

**WA No. 906 of 2025  
C/W WA No. 848 of 2025  
WA No. 863 of 2025  
AND 2 OTHERS**

**IN THE HIGH COURT OF KARNATAKA AT BENGALURU**

**DATED THIS THE 23<sup>RD</sup> DAY OF JANUARY, 2026**



**PRESENT**

**THE HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE**

**AND**

**THE HON'BLE MR. JUSTICE C M JOSHI**

**WRIT APPEAL NO. 906 OF 2025 (MV)**

**C/W**

**WRIT APPEAL NO. 848 OF 2025 (MV),**

**WRIT APPEAL NO. 863 OF 2025 (MV),**

**WRIT APPEAL NO. 948 OF 2025 (MV),**

**WRIT APPEAL NO. 962 OF 2025 (MV)**

**IN WA No. 906/2025**

**BETWEEN:**

1. ANI TECHNOLOGIES PRIVATE LIMITED  
REGD. UNDER THE COMPANIES ACT, 1956  
REGENT INSIGNIA, NO.414  
3<sup>RD</sup> FLOOR, 4<sup>TH</sup> BLOCK  
17<sup>TH</sup> MAIN, 100 FEET ROAD  
KORAMANGALA  
BENGALURU  
KARNATAKA - 560 034  
THROUGH ITS AUTHORIZED  
REPRESENTATIVE  
MS. MRINALINI TALUKDAR

...APPELLANT

(BY SRI K. ARUN KUMAR, SENIOR ADVOCATE A/W  
SRI FAISAL SHERWANI, ADVOCATE &  
SRI ADITYA VIKRAM, ADVOCATE )



**WA No. 906 of 2025  
C/W WA No. 848 of 2025  
WA No. 863 of 2025  
AND 2 OTHERS**

**AND:**

1. STATE OF KARNATAKA  
THROUGH ITS SECRETARY  
DEPARTMENT OF TRANSPORT  
VIDHANA SOUDHA  
BENGALURU - 560 001
2. THE COMMISSIONER ROAD AND TRANSPORT  
DEPARTMENT AND CHAIRMAN  
STATE TRANSPORT AUTHORITY  
KARNATAKA, 1<sup>ST</sup> FLOOR, TTMC BUILDING  
A-BLOCK, SHANTINAGAR  
BENGALURU - 560 027
3. ADDITIONAL TRANSPORT COMMISSIONER  
AND SECRETARY  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
A-BLOCK, SHANTINAGAR  
BENGALURU - 560 027
4. KARNATAKA STATE TRANSPORT AUTHORITY  
THROUGH ITS SECRETARY  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
A-BLOCK, SHANTINAGAR  
BENGALURU - 560 027
5. UNION OF INDIA THROUGH  
PRINCIPAL SECRETARY  
THE MINISTRY OF ROAD  
TRANSPORT AND HIGHWAYS  
TRANSPORT BHAWAN  
1, PARLIAMENT STREET  
NEW DELHI -110 001

...RESPONDENTS

(BY SRI K. SHASHIKIRAN SHETTY, ADVOCATE GENERAL A/W  
SRI MAHESH A. CHOWDHARY, SPL. COUNSEL,  
MS. RASHI SINGH, ADVOCATE,  
MS. ADOORYA HARISH, ADVOCATE &  
SRI OMKAR MARGAD, ADVOCATE FOR R-1 TO 4,  
SMT. NAYANA TARA B.G., CGC FOR R-5,

**WA No. 906 of 2025  
C/W WA No. 848 of 2025  
WA No. 863 of 2025  
AND 2 OTHERS**

SRI S. NATARAJA SHARMA, ADVOCATE FOR  
IMPLEADING APPLICANTS IN I.A. No.5/2025 & I.A. No.6/2025 &  
SRI N.P. AMRUTHESH, ADVOCATE A/W  
MS. DEEKSHA AMRUTHESH, ADVOCATE FOR  
IMPLEADING APPLICANTS IN I.A. No.7/2025)

THIS WRIT APPEAL FILED UNDER SECTION 4 OF THE  
KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE  
FINAL JUDGMENT AND ORDER DATED 02.04.2025 PASSED BY  
THE LD. SINGLE JUDGE OF THIS HON'BLE HIGH COURT IN WRIT  
PETITON No.19869/2021 AND ETC.

**IN WA NO. 848/2025**

**BETWEEN:**

1. UBER INDIA SYSTEMS PRIVATE LIMITED  
A COMPANY INCORPORATED UNDER  
THE PROVISIONS OF THE COMPANIES ACT, 1956  
HAVING REGISTERED OFFICE AT REGUS BUSINESS  
PLATINUM CENTRE PVT. LTD.  
LEVEL 13 PLATINUM TECHNO PARK  
PLOT NO. 17/18, SEC - 30A  
VASHI NAVI MUMBAI - 400 705  
REPRESENTED BY ITS  
AUTHORISED SIGNATORY AND MANAGER  
LOCAL OPERATIONS  
RAMDAS NEDUMPARAMBIL PRAKASAN.

PREVIOUSLY ALSO AT:  
NO. 77, SURVEY NO. 124/2  
N.A.L WIND TUNNEL ROAD  
MURGESH PALLYA, HAL POST  
BENGALURU - 560 017  
CURRENTLY ALSO AT:  
NO. 43, RR TOWER, FIRST FLOOR  
NEAR SBI BANK JUNCTION (SERVICE ROAD)

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HOSUR MAIN ROAD,  
BENGALURU - 560 100  
LANDMARK: ANANDA HONDA  
NEAR SBI BANK

...APPELLANT

(BY SRI V. SRINIVASAN RAGHAVAN, SENIOR ADVOCATE  
A/W MS. ANUPAMA G. HEBBAR, ADVOCATE,  
MR. SANKEERTH VITTAL, ADVOCATE,  
MS. BHAVANA MENON, ADVOCATE,  
MS. DHARSHINI S., ADVOCATE &  
MR. ABDUL HADIN, ADVOCATE)

**AND:**

1. STATE OF KARNATAKA  
REPRESENTED BY THE SECRETARY  
DEPARTMENT OF TRANSPORT  
1<sup>ST</sup> FLOOR, 3<sup>RD</sup> GATE  
M.S. BUILDING, BENGALURU - 560 001
2. COMMISSIONER FOR TRANSPORT  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
K.H. ROAD, SHANTINAGR  
BENGALURU - 560 027
3. ADDITIONAL TRANSPORT COMMISSIONER AND  
SECRETARY,  
KARNATAKA STATE TRANSPORT AUTHORITY,  
BENGLAURU  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
K.H. ROAD, SHANTINAGR  
RTO, BENGALURU - 560 027

...RESPONDENTS

(BY SRI K. SHASHIKIRAN SHETTY, ADVOCATE GENERAL A/W  
SRI MAHESH A. CHOWDHARY, SPL. COUNSEL,  
MS. RASHI SINGH, ADVOCATE,  
MS. ADOORYA HARISH, ADVOCATE &  
SRI OMKAR MARGAD, ADVOCATE FOR R-1 TO 3,  
SRI S. NATARAJA SHARMA, ADVOCATE FOR  
IMPLEADING APPLICANTS IN I.A. No.3/2025 & I.A. No.4/2025 &

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SRI AMRUTHESH N.P., ADVOCATE A/W  
MS. DEEKSHA AMRUTHESH, ADVOCATE FOR  
INTERVENOR IN I.A. No.5/2025)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE  
KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE  
FINAL ORDER AND JUDGMENT DATED 02.04.2025 IN W.P.  
No.6421/2022 (MV) (IMPUGNED JUDGMENT) INSOFAR AS THE  
WRIT PETITION IN W.P. No.6421/2022 (MV) HAS BEEN  
DISPOSED AND CONSEQUENTLY ALLOW THE WRIT PETITION  
No.6421/2022 (MV) & ETC.

**IN WA NO. 863/2025**

**BETWEEN:**

1. VARIKRUTI MAHENDRA REDDY  
AGED AROUND 31 YEARS  
SON OF VARIKUTI GURIVI REDDY  
RESIDING AT: #2, LR MANSION  
2<sup>ND</sup> STREET, MADIWALA  
BTM 1<sup>ST</sup> STAGE  
BENGALURU - 560 029
2. MADHU KIRAN  
AGED ABOUT 32 YEARS  
SON OF SANJEEVA POOJARY  
RESIDING AT: #944/275/A  
23<sup>RD</sup> CROSS, HSR LAYOUT  
3<sup>RD</sup> SECTOR, BENGALURU  
KARNATAKA - 560 087

...APPELLANTS

(BY SRI DHYAN CHINNAPPA, SENIOR ADVOCATE  
A/W SRI MADHUR A. KALYANSHETTY, ADVOCATE)

**WA No. 906 of 2025  
C/W WA No. 848 of 2025  
WA No. 863 of 2025  
AND 2 OTHERS**

**AND:**

1. STATE OF KARNATAKA  
REPRESENTED BY THE SECRETARY  
DEPARTMENT OF TRANSPORT  
1<sup>ST</sup> FLOOR, 3<sup>RD</sup> GATE  
M.S. BUILDING  
BENGALURU - 560 001
2. TRANSPORT DEPARTMENT  
REPRESENTED HEREIN  
BY THE COMMISSIONER  
FOR ROAD TRANSPORT  
AND SAFETY 1<sup>ST</sup> FLOOR, A BLOCK  
TTMC BUILDING, SHANTINAGAR  
BENGALURU - 560 027

...RESPONDENTS

(BY SRI K. SHASHIKIRAN SHETTY, ADVOCATE GENERAL  
A/W SRI MAHESH A. CHOWDHARY, SPL. COUNSEL,  
MS. RASHI SINGH, ADVOCATE,  
MS. ADOORYA HARISH, ADVOCATE &  
SRI OMKAR MARGAD, ADVOCATE FOR R-1 & 2,  
SMT. SARASWATHY PRASAD, ADVOCATE FOR  
IMPLEADING APPLICANT IN I.A. No.4/2025,  
SMT. JAYNA KOTHARI, SENIOR ADVOCATE FOR  
SRI UMAPATHI S., ADVOCATE FOR IMPLEADING  
APPLICANT IN I.A. No.5/2025,  
SRI N.P. AMRUTHESH, ADVOCATE A/W  
MS. DEEKSHA N. AMRUTHESH, ADVOCATE FOR  
IMPLEADING APPLICANT IN I.A. No.6/2025)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE  
KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE  
FINAL ORDER AND JUDGMENT DATED 02.04.2025 IN W.P.  
No.24569 OF 2023 (MV) (IMPUGNED JUDGMENT) AND  
CONSEQUENTLY ALLOW THE WRIT PETITION IN W.P. No.24569  
OF 2023 (MV) & ETC.

**IN WA NO. 948/2025**

**BETWEEN:**

1. ROPPEN TRANSPORTATION  
SERVICES PVT. LTD.  
A COMPANY INCORPORATED UNDER  
THE COMPANIES ACT, 2013 AND  
HAVING ITS REGISTERD OFFICE AT  
3<sup>RD</sup> FLOOR, SAI PRITHVI ARCADE  
MEGHA HILLS, SRI RAMA COLONY  
MADHAPUR, HYDERABAD  
TELANGANA - 500 081

ALSO HAVING A BRANCH OFFICE AT  
NO.148, 5<sup>TH</sup> MAIN ROAD  
RAJIV GANDHI NAGAR  
SECTOR-7, HSR LAYOUT  
BENGALURU - 560 102

REPRESENTED BY ITS SENIOR MANAGER  
LEGAL & COMPLIANCE  
MR. SHANTANU SHARMA

...APPELLANT

(BY SRI UDAYA HOLLA, SENIOR ADVOCATE A/W  
SRI NISHANTH A.V., ADVOCATE)

**AND:**

1. STATE OF KARNATAKA  
THROUGH ITS CHIEF SECRETARY  
VIDHANA SOUDHA  
DR. B.R. AMBEDKAR VEEDHI  
BENGALURU - 560 001
2. ADDITIONAL TRANSPORT  
COMMISSIONER AND SECRETARY  
STATE TRANSPORT AUTHORITY  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
A - BLOCK, SHANTHINAGAR  
BENGALURU - 560 027

3. THE COMMISSIONER ROAD AND  
TRANSPORT DEPARTMENT  
STATE TRANSPORT AUTHORITY  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
A - BLOCK, SHANTHINAGAR  
BENGALURU - 560 027
4. KARNATAKA STATE TRANSPORT AUTHORITY  
THROUGH ITS SECRETARY  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
A BLOCK, SHANTHINAGAR  
BENGALURU - 560 027
5. STATE OF KARNATAKA  
DEPARTMENT OF TRANSPORT  
VIDHANA SOUDHA  
DR B.R. AMBEDKAR VEEDHI  
BENGALURU - 560 001  
REPRESENTED BY ITS SECRETARY
6. STATE OF KARNATAKA  
DEPARTMENT OF HOME  
VIDHANA SOUDHA  
DR. B.R. AMBEDKAR VEEDHI  
BENGALURU - 560 001  
REPRESENTED BY ITS SECRETARY

...RESPONDENTS

(BY SRI K. SHASHIKIRAN SHETTY, ADVOCATE GENERAL  
A/W SRI MAHESH A. CHOWDHARY, SPL. COUNSEL,  
MS. RASHI SINGH, ADVOCATE,  
MS. ADOORYA HARISH, ADVOCATE &  
SRI OMKAR MARGAD, ADVOCATE FOR R-1 TO 6,  
SRI N.P. AMRUTHESH, ADVOCATE A/W  
MS. DEEKSHA N. AMRUTHESH, ADVOCATE FOR  
IMPLEADING RESPONDENTS IN I.A. No.10/2025,  
SRI S. NATARAJA SHARMA, ADVOCATE FOR  
IMPLEADING APPLICANTS IN I.A. No.8/2025 & I.A. No.9/2025)

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WA No. 863 of 2025  
AND 2 OTHERS**

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE ORDER DATED 02.04.2025, PASSED IN W.P. No.14627/2021 (MV), BY THE HON'BLE SINGLE JUDGE OF THE HIGH COURT OF KARNATAKA AND ALLOW THE WRIT PETITION BEARING W.P. No.14627/2021 (MV) FILED BY THE APPELLANT HEREIN.

**IN WA NO. 962/2025**

**BETWEEN:**

1. BIKE TAXI WELFARE ASSOCIATION  
REGISTERED UNDER THE SOCIETIES  
REGISTRATION ACT  
OFFICE AT: NO. 45, 2<sup>ND</sup> FLOOR  
5<sup>TH</sup> CROSS, 5<sup>TH</sup> MAIN ROAD  
CHANDRA LAYOUT, D.C. HALLI  
BENGALURU - 560 076

REPRESENTED BY ITS AUTHORIZED SIGNATORY  
MR. ADI NARAYANA M.

