

NEWSLETTER

July-August 2014

Volume - I Issue - 4

Follow Traffic Rules. SAVE LIVES.

NEWS IN BRIEF

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IRF's Mission
To promote the
development of roads and
road networks that enable
sustainable access and
mobility for all

IRF's Vision A world of safe, sustainable, and efficient roads and road networks

IRF's Values Commitment to safe, smart & sustainable roads

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FROM THE CHAIRMAN'S DESK



Dear Members,

Greetings from International Road Federation – India Chapter.

In the past couple of months, we at IRF IC have been very active

in our efforts to promote the causes which IRF IC has taken up as its mission – Road Safety, Environment, Public Private Partnership and Road Finance and ITS to name a few.

As you know, we have had two Seminars in the recent past. We are happy that the first in our series of seminars, which focused on the "Role of Corporates in Road Safety", has resulted in a Clarification Order by the Ministry of Corporate Affairs, the main clauses of which are incorporated in this Issue. It is especially heartening that the Ministry has made it clear that the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated. The items enlisted are broad-based and are intended to cover a wide range of activities. I hope and trust that this clarification will encourage all our members and also other Corporates to enhance their CSR activities for the cause of Road Safety, which will help us to move towards achieving the goals of the UN Decade for Action on Road Safety.

We are happy that the July Seminar on "Role of Insurance in Road Safety" enthused Insurance Companies as also the Trauma care givers to give us their ideas and suggestions and we are pursuing the recommendations with our Ministry, which we hope will help change the image of Insurance companies from one of reducing claims to that of saving lives.

The SARF IRF event is drawing closer and we are grateful to all Members, who have come forward to support us in showcasing India's achievements in the sector. We have a large presence and I am sure that with your support and good-will, we shall put up an impressive Indian front.

We shall return to another event out here in Delhi, a Seminar on 'Road Safety During Dark Hours' scheduled for 13th September, 2014. We are also organizing a Conference on 'Development of Greener Roads' towards mid October 2014. I do hope that all of you will participate in these Seminars.

Warm Regards, N.K. Sinha

SEMINAR ON THE "ROLE OF INSURANCE IN ROAD SAFETY"

A Seminar on "Role of Insurance in Road Safety" was jointly organized by International Road Federation, India Chapter (IRF IC) and Ministry of Road Transport and Highways (MoRT&H) on 12th July 2014 in New Delhi. The Seminar was structured into four sessions, Inaugural Session, Technical Session, Question and Answer Session and Concluding Session. Mr. Vijay Chhibber, Secretary, MoRT&H was the Chief Guest at the Inaugural Session.

Initiating the proceedings, Mr. Sanjay Bandopadhyay, Joint Secretary, MoRT&H welcomed all the guests and delegates and elaborated on the road safety initiatives being taken by the Ministry including



'Vaahan Data Base', 'Saarthi Data Base', Ministry's pilot project for cashless treatment of victims on the Gurgaon-Jaipur highway stretch, based on the experience of which an additional two pilot projects on the Mumbai-Baroda and Ranchi-Jamshedpur stretches have been initiated, all of which

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are aimed at rolling out a Pan India Insurance Scheme. The Motor Vehicles Act is also being amended, he pointed out.

Speaking on the occasion, Mr. K.K. Kapila, Chairman, IRF Geneva Programme Centre (IRF GPC) recapitulated the current scenario of road accidents. Road traffic crashes rank as the 9th leading cause of death and account for 2.2% of all deaths globally. Road traffic injuries are the leading cause of death among young people of ages 15 to 29 years and unless action is taken, are predicted to become the 5th leading cause of death by 2030. The economic loss of these casualties and injuries is more than the Budgets of 10 poor nations of this world.



