A Study of the Autorickshaw Sector in Bangalore City – Suggestions For Improved Governance

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This work is dedicated to all the AUTORICKSHAW SERVICE PROVIDERS & USERS OF BANGALORE CITY

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The work described in this report was performed under the direction of CiSTUP – the Centre for infrastructure, Sustainable Transportation and Urban Planning, Indian Institute of Science, Bangalore. The Centre was established in the year 2009 during the centenary celebrations of the Indian Institute of Science, with inputs from many visionaries, organizations and has plans to be one of the finest centres of advanced research and training in the field of infrastructure and transportation engineering in India and abroad. The mandate and vision of CiSTUP is to produce knowledge that addresses the unique urban issues specifically on sustainable urban transportation along with other related topics of infrastructure and urban planning. Further, the centre is to conduct training programmes, capacity building and also develop expertise and provide complete technological and planning solutions for urban renewal and development programmes related to urban transportation and infrastructure engineering.

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CONTENTS

Preface

CHAPTER 1 – Introduction and Background (pg 1)

CHAPTER 2 – Framework for Study: aim & objectives, scope/limitations, approach & methodology (pg 16)

CHAPTER 3 – Stakeholder Profiles: introduction, roles & responsibilities (pg 19)

CHAPTER 4 – Market Characteristics: auto rickshaw numbers, vehicle design & technology (pg 29)

CHAPTER 5 – Formal Licensing, Registration and Ratifying Procedures at the RTO: auto cab dl-badge; permit & vehicle registration; vehicle fitness, emission, fare meter test & certification (pg 37)

CHAPTER 6 – Process of Purchasing, Financing and Registering Autos: auto dealers, financial agencies & mechanisms (pg 62)

CHAPTER 7 – Non-Formal Mechanisms: the role of 'agents' (pg 73)

CHAPTER 8 – Operating Characteristics and Associated Economics: net earnings, expenditures and savings (pg 85)

CHAPTER 9 – Traffic Police – Roles and Responsibilities: traffic monitoring & enforcement, public complaints system, display card, auto stands, training/awareness programs (pg 97)

CHAPTER 10 – Auto Unions – Roles and Responsibilities: lobbying & other support activities (pg 113)

CHAPTER 11 – Autorickshaw Service: public and auto driver’s perspectives (pg 123)

CHAPTER 12 – Market-Oriented Solutions/Initiatives: 'on-call' and 'easy auto' services (pg 131)

CHAPTER 13 – Issues, Analysis and Suggestions/Recommendations (pg 137)

APPENDIX I – Operating Characteristics and Associated Economics: auto driver survey/ interview results (pg 174)

APPENDIX II – Autorickshaw Service: public survey results (pg 184)
CHAPTER 1
Introduction and Background

Traditionally, city bus services have been the mainstay of Bangalore's public transport system. However, in recent times, new rail and bus-based mass rapid transport systems - such as the metro rail, mono rail, commuter/suburban rail and BRTS - have slowly come into the picture. The operations of such high-capacity public transport systems are typically characterised by 'fixed origins and destinations, routes, stops, frequency or time schedules and fares'. In Bangalore, these are owned and operated by different governmental transport agencies and are beneficiaries of government funding or subsidies.

Currently, in addition to city buses and the very limited share of metro and suburban rail, 'there is a significant fleet of intermediate public transport (IPT) solutions plying their business on Bangalore's roads', apart from an unspecified share of informally run, public passenger transport services.

'Intermediate and informal public transport exist for many reasons, which may include, the lack of formal public transport supply, or different needs of people that cannot be fulfilled by formal public transport, everywhere-to-everywhere movement pattern in Indian cities, high number of short trips, lack of penetrability by formal public transport in dense city areas and so on'.

'In most Indian towns and cities, public transport facilities are inadequate to provide a meaningful mobility alternative for the general population, let alone for socially excluded groups (WBCSD, 2004). In such situations, IPT modes serve to bridge gaps in the existing public transport system in terms of availability, access and flexibility.'

'As observed in the study commissioned by the Ministry of Urban Development (MoUD), Traffic and Transportation Policies and Strategies in Urban Areas in India, a city having a poor transit share usually has a high IPT index (i.e. the number of para-transit vehicles available per 10,000 population). Bangalore is unique in this context, since in spite of having a high transit share, it has a very high IPT index. This stands at 208 against the average IPT index of 65 indicated by the above mentioned MoUD study.'

1 Bus Rapid Transport System (BRTS)  
2 Ref: Service Level Benchmarks for Urban Transport, Ministry of Urban Development, Government of India  
3 Intermediate Public Transport also known as Para-transit, comprise passenger transportation provided in the spectrum between private automobile travel and conventional public transport. Para-transit systems include a range big and small vehicles with varying degrees of flexibility in operations.  
4 Ref: Mobility For Development – Bangalore, India, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08  
5 Ref: Green and Pro-poor? The Role of Informal Public Transport in India; Anvita, Arora, Mats Jarnhammar and Faizan Jawed for Cities Development Initiative for Asia, December 2010, pg 14  
6 Ref: Mobility For Development – Bangalore, India, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08  
7 Ref: Bangalore Mobility Indicators 2008 - Draft Final Report, for Directorate of Urban Land Transport, GoK, April 2009  
8 As per October 2011 figures from the Transport Department, GoK for taxis and auto rickshaws
'The need for mobility is increasing and since public transport is often unable to meet the needs of different socio-economic groups, the market for IPT is also increasing. Despite caps imposed in various cities by the government (Bangalore being among them), the number of IPT vehicles are still increasing.' 

'IPT modes in the city, which primarily include auto rickshaw cabs (commonly called 'autos') and motor/maxi cabs (or taxies), have grown at an average rate of 12-13% p.a. and have maintained a consistent share of about 4% of total vehicular registrations over the last decade (2001-2011). Unlike other formal public transport systems, they have lower carrying capacities and do not follow fixed routes or schedules. Among the most flexible and demand-responsive IPT modes, these autos and taxis offer on-demand, door-to-door service for private hire/contract, from any origin to destination (within specified jurisdictions) - much like personalized transport using a private automobile.

In Bangalore, the fleet-based city or call taxi services are owned and operated by private companies and autos, are privately owned and operated by individuals - but with some sort of government control over operations. Run on a private 'for-profit' basis, they receive very little if any funding or subsidy from the government.

Given that these IPT modes play a secondary role, they are neither owned nor operated by government agencies, and public money is not spent there, is perhaps also why they tend to be side-lined and do not receive much attention.

While interest (on the part of government, transport and civic authorities) is squarely directed towards the more 'formally' recognized and highly resource intensive, mass rapid public transportation systems.

This is reflected in the figure alongside, which provides a snapshot of the 'Investment Plan' for Bangalore in the transport infrastructure sector under the JnNURM programme, where IPT does not feature on the agenda. (See Figure 1)

To date, city (BMTC) buses have served as the primary mass transport mode within the city, with autos as the primary IPT mode. Together, they have largely comprised the public transportation system in Bangalore. Over time autos have come to be an important and integral part of the city's public transport system and a popular form of travel for a large cross-section of society.

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9 Ref: Changing Perspective: Informal Urban Public Transport in India; Dr. Anvita Arora and Faizan Jawed for Cities Development Initiative for Asia (CDIA), Jan 2011

10 Based on October 2011 figures from the Transport Department, GoK

11 Auto and taxi services in the city are governed by certain laws and regulations stipulated by the State Government and the Regional Transport Authority, who control for example, the number of permits and permit conditions, vehicle type, licensing and renewal procedures, jurisdiction of operations, fares, etc.
The auto is a 'small hybrid motorised three-wheeled, three-seater (in addition to driver), low floor vehicle'\textsuperscript{12} with a 'contract carriage' permit. Given their compact size, autos are less space occupying than the four-wheeled taxis (motor and maxi cabs). Recent figures reveal that the number of autos registered in the city is more than double that of all taxis.\textsuperscript{13} Autos are also in far greater demand and used on a more regular basis in comparison to taxis, that are used more 'on occasion' and typically for travelling longer distances or when required to carry more passengers or luggage. They largely cater to visitors to the city and the more affluent sections of society. Whereas autos function more like 'the common man's taxi', catering to the substantially much larger middle/upper middle income groups, with travelling costs that are currently about 50\% cheaper than the basic non-AC taxi, and with practically negligible waiting charges.

Besides, there lies another important distinction between the taxi and auto rickshaw systems. City or call taxies are 'organized fleet-based services', where the vehicles are normally procured and owned by the licensed private company, who also manage operations and all legal formalities to do with the vehicle and service. The drivers are employed by the company and in general, rarely interface with the regulating authorities, unless they break traffic rules on the ground. Autos on the other hand, are 'unorganized independently-run services', where vehicles are purchased and privately owned by individuals, some who own more than one. The driver is either the owner himself, or a renter who pays the owner a fixed daily rent to ply the auto. Each owner and renter driver is responsible for all legal formalities to do with the vehicle and service respectively, and as such, interface with the government or regulating authorities in a more direct and regular basis. The key difference here is between a single private company accountable for a fleet of vehicles and their service and more than hundred thousands of individuals accountable for each vehicle and its service. This distinction makes the auto rickshaw cab system and the issues involved far more complex.

Today, autos are an indispensible component of urban mobility for scores of people in our cities. But despite its significant contribution in catering to public transport needs, there has been little by way of in-depth research and consolidated efforts in trying to effectively understand and improve the auto rickshaw sector. This study looks to narrow that gap and extend the knowledge base in this area, with a specific focus on the '\textit{Auto Rickshaw Cab System in Bangalore City}'. Presented below are the rationales for, 'why it is important to look at autos' and the need for such a study.

\textsuperscript{12} \textit{Ref: Comprehensive Traffic and Transportation Plan For Bangalore}, RITES LTD (GoI Enterprise) for KUIDFC, October 2007

\textsuperscript{13} \textit{As per October 2011 figures from Transport Department, GoK, Taxi registrations stood at 47,444 while autos numbers were 1,06,326 lakh (but many more operate illegally on ground).}
**Vehicular Numbers and Modal Shares**

**Vehicle Registrations**
From a population of about 1.63 lakhs spread over an area of 28 sq kms in 1901 (CRRI 1999), Bangalore has grown to accommodate an 'estimated population of 84.74 lakhs for BBMP’s 198 wards as per the 2011 census, spread over an area close to 800 sq kms'\(^{14}\) given its recently extended metropolitan limits. This phenomenal growth has naturally been accompanied by an equally phenomenal growth in vehicular numbers.

The city has seen explosive rates of motorization, especially in the last couple of decades. 'From close to 12 lakhs in 1998 to 32 lakhs in 2008, motor vehicles grew at a rate of about 10% p.a. during the decade'.\(^{15}\) 'With close to 900 motor vehicles registered daily (in 2008), Bangalore's vehicular growth rate (among all million-plus cities in India) was second only to Delhi, driven largely by growth in the motorized two-wheeler segment. While the number of vehicles per 1000 persons went from 95 in 1985 to 285 in 2003, the motorized two-wheeler ownership tripled from 67 to 216 in the same period (TERI, 2003).\(^{16}\) Bangalore shares the top spot with Delhi for the highest motorized vehicles per capita, 'vehicle ownership stood at 365 per 1000 population in 2006'.\(^{17}\)

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\(^{15}\) Ref: Bangalore Mobility Indicators 2008 - Draft Final Report, for Directorate of Urban Land Transport, GoK, April 2009

\(^{16}\) Ref: Mobility For Development – Bangalore, India, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08

\(^{17}\) Ref: Comprehensive Traffic and Transportation Plan For Bangalore, RITES LTD (Gol Enterprise) for KUIDFC, October 2007
Figure 4: 'depicts the changing vehicular fleet composition in the city over the past four decades, showing a complete reversal in the share of motorized and non-motorized vehicles, owing largely to the explosion in the number of motorized two-wheelers'.

2008 figures reveal that 'motorized two-wheelers dominated the fleet share (71%), followed by cars/jeeps (16%). In fact, Bangalore has the highest share of motorized two-wheelers when compared to the other five metros, namely, Delhi, Mumbai, Chennai, Kolkata and Hyderabad'.

Figure 5: 'depicts the changing vehicular fleet composition in Bangalore over the past four decades, showing a complete reversal in the share of motorized and non-motorized vehicles, owing largely to the explosion in the number of motorized two-wheelers'.

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18 Ref: Mobility For Development – Bangalore, India, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08

19 Ref: Mobility For Development – Bangalore, India, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08
Modal Share

Figure 6: Zone-wise Modal Split in Bangalore (2008)
Source: Bangalore Mobility Indicators 2008 - Draft Final Report, for Directorate of Urban Land Transport, GoK, April 2009
Table 1: Vehicle Registrations v/s Modal Share in Bangalore (2008)
Source: Bangalore Mobility Indicators 2008 - Draft Final Report, for Directorate of Urban Land Transport, GoK, April 2009

<table>
<thead>
<tr>
<th>Modes</th>
<th>Share of trips served (%)</th>
<th>Share of total registered fleet (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIVATE TRANSPORT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Motorized two-wheelers</td>
<td>25</td>
<td>71</td>
</tr>
<tr>
<td>Motorized four-wheelers</td>
<td>12</td>
<td>16</td>
</tr>
<tr>
<td>PUBLIC + PARA TRANSPORT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buses (public + private)</td>
<td>45</td>
<td>58</td>
</tr>
<tr>
<td>Motorized three-wheelers</td>
<td>13</td>
<td>3</td>
</tr>
</tbody>
</table>

From the above figure and table one can see that **autorickshaws cater to a substantial 13% of total trips (equivalent to the share of private four-wheelers), but constitute only 3% of total vehicular numbers (where 4-wheelers constitute 16%).** The modal share of autos is higher within the more densely developed urban areas (Zones 1, 2, 3 in **Figure 6**) as opposed to the outskirts of the city. Moreover, while buses and autos together serve about 58% of the entire passenger travel demand, their total fleet size is very small (5% of total vehicular registrations). On the contrary, private two-wheelers and cars dominate the vehicular fleet (87% of total registrations), while they serve only about 37% of the total trips.

Rising income levels and affordable loan schemes coupled with the lack of adequate, efficient and integrated public transport systems, have led to more and more people shifting to personalized modes for their commuting needs. As can be seen in the figure (7) below, between 1994-2006 the mode share of buses came down significantly from about 60% to 46%, while that of autos went up from about 5% to 13%, cars from over 2% to 7% and two-wheelers from 22% to 32%. The general trend depicts a move away from buses (public transport) in favour of two wheelers, four wheelers and intermediate means of transport in the city.

In comparing the modal split of 2006 and 2008 (from **Figure 7** and **Table 1** above), it can be observed that while the mode share of buses and autos have more or less been the same, the mode share of two-wheelers has come down significantly from 32% to about 25% and that of private 4-wheelers has risen from 7% to 12%; indicating rising income levels and a distinct shift towards cars for travel. The city's slowly changing vehicular composition also reflects this trend.
'Between 2008-2011, two-wheelers grew at an average rate of about 5.5% p.a. while cars grew even faster at about 12% p.a. and Bangalore's vehicular population stood at just over 4 million as of October 2011. In comparing vehicular registration figures of 2008 and 2011 (see Figures 5 and 8), one can see that the share of two-wheelers has come down from 71% to 69% and that of cars/jeeps has gone up from 16% to 19%.

This disturbing shift towards private modes will most likely continue with disastrous results, unless high-quality public transport systems are put in place. A number of new rail and bus-based MRT systems have been proposed for the city. Apart from being efficient in their own right, they will also have to be extremely well-integrated to be really effective. It is crucial to recognize the significant supplementary and complementary roles that autos (as the primary para-transit modes) do, will, and can play in the future, in increasing the share of public passenger transportation as a whole.

According to a survey by the Traffic Police, 'nearly 1 lakh autos in the city do about 15 lakh trips in a day', i.e. each auto makes about 15 trips per day. According to recent studies, the average auto occupancy (number of passengers carried per trip) is 2.2/2.55, which roughly translates to about 33-37 lakh passenger trips daily (2.4 times 15 lakh trips) - a substantial volume. Moreover, though official auto registration figures show around 1 lakh vehicles, there are many more operating illegally on the ground. (See Chapter 4)

Besides, as can be seen from the vehicle operating cost (VoC) estimated for different modes based on the Road User Cost Study (RUCKS) in 2001 by Dr. Kadiyali, the cost per km for PT/buses and two-wheelers is comparative as is that of autos to the car. At the time (in 2005-06), the minimum auto fare was Rs 14 for 2 kms and for taxi was Rs 15 for 1 km, so the weighted average fare for IPT per km was

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20 Based on figures from Transport Department, GoK, Oct 2011; http://rto.kar.nic.in/
21 ‘With an estimated population of 12.3 million in 2031, it is anticipated that the transit ridership share along major corridors would be about 50%, including the proposed Metro and Monorail projects in the city. Other strategies to increase the public transit share will have to be modal integration and appropriate land use development plans’. Ref: Bangalore Mobility Indicators 2008 - Draft Final Report, for Directorate of Urban Land Transport, GoK, April 2009
22 Ref: http://www.deccanherald.com/content/180304/more-autos-okay-let-drivers.html
23 Ref: Comprehensive Traffic and Transportation Study for Bangalore Metropolitan Region, Wilbur Smith Associates for BMRDA, 2010; Bangalore Mobility Indicators 2008 - Draft Final Report, for Directorate of Urban Land Transport, GoK, April 2009
24 As per figures from the Transport Department, the total number of registered auto rickshaw cabs (3-seaters) in Bangalore was 1,04,559 in September 2011, though a common belief among many stakeholders (according to our surveys/interviews), was that the actual numbers on ground were 1.2-1.5 lakhs.
taken as Rs 11/ km. As such for autos only, it would have been Rs 7/ km. 'Autos compete with the car or BMTC's AC Volvo buses in terms of cost.'

It is therefore of utmost importance to look at the improvement of autorickshaw cab services, and their integration with other public transport systems in the city. Given their convenience and comfort, much like personal transport, autos are practically the 'last line of defence' before losing the war to private modes.

**Role and Importance of Autos**

In Bangalore, autos thrive despite a fairly well-developed city bus transport service. In similar large cities or metros with significant public transport availability, intermediate modes like autos play more supplementary and complementary roles. 'Regular auto' services i.e. operating on-demand, private hire basis, are the predominant norm in Bangalore. These run from anywhere to anywhere, providing near 'door-to-door' connectivity. Some informal (illegally-run) 'shared auto' services i.e. with fixed routes and per head fares, do exist within certain pockets of the city - which generally tend to be areas either not well-served by formal public transport modes or they do not meet the needs of different commuters, and populations are largely characterised by lower per-capita incomes. These either run parallel to public transport routes providing point-to-point service or in some cases, perpendicular to them as feeder services offering last-mile connectivity. Some autos in the city also run as 'school autos', ferrying children to and from school. As effective low-cost mobility options they help plug the gap with a valuable service, though in the larger picture the percentage of 'shared' and 'school' auto services in the city is comparatively quite low.

**User Groups**

Autos are used by the working class, students, housewives and visitors/tourists to the city to access work places, educational, health-care, religious, socio-cultural, commercial or recreational facilities, social visits etc. They cater a wide cross-section of society, across age, gender and occupations, but largely belonging to the middle/upper-middle and high income groups. They become an important mode of transport especially for 'those deprived of personal mobility, either because they are legally not

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26 Ref: *Mobility For Development – Bangalore, India*, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08
27 For example, the City Market area, Shivajinagar-Tannery Road, Kodigehalli Main Rd, outer suburbs or fringe areas like Rajarajeshwari Nagar, Kengeri, etc.
permitted to ride/drive or do not know how to, and who do not or cannot afford private vehicles'. As such, women and children, senior citizens and the disabled, form a significant part of the user group.

Merits and Demerits

Conventional high-capacity public transit systems (rail/bus) based on larger vehicles, can only run along certain fixed trunk routes or on wider main roads and cannot enter denser, congested areas. They have fixed stops and schedules (timing/frequency), and bus services since they typically travel in mixed road traffic conditions, involve longer wait and travel times and often tend to be irregular. In contrast, autos provide greater access and flexibility, availability on-demand and fast service, convenient door-to-door connectivity and comfort - features almost comparable with private transport.

Table 2: Merits and Demerits of Autos

<table>
<thead>
<tr>
<th><strong>MERITS</strong></th>
<th><strong>DEMERITS</strong></th>
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<tbody>
<tr>
<td>High penetrability, manoeuvrability and flexibility in routing - greater reach and access</td>
<td>Considered major sources of traffic congestion and chaos on roads</td>
</tr>
<tr>
<td>Autos have extensive service area coverage, given their compact size and small turning radius which allows them to easily navigate sharp turns, narrow streets and operate even in densely developed, congested areas.</td>
<td>Given the small size and easy manoeuvrability, auto drivers are often blamed for reckless driving and traffic indiscipline (criss-crossing, cutting lanes, etc). They also tend to stop or park wherever convenient to drop-off and pick-up passengers - all contributing to traffic chaos and congestion on the roads. While customers greatly appreciate the door-to-door service, autos are often looked upon as a 'nuisance' by other commuters, the traffic police and transport authorities in general. A recent study by the Directorate of Urban Land Transport (DULT) in Bangalore computed the PCU factor of autos to be 1.5, which is quite high compared to the national average of 0.75. Though this maybe on account of autos being considered as slow moving vehicles (compared to 2-wheelers, cars) and they also carry fewer passengers compared to buses. However, this is partly an issue of lacking infrastructure (provision of adequate, well-planned auto stands) and partly of proper enforcement and monitoring on ground.</td>
</tr>
<tr>
<td>Easy access, availability on demand, provide 'door-to-door' or 'last-mile' connectivity</td>
<td>Considered major sources of air, noise pollution</td>
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<tr>
<td>Given their ubiquitous presence and demand-responsiveness, autos are fairly readily available when and where needed, with little or no waiting time. Providing convenient, near door-to-door service, their highly flexible pick-up and drop-off locations is greatly appreciated by customers.</td>
<td>New regulations for autos have stipulated the shift to 4-stroke LPG vehicles, and slowly but surely the fleet composition is changing. These are far less noisy and polluting than the older 2-stroke petrol vehicles than often ran on adulterated fuel, which have now gone out of the picture. However, this is partly an issue of improving vehicle design/technology and partly of enforcing better maintenance of vehicles. Though one is more exposed to pollution in an auto which is a minus, but this could be addressed through better vehicle design.</td>
</tr>
<tr>
<td>Reasonably fast</td>
<td>Considered unwanted 'competition' to formal public transport</td>
</tr>
<tr>
<td>Given their nature of operations (can take inner roads, shortest routes, available on demand, don’t have stops, their size and easy manoeuvrability), their travel times are much faster than city buses.</td>
<td>'In the absence of any policy to recognize and regulate such modes of transport by the city government, and integrate them with the</td>
</tr>
<tr>
<td>Cleaner fuel and better efficiency</td>
<td></td>
</tr>
<tr>
<td>Most autos in the city run on LPG, having higher mileage as compared to similar petrol/diesel run vehicles and less polluting when combined with a 4-stroke engine.</td>
<td></td>
</tr>
<tr>
<td>Comfortable</td>
<td></td>
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<tr>
<td>Comfortable seating compared to often having to travel standing in crowded buses or the metro during peak hours.</td>
<td></td>
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<tr>
<td>Economical than taxis</td>
<td></td>
</tr>
<tr>
<td>While auto fares are about 50% cheaper than the basic non-AC taxis, they are certainly much more expensive than regular buses and two-wheelers, and perhaps</td>
<td></td>
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</tbody>
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28 Ref: Changing Perspective: Informal Urban Public Transport in India; Dr. Anvita Arora and Faizan Jawed for Cities Development Initiative for Asia (CDIA), Jan 2011
comparative to AC Volvo buses and cars. (Figure 9) However, autos are also generally used for either shorter trips or on an occasional basis for longer ones.

existing public transport systems, the local bus companies and other ‘competing’ services typically look upon them as ‘parasites' or a 'menace'. However, it is essential to understand that autos in fact play an important supporting role, and need to be streamlined and incorporated into the comprehensive network in ways that are complementing, not competing.

Fairly safe
Given their low/moderate speed capacity, autos are not too accident-prone and are comparatively involved in fewer accidents.

Concerns arising out of their lack of accountability
Autos provide an essential public transport service as an independently-run private business. As such there is a certain lack of accountability to the government or anyone else, giving rise to some issues of safety/security of passengers and lack of credibility in terms of complying with basic laws or etiquette. The poor attitude and behaviour of many auto drivers has been a huge growing concern among public users of the service and regulating/enforcing authorities. However, this is again partly an issue of having effective enforcement and monitoring systems in place and partly a question of looking beyond the obvious and trying to understand why auto drivers act the way they do, and addressing those issues too.

Employs and empowers low income classes
Autos provide livelihood and earning opportunities for the low income or economically weaker sections, at a relatively low investment cost. They provide a valuable public transport service sans government funding or subsidy.

When taken at face value, it would appear there are certain significant problems associated with auto rickshaws. However it is important to locate these issues in the larger picture/context and recognise that some of them are perhaps skewed perceptions or are actually symptoms of other systemic (root) problems. It is towards this objective that we examine some of the (perceived) demerits of autos. It is important to mention that the points or arguments put forth here are not intended to excuse or absolve autos of responsibility, but only to provide an added or broader perspective.

Let us take for instance, the concern of autos as 'major sources of air and noise pollution'. As mentioned in the table above, this is partly an issue of improving vehicle design/technology and partly of enforcing better maintenance of vehicles.

Firstly, new regulations are (slowly but surely) bringing about a shift towards cleaner and less polluting 4-stroke LPG autos in the city; which is a step in the right direction. However in the second case, though emission regulations exist for all vehicles, and additional fitness certification for all commercial vehicles, the probability of poor maintenance and non-compliance always exists, given that enforcement and monitoring systems on ground are weak and flawed. It is important to acknowledge that this is a larger systemic issue applying to all vehicles across the board, including autos (as they are clearly not the only visible or major polluters on city roads).

Moreover, though per capita emissions may be on the higher side for autos, if one were comparing overall contributions to air pollution, the load of ’22.363 lakh two-wheelers or 5.22 lakh four-wheelers.

29 Ref: Mobility For Development – Bangalore, India, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08
30 As per accident statistics from the Traffic Police Commissioner's Office, Bangalore, in the last five years (between 2007-2011) autos were involved in an average of about 6-7% of total accident cases registered.
A Study of the Autorickshaw Sector in Bangalore City

(cars/jeeps), would certainly outweigh that of 0.96 lakh autos plus 0.3 lakh taxis registered in the city\textsuperscript{31}; given their respective total vehicle kilometers travelled (VKT) during peak hours computed for 2008 and shown in Figure 10. As one can see from Figure 11, the emission factors for 3-wheelers are also lower than 2-Wheelers and Cars & Jeeps. It is therefore, all the more important to improve and integrate auto rickshaw services with other public transport systems to arrest the shift to private modes.

<table>
<thead>
<tr>
<th>Mode</th>
<th>Cost/Km/Veh</th>
<th>VKT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>7.2</td>
<td>10,84,424</td>
</tr>
<tr>
<td>TW</td>
<td>2.1</td>
<td>26,97,433</td>
</tr>
<tr>
<td>PT (Autos + Taxis)</td>
<td>1.08</td>
<td>55,898</td>
</tr>
<tr>
<td>IPT (Autos + Taxis)</td>
<td>11</td>
<td>5,87,013</td>
</tr>
</tbody>
</table>

Figure 10: Mode-wise vehicle kilometers travelled in peak hours in 2008, Bangalore

<table>
<thead>
<tr>
<th>Vehicle Category</th>
<th>CO2 (Kg/Ton)</th>
<th>CH4 (Kg/TJ)</th>
<th>N2O (Kg/TJ)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 Wheelers</td>
<td>2793</td>
<td>25</td>
<td>0.6</td>
</tr>
<tr>
<td>3 Wheelers</td>
<td>2793</td>
<td>3.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Cars &amp; Jeeps</td>
<td>2993</td>
<td>25</td>
<td>0.6</td>
</tr>
<tr>
<td>Taxies</td>
<td>2518</td>
<td>3.9</td>
<td>0.6</td>
</tr>
<tr>
<td>Buses &amp; Trucks</td>
<td>3106</td>
<td>3.9</td>
<td>0.6</td>
</tr>
</tbody>
</table>

Figure 11: Mode-wise emission factors

Source: Bangalore Mobility Indicators 2008 - Draft Final Report, for Directorate of Urban Land Transport, GoK, April 2009

Or, let us consider the contention that autos are 'major sources of traffic congestion and chaos'. Given their size, manoeuvrability and nature of operations, it is of course true that autos add to traffic congestion and chaos on roads, however, it important to also concede that they are not the only major contributors. Scores of two-wheelers cutting lanes or overtaking from the wrong side, city buses stopping haphazardly away from designated stops and unorganised on-street parking rampant across the city, all contribute to the problem. Again, this is a larger systemic issue of enforcing driving discipline and traffic rules for all vehicles. The issue with autos is also partly due to the lack of adequate well-planned auto stands in the city.

From a broader perspective it appears that autos are softer targets for criticism. The threat is that sometimes skewed perceptions lend to and perpetuate a negative image of autos, diverting attention away from their significant role and merits. Some of these reasons are also why city and transport authorities have an unfavourable attitude towards them in general, and are sometimes used to justify ostracising and pushing them to the sidelines. Wary of oversaturation and the potential to overplay its role, auto numbers are capped by regulating authorities in Bangalore. However, in reality this does not really succeed in controlling numbers, but rather gives rise to the growth of a black market and illegal operations.

In order to improve the auto rickshaw sector, it is critical to not just treat the symptomatic problems, but more importantly to identify the source of the problems and address the 'real issues' as well.

\textsuperscript{31} As per June 2008 figures from the Traffic Police Commissioner’s Office, Bangalore
'An efficient and integrated public transport system is critical for controlling the shift to private modes and ensuring sustainable urban mobility. The significant role that IPT modes such as autos, play in this context is however rarely acknowledged. They cater to the essential mobility needs of millions and provide a valuable public transport service sans government funding or subsidy, and yet receive scant attention in the urban transport debate. Authorities have a disparaging attitude towards them in general and laws/regulations focus more on limiting or discouraging them. There is practically no planning for them, and little is done to streamline and incorporate them as part of a comprehensive transport system. It is also important to recognise that though there are shortcomings (which are often the result of other systemic issues), autos in themselves are not bad. What is required is an enabling policy and environment that capitalizes on their positives and minimizes their negatives'.

In the above context, the growing frustration among the public regarding auto services in the city, should be a matter of grave concern.

**Public Perspective**

Autos help plug a vital gap with a valuable transport service. They cater to the mobility needs of millions and thus affect the public at large. However over time, there has been growing anger and frustration among users of the service, who are beginning to feel that it simply does not seem to be working well for them.

Refusal to ply to a given destination or go by fare meter, overcharging, tampered/fast meters, not returning change, rough language, and in general the poor attitude and behaviour of auto drivers, are some of the most rampant problems and common grievances expressed by the public regarding the service. This has become a serious concern not just for users, but also a major challenge for law enforcing agencies, who have made efforts such as setting up 'public complaint systems' to address this issue.

'Statistics compiled by the Traffic Police Department reveal that passenger autos have one of the highest numbers of cases booked amongst all modes of transport, as seen in the table below'. However, it is important to note that these numbers represent only a fraction of all complaints registered against them. The Transport Department/RTOs have their own complaint numbers and the Weights and Measures Department in charge of fare meters verification have their own. What is more, the majority of harassed people do not even lodge a complaint. Commuters are also growing weary of arguing or bargaining with and complaining about auto drivers on a daily basis.

32 Ref: Green and Pro-poor? The Role of Informal Public Transport in India; Anvita, Arora, Mats Jarnhammar and Faizan Jawed for Cities Development Initiative for Asia, December 2010, pg 14
33 Ref: http://www.deccanherald.com/content/180306/not-automatic-choice.html
Though these systems have been put in place, many among the public are either unaware of them or doubt their effectiveness. There is little information or transparency about what action is taken against the offenders and therefore, little faith in the system. Many among the public have asked the Consumer Court to look into the matter.\textsuperscript{34}

This situation has prompted the Traffic Police to adopt other means of booking errant auto drivers. 'According to Dr. M. A. Saleem, Additional Commissioner of Police (Traffic), "everyday at least 30 people send SMS, email or call us to complain about auto drivers who demand excess fare or refuse to ferry passengers. We also receive several complaints on Facebook. Directions have been given to traffic police to carry out a test drive to catch and penalise errant auto drivers. Police in civilian clothes station themselves near auto stands and errant drivers are booked and fined on the spot." In the month of February (2012) alone, city police collected Rs 1.15 lakhs in fines and penalties and filed 1,150 cases.\textsuperscript{35}

Talk to any user of auto rickshaws in Bangalore, and the same never-ending story of woes continues. A general web search on the subject would reveal innumerable blogs and websites filled with bitter anecdotes and complaints against auto drivers. Be it the local newspaper, radio or pages on social networking sites, the debate surrounding auto rickshaw services is raging everywhere.\textsuperscript{36}

As affected users there has been a growing interest and concern among citizens. 'In response to the sheer frustration and helplessness felt on their part, people are coming together through online communities and forums, organising 'meter jam' days (where the public go on strike against autos), volunteer groups have set up web-based complaint management systems to help tackle auto menace in the city, phone applications have been created to facilitate registering of complaints against autos, and in general pleading with authorities for stricter regulations and enforcement'.\textsuperscript{37}

\footnotesize{Table 3: Cases booked against auto drivers}

<table>
<thead>
<tr>
<th>TYPE OF OFFENCE</th>
<th>2007</th>
<th>2008</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Refusing to go for hire</td>
<td>12,455</td>
<td>14,139</td>
<td>21,820</td>
<td>34,315</td>
<td>16,312</td>
</tr>
<tr>
<td>Demanding excess fare</td>
<td>6,578</td>
<td>8,639</td>
<td>11,686</td>
<td>18,976</td>
<td>9,898</td>
</tr>
<tr>
<td>Defective fare meter</td>
<td>56</td>
<td>63</td>
<td>39</td>
<td>121</td>
<td>10</td>
</tr>
<tr>
<td>Defective silencer</td>
<td>10,482</td>
<td>12,814</td>
<td>12,005</td>
<td>19,222</td>
<td>6,242</td>
</tr>
</tbody>
</table>

Note: 2011 statistics until June 30

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\textsuperscript{34} Ref: http://www.consumercourt.in/auto-rickshaw/43369-auto-rickshaws-bangalore.html

\textsuperscript{35} Ref: http://www.bangaloremirror.com/article/10/201203062012030601180084356ebf62a/Cop%E2%80%9880%98passengers%E2%80%9999-catch-errant-auto-drivers.html?pageno=2

\textsuperscript{36} Ref: http://www.dnaindia.com/bangalore/report_complaints-against-bangalore-auto-drivers-peak-during-weekends_1508083

http://www.excessfare.com/stats.php

\textsuperscript{37} Ref: http://articles.timesofindia.indiatimes.com/2010-08-04/bangalore/28318858_1_auto-driver-auto-menace-helplines
http://www.facebook.com/pages/Bangalore-Auto-Complaint/159619414059968
http://www.deccanherald.com/content/180083/auto-drivers-harassing-now-sm.html
"Nightmarish', 'a battle', 'horrible' are just some of the adjectives used by the city's 10 lakh commuters who take autos daily. Deccan Herald (a local newspaper) spoke randomly to 23 people on their encounters with auto rickshaw drivers and found that none of the respondents had anything positive to say about them'.\(^{38}\) Given their notorious reputation, the common public perception of auto drivers is that they are greedy, dishonest, rude or arrogant, and in general, a nuisance, giving rise to hatred and hostility towards them.

How did things get so bad? How has a 'public service provider' come to be a 'public enemy'? Is this poor attitude and behaviour of the auto drivers just a given, or is there more to it than meets the eye? What are the real reasons behind this sorry state of affairs?

Moreover, one realises that the public's experience and perception of the auto rickshaw service is just one side of the story - but there are many more dimensions to it. The auto drivers and unions have their own story to tell, the regulating and enforcing agencies their own. There are multiple players in the system and multiple perspectives.

Who are the stakeholders and what are their roles? These were some of the thoughts and questions we began with. For all of the above discussed reasons, we believe that studying and understanding the auto rickshaw sector deserves merit. This study is an exploration into the ecology of the auto rickshaw cab system in Bangalore city.

\(^{38}\) Ref: http://www.deccanherald.com/content/180305/passengers-fume-do-not-complain.html
CHAPTER 2
Framework for Study: aim & objectives, scope/limitations, approach & methodology

Aim and Objectives
The objectives of this study are to present a comprehensive and holistic understanding of the auto rickshaw sector in Bangalore city, bring out the different dimensions and perspectives within the system, assess and identify key issues and areas for improvement at the systemic level and put forward suggestions or recommendations based on the same. The larger aim of the study is to raise awareness, highlight and bring into focus real issues, encourage greater dialogue among stakeholders and ultimately, inform policy and decision-making regarding laws/regulations and governance of the auto rickshaw system. As such, one hopes that the findings and learning from this study would be of interest and use not only to academicians/researchers or professionals working in this area, but also to all the stakeholders in the system, including the public at large.

Scope and Limitations
While 'shared' and 'school' auto services do exist in the city, in the larger picture their proportion is comparatively low. The dynamics of these systems (operations and economics) are different from 'regular' auto services and while they certainly merit study/research in their own right, it does not fall within the scope of this enquiry. This study focuses only on the 'regular' auto rickshaw cab system in Bangalore city. Moreover, in geographical or spatial terms the research has been located within the earlier City Corporation area. When the Bruhat Bengaluru Mahanagara Palike (BBMP) was formed in 2007, outlying areas/suburbs/satellite townships (i.e. Yelahanka, Krishnarajapuram, Electronic City, Jnanabharati including Kengeri and Nelamangala) were amalgamated into the Municipal Corporation area of the city. It was only more recently in October 2011 that an amendment was passed allowing autos registered at any of the 10 RTOs (now included in Bangalore City) to ply within BBMP limits. (See Chapter 5) Certain aspects the auto cab system in the outlying areas (particularly w.r.t. operating characteristics and economics) is likely to be fairly different from the inner or main city areas. However, the different conditions and dynamics in the outlying areas are not covered in this study.

The study looks at the market and operational characteristics of autos, economics, financing mechanisms, regulatory and monitoring environment (laws/rules, formal procedures), non-formal systems (role of 'middlemen'), infrastructure provision, private entrepreneur initiatives, stakeholder profiles (roles/responsibilities) and perspectives, etc. However, the socio-economic background of auto owners and drivers such as family/household and living conditions is only very briefly touched upon but not covered in detail.
The study attempts to create a broader knowledge base and lay the foundation for more extensive investigation into particular aspects, which could be taken up as supplementary exercises in the future.

**Approach and Methodology**

The figure below (Figure 12) encapsulates the steps and overall process followed for the study. The approach combines quantitative as well as qualitative research and assessment, through both primary and secondary studies.

![Figure 12: Study Methodology](image-url)
All stakeholder surveys and interviews (with structured and semi-structured questionnaire formats respectively) were conducted between August 2011 and January 2012; including roughly 250 auto driver surveys, 100 public user surveys, 25 auto driver interviews and 30 interviews of other stakeholders i.e. regulatory and monitoring authorities, banks/financiers, auto unions and private entrepreneurs. For the auto driver surveys and interviews, a random sampling method was adopted, but care was taken to cover different parts of the city. (See Figure 13)

A random sampling method was adopted for the public user surveys as well (from different parts of the city); the only criteria for selection being that the person was above 15 years and used autos for travel frequently (everyday) or at least regularly (about once a week).
CHAPTER 3
Stakeholder Profiles: introduction, roles & responsibilities

The figure below broadly encapsulates the ecosystem of the auto rickshaw sector i.e. overall structure/hierarchy and also indicates where 'agent' (middlemen/brokers) involvement occurs. The direction of the arrows in the figure are indicative of whether the processes or interaction is largely one-way or two-way. (See Figure 14)
Figure 14: Auto rickshaw sector: ecosystem and stakeholder profiles
Regulatory and Monitoring Authorities

The Motor Vehicles Act 1988 is the principal Central Government legislation governing all motor vehicles in the country. Apart from this, the State Government can also make and pass its own Acts and Rules applicable to motor vehicles within the State. The Central Motor Vehicles Act 1988 and Rules 1989, The Karnataka Motor Vehicle Rules 1989 and the Karnataka Motor Vehicles Taxation Act and Rules 1957 are the main statutory directives applicable to all motor vehicles, including auto rickshaw cabs in Bangalore. The State Government with its legislative powers and the RTA and RTOs in charge of enforcement and implementation, are the main agencies governing and regulating the auto rickshaw system in the city.

Government of Karnataka - State Transport Department

Transport is a wing of the Karnataka Government Secretariat, which has under it the Transport Department, a Commissionerate and four State Transport Undertakings. The Transport Secretariat is the decision-making authority pertaining to the transport sector in the State, and carries out its functions in accordance with the above mentioned Acts and Rules. Government policies and objectives are delivered through the Transport Secretariat and implemented by the Transport Department. The State Government of Karnataka creates and stipulates the laws and regulations governing autos in Bangalore city. In consultation with the Regional Transport Authority (RTA) they decide regarding the ban or release of new auto cab permits in the city and conditions attached to it.

Regional Transport Authority (RTA)

There are two Regional Transport Authorities for Bangalore, one each for the Urban and Rural Districts. The current members of the Bangalore Urban Regional Transport Authority (RTA) include:

- **Chairman:** Deputy Commissioner (Revenue), Bangalore Urban District
- **Member:** Deputy Commissioner of Police (DCP), Bangalore Traffic East Division
- **Designated Nodal Secretary:** Regional Transport Officer (Bangalore South, Jayanagar)
- **Additional Secretaries:** Regional Transport Officers of the remaining 9 RTOs

The RTA enforces in accordance with the State Government laws, regulations and notifications. It is the 'permit granting authority' for all transport vehicles, including auto rickshaw cabs and the decision-making authority for fixing and stipulating auto meter fares. In the past, it has also supported pilot initiatives such as the dial-up 'Easy Auto' services under the State Transport Department, which tried to use ICT to connect auto drivers and passengers.

Regional Transport Office (RTO)

Auto rickshaw cabs are regulated by the Regional Transport Office (RTO) on the basis of government laws and regulations enforced by the RTA. The RTA directs with respect to permits and the RTOs implement the order. They are the 'permit issuing authorities' for all transport vehicles, including auto rickshaw cabs. They are also responsible for conducting tests and issue of auto cab driving license and
badge, new vehicle passing and registration, periodic vehicle fitness test and certification, transfer and renewal of permits, etc. As such, RTO's are the licensing, registration and ratifying authorities.

**RTOs in Bangalore**

Earlier the city had 5 RTO's - North, South, East, West and Central - but with the expansion of the Municipal Corporation (BBMP) area in 2007, 5 more RTO's were included, taking the total to 10. These are Yelahanka, Krishnarajpuram, Electronic City, Jnanabharati (including Kengeri) and Nelamangala.

Till recently, autos registered at these RTO's (with 'rural' permits) could ply only within their jurisdictions and not enter the city. However an amendment passed in October 2011 now allows autos registered at any of the 10 RTOs of the city to ply within BBMP limits. (See Chapter 5)

**RTO – A/R (Auto Rickshaw)**

In October 2011 the Transport Department set up a new 'single window RTO' in the city with the 'aim to curb corruption and make the transport department a paperless office'. Among other functions (like the issue of permits and registration for BMTC and KSRTC buses), this RTO will be the sole office ('single window') exclusively responsible to deal with anything and everything related to auto rickshaw cab permits in the city i.e. issue, transfer, renewal or cancellation. Other related processes such as the issue of auto cab DL and badge, vehicle registration and fitness certification, will continue to be carried out at all 10 RTO's across the city, including the new RTO-AR. However, the other 10 RTO's would have no role in permit-related processes or issues. Eventually, everything would need to be computerized and interlinked.

Recently every RTO was directed to create a computerized database of all details related to autos, which they would henceforth have to update and maintain. A centralized system interlinking all these databases will be set up using the Karnataka State Wide Area Network (KSWAN) and made available at this RTO. The main purpose of this is to streamline the system, curb illegalities and use it for effective regulation and monitoring of the auto rickshaw sector in Bangalore. 'Shankarlinge Gowda, the Transport

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40 In January 2012, data entry and compilation was still underway and the interlinking of databases was yet to be undertaken. According to the Joint Commissioner for Transport, Mr. H. G. Kumar, it would take a further six months for this work to be completed.

By October 2012, the computerized motor vehicle databases of all 10 RTO's in Bangalore City and all 57 RTO's in Karnataka State were interlinked and available with the Transport Department/RTO's and Traffic Police's Automation Centers across the city. In interviews with RTO officers/inspectors, it was learnt that while currently all RTO work such as licensing, registration and ratification procedures such as FC etc are being done on the computer, all old records have not yet been fully computerized and this process is still underway. Given the inadequacy of resources (such as scanning facilities, trained manpower etc) and the sheer volume and condition of records, this is a difficult and slow process. In the words of an officer, "when someone comes to the RTO for any work and their details are not yet computerized, then they get fed into the system... it's a gradual process".

41 KSWAN is implemented by the Centre for e-Governance, GoK as part of the National e-Governance Programme. Providing information services, the project seeks to establish a State Information Highway, connecting the Government from the State Level down to the Taluka level. This will be a vehicle for effective implementation of all e-Governance Projects. Ref: http://www.ktkswan.gov.in/
Department's Principal Secretary, added that orientation classes will also be held at the new RTO for the benefit of the auto drivers.42

**Traffic Police**

The Traffic Police are a branch of the Bangalore City Police, and they are primarily in charge of regulating/monitoring traffic and on-ground code enforcement as per the Central and State Motor Vehicle Acts and Rules. They are responsible for ensuring that all motor vehicles follow traffic (driving, parking, road safety) rules and have the power to book cases against and fine offenders. With respect to auto rickshaws their roles/responsibilities include:

- **On-ground Monitoring:** The Traffic Police have the authority to catch and fine autos found violating permit conditions and traffic rules/regulations (stipulated in the CMVA and KMVR), as per the specified fine structure. However, they do not have the authority or mandate to deal with the legality of auto cab permits, fitness certificate, defective fare meters, etc as these are functions related to other departments (RTO and Weights and Measures). In such matters that fall outside their domain, the Traffic Police can only book a case and send it to the RTO or directly to the Court.

- **Public Complaints System:** Apart from the State Transport Department/RTO, the Traffic Police have also taken up the initiative of setting up and maintaining a 'public complaints system' against errant auto drivers violating rules associated with plying the auto as a 'public service vehicle'. The complaint can be lodged through printed cards, phone or web-based services, which the Traffic Police are supposed to follow up with appropriate action.

- **Display Card:** The Traffic Police do not have any role in issuing the Auto Cab DL-Badge - this is done by the RTO. However, they do issue the auto driver's 'Display Card' free of cost, which is required by law to be displayed in every auto behind the driver's seat. Based on the official RTO-issued Auto Cab DL-Badge, the Display Card carries the auto driver’s DL-Badge numbers with validity period, registering RTO, police serial number, name, address and blood group, along a photo. As such, the Traffic Police also maintain a database of all (or most) auto drivers in the city.

- **Auto Stands:** Given that it is largely a parking issue, the Traffic Police are the primary authority in charge of identifying and providing both regular and pre-paid/pre-fixed fare auto stands across the city. The RTO or the Municipality is involved in this activity. While requests or suggestions from the public, auto drivers and unions/groups are also considered in this matter, the Traffic Police have the mandate and responsibility of identifying where regular and pre-paid/pre-fixed fare auto stands are required, inspecting and appraising the location for suitability and issuing a NOC.44 However, it is the City Road Safety Committee who in consultation with the Traffic Police takes the final decision on approving the stands. The DCP Traffic notifies the stand and BBMP (Municipal Corporation) provide

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44 No Objection Certificate (NOC)
and manage the physical infrastructure. The pre-paid or pre-fixed fare auto stands across the city are in fact a Traffic Police initiative, installed and operated by them.

➢ **Training/Awareness Programs:** Apart from some general programs, the Traffic Police sometimes conduct training workshops and awareness programs especially for auto drivers on driving, traffic and road safety standards, rules and regulations, soft skills such as behavior with the public, laws and formal procedures/paperwork, etc. However, these are often one-off programs conducted in partnership or collaboration with other institutes/organizations and not on a regular basis (once or twice a year). (See Chapter 9)

**City Road Safety Committee**

The City Road Safety Committee, in consultation with the Traffic Police, is the final decision-making and approving authority on auto stand locations in the city. The Traffic Police do the required ground work and report to the Committee who finally approve as they deem fit.

**Department of Legal Metrology, Government of Karnataka (GoK)**

The Department of Legal Metrology (formerly known as the Department of Weights and Measures) enforces and implements according to Central and State Government legislations. Among other things, it is responsible for the periodical verification and certification of auto and taxis fare meters. It is mandatory for autos to have their fare meters checked and stamped by the Department every year as part of the vehicle fitness certification process (FC). This is undertaken by Department Inspectors at offices usually housed within the RTO itself.

Apart from the State Transport and Traffic Police Departments, the Department of Legal Metrology also has compliant numbers where the public can report faulty or tampered auto fare meters; which are forwarded to the respective branch offices to follow up with appropriate action. (See Chapter 5)

**Emission Testing Centers (ETC)**

The Emission Testing Centers conduct vehicle emission tests and ratification. They are often located in the vicinity of a petrol pumping station. It is mandatory under Indian government law for all categories of on-road vehicles to undergo an emission test and obtain a PUC (Pollution Under Control) certificate. This can be done at any Emission Testing Center (ETC) in the city licensed by the Transport Department (GoK). This process is automated and computerized, and results are directly conveyed to the RTO. (See Chapter 5)

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45 For autos, the emission test/PUC is mandated every six months after the first year
LPG Retrofitment Centres
There are a total of about 72 approved LPG Retrofitment Centers in the city. Apart from retrofitting petrol vehicles/autos with LPG kits, they are also authorized by the government to issue the 'LPG Kit Examination Letter', which is a part of the autos fitness certification process (FC). (See Chapter 5)

Vehicle Manufacturers and Financiers

Auto Manufacturers and Dealers
Auto rickshaw manufacturers and dealers are concerned with the design, production and sale of the vehicles. All automobile companies have to abide by certain vehicle design and technology norms laid down by the ARI (Automobile Research Institute) and stipulated by Indian government law. As such, all autos have to be complaint with ARI standards and EURO III norms.
In Bangalore, Bajaj and TVS are the two main auto rickshaw manufacturing companies. As an old established name, Bajaj is the leading brand for autos compared to TVS which has only entered the market more recently in 2008-09. Each company has a few main dealerships and numerous sub-dealerships across the city.
Those wanting to buy an auto can approach authorized company dealerships where executives would guide customers regarding required official documents and procedures. Dealers also have connections or representatives from banks and other private financial agencies, insurance companies, etc to help facilitate the process. While Bajaj's main dealerships do not carry out RTO-related work, TVS (since it is new in the market and is competing to establish itself), offers 'one-stop shop' type services to its customers, with executives to handle all the RTO work. However, most smaller sub-dealers generally also function as middlemen, who help the buyer arrange all relevant documents and carry out formal procedures - on a commission basis.
The companies also have maintenance schemes and servicing/repair facilities with trained mechanics. (See Chapters 4 and 6)

Financial Agencies
Most auto drivers come from economically weak or low income groups and depend on day-to-day wages for subsistence. Self-financing is nearly impossible for such persons wanting to buy an auto and therefore, most seek other financing mechanisms. Banks, private financiers/leasers or money lenders, are the different options available for financing auto purchase. Financiers are connected to auto dealers and agents.

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46 Ref: http://rto.kar.nic.in/
47 The ARI is a Central Government institution that has developed guidelines and standards for automobile design and technology that all manufacturing companies must meet. Regulations certified by ARI can be modified or adapted locally and approved by the State Government. As a rule, all automobiles in the country have to obtain ARI certificates.
Banks or private money lenders provide finance for movable/immovable property based on the Hypothecation Agreement, while private financiers provide finance for movable property on the basis of the Hire Purchase or Lease Agreement. There are certain key differences in the type of financial agreements, terms and conditions of the loan, pre-requisites, interest rates, procedure and time taken to process, etc.

Even though they have to pay higher interests, most auto drivers prefer to go to private financiers because it is a much faster and convenient process. Banks take greater precautions and have to follow longer official procedures. They generally finance auto purchase loans through different government schemes (for minority communities, self employment, etc), where the government acts as the guarantor.

Since banks only finance new auto purchases, when it comes to the purchase of older, second-hand autos, the only option of getting funding is from private financiers or money lenders. This is generally on the basis of a Lease Agreement involving high interest rates. (See Chapter 6)

**Non-Formal Elements**

*Agents (essentially middlemen or brokers)*

Agents are the invisible but practically indispensable 'middlemen' who permeate the entire system and 'help' applicants with all the formal procedures and getting the job done, albeit at a price. They are like a 'one-stop' solution who help the client connect to auto/permit holders, arrange all the relevant documents, act as guarantors to avail finance and carry out the necessary formal procedures related to procuring license, purchase and finance of the auto, vehicle registration, permit and fitness certification – all for a fee (extra service charges). Most auto drivers say they end up or choose to go through agents as it simply more convenient and faster, given their resources and networks.

