer is being used in contravention of Section 133, require the driver to convey the vehicle to a weighing device, if any, within a distance of ten kilometres from any point on the forward route or within a distance of twenty kilometres from the destination of the vehicle for weighment; and if on such weighment the vehicle is found to contravene in any respect the provisions of Section 113 regarding weight, he may, by order in writing, direct the driver to off-load the excess weight at his own risk and not to remove the vehicle or trailer from that place until the laden weight has been reduced or the vehicle or trailer has otherwise been dealt with so that it complies with Section 113 and on receipt of such notice, the driver shall comply with such directions.

179. Subs. by Act 54 of 1994, S. 34, for “heavy goods vehicles or heavy passenger motor vehicles” (w.e.f. 14-11-1994).

180. Subs. by Act 54 of 1994, S. 35, for certain words and figures (w.e.f. 14-11-1994).

181. Subs. for “authorised in this behalf by the State Government” by Act 32 of 2019, S. 41 (w.e.f. 1-9-2019).

(2) Where the person authorised under sub-section (1) makes the said order in writing, he shall also endorse the relevant details of the overloading on the goods carriage permit and also intimate the fact of such endorsement to the authority which issued that permit.

Corresponding Law: S. 73 of Act IV of 1939

Notes on clauses

Clause 35 of Bill No. 53 of 1994 seeks to amend sub-section (1) of Section 114 to authorise only an officer of the Motor Vehicles Department to check transport vehicles for violation of maximum load limits.

115. Power to restrict the use of vehicles.—The State Government or any authority authorised in this behalf by the State Government, if satisfied that it is necessary in the interest of public safety or convenience, or because of the nature of any road or bridge, may by notification in the Official Gazette, prohibit or restrict, subject to such exceptions and conditions as may be specified in the notification, the driving of motor vehicles or of any specified class or description of motor vehicles or the use of trailers either generally in a specified area or on a specified road and when any such prohibition or restriction is imposed, shall cause appropriate traffic signs to be placed or erected under Section 116 at suitable places:

Provided that where any prohibition or restriction under this section is to remain in force for not more than one month, notification thereof in the Official Gazette shall not be necessary, but such local publicity as the circumstances may permit, shall be given of such prohibition or restriction.

Corresponding Law: S. 74 of Act IV of 1939

116. Power to erect traffic signs.—(1) (a) The State Government or any authority authorised in this behalf by the State Government may cause or permit traffic signs to be placed or erected in any public place for the purpose of bringing to public notice any speed limits fixed under sub-section (2) of Section 112 or any prohibitions or restrictions imposed under Section 115 or generally for the purpose of regulating motor vehicle traffic.

(b) A State Government or any authority authorised in this behalf by the State Government may, by notification in the Official Gazette or by the erection at suitable places of the appropriate traffic sign referred to in Part A of the Schedule, designate certain roads as main roads for the purposes of the driving regulations made by the Central Government.

¹⁸²[(1-A) Notwithstanding anything contained in sub-section (1), the National Highways Authority of India constituted under the National Highways Authority of India Act, 1988 (68 of 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:

182. *Ins.* by Act 32 of 2019, S. 42(i) (w.e.f. 1-9-2019).

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.]

(2) Traffic signs placed or erected under sub-section (1) for any purpose for which provision is made in the Schedule shall be of the size, colour and type and shall have the meanings set forth in the Schedule, but the State Government or any authority empowered in this behalf by the State Government may make or authorise the addition to any sign set forth in the said Schedule, of transcriptions of the words, letters or figures thereon in such script as the State Government may think fit, provided that the transcriptions shall be of similar size and colour to the words, letters or figures set forth in the Schedule.

(3) Except as provided by sub-section (1) ¹⁸³[or sub-section (1-A)], no traffic sign shall, after the commencement of this Act, be placed or erected on or near any road; but all traffic signs placed or erected prior to the commencement of this Act by any competent authority shall for the purpose of this Act be deemed to be traffic signs placed or erected under the provisions of sub-section (1).

(4) A State Government may, by notification in the Official Gazette, empower any police officer not below the rank of a Superintendent of Police to remove or cause to be removed any sign or advertisement which is so placed in his opinion as to obscure any traffic sign from view or any sign or advertisement which is in his opinion so similar in appearance to a traffic sign as to be misleading or which in his opinion is likely to distract the attention or concentration of the driver.

(5) No person shall wilfully remove, alter, deface, or in any way tamper with, any traffic signs placed or erected under this section.

(6) If any person accidentally causes such damage to a traffic sign as renders it useless for the purpose for which it is placed or erected under this section, he shall report the circumstances of the occurrence to a police officer or at a police station as soon as possible, and in any case within twenty-four hours of the occurrence.

(7) For the purpose of bringing the signs set forth in the [First]¹⁸⁴ Schedule in conformity with any International Convention relating to motor traffic to which the Central Government is for the time being a party, the Central Government may, by notification in the Official Gazette, make any addition or alteration to any such sign and on the issue of any such notification, the [First]¹⁸⁵ Schedule shall be deemed to be amended accordingly.

Corresponding Law: S. 75 of Act IV of 1939

Notes on clauses

Clause 36 of Bill No. 53 of 1994 seeks to amend Section 116 consequent to the renumbering of the existing Schedule as the first Schedule.

183. *Ins.* by Act 32 of 2019, S. 42(ii) (w.e.f. 1-9-2019).

184. *Ins.* by Act 54 of 1994, S. 36 (w.e.f. 14-11-1994).

185. *Ins.* by Act 54 of 1994, S. 36 (w.e.f. 14-11-1994).

117. Parking places and halting stations.—The State Government or any authority authorised in this behalf by the State Government may, in consultation with the local authority having jurisdiction in the area concerned, determine places at which motor vehicles may stand either indefinitely or for a specified period of time, and may determine the places at which public service vehicles may stop for a longer time than is necessary for the taking up and setting down of passengers:

¹⁸⁶[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 (68 of 1988) or any other agency authorised by the Central Government, may also determine such places.]

Corresponding Law: S. 76 of Act IV of 1939

118. Driving regulations.—The Central Government may, by notification in the Official Gazette, make regulations for the driving of motor vehicles.

119. Duty to obey traffic signs.—(1) Every driver of a motor vehicle shall drive the vehicle in conformity with any indication given by mandatory traffic sign and in conformity with the driving regulations made by the Central Government, and shall comply with all directions given to him by any police officer for the time being engaged in the regulation of traffic in any public place.

(2) In this section “mandatory traffic sign” means a traffic sign included in Part A of the Schedule, or any traffic sign of similar form (that is to say, consisting of or including a circular disc displaying a device, word or figure and having a red ground or border) placed or erected for the purpose of regulating motor vehicle traffic under sub-section (1) of Section 116.

Corresponding Law: S. 78 of Act IV of 1939

120. Vehicles with left hand control.—No person shall drive or cause or allow to be driven in any public place any motor vehicle with a left-hand steering control unless it is equipped with a mechanical or electrical signalling device of a prescribed nature and in working order.

Corresponding Law: S. 80 of Act IV of 1939

121. Signals and Signalling devices.—The driver of a motor vehicle shall make such signals and on such occasions as may be prescribed by the Central Government:

Provided that the signal of an intention to turn to the right or left or to stop—

- (a) in the case of a motor vehicle with a right hand steering control, may be given by a mechanical or electrical device of a prescribed nature affixed to the vehicle; and

186. *Ins.* by Act 32 of 2019, S. 43 (w.e.f. 1-9-2019).

- (b) in the case of a motor vehicle with a left hand steering control, shall be given by a mechanical or electrical device of a prescribed nature affixed to the vehicle:

Provided further that the State Government may, having regard to the width and condition of the roads in any area of route, by notification in the Official Gazette, exempt subject to such conditions as may be specified therein any motor vehicle or class or description of motor vehicles from the operation of this section for the purpose of plying in that area or route.

Corresponding Law: S. 79 of Act IV of 1939

122. Leaving vehicle in dangerous position.—No person in charge of a motor vehicle shall cause or allow the vehicle or any trailer to be abandoned or to remain at rest on any public place in such a position or in such a condition or in such circumstances as to cause or likely to cause danger, obstruction or undue inconvenience to other users of the public place or to the passengers.

Corresponding Law: S. 81 of Act IV of 1939

123. Riding on running board, etc.—(1) No person driving or in charge of a motor vehicle shall carry any person or permit any person to be carried on the running board or otherwise than within the body of the vehicle.

(2) No person shall travel on the running board or on the top or on the bonnet of a motor vehicle.

Corresponding Law: S. 82 of Act IV of 1939

124. Prohibition against travelling without pass or ticket.—No person shall enter or remain in any stage carriage for the purposes of travelling therein unless he has with him a proper pass or ticket:

Provided that where arrangements for the supply of tickets are made in the stage carriage by which a person has to travel, a person may enter such stage carriage but as soon as may be after his entry therein, he shall make the payment of his fare to the conductor or the driver who performs the functions of a conductor and obtain from such conductor or driver, as the case may be, a ticket for his journey.

Explanation.—In this section,—

- (a) “pass” means a duty, privilege or courtesy pass entitling the person to whom it is given to travel in a stage carriage gratuitously and includes a pass issued on payment for travel in a stage carriage for the period specified therein;
- (b) “ticket” includes a single ticket, a return ticket or a season ticket.

Corresponding Law: S. 82-A of Act IV of 1939

125. Obstruction of driver.—No person driving a motor vehicle shall allow any person to stand or sit or to place anything in such a manner or position as to hamper the driver in his control of the vehicle.

Corresponding Law: S. 83 of Act IV of 1939

126. Stationary vehicles.—No person driving or in charge of a motor vehicle shall cause or allow the vehicle to remain stationary in any public place, unless

there is in the driver's seat a person duly licensed to drive the vehicle or unless the mechanism has been stopped and a brake or brakes applied or such other measures taken as to ensure that the vehicle cannot accidentally be put in motion in the absence of the driver.

Corresponding Law: S. 84 of Act IV of 1939

127. Removal of motor vehicles abandoned or left unattended on a public place.—¹⁸⁷[(1) Where any motor vehicle is abandoned or left unattended in a public place for ten hours or more or is parked in a place where parking is legally prohibited, its removal by a towing service or its immobilisations by any means including wheel clamping may be authorised by a police officer in uniform having jurisdiction.]

(2) Where an abandoned, unattended, wrecked, burnt or partially dismantled vehicle is creating a traffic hazard because of its position in relation to the [public place]¹⁸⁸, or its physical appearance is causing the impediment to the traffic, its immediate removal from the [public place]¹⁸⁹ by a towing service may be authorised by a police officer having jurisdiction.

(3) Where a vehicle is authorised to be removed under sub-section (1) or sub-section (2) by a police officer, the owner of the vehicle shall be responsible for all towing costs, besides any other penalty.

Notes on clauses

Clause 37 of Bill No. 53 of 1994 seeks to amend Section 127 so as to empower a police officer in uniform to immobilise the vehicles which have been abandoned or left unattended in a public place for more than 10 hours.

128. Safety measures for drivers and pillion riders.—(1) No driver of a two-wheeled motor cycle shall carry more than one person in addition to himself on the motor cycle and no such person shall be carried otherwise than sitting on a proper seat securely fixed to the motor cycle behind the driver's seat with appropriate safety measures.

Corresponding Law: S. 85 of Act IV of 1939

(2) In addition to the safety measures mentioned in sub-section (1), the Central Government may, prescribe other safety measures for the drivers of two-wheeled motor cycles and pillion riders thereon.

¹⁹⁰**[129. Wearing of protective headgear.**—Every person, above four years of age, driving or riding or being carried on a motorcycle of any class or description

187. Subs. by Act 54 of 1994, S. 37, for sub-section (1) (w.e.f. 14-11-1994).

188. Subs. by Act 54 of 1994, S. 37, for "highway" (w.e.f. 14-11-1994).

189. Subs. by Act 54 of 1994, S. 37, for "highway" (w.e.f. 14-11-1994).

190. Subs. by Act 32 of 2019, S. 44 (w.e.f. 15-2-2022). Prior to substitution it read as:

"129. *Wearing of protective headgear.*—Every person driving or riding (otherwise than in a side car, on a motor cycle of any class or description) shall, while in a public place, wear protective headgear conforming to the standards of Bureau of Indian Standards:

Provided that the provisions of this section shall not apply to a person who is a Sikh, if he is, while driving or riding on the motor cycle, in a public place, wearing a turban:

Provided further that the State Government may, by such rules, provide for such exceptions as it may think fit.

Explanation.—"Protective headgear" means a helmet which,—

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 motorcycle, 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 motorcycle a degree of 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.]

130. Duty to produce licence and certificate of registration.—(1) The driver of a motor vehicle in any public place shall, on demand by any police officer in uniform, produce his licence for examination:

Provided that the driver may, if his licence has been submitted to, or has been seized by, any officer or authority under this or any other Act, produce in lieu of the licence a receipt or other acknowledgement issued by such officer or authority in respect thereof and thereafter produce the licence within such period, in such manner as the Central Government may prescribe to the police officer making the demand.

Corresponding Law: S. 86(1) of Act IV of 1939

¹⁹¹[(2) The conductor, if any, of a motor vehicle in any public place shall on demand by any officer of the Motor Vehicles Department authorised in this behalf, produce the licence for examination.]

Corresponding Law: S. 86(1-A) of Act IV of 1939

¹⁹²[(3) The owner of a motor vehicle (other than a vehicle registered under Section 60), or in his absence the driver or other person in charge of the vehicle, shall, on demand by a registering authority or any other officer of the Motor Vehicles Department duly authorised in this behalf, produce the certificate of insurance of the vehicle and, where the vehicle is a transport vehicle, also the certificate of fitness referred to in Section 56 and the permit; and if any or all of the certificates or the permit are not in his possession, he shall, within fifteen days

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- (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 of 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."

191. Subs. by Act 54 of 1994, S. 39 (w.e.f. 14-11-1994).

192. Subs. by Act 54 of 1994, S. 39 (w.e.f. 14-11-1994).

from the date of demand, submit photo copies of the same, duly attested in person or send the same by registered post to the officer who demanded it.

Explanation.—For the purposes of this sub-section, “certificate of insurance” means the certificate issued under sub-section (3) of Section 147.]

Corresponding Law: S. 86(2) of Act IV of 1939

(4) If the licence referred to in sub-section (2) or the certificates or permit referred to in sub-section (3), as the case may be, are not at the time in the possession of the person to whom demand is made, it shall be a sufficient compliance with this section if such person produces the licence or certificates or permit within such period in such manner as the Central Government may prescribe, to the police officer or authority making the demand:

Provided that, except to such extent and with such modifications as may be prescribed, the provisions of this sub-section shall not apply to any person required to produce the certificate of registration or the certificate of fitness of a transport vehicle.

Corresponding Law: S. 86(3) of Act IV of 1939

Notes on clauses

Clause 39 of Bill No. 53 of 1994 seeks to amend Section 130 so as to empower only the officers of Motor Vehicles Department authorised in this behalf to require a conductor to produce the licence for examination. It also provides that where the requisitioned documents are not in possession of the owner of the vehicle the same or a photo copy thereof shall be submitted, either in person or through registered post within 15 days to the officer who demanded it.

131. Duty of the driver to take certain precautions at unguarded railway level crossings.—Every driver of a motor vehicle at the approach of any unguarded railway level crossing shall cause the vehicle to stop and the driver of the vehicle shall cause the conductor or cleaner or attendant or any other person in the vehicle to walk up to the level crossing and ensure that no train or trolley is approaching from either side and then pilot the motor vehicle across such level crossing, and where no conductor or cleaner or attendant or any other person is available in the vehicle, the driver of the vehicle shall get down from the vehicle himself to ensure that no train or trolley is approaching from either side before the railway track is crossed.

132. Duty of driver to stop in certain cases.—(1) The driver of a motor vehicle shall cause the vehicle to stop and remain stationary so long as ¹⁹³[may for such reasonable time as may be necessary, but not exceeding twenty-four hours]—

¹⁹⁴[(a) when required to do so by any police officer not below the rank of a Sub-Inspector in uniform, in the event of the vehicle being involved in the occurrence of an accident to a person, animal or vehicle or of damage to property, or]

(b) when required to do so by any person in charge of an animal if such person apprehends that the animal is, or being alarmed by the vehicle will become, unmanageable, or

193. Subs. by Act 54 of 1994, S. 40, for “may reasonably be necessary” (w.e.f. 14-11-1994).

194. Subs. by Act 54 of 1994, S. 40 (w.e.f. 14-11-1994).

(c) [* * *]¹⁹⁵

and he shall give his name and address and the name and address of the owner of the vehicle to any person affected by any such accident or damage who demands it provided such person also furnishes his name and address.

(2) The driver of a motor vehicle shall, on demand by a person giving his own name and address and alleging that the driver has committed an offence punishable under Section 184 give his name and address to that person.

(3) In this section the expression "animal" means any horse, cattle, elephant, camel, ass, mule, sheep or goat.

Corresponding Law: S. 87 of Act IV of 1939

Notes on clauses

Clause 40 of Bill No. 53 of 1994 seeks to amend Section 132 so as to prescribe a time limit of 24 hours up to which a vehicle may remain stationary when required by a police officer not below the rank of a Sub-Inspector, etc.

133. Duty of owner of motor vehicle to give information.—The owner of a motor vehicle, the driver or conductor of which is accused of any offence under this Act shall, on the demand of any police officer authorised in this behalf by the State Government, give all information regarding the name and address of, and the licence held by, the driver or conductor which is in his possession or could by reasonable diligence be ascertained by him.

Corresponding Law: S. 88 of Act IV of 1939

134. Duty of driver in case of accident and injury to a person.—When any person is injured or any property of a third party is damaged, as a result of an accident in which a motor vehicle is involved, the driver of the vehicle or other person in charge of the vehicle shall—

- (a) unless it is not practicable to do so on account of mob fury or any other reason beyond his control, take all reasonable steps to secure medical attention for the injured person, ¹⁹⁶[by conveying him to the nearest medical practitioner or hospital, and it shall be the duty of every registered medical practitioner or the doctor on duty in the hospital immediately to attend to the injured person and render medical aid or treatment without waiting for any procedural formalities], unless the injured person or his guardian, in case he is a minor, desires otherwise;
- (b) give on demand by a police officer any information required by him, or, if no police officer is present, report the circumstances of the occurrence, including the circumstances, if any, for not taking reasonable steps to secure medical attention as required under clause

195. Omitted by Act 54 of 1994 S. 40 (w.e.f. 14-11-1994). Prior to omission it read as:

"(c) when the vehicle is involved in the occurrence of an accident to a person, animal or vehicle or of damage to any property, whether the driving or management of the vehicle was or was not the cause of the accident or damage,"

196. Subs. by Act 54 of 1994, S. 41, for "and if necessary convey him to the nearest hospital" (w.e.f. 14-11-1994).

- (a), at the nearest police station as soon as possible, and in any case within twenty-four hours of the occurrence;
- ¹⁹⁷[(c) give the following information in writing to the insurer, who has issued the certificates of insurance, about the occurrence of the accident, namely—
- (i) insurance policy number and period of its validity;
 - (ii) date, time and place of accident;
 - (iii) particulars of the persons injured or killed in the accident;
 - (iv) name of the driver and the particulars of his driving licence.

Explanation.—For the purposes of this section, the expression “driver” includes the owner of the vehicle.]

Corresponding Law: S. 89 of Act IV of 1939

Notes on clauses

Clause 41 of Bill No. 53 of 1994 seeks to amend Section 134 so as to make it obligatory on the driver or the person in-charge of the vehicle to convey the injured person to the nearest hospital. It also casts a duty on every registered medical practitioner to attend to the injured person without waiting for any procedural formalities. It further provides for furnishing of information relating to accidents, etc., to the insurer.

¹⁹⁸[**134-A. Protection of Good Samaritans.**—(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 purposes of this section, “Good Samaritan” means a person, who 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 transports such victim to the hospital.]

135. Schemes to be framed for the investigation of accident cases and wayside amenities, etc.—(1) The State Government may, by notification in the Official Gazette, make one or more schemes to provide for—

- (a) an in depth study on causes and analysis of motor vehicle accidents;
- (b) wayside amenities on highways;
- (c) traffic aid posts on highways; ¹⁹⁹[* * *]
- (d) truck parking complexes along ²⁰⁰[highways; and]
- ²⁰¹[(e) any other amenities in the interests of the safety and the convenience of the public.]

197. Ins. by Act 54 of 1994, S. 41 (w.e.f. 14-11-1994).

198. Ins. by Act 32 of 2019, S. 45 (w.e.f. 1-10-2020).

199. The word “and” omitted by Act 32 of 2019, S. 46(i)(a) (w.e.f. 1-9-2019).

200. Subs. for “highways” by Act 32 of 2019, S. 46(i)(b) (w.e.f. 1-9-2019).

201. Ins. by Act 32 of 2019, S. 46(ii) (w.e.f. 1-9-2019).

(2) Every scheme made under this section by any State Government shall be laid, as soon as may be after it is made, before the State Legislature.

²⁰²[(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.]

136. Inspection of vehicle involved in accident.—When any accident occurs in which a motor vehicle is involved, any person authorised in this behalf by the State Government may, on production if so required of his authority, inspect the vehicle and for that purpose may enter at any reasonable time any premises where the vehicle may be, and may remove the vehicle for examination:

Provided that the place to which the vehicle is so removed shall be intimated to the owner of the vehicle and the vehicle shall be returned ²⁰³[after completion of the formalities to the owner, driver or the person in charge of the vehicle within twenty-four hours].

Corresponding Law: S. 90 of Act IV of 1939

Notes on clauses

Clause 42 of Bill No. 53 of 1994 seeks to amend proviso to Section 136 so as to prescribe a time limit of 24 hours after the completion of the formalities for return of the vehicle involved in the accident to the driver or person in-charge of the vehicle.

²⁰⁴[**136-A. Electronic monitoring and enforcement of road safety.**—(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 up to 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.]

137. Power of Central Government to make rules.—The Central Government may make rules to provide for all or any of the following matters, namely—

(a) the occasions on which signals shall be made by drivers of motor vehicles and such signals under Section 121;

²⁰⁵[(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;]

(b) the manner in which the licences and certificates may be produced to the police officer under Section 130.

202. *Ins.* by Act 32 of 2019, S. 46(iii) (w.e.f. 1-9-2019).

203. *Subs.* by Act 54 of 1994, S. 42, for “without necessary delay” (w.e.f. 14-11-1994).

204. *Ins.* by Act 32 of 2019, S. 47 (w.e.f. 15-7-2021).

205. *Ins.* by Act 32 of 2019, S. 48(i) (w.e.f. 1-9-2019).

- ²⁰⁶[(c) providing for limits of urban city by the State Governments under sub-section (1) of Section 136-A; and
(d) providing for electronic monitoring and enforcement under sub-section (2) of Section 136-A.]

138. Power of State Government to make rules.—(1) The State Government may make rules for the purpose of carrying into effect the provisions of this Chapter other than the matters specified in Section 137.

²⁰⁷[(1-A) 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.]

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the removal and the safe custody of vehicles including their loads which have broken down or which have been left standing or have been abandoned on roads;
- (b) the installation and use of weighing devices;
- (c) the maintenance and management of wayside amenities complexes;
- (d) the exemption from all or any of the provisions of this Chapter of fire brigade vehicles, ambulances and other special classes or descriptions of vehicle, subject to such conditions as may be prescribed;
- (e) the maintenance and management of parking places and stands and the fees, if any, which may be charged for their use;
- (f) prohibiting the driving downhill of a motor vehicle with the gear disengaged either generally or in a specified place;
- (g) prohibiting the taking hold of or mounting of a motor vehicle in motion;
- (h) prohibiting the use of foot-paths or pavements by motor vehicles;
- (i) generally, the prevention of danger, injury or annoyance to the public or any person, or of danger or injury to property or of obstruction to traffic; and
- (j) any other matter which is to be, or may be, prescribed.

Corresponding Law: S. 91 of Act IV of 1939

CHAPTER IX

MOTOR VEHICLES TEMPORARILY LEAVING OR VISITING INDIA

139. Power of Central Government to make rules.—(1) The Central Government may, by notification in the Official Gazette, make rules for all or any of the following purposes, namely—

- (a) the grant and authentication of travelling passes, certificates or authorisations to persons temporarily taking motor vehicles out of India

²⁰⁶. Ins. by Act 32 of 2019, S. 48(ii) (w.e.f. 1-9-2019).

²⁰⁷. Ins. by Act 32 of 2019, S. 49 (w.e.f. 1-9-2019).

to any place outside India or to persons temporarily proceeding out of India to any place outside India and desiring to drive a motor vehicle during their absence from India;

- (b) prescribing the conditions subject to which motor vehicles brought temporarily into India from outside India by persons intending to make a temporary stay in India may be possessed and used in India; and
- (c) prescribing the conditions subject to which persons entering India from any place outside India for a temporary stay in India may drive motor vehicles in India.

Corresponding Law: S. 92(1) of Act IV of 1939

(2) For the purpose of facilitating and regulating the services of motor vehicles operating between India and any other country under any reciprocal arrangement and carrying passengers or goods or both by road for hire or reward, the Central Government may, by notification in the Official Gazette, make rules with respect to all or any of the following matters, namely—

- (a) the conditions subject to which motor vehicles carrying on such services may be brought into India from outside India and possessed and used in India;
- (b) the conditions subject to which motor vehicles may be taken from any place in India to any place outside India;
- (c) the conditions subject to which persons employed as drivers and conductors of such motor vehicles may enter or leave India;
- (d) the grant and authentication of travelling passes, certificates or authorisations to persons employed as drivers and conductors of such motor vehicles;
- (e) the particulars (other than registration marks) to be exhibited by such motor vehicles and the manner in which such particulars are to be exhibited;
- (f) the use of trailers with such motor vehicles;
- (g) the exemption of such motor vehicles and their drivers and conductors from all or any of the provisions of this Act [other than those referred to in sub-section (4)] or the rules made thereunder;
- (h) the identification of the drivers and conductors of such motor vehicles;
- (i) the replacement of the travelling passes, certificates or authorisations, permits, licences or any other prescribed documents lost or defaced, on payment of such fee as may be prescribed;
- (j) the exemption from the provisions of such laws as relate to customs, police or health with a view to facilitate such road transport services;
- (k) any other matter which is to be, or may be, prescribed.

Corresponding Law: S. 92(1-A) of Act IV of 1939

(3) No rule made under this section shall operate to confer on any person any immunity in any State from the payment of any tax levied in that State on motor vehicles or their users.

Corresponding Law: S. 92(2) of Act IV of 1939

(4) Nothing in this Act or in any rule made thereunder by a State Government relating to—

- (a) the registration and identification of motor vehicles, or
- (b) the requirements as to construction, maintenance and equipment of motor vehicles, or
- (c) the licensing and the qualifications of drivers and conductors of motor vehicles,

shall apply—

- (i) to any motor vehicle to which or to any driver of a motor vehicle to whom any rules made under clause (b) or clause (c) of sub-section (1) or under sub-section (2) apply; or
- (ii) to any conductor of a motor vehicle to whom any rules made under sub-section (2) apply.

Corresponding Law: S. 92(4) of Act IV of 1939

CHAPTER X

LIABILITY WITHOUT FAULT IN CERTAIN CASES

140. Liability to pay compensation in certain cases on the principle of no fault.—²⁰⁸[* * *]

141. Provisions as to other right to claim compensation for death or permanent disablement.—²⁰⁹[* * *]

208. *Omitted by Act 32 of 2019, S. 50 (w.e.f. 1-4-2022). Prior to omission it read as:*

“140. *Liability to pay compensation in certain cases on the principle of no fault.*—(1) Where death or permanent disablement of any person has resulted from an accident arising out of the use of a motor vehicle or motor vehicles, the owner of the vehicle shall, or, as the case may be, the owners of the vehicles shall, jointly and severally, be liable to pay compensation in respect of such death or disablement in accordance with the provisions of this section.

(2) The amount of compensation which shall be payable under sub-section (1) in respect of the death of any person shall be a fixed sum of fifty thousand rupees and the amount of compensation payable under that sub-section in respect of the permanent disablement of any person shall be a fixed sum of twenty-five thousand rupees.

(3) In any claim for compensation under sub-section (1), the claimant shall not be required to plead and establish that the death or permanent disablement in respect of which the claim has been made was due to any wrongful act, neglect or default of the owner or owners of the vehicle or vehicles concerned or of any other person.

(4) A claim for compensation under sub-section (1) shall not be defeated by reason of any wrongful act, neglect or default of the person in respect of whose death or permanent disablement the claim has been made nor shall the quantum of compensation recoverable in respect of such death or permanent disablement be reduced on the basis of the share of such person in the responsibility for such death or permanent disablement.

(5) Notwithstanding anything contained in sub-section (2) regarding death or bodily injury to any person, for which the owner of the vehicle is liable to give compensation for relief, he is also liable to pay compensation under any other law for the time being in force:

Provided that the amount of such compensation to be given under any other law shall be reduced from the amount of compensation payable under this section or under Section 163-A.”

209. *Omitted by Act 32 of 2019, S. 50 (w.e.f. 1-4-2022). Prior to omission it read as:*

“141. *Provisions as to other right to claim compensation for death or permanent disablement.*—(1) The right to claim compensation under Section 140 in respect of death or permanent disablement of any person shall be in addition to any other right, except the right to claim under the scheme referred to in Section 163-A (such other right hereafter in this section referred to as the right on the principle

142. Permanent disablement.—²¹⁰[* * *]**143. Applicability of Chapter to certain claims under Act 8 of 1923.**—²¹¹[* * *]**144. Overriding effect.**—²¹²[* * *]²¹³[CHAPTER XI

of fault) to claim compensation in respect thereof under any other provision of this Act or of any other law for the time being in force.

(2) A claim for compensation under Section 140 in respect of death or permanent disablement of any person shall be disposed of as expeditiously as possible and where compensation is claimed in respect of such death or permanent disablement under Section 140 and also in pursuance of any right on the principle of fault, the claim for compensation under Section 140 shall be disposed of as aforesaid in the first place.

(3) Notwithstanding anything contained in sub-section (1), where in respect of the death or permanent disablement of any person, the person liable to pay compensation under Section 140 is also liable to pay compensation in accordance with the right on the principle of fault, the person so liable shall pay the first-mentioned compensation and—

- (a) if the amount of the first-mentioned compensation is less than the amount of the second-mentioned compensation, he shall be liable to pay (in addition to the first-mentioned compensation) only so much of the second-mentioned compensation as is equal to the amount by which it exceeds the first-mentioned compensation;
- (b) if the amount of the first-mentioned compensation is equal to or more than the amount of the second-mentioned compensation, he shall not be liable to pay the second-mentioned compensation."

210. Omitted by Act 32 of 2019, S. 50 (w.e.f. 1-4-2022). Prior to omission it read as:

"142. *Permanent disablement.*—For the purposes of this Chapter, permanent disablement of a person shall be deemed to have resulted from an accident of the nature referred to in sub-section (1) of Section 140 if such person has suffered by reason of the accident, any injury or injuries involving—

- (a) permanent privation of the sight of either eye or the hearing of either ear, or privation of any member or joint; or
- (b) destruction or permanent impairing of the powers of any member or joint; or
- (c) permanent disfigurement of the head or face."

211. Omitted by Act 32 of 2019, S. 50 (w.e.f. 1-4-2022). Prior to omission it read as:

"143. *Applicability of Chapter to certain claims under Act 8 of 1923.*—The provisions of this Chapter shall also apply in relation to any claim for compensation in respect of death or permanent disablement of any person under the Workmen's Compensation Act, 1923 resulting from an accident of the nature referred to in sub-section (1) of Section 140 and for this purpose, the said provisions shall, with necessary modifications, be deemed to form part of that Act."

212. Omitted by Act 32 of 2019, S. 50 (w.e.f. 1-4-2022). Prior to omission it read as:

"144. *Overriding effect.*—The provisions of this Chapter shall have effect notwithstanding anything contained in any other provision of this Act or of any other law for the time being in force."

213. Chapter XI subs. by Act 32 of 2019, S. 51 (w.e.f. 1-4-2022). Prior to substitution it read as:

"CHAPTER XI

INSURANCE OF MOTOR VEHICLES AGAINST THIRD PARTY RISKS"

145. *Definitions.*—In this Chapter,—

- (a) "authorised insurer" means an insurer for the time being carrying on general insurance business in India under the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972), and any Government insurance fund authorised to do general insurance business under that Act;
- (b) "certificate of insurance" means a certificate issued by an authorised insurer in pursuance of sub-section (3) of Section 147 and includes a cover note complying with such requirements as may be prescribed, and where more than one certificate has been issued in connection with a policy, or where a copy of a certificate has been issued, all those certificates or that copy, as the case may be;
- (c) "liability", wherever used in relation to the death of or bodily injury to any person, includes liability in respect thereof under Section 140;
- (d) "policy of insurance" includes "certificate of insurance";

INSURANCE OF MOTOR VEHICLES AGAINST THIRD PARTY RISKS

- (e) "property" includes goods carried in the motor vehicle, roads, bridges, culverts, causeways, trees, posts and mile-stones;
- (f) "reciprocating country" means any such country as may on the basis of reciprocity be notified by the Central Government in the Official Gazette to be a reciprocating country for the purposes of this Chapter;
- (g) "third party" includes the Government."

146. *Necessity for insurance against third party risk.*—(1) No person shall use, except as a passenger, or cause or allow any other person to use, a motor vehicle in a public place, unless there is in force in relation to the use of the vehicle by that person or that other person, as the case may be, a policy of insurance complying with the requirements of this Chapter:

Provided that in the case of a vehicle carrying, or meant to carry, dangerous or hazardous goods, there shall also be a policy of insurance under the Public Liability Insurance Act, 1991 (6 of 1991).

Explanation.—A person driving a motor vehicle merely as a paid employee, while there is in force in relation to the use of the vehicle no such policy as is required by this sub-section, shall not be deemed to act in contravention of the sub-section unless he knows or has reason to believe that there is no such policy in force.

(2) Sub-section (1) shall not apply to any vehicle owned by the Central Government or a State Government and used for Government purposes unconnected with any commercial enterprise.

(3) The appropriate Government may, by order, exempt from the operation of sub-section (1) any vehicle owned by any of the following authorities, namely—

- (a) the Central Government or a State Government, if the vehicle is used for Government purposes connected with any commercial enterprise;
- (b) any local authority;
- (c) any State transport undertaking:

Provided that no such order shall be made in relation to any such authority unless a fund has been established and is maintained by that authority in accordance with the rules made in that behalf under this Act for meeting any liability arising out of the use of any vehicle of that authority which that authority or any person in its employment may incur to third parties.

Explanation.—For the purposes of this sub-section, "appropriate Government" means the Central Government or a State Government, as the case may be, and—

- (i) in relation to any corporation or company owned by the Central Government or any State Government, means the Central Government or that State Government;
- (ii) in relation to any corporation or company owned by the Central Government and one or more State Governments, means the Central Government;
- (iii) in relation to any other State transport undertaking or any local authority, means that Government which has control over that undertaking or authority."

147. *Requirements of policies and limits of liability.*—(1) In order to comply with the requirements of this Chapter, a policy of insurance must be a policy which—

- (a) is issued by a person who is an authorised insurer; and
- (b) insures the person or classes of persons specified in the policy to the extent specified in sub-section (2)—
 - (i) against any liability which may be incurred by him in respect of the death of or bodily injury to any person, including owner of the goods or his authorised representative carried in the vehicle or damage to any property of a third party caused by or arising out of the use of the vehicle in a public place;
 - (ii) against the death of or bodily injury to any passenger of a public service vehicle caused by or arising out of the use of the vehicle in a public place:

Provided that a policy shall not be required—

- (i) to cover liability in respect of the death, arising out of and in the course of his employment, of the employee of a person insured by the policy or in respect of bodily injury sustained by such an employee arising out of and in the course of his employment other than a liability arising under the Workmen's Compensation Act, 1923 (8 of 1923), in respect of the death of, or bodily injury to, any such employee—
 - (a) engaged in driving the vehicle, or
 - (b) if it is a public service vehicle engaged as a conductor of the vehicle or in examining tickets on the vehicle, or
 - (c) if it is a goods carriage, being carried in the vehicle, or

(ii) to cover any contractual liability.

Explanation.—For the removal of doubts, it is hereby declared that the death of or bodily injury to any person or damage to any property of a third party shall be deemed to have been caused by or to have arisen out of, the use of a vehicle in a public place notwithstanding that the person who is dead or injured or the property which is damaged was not in a public place at the time of the accident, if the act or omission which led to the accident occurred in a public place.

(2) Subject to the proviso to sub-section (1), a policy of insurance referred to in sub-section (1), shall cover any liability incurred in respect of any accident, up to the following limits, namely—

- (a) save as provided in clause (b), the amount of liability incurred;
- (b) in respect of damage to any property of a third party, a limit of rupees six thousand:

Provided that any policy of insurance issued with any limited liability and in force, immediately before the commencement of this Act, shall continue to be effective for a period of four months after such commencement or till the date of expiry of such policy whichever is earlier.

(3) A policy shall be of no effect for the purposes of this Chapter unless and until there is issued by the insurer in favour of the person by whom the policy is effected a certificate of insurance in the prescribed form and containing the prescribed particulars of any condition subject to which the policy is issued and of any other prescribed matters; and different forms, particulars and matters may be prescribed in different cases.

(4) Where a cover note issued by the insurer under the provisions of this Chapter or the rules made thereunder is not followed by a policy of insurance within the prescribed time, the insurer shall, within seven days of the expiry of the period of the validity of the cover note, notify the fact to the registering authority in whose records the vehicle to which the cover note relates has been registered or to such other authority as the State Government may prescribe.

(5) Notwithstanding anything contained in any law for the time being in force, an insurer issuing a policy of insurance under this section shall be liable to indemnify the person or classes of persons specified in the policy in respect of any liability which the policy purports to cover in the case of that person or those classes of persons."

148. *Validity of policies of insurance issued in reciprocating countries.*—Where, in pursuance of an arrangement between India and any reciprocating country, any motor vehicle registered in the reciprocating country operates on any route or within any area common to the two countries and there is in force in relation to the use of the vehicle in the reciprocating country, a policy of insurance complying with the requirements of the law of insurance in force in that country, then, notwithstanding anything contained in Section 147 but subject to any rules which may be made under Section 164, such policy of insurance shall be effective throughout the route or area in respect of which, the arrangement has been made, as if the policy of insurance had complied with the requirements of this Chapter."

