भारत सरकार

विधि, न्याय और कम्पनी कार्य मंत्रालय

# सड़क परिवहन निगम अधिनियम, 1950

(1950 का अधिनियम संख्यांक 64)

[1 मई, 1981 को यथाविद्यमान]

# The Road Transport Corporations Act, 1950

**(Act No. 64 of 1950)**

*[As on the 1st May, 1981]*

1981

महाप्रबन्धक, भारत सरकार मुद्रणालय (अनुवाद शाखा-I), सेंटरल गवर्नमेंट, हरियाणा-4 द्वारा मुद्रित तथा प्रकाशन-नियंत्रक, भारत सरकार, सिविल लाईन्स, दिल्ली-110054 द्वारा प्रकाशित।

मूल्य :(देश में) ……रुपए ……पैसे, (विदेश में) ……पौंड……सेंट्स

## PREFACE

This is a diglot edition of the Road Transport Corporations Act, 1950 as on the 1st May, 1980, containing the authoritative Hindi text thereof along with its English text. The Hindi text of the Act was published in the Gazette of India, Extraordinary, Part II, Section 1A, No. 41, Vol. IX, dated 26th July, 1973 on pages 729 to 749.

This Hindi text was prepared by the Official Language (Legislative) Commission and it was published under the authority of the President under section 5(*b*) of the Official Languages Act, 1963, and on such publication, it became the authoritative text of that Act in Hindi.

NEW DELHI,
1st May, 1980.

R. V. S. PERI SASTRI,
*Secretary to the Government of India*

# THE ROAD TRANSPORT CORPORATIONS ACT, 1950

## ARRANGEMENT OF SECTIONS


CHAPTER I

PRELIMINARY

SECTIONS

1. Short title, extent and commencement.
2. Definitions.

CHAPTER II

ROAD TRANSPORT CORPORATIONS

3. Establishment of Road Transport Corporations in the States.
4. Incorporation.
5. Constitution of Road Transport Corporation.
6. Disqualification for being chosen as or for being, a member of a Corporation.
7. Resignation of office by the Chairman or a member.
8. Removal of Chairman and members from office.
9. Vacancies amongst members or defect in the constitution not to invalidate acts or proceedings of a Corporation.
10. Temporary association of persons with a Corporation for particular purposes.
11. Meetings of Corporations
12. Power to appoint committees and delegate functions.
13. Authentication of orders and other instruments of a Corporation.
14. Officers and servants of the Corporation.
15. The Chief Executive Officer or General Manager and the Chief Accounts Officer.
16. General disqualification of all officers and servants.
17. Appointment of Advisory Council.

CHAPTER III

POWERS AND DUTIES OF CORPORATION

18. General duty of Corporation.
19. Powers of Corporation.
20. Extension of the operation of the road transport service of a Corporation to areas with another State
21. Carriage of mails.

CHAPTER IV

## FINANCE, ACCOUNTS AND AUDIT

SECTIONS

22. General principle of Corporation's finance.
23. Capital of the Corporation.
24. Additional capital of the Corporation.
25. Guarantee by the State Government.
26. Borrowing powers.
27. Fund of the Corporation.
28. Payment of interest and dividend.
29. Provision for depreciation and reserve and other funds.
30. Disposal of net profits.
31. Power of the Corporation to spend.
32. Budget.
33. Accounts and audit.

CHAPTER V

## MISCELLANEOUS

34. Directions by the State Government.
35. Returns and reports.
36. Power to order inquiries.
37. Power to control a part of the undertaking of a Corporation.
38. Power to supersede a Corporation.
39. Liquidation of a Corporation.
40. Compensation for acquisition of road transport undertakings.
41. [Repealed.]
42. Power of entry.
43. Members, officers and servants of a Corporation to be public servants.
44. Power to make rules.
45. Power to make regulations.
46. Penalty for breach of rules.
47. Special provisions relating to Bombay.
47A. Special provision for reconstitution or dissolution of certain Corporations.
48. Transitional provision relating to Bombay State Road Transport Corporation.

# THE ROAD TRANSPORT CORPORATIONS ACT, 1950

(Act No. 64 of 1950)

[16th December, 1950]

An Act to provide for the incorporation and regulation of Road Transport Corporations.

Be it enacted by Parliament as follows:—

CHAPTER I

## PRELIMINARY

Short title, extent and commencement.

**1.** (1) This Act may be called the Road Transport Corporations Act, 1950.

(2) It extends to the whole of India:

Provided that on and from the commencement of the Delhi Road Transport Laws (Amendment) Act 1971, this Act, as amended by the said Act, shall extend to, and be in force in the Union territory of Delhi.

(3) It shall come into force in a State on such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf for such State and different dates may be appointed for different States.

Definitions.

