

THE ROAD TRANSPORT CORPORATIONS ACT, 1950



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THE ROAD TRANSPORT CORPORATIONS ACT, 1950

ACT NO. 64 OF 1950



[4th 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

1. Short title, extent and commencement.—(1) This Act may be called the Road Transport Corporations Act, 1950.

(2) It extends to the whole of India ^{1***}:

²[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[Provided further that on and from the commencement of the Road Transport Corporations (Amendment) Act, 1982, this Act, as amended by the said Act, shall extend to the Union territory of Mizoram.]

⁴* * * * *

2. Definitions.—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;

⁵[(aa) “Board” means the Board of Directors of a Corporation;]

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

⁵[(bb) “Director” means a member of the Board;]

(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 vehicle, used or capable of being used for the purpose of road transport, and includes a tram-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 (4 of 1939), have the meaning assigned to them in that Act;

⁶* * * * *

1. The words “except the Union territory of Delhi” omitted by Act 71 of 1971, s. 2 (w.e.f. 3-9-1971).

2. The proviso added by s. 2, *ibid.* (w.e.f. 3-11-1971).

3. Ins. by Act 63 of 1982, s. 2 (w.e.f. 13-11-1982).

4. Omitted by Act 71 of 1971, s. 7(a) and the First Schedule (w.e.f. 3-11-1971).

5. Ins. by Act 63 of 1982, s. 16 and the Schedule (w.e.f. 13-11-1982).

6. Omitted by A.O. (No. 3), 1956.

CHAPTER II
ROAD TRANSPORT CORPORATIONS



3. Establishment of Road Transport Corporations in the States.—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 ¹[the whole or any part of the Union territory of Delhi] under such name as may be specified in the notification.

4. Incorporation.—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.

²**[5. Management of Corporation and Board of Directors.**—(1) The general superintendence, direction and management of the affairs and business of a Corporation shall vest in a Board of Directors which, with the assistance of its committees and Managing Director, may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation.

(2) The Board shall consist of a Chairman and such other Directors, being not less than five and not more than seventeen, as the State Government may think fit to appoint.

(3) The State Government may, if it so thinks fit appoint one of the other Directors as the Vice-Chairman of the Board.

(4) Rules made under this Act shall provide for the representation, both of the Central Government and of the State Government concerned, on the Board in such proportion as may be agreed to by both the Government and of appointment by each Government of its own representatives thereto 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 on the Board and the manner in which the representatives shall be elected by such shareholders.

(5) The term of office of and the manner of filling casual vacancies among the Directors shall be such as may be prescribed.]

6. Disqualifications for being chosen as, or for being, a ³[Director of a Corporation].—⁴[(1)] A person shall be disqualified for being chosen as, or for being, a ³[Director of a Corporation]—

- (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.

1. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “the whole or any part of the State” (w.e.f. 3-9-1971).

2. Subs. by Act 63 of 1982, s. 3, for section 5 (w.e.f. 13-11-1982).

3. Subs. by s. 4, *ibid.*, for “member of a Corporation” (w.e.f. 13-11-1982).

4. Section 6 re-numbered as sub-section (1) thereof by Act 28 of 1959, s. 2 (w.e.f. 1-9-1959).

¹[(2) Nothing in clause (d) of sub-section (1) shall be deemed to disqualify the ²[Managing Director] of a Corporation for being chosen as, or for being, a ³[Director] thereof.]

⁴[(3) Nothing in clause (e) of sub-section (1) shall be deemed to disqualify,—

(a) any officer or other employee of the Government for being chosen as, or for being, a Director of a Corporation;

(b) any officer or other employee of a Corporation for being chosen as, or for being, a Director of another Corporation.]

7. Resignation of office by the Chairman or a ⁵[Director].—The Chairman or any other ⁵[Director] 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.

8. Removal of Chairman and members from office.—⁶[(1)] The State Government may remove from office the Chairman or any other ⁷[Director] 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 for more than four consecutive meetings of the ⁸[Board].

⁹* * * * *

¹⁰[(2) The State Government may terminate the appointment of any Director after giving him notice for such period (being not less than one month) as may be prescribed:

Provided that the appointment of a Director appointed by the Central Government shall not be terminated under this sub-section without the concurrence of that Government.]

