

# THE CARRIAGE BY ROAD ACT, 2007

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## ARRANGEMENT OF SECTIONS

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# THE CARRIAGE BY ROAD ACT, 2007

ACT NO. 41 OF 2007

[29th September, 2007.]

An Act to provide for the regulation of common carriers, limiting their liability and declaration of value of goods delivered to them to determine their liability for loss of, or damage to, such goods occasioned by the negligence or criminal acts of themselves, their servants or agents and for matters connected therewith or incidental thereto.

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

**1. Short title, extent and commencement.**—(1) This Act may be called the Carriage by Road Act, 2007.

(2) It extends to the whole of India, except the State of Jammu and Kashmir\*.

(3) It shall come into force on such date<sup>1</sup> as the Central Government may, by notification in the Official Gazette, appoint.

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

(a) “common carrier” means a person engaged in the business of collecting, storing, forwarding or distributing goods to be carried by goods carriages under a goods receipt or transporting for hire of goods from place to place by motorised transport on road, for all persons indiscriminately and includes a goods booking company, contractor, agent, broker and courier agency engaged in the door-to-door transportation of documents, goods or articles utilising the services of a person, either directly or indirectly, to carry or accompany such documents, goods or articles, but does not include the Government;

(b) “consignee” means the person named as consignee in the goods forwarding note;

(c) “consignment” means documents, goods or articles entrusted by the consignor to the common carrier for carriage, the description or details of which are given in the goods forwarding note;

(d) “consignor” means a person, named as consignor in the goods forwarding note, by whom or on whose behalf the documents, goods or articles covered by such forwarding note are entrusted to the common carrier for carriage thereof;

(e) “goods” includes—

(i) containers, pallets or similar articles of transport used to consolidate goods; and

(ii) animals or livestock;

(f) “goods forwarding note” means the document executed under section 8;

(g) “goods receipt” means the receipt issued under section 9;

(h) “person” includes any association or body of persons, whether incorporated or not, a road transport booking company, contractor and an agent or a broker carrying on the business of a common carrier;

(i) “prescribed” means prescribed by rules made under this Act;

(j) “registering authority” means a State Transport Authority or a Regional Transport Authority constituted under section 68 of the Motor Vehicles Act, 1988 (59 of 1988);

(k) “registration” means the registration granted or renewed under sub-section (5) of section 4.

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1. 1st March 2011, *vide* notification No. S.O. 2001(E), 13th August, 2010, *see* Gazette of India, Extraordinary, Part II, sec. 3(ii)

\*. *Vide* notification No. S.O. 3912(E), dated 30th October, 2019, this Act is made applicable to the Union territory of Jammu and Kashmir and the Union territory of Ladakh.

**3. Persons not to engage in business of common carrier without registration.**—(1) No person shall engage in the business of a common carrier, after the commencement of this Act, unless he has been granted a certificate of registration.

(2) Any person who is engaged, whether wholly or partly, in the business of a common carrier, immediately before the commencement of this Act, shall,—

(a) apply for a registration within ninety days from the date of such commencement;

(b) cease to engage in such business on the expiry of one hundred and eighty days from the date of such commencement unless he has applied for registration and the certificate of registration has been granted by the registering authority.

**4. Application for grant or renewal of registration.**—(1) Any person, who is engaged or intends to engage in the business of a common carrier, shall apply for the grant or renewal of a certificate of registration for carrying on the business of common carrier to the registering authority.

(2) An application under sub-section (1) shall be made, to the registering authority having jurisdiction in the area in which the applicant resides or has his principal place of business stating that the application is for the main office, in such form and manner and accompanied by such fees payable to the registering authority as may be prescribed.

(3) An application for grant or renewal of certificate of registration for the main office shall contain the details of branch office, if any, to be operated outside the jurisdiction of the State or Union territory in which the main office is to be registered in such form and manner as may be prescribed:

Provided that an application for the purpose to open or close a branch office shall be made to the registering authority having jurisdiction over the main office.

(4) A registering authority shall, before granting or renewing a certificate of registration, satisfy itself that the applicant fulfills such conditions as may be prescribed.

