

**Bill No. 214 of 2016**

THE MOTOR VEHICLES (AMENDMENT) BILL, 2016

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**Bill No. 214 of 2016**

THE MOTOR VEHICLES (AMENDMENT) BILL, 2016

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BILL

*further to amend the Motor Vehicles Act, 1988.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Motor Vehicles (Amendment) Act, 2016.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint and different dates may be appointed for different 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.

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

Amendment of section 2.

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

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

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

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

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

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

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

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

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

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

(v) clause (18) shall be omitted;

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

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

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

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

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

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

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

Insertion of new section 2B.

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

Promotion of innovation.

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

Amendment of section 8.

**4.** In section 8 of the principal Act,—

(i) in sub-section (1), for the words "the licensing authority having jurisdiction in the area", the words "any of the licensing authority in the State" shall be substituted;

(ii) in sub-section (2), for the words "and with such fee", the words "with such fee and submit in such manner, including by electronic means" shall be substituted;

(iii) in sub-section (3),—

(a) after the word "application", the words "to drive a transport vehicle made" shall be inserted;

(b) the proviso shall be omitted;

(iv) in sub-section (4), in the proviso, for the words "invalid carriage", the words "adapted vehicle" shall be substituted;

(v) in sub-section (5), for the words "passes to the satisfaction of the licensing authority such test" the words "satisfies such conditions" shall be substituted;

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

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

10 **5.** In section 9 of the principal Act,—

Amendment  
of section 9.

(i) in sub-section (1), for the words "the licensing authority having jurisdiction in the area", the words "any of the licensing authority in the State" shall be substituted;

(ii) in sub-section (3), for the second proviso, the following proviso shall be substituted, namely:—

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

(iii) in sub-section (4), the words "such minimum educational qualification as may be prescribed by the Central Government and" shall be omitted;

20 (iv) in sub-section (5), in the proviso, after the words "last such test", the words and figures "and such applicant shall be required to complete a remedial driver training course from any school or establishment under section 12" shall be inserted.

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

Amendment  
of section 10.

25 **7.** In section 11 of the principal Act, in sub-section (1), for the words "the licensing authority having jurisdiction in the area", the words "any licensing authority in the State" shall be substituted.

Amendment  
of section 11.

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

Amendment  
of section 12.

30 "(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.

35

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

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

Amendment  
of section 14.

40 (i) in clause (a),—

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

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

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

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

(i) has not attained the age of thirty years on the date of issue or, renewal thereof, be effective until the date on which such person attains the age of forty years; or 5

(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 10

(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."; 15

(iii) the proviso shall be omitted.

Amendment of section 15.

**10.** In section 15 of the principal Act,—

(i) in sub-section (1), in the first proviso, for the words "more than thirty days", the words "either six months prior to date of its expiry or within six months" shall be substituted; 20

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

(iii) in sub-section (4),—

(a) for the words "thirty days", the words "six months" shall be substituted; and 25

(b) in the second proviso for the words "five years after the driving licence has ceased to be effective, the licensing authority may", the words "six months after the driving licence has ceased to be effective, the licence authority shall" shall be substituted. 30

Amendment of section 19.

**11.** In section 19 of the principal Act,—

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

"(1A) Where a licence has been forwarded to the licensing authority under sub-section (4) of section 206, the licensing authority, if satisfied, after giving the holder of the driving licence an opportunity of being heard, either discharge the holder of a driving licence or, it may for detailed reasons recorded in writing, make an order disqualifying such person from holding or obtaining any licence to drive all or any class or description of vehicles specified in the licence— 35

(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: 40

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

(ii) in sub-section (2),— 45

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

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

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

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

10 "(2A) The licence holder whose licence has been suspended shall undergo the driver refresher training course from a school or establishment licenced and regulated under section 12 or such other agency, as may be notified by the Central Government.

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

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

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

Insertion of new section 25A.

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

National Register of Driving Licences.

20 (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.

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

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

30 **13.** In section 26 of the principal Act,—

Amendment of section 26.

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

(ii) sub-section (2), shall be omitted.

**14.** In section 27 of the principal Act,—

Amendment of section 27.

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

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

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

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

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

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



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

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

(iv) after clause (o), the following clause shall be inserted, namely:— 5

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

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

Amendment of section 40. **15.** In section 40 of the principal Act, for the words "a registering authority", the words "any registering authority in the State" shall be substituted. 10

Amendment of section 41. **16.** In section 41 of the principal Act,—

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

"Provided further that in the case of a new motor vehicle, the application for registration in the State shall be made by the dealer of such motor vehicle, if the new motor vehicle is being registered in the same State in which the dealer is situated."; 15

(ii) in sub-section (3),—

(a) for the words "to the owner of a motor vehicle registered by it a certificate of registration", the words "a certificate of registration in the name of the owner" shall be substituted; 20

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

"Provided that in case of a new motor vehicle, the application for the registration of which was made under the second proviso to sub-section (1), such motor vehicle shall not be delivered to the owner until such registration mark is displayed on the motor vehicle in such form and manner as may prescribed by the Central Government."; 25

(iv) in sub-section (7),—

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

(b) after the words " date of issue of such certificate", the words "or for such period as may be prescribed by the Central Government" shall be inserted; 30

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

(vi) in sub-section (10),—

(a) for the words "for a period of five years", the words " for such period, as may be prescribed by the Central Government" shall be substituted; 35

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

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

(vii) in sub-section (11),—

(a) for the words and figures " section 177, such amount not exceeding one hundred", the words, brackets, figures and letter " sub-section (1) of section 192B, such amount not exceeding five thousand" shall be substituted; and 40

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

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

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

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

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

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

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

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

17. For section 43 of the principal Act, the following section shall be substituted, 20 namely:— Amendment of section 43.

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

18. For section 44 of the principal Act, the following section shall be substituted, 25 namely:— Amendment of section 44.

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

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

19. In section 49 of the principal Act,— Amendment of section 49.

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

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

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

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

20. In section 52 of the principal Act,— Amendment of section 52.

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

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

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

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

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

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

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

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

Amendment  
of section 55.

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

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

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

Amendment  
of section 56.

**22.** In section 56 of the principal Act,—

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

"Provided further that no certificate of fitness shall be granted to a vehicle, after the 1st day of October, 2018, unless such vehicle has been tested at an automated testing station.";

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

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

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

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

(a) such prescribed authority holds such technical qualification as may be prescribed by the Central Government and where the prescribed

authority does not hold the technical qualification, such cancellation is made on the basis of the report of an officer having such qualification, and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**25.** In section 63 of the principal Act,—

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

Amendment of section 59.

Insertion of new sections 62A and 62B.

Prohibition of registration and issuance of certificate of fitness to oversized vehicles.

National Register of Motor Vehicles.

Amendment of section 63.

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

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

(iii) after sub-section (3) the following sub-section shall be inserted, namely:— 5

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

Amendment  
of section 64.

**26.** In section 64 of the principal Act,—

(i) after clause (d) the following clause shall be inserted, namely:— 10

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

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

"(ea) the period of renewal of certificate of registration of different types of motor vehicles under sub-section (10) of section 41;" 15

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

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

"(fb) the terms and conditions under which a motor vehicle sold by an authorized dealer shall not require production before a registering authority under sub-section (1) of section 44;" 20

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

"(ja) the form and manner for the electronic submission of the intimation of change of address, documents to be submitted along with such intimation including proof of authentication under sub-section (1A) of section 49;" 25

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

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

"(lb) the conditions for the alteration of any motor vehicle into an adapted vehicle under sub-section (2) of section 52;" 30

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

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

"(nb) the conditions under which the application of section 56 may be extended to non-transport vehicles under sub-section (7) of section 56;" 35

"(nc) the recycling of motor vehicles and parts thereof which have exceeded their life under sub-section (4) of section 59;"

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

"(oa) all or any of the matters under in section 62B;

"(ob) all or any of the matters under sub-section (1) and sub-section (2) of section 63;" 40

Amendment  
of section 66.

**27.** In section 66 of the principal Act,—

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

"Provided also that where a transport vehicle has been issued any permit or permits, as well as a licence under this Act, such vehicle may be used either 45

under the permit, or permits, so issued to it, or under such licence, at the discretion of the vehicle owner.";

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

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

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

Insertion of new sections 66A and 66B.

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

National Transportation Policy.

15                   (i) establish a planning framework for passenger 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 multi-modal 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;

25                   (v) identify strategic policies and specify priorities for the transport system that address current and future challenges;

                  (vi) provide medium to long term strategic directions, priorities and actions;

30                   (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;

35                   (ix) demonstrate an integrated approach to transport and land use planning;

                  (x) identify the challenges that the National Transportation Policy seeks to address;

                  (xi) address any other matter deemed relevant by the Central Government.

40           **66B.** No person who holds the permit issued under this Act shall—

No bar against permit holders to apply and hold licences under schemes.

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

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

45           **29.** In section 67 of the principal Act,—

Amendment of section 67.

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

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

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

(b) the desirability of co-ordinating road and rail transport; 5

(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 10 both to the State Transport Authority and Regional Transport Authority regarding the passengers' convenience, economically competitive fares, prevention of overcrowding and road safety.";

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

"Provided that the State Government may subject to such conditions as it 15 may deem fit, and with a view to achieving the objectives specified in clause (d) of sub-section (1), relax all or any of the provisions made under this Chapter.";

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

"(3) Notwithstanding anything contained in this Act, the State Government 20 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; 25

(c) reducing traffic congestion;

(d) improving urban transport;

(e) safety of road users;

(f) better utilisation of transportation assets;

(g) the enhancement of economic vitality of the area, though 30 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; 35

(l) enhance integration and connectivity of the transportation system, across and between modes of transport; and

(m) such other matters as the Central Government may be deemed fit.

(4) The scheme framed under sub-section (3), shall specify the fees to be 40 charged, form of application and grant of a licence including the renewal, suspension cancellation or modification of such licence.".

Amendment  
of section 72.

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

"Provided that the Regional Transport Authority may waive any such condition 45 for a Stage carriage permit operating in a rural area, as it deems fit.".

Amendment  
of section 74.

**31.** In section 74 of the principal Act,—

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

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

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

"(vii) self-help groups."