Agents are a part of an inter-connected web - having links with auto dealers, financiers, RTO officials/inspectors, auto permit holders, drivers and union members - and act as catalysts in the system that works on the basis of commissions or bribes.

An agent can be any person who has been in or connected to the autorickshaw trade long enough to understand (in-and-out) workings of the system, build connections and networks. As such, apart from private agents, a number of seasoned auto drivers/owners and union members, private financiers and the smaller auto sub-dealers, also can and do function as middlemen. (See Chapter 7)

**Service Providers**

*Auto Owners and Drivers*

Any (adult) local resident - irrespective of gender, education, occupation and income - can buy an auto to ply it as a 'public passenger vehicle' in the city. The owner could drive the auto himself ('owner-driver') or give it on hire to another driver ('renter-driver'), who pays the owner a fixed daily rent to
drive his auto. In either case, the owner or the renter would have to possess a legal and valid Auto Cab DL and Badge to drive the auto. Auto drivers are supposed to operate as per stipulated laws and regulations (permit conditions, traffic rules, etc). Each owner and renter driver is responsible for all legal formalities to do with the vehicle and service respectively.

Since in the past there were no limitations on the number of permits/autos an individual could possess, there are many in the city who own more than one and rent them out as a business. It is only recently (with the decision to release the additional 40,000 auto cab permits in the city around August 2011) that new permit conditions stipulated the 'one person – one permit' rule, whereby any person already in possession of an auto cab permit would not be eligible for another.

In the estimate of two leading union members, there are roughly 1.25 to 2 lakh auto drivers in the city, of which about 40% are owner drivers and 60% renter drivers; however, accurate guesstimates are difficult given that this is a very dynamic phenomena and there are no such records or databases maintained. According to auto drivers almost 95% of those owning and driving autos in Bangalore are from the city itself; very few come from surrounding towns/villages or other states.

The greater majority of auto drivers come from the lower socio-economic classes. For many poor rural migrants or those in the city with minimum education and no other vocational skills, having few employment opportunities available to them, driving an auto is a relatively accessible and attractive livelihood option as it provides immediate income at the end of each day. This is essential as they and their families depend on it for subsistence. So auto drivers, especially renter drivers, are practically like daily wage workers, with little if any financial or social security and living a largely 'hand-to-mouth' existence. Many people generally enter the occupation as renter drivers and then try to save enough to buy their own auto through loans (given its comparatively low investment cost).

In the words of many auto drivers, "because we do not have good formal education we are in the auto rickshaw driving business. Otherwise people who have a decent education would generally prefer to find other work and not want to drive an auto, as we do not earn much and its hard work, driving long hours in the traffic and pollution, with little dignity/respect or social status associated with it".

Auto owners and drivers are private individuals who are in the trade 'for profit', but are also engaged in providing a valuable public transport service (with little if any government funding or subsidy). (See Chapters 5, 8, 11)

**Auto Unions**

While there are numerous smaller 'area-wise' auto unions or groups, there about 5 main ones in the city, of which only 2 are officially registered and recognized by the government, namely Auto Rickshaw Drivers Union (ARDU-CITU) and Adarsha Auto and Taxi Drivers Union. They are both part of Trade Unions linked to the Government's Labour Department and affiliated to a political party. Auto drivers can voluntarily register or be a part of such unions/groups, usually by paying a (nominal) yearly membership fee.
The unions/groups are meant to be the 'representatives' and 'voice' of the auto driver community and their shared goal is to work for their welfare and benefit. Though at times there may be differences of opinion, on certain major common issues, they usually come together to strike, demand, lobby with or talk to the government/decision-making authorities on behalf of the community. These subjects primarily include the revision of auto meter fares, amendment of laws or regulations to safeguard the interest of service providers, conversion rules and subsidies, various government aid schemes (such as easy loans from nationalized banks, life or health insurance, accident relief, housing, etc) and help auto drivers avail of these benefits.

Auto unions/groups also play an active role in requesting for, or at times even (informally) deciding, auto stand locations. The Traffic Police, Transport Department or other institutes generally co-ordinate or collaborate with them in organizing and conducting training/awareness programs for auto drivers on various themes.\textsuperscript{48} Since they represent the auto driver community in a more structured and recognizable form, they become the key 'point-of-contact' for all stakeholders wanting to engage with the community.

However, their role as organizations 'serving' the community tends to grow fuzzy in places. For instance, at times they help auto drivers or members deal with traffic violations or cases booked against them, by getting involved to resolve the problem and avoid false cases or bribes. Or to those in need, many auto union/group members informally extend help with any or all formal procedures i.e. purchasing, financing, licensing, registration and ratification - usually for a fee; thereby actually operating as middlemen, who facilitate and get the work done on the basis of commissions.

Paradoxically, despite their defined role and work, large sections of the auto driver community harbor negative perceptions of auto unions/groups and there is a serious lack of faith stemming from the belief that many exist for their own political motivations or business interests (to make money), and not really for rendering social service. (See Chapter 10)

\textbf{Users of the Service}

\textbf{Public Commuters}

Lastly but most importantly the PUBLIC – who are the consumers of the service! Wide cross-sections of society, across age, gender and occupations, but largely belonging to the middle-high income groups depend on autos for their commuting needs; particularly those without access to private transport, either because they cannot afford it, are not legally allowed to or are unable to ride/drive their own vehicles. As such, women and children, senior citizens and the disabled, form a significant part of the user group. Autos are used by students, professionals, office-goers, housewives and visitors/tourists to the city to access work places, educational, health-care, religious, socio-cultural, commercial and recreational facilities, social visits etc. (See Chapter 11)

\textsuperscript{48} Traffic, driving and road safety rules, laws and formal procedures, welfare/benefit schemes, behaviour with public, HIV AIDS awareness, etc
CHAPTER 4
Market Characteristics: auto rickshaw numbers, vehicle design & technology

Auto Rickshaw Numbers in Bangalore City

Number of Registered and Actual Autos

The table below shows the number of auto rickshaw cabs registered and kept for use in Bangalore city between 1980-2010. Based on these figures, the average growth rate in the last five years (2005-2010) is roughly 9-10% p.a. (See Table 4)

Table 4: Growth of auto rickshaws in Bangalore; Source: Transport Dept website (http://rto.kar.nic.in/)

<table>
<thead>
<tr>
<th>YEAR</th>
<th>A/R CABS (March-end figures in lakhs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1980</td>
<td>0.1</td>
</tr>
<tr>
<td>1985</td>
<td>0.11</td>
</tr>
<tr>
<td>1990</td>
<td>0.15</td>
</tr>
<tr>
<td>1995</td>
<td>0.34</td>
</tr>
<tr>
<td>2000</td>
<td>0.58</td>
</tr>
<tr>
<td>2005</td>
<td>0.76</td>
</tr>
<tr>
<td>2010</td>
<td>1.2</td>
</tr>
</tbody>
</table>

Note: it is unclear whether these numbers include only 3-seater passenger autos, or even 4-6 seater LMV cabs and private/goods autos (i.e. all 3-wheelers)

In interviews, different parties or stakeholders i.e. the RTA/RTO, Traffic Police, Auto Manufacturers/Dealers, Auto Union and Drivers, were asked what in their estimate the number of autos in Bangalore city was. Though responses varied slightly from one person to another, a common guesstimate was that while the number of registered autos were approximately 85,000-90,000, in reality there were well over 1 lakh autos on the city's roads (1.2-1.5 or more). In their perception, the numbers of illegal autos (without valid permits) operating in the city were at least 25-30% of the total if not more. However, all said that exact numbers would be available with the Transport Department.

The State Transport Department collates data from all 10 RTOs in the city and maintains a database of the combined overall statistics of registered vehicles in Bangalore. Recently the auto cab registrations and permit holder's details (across all RTOs) were computerized and sent to the Transport Department and made available at the Single RTO-A/R (for Auto Rickshaws).

As per disaggregate figures from the Transport Department, the total number of registered auto rickshaw cabs (3-seaters) in Bangalore was 1,04,559 in September 2011, growing to **1,13,785 by the end**

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49 The above interviews were conducted between July-December 2011, and they represent the perceptions of the persons interviewed.
of March 2012\(^\text{50}\) (an average increase of about 1500-1600 per month, with issue of the newly released permits in effect)\(^\text{51}\).

**Number of Issued Auto Cab Permits**

According to the Joint Commissioner for Transport (Bangalore Urban & Rural) interviewed in December 2011, "the total number of issued auto cab permits is 97,000 and there are about 10,000-12,000 (10%) illegal autos running in the city". However, the concerned official at the RTO-AR said the total number of issued auto cab permits was about 89,000 (in March 2012). Which of these is correct is uncertain, however, if one were to consider the figures for March 2012, the discrepancy between the number of registered autos (1,13,785) and issued auto cab permits (89,000) is roughly 24,785 or 22%. Moreover, it is commonly believed that the actual number of autos on ground is much more than the official registered numbers (1.2-1.5 or more). According to this belief, it appears there are at least about 25,000-50,000 illegal autos on city roads i.e. operating without legal/valid permits.

*Why is there a discrepancy in numbers? What is 'illegal' autos/operations and how does this occur?*

When an auto is put out of operation as a 'passenger service vehicle' in the city - that is, it is either sold and sent out, converted to a private vehicle (if in reasonable working condition), or scrapped (if very old and unfit) - and the auto cab permit is transferred to another/new auto, these changes have to reflect in the RTO's records. If it is scrapped, the vehicle registration number is cancelled and in the case of conversion to a private vehicle or reselling outside, though the number remains the same, it would have to be re-registered either as another class of vehicle or in the other jurisdiction (after obtaining a Clearance Certificate from the registering authority), as the case may be. The discrepancy in numbers occur when these procedures are not strictly followed and records are not accurately maintained and updated i.e. scrapped auto registrations are not cancelled, transfer of permit not noted, change in the class or jurisdiction not noted and reflected (subtracted) from records, etc. It is only very recently that some of these records have been computerized, and the fact that they were manually maintained earlier, have probably contributed to errors and allowed for irregularities, such as illegal autos/operations on ground. Issues related to this are discussed in detail in Chapter 13.  

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\(^{50}\) According to the official figures, there are 1342 autos per lakh population and according to unofficial figures (if we take 1.5 lakh autos) there are about 1770 autos per lakh population in the city. The population of Bangalore (BBMP limits) was 84.74 lakhs from the 2011 Census.

\(^{51}\) According to personnel in the TVS Sun Motors Head Office interviewed in January 2012, with the open permits in effect, there were about 2000-2500 autos being sold in the city per month, 20-25% of this being TVS, and the rest Bajaj. These figures perhaps include private and goods autos as well and the numbers appear to be on the higher side compared to the average 1500-1600 3-seater auto cabs being registered at the RTO. According to personnel in the Bajaj Khivraj Motors Head Office interviewed in August 2011, just before the decision to release the new 40,000 permits, their total passenger auto sales in the city was about 500-600/ month, with another 50-odd autos (10%) perhaps sold by TVS. From this one can see that auto sales have more than doubled during the 7-8 month period since the new permits have been released.
Scrapping of Old Autos

According to officials at the RTA/RTO, currently there is no rule in force for scrapping of old autos beyond a particular age. The autos can continue to ply as long as they are in working condition and the decision to discard (sell/scrap) the vehicle is left to the owner.

As per the Comprehensive Traffic and Transportation Study for Bangalore (2010), the average service life of an auto is 10.5 years, but many auto drivers and manufacturers believe that if well-maintained, the vehicle can have a life of at least 15 years, if not more.

Typically when an auto becomes old or unfit and starts to develop problems, with maintenance and repair costs becoming very high, it is sold and sent outside the city to surrounding rural areas/villages or towns (where pollution norms and monitoring are not so stringent). Currently the resale value of a 15-year-old Bajaj auto ranges between Rs 15,000-20,000 depending on its condition. So the old auto goes out and is often replaced by a new one on the same permit. Sometimes it is converted to a private vehicle.

An auto is scrapped only if it is beyond repairable condition.

Since April 2002 however, the government has introduced a special 'Green Tax' of Rs 200 for autos over 7 years old, which has to be paid every year during vehicle fitness certification (FC) process at the RTO.

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52 When different parties were asked about such a rule for scrapping old/unfit vehicles, the responses were mixed. While some auto drivers thought there was no such rule, other auto drivers, auto dealers and even the traffic police officials believed there is a government rule for scrapping autos over 15 years, but it is not really put into effect and does not happen on the ground.

53 Ref: Comprehensive Traffic and Transportation Study for Bangalore Metropolitan Region, Wilbur Smith Associates for BMRDA, 2010; Appendix B, Key Survey Findings, pg 23

54 Ref: http://www.iac.org.in/auto-lpg-in-india
(See Chapter 5). After referring to the registration date, the RTO puts a red strip or band around them, marking the ones that are over 7 years old and have to pay Green Tax.

Karnataka introduces Green Tax

'The Association of State Road Transport Undertakings (ASRTU) has been strongly advocating application of the 'polluter pays' principle in promoting clean air and introduction of incentives on the UK and USA models to encourage vehicle owners to replace their highly polluting old vehicles. After Goa, now Karnataka is the first State in India to apply this principle on owners of two-wheelers and non-transport vehicles over 15 years old and transport vehicles over 7 years. It has introduced a new ‘Green Tax’ in addition to the normal Motor Vehicles Tax upon re-registration of two-wheelers and non-transport vehicles after 15 years at Rs 250 and Rs 500 respectively, valid for a period of 5 years. Transport vehicles over 7 years old have to pay Rs 200 per year. Though such tax is not really tough enough, it is to be welcomed as a bold and good initiative. The redeeming feature is that such amount realized will be used for containing pollution in the State.'

What are the factors considered in deciding the 'Green Tax' for transport and non-transport vehicles? Is it based on the average vehicle kilometers travelled and emission levels of different vehicles? Should the tax amounts be the same for 2-stroke and 4-stroke autos? These questions/details are discussed in Chapter 13.

Auto Manufacturers – companies or dominant brands in the market

Bajaj and TVS are the two main auto manufacturing companies with a presence in Bangalore. As an old, established name (having been in the market for over 50 years now), Bajaj is the dominant, more popular brand for auto rickshaws in the city compared to TVS, which has entered the market more recently (since 2008-2009). Of the monthly auto rickshaw sales in the city, TVS presently accounts for only about 20%.

Most auto drivers say they prefer Bajaj autos over TVS as it has better resale value (generally going for Rs 15,000-20,000), spare parts are universally available, have trained mechanics and servicing/repair facilities are well developed, the autos have better pick-up, are comfortable and easy to drive. Although with a competitive product, rates and value-added services, TVS is also slowly but surely gaining a foothold in the local market. Each company has a few main dealerships and numerous sub-dealerships across the city.

Vehicle Design and Technology – regulations/norms

Vehicle design and technology norms are controlled and stipulated by the Central and State Governments. The Automotive Research Association of India (ARAI)\(^5\), a Central Government institution

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\(^{56}\) Ref: [https://www.araiindia.com/](https://www.araiindia.com/)
has framed vehicle regulation and developed specifications (for size, body, type of engine and power, fuel system, environmental and safety norms, etc) that all automobile manufacturing companies (both Indian and foreign), have to follow as per law.

As such, auto rickshaws also have to be designed and manufactured according to the regulations/standards defined by the ARAI, which may be modified or adapted locally, approved and mandated by the State Government/Transport Authorities. All vehicles have to obtain ARAI certification and comply with EURO III norms.

In an effort to shift to cleaner fuel and technology, in 2005-2006 the State Government mandated the conversion of all autos to LPG. A few years later it decided to stop the entry of 2-stroke autos into the market. The ban that came into effect on 30th December 2008 in Bangalore, was extended to all of Karnataka in 2010. As such, 2-stroke autos are no longer allowed or registered in the city. As per current rules, all new auto rickshaw cabs in Bangalore have to be 4-stroke, with built-in LPG kits, flag-down digital/electronic meters and green in colour. They all have 'contract carriage' permits for 3+1 seater.

**Engine Type**

**Conversion Rules and Subsidies**

In a bid to check pollution, the Government has taken steps to phase out the existing 2-stroke autos from the city. In interviews, some auto drivers mentioned that authorities had offered a subsidy of Rs 5000 to convert their 2-stroke engines to 4-stroke. However, the total cost of conversion is about 15,000-20,000 and auto owners usually need to take a loan for the balance amount. Some said that the subsidy was promised, but the Government didn't go through with it, while others pointed out that in some old models one can't change the engine alone, but have to change the vehicle itself.

To encourage and facilitate the shift, 'the Transport Department in July 2011 announced that it will award Rs 15,000 to those owners willing to sell their old 2-stroke autos registered before 1-4-2000 to the Department, and replace them with new 4-stroke, LPG models with digital meters. It was stated that the Department had put aside Rs 22 lakhs for this purpose'.

The issue of FC was stopped for such old 2-stroke autos. To avail of the offer auto owners have to pass through the application process, which would be reviewed by the Committee of Joint Commissioners of Transport. However it is important to note that this is not really a 'subsidy' as many understood it as, but a compensation for selling their old autos to the Transport Department (which in fact the Department could either scrap or resell themselves to recover the money).

As such, many auto drivers felt disinclined to do this for various reasons, listed below:

- Usually when an auto becomes old or unfit, auto owners sell their vehicles to surrounding rural areas for Rs 15,000-20,000 depending on the model and condition. So unless the auto was in really poor shape and beyond repairable condition, the deal was not any more profitable than what they would have got otherwise; and therefore didn't really serve as an incentive.

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57 Ref: [http://www.deccanherald.com/content/177489/government-plans-get-old-autos.html](http://www.deccanherald.com/content/177489/government-plans-get-old-autos.html)
➢ The cost of a new auto was around 1.3 lakhs; which is still a difference of 1.15 lakhs. Many don't have or don't want to spend/invest that amount in a new auto as getting easy bank loans are also difficult.

➢ Some pointed out that if they were already paying a 'Green Tax' to the Government, they didn't see why they should be pressurized to scrap or convert the auto.

➢ Some resistance to convert was partly also because of the common perception held by auto drivers that 4-stroke autos generally involve higher maintenance/repair costs. (see comparison below)

➢ Lastly, many said they didn't trust whether the offer was just on paper, or the Government would keep its word. In the words of an auto driver, "there is no guarantee we will receive the money till it actually happens".

In another instance, 'the State Government declared a subsidy of Rs 10,000 for all old 2-stroke autos to change over to new 4-stroke ones, Rs 3,000 will be given for purchase of a new LPG kit and Rs 1,000 for changeover to a new digital meter'.

Comparison: 2-stroke v/s 4-stroke

In interviews, most auto drivers said they preferred 2-stroke autos over 4-stroke as they cost less, had good pick-up, were easier to run and maintain (i.e. could take rough use better), but primarily because they felt their maintenance/repair costs were much lower compared to 4-strokes. By maintenance and repair they are generally referring to the cost of fuel/oil and cost of replacing components/spare parts in case of dysfunction or damage.

However, manufacturers point out that 4-stroke autos are in fact more maintenance free (if some care is taken to keep them in good condition), have better power, mileage and are less polluting as they run only on LPG which is a cleaner fuel. Auto drivers prefer 2-stroke autos as they could be run on adulterated fuel (petrol mixed with kerosene) which is cheaper; although now most have converted to LPG. Moreover 2-strokes can use crude recycled oil (usually picked up loose from the roadside), while 4-stroke autos need good quality company/branded oil which is more expensive. Auto drivers believe they spend more on oil for 4-stroke autos, but this is contrary to the truth, as in reality 4-stroke autos spend atleast Rs 200 less per month (See Chapter 8). Although it may be true that the cost of components/spare parts is higher for 4-stroke autos, in the future manufacturers could work towards lowering these costs. (See Table 5)

However, from the perspective of moving towards cleaner technology and reducing pollution from autos, it was a right move by the Government to ban 2-stroke autos from entering the market. Studies have shown that even if one were to change to a cleaner fuel like CNG, a shift to 4-stroke engine is critical in reducing emissions.

58 Ref: http://www.deccanherald.com/content/37781/govt-subsidy-purchase-4-stroke.html

59 2-stroke autos need oil on a daily basis and as per our survey drivers spend an average of Rs 30-35 for oil per day amounting to Rs 800-900 per month (26 working days). Whereas 4-stroke autos need oil change approximately once a month (every 5000 kms) and spend only about Rs 600 for this. (For more details See Chapter 8)

60 Ref: CNG is not that green in autorickshaws, Bangalore Mirror, March 5 2011
Table 5: Comparison between 2-Stroke and 4-Stroke autos
Source: Based on manufacturer’s and auto driver’s interviews and surveys

<table>
<thead>
<tr>
<th>TECHNOLOGY</th>
<th>2-STROKE AUTOS</th>
<th>4-STROKE AUTOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machine Capacity</td>
<td>140 cc</td>
<td>200 cc</td>
</tr>
<tr>
<td>Air-Cooled Engine</td>
<td></td>
<td>Oil + Air-Cooled Engine</td>
</tr>
<tr>
<td>Mileage</td>
<td>18-20 kms/lt (in the city)</td>
<td>20-22 kms/lt (in city)</td>
</tr>
<tr>
<td>Fuel</td>
<td>Can run on adulterated fuel (petrol + kerosene) and crude oil</td>
<td>Runs only on LPG and requires good quality oil; far less polluting than 2-strokes</td>
</tr>
<tr>
<td>Maintenance/Repair Costs (according to auto drivers survey)</td>
<td>Rs 30-35 for oil required daily – Rs 800-900/ month</td>
<td>Rs 600 for oil change/ month @ every 5000 kms</td>
</tr>
<tr>
<td></td>
<td>Repairing/replacing the engine costs Rs 2000-3000 upto 5000; 2-strokes can run without battery also</td>
<td>Repairing/replacing engine costs about Rs 15,000 - company rate for fitting is Rs 40,000; the battery costs Rs 4000</td>
</tr>
<tr>
<td></td>
<td>Replacing brake lights costs Rs 50</td>
<td>Replacing brake lights costs Rs 400</td>
</tr>
<tr>
<td></td>
<td>Replacing front glass costs Rs 300</td>
<td>Replacing full front glass costs Rs 2000</td>
</tr>
</tbody>
</table>

Number of 2-stroke v/s 4-stroke autos in the city
Given that the RTOs and Transport Department do not maintain computerized records of vehicle details such as age of the autos, type of engine, fuel, meter etc, it is very difficult to get an accurate estimate of these numbers. However, when different parties were asked what in their perception were the numbers of 2-stroke and 4-stroke autos in the city, responses were as follows:

- Some officials at the RTO and Transport Department believed there were more 4-stroke autos in the city - almost 90%. However, a recent newspaper article stated that according to the Transport Department, ‘there are an estimated 50,000 2-stroke autos running in the city’. This works out to roughly 50% of the total auto registrations.
- Workers at randomly surveyed petrol pumps also said there were more 4-stroke autos compared to 2-strokes, roughly 75:25.
- The Traffic Police said the ratio was about 50:50.
- While most auto drivers and union members felt the majority of autos in the city are still 2-stroke, about 60:40.

Fuel Type
Even upto a few years back, there were ‘many auto rickshaws in Bangalore running on adulterated petrol and it was mandated to convert some 30,000 of them to LPG by the end of 2005. However, for various reasons, the implementation faced several hiccups and in 2006 only 58% of the entire three-wheeler fleet was on LPG (KSPCB 2007)\(^1\).\(^{61}\) In 2004 the State Government had announced a subsidy of Rs 2000 to those who convert their petrol-based autos to LPG.\(^2\)\(^{62}\) The owner had to submit document proof of the conversion to avail of the subsidy amount.

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\(^1\) Ref: Mobility For Development - Bangalore, India, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08, pg 100

\(^2\) As per Sec 4 of the Right to Information Act, 2005, the information maintained as a record of Transport Department; [http://rto.kar.nic.in/](http://rto.kar.nic.in/)
By now, most of the older petrol autos have converted (to bi-fuel mode) and retrofitted with LPG kits, and as per regulations, new auto cabs entering the market have to be fitted with built-in LPG kits. According to some personnel interviewed at petrol pumps, autos running on petrol or diesel are very few in the city. While some estimated 2-5%, others said about 10% (though these may also include old autos that are being used as goods or private vehicles). While in the perception of the Regional Transport Officer at Rajajinagar, there were still about 25% petrol autos plying in the city. Without a computerized database of such details it is difficult to arrive at an accurate estimate, however it would be fair to say that today the greater majority of autos in Bangalore operate on LPG - as it is also more cost-effective (gives better mileage than 2-strokes) and is less polluting. On an average, 4-stroke LPG autos give a mileage of about 22 kms/lt compared to 18 kms/lt for 2-strokes (See Chapter 8). Auto drivers point out that they would be willing to shift to CNG as it provides a far better mileage (about 30-32 kms/lt) and its easy to convert.

**Meter Type**

Auto fare meters are designed and manufactured by different companies (Standard, Perfect, Paras, Bright, etc) and approved by the Department of Legal Metrology (Weights & Measures), Government of Karnataka. As per regulations, all new auto cabs must be fitted with digital/electronic fare meters. In an effort to curb meter tampering (which is far easier to do in the older mechanical meters), a notification was issued by the Transport Department in 2009, directing all autos in the city to be fitted with electronic meters. In March 2012 city has about 50,000 autos with electronic meters, however there were still over 30,000 autos that continued to use mechanical meters. The Government had also agreed to grant a subsidy of Rs 1000 to convert from the old mechanical to the new electronic meter. However M. Manjunath, President of the Adarsha Auto Union, pointed out that the subsidy amount is less as installing an electronic meter costs Rs 3500. He demanded the authority to provide at least Rs 2000 and the remaining could be borne by the auto drivers themselves. The Government's decision regarding this is yet pending. In our interviews, some auto drivers said they were aware of the Rs 1000 subsidy promised by the Government, but did not believe they really get it, while others explained they don't take subsidies, but usually do it off their own accord as they see the public trust electronic meters more and refuse to ride in autos with the older mechanical meters.

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63 For engine setting the autos are first run on petrol for about 1000 kms and then converted to LPG; the petrol tanks are unused after this.

64 In our interviews, some auto drivers pointed out that some older models could not be retrofitted with electronic meters; others said that converting to electronic meters required separate batteries which are not there in 2-strokes. Some said the battery cost Rs 1200, while others said the cost of conversion was Rs 5000-7000 including the battery. The accuracy of these figures has not been verified.

CHAPTER 5
Formal Licensing, Registration and Ratifying Procedures at the RTO: auto cab dl-badge; permit & vehicle registration; vehicle fitness, emission, fare meter test & certification

Auto Cab DL and Badge

Issue of Auto Cab DL-Badge 66

As per the Central Motor Vehicles Act 1988, a valid Driving License (DL) is the essential legal document required to be able to drive a motor vehicle in any public place in the country. Those wishing to ply an auto as a 'public service vehicle'67 are required to have a special Auto Cab Driving License and Badge68. This is a four step process as shown in the table below (See Table 6). At the end of the first two steps, the person receives the general DL for a 'light motor vehicle' (private auto or car), however obtaining an Auto Cab DL and Badge involve a further couple of steps. As per Indian laws, no person can hold more than one DL, but rules provide for obtaining or adding another class of vehicle to the existing DL. Persons who wish to obtain additional endorsement for transport vehicles (which include autorickshaw cabs), can only apply one year after getting their general DL; as a year's driving experience of a 'light motor vehicle' is required. The RTO is the licensing authority and all tests are conducted by Inspectors of Motor Vehicles.

Table 6: Procedure for Obtaining Auto Cab DL and Badge

<table>
<thead>
<tr>
<th>Four Step Process to Obtain Auto Cab Driving License and Badge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility/Qualification</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>STEP 1: LL (general)</td>
</tr>
</tbody>
</table>

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67 ‘Public Service Vehicle’ means any motor vehicle used or adapted to be used for carrying of passengers for hire or reward, and includes maxi or motor cabs, contract and stage carriages. Ref: http://indiacode.nic.in/fullact1.asp?tnnm=198859

68 All those wishing to drive a passenger transport vehicle (i.e. autos, taxies, maxi cabs or buses) have to obtain a special DL and training for it through a licensed Motor Driving School and a special ‘Public Service Vehicle’ or PSV Badge.
| STEP 2: DL (general) | Same as in Step 1 | 1. CMV4  
2. Same as in Step 1  
3. Valid LL (obtained via step 1)  
4. Vehicle Documents: in which applicant proposes to appear for driving test (registration, insurance, tax, PUC and FC in case of transport vehicle)  
5. Medical Certificate, if applicant's age is 40 years and above  
|  
| 20-year period or 50 years of age; throughout India  |
| Applicant can appear for test of competence to drive, only after completion of 30 days from date of issue of LL | Rs 50  
(Drive test)  
Rs 40  
(DL Book)  
Or  
Rs. 215  
(Smart Card)  
| Passed applicants can collect DL next day at RTO or delivered through speed post  
Failed applicants can reappear after 7 days  |
| Age:  
Min. 20 years old  
Education:  
Min. 10th std/ SSCL pass (Written Test);  
Min. 8th std pass (Oral Test)  
Address:  
Applicant has to be a resident of the same State; need not be from same jurisdiction/city  |
| Rs 30  
| Passed applicants can collect LL same day at RTO  
Failed applicants can reappear next day onwards  |
| STEP 3: LL (auto cab) | Same as in Step 1 | 1. Same as in Step 1  
2. Valid DL (obtained via step 2)  
3. School Certificate - min. 8th pass  
4. Medical Certificate from Government Doctor (in case of transport vehicle)  
| 6 months; throughout India  |
| Persons wishing to obtain an Auto Cab DL has to apply and retake LL test 1 year after getting general DL; 1-yr driving experience of 'light motor vehicle' req.  
Age:  
Min. 20 years old  
Education:  
Min. 10th std/ SSCL pass (Written Test);  
Min. 8th std pass (Oral Test)  
Address:  
Applicant has to be a resident of the same State; need not be from same jurisdiction/city  |
| Rs 30  
| Passed applicants can collect LL same day at RTO  
Failed applicants can reappear next day onwards  |
| STEP 4: DL-Badge (auto cab) | Same as in Step 3  
Training:  
Auto rickshaw cab driving training required through a licensed Motor Driving School  
| 1. CMV8 and KMV6  
2. Valid DL (obtained via step 2)  
3. Valid Auto Cab LL (obtained via step 3)  
4. Vehicle Documents: in which applicant proposes to appear for driving test (registration, insurance, tax, PUC and FC in case of transport vehicle)  
5. Driving Certificate issued by Training School  
6. Form-No 5 (in case of Transport Vehicle)  
7. School Certificate - min 8th pass  
8. Medical Certificate, if applicant's age is 40 years and above  |
| 3 years; Auto Cab DL throughout India, Badge throughout State  |
| Applicant can appear for test of competence to drive, only after completion of 30 days from date of issue of the Auto Cab LL (step 3)  
Age:  
Min. 20 years old  
Education:  
Min. 10th std/ SSCL pass (Written Test);  
Min. 8th std pass (Oral Test)  
Address:  
Applicant has to be a resident of the same State; need not be from same jurisdiction/city  |
| Rs 50  
(Drive Test)  
Rs 30  
(DL Book)  
Or  
Rs 215  
(Smart Card)  
Rs 50  
(Badge)  
Rs 150  
(Medical Cert. if req.)  
Rs 2500  
Total Thru Dvg. School  
| Passed applicants can collect DL next day at RTO  
Within 8-10 days by post  
Failed applicants can reappear after 7 days  |
Notes:

- Persons wishing to obtain an Auto Cab DL are required to retake a LL test.
- The applicant needs to be at least 20 years of age and should have passed 8th standard in school. The minimum education qualification rule of having passed 8th standard has been a Central Government (CMVA) rule since 1989, but was not enforced earlier. An officer at the Rajajinagar RTO informed that the rule was put into effect in Bangalore only more recently, since April 2007. Before that even a person without a formal education or an illiterate could apply an auto cab DL. However, some make a case for removing such a rule, which is discussed in Chapter 13.

- Unlike for the general 'light motor vehicle' LL/DL, in the case of the 'auto cab' LL/DL, the applicant just needs to be a resident of the State and it is not mandatory to be a resident of the same city or jurisdiction from where he/she is applying. Since the current system does not ensure that addresses and other contact information gets regularly verified and updated, this poses great problems for effective monitoring. Issues related to this are discussed in Chapter 13.

- In addition, it is mandatory for persons wanting to obtain a DL for any transport vehicle (which including autos) to have training from a licensed Motor Driving School and submit a certificate of the same while appearing for the competence test.

- The total official cost to procure an Auto Cab DL-Badge (with Smart Card) is Rs 2795 and the total process takes a minimum of about 1 year and 3 months.

- The Auto Cab DL is valid for three years, throughout India. However, the Auto Cab Badge which is issued along with it is valid only throughout the State. In case of change of residence to another State, the license holder has to cancel the Badge and reapply for it in the other location. In case of change of city or district of operations, the license holder is supposed to obtain a clearance certificate from the concerned RTO and apply for a change of address simultaneously at the new location.

- Driving an auto without a legal Auto Cab DL-Badge is a violation, with a fine of Rs 300. However, there are many auto drivers in the city without a valid license. Issues are discussed in Chapter 13.

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69 Cost break-up is Rs 295 for General LL+DL, Rs 2500 for Auto Cab DL-Badge through Driving School including training.
Renewal of Auto Cab DL

Table 7: Procedure for Renewal of Auto Cab DL

<table>
<thead>
<tr>
<th>Eligibility/Qualification</th>
<th>Required Documents (along with related RTO application forms and passport photos)</th>
<th>Cost</th>
<th>Time Taken</th>
<th>Validity</th>
</tr>
</thead>
</table>
| Application can be made within 30 days from validity expiry date | 1. CMV9  
2. Auto Cab DL-Badge  
3. Physical Fitness and Medical Certificate CMV1 | Rs 50 (DL Book)  
Or  
Rs 215 (Smart Card)  
Rs 100-150 (Late fees if applied after 30-day grace period) | Next day for licences obtained from same office  
Or  
20-30 days later after confirmation from other office | 3 years; throughout India |

Note:
- Both the Physical Fitness Application-cum-Declaration Form by the driver and the DL Renewal Application Form ask for 'Permanent/Temporary and Present Address'. However, updating the address is optional, not compulsory. Since the current system does not ensure that addresses and other contact information gets regularly verified and updated, this poses great problems for effective monitoring. These issues are discussed in Chapter 13.

Noting Change of Address in LL/DL/Conductor's Licence

Table 8: Procedure for Noting Change of Address

<table>
<thead>
<tr>
<th>Required Documents (along with related RTO application forms and passport photos)</th>
<th>Associated Cost</th>
<th>Time Taken</th>
</tr>
</thead>
</table>
| 1. Application on plain paper  
2. Auto Cab DL-Badge  
3. Address Proof (any one): Passport; LIC Policy; Electoral Roll; Telephone/Electricity/Water Bill; Ration Card; Caste and Income Certificate issued by Tahsildar; Pay slip issued by Govt. Office; Self Swearing Affidavit | Rs 20/50 (DL Book)  
Or  
Rs 215 (Smart Card) | Same day for licences obtained from same office  
Or  
30 days later after verification from other office |
Auto Cab Permit

As per the Central Motor Vehicles Act 1988, a valid 'permit'\textsuperscript{70} is necessary to ply a transport vehicle in any public place in the country. An auto rickshaw cab is a transport vehicle (light motor vehicle) with a 'contract carriage'\textsuperscript{71} permit and like the Auto Cab DL-Badge, the Auto Cab Permit is also an essential legal document to be able to ply an auto as a 'public service vehicle'.\textsuperscript{72}

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure16.png}
\caption{Auto Cab DL-Badge and Permit; Image sourced from: http://www.indiatimes.com/life-and-style/the-autocratic-nation-11671.html}
\end{figure}

\textbf{Difference between an Auto Cab DL-Badge and Permit}

While the 'driving license and badge' is issued to a person authorising him/her to drive the particular class of vehicle, the 'permit' is like a license issued for the motor vehicle authorising its use as a transport vehicle; in this case, an auto rickshaw cab.

The Auto Cab Permit is always associated with a specific vehicle (auto) and can only be transferred, not sold. The auto owner can transfer the permit from one vehicle registration number to another, or can sell the auto along with the attached permit to another person, in which case the ownership is transferred but the vehicle registration number attached with the permit stays the same. The Auto Cab DL-Badge is associated with a specific person and can neither be neither sold nor transferred.

As such, each auto must have a valid permit attached to it, to be driven by any licensed (owner or renter) driver as a 'public service vehicle' in the city. Operating an auto without a valid permit is illegal and the owner can be booked with a court case and fined for the offence. However, there appear to be

\textsuperscript{70} 'Permit' means a permit issued by a State or Regional Transport Authority or an authority prescribed in this behalf under the Act authorising the use of a motor vehicle as a transport vehicle.

\textsuperscript{71} 'Contract Carriage' means a motor vehicle meant for the purpose of carrying 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 vehicles or any person authorized 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. Ref: http://ccsindia.org/ccsindia/policy/trans/studies/wp0067.pdf

\textsuperscript{72} 'Public Service Vehicle' means any motor vehicle used or adapted to be used for the carriage of passengers for hire or reward, and includes a maxi cab, a motor cab, contract carriage, and stage carriage. Ref: http://indiacode.nic.in/fullact1.asp?tfnm=198859
many illegal autos/operations in the city. (See Chapter 4) The why, how and issues related to this are discussed in Chapter 13.

**Regulatory Framework**

'The Central Motor Vehicles Act 1988 and the Karnataka Motor Vehicle Rules 1989 are the legislative directions towards the issue of permits for transport vehicles'.\(^{73}\) The State Government/Transport Secretariat in consultation with the Regional Transport Authority (RTA), are key the decision-makers regarding the ban or release of new auto cab permits in the city and conditions attached to it. As such, the State Government is the 'permit releasing' authority, the RTA is the 'permit granting' authority and the RTOs are the licensing or 'permit issuing' authorities. There is now a new 'single window' RTO especially for autos (RTO-AR), which will be exclusively responsible for everything related to auto cab permits in the city i.e. issue, renewal, transfer and cancellation.

**Type of Permit System and Conditions**

In general, Bangalore has a 'closed' permit system for auto rickshaw cabs. This means that auto cab permits are not freely available at all times, but their numbers are capped and controlled by governing transport authorities.\(^{74}\)

However, there are many implications and issues surrounding the 'closed' permit system, which tends to give rise to permit mafias and the black market, leading to illegalities and distorted market economics; discussed in Chapter 13.

According to interviews with officials from the Transport Department, RTA and RTOs, the State Government and RTA rule and release permits as and when the need arises, based on circumstances and their judgement. The city's population (resident and floating), their needs and an assessment of the demand-supply market are the key considerations for making the decision. So although there is no set formula or standard, the number of auto rickshaw cabs for the city is roughly established based on the strength of population.

Recently 40,000 new auto cab permits were released for the city. Initially notified in March 2011, the final approval and grant came around July-August 2011. It is understood that the move was prompted in large part, due to the increase in city area/population and the huge volume of public complaints received by authorities regarding auto services. It was believed that the additional permits would provide employment and benefit commuters by increasing competition on ground and putting errant drivers in place.

However, there were also other factors, countering perspectives and much debate surrounding this decision, which is discussed in Chapter 13.

\(^{73}\) Ref: *Rules and Regulations Governing the City Permits of Auto Rickshaws In Bangalore*, Center for Public Policy Research and Center for Civil Society; [http://www.livelihoodfreedom.in/l%203%20FOR%20SITE/Bangalore/AUTO%20RICKSHAW.pdf](http://www.livelihoodfreedom.in/l%203%20FOR%20SITE/Bangalore/AUTO%20RICKSHAW.pdf)

\(^{74}\) According to Mr. H. G. Kumar, Joint Comm. Transport (Bangalore Urban & Rural), since 1956 the State Government has adopted the 'closed' permit system i.e. release permits as and when the need arises.
Once the government order to release the new permits was issued, the RTA in turn authorised the 10 RTOs in the city to issue the permits. The 5 older RTOs - South (Jayanagar), Central (Koramangala), East (Indiranagar), West (Rajajinagar) and North (Yeshwanthapur) were allotted 5,000 permits each and the new ones - Jnanbharathi, Electronics City, K.R. Puram, Yelahanka and Nelamangala, have 3,000 each.75

Apparently, each RTO could issue a maximum of 500 permits per month, which would total to 5000 permits across 10 RTOs. However, in the estimate of some private financiers, at the time a maximum of 3000 vehicles were being sold per month. Between August-December 2011 the RTO's could have issued a maximum of 25,000 permits, but according to some RTO officers and leading members of the Auto Rickshaw Drivers Union, of the 40,000 new permits only about 10,000 were taken up during that period; 5000 approved and issued, and 5000 under process. 'Praveen Sood, Additional Commissioner of Police (Traffic and Security), explained that the 40,000 new permits, as misconstrued by many, will not be issued in one day or a month, but over the next four to six years'.76

Many believed that once the 40,000 new permits were released, they would be taken up within a few months, but that has not been the case. This gradual movement of auto cab permits could be because there is already adequate supply compared to demand in the market, which makes a case for opening up the permit system and allowing the market to balance it. Related issues, pros and cons are discussed in Chapter 13.

**Eligibility Rules**

The Central Motor Vehicles Act does not stipulate any eligibility rules or restrictions on who can apply for and the number of auto cab permits one can possess. However, the RTA is empowered by the State Government to attach such rules or criteria to permit conditions, which have a (direct/indirect) bearing on eligibility. For instance for the new 40,000 permits, the RTA has specified that the applicant must hold a valid Auto Cab DL and Badge, which in turn has minimum age and educational qualifications attached to it (mandating that he/she must be atleast 20 years old and 8th standard pass). Or the new 1 person – 1 permit rule, which means the applicant should not already have a permit in their name.

**Terms and Conditions attached to Auto Cab Permits**

Section 74 of the Central Motor Vehicles Act 1988 has specified certain general rules/conditions attached to auto cab permits. The State Government and RTA have the liberty to attach additional terms and conditions to the permits apart from those mentioned in the CMVA 1988.

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75 Ref: More autos to hit the road in Bangalore, The Hindu, March 26 2011; http://www.thehindu.com/todays-paper/tp-national/tp-karnataka/article1572739.ece

76 Ref: More autos okay, but let drivers behave, say police, Deccan Herald
Table 9: Instructions mentioned in CMVA 1988

<table>
<thead>
<tr>
<th>Instructions</th>
</tr>
</thead>
<tbody>
<tr>
<td>All auto rickshaw cabs have 'contract carriage' permits with a capacity of 3+1 i.e. can carry a maximum of 3 passengers apart from the driver.</td>
</tr>
<tr>
<td>All auto cab permits have to be renewed every 5 years from their date of issue.</td>
</tr>
<tr>
<td>Autos can travel with passengers within the area/jurisdiction authorised by the RTA (which currently covers the BBMP area - see note below)</td>
</tr>
<tr>
<td>Autos must bear the token number and badge issued by the Transport Department and Local Auto Committees.</td>
</tr>
<tr>
<td>Khaki uniform and black shoes are necessary.</td>
</tr>
<tr>
<td>Penalty - Operating an auto rickshaw cab without a permit is a violation and the offender is to be booked with a court case, attracting a hefty fine and punishment.</td>
</tr>
<tr>
<td>As per Section 192A of the CMVA, using a transport vehicle without permit shall be punishable for the first offence with a fine which may extend to Rs 5000 but not less than Rs 2000. For any subsequent offences with imprisonment which may extend to 1 year but not less than 3 months or with a fine which may extend to Rs 10,000 but not less than Rs 5000 or with both; provided that the court may for reasons to be recorded, impose a lesser punishment.</td>
</tr>
</tbody>
</table>

Jurisdiction of Operations

Earlier, Bangalore city had 5 RTO's - North, South, East, West and Central (KA-01 to KA-05 respectively), which came under the RTA Urban District. Auto cab permits issued by these RTOs were 'urban or city' permits and autos registered to these permits were allowed to ply within the older City Corporation limits. The other 5 RTOs for outlying areas - Yelahanka, Krishnarajpuram, Electronic City, Jnanabharati (including Kengeri) and Nelamangala - issued 'rural' auto cab permits and autos registered to these permits could operate only within those respective jurisdictions. It is understood that autos having 'urban' permits could go out to these areas, but those having 'rural' permits were not allowed to come into the city, and liable to be fined if caught.

However, with the expansion of the Municipal Corporation and formation of the BBMP in 2007, the 5 RTOs for the outer areas came to be included within City Corporation limits. These now issue 'semi-urban/semi-rural' auto cab permits and autos registered to these permits can operate in the city as well as in the outskirts. Recently in October 2011, an amendment was passed that allows autos registered at any of the 10 RTOs (now included within Bangalore City) to ply within BBMP limits.

Table 10: Special Terms and Conditions Attached to Permits by the RTA

<table>
<thead>
<tr>
<th>Year</th>
<th>Terms and Conditions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003-04</td>
<td>Government released 5000 permits (to promote the shift to LPG). They were non-transferable, DL permits</td>
</tr>
<tr>
<td>2005</td>
<td>For security reasons, the Traffic Police made the Display Card system (with auto driver details) as part of the auto cab permit conditions through a resolution passed in the RTA</td>
</tr>
<tr>
<td>2008</td>
<td>Government took the decision to release 12,000 new auto cab permits, however the matter went to court and it is unclear exactly how many of permits were finally issued by the RTOs. They were transferable, DL permits</td>
</tr>
<tr>
<td>2011</td>
<td>Government released 40,000 new auto cab permits, for which the State Government and RTA through a notification laid down certain conditions/criteria:</td>
</tr>
<tr>
<td></td>
<td>• 1 Person – 1 Permit rule i.e. the applicant should not already be holding a permit in their name</td>
</tr>
<tr>
<td></td>
<td>• Transferable, DL Permits</td>
</tr>
<tr>
<td></td>
<td>• New autos have to be 4-stroke vehicles with built-in LPG kits, flag-down digital fare meters and green in colour</td>
</tr>
</tbody>
</table>

77 Ref: Rules and Regulations Governing the City Permits of Auto Rickshaws In Bangalore, Center for Public Policy Research and Center for Civil Society; http://www.livelihoodfreedom.in/%203%20FOR%20SITE/Bangalore/AUTO%20RICKSHAW.pdf

78 The CMVA allows for the transfer of permits. However, a petitioner has taken this matter to the High Court and though the final decision is still pending, it is understood that the court has placed a stay order on the transfer of permits in the city. It is unknown/unclear whether this is ruling is actually being abided by on the ground.
Type of Permits

There are two types of auto cab permits:

1. **DL Permits:** These can be obtained when new auto cab permits are released and readily available, and are so-called, as they can only be issued on the basis of an Auto Cab DL and Badge i.e. as per rules it is mandatory for the applicant to possess a valid Auto Cab DL-Badge. However, they can either be transferable or non-transferable based on other criteria/conditions attached to it.

2. **Transfer Permits:** These can be obtained when new auto cab permits are not readily available i.e. are not being granted or issued under 'closed' permit conditions, and are so-called, as they can be transferred from one party to another. Though officially permits can only be transferred for a stipulated fee, in reality they are bought and sold in the black market. The associated cost to obtain these permits shoots up during the 'closed permit' period when demand is high.

In both cases it is important to remember, the permit is always issued in association with a specific auto registration number.

The 'transfer permit' condition has many implications and issues related to it that are discussed in detail in Chapter 13.

For instance in 2008, when the government took the decision to release 12,000 new auto cab permits, many auto drivers believe that most of these (about 60%) were taken up by agents and only about 5000 were openly available to the general public. This is possibly because though they were DL permits, they were transferable and importantly, it is not mandatory for the 2nd party to possess a valid Auto Cab DL-Badge (so basically anyone could buy the auto and permit). Moreover, since earlier there was no limitation on the number of permits one could own, agents could absorb and hold the permits to later 'sell' them at exorbitant rates (with/without vehicles) under the transfer permit condition (though selling is illegal). This gives rise to a kind of 'permit mafia' and distorted market economics.

To put a hold on such irregularities, for the recently released 40,000 permits the RTA has specified certain new criteria, apart from requiring a valid Auto Cab DL-Badge. The 1 person – 1 permit rule means that the applicant should not be holding a permit in their name at that point in time. He/she may have had a permit before which was transferred or cancelled, in which case one should possess a Clearance Certificate (CC) verifying the same. This rule has perhaps been introduced with a view to prevent hoarding of permits (by agents or other individuals), encourage a more equitable distribution of auto ownership and more owner drivers in the auto driving trade, which would ease on-ground monitoring.

However, such a rule can only be enforced if there is a computerised database with the permit holder and vehicle registration details available for cross-reference. According to the Transport Department and RTO officers, such a database of permit holders names and associated vehicle registration numbers has been created and made available at the Single RTO–AR. However, the interlinking of databases across the 10 RTOs is yet to be done and other related aspects like Auto Cab DL-Badge numbers, FC details, license and permit renewals, etc are yet to be computerised. Issues related to the lack of such databases are discussed in Chapter 13.
**Formal Process to Obtain a DL Permit**

It is mandatory for the applicant to have a valid Auto Cab DL-Badge to apply for DL permit. However, obtaining the permit is not a straightforward procedure, as it is a license for the auto and has to be issued in association with a specific vehicle (permanent registration number). 'As per the Motor Vehicle Rules, no permit shall be issued until the registration mark is not entered in the vehicle. If an applicant fails to produce the registration certificate within the stipulated time, the Regional Transport Authority may withdraw the sanction of permit.'

As such, the applicant has to purchase an auto and produce the vehicle registration and other related papers, along with his Auto Cab DL-Badge for the final issue of permit. As explained in the figure below, the process of obtaining a permit is closely interconnected with the process of procuring finance, purchasing and registering the auto, which happens simultaneously. (See Figure 17)

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79 However, from our interviews it is learnt that there is no fixed validity or time period as such. Once an endorsement letter is given, it is assumed that the permit would be granted and issued if everything is in order, irrespective of time.

80 Ref: *Rules and Regulations Governing the City Permits of Auto Rickshaws In Bangalore*, Center for Public Policy Research and Center for Civil Society; [http://livelihoodfreedom.in/L%203%20FOR%20SITE/Bangalore/AUTO%20RICKSHAW.pdf](http://livelihoodfreedom.in/L%203%20FOR%20SITE/Bangalore/AUTO%20RICKSHAW.pdf)
The Auto Cab DL-Badge is a mandatory legal and eligibility document required at every step of the process.

**Step 1: Applying for Auto Cab Permit**

A person with a valid Auto Cab DL-Badge can apply for a permit, at the new 'single window' RTO-AR.

**Step 2: Endorsement Letter or Permit Affidavit**

After a couple of days of submitting the application, the applicant can collect the 'Endorsement Letter' (or 'Permit Affidavit' as it is sometimes called) issued by the RTO-AR. It is like a provisional confirmation saying that the RTO will issue the auto cab permit, once the RTA approves and grants it and the applicant submits the vehicle registration and other relevant documents. The applicant would need this letter for the following steps in the process. It is an essential requirement for procuring finance (loan/fund) to purchase the vehicle. The fee to issue the letter is Rs 130.

Officially the 'Endorsement Letter' is valid for a period of 1 month, before which the applicant needs to purchase the auto and produce it along with required documents for the final issue of permit. In case of difficulties or delay in being able to do so, the applicant can apply for an extension in the validity period, for another 30-60 days.

However, from our interviews it is learnt that in actuality there is no fixed time limit for such extension or a cut-off period beyond which the validity of this letter expires. Once an endorsement is given, it is assumed that the permit would be granted and issued if all is in order, irrespective of time. This would allow persons to hold/hoard permits for longer periods of time without buying vehicles, and then later 'sell' them for high prices in the black market (with/without vehicles) under the 'transfer permit' condition, when the issue of permits closes. For details see Chapter 13.

**Step 3: Submission for RTA Approval**

Once the permit application is filed, the RTO-AR places it before the RTA for approval. The RTA grants the permit after verification of relevant documents and the list of candidate's names is sent back to the RTO-AR. In the meantime, the applicant has to purchase the auto, register it at any RTO and then submit all required documents at the RTO-AR for the final issue of permit, which is attached to the specific auto registration number.

**Note:** Steps 3, 4 and 5 are separate processes, but take place simultaneously.

**Step 4: Getting Finance and Purchasing Auto**

Purchasing an auto and getting finance for it are parallel, back-n-forth processes. With the Endorsement Letter in hand, the applicant can approach the manufacturer/auto dealer and the financier (bank/private finance/leaser) for getting a loan or fund to buy an auto. For details of these procedures see Chapter 6.
Step 5: Auto Registration

After purchasing an auto the applicant can collect his sales and vehicle insurance certificates from the dealer, and proceed to register the vehicle, which takes place in two parts - Temporary Registration and Permanent Registration (as seen in the table below). This can be done at any of 10 RTOs in the city.

Vehicle insurance is mandatory for registration and is generally purchased along with the vehicle itself, from private or government agencies. The insurance policy has to be renewed every year and the cost varies based on the model and age of the vehicle and the type of scheme. Normally, auto owners prefer to opt for comprehensive (1st and 3rd party) insurance, which, on an average, costs around Rs 5000 per year for new autos. The lifetime tax for the vehicle has to be paid at the time of permanent registration, which is Rs 2750 (2500 + 10% cess) for a new auto.