2. MANOJ M  
S/O MANJUNATHA CHARI  
AGED ABOUT 31 YEARS  
R/AT: NO. 7, 6<sup>TH</sup> MAIN  
MUNESWAR NAGAR  
BENGALURU - 560 036

...APPELLANTS

(BY SRI SHASHANK GARG, SENIOR ADVOCATE A/W  
SRI GIRISH KUMAR B.M., ADVOCATE,  
MS. ARADHYA CHATURVEDI, ADVOCATE,  
SRI MANOJ ARADHYA, ADVOCATE,  
MS. NISHTHA JAIN, ADVOCATE)

**AND:**

1. STATE OF KARNATAKA  
THROUGH ITS CHIEF SECRETARY

VIDHANA SOUDHA  
DR. B.R. AMBEDKAR VEEDHI  
BENGALURU - 560 001

2. ADDITIONAL TRANSPORT COMMISSIONER  
AND SECRETARY  
STATE TRANSPORT AUTHORITY  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
A-BLOCK, SHANTHINAGAR  
BENGALURU - 560 027
3. THE COMMISSIONER  
ROAD AND TRANSPORT DEPARTMENT  
STATE TRANSPORT AUTHORITY  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
A-BLOCK, SHANTHINAGAR  
BENGALURU - 560 027
4. KARNATAKA STATE  
TRANSPORT AUTHORITY  
THROUGH ITS SECRETARY  
1<sup>ST</sup> FLOOR, TTMC BUILDING  
A BLOCK, SHANTHINAGAR  
BENGALURU - 560 027
5. STATE OF KARNATAKA  
DEPARTMENT OF TRANSPORT  
VIDHANA SOUDHA  
DR. B.R. AMBEDKAR VEEDHI  
BENGALURU - 560 001  
REPRESENTED BY ITS SECRETARY
6. STATE OF KARNATAKA  
DEPARTMENT OF HOME  
VIDHANA SOUDHA  
DR. B.R. AMBEDKAR VEEDHI  
BENGALURU - 560 001  
REPRESENTED BY ITS SECRETARY
7. ROPPEN TRANSPORTATION SERVICES PVT LTD.  
A COMPANY INCORPORATED UNDER  
THE COMPANIES ACT, 2013

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AND HAVING ITS REGISTERED OFFICE AT:  
3<sup>RD</sup> FLOOR, SAI PRITHVI ARCADE  
MEGHA HILLS, SRI RAMA COLONY  
MADHAPUR, HYDERABAD  
TELANGANA - 500 081

ALSO HAVING A BRANCH OFFICE AT:  
NO. 148, 5<sup>TH</sup> MAIN ROAD  
RAJIV GANDHI NAGAR  
SECTOR 7, HSR LAYOUT  
BENGALURU - 560 102  
REPRESENTED BY ITS DIRECTOR  
MR. PAVAN KUMAR GUNTUPALLI

...RESPONDENTS

(BY SRI K. SHASHIKIRAN SHETTY, ADVOCATE GENERAL  
A/W SRI MAHESH A. CHOWDHARY, SPL. COUNSEL,  
MS. RASHI SINGH, ADVOCATE,  
MS. ADOORYA HARISH, ADVOCATE &  
SRI OMKAR MARGAD, ADVOCATE FOR R-1 TO 6,  
SRI UDAYA HOLLA, SENIOR ADVOCATE A/W  
SRI NISHANTH A.V., ADVOCATE FOR C/R-7,  
SRI N.P. AMRUTHESH, ADVOCATE A/W  
MS. DEEKSHA AMRUTHESH, ADVOCATE FOR  
IMPLEADING APPLICANT IN I.A. No.8/2025)

THIS WRIT APPEAL IS FILED UNDER SECTION 4 OF THE  
KARNATAKA HIGH COURT ACT PRAYING TO SET ASIDE THE  
ORDER DATED 02/04/2025 PASSED IN W.P. NO.14627/2021 (MV)  
BY THE LEARNED SINGLE JUDGE OF THIS HONBLE COURT &  
ETC.

THESE WRIT APPEALS HAVING BEEN HEARD AND  
RESERVED FOR JUDGMENT, COMING ON FOR  
PRONOUNCEMENT THIS DAY, JUDGMENT WAS PRONOUNCED  
AS UNDER:

CORAM: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE  
and  
HON'BLE MR. JUSTICE C M JOSHI

**CAV JUDGMENT**

(PER: HON'BLE MR. VIBHU BAKHRU, CHIEF JUSTICE)

**A. INTRODUCTION**

1. The appellants have filed the present appeal impugning a common order dated 02.04.2025 [**impugned order**] passed by the learned Single Judge in the respective writ petitions, preferred by the appellants, being W.P.No.6421/2022(MV), W.P.No.14627/2021(MV), W.P.No.19869/2021 (MV) and W.P.No.24569/2023(MV). The appellant in W.A.No.962/2025 had not filed a separate petition.

2. The controversy in the present appeal relates to the right to provide bike taxi services. Whereas the appellants claim that motorcycle owners are entitled to render bike taxi services, the State authorities dispute this claim. According to them, they are entitled to decline the grant of such permits. There are mainly two types of motorcycle-based service models as referred to in the

report submitted to the Government of Karnataka in April, 2019<sup>1</sup>.

The relevant extract of the said report setting out the types of motor cycle based services models is reproduced below:

"There are two predominant types of motorized two-wheeler bike-based service models for intra-city transport currently in existence in the Indian transport ecosystem. One is short-term bike rentals, wherein a shared fleet of bikes can be rented by the hour, day or week. The other model is bike taxis, in which a bike ridden by a driver can be hailed to provide taxi services between any two points in the city. A third model of bike pooling exists in which users can pool their motorbike rides with others, but this model currently does not have many commercial operators globally."

3. In the present case, the dispute concerns bike taxi services in which bikes can be hired to provide taxi services between points **[bike taxi service]**.

4. The appellant in W.A.No.848/2025, Uber India Systems Pvt. Ltd. **[Uber]**; the appellant in W.A.No.906/2025, M/s. ANI Technologies Pvt. Ltd. **[Ola]**; and the appellant in W.A.No.948/2025, M/s. Roppen Transportation Services Pvt., Ltd. **[Rapido]**, are technology companies operating platforms for aggregating taxi services. The said appellants are collectively

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<sup>1</sup>. Report on Efficient and Sustainable Transport in Bengaluru and Bike Taxis prepared by the expert committee furnished to the Government of Karnataka on 29.04.2019 pursuant to the order dated 20.09.2018.

referred to as the Aggregators. The appellant in W.A.No.962/2025 is an association of individuals who own motorcycles and operate them as taxis [**bike taxis**]. The appellants in W.A.No.863/2025 are individuals who own motorcycles and were operating, or propose to operate, bike taxis.

5. Uber holds a license under the Karnataka On-Demand Transport Technology Aggregator Rules 2016 [**KODTTA Rules**] to operate as an aggregator, which connects intending passengers with the driver of a motor cab through telephone calls, internet-based services, or GPS-based services. Uber had applied for the renewal of the licence, which, at the material time, was pending. Uber, as an aggregator, had also made separate representations to operate motorcycles as taxis and to obtain the necessary registrations and permits. Similarly, Rapido is also an aggregator of bike taxi services and operates a website and a mobile application. Rapido had also made various representations, setting out the issues faced in operating the services due to threats from the Association of Owners of auto-rickshaws and the local police. Rapido's application for permission to operate as an aggregator of bike taxi services was rejected by the Government of Karnataka, as

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per the endorsement dated 19.07.2021. Rapido was advised to file its application under the Electric Bike Taxi Scheme in 2023, modified by the notification No.TD 160 TDO 2020 dated 14.07.2021 [**Electric Bike Taxi Scheme**]. Rapido states that its services are not confined to electric bike taxis; therefore, it did not make any such application.

6. In W.P.No.6421/2022(MV), Uber has sought for the following reliefs:

“1. Issue a writ of mandamus or any other appropriate writ, order or direction, directing the Respondent No.1 to consider the Application dated 19 February 2022 ('Annexure A') made by the Petitioner.

2. Issue a writ of mandamus or any other appropriate writ, order or direction, directing the Respondent No.2 to permit the registration of motorcycles as transport vehicles.

3. Issue a writ of mandamus or any other appropriate writ, order or direction, directing the Respondent No. 2 to permit aggregation of motorcycles.”

7. In W.P.No.14627/2021(MV), Rapido has sought for the following reliefs:

“1. Issue a writ of Prohibition, or any other writ, order or direction to Respondent Nos. 1-6 not to interfere with the business of the Petitioner in operating bike taxis in the State of Karnataka;

2. Issue a writ of mandamus, or any other writ, order or direction to Respondent Nos.1-4 to consider and decide

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the Application submitted by the Petitioner on 08.04.2021 vide Annexure-F;

3. Issue a writ of mandamus, or any other writ, order or direction to Respondent Nos.1-6 to take all actions necessary to permit registration of a two wheeler as a 'transport vehicle, and grant of appropriate contract carriage permit to two wheelers registered as a transport vehicle, in terms of the Motor Vehicles Act, 1988 and Rules framed there under;

4. Issue a writ in the nature of Certiorari by setting aside the endorsement dated 19.07.2021 issued by the 2nd respondent vide Annexure-L.”

8. Ola operates a car taxi service and has expanded its services to bike taxis as well. Ola also holds a license issued under the KODTTA Rules and claims that it would cover bike taxis as well. The Additional Transport Commissioner of the State Transport Authority, Bengaluru, had issued a show cause notice dated 15.02.2019, alleging that the bike taxi services operated by Ola violated the KODTTA Rules and had called upon Ola to show cause why its license to operate should not be suspended/revoked. Thereafter, by an order dated 18.03.2019, Ola's license was suspended. However, the same was restored, subject to payment of a penalty of ₹ 15,00,000/-, as per the order.

9. Ola had filed a writ petition in W.P.No.14485/2019 seeking directions of the State Transport Authorities to permit motorcycles

registered for personal use [**white board**] to be operated as transport vehicles (taxis). These are referred to as white board motorcycles. Additionally, Ola had also sought permission for registration of motorcycles as transport vehicles and issuance of a Contract Carriage Permit [CCP] to such motorcycles [**yellow board**]. In the alternative, Ola prayed that a framework be put in place to enable motorcycles to be used as transport vehicles. The said writ petition was disposed of on 12.09.2019, and the review petition against the order dated 12.09.2019 was also disposed of by an order dated 14.11.2019. (R.P.No.516/2019). The said order dated 12.09.2019 was appealed before the Division Bench of this Court (W.A.No.4010/2019), which was decided on 05.04.2021. The Aggregators relied on the said decision, which will be referred to later.

10. Apart from the Aggregators, certain individual owners, who own motorcycles and were using the same as bike taxis and also availing the services of one of the Aggregators, had filed a separate petition, W.P.No.24569/2023, *inter alia*, praying as under:

“a. Issue a Writ of Mandamus, or any other appropriate writ, order, or direction, directing Respondent No.2 to permit the usage of the motorcycles owned by the

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petitioners (being motorcycles operated with Internal Combustion Engines) as motorcycle taxis and;

b. Issue a Writ of Mandamus, or any other appropriate writ, order, or direction, directing Respondent No.2 to consider the Applications/Representations dated 28.07.2023, 28.10.2023 (produced as 'Annexures-D' and 'E') and register the motorcycles of the Petitioners as transport vehicles under Section 41 of the MV Act and issue contract carriage permits to the Petitioner under Section 66 read with Section 73 and Section 74 of the MV Act and;

c. Issue a Writ of Mandamus, or any other appropriate writ, order, or direction, directing Respondent Nos. 1 and 2 to give effect to the procedural framework for registration of motorcycles as "transport vehicle's" in the State of Karnataka, including the framework or mechanism permitting the, conversion of motorcycles registered as "non-Transport vehicles" to "transport vehicles, and

d. Issue a Writ of Mandamus, or any other appropriate writ, order, or direction, directing Respondent No. 2 to implement the regulatory framework under the Motor Vehicles Act, 1988 and the Karnataka Motor Vehicle Rules, 1989 for registration and issue of contract carriage permits to motorcycles as "motor cabs" within the State of Karnataka and

e. Issue a Writ of Prohibition, or any other appropriate writ, order, or direction, restraining the Respondents from taking any coercive action against the Petitioners or the motorcycles owned by them, when used and operated to carry passengers for hire or reward either by the Petitioners themselves, or by a person duly authorized to so operate the motorcycle, on behalf of the Petitioners, including but not limited to operations through app-based motorcycle taxi aggregators, until such time as the Petitioners secure registration and the appropriate permit under duly introduced regulations regarding motorcycle taxis."

11. Bike Taxi Welfare Association, which claims to be an association of individuals who own motorcycles and use them to provide bike taxi services, has filed a separate appeal (W.A.No. 962/2025), although it had not filed a writ petition.

## **B. IMPUGNED ORDER**

12. The learned Single Judge on the basis of the submissions framed the following two questions for consideration:

(i) whether this Court can hold that the law as it exists today does not permit bikes [Internal Combustion Engines] to operate as a taxi; and

(ii) if the answer to this question is in the negative [i.e., the law does not prohibit these bikes from operating as taxis], what directions must be issued to the State Government in the facts and circumstances of the case?

13. The learned Single Judge observed that the question whether the motorcycles can be permitted to be used as transport vehicles was required to be examined by considering whether the Motor Vehicles Act, 1988 **[MV Act]** envisaged using motorcycles as transport vehicles (bike taxis) and whether the court's interference would be warranted if the State Government decided, as a policy decision, not to permit the Aggregators to operate as an intermediary that enables a passenger to connect with driver.

14. Insofar as the question whether a motorcycle could be used as a transport vehicle (bike taxi or taxi) is concerned, the learned Single Judge found in the affirmative. The learned Single Judge held that under the provisions of the MV Act, motorcycles could be registered as transport vehicles and issued permits to operate as 'contract carriages'. Insofar as the second question is concerned, the learned Single Judge accepted the contention of the State-Government of Karnataka that the writ petitioner did not have any crystallised right under the MV Act to ply the motorcycles as taxis. Therefore, the Court cannot direct the State Government to permit the Aggregators to operate bike taxis.

15. The learned Single Judge disposed of the writ petitions by directing that unless the Government of Karnataka notifies relevant guidelines under Section 93 of the MV Act and Rules made thereunder, the Aggregators cannot offer bike taxi services, and no directions could be issued for registering the motorcycles as transport vehicles or for issuance of contract permits.

### **C. SUBMISSIONS**

#### ***Submissions on behalf of the appellants***

16. Shri Udaya Holla, learned Senior Advocate, advanced arguments on behalf of Shri Nishanth A.V, learned counsel for the appellants in W.A.No.948/2025 / Rapido.

17. Shri K. Arun Kumar, learned Senior Advocate, advanced arguments on behalf of Shri Faisal Sherwani and Shri Aditya Vikram, learned counsel for the appellants in W.A.No.906/2025 / Ola.

18. Shri V. Srinivasan Raghavan, learned Senior Advocate, advanced arguments on behalf of Ms Anupama G. Hebbar, Shri Sankeerth Vittal, Ms Bhavna Menon, Ms Dharshini S and Shri Abdul Hadin, learned counsel for the appellants in W.A.No.848/2025 / Uber.

19. Shri Garg, learned Senior Advocate, advanced arguments on behalf of Shri Girish Kumar B.M., Ms Aradhya Chaturvedi, Shri Manoj Aradhya and Ms Nishtha Jain, learned counsel for the appellants in W.A.No.962/2025 / Bike Taxi Welfare Association.

20. Shri Dhyan Chinnappa, learned Senior Advocate advanced arguments on behalf of Shri Madhur A. Kalyanshetty, learned counsel for the appellants in W.A.No.863/2025 / Aggregators.

21. It was first contended that motor vehicles fall within the definition of the term 'motorcabs' and therefore, the State Government cannot decline to register a motorcycle as a transport vehicle. It was contended that the MV Act is a Central legislation, which relates to Entry 35 of List-III of Schedule VII of the Constitution of India. The Central Government has permitted motorcycles to be registered as transport vehicles. Therefore, the State of Karnataka has no discretion to prohibit the use of motorcycles as taxis. It is contended that a motorcycle, which is used for hire or reward to carry one passenger, is thus required to be registered as a transport vehicle, as defined under Section 2(47) of the MV Act. Motorcycle and bike taxi operators are also entitled to obtain a contract carriage permit to operate bike taxis under Section 74 of the MV Act. They referred to the provisions of Sections 2(27), 2(25), 2(7)(ii) and 2(47) of the MV Act in support of their contention.

22. Additionally, it was submitted that Section 178(3) of the MV Act stipulates a penalty on a bike taxi operator for refusal to ply or carry passengers. It was contended on behalf of the appellants that it is implicit in the said provision that motorcycles can be used as bike taxis.

23. Next, the learned counsel referred to the notification<sup>2</sup> and contended that it expressly permits the use of motorcycles as bike taxis. The appellants also referred to the communication dated 22.01.2024 issued by the Government of India, Ministry of Road Transport and Highways [**MORTH**], as well as the MORTH Tax Policy Guidelines, 2016, which recommend that the State Transport Departments allow two-wheeler taxi permits.

