

AS INTRODUCED IN LOK SABHA

Bill No. 142 of 2019

THE MOTOR VEHICLES (AMENDMENT) BILL, 2019

By

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BILL

further to amend the Motor Vehicles Act, 1988.

BE it enacted by Parliament in the Seventieth Year of the Republic of India as follows:—

1. (1) This Act may be called the Motor Vehicles (Amendment) Act, 2019.

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint.

Short title and
commencement.

Insertion of new section 207A.

2. After section 207 of the Motor Vehicles Act, 1988, the following section shall be inserted, namely—

59 of 1988.

Release of motor vehicle seized and detained by police officer on payment of the insured value.

"207A. (1) Notwithstanding anything contained in this Act, every motor vehicle seized and detained by any police officer or other person authorized in this behalf shall, pending the final outcome of the Court trying the case, after verification of relevant documents, be released to the owner or person in-charge of the motor vehicle after payment of the insured value of the motor vehicle under consideration in such manner as may be prescribed:

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Provided that the motor vehicle seized and detained in the case of a road accident or murder shall be released, subject to such conditions, as may be prescribed by the Court trying the case.

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(2) The owner or person in-charge of the motor vehicle shall, prior to release of the motor vehicle under sub-section (1), submit an undertaking or guarantee to remit the excess proceeds, if any, from the sale or auction of the motor vehicle:

Provided that if the court adjudicating the case finds that the rightful ownership does not vest with person claiming so or person in-charge of the motor vehicle, as the case may be, such person shall be punished as per the provisions of this Act."

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STATEMENT OF OBJECTS AND REASONS

At present the huge number of motor vehicles seized and detained by the police officer are being junked and left to perish in police stations. As per the provisions of the Motor Vehicles Act, 1988, for release of the vehicle, it is required to move an application in court having proper jurisdiction which is cumbersome and takes a long period of time for its disposal.

Hon'ble Supreme Court in the case of *General Insurance Council & Ors. Vs. State of Andhra Pradesh & Ors.* on 19 April, 2010 has permitted insurance companies/owners concerned to take possession of seized vehicles, used in commission of offences, after getting the release order from the competent court. The Supreme Court while making the Judgement has stated *inter alia*—

".....the following further directions with regard to seized vehicles are required to be given.

(A) Insurer may be permitted to move a separate application for release of the recovered vehicle as soon as it is informed of such recovery before the Jurisdictional Court. Ordinarily, release shall be made within a period of thirty days from the date of the application. The necessary photographs may be taken duly authenticated and certified, and a detailed *panchnama* may be prepared before such release.

(B) The photographs so taken may be used as secondary evidence during trial. Hence, physical production of the vehicle may be dispensed with.

(C) Insurer would submit an undertaking/guarantee to remit the proceeds from the sale/auction of the vehicle conducted by the Insurance Company in the event that the Magistrate finally adjudicates that the rightful ownership of the vehicle does not vest with the insurer. The undertaking/guarantee would be furnished at the time of release of the vehicle, pursuant to the application for release of the recovered vehicle. Insistence on personal bonds may be dispensed with looking to the corporate structure of the insurer....

.....It is a matter of common knowledge that as and when vehicles are seized and kept in various police stations, not only they occupy substantial space of the police stations but upon being kept in open, are also prone to fast natural decay on account of weather conditions. Even a good maintained vehicle loses its road worthiness if it is kept stationary in the police station for more than fifteen days. Apart from the above, it is also a matter of common knowledge that several valuable and costly parts of the said vehicles are either stolen or are cannibalised so that the vehicles become unworthy of being driven on road."

The Bill, therefore, seeks to amend the Motor Vehicles Act, 1988 with a view to enable the owner or person in-charge of the motor vehicle to get the motor vehicle under consideration of the Court released after payment of the insured value of the motor vehicle.

Hence this Bill.

NEW DELHI;
June 26, 2019.

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further to amend the Motor Vehicles Act, 1988.

(Shri Vinod Kumar Sonkar, M.P.)