Table 11: Procedure for Vehicle Registration; Source: RTO Website (http://rto.kar.nic.in/), Surveys and Interviews

<table>
<thead>
<tr>
<th>Required Documents (along with related RTO forms and passport photos)</th>
<th>Cost</th>
<th>Time Taken</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. KMV18</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Sales Certificate issued by Manufacturer/Dealer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Valid Vehicle Insurance Certificate issued by Insurance Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rs 25 (Fees)</td>
<td>Same day</td>
<td>1 month; can apply for extn.</td>
</tr>
<tr>
<td></td>
<td>Rs 100 (One Month Tax)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rs 4920 (Avg. Vehicle Insurance)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Once the applicant receives the temporary registration number, he has to follow the below mentioned procedure in order to get the permanent registration number.

<table>
<thead>
<tr>
<th>Required Documents (along with related RTO forms and passport photos)</th>
<th>Cost</th>
<th>Time Taken</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. CMV20</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Sales Certificate issued by Manufacturer/Dealer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Valid Vehicle Insurance Certificate issued by Insurance Company</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Temporary Registration issued by Registering authority or Trade Certificate issued by Dealer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Address Proof (Ration Card, Passport, LIC Policy, Voter ID/ Electoral Roll, Telephone/ Electricity/ Water Bill, Caste and Income Certificate by Tahasildar, Govt. Pay Slip, Self-swear Affidavit)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Road Worthiness Certificate issued by Manufacturer/Dealer (Forms KMV20/22)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Life-time Tax - paid receipt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>8. Vehicle Passing Fees - paid receipt</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. Entry of Financial (Hypothecation/Hire)</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

81 According to auto driver interviews, some of the companies providing vehicle insurance include Tata, Bajaj, Khivraj, HDFC and ICICI banks, SriRam Finance, Royal Sundaram, Oriental, Iffco Tokyo, United India, etc. Based on background study/literature review it is broadly understood that 1st party insurance cost is based on model and age of vehicle and covers damages to the policy or auto owner and his/her passengers in the case of an event. Many auto drivers said this was between Rs 3000-4000/yr; some others quoted between Rs 4000-4800/yr. 2nd party insurance covers damage to the renter driver; responses for cost varied from Rs 2400-3000 and Rs 3200-3800. 3rd party insurance is to pay compensation for death due to bodily injuries to third parties (anybody apart from owner/driver) and also damage caused to the property of the third party excluding damage to your vehicle. As per interview responses, the cost ranged between Rs 2400-3000 and some said Rs 3600-3800.

82 Road Worthiness Certificate is an initial certificate of compliance with pollution standards, safety standards of components and road worthiness (for vehicles where body is fabricated separately). Same as Vehicle Passing/Fitness Certificate.
### Purchase/Lease Agreement

Duly signed by Owner, Financier & Registering Authority

<table>
<thead>
<tr>
<th>Step</th>
<th>Description</th>
<th>Cost</th>
<th>Time Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.</td>
<td>PAN/Form-60</td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.</td>
<td>Permit Endorsement Letter issued by RTO-AR</td>
<td>Rs 125 (Temporary Registration)</td>
<td>2-3 days</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs 4920 (Avg. Vehicle Insurance)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs 3350 (Permanent Registration)</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost: Rs 8395/-</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** The application for registration of the motor vehicle to be made in duplicate if vehicle is under a Hypothecation/Hire Purchase Agreement, and duplicate copy with endorsement of Registering Authority to be returned to the Financier simultaneously on registration of motor vehicle. The application for making an entry of the financial agreement is made subsequent to registration. Official fee for termination of financial agreement fee is also Rs 100; see [http://rto.kar.nic.in/](http://rto.kar.nic.in/).

The application along with above documents shall be produced before the Registering Authority along with the new vehicle for inspection. If the vehicle complies with requirements of the Motor Vehicles Act and Rules there under, the registration mark will be assigned to the vehicle on the same day.

### Step 6: Issue of Auto Cab Permit

In the final step, the applicant has to submit the Permit Affidavit/Endorsement Letter along with the Vehicle Registration and other relevant documents at the 'single window' RTO-AR. After verification of all documents, the RTO-AR will finally issue the auto cab permit, which would be attached to the specific auto registration number. As per the motor vehicle act/rules, the auto cab permit has to be renewed every 5 years from its date of issue.

#### Table 11: Procedure for Obtaining DL Permit

**PROCESS TO OBTAIN DL PERMIT**

<table>
<thead>
<tr>
<th>Eligibility/Qualification</th>
<th>Required Documents (along with associated RTO forms and passport photos)</th>
<th>Cost</th>
<th>Time Taken</th>
<th>Validity</th>
</tr>
</thead>
</table>
| Applicant must possess a valid Auto Cab DL-Badge and should not be having a previous permit in their name at that point in time | 1. Auto Cab DL-Badge  
2. Endorsement Letter  
3. Vehicle Registration Certificate  
4. Vehicle Passing Certificate  
5. Lifetime Tax Certificate  
6. Vehicle Insurance Certificate  
7. Address Proof (one of following): Ration Card; Passport; LIC Policy; Electoral Roll; Telephone/ Electricity/ Water Bill; Caste Certificate Ration Card | Rs 130 (Endorsement Letter)  
Rs 500 (Permit Fee) | Upto 1 week after RTA grants the permit | 5 years; within city (BBMP area) |

**Note:** Applicant has to produce the auto at the RTO, which as per new rules has to be a green-coloured 4-stroke auto, with built-in LPG kit and digital meter.

The total official cost to procure a DL Permit with Vehicle Registration is Rs 9025, which includes Rs 130 (Endorsement Letter), Rs 8395 (Vehicle Insurance, Lifetime Tax and Registration) and Rs 500 (Permit). The total time taken depends on how soon the loan/fund is sanctioned, which is about a couple of days for private financiers and a fair bit longer for banks. However, the minimum time required would be about 1 week upwards to about 1 month’s time (corresponding to the official validity.

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83 Procedure for Noting or Termination of Hypothecation/ Hire Purchase/ Lease Agreement, see [http://rto.kar.nic.in/hpa-hptcss.html](http://rto.kar.nic.in/hpa-hptcss.html)

84 TVS auto dealers officially undertake RTO work related to permit and vehicle registration for their customers at nominal service charges. Auto drivers who go through agents pay much more for the same. See Chapter 7
period of the Endorsement Letter). Lawfully, the person can only ply the auto after receiving the final (approved and issued) permit.

**Transfer of Permit**
An auto cab permit is always attached to a specific registration number and so, can only be transferred from one vehicle to another. This can occur in two situations.

Firstly, where the owner decides to discard his old auto i.e. either scrap it or resell it outside, and buy a new one. In which case, s/he would have to either cancel the old registration number, or apply for a Clearance Certificate at the concerned RTO to send it outside, before or while transferring the auto cab permit to a new auto registration number.

However, in case the owner wishes to discontinue plying the auto as a 'public service vehicle', the person can either surrender the permit and apply for a cancellation\(^{85}\), or transfer it with the auto to a new party or to another auto belonging to the new party. (See Figure 15, Chapter 4).

In such cases, the 2\(^\text{nd}\) party (or Transferee) does not need to have an Auto Cab DL-Badge; it could be anyone wishing to buy and run an auto cab. This is a big loophole in the permit regulations, as it allows individuals or agents to buy Auto Cab DL-Badges from auto drivers to obtain DL permits and then sell them in the black market, under the 'transfer permit' condition. Moreover, the only way the two parties i.e. those wishing to procure auto cab permits and the permit holders/owners, can connect to each other is through agents, giving them a monopoly over available permits and therefore money-making opportunities. According to officials at the Jayanagar RTO, the number of 'transfer permit' cases in 2011 was 1600 (from one party to another) and 1200 (replacement of vehicle). This is just from one of the 10 RTOs in the city. Going by these figures, one can compute that on an average that there may be about 10,000-15,000 'transfer permit' cases (between two parties) yearly across the city. This estimate broadly tally's with an RTO officer's response who reckoned that, "per year almost 10-20% of transfer permit cases take place in the city"\(^{86}\). Related issues are discussed in detail in Chapter 13.

**Issue of Transfer Permit (from one party to another)**
The 'closed' permit system, where auto cab permits are not freely available at all times, entails that they be transferable from one party to another.

The 1\(^\text{st}\) party wanting to transfer their auto cab permit (Transferor) has to submit an application at the RTO. The permit can either be transferred along with the auto to the 2\(^\text{nd}\) party (Transferee) or to another auto belonging to the 2\(^\text{nd}\) party. As per rules, both parties have to appear in person with their auto/s at the RTO, and the inspector after checking the vehicle/s would start the transfer permit process. The

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\(^{85}\) In reality permits are only transferred, never cancelled (except in rare cases where there has been a breach of permit conditions). This is because though officially permits can only be transferred for a stipulated fee at the RTO, in reality they are bought and sold in the black market. The associated cost to obtain these permits shoots up during the 'closed permit' period when demand is high and supply is short.

\(^{86}\) 10-20% of about 1 lakh autos in the city roughly translates to 10,000-20,000 transfer permit cases.
process normally takes 2-3 days and the total cost is Rs 850\(^87\) (if the auto is also being transferred with the permit and is covered by a financial agreement).

Table 12: Procedure for Obtaining Transfer Permit (from one party to another)

<table>
<thead>
<tr>
<th>PROCESS TO OBTAIN TRANSFER PERMIT (from one party to another)</th>
<th>Cost</th>
<th>Time Taken</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility/Qualification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No eligibility rule. Anyone can apply for transfer permit</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. CMV28, 29 and 30</td>
<td>Rs 100 (Endorsement Letter)</td>
<td>2-3 days</td>
<td>Validity period remains same, only ownership is transferred</td>
</tr>
<tr>
<td>2. Valid Auto Cab Permit</td>
<td>Rs 500 (Permit Transfer Fee)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. No Objection Certificate or Declaration Letter by Transferor</td>
<td>Rs 150 (Vehicle Transfer Fee)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Vehicle Papers (for one or both autos as the case may be): Registration, Insurance, Lifetime Tax, Passing/Fitness and Emission Certificates</td>
<td>Rs 100 (Continuation fee if vehicle is covered by Financial Agreement)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Financial Agreement (if the auto is funded by a bank/private financier)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Address Proof for Transferee</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. PAN/Form-60</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: In case the 1st party is transferring ownership of the auto along with the permit to the 2nd party, the following procedures will have to be carried out at the RTO.

RTO form to ‘Report Transfer of Ownership of Motor Vehicle’ (duly signed by both Parties, Financier and Registering Authority) be made in duplicate if the vehicle is held under any finance agreement and the copy with the endorsement of the Registering Authority to be returned to the Financier simultaneously on making the entry of Transfer of Ownership in the Certificate of Registration.

RTO form of ‘Notice of Transfer of Ownership of a Motor Vehicle’ (duly signed by the Transferor and Financier) submitted at the Registering Authority where the Transferee resides, should be copied and sent to the Registering Authority in whose jurisdiction the Transferor resides.

The application for ‘Transfer of Ownership’ in the name of the person succeeding to the possession of the vehicle, or in case of death of registered owner, see http://rto.kar.nic.in/FORM31.pdf

**Issue of Transfer Permit (from one vehicle to another, with ownership being the same)**

When an auto cab owner wishes to transfer the permit from an old/unfit auto to a new one, an application along with relevant documents need to submitted and the new auto physically produced at the RTO for inspection. If everything is in order, the auto cab permit is transferred from the previous auto registration number and attached to the new one, which can then legally be operated as a 'public service vehicle' in the city. The process normally takes 2-3 days and the official fee is Rs 500.

Table 14: Procedure for Transfer of Permit (from one vehicle to another)

<table>
<thead>
<tr>
<th>PROCESS TO TRANSFER PERMIT (from old auto to new one)</th>
<th>Cost</th>
<th>Time Taken</th>
<th>Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eligibility/Qualification</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Owner must possess valid auto cab permit and a new auto registered in his name</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Valid Auto Cab Permit</td>
<td>Rs 500 (Transfer Fee)</td>
<td>2-3 days</td>
<td>Validity period remains same, only ownership is transferred</td>
</tr>
<tr>
<td>2. Old Auto’s Vehicle Papers: Registration, Insurance, Lifetime Tax, Passing/Fitness and Emission Certificates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. New Auto’s Vehicle Papers: Registration, Insurance, Lifetime Tax</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^87\) Although in reality, persons pay much more (rates upto 50-60 times higher) to obtain transfer permits. See Chapter 7.
The old auto number would have to be cancelled or re-registered depending on whether it is scrapped, sold outside or converted to a private vehicle. In case it is sold and sent to surrounding rural areas, the auto owner is required to apply for a Clearance Certificate (CC) for the auto from the concerned registering RTO. Issues arise when these procedures are not strictly followed and records are not accurately maintained and updated. For details see Chapters 4 and 13.

**Issue of Clearance Certificate (in the event of sale/removal of vehicle within state)**

This formality is required if the auto owner desires to remove or sell his vehicle outside the jurisdiction of the registering authority to another within the State. An application on plain paper with the name and address of the person to whom the vehicle has been sold, has to be submitted by the registered auto owner (in person) to the jurisdictional RTO. On obtaining the remarks of different sections, if no cases are pending or dues outstanding, the Clearance Certificate will be issued.

**Table 15: Procedure to Obtain Clearance Certificate**

<table>
<thead>
<tr>
<th>PROCESS OF OBTAINING CLEARANCE CERTIFICATE (in the event of sale/removal of vehicle within the state)</th>
<th>Eligibility/Qualification</th>
<th>Required Documents (along with application on plain paper)</th>
<th>Cost</th>
<th>Time Taken</th>
</tr>
</thead>
</table>
| Registered Auto Owner | 1. Auto Cab Permit  
2. Vehicle Papers: Registration, Insurance, Lifetime Tax, Fitness and Emission Certificates  
3. No Objection Certificate issued by Financier (if the auto is covered by financial agreement from bank/private financier) | Nil | 2 days |
twice or more for violation of permit conditions. The process normally takes 1-2 days and the official fee is Rs 500.

Table 16: Procedure for Renewal of Permit

<table>
<thead>
<tr>
<th>Eligibility/Qualification</th>
<th>Required Documents (along with application on plain paper)</th>
<th>Cost</th>
<th>Time Taken</th>
<th>Validity</th>
</tr>
</thead>
</table>
| Owner of a Valid Auto Cab Permit | 1. Auto Cab Permit  
2. Vehicle Papers: Registration, Insurance, Lifetime Tax, Fitness and Emission Certificates  
3. No Objection Certificate issued by Financier (if the auto is covered by financial agreement from bank/private financier) | Rs 500 | 1-2 days   | 5 years from date of issue; within BBMP limits                            |

Note: The permit holder/auto owner's contact information (address, phone etc) is not verified at the time of permit renewal, thus losing the opportunity to maintain an accurate and updated database which is fundamental for effective monitoring. There is a separate procedure for obtaining 'Change of Address' in records, but no system of compulsory verification and updation. Related issues are discussed in Chapter 13.

Permit Cancellation

Auto cab permits in the city are usually never cancelled, just transferred from one vehicle or party to another. Cancellation of permit occurs only in rare or exceptional cases – either when the permit holder voluntarily surrenders it or is in breach of permit conditions. If the owner wishes to discontinue plying the auto rickshaw cab s/he can cancel the permit and registration by submitting a written application (for no fee). If the permit holder is found to be violating permit conditions, misrepresentation, etc the RTO first issues a notice as a warning and gives him/her an opportunity to amend the situation. If corrective action is not taken the RTO is empowered to cancel the permit.

Who are the Auto/Permit Owners in the City?

The Central Motor Vehicles Act does not stipulate any eligibility rules or restrictions on who can apply for and the number of auto cab permits one can own. However, the RTA is empowered by the State Government to attach such rules or criteria to permit conditions, which have a (direct/indirect) bearing on eligibility. For instance, for the new 40,000 permits, the RTA has specified that the applicant must hold a valid Auto Cab DL and Badge, which in turn has minimum age and educational qualifications

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88 Ref: Rules and Regulations Governing the City Permits of Auto Rickshaws In Bangalore, Center for Public Policy Research and Center for Civil Society; [http://livelihoodfreedom.in/L%203%20FOR%20SITE/Bangalore/AUTO%20RICKSHAW.pdf](http://livelihoodfreedom.in/L%203%20FOR%20SITE/Bangalore/AUTO%20RICKSHAW.pdf)

89 For 'Intimation of Change of Address recorded in the Certificate of Registration' have to submit RTO form approved and duly signed by financier if under agreement, vehicle registration papers and address proof at the RTO. The associated fee is Rs 20. See, [http://rto.kar.nic.in/cmv33.pdf](http://rto.kar.nic.in/cmv33.pdf)

90 In reality permits are only transferred, never cancelled (except in rare cases). This is because though officially permits can only be transferred for a stipulated fee at the RTO, in reality they are bought and sold in the black market. The associated cost to obtain these permits shoots up (to Rs 25,000-35,000) during the 'closed permit' period when demand is high and supply is short. See Chapter 7.
attached to it (mandating that he/she must be at least 20 years of age and 8th standard pass). Or the new 1 person – 1 permit rule, which means the applicant should not already have a prior permit in their name.

However, eligibility rules were either different or did not exist in earlier times. As such, there are innumerable persons in the city who, irrespective of gender, education, occupation and income, own one or multiple auto/permits in their name. There are many who own 4-5 autos or more and run it as a business by giving them out on rent.

Most permits are owned by those who drive autos in the city or used to drive autos earlier, but have since stopped for some reason - either having moved onto another job, suffering from old age, ill health or accident/disability - and have given their auto/s out on rent. In other cases where the permit holder has passed away or simply wished to discontinue, the permit has been transferred to a family member, friend or any other individual/party, who either drive it themselves (if possessing an Auto Cab DL-Badge) or give it on rent. Though there is no substantial database or knowledge source available for reference, in the opinion of many auto drivers/union members interviewed, the percentage of owner and renter drivers in the city is about 50-50, though some believe the number of renter drivers is more. (See Chapter 8)

However, many permits are also owned by agents. According to a number of auto drivers interviewed, when new (transferable) DL permits were released in the past, many (50-60%) of those were absorbed and held by agents, to be transferred (sold) later in the black market. Since in the 'transfer permit' condition it is not mandatory for the 2nd party (Transferee) to also possess a valid Auto Cab DL-Badge, there are undoubtedly numerous auto cab permits owned by private individuals with financial means (who neither have an Auto Cab DL-Badge or drive the auto), but own them as an investment or run it as a business by giving their autos out on rent.

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91 They could be auto dealers, private financiers, veteran auto drivers or union members who have established connections and networks across the system.
Vehicle Fitness Certification

Vehicle Fitness Test and Certificate

'According to the Central Motor Vehicles Act and Karnataka Motor Vehicle Rules, all transport vehicles in India should have a valid Fitness Certificate (FC) to ply on the road. Brand new vehicles are given fitness certification for a period of 2 years at the time of registration; required to be renewed every year thereafter. All commercial/transport vehicles have to go for a mandatory vehicle fitness test and obtain a fitness certificate.' An emission and fare meter check and certification are also part of the FC process. In India, the vehicle fitness test and certification is carried out by Motor Vehicle Inspectors at the Regional Transport Offices (RTOs) attached to the Transport Department in each State. So it is the RTO that is empowered and responsible to issue the FC for all transport vehicles, including autos.

Process

It is the auto owner's responsibility to obtain the FC before its expiry date from the RTO where the vehicle is registered. There is usually an FC field associated to each RTO (so Bangalore should have about 10 of them), which are sometimes attached to or in the vicinity of the RTO, but in many cases away from it, at independent open grounds where land is available (often in the outskirts of the city)93. For renewal of FC at the RTO, the auto owner would need to submit the relevant vehicle documents and prescribed fee along with the associated RTO form (KMV20). Apart from these, the applicant has to produce the PUC Certificate issued by an authorized Emission Testing Center, the Fare Meter Certificate issued by the Legal Metrology Department, and physically produce the auto for inspection in a good condition. The Inspector of Motor Vehicles will inspect the vehicle for aspects mentioned in form KMV25 (see Table 17), and if everything is in order, the FC will be renewed, having validity for 1 year. Since currently the process relies only on manual/visual checks, the actual inspection takes only about 10-15 minutes, however one usually has to wait several hours (upto ½ day) in queue till the Inspector arrives to complete this formality. The FC can be obtained on the same day from the RTO. There are additional late penalty charges for those who's FC has expired. The process normally takes ½ - 1 days and the total official fee is Rs 350.

Figure 18: FC Grounds – Indiranagar RTO

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92 Ref: http://cpcbenvis.nic.in/newsletter/Inspection/ch60503.htm; http://rto.kar.nic.in/
93 Some of the FC fields in Bangalore are at: Laggere (Rajkumar Samadhi), Kamakshipalya, Jayanagar IV Block – near Telephone Exchange, Rajankunte, Konankunte/Thalghatpura, etc
Table 17: Procedure for FC Renewal

<table>
<thead>
<tr>
<th>PROCESS FOR VEHICLE FITNESS TEST AND CERTIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Required Documents (along with associated RTO application forms)</td>
</tr>
<tr>
<td>1. KMV20</td>
</tr>
<tr>
<td>2. Old/Previous FC</td>
</tr>
<tr>
<td>3. Fee Payment Receipt</td>
</tr>
<tr>
<td>4. Permit</td>
</tr>
<tr>
<td>5. Registration Certificate (RC)</td>
</tr>
<tr>
<td>7. Life-time Tax Card</td>
</tr>
<tr>
<td>8. PUC/ Emission Certificate</td>
</tr>
<tr>
<td>(Issued by Authorized Emission Testing Center)</td>
</tr>
<tr>
<td>(Issued by Weights &amp; Measures Department)</td>
</tr>
<tr>
<td>10. LPG Kit Examination Letter</td>
</tr>
<tr>
<td>(Issued by Authorized LPG Retrofitment Center)</td>
</tr>
<tr>
<td>(for autos over 7 years old)</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Note:** It is required to physically produce the auto at the FC Field and Senior/Inspector of Motor Vehicles inspects the vehicle. Additional fee equivalent to 20% of the fee prescribed for the delay of each month or part thereof not exceeding the amount of fee prescribed as per Rule 38 (6) of KMV Rules 1989.

According to RTO/RTA officials most autos (barring 10-15%) do come regularly for FC renewal as they do not want to be caught without proper papers. It is understood from interviews with some RTO officers/inspectors that currently (as of October 2012), all work is being carried out on computers, so at least one can track which autos came for FC renewal and whose is pending or lapsed. Other drawbacks and issues related to the current fitness testing and certification process are discussed in Chapter 13.

**Emission Test and Certificate**

All in-use vehicles need to be maintained in good condition to keep their pollution levels under check. 'An emission test is a mandatory requirement for all categories of on-road vehicles. A 'Pollution Under Control' or PUC certificate is issued for a vehicle upon conformity to emission standards based on idle test for gasoline vehicles and free acceleration smoke test for diesel vehicles'.<sup>95</sup> For transport vehicles (which include autos), this check needs to be carried out every 6 months after the first year. It is required to submit a valid PUC certificate at the time of the yearly FC renewal process. 'The PUC test can be carried out and certified at any Emission Testing Center (ETC) in Bangalore city licensed by the Transport Department (GoK)'.<sup>96</sup>

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<sup>94</sup> However in reality auto owners/drivers usually end up paying much more if they go through agents, which many often do as it is faster and more convenient. See Chapter 7.

<sup>95</sup> Ref: [http://cpcbennis.nic.in/newsletter/Inspection/ch20503.htm](http://cpcbennis.nic.in/newsletter/Inspection/ch20503.htm)

<sup>96</sup> Currently there are about 270 such authorized ETCs in the city. See [http://rto.kar.nic.in/](http://rto.kar.nic.in/)
Process
The ETCs are usually located next to or in the vicinity of petrol pumps making it convenient to undergo the test. The procedure is simple and quick, as it is fully automated and computerised. When a vehicle comes in for the test, a small pipe (connected to a computer) is inserted into the silencer. The emission values are recorded and directly sent to the department headquarters (KEONICS) and only if they fell within the stipulated standards (see below), will clearance be given to print the PUC certificate. The old or previous certificate would need to be returned and a new one issued in its place, along with a confirmation message sent to the registered owner's mobile. The time taken for the test is 10-30 minutes (depending on the queue) and the associated fee for 3-wheelers is Rs 50.

The Ministry of Road Transport and Highways, Government of India have notified new emission standards for vehicles (as under), effective from 1st October 2004.

Table 18: Emission Standards for Autos

<table>
<thead>
<tr>
<th>PETROL/CNG/LPG-DRIVEN VEHICLES</th>
<th>CO%</th>
<th>HC (in ppm)</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 wheelers (2/4-stroke) (Vehicles manufactured on or before 31st March 2000)</td>
<td>4.5</td>
<td>9000</td>
</tr>
<tr>
<td>3 wheelers (2-stroke) (Vehicles manufactured after 31st March 2000)</td>
<td>3.5</td>
<td>6000</td>
</tr>
<tr>
<td>3 wheelers (4-stroke) (Vehicles manufactured after 31st March 2000)</td>
<td>3.5</td>
<td>4500</td>
</tr>
<tr>
<td>Diesel Autos</td>
<td></td>
<td>65 Hartidge Units</td>
</tr>
</tbody>
</table>


Based on secondary studies, it is understood that up until even a couple of years ago (2010), the emission testing and certification process was plagued by malpractices – discussed below.

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'According to officials, many emission testing centers are lax in following norms. "We have come across many centers issuing certificates without checking vehicles even though their emission levels are high," said D. Vijaya Vikram, Joint Commissioner for Transport (Enforcement-South). The Central Crime Branch had raided a few testing centers in the city, and had arrested eight persons for issuing fake certificates.

Transport Commissioner, Mr. Bhaskar Rao said the working of the test centres was going on largely unregulated without any effective monitoring. There were allegations that PUC certificates could be 'bought' by paying the fee (bribe) at the testing centres even for unfit vehicles; since they were apprehensive of losing the business if they refuse to issue the certificate as there had been stiff competition.

To and tighten the emission testing norms and enforcement, the Transport Department decided to network all emission testing centres across the state (around 450, which includes 280 in Bangalore), and monitor them from the department headquarters. In the words of D. Vijaya Vikram, Joint Commissioner for Transport (Enforcement-South), "we want to regulate the method of issuing certificates and want to know if the centers are actually following guidelines."

The state-owned Karnataka State Electronics Development Corporation Limited (KEONICS) was executing the networking task. The systems at the testing centres were connected to the production and main servers at the department headquarters. Since KEONICS was providing the expertise and maintaining the operations, it would get Rs. 3.25 for every emission test conducted. It was envisaged that this new system will be enforced by the end of October 2010.

According to Joint Commissioner for Transport (e-governance and Environment), L Hemanth Kumar, when a vehicle came for the test, the emission values would be directly transmitted to the headquarters and only if they matched the standard values, clearance would be given to print the PUC certificate. In case of network failure, the certificate would be issued based on the standard value sets incorporated at the test centre's system.

Also, once a vehicle is taken to a center, mobile numbers of the registered vehicle owners will be recorded. After the networking of these centers a centralised database of vehicles will be created and the Transport Department will cull out and issue notices those who have not undergone the periodical test, to renew the certificate and pay the fine.

The networking of the centres would curb the malpractices on the one hand and ensure proper monitoring on the other. At present, the enforcement authorities – Transport Department and Traffic Police – were literally groping in the dark as to whether a particular vehicle is certified, unless they physically check the certificate on the road. Having the emission details of vehicles plying on the roads will help keep a tab on the growing pollution and also misuse of emission certificates.98

Based on our interviews it is learnt that everything has been computerized and made online since May 2011 and the records shared with the Traffic Police (which they can see on their Blackberry's) for better

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on-ground monitoring. However, it appears there is still some scope for false passes in this system. There is an oil connection to the engine which some of them remove while getting the emission test done and connect it later. (See Chapter 13)

According to interviews with technicians at a few ETCs, on an average, about 60% of the autos pass the emission test (about 2-3 fail everyday). The new, green 4-stroke autos manufactured after 2008 always pass (for eg, register count of CO% - 0.04 and HC - 121). In general, 4-stroke autos rarely fail (only about 5%) and have a far better pass percentage than 2-stroke autos that tend to fail on account of improper oil resulting in too much smoke. If they fail, the record goes to the RTO and the ETC suggest oil change, engine service and cleaning their carburetors or silencers.

**Fare Meter Calibration Test and Certificate**

Auto fare meters are designed and manufactured by different companies (Standard, Perfect, Paras, Bright, etc) and approved by the Department of Legal Metrology (Weights and Measures), Government of Karnataka (GoK) based on the regulations and standards stipulated by the Regional Reference Standard Laboratory (RRSL), Government of India. Every meter has to have the 'Model Approval Certificate'.

It is mandatory to have the fare meter checked and certified every year, as part of the FC process, where the applicant has to submit a Meter Certificate issued by the Department of Legal Metrology - who are the authority responsible for fare meter testing and certification. There are a total of 7 sub-division/branch offices of the Department in the city, usually located in a separate space within the RTO building/complex itself.

**Process**

The test requires the meter to be run for atleast 5 kms to check its authenticity. However, there are only a couple of 'drive test' fields in Bangalore and in general FC grounds do not have adequate space or basic infrastructure to physically drive the auto for 5 kms. Moreover, such a procedure is tedious, time consuming, and impractical as it involves unnecessary expenditure on fuel. As such, fare meters are rarely ever drive tested on the field.

Instead, the Department of Legal Metrology have equipments/machines to check fare meters. The inspector sometimes brings a portable testing kit to the FC field or onto the road for checks, but usually the applicant dismantles the meter from the auto and brings it to the RTO’s sub-division office, where the auto is registered and getting the FC done. Here it is connected to the machine and run for 5 kms. According to the department officer at the Yeshwantpur RTO, "this method is as accurate and reliable as physically running autos on the ground". If the meter is proper, the officer removes the old seal and affixes a new one with a code on it (A/B/C/D for the corresponding quarter, along with the year) like a verification stamp. The time taken to run the meter check is only about 15 minutes, but including wait time it generally takes **upto 2 hours to obtain the certificate; and the associated fee is Rs 100**. There is an additional fine if the validity has expired.
At the end of the process, the auto owner/driver is given a payment receipt and the meter test clearance certificate. While the payment receipt is computerised, the Meter Certificate, which carries the meter serial number associated with the auto registration number, make, etc is a printed one filled manually (hand-written). According to our interview with the branch officer, most records and databases in the Legal Metrology Department are still kept manually and not yet computerized. This naturally creates problems in terms of enforcement and monitoring and related issues are discussed in Chapter 13.

The seal is used as a safeguarding measure against tampering; as the meter (supposedly) cannot be opened and manipulated without breaking and damaging the seal (although it is learnt that there are ways to work around this by cutting open the rubber tubing). If the meter is thought to be faulty, it has to be first taken to the mechanic, who removes the seal, recalibrates it correctly and re-fixes the seal, before bringing it to the Department for checking and certification. Auto fare meter repair and recalibration can only be done by the fare meter manufacturing companies and mechanics licensed by the Legal Metrology Department. If after getting the seal fixed, the auto owner/driver has to repair the meter for some reason, he can submit the service receipt (from the licensed mechanic) to the Department and get the meter rechecked and resealed, at no additional cost.

According to an official of the Legal Metrology Department, if a meter is found to be tampered or faulty in a test, the department has to give a 'Rejected' Certificate, book an offence and issue a fine notice to the registered owner. Normally the official fine for this is Rs 500. The owner has to pay the fine, take the meter to a licensed mechanic for recalibration and bring it back along with receipt, to get it retested and certified. In case the owner refuses to pay the fine, the case is filed in the court of law. However, another officer at the sub-division office said that "if a meter is found to be faulty, we generally do not give a 'Rejected' on the certificate as they are poor people, but collect a fine of Rs 100 and send them for recalibration".

According to the Controller, Department of Legal Metrology, 'we have seven field officers who conduct raids on autos once a week, to verify the accuracy of auto meters with the help of a portable kit. Auto drivers found using meters without renewing validity (i.e. without a valid Meter Certificate) will have to pay a fine of Rs 500. Faulty meters, usually due to wear and tear and aggressive usage, attract a penalty of Rs 2,000. But a case will be booked for tampered meters since it is a grave offence to be dealt with by a court of law.'

The problem of faulty or tampered auto fare meters is rampant in the city and apart from ground checks -usually in the form of test drives or raids conducted by the regulating/monitoring authorities - there are no effective monitoring or grievance redressal systems. From our surveys and interviews it is learnt that the older mechanical meters are easier to tamper compared to the newer electronic/digital ones. This also is borne out by the response of public users, in whose perception and experience, the older mechanical meters are in fact more prone to be faulty or tampered. (See Chapter 11)

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99 There are mechanics who repair/recalibrate both mechanical and electronic auto and taxi fare meters.
100 Ref: [http://www.deccanherald.com/content/221153/tampering-meters-attracts-fine.html](http://www.deccanherald.com/content/221153/tampering-meters-attracts-fine.html)
Matters relating to auto cab permits, FC, PUC and Fare Meter certificates are functions related to the RTO, Pollution Control Board and Legal Metrology Departments and do not fall under the purview of the Traffic Police. As such, when they catch autos without these valid legal documents, they are supposed to book a court case and pass on the record to concerned authorities, who generally give some time to clear the matter (get the tests done and renew the certificate), failing which appropriate action is taken. However, the lack of accurate and updated computerized, interlinked databases and inter-departmental co-ordination render monitoring and enforcement systems weak and ineffective. Issues related to this are discussed in Chapter 13.
CHAPTER 6
Process of Purchasing, Financing and Registering Autos: auto dealers, financial agencies & mechanisms

Purchase of New Auto and Procuring Finance
As mentioned in the previous Chapter 5, purchasing an auto and getting finance for it are parallel, back-and-forth processes, as seen in the table below.

Table 39: Auto Purchase and Finance

<table>
<thead>
<tr>
<th>Stages</th>
<th>Purchase Auto (MANUFACTURERS / AUTO DEALERS)</th>
<th>Get Loan/Fund (BANKS / PRIVATE FINANCIERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Step 1</td>
<td>Selection of Auto Dealer</td>
<td>Selection of Financier</td>
</tr>
<tr>
<td></td>
<td>Bajaj and TVS are two main auto rickshaw</td>
<td>The applicant can get finance from either</td>
</tr>
<tr>
<td></td>
<td>manufactures/dealers in the city. (See also</td>
<td>Banks or Private Financiers. When it</td>
</tr>
<tr>
<td></td>
<td>Chapter 4)</td>
<td>comes to purchase of older, second-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>hand autos funding from Private Financiers/Leasers is the only option.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Often the Auto Dealer has connections to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>financiers, or suggests to customer and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>forwards their profile directly.</td>
</tr>
<tr>
<td>Step 2</td>
<td>Applicant selects the auto model and gets the</td>
<td>With Quotation the applicant approaches the financier to</td>
</tr>
<tr>
<td></td>
<td>Quotation or Performa (giving vehicle cost, etc)</td>
<td>discuss terms and conditions for the loan/fund.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Once this is finalised the applicant submits required documents along with a copy of the Permit Endorsement Letter and applies for the loan/fund.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Once the loan is approved, the financial agency provides a 'Financial Agreement' - to be noted while registering the auto</td>
</tr>
<tr>
<td>Step 3</td>
<td>With the loan/fund sanctioned the applicant can now go to the dealer, make the down-payment and purchase the auto (along with vehicle insurance), after submitting required documents.</td>
<td>At the same time, the financier pays the remaining amount to the dealer and the applicant's instalment period starts.</td>
</tr>
<tr>
<td>Step 5</td>
<td>The applicant can collect his sales and vehicle insurance certificates from the dealer, and proceed to register the auto at the RTO, which takes place in two parts - Temporary Registration and Permanent Registration. This can be done individually, through the auto dealership itself if such a service is provided or through other agents.</td>
<td></td>
</tr>
</tbody>
</table>

Auto company dealerships are necessarily connected to financial agencies and transport authorities (vehicle licensing/registering authorities). The main or bigger ones sometimes have representatives from financial agencies and the RTO to advise customers, but generally all have company executives who guide them about the process of purchasing, financing and registering the autos.

While the main Bajaj dealerships do not directly undertake RTO-related work (such as vehicle registration, procuring auto cab permit etc) for their clients, they can help connect them to those who do this (like sub-dealers or others agents) for an extra fee. However, since TVS has entered the market recently and is trying to compete and establish itself, it offers a 'one-stop-shop' type of service for
anyone wanting to buy and operate an auto cab in the city. They have special 'RTO executives' to guide and help customers with getting all the required papers/documents in order and handle all the RTO-related work i.e. auto registration and getting associated auto cab permit if need be. Apart from an official service tax/charges levied for these services, they do not take any extra fee or commission. In the words of the personnel at TVS Sun Motors, "If we took a commission, then we would be no different from the agents. This just reduces our profit margins a little, but we are doing well because a good product is backed by good services".

However, most smaller sub-dealers across the city (be it Bajaj or TVS) usually function as 'middlemen', who also help the customer in procuring financing (through connections with private financiers) and doing the paperwork at the RTO (through arrangements with RTO officials) – all on a commission basis.

Table 20: Cost of Auto, Registration and DL Permit; Source: Based on surveys/interviews of auto drivers and dealers

<table>
<thead>
<tr>
<th></th>
<th>BAJAJ</th>
<th>TVS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Showroom price of 4-stroke auto with built-in LPG kit and digital fare meter (including basic accessories like chassis, hood, mirror, etc) + Temporary Registration</td>
<td>Rs 1.29 lakhs</td>
<td>-</td>
</tr>
<tr>
<td>Extra Fittings + Vehicle Insurance (comprehensive) *</td>
<td>Rs 5000</td>
<td>Rs 4920</td>
</tr>
<tr>
<td>TOTAL</td>
<td>Rs 1.39 lakhs (base model)</td>
<td>Rs 1.41 (base model) – 1.61 lakhs (deluxe)</td>
</tr>
<tr>
<td></td>
<td>OFFICIAL - RTO</td>
<td>THROUGH AGENTS</td>
</tr>
<tr>
<td>Auto Cab DL Permit (endorsement letter + permit fee) *</td>
<td>Rs 630</td>
<td>Rs 8500</td>
</tr>
<tr>
<td>Permanent Registration (including registration and passing fee, life-time tax, noting financial agreement) *</td>
<td>Rs 3350</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>Rs 1.43 lakhs (base model)</td>
<td>1.475 lakhs (base model)</td>
</tr>
</tbody>
</table>

* For official RTO fees See Chapter 5

As one can see from the above table, the cost of TVS's base model is competitive to that of Bajaj's (Rs 1.39 lakhs), though slightly higher at Rs 1.41 lakhs, and going upto Rs 1.61 lakhs for semi-deluxe and deluxe models, depending on additional accessories. As mentioned above, Bajaj's main dealerships do not directly involve with RTO-related work for the customer (i.e. permanent vehicle registration and new DL permit), but if need be they help connect them to other agents who do this, for a cost of about Rs

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101 They have (a) 'showroom executives' to guide walk-in customers; (b) 'field executives' who go into the field to talk and provide information to interested/potential customers; (c) 'finance executives' to guide customers regarding different financing options; (d) 'RTO executives' to guide and help customers with getting all the required papers/documents in order and handle all the RTO-related work, especially auto registration and getting associated permit. They also have a team of 'event executives' for marketing, brand and awareness building who run campaigns like conduct events, melas, road shows, etc or approach and talk to potential customers at petrol pumps, auto stands, auto unions/gps, etc.

102 Showroom rates for passenger autos as of July 2012.
8,500\(^{103}\). At TVS, if the customer wants vehicle registration and permit-related work done at the RTO, s/he has to pay an additional amount of Rs 6,000\(^{104}\). So through auto dealers, the total on-road price of an auto (base model plus auto cab DL permit) is roughly Rs 1.47 lakhs; on an average, Rs 4500 higher than the official cost for Bajaj autos and Rs 2000 more for TVS autos. If the person goes in for a 'transfer permit', the cost is much more. (See Chapters 7 and 13).

Based on the customer’s choice, a quotation (Performa Invoice) of total costs is prepared, to be submitted to the financial agency while applying for a loan or fund.

The majority of auto drivers or those wishing to purchase and operate an auto cab come from lower economic groups and self-financing is extremely difficult, if not impossible for them. As such, most (90-95% according to auto dealers) take loans to purchase the auto. For new autos one can get finance either through nationalized/co-operative banks or from private financiers (Sethu as they are locally known). For those wishing to purchase older second-hand autos, private financiers, leasers or local money lenders are the only option as banks generally do not provide finance for this. Auto dealers usually have links to various banks or private financiers and help the customer connect to them.

Based on their past experience, banks are a little wary of passing auto purchase loans to individual applicants; however, most nationalized banks generally do so under various government schemes\(^{105}\) to help small-time entrepreneurs, where the government acts as guarantor. The process of availing the loan through one such scheme is described below (based on an interview with personnel from the Bank of Baroda).

<table>
<thead>
<tr>
<th>GOVERNMENT SELF EMPLOYMENT SCHEME</th>
</tr>
</thead>
<tbody>
<tr>
<td>Such schemes have been available since the 1970's. Normally once a year, the government meets with regional representatives of all nationalised banks and sets targets for financing under the scheme, which the regional offices in turn distribute to each of their branches.</td>
</tr>
<tr>
<td>The government advertises the scheme in newspapers, so eligible persons seeking such aid can apply. The applications are assessed based on certain criteria including existing family income, educational qualifications, number of dependents, etc. Beneficiaries are identified and their loan applications sent to the specific bank branches for processing.</td>
</tr>
<tr>
<td>Once the bank receives the selected applications from the government, personnel are sent to the applicant’s house for verification, as part of the bank's 'know your customer' norms. Documents such as residence proof (minimum for a period of 3 yrs), Auto Cab DL-Badge, insurance etc are checked and also whether there is space for parking the vehicle. The bank also looks at the economic viability of the applicant to repay the loan based on estimated minimum daily earnings, etc. After these checks, beneficiaries are finally approved by the bank.</td>
</tr>
<tr>
<td>Under this scheme, no security deposit or separate guarantor are required, as the government itself acts as guarantor. Of the total amount the applicant has to make a 5% down payment to the bank and the government puts in upto 20% (which is to be repaid to the government at a predetermined interest - known as 'margin money'). The remaining 75% of total amount is loaned by the bank.</td>
</tr>
</tbody>
</table>

\(^{103}\) Since the actual official cost of procuring a DL permit and registering the auto at the RTO is Rs 3980, this translates to a difference of about Rs 4500, which would include the agent’s fee and any commission/bribe passed on at the RTO.

\(^{104}\) This amount covers the actual expenses at the RTO which is Rs 3980 and the remaining Rs 2000 is service tax/charges.

\(^{105}\) Government Self Employment Scheme, through CGTMSE (Credit Guarantee Fund Trust for Micro and Small Enterprises) set up by the GoI and SIDBI, Government Schemes through the SC/ST, Minority and Backward Development Corporations, etc.
There are three types of financial agreements. Banks provide finance for movable/immovable property based on the Hypothecation Agreement, while private financiers provide finance for movable property on the basis of the Hire Purchase or Lease Agreement.\textsuperscript{106} Many private financiers in Bangalore (about 50 currently) are members of the Karnataka Hire Purchase Association. There are certain key differences in the type of financial agreements, terms and conditions of the loan, pre-requisites, interest rates, procedure and time taken to process the loan through banks and private financiers, as encapsulated in the table\textsuperscript{107} below. The coloured text highlights the differences between the two.

<table>
<thead>
<tr>
<th>Table 21: Comparing the Financing Procedures of Banks and Private Financiers</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL AGREEMENT – terms and conditions</strong></td>
</tr>
<tr>
<td><strong>Hypothecation:</strong> A financing agreement between a borrower (auto buyer) and a lender (bank), whereby the borrower pledges an asset (auto) as collateral on the loan where the lender can only take possession of the asset after following proper legal procedure.\textsuperscript{108}</td>
</tr>
<tr>
<td>➢ In this case, the money to purchase the auto is loaned to the borrower, who is the owner of the vehicle.</td>
</tr>
<tr>
<td>➢ There is a principal loan amount, with interest charged on reducing balance.</td>
</tr>
<tr>
<td><strong>Hire Purchase:</strong> A financing arrangement where the goods (auto) taken on 'hire purchase' remain the property of the lender (private financier) until the last instalment is paid by the borrower (auto buyer).\textsuperscript{109}</td>
</tr>
<tr>
<td>➢ In this case, purchase of the auto is funded by the private financier, who is and remains the owner of the vehicle till the full amount with interest is paid back and the ownership is transferred. The applicant here pays 'hire charges' in the form of pre-fixed monthly instalments, to 'purchase' the auto. This is what is meant by 'Hire Purchase'.</td>
</tr>
<tr>
<td>➢ Here a flat interest rate is charged on the total loan amount and divided into EMI's for a fixed time period.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>APPLICATION REQUIREMENTS</strong> – the main purpose of collecting these documents and employing precautionary measures is to ascertain the capacity of the applicant to pay off the loan on time and ensuring traceability to secure recollection.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Documents/Photos</strong></td>
</tr>
<tr>
<td>1. A quotation (Performa Invoice) from the Auto Dealer of total costs</td>
</tr>
<tr>
<td>2. Valid Auto Cab DL-Badge/Display Card</td>
</tr>
<tr>
<td>3. Valid Auto Cab Permit or Endorsement Letter from RTO/RTA</td>
</tr>
<tr>
<td>4. Photo Identification with Signature (any one): Voters ID, Passport, PAN Card, etc</td>
</tr>
<tr>
<td>5. Address Proof (any one): Rental Agreement, Ration Card, Water/Electricity/Gas Bill, LIC Policy/Bonds, Property Tax Receipt, etc.</td>
</tr>
<tr>
<td>— Applicant has to be a resident of Bangalore and should have been staying at the address for minimum 3 years.</td>
</tr>
<tr>
<td>6. Passport Photos</td>
</tr>
<tr>
<td>7. Applicant has to submit an 'Income and Expenditure Statement' based on which the bank calculates viability to pay all instalments on time. (See Appendix II)</td>
</tr>
<tr>
<td>8. If the applicant is being sponsored, then an application</td>
</tr>
<tr>
<td>1. A quotation (Performa Invoice) from the Auto Dealer of total costs</td>
</tr>
<tr>
<td>2. Valid Auto Cab DL-Badge/Display Card</td>
</tr>
<tr>
<td>3. Valid Auto Cab Permit or Endorsement Letter from RTO/RTA</td>
</tr>
<tr>
<td>4. Photo Identification with Signature (any one): Voters ID, Passport, PAN Card, etc</td>
</tr>
<tr>
<td>5. Address Proof (any one): Rental Agreement, Ration Card, Water/Electricity/Gas Bill, LIC Policy/Bonds, Property Tax Receipt, etc.</td>
</tr>
<tr>
<td>— Applicant has to be a resident of Bangalore – this is preferred by most financiers; but if not, a local resident has to act as Guarantor for surety.</td>
</tr>
<tr>
<td>6. Passport Photos</td>
</tr>
<tr>
<td>7. Preferable for background check/surety but not mandatory:</td>
</tr>
<tr>
<td>— Bank Passbook, Post-dated Cheques, IT returns</td>
</tr>
<tr>
<td>— Certificate/Letter from earlier workplace, Salary</td>
</tr>
</tbody>
</table>

\textsuperscript{106} There is also a Karnataka Moneylenders Act stipulating regulations for private moneylenders.

\textsuperscript{107} The information in Table 21 is summarised based on the survey responses of approximately 75 auto drivers and 12 in-depth interviews with auto drivers, banks and private financiers.

\textsuperscript{108} Ref: http://financial-dictionary.thefreedictionary.com/Hypothecation+Agreement

from the concerned agency (government or otherwise)

* The above documents are required and mandatory.

Slip/Certificate, Employment ID

* The above documents though required, are all not always mandatory. The financier collects as many as possible, but if convinced even works with the bare minimum required for surety and traceability. If not satisfied with the submitted documents, the applicant is required to have a guarantor.

Other Requirements - Bank Account, Security Deposit, Guarantor, etc

9. Applicant has to open an account with the same bank with a minimum deposit (Rs 1000 or so). Loans are given only to account holders.

10. Applicant should have at least one suitable Guarantor (government or otherwise).

* If the applicant is applying for a loan through a government scheme, no security deposit or separate guarantor are required, as the government itself acts as sponsoring agency/guarantor.

TIME TAKEN TO PASS LOAN

- The time taken to process the loan application depends on how soon the applicant is able to meet all requirements and submit the relevant documents. Based on past experiences with non-payment, banks are wary of passing auto purchase loans for individuals.
- Once the application is received, bank personnel verify the documents and normally conduct a physical check of address, parking space, etc before approving.
- In general banks take more precautions, have more paperwork and formalities, so the processing time is longer – anywhere between 2 weeks to 2-3 months.

- If all pre-requisites/documents are in order, the terms and conditions such as interest/profit margin, EMI amount and period are chalked out and agreed upon by both parties.
- Before approving the fund representatives visit the location for address verification and check to see if the person has his own house or is a renter, what work s/he did earlier? New to the auto field, or familiar/was driving earlier, etc.
- Generally, funding is approved quickly, within 1-2 days.

REQUIRED DOWN PAYMENT & LOAN AMOUNT

- The applicant needs to make a down-payment of about 20-25% of the total costs and the bank provides a loan for the remaining 80% of the amount.
- Under the Government Self Employment Scheme, the applicant pays about 5% of the total amount and the government puts in upto 20% as down payment, which the applicant has to repay to the government at a predetermined interest rate. The remaining 75% of the total amount is loaned by the bank.
- For eg. for a total amount of Rs 1.47 lakhs, down payment would be 20-25% i.e. Rs 30,000 – 37,000; and the bank would loan Rs 1,10,000 – 1,17,000.

- Usually the applicant pays about 30-35% of the costs as down-payment and private financier funds 70-65% of the total amount.
- For eg. for a total amount of Rs 1.47 lakhs, down payment would be 30-35% i.e. Rs 40,000 – 50,000; and the financier would fund Rs 97,000 – 1,07,000.

INTEREST RATE

Provide loans for new autos on reducing balance:
- Interest rates for Nationalized Banks vary between 13.5% - 15.5% p. a. based on RBI rules
- Some say Nationalized Banks charge about 15% p. a.

Provide funds for new autos on flat interest rates:
- Interest rates vary between 15% - 24% p. a. that is, 1.25 - 2% per month
- Some say groups like Shriram Finance also charge flat
and Co-operative Banks about 18% p. a.
- Some say groups like Shriram Finance are good, and like banks charge 12 - 13% p.a. on reducing balance

interests like private financiers of about 15 - 18% p. a.
* Private financiers calculate their profit (known as 'Hire Purchase Profit') on a monthly basis and so annual interest rates are based on per month profit.

### MONTHLY INSTALLMENT and LOAN REPAYMENT PERIOD

- Depends on the loan amount and scheme.
- Survey/interview responses ranged from Rs 2100-3600; but generally between Rs 2600-2900/month
- Loan repayment period ranges from 4 - 5 years or more
- A common response was approx. Rs 2800 for 60 months

* Once the loan is approved the bank provides a letter to the applicant to register the auto and obtain the permit. The financial agreement (Hypothecation) is noted in the RTO records and RC book

### NON-PAYMENT PROCEEDURE

- If the applicant does not pay the instalment consecutively for 3 months then the bank has the right to seize the vehicle and resell it, after following due legal procedure. Seems some banks even give upto 6 months before seizing.
- In the 1st and 2nd months of non-payment a penalty is charged and in the 3rd month the auto is seized for a charge of Rs 100.
- Typical procedure followed in case of non-payment:
  - 1st try moral persuasion to make payment
  - 2nd make frequent visits to the party's residence and pressurise to make payment
  - 3rd if these don’t work, then file a court case
  - Once the court grants permission, the bank can seize the vehicle and resell it

* Once the finance is approved the financier provides a letter to register the auto and obtain the permit. The financial agreement (Hire Purchase) is noted in the RTO records and RC book.

### How is the EMI calculated?

As mentioned above, a flat interest rate on the loan amount is applied per month or a monthly profit margin is fixed. The loan repayment period is agreed upon and total amount (principal + interest) is divided into monthly instalments. For eg, if the loan amount is Rs 1 lakh; and the flat interest rate decided upon is 1.5% /month for a period of 36 months, then:
- 1.5% of Rs 1,00,000 = Rs 1500/month (profit margin)
- 1500 x 36 months = Rs 54,000 (total interest/profit)
- Rs 1,00,000 (principal) + Rs 54,000 (total interest/profit) = Rs 1,54,000 (total repayment amount)
- 1,54,000/36 months (repayment period) = Rs 4278/month (EMI) i.e. Rs 2778 (principal) + Rs 1500 (monthly profit margin) per month.

* Once the finance is approved the financier provides a letter to register the auto and obtain the permit. The financial agreement (Hire Purchase) is noted in the RTO records and RC book.

- Private financiers normally give 2 (max. upto 3) months of non-payment, before seizing and reselling the vehicle. Depending on the party's situation and the financier's relationship with them/guarantor, may give a little leeway.
- In case of late EMI payment, there is an overdue or late fine (known as 'Belated Hire Charges'). This amount depends on what was agreed upon by both parties at the start and signed on stamp paper. In our survey/interviews we received different responses, as some said:
  - Rs 150-350 extra for next month
  - 3-5% of the EMI amount extra as fine for next month
  - 3% interest for the next month, etc
- Typical procedure followed in case of non-payment:
  - 1st the financier sends an intimation notice of outstanding balance
  - 2nd sends personnel (rowdies/goons) to the party's
* Banks like ICICI, HDFC, etc also give loans for auto purchase, but they operate like private financiers only – having similar interest rates, seizing rules and charges, etc.

