

# **DISCUSSION PAPER ON CARRIAGE BY ROAD ACT, 2007 & DRAFT CARRIAGE BY ROAD RULES, 2010**

## **Background :**

The All India Tyre Dealers' Federation (AITDF), as a constituent of its national body of Traders – CAIT – has been working on various key issues relating to trade and commerce of the country for last several years. In our earlier convention at Ahmedabad (Gujarat) in year 2008, the AITDF had presented its views on the Carriage by Road Act 2007 and ongoing exercise to draft rules to implement the carriage by road act 2007.

The Carriage by Road Act 2007, when implemented, shall replace the existing Carriers Act 1865. This Act explains the relationship, responsibility and legal liability of common carrier/ transport company / goods booking agent/ logistic firm with the consignor / trader in transportation of goods by road against payment of freight to the common carrier by the consignor / consignee in the country.

## **Carriage by Road Act, 2007 :**

The Carriage by Road Act 2007 has mandated the definition of common carriers / transport companies / goods booking agents / logistic firms. It has laid down the compulsory registration of these transport entities under the Act and it has also prescribed procedure for suspension / revocation of their registration in case these transport entities / common carriers fail to provide committed services to the consignor of goods in the country.

The Act further prescribes, like in railways, that consignor of goods shall have to fill a Goods Forwarding Note in which the quantity, description, weight, packaging and value of the cargo to be transported by the common carrier has to be mentioned with a legal responsibility of the accuracy of the facts filed in the goods forwarding note by the consignor. In turn, the common carrier/ transport company shall be legally bound to issue consignment note / *bilty*/ lorry receipt to the consignor / consignee.

The Act specifies the legal liability of the common carrier for full or partial loss of goods in transit or delay in delivery of the cargo to the consignee. The Act also specifies the duties / liabilities of common carriers / consignor/consignee about the perishable goods, high risk cargo and hazardous goods.

## **Carriage by Road Rules, 2010 :**

The Government of India, Ministry of Road Transport and Highways through a draft notification no. G.S.R. 505(E) dated 15<sup>th</sup> June 2010 has invited the objections or suggestions within 45 days from the date of which the copies of this notification as published in the Gazette of India, are made available to the public. The Centre Government proposes to make rules in exercise of its powers conferred by section 20 of the carriage by road Act 2007. The draft rules have been lodged at the website of the Ministry of Road Transport and Highways for submitting objections / suggestions, if any, to the Joint Secretary (Transport), Ministry of Road Transport and Highways, Transport Bhawan, 1, Sansad Marg, New Delhi-110001.

The All India Tyre Dealers' Federation (AITDF) is in the process of studying the details of these draft notification to implement the Carriage by Road Rules 2010, which have long term impact on the trade and commerce of the country in its relationship with goods transport industry. The draft rules printed in 16 pages should be studied by the traders and may submit their views to the Confederation of All India Traders (CAIT) and / or to the AITDF at email [sps@iftrt.org](mailto:sps@iftrt.org) within next 15 days so as to help us to finalise view point of trading community in the country. However, the AITDF takes the opportunity to focus on draft rules to implement the carriage by road act with regard to payment of compensation / liability to the consignor / consignee by the common carrier in event of full or partial loss of cargo in transit.

In case the Carriage by Road Act 2007 is introduced at its earliest and rules to implement the Act are framed in the spirit of fair play and equity between consignor and common carrier, then it has potential to protect the interest of unwary traders/consignors, who very often are short changed or even cheated by unscrupulous elements among the road transport firms / agents. The Act also is going to be serious challenge to the “fly by night” transporters in the road transport business of the country. The trading community must come forward to assist the Government in framing best possible Rules to implement Carriage by Road Act 2007.