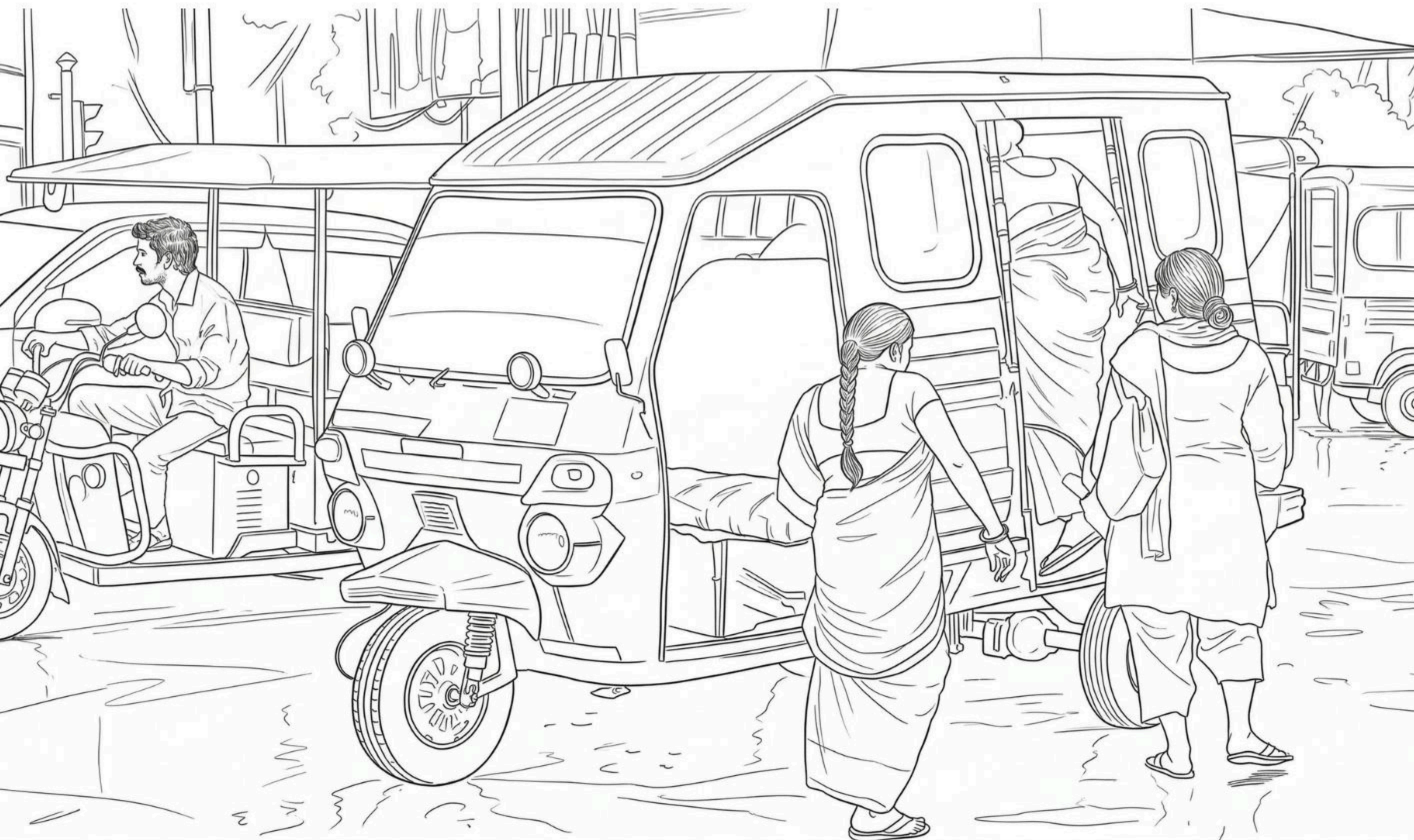


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WHY SHARED MOBILITY SERVICES CANNOT LEGALLY OPERATE IN KERALA:

Structural Constraints within the Stage-Contract Carriage Frameworks



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POLICY BRIEF

Why Shared Mobility Services Cannot Legally Operate in Kerala:

Structural Constraints within the Stage–Contract Carriage Framework

Prepared for: Policymakers, Transport Department Officials, Regional Transport Authorities

