

THE KARNATAKA CONTRACT CARRIAGES (ACQUISITION) ACT, 1976

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SCHEDULE.

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STATEMENTS OF OBJECTS AND REASONS

I

Act 21 of 1976.- A large number of contract carriages were being operated in the State to the detriment of public interest and were functioning stealthily as stage carriages. This had to be prevented. Article 39 (b) and (c) enjoins upon the State to see that the ownership and control of the material resources of the community are so distributed as best to subserve the common good and that the operation of the economic system does not result in the concentration of wealth to the common detriment.

In view of the aforesaid it was considered necessary to acquire the contract carriages run by private operators.

Accordingly the Karnataka Contract Carriages (Acquisition) Ordinance, 1976 was promulgated. The Bill seeks to replace the Ordinance.

(Published in the Karnataka Gazette (Extraordinary) Part IV- 2A dated 21-2-1976 as No. 937 at page 22.)

II

Amending Act 6 of 1979.- The Commissioner of Income Tax, Karnataka, Bangalore has stated that all the private contract carriages have been taken over by the Government of Karnataka under the provisions of the Act and that many of the ex-operators of contract carriages are being assessed to income tax and in some cases, these operators may be in arrears of tax to his Department and that it will be very difficult to his Department to collect the tax and arrears, if any, from these operators who are out of business. He has therefore, proposed the making of a suitable provision in the Act, for the production of Income Tax Clearance Certificate before making payment of final compensation. Therefore, it is proposed to amend section 11 of the Karnataka Contract Carriages (Acquisition) Act, 1976, for the purpose.

Hence the Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A dated 24-1-1979 as No. 85 at page 3.)

III

Amending Act 17 of 1990.- Karnataka Contract Carriages (Acquisition) Act, 1976 is proposed to be amended with a view:-

(i) to restrict actual payment of compensation to acquired property actual possession of which has been taken by the Government or the Corporation.

(ii) to pay the amount payable to the secured creditors in one lumpsum with the interest at the rate of 6% per annum from the date of vesting of the acquired property.

(iii) to provide for payment of interim compensation to secured creditors after obtaining a bond from them that the payment is subject to the award or decision of the court if any; and

(iv) to restrict the amount of interest payable to the secured creditors by the operators to the amount of interest payable under the Act.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A as dated 16-3-1981 as No. 178 at page 3.)

IV

Amending Act 25 of 1991.- A new category of motor vehicle by name Maxi Cab has been included in the definition of Contract Carriages in the Motor Vehicles Act, 1988. It is considered necessary to exclude Maxi Cab from the definition of Contract Carriage to facilitate grant of Contract Carriage permit in respect of Maxi-Cab.

In view of the request made by the Indian Bankers Association and the suggestion made by the Government of India. Ministry of Home Affairs, it is proposed to enhance the rate of interest from six per cent to twelve per cent on the amounts due to the Banks from the ex-contract Carriage Operators.

Hence this Bill.

(Published in the Karnataka Gazette (Extraordinary) Part IV-2A as dated 18-12-1990 as No. 650 at page 4.)

V

Amending Act 2 of 1997.- It is considered necessary to amend section 24 of the Karnataka Contract Carriages (Acquisition) Act, 1976 to exempt any public service vehicle including any vehicle covered by permit issued under section 72 (including reserved stage carriages) or under sub-section (9) of section 88 of the Motor Vehicles Act, 1988 (Central Act 59 of 1988) to which a permit is issued under sub-section (8) of section 88 of the said Act.

This Bill seeks to replace the Karnataka Contract Carriages (Acquisition) (Amendment) Ordinance, 1996 (Karnataka Ordinance 5 of 1996).

Hence the Bill.

(Vide L.A. Bill No. 2 of 1997 file No. DPAL 40 LGN 96).

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KARNATAKA ACT NO. 21 OF 1976

(First published in the Karnataka Gazette Extraordinary on the Twelfth day of March 1976)

**THE KARNATAKA CONTRACT CARRIAGES (ACQUISITION) ACT,
1976**

(Received the assent of the President on the Eleventh day of March 1976)

(As Amended by 6 of 1979, 17 of 1990, 25 of 1991 and 2 of 1997)

An Act to provide for the acquisition of contract carriages and for matters incidental, ancillary or subservient thereto.