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

10 "88A. (1) Notwithstanding anything contained in this Act, the Central Government may, by notification in the Official Gazette, modify any permit issued under this Act or make schemes for national, multimodal and inter-State transportation of goods or passengers, and issue or modify licenses under, such scheme for the following purposes namely:—

15 (a) last mile connectivity;

(b) rural transport;

(c) improving the movement of freight, and logistics;

(d) better utilisation of transportation assets;

20 (e) the enhancement to the economic vitality of the area, especially by enabling competitiveness, productivity and efficiency;

(f) the increase in the accessibility and mobility of people;

(g) the protection and enhancement of the environment;

(h) the promotion of energy conservation;

25 (i) improvement of the quality of life;

(j) enhancement of the integration and connectivity of the transportation system, across and between modes of transport;

(k) such other matters as the Central Government may deem fit:

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

30 (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:

35 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.

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

40 34. In section 93 of the principal Act,—

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

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

(ii) in sub-section (1),—

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

Insertion of new section 88A.

Power of Central Government to make schemes for national, multimodal and inter-State transport of passengers and goods.

Amendment of section 92.

Amendment of section 93.



"(iii) as an aggregator;"

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

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

5

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

21 of 2000.

Amendment of section 94.

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

10

Amendment to section 96.

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

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

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

15

Amendment of section 110.

**37.** In section 110 of the principal Act,—

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

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

20

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

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

25

5 of 1908.

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

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

30

(c) receiving evidence on affidavit; and

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

Insertion of new sections 110A and 110B.

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

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

35

(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—

40

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

Recall of motor vehicles.

(ii) a testing agency; or

(iii) any other source.

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

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

10 (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).

15 (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 of 1908. 20 (5) The Central Government may authorise any officer to conduct investigation under this section who shall have all the powers of a civil court, while trying a suit under the Code of Civil Procedure, 1908 in respect of the following matters, namely:—

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

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

(c) receiving evidence on affidavit; and

25 (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.

30 110B. (1) No motor vehicle, including a trailer or semi-trailer or modular hydraulic trailer or side car shall be sold or delivered or offered for sale or delivery or used in a public place in India unless a type approval certificate referred to in sub-section (2) has been issued in respect of such vehicle:

Type-approval certificate and testing agencies.

35 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

40 (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.

45 (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

(5) Where the motor vehicle having a type-approval certificate is recalled under section 110A, the testing agency which granted the certificate to such motor vehicle shall be liable for its accreditation and registration to be cancelled." 10

Amendment of section 114.

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

Amendment of section 116.

**40.** In section 116 of the principal Act,— 15

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

"(1A) Notwithstanding anything contained in sub-section (1), the National Highways Authority of India constituted under the National Highways Authority of India Act, 1988 or any other agency authorised by the Central Government, may cause or permit traffic signs, as provided in the First Schedule, to be placed or erected or removed on national highways for the purpose of regulating motor vehicle traffic and may order the removal of any sign or advertisement which in its opinion is so placed as to obscure any traffic sign from view or is so similar in appearance to a traffic sign as to mislead or is likely to distract the attention or concentration of the driver."; 68 of 1988. 20

(ii) in sub-section (3), after the words, brackets and figures "provided by sub-section (1)", the words, brackets, figures and letter "or sub-section (1A)" shall be inserted; and 25

Amendment of section 117.

**41.** In section 117 of the principal Act, the following provisos shall be inserted, namely:— 30

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

Provided further that for the purpose of this section the National Highways Authority of India, constituted under the National Highways Authority of India Act, 1988 or any other agency authorised by the Central Government, may also specify such places." 35 68 of 1988.

Amendment of section 129.

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

Wearing of protective headgear.

"129. Every person, above four years of age, driving or riding or being carried on a motor cycle of any class or description shall, while in a public place, wear protective headgear conforming to such standards as may be prescribed by the Central Government: 40

Provided that the provisions of this section shall not apply to a person who is a Sikh, if, while driving or riding on the motor cycle, in a public place, he is wearing a turban: 45

Provided further that the Central Government may by rules provide for measures for the safety of children below four years of age riding or being carried on a motorcycle.

*Explanation.*—"Protective headgear" means a helmet which,—

(a) by virtue of its shape, material and construction, could reasonably be expected to afford to the person driving or riding on a motor cycle a degree or protection from injury in the event of an accident; and 50

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

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

Insertion of new section 134A.

5 "134A. (1) A Good Samaritan shall not be liable for any civil or criminal action for any injury to or death of the victim of an accident involving a motor vehicle, where such injury or death resulted from the Good Samaritan's negligence in acting or failing to act while rendering emergency medical or non-medical care or assistance.

Protection of good Samaritans.

10 (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.

15 *Explanation.*—For the purpose 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 transporting such victim to the hospital.'

44. In section 135 of the principal Act,—

Amendment of section 135.

(i) in sub-section (1),—

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

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

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

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

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

25 "(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."

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

Insertion of new section 136A.

30 "136A. (1) The State Government shall ensure electronic monitoring and enforcement of road safety in the manner provided under sub-section (2) on National highways, State highways, roads or in any urban city within a State which has a population upto such limits as may be prescribed by the Central Government.

Electronic monitoring and enforcement of road safety.

35 (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."

40 46. In section 137 of the principal Act, —

Amendment of section 137.

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

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

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

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

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

Amendment of section 138.

47. In section 138 of the principal Act, after sub-section (1), the following sub-section shall be inserted, namely:—

"(1A) The State Government may make rules for the purpose of regulating the activities in a public place of pedestrians and such means of transport as are propelled or powered by muscular power of either human beings or animals. 5

Omission of Chapter X.

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

Substitution of new Chapter for Chapter XI.

49. For Chapter XI of the principal Act, the following chapter shall be substituted, namely:— 10

#### "CHAPTER XI

##### INSURANCE OF MOTOR VEHICLES AGAINST THIRD PARTY RISKS

Definitions.

145. 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 established under section 3 of the Insurance Regulatory and Development Authority Act, 1999 and any Government insurance fund authorised to do general insurance business under the General Insurance Business (Nationalization) Act, 1972; 15 41 of 1999. 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; 20

(c) "grievous hurt" shall have the same meaning as assigned to it in section 320 of the Indian Penal Code, 1860; 25 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; 30 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; 35

(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.

Necessity for insurance against third party risks.

146. (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: 40

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. 45 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 motor vehicle owned by the Central Government and used for the purposes relating to the defence of the country which is unconnected with any commercial objective, subject to an order made in writing in this regard by the Central Government.

(3) No order under sub-section (2) shall be made unless there has been established and maintained a fund in accordance with the rules made under this Act for meeting any liability to third parties arising out of the use of motor vehicles specified in that sub-section.

147. (1) In order to comply with the requirements of this Chapter, a policy of insurance must be a policy which—

Requirement of policies and limits of liability.

(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:

Provided that the payment to a person by an insurer, under the third party insurance policy, shall be a sum of not exceeding ten lakh rupees in case of death and not exceeding ten five lakh rupees in case of grievous hurt, as may be prescribed by the Central Government from time to time.

(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 policy of insurance issued before the commencement of the Motor Vehicles (Amendment) Act, 2016 does not conform to the provisions of this Act, it shall be so amended as to conform to the provisions of this Act, within a period of three months from the date of commencement of the Motor Vehicles (Amendment) Act, 2016.

(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. 5

(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. 10

Validity of  
policies of  
insurance  
issued in  
reciprocating  
countries.

148. 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 164B 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. 15

Settlement by  
insurance  
company and  
procedure  
therefor.

149. (1) The insurance company shall, upon receiving information of the accident, either through accident information report or otherwise, designate an officer to settle the claims relating to such accident. 20

(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 such time and after following such procedure as may be prescribed by the Central Government. 25

(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 30

(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.

Duty of  
insurers to  
satisfy  
judgments and  
awards against  
persons  
insured in  
respect of  
third party  
risks.

150. (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 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. 35 40 45

(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 50

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:—

5 (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

10 (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

15 (ii) a condition excluding driving by a named person 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

20 (b) that the policy is void on the ground that it was obtained by non-disclosure of any material fact or by representation of any fact which was false in some material particular; or

4 of 1938. (c) that there is non-receipt of premium as required under section 64VB of the Insurance Act, 1938.

25 (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 and whether or not that person is registered  
4 of 1938. under the corresponding law of the reciprocating country) shall be liable to the person  
30 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:

35 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).

40 (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  
45 147, 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 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 amount from that person. 5

(6) 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. 10

(7) 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. 15

*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; 20

(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" means, 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. 25

151. (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 parties, then— 30

(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, 35

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. 40

(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. 50

(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. (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.

Duty to give information as to insurance.

(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 supposing 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.

Settlement between insurers and insured persons.	<p>153. (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.</p> <p>(2) The Claims Tribunal shall ensure that the settlement is <i>bona fide</i> 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.</p> <p>(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.</p>	5 10 15
Saving in respect of sections 151, 152 and 153.	<p>154. (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.</p> <p>(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.</p>	20
Effect of death on certain causes of action.	<p>155. Notwithstanding anything contained in section 306 of the Indian Succession Act, 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.</p>	25 39 of 1925.
Effect of certificate of insurance.	<p>156. When an insurer has issued a certificate of insurance in respect of a contract of insurance between the insurer and the insured person, then—</p> <p>(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</p> <p>(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 then 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.</p>	30 35 40
Transfer of certificate of insurance.	<p>157. (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.</p>	45 50

*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.

5 (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.

10 158. (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;

15 (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,

20 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.

25 (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:

35 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.

40 (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.

45 (5) In this section, the expression "produce the 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.

159. The police officer shall, during the investigation, prepare an accident information report to facilitate the settlement of claim in such form and manner, within such time and containing such particulars and submit the same to the Claims Tribunal and such other agency as may be prescribed.

Production of certain certificates, licence and permit in certain cases.

Information to be given regarding accident.

Duty to furnish particulars of vehicle involved in accident.

160. 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. 5 10

Special provisions as to compensation in case of hit and run motor accident.

161. (1) Notwithstanding anything contained in any other law for the time being in force or any instrument having the force of law, the General Insurance Council 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 made under sub-section (3), compensation in respect of the death of, or grievous hurt to, persons resulting from hit and run motor accidents. 15

(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; 20

(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. 25

(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. 30

(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; 35

(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; 40

(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;

(d) 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 as it stood immediately before the commencement of this Act: 45 4 of 1939.

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.

57 of 1972.

162. (1) Notwithstanding anything contained in the General Insurance Companies (Nationalisation) Act, 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 scheme made under sub-section (2), for treatment of road accident victims during the golden hour.

Scheme for 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.

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163. (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.

Refund in certain cases of compensation paid under section 161.

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(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—

25

(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);

30

(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—

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(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.

40

164. (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, in accordance with such payment schedule as may be prescribed by the Central Government, to the legal heirs or the victim, as the case may be:

Special provisions as to payment of compensation on structured formula basis.

