

## **RENT A CAB SCHEME, 1989**

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## **RENT A CAB SCHEME, 1989**

<sup>1</sup>1. Published in the Gazette of India, Extraordinary, Part II, Section 3(ii), dated June 12, 1989. S.O. 437(E)-(Dated June 12,1989)-In exercise of the powers conferred by sub-section (1) of Section 75 of Motor Vehicles Act, 1988 (59 of 1988), the Central Government hereby makes the following scheme for regulating the business of renting of motor cabs to persons desiring to drive the cabs for their own use and matters connected therewith, namely:-

### **1. Short title, commencement and application :-**

- (1) This scheme may be called Rent a Cab Scheme, 1989.
- (2) It shall come into force on the first day of July, 1989.
- (3) It Shall apply to all motor cabs to which tourist permits have been issued under sub-section (9) of Section 88 of the Act and operating under a licence granted in terms of para 6.

### **2. Definitions :-**

In this section unless the context otherwise requires:

- (a) "Act" means Motor Vehicles Act, 1988 (59 of 1988);

(b) "Form" means a Form appended to this scheme;

(c) "licence" means a licence granted or renewed under paragraph 6 to engage in the business of renting of motor cabs to persons desiring to drive the cabs <sup>1</sup> [xxx] for their own use;

(d) "licensing authority" means the State Transport Authority constituted under sub-section (1) of Section 68 of the Act;

(e) "operator" means the holder of a permit issued under sub-section (9) of Section 88 of the Act in respect of not less than 50 motor cabs.

1. Omitted by S.O. No. 808(E), dated 28th November, 1991 (w.e.f 28-11-91).

### **3. Licensing of operator :-**

No person shall engage himself in the business of renting a motor cab under this scheme without a licence.

### **4. Application for grant or renewal of licence :-**

(1) An application for the grant or renewal of a licence under paragraph 6 shall be made in Form I to the licensing authority having jurisdiction in the area in which he resides or has his principal place of business (hereinafter referred to as main office) and shall be accompanied by a fee of rupees five thousand.

(2) Where the applicant has, besides the main office, branch office within the jurisdiction of the licensing authority referred to in clause (1), the application shall indicate such place with the number of motor cabs proposed to be stationed at each such place.

(3) Where the applicant has branch offices outside the jurisdiction of the licensing authority, the application shall be made to the licensing authority in whose jurisdiction the branch office is situated, in Form 2 accompanied by a fee of rupees one thousand in respect of each such branch offices.

### **5. Scrutiny of application :-**

A licensing authority shall, before granting or renewing a licence take into consideration the following namely :-

(i) That applicant has a good moral character and has intimate knowledge of passenger transport business;

(ii) That the main office or the branch office of the applicant is

either owned by the applicant or is taken on lease by him or is hired in his name and it has adequate space for reception room, administrative section, clock room with locker facilities, sanitary blocks, <sup>1</sup>[adequate parking space] for the motor cabs;

(iii) That the applicant has necessary facilities for the housing, maintenance and repair of his vehicles;

(iv) That the applicant has at least one telephone which is accessible throughout day and night;

(v) That the applicant has <sup>1</sup> [branch offices or sub-licensee offices] with telephones, is not less than 5 cities of tourist importance with facilities for housing, maintenance and repair of vehicles;

(vi) That the financial resources of the applicant are sufficient to provide for the continued maintenance of motor cabs and for the efficient management of the establishment;

(vii) That the applicant maintains not less than 50 motor cabs of which 50 percent are air-conditioned duly covered by permits issued under sub-section (9) of Section 88 of the Act, with comprehensive insurance, fitness certificate, motor vehicles tax paid up to date : Provided that in the case of licence for a branch office situated in a place outside the jurisdiction of the licensing authority, it shall be sufficient, if such branch office maintains not less than five motor cabs.

1. Substituted by S.O. No. 808 (E) dated 28 th November, 1991 (w.e.f. 28-11-91).

#### **6. Grant of licence :-**

The licensing authority may, on receipt of an application under paragraph 4 and after satisfying himself that the applicant has complied with the requirements of paragraph 5. grant or renew the licence in Form 3 or, as the case may be, in Form 4 : Provided that no application for a licence shall be refused by the licensing authority unless the applicant is given an opportunity of being heard and reasons for such refusal are given in writing by the licensing authority.

#### **7. Duration of licence :-**

A licence granted or renewed under paragraph 6 shall be valid for a period of five years from the date of grant or renewal: Provided that in the case of licences in respect of branch offices referred to under clause (3) of paragraph 4, the validity of such licence shall

be restricted to the validity of the licence granted in respect of main office.