END OF THE LOAN or EMI PERIOD

- Some banks say they keep the vehicle’s original documents until the loan is paid off (making it easy to resell it after seizing in case of non-payment); while others have said they keep attested photocopies of the documents (as the originals stay with the owner) - it is unclear what is correct, or if both are.
- Once the loan is fully paid off, the bank provides a 'termination notice' of the financial agreement to be submitted at the RTO to change the record (for a fee of Rs 100). The vehicle's original documents if collected are handed over.

- Being the owner of the vehicle, private financiers keep all the original documents of the auto like RC Book, Insurance, Permit, etc until the debt is paid off.
- At the end of the EMI period once the debt is successfully cleared, the financier provides a 'termination notice' of the financial agreement to be submitted at the RTO to change the record (for a fee of Rs 100). The ownership of the auto is then officially transferred to the borrower’s/hire’s name and all the original vehicle documents are handed over.

Table 22: Summarising Key Differences and Comparing Figures of Banks and Private Financiers

<table>
<thead>
<tr>
<th>TYPICAL FIGURES ASSOCIATED WITH FINANCING A NEW AUTO RICKSHAW (costing Rs 1.47 lakhs)</th>
<th>BANKS</th>
<th>PRIVATE FINANCIERS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial Agreement</strong></td>
<td>Money to purchase the auto is loaned to the borrower, who is the owner of the vehicle</td>
<td>The private financier funds the purchase and is the owner till the entire amount is paid off</td>
</tr>
</tbody>
</table>
| **Requirements – documents, guarantee, etc** | All same except for:  
- Applicant has to be a resident of the city  
- Income-Expenditure Statement  
- Must have Guarantor  
- Account in same Bank  
- Keep vehicle’s original documents or attested copies to be returned at the end of the loan period | All same except for:  
- Preferred if applicant is a resident of the city; if not a local resident is required as Guarantor  
- All legal documents preferred, but not mandatory  
- Guarantor is preferred, but not mandatory  
- Any Bank Account  
- Keep vehicle’s original documents to be returned at end of EMI period |
| **Loan Passing Time** | 2 weeks to 2 months or more | Usually 1-2 days |
| **Down Payment** | Rs 30,000 - 37,000 (20-25%) | Rs 40,000 - 50,000 (30-35%) |
| **Loan Amount** | Rs 1,10,000 – 1,17,000 lakhs | Rs 97,000 – 1,07,000 lakhs |
| **Interest rate** | 13.5% - 15.5% ; Reducing Balance | 15% - 24% or more; Flat Rate |
| **EMI** | Approx. Rs 2800 | Approx. Rs 4000 |
| **Loan Repayment Period** | 60 months | 36 months |
| **Non-Payment Period** | - Lower penalty/late fines  
- Gives 3 (at times upto 6) months  
- Have to go through legal procedures in court before seizing vehicle | - Higher penalty/late fines  
- Gives 2 (max. upto 3) months  
- Being rightful owners, can seize/reposess vehicle without court intervention |

As one can see from the above comparison tables, banks clearly provide the easier loan schemes at lower interest rates and should have been the logical choice for persons looking to finance the auto purchase. However, our surveys and interviews with auto drivers, union members, banks and private

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110 For Noting/Termination of Financial Agreement see [http://rto.kar.nic.in/](http://rto.kar.nic.in/)
financiers reveal that the greater majority prefer to go through private financiers. This is illustrated in the figure alongside (Figure 21), which captures the survey responses of 70 auto drivers.

It was also interesting to learn that despite much higher interest rates and EMIs, private financiers actually fared way better in terms of debt repayment or recovery. According to personnel interviewed at a few banks, a greater majority of applicants (80-90%) do not fully repay the loan and according to private financiers, the most borrowers (97-98%) do repay the loan.

Figure 21: Procuring Auto Finance

**Why are Private Financiers more successful in debt recovery and why are they preferred over Banks?**

The answer to the first question perhaps lies in the very definition or type of financial agreement. Based on the Hypothecation Agreement, banks provide a loan, but are not the owners of the vehicle. In case of non-payment, they have the right to seize and resell the vehicle, but only after following due legal procedure which involves court approval. At times it is also tough to locate the applicant and the long drawn out procedure makes recovery quite difficult in the end.

On the other hand, based on the Hire Purchase Agreement, private financiers provide funding to purchase the auto and are the legal owner of the vehicle till the last instalment is paid off and the ownership officially transferred. This key difference between the two financial agreements appears to be the great edge that private financiers have over banks. The vehicle's original documents are held by the financier and in case of non-payment, can directly claim ownership and take steps to seize the vehicle without court intervention. Besides, private financiers also have other (better) means of recovery. A known agent is usually the guarantor and the financier has local goons/rowdies to go acquire the vehicle.

In the words of an auto driver, "If we don't pay the instalments, the Sethu sends rowdies after us ... even if we have a passenger with us when they come, the passenger has to get off and they forcibly confiscate the auto then and there..."

The 'claim of ownership' and the means of recovery is the biggest guarantee or security private financiers have over banks, giving them bargaining power and an upper hand. It is why private financiers are more successful when it comes to debt repayment or recovery (despite higher interest rates and EMIs); and perhaps also why their approval process is simpler and much faster than banks, who have to take more precautions as they do not have the same security. This points to the reasons behind why people prefer going to private financiers rather than banks.
Wariness: Based on their past experience with non-payment and difficult recovery procedures, banks have in general become wary and hesitant in giving loans to individual applicants. Auto financing is mostly done through government schemes (where the government acts as guarantor). Many auto drivers say "banks generally don't entertain or try to avoid giving loan to auto drivers as they have acquired a bad reputation over time. So there is little option but to go to private financiers". On the other hand bank personnel say that "usually individual applicants don't come, and in general we do not finance too many auto purchase loans". By and large they feel that "people take advantage of social banking". As such, banks need to employ safeguards.

Safeguards: Banks have more paperwork and formalities - requiring the applicant to produce all the mandated legal documents, to have an account with the bank, a suitable guarantor and a local address (for traceability). Private financiers are a little more flexible on these counts. Many a times, applicants are unable to produce the required legal documents (ID, Address Proof, etc). If for some reason, the person cannot submit all the required documents or does not have a bank account, but comes through a trustworthy guarantor (usually a known agent), then private financiers would still approve the fund, which isn't the case with banks. Most applicants come from low income backgrounds. Banks normally go by their economic viability to repay the loan and don't finance poor persons easily, whereas private financiers do (given that they can easily repossess and resell the vehicle in case of non-payment).

Uneducated or Unaware: Often many persons are either uneducated/illiterate or are first time buyers and are simply unaware of the formal rules and procedures. In such cases, most would find all the formalities and putting the required paperwork together a complicated and intimidating process. Many auto drivers said that even when they have all the proper valid documents, banks don't give loans easily. A reliable guarantor is a must, which is something they often do not have. They feel that to approach a bank one either requires connections there or have to go through an agent (who also acts as guarantor).

Long drawn-out Procedures and Passing Time: The official procedures followed by banks to process and approve the loan are more thorough and therefore long drawn out (given the paperwork and other formalities); taking anywhere between 1-2 weeks to 1-2 months or more. Whereas with private financiers the process is easy and (if the bare essentials are in order), approval is almost immediate, within 1-2 days. This is one of the main reasons for people choosing private financiers over banks.

According to personnel at the TVS dealership, "almost 90% of the customers prefer private financiers even though interest and EMIs are much higher, because there is no guarantee the bank loan will be approved and more so, because of the long time taken to pass the loan. Normally auto drivers/buyers are in a great hurry to purchase the auto as for them it is a question of livelihood. Waiting 2-3 months for the bank loan to be passed is too long for them, so they directly opt for private finance. From the time a person walks into the shop (dealership) with the required valid papers, the whole process takes only 2-3 days to get an auto with finance. Application for funding is made in the
morning, by evening it is approved, next day vehicle passing and temporary registration is done and by evening or on the following day the person has the vehicle in hand".

The net monthly income of an auto owner driver paying off debt is about the same as that of a renter driver i.e. someone driving an auto on rent (See Chapter 8). As such, people prefer to get the auto quickly and start paying off the debt. Moreover depending on the scheme, bank loan periods are normally around 5 years, while private finance debts are generally cleared in about 3 years. Many prefer paying off higher instalments over a shorter time frame and acquiring the asset (auto), over easier bank instalments but stretching over a much longer period of time.

So to sum up, banks are wary of giving loans to auto drivers/buyers given their negative past experience and image of them. Partly due to this, and other reasons such as missing legal documents or guarantor, lack of awareness, complicated and time consuming procedures, fewer people are inclined to directly approach banks for financing. Despite having to pay higher interest/EMIs, most buyers prefer go to private financiers as the process is simpler, convenient and much faster. Often it is also a case of rhetoric or advice that gets passed on by word of mouth. A person looking to buy an auto would enquire with his peers and based on their perception of banks or experience with private financiers would encourage them to follow the same mechanism, without even exploring the other.

**Procuring Finance for Purchase of Older Second-hand Autos**

Banks only finance new auto purchases. As such, persons seeking finance to buy older second-hand autos are only left with the option of getting funds from private financiers or money lenders. This is usually associated with the 'transfer permit' i.e. one party sells the auto to another along with the associated permit. Financing is generally on the basis of a Lease Agreement, which is slightly different from the Hire-Purchase Agreement and leasers charge even higher interest rates compared to financiers who fund based on the Hire Purchase.

<table>
<thead>
<tr>
<th>PRIVATE FINANCERS (LEASERS)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>FINANCIAL AGREEMENT – terms and conditions</strong></td>
</tr>
</tbody>
</table>
| *A lease agreement is a contract between an owner of the property and an individual for the renting it. It outlines the monthly payment to be made, along with the due date; terms of the lease, such as one year or month to month; and the start date of the lease. It protects mostly the interests of the owner. If the renter doesn’t live up to his side of the agreement, he will lose possession of the property and pay expensive fees.*  

<table>
<thead>
<tr>
<th><strong>LOAN PASSING PROCESS and TIME TAKEN</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Usually in the case of a second-hand auto sale with 'transfer permit', agents are involved and they also act as the go-between the financier and the two parties interested in selling and buying.</td>
</tr>
<tr>
<td>The leaser checks all the required legal documents. If all is in order, the two parties agree upon the terms and conditions related to fund amount, EMI, payback period, non-payment procedure, etc and the leaser approves the fund right away.</td>
</tr>
<tr>
<td>A financial agreement is prepared along with an official letter to be submitted at the RTO for records (challan for this is</td>
</tr>
</tbody>
</table>


But auto drivers say financiers take around Rs 300-500 for the letter and Rs 700 as agreement charges.

### APPLICATION REQUIREMENTS – Documents, Photos and Other Requirements

- **1st Party to produce:** Auto Cab Permit and RC Book
- **2nd Party to produce:** ID and Address Proof (has to be a resident of Bangalore)
- Both parties necessarily have to come through an agent, who is generally like a guarantor. The agent gets a commission from all parties involved (about Rs 1000 each).

### DOWN PAYMENT and LOAN AMOUNT

- Funding amount varies based on the age and model of the vehicle. For instance currently, loan amounts are upto Rs 30,000 for 2004 models and Rs 40,000 for 2007 models. According to auto driver interviews, financing is available for autos at most upto 2004 models.
- Generally there is no down payment involved.

### INTEREST RATE

- This is normally either 2% flat interest per month or 3% interest on reducing balance. However some auto drivers say there is no fixed rate as such with leasers - it depends on circumstances, at times even going upto 4-5%.

### MONTHLY INSTALLMENT and LOAN REPAYMENT PERIOD

- As per agreement, the applicant has to pay a fixed EMI amount which includes capital + interest.
- If instalment is made correctly on time, then the financier reduces some amount (Rs 30) from the interest every month.
  
  *Auto drivers say financiers/leasers often give a receipt for only 50% of the amount paid. Leasers do keep records, but often not all of it is legal or official.*

### NON-PAYMENT PROCEDURE

- If the applicant is unable to pay the instalment on time, then has to pay the capital + interest + one month’s interest as a late fine. If unable to pay for another month, then has to pay net amount of 2 months capital + interest + late penalty.
- If non-payment continues beyond 2-3 months, the financier sends out persons (goons/rowdies) to seize the auto. Sometimes based on the borrower’s personal circumstances, they may give a little more leeway and time beyond 3 months.
- According to those interviewed, most applicants do make the payments on time.

### END OF THE LOAN/EMI PERIOD

- During the EMI period, the financier/leaser keeps the vehicle’s original documents (permit, RC book, etc) and only once all payments are cleared, they are handed over to the new owner along with a NOC to be submitted at the RTO for changing/ updating of records.
- Once the NOC is submitted, the vehicle registration and associated auto cab permit is transferred to the new owner’s name by the RTO.
- Some auto drivers say financiers/leasers charge Rs 2500 to prepare this new agreement (NOC).

### Table 24: Figures of Private Financiers/Leasers for Second-hand Autos

| Passing Time | If all required documents are in order and both parties come through a guarantor (usually agent), approval of fund is almost immediate, within 1-2 days |
| Agreement Charges | Rs 500-1000; however, official challan for financial agreement to be submitted at the RTO is Rs 100 |
| Down Payment | Usually not required |
| Loan Amount | Rs 30,000 – Rs 40,000 |
| Interest rate | 2-3% flat interest or 3% on reducing balance, at times going upto 4-5% |
| EMI/Loan Repayment | For eg: if loan amount is Rs 35,000  
Flat interest of 3% = Rs 10,500  
Total to be paid at end of EMI period: Rs 35,000 + Rs 7000 = Rs 45,500 / 15 months  
Rs 2300 (capital) + Rs 700 (interest) = Rs 3000 for 15 months |
| Non-Payment Procedure | A month’s interest as late penalty charges; given upto 3 months of non-payment before seizing |
| Agreement Charges | Rs 2500; however, official challan for termination of financial agreement to be submitted at the RTO is Rs 100 |
| Transfer Permit Costs | Rs 850 officially at the RTO (See Chapter 5), but in reality it costs much more (See Chapter 7) |
CHAPTER 7
Non-Formal Mechanisms: the role of 'agents'

The previous Chapters 5 and 6 discussed the formal structures and processes for buying and operating auto rickshaw cabs in the city. This chapter talks about the role of the invisible but almost indispensable 'agents' (essentially middlemen/brokers), who permeate the system and 'help' applicants with all the formal procedures and getting the job done. The comparative costs and time taken between formal systems (official) and with the involvement of agents (unofficial) are highlighted here.

Agents and their Networks
An agent can be any person who is familiar with (been in or connected to) the auto rickshaw trade long enough to understand the (in-and-out) workings of the system, build connections and networks. As such, apart from private agents, many seasoned auto drivers or owners and union members, private financiers and most of the smaller auto sub-dealers, also can and do function as middlemen/brokers. Along with certain officials/inspectors at the RTO, the different players form a part of an interconnected web – either directly connected to each other or through private agents who act as intermediaries – all working on the basis of commissions or bribes. Agents often act as the glue binding the different elements in the network, having links with auto dealers, financiers, RTO officials/inspectors, auto permit holders, drivers and union members.

Why do agents exist and why are they preferred?
Agents are practically a 'one-stop' solution for getting all the work done conveniently and quickly through their networks – albeit for a price. Discussed below are some of the reasons why they exist and are preferred by many. (Refer Chapters 5 and 6)

➢ Want to buy an auto with permit but don’t know how – go through agents
Agents are the ones who have easy access to auto cab permits – whether new DL Permits or Transfer Permits. It is understood that when new DL permits are released, often many are absorbed by agents, to be later 'sold' illegally (with/without vehicles) under the 'transfer permit' condition.  

113 This is possible as the permits are transferable and earlier there were no limitations on the number of permits one could own. Even the newly introduced 1 person – 1 permit rule is not really effective, as it is learnt (from interviews) that agents would buy Auto Cab DL-Badges from auto drivers to obtain DL permits. In the case of a transfer it is not mandatory for the 2\textsuperscript{nd} party to possess a valid Auto Cab DL-Badge. See Chapter 5.
by them or through their connections with those who own autos/permits and are looking to transfer. Agents are in fact the only means to connect the 'transferor' to the 'transferee'. The RTO is only responsible for authorizing and recording the 'transfer of permit' from one party to another – for an official fee (as per law). However in reality, permits are bought and sold unofficially in the black market for exorbitant rates. In the absence of any other formal facilitation, agents are the only point of contact between persons looking to buy and sell autos and permits – making them indispensable in such cases.

For more details see Chapter 13.

➢ *Don’t have required legal documents – go through agents*

Many persons do not possess the necessary or valid legal documents, making it difficult for them to directly go through formal systems. For instance, persons coming from surrounding rural areas or outside the state would not have a local address proof. Some may be illiterate, may not have had or completed formal schooling and would therefore be ineligible to apply for an Auto Cab DL-Badge given the minimum education rule (of having passed 8th std). This leaves them with little choice but to approach agents, who either help them arrange the relevant documents through their sources (i.e. procure a false school certificate, address proof, etc); or get the job done through their connections and arrangements, even without having all the documents.

➢ *Don’t have a guarantor – go through agents*

Banks, private financiers and leasers, all require a suitable guarantor for loan or fund approval. Often, many persons either do not have all the proper legal documents, may not be local residents i.e. do not have a Bangalore address proof, or know anyone in the city who could act as guarantors for them. In such cases, agents step in and apart from helping with the paperwork, act as guarantors to help applicants procure finance. Many auto drivers believe that getting finance - whether through banks, private financiers or leasers - without agent involvement is difficult.

➢ *Lack of education or awareness to deal with complicated procedures – go through agents*

Even if one possesses the required documents or has a guarantor, the official procedures for getting an auto cab driving license and badge, purchasing an auto and procuring finance for it, registering the vehicle and getting a permit – all involve much paperwork, formalities and are not very simple or straight-forward. These would be particularly difficult to follow for persons coming from outside the city, or those who are uneducated, unaware or unfamiliar with them. As such, most people prefer to go through agents who are 'experts' in this, helping arrange what is necessary and handling all the work for them.

➢ *Long drawn-out or time consuming procedures – go through agents*

Given their connections and arrangements, all formal procedures (with auto dealers, financiers and particularly at the RTO) are accomplished much faster, if one goes through agents. One just has to produce some basic/essential documents, and can get an auto in-hand or on-road within 3-4 days. Many auto drivers believe that, "another issue with going directly is that the RTO pushes the paperwork and approvals very slowly. It is much easier and faster to get it done through agents due to their understanding with them; otherwise if an individual goes it takes much longer".
According to a number of auto drivers, "there exists an internal nexus between agents and certain officers/inspectors at the RTO, through which they can accomplish any formal procedure conveniently and quickly on the basis of commissions/bribes. When approached by or through these agents, the RTO officials blindly sign and approve. If an individual goes it takes much longer, and for this we pay them extra".

For all of these reasons, most people find resorting to agents almost unavoidable. Most auto drivers say they choose to go through agents as it is simply **convenient and faster**, given their resources and networks. People are usually in a hurry to get an auto and start earning, and so prefer to pay more (in terms of extra commissions/bribes) and get their work done easily and quickly rather than going directly through formal systems and dealing with complicated and time-consuming procedures.

Agents understand the workings and loopholes of the formal systems, as well as the needs and issues faced by the applicants or their clients. This combined knowledge provides them with a lucrative business opportunity and has allowed them to create a niche for themselves (their services) in the market. They are like an unseen, but omnipresent and inescapable web of facilitators or catalysts; essential, well-oiled cogs working the entire system.

**What do Agents Do and How?**

Agents undertake work related to procuring license, auto, financing, vehicle registration, permit and fitness certification procedures at the RTO. They are like 'handy men' who help the client connect to auto/permit holders, arrange all the relevant documents, act as guarantors to avail finance and carry out the necessary formal procedures – all for a fee, which includes a commission for themselves and others involved in the process. Apart from clients, agents may also receive a commission from other stakeholders like auto dealers or financiers. It is essentially a business where everyone benefits and makes money at the expense of the customer or applicant, who is often a poor auto driver or individual looking for means of livelihood.

Presented here are the comparative costs and time taken between formal systems (official) and with the involvement of agents (unofficial); based on the combined results of about 150 auto driver surveys and interviews (135+15 respectively). It is to be noted that all figures correspond to when the surveys/interviews were conducted i.e. between July-Nov 2011.
Auto Cab DL-Badge

As one can see from the figure alongside, the majority of auto drivers surveyed (67%) said they obtained their Auto Cab DL-Badge through agents, 16% said they went through the Driving School (who also in a way act like agents) and only about 17% of respondents said they got their license directly through the RTO.

Table 25: Procuring Auto Cab LL and DL with Badge; Source: figures based on Chapter 5 and Auto Drivers Surveys and Interviews

<table>
<thead>
<tr>
<th>Associated Cost</th>
<th>Time Taken</th>
<th>Associated Cost</th>
<th>Time Taken</th>
<th>Associated Cost</th>
<th>Time Taken</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rs 2500</td>
<td>Next day after DL application and test; though could take much longer based on how soon the RTO process it (1 week – 1 month)</td>
<td>Rs 200-500</td>
<td>Within 1-2 days after DL application and test</td>
<td>Rs 500-800</td>
<td>Immediate or in 1 day after DL application and test</td>
</tr>
<tr>
<td>(total official cost through driving school - including training and RTO fees)</td>
<td>Rs 1200-2000</td>
<td>Rs 2500-3000</td>
<td>Rs 1000-1500</td>
<td>Rs 2000-3000</td>
<td>Rs 4000-5000</td>
</tr>
<tr>
<td>(range of responses depending on whether it included with training or not)</td>
<td>(range of responses depending on whether it included driving school training or not)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

In the words of an auto driver, "through the driving school, training and license costs Rs 2500 to complete all procedures at the RTO". Another auto driver said, "the process of getting an Auto Cab DL-Badge through an agent costs about Rs 3000 totally and takes about 1-2 days. If we go directly to the RTO it can take anywhere between 1 week to even 1 month".

As one can see from the above responses that while the required documents are essentially the same, the associated cost of procuring an Auto Cab DL-Badge through Driving Schools and Agents is about Rs 500-1000 more, while the time taken is considerably shorter. Given that it is convenient and faster, many applicants prefer to pay more and go through driving schools or agents who carry out all the procedures at the RTO (quickly through their connections) and perhaps even help arrange the required documents, etc.

Buying and Financing an Auto, Vehicle Registration and Permit

Purchasing

As we know, purchasing an auto, getting finance for it, registering the vehicle and getting a permit, are all extremely interconnected processes. Company dealerships are linked to financial agencies (banks/private financiers) and transport authorities (RTO) to help facilitate the process for the client. While in some cases they just help connect the customer to concerned agencies, in other cases they directly undertake the formal paperwork/procedures for an extra fee. (See Chapter 6)

\[114\] Age Proof (School Certificate or Birth Certificate, Voter ID), Address Proof (Ration Card, Rental Agreement, LIC Bond, etc). See Chapter 5.
For instance:

- The main Bajaj dealerships in the city help connect the customer to preferred financial agencies and do not directly undertake RTO-related work (such as vehicle registration, procuring auto cab permit etc) for their clients. However, they can put them in touch them to those who do this (like sub-dealers or others agents/brokers) for an extra fee.

- On the other hand, TVS dealerships have links with financial agencies and also have in-house executives who guide and help customers with getting all the required papers/documents in order and handle RTO-related work, such as auto registration and getting associated permit. Service tax/charges are levied for these officially offered services, but no extra fee or commission is taken.

However, agents are a convenient 'one-stop solution' for getting all the work done. They are networked with auto dealers, financial agencies, RTO officials/inspectors and auto/permit owners looking to sell. As stated earlier, the dealers, financiers, auto/permit owners, etc could themselves be agents or part of a network working on the basis on commissions. Based on our interviews with Bajaj and TVS auto dealers, we know that the main or bigger dealerships are mostly approached by agents/brokers and smaller sub-dealers who actually function as 'middlemen' only. Private individual buyers or direct purchasers are very few. On the other hand, some auto drivers have said that if they go to the main dealerships, they are sometimes not helped but connected and sent to the smaller sub-dealerships.

**Financing**

The application and approval procedures to procure finance, whether through banks, private financiers or leasers involve paperwork, formalities and most importantly, require a reliable guarantor.

Often many persons do not possess all the required valid legal documents. In interviews many auto drivers have also lamented that banks do not entertain them even if they have all the proper documents. A suitable guarantor is a must, which is something they often do not have. Auto drivers feel that even to approach banks, one either needs a connection there, or have to go through an agent, who not only helps with putting all the papers together and carrying out the formalities, but also acts as guarantor and gets the loan passed easily and quickly – otherwise it is a complicated and long drawn out affair.

In the words of an auto driver, "It is a great problem to get loans approved from banks if we go directly. Getting it through agents is easier".

Private financiers are a little more flexible on some counts. In case a person does not have all the required documents or a bank account, but comes with a reliable guarantor, then they would still approve the fund, which isn't the case with banks. Private financiers prefer if the applicant comes through a known/familiar person (either a previous client or usually a regular agent), as a go-between who takes the onus of making sure the applicant is traceable and the debt is paid off successfully. A guarantor is mandatory if the applicant does not possess valid legal documents, if their profile is not trustworthy or is not a resident of Bangalore. As discussed in the previous Chapter 6, there are a number
of reasons why despite having to pay extra commissions and higher interest/EMIs, most people prefer to go through agents and private financiers as opposed to banks. Agents are preferred as many either do not have proper legal documents or a suitable guarantor, are uneducated or unaware (first time buyers) or have come from outside the city/state and find all the formal paperwork and procedures too complex and intimidating, or else, simply opt to go through agents as it is convenient and much faster. One only has to provide a few basic/essential documents and can get an auto in 3-4 days. Agents help with arranging all the relevant papers, carrying out the procedures and also act as guarantors. For all of these reasons, many people believe that getting finance (be it from banks, private financiers or leasers), without agent involvement is extremely difficult.

In case of purchase of older, second-hand autos or new ones associated with the 'transfer permit' through private financiers or leasers, agent involvement is practically indispensable, as to start with they are the only connectors between those looking to buy and sell autos/permits. In such cases, both parties have to come through an agent who acts as guarantor and the agent gets a commission from all parties involved (i.e. Rs 1000 each from the financier, transferor (seller) and transferee (buyer). According to our interviews, auto drivers say that "some private financiers/leasers do keep records, but not all of it is legal or official; they often give a receipt for only 50% of the amount paid". Private financiers/leasers charge roughly Rs 1000 to prepare the financial agreement and at the end of the EMI period, charge Rs 2500 to prepare the NOC; whereas the official RTO fees for noting and termination of financial agreement is Rs 100 only.

Vehicle Registration and Auto Cab Permits (DL/Transfer)

As one can see from the auto driver survey results, the overwhelming majority of respondents (85-90%) said they got their vehicle registration and auto cab permits through agents; with only 10-15% going directly through the RTO. (See Figure 25)

![Figure 25: Vehicle Registration and Procuring Auto Cab Permit](image)

As mentioned earlier, agents are the ones who have easy access to auto cab permits – be it new DL Permits or Transfer Permits. In interviews with auto drivers, union members and other stakeholders, many spoke of or pointed to the existence of a 'permit mafia', which has evolved out of the 'closed' permit system in the city where auto cab permits are 'transferable'. This has given rise to a thriving
business or black market where permits are bought and sold - though this is illegal.\textsuperscript{115} It is learnt that when new DL permits were released in the past, many of these were absorbed and hoarded by agents to be later sold in black for exorbitant rates (when demand is high) under the ‘transfer permit’ condition. Laws and loopholes in regulations are exploited and means devised, to perpetuate and keep this illegal and corrupt system alive – as is discussed below.

**How do agents get hold of DL permits?** \textsuperscript{116}

- Regulations stipulate that DL permits are issued on the basis of a valid Auto Cab DL-Badge. Many agents (who may be veteran auto drivers, union members, dealers, private financiers, etc) also possess an Auto Cab DL-Badge, based on which they purchase an auto and procure a DL permit for it. The vehicle (with financial agreement) and permit is later transferred (sold) to a customer as a ‘package deal’, till which time the auto is either held or could be given out on rent. In case the client is unable to pay off the loan or fund installments successfully on time, the auto-permit is seized by the financier and resold to someone else, and so on till the debt is cleared and the ownership legally transferred. Agents are connected to such financiers, or the financiers themselves function as agents.

  Given the inherent nature of their financial agreement (i.e. claim of ownership and means of recovery), private financiers are in a position to end up owning a number of autos-permits (as they can be seized in cases of non-payment). The erstwhile Transport Commissioner, Mr. Bhaskar Rao once said in an interview, "a handful of people, including financiers, own several such vehicles and they have a stranglehold not only on the business but also on permits in bulk and sell them for higher returns".\textsuperscript{117}

- Agents or seasoned auto drivers/union members are also known to buy Auto Cab DL-Badge's from willing (often poor/needy) auto drivers for about Rs 2000-4000 and use it to buy an auto and get a permit in their name (for an official cost of Rs 500). This they would later transfer (sell) to another customer or client. This technique is especially handy in side-stepping the new 1 person – 1 permit rule brought into effect with the latest released 40,000 permits. It is understood that when DL permits are transferred, it isn't mandatory that the second party does not possess a prior permit in their name or for them to possess a valid Auto Cab DL-Badge.

- Agents are sometimes able to unofficially book or reserve permits and take them off the market through their internal connections and arrangements with RTO officials, based on commissions/bribes.

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\textsuperscript{115} By law, permits can only be transferred for an official fee, but in reality they are bought and sold unofficially in the black market.

\textsuperscript{116} Based on stakeholder interviews

\textsuperscript{117} Ref: [http://www.hindu.com/2011/04/02/stories/2011040265080700.htm](http://www.hindu.com/2011/04/02/stories/2011040265080700.htm)
During the 'closed' permit period (when the issue of new permits stops), the only way to obtain an auto cab permit is to go in for a 'transfer permit'. Practically the only way one can obtain a 'transfer permit' is through agents as they either hold the permits or are the only means of connection with auto/permit holders looking to transfer (sell). In such a scenario, agent involvement is almost indispensable and the agent acts as a go-between or facilitator between the two parties and carries out all the formal procedures – for a fee. For more details see Chapter 13.

From the auto drivers survey and interview responses it emerged that while the required documents were essentially similar whether through the formal system or agents, there were differences in the associated costs and time taken.

- While the official cost of the new DL permits currently being issued by the RTOs\(^{118}\) is Rs 500, procuring it through agents can cost anything between Rs 1200-1500 or 2000-2500 i.e. Rs 500 (actual permit fee) + Rs 1000-2000 (as commission/bribes). Most auto drivers were unaware of the DL permit procedure as they obtained along with the auto through agents.
- The price of the 'transfer permit' varies based on demand. Currently since the issue of new DL permits is on, transfer permits cost around Rs 8,000-10,000. Under the 'closed' permit condition, market rates have ranged from Rs 15,000-20,000 and even going upto Rs 30,000-35,000 at times.
- While the official RTO fees to transfer the permit is Rs 850 in all (see Chapter 5), through an agent it costs around Rs 1500-2000 more (i.e. Rs 3000).

\(^{118}\) The decision to release 40,000 new auto cab permits was taken by government and transport authorities and the issue of these permits began in July-August 2011.
However, through their connections with auto-permit holders, dealers, financiers and RTO officials, agents often help arrange auto purchase, financing, registration and permit all together, for a lump sum fee. This differs slightly from customer to customer depending on what they want, but broadly range between Rs 8,000-12,000. If there is a regular arrangement, the agent may also receive some commission from say the dealer or financier (Rs 1000-2000), and pass on some commission (bribe) to their contacts/connections at the RTO for getting the work done.

Everyone in the chain benefits and makes money - agents, permit holders, auto dealers, financiers and RTO officials - while the applicant or customer pays!

Table 46: Average Cost of Vehicle Registration and Procuring Permit; Source: Based on Chapters 5, 6 and Auto Drivers Surveys and Interviews

<table>
<thead>
<tr>
<th></th>
<th>THROUGH FORMAL SYSTEMS</th>
<th>THROUGH MAIN AUTO DEALERS</th>
<th>THROUGH AGENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>New DL Permit</td>
<td>Transfer Permit</td>
<td>New DL Permit - TVS</td>
</tr>
<tr>
<td>Average Cost of Auto (incl. Vehicle Cost + Basic Fittings + Rs 4920 Insurance + Rs 125 Temp. Registration)</td>
<td>Rs 1,40,000</td>
<td>Rs 1,40,000</td>
<td>Rs 1,40,000</td>
</tr>
<tr>
<td>Permanent Registration (incl. Rs 300 Registration + Rs 2750 Tax + Rs 200 Passing + Rs 100 Financial Agreement)</td>
<td>Rs 3,350</td>
<td>Rs 3,350</td>
<td>Rs 3,350</td>
</tr>
<tr>
<td>Permit (incl. Rs 130 Endorsement Letter + Rs 500 Permit Fee)</td>
<td>Rs 630</td>
<td>Rs 850</td>
<td>Rs 630</td>
</tr>
<tr>
<td>Agent Fee</td>
<td>-</td>
<td>-</td>
<td>Rs 2000</td>
</tr>
<tr>
<td>TOTAL COST</td>
<td>Rs 1,43,980</td>
<td>Rs 1,44,200</td>
<td>Rs 1,45,980</td>
</tr>
</tbody>
</table>

Note: The leading auto union in the city (ARDU-CITU) says they take an official fee of Rs 1000 for helping applicants with vehicle registration and obtaining permits; with a receipt for the same - Rs 500 for RTO-work and Rs 500 as donation.

As one can see from the above table, the average official cost of purchasing an auto and registering it with permit (DL/Transfer) brings the total on-road cost to about Rs 1.44 lakhs (for the base model), and through the main auto dealerships or their contacts, it costs roughly Rs 2000-4500 more (i.e. Rs 1.46-1.48 lakhs).

If one were to go through agents (who often arrange auto, finance, registration and permit together), it costs roughly Rs 10,000 more than the official amount with DL permits and anywhere between Rs 20,000-35,000 more in the case of Transfer permits; bringing the total on-road cost of an auto to Rs 1.535 lakhs and Rs 1.635-1.785 lakhs respectively. When the issue of permits is closed in the city, the only option is to ‘buy’ a transfer permit through agents which costs considerably more.

As such, agents make roughly Rs 10,000 in the case of DL permits and Rs 20,000-35,000 in the case of Transfer permits (if the permit is held/owned by them). Otherwise, some amount goes to the auto-permit owners.
It is difficult to exactly estimate the time taken to complete all these procedures as they are interconnected. However it depends on the type of permit, financing mechanism and whether one is going directly through the formal systems or through agents. Refer Chapters 5 and 6.

We know that the bank loan approval processes take much longer (from 2 weeks up to 2 months at times) compared to fund approval through private financiers (2 days if everything is in order). However, whether banks or private financiers, the process is much quicker with agent involvement. The other determining factor is the amount of time taken by the RTA to approve and grant the DL Permit (which can be about 1 week to 1 month or so), whereas there is no wait period in the case of Transfer Permits. The whole process is fastest through private financiers and agents, who help arrange the auto, funding, registration and permit within 3-4 days to a week.

<table>
<thead>
<tr>
<th></th>
<th>THROUGH FORMAL SYSTEMS</th>
<th>THROUGH AGENTS</th>
</tr>
</thead>
<tbody>
<tr>
<td>DL Permit + Bank Finance</td>
<td>2 weeks to 2-3 months (or till bank approves loan)</td>
<td>1-2 weeks (or till bank approves loan)</td>
</tr>
<tr>
<td>DL Permit + Private Finance</td>
<td>1 week to 1 month (or till RTA grants permit)</td>
<td>1-2 weeks (or till RTA grants permit)</td>
</tr>
<tr>
<td>Transfer Permit + Bank Finance</td>
<td>2 weeks to 2-3 months (or till bank approves loan)</td>
<td>1-2 weeks (or till RTA grants permit)</td>
</tr>
<tr>
<td>Transfer Permit + Private Finance</td>
<td>1 week or more</td>
<td>3-4 days</td>
</tr>
</tbody>
</table>

**Periodical Ratification Procedures at the RTO (after procuring auto)**

As per Motor Vehicle Acts and Rules, all autos over 2 years old have to get an FC (vehicle fitness certification) done annually, comprising of a test of vehicle fitness, fare meter calibration and emission levels (PUC). The vehicle fitness test/inspection and certification is carried by inspectors at the RTO, the fare meter test and certification by the Weights and Measures Department and the emission test and PUC (Pollution Under Control) certificate is issued by an authorized Emission Testing Center (ETC) in the city. (See Chapter 5)

*Vehicle Fitness Test and Certificate*

The current manual method of vehicle test or inspection and the lack of adequate manpower/staff to deal with the large number of vehicles (autos themselves often numbering about 40-50 or more in a day), make it close to impossible to physically and effectively check all vehicles before certification. In practice it is reduced to a just visual check, which opens up opportunities for irregularities and illegalities.
In interviews with auto drivers most said they generally prefer to get their FC done through agents as it is faster and more convenient, given their arrangement with the inspectors/officers at the RTO. This is reflected in the survey results as well, where the majority of auto drivers (82%) said they went through agents. (See Figure 26) Particularly those persons whose autos are not in proper condition (either damaged or unfit) prefer to go through agents and get it passed by paying an extra commission/bribe, rather than bearing the expenses of servicing/repairs or facing problems at the RTO.

There were a few auto drivers who said they directly go and get their FC done at the RTO, "one has to have all the proper papers and if the vehicle is in order, then the RTO inspectors pass it."

However, many other auto drivers lamented, "... if we go directly on our own, they (RTO inspectors) check every little detail and don't pass the vehicle even if everything is fine, we are made to run around for 2-3 days. But if we go through agents they just check the vehicle number, outward appearance and simply clear it – it is easily done within ½ day".

On ground the FC check takes only about 10-15 minutes, but auto drivers often have to wait 2-3 hours or half a day till the RTO officer/inspector arrives, and again for the paperwork. If an auto driver goes directly, time taken directly at the RTO can range anywhere between ½ day to 2 days, whereas through an agent is it usually ½ day. While the official fee for FC is Rs 200, auto drivers say they pay around Rs 500-600 to agents. If the validity has expired, one has to pay fines of Rs 100-200 more.

**Fare Meter Test and Certificate**

This test is normally carried out by attaching the auto fare meter to a machine and the actual procedure only takes about 15 minutes. However, including waiting time it generally takes upto 2 hours to obtain the certificate; and the associated official fee is Rs 100.
In interviews with auto drivers it emerged that many do go directly to the Weights and Measures Department at the respective RTOs to get their meter checked and certified; in which case they either pay only the official fee, or at times Rs 20-30 extra on the side. However, if the meter is tampered or thought to be faulty, then it has to first be taken to a mechanic for correction before bringing it for checking and certification. At times, mechanics themselves get the meter passed at the Weights and Measures Department for an extra Rs 50-100. If one gets the whole process done through mechanics or agents it costs about Rs 300. It appears that most auto drivers with tampered meters (which are often the older mechanical ones), prefer to go through agents or mechanics (who also act like agents), to get their fare meters passed.

**Emission Test and PUC Certificate**

This is the only procedure where practically all auto drivers surveyed or interviewed said they get it done on their own, without the involvement of agents or having to paying extra commission/bribes. (See Figure 26) Interviews at a few emission testing centers in the city also reveal that they are approached by auto owners/drivers only.

The reason for this is that the testing centers and procedures are fully automated and computerized, reducing the scope for irregularities and corruption. Because of this, the procedure is also simple and quick. The time taken for the test is 10-30 minutes (depending on the queue) and the associated fee for autos is Rs 50. In fact this is what is needed for all procedures.

The official RTO fee for the entire FC process is Rs 350 in all (which includes Rs 200 for vehicle fitness test, Rs 100 for fare meter check and Rs 50 for PUC). However, auto drivers pay a fair deal more to get it done through agents - some said Rs 500-750 and yet others quoted as much as Rs 1000-1500.

![Figure 29: Obtaining Vehicle Fitness Certification](image)

In the words of a number of auto drivers, “*We cannot keep taking time off during our business/earnings hours to run around for all the formal procedures, which are complicated and time-consuming. We know we are paying more to agents but at least our work gets done quickly and conveniently*".
CHAPTER 8
Operating Characteristics and Associated Economics: net earnings, expenditures & savings

This chapter presents the average daily, monthly and yearly operating economics for 2-stroke/4-stroke auto owner and renter drivers in Bangalore city. For the purpose of calculations, average figures emerging from 150 auto driver surveys and interviews (135+15 respectively) have been considered for each of the parameters. Refer Appendix I, Chapters 5 and 6 for more details.

It is to be noted that when the surveys/interviews were conducted i.e. between July-Nov 2011, LPG rates were roughly Rs 43 per liter and meter fares were Rs 9 per kilometer, minimum being Rs 17. Since then, both LPG rates and meter fares have undergone revision. Around mid-March 2012 auto meter fares were increased to Rs 11 per kilometer, minimum being Rs 20, in view of the expected hike in LPG rates, which rose to Rs 56 per liter on 1st April 2012, but were down to Rs 46 per liter as on 1st July 2012. Computation tables for these different scenarios are presented here.

Varying certain key parameters, different scenarios were computed to gauge and ascertain what could be considered a realistic average for autorickshaw operations and economics in Bangalore City (see tables below). However, each table shows comparative figures for 2-stroke v/s 4-stroke owner and renter drivers – for the same amount of total running kms.
### Table 29: Operations and Economics - Total Running Kms 120; Avg. Mileage 20 kms/lt

<table>
<thead>
<tr>
<th>Parameters (Averages Considered)</th>
<th>Renter Drivers</th>
<th>Owner Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAILY OPERATING ECONOMICS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Hours/ Day</td>
<td>10-11 hours</td>
<td></td>
</tr>
<tr>
<td>Total Running Kms/ Day</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Empty Kms/ Day</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Earning Kms</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Fare/ Km</td>
<td>Rs 9</td>
<td></td>
</tr>
<tr>
<td>Total Earnings/ Day</td>
<td>810</td>
<td>810</td>
</tr>
<tr>
<td>Mileage (Kms/ Liter)</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>LPG Cost/ Liter</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Total Fuel Cost</td>
<td>258</td>
<td>258</td>
</tr>
<tr>
<td>Daily Oil Cost</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Misc. Expenses</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Rental Charges</td>
<td>150</td>
<td>180</td>
</tr>
<tr>
<td>Total Expense/ Day</td>
<td>518</td>
<td>513</td>
</tr>
<tr>
<td>Total Savings/ Day</td>
<td>292</td>
<td>297</td>
</tr>
</tbody>
</table>

### Table 30: Operations and Economics - Total Running Kms 120; Avg. Mileage 18-22 kms/lt

<table>
<thead>
<tr>
<th>Parameters (Averages Considered)</th>
<th>Renter Drivers</th>
<th>Owner Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td>DAILY OPERATING ECONOMICS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Working Hours/ Day</td>
<td>10-11 hours</td>
<td></td>
</tr>
<tr>
<td>Total Running Kms/ Day</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>Empty Kms/ Day</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>Earning Kms</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Fare/ Km</td>
<td>Rs 9</td>
<td></td>
</tr>
<tr>
<td>Total Earnings/ Day</td>
<td>810</td>
<td>810</td>
</tr>
<tr>
<td>Mileage (Kms/ Liter)</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>LPG Cost/ Liter</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>Total Fuel Cost</td>
<td>287</td>
<td>235</td>
</tr>
<tr>
<td>Daily Oil Cost</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>Misc. Expenses</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>Rental Charges</td>
<td>150</td>
<td>180</td>
</tr>
<tr>
<td>Total Expense/ Day</td>
<td>547</td>
<td>490</td>
</tr>
<tr>
<td>Total Savings/ Day</td>
<td>263</td>
<td>320</td>
</tr>
</tbody>
</table>

### Operating Characteristics & Associated Economics

- **No. Parameters (Averages Considered)**
- **2-stroke** | **4-stroke** | **2-stroke** | **4-stroke**
- **Total** | **Daily** | **Total** | **Daily** |
- **Working Hours/ Day** | 10-11 hours | | |
- **Total Running Kms/ Day** | 120 | 120 | 120 | 120 |
- **Empty Kms/ Day** | 30 | 30 | 30 | 30 |
- **Earning Kms** | 90 | 90 | 90 | 90 |
- **Fare/ Km** | Rs 9 | | |
- **Total Earnings/ Day** | 810 | 810 | 810 | 810 |
- **Mileage (Kms/ Liter)** | 20 | 20 | 20 | 20 |
- **LPG Cost/ Liter** | 43 | 43 | 43 | 43 |
- **Total Fuel Cost** | 258 | 258 | 258 | 258 |
- **Daily Oil Cost** | 35 | 0 | 35 | 0 |
- **Misc. Expenses** | 75 | 75 | 75 | 75 |
- **Rental Charges** | 150 | 180 | 0 | 0 |
- **Total Expense/ Day** | 518 | 513 | 368 | 333 |
- **Total Savings/ Day** | 292 | 297 | 442 | 477 |
- **Net Monthly Income/ Month** | 7,442 | 7,572 | 11,292 | 11,552 |
- **Net Monthly Income of 4-stroke Owner Drivers During EMI Period (3-5 yrs)** | 8,752 | |
- **EMI to Bank** | 2,800 | |
- **EMI to Private Financier** | 4,000 | |
- **Net Monthly Income (Bank Loan)** | 8,752 | |
- **Add. Maintenance Costs (servicing, repair, replacement of parts, etc)** | 1200 | 1800 | |
- **Annual Vehicle Insurance** | 3000 | 4000 | |
- **Annual FC + PUC Costs (official)** | 400 | 400 | |
- **Total Expenses** | 4600 | 6200 | |
- **Net Income/ Year** | 89,304 | 90,864 | 130,904 | 132,424 |
- **Net Annual Income of 4-stroke Owner Drivers During EMI Period (3-5 yrs)** | 99,254 | |
- **Annual Vehicle Insurance** | 4920 | |
- **Net Annual Income (Bank Loan)** | 99,254 | |
- **Net Annual Income (Private Financier)** | 84,854 | |
## Table 31: Operations and Economics - Total Running Kms 100; Avg. Mileage 18-22 kms/lt

<table>
<thead>
<tr>
<th>No.</th>
<th>Parameters (Averages Considered)</th>
<th>2-stroke</th>
<th>4-stroke</th>
<th>2-stroke</th>
<th>4-stroke</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DAILY OPERATING ECONOMICS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Working Hours/ Day</td>
<td>10-11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Total Running Kms/ Day</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>3</td>
<td>Empty Kms/ Day</td>
<td>25</td>
<td>25</td>
<td>25</td>
<td>25</td>
</tr>
<tr>
<td>4</td>
<td>Earning Kms</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>5</td>
<td>Fare/ Km</td>
<td>Rs 9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Total Earnings/ Day</td>
<td>675</td>
<td>675</td>
<td>675</td>
<td>675</td>
</tr>
<tr>
<td>7</td>
<td>Mileage (Kms/Liter)</td>
<td>18</td>
<td>22</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>8</td>
<td>LPG Cost/ Liter</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>9</td>
<td>Total Fuel Cost</td>
<td>239</td>
<td>195</td>
<td>239</td>
<td>195</td>
</tr>
<tr>
<td>10</td>
<td>Daily Oil Cost</td>
<td>35</td>
<td>0</td>
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<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Misc. Expenses</td>
<td>75</td>
<td>75</td>
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<td>75</td>
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<td>12</td>
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<td>180</td>
<td>0</td>
<td>0</td>
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<tr>
<td>13</td>
<td>Total Expense/ Day</td>
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<td>450</td>
<td>349</td>
<td>270</td>
</tr>
<tr>
<td>14</td>
<td>Total Savings/ Day</td>
<td>176</td>
<td>225</td>
<td>326</td>
<td>270</td>
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<tr>
<td></td>
<td>MONTHLY OPERATING ECONOMICS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Working Days/ Month</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Total Earnings</td>
<td>4,579</td>
<td>5,838</td>
<td>8,479</td>
<td>10,518</td>
</tr>
<tr>
<td>17</td>
<td>Monthly Oil Cost</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>600</td>
</tr>
<tr>
<td>18</td>
<td>Monthly Maintenance Cost (servicing/minor repairs, etc)</td>
<td>50</td>
<td>50</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>19</td>
<td>Traffic Fines/Bribes</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>20</td>
<td>Total Expenses</td>
<td>150</td>
<td>150</td>
<td>200</td>
<td>850</td>
</tr>
<tr>
<td>21</td>
<td>Net Income/ Month</td>
<td>4,429</td>
<td>5,688</td>
<td>8,279</td>
<td>9,668</td>
</tr>
</tbody>
</table>

**Net Monthly Income of 4-stroke Owner Drivers During EMI Period (3-5 yrs)**

| 22  | EMI to Bank                      | 2,800   |         |         |         |
| 23  | EMI to Private Financier         | 4,000   |         |         |         |
| 24  | Net Monthly Income (Bank Loan)   | 6,868   |         |         |         |
| 25  | Net Monthly Income (Private Financier) | 5,668 |         |         |         |

## Table 32: Operations and Economics - Total Running Kms 150; Avg. Mileage 18-22 kms/lt

<table>
<thead>
<tr>
<th>No.</th>
<th>Parameters (Averages Considered)</th>
<th>2-stroke</th>
<th>4-stroke</th>
<th>2-stroke</th>
<th>4-stroke</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DAILY OPERATING ECONOMICS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Working Hours/ Day</td>
<td>10-11</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Total Running Kms/ Day</td>
<td>150</td>
<td>150</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>3</td>
<td>Empty Kms/ Day</td>
<td>38</td>
<td>38</td>
<td>38</td>
<td>38</td>
</tr>
<tr>
<td>4</td>
<td>Earning Kms</td>
<td>113</td>
<td>113</td>
<td>113</td>
<td>113</td>
</tr>
<tr>
<td>5</td>
<td>Fare/ Km</td>
<td>Rs 9</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Total Earnings/ Day</td>
<td>1013</td>
<td>1013</td>
<td>1013</td>
<td>368</td>
</tr>
<tr>
<td>7</td>
<td>Mileage (Kms/Liter)</td>
<td>18</td>
<td>22</td>
<td>18</td>
<td>22</td>
</tr>
<tr>
<td>8</td>
<td>LPG Cost/ Liter</td>
<td>43</td>
<td>43</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>9</td>
<td>Total Fuel Cost</td>
<td>358</td>
<td>293</td>
<td>358</td>
<td>293</td>
</tr>
<tr>
<td>10</td>
<td>Daily Oil Cost</td>
<td>35</td>
<td>0</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Misc. Expenses</td>
<td>75</td>
<td>75</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>12</td>
<td>Rental Charges</td>
<td>150</td>
<td>180</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>13</td>
<td>Total Expense/ Day</td>
<td>618</td>
<td>548</td>
<td>468</td>
<td>368</td>
</tr>
<tr>
<td>14</td>
<td>Total Savings/ Day</td>
<td>394</td>
<td>464</td>
<td>544</td>
<td>644</td>
</tr>
<tr>
<td></td>
<td>MONTHLY OPERATING ECONOMICS</td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Working Days/ Month</td>
<td>26</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Total Earnings</td>
<td>10,248</td>
<td>12,072</td>
<td>14,148</td>
<td>16,752</td>
</tr>
<tr>
<td>17</td>
<td>Monthly Oil Cost</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>600</td>
</tr>
<tr>
<td>18</td>
<td>Monthly Maintenance Cost (servicing/minor repairs, etc)</td>
<td>50</td>
<td>50</td>
<td>100</td>
<td>150</td>
</tr>
<tr>
<td>19</td>
<td>Traffic Fines/Bribes</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>20</td>
<td>Total Expenses</td>
<td>150</td>
<td>150</td>
<td>200</td>
<td>850</td>
</tr>
<tr>
<td>21</td>
<td>Net Income/ Month</td>
<td>10,098</td>
<td>11,922</td>
<td>13,948</td>
<td>15,902</td>
</tr>
</tbody>
</table>

**Net Monthly Income of 4-stroke Owner Drivers During EMI Period (3-5 yrs)**

| 22  | EMI to Bank                      | 2,800   |         |         |         |
| 23  | EMI to Private Financier         | 4,000   |         |         |         |
| 24  | Net Monthly Income (Bank Loan)   | 13,102  |         |         |         |
| 25  | Net Monthly Income (Private Financier) | 11,902 |         |         |         |

## ANNUAL OPERATING ECONOMICS

| 27  | Add. Maintenance Costs (servicing, repairs, replacement of parts) | 1200 | 1800 |
| 28  | Annual Vehicle Insurance         | 3000   | 4000   |
| 29  | Annual FC + PUC Costs (official) | 400    | 400    |
| 30  | Total Expenses                   | 4600   | 6200   |
| 31  | Net Income/ Year                 | 53,147 | 68,258 | 94,747 | 109,818 |

**Net Annual Income of 4-stroke Owner Drivers During EMI Period (3-5 yrs)**

| 32  | Annual Vehicle Insurance         | 4920   |         |         |         |
| 33  | Net Annual Income (Bank Loan)    | 76,648 |         |         |         |
| 34  | Net Annual Income (Private Financier) | 62,248 |         |         |         |

| 35  | Annual Vehicle Insurance         | 4920   |         |         |         |
| 36  | Net Annual Income (Bank Loan)    | 151,457|         |         |         |
| 37  | Net Annual Income (Private Financier) | 137,907 |         |         |         |
Notes: The average figures for all parameters correspond to the time the auto driver surveys/interviews were conducted, between July-Nov 2011.