WHEREAS contract carriages and certain other categories of public service vehicles are being operated in the State in a manner highly detrimental and prejudicial to public interest;

AND WHEREAS with a view to prevent such misuse and also to provide better facilities for the transport of passengers by road and to give effect to the policy of the State towards securing that the ownership and control of the material resources of the community are so distributed as best to subserve the common good and that the operation of the economic system does not result in the concentration of wealth and means of production to the common detriment.

AND WHEREAS for the aforesaid purposes it is considered necessary to provide for the acquisition of contract carriages and certain other categories of public service vehicles in the State and for matters incidental, ancillary or subservient thereto;

BE it enacted by the Karnataka State Legislature in the Twenty-seventh Year of the Republic of India as follows:-

1. Short title, extent and commencement.- (1) This Act may be called the Karnataka Contract Carriages (Acquisition) Act, 1976.

(2) It extends to the whole of the State of Karnataka.

(3) It shall be deemed to have come into force on the thirtieth day of January, 1976.

2. Declaration.- It is hereby declared that this Act is for giving effect to the policy of the State towards securing the principles specified in clauses

(b) and (c) of Article 39 of the Constitution of India and the acquisition therefor of the contract carriages and other property referred to in section 4.

3. Definitions.- In this Act, unless the context otherwise requires,-

(a) 'acquired property' means the vehicles and other property vesting in the State Government under section 4;

(b) 'administrator' means an administrator appointed under section 17;

(c) 'amount' means the amount payable under this Act for the acquisition of the acquired property;

(d) 'arbitrator' means an arbitrator appointed under section 6;

(e) 'authorised officer' means an authorised officer appointed under section 18;

(f) 'award' means any award of an arbitrator appointed under section 6;

(g) 'contract carriage' shall have the same meaning as in clause (3) of section 2 of the Motor Vehicles Act and includes,-

(i) a public service vehicle in relation to which a special permit has been issued under sub-section (6) of section 63 of the Motor Vehicles Act;

(ii) a public service vehicle in relation to which a temporary permit has been issued under sub-section (1) of section 62 or sub-section (1C) of section 68F of the Motor Vehicles Act;

(iii) a public service vehicle without a contract carriage permit but which is specified as contract carriage in the concerned certificate of registration;

(iv) any movable property ancillary or incidental to the maintenance and control of the above said vehicles; and

(v) any right in or over such vehicles or moveable property, but does not include,-

(i) a tourist vehicle in relation to which a permit has been issued under sub-section (7) of section 63 of the Motor Vehicles Act;

(ii) a vehicle operating as a stage carriage in relation to which on the 30th day of January, 1976 a temporary contract carriage permit or a special permits issued under sub-section (1) of section 62 or sub-section (6) of section 63 respectively of the Motor Vehicles Act, is in force;

(iii) a motor cab;

¹[(iv) Maxicab, namely any motor vehicle constructed or adapted to carry more than six passengers, but not more than twelve passengers, excluding the driver, for hire or reward.]¹

(h) 'contract carriage operator' means an operator holding one or more contract carriage permit and includes any person in whose name a public service vehicle is registered and is specified as a contract carriage in the certificate of registration of such vehicle;

(i) 'corporation' means the Karnataka State Road Transport Corporation established under the Road Transport Corporation Act, 1950 (Central Act LXIV of 1950);

(j) 'Motor Vehicles Act' means the Motor Vehicles Act, 1939 (Central Act IV of 1939);

(k) 'notified date' in respect of any contract carriage operator means the date specified in the notification issued under sub-section (1) of section 4 in respect of such contract carriage operator;

(l) 'operator' means a contract carriage operator ;

(m) 'permit' means the permit granted under the Motor Vehicles Act, authorising the use of a vehicle as a contract carriage ;

(n) 'person interested' in relation to any acquired property includes the contract carriage operator and any secured creditor or financier under a hire purchase agreement, who has a charge, lien or any interest in the acquired property and any other person who is affected by the testing of the acquired property and claiming or entitled to claim an interest in the amount;

(o) words and expressions used herein and not defined but defined in the Motor Vehicles Act shall have the meanings respectively assigned to them in that Act.