EXECUTIVE SUMMARY

Shared mobility services in smaller passenger vehicles such as autorickshaws and motor cabs are structurally incompatible with Kerala's current regulatory framework. The Kerala Motor Vehicles Rules (KMVR), 1989, and the Motor Vehicles Act, 1988, regulate vehicles by drawing a strict distinction between stage carriages and contract carriages. Autorickshaws and motor cabs are licensed as contract carriages, which legally prohibits multiple passenger boarding and route-based operations. Provisions relating to taxi meters, designated stands, route obligations, and permit conditions collectively prevent shared operations in these vehicles. While the 2019 amendment to the Motor Vehicles Act introduced flexibility for last-mile connectivity, rural mobility, and improved transport facilities, Kerala has not operationalised these provisions to enable shared services in small vehicles. As a result, shared mobility is not merely underdeveloped; it is legally constrained by design.

1. Background and Problem Statement

Shared mobility services in smaller vehicles have emerged in many Indian states as a market-driven response to the connectivity gaps in urban and rural mobility. These services typically operate by carrying multiple independent passengers, charging per-head fares, following flexible routes, and allowing en-route boarding and alighting. While such services were once common in rural Kerala (operating informally), today they are either absent or vulnerable to strict enforcement. This regulatory rigidity disproportionately affects low-income rural households that were once dependent on affordable shared mobility, given limited bus connectivity and service frequency. Urban commuters are similarly affected, as the absence of shared mobility limits affordable last-mile connectivity to public transport – contrary to the National Urban Transport Policy (2014), which emphasises accessible, affordable, and people-centric mobility.

At the core lies the regulatory challenge: the legal distinction between stage carriages and contract carriages under the Motor Vehicles Act, 1988. A study by CPPR on the regulatory systems governing shared paratransit demonstrates how the stage–contract classification fundamentally shapes the evolution of shared mobility within state systems. Where regulatory frameworks remain rigid, shared mobility struggles to formalise and integrate into the transport ecosystem. Kerala represents one such case.

Autorickshaws, motor cabs and maxicabs in Kerala operate under contract carriage permits, which legally require exclusive hiring. Shared mobility, by contrast, requires multiple contracts within a single trip. This creates a direct legal contradiction. The problem is not a lack of demand; the current permit system does not legally recognise shared mobility as a distinct operational model.

2. Regulatory Framework Governing Small Passenger Vehicles in Kerala

2.1 The Stage-Carriage Contract-Carriage Divide

A stage carriage operates on fixed routes, collects separate fares from individual passengers, and allows boarding and alighting at multiple points along the route. In contrast, a contract carriage is hired as a whole for a fixed consideration, under a single contract, without picking up additional passengers during the journey.

The definitions of these, as per the MV (Amendment) Act, 2025, are as follows:

<u>Stage carriage</u>	<u>Contract Carriage</u>
A motor vehicle constructed or adapted to carry more than six passengers excluding the driver for hire or reward at separate fares paid by or for individual passengers, either for the whole journey or for stages of the journey.	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 motorcycle (ii) a motor cab notwithstanding that separate fares are charged for its passengers.

Judicial interpretations reinforce the rigidity of this classification by clarifying that a contract carriage cannot operate in the manner of a stage carriage (CPPR, 2026). Courts have held that, in contract carriage operations, passengers must be predetermined and that en-route boarding and collection of separate fare collection are features compatible with stage carriage permits, not with contract carriage. While in the case of a motor cab, the collection of separate fares may be permissible, it does not authorise the operator to conduct multiple boardings and alightings during a single trip.

The statutory definition carries a significant structural implication for small passenger vehicles. Since a stage carriage is defined as a vehicle carrying more than six passengers, excluding the driver, only vehicles with a seating capacity of eight or more are eligible for a stage carriage permit. Vehicles with fewer seats, such as auto-rickshaws and other small IPT vehicles that typically carry three to six passengers, fall outside the definitional threshold and are therefore ineligible for stage carriage permits by law. As a result, for smaller public carriage vehicles, the regulatory framework is confined, by default, to the contract carriage permit.

