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'Commercial Driving License'

A Thing of the Past for taxis, auto-rickshaws, e-rickshaws, e-karts and 2-wheelers

The Background

In a major boost to the public mobility sector in India, the Ministry of Road Transport and Highways (MoRTH) issued an advisory to the all licensing authorities, to exempt drivers of the following categories from obtaining an endorsement to drive these vehicles, irrespective of the fact that these vehicles may be used for commercial purposes.

- (i) light motor vehicles (goods/passenger),
- (ii) motor cycles with gear,
- (iii) motor cycles without gear,
- (iv) e-rickshaws/ e-carts,

This effectively means that commercial (transport) licenses would no longer be required for driving the listed categories of vehicles.

This advisory has been issued to give effect to the Supreme Court's verdict in *Mukund Devagan v Oriental Insurance Company*¹. Therein, the apex court clarified that commercial/transport licenses would be required only in cases of medium/heavy goods and/or passenger vehicles.

“We understand this to mean that the distinction between a commercial and private driver's needs for licence has been done away with for light motor vehicles, which include taxis, subsequent to a Supreme Court judgment on *Mukund Dewangan vs Oriental Insurance Case*”

SP Singh
Senior Fellow, Indian
Foundation for
Transport Research
& Training

Impact

The public mobility sector has whole heartedly welcomed the decision, given

that excessive regulatory requirements had been affecting the pace of growth in the sector.

Counterpoint

While the decision is definitely a sigh of relief for all concerned stakeholders, it is also being believed that this will lead to a drastic increase in the congestion of vehicles of list categories as earlier there was a controlled issue of commercial driving licenses which will not be the case now.

Insight

The change removes one bottleneck in a sector where there are many. In this context it is interesting to note that while the incorporation of a private limited company can be concluded within a period of 48 (forty-eight) hours under the new SPICe route of the Ministry of Corporate Affairs, the same company cannot have a motor-vehicle registered in its name for a period less than 30 (thirty) days (on an average).

It would also be interesting to note the impact this advisory has on the ongoing debate surrounding the legalisation of pooling of non-transport vehicles, if any. Currently, pooling of non-transport vehicles is not permitted as per the letter of the law.



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