**2.** In this Act, unless the context otherwise requires,—

(a) "ancillary service" means any subsidiary service which provides amenities or facilities to persons making use of any road transport service of a Corporation;

(b) "Corporation" means a Road Transport Corporation established under section 3;

(c) "extended area" means any area or route to which the operation of any road transport service of a Corporation has been extended in the manner provided in section 20;

(d) "prescribed" means prescribed by rules made under this Act;

(e) "road transport service" means a service carrying passengers or goods or both by road in vehicles for hire or reward;

(f) "vehicle" means any mechanically propelled vehicles, used or capable of being used for the purpose of road transport, and includes a motor-car, a trolley-vehicle and a trailer;

(g) words and expressions used but not defined in this Act and defined in the Motor Vehicles Act, 1939, have the meaning assigned to them in that Act. 4 of 1939.

CHAPTER II

## ROAD TRANSPORT CORPORATIONS

Establishment of Road Transport Corporations in the States.

**3.** The State Government, having regard to—

(a) the advantages offered to the public, trade and industry by the development of road transport;

(b) the desirability of co-ordinating any form of road transport with any other form of transport;

(c) the desirability of extending and improving the facilities for road transport in any area and of providing an efficient and economical system of road transport service therein;

may, by notification in the Official Gazette, establish a Road Transport Corporation for the whole or any part of the State under such name as may be specified in the notification.

Incorporation.

4. Every Corporation shall be a body corporate by the name notified under section 3 having perpetual succession and a common seal, and shall by the said name sue and be sued.

Constitution of Road Transport Corporation.

5. (1) Subject to rules made under this Act, a Corporation shall consist of a Chairman and such number of other members as the State Government may think fit to appoint.

(2) The State Government may, if it so thinks fit, appoint one of the other members as the Vice-Chairman of the Corporation.

(3) Rules made under this Act shall provide for the representation both of the Central Government and of the State Government concerned in the Corporation in such proportion as may be agreed to by both the Governments and of nomination by each Government of its own representatives therein, and where the capital of a Corporation is raised by the issue of shares to other parties under sub-section (3) of section 23, provision shall also be made for the representation of such shareholders in the Corporation and the manner in which the representatives shall be elected by such shareholders.

(4) The term of office of, and the manner of filling casual vacancies among, members of the Corporation shall be such as may be prescribed.

Disqualification for being chosen as, or for being, a member of a Corporation.

6. (1) A person shall be disqualified for being chosen as, or for being, a member of a Corporation if—

(a) if he is found to be a lunatic or a person of unsound mind; or

(b) if he has been adjudged insolvent; or

(c) if he has been convicted of an offence involving moral turpitude; or

(d) if he has, directly or indirectly, any interest in any subsisting contract made with, or in any work being done for, the Corporation except as a shareholder (other than a director) in an incorporated company, provided that where he is a shareholder he shall disclose to the State Government the nature and extent of shares held by him in such company; or

(e) if he has any financial interest in any other road transport undertaking.

(2) Nothing in clause (d) of sub-section (1) shall be deemed to disqualify the Chief Executive Officer or General Manager of a Corporation for being chosen as, or for being, a member thereof.

Resignation of office by the Chairman or a member.

7. The Chairman or any other member of a Corporation may resign his office by giving notice in writing to the State Government and on such resignation being accepted by that Government, shall be deemed to have vacated his office.

Removal of Chairman and members from office.

8. The State Government may remove from office the Chairman or any other member of the Corporation who -

(a) is or becomes subject to any of the disqualifications mentioned in section 6; or

(b) without excuse sufficient in the opinion of the State Government, is absent from more than four consecutive meetings of the Corporation:

Provided that no member nominated by the Central Government shall be removed from office without the concurrence of that Government.

Vacancies amongst members to collect to the constitution not to invalidate acts or proceedings of a Corporation.

9. No act or proceeding of a Corporation shall be invalid by reason only of the existence of any vacancy amongst its members or any defect in the constitution thereof.

Temporary association of persons with a Corporation for particular purpose.

10. (1) A Corporation may associate with itself for any particular purpose in such manner as may be determined by regulations made under this Act any person whose assistance or advice it may desire.

(2) A person associated with it by the Corporation under sub-section (1) for any purpose shall have a right to take part in the discussions of the Corporation relevant to that purpose, but shall not have a right to vote at a meeting of the Corporation.

Meetings of Corporations.

11. (1) A Corporation shall meet at such times and places and shall, subject to the provisions of sub-sections (2) and (3), observe such rules of procedure in regard to transaction of business at its meetings as may be provided by regulations made under this Act:

Provided that the Corporation shall meet at least once in every three months.

(2) The person to preside at a meeting of a Corporation shall be the Chairman thereof, or in his absence from any meeting, the Vice-Chairman, if any, or in the absence of both the Chairman and the Vice-Chairman, such member as may be chosen by the members present from among themselves to preside.

(3) All questions at a meeting of a Corporation shall be decided by a majority of votes of the members present, and in the case of equality of votes, the Chairman or, in his absence, any other person presiding shall have a second or casting vote.