He highlighted the role of the Insurance Sector in improving road safety. Today, the job of Insurance Company is perceived as reducing claims, which needs to be changed to saving lives through reducing accidents. Insurance companies can contribute towards education, publicity campaigns, facilitating emergency treatment of injured, for which funds can be derived by earmarking a nominal amount of 1 to 2% of the premium, in addition to a major component of their CSR funds. He shared the example of the Finnish Insurance system, under which the premium is set by the Ministry of Social Affairs, unlike the U.K. where insurance companies adjust premiums to reflect liability costs. This puts an onus upon the insurers to reduce premiums by reducing crash rates through research and safety information to the customers. Without such incentives, insurance companies may fail to make any significant investment to improve road safety. He suggested several strategies for Insurance Companies to improve road safety such as encouraging the use of safer and less aggressive vehicles through discounted premiums. Discounts for better driving behavior based on data collected from the car on board diagnostic, less frequent driving based on manual odometer readings, participating in safe driving programmes.

One of the major concerns facing the insurance industry is that in spite of the law mandating the vehicle owners to take compulsory third party insurance policies, the actual compliance is low. This could perhaps be best solved by insisting on third party insurance coverage at the time of registration of the vehicle. A one-time insurance payment for third party insurance coverage for a maximum of 10 years premium may be worked out. For existing commercial vehicles, this can be insisted upon at the time of annual inspection of vehicles.

Mr. Vijay Chhibber stated that insurance is a key driver which while taken as a given, really has the possibility of influencing not only the architecture of the sector but social behavior. He mentioned that the aggressiveness that one would have imagined as coming from the insurance sector for determining the paradigm for road safety, is somehow missing. He felt that the insurance sector must put pressure on the government to help develop insurance packages, which would force better road behavior. For a particularly large population like ours, a safety net has to emerge out of the insurance sector and not the government. The Motor Vehicles Act, already provides for the role of the insurance sector, but in case any further additions are required in terms of rules to elaborate any provisions, this can be done.

Perhaps, one of the impediments for the insurance sector has been the absence of clear data from which clear inferences can be drawn. However, with the VAAHAN and SAARTHI initiative, data showing clear trends is beginning to emerge. The possibility of people having multiple driving licenses which is a common facet of our roads is slowly going to get narrowed down because of interfacing between the databases of different States. This will enable insurance agencies to bring in packages, which are conducive to encouraging better road behavior and better quality of vehicles on the road.

He mentioned that an attempt was being made through Public Private participation, particularly partnering with the big auto manufacturers to get into the vertical of vehicle testing centres, so that the insurance sector could be assured that the minimum aspects required to be eligible for the appropriate cover were covered.

There is also a scientific basis being developed by the Ministry through the Jaipur-Delhi pilot project for the insurance sector to look at trauma care. With the extension of the projects to two new corridors, there would be data emerging from three separate geographies and the broad contours of the data that is required for the insurance sector to work in trauma care would become available. The opportunity is an exciting one with a Rs. 5 to 6 hundred crore package annually.



Funding, he said, is not a constraint, ideas and human resources required to carry those ideas forward in a structured manner need to be developed. Packages already available for insurance claims need to be bettered following the global practices.

He mentioned that through a recent clarification of its order, the Ministry of Corporate Affairs has allowed the flow of CSR funds for road safety. There is a symbiotic relationship between road safety and insurance as is the case with automobile manufacturing. He urged both sectors to look at road safety more aggressively and own moral responsibility.

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The Technical Session had four speakers — Dr. Rohit Baluja, President, IRTE spoke on the subject of 'Effective Role of Insurance Companies in Promoting Road Safety'. Mr. Abhijeet Chatterjee, Vice President & Head (Motor Third Party Cell), IFFCO Tokyo General Insurance spoke about 'General Insurance Sector Initiatives by Public and Private Companies'. Dr. Rajendra Prasad, Senior Consultant Neurosurgeon, Indraprastha Apollo Hospital spoke on the role of Insurance from a medical point of view. And Mr. Nawang Topdan, CEO, General Insurers Public Sector Association of India (GIPSA) spoke on the problems faced by the Insurance sector in handling insurance claims.

The Technical Session was followed by an Interactive Session in which the different delegates enthusiastically participated.