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Provided that the minimum compensation to a person shall be a sum as may be prescribed by the Central Government from time to time not exceeding ten lakh rupees in case of death or not exceeding five lakh rupees in case of grievous hurt.

(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.

50

(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.

Scheme for interim relief for claimants.

164A. (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.

(3) A scheme made under sub-section (1) may provide that—

(a) any contravention of any provision thereof shall be punishable with imprisonment for such term 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; and

(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 Central Government, by such officer or authority to any other officer or authority.

Motor Vehicle Accident Fund.

164B. (1) The Central Government shall constitute a Fund to be called the Motor Vehicle Accident Fund and thereto shall be credited—

(a) a cess or tax or 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) 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 a person who has been grievously hurt in an accident till such time he may be stabilised;

(b) compensation to representatives of a person who died in hit and run motor accident, not caused by the deceased on whose behalf the claim is being made, and for which accident no person may be held liable;

(c) compensation to a person grievously hurt in an accident where no fault can be fixed upon either that person or on any other person involved in the accident; 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 in such form as may be prescribed by the Central Government in consultation with the Comptroller and Auditor-General of India.

5 (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 annual to the Central Government and the Central Government shall cause the same to be laid before each House of the Parliament.

164C. (1) The Central Government may make rules for the purposes of carrying into effect, the provisions of this Chapter.

Power of  
Central  
Government  
to make rules.

(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 sub-section (1) of 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 Crash Fund as referred to in sub-section (7) of section 164B;

(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) the minimum premium and the maximum liability of an insurer under sub-section (2) of section 147;

(k) such other amount to be paid to a person by an insurer under the proviso to sub-section (2) of section 147; 5

(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; 10

(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; 15

(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) the fixed sum to be paid as compensation in respect of grievous hurt under clause (b) of sub-section (2) of section 161; 20

(t) a sum to be paid as interim relief as referred to in clause (a) of sub-section (4) of section 161;

(u) the payment schedule under sub-section (1) of section 164;

(v) the minimum compensation in case of death under the proviso to sub-section (1) of section 164; 25

(w) such other sources from which funds may be recovered for the scheme as referred to in section 164A;

(x) any other source of income that may be credited into the Motor Vehicle Crash Fund under sub-section (1) of section 164B;

(y) the persons to whom compensation may be paid under clause (d) of sub-section (3) of section 164B; 30

(z) the maximum liability amount under sub-section (4) of section 164B;

(za) the other criteria under clause (c) of sub-section (6) of section 164B;

(zb) any other matter which is to be or may be prescribed or in respect of which provision is to be made by rules. 35

Power of State Government to make rules.

164D. (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 164C.

(2) Without prejudice to the generality of the foregoing power, such rules may provide for— 40

(a) the other authority under sub-section (5) of section 147."

Amendment of section 165.

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

Amendment of section 166.

**51.** In section 166 of the principal Act,—

(i) in sub-section (2), the proviso shall be omitted; 45

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

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

5                   "(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."

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

Amendment of section 168.

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

(ii) the proviso shall be omitted.

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

Amendment of section 169.

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

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

Amendment of section 170.

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

Amendment of section 173.

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

Amendment of section 177.

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

Insertion of section 177A.

30                   "177A. Whoever contravenes the regulations made under section 118, shall be punishable with fine which shall not be less than five hundred rupees, but may extend to one thousand rupees."

Penalty for contravention of Regulations under section 118.

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

Amendment of section 178.

**59.** In section 179 of the principal Act,—

Amendment of section 179.

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

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

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

Amendment of section 180.

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

Amendment of section 181.

**62.** In section 182 of the principal Act,—

Amendment of section 182.

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

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

Substitution  
of New  
sections for  
section 182A.

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

Punishment  
for offences  
relating to  
construction,  
maintenance,  
sale and  
alteration of  
motor  
vehicles and  
components.

"182A. (1) Whoever, being a manufacturer, importer or dealer of motor vehicles, 5  
sells or delivers or alters or offers to sell or deliver or alters, a motor vehicle that is in  
contravention of the provisions of Chapter VII or the rules and regulations made  
thereunder, shall be punishable with imprisonment for a term which may extend to one  
year, or with fine of one lakh rupees per such motor vehicle or with both:

Provided that no person shall be convicted under this section if he proves that, 10  
at the time of sale or delivery or alteration or offer of sale or delivery or alteration of  
such motor vehicle, he had disclosed to the other party of the manner in which such  
motor vehicle was in contravention of the provisions of Chapter VII or the rules and  
regulations made thereunder.

(2) Whoever, being a manufacturer of motor vehicles, fails to comply with the 15  
provisions of Chapter VII or the rules and regulations made thereunder, shall be  
punishable with imprisonment for a term which may extend to one year or with fine  
which may extend one hundred crore rupees or with both.

(3) Whoever, sells or offers to sell, or permits the sale of any component of a 20  
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 25  
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.

Punishment  
for  
contravention  
of section  
62A.

182B. Whoever contravenes the provisions of the section 62A, shall be 30  
punishable with fine which shall not be less than five thousand rupees, but may extend  
to ten thousand rupees."

Amendment  
of section 183.

**64.** In section 183 of the principal Act,—

(i) in sub-section (1),—

(a) after the words "Whoever drives", the words "or causes any person 35  
who is employed by him or subjects someone under his control to drive" shall be  
inserted;

(b) for the words "with fine which extend to four hundred rupees, or, if 40  
having been previously convicted of an offence under this sub-section is again  
convicted of an offence under this sub-section, with fine which may extend to  
one thousand rupees", the following shall be substituted, namely:—

"in the following manner, namely:—

(i) where such motor vehicle is a light motor vehicle with fine 45  
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 45  
medium passenger vehicle or a heavy goods vehicle or a heavy  
passenger vehicle with fine which shall not be less than two  
thousand rupees, but may extend to four thousand rupees; and

(iii) for the second or any subsequent offence under this sub-section the driving licence of such driver shall be impounded as per the provisions of sub-section (4) of section 206."

(ii) sub-section (2) shall be omitted.

5 (iii) in sub-section (3), after the word "mechanical", the words "or electronic" shall be inserted.

(iv) in sub-section (4), for the words, brackets and figure "sub-section (2)", the words, brackets and figure "sub-section (1)" shall be substituted.

**65.** In section 184 of the principal Act,—

Amendment  
of section  
184.

10 (i) after the words "dangerous to the public", the words " or which causes a sense of alarm or distress to the occupants of the vehicle, other road users, and persons near roads," shall be inserted;

15 (ii) for the words "which may extend to six months or with fine which may extend to one thousand rupees", the words "which may extend to one year but shall not be less than six months or with fine which shall not be less than one thousand rupees but may extend to five thousand rupees, or with both" shall be substituted;

(iii) for the words "which may extend to two thousand rupees", the words " of ten thousand rupees" shall be substituted;

(iv) the following *Explanation* shall be inserted, namely:—

20 "*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;

25 (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."

30 shall amount to driving in such manner which is dangerous to public.

**66.** In section 185 of the principal Act,—

Amendment  
of section  
185.

(i) in clause (a), after the words "breath analyser," the words "or in any another test including a laboratory test," shall be inserted;

35 (ii) for the words "which may extend to two thousand rupees", the words " of ten thousand rupees" shall be substituted;

(iii) the words " if committed within three years of the commission of the previous similar offence," shall be omitted;

(iv) for the words "which may extend to three thousand rupees", the words "of fifteen thousand rupees" shall be substituted;

40 (v) for the *Explanation*, the following *Explanation* shall be substituted, namely:—

"*Explanation.*— For the purposes of this section, the expression "drug" means any intoxicant other than alcohol, natural or synthetic, or any natural material or any salt, or preparation of such substance or material as may be notified by the Central Government under this Act and includes a narcotic drug

and psychotropic substance as defined in clause (xiv) and clause (xxiii) of section 2 of the Narcotic Drugs and Psychotropic Substances Act, 1985."

61 of 1985

Amendment of section 186.

**67.** In section 186 of the principal Act, for the words "two hundred rupees" and "five hundred rupees", the words "one thousand rupees" and "two thousand rupees" shall respectively be substituted.

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Amendment of section 187.

**68.** In section 187 of the principal Act,—

(i) for the brackets and letter "(c)" the brackets and letter "(a)" shall be substituted;

(ii) for the words "three months", the words "six months" shall be substituted;

(iii) for the words "which may extend to five hundred rupees", the words " of five thousand rupees" shall be substituted;

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(iv) for the words "six months", the words "one year" shall be substituted; and

(v) for the words "which may extend to one thousand rupees", the words " of ten thousand rupees" shall be substituted.

Amendment of section 189.

**69.** In section 189 of the principal Act,—

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(i) for the words "one month", the words "three months" shall be substituted;

(ii) for the words "which may extend to five hundred rupees", the words "of five thousand rupees" shall be substituted;

(iii) after the words "with both", the words ", and for a subsequent offence shall be punishable with imprisonment for a term which may extend to one year, or with fine of ten thousand rupees; or with both." shall be inserted.

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Amendment of section 190.

**70.** In section 190 of the principal Act,—

(i) in sub-section (1),—

(a) for the words "which may extend to two hundred and fifty rupees" the words " of one thousand five hundred rupees" shall be substituted;

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(b) for the words "which may extend to one thousand rupees" the words "of five thousand rupees" shall be substituted; and

(c) after the words "with both", the words, and for a subsequent offence shall be punishable with imprisonment for a term which may extend to six months, or with a fine of ten thousand rupees for bodily injury or damage to property" shall be inserted.