<table>
<thead>
<tr>
<th>Rows 5 and 8:</th>
<th>The fare at the time was Rs 9 per km and LPG cost was roughly Rs 43 per liter.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rows 10 and 17:</td>
<td>2-strokes autos require oil daily along with their fuel and the cost is borne by the renter drivers. 4-stroke autos require oil change every 3000-5000 kms or once in 1-1.5 months and the cost is borne by the owner driver or owner.</td>
</tr>
<tr>
<td>Rows 18 and 27:</td>
<td>For the purpose of calculations, maintenance costs (servicing/repairs excluding oil), have been divided into monthly and yearly expenses – based on the understanding that some maintenance costs are regular and some are occasional.</td>
</tr>
<tr>
<td>Rows 28 and 32:</td>
<td>The vehicle insurance costs are around Rs 4920 (comprehensive) currently for brand new autos. Otherwise the cost depends on the model and age of the vehicle. As such, approximate figures of Rs 3000 for 2-strokes and Rs 4000 for 4-strokes have been considered for calculations.</td>
</tr>
<tr>
<td>Row 29:</td>
<td>New autos have to obtain emission and vehicle fitness certificates (PUC/FC) after the first and second years, respectively. The annual costs given here are the official fees, however in reality most pay much more to get FC done through agents/brokers. (See Chapter 7) Additionally, all autos over 7 years old have to pay a special 'Green Tax' of Rs 200 yearly at the time of FC renewal.</td>
</tr>
<tr>
<td>Rows 33 and 34:</td>
<td>For the net annual income of 4-stroke auto drivers during the EMI period, annual vehicle insurance, FC+PUC and 1/4th of the additional maintenance costs have been deducted from the net income per year. This is based on the assumption that maintenance costs for new autos would be lower.</td>
</tr>
</tbody>
</table>

**Observations and Analysis**

1. In both Tables 29 and 30 the average total running kms per day have been considered to be 120 kms, however while in Table 29 the average mileage for autos is taken as a common 20 kms/Lt, in Table 2 the average mileage taken for 2-stroke and 4-stroke autos is different – 18 kms/Lt and 22 kms/Lt respectively – figures that are perhaps closer to reality. This factor significantly changes the comparative earnings of 2-stroke v/s 4-stroke renter and owner drivers.
   - With the same mileage, the daily earnings of 2-stroke and 4-stroke owner drivers was comparative, though 4-stroke owner drivers earned a little more than 2-stroke owner drivers (given the latter spend Rs 35 extra on oil daily), but this evens out over the month. The earnings of 2-stroke and 4-stroke renter drivers was also more or less the same given that 2-stroke renters spend Rs 35 extra on oil and 4-stroke renters spend Rs 30 extra on rent per day.
   - However when the mileage is different, predictably 2-stroke renter/owner drivers earned lesser than 4-stroke renter/owner drivers.

2. In Tables 31 and 32 the average total running kms per day have been considered to 100 and 150 respectively. These figures help establish that realistically autos infact do run atleast between 100-150 kms per day and 120 kms can be considered a fair average. Based on this, Table 30 (see above) is considered a realistic average for autorickshaw operations and economics in Bangalore City.

**Cross-Verification of Total Average Running Kilometers** (See Appendix I)

a) Average Working Hours and Travel Speeds in the city
   - From the survey/interview results we know that an average working day generally comprises of 10-11 hours and average earning is about 7-8 hours.
Based on various studies and reports\textsuperscript{119}, the average traffic speeds in the city is roughly between 10-20 kmph and about 13-14 kms in peak hours. According to the Wilbur Smith study, the average distance covered by a bus or auto in one hour is 15 kms.

Therefore considering average figures, 10 working hours x 15 kms per hour = 150 average total running kms per day. And if average earning hours is 7-8 hours then, average earning is 105-120 kms per day i.e. Rs 950-1100 per day.

b) Total Earnings and Average Empty Kms

- From the results we know that an auto driver can earn a total of at least Rs 800-1000 with a good full day's work i.e. about 90-110 earning kms.
- Figures also indicate that the average empty running per day is roughly 25% or 30 kms.

Therefore, one can estimate that the average total running is about 110-140 kms per day (90-110 + 30 kms).

c) Average Fuel Costs and Mileage

- From the results it is clear that most auto drivers fill at least 5-6 lts of fuel, a good number of them filling more than 6 lts and spending over Rs 250.
- We also know that the average mileage of 2-stroke autos is about 18 kms/Lt in the city and closer to 22 kms/Lt for 4-stroke autos; taken as 20 kms per liter for calculation purposes.

Based on this it can be estimated that autos travel between 90-135 kms daily; or an average of 115 total running kms per day. (See Figure 30)

<table>
<thead>
<tr>
<th>Total Running Kms/Day based on Total Fuel</th>
<th>Fuel Cost/Day</th>
<th>LPG Cost/Lt</th>
<th>Mileage</th>
</tr>
</thead>
<tbody>
<tr>
<td>200</td>
<td>44</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Total Kms/Day</td>
<td>91</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Running Kms/Day based on Total Fuel</th>
<th>Fuel Cost/Day</th>
<th>LPG Cost/Lt</th>
<th>Mileage</th>
</tr>
</thead>
<tbody>
<tr>
<td>250</td>
<td>44</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Total Kms/Day</td>
<td>114</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\begin{figure}[h]
\centering
\begin{tabular}{|c|c|c|c|}
\hline
<table>
<thead>
<tr>
<th>Total Kms/Day</th>
<th>Fuel Cost/Day</th>
<th>LPG Cost/Lt</th>
<th>Mileage</th>
</tr>
</thead>
<tbody>
<tr>
<td>300</td>
<td>44</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Total Kms/Day</td>
<td>136</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
\hline
\end{tabular}
\caption{Total Running Kms per Day Based on Total Fuel Costs and Mileage}
\end{figure}

d) Average Working Days and Oil Change Required for 4-strokes

- Average working month is about 25-26 days.
- From the results we know that 4-stroke autos require an oil change every 3000-5000 kms or about once a month

\textsuperscript{119} According to the Bangalore Master Plan Document (2007), the average speed of vehicles in the city was 12-18 kmph in peak hours. As per the Comprehensive Traffic and Transportation Study (2007), only 11% of roads in Bangalore support speeds over 30 kmph (RITES 2003). The average traffic speed dropped from 15-18 kmph in 1990 to 10-14 kmph in 2006 (IIM 2006) and the average distance realized in 1 hour on Bangalore roads is 15 kms for a Bus or Autorickshaw (Wilbur Smith & Associates; MoUD 2008). According to the Bangalore Mobility Indicators Draft Report (2008), the average speed within the city (zones 1-3) was about 20 kms/hr and 30 kms/hr in the urban fringe (outer zones 4-8). The Revised CDP Document (2009) stated that nearly 82% of the total surveyed road network (1763 kms) was 2-lane and most major roads had V/C ratios > 1 indicating high congestion, low speeds and high delays. The overall average speed of vehicles in Bangalore was about 13.5 kmph in peak hours, with clear start-stop, obstructed flows on many corridors.
Based on this one can estimate that **autos run between 115-190 kms per day; or an average of around 150 kms daily.**

Based on all of the above cross calculations one can corroborate the assumption that the average total running for autos per day is around 120 kms.

**Current Scenario with Revised LPG Rates and Meter Fares**

Around mid-March 2012 auto meter fares were increased to **Rs 11 per kilometer**, minimum being Rs 20, in view of the expected hike in LPG rates which rose to Rs 56 per liter on 1\(^{st}\) April 2012, and were down to **Rs 46 per liter** as on 1\(^{st}\) July 2012.

Comparative tables for 'then and now' are presented here. Given the release of new permits and more autos entering the market and the loss of some passengers to the hiked auto fares, the current average total running kilometers is considered as **100 kms**, with all other parameter average's remaining the same.
<table>
<thead>
<tr>
<th>No.</th>
<th>Parameters (Averages Considered)</th>
<th>Renter Drivers</th>
<th>Owner Drivers</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>DAILY OPERATING ECONOMICS</td>
<td>2-stroke</td>
<td>4-stroke</td>
</tr>
<tr>
<td>1</td>
<td>Working Hours/ Day</td>
<td>10-11 hours</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Total Running Kms/ Day</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td>3</td>
<td>Empty Kms/ Day</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>4</td>
<td>Earning Kms</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>5</td>
<td>Fare/ Km</td>
<td>Rs 9</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Total Earnings/ Day</td>
<td>810</td>
<td>810</td>
</tr>
<tr>
<td>7</td>
<td>Mileage (Kms/ Liter)</td>
<td>18</td>
<td>18</td>
</tr>
<tr>
<td>8</td>
<td>LPG Cost/ Liter</td>
<td>43</td>
<td>43</td>
</tr>
<tr>
<td>9</td>
<td>Total Fuel Cost</td>
<td>287</td>
<td>235</td>
</tr>
<tr>
<td>10</td>
<td>Daily Oil Cost</td>
<td>35</td>
<td>0</td>
</tr>
<tr>
<td>11</td>
<td>Misc. Expenses</td>
<td>75</td>
<td>75</td>
</tr>
<tr>
<td>12</td>
<td>Rental Charges</td>
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<td>180</td>
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<tr>
<td>13</td>
<td>Total Expense/ Day</td>
<td>547</td>
<td>490</td>
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<tr>
<td>14</td>
<td>Total Savings/ Day</td>
<td>263</td>
<td>320</td>
</tr>
<tr>
<td></td>
<td>MONTHLY OPERATING ECONOMICS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Working Days/ Month</td>
<td>26</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Total Earnings</td>
<td>6,847</td>
<td>8,332</td>
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<td>17</td>
<td>Monthly Oil Cost</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>18</td>
<td>Monthly Maintenance Cost</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>19</td>
<td>Traffic Fines/Bribes</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td>20</td>
<td>Total Expenses</td>
<td>150</td>
<td>150</td>
</tr>
<tr>
<td>21</td>
<td>Net Income/ Month</td>
<td>6,697</td>
<td>8,182</td>
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<tr>
<td>22</td>
<td>Net Monthly Income of 4-stroke</td>
<td>2,800</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Owner Drivers During EMI Period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>EMi to Bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>(3-5 yrs)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>EMi to Private Financier</td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Net Monthly Income (Bank Loan)</td>
<td>9,362</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Net Monthly Income (Private Financier)</td>
<td>8,162</td>
<td></td>
</tr>
<tr>
<td></td>
<td>ANNUAL OPERATING ECONOMICS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Add. Maintenance Costs</td>
<td>1200</td>
<td>1800</td>
</tr>
<tr>
<td>28</td>
<td>Annual Vehicle Insurance</td>
<td>3000</td>
<td>4000</td>
</tr>
<tr>
<td>29</td>
<td>Annual FC + PUC Costs (official)</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td>30</td>
<td>Total Expenses</td>
<td>4600</td>
<td>6200</td>
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<tr>
<td>31</td>
<td>Net Income/ Year</td>
<td>80,360</td>
<td>98,182</td>
</tr>
<tr>
<td></td>
<td>Net Annual Income of 4-stroke</td>
<td>4920</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Owner Drivers During EMI Period</td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Annual Vehicle Insurance</td>
<td></td>
<td></td>
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<tr>
<td>33</td>
<td>Net Annual Income (Bank Loan)</td>
<td>106,572</td>
<td></td>
</tr>
<tr>
<td>34</td>
<td>Net Annual Income (Private Financier)</td>
<td>92,172</td>
<td></td>
</tr>
</tbody>
</table>

Table 33: Operations and Economics - Total Running Kms 120; LPG Cost Rs 43/Lt

Table 34: Operations and Economics - Total Running Kms 100; LPG Cost Rs 46/Lt
Observations and Analysis

1. As one can see from the above Tables 33 and 34, the income of auto drivers in the city has improved slightly after the fare hike, despite considering a lower average total running kms per day. The net daily income of all drivers is up by atleast about Rs 50, monthly income up by Rs 1000 and annual income up by Rs 12,000 from what they earned earlier. One can also see that the net income of 4-stroke owner drivers is the highest, followed by 2-stroke owner drivers, 4-stroke renter drivers and finally 2-stroke renter drivers, who earn the least. Based on current figures from Table 34, it can be said that:

- The net daily income of renter drivers is roughly Rs 300-350 and that of owner drivers Rs 450-550 currently – a difference of about Rs 150-200 (on account of rent + oil costs in case of 2-stroke autos).
- The net daily income of 2-stroke renter/owner drivers is approximately Rs 60-80 lesser than 4-stroke renter/owner drivers respectively.

- The net monthly income of renter drivers is roughly Rs 8,000-9,000 and that of owner drivers is Rs 12,000-13,000 – a difference of Rs 4000 per month.
- The net monthly income of 2-stroke renter/owner drivers is approximately Rs 1300-1500 lesser than 4-stroke renter/owner drivers respectively.

- The net annual income of renter drivers is roughly Rs 95,500-1,11,000 and that of owner drivers is Rs 1,36,000-1,52,000 – a difference of approximately Rs 41,000 per year.
- The net annual income of 2-stroke auto drivers is approximately Rs 16,000 lesser than 4-stroke drivers.

- Purely owners of 2-stroke autos earned about Rs 150 per day, Rs 3900-4000 per month and Rs 48,000 per year. Their total yearly expenses are Rs 5800-6000 (which include maintenance, insurance, FC/PUC); so their annual net income is Rs 42,000.
- Purely owners of 4-stroke autos earned about Rs 180 per day, Rs 4500-4700 per month and Rs 56,400 per year. Their total yearly expenses were Rs 15,200 (which include maintenance, insurance, FC/PUC); so their annual net income is about Rs 41,000 (almost equivalent to 2-stroke auto owners).
- Purely owners of brand new 4-stroke auto owners earn about Rs 200 per day, Rs 5200 per month and Rs 62,400 per year. Their total yearly expenses would be Rs 14,500 (including maintenance, insurance); so their net annual income is about Rs 48,000. Those paying off a bank loan would be spending roughly Rs 30,000-34,000 p.a. for the first 5 years (i.e. saving about Rs 14,000-18,000). Those paying a private finance loan would be spending Rs 48,000 p.a. for the first 3 years, which is equivalent to cover the loan repayment.
The net monthly income of 4-stroke owner drivers during the EMI period is Rs 10,400 for those paying off bank loans, and Rs 9,200 for those paying off private finance funds – a difference of roughly Rs 1200 per month. Their incomes are comparative to 4-stroke renter drivers.

The net annual income of 4-stroke owner drivers during the EMI period is Rs 1,19,200 for those paying off bank loans, and Rs 1,05,000 for those paying off private finance funds – a difference of roughly Rs 14,200 per year.

The difference here is that those paying to private financiers clear their debt typically in 3 years compared to those paying back to banks. At the end of 5 years, the net income of someone paying off a bank loan was at most Rs 24,000 lesser than someone paying off a private finance loan. However, this may be another reason why people prefer private financiers over banks – most perhaps prefer to bear the little extra strain over 3 years to clear the debt, become owners of an asset and improve their income thereafter.

For the unemployed, driving an auto on rent is a livelihood option that is comparatively easier to get into and provides reasonable and instant earnings. Owning and renting out an auto is also a good investment or stable source of income for many, especially senior/retired persons, widowed wives of auto drivers, etc. Many persons own autos as a side business to supplement their incomes.

2. The difference between the earnings of 2-stroke and 4-stroke auto drivers is primarily due to the difference in average mileage and maintenance costs (that include oil, servicing and repairs). Generally in interviews with auto drivers, most said they prefer 2-stroke autos primarily because (among other reasons) they felt that their maintenance and repair costs were much lower than 4-stroke autos. By this they are referring to the cost of oil, servicing and repairs or replacement of components/spare parts in case of dysfunction/damage. (See Chapter 4, Appendix I)

The results from our surveys and interviews clearly show that 4-stroke autos are in fact more economically efficient than 2-strokes. It counters the popular perception held and expressed by most auto drivers that maintenance/repair costs of 4-stroke autos is much higher than 2-strokes; and it gives an explanation as to perhaps why auto drivers have such a perception.

- From the responses it is evident that drivers of 2-stroke autos spend an average of Rs 35 daily on oil i.e. atleast Rs 750 going upto Rs 900 or more per month (considering 25-26 working days). Drivers of 4-stroke autos spend an average of Rs 600 per month on oil change and service, which translates to about Rs 24 per day - a clear difference of about Rs 10 per day or Rs 250 per month lesser compared to 2-stroke autos.

Moreover, according to senior personnel at Khivraj Motors (the main dealership for Bajaj Autos in Bangalore), "earlier new 4-stroke autos needed an oil change after every 5000 kms, but now Bajaj is designing and manufacturing auto engines that will require oil changed only after 10,000 kms". This means that oil costs for 4-stroke autos would further reduce in the future by about half.
Further, the average maintenance costs (excluding oil) borne by renter drivers is upto Rs 100 per month, and assuming that this is not required every month is taken as Rs 600 per year. The average maintenance costs (excluding oil) borne by 2-stroke owners drivers is considered to be roughly Rs 200 per month i.e. Rs 2400 per annum, and for 4-stroke owner drivers is roughly Rs 300 per month i.e. Rs 3600 per annum. For the purposes of calculation this is divided into monthly (regular) and yearly (occasional) costs. The higher expenses associated with 4-stroke autos is because that cost repair/replacement of components or spare parts are infact higher. 

(See Table 35 below)

<table>
<thead>
<tr>
<th>Repair/Replacement Costs (based on auto driver survey responses)</th>
<th>2-STROKE AUTOS</th>
<th>4-STROKE AUTOS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Repairing/replacing the engine costs Rs 2000-3000 and upto 5000; 2-strokes can run without battery also</td>
<td>Repairing/replacing the 4-stroke engine costs about Rs 15,000 - company rate for fitting is Rs 40,000; the battery costs Rs 4000</td>
<td></td>
</tr>
<tr>
<td>Replacing brake lights costs Rs 50</td>
<td>Replacing brake lights costs Rs 400</td>
<td></td>
</tr>
<tr>
<td>Replacing front glass costs Rs 300</td>
<td>Replacing full front glass costs Rs 2000</td>
<td></td>
</tr>
</tbody>
</table>

Total Maintenance Costs For:

- **2-stroke autos** amount to an average Rs 875 (oil) + Rs 250 (service/repairs) = **Rs 1125 per month or Rs 13,500 per annum**
- **4-stroke autos** an average Rs 600 (oil+service) + Rs 350 (service/repairs) = **Rs 900 per month or Rs 11,400 per annum**
- **As such, 4-stroke autos cost roughly Rs 225 less per month and Rs 2100 less per year compared to 2-strokes, despite their higher component/spare part costs.**  

This result counters the popular perception among auto drivers that 4-stroke autos have higher maintenance costs and supports what auto manufacturers also point out, that 4-strokes are in fact more cost-effective, maintenance free (if some care is taken to keep them in good condition), have better power, mileage and are less polluting as they run only on LPG which is a cleaner fuel and good quality oil.

The reason behind the popular perception of auto drivers perhaps lies in the break-up and distribution of cost, clearly seen in the table below (Table 36).

In 2-stroke autos, it is the renter-drivers who pay for oil which constitutes the bulk of the expense, while the owner pays for other servicing/repairs costs that are comparatively very low. In 4-stroke autos, since oil is not a daily requirement, it is the owner who bears the cost of oil change and other servicing/repairs. Comparatively a 4-stroke renter-driver shells out a minimal or negligible amount towards maintenance. This is why auto drivers say that 4-strokes have higher maintenance costs – by which they mean 'for the owner'.

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120 According to the Comprehensive Traffic and Transportation Study for Bangalore (2010), the average annual maintenance cost for autorickshaws was Rs 9400.
Though going by actual expenses, 2-stroke autos have higher oil and total maintenance costs; only difference being that the burden is borne by the renter-driver. 2-stroke renter drivers also spend more on fuel for the same number of running kms, given their lower mileages. These extra costs are reflected in their meager net daily incomes.

What this means is that even from an economic point of view, phasing out 2-stroke autos is actually beneficial for both renter and owner drivers in the city, as their 4-stroke counterparts earn comparatively better.

### Table 36: Comparison in the Break Up and Distribution of Maintenance Costs

<table>
<thead>
<tr>
<th></th>
<th>DAILY</th>
<th>MONTHLY</th>
<th>YEARLY</th>
<th>TOTAL PER ANNUM</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2-stroke Renter Drivers</strong></td>
<td>Rs 35 (oil)</td>
<td>Rs 875 (oil) + 50 (reg. servicing/minor repairs)</td>
<td>Rs 10500 (oil) + Rs 600 (servicing/minor repairs)</td>
<td>Rs 11,100</td>
</tr>
<tr>
<td><strong>2-stroke Auto Owner</strong></td>
<td>-</td>
<td>Rs 100 (reg. servicing/repairs)</td>
<td>Rs 1200 (reg. servicing/repairs) + Rs 1200 (occasional expenses)</td>
<td>Rs 2400</td>
</tr>
<tr>
<td><strong>4-stroke Renter Drivers</strong></td>
<td>-</td>
<td>Rs 50 (reg. servicing/minor repairs)</td>
<td>Rs 600</td>
<td>Rs 600</td>
</tr>
<tr>
<td><strong>4-stroke Auto Owner</strong></td>
<td>-</td>
<td>Rs 600 (oil) + Rs 150 (reg. servicing/repairs)</td>
<td>Rs 7200 (oil) + Rs 1800 (reg. servicing/repairs) + Rs 1800 (occasional expenses)</td>
<td>Rs 10,800</td>
</tr>
<tr>
<td><strong>2-stroke Owner Drivers</strong></td>
<td>Rs 35 (oil)</td>
<td>Rs 875 (oil) + 150 (reg. servicing/minor repairs)</td>
<td>Rs 10500 (oil) + Rs 1800 (reg. servicing/minor repairs) + Rs 1200 (occasional expenses)</td>
<td>Rs 13,500</td>
</tr>
<tr>
<td><strong>4-stroke Owner Drivers</strong></td>
<td>-</td>
<td>Rs 600 (oil) + 200 (reg. servicing/minor repairs)</td>
<td>Rs 7200 + Rs 2400 (reg. servicing/repairs) + Rs 1800 (occasional expenses)</td>
<td>Rs 11,400</td>
</tr>
</tbody>
</table>

Unfortunately 2-stroke auto drivers do not realize that they end up spending much more for oil compared to 4-strokes and rather go by the occasional high costs associated with repair or replacement of auto parts. In fact if regularly well-maintained, the high occasional or accidental maintenance costs can be avoided or reduced.

Autos generally have a useful service life of 10-12 years. However, if well maintained autos can run up to 15 years or more. The current resale value of a 15-yr old Bajaj auto ranges between Rs 15,000-20,000 depending on its age/model and condition.

### Number of Owner v/s Renter Drivers

Though comparing the auto cab DL-Badge details with the issued auto cab permit holders and auto registration details would give a rough idea, an accurate estimate of the percentage of owner and renter drivers in the city is difficult as this is a dynamic phenomenon.

Many persons enter the trade as renter drivers (i.e. first start by driving autos on rent) and then save enough to maybe buy their own autos. Eventually they may save enough to buy another auto and put one on rent, move on to another job or suffer from old age/ill health/accident, etc and put their auto/s on rent. Then there are also those who own autos as an investment (either as the only source of income

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121 As per the Comprehensive Traffic and Transportation Study for Bangalore (2010), the average service life of an auto is 10.5 years.
or a side income) and yet others with resources and means to run it as a business (own 4-5 autos and give them out on rent).

Anyone irrespective of gender, education, occupation and income, can own one or multiple autos in their name. This is possible because though some eligibility rules have been introduced recently, loopholes in regulations render these rules redundant. (See Chapters 5 and 13) As such, there are perhaps numerous (tens of thousands) of auto-permit owners who neither possess an Auto Cab DL-Badge nor drive the auto.

'Typically, cities with closed permit systems have higher shares of renter drivers, due to the unavailability of new permits and escalation of permit costs, while cities with open permits have higher shares of owner drivers'.

Though currently new auto cab permits are being issued, in general Bangalore has a closed permit system.

When auto drivers were asked what they thought was the ratio of owner drivers to renter drivers in the city, atleast half if not more of the respondents felt it was 50-50%, while quite a few others believed there were many more renter drivers (nearly 70-75%). Leaders of the two main auto unions in the city were of the view that 40% are owner drivers and 60% renter drivers; although Mr. Manjunath (Adarsha) said there were about 1.25 lakh auto drivers in the city, while Mr. Srinivas Murthy (ARDU) said this number was closer to 2 lakhs. According to the Comprehensive Traffic and Transportation Study for Bangalore (2010), the owner-driven auto rickshaws are about 20% and the balance 80% operate on hire basis.

In the perception of auto drivers, most people driving autos in Bangalore (95% of them) are from the city itself. Very few come from surrounding towns/villages or other states. While many are educated, a common perception held by the public or some Traffic Police personnel is that there is an equally large section that is uneducated or illiterate.

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122 Ref: Review of Literature in India’s Urban Auto-rickshaw Sector: A Synthesis of Findings, Akshay Mani, Pallavi Pant, Embarq India.
CHAPTER 9
Traffic Police – Roles and Responsibilities: traffic monitoring & enforcement, public complaints system, display card, auto stands, training/awareness programs

The Traffic Police Department is a branch of the Bangalore City Police and officers/inspectors enlisted in the department go through some specialized (15-day) training program, with instructions on how to operate Blackberrys, etc. However, it is not a specialized department and officers/inspectors get transferred periodically from one branch to another.123

Roles and Responsibilities

The primary role of the Traffic Police is to regulate and monitor traffic on roads and on-ground code enforcement as per the Central and State Motor Vehicle Acts and Rules. They are responsible for ensuring that all motor vehicles follow traffic (driving, parking, road safety) rules and have the power to book cases against, and fine offenders. Additionally in the case of autorickshaws, the Traffic Police have introduced and are in charge of issuing the auto driver's 'Display Card' and the approval and provision of auto stands across the city. Apart from the Transport Department, the Traffic Police have also taken up the initiative of setting up and maintaining a 'public complaints system' against errant auto drivers and at times, even conduct training and awareness programs especially for auto drivers. However, with respect to the governance of the autorickshaw system, it is the RTA and RTOs that are the main decision-making and regulating authorities. The RTOs are in charge of all licensing, registration and ratification procedures.

On-Ground Traffic Monitoring and Code Enforcement

The Traffic Police have the authority to catch and fine autos found violating traffic rules/regulations (stipulated in the CMVA and KMVR)124 and permit conditions125, as per the specified fine structure. However, they do not have the authority to take punitive action with respect to the legality of auto cab permits, fitness certificate, defective fare meters, etc as these are functions related to the RTO. When they come across such matters that fall outside their domain, the Traffic Police can only book a court case and notify the concerned authority/s. According to Additional Commissioner of Police (Traffic), Dr M A Saleem, “Compared to the RTO, the Traffic Police have limited powers. For instance, we do not have the mandate to deal with illegal permits or tampered meters. We book and register many cases at the RTO – they are to take up further action. RTO officers/inspectors should also come on the ground to do checking and enforcement.”

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123 The decision to transfer is taken by the Commissioner of Police and generally constables are transferred every 5 years and inspectors every 2 years.
125 Such as carrying excess passengers, refusal and overcharging, not wearing uniform or having Display Card, etc.
However despite this claim, many auto drivers have said in interviews that on ground the Traffic Police check everything and they have had to pay fines or bribes for not possessing a valid permit or FC. This points to their lack of awareness regarding laws and rules. These issues are discussed further in Chapter 13.

Moreover, it is nearly impossible for the Traffic Police to verify the authenticity of the permit associated to a particular auto registration number (i.e. whether its valid, cancelled or transferred to another auto), given that “the RTO database available to them only gives names and addresses of the auto owners, which are also often not updated and accurate. There is no information related to the legality of the permit or other associated details” according to Dr Saleem.

There are many forms of illegal auto operations in the city i.e. auto cabs operating without a legal or valid permit, two or more autos running on a single permit, or autos with rural permits from surrounding districts/towns entering and plying in the city, etc. Details of why and how this happens and related issues are discussed in Chapter 13.

However, given that the Traffic Police do not have the power to check or enforce this, and the RTO officers/inspectors who are responsible do not really come onto the roads, renders on-ground monitoring and enforcement systems, weak and completely ineffective.

**Procedure for Dealing with Traffic Offences/Violations by Autos**

All motorists (including auto drivers) are supposed to abide by the traffic rules/regulations laid down in the Central and State Motor Vehicle Acts and Rules. Autos have 'contract carriage' permits for 3 passengers + 1 driver (sharing is not legally allowed). All auto drivers must wear uniform, have their Display Card (issued by the Traffic Police) and carry all the relevant valid legal documents with them, in original or smart card form, which include:

- Auto Cab DL-Badge
- Registration Certificate (RC Book)
- Insurance and Tax Certificates
- Emission Test Certificate (PUC)
- Fitness Certificate (FC) and Auto Cab Permit (in case of transport vehicles)

These should be produced for inspection if asked for by the Traffic Police officer. However, there are strict instructions to the Traffic Police against stopping vehicles merely for checking documents. Only when the motorist has committed a traffic violation, can they be stopped, documents checked and action taken for non-possession. According to Dr Saleem, "In general, the Traffic Police do not just flag

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127 Photocopies of documents won't be valid during police inspection after a violation has been committed. However, if the motorist doesn't want to carry originals all the time, one can obtain a Master Pass from the nearest RTO, which is a proof that the driver has all the valid documents.
down autos randomly on the roads. They are stopped only if they violate traffic rules/regulations and only in such cases, are their documents checked."

An auto/driver found in violation of traffic rules and regulations or permit conditions stipulated in the CMVA and KMVR, is liable to be caught and booked or fined by the Traffic Police (as per the specified fine structure).

Only traffic branch officers of the rank of Assistant Sub-Inspector (ASI *) and above i.e. Police Sub-Inspector (PSI **) and Police Inspector (PI ***) have the power to impose 'spot fines' for traffic offences. They are authorized to issue traffic violation notices or challans (fine receipts) and receive payments against the same.

Any officer below the rank of ASI i.e. Traffic Constables and Head Constables, are not authorized to carry receipt books or issue receipts and therefore, collect money. They can however make note of the violation details in the 'Field Traffic Violations Report' (FTVR) i.e. vehicle number, make and colour, type of offence, time, date, place, etc.

This information is submitted at the local/jurisdictional Traffic Police Station, where the violation record is entered into the computer.128 Every Traffic Police station has a computerised automation center and everyday the traffic violation details get uploaded to the central server at the main Enforcement Automation Center (in Ashoknagar), which is also linked to the vehicle registration database from the Transport Department.

This is an interlinked computerised database across all 10 RTOs in the city and all 57 in the State. The RTOs have to a large extent computerised their vehicle registration database; though not fully. While currently most of the work is being done on the computer, older records are still in process of being computerised. This State-wide database is available at all the Traffic Police station automation centers.

The database is checked for registered owners details (contact address) and if found, the notice is automatically generated and is sent by post to the registered owners.129

When an enforcement or surveillance camera130 catches a vehicle committing a traffic violation, then also the vehicle registration number is fed into the central system, and a notice is sent out to the owner. However, the issue is that often the addresses are either not available, or accurate or updated.

Figure 31: Monitoring and Enforcement Mechanisms Adopted by Traffic Police

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128 Everything has been codified - such as violation type, vehicle type, zones, etc
129 Currently the Traffic Police bear a cost of about Rs 6 per notice/ticket posted, but do not load this onto the owner/offender.
130 The Traffic Police so far have 5 enforcement cameras (being used to book motorists jumping traffic signals or exceeding speed limits), 160 surveillance cameras (to keep watch on motorists crossing stop line, breaking lane discipline and violating other traffic rules) and about 4-9 mobile interceptors capable of recording all types of traffic violations including drunken driving.
Bangalore's RTO database pertaining to auto cab permits and associated auto registration numbers, has only recently been computerized. However, these details along with the contact information need to be verified, up-to-date and accurate, which is not always the case; rendering the enforcement system ineffective.

In cases where ownership or contact information records are outdated or inaccurate and the Traffic Police are unable to locate the auto owner or driver, all they can do is keep an eye out on the roads. If the fine is not cleared within 10 days, the violations record is forwarded to the on-ground enforcement unit i.e. to the Blackberries handled by the Traffic Police Inspectors, to facilitate the 'any where' fine collection. The Blackberries give the total number of booked cases against the vehicle and show the three latest offences. If these are cleared, it loads the next three and so on. With this database available on their phones, on duty Traffic Inspectors can cross-check against previous registered offences and pending fines when they catch an auto for a traffic violation by simply entering the registration number, or can conduct random checks at traffic signals to haul up previous offenders and get them to clear their dues. Such an automated enforcement system allows for 'on spot' fine collection and computerized receipt.

For those unable to pay 'spot fines', notices are issued and the violation record stored in the main server till the fine is cleared. The ticket or fine can be paid online (on the Traffic Police website), at any of the Bangalore One centers, any Traffic Police station or to any Traffic Police Inspector (ASI and above) with a Blackberry. A computerised receipt is generated and the violation automatically cancelled from the database on the server.

According to a Traffic Police officer, in matters that fall outside their domain i.e. while checking a traffic violation if the driver/owner is found without the required valid legal documents - such as Auto Cab Permit, RC, FC, PUC or Meter Certificate - the Traffic Police issue a notice and give the owner a week's time to produce the papers. If this is done, the offender is just charged a fine of Rs 100 (for 'failed to produce') and let go. If not, a court case is booked. According to one officer, "we do not intimate or forward any record to any department, just directly refer to court". The final decision on the case and penalty or fine is taken by the court. According to a Traffic Police Sub-Inspector interviewed at Rajajinagar, "everyday one of our officers is posted to Court duty for such cases".

Normally if an auto driver is caught without the required legal documents i.e. without a driving license, vehicle registration, payment of tax, or permit, the Traffic Police have the authority to confiscate the DL/RC Book or detain the vehicle. If the valid documents are presented later, the vehicle is released.

Usually in a court case, the Traffic Police can impound the auto and withhold it till the case is cleared. In case of a serious complaint or an emergency (coming through on the 100 or 103 numbers), like if an auto is involved in an accident, from the central control room details are automatically relayed to the

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131 The Traffic Police Sub-Inspectors and Inspectors have been given 280 Blackberrys and wireless printers, along with training on how to use these. As of October 2012, it is learnt the number has increased to over 500.

nearest Traffic Police Station, from where officers are deputed to get to the spot, check and take appropriate action.

Some common violations or issues faced by the Traffic Police in relation to autos are:

- One-way driving, signal jumping, wrong parking (at BMTC bus stops, etc).
- Not wearing uniform or having Display Card, which is almost considered as not having a legal license.
- Driving without valid or legal Auto Cab DL-Badge or on someone else's license.
- Unofficial sharing of autos or overloading.
- Refusal to go on hire or overcharging (especially during rains, early morning and night hours).
- Harassment or bad behavior, especially with women and families.

Based on the CMVA and KMVR, there is a long list of traffic offences and associated penalties/fines enforced by the Traffic Police. The table below presents a comparison of figures (fine amounts) based on responses received by auto drivers and traffic police officers in our survey and interviews.

### Table 37: List of Traffic Offences and Fine Amount (G. O. No.Trd.309.Saepa.2006, Bangalore, Dated 29.10.2007)

<table>
<thead>
<tr>
<th>Traffic Offences</th>
<th>Official Fine Amount (Rs)</th>
<th>What Auto Drivers Think The Official Fines Are (Rs)</th>
<th>What Auto Drivers Pay (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Carrying Excess Passengers in 3-Wheeled Vehicle</td>
<td>100/- for every excess passenger</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Speeding Over Maximum Limit</td>
<td>300</td>
<td>100, 300</td>
<td>100</td>
</tr>
<tr>
<td>Dangerous Driving-Transport Vehicle (Yellow Bd.)</td>
<td>500</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Drunken Driving</td>
<td>court case/fine*</td>
<td>court fine decided by magistrate</td>
<td>2500; court fine</td>
</tr>
<tr>
<td>Without Uniform</td>
<td>100</td>
<td>100, 200, 300, 500, 600, 1000</td>
<td>100, 200, 300</td>
</tr>
<tr>
<td>No Display Card Inside Auto</td>
<td>court case/fine</td>
<td>100, 300, 500, 800, 2000-2500; court case/fine</td>
<td>100, 1000, 1800-2000, 2500; Book court case &amp; fine (Rs 1000-2500)</td>
</tr>
<tr>
<td>Driving Without Auto Cab DL-Badge</td>
<td>300</td>
<td>300, 500, 1200-1500, 2000-2500; court case; 300+court case</td>
<td>100, 200-300, 400-500, 1000, 3000</td>
</tr>
</tbody>
</table>

**General Opinions or Perceptions Held By Traffic Police Officers Regarding Autos:**

"Autos are a major reason for traffic problems."

"Autos don't wait at designated stands and park in no parking zones. They stop wherever they want to pick up or drop off passengers."

"Many auto drivers do not possess proper legal documents and nearly 25% of them are illiterate. The RTOs need to be more thorough while approving licenses and permits. Also, permit and other relevant documents must be checked at the time of FC. Many a times an auto without a valid permit also gets its FC cleared."

"Auto drivers are coming in this business with the purpose of earning money and not for serving the public. Many do not have good conduct/behaviour."

<table>
<thead>
<tr>
<th>Violation</th>
<th>Penalty</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auto Owner Permitting A Person To Drive Who Has No DL-Badge</td>
<td>300</td>
<td>-</td>
</tr>
<tr>
<td><strong>Without Auto Cab Permit</strong></td>
<td>court case/fine</td>
<td>300-500, 2000-2500, 2500-3000, 5000; seize auto, court case/fine</td>
</tr>
<tr>
<td><strong>Without Registration Certificate (RC Book)</strong></td>
<td>court case/fine</td>
<td>100-300, 600-900, 5000; seize auto; RTO or court case/fine</td>
</tr>
<tr>
<td><strong>Without Insurance Certificate (IC)</strong></td>
<td>500</td>
<td>200-300, 500-700, 1200-1500, 2000-3000; court fine</td>
</tr>
<tr>
<td><strong>Without Fitness Certificate (FC)</strong></td>
<td>court case/fine</td>
<td>200-500, 900, 3000-5000; RTO or court case/fine</td>
</tr>
<tr>
<td><strong>Without Emission Test Certificate (PUC)</strong></td>
<td>book case; RTO notice</td>
<td>100, 300, 500, 1000-2000, 2500; RTO or court fine</td>
</tr>
<tr>
<td><strong>Driving Any Vehicle Without Number Plate/ Invalid Number Plate</strong></td>
<td>first time 100/-, 2nd &amp; subsequent offences 300/-</td>
<td>100</td>
</tr>
<tr>
<td><strong>Defective/Tampered Fare Meter</strong></td>
<td>100</td>
<td>1500-2000, 3000; court case/fine</td>
</tr>
<tr>
<td><strong>Defective Silencer</strong></td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td><strong>Defective Head Light, Tail Light, No Rear View Mirror, etc</strong></td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Emitting Black Smoke</strong></td>
<td>300</td>
<td>100, 300, 500, 1000, 2000; RTO fine</td>
</tr>
<tr>
<td><strong>Shrill Horn</strong></td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td><strong>No Parking or Wrong Parking</strong> (i.e. parking on footpath or away from it, near road crossing/junction, traffic light or pedestrian crossing, school/bus stop/ hospital/ etc, on main road, opp. another parked vehicle, on white line or bend on top of hill, double parking, etc)</td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>No Entry/ One Way</strong></td>
<td>100</td>
<td>100</td>
</tr>
<tr>
<td><strong>Jumping Traffic Signal</strong></td>
<td>100</td>
<td>100, 300</td>
</tr>
<tr>
<td><strong>Cutting Yellow Lane/Lane Discipline</strong></td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td><strong>Holding / Using Mobile Phone While Driving / Riding a Vehicle</strong></td>
<td>100</td>
<td>-</td>
</tr>
<tr>
<td><strong>Demanding Excess Fare/ Refusal To Come On Hire etc, by Autorickshaw Driver or Taxi Driver</strong></td>
<td>first time 100/-, 2nd &amp; subsequent offences 300/-</td>
<td>100, 500, 1000-2500; depending on complaint; court case/fine</td>
</tr>
</tbody>
</table>

*Penalty for Drunk Driving*: There is no spot fine for drunken driving. The police issue a notice asking the person to appear before the Court - who is empowered to impose the fine. Generally, the 1st offence attracts imprisonment of up to 6 months or fine up to Rs 2,000 or both; subsequent offences entail imprisonment up to 2 years or fine up to Rs 3,000 or both. If one fails to appear in Court, a warrant will be issued which may lead to arrest and stiffer penalty.

The above table highlights the lack of awareness among many auto drivers regarding the official fines for traffic violations. It also shows that auto drivers usually resort to paying lighter bribes rather than dealing with heavier fines or RTO and Court cases. A number of auto drivers have said they "generally try and get away by paying the traffic cop Rs 50-100 when caught for an offence". However, in some cases, because of the lack of awareness, at times they even end up paying a higher bribe than what the official fine entails (as can be seen from responses in the table above).
According to our survey and interviews, we know that roughly 50% of auto drivers said they regularly pay fines or bribes to the Traffic Police, and an equal number responded otherwise. While some auto drivers said that "the traffic police do not catch us without reason and we have hardly paid a fine or bribe", many others have said "the traffic police fine us for any number of reasons, and usually take whatever they want. If we don't have money to pay the fine, they seize our auto or book a court case".

The majority of respondents (63%) said they pay fines/bribes upto Rs 100-200 per month and 28% said they pay around Rs 300-500. For details refer Appendix I.

To reduce corruption and exploitation on ground, the Traffic Police Department has taken initiatives in coming out with advertising and awareness-building campaigns targeted towards the public at large. 'In an effort to promote accountability among police personnel, and also to ensure that citizens are aware of their rights when fined by the police, the Bangalore Traffic Police is asking the public to demand a receipt for all spot fines'. However, the effectiveness of these initiatives/campaigns, particularly among auto drivers, is to be ascertained.

Moreover it appears that in certain cases, unlawful operations and corruption almost go hand-in-hand. Based on interviews (with auto drivers and others), it is also known that a number of autos with rural permits or registered in surrounding districts/towns like Tumkur, Channapatna, Ramnagaram, etc at times do enter and operate within the city (BBMP) limits illegally, particularly near the outskirts or urban fringe areas. They generally do so by paying a *hafta* (i.e. a regular/fixed bribe) to the Traffic Police there. Even if caught plying within the city, they usually try to get off the hook by paying a bribe.

Also though illegal (as all autos have 'contract carriage' permits for 3+1) informally, shared auto operations do exist along certain routes or in some pockets of the city, especially in some low income or outlying areas not well served by public transport, where economics and market conditions create a demand for it. Particularly in the outskirts, many drivers also prefer to operate as shared services between fixed locations within particular areas and not come into the city, as they do not have proper papers. Some locations where shared auto services exist in the city are Kengeri, Kodigehalli Main Road, Russell Market to Tannery Road, City Market, etc. According to auto drivers, this generally happens or is allowed to continue through an arrangement (*hafta*/bribe) with the Traffic Police cops in the area. The above issues and possible suggestions are discussed in Chapter 13.

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Public Complaint Systems

The Traffic Police Department have also taken the initiative of setting up and maintaining a 'public complaints system' against errant auto drivers violating rules associated with plying the auto as a 'public service vehicle'. The public have been given various options for lodging a compliant - either through printed cards handed over to cops on the road or at the Traffic Police station in the area, on the Traffic Police website, their Facebook page or by phone through IVRS or SMS.

Offences against which the public commuters can register a complaint include:

- Refusal to ply / come to destination (any destination!!)
- Overcharging / demanding excess fare
- Faulty meter
- Taking longer route / failed to reach named destination by shortest possible route
- Rude behaviour / using rough language
- Gave lift to strangers

For it to be considered a valid complaint, the complainant is required to provide certain details such as - date, time, place/location, type of violation and auto registration number, to lodge the compliant.

However, according to an officer at the main Enforcement Automation Center, "of all the complaints received, only a certain percentage are actually valid complaints. The graph (see Figure 34) shows violations received by us for the month of July 2012 and the details there upon. It is noticed that the complaints received by the IVRS system has lot of incorrect calls. Better public awareness regarding the complaint system is needed."
Procedure for Dealing with Public Complaints against Autos

The public complaints received through various means are automatically recorded or get fed into the computerised Enforcement Automation System, along with the email, id, or phone number of the complainant which is used as reference for verification purposes when it comes to processing or taking action against the complaint. Like in the case of permit or traffic violations, if the public compliant is valid, a notice is automatically generated and sent to the registered auto owner (to listed postal address), summoning him/her to come to the concerned Traffic Police Station, explain the case and pay the fine if guilty. As per law the above mentioned offenses attract a fine of Rs 100 and if not paid within 10 days, the record sent to the Inspector's Blackberries. When the auto in question is seen on the roads or is hauled up for an offence, then pending cases and fines against it are checked. In case the auto owner/driver contests the complaint lodged against him, the case is referred to court.

However, the problem here is that the RTO's vehicle registration database is not yet fully computerised and often, the owner's contact details are simply not available and if found, are inaccurate or outdated. According to the Traffic Police Sub-Inspector interviewed at the Rajajinagar Station, "we try to attend to every complaint, but appropriate action can only be taken if we are able to locate the auto/driver at the given address on record (RTO records). Often this is incorrect and it is difficult to establish contact. In such cases, all one can do is keep watch on roads." These issues are discussed in detail in Chapter 13.

The only other way or place the auto can be caught is when it comes for the annual FC procedure to the RTO. According to the Add. Comm. of Police (Traffic), Dr. M A Saleem, "We have deployed 10 officers to each of the RTOs to catch autos for pending cases/fines booked against them for permit or traffic violations and public complaints; when they come in for FC." He suggests that in the future, the person should come to the Traffic Police Station and collect a 'No Dues' Certificate before going to get the FC cleared at the RTO.

Apart from the Traffic Police, the Transport Department has also set up a similar system where the public can submit grievances against errant auto drivers either through e-mail or phone helpline numbers. Even the Legal Metrology Department have telephone numbers for the public to register complaints against faulty or tampered meters, though this is not so well known among the public.

Numerous public/citizens groups have also come forward voluntarily and created online forums or platforms to lodge complaints; where initiatives are taken to organize and map them, forward them to concerned authorities and follow up with them regarding action taken. These efforts have been born out of the sheer frustration experienced by the public in dealing with the harassment on a daily basis. See Chapters 1 and 11; Figure 35.

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136 Only Traffic Police officers of or above the rank of ASI, can levy spot fines. Constables can only make a note of the complaint from the public, which is reported to the local Traffic Police station in the area, from where the complaints are fed into the Enforcement Automation System.
The complaint management system, recently launched by Kiirti (part of the Centre for Internet and Society) is an attempt to help tackle the cases of auto menace in the city. You can report them all to a team of volunteers who manage a complaint book 24x7. There is also a map online, where you can pinpoint the exact place, time and even upload videos or photographs taken on the spot. All the complaints received will be scrutinized and verified by a backend support team of volunteers and then sent across to the department concerned for action. Besides, the complainant will be able to check the status of the complaint.

Source: [http://bangaloreauto.kiirti.org](http://bangaloreauto.kiirti.org)

**Figure 35:** Public Complaint Mechanisms managed by the Transport Department (left) and Public/Citizen Forums (right and below)

However, it is the Traffic Police who mostly manage the ‘public complaints system’ regarding auto services. According to the officer at the main Enforcement Automation Center, they also plan to launch something known as the ‘Public Eye’ by October 2012, where the public can track their complaint status and see what action has been taken i.e. whether a notice has been generated, fine is paid, etc.

It was also learnt that in cases where the Traffic Police do not have the authority to test or take action, the complaint records are passed onto the concerned departments, who are to take further action. For example, in reports regarding violation of emission/pollution norms, the notifications are sent to the Karnataka State Pollution Control Board.

**Procedure for dealing with Faulty/Tampered Meter Complaints**

When the Traffic Police or Transport Departments receive a public complaint regarding defective auto fare meters, the computerised record is passed onto the State Legal Metrology Department for further
action, as they have no mandate to deal with this. The Legal Metrology Department also independently receives complaints from the public regarding faulty or tampered meters.

At the department's head office, the complaints are sorted based on the auto registration numbers and forwarded to their concerned sub-division/branch offices at the different RTO's. The sub-division officer/inspector then takes assistance of the RTO department and refers to their computerised vehicle registration database to get the listed contact address of the registered auto owner.

Since the Legal Metrology Department is not yet computerised, everything is done manually. The officer hand writes the contact addresses, enters the details in a 'Complaints Register' and then posts the notice to the registered auto owner. However, in the words of an officer, "Even if one finds an address, the problem is that 70-80% of them are bogus. So actually it is very difficult to contact or track down the owner this way. Then there is little one can do other than keep an eye on the roads".

According to a department officer at the Rajajinanagar RTO, "If the Traffic Police inspectors by chance happen to catch an auto on the road for a traffic violation and it has defective meter complaint booked against it, they seize the auto and bring it to the Legal Metrology Department. The meter is checked and if found to be faulty or tampered, the person is sent to court. There are many such decisions pending in court. The auto owner has to pay the stipulated fine of anywhere between Rs 500-2000\(^\text{137}\), get the meter recalibrated by licensed mechanics (produce a receipt), and the meter retested to obtain a clearance certificate from the Department." However, this procedure does sound too far-fetched to be true in reality. Moreover, in the words of an auto driver, "Even when an auto owner/driver is located or caught with regard to a violation or public complaint and is taken to the Traffic Police Station, they take a bribe from him and let him go".

There are a number of fundamental questions and issues here - related to the procedures followed, nature of records/databases, sharing of information across departments - which appear to make effective enforcement or action almost impossible in these cases. Details are discussed in Chapter 13.

Moreover, auto drivers also point out that they should also be allowed to submit their grievances as well, like the compliant system for the public. "We also face cheating and harassment from some commuters, but where can we voice our problems, and who is listening to us?" (See also Chapter 11)

Auto Driver Display Card

The Traffic Police do not have any role in issuing the Auto Cab DL-Badge – this is done by the RTO. However, they do issue the auto driver's 'Display Card' free of cost, which is required by law to be displayed in every auto behind the driver's seat. This rule was introduced by the Traffic Police in 2005 for security reasons, after some reported incidents of crime related to autorickshaws. It was made a part of the permit conditions through a resolution passed in the RTA.

The card carries the auto driver's DL-Badge numbers with validity period, registering RTO, police serial number, name, address and blood group, along with a photo. All details are specified based on the

\(^{137}\) However, official fines for Defective or Faulty Fare Meter says Rs 100 (see Table 37). How do the Traffic Police ascertain this?
official RTO-issued Auto Cab DL-Badge i.e. the driver brings his DL-Badge and the Police enter the same details and issue the Display Card.

As such apart from the RTOs, the Traffic Police do have their own computerized database of most, but perhaps not all, auto drivers in the city. Moreover, no separate address verification is done by the Traffic Police and nor is any physical or background check conducted while issuing the Display Card. Given that the RTO’s database is itself not updated, accurate or even fully computerized and shared with the Traffic Police, has serious implications for on-ground monitoring and enforcement, rendering it largely ineffective. These issues and suggestions are discussed in further detail in Chapter 13.

Provision of Auto Stands

Given that it is largely a parking issue, it is the Traffic Police who are the primary authority in charge of identifying and providing both regular and pre-paid/pre-fixed fare auto stands across the city; though it is the City Road Safety Committee that is the final decision-making and approving body. According to RTA Secretary Mr. Umashankar, “the RTO and Municipal Corporation are not really involved in this activity, though it is the BBMP that is responsible for managing and maintaining public road infrastructure”.

The system of providing auto stands in the city described hereunder is based on interviews with auto drivers, union members, Traffic Police and RTA/RTO authorities.

- Either the Traffic Police themselves ascertain locations in their jurisdiction where auto stands are required or desired, or the public and auto drivers (either a local group, sangha or auto union active in that area) can also make requests based on a felt need at a particular location; and generally, their opinion is considered while deciding auto stands. Usually it is the auto drivers only who initiate the process (often through the sangha or union in the area).

- Requests can either be made directly to the Traffic Police Constable/Inspector, or in the form of a letter submitted to the local Traffic Police station in the area or the DCP's Office.

- Traffic Police Constables or Inspectors from the concerned Police Station are sent out to the requested or proposed locations to carry out a site inspection and appraise it in terms of suitability and feasibility. Considerations such as road width, available space, distance from traffic junctions, obstruction to traffic flow, convenience of location for the public and auto drivers, etc are all taken (or supposed to be taken) into account. Often there is also opposition from residents or commercial establishments to have auto stands directly in front of their houses or shops. If the location is found to be unsuitable due to one of more such reasons, then an appropriate alternative nearby is
identified if possible, or else the location is cancelled. If there are no problems, the concerned Police Inspector passes it and issues a NOC.

