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DELHI POLICE ACADEMY



SUPREME COURT OF INDIA

M/s Bajaj Alliance General Insurance Co. Ltd.
v
Rambha Devi & Ors. (Civil Appeal No. 841 of 2018)

LMV License Holders Can Drive Transport Vehicles Under 7500 KG Without Separate Authorization: Supreme Court

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Supreme Court Civil Appeal No. 841 of 2018

Date of Judgement: 06/11/2024

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Facts of the Case:

This case pertains to the interpretation of the Motor Vehicle Act, 1988 (MV Act) regarding the classification of vehicles and the eligibility of drivers holding a Light Motor Vehicle (LMV) license to operate Transport Vehicles. Initially, the MV Act categorized vehicles as light, medium, and heavy motor vehicles, with light vehicles defined as those weighing less than 7,500 kg. However, in 1994, the classification was revised, replacing medium and heavy motor vehicles with a distinct category of Transport Vehicles, which includes those used for passenger and goods transport.
A key legal question arose: Could a person with an LMV license lawfully drive a Transport Vehicle weighing under 7,500 kg? Insurance companies frequently contested claims involving LMV license holders operating such vehicles.

In 2017, the Supreme Court's Three-Judge Bench in Mukund Dewangan v. Oriental Insurance Company Limited (2017 INSC 576) ruled that an LMV license holder could indeed drive a Transport Vehicle under 7,500 kg. However, many insurance companies challenged this ruling, arguing that it would lead to inadequately trained drivers operating transport vehicles.

In 2018, a Division Bench observed that Mukund Dewangan had not fully considered certain provisions of the MV Act, which imposed additional requirements for driving Transport Vehicles. As a result, the issue was referred to a larger bench for review. In 2023, another Three-Judge Bench also questioned the validity of the Mukund Dewangan ruling, leading to the matter being placed before a Constitution Bench (five judges) for final determination.

ISSUE ADVANCED:

Whether a person holding a license for a "Light Motor Vehicle" ("LMV") can drive a "Transport Vehicle" weighing less than 7,500 kgs without a specific endorsement on their license?

JUDGEMENT:

After considering the arguments and analyzing the statutory provisions, the Court rendered its judgment to clarify the legal position and resolve the ambiguity surrounding LMV and transport vehicle classifications under the MV Act.

The Hon'ble Apex Court observed that Section 2(21) of the Motor Vehicles Act (MV Act) defines a Light Motor Vehicle (LMV) as a transport vehicle with a weight below 7,500 kg. Meanwhile, the term "transport vehicle" under Section 2(47) can be logically inferred to apply to motor vehicles exceeding 7,500 kg. The Supreme Court observed that if an LMV license holder were not permitted to drive a transport vehicle under 7,500 kg, it would mean that individuals using such vehicles for small-scale commercial purposes would need a separate transport vehicle endorsement. This, the Court noted, would be unreasonable and contrary to the legislative intent. Therefore, it was necessary to adopt a harmonized approach to eliminate ambiguity in the application of the law.

The Hon'ble Court highlighted an overlap between the definitions of LMV and transport vehicle. While not all transport vehicles fall under the LMV category, some do. If a transport vehicle weighs less than 7,500 kg and qualifies as an LMV under Section 2(21), then an additional endorsement for operating it is not required.
Additionally, the Court examined the legislative intent behind the 1994 amendment to the MV Act, which replaced the categories of "medium goods vehicle" and "heavy goods vehicle" with the broader term "transport vehicle" under Sections 10(2)(e) to 10(2)(h). The objective of this amendment was to simplify the licensing process. Consequently, the term "transport vehicle" in the licensing framework should be understood as referring primarily to medium and heavy vehicles.

The Supreme Court emphasized that statutory interpretation should not lead to impractical results. Under current regulations, obtaining a transport vehicle endorsement requires undergoing a uniform testing process, regardless of whether the vehicle is heavy, medium, or light. This would mean that a person seeking authorization to drive a light transport vehicle, such as an auto-rickshaw, would have to undergo extensive training as per Rule 31 of the MV Rules. Applying such a requirement uniformly across all vehicle types, the Court noted, would be illogical and lead to impractical outcomes. Instead, it would be more reasonable for additional testing requirements for transport vehicles to apply only to LMVs exceeding 7,500 kg.

The Hon'ble Court further pointed out that road safety depends primarily on a driver's knowledge of traffic rules and their ability to stay attentive, regardless of the type of vehicle they operate. Moreover, there was no empirical data suggesting that allowing LMV license holders to drive transport vehicles under 7,500 kg had led to an increase in road accidents. Arguments linking the Mukund Dewangan ruling to a rise in accidents remained unsubstantiated.

In interpreting the provisions of the MV Act harmoniously, the Supreme Court upheld its ruling in Mukund Dewangan and reached the following conclusions:

1. **A driver holding an LMV license for vehicles up to 7,500 kg is permitted to operate a transport vehicle without requiring additional authorization under Section 10(2)(e) of the MV Act.**

2. The classification of LMVs and transport vehicles is not entirely distinct, as some transport vehicles fall within the LMV category. Accordingly, an LMV license holder can drive light commercial transport vehicles under certain conditions.

3. **Specific eligibility criteria still apply to certain vehicles, such as e-carts, e-rickshaws, and vehicles transporting hazardous goods**.

4. The second part of Section 3(1), which mandates specific authorization for transport vehicles, does not override the definition of LMV under Section 2(21).

5. **The additional eligibility requirements in the MV Act and Rules apply primarily to vehicles exceeding 7,500 kg, such as medium and heavy goods/passenger vehicles.**