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(ii) in sub-section (2),—

(a) for the words "a fine of one thousand rupees", the words "imprisonment for a term which may extend to three months, or with fine which may extend to ten thousand rupees or with both and he shall be disqualified for holding licence for a period of three months" shall be substituted; and

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(b) for the words "a fine of two thousand rupees", the words "imprisonment for a term which may extend to six months, or with fine which may extend to ten thousand rupees or with both" shall be substituted; and

(iii) in sub-section (3),—

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(a) for the words "which may extend to three thousand rupees", the words "of ten thousand rupees and he shall be disqualified for holding licence for a period of three months" shall be substituted; and

(b) for the words "which may extend to five thousand rupees", the words "of twenty thousand rupees" shall be substituted;

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	<b>71.</b> Section 191 of the principal Act shall be omitted.	Omission of section 191.
	<b>72.</b> In section 192 of the principal Act, the following <i>Explanation</i> shall be inserted, namely:	Amendment of section 192.
5	"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 (I)."	
	<b>73.</b> In section 192A of the principal Act, in sub-section (I),—	Amendment of section 192A.
	(i) after the words "for the first offence with", the words "imprisonment for a term which may extend to one year and" shall be inserted;	
10	(ii) for the words "which may extend to five thousand rupees but shall not be less than two thousand rupees", the words " of ten thousand rupees" shall be substituted;	
	(iii) for the words "one year", the words "two years" shall be substituted;	
	(iv) for the words "three months", the words "six months" shall be substituted;	
15	(v) for the words "which may extend to ten thousand rupees but shall not be less than five thousand rupees", the words "of twenty thousand rupees" shall be substituted.	
	<b>74.</b> After section 192A in the principal Act, the following section shall be inserted, namely:—	Insertion of new section 192B.
	"192B. (1) Whoever, being the owner of a motor vehicle, fails to make an application for registration of such motor vehicle under sub-section (1) of section 41 shall be punishable with fine of five times the annual road tax or one-third of the lifetime tax of the motor vehicle whichever is higher.	Offences relating to registration.
	(2) Whoever, being a dealer, fails to make an application for the registration of a new motor vehicle under the second proviso to sub-section (1) of section 41 shall be punishable with fine of fifteen times the annual road tax or the lifetime tax of the motor vehicle whichever is higher.	
	(3) Whoever, being the owner of a motor vehicle, obtains a certificate of registration for such vehicle on the basis of documents which were, or by representation of facts which was, false in any material particular, or the engine number or the chassis number embossed thereon are different from such number entered in the certificate of registration shall be punishable with fine of ten times the annual road tax or two-third of the lifetime tax of the motor vehicle whichever is higher.	
	(4) Whoever, being a dealer, obtains a certificate of registration for such vehicle on the basis of documents which were, or by representation of facts which was, false in any material particular, or the engine number or the chassis number embossed thereon are different from such number entered in the certificate of registration shall be punishable with fine of thirty times the annual road tax or twice the lifetime tax of the motor vehicle whichever is higher.	
	<b>75.</b> In the principal Act,—	Amendment of section 193.
40	(A) in section 193, in the marginal heading, for the words "agents and canvassers", the words "agents, canvassers and aggregators" shall be substituted;	
	(B) section 193 shall be numbered as sub-section (1) thereof, and—	
	(i) in sub-section (1) as so numbered,—	
45	(a) for the words "which may extend to one thousand rupees", the words "of one thousand rupees" shall be substituted;	
	(b) for the words "which may extend to two thousand rupees", the words "of two thousand rupees" shall be substituted;	

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

"(2) Whoever engages himself as an aggregator in contravention of the provisions of section 93 or of any rules made thereunder shall be punishable with fine up to one lakh rupees but shall not be less than twenty-five thousand rupees. 5

(3) Whoever, while operating as an aggregator contravenes a condition of the licence granted under sub-section (4) of section 93, not designated by the State Government as a material condition, shall be punishable with fine of five thousand rupees." 10

Amendment  
of section 194.

**76.** In section 194 of the principal Act,—

(i) in sub-section (1),—

(a) the word "minimum" shall be omitted;

(b) for the words "of two thousand rupees and an additional amount of one thousand rupees per tonne of excess load", the words "of twenty thousand rupees and an additional amount of two thousand rupees per tonne of excess load" shall be substituted; 15

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

"Provided that such motor vehicle shall not be allowed to move before such excess load is removed or is caused or allowed to be removed by the person in control of such motor vehicle." 20

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

"(1A) Whoever drives a motor vehicle or causes or allows a motor vehicle to be driven when such motor vehicle is loaded in such a manner that the load or any part thereof or anything extends laterally beyond the side of the body or to the front or to the rear or in height beyond the permissible limit shall be punishable with a fine of twenty thousand rupees, together with the liability to pay charges for off-loading of such load: 25

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: 30

Provided further that nothing in this sub-section shall apply when such motor vehicle has been given an exemption by the competent authority authorized in this behalf, by the State Government or the Central Government, allowing the carriage of a particular load." 35

(iii) in sub-section (2), for the words, "which may extend to three thousand rupees" the words "of forty thousand rupees" shall be substituted.

Insertion of  
new sections  
194A, 194B,  
194C, 194D,  
194E and 194F.

**77.** After section 194 in the principal Act, the following sections shall be inserted, namely:— 40

Carriage of  
excess  
passengers.

"194A. Whoever drives a transport vehicle or causes or allows a transport vehicle to be driven while carrying more passengers than is authorized in the registration certificate of such transport vehicle or the permit conditions applicable to such transport vehicle shall be punishable with a fine of one thousand rupees per excess passenger: 45

Provided that such transport vehicle shall not be allowed to move before the excess passengers are off-loaded and an alternative transport is arranged for such passengers.

194B. (1) Whoever drives a motor vehicle without wearing a safety belt or carries passengers not wearing seat belts shall be punishable with a fine of one thousand rupees:

Use of safety belts and the seating of children.

5 Provided that the State Government, may by notification in the Official Gazette, exclude the application of this sub-section to transport vehicles allowed carrying standing passengers or other specified classes of transport vehicles.

(2) Whoever drives a motor vehicle or causes or allows a motor vehicle to be driven with a child who, not having attained the age of fourteen years, is not secured by a safety belt or a child restraint system shall be punishable with a fine of one thousand rupees.

194C. Whoever drives a motor cycle or causes or allows a motor cycle to be driven in contravention of the provisions of section 128 or the rules or regulations made thereunder shall be punishable with a fine of one thousand rupees and he shall be disqualified for holding licence for a period of three months.

Penalty for violation of safety measures for motor cycle drivers and pillion riders.

194D. Whoever drives a motor cycle or causes or allows a motor cycle to be driven in contravention of the provisions of section 129 or the rules or regulations made thereunder shall be punishable with a fine of one thousand rupees and he shall be disqualified for holding licence for a period of three months.

Penalty for not wearing protective headgear.

194E. Whoever while driving a motor vehicle fails to draw to the side of the road, on the approach of a fire service vehicle or of an ambulance or other emergency vehicle as may be specified by the State Government, shall be punishable with imprisonment for a term which may extend to six months, or with a fine of ten thousand rupees or with both.

Failure to allow free passage to emergency vehicles.

194F. Whoever —

Use of horns and silence zones.

(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.

**78.** Section 195 of the principal Act shall be omitted.

Omission of section 195.

**79.** In section 196 of the principal Act,—

Amendment of section 196.

(i) after the word "shall be punishable", the words "for the first offence" shall be inserted;

(ii) for the words "which may extend to one thousand rupees", the words "of two thousand rupees," shall be substituted; and

(iii) after the words "with both", the words ", and for a subsequent offence shall be punishable with imprisonment for a term which may extend to three months, or with fine of four thousand rupees, or with both." shall be inserted.

**80.** In section 197 of the principal Act,—

Amendment of section 197.

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



(ii) in sub-section (2), for the words "which may extend to five hundred rupees" the words "of five thousand rupees" shall be substituted.

Amendment  
of section  
198.

**81.** In section 198 of the principal Act, for the words "with fine which may extend to one hundred rupees", the words "with fine of one thousand rupees" shall be substituted.

Insertion of  
new section  
199A.

**82.** After section 199 of the principal Act, the following section shall be inserted, namely:—

Offences by  
Juveniles.

"199A. (1) Where an offence under this Act has been committed by a juvenile, the guardian of such juvenile or the owner of the motor vehicle shall be deemed to be guilty of the contravention and shall be liable to be proceeded against and punished accordingly:

Provided that nothing in this sub-section shall render such guardian or owner liable to any punishment provided in this Act, if he proves that the offence was committed without his knowledge or that he exercised all due diligence to prevent the commission of such offence.

*Explanation.* — For the purposes of this section, the Court shall presume that the use of the motor vehicle by the juvenile was with the consent of the guardian of such juvenile or the owner of the motor vehicle, as the case may be.

(2) In addition to the penalty under sub-section (1), such guardian or owner shall be punishable with imprisonment for a term which may extend to three years and with a fine of twenty-five thousand rupees.

(3) The provisions of sub-section (1) and sub-section (2) shall not apply to such guardian or owner if the juvenile committing the offence had been granted a learner's licence under section 8 or a driving licence and was operating a motor vehicle which such juvenile was licensed to operate.

(4) Where an offence under this Act has been committed by a juvenile, the registration of the motor vehicle used in the commission of the offence shall be cancelled for a period of twelve months.

(5) Where an offence under this Act has been committed by a juvenile, then notwithstanding section 4 or section 7, such juvenile shall not be eligible to be granted a driving licence under section 9 or a learner's licence under section 8 until such juvenile has attained the age of twenty-five years.

(6) Where an offence under this Act has been committed by a juvenile, then such juvenile shall be eligible to be punished by fines as provided in the Act while any custodial sentence may be modified as per the provisions of the Juvenile Justice Act, 2000."

Amendment  
of section  
200.

**83.** In section 200 of the principal Act,—

(i) in sub-section (1),—

(a) for the words, brackets and figures "punishable under section 177, section 178, section 179, section 180, section 181, section 182, sub-section (1) or sub-section (2) of section 183, section 184, section 186, section 189, sub-section (2) of section 190, section 191, section 192, section 194, section 196, or section 198," the words, brackets, figures and letters "punishable under section 177, section 178, section 179, section 180, section 181, section 182, sub-section (1) or sub-section (3) or sub-section (4) of section 182A, section 182B, sub-section (1) or sub-section (2) of section 183, section 184 only to the extent of use of handheld communication devices, section 186, section 189, sub-section (2) of section 190, section 192, section 192A, section 194, section 194A, section 194B, section 194C, section 194D, section 194E, section 194F, section 196, section 198, shall be inserted;

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35 56 of 2000.

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

Provided that the State Government may, in addition to such amount, require the offender to undertake a period of community service.

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

5 "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:

10 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."

**84.** In section 201 of the principal Act,—

Amendment of section 201.

(i) in sub-section (1),—

(a) the word "disabled" shall be omitted;

15 (b) for the words "fifty rupees per hour", the words "five hundred rupees", shall be substituted;

(ii) in proviso to sub-section (1), for the words "Government Agency, towing charges", the words "an agency authorised by the Central Government or State Government, removal charges" shall be substituted.

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

"(3) Sub-section (1) shall not apply where the motor vehicle has suffered an unforeseen breakdown and is in the process of being removed.