24. It was earnestly contended by Mr. Arun Kumar, learned Senior Advocate appearing for Ola, that the Government of Karnataka cannot withhold registrations of motorcycles as transport vehicles or curtail issuing contract carriage permits, as the power to restrict the same rests with the Central Government under Section 74(3) of the MV Act.

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<sup>2</sup> Notification Dated 05.11.2004

25. He also referred to the decision of the ***Karnataka Auto Drivers Welfare Joint Action Committee (Registered) Bangalore vs. The Regional Transport Authority, Bangalore: 1997 SCC Online Kar 175*** in support of the said contention. He submitted that since no directions have been issued by the Central Government, the Karnataka State Transport Authority cannot reject contract carriage permits. He also contended that in terms of Section 80(2) of the MV Act, the Regional Transport Authority cannot ordinarily refuse a permit and referred to the decision of the Supreme Court in ***Jagdip Singh v. State Transport Appellate Tribunal: (1980) 4 SCC 613*** and ***Mithilesh Garg v. Union of India: (1992) 1 SCC 168*** in support of his contention.

26. The counsel appearing for the appellants submitted that the KODTTA Rules permit the aggregation of taxis, as they are 'vehicle agnostic'. They submitted that, since bike taxis are also within the broad definition of the term 'taxi', no separate licence is required to operate platforms for aggregating bike taxis.

27. The learned counsel also referred to the Motor Vehicles & Aggregator Guidelines, 2025 **[MVAG 2025]**, which permits aggregation of all motor vehicles. They contended, on behalf of the

appellants, that, since no separate policy has been framed by the Government of Karnataka, the Central Government Guidelines would apply. Mr Dhyani Chinnappa also contended that failure to frame a policy or a subordinate legislation cannot operate as a prohibition. He also made a reference to the Karnataka Platform Based Gig Workers (Social Security and Welfare) Act, 2025 [**Gig Workers Act**] and contended that the said Act also contemplates motorcycles for hire and therefore, it cannot be contended that the State's policy is to prohibit motor vehicles for hire.

28. Learned counsel for the appellants also relied on the decision of the Supreme Court in ***Rashid Ahmed v. The Municipal Board, Kairana & Others: 1950 SCC 221*** and contended that the appellants had the right to carry on their trade and business subject to reasonable restrictions. The State Government could frame legislation to regulate the operation of bike taxis. However, the failure to frame any regulations cannot be inferred as a prohibition on carrying out the said activity.

***Submissions on behalf of the State***

29. Shri Shashi Kiran Shetty, learned Advocate General, advanced contentions on behalf of the State.

30. First, he submitted that the motorcycles are not transport vehicles and, therefore, there was no question of registering them as such. He submitted that although no appeal had been filed against the finding of the learned Single Judge to the effect that the motorcycles can be registered as transport vehicles, he submitted that the State could advance the said submission since a challenge had been laid to the impugned judgment by the appellants.

31. He referred to the Central Motor Vehicles Rules, 1989 [**CMV Rules**] and submitted that the said Rules categorised various vehicles. The expression 'carrying passengers' was used only in respect of three-wheelers and motor vehicles with at least four wheels. Since no such expression was used in respect of motor vehicles or two-wheelers, it clearly implied that the said vehicles were excluded from being considered as passenger carriers. He relied on the doctrine of *casus omissus* and submitted that while the Statute expressly omits a particular word or words, unless it is found that the omission is inadvertent and necessary to make the statute workable, such words cannot be supplied by the judicial interpretation.

32. He countered the submission that the MV Act was 'vehicle agnostic' as contended on behalf of the appellants. He referred to the definition of the expression 'contract carriage' under Section 2(27) of the MV Act and contended that a motorcycle could not be construed as a motor cab for two reasons: first, that Rule (2) of the CMV Rules does not recognize two-wheelers as vehicles for 'carrying passengers'; and second that the motorcycle cannot be classified as a motor cab.

33. He submitted that the appellants did not have any unqualified right to operate bike taxis or to act as aggregators of bike taxi services. He referred to Section 66 of the MV Act and submitted that no motor vehicles could be used as transport vehicles without a permit issued by the Regional or State Transport Authority, and the owner of the vehicle is also required to comply with the conditions of the permit. He also referred to Section 67 of the MV Act and submitted that the State Government had authority to modify any permit issued under the MV Act. Therefore, the State Government's directions in this regard could override all other sections of the MV Act. He submitted that even if some provisions of the MV Act indicated that the use of motorcycles as transport

vehicles was permitted, the State Government had pervasive control and, by virtue of Section 67(3) of the MV Act, could override any such permit. He also referred to Section 64 of the MV Act and submitted that Section 74 of the Act conferred a discretionary power for granting a contract carriage permit. Therefore, the Regional Transport Authority could decide not to issue a contract carriage permit. He referred to Section 74(3) of the MV Act and submitted that it would apply only in cases where permits were issued.

34. He contended that the KODTTA Rules were not applicable to two-wheelers. He referred to Section 93 of the MV Act and on the strength of the said section, contended that no person could act as an agent, canvasser or aggregator unless he obtained a licence for the said purpose. He contended that Ola and Uber were issued licences that covered only four-wheelers, whereas Rapido did not have any licence.

35. He referred to the Supreme Court's decision in ***Government of NCT of Delhi v. Roppen Transportation Services Pvt. Ltd.:*** ***Civil Appeal No.4039/2023***, and contended that no person can carry on the activity as an aggregator till finalization of the policy.

He referred to Rule 2(7) of the KODTTA Rules, which defines the expression 'taxi' as a motorcab.

36. He contended that the said rules apply only to motor cabs, thereby necessarily excluding motorcycles. He submitted that the States that permit bike taxis do so under policies framed by their respective State Governments. He also referred to the rules framed for aggregators in various States and contended that the said rules include the word 'motorcycle' in addition to motor cabs. He contended that it is commonly understood that motorcycles are not motor cabs. Since the Government of Karnataka has not framed any rules for granting licences for motorcycles to be used as taxis, motorcycle owners cannot use them as bike taxis.

37. He submitted that the motorcycles are not allowed to operate as taxis for various reasons, including pollution and safety concerns. Therefore, the said restrictions cannot be considered as unreasonable. Additionally, he submitted that the alternative and safe modes of transport exist in the State of Karnataka. Further, motorcycle owners can use them to generate income through alternative avenues, such as logistics and delivery, which is permitted under the Gig Workers Act. He also referred to various

e-commerce platforms such as Swiggy, Zomato, Amazon, and Flipkart, and submitted that these platforms engage two-wheeler operators to render delivery services. Thus, the State's decision to prohibit the use of bike taxis cannot be considered a blanket prohibition on the use of motorcycles for commercial purposes.

#### **D. ANALYSIS**

38. In view of the above, the principal questions required to be addressed are whether a motor cycle can be registered and used as a transport vehicle and a contract carriage; whether the motorcycle owner has the right to carry on the business of engaging in plying bike taxis; and whether the State Government can ban bike taxi service by withholding registration of motorcycles as contract carriages and withholding permits as contract carriages.

39. It is also required to be examined whether it is the State Government's policy to prohibit bike taxis.

40. Insofar as the Aggregators are concerned, it is relevant to examine whether the licence granted to an aggregator under the KODTTA Rules permits the aggregator to aggregate all types of

motor vehicles. And, if the licence granted to the aggregator under the KODTTA Rules does not apply to bike-taxis, whether the State Government can decline to grant such a license.

***Motorcycle is a Transport Vehicle – Statutory Framework***

41. The term “motor cycle” defined under Section 2 (27) of the MV Act is as under:

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

42. The term "motor vehicle" or "vehicle" is defined under Section 2 (28) as under:

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

43. The term “taxi” has not been defined under the MV Act. However, there is no dispute that a taxi connotes a transport vehicle used as a ‘contract carriage’ within the meaning of 2(7) of the MV Act. The said clause is set out below:

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

(a) on a time basis, whether or not with reference to any route or distance; or

(b) from one point to another,

and in either case, without stopping to pick up or set down passengers not included in the contract anywhere during the journey, and includes—

(i) a maxicab; and

(ii) a motor cab notwithstanding that separate fares are charged for its passengers”

44. As noted above, the expression "contract carriage" also uses a 'maxicab' and a 'motorcab'. The said terms are defined under Sub-section (22) and (25) of Section 2 of the MV Act. The same are reproduced below:

“(22) “maxicab” means any motor vehicle constructed or adapted to carry more than six passengers, but not more than twelve passengers, excluding the driver, for hire or reward

(25) “motorcab” means any motor vehicle constructed or adapted to carry not more than six passengers excluding the driver for hire or reward”

45. It is apparent from the definition of the term “contract carriage” that it refers to a motor vehicle, which carries a passenger or passengers for hire or reward under a contract (express or implied) that is entered into by a person who holds a permit in relation to such a vehicle. The said vehicle includes a maxicab and/or a motorcab. The term maxicab, as defined under Section 2(22) of the MV Act, is a vehicle constructed or adapted to carry more than six passengers. The term ‘motorcab’ as defined under Section 2(25) means a motor vehicle constructed or adapted to carry not more than six passengers. Thus, the expressions ‘maxicab’ and ‘motorcab’ cover vehicles with the entire range of capacities for carrying passengers.

46. The present case centres around using the motorcycle as a ‘taxi’ or as a ‘contract carriage’. There is no cavil that the motorcycle is constructed to carry two passengers – a rider and a pillion. If the rider is excluded, a motorcycle can carry one passenger (pillion). Thus, a motorcycle used for hire or reward falls within the meaning of a motorcab as defined under Section 2(25) of the MV Act. It follows that a “motorcycle” clearly falls within the definition of ‘contract carriage’ if the same is used by a person

holding a permit in relation to a motorcycle for carrying a passenger for hire or reward under a contract, whether express or implied. The hire of a vehicle under a contract carriage may be either for a fixed sum, for an agreed rate, or for a sum with reference to (i) the time for which the vehicle is used; or (ii) any route; or (iii) any distance; or (iv) one point to another.

47. The term 'transport vehicle' is defined under Sub-section (2) of Section 47 of the MV Act as under:

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

48. The terms 'public service vehicle' and 'private service vehicle' as used in Section 2(47) of the MV Act are defined under Sections 2(33) and 2(35) of the MV Act. Thus, it is relevant to refer to the said definitions as well. The same are reproduced below :

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

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

49. As apparent from the above, the expression ‘private service vehicle’ includes motor vehicles constructed to carry more than six passengers, excluding the driver. However, private service vehicles exclude motor vehicles used for hire or reward, or for public purposes.

50. The term ‘public service vehicle’ as defined in Section 2(35) of the MV Act refers to a motor vehicle that is used or adapted to be used for “the carriage of passengers for hire or reward”. The said definition does not refer to the minimum number of passengers that the vehicle can carry. The definition is an inclusive definition, and ‘maxicabs’ and ‘motorcabs’ fall within the broad definition of ‘public service vehicles’.

51. The learned Advocate General contended that a motorcycle falls outside the definition of contract carriage, as it is not a motorcab. This contention is founded on the assumption that a motorcycle is not constructed to carry a passenger.

52. The learned Advocate General relied on Rule (2) of the CMV Rules. It is thus necessary to refer to the said rule. Clauses of Rule (2) of the CMV Rules, *inter alia*, define various categories of

vehicles. The learned Advocate General relied on Rule 2(i), 2(ib), 2(ic), 2(id), 2(ie), 2(if), 2(ig) and 2(k) of Rule 2 of the CMV Rules.

The same are set out below:

"(i) "Category L1" means a motor cycle without gear or a light two wheeled powered vehicle with maximum speed 70 kilometres per hour and engine capacity not exceeding 50cc if fitted with a thermic engine or motor power not exceeding 4.0 kilowatts if fitted with electric motor;

(ib) Category L2 means a motorcycle or a light two wheeled powered vehicle with engine capacity exceeding 50cc if fitted with a thermic engine or motor power exceeding 4.0 kilowatts if fitted with electric motor;

(ic) "Category L5" means a three wheeled motor vehicle with maximum speed of 25 km/h and engine capacity of 25 cc, if fitted with a thermic engine, or motor power exceeding 0.25 kW, if fitted with electric motor and the vehicle shall normally used for (a) carrying persons; or (b) carrying goods. Semi-trailer may be attached, where,-

(a) handle bar or steering wheel is fitted;

(b) gross vehicle weight is limited to 1,500 kg, subject to the conditions specified in clause (d);

(c) in the case of semi-trailers being attached to a three wheeled tractor, the gross combination weight be limited to 2,500 kg subject to the conditions specified in clause (d); and

(d) weight of traction batteries in the case of battery operated three wheelers shall not be taken into account for calculating the GVW or GCW and for the purpose of classification;

(id) "Category L5-M" means a three wheeler passenger carrier (Auto-Rickshaw) on account of its technical features intended to carry passengers;

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(ie) "Category L2-5" means a three wheeled motor vehicle, with a 2 wheeler-3 wheeler combination module, constructed in such a way that a two-wheeled vehicle of category L2 is combined with a non-selfpropelled rear module unit. It can be separated or combined, as and when required:

Provided that at any point of time, either a two-wheeler of Category L2 or a three-wheeled vehicle of Category L5 can only be used;

(if) "Category L2 - 5 M" means a category L2-5 vehicle on account of technical features intended to carry passengers;

(ig) "Category L2 - 5 N" means a category L2-5 vehicle on account of technical features intended to carry goods:

Provided that category L2-5 vehicle may fall under the category of L2-5M for passenger carrier or L2-5N for goods carriage, depending on the weight of persons including driver for whom seating arrangements are provided is more than or less than the weight of goods carried and this shall be as per conditions specified in IS 14272:2011, as amended from time to time for L5 category of vehicles;

(k) "Category M" means a motor vehicle with at least four wheels used for carrying passengers"

53. It is apparent from the above that the said definitions are merely used to define the category of vehicles on the basis of their construction/structure. The fact that the expression 'carrying passengers' is not used in the definition of category 'L2' as defined under Rule 2(ib), does not indicate that the motorcycle is not for carrying passengers. A plain reading of the definition of various categories of vehicles, namely L5, L5-M, L2-5, L2-5M, L2-5N, L5-N,

indicates that the classification is merely made on account of the construction and modifications carried out in the vehicles. Rules 2(p), (q), and (r) define categories N1, N2, and N3. The same are categories of motor vehicles as structured for carriage of goods. These classifications are intended to distinguish categories of vehicles modified/designed for the carriage of goods, passengers, or both.

54. There is no dispute that a motorcycle is also used for carrying a passenger. It has the capacity to carry two persons, including the rider. The expression "for carrying passengers" in respect of three wheelers and four wheelers is used for the purpose of defining the seating capacity of those categories of vehicles, which are used for the carriage of passengers as against the carriage of goods.

55. Rule 2(ie) defines the category L2-5 to mean a three-wheeled motor vehicle, with a two-wheeler-three-wheeler combination module, constructed in such a way that a two-wheeled vehicle is combined with a non-self-propelled rear module unit, which can be separated or combined, as and when required.

56. Rule 2(i)(f) defines Category L2-5M to mean an L2-5 vehicle on account of technical features intended to carry passengers. Category L2-5N under Rule 2(i)(g) is defined to mean a vehicle classified as an L2-5 vehicle, with technical features intended to carry goods. Thus, a vehicle categorised as L2 – which means a two-wheeler with an engine capacity of more than 50cc/4.0 kilowatts electric motor – could fall in L2-5M category if it is attached with a module to carry passengers. The module may be separated. However, the said category may still be used for carrying passengers. It is clear that the word "passenger" indicates whether a vehicle is designed to carry human passengers or goods. However, there is no dispute that a motorcycle is used to transport humans and not goods. Thus, there was no need to use the words 'carrying passengers' in the case of motorcycles, which are not further modified.