4. Vesting of contract carriages, etc.- (1) On and from such date as may be specified by the State Government in this behalf by notification in respect of any contract carriage operator,-

(a) every contract carriage owned or operated by such contract carriage operator along with the permit or the certificate of registration or both as the case may be shall vest in the State Government absolutely free

1. Inserted by Act 25 of 1991 w.e.f. 1-9-1990.

from all encumbrances;

(b) such contract carriage shall be freed and discharged from any trust, obligation, mortgage, charge, lien, hire purchase agreement or otherwise and all other encumbrances or transactions affecting such contract carriages;

(c) any attachment, injunction or decree or order of any court restricting the use of such contract carriage in any manner shall be deemed to have been withdrawn;

(d) any person interested shall have no claim to or any relation to such contract carriage except a claim to the amount payable in respect of such contract carriage under this Act.

(2) Upon the issue of a notification under sub-section (1) in respect of any such operator,-

- (i) all rights, title and interest of the contract carriage operator in or over such lands, buildings, workshops and other places and all stores, instruments, machinery, tools, plants, apparatus and other equipments used for the maintenance, repair of, or otherwise in connection with the service of the contract carriage as the State Government may by order, specify in this behalf; and
- (ii) all books of accounts, registers, records and all other documents of whatever nature relating to the contract carriages vested in the State Government under sub-section (1) or other property specified by the State Government under clause (i),

shall vest in the State Government absolutely free from all encumbrances and such property referred to in this sub-section which vests in the State Government shall, by force of such vesting, be freed and discharged from any trust, obligation, mortgage, charge, lien, hire-purchase agreement or otherwise and all other encumbrances or transactions affecting such property; and any attachment, injunction or decree or order of any court restricting the use of such property in any manner shall be deemed to have been withdrawn and any person interested shall have no claim to or in relation to such property except a claim to the amount in respect of such property under this Act.

(3) The contract carriage and other property vesting in the State Government under sub-section (1) and sub-section (2) shall, with effect on

and from the notified date, be deemed to have been acquired for a public purpose.

5. Operators to furnish particulars.- (1) Every contract carriage operator shall within fifteen days from the notified date or within such further time as the State Government may allow in this behalf,-

(i) furnish to the State Government or any officer authorised by it in this behalf, complete particulars of all liabilities and obligations, incurred on the security of the acquired property and subsisting on the notified date and also of all agreements and other instruments, decrees, awards, standing orders and other instruments relating to leave, pension, gratuity, provident fund and other terms of services of any person referred to in sub-section (3) of section 19 in force immediately before the notified date including the names and other details of persons in his employment and the State Government shall afford him all reasonable facilities for this purpose;

(ii) prepare and hand over to the State Government or any officer authorised by it in this behalf the complete inventory of the property which vests in the State Government under this Act;

(iii) furnish to the State Government or any officer authorised by it in this behalf such information and particulars as may be required by it in regard to the documents relating to the property which is acquired or is liable to be acquired under this Act.

(2) The contract carriage operator shall not destroy any such documents as is referred to in clauses (i) and (iii) of sub-section (1) but shall hand over to the State Government or any officer authorised by it in this behalf on the notified date all such documents and also such other documents as are necessary for ascertaining the terms of employment of the persons referred to in sub-section (3) of section 19 and for determining the amount under this Act.

6. Determination of the amount.- (1) For the vesting of the acquired property under section 4, every person interested shall be entitled to receive such amount as may be determined in the manner hereinafter set out and as specified in the Schedule, that is to say,-

(a) where the amount can be fixed by agreement it shall be determined in accordance with such agreement;

(b) where no such agreement can be reached, the State

Government shall appoint as arbitrator a person who is an officer not below the rank of a Divisional Commissioner or a District Judge;

(c) the State Government may, in any particular case, nominate a person having expert knowledge as to the nature of the acquired property to assist the arbitrator and where such nomination is made, the person interested may also nominate an assessor for the same purpose;

(d) at the commencement of the proceedings before the arbitrator, the State Government and the person interested shall state what in their respective opinion is the amount payable;

(e) the arbitrator shall, after hearing the dispute, make an award determining the amount which appears to him just and reasonable and also specifying the person or persons to whom the amount shall be paid; and in making the award he shall have regard to the circumstances of each case and the provisions of the Schedule so far as they are applicable;

(f) where there is any dispute as to the person or persons who are entitled to the amount, the arbitrator shall decide such dispute and if the arbitrator finds that more persons than one are entitled to the amount, he shall apportion the amount, amongst such persons;

(g) nothing in the Arbitration Act, 1940 (Central Act X of 1940), shall apply to arbitrations under this sections.