9. Vacancies amongst members or defect in the constitution not to invalidate acts or proceedings of a Corporation.—No act or proceeding of a ¹¹[Corporation or its Board] shall be invalid by reason only of the existence of any vacancy ¹²[in its Board] or any defect in the constitution thereof.

10. Temporary association of persons with a ¹³[Board] for particular purposes.—(1) A ¹³[Board] 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 ¹³[Board] under sub-section (1) for any purpose shall have a right to take, part in the discussions of the ¹³[Board] relevant to that purpose, but shall not have a right to vote at a meeting of the ¹³[Board].

11. Meetings of ¹⁴[Board].—(1) A ¹⁴[Board] 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 ¹⁴[Board] shall meet at least once in every three months.

1. Ins. by Act 28 of 1959, s. 2 (w.e.f. 1-9-1959).

2. Subs. by Act 63 of 1982, s. 4, for “Chief Executive Officer or General Manager” (w.e.f. 13-11-1982).

3. Subs. by s. 4, *ibid.*, for “member” (w.e.f. 13-11-1982).

4. Ins. by s. 4, *ibid.* (w.e.f. 13-11-1982).

5. Subs. by s. 16 and the Schedule, *ibid.*, for “member” (w.e.f. 13-11-1982).

6. Section 8 re-numbered as sub-section (1) thereof by s. 5, *ibid.* (w.e.f. 13-11-1982)

7. Subs. by s. 5, *ibid.*, for “member” (w.e.f. 13-11-1982).

8. Subs. by s. 5, *ibid.*, for “Corporation” (w.e.f. 13-11-1982).

9. Omitted by Act 71 of 1971, s. 7(a) and the First Schedule (w.e.f. 3-9-1971).

10. Ins. by Act 63 of 1982, s. 5 (w.e.f. 13-11-1982).

11. Subs. by s. 16 and the Schedule, *ibid.*, for “Corporation” (w.e.f. 13-11-1982).

12. Subs. by s. 16 and the Schedule, *ibid.*, for “amongst its members” (w.e.f. 13-11-1982).

13. Subs. by s. 16 and the Schedule, *ibid.*, for “Corporation” (w.e.f. 13-11-1982).

14. Subs. by s. 16 and the Schedule, *ibid.*, for “Corporation” (w.e.f. 13-11-1982).

(2) The person to preside at a meeting of a ¹[Board] 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, ²[such Director as may be chosen by the Directors present] from among themselves to preside.

(3) All questions at a meeting of a ¹[Board] 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.

12. Power to appoint committees and delegate functions.—³[(1)] A ⁴[Board] may, from time to time by resolution passed at a meeting—

(a) appoint committees ⁵[consisting of Directors] for performing such functions as may be specified in the resolution;

(b) delegate to any such committee or to the ⁶[Chairman, Vice-Chairman, Chief Executive Officer, the General Manager, the Deputy General Manager or the Chief Accounts Officer of the Corporation] 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) authorised the ⁷[Managing Director] ⁸[or any other officer of the Corporation] subject to such 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.

⁹[(2) The Chairman, Vice-Chairman or Managing Director may delegate any of his powers and duties duties [including powers and duties delegated to him under sub-section (1)] to any officer of the Corporation, and the officer to whom such powers and duties are delegated, shall exercise and perform such powers and duties under the control and supervision of the Managing Director.]

¹⁰**13. Authentication of orders and other instruments.**—All orders and decisions of the Board shall be authenticated by the signature of the Secretary or by any such other officer of the Corporation as may be authorised in this behalf by the Board or under the regulations made under section 45 and all other instruments issued by a Board shall be authenticated by the signature of the Managing Director or any other officer of the Corporation authorised in like manner in this behalf.]

14. Officers and servants of the Corporation.—¹¹[(1) Every Corporation shall have a Managing Director, a Chief Accounts Officer and a Financial Adviser, appointed by the State Government:

Provided that the same person may be appointed as the Chief Accounts Officer and the Financial Adviser.]

(2) A Corporation may appoint ¹²[a Secretary and such other officers and employees] as it considers necessary for the efficient performance of its functions.

