

THE NATIONAL HIGHWAYS AUTHORITY OF INDIA ACT, 1988

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# THE NATIONAL HIGHWAYS AUTHORITY OF INDIA ACT, 1988

ACT NO. 68 OF 1988

[16th December, 1988.]

An Act to provide for the constitution of an Authority for the development, maintenance and management of national highways and for matters connected therewith or incidental thereto.

BE it enacted by Parliament in the Thirty-ninth Year of the Republic of India as follows:—

## CHAPTER I

### PRELIMINARY

**1. Short title, extent and commencement.**—(1) This Act may be called the National Highways Authority of India Act, 1988.

(2) It extends to the whole of India.

(3) It shall come into force on such date<sup>1</sup> as the Central Government may, by notification in the Official Gazette, appoint.

**2. Definitions.**—In this Act, unless the context otherwise requires,—

(a) “Authority” means the National Highways Authority of India constituted under section 3;

(b) “Chairman” means the Chairman of the Authority;

(c) “employee” means a person in the full-time service of the Authority;

(d) “member” means a member of the Authority appointed under section 3 and includes the Chairman;

(e) “national highway” means any highway for the time being declared as a national highway under section 2 of the National Highways Act, 1956 (48 of 1956);

(f) “prescribed” means prescribed by rules made under this Act;

(g) “regulations” means regulations made by the Authority under this Act;

(h) words and expressions used herein and not defined but defined in the National Highways Act, 1956 (48 of 1956) shall have the meanings assigned to them in that Act.

## CHAPTER II

### THE NATIONAL HIGHWAYS AUTHORITY OF INDIA

**3. Constitution of the Authority.**—(1) With effect from such date as the Central Government may, by notification in the Official Gazette, appoint in this behalf, there shall be constituted for the purposes of this Act an Authority to be called the National Highways Authority of India.

(2) The Authority shall be a body corporate by the name aforesaid having perpetual succession and a common seal, with power, subject to the provisions of this Act, to acquire, hold and dispose of property, both movable and immovable, and to contract and shall by the said name sue and be sued.

<sup>2</sup>[(3) The Authority shall consist of—

(a) a Chairman;

(b) not more than six full-time members; and

(c) not more than six part-time members,

to be appointed by the Central Government by notification in the Official Gazette:

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1. 15th June, 1989, *vide* notification No. S.O. 451(E), dated 15th June, 1989, *see* Gazette of India, Extraordinary, Part II, sec. 3(ii).

2. Subs. by Act 19 of 2013, s. 2, for sub-section 3 (w.e.f. 10-9-2013).

Provided that the Central Government shall, while appointing the part-time members, ensure that at least two of them are non-Government professionals having knowledge or experience in financial management, transportation planning or any other relevant discipline.]

**4. Term of office and conditions of service of members.**—The term of office and other conditions of service of the members shall be such as may be prescribed.

**5. Disqualifications for appointment as member.**—A person shall be disqualified for being appointed as a member if he—

(a) has been convicted and sentenced to imprisonment for an offence which, in the opinion of the Central Government, involves moral turpitude; or

(b) is an undischarged insolvent; or

(c) is of unsound mind and stands so declared by a competent Court; or

(d) has been removed or dismissed from the service of the Government or a Corporation owned or controlled by the Government; or

(e) has, in the opinion of the Central Government, such financial or other interest in the Authority as is likely to affect prejudicially the discharge by him of his functions as a member.

**6. Eligibility of member for reappointment.**—Subject to the other terms and conditions of service as may be prescribed, any person ceasing to be a member shall be eligible for reappointment as such member.

**7. Meetings.**—(1) The Authority shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings, including the quorum thereat, as may be provided by regulations.

(2) If for any reason the Chairman is unable to attend any meeting of the Authority any other member chosen by the members present at the meeting shall preside at the meeting.

(3) All questions which come up before any meeting of the Authority shall be decided by a majority of votes of the members present and voting, and in the event of an equality of votes, the Chairman, or in his absence the person presiding, shall have and exercise a second or casting vote.