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

25 "*Explanation.*— For the purposes of this section, "removal charges" includes any costs involved in the removal of the motor vehicle from one location to another, including by way of towing and also includes any costs related to storage of such motor vehicle."

**85.** In section 206 of the principal Act, after sub-section (3) the following sub-section shall be inserted, namely:—

Amendment of section 206.

30 "(4) A police officer or other person authorised in this behalf by the State Government shall, if he has reason to believe that the driver of a motor vehicle has committed an offence under any of sections 183, 184, 185, 189, 190, 194C, 194D, or 194E, seize the driving licence held by such driver and forward it to the licensing authority for disqualification or revocation proceedings under section 19:

35 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."

**86.** After section 210 of the principal Act, the following sections shall inserted, namely:—

Insertion of new sections 210A and 210B.

40 "210A. Subject to conditions made by the Central Government, a State Government, shall, by notification in the Official Gazette, specify a multiplier, not less than one and not greater than ten, to be applied to each fine under this Act and such modified fine, shall be in force in such State and different multipliers may be applied to different classes of motor vehicles as may be classified by the State Government for the purpose of this section.

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Power of the State Government to increase penalties.

Penalty for offence committed by an enforcing authority.

210B. Any authority that is empowered to enforce the provisions of this Act shall, if such authority commits an offence under this Act, shall be liable for twice the penalty corresponding to that offence under this Act."

Insertion of new section 211A.

**87.** After section 211 of the principal Act, the following section shall be inserted, namely:—

Use of electronic forms and documents.

"211A. (1) Where any provision of this Act or the rules and regulations made thereunder provides for—

(a) the filing of any form, application or any other document with any office, authority, body or agency owned or controlled by the Central Government or the State Government in a particular manner;

(b) the issue or grant of any licence, permit, sanction, approval or endorsement, by whatever name called in a particular manner;

(c) the receipt or payment of money in a particular manner,

then notwithstanding anything contained in such provision, such requirement shall be deemed to have been satisfied if such filing, issue, grant, receipt or payment, as the case may be, is effected by means of such electronic form as may be prescribed by the Central Government or the State Government, as the case may be.

(2) The Central Government or the State Government shall, for the purpose of sub-section (1), prescribe —

(a) the manner and format in which such electronic forms and documents shall be filed, created or issued; and

(b) the manner or method of payment of any fee or charges for filing, creation or issue of any electronic document under clause (a)."

Amendment of section 212.

**88.** In section 212 of the principal Act,—

(i) in sub-section (4),—

(a) after the words, brackets and figures "the proviso to sub-section (1) of section 112", the words and figures "section 118" shall be inserted;

(b) for the words, brackets, figures and letter "sub-section (4) of section 163A", the word, figures and letter "section 164, section 177A" shall be inserted;

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

"(5) Every notification issued by the State Government under section 210A shall be laid, as soon as may be after it is made, before each House of the State Legislature where it consists of two Houses, or where such Legislature consists of one House, before that House, while it is in session for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, the House agrees or both Houses agree, as the case may be, in making any modification in the notification or the House agrees or both Houses agree, as the case may be, that the notification should not be issued, the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that notification."

Insertion of new sections 215A, 215B and 215C.

**89.** After section 215 of the principal Act, the following sections shall be inserted, namely:—

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- 5           215A. (1) Notwithstanding anything else contained in this Act the Central Government shall have the power to delegate any power or functions that have been conferred upon it by the Act to any person or groups of persons and authorise such person or group of persons to discharge any of its powers, functions and duties under this Act. Power of the Central Government and State Government to delegate.
- (2) Notwithstanding anything else contained in this Act the State Government shall have the power to delegate any power or functions that have been conferred upon it by the Act to any person or groups of persons and authorise such person or group of persons to discharge any of its powers, functions and duties under this Act.
- 10           215B. (1) The Central Government may make rules for the purposes of carrying into effect, the provisions of this Chapter. Power of Central Government to make rules.
- (2) Without prejudice to the generality of the foregoing power, such rules may provide for—
- 15                 (a) the use of electronic forms and means for the filing of documents, issue or grant of licence, permit, sanction, approval or endorsements and the receipt or payment of money as referred to in section 211A; and
- (b) the minimum qualifications which the Motor Vehicles Department officers or any class thereof shall be required to possess for appointment as such, as referred to in sub-section (4) of section 213.
- 20           215C. (1) The State Government may make rules for the purposes of carrying into effect, the provisions of this Chapter other than the matters specified in section 215F. Power of State Government to make rules.
- (2) Without prejudice to the generality of the foregoing power, such rules may provide for—
- 25                 (a) the use of electronic forms and means for the filing of documents, issue or grant of licence, permit, sanction, approval or endorsements and the receipt or payment of money as referred to in section 211A;
- (b) the duties and functions of the officers of the Motor Vehicle Department and the discharge thereof, the powers to be exercised by such officers (including the powers exercisable by police officers under this Act) and the conditions governing the exercise of such powers, the uniform to be worn by them, the authorities to which they shall be subordinate as referred to in sub-section (3) of section 213; and
- 30                 (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.

**Bill No. 214 of 2016**

THE MOTOR VEHICLES (AMENDMENT) BILL, 2016

A

BILL

*further to amend the Motor Vehicles Act, 1988.*

BE it enacted by Parliament in the Sixty-seventh Year of the Republic of India as follows:—

1. (1) This Act may be called the Motor Vehicles (Amendment) Act, 2016.

Short title and commencement.

(2) It shall come into force on such date as the Central Government may, by notification  
5 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.

59 of 1988.

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

Amendment of section 2.

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

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

## STATEMENT OF OBJECTS AND REASONS

The Motor Vehicles Act, 1988, was enacted with a view to consolidate and amend the laws relating to motor vehicles. The Act was enacted to give effect to the suggestions made by the Supreme Court in *M.K. Kunhimohammed v. P.A. Ahmedkutty*, (1987) 4 SCC 284.

2. The said Act was amended several times to adapt to the technological up gradation emerging in road transport, passenger and freight movement and in motor vehicle management. With rapidly increasing 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 stake holders have been received in the Ministry, citing cases of increase in road accidents, delay in issue of driving licences, the disregard of traffic rules and regulations etc. Therefore, in order to improve road safety and transport system, amendments are required to be made urgently in the Motor Vehicles Act, 1988 to address safety and efficiency issues in the transport sector.

4. In view of the above, it has become necessary to amend certain provisions of the said Act. The proposed Motor Vehicles (Amendment) Bill, 2016 seeks to address the issues relating to road safety, citizen facilitation, strengthening public transport, automation and computerization.

5. The Motor Vehicles (Amendment) Bill, 2016, *inter alia*, provides for the following, namely:—

(a) to facilitate grant of online learning license;

(b) to replace the existing provisions of insurance with simplified provisions in order to provide expeditious help to accident victims and their families;

(c) to increase the time limit for renewal of driving license from one month to six months before and after the expiry date;

(d) to increase the period for renewal of transport license from three years to five years;

(e) to enable the licensing authority to grant license 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.

NEW DELHI;  
The 5th August, 2016.

NITIN GADKARI.

### *Notes on Clauses*

*Clause 1* provides for the short title of the Bill as “the Motor Vehicles (Amendment) Act, 2016”, and seeks to provide for the commencement of the provisions of the Bill from such date as may be notified by the Central Government and different dates may be appointed for different States for different provisions of the Bill.

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

*Clause 3* seeks to insert a new section 2B in the Act to provide flexibility to the Central Government to exempt new technologies, inventions or innovations from the provisions of the principal Act so as to give such technologies and innovations.

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

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

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

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

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

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

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

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

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

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

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

*Clause 15* seeks to amend section 40 of the Act to allow an owner to register his motor vehicle by making an application to any registering authority in the State.

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

*Clause 17* seeks to amend section 43 of the Act to enable the Central Government to make rules for the issue of temporary certificates of registration and temporary registration marks and it provides for an application for temporary registration to be made to a registering authority or any other authority as may be prescribed by the State Government.

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

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

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

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

*Clause 22* seeks to amend section 56 of the Act to provide for automated testing facilities at authorized testing stations for grant of certificates of fitness to motor vehicles and to ensure that no certificate of fitness shall be granted after October 1 2018 unless the motor vehicle is tested at such automated testing facilities. It also empowers the Central Government to direct other motor vehicles, in addition to transport vehicles, to carry certificates of fitness. It also seeks to provide that transport vehicles with valid certificates of fitness shall carry clear visible distinguishable marks on their bodies.

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

*Clause 24* seeks to insert new provisions, *viz.*, sections 62A and 62B in the Act. Section 62A seeks to prohibit the registration of oversized vehicles and issuance of certificates



of fitness to such vehicles. Section 62B seeks to establish the National Register of Motor Vehicles that shall contain data on all motor vehicles registered throughout India. It also provides that no certificate of registration shall be issued or renewed unless it has been issued a unique registration number under the National Register. It also enable the State Governments to transmit information and data contained in the State Registers of Motor Vehicles to the National Register and update the National Register in accordance with rules as may be prescribed by the Central Government.

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

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

*Clause 27* seeks to amend section 66 of the Act to exempt transport vehicles, operating with a licence under a scheme for the transportation of goods and passengers made under the provisions of chapter V of the Act from acquiring a permit. It also allows a transport vehicle which has been issued a permit or a licence under a scheme for the transportation of goods and passengers made under the provisions of chapter V of the Act to ply either under such permit or such licence at the discretion of the owner of the transport vehicle.

*Clause 28* seeks to insert new provisions, viz., sections 66A and 66B in the Act. Section 66A seeks to empower the Central Government to develop and implement a National Transportation Policy. Section 66B seeks to provide that permit holders shall not be disqualified from applying for a licence under a scheme for the transportation of goods and passengers made under the provisions of chapter V of the Act nor shall such permit holder be required to surrender the permit on being issued such a licence.

*Clause 29* seeks to amend section 67 of the Act to empower the State Government to issue directions to the State Transport Authority and the Regional Transport Authorities to safeguard the convenience of passengers, prevent overcrowding, promote road safety and provide economically competitive fares. It also empowers the State Government to relax any of the provisions made under Chapter V and modify permits and make schemes for the transportation of goods and passengers to enhance last mile connectivity and rural transport, reduce traffic congestion, improve urban transport, promote safety of road users, better utilization of transport assets, enhance regional economic vitality, increase accessibility and mobility, protect the environment, promote energy conservation, improve the quality of life and enhance multimodal integration among other purposes.

*Clause 30* seeks to amend section 72 of the Act to empower the Regional Transport Authority to waive any permit condition for a stage carriage operating in a rural area.