1. Subs. by Act 63 of 1982, s. 16 and the Schedule, for “Corporation” (w.e.f. 13-11-1982).

2. Subs. by s. 16 and the Schedule, *ibid.*, for “such member as may be chosen by the members present” (w.e.f. 13-11-1982).

3. Section 12 renumbered as sub-section (1) thereof by s. 6, *ibid.* (w.e.f. 13-11-1982).

4. Subs. by s. 6, *ibid.*, for “Corporation” (w.e.f. 13-11-1982).

5. Subs. by s. 6, *ibid.*, for “of its members” (w.e.f. 13-11-1982).

6. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “Chairman or Vice-Chairman” (w.e.f. 3-9-1971).

7. Subs. by Act 63 of 1982, s. 6, for “Chief Executive Officer or General Manager” (w.e.f. 13-11-1982).

8. Ins. by Act 28 of 1959, s. 3 (w.e.f. 1-9-1959).

9. Ins. by Act 63 of 1982, s. 6 (w.e.f. 13-11-1982).

10. Subs. by s. 7, *ibid.*, for s. 13 (w.e.f. 13-11-1982).

11. Subs. by s. 8, *ibid.*, for sub-section (1) (w.e.f. 13-11-1982).

12. Subs. by s. 8, *ibid.*, for “such other officers and servants” (w.e.f. 13-11-1982).

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



(a) as respects the Managing Director, the Chief Accounts Officer and the Financial Adviser, or, as the case may be, the Chief Accounts Officer-cum-Financial Adviser, be such, as may be prescribed, and

(b) as respects the other officers and employees, be such, as may, subject to the provisions of section 34, be determined by regulations made under this Act.]

²[**15. Managing Director, Chief Accounts Officer and Financial Adviser.**—(1) The Managing Director shall be the executive head of the Corporation and all other officers and employees of the Corporation shall be subordinate to him.

(2) The Managing Director shall obtain the views of the Chief Accounts Officer and the Financial Adviser or, as the case may be, the Chief Accounts Officer-cum-Financial Adviser, on every proposal involving revenues, or expenditure from the fund, of the Corporation and shall cause such views to be placed before the Board prior to the consideration of such proposal by the Board.]

16. General disqualification of all officers and servants.—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 ³[officer or other employee] of the Corporation.

17. Appointment of Advisory Council.—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.

⁴[CHAPTER IIA

SUBSIDIARY CORPORATIONS

17A. Establishment of subsidiary corporations.—(1) Where a Corporation (hereinafter in this section referred to as the parent Corporation) is satisfied that it is expedient or necessary so to do for the more efficient discharge of its functions under this Act, it may, with the concurrence of the State Government and the Central Government, frame by notification in the Official Gazette a scheme or schemes providing for the establishment of one or more subsidiary corporations.

(2) A scheme framed under sub-section (1) shall specify the subsidiary corporation or corporations which shall become established thereunder, the date or dates with effect from which they shall be so established, the powers and functions of the parent Corporation which such subsidiary corporation or corporations may exercise and discharge, the conditions and limitations subject to which such powers may be exercised, the management of the affairs of each such subsidiary corporation by a Board of Directors, the capital of each such subsidiary corporation and all other matters relating to such subsidiary corporations corresponding to the various matters for which provisions have been made in this Act with respect to the parent Corporation:

Provided that—

(a) no subsidiary corporation shall start operation on any new route without the previous approval of the parent Corporation;

(b) the representatives of the Central Government on the Board of Directors of a subsidiary corporation shall be in proportion to its contribution to the capital of the parent Corporation;

1. Subs. by Act 63 of 1982, s. 8, for sub-section (3) (w.e.f. 13-11-1982).

2. Subs. by s. 9, *ibid.*, for section 15 (w.e.f. 13-11-1982).

3. Subs. by s. 16 and the Schedule, *ibid.*, for “officer or servant” (w.e.f. 13-11-1982).

4. Ins. by s. 10, *ibid.* (w.e.f. 13-11-1982).

(c) the liability of the Central Government to provide contribution to the capital of the subsidiary corporation or to the parent Corporation shall not be increased without the approval of the Central Government;