57. Thus, the contention that the words "carrying passengers" are used for describing different categories of vehicles, differentiating whether the vehicle can be used for carrying passengers for hire or reward, is *ex facie* erroneous. The question of whether the vehicle can be used for hire or reward is not a

relevant factor in categorising vehicles under Rule 2 of the CMV Rules. The various clauses of Rule 2 of the CMV Rules, as referred to above, merely categorise vehicles by capacity and whether they are constructed for carrying passengers or goods. There is no dispute that the motorcycle is used for carrying passengers. The question of whether it can be used for hire or reward is not a feature of the construction of the motor vehicle and thus not relevant to its classification.

58. Section 41 of the MV Act contains provisions regarding applications by the owners of motor vehicles for registration. Sub-section (4) of Section 41 of the MV Act explicitly requires that, in addition to other particulars required to be included in the certificate of registration, it is also necessary to specify the type of motor vehicle, having regard to the design, construction and use of the said motor vehicle.

59. It is relevant to refer to the notification<sup>3</sup> dated 05.11.2004 issued by the Central Government under Section 41(4) of the MV Act. The said notification is set out below:

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<sup>3</sup> No. SO 1248 (E) dated 05.11.2004

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**"NOTIFICATIONS UNDER THE MOTOR VEHICLES ACT**

(Issued by the Central Government)

**Under Section 41(4) Specification of Types of Motor Vehicles**

S.O.1248(E),dated 5-11-2004. In exercise of the powers conferred by sub-section (4) of section 41 of the Motor Vehicles Act, 1988 (59 of 1988) and in supersession of the notification of the Government of India in the erstwhile Ministry of Surface Transport No.S.O. 451(E), dated the 19<sup>th</sup> June, 1992, the Central Government hereby specifies the types of motor vehicles as mentioned in column 1 and 2 of the Table below for the purposes of said sub-section (4); -

| <b>Transport Vehicles</b>                                                                                                              | <b>Non-Transport Vehicles</b>                                     |
|----------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
| (1)                                                                                                                                    | (2)                                                               |
| (1)Motor cycle with side car for carrying goods.                                                                                       | (1) Motor cycle with or without side car for personal use.        |
| (ii) Motor cycle with trailer to carry goods                                                                                           | (ii) Mopeds and motorized cycle (Engine capacity exceeding 25cc). |
| <b>(iii) Motor cycle used for hire to carry one passenger on pillion and motorized cycle-rickshaw for goods or passengers on hire.</b> | (iii) Invalid carriage.                                           |
| (iv) Luxury cabs.                                                                                                                      | (iv) Three-wheeled vehicles for personal use.                     |
| (v) Three wheeled vehicles for transport of passenger/goods,                                                                           | (v) Motor car.                                                    |
| (vi)Goods carrier trucks or tankers or mail carriers (N1-                                                                              | (vi) Fork lift.                                                   |

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|                                                                                                                             |                                                                                                                             |
|-----------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------|
| N3 category).                                                                                                               |                                                                                                                             |
| (vii) Power tillers and Tractors using public roads.                                                                        | (vii) Vehicles or trailers fitted with equipment's like rig, generator, and compressor.                                     |
| (viii) Mobile clinic or X-ray van or Library vans                                                                           | (viii) Crane mounted vehicles.                                                                                              |
| (ix) Mobile workshops.                                                                                                      | (ix) Agricultural Tractors and power Tillers.                                                                               |
| (x) Mobile canteens.                                                                                                        | (x) Private service vehicle, registered in the name of an individual and if declared to be used by him solely for personal. |
| (xi) Private Service Vehicle.                                                                                               | (xi) Camper van or trailer for private use.                                                                                 |
| (xii) Public service Vehicle such as maxi cab, motor cab, stage carriage and contract carriages Including tourist vehicles. | (Xii) Tow trucks, Breakdown Van and Recovery Vehicles.                                                                      |
| (xiii) Educational Institution buses.                                                                                       | (xiii) Tower Wagons and tree trimming vehicles owned by Central, State and local authorities.                               |
| (xiv) Ambulances.                                                                                                           | (xiv) Construction Equipment vehicles as defined in rule 2(ca)                                                              |
| (xv) Animal ambulances.                                                                                                     |                                                                                                                             |
| (xvi) Camper vans or trailers.                                                                                              |                                                                                                                             |
| (xvii) Cash vans.                                                                                                           |                                                                                                                             |
| (xviii) Fire tenders, snorked ladders, auxiliary trailers and fire fighting vehicles.                                       |                                                                                                                             |
| (xix) Articulated vehicles.                                                                                                 |                                                                                                                             |

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|                    |  |
|--------------------|--|
| (xx) Hearses.      |  |
| (xxi) Omnibuses.   |  |
| (xxii) Quadricycle |  |

[emphasis added]

60. The above referred notification clearly refers to a motorcycle used for hire to carry one passenger on pillion. Thus, the use of a motorcycle as a means of transport for carrying one passenger on the pillion is clearly contemplated. In view of the above, the contention that a motorcycle cannot be classified as a transport vehicle, is unmerited.

***Clarification Issued by the Central Government***

61. Any ambiguity, if at all, whether a motorcycle can be used as a “transport vehicle” or a “contract carriage”, is put to rest by the clarification<sup>4</sup> issued by the Central Government. The Central Government has expressly clarified that the motorcycle falls within the scope of Section 2(7) of the MV Act, which defines ‘contract carriage’. The said notification is set out below:

No. RT-11021/34/2023-MVL  
Government of India  
Ministry of Road Transport & Highways  
Transport Bhawan, 1, Parliament Street, New Delhi-110001.

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<sup>4</sup> No. RT-11021/34/2023 MVL dated 22.01.2024

**WA No. 906 of 2025  
C/W WA No. 848 of 2025  
WA No. 863 of 2025  
AND 2 OTHERS**

the 22 January, 2024.

To,

1. The Principal Secretary/Secretary  
State Government/ Administration of Union Territory
2. The Transport Commissioner,  
State Government/Administration of Union Territory

Subject: Motor cycles fall within the definition of 'contract carriage' as per Section 2(7) of the Motor Vehicles Act, 1988.

Sir/Ma'am

I am directed to say that it has been brought to the notice of this Ministry that certain States/ UTs are, while processing applications for grant of permit, taking a view that 'motor cycle' is not eligible to ply under contract carriage or operate as a transport vehicle.

1. The definition of contract carriage' is provided in Section 2(7) of the Motor Vehicles Act, 1988 ("the MV Act") as follows:

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

(a) on a time basis, whether or not with reference to any route or distance; or

(b) from one point to another, and in either case, without stopping to pick up or set down passengers not included in the contract anywhere during the journey, and includes-

(1) a maxi cab; and

(ii) a motor cab notwithstanding that separate fares are charged for its passengers:

2. It is clarified that as per Section 2(28) of the MV Act, vehicles having less than four wheels fitted with engine capacity exceeding twenty-five cubic centimetres are also included within the definition of motor vehicles. Hence, 'motor cycles' shall fall within the ambit of Section 2(7) of the MV Act.

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3. It may be noted that the above position is also evident from sub-section (3) of section 178 of the MV Act which imposes a fine up to fifty rupees on the holder of a contract carriage permit for a two-wheeled contract carriage or the driver thereof, for refusal to ply the same or to carry the passengers.

4. Accordingly, all the States/UTs are advised to accept and process applications for contract carriage permits for motor cycles in accordance with the provisions of the MV Act and the rules thereunder.

Yours faithfully,  
Sd/-

(S.K. Geeva)

Under Secretary to the Govt. of India

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62. The Motor Vehicle Aggregator Guidelines, 2025, issued by the Central Government require an aggregator's licence to be issued in Form III, which also applies to a motorcycle. Thus, the licence to the aggregator could also be issued for aggregating bike taxi services.

***Decision in ANI Technologies Private Limited v. State of Karnataka: W.A.No.4010/2019***

63. The decision in the case of ANI Technologies<sup>5</sup> was rendered in an appeal preferred by Ola against the order dated 12.09.2019 passed by the learned Single Judge in W.P.No.14485/2019.

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<sup>5</sup> ANI Technologies Private Limited v. State of Karnataka : W.A.No.4010/2019 dated 05.04.2021.

64. Ola had preferred the said petition, *inter alia*, praying that directions be issued to the Karnataka State Transport Authorities to take the necessary action to permit registration of bike taxis as transport vehicles and grant appropriate contract carriage permits, in terms of the MV Act, the CMV Rules, and the Karnataka Motor Vehicles Rules, 1989 **[KMV Rules]**. In the alternative, Ola had prayed that directions be issued to the Karnataka State Transport Authorities to sanction and implement a framework for bike taxis in view of S.O.No.1248(E) dated 05.11.2004 issued by the Central Government. Ola also prayed that a direction be issued to the concerned authorities to ensure that no motorcycle registered for personal use and not used as a transport vehicle is permitted to be operated as a bike taxi.

65. The said petition was rejected, and this led Ola to file an appeal, which was considered by the Co-ordinate Bench of this Court. One of the principal issues that fell for consideration of the Court was whether a motorcycle could be used as a transport vehicle under the MV Act. It is material to note that it was the stand of the concerned State Authorities that there were no Rules, which had been framed for issuance of permits to motorcycle taxis, and

therefore it was necessary to examine whether a request for the grant of permits for operating Motorcycles as taxis could be issued under the extended provisions of the MV Act and the Rules.

66. The Court examined the notification<sup>6</sup> issued by the Central Government under Section 41 (4) of the MV Act, and highlighted that the said notification included motorcycles used for hire to carry one passenger and one pillion as a transport vehicle. The Court held that a motorcycle could be used for hire to carry one passenger and one pillion, and the same would fall within the definition of contract carriage under Section 2 (7) of the MV Act. The Court observed that the definition of “contract carriage, is an inclusive definition and not an exhaustive one. The same would include a motorcycle taxi, which is used for “hire or reward”. The Court also held that applications for the grant of contract carriage permits are required to be considered by the Karnataka State Transport Authorities, having regard to the provisions of the MV Act. The appeal was disposed of with liberty to Ola to make an application, with the further direction that, if such an application is

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<sup>6</sup> SO 1248 (E) dated 15.11.2004

made, it would be considered by the concerned authorities in accordance with law.

67. The findings of the Division Bench were not challenged, and the same have attained finality. The question whether a motorcycle would fall within the definition of 'a transport vehicle' under the MV Act is thus no longer *res integra*.

***Conclusion – Motorcycle can be Registered as a Transport Vehicle***

68. In view of the above, we reject the contention that the motorcycle cannot be used as a 'contract carriage'. We also reject the contention that a motorcycle falls outside the definitions of a 'transport vehicle' as defined under Section 2(47) of the MV Act, or a motorcab as defined under Section 2 (25) of the MV Act.

***Right to provide bike-taxi services***

69. We may at the outset state that it cannot be disputed that the business of plying taxis is a legitimate business, and the right to engage in such activity is protected under Article 19(1)(g) of the Constitution of India. The said business is not inherently dangerous, illegal or immoral. It is not covered by the doctrine of *res extra commercium*. However, engaging in such business may

be subject to reasonable restriction under Article 19(6) of the Constitution of India, which expressly provides that Article 19(1)(g) does not prevent the State from making any law imposing reasonable restrictions in the interest of the general public. It follows that any restrictions on carrying on a bike taxi service must be by law, in the public interest, and reasonable.

70. Article 13(3)(a) of the Constitution of India, which defines the term 'law', reads as under:

“‘law’ includes any Ordinance, order, bye-law, rule, regulation, notification, custom or usage having in the territory of India the force of law”

71. In **Saghir Ahmed vs. State of UP**<sup>7</sup>, the Constitution Bench of the Supreme Court considered the challenge to the U.P State Road Transport Act, 1950 (2 of 1951), which enabled the State Government to declare that the road transport services in general, or any particular class of such service on any route or portion thereof to be operated by the State Government exclusively. In exercise of the said powers, the State Government of Uttar Pradesh had issued a Notification dated 25.03.1953, reserving the state carriage services of the Bulandshahr Delhi route to be

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<sup>7</sup>. AIR 1954 SC 728

operated exclusively by the State Government. The constitutional validity of the Act was challenged by various private bus owners as violative of Article 14 and 19(1)(g) of the Constitution of India.

72. One of the contentions advanced before the Hon'ble Supreme Court on behalf of the State of UP was whether the streets belonging to the public and the use for the purpose of trade can be prohibited by the Legislature. In this regard, the Supreme Court referred to the decision of the Madras High Court in **C.S.S. Motor Services vs. State of Madras**<sup>8</sup>, and concurred with the following passage from the said decision.

"The true position, then is, that all public streets and roads vest in the State, but that the State holds them as trustees on behalf of the public. The members of the public are entitled as beneficiaries to use them as a matter of right and this right is limited only by the similar rights possessed by every other citizen to use the pathways. The State as trustees on behalf of the public is entitled to impose such limitations on the character and extent of the user as may be requisite protecting the rights of the public generally;... but subject to such limitations the right of a citizen to carry on business in transport vehicles on public pathways cannot be denied to him on the ground that the State owns the highways".

73. The right to carry on the business of plying passenger vehicles was recognised as a legitimate trade or business

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<sup>8</sup>. (1952) 2 MLJ 894

protected under Article 19(1)(g) of the Constitution of India. It is relevant to refer to the following passages from the decision in *Saghir Ahmed's case*<sup>9</sup>:

"13. We are in entire agreement with the statement of law made in these passages. Within the limits imposed by State regulations any member of the public can ply motor vehicles on a public road. To that extent he can also carry on the business of transporting passengers with the aid of the vehicles. It is to this carrying on of the trade or business that the guarantee in Article 19(1)(g) is attracted and a citizen can legitimately complain if any legislation takes away or curtails that right any more than is permissible under clause (6) of that article.

14. The legislation in the present case has excluded all private bus owners from the field of transport business. Prima facie it is an infraction of the provision of Article 19(1)(g) of the Constitution and the question for our consideration therefore is whether this invasion by the legislature of the fundamental right can be justified under the provision of clause (6) of Article 19 on the ground that it imposes reasonable restrictions on the exercise of the right in the interests of the general public?"

74. The Supreme Court also referred to the question whether the expression "reasonable restriction" as used in Article 19(6) of the Constitution of India would also encompass the complete deprivation. The Supreme Court did not express any final opinion on this question; it rested its decision on the condition that any

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<sup>9</sup>. AIR 1954 SC 728

restriction contemplated under Section 19(6) must be reasonable.

We may refer to the following passages of the said decision:

"21. Be that as it may, although in our opinion the normal use of the word "restriction" seems to be in the sense of "limitation" and not "extinction", we would on this occasion prefer not to express any final opinion on this matter. If the word, "restriction" does not include total prohibition then the law under review cannot be justified under Article 19(6). In that case the law would be void unless it can be supported by Article 31. That point will be dealt with under the other point raised in the appeal. If however the word "restriction" in Article 19(6) of the Constitution be taken in certain circumstances to include prohibition as well, the point for consideration then would be, whether the prohibition of the right of all private citizens to carry on the business of motor transport on public roads within the State of Uttar Pradesh as laid down by the Act can be justified as reasonable restrictions imposed in the interests of the general public.