*Clause 31* seeks to amend section 74 of the Act in order to empower the Regional Transport Authority to waive any permit condition for a contract carriage to promote low cost last mile connectivity solutions. It also seeks to facilitate empowerment of marginalised and vulnerable groups through preference in issuance of permits.

*Clause 32* seeks to insert a new section 88A in the Act to empower the Central Government to modify permits and make schemes for inter-state transport of goods and passengers.

*Clause 33* seeks to amend section 92 of the Act in order to void any contract for conveyance of a passenger in a transport vehicle licenced under a scheme made under Chapter V that seeks to negative or restrict liability on imposes condition for the enforcement of liability for the death or bodily injury suffered by such passenger arising out of the use of such transport vehicle.

*Clause 34* seeks to amend section 93 of the Act in order to provide statutory recognition to transport aggregators.

*Clause 35* seeks to amend section 94 of the Act in order to Act to oust the jurisdiction of civil courts to entertain any question or issue injunction relating to the issue of licences under a scheme made under Chapter V.

*Clause 36* seeks to amend section 96 of the Act consequence of the amendment proposed in Chapter V.

*Clause 37* seeks to amend section 110 of the Act for the enforcement of standards for construction, equipment and maintenance of motor vehicles.

*Clause 38* seeks to insert new provisions, viz., sections 110A and 110B in the Act. Section 110A seeks to empower the Central Government to recall vehicles which do not meet standards and for making rules in this behalf. Section 110B seeks to provide for issue of type-approval certificates and the establishment and regulation of testing agencies for testing of motor vehicles and issue of type approval certificates, and for the making of rules in this behalf by the Central Government.

*Clause 39* seeks to amend section 114 of the Act in order to enable State governments to designate any agency as the enforcement agency for this section.

*Clause 40* seeks to amend section 116 of the Act in order to enable the NHAI to construct traffic signs for highways and for roads immediately leading up to highways.

*Clause 41* seeks to amend section 117 of the Act for the establishment of parking facilities motor vehicles.

*Clause 42* seeks to substitute section 129 of the Act. The new section 129 exempts children below four years of age from the ambit of this provision and empowers the Central Government to make rules for additional measures for the safety of children below four years.

*Clause 43* seeks to insert a new section 134A in the Act to protect Good Samaritans.

*Clause 44* seeks to amend section 135 of the Act to empower the State government to make schemes for any amenities that they deem fit in the interests of the public. It also empowers the Central Government to make schemes for in-depth studies and analysis of causes of road accidents.

*Clause 45* seeks to insert a new section 136A in the Act in order to allow electronic monitoring and enforcement.

*Clause 46* seeks to amend section 137 of the Act in consequence of the amendments proposed in Chapter VIII.

*Clause 47* seeks to amend section 138 of the Act in order to empower States to regulate pedestrians and non-motorised transport.

*Clause 48* seeks to omit Chapter X of the Act because no fault liability has been provided for under section 164 of the new Chapter XI.

*Clause 49* seeks to substitute Chapter XI of the principal Act with a new Chapter XI. This Chapter aims to simplify the third party insurance for motor vehicles. It empowers the Central Government to prescribe the premium and the corresponding liability of the insurer for such a policy. It also provides for compensation on the basis of no-fault liability, scheme for the treatment of accident victims during the Golden hour and provides for increase in the compensation to accident victims up to a limit of ten lakh rupees in the case of death and five lakh rupees in the case of grievous hurt. It also provides a scheme for interim relief to be given to claimants.

*Clause 50* seeks to amend section 165 of the Act in consequence of the amendments proposed in Chapters X and XI.

*Clause 51* seeks to amend section 166 of the Act to ensure that a claim for compensation does not abate on the death of the claimant and may be continued by his legal representatives.

*Clause 52* seeks to amend section 168 of the Act in consequence of the amendment proposed in Chapters X and XI.

*Clause 53* seeks to amend section 169 of the Act in order to confer powers of the Civil Court upon the Claims tribunals with regard to execution of a decree passed by itself.

*Clause 54* seeks to amend section 170 of the Act in consequence of the amendment proposed in Chapters X and XI.

*Clause 55* seeks to amend section 173 of the Act in order to increase the amount in controversy required for an appeal from the decision of the Claims Tribunal to be heard by the High Court.

*Clause 56* seeks to amend section 177 of the Act in order to enhance the general penalties.

*Clause 57* seeks to insert a new section 177A in the Act in order to provide for penalties for violation of the Rules of the Road Regulations and other regulations made under section 118 of the Act.

*Clause 58* seeks to amend section 178 of the Act in order to enhance penalties for travelling without pass or ticket.

*Clause 59* seeks to amend section 179 of the Act in order to enhance penalties for disobedience of orders, obstruction, etc.

*Clause 60* seeks to amend section 180 of the Act in order to enhance penalty for allowing unauthorised persons to drive vehicles.

*Clause 61* seeks to amend section 181 of the principal Act. It enhances penalty for driving vehicles in contravention of section 3 and section 4 of the Act.

*Clause 62* seeks to amend section 182 of the Act, in order to enhance the penalties for offences relating to licences.

*Clause 63* seeks to amend section 182A of the Act, in order to enhance penalties for contravention of provisions of Chapter VII by manufacturers, importers, dealers and owners of motor vehicles. It is also proposed to insert a new section 182B in the Act in order to provide for penalty for registration and issuance of certificate of fitness to oversized vehicles.

*Clause 64* seeks to amend section 183 of the Act in order to enhance the penalties for driving at excessive speed and to provide for different penalties for different classes of motor vehicles.

*Clause 65* seeks to amend section 184 of the Act in order to enhance penalties for driving dangerously. It also seeks to insert an explanation giving examples of acts that are considered driving in a manner dangerous to the public, such as jumping a red light, violating a stop sign, use of handheld communication devices while driving, passing or overtaking any motor vehicle in violation of law, etc.

*Clause 66* seeks to amend section 185 of the Act in order to enhance the penalties for driving under the influence of alcohol or drugs.

*Clause 67* seeks to amend section 186 of the Act in order to enhance the penalties for driving when mentally or physically unfit to drive.

*Clause 68* seeks to amend section 187 of the Act in order to enhance the penalties for offences relating to accident.

*Clause 69* seeks to amend section 189 of the Act in order to enhance the penalties for racing and trials of speed.

*Clause 70* seeks to amend section 190 of the Act in order to enhance the penalties for using vehicle in unsafe condition.

*Clause 71* seeks to omit section 191 of the Act, which deals with sale of vehicle in or alteration of vehicle to condition contravening the Act.

*Clause 72* seeks to amend section 192 of the Act in order to provide that use of a motor vehicle in contravention of provisions regarding certificate of fitness shall be deemed as use of a motor vehicle not registered under the Act and shall be punishable in the same manner.

*Clause 73* seeks to amend section 192A of the Act in order to enhance the penalties for using a transport vehicle in contravention of section 66.

*Clause 74* seeks to insert a new section 192B in the Act to provide for imposition of penalty on an owner or dealer, as the case may be, for failure to make an application for registration and for false representation of facts or documents.

*Clause 75* seeks to amend section 193 of the Act in order to enhance the penalties for agents and canvassers and provide for penalties for aggregators for contravening the provisions of this Act and the conditions of licence.

*Clause 76* seeks to amend section 194 of the Act in order to enhance the penalties for driving vehicle exceeding permissible weight. It also provides that a motor vehicle will not be allowed to move before excess load is removed.

*Clause 77* seeks to insert new provisions, viz., section 194A, 194B, 194C, 194D, 194E and 194F in the Act. Section 194A imposes a penalty for carriage of more passengers than authorised in the registration certificate. Section 194B imposes a penalty on persons for not wearing seat belts and for not seating children in a safe manner. Section 194C imposes a penalty for carriage of more than two persons, including the driver, on a motor cycle. Section 194D imposes a penalty on persons for not wearing protective headgear while driving or riding a motor cycles. Section 194E imposes a penalty for failing to draw to the side of the road to provide passage for an emergency vehicle. Section 194F imposes a penalty for sounding the horn unnecessarily while driving a motor vehicle.

*Clause 78* seeks to omit section 195 of the Act in order to eliminate discretion on the imposition of fine on offender.

*Clause 79* seeks to amend section 196 of the Act in order to enhance the penalties for driving an uninsured motor vehicle.

*Clause 80* seeks to amend section 197 of the Act in order to enhance the penalties for taking a motor vehicle without authority.

*Clause 81* seeks to amend section 198 of the Act in order to enhance the penalties for unauthorized interference with a motor vehicle.

*Clause 82* seeks to insert a new section 199A in the Act to provide for liability of guardian or owner of vehicle, as the case might be, for any offence under this Act committed by a juvenile.

*Clause 83* seeks to amend section 200 of the Act to provide for the composition of certain offences under the Act including provision of community service as a condition for composition of an offence.

*Clause 84* seeks to amend section 201 of the Act to enhance the penalties for causing obstruction to free flow of traffic.

*Clause 85* seeks to amend section 206 of the Act to empower police officers to impound the driving licence of a person accused of certain offences such as driving dangerously (section 184), etc. and forwarding the same for disqualification proceedings under section 19 of the Act.

*Clause 86* seeks to insert new provision, viz., sections 210A and 210B in the Act. Section 210A empowers the State Governments to apply different multipliers to different fines and such multipliers may be different for different classes of motor vehicles.

Section 210B provides for the imposition of twice the fine otherwise provided in the Act whenever an offence is committed by any person entrusted with the enforcement of the Act.

*Clause 87* seeks to insert a new section 211A in the Act to provide that all documents, forms and applications under this Act may be filed in an electronic format to be prescribed by the Central or State Governments, as may be applicable.

*Clause 88* seeks to amend section 212 of the Act to provide for the placing in the State Legislature of notifications made under section 210A for legislative approval.

*Clause 89* seeks to insert new provisions, viz., sections 215A, 215B and 215C in the Act. Section 215A enables the Central and State Governments to delegate any power or function to any person or group and authorise such person or group to discharge any of the powers, functions, or duties conferred under the Act. Section 215B enumerates the rule making powers granted to the Central Government under this Chapter. Section 215C enumerates the rule making powers granted to the State Government under this Chapter.

## FINANCIAL MEMORANDUM

Clause 49 of the Motor Vehicles (Amendment) Bill, 2016 seeks to insert a new section 164B in the Act which provides for the establishment of the Motor Vehicle Accident Fund regarding compulsory insurance of all road users for the purposes of emergency medical treatment for victims of road accidents. The Fund may also be utilised for the purposes of providing compensation to the victims of road accidents and their families.