(d) a subsidiary corporation shall have a Managing Director, a Chief Accounts Officer and a Financial Adviser or a Chief Accounts Officer-cum-Financial Adviser, and such officers shall be appointed by the State Government;

(e) the State Government and the parent Corporation shall have power to give directions to a subsidiary corporation in respect of any matter, including directions relating to recruitment conditions of service and training of the employees of the subsidiary corporation, wages to be paid to such employees, reserves to be maintained by the subsidiary corporation;

(f) the capital budget, the revenue budget and the annual development plans of a subsidiary corporation shall be submitted for approval to the parent Corporation and where such budget or plan involves any deficit, also to the State Government.

(3) Every subsidiary corporation established under a scheme framed under sub-section (1) shall be a body corporate, by the name specified in the scheme having perpetual succession and a common seal and shall by the said name sue and be sued.]

CHAPTER III

POWERS AND DUTIES OF CORPORATION

18. General duty of Corporation.—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 ¹[Union territory of Delhi or part thereof] 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.

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

(a) to operate road transport services in the ²[Union territory of Delhi] 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;

³[(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;

1. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “State or part of the State” (w.e.f. 3-9-1971).

2. Subs. by s. 7(a) and the First Schedule, *ibid.*, for “State” (w.e.f. 3-9-1971).

3. Ins. by Act 28 of 1959, s. 4 (w.e.f. 1-9-1959)

(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 ¹[Union territory of Delhi] 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 ²[that Union territory] 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, ³[any other stores of scrap value, or such other stores as may be declared to be obsolete in the prescribed manner].

(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 secure 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 or training, education and research;

(j) to enter into and carry out agreements 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 thorough 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 advertisement 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.

⁴[(n) to determine with the previous approval of the State Government, and in case of a road transport service operated in any extended area, also with the previous approval of the Government of the State within which such extended area is situated, fares and freights for the carriage of passengers and goods in any road transport service provided by 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 repair, store, or provide any service for, any vehicle which does not belong to the Corporation or is not used directly or indirectly for the purpose of its undertaking;

1. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “State concerned” (w.e.f. 3-9-1971).

2. Subs. by s. 7(a) and the First Schedule, *ibid.*, for “that State” (w.e.f. 3-9-1971).

3. Subs. by Act 63 of 1982, s. 11, for “or any other stores of scrap value” (w.e.f. 13-11-1982).

4. Ins. by Act 71 of 1971, s. 7(a) and the First Schedule (w.e.f. 13-11-1971).

(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 ¹[officers and other employees] 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.

²[**19A. Disposal of unclaimed articles and property.**—(1) When any articles or goods have come into the possession of a Corporation for carriage or otherwise and are not claimed by the owner or any other person appearing to the Corporation to be entitled thereto, the Corporation shall, if such owner or other person is known, cause a notice to be served upon him requiring him to remove the articles or goods within seven days of the service of such notice.

(2) If such owner or other person is not known or the notice cannot be served upon him or he does not comply with the requisition in the notice, the Corporation may, after the expiration of such period as may be specified by regulation made under this Act, sell the articles or goods by public auction and shall, after deducting from the sale-proceeds expenses for holding the sale or any amount which may be due to the Corporation, credit the surplus sale-proceeds, if any, to the Fund of the Corporation; and the sale-proceeds so credited may be paid on demand to any person who establishes his right thereto in a court of competent jurisdiction or within one year of such sale to the satisfaction of the Corporation.

19B. Corporation to obtain the approval of the Central Government in certain cases.—In the exercise of any of its powers under this Act, the Corporation shall not incur on any single work, service or scheme or for any other purpose a capital expenditure of more than twenty-five lakhs of rupees except with the previous approval of the Central Government.]

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

1. Subs. by Act 63 of 1982, s. 11, for “officers and servants” (w.e.f. 13-11-1982).

2. Ins. by Act 71 of 1971, s. 7(a) and the First Schedule (w.e.f. 3-9-1971).

21. Carriage of mails.—Notwithstanding anything contained in the Motor Vehicles Act, 1939 (4 of 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 ¹[that Government].