149. *Duty of insurers to satisfy judgments and awards against persons insured in respect of third party risks.*—(1) If, after a certificate of insurance has been issued under sub-section (3) of Section 147 in favour of the person by whom a policy has been effected, judgment or award in respect of any such liability as is required to be covered by a policy under clause (b) of sub-section (1) of Section 147 (being a liability covered by the terms of the policy) or under the provisions of Section 163-A is obtained against any person insured by the policy then, notwithstanding that the insurer may be entitled to avoid or cancel or may have avoided or cancelled the policy, the insurer shall, subject to the provisions of this section, pay to the person entitled to the benefit of the decree any sum not exceeding the sum assured payable thereunder, as if he were the judgment debtor, in respect of the liability, together with any amount payable in respect of costs and any sum payable in respect of interest on that sum by virtue of any enactment relating to interest on judgments.

(2) No sum shall be payable by an insurer under sub-section (1) in respect of any judgment or award unless, before the commencement of the proceedings in which the judgment or award is given the insurer had notice through the Court or, as the case may be, the Claims Tribunal of the bringing of the proceedings, or in respect of such judgment or award so long as execution is stayed thereon pending an appeal; and an insurer to whom notice of the bringing of any such proceedings is so given shall be entitled to be made a party thereto and to defend the action on any of the following grounds, namely—

- (a) that there has been a breach of a specified condition of the policy, being one of the following conditions, namely—

(i) a condition excluding the use of the vehicle—

- (a) for hire or reward, where the vehicle is on the date of the contract of insurance a vehicle not covered by a permit to ply for hire or reward, or
- (b) for organised racing and speed testing, or

(ii) to cover any contractual liability.

Explanation.—For the removal of doubts, it is hereby declared that the death of or bodily injury to any person or damage to any property of a third party shall be deemed to have been caused by or to have arisen out of, the use of a vehicle in a public place notwithstanding that the person who is dead or injured or the property which is damaged was not in a public place at the time of the accident, if the act or omission which led to the accident occurred in a public place.

(2) Subject to the proviso to sub-section (1), a policy of insurance referred to in sub-section (1), shall cover any liability incurred in respect of any accident, up to the following limits, namely—

- (a) save as provided in clause (b), the amount of liability incurred;
- (b) in respect of damage to any property of a third party, a limit of rupees six thousand:

Provided that any policy of insurance issued with any limited liability and in force, immediately before the commencement of this Act, shall continue to be effective for a period of four months after such commencement or till the date of expiry of such policy whichever is earlier.

(3) A policy shall be of no effect for the purposes of this Chapter unless and until there is issued by the insurer in favour of the person by whom the policy is effected a certificate of insurance in the prescribed form and containing the prescribed particulars of any condition subject to which the policy is issued and of any other prescribed matters; and different forms, particulars and matters may be prescribed in different cases.

(4) Where a cover note issued by the insurer under the provisions of this Chapter or the rules made thereunder is not followed by a policy of insurance within the prescribed time, the insurer shall, within seven days of the expiry of the period of the validity of the cover note, notify the fact to the registering authority in whose records the vehicle to which the cover note relates has been registered or to such other authority as the State Government may prescribe.

(5) Notwithstanding anything contained in any law for the time being in force, an insurer issuing a policy of insurance under this section shall be liable to indemnify the person or classes of persons specified in the policy in respect of any liability which the policy purports to cover in the case of that person or those classes of persons."

148. *Validity of policies of insurance issued in reciprocating countries.*—Where, in pursuance of an arrangement between India and any reciprocating country, any motor vehicle registered in the reciprocating country operates on any route or within any area common to the two countries and there is in force in relation to the use of the vehicle in the reciprocating country, a policy of insurance complying with the requirements of the law of insurance in force in that country, then, notwithstanding anything contained in Section 147 but subject to any rules which may be made under Section 164, such policy of insurance shall be effective throughout the route or area in respect of which, the arrangement has been made, as if the policy of insurance had complied with the requirements of this Chapter."

149. *Duty of insurers to satisfy judgments and awards against persons insured in respect of third party risks.*—(1) If, after a certificate of insurance has been issued under sub-section (3) of Section 147 in favour of the person by whom a policy has been effected, judgment or award in respect of any such liability as is required to be covered by a policy under clause (b) of sub-section (1) of Section 147 (being a liability covered by the terms of the policy) or under the provisions of Section 163-A is obtained against any person insured by the policy then, notwithstanding that the insurer may be entitled to avoid or cancel or may have avoided or cancelled the policy, the insurer shall, subject to the provisions of this section, pay to the person entitled to the benefit of the decree any sum not exceeding the sum assured payable thereunder, as if he were the judgment debtor, in respect of the liability, together with any amount payable in respect of costs and any sum payable in respect of interest on that sum by virtue of any enactment relating to interest on judgments.

(2) No sum shall be payable by an insurer under sub-section (1) in respect of any judgment or award unless, before the commencement of the proceedings in which the judgment or award is given the insurer had notice through the Court or, as the case may be, the Claims Tribunal of the bringing of the proceedings, or in respect of such judgment or award so long as execution is stayed thereon pending an appeal; and an insurer to whom notice of the bringing of any such proceedings is so given shall be entitled to be made a party thereto and to defend the action on any of the following grounds, namely—

- (a) that there has been a breach of a specified condition of the policy, being one of the following conditions, namely—

- (i) a condition excluding the use of the vehicle—

- (a) for hire or reward, where the vehicle is on the date of the contract of insurance a vehicle not covered by a permit to ply for hire or reward, or
- (b) for organised racing and speed testing, or

- (c) for a purpose not allowed by the permit under which the vehicle is used, where the vehicle is a transport vehicle, or
- (d) without side-car being attached where the vehicle is a motor cycle; or
- (ii) a condition excluding driving by a named person or persons or by any person who is not duly licensed, or by any person who has been disqualified for holding or obtaining a driving licence during the period of disqualification; or
- (iii) a condition excluding liability for injury caused or contributed to by conditions of war, civil war, riot or civil commotion; or
- (b) that the policy is void on the ground that it was obtained by the non-disclosure of a material fact or by a representation of fact which was false in some material particular.

(3) Where any such judgment as is referred to in sub-section (1) is obtained from a Court in a reciprocating country and in the case of a foreign judgment is, by virtue of the provisions of Section 13 of the Code of Civil Procedure, 1908 (5 of 1908) conclusive as to any matter adjudicated upon by it, the insurer (being an insurer registered under the Insurance Act, 1938 (4 of 1938) and whether or not he is registered under the corresponding law of the reciprocating country) shall be liable to the person entitled to the benefit of the decree in the manner and to the extent specified in sub-section (1), as if the judgment were given by a Court in India:

Provided that no sum shall be payable by the insurer in respect of any such judgment unless, before the commencement of the proceedings in which the judgment is given, the insurer had notice through the Court concerned of the bringing of the proceedings and the insurer to whom notice is so given is entitled under the corresponding law of the reciprocating country, to be made a party to the proceedings and to defend the action on grounds similar to those specified in sub-section (2).

(4) Where a certificate of insurance has been issued under sub-section (3) of Section 147 to the person by whom a policy has been effected, so much of the policy as purports to restrict the insurance of the persons insured thereby by reference to any conditions other than those in clause (b) of sub-section (2) shall, as respects such liabilities as are required to be covered by a policy under clause (b) of sub-section (1) of Section 147, be of no effect:

Provided that any sum paid by the insurer in or towards the discharge of any liability of any person which is covered by the policy by virtue only of this sub-section shall be recoverable by the insurer from that person.

(5) If the amount which an insurer becomes liable under this section to pay in respect of a liability incurred by a person insured by a policy exceeds the amount for which the insurer would apart from the provisions of this section be liable under the policy in respect of that liability, the insurer shall be entitled to recover the excess from that person.

(6) In this section the expressions "material fact" and "material particular" means, respectively a fact or particular of such a nature as to influence the judgment of a prudent insurer in determining whether he will take the risk and, if so, at what premium and on what conditions, and the expression "liability covered by the terms of the policy" means a liability which is covered by the policy or which would be so covered but for the fact that the insurer is entitled to avoid or cancel or has avoided or cancelled the policy.

(7) No insurer to whom the notice referred to in sub-section (2) or sub-section (3) has been given shall be entitled to avoid his liability to any person entitled to the benefit of any such judgment or award as is referred to in sub-section (1) or in such judgment as is referred to in sub-section (3) otherwise than in the manner provided for in sub-section (2) or in the corresponding law of the reciprocating country, as the case may be.

Explanation.—For the purposes of this section, "Claims Tribunal" means a Claims Tribunal constituted under Section 165 and "award" means an award made by that Tribunal under Section 168."

150. *Rights of third parties against insurers on insolvency of the insured.*—(1) Where under any contract of insurance effected in accordance with the provisions of this Chapter, a person is insured against liabilities which he may incur to third parties, then—

- (a) in the event of the person becoming insolvent or making a composition or arrangement with his creditors, or
- (b) where the insured person is a company, in the event of a winding up order being made or a resolution for a voluntary winding up being passed with respect to the company or of a receiver or manager of the company's business or undertaking being duly appointed, or of possession being taken by or on behalf of the holders of any debentures secured by a floating charge of any property comprised in or subject to the charge,

if, either before or after that event, any such liability is incurred by the insured person, his rights against the insurer under the contract in respect of the liability shall, notwithstanding anything to the contrary in any provision of law, be transferred to and vest in the third party to whom the liability was so incurred.

(2) Where an order for the administration of the estate of a deceased debtor is made according to the law of insolvency, then, if any debt provable in insolvency is owing by the deceased in respect of a liability to a third party against which he was insured under a contract of insurance in accordance with the provisions of this Chapter, the deceased debtor's rights against the insurer in respect of that liability shall, notwithstanding anything to the contrary in any provision of law, be transferred to and vest in the person to whom the debt is owing.

(3) Any condition in a policy issued for the purposes of this Chapter purporting either directly or indirectly to avoid the policy or to alter the rights of the parties thereunder upon the happening to the insured person of any of the events specified in clause (a) or clause (b) of sub-section (1) or upon the making of an order for the administration of the estate of a deceased debtor according to the law of insolvency shall be of no effect.

(4) Upon a transfer under sub-section (1) or sub-section (2), the insurer shall be under the same liability to the third party as he would have been to the insured person, but—

- (a) if the liability of the insurer to the insured person exceeds the liability of the insured person to the third party, nothing in this Chapter shall effect the rights of the insured person against the insurer in respect of the excess, and
- (b) if the liability of the insurer to the insured person is less than the liability of the insured person to the third party, nothing in this Chapter shall affect the rights of the third party against the insured person in respect of the balance."

151. *Duty to give information as to insurance.*—(1) No person against whom a claim is made in respect of any liability referred to in clause (b) of sub-section (1) of Section 147 shall on demand by or on behalf of the person making the claim refuse to state whether or not he was insured in respect of that liability by any policy issued under the provisions of this Chapter, or would have been so insured if the insurer had not avoided or cancelled the policy, nor shall he refuse, if he was or would have been so insured, to give such particulars with respect to that policy as were specified in the certificate of insurance issued in respect thereof.

(2) In the event of any person becoming insolvent or making a composition or arrangement with his creditors or in the event of an order being made for the administration of the estate of a deceased person according to the law of insolvency, or in the event of a winding up order being made or a resolution for a voluntary winding up being passed with respect to any company or of a receiver or manager of the company's business or undertaking being duly appointed or of possession being taken by or on behalf of the holders of any debentures secured by a floating charge on any property comprised in or subject to the charge, it shall be the duty of the insolvent debtor, personal representative of the deceased debtor or company, as the case may be, or the official assignee or receiver in insolvency, trustee, liquidator, receiver or manager, or person in possession of the property to give at the request of any person claiming that the insolvent debtor, deceased debtor or company is under such liability to him as is covered by the provisions of this Chapter, such information as may reasonably be required by him for the purpose of ascertaining whether any rights have been transferred to and vested in him by Section 150, and for the purpose of enforcing such rights, if any; and any such contract of insurance as purports whether directly or indirectly to avoid the contract or to alter the rights of the parties thereunder upon the giving of such information in the events aforesaid, or otherwise to prohibit or prevent the giving thereof in the said events, shall be of no effect.

(3) If, from the information given to any person in pursuance of sub-section (2) or otherwise, he has reasonable ground for supporting that there have or may have been transferred to him under this Chapter rights against any particular insurer, that insurer shall be subject to the same duty as is imposed by the said sub-section on the persons therein mentioned.

(4) The duty to give the information imposed by this section shall include a duty to allow all contracts of insurance, receipts for premiums, and other relevant documents in the possession or power of the person on whom the duty is so imposed to be inspected and copies thereof to be taken."

152. *Settlement between insurers and insured persons.*—(1) No settlement made by an insurer in respect of any claim which might be made by a third party in respect of any liability of the nature referred to in clause (b) of sub-section (1) of Section 147 shall be valid unless such third party is a party to the settlement.

(2) Where a person who is insured under a policy issued for the purposes of this Chapter has become insolvent, or where, if such insured person is a company, a winding up order has been made or a resolution for a voluntary winding up has been passed with respect to the company, no agreement made between the insurer and the insured person after the liability has been incurred to a third party and after the commencement of the insolvency or winding up, as the case may be, nor any waiver, assignment or other disposition made by or payment made to the insured person after the commencement aforesaid shall be effective to defeat the rights transferred to the third party under this Chapter, but those rights

shall be the same as if no such agreement, waiver, assignment or disposition or payment has been made."

153. *Saving in respect of Sections 150, 151 and 152.*—(1) For the purposes of Sections 150, 151 and 152 a reference to "liabilities to third parties" in relation to a person insured under any policy of insurance shall not include a reference to any liability of that person in the capacity of insurer under some other policy of insurance.

(2) The provisions of Sections 150, 151 and 152 shall not apply where a company is wound up voluntarily merely for the purposes of reconstruction or of an amalgamation with another company."

154. *Insolvency of insured persons not to affect liability of insured or claims by third parties.*—Where a certificate of insurance has been issued to the person by whom a policy has been effected, the happening in relation to any person insured by the policy of any such event as is mentioned in sub-section (1) or sub-section (2) of Section 150 shall, notwithstanding anything contained in this Chapter, not affect any liability of that person of the nature referred to in clause (b) of sub-section (1) of Section 147; but nothing in this section shall affect any rights against the insurer conferred under the provisions of Sections 150, 151 and 152 on the person to whom the liability was incurred."

155. *Effect of death on certain causes of action.*—Notwithstanding anything contained in Section 306 of the Indian Succession Act, 1925 (39 of 1925), the death of a person in whose favour a certificate of insurance had been issued, if it occurs after the happening of an event which has given rise to a claim under the provisions of this Chapter, shall not be a bar to the survival of any cause of action arising out of the said event against his estate or against the insurer."

156. *Effect of certificate of insurance.*—When an insurer has issued a certificate of insurance in respect of a contract of insurance between the insurer and the insured person, then—

- (a) if and so long as the policy described in the certificate has not been issued by the insurer to the insured, the insurer shall, as between himself and any other person except the insured, be deemed to have issued to the insured person a policy of insurance conforming in all respects with the description and particulars stated in such certificate; and
- (b) if the insurer has issued to the insured the policy described in the certificate, but the actual terms of the policy are less favourable to persons claiming under or by virtue of the policy against the insurer either directly or through the insured than the particulars of the policy as stated in the certificate, the policy shall, as between the insurer and any other person except the insured, be deemed to be in terms conforming in all respects with the particulars stated in the said certificate."

157. *Transfer of certificate of insurance.*—(1) Where a person in whose favour the certificate of insurance has been issued in accordance with the provisions of this Chapter transfers to another person the ownership of the motor vehicle in respect of which such insurance was taken together with the policy of insurance relating thereto, the certificate of insurance and the policy described in the certificate shall be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of its transfer.

Explanation.—For the removal of doubts, it is hereby declared that such deemed transfer shall include transfer of rights and liabilities of the said certificate of insurance and policy of insurance.

(2) The transferee shall apply within fourteen days from the date of transfer in the prescribed form to the insurer for making necessary changes in regard to the fact of transfer in the certificate of insurance and the policy described in the certificate in his favour and the insurer shall make the necessary changes in the certificate and the policy of insurance in regard to the transfer of insurance."

158. *Production of certain certificates, licence and permit in certain cases.*—(1) Any person driving a motor vehicle in any public place shall, on being so required by a police officer in uniform authorised in this behalf by the State Government, produce—

- (a) the certificate of insurance;
- (b) the certificate of registration;
- (c) the driving licence; and
- (d) in the case of a transport vehicle, also the certificate of fitness referred to in Section 56 and the permit,

relating to the use of the vehicle.

(2) If, where owing to the presence of a motor vehicle in a public place an accident occurs involving death or bodily injury to another person, the driver of the vehicle does not at the time produce the certificates, driving licence and permit referred to in sub-section (1) to a police officer, he shall produce the said certificates, licence and permit at the police station at which he makes the report required by Section 134.

(3) No person shall be liable to conviction under sub-section (1) or sub-section (2) by reason only of the failure to produce the certificate of insurance if, within seven days from the date on which it

production was required under sub-section (1), or as the case may be, from the date of occurrence of the accident, he produces the certificate at such police station as may have been specified by him to the police officer who required its production or, as the case may be, to the police officer at the site of the accident or to the officer in charge of the police station at which he reported the accident:

Provided that except to such extent and with such modifications as may be prescribed, the provisions of this sub-section shall not apply to the driver of a transport vehicle.

(4) The owner of a motor vehicle shall give such information as he may be required by or on behalf of a police officer empowered in this behalf by the State Government to give for the purpose of determining whether the vehicle was or was not being driven in contravention of Section 146 and on any occasion when the driver was required under this section to produce his certificate of insurance.

(5) In this section, the expression "produce his certificate of insurance" means produce for examination the relevant certificate of insurance or such other evidence as may be prescribed that the vehicle was not being driven in contravention of Section 146.

(6) As soon as any information regarding any accident involving death or bodily injury to any person is recorded or report under this section is completed by a police officer, the officer in charge of the police station shall forward a copy of the same within thirty days from the date of recording of information or, as the case may be, on completion of such report to the Claims Tribunal having jurisdiction and a copy thereof to the concerned insurer, and where a copy is made available to the owner, he shall also within thirty days of receipt of such report, forward the same to such Claims Tribunal and Insurer."

159. *Production of certificate of Insurance on application for authority to use vehicle.*—A State Government may make rules requiring the owner of any motor vehicle when applying whether by payment of a tax or otherwise for authority to use the vehicle in a public place to produce such evidence as may be prescribed by those rules to the effect that either—

- (a) on the date when the authority to use the vehicle comes into operation there will be in force the necessary policy of insurance in relation to the use of the vehicle by the applicant or by other persons on his order or with his permission, or
- (b) the vehicle is a vehicle to which Section 146 does not apply."

160. *Duty to furnish particulars of vehicle involved in accident.*—A registering authority or the officer in charge of a police station shall, if so required by a person who alleges that he is entitled to claim compensation in respect of an accident arising out of the use of a motor vehicle, or if so required by an insurer against whom a claim has been made in respect of any motor vehicle, furnish to that person or to that insurer, as the case may be, on payment of the prescribed fee any information at the disposal of the said authority or the said police officer relating to the identification marks and other particulars of the vehicle and the name and address of the person who was using the vehicle at the time of the accident or was injured by it and the property, if any, damaged in such form and within such time as the Central Government may prescribe."

161. *Special provisions as to compensation in case of hit and run motor accident.*—(1) For the purposes of this section, Section 162 and Section 163—

- (a) "grievous hurt" shall have the same meaning as in the Indian Penal Code (45 of 1860);
- (b) "hit and run motor accident" means an accident arising out of the use of a motor vehicle or motor vehicles the identity whereof cannot be ascertained in spite of reasonable efforts for the purpose;
- (c) "scheme" means the scheme framed under Section 163.

(2) Notwithstanding anything contained in the General Insurance Business (Nationalisation) Act, 1972 (57 of 1972) or any other law for the time being in force or any instrument having the force of law, the General Insurance Corporation of India formed under Section 9 of the said Act and the insurance companies for the time being carrying on general insurance business in India shall provide for paying in accordance with the provisions of this Act and the scheme, compensation in respect of the death of, or grievous hurt to, persons resulting from hit and run motor accidents.

(3) Subject to the provisions of this Act and the scheme, there shall be paid as compensation,—

- (a) in respect of the death of any person resulting from a hit and run motor accident, a fixed sum of twenty-five thousand rupees;
- (b) in respect of grievous hurt to any person resulting from a hit and run motor accident, a fixed sum of twelve thousand and five hundred rupees.

(4) The provisions of sub-section (1) of Section 166 shall apply for the purpose of making applications for compensation under this section as they apply for the purpose of making applications for compensation referred to in that sub-section."

162. *Refund in certain cases of compensation paid under Section 161.*—(1) The payment of compensation in respect of the death of, or grievous hurt to, any person under Section 161 shall be

subject to the condition that if any compensation (hereafter in this sub-section referred to as the other compensation) or other amount in lieu of or by way of satisfaction of a claim for compensation is awarded or paid in respect of such death or grievous hurt under any other provision of this Act or any other law or otherwise so much of the other compensation or other amount aforesaid as is equal to the compensation paid under Section 161 shall be refunded to the insurer.

(2) Before awarding compensation in respect of an accident involving the death of, or bodily injury to, any person arising out of the use of a motor vehicle or motor vehicles under any provision of this Act (other than Section 161) or any other law, the tribunal, Court or other authority awarding such compensation shall verify as to whether in respect of such death or bodily injury compensation has already been paid under Section 161 or an application for payment of compensation is pending under that section, and such tribunal, Court or other authority shall,—

- (a) if compensation has already been paid under Section 161, direct the person liable to pay the compensation awarded by it to refund to the insurer, so much thereof as is required to be refunded in accordance with the provisions of sub-section (1);
- (b) if an application for payment of compensation is pending under Section 161 forward the particulars as to the compensation awarded by it to the insurer.

Explanation.—For the purposes of this sub-section, an application for compensation under Section 161 shall be deemed to be pending—

- (i) if such application has been rejected, till the date of the rejection of the application, and
- (ii) in any other case, till the date of payment of compensation in pursuance of the application.”

163. *Scheme for payment of compensation in case of hit and run motor accidents.*—(1) The Central Government may, by notification in the Official Gazette, make a scheme specifying, the manner in which the scheme shall be administered by the General Insurance Corporation, the form, manner and the time within which applications for compensation may be made, the officers or authorities to whom such applications may be made, the procedure to be followed by such officers or authorities for considering and passing orders on such applications, and all other matters connected with, or incidental to, the administration of the scheme and the payment of compensation.

Note: See Solatium Scheme, 1989 introduced vide Noti. No. S.O. 440(E), dt. 12-6-1989

(2) A scheme made under sub-section (1) may provide that—

- (a) a contravention of any provision thereof shall be punishable with imprisonment for such term as may be specified but in no case exceeding three months, or with fine which may extend to such amount as may be specified but in no case exceeding five hundred rupees or with both;
- (b) the powers, functions or duties conferred or imposed on any officer or authority by such scheme may be delegated with the prior approval in writing of the Central Government, by such officer or authority to any other officer or authority;
- (c) any provision of such scheme may operate with retrospective effect from a date not earlier than the date of establishment of the Solatium Fund under the Motor Vehicles Act, 1939 (4 of 1939), as it stood immediately before the commencement of this Act:

Provided that no such retrospective effect shall be given so as to prejudicially affect the interests of any person who may be governed by such provision.”

163-A. *Special provisions as to payment of compensation on structured formula basis.*—(1) Notwithstanding anything contained in this Act or in any other law for the time being in force or instrument having the force of law, the owner of the motor vehicle or the authorised insurer shall be liable to pay in the case of death or permanent disablement due to accident arising out of the use of motor vehicle, compensation, as indicated in the Second Schedule, to the legal heirs or the victim, as the case may be.

Explanation.—For the purposes of this sub-section, “permanent disability” shall have the same meaning and extent as in the Workmen’s Compensation Act, 1923 (8 of 1923).

(2) In any claim for compensation under sub-section (1), the claimant shall not be required to plead or establish that the death or permanent disablement in respect of which the claim has been made was due to any wrongful act or neglect or default of the owner of the vehicle or vehicles concerned or of any other person.

(3) The Central Government may, keeping in view the cost of living by notification in the Official Gazette, from time to time amend the Second Schedule.

163-B. *Option to file claim in certain cases.*—Where a person is entitled to claim compensation under Section 140 and Section 163-A, he shall file the claim under either of the said sections and not under both.

145. Definitions.—In this Chapter,—

- (a) “authorised insurer” means an insurer for the time being carrying on general insurance business in India and granted a certificate of registration by the Insurance Regulatory and Development Authority of India established under Section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999) and any Government insurance fund authorised to do general insurance business under the General Insurance Business (*Nationalisation*) Act, 1972 (57 of 1972);
- (b) “certificate of insurance” means a certificate issued by an authorised insurer in pursuance of Section 147 and includes a cover note complying with such requirements as may be prescribed, and where more than one certificate has been issued in connection with a policy, or where a copy of a certificate has been issued, all those certificates or that copy, as the case may be;
- (c) “grievous hurt” shall have the same meaning as assigned to it in Section 320 of the Indian Penal Code (45 of 1860);
- (d) “hit and run motor accident” means an accident arising out of the use of a motor vehicle or motor vehicles the identity whereof cannot be ascertained in spite of reasonable efforts for the purpose;
- (e) “Insurance Regulatory and Development Authority” means the Insurance Regulatory and Development Authority established under Section 3 of the Insurance Regulatory and Development Authority Act, 1999 (41 of 1999);
- (f) “policy of insurance” includes certificate of insurance;
- (g) “property” includes roads, bridges, culverts, causeways, trees, posts, milestones and baggage of passengers and goods carried in any motor vehicle;

164. *Power of Central Government to make rules.*—(1) The Central Government may make rules for the purpose of carrying into effect the provisions of this Chapter, other than the matters specified in Section 159.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the forms to be used for the purposes of this Chapter;
- (b) the making of applications for and the issue of certificates of insurance;
- (c) the issue of duplicate to replace certificates of insurance lost, destroyed or mutilated;
- (d) the custody, production, cancellation and surrender of certificates of insurance;
- (e) the records to be maintained by insurers of policies of insurance issued under this Chapter;
- (f) the identification by certificates or otherwise of persons or vehicles exempted from the provisions of this Chapter;
- (g) the furnishing of information respecting policies of insurance by insurers;
- (h) adopting the provisions of this Chapter to vehicles brought into India by persons making only a temporary stay therein or to vehicles registered in a reciprocating country and operating on any route or within any area in India by applying those provisions with prescribed modifications;
- (i) the form in which and the time limit within which the particulars referred to in Section 160 may be furnished; and
- (j) any other matter which is to be, or may be, prescribed.”

- (h) "reciprocating country" means any such country as may on the basis of reciprocity be notified by the Central Government in the Official Gazette to be a reciprocating country for the purposes of this Act;
- (i) "third party" includes the Government, the driver and any other co-worker on a transport vehicle.

146. Necessity for insurance against third party risks.—(1) No person shall use, except as a passenger, or cause or allow any other person to use, a motor vehicle in a public place, unless there is in force, in relation to the use of the vehicle by that person or that other person, as the case may be, a policy of insurance complying with the requirements of this Chapter:

Provided that in the case of a vehicle carrying, or meant to carry, dangerous or hazardous goods, there shall also be a policy of insurance under the Public Liability Insurance Act, 1991 (6 of 1991).

Explanation.—For the purposes of this sub-section, a person driving a motor vehicle merely as a paid employee, while there is in relation to the use of the vehicle no such policy in force as is required by this sub-section, shall not be deemed to act in contravention of the sub-section unless he knows or has reason to believe that there is no such policy in force.

(2) The provisions of sub-section (1) shall not apply to any vehicle owned by the Central Government or a State Government and used for purposes not connected with any commercial enterprise.

(3) The appropriate Government may, by order, exempt from the operation of sub-section (1), any vehicle owned by any of the following authorities, namely:—

- (a) the Central Government or a State Government, if the vehicle is used for purposes connected with any commercial enterprise;
- (b) any local authority;
- (c) any State Transport Undertaking;

Provided that no such order shall be made in relation to any such authority unless a fund has been established and is maintained by that authority in such manner as may be prescribed by appropriate Government.

Explanation.—For the purposes of this sub-section, "appropriate Government" means the Central Government or a State Government, as the case may be, and—

- (i) in relation to any corporation or company owned by the Central Government or any State Government, means the Central Government or that State Government;
- (ii) in relation to any corporation or company owned by the Central Government and one or more State Governments, means the Central Government;
- (iii) in relation to any other State Transport Undertaking or any local authority, means that Government which has control over that undertaking or authority.

147. Requirement of policies and limits of liability.—(1) In order to comply with the requirements of this Chapter, a policy of insurance must be a policy which—

- (a) is issued by a person who is an authorised insurer; and
- (b) insures the person or classes of persons specified in the policy to the extent specified in sub-section (2)—
 - (i) against any liability which may be incurred by him in respect of the death of or bodily injury to any person including owner of the goods or his authorised representative carried in the motor vehicle or damage to any property of a third party caused by or arising out of the use of the motor vehicle in a public place;
 - (ii) against the death of or bodily injury to any passenger of a transport vehicle, except gratuitous passengers of a goods vehicle, caused by or arising out of the use of the motor vehicle in a public place.

Explanation.—For the removal of doubts, it is hereby clarified that the death of or bodily injury to any person or damage to any property of a third party shall be deemed to have been caused by or to have arisen out of, the use of a vehicle in a public place, notwithstanding that the person who is dead or injured or the property which is damaged was not in a public place at the time of the accident, if the act or omission which led to the accident occurred in a public place.

(2) Notwithstanding anything contained under any other law for the time being in force, for the purposes of third party insurance related to either death of a person or grievous hurt to a person, the Central Government shall prescribe a base premium and the liability of an insurer in relation to such premium for an insurance policy under sub-section (1) in consultation with the Insurance Regulatory and Development Authority.

(3) A policy shall be of no effect for the purposes of this Chapter unless and until there is issued by the insurer in favour of the person by whom the policy is effected, a certificate of insurance in the prescribed form and containing the prescribed particulars of any condition subject to which the policy is issued and of any other prescribed matters; and different forms, particulars and matters may be prescribed in different cases.

(4) Notwithstanding anything contained in this Act, a policy of Insurance issued before the commencement of the Motor Vehicles (Amendment) Act, 2019 shall be continued on the existing terms under the contract and the provisions of this Act shall apply as if this Act had not been amended by the said Act.

(5) Where a cover note issued by the insurer under the provisions of this Chapter or the rules or regulations made thereunder is not followed by a policy of insurance within the specified time, the insurer shall, within seven days of the expiry of the period of the validity of the cover note, notify the fact to the registering authority or to such other authority as the State Government may prescribe.

(6) Notwithstanding anything contained in any other law for the time being in force, an insurer issuing a policy of insurance under this section shall be liable

to indemnify the person or classes of persons specified in the policy in respect of any liability which the policy purports to cover in the case of that person or those classes of persons.

CASE LAW ▶ Transfer of ownership of vehicle.—Name of original owner continuing to be in registration certificate.—Even though in law there would be a transfer of ownership of the vehicle, that by itself would not absolve the person in whose name the vehicle stands in the registration certificate, from liability to a third party, *Balwant Singh 'Sons v. National Insurance Co. Ltd.*, (2020) 11 SCC 745.

▶ **Exclusion clause** .—For such exclusion clause to apply so as to exempt insurer from liability, it must be shown in the facts and circumstances of each case that the consumption of liquor had, if not caused the accident, which undoubtedly would bring the accident within the mischief of the clause, but at least contributed in a perceptible way to the causing of the accident, *IFFCO-Tokio General Insurance Co. Ltd. v. Pearl Beverages Ltd.*, (2021) 7 SCC 704.

148. Validity of policies of insurance issued in reciprocating countries.—Where, in pursuance of an arrangement between India and any reciprocating country, the motor vehicle registered in the reciprocating country operates on any route or within any area common to the two countries and there is in force in relation to the use of the vehicle in the reciprocating country, a policy of insurance complying with the requirements of the law of insurance for the time being in force in that country, then, notwithstanding anything contained in Section 147 but subject to any rules which may be made under Section 164-B such policy of insurance shall be effective throughout the route or area in respect of which the arrangement has been made, as if the policy of insurance had complied with the requirements of this Chapter.

149. Settlement by insurance company and procedure therefor.—(1) The insurance company shall, upon receiving information of the accident, either from claimant or through accident information report or otherwise, designate an officer to settle the claims relating to such accident.

(2) An officer designated by the insurance company for processing the settlement of claim of compensation may make an offer to the claimant for settlement before the Claims Tribunal giving such details, within thirty days and after following such procedure as may be prescribed by the Central Government.

(3) If, the claimant to whom the offer is made under sub-section (2),—

(a) accepts such offer,—

(i) the Claims Tribunal shall make a record of such settlement, and such claim shall be deemed to be settled by consent; and

(ii) the payment shall be made by the insurance company within a maximum period of thirty days from the date of receipt of such record of settlement;

(b) rejects such offer, a date of hearing shall be fixed by the Claims Tribunal to adjudicate such claim on merits.

CASE LAW ▶ Liability for carrying of humans in goods vehicle.—Insurance Company cannot be absolved from its liability from indemnifying insured, on death of a person be carried in goods vehicle, when

Insurance Company has specifically charged a premium from insured for carrying three persons excluding driver in a tractor with trailer, *Mata Ram v. National Insurance Co. Ltd.*, (2018) 18 SCC 289.

► **Absence of valid/genuine licence.**—While hiring a driver the employer is expected to verify if the driver has a driving licence but if the driver produces a licence which on the face of it looks genuine, the employer is not expected to further investigate into the authenticity of the licence unless there is cause to believe otherwise. Further, if the employer finds the driver to be competent to drive the vehicle and has satisfied himself that the driver has a driving licence there would be no breach of Section 149(2)(a)(ii) of the MV Act and the insurance company would be liable under the policy. It would be unreasonable to place such a high onus on the insured to make enquiries with RTOs all over the country to ascertain the veracity of the driving licence. However, if the insurance company can prove that the owner/insured was aware or had notice that the licence was fake or invalid and still permitted the person to drive, the insurance company would no longer continue to be liable, *Nirmala Kothari v. United India Insurance Co. Ltd.*, (2020) 4 SCC 49.

150. Duty of insurers to satisfy judgments and awards against persons insured in respect of third party risks.—(1) If, after a certificate of insurance has been issued under sub-section (3) of Section 147 in favour of the person by whom a policy has been effected, judgment or award in respect of any such liability as is required to be covered by a policy under clause (b) of sub-section (1) of Section 147 (being a liability covered by the terms of the policy) or under the provisions of Section 164 is obtained against any person insured by the policy, then, notwithstanding that the insurer may be entitled to avoid or cancel or may have avoided or cancelled the policy, the insurer shall, subject to the provisions of this section, pay to the person entitled to the benefit of the award any sum not exceeding the sum assured payable thereunder, as if that person were the decree holder, in respect of the liability, together with any amount payable in respect of costs and any sum payable in respect of interest on that sum by virtue of any enactment relating to interest on judgments.

(2) No sum shall be payable by an insurer under sub-section (1) in respect of any judgment or award unless, before the commencement of the proceedings in which the judgment or award is given the insurer had notice through the court or, as the case may be, the Claims Tribunal of the bringing of the proceedings, or in respect of such judgment or award so long as its execution is stayed pending an appeal; and an insurer to whom notice of the bringing of any such proceedings is so given shall be entitled to be made a party thereto, and to defend the action on any of the following grounds, namely:—

(a) that there has been a breach of a specified condition of the policy, being one of the following conditions, namely:—

(i) a condition excluding the use of the vehicle—

- (A) for hire or reward, where the vehicle is on the date of the contract of insurance a vehicle not covered by a permit to ply for hire or reward; or
- (B) for organised racing and speed testing; or
- (C) for a purpose not allowed by the permit under which the vehicle is used, where the vehicle is a transport vehicle; or

- (D) without side-car being attached where the vehicle is a two-wheeled vehicle; or
- (ii) a condition excluding driving by a named person or by any person who is not duly licenced or by any person who has been disqualified for holding or obtaining a driving licence during the period of disqualification or driving under the influence of alcohol or drugs as laid down in Section 185; or
- (iii) a condition excluding liability for injury caused or contributed to by conditions of war, civil war, riot or civil commotion; or
- (b) that the policy is void on the ground that it was obtained by nondisclosure of any material fact or by representation of any fact which was false in some material particular; or
- (c) that there is non-receipt of premium as required under Section 64-VB of the Insurance Act, 1938 (4 of 1938).

(3) Where any such judgment or award as is referred to in sub-section (1) is obtained from a court in a reciprocating country and in the case of a foreign judgment is, by virtue of the provisions of Section 13 of the Code of Civil Procedure, 1908 (5 of 1908) conclusive as to any matter adjudicated upon by it, the insurer (being an insurer registered under the Insurance Act, 1938 (4 of 1938) and whether or not that person is registered under the corresponding law of the reciprocating country) shall be liable to the person entitled to the benefit of the decree in the manner and to the extent specified in sub-section (1), as if the judgment or award were given by a court in India:

Provided that no sum shall be payable by the insurer in respect of any such judgment or award unless, before the commencement of the proceedings in which the judgment or award is given, the insurer had notice through the court concerned of the bringing of the proceedings and the insurer to whom notice is so given is entitled under the corresponding law of the reciprocating country, to be made a party to the proceedings and to defend the action on grounds similar to those specified in sub-section (2).

(4) Where a certificate of insurance has been issued under sub-section (3) of Section 147 to the person by whom a policy has been effected, so much of the policy as purports to restrict the insurance of the persons insured thereby, by reference to any condition other than those in sub-section (2) shall, as respects such liabilities as are required to be covered by a policy under clause (b) of sub-section (1) of Section 147, be of no effect.

