

# The Inter-State Corporations Act, 1957

UNION OF INDIA

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### Act 38 of 1957

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### 1358.

As a result of the States Reorganisation Act, 1956, a number of corporate bodies constituted under State Acts before the commencement of that Act (i.e., the 1st November 1956) for the purposes of individual States found themselves transformed into inter-State corporations on that date. To meet the situation, it was provided in section 109 of the State Reorganisation Act that such a corporation shall continue to function and operate in those areas in respect of which it was functioning and operating immediately before 1st November 1956, subject to the directions of the Central Government, until other provision is made by law in respect of that corporation. This was only intended to be a transitional provision.<sup>2</sup> It is proposed in this Bill to make a general provision for the reorganisation of any such inter-State corporation as one or more inter-State corporations at the instance of any of the State Governments concerned in that corporation. The State Government would frame a scheme for the purpose providing for the division of the assets and liabilities of the corporation the transfer or re-employment of its employees and other incidental matters. The Central Government after consulting the other State Government concerned would give effect to the scheme by making a comprehensive order and notifying it in the Official Gazette.<sup>3</sup> Eleven State Acts are specified in the Schedule to the Bill on the basis of information supplied by the State Governments. Since it is possible that this list may not be completed, it is proposed in clause 5 of the Bill to empower the Central Government to include in the Schedule by means of a notification any other State Act under which a corporate body is now functioning in more than one State as a result of the States Reorganisation Act." - Gazette of India, 1957, Extra., Pt. II, Section 2, p. 400.[20th September, 1957.]An Act to provide for the reorganisation of certain corporations functioning in two or more States by virtue of section 109 of the States Reorganisation Act, 1956 [or of any other enactment relating to reorganisation of States] [Inserted by Act 11 of 1960, Section 75], and for matters connected therewith.BE it enacted by Parliament in the Eighth Year of the Republic of India as follows:--

## **1. Short title.**

This Act may be called the Inter-State Corporations Act, 1957.

## **2. Definition.**

In this Act, "inter-State corporation" means any body corporate constituted under any of the Acts specified in the Schedule and functioning in two or more States by virtue of section 109 of the States Reorganisation Act, 1956 (37 of 1956.) [or of any other enactment relating to reorganisation of States] [Inserted by Act 11 of 1960, Section 75].

## **3. Power of State Governments to frame schemes.**

If it appears to the Government of a State in any part of which an inter-State corporation is functioning that the inter-State corporation should be reconstituted and reorganised as one or more intra-State corporations or that it should be dissolved, the State Government may frame a scheme for such reconstitution and reorganisation or such dissolution, as the case may be, including proposals regarding the transfer of the assets, rights and liabilities of the inter-State corporation to any other corporations or State Governments and the transfer or re-employment of employees of the inter-State corporation and forward the scheme to the Central Government.

### **Additional Information<sup>6</sup>**

For some such reconstitutions, see G.S.R. 374, Gazette of India, 4-4-1959, Pt. II, section 3(i), p. 449; S.O. 1301, Gazette of India, 31-3-1969. Pt. II Section 3(ii), Extra, p. 403 and sections 67 and 72 of the Punjab Reorganisation Act, 1966 (31 of 1966).

## **4. Reorganisation of certain inter-State corporations.**

(1) On receipt of a scheme forwarded to it under section 3 the Central Government may, after consulting the State Governments concerned, approve the scheme with or without modifications and give effect to the scheme so approved by making such order as it thinks fit. (2) An order made under sub-section (1) may provide for all or any of the following matters, namely:--(a) the dissolution of the inter-State corporation; (b) the reconstitution and reorganisation in any manner whatsoever of the inter-State corporation including the constitution, where necessary, of new corporations; (c) the area in respect of which the reconstituted corporation or new corporation shall function and operate; (d) the transfer, in whole or in part, of the assets, rights and liabilities of the inter-State corporation (including the rights and liabilities under any contract made by it) to any other corporations or State Governments and the terms and conditions of such transfer; (e) the substitution of any such transferee for the inter-State corporation, or the addition of any such transferee, as a party to any legal proceeding to which the inter-State corporation is a party; and the transfer of any proceedings pending before the inter-State corporation to any such transferee; (f) the transfer or re-employment of any employees of the inter-State corporation to, or by, any such transferee and subject to the provisions of section 111 of the States Reorganisation Act, 1956 (37 of 1956) [or of any other enactment relating to reorganisation of States] [Inserted by Act 11 of 1960,