CHAPTER IV

FINANCE, ACCOUNTS AND AUDIT

22. General principle of Corporation's finance.—It shall be the general principle of a Corporation that in carrying on its undertaking it shall act on business principles.

23. Capital of the Corporation.—²[(1) The State Government may provide to a Corporation established by that Government any capital that may be required by the Corporation for the purpose of carrying on its undertaking or for purposes connected therewith on such terms and conditions, not inconsistent with the provisions of this Act, as that Government may determine.]

³[(2) The Corporation may, whether or not any capital is provided to it under sub-section (1), raise by the issue of shares such capital (hereafter in this section referred to as the “authorised share capital”) as may be authorised in this behalf by the State Government:

Provided that where any capital is provided to the Corporation under sub-section (1), no capital may be raised under this sub-section without the previous approval of the Central Government.

(2A) Any capital raised under sub-section (2) with the previous approval of the Central Government may be,—

(a) in addition to the capital provided to the Corporation under sub-section (1);

(b) subscribed to by the Central Government or the State Government, as the case may be, by converting the whole or any part of the capital provided [whether before or after the commencement of the Road Transport Corporations (Amendment) Act, 1982] to the Corporation by that Government under sub-section (1).]

(3) The ⁴[authorised share 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, ⁵**** and other parties (including persons whose undertakings have been acquired by the Corporation) shall also be determined by the State Government ⁵****.

(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.

24. Additional capital of the Corporation.—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), ⁶[(2A)] (3), (4), (5) and (6) of the said section shall apply to the issue of such shares.

25. Guarantee by the State Government.—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.

1. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “The Central Government in consultation with the State Government” (w.e.f. 13-11-1971).

2. Subs. by s. 7 (a) and the First Schedule, *ibid.*, for sub-section (1) (w.e.f. 13-11

3. Subs. by Act 63 of 1982, s. 12, for sub-section (2) (w.e.f. 13-11-1982).

4. Subs. by s. 12, *ibid.*, for “authorised capital” (w.e.f. 13-11-1982).

5. Omitted by Act 71 of 1971, s. 7(a) and the First Schedule (w.e.f. 3-9-1971).

6. Ins. by Act 63 of 1982, s. 16 and the Schedule (w.e.f. 13-11-1982).

¹[**26. Borrowing powers.**—A Corporation may, with the previous approval of the State Government, borrow money for the purpose of raising its working capital or meeting any expenditure of a capital nature in the open market or from a corresponding new bank constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970), or section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980), a State Finance Corporation, established under section 3 of the State Financial Corporations Act, 1951 (63 of 1951), the Industrial Finance Corporation of India, established under section 3 of the Industrial Finance Corporation Act, 1948 (15 of 1948), the Industrial Development Bank of India, established under section 3 of the Industrial Development Bank of India Act, 1964 (18 of 1964), the Life Insurance Corporation of India, established under section 3 of the Life Insurance Corporation Act, 1956 (31 of 1956), or any other financial institution providing credit which is subject to the control of the Reserve Bank of India.]

27. Fund of the Corporation.—(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, ²[or with the corresponding new banks constituted under section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1970 (5 of 1970), or section 3 of the Banking Companies (Acquisition and Transfer of Undertakings) Act, 1980 (40 of 1980)] or invested in such securities as may be approved by the State Government.

28. Payment of interest and dividend.—(1) Where ³[the whole or part of 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 ^{4***} and such interest shall be deemed to be a part of the expenditure of the Corporation.

(2) Where the Corporation ⁵[raises the whole or any part of 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 ^{4***}, and such dividend shall be deemed to be a part of the expenditure of the Corporation.

29. Provision for depreciation and reserve and other funds.—(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.

30. Disposal of net profits.—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, ⁶[and out of the balance such amount as may, with the previous approval of the State Government ^{4***}, be specified in this behalf by the Corporation, may be utilised for financing the expansion programmes of the Corporation and the remainder, if any, shall be made over to the State Government for the purpose of road development].