2. The expenditure from the Fund may be met from the Consolidated Fund of India through the budgetary provision under the Ministry of Road Transport and Highways and other sources such as a tax or cess or otherwise as may be prescribed by the Central Government.

3. The quantum of funds required will depend on the detailed structure and activities undertaken through the Motor Vehicle Accident Fund and the limits of compensation shall be such as may be prescribed by the Central Government. Hence, the financial implications cannot be quantified now.

4. The Bill does not involve any other expenditure of recurring or non-recurring nature from the Consolidated Fund of India.

## MEMORANDUM REGARDING DELEGATED LEGISLATION

*Clause 14* of the Bill seeks to amend section 27 of the Act empowering the Central Government to make rules under Chapter II of the Act. The matters in respect of which the rules may be made, *inter alia*, include (a)the form and manner, including online issue, in which a licencing authority may issue a learner's licence; (b)the conditions for renewal of licence to drive transport vehicles carrying goods of a dangerous or hazardous nature;(c)the nature and syllabus of driver refresher training courses; and (d)the National Register of driving licences.

2. *Clause 26* of the Bill seeks to amend section 64 of the Act empowering the Central Government to make rules under Chapter IV of the Act. The matters in respect of which the rules may be made, *inter alia*, include (a)the period of validity of a certificate of registration; (b)the period of renewal of certificate of registration for different classes of vehicles; (c)the issue of a temporary certificate of registration and the form of the temporary registration mark; and (d)conditions for approval of alterations and retrofitment.

3. *Clause 36* of the Bill seeks to amend section 96 of the Act empowering the Central Government to make rules under Chapter V of the Act. The matters in respect of which the rules may be made, *inter alia*, include (a)the framing of schemes for transport of goods and passengers by the State Governments; and (b)to promote effective competition, passenger convenience and safety, competitive fares, and prevention of overcrowding.

4. *Clause 38* of the Bill seeks to amend section 110 of the Act empowering the Central Government to make rules under Chapter VII of the Act. The matters in respect of which the rules may be made, *inter alia*, include (a)the framing of components including software components, and (b)investigation of non-compliance with the rules made under sub-section (1) of section 110.

5. *Clause 39* of the Bill seeks to insert a new section 110A in the Act empowering the Central Government to make rules under Chapter VII of the Act for grant of type approval certificate and for regulation of testing agencies under the said Chapter.

6. *Clause 43* of the Bill seeks to insert a new section 134A in the Act empowering the Central Government to make rules for protection of Good Samaritans under Chapter VIII of the Act.

7. *Clause 46* of the Bill seeks to amend section 137 of the Act empowering the Central Government to make rules under Chapter VIII of the Act. The matters in respect of which the rules may be made, *inter alia*, include (a)providing for standards of protective measures for children below four years of age riding on motorcycles; (b)criteria for cities where electronic monitoring and enforcement are to be implemented; and (c)providing for electronic monitoring and enforcement.

8. *Clause 47* of the Bill seeks to amend section 138 of the Act empowering the Central Government to make rules under Chapter VIII of the Act for regulation of non-motorised traffic, *i.e.* vehicles propelled by muscular power of either humans or animals, and pedestrians in public places.

9. *Clause 49* of the Bill proposes to empower the Central Government to make rules under the substituted Chapter XI relating to insurance of motor vehicles against third party risks.

10. *Clause 89* of the Bill proposes to empower the Central Government to make rules for the purposes of carrying out the provisions of the proposed legislation. The matters in respect of which the rules may be made have been enumerated in the proposed new sections 215B and 215C in the Act.

ANNEXURE

EXTRACTS FROM THE MOTOR VEHICLES ACT, 1988

(59 OF 1988)

\* \* \* \* \*

Definitions.

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

(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;

\* \* \* \* \*

(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;

\* \* \* \* \*

(24) "medium passenger motor vehicle" means any public service vehicle or private service vehicle, or educational institution but other than a motor cycle, invalid carriage, light motor vehicle or heavy passenger motor vehicle;

\* \* \* \* \*

(26) "motor car" means any motor vehicle other than a transport vehicle, omnibus, road-roller, tractor, motor cycle or invalid carriage;

\* \* \* \* \*

Grant of learner's licence.

8. (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 the licensing authority having jurisdiction in the area—

\* \* \* \* \*

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

(3) Every application 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:

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

(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 invalid carriage may be issued to the applicant, if the licensing authority is satisfied that he is fit to drive such a carriage.

(5) No learner's licence shall be issued to any applicant unless he passes to the satisfaction of the licensing authority such test as may be prescribed by the Central Government.



**9. (1)** Any person who is not for the time being disqualified for holding or obtaining a driving licence may apply to the licensing authority having jurisdiction in the area—

Grant of driving licence.

\* \* \* \* \*

(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) (i) the applicant has previously held a driving licence to drive such class of 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:

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.

(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 such minimum educational qualification as may be prescribed by the Central Government and a driving certificate issued by a school or establishment referred to in section 12.

\* \* \* \* \*

**10. (1)** \* \* \* \* \* Form and contents of licenses to drive.

(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:—

\* \* \* \* \*

(c) invalid carriage;

\* \* \* \* \*

**11. (1)** Any person holding a driving licence to drive any class or description of motor vehicles, who is not for the time being disqualified for holding or obtaining a driving licence to drive any other class or description of motor vehicles, may apply to the licensing authority having jurisdiction in the area 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.

Additions to driving licenses.

\* \* \* \* \*

**14. (1)** \* \* \* \* \* Currency of licenses to drive motor vehicles.

(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 three years:

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

(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:

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.

Renewal of driving licenses.

**15. (I)** 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 more than thirty days 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.

\* \* \* \* \*

(3) Where an application for the renewal of a driving licence is made previous to, or not more than thirty days 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.

(4) Where an application for the renewal of a driving licence is made more than thirty days 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):

Provided further that if the application is made more than five years after the driving licence has ceased to be effective, the licensing authority may 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.

\* \* \* \* \*

19. (1)\* \* \* \*

(2) Where an order under sub-section (1) 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,—

\* \* \* \*

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.

\* \* \* \*

Power of licensing authority to disqualify from holding a driving licence or revoke such licences.

26. (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 Licenses, in respect of driving licenses issued and renewed by the licensing authorities of the State Government, containing the following particulars, namely:—

- (a) names and addresses of holders of driving licenses;
- (b) licence numbers;
- (c) dates of issue or renewal of licenses;
- (d) dates of expiry of licenses;
- (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 Licenses and shall inform the Central Government without delay of all additions to and other amendments in such register made from time to time.

\* \* \* \*

Maintenance of State Registers of Driving Licences.

40. 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 a registering authority in whose jurisdiction he has the residence or place of business where the vehicle is normally kept.

41. (1) \* \* \* \*

(3) The registering authority shall issue to the owner of a motor vehicle registered by it a certificate of registration in such form and containing such particulars and information and in such manner as may be prescribed by the Central Government.

\* \* \* \*

Registration, where to be made.

Registration, how to be made.

(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, other than a transport vehicle, 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 and shall be renewable.

(8) An application by or on behalf of the owner of a motor vehicle, other than a transport vehicle, 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.

\* \* \* \*

(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 for a period of five years and intimate the fact to the original registering authority, if it is not the original registering authority.

(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.

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

(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).

\* \* \* \* \*

Temporary registration.

**43.** (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.

Production of vehicle at the time of registration.

**44.** 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.

\* \* \* \* \*

Change of residence or place of business.

**49.** (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 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 registering authority, to that other registering authority, 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.

(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 one 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.

\* \* \* \* \*

**52. (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:

Alteration in motor vehicle.

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:

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.

(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.

(3) Where any alteration has been made in motor vehicle without the approval of registering authority or by reason of replacement of its engine without such approval under sub-section (2), 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.

\* \* \* \* \*

**56. (1)\*** \* \* \* \* \*

Certificate of fitness of transport vehicles.

(2) The "authorised 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.

\* \* \* \* \*

(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:

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.

\* \* \* \* \*

Maintenance of State Registers of Motor Vehicles.

**63.** (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 Vehicle, 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.

\* \* \* \* \*

Power to State Government to control road transport.

**67.** (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 coordinating 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 coordination 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.

\* \* \* \* \*

**92.** Any contract for the conveyance of a passenger in a stage carriage or contract carriage, in respect of which a permit 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.

Voidance of contracts restrictive of liability.

**93.** (1)\* \* \* \* \*

Agent or canvasser to obtain licence.

**114.** (1) Any officer of the Motor Vehicles Department 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 113 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 weighing; and if on such weighing 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.

Power to have vehicle weighed.

\* \* \* \* \*

**129.** 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:

Wearing of protective headgear.

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,—

(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.

\* \* \* \* \*

**135.** (1) The State Government may, by notification in the Official Gazette, make one or more schemes to provide for—

Schemes to be framed for the investigation of accident cases and wayside amenities, etc.

(a) an in depth study on causes and analysis of motor vehicle accidents;

(b) wayside amenities on highways;

(c) traffic aid posts on highways; and

(d) truck parking complexes along highways.

\* \* \* \* \*

CHAPTER X

LIABILITY WITHOUT FAULT IN CERTAIN CASES

**140.** (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.

Liability to pay compensation in certain cases on the principle of no fault.

(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 163A.

Provisions as to other right to claim compensation for death or permanent disablement.

**141.** (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 163A (such other right hereafter in this section referred to as the right on the principle 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.

Permanent disablement.

**142.** 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 disfiguration of the head or face.



**143.** 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.

Applicability of Chapter to certain claims under Act, 8 of 1923.

**144.** 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.

Overriding effect.

## CHAPTER XI

### INSURANCE OF MOTOR VEHICLES AGAINST THIRD PARTY RISKS

**145.** In this Chapter,—

Definitions.

(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, and any Government insurance fund authorised to do general insurance business under that Act;

57 of 1972.

(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";

(e) "property" includes goods carried in the motor vehicle, roads, bridges, culverts, causeways, trees, posts and milestones;

(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.** (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:

Necessity for insurance against third party risk.

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 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.

Requirements  
of policies and  
limits of  
liability.

**147.** (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, 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.** 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.

Validity of policies of insurance issued in reciprocating countries.

**149.** (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 163A 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.

Duty of insurers to satisfy judgments and awards against persons insured in respect of third party risks.

(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 conclusive as to any matter adjudicated upon by it, the insurer (being an insurer registered under the Insurance Act, 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:

5 of 1908.  
4 of 1938.