**8. General conditions to be observed by the holder of the licence :-**

The holder of a licence shall,-

(i) maintain a register with a separate page for such vehicle containing the particulars specified, in Form 5 and where a motor cab is hired by a foreign national shall maintain a register in Form 6;

(ii) not shift the principal place of business mentioned in the licence without the prior approval in writing of the licensing authority which granted the licence;

(iii) keep the premises and all the records and register maintained and the motor cabs open for inspection at all reasonable times by the licensing authority or by any person not below the rank of motor vehicle inspector as may be authorised in this behalf by the licensing authority;

(iv) submit from time to time, to the licensing authority such information and return as may be called for by it;

(v) display at a prominent place in its main office and its branch office, the licence issued in original and certified copies thereof, attested by its licensing authority;

(vi) maintain in their main office and branch offices at a conspicuous place a "complaint book" in the Form 7 with serially numbered pages in triplicate. The licensees shall dispatch the duplicate copy of complaint if any, to the licensing authority by registered post expeditiously and in any case not later than 3 days;

(vii) maintain a suggestion box in the main office and branch offices and forward their suggestions received with their comments, if any, to the licensing authority, once a month;

(viii) where he is having a foreign collaboration with the approval of the Government, this fact should be displayed in the office premises, with the specific approval of Department of Tourism of the Central Government.

**9. Collection of hire charges :-**

The holder of a licence shall collect the hire charges from a foreign national or a non-resident Indian only in foreign exchange and shall hold for the purpose a licence to transact in foreign exchange.

**10. Duties and responsibilities of hirers of motor cabs :-**

(1) It shall be the duty of every hirer, to keep the holder of the licence, informed of his movements from time to time.

(2) If an individual or company has hired the vehicles as a leader of the tourist party, it shall be the duty of such leader of the party to keep the holder of the licence informed of the movement of each vehicle, from time to time.

<sup>1</sup> (3) If a hirer so desires, he may engage a person possessing a valid driving licence to drive the vehicle so hired during the period of the hire agreement.]

1. Inserted by S.O. No. 808 (E) dated 28th November, 1991 (w.e.f. 28-11-91).

**11. Power of licensing authority to suspend or cancel the licence :-**

(1) If the Licensing Authority is satisfied after giving the holder of the Licence, an opportunity of being heard, that he has -

(a) failed to comply with the provisions of paragraphs 8 or 9 ; or

(b) failed to maintain the motor cab in compliance with the provisions of the Act and rules; or

(c) any one of his employees has misbehaved with the customers; or

(d) any complaint against the licensee by any hirer has been proved beyond reasonable doubt;

(i) suspend the licence for a specified period, or

(ii) cancel the licence.

(2) Where the licence is liable to be cancelled or suspended and the licensing authority is of opinion that having regard to the circumstances of the case, it would not be necessary or expedient to cancel or suspend the licence, if the holder of the licence agrees to pay the fine that may be imposed by the Licensing Authority, then notwithstanding anything contained in clause (1) the

licensing authority may instead of cancelling or suspending the licence, as the case may be, recover from the holder of the licence, the said fine.

(3) For the purpose of recovery of the sum of money agreed upon, the State Government may, by notification in the Official Gazette, specify the amount recoverable for each day of suspension and the amount recoverable in lieu of cancellation of the licence and specify the time within which the sum of money agreed upon is payable failing which the order passed under clause (1) shall be implemented.

(4) When the licence is suspended or cancelled under clause (1), the holder of the licence shall surrender the licence to the Licensing Authority.

**12. Appeal :-**

Any person aggrieved by any order of the Licensing Authority under paragraph 6 or paragraph II, may within 30 days of the receipt of the order, appeal to the State Transport Appellate Tribunal.

**13. Procedure for appeal :-**

(1) An appeal under Rule 12 shall be preferred in duplicate in the form of a memorandum setting forth the ground of objections to the order of the Licensing Authority and shall be accompanied by a fee as may be specified by the State Government, by notification, in the Official Gazette.

(2) The State Transport Appellate Tribunal may after giving an opportunity to the parties to be heard and after such enquiry as it may deem necessary, pass appropriate orders.

**14. Voluntary surrender of the licence :-**

The holder of a licence may at any time surrender the licence issued to him to his Licensing Authority which granted the licence and. on such surrender, the Licensing Authority shall cancel the licence. The holder of the licence before surrendering the licence shall clear the dues referred to in clause (2) of paragraph 11.