(5) No insurer to whom the notice referred to in sub-section (2) or sub-section (3) has been given shall be entitled to avoid his liability to any person entitled to the benefit of any such judgment or award as is referred to in sub-section (1) or in such judgment as is referred to in sub-section (3) otherwise than in the manner provided for in sub-section (2) or in the corresponding law of the reciprocating country, as the case may be.

(6) If on the date of filing of any claim, the claimant is not aware of the insurance company with which the vehicle had been insured, it shall be the duty of the owner of the vehicle to furnish to the tribunal or court the information as to whether the vehicle had been insured on the date of the accident, and if so, the name of the insurance company with which it is insured.

Explanation.—For the purposes of this section,—

- (a) “award” means an award made by the Claims Tribunal under Section 168;
- (b) “Claims Tribunal” means a Claims Tribunal constituted under Section 165;
- (c) “liability covered by the terms of the policy” means the liability which is covered by the policy or which would be so covered but for the fact that the insurer is entitled to avoid or cancel or has avoided or cancelled the policy; and
- (d) “material fact” and “material particular” mean, respectively, a fact or particular of such a nature as to influence the judgment of a prudent insurer in determining whether he shall take the risk and, if so, at what premium and on what conditions.

151. Rights of third party against insurers on insolvency of insured.—(1)

Where under any contract of insurance affected in accordance with the provisions of this Chapter, a person is insured against liabilities which he may incur to third party, then—

- (a) in the event of the person becoming insolvent or making a composition or arrangement with his creditors; or
- (b) where the insured person is a company, in the event of a winding-up order being made or a resolution for a voluntary winding-up being passed with respect to the company or of a receiver or manager of the company’s business or undertaking being duly appointed, or of possession being taken by or on behalf of the holders of any debentures secured by a floating charge of any property comprised in or subject to the charge,

if, either before or after that event, any such liability is incurred by the insured person his rights against the insurer under the contract in respect of the liability shall, notwithstanding anything to the contrary in any provision of law, be transferred to and vest in the third party to whom the liability was so incurred.

(2) Where an order for the administration of the estate of a deceased debtor is made according to the law of insolvency, then, if any debt provable in insolvency is owing by the deceased in respect of a liability to a third party against which he was insured under a contract of insurance in accordance with the provisions of this Chapter, the deceased debtor’s rights against the insurer in respect of that liability shall, notwithstanding anything to the contrary in any provision of law, be transferred to and vest in the person to whom the debt is owing.

(3) Any condition in a policy issued for the purposes of this Chapter purporting, either directly or indirectly, to avoid the policy or to alter the rights of the parties

thereunder upon the happening to the insured person of any of the events specified in clause (a) or clause (b) of sub-section (1) or upon the making of an order for the administration of the estate of a deceased debtor according to the law of insolvency, shall be of no effect.

(4) Upon a transfer under sub-section (1) or sub-section (2), the insurer shall be under the same liability to the third party as he would have been to the insured person, but—

- (a) if the liability of the insurer to the insured person exceeds the liability of the insured person to the third party, nothing in this Chapter shall affect the rights of the insured person against the insurer in respect of the excess amount; and
- (b) if the liability of the insurer to the insured person is less than the liability of the insured person to the third party, nothing in this Chapter shall affect the rights of the third party against the insured person in respect of the balance amount.

152. Duty to give information as to insurance.—(1) No person against whom a claim is made in respect of any liability referred to in clause (b) of sub-section (1) of Section 147 shall, on demand by or on behalf of the person making the claim, refuse to state whether or not he was insured in respect of that liability by any policy issued under the provisions of this Chapter, or would have been so insured if the insurer had not avoided or cancelled the policy, nor shall he refuse, if he was or would have been so insured, to give such particulars with respect to that policy as were specified in the certificate of insurance issued in respect thereof.

(2) In the event of any person becoming insolvent or making an arrangement with his creditors or in the event of an order being made for the administration of the estate of a deceased person according to the law of insolvency, or in the event of a winding-up order being made or a resolution for a voluntary winding-up being passed with respect to any company or of a receiver or manager of the company's business or undertaking being duly appointed or of possession being taken by or on behalf of the holders of any debentures secured by a floating charge on any property comprised in or subject to the charge, it shall be the duty of the insolvent debtor, personal representative of the deceased debtor or company, as the case may be, or the official assignee or receiver in insolvency, trustee, liquidator, receiver or manager, or person in possession of the property to give, on the request of any person claiming that the insolvent debtor, deceased debtor or company is under such liability to him as is covered by the provision of this Chapter, such information as may reasonably be required by him for the purpose of ascertaining whether any rights have been transferred to and vested in him by Section 151 and for the purpose of enforcing such rights, if any, and any such contract of insurance as purports whether directly or indirectly to avoid the contract or to alter the rights of the parties thereunder upon the giving of such information in the events aforesaid, or otherwise to prohibit or prevent the giving thereof in the said events, shall be of no effect.

(3) If, from the information given to any person in pursuance of sub-section (2) or otherwise, he has reasonable ground for supporting that there have or may have been transferred to him under this Chapter rights against any particular insurer, that insurer shall be subject to the same duty as is imposed by the said sub-section on the persons therein mentioned.

(4) The duty to give the information imposed by this section shall include a duty to allow all contracts of insurance, receipts for premiums, and other relevant documents in the possession or power of the person on whom the duty is so imposed to be inspected and copies thereof to be taken.

153. Settlement between insurers and insured persons.—(1) No settlement made by an insurer in respect of any claim which might be made by a third party in respect of any liability of the nature referred to in clause (b) of sub-section (1) of Section 147 shall be valid unless such third party is a party to the settlement.

(2) The Claims Tribunal shall ensure that the settlement is bona fide and was not made under undue influence and the compensation is made in accordance with the payment schedule referred to in sub-section (1) of Section 164.

(3) Where a person who is insured under a policy issued for the purpose of this Chapter has become insolvent, or where, if such insured person is a company, a winding-up order has been made or a resolution for a voluntary winding-up has been passed with respect to the company, no agreement made between the insurer and the insured person after the liability has been incurred to a third party and after the commencement of the insolvency or winding-up, as the case may be, nor any waiver, assignment or other disposition made by or payment made to the insured person after the commencement aforesaid, shall be effective to defeat the rights transferred to the third party under this Chapter; but those rights shall be the same as if no such agreement, waiver, assignment or disposition or payment has been made.

154. Saving in respect of Sections 151, 152 and 153.—(1) For the purposes of Sections 151, 152 and 153, a reference to “liabilities to third parties” in relation to a person insured under any policy of insurance shall not include a reference to any liability of that person in the capacity of insurer under some other policy of insurance.

(2) The provisions of Sections 151, 152 and 153 shall not apply where a company is wound-up voluntarily merely for the purposes of reconstruction or of an amalgamation with another company.

155. Effect of death on certain causes of action.—Notwithstanding anything contained in Section 306 of the Indian Succession Act, 1925 (39 of 1925), the death of a person in whose favour a certificate of insurance had been issued, if it occurs after the happening of an event which has given rise to a claim under the provisions of this Chapter, shall not be a bar to the survival of any cause of action arising out of such event against his estate or against the insurer.

156. Effect of certificate of insurance.—When an insurer has issued a certificate of insurance in respect of a contract of insurance between the insurer and the insured person, then—

- (a) if and so long as the policy described in the certificate has not been issued by the insurer to the insured, the insurer shall, as between himself and any other person except the insured, be deemed to have issued to the insured person a policy of insurance conforming in all respects with the description and particulars stated in such certificate; and
- (b) if the insurer has issued to the insured the policy described in the certificate, but the actual terms of the policy are less favourable to persons claiming under or by virtue of the policy against the insurer either directly or through the insured than the particulars of the policy as stated in the certificate, the policy shall, as between the insurer and any other person except the insured, be deemed to be in terms conforming in all respects with the particulars stated in the said certificate.

157. Transfer of certificate of insurance.—(1) Where a person, in whose favour the certificate of insurance has been issued in accordance with the provisions of this Chapter, transfers to another person the ownership of the motor vehicle in respect of which such insurance was taken together with the policy of insurance relating thereto, the certificate of insurance and the policy described in the certificate shall be deemed to have been transferred in favour of the person to whom the motor vehicle is transferred with effect from the date of its transfer.

Explanation.—For the removal of doubts, it is hereby clarified that such deemed transfer shall include transfer of rights and liabilities of the said certificate of insurance and policy of insurance.

(2) The transferee shall apply within fourteen days from the date of transfer in the prescribed form to the insurer for making necessary changes in regard to the fact of transfer in the certificate of insurance and the policy described in the certificate in his favour, and the insurer shall make the necessary changes in the certificate and the policy of insurance in regard to the transfer of insurance.

158. Production of certain certificates, licence and permit in certain cases.—(1) Any person driving a motor vehicle in any public place shall, on being so required by a police officer in uniform authorised in this behalf by the State Government, produce—

- (a) the certificate of insurance;
- (b) the certificate of registration;
- (c) the pollution under control certificate;
- (d) the driving licence;
- (e) in the case of a transport vehicle, also the certificate of fitness referred to in Section 56, and the permit; and
- (f) any certificate or authorisation of exemption that has been granted under this Act,

relating to the use of the vehicle.

(2) Where, owing to the presence of a motor vehicle in a public place, an accident occurs involving death or bodily injury to another person, if the driver of the vehicle does not at that time produce the required certificate, driving licence

and permit referred to in sub-section (1) to a police officer, he or the owner shall produce the said certificates, licence and permit at the police station at which the driver makes the report required by Section 134.

(3) No person shall be liable to conviction for offences under sub-section (1) or sub-section (2) by reason of the failure to produce the required certificate if, within seven days from the date on which its production was required under sub-section (1), or as the case may be, from the date of occurrence of the accident, he produces the certificate at such police station as may have been specified by him to the police officer who required its production or, as the case may be, to the police officer at the site of the accident or to the officer-in-charge of the police station at which he reported the accident:

Provided that except to such extent and with such modifications as may be prescribed, the provisions of this sub-section shall not apply to the driver of a transport vehicle.

(4) The owner of a motor vehicle shall give such information as he may be required by or on behalf of a police officer empowered in this behalf by the State Government for the purpose of determining whether the vehicle was or was not being driven in contravention of Section 146 and on any occasion when the driver was required under this section to produce the certificate of insurance.

(5) In this section, the expression "produce the certificate of insurance" means production for examination the relevant certificate of insurance or such other evidence as may be prescribed to prove that the vehicle was not being driven in contravention of Section 146.

159. Information to be given regarding accident.—The police officer shall, during the investigation, prepare an accident information report to facilitate the settlement of claim in such form and manner, within three months and containing such particulars and submit the same to the Claims Tribunal and such other agency as may be prescribed.

160. Duty to furnish particulars of vehicle involved in accident.—A registering authority or the officer-in-charge of a police station shall, if so required by a person who alleges that he is entitled to claim compensation in respect of an accident arising out of the use of a motor vehicle, or if so required by an insurer against whom a claim has been made in respect of any motor vehicle, furnish to that person or to that insurer, as the case may be, on payment of the prescribed fee, any information at the disposal of the said authority or the said police officer relating to the identification marks and other particulars of the vehicle and the name and address of the person who was using the vehicle at the time of the accident or was injured by it and the property, if any, damaged in such form and within such time as the Central Government may prescribe.

161. Special provisions as to compensation in case of hit and run motor accident.—(1) Notwithstanding anything contained in any other law for the time being in force or any instrument having the force of law, the Central Government shall provide for paying in accordance with the provisions of this Act and the

scheme made under sub-section (3), compensation in respect of the death of, or grievous hurt to, persons resulting from hit and run motor accidents.

(2) Subject to the provisions of this Act and the scheme made under sub-section (3), there shall be paid as compensation,—

- (a) in respect of the death of any person resulting from a hit and run motor accident, a fixed sum of two lakh rupees or such higher amount as may be prescribed by the Central Government;
- (b) in respect of grievous hurt to any person resulting from a hit and run motor accident, a fixed sum of fifty thousand rupees or such higher amount as may be prescribed by the Central Government.

(3) The Central Government may, by notification in the Official Gazette, make a scheme specifying the manner in which the scheme shall be administered by the Central Government or General Insurance Council, the form, manner and the time within which applications for compensation may be made, the officers or authorities to whom such applications may be made, the procedure to be followed by such officers or authorities for considering and passing orders on such applications, and all other matters connected with, or incidental to, the administration of the scheme and the payment of compensation under this section.

(4) A scheme made under sub-section (3) may provide that,—

- (a) a payment of such sum as may be prescribed by the Central Government as interim relief to any claimant under such scheme;
- (b) a contravention of any provision thereof shall be punishable with imprisonment which may extend to two years, or with fine which shall not be less than twenty-five thousand rupees but may extend to five lakh rupees or with both;
- (c) the powers, functions or duties conferred or imposed on any officer or authority by such scheme may be delegated with the prior approval in writing of Central Government, by such officer or authority to any other officer or authority.

162. Scheme for golden hour.—(1) Notwithstanding anything contained in the General Insurance Companies (Nationalisation) Act, 1972 (57 of 1972) or any other law for the time being in force or any instrument having the force of law, the insurance companies for the time being carrying on general insurance business in India shall provide in accordance with the provisions of this Act and the schemes made under this Act for treatment of road accident victims, including during the golden hour.

(2) The Central Government shall make a scheme for the cashless treatment of victims of the accident during the golden hour and such scheme may contain provisions for creation of a fund for such treatment.

163. Refund in certain cases of compensation paid under Section 161.—(1) The payment of compensation in respect of the death of, or grievous hurt to, any person under Section 161 shall be subject to the condition that if any compensation (hereafter in this sub-section referred to as the other compensation) or other amount

in lieu of or by way of satisfaction of a claim for compensation is awarded or paid in respect of such death or grievous hurt under any other provision of this Act or any other law for the time being in force or otherwise, so much of the other compensation or other amount aforesaid as is equal to the compensation paid under Section 161, shall be refunded to the insurer.

(2) Before awarding compensation in respect of an accident involving the death of, or bodily injury to, any person arising out of the use of a motor vehicle under any provision of this Act other than Section 161 or any other law for the time being in force, the Claims Tribunal, court or other authority awarding such compensation shall verify as to whether in respect of such death or bodily injury compensation has already been paid under Section 161 or an application for payment of compensation is pending under that section, and such Tribunal, court or other authority shall—

- (a) if compensation has already been paid under Section 161, direct the person liable to pay the compensation awarded by it to refund to the insurer, so much thereof as is required to be refunded in accordance with the provisions of sub-section (1);
- (b) if an application for payment of compensation is pending under Section 161 forward the particulars as to the compensation awarded by it to the insurer.

Explanation.—For the purpose of this sub-section, an application for compensation under Section 161 shall be deemed to be pending—

- (i) if such application has been rejected, till the date of the rejection of the application; and
- (ii) in any other case, till the date of payment of compensation in pursuance of the application.

164. Payment of compensation in case of death or grievous hurt, etc.—(1) Notwithstanding anything contained in this Act or in any other law for the time being in force or instrument having the force of law, the owner of the motor vehicle or the authorised insurer shall be liable to pay in the case of death or grievous hurt due to any accident arising out of the use of motor vehicle, a compensation, of a sum of five lakh rupees in case of death or of two and a half lakh rupees in case of grievous hurt to the legal heirs or the victim, as the case may be.

(2) In any claim for compensation under sub-section (1), the claimant shall not be required to plead or establish that the death or grievous hurt in respect of which the claim has been made was due to any wrongful act or neglect or default of the owner of the vehicle or of the vehicle concerned or of any other person.

(3) Where, in respect of death or grievous hurt due to an accident arising out of the use of motor vehicle, compensation has been paid under any other law for the time being in force, such amount of compensation shall be reduced from the amount of compensation payable under this section.

164-A. Scheme for interim relief for claimants.—(1) The Central Government, may make schemes for the provision of interim relief to claimants praying for compensation under this Chapter.

(2) A scheme made under sub-section (1) shall also provide for procedure to recover funds disbursed under such scheme from the owner of the motor vehicle, where the claim arises out of the use of such motor vehicle or other sources as may be prescribed by the Central Government.

164-B. Motor Vehicle Accident Fund.—(1) The Central Government shall constitute a Fund to be called the Motor Vehicle Accident Fund and thereto shall be credited—

- (a) payment of a nature notified and approved by the Central Government;
- (b) any grant or loan made to the Fund by the Central Government;
- (c) the balance of the Fund created under scheme framed under Section 163, as it stood immediately before the commencement of the Motor Vehicles (Amendment) Act, 2019; and
- (d) any other source of income as may be prescribed by the Central Government.

(2) The Fund shall be constituted for the purpose of providing compulsory insurance cover to all road users in the territory of India.

(3) The Fund shall be utilised for the following, namely:—

- (a) treatment of the persons injured in road accidents in accordance with the scheme framed by the Central Government under Section 162;
- (b) compensation to representatives of a person who died in hit and run motor accident in accordance with schemes framed under Section 161;
- (c) compensation to a person grievously hurt in a hit and run motor accident in accordance with schemes framed under Section 161; and
- (d) compensation to such persons as may be prescribed by the Central Government.

(4) The maximum liability amount that shall be paid in each case shall be such as may be prescribed by the Central Government.

(5) In all cases specified in clause (a) of sub-section (3), when the claim of such person becomes payable, where amount has been paid out of this Fund to any person, the same amount shall be deductible from the claim received by such person from the insurance company.

(6) The Fund shall be managed by such authority or agency as the Central Government may specify having regard to the following:—

- (a) knowledge of insurance business of the agency;
- (b) capability of the agency to manage funds; and
- (c) any other criteria as may be prescribed by the Central Government.

(7) The Central Government shall maintain proper accounts and other relevant records and prepare an annual statement of accounts of the Fund in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

(8) The accounts of the Fund shall be audited by the Comptroller and Auditor-General of India at such intervals as may be specified by him.

(9) The Comptroller and Auditor-General of India or any person appointed by him in connection with the audit of the accounts of the Fund under this Act shall have the same rights, privileges and authority in connection with such audit of the Government accounts and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Authority.

(10) The accounts of the Fund, as certified by the Comptroller and Auditor-General of India or any other person appointed by him in this behalf, together with the audit report thereon, shall be forwarded annually to the Central Government and the Central Government shall cause the same to be laid before each House of the Parliament.

(11) Any scheme framed under sub-section (3) of Section 161, as it stood immediately before the commencement of the Motor Vehicles (Amendment) Act, 2019, shall be discontinued and all rights and liabilities accruing thereunder shall be met out of the Fund with effect from the date of commencement of this Act.

164-C. Power of Central Government to make rules.—(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 forms to be used for the purposes of this Chapter including,—

- (i) the form of the insurance policy and the particulars it shall contain as referred to in sub-section (3) of Section 147;
- (ii) the form for making changes in regard to the fact of transfer in the certificate of insurance under sub-section (2) of Section 157;
- (iii) the form in which the accident information report may be prepared, the particulars it shall contain, the manner and the time for submitting the report to the Claims Tribunal and the other agency under Section 159;
- (iv) the form for furnishing information under Section 160; and
- (v) the form of the annual statement of accounts for the Motor Vehicle Accident Fund under sub-section (7) of Section 164-B;

- (b) the making of applications for and the issue of certificates of insurance;
- (c) the issue of duplicates to replace certificates of insurance lost, destroyed or mutilated;
- (d) the custody, production, cancellation and surrender of certificates of insurance;
- (e) the records to be maintained by insurers of policies of insurance issued under this Chapter;
- (f) the identification by certificates or otherwise of persons or vehicles exempted from the provisions of this Chapter;
- (g) the furnishing of information respecting policies of insurance by insurers;

- (h) adopting the provisions of this Chapter to vehicles brought into India by persons making only a temporary stay therein or to vehicles registered in a reciprocating country and operating on any route or within any area in India by applying those provisions with prescribed modifications;
- (i) the requirements which a certificate of insurance is required to comply with as referred to in clause (b) of Section 145;
- (j) administration of the Fund established under sub-section (3) of Section 146;
- (k) the minimum premium and the maximum liability of an insurer under sub-section (2) of Section 147;
- (l) the conditions subject to which an insurance policy shall be issued and other matters related thereto as referred to in sub-section (3) of Section 147;
- (m) the details of settlement, the time limit for such settlement and the procedure thereof under sub-section (2) of Section 149;
- (n) the extent of exemptions and the modifications under the proviso to sub-section (3) of Section 158;
- (o) the other evidence under sub-section (5) of Section 158;
- (p) such other agency to which the accident information report as referred to in Section 159 may be submitted;
- (q) the time limit and fee for furnishing information under Section 160;
- (r) the higher amount of compensation in respect of death under clause (a) of sub-section (2) of Section 161;
- (s) a sum to be paid as interim relief as referred to in clause (a) of sub-section (4) of Section 161;
- (t) the procedure for payment of compensation under sub-section (1) of Section 164;
- (u) such other sources from which funds may be recovered for the scheme as referred to in sub-section (2) of Section 164-A;
- (v) any other source of income that may be credited into the Motor Vehicle Accident Fund under sub-section (1) of Section 164-B;
- (w) the persons to whom compensation may be paid under clause (d) of sub-section (3) of Section 164-B;
- (x) the maximum liability amount under sub-section (4) of Section 164-B;
- (y) the other criteria under clause (c) of sub-section (6) of Section 164-B;
- (z) any other matter which is to be, or may be, prescribed or in respect of which provision is to be made by rules.

164-D. Power of State Government to make rules.—(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 164-C.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for—

- (a) the other authority under sub-section (5) of Section 147; and

- (b) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made by rules.]

CHAPTER XII

CLAIMS TRIBUNALS

165. Claims Tribunals.—(1) A State Government may, by notification in the Official Gazette, constitute one or more Motor Accidents Claims Tribunals (hereafter in this Chapter referred to as Claims Tribunal) for such area as may be specified in the notification for the purpose of adjudicating upon claims for compensation in respect of accidents involving the death of, or bodily injury to, persons arising out of the use of motor vehicles, or damages to any property of a third party so arising, or both.

Explanation.—For the removal of doubts, it is hereby declared that the expression “claims for compensation in respect of accidents involving the death of or bodily injury to persons arising out of the use of motor vehicles” includes claims for compensation under ²¹⁴[Section 164].

(2) A Claims Tribunal shall consist of such number of members as the State Government may think fit to appoint and where it consists of two or more members, one of them shall be appointed as the Chairman thereof.

(3) A person shall not be qualified for appointment as a member of a Claims Tribunal unless he—

- (a) is, or has been, a Judge of High Court, or
- (b) is, or has been, a District Judge, or
- (c) is qualified for appointment as a Judge of a High Court ²¹⁵[or as a District Judge]

(4) Where two or more Claims Tribunals are constituted for any area, the State Government, may by general or special order, regulate the distribution of business among them.

Corresponding Law: S. 110 of Act IV of 1939

Notes on clauses

Clause 52 of Bill No. 53 of 1994 seeks to amend Section 165 consequent to the proposed insertion of new Section 163-A. It also provides that a person who is qualified for appointment as a District Judge could be appointed as a Member of the Claims Tribunal.

Clause 50 of Bill No. 214-C of 2016 seeks to amend Section 165 of the Act in consequence of the amendments proposed in Chapters X and XI.

CASE LAW ► Subject matter of claim.—Bodily injury or damage to property arising out of a motor accident or both could be made subject-matter of claim before the Claims Tribunal. That would mean that in respect of both injuries whether it be to property or to person, claim can be preferred under the provisions of Section 110, Motor Vehicles Act (Section 165 of new Act), *Kamal Kusha v. Kirpal Singh*, AIR 1988 J&K 11.

214. Subs. for “Section 140 and Section 163-A” by Act 32 of 2019, S. 52 (w.e.f. 1-4-2022).

215. Ins. by Act 54 of 1994, S. 52 (w.e.f. 14-11-1994).

► **Cause of accident.**—Where it is alleged that motor vehicle driver was solely responsible for causing accidental injuries giving rise to the claims for compensation, it is the Claims Tribunal alone which can entertain such claims under Section 110(1) of the Act [Section 165 of new Act].

Where the accident is caused solely on account of the negligence of any other person who may not have used any motor vehicle at the relevant time in causing the accident, the claim petition would not be maintainable before Claims Tribunal.

Where composite negligence is alleged both against the driver of the motor vehicle as well as driver of any other vehicle, or any other outside agency such claim petition would be maintainable before the Tribunal on the principle that outside parties are allowed to be joined as tortfeasors who have contributed to the causing of the accident and, their *inter se* liability can be adjudicated upon by the Tribunal.

Where the accident has been caused on account of composite negligence of the driver of the motor vehicle and driver of any other vehicle or outside agency application for claim would be maintainable by the Claims Tribunal but ultimately, if after hearing the parties, the tribunal comes to the conclusion that the accident has been caused not on account of the rash and negligent driving by the driver of the motor vehicle but solely on account of rashness and negligence of other person who might have driven the vehicle other than motor vehicle like railway engine, horse cart or camel cart etc., or solely on account of negligence of outside agencies, then on the said finding, the case would get out of provision of Section 110(1) [Section 165 of new Act], *Gujarat S.R.T.C v. Union of India*, AIR 1988 Guj 13.

► **Uninsured vehicles.**—Uninsured vehicles are also within the scope of Section 110 [Section 165 of new Act], *Parmanand Thakur v. Commissioner Coal Mines*, AIR 1988 Pat 156.

166. Application for compensation.—(1) An application for compensation arising out of an accident of the nature specified in sub-section (1) of Section 165 may be made—

- (a) by the person who has sustained the injury; or
- (b) by the owner of the property; or
- (c) where death has resulted from the accident, by all or any of the legal representatives of the deceased; or
- (d) by any agent duly authorised by the person injured or all or any of the legal representatives of the deceased, as the case may be:

Provided that where all the legal representatives of the deceased have not joined in any such application for compensation, the application shall be made on behalf of or for the benefit of all the legal representatives of the deceased and the legal representatives who have not so joined, shall be impleaded as respondents to the application:

²¹⁶[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.]

Corresponding Law: S. 110-A(1) of Act IV of 1939

²¹⁷[(2) Every application under sub-section (1) shall be made, at the option of the claimant, either to the Claims Tribunal having jurisdiction over the area in which the accident occurred, or to the Claims Tribunal within the local limits of whose jurisdiction the claimant resides or carries on business or within the local limits of whose jurisdiction the defendant resides, and shall be in such form and contain such particulars as may be prescribed:

²¹⁸[* * *]]

Corresponding Law: S. 110-A(2) of Act IV of 1939

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

Corresponding Law: S. 110-A(3) of Act IV of 1939

²²⁰[(4) The Claims Tribunal shall treat any report of accidents forwarded to it under ²²¹[Section 159] as an application for compensation under this Act.]

²²²[(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.]

Notes on clauses

Clause 53 of Bill No. 53 of 1994 seeks to amend Section 166 to provide for a simplified procedure for filing of applications for compensation. It also provides for removal of time limit for filing of such applications. It also provides that the Claims Tribunals shall treat a report received under sub-section (6) of Section 158 as an application for compensation under this Act.

CASE LAW ► Nature and scope.—Sections 110-A and 110-B [Sections 166 and 168 of new Act] override corresponding provisions of Section 1-A of Fatal Accidents Act, 1855 (13 of 1855)—Hence legal representatives including brothers of the deceased victim of motor accident entitled to maintain application for compensation under Section 110-A, *Gujarat SRTC v. Ramanbhai Prabhatbhai*, (1987) 3 SCC 234 : 1987 SCC (Cri) 482. (*Budha v. Union of India*, AIR 1981 MP 151 : 1981 MPLJ 30; *P.B. Kader v. Thatchamma*, AIR 1970 Ker 241 : 1969 Ker LJ 491 : ILR (1969) 2 Ker 307 : 1970 Lab IC 1273 and *Dewan Hari Chand v. Municipal Corporation of Delhi*, AIR 1973 Del 67 : (1972) 74 Pun LR (D) 177 : 1973 ACJ 87, overruled.)

Minu B. Mehta v. Balkrishna Ramchandra Nayan, (1977) 2 SCC 441 : (1977) 2 SCR 886 : AIR 1977 SC 1248, obiter observations overruled.

217. Subs. by Act 54 of 1994, S. 53, for sub-section (2) (w.e.f. 14-11-1994).

218. Omitted by Act 32 of 2019, S. 53(ii) (w.e.f. 1-4-2022). Prior to omission it read as:

“Provided that where no claim for compensation under Section 140 is made in such application, the application shall contain a separate statement to that effect immediately before the signature of the applicant.”

219. Ins. by Act 32 of 2019, S. 53(iii) (w.e.f. 1-4-2022).

220. Subs. by Act 54 of 1994, S. 53, for sub-section (4) (w.e.f. 14-11-1994). Prior to substitution it read as:

“(4) Where a police officer has filed a copy of the report regarding an accident to a Claims Tribunal under this Act, the Claims Tribunal may, if it thinks it necessary so to do, treat the report as if it were an application for compensation under this Act.”

221. Subs. for “sub-section (6) of Section 158” by Act 32 of 2019, S. 53(iv) (w.e.f. 1-4-2022).

222. Ins. by Act 32 of 2019, S. 53(v) (w.e.f. 1-4-2022).

► **Compensation.**—Regarding the issue that whether the amount receivable, but not yet received, by legal representatives of deceased under State Compassionate Assistance to Dependents of Deceased Government Employees Rules, 2006, is required to be deducted as a whole or only portion thereof at stage of determining compensation under MV Act, 1988, proper approach, held, is to independently determine compensation amount and order payment thereof subject to legal representatives of the deceased filing affidavit/declaration before executing court that they have not received nor would they claim any amount towards financial assistance under the Rules concerned, so as to become entitled to withdraw entire compensation amount under MV Act. Deduction of amount receivable, but not yet received, under the Rules concerned is not the correct approach, *National Insurance Co. Ltd. v. Birender*, (2020) 11 SCC 356.

► **Compensation — Meaning**—Term “compensation” would include not only expenses incurred for immediate treatment, but also expenses likely to be incurred for future medical treatment/care necessary for particular injury or disability caused by an accident, *Govind Yadav v. New India Insurance Co. Ltd.*, (2011) 10 SCC 683 : (2012) 1 SCC (L&S) 422 : (2012) 1 SCC (Cri) 82 : (2012) 3 SCC (Civ) 1082.

Award of lump sum compensation without following multiplier method is not permissible. Compensation has to be just compensation. Mode of award in cases of permanent disability has to be based on functional disability or actual loss of income/income-earning capacity. Due to changed scenario in view of cost of living and current rate of inflation, Second Schedule provided under Motor Vehicles Act became redundant, *Anant v. Pratap*, (2018) 9 SCC 450.

► **Compensation — Entitlement.**—The claim of major sons of deceased who are married and gainfully employed or earning, would be maintainable under Section 166(1)(c). However, quantum of compensation would depend on extent of their dependency on the deceased parent, *National Insurance Co. Ltd. v. Birender*, (2020) 11 SCC 356.

► **Compensation either under Motor Vehicles Act or under Workmen's Compensation Act.**—As per Section 167 of MV Act, dependants of deceased entitled to claim compensation either under Motor Vehicles Act or under Workmen's Compensation Act but cannot claim under both laws. This kind of statutory exclusion is not found in Haryana Rules, 2006. That does not mean MACT should be ignorant of such fact. Generally, claimants are legally entitled to claim under “loss of pay and wages” of deceased government employee against tortfeasor or insurance company. However, dependants of deceased employee of Government of Haryana are not entitled to claim under such head as they receive “pay and allowance” under Rule 5(1) of Haryana Compassionate Assistance to the Dependents of Deceased Government Employees Rules, 2006. If any other interpretation is made, then that would result in double payment towards same head ‘loss of pay and wages’ resulting in grant of bonanza, largesse or source of profit. . Thus, result of harmonious interpretation of another applicable law like Haryana Rules, 2006 and MV Act is that compensation payable under MV Act must exclude amount received under Haryana Rules, 2006 under head “loss of pay and allowances”, *Reliance General Insurance Co. Ltd. v. Shashi Sharma*, (2016) 9 SCC 627 : (2016) 3 SCC (Cri) 713.

► **Computation of compensation — Conventional heads.**—The compensation for loss of consortium includes compensation for loss of love and affection. Hence, once compensation is awarded for loss of consortium, there cannot be a further award of compensation under ‘Loss of love and affection’, *M.H. Uma Maheshwari v. United India Insurance Co. Ltd.*, (2020) 6 SCC 400.

Consortium is right of spouse to company, care, help, comfort, guidance, society, solace, affection and sexual relations with his/her mate. Even children of deceased are entitled to award of compensation for loss of love, care and guidance. This emotional aspect has nothing to do with expected lifespan, *Bhogireddi Varalakshmi v. Mani Muthupandi*, (2017) 3 SCC 802 : (2017) 2 SCC (Cri) 1.

Assessment of compensation, though involves, certain hypothetical considerations, should nevertheless be objective. Justice and justness emanate from equality in treatment, consistency and thoroughness in adjudication, and fairness and uniformity in the decision-making process and the decisions. Hence, expressing grave concern over lack of uniformity and consistency among the decisions of Tribunals, when the factors/inputs as well as the formula/legal principles are the same, consistency and uniformity, and not divergence and freakiness, should be the result of adjudication to arrive at just compensation. To arrive at uniformity and consistency in determination of compensation in cases of death, Tribunals directed to follow the well-settled steps, *Sarla Verma v. DTC*, (2009) 6 SCC 121 : (2009) 2 SCC (Cri) 1002 : (2009) 2 SCC (Civ) 770.

► **Claim for compensation.**—Tribunal *stricto sensu* is not bound by pleadings of parties, and its function is to determine amount of fair compensation. Claimants are merely to establish their case on touchstone of preponderance of probability and standard of proof beyond reasonable doubt cannot be applied in motor accident cases., *Sunita v. Rajasthan SRTC*, (2020) 13 SCC 486.

► **Heads to determine compensation.**—Other than the detailed calculation required to calculate the loss of dependency, certain lump sums may be awarded under heads of (i) loss of estate, (ii) loss of consortium, and (iii) funeral expenses, cost of transportation of the body (if incurred) and cost of any medical treatment of the deceased before death (if incurred), *Sarla Verma v. DTC*, (2009) 6 SCC 121 : (2009) 2 SCC (Cri) 1002 : (2009) 2 SCC (Civ) 770.

► **Permanent disability.**—Impact/effect of permanent disability on work/earning capacity, is to be judged with reference to nature of work being performed by person suffering the disability, *Mohan Soni v. Ram Avtar Tomar*, (2012) 2 SCC 267 : (2012) 1 SCC (Cri) 641 : (2012) 1 SCC (Civ) 747.

Principles for determination of just compensation contemplated under MV Act are well settled. Apart from injury, claimant has to be compensated for consequential losses, *Kajal v. Jagdish Chand*, (2020) 4 SCC 413.

The principle consistently followed in assessing motor vehicle compensation claims, is to place the victim in as near a position as she or he was in before the accident, with other compensatory directions for loss of amenities and other payments, *Sidram v. United India Insurance Co. Ltd.*, (2023) 3 SCC 439.

► **Permanent total disability — Compensation.**—Measure of compensation must reflect a genuine attempt of law to restore dignity of being. Yardsticks of compensation should not be so abysmal as to lead one to question whether our law values human life. It must provide a realistic recompense for pain of loss and trauma of suffering. Awards of compensation are not law's doles. In a discourse of rights, they constitute entitlements under law. Our conversations about law must shift from a paternalistic subordination of individual to an assertion of enforceable rights as intrinsic to human dignity, *Jagdish v. Mohan*, (2018) 4 SCC 571.

► **Permanent or Total Disability.**—Just compensation for permanent or total disability includes not only expenses incurred for immediate treatment, but also amount likely to be incurred for future medical treatment/care necessary for a particular injury or disability caused by an accident, *Afnees v. Oriental Insurance Co. Ltd.*, (2018) 13 SCC 119.

► **Permanent partial disability.**—When accident resulted in permanent disability to extent of 50% to right arm of 22-year-old appellant trainee in a Merchant Navy Company, award of compensation without considering important heads, held, not proper. [*Ankur Kapoor v. Oriental Insurance Co. Ltd.*, (2018) 1 SCC 136].

► **Right to claim.**—Section 110-A [Section 166 of 1988 Act] only says that claim can be made by the person who has sustained the injury. The injury would not mean that it would be the bodily injury alone and not injury to the property, *Kamal Kusha v. Kripal Singh*, AIR 1988 J&K 11.

► **Maintainability of claim.**—When death of owner-cum-driver of motor vehicle has been caused due to his own negligence, claim for compensation is not maintainable, *National Insurance Co. Ltd. v. Ashalata Bhowmik*, (2018) 9 SCC 801.

► **Legal representative.**—A legal representative ordinarily means a person who in law represents the estate of a deceased person or a person on whom the estate devolves on the death of an individual.

A legal representative in a given case need not necessarily be a wife, husband, parent and child, *Gujarat SRTC v. Ramanbhai Prabhatbhai*, (1987) 3 SCC 234, 247, 248 : 1987 SCC (Cri) 482.

► **Basis of liability.**—Basis of liability under this section is still tortious liability, *Oriental Insurance Co. Ltd. v. Meena Variyal*, (2007) 5 SCC 428 : (2007) 2 SCC (Cri) 527.

► **Determination of compensation.**—General principles under common law for estimating damages cannot be applicable for determination of compensation under Motor Vehicles Act. "Pecuniary advantage" from whatever source must correlate to injury or death arising out of motor vehicle accident, *Reliance General Insurance Co. Ltd. v. Shashi Sharma*, (2016) 9 SCC 627 : (2016) 3 SCC (Cri) 713.

► **Deduction with respect to various amounts/benefits received by claimants.**—It is the amount which accrues to claimants only on account of death of deceased in a motor vehicle accident which is deductible. Amounts/advantages accruing to claimants as a result of some contract or act which deceased performed in his lifetime (like on account of insurance, bank deposits, shares, debentures, pensionary benefits, gratuity or grant of employment to a kin of deceased) cannot be said to be outcome or result of death of deceased in a motor vehicle accident even though these amounts may go into the hands of claimants only after the death of deceased. Hence, such amounts are not liable to be deducted, *Sebastiani Lakra v. National Insurance Co. Ltd.*, (2019) 17 SCC 465.