Motor Vehicles (Amendment) Act, 2019

The Motor Vehicles (Amendment) Act, 2019, was enacted, among other objectives, to explicitly empower states to promote public transport, rural transport, and last-mile connectivity by relaxing permit provisions under the Act. Towards this, the Amendment expanded the powers of state governments to intervene in existing permit structures where traditional regulatory categories are insufficient to meet emerging mobility needs. Under Section 67(3), the Act authorises State Governments to modify permits, introduce transport schemes and issue licences for such services by notification in the Official Gazette to promote development and efficiency in transportation.

The provision explicitly recognises objectives such as last-mile connectivity, rural transport, congestion reduction, improved urban mobility, enhanced integration across modes, better utilisation of transport assets, environmental protection, energy conservation, and overall improvements in accessibility and quality of life. In addition, Section 67(4) enables the State Government to prescribe the fees, procedures, and regulatory conditions governing such schemes, thereby strengthening administrative authority to operationalise these objectives.

Complementing this, Section 67(2) allows the State Government to relax provisions under the permits framework, subject to conditions, in order to achieve these objectives. This relaxation provides flexibility to ease regulatory constraints that may otherwise limit the introduction of new service models.

The Amendment also introduces important modifications to Section 66 of the principal Act, which governs the necessity for permits. The original Section 66(1) requires that no motor vehicle be used as a transport vehicle in a public place without a valid permit from the Regional or State Transport Authority. The 2019 Amendment inserts a new proviso to this sub-section, enabling a vehicle that holds both a permit and a licence under a scheme notified under Section 67(3) or Section 88A(1) to operate under either, at the discretion of the vehicle owner. This grants operators meaningful flexibility — a vehicle need not be locked into a single mode of service but may shift between permit-governed and licence-governed operations depending on demand and context.

In addition, Section 66B provides two important protections to operators. First, a person holding an existing permit under the Act cannot be disqualified from applying for a licence under any scheme notified under Section 67(3) or Section 88A(1) solely on the ground of holding such a permit. Second, such a person cannot be required to surrender or cancel their existing permit upon being issued a scheme-based licence. Together, these provisions ensure that operators who choose to participate in new shared mobility schemes are not penalised for or forced to relinquish their existing regulatory standing.

However, while these provisions collectively create a statutory pathway to design and operationalise new mobility systems, their effectiveness depends on formal notification and scheme design at the state level. In the absence of such notified schemes or permit modifications, the traditional stage and contract carriage frameworks continue to govern vehicle operations without structural alteration. Thus, although the Amendment introduces meaningful flexibility within the Act, the operational transformation of shared mobility systems remains contingent upon its active invocation and implementation by the State Government.

2.2 Classification of Small Vehicles

Under the Kerala Motor Vehicles Rules (KMVR) and the Motor Vehicles Act, passenger vehicles are classified based on seating capacity and intended use.

- "Autorickshaw" means a motor vehicle constructed, adapted or used to carry not more than three passengers excluding the driver for hire or reward and having less than four wheels (Kerala MVR, Rule 2(c)).
- Motorcab: Any motor vehicle constructed or adapted to carry not more than six passengers excluding the driver for hire or reward (MV Act, Section 2(25)).
- Maxicab: 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 (MV Act, Section 2(22)).

In Kerala, autorickshaws and motor cabs are issued contract carriage permits, and although maxicabs are legally eligible to obtain stage carriage permits, they are typically registered under contract carriage permits due to operational feasibility and compliance constraints (CPPR, 2026). Maxicabs fall within the M1 vehicle category, whereas stage carriage services are generally aligned with M2 and M3 category vehicles under the Central Motor Vehicles Rules. In practice, maxicabs often do not conform to the body code standards and structural specifications commonly required for stage carriage operations. Consequently, vehicles that are operationally suitable for shared mobility remain regulated under contract carriage permits, which legally mandate exclusive hiring (CPPR, 2026).