Section 75.], the terms and conditions of service applicable to such employees after such transfer or re-employment;(g)the adaptations or modifications of the Act under which the inter-State corporation was constituted, whether by way of repeal or amendment, as may be necessary or expedient to give effect to the approved scheme;(h)such incidental, consequential and supplementary matters as may be necessary to give effect to the approved scheme.(3)Where an order is made under this section transferring the assets, rights and liabilities of any inter-State corporation, then, by virtue of that order, such assets, rights and liabilities of the inter-State corporation shall vest in, and be the assets, rights and liabilities of, the transferee.(4)Every order made under this section shall be published in the Official Gazette and the Act under which the inter-State corporation was constituted shall have effect subject to the provisions of the order and the adaptations and modifications made thereby until altered, repealed or amended by the competent Legislature of a State.(5)[ Every order made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the order or both Houses agree that the order should not be made, the order shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that order.] [Substituted by Act 20 of 1983, Section 2 and Sch (w.e.f. 15-3-1984)]

## **5. Power of Central Government to add to the Schedule.**

The Central Government may, by notification in the Official Gazette, specify in the Schedule any Act under which a body corporate constituted for a State is functioning in two or more States by virtue of section 109 of the States Reorganisation Act, 1956 (37 of 1956.) [or of any other enactment relating to reorganisation of States] [Inserted by Act 11 of 1960, Section 75], and on the issue of such notification, the Schedule shall be deemed to be amended by the inclusion of the said Act therein.THE SCHEDULE(See section 2 and 5.)

### **1. The Bombay Medical Practitioners Act, 1938 (Bom. XXVI of 1938).**

### **2. The Bombay Secondary School Certificate Examination Act, 1948 (Bom. XLIX of 1948).**

### **3. The Bombay Housing Board Act, 1948 (Bom. LXIX of 1948).**

### **4. The Bombay Khar Lands Act, 1948 (Bom. LXXII of 1948).**

### **5. The Bombay Public Trust Act, 1950 (Bom. XXIX of 1950).**

- 6. The Bombay Labour Welfare Fund Act, 1953 (Bom. XL of 1953).**
- 7. The Bombay Nurses, Midwives and Health Visitors Act, 1954 (Bom. XIV of 1954).**
- 8. The Bombay Village Industries Act, 1954 (Bom. XLI of 1954).**
- 9. The Hyderabad Nurses, Midwives and Health Visitors' Registration Act, 1951 (Hyd. XIX of 1951).**
- 10. The Hyderabad Khadi and Village Industries Board Act, 1955 (Hyd. XII of 1955).**
- 11. The Madhya Pradesh Bhudan Yagna Act, 1953 (M. P. XV of 1953).**
- 12. [ The Rajasthan Medical Act, 1952 (Rajasthan Act XIII of 1952).**
- 13. The Rajasthan Indian Medicine Act, 1953 (Rajasthan Act V of 1953).**
- 14. The Rajasthan Bhoodan Yagna Act, 1954 (Rajasthan Act XVI of 1954).**
- 15. The Rajasthan Khadi and Village Industries Board Act, 1955 (Rajasthan Act 5 of 1955).] [Added by Notification No. G.S.R. 4, dated 4th February, 1958, Gazette of India, Pt. II, Sec 3(i), p. 2]**
- 16. [ The Madhya Bharat Panchayats Act, Samvat 2006 (58 of 1949).**
- 17. The Madhya Bharat Indian Medicines Act, Samvat 2009 (28 of 1952).**
- 18. The Madhya Bharat Dais Registration Act, 1953 (22 of 1953).**
- 19. The Madhya Bharat Medical Practitioners' Registration Act, 1954 (16 of 1954).**
- 20. The Madhya Bharat Nurses, Midwives and Health Visitors Registration Act, 1955 (2 of 1955).**

