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WHY SHARED MOBILITY SERVICES CANNOT LEGALLY OPERATE IN ANDHRA PRADESH:

Policy Pathways for Integrating Shared IPT into the Legal Framework.



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POLICY BRIEF

Why Shared IPT Services Cannot Legally Operate in Andhra Pradesh:

Policy Pathways for Integrating Shared IPT into the Legal 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, operate across several parts of Andhra Pradesh, particularly in urban centres and semi-urban corridors. However, the regulatory framework governing these services remains anchored in the traditional distinction between stage carriages and contract carriages under the Motor Vehicles Act, 1988 and the Andhra Pradesh Motor Vehicles Rules. Autorickshaws and motor cabs are issued contract carriage permits, which legally require the vehicle to be hired as a whole and do not accommodate multiple independent passenger boarding or route-based operations. Provisions relating to fare meters, parking restrictions near bus stations, passenger-list requirements, and route obligations collectively reinforce the principle of exclusive hiring. These conditions are structurally inconsistent with shared mobility operations, which depend on multiple independent passengers, flexible routing, and per-head fare collection. As a result, shared mobility in Andhra Pradesh operates within a constrained and ambiguous regulatory environment.

While the Motor Vehicles (Amendment) Act, 2019 provides states with the authority to redesign permit structures and introduce schemes for last-mile connectivity and rural transport, these provisions require formal invocation through state-level notification. In the absence of such structural interventions, shared mobility remains partially accommodated in practice but not formally recognised within the regulatory framework.

1. Background and Problem Statement

Shared mobility services in smaller vehicles have emerged across many Indian states as a response to gaps in both urban and rural transport systems. These services typically operate by carrying multiple independent passengers, charging per-head fares, following flexible or semi-fixed routes, and allowing passengers to board and alight at multiple points along a route. In Andhra Pradesh, such services are often observed in urban centres and district towns where conventional stage carriage bus services may be infrequent or operationally constrained. These services play a crucial role in connecting residential areas to key transport hubs like bus stations, markets, and administrative centres. Rural mobility challenges further reinforce the relevance of such services. In dispersed settlements and low-density corridors, stage carriage services may not operate at sufficient frequency due to viability constraints. In such contexts, smaller passenger vehicles have the potential to provide flexible, demand-responsive connectivity.

However, the regulatory framework governing passenger transport continues to rely on the stage carriage and contract carriage classification under the Motor Vehicles Act, 1988. As highlighted in studies on shared intermediate public transport systems (CPPR, 2026), this binary classification significantly shapes the evolution of shared mobility services within the state's transport ecosystem. In Andhra Pradesh (like other states), smaller IPT vehicles typically operate under contract carriage permits, which require the vehicle to be hired as a whole by a single hirer or a group of passengers. Shared mobility services, by contrast, involve multiple independent passengers sharing the same vehicle along a route. This creates a regulatory mismatch between operational practice and legal structure. The issue arises when attempting to formalise these services because of the absence of a framework that formally recognises and accommodates such operations.

2. Regulatory Framework Governing Smaller Vehicles in Andhra Pradesh

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 and is not permitted to pick up or set down passengers not included in that contract during the journey.

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

Stage carriage

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.

Contract Carriage

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 passengers must be predetermined in contract carriage operations and that en-route boarding and collection of separate fare collection are features compatible with stage carriage permits, not with contract carriage. While separate fare collection may be permissible in motor cabs, it does not authorise multiple, independent boarding and alighting within 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. Smaller vehicles, such as autorickshaws and similar IPT modes carrying three to six passengers, fall outside this threshold and are therefore confined, by default, to the contract carriage permit framework.

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 Motor Vehicles Act, passenger vehicles are classified based on seating capacity and intended use.

- 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)).

Unlike states like Kerala and Tamil Nadu, the Andhra Pradesh Motor Vehicles Rules do not provide a direct statutory definition of an "autorickshaw". However, Rules 381 to 389 establish a detailed regulatory framework governing autorickshaws, implicitly recognising them as passenger vehicles in two categories: three-seater and four-seater autorickshaws. These provisions establish autorickshaws as small-capacity passenger vehicles designed for short-distance public transport.

In Andhra Pradesh, autorickshaws and motor cabs are issued contract carriage permits. Although certain higher-capacity vehicles, such as seven-seater maxicabs typically used for shared services, are legally eligible for stage carriage permits, they are generally registered under contract carriage permits due to operational and compliance considerations (CPPR, 2026). Maxicabs fall within the M1 vehicle category, whereas stage carriage services are typically associated with M2 and M3 categories under the Central Motor Vehicles Rules. In practice, these vehicles often do not meet the structural and body code requirements applicable to stage carriage operations. As a result, vehicles that are operationally suited for shared mobility remain regulated under the contract carriage framework, which mandates exclusive hiring (CPPR, 2026).