Power to appoint committees and delegate functions.

12. A Corporation may, from time to time, by resolution passed at a meeting -

(a) appoint committees of its members for performing such functions, as may be specified in the resolution;

(b) delegate to any such committee or to the Chairman or Vice-Chairman, subject to such conditions and limitations, if any, as may be specified in the resolution, such of its powers and duties as it may think fit;

(c) authorise the Chief Executive Officer or General Manager or any other officer of the Corporation, subject to such conditions and limitations, if any, as may be specified in the resolution to exercise such powers and perform such duties as it may deem necessary for the efficient day to day administration of its business.

Authentication of orders and other instruments of a Corporation.

12. All orders and decisions of a Corporation shall be authenticated by the signature of the Chairman or any other member authorised by the Corporation in this behalf, and all other instruments issued by a Corporation shall be authenticated by the signature of the Chief Executive Officer or General Manager or any other officer of the Corporation authorised in like manner in this behalf.

Officers and servants of the Corporation.

13. (1) Every Corporation shall have a Chief Executive Officer or General Manager and a Chief Accounts Officer appointed by the State Government.

(2) A Corporation may appoint such other officers and servants as it considers necessary for the efficient performance of its functions.

(3) The conditions of appointment and service and the scales of pay of the officers and servants of a Corporation shall—

(a) as respects the Chief Executive Officer or General Manager and the Chief Accounts Officer be such as may be prescribed, and

(b) as respects the other officers and servants be such as may, subject to the provisions of section 36, be determined by regulations made under this Act.

The Chief Executive Officer or General Manager and the Chief Accounts Officer.

15. (1) The Chief Executive Officer or General Manager shall be the executive head of the Corporation and all other officers and servants of the Corporation shall be subordinate to him.

(2) The Chief Accounts Officer shall have the right to record his views on every proposal involving expenditure from the fund of the Corporation prior to the consideration of such proposal by the Corporation.

General disqualification of all officers and servants.

16. No person who has directly or indirectly, by himself or his partner or agent, any share or interest in any contract, by or on behalf of a Corporation, or in any other road transport undertaking shall become or remain an officer or servant of the Corporation.

Appointment of Advisory Council.

17. The State Government may, after ascertaining the views of the Corporation, by notification in the Official Gazette, constitute one or more Advisory Councils consisting of such number of persons, on such terms, and for the purpose of advising the Corporation on such matters, as may be specified in that notification.

CHAPTER III

## POWERS AND DUTIES OF CORPORATION

General duty of Corporation.

18. It shall be the general duty of a Corporation so to exercise its powers as progressively to provide or secure or promote the provision of, an efficient, adequate, economical and properly co-ordinated system of road transport services in the State or part of the State for which it is established and in any extended area:

*Provided* that nothing in this section shall be construed as imposing on a Corporation, either directly or indirectly, any form of duty or liability enforceable by proceedings before any court or tribunal to which it would not otherwise be subject.

Powers of Corporation.

19. (1) Subject to the provisions of this Act, a Corporation shall have power—

(a) to operate road transport services in the State and in any extended area;

(b) to provide for any ancillary service;

(c) to provide for its employees suitable conditions of service including fair wages, establishment of provident fund, living accommodation, places for rest and recreation and other amenities;

(d) to authorise the issue of passes to its employees and other persons either free of cost or at concessional rates and on such conditions as it may deem fit to impose;

(e) to authorise the grant of refund in respect of unused tickets and concessional passes.

(2) Subject to the provisions of this Act, the powers conferred by sub-section (1) shall include power—

(a) to manufacture, purchase, maintain and repair rolling stock, vehicles, appliances, plant, equipment or any other thing required for the purpose of any of the activities of the Corporation referred to in sub-section (1);

*Explanation.*—In this clause, the expression "manufacture" does not include the construction of the complete unit of a motor vehicle except for purposes of experiment or research;

(b) to acquire and hold such property, both movable and immovable, as the Corporation may deem necessary for the purpose of any of the said activities, and to lease, sell or otherwise transfer any property held by it;

(c) to prepare schemes for the acquisition of, and to acquire, either by agreement or compulsorily in accordance with the law of acquisition for the time being in force in the State concerned and with such procedure as may be prescribed, whether absolutely or for any period, the whole or any part of any undertaking of any other person to the extent to which the activities thereof consist of the operation of road transport services in that State or in any extended area;

(d) to purchase by agreement or to take on lease or under any form of tenancy any land and to erect thereon such buildings as may be necessary for the purpose of carrying on its undertaking;

(e) to authorise the disposal of scrap vehicles, old tyres, used oils, or any other stores of very little value;

(f) to enter into and perform all such contracts as may be necessary for the performance of its duties and the exercise of its powers under the Act;