(5) The registering authority may, on receipt of an application under sub-section (2) or sub-section (3) and after satisfying itself that the applicant fulfills the requirements of sub-section (4), grant the certificate of registration or renew it, as the case may be, for carrying on the business of a common carrier, in such form and subject to such conditions as may be prescribed:

Provided that no application for the grant or renewal of a certificate of registration shall be refused by the registering authority unless the applicant has been given an opportunity of being heard and the reasons for such refusal are given in writing by the registering authority within sixty days from the date of receipt of such application:

Provided further that if such refusal has not been communicated within sixty days of the date of application, the registering authority shall grant or renew certificate of registration within a further period of thirty days.

(6) A certificate of registration granted or renewed under sub-section (5) shall contain the details of branch offices to be operated in various States and Union territories, and shall be valid for a period of ten years from the date of such grant or renewal, as the case may be:

Provided that in the case of registration in respect of branch offices referred to in sub-section (3), the validity of such registration shall be restricted to the validity of the registration granted in respect of the main office.

(7) The holder of a certificate of registration shall—

(a) maintain a register in such form and manner as may be prescribed;

(b) for shifting the main office mentioned in the certificate of registration submit an application to the registering authority which granted the certificate of registration:

Provided that such registering authority shall grant or refuse permission for shifting the main office within thirty days from the date of receipt of such application and that no application for

shifting the main office shall be refused unless the applicant has been given an opportunity of being heard and reasons for such refusal are given in writing by the registering authority:

Provided further that in case the registering authority has not either granted or refused the permission within thirty days it shall be deemed that the permission for shifting has been granted;

(c) submit to the registering authority under whose jurisdiction the main office is located and the Transport Research Wing of the Ministry or Department of the Central Government dealing with road transport and highways such information and return as may be prescribed within one hundred and twenty days after the thirty-first day of March every year;

(d) display at a prominent place in its or its main office and each branch office, if any, a certificate of registration in original or certified copy thereof attested by the concerned registering authority, a notary or a Gazetted Officer of the Central or State Government.

(8) A common carrier shall not load the motor vehicle beyond the gross vehicle weight mentioned in the registration certificate whose registration number is mentioned in the goods forwarding note or goods receipt, and the common carrier shall not allow such vehicle to be loaded beyond the gross vehicle weight.

**5. Suspension or cancellation of registration.**—(1) If the registering authority is satisfied that the holder of certificate of registration has failed to comply with any of the provisions of sub-section (7) of section 4, it may give a notice by registered post or through electronic media or by any verifiable means to the holder of certificate of registration to rectify within a period of thirty days and in case such a holder fails to do so, it may revoke the certificate of registration on completion of enquiry.

(2) If a complaint is received by the registering authority against a common carrier from a consignor in respect of,—

(i) non-issuance of receipt of goods;

(ii) non-disclosure of the whereabouts of the goods in transit when asked by the consignor or consignee; or

(iii) detention of goods for delivery without valid reasons; or

(iv) demand for unreasonable additional charges at the time of delivery, which were neither disclosed nor agreed upon between the consignor and the consignee earlier; or

(v) non-payment of charges agreed and payable to truck-owners,

it may give a notice by registered post or through electronic media or by any other verifiable means to the holder of certificate of registration to rectify the same within a period of thirty days and in case such holder fails to do so, it may revoke certificate of registration for a period as may be prescribed under the rules on completion of that enquiry.

(3) If the registering authority or any other authority so authorised under the Motor Vehicles Act, 1988 (59 of 1988) has received proof of violation of provision of sub-section (8) of section 4, it shall be competent to impose the penalty prescribed under section 194 of the Motor Vehicles Act, 1988 on the common carrier, notwithstanding the fact that such penalty have been already imposed on and realised from the driver or the owner of the goods vehicle or the consignor, as the case may be.

(4) Any action for revocation of certificate of registration shall not be taken under sub-sections (1) and (2) unless the holder of the certificate of registration is given an opportunity of being heard in the enquiry and reasons for such action are given in writing by the registering authority.

(5) The registering authority in whose jurisdiction the main office of the common carrier is located shall be competent to take action under sub-sections (1) and (2) and any other registering authority who has noticed the violations or has received complaints under the said sub-sections, shall report such matter to the registering authority having jurisdiction over the main office.

(6) When the certificate of registration is revoked, the holder of the certificate of registration shall surrender the certificate of registration to the registering authority within a period of thirty days and it would be incumbent on the holder of the certificate of registration to complete the delivery and

transactions in respect of the consignments already accepted by the common carrier from any consignor prior to the revocation of the certificate of registration.