Kochi Metro's Shared Auto Initiative (2017)

In 2017, Kochi Metro Rail Limited (KMRL) introduced shared services in autorickshaws and motorcabs to strengthen last-mile connectivity to metro stations, relying on the definition of “contract carriage” under the Motor Vehicles Act, 1988. The Act defines that contract carriage includes a motor cab “notwithstanding that separate fares are charged for its passengers.” KMRL obtained permission from the state government to allow feeder autorickshaws and motorcabs to collect individual fares from passengers travelling along the same corridor (GO No: C2/107/2017-TRANS). However, the operational structure did not alter the fundamental contract carriage characteristics: the service did not permit multiple, independent boarding and alighting in a stage-wise format, nor did it allow open en-route passenger aggregation. Thus, while separate fare collection was administratively accommodated, the broader statutory requirements continued to limit the evolution of a fully flexible shared mobility model.

Note: Today, Section 67(3) of the MV (Amendment) Act, 2019, enables the State Governments to bring out structural changes to existing permit frameworks where required. The operationalisation of shared mobility through such statutory mechanisms would differ from earlier instances where limited flexibility was introduced through administrative interpretation within the existing stage–contract carriage structure.

3. Stage Carriage Framework Cannot Accommodate Shared Mobility

Shared mobility does not align with the regulatory design of the stage carriage permit system. Stage carriage permits are structured for fixed-route, scheduled, corridor-based public transport operations (CPPR, 2026). They assume predefined routes, approved halting points, adherence to the timetable, regulated fare stages, and continuous compliance oversight.

On the other hand, shared mobility operates on a fundamentally different logic. It is demand-responsive, small-scale, and flexible. Routes adjust to passenger concentration, stopping points vary, and service frequency is shaped by real-time demand rather than fixed schedules. Economic viability depends on operational adaptability, not route rigidity.

The stage carriage framework prioritises predictability and regulatory control over flexibility. Across the states, stage carriage permits involve higher scrutiny, route-level caps, and strict operational conditions (CPPR, 2026). Such requirements are suitable for organised bus systems but are disproportionately disorganised for small, owner-operated shared services. More importantly, shared mobility occupies an intermediate space between stage and contract carriage categories. The current binary structure leaves no regulatory space for services that combine public access with flexible routing. Under a strict stage carriage framework, flexibility becomes non-compliance.

Therefore, the constraint is structural. The stage carriage model is designed for scheduled mass transport and not for dynamic, small-vehicle shared systems.

4. Kerala MVR Provisions Restricting Shared Mobility in Contract Carriages

The following are the rules as per the Kerala Motor Vehicles Rules, 1989, that collectively restrict shared mobility services under the contract carriage permit framework.

4.1 Rule 207 - Starting Places and Termini

Rule 207 allows authorities to designate stands for public service vehicles. However, it explicitly states that no public service vehicle other than a stage carriage shall stop at designated points to pick up passengers waiting to travel by stage carriage.

Rule 207: In the case of public service vehicles (other than motor cabs) the State or Regional Transport Authority may, after consultation with such other authority as it may deem desirable, fix such places at the termini of the bus routes and in the course of the routes, as may be necessary, at which the vehicle may

stop and wait for picking up or setting down passenger. Where a local authority has provided and maintains a public stand for motor vehicles with facilities for drinking water supply, lighting, latrine and waiting sheds for passengers and convenient parking places, the State or Regional Transport Authority may approve the use of that stand for the purpose of picking up or setting down passengers of public service vehicles (other than motor cabs) and thereafter every vehicle shall make use of that stand. The approval granted by a Transport Authority may be revoked by it, if the facilities provided at the stand cease to be to its satisfaction:

Provided that if bus stands or parking places or stopping places have been fixed either in accordance with this rule or in accordance with rule, as the case may be, **no public service vehicle other than a stage carriage shall be stopped in such places for the purpose of picking up any passenger waiting there and intending to travel by stage carriages.**

Implications: Autorickshaws, motorcabs or other smaller vehicles operating under a contract carriage permit cannot legally aggregate passengers at bus stands or other transit nodes. Shared mobility requires aggregation of passengers from different transit points; Rule 207 limits this.

4.2 Rule 202 – Obligation to Use Shortest Route

Rule 202 mandates that motor cab drivers must proceed to the destination named by the hirer by the shortest and quickest route.

Rule 202: The driver of a motor cab shall in the absence of reasonable cause proceed to the destination named by the hirer by the **shortest and quickest route**.

Shared mobility requires:

- Route deviation to pick up additional passengers.
- Sequential drop-offs.
- Dynamic routing.