(2) Every award made by the arbitrator under clause (e) of sub-section (1) shall also state the amount of costs incurred in the proceedings before him and by whom and in what proportions such amount is to be paid.

7. Notice to be given to all persons interested.- Reasonable notice in respect of the amount determined under section 6 shall be given to all the persons interested.

8. Claims for the amount.- (1) Any person interested claiming any amount determined under section 6 may within sixty days from the date of receipt of any notice given under section 7 or within such further time not exceeding thirty days as the authorised officer may in his discretion allow prefer the claim before the authorised officer in such form and containing such particulars as may be prescribed.

(2) The authorised officer shall forward the claim made under sub-section (1) to the State Government for the payment of the amount to the person interested in the manner specified under section 11.

9. Amount to be substituted security in certain cases.- Any debt, mortgage, charge or other encumbrance or lien, trust or similar obligation or any attachment, decree or order of any court attaching to the acquired property shall attach to the amount in substitution for the acquired property.

10. Amount liable to deduction in certain cases.- (1) The Employees' Provident Fund Commissioner or the Employees State Insurance Corporation may send to the administrator or the arbitrator a certificate in respect of either the employer's contribution or the employee's contribution realised by the employer or any other dues recoverable from the employer under the Employees' Provident Funds and Family Pension Fund Act, 1952 (Central Act XIX of 1952) or the Employees' State Insurance Act, 1948 (Central Act XXXIV of 1948), as the case may be, in respect of any person referred to in sub-section (3) of section 19, that the employer may have failed to pay in accordance with either of those Acts.

(2) (a) Any person referred to in sub-section (3) of section 19 may prefer before the arbitrator any claim relating to any salary, wages, leave salary, bonus, pension, gratuity, provident fund or other payment due to him or the proportionate sum thereof in respect of any service rendered by him in connection with the acquired property.

(b) Where under any law, award, agreement, contract of service or otherwise, the salary, wages, leave salary, bonus, pension, gratuity, provident fund, security deposit collected from employees or other payment referred to in clause (a) becomes payable to the person mentioned in that clause after a specified period of service rendered by such person in connection with the acquired property and where the acquired property vests in the State Government under sub-section (1) of section 4 before the expiry of such specified period, the contract carriage operator shall be liable to pay in respect of such salary, wages, leave salary, bonus, pension, gratuity, provident fund, security deposit or other payment, a sum equal to the sum which bears to the full salary, wages, leave salary, bonus, pension, gratuity, provident fund, security deposit or other payment payable after the expiry of the said specified period, the same proportion as the period upto the notified date bears to the whole of the said specified period.

(3) Subject to the provisions of sub-section (4), the State Government shall be entitled to deduct in priority from the amount payable to the contract carriage operator under this Act,-

- (i) any amount due towards taxes in respect of the acquired property;
- (ii) a sum equal to the sums required to discharge the liabilities referred to in sub-section (1) and sub-section (2) or obligation of whatever kind (including liability in respect of provident fund or superannuation fund or any other fund subsisting with the contract carriage operator on the notified date) in relation to persons who have become the employees of the corporation under sub-section (3) of section 19;
- (iii) the amount due towards the claims of secured creditors.

(4) The claims made under sub-section (1) or sub-section (2) and any dispute regarding the sum to be deducted under sub-section (3) shall be decided by the arbitrator who shall follow such procedure as may be prescribed.

11. Manner of payment of amount for the acquired property.-(1) The amount determined under section 6 shall, ¹[if the acquired property has been delivered to or taken possession of by the State Government, after deduction, if any,]¹ made under this Act, be given in cash by the State Government to the person interested,-

(a) in one lumpsum where the amount does not exceed ten thousand rupees; and

(b) in ten equal annual instalments in other cases the amount of each instalment carrying interest at the rate of six per cent per annum from the notified date.