1. Subs. by Act 63 of 1982, s. 13, for section 26 (w.e.f. 13-11-1982).

2. Ins. by s. 14, *ibid.* (w.e.f. 13-11-1982).

3. Subs. by s. 16 and the Schedule, *ibid.*, for “the capital of a Corporation” (w.e.f. 13-11-1982).

4. Omitted by Act 71 of 1971, s. 7(a) and the First Schedule (w.e.f. 3-9-1971).

5. Subs. by Act 63 of 1982, s. 16 and the Schedule, for “raises its capital” (w.e.f. 13-11-1982).

6. Subs. by Act 28 of 1959, s. 6, for “and the balance shall be made over to the State Government for the purpose of road development” (w.e.f. 1-9-1959).

31. Power of the Corporation to spend.—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.

32. Budget.—(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 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) ¹[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.

²**[33. Accounts and audit.**—(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 ³[each House of Parliament].]

CHAPTER V

MISCELLANEOUS

34. Directions by the State Government.—(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.

1. Subs. by Act 28 of 1959, s. 7, for “A Corporation may sanction” (w.e.f. 1-9-1959).

2. Subs. by s. 8, *ibid.*, for section 33 (w.e.f. 1-9-1959).

3. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “the Legislature of the State” (w.e.f. 3-9-1971).

35. Returns and reports.—(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 ¹[State Government] 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.

²[(3) The State Government shall cause the annual report referred to in sub-section (2) to be laid before ³[each House of Parliament].]

36. Power to order inquiries.—(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.

37. Power to control a part of the undertaking of a Corporation.—(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 ⁴[officers or other employees] 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.

⁵[(3) Every notification issued under this section together with a report on the circumstances leading to its issue shall be laid before ⁶[each House of Parliament], as soon as may be, after it is issued.]

38. Power to supersede a Corporation.—(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, ⁷*** 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 explanation and objections, if any, of the Corporation.

1. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “Central and the State Governments” (w.e.f. 3-9-1971).

2. Ins. by Act 28 of 1959, s. 9 (w.e.f. 1-9-1959).

3. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “the Legislature of the State” (w.e.f. 3-9-1971).

4. Subs. by Act 63 of 1982, s. 16 and the Schedule, for “officers or servants” (w.e.f. 13-11-1982).

5. Ins. by Act 28 of 1959, s. 10 (w.e.f. 1-9-1959).

6. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “the Legislature of the State” (w.e.f. 3-9-1971).

7. The words “with the previous approval of the Central Government,” omitted by s. 7(a) and the First Schedule, *ibid.* (w.e.f. 3-9-1971).

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

(a) all the ¹[Directors] of the Corporation shall, as from the date of supersession, vacate their offices as such a ¹[Directors];

(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.

39. Liquidation of a Corporation.—(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 ²[State Government] 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.

40. Compensation for acquisition of road transport undertakings.—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 ³[High Court of Delhi];

(c) an appeal shall ⁴[lie to the High Court of Delhi] against the decision of the Tribunal and the ⁵[order of that 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].—Omitted by the Road Transport Corporations (Amendment) Act, 1959 (28 of 1959), s. 11 (w.e.f. 1-9-1959).*

42. Power of entry.—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 ⁶[officer or other employee] of the Corporation generally or specially empowered by the Corporation may, with the previous permission of

1. Subs. by Act 63 of 1982, s. 16 and the Schedule, for “members” (w.e.f. 13-11-1982).

2. Subs. by Act 71 of 1971, s. 7(a) and the First Schedule, for “Central and the State Government” (w.e.f. 3-9-1971).

3. Subs. by s. 7(a) and the First Schedule, *ibid.*, for “High Court exercising jurisdiction in relation to the State concerned” (w.e.f. 3-9-1971).

4. Subs. by s. 7(a) and the First Schedule, *ibid.*, for “lie to the High Court” (w.e.f. 3-9-1971).

5. Subs. by s. 7(a) and the First Schedule, *ibid.*, for “order of the High Court” (w.e.f. 3-9-1971).

6. Subs. by Act 63 of 1982, s. 16 and the Schedule, for “officer or servant” (w.e.f. 13-11-1982).

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.

43. ¹[Directors], ²[Officers and other employees] of a Corporation to be public servants.—All ¹[Directors] of a Corporation, and all ²[officers and other employees] 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).