- 21. The Madhya Bharat Bhoodan Yagna Act, 1955 (3 of 1955).**
- 22. The Madhya Bharat Khadi and Village Industries Act, 1955 (24 of 1955).**
- 23. [ The Hyderabad Agricultural Markets Act (No. II of 1339 Fasli).] [Added by Notification No. G.S.R. 180, dated 21st March, 1958, Gazette of India, Pt. II, Section 3(i), p. 134.]**
- 24. [ The Dentists Act, 1948 (Central Act 16 of 1948).] [Added by Notification No. G.S.R. 2, dated 23-12-1958, Gazette of India, 1959, Pt. II, Section 3(i), p. 2.]**
- 25. [ The Madras Hindu Religious and Charitable Endowments Act, 1951 (Madras Act XIX of 1951).] [Added by Notification No. G.S.R. 1075, dated 15-9-1959, Gazette of India, Pt. II, Section 3(i) p. 1276]**
- 26. [ The Official Trustees Act, 1913 (Central Act 2 of 1913).**
- 27. The Administrator General's Act, 1913 (Central Act 3 of 1913).] [Added by Notification No. G.S.R. 571, dated 17-5-1960, Gazette of India, Pt. II, Section 3(i), p. 820]**
- 28. [ The Pharmacy Act, 1948 (Central Act 8 of 1948).] [Added by Notification No. G.S.R. 890, dated 30-7-1960, Gazette of India, Pt. II, Section 3(i), p. 1208.]**
- 29. [ The Bombay Homeopathic Act, 1951 (Bom. XLVIII of 1951).] [Added by Notification No. G.S.R. 923, dated 4-8-1960, Gazette of India, Pt. II, Section 3(i), p. 1258.]**
- 30. [ The Bombay Khadi and Village Industries Act, 1960 (Bom. XIX of 1960).] [Added by Notification No. G.S.R. 1040, dated 6-9-1960, Gazette of India, Pt. II, Section 3(i), p. 1422]**
- 31. [ The Bombay Village Panchayats Act, 1958 (Bom. Act III of 1959).] [Added by Notification No. G.S.R. 710, dated 17-5-1961, Gazette of India, Pt. II, Section 3(i), p. 815]**

32. [ The Charitable Endowments Act, 1890 (Act 6 of 1890).] [Added by Notification No. G.S.R. 1247, dated 3-10-1961, Gazette of India, Pt. II, Section 3(i), p. 1531]
33. [ The Punjab Nurses Registration Act, 1932 (Punjab Act 1 of 1932).
34. The Punjab Gram Panchayat Act, 1952 (Punjab Act 4 of 1953).
35. The Wakf Act, 1954 (Central Act 29 of 1954).
36. The Punjab Khadi and Village Industries Board Act, 1955 (Punjab Act 40 of 1956).
37. The Punjab Panchayat Samities and Zila Parishads Act, 1961 (Punjab Act 3 of 1961).
38. The Punjab Agricultural Produce Markets Act, 1961 (Punjab Act 23 of 1961).
39. The Administrators-General Act, 1963 (Central Act 45 of 1963).
40. [ The Punjab Homoeopathic Practitioners Act, 1965 (Punjab Act 16 of 1965).] [Added by Notification No. G.S.R. 1785, dated 20-11-1967, Gazette of India, Pt. II, Section 3(i), p. 1963]
41. [ The Punjab Bhudan Yagna Act, 1955 (Punjab Act 45 of 1955).] [Added by Notification No. G.S.R. 1473, dated the 25th July, 1968, Gazette of India, Pt. II, Section 3(i), p. 1875]
42. [ The Punjab Labour Welfare Fund Act, 1965 (Punjab Act 17 of 1965).
43. The Punjab State Faculty of Ayurvedic and Unani Systems of Medicine Act, 1963 (Punjab Act 38 of 1963).] [Added by Notification No. G.S.R. 1619, dated the 24th August, 1968, Gazette of India, Pt. II, Section 3(i), p. 2108]
44. [ The Royal Family (Baroda) Trust Fund (Repealing) Act, 1956 (Bombay Act 4 of 1957).] [Added by Notification No. G.S.R. 459, dated the 21st February, 1969, Gazette of India, Pt. II, Section 3(i), p. 680]

**45. [ The Sikh Gurdwaras Act, 1925 (Punjab Act 8 of 1925).] [Added by Notification No. G.S.R. 361(E), dated the 26th July 1972, Gazette of India, Extraordinary, Pt. II, Section 3(i), p. 943]**