Shared Auto Services in Andhra Pradesh

In Andhra Pradesh, the emergence of shared passenger services in smaller vehicles has largely been informal and demand-driven rather than introduced through a structured policy framework. Vehicles such as seven-seater autos (often classified as maxicabs or omnibuses under the Motor Vehicles Act) began operating in urban centres to cater to high-demand corridors and provide affordable, flexible mobility options. These vehicles were issued permits under the existing contract carriage framework, which legally requires exclusive hiring by a single passenger or group. In practice, however, operators routinely carried multiple independent passengers, collected per-head fares, and allowed en-route boarding and alighting, reflecting an operational pattern similar to shared mobility services.

This regulatory inconsistency came under judicial scrutiny in “State of A.P. vs Mini Taxi Owners and Drivers Association (2001)”. In this case, the movement of seven-seater autos within Hyderabad city limits was restricted through a notification issued by the Police Commissioner, citing concerns related to traffic congestion and safety. The High Court set aside the notification, holding that the power to regulate traffic cannot be used to impose a blanket prohibition on vehicles holding valid permits. The Court emphasised that such restrictions were disproportionate and that issues relating to misuse of permits must be addressed within the framework of the Motor Vehicles Act.

The judgement did not address the legality of shared passenger operations directly but highlighted the limitations of enforcement-based responses to emerging transport practices. It underscored the gap between the formal permit structure and the manner in which these vehicles were operating in practice. As a result, shared passenger services in Andhra Pradesh have continued to exist in a regulatory grey area—permitted under one framework, operated under another, and addressed primarily through enforcement rather than formal policy recognition.

3. Stage Carriage Framework Cannot Accommodate Shared IPT Services

Shared IPT services do 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, timetable adherence, regulated fare stages, and continuous compliance oversight.

Shared IPT services operate 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.

On the other hand, 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 disproportionate for small, owner-operated shared services, particularly in rural and low-demand contexts. More importantly, shared IPT services occupy 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. AP MVR Provisions Restricting Shared Mobility in Contract Carriages

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

4.1 Rule 185.e (iii) – Parking and Stand Restrictions

Rule 185.e (iii) mandates that contract carriage vehicles, when not engaged, are required to park at designated stands and must be available for hire at such locations. Additionally, contract carriages (other than motor cabs) are restricted from parking within specified distances of bus stations.

Rule - 185: Conditions to be attached to all permits.

(e) Additional conditions for Contract Carriages.

(iii) The vehicle shall be parked at such stands as may be determined by the Transport Authority when it is not engaged and It shall be available for hire thereat:

Provided that the Contract Carriages other than Motor Cabs shall not be parked within a reasonable distance from the bus stations authorised for the stage carriages, namely, 3 kilometers in a Municipal City, 2 Kms., in a municipal town and 1 kilometre in other places

Implications: These provisions limit the ability of vehicles to dynamically position themselves near high-demand transit nodes. Shared mobility relies on passenger aggregation at such locations; Rule 185.e (iii) limits this.

4.2 Rule 34 – Obligation to Use Shortest Route

Rule 34 mandates that motor cab drivers must proceed to the destination named by the hirer by the shortest and quickest route.

Rule - 34: Driver of Motor cab to proceed by shortest route.

The driver of a motor cab shall 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 185.e (v), 185.e (vii) & Rule 268 – Passenger List Requirement

Contract carriage operators are required to furnish a list of passengers included in the contract, which must be submitted to the Transport Authority and annexed to the trip sheet.

Rule - 185: Conditions to be attached to all permits.

(e) Additional conditions for Contract Carriages.

(v) Every contract carriage other than a taxi, and an Auto rickshaw shall furnish a list of passengers included In the contract to the transport authority which had granted the permit and an attested copy of which shall be annexed to the trip sheet:

Provided that it will be sufficient compliance if the list of passengers attested by a Motor Vehicles Inspector or an Asst. Motor Vehicles Inspector or Station House Officer of the nearest Police Station, is posted to the Transport Authority within 24 hours of the commencement of the contract and a copy of the same is annexed to the trip sheets if the contract carriage is commencing the journey from a place other than the headquarters of the Transport

(vii) The owner of every auto rickshaw shall maintain a record sheet in duplicate In a bound book in Form R. S. A. with a copy to be kept with Auto rickshaw;

Rule - 268. Record Sheet for Auto rickshaw.

The owner of every auto rickshaw shall maintain a Record Sheet, serially numbered in duplicate in a bound book in Form RSA with a copy to be kept in the Auto rickshaw.