► **Just compensation.**—Compensation means to recompense claimants for possible loss suffered or likely to be suffered due to sudden and untimely death of their family member as a result of motor accident. Principles for determination of compensation are (i) measure of compensation must be just and adequate, and (ii) no double benefits to be passed on to claimants in awarding compensation — "Just" means fair, adequate and reasonable. "Just" has been derived from Latin word "justus" connoting right and fair. It denotes that amount must be equitable, fair, reasonable and not arbitrary. However, compensation is not intended to be bonanza, largesse or source of profit, *Reliance General Insurance Co. Ltd. v. Shashi Sharma*, (2016) 9 SCC 627 : (2016) 3 SCC (Cri) 713.

Law clarified on the following aspects:—(A) Deduction of personal and living expenses to determine multiplicand; (B) Selection of multiplier depending on age of deceased; (C) Age of deceased as basis for applying multiplier; (D) Reasonable figures on conventional heads, namely, loss of estate, loss of consortium and funeral expenses, with escalation; (E) Future prospects for all categories of persons and for different

ages : with permanent job; self-employed or fixed salary, *National Insurance Co. Ltd. v. Pranay Sethi*, (2017) 16 SCC 680.

In assessing the compensation payable, the settled principles need to be borne in mind. A victim who suffers a permanent or temporary disability occasioned by an accident is entitled to the award of compensation. The award of compensation must cover among others, the following aspects : (i) Pain, suffering and trauma; (ii) Loss of income including future income; (iii) Inability of the victim to lead a normal life together with its amenities; (iv) Medical expenses including those that the victim may be required to undertake in future; and (v) Loss of expectation of life, *Jagdish v. Mohan*, (2018) 4 SCC 571.

► **Just compensation — Selection of multiplier.**—Applying split multiplier i.e. one multiplier up to date of retirement and another multiplier after retirement of deceased is not permissible. Only one multiplier is to be applied keeping in view age of the deceased based on principles laid down by the Supreme Court, *R. Valli v. T.N. State Transport Corpn. Ltd.*, (2022) 5 SCC 107.

► **Multiplier method.**—Multiplier method is to calculate net pecuniary loss upon an annual basis, involving ascertainment of loss of dependency or multiplicand having regard to circumstances of case and capitalising multiplicand by an appropriate multiplier, as determined by age of deceased or that of claimant, as case may be. In injury cases, description of nature of injury and permanent disablement are relevant factors and it has to be seen as to what would be impact of such injury/disablement on earning capacity of injured. There should be no departure from multiplier method on ground of “just” compensation since multiplier method is accepted method for determining and ensuring payment of just compensation and is expected to bring uniformity and certainty of awards made all over country. Multiplier system is based on doctrine of equity, equality and necessity. A departure therefrom is to be done only in rare and exceptional cases. [*Sandeep Khanuja v. Atul Dande*, (2017) 3 SCC 351].

► **Limitation period for filing claims.**—Deletion of Section 166(3) does not revive stale or dead claims. A claim raised before the Motor Accidents Claims Tribunal can be considered to be genuine, so long as it is a live and surviving claim. Individual concerned must approach the Tribunal within a reasonable time. Further, reasonability would depend on the facts and circumstances of each case. [*Purohit & Co. v. Khatoonbee*, (2017) 4 SCC 783].

Where the claim petition was pending beyond limitation, the benefit of amendment of sub-section (3) of Section 166 of Motor Vehicles Act should be extended, *Dhannalal v. D.P. Vijayavargiya*, (1996) 4 SCC 652.

► **Quantum that may be awarded towards future prospects.**—Where the assessment is based on actual evidence led to the satisfaction of the Tribunal/Court, increase in income that can be granted as future prospects can be taken at a higher level than the standard percentage, *Sureshchandra Bagmal Doshi v. New India Assurance Co. Ltd.*, (2018) 15 SCC 649.

► **Non-exhibition of documents.**—Non-exhibition of documents i.e. a procedural lapse does not disentitle a claim, when otherwise sufficient evidence is adduced and documents established the identity of the offending vehicle, *Vimla Devi v. National Insurance Co. Ltd.*, (2019) 2 SCC 186.

► **Liability of registered owner.**—Liability of registered owner of vehicle to pay compensation in case of accident is not absolved, even when such vehicle stands transferred and accident occurs prior to expiry of period prescribed under Section 50(1)(b) to report transfer, *Prakash Chand Daga v. Saveta Sharma*, (2019) 2 SCC 747.

► **Multiplier.**—In case of death of a bachelor computation of compensation is to be based on age of deceased and not age of parents. This position of law has been settled by three three-Judge Bench decisions which have then affirmed by a five-Judge Bench, *Royal Sundaram Alliance Insurance Co. Ltd. v. Mandala Yadagari Goud*, (2019) 5 SCC 554.

► **Future prospects — Meaning and scope.**—Future prospects would necessarily mean advancement in future career, earnings and progression in one's life. Promotional avenues, career progression, grant of selection grades, etc. are some features for considering one's future prospects in one's career, *Dolma Devi v. Mohinder Kumar Goel*, (2019) 14 SCC 713.

► **Contributory negligence of victim.**—Deceased pillion on motorcycle along with driver and another beyond the permissible limit, may not, by itself, without anything more, make him guilty of contributory negligence, unless it is established that it contributed either to accident or to impact of accident upon victim, *Mohd. Siddique v. National Insurance Co. Ltd.*, (2020) 3 SCC 57.

In *Jumani Begam v. Ram Narayan*, (2020) 5 SCC 807, deceased victim on two-wheeler at night dashed into truck trailer parked on road without any reflectors. The Supreme Court held that once substantive evidence of eyewitness before MACT established that truck trailer had been parked on road at night without any reflectors, there was no reason or justification for MACT to proceed on basis of conjecture in arriving at a finding of contributory negligence.

► **Depletion of net income as a factor.**—Though a court may be required to account for the depletion in the net income accruing from the assets of the deceased on account of payments for engaging managers, etc. evidence must be adduced to compute the depletion, *Malarvizhi v. United India Insurance Co. Ltd.*, (2020) 4 SCC 228.

► **Attendant charges.**—Multiplier system, held, should be followed not only for compensation for loss of income but also for attendant charges, etc. Multiplier system is the most optimal as it factors in inflation rate, rate of interest, longevity and also uncertainties of life, to ensure award of "just compensation", *Kajal v. Jagdish Chand*, (2020) 4 SCC 413.

► **Admissibility of witnesses.**—There is nothing in the 1988 Act to preclude citing of a witness in motor accident claim who has not been named in the list of witnesses in the criminal case. So long as adequate opportunity of cross-examination of such witness is provided to the other side, the same will meet the requirements of law, *Anita Sharma v. New India Assurance Co. Ltd.*, (2021) 1 SCC 171.

► **Approach to be adopted by Tribunal and Court.**—In motor accident claims, standard of proof is one of preponderance of probabilities, rather than beyond reasonable doubt. Approach and role of courts while examining evidence in accident claim cases ought not to be to find fault with non-examination of some best eyewitnesses, as may happen in a criminal trial; but, instead should be only to analyse material placed on record by parties to ascertain whether claimant's version is more likely than not true, *Anita Sharma v. New India Assurance Co. Ltd.*, (2021) 1 SCC 171.

► **Consortium — What is and when may be awarded.**—Expression "consortium" includes spousal consortium, parental consortium as well as filial consortium. It is certainly not the law that consortium is only payable as a spousal consortium and consortium is not payable to children and parents. Apart from spousal consortium, parental and filial consortium, held, are payable in fatal accident claim, *New India Assurance Co. Ltd. v. Somwati*, (2020) 9 SCC 644.

► **Fatal accident — Compensation.**—Compensation under separate heads "loss of consortium" and "loss of love and affection" is not permissible. The expression "consortium" includes spousal consortium, parental consortium as well as filial consortium. "Loss of love and affection", held, is comprehended in "loss of consortium". Hence, held, there is no justification to award compensation towards "loss of love and affection" as a separate head, *New India Assurance Co. Ltd. v. Somwati*, (2020) 9 SCC 644.

► **Addition towards future prospects.**—When deceased is self-employed and below the age of 40, addition of 40% is to be made towards income as future prospects, *Rahul Sharma v. National Insurance Co. Ltd.*, (2021) 6 SCC 188.

► **Compensation — Income of deceased.**—In absence of documentary evidence on record, some amount of guesswork is required to be done. But at the same time, held, the guesswork for assessing the income of the deceased should not be totally detached from reality. Merely because claimants were unable to produce documentary evidence to show the monthly income of deceased, same does not justify adoption of lowest tier of minimum wage while computing the income, *Chandra v. Mukesh Kumar Yadav*, (2022) 1 SCC 198.

167. Option regarding claims for compensation in certain cases.—Notwithstanding anything contained in the Workmen's Compensation Act, 1923 (8 of 1923) where the death of, or bodily injury to, any person gives rise to a claim for compensation under this Act and also under the Workmen's Compensation Act, 1923, the person entitled to compensation may without prejudice to the provisions of Chapter X claim such compensation under either of those Acts but not under both.

Corresponding Law: S. 110-AA of Act IV of 1939

CASE LAW ► Interpretation for Compensation.—The words 'may claim' in Section 119-AA [Section 167 of new Act] make it clear that the option is left to the person entitled to compensation to choose whether he would seek the remedy available under the Motor Vehicles Act or the Workmen's Compensation Act. He has to choose either of these two remedies but not both, *Harivadan Maneklal Modi v. Chandrasinh Chhatrasinh Parmar*, AIR 1988 Guj 69.

168. Award of the Claims Tribunal.—(1) On receipt of an application for compensation made under Section 166, the Claims Tribunal shall, after giving notice of the application to the insurer and after giving the parties (including the insurer) an opportunity of being heard, hold an inquiry into the claim or, as the case may be, each of the claims and, subject to the provisions of ²²³[Section 163] may make an award determining the amount of compensation which appears to it to be just and specifying the person or persons to whom compensation shall be paid and in making the award the Claims Tribunal shall specify the amount which shall be paid by the insurer or owner or driver of the vehicle involved in the accident or by all or any of them, as the case may be:

²²⁴[* * *]

223. Subs. for "Section 162" by Act 32 of 2019, S. 54(i) (w.e.f. 1-4-2022).

224. Omitted by Act 32 of 2019, S. 54(ii) (w.e.f. 1-4-2022). Prior to omission it read as:

"Provided that where such application makes a claim for compensation under Section 140 in respect of the death or permanent disablement of any person, such claim and any other claim (whether made

Corresponding Law: S. 110-B of Act IV of 1939

(2) The Claims Tribunal shall arrange to deliver copies of the award to the parties concerned expeditiously and in any case within a period of fifteen days from the date of the award.

(3) When an award is made under this section, the person who is required to pay any amount in terms of such award shall, within thirty days of the date of announcing the award by the Claims Tribunal, deposit the entire amount awarded in such manner as the Claims Tribunal may direct.

CASE LAW ▶ Grant of compensation.—Even in the absence of appropriate proof the Tribunal would still be required to compensate an injured person under head “medical treatment” by awarding a reasonable sum adequate to reimburse the claimant as regards expenses incurred, *Basavaraj v. Shekhar*, AIR 1988 Kant 105.

In granting compensation for personal injuries the victim has to be compensated (1) for pain and suffering; (2) for loss of amenities; (3) shortened expectation of life if any; (4) loss of earnings or loss of earning capacity or in some cases for both; and (5) medical treatment and other special damages, *Basavaraj v. Shekhar*, AIR 1988 Kant 105.

▶ **Compensation for death in accident.**—Parents losing their minor child or unmarried son/daughter in motor accident—Entitled to be awarded loss of consortium under the head of filial consortium, *Magma General Insurance Co. Ltd. v. Nanu Ram*, (2018) 18 SCC 130.

▶ **Just compensation.**—Compensation must be just, fair and reasonable. Multiplier method of computation, is the proper, logically sound and well-established method for determining first compensation. Departure from it is justified only in rare and extraordinary circumstances and very exceptional cases, *Kerala, SRTC v. Susamma Thomas*, (1994) 2 SCC 176 : 1994 SCC (Cri) 335.

Just compensation means an amount which is just and equitable rather than a bonanza or source of profit. Income of an employee of private sector employment where pension is avoided by granting other benefits is not confined to pay-packet only. Benefits meant for family, as distinguished from personal benefits like conveyance allowance, etc. also form part of income. However, tax payable is to be deducted. Medical allowance is payable subject to production of bills, *National Insurance Co. Ltd. v. Indira Srivastava*, (2008) 2 SCC 763 : (2008) 1 SCC (Cri) 550.

▶ **Compensation — Determination.**—There is obligation on part of Claims Tribunal to grant “just compensation”. Word “just” is of a very wide amplitude. Courts must interpret that word in a manner which meets the object of MV Act i.e. to award adequate and just compensation to dependants of deceased, remembering that compensation can be paid only once and not time and again. The provision under Section 168 of the MV Act, 1988 mandates payment of “just compensation” to claimants. Any method of calculation of compensation which does not result in award of “just compensation” would be violative of MV Act, *Sebastiani Lakra v. National Insurance Co. Ltd.*, (2019) 17 SCC 465.

▶ **Determination of damages.**—Determination of damages for loss of human life is an extremely difficult task and it becomes all the more baffling when the deceased is a child and/or a non-earning person. The future of a child is uncertain. Where the deceased was a child, he was earning nothing but has a prospect

in such application or otherwise) for compensation in respect of such death or permanent disablement shall be disposed of in accordance with the provisions of Chapter X.”

to earn. Figure of compensation in such cases involves a good deal of guesswork. In cases, where parents are claimants, relevant factor would be age of parents, in cases of young children of tender age, in view of uncertainties abound, neither their income at the time of death nor the prospects of the future increase in their income nor chances of advancement of their career are capable of proper determination on estimated basis, *Kaushlya Devi v. Karan Arora*, (2007) 11 SCC 120 : (2007) 56 AIC 76 (SC).

► **Interpretation/Construction.**—Words “receipt of an application for compensation” in Section 168 refer not only to such application filed by claimants but also to suo moto registration of application for compensation under Section 166(4) on the basis of report of an accident under Section 158(6), *United India Insurance Co. Ltd. v. Shila Datta*, (2011) 10 SCC 509 : (2012) 1 SCC (Cri) 328 : (2012) 3 SCC (Civ) 798.

► **Dying in harness.**—“Compassionate appointment” can be one of the conditions of service of an employee, if a scheme to that effect is framed by the employer. In case the employee dies in harness i.e. while in service leaving behind the dependants, one of the dependants may request for compassionate appointment to maintain the family of the deceased employee who dies in harness. This cannot be stated to be an advantage receivable by the heirs on account of one’s death and have no correlation with the amount receivable under a statute occasioned on account of accidental death. Compassionate appointment may have nexus with the death of an employee while in service but it is not necessary that it should have a correlation with the accidental death. An employee dies in harness even in normal course, due to illness and to maintain the family of the deceased one of the dependants may be entitled for compassionate appointment but that cannot be termed as “pecuniary advantage” that comes under the periphery of the Motor Vehicles Act and any amount received on such appointment is not liable for deduction for determination of compensation under the Motor Vehicles Act, *Vimal Kanwar v. Kishore Dan*, (2013) 7 SCC 476.

► **Liability to pay compensation.**—Bus was given on hire to State Road Transport Corporation (SRTC) by its registered owner under a lease agreement. Accident occurred while it was being driven under control of SRTC pursuant to said agreement. Under lease agreement, it was liability of owner to provide comprehensive insurance cover for all kinds of accidental risks. Owner was under liability to : (a) provide bus regularly, (b) employ a driver, who was to be duly licensed and not disqualified as provided in agreement, and (c) make payment of salary to driver. Further, bus was to be plied on routes as specified by SRTC and hiring charges were to be paid to registered owner. As per the agreement, owner of bus was to be solely liable for any claim arising out of any accident met by bus, however, if SRTC had to pay compensation arising out of any such accident, SRTC could recover that amount from owner out of the amount payable by it to owner or from the amount payable by insurer to owner. As (i) hiring of public service vehicles is not prohibited under any law, and (ii) lease agreement in question was not illegal or opposed to public policy or contrary to any provision in Contract Act or MV Act or violative of any provision in insurance policy, having regard to terms and conditions of lease agreement, held, registered owner of vehicle (i.e. insured) had owned liability under the agreement to pay compensation in accident matters. Insurer could not escape that liability. Further, in terms of Section 2(30) of MV Act, SRTC could also be treated as owner of vehicle during the period the vehicle was on hire with it. Thus, SRTC being in actual control of vehicle would also liable to pay compensation but, in such a case, since by virtue of Section 157 of MV Act the insurance policy must be deemed to have been transferred in favour of SRTC, the insurer would be liable to indemnify SRTC for the liability so incurred by SRTC. In this way, registered owner, insurer as well as SRTC, held, jointly and severally liable to pay compensation to claimants. However, SRTC in terms of lease agreement could recover the amount paid by it from registered owner or

insurer, as the case may be, *Karnataka SRTC v. New India Assurance Co. Ltd.*, (2016) 2 SCC 382 : (2016) 1 SCC (Cri) 493 : (2016) 2 SCC (Civ) 85.

► **Deduction towards personal expenses.**—Subsequent death of deceased's dependant ought not to be a reason for reduction of motor accident compensation. Claims and legal liabilities crystallise at time of accident itself, and changes post thereto ought not to ordinarily affect pending proceedings, *Kirti v. Oriental Insurance Co. Ltd.*, (2021) 2 SCC 166.

► **Assessment of monthly income.**—Existing standard of living of deceased's family and attendant circumstances can be the basis for determining income, in the absence of documentary evidence of income. Preserving existing standard of living of a deceased's family is a fundamental endeavour of motor accident compensation law, *Kirti v. Oriental Insurance Co. Ltd.*, (2021) 2 SCC 166.

► **Notional income of housewife or homemaker.**—Law summarised regarding determination of value of services rendered by homemaker and whether future prospects should apply to same or not. Attempt of court in such matters should be towards determining, in the best manner possible, truest approximation of value added by a homemaker for purpose of granting monetary compensation. Granting of future prospects, on notional income calculated in such cases, is a component of just compensation, *Kirti v. Oriental Insurance Co. Ltd.*, (2021) 2 SCC 166.

169. Procedure and powers of Claims Tribunals.—(1) In holding any inquiry under Section 168, the Claims Tribunal may, subject to any rules that may be made in this behalf, follow such summary procedure as it thinks fit.

(2) The Claims Tribunal shall have all the powers of a Civil Court for the purpose of taking evidence on oath and of enforcing the attendance of witnesses and of compelling the discovery and production of documents and material objects and for such other purposes as may be prescribed; and the Claims Tribunal shall be deemed to be a Civil Court for all the purposes of Section 195 and Chapter XXVI of the Code of Criminal Procedure, 1973 (2 of 1974).

(3) Subject to any rules that may be made in this behalf, the Claims Tribunal may, for the purpose of adjudicating upon any claim for compensation, choose one or more persons possessing special knowledge of any matter relevant to the inquiry to assist it in holding the inquiry.

²²⁵[(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 (5 of 1908), as if the award were a decree for the payment of money passed by such court in a civil suit.]

Corresponding Law: S. 110-C of Act IV of 1939

CASE LAW ► Grant of interest.—While enhancing amount of compensation, High Court should award interest thereon from the date of application for compensation, *Chameli Wati v. Municipal Corpn. of Delhi*, (1986) 4 SCC 503 : 1986 SCC (Cri) 533.

► **Recovery of insurance company.**—Where Insurance company has been held to be not liable but court ordered it to pay the compensation insurance company could recover the same from the insured by

225. Ins. by Act 32 of 2019, S. 55 (w.e.f. 1-4-2022).

initiating a proceeding before the executing court without being required to file a separate suit, *Oriental Insurance Co. Ltd. v. Nanjappan*, (2004) 13 SCC 224 : 2005 SCC (Cri) 148.

170. Impleading insurer in certain cases.—Where in the course of any inquiry, the Claims Tribunal is satisfied that—

- (a) there is collusion between the person making the claim and the person against whom the claim is made, or
- (b) the person against whom the claim is made has failed to contest the claim,

it may, for reasons to be recorded in writing, direct that the insurer who may be liable in respect of such claim, shall be impleaded as a party to the proceeding and the insurer so impleaded shall thereupon have, without prejudice to the provisions contained in sub-section (2) of ²²⁶[Section 150], the right to contest the claim on all or any of the grounds that are available to the person against whom the claim has been made.

CASE LAW ▶ Claims Tribunal : Procedure and powers.—The Insurance Company when impleaded as a party by the Court can be permitted to contest the proceedings on merits only if the conditions precedent mentioned in Section 170 are found to be satisfied and for that purpose the Insurance Company has to obtain an order in writing from the Tribunal and which should be a reasoned order by the Tribunal. Unless that procedure is followed, the Insurance Company cannot have a wider defence on merits than what is available to it by way of statutory defence, *Shankarayya v. United India Insurance Co. Ltd.*, (1998) 3 SCC 140.

▶ **Right to contest.**—It is clear from provisions of Section 170 that the insurer has no right to contest the claim unless Claims Tribunal expressly records its satisfaction as to collusion or failure to contest mentioned in Section 170, *Jagdish Prasad Pandey v. Darshan Singh*, (2002) 9 SCC 527.

171. Award of interest where any claim is allowed.—Where any Claims Tribunal allows a claim for compensation made under this Act, such Tribunal may direct that in addition to the amount of compensation simple interest shall also be paid at such rate and from such date not earlier than the date of making the claim as it may specify in this behalf.

Corresponding Law: S. 110-CC of Act IV of 1939

CASE LAW ▶ Grant of interest.—9% is appropriate rate of interest in motor accident compensation cases, *Supe Dei v. National Insurance Co. Ltd.*, (2009) 4 SCC 513 : (2009) 2 SCC (Cri) 528 : (2009) 2 SCC (Civ) 244.

Interest can be granted even if a claimant does not specifically plead for the same, *Abati Bezbaruah v. Geological Survey of India*, (2003) 3 SCC 148 : 2003 SCC (Cri) 746.

172. Award of compensatory costs in certain cases.—(1) Any Claims Tribunal adjudicating upon any claim for compensation under this Act, may in any case where it is satisfied for reasons to be recorded by it in writing that—

- (a) the policy of insurance is void on the ground that it was obtained by representation of fact which was false in any material particular, or
- (b) any party or insurer has put forward a false or vexatious claim or defence,

226. Subs. for "Section 149" by Act 32 of 2019, S. 56 (w.e.f. 1-4-2022).

such Tribunal may make an order for the payment, by the party who is guilty of misrepresentation or by whom such claim or defence has been put forward of special costs by way of compensation to the insurer or, as the case may be, to the party against whom such claim or defence has been put forward.

(2) No Claims Tribunal shall pass an order for special costs under sub-section (1) for any amount exceeding one thousand rupees.

(3) No person or insurer against whom an order has been made under this section shall, by reason thereof be exempted from any criminal liability in respect of such misrepresentation, claim or defence as is referred to in sub-section (1).

(4) Any amount awarded by way of compensation under this section in respect of any misrepresentation, claim or defence, shall be taken into account in any subsequent suit for damages for compensation in respect of such misrepresentation, claim or defence.

Corresponding Law: S. 110-CCC of Act IV of 1939

173. Appeals.—(1) Subject to the provisions of sub-section (2), any person aggrieved by an award of a Claims Tribunal may, within ninety days from the date of the award, prefer an appeal to the High Court:

Provided that no appeal by the person who is required to pay any amount in terms of such award shall be entertained by the High Court unless he has deposited with it twenty-five thousand rupees or fifty per cent of the amount so awarded, whichever is less, in the manner directed by the High Court:

Provided further that the High Court may entertain the appeal after the expiry of the said period of ninety days, if it is satisfied that the appellant was prevented by sufficient cause from preferring the appeal in time.

(2) No appeal shall lie against any award of a Claims Tribunal, if the amount in dispute in the appeal is less than ²²⁷[one lakh] rupees.

Corresponding Law: S. 110-D of Act IV of 1939

CASE LAW ▶ Appeal by Government.—In genuine cases State Government should not file appeal against award of compensation by Claims Tribunal, *S. Vedantacharya v. Highways Deptt. of South Arcot*, (1987) 3 SCC 400 : 1987 SCC (Cri) 559.

▶ **Precondition of deposit.**—Proviso to Section 173 of 1988 Act making deposit of the requisite amount a precondition for entertaining the appeal whereas Section 110-D of the 1939 Act contained no such precondition. Claim application was filed under 1939 Act, the same disposed of under 1988 Act when it came into force but appeal preferred without depositing the amount required under the proviso to Section 173 of 1988 Act. Held, appeal maintainable without requiring the appellant to make the requisite deposit, 1988 Act by its repealing clause in sub-section (4) of Section 217 preserved the general application of Section 6 of General Clauses Act. It does not expressly or by necessary implication make the proviso to Section 173 retrospective in operation. In such a situation right to appeal will crystallise in the appellant on the institution of the application in Claims Tribunal and vested right of appeal would not be dislodged by the proviso to

227. Subs. for "ten thousand" by Act 32 of 2019, S. 57 (w.e.f. 1-4-2022).

Section 173, *Ramesh Singh v. Cinta Devi*, (1996) 3 SCC 142 : 1996 SCC (Cri) 467, approving *Oriental Insurance Co. Ltd. v. Dhanram Singh*, AIR 1990 All 104 : 1990 All LJ 133.

► **Limitation.**—If after expiry of the limitation period of 90 days from the date of passing of the award for filing appeal, it comes to the knowledge of the insurance company (who had to make the payment pursuant to the award) that the award was obtained by practicing fraud or misrepresentation, appeal against the award would not be maintainable not only because of bar of limitation but also because the appeal would be limited to the issues formulated from the pleadings made till then. Remedy of review is then open, *United India Insurance Co. Ltd. v. Rajendra Singh*, (2000) 3 SCC 581 : 2000 SCC (Cri) 726.

► **Compensation.**—Reduction of compensation in appeal without adverting to factual and legal issues involved, not permissible. Full and fair and independent consideration of the evidence at the appellate stage, is necessary, *Sudarsan Puhan v. Jayanta Mohanty*, (2018) 10 SCC 552.

► **Claim for compensation.**—Principles summarised regarding pleading and proof necessary to establish claim under Section 166, *Sunita v. Rajasthan SRTC*, (2020) 13 SCC 486.

► **Challenge to quantum of compensation.**—Order 41 Rule 33 CPC enables an appellate court to pass any order which ought to have been passed by the trial court and to make such further or other order as the case may require, even if the respondent had not filed any appeal or cross-objections. This power is entrusted to the appellate court to enable it to do complete justice between the parties. Order 41 Rule 33 CPC can be pressed into service to make the award more effective or maintain the award on other grounds or to make the other parties to litigation to share the benefits or the liability, but cannot be invoked to get a larger or higher relief. For example, where the claimants seek compensation against the owner and the insurer of the vehicle and the Tribunal makes the award only against the owner, on an appeal by the owner challenging the quantum, the appellate court can make the insurer jointly and severally liable to pay the compensation, along with the owner, even though the claimants had not challenged the non-grant of relief against the insurer.

Where an appeal is filed challenging the quantum of compensation, irrespective of who files the appeal, the appropriate course for the High Court is to examine the facts and by applying the relevant principles, determine the just compensation. If the compensation determined by it is higher than the compensation awarded by the Tribunal, the High Court will allow the appeal, if it is by the claimants and dismiss the appeal, if it is by the owner/insurer. Similarly, if the compensation determined by the High Court is lesser than the compensation awarded by the Tribunal, the High Court will dismiss any appeal by the claimants for enhancement, but allow any appeal by the owner/insurer for reduction. The High Court cannot obviously increase the compensation in an appeal by the owner/insurer for reducing the compensation, nor can it reduce the compensation in an appeal by the claimants seeking enhancement of compensation, *Ranjana Prakash v. Divl. Manager*, (2011) 14 SCC 639 : (2012) 4 SCC (Civ) 994.

► **Aggrieved person.**—1998 Act does not say that insurer is not “person aggrieved” with reference to compensation amount awarded against him, *United India Insurance Co. Ltd. v. Shila Datta*, (2011) 10 SCC 509 : (2012) 1 SCC (Cri) 328 : (2012) 3 SCC (Civ) 798.

► **Appeals beyond period of ninety days.**—Word “may” used in Section 173 second proviso, is not a word of compulsion and it is an enabling word and it only confers capacity, power or authority and implies discretion. Thus, word “may”, held, is used in Section 173 to confer sufficient discretionary powers

upon the Court to entertain appeals even beyond the period of ninety days, *Brahampal v. National Insurance Co.*, (2021) 6 SCC 512.

174. Recovery of money from insurer as arrear of land revenue.—Where any amount is due from any person under an award, the Claims Tribunal may, on an application made to it by the person entitled to the amount, issue a certificate for the amount to the Collector and the Collector shall proceed to recover the same in the same manner as an arrear of land revenue.

Corresponding Law: S. 110-E of Act IV of 1939

175. Bar on jurisdiction of Civil Courts.—Where any Claims Tribunal has been constituted for any area, no Civil Court shall have jurisdiction to entertain any question relating to any claim for compensation which may be adjudicated upon by the Claims Tribunal for that area, and no injunction in respect of any action taken or to be taken by or before the Claims Tribunal in respect of the claim for compensation shall be granted by the Civil Court.

Corresponding Law: S. 110-F of Act IV of 1939

176. Power of State Government to make rules.—A State Government may make rules for the purpose of carrying into effect the provisions of Sections 165 to 174, and in particular, such rules may provide for all or any of the following matters, namely—

- (a) the form of application for claims for compensation and the particulars it may contain, and the fees, if any, to be paid in respect of such applications;
- (b) the procedure to be followed by a Claims Tribunal in holding an inquiry under this Chapter;
- (c) the powers vested in a Civil Court which may be exercised by a Claims Tribunal;
- (d) the form and the manner in which and the fees (if any) on payment of which an appeal may be preferred against an award of a Claims Tribunal; and
- (e) any other matter which is to be, or may be prescribed.

Corresponding Law: S. 111-A of Act IV of 1939

CHAPTER XIII

OFFENCES, PENALTIES AND PROCEDURE

CASE LAW ▶ Provisions for punishment for road traffic and motor vehicle offences.—Compatibility of provisions for punishment for road traffic and motor vehicle offences under Chapter XIII (Sections 177 to 210-D), with related provisions of IPC (Sections 279, 304 Pt. II, 304-A, 337 and 338), affirmed. It was held, prosecution is maintainable both under MV Act and IPC, which is not barred under Section 26 of General Clauses Act. Offences under Ch. XIII of MV Act cannot abrogate applicability of Sections 297, 304, 304-A, 337 and 338 IPC. There is no conflict between two statutes as both operate in their own spheres, *State of Arunachal Pradesh v. Ramchandra Rabidas*, (2019) 10 SCC 75.

177. General provision for punishment of offences.—Whoever contravenes any provision of this Act or of any rule, regulation or notification made thereunder

shall, if no penalty is provided for the offence be punishable for the first offence with fine which may extend to ²²⁸[five hundred rupees], and for any second or subsequent offence with fine which may extend to ²²⁹[one thousand and five hundred rupees].

Corresponding Law: S. 112 of Act IV of 1939

²³⁰[**177-A. Penalty for contravention of regulations under Section 118.**—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.]

178. Penalty for travelling without pass or ticket and for dereliction of duty on the part of conductor and refusal to ply contract carriage etc.—(1) Whoever travels in a stage carriage without having a proper pass or ticket with him or being in or having alighted from a stage carriage fails or refuses to present for examination or to deliver up his pass or ticket immediately on a requisition being made therefor, shall be punishable with fine which may extend to five hundred rupees.

Explanation.—In this section, “pass” and “ticket” have the meanings respectively assigned to them in Section 124.

(2) If the conductor of a stage carriage, or the driver of a stage carriage performing the functions of a conductor in such stage carriage, whose duty is—

(a) to supply a ticket to a person travelling in a stage carriage on payment of fare by such person, either wilfully or negligently,—

(i) fails or refuses to accept the fare when tendered, or

(ii) fails or refuses to supply a ticket, or

(iii) supplies an invalid ticket, or

(iv) supplies a ticket of a lesser value, or

(b) to check any pass or ticket, either wilfully or negligently fails or refuses to do so,

he shall be punishable with fine which may extend to five hundred rupees.

(3) If the holder of a permit or the driver of a contract carriage refuses, in contravention of the provisions of this Act or rules made thereunder, to ply the contract carriage or to carry the passengers, he shall,—

(a) in the case of two-wheeled or three-wheeled motor vehicles, be punishable with fine which may extend to fifty rupees; and

(b) in any other case, be punishable with fine which may extend to ²³¹[five hundred rupees].

Corresponding Law: S. 112-A of Act IV of 1939

179. Disobedience of orders, obstruction and refusal of information.—(1) Whoever wilfully disobeys any direction lawfully given by any person or authority

228. Subs. for “one hundred rupees” by Act 32 of 2019, S. 58 (w.e.f. 1-9-2019).

229. Subs. for “three hundred rupees” by Act 32 of 2019, S. 58 (w.e.f. 1-9-2019).

230. Ins. by Act 32 of 2019, S. 59 (w.e.f. 1-9-2019).

231. Subs. for “two hundred rupees” by Act 32 of 2019, S. 60 (w.e.f. 1-9-2019).

empowered under this Act to give such direction, or obstructs any person or authority in the discharge of any functions which such person or authority is required or empowered under this Act to discharge, shall, if no other penalty is provided for the offence be punishable with fine which may extend to ²³²[two thousand rupees].

(2) Whoever, being required by or under this Act to supply any information, wilfully withholds such information or gives information which he knows to be false or which he does not believe to be true, shall, if no other penalty is provided for the offence, be punishable with imprisonment for a term which may extend to one month, or with fine which may extend to ²³³[two thousand rupees], or with both.

Corresponding Law: S. 113 of Act IV of 1939

180. Allowing unauthorised persons to drive vehicles.—Whoever, being the owner or person in charge of a motor vehicle, causes, or permits, any other person who does not satisfy the provisions of Section 3 or Section 4 to drive the vehicle shall be punishable with imprisonment for a term which may extend to three months, or with fine ²³⁴[of five thousand rupees], or with both.

Corresponding Law: S. 113-A of Act IV of 1939

CASE LAW ► Punishment under this section.—Punishment under Section 180 can be imposed only if the owner or person in charge of the vehicle causes or permits driving by a person not duly licensed but not otherwise. Section 149(2)(a)(ii) recognizes this position and absolves the insurer only where there is a breach by the insured, *United India Insurance Co. Ltd. v. Lehu*, (2003) 3 SCC 338 : 2003 SCC (Cri) 614.

181. Driving vehicles in contravention of Section 3 or Section 4.—Whoever drives a motor vehicle in contravention of Section 3 or Section 4 shall be punishable with imprisonment for a term which may extend to three months, or with fine ²³⁵[of five thousand rupees], or with both.

Corresponding Law: S. 113-B of Act IV of 1939

182. Offences relating to licences.—(1) Whoever, being disqualified under this Act for holding or obtaining a driving licence drives a motor vehicle in a public place or in any other place, or applies for or obtains a driving licence or, not being entitled to have a driving licence issued to him free of endorsement, applies for or obtains a driving licence without disclosing the endorsement made on a driving licence previously held by him shall be punishable with imprisonment for a term which may extend to three months, or with fine ²³⁶[of ten thousand rupees] or with both, and any driving licence so obtained by him shall be of no effect.

(2) Whoever, being disqualified under this Act, for holding or obtaining a conductor's licence, acts as a conductor of a stage carriage in a public place or applies for or obtains a conductor's licence or, not being entitled to have a conductor's licence issued to him free of endorsement, applies for or obtains a

232. Subs. for "five hundred rupees" by Act 32 of 2019, S. 61(i) (w.e.f. 1-9-2019).

233. Subs. for "five hundred rupees" by Act 32 of 2019, S. 61(ii) (w.e.f. 1-9-2019).

234. Subs. for "which may extend to one thousand rupees" by Act 32 of 2019, S. 62 (w.e.f. 1-9-2019).

235. Subs. for "which may extend to five hundred rupees" by Act 32 of 2019, S. 63 (w.e.f. 1-9-2019).

236. Subs. for "which may extend to five hundred rupees" by Act 32 of 2019, S. 64(i) (w.e.f. 1-9-2019).

conductor's licence without disclosing the endorsements made on a conductor's licence previously held by him, shall be punishable with imprisonment for a term which may extend to one month, or with fine which may extend to ²³⁷[ten thousand rupees], or with both, and any conductor's licence so obtained by him shall be of no effect.

Corresponding Law: S. 114 of Act IV of 1939

²³⁸**[182-A. Punishment for offences relating to construction, maintenance, sale and alteration of motor vehicles and components.]—**(1) Whoever, being a manufacturer, importer or dealer of motor vehicles, sells or delivers or alters or offers to sell or deliver or alter, 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 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 to 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.]

²³⁹**[182-B. Punishment for contravention of Section 62-A.]—**Whoever contravenes the provisions of Section 62-A, shall be punishable with fine which shall not be less than five thousand rupees, but may extend to ten thousand rupees.]

183. Driving at excessive speed, etc.]—(1) Whoever drives ²⁴⁰[or causes any person who is employed by him or subjects someone under his control to drive] a

237. Subs. for "one hundred rupees" by Act 32 of 2019, S. 64(ii) (w.e.f. 1-9-2019).

238. Subs. by Act 32 of 2019, S. 65 (w.e.f. 1-9-2019).

239. Ins. by Act 32 of 2019, S. 65 (w.e.f. 1-9-2019).

240. Ins. by Act 32 of 2019, S. 66(i)(a) (w.e.f. 1-9-2019).

motor vehicle in contravention of the speed limits referred to in Section 112 shall be punishable ²⁴¹[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 the sub-section (4) of Section 206.]

(2) ²⁴²[* * *]

(3) No person shall be convicted of an offence punishable under sub-section (1) solely on the evidence of one witness to the effect that in the opinion of the witness such person was driving at a speed which was unlawful, unless that opinion is shown to be based on an estimate obtained by the use of some mechanical ²⁴³[or electronic] device.