44. Power to make rules.—(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:—

³[(a) the conditions and manner of appointment of Directors of a Corporation, the representation in the Board of the Central and State Governments, and where shares are issued to other parties under sub-section (3) of section 23 of such shareholders and generally all matters relating to the constitution of the Board;]

⁴[(b) remuneration, allowances or fees paid to the Directors of the Corporation or other persons associated with the Board under section 10;]

(c) the term of office of, the manner of filling casual vacancies among ⁵[Directors] of the Corporation;

(d) the number of ⁵[Directors] necessary to constitute a quorum at a meeting of the ⁶[Board];

(e) the conditions of appointment and service and the scales of pay of the ⁷[Managing Director, the Chief Accounts Officer, the Financial Adviser or, as the case may be, the Chief Accounts Officer-cum-Financial Adviser] 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;

⁸[(ff) the procedure in accordance with which any stores may be declared obsolete under sub-section (2) of section 19;]

(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;

⁹[(j) the form in which the annual statement of accounts shall be prepared;]

¹⁰* * * * *

(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;

1. Subs. by Act 63 of 1982, s. 16 and the Schedule, for “members” (w.e.f. 13-11-1982).

2. Subs. by s. 16 and the Schedule, *ibid.*, for “officers and servants” (w.e.f. 13-11-1982).

3. Subs. by s. 16 and the Schedule, *ibid.*, for clause (a) (w.e.f. 13-11-1982).

4. Subs. by s. 16 and the Schedule, *ibid.*, for clause (b) (w.e.f. 13-11-1982).

5. Subs. by s. 16 and the Schedule, *ibid.*, for “members” (w.e.f. 13-11-1982).

6. Subs. by s. 16 and the Schedule, *ibid.*, for “Corporation” (w.e.f. 13-11-1982).

7. Subs. by s. 16 and the Schedule, *ibid.*, for “Chief Executive Officer or General Manager and the Chief Accounts Officer” (w.e.f. 13-11-1982).

8. Ins. by s. 16 and the Schedule, *ibid.* (w.e.f. 13-11-1982).

9. Subs. by Act 28 of 1959, s. 12, for clause (j) (w.e.f. 1-9-1959).

10. Omitted by s. 12, *ibid.* (w.e.f. 1-9-1959).

¹[(mm) the service of notices and orders under this Act;]

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

45. Power to make regulations.—(1) A Corporation may with the previous sanction of ²[the State Government and by notification in the Official Gazette], 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 ³[Board] ³[Board] under section 10;

(b) the time and place of meetings of a the ³[Board] and the procedure to be followed in regard to transaction of business at such meetings;

(c) the conditions of appointment and service and the scales of pay of officers and ⁴[other employees of the Corporation other than the Managing Director, the Chief Accounts Officer and the Financial Adviser or, as the case may be, the Chief Accounts Officer-cum-Financial Adviser];

⁵[(d) the issue of passes to the employees of the Corporation and other persons under section 19;

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

⁶[(f) the period after the expiration of which unclaimed articles or goods may be sold by public auction;

(g) the regulation of the carriage of passengers and goods in the road transport services of the Corporation.]

⁷[45A. Every rule and regulation to be laid before State Legislature.—Every rule and every regulation made under this Act shall be laid, as soon as may be after it is made, before the State Legislature.]

46. Penalty for breach of rules.—The State Government may, by rule, provide that the breach of any rules made by it under section 44 ⁶[or any regulations made by a Corporation under section 45] 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.

47. Special provisions relating to Bombay.—(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. 1780/5, dated the 16th November, 1949 (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 action 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

1. Ins. by Act 71 of 1971, s. 7(a) and the First Schedule (w.e.f. 3-9-1971).

2. Subs. by Act 4 of 2005, s. 2 and the Schedule, for “the State Government” (w.e.f. 11-1-2005).

3. Subs. by Act 63 of 1982, s. 16 and the Schedule, for “Corporation” (w.e.f. 13-11-1982).

4. Subs. by s. 16 and the Schedule, *ibid.*, for “servants of the Corporation, other than the Chief Executive Officer or General Manager and the Chief Accounts Officer” (w.e.f. 13-11-1982).