(2) The first of the annual instalments referred to in clause (b) of sub-section (1) shall be paid within sixty days from the date of the agreement or award, as the case may be, referred to in section 6.

²[(3) The payment of any amount to an operator under sub-sections (1) and (2), shall be subject to production of Income Tax Clearance Certificate.]²

³[(4) The amount deducted under clause (iii) of sub-section (3) of section 10 shall be paid in cash in one lumpsum to the secured creditors with interest at the rate of ⁴[Twelve per cent]⁴ per annum from the date of vesting of the acquired property in the Government to the date of payment and on such

1. Substituted by Act 17 of 1990 w.e.f. 30-8-1990.

2. Inserted by Act 6 of 1979 w.e.f. 22-2-1979.

3. Inserted by Act 17 of 1990 w.e.f. 30-1-1976.

4. Substituted by Act 25 of 1991 w.e.f. 30-1-1976.

payment, the secured creditor shall have no right to claim from the contract carriage operator any more amount by way of interest on such amount.

(5) Notwithstanding anything contained in the foregoing sub-section, but subject to the determination of the amount under section 6, a secured creditor may, if he executes a bond in the prescribed form, and as an interim payment, be paid such sum as the Government may consider to be the probable compensation.]³

12. Appeals from awards in respect of amount.- Any person aggrieved by an award may, within thirty days from the date of such award, prefer an appeal to the High Court:

Provided that the High Court may entertain the appeal after the expiry of the said period of thirty days, if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

13. Arbitrator and authorised officer to have certain powers of civil court.- The arbitrator while holding arbitration proceedings under this Act and the authorised officer while deciding a dispute under section 18 shall have all the powers of a civil court while trying a suit under the Code of Civil Procedure, 1908 (Central Act V of 1908), in respect of the following matters, namely:-

- (a) summoning and enforcing the attendance of any person and examining him on oath;
- (b) requiring the discovery and production of any document or other material object which is produceable as evidence;
- (c) reception of evidence on affidavits;
- (d) requisitioning any public record or a copy thereof from any court or office;
- (e) issuing commissions for the examination of or documents;
- (f) such other matters as may be prescribed.

14. Fresh permit or renewal of the existing permit barred.- Except as otherwise provided in this Act,-

(1) no persons shall on or after the commencement of this Act apply for any permit or fresh permit or for renewal of an existing permit for the running of any contract carriage in the State; and

(2) every application for the grant of a permit or fresh permit or for the

renewal of the existing permit and all appeals or revisions arising therefrom relating thereto made or preferred before the commencement of this Act and pending in any court or with any officer, authority or Tribunal constituted under the Motor Vehicles Act shall abate.

15. Transfer prohibited.- No person shall on or after the commencement of this Act and before the notified date transfer by way of sale or gift, any contract carriage liable to be acquired under this Act except in favour of the State Government or the Corporation, or alter, add or remove any part, fitting or accessory. Where any transfer is made by way of sale in favour of the State Government or the Corporation the price to be paid shall be calculated in accordance with the principles for determining the amount under this Act for such property acquired under this Act.

16. Transfer to be void.- Every transfer of any contract carriage liable to be acquired under this Act in contravention of section 15 shall be void.

17. Administrators.- The State Government may appoint such number of officers as may be considered necessary as administrators to take over the acquired property and to carry out such other duties as may be assigned to them by the State Government for carrying out the purposes of this Act.

18. Appointment of authorised officers.- (1) The State Government may appoint such number of officers as may be considered necessary and possessing such qualifications as may be prescribed as authorised officers for the purposes of this Act.

(2) If any dispute arises as to whether any property referred to in sub-section (2) of section 4 was on the notified date being used for the maintenance or repair of or otherwise in connection with the service of the contract carriages, such dispute shall be decided by the authorised officer in accordance with such procedure as may be prescribed.

(3) Any person aggrieved by any decision of the authorised officers under this Act may, within thirty days from the date of such decision, prefer an appeal to the State Government:

Provided that the State Government may entertain an appeal after the expiry of the said period of thirty days if it is satisfied that the appellant was prevented by sufficient cause from filing the appeal in time.