**8. Vacancy in the Authority not to invalidate proceedings.**—No act or proceeding of the Authority shall be invalidated merely by reason of—

(a) any vacancy in, or any defect in the constitution of, the Authority; or

(b) any defect in the appointment of a person acting as a member of the Authority; or

(c) any irregularity in the procedure adopted by the Authority not affecting the merits of the case.

**9. Appointment of officers, consultants and other employees of the Authority.**—(1) For the purpose of discharging its functions, the Authority shall appoint such number of officers and other employees as it may consider necessary on such terms and conditions as may be laid down by the regulations.

(2) The Authority may appoint, from time to time, any person as adviser or consultant as it may consider necessary, on such terms and conditions as may be laid down by the regulations.

**10. Authority to act on business principles.**—In the discharge of its functions under this Act, the Authority shall act, so far as may be, on business principles.

### CHAPTER III

#### PROPERTY AND CONTRACTS

**11. Power of the Central Government to vest or entrust any national highway in the Authority.**—The Central Government may, from time to time, by notification in the Official Gazette, vest in, or entrust to, the Authority, such national highway or any stretch thereof as may be specified in such notification.

**12. Transfer of assets and liabilities of the Central Government to the Authority.**—(1) On and from the date of publication of the notification under section 11,—

(a) all debts, obligations and liabilities incurred, all contracts entered into and all matters and things engaged to be done by, with, or for, the Central Government, immediately before such date for or in connection with the purposes of any national highway or any stretch thereof vested in, or entrusted to, the Authority under that section, shall be deemed to have been incurred, entered into and engaged to be done by, with, or for, the Authority;

(b) all non-recurring expenditure incurred by or for the Central Government for or in connection with the purposes of any national highway or any stretch thereof, so vested in, or entrusted to, the Authority, up to such date and declared to be capital expenditure by the Central Government shall, subject to such terms and conditions as may be prescribed, be treated as capital provided by the Central Government to the Authority;

(c) all sums of money due to the Central Government in relation to any national highway or any stretch thereof, so vested in, or entrusted to, the Authority immediately before such date shall be deemed to be due to the Authority;

(d) all suits and other legal proceedings instituted or which could have been instituted by or against the Central Government immediately before such date for any matter in relation to such national highway or any stretch thereof may be continued or instituted by or against the Authority.

(2) If any dispute arises as to which of the assets, rights or liabilities of the Central Government have been transferred to the Authority, such dispute shall be decided by the Central Government.

<sup>1</sup>[**13. Compulsory acquisition of land for the Authority.**—Any land required by the Authority for discharging its functions under this Act shall be deemed to be land needed for a public purpose and such land may be acquired for the Authority under the provisions of the National Highways Act, 1956 (48 of 1956).]

**14. Contracts by the Authority.**—Subject to the provisions of section 15, the Authority shall be competent to enter into and perform any contract necessary for the discharge of its functions under this Act.

**15. Mode of executing contracts on behalf of the Authority.**—(1) Every contract shall, on behalf of the Authority, be made by the Chairman or such other member or such officer of the Authority as may be generally or specially empowered in this behalf by the Authority and such contracts or classes of contracts as may be specified in the regulations shall be sealed with the common seal of the Authority:

Provided that no contract exceeding such value or amount as the Central Government may prescribe in this behalf shall be made unless it has been previously approved by that Government:

Provided further that no contract for the acquisition or sale of immovable property or for the lease of any such property for a term exceeding thirty years and no other contract exceeding such value or amount as the Central Government may prescribe in this behalf shall be made unless it has been previously approved by that Government.

(2) Subject to the provisions of sub-section (1), the form and manner in which any contract shall be made under this Act shall be such as may be provided by regulations.

(3) No contract which is not in accordance with the provisions of this Act and the regulations shall be binding on the Authority.

## CHAPTER IV

### FUNCTIONS OF THE AUTHORITY

**16. Functions of the Authority.**— (1) Subject to the rules made by the Central Government in this behalf, it shall be the function of the Authority to develop, maintain and manage the national highways and any other highways vested in, or entrusted to, it by the Government.

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1. Subs. by Act 16 of 1997, s. 6, for section 13 (w.e.f. 24-1-1997).