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" mean, 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 purpose 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.** (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—

Rights of third parties against insurers on insolvency of the insured.

(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, 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.** (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

Duty to give information as to insurance.

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.

Settlement  
between  
insurers and  
insured  
persons.

**152. (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.

Saving in  
respect of  
sections 150,  
151 and 152.

**153. (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.** 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.

Insolvency of insured persons not to affect liability of insured or claims by third parties.

39 of 1925.

**155.** Notwithstanding anything contained in section 306 of the Indian Succession Act, 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.

Effect of death on certain causes of action.

**156.** When an insurer has issued a certificate of insurance in respect of a contract of insurance between the insurer and the insured person, then—

Effect of certificate of insurance.

(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 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.** (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.

Transfer of certificate of insurance.

*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 81 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.** (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—

Production of certain certificates, licence and permit in certain cases.

(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 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 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.

Production of certificate of Insurance on application for authority to use vehicle.

**159.** 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.

Duty to furnish particulars of vehicle involved in accident.

**160.** 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 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.

Special provisions as to compensation in case of hit and run motor accident.

**161.** (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;

(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.

57 of 1972. (2) Notwithstanding anything contained in the General Insurance Business (Nationalisation) Act, 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.** (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.

Refund in certain cases of compensation paid under section 161.

(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.** (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.

Scheme for payment of compensation in case of hit and run motor accidents.

(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, as it stood immediately before the commencement of this Act:

4 of 1939.

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.

Special provisions as to payment of compensation on structured formula basis.

**163A.** (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 of 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.

Option to file claim in certain cases.

**163B.** Where a person is entitled to claim compensation under section 140 and section 163A, he shall file the claim under either of the said sections and not under both.

Power of Central Government to make rules.

**164.** (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 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 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.

CHAPTER XII

CLAIMS TRIBUNALS

**165.** (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.

Claims  
Tribunals.

*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 section 140 and section 163A.

\* \* \* \* \*

**166.** (1)

\* \* \* \* \*

Application  
for  
compensation.

(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:

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.

\* \* \* \* \*

(4) The Claims Tribunal shall treat any report of accidents forwarded to it under sub-section (6) of section 158 as an application for compensation under this Act.

\* \* \* \* \*

**168.** (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 section 162 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:

Award of the  
Claims  
Tribunal.

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 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.

\* \* \* \* \*

Impleading insurer in certain cases.

**170.** 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 subsection (2) of section 149, 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.

\* \* \* \* \*

Appeals.

**173. (1)\*** \* \* \*

(2) No appeal shall lie against any award of a Claims Tribunal if the amount in dispute in the appeal is less than ten thousand rupees.

\* \* \* \* \*

### CHAPTER XIII

#### OFFENCES, PENALTIES AND PROCEDURE

General provision for punishment of offences.

**177.** 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 one hundred rupees, and for any second or subsequent offence with fine which may extend to three hundred rupees.

Penalty for travelling without pass or ticket and for dereliction of duty on the part of conductor and refusal to ply contract carriage, etc.

**178. (1)\*** \* \* \*

(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 two hundred rupees.

Disobedience of orders, obstruction and refusal of information.

**179. (1)** Whoever wilfully disobeys any direction lawfully given by any person or authority 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 five hundred 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 five hundred rupees, or with both.

Allowing unauthorised persons to drive vehicles.

**180.** Whenever, 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 which may extend to one thousand rupees, or with both.

Driving vehicles in contravention of section 3 or section 4.

**181.** 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 which may extend to five hundred rupees, or with both.

Offences relating to licences.

**182. (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 which may extend to five hundred 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 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 one hundred rupees, or with both, and any conductor's licence so obtained by him shall be of no effect.

**182A.** Any person who contravenes the provisions of sub-section (3) of section 109, shall be punishable with a fine of five thousand rupees for any subsequent offence.

Punishment for offences relating to construction and maintenance of vehicles.

**183.** (1) Whoever, drives a motor vehicle in contravention of the speed limits referred to in section 112 shall be punishable 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.

Driving at excessive speed, etc.

(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.

(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 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 sub-section (2).

**184.** Whoever, drives a motor vehicle at a speed or in a manner which is dangerous to the public, having regard to all the circumstances of 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, shall be punishable for the first offence with imprisonment for a term which may extend to six months, or with fine which may extend to one thousand rupees, 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 which may extend to two thousand rupees, or with both.

Driving dangerously.

**185.** Whoever, while driving, or attempting to drive, a motor vehicle,—

(a) has, in his blood, alcohol exceeding 30 mg. per 100 ml. of blood detected in a test by a breath analyser, or

(b) is under the influence of a drug to such an extent as to be incapable of exercising proper control over the vehicle.

Driving by a drunken person or by a person under the influence of drugs.

shall be punishable for the first offence with imprisonment for a term which may extend to six months, or with fine which may extend to two thousand rupees, or with both; and for a second or subsequent offence, if committed within three years of the commission of the previous similar offence, with imprisonment for term which may extend to two years, or with fine which may extend to three thousand rupees, or with both.

*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.

Driving when mentally or physically unfit to drive.

**186.** 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 two hundred rupees and for a second or subsequent offence with fine which may extend to five hundred rupees.

Punishment for offences relating to accident.

**187.** Whoever fails to comply with the provisions of clause (c) of sub-section (1) of section 132 or section 133 or section 134 shall be punishable with imprisonment for a term which may extend to three months, or with fine which may extend to five hundred 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 six months, or with fine which may extend to one thousand rupees, or with both.

\* \* \* \* \*

Racing and trails of speed.

**189.** 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 six months, or with fine which may extend to five hundred rupees, or with both.

Using vehicle in unsafe condition.

**190.** (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 which may extend to two hundred and fifty 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 which may extend to one thousand rupees, or with both.

(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 a fine of one thousand rupees and for any second or subsequent offence with a fine of two thousand rupees.

(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 which may extend to three thousand rupees, or with imprisonment for a term which may extend to one year, or with both, and for any second or subsequent offence with fine which may extend to five thousand rupees, or with imprisonment for a term which may extend to three years, or with both.

Sale of vehicle in or alteration of vehicle to condition contravening this Act.

**191.** 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.

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**192A.** (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 a fine which may extend to five thousand rupees but shall not be less than two thousand rupees and for any subsequent offence with imprisonment which may extend to one year but shall not be less than three months or with fine which may extend to ten thousand rupees but shall not be less than five thousand rupees or with both:

Using vehicle without permit.

Provided that the court may for reasons to be recorded, impose a lesser punishment.

\* \* \* \* \*

**193.** 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 which may extend to one thousand rupees and for any second or subsequent offence with imprisonment which may extend to six months, or with fine which may extend to two thousand rupees, or with both.

Punishment of agents and canvassers without proper authority.

**194 .** (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 minimum fine of two thousand rupees and an additional amount of one thousand rupees per tonne of excess load, together with the liability to pay charges for off-loading of the excess load.

Driving vehicle exceeding permissible weight.

(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 which may extend to three thousand rupees.

**195.** (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 impossible for such offence.

Imposition of minimum fine under certain circumstances.

(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.** 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 with imprisonment which may extend to three months, or with fine which may extend to one thousand rupees, or with both.

Driving uninsured vehicle.

**197.** (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 which may extend to five hundred rupees, or with both:

Taking vehicle without authority.

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 which may extend to five hundred rupees, or with both.

\* \* \* \* \*

Composition of certain offences.

**200.** (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 (2) of section 183, section 184, section 186, section 189, sub-section (2) of section 190; section 191, section 192, section 194, section 196 or 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.

(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.

Penalty for causing obstruction to free flow of traffic.

**201.** (1) Whoever keeps a disabled 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 fifty rupees per hour, 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:

Provided further that where the vehicle is removed by a Government agency, towing charges shall be recovered from the vehicle owner or person in-charge of such vehicle.

(2) Penalties or towing charges under this section shall be recovered by such officer or authority as the State Government may, by notification in the Official Gazette, authorise.

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LOK SABHA

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A  
BILL  
further to amend the Motor Vehicles Act, 1988.

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( *Shri Nitin Gadkari, Minister of Road Transport and Highways* )

**LOK SABHA**  
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**CORRIGENDA**

**to**

**THE MOTOR VEHICLES (AMENDMENT) BILL, 2016**

**[To be/As introduced in Lok Sabha]**

1. Page (i), in the Arrangement of Clauses, against clause 25,-  
for "Amendment of section 62."  
read "Amendment of section 63."
2. Page (ii), in the Arrangement of Clauses, against clause 36,-  
for "Amendment of section 96"  
read "Amendment to section 96"
3. Page (ii), in the Arrangement of Clauses, against clause 45,-  
for "Amendment of section 136A"  
read "Insertion of new section 136A"
4. Page (ii), in the Arrangement of Clauses, against clause 71,-  
for "Amendment of section 191"  
read "Omission of section 191"
5. Page (ii), in the Arrangement of Clauses, against clause 74,-  
for "Insertion of new section 192D"  
read "Insertion of new section 192B"
6. Page (iii), in the Arrangement of Clauses, *after* clause 88,-  
insert "89. Insertion of new sections 215A, 215B and 215C."
7. Page 5, line 7,-  
for "following such sections"  
read "following sub-sections"

**P.T.O.**

8. Page 8, line 29,-  
for “section 40”  
read “sections 40”
9. Page 10, line 20,-  
for “authorized dealer”  
read “authorised dealer”
10. Page 10, line 26,-  
for “clause shall be”  
read “clauses shall be”
11. Page 14, line 9,-  
for “after the words”  
read “after the word”
12. Page 16, line 26,-  
for “and figures”  
read “and figure”
13. Page 16, line 27,-  
for “figures and letter”  
read “figure and letter”
14. Page 17, line 13,-  
for “who in good”  
read “who is in good”
15. Page 20, in the marginal heading against proposed section 148,-  
for “policies of”  
read “policies of”

**P.T.O.**

16. Page 31, line 13,-

for “following section”

read “following sub-section”

17. Page 36, line 34,-

for “authorized”

read “authorised”

18. Page 36, line 42,-

for “authorized”

read “authorised”

19. Page 38, line 38,-

for “words, brackets and figures ”

read “words, figures and brackets”

20. Page 40, line 29,-

for “the word”

read “the words”

21. Page 41, line 21,-

for “section 215E”

read “section 215B”

22. Page 42, line 21,-

for “computerization”

read “computerisation”

**NEW DELHI;**

**August 8, 2016**

**Shravana 17, 1938 (Saka)**