19. Transfer of acquired property to the Corporation.- (1) The State Government shall, as soon as may be, after the vesting of the acquired

property under section 4, by order transfer the whole of the said property in favour of the corporation.

(2) Where in pursuance of sub-section (1) any contract carriage is transferred to the corporation the permit if any, in respect of such contract carriage shall, notwithstanding anything in the Motor Vehicles Act, be deemed to have been transferred in favour of the corporation and such permits shall be valid for the unexpired period thereof. After expiry of the period the corporation shall be exclusively entitled to the renewal of the permit and an application for the renewal may be made by the corporation at any time before the expiry of the said permit and the period specified in clause (a) of sub-section (2) of section 58 of the Motor Vehicles Act shall not apply to such application

(3) Every person who is a workman within the meaning of the Industrial Disputes Act, 1947 (Central Act 14 of 1947), and has been immediately before the commencement of this Act exclusively employed in connection with the acquired property, shall, on and from the notified date, become an employee of the corporation on the same terms and conditions applicable to the employees holding corresponding posts in the corporation. Any person not willing to become such an employee of the corporation shall be entitled to retrenchment compensation as provided in the Industrial Disputes Act:

Provided that the number of workmen that shall become employees of the corporation under this sub-section shall not exceed the following scale, the junior most being excluded:-

	Scale per vehicle
1. Drivers	.. 1.5
2. Supervision staff and managers	.. 0.1
3. Ministerial and Secretariat staff	.. 0.1
4. Technical staff including Foreman	.. 2.75

Provided further that in the case of such persons to whom labour laws for the time being in force apply, no such termination or alternation of remuneration, terms or conditions of service shall be made except in accordance with such law.

(4) If any question arises as to whether any person referred to in sub-section (3) was exclusively employed in connection with the acquired property

immediately before the notified date, it shall be decided by the authorised officer and an appeal shall lie to the State Government against such decision within such time as may be prescribed.

(5) For the persons who immediately before the notified date were trustees for any pension, provident fund, gratuity or other like fund constituted for the persons referred to in sub-section (3), other than trustees nominated by or under any law, there shall be substituted as trustees, such persons as the State Government may by general or special order specify.

(6) (a) All sums deducted by the State Government under sub-section (3) of section 10 shall stand transferred to the corporation referred to in sub-section (1).

(b) The corporation shall credit the sums transferred to the appropriate funds or if any part of the sums is payable to the employee directly, such part shall be paid to him directly.

(7) The transfer of an employee to the corporation under sub-section (3) shall not entitle any such employee to any compensation and no such claim shall be entertained by any court, tribunal or other authority.

(8) Save as otherwise provided in sub-section (3), the services of every person other than the persons referred to in sub-section (3) employed in connection with the acquired property immediately before the notified date shall stand terminated on and from the notified date and if any such person whose services are so terminated is entitled to any payment by way of gratuity or retirement benefit or for any leave not availed of, or for any other benefits, such person may enforce his claim against his employer under whom he was employed in connection with the acquired property immediately before the notified date but not against the corporation.

20. Corporation to have exclusive privilege of running any contract carriage.- Notwithstanding anything in the Motor Vehicles Act, with effect on and from the notified date,-

(1) all contract carriage permits granted or renewed in respect of any vehicle other than a vehicle,-

- (i) acquired under this Act; or
- (ii) belonging to the corporation ; or
- (iii) referred to in section 24,

shall stand cancelled;

(2) the corporation shall be entitled, subject to the provisions of section 24, to the grant or renewal of contract carriage permits to the exclusion of all other persons; and

(3) no officer or authority shall invite any application or entertain any such application of persons other than the corporation for the grant of permit for the running of any contract carriage.

21. Power to obtain information.- The State Government may, with a view to carrying out the purposes of this Act, by order, require any person to furnish to such officer as may be specified in the order, such information in his possession as may be specified relating to any contract carriage or other property which is acquired or is liable to be acquired under this Act.

22. Power to enter and inspect.- Any officer empowered in this behalf by the State Government by general or special order may enter any premises and inspect the acquired property with a view to carrying out of the purposes of this Act.

