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Chandigarh Administration Unveils Comprehensive Motor Vehicles Aggregators Rules for 2025

AUTHOR Rahul Sundaram

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The Chandigarh Administration has recently introduced the Motor Vehicles Aggregators Rules, 2025, a set of comprehensive regulations designed to simplify and oversee the operations of aggregators within the Union Territory of Chandigarh. These rules have been notified under the Motor Vehicles Act, 1988, and the Motor Vehicles Aggregator Guidelines, 2020, issued by the Ministry of Road, Transport & Highways, Government of India. The new regulations aim to enhance safety, security, and welfare for both passengers and drivers while promoting the adoption of electric and alternative fuel vehicles.

The primary objectives of these rules are to regulate aggregator operations, ensure the well-being of all parties involved, and encourage transparency and accountability. The rules come into force from the date of their publication in the Official Gazette and apply to all aggregators operating within the Union Territory of Chandigarh. The regulations cover a wide range of aspects, including the definition of key terms, applicability, eligibility criteria for aggregators, conditions for obtaining licenses, and compliance requirements for drivers and vehicles.

Under the new rules, an aggregator is defined as a digital intermediary or marketplace that connects passengers with drivers for transportation services. The regulations also provide clear definitions for terms such as “app,” “appellate authority,” “area of operation,” “fare,” “license,” and “on-boarding,” among others. These definitions are crucial for understanding the scope and application of the rules.

The rules specify that aggregators must be companies registered under the Companies Act or cooperative societies with an operative registered office in India and a sub-office in Chandigarh. They must also comply with all applicable provisions under the Motor Vehicles Act and the Information Technology Act, 2000. Additionally, no pending government dues should be outstanding against the applicant, and they must hold a valid license issued by the Licensing Authority.

To obtain a license, aggregators must meet several conditions, including arranging for driving test facilities with simulators or outsourcing to authorized third parties. They must also conduct induction training programs for drivers, ensuring business operations commence within six months of license grant. Compliance with health and safety guidelines, especially during pandemics like COVID-19, is also mandatory.

The Chandigarh Administration has taken steps to enable the implementation of electric and alternative fuel vehicles, such as those running on bio-ethanol. These vehicles are exempt from permit requirements, provided they comply with commercial insurance and other formalities. This move is aimed at promoting sustainable transportation options and reducing pollution.

Aggregators must ensure that drivers meet several criteria before on-boarding, including holding valid proof of identity and driving licenses, having a minimum of two years of driving experience, and no criminal convictions in the past three years. Drivers must also undergo

medical examinations and police verification. Additionally, aggregators must provide health and term insurance for drivers and conduct annual refresher training programs.

Vehicles integrated with aggregators must comply with various requirements, including valid registration, permits, fitness certificates, and insurance. They must also meet emission norms and fuel standards, and be equipped with vehicle location tracking devices and emergency alert systems. Display of vehicle permits and driver’s licenses inside the vehicle is mandatory.

The aggregator’s app and website must comply with applicable laws and data privacy guidelines. Transparency in operations, including fare structures and driver payments, is essential. The app should feature live location sharing, driver ratings, and a zero-tolerance policy on drug or alcohol use by drivers. Call centers must operate 24×7 to provide assistance and address grievances.

Ensuring safety is a top priority under these rules. Aggregators must ensure the proper functioning of GPS and emergency alert systems and develop mechanisms to verify that drivers follow assigned routes. Protection of women employees and drivers from harassment and regular spot checks of vehicles are also required.

Ride pooling is permitted under the new regulations, allowing aggregators to provide pooling facilities for riders traveling along the same route. Female passengers can choose to pool only with other females, ensuring their safety and comfort.

Aggregators must follow a non-discrimination policy, treating vehicles owned by them and those not owned by them equally once integrated. Taxi fares are regulated by the Chandigarh Administration, with aggregators allowed to charge up to 20% lower than the notified fare. Drivers receive at least 80% of the fare, with the remaining going to the aggregator.

Cancellation of rides by drivers or riders without valid reasons will incur a penalty of 10% of the total fare, not exceeding Rs. 100. Aggregators are prohibited from aggregating non-transport vehicles. Licenses can be suspended for systemic failures, financial

inconsistencies, or non-compliance with contractual obligations. Aggregators must rectify issues during a probationary period to avoid further suspension.

In cases of repeated suspensions or gross offenses, licenses can be canceled, and security deposits forfeited. Aggregators have the right to appeal against Licensing Authority orders within 30 days to the Secretary Transport, Chandigarh Administration. The Licensing Authority has the power to call for information, conduct searches, and ensure the confidentiality of obtained information. Access to Vahan and Sarathi portals is provided for updating vehicle and driver details.

The applicability of these rules extends to all aggregators with on-boarding transport vehicles in the Union Territory of Chandigarh. This includes motor vehicles, CNG Rickshaw, E-rickshaw, E-Bikes, and Bike Taxis. The rules ensure that all aggregator operations within the territory are regulated and monitored to maintain high standards of service and safety.

The introduction of these rules marks a significant step towards creating a structured and regulated environment for aggregators in Chandigarh. By addressing various aspects of aggregator operations, from driver and vehicle compliance to fare regulation and safety measures, these rules aim to enhance the overall experience for passengers and drivers alike. The emphasis on promoting sustainable transportation options further aligns with broader environmental goals.

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