(4) The publication of a time table under which, or the giving of any direction that, any journey or part of a journey is to be completed within a specified time shall, if in the opinion of the Court it is not practicable in the circumstances of the case for that journey or part of a journey to be completed in the specified time without contravening the speed limits referred to in Section 112 be *prima facie* evidence that the person who published the time-table or gave the direction has committed an offence punishable under ²⁴⁴[sub-section (1)].

Corresponding Law: S. 115 of Act IV of 1939

184. Driving dangerously.—Whoever drives a motor vehicle at a speed or in a manner which is dangerous to the public ²⁴⁵[or which causes a sense of alarm or distress to the occupants of the vehicle, other road users, and persons near roads,] having regard to all the circumstances of the case including the nature, condition and use of the place where the vehicle is driven and the amount of traffic which actually is at the time or which might reasonably be expected to be in the place,

241. Subs. by Act 32 of 2019, S. 66(i)(b) (w.e.f. 1-9-2019). Prior to substitution it read as:
“with fine which may 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”

242. Omitted by Act 32 of 2019, S. 66(ii) (w.e.f. 1-9-2019). Prior to omission it read as:
“(2) Whoever causes any person who is employed by him or is subject to his control in driving to drive a motor vehicle in contravention of the speed limits referred to in Section 112 shall be punishable with fine which may extend to three 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 five hundred rupees.”

243. Ins. by Act 32 of 2019, S. 66(iii) (w.e.f. 1-9-2019).

244. Subs. for “sub-section (2)” by Act 32 of 2019, S. 66(iv) (w.e.f. 1-9-2019).

245. Ins. by Act 32 of 2019, S. 67(i) (w.e.f. 1-9-2019).

shall be punishable for the first offence with imprisonment for a term ²⁴⁶[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], and for any second or subsequent offence if committed within three years of the commission of a previous similar offence with imprisonment for a term which may extend to two years, or with fine ²⁴⁷[of ten thousand rupees], or with both.

²⁴⁸[*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 the public.]

Corresponding Law: S. 116 of Act IV of 1939

185. Driving by a drunken person or by a person under the influence of drugs.—Whoever, while driving, or attempting to drive, a motor vehicle,—

²⁴⁹[(a) has, in his blood, alcohol exceeding 30 mg. per 100 ml. of blood detected in a test by a breath analyser ²⁵⁰[or in any other test including a laboratory test,] or]

(b) is under the influence of a drug to such an extent as to be incapable of exercising proper control over the vehicle,

shall be punishable for the first offence with imprisonment for a term which may extend to six months, or with fine ²⁵¹[of ten thousand rupees], or with both; and for a second or subsequent offence, ²⁵²[* * *], with imprisonment for a term which may extend to two years, or with fine ²⁵³[of fifteen thousand rupees], or with both.

²⁵⁴[*Explanation.*—For the purposes of this section, the expression “drug” means any intoxicant other than alcohol, natural or synthetic, or any natural

246. Subs. by Act 32 of 2019, S. 67(ii) (w.e.f. 1-9-2019). Prior to substitution it read as:

“which may extend to six months, or with fine which may extend to one thousand rupees”

247. Subs. for “which may extend to two thousand rupees” by Act 32 of 2019, S. 67(iii) (w.e.f. 1-9-2019).

248. Ins. by Act 32 of 2019, S. 67(iv) (w.e.f. 1-9-2019).

249. Subs. by Act 54 of 1994, S. 55 (w.e.f. 14-11-1994). Prior to substitution it read as:

“(a) has, in his blood, alcohol in any quantity, howsoever small the quantity may be, or”

250. Ins. by Act 32 of 2019, S. 68(i) (w.e.f. 1-9-2019).

251. Subs. for “which may extend to two thousand rupees” by Act 32 of 2019, S. 68(ii) (w.e.f. 1-9-2019).

252. The words “if committed within three years of the commission of the previous similar offence” omitted by Act 32 of 2019, S. 68(iii) (w.e.f. 1-9-2019).

253. Subs. for “which may extend to three thousand rupees” by Act 32 of 2019, S. 68(iv) (w.e.f. 1-9-2019).

254. Subs. by Act 32 of 2019, S. 68(v) (w.e.f. 1-9-2019). Prior to substitution it read as:

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 (61 of 1985).]

Corresponding Law: S. 117 of Act IV of 1939

Note: See Noti. No. S.O. 441(E), dt. 12-6-1989

Notes on clauses

Clause 55 of Bill No. 53 of 1994 seeks to amend Section 185 which lays down the limit of alcohol that should not exceed in the blood of a person driving the motor vehicle.

CASE LAW ► Drunken driving.—Drunken driving has become a menace to Indian society. Everyday drunken driving results in accidents and several human lives are lost, pedestrians in many of the cities are not safe. Late night parties among the urban elite have not become a way of life followed by drunken driving. Alcohol consumption impairs consciousness and vision and it becomes impossible to judge accurately how far away the objects are. When depth perception deteriorates, the eye muscles lose their precision causing inability to focus on the objects. In more unfavourable conditions like fog, mist, rain, etc., whether it is night or day, it can reduce the visibility of an object to the point of being below the limit of discernibility. Alcohol leads to loss of coordination, poor judgment, slowing down of reflexes and distortion of vision. Punishment meted out to a drunken driver is at least a deterrent for other such persons getting away with minor punishment and fine. Such incidents are bound to increase with no safety for pedestrians on the roads, *State v. Sanjeev Nanda*, (2012) 8 SCC 450 : (2012) 3 SCC (Cri) 899 : (2012) 4 SCC (Civ) 487.

► **Breath analyser test.**—The breath analyser test has a different purpose and object. The language of the Sections 185, 203 and 205 would indicate that the said test is required to be carried out only when the person is driving or attempting to drive the vehicle. The expressions “while driving” and “attempting to drive” in the above sections have a meaning “in praesenti”. In such situations, the presence of alcohol in the blood has to be determined instantly so that the offender may be prosecuted for drunken driving. A breath analyser test is applied in such situations so that the alcohol content in the blood can be detected, *State v. Sanjeev Nanda*, (2012) 8 SCC 450 : (2012) 3 SCC (Cri) 899 : (2012) 4 SCC (Civ) 487.

186. Driving when mentally or physically unfit to drive.—Whoever drives a motor vehicle in any public place when he is to his knowledge suffering from any disease or disability calculated to cause his driving of the vehicle to be a source of danger to the public, shall be punishable for the first offence with fine which may extend to ²⁵⁵[one thousand rupees] and for a second or subsequent offence with fine which may extend to ²⁵⁶[two thousand rupees].

Corresponding Law: S. 118 of Act IV of 1939

187. Punishment for offences relating to accident.—Whoever fails to comply with the provisions of clause ²⁵⁷[(a)] of sub-section (1) of Section 132 or of Section 133 or Section 134 shall be punishable with imprisonment for a term

“Explanation.—For the purposes of this section, the drug or drugs specified by the Central Government in this behalf, by notification in the Official Gazette, shall be deemed to render a person incapable of exercising proper control over a motor vehicle.”

255. Subs. for “two hundred rupees” by Act 32 of 2019, S. 69 (w.e.f. 1-9-2019).

256. Subs. for “five hundred rupees” by Act 32 of 2019, S. 69 (w.e.f. 1-9-2019).

257. Subs. for “(c)” by Act 32 of 2019, S. 70(i) (w.e.f. 1-9-2019).

which may extend to ²⁵⁸[six months], or with fine ²⁵⁹[of five thousand rupees], or with both or, if having been previously convicted of an offence under this section, he is again convicted of an offence under this section, with imprisonment for a term which may extend to ²⁶⁰[one year], or with fine ²⁶¹[of ten thousand rupees], or with both.

Corresponding Law: S. 118-A of Act IV of 1939

188. Punishment for abetment of certain offences.—Whoever abets the commission of an offence under Section 184, Section 185 or Section 186 shall be punishable with the punishment provided for the offence.

Corresponding Law: S. 119 of Act IV of 1939

189. Racing and trials of speed.—Whoever without the written consent of the State Government permits or takes part in a race or trial of speed of any kind between motor vehicles in any public place shall be punishable with imprisonment for a term which may extend to ²⁶²[three months], or with a fine ²⁶³[of five thousand rupees], or with both ²⁶⁴[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.].

Corresponding Law: S. 120 of Act IV of 1939

190. Using vehicle in unsafe condition.—(1) Any person who drives or causes or allows to be driven in any public place a motor vehicle or trailer while the vehicle or trailer has any defect, which such person knows of or could have discovered by the exercise of ordinary care and which is calculated to render the driving of the vehicle a source of danger to persons and vehicles using such place, shall be punishable with fine ²⁶⁵[of one thousand five hundred rupees], or, if as a result of such defect an accident is caused causing bodily injury or damage to property, with imprisonment for a term which may extend to three months, or with fine ²⁶⁶[of five thousand rupees], or with both ²⁶⁷[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].

(2) Any person who drives or causes or allows to be driven, in any public place a motor vehicle, which violates the standards prescribed in relation to road safety, control of noise and air-pollution, shall be punishable for the first offence with ²⁶⁸[imprisonment for a term which may extend to three months, or with fine which

258. Subs. for "three months" by Act 32 of 2019, S. 70(ii) (w.e.f. 1-9-2019).

259. Subs. for "which may extend to five hundred rupees" by Act 32 of 2019, S. 70(iii) (w.e.f. 1-9-2019).

260. Subs. for "six months" by Act 32 of 2019, S. 70(iv) (w.e.f. 1-9-2019).

261. Subs. for "which may extend to one thousand rupees" by Act 32 of 2019, S. 70(v) (w.e.f. 1-9-2019).

262. Subs. for "one month" by Act 32 of 2019, S. 71(i) (w.e.f. 1-9-2019).

263. Subs. for "which may extend to five hundred rupees" by Act 32 of 2019, S. 71(ii) (w.e.f. 1-9-2019).

264. Ins. by Act 32 of 2019, S. 71(iii) (w.e.f. 1-9-2019).

265. Subs. for "which may extend to two hundred and fifty rupees" by Act 32 of 2019, S. 72(i)(a) (w.e.f. 1-9-2019).

266. Subs. for "which may extend to one thousand rupees" by Act 32 of 2019, S. 72(i)(b) (w.e.f. 1-9-2019).

267. Ins. by Act 32 of 2019, S. 72(i)(c) (w.e.f. 1-9-2019).

268. Subs. for "a fine of one thousand rupees" by Act 32 of 2019, S. 72(ii)(a) (w.e.f. 1-9-2019).

may extend to ten thousand rupees or with both and he shall be disqualified for holding licence for a period of three months] and for any second or subsequent offence with ²⁶⁹[imprisonment for a term which may extend to six months, or with fine which may extend to ten thousand rupees or with both].

(3) Any person who drives or causes or allows to be driven, in any public place a motor vehicle which violates the provisions of this Act or the rules made thereunder relating to the carriage of goods which are of dangerous or hazardous nature to human life, shall be punishable for the first offence ²⁷⁰[with a fine of ten thousand rupees and he shall be disqualified for holding licence for a period of three months], or with imprisonment for a term which may extend to one year, or with both, and for any second or subsequent offence with fine ²⁷¹[of twenty thousand rupees], or with imprisonment for a term which may extend to three years, or with both.

Corresponding Law: S. 121 of Act IV of 1939

191. Sale of vehicle in or alteration of vehicle to condition contravening this Act.—²⁷²[* * *]

²⁷³[**192. Using vehicle without registration.**—(1) Whoever drives a motor vehicle or causes or allows a motor vehicle to be used in contravention of the provisions of Section 39 shall be punishable for the first offence with a fine which may extend to five thousand rupees but shall not be less than two thousand rupees for a second or subsequent offence with imprisonment which may extend to one year or with fine which may extend to ten thousand rupees but shall not be less than five thousand rupees or with both:

Provided that the Court may, for reasons to be recorded, impose a lesser punishment.

(2) Nothing in this section shall apply to the use of a motor vehicle in an emergency for the conveyance of persons suffering from sickness or injuries or for the transport of food or materials to relieve distress or of medical supplies for a like purpose:

Provided that the person using the vehicle reports about the same to the Regional Transport Authority within seven days from the date of such use.

269. Subs. for "a fine of two thousand rupees" by Act 32 of 2019, S. 72(ii)(b) (w.e.f. 1-9-2019).

270. Subs. for "which may extend to three thousand rupees" by Act 32 of 2019, S. 72(iii)(a) (w.e.f. 1-9-2019).

271. Subs. for "which may extend to five thousand rupees" by Act 32 of 2019, S. 72(iii)(b) (w.e.f. 1-9-2019).

272. Omitted by Act 32 of 2019, S. 73 (w.e.f. 1-9-2019). Prior to omission it read as:

"191. *Sale of vehicle in or alteration of vehicle to condition contravening this Act.*—Whoever being an importer of or dealer in motor vehicles, sells or delivers or offers to sell or deliver a motor vehicle or trailer in such condition that the use thereof in a public place would be in contravention of Chapter VII or any rule made thereunder or alters the motor vehicle or trailer so as to render its condition such that its use in a public place would be in contravention of Chapter VII or any rule made thereunder shall be punishable with fine which may extend to five hundred rupees:

Provided that no person shall be convicted under this section if he proves that he had reasonable cause to believe that the vehicle would not be used in a public place until it had been put into a condition in which it might lawfully be so used."

273. Subs. by Act 54 of 1994, S. 56 (w.e.f. 14-11-1994).

(3) The Court to which an appeal lies from any conviction in respect of an offence of the nature specified in sub-section (1), may set aside or vary any order made by the Court below, notwithstanding that no appeal lies against the conviction in connection with which such order was made.

²⁷⁴[*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).]

STATE AMENDMENT

Rajasthan.—Amendment of Section 192, Central Act 59 of 1988.—In Section 192 of the Motor Vehicles Act, 1988 (prior to amendment by Act 54 of 1994), in its application to the State of Rajasthan, hereinafter referred to as the principal Act,—

- (a) in sub-section (1) for the expression, “with fine which may extend to two thousand rupees” as occurring between the expression “punishable for the first offence” and the expression “and for any second or subsequent offence”, the expression “with fine which shall not be less than five thousand rupees” and for the expression “with fine which may extend to three thousand rupees” as occurring between the expression “which may extend to six months or” and the expression “or with both” the expression “with fine which shall not be less than ten thousand rupees” shall be *substituted*, and
- (b) after sub-section (1) as so amended, the following proviso shall be *inserted*, namely—
“Provided that, in a case of contravention of the provision of Section 39 or of any condition of the permit relating to the maximum number of passengers or maximum weight of luggage that may be carried on the vehicle the Court may for any adequate or special reason to be mentioned in the judgment, impose a fine less than that laid down in this sub-section”.

Vide Rajasthan Act No. 2 of 1993, S. 2 (w.e.f. 11-1-1993).

192-A. Using vehicle without permit.—(1) Whoever drives a motor vehicle or causes or allows a motor vehicle to be used in contravention of the provisions of sub-section (1) of Section 66 or in contravention of any condition of a permit relating to the route on which or the area in which or the purpose for which the vehicle may be used, shall be punishable for the first offence with ²⁷⁵[imprisonment for a term which may extend to six months ²⁷⁶[or a fine of ten thousand rupees, or with both]] and for any subsequent offence with imprisonment which may extend to one year but shall not be less than ²⁷⁷[six months] or with fine ²⁷⁸[of ten thousand rupees] or with both:

²⁷⁹[* * *]

(2) Nothing in this section shall apply to the use of a motor vehicle in an emergency for the conveyance of persons suffering from sickness or injury or for

274. *Ins.* by Act 32 of 2019, S. 74 (w.e.f. 1-10-2020).

275. *Ins.* by Act 32 of 2019, S. 75(i) (w.e.f. 1-9-2019).

276. *Subs.* for “and a fine of ten thousand rupees” by Act 18 of 2023, S. 2 and Sch. (w.e.f. the date to be notified).

277. *Subs.* for “three months” by Act 32 of 2019, S. 75(iii) (w.e.f. 1-9-2019).

278. *Subs.* by Act 32 of 2019, S. 75(iv) (w.e.f. 1-9-2019). Prior to substitution it read as:

“which may extend to ten thousand rupees but shall not be less than five thousand rupees”

279. *Omitted* by Act 18 of 2023, S. 2 and Sch. (w.e.f. the date to be notified). Prior to omission it read as:

“Provided that the Court may for reasons to be recorded, impose a lesser punishment.”

the transport of materials for repair or for the transport of food or materials to relieve distress or of medical supplies for a like purpose:

Provided that the person using the vehicle reports about the same to the Regional Transport Authority within seven days from the date of such use.

(3) The Court to which an appeal lies from any conviction in respect of an offence of the nature specified in sub-section (1), may set aside or vary any order made by the Court below, notwithstanding that no appeal lies against the conviction in connection with which such order was made.]

Corresponding Law: S. 123 of Act IV of 1939

Notes on clauses

Clause 56 of Bill No. 53 of 1994 seeks to substitute new Sections 192 and 192-A for Section 192 to provide respectively for punishment for using vehicle without registration and for punishment for using vehicle without permit.

CASE LAW ► Compensation for authorised running.—Prima facie the Corporation is not entitled to be paid any compensation under Section 357 CrPC, 1973 by orders of Magistrates in cases of unauthorised running of motor vehicles on the notified routes. It can be paid such compensation only when it is open to the Corporation to file a suit and recover damages in law for such unauthorised operation of stage carriages. The question whether such unauthorised running will give rise to a claim for damages in a Civil Court is not free from doubt. However, no opinion is expressed on this question, *Ishwar Singh Bagga v. State of Rajasthan*, (1987) 1 SCC 101, 115.

²⁸⁰[**192-B. Offences relating to registration.**—(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 imprisonment for a term which shall not be less than six months but may extend to one year and with fine equal to ten times the amount of the annual road tax or two-third the lifetime tax of the motor vehicle, whichever is higher.

(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

280. Ins. by Act 32 of 2019, S. 76 (w.e.f. 1-4-2021).

registration shall be punishable with imprisonment for a term which shall not be less than six months but may extend to one year and with fine equal to ten times the amount of annual road tax or two-third the lifetime tax of the motor vehicle, whichever is higher.]

193. Punishment of ²⁸¹[agents, canvassers and aggregators] without proper authority.—²⁸²[(1)] Whoever engages himself as an agent or canvasser in contravention of the provisions of Section 93 or of any rules made thereunder shall be punishable for the first offence with fine ²⁸³[of one thousand rupees] and for any second or subsequent offence with imprisonment which may extend to six months, or with fine ²⁸⁴[of two thousand rupees], or with both.

²⁸⁵[(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 (1) of Section 93, not designated by the State Government as a material condition, shall be punishable with fine of five thousand rupees.]

Corresponding Law: S. 123-A of Act IV of 1939

194. Driving vehicle exceeding permissible weight.—²⁸⁶[(1) Whoever drives a motor vehicle or causes or allows a motor vehicle to be driven in contravention of the provisions of Section 113 or Section 114 or Section 115 shall be punishable with ²⁸⁷[* * *] fine ²⁸⁸[of twenty thousand rupees and an additional amount of two thousand rupees per tonne of excess load], together with the liability to pay charges for off-loading of the excess load:]

²⁸⁹[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.]

²⁹⁰[(1-A) 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

281. Subs. for "agents and canvassers" by Act 32 of 2019, S. 77(A) (w.e.f. 1-4-2021).

282. Renumbered by Act 32 of 2019, S. 77(B) (w.e.f. 1-9-2019).

283. Subs. for "which may extend to one thousand rupees" by Act 32 of 2019, S. 77(B)(i)(a) (w.e.f. 1-9-2019).

284. Subs. for "which may extend to two thousand rupees" by Act 32 of 2019, S. 77(B)(i)(b) (w.e.f. 1-9-2019).

285. Ins. by Act 32 of 2019, S. 77(B)(ii) (w.e.f. 1-4-2021).

286. Subs. by Act 54 of 1994, S. 57, for sub-section (1) (w.e.f. 14-11-1994).

287. The word "minimum" omitted by Act 32 of 2019, S. 78(i)(a) (w.e.f. 1-9-2019).

288. Subs. by Act 32 of 2019, S. 78(i)(b) (w.e.f. 1-9-2019). Prior to substitution it read as:

"of two thousand rupees and an additional amount of one thousand rupees per tonne of excess load"

289. Ins. by Act 32 of 2019, S. 78(i)(c) (w.e.f. 1-9-2019).

290. Ins. by Act 32 of 2019, S. 78(ii) (w.e.f. 1-9-2019).

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.]

(2) Any driver of a vehicle who refuses to stop and submit his vehicle to weighing after being directed to do so by an officer authorised in this behalf under Section 114 or removes or causes the removal of the load or part of it prior to weighing shall be punishable with fine ²⁹¹[of forty thousand rupees].

Corresponding Law: S. 124 of Act IV of 1939

Notes on clauses

Clause 57 of Bill No. 53 of 1994 seeks to amend Section 194 to provide for punishment for violation of the provisions of Section 113 or Section 114 or Section 115, with a minimum fine of two thousand rupees and an additional fine of one thousand rupees per tonne of excess load together with the liability to pay charges of off-loading of the excess load.

CASE LAW ► Compounding of offence.—For violation of Sections 113 to 115, Section 194 accords penal sanction and on conviction for violation thereof, the section sanctions punishment with fine. Section 194 would give guidance to the State Government as a delegate under the statute to specify the amount for compounding the offence enumerated under sub-section (1) of Section 200. It is not mandatory that the authorised officer would always compound the offence, *P. Ratnakar Rao v. Govt. of A.P.*, (1996) 5 SCC 359.

²⁹²[**194-A. Carriage of excess passengers.**—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.]

²⁹³[**194-B. Use of safety belts and the seating of children.**—(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 to carry standing passengers or other specified classes of transport vehicles.

291. Subs. for "which may extend to three thousand rupees" by Act 32 of 2019, S. 78(iii) (w.e.f. 1-9-2019).

292. Ins. by Act 32 of 2019, S. 79 (w.e.f. 1-9-2019).

293. Ins. by Act 32 of 2019, S. 79 (w.e.f. 1-9-2019).

(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.]

²⁹⁴[194-C. **Penalty for violation of safety measures for motor cycle drivers and pillion riders.**—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.]

²⁹⁵[194-D. **Penalty for not wearing protective headgear.**—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.]

²⁹⁶[194-E. **Failure to allow free passage to emergency vehicles.**—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.]

²⁹⁷[194-F. **Use of horns and silence zones.**—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.]

195. Imposition of minimum fine under certain circumstances.—²⁹⁸[* * *]

294. *Ins. by Act 32 of 2019, S. 79 (w.e.f. 1-9-2019).*

295. *Ins. by Act 32 of 2019, S. 79 (w.e.f. 1-9-2019).*

296. *Ins. by Act 32 of 2019, S. 79 (w.e.f. 1-9-2019).*

297. *Ins. by Act 32 of 2019, S. 79 (w.e.f. 1-9-2019).*

298. *Omitted by Act 32 of 2019, S. 80 (w.e.f. 1-9-2019). Prior to omission it read as:*

“195. *Imposition of minimum fine under certain circumstances.*—(1) Whoever having been convicted of an offence under this Act or the rules made thereunder commits a similar offence on a second or subsequent occasion within three years of the commission of the previous offence, no Court shall, except for reasons to be recorded by it in writing, impose on him a fine of less than one-fourth of the maximum amount of the fine imposable for such offence.

(2) Nothing in sub-section (1) shall be construed as restricting the power of the Court from awarding such imprisonment as it considers necessary in the circumstances of the case not exceeding the maximum specified in this Act in respect of that offence.”

196. Driving uninsured vehicle.—Whoever drives a motor vehicle or causes or allows a motor vehicle to be driven in contravention of the provisions of Section 146 shall be punishable ²⁹⁹[for the first offence] with imprisonment which may extend to three months, or with fine ³⁰⁰[of two thousand rupees,] or with both ³⁰¹[, 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.].

Corresponding Law: S. 125 of Act IV of 1939

197. Taking vehicle without authority.—(1) Whoever takes and drives away any motor vehicle without having either the consent of the owner thereof or other lawful authority shall be punishable with imprisonment which may extend to three months, or with fine ³⁰²[of five thousand rupees], or with both:

Provided that no person shall be convicted under this section if the Court is satisfied that such person acted in the reasonable belief that he had lawful authority or in the reasonable belief that the owner would in the circumstances of the case have given his consent if he had been asked therefor.

(2) Whoever, unlawfully by force or threat of force or by any other form of intimidation, seizes or exercises control of a motor vehicle, shall be punishable with imprisonment which may extend to three months, or with fine ³⁰³[of five thousand rupees], or with both.

(3) Whoever attempts to commit any of the acts referred to in sub-section (1) or sub-section (2) in relation to any motor vehicle, or abets the commission of any such act, shall also be deemed to have committed an offence under sub-section (1) or, as the case may be, sub-section (2).

Corresponding Law: S. 126 of Act IV of 1939

198. Unauthorised interference with vehicle.—Whoever otherwise than with lawful authority or reasonable excuse enters or mounts any stationary motor vehicle or tampers with the brake or any part of the mechanism of a motor vehicle shall be punishable ³⁰⁴[with fine of one thousand rupees].

Corresponding Law: S. 127 of Act IV of 1939

³⁰⁵**198-A. Failure to comply with standards for road design, construction and maintenance.**—(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.

299. *Ins.* by Act 32 of 2019, S. 81(i) (w.e.f. 1-9-2019).

300. *Subs.* for "which may extend to one thousand rupees" by Act 32 of 2019, S. 81(ii) (w.e.f. 1-9-2019).

301. *Ins.* by Act 32 of 2019, S. 81(iii) (w.e.f. 1-9-2019).

302. *Subs.* for "which may extend to five hundred rupees" by Act 32 of 2019, S. 82(i) (w.e.f. 1-9-2019).

303. *Subs.* for "which may extend to five hundred rupees" by Act 32 of 2019, S. 82(ii) (w.e.f. 1-9-2019).

304. *Subs.* for "with fine which may extend to one hundred rupees" by Act 32 of 2019, S. 83 (w.e.f. 1-9-2019).

305. *Ins.* by Act 32 of 2019, S. 84 (w.e.f. 1-9-2019).

(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 164-B.

(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.]

199. Offences by companies.—(1) Where an offence under this Act has been committed by a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, 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 any such person 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.

(2) Notwithstanding anything contained in sub-section (1), where an offence under this Act has been committed by a company, and it is proved that the offence was committed with the consent or connivance of, or is attributable to any neglect on the part of any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall also be deemed to be guilty of that offence and shall be liable to be proceeded against and punished accordingly.

Explanation.—For the purposes of this section—

- (a) “company” means any body corporate and includes a firm or other association of individuals; and
- (b) “director”, in relation to a firm, means a partner in the firm.

Corresponding Law: S. 127-A of Act IV of 1939

³⁰⁶[**199-A. Offences by juveniles.**—(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 punishable with such fines as provided in the Act while any custodial sentence may be modified as per the provisions of the Juvenile Justice Act, 2000 (56 of 2000).]

³⁰⁷[**199-B. Revision of fines.**—The fines as provided in this Act shall be increased 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, 2019, as may be notified by the Central Government.]

306. Ins. by Act 32 of 2019, S. 85 (w.e.f. 1-9-2019).

307. Ins. by Act 32 of 2019, S. 85 (w.e.f. 1-9-2019).

200. Composition of certain offences.—³⁰⁸[(1) Any offence whether committed before or after the commencement of this Act punishable under Section 177, Section 177-A, Section 178, Section 179, Section 180, Section 181, Section 182, sub-section (1) or sub-section (3) or sub-section (4) of Section 182-A, Section 182-B, sub-section (1) or sub-section (2) of Section 183, clause (c) of the Explanation to Section 184, Section 186, Section 189, sub-section (2) of Section 190, Section 192, Section 192-A, sub-section (3) of Section 192-B, Section 194, Section 194-A, Section 194-B, Section 194-C, Section 194-D, Section 194-E, Section 194-F, Section 196, Section 198 and Section 201, may, either before or after the institution of the prosecution, be compounded by such officers or authorities and for such amount as the State Government may, by notification in the Official Gazette, specify in this behalf.]

(2) Where an offence has been compounded under sub-section (1), the offender, if in custody, shall be discharged and no further proceedings shall be taken against him in respect of such offence.

³⁰⁹[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.]

Corresponding Law: S. 127-B of Act IV of 1939

Notes on clauses

Clause 58 of Bill No. 53 of 1994 seeks to amend Section 200 to include certain other offences under the Act for the purpose of composition.

CASE LAW ► Compounding of offence.—It is a matter of volition or willingness on the part of the accused either to accept compounding of the offence or to face the prosecution in the appropriate Court. It is not necessary that Section 200 itself should contain details of fees etc. So long as the compounding fee does not exceed the fine prescribed by the penal section the same cannot be declared to be either exorbitant, irrational or bereft of guidance, *P. Ratnakar Rao v. Govt. of A.P.*, (1996) 5 SCC 359.

Though power of compounding vests with the State Government but the same does not authorize continuation of the offence permitted to be compounded. If permitted to be continued it would amount

308. Subs. by Act 18 of 2023, S. 2 and Sch. (w.e.f. the date to be notified). Prior to substitution it read as:

“(1) Any offence whether committed before or after the commencement of this Act 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 182-A, Section 182-B, 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 192-A, Section 194, Section 194-A, Section 194-B, Section 194-C, Section 194-D, Section 194-E, Section 194-F, Section 196, Section 198, may either before or after the institution of the prosecution, be compounded by such officers or authorities and for such amount as the State Government may, by notification in the Official Gazette, specify in this behalf:

Provided that the State Government may, in addition to such amount, require the offender to undertake a period of community service.”

309. Ins. by Act 32 of 2019, S. 86(ii) (w.e.f. 1-9-2019).

to fresh commission of offence. Hence, State Governments directed to withdraw notifications issued by various State Governments permitting carriage of excess weight after compounding and to counter the practical difficulties highlighted without overstepping statutory prescriptions. Issuance of green cards/golden passes purportedly on the basis of power of composition also to be discontinued as advised by the Central Government, *Paramjit Bhasin v. Union of India*, (2005) 12 SCC 642.

201. Penalty for causing obstruction to free flow of traffic.—(1) Whoever keeps a ³¹⁰[* * *] vehicle on any public place, in such a manner, so as to cause impediment to the free flow of traffic, shall be liable for penalty up to ³¹¹[five hundred rupees], so long as it remains in that position:

Provided that the vehicle involved in accidents shall be liable for penalty only from the time of completion of inspection formalities under the law:

³¹²[Provided further that where the vehicle is removed by ³¹³[an agency authorised by the Central Government or State Government, removal charges] shall be recovered from the vehicle owner or person in charge of such vehicle.]

³¹⁴[(2) Penalties or ³¹⁵[removal charges] under the section shall be recovered by such officer or authority as the State Government may, by notification in the Official Gazette, authorise.]

³¹⁶[(3) sub-section (1) shall not apply where the motor vehicle has suffered an unforeseen breakdown and is in the process of being removed.]

³¹⁷[*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 and also includes any costs related to storage of such motor vehicle.]

Notes on clauses

Clause 59 of Bill No. 53 of 1994 seeks to amend Section 201 to provide for recovery of towing charges from the vehicle owner or the person in charge of the vehicle by such officer or authority as the State Government may authorise.

202. Power to arrest without warrant.—(1) A police officer in uniform may arrest without warrant any person who in his presence commits an offence punishable under Section 184 or Section 185 or Section 197:

Provided that any person so arrested in connection with an offence punishable under Section 185 shall, within two hours of his arrest, be subjected to a medical examination referred to in Sections 203 and 204 by a registered medical practitioner failing which he shall be released from custody.

310. The word “disabled” omitted by Act 32 of 2019, S. 87(i)(a) (w.e.f. 1-9-2019).

311. Subs. for “fifty rupees per hour” by Act 32 of 2019, S. 87(i)(b) (w.e.f. 1-9-2019).

312. Ins. by Act 54 of 1994, S. 59 (w.e.f. 14-11-1994).

313. Subs. for “a Government agency, towing charges” by Act 32 of 2019, S. 87(i)(c) (w.e.f. 1-9-2019).

314. Subs. by Act 54 of 1994, S. 59 (w.e.f. 14-11-1994).

315. Subs. for “towing charges” by Act 32 of 2019, S. 87(ii) (w.e.f. 1-9-2019).

316. Ins. by Act 32 of 2019, S. 87(iii) (w.e.f. 1-9-2019).

317. Ins. by Act 32 of 2019, S. 87(iv) (w.e.f. 1-9-2019).

³¹⁸[(2) A police officer in uniform may arrest without warrant any person, who has committed an offence under this Act, if such person refuses to give his name and address.]

(3) A police officer arresting without warrant the driver of a motor vehicle shall if the circumstances so require, take or cause to be taken any steps he may consider proper for the temporary disposal of the vehicle.

Corresponding Law: S. 128 of Act IV of 1939

Notes on clauses

Clause 60 of Bill No. 53 of 1994 seeks to amend Section 202 so as to empower a police officer in uniform to arrest any person without warrant who has committed an offence under the Act if such person refuses to give his name and address.

203. Breath tests.—³¹⁹[(1) A police officer in uniform or an officer of the Motor Vehicles Department, as may be authorised in this behalf by that Department, may require any person driving or attempting to drive a motor vehicle in a public place to provide one or more specimens of breath for breath test there or nearby, if such police officer or officer has any reasonable cause to suspect him of having committed an offence under Section 185:

Provided that requirement for breath test shall be made (unless it is made) as soon as reasonably practicable after the commission of such offence.]

(2) If a motor vehicle is involved in an accident in a public place and a police officer in uniform has any reasonable cause to suspect that the person who was driving the motor vehicle at the time of the accident, had alcohol in his blood or that he was driving under the influence of a drug referred to in Section 185 he may require the person so driving the motor vehicle, to provide a specimen of his breath for a breath test—

- (a) in the case of a person who is at a hospital as an indoor patient, at the hospital,
- (b) in the case of any other person, either at or near the place where the requirement is made, or, if the police officer thinks fit, at a police station specified by the police officer:

Provided that a person shall not be required to provide such a specimen while at a hospital as an indoor patient if the registered medical practitioner in immediate charge of his case is not first notified of the proposal to make the requirement or objects to the provision of a specimen on the ground that its provision or the requirement to provide it would be prejudicial to the proper care or treatment of the patient.

(3) If it appears to a police officer in uniform in consequence of a breath test carried out by him on any person under sub-section (1) or sub-section (2), that the device by means of which the test has been carried out indicates the presence of alcohol in the person's blood, the police officer may arrest that person without warrant except while that person is at a hospital as an indoor patient.

318. Subs. by Act 54 of 1994, S. 60 (w.e.f. 14-11-1994).

319. Subs. by Act 54 of 1994, S. 61 (w.e.f. 14-11-1994).

(4) If a person, required by a police officer under sub-section (1) or sub-section (2) to provide a specimen of breath for a breath test, refuses or fails to do so and the police officer has reasonable cause to suspect him of having alcohol in his blood, the police officer may arrest him without warrant except while he is at a hospital as an indoor patient.

(5) A person arrested under this section shall while at a police station, be given an opportunity to provide a specimen of breath for a breath test there.

(6) The results of a breath test made in pursuance of the provisions of this section shall be admissible in evidence.

Explanation.—For the purposes of this section, “breath test”, means a test for the purpose of obtaining an indication of the presence of alcohol in a person’s blood carried out on one or more specimens of breath provided by that person, by means of a device of a type approved by the Central Government, by notification in the Official Gazette, for the purpose of such a test.

Corresponding Law: S. 128-A of Act IV of 1939

Note: See Noti. No. S.O. 442(E) dt. 12-6-1989

Notes on clauses

Clause 61 of Bill No. 53 of 1994 seeks to amend Section 203 so as to empower all the officers of the Motor Vehicles Department, in addition to a police officer in uniform as at present, to take breath test of drivers of motor vehicles to check drunken driving.

204. Laboratory test.—(1) A person, who has been arrested under Section 203 may, while at a police station, be required by a police officer to provide to such registered medical practitioner as may be produced by such police officer, a specimen of his blood for a laboratory test,—

- (a) it appears to the police officer that the device, by means of which breath test was taken in relation to such person, indicates the presence of alcohol in the blood of such person, or
- (b) such person, when given the opportunity to submit to a breath test, has refused, omitted or failed to do so:

Provided that where the person required to provide such specimen is a female and the registered medical practitioner produced by such police officer is a male medical practitioner, the specimen shall be taken only in the presence of a female, whether a medical practitioner or not.

(2) A person while at a hospital as an indoor patient may be required by a police officer to provide at the hospital a specimen of his blood for a laboratory test:—

- (a) if it appears to the police officer that the device by means of which test is carried out in relation to the breath of such person indicates the presence of alcohol in the blood of such person, or
- (b) if the person having been required, whether at the hospital or elsewhere, to provide a specimen of breath for a breath test, has refused, omitted or failed to do so and a police officer has reasonable cause to suspect him of having alcohol in his blood:

Provided that a person shall not be required to provide a specimen of his blood for a laboratory test under this sub-section if the registered medical practitioner in immediate charge of his case is not first notified of the proposal to make the requirement or objects to the provision of such specimen on the ground that its provision or the requirement to provide it would be prejudicial to the proper care or treatment of the patient.

(3) The results of a laboratory test made in pursuance of this section shall be admissible in evidence.

Explanation.—For the purposes of this section, “laboratory test” means the analysis of a specimen of blood made at a laboratory established, maintained or recognised by the Central Government or a State Government.

Corresponding Law: S. 128-B of Act IV of 1939

205. Presumption of unfitness to drive.—In any proceeding for an offence punishable under Section 185 if it is proved that the accused, when requested by a police officer at any time so to do, had refused, omitted or failed to consent to the taking of or providing a specimen of his breath for a breath test or a specimen of his blood for a laboratory test, his refusal, omission or failure may, unless reasonable cause therefor is shown, be presumed to be a circumstance supporting any evidence given on behalf of the prosecution, or rebutting any evidence given on behalf of the defence, with respect to his condition at that time.