(g) to purchase vehicles of such type as may be suitable for use in the road transport services operated by the Corporation;

(h) to purchase or otherwise acquire by agreement vehicles, garages, sheds, office buildings, depots, land, workshops, equipment, tools, accessories to and spare parts for vehicles, or any other article owned or possessed by the owner of any other undertaking for use thereof by the Corporation for the purposes of its undertaking;

(i) to do anything for the purpose of advancing the skill of persons employed by the Corporation or the efficiency of the equipment of the Corporation or of the manner in which that equipment is operated, including the provision by the Corporation, and the assistance by the Corporation to others for the provision of facilities for training, education and research;

(j) to enter into and carry out agreement with any person carrying on business as a carrier of passengers or goods providing for the carriage of passengers or goods on behalf of the Corporation by that other person at a through fare or freight;

(k) to provide facilities for the consignment, storage and delivery of goods;

(l) to enter into contracts for exhibition of posters and advertising boards on and in the vehicles and premises of the Corporation and also for advertisements on tickets and other forms issued by the Corporation to the public;

(m) with the prior approval of the State Government to do all other things to facilitate the proper carrying on of the business of the Corporation.

(3) Nothing in this section shall be construed as authorising a Corporation except with the previous approval of the State Government

(i) to manufacture or maintain anything which is not required directly or indirectly for use for the purpose of the undertaking of the Corporation or to receive, store, or provide any service for any vehicle which does not belong to the Corporation or is not used directly or indirectly for the purposes of its undertaking;

(ii) to purchase any vehicle for the purpose of sale to another person;

(iii) to sell or supply to any person lubricants, spare parts, or equipment for or accessories to vehicles;

(iv) to let vehicles on hire for the carriage of passengers or goods except as expressly provided by or under this Act.

(4) Except as otherwise provided by this Act, nothing in the foregoing provisions shall be construed as authorising the Corporation to disregard any law for the time being in force.

(5) Where a Corporation acquires the whole or any part of an undertaking of any other person, the Corporation shall, in appointing its officers and servants, take into consideration the claims of employees employed in that undertaking.

(6) The provisions of this section shall not be construed as limiting any power of a Corporation conferred by or under any subsequent provision of this Act.

Extension of the operation of the road transport service of a Corporation to areas within another State.

20. (1) If a Corporation considers it to be expedient in the public interest to extend the operation of any of its road transport services to any route or area situated within another State, it may, with the permission of the State Government, negotiate with the Government of the other State regarding the proposed extension.

(2) If the Government of the other State approves the proposed extension, the Corporation shall prepare a scheme for the purpose and forward the same to the other Government for its consent, and after such consent has been received, the Corporation may, with the previous approval of the State Government, sanction the scheme.

(3) After the scheme has been so sanctioned, it shall be competent for the Corporation to extend the operation of its road transport service to such route or area and when the operation of such service is so extended, the Corporation shall operate the service on that route or in that area subject to the provisions of any law in force in the other State within which such route or area is situated.

(4) The Corporation may, from time to time, alter or extend the scheme sanctioned under sub-section (2) by a supplementary scheme prepared and sanctioned in the manner provided in the foregoing provisions of this section.

Carriage of mails.

21. Notwithstanding anything contained in the Motor Vehicles Act, 1939, a Corporation shall, if so required by the Central Government, carry mails at such rates and on such terms and conditions as may be specified in this behalf by the Central Government in consultation with the State Government. 4 of 1939

CHAPTER IV

FINANCE, ACCOUNTS AND AUDIT

General principles of Corporation's finance.

22. It shall be the general principle of a Corporation that in carrying on its undertakings it shall act on business principles.

Capital of the Corporation.

23. (1) The Central Government and the State Government may provide to a Corporation established by the State Government, in such proportion as may be agreed to by both the Governments, any capital that may be required by the Corporation for the purpose of carrying on the undertaking or for purposes connected therewith on such terms and conditions, not inconsistent with the provisions of this Act, as the State Government may, with the previous approval of the Central Government, determine.

(2) Where the capital of a Corporation is not provided under sub-section (1) the Corporation may raise, by the issue of shares, such capital as may be authorised in this behalf by the State Government.

(3) The authorised capital of the Corporation shall be divided into such number of shares as the State Government may determine and the number of shares which shall be subscribed by the State Government, the Central Government and other parties (including persons whose undertakings have been acquired by the Corporation) shall also be determined by the State Government in consultation with the Central Government.

(4) The allotment of shares to other parties mentioned in sub-section (3) shall be made by the Corporation in such manner as may be prescribed.

(5) The shares of the Corporation shall not be transferable except in accordance with the rules made under this Act.

(6) The Corporation may at any time, with the previous approval of the State Government, redeem the shares issued to the other parties under sub-section (4) in such manner as may be prescribed.

Additional capital of the Corporation.