(7) The holder of a certificate of registration may, at any time, surrender the certificate to the registering authority which granted the registration and on such surrender the registering authority shall, after obtaining declaration from the holder of the certificate of registration that no liability is outstanding against him and that he shall discharge such liability, if held liable, revoke the certificate of registration:

Provided that if the surrender is in respect of a branch office, the endorsement in respect of the branch office shall be deleted from the certificate of registration and such deletion shall be notified by the registering authority having jurisdiction over the main office to such other authorities as may be prescribed.

**6. Appeal.**—(1) Any person aggrieved by an order of the registering authority refusing to grant or renew a certificate of registration or suspending or revoking a registration under this Act, may, within sixty days from the date of such order, appeal to the State Transport Appellate Tribunal constituted under sub-section (2) of section 89 of the Motor Vehicles Act, 1988 (59 of 1988).

(2) An appeal under sub-section (1) shall be preferred in duplicate in the form of a memorandum setting forth the grounds of objection to the order of the registering authority and shall be accompanied by such fee as may be prescribed.

(3) Without prejudice to the provisions of sub-sections (1) and (2), the provisions of sub-sections (1) and (2) of section 89 of the Motor Vehicles Act, 1988 (59 of 1988), as in force immediately before the commencement of this Act, with regard to appeal, shall, as far as may, apply to every appeal as if the provisions aforesaid were enacted by this Act subject to the modification that any reference therein to the “permit” shall be construed as a reference to the “registration”.

**7. Submission of annual return.**—The State Transport Authority in respect of each State or Union territory shall submit annually to the Ministry or Department of the Central Government dealing with road transport and highways a consolidated annual return giving the details of the goods carried by the common carriers in that State or the Union territory, as the case may be, on the basis of the returns received from the holders of the registration as specified under clause (c) of sub-section (7) of section 4.

**8. Goods forwarding note.**—(1) Every consignor shall execute a goods forwarding note, in such form and manner as may be prescribed, which shall include a declaration about the value of the consignment and goods of dangerous or hazardous nature.

(2) The consignor shall be responsible for the correctness of the particulars furnished by him in the goods forwarding note.

(3) The consignor shall indemnify the common carrier against any damage suffered by him by reason of incorrectness or incompleteness of the particulars on the goods forwarding note.

**9. Goods receipt.**—(1) A common carrier shall,—

(a) in case where the goods are to be loaded by the consignor, on the completion of such loading; or

(b) in any other case, on the acceptance of the goods by him, issue a goods receipt in such form and manner as may be prescribed.

(2) The goods receipt shall be issued in triplicate and the original shall be given to the consignor.

(3) The goods receipt shall be *prima facie* evidence of the weight or measure and other particulars of the goods and the number of packages stated therein.

(4) The goods receipt shall include an undertaking by the common carrier about the liability under section 10 or section 11.

**10. Liability of common carrier.**—(1) The liability of the common carrier for loss of, or damage to any consignment, shall be limited to such amount as may be prescribed having regard to the value, freight and nature of goods, documents or articles of the consignment, unless the consignor or any person duly

authorised in that behalf have expressly undertaken to pay higher risk rate fixed by the common carrier under section 11.

(2) The liability of the common carrier in case of any delay up to such period as may be mutually agreed upon by and between the consignor and the common carrier and specifically provided in the goods forwarding note including the consequential loss or damage to such consignment shall be limited to the amount of freight charges where such loss, damage or delay took place while the consignment was under the charge of such carrier:

Provided that beyond the period so agreed upon in the goods forwarding note, compensation shall be payable in accordance with sub-section (1) or section 11:

Provided further that the common carrier shall not be liable if such carrier proves that such loss of, or damage to, the consignment or delay in delivery thereof, had not taken place due to his fault or neglect or that of his servants or agents thereof.

**11. Rates of charge to be fixed by common carrier for carriage of consignment at a higher risk rate.**—Every common carrier may require payment for the higher risk undertaken by him in carrying a particular consignment at such rate of charge as he may fix and correspondingly, his liability would be in accordance with the terms as may be agreed upon with the consignor:

Provided that to entitle such carrier to claim payment at a rate higher than his ordinary rate of charge, he should have exhibited a printed or written notice, in English and the vernacular language of the State, of the higher rate of charge in the place or premises where he carries on the business of common carrier.

**12. Conditions limiting exonerating the liability of the common carrier.**—(1) Every common carrier shall be liable to the consignor for the loss or damage to any consignment in accordance with the goods forwarding note, where such loss or damage has arisen on account of any criminal act of the common carrier, or any of his servants or agents.