Deviation from the shortest route to accommodate additional passengers may be interpreted as a violation of this rule. The rule assumes one hirer (or a single group) and one destination, which is incompatible with shared services.

4.3 Rule 156 – Stationing Requirement

The rule mandates every contract carriage vehicle to be stationed at the place specified in the permit.

Rule 156: It shall be condition of the permit of every contract carriage that the vehicle **shall normally be stationed at the place specified in the permit** by the Transport Authority granting the permit.

Implications:

- Territorial rigidity
- Reduced spatial flexibility
- Stand-based operations

Shared mobility, particularly route-based services, requires roaming and demand-responsive positioning. Stationing rules constrain this flexibility.

4.4 Rule 152 – Failure to Use Transport Vehicle

This rule mandates that the vehicle must be maintained and available for the service for which the permit is granted. If a contract carriage deviates from its permitted model (exclusive hiring) and operates as shared mobility, it risks being treated as operating outside permit conditions. Thus, shared services in smaller contract carriage vehicles may be interpreted as a violation of this rule.

Rule 152: It shall be a condition of the permit of **every transport vehicle (other than a private service vehicle permit)** that the vehicle shall be so maintained as to **be available for the service for which the permit was granted**, for the entire period of currency of the permit and that the permit is liable to be suspended or cancelled, after due notice to the permit day in the case of a stage carriage unless a reserve bus duly authorised in this behalf has conducted substitute service in the place of the route-bus which defaulted service, and for a continuous period of fifteen days or more in the case of other transport vehicles, during the period for which the permit authorises the use of the vehicle on the road, unless the State or Regional Transport Authority is satisfied that the permit holder was prevented by sufficient cause from running the service or that the permit holder had obtained the previous permission of the State or Regional Transport Authority to suspend the service for such period during which the vehicle was not operated.

4.5 Rule 201 & Rule 296 – Taxi Meter Requirements

As per these rules, motor cabs are required to be fitted with an approved taxi meter, charge fares strictly according to the meter, and maintain the integrity of the sealed meter at all times. The taxi meter calculates the fare for the entire vehicle rather than on a per-passenger basis. Smaller contract carriages (like autorickshaws and motor cabs) use a taxi meter (or fare meter) to calculate the legal fare for the hiring of the vehicle as a single unit.

In contrast, shared mobility operations depend on per-head fare collection and the splitting of fares among independent passengers. However, the rules for **Fixation of Fare Stages (Rule 211)** and **Schedules of Timings (Rule 212)** apply exclusively to stage carriages. Contract carriages have no legal framework in these rules to collect "per-head" fares or follow a set timetable with multiple stops, meaning any attempt to do so would be operating outside the scope of their permit.

Rule 201:

(1) When a Regional Transport Authority requires that a motor cab shall be fitted with a taxi-meter, the taxi-meter shall be of a pattern approved by the State Transport Authority and shall be fitted in conformity with any instructions that may be issued by the State Transport Authority in this regard.

(2) A permit holder required to fit a taxi-meter shall produce it fitted to the vehicle before the Inspecting Authority constituted under Chapter IV of the Act so that it may be tested and sealed, and shall produce it for examination subsequently whenever the vehicle to which it is attached is inspected or whenever for any reason it has become necessary to break the seal.

(3) No person shall drive or cause or permit to be driven any motor cab in the permit of which a condition is attached under clause (viii) of sub-section (2) of Section 74 of the Act if the taxi-meter is not fitted to the vehicle and sealed or if he knows or has reason to believe that it is not accurate, or in proper working order.

Rule 296:

(1) Necessity of.- (a) Every motor cab, except when exempted in this regard by the State or Regional Transport Authority, shall be fitted with a taxi meter, which shall be fixed to and operated from a non-driving wheel.

(b) The vehicle shall not ply for hire unless the taxi meter bears the seal of the State or Regional Transport Authority to indicate that the taxi meter has been tested and is in working order. The seal shall be kept in tact.

(c) The owner, driver, attendant of the vehicle or other person who breaks or tampers in any way with the seal, or who, with intention to deceive, tampers with the taxi meter or the driving mechanism thereof, shall be deemed to have committed a breach of this rule:

4.6 Rule 185 – Permit Suspension and Cancellation

The rule gives the transport authority the power to suspend or cancel permits for violation of permit conditions. Shared operations could be interpreted as violations of the exclusive hiring condition. This enforcement risk discourages experimentation with shared services.