**24.** If, after the issue of shares under section 23 a Corporation requires any further capital the Corporation may, with the previous sanction of the State Government, raise such additional capital by the issue of new shares and the provisions of sub-sections (2), (3), (4), (5), and (6) of the said section shall apply to the issue of such shares.

Guarantee by the State Government.

**25.** The shares of a Corporation shall be guaranteed by the State Government as to the payment of the principal and the payment of the annual dividend at such minimum rate as may be fixed by the State Government by notification published in the Official Gazette at the time of issuing the shares.

Borrowing powers.

**26.** (1) A Corporation may, with the previous approval of the State Government, borrow money in the open market or otherwise for the purpose of raising its working capital.

(2) With the previous approval of the State Government and the Central Government, a Corporation may also borrow money in the open market for the purpose of meeting any expenditure of a capital nature.

Fund of the Corporation.

**27.** (1) Every Corporation shall have its own fund and all receipts of the Corporation shall be carried thereto and all payments by the Corporation shall be made therefrom.

(2) Except as otherwise directed by the State Government, all moneys belonging to that fund shall be deposited in the Reserve Bank of India or with the agents of the Reserve Bank of India, or invested in such securities as may be approved by the State Government.

Payment of interest and dividend.

**28.** (1) Where the capital of a Corporation is provided by the Central Government and the State Government under sub-section (1) of section 23, the Corporation shall pay interest on such capital at such rate as may, from time to time, be fixed by the State Government in consultation with the Central Government and such interest shall be deemed to be a part of the expenditure of the Corporation.

(2) Where the Corporation raises its Capital by issue of shares, it shall pay dividend on such shares at such rate as may, from time to time, be fixed by the Corporation, subject to any general limitations which may have been imposed by the State Government in consultation with the Central Government, and such dividend shall be deemed to be a part of the expenditure of the Corporation.

Provision for depreciation and reserve and other funds.

29. (1) A Corporation shall make such provisions for depreciation and for reserve and other funds as the State Government may, from time to time, direct.

(2) The management of the said funds, the sums to be carried from time to time to the credit thereof and the application of the moneys comprised therein shall be determined by the Corporation:

Provided that no fund shall be utilised for any purpose other than that for which it was created without the previous approval of the State Government.

Disposal of net profits.

30. After making provision for payment of interest and dividend under section 28 and for depreciation, reserve and other funds under section 29, a Corporation may utilise such percentage of its net annual profits as may be specified in this behalf by the State Government for the provision of amenities to the passengers using the road transport services, welfare of labour employed by the Corporation and for such other purposes as may be prescribed with the previous approval of the Central Government, and out of the balance such amount as may, with the previous approval of the State Government and the Central Government, be specified in this behalf by the Corporation, may be utilised for financing the expansion programme of the Corporation and the remainder, if any, shall be made over to the State Government for the purpose of road development.

Power of the Corporation to spend.

31. A Corporation shall have power to spend such sums as it thinks fit on objects authorised under this Act and such sums shall be treated as expenditure payable out of the fund of the Corporation.

Budget

32. (1) Every Corporation shall, by such date in each year as may be prescribed prepare and submit to the State Government for approval a budget for the next financial year showing the estimated receipts and expenditure during that financial year in such form as may be prescribed.

(2) Subject to the provisions of sub-sections (3) and (4), no sum shall be expended by or on behalf of a Corporation unless the expenditure of the same is covered by a current budget grant approved by the State Government.

(3) Subject to such conditions and restrictions as may be specified in this behalf by the State Government, a Corporation may sanction any re-appropriation within the grant from one head of the expenditure to

another or from a provision made for one scheme to that in respect of another, subject to the condition that the aggregate budget grant is not exceeded.

(4) A Corporation may, within such limits and subject to such conditions as may be prescribed, incur expenditure in excess of the limit provided in the budget approved by the State Government under any head of expenditure or in connection with any particular scheme.

Accounts and audit.

33. (1) The Corporation shall maintain proper accounts and other records and prepare an annual statement of accounts including the profit and loss account and the balance sheet in such form as may be prescribed by the State Government in consultation with the Comptroller and Auditor-General of India.

(2) The accounts of a Corporation shall be audited annually by the Comptroller and Auditor-General of India or his nominee and any expenditure incurred by him in connection with such audit shall be payable by the Corporation to the Comptroller and Auditor-General of India.

(3) The Comptroller and Auditor-General of India and any person appointed by him in connection with the audit of the accounts of a Corporation shall have the same rights, privileges and authority in connection with such audit as the Comptroller and Auditor-General of India has in connection with the audit of the Government accounts, and, in particular, shall have the right to demand the production of books, accounts, connected vouchers and other documents and papers and to inspect any of the offices of the Corporation.

(4) The accounts of the Corporation as certified by the Comptroller and Auditor-General of India or any person appointed by him in this behalf together with the audit report thereon shall be forwarded annually to the State Government; and that Government shall cause the same to be laid before the Legislature of the State.

