

Rep. by Act 64 of 1950 (when notified)

Act No. XXXII of 1948

[PASSED BY THE DOMINION LEGISLATURE]

An Act to provide for the incorporation of Road Transport Corporations and for purposes connected therewith

(Received the assent of the Governor General on the 16th April 1948).

WHEREAS for the promotion of a co-ordinated system of road transport in India, it is expedient to provide for the incorporation of Road Transport Corporations in which the Central and Provincial Governments shall be properly represented, and to make certain provisions incidental thereto;

It is hereby enacted as follows:—

1. Short title, extent and commencement.—(1) This Act may be called the Road Transport Corporations Act, 1948.

(2) It extends to all the Provinces, but shall not come into force in any Province unless the Central Government, by notification, so directs.

2. Definitions.—In this Act, unless there is anything repugnant in the subject or context,—

“Corporation” means the Road Transport Corporation appointed by the Provincial Government in pursuance of this Act.

3. Power of Provincial Governments to appoint Corporations.—(1) Notwithstanding anything contained in the Motor Vehicles Act, 1939, the Indian Companies Act, 1913, or any other law a Provincial 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 in such manner as to provide most efficiently and as cheaply as possible for the needs thereof and of preventing uneconomic competition among any forms of road transport;

may appoint, by notification issued in this behalf, a Road Transport Corporation for the whole or any part of the Province.

(2) In such Corporation—

(a) provision shall be made and continue to be made by or under the relevant provincial law for the reservation and allotment to the Central Government, as represented by its Railways, of such percentage of the share capital of the Corporation, if any, as may be agreed to by the Central and the Provincial Governments;

(b) provision shall be made and continue to be made for adequate representation of the Central Government and of the Provincial Government concerned on the Corporation; and

(c) provision shall be made for the payment of due compensation in accordance with rules made under section 7 to the owners of any road transport services whose services are taken over by the Corporation;

Provided that where no agreement is arrived at or a dispute arises in respect of any matter referred to in this sub-section between the Central Government and a Provincial Government such dispute will be referred to an arbitral tribunal consisting of one nominee of the Central Government, one nominee of the Provincial Government and one nominee of the Chief Justice of the Federal Court who shall be Chairman of the tribunal and the findings of the tribunal shall be final and binding.

4. Incorporation and dissolution of Corporation.—Any Corporation appointed by a Provincial Government in pursuance of this Act shall be a body corporate having perpetual succession and a common seal and may sue and be sued by the name given to it by or under the relevant Provincial law.

5. **Composition of Corporation.**—Subject to the other provisions of this Act any Corporation appointed by a Provincial Government shall consist of such number of persons as the Provincial Government may think fit to appoint and shall have such rights and privileges and shall exercise such duties and functions as may be specified by or under any Provincial law.

6. **Winding up of Corporation.**—Nothing in the Indian Companies Act, 1913 shall apply to the Corporation, and no Corporation shall be wound up save by order of the Provincial Government, and save in such manner as the Provincial Government may direct :

Provided that no order for winding up shall be passed by any Provincial Government under this section unless it has first obtained the approval of the Central Government thereto.

7. **Power to make rules.**—The Central Government may make rules to carry out the purposes of clause (c) of sub-section (2) of section 3 of this Act.