Corresponding Law: S. 128-C of Act IV of 1939

206. Power of police officer to impound document.—(1) Any police officer or other person authorised in this behalf by the State Government may, if he has reason to believe that any identification mark carried on a motor vehicle or any licence, permit, certificate of registration, certificate of insurance or other document produced to him by the driver or person in charge of a motor vehicle is a false document within the meaning of Section 464 of the Indian Penal Code (45 of 1860), seize the mark or document and call upon the driver or owner of the vehicle to account for his possession of or the presence in the vehicle of such mark or document.

(2) Any police officer or other person authorised in this behalf by the State Government may, if he has reason to believe that the driver of a motor vehicle who is charged with any offence under this Act may abscond or otherwise avoid the service of a summons, seize any licence held by such driver and forward it to the Court taking cognizance of the offence and the said Court shall on the first appearance of such driver before it, return the licence to him in exchange for the temporary acknowledgment given under sub-section (3).

(3) A police officer or other person seizing a licence under sub-section (2) shall give to the person surrendering the licence a temporary acknowledgment therefor and such acknowledgment shall authorise the holder to drive until the licence has been returned to him or until such date as may be specified by the police officer or other person in the acknowledgment, whichever is earlier:

Provided that if any magistrate, police officer or other person authorised by the State Government in this behalf is, on an application made to him, satisfied that the licence cannot be, or has not been, returned to the holder thereof before the date specified in the acknowledgment for any reason for which the holder is not responsible, the magistrate, police officer or other person, as the case may be, may extend the period of authorization to drive to such date as may be specified in the acknowledgment.

³²⁰[(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, 194-C, 194-D, or 194-E, 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.]

Corresponding Law: S. 129 of Act IV of 1939

207. Power to detain vehicles used without certificate of registration permit, etc.—(1) Any police officer or other person authorised in this behalf by the State Government may, if he has reason to believe that a motor vehicle has been or is being used in contravention of the provisions of Section 3 or Section 4 or Section 39 or without the permit required by sub-section (1) of Section 66 or in contravention of any condition of such permit relating to the route on which or the area in which or the purpose for which the vehicle may be used, seize and detain the vehicle, in the prescribed manner and for this purpose take or cause to be taken any steps he may consider proper for the temporary safe custody of the vehicle:

Provided that where any such officer or person has reason to believe that a motor vehicle has been or is being used in contravention of Section 3 or Section 4 or without the permit required by sub-section (1) of Section 66 he may, instead of seizing the vehicle, seize the certificate of registration of the vehicle and shall issue an acknowledgment in respect thereof.

(2) Where a motor vehicle has been seized and detained under sub-section (1), the owner or person in charge of the motor vehicle may apply to the transport authority or any officer authorised in this behalf by the State Government together with the relevant documents for the release of the vehicle and such authority or officer may, after verification of such documents, by order release the vehicle subject to such conditions as the authority or officer may deem fit to impose.

Corresponding Law: S. 129-A of Act IV of 1939

STATE AMENDMENT

Rajasthan—Amendment of Section 207, Central Act 59 of 1988.—In the proviso to sub-section (1) of Section 207 of the principal Act, the expression, “or without the permit required by

320. *Ins.* by Act 32 of 2019, S. 88 (w.e.f. 1-10-2020).

sub-section (1) of Section 66” as occurring between the expression “Section 3 or Section 4” and the expression “he may” shall be *deleted*. [Vide Rajasthan Act 2 of 1992, S. 3]

CASE LAW ► Power to detain vehicle.—The contravention of either Section 22 or Section 42(1) of the Act [Section 39 or Section 66(i) of the new Act] or any of the conditions mentioned in the permit would entitle an officer empowered under Section 129-A of the Act [Section 207 of new Act] to seize and detain the vehicle in question and also to provide for its temporary safe custody. A report or complaint, as the case may be, also may be filed by him before the Magistrate for taking action against the owner of the vehicle for violation of any of the provisions of the Act referred to above, *Ishwar Singh Bagga v. State of Rajasthan*, (1987) 1 SCC 101.

Officers of SRTC cannot be appointed to exercise powers of police officers under Section 129-A, *Hashmatullah v. State of U.P.*, 1987 Supp SCC 525.

Power of seizure and detention of vehicle by police for contravention of conditions of permit did not include a power directing the owner of a bus to produce the offending vehicle for the purpose so suspension/cancellation of the permit and impounding of the vehicle, *U.P. SRTC v. Commr. of Police (Traffic)*, (2009) 3 SCC 634 : (2009) 2 SCC (Cri) 164.

► **Interpretation/Construction.**—Expression ‘other person’ in Section 129-A [Section 207 of new Act], comprehends officers of Government and not those of SRTC. Hence notification issued by State Government empowering certain officers of the SRTC to exercise powers of police officers under Section 129-A invalid, *Ishwar Singh Bagga v. State of Rajasthan*, (1987) 1 SCC 101.

208. Summary disposal of cases.—(1) The Court taking cognizance of any offence (other than an offence which the Central Government may by rules specify in this behalf) under this Act,—

- (i) may, if the offence is an offence punishable with imprisonment under this Act; and
- (ii) shall, in any other case,

state upon the summons to be served on the accused person that he—

- (a) may appear by pleader or in person; or
- (b) may, by a specified date prior to the hearing of the charge, plead guilty to the charge and remit to the Court, by money order, such sum (not exceeding the maximum fine that may be imposed for the offence) as the Court may specify, and the plea of guilt indicated in the money order coupon itself:

Provided that the Court shall, in the case of any of the offences referred to in sub-section (2), state upon the summons that the accused person, if he pleads guilty, shall so plead in the manner specified in clause (b) and shall forward his driving licence to the Court with his letter containing such plea.

(2) Where the offence dealt with in accordance with sub-section (1) is an offence specified by the Central Government by rules for the purposes of this sub-section, the Court shall, if the accused person pleads guilty to the charge and forwards his driving licence to the Court with the letter containing his plea, make an endorsement of such conviction on his driving licence.

(3) Where an accused person pleads guilty and remits the sum specified and has complied with the provisions of sub-section (1), or as the case may be, sub-sections (1) and (2), no further proceedings in respect of the offence shall be taken against him nor shall he be liable, notwithstanding anything to the contrary

contained in this Act, to be disqualified for holding or obtaining a licence by reason of his having pleaded guilty.

Corresponding Law: S. 130 of Act IV of 1939

209. Restriction on conviction.—No person prosecuted for an offence punishable under Section 183 or Section 184 shall be convicted unless—

- (a) he was warned at the time the offence was committed that the question of prosecuting him would be taken into consideration, or
- (b) within fourteen days from the commission of the offence, a notice specifying the nature of the offence and the time and place where it is alleged to have been committed was served on or sent by registered post to him or the person registered as the owner of the vehicle at the time of the commission of the offence, or
- (c) within twenty-eight days of the commission of the offence, a summons for the offence was served on him:

Provided that nothing, in this section shall apply where the Court is satisfied that—

- (a) the failure to serve the notice or summons referred to in this sub-section was due to the fact that neither the name and address of the accused nor the name and address of the registered owner of the vehicle could with reasonable diligence have been ascertained in time, or
- (b) such failure was brought about by the conduct of the accused.

Corresponding Law: S. 131 of Act IV of 1939

210. Courts to send intimation about conviction.—Every Court by which any person holding a driving licence is convicted of an offence under this Act or of an offence in the commission of which a motor vehicle was used, shall send intimation to—

- (a) the licensing authority which issued the driving licence, and
- (b) the licensing authority by whom the licence was last renewed,

and every such intimation shall state the name and address of the holder of the licence, the licence number, the date of issue and renewal of the same, the nature of the offence, the punishment awarded for the same and such other particulars as may be prescribed.

Corresponding Law: S. 131-A of Act IV of 1939

³²¹[**210-A. Power of State Government to increase penalties.**—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.]

321. *Ins.* by Act 32 of 2019, S. 89 (w.e.f. 1-9-2019).

NOTIFICATIONS

Noti. No. S.O. 3310(E), dated 25-9-2020.—In exercise of the powers conferred by Section 210-A of the Motor Vehicles Act, 1988 (59 of 1988), the Central Government hereby laid down the conditions to be taken into consideration by the State Government for the purposes of specifying a multiplier under Section 210-A, namely:—

1. Data collected by the Central Government or State Government or agencies authorised by the Central Government or State Government, pertaining to road safety, traffic management, offences committed, fines and penalties levied; or
2. Advice rendered by National Road Safety Board, National Road Safety Council or State Road Safety Council, either suo moto or on reference made by the Central Government or State Government; or
3. Any other factor as may be specified by the Central Government.

³²²**[210-B. Penalty for offence committed by an enforcing authority.**—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.]

³²³**[210-C. Power of Central Government to make rules.**—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 198-A;
- (c) any other matter which is, or has to be, prescribed by the Central Government.]

³²⁴**[210-D. Power of State Government to make rules.**—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.]

CHAPTER XIV MISCELLANEOUS

211. Power to levy fee.—Any rule which the Central Government or the State Government is empowered to make under this Act may, notwithstanding the absence of any express provision to that effect, provide for the levy of such fees in respect of applications, amendment of documents, issue of certificates, licences, permits, tests, endorsements, badges, plates, countersignatures, authorisation, supply of statistics or copies of documents or orders and for any other purpose or matter involving the rendering of any service by the officers or authorities under this Act or any rule made thereunder as may be considered necessary:

Provided that the Government may, if it considers necessary so to do, in the public interest, by general or special order, exempt any class of persons from the payment of any such fee either in part or in full.

322. *Ins. by Act 32 of 2019, S. 89 (w.e.f. 1-9-2019).*

323. *Ins. by Act 32 of 2019, S. 89 (w.e.f. 1-9-2019).*

324. *Ins. by Act 32 of 2019, S. 89 (w.e.f. 1-9-2019).*

Corresponding Law: S. 132-A of Act IV of 1939

CASE LAW ▶ Charges for rendering services.—Right to levy fee/charges for rendering services of weighbridges required by drivers/owners of transport vehicles for fulfilment of their statutory obligations under Motor Vehicle Act, 1988 cannot be obtained free of charge/State/State-controlled agencies [including private parties authorised by Government] rendering said services entitled to charge a reasonable amount in respect thereof, *Jantia Hill Truck Owners Assn. v. Shailang Area Coal Dealer & Truck Owner Assn.*, (2009) 8 SCC 492.

³²⁵[**211-A. Use of electronic forms and documents.**—(1) Where any provision of this Act or the rules and regulations made thereunder provide 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; or
- (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).]

212. Publication, commencement and laying of rules and notifications.—(1) The power to make rules under this Act is subject to the condition of the rules being made after previous publication.

(2) All rules made under this Act shall be published in the Official Gazette, and shall unless some later date is appointed, come into force on the date of such publication.

(3) Every rule made by any State Government shall be laid, as soon as may be after it is made before the State Legislature.

(4) Every rule made by the Central Government under this Act, every scheme made by the Central Government under sub-section (1) of Section 75 and sub-section (1) of Section 163 and every notification issued by the Central Government under sub-section (4) of Section 41, sub-section (1) of Section 58, sub-section (1) of Section 59, the proviso to sub-section (1) of Section 112 ³²⁶[Section 118] [, sub-section (4) of Section 163-A] ³²⁷ ³²⁸[Section 164, Section

325. Ins. by Act 32 of 2019, S. 90 (w.e.f. 1-10-2020).

326. Ins. by Act 32 of 2019, S. 91(i)(a) (w.e.f. 1-9-2019).

327. Ins. by Act 54 of 1994, S. 62 (w.e.f. 14-11-1994).

177-A] and sub-section (4) of Section 213 shall be laid, as soon as may be after it is made, before each House of Parliament 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, both Houses agree in making any modification in the rule, scheme or notification or both Houses agree that the rule or scheme should not be made or the notification should not be issued, the rule, scheme or 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 rule, scheme or notification.

³²⁹[(5) Every notification issued by the State Government under Section 210-A 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.]

Corresponding Law: S. 133 of Act IV of 1939

Notes on clauses

Clause 62 of Bill No. 53 of 1994 seeks to amend Section 212 as a consequence of the proposed new Section 163-A.

213. Appointment of motor vehicles officers.—(1) The State Government may, for the purpose of carrying into effect the provisions of this Act, establish a Motor Vehicles Department and appoint as officers thereof such persons as it thinks fit.

Corresponding Law: S. 133-A(1) of Act IV of 1939

(2) Every such officer shall be deemed to be a public servant within the meaning of the Indian Penal Code (45 of 1860).

Corresponding Law: S. 133-A(2) of Act IV of 1939

(3) The State Government may make rules to regulate the discharge by officers of the Motor Vehicles Department of their functions and in particular and without prejudice to the generality of the foregoing power to prescribe the uniform to be worn by them, the authorities to which they shall be subordinate, the duties to be performed by them, the powers (including the powers exercisable by police officers

328. *Ins.* by Act 32 of 2019, S. 91(i)(b) (w.e.f. 1-10-2020).

329. *Ins.* by Act 32 of 2019, S. 91(ii) (w.e.f. 1-9-2019).

under this Act) to be exercised by them, and the conditions governing the exercise of such powers.

Corresponding Law: S. 133-A(3) of Act IV of 1939

(4) The Central Government may, having regard to the objects of the Act, by notification in the Official Gazette, prescribe the minimum qualifications which the said officers or any class thereof shall possess for being appointed as such.

(5) In addition to the powers that may be conferred on any officer of the Motor Vehicles Department under sub-section (3), such officer as may be empowered by the State Government in this behalf shall also have the power to,—

- (a) make such examination and inquiry as he thinks fit in order to ascertain whether the provisions of this Act and the rules made thereunder are being observed;
- (b) with such assistance, if any, as he thinks fit, enter, inspect and search any premises which is in the occupation of a person who, he has reason to believe, has committed an offence under this Act or in which a motor vehicle in respect of which such offence has been committed is kept:

Provided that,—

- (i) any such search without a warrant shall be made only by an officer of the rank of a gazetted officer;
- (ii) where the offence is punishable with fine only the search shall not be made after sunset and before sunrise;
- (iii) where the search is made without a warrant, the gazetted officer concerned shall record in writing the grounds for not obtaining a warrant and report to his immediate superior that such search has been made;
- (c) examine any person and require the production of any register or other document maintained in pursuance of this Act, and take on the spot or otherwise statements of any person which he may consider necessary for carrying out the purposes of this Act;
- (d) seize or take copies of any registers or documents or portions thereof as he may consider relevant in respect of an offence under this Act which he has reason to believe has been committed;
- (e) launch prosecutions in respect of any offence under this Act and to take a bond for ensuring the attendance of the offender before any Court;
- (f) exercise such other powers as may be prescribed:

Provided that no person shall be compelled under this sub-section to answer any question or make any statement tending to incriminate himself.

Corresponding Law: S. 133-A(4) of Act IV of 1939

(6) The provisions of the Code of Criminal Procedure, 1973 (2 of 1974) shall, so far as may be apply to any search or seizure under this section as they apply to any search or seizure under the authority of any warrant issued under Section 94 of that Code.

Corresponding Law: S. 133-A(5) of Act IV of 1939

214. Effect of appeal and revision on orders passed by original authority.—(1) Where an appeal has been preferred or an application for revision has been made against any order passed by an original authority under this Act, the appeal or the application for revision shall not operate as a stay of the order passed by the original authority and such order shall remain in force pending the disposal of the appeal or the application for revision, as the case may be, unless the prescribed appellate authority or revisional authority otherwise directs.

Corresponding Law: S. 134(1) of Act IV of 1939

(2) Notwithstanding anything contained in sub-section (1), if an application made by a person for the renewal of permit has been rejected by the original authority and such person has preferred an appeal or made an application for revision under this Act against such rejection, the appellate authority or, as the case may be, the revisional authority may by order direct that the permit shall, notwithstanding the expiration of the term specified therein, continue to be valid until the appeal or application for revision is disposed of.

Corresponding Law: S. 134(1-A) of Act IV of 1939

(3) No order made by a competent authority under this Act shall be reversed or altered on appeal or revision on account of any error, omission or irregularity in the proceedings, unless it appears to the prescribed appellate authority or revisional authority, as the case may be, that such error, omission or irregularity has in fact, occasioned a failure of justice.

Corresponding Law: S. 134(2) of Act IV of 1939

215. Road Safety Councils and Committees.—(1) The Central Government may, by notification in the Official Gazette, constitute for the country a National Road Safety Council consisting of a Chairman and such other members as that Government considers necessary and on such terms and conditions as that Government may determine.

(2) A State Government may, by notification in the Official Gazette, constitute for the State a State Road Safety Council consisting of a Chairman and such other members as that Government considers necessary and on such terms and conditions as that Government may determine.

(3) A State Government may, by notification in the Official Gazette, constitute District Road Safety Committee for each district in the State consisting of a Chairman and such other members as that Government considers necessary and on such terms and conditions as that Government may determine:

³³⁰[Provided that where a State Government has not constituted the District Road Safety Committee, the Central Government may, by notification in the Official Gazette, constitute a Committee for such District, consisting of a Chairman and such other members as it considers necessary and on such terms and conditions as it may determine.]

330. Ins. by Act 18 of 2023, S. 2 and Sch. (w.e.f. the date to be notified).

(4) The Councils and Committees referred to in this section shall discharge such functions relating to the road safety programmes as the Central Government or the State Government, as the case may be, may, having regard to the objects of the Act, specify.

³³¹[215-A. Power of Central Government and State Government to delegate.—Notwithstanding anything contained in this Act,—

- (a) 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 public servant or public authority to discharge any of its powers, functions and duties under this Act;
- (b) 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.]

³³²[215-B. National Road Safety Board.—(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 sensitising drivers and other road users; and
- (h) such other functions as may be prescribed by the Central Government from time to time.]

³³³[215-C. Power of Central Government to make rules.—(1) The Central Government may make rules for the purposes of carrying into effect the provisions of this Chapter.

331. Ins. by Act 32 of 2019, S. 92 (w.e.f. 1-9-2019).

332. Ins. by Act 32 of 2019, S. 92 (w.e.f. 1-9-2019).

333. Ins. by Act 32 of 2019, S. 92 (w.e.f. 1-9-2019).

(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 211-A;
- (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;
- (c) the terms and conditions of appointment of Chairman and Members of the National Road Safety Board under sub-section (1) of Section 215-B;
- (d) the other functions of the National Road Safety Board under sub-section (2) of Section 215-B; and
- (e) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made by rules by the Central Government.]

³³⁴[**215-D. Power of State Government to make rules.**—(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 215-C.

(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 211-A;
- (b) the duties and functions of the officers of the Motor Vehicle Department, 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;
- (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; and
- (d) any other matter which is to be, or may be, prescribed, or in respect of which provision is to be made by rules by the State Government.]

216. Power to remove difficulties.—(1) If any difficulty arises in, giving effect to the provisions of this Act, the Central Government may, by order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made after the expiry of a period of three years from the date of commencement of this Act.

(2) Every order made under this section shall, as soon as may be after it is made, be laid before each House of Parliament.

334. *Ins.* by Act 32 of 2019, S. 92 (w.e.f. 1-9-2019).

217. Repeal and savings.—(1) The Motor Vehicles Act, 1939 (4 of 1939) and any law corresponding to that Act in force in any State immediately before the commencement of this Act in that State (hereafter in this section referred to as the repealed enactments) are hereby repealed.

(2) Notwithstanding the repeal by sub-section (1) of the repealed enactments,—

- (a) any notification, rule, regulation, order or notice issued, or any appointment or declaration made, or exemption granted, or any confiscation made, or any penalty or fine imposed, any forfeiture, cancellation or any other thing done, or any other action taken under the repealed enactments, and in force immediately before such commencement shall, so far as it is not inconsistent with the provisions of this Act, be deemed to have been issued, made, granted, done or taken under the corresponding provision of this Act;
 - (b) any certificate of fitness or registration or licence or permit issued or granted under the repealed enactments shall continue to have effect after such commencement under the same conditions and for the same period as if this Act had not been passed;
 - (c) any document referring to any of the repealed enactments or the provisions thereof, shall be construed as referring to this Act or to the corresponding provision of this Act;
 - (d) the assignment of distinguishing marks by the registering authority and the manner of display on motor vehicles in accordance with the provision of the repealed enactments shall, after the commencement of this Act, continue to remain in force until a notification under sub-section (6) of Section 41 of this Act is issued;
 - (e) any scheme made under Section 68-C of the Motor Vehicles Act, 1939 (4 of 1939) or under the corresponding law, if any, in force in any State and pending immediately before the commencement of this Act shall be disposed of in accordance with the provisions of Section 100 of this Act;
 - (f) the permits issued under sub-section (1-A) of Section 68-F of the Motor Vehicles Act, 1939 (4 of 1939), or under the corresponding provisions, if any, in force in any State immediately before the commencement of this Act shall continue to remain in force until the approved scheme under Chapter VI of this Act is published.
- (3) Any penalty payable under any of the repealed enactments may be recovered in the manner provided by or under this Act, but without prejudice to any action already taken for the recovery of such penalty under the repealed enactments.
- (4) The mention of particular matters in this section shall not be held to prejudice or affect the general application of Section 6 of the General Clauses Act, 1897 (10 of 1897), with regard to the effect of repeals.

Corresponding Law: S. 135 of Act IV of 1939

³³⁵[217-A. **Renewal of permits, driving licences and registration granted under the Motor Vehicles Act, 1939.**—Notwithstanding the repeal by sub-section (1) of Section 217 of the enactments referred to in that sub-section, any certificate of fitness or registration or licence or permit issued or granted under the said enactments may be renewed under this Act.]

CASE LAW ► Renewal of stage carriage permit.—The grant of renewal of stage carriage permit granted under M.V. Act of 1939 should necessarily be preceded by a grant of stage carriage permit under Section 72 of the 1988 Act in accordance with the procedure laid down in Sections 70 and 71 of the 1988 Act as the permit under the 1939 Act is not served by Section 272(2)(a) of new Act and Section 6 of General Clauses Act, *Gajraj Singh v. STAT*, (1997) 1 SCC 650.

The stage carriage permit granted under the old M.V. Act of 1939 continues, after commencement of the new Act to be operative till the expiry of its period as if the new Act had not been passed and the repealed Act continues to be in operation. Right to renewal of permit under old Act stands repealed with the expiry of its period of permit under old Act, *Quilon Distt. Motor Transport Workers' Coop. Society Ltd. v. RTA*, 1994 Supp (3) SCC 210.

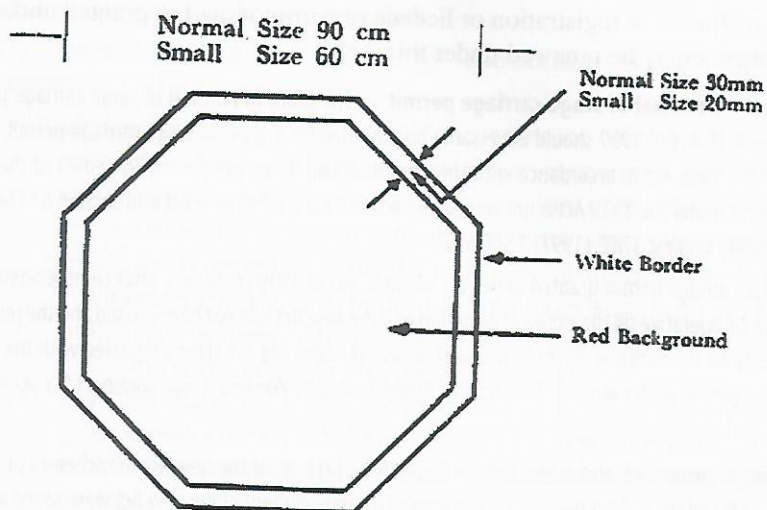
► **Schemes proposed under the Act.**—By Section 217(2)(e) of the new Act the schemes proposed under Section 68-C of the old Act pending on the date of commencement of the new Act were saved and the same were to be finalised within one year as contemplated by Section 100(4) of the new Act. Section 100(4) lays down that if the proposed scheme is not finalised within one year from the date of its publication in the Official Gazette, it shall be deemed to have lapsed. If, however, the period of one year from the date of the publication of the proposed scheme is applied to the pending schemes under Section 68-C of the old Act, the purpose and object of saving the old schemes under clause (e) of Section 217(2) of the new Act would be frustrated, *Krishan Kumar v. State of Rajasthan*, (1991) 4 SCC 258, overruling *Santosh Kumar v. Regional Transport Authority*, C.M.W.P. No. 21773 of 1989, decided on 16-3-1990 (All).

Draft scheme published under Section 68-C of the repealed Act would stand lapsed only if it is not approved within one year from the date when the new Act came into force i.e. July 1, *Ram Krishna Verma v. State of U.P.*, (1992) 2 SCC 620.

335. Ins. by Act 27 of 2000, S. 5 (11-8-2000).

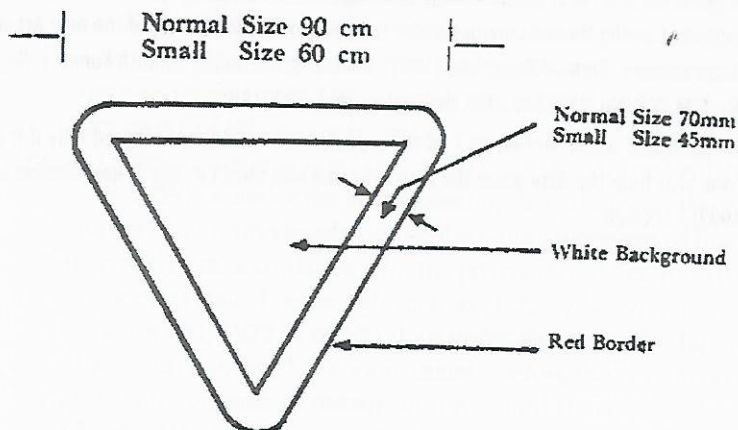
336, 337 [FIRST SCHEDULE]

No. M1—STOP



Note. — Till the Road users are familiar with this sign a definition plate may be attached with the sign carrying the word 'Stop' in English and other languages as necessary.

No. M2—GIVE WAY



Note. — Till the Road users are familiar with this sign a definition plate may be used with the Sign, carrying the message 'Give Way' in English and other languages as necessary.

336. Schedule Subs. by Noti. No. S.O. 475(E), dated June 21, 1989 (w.e.f. 1-7-1989) issued under Section 116(7).

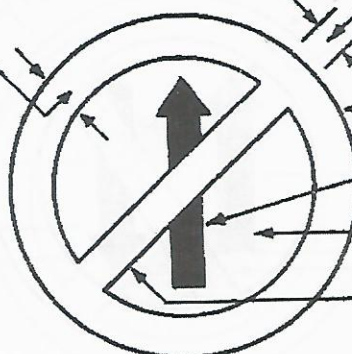
337. Schedule numbered as "First Schedule" by Act 54 of 1994, S. 63 (w.e.f. 14-11-1994).