22. As has been held by this Court in *Cooverjee B. Bharucha v. Excise Commr.*, (1954) 1 SCC 18 : 1954 SCR 873 whether the restrictions are reasonable or not would depend to a large extent on the nature of the trade and the conditions prevalent in it. There is nothing wrong in the nature of the trade before us, which is perfectly innocuous. The learned Judges of the High Court have upheld the validity of the legislation substantially on two grounds. In the first place, they have relied on what may be said to be an abstract proposition of law, that prohibition with a view to State monopoly is not *per se* unreasonable. "In my opinion", thus observes one of the learned Judges, "even this total stoppage of trade on public places and thoroughfares cannot *always* be said to be an unreasonable restriction". In the second place, it has been said that the transport services are essential to the life of the community and it is conducive to the interests of the general public to have an efficient system of transport on public roads. It is pointed out that the Preamble to the Act indicates that the legislation was passed in the interests of the general public who are undoubtedly interested in a

suitable and efficient Road Transport Services, and it was not proved by the petitioners that the monopoly, which was contemplated in favour of the State in regard to this particular business, was not conducive to the common welfare. As a proposition of law, the first ground may not admit of any dispute but we think that the observations of Lord Porter in the Privy Council case of *Commonwealth of Australia v. Bank of New South Wales*, 1950 AC 235 (PC) at p. 311 upon which considerable reliance has been placed by the High Court would indicate the proper way of approach to this question. "Their Lordships do not intend to lay it down" thus observed Lord Porter

"that in no circumstances could the exclusion of competition so as to create a monopoly either in a State or Commonwealth agency or in some other body be justified. Every case must be judged on its own facts and in its own setting of time and circumstance, and it may be that in regard to some economic activities and at some stage of social development it might be maintained that prohibition with a view to State monopoly was the only practical and reasonable manner of regulation". (AC p. 311)

In order to judge whether State monopoly is reasonable or not, regard therefore must be had to the facts of each particular case in its own setting of time and circumstances. It is not enough to say that as an efficient transport service is conducive to the interests of the people, a legislation which makes provision for such service must always be held valid irrespective of the fact as to what the effect of such legislation would be and irrespective of the particular conditions and circumstances under which the legislation was passed. It is not enough that the restrictions are for the benefit of the public, they must be reasonable as well and the reasonableness could be decided only on a conspectus of all the relevant facts and circumstances."

75. The Supreme Court held that the right to carry on the business of transporting passengers was protected under Article 19(1)(g) of the Constitution of India, and that the restriction

imposed by the Act was not a reasonable restriction. Thus, the same was not protected under clause (6) of Article 19 of the Constitution of India. Therefore, the said petition was allowed, and the State was restrained from enforcing the provisions of the UP State Road Transport Act, 1950.

76. In **Mithilesh Garg and others vs. Union of India**<sup>10</sup>, the Supreme Court examined the challenge to Section 80 and other provisions of the MV Act. Certain holders of State carriage permits had challenged the issuance of carriage permits to other persons on the ground that their interests were adversely affected by lifting the restrictions as to permits that may be granted. The Supreme Court examined the object of repealing the earlier Motor Vehicles Act, 1936 and enacting the MV Act and observed as under:

"4. A comparative reading of the provisions of the Act and the old Act make it clear that the procedure for grant of permits under the Act has been liberalised to such an extent that an intending operator can get a permit for the asking irrespective of the number of operators already in the field. Under Sections 57 read with Section 47(1) of the old Act an application for a stage carriage permit was to be published and kept for inspection in the office of the Regional Transport Authority so that the existing operators could file representations/ objections against the said application. The application, along with objections, was required to be decided in a quasi-judicial manner. Section

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<sup>10</sup>. 1992(1) SCC 168

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47(3) of the old Act further permitted the imposition of limit on the grant of permits in any region, area or on a particular route. It is thus obvious that the main features of Chapter IV “control of transport vehicles” under old Act were as under:

(1) The applications for grant of permits were published and were made available in the office of the Regional Transport Authority so that the existing operators could file representations;

(2) The applications for grant of permits along with the representations were to be decided in quasi-judicial manner; and

(3) The Regional Transport Authority was to decide the applications for grant of permits keeping in view the criteria laid down in Section 47(1) and also keeping in view the limit fixed under Section 47(3) of the Act. An application for grant of permit beyond the limited number fixed under Section 47(3) was to be rejected summarily.

5. The Parliament in its wisdom has completely effaced the above features. The scheme envisaged under Sections 47 and 57 of the old Act has been completely done away with by the Act. The right of existing operators to file objections and the provision to impose limit on the number of permits have been taken away. There is no similar provision to that of Section 47 and Section 57 under the Act. The Statement of Objects and Reasons of the Act shows that the purpose of bringing in the Act was to liberalise the grant of permits. Section 71(1) of the Act provides that while considering an application for a stage carriage permit the Regional Transport Authority shall have regard to the objects of the Act. Section 80(2), which is the harbinger of liberalisation, provides that a Regional Transport Authority shall not ordinarily refuse to grant an application for permit of any kind made at any time under the Act. There is no provision under the Act like that of Section 47(3) of the old Act and as such no limit for the grant of permits can be fixed under the Act. There is, however, a provision under Section 71(3)(a) of the Act under which a limit can be fixed for the grant of permits in

respect of the routes which are within a town having population of more than five lakhs."

(emphasis added)

77. The Supreme Court reiterated that the right to carry on the motor transport business was protected under Article 19(1)(g) of the Constitution of India. It referred to the decision of the Constitution Bench of the Supreme Court in **Saghir Ahmed**<sup>11</sup> and held as under:

" It is thus a guaranteed right of every citizen whether rich or poor to take up and carry on, if he so wishes, the motor transport business. It is only the State which can impose reasonable restrictions within the ambit of Article 19(6) of the Constitution of India. Sections 47(3) and 57 of the old Act were some of the restrictions which were imposed by the State on the enjoyment of the right under Article 19(1)(g) so far as the motor transport business was concerned. The said restrictions have been taken away and the provisions of Sections 47(3) and 57 of the old Act have been repealed from the statute book. The Act provides liberal policy for the grant of permits to those who intend to enter the motor transport business. The provisions of the Act are in conformity with Article 19(1)(g) of the Constitution of India. The petitioners are asking this Court to do what the Parliament has undone. When the State has chosen not to impose any restriction under Article 19(6) of the Constitution of India in respect of motor transport business and has left the citizens to enjoy their right under Article 19(1)(g) there can be no cause for complaint by the petitioners."

(emphasis added)

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<sup>11</sup>. (supra)

78. We may also refer to the decision in **Rashid Ahmed v. Municipal Board, Kairana**<sup>12</sup>. In the said case, the Supreme Court considered a challenge to a notice dated 28.01.1950 in the context of bye-laws made under Section 298 of the United Provinces Municipalities Act, 1916. Bye-law (2) of the said Bye-laws prohibited any person from establishing any new market or place for wholesale transaction without obtaining previous permission of the Board, and prohibited any person from selling or exposing for sale any vegetables or fruit, etc., at any place other than that fixed by the Board for the said purpose. The petitioner's application for permission to sell was rejected. In the aforesaid context, the Supreme Court held as under:

“11. The Constitution by Article 19(1)(g) guarantees to the Indian citizen the right to carry on trade or business subject to such reasonable restrictions as are mentioned in clause (6) of that article. The position, however, under Bye-law 2 is that while it provided that no person shall establish a market for wholesale transactions in vegetables except with the permission of the Board, there is no bye-law authorising the respondent Board to issue the licence. The net result is that the prohibition of this bye-law, in the absence of any provision for issuing licence, becomes absolute.

12. Further, Bye-law 4 contemplates the grant of a monopoly to a contractor to deal in wholesale transactions at the place fixed as a market. Acting upon that provision, the respondent Board has granted monopoly

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<sup>12</sup>. 1950 SCC 221

to Habib Ahmad and has put it out of its power to grant a licence to the petitioner to carry on wholesale business in vegetables either at the fixed market place or at any other place within the municipal limits of Kairana. This certainly is much more than reasonable restrictions on the petitioner as are contemplated by clause (6) of Article 19. This being the position, the bye-laws would be void under Article 13(1) of the Constitution. On the other hand, if there is no bye-law requiring the petitioner to take out licence, then there can be no justification for the respondent Board to stop the petitioner's business or to prosecute him.

15. We are satisfied that in this case the petitioner's fundamental rights have been infringed and he is entitled to have his grievance redressed. The proper order in such circumstances would be to direct the respondent Board not to prohibit the petitioner from carrying on the trade of wholesale dealer and commission agent of vegetables and fruits within the limits of the Municipal Board of Kairana, except in accordance with the bye-laws as and when framed in future according to law and further to direct the respondent Municipal Board to withdraw the pending prosecution of the petitioner and we order accordingly. The respondents to pay the costs of the petitioner."

79. Thus, the appellants have a legitimate right to carry on the business of providing bike taxi service. The questions that follow are whether the same can be restricted, for what purpose and to which extent.

***Restrictions on the freedom to carry on occupation and commerce***

80. In terms of clause (6) of Article 19 of the Constitution of India, the State is not precluded from imposing restrictions on the freedom to carry on any profession, occupation, trade or business

subject to two conditions: first, that the same is in the interest of the general public; and second, that the same is reasonable. Thus, the action of the concerned authorities effectively preventing the appellants from providing bike-taxi service is required to be tested on the anvil of the aforesaid conditions.

81. It was also contended on behalf of the appellants that a restriction under Article 19(6) of the Constitution of India would not entail a complete prohibition. Although the question of whether a reasonable restriction under Article 19(6) of the Constitution would entail prohibition was raised in Saghir Ahmed's case, the Supreme Court did not answer it. However, in a later decision, in **Narendra Kumar v. Union of India**<sup>13</sup>, the Supreme Court authoritatively held that the import of the word "restriction" as used in Article 19(6) of the Constitution of India would also include 'prohibition'. We consider it relevant to refer to the following extracts from the said decision:

"15. It is clear that in these three cases viz. *Chintaman Rao case* [1950 SCC 695 : (1950) SCR 759] , *Cooverjee case* [(1954) SCR 873, 879] and *Madhya Bharat Cotton Association Ltd. case* [AIR 1954 SC 634] the court considered the real question to be whether the

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<sup>13</sup>. AIR 1960 SC 430

interference with the fundamental right, was “reasonable” or not in the interests of the general public and that if the answer to the question was in the affirmative, the law would be valid and it would be invalid if the test of reasonableness was not passed. Prohibition was in all these cases treated as only a kind of “restriction”. Any other view would, in our opinion, defeat the intention of the Constitution.

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17. As it was to remedy the harm that would otherwise be caused by the provisions of Article 13, that these saving provisions were made, it is proper to remember the words of Article 13 in interpreting the words “reasonable restrictions” on the exercise of the right as used in clause (2). It is reasonable to think that the makers of the Constitution considered the word “restriction” to be sufficiently wide to save laws “inconsistent” with Article 19(1), or “taking away the rights” conferred by the Article, provided this inconsistency or taking away was reasonable in the interests of the different matters mentioned in the clause. There can be no doubt therefore that they intended the word “restriction” to include cases of “prohibition” also. The contention that a law prohibiting the exercise of a fundamental right is in no case saved, cannot therefore be accepted. It is undoubtedly correct, however, that when, as in the present case, the restriction reaches the stage of prohibition special care has to be taken by the Court to see that the test of reasonableness is satisfied. The greater the restriction, the more the need for strict scrutiny by the Court.”

82. In **Mohamed Faruk vs. State of MP**<sup>14</sup>, the Supreme Court reiterated the principle that the greater the restriction, the greater the need for strict scrutiny to determine whether the restriction imposed is reasonable. The Supreme Court further explained that a

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<sup>14</sup>. (1969) 1 SCC 853

restriction can be upheld only if it imposes a restriction in the interest of the public, and a less drastic restriction will not ensure that interest. We consider it apposite to refer to the following passages from the said decision:

9. This Court in *Narendra Kumar v. Union of India* [1959 SCC OnLine SC 36 : (1960) 2 SCR 375] held that the word “restriction” in Articles 19(5) and 19(6) of the Constitution includes cases of “prohibition” also; that where a restriction reaches the stage of total restraint of rights special care has to be taken by the Court to see that the test of reasonableness is satisfied by considering the question in the background of the facts and circumstances under which the order was made, taking into account the nature of the evil that was sought to be remedied by such law, the harm caused to individual citizens by the proposed remedy, the beneficial effect reasonably expected to result to the general public, and whether the restraint caused by the law was more than what was necessary in the interests of the general public.

10. The impugned notification, though technically within the competence of the State Government, directly infringes the fundamental right of the petitioner guaranteed by Article 19(1)(g) and may be upheld only if it be established that it seeks to impose reasonable restrictions in the interests of the general public and a less drastic restriction will not ensure the interest of the general public. The Court must in considering the validity of the impugned law imposing a prohibition on the carrying on of a business or profession, attempt an evaluation of its direct and immediate impact upon the fundamental rights of the citizens affected thereby and the larger public interest sought to be ensured in the light of the object sought to be achieved, the necessity to restrict the citizen's freedom, the inherent pernicious nature of the act prohibited or its capacity or tendency to be harmful to the general public, the possibility of achieving the object by imposing a less drastic restraint, and in the absence of exceptional

situations such as the prevalence of a state of emergency national or local — or the necessity to maintain essential supplies, or the necessity to stop activities inherently dangerous, the existence of a machinery to satisfy the administrative authority that no case for imposing the restriction is made out or that a less drastic restriction may ensure the object intended to be achieved.”

83. It is equally well settled that any restriction under Article 19(6) of the Constitution must be by law. In **Kharak Singh vs. State of UP**<sup>15</sup>, the Supreme Court held as under:

“5. Before entering on the details of these regulations it is necessary to point out that the defence of the State in support of their validity is two-fold : (1) that the impugned regulations do not constitute an infringement of any of the freedoms guaranteed by Part III of the Constitution which are invoked by the petitioner, and (2) that even if they were, they have been framed "in the interests of the general public and public order" and to enable the police to discharge its duties in a more efficient manner and were therefore "reasonable restrictions" on that freedom. Pausing here it is necessary to point out that the second point urged is without any legal basis for if the petitioner were able to establish that the impugned regulations constitute an infringement of any of the freedoms guaranteed to him by the Constitution then the only manner in which this violation of the fundamental right could be defended would be by justifying the impugned action by reference to a valid law, i. e., be it a statute, a statutory rule or a statutory regulation. Though learned counsel for the respondent started by attempting such a justification by invoking s. 12 of the Indian Police Act he gave this up and conceded that the regulations contained in Ch. XX had no such statutory basis but were merely executive or departmental instructions framed for the guidance of the police officers. They would not therefore be "a law" which the State is entitled to make under the

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<sup>15</sup>. 1962 SCC OnLine SC 10

relevant clauses 2 to 6 of Article 19 in order to regulate or curtail fundamental rights guaranteed by the several sub-clauses of Article 19(1), nor would the same be " a procedure established by law" within Article 21. The position therefore is that if the action of the police which is the arm of the executive of the State is found to infringe any of the freedoms guaranteed to the petitioner the petitioner would be entitled to the relief of mandamus which he seeks to restrain the State from taking action under the regulations."

84. The aforesaid decision was followed by the Supreme Court in a later decision in **Bijoe Emmanuel vs. State of Kerala**<sup>16</sup>, the court observed as under:

"16. We have referred to Article 19(1)(a) which guarantees to all citizens freedom of speech and expression and to Article 19(2) which provides that nothing in Article 19(1)(a) shall prevent a State from making any law, insofar as such law imposes reasonable restrictions on the exercise of the right conferred by Article 19(1)(a) in the interests of the sovereignty and integrity of India, the security of the State, friendly relations with foreign States, public order, decency or morality, or in relation to contempt of court, defamation or incitement of an offence. The law is now well settled that any law which be made under clauses (2) to (6) of Article 19 to regulate the exercise of the right to the freedoms guaranteed by Article 19(1)(a) to (e) and (g) must be "a law" having statutory force and not a mere executive or departmental instructions."

85. In the aforesaid light, it is necessary to now examine whether there is any valid law which proscribes carrying on the operation of bike taxi services.

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<sup>16</sup>. (1986) 3 SCC 615

***Power of the State Government to Control Road Transport***

86. The MV Act, in its pith and substance, relates to entry 35 of List III of the Seventh Schedule to the Constitution of India (Concurrent List), which contemplates the subject of “mechanically propelled vehicles, including the principles on which taxes on such vehicles are to be levied.”