23. Services of orders and notices.- (1) Subject to the provisions of this section every order or notice made or issued under this Act shall,-

(a) in the case of any order or notice of a general nature or affecting a class of persons be published in the official Gazette; and

(b) in the case of any order or notice affecting a corporation, be served in the manner provided for the service of summons in rule 2 of Order XXIX or rule 3 of Order XXX as the case may be, in the First Schedule to the Code of Civil Procedure, 1908 (Central Act V of 1908); and

(c) in the case of any order or notice affecting an individual person (not being a Corporation), be served on such person-

(i) by delivering or tendering it to that person, or

(ii) if it cannot be so delivered or tendered, by delivering or tendering it to any adult male member of the family of such person, or by affixing a copy thereof on the outer door or on some conspicuous part of the premises in which that person is known to have last resided or carried on business or personally worked for gain; or failing service by these means,

(iii) by registered post.

(2) Where the ownership of the acquired property is in dispute or where the persons interested in the said property are not readily traceable and the

order or notice cannot be served without undue delay, the order or notice may be served by publishing it in the official Gazette and, where possible, by affixing a copy thereof on any conspicuous part of the acquired property or the premises where the acquired property was ordinarily kept before the date of vesting.

24. Exemptions.- Nothing contained in this Act shall apply to,-

(i) any contract carriage owned, held or operated by the Central Government or any State Government or any company or other authority owned or controlled by the Central Government or any State Government;

(ii) any contract carriage owned, held or operated by or for the benefit of such institution as the State Government may for such period and subject to such terms and conditions approve;

(iii) any contract carriage owned, held or operated under permit issued by any officer or authority situate outside the State and who or which is not under the control of the State Government but subject to such conditions as the State Government may notify.

¹[(iv) any public service vehicle including any vehicle covered by permit issued under section 72 (including reserved stage carriages) or under sub-section (9) of section 88 of the Motor Vehicles Act, 1988 to which a permit under sub-section (8) of section 88 of the said Act is issued.]¹

25. Protection of action taken in good faith.- (1) No suit, prosecution or other legal proceeding shall lie against any person for anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

(2) No suit or other legal proceeding shall lie against the State Government, the administrator or any other officer for any damage caused or likely to be caused by anything which is in good faith done or intended to be done in pursuance of this Act or any rule or order made thereunder.

26. Bar of jurisdiction of civil courts.- Save as otherwise expressly provided in this Act, no civil court shall have jurisdiction in respect of any matter which the State Government or an arbitrator or authorised officer is empowered by or under this Act to determine, and no injunction shall be granted by any court or other authority in respect of any action taken or to be taken in pursuance of any powers conferred by or under this Act.

1. Inserted by Act 2 of 1997 w.e.f. 12-12-1996.

27. Penalty.- Whoever contravenes any provision of this Act or any rule or order made or direction given under this Act or obstructs the lawful exercise of any power conferred by or under this Act shall be punishable with fine, which may extend to two thousand rupees.

28. Certain persons to be public servants.- Every arbitrator, administrator, authorised officer and every other officer empowered by the State Government, while exercising any power or performing any duty under this Act shall be deemed to be a public servant within the meaning of section 21 of the Indian Penal Code (Central Act XIV of 1860).

29. Overriding effect.- Save as otherwise provided in the Act, the provision of this Act shall have effect notwithstanding anything inconsistent therewith contained in the Motor Vehicles Act or in any other law for the time being in force. Any proceeding under Chapter IVA of the Motor Vehicles Act which is pending on the date of commencement of this Act shall abate.

30. Power to make rules.- (1) The State Government may make rules for carrying out the purposes of this Act.

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

(a) the procedure to be followed in arbitration proceedings and appeals under this act;

(b) the principles to be followed in assessing and apportioning the cost of proceedings before the arbitrator;

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

(3) All rules made under this Act shall be published in the official Gazette and unless they are expressed to come into force on a particular day, shall come into force on the day on which they are published.

(4) Every rule made under this Act shall as soon as possible after it is made, be placed on the table of both Houses of the State Legislature, and if, before the expiry of the session in which it is so placed or the next session, both Houses agree in making any modification in any such rule or both Houses agree that the rule should not be made, the rule 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 rule.