- A list of the proposed auto stand locations in the jurisdiction is prepared and sent to higher authorities for approval. However, it is here that responses begin to vary slightly from one to another.
  - According to auto drivers, permission is sought from the DCP and the Municipal Corporation. Some say it is the DCP's office that finally approves and notifies the stand with a sign board, which says whether it is a regular or per-paid/fixed fare auto stand, along with specifying the number of autos that are allowed to park there. Others say, a BBMP officer checks the location and puts up the sign board.
  - According to interviews with a Traffic Police Inspector and a Regional Transport Officer, the final decision regarding location of auto stands is taken in co-ordination between the Traffic Police Commissioner, RTA and City Road Safety Committee. It is said that "recently they have started inviting auto drivers and unions in during the process".
  - According to RTA Secretary Mr. Umashankar, "It is the City Road Safety Committee that takes the final decision on auto stands. It consults with the Traffic Police who do all the required groundwork and report to the Committee, who finally approve the stands."

However in our interviews, many auto drivers lamented about the lack of adequate and appropriately located auto stands in the city. They say it often turns into a big problem or constraint for them. These issues are further discussed in Chapter 13.

The **pre-paid or pre-fixed fare auto stands** across the city are in fact a Traffic Police initiative, set up with the idea of benefitting both public commuters and auto drivers. It is the Traffic Police who identify where these stands are desired or required - usually locations with heavy movement of people such as major railway and bus terminals, malls, commercial/shopping areas, office and business districts, etc. These stands are generally installed and operated by the Traffic Police - except at Majestic, Cantonment and Yeshwantpur Railway Stations where they are run by the Railway Traffic Police (possibly a special section of the Traffic Police). The first few pre-paid auto stands in the city were set up at the Majestic and Cantonment Railway Stations, M. G. Road and Commercial Street.

According to interviews with auto drivers, in the earlier pre-paid system, rates were pre-decided for particular areas, roughly calculated based on the meter fare for the distance (between the origin-destination) + extra fare for roughly 1-2 kms radius. Generally a service charge of Rs 1-2 is also collected from the customer towards maintenance of the auto stand. The fare was to be paid at the pre-paid counter, for which a receipt or **challan** was issued - to be handed over to the auto driver at the end of the ride, against which he could collect his money later.

However, given that there were major issues with the pre-paid system (in terms of fixing appropriate rates and the public being/feeling overcharged), a new system has been introduced and adopted by the Traffic Police more recently. 'Pre-paid' has given way to 'pre-fixed fare' auto stands, where the customer
is given a slip which gives a cost based on estimated distance between origin and destination (since pinpointing the exact fare from door-to-door is very difficult). But the auto driver has to put down and be paid by the meter only. Though this still does not solve the problem of tampered/fast meters or overcharging by auto drivers, the figure atleast serves as an approximate indication to the customer to help avoid or reduce, cheating and harassment.

'The concept of pre-paid auto stands was first introduced five years ago. These stands had to be shut down as they lost their sense of purpose. Outdated fare charts ensured that the commuters lost faith in the system. But this time the new pre-fixed fare auto stands that have been reintroduced ... ... have fare charts approved by the Regional Transport Authority (RTA). The fares from these stands have been fixed only after the distance from each pre-fixed counter to different parts of the City has been measured. "It is only after a thorough exercise that the fares have been fixed. Some fares have changed and there is a Rs 5 or Rs 10 increase in fares compared with the previous chart" says M A Saleem, Additional Commissioner of Police (Traffic and Safety)'.

According to Dr M A Saleem, between October-December 2011 they opened 6 such pre-fixed fare auto stands and there is a plan to have 30 such across the city. "Currently there are about 14 pre-fixed fare stands in the city and we have set a target to setting up one more every month". However, these pre-paid and pre-fixed fare auto stands have not been an all-round success and in some ways have given rise to more problems than they have solved; abetting monopoly and corruption (through a nexus between some auto drivers who pay a regular hafta/bribe to the traffic cops operating the stands), leading to further exploitation of the commuting public. Further details and issues are discussed in Chapter 13.

Training and Awareness Programs
Apart from some general programs conducted during the Road Safety Week in January (once a year), the Traffic Police do also conduct training workshops and awareness programs especially for auto drivers - where they are informed about driving, traffic and road safety rules and regulations, soft skills such as behavior with the public, laws and formal procedures/paperwork, etc. These are generally one-off programs conducted in partnership or collaboration with other institutes/organizations, and not organized or carried out on a regular basis, as one can gather from the responses below.

Add. Comm. of Police, Dr M A Saleem said, "We have arranged training/awareness programs with the help of the Indian Institute of Job-oriented Training (IIJT), where soft skills training such as

\[^{138}\text{Ref: http://www.deccanherald.com/content/200527/more-value-added-fare-chart.html}\]
\[^{139}\text{Ref: http://www.deccanherald.com/content/200101/traffic-police-open-pre-fixed.html}\]
\[^{140}\text{Ref: http://www.deccanherald.com/content/303372/blatant-disregard-rules.html}\]
attitude/behavior with the public, etc was imparted to over 350 auto drivers in a half day program. However, this is not conducted regularly or every year".\textsuperscript{141}

Another Inspector said that, "Each local Traffic Police Station (and there are about 39 of them) organizes a general training/awareness program on traffic and road safety once a year, which is a 3-hr program. A 2-day training program was conducted by the Institute of Road Traffic Education (IRTE, based in New Delhi), for about 100 auto drivers".

According to other officers, "In the past, the Traffic Police have arranged 1-day training programs for auto drivers once every 3 months at the Traffic Training Institute in the city, at the end of which they get a certificate."

However, according to the Traffic Police officers, auto drivers do not come forward voluntarily to attend such training/awareness programs; often they have to forcefully insist. Usually they contact auto unions leaders and ask them to send groups of auto drivers, or they go out to auto stands and request or bring auto drivers to attend the programs.

According to interviews with RTO officers, the Transport Department also organizes training and awareness programs, however these are often general programs conducted annually during Road Safety Week, Pollution Control Month, etc. Apart from these, some special training and awareness-building programs are also conducted once a year for the unorganized sector or auto drivers, on safety, laws, conduct, etc – often in collaboration with Auto Unions/Associations. India Tourism sponsors such 1-day programs.

As per our survey results, one can see that most of the 135 auto drivers surveyed have not attended any training/awareness programs, either conducted by the Traffic Police, Transport Department, Auto Unions or other agencies. However, some of them said they have attended training programs conducted by the Traffic Police or the RTO during the DL test or renewal, where they were informed about traffic rules and other laws. Most auto drivers were either not aware of such programs organized by the different agencies, or avoided attending it as it means losing ½-1 day's wages for them.

As one can see, the efforts at training and awareness-building are un-coordinated, irregular and poorly attended, raising real questions about their effectiveness. Issues and suggestions in this regard are discussed in detail in Chapter 13.\textsuperscript{142}

\textsuperscript{141} Ref: http://www.deccanherald.com/content/200101/traffic-police-open-pre-fixed.html
Other Support Activities

The Traffic Police Department has also supported initiatives like the 'Easy Auto Service' launched sometime back. In fact according to Ms Padmashree Harish, the entrepreneur behind this initiative, the concept was actually the brainchild of Mr M N Reddy, head of Traffic Police at the time. For more details see Chapter 11.

In the case of larger common issues concerning the autorickshaw sector, all stakeholders at least at the higher level, do get together to discuss and consult for problem solving and operationalizing plans. However, the lack of shared computerized databases and inter-departmental co-ordination in a more concerted manner, give rise to numerous issues in terms of monitoring and enforcement. Details, related issues and suggestions are discussed in Chapter 13.
CHAPTER 10
Auto Unions – Roles and Responsibilities: lobbying & other support activities

Number of Auto Unions in the City
The exact number of auto unions in the city is unclear. While some auto drivers said there are about 30-40, others said there were up to 100 smaller auto unions/groups in the city, generally organized 'area-wise' i.e. groups of auto drivers within a particular area or locality form their own union or sangha. According to Mr. Srinivas Murthy, the Vice-President of ARDU-CITU, "there are about 5 big auto unions and perhaps over 70 smaller groups". Some of the main ones are ARDU-CITU, Adarsha Auto and Taxi Drivers Union, Jai Karnataka, Jai Bhuvaneshwar, to name a few.
However, among all there are only two major unions that are officially registered and government recognized – the Auto Rickshaw Driver's Union (ARDU-CITU) and the Adarsha Auto and Taxi Driver's Union (Hind Mazdoor Sabha). They are both part of Trade Unions linked to the Government's Labour Department. Most auto unions or groups are usually affiliated to some political party.
The Auto Rickshaw Drivers Union (ARDU), the oldest and biggest auto union in the city (with over 20,000 members), was started in 1974 and registered in 1983. It is part of CITU (Center of Indian Trade Unions, which is a federation of Labour Unions all over India). ARDU-CITU is affiliated to the Communist Party. Though according to Mr. Srinivas Murthy, "we do not coerce autorickshaw drivers/members to join the party... in fact only a very small percentage of our members actually belong to the party". ARDU-CITU is a part of the Federation of Karnataka Auto Rickshaw Drivers Unions (FKARDU) in the State, which covers a total of 30 districts. The Bangalore district has 6 zonal offices in various parts of the city (Yeshwantpur, Banashankari II Stg, Tin Factory, Madiwala, Kengeri, etc). The next biggest union (with over 12,000 members) is the Adarsha Auto and Taxi Drivers Union, which is affiliated to the International Transport Workers Federation (ITF - an association of about 700 Transport Trade Unions).

Roles and Responsibilities
The auto unions/groups are meant to be the 'representatives' and 'voice' of the auto driver community and their shared goal is to safeguard their interests and work for their benefit. Their role and responsibility is to address important issues pertaining to and affecting the community as a whole and look into the welfare matters of auto drivers. Though at times there are differences in opinion, usually when it comes to major common concerns, most unions/groups do come together to consult, arrive at a consensus and/or put up a coordinated front in lobbying and talking to the government/authorities or calling for a strike.

Lobbying and Talking to the Government/Authorities
The subjects or concerns primarily include the following listed and discussed below.
**Decision-making, Laws/Regulations, Conversion Rules and Subsidies**

- In the past, auto driver groups/unions have raised their voices against or demanded a ban on the release of new auto cab permits in the city and questioned the rationale for such decision-making by authorities. They argued that illegal auto operations first needed to be cleaned up and that scientific studies of the market/demand and ground realities needed to be the basis for such decisions.
- They have also petitioned for a non-transferable and open permit system, to reduce corruption and exploitation resulting from permits mafias and the black market.
- Have lobbied with authorities for appropriate subsidies following government laws/regulations for conversion from petrol to LPG, from older 2-stroke to 4-stroke engines, or from mechanical to electronic meters.
- Have lobbied with authorities to do away with rules such as the introduction of the special 'LPG kit examination' as part of the FC procedure at a prohibitive cost (of around Rs 900 or so, according to auto drivers). Also sometime back, the government had passed rules where it was made mandatory for all autos in the city to be painted green, and for all to be fitted with the new, front full/single glass windscreens. According to Mr Srinivas Murthy (ARDU), "the notification was sent overnight to all the RTOs, who stopped about 5000-6000 autos from getting their FC". Auto drivers and unions struck against these rules and got them scrapped, in view of the fact that the burden or cost of all such conversion rules/regulations have to be borne by the auto owner/driver, adding to their expense and economic pressures. For what is deemed necessary in terms of improvement in vehicle design/technology, appropriate subsidies need to be offered to facilitate conversion, and unnecessary rules or costs should be avoided, in their opinion.
- Have asked the government to facilitate easy loans from nationalized banks and reduce the premium on vehicle insurance.

**Meter Fares – revision and system for arriving at appropriate rates**

It is the Regional Transport Authority (RTA) that is empowered to revise and fix auto meter fare rates in the city; and this is normally done in consultation with auto driver unions/groups. Before taking a decision, the RTA generally constitutes a committee to assess the demand for revising fares and reviews the situation. According to a leading member of ARDU, "though the State Government does not really have a say in this matter, unofficially they do exercise power and influence decision-making and approval".

In interviews, both auto drivers and RTA officials stated that usually meter fare revisions are only considered when fuel prices go up and auto drivers/unions demand for a corresponding hike.

In the words of an auto driver, "the matter is only looked at when we (auto drivers and unions) agitate and go on strike. The authorities never take the initiative of their own accord".

In our interviews, while some auto drivers believed that meter fares are revised and fixed mainly based on fuel prices, many others along with union leaders said that though this is a primary criteria, it is not the only one. According to Mr. Srinivas Murthy (ARDU), "In 1996, the government approved about 18
parameters to be considered for deciding auto fare rates; which included apart from fuel cost, cost of operation, maintenance and repair, depreciation, cost of living, etc”.

According to RTA Secretary Mr. Umashankar, the RTA fixes meter rates based on a calculation or formula\textsuperscript{142} that takes many different factors into account, which include:

1. LPG kit
2. Life span of auto
3. Salvage value
4. Rate of interest
5. Maintenance cost
6. Insurance
7. Tax, FC and Permit fees
8. Fuel cost
9. Tires and tubes
10. Tire retreading
11. New tire mileage
12. Retreaded tire mileage
13. No. of retreads
14. Fuel consumption
15. Average daily running
16. Dead mileage
17. No of shifts
18. Driver wages
19. Cost of operation/ km

However, the cost considerations, formula and mechanism for calculation are still unclear and require further investigation. Figure 37: Auto Fare Calculation Proposed by ARDU (based on the 18 parameters and formula)

While fixing meter fares, generally some margin is kept to accommodate fluctuation in fuel prices. However, if auto LPG prices were to be deregulated in the future leading to frequent rise and fall in fuel cost, what would be the mechanism for dealing with the demand to increase meter rates, in a manner

\textsuperscript{142} Provided by scientists/technicians at the Indian Institute of Science, Bangalore
that is transparent and fair? Auto drivers also point out that it roughly costs Rs 250 to recalibrate the meter.

Further, it needs to be pointed out that the current waiting meter fare is very low, understood to be about Rs 4 per hour. This is one of the reasons for auto drivers refusing or overcharging to go into heavy traffic or congested roads/areas, as it is a loss for them both in terms of burning more fuel and wasting more time; which the negligible waiting meter fare does not adequately compensate for. Possible suggestions to address these issues are discussed in Chapter 13.

**Social and Financial Security - availing of government welfare/benefit/aid schemes**

In our surveys and interviews with auto drivers (135+15 respectively), nearly all responded saying that aside from some government subsidies offered for conversion (from petrol to LPG, 2-stroke to 4-stroke autos, mechanical to electronic meters), they receive little or no other aid from the government or any other civil society/social organizations. (See Figure 38)

In the words of an auto driver, "Even if the Government gives a subsidy for something, it introduces indirect costs elsewhere; for example, they will offer a subsidy of Rs 1000 for converting to electronic meter, but will increase the taxes on spare parts. We end up paying one way or the other ... this does not translate to benefit or aid".

Being an unorganized sector (private, individual trade based on daily wages), auto drivers do not have any legal measures or safeguards offering them financial or social security generally available to workers in the organized sectors - like PF and gratuity, pension schemes, personal (life/accident) insurance, ESI (medical schemes), or benefits like bonuses, holidays, paid leaves, etc. Auto drivers depend on day-to-day earnings and have no cover for days they are unable to work, for health/medical or other personal reasons.

As per to our surveys results, while nearly all had vehicle insurance, only about 19% of auto drivers had personal (accident/life) insurance. (See Figure 39) Many felt that since autos are generally not involved in too many accidents\(^1\) the vehicle insurance amount they pay every year was just an added expense and burden.

According to an auto driver, "it is just money down the drain for us ... there is no benefit from paying vehicle insurance".

\(^1\) As per Traffic Police data in the last 5 years, autos have been involved in about 6-7% of the total accidents reported in the city per year.
Given this situation, a major task of the auto unions/groups is to lobby for various government welfare schemes and help auto drivers avail of these benefits - such as life or health insurance, accident relief funds, housing, medical or educational aid, auto financing and easy loan schemes from nationalized banks, etc.

Some schemes that the two major auto unions (ARDU and Adarsha) have succeeded in getting for their members are:

**The Autorickshaw Drivers Accident Relief Fund**

This scheme (passed in 1996), is applicable to all registered autorickshaw drivers holding a permanent Auto Cab DL-Badge. Under the scheme, in the event of death or permanent disability while driving the auto, a monetary grant or compensation of Rs 50,000 is awarded to the auto driver's family, from a Government of Karnataka. In case of such accidents, there is a provision to immediately release an amount of Rs 2000 to the auto driver or his family. To be eligible, the auto drivers have to register at the concerned RTO.

The Union's helps their members register or can also register their members (for a cost of Rs 10). Later it even supports family members with all the formal paperwork and obtaining the relief fund from the government.

**Janashree Bima Yojana**

This is a Central Government Group Insurance Scheme (under the National Security Scheme) offered by LIC to auto drivers since 1998. Only those with a valid Auto Cab DL-Badge are eligible for this scheme, where Rs 100 is collected from the applicant and an equal Rs 100 is paid by the Central Government. The benefits provided by LIC under this scheme include:

- In case of natural death – Rs 30,000 is paid as compensation
- In case of accidental death – Rs 75,000 is paid as compensation
- In case the auto driver is permanently disabled (i.e. loses hand, leg, eyesight, etc) – Rs 37,500-75,000 is paid depending on the condition

**Health Insurance Card**

'To enable people from the economically weaker sections of society in BBMP limits access quality healthcare, the State Government’s Vajpayee Arogyasri Health Insurance Scheme was launched in the city on 24th December 2011. The Unions lobbied to get these benefits to auto and taxi drivers in the city. The scheme is anchored by the BBMP, who are also funding the health insurance.

According to Mr N Manjunath, President of Adarsha Auto and Taxi Driver's Union, "to apply for the Health Insurance Card, the auto driver will have to go to the BBMP ward office with a copy of his Auto Cab DL-Badge, fill a form and submit photos of his family members. Each member of the family will get

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144 Ref: [http://stg2.kar.nic.in/healthnew/SAST/Home.html](http://stg2.kar.nic.in/healthnew/SAST/Home.html)

an ID or BPL (Below Poverty Line) card, which would be valid in the 37 empanelled hospitals across the city. The scheme covers medical treatment, surgery for 402 ailments and hospital expenses up to a total of Rs 1.5 lakh per year (with an additional buffer of Rs 50,000) for the auto driver's family (up to 5 members) which can be availed individually or collectively."

The Unions have helped their members enroll and procure the Health Card. However, a leading member of one auto union lamented that, "though this scheme is supposed to be for the benefit of all auto drivers, it has become a political stunt. Ideally, the scheme should have been facilitated through the Welfare Board of the BBMP, but the cards are being issued by the Corporators and used as an indirect means to garner support for a particular political party."

**Housing Scheme**

According to the President of Adarsha Union, Mr N Manjunath, they have been trying for the last decade to get housing benefits for auto drivers. The union had approached BDA’s Housing Board in this regard, who asked them to form a Society for auto drivers to be able to create a housing scheme for them. However, the Trade Union (of which they are a part) does not allow for this. The union has requested the Housing Board for 20% allotment in their EWS/LIG housing schemes (up to Rs 5 lakh). Auto drivers need not be a part of the union to avail of this benefit and so far, around 5000 have enrolled for this scheme. To be eligible, auto drivers have to have a valid Auto Cab DL-Badge and an annual income of Rs 50,000 or less\(^{146}\). SC/ST and other minorities are given priority. Auto drivers have to submit a copy of their Auto Cab DL-Badge, caste and income proof certificate (from the 'Tahsildar' office). The Revenue Officer checks whether the driver has his own house or rented, etc before approving the application for housing quarters.

ARDU also has a proposal and demand for a pension scheme, which has not yet been approved by the Government. In addition, they have established educational scholarships worth Rs 1200 per year for deserving children (of their members) studying between 9\(^{th}\)-12\(^{th}\) standards. This is given to approximately 150-175 students. They have also created a 'lost-and-found' facility to safe-keep and return lost property to passengers. They advise and guide their members in many matters including soft skills (such as attitude and behavior with the public, etc) and take into account the commuters point of view as well, while addressing auto drivers.

\(^{146}\) However, it needs to be pointed out that as per our calculations and estimate, currently renter drivers earn roughly between Rs 8000-9000 per month or about Rs 95,000 per annum and owner drivers earn roughly between Rs 12,000-13,000 per month or Rs 1.36-1.52 lakhs per annum. See Chapter 8, Appendix II. This is way above the Rs 50,000 per year criteria.
Other Support Activities

Key 'Point-of-Contact'
Since the unions 'represent' the auto driver community in a more structured and recognizable form, they in turn also become the key 'point-of-contact' for all stakeholders, such as the RTA and Traffic Police, other transport agencies (like the Metro/Bus companies), or private entrepreneurs (like the dial-up Easy Auto service) who want to engage with the auto driver community on various matters.

For instance, when the Easy Auto initiative was first launched in 2007 as a pilot program, it was done in collaboration with the Adarsha Union, whose members (about 250 auto drivers) signed up in the first round. More recently, the Metro authorities also consulted and spoke to the auto unions, regarding the possibility of having autos provide feeder services and integrating with the metro rail.

Requesting For and Deciding Auto Stand Locations

Requests for auto stands are usually made by or through a local group of auto drivers or auto union active in the area. According to some auto drivers, at times a group of auto drivers would get-together and decide where they needed/wanted an auto stand and the local union or sangha (like the Kannada Sangha) would approve it and get it registered with the Municipal Corporation. (See Chapter 9)

Training/Awareness Programs

The Traffic Police and Transport Department generally contact and co-ordinate or collaborate with the auto unions/groups to organize and conduct training/awareness programs for auto drivers - on traffic, driving and road safety rules, laws and formal procedures, welfare/benefit schemes, behaviour with public, etc.

According to Mr. Manjunath (President, Adarsha Union), "earlier (4-5 years back) there used to be such regular training/awareness programs for auto drivers, through or in collaboration with the unions at the Traffic Training Institute on MG Road".

In addition, the Adarsha Auto and Taxi Drivers Union is affiliated to the International Transport Workers Federation (an association of about 700 Transport Trade Unions across the world), which helps the union conduct such workshops and programs. It also trains union members to in turn impart training to other auto/taxi drivers. Often the agenda is surrounding social issues like health (HIV AIDS awareness, etc). The union tries to hold such programs once a month. However, since these generally take place during the day, auto drivers lose or have to let go of their ½-1 day’s earnings. As such, getting them to attend such training/awareness programs is a major issue. The union usually has to give an allowance to the auto/taxi drivers - about Rs 200 to come spend 2 hours. ITF provides 50% of the cost of conducting the program, but the rest has to be borne by the union, which is not always possible. According to Mr. Manjunath, "conducting such programs frequently without sponsors is difficult".

Mr Srinivas Murthy, leading member of ARDU suggests that this problem can be solved if some incentives are given (like each person gets the Health Insurance Card) and the benefits of attending such
programs are made more visible, substantial and realistic. Then, according to him, one will not have to force auto drivers to attend; they will come voluntarily.

**Help With All Formal Procedures**

In case an auto driver or member approaches the union for help with respect to a booked case or violation against them, the union sometimes gets involved to resolve the matter. In the words of an auto driver, "the only benefits we receive from unions are when we get into trouble with the cops".

According to Mr. Srinivas Murthy of ARDU, "since we are a very old union, we are recognized and respected by the government authorities. If there is a serious issue or pending cases faced by our members/auto drivers, the union sometimes gets involved to address the problem and if need be, even accompany them to the RTO or Traffic Police station to avoid false cases or bribes. We help with the formal paperwork and procedures and our members need not pay any bribes to the RTO or Traffic Police."

However, apart from all the above efforts and initiatives, auto unions or groups also informally help with all the formal procedures. This is where their role as organisations rendering aid or service to the community starts to grow fuzzy.

Based on interviews with unions and auto drivers, it emerged that some union members help unemployed or needy persons looking for livelihood opportunities to enter the trade (drive or buy an auto) and guide them on how to go about official procedures, or even assist them with associated paperwork. They help with procuring everything from an auto cab DL-Badge and permit to purchasing the vehicle, securing finance and registering it at the RTO, transfer of permits, approval and procurement of FC – all usually for a fee!

Many veteran auto drivers and union members, because of their position and networks (connections to auto drivers, permit holders, auto dealers, private financiers and RTO officials), actually end up operating like middlemen (agents/brokers), who facilitate and get the work done on a commission basis. Many even run it like a business – owning autos/permits or connected to those who do and making money on transfers. (See Chapter 7)

In our interviews, a number of auto drivers expressed their belief that deals were made by the government and auto manufacturing companies (Bajaj and TVS) with auto unions to call off the protests and strike against the release of 40,000 new auto cab permits (in 2011).

According to a lead member of ARDU, "ARDU was also promised a rebate of Rs 3500-4000 on the purchase of each new auto, which we passed on to the buyer. Many others pocketed this discount money, in the same way as agents would operate with commission. Many groups/unions run like a business only to make money. ARDU also helps persons with new registrations, but does it officially for a

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147 Easier for them as they also have Auto Cab DL-Badge to apply for and get DL permits when new ones are released.
fee of Rs 1000 and gives a receipt for it; Rs 500 is charged for RTO-related work and Rs 500 is taken as a donation. We are transparent and accountable."

**Membership and Fees**

Auto drivers can voluntarily register with a union and become a member by paying a yearly membership fee. From interviews with union leaders it is learned that ARDU’s annual membership fee is Rs 36 per year and members are given a red badge with their name and serial number on it (for Rs 15). The fee for Adarsha Union is Rs 100 per year and Jai Karnataka, only Rs 10. Some auto drivers said they paid Rs 200 to register, but most said they pay between Rs 100-130 per year as union membership fees.

According to Mr. Manjunath, President of Adarsha, "a total of about 35,000 auto drivers are members of one of the two Trade Unions in the city. Almost 12,000 auto drivers are a part of Adarsha and the rest, ARDU". Till January 2012, ARDU which is the oldest and biggest auto union in the city had a total of 20,782 registered members.

Given that there about 1.25 lakhs (and in the estimate of Mr. Srinivas Murthy from ARDU, close to 2 lakh) auto drivers in the city, 35,000 plus another few thousands (accounting for members of other smaller auto unions/groups), is still a small percentage of auto drivers who are a part of the unions. This is also reflected in our random survey of about 135 auto drivers, where only about 22% of them were members of some auto union, while the greater majority was not. (See Figure 40)

Union leaders have lamented that "despite the fact that the unions do much work for the benefit of auto drivers, many do not want to associate with any union, since they want freedom to do just as they please. They do not want to be bound by any rules/regulations or code of conduct to operate in the right manner." Another possible reason pointed out by Mr. Manjunath (President of Adarsha) was that, "The Traffic Police and RTOs do not entertain union members, and so people prefer not to join us as their work gets delayed where ever they go". However, it is interesting to note that Mr. Srinivas Murthy (of ARDU) held the exact opposite view and put it forth as an advantage of being associated with the union.148

So, why is it that despite their mandate or work and their very nominal membership fees, more auto drivers are not inclined or choose to be a part of auto unions/groups in the city?

**Perception of Unions**

While there are some who certainly feel that the unions are helpful to auto drivers (particularly when it comes to protecting or dealing with police cases), most feel it is quite useless. Many say they do not trust or want to join the unions as they don't believe they really exist for rendering social service and working for their welfare, but are more in it for their own political motivations or business interests - to make money.

\[148\] See section on 'Help With All Formal Procedures'
In the words of auto drivers:

"Unions just give false promises ... we have not received any sort of welfare or benefits from them"

"They have not done any good work for us ... it is usually the auto drivers only who help each other out"

"Yes, they (unions) are very political in nature ... but then again, one has to be connected (to political parties), otherwise nothing works!"

"Unions are not really beneficial to our community ... they generally look at their own benefits. They do not know much about auto driver's problems, only care about membership and other fees."

"There is a lot of corruption within the unions also ... the Government, RTOs and Unions are all hand-in-hand"

"Many veteran auto drivers and union members are just like agents/brokers and indulge in illegal activities ... They are like businessmen and lack any real leadership skills"
CHAPTER 11
Autorickshaw Service: public and auto driver’s perspectives

This chapter looks at the interface and perspectives of the users and providers of the autorickshaw service, summarizing key observations and issues.

Autorickshaw Services: Public Perspective
About a 100 auto users were surveyed in August-September 2011 to get a broad understanding of their usage characteristics, experience and perception of the autorickshaw service in the city. Presented here is a summary of the survey results. For details see Appendix II.

Profile of Users Surveyed
- A random sampling method was adopted; the only criteria for selection being that the person used autos for travel frequently (everyday) or at least regularly (about once a week). The sample had a mix of age groups, genders and occupations.
- From the responses one could see that autos were more often used for occasional trips like for shopping, social visits and recreation, followed by regular trips, like commuting to school/college or workplaces.
- Based on results, the trip lengths for auto travel generally tended to be up to 5 or 10 kms; and though they are used throughout the day, they are more in demand during the morning and evening peak hours.

Experience of Autorickshaw Services and Common Complaints
- Autos are not always easily available in the city. 43% of respondents said they found it hard to find willing and honest auto drivers. While most do go by meter about 27% of those surveyed said they generally pay an agreed lump sum amount or Rs 10-20 over the meter.
- Refusal to ply to a given destination, overcharging and faulty or tampered meters were the most common complaints of passengers regarding auto services. About 80-90% of respondents said they have experienced refusal and/or overcharging by auto drivers very often or sometimes.
- While the public were of the opinion that both the older mechanical and newer electronic meters were or could be tampered, the greater majority (81%) felt that the older mechanical meters are more tampered. Not surprisingly, practically everyone agreed that stricter measures were required to have tamper-proof fare meters for autos.
- In terms of the attitude and behaviour of auto drivers, roughly 50% of the respondents felt they were rude or arrogant either very often or sometimes, while the other half said they rarely or never experienced this.
- Other complaints included, often change is not returned and being harassed more at night time or when it’s raining.
While about 40% of the respondents felt the auto was a safe transport mode, 20% felt otherwise and the rest were not sure. 20% said they have had a dangerous experience with autos/drivers on occasion.

On whether they found the traffic cops to be helpful in dealing with errant auto drivers, opinion was divided with about 8% saying often, 36% sometimes and 56% saying rarely or never.

In general the results show that the common public complaints and frustration regarding the autorickshaw service continues to remain, and the situation simply does not seem to be working well for those who use and depend on it. For more details, see Appendix II and Chapter 1 (Public Perspective).

**Awareness and Experience Regarding Features of the Service**

- **Public Complaint Systems:** The results showed poor awareness regarding the public complaint system/numbers and trust in the effectiveness of the systems; only 25% of respondents were aware of it and 16% felt it was effective. Nearly all felt that concerned authorities should advertise the numbers more aggressively and effectively.

- **Auto Stands:** In the case of regular auto stands, most (60-70%) felt they were a useful feature and were generally conveniently located and identifiable. However, with pre-paid/pre-fixed fare auto stands, while the greater majority (76%) of the respondents felt it was a useful feature, only 26% felt that they were conveniently located and accessible. Practically all the respondents felt that the public should have a say or be involved in identifying locations where autos stands are required, desired and be able to request for them. Auto stands should be easily identifiable with a clear sign/board.

- **On Call/Easy Auto Services:** Only about 30% of the people surveyed were aware of the on-call or dial-up Easy Auto Services and barely about 10% had actually used them, with few (19%) saying they were satisfied with the service. However, nearly 75% of the respondents felt such a service would be useful.

- **Shared Auto Services:** Regarding the informally (illegally) run shared auto services in the city, few among the respondents (19%) had used these services. However, when asked if they would like to have shared auto services in the city, 48% said yes, 27% said no and 25% were not sure.

- **More Autos:** On the question of whether more autos were required in the city (in the context of the decision to release of 40,000 new auto cab permits), the opinion was divided, with roughly 50% being for it and 50% against it.

In general, the results reveal the lack of awareness and faith regarding the public complaint systems, on-call and shared auto services, process of fixing auto stand locations or decision-making regarding more autos in the city, etc. However, responses also show a keen interest and inclination on the part of the public users to be better informed and more involved. There is also a fair amount of demand and openness or willingness towards new ideas or initiatives that may help improve the service for commuters.
Autorickshaw Services: Auto Driver’s Perspective

Presented here are the combined responses from about 150 auto driver surveys and interviews (135+15 respectively), conducted between July-Nov 2011. They provide insight into the service provider's perspective regarding their reasons for operating or behaving in particular ways and the major issues faced by them.

Auto Driver’s Perspective Regarding Service

According to auto driver’s some of the common and main reasons for refusal, overcharging, resorting to tampering meters or bad behaviour, are:

- **Don’t get passengers, no return fare**: do not get passengers easily or at all from certain destinations, so either have to spend more idle waiting time or empty running kms to find passengers. As such, they do not want to go to particular areas, or at particular times of the day, where there is low or no demand; like interior residential areas, within large campuses or townships which involve empty running to get to the main road.

- **Destination in the outskirts or outside city limits**: do not prefer going to far flung suburbs, outer peripheral areas or beyond city limits from where they may not get return passengers and have to come back empty. Auto drivers have also said that at times they are wary of going to far out areas they are not familiar with, due to safety reasons or fear of being cheated by passengers. Sometimes they hesitate going to certain areas (like Electronics City) as there are few gas/LPG pumping stations there.

- **Don’t want to go in that direction**: either for personal reasons such as, heading towards home for lunch or at end of the day, or to drop vehicle off at owner’s place; or have to run errands like drop children to school, other household chores, family emergency, ill health, etc; or a prior commitment/engagement. In such cases, if the passenger’s requested destination is not en-route (is a big detour or in opposite direction), then the auto driver usually refuses or demands excess fare to make up for the empty/dry run or extra effort and delay.

- **Bad road and traffic conditions**: do not prefer going to destinations that involve bad or congested roads and heavy traffic, as it increases wear-and-tear/damage of vehicle in the case of bad road conditions and otherwise, they end up both burning more fuel in slow moving traffic/jams, and wasting their time (earning hours). Auto drivers also point out that the current waiting meter fare is extremely low (Rs 4 per hour) for it to be an adequate or fair compensation. As such, they generally want to avoid roads or areas with heavy traffic/jams because not only is it a loss for them in terms of money and time, but it also takes a toll on their physical and mental health in terms of the constant, high levels of pollution and stress they get exposed to.
- **One-way road, short trip or minimum fare**: do not prefer if the road is a one-way and they want to go in the opposite direction; then they either refuse or overcharge to make up for the empty run.

- Also, auto drivers prefer getting longer distance trips, over shorter or minimum fare ones; the reason perhaps being that with longer distances, they can do fewer trips in a day (8-10) and earn their regular quota of Rs 800-1000. Shorter distance trips are possibly not as gainful as they may indirectly involve more empty waiting or running to find passengers.

- Auto drivers often refuse or overcharge for shorter trips particularly if they have been at an auto stand for a while, in which case they prefer waiting some more for a longer trip. In the words of auto drivers, "At a stand, we sometimes wait for upto an hour and then a passenger comes and asks us for a minimum fare ride, or we get a trip for Rs 25-30, which is a complete waste (loss)." This is also one of the reasons why many auto drivers choose not to go to auto stands, unless they are practically empty and waiting is less.

- **Mafias at auto stands**: many auto drivers also do not prefer going to certain locations, like major rail/bus terminals, malls, shopping/business districts, etc and most pre-paid/pre-fixed fare auto stands, due the existence of mafias at some of these locations i.e. where particular groups of auto drivers have a monopoly through an arrangement with the traffic cops there. According to auto drivers, those who pay a regular *hafta* (bribe) are given longer trips, allowed to operate with tampered meters, quote exorbitant lump sum rates to customers etc, while others who go there are given shorter trips or harassed unnecessarily. (See Chapter 13)

- **No proper auto stands**: at times, auto drivers refuse or overcharge if the requested destination is a heavy traffic zone with no proper auto stands where they can wait to pick up passengers; for example, the Shivajinagar Bus Stand area. In such cases, they are either slapped with a fine or harassed by the traffic cops for waiting in no parking zones or they have to spend fuel in empty running to find passengers.

- **Extra passengers or luggage**: either refuse or overcharge when there are more than three passengers as it is not allowed and they may get caught by traffic cops and be asked to cough up a fine or bribe. They sometimes agree to take four passengers for one-and-half meter fare, and generally demand extra over the meter for carrying extra or heavy luggage.

- **Night time, festival time, rain, etc**: generally refuse at evening or night time if heading home, or demand one-and-half meter fare after 7-8 pm (even though the official time is after 10 pm). Tend to overcharge during festivals, if its raining, or outside high-end malls, office complexes or posh residential colonies. Rationalizing this some auto drivers point out, "Other workers in secure salaried jobs get benefits and bonus regularly. We don't have any of that. These are the only times or instances where we can try to make a little extra. If one can afford to spend thousands on a meal, a movie or shopping, can we not ask for Rs 10 more?"

Interviews with auto drivers revealed some other reasons behind their behaviour that provide insight into the deeper socio-economic and human dimensions of the problem. In the words of auto drivers:
"There are some auto drivers who are not interested in working hard or sincerely. They prefer to take it easy and have a habit of spending half the day resting, socializing or gambling at the auto stand and refuse passengers during that time. In the evenings they try to compensate for the unproductive hours by overcharging to earn enough to take home. Or they refuse short trips and try to get a few long ones."

"A number of auto drivers also have many vices, such as tobacco, alcohol or gambling addictions and spend or waste their money supporting these habits ... and so they overcharge passengers to make up for it".

"One has to be a rowdy to survive (drive an auto) in Bangalore".

"Many auto drivers are under much financial pressure, from all sides – have to pay daily rents to owners or monthly loan instalments, have to buy permits in the black market and pay agents fees/commissions, fines or bribes to the traffic cops, meet fuel and other maintenance expenses, and then earn a living ... to run a house, take care of their families and make ends meet. Auto drivers are also victims of corrupt and exploitative systems ... and have few or no other options but to exhort money from the public".

So to sum up, apart from some personal reasons/engagements (mentioned above) and stress or health considerations, auto drivers generally refuse to ply to a destination or demand excess fare from passengers if in their estimate, the trip is not gainful. One supposes that the gainfulness of a trip is estimated based on certain basic factors i.e. avoiding or reducing losses in fines/bribes, fuel expenses or earning hours – all of which ultimately translate to money. This essentially means evading being stuck in traffic jams and cutting down on empty waiting or running kilometers (ease in getting passengers). Their experience over the years, guides them in making these quick mental calculations and intuitive decisions.

Auto drivers have figured or worked out the pattern of where and when they get or don't get passengers; something like a 'place and time matrix of demand' i.e. which areas or locations, at what time of the day/night have high demand, low demand or no demand.

Auto drivers say that the attitude also depends from person to person, whether one prefers to roam empty looking for passengers, or prefers to wait longer at auto stands to save unnecessary fuel expenses.

**Awareness and Perception Regarding Features of the Service**

- **On Call/Easy Auto Services:** Like the taxi services model, there are some private companies offering on-call or dial-up auto services in the city.\(^{149}\) In our interviews, we asked auto drivers whether they had heard of these and what they thought about it.

\(^{149}\) These are private initiatives modelled on the lines of dial-up or on-call taxi services, using phone and web-based call center facilities to easily connect auto drivers and passengers. The Easy Auto service was first launched in 2007 as a pilot program and then again in 2009, but has since closed down for various reasons. For more details see Chapter 13.

Some had heard of these, but confessed to not knowing much (or caring much), while many had not even heard of it. Particularly regarding the 'Easy Auto' service many responded saying they were not much interested in it and felt the initiative was a failure as the public don't really use it - "people tend to just walk out on the road and flag down an auto ... this service may be beneficial some for some sections of the public, but its not really beneficial for us". One driver expressed, “through such a scheme one should get customers regularly, sporadic does not work". Another said, "if one is away from the pick-up point and has to travel empty kilometers to get there, then it's a loss and does not make sense".

- **Advertising/Publicity on Autos:** Drivers were asked about the advertising/publicity on autorickshaws and what kind of benefits (cash or kind) they received from it.
  
  Some auto drivers said one usually goes for such a scheme if their top hood is old or damaged and a new one is needed. In such cases the publicity/marketing company practically sponsors a new hood (which costs about Rs 3000) with the advertisement on it. Others said, "there is only a one-time payment of about Rs 50 made for the advertisement/banner, which has to be removed before the auto goes to the RTO for inspection".
  
  While some said that such marketing on autos is not legally allowed (but many do it illegally), others said that if it is from or approved by the 'Corporation'\(^{150}\), then they are given a seal. Otherwise if caught, the RTO registers a case and there is a fine of Rs 1500-2500.

- **Shared Auto Services:** Auto drivers were asked their opinion on having shared auto services in the city and most of them felt it was not a good idea and they were not for it. The reasons they gave or pointed out were as follows:
  
  "Shared autos while economically beneficial to commuters come with their own set of problems. There will be problems of overloading and it would be difficult to monitor this."
  
  "They would add to traffic congestion and management issues if they stopped anywhere as per convenience to pick up and drop off passengers."
  
  "Even a handful of drivers operating shared autos in an area, kills business for most others..."
  
  "Shared autos would increase competition and monopoly, breeding rivalry and antagonism between different factions."
  
  "Even the public might not accept it ... many women may not want to travel with men who are strangers for fear of eve-teasing or molestation ... they are not safe and so not needed in the city."
  
  "Shared autos may be good for shorter distances and useful after the Metro comes." Some auto drivers said they were not ready for such a system as of now, but if a good system was developed in the future, they would consider it.

- **Mode Integration:** In interviews with auto union leaders, they mentioned that a while back the metro authorities (BMRCL) had approached them to discuss the possibility of having autorickshaws integrate with metro rail by providing feeder services to metro stations, along with the BMTC buses.

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\(^{150}\) Unsure if by this they mean the – Municipal Corporation?
They had suggested a scheme where autos pick up passengers (wanting to take the metro) from different parts of the city and bring them to either the M. G. Road or Byapanahalli – the two terminal stations on the only stretch of Phase I that is currently operational. But this, in the opinion of the union members and auto drivers, was not a feasible option as it would neither be cost efficient for them or the public users.

**Other Major Issues Faced and Demands**

Auto drivers and union leaders were asked what in their opinion (experience/perception) were some of the other major issues faced by them and what were their requests or demands. Their responses are summarized and listed below.

"There are already too many autos on city roads, and the government has decided to release 40,000 more ... apart from that we have to compete with Volvo buses and now the Metro has also entered the picture ... often private company buses or matadors also ply as public transport ... given all this, competition is very high and business is dull."

"One of the main concerns is that the government needs to clean up (wean out) illegal auto operations before releasing more auto cab permits."

"We want the government to stop transfer permits ... this essentially means an open permit system."

"The main problem is that corruption exists at all levels ... the government must ensure that middlemen (agents/brokers) are rooted out."

"The RTOs should provide timely service and should not delay procedures inordinately."

"We want the government to consult auto drivers as well, apart from just union leaders, while making policies or taking major decisions affecting us."

"The auto union should be under the control of the government" (a reform wanted by some auto drivers)

"A forum to hear grievances or issues faced by the drivers should be setup."

"High auto LPG prices are affecting our earnings ... now there is also talk of increasing the meter fare to Rs 12/km. However this will inconvenience the public, who will stop taking autos. Instead, the government should consider providing auto drivers some subsidy in gas prices, so that we and the public don't have to bear all the burden."

"Petrol pumps do not fill correctly ... while the tank capacity is only 12 lts, the machine show 15 lts and they overcharge us."

"There are parking problems in the city and not enough auto stands ... often other vehicles are parked at demarcated auto stands."

"The Traffic Police catch us for the smallest of reasons ... they harass us a lot. The traffic cops should collect fines then and there and stop calling us to court."

"Many roads in the city are bad and the traffic too much ... it is hard to drive in this pollution. Driving in the traffic all day creates health problems."

"Sometimes the public passengers also behave very badly, speak rudely ... there are instances when passengers do not pay - they escape saying they will get the money or get change and simply don't come
back ... there is no way we can locate them in an large apartment complex. Or drunk passengers beat up and loot auto drivers, taking their money, mobile ..."

"The government should facilitate easy loans from nationalized banks itself."

"The premium on vehicle insurance should be less. Insurance companies end up paying to bogus claims. Insurance schemes should not be standardized across all vehicles ... a separate class should be created for autos and insurance premiums recalculated and fixed accordingly."

"There is no aid from the government or other civil/social organizations ... the government should make available welfare schemes for auto drivers. Let them take a monthly fee from all the drivers and provide basic benefits to us."

One auto driver proposed a system where the government takes charge of all the autos in the city - like the city bus and metro rail corporations - and auto drivers are like 'public servants' i.e. government paid employees with fixed salaries and benefits. The scheme would involve that "the government take control of all the autos in the city. The drivers are willing to provide all their required legal documents and register. The government should provide a monthly salary and some welfare/benefit schemes to the drivers. Daily duty would be a maximum of 12 hours and if they work extra, drivers should be paid overtime. All costs incurred in running an auto should be borne by the government itself. Then auto drivers would happily go where the passenger asks them. To keep a check if the auto drivers are working properly, cameras, GPS, smart card systems can be installed in autos. If such a scheme can be worked out, it is welcome!"
CHAPTER 12
Market-Oriented Solutions/Initiatives: 'on-call' and 'easy auto' services

Looking at the many complaints/grievances and issues faced by both public users and auto drivers, some private entrepreneurs have come out with market-oriented solutions/initiatives.

On-Call Auto Services
One system functions exactly like the on-call (fleet-based) taxi services, with fixed fares based on distance and time slabs (for eg, Rs 280 for 4 hours - 40 kms). 'Autos can be booked over the phone and these services are ideal for people wanting to hire them for long hours on a particular day (for shopping, social/family visits, attend business meetings, etc) and also for tourists who want a guided tour of the city'.

Figure 42: Call-Auto Service; Source: http://www.countryboat.com/bglr/call_auto_bangalore.html

'Easy Auto' Services
The other is the 'Easy Auto', a dial-up autorickshaw service that uses a phone and web-based call center facility to connect auto drivers and passengers. First launched in 2007 as a pilot program and then again in 2009, the service is currently shut down (non-operational) in the city. The concept, implementation and issues encountered were discussed in an interview with Mrs. Padmashree Harish, MD of the Easy Auto service. This is summarized along with information from newspaper/online articles, their website and presented below.

Figure 43: Easy Auto Service; Source: http://mswaminathan.multiply.com/journal/item/7

The Concept
The concept was the brainchild of Mr M N Reddy, head of Traffic Police at the time (in 2007), who can also be credited with introducing the use of Blackberry's, B-TRAC, etc. The idea was simple – create a database of registered auto drivers and passengers and use technology to connect the two; thereby benefiting both parties and making auto commuting a hassle-free and pleasant experience.

The 'Easy Auto' Service Scheme was a private initiative (of Smart Commuting Services (P) Ltd), supported by the Regional Transport Authority and the Bangalore City Police. The scheme was approved and authorized by the Government of Karnataka.

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151 Ref: http://www.countryboat.com/bglr/call_auto_bangalore.html
152 Ref: www.easyauto.in
**Implementation: 2007**

Easy Auto was first launched as a pilot project by the Regional Transport Authority, under the Transport Department, GoK in June 2007, and it ran for about 3 months. In the first round, about 250 auto drivers (largely from the Adarsha Auto and Taxi Driver’s Union) signed up and their legal documents were checked. The idea was not really embraced by members from the other auto unions. Also, about 7000 public users registered with the service, where they had to provide their mobile numbers. Simple software was used to create a database for the registered auto drivers and public users.

**Issues**

However, there were certain fundamental issues and given these, one had to concede that the model (in that form) was not working.

- The most basic challenge at the time was to locate the position of the autos, since they were not fitted with GPS devices (being very expensive), and drivers were not comfortable with continually messaging their positions. Moreover as per the scheme, if the auto driver was \( 0.5 \) km away from the pick-up point, then the customer would have to pay for the distance driven by the driver to reach the spot. However, without a GPS system there was no way to monitor this.

- Also at that time, a proper revenue model had not been worked out. Even though the company had government approval to collect Rs 3 as service charge from the passenger for each trip, this was not realizable as it was very difficult to track down each auto driver and collect this money; making the scheme economically unviable.

- Auto cab permits were also not readily available at the time and it was not possible to invest in a purchased fleet of own vehicles.

- Market research had been carried out from the commuter's side/perspective only.

**Implementation: 2009**

The initiative was restarted two years later, with license granted by the State Transport Department in April 2009 to run the service in Bangalore (within BBMP limits). As per the license agreement:

- Interested persons could participate voluntarily in the scheme.

- The operating organization was permitted to collect a sum of Rs 75 as registration or 'membership fees' from public users and Rs 3 (maximum) per trip as service charges from the passengers. No other fee was allowed.

- The operating organization has to cover a health/medical insurance of upto Rs 1,00,000 for auto drivers and their families, along with a sum of Rs 2,000 for purchase of uniform and annual maintenance charges. Apart from this, additional facilities and benefits can be given to auto drivers on contract basis.

This time, GPS technology was incorporated and a revenue system based on finance through advertising was worked out. In the second round, about 50 drivers signed up and the autos were fitted with GPS
devices and digital LCD screens on the inside. At the time, advertising in autos was not legal, but special permission was obtained from the government for the scheme. The revenue earned from it was used to run the service, and to install the display and GPS console in the vehicles, free of cost to the drivers. The idea of using autorickshaws as a medium for advertising was not new, however the biggest challenge faced by advertisers and media agencies is accountability. That is, the advertisement message carried on the vehicle often gets replaced or removed before time. Easy Auto solved this problem for advertisers, as it provided access to the list of vehicles where the advertisement was running along with their mobile numbers.

An Easy Auto looked like any other auto, but with a few additional design features incorporated to make the ride more comfortable for passengers and bring in the feeling of being in a cab/taxi. The auto was shielded with a fibre glass panel on one side and had space for a water bottle, dailies (newspaper/magazines), a first-aid kit and radio. It also had a LCD screen behind the driver’s seat, displaying a digital magazine with advertisements.

It was envisaged that once the fleet grew, passengers would be charged a one-time registration fee of Rs 75, and Rs 3 per trip. To start with the service would be available only to registered users, but later even unregistered commuters could use it. Initially operating between 7 am and 10 pm, the service was gradually made full-time (24x7), enabling commuters to get an auto even at 12 in the night.

By June 2010, the scheme had about 2500 public users and 250 auto drivers registered with it. The process of recruitment was completely on the basis of willingness.

**How Did It Work?**

- Easy Auto operates, regulates and monitors the system.
- To avail of the service, public users have to register themselves using the Passenger Registration Kits (PRK) and a one-time registration fee of Rs 75 is collected. Anyone in the family can avail of the Easy Auto service using the same registration since one could register upto ten phone numbers on a single PRK (which would be identified by the computers).
- Registered passengers could use the Website, Interactive Voice Response System (IVRS) or Short Message System (SMS) to call for an Easy Auto. Others could simply hail one at any of the Easy Auto Stands or on the curbside.
- The passenger can call 9845112233 (IVRS/SMS) and give their pick-up location. The call center facility would then trace the closest autos (within ¾ km, by way of GPS) and connect the passenger to the auto driver.
- The passenger would get a receipt confirmation message along with the request code. Within a few minutes another SMS with the Easy Auto (registration) number followed the auto driver's mobile
number would be sent to the passenger, and a parallel SMS sent to the auto driver. The passenger would have to call the Easy Auto driver within 5 minutes or else he may be assigned to another passenger. (Elsewhere it is mentioned that the call center would connect the passenger to the auto driver through a conference call.) The passenger's personal numbers are never disclosed to the driver, to ensure safety and privacy of customers.

- All autos would have digital/electronic fare meters (which are comparatively tamper-proof) and fares would be charged according to the meter. If the driver was coming from within $\frac{1}{2}$ km, the meter would be put down when the passenger boarded and there would be no extra charge. However, if the driver was coming from more than $\frac{1}{2}$ km away, the meter would be loaded from where he started.
- There was no minimum trip length rule and the auto driver was free to refuse the trip i.e. they were not forced to go if not willing. If there were too many short trips, at times the auto drivers would refuse; though in their experience, it has not been a loss if they have taken the short trips.

**Benefits**

**To Passengers**

- Door-to-door service
- Friendly, courteous and honest auto drivers
- No refusal/overcharging and harassment
- Availability even during late night/early morning hours, rain or shine
- Latest, good condition vehicles - LPG 4-stroke autos with tamper-proof digital meters
- Police verification of auto and driver's papers
- Increased safety, as GPS technology allows for monitoring/ tracking of vehicles and drivers are more accountable
- Comfortable commute for passengers with water/soft drinks, newspaper/magazines, radio, digital advertising screen, fibre glass panel to protect from pollution, etc
- Complaint reporting channel
- Feedback cards with drivers
- Exclusive Easy Auto stands

**To Drivers**

Drivers are incentivized to be a part of this scheme given the following benefits:

- Enhanced earnings - drivers of Easy Auto stand to gain as they can cut down on empty or dry runs and are assured monthly revenue for carrying the digital advertising screen and the GPS devices
- Drivers receive training in social/soft skills, banking, insurance, etc
- Drivers and their families are given health/medical insurance (of upto Rs 1 lakh)
Driver's wives receive training to do a home-based job. Easy Auto had a partnership with Canara Bank where they train the driver's wives in handicrafts and help them set up their own enterprise.