In the Concluding Session, Mr. K.K. Kapila presented the main concerns raised, particularly by the Insurance companies and based on these concerns, the main recommendations of the Seminar, which follow:

A. Recommendations to address Concerns of Insurance Companies

- i) The compliance to third party insurance is reported to be low (about 50%) in India. For ensuring total compliance, it should be made mandatory for all vehicles (private and commercial), to pay one time insurance fee for third party for ten years, in line with one time registration fee of vehicles. A lump sum premium towards third party insurance for 10 years may be charged at the time of purchase of vehicle and along with the RC, an insurance certificate may be handed over to the vehicle owner. The validity of insurance should be mandatorily checked during the annual inspection/maintenance of vehicles for ensuring compliance before issuing fitness certificate. This aspect should also be taken up as 'mandatory check' by Police during any traffic offence related interceptions.
- ii)Presently, no time limit exists for filing of claims from the date of occurrence of an accident, resulting in the possibility of frivolous claims even 10 years later. A ceiling of one year for filing of claims should be prescribed in the M.V. Act.
- iii) Wearing of helmets by driver as well as pillion rider of two-wheelers should be made mandatory across all the States in India. Innovative designs of helmets which could be worn even in hot climatic conditions should

be evolved for better compliance.

- iv) A provision of incentives for drivers who hold valid drivers' training certificates from a list of accredited training schools, such as a 10% discount on the insurance premium for their vehicles.
- v) The process of providing relief to affected families, which presently takes 3 5 years, needs review and corrective action for fast track disposal of cases by setting up of Special Tribunals in large numbers. Detailed Accident Report should be made mandatory, which will establish the validity of the claims and will help screen fake claims. IRF has developed one such application 'RADAR', which is user friendly and can record all data promptly and correctly and could be adopted.
- vi) Limited Liability Concept is followed by the Insurance Companies in case of accidents (excluding death), which means the compensation is not commensurate with the magnitude of the accident/injury. This needs to be reviewed to provide sufficiently for rehabilitation of injured persons.

B. Recommendations to address the Concerns of Trauma Care Specialists

- Training of trainers for Post-crash treatment and Trauma care needs to be organized, as the number of persons qualified to administer such cases is far too low.
- ii) The number of Trauma care institutions in a region must be increased based on accident data of the said area.
- iii) First Aid training including handling of accident victims is necessary to be imparted to the community, especially to heavy duty vehicle drivers and the villagers living on the road side.

C. Recommendations to address the Concerns of Road Users

- Road Safety awareness programmes, particularly concentrated on obeying the traffic rules and reduction of speed should be taken up regularly, as initiatives supported by Insurance Companies.
- ii) There is need for having more organized facilities for driver's training. Insurance companies may help in organising and expanding facilities, such as Maruti Suzuki Driver Training Programme, which is already spread all over the country, to enhance their capabilities.
- iii) A formal partnership needs to be put in place between the Insurance Companies, Auto Manufacturers' and Road Safety organizations to evolve and implement appropriate Road Safety Programmes to enhance awareness and inculcate good driving culture.

IRF CHAIRMAN AND ADVISOR IN PANEL DISCUSSION ON ROAD SAFETY

The sad demise of Mr. Gopinath Munde, Rural Development Minister of the newly formed BJP Government has focussed attention on the increasing road accidents in India. A panel discussion anchored by NDTV reporter Ms. Ankita on the subject on NDTV, on 3rd June 2014, featured Dr. Sunita Narain, Director General of CSE, Mr. K.K. Kapila, Chairman IRF, Mr. Maxwell Pereira, Former Joint Commissioner of Police (Traffic), Delhi, Mr. Sambit Patra, BJP spokesperson, Dr. Amit Gupta, Professor of Trauma Surgery, AIIMS and two students from IIT Delhi, Mr. Pulkit Singh and Mr. Somit Pangte, who started an online Petition on Road Safety

Dr. Sunita Narain, herself a road accident victim in 2013, was admitted in Trauma Centre, AIIMS, which saved her life. She emphasized the importance and need to have more of such lifesaving facilities for road accident victims. She also mentioned that road engineering in our country does not take into account the needs of pedestrian, cyclists and two wheeler drivers.

Wondering why it takes a VIP's death to start a thought process about road user risks while travelling, **Dr. Amit Gupta** stated that there are 92 types of road users in India, as shown by a study. Roads are however not designed for all types of road users. To prevent accidents, the whole system which includes the behavior of road users, road engineering, post-crash care, etc. needs to be improved.