Implications: The requirements mentioned in the rules assume that passengers of contract carriage vehicles (including auto rickshaws, motorcabs and maxicabs) are predetermined before the journey begins. Shared mobility, which involves dynamic boarding of passengers during the trip, cannot comply with such conditions.

4.4 Rule 143(iii), 143(x) & Rule 184.2(i) – Permit Suspension and Cancellation

Rule 143 gives the transport authority the power to suspend or cancel permits for violation of permit conditions. Shared operations in contract carriage vehicles are interpreted as violations of the exclusive hiring condition. Additionally, applicants may be disqualified for prior violations, including operating vehicles as unauthorised stage carriages (or shared services) (Rule 184.2(i)). These enforcements are standing against the formal recognition of shared IPT services.

Rule - 143: Powers of Regional Transport Authority - Delegation.

The Regional Transport Authority for the prompt and convenient dispatch of its business shall by general or special order delegate to its Secretary or Additional Secretary or Joint Secretary or Assistant Secretary any or all of the following powers:

(iii) Power under Section 74 (1) to grant or refuse a contract carriage permit in cases where no objections or representations are received and power under Section 74 (2) to impose conditions on the use of a contract carriage;

(x) Power under Section 86 to suspend or cancel a permit or compound an offence in lieu of suspension or cancellation of permit and the power under sub-section (4) of Section 88 read with Section 86 to suspend or cancel the counter-signature of permits or compound an offence in lieu of suspension or cancellation of counter-signature ;

Rule - 184: Grant or renewal of contract carriage permits-guiding principles.

(2) The applicants shall first be screened and those who are found to be unsuitable on one or more of the following principles, shall be disqualified reasons being given in such decision of the transport authority, whenever an applicant is disqualified;

(i) If the history sheet is not clean and contains more than six entries relating to offence of overload, running without permit, or fitness certificate or without payment of tax or using the vehicle unauthorized as a stage carriage, committed within twenty four months preceding the date of consideration of the application by transport authority.

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, these rules of AP MVR may not apply to those permit holders who choose to operate under a scheme notified under Section 67(3) or Section 88A(1).

4.5 Rule 371 – Fare Meter Requirements

As per the rule, autorickshaws and 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 rule for **Fixation of Stages for carriages (Rule 258)** and **Schedule of Timings (Rule 259)** 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 371: Fare Meter

- (1) Every new Auto-rickshaw / Motor Cab plying in Municipal Corporations and Municipalities unless exempted in this regard by the Regional Transport Authority, shall be fitted with a fare meter of digital type approved by the State Transport Authority from the date as may be notified by the Transport Commissioner.
- (2) No new permit shall be granted or renewed unless the Auto-rickshaw / Motor Cab is fitted with the digital meter referred to above.
- (3) No permit of the Auto-rickshaw / Motor Cab shall be transferred unless it is fitted with the digital meter referred above.
- (4) No fitness certificate of the auto-rickshaw / Motor Cab shall be issued or renewed unless it is fitted with the digital meter referred above.
- (5) The digital meter referred to above shall be sealed at three points namely at the meter, at the junction box and at the adopter.
- (6) The vehicle shall not ply for hire unless the fare meter bears the seal of the Legal Metrology Department to indicate that the fare meter has been tested and is in working order. The seal shall be kept intact.
- (7) The owner, driver, attendant of the vehicle or other person who breaks or tampers in any way with the seal or marks placed on a meter, or who with an intent to deceive, tampers with the fare meter or the driving mechanism thereof, shall be deemed to have committed a breach of this rule
- (8) No meter shall be altered without the written permission of the Secretary, Regional Transport Authority.

5. Policy Options for Formalising Shared IPT in Andhra Pradesh

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

Under this approach, shared IPT 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.

<p><u>Advantages</u></p> <ul style="list-style-type: none"> • Relatively quick to operationalise. • Uses existing permit architecture. • Reduces immediate legal uncertainty for pilot or limited corridor operations. • Administratively less complex. 	<p><u>Limitations</u></p> <p>The underlying stage-contract binary remains structurally intact; as a result:</p> <ul style="list-style-type: none"> • 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.
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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 AP MVR

Under this approach, the Andhra Pradesh 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.

<p><u>Advantages</u></p> <ul style="list-style-type: none"> • Improves legal clarity. • Aligns regulatory language with operational practice. • Enables system-wide formalisation. • Reduces reliance on interpretative flexibility. 	<p><u>Limitations</u></p> <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
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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, Andhra Pradesh 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.

Advantages

- Addresses structural mismatch more directly than incremental permit modifications.
- Legally grounded under the 2019 Amendment.
- 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.

Limitations

- Scheme design must clearly define boundaries to prevent conflict with stage carriage operations.
- 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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