87. In view of the above, it is not open for the State Government to enact any legislation which is repugnant to the MV Act. The provisions of the MV Act occupy the legislative field which is traceable to entry 35 of List III of the Seventh Schedule to the Constitution. As noted above, the MV Act expressly contemplates the inclusion of motorcycles as transport vehicles. Plainly, it would not be open for the State Government of Karnataka to exclude motorcycles from registration as transport vehicles. The powers that can be exercised by the State Government are necessarily confined to those as provided under the MV Act, as the legislative field is occupied by the MV Act.

88. The provisions for control of transport vehicles are contained in Chapter-V of the MV Act. Thus, the question whether the State Government can proscribe the use of motorcycles as transport

vehicles is required to be considered with reference to the provisions contained in Chapter V of the MV Act.

89. Sub-section (1) of Section 66 prohibits the owner of a motor vehicle from using or permitting the use of a vehicle as a transport vehicle, except in accordance with the terms and conditions of a permit. Sub-section (1) of Section 66 is set out below:

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

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

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

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

Provided also that where a transport vehicle has been issued any permit or permits, as well as a licence under this Act, such vehicle has been issued any permit or

permits, as well as a licence under this Act, such vehicle may be used either under the permit, or permits, so issued to it, or under such licence, at the discretion of the vehicle owner."

90. Section 67 of the MV Act sets out the power of the State Government to control road transport. Sub-section (3) of Section 67 empowers the State Government to modify any permit issued under this Act or make schemes for the transportation of goods and passengers.

91. Section 67 of the MV Act was amended by virtue of the Motor Vehicles (Amendment) Act 2019. It is relevant to note that prior to the said amendment, Section 67 of the Act read as under:

(1) A State Government, having regard to—

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

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

(c) the desirability of preventing the deterioration of the road system, and

(d) the desirability of preventing uneconomic competition among holders of permits, may, from time to time, by notification in the Official Gazette, issue directions both to the State Transport Authority and Regional Transport Authority—

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(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. Section 67 of the MV Act as amended, is set out below:

"67. Power to State Government to control road transport.—(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,

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(c) the desirability of preventing the deterioration of the road system, and

(d) promoting effective competition among the transport service providers,

may, from time to time, by notification in the Official Gazette, issue directions both to the State Transport Authority and Regional Transport Authority regarding the passengers' convenience, economically competitive fares, prevention of overcrowding and road safety.

(2) any direction under sub-section (1) regarding the fixing of fares and freights for stage carriages, contract carriages and goods carriages may provide that such fares or freights shall be inclusive of the tax payable by the passengers or the consignors of the goods, as the case may be, to the operators of the stage carriages, contract carriages or goods carriages under any law for the time being in force relating to tax on passengers and goods:

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

(3) Notwithstanding anything contained in this Act, the State Government may, by notification in the Official Gazette, modify any permit issued under this Act or make schemes for the transportation of goods and passengers and issue licences under such scheme for the promotion of development and efficiency in transportation-

- (a) last mile connectivity;
- (b) rural transport;
- (c) reducing traffic congestion;
- (d) improving urban transport;
- (e) safety of road users;
- (f) better utilisation of transportation assets;
- (g) the enhancement of economic vitality of the area, through competitiveness, productivity and efficiency;
- (h) the increase in the accessibility and mobility of people;

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- (i) the protection and enhancement of the environment;
- (j) the promotion of energy conservation;
- (k) improvement of the quality of life;
- (l) enhance integration and connectivity of the transportation system, across and between modes of transport; and
- (m) such other matters as the Central Government may deem fit.

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

93. The relevant extract of the notes to clauses to the Motor Vehicle (Amended) Bill, 2019, explaining the object of the amendment to Section 67 of the MV Act is set out below:

Clause 31 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 Authority 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 utilisation 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.

94. It is apparent from the above that the principal object was to empower the State Governments to issue directions to the State

Transport Authority and Regional Transport Authority to safeguard the convenience of passengers, prevent overcrowding, ensure safety, provide economically competent relief, and further relax the provisions made in Chapter V of the MV Act.

95. Sub-section (3) of Section 67 was introduced to empower the State Government to modify permits and to make schemes for the transportation of goods and passengers for the promotion and development of efficiency in transportation.

96. A proviso to Sub-section (2) was introduced, empowering the State Government to relax all provisions of Chapter V of the MV Act for promoting effective competition among transport service providers. It is clear from the scheme of Section 67 that its object is to empower the State Government to prohibit registration of transport vehicles.

97. The power of the State Government to control road transport is circumscribed by Section 67 of the MV Act. In terms of sub-section (1) of Section 67, the State Government has the power to issue directions. However, the said power is not unbridled or unguided. It is required to be exercised having regard to the

passengers' convenience, economically competitive fares, prevention of overcrowding and road safety.

98. Additionally, the State Government has the power to make a scheme for the transportation of goods and passengers by issuing a notification in the official gazette under Section 67(3) of the MV Act. It is material to note that sub-section (3) of Section 67 of the Act contains a non-obstante provision. Thus, the State Government has an over-riding power to make a scheme for the transportation of goods and passengers and issue licences under the scheme for the promotion and development of efficiency in transportation. The scheme, being in the nature of a delegated legislation, is required to be guided by the objective of development and efficiency in transportation, which entails:

- (a) last mile connectivity;
- (b) rural transport;
- (c) reducing traffic congestion;
- (d) improving urban transport;
- (e) safety of road users;
- (f) better utilisation of transportation assets;
- (g) the enhancement of economic vitality of the area, through competitiveness, productivity and efficiency;

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

(i) the protection and enhancement of the environment;

(j) the promotion of energy conservation;

(k) improvement of the quality of life;

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

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

99. Apart from making a scheme under sub-section (3) of Section 67 of the MV Act, the State Government is also empowered to modify any permit. However, it would not be permissible for the State Government to issue a blanket ban prohibiting grant of permits to a class of transport vehicles. The State Government can also issue directions to the State Transport Authority for the prevention of overcrowding and road safety. However, it is material to note that any direction issued by the State Government under Section 67 is required to be by a notification in the official gazette.

100. The notification of the Karnataka Electric Bike Taxi Scheme, 2021<sup>17</sup>, is clearly traceable to Section 67(3) of the MV Act.

101. Section 73 of the MV Act stipulates the particulars required to be set out in an application for permit in respect of a contract carriage. Section 74 of the MV Act sets out the provisions for grant of a contract carriage permit. Sections 73 and 74 of the MV Act, are set out below:

"73. Application for contract carriage permit.-- An application for a permit in respect of a contract carriage (in this Chapter referred to as a contract carriage permit) shall contain the following particulars, namely:-

(a) the type and seating capacity of the vehicle;

(b) the area for which the permit is required;

(c) any other particulars which may be prescribed.

74. Grant of contract carriage permit.--(1) Subject to the provisions of sub-section (3), a Regional Transport Authority may, on an application made to it under section 73, grant a contract carriage permit in accordance with the application or with such modifications as it deems fit or refuse to grant such a permit:

Provided that no such permit shall be granted in respect of any area not specified in the application.

(2) The Regional Transport Authority, if it decides to grant a contract carriage permit, may, subject to any rules that may be made under this Act, attach to the permit any one or more of the following conditions, namely:-

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<sup>17</sup>. Notified in terms of a Notification dated 14.07.2021

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(i) that the vehicles shall be used only in a specified area or on a specified route or routes;

(ii) that except in accordance with specified conditions, no contract of hiring, other than an extension or modification of a subsisting contract, may be entered into outside the specified area;

(iii) the maximum number of passengers and the maximum weight of luggage that may be carried on the vehicles, either generally or on specified occasions or at specified times and seasons;

(iv) the conditions subject to which goods may be carried in any contract carriage in addition to, or to the exclusion of, passengers;

(v) that, in the case of motorcabs, specified fares or rates of fares shall be charged and a copy of the fare table shall be exhibited on the vehicle;

(vi) that, in the case of vehicles other than motorcabs, specified rates of hiring not exceeding specified maximum shall be charged;

(vii) that in the case of motorcabs, a specified weight of passengers' luggage shall be carried free of charge, and that the charge, if any, for any luggage in excess thereof shall be at a specified rate;

(viii) that, in the case of motorcabs, a taximeter shall be fitted and maintained in proper working order, if prescribed;

(ix) that the Regional Transport Authority may, after giving notice of not less than one month,-

(a) vary the conditions of the permit;

(b) attach to the permit further conditions;

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(x) that the conditions of permit shall not be departed from save with the approval of the Regional Transport Authority;

(xi) that specified standards of comfort and cleanliness shall be maintained in the vehicles;

(xii) that, except in the circumstances of exceptional nature, the plying of the vehicle or carrying of the passengers shall not be refused;

(xiii) any other conditions which may be prescribed.

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.

(3) (a) The State Government shall, if so directed by the Central Government, having regard to the number of vehicles, road conditions and other relevant matters, by notification in the Official Gazette, direct a State Transport Authority and a Regional Transport Authority to limit the number of contract carriages generally or of any specified type, as may be fixed and specified in the notification, operating on city routes in towns with a population of not less than five lakhs.

(b) Where the number of contract carriages are fixed under clause (a), the Regional Transport Authority shall, in considering an application for the grant of permit in respect of any such contract carriage, have regard to the following matters, namely:-

(i) financial stability of the applicant;

(ii) satisfactory performance as a contract carriage operator including payment of tax if the applicant is or has been an operator of contract MINDHA carriages; and

(iii) such other matters as may be prescribed by the State Government Provided that, other conditions

being equal, preference shall be given to applications for permits from-

(i) the India Tourism Development Corporation;

(ii) State Tourism Development Corporations;

(iii) State Tourism Departments;

(iv) State Transport Undertakings;

(v) co-operative societies registered or deemed to have been register under any enactment for the time being in force;

(vi) ex-servicemen.

(vii) self-help groups."

102. In terms of Section 74(1) of the MV Act, the Regional Transport Authority is empowered to grant contract carriage permits in accordance with the application or with such modifications as it deems fit. The Regional Transport Authority may also refuse to grant such a permit. In terms of sub-section (2) of Section 74, the permit may be granted subject to one or more conditions as set out therein.

103. Clause (a) of sub-section (3) of Section 74 of the MV Act stipulates that the State Government, if so directed by the Central Government, is required to direct the State Transport Authority or the Regional Transport Authority to limit the number of contract

carriages generally or of any specified type as may be fixed in the notification.

104. It is also relevant to refer to sub-sections (1) and (2) of Section 80 of the MV Act which are set out below:

"80. Procedure in applying for and granting permits.-(1) An application for a permit of any kind may be made at any time.

(2) A Regional Transport Authority, State Transport Authority or any prescribed authority referred to in sub-section (1) of section 66 shall not ordinarily refuse to grant an application for permit of any kind made at any time under this Act:

Provided that the '[Regional Transport Authority, State Transport Authority or any prescribed authority referred to in sub-section (1) of section 66] may summarily refuse the application if the grant of any permit in accordance with the application would have the effect of increasing the number of stage carriages as fixed and specified in a notification in the Official Gazette under clause (a) of sub-section (3) of section 71 or of contract carriages as fixed and specified in a notification in the Official Gazette under clause (a) of sub-section (3) of section 74:

Provided further that where a Regional Transport Authority, State Transport Authority or any prescribed authority referred to in sub-section (1) of section 66 refuses an application for the grant of a permit of any kind under this Act, it shall give to the applicant in writing its reasons for the refusal of the same and an opportunity of being heard in the matter."

105. Sections 66, 67, 73 and 80 of the MV Act must be read in conjunction for construing the statutory scheme. There is no cavil

that the owner of a motor vehicle is proscribed from using or permitting the use of a transport vehicle in any public space other than in accordance with the conditions of a permit granted by the concerned authority. However, it is implicit on a plain reading of Section 66(1) that the State Transport Authority, the Regional Transport Authority, or any other prescribed authority is required to issue permits and set out the conditions that are required to be followed by the owner for using the transport vehicle. Given the statutory scheme as discussed above, it is difficult to accept that Section 66(1) of the MV Act contains any power of the State Government to issue a blanket ban for use of a transport vehicle by refraining from issuing any permits at all.

106. Section 73 of the MV Act sets out the particulars required to be set out in an application for a permit for contract carriage. It is implicit that an owner of a transport vehicle is entitled to make an application for a contract carriage. Section 80(1) of the MV Act expressly provides that an application for a permit of any kind – which would also include a permit for a contract carriage – may be made at any time. It is clear from this statutory scheme that there is no provision which prohibits or restricts the owner of a transport

vehicle from seeking a permit for a contract carriage. Sub-section (2) of Section 80 also states that the Regional Transport Authority, State Transport Authority or any prescribed authority will not ordinarily refuse to grant an application for a permit of any kind made at any time under the MV Act. The second proviso to sub-section (2) of Section 80 of the MV Act expressly requires the Regional Transport Authority, State Transport Authority or any prescribed authority referred to in Section 66(1) of the MV Act, to communicate the reasons for refusal of the grant of permit in the event the application for permit is denied.

107. The provisions of sub-section (1) of Section 74 of the MV Act must be read in conformity with the aforesaid scheme of the MV Act. Sub-section (1) of Section 74 of the MV Act provides that the Regional Transport Authority, on an application made, may grant a contract carriage permit in accordance with the application or with such modification as it deems fit. It also expressly states that the Regional Transport Authority may refuse to grant such a permit. Although the Regional Transport Authority has the power to refuse to grant a permit for contract carriage, it is apparent that such a permit cannot be ordinarily denied as expressly provided under

Section 80(2) of the Act. Further, in the event that such a permit is denied, it is necessary for the concerned authority to indicate the reasons for such denial to the applicant.

108. It was contended by the learned Additional Government Advocate that, insofar as civil liberties are concerned, it must be assumed that the same exist until and unless they are restricted by any statute. However, insofar as the other acts are concerned, it must be presumed that they are prohibited unless they are expressly permitted. We find no merit in this contention. Once it is accepted that the citizen has freedom to engage in legitimate trade and commerce and practice any vocation, the same cannot be restricted except by a valid law, which must satisfy the test of reasonableness and the condition of being in the interest of the general public, on the anvil of Article 19(6) of the Constitution of India. The scheme of the MV Act must be construed bearing the aforesaid in mind. Thus, while the Regional Transport Authority has the power to refuse a grant of permit under Section 74(1) of the MV Act, the said power must not ordinarily be exercised. Further, such refusal must be for reasons that must be communicated to the applicant in writing. A meaningful reading of Section 74(1) of the

Act would indicate that it does not contemplate a blanket ban on the grant of permits to a class of transport vehicles. It would necessarily follow that the refusal must be based on specific reasons relevant to the particular application. However, in terms of sub-section (2) of Section 74, the Regional Transport Authority is fully empowered to impose the conditions as stipulated in clause (i) to (xiii) of sub-section (2) of Section 74 of the MV Act.

109. The proviso to Section 74(2) of the MV Act also expressly enables the Regional Transport Authority to waive any condition, in the interest of the last mile connectivity in respect of any types of vehicles that may be specified by the Central Government.

110. The power to restrict or limit the number of contract carriages "generally or of any specific type", vests with the Central Government. In terms of Section 74(3)(a) of the MV Act, the State Government is bound to issue directions to the concerned Transport Authority by issuance of a notification to limit the number of contract carriages as may be specified in the said notification.

111. We also consider it apposite to refer to the following observations made by the Supreme Court in a recent decision in

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"19. The next issue before us is whether the STA has the power to delegate its functions, specifically, the issuance of contract carriage, special, tourist, and temporary permits, to its Secretary. In this regard, the statutory framework provides clear guidance.