## CHAPTER V

## MISCELLANEOUS

Directions by the State Government

34. (1) The State Government may, after consultation with a Corporation established by such Government, give to the Corporation general instructions to be followed by the Corporation and such instructions may include directions relating to the recruitment, conditions of service and training of its employees, wages to be paid to the employees, reserves to be maintained by it and disposal of its profits or stocks.

(2) In the exercise of its powers and performance of its duties under this Act, the Corporation shall not depart from any general instructions issued under sub-section (1) except with the previous permission of the State Government.

Returns and reports.

35. (1) Every Corporation shall furnish to the State Government such returns, statistics, accounts and other information with respect to its property or activities or in regard to any proposed scheme as the State Government may from time to time require.

(2) Without prejudice to the provisions of sub-section (1), a Corporation shall, as soon as possible after the end of each financial year, submit to the Central and the State Governments a report on the exercise and performance by it of its powers and duties under this Act during that year and on its policy and programme.

(3) The State Government shall cause the annual report referred to in sub-section (2) to be laid before the Legislature of the State.

Power to order inquiries.

36. (1) The State Government, with a view to satisfy itself that the powers and duties of a Corporation established by that Government are being exercised and performed properly, may, at any time, appoint any person or persons to make inquiries into all or any of the activities of the Corporation and to report to the State Government the result of such inquiries.

(2) The Corporation shall give to the person or persons so appointed all facilities for the proper conduct of the inquiries and shall produce before, or furnish to, the person or persons any document, account or information in the possession of the Corporation which such person or persons demand for the purposes of the inquiries.

Power to control a part of the undertaking of a Corporation.

37. (1) If on receipt of the report of any inquiry held under section 36 or otherwise, the State Government is satisfied that it is necessary so to do in the public interest, the State Government may, by notification in the Official Gazette, authorise any person to take over from the Corporation, and so long as that notification is in force, to administer in accordance with such directions as may be issued from time to time by the State Government such part of the undertaking of the Corporation as may be specified in the notification, and any person so authorised may, for the purpose of so administering the said part of the undertaking, exercise all or any of the powers of the Corporation or of any officer of the Corporation under this Act, issue such directions as he thinks fit to the officers or servants of the Corporation and employ any outside agency.

(2) The State Government may by such notification direct that all charges and expenses incurred by the person so authorised together with such remuneration as the State Government may allow from time to time to such person shall be paid within such time as may be fixed by the State Government from the fund of the Corporation, and if the expenses are not so paid, the State Government may make an order directing the persons having the custody of that fund to pay to the person so authorised such expenses in priority to any other charges against such fund and he shall, so far as the funds to the credit of the Corporation admit, comply with the order of the State Government.

(3) Every notification issued under this section together with a report on the circumstances leading to its issue shall be laid before the Legislature of the State, as soon as may be, after it is issued.

Power to supersede a Corporation.

38. (1) If the State Government is of opinion that a Corporation established by that Government is unable to perform, or has persistently made default in the performance of the duties imposed on it by or under the provisions of this Act or has exceeded or abused its powers, the State

Government may, with the previous approval of the Central Government, by notification in the Official Gazette, supersede the Corporation for such period as may be specified in the notification :

Provided that before issuing a notification under this sub-section the State Government shall give a reasonable time to the Corporation to show cause why it should not be superseded and shall consider the explanations and objections, if any, of the Corporation.

(2) Upon the publication of a notification under sub-section (*1*) superseding a Corporation—

(*a*) all the members of the Corporation shall, as from the date of supersession, vacate their offices as such members ;

(*b*) all the powers and duties which may, by or under the provisions of this Act or of any other law, be exercised or performed by or on behalf of the Corporation shall, during the period of supersession, be exercised and performed by such person or persons as the State Government may direct ;

(*c*) all property vested in the Corporation shall, during the period of supersession, vest in the State Government.

(*3*) On the expiration of the period of supersession specified in the notification issued under sub-section (*1*), the State Government may—

(*a*) extend the period of supersession for such further term as it may consider necessary ; or

(*b*) reconstitute the Corporation in the manner provided in section 5.

Liquidation of a Corporation.

**39.** (*1*) No provision of any law relating to the winding up of companies or corporations shall apply to a Corporation, and no Corporation shall be placed in liquidation save by order of the State Government concerned and save in such manner as may be directed by that Government :

Provided that no such order shall be made by any State Government except with the previous approval of the Central Government.

(*2*) In the event of a Corporation being placed in liquidation, the assets of the Corporation, after meeting the liabilities, if any, shall be divided among the Central and the State Governments and such other parties, if any, as may have subscribed to the capital in proportion to the contribution made by each of them to the total capital of the Corporation.

Compensation for acquisition of road transport undertakings.