31. Repeal of Karnataka Ordinance No. 7 of 1976.- (1) The Karnataka Contract Carriages (Acquisition) Ordinance, 1976 (Karnataka Ordinance No. 7 of 1976) is hereby repealed.

(2) Notwithstanding such repeal,-

(i) anything done or any action taken under the said ordinance, shall be deemed to have been done or taken under the corresponding provisions of this Act;

(ii) anything done or any action taken under the said ordinance shall not be and shall never be deemed to be invalid; accordingly no claim whatsoever in respect of any such thing done or any such action taken shall lie against the State Government or any of its officers.

SCHEDULE

(See section 6)

PRINCIPLES FOR DETERMINATION OF THE AMOUNT

1. (1) In respect of any contract carriage taken over by the State Government, there shall be first determined the acquisition cost of such contract carriage and for any contract carriage registered within the period mentioned in column (1) of the Table below prior to the notified date the amount to be paid shall be the percentage mentioned in the corresponding entry in column (2) of that Table, of the acquisition cost:-

TABLE

Period	Percentage
1	2
1. Not more than six months prior to the notified date	.. 85
2. More than six months prior to the notified date but not exceeding one year	.. 75
3. More than one year but not exceeding two years	.. 70
4. More than two years but not exceeding three years	.. 68
5. More than three years but not exceeding four years	.. 67
6. More than four years but not exceeding five years	.. 66 2/3

7. More than five years but not exceeding six years	..	59
8. More than six years but not exceeding seven years	..	41
9. More than seven years but not exceeding eight years	..	29
10. More than eight years but not exceeding nine years	..	21
11. More than nine years but not exceeding ten years	..	14
12. More than ten years but not exceeding eleven years	..	10
13. More than eleven years but not exceeding twelve years	..	7
14. More than twelve years but not exceeding thirteen years	..	5
15. More than thirteen years	..	4

Explanation.- For the purpose of this paragraph "acquisition cost" shall be the aggregate cost of the chassis as well as the body of the contract carriage as charged by the manufacturer of chassis and by the body builder.

(2) If, in the opinion of the authorised officer, any contract carriage taken over is not road-worthy, such amount as may be determined by him as being the cost likely to be incurred in making the contract carriage road-worthy, shall be deducted from the amount payable for such carriage.

2. In respect of instruments, machinery, tools, plants, apparatus and other equipments other than stores referred to in clause (i) of sub-section (2) of section 4, the amount to be paid shall be the assessed market value.

Explanation.- For the purpose of this paragraph, "assessed marked value" shall be the value of instruments, machinery, tools, plants, apparatus and other equipments other than stores referred to in clause (i) of sub-section (2) of section 4, as on the notified date determined by two assessors, one each nominated in this behalf by the State Government and the person interested and in case of any disagreement between the assessors, such value as determined by the arbitrator.

3. In respect of land, the amount to be paid shall be the market value of the land fixed by the Deputy Commissioner of the district in accordance with the Land Acquisition Act, 1894 (Central Act I of 1894), without the element of solatium provided in that Act.

4. In respect of buildings, the amount to be paid shall be the market value of the building as estimated by an officer not below the rank of an Executive Engineer of the Public Works Department of the State Government.

5. In respect of workshops, the amount to be paid shall be the aggregate amount payable under paragraph 2 and the amount payable under paragraphs 3 and 4.

6. (1) In respect of stores used for the maintenance of a contract carriage the amount to be paid shall be the book value of such stores.

Explanation.- For the purpose of this paragraph, "book value" shall mean the value on the date immediately preceeding the notified date as shown in the last balance sheet by the contract carriage operator.

(2) Where the book value is not available the amount to be paid shall be as on the notified date determined by two assessors, one each nominated in this behalf by the State Government and the person interested and in case of any disagreement between the assessors, such value as determined by the arbitrator.

7. In addition to the amount payable under paragraphs 1 to 6, for every permit acquired under this Act, there shall be paid.-

(i) a sum of one hundred rupees, where the unexpired period of the permit is less than fifteen days; and

(ii) in any other case, a sum of two hundred rupees for every complete month, or part of a month exceeding fifteen days of the unexpired period of the permit:

Provided that the amount payable under this paragraph shall in no case be less than four hundred rupees.

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