

Inter State Corporations Act, 1957

Section 4 - Reorganisation of Certain Inter-state Corporations

Section 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 corporations 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, or by any such transferee and subject to the provisions of section 111 of the States Reorganisation Act, 1956, 1 [or of any other enactment relating to reorganisation of States,] 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 before each House of Parliament, as soon as may be, after it is made.

1. Inserted by the Bombay Reorganisation Act, 1960 (Act 11 of 1960) w.e.f. 01.05.1960.

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