Support to educate their children (through student benefits and scholarship schemes)

According to Mrs. Padmashree Harish, the Easy Auto service would help in better integration of urban transport networks and decongest the city's roads by at least 30%.

**Issues**

The scheme received enough media and public interest. Response to the initiative and caller volumes was always good while the service was functional. The software/technology side was also not a big challenge. The main problems were from the revenue/funding and auto drivers' side. Although the second time round GPS technology was incorporated and a revenue model worked out, the scheme still did not find success and ultimately had to be wound down. Some of the major issues and reasons for this were:

- **System not sustainable due to lack of revenue**
  This time the initiative relied on advertising for funds, but was defeated by the market. It was very difficult to sustain the digital video magazine and programs that ran inside the autos, and have the content change and be relevant on a month-to-month basis. It may have worked had they got permission for publicity/marketing on the outside of autos. However even today, outside advertisement is not legal. Moreover, the company was paying Rs 500/month to auto drivers to keep the GPS devices.

- **Vehicles not owned by the company - reliance on a fleet privately-owned by individual auto drivers**
  Given the closed permit system (and permit mafias because of it), it was next to impossible for Easy Auto to get permits for new autos and finance the purchase. According to Smt. Harish, "It is very tough to operate the system without owning the fleet of autos. The scheme faced many problems as there was no control over auto drivers who signed up with Easy Auto. There was dependency on auto drivers and unions and it became a question of - who was in command?" In their experience, they felt that the auto drivers were selfish and lacked a sense of loyalty. Despite the many benefits offered by the scheme, they did not feel they stood to gain by it.

- **Some pre-planning of trip was required**
  This was a fundamental issue with the Easy Auto service. It required some amount of pre-planning of the trip by passengers and in the words of Mrs. Padmashree Harish, "this is not really a feasible concept".

- **Lack of auto stands**
  The lack of proper auto stands throughout the city made it difficult for the auto drivers and passengers to find or locate each other easily.

According to Mrs. Harish, for the Easy Auto scheme to be successful, important requisites would include:

- **Availability of vehicular fleet** - from their experience thus far it was felt that about a 1000 autos was a good threshold number. Auto cab permits should be officially and easily available.
Ownership or control over the fleet - for such a scheme to work, one needs to follow a system like the Meru Cabs (call taxi), where the private company buys and owns the vehicle and the driver gets ownership after paying instalments (in the form of daily rent) for about 5 years.

Proper supporting infrastructure - appropriately located, authorized auto stands at regular intervals where 5-10 vehicles can park.

Operated, monitored and managed by a responsible entity.

Mrs. Harish points out that Easy Auto was also launched in Patna, where it is doing very well. She feels the key difference lies in the open permit system (which eliminates the mafia/black market and much of the corruption related to procuring permits) and the co-operative attitude of the Government and Transport Department who are more willing to listen and support. Authorities were able to provide pre-paid auto stands that are an important and helpful feature in the workings of the scheme. In Patna, the scheme is also able to sustain financially through outside advertisement on autos. There is also a better sense of allegiance among the auto drivers registered with the system (partly arising out of the belief that the persons running Easy Auto are connected to and have the backing of powerful people who matter). Patna is also a smaller city compared to Bangalore. Here, the main problem lies with the closed, controlled and corrupt permit system. Moreover, there is no proper tracking mechanism due to which there are a number of illegal autos on the roads. The first step is to get an updated and accurate database. Easy loan schemes should also be made available through nationalized banks.
CHAPTER 13
Issues, Analysis and Suggestions/Recommendations

ROLE/IMPORTANCE; MERITS and DEMERITS of AUTORICKSHAWS

Over time, autorickshaws have come to be the primary para-transit mode in Bangalore and along with city buses, largely comprise the public passenger transport system in the city. As per 2008 figures, they catered to a substantial 13% of the total trips (equivalent to the share of private four-wheelers), but constituted only 3% of total vehicular numbers (while four-wheelers constituted 16%). Today, the nearly 1.15 lakh registered autos, do roughly 17-18 lakh trips or 34-40 lakh passenger trips per day.\(^{153}\)

They are widely used by a large cross-section of society - across age, gender and occupations - but belonging mostly to the middle/higher income groups. They are an important mode of transport for those deprived of personal mobility (for different reasons); particularly women and children, senior citizens and the disabled.

Compared to conventional high-capacity public transport systems (rail/bus) based on larger vehicles, autos provide greater access and flexibility, availability on-demand and reasonably fast service, convenient door-to-door connectivity and comfort, fairly safe and more economical than taxis. Given these features much like personal transport, they are practically the 'last line of defence' before losing out completely to private modes (particularly cars).

They are more cost efficient than private vehicles i.e. for the same capital cost, carry more passenger trip kilometres, and if one were to see in terms of overall numbers, don't hog as much precious space for parking and contribute lesser to traffic congestion/chaos and pollution, compared to the volume of private vehicles.

Moreover, autos provide employment or livelihood opportunities to individuals/entrepreneurs at a relatively low investment cost. Totally in the private sector, they provide a valuable public transport service, sans government funding and little if any subsidy.

But since autos play a secondary role (in public transportation), they are neither owned nor operated by government agencies, and public money is not spent there, they also tend to be side-lined and do not receive much attention. Moreover, based on their perceived demerits (skewed perceptions - which are often the result of other systemic problems), authorities tend to have a disparaging attitude towards them in general, and laws/regulations focus more on limiting or discouraging them. 'In the absence of any policy to recognize and regulate such modes of transport by the city government, and integrate them with the existing public transport systems, the local bus companies and other 'competing' services typically look upon them as 'parasites' or a 'menace'.\(^{154}\)

However, it is crucial to acknowledge their merits, recognise the significant supporting role they play in catering to the mobility needs of millions in the city and their potential in terms of increasing the share

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153 This is taking an average of 15 trips per auto per day and 2-2.2 passengers per trip. Moreover, it is believed that in actuality many more illegal autos operate on the ground; upto 1.5 lakh autos according to many. (See Chapter 4)

154 Ref: Mobility For Development – Bangalore, India, The Energy and Resources Institute (TERI) for World Business Council for Sustainable Development, 2007-08
of public transportation as a whole. It is therefore of utmost importance to look at the improvement of autorickshaw services and integrate them with other public transport systems in the city (in ways that are supplementing/complementing and not competing), in order to arrest the rapid and disturbing shift to private modes. This would in turn help to reduce traffic congestion/chaos, air and noise pollution on city roads.

In this context however, the growing anger and frustration among public users regarding the autorickshaw service, should be seen as a matter of grave concern that needs to be addressed. At the same time, one knows that the public's experience and perception of the autorickshaw service is just one side of the story - but there are multiple players or stakeholders in the system, multiple dimensions and perspectives.

It is also critical for the public at large to become aware of the issues plaguing the autorickshaw sector, to bear them in mind and bring them into focus while demanding for improvement in services, apart from just demanding stricter monitoring/enforcement measures and penalisation. For instance, it is important to realise that the economic pressures of corruption and exploitation borne by the auto driving community from different angles, is what also trickles down to the user; and that in the overall picture, it is the service provider and the service user who are in a way victims of a larger system - and not on opposite sides of the fence as is typically perceived! It is they who need to come together and demand for improved governance, service and quality of life for all concerned.

In order to improve the auto rickshaw sector, it is critical to not just treat the symptomatic problems, but more importantly to identify the source of the problems and address the 'real issues' as well.
**REGULATION: POLICY, LAWS**

**Auto Cab Permit System**

**Issues and Analysis**

- In general Bangalore follows a 'Closed Permit System' for autos that aims to control their numbers. This is due to the notion that an 'open permit system' will lead to oversaturation, traffic congestion/chaos, pollution and competition with other modes of public transportation.

- However, the percentage of autos is small compared to the 1000+ new vehicles added to Bangalore roads daily. There is no control levied on the number of private vehicles, buses and taxies.

- There is no scientific rationale or study carried out for deciding appropriate auto numbers or permits to be released.

- In actuality, the 'Closed Permit System' does not succeed in controlling numbers, but is the root cause of illegal auto operations, permit mafias and the black market in this sector resulting in added costs to procure an auto. It perpetuates a system of illegalities, middlemen, corruption/bribery and exploitation - at the expense of the poor!

- A 'Closed Permit System' in the city but an 'Open System' in the surrounding districts/towns leads to autos from outside entering and plying within BBMP illegally.

**Suggestions and Recommendations**

- Recognise that in cities like Bangalore, with significant public transport availability (i.e. with fairly well-developed city bus service, new rail/bus MRT systems), autos would play supplementary/complementary roles; and by providing 'last-mile connectivity' in fact have the potential to increase the share of public transport as a whole.

- Provide an 'Open Permit System' and depend on the market to balance the numbers i.e. supply will be proportionate to the demand and autos will function only if it is financially viable to the owner/driver. Many cities/states in the country like Chennai and Gujarat have adopted such an open permit system.

**Auto Cab Permit Eligibility and Procurement**

**Issues and Analysis**

- CMVA/KMVR does not stipulate eligibility rules for who can own how many permits; but RTA has powers to attach special conditions based on need or circumstances.

- Currently, a new DL permit requires a valid Auto Cab DL-Badge and a 1 person = 1 permit rule, where the DL-Badge has no prior association to any other DL or Transfer Permit.

- However, all permits (DL or Transfer) are transferable. For transferring an existing permit from one user to another, there are no eligibility criteria or checks for prior existing permits held by the new party. This ultimately results in multiple permit ownership by any individual.

- The permit mafia or agents/brokers use their own DL-Badge or buy this from other auto drivers (for Rs. 2000-3000) to procure a DL permit. Since there are no checks in the system for transferring permits, they sell and transfer this new permit and associated auto to another individual in need and make a profit.
The 'Permit Endorsement Letter' does not have a validity or expiry period associated with it.

**Suggestions and Recommendations**

- Auto cab permits should be made non-transferable, except in the case of legal heirs, who can choose to either retain it or cancel it.
- A single Auto Cab DL-Badge can be allowed to own more than one permit, providing a cap for the maximum permits allowed (this number to be decided). Enforce the eligibility criteria of checking for prior permit ownership. This will promote a more equitable distribution of auto cab permits, empower individuals to gain self employment and result in better accountability (more owner-drivers).
- Recently, the Transport Department in Chennai decided to take such steps to 'streamline the system' and weed out multiple auto permits.\(^{155}\)
- Maintain accurate central computerised databases related to permits, associated auto registration numbers, owner and contact details for informed decision-making and enforcement.
- Provide separate license and eligibility rules for private individuals/ companies wishing to procure large number of auto cab permits for organised fleet-based services. Conditions relating to fleet composition (vehicle type and number), operational area/characteristics, minimum driver wages and benefits, etc. should be required parameters.
- The 'Permit Endorsement Letter' should have a stipulated validity period of 1 month, extendable to 2-3 months (depending on time taken by banks to approve loans); after which it automatically expires.

'Green Tax' and Scrap/Removal of Old Autos

**Issues and Analysis**

- Autos older than 7 years are required to pay a 'Green Tax' of Rs 200/year at the time of FC. The reasoning behind this amount is unclear and is probably based on conditions that are now outdated and they do not take into consideration newer vehicle types and emission levels.
- There is no rule for the removal of older autos (beyond a particular age) from the city.

**Suggestions and Recommendations**

- 'Green Tax' amounts should be reviewed and revised based on scientific factors and fixed for different vehicle types and ages (as opposed to a blanket stipulation). These should be regularly revised based on improvement in vehicle design/technology, which would serve as an added incentive to shift to cleaner, greener and more efficient vehicles.
- Alternately, consider removal of old autos from city jurisdiction after 7-10 years to reduce pollution. The number of years would depend on factors such as - emission levels, average service life of the

\(^{155}\) Ref: http://articles.timesofindia.indiatimes.com/2012-10-17/chennai/34524258_1_auto-drivers-new-autorickshaws-m-s-rajendran
auto, economic feasibility for change, etc. Such a move would need to be backed by strong and effective monitoring and enforcement mechanisms. Maintain accurate central computerised databases related to vehicle age, health, maintenance, etc for informed decision-making and enforcement.

**REGULATION: LICENSE, PERMIT, REGISTRATION and RATIFICATION (Vehicle Testing and Certification) PROCEDURES**

**Auto Cab DL-Badge**

**Issues and Analysis**

- Many auto drivers in the city are illiterate, drive without a legal/valid license, lack knowledge of driving, road safety rules and traffic sense.
- License procedures allow 8th std pass candidates to take oral tests, allowing for false passes and corruption.
- It is unclear whether all licensing procedures have been computerised.

**Suggestions and Recommendations**

- Improve and adopt stricter driving test procedures using new technology (automated driving test facilities, etc). All applicants must give self-written or self-taken computerised tests.
- Maintain accurate central computerised databases related to DL-Badge issue/renewal/cancellation procedures along with license holder’s contact details.

**Auto Cab Permit and Registrations**

**Issues and Analysis**

- A new 'Single Window' RTO has been set up to cater to everything related to auto cab permits (issuance, renewal, transfer, cancellation); while the issuance of DL-Badges, auto registrations and vehicle fitness certification will continue at all city RTOs.
- The recently computerised database of all auto cab permit holders and associated auto registration details across all RTO's in the city, is made available at this new RTO-AR, to help enforce the 1 person - 1 permit rule for the issue of new DL permits.

It requires confirmation if all auto registration and permit related functions have been computerised and inter-linked across all RTOs.

**Suggestions and Recommendations**

- Computerise and interlink all functions related to auto cab permits (issue, renewal, transfer, cancellation) and associated auto registration numbers, de-registrations (in case of scrapping old autos) or conversions (in case of change of class to private, or jurisdiction of auto to other districts).

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156 As per the Comprehensive Traffic and Transportation Study for Bangalore (2010), the average service life of an auto is 10.5 years, but many auto drivers and manufacturers believe that if well-maintained, the vehicle can have a life of upto 15 years, if not more.
All changes need to be reflected in records immediately in an accurate, updated central computerised database for purposes of informed decision-making, enforcement of eligibility criteria, regulation and monitoring.

**Emission (PUC)**

**Issues and Analysis**

- To curb malpractices and ensure effective monitoring/enforcement, the PUC procedure has been fully automated and computerised (since May 2011); also making it simple, quick and efficient.
- However, loopholes in the automated procedure allow individuals to tamper with the oil-to-engine connection to get better test results.

**Suggestions and Recommendations**

- Use CCTV cameras to monitor practices such as removing oil pipe, etc. or modify test process and auto design to prevent manual interference.
- Maintain accurate central computerised records of the emission test/certification processes.

**Fare Meter (MC)**

**Issues and Analysis**

- Auto fare meters are tested on special machines and official fee receipt (in many cases) is computerised.
- However, the 'Meter Certificate' (with meter serial number, make, associated auto registration number, etc) is hand-written
- The whole process is not interlinked and computerised.

Manual procedures result in irregularities (false passes, corruption and bribery).

**Suggestions and Recommendations**

- Automate and computerize the fare meter testing/certification process with central regulation (along lines of PUC). where testing machines are directly connected to a central computerised network.
- **Procedure**: Meter serial number automatically registered by test machine and matched against the central database. Successful test records get approved and the Meter Certificate and fee receipt is automatically generated. Failed tests are rejected and a computerised fine receipt generated.
- This accurate computerised record of fare meter test/certification maintained by the Legal Metrology Dept. should be shared with the RTO’s FC Dept. for cross-checking before final issue of FC.

**Vehicle Fitness (FC)**

**Issues and Analysis**

- FC fields are often located in the outskirts where land is available, which is cumbersome both for RTO inspectors and applicants. These are usually barren grounds without requisite infrastructure or testing equipments.
Reliance on only manual/visual checks and inadequate staff makes the process time-consuming and inefficient and results in corruption and false passes, leading to unfit autos plying the roads.

**Suggestions and Recommendations**

- The FC process should be streamlined, automated and computerised as far as possible to make it faster, efficient and less prone to malpractices.
- Use of hi-tech testing equipment and skilled manpower necessary.
- Maintain accurate central computerised records that generate approved certificates or fines automatically based on test results.

**DL-Badge; PUC/MC/FC and LPG kit exams**

**Issues and Analysis**

- At present, each testing and certification procedure takes place at different locations and each location has its own record-keeping methodology.

**Suggestions and Recommendations**

- All testing and certification functions, including the collection of a 'No Dues Certificate', etc. should be centralised to take place at common facilities. A single location must offer all the services at once. All these must be automated and computerised. All records must be connected to a central computerised database and the resulting approved or failed certificates automatically generated based on the test results.
- Adequate number of such modern driving and vehicle testing facilities need to be set up - either by the city/state transport authorities or private sector (but licensed by and linked to the Transport Department for central regulation). Along the lines of centers in Kerela, Andhra Pradesh, Gujarat, Assam, Delhi, etc.

**Open Data Governance**

**Issues and Analysis**

- Lack of automation and computerisation of all formal procedures and a lack of transparency and accountability in service delivery.
- The complicated formalities/paperwork and undue delays compel individuals to approach middlemen and pay extra commissions/bribes.

**Suggestions and Recommendations**

- Automate and computerise all formal licensing, registration and ratification procedures that capture information at the time of action.

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• All officers/employees should have unique computer id codes - to aid internal monitoring and accountability.
• There should be a user-friendly public interface for information and enquiry regarding formal procedures (required documents, associated fees and time taken).
• Individuals should be able to track the status of their applications and also submit complaints/grievances in case of undue delay or other problems with follow-up action (penalisation and compensation resp.)
• The new scheme under the Karnataka Guarantee of Services to Citizens Act (Sakala) started in April 2012 must be implemented.
• Option of online application must be made feasible, where possible.

REGULATION: MONITORING and ENFORCEMENT SYSTEMS
Auto Cab DL-Badge
Issues and Analysis
• It is unclear whether all licensing procedures and all auto cab DL-Badge holder's records are centrally computerised.
• There is no formal registration of DL-Badge holders coming from outside the city, but operating within Bangalore.
• No provision or means to cross-check the validity of a DL-Badge from outside the city but within State.
• No provision for carrying out background checks and physical address verification at time of issuance of DL-Badge, or 'Display Card' (by the Traffic Police).
• No provision to ensure that the auto driver's contact details are regularly verified and updated; during DL-Badge renewal, address updation is only optional.

Suggestions and Recommendations
• The computerised records of DL-Badge issue/renewal/cancellation and person's contact details should be interlinked across all RTOs in the City/State (using KSWAN). This accurate central database of the Transport Dept. should be shared with the Traffic Police for effective on-line and on-ground monitoring.
• The Traffic Police's computerised 'Display Card' database should be linked with the Transport Dept. DL-Badge database to cross-check authenticity of the DL-Badge holder's details both from the city and of those from other parts of the State driving in the city.
• At the time of issuance of DL-Badge, the Police Department should run a background check (past offences/criminal record, etc) on the applicant and carry out a physical and postal verification of address.
• Contact (address/phone) details verification or updation (with proof) should be made mandatory at the time of DL-Badge renewal.
Auto Driver’s Display Card

Issues and Analysis

- Apart from Transport Dept, Traffic Police also maintain a computerised database of most (though perhaps not all) auto driver’s operating in the city, through the issue of the Auto Driver's 'Display Card'.
- This is like a way of registration for auto drivers from outside the city but within the State; but they do not have computerised reference records for authentication while doing this.
- Also, the Display Card is issued purely on the basis of the RTO-issued 'Auto Cab DL-Badge' and no background check (past criminal record, etc) or physical address verification is conducted by the Traffic Police while issuing this.
- Given that the RTO's database is itself not updated, accurate or even fully computerized, has serious implications for on-ground monitoring and enforcement, rendering it largely ineffective.

Suggestions and Recommendations

- Ideally the Traffic Police should be called upon by the RTO to run a background check and carry out a physical address verification at the time of first issue of an Auto Cab DL-Badge. Or they should certainly do it while issuing the Display Card. 
- The computerised details of Auto Cab DL-Badge holders from across the State should be made available to the Traffic Police for cross-reference and authentication purposes, while issuing 'Display Card's to auto drivers from outside (but from the State) wishing to operate in Bangalore city.
- Either the Traffic Police maintain their own computerised database of auto drivers and their contact details. Or the RTO maintains an updated, accurate computerised database which is shared with the Traffic Police.

Auto Cab Permits and Associated Autos Registrations

Issues and Analysis

- There is a discrepancy in official numbers between issued auto cab permits and registered autos in the city i.e. there are many illegal autos/operations (roughly 20-30% or more without valid permit). This occurs due to the lack of properly maintained records and practically no online or on-ground monitoring mechanisms.
- RTO officers/inspectors rarely come on ground for road checks and monitoring/enforcement purposes.
- Recently all auto cab permits and auto registration details were computerised and maintained in a central database, which would help weed out the illegal autos.
- Currently there is no provision to ensure that the permit holder/auto owner's contact details are regularly verified and updated.

Suggestions and Recommendations

- The auto cab permit and registration databases should be interlinked to databases holding other auto-related information and made available to all concerned parties as reference for monitoring/enforcement.
Contact details verification or updation (with proof) should be made mandatory at the time of permit renewal.

Autos with multiple (number to be decided) registered offences - traffic violations, public complaints, pending fines - against them should have their permit cancelled.

_Emission (PUC)_

**Issues and Analysis**
- RTO or Pollution Control Board officers/inspectors rarely come on ground for road checks and monitoring/enforcement purposes.

**Suggestions and Recommendations**
- Computerised PUC test/certification records can be used to track pending defaulters and send them fine notices.
- These records should be shared with the Traffic Police for efficient and effective on-ground monitoring and enforcement.

_Fare Meter (MC)_

**Issues and Analysis**
- Legal Metrology Department keeps most records manually, which opens up scope for irregularities (false passes/corruption) and poses great problems for effective regulation, monitoring and enforcement.
- The Legal Metrology Department lacks requisite resources (computers, trained staff, etc.).
- The lack of accurate computerised databases of relevant details (meter serial number, associated auto registration numbers, owner and contact details) and meter test/certification records makes it difficult to track meter checks and pending defaulters.
- Lack of computerised and interlinked records between the Legal Metrology and Transport Depts. makes the public complaints procedure obsolete. Fines cannot be levied since most addresses in the system either do not exist, are fake, outdated or inaccurate; making follow up difficult. It also means that autos with faulty meter complaints against them get overlooked when they come in for MC.
- The use of faulty/tampered fare meters is rampant and apart from random test drives, no effective ground monitoring mechanisms exist. The department is acutely understaffed, with only few road inspectors.

**Suggestions and Recommendations**
- Fare meter details (such as make, serial number) and meter test/certification records should be computerised and linked to RTOS database of auto registration number, owner, contact details, etc. This will help track pending cases and issue fine notices to concerned owners and also nab the faulty meters from public complaints when they come for MC/FC.
- The computerised databases should be made available for on-ground monitoring - by Legal Metrology Inspectors and/or Traffic Police Inspectors - on their Blackberries; to verify pending cases/fines.
The Legal Metrology Department needs computers, trained staff and more inspectors with Blackberries for on-ground monitoring.

**Vehicle Fitness (FC)**

*Issues and Analysis*

- It is unclear whether FC test/certification records are computerised. Hence it is difficult to keep track of autos that have taken the test and those that have not.
- The permit/auto owner's contact details are not verified or updated at the time of FC.
- RTO officers/inspectors rarely come on ground for road checks and monitoring/enforcement purposes.

*Suggestions and Recommendations*

- Vehicle details (such as make, age, engine/chassis/lpg kit/meter serial numbers, etc) and FC test/certification records should be computerised and linked to the RTO's database of auto cab permits, associated auto registration number, owner and contact details. This will help track pending cases and issue fine notices to concerned owners and also nab autos operating without legal permit (even if they have a duplicate number plate).
- The computerised databases should be made available for on-ground monitoring - by RTO Inspectors and/or Traffic Police Inspectors - on their Blackberries; to verify pending cases/fines.
- The department needs computers, trained staff and more inspectors with Blackberries for on-ground monitoring.
- At the time of FC the applicant should also collect a 'No Dues Certificate'. This should be through an automated computerised machine, where the auto registration number is fed in and checked against the RTO, Traffic Police and Legal Metrology Dept databases for pending cases and fines. Due fines should be paid in cash into the machine to get a computerised receipt and certificate. This facility should be available at an integrated FC centers.
- Providing proof and verifying or updating contact details should be mandatory at the yearly FC process.

*No Dues' Certificate*

*Suggestions and Recommendations*

- It is suggested that in the future the applicant collect a 'No Dues' Certificate based on a clean record from all departments i.e. Transport, Traffic Police, Legal Metrology and Pollution Board, for validity of permit, registration, tax payment, PUC, MC, booked traffic/permit violations and public complaints - to be submitted as part of the annual FC process.
- This would require accurate, interlinked computerised records across the various departments. The entire process should be fully computerised and automated, where the auto registration number is fed in and checked against a central interlinked database for pending cases and fines. Due fines should be paid in cash into the machine to get a computerised receipt and certificate. This facility should be available at an integrated FC centers.
If an auto has more than 'x' number of pending cases (traffic/permit violations, failed tests, expired/invalid papers or public complaints) against their name, punitive and corrective action should be taken when they come for FC. This could be in the form of higher fines for repeat offenders, permit liable to be cancelled, etc. Number of cases to be determined.

**ON-GROUND MONITORING and ENFORCEMENT**

*Issues and Analysis*

- Traffic Police do not have the mandate or means to check and take punitive action w.r.t. legality of auto cab permits, vehicle fitness and emission certificates, defective fare meters, etc as these are functions related to other Depts.
- If they happen to catch an auto for a traffic/permit violation without possession of the required legal/valid documents, the Traffic Police have the authority to confiscate the DL/RC Book or detain the vehicle. A week's time is given to produce the papers and release the documents or vehicle, failing which a court case is booked. Usually in a court case, the Traffic Police can impound the auto and withhold it till the case is cleared. According to inspectors, they do not intimate/notify or forward the booked case record to the concerned department.
- Court cases are too slow. Time consuming ordeals are neither efficient nor effective. They can also be used to threaten - as a means for abuse of power and corruption.
- Many illegal autos running on city roads, but since the relevant RTO database is not shared with the Traffic Police, there is no way for them to check the authenticity of the permit.
- However, the concerned Departments i.e. RTO, Legal Metrology, Pollution Control Board officers/inspectors, who are actually responsible rarely come on ground (except for random road checks/drives), rendering on-ground monitoring and enforcement systems, weak and ineffective.
- In other cases of illegal operations, like informally run shared auto services or autos from surrounding districts/towns with rural permits entering and plying within city limits, auto drivers generally do so by paying a hafta (regular bribe) to the Traffic Police cops there.
- Auto drivers (like everyone else) usually resort to paying lighter bribes than dealing with heavier fines or RTO and court cases.
- There is also lack of awareness among many auto drivers regarding the official fines for traffic offences/violations; at times ending up paying higher bribes than what the official fine entails.
- Corruption, bribery and exploitation/abuse of power by the Traffic Police. No transparency and accountability in terms of action taken against violation of traffic/permit regulations or public complaints.

Traffic Police have come out with awareness campaigns targeted towards the public to 'demand receipt for spot fines' etc to reduce exploitation/corruption and improve accountability among its officers/inspectors. However, the effectiveness of such initiatives remains to be ascertained.

**Suggestions and Recommendations**

- Develop a more efficient and effective ground monitoring and enforcement system, based on a multi-pronged approach.

**Level 1:** If the concerned department comes across an illegal or invalid condition, when the auto comes for test/certification or renewal procedures, it should take immediate punitive (fines) and corrective action.

**Level 2:** Each department could build their own task force of trained officers/inspectors who regularly come onto the road to conduct checks.

- However, since it is the Traffic Police who are already on the roads and well equipped for on-ground monitoring and enforcement, the matter could be better tackled with inter-departmental co-ordination and co-operation. This would require sharing with the Traffic Police, relevant computerised databases for reference, which include: legality and validity of auto cab DL-Badge, permit, FC, PUC and MC.

- For example, with the PUC testing and certification process being entirely computerised, it is easily possible to make this data available on the Traffic Police Inspector's Blackberries for on-ground monitoring purposes. Appropriate laws/regulations will have to be modified to empower the Traffic Police to be able to check and enforce a fine for not having or a lapsed PUC.

- If the Traffic Police come across an illegal or invalid condition, they should be empowered to levy a nominal fine, directly book a court case and notify the concerned department.

- However court cases are a slower process. A good system needs to be devised for more immediate results, in terms of punitive (fines) and corrective action.

- So alternately, the Traffic Police can retain original documents or compound the auto and issue a notice, which the offender would have to take to the concerned department for corrective action. The booked case/issued notices record is also simultaneously passed onto the concerned department. The concerned department would take punitive and corrective action and issue a fresh certificate with computerised fine receipt, which would have to be brought back to the Traffic Police to release original papers and/or vehicle.

**Level 3:** Empower and engage the public to help in on-ground monitoring and enforcement. Autos should have all their legal/valid documents i.e. Auto Cab DL-Badge, Permit, FC, PUC and Meter Certificates combined into one (Master Pass) and displayed in the auto. The public can be asked to report if they do not have this certificate or its lapsed.

- Develop and widely disseminate information/awareness material regarding official fines for traffic/permit violations using different media - pamphlets/brochures, films, awareness/training workshops, etc in local languages.
Build transparency and accountability in terms of action taken against violation of traffic/permit regulations or public complaints. For this it is crucial for the entire process to be fully computerised, interlinked and automated. It means that accurate computerised records of violations/complaints are maintained, fine notices automatically generated (based on the RTO databases) and sent to registered owners, computerised receipts generated for fine payments made - be it online, from Inspectors Blackberries, at Traffic Police Stations or Bangalore One Centers - closed cases automatically reflected in official records and simultaneously on the public interface.

Important to reiterate that all fine payments have to be made against a computerised receipt and reflected in official records. However, this still does not fully resolve bribery issues. Devise means to incentivise the Traffic Police officers/inspectors to do their job honestly. For instance, offer a percentage/cut of the fines collected by them or other benefits like a raise, promotion, welfare schemes etc. This would have to be combined with counter measures to prevent the abuse of such incentives and protect the public.

PUBLIC COMPLAINTS SYSTEM

Issues and Analysis

- Different departments (Transport/Traffic Police/Legal Metrology/Public or Citizen Online Forums) having their own complaints systems and numbers; making it quite complicated and confusing for the public.
- Lack of awareness among the public regarding these complaint systems. Also, lack of transparency and accountability in how they work and action taken, resulting in lack of faith in its effectiveness.
- It is learnt that most of the time public do not even register the complaint, either because they are not aware of the system/numbers, lack trust, or simply do not have the time, money or patience. As such only a small percentage of harassment actually gets reported.
- Besides due to lack of awareness, many of the complaints received are invalid i.e. do not furnish all the required details. According to the Traffic Police, IVRS phone complaints especially have many incorrect calls. As a result, many complaints cannot be considered and no action taken against them.

Suggestions and Recommendations

- Streamline the public complaints system to make it more efficient and user-friendly. Centralise and integrate it across the different concerned departments, with a good public interface ('single window' approach).
- Various means can be provided to lodge the complaint. Should be made accessible to and easy to use by the masses. For eg, available to people without access to phone/internet, in local languages, etc.
- Develop public awareness regarding the complaints system through the creation and wide dissemination of informational material/media, adverts, campaigns, etc. Also design the process of recording complaints to reduce the possibility of invalid ones. For instance all means of complaints should include guides or prompts for the public to help furnish all the required details.
Traffic Police

Issues and Analysis

• While the Traffic Police have a computerised and automated public complaints system - for efficient data gathering from different sources, maintaining records, processing complaints and issuing fine notices - this is not the case with the Legal Metrology Dept. and perhaps even the Transport Dept., leading to ineffective use of compliant data.

• The RTO's vehicle registration database is shared with the Traffic Police and if the compliant is valid, a fine notice is automatically generated and sent to the registered auto owner (listed postal address in the RTO database), summoning them to come to either come to the concerned Traffic Police Station and explain the case or pay the fine if guilty.

• However, the major problem here is that the RTO's database of auto registrations, owner's and their contact details are not updated and accurate. In many cases it is difficult if not impossible to locate and contact the rightful owner (70-80% of the addresses are bogus - incomplete, fake, inaccurate or outdated). This is where the trail runs cols in most cases, rendering the enforcement system largely ineffective.

• In such cases, one can only upload the complaints record to the Inspector's Blackberries and keep an eye out on the roads, hoping to chance upon or catch the auto for a traffic violation.

• The only other way or place to nab the auto is when it comes for the annual FC procedure. For this purpose Traffic Police inspectors are deployed at all RTOs to haul up autos with pending cases of permit/traffic violations and public complaints booked against them, when they come in for FC.

Suggestions and Recommendations

• The public complaints system can be anchored by one of the involved departments, preferably the Traffic Police as they are already primarily responsible for public complaints and have most of the system and requisite technology/infrastructure in place. Complaints regarding faulty/tampered meters would be relayed to the Legal Metrology Department. The Transport Department need not be involved or responsible for public complaints against autos to reduce redundancy and streamline the system.

• For the efficacy of the system, all concerned offices and the entire system of complaint data gathering from different sources (printed cards, websites, email and phone - IVRS/SMS), maintaining records and processing complaints i.e. issuing fine notices, has to be computerised and automated.

• This would have to be backed by accurate, computerised and interlinked databases of relevant details and shared between concerned departments for effective monitoring and enforcement.

• The RTO's computerised database of auto registration numbers with associated meter details (serial number, make etc) and auto owner's contact details (address, phone) to be shared with the Traffic Police and Legal Metrology Department.

• Moreover importantly, these records would need to be complete, regularly verified, updated and accurate.

• Running and maintaining such a system would need the requisite infrastructure and manpower. Augmenting or training and capacity-building of staff is an important action area.
Computerisation is particularly required in the Legal Metrology Department.

**Legal Metrology Department**

**Issues and Analysis**

- Since it is not the domain of the Traffic Police or Transport Departments, when they receive public complaints regarding 'faulty or tampered meters', the computerised record is passed onto to the Legal Metrology Dept HQ, where it is sorted and directed to the concerned sub-division/branch offices at the respective RTOs. However, these processes and offices are not computerised i.e. equipped with the necessary infrastructure and trained manpower. There is no increase in staff and capacity-building. Currently most official procedures are carried out manually, which poses a big problem.

- Officers take the complaints record to the RTO's computerised vehicle registration database, make note of the listed owner's details (name, contact address, etc) and issue fine notices - everything is done manually (hand-written). The record is also manually entered in their 'Complaints Register'.

- However, the major problem in processing complaints is that the RTO's database of auto registrations, owner's and their contact details are not updated and accurate. In many cases it is difficult if not impossible to locate and contact the rightful owner (70-80% of the addresses are bogus - incomplete, fake, inaccurate or outdated). This is where the trail runs cold in most cases, rendering the enforcement system largely ineffective.

- However, the RTO's database of details related to vehicles, owners, drivers and their contact details need to be complete, updated and accurate; which is not always the case, making enforcement very difficult.

- Department officials say they try to follow up on each complaint - go to the given address or keep an eye out on the roads - however, this sounds too far-fetched and futile. Being greatly understaffed, officers/inspectors also hardly get onto the road to check and catch offenders.

- Moreover since faulty/tampered meter public complaints received by the Traffic Police are simply passed onto the Legal Metrology Department for further action, in all probability this record is not available on the Inspector's Blackberries. As such, there is no way of nabbing the auto, even if it is caught on the road for a traffic or permit violation. In this way there is little co-ordination or co-operation among the different agencies for monitoring and enforcement.

- In more practical terms, all that can be done is to try and catch the auto when it comes in for the fare meter test and certification at the time of the annual FC process. However, without a computerised complaints record (of auto registration numbers) related to a computerised database of associated fare meter details such as serial number, make, etc, there is no way to easily identify the auto/meter and haul up the owner for payment of fine and corrective measures.

**Suggestions and Recommendations**

- The Legal Metrology Department needs to maintain computerised records of public complaints against faulty/tampered meters. This interlinked with the RTO's (updated and accurate) database of auto registration numbers, meter details and owner's contact details will help to automatically generate and
send fine notices to registered owners. This will also help identify autos with faulty/tampered meter complaints booked against them, when they come for the meter test and certificate as part of the annual FC process. The auto/owner can be hauled up to pay the fine and undertake corrective measures.

- For effective monitoring and enforcement, the Legal Metrology Department will have to augment its offices with the right resources i.e. computer infrastructure and trained staff to operate it, officers/inspectors for on-ground/road checks and requisite equipments, etc.
- Alternately or additionally, the complaints record can be shared with the Traffic Police, as they are primarily responsible and best suited for on-ground monitoring. They would need to be empowered to nab and send such autos with pending cases against them to the Legal Metrology Department for immediate corrective action.

In summary, an effective system would require accurate computerized databases of relevant details that are interlinked and shared; co-ordination and co-operation between the different concerned departments. *(see figure below, pg 156)*

**Transparency and Accountability**

**Issues and Analysis**

- In the case of all departments i.e. Transport, Traffic Police and Legal Metrology, there is a lack of transparency and accountability in terms of action taken against an auto owner/driver when he is tracked down or caught w.r.t. a booked case (either a traffic/permit violation or public complaint) against him. Currently there are no means to ensure that penalisation (fines) and corrective measures are in fact taken. From the study it emerges that even when an auto is tracked or caught, a bribe may be given/taken and the person let off.

**Suggestions and Recommendations**

- Make system efficient and transparent to reduce corruption and improve effectiveness, accountability, public trust/faith - which is currently lacking.
- In addition to a fully computerised, integrated and automated system (as discussed above), this would require a public feedback interface.
- The Traffic Police have already taken a step in this direction and have facilities where the public can search pending cases/violations by vehicle registration number and pay fines online. More recently they have also launched the 'Public Eye' - a facility where the public can track online their complaint status and see what action has been taken i.e. whether a notice was generated, fine is paid, etc.
- However, it is crucial to reiterate that this entire process has to be fully computerised, integrated and automated. It means that accurate computerised records are maintained, fine notices automatically generated and sent to registered owners, computerised receipts generated for fine payments made (be it online, from Inspectors Blackberries, at Traffic Police Stations or Bangalore One Centers), closed cases automatically reflected in official records and simultaneously on the public interface.
The same measures would have to be taken the Legal Metrology Department and their final official records regarding pending cases and public complaints interconnected to and reflected on the same public interface.

**TRAFFIC POLICE - Specialization**

**Issues and Analysis**
- The Traffic Police are not a specialized dept; officers/inspectors are periodically transferred from one branch to another.
- Currently all money collected by the Traffic Police in the form of fines goes into a common pool or general revenue of the Government. The lack of independent control over such funds could serve as a disincentive in the ethical and effective dispensation of duties.

**Suggestions and Recommendations**
- Consider making the Traffic Police a specialised Department (as it requires specialised knowledge and skills), along with making it more transparent and accountable. Or else atleast incorporate regular awareness and training programs for officers/inspectors.
- Fines collected from traffic/permit violations, public complaints etc should be put into a special fund made available to the Traffic Police Department for specific purposes (to be defined - such as provide incentives to their officers/inspectors to do their job honestly, augment requisite infrastructure and staff for improved on-ground monitoring/enforcement, etc).

**Interdepartmental Collaboration**

**Issues and Analysis**
- Currently the various government departments i.e. Transport, Traffic Police, Legal Metrology and Pollution Board work as independent entities and under no compulsion to collaborate. Each has their own functional domains and relevant information is not fully shared. This lack of co-ordination and co-operation renders monitoring and enforcement weak and largely ineffective.

**Suggestions and Recommendations**
- Legal provisions should mandate interdepartmental dialogue, co-ordination and co-operation, which is a must to build robust monitoring and enforcement systems. Relevant information (computerised databases) should be shared reference sources.
Streamline - Automate - Computerise - Interlink - create and maintain accurate/updated DATA\BASES of relevant details - shared across departments for effective regulation, monitoring and enforcement!

<table>
<thead>
<tr>
<th>TRANSPORT DEPT</th>
<th>LEGAL METROLOGY</th>
<th>ETCs</th>
<th>TRAFFIC POLICE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>License:</strong></td>
<td></td>
<td></td>
<td>Traffic Police's Auto Driver's 'Display Card' details</td>
</tr>
<tr>
<td>• Auto Cab DL-Badge holders across city/state RTOs Testing and Issue, Renewal and Cancellation procedures.</td>
<td></td>
<td></td>
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<tr>
<td><strong>Contact:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Address/Phone details of license holder – mandatory verification/updation at time of 3-yr license renewal.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Permit:</strong></td>
<td></td>
<td></td>
<td>Traffic Police's database of booked cases of traffic offences, violation of permit conditions, criminal records etc.</td>
</tr>
<tr>
<td>Auto Cab Permit holders across city RTOs - issue, renewal, transfer, cancellation procedures.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Registration:</strong></td>
<td>Associated Auto Registration numbers across city RTOs - de-registrations (scrapped), or conversions (change of class to private, or sent to other jurisdiction)</td>
<td></td>
<td>Consider sharing legal permit holders database with Traffic Police for better on-ground monitoring/enforcement as RTO officers/inspectors do not conduct regular roadside checks?</td>
</tr>
<tr>
<td><strong>Contact:</strong></td>
<td>Address/Phone details of permit/auto owner - mandatory verification/updation at time of 5-yr permit renewal.</td>
<td></td>
<td></td>
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<tr>
<td><strong>FC:</strong></td>
<td>Auto details such as make, engine/fuel/meter type, engine/chassis/lpg kit/meter serial numbers, etc and; FC test/certification records.</td>
<td></td>
<td>Consider sharing FC/Fare Meter/PUC databases with Traffic Police for better on-ground monitoring/enforcement as RTO, Legal Metrology and Pollution Control Board officers/inspectors do not conduct regular roadside checks?</td>
</tr>
<tr>
<td><strong>Fare Meter:</strong></td>
<td>Fare Meter details such as make, serial number, etc and; Meter test/ certification records</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>PUC:</strong></td>
<td>Emission test/ certification records</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Contact:</strong></td>
<td>Address/Phone details of permit/auto owner - mandatory verification/updation at time of yearly FC renewal.</td>
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**PHYSICAL INFRASTRUCTURE**

*Auto Stands – Regular*

**Issues and Analysis**

- Autos are seen as major contributors to traffic congestion/chaos on city roads as they often tend to stop anywhere to pick up and drop off passengers, wait at undesignated stands or park in no parking zones.
- Many auto drivers lament about the lack of adequate and appropriately located auto stands in the city - either not provided or removed and made into parking zones, etc. At times, this is partly the reason for refusing to go to particular locations.
- In the current system of providing auto stands, auto drivers and the public can request for stands at desired locations, but no means to track action taken and decision-making process.
- The Traffic Police ascertain suitability of location (from traffic flow, parking and other angles) or at times while deciding may consult auto unions/gps who may not be aware of the particular local contexts; so it often happens that auto stands are provided at locations that are away from where auto drivers actually gets passengers or the public actually need auto stands - rendering them ill-planned and useless.
- In some cases, local auto unions/groups strong in the area, decide their own auto stand locations, without following due process.

**Suggestions and Recommendations**

- Need a proper system for providing adequate and well-planned/appropriately-located auto stands across the city.
- This would also be beneficial for any future organised fleet-based, shared or dial-up auto services as it would help drivers and passengers to located each other easily.
- The system for deciding auto stand locations needs to be transparent and accountable - with a platform where the public and auto drivers (individuals, groups, unions) can submit requests and follow-up on the status of their application i.e. regarding action and decision-taken and rationale for the same.
- Auto stands should be easily recognisable, with proper signage.

*Auto Stands - Pre-Paid/ Fixed Fare*

**Issues and Analysis**

- The Traffic Police identify required/desired locations, install and operate the pre-paid/fixed fare auto stands.
- Earlier 'pre-paid' fare system had issues of inaccurate or higher fare rates causing the public to feel cheated/overcharged and lose faith in the system.
- In newer system of 'pre-fixed' fares, indicative fare slip given to customers, but auto driver has to go by meter only. Estimated fares arrived at through proper scientific exercise and charts approved by RTA. However the system still has a few issues.
Many auto drivers feel these are a drain on their income, as they often have to wait longer periods and end up getting shorter rides. Often this is because of the monopolies/mafias at such stands i.e. there exists a nexus between a group of auto drivers and traffic cops there - an arrangement based on haftas (regular bribes).

According to auto drivers, others are either not allowed there or the cops make it difficult for them to get passengers. Partiality is shown in many ways: longer distance rides given to those who pay bribes, cops turn a blind eye when they harass passengers by refusing to go by meter and charging exorbitant lump sum rates, or operating with highly tampered/fast meters.

It was reported that such a problem of harassment, exploitation and corruption exists at most pre-paid/pre-fixed fare auto stands across the city; the biggest and worst being at major transport hubs (railway stations and bus stands) and commercial hubs (malls, CBD, etc).

Moreover, public complaints also mounting against such pre-fixed fare auto stands, as they still feel overcharged/cheated in some instances and exploited due to corruption (nexus between auto drivers and traffic cops), which is defeats the purpose.

Reported cases of illegal collection of service fee towards 'maintenance' by traffic cops manning the counters.

The Traffic Police are looking to replace the current booths with ticketing devices that would automatically print slips. However, just this does not address all the issues of exploitation and corruption.

**Suggestions and Recommendations**

- As in the case of regular auto stands (discussed above), institute a proper system for providing pre-paid/fixed fare auto stands across the city.
- The system at pre-paid/fixed fare stands needs to be transparent, fully automated and computerised, to reduce human intervention and corruption. Components include: fixing of estimated fares, display and dispensing receipts to customer, feeding in auto details (picture/reg. no), etc.
- Develop a scientific method/software using technology to more accurately calculate distance between given origin-destination, based on which fares are estimated. This needs to be integrated with a computer/electronic display (for transparency/accountability to the customer) a printer, which automatically generates the receipt/slip, and a CCTV camera which captures a picture and registration number of the auto in queue, automatically attached to the computerised file record.
- Such a system/facility to be provided at all pre-paid/fixed fare auto stands across the city.

**Gas Pumping Stations**

**Issues and Analysis**

- Some areas in the city (particularly outer/peripheral suburbs like Electronics City) do not have adequate numbers of gas pumps/stations. This is a also a reason why at times auto drivers refuse to go there.
Suggestions and Recommendations

- Assess which areas in the city lack adequate pumping infrastructure and make appropriate provisions.

VEHICLE DESIGN and TECHNOLOGY

Policy, Laws and Regulations

Issues and Analysis

- Lack of maintenance and the need for improved design and technology renders autos as major sources of noise and air pollution.
- New regulations have stipulated the shift to 4-stroke, LPG vehicles with electronic fare meters that are less noisy, polluting and more tamper-proof than older, 2-stroke petrol vehicles (running on adulterated fuel/crude oil, mechanical meters).

Suggestions and Recommendations

- Ongoing process; scope for improvement in vehicle design/technology and incentivising the shift should be looked upon as a major area of action; requiring multi-pronged strategies (in the short, medium and long terms).
- Stop/ curb sale of loose, crude oil, to reduce pollution from 2-stroke autos.

Databases

Issues and Analysis

- Lack of computerised records (stats/info) on auto fleet composition i.e. number of 2-strokes v/s 4-strokes, LPG v/s petrol/diesel, mechanical v/s electronic meters, age of the autos, etc.

Suggestions and Recommendations

- Maintain accurate, updated computerised database of vehicle details such as age, make, type of engine, fuel, meter, should be created on a priority basis - to help in analysis, policy issues, informed decision-making, etc.

Subsidy Schemes

Issues and Analysis

- Subsidies are offered by the government as incentives, but the conversion process in the past has been low and slow. Some reasons being:
  - Cannot simply retrofit; need to change whole vehicle.
  - Subsidy amounts low compared to actual conversion costs - bank loans not easy to get.
  - Lack of trust - promise on paper but no delivery.
  - Get only Rs 15,000 to sell auto to Transport Department.
  - “Green Tax” should prevent the need of scrapping.
  - Resistance to convert partly due to common perception held by auto drivers that 4-stroke autos involve higher maintenance costs.
  - Lack of accurate information/awareness even among authority figures on subsidy schemes offered.
Suggestions and Recommendations

• In future, there needs to be a comprehensive conversion policy looking at technical/financial components and the program implemented properly; supporting infrastructure provisions.
• For ease of delivery and building trust, system of disbursing subsidies should be streamlined, transparent, and accountable.
• Fix reasonable subsidy amounts that take into account practicalities and actual cost of conversion.
• Combine with access to micro-finance or government supported easy banks loans, as part of the scheme.
• Information/awareness campaigns to tackle misconceptions and highlights the benefits of moving to better vehicle design/technology.

Proper Information/ Awareness

Issues and Analysis

• Preference for 2-strokes as they cost less (capital), have more power/pick-up, are easier to run and maintain (take rough use better); but primarily because their maintenance (oil, service, repair/replacement) costs are much lower compared to 4-strokes.

Suggestions and Recommendations

• To support and encourage shift to 4-strokes, essential that right information/awareness regarding their benefits over 2-strokes (economic, environmental, health, etc) are clearly and widely known among the community.
  - 4-stroke vehicles are cleaner, greener, and more efficient
  - Less polluting (noise/air) as they run on LPG/good oil
  - Better mileage; more fuel efficient (avg. mileage of 2-strokes: 18 kms/lt and 4-strokes: 22 kms/lts)
  - Though have slightly higher capital costs, operating or life-cycle costs are lower.
  - Lower oil/regular maintenance costs. Though costs of repair or replacement of components, spare parts, etc. are much higher, these are occasional costs. Through regularly maintenance, high occasional/accidental maintenance costs can be avoided or reduced.
  - Total maintenance costs of 4-stroke autos lower or equivalent to 2-strokes: roughly Rs 225 less/month and Rs 2100 less/year.
  - 4-stroke renter and owner drivers earn better than their 2-stroke counterparts (roughly Rs 16,000/year).

Maintenance Schemes, Fitness Testing/Certification

Issues and Analysis

• Poor maintenance of vehicles and non-conformance to norms; partly due to neglect and partly on account of higher maintenance costs.
• Inefficient and ineffectual methods of vehicle fitness testing/certification throws open opportunities for false passes, corruption and lack of good on-line and on-ground monitoring/ enforcement systems.
Suggestions and Recommendations

- Manufacturers should look at more robust vehicle design for longer service life and lower maintenance costs - so they have better resale value; look to reduce the cost of components/spare parts /accessories.
- Ensure proper maintenance and compliance to regulations - improve testing/certification and monitoring/enforcement systems.

R&D For Improved Vehicle Design/ Technology

Issues and Analysis

- Improvements required in vehicle design, engine, and fuel and fare meter technologies.
- Both older mechanical and newer electronic meters can be tampered with, though it is more difficult to do so with electronic meters.
- Seal is supposed to serve as safeguard against tampering - but meter can be manipulated without damaging seal by cutting rubber tubing.
- Rigging can be done by meter company dealers, licensed or local mechanics.
- Auto driver alter other components like smaller tires, less air, etc for fare meters to run faster.

Suggestions and Recommendations

- Explore bringing CNG infrastructure to city, initially for PT/IPT modes. It is both more fuel and cost efficient (30-32 kms/lt) and is easy to convert. Less polluting.
- Instead of small/incremental improvements, look to the future in terms of leap-frogging technologies. Other options that could be explored include use of hybrid or electric vehicles, particularly based on renewable sources, like solar-powered rickshaws, or use of hydrogen from R&D, case studies and best practices from around the world. Viability based on factors such as economics, vehicle operating characteristics, re-charging infrastructure and power sources.
- R&D for innovative and improved auto vehicle designs - with more comfort/safety, better protection from weather/pollution.
- Auto fare meters - RTA should ban the older mechanical meters and offer proper incentives/subsidies for conversion. Encourage R&D for GPS-enabled, tamper-proof auto fare meters and smart phone applications to accurately calculate distances and fares. Alternately, auto meters should only show distance and have fares calculated based on that. This also helps avoid issues of recalibration every time fares are revised.

FINANCING MECHANISMS

Banks v/s Private Financiers

Issues and Analysis

- Despite the easier loan schemes, seizing rules, lower interest rates and penalty charges offered by banks, most auto drivers still prefer or are compelled to go through private financiers. Reasons include:
- Given their past experience with non-payment and difficult recovery process, banks have become very wary of passing auto purchase loans to individuals and do not entertain them easily. Now it is mostly done through Govt. schemes where Govt. acts as guarantor. Banks also take more precautions, have more formalities/paperwork and much longer loan approval procedures and time frames (2 weeks – 2 months or more)
- Private financiers are more flexible on many counts - finance is easily and quickly approved (1-2 days) if applicant comes through a reliable guarantor (usually known agent/broker).
- Auto drivers prefer going to private financiers as it is simpler, convenient and much faster! They are in a hurry to get auto, as its a question of livelihood; waiting 2-3 months not an option! Moreover, many prefer paying off loan in 3 years v/s 5.
- Despite higher interest/EMIs and penalty charges private financiers are also more successful in debt recovery because of their 'claim of ownership' and 'means of recovery'. This has to do with the very definition/type of financial agreement (Hypothecation V/s Hire Purchase) where private financiers are the rightful owners of the auto till the last EMI is paid off and name is transferred. They have the auto's original documents, and can directly seize without court intervention - use goons/rowdies to do this which is effective!
- For older second-hand autos, no option but to go through private financiers and money lenders, charging very high interest rates, illegal dealings (black money, don't give receipts, etc); particularly those who are un-registered.