**40.** Whenever a Corporation acquires under this Act the whole or any part of any undertaking, there shall be paid by the Corporation compensation the amount of which shall be determined in the manner and in accordance with the procedure hereinafter set out, that is to say,—

(*a*) where the amount of compensation can be fixed by agreement, it shall be paid in accordance with such agreement ;

(*b*) where no such agreement can be reached, the amount shall be determined by an arbitral tribunal consisting of one nominee of the Corporation, one nominee of the person to be compensated, and a

Chairman to be nominated by the Chief Justice of the High Court exercising jurisdiction in relation to the State concerned;

(c) an appeal shall lie to the High Court against the decision of the tribunal and the order of the High Court on such appeal shall be final.

**41.** [*Corporation to be deemed to be a local authority and provision as to third party risks.*] *Rep. by the Road Transport Corporations (Amendment) Act, 1959 (28 of 1959), s. 4.*

Power of entry.

**42.** Whenever it is necessary for a Corporation to carry out any of its works or to make any survey, examination or investigation, preliminary or incidental to the exercise of powers or the performance of duties by the Corporation under this Act, any officer or servant of the Corporation generally or specially empowered by the Corporation may, with the previous permission of the district magistrate, enter upon any land or premises between sunrise and sunset, after giving reasonable notice of the intention to make such entry to the owner or occupier of such land or premises, and at any other time, with the consent in writing of the owner or occupier of such land or premises, for the purpose of the carrying out of such works or the making of such survey, examination or investigation.

Members, officers and servants of a Corporation to be public servants.

**43.** All members of a Corporation, and all officers and servants of a Corporation, whether appointed by the State Government or the Corporation, shall be deemed, when acting or purporting to act in pursuance of any of the provisions of this Act or of any other law, to be public servants within the meaning of section 21 of the Indian Penal Code. 45 of 1860.

Power to make rules.

**44.** (1) The State Government may, by notification in the Official Gazette, make rules to give effect to the provisions of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely:—

(a) the conditions and manner of appointment of members of a Corporation, the representation in the Corporation of the Central and the State Governments, and where shares are issued to other parties under sub-section (3) of section 20, of such shareholders, and generally all matters relating to the constitution of the Corporation;

(b) remuneration, allowances or fees to be paid to the members of the corporation or other persons associated with the Corporation under section 10;

(c) the term of office of, the manner of filling casual vacancies among, members of the Corporation;

(d) the number of members necessary to constitute a quorum at a meeting of the Corporation;

(e) the conditions of appointment and service and the scales of pay of the Chief Executive Officer or General Manager and the Chief Accounts Officer of the Corporation;

(f) the number and term of office of, the allowances to be paid to the procedure to be followed by, and the manner of filling casual vacancies among, members of an Advisory Council;

(g) the manner in which the shares of the Corporation shall be allotted, transferred or redeemed;

(h) the manner in which the net profits of the Corporation shall be utilised;

(i) the date by which, and the form in which, the budget shall be prepared and submitted in each year under sub-section (1) of section 32;

(j) the form in which the annual statement of accounts shall be prepared;

* * * *

(l) the form in which the returns, statistics or reports shall be submitted under section 35;

(m) the procedure to be followed by an arbitral tribunal under section 40;

(n) any other matter which has to be, or may be, prescribed.

Power to make regulations.

45. (1) A Corporation may, with the previous sanction of the State Government, make regulations, not inconsistent with this Act and the rules made thereunder, for the administration of the affairs of the Corporation.

(2) In particular, and without prejudice to the generality of the foregoing power, such regulations may provide for all or any of the following matters, namely:—

(a) the manner in which, and the purposes for which, persons may be associated with the Corporation under section 10;

(b) the time and place of meetings of the Corporation and the procedure to be followed in regard to transaction of business at such meetings;

(c) the conditions of employment and service and the scales of pay of officers and servants of the Corporation other than the Chief Executive Officer or General Manager and the Chief Accounts Officer;

(d) the issue of passes to the employees of the Corporation and other persons under section 29;

(e) the grant of refund in respect of unused tickets and concessional passes under section 19;

Penalty for breach of rules.

46. The State Government may, by rule, provide that the breach of any rules made by it under section 44 shall be punishable with fine which may extend to five hundred rupees, and when the breach is a continuing one, with a further fine not exceeding twenty rupees for every day after the date of the first conviction during which the offender is proved to have persisted in the offence.

Special provision relating to Bombay.

47. (1) The body known as the Bombay State Road Transport Corporation and the Board thereof, referred to in the notification of the Government of Bombay No. 17807/5, dated the 13th November, 1948 (hereinafter referred to as "the existing Corporation" and "Board" respectively) shall, notwithstanding any defect in, or invalidity of, the enactment or order under which they were constituted, be deemed for all purposes to have been validly constituted as if all the provisions of the said notification had been included and enacted in this section and this section had been in force continuously on and from the said date, and accordingly—

(a) all actions by, and all transactions with, the existing Corporation or Board, including any action or transaction by which any property, asset or right was acquired or any liability or obligation, whether by contract or otherwise, was incurred, shall be deemed to have been validly and lawfully taken or done; and

(b) no suit, prosecution or other legal proceeding shall lie against the Government of Bombay or any member of the Board or any officer or servant of the existing Corporation in respect of any action taken by, or in relation to the setting up of, the existing Corporation or Board merely on the ground of any defect in, or invalidity of, the enactment or order under which the existing Corporation or Board was constituted.

