

**RAILWAY COMPANIES (SUBSTITUTION OF PARTIES IN
CIVIL PROCEEDINGS) ACT, 1946**

14 of 1946

[18th April, 1946]

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STATEMENT OF OBJECTS AND REASONS "Government acquired the Bengal Nagpur Railway on the 1st October, 1944 and assumed responsibility for the contractual obligations of the Bengal-Nagpur Railway Company while succeeding to its rights. In order to relieve the liquidators of responsibility in a number of suits pending in Law Courts, efforts were made to secure the substitution of Governor-General in Council in place of the Company, but without success, as some of the plaintiffs objected to this course. Similar difficulty has also arisen in respect of the 'Bengal and North Western' and 'Rohilkund and Kumaon' Railways which were purchased on the 1st January 1943, but the liability in respect of which was accepted by the Government only recently as a part of the final settlement reached with the liquidators in England, through the Secretary of State after protracted negotiations. The liquidators are naturally anxious to complete the liquidation without undue delay and the Secretary of State has urged the desirability of relieving them early of the liabilities which devolve upon the Government. The Government have been advised that the legal position is not free from difficulty as the transfer of the liability by the Company to the Government will not bind the person who is entitled to enforce such liability against the Company. It has, therefore, been considered

desirable, to introduce legislation in order to enable the Governor-General in Council to be substituted in the place of the Companies and to relieve the Companies of their responsibility in the pending civil proceedings."-Gazette of India, 1946, Part V, page 170.

1. Short title :-

This Act may be called The Railway Companies (Substitution of Parties in Civil Proceedings) Act, 1946.

2. Interpretation :-

In this Act, "civil proceeding" includes an appeal or execution proceeding.

3. Substitution of Governor-General in Council in certain civil proceedings :-

(1) In every civil proceeding pending at the commencement of this Act to which the Bengal-Nagpur Railway company Limited, or the Bombay, Baroda and Central India Railway Company, or the Bengal and North Western Railway Company Limited, or the Rohilkhand and Kumaon Railway Company Limited, is a party and which is founded on any right or liability assumed by the Central Government under certain arrangements made by the Central Government with the said Companies, the Governor-General in Council shall, notwithstanding anything to the contrary in Code of Civil Procedure, 1908, be deemed to be substituted in the place and stead of the Company, and every such proceeding may be continued by or against the Governor-General in Council accordingly, and the Company shall be discharged from all liability in connection with the proceeding.

(2) References in sub-section (1) to any Company shall be construed as including references to the liquidators of that Company.