Mr. K.K. Kapila was questioned as to why even with the presence of traffic police, civic bodies and Government, so many accidents take place in our country. Stating that the problem is multifaceted, Mr. Kapila blamed the faulty licensing system in our country. There are no proper driving tests for qualifying a person to drive on the roads. He also emphasized that vulnerable road users need to be provided proper space on the road. Road designs should include cycle tracks, pedestrian walkways especially in cities. Other important requirements for preventing road accidents are education of masses on road safety issues and safe road practices, change of mindset and respect for road safety laws as well as rules & regulations through education.

Mr. Maxwell Pereira, the Former Joint Commissioner of Police, Delhi pointed out that the police is the only one visible wing of the complete enforcement or traffic management system, invisible until a road user commits a mistake. However, in our country, we need a traffic policeman even where traffic signal systems are installed to ensure that people follow the signal. This is an attitudinal problem. Traffic management needs to be holistically addressed. He quoted the example of United Kingdom where 10 years ago, twenty thousand speed cameras were installed at various locations, which generated 95 million Pounds as fines in a year, which amount was used for road safety. In our country, where we have a contact challan system, policemen collect the challan, which is a big lacuna.

Mr. Sumit Patra, the BJP spokesperson, stressed the

need for awareness generation by the joint action of media and government.

Two IIT students, speaking about their petition on road safety to the government, explained that they had submitted a 10 point letter to the Prime Minister of India, which included the steps which need to be made absolute priority, such as the 'Passage of the National Road Safety and Traffic Management Bill' earlier introduced in Lok Sabha in 2010, and setting up a 'Statutory National Road Safety and Traffic Management Board'. Highlighting the point that the Indian cars do not satisfy the crash worthiness standards of European countries, they mentioned that even air bags are provided as a luxury item in our cars. The need for road safety to be a necessity and not a luxury was stressed.

Mr. Kapila again spoke about the measures to enhance road safety in the country which had been taken up by IRF with the Government of India. Through its efforts, additional resources had been tapped from several sources such as exemption of tax on road safety expenditure through IT provision in 80G, allowing MSA/MP LAD to be spent on road safety projects, and permitting use of CSR for road safety initiatives.

The second panel discussion anchored by Mr. Ravish Kumar on "Gopinath Munde's Death in a Road Accident: Reasons for Lives Lost in Road Accidents in India" was held on 3rd June 2014 on NDTV Prime Time. The panelists included Prof. P.K Sikdar, Ex Director Central Road Research Institute, India and Mr. Piyush Tiwari, Founder of Save life Foundation, India.

Mentioning that Mr. Gopinath Munde's death is a tragic addition to a long list of other ministers, who died similar deaths such as Mr. Rajesh Pilot, Mr. Sahib Singh Verma, Mr. Sonelall Patel and Mr. Srikanth Jichkar. Mr. Ravish Kumar said that the International Road Federation (IRF), Geneva has expressed its condolence on Mr. Munde's death and has stated that the traffic police in Delhi has identified 20 black spots including Kashmere Gate, ISBT, Punjabi Bagh Chowk, Mukarba Chowk etc., where approximately 1900 persons die each year in road accidents. The list also includes the site at which Munde's accident took place. IRF has requested the government to attend to these black spots and improve these locations to save precious lives.

Prof. P.K. Sikdar stressed that the accidents take place mainly due to two reasons: over-speeding and violating traffic lights by one of the drivers. Speaking about the stretch from Prithvi raj Road to Safdurjung Road, on which Mr. Munde's vehicle was moving, he mentioned that this is not a straight road across the junction and vehicles have to negotiate a curve of about 50m radius. Thus, it is important to slow down at this four arm junction, to check the vehicles coming from other directions, even if the signal is green. Both the drivers of the vehicles involved in the accident were over speeding, and one of them did not honour the red light as it was morning time and there were very few vehicles on the road. In the absence of camera surveillance at the junction, it is difficult to say where the onus lies.

