

**GOVERNMENT OF INDIA
ROAD TRANSPORT AND HIGHWAYS
LOK SABHA**

UNSTARRED QUESTION NO:2191
ANSWERED ON:23.11.2010
AMENDMENT IN ROAD TRANSPORT CORPORATION ACT
Dhanaplan Shri K. P.

Will the Minister of ROAD TRANSPORT AND HIGHWAYS be pleased to state:

- (a) whether the Government is planning to amend the Road Transport Corporations Act;
- (b) if so, the details thereof alongwith the proposed amendments that the Government is planning to bring in;
- (c) whether the State road transport corporations be given more powers in this process; and
- (d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF ROAD TRANSPORT AND HIGHWAYS (SHRI MAHADEO SINGH KHANDELA)

(a) & (b): The Government had constituted a Committee under the chairmanship of Shri A.L. Agarwal, Prof. (Retd.), IIT Delhi to review the Road Transport Corporations Act, 1950 has submitted its report on 26-08-2010. The Committee have recommended certain amendments in the Road Transport Corporations Act, 1950. Major amendments suggested by the committee are as under:

i Amendment in Section 19 to make it mandatory for the states to pay for the obligatory services carries out by the corporations on behalf of the states.

ii Amendment in Section 19 to allow the SRTCs to fix their fare within the overall ceiling/floor prescribed by the states

iii Amendment in section 26 to empower the corporations to raise loans without prior consent of the state government under certain conditions.

iv Amendment in Section 17 A to restrict the states to create any subsidiary corporation with the objective of deviating from the primary objective of providing road transport services. The right of final decision on the matter of real estate issues shall have to be with the parent corporation

(c) & (d): The amendments recommended by the Committee aim at empowering the State Road Transport Corporations to strengthen themselves financially and take measures for the betterment of the corporation with reasonable independtness.