Rule 185: The State or Regional Transport Authority may suspend or cancel the permit of any vehicle.

Note: Section 66B, of the 2019 amendment, ensures that existing permit holders are not required to surrender their permits when participating in scheme-based operations notified under Section 67(3). Hence, Rule 185 of the Kerala MVR may not apply to those permit holders who choose to operate under a scheme notified under Section 67(3) or Section 88A(1).

4.7 Rule 199 – Carriage of persons or goods in public service vehicles

The rule restricts the operator from boarding more passengers than what is listed in the permit, which aligns with the vehicle definition under the KMVR or MV Act. Thus, a new model of autorickshaw designed by the manufacturer to carry five passengers would not be allowed to carry more than three passengers, as autorickshaws are defined in the rules to carry only three passengers. This limitation directly restricts the number of passengers that can be onboarded in a single vehicle, even if the vehicle has the seating capacity to onboard more passengers.

Rule 199: No public service vehicle operating on a permit issued under Section 66 of the Act shall carry at any time persons, luggage or goods in excess of what is specified in the permit by the Transport Authority which granted the permit.

5. Policy Options for Introducing Shared Mobility in Kerala

5.1 Option 1: Modify Existing Contract Carriage Permits Through Special Conditions

Under this approach, shared mobility services could operate within the contract carriage permit framework, with specific permit conditions allowing the service provider to collect individual fares and undertake multiple boarding and alighting along a notified route. The permit document should explicitly incorporate a dedicated condition to accommodate shared services (CPPR, 2024).

Rationale: This option relies on administrative flexibility rather than structural reform. It may be implemented in the short term and avoids the need for immediate rule amendments.

Advantages

- Relatively quick to operationalise.
- Uses existing permit architecture.
- Reduces immediate legal uncertainty for pilot or limited corridor operations.
- Administratively less complex.

Limitations

The underlying stage-contract binary remains structurally intact; as a result:

- Long-route shared operations in rural areas may still face classification ambiguity.
- Enforcement consistency may be difficult if vehicles operate both shared and normal services.
- The solution may remain route-specific rather than system-wide.

This option may be suitable as a transitional arrangement but may not fully resolve the structural mismatch identified in the research.

5.2 Option 2: Introduce a Dedicated “Shared Mobility” Permit Category within Kerala MVR

Under this approach, the Kerala MVR would be amended to formally recognise shared mobility as a separate category. This would involve introducing a clear statutory definition of shared mobility services, creating a separate permit classification independent of stage and contract carriages, and providing route-specific authorisation. The framework would also establish defined fare mechanisms and prescribe vehicle identification norms to ensure transparency and enforceability. Shared IPT services exhibit operational characteristics that differ from both traditional categories (CPPR, 2026), reinforcing the need for independent legal recognition to enhance regulatory clarity and coherence.

Rationale: Formal recognition could reduce interpretational disputes and provide a clearer compliance pathway.

<u>Advantages</u>	<u>Limitations</u>
<ul style="list-style-type: none"> Improves legal clarity. Aligns regulatory language with operational practice. Enables system-wide formalisation. Reduces reliance on interpretative flexibility. 	<ul style="list-style-type: none"> Requires rule-level amendment, which may involve longer administrative timelines. May raise concerns from existing stage carriage stakeholders regarding overlap. Structural reform requires broader stakeholder consultations. Legal uncertainty in the beginning

5.3 Option 3: Notify a Special Shared Mobility Scheme under Section 67 of the Motor Vehicles (Amendment) Act, 2019

The Motor Vehicles (Amendment) Act of 2019 empowers state governments to frame transport schemes, modify permit conditions, and promote last-mile connectivity and rural mobility. The amendment thus provides states with flexibility to address rigidities in existing permit structures (CPPR, 2026). Using these statutory powers, Kerala could notify a “**Shared Mobility Scheme**” aimed at strengthening rural mobility and last-mile connectivity. The key features of the scheme could include:

- Recognition of shared mobility as a hybrid operational category,
- Route- or area-based authorisation,
- Permission for per-head fare collection,
- Defined maximum route length (where appropriate),
- Specification of vehicle eligibility,
- Clearly articulated operational conditions.