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To the question as to what explains the relatively controlled situation in developed countries like USA and China, both Prof. Sikdar and Mr. Piyush Tiwari stressed primarily four reasons: strict, scientific and stringent laws, good enforcement of these laws, strong licensing system and finally protection of vulnerable road users.

Mentioning that the Motor Vehicles Act does not address issues related to non-motorized traffic, **Mr. Piyush Tiwari** quoted the example of China which has overtaken India in controlling the number of accidents in 2007. He attributed this primarily to their separation of the motorized traffic in their country from the vulnerable road users, which includes non-motorized traffic like cyclists and pedestrians, by providing segregated lanes for these users. The government has to ensure safety of road users, through strict laws and their enforcement.

Prof. Sikdar emphasized the use of technology in accident investigation, to identify causes of the accidents and to further develop accident prevention techniques. He said that engineering methods, ITS, and safe vehicle design having 5 star rating involving ABS, Airbags, ECS etc. should be promoted in India to prevent accidents and minimize their impacts. In rural areas, the accidents are more as high-speed traffic on highways passes through villages, pointing to a need to educate the rural population.

Mr. Piyush Tiwari pointed out that the economic cost of accidents is 3% of the country's GDP, and planned Public Health expenditure in the Budget is only 1.5% of the GDP. While the 'Food Security Act' will involve Rs. 125,000 crores, reduction of the accidents accounting for loss of Rs. 300,000 crores each year by 50% can easily meet this expense.

Mr. Ravish Kumar concluded the discussion by emphasizing that there is a need to start a movement against road accidents to make our country accident free and safe.

IRF & UNIVERSITY OF BIRMINGHAM TRAININGS

1-5 September 2014, Birmingham, UK

- iRAP Course in Road Safety

8-12 September 2014, Birmingham, UK

- HDM4 Course in Road Management

15-19 September 2014, Birmingham, UK

- Rural Roads for Development Course

Visit **www.irfnet.ch** for more information or email to info@irfnet.ch.

CLARIFICATIONS ISSUED BY THE MINISTRY WITH REGARD TO CSR

The Ministry of Corporate Affairs, Government of India, has vide its General Circular No. 21/2014 dated 18th June 2014 issued clarifications with respect to the CSR (Corporate Social Responsibility) provisions under Section 135 of the Companies Act 2013, CSR Rules 2014 and activities to be undertaken as per Schedule VII of the Act. The clarifications are as under:

- (i) The statutory provision and provisions of CSR Rules, 2014, is to ensure that while activities undertaken in pursuance of the CSR policy must be relatable to Schedule VII of the Companies Act 2013, the entries in the said Schedule VII must be interpreted liberally so as to capture the essence of the subjects enumerated in the said Schedule. The items enlisted in the amended Schedule VII of the Act, are broad-based and are intended to cover a wide range of activities.
- (ii) It is further clarified that CSR activities should be undertaken by the companies in project / programme mode [as referred in Rule 4 (1) of Companies CSR Rules, 2014]. One-off events such as marathons/awards/charitable contribution/advertisement/sponsorships of TV programmes etc. would not be qualified as part of CSR expenditure.
- (iii) Expenses incurred by companies for the fulfillment of any Act/Statute of regulations (such as L a b o u r Laws, Land Acquisition Act etc.) would not count as CSR expenditure under the Companies Act.
- (iv) Salaries paid by the companies to regular CSR staff as well as to volunteers of the companies (in proportion to company's time/hours spent specifically on CSR) can be factored into CSR project cost as part of the CSR expenditure.
- (v) "Any financial year" referred under Sub-Section (1) of Section 135 of the Act read with Rule 3(2) of Companies CSR Rule, 2014, implies 'any of the three preceding financial years'.
- (vi) Expenditure incurred by Foreign Holding Company for CSR activities in India will qualify as CSR spend of the Indian subsidiary if, the CSR expenditures are routed through Indian subsidiaries and if the Indian subsidiary is required to do so as per section 135 of the Act.
- (vii) 'Registered Trust' (as referred in Rule 4(2) of the Companies CSR Rules, 2014) would include Trusts registered under Income Tax Act 1956, for those States where registration of Trust is not mandatory.
- (viii) Contribution to Corpus of a Trust/society/section 8 companies etc. will qualify as CSR expenditure as long as (a) the Trust/society/section 8 companies etc. is created exclusively for undertaking CSR activities or (b) where the corpus is created exclusively for a purpose directly relatable to a subject covered in Schedule VII of the Act.