20. Section 68(5) of the Motor Vehicles Act, 1988 states:

*"The State Transport Authority and any Regional Transport Authority, if authorised in this behalf by rules made under Section 96, may delegate such of its powers and functions to such authority or person subject to such restrictions, limitations and conditions as may be prescribed by the said rules."*

This provision unambiguously confers upon the STA and RTA the power to delegate its functions provided that rules are framed under Section 96 of the Act. In the present context, the delegation in question concerns the grant of permits that are not stage carriage permits. This is further clarified in Rule 56(1)(d) of the KMV Rules, which reads as follows:

**"56. DELEGATION OF POWERS BY STATE  
TRANSPORT AUTHORITY:**

**1. The State Transport Authority may, by a general or special resolution recorded in its proceedings, delegates:-**

**(d) its power to grant a permit other than a stage carriage permit on an application made to the Chairman or Secretary or any officer of the Motor Vehicles Department**

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*not below the rank of a Regional Transport Officer with reference to the notification issued under sub-section (2) of Section 69."*

21. The language of Rule 56(1)(d) explicitly differentiates between the grant of stage carriage permits, which involve complex and inherently quasi-judicial considerations, and other types of permits that are essentially administrative in nature. The fact that only the grant of stage carriage permits is excluded from delegation underscores the Legislature's intention: routine and time-sensitive permits such as contract carriage, special, tourist, and temporary permits can be efficiently processed through delegation to a competent officer like the Secretary, thereby ensuring that administrative functions are not unduly delayed by the need for a full board's involvement.

[emphasis added]

112. Although the aforesaid decision was rendered in a different context, the observations made by the Supreme Court are relevant inasmuch as they recognise the legislative scheme that issuance of permits under Section 73 of the MV Act is a routine administrative function.

113. Section 96 of the MV Act empowers the State Governments to make rules for the implementation of the provisions of Chapter V of the MV Act. However, the State Government has not made any rules prohibiting bike taxi services. Further, no directions have

been issued by a notification under Section 67 of MV Act, prohibiting bike-taxi service.

114. The State argues that the decision to refuse registration of motorcycles and bike taxis is a policy decision. Therefore, it is essential to examine the State Government of Karnataka's policy and determine whether it satisfies the conditions under Article 19(6) of the Constitution of India.

***The Policy of the State Government***

115. The Learned Advocate General's contention that it is the policy of the Government of Karnataka not to grant permits for motorcycles to be used as contract carriages or bike taxis was stoutly contested by the appellants. The business of carrying passengers for hire is a legitimate business, and a person desiring to carry on the said business would have the right to do so, as a right to carry on trade in business is guaranteed by Article 19(1)(g) of the Constitution of India. However, the rights guaranteed under Article 19 of the Constitution of India are not absolute rights, and they are subject to the limitations as may be prescribed. Thus, the right to operate bike taxis is subject to reasonable restrictions imposed by the State. However, such restrictions can be placed

only by law. In the present case, the learned Advocate General contends that bike taxis are prohibited under the policy of the State Government of Karnataka. Before addressing the question of whether a blanket ban on plying bike taxis falls within the scope of a reasonable restriction, within the meaning of Article 19(6) of the Constitution of India, it is relevant to examine whether such a policy exists. However, we find no statement of the Government's policy in this regard.

116. The learned Single Judge had referred to the report<sup>19</sup> dated 29.04.2019 of the Expert Committee constituted under the State Government's order dated 20.09.2018. A plain reading of the aforesaid report indicates that the Committee carried out a SWOT analysis and noted that the scheme of providing bike taxis had certain advantages, such as lower fares, reduced travel time, and accessibility on narrow roads. However, it also identified weaknesses such as poor usage efficiency, low capacity, low safety, dead kilometres, and low additional utility. Whilst the Committee had recommended continuing the bike rental mode, it had recommended that bike taxis not be permitted in Bengaluru

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<sup>19</sup>. Report on Efficient and Sustainable Transport in Bengaluru and Bike Taxis dated 29.04.2019

and that their existing operations be ceased. It does not appear that any recommendations were made regarding the operation of bike taxis across the State of Karnataka. According to the appellants, there is a demand for operating bike taxis in various cities in the State of Karnataka, and the issue is not confined to Bengaluru alone.

117. It is also worth noting that the Committee had made recommendations on measures to provide last-mile connectivity to areas not served by public transport. The relevant extract of the recommendations is set out below:

"150. Bike taxis are assessed to be an unproven and inappropriate model for Bengaluru and other large Indian cities. The state committee was further not convinced by the meeting with the bike taxi operators that the service would be valuable in Bengaluru. They are not a necessary service in the city given the abundant transport options available and they are more likely to aggravate the negative impacts of the transport sector further such as congestion and contribution to pollution and carbon emissions. The bike taxis are among the least efficient modes in terms of usage of the most constrained mobility resource of roads. For these reasons, it is recommended that bike taxis should not be permitted in Bengaluru and any existing operations should be ceased.

151. For providing last mile connectivity to areas not served by public transport, investment in NMT infrastructure including well developed footpaths for pedestrian movement, and station based 'rent a bicycle' and 'rent a bike' would be the appropriate modes instead of bike taxis. For areas with narrow lanes and high degree of

congestion, elevated walkways would be the sustainable mode instead of bike taxis.”

118. Whilst the Committee had furnished its opinion, it does not appear that there is any conscious decision to accept the same as a part of the policy of the State. Although this objection was raised several times during the hearing, the State Government had not produced any statement embodying its policy on bike taxis.

119. It is material note that the report of the expert committee was furnished in April 2019. Thereafter, on 14.07.2021, the Government of Karnataka issued a notification to frame the 'Karnataka Electric Bike Taxi Scheme, 2021'. It is material to note that the said scheme was framed in exercise of the statutory powers under the MV Act. The opening paragraphs of the said notification set out the objective of the said scheme. It is apposite to refer to the same, as it also reflects the State Government's policy. The said opening paragraphs are set out below:

“Whereas, in the last few decades, Indian cities have made substantial progress in putting an affordable mode of public transport. Earlier the focus was on the city bus service however over a period of time many cities have started the metro operations which is playing an extremely important role in the faster movement of the people and in turn leading to faster economic growth of the cities. In addition to these the cities are having taxi services, auto services for point to point movement. Many aggregators of

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taxis have come in the market of mobility and are playing an extremely important role in most of the cities. On one hand there is phenomenal progress in public transport facilities as well as massive entry of aggregators in the system, on the other hand the cities are still grappling with the issues of massive traffic jams. It is happening due to large number of middle-class people still using the private vehicles for the movement. The gap in the market for the first mile and last mile connectivity is working as the main bottleneck in further use of public transport. There is an urgent need for putting up a system which can provide affordable first and last mile connectivity.

And whereas, Bike Taxi is one of the options available and many states have already started it in one form or other. Bike Taxi will promote urban mobility and will act as a first and last mile connectivity solution for citizens which in turn assist people to access the Public Transport and specially for accessing Metro Services. It will also create flexible entrepreneurship opportunities. The Government of India in the last few years have come up with many policy framework and amendments in the Motor Vehicle Act, 1988 with the aim of enabling the states in introducing Bike Taxi in urban areas with certain restrictions to be decided by the states. The Government of India has also brought many provisions to promote electric vehicles with the aim of reducing the pollution in the cities and in promoting environmentally friendly transport solutions. The state of Karnataka has many urban centers which are grappling with the issue of traffic jam and problem of first and last mile connectivity.

And whereas, clause (27) of Section 2 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) provides the definition of a Motor Cycle which "means a two-wheeled motor vehicle, inclusive of any detachable side-car having an extra wheel, attached to the motor vehicle". S.O. number 1248(E) dated 05.11.2014 allows registration of "Motor Cycles" both under transport and non-transport categories. In terms of clause (27) of section 2 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) Transport Vehicle inter alia means a Public Service Vehicle and in terms of clause (35) of section 2 of the Motor Vehicles Act, 1988 "Public Service Vehicle" means any Motor Vehicle

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used or adopted to be used for the carriage of passenger for hire or reward.

And whereas, Section 73 and 74 of the Motor Vehicle Act, 1988 (Central Act 59 of 1988) empowers the States to issue contract carriage permits for all kinds of vehicles including two wheelers. The Motor Vehicles (Amendment) Act, 2019 dated 09.08.2019 brings app-based mobility solution providers under the ambit of the Motor Vehicles, Act 1988 through the amendment to Section 93 of the Motor Vehicle Act, 1988 (Central Act 59 of 1988). The Government of India by Notification No.S.O. 5333 (E) dated 18.10.2018 has exempted the battery-operated vehicles from the provisions of sub-section (1) of section 66, which mandates every vehicle to get a permit to use it as a goods or passenger vehicle.

Whereas, the aim of providing the first and last mile connectivity for public transport and to generate self-employment opportunity, the Government of Karnataka, in public interest hereby makes the following scheme for regulating the Electric Bike Taxi and matters connected therewith, namely:-

Now therefore, in exercise of the powers conferred by clause (38A) of sub-section (1) of section 2 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988- The Government of Karnataka hereby makes the following schemes:"

[ emphasis added]

120. As is apparent from the above, the Government of Karnataka had noted that there was a gap for the first mile and the last mile connectivity, which was a bottleneck to further use of public transport. The Government had recognized the urgent need to put in place a system that would provide affordable first- and last-mile connectivity. It noted that bike taxis would promote urban mobility

and would act as a first and last mile connectivity solution for the citizens. Additionally, it would create flexible opportunities for entrepreneurship. More importantly, the State Government had recognised that the Government of India had come up with a policy framework and amendments to the MV Act, enabling the States to introduce bike taxis in urban areas, albeit with certain restrictions to be decided by the respective States. The State Government had recognised that, in terms of Sections 73 and 74 of the MV Act, the States were entitled to issue contract carriage permits for all vehicles, including two-wheelers.

121. In view of the above, it was not open for the Government of Karnataka now to contend that (a) a motorcycle is not a transport vehicle; and (b) that it falls outside the definition of contract carriage. More importantly, it would not be open to the Government of Karnataka to refer to the expert committee's report, issued in April 2019, as constituting the State Government's policy. The policy of the State Government was quite to the contrary, as it had proceeded to frame a scheme for bike taxis, albeit confining it to electric bikes and electric motorcycles for use as transport vehicles (Taxis). The said scheme was subsequently withdrawn.

However, this does not imply that the expert committee's report was adopted as the State Government's policy. The learned AG contended that the said scheme was withdrawn because none of the appellants had applied for a license to operate electric bike taxis under it. It is the appellant's case, as noted herein before, that they did not apply for licences under the e-bike taxi scheme, as they did not intend to confine the operation of bike taxis only to electric motorcycles.

122. We may also note that during the pendency of the present appeal, the State Government has enacted the Karnataka platform based Gig Workers Act. It also framed the Karnataka Platform Gig Workers (Social Security and Welfare) Rules, 2025. Rule 29 of the said Rules required the Aggregator or the platform to submit a Board Quarterly Return as required under Section 24 of the Act. Part 'B' of Form 'A' sets out a tabular statement, which is the format for submitting certain details for the various categories, including the 'Ride-Hailing - 2 SAS model' category. Undisputedly, the said category included a motorcycle used for carrying passengers. After the learned counsel for the appellants had referred to the said Rules during the course of their argument, the State had amended

Form A to the Rules and deleted the said category. The same may not be relevant, except to indicate that, although there is no defined stated policy prohibiting the use of motorcycles as taxis, there is an understanding not to grant permits to motorcycles and, by an unwritten edict, to prohibit their use as taxis in the State of Karnataka.

***The Prohibition of bike-taxi Services is not compliant with Article 19(6) of the Constitution of India***

123. In our view, a blanket prohibition on issuing contract carriage permits to motorcycles cannot be considered as a reasonable restriction within the meaning of Article 19(6) of the Constitution of India for several reasons.

124. First, the blanket ban on the use of motorcycles as bike taxis is contrary to the scheme and provisions of the MV Act, which, as discussed above, permits inclusion of motorcycles as transport vehicles, contract carriages and public service vehicles. Considering that the MV Act is traceable to entry 35 of List III of the Seventh Schedule, the power exercised by the State Government cannot militate against the legislative intent of the MV Act.

125. Second, there is no statutory rule, instrument or notification that prohibits the registration of motorcycles as transport vehicles or the issuance of contract carriage permits for motorcycles. The State contends that it is a policy decision. However, absent any set out policy and the considerations for the same, there are no grounds to assume that the same would constitute a reasonable restriction in the interest of the general public.

126. Third, as discussed earlier, it is well settled that the greater the restriction, the higher the scrutiny required. In this case, there is a complete ban on providing bike taxi service. Thus, the necessity for proscribing the carrying on of such service in the interest of the general public requires substantiation by credible material. Further, if any adverse effects of bike taxi services are identified, it is also necessary to establish that a measure less than a complete ban would not address them. Quite apart from the fact that there is no informed decision to prohibit bike taxi services, we note that the State Government has recognised the importance of providing such a service. The opening paragraphs of the e-bike taxi scheme noted the requirement to provide such a service.

127. The contention that several areas in various cities are congested and thus not served by public transport has not been denied. The contention that there is an acute need for last-mile connectivity remains uncontroverted. The expert committee report of 2019 also recognised the same, but recommended developing infrastructure for connectivity rather than permitting bike-taxis. However, the question is not whether bike taxis should be permitted; the question is whether they should be prohibited in the public interest. Several other States have issued permits for bike taxis, *inter alia*, recognising that denying such permits would offend fundamental rights. Illustratively, we may note the communication<sup>20</sup> dated 08.06.2017 issued by the State Transport Authority, Chandigarh to the Regional Transport Authorities. Paragraph 2 of the said communication is set out below:

“2. At present, contract carriage permits in the State are limited to three wheeler passenger auto-rickshaws, motor cabs and air-conditioned buses having seating capacity of 16 or above. The above embargo violated the fundamental rights of citizens to obtain contract carriage permits for other passenger carriages like 2 wheelers, non A.C omnibuses and AC-omnibuses of seating capacity below 16, besides denying passenger transport services to the travelling public. It is, therefore, decided with the approval of the State Government that contract carriage permits

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<sup>20</sup>. No.STC-P(P-3)26108-133 dated 08.06.2017

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may be granted to any passenger carriage subject to fulfillment of conditions laid down in section 74(2) and 84 of the Motor Vehicles Act, 1988. In particular, following conditions may be ensured at the time of grant or renewal of contract carriage permits:-

- 1) The word "CONTRACT CARRIAGE" shall be prominently written on the vehicle.
- 2) The vehicle shall be fitted with a yellow plate for the purpose of identification.
- 3) Police verification of driver at the place of residence for the last six months.
- 4) The vehicle shall carry a First Aid Box.
- 5) The vehicle shall meet the emission standards as laid down by the Govt. from time to time.
- 6) Decent standards of comfort and cleanliness shall be maintained in the vehicle.
- 7) The owner of the vehicle shall have adequate parking space available with him. The vehicle shall not be parked in bus stands used by stage carriages and shall not operate from such bus stands.
- 8) The photograph of the driver along with his name and phone number shall be provided to the user of the vehicle by the aggregator/operator.
- 9) The owner shall be responsible for ensuring safety of women and children passengers.
- 10) The motor cycle taxi permit shall be issued to new vehicles or a vehicle which is not more than five years old from the date of registration.
- 11) The permit shall not be transferable.
- 12) All other provisions of Motor Vehicles Act, 1988 and Rules framed thereunder shall be applicable."

128. It is pertinent to note that bike taxi services are operative in several states in India. The states of Haryana, Punjab, Rajasthan, Uttar Pradesh, West Bengal, and Mizoram have issued notifications permitting bike taxi services by requiring applicants to obtain contract carriage permits from State and Regional Transport Authorities upon receipt of an application and payment of the defined fees. Additionally, State Governments such as Bihar, Jharkhand, Gujarat, and Telangana have also provided for the grant of commercial registration and permits for motorcycles.

## **E. CONCLUSION**

### ***The Aggregators' right to aggregate bike taxi services.***

129. Section 93 of the MV Act, *inter alia*, provides that no person shall engage himself as an aggregator unless he has obtained a license from such authority, and subject to such conditions as may be prescribed by the State Government. Section 93 of the MV Act is reproduced below.