No. M3—STRAIGHT PROHIBITED OR NO ENTRY

Normal Size 60 cm
Small Size 40 cm

Normal Size 65 mm
Small Size 45 mm

Normal Size 60 mm
Small Size 40 mm



Red Border

Black Symbol

White Background

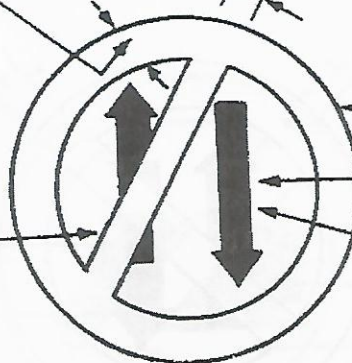
Red Oblique Bar

No. M4A—ONE WAY SIGN—VEHICLES PROHIBITED IN ONE DIRECTION

Normal Size 60 cm
Small Size 40 cm

Normal Size 65 mm
Small Size 45 mm

Normal Size 60 mm
Small Size 40 mm



Red Border

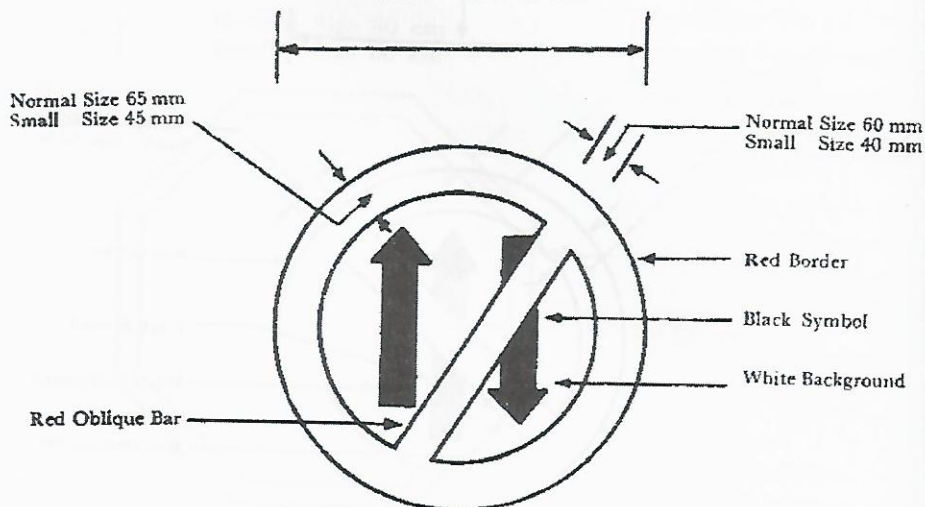
Black Symbol

White Background

Red Oblique Bar

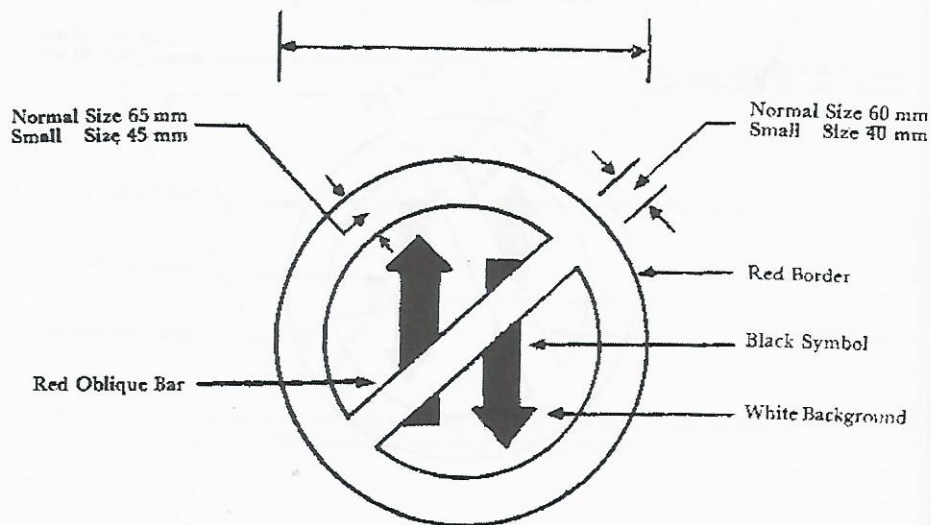
**No. M4B—ONE WAY SIGN—VEHICLES PROHIBITED
IN ONE DIRECTION**

Normal Size 60 cm
Small Size 40 cm



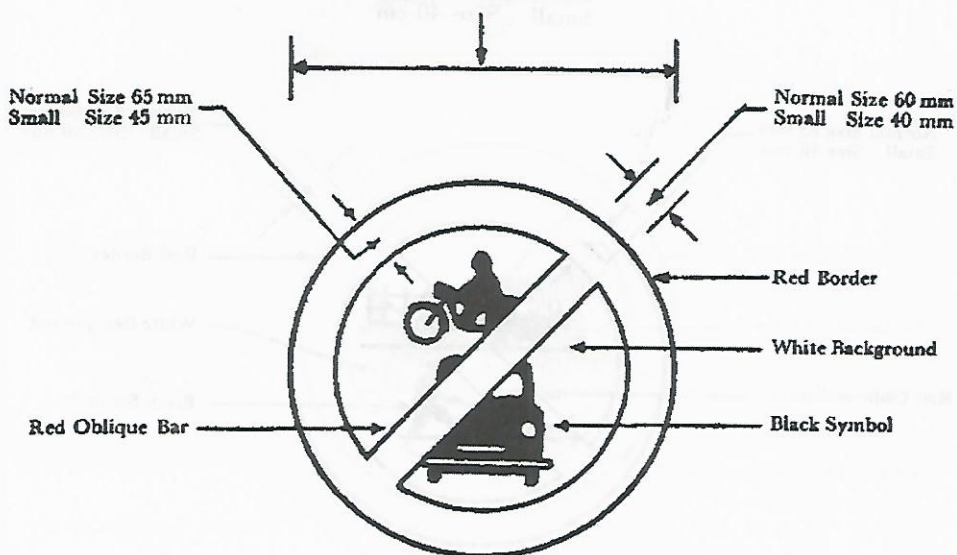
**No. M5—VEHICLES PROHIBITED
IN BOTH DIRECTIONS**

Normal Size 60 cm
Small Size 40 cm

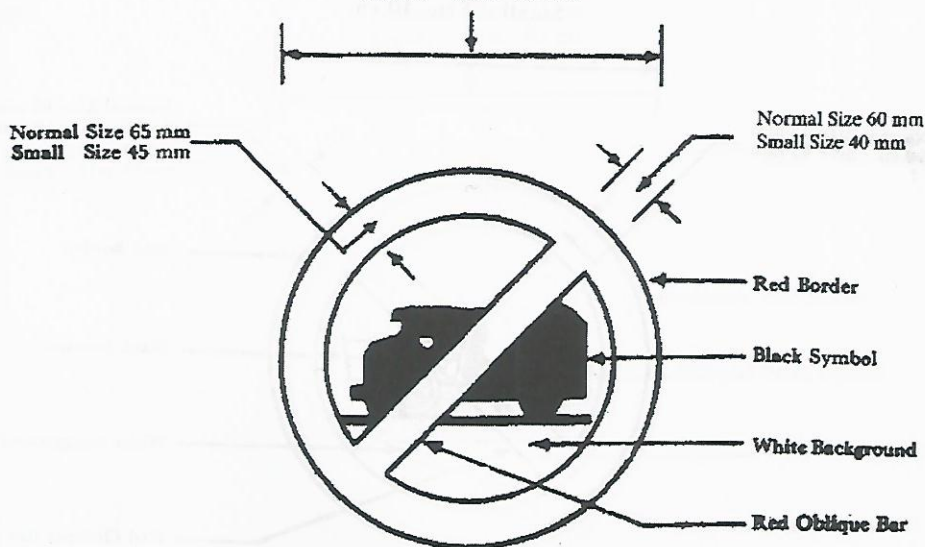


No. M6—ALL MOTOR VEHICLES PROHIBITED

Normal Size 60 cm
Small Size 40 cm

**No. M7—TRUCKS PROHIBITED**

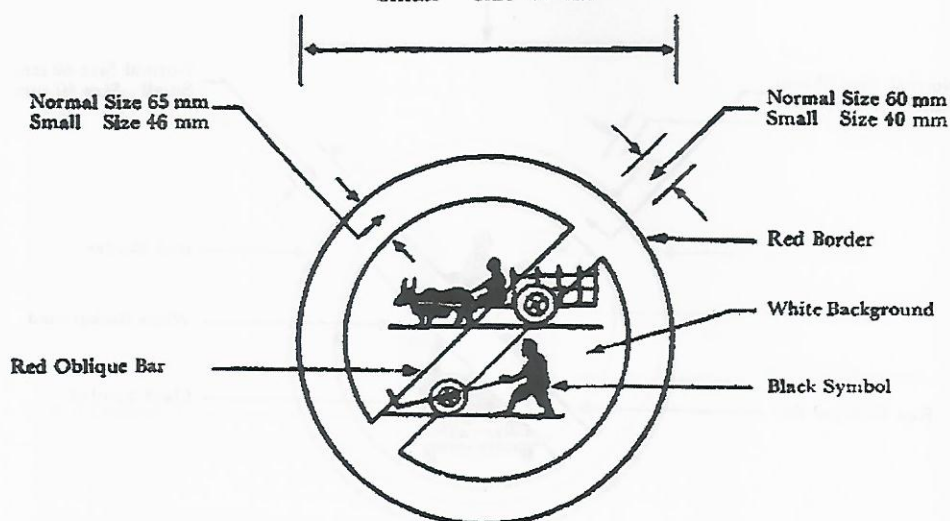
Normal Size 60 cm
Small Size 40 cm



No. M8—BULLOCK CARTS AND HAND CARTS PROHIBITED

Normal Size 60 cm

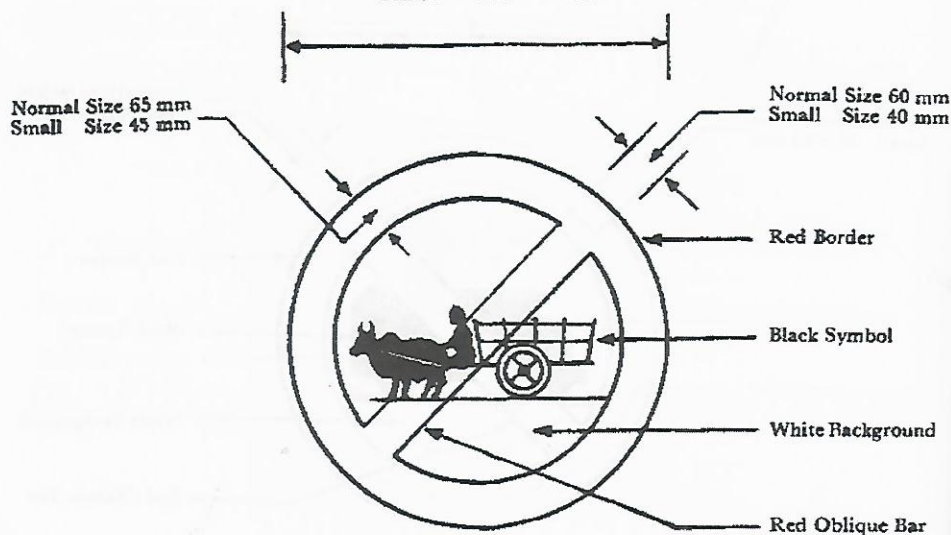
Small Size 40 cm



No. M9—BULLOCK CARTS PROHIBITED

Normal Size 60 cm

Small Size 40 cm

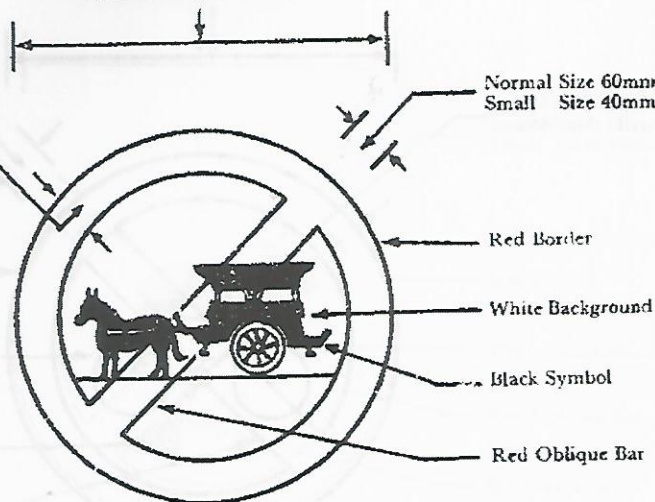


No. M10—TONGAS PROHIBITED

Normal Size 60 cm
Small Size 40 cm

Normal Size 65mm
Small Size 45mm

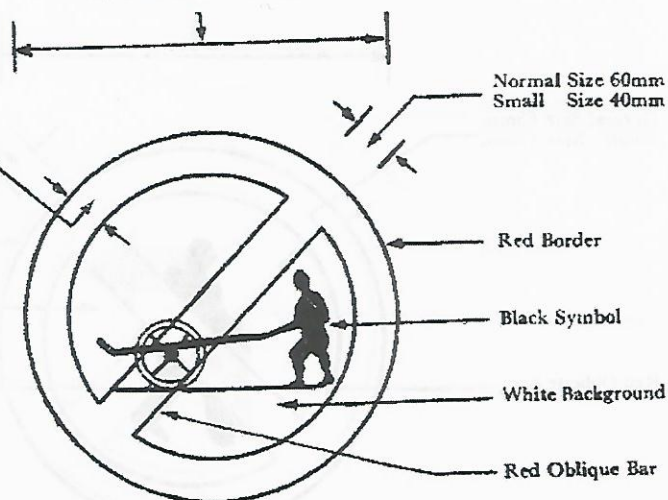
Normal Size 60mm
Small Size 40mm

**No. M11—HAND CARTS PROHIBITED**

Normal Size 60 cm
Small Size 40 cm

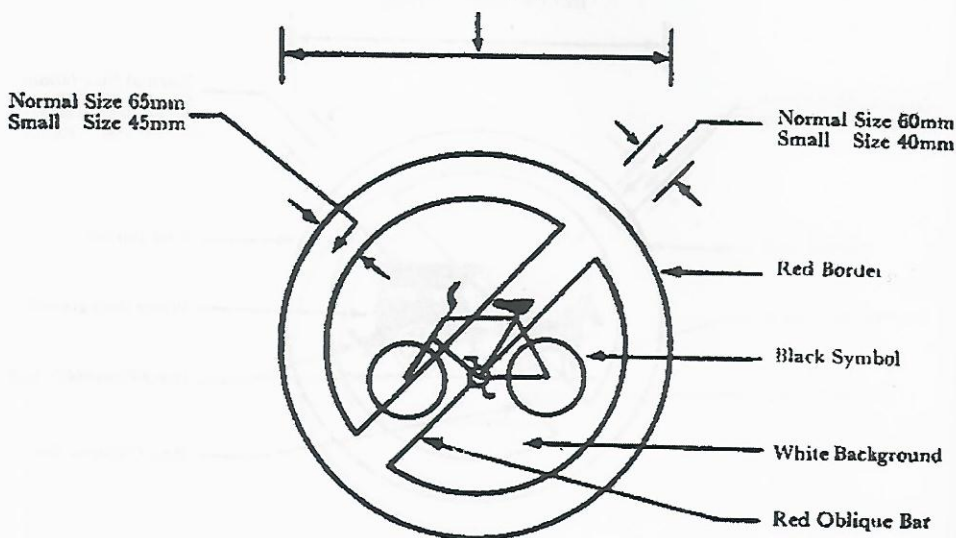
Normal Size 65mm
Small Size 45mm

Normal Size 60mm
Small Size 40mm



No. M12—CYCLE PROHIBITED

Normal Size 60 cm
Small Size 40 cm

**No. M13—PEDESTRIANS PROHIBITED**

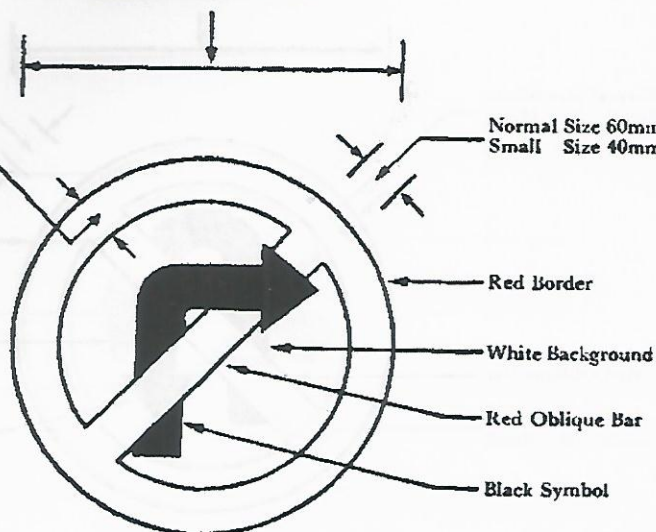
Normal Size 60 cm
Small Size 40 cm



No. M14—RIGHT TURN PROHIBITED

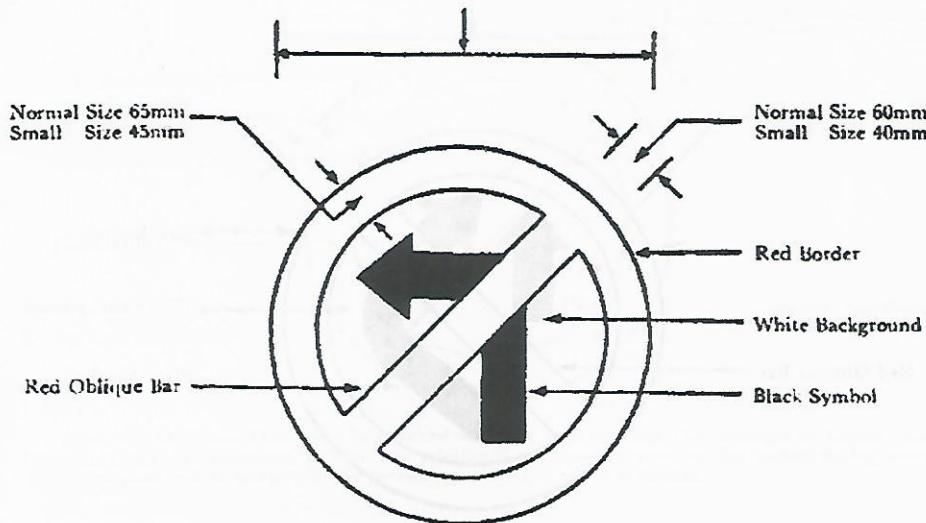
Normal Size 60 cm

Small Size 40 cm

Normal Size 65mm
Small Size 45mmNormal Size 60mm
Small Size 40mm**No. M15—LEFT TURN PROHIBITED**

Normal Size 60 cm

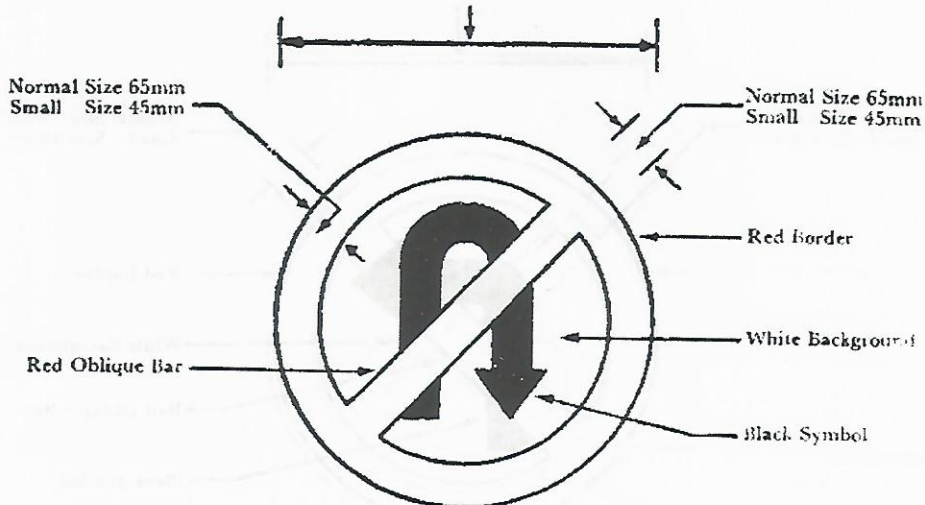
Small Size 40 cm

Normal Size 65mm
Small Size 45mmNormal Size 60mm
Small Size 40mm

No. M16—U-TURN PROHIBITED

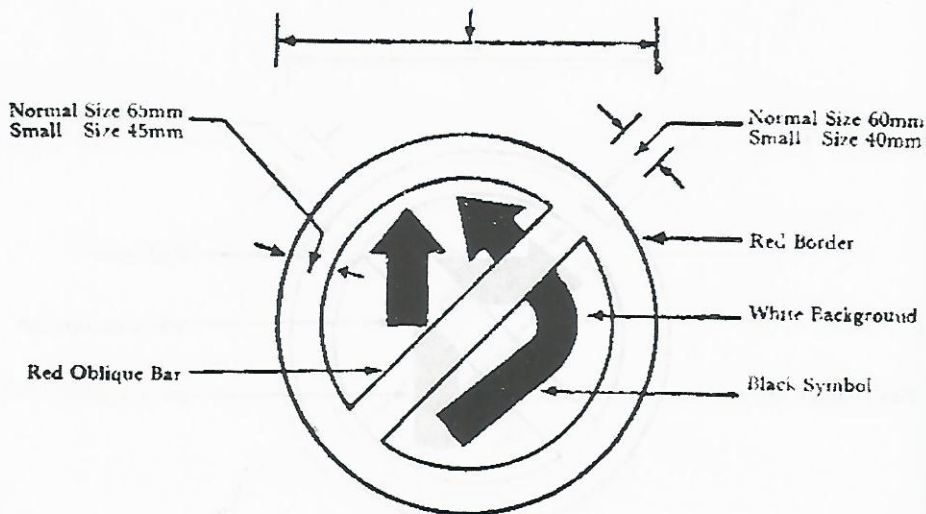
Normal Size 69 cm

Small Size 40 cm

**No. M17—OVERTAKING PROHIBITED**

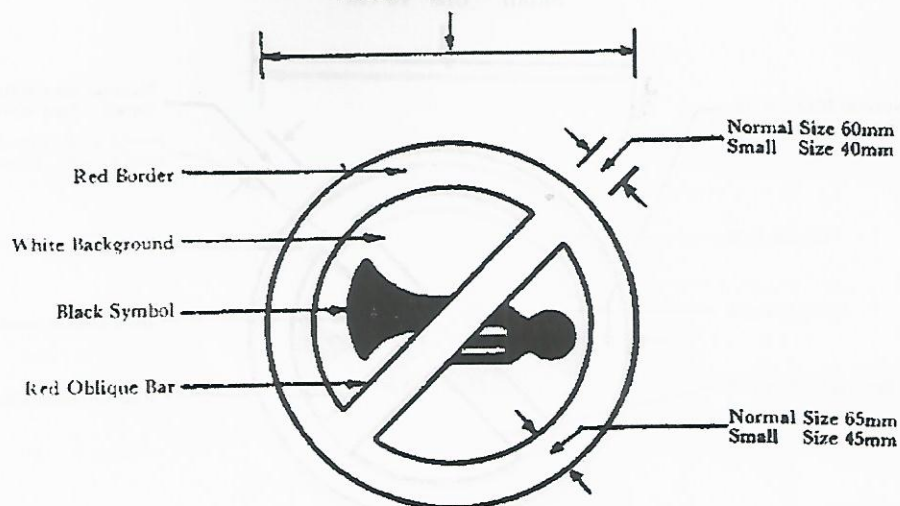
Normal Size 60 cm

Small Size 40 cm

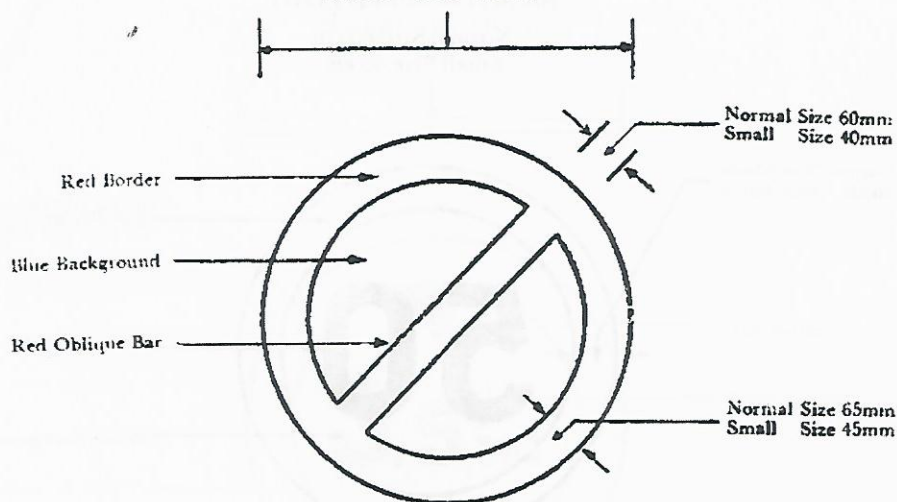


No. M18—HORNS PROHIBITED

Normal Size 60 cm
Small Size 40 cm

**No. M19—NO PARKING**

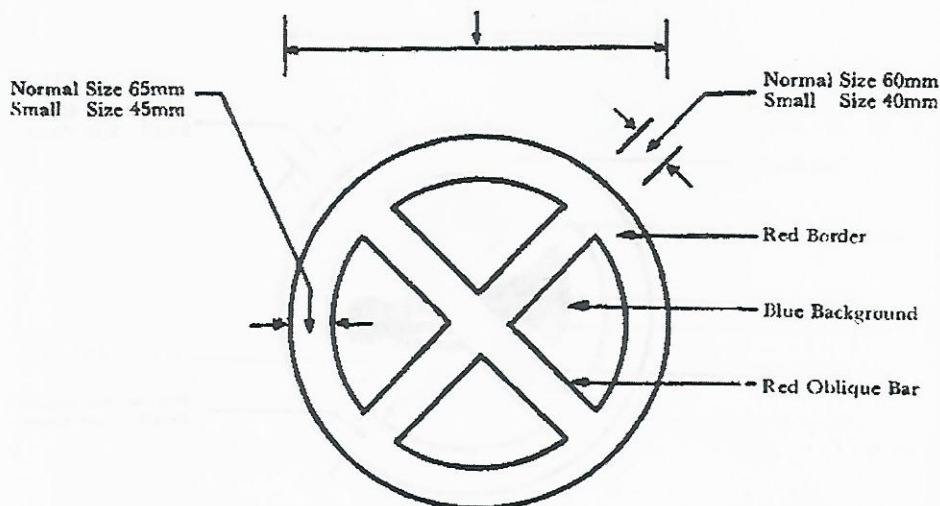
Normal Size 60 cm
Small Size 40 cm



Note.—A Definition Plate may be attached with the sign carrying the message in English and other languages as necessary, as also any additional information such as the period during which the restrictions will be in force or the particular vehicles to which it applies.

No. M20—NO STOPPING OR STANDING

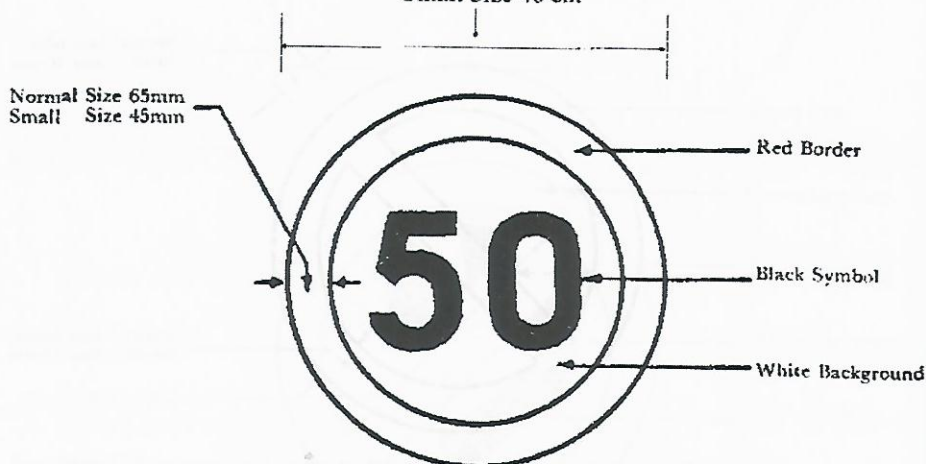
Normal Size 60 cm
Small Size 40 cm



Note. — A definition plate may be attached with the sign carrying the message in English and other languages as necessary, as also any additional information such as the period during which the restrictions will be in force or the particular vehicles to which it applies.

No. M21 — SPEED LIMIT

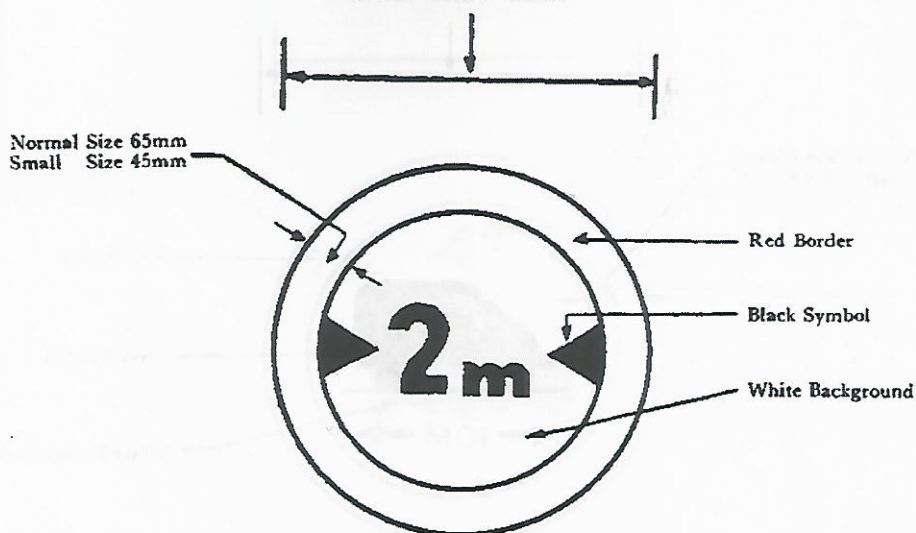
Normal Size 60 cm
Small Size 40 cm



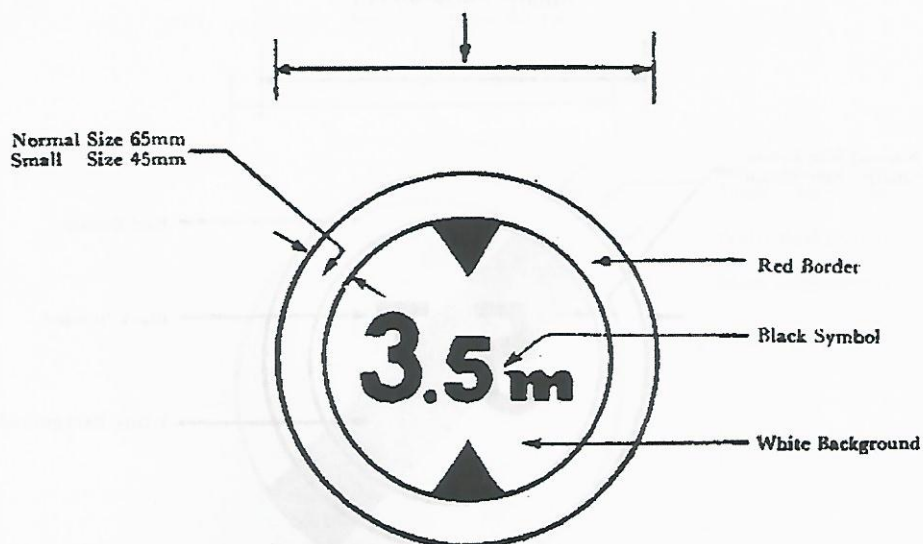
Note. — Where Speed Limit is imposed only on certain class or classes of Motor Vehicles, this may be specified on a definition plate. Where in addition to general speed limit, a special speed limit is imposed on Motor Vehicle of certain class or classes, the latter together with the class or classes of vehicles may be specified on a definition plate.

No. M22—WIDTH LIMIT

Normal Size 60 cm
Small Size 40 cm

**No. M23—HEIGHT LIMIT**

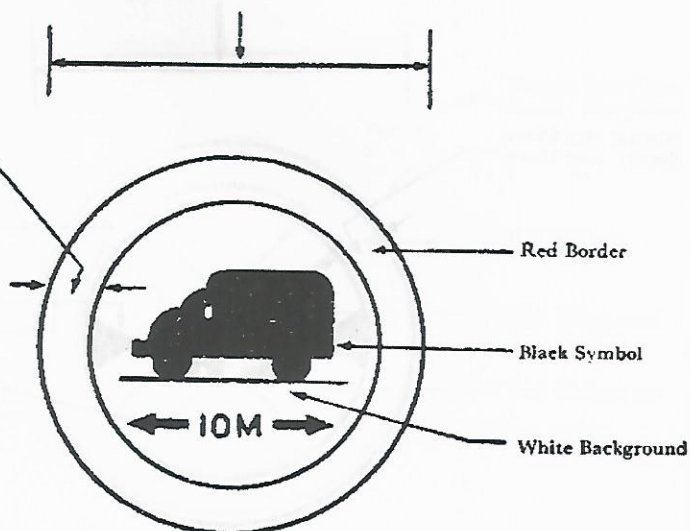
Normal Size 60 cm
Small Size 40 cm



No. M24—LENGTH LIMIT

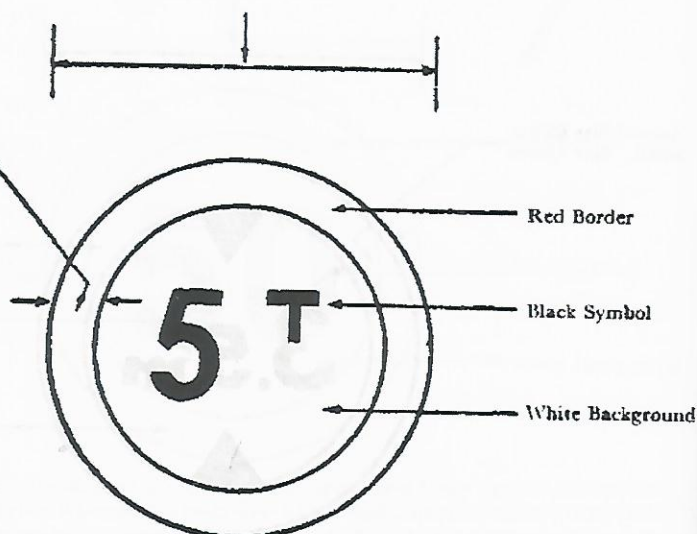
Normal Size 60 cm

Small Size 40 cm

Normal Size 65mm
Small Size 65mm**No. M25—LOAD LIMIT**

Normal Size 60 cm

Small Size 40 cm

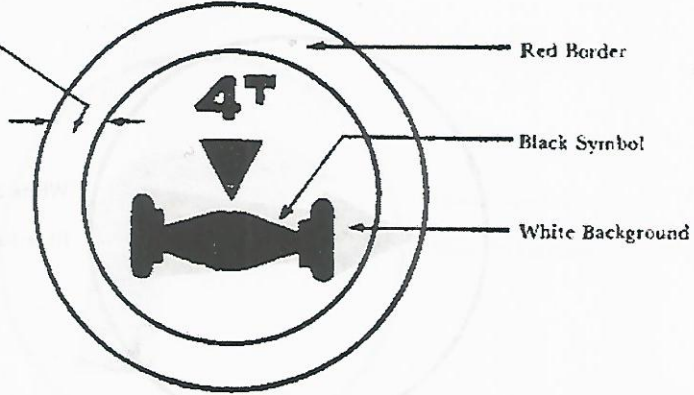
Normal Size 65mm
Small Size 45mm

No. M26—AXLE LOAD LIMIT

Normal Size 60 cm
Small Size 40 cm

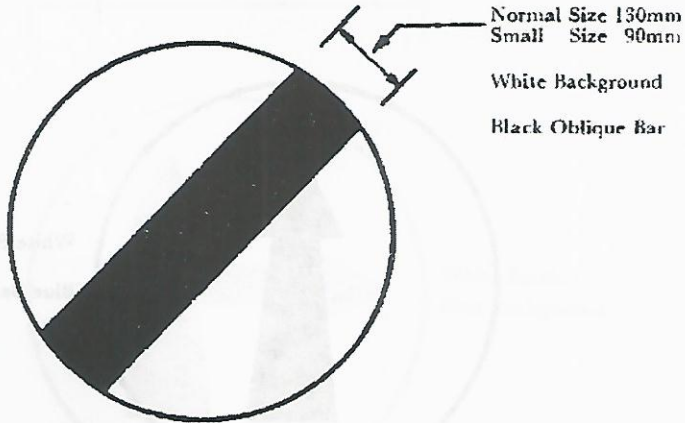


Normal Size 65mm
Small Size 45mm



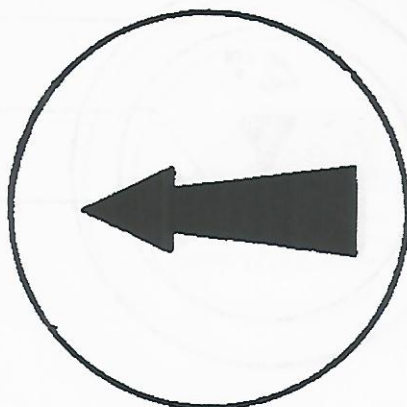
No. M27—RESTRICTION ENDS SIGN

Normal Size 60 cm
Small Size 40 cm



**No. M28—COMPULSORY TURN LEFT
(RIGHT IF SYMBOL IS REVERSED)**

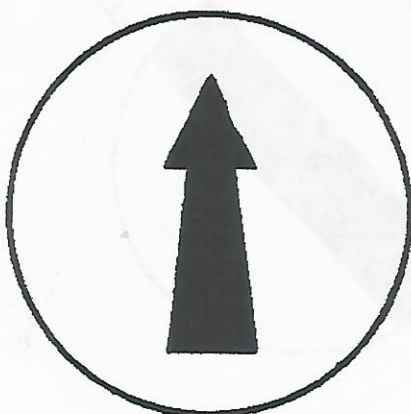
Normal Size 60 cm
Small Size 40 cm



White Symbol
Blue Background

**No. M29—COMPULSORY AHEAD
AHEAD ONLY**

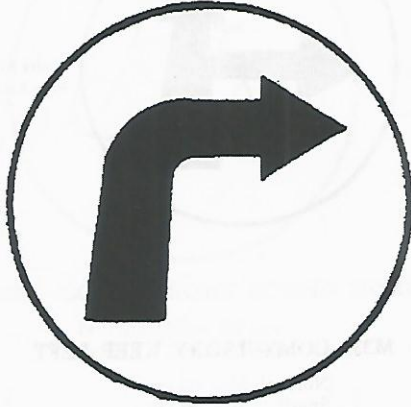
Normal Size 60 cm
Small Size 40 cm



White Symbol
Blue Background

**No. M30—COMPULSORY TURN RIGHT AHEAD
(LEFT IF SYMBOL IS REVERSED)**

Normal Size 60 cm
Small Size 40 cm

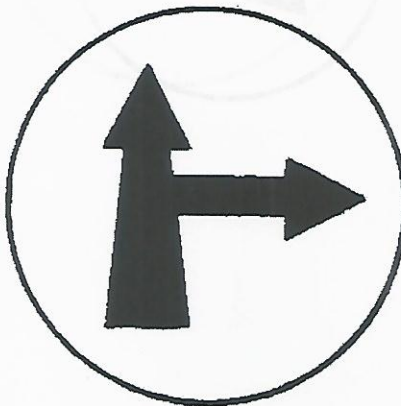


White Symbol

Blue Background

No. M31—COMPULSORY AHEAD OR TURN RIGHT

Normal Size 60 cm
Small Size 40 cm

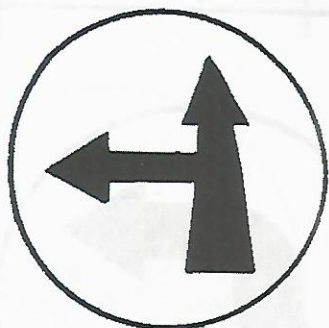


White Symbol

Blue Background

No. M32—COMPULSORY AHEAD OR TURN LEFT

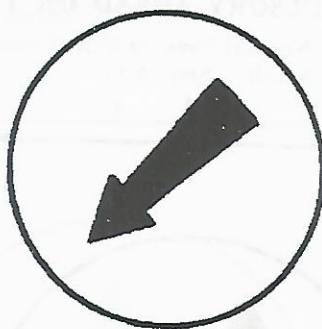
Normal Size 60 cm
Small Size 40 cm



White Symbol
Blue Background

No. M33—COMSULSORY KEEP LEFT

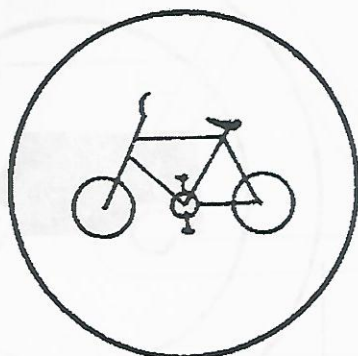
Normal Size 60 cm
Small Size 40 cm



White Symbol
Blue Background

No. M34—COMPULSORY CYCLE TRACK

Normal Size 60 cm
Small Size 40 cm

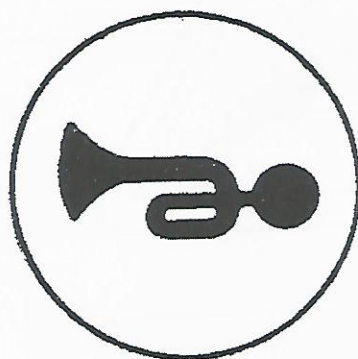


White Symbol

Blue Background

No. M35—COMPULSORY SOUND HORN

Normal Size 60 cm
Small Size 40 cm



White Symbol

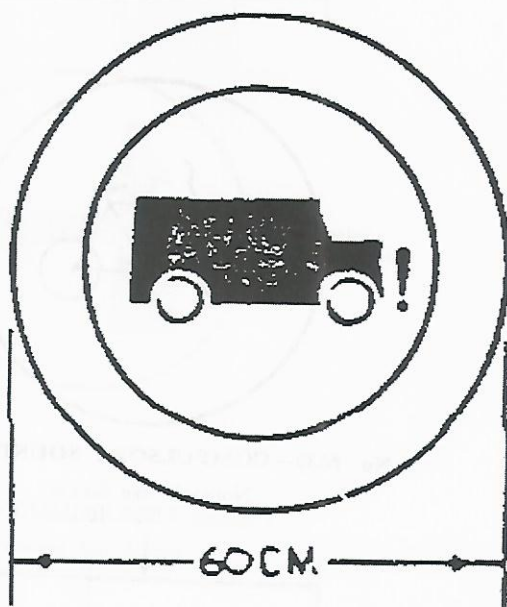
Blue Background

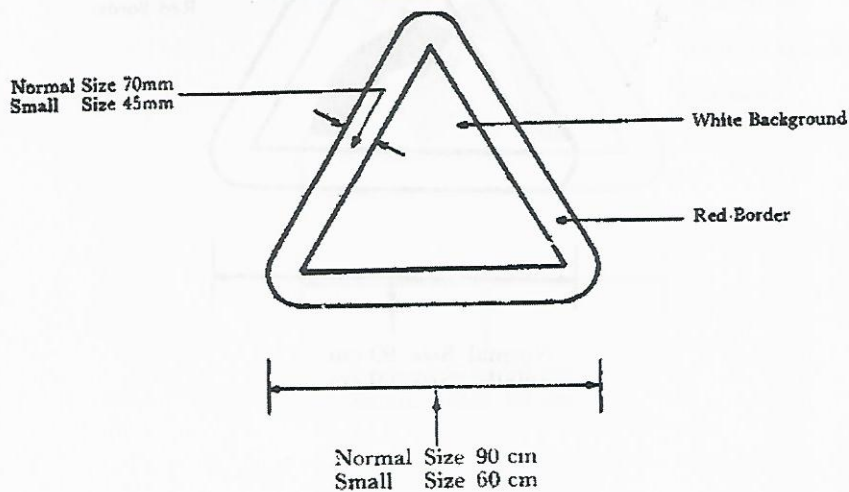
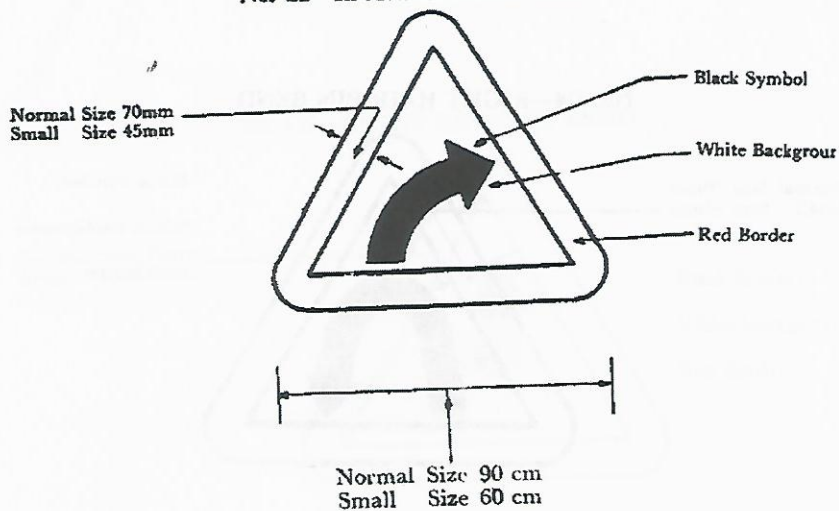
No. M-36 — COMPULSORY BUS STOP

Red Band

Centre White

Device Black



**CAUTIONARY SIGNS OF THE SCHEDULE OF
THE MOTOR VEHICLES ACT, 1988****No. C1—GENERAL DESIGN****No. C2—RIGHT HAND CURVE**

No. C3—LEFT HAND CURVE

Normal Size 70mm
Small Size 45mm

Black Symbol

White Background

Red Border



Normal Size 90 cm
Small Size 60 cm

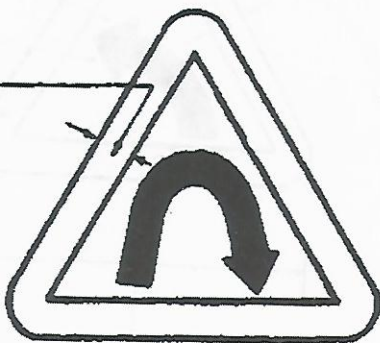
No. C4—RIGHT HAIR PIN BEND

Normal Size 70mm
Small Size 45mm

Black Symbol

White Background

Red Border



Normal Size 90 cm
Small Size 60 cm

No. C5—LEFT HAIR PIN BEND

Normal Size 70mm
Small Size 45mm



Black Symbol

White Background

Red Border



Normal Size 90 cm
Small Size 60 cm

No. C6—RIGHT REVERSE BEND

Normal Size 70mm
Small Size 45mm



Black Symbol

White Background

Red Border



Normal Size 90 cm
Small Size 60 cm

No. C7—LEFT REVERSE BEND

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C8—STEEP ASCENT

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C9—STEEP DESCENT

Normal Size 70mm
Small Size 45mm



Black Symbol

White Background

Red Border



Normal Size 90 cm
Small Size 60 cm

No. C10—NARROW ROAD AHEAD

Normal Size 70mm
Small Size 45mm



Black Symbol,

White Background

Red Border



Normal Size 90 cm
Small Size 60 cm

No. C11—ROAD WIDENS AHEAD

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C12—NARROW BRIDGE

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 40 cm

No. C13—SLIPPERY ROAD

Normal Size 76mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C14—LOOSE GRAVEL

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 60 cm
Small Size 40 cm

No. C15—CYCLE CROSSING

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C16—PEDESTRIAN CROSSING

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C17—SCHOOL AHEAD

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C18—MEN AT WORK

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C19—CATTLE

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C20—FALLING ROCKS

Normal Size 70mm
Small Size 45mm



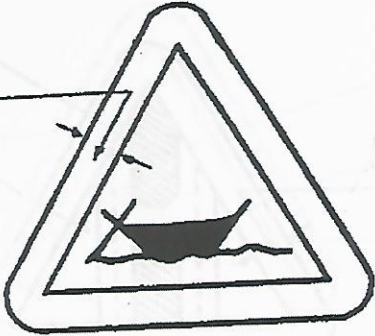
Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C21—FERRY

Normal Size 70mm
Small Size 45mm



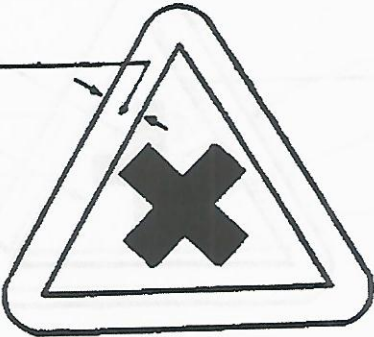
Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C22—CROSS ROAD