UPCOMING EVENTS

SEMINAR ON 'ROAD SAFETY DURING DARK HOURS' - 13 SEPTEMBER 2014

IRF IC is making continuous and systematic efforts to highlight and address road safety related issues and to bring about attitudinal changes towards road safety in the minds of policy makers and other key stakeholders. Its recent Bicycle Safety Initiative for affixing reflective tapes, covering over 1 lakh bicycles in the city of Delhi, has been one such outstanding effort in this regards.

To focus upon the particular problem of Road Safety at times of low visibility, IRF India Chapter along with the MoRT&H is scheduling a Seminar on "Road Safety in Dark Hours" on 13th September, 2014 at India International Centre.

The Seminar will among others highlight and brainstorm on various issues such as:

- · Hazards of Night Driving
- Road Safety Hazards in the Dark Hours in a Rural Environment
- · Vehicle Standards for Night Driving
- Standards of Reflectivity of Traffic Control Devices
- Problems faced by Police in Accident Investigation and Night Time Enforcement

9[™] IRF REGIONAL CONFERENCE IN JANUARY 2015

International Road Federation - India Chapter has been organizing Regional Conferences annually on various aspects of Road Safety for the last 8 years, which has attracted global participation.

The 9th IRF Regional Conference on 'Road Safety Initiatives Undertaken, its Status and the Way Forward' is scheduled to be held on 16th -17th January, 2015 at New Delhi.

We are happy that our Nodal Ministry, MoRT&H has kindly agreed to support the Conference.

These conferences have been globally lauded by the international road fraternity for their qualitative content and deliberations on strategic issues. The MoRT&H has taken up with concerned Ministries, the recommendations of these conferences, many of which are under implementation.

CHANGE OF ADDRESS

International Road Federation - India Chapter will shortly shift its office to new premises. The new address is given below:

CEAI Centre, 2nd Floor OCF, Plot No. 2 Sector B-9, Vasant Kunj New Delhi - 110070 IRF INDIA ENVIRONMENT COMMITTEE CONTRIBUTION TOWARDS INITIATING GREENER ROADS DEVELOPMENT IN INDIA WORKSHOP ON DEVELOPMENT OF GREENER ROADS IN INDIA



IRF has been advocating environment friendly roads construction since its early days. Recently in June, 2014 it has formed a Coordination Committee comprising representatives from Ministry of Road Transport and Highways (MoRTH), Central Road Research Institute (CRRI) and IRF. The committee aims at promoting greener ways for construction and operation of roads in India. The co-ordination committee is putting up a proposal for organizing a workshop in the middle of October, 2014 on "Development of Greener Roads". This workshop will take a step towards generating awareness of the concept and practices of greener roads among the stakeholders of the road sector. It attempts to put forth the Indian Government's efforts so far, for promoting greener technologies and practices for roads.

The Coordination Committee has been formed as a step forward after the successful outcome of the Workshop on "Greener Roads – Approach & Tools" held on 6th September 2013, chaired by the former Director General (RD) and Special Secretary, Ministry of Road Transport and Highways (MoRTH). Continuous discussion and persuasion with the MoRTH has led to the issuance of the circular on "Improvement/ up gradation of National Highways from considerations of GHG Emissions and lifecycle costs" bearing No.RW/NH-33044/53/2013-S&R(R) on 20th November, 2013. Meanwhile IRF IC has organized workshops for disseminating information, awareness and demonstrating the use of CHANGER, the Green House Gas calculator developed by IRF.

MEMBERSHIP OF IRF INDIA CHAPTER

IRF IC is a membership-based organization, representing corporate and institutional players and stakeholders in the road infrastructure sector in the country. Road safety has been at the core of IRF IC's activities, which also promotes "green road" approach. IRF IC has made a dent in policy through advocacy.

IRF India Chapter invites all stakeholders in road sector to join it as members and contribute to the efforts for better road infrastructure and safety.

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