**93. Agent or canvasser to obtain licence.—**(1) No person shall engage himself—

(i) as an agent or a canvasser, in the sale of tickets for travel by public service vehicles or in otherwise soliciting custom for such vehicles,

or

(ii) as an agent in the business of collecting, forwarding or distributing goods carried by goods carriages,

[(iii) as an aggregator]

unless he has obtained a licence from such authority and subject to such conditions as may be prescribed by the State Government.

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

Provided further that every aggregator shall comply with the provisions of the Information Technology Act, 2000 (21 of 2000) and the rules and regulations made thereunder.]

(2) The conditions referred to in sub-section (1) may include all or any of the following matters, namely:—

(a) the period for which a licence may be granted or renewed;

(b) the fee payable for the issue or renewal of the licence;

(c) the deposit of security—

(i) of a sum not exceeding rupees fifty thousand in the case of an agent in the business of collecting, forwarding or distributing goods carried by goods carriages;

(ii) of a sum not exceeding rupees five thousand in the case of any other agent or canvasser,

and the circumstances under which the security may be forfeited;

(d) the provision by the agent of insurance of goods in transit;

(e) the authority by which and the circumstances under which the licence may be suspended or revoked;

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(f) such other conditions as may be prescribed by the State Government.

(3) It shall be a condition of every licence that no agent or canvasser to whom the licence is granted shall advertise in any newspaper, book, list, classified directory or other publication unless there is contained in such advertisement appearing in such newspaper, book, list, classified directory or other publication the licence number, the date of expiry of licence and the particulars of the authority which granted the licence.

130. In view of the express provisions of Section 93 of the MV Act, it is not open for aggregators to operate without a license from the concerned authority.

131. The Central Government has framed guidelines, MVAG 2025, for the grant of licences to aggregators. In terms of the proviso to Section 93(1) of the MV Act, the State Government may follow the MVAG 2025. The use of the word 'may' in the proviso to Section 93(1) of the MV Act makes it abundantly clear that the State is not bound to adopt MVAG and can make rules that may be in variance with it. However, it is apparent that it cannot be completely ignored.

132. The concerned authority may also impose conditions, including those as specified under subsection (2) of Section 93 of the MV Act.

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133. There is no ambiguity that MVAG 2025 contemplates the issuance of licences for aggregators of bike taxi services. In terms of paragraph 4.7 of the MVAG 2025, the licence to aggregators is required to be issued in Form-III as appended to the MVAG 2025. The said form expressly mentions motorcycles. Paragraph 4 of the MVAG 2025 is reproduced below:

4. Application for grant or renewal of Licence and matters connected therewith 4.1 An application for grant of Licence shall be made on the designated portal under clause 3 above, in Form I, by any person eligible under the criteria mentioned under clause 8 below. This application shall be accompanied by proof of online payment of an application fee, as may be determined by the State Government by way of a notification.

4.2 One application shall be made by an aggregator for all or any types or classes of motor vehicles on-boarded by it.

4.3 One licence shall be granted by the Competent Authority for issue of the Licence throughout the territorial jurisdiction of the State.

4.4 An application made under sub-clause (4.1) shall be decided by the Competent Authority within a period of ninety (90) days from the date of such application in Form I.

4.5 If the applicant does not comply with any of the conditions for grant of licence specified under these guidelines, as may be determined by the Competent Authority, he may reject such application with reasons to be recorded in writing after giving a hearing to the aggregator.

4.6 On being satisfied that the applicant has complied with all the conditions specified for grant of a licence under these guidelines, the Competent Authority shall direct the applicant to pay the appropriate licence fee and security deposit within a period of thirty (30) days.

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4.7 On payment of the licence fee and security deposit, the Competent Authority shall grant a licence to the applicant in Form III appended to these guidelines, within the period of fifteen (15) days from the date of payment.

4.8 The licence issued by the Competent Authority under these guidelines shall be uploaded and updated by the Competent Authority on the designated portal.

134. In the present case, the State Government has framed KODTTA Rules in exercise of powers under Section 96 of the MV Act. Rule 2(7) of the KODTTA Rules defines the term 'taxi' as under:

**2. DEFINITIONS.**-In these Rules, unless the context otherwise requires,-

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(7) "Taxi" means a motor cab having a seating capacity not exceeding 6 passengers excluding the driver with public service permit on contract.

135. As discussed herein before, the motorcycle is included in the definition of a motor cab under Section 2(25) of the MV Act. The KODTTA Rules do not mention four- wheelers, three-wheelers or two-wheelers; it provides for conditions for issuance of a license to operate a 'taxi'. Since a motorcycle would fall within the definition of a motor cab under Section 2(25) and consequently within the definition of a 'taxi' under Section 2(7) of the KODTTA Rules, a

licence issued under the said Rules would also cover a bike taxi.  
unless specified otherwise.

136. It is also relevant to refer to the form of license to an aggregator. That, in terms of Rule 4(1) of the KODTTA Rules, an application for the grant of a licence is required to be in Form 1 of Appendix I appended to the KODTTA Rules. Rule 4(5) provides that on being satisfied that the applicant has complied with the conditions prescribed for grant or renewal of a license under the KODTTA Rules, the licensing authority will issue a license to the applicant in Form 2 of Appendix I. Rule 4 of the KODTTA Rules is relevant and is set out below:

"4. Application for grant of licence and matters connected therewith. -

(1) Any person may make an application for grant of licence in Form 1 of Appendix-I appended to these rules, accompanied by proof of payment of appropriate fee and other security deposits.

(2) A licence granted under these rules shall be valid for a period of five years from the date of grant.

(3) A licence granted under these rules may be renewed for a period of five years on an application made not less than sixty days before the date of its expiry, subject to fulfillment of all the conditions prescribed for grant of a licence.

(4) If, any of the conditions prescribed under these rules for grant or renewal of licence are not complied with by the applicant, the licensing authority

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may reject such application after giving an opportunity of being heard.

(5) On being satisfied that the applicant has complied with all the conditions prescribed for grant or renewal of a licence under these rules, the licensing authority shall issue a licence to the applicant in Form 2 of Appendix-1 appended to these rules or renew the same, as the case may be.

(6) A licence issued or renewed under these rules may be transferred to the legal heir in case of death of the licensee on an application made by the legal heir. In other cases, licence may be transferred on a joint application being made by the transferor and transferee subject to fulfillment of all the conditions by the transferee.

(7) Where the licence is lost or destroyed, an application for issue of a duplicate shall be made along with the prescribed fee. A duplicate Licence so issued shall be marked "Duplicate" in red ink."

137. We consider it apposite to set out the prescribed form of the application as well as the license (Form-1 and Form-2 of Appendix-I to the KODTTA Rules), which are reproduced below.

**APPENDIX - I  
FORM – 1**

[(See Rule 4(1))]

**Application for the grant/renewal of Aggregator's Licence  
under The Karnataka On-demand Transportation  
Technology Aggregators Rules, 2016**

To,

The Secretary,  
Karnataka State Transport Authority,  
Bengaluru.

I, the undersigned hereby apply for grant/renewal of a Licence for operation as an Aggregator under The Karnataka

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On-demand Transportation Technology Aggregators Rules,  
2016.

|     |                                                                                                                                                                                                                      |  |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1.  | Name in full                                                                                                                                                                                                         |  |
| 2.  | Address of the main office                                                                                                                                                                                           |  |
| 3.  | Number of branches and their addresses                                                                                                                                                                               |  |
| 4.  | a) If a registered company, enclose a copy of certificate of incorporation/ registration along with a copy of memorandum of association.<br>b) If a firm, enclose a copy of certificate of registration of the firm. |  |
| 5.  | Telephone Number, web address and e-mail id                                                                                                                                                                          |  |
| 6.  | Number of Taxis proposed to be operated. (Enclose a separate list containing vehicle numbers and permit particulars of each vehicle)                                                                                 |  |
| 7.  | Details of GPS/GPRS facility                                                                                                                                                                                         |  |
| 8.  | Details of other infrastructure                                                                                                                                                                                      |  |
| 9.  | Details of Financial condition                                                                                                                                                                                       |  |
| 10. | Details of fee paid                                                                                                                                                                                                  |  |
| 11. | Details of Security Deposit by way of Bank Guarantee                                                                                                                                                                 |  |

I hereby declare that the information given above and other documents enclosed herewith are true to the best of my knowledge. I understand that if any information is found to be incorrect at any point of time, the Licence granted to me is liable to be cancelled, besides initiating other legal action/actions against me. I have gone through the provisions of The Karnataka On-demand Transportation Technology Aggregators Rules, 2016, I accept the same and agree to abide by the said Rules.

Place:

Signature of the Applicant/

Date:

Authorized signatory

**FORM – 2**  
[See Rule 4(5)]  
**Licence for an Aggregator**

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Mr/Mrs/Msrs\_\_\_\_\_ is hereby licenced to function as an Aggregator under The Karnataka On-demand Transportation Technology Aggregators Rules 2016, subject to the conditions contained in the Rules.

|    |                                                                  |  |
|----|------------------------------------------------------------------|--|
| 1. | Name of the aggregator in full                                   |  |
| 2. | Address of the main office                                       |  |
| 3. | Addresses of branches                                            |  |
| 4. | Telephone Number, web address and e-mail id                      |  |
| 5. | Number of Taxies (as per the list enclosed)                      |  |
| 6. | Particulars of network through which the operator shall function |  |
| 7. | Details of fee paid                                              |  |
| 8. | Details of Bank Guarantee                                        |  |

The licensee shall observe all the conditions contained in The Karnataka On-demand Transportation Technology Aggregators Rules 2016

This licence is valid from ..... to .....

Place:

Date:

Secretary,  
State Transport Authority

138. It is material to note that the licence in terms of paragraph 4.7 of MVAG 2025 is required to be in Form-III as annexed with the said guidelines. The said form is set out below:

**FORM III**

[See Clause 4.7]

**Licence for an Aggregator**

Under the Motor Vehicles Aggregator Guidelines, 2025

[ ] is hereby licenced to operate as an Aggregator under The Motor Vehicles Act, 1988 in

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compliance with the directions stipulated under the Motor Vehicles Aggregator Guidelines, 2025.

|    |                                                                                                                                                 |  |
|----|-------------------------------------------------------------------------------------------------------------------------------------------------|--|
| 1. | Full name of the aggregator                                                                                                                     |  |
| 2. | Address of the main office                                                                                                                      |  |
| 3. | Number of Branch offices and addresses thereof, if any                                                                                          |  |
| 4. | Telephone number, website address and email address                                                                                             |  |
| 5. | Number of auto rickshaw/e-rickshaw/motor cab/motor cycle or bus (as per the list enclosed by the Aggregator in Form I/II, as may be applicable) |  |
| 6. | Particulars of the manner in which the Aggregator shall function                                                                                |  |
| 7. | Details of application fee paid                                                                                                                 |  |
| 8. | Details of Security Deposit                                                                                                                     |  |

The Licencee shall observe all the conditions contained in The Motor Vehicles Aggregator Guidelines, 2025.

Place:

Date:

Signature of the Competent Authority

139. As is apparent from the above, the variations in the form of licences are not substantial. Whereas the licence under the KODTTA Rules sets out the details of the taxis, the form of licence under MVAG 2025 requires that the number of auto rickshaws/e-rickshaws/motorcabs/motorcycles/buses be specified. Since the definition of taxi under the KODTTA Rules includes a motor cab, we are unable to accept that the KODTTA Rules exclude the grant of a licence for aggregating bike taxi services.

140. In **Uber India Systems Private Limited vs. State of Karnataka and others: NC: 2024: KHC: 17771**, the learned Single Judge of this Court had examined the question whether a separate licence was required for three-wheelers. The learned Single Judge held that the KODTTA Rules applied only to a taxi and, therefore, there was no distinction between a four-wheeler taxi and an autorikshaw under those rules. However, the aggregators were required to provide a complete list of vehicles boarded on the platform along with the permit details. There is no requirement for issuing a separate licence for three-wheelers under the KODTTA Rules.

141. As noted above, an application for a licence is required to be in Form 1. This requires the applicant (aggregator) to set out the number of taxis proposed to be operated and to enclose a separate list containing the vehicle numbers and the particulars of permits for each vehicle. There is no rule that compels the aggregator to submit separate applications for different types of taxis. The aggregator can include details of different types of taxis in the same application. It is material to note that paragraph 4.2 of the MVAG 2025 requires that only one application be made by an

aggregator for all types or classes of motor vehicles on-boarded by it. The KODTTA Rules do not contain any such restriction. Thus, it is open for an aggregator to file separate applications for different classes of motor vehicles on boarded by it but it is not compelled to do so.

142. The licence issued by the concerned authority must be confined solely to the taxis specified in the application form. Form 2 of the licence specifically requires it to enclose a list of taxis in respect of which the licence is granted.

143. In the aforesaid view, the contention that the Aggregators can aggregate bike taxi services notwithstanding that the specific bike taxis are not included in the list of taxis in respect of which the licence is granted, is not merited.

144. The learned Advocate General referred to the decision in the case of **Government of NCT of Delhi and others v. Roppen Transportation Services Private Limited and Others: 2023 SCC Online 902** in support of his contention that the Aggregators could not carry on the business without a licence under Section 93 of the MV Act.

145. In the said case, the Supreme Court was concerned with a challenge to the interim order passed by the Delhi High Court staying the notification dated 19.02.2023 issued by the Government of the National Capital Territory of Delhi. The said notification noted that private two-wheelers with Non-Transport registration marks – that is, white board – were being used to carry passengers for hire or reward. It was noted that the said activity was in contravention of the registration condition of the vehicle and thus, was punishable under Section 192 of the MV Act. Additionally, it was noted that digital platforms (aggregators) were offering booking in contravention of Section 93 of the MV Act. Accordingly, directions were issued to interdict such activities till the scheme was framed.

146. In the present case, we are not concerned with the use of white board motorcycles – that is, motorcycles registered as private vehicles – as bike taxis. The present case concerns the right of motorcycle owners to register their vehicles as transport vehicles (yellow board) and to use them as contract carriages. The Supreme Court had also expressed a *prima facie* view that the State would have Legislative competence to prescribe conditions

for obtaining a licence as an aggregator under Section 93 of the MV Act, and the respondent in the said case did not have a licence under Section 93 of the Act.

147. However, in the present case, the State Government has framed the KODTTA Rules, which provide for the grant of a licence to an aggregator for aggregating taxis. Since taxis include motorcycles, an aggregator is also entitled to operate as an aggregator for bike taxi services. However, they would need to furnish details of the vehicles for incorporation in their license under the KODTTA Rules.

148. We may also note that Rule 7 of the KODTTA Rules specifies certain conditions to be complied with by every taxi, including the display of a board inside the taxi containing the vehicle permit and the driver's details. It is obvious that there cannot be a display board inside the motorcycle. It is necessary that the said Rule be understood to mean that the bike taxi shall display the vehicle permit, as well as the driver's details, including his photograph, name, driving license, badge particulars, and ID card issued by the police authorities, which are accessible to the passenger.

***Dispositive directions***

149. In view of the above, the motorcycle owners are at liberty to file applications for registration of their vehicles as transport vehicles (yellow board). We direct the State Government to consider such applications for the registration of motorcycles as transport vehicles and for the grant of permits to operate them as contract carriages. Whilst the concerned authorities are not precluded from examining relevant aspects for vehicle registration and issuance of permits, the same will not be denied on the ground that motorcycles cannot be operated as transport vehicles or contract carriages.

150. The Regional Transport Authority may also impose such conditions as it considers necessary, as attached to the said permits, in accordance with law and having regard to the provisions of Section 74(2) of the MV Act.

151. The concerned authorities shall consider the pending applications of the aggregators and pass appropriate orders. The aggregators are also at liberty to file fresh applications for licences. In the event such applications are filed, they will be considered in

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accordance with law and the observations of this Court in this decision.

152. The impugned order is set aside, and the appeals are allowed in the aforesaid terms.

**Sd/-  
(VIBHU BAKHRU)  
CHIEF JUSTICE**

**Sd/-  
(C M JOSHI)  
JUDGE**

AHB/KS/SD/KMV