5. Ins. by Act 28 of 1959, s. 13 (w.e.f. 1-9-1959).

6. Ins. by Act 71 of 1971, s. 7(a) and the First Schedule (w.e.f. 3-9-1971).

7. Ins. by Act 4 of 2005, s. 2 and the Schedule (w.e.f. 11-1-2005)

(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.

¹[47A. **Special provision for reconstitution or dissolution of certain Corporations.**—(1) Where on account of the reorganisation of States under the States Reorganisation Act, 1956 (37 of 1956), ²[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 re-organised in any manner whatsoever or that it should be dissolved, the State Government may frame a scheme for the reconstitution, reorganisation or dissolution of the Corporation including proposals regarding the formation of new Corporations the amalgamation 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”,—

³[(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);

⁴[(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.

1. Ins. by Act 87 of 1956, s. 2 (w.e.f. 28-12-1956).

2. Subs. by Act 11 of 1960, s. 71, for “the whole or any part of a State in respect of which a Corporation was, immediately before the 1st day of November, 1956,” (w.e.f. 25-4-1960).

3. Subs. by s. 71, *ibid.*, for clause (i) (w.e.f. 25-4-1960).

4. Ins. by Act 81 of 1971, s. 73 (w.e.f. 21-1-1972).

(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 reconstitution 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 (37 of 1956), ¹[or any other 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, then, 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.]

¹[**48. Transitional provision relating to Bombay State Road Transport Corporation.**—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.]

²[CHAPTER VI

SPECIAL PROVISIONS APPLICABLE TO THE UNION TERRITORY OF DELHI

49. Prosecution and cognizance of offences.—(1) No court shall proceed to the trial of any offence made punishable by or under this Act except on the complaint of, or on an information received from, the General Manager of the new Corporation or a person authorised by him by general or special order in this behalf in writing.

(2) All offences against this Act or any rule or regulation made thereunder, or any bye-law continued thereunder, whether committed within or without the limits of the Union territory of Delhi, shall be cognizable by a Magistrate.

50. Appointment of Magistrates.—(1) The State Government may appoint one or more magistrates of the first or second class for the trial of offences against this Act or any rule or regulation made thereunder or any bye-law continued thereunder and may prescribe the time and place at which such magistrate or magistrates shall sit for the despatch of business.

(2) Such magistrates and the members of their staff shall be paid such salary, pension, leave and other allowances as may, from time to time, be fixed by the State Government.

1. Ins. by Act 11 of 1960, s. 71 (w.e.f. 25-4-1960).

2 Ins. by Act 71 of 1971, s. 7(a) and the Schedule (w.e.f. 3-9-1971).

(3) The new Corporation shall out of its fund, pay to the State Government the amounts of the salary, pension, leave and other allowances as fixed under sub-section (2) together with all other incidental charges in connection with the establishments of the said magistrates.

(4) Such Magistrates shall have jurisdiction over the whole of the Union territory of Delhi.

(5) For the purposes of the Code of Criminal Procedure, 1898 (5 of 1898), all magistrates appointed under this section shall be deemed to be magistrates appointed under section 12 of that Code.

51. Composition of offences.—(1) The General Manager of the new Corporation or any officer or other employee specially empowered by him in this behalf in writing may, either before or after the institution of the proceedings compound any offence made punishable by, or under this Act.

(2) Where an offence has been compounded, the offender, if in custody, shall be discharged and no further proceedings shall be taken against him in respect of the offence so compounded.

52. Limitation of time for prosecution.—No person shall be liable to punishment for any offence against this Act or any rule or regulation made thereunder or any bye-law continued thereunder, unless complaint of such offence is made before a Magistrate within six months next after,—

(a) the date of the commission of such offence, or

(b) the date on which the commission or existence of such offence was first brought to the notice of the complainant.

53. Power of magistrate to hear cases in absence of accused when summoned to appear.—If any person summoned to appear before a magistrate to answer a charge of an offence against this Act or any rule or regulation made thereunder, or any bye-law continued thereunder, fails to appear at the time and place mentioned in the summons, or on any date to which the hearing of the case is adjourned, the magistrate may hear and determine the case in his absence, if—

(a) service of the summons on such person is proved to his satisfaction, and

(b) no sufficient cause is shown for the non-appearance of such person.