Normal Size 70mm
Small Size 45mm

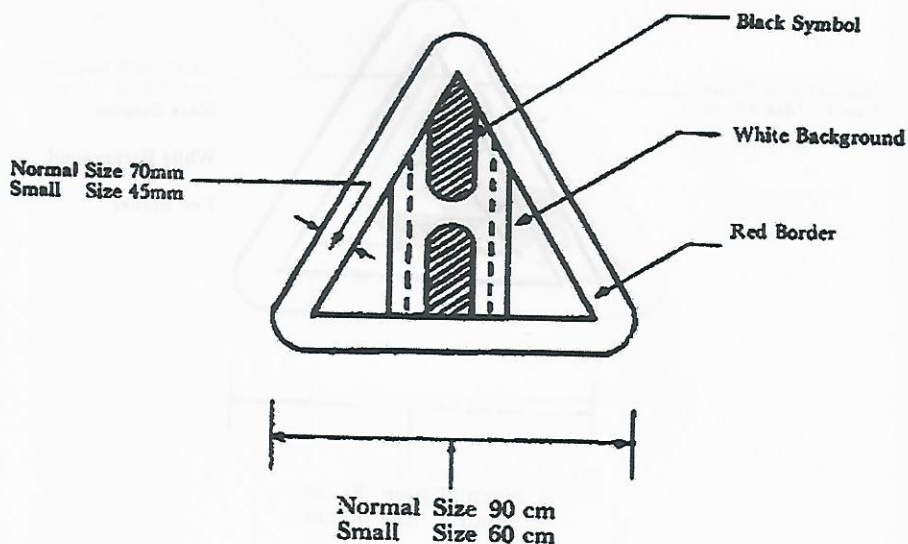


Black Symbol
White Background
Red Border

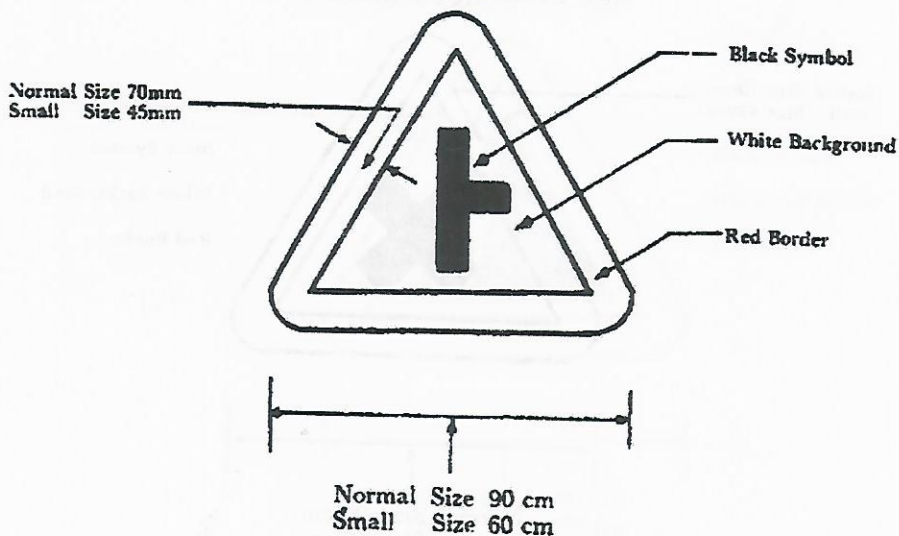


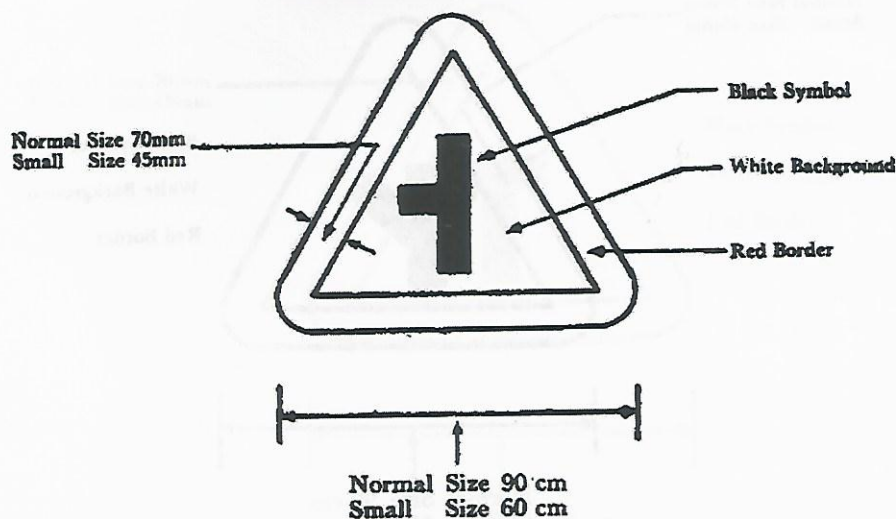
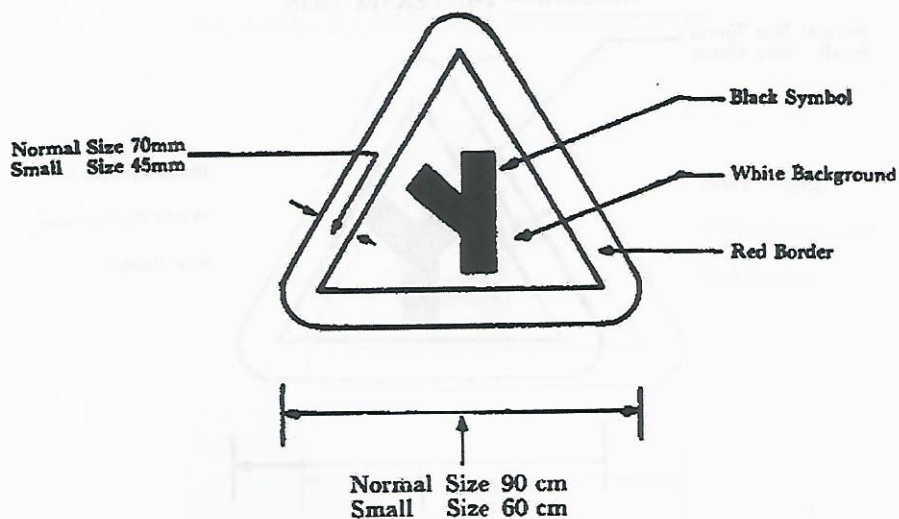
Normal Size 90 cm
Small Size 60 cm

No. C23—GAP IN MEDIAN



No. C24—SIDE ROAD RIGHT



No. C25—SIDE ROAD LEFT**No. C26A — Y-INTERSECTION**

No. C26B-Y—INTERSECTION

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C26B — Y-INTERSECTION

Normal Size 70mm
Small Size 45mm



Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C27 — T-INTERSECTION

Normal Size 70mm
Small Size 45mm



Black Symbol

White Background

Red Border



Normal Size 90 cm
Small Size 60 cm

No. C28A—STAGGERED INTERSECTION

Normal Size 70mm
Small Size 45mm



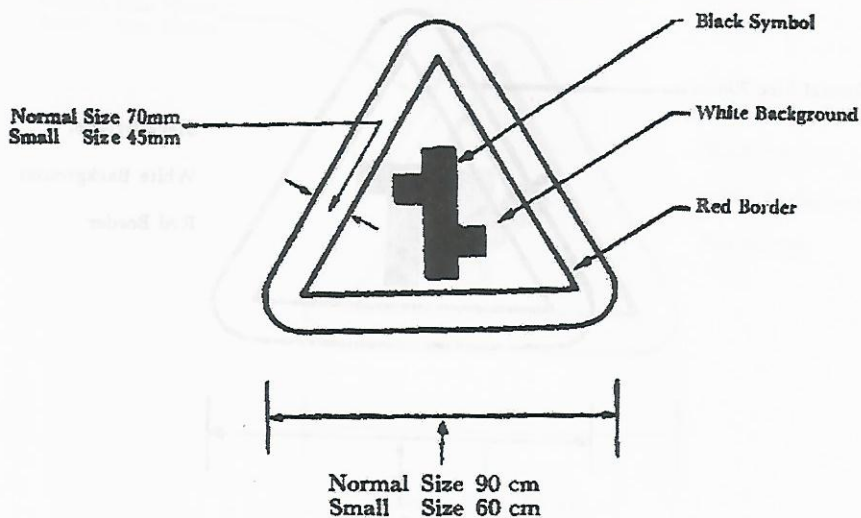
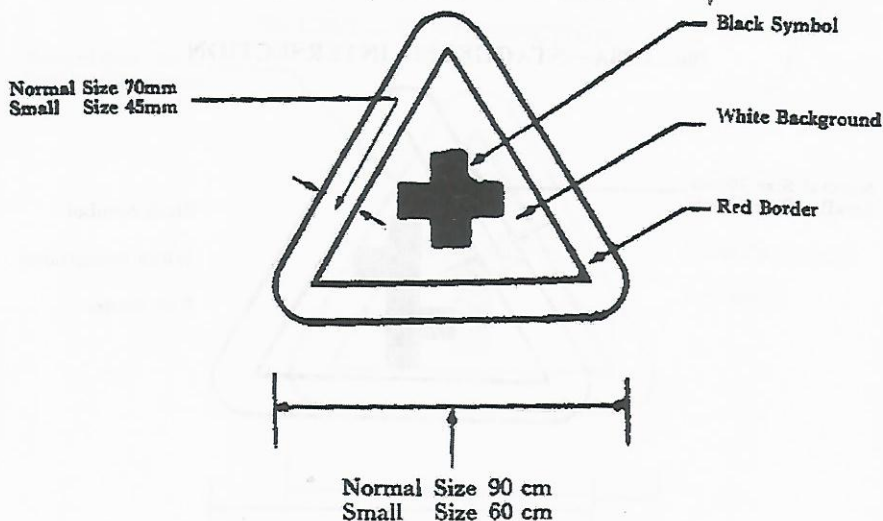
Black Symbol

White Background

Red Border

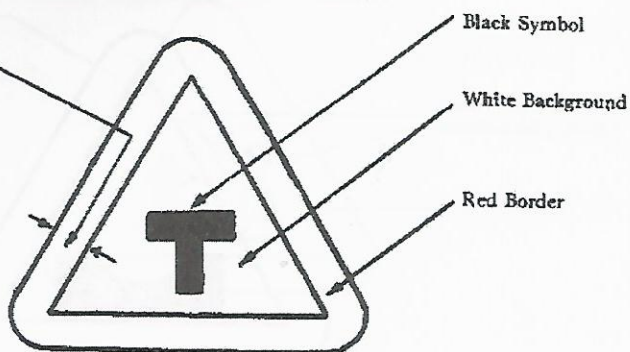


Normal Size 90 cm
Small Size 60 cm

No. C28B—STAGGERED INTERSECTION**No. C29A—MAJOR ROAD AHEAD**

No. C29B—MAJOR ROAD AHEAD

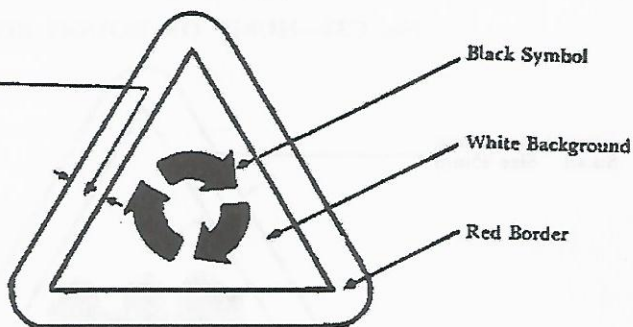
Normal Size 70mm
Small Size 45mm



Normal Size 90 cm
Small Size 60 cm

No. C30—ROUNDAABOUT

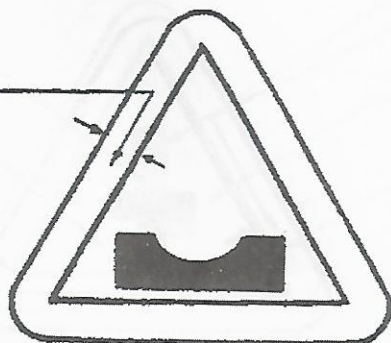
Normal Size 70mm
Small Size 45mm



Normal Size 90 cm
Small Size 60 cm

No. C31—DANGEROUS DIP

Normal Size 70mm
Small Size 45mm



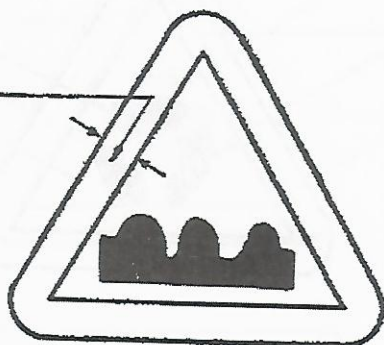
Black Symbol
White Background
Red Border



Normal Size 90 cm
Small Size 60 cm

No. C32—HUMP OR ROUGH ROAD

Normal Size 70mm
Small Size 45mm

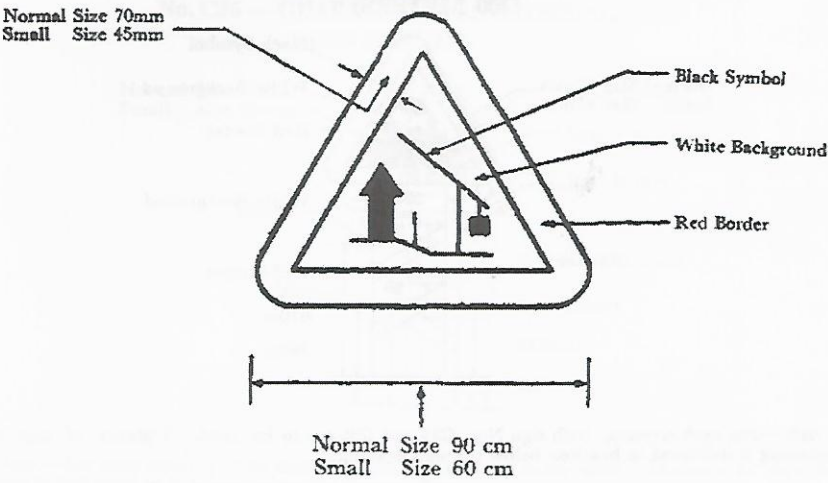


Black Symbol
White Background
Red Border



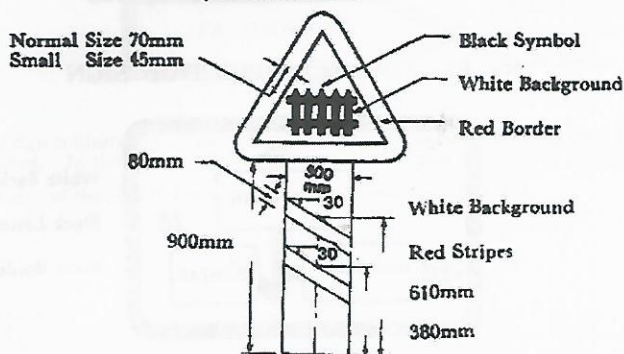
Normal Size 90 cm
Small Size 60 cm

No. C33—BARRIER AHEAD



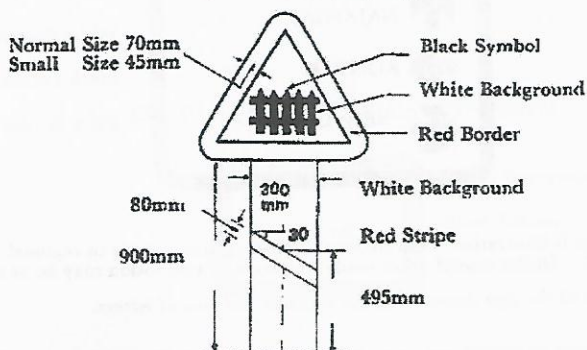
Note.—A Definition Plate may be attached with the sign indicating the distance to the barrier and any other instructions.

No. C36 — GUARDED LEVEL CROSSING (200 METRES)



Note.—For each crossing, both sign Nos. C36 and C37 are to be used. Distance of sign from crossing is indicated in brackets below the sign heading.

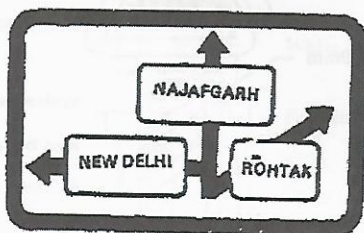
No. C37—GUARDED LEVEL CROSSING (50—100 METRES)



Note. — For each crossing, both sign Nos. C36 and C37 are to be used. Distance of sign from the crossing is indicated in brackets below the sign heading. In hilly terrain distance may be reduced to 30—60m.

INFORMATORY SIGNS OF SCHEDULE OF THE MOTOR VEHICLES ACT, 1988

No. E1—ADVANCE DIRECTION SIGN

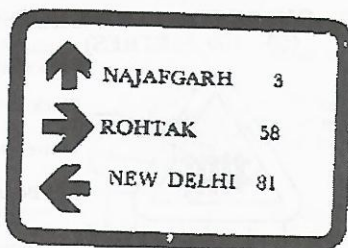


White Background
Black Letter & Arrows
Black Border

Note 1.—The sign is illustrative. On national highways, inscription in regional languages may be added as required. In the case of other roads languages of inscription may be as necessary.

2.—The size of the sign depends on the message and size of letters.

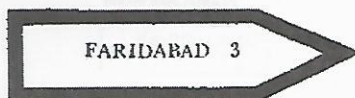
No. E2—DESTINATION SIGN



White Background
Black Letters & Arrow
Black Border

Note 1.—The sign is illustrative. On national highways, inscriptions in regional languages may be added as required. In the case of other roads languages of inscription may be as necessary.

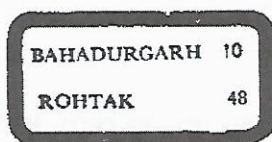
2.—The size of the sign depends on the message and size of letters.

No. E3—DIRECTION SIGN

White Background
Black Letters
Black Border

Note 1.—The sign is illustrative. On national highways, inscriptions in regional languages may be added as required. In the case of other roads languages of inscription may be as necessary.

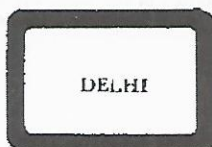
2.—The size of the sign depends on the message and size of letters.

No. E4—RE-ASSURANCE SIGN

White Background
Black Letters
Black Border

Note 1.—The sign is illustrative. On national highways, inscriptions in regional languages may be added as required. In the case of other roads languages of inscription may be as necessary.

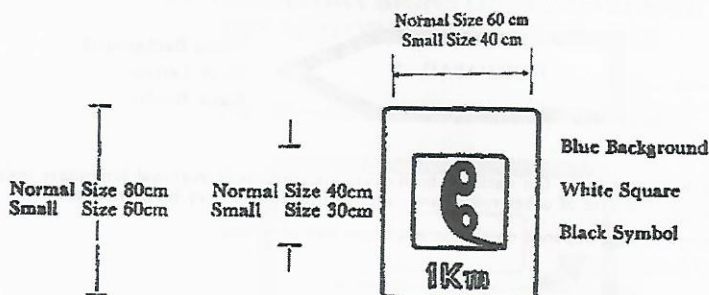
2.—The size of the sign depends on the message and size of letters.

No. E5—PLACE IDENTIFICATION SIGN

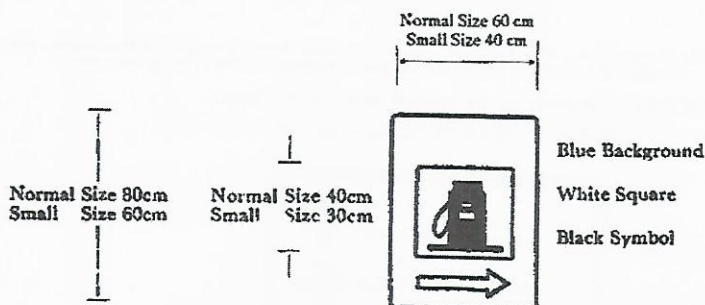
White Background
Black Letters
Black Border

Note 1.—The sign is illustrative. On national highways, inscription in regional languages may be added as required. In the case of other road languages of inscription may be as necessary.

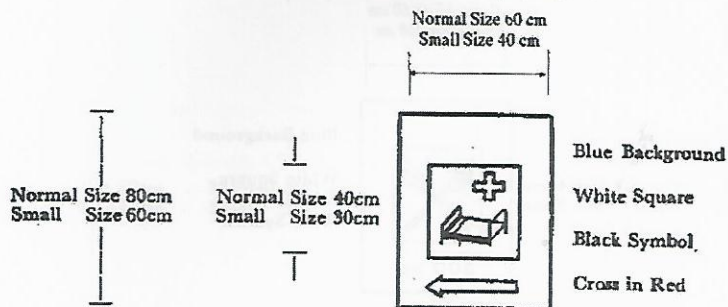
2.—The size of the sign depends on the message and size of letters.

No. E6—PUBLIC TELEPHONE

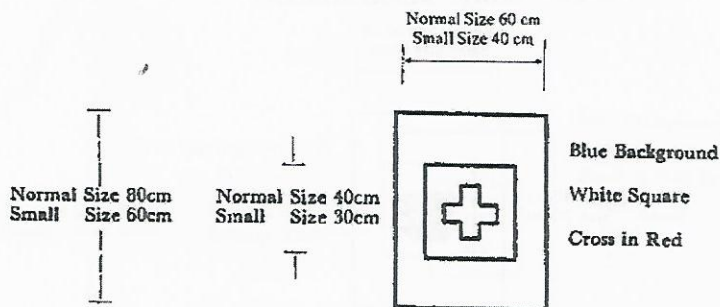
Note.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white. Such inscription shown in the sign above is only illustrative.

No. E7—PETROL PUMP

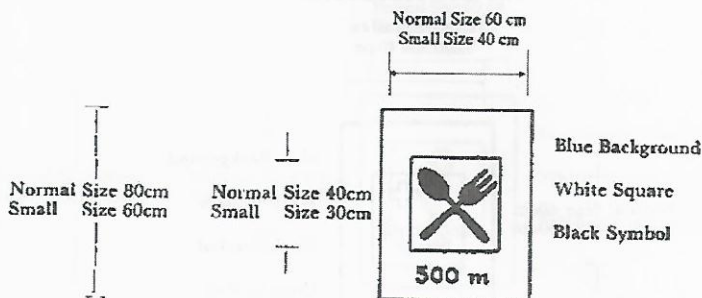
Note.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white. Such inscription shown in the sign above is only illustrative.

No. E8—HOSPITAL

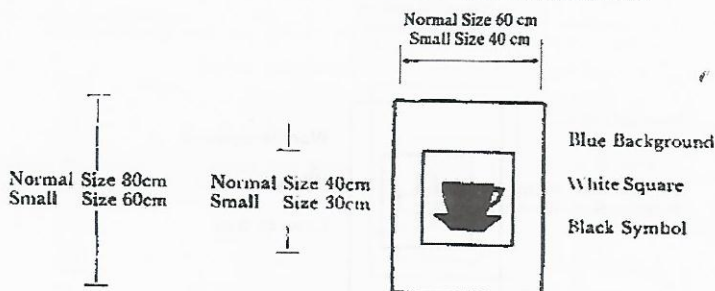
Note.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white. Such inscription shown in the sign above is only illustrative.

No. E9—FIRST-AID POST

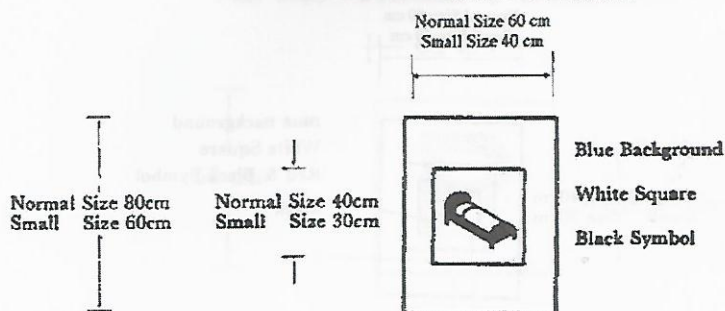
Note.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white.

No. E10—EATING PLACE

Note.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white. Such inscription shown in the sign above is only illustrative.

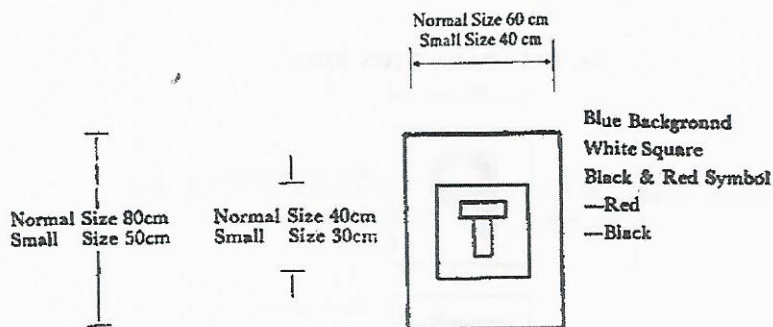
No. E11—LIGHT REFRESHMENT

Note.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white.

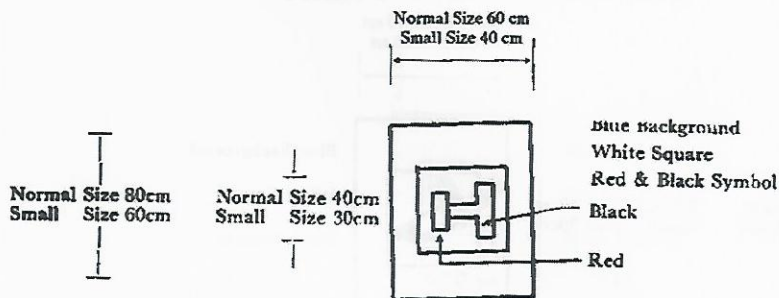
No. E12—RESTING PLACE

Note 1.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white.

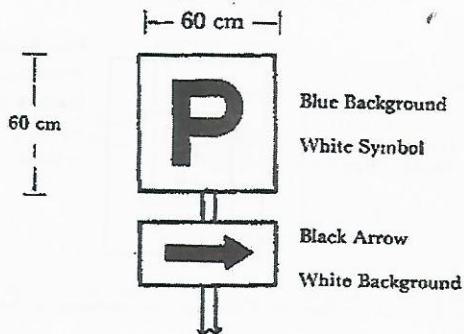
2.—A definition plate may be attached indicating whether the place is resthouse, hotel or motel.

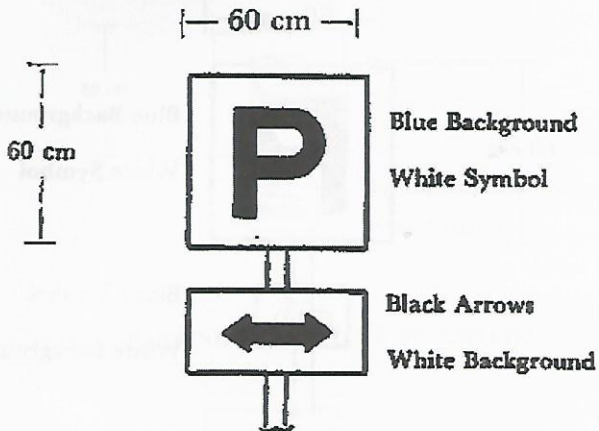
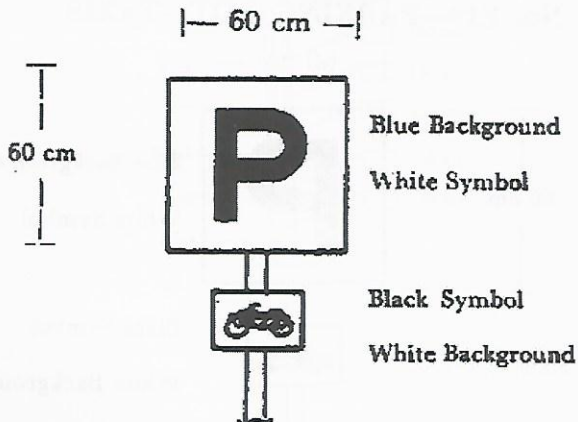
No. E13—NO THOROUGH ROAD

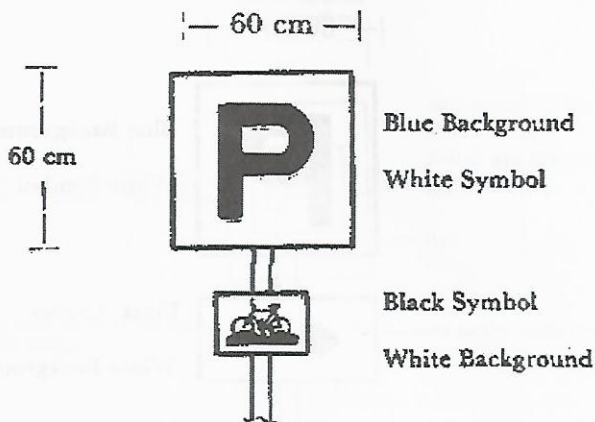
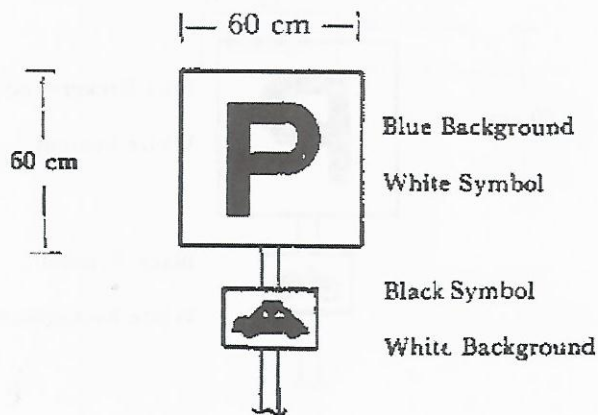
Note.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white.

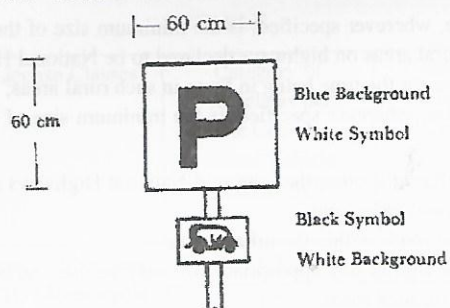
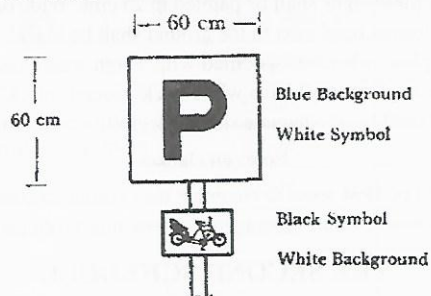
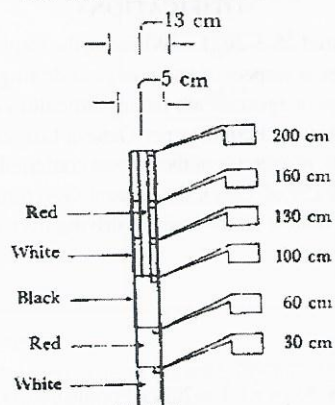
No. E14—NO THOROUGH SIDE ROAD

Note.—On the Blue Band at the bottom of the sign, the distance to the facility or the direction may be inscribed in white.

No. E15—PARK THIS SIDE

No. E16—PARKING BOTH SIDES**No. E17—PARKING LOT—SCOOTERS AND MOTOR CYCLES**

No. E18—PARKING LOT—CYCLES**No. E19—PARKING LOT—TAXIS**

No. E20—PARKING LOT—AUTO RICKSHAWS**No. E21—PARKING LOT—CYCLE RICKSHAWS****No. E22—FLOOD GAUGE**

EXPLANATORY NOTES

- (i) Normal Size, wherever specified, is the minimum size of the sign which is intended to be used in rural areas on highways declared to be National Highway or State Highways under any law for the time being in force in such rural areas;
- (ii) the Small Size, wherever specified, is the minimum size of the sign which is intended to be used—
 - (a) on all roads, other than the said National Highways and the State Highways, in the rural areas; and
 - (b) on all roads within the urban areas:

Provided that sign of any appropriate size may be used on bollards or alongside traffic light signals on such roads;
- (iii) the colour scheme of these signals shall be as specified therein and the reverse side of all such sign plates shall be painted grey;
- (iv) the posts of all these signs shall be painted in 25 cms. Wide bands alternatively black and white and the lowest band next to the ground shall be black;
- (v) the definition plate, wherever specified with a sign where required to make the meaning of a sign more explicit shall have white back-ground, black letters and black border 20 mm. wide and shall be of adequate size for legibility but not too large as to be obtrusive.]

Notes on clauses

Clause 63 of Bill No. 53 of 1994 seeks to renumber the existing schedules as the First Schedule as a consequence of the proposed new schedule relating to pre-determined formula for compensation.

THE SECOND SCHEDULE

338[* * *]

NOTIFICATIONS

Noti. No. S.O. 2159(E), dated 28-5-2021.—Whereas, the Central Government is of the opinion that persons are facing difficulties in respect of knowledge of driving license to drive particular types of vehicles, and the law enforcement agencies are facing difficulties in interpretation of vehicle class mentioned in the International Driving Permit as per Geneva Convention, 1949 and it is considered necessary so to do. Now, therefore, in exercise of the powers conferred by sub-section (4) of Section 41 of the Motor Vehicles, Act, 1988 (59 of 1989), the Central Government hereby issues the following Order to specify types of Motor Vehicle on the basis of driving license issued, namely:—

338. Omitted by Act 32 of 2019, S. 93 (w.e.f. 1-4-2022). Prior to omission it read as:

"THE SECOND SCHEDULE

(See Section 163-A)

SCHEDULE FOR COMPENSATION FOR THIRD PARTY

FATAL ACCIDENTS/INJURY CASES CLAIMS

1. (a) *Fatal Accidents*: Compensation payable in case of Death shall be five lakh rupees.
- (b) *Accidents resulting in permanent disability*: Compensation payable shall be = [Rs. 5,00,000 × percentage disability as per Schedule I of the Employee's Compensation Act, 1923 (8 of 1923)];
 Provided that the minimum compensation in case of permanent disability of any kind shall not be less than fifty thousand rupees.
- (c) *Accidents resulting in minor injury*: A fixed compensation of twenty five thousand rupees shall be payable.
2. On and from the date of 1st day of January, 2019 the amount of compensation specified in the clauses (a) to (c) of paragraph (1) shall stand increased by 5 per cent annually."

"Types of Motor Vehicles based on driving license issued for class of vehicle

TABLE

Motor Vehicles	Driving License Classes	Category of vehicle as per the Central Motor Vehicle Rules, 1989	Vehicle Classes based on Geneva Convention, 1949	Vehicle Classes based on Vienna Convention, 1968
1. Motor Cycle;	Motor cycle without gear (MCWOG); Motor cycle with Gear (MCWG)	L1	A	A1
		L2	A	A/A1
	Adapted Vehicle	Adapted Vehicle	A	-
2. Light Motor Vehicle;	Adapted Vehicle	Adapted Vehicle	-	-
	E-Rickshaw	E-Rickshaw	B	B1
	E-cart	E-cart	B	B1
	Light Motor Vehicle (LMV)	L5-M	B	B1
		L5-N	B	B1
		L7-M	B	B1
		L7-N	B	B1
		M1	B	B
		N1	B	B
		N21	C	C/C1E
		M2	D	D
		M32	D	D
	Transport Vehicle	N2	C	C/C1E
		M3	D	D
		N3	E	CE
3. Medium and Heavy Motor Vehicle.				

For the purpose of this order—

- Superscript 1- Motor Vehicle of N2 category having a Gross Vehicle Weight exceeding 3.5 tonnes but not exceeding 7.5 tonnes.
- Superscript 2- Motor Vehicle of M3 category having a Gross Vehicle Weight exceeding 5 tonnes but not exceeding 7.5 tonnes.
- Category T i.e. trailers and semi-trailers are towed by a motor vehicle (prime mover or puller) and its vehicle class shall depend on the category of motor vehicle (prime mover or puller).
- Vehicle Classification based on Geneva Convention, 1949

A: Motor cycles, with or without a side-car, invalid carriages and three-wheeled motor vehicles with an unladen weight not exceeding 400 kg (900 lbs);

B: Motor vehicles used for the transport of passengers and comprising, in addition to the driver's seat, at most eight seats, or those used for the transport of goods and having

a permissible maximum weight not exceeding 3,500 kg (7,700 lbs). Vehicles in this category may be coupled with a light trailer;

C: Motor vehicles used for the transport of goods and of which the permissible maximum weight exceeds 3,500 kg (7,700 lbs). Vehicles in this category may be coupled with a light trailer;

D: Motor vehicles used for the transport of passengers and comprising, in addition to the driver's seat, more than eight seats. Vehicles in this category may be coupled with a light trailer;

E: Motor vehicles of category B, C, or D, as authorized above, with other than light trailer.

4. Vehicle Classification based on Vienna Convention, 1968

A: Motorcycles;

A1: Motorcycles with a cubic capacity not exceeding 125 cm and a power not exceeding 11 kW (light motorcycles);

B: Motor vehicles, other than those in category A, having a permissible maximum mass not exceeding 3,500 kg and not more than eight seats in addition to the driver's seat; or motor vehicles of category B coupled to a trailer the permissible maximum mass of which does not exceed 750 kg; or motor vehicles of category B coupled to a trailer the permissible maximum mass of which exceeds 750 kg but does not exceed the unladen mass of the motor vehicle, where the combined permissible maximum mass of the vehicles so coupled does not exceed 3,500 kg;

B1: Motor tricycles and quadricycles;

C: Motor vehicles, other than those in category D, having a permissible maximum mass exceeding 3,500 kg; or motor vehicles of category C coupled to a trailer the permissible maximum mass of which does not exceed 750 kg;

C1: Motor vehicles, with the exception of those in category D, the permissible maximum mass of which exceeds 3,500 kg but does not exceed 7,500 kg; or motor vehicles of subcategory C1 coupled to a trailer, the permissible maximum mass of which does not exceed 750 kg;

CE: Motor vehicles of category C coupled to a trailer whose permissible maximum mass exceeds 750 kg;

C1E: Motor vehicles of subcategory C1 coupled to a trailer the permissible maximum mass of which exceeds 750 kg but does not exceed the unladen mass of the motor vehicle, where the combined permissible maximum mass of the vehicles so coupled does not exceed 12,000 kg;

D: Motor vehicles used for the carriage of passengers and having more than eight seats in addition to the driver's seat; or motor vehicles of category D coupled to a trailer the permissible maximum mass of which does not exceed 750 kg."