Rationale: This approach relies on powers already available, rather than requiring a full legislative amendment. It would enable the structured introduction of shared mobility, particularly in rural areas, narrow street networks, metro feeder corridors and low-demand routes where stage carriage services are impractical.

<u>Advantages</u>	<u>Limitations</u>
<ul style="list-style-type: none"> Addresses structural mismatch more directly than incremental permit modifications. Legally grounded under the 2019 Amendment. 	<ul style="list-style-type: none"> Scheme design must clearly define boundaries to prevent conflict with stage carriage operations.

- Allows proportional regulation suited to small vehicles.
- Provides operational flexibility by allowing vehicles to choose between permit-based and scheme-based operations, enabling operators to adapt service models based on demand and local conditions.
- Scheme design shall be informed by route/area wise demand studies.

6. Recommendations

6.1 Legal Definition of Shared IPT Services

A formal definition may reduce interpretational disputes and clarify permissible operational practices. The recommended definition of shared IPT services would be:

“Shared IPT services are shared-ride passenger transport services operated along fixed or semi-fixed routes, with multiple boarding and alighting points, typically using smaller passenger vehicles, permitted to collect individual fares and flexi-fares.”

6.2 Market-led Scaling

Shared services are financially viable when supported by adequate ridership. To facilitate sustainable growth, a dynamic assessment may be undertaken to inform the optimal scaling and distribution of shared mobility services based on real-time demand patterns. This ensures that the issuance of permits or licences (under a special scheme) responsively matches market needs, supporting the financial health of providers and allowing the service ecosystem to expand in lockstep with commuter requirements.

6.3 Vehicle Capacity Considerations

The vehicle category selected under a shared mobility scheme is a critical determinant of service sustainability. Permitting three-wheeler vehicles with an expanded seating capacity of up to five passengers, along with motor cabs, maxicabs, and other smaller vehicles accommodating approximately 10–12 passengers, would enhance operational viability. Increased seating capacity allows more passengers to be served per trip, thereby improving revenue potential for operators and encouraging greater participation in the shared transport system.

6.4 Clear Permit Conditions and Monitoring

The transport authority should prescribe maximum passenger capacity as well as mandatory safety and structural fitness standards to ensure safe and reliable operations. Licenses issued for shared mobility services must explicitly authorise the collection of individual fares from passengers and allow multiple boarding and alighting within the notified service corridor/area. Additionally, the Authority should mandate distinctive marking or official signage indicating “Shared Service” to ensure clear service recognition, accountability, and effective regulatory oversight.

6.5 Institutional Mechanism for Oversight

A well-defined institutional framework is essential for the sustainable expansion of shared mobility services. Periodic training and systematic data collection within RTO offices would strengthen regulatory capacity, particularly for operations in rural areas, narrow street networks, metro feeder corridors, and other low-demand routes where stage carriage services are impractical.

7. Conclusion

Research studies by CPPR indicate that shared mobility does not fit comfortably within the existing stage carriage or contract carriage framework. Attempting to adjust the current permit system may offer temporary flexibility, but it does not resolve the structural mismatch (CPPR, 2026). A scheme-based approach provides a clearer and more durable solution. It allows the state to legally recognise shared mobility as a hybrid service while setting clear operational boundaries.

The proposed scheme should define the overall framework for eligibility, fare structure, vehicle standards, and operational conditions, while allowing flexibility for context-specific implementation. The RTA may, where necessary, adopt mechanisms such as route-wise demand assessments or indicative allocation of licences to support balanced service provision, without making them restrictive preconditions for entry. The emphasis should be on enabling participation and facilitating service expansion rather than tightly regulating market entry.

This approach enables the state to expand shared mobility in rural areas, narrow street networks, metro feeder corridors, and other low-demand routes where conventional bus services are not feasible. It uses existing statutory powers, reduces legal ambiguity, and allows proportional regulation suited to small vehicles.

The goal is not regulatory expansion but regulatory clarity. A well-designed scheme can give decision-makers confidence that shared mobility is being enabled in a structured and lawful manner, while allowing the system to evolve based on operational experience.

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