**Suggestions and Recommendations**

- Streamline bank procedures to make it simpler and faster.
- Govt-supported easy bank loan schemes: devise special Govt. schemes for auto purchase, under which banks have more powers related to 'claim of ownership' and 'means of recovery' of auto (in case of non-payment), like in the Hire Purchase Act.
- Also look to explore innovative finance mechanisms: set-up effective micro-finance schemes for auto purchase, schemes with 'Group As Guarantor'. Govt. can also look to set up 'seed money' to fund auto purchase loans (from the annual auto insurance funds). A financial model can be worked out, such that the 'seed money' is recovered and additional funds generated for the next batch of loans - self-sustaining model. Such schemes could be used to introduce or bring about the shift to improved vehicle design/technology.

**MIDDLEMEN**

**Issues and Analysis**

- Agents/brokers are the invisible but almost indispensable elements who permeate and work the entire system.
- They exist and are preferred as they 'help' applicants with all formal procedures (i.e. arrange req. legal documents, act as guarantor, procure license, finance, permit, registration, vehicle fitness test/certification etc).
• They hold/have easy access to permits (DL and Transfer) and are the only means of connection
  between the two parties in absence of any formal facilitation by RTO.
• They help with complicated procedures (formalities/paperwork) as many applicants are
  uneducated/unaware/unfamiliar and are like a 'one-stop' solution to getting the job done through
  their networks - all on the basis of commissions and bribes!
• Most auto drivers say they go through agents/brokers as it is convenient and much faster; otherwise
  the RTO pushes work very slowly!
• Through middlemen, applicants pay roughly Rs 8,000-12,000 more than official fees for procuring DL
  permit, finance, registration; and Rs 20,000-35,000 more in case of transfer permits. Approx. Rs 500-
  600 extra for vehicle fitness test/certification (FC, Meter, PUC) every year.
• This adds to the applicant's financial pressures of loan/debt repayment, which ultimately also trickle
  down to public users.

**Suggestions and Recommendations**

To reduce the role of middlemen:
- Consider changing policy, laws/regulations and making it an 'open' permit system in the city,
  permits non-transferable (except in case of legal heirs); amend 'transfer' permit and eligibility
  conditions (as discussed in earlier section)
- Simplify/streamline complicated formal procedures where possible
- Use of Technology: automation, computerization in all licensing, registration, ratification
  procedures to build in transparency and accountability; implement Sakala Scheme
- Better information/awareness campaigns regarding formal procedures and outreach to the auto
  driving community

**INFORMATION, AWARENESS and TRAINING**

**Issues and Analysis**

- Most auto owners/drivers prefer to or are compelled to go through middlemen for different reasons;
  one of them being that all the formalities/paperwork is too complicated and intimidating, especially
  for people who may be uneducated, unaware or unfamiliar with the procedures as they are just
  entering the trade.
- Many auto drivers are either unaware of or need refresher sessions on traffic/driving/road safety rules
  and regulations and the official fines for traffic violations/offences. It is learnt that since they are not
  well-informed about these, they sometimes end up paying more than the official fines to the Traffic
  Police.

**Suggestions and Recommendations**

- Complicated formal procedures should be streamlined where possible, made more accessible to target
  audience and transparent!
- Create outreach (information/awareness) material and training programs using different media -
  pamphlets/brochures, films, awareness/training workshops, etc in local languages on:
- Laws/regulations, formal procedures (associated documents, costs and time), purchase and finance mechanisms (manufacturers, bank loans/private finance funds), traffic/driving/road safety rules/regulations and official fines for violations/offences, government welfare/benefit schemes, soft skills, etc for auto owners/drivers.
- Laws/regulations applicable to auto services, offences-violations and official fines, complaint or grievance redressal mechanisms/systems, information on pre-paid or dial-up services, apps for fare calculation, etc for public users and visitors to city.

Training/Awareness Programs

Issues and Analysis

- Both the Transport and Traffic Police Departments conduct some general training/awareness programs and also some especially for auto drivers, on driving/traffic/road safety rules and regulations, soft skills such as attitude and behaviour with the public, laws, formal procedures, etc. This is usually in collaboration with other institutes/organizations and auto unions. Auto Unions also organise such programs for auto drivers on general or specific themes. However, these are usually one-off programs and not organized or carried out on a regular basis. A few years back the Traffic Training Institute used to conduct regular programs for auto drivers in collaboration with auto unions; though its uncertain if this is still true.
- Many auto drivers are either not aware of or avoid attending such programs as it means losing their ½-1 day's earnings. They do not come forward voluntarily; often have to forcefully insist and the majority have not attended any such programs.
- At times auto drivers have to be given an allowance to compensate for their lost time. Therefore conducting such programs regularly without sponsors is difficult.
- As one can see, the training and awareness-building efforts are un-coordinated, irregular and poorly attended. Different agencies conduct their own training/awareness programs, with differing agendas and on a sporadic basis. Moreover, without it being appropriately built into the licensing or renewal procedure, mandated by law or providing incentives for auto drivers to voluntarily attend such sessions, outreach and attendance is very poor, rendering these efforts largely ineffective.

Suggestions and Recommendations

- Training and awareness building efforts need to be co-ordinated, streamlined and conducted regularly.
- Either one department can be made responsible to lead and co-ordinate the effort with others or a special agency set up with the mandate to do this and anchor all training, awareness-building and advertising work (material, campaigns, programs/workshops, etc), for auto drivers among other target audiences (like the public).
- Need to be regular programs, especially mandated by law during issue and renewal of Auto Cab DL-Badge and Permits.
- Need to provide effective incentives to get auto drivers to attend voluntarily; some form of compensation for lost wages, either in cash or kind. For example, they could be offered easy
access/registration for various government aid schemes - like each person who attends the program would get a 'Health Insurance Card'. If the benefits of attending such programs are made more visible, substantial and realistic, then auto drivers need not be forced to attend, but would come voluntarily.

- An economic model needs to be worked out. GoK should consider putting aside a budget to extend some financial support for such important and necessary efforts.

**AUTO UNIONS**

*Number of Unions/ Groups*

*Issues and Analysis*

- There are about a handful of major auto unions (5) in the city and numerous other smaller groups or sanghas (over 70) generally organized 'area-wise'.
- Though at times there are differences in opinion, for major common concerns most factions come together to put up a coordinated front in lobbying with government/authorities or calling for a strike.

*Suggestions and Recommendations*

- Envisage a better structure for auto unions/groups so as to form a better organized coalition - a united, stronger front and force.
- This could be like an 'umbrella organisation', a federation or trust that is a formally registered and recognised body, with better access to government welfare/benefit schemes for their members.
- This would also serve as a good forum/platform for the various factions to come together, consult, deliberate and arrive at consensus for action.
- Their mission and goals should be clearly outlined and this should be a democratic, transparent and accountable body.

*Informal Role*

*Issues and Analysis*

- Many auto unions/groups also informally help auto drivers or their members with formal procedures - but usually for a fee! This is where their purpose and role as organisations rendering aid or service to the auto driver community starts to grow fuzzy.
- They help unemployed or needy persons looking for livelihood opportunities to enter the trade (drive or buy an auto) and guide them on how to go about official procedures or even assist with associated paperwork. They can help with everything - from procuring an auto cab DL-Badge and permit, to purchasing the auto, securing finance, registration, permit transfer, FC, Traffic Police or Court Cases etc - all for a fee!
- Given their position and networks i.e. connection to auto drivers, permit holders, auto dealers, private financiers and RTO officials, many veteran auto drivers and union members actually end up operating like middlemen (agents/brokers), who facilitate and get all the work done on a commission basis. Many even run it like a business - owning autos/permits or connected to those who do and making money on transfers.
Suggestions and Recommendations

- Auto unions/groups rendering 'middlemen' services appears to be completely at odds with what is understood as their primary purpose for existence; which is to safeguard the interests of the auto driver community and work for their welfare/benefit. Rather than protecting auto drivers from corruption and exploitation, they become the perpetrators; actually reinforcing and perpetuating the cycle. Misplaced motivations (like making money) under the guise of rendering aid or service are a major issue.

- It is suggested that if the auto unions/groups want to provide such manner of aid or service, they atleast do so officially and adopt a transparent, fair and accountable system (with receipts, etc). This will also help build trust/faith and change the negative perception of unions as corrupt and exploitative.

Perception of Auto Unions

Issues and Analysis

- Despite the work or mandate of auto unions/groups and their nominal fees, it appears that only about a quarter of all auto drivers in the city are actually part of some union or group. Possible reason for this is the bad image or unfavorable perception of auto unions/groups held by many auto drivers.

- Many feel they do not trust or want to join unions/groups as they do not really exist for rendering social service or working for their welfare, but are more in it for their own political motivations or business interests - to make money. Some opinions expressed by auto drivers include - false promises, no real good work, political in nature, look at their own benefits, don't really know the problems of auto drivers, corrupt, many are just like middlemen or businessmen, no real leadership skills, etc.

Suggestions and Recommendations

- For auto unions/groups to become a stronger force to contend with and be able to realise their real mission/goals, they would need to organise themselves better and reinvent their image.

- If the work of auto unions/groups was more visible, substantial, transparent and accountable, and the benefits were obvious to auto drivers; many more would want to voluntarily be a part of the unions.

- Some demands/suggestions expressed by union members/leaders include:
  - Have an open, non-transferable permit system, then the unions are ready to stand behind auto drivers and become guarantors to help them avail bank loans.
  - Government should facilitate easy loan schemes from nationalised banks.
  - The premium on vehicle insurance should be less. Insurance schemes should not be standardised across all vehicles, but a separate class created for autos and premiums recalculated and fixed accordingly.
AUTO METER FARES

Issues and Analysis

- Meter fare revisions are usually only considered when fuel prices go up and auto drivers/ unions demand for a corresponding hike (agitate and go on strike); authorities do not take initiative of own accord.
- Meter fares are fixed using a scientific formula, taking into account 18 different parameters, the main being fuel price. However, the formula, cost considerations and mechanism for calculations is unclear.
- While fixing meter fares generally some margin is kept to accommodate fluctuation in fuel prices. However with the deregulation of auto LPG prices leading to frequent rise and fall in fuel costs, what would be the mechanism for dealing with the demand to increase meter fares in a manner that is transparent and fair? Auto drivers also point out that it roughly costs Rs 250 to recalibrate the meter.
- The current waiting meter fare is understood to be Rs 4/hour, which is very low. This is one reason for auto drivers refusing or overcharging to go into heavy traffic or congested roads/areas, as it is a loss for them both in terms of burning more fuel and wasting more time; which the negligible waiting meter fare does not adequately compensate for.

Suggestions and Recommendations

- Need to institute a rational and scientific system for regular review/revision and arriving at appropriate auto meter fares.
- The system also needs to be transparent and fair i.e. the formula, factors considered, mechanism for calculation, etc can be made publicly available.
- Factors like minimum monthly income, 'cost of living' index, etc should also be taken into consideration.
- Given the deregulation of auto LPG prices and the costs of recalibrating fare meters it is suggested that auto fare meters should only show 'distance travelled' and RTA approved rates and cards be made widely known and available to auto drivers and public users. This will not only save all the time, effort and money spent for recalibration, but perhaps also help make the meters more tamper-proof using technology.
- 'Waiting' meter fares must be revised and fixed appropriately after scrutinising relevant factors.

SOCIAL WELFARE AND FINANCIAL SECURITY

Issues and Analysis

- Being in the unorganized sector i.e. individual, private entrepreneurs, auto drivers do not have any legal measures or safeguards offering them financial or social security generally available to workers in the organized sectors - like PF and gratuity, pension schemes, personal (life/accident) insurance, ESI (medical schemes), or benefits like bonuses, holidays, paid leaves, etc.
- Auto drivers depend on day-to-day earnings and have no cover for days they are unable to work, for health or other personal reasons.
- They receive little if any social/financial aid from the government or other civil society organisations.
The few government welfare/benefit schemes for which they are eligible are also not easily accessible to individual auto drivers; largely due to lack of awareness and complicated formal procedures/paperwork.

These are better facilitated through auto unions/groups, but only about 25% of auto drivers in the city are actually members.

Often such schemes become political gimmicks - used by some for maneuvering and personal gains.

At times rules/regulations are twisted and loopholes exploited. For example, auto drivers have to have an annual income of Rs 50,000 or lesser to be eligible for a particular 'Housing Scheme'. However as per the study they earn substantially more than this.

Eligibility rules and the means of application, selection and disbursal are not always clear and transparent.

The basic (and at times the only requirement) to be eligible for many of the welfare/benefit schemes is the possession of a valid Auto Cab DL-Badge. However, there are many private financiers, auto sub-dealers, agents/brokers, well-off individual auto owners, etc who also possess a valid Auto Cab DL-Badge. How does the system differentiate and ensure that the welfare/benefits reach the appropriate or really needy recipients?

While all autos have vehicle insurance, comparatively few (only about 20%) of the auto drivers have personal or life insurance. Many feel this is simply a wasteful expense and an additional financial burden, as autos are involved in comparatively fewer accidents.

**Suggestions and Recommendations**

- Make government welfare/benefit schemes easily available to all auto drivers and institute new ones where necessary - life or health insurance, pension, accident relief fund, housing/medical/educational aid, auto finance and easy loan schemes from nationalized banks, etc.
- Increase awareness regarding the various schemes among the auto driver community through various means - information material, media, training/awareness programs, etc.
- Plug loopholes in eligibility criteria and devise means to ensure that the welfare/benefits reach the right and intended recipients. Other employment/income sources, bank account or tax statements should also be checked.
- The entire system of application, appraisal, selection and disbursal should be streamlined, made transparent, fair and accountable. This can be achieved through computerisation, automation and a public interface; incorporate features along the lines of the 'Sakala Scheme'.
- Explore innovative means of garnering funds for such welfare/benefit schemes. For instance, if the vehicle insurance were to be provided by a government insurance agency, then the unclaimed insurance money could be put into a special fund reserved for financial aid or social welfare/benefits extended to auto drivers.
PUBLIC and AUTO DRIVER PERSPECTIVES

Public Perspective

Issues and Analysis

- There is growing public frustration regarding auto services in the city as it simply does not seem to be working well for them. Common complaints include: refusal to ply to given destination or overcharging, faulty/tampered fare meters, rude or arrogant behavior, harassment, etc.
- Many among the public and traffic police believe that a number of auto drivers are uneducated and untrained, and have bad habits such as tobacco, alcohol and gambling.
- Traffic cops not very helpful in dealing with errant auto drivers.
- Lack of awareness regarding the process of fixing auto stand locations. It was felt that pre-paid/fixed fare auto stands were not very accessible or conveniently located and the public still felt cheated/exploited due to the nexus between the auto drivers and traffic cops there.
- Lack of awareness and faith regarding the public complaint system/numbers. Lack of awareness about on-call/easy auto or shared auto services and few had actually used them. However, most respondents felt such services are useful for the public.

Suggestions and Recommendations

- Going by public experience and opinion, it is clear there is a dire and immediate need to improve autorickshaw services in the city.
- Soft skills training (attitude/behaviour with the public), other social issues should be an essential component of all training/awareness programs and campaigns for both auto drivers and traffic cops.
- The public should have a platform for submitting grievances and suggestions regarding auto services; also, requests for auto stands at required/desired locations, problems faced at pre-paid/fixed fare counters, etc.
- It was felt that regular and pre-paid/fixed fare auto stands were a useful feature, but they needed to be conveniently located, easily recognisable with proper signage. Improve facilities for the public at pre-paid/fixed fare stands, address and resolve mafia issues.
- Public complaint system information (numbers, process etc) should be more aggressively and effectively advertised.
- There is a keen interest and inclination on the part of the public users to be better informed and more involved in matters that affect them. There is also a fair amount of demand and openness towards new ideas/initiatives such dial-up or shared auto services, that may help improve the service for commuters.

Auto Driver’s Perspective

Issues and Analysis

- Common reasons given by auto drivers for refusal, overcharging, tampered meters and bad behavior are:
- Low or no demand at particular destinations or at particular times of day/night; so avoid going if they don't get passengers, and have to spend more idle time waiting or empty running.
- Avoid going to areas they are unfamiliar with, especially outer suburbs or peripheral areas beyond city limits, as they don't get return fares.
- Do not prefer going to areas with bad roads or heavy traffic as it increases wear and tear/damage of vehicle, burn more fuel in traffic jams and waste more time (earning hours). The current waiting meter fare is also very low to be an adequate or fair compensation. Not only is it a loss in terms of time and money, but also takes a toll on their physical/mental health, being exposed to constant, high levels of pollution and stress.
- Avoid one-way roads, minimum fare or short trips as they may directly or indirectly involve more empty running or waiting to find passengers. Refuse/overcharge especially if they have been waiting at an auto stand for long. Prefer longer trips as they are more gainful.
- Avoid going into congested roads or heavy traffic zones with no proper auto stands where they can wait to pick up passengers, as they are harassed or fined by traffic cops for hampering traffic or standing in no parking zones and end up spending more fuel in empty running to find passengers.
- Many avoid going to certain locations like major rail/bus terminals, malls, shopping/business districts etc and most pre-paid/fixed fare auto stands, due the existence of mafias at these locations i.e. where particular groups of auto drivers exercise a monopoly through an arrangement with the traffic cops there. According to auto drivers there is partiality shown towards those who pay a regular hafta (bribe) by allowing them to overcharge and/or operate with tampered meters, giving them longer trips etc; while others are given shorter trips or harassed unnecessarily.
- At times hesitate going to areas where there are few or no gas pumping stations.
- Generally demand extra for carrying more than 3 passengers (which is illegal) or heavy luggage.
- Generally refuse or overcharge if its evening/night time and they are heading home. Start demanding one-and-half meter fare after 7-8 pm, though officially its after 10 pm. Tend to overcharge during festivals, rains, outside high-end malls, office complexes or posh residential colonies. This behavior is rationalized by the feeling that this is the only way in which they can make a little extra money - they do not get any benefits/bonuses that other workers in secure salaried jobs do.
- At times refuse/overcharge when looking to head home at the end of the day or for other personal reasons/engagement.

From the above observations it appears that the main reason for refusal/overcharging etc is to avoid trips that are not gainful, which is estimated based on monetary losses in terms of fines/bribes, earning hours (empty/idle waiting) or fuel expenses (empty/idle running).

Lack of awareness and interest among auto drivers regarding the dial-up Easy Auto Service. The scheme is perceived as a failure, and that the public don't really use it and auto drivers don't really benefit.
Suggestions and Recommendations

These perspectives put forward by auto drivers provide significant insight into the operational and economic aspects of autorickshaw services in the city. They also hold important clues and cues for urban/transport planners on what is needed to improve autorickshaw services. Some measures that can improve services include:

- Urban planning authorities should bear in mind that dense, mixed use, compact urban areas can not only be a more sustainable urban form, but are also good from the perspective of auto services as they attract many people for different purposes and at different times of day/night; so passengers would always be relatively easy to find. Perhaps Mumbai is a good example to prove this point.

- The demographic or socio-economic conditions and public transport availability in outer suburbs or satellite townships like Yelahanka, Kengeri, Whitefield, etc are quite different from the rest of the city. In-depth studies and pilot exercises are required to identify specific improvements to autorickshaw services in such areas, based on local context (needs and issues).

- Apart from rules for night time fares, proper rates/guidelines could also be developed for carrying heavy luggage, taking autos into large campuses or interior areas, to outer suburbs, etc.

- Review auto meter fares on a regular basis and revise if necessary, keeping in mind various economic and cost of living factors. Especially need to review/revise current waiting meters taking relevant factors into consideration.

- Provide well-distributed, adequate supporting physical infrastructure like pumping stations and auto stands across the city. Provide a platform where both auto drivers and public users can submit requests for auto stand locations.

- A forum for both auto drivers and public users to have their voices heard, dialogue, submit grievances/complaints or submit requests for auto stand locations, make suggestions for improvement of services, etc should be set up.

- Address and resolve mafia issues at major transport/commercial hubs and pre-paid/fixed fare auto stands across the city, through the use of technology (computerisation and automation).

- Improve vehicle design and technology for better comfort, protection against pollution, etc.

- Incorporate design features to improve service. For example autos can have a sign board with light display announcing which area they are from and whether they are available for service or not; making it easier for passengers to decipher.

- The government should consider offering some subsidy in fuel prices, which will benefit both auto drivers and public users.

- Based on in-depth studies and pilot exercises explore the possibility of formalising shared auto services in specific areas where there is market demand. However, one needs to bear in mind that they come with their own set of problems - such as overloading and monitoring issues, traffic congestion and management issues, competition, monopoly and rivalry, safety issues, etc - which will need to be addressed and planned for before-hand.
- Explore mode integration schemes to increase the share of public transport as a whole. Auto feeder services with fixed fares, fixed routes and demarcated stops within a certain range/radius of Metro and BRT stations, can be devised. The fleet of autos could also be fitted with Smart Cards fare payment/integration.
- With years of experience auto drivers have worked out a mental 'place and time matrix' of demand. Mapping this matrix of which areas at what times of day/night have high, low or no demand, would help inform new schemes/initiatives or where improvements are required.

It is important to realise that auto owners/drivers are private individuals who are in a 'for profit' trade/business, but are also engaged in providing a valuable public transport service, with little if any government funding or subsidy. The majority of auto drivers come from low income groups and depend on their day-to-day wages to try and make ends meet, take care of their families and run their households. They belong to the unorganised sector and have practically no financial or social security, and receive little if any aid from the government or other civil society organisations. They are also victims of corruption and exploitation, facing economic burdens from different quarters (loan/debt repayment, taxes, fines, bribes, etc). It is often this financial pressure that trickles down to the user - in the form of extortion, harassment, blatant disregard of rules, bad attitude/behaviour, etc - as it is the only avenue where auto drivers can make money. Therefore, in order to improve services and the quality of life for both service providers and users, one must necessarily address and resolve these larger issues as well. It is crucial to recognise that auto drivers and public users are not on opposite sides of the fence or enemies as is commonly perceived, but are in fact affected by the same systemic issues and need to come together to raise question and have them addressed and resolved. Other related areas of improvement include:

- An open, non-transferable permit system will reduce the role of middlemen, permit mafias and the black market; thereby reducing the financial pressures of loan/debt repayment. It would reduce illegal auto operations and increase competition, so insincere or errant drivers will automatically lose out.
- Using technology to improve official procedures and governance (regulation/monitoring/enforcement), building in transparency and accountability will also help reduce financial pressures on auto drivers from paying extra commissions or bribes.
- Access to easy bank loans, government welfare/benefit schemes, aid or subsidies, etc.

**MARKET-ORIENTED INITIATIVES: EASY AUTO SERVICES**

**Issues and Analysis**

- To address issues faced by both public users and auto drivers, a private entrepreneur initiative of fleet-based dial-up auto services was launched on a pilot basis. Issues with the scheme included:
  - Adequate studies and market research were not carried out before launching the scheme.
- Without GPS on the autos it is extremely difficult to locate their positions and the closest ones to make the trip.
- The revenue models adopted were found to be economically unviable or unsustainable for different reasons. It was very difficult to track down each auto driver to collect service charges from the trips or to sustain the advertising (digital video magazine) that ran in the autos.
- The procedure of connection and confirmation by phone between a particular auto driver and customer was a little complicated.
- Given the closed permit system (and permit mafias/black market due to it), auto cab permits were not readily or easily available. It was next to impossible to get permits for new autos and finance the purchase. This meant reliance on a fleet of privately-owned autos by many individuals. The scheme faced many problems due to a lacking sense of loyalty among the auto drivers and no control over them. It was found to be very difficult to operate the system without owning the fleet of autos.
- A fundamental issue with such a scheme was that some pre-planning of the trip was required. Pre-planning all auto trips is tedious and having to call for it every time is not really a feasible concept - in terms of money, time and convenience. Realistically this could only work for occasional or special trips (like taxi/cab services). Otherwise people just tend to walk out onto the road and flag down an auto; the 'on-demand availability' of autos infact being one of their most meritorious features.
- The service would also have to be extremely efficient to be successful. In case a passenger or auto driver are in a hurry and find another willing auto or a passenger/better trip respectively, would they be willing to wait?
- Moreover, other logistical issues like the lack of proper auto stands throughout the city also made it difficult for the auto drivers and passengers to find or locate each other easily.

Suggestions and Recommendations

- There is a need and place for fleet-based dial-up autorickshaw services in the city. Such schemes certainly have the potential to greatly benefit passengers, auto drivers and public transport as a whole. However, it is important to recognise that they would play a supplementary/complementary role to the regular auto services and not replace them completely, as they cater to a niche market.
- Further specific in-depth studies and pilot projects should be undertaken to test and ascertain the viability of these concepts.
- The schemes would need to be well thought through incorporating lessons learnt from previous initiatives. For success important requisites would include:
  - Auto cab permits should be officially and easily available.
  - Ownership or control over a substantial autorickshaw fleet (minimum threshold numbers to be ascertained) is essential. Need to follow a model like the 'call taxi' services where the private company buys and owns the vehicle and the driver gets ownership after paying instalments (in the
form of daily rent) for about 5 years. Easy loan schemes should also be made available through nationalized banks for auto finance.
- Look at improving vehicle design and comfort/amenities for passengers.
- Vehicles would need to be installed with GPS devices/RFID and Smart Cards (if required).
- Require well worked out revenue models for the scheme to be economically viable and sustainable. Publicity/marketing on the outside of autos is an option, however even today, outside advertisement is not legal. Supporting laws/regulations would be needed.
- Require supporting physical infrastructure in the form of appropriately located, authorized auto stands at regular intervals where 5-10 vehicles can park.
- Streamline the operations and management based on the 'call taxi' services model; backed by requisite hard and soft infrastructure (software, call centers, trained staff, etc).

**STAKEHOLDER DIALOGUE and COLLABORATION**

**Issues and Analysis**

- In case of larger common issues concerning the autorickshaw sector, stakeholders (atleast at the higher levels), do get together to discuss and consult for problem solving and operationalizing plans. Interaction among stakeholders often happens indirectly or informally and currently there is no formal platform to facilitate dialogue and collaboration.

**Suggestions and Recommendations**

- Facilitate dialogue, interdepartmental co-ordination and co-operation.
- Provide a formal platform for stakeholders to come together on a regular basis to address and resolve problems facing the autorickshaw sector and look at improvement of services.
- Authorities should consult public users and auto drivers at large, apart from just union/sangha leaders, and while making polices or taking decisions affecting them.
APPENDIX I
Operating Characteristics and Associated Economics: auto driver survey/interview results

Presented here are the combined results of 150 auto driver surveys and interviews (135+15 respectively). Roughly 60% of those surveyed were owner drivers and the rest were renters. It is to be noted that all figures correspond to when the surveys/interviews were conducted between July-Nov 2011, when LPG rates were roughly Rs 43 per liter and meter fares were Rs 9 per kilometer, minimum being Rs 17. Since then, both LPG rates and meter fares have been revised. Computation tables for the different scenarios are presented in Chapter 8. The average figures emerging for each of these parameters have been considered for the purpose of calculating the average overall operating economics for auto owner and renter drivers.

Operating Characteristics and Total Daily Earnings
Average Working Days per Month

➢ As per our survey, 13% of respondents work an average 15-20 days in a month, 37% work 21-25 days and the greater majority of 50% work 25-30 days in a month. (See Figure 1a)

➢ According to our interviews, some auto drivers said they work or try to work the full month without holidays, but it is very difficult to do so without a break. As such, most said they work about 25 days a month (minimum) taking a day off per week to rest, or if they fall ill or have to take care of other duties/chores. There were a couple who said they worked about 15 (15-17 hr) days and took 15 days off, or did other work on remaining days. Roughly in their estimate, about 10-15% work the full month, about 60% take a day off each week, and the other 25-30% of the drivers take 2-3 days off per week.

Given the above responses it is clear that the great majority of auto drivers typically work for about 25-26 days a month. As such for calculation purposes, the average number of working days/month is considered as 26 days.

Number of Shifts and Average Working Hours per Day

➢ Almost all respondents said that autos usually operate only in one shift i.e. either the owner himself drives or he rents it out to a specific driver. Operations in two or more shifts used to happen earlier, but not so much now. The reason for this being that people prefer not to give their autos out to multiple or unknown renter drivers as they don't trust or feel assured about how a person drives, takes care and maintains the auto.
- As per our survey, 43% of respondents said they work an average of 8-10 hours in a day, an equal 44% work 11-12 hours and about 13% work for more than 12 hours per day. (See Figure 2a)
- According to our interviews, most drivers said they work between 8-12 hours in a day, sometimes at a stretch but often with a break for lunch/rest in the afternoon (for eg. from 7am-2pm and 5pm-10pm or from 8am-10pm or sometimes a full long day from 6am-11pm. There are also those who target the early morning 5am-7am and late night 10pm-12pm hours).

Auto drivers say it is very hard to put in long hours, day after day given the terrible traffic and pollution on city roads. However, they normally try to put in 10-12 hours daily. Working hours sometimes also depend on how good the business is on the day. Many auto drivers usually have a target 'take home' amount, which if they manage to make sooner, they call it a day.

Given the above responses it is clear that most auto driver's work between 8-12 hours per day and some even more. As such, the average number of working hours/day is considered to be 10-11 hours.

**Average Empty/Waiting Hours per Day**

- As per the survey, 46% of respondents say they spend 1-2 empty/waiting hours per day, 37% said they spend an average of 2-3 hours, 8% spend 3-4 hours and an equivalent 9% said they spend more than 4 hours of idle/waiting per day. (See Figure 3a)
- This corresponds with responses from the interviews, where most auto drivers say they spend on average, up to 3 hours empty or waiting for passengers.

From the above responses one can suppose that auto drivers spend an average 2-3 hours of empty, idle or waiting time in an average working day of 10-11 hours; which means average earning hours are about 8.

**Average Total Running Kms per Day**

- As per our survey, 22% of respondents said they travel a total of about 70-100 kms per working day, 44% said 100-120 kms, 23% said 121-150 kms and about 11% run more than 150 kms. (See Figure 4a)
- According to our interviews, few auto drivers said they ran only about 60-70 kms per day, but most said they average around 100 kms and some even said they go up to 150 or 200 kms in a day.
It was pointed out that this also depends on whether one prefers to roam and run more empty kilometers looking for passengers, or save on fuel expenses and wait empty longer at auto stands or otherwise to get passengers. So it is essentially a trade-off between either empty waiting or empty running.

From the above one can see that responses vary over a fairly wide range. However, 60-70 kms/day appears to be a clear under-estimation or statement and can safely be discarded as being the average total running kms/day for autos in the city. Cross-checking calculations with responses to other parameters (see below) show that the 100-150 kms range seems more probable and closer to reality. Based on all of these results one can make a conservative assumption that **the average total running for autos per day is around 120 kms.**

**Average Empty Running and Earning Kms per Day**

- As per the survey, 12% of respondents said their empty running is 10-20 kms per day, 42% said 20-30 kms, 37% said 30-40 kms and about 9% said 40-50 kms per day. (See Figure 5a)
- According to interviews, some auto drivers said that on an average they run about 20-30 empty kms, some said 35 kms. Most estimated that about 1/3rd of their total running kms were empty.

From this it seems the majority of auto drivers spend between 20-40 kms in empty running per day. However, this number also depends on the total running kms per day i.e. whether it is closer to 100 kms, 150 kms or more. Based on the above it would be fair to estimate **that empty running constitutes at least 25% of total running kms.** So in an average total running of 120 kms, about 30 kms is empty (even though it appears to be slightly on the higher side); which means that average earning is 90 kms.

**Average Total Earnings per Day**

- From survey results one can see the range varied widely. 10% of the respondents said they earn as low as Rs 300-400/day, 15% said Rs 400-500, 36% said Rs 500-600, 27% said Rs 600-700, 9% Rs 700-800 and 3% said upto Rs 1000/day. (See Figure 6a)
- According to our interviews, auto driver's responses have varied between Rs 500 going upto Rs 1000 daily (but they say this is possible only 3-4 days in a month). There is no fixed figure, on some days earnings can be low, other days on the higher side, however many said that if they work a good full day, one can easily earn a minimum of Rs 800-900. Few even said that when they work 12-15 hours, it is possible to even earn upto Rs 1500 per day.
From this the survey responses appear to be faulty and misleading, being way too much on the lower side. It is hard to believe that total earnings can be as little as Rs 300-500 per day, as fuel/oil costs itself amount to around Rs 200-250, auto rent Rs 150-180, misc. expenses Rs 50, etc leaving practically nothing as savings. There may be a few explanations for these responses:

- Auto drivers purposely quoted lower figures for their earnings (which more often than not don't tally with their answers on other parameters).
- In some cases, auto drivers may have misinterpreted the question and confused 'total earnings' as 'total savings' for the day, giving lower figures.
- Auto drivers may have given figures for a shorter working day or fewer effective working hours.

Whatever may be the reasons, it does appear that the responses elicited in the interviews (where one could also cross-question the drivers), are closer to the truth i.e. **total earnings of Rs 800-1000 for a good, full workday.** Moreover it follows from the above estimation that if the average earning is 90 kms, then **average total daily earnings would be atleast 90 kms x Rs 9/km = Rs 810.**

### Average Mileage of 2-stroke and 4-stroke Autos

- Survey results show that the greater majority 48% of 2-stroke auto drivers said their autos give a mileage of 16-18 kms per litre and 27% said 19-21 kms. On the other hand, 51% of 4-stroke auto-drivers say they get a mileage of 19-21 kms and nearly 43% said a 22-25 kms/lt. (See Figure 7a)
- As per auto driver interviews, most said that 2-stroke autos give a mileage of about 18 kms and 4-strokes give 20-22 kms/lt in the city.
- According to auto manufacturers, the average mileage for 2-stroke autos is 18-20 kms/lt and 22-25 kms/lt for 4-stroke autos.

From the above figures one can estimate that the **average mileage of 2-stroke autos is about 18 kms/lt in the city and closer to 22 kms/lt for 4-stroke autos.**

### Total Daily Expenses

#### Average Rent per Day

- As per to survey results, the greatest majority i.e. 88% of 2-stroke renter drivers said they pay Rs 150 per day as auto rental charges; few exceptions saying Rs 180. 53% of 4-stroke renter drivers said they paid Rs 180/day, about 20% saying Rs 150 and another 24% saying Rs 200 (perhaps for brand new 4-stroke autos).
- Interviews with auto drivers also elicited similar responses. Auto rents range between Rs 150-180 depending on the make and age of the vehicle. Rentals are typically Rs 150 for the older 2-strokes
and Rs 180 for 4-stroke autos going up to Rs 200 for brand new ones. Some said they have to pay rent even if they don't drive on a particular day. It is not clear if this is the norm.

From the above results, **average rent for a 2-stroke auto is taken as Rs 150/day and for 4-stroke autos Rs 180/day, which roughly translates to Rs 4000 and Rs 4700 per month.**

**Average Miscellaneous Expenses (includes food and other habits/addictions like paan, gutka, smokes, alcohol)**

- According to survey results, 37% of auto drivers said they spend Rs 50-75 everyday on misc. expenses, 46% spend Rs 75-100, 7% each spend Rs 100-125 and Rs 125-150 respectively and about 3% spend over Rs 150. (See Figure 8a)
- As per interviews, auto drivers said they spend Rs 100-150 on food and other misc. expenses.

Based on these results, the **average miscellaneous expenditure is considered to be Rs 75 per day.**

**Average Fuel (LPG) Cost per Day**

- Survey results show that 7% of the respondents said they spend Rs 150-200/day on fuel, 68% (the greater majority) said they spend Rs 200-250, 15% said Rs 250-300, and about 10% spend between Rs 300-400 per day on fuel costs. (See Figure 9a) According to auto driver interviews, most said they fill about 5-7 liters of fuel (LPG) daily, costing Rs 44/Lt i.e. Rs 220-310. Some who said they run 150-200 kms per day put in about 8-10 Lts of fuel costing them Rs 350-400 or more daily.
- As per interviews with personnel at petrol pumps, autos generally fill between 5-8 Lts of fuel, averaging about 6 Lts or in the range of Rs 200-250.

From the above results it is clear that most auto drivers fill at least 5-6 Lts of fuel and spend Rs 200-250 on it daily; a good number of them filling more than 6 Lts and spending over Rs 250. As such, **the average fuel cost per day is taken to be Rs 250.** Considering an average mileage of 20 kms/Lt, these figures broadly correspond with the responses received for total running kilometers where 44% said they run 100-120 kms and 23% said 120-150 kms. (See Figure 4a)

**Average Cost of Oil per Day and Month**

2-stroke autos require oil daily for lubrication along with the fuel, whereas 4-stroke autos require an oil change roughly every 5000 running kms.
According to the survey, all 2-stroke auto drivers said they fill about \( \frac{1}{2} \) liter of oil daily. 50% of the drivers said they spend Rs 30-35 on it and the other 50% said they spend more than Rs 35. Considering an average month of 25-26 working days, their oil costs total to Rs 750-900 or more per month. 25% of the 4-stroke auto drivers said they require an oil change about every 3000 kms and another 25% said every 5000 kms (perhaps depending on the age of the vehicle), nearly 48% responded that they change oil once a month and only about 2% said once in two months approximately. All said they use company/branded good quality oil (about 5 lts is needed). 81% said they spend less than Rs 700 on the oil change-cum-servicing and 19% said Rs 700-900. (See Figure 10a)

Auto driver interviews also elicited similar responses. Most drivers of 2-stroke autos said they spent about Rs 30-40 on oil everyday; some said upto Rs 50-60 for good quality oil. 4-stroke auto drivers said they required an oil change every 3000-5000 kms or approximately once a month, and spent anywhere between Rs 500-700 on it; many quoting Rs 600. From the above responses it is evident that drivers of 2-stroke autos spend an average of Rs 35 daily on oil and atleast Rs 750 going upto Rs 900 or more per month (considering 25-26 working days). Drivers of 4-stroke autos spend an average of Rs 600 per month on oil change and service, which translates to about Rs 24 per day - a clear difference of about Rs 10 per day or Rs 250 per month compared to 2-stroke autos.

**Other Monthly and Annual Expenses**

**Average Cost of Maintenance** (servicing, other repairs, etc apart from oil)

In the auto driver survey, 68% of respondents said that minor service/repair costs upto Rs 100 are borne by renter drivers and 32% said upto Rs 200; while other major maintenance costs are covered by the auto owners. (See Figure 11a)

Survey results also show that about 8% of respondents said they spend upto Rs 250 per month on maintenance (excluding oil costs), 23% spend Rs 250-500/month, the majority 62% said they spend Rs 500-1000/ month and 7% spend Rs 1000-1500 per month. However, these results look to be much on the higher side and it is unclear if auto drivers in fact excluded oil costs while quoting this. (See Figure 12a)
Further, 90% of the respondents said they get their servicing and repairs done at smaller, local garages and mechanic shops; only about 10% go to company service centers. These may perhaps be brand new autos under warranty and eligible under the free service scheme.

➢ According to our interviews with auto manufacturers, personnel at both Bajaj and TVS companies said they have adequate and good maintenance schemes and servicing/repair facilities with trained mechanics.

Bajaj autos have a 1-year warranty period. The first 3 services i.e. at 5000, 10,000 and 15,000 kms are free - but oil, spare parts, accessories etc have to be paid for. They offer annual maintenance schemes, discount coupons for services, on spares, etc.

TVS autos have a warranty for the first 35,000 kms, which is approximately 9-12 months (considering autos typically run between 3000-5000 kms monthly). A total of 7 services are provided under the scheme, where only consumer durables are charged, but servicing is free. They also offer an extended warranty for 2 years for Rs 1800 covering 21 services (after the first 7). The oil change and servicing costs amount to Rs 600-700 per month or per service. Maintenance costs depend on how the vehicle is used/generated. Minor repairs over and above the oil/servicing costs, may come upto Rs 200 per month. Auto manufacturers stated that regularly well-maintained autos do not cost their owners a fortune, however as the vehicles get older they do incur some maintenance costs, about Rs 2000-3000 per year.

➢ According to auto driver interviews, 2-stroke owners say they spend upto Rs 300/month on maintenance. They don't need an oil change like 4-stroke autos, only engine oil that needs to be put once in two months – 1lt costing about Rs 95. Some 4-stroke owners said they spend upto Rs 1000/month, but this includes around Rs 550 for oil change, Rs 150 for servicing, Rs 200-300 on small repairs, mechanic labour charges, etc. So excluding the cost of oil change and service with it (Rs 700), other servicing/repair costs for 4-stroke autos are also about Rs 200-300.

Servicing and repair costs depend on the age and condition of the vehicle; how it is used, driven and maintained. From these results it is clear that perhaps after the first free services offered by Bajaj and TVS, by and large auto drivers go to local garages or mechanic shops for maintenance works, being in all likelihood considerably cheaper compared to company service centers.

Further, one can say that the average maintenance costs borne by renter drivers is upto Rs 100 per month, and assuming that this is not required every month, for the purpose of calculations is taken as Rs 600 per year.

The average maintenance costs (excluding oil) borne by 2-stroke owners drivers is roughly Rs 200 per month i.e. Rs 2400 per annum, and 4-stroke owner drivers is roughly Rs 300 per month i.e. Rs 3600 per annum.
Average Traffic Police Fines or Bribes Paid

There is a long list of traffic rules/regulations and permit conditions that autorickshaw operators have to abide by; and are liable to face fines from the Traffic Police if found guilty of any of these violations. Often they try to get away with the offence by paying a lower bribe amount.

➢ According to the survey, 52% of auto drivers said they pay either fines or bribes regularly to the Traffic Police, and a nearly equal 48% said they don’t. 28% of respondents said they pay fines/bribes upto Rs 100 per month, 35% said around Rs 200, 13% said Rs 300, 3% Rs 400, 12% said around Rs 500 and 3% over Rs 500. Only 6% said they do not pay any fines or bribes. (see Figures 13a and 14a)

➢ As per auto driver interviews, some said that on an average they get caught 5-6 times a month, having to shell out Rs 500-600. Others said they spent a minimum of Rs 100 per month either in the form of fines or bribes. Many auto drivers said that the Traffic Police catch them for any number of reasons, and usually demand or take whatever they want. They generally resort to paying lighter bribes instead of dealing with the heavier fines and can get away by paying Rs 50-100 to the Traffic Police.

From the above results, one can assume that the average expense towards traffic fines/bribes is Rs 100 per month.

Average Annual Vehicle Insurance Costs

Vehicle insurance has to be renewed every year and the cost varies based on the model and age of vehicle and the type of scheme\(^{159}\). Normally, auto owners prefer to opt for comprehensive (i.e. 1\(^{st}\) and 3\(^{rd}\) party) insurance, which costs about Rs 4920 for a new auto. The cost is higher for newer autos and reduces as the vehicle becomes older. As such, average vehicle insurance costs are considered to be approximately Rs 4000 per year. (See Chapter 5)

\(^{159}\) According to auto driver interviews, the companies providing vehicle insurance include Tata, Bajaj, Khivraj, HDFC and ICICI banks, Srim Finance, Royal Sundaram, Oriental, Ifko Tokyo, United India, etc. Based on background study/literature review it is broadly understood that 1\(^{st}\) party insurance cost is based on model and age of vehicle and covers damages to the policy-owner and his or her passengers in the event. Many auto drivers said this was between Rs 3000-4000/yr; some others quoted between Rs 4000-4800/yr. 2\(^{nd}\) party insurance covers damage to the renter driver; responses for cost varied from Rs 2400-3000 and Rs 3200-3800. 3\(^{rd}\) party insurance is to pay compensation for death due to bodily injuries to third parties and also damage caused to the property of the third party excluding damage to your vehicle. The cost ranged between Rs 2400-3000 and some said Rs 3600-3800.
**Total Daily Savings**

**Average Savings per Day**

The average daily savings depends on the type of driver (renter or owner) and the type of auto (2-stroke or 4-stroke), as expenses vary for all of them. There is a visible difference between the 'take home' of renter and owner drivers.

- As per survey results, 24% of auto drivers said their savings was between Rs 200-250 per day, the majority 54% said Rs 250-300, 13% said Rs 300-400, 7% said Rs 400-500 and a small 2% Rs 500-600. (See Figure 15a)

- According to interviews with auto drivers, some said renter drivers take home Rs 200-250 per day while others said they could save upto Rs 300-350. Owner drivers said they can take home upto Rs 500-600 per day after all expenditures. Some said their target is to take home Rs 500 at the end of the day, so they work till they save that much and then call it a day. Some said it was easier to earn this much in the first 3 weeks of the month, but towards the end it gets more difficult as people also shift to buses as their finances begin to dwindle.

From the above one can see that the survey figures appear to be on the lower side given that 78% of respondents said they save less than Rs 300 per day. This could of course be because they are renter drivers, but given the fact that close to 60% of those surveyed were owner drivers, it appears more likely that the numbers were perhaps purposely under quoted by many. Even though only 9% said they save between Rs 400-600, this seems more realistic in the case of owner drivers and Rs 250-300 for renter drivers. As such, **average daily savings are estimated to be Rs 300 for renter drivers and Rs 500 for owner drivers.**

**Net Monthly Income**

**Average Net Income per Month**

- From the survey, the majority of auto drivers (41%) said their net income per month was between Rs 5000-6000, around 29% said Rs 6000-8000, an equal 12-13% said Rs 8000-9000 and Rs 9000-10,000 respectively. Only 5% said their net income was over Rs 10,000. (See Figure 16a)

- In interviews, some auto drivers said that renter drivers make around Rs 5000 per month and owner drivers around Rs 8000. There were a few who said owner drivers can make upto Rs 15,000 monthly.

- Auto manufacturers point out that autorickshaw driving can be a profitable business in Bangalore if the driver works sincerely. It may be hard work with little respect attached to it, but it is decent and fast money (at the end of each day). An auto driver (owner) can make upto Rs 15,000 per month; a reasonable amount to support their family.
**Household Profile**

From the survey results one can also see that: (See Figures 17a)

- 90% of respondents said they lived in a rented house. Some auto drivers who were interviewed said they paid rents between Rs 2000-5000 per month.
- 75% said their family consisted of 2-4 members, followed by 18% with 5 members and 7% with 6-7 members.
- A majority of 62% said they are the only earning member of their family, 31% said their family had 2 earning members and 7% said 3-5 earners.
- 55% of respondents said their monthly household income was approximately Rs 6000-8000, 26% said Rs 8000-10,000, 12% said Rs 10,000-15,000 and only 7% said as low as Rs 5000-6000.
- The majority of respondents said they have no savings at the end of the month, 13% said they are able to save upto Rs 2000, 4% said Rs 2000-5000 and 2% over Rs 5000. Interviews with auto drivers also got similar responses. Most said month end savings were almost nil, at most they are sometimes able to put aside Rs 1000.
- Some mentioned that many auto drivers have a number of vices – tobacco, alcohol, gambling, etc.
APPENDIX II
Autorickshaw Service: public survey results

Autorickshaw Services: Public Perspective
About a 100 autorickshaw users were surveyed in August-September 2011 to get a broad understanding of their usage characteristics, experience and perception of the autorickshaw service in the city. Presented here are the survey results.

Profile of Users Surveyed
A random sampling method was adopted; the only criteria for selection being that the person used autos for travel frequently (everyday) or at least regularly (about once a week). Respondents lived and travelled across different parts of the city.

- The sample had a mix of age groups (67% youngsters between 15-30 yrs, 25% middle-aged between 30-50 years and 8% over 50 years), genders (43% male and 53% female), and occupations (majority were students, followed by professionals, government employees/other workers and housewives).
- As per survey results, one can see that autos are often used for occasional trips like for shopping, social visits and recreation, followed by more regular trips, like commuting to school/college or workplaces. (See Figure 18a)
- From the results it can be seen that the trip lengths for auto travel generally tend to be up to 5 or 10 kms; and though they are used throughout the day, they are more in demand during the morning and evening peak hours. Perhaps the shorter trip lengths during peak hours account for the more regular/routine trips like commuting to college or office, and the longer trip lengths during off peak hours for the social, shopping and leisure activities. (See Figures 19a and 20a)
- One can see from the results that autos are the 'usual' mode of transportation for about 34% of the respondents. 38% of respondents who generally rely on non-motorised and public transport (bus) also use autos occasionally and 28% who generally use private vehicles (2-wheelers and cars), also travel by autos on occasion. (See Figure 21a)
Experience of Autorickshaw Services and Common Complaints

- While about 53% of those surveyed said they normally found autos easily (within 10-15 minutes), the remaining 43% said they found it hard and at times very difficult to find willing auto drivers for their commute. While most go by meter, about 7% of respondents said they pay an agreed lump sum amount and about 20% said they regular pay Rs 10-20 over the meter fare. 

  "Some auto drivers refuse to go by meter and only want to charge a lump sum for the trip if their meters are highly tampered and they feel the passenger (who may be a regular on the route and familiar with the correct fare) would be able to make out that the meter is 20-30% faster".

- As can be seen from the responses, about 40-44% of those surveyed said they have experienced refusal and overcharging by auto drivers very often, and an equal 40-44% said sometimes. As a result, people either spend more time looking for autos or end up paying more. This points to the extent of the problem faced by the public, who more often than not have to deal with either refusal or overcharging or both. (See Figure 22a) Often auto drivers start demanding for one-and-half or double meter fare way before 10 pm (which is the rule).

- Refusal, overcharging and tampered/faulty meters were the most common complaints of passengers regarding auto services. While the public felt that both the older mechanical and newer digital or electronic meters could be and are tampered, nearly 81% of the respondents believed that there were high chances of the older mechanical meters being tampered or fast. As for the newer digital meters, about 28% felt they were tampered and an equal 30% felt not, while most (42%) were not sure. (See Figure 23a)

Some among the public feel that those with tampered meters also prefer only long trips as they can make more money, while saving on the number of trips, travel distances, time and fuel costs. Practically all agreed that stricter measures were required to have tamper-proof fare meters in autos.

- When asked about the attitude and behaviour of auto drivers, about 21% of respondents said that in their experience auto drivers were almost always rude or arrogant, about 33% said sometimes. However, 36% responded that this was rarely the case and 10% even said never in their experience have they found auto drivers to be rude or arrogant. Some visitors/foreigners to the city often felt harrassed and verbally abused. (See Figure 24a)
Other common complaints included: auto drivers frequently don’t return change and harass for more money at night time or when it’s raining.

On the question of whether they considered the auto to be a safe transport mode, about 39% said yes, 42% said they were not sure, while 19% felt they were not safe. 60% of the respondents said they have never had a dangerous experience with auto drivers, 20% said rarely and another 20% said they have experienced it sometimes. (See Figure 25a)

When asked if they thought the Traffic Police were helpful in addressing or solving their problems related to auto services, about 8% felt they were helpful very often, 36% said sometimes and about 56% felt they were rarely or never helpful. (See Figure 26a)

Many among the public and traffic police believe that a number of auto drivers are uneducated and untrained, or have bad habits such as tobacco, alcohol and gambling.

Awareness and Experience – public complaint systems, auto stands, easy auto/on-call and shared auto services

Only 26% of the respondents were aware of the public complaint system/numbers (of the Transport Dept. and Traffic Police) to report errant auto drivers. When asked about the effectiveness of the system about 16% said yes, 8% said no, while the greater majority of 76% said they were not sure. 86% of the respondents felt that concerned authorities should advertise the numbers more aggressively and effectively. (See Figure 27a)

In the case of regular auto stands, the majority of the respondents felt they were a useful feature and were generally conveniently located (61% and 67% respectively). About 50% felt they were easily identifiable, while 12% said sometimes and 38% they were not. Most (78%) felt that auto stands should be marked with a clear sign/board. An overwhelming 91% felt that the public should be involved or have a say in identifying and requesting locations where autos stands are required and desired in the city. (See Figures 28a)
In the case of pre-paid/pre-fixed fare auto stands, about 70% of those surveyed were aware of such a service. 76% of the respondents felt it was a useful feature, while 12% said no and 12% were not sure. However, only 26% felt that these stands/services were conveniently located and accessible.

Only 30% of the people surveyed were aware of the On-Call or dial-up Easy Auto services\textsuperscript{160}, while 60% were not. Only 10% had actually used these services. 19% of respondents said they were satisfied with the service, 57% were not and not applicable for the remaining. However, 75% of the respondents felt such a service would be useful, 8% said no and 16% were not sure. (See Figures 29a)

\textsuperscript{160} These are private initiatives modeled on the lines of dial-up or on-call taxi services, using phone and web-based call center facilities to easily connect auto drivers and passengers. The Easy Auto service was first launched in 2007 as a pilot program and then again in 2009, but has since closed down for various reasons. For more details see Chapter 11.
When asked about their experience of 'shared auto' services (which run informally/illegally in certain parts of the city), only 19% of the respondents said they had used such services - in Sanjaynagar, Yelahanka, Banaswadi, mostly in the city outskirts, etc; while the remaining 81% had not. However, 48% of the respondents said they would like to have or were open to having shared auto services in the city; while 27% were not for it and 25% were not sure. (See Figures 30a)

In August 2011, the government decided to release 40,000 new auto cab permits in the city, concluding there was a need for more autos in the city based on the estimated needs of an expanded area and population and the growing number of public complaints against auto drivers. To the question of whether they thought more autos were required, about 45% replied in the affirmative, saying that more autos would increase competition and perhaps reduce the problems of refusal and overcharging. However 52% said no, citing the reason that there were enough empty ones on the road, and more autos would just add to the traffic problems and congestion. (See Figure 31a)