(2) On the establishment of a Corporation under section 3 in the State of Bombay (hereinafter referred to as "the new Corporation"),—

(a) the existing Corporation and Board shall be deemed to be dissolved and shall cease to function;

(b) all property and assets vesting in the existing Corporation shall vest in the new Corporation;

(c) all rights, liabilities and obligations of the existing Corporation, whether arising out of any contract or otherwise, shall be the rights, liabilities and obligations respectively of the new Corporation; and

(d) all licences and permits granted to, all contracts made with, and all instruments executed on behalf of, the existing Corporation or Board shall be deemed to have been granted to, made with, or executed on behalf of, the new Corporation and shall have effect accordingly.

Special provision for reconstitution or dissolution of certain Corporations

47A. (1) Where on account of the reorganisation of States under the States Reorganisation Act, 1956, or any other enactment relating to reorganisation of States, the whole or any part of a State in respect of which a Corporation was, immediately before the day on which the reorganisation takes place, functioning and operating, is transferred on that day to another State and by reason of such transfer, it appears to the State Government necessary or expedient that the Corporation should be reconstituted or reorganised in any manner whatever or that it should be dissolved, the State Government may make a scheme for the reconstitution or reorganisation or dissolution of the Corporation including provisions regarding the formation of new Corporations, the amalgamation

37 of 1956.

of the Corporation with any other Corporation, body corporate or a commercial undertaking of another State Government, the transfer of the assets, rights and liabilities of the Corporation in whole or in part to any other Corporation, body corporate or a commercial undertaking of another State Government, and the transfer or re-employment of any workmen of the Corporation, and the State Government may forward the scheme to the Central Government for approval.

Explanation.—For the purpose of framing any scheme under this sub-section, "State Government",—

(i) in relation to the Bombay State Road Transport Corporation, shall mean the Government of the State of Maharashtra or of Gujarat as formed under the Bombay Reorganisation Act, 1960; 11 of 1960

(ii) in relation to the PEPSU Road Transport Corporation, shall mean the Government of the State of Punjab, as formed under the provisions of the States Reorganisation Act, 1956; 37 of 1956.

(iii) in relation to the Assam State Road Transport Corporation, shall mean the Government of the State of Assam or of Meghalaya as formed under the North-Eastern Areas (Reorganisation) Act, 1971. 81 of 1971.

(2) On receipt of any such scheme, the Central Government may, after consultation with the State Governments concerned, approve the scheme with or without modifications and for the purpose of giving effect to the approved scheme, the Central Government may, from time to time, make such order in relation thereto as it thinks fit and every order so made shall have effect notwithstanding anything contained in this Act.

(3) Any order made under sub-section (2) may provide for all or any of the following matters, namely:

(a) the dissolution of the Corporation, notwithstanding anything contained in section 39;

(b) the constitution or reorganisation in any manner whatsoever, of the Corporation including the establishment, where necessary, of more than one Corporation in any State;

(c) the amalgamation of two or more Corporations or of one Corporation with any other body corporate or a commercial undertaking of any other State Government;

(d) the extension of the area for which the Corporation is established, or the exclusion of any area therefrom;

(e) the transfer, in whole or in part, of the assets, rights and liabilities of the Corporation including the transfer of any licences or permits granted to the Corporation, to any other Corporation, body corporate or a commercial undertaking of any other State Government, and the terms and conditions of such transfer;

(f) the transfer or re-employment of any workmen of the Corporation to, or by, any such transferee, and, subject to the provisions of section 111 of the States Reorganisation Act, 1956, or any other 37 of 1956. enactment relating to reorganisation of States, the terms and conditions of service applicable to such workmen after such transfer or re-employment;

(g) such incidental consequential and supplemental matters as may be necessary to give effect to the approved scheme.

(4) Where an order is made under this section transferring the assets, rights and liabilities of any Corporation, there, by virtue of that order, such assets, rights and liabilities of the Corporation shall vest in, and be the assets, rights and liabilities of, the transferee.

Transitional provision relating to Bombay State Road Transport Corporation.

48. Notwithstanding anything contained in section 47A, it shall be lawful for the Government of the State of Bombay to frame a scheme under sub-section (1) thereof and forward the same to the Central Government before the 1st day of May, 1960, and in such a case, the power conferred on the Central Government to make an order under sub-section (2) thereof may be exercised before that day but no order so made shall take effect till that day.