(2) In any suit brought against the common carrier for the loss, damage or non-delivery of consignment, it shall not be necessary for the plaintiff to prove that such loss, damage or non-delivery was owing to the negligence or criminal act of the common carrier, or any of his servants or agents.

(3) Where any consignment has been detained for examination or scrutiny by a competent authority and upon such examination or scrutiny it is found that certain prohibited goods or goods on which due tax was not paid or insufficiently paid have been entrusted to the common carrier by the consignor which have not been described in the goods forwarding note, the cost of such examination or scrutiny shall be borne by the consignor and the common carrier shall not be liable for any loss, damage or deterioration caused by such detention of the consignment for examination or scrutiny:

Provided that the onus of proving that such incorrect description of goods in the goods forwarding note was received from the consignor shall be on the common carrier.

*Explanation.*—For the purposes of this section, “competent authority” means any person or authority who is empowered to examine or scrutinise goods by or under any law for the time being in force to secure compliance of provisions of that law.

**13. Provision for carriage of goods of dangerous or hazardous nature to human life.**—(1) No goods of dangerous or hazardous nature to human life shall be carried by a common carrier except in accordance with such procedure and after complying with such safeguards as may be prescribed.

(2) The Central Government may, by rules made in this behalf, specify the goods of dangerous or hazardous nature to human life and the label or class of labels to be carried in, or displayed on, the motor vehicle or such goods in the course of transportation.

(3) Notwithstanding anything contained in any other law for the time being in force, every common carrier shall scrutinise and ensure before starting transportation of any consignment containing goods of dangerous or hazardous nature to human life that the consignment is covered by, one or more insurance policies under a contract of insurance in respect of such goods providing relief in case of death or injury to a person or damage to any property or the consignment, if an accident takes place.

**14. Power of Central Government to prohibit carriage of certain class of goods.**—The Central Government may, by notification in the Official Gazette, specify, in public interest, the goods or class or classes of goods which shall not be carried by a common carrier.

**15. Right of common carrier in case of consignee's default.**—(1) If the consignee fails to take delivery of any consignment of goods within a period of thirty days from the date of notice given by the common carrier, such consignment may be deemed as unclaimed:

Provided that in case of perishable consignment, the period of thirty days shall not apply and the consignment shall be deemed unclaimed after a period of twenty-four hours of service of notice or any lesser period as may be mutually agreed to by and between the common carrier and the consignor.

(2) In the case of an unclaimed consignment under sub-section (1), the common carrier may,—

(a) if such consignment is perishable in nature, have the right to sell the consignment; or

(b) if such consignment is not perishable in nature, cause a notice to be served upon the consignee or upon the consignor if the consignee is not available, requiring him to remove the goods within a period of fifteen days from the date of receipt of the notice and in case of failure to comply with the notice, the common carrier shall have the right to sell such consignment without any further notice to the consignee or the consignor, as the case may be.

(3) The common carrier shall, out of the sale proceeds received under sub-section (2), retain a sum equal to the freight, storage and other charges due including expenses incurred for the sale, and the surplus, if any, from such sale proceeds shall be returned to the consignee or the consignor, as the case may be.

(4) Unless otherwise agreed upon between the common carrier and consignor, the common carrier shall be entitled to detain or dispose off the consignment in part or full to recover his dues in the event of the consignee failing to make payment of the freight and other charges payable to the common carrier at the time of taking delivery.

**16. Notice for institution of a suit.**—No suit or other legal proceeding shall be instituted against a common carrier for any loss of, or damage to, the consignment, unless notice in writing of the loss or damage to the consignment has been served on the common carrier before the institution of the suit or other legal proceeding and within one hundred and eighty days from the date of booking of the consignment by the consignor.

**17. General responsibility of common carrier.**—Save as otherwise provided in this Act, a common carrier shall be responsible for the loss, destruction, damage or deterioration in transit or non-delivery of any consignment entrusted to him for carriage, arising from any cause except the following, namely:—

(a) act of God;

(b) act of war or public enemy;

(c) riots and civil commotion;

(d) arrest, restraint or seizure under legal process;

(e) order or restriction or prohibition imposed by the Central Government or a State Government or by an officer or authority subordinate to the Central Government or a State Government authorised by it in this behalf:

Provided that the common carrier shall not be relieved of its responsibility for the loss, destruction, damage, deterioration or non-delivery of the consignment if the common carrier could have avoided such loss, destruction, damage or deterioration or non-delivery had the common carrier exercised due diligence and care in the carriage of the consignment.

**18. Punishment for contravention in relation to non-registration, carrying goods of dangerous or hazardous nature, or prohibited goods.**—(1) Whoever contravenes the provisions of section 3, section 13 or a notification issued under section 14 shall be punishable for the first offence with fine

which may extend to five thousand rupees, and for the second or subsequent offence with fine which may extend to ten thousand rupees.

(2) If the person committing an offence under this Act is a company, every person who, at the time the offence was committed, was in charge of, and was responsible to, the company for the conduct of the business of the company, as well as the company, shall be deemed to be guilty of the offence and shall be liable to be proceeded against and punished accordingly:

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

(3) Notwithstanding anything contained in sub-section (1), where any offence under this Act has been committed by a company and it is proved that the offence has been committed with the consent or connivance of, or is attributable to any neglect on the part of, any director, manager, secretary or other officer of the company, such director, manager, secretary or other officer shall be proceeded against and punished accordingly.

*Explanation.*—For the purpose of this section,—

(a) “company” means any body corporate and includes a firm or other association of individuals; and

(b) “director”, in relation to a firm, means a partner in the firm.

**19. Composition of offences.**—(1) Any offence committed under section 18, may either before or after the institution of the prosecution, be compounded by such officers or authorities and for such amount as the State Government may, by notification in the Official Gazette, specify.

(2) Where an offence has been compounded under sub-section (1), the offender shall be discharged and no further proceedings shall be taken against him in respect of such offence.

**20. Power to make rules.**—(1) The Central Government may, by notification in the Official Gazette, make rules for carrying out the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the form and manner of making an application for grant or renewal of a certificate of registration for main office or branch office and the fee thereof under sub-sections (2) and (3) of section 4;

(b) the other conditions of eligibility which are required to be fulfilled by an applicant under clause (d) of sub-section (4) of section 4;

(c) the form in which and the conditions subject to which certificate of registration or renewal may be granted under sub-section (5) of section 4;

(d) the form and manner of maintaining a register under clause (a) of sub-section (7) of section 4;

(e) the information and return which may be furnished to the registering authority and the transport research wing under clause (c) of sub-section (7) of section 4;

(f) fee for submitting the memorandum of appeal under sub-section (2) of section 6;

(g) the form and manner in which a goods forwarding note shall be executed by the consignor under sub-section (1) of section 8;

(h) the form and manner in which a common carrier shall issue goods receipt under sub-section (1) of section 9;

(i) liability of the common carrier for loss of, or damage to any consignment under sub-section (1) of section 10;



(j) the procedure and safeguards to be complied with for carrying goods of dangerous or hazardous nature under sub-section (1) of section 13;

(k) the specification of the goods of dangerous or hazardous nature to human life and the label or class of labels to be carried or displayed in or on the motor vehicle or on such goods in the course of their transportation under sub-section (2) of section 13; and

(l) any other matter which is required to be, or may be, prescribed.

(3) Every rule made under this section and every notification issued under section 14 shall be laid, as soon as may be after it is made or issued, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the rule or the notification, or both Houses agree that the rule or the notification should not be made or issued, the rule or the notification shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that rule or notification.

**21. Power to remove difficulties.**—(1) If any difficulty arises in giving effect to the provisions of this Act, the Central Government may, by general or special order published in the Official Gazette, make such provisions, not inconsistent with the provisions of this Act as appear to it to be necessary or expedient for removing the difficulty:

Provided that no such order shall be made under this section after the expiry of two years from the date of commencement of this Act.

(2) Every order made under sub-section (1) shall be laid, as soon as may be, after it is made, before each House of Parliament.

**22. Repeal and saving.**—(1) The Carriers Act, 1865(3 of 1865) is hereby repealed.

(2) Notwithstanding the repeal of the Carriers Act, 1865 (3 of 1865) anything done or any action taken under the said Act shall, in so far as such thing or action is not inconsistent with the provisions of this Act, be deemed to have been done or taken under the provisions of this Act and shall continue in force accordingly until superseded by anything done or any action taken under this Act.

(3) The mention of particular matters in this section shall not be held to prejudice or affect the general application of section 6 of the General Clauses Act, 1897 (